

maskayu

MALAYSIAN TIMBER INDUSTRY BOARD



VOL 9
SEPT 2020

WORKSHOP ON NATIONAL TIMBER INDUSTRY STRATEGIC PLAN (2021-2025)



■ LEAN CREANOVA 2019 -
SHARING BEST LEAN
PRACTICES

■ NURTURING BUMIPUTERA
SUB CONTRACTORS THROUGH
VENTURES 2020

ISSN 0126-771X



9 770126 771009



3



8



18



20



30



CONTENTS

HIGHLIGHTS

3 Lean Creanova 2019 - Sharing Best Lean Practices

8 Workshop On National Timber Industry Strategic Plan (2021-2025)

18 Nurturing Bumiputera Sub Contractors Through Ventures 2020

20 Gmp 5S Creanova - Creating A More Conducive & Safe Workplace Environment

30 Chempaka



REGULAR FEATURES

5 Timber World in Brief

10 Shipping News

12 Timber Round-Up

14 Domestic Trade News

23 Market Profile : New Zealand: Exploring Its Vast Opportunities in Timber Industry

32 MTIB Moments



Cover : For more details, please read page 8

Chief Editor

Mohd Kheiruddin Mohd Rani
Director-General

Editorial Members

Dato' Dr. Mohd Puat Dahalan
Haji Mahpar Atan
Hajah Robiyah Haji Husin
Haji Kamaruzaman Othman
Dr. Mohd Nor Zamri Mat Amin
Saiful Bahri Salleh
Farydatul Nazly Mohd Zin
Noorazimah Sarkom@Haji Othman
Hajah Roslina Idris
Mohd Nizam Hamid
Erien Noor Md Nasir
Shamsul Azman Abdul Aziz
Hariz Reza Mohd Yazid

Publisher

MALAYSIAN TIMBER INDUSTRY BOARD
Level 13 - 17, Menara PGRM, 8, Jalan Pudu Ulu
Cheras, 51200 Kuala Lumpur, Malaysia
Tel : 603-9282 2235
Fax : 603-9200 3769/9283 9792
E-mail : info@mtib.gov.my
Website : www.mtib.gov.my



Read eMASKAYU at
www.mtib.gov.my

LEAN CREANOVA 2019 - SHARING BEST LEAN PRACTICES



Yang Berusaha Puan Habibah Ahmad delivering the opening address

MTIB has been conducting the Lean Management Programme since 2014 with the purpose of improving work process flow particularly in manufacturing operations such as floor lay-outs, logistics management and maintenance in order to increase operations efficiency in wood-based companies in Malaysia. Besides the above objective, Lean Management Programme also aims to reduce the currently high dependency on labour force particularly foreign workers within the timber industry. In principle, Lean Management Programme utilises a combination of training packages, guidance, evaluations and sharing of best practices that will enable timber companies to increase productivity



Cik Hajah Robiyah shared information on MTIB's publication with Yang Berusaha Puan Habibah Ahmad

through an improved operational system and management efficiency.

On 9 September, MTIB organised the MTIB Lean Creanova Programme in Bangi, Selangor. This programme served as a platform for 12 timber companies that had joined the MTIB Lean Management Programme to share their respective journeys towards having a learner and more productive factory. The Lean Creanova was also a competition of sorts for the participants where the top three were awarded cash prizes, trophies, certificates and a complimentary two-page company promotional advertorial in the MTIB monthly bulletin, MASKAYU, as further incentive.



Among the participants of the programme

Cont. from page 3

MTIB Lean Creanova was officiated by Yang Berusaha Puan Habibah Ahmad, Deputy Secretary, Timber, Tobacco and Kenaf Industries Division, Ministry of Plantation Industries and Commodities (MPIC). In her opening speech, Puan Habibah stated that since 2014, The Lean Management Programme has helped transform timber companies in terms of increasing productivity, reducing processes and time as well as in the realignment of product manufacturing processes. As of 2019, a total of 80 timber companies have participated in this Lean Management Programme with a total operational savings of RM77.3 million per year. She urged the timber industry to continue to strive towards increasing productivity which would help the timber industry not only in providing quality services to customers but it can also optimize the use of resources as well as save the company's production operating costs.

Each company gave a 15-minute presentation that highlighted all activities and Kaizens (process improvement measures) that had been implemented at their factories during the six-month programme. They also laid out all kaizens to be implemented in the near future, as an indication that they would continuously practice Lean Management, with or without the involvement of MTIB or its appointed consultants. All presentations were judged based on their chosen projects and the methods or techniques that were used and how effective it was to solve their problems. The panel of judges, which was headed by Encik Sabri Bin Hasan, the Manager



The participants watching the presentations



The winners of MTIB Lean Creanova Programme

of Organisational Excellence Development of Malaysian Productivity Corporation (MPC), also comprised Cik Hajah Robiyah Husin, Director of Strategic Planning Division, MTIB and Cik Shahidatul Hilni Halim, Accountant Officer from MTIB.

After hearing and judging all presentations, Encik Sabri stated that he was very impressed and proud of the achievements shown by the wood industry in implementing Lean Management. He expressed his hopes that all companies involved would continue these efforts as lean is always about striving for perfection.

It was announced later that the top spot was awarded to Reliable Trend Sdn. Bhd. a furniture manufacturer from Batu Pahat, Johor. The company walked away with a cash prize of RM1,500.00, a trophy, a certificate. The second prize was awarded to Crown Furniture Trading Sdn. Bhd. from Klang, Selangor who received RM1,000.00, a trophy, a certificate. The third prize was won by Jemaramas Jaya Sdn. Bhd., an office furniture manufacturer from Klang, Selangor who received a cash prize of RM500.00, a trophy, a certificate. Each of the three winners were also given a two-page promotional advertorial in MASKAYU.

Overall, the MTIB Lean Creanova programme was well received by the audience, as it showcased the positive impacts of Lean Management to the timber industry. Lean Creanova was attended by over 100 participants, ranging from representative from both private and government sectors of the Malaysian timber industry. 



INDONESIA

FURNITURE INDUSTRY NEEDS HELP TO BE READY FOR DEMAND UP-TURN

Indonesian furniture manufacturers are optimistic that production will be back to normal by the end of the first quarter of 2021 but, because average production utilisation will be stuck at around 30%, they asked the government to provide support for the industry so that it can be ready to take immediate advantage of the anticipated rise in demand at the end of the first quarter 2021. The optimism of the industry hinges on the relaunch of the Indonesia Furniture Expo (IFEX), which is scheduled to take place at the end of the first quarter of 2021, assuming that a vaccine has become available. Abdul Sobur, Secretary General of the Indonesian Furniture and Craft Industry Association HIMKI, said last year IFEX attracted 12,000 buyers. Despite the request for direct financial support submitted to the Ministry of Industry, the Association has not had a response. Because of this Sobur said the Association will instead propose an easing of costs associated with imports of raw materials by furniture exporters at least at this critical time when government efforts are focused on pandemic control measures.

