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MALAYSIAN TIMBER INDUSTRY BOARD



VOL 6
JUNE 2020

WELCOME NEW CHAIRMAN OF MTIB



■ THE FOURTH
INDUSTRIAL
REVOLUTION (IR 4.0)

■ MALAYSIAN BAMBOO INDUSTRY
DEVELOPMENT ACTION PLAN
2021 – 2030 WORKSHOP





3



9



17



20



22



23



CONTENTS

HIGHLIGHTS

3 Welcome New Chairman of MTIB

9 Courtesy Visit of New Chairman to MTIB

17 The Fourth Industrial Revolution (IR 4.0)

19 Opportunities in the US for Sustainable Furniture

20 Making a Comeback

22 Briefing on Timber Import Export Rules and Regulations (TIER)

23 Malaysian Bamboo Industry Development Action Plan 2021 - 2030 Workshop

30 Gapis



REGULAR FEATURES

4 Timber World in Brief

10 Shipping News

12 Timber Round-Up

14 Domestic Trade News

25 Market Profile : Indonesian Timber Industry and the Importance of SVLK for Boosting Wood Products Exports

32 MTIB Moments

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Cover : For more details on Welcome New Chairman of MTIB, please read page 3

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WELCOME NEW CHAIRMAN OF MTIB

MTIB is pleased to announce and congratulate YB Tuan Jugah Muiyang on his appointment as the new Chairman of MTIB. He succeeds YB Tuan Wong Tack effective from 1 June 2020. He is the current Member of Parliament for Lubok Antu, Sarawak.

YB Jugah, 56, was born on April 3, 1964 in Nanga Kumpang Engkili, Lubok Antu, Sarawak. YB Jugah, who holds a Master's Degree in Project Management and Bachelor of Human Resource Management from Open University Malaysia (OUM) started his career in the government sector as a Meteorology Officer in 1986. Based on his contributions to the state of Sarawak, he received several awards including *Ahli Bintang Sarawak* (ABS) in September 2011 and *Pingat Perkhidmatan Setia* (PPS) in November 2012.

MTIB's Board Members and its management team would like to take this opportunity to wish YB Jugah success in all endeavors and we look forward to his leadership as the new Chairman. We also thank preceding Chairman YB Tuan Wong Tack for his leadership and guidance during his tenure.

YB TUAN JUGAH MUYANG
Chairman
Malaysian Timber Industry Board (MTIB)





VIET NAM

FORESTRY EXPORTS REACH 5.3 BILLION USD IN SIX MONTHS

Export revenue of forestry products hit over USD 5.3 billion in the first six months of 2020, up 2.7 percent over the same period last year, reported the Vietnam Administration of Forestry.

The administration predicted that in the whole year, total export will reach between USD 11.75 to USD 12 billion.

In the first half of this year, Vietnam imported 1.12 billion worth of wood and wood products, down 8.8 percent year on year. The agency estimated the yearly figure at around USD 2.55 billion, the same as in 2019.

In the first six months, 106,300 hectares of forest were planted, fulfilling 48.3 percent of the yearly target of 220,000 hectares.

en.vietnamplus.vn, 13th July 2020



ASIA

HIGH DEMAND PUTS PRESSURE ON LEAD TIMES FROM ASIA PLANTS

Sustained consumer demand for furniture at retail has been one of the silver linings the industry has seen evolving out of the COVID-19 pandemic.

Now that demand is starting to become a challenge, particularly as overseas factories are just starting to come online after being shut down for weeks earlier this spring. Lead times have been extended so much that many importers say they can't get products shipped until sometime during the fourth quarter for orders placed now.

The situation is not unique to any one country in Asia. In fact, importers say there are shipping delays from China, Vietnam, Malaysia, India and even

Indonesia. Part of the reason has to do with the fact that many factories are struggling to rehire workers following shutdowns and furloughs earlier this past spring. That leaves some with limited capacity to produce for major markets such as the U.S., not to mention Europe and the Middle East.

In addition, there is competition for existing capacity from larger retailers and importers alike that are fueling factories' push for higher minimum order quantities aimed at boosting efficiencies as they ramp up. Up to now many importers have been in a good position due to high inventory levels that sustained their operations in May and June, particularly as retail in the U.S. opened back up. But those inventories are starting to dwindle.

That leaves many in need of new products at a time when factories are stretched to their capacity.

"A lot of the bottleneck has to do with factories conservatively ramping back up," said H. Kelly, senior vice president, case goods and outdoor furniture at Klaussner Home Furnishings, which sources nearly all of its case goods line in Viet Nam. "Some had to shut down due to COVID-19 and had furloughs.

"What happened to us is we ramped up for Chinese New Year; then COVID-19 hit, and everything sort of shut down," he added. "We still had a bubble of inventory, but now the inventory has been depleted. The demand has been very strong for us. Now we are trying to play catch up. We are bulking back up on inventory that is tried-and-true products - products that sell. We are not bulking back up on new stuff."

The challenge for Klaussner and others is competing for capacity with other manufacturers in its source factories in Viet Nam and other parts of Asia. As a result, lead times are reportedly extending from 90 to 120-plus days from the time of order till when it ships from the factory. Then there is another 30-45 days on the water, which means that orders that come in now won't likely hit retail until mid-December.

Others are saying to expect some products even later, particularly from places like Malaysia, India and even China.

"It is filling up everywhere," said Dean Banks, general manager of case goods and upholstery resource Emerald Home Furnishings. "It is supply and demand, and with business taking off the way it is ... factories are pretty much filled up for November. We are already starting our Chinese New Year forecasting."

He noted that although it depends on the factory, orders placed today for products from Viet Nam will ship in November, meaning products probably won't hit retail floors until the end of December. Goods shipped later might not arrive until even after the first quarter of the year.

For example, goods such as bedroom and dining shipped from Malaysia is not expected to ship before the end of November, meaning the products likely won't hit retail until sometime in January.

"I think everyone is in the same boat," Banks said, adding that dealers are being asked to get orders in now for product to be shipped before Chinese New Year. "We are doing everything we can to get them the products. It is feast or famine right now. Everything is getting pushed back.

"It also depends on how big you are, too. Are you going to be at the top of the list or slide to the bottom? It is a pretty tough time right now."

Banks noted Emerald is fortunate to have just added a warehouse in Lexington, N.C., which is already shipping products. Some 100 containers now on the water are targeted to hit the warehouse by late August. Another 200 are expected to land in September, which will allow retailers plenty of products on hand for the fall selling season.

Don Essenberg, president of case goods importer Legacy Classic Furniture, said the company finds itself in a strong inventory position that it expects to carry it through the fall.

"The forecast is to get us through the fall selling season, but no one knows what that means," he said of whether demand will continue amidst ongoing uncertainties with COVID-19.

"No one wants to be sitting on a bunch of inventory if the consumer can't shop or doesn't feel comfortable shopping," he added.

Essenberg said the current situation with tight shipment schedules results largely from Asian factories downsizing during the slowdown due to the cancellation of orders from the U.S. What surprised many — factories, wholesalers and retailers alike — was the way consumer demand surged once retail reopened in late April and early May.

"What we are hearing is that they are trying to ramp up; it depends on the number of workers you can get," he said of the Asian factories. "It passes the logic test. If you reduced your order intake and didn't plan for demand picking up like it did, you are scrambling. If you don't have inventory, you can't service floor placements."

While he expects the company's strong inventory position will carry it through the fall, the future beyond that is unknown.

"You have to work three weeks out to get containers and space on a ship, and if your production ends in November, you are still look at 60 days. It's July, and we are now booking orders to get before Chinese New Year."

Of course, none of this means consumers won't find any products at retail at the end of the year or early 2020. However, their choices could be limited, forcing them to settle for their second or third choice vs. their first choice of product. Thus retailers could have to work harder to land the sale, particularly due to competition from e-commerce players such as Amazon and Wayfair.

Moe Samieian Jr., president of Moe's Home Collection, said that not all factories are having trouble shipping. Some, he noted, can ship in October or roughly 45 to 50 days from the time of order. For example, he noted, sources in Viet Nam are pretty much on a normal schedule, only facing delays of roughly 10 days.

"Their production time isn't that much different than normal," he said of source factories in Viet Nam.

But he added of China in particular that "we almost have no factories that will produce in less than 70 days from the time of order." With another 30 days on the water plus delivery times, some products may not hit retail until sometime in mid-autumn. This includes one of its source plants in China that can't deliver to the West Coast until late October or early November.

"Where we have the biggest swing is China," he said of the nearly 80-day lead times versus a more typical 45. "I can see November out of China... unless you have inventory that is not spoken for or not sold, you will not be able to fulfill anything new until November."

And with countries such as India, he said, "The best case we are talking about is delivering in the New Year." That projection factors in not only lead times of up to 120 days, but also an estimated 50 days transit time to the west coast. "So now you are at six months."

"India is a big struggle as some of the factories were closed 45 to 60 days," he said. "Then they took time to rehire and train. This is potentially a four- to six-month kind of issue. They are much slower getting products out. This has also happened to us in China. Due to COVID-19, they have slowed down orders for two months."

As with others, one of the big challenges at Moe's has been managing inventory throughout the pandemic. High demand in June and early July, while indeed welcome, eventually caused a drop in inventory levels.

"As COVID-19 hit, we didn't slow down our ordering," Samieian said of the push to be in a strong inventory position in the spring and beyond. "When things got back to normal, we were back to the best inventory positions we have been in. For August and September, we are forecasting it being lower than we want it to be.

up year-over-year, and that has taken a hit on our inventory, so in August we will be looking for some products. We will definitely hit a low point in August and September.”

Dan Kendrick, president of case goods resource Progressive Furniture, said that most of the factories it deals with in Malaysia and Indonesia are quoting October and November for new shipments, with some running into December.

“With the factories we deal with, we started to order heavy in April and maybe as early as March because we saw this coming and knew they were going to shut down,” he said, of the push to be in a strong inventory position in spring and beyond. “We wanted to get as much (products) as we could.

“Viet Nam may be a little better because of the capacity we have,” he added, noting that Progressive also has tried to order additional quantities to be able to service its dealers.

Kendrick noted that because they haven’t been able to get workers, some of the small to mid-size factories Progressive works with are running at 40% to 50% capacity.

In addition, some have had trouble getting raw materials ranging from hardware to cartons. “It is not all labor. Some of it is raw materials. Raw materials and supplies are difficult for factories in Malaysia and Vietnam when they are getting those materials from China.”

Rob Halsten, vice president, marketing for Chromcraft Revington Douglas, said the surge in demand affects almost every category coming from Asia, from accent pieces to upholstery.

“What I am picking up is that it is difficult right now,” he said. “The economy has really exploded, and consumers are sick and tired of looking at what is in their home. They are looking for something new, and they want to get it right away. This has taken everyone by surprise. No one can get their pipelines filled.”

He said the situation is further compounded by issues ranging from higher minimum order quantities at factories to large retailers taking up much of the capacity at those same plants. Add in worker shortages, and the situation gets even more challenging.