ITTO/Fordaq, 4 September 2020



VIET NAM

FORESTRY PRODUCTS EXPORTS UP

Viet Nam earned USD 7.83 billion from exporting forestry products in the first eight months of 2020, up 10.3% year-on-year and accounting for 29.9% of the agricultural sector's total export turnover, Viet Nam News reported. According to the Ministry of Agriculture and Rural Development's Viet Nam Administration of

Forestry, the export value of wood and wooden products in the period was USD7.32 billion, up 9.6 % over the same period last year. The export of non-timber forestry products surged 21.6 %, reaching USD511 million.

The US, Japan, China, the EU, and the Republic of Korea remained key importers of Vietnamese forestry products in the eight-month period, with a total value of USD7 billion or 89.5% of the country's forestry export value. The sector's import value fell 9.3%, resulting in a trade surplus of USD6.31 billion in the period.

The Voluntary Partnership Agreement (VPA) on Forest Law Enforcement, Governance, and Trade (FLEGT) between Viet Nam and the EU, which took effect on June 1, 2019, has helped raise the competitiveness of Vietnamese wood and furniture in the EU. Viet Nam's wooden furniture export turnover accounts for only 6% of the global market, meaning Vietnamese businesses have substantial opportunities to expand.

According to Do Xuan Lap, Chairman of the Viet Nam Timber and Forest Product Association (VIFOREST), exports of forestry products are predicted to rise 20% to USD12.5 billion this year.

VN/Fordaq, 14 September 2020



JAPAN

PLYWOOD IMPORTS DROP IN THE FIRST HALF 2020

There has been a steady decline in the volume of Japan's plywood imports in the first half of 2020. Year-on-year the volume of plywood imports dropped 28% in the first half of 2020. Indonesia and Malaysia are the top shippers of plywood to Japan accounting for over 80% of all plywood imports. In June arrivals from Malaysia were down 26% compared to May and year-on-year June imports were around 13% down. In contrast, the volume of June imports from Indonesia was around the same level as in May and were marginally lower than in June 2019.

Plywood imports from China were small at about 10,000 m³ monthly but what was noticeable in the first half import data is that shipments of plywood from Vietnam were for the first time greater than those from China.

ITTO/Fordaq, 16 September 2020



EUROPEAN UNION

DOWNTURN IN EU27 TROPICAL IMPORTS MAY BE LESS SEVERE THAN FORECAST

The downturn in EU imports of wood and wood furniture products during the initial period of the COVID-19 pandemic may be less severe than first forecast. As expected, EU27 (i.e. excluding the UK) tropical wood and wood furniture product imports fell sharply in May in response to supply side problems and the lockdown measures in most of the main EU markets, losing around one third of value against the five-year average for the month. However, imports were already recovering in June, a month which in a more typical year, is when imports tend to slow before the summer holiday period. Imports during June were only around 20% below the 5-year average for that month. In total, EU27 imports of all tropical wood and wood furniture products in the first half of 2020 were USD1.49 billion, 17% less than the same period in 2019.

There is a reasonable chance that, if the recovery continues over the summer months, overall imports of tropical wood and wood furniture in 2020 will not be too far below 2019 or the five-year average. This does assume, however, that there is no significant uptick in COVID-19 cases in the EU with the onset of winter leading to widespread resumption of lockdown measures. As things stand, there is still concern in the EU about the possibility of a second wave. More positively, anecdotal reports suggest that the DIY sector in the EU remained quite buoyant in some countries throughout the lockdown months with many people taking the opportunity to carry out home improvement work. In those EU countries with less stringent lockdowns, such as the Netherlands and Sweden, commercial construction and some manufacturing activity also continued, at a slower pace but without interruption. Another reason for optimism is the agreement reached between the leaders of the 27 EU Member States at a summit on 21st July 2020 on a comprehensive fiscal stimulus package worth EUR1.85 trillion over the next seven years.

The package consists of a EUR1.1 trillion budget, 30% of which will be spent on tackling climate change, and a further EUR750 billion in grants and loans, all of which must be tied to meeting the bloc's carbon emission cutting targets. This has potential to create new market opportunities for timber products in the EU.

ITTO/Fordaq, 4 September 2020



SWITZERLAND

WORKING ON A NEW TIMBER TRADE REGULATION

Since the Swiss obligation to declare wood and wood products, in force since 2012, follows a completely different approach than the EU Timber Trade Regulation (EUTR) that came into force in 2013, a Swiss Wood Trade Regulation is intended to eliminate the resulting competitive disadvantages. The EUTR obliges those who first place wood on the market with the aim of keeping illegally felled wood off the market; the Swiss obligation to declare, on the other hand, only requires consumers to provide evidence of the type and origin of wood. This difference has meant that exporters of Swiss wood products have suffered significant losses in recent years because their products are taxed in the EU as originating from a third country.

However, the umbrella association of the Swiss forest and wood industry (Lignum) currently fears that a unilateral implementation of the new timber trade regulation without a contractual solution with the EU could result in a new disadvantage due to greatly increased administrative costs for imports. From the point of view of the industry, the Federal Council should therefore examine the introduction of the Timber Trade Ordinance parallel to anchoring it in the bilateral agreements. Otherwise, from Lignum's point of view, it is crucial to at least keep the administrative effort for the affected companies in the entire timber chain as low as possible. This should also apply to imports from the EU. It is important to strive for an SME-friendly solution. Lignum therefore demands that industry associations be closely involved in the practical implementation of the Timber Trade Ordinance.

ITTO/Fordaq, 3 September 2020



CANADA

HOUSING STARTS INCREASED IN AUGUST

The trend in housing starts was 213,144 units in August 2020, up from 204,597 units in July 2020, according to Canada Mortgage and Housing Corporation (CMHC). This trend measure is a six-month moving average of the monthly seasonally adjusted annual rates (SAAR) of housing starts.

"The national trend in housing starts increased for a third consecutive month in August," said Bob Dugan, CMHC's chief economist. "Higher multifamily starts in Ontario, including Toronto, drove the national increase. We expect national starts to trend lower by the end of 2020 as a result of the negative impact of COVID-19 on economic and housing indicators." CMHC uses the trend measure as a complement to the monthly SAAR of housing starts to account for considerable swings in monthly estimates and obtain a more complete picture of Canada's housing market. In some situations, analyzing only SAAR data can be misleading, as they are largely driven by the multi-unit segment of the market which can vary significantly from one month to the next. The standalone monthly SAAR of housing starts for all areas in Canada was 262,396 units in August, an increase of 6.9% from 245,425 units in July. The SAAR of urban starts increased by 7.1% in August to 248,154 units. Multiple urban starts increased by 9.1% to 201,214 units in August while single-detached urban starts decreased by 1.0% to 46,940 units. Rural starts were estimated at a seasonally adjusted annual rate of 14,242 units.

CMHC/Fordaq, 11 September 2020



PERU

TIMBER SECTOR SEVERELY AFFECTED BY PANDEMIC

The Peruvian timber sector has been severely affected by the pandemic isolation measures and all productive sectors has been included. The wood and furniture sectors are some of the worst affected. Export data for the first half of 2020 showed that it was only in January and February when trade was undisturbed. The downturn began in March. The closure of borders, confinement and other measures taken worldwide contributed to the decline in demand for wood products.

Exports in the first half of 2020 were USD28 million a decline of over 50% compared to the same period of 2019 (USD61 million). The timber sector in Peru contributed just 1% to GDP but it provides around 300 jobs for every USD1 million exported. In 2019 the sector generated about 300,000 direct and indirect jobs. In the first half of the year there was a decline in the export value of all wood products such as sawnwood, decking, wooden flooring, plywood, veneers, wooden furniture and wooden furniture parts. Commentators write "The Peruvian reality is not different from other countries in the region. For example, in Brazil there was a drop of 43%, in Chile there was a decline of 24%, in Ecuador of 20%, however, Peru registers the sharpest decline in the region".

ITTO/Fordaq, 3 September 2020



CHINA

LARGEST MARKET FOR CHINA'S WOODEN FURNITURE

According to China Customs, the value of China's wooden furniture exports fell 24% to USD7.439 billion in the first half of 2020. The US was the largest market but imports fell in the first half of 2020 by about 10% compared to 2019. Although China's wooden furniture exports to most countries fell in the first half of 2020, exports to some countries increased.

Meanwhile, the value of China's wooden furniture imports fell 26% to USD389 million in the first half of 2020. Italy, Germany and Viet Nam are major suppliers of China's wooden furniture imports as over 60% of China's wooden furniture was imported from the three countries. The value of China's wooden furniture imports from Italy and Viet Nam dropped 26% and 44% to USD146 million and USD38 million respectively in the first half of 2020. However, the value of China's wooden furniture imports from Germany rose 21% to USD66 million in the first half of 2020.

ITTO/Fordaq, 29 September 2020



UNITED STATES

HOUSING STARTS DROP

After reporting a substantial increase in new residential construction in the U.S. in the previous month, the US Commerce Department released a report showing housing starts pulled back by much more than expected in the month of August. The report said housing starts tumbled by 5.1% to an annual rate of 1.416 million in August after soaring by 17.9% to a revised rate of 1.492 million in July. Economists had expected housing starts to pull back by 1.2% to a rate of 1.478 million from the 1.496 million originally reported for the previous month.

The Labor Department said building permits also fell by 0.9% to an annual rate of 1.470 million in August after spiking by 17.9% to a revised rate of 1.483 million in July. Building permits, an indicator of future housing demand, had been expected to increase by 1.7% to a rate of 1.520 million from the 1.495 million originally reported for the previous month.

USCensus/Fordaq, 18 September 2020



WORKSHOP ON NATIONAL TIMBER INDUSTRY STRATEGIC PLAN (2021-2025)

The National Timber Industry Policy (NATIP) 2009-2020 is coming to an end. Thus, a new strategy needs to be imposed in order to ensure the future of the timber industry in Malaysia is sustained and competent in world market. In order to maintain the pace of a fast growing timber market globally, MTIB is currently in the midst of creating a National Timber Industry Strategic Plan (2021-2025). This document will replace NATIP and provide an essential guideline for timber stakeholders in the next 5 years.

To ensure the document is fully comprehensive and covers all matters, MTIB organised a consultation workshop on 14 September 2020 in Kuala Lumpur. The workshop was officiated by the Secretary General of MPIC YB Encik Ravi Muthayah. The Secretary General delivered his opening remarks which emphasised on the initiatives that needed to be expedited and materialised to reflect its positive and significant impact on the timber industry. He also highlighted the need to provide serious attention to the shortfalls of Malaysia's export performance, compared to the



Encik Mohd Kheiruddin Mohd Rani, MTIB Director General giving his presentation on status of timber industry and way forward



Planery session during workshop



YB Encik Ravi Muthayah give his opening speech at National Timber Industry Strategic Plan (2021-2025)



120 participants attended the workshop from various agencies, association and industries

target set for NATIP. He urged all relevant parties to re-strategize and intensify their efforts to resolve the problems confronting the timber industry and to determine the appropriate handling mechanisms. He also emphasised the fact that the industry has to work hard to ensure its growth especially in the current year due to the COVID-19 pandemic, and therefore he hoped that all initiatives would be implemented by all parties and most importantly the initiatives should be able to reflect positive and significant impacts on the timber industry.

The objective of the session was to map out an action plan for the timber industry based of 4 strategic thrusts: raw material and industry sustainability; industry support, human capital, innovation and technology; marketing and trade development; enhancement of Bumiputera participation.

The session was attended by 120 participants, including representatives from the industry, government agencies and relevant institutions such as banking and finance.




Standing on Excellence



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

For more information, contact:

Malaysian Timber Industry Board (MTIB)

Level 13-17, Menara PGRM, No. 8, Jalan Pudu Ulu, 56100 Cheras
Kuala Lumpur, Malaysia

Tel: +603-9282 2235 Fax: +603-9285 1477/1744

Email: info@mtib.gov.my URL: www.mtib.gov.my

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

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.

August 2020

Malaysia

Port of Tanjung Pelepas smashes another move record

MALAYSIA's Port of Tanjung Pelepas (PTP) has established another operational milestone after it broke the productive moves per hour (PMPH) record for the South Africa bound service during the call of the 8,200 twenty-foot equivalent units (TEUs) Maersk Amazon, which is currently en route to Durban.

PTP said it made 184.6 PMPH when the vessel called on July 19, 2020 and surpassed the previous record of 164.38 PMPH achieved on January 29, 2017.

The terminal hailed the achievement and said it "would not be possible without the cooperation and joint effort" of all parties, and described it as a "statement of everyone's continuous effort, dedication and hard work".

It is the latest in a series of many achievements set by PTP, which include breaking the port optimisation record as it received many of the biggest vessels in the world, such as the MSC Gulsun and the HMM Algeciras, currently the largest in the world.

Additionally, in April 2020 it recorded an all-time container terminal move record as it saw a total of 137,256 moves in a week equivalent of 211,997 TEUs.

This beat the previous record of 132,506 moves or 202,871 TEUs set in the second week of January 2020.

PTP at that time put the success down to various operational improvement initiatives that have been put in place by the port and consistency in productivity. The increase in productivity and efficiency has made PTP one of the fastest growing ports in the world and a critical source of growth in Southeast Asia, reports London's Port Technology International.

Source: Asian Shipper

China

Shipping Group and Beijing to cooperate on smart ship technology

CHINA's Maritime Safety Administration of the Ministry of Transport and the state-owned China Shipping Group signed an agreement to accelerate the construction of smart ships, reported Fort Lauderdale's Maritime Executive.

Under the agreement, they will cooperate in the fields of intelligent transport and equipment, marine environmental protection, maritime policy and technical regulations research, international maritime affairs, marine safety equipment and personnel training.

China Shipbuilding will seek to leverage the new technologies to help it rebuild its business that was adversely affected in the first half of 2020 by the global pandemic. They reported that new ship orders dropped 50% year on year in the first half of 2020.

The goal is to jointly develop smart shipping by conducting research and technology test verifications as well as demonstrations to promote the construction of smart shipping systems, said the report.