“It is almost unprecedented to have something like this all across the board,” he said, noting he hasn’t seen anything like it in his 38 years in the industry. “It is almost unbelievable.”

www.furnituretoday.com, 27 July 2020



TIMBER 2020 GOES ONLINE

The wood technology society (wts) has announced that timber 2020 will now be delivered via a virtual conference. This is due to the ongoing coronavirus outbreak and restrictions on travel and the need for social distancing. The date of the event which is September 9-10, remains the same.

“The move to a virtual event presents some new opportunities for the way that the conference will be structured, and we are sure we can maintain full participation by delegates, with a range of styles of discussion, networking and social activity sessions,” said a spokesperson. “We have access to a great platform for this virtual event through the IOM3 conferencing facilities. We look forward to gathering for the presentations, discussions, and Q&A and networking sessions.

The conference will span all topics related to timber – from the largest structures to the smallest models of the influence of ultrastructure on performance. Topics will range from preservation to panel products and modified wood to engineered lumber.

The provisional programme includes Martin Ansell speaking on massive timber structures; Alicia Przystup, Hannah Schrempf and Giedrius Visniauskas and Thomas Reynolds speaking on CLT connection behaviour under extreme deformations and its influence on structural robustness in large timber structures.

David Trujillo will present on developing ISO standards for bamboo, while Nick Meech and George Fereday will discuss the XR beam – a trussed hardwood beam for value-added use of roundwood thinnings in the South-East of England.

Tabitha Binding, of Trada and the TTF will speak on the subject of teaching timber, while Dan Ridley-Ellis and Marlene Cramer will answer questions on density. Janet Sycamore will present on the timber decking & Cladding Association’s work to establish a quality scheme for wood-plastic composite decking.

www.ttjonline.com, 31 July 2020



GHANA

DISCUSSIONS ON NATIONAL BIODIVERSITY POLICY CLOSE TO COMPLETION

The Ministry of Environment, Science, Technology and Innovation (MEST) has reported that the government is finalising a National Biodiversity Policy aimed at ensuring the protection, restoration and sustainable use of terrestrial ecosystems, the sustainable management of forests and the combating of desertification.

The MEST Minister, Prof. Kwabena Frimpong-Boateng, stressed the need for people to adopt positive lifestyles to reverse biodiversity loss to help preserve, protect and promote natural resources for the benefit of future generations.

Biodiversity loss is a key element under the implementation of the Forestry Development Master Plan (2016 – 2036) that will contribute to the attainment of the Sustainable Development Goal (SDG) to manage forests and combat desertification, halt and reverse land degradation and halt biodiversity loss.

www.globalwood.org, 16-30 July 2020



AUSTRALIA

HYNE GETS WOOD ON TIMBER IMPORTS WITH NEW FACILITY

State Development Minister Kate Jones has today officially opened a new USD 23 million timber processing factory in Maryborough.

The facility belonging to Queensland company, Hyne Timber was built with support through the Palaszczuk Government's USD 175 million Jobs and Regional Growth Fund.

Ms Jones said Hyne Timber's new state-of-the-art glue laminated timber processing plant was a job generator and a game-changer for the building and construction industry.

"Major construction projects are vital to rebuilding our economy and creating local jobs into the future," Ms Jones said.

"Construction of this factory has supported around 80 jobs. Once it's fully operational, this new processing plant is tipped to create more than 40 local jobs.

"This is a Queensland company that is partnering with the government to create jobs for locals when they need them most.

"This project will help to grow their business and their capacity to create more jobs in regional Queensland."

The new plant will focus on the large-scale production of glue laminated timber that has applications in the residential and mass timber commercial construction markets.

www.miragenews.com, 6 August 2020



UNITED STATES

WOOD PRODUCTS AND FURNITURE LEAD MANUFACTURING ONCE AGAIN FOR JULY

U.S. manufacturing rose once again in July and is now the strongest it has been in 18 months.

The Institute for Supply Management's (ISM) monthly manufacturing index hit 54.2 percent for the month, the highest reading since March 2019 and beating out last month by 1.6 percentage points.

A reading above 50 percent indicates growth in manufacturing, which amounts to around 11 percent of the total U.S. economy. New orders rose substantially (up 5.1 percent to 61.5), the backlog of orders increased 6.5 percent to 51.8, and employment increased 2.2 percent to 44.3 - a softer decline.

"The growth cycle continues for the second straight month after three prior months of COVID-19 disruptions," says Timothy R. Fiore, ISM chair. "Demand and consumption continued to drive expansion growth, with inputs remaining at parity with supply and demand."

Just like in June, wood products and furniture led the charge. Following wood products were textile mills; printing, food, beverage and tobacco; and plastic and rubber products.

Of the 18 manufacturing industries, 13 reported growth in July. ISM says three industries saw contractions: Transportation Equipment, Machinery, and Fabricated Metal Products.

www.woodworkingnetwork.com, 4 August 2020



Malaysian Wood
Standing on Excellence

Shaping the Timber Industry of Malaysia

Spot the difference

They look similar, are made from the same type of hardwood and have similar price tags. The only difference is that one came from a rainforest and the other from a plantation.

Every year, millions of trees are felled to fulfill the demands of the timber industry. Problems arise when these trees are not replaced as fast as they are taken, causing a multitude of environmental problems.

MTIB is fully aware of the need for renewable resources. One solution is forest plantation, where trees are planted specifically for commercial purposes. Not only does it provide a steady supply of timber, it also works to the advantage of our environment.

We care about the environment as much as we care about the timber industry, which is why it is important for us to come up with solutions that benefit both – because beautiful furniture doesn't have to come with a high environmental price tag.



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

For more information, contact:

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facebook.com/pages/Malaysian-Timber-Industry-Board



COURTESY VISIT OF NEW CHAIRMAN TO MTIB



YB Tuan Jugah Muiyang is signing a guestbook, witnessed by Encik Mohd Kheiruddin Mohd Rani.

YB Tuan Jugah Muiyang, the new Chairman of MTIB held his first courtesy visit to MTIB headquarters on 17 June 2020. He was welcomed by Encik Mohd Kheiruddin Mohd Rani, Director General of MTIB and introduced to the management of MTIB.

During the visit, YB Chairman was informed of the roles and functions of MTIB and its core businesses as well as the current status of the Malaysian timber industry, its issues and challenges. He was also presented with a report on the status of the operation mills

approved by MTIB during the Movement Control Order (MCO). He thanked the management of MTIB for the briefing and introduction session and expressed great interest to be part of MTIB as well as the Malaysian timber industry. 



Discussion with the new chairman.

May 2020

Malaysia

Shippers, manufacturers face financial burden due to delays in cargo collection, says MNSC

The delays in collecting cargoes during the movement control order (MCO) period has resulted in accumulated charges, causing financial burden to local shippers and manufacturers, says Malaysian National Shippers' Council (MNSC) chairman Datuk Dr Andy Seo Kian Haw.

"We call for the Ministry of Transport's (MOT) intervention once again, this time with the shipping lines and we hope that the MOT will urge them to waive or to provide discounts on demurrage and detention charges due to delays in the collection of cargoes held during the MCO period," he said in a statement.

The MNSC commended the timely intervention of the MOT in urging port authorities to waive port-related charges have led Port Klang, as well as the port authorities of Johor and Sabah to grant a waiver on port storage charges during the MCO period, which has greatly reduced the burden of financial losses that shippers will need to bear during this difficult period.

Seo said government intervention is important in ensuring shippers' ability to cope with the situation and their survival during this unprecedented period, failing which there would be a detrimental impact on the economy. Besides that, he noted that the International Maritime Organisation Low Sulphur Fuel Surcharge was imposed collectively by shipping lines, effectively Feb 1 this year at a fix rate of RM9 per metric or cubic metre (m³) on top of the current applicable bunker surcharge.

"Furthermore, the quantum is fixed based on the increased bunker. However, in the past few weeks, the bunker price has come down significantly. The MNSC is of the view that there should not be a fixed rate that applies to everyone as it infringes the competition law and does not promote competition amongst shipping lines," he added.

MNSC is also concerned about the development of export performance, whereby Malaysia's exports of goods and services declined for a third consecutive quarter by 7.1% in the first

quarter of this year (4Q19: - 3.4%). Shippers' activities have been further dampened due shut-out of ports around the world and this is another factor causing a slowdown in imports and exports as the supply chain is affected. "This issue is further exacerbated as most ports in the world practise a 14-day quarantine for the crew and cargoes for import shipments and thus, this limits the shipping services which inadvertently increases the cost of shipping.

"Based on feedback from shippers, we also note the increase in logistic costs of between 10% and 20%, which will further cripple Malaysia's export competitiveness during this recovery period," he said. — Bernama

Source: The Malay Mail

Asia

Europe rates up 5% to USD780/TEUs, USWC soar 13.7% to USD1,471/ FEUs

SPOT rates for shipping containers from Asia to Northern Europe in the week ending Friday was up 5% to USD780 per TEUs, while the Shanghai-Mediterranean run was up 4.2% to USD740 per TEUS, according to the Shanghai Containerised Freight Index (SCFI).

The SCFI recorded a 13.7% surge on the Shanghai-US west coast leg to USD1,471 per FEUs while China-US east coast rates remained flat at USD2,541 per FEUS "due to Panama draught restrictions underpinning rates on the trade," reports London's The Loadstar.

Source: Aseanshipper

Russia

Russia's Main Department of State Expertise approves construction of MSCC Bronka Terminal

Glavosexpertiza (Russia's Main Department of State Expertise) says that its experts have considered and approved the design documentation and engineering survey findings for the first phase of the project on construction of MSCC Bronka terminal in Big Port St. Petersburg.

The Phase I of the project on construction of the new multipurpose terminal is intended for accepting, loading and unloading of vessels,

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, May 2020

Product	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports M³	% Change May 2020/ April 2020
	M³	% Change May 2020/ April 2020	M³	% Change May 2020/ April 2020	M³	% Change May 2020/ April 2020	M³	% Change May 2020/ April 2020	M³	% Change May 2020/ April 2020		
Sawntimber	34,790	144	5,494	100	1,134	126	172	23	5,026	6	46,616	138
MDF	10,685	34	0	100	1,426	-49	922	17	7,245	-7	20,278	5
Mouldings	8,738	62	124	100	1,736	6	324	-14	853	304	11,776	55
Plywood	1,571	80	0	100	2	100	192	-9	7,170	-13	8,935	-4
Veneer	226	1,129	0	100	0	0	0	0	174	-51	400	7
Particleboard	21,704	70	164	100	200	100	0	0	950	-32	23,019	63
TOTAL	77,715	88	5,782	100	4,497	-9	1,610	6	21,419	-6	111,023	58

Source : MTIB

transshipment of cargo from seaborne transport onto road transport and back. The project foresees the construction of a berth with a waterfront of 324.45 meters, operational space, seawater intake and fire extinguishing pump station, as well as protection of 476.32 meters of coast.

According to the statement, the new berth will be able to handle coastal trade cargo directly without storing. Foreseen is handling of oversized and overweight equipment by ship cranes and containers by Liebherr LHM 800 cranes of 308 tonnes in capacity as well as loading of inert aggregates by shiploading equipment. With the completion of Phase I, the facility will have a capacity of 1.250 million tonnes per year. The project document was developed by Baltmorproekt LLC. The facility will be owned and financed by Fenix LLC.