They expect to apply developed technologies in the construction of cruise ships, large-scale liquefied natural gas (LNG) carriers and polar navigation ships as well as Beidou satellite navigation systems.

They also expect the cooperation to extend to ship-to-sea environmental protection technology for pollution prevention and control for the shipping industry.



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

Product	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports M³	% Change August 2020/ July 2020
	M³	% Change August 2020/ July 2020	M³	% Change August 2020/ July 2020	M³	% Change August 2020/ July 2020	M³	% Change August 2020/ July 2020	M³	% Change August 2020/ July 2020		
Sawntimber	64,585	17	5,334	-45	657	-33	226	-36	6,310	-6	77,113	6
MDF	14,852	5	321	100	2,650	-8	1,060	-9	3,554	-60	22,438	-17
Mouldings	10,149	-16	93	52	2,178	-6	1,008	24	930	-26	14,358	-13
Plywood	8,703	92	0	0	18	-90	39	-92	9,338	-31	18,084	-4
Veneer	413	69	0	-100	0	0	0	-100	2,793	115	3,206	99
Particleboard	22,068	27	275	-35	360	-49	0	0	6,621	4	29,324	18
TOTAL	120,770	16	6,024	-40	5,863	-17	2,333	-18	29,547	-22	164,536	2

Source: MTIB

They will focus on the research and development of new energy sources as well as energy-saving and environmental protection technologies and products to reduce ships' greenhouse gas emissions. The China Shipbuilding Group will use the new technologies to continue to strengthen its technological innovation that it believes will permit it to increase its business.

In the first half of 2020, CSSC received orders for 73 ships amounting to 5.35 million deadweight tons. This represented better than 34% year-on-year growth of its order book, and with a 30% global market share, ranks CSSC first in global shipbuilding, said the report.

Source: Asian Shipper

China

Hapag-Lloyd announces new restriction for the acceptance of waste cargo in China

Referring to the company's Customer NEWS issued June 12, 2020, Hapag-Lloyd would like to provide you with latest information from the Department of Solid Wastes and Chemicals of the Ministry of Ecology and Environment (MEE). The timeline for the implementation of the regulation has been changed to January 1, 2021.

This is the implementation date for customs clearance, not for the departure date of the goods. The MEE will not allow a transition period for goods that do not complete customs clearance after this date.

The Solid Waste Division will publish a catalogue of solid waste products which is currently under preparation within MEE.

The new Revision stipulates that hazardous waste is prohibited from transit through the territory of the PRC. However, existing regulations for the transit of non-hazardous solid waste in China will remain unaffected.

Source: Port News

Russia

Throughput of Port Vyborg in 7M year 2020 fell by 43% Y-o-Y

The port's throughput continues to decrease.

In January-July 2020, the port of Vyborg handled 389,000 tonnes of cargo (-43%, year-on-year), says Baltic Sea Ports Administration.

Handling of dry bulk cargo fell by 48% to 332,700 tonnes including 67,400 tonnes of coal and coke (-80%) and 245,800 tonnes of mineral fertilizers (-12%).

Handling of general cargo climbed by 26% to 46,500 tonnes, liquid bulk cargo (chemicals) – surged 3.2 times to 9,800 tonnes.

In 2019, the port of Vyborg handled 1.21 million tonnes of cargo (-37%, year-on-year).

Source: Port News

Europe

Port of Rotterdam cargo volumes suffer 9.1% drop in first half

The Port of Rotterdam lifted 218.9 million tonnes of cargo in the first half, down 9.1% on a record throughput in the same period in 2019 hit by the global Covid-19 pandemic.

Particularly hit were dry bulk volumes which dropped 19% to 30.8 million tonnes driven by a 22% fall in throughput for iron ore and scrap and 34% for coal.

"The steel factories that use the port of Rotterdam for the supply of ore are producing much less than usual. Demand for steel fell sharply from March onwards as a result of production stoppages in the automotive industry and construction," said the port authority.

Liquid bulk volumes dropped 9% to 99.8 million tonnes. The mineral oil products sector, mainly fuel oil, saw the largest drop of 22% in the first half of year.

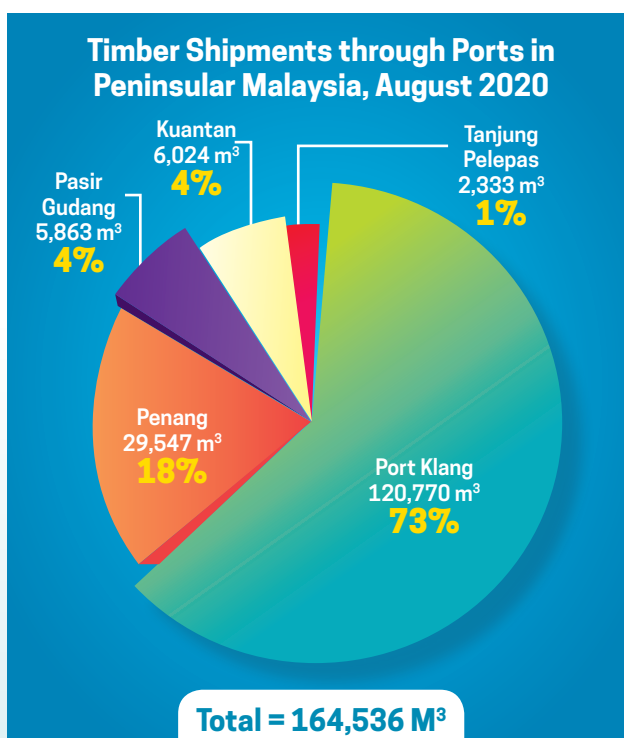
Container volumes were down 7% in twenty-foot equivalent units (TEUs) terms and 3% in cargo volume terms in the first half of the year.

"Shipping companies cancelled up to 20% of all their services in May and June. The decline in throughput was nevertheless less pronounced due to the increased call sizes of vessels calling at Rotterdam," the port said.

Meanwhile breakbulk fell 11% in the first half year, and ro-ro throughput was 12% lower, according to UK's Seatrade Maritime News.

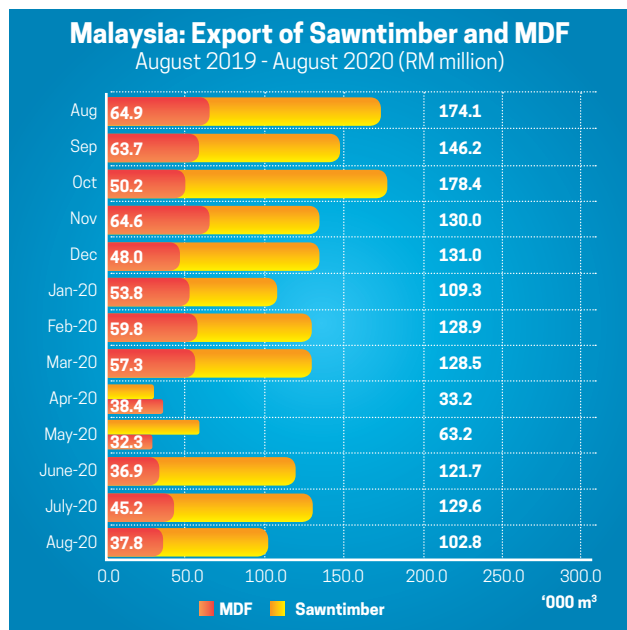
Said Port of Rotterdam Authority CEO Allard Castelein: "The negative economic impact of the Covid-19 pandemic is being felt worldwide. It should therefore come as no surprise that throughput volumes in the past six months were considerably lower than in the same period last year. On the positive side, the throughput volumes in the second quarter turned out to be better than initially expected."

Source: Asian Shipper



August 2020

Total export of Malaysian timber and timber products in August 2020 decreased by 10% valued at RM1.9 billion over the previous month. Similarly, cumulative exports for the period of January to August 2020 also decreased by 6% valued at RM13.7 billion over the previous corresponding period.



SAWNTIMBER

Total export of sawntimber in August 2020 decreased both in volume at 102,815 m³ and in value at RM185.5 million as compared to the previous month. Cumulative exports for the period of January to August 2020 decreased by 33% in volume and 35% in value to 817,248 m³ totalling RM1.5 billion over the previous corresponding period.

Exports of sawntimber to the EU for the month decreased by 9% to 6,214 m³ over the previous month as a result of lower demand from major countries in the region. The Netherlands as the main buyer decreased slightly to 3,391 m³ from 3,407 m³ in the previous month. Exports to Germany also decreased by 32% to 598 m³ from 882 m³ recorded in the previous month followed by Italy with 32% lower to 321 m³ and France by 10% to 665 m³. Meanwhile exports to the UK also decreased by 12% to 1,149 m³ from 1,310 m³ in the previous month.

Total export to West Asia decreased by 26% to 16,504 m³ from 22,289 m³ recorded in the previous month. Yemen as the main buyer from West Asia decreased by 89% to 1,129 m³ from 9,864 m³ recorded last month. Similarly, exports to Iraq and Bahrain also decreased by 15% and 69% to 2,102 m³ and 326 m³ respectively from 2,467 m³ and 1,056 m³ recorded in the previous month. However, exports to the UAE increased by 41% to 5,794 m³ from 4,098 m³ recorded in the previous month followed with Oman and Saudi Arabia by 61% and 36% higher to 3,462 m³ and 1,938 m³. Exports to Qatar also increased by 31% to 1,313 m³ from 1,001 m³ recorded in the last month.

Elsewhere, buying from ASEAN decreased by 33% to 30,496 m³ from 45,461 m³ as registered in the previous month. Thailand as the main buyer in ASEAN decrease its intake by 31% to 16,223 m³ from 23,438 m³ as recorded in the previous month. Exports of sawntimber to the Philippines also decreased by 55% to 8,158 m³ from 18,028 m³ last month. Meanwhile, exports to Singapore increased by 79% to 4,593 m³ from 2,566 m³ as recorded in the previous month followed by Viet Nam with 5% to 1,352 m³. Intake by Indonesia also increased by 7% to 121 m³.

Similarly, shipments to East Asia also decreased by 17% to 21,521 m³ from 25,843 m³ in July. China as the main buyer decreased purchases by 5% to 11,393 m³ from 11,938 m³ while Taiwan also decreased by 63% to 3,131 m³ and followed by Hong Kong with 19% to 100 m³ respectively. Meanwhile, exports to Japan and South Korea increased by 23% and 37% to 3,997 m³ and 2,900 m³ respectively from 3,261 m³ and 2,112 m³ as recorded last month.

Elsewhere, exports to the USA increased by 35% to 1,171 m³ while Australia decreased by 22% to 752 m³ compared from the previous month. Meanwhile, demand from South Africa increased by 39% to 3,816 m³ from 2,750 m³ recorded in the previous month.

The average FOB price of sawntimber decreased slightly to 1,805 per m³ from 1,813 per m³ in the previous month. Meanwhile, price of Dark Red Meranti to the Netherlands decreased 3% to 3,246 per m³ from 3,338 per m³ previously. Keruing was traded at 1,913 per m³, a decrease of 10% from 2,124 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in August 2020 decreased both in volume and value by 16% and 15% to 37,799 m³ worth RM56.5 million compared to the previous month. Similarly, cumulative exports for January-August 2020 based on year-on-year recorded a decrease in volume by 38% to 361,395 m³ and in value by 31% worth RM503.4 million over the previous corresponding period.

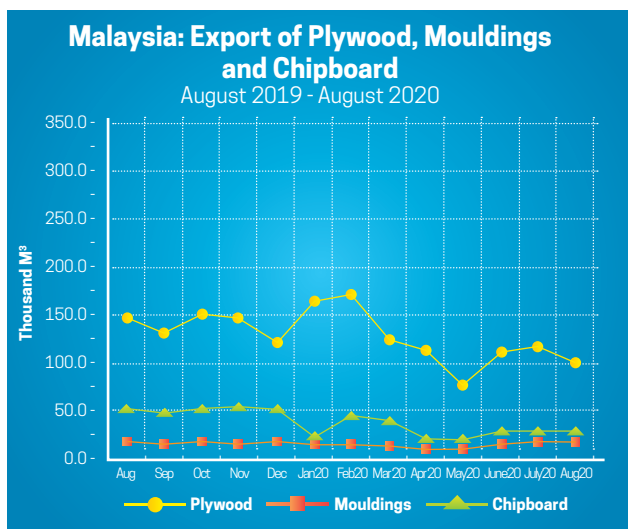
In ASEAN, total export decreased by 23% to 5,610 m³ from 7,308 m³ in the previous month. Exports to the Philippines reduced by 21% to 2,102 m³, followed by Viet Nam by 64% to 588 m³ and Singapore by 83% to 3 m³. Nevertheless, Indonesia increased buying by 1% to 2,755 m³ for this month. Moving to the East Asia region, exports to the region was down by 22% to 9,784 m³. Japan as the major importer of MDF decreased its intake by 20% to 9,303 m³, followed by Taiwan by 58% to 318 m³ and China, including Hong Kong, by 74% to 35 m³. Meanwhile, South Korea increased intake by 129% to 128 m³ for this month.

Moving to the South Asian region, exports to the region increased by 30% to 6,868 m³ for this month. Exports to India increased by 5% to 2,155 m³, followed by Sri Lanka by 145% to 1,689 m³ and Bangladesh by 232% to 707 m³. However, Pakistan reduced its MDF import by 1% to 2,317 m³ for this month. In contrast, exports to the West Asian region decreased by 64% to 4,373 m³ from 12,132 m³ in the previous month. The UAE, as the major buyer in the region decreased intake by 42% to 2,723 m³, followed by Oman by

51% to 300 m³, Qatar by 77% to 214 m³, Saudi Arabia 79% to 143 m³ and Bahrain 97% to 32 m³. However, Jordan increased its import by 289% to 961 m³ while Iran, Kuwait, Lebanon and Syria didn't make any purchase for this month.

Elsewhere, exports to the USA and Australia decreased by 25% to 1,836 m³ and 34% to 1,795 m³ respectively. Contrarily, exports to the UK, South Africa and Sudan increased by 375% to 171 m³, 176% to 619 m³ and 315% to 889 m³ respectively.