Port Bronka is the only deep-water port in Petersburg, Russia. The port handles containers, projects, break bulks and ro-ro cargoes. The current capacity of the port is 500 000 TEUs and 130 000 units of ro-ro cargo per year. Further development plans include an increase in the container cargo capacity to 1.9 million TEUs per year and ro-ro cargo of up to 200 000 units per year.

Source: PortNews



China

JD.com re-introduces air cargo service from Shenzhen to Wuxi

Beijing-headquartered online marketplace JD.com has re-launched its dedicated all-cargo operation from Shenzhen to Wuxi at the beginning of the month through a new partnership with Zhejiang Loong Airlines.

The company said that the dedicated Boeing 737-300F, which is branded with the JD Express logo, will enable it to provide faster and more reliable delivery service to customers in the Yangtze River Delta and Great Bay Area.

"Customers who place orders in the afternoon can receive them the next morning, expanding coverage at this speed by 300% to 24 cities," JD.com said in a statement. The service will initially fly six round trips a week, covering business-to-customer transportation and individual parcel delivery throughout China. The company has also opened this service to third party merchants and partners beyond the JD platform, reports London's Air Cargo News.

"The use of an all-cargo aircraft is more reliable and flexible than the common alternative of belly-hold capacity on civil passenger airlines because flight times can be adjusted according to industry demand," it said. "In full capacity, this aircraft can load 14 tonnes of goods, covering 130 cubic metres, about ten times the amount of belly-hold capacity on a single civil passenger aircraft."

JD has already partnered with industry leading airlines, including China Southern Airlines, Air China Cargo and China Eastern Airlines.

Looking ahead, JD plans to open more all-cargo flights from Wuxi to Tianjin, stretching the service to Beijing-Tianjin-Hebei area. The company first launched an all-cargo operation in November 2018.

Source - Asianshipper



China

China's Antong Holdings lands \$297m state funding for logistics programme

ANTONG Holdings has signed an agreement with three Chinese state-run entities - Quanzhou Financial Holding Group, Quanzhou Transportation Group and Quanzhou Fengze Investment Group - to establish a strategic alliance that will lead to the development of logistic businesses.

Under the terms of the accord, the three state-run groups will provide funds of CNY 2 billion (USD297 million) to develop businesses, including container logistics, supply chain management, logistics parks, logistics digitalisation and port operations using Antong Holdings' operation platform, reported Singapore's Splash 247.

Antong Holdings is the parent group of the Chinese domestic container shipping major Ansheng Shipping and logistics service provider Antong Logistics. It is a leading domestic intermodal container logistics service provider in China, and the 15th largest container shipping operator in the world, controlling container capacity of 148,000 TEUs, according to Alphaliner rankings.

Last November, the company raised USD473 million for the development of two intermodal logistics bases in Tangshan and Quanzhou and the acquisition of twelve 644 TEUs feeder vessels.

Source: Aseanshipper



Europe

JD.com re-introduces air cargo service from Shenzhen to Wuxi

GERMAN shipping giant Hapag-Lloyd will revise its fuel surcharge for inland haulage under carrier arrangement from and to France, reports the American Journal of Transportation.

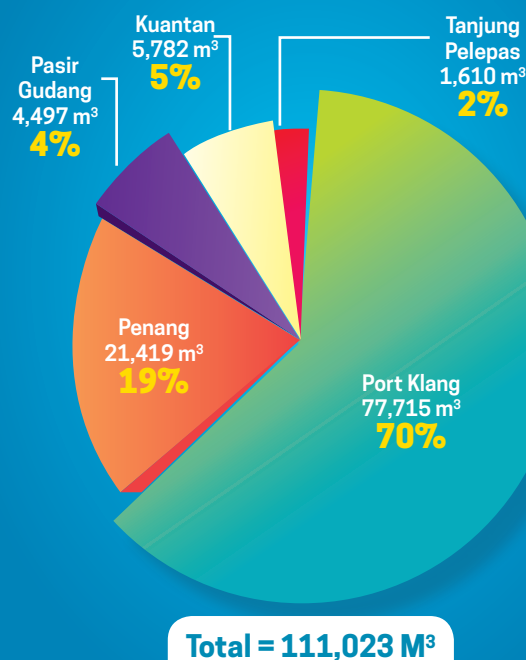
Truck fuel surcharges will fall from 14% to 11% from ports in France, Belgium, Netherlands and Germany from and to France, Monaco and Switzerland.

Rail and road fuel charges will fall from EUR6/CTR (container fitted) to EUR3/CTR from ports in France, Belgium, Netherlands and Germany for freight going from and to France.

Barge and road fuel surcharges combined will remain unchanged at 14% for ports in Belgium, Germany, Netherlands from and to France.

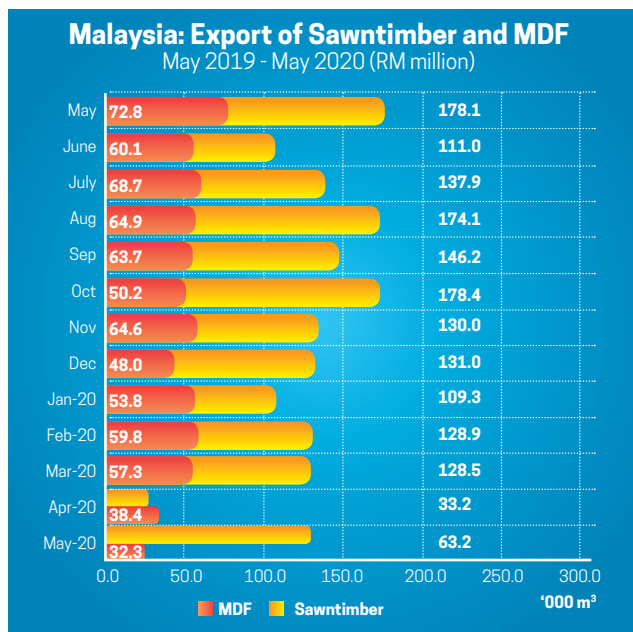
Source: Aseanshipper

Timber Shipments through Ports in Peninsular Malaysia, May 2020



May 2020

Total export of Malaysian timber and timber products in May 2020 increased by 41% valued at RM1.3 billion over the previous month. However, cumulative exports for the period of January to May 2020 decreased by 16% valued at RM7.7 billion over the previous corresponding period.



SAWNTIMBER

Total export of sawntimber in May 2020 increased both in volume at 63,244 m³ and in value at RM125.7 million as compared to the previous month. Cumulative exports for the period of Jan - May 2020 decreased by 42% in volume and 43% in value to 463,178 m³ totalling RM860.2 million over the previous corresponding period.

Exports of sawntimber to the EU for the month increased significantly to 6,798 m³ over the previous month as a result of higher demand from major countries in the region. The Netherlands as the main buyer increased its intake significantly to 4,287 m³ from only 1,897 m³ in the previous month. Exports to Italy also increased by 40% to 167 m³ from 119 m³ recorded in the previous month followed by the United Kingdom with 338% higher to 385 m³ and exports to Germany which increased by 368% to 954 m³.

Total export to West Asia increased by 47% to 13,352 m³ from 9,116 m³ recorded in the previous month. Yemen as the main buyer from West Asia increased purchases by 22% to 4,188 m³ from 3,423 m³ recorded in the previous month. Exports to the UAE also increased by 36% to 4,554 m³ from 3,341 m³ recorded in the previous month followed with Oman with 405% to 2,454 m³ from 486 m³. Exports to Bahrain also increased by 43% to 437 m³ from 305 m³ while Iraq also improved by 45% to 632 m³ from 437 m³ recorded in the previous month. However, exports to Qatar decreased by 87% to 110 m³ from 845 m³ recorded in the previous month.

Similarly, buying from ASEAN increased significantly at 8,929 m³ from 3,978 m³ as registered in the previous month. Thailand the main buyer in ASEAN increased its intake of sawntimber by 173% to 3,590 m³ from 1,317 m³ as recorded in the previous month. Exports of sawntimber to Indonesia also increased significantly to 183 m³ from only 77 m³ as recorded in the previous month followed by Viet Nam with 785 m³ from only 282 m³ previously. Meanwhile, exports to Singapore decreased by 19% to 1,873 m³ from 2,302 m³ as recorded in the previous month whilst the Philippines has resumed its intake to 2,498 m³ for the month.

Likewise, shipments to East Asia also increased by 69% to 25,406 m³ from 15,068 m³ in the previous month. China as the main buyer increased purchases by 65% to 13,346 m³ from 8,102 m³ as recorded in the previous month. Exports to Taiwan also increased by 43% to 5,804 m³ followed by South Korea by 69% to 2,461 m³ and Japan by 150% to 3,546 m³ respectively.

Elsewhere, exports to the US and Australia increased by 87% and 88% to 660 m³ and 357 m³ respectively. Meanwhile, demand from South Africa increased tremendously to 369 m³ from only 36 m³ compared to the previous month.

The average FOB price of sawntimber increased slightly to 1,988 per m³ from 1,940 per m³ in the previous month. Meanwhile, price of Dark Red Meranti to the Netherlands decreased slightly to 3,212 per m³ from 3,309 per m³ in the previous month. Keruing was traded at 2,383 per m³, an increase of 3% from 2,321 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in May 2020 decreased in volume and value by 16% to 32,290 m³ and 6% worth RM48.6 million compared to the previous month. Meanwhile, cumulative exports for January - May 2020 based on year-on-year recorded a decrease in volume by 38% to 241,536 m³ and in value by 31% worth RM325.4 million over the previous corresponding period.

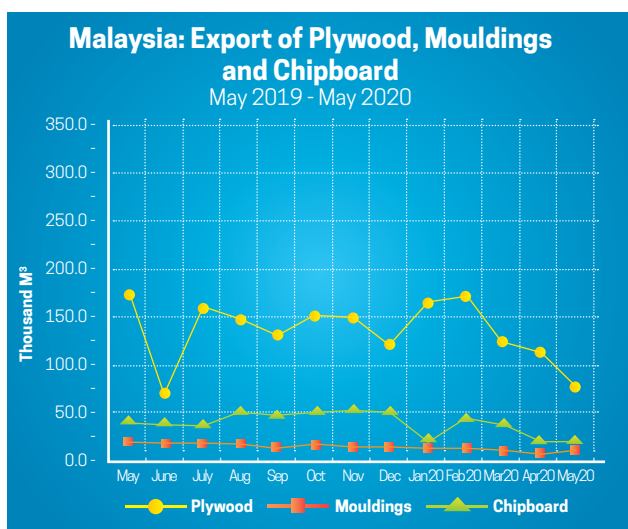
In ASEAN, total export increased by 12% to 3,996 m³ from 3,575 m³ in the previous month. Exports to Viet Nam and the Philippines increased to 814 m³ and 1,721 m³ respectively. However, Indonesia reduced its buying by 47% to 1,103 m³. Moving to the East Asia region, exports to the region decreased by 8% to 11,272 m³. Japan as the major importer of MDF decreased its intake by 9% to 10,499 m³ and Taiwan also reduced its buying by 29% to 408 m³. However, China including Hong Kong and South Korea increased intake by 100% to 104 m³ and 34% to 261 m³ respectively. Meanwhile, exports to the South Asia region has increased by 211% to 2,694 m³. Pakistan as the major buyer has increased intake by 847% to 1,609 m³, followed by Bangladesh by 1006% to 557 m³ and India 82% to 528 m³. Sri Lanka did not make any purchase for this month.

Exports to West Asia region recorded a decreased by 41% to 8,935 m³ from 15,226 m³ in the previous month. Exports

to the UAE reduced by 40% to 2,855 m³, followed by Bahrain at 20% to 608 m³ and Saudi Arabia at 35% to 213 m³. Contrarily, exports to Kuwait increased by 321% to 2,671 m³, followed by Oman at 36% to 1,694 m³, Qatar at 42% to 540 m³ while Jordan resumed buying to 91 m³. Other countries did not make any purchase for this month.

Elsewhere, exports to the USA increased to 2,093 m³ compared to 721 m³ in the previous month. Australia reduced its intake by 87% to 80 m³ while South Africa resumed its intake to 213 m³.

The FOB price of MDF increased by 12% to RM1,507 per m³ from RM1,345 per m³ from the previous month.



PLYWOOD

Exports of plywood in May 2020 both decreased in volume and value by 24% and 23% to 88,953 m³ totalled RM178.3 million compared to the previous month. However, cumulative exports for January-May 2020 based on year-on-year showed a decrease in volume by 14% to 673,875 m³ and in value by 21% worth RM1.3 billion over the previous corresponding period.

Total export of plywood to the EU decreased by 11% to 4,126 m³ for this month. Exports to the UK and the Netherlands decreased by 5% and 91% to 3,816 m³ and 82 m³ respectively. Meanwhile, Italy and Denmark resumed its intake to 78 m³ and 129 m³ respectively. Other EU regular buyers such as Belgium, France, Germany and Ireland did not make any purchase this month.

Exports to ASEAN and the East Asia region recorded a decrease of 30% to 67,236 m³ compared to the previous month. In the East Asia region, Japan as the main importer of Malaysian plywood decreased its intake by 38% to 44,988 m³, followed by Hong Kong by 24% to 1,493 m³ and Taiwan 52% to 5,744 m³. Contrarily, South Korea and China decreased its buying by 43% to 10,274 m³ and 28% to 622 m³, respectively. Meanwhile, Malaysia's plywood trade with its ASEAN partners showed a mixed trend for the month. The Philippines increased its intake by 9% to 148 m³. However, Thailand, Brunei and Singapore have decreased their buying

to 1,944 m³, 1,415 m³ and 379 m³ respectively. Indonesia does not make any purchase for the month.

Exports to the West Asian region recorded an increase of 4% to 4,611 m³ for this month. Yemen decreased its intake by 14% to 2,124 m³ followed by Saudi Arabia at 53% to 325 m³ and Bahrain at 53% to 80 m³. UAE increased its buying by 9% to 850 m³ while Qatar and Kuwait did not make any purchase for this month.

Exports of plywood to the Americas region decreased marginally to 10,918 m³ as compared to the previous month. Our main buyers in the Americas region, the USA decreased its intake of plywood by 8% to 10,058 m³ from 10,948 m³ last month. Meanwhile, exports to Mexico and Canada increased to 785 m³ and 75 m³ respectively. Moving to the Oceania region, exports to Australia reduced by 11% to 1,534 m³ and New Zealand increased its intake to 86 m³. Meanwhile, Morocco increased its intake to 153 m³ this month.

The FOB price of plywood has increased by 2% to RM2,004 per m³ from RM1,970 per m³ in the previous month.

MOULDINGS

Exports of mouldings for the month increased by 18% in volume and 17% in value to 10,549 m³ worth at RM38.2 million. However, cumulative exports for the period of January to May 2020 decreased by 36% in volume and 32% in value to 68,280 m³ worth at RM257.6 million as compared to the previous corresponding period in 2019.

Exports to the EU for the month recorded at 4,022 m³, increased marginally compared to the previous month. The Netherlands increased purchases by 0.4% to 3,015 m³ from 3,002 m³. Meanwhile, the UK, Belgium and Germany decreased purchases by 17%, 11% and 5% to 181 m³, 231 m³ and 227 m³ respectively. Meanwhile, Italy did not make any purchase.

Exports to the ASEAN region increased as Viet Nam increased purchase by 28% to 554 m³. However, Singapore decreased purchase by 30% to 317 m³ compared to the previous month. Meanwhile, Indonesia resumed its intake to 145 m³.

Likewise, Japan and South Korea increased intake by 73% and 51% to 1,520 m³, and 991 m³ respectively. However, China decreased intake by 29% to 63 m³ compared to the previous month. Meanwhile, no buying from Hong Kong and Taiwan.

Elsewhere, exports to Australia and Canada increased by 93% and 71% to 1,131 m³ and 87 m³ respectively. Meanwhile, the USA decreased its intake by 26% to 1,160 m³ compared to the previous month.

FOB unit value for mouldings decreased marginally to RM3,621 per m³ compared to RM3,629 per m³ in the previous month.

May 2020

LOGS

The average domestic prices of logs for most of the species for the month under review remained at last month's level during the conditional movement control order (CMCO).

Log prices for the species of Chengal and Balau stood firm at RM5,040 per ton and RM3,500 per ton. The prices for Keruing and Kempas remained at RM1,500 per ton and RM1,800 per ton respectively. Similarly, the prices for Dark Red Meranti and Red Meranti remained at RM1,900 per ton and RM1,830 per ton. Also, logs prices of Mixed Heavy Hardwood and Mixed Light Hardwood stood firm at RM1,150 per ton and RM1,050 per ton respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable as prices continued to chart at last month's levels. The MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.80, RM16.30, RM22.00 and RM28.60 per piece respectively.

SAWNTIMBER

The average sawn timber prices for most of the species in the domestic market continued to remain firm.

The sawn timber prices of Chengal and Balau stood firm at RM7,415 per m³ and RM3,453 per m³ respectively. Similarly, the prices of Keruing stood firm at RM1,250 per m³ and RM2,436 per m³. The prices for Dark Red Meranti and Red Meranti remained at RM2,036 per m³ and RM2,013 per m³ respectively while sawn timber prices of Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM1,010 per m³ and RM953 per m³.

PLYWOOD

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

INTRA-MALAYSIA TRADE * - MAY 2020

The shipments of logs from Sabah to Peninsular Malaysia for the month increased in volume from 924 m³ to 3,150 m³ valued at RM1 million. Trade of sawn timber in volume was 85 m³ valued at RM107,000. Trade of plywood increased in volume from 5 m³ to 492 m³ at RM919,000.

Trade of sawn timber from Sarawak to Peninsular Malaysia ranged was 81 m³ valued at RM114,000. Trade of Plywood raised in volume from 460 m³ to 960 m³ valued at RM899,000 while trade of Veneer in volume of 2,652 m³ was valued at RM3.5 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded during the month under review.

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, MAY 2020 (RINGGIT MALAYSIA)

	LOGS/tonne	SAWNTIMBER/m³			
SPECIES	18" UP	GMS	STRIPS	SCANTLINGS/m³	
HEAVY HARDWOOD					
Cengal	5,040	7,415	5,791	8,121	
Balau	3,500	3,453	3,178	3,213	
Red Balau	2,300	3,143	2,719	3,390	
Merbau	3,580	4,696	3,927	4,096	
Mixed Heavy Hardwood	1,150	1,010	869	1,130	
MEDIUM HARDWOOD					
Keruing	1,500	1,250	1,215	2,203	
Kempas	1,800	2,436	2,260	2,684	
Kapur	1,680	1,751	1,412	1,746	
Mengkulang	1,300	2,119	1,419	2,154	
Tualang	1,450	2,472	2,331	2,493	
LIGHT HARDWOOD					
Dark Red Meranti	1,900	2,036	1,695	2,825	
Red Meranti	1,830	2,013	1,645	2,133	
Yellow Meranti	1,250	1,554	1,236	1,271	
White Meranti	1,480	2,472	1,306	2,528	
Mersawa	1,700	1,801	1,660	2,013	
Nyato	1,250	1,624	1,342	1,518	
Sepetir	1,370	1,706	1,095	1,751	
Jelutong	1,110	1,815	1,215	1,871	
Mixed Light Hardwood	1,050	953	812	989	
MALAYSIAN RUBBERWOOD					
	LOGS/tonne	SAWNTIMBER/m³			
	175	1" X 1"	2" X 2"	3" X 3"	4" X 4"
Hevea brasilienses		1,038	1,104	1,356	1,557
PLYWOOD 4' X 8'	4 mm	6 mm	9 mm		12 mm
(RM per piece)	14.60	22.00	38.00		48.00
PLYWOOD 4' X 8'	4 mm	6mm	9 mm		12 mm
(RM per piece)	12.80	16.30	22.00		28.60

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

* Prices are only indicative

INTRA-MALAYSIA TRADE -MAY 2020

From	Product	April 2020		May 2020		% Change in volume	% Change in value
		Vol (m³)	Val (RM'000)	Vol (m³)	Val (RM'000)	May2020/April 2020	May2020/April 2020
SABAH	Logs	924	286	3,150	1,040	241	264
	Sawntimber	0	0	85	107	100	100
	Plywood	5	2	492	919	9,740	48,850
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	0	0	81	114	100	100
	Plywood	460	446	960	899	109	102
	Veneer	0	0	2,652	3,537	100	100

Source: Malaysian Timber Industry Board (MTIB) and Department of Statistics, Malaysia

Cont. from page 13

VENEER

Export of veneer for May 2020 reduced drastically by 21% in volume and 2% in value to 2,017 m³ at RM3.6 million as compared to the previous month. Similarly, cumulative export for January-May based on year-on-year showed a decrease in volume by 47% to 25,933 m³ and in value by 49% worth RM39.9 million over the previous corresponding period.

Exports to Taiwan reduced by 32% to 882 m³ meanwhile exports to South Korea increased by 87% to 937 m³. Australia and USA resumed their intake to 52 m³ and 30 m³ respectively. Meanwhile, other regular Malaysian veneer buyers such as Singapore, China, Canada, India, the Philippines, Italy and Viet Nam didn't make any purchase for the month.

The FOB price of veneer for April 2020 is at RM1,771 per m³, an increase of 24% from RM1,428 per m³ in the last month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for May 2020 recorded an increase of 114% in volume and 117% in value to 8,658,804 m³ worth RM71.9 million from last month. Total BJC cumulative exports for the period of May 2020 decreased by 16% to RM338.8 million as compared to RM403.2 million in the corresponding period last year. Exports to the EU decreased by 10% to RM113.2 million. Exports to the Netherlands, France, Germany, the UK and Denmark decreased by 39%, 36%, 35%, 10% and 8% to RM6.9 million, RM6.9 million, RM8.1 million, RM43.0 million and RM9.5 million respectively. However, exports to Belgium, Sweden, Turkey and Italy increased by 11%, 62%, 8% and 6% to RM20.3 million, RM8.1 million, RM71,307 and RM2.2 million respectively.