The FOB price of MDF increased by 2% to RM1,495 per m³ from RM1,465 per m³ from the previous month.



PLYWOOD

Exports of plywood in August 2020 both decreased in volume and value by 18% and 22% to 100,893 m³ totalling at RM188.1 million compared to the previous month. Similarly, cumulative exports for January-August 2020 based on year-on-year showed a decrease in volume by 13% to 1,014,264 m³ and in value by 18% worth RM1.9 billion over the previous corresponding period.

Exports of plywood to the EU decreased by 62% to 651 m³ for this month from 1,701 m³ recorded in the previous month. Exports to Belgium, Denmark and Ireland decreased by 34% to 87 m³, 64% to 163 m³ and 50% to 355 m³ respectively. Meanwhile, Italy increased its intake by 18% to 46 m³. France, Germany and the Netherlands did not make any purchase this month. Meanwhile, UK decreased its buying by 10% to 4,464 m³ while Turkey did not make any purchase.

Exports to ASEAN and the East Asia region recorded a decrease of 23% to 62,440 m³ compared to 81,231 m³ in the previous month. In the East Asia region, Japan as the main importer of Malaysian plywood decreased its intake by 13% to 42,107 m³, followed by South Korea 38% to 8,218 m³, Taiwan 49% to 5,023 m³ and Hong Kong 44% to 1,614 m³. Contrarily, China increased its imports by 1% to 724 m³. Meanwhile, Malaysia's plywood trade with its ASEAN partners showed a mixed trend for this month. The Philippines and Brunei Darussalam increased their buying by 1% to 1,526 m³ and 16% to 488 m³ respectively. However,

Thailand and Singapore decreased intake by 49% to 1,523 m³ and 22% to 905 m³ respectively. Indonesia did not make any purchase for this month.

Exports to the West Asian region recorded a decrease of 72% to 3,337 m³ from 11,705 m³ in the previous month. The UAE, Kuwait and Yemen decreased intake by 24% to 669 m³, 28% to 90 m³ and 89% to 803 m³ respectively. Meanwhile, exports to Saudi Arabia increased by 46% to 1,404 m³, Qatar resumed its buying to 41 m³ while Bahrain did not make any purchase for this month.

The African region showed positive growth for this month. Morocco, South Africa and Mauritius increased their buying to 750 m³, 208 m³ and 40 m³ respectively. Similarly, exports of plywood to the Americas region increased by 41% to 24,672 m³ as compared to 17,468 m³ in the previous month. Our main buyer in the Americas region, the USA increased its intake of plywood by 61% to 22,543 m³ from 14,014 m³ last month. Canada also increased its buying to 651 m³ but exports to Mexico reduced by 56% to 1,478 m³. Moving to the Oceania region, exports to Australia increased by 17% to 3,885 m³ whilst New Zealand did not make any purchase for this month.

The FOB price of plywood has reduced by 2% to RM1,865 per m³ from RM1,898 per m³ in the previous month.

MOULDINGS

Exports of mouldings for the month increased by 1% in volume and decreased by 10% in value to 18,687 m³ worth at RM65.0 million. However, cumulative exports for the period of January to August 2020 decreased by 25% both in volume and value to 121,052 m³ worth at RM450.6 million as compared to the previous corresponding period in 2019.

Exports to the EU for the month was recorded at 7,219 m³, a decrease of 7% compared to the previous month. Germany increased purchases by 26% to 963 m³ while, Belgium and the Netherlands decreased purchases by 60% and 11% to 249 m³ and 4,814 m³ respectively. However, Italy resumed its purchases to 46 m³ while the UK recorded a decrease of 15% to 383 m³ for the month.

Exports to the ASEAN region increased as Singapore increased purchases by 33% to 495 m³. Meanwhile, Viet Nam decreased purchases by 3% to 530 m³. Indonesia did not make any purchase.

Likewise, Hong Kong, China and South Korea increased intake by 533%, 96%, and 4% to 361 m³, 518 m³ and 1,207 m³ respectively. However, Taiwan and Japan decreased intake both by 31% to 46 m³ and 1,064 m³ compared to the previous month.

Elsewhere, exports to the US increased by 30% to 3,791 m³ while Canada and Australia decreased imports by 37% and 17% to 59 m³ and 1,954 m³ respectively.

Average FOB unit value for mouldings decreased marginally to RM3,481 per m³ compared to RM3,911 per m³ in the previous month.

August 2020

LOGS

Prices recorded positive growth, with the industry reporting that demand is increasing slightly from the previous month and during the recovery period of Covid-19.

Log prices for the species of Chengal decreased slightly by 0.8% at RM5,000 per ton. Meanwhile, the prices for Balau and Merbau stood firm at RM3,200 per ton and RM3,570 per ton respectively. Similarly, the prices for Keruing stood firm at RM1,400 per ton whilst Kempas fell by 9.9% to RM1,550 per ton. The prices for Dark Red Meranti remained at RM1,880 per ton whilst White Meranti increased by 7.2% at RM1,480 per ton. On the other hand, logs prices for Mixed Heavy Hardwood decreased by 4.3% at RM1,053 per ton whilst Mixed Light Hardwood remained at RM1,020 per ton.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable as prices continued to chart at last month's level. The MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.80, RM15.20, RM21.70 and RM28.50 per piece respectively.

SAWNTIMBER

The average sawn timber prices for the month appeared more stable with some species indicating a slight increase. Demand from overseas markets also seemed quite positive, especially from China.

The sawn timber prices of Chengal and Balau remained at RM7,274 per m³ and RM3,390 per m³ respectively. Similarly, the prices for Keruing remained at RM2,013 per m³ whilst Tualang increased slightly by 1.4% to RM2,507 per m³. The prices for Yellow Meranti and White Meranti increased by 2.3% and 0.6% to RM1,554 per m³ and RM2,472 per m³ respectively. On the other hand, sawn timber prices of Mixed Heavy Hardwood fell by 2.5% to RM971 per m³ whilst Mixed Light Hardwood remained at RM918 per m³ for this month.

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 * - AUGUST 2020

The shipments of sawn timber from Sabah to Peninsular Malaysia for the month increased tremendously in volume from 840 m³ to 4,074 m³ worth at RM1.3 million. Meanwhile, trade of veneer drop by 49% in volume from 242 m³ to 124 m³ worth at RM158,000.