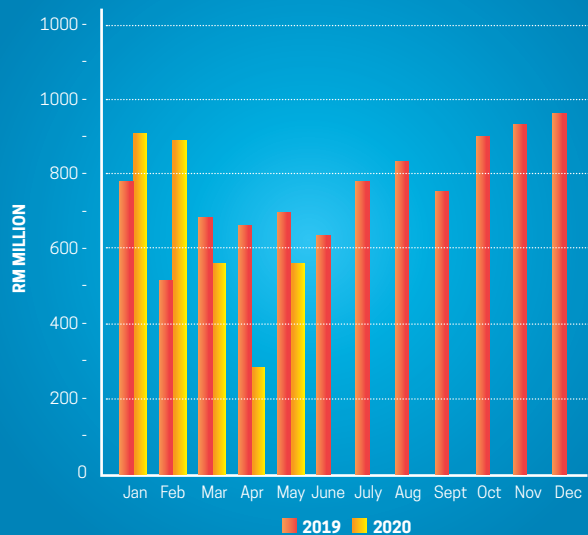
In Asia, exports to the UAE and Saudi Arabia recorded a decrease of 93% and 87% to RM300,674 and RM129,143 respectively. Viet Nam, Singapore, Japan, India and Taiwan decreased by 64%, 57%, 28%, 10% and 1% to RM4.1 million, RM12.7 million, RM20.4 million, RM14.1 million and RM3.9 million respectively. However, exports to South Korea and Thailand increased by 50% and 12% to RM1.3 million and RM8.4 million compared to the previous month. Meanwhile, Qatar and Kuwait did not make any purchase.

Exports to South Africa, Australia, Maldives and New Zealand decreased by 63%, 28%, 12% and 1% to RM3.0 million, RM63.0 million, RM3.4 million and RM3.1 million respectively. However, exports to Mauritius and the US increased by 34% and 29% to RM425,324 and RM64.5 million compared to the previous month.

FURNITURE

Exports of wooden and rattan furniture for the period of January to May 2020 recorded mixed trends and a decrease of 5% to RM3.2 billion from RM3.4 billion in the previous corresponding period. Exports of wooden furniture increased by 18% to RM713,201 from RM605,196. The US as a main

Malaysia: Export of Wooden Furniture
May 2019 - May 2020 (RM million)



buyer of wooden furniture has increased purchases by 38% to RM1.9 billion from RM1.4 billion in the corresponding period in 2019. In Europe, shipments to the UK and Germany decreased by 34% to RM143.0 million and 31% to RM16.8 million, respectively. Exports to the Netherlands decreased by 19% to RM11.4 million followed by Greece with a decrease of 31% to RM8.4 million, France 41% to RM16.2 million and Poland 41% to RM9.5 million. Similarly, purchases by Russia declined by 61% to RM4.9 million from RM11.3 million in the same period last year. Demand from Canada and Australia also decreased by 30% respectively to RM87.3 million and RM133.2 million.

In East Asia, exports to Japan reduced by 26% to RM180.3 million from RM242.7 million in the same period last year. However, South Korea increased consumption by 12% to RM38.5 million whilst exports to China decreased by 40% to RM47.9 million. Exports to India also decreased by 34% to RM52.4 million from RM79.5 million in the previous corresponding period.

In the ASEAN region, exports to the Philippines and Singapore recorded at RM40.5 million and RM91.1 million respectively. Elsewhere, exports to Saudi Arabia and Qatar also decreased by 30% to RM54.6 million and 59% to RM2.4 million respectively. The UAE also reduced buying by 33% to RM40.6 million followed by Kuwait by 51% to RM11.2 million and Oman by 70% to RM4.3 million.

Rattan furniture shipments for Jan – May 2020 recorded at RM713,201 from RM605,196 in the previous corresponding period. Exports to Australia decreased by 67% to RM127,541 whilst Singapore increase buying significantly to RM119,966 from only RM42,041 in the previous corresponding period. Meanwhile Poland, the USA, Viet Nam and the Netherlands resumed purchase at RM32,591, RM18,294, RM6,851 and RM6,149 respectively. Japan, American Samoa and China didn't make any purchase compared to the previous corresponding period in 2019.



THE FOURTH INDUSTRIAL REVOLUTION (IR 4.0)

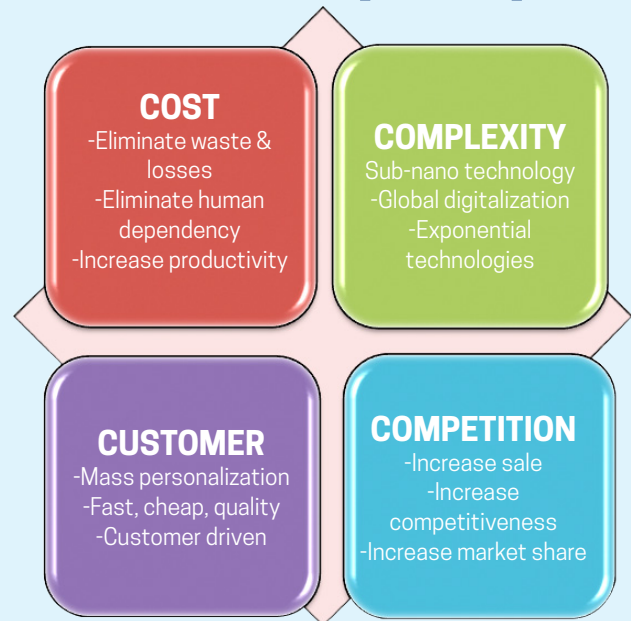
The process of industrialisation and modernisation of the wood-based sector as envisaged by the National Timber Industry Policy (NATIP) requires the application of latest knowledge driven technologies. The Fourth Industrial Revolution or Industry 4.0, is the new phase that focuses heavily on interconnectivity, automation, machine learning, and real-time data. This primarily focuses on the use of large-scale machine to machine communication (M2M) and Internet of Things (IoT) deployments to provide increased automation, improved communication and self-monitoring, as well as smart machines that can analyse and diagnose issues without the need for human intervention.

INDUSTRY 4.0 : WHY IT IS IMPORTANT

Industry 4.0 takes the emphasis on digital technology from recent decades to a whole new level with the help of interconnectivity through the Internet of Things (IoT), access to real-time data, and the introduction of cyber-physical systems. Industry 4.0 offers a more comprehensive, interlinked, and holistic approach to manufacturing. It connects the physical with the digital, and allows for better collaboration and access across departments, partners, vendors, products, and people. Industry 4.0 empowers business owners to better control and understand every aspect of their operation, and allows them to leverage instant data to boost productivity, improve processes, and drive growth.

Industry 4.0 allows you to trim costs, boost profits, and fuel growth. The technology helps you manage and optimise all aspects of your manufacturing processes and supply chain. It gives you access to the real-time data and insights you need to make smarter, faster decisions about your business, which can ultimately boost the efficiency and profitability of your entire operation.

Industry 4.0 makes the company more attractive to the younger workforce. Companies that invest in modern, innovative Industry 4.0 technologies are better positioned to attract and retain new skilled workers. Industry 4.0 uses digital technologies to make manufacturing more agile, flexible and responsive to customers. Using the Internet, wireless sensors, software and other advanced technologies, businesses are now able to create "smart factories" that track production in real time.



Increase productivity

The main driver of productivity growth in a smart factory is the capacity to predict and prevent downtime, and to optimise equipment effectiveness and maintenance. Digital technologies can also help employees become more efficient. The sensors tell you how many items you have produced, how many of those items are defective and how much time it's taken to produce them. Based on that, you can be very specific about who needs training and what they need training on.

Lower operating costs

Industry 4.0 also features real-time production monitoring and quality control which enables the factory to reduce waste and rework. It also encourages predictive maintenance and this prevent costly repairs and unplanned downtime. Factories that practice Industry 4.0 have a higher degree of automation which saves labour costs and improves throughput. Furthermore, the use of 3-D printers means factories are achieving faster prototyping and thus reducing the cost of engineering and accelerate marketing time

Improve product quality

Real-time quality control can allow you to get data points at every point of your production. This will help you check how changing conditions affect the quality of your products. For example, how changing heat levels affect quality or how different employees influence production. Over time, this information can help you to reduce or even eliminate customer returns that occur when products do not meet specifications.

Become more innovative

While this is a low score, greater innovation can often unlock the most value for your business. New business models made possible by smart products and new advanced technologies, such as 3-D printing, are only beginning to emerge. They promise to spark innovation on a monumental scale over the next five to 10 years.

Gain a competitive advantage

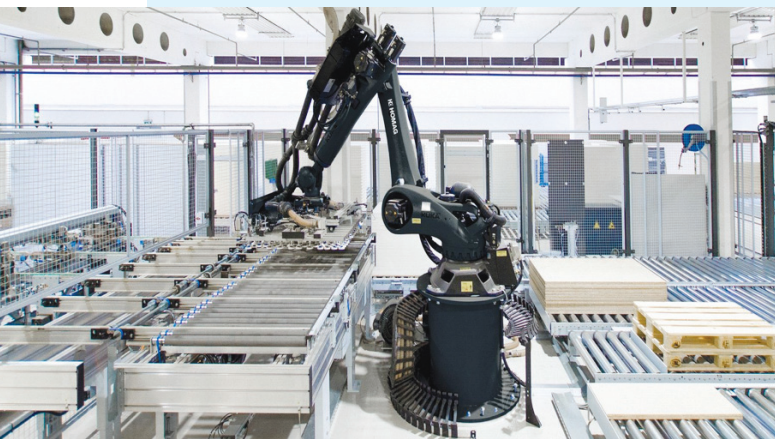
A furniture processor that has opened up its systems to a multinational retailer is able to order via a secure online platform and choose from which warehouse it wants to purchase the product. The logistics department then ships the product and invoices the client. The entire process is automated, which reduces the business process workload, improves fulfillment time and boosts customer satisfaction. By providing better services via technology, businesses are more competitive in the market.

Transform your business

Integrating digital technology into your business can take time and effort, but the payoffs can be very interesting for

businesses that use the data to make strategic decisions. Entrepreneurs are often overwhelmed by the amount of data at first and don't know where to start. Business owners can start by defining what data they need to capture and at which frequency it needs to be reviewed. Information by itself is useless, but if you're able to analyse it properly then you're able to use it to make the right decision. If you don't have that information, you are making decisions based on your gut feeling, and that's not always optimal.

Human capital development is vital for the future development of the Malaysian timber industry sector, in order to compete in the global market. Greater capacity building efforts need to be undertaken in order to produce more skilled workforce and professionals. Therefore, the requirements for the development of human capital in the new generation must be strengthened in all formal institutions with IR 4.0.

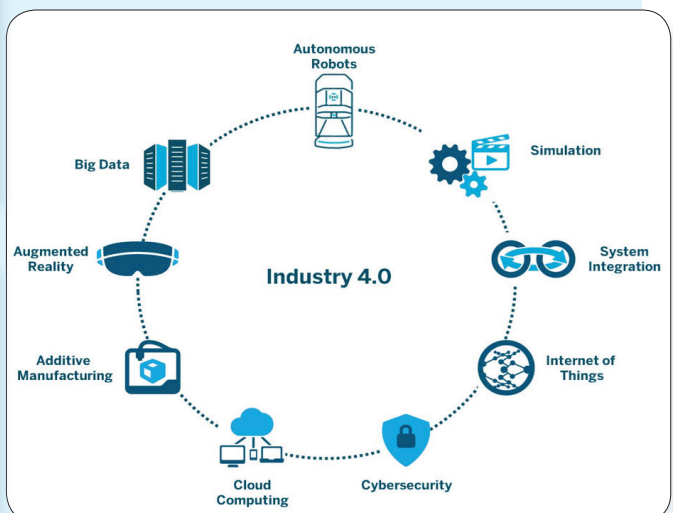


Robotic arms enable faster productions



Potential areas to be improved on with IR 4.0 in the wood based industry

- Integrated Manufacturing in the Furniture Industry
- Digital integration in the wood and furniture industry
- Development of forest resource data and wood procurement logistics sections of wood-based value chains
- Installation of automation and robotic technology in timber mills
- 3D Printing & Robotic Fabrication in Timber Construction
- Big data analytics for mills & applications in the woodworking industry



Smart production,
reducing the
utilisation of
manual labour

Opportunities in the US for Sustainable Furniture

The demand for sustainable products across a variety of fields has become a norm for consumers worldwide, leading businesses and industries to embrace environmentally friendly products in order to satisfy consumer needs. Furniture consumers are no exception, as an increasing number of consumers in the US are looking for sustainable and environmentally friendly furniture

Opportunity

Sustainable products are eco-friendly products that cause minimal environmental impact. According to furnituretoday.com, consumers today are concerned about the implementation of wood to frames as well as chemicals used to produce fabrics in furniture. This has led to several changes in the furniture industry leading manufacturers to participate in green initiatives in order to provide sustainable pieces and to remain competitive in the market.

Furniture is made from a variety of materials in which some are natural and others are synthetic. However, customer purchasing decisions are often based on the origin of the materials and on the company's environmental record. Wood for instance is a common base used for many pieces of furniture and is considered one of the most difficult materials to source sustainably. Due to this, manufacturers and importers are being asked to do considerable research on the types of wood used for their products and whether or not they can make sturdy furniture with them. This however requires time and resources for additional meetings with end customers as well as for product testing.

Furthermore, fabric sources have also changed drastically to include materials that are made synthetically. As production of synthetic fabrics use chemicals, companies must therefore be aware of their pollution levels and make sure that the chemicals used are eco-friendly and are based

on natural products. Due to this, many furniture manufacturers are shifting to materials that can be made from items such as soybeans, feathers, cotton and wool, as stated by furnituretoday.com.

According to MATRADE Los Angeles, in 2019 Malaysia exported over USD 1 billion worth of furniture of all types to the US, with an increased growth of 22.1% compared to the previous year. With an increased importance on product sustainability and concerns over the heavy chemical usage among consumers, Malaysian furniture makers should therefore focus on minimising the environmental impact and emphasize sustainable sourcing and production methods to have a competitive advantage edge in the US market.

The Way Forward

Malaysian furniture makers are encouraged to emphasize the sustainability trend in the US by adapting their business models to provide consumers with sustainable products. By doing this, Malaysian exporters would therefore have a strong footing in the market which eventually could result in increased exports of Malaysian made furniture to the US.

For further information and enquiries, please contact MATRADE Los Angeles at losangeles@matrade.gov.my.

Disclaimer

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MAKING A COMEBACK



Raw rattan

In this modern world where everyone is keeping up with the trendiest trends, there is nothing wrong with going vintage. Reintroducing a style that is almost forgotten is always welcome especially when it is tastefully done, like rattan furniture. Back in the days, it was common for every home to be furnished with mostly rattan furniture as it was durable, lightweight and easily available but slowly rattan furniture gave way to other materials.

Just like phased out fashion trends that are making a comeback on the runways, the rattan furniture trend to is seeing a revival and now it is back again with more designs suited for the modern homes. Rattan furniture is getting even more popular and they are not just confined to the outdoors. Homeowners are now opting for rattan furniture for indoors as well simply because it brings about an element of nature and it has an unmatched aesthetic appeal.

Appreciating that rattan is a beautiful material to work with, Rinaat Cane Sdn Bhd focuses on producing rattan furniture. Founded in 1991 by Tuan Haji Hassan bin Shafee, Rinaat Cane Sdn Bhd was established at a time when the demand for rattan furniture was high and three decades later, Rinaat Cane has stood the test of time and ever-changing trends to continue providing quality rattan furniture.

Sustaining the business for almost thirty years is not an easy feat especially when back in the heyday there were thousands of players in the industry who provided similar rattan furniture to the market. Today the supply of rattan is also increasingly challenging to obtain and this is also influenced by unpredictable weather conditions which complicates the process of collecting rattan in the forest, while shortages in skilled workforce threatens to hamper the development of the rattan furniture industry.



Rattan Lightings

Even so, perseverance has paid off for Tuan Haji Hassan and today Rinaat Cane - run by Puan Hasrina binti Hassan, the eldest daughter - is among the main rattan suppliers in the global market. Recalling the company's humble beginnings, Puan Hasrina said Rinaat Cane started off as a small factory in Manjoi, Perak but today it has grown in strength and numbers to include 2 factories spanning over 5 acres of land in Taman Industri Perabot Negeri Perak, Pusing, Perak.

The factories, fully equipped with rattan processing facilities, are manned by 30 employees who oversee



Rattan Dining Suites



Rattan furniture suites (maripousa)



Liane



Rattan furniture suites (recca)



Rattan Armchair (peacock chair)

various stages of rattan processing that range from wood preparation, curing, and bending to grading, smoothing, and completion. Specialising in rattan furniture manufacturing, Rinaat Cane offers more than 150 unique designs for both indoor and outdoor.

Their designs which consist of both classic and modern contemporary are made by skilled craftsmen and every piece is made with utmost care and precision that more often than not, exceeds expectations. For homeowners who want something distinct, Rinaat Cane also provides custom-designed furniture to suit customer needs.

An expert in enhancing the beauty and uniqueness of rattan, Rinaat Cane delivers the very highest quality in rattan furniture that cannot be readily found elsewhere. In addition to providing furniture items, Rinaat Cane also provides various types of raw rattan material. Using only high quality rattan that adheres to high quality standards Rinaat Cane hopes to maintain its position as a major distributor in the global arena and become a place of choice for the community to obtain high quality rattan whether furniture or raw materials by providing exceptional value and quality as well as the latest innovations.

For those who are interested to know more about Rinaat Cane products, please contact: -

Rinaat Cane Sdn Bhd
Plot 14, Taman Industri Perabot Negeri Perak, Jalan
Pusing, 31550 Pusing, Perak.
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Fax : +605-3213061

Images Courtesy of Rinaat Cane Sdn Bhd
www.rinaatcane.com
05 322 0712 / 3852



Briefing on Timber Import Export Rules and Regulations (TIER)



Among the participants that attended the briefing

As the regulatory body on the development of the timber industry, MTIB has developed Timber Import Export Rules and Regulations (TIER) which will be used as a reference for timber import and export procedures. Previously this rule was known as Timber Export Bulletin (TEB). With the cooperation of the technical experts within MTIB and supported by the Director of Industry Development Division, Tuan Haji Mahpar Atan, TEB was compiled and developed into TIER regulatory documents to be used as a reference for all stakeholders including timber industry players and MTIB officers.

The TIER briefings will be held nationwide at the Central, East, North and South Regional MTIB offices including Sabah, to inform all stakeholders of the procedures in TIER for export and import on timber and non-timber-based products such as rattan, bamboo and oil palm trunk. The briefings will cover Section A which is on conditions and restrictions, Section B on imports and Section C which focuses on exports.

The first briefing was given by Encik Abdul Rafa Tan from the Industry Development Division of MTIB at the Central Regional MTIB office on 30 June 2020. There were 20 participants at the briefing comprising timber exporters, shipping agents, timber suppliers and timber graders' representatives.

The briefing also had the cooperation from Encik Ramli Mohamad Khanafiah, Head of MTIB Central Region who is directly responsible in the issuing of licences for exporters, importers, timber graders, forwarding agents as well as other industry players within the region. The Industry Development Division also hopes that this collaborative facilitation will continue so that all information, including the latest technical requirements, can be communicated to the industry through continuous industry consultations.

Industry players can obtain the TIER document at all MTIB offices nationwide or order online by logging on to www.emall.mtib.gov.my



Resak *Vatica* spp.

Malaysian Wood
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MALAYSIAN BAMBOO INDUSTRY DEVELOPMENT ACTION PLAN 2021 – 2030 WORKSHOP

Bamboo has the potential to be an alternative material for structural and non-structural applications, and it is also one of the species listed in the Forest Plantation Development Programme (PPLH) established under the Ministry of Plantation Industries and Commodities (MPIC). Based on statistics, the export of bamboo-based products from Malaysia is still very low with only RM9.16 million (0.041%) compared with the total export of wood based product which amounted to RM22.5 billion in 2019.

Noting the importance of further strengthening the bamboo industry in Malaysia, MTIB organised a workshop on the Malaysian Bamboo Industry Development Action Plan 2021-2030 in Bangi, Selangor on 30th June. The objective of the workshop was to devise a new strategy for the development of the bamboo industry within a ten-year period. The workshop was officiated by Encik Mohd Kheiruddin Mohd Rani, the Director-General of MTIB. In his speech, Encik Mohd Kheiruddin Mohd Rani stated that the workshop aimed to compile all inputs and views, from the industry players, agencies and relevant stakeholders related to the bamboo industry, to develop a revised national Bamboo Industry Development Action Plan. He added that this action plan was in line with The National Agri-Commodity Policy (NACP) 2021-2030 proposed by the MPIC which has six keys, as follows:

1. Enhancing sustainability and productivity
2. Accelerating the shift to higher value-added products
3. Strengthening the current market and exploring potential market
4. Intensifying private investment
5. Empowering human capital
6. Empowering smallholders

A presentation on an overview of the bamboo industry entitled The Status of Bamboo Industry in Malaysia was presented by Puan Norhazadawati Baharuddin, Senior Research Officer from Fibre & Biocomposite Centre, MTIB. In her presentation, she spoke on the scenario of the world bamboo industry as well as the current status of bamboo industry in Malaysia. She gave an overview of the activities undertaken by MTIB in upstream and downstream processing as well as research activities which are in line with the existing Bamboo Industry Development Action Plan 2011-2020. In addition, she has also highlighted several



Encik Mohd Kheiruddin Mohd Rani, MTIB Director-General delivering his opening speech.

initiatives that are being undertaken by the Ministry and the MTIB to accelerate the growth of the industry in Malaysia.

The brainstorming session which came next was facilitated by Encik Alwan Wagiman from Human Performance Improvement Consultant. Participants were divided into seven groups to discuss on industry issues and challenges, requirements and recommendations related to policy, research and development, plantation, production, structure, training and marketing. The workshop outlined six action plans: resource enhancement and industry participation, upgrading of expertise and capacity, products innovation and market requirements, empowering networking and quality assurance, strengthening markets and smart partnership as well as global market control.

At the end of the session, all the outputs were presented and Tuan Hj. Mahpar Atan, the Director of Industry Development of MTIB, concluded the workshop by conveying his appreciation to the participants' efforts and cooperation. He informed them that the outputs given will be gathered as an outline in the new Bamboo Action Plan after completing another similar workshop for Sabah and Sarawak on 16 July in Kota Kinabalu.