Trade of sawn timber from Sarawak to Peninsular Malaysia increased by 98% in volume from 828 m³ to 1,640 m³ worth at RM3.1 million. Similarly, trade of plywood increased by 22% in volume from 1,346 m³ to 1,644 m³ worth at RM1.6 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, AUGUST 2020 (RINGGIT MALAYSIA)

	LOGS/tonne	SAWNTIMBER/m³			
SPECIES	18" UP	GMS	STRIPS	SCANTLINGS/m³	
HEAVY HARDWOOD					
Cengal	5,000	7,274	5,720	7,980	
Balau	3,200	3,390	3,107	3,217	
Red Balau	2,250	2,825	2,613	3,390	
Merbau	3,570	4,696	3,884	4,096	
Mixed Heavy Hardwood	1,053	971	883	1,236	
MEDIUM HARDWOOD					
Keruing	1,500	2,013	1,412	2,203	
Kempas	1,550	2,472	2,260	2,542	
Kapur	1,680	1,746	1,412	1,766	
Mengkulang	1,300	2,119	1,419	2,154	
Tualang	1,400	2,507	2,331	2,542	
LIGHT HARDWOOD					
Dark Red Meranti	1,880	2,036	1,681	2,719	
Red Meranti	1,800	1,970	1,624	2,069	
Yellow Meranti	1,250	1,554	1,236	1,554	
White Meranti	1,480	2,472	1,306	2,507	
Mersawa	1,700	1,977	1,624	2,048	
Nyatoh	1,330	1,624	1,342	1,518	
Sepetir	1,150	1,706	1,003	1,751	
Jelutong	1,110	1,780	1,309	1,836	
Mixed Light Hardwood	1,020	918	812	1,010	
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
MDF 4' X 8'	4 mm	6mm	9 mm		12 mm
(RM per piece)	12.80	15.20	21.70		28.50

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

* Prices are only indicative

INTRA-MALAYSIA TRADE - AUGUST 2020

From	Product	July 2020		August 2020		% Change in volume	% Change in value
		Vol (m³)	Val (RM'000)	Vol (m³)	Val (RM'000)	Jul2020/Aug2020	Jul2020/Aug2020
SABAH	Logs	450	2	0	0	-100	-100
	Sawntimber	840	260	4,074	1,296	385	398
	Plywood	0	0	0	0	0	0
	Veneer	242	346	124	158	-49	-54
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	828	1,324	1,640	3,083	98	133
	Plywood	1,346	1,480	1,644	1,573	22	6
	Veneer	38	70	0	0	-100	-100

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

Cont. from page 13

VENEER

Exports of veneer for August 2020 were down in volume by 31% to 4,156 m³ and 25% in value worth RM7.1 million as compared to the previous month. Similarly, cumulative exports for January-August based on year-on-year showed a decrease in volume by 47% to 39,052 m³ and in value by 44% worth RM62.8 million over the previous corresponding period.

Exports to Australia, Taiwan, the Philippines and South Korea decreased for this month. Australia recorded a decrease of veneer intake by 66% to 19 m³, followed by the Philippines by 59% to 414 m³, Taiwan by 55% to 775 m³ and South Korea 12% to 905 m³. However, China increased its intake by 7% to 1,193 m³, followed by India by 50% to 267 m³, Canada 53% to 55 m³ and the USA 105% to 41 m³. Meanwhile, Singapore, Italy and Viet Nam didn't make any purchase for this month.

The FOB price of veneer for August 2020 was at RM1,718 per m³, an increase of 9% from RM1,577 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for August 2020 recorded a decrease of 16% in volume and 12% in value to 10,577,574 m³ worth RM87.0 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased by 8% to RM610.4 million as compared to RM662.3 million. Exports to the EU decreased by 3% to RM120.4 million. Exports to the Germany, France, Netherlands and Italy decreased by 35%, 28%, 21% and 12% to RM13.6 million, RM11.7 million, RM12.9 million and RM3.5 million respectively. However, exports to Sweden, Denmark, Belgium and Turkey increased by 132%, 25%, 9% and 8% to RM12.7 million, RM16.9 million, RM34.4 million and RM71,307 respectively. Meanwhile, exports to the UK increased by 2% to RM81.6 million from last month.

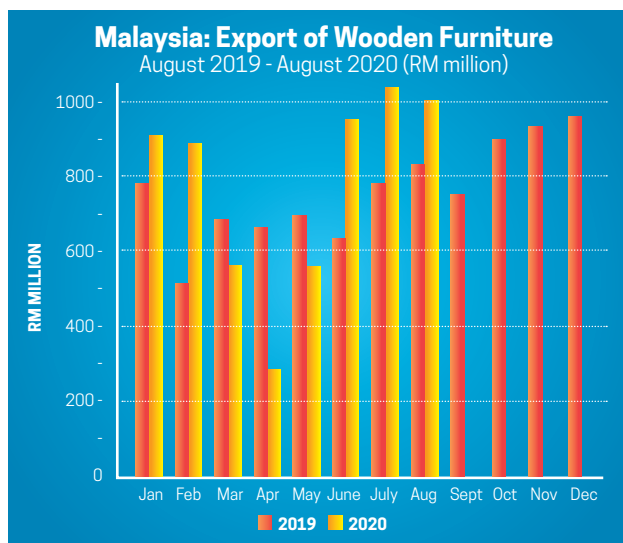
In Asia, exports to Qatar, the UAE and Saudi Arabia recorded a decrease of 100%, 89% and 69% to RM8,599, RM527,990 and RM412,206 respectively. Meanwhile, Egypt increased purchases by 386% to RM943,068. Singapore, Viet Nam, Pakistan, Japan and India decreased imports by 56%, 44%, 37%, 22% and 15% to RM23.4 million, RM10.4 million, RM1.0 million, RM35.0 million and RM21.9 million respectively. However, exports to South Korea, Thailand and Taiwan increased by 81%, 10% and 4% to RM1.8 million, RM14.9 million and RM7.9 million compared to the previous month. Meanwhile, Bahrain did not make any purchase.

Exports to South Africa and Australia decreased by 49% and 20% to RM6.3 million and RM111.9 million respectively. However, exports to the US and Mauritius increased by 28% and 7% to RM114.3 million and RM546,630 compared to the previous month.

FURNITURE

Exports of wooden and rattan furniture for the period of January to August 2020 recorded an increase of 12% to RM6.2 billion from RM5.6 billion in the previous corresponding period. The USA as a main buyer of wooden furniture has increased purchases by 65% to RM3.8 billion from RM2.3 billion in the corresponding period in 2019. In Europe, shipments to Germany decreased by 19% to RM28.5 million, while exports to the Netherlands increased by 11% to RM21.3 million from RM19.2 million compared to the previous corresponding period. Export to Greece also decreased by 16% to RM14.7 million, France 25% to RM30.4 million and Poland 14% to RM20.9 million.

Shipments to the UK also decreased by 16% to RM278.8 million for the month. Similarly, purchases by Russia declined by 22% to



RM9.5 million from RM12.1 million in the same period last year. Demand from both Canada and Australia also decreased by 19% and 17% to RM160.4 million and RM251.8 million respectively.

In East Asia, exports to Japan reduced by 22% to RM305.3 million from RM388.8 million in the same period last year. However, South Korea increased consumption by 10% to RM65.3 million whilst exports to China decreased by 34% to RM81.4 million. Exports to India also decreased by 50% to RM72.9 million from RM145.2 million in the previous corresponding period.

In the ASEAN region, exports to the Philippines and Singapore were recorded at RM71.7 million and RM164.1 million respectively. Elsewhere, exports to Saudi Arabia and Qatar also decreased by 25% to RM93.0 million and 63% to RM3.7 million respectively. The UAE also reduced buying by 26% to RM71.4 million followed by Kuwait which reduced buying by 48% to RM16.6 million and Oman by 70% to RM7.1 million respectively.

Rattan furniture shipments for January to August 2020 were recorded at RM60.4 million from RM92.0 million in the previous corresponding period. Exports to the USA decreased by 26% to RM20.2 million from RM27.2 million in the corresponding period in 2019. Elsewhere, exports to Canada decreased by 27% to RM1.7 million while Australia increased imports by 10% to RM3.0 million compared from the previous month.

In Europe, exports to Germany and the Netherlands decreased by 9% and 29% to RM406,586 and RM514,473 respectively compared from the previous corresponding period. Exports to the UK also decreased by 29% to RM5.2 million followed with France by 37% to RM1.2 million and Poland 83% to RM244,586. Similarly, purchases by Russia declined by 55% to RM1.6 million from RM3.5 million in the same period last year. Meanwhile in North Africa, Algeria increased purchases by 21% to RM2.5 million from RM2.0 million in the previous corresponding period.

In East Asia, exports to Japan increased by 49% to RM1.5 million from RM1.0 million recorded in the same period last year. However, China and India declined intake by 48% and 69% to RM6.8 million and RM1.4 million compared from RM13.2 million and RM4.5 million respectively in the previous corresponding period. Meanwhile in the ASEAN region, exports to Singapore and Thailand were recorded at RM1.1 million and RM353,591 respectively.

Elsewhere in the Middle East, exports to the UAE decreased by 61% to RM288,782 from RM736,009 recorded in the same period 2019. Meanwhile, Viet Nam, Cote D' Ivore, Sri Lanka and Oman didn't make any purchase compared to the previous corresponding period in 2019.

WOOD GROWS ON YOU

especially beautiful malaysian wood!





NURTURING BUMIPUTERA SUB CONTRACTORS THROUGH VENTURES 2020

Bumiputera sub-contractors in the furniture manufacturing industry has limited access to resources as well as constraints in terms of opportunities to upgrade their work skills. In this regard, an initiative is being taken to encourage Bumiputera involvement as a sub-contractor in the furniture manufacturing industry, while increasing public confidence in the services of Bumiputera sub-contractors.

The Vendor Sub-Kontraktor Bumiputera (VenTureS 2020) programme which is currently being implemented by the Malaysian Timber Industry Board (MTIB), conforms to Thrust 7 of the National Timber Industry Policy (NATIP) i.e. Bumiputera participation. Twenty participants aged between 18 to 45 years have been recruited under VenTureS 2020. This programme will be executed with the cooperation of the 10 main contractors: Meranti Marshal Sdn. Bhd., Puncak Bumi Utama Sdn. Bhd., Pusan Furniture Industries (M) Sdn. Bhd., Teck Seng Industries Sdn. Bhd., KWM Craft Sdn. Bhd., Timber Dynamic Corporation Sdn. Bhd., Malpro Industries Sdn. Bhd., Purnama Bersatu Sdn. Bhd., Adunan Komersil (M) Sdn. Bhd. and Prisma Tegas Sdn. Bhd.

Bumiputera sub-contractors should not only focus on the manufacturing sector. This is because the

market in obtaining employment contracts as installers for furniture products is large and needs to be further explored. Sub-contractors can also reduce the shortage of workers faced by large-scale factories as well as their dependence on foreign workers.

In addition, this programme also aims to create opportunities for Bumiputera sub-contractors to increase their capabilities in order to ensure greater involvement in the industry and further upgrade Bumiputera sub-contractors to a higher level through training processes, workshops and joint ventures with the selected factories and main contractors.

The objectives of VenTureS are to increase the participation and involvement of Bumiputera sub-contractors in the wood products industry for them to gain experience, increase knowledge and improve quality, especially in the field of construction, housing and interior decoration.

In addition, the programme hopes to guide Bumiputera sub-contractors into being directly involved in the wood and furniture industry supply chain to improve their economy by providing the concept of sub-contracting to obtain employment contracts through large-scale factories. This is



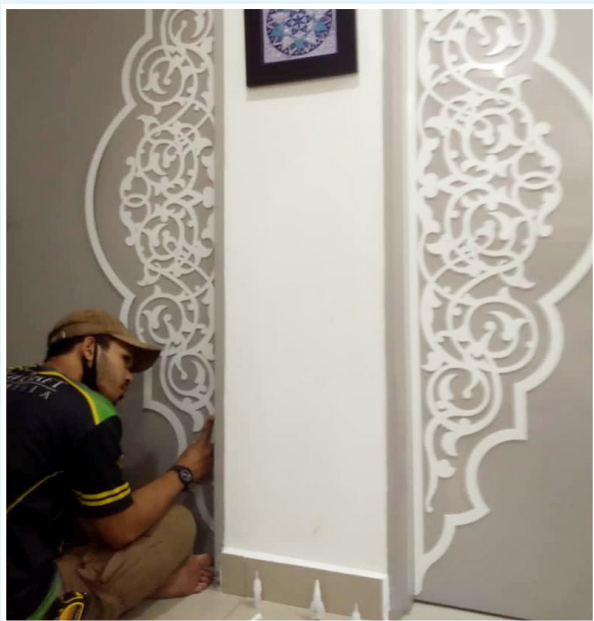
VenTureS maincon introduction

essential in creating and developing versatile and successful Bumiputera sub-contractors in the wood industry, especially the furniture sector, that are competitive, resilient, challenging and world-class.

Under this programme, participants will be given a comprehensive theoretical and practical training before being given sub-contractor jobs to start a business.

There are three core phases that each participant will have to undergo during the six-month programme.

- i. First Phase (Entrepreneurship Training) for one month. Participants will be equipped with basic entrepreneurship knowledge and guidance as well as comprehensive technical skills for furniture manufacturing and marketing as a vendor or sub-contractor of wood furniture.



Installation job training by VenTureS participant



Kusi produced by VenTureS participant

- ii. Second Phase (Entrepreneurial Development-Mentor Mentee) for two months. Participants will undergo daily tasks at the main contractors' factory to meet the overall training objectives of the programme. The main contractors will support and guide participants on how to strengthen business chains, and obtain business capital, machinery and equipment, raw materials and factory premises (incubator).
- iii. Third Phase (Business Application) for three months. The main contractors will guide participants to formulate terms and price negotiations for vendor employment contracts including overseas employment contracts (exports).

After the programme, each participant will be guided towards company establishment and will get at least one new sub-contractor job within 3 months after the end of the programme. 



Jelutong Dynara app

Malaysian Wood
Standing on Excellence

Lukisan Seribu Makna, Kayu Eratkan Semua
A Picture Paints a Thousand Words. Wood Binds Them All

www.mtib.gov.my



GMP 5S CREANOVA - CREATING A MORE CONDUCTIVE & SAFE WORKPLACE ENVIRONMENT



Yang Berusaha Tuan Mohd Kheiruddin, MTIB Director General gave the opening remarks

In conjunction with its GMP 5S programme which has been running since 2015, MTIB organized a one-day sharing session, with the participants on their GMP 5S journey, called GMP