The workshop was attended by 70 participants comprising representatives from the MPIC, Forest Department of Peninsular Malaysia, Forest Research Institute Malaysia, Malaysian Handicraft Development Corporation, Malaysian Bamboo Society, local industries and higher learning institutions. Individuals who have keen interests in the bamboo business also attended the programme. 



Explanation by Encik Alwan Wagiman from Human Performance Improvement Consultant during workshop.



Attendees during the event.



NATIONAL CERTIFICATION SCHEME FOR PLYWOOD

The Product Certification Scheme for plywood is operated by the MTIB Certification Body (MTIB CB) which started in 2012. The scheme is essentially voluntary in nature, which determines conformity with product standards through initial testing and assessment of a Factory Quality Management System. It is followed by Surveillance that takes into account the Factory Quality Management System and the testing samples.

**Products Certification -
Towards Widen Market
Access and Trade
Facilitation**

We committed:

- To provide services to our customers consistently, efficiently and professionally
- To conform customers' needs and to all product certification requirements



Further enquiries or information kindly contact:

Product Certification Unit
Director-General Office
Malaysian Timber Industry Board
Level 13-17, Menara PGRM, No.8, Jalan Pudu Ulu, Cheras
P.O Box 10887, 50728 Kuala Lumpur
Tel: 603-9282 2235
Fax: 603-92003769/ 92846214
website: www.mtib.gov.my



MS ISO/IEC 17065:2012
PC 03042012 CB 06

Indonesian Timber Industry and the Importance of SVLK for Boosting Wood Products Exports



Overview

Indonesia, officially known as the Republic of Indonesia is a unitary sovereign state and transcontinental country located mainly in Southeast Asia with some territories in Oceania. Situated between the Indian and Pacific oceans, it is the world's largest island country, with more than seventeen thousand islands. At 1,904,569 square kilometres, Indonesia is the world's 14th largest country in terms of land area and the world's 7th largest country in terms of combined sea and land area. It has an estimated population of over 260 million people and is the world's fourth most populous country, the most populous Austronesian nation, as well as the most populous Muslim-majority country. The world's most populous island, Java, contains more than half of the country's population.

Indonesia's republican form of government includes an elected legislature and president. Indonesia has 34 provinces, of which five have Special Administrative status. Its capital and country's most populous city is Jakarta, which is also the most populous city in Southeast Asia. The country shares land borders with Papua New Guinea, East Timor and the eastern part of Malaysia. Other neighbouring countries include Singapore, Viet Nam, the Philippines, Australia, Palau and the Indian territory of the Andaman and Nicobar Islands.



Despite its large population and densely populated regions, Indonesia has vast areas of wilderness that support the world's second highest level of biodiversity. The country has abundant natural resources like oil and natural gas, tin, copper and gold. Agriculture mainly produces rice, palm oil, tea, coffee, medicinal plants, spices and rubber. Indonesia's major trading partners are Japan, United States, China and the surrounding countries of Singapore, Malaysia and Australia.

Economy

Indonesia has the largest economy in Southeast Asia and is one of the emerging market economies of the world. The country is also a member of G-20 major economies and is classified as a newly industrialised country. It is the 16th largest economy in the world by nominal Gross Domestic Product (GDP).

Indonesia still depends on domestic market and government budget spending and its ownership of state-owned enterprises (the central government owns 141 enterprises) and the administration of prices of a range of basic goods including, rice and electricity plays a significant role in its market economy. However since the 1990s, the majority of the economy has been controlled by the private sector and foreign companies.

In the aftermath of the financial and economic crisis that began in mid-1997, the government took custody of a significant portion of private sector assets through acquisition of nonperforming bank loans and corporate assets through the debt restructuring process and the companies in custody were sold for privatization several years later. Since 1999 the

economy has recovered and growth has accelerated to over 4–6% in recent years.

In 2012, Indonesia saw a slowdown in growth mostly due to the end of the commodities export boom. During the global financial crisis, Indonesia outperformed its regional neighbors and joined China and India as the only G20 members posting growth. Indonesia's annual budget deficit is capped at 3% of GDP and the Government of Indonesia lowered its debt-to-GDP ratio from a peak of 100% shortly after the Asian financial crisis in 1999 to less than 27% today.

President Joko Widodo who was elected in July 2014, seeks to develop Indonesia's maritime resources and pursue other infrastructure development, including significantly increasing its electrical power generation capacity. Fuel subsidies were significantly reduced in early 2015, a move which has helped the government redirect its spending to development priorities.

Indonesia, with the nine other ASEAN members, continues to move towards participation in the ASEAN Economic Community, although full implementation of economic integration has not yet materialised.

Forest Resources

Indonesia has the world's third largest area of tropical forest and a globally significant biodiversity. Indonesia's forests are homes to thousands of plant and animal species and 50-60 million Indonesians

depend directly on the forests for their livelihood. Forest governance is a tangible entry point for engagement on decentralisation and democracy, conflict and injustice as well as poverty and vulnerability.

Recognising the domestic and international importance of its tropical landscape and the people in it, the Indonesian government has committed to a minimum of 26% reduction in greenhouse gas emissions by 2020, developed a strategy for land use and forestry emissions, extended a moratorium on new clearing of primary forests and peat lands from 2 to 4 years (2013-2015), and has increasingly recognised the rights of forest communities and indigenous peoples. Indonesia is working towards balancing these environmental and social goals with a rapidly growing economy based on natural resources and corporate interests.

Indonesia's Export of Timber and Timber Products

Indonesia's export of timber and timber products in 2019 decreased 10% to USD5.0 billion over the previous corresponding period. Indonesia exported plywood, furniture and mouldings totalling USD1.7 billion, USD1.2 billion and USD610.9 million respectively. Indonesia exported plywood mainly to Japan amounting to USD819.9 thousand, furniture to the US amounting to USD555.5 thousand and mouldings mainly to China amounting to USD167.6 thousand.

Indonesia: Export of Timber & Timber Products, 2015-2019

USD'000

PRODUCT	2015	2016	2017	2018	2019
Plywood	2,341,923	2,211,610	1,791,758	2,059,602	1,690,804
Furniture	1,172,263	1,086,556	1,126,139	1,134,374	1,163,838
Mouldings	613,602	614,540	682,569	705,768	610,930
BJC	355,270	362,872	394,330	441,352	417,850
Fibreboard	96,347	91,907	81,139	98,813	98,148
Veneer	41,316	54,214	76,525	113,353	90,426
Sawntimber	45,872	51,353	51,738	65,472	55,794
Wooden frames	55,740	50,925	48,033	50,380	44,918
Particle board/ Chipboard	2,597	1,220	4,710	13,651	16,814
Logs	0	0	0	0	664
Others	448,910	426,236	873,488	886,756	811,828
TOTAL	5,173,840	4,951,433	5,130,429	5,569,521	5,002,014

Source: ITC Statistic

Indonesia's Import of Timber and Timber Products

According to the latest ITC statistics, Indonesia's import of timber and timber products in 2019 increased 19% to USD810.3 million over the previous

corresponding period. Indonesia imported mainly furniture, sawntimber and logs totalling USD269.0 million (an increase of 15%), USD133.4 million (a decrease of 7%) and USD54.5 million (a decrease of 12%) respectively. Main import sources for Indonesia are China, followed by Viet Nam and Malaysia.

Indonesia: Imports of Timber & Timber Products, 2015-2019

USD'000

PRODUCT	2015	2016	2017	2018	2019
Furniture	134,887	144,006	184,454	233,324	268,960
Sawntimber	112,931	109,070	127,076	146,227	135,353
Logs	42,921	30,955	73,159	61,899	54,500
Veneer	33,255	29,391	31,304	40,250	44,467
Plywood	36,007	28,669	30,387	34,916	43,565
Fibreboard	45,037	41,388	46,826	46,574	41,159
Particle board/ Chipboard	49,036	43,589	46,872	25,391	36,683
Builders' joinery and carpentry	5,688	4,833	8,159	7,640	7,338
Mouldings	1,893	1,561	1,269	880	835
Wooden frames	616	578	473	529	711
Others	31,811	40,495	33,811	83,660	176,725
TOTAL	249,747,241	285,098,301	346,241,090	331,378,301	301,558,125

Source: ITC Statistic

Malaysia's Export of Timber and Timber Products to Indonesia

Indonesia has always been an important timber trade partner for Malaysia in the ASEAN region. However, in 2019, exports of Malaysian timber and timber products

to Indonesia registered a decrease of 9% to RM301.6 million from RM331.4 million in 2018. Indonesia ranked 17th with 1.34% of Malaysia's total export share. Logs were the main products exported with a total value of RM128.8 million, followed by fibreboard at RM45.6 million and wooden furniture at RM34.9 million respectively.

Malaysia: Exports of Timber & Timber Products to Indonesia, 2015-2019

(Value : RM)

PRODUCT	2015	2016	2017	2018	2019
Logs	105,816,611	178,005,303	213,868,453	146,438,875	128,763,141
Fiberboard	43,438,834	40,133,879	49,862,541	51,812,058	45,577,017
Wooden Furniture	36,009,492	25,339,512	29,465,984	30,708,089	34,958,705
Particleboard	38,768,266	20,266,377	26,270,429	26,560,479	28,786,639
Sawntimber	2,009,109	2,515,248	7,235,049	7,738,475	9,060,083
Bjc	11,003,272	7,081,762	6,916,402	4,784,422	4,283,740
Mouldings	229,494	420,600	2,037,437	1,898,706	1,546,983
Veneer	815,021	844,740	843,990	2,167,531	232,837
Wooden Frame	28,695	20,725	36,506	0	11,122
Rattan Furniture	647,366	521,642	21,343	0	7,915
Plywood	125,357	2,145,382	749,998	0	0
Others	10,855,724	7,803,131	8,932,958	59,269,666	48,329,943
TOTAL	249,747,241	285,098,301	346,241,090	331,378,301	301,558,125

Source: MTIB & DOSM

Malaysia's Import of Timber and Timber Products from Indonesia

In 2019, Malaysia's imports of timber and timber

products from Indonesia showed an increase of 97% to RM1.5 billion from RM774.7 million in 2018. Plywood was the main product imported with a total value of RM524.8 thousand followed by wooden furniture at RM74.9 million and fibreboard at RM16.6 million.

Malaysia: Imports of Timber & Timber Products from Indonesia, 2015-2019

(Value : RM)

PRODUCT	2015	2016	2017	2018	2019
Plywood	323,340,320	326,843,436	425,818,408	548,349,431	524,785,517
Wooden Furniture	49,781,203	84,474,763	95,540,575	90,492,868	74,906,628
Fiberboard	27,203,119	17,923,232	24,938,848	26,246,955	16,568,605
Moulding	48,658,503	40,830,713	42,471,729	16,094,899	9,069,213
Sawntimber	12,670,399	9,275,320	3,300,397	5,349,166	6,222,757
Bjc	5,746,713	8,109,088	5,168,313	5,259,193	5,928,926
Logs	1,743,937	1,115,140	757,275	1,823,093	1,771,838
Veneer	3,597,799	1,134,160	524,070	526,082	1,498,242
Rattan Furniture	2,125,721	4,693,068	3,680,460	703,155	904,206
Wooden Frame	408,899	197,698	288,700	398,654	193,620
Particleboard	628,415	478,460	161,412	89,875	0
Other Products	32,609,902	28,985,134	26,446,742	79,363,334	884,837,083
TOTAL	508,514,930	524,060,212	629,096,929	774,696,705	1,526,686,635

Source: MTIB & DOSM

Import Tariff

Indonesia's import duties on timber and timber products under Most Favourite Nation (MFN) rate are as follows:

HS Code	MSN Rate	ASEAN*
Logs	0	0
Sawntimber	0	0
Veneer	0	0
Moulding	5	0
Chipboard/Particleboard	5	0
Fibreboard	5	0
Plywood	10	0
Wooden Frame	20	0
Builders Joinery & Carpentry	5	0
Wooden furniture	10	0

Source: WTO



Birdcage from teak wood



Teak furniture by Indonesian manufacturer

Prospects

Indonesia has started issuing FLEGT (Forest, Law Enforcement, Governance and Trade) licenses in November 2016. With this license, timber exports from Indonesia can enter the European Union market without the need for importers to conduct further due diligence checks. Entering the EU market could serve Indonesian exporters as a reference to access other markets that enforce timber legality, such as Australia, Japan and the USA. Timber Legality Assurance System (SVLK) is required by Indonesian law for all wood product exports. All Indonesian exporters who qualify for SVLK or known as V-Legal can automatically obtain the FLEGT license and export to the EU.

The FLEGT license will serve to increase their market share, improve the competitiveness of their products, increase revenue for the communities and improve the livelihoods of those involved. Even though illegal logging is one of the biggest challenges faced by Indonesia and that contrary to some predictions that this licensing system would hamper exports, the figures are quite encouraging.

In February 2020, the Indonesian Ministry of Trade issued new requirements for the export of forestry industry products. This was seen by many as an effort to weaken the Indonesian SVLK as the new regulation would no longer require V-Legal documentation and as a result, timber producers would no longer have an incentive to keep their SVLK Certificate active. After strong reactions by civil society and environmentalists, the Ministry revoked the regulation, citing a request from the Ministry of Environment, which had not been consulted on the initial move.

The new regulation that takes effect in May was in line with the current government administration's efforts to simplify procedures and to make Indonesia more attractive and easier for investments. For many years, regulations, permits and corruption were seen as barriers to foreign investments in the country.

Removing complicated regulations that hinder investments was also part of the President's promise during the latest election.

Reactions by civil society organizations and sustainability community in Indonesia, however, stressed that the new policy does not consider the long process of how SVLK was developed in the past. Lack of proper governance in the forestry sector has long been considered as the reason why foreign consumers consider timber products in Indonesia to be of high risk in terms of legality.

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

Malaysian manufacturers also need to enhance their presence in the Indonesia market to create demand for Malaysian value added timber products in the market. Through those activities, Malaysian timber exporters would be able to further develop their networking with Indonesia's timber importers while at the same time undertake market research on Indonesia's current updates on their timber industry. Therefore, it is envisaged that with these opportunities, timber trade for both countries especially in terms of export and import activities and investments in timber and timber products will be increased in the coming years.

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- <http://www.panelsfurnitureasia.com>

GAPIS

Vernacular name	: Gapis
Scientific name	: <i>Saraca declinata</i> / <i>saraca thaipingensis</i>
Synonyms	: <i>Saraca cauliflora</i> , <i>Saraca declinata</i> , <i>Jonesia declinata</i>
Family	: Fabaceae (Leguminosae)
Common name	: Yellow saraca, Talan, Bunga Asoka, Gapis golak, Yellow asoka, Gapis, Gapis batan, Gapis batang
Air-dry wood density	: 515 – 640 kg/ m ³

INTRODUCTION

Gapis is the common Malaysian name for the trees and timber of *Saraca* spp. Vernacular names applied include *babai* (Sarawak / Iban) and *golak* (Peninsular Malaysia) which have been recorded. Major species include *S. declinata*, *S. indica* and *S. thaipingensis*. Its sapwood is yellow-white with a pink tinge and is sharply differentiated from the heartwood, which is dark grey-brown with darker lines. *Saraca* belongs to the family Fabaceae. It is distributed within South East Asia and highly valued as a medicinal tree.

In Malaysia, the tree can often be found naturally on riverbanks, such as by the rivers of recreation forests. Due to its pretty flowering nature, the tree is widely used as ornamental items.

It's also known as Kembang dedes and Soka (Indonesia), and Sok (Thailand).

NATURAL DURABILITY

The timber is moderately durable.

PRESERVATIVE TREATMENT

The timber is very easily treated with preservatives.

TEXTURE

Its texture is rather coarse and uneven due to the presence of moderately large vessels and the surrounding aliform parenchyma.

STRENGTH PROPERTIES

The timber falls into Strength Group D (Burgess, 1958) or SG 5 (MS 544: Part 2:2001).

Strength Group D	(Percentage shrinkage of tangential boards)	Air drying rates	Density
SG -5	High (2.5 - 4%)	Moderately or fairly fast (3 - 4 months- (38 mm thick boards)	515-640 kg/m ³ air dry

MACHINING PROPERTIES

It is difficult to break down, but is easy to re-saw. Planing is easy and the planed surface is moderately smooth on the tangential side but is slightly rough on the radial side due to some picking-up of the grain.

AIR DRYING

The timber seasons fairly rapidly, with some insect attacks and slight cupping as the main sources of degrade. 13 mm thick boards take approximately 2 months to air dry, while 38 mm thick boards take 3-4 months.

SHRINKAGE

Shrinkage is high, with radial shrinkage averaging 1.3% and tangential shrinkage averaging 3.3%.

USES

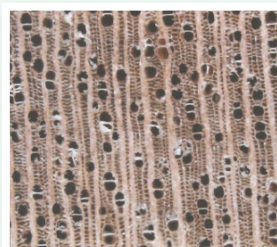
The timber is suitable for temporary light construction, packing boxes and crates, pallets (expendable type) and ornamental items.

STRENGTH PROPERTIES

Growth rings	: Distinct
Vessels	: Diffuse-porous, medium sized, solitary and multiple, mostly in radial multioles of 2 to 3, pore chains, white deposits present in heartwood vessels
Tyloses	: Present, presence of deposit
Wood parenchyma	: Marginal bands, paratracheal aliform, confluent and vasicentric, reticulate patterns
Rays	: Very fine, closely spaced, non-storied
Ripple marks	: Absent
Inter cellular canals	: Absent

WOOD DESCRIPTION

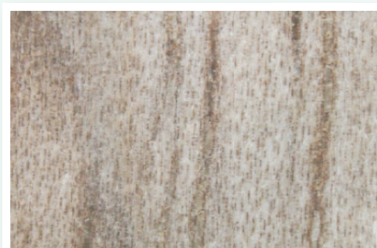
Colour	: Light brown, with heartwood darker than sapwood; heartwood is yellowish brown with dark brown streaks or pinkish
Texture	: Moderately coarse and uneven
Grain	: Straight



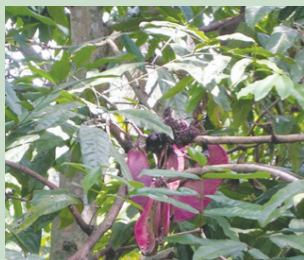
Cross – section of *Saraca declinata*



Radial section of *Saraca declinata*



Tangential section of *Saraca declinata*



Gapis leaves and fruits



Gapis flower



Bark structure Gapis



Gapis Tree

CLASSIFICATIONS AND CHARACTERISTICS

Plant Division	: Angiosperms (Flowering Seed Plants) (Dicotyledon)
Plant Growth Form	: Tree (Small (6m-15m))
Mode of Nutrition	: Autotrophic
Plant Shape	: Umbrella
Maximum Height	: 7 m to 20m

BIOGEOGRAPHY

Native Distribution	: Myanmar, Thailand, Peninsular Malaysia, Indonesia (Java)
Native Habitat	: Terrestrial (Riverine)
Zone	: Monsoonal

CLASSIFICATIONS AND CHARACTERISTICS

Growth Form	: Evergreen shrub or tree
Habitat	: Occurs in primary and secondary rainforests at low altitude (0 - 900 m). Often found near small streams
Trunk	: Short trunk with greyish, furrowed bark and reddish-orange inner bark. Bark is covered in numerous circular lenticels (corky structures that allow oxygen to pass into the trunk)
Foliage	: Spirally arranged, drooping leaves are pinnately compound. Oblong leaflets have acute apex and base with entire leaf margins
Flowers	: Flowers have 4 roundish petals and long stamens; arranged in inflorescences known as corymbs or panicles
Fruits	: Dry, dehiscent fruits are flattened woody pods. Pods are initially bright reddish pink, but turn a dark reddish purple
Landscaping	: This species is planted as an ornamental shrub or tree for its large, dense clusters of fragrant flowers
Cultivation	: This species grows best in fertile, well-drained soils that are kept moist
Propagation	: It propagates by seed, stem cuttings and marcotting

LANDSCAPING FEATURES

Desirable Plant Features	: Ornamental Flowers, Ornamental Foliage
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FAUNA, POLLINATION AND DISPERSAL

Fauna Pollination Dispersal Associated Fauna	: Bee-Attracting
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PLANT CARE AND PROPAGATION

Light Preference	: Full Sun
Water Preference	: Moderate Water

FOLIAR

Foliage Retention	: Evergreen
Mature Foliage Colour(s)	: Green
Mature Foliage Texture(s)	: Smooth, Glossy / Shiny
Foliar Venation	: Pinnate / Net
Leaf Area Index (LAI) for Green Plot Ratio	: 3.0 (Tree - Intermediate Canopy)
Prominent Young Flush Colour(s) Remarks	: Purplish-Red, Pink, Light Green

FLORAL (ANGIOSPERM)

Flower Colour(s)	: Orange, Pink, Red
Flowering Habit	: Polycarpic

FRUIT, SEED & SPORE

Mature Fruit Colour(s) - Angiosperms and Gymnosperms	: Purple
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- Jonesia declinata Jack in Mai. Misc. 2 (7): 74. 1822
- Type: Jack s. n. (G)
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- UMS - Universiti Malaysia Sabah (Faculty of Science and Natural Resources) - (Forestry Complex)
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YB Dato' Dr. Mohd Khairuddin Aman Razali, Minister of Plantation Industries and Commodities (MPIC) leading a delegation of head of agencies to visit YAB Haji Muhammad Sanusi Md Nor, the Minister of Kedah at his office in Wisma Daru Aman, Alor Setar Kedah on 16 Jun 2020



YB Dato' Dr. Mohd Khairuddin Aman Razali with YBrs. Tuan Mohd Kheiruddin Mohd Rani, Director General of MTIB, visiting Oud Agarwood Sdn Bhd in Jeli Kelantan on 21 Jun 2020



Meeting between MWMJC and MTIB management team at MTIB Headquarters in Cheras, Kuala Lumpur on 5 Jun 2020



YBhg. Datuk Dr. Abd Latif Mohmod, Director General of FRIM and an MTIB Board Member, officially retiring in August 2020; picture taken on 18 June 2020



New e-Mall Online Purchasing Platform training programme for MTIB staff held at Menara PGRM, Cheras on 25 Jun 2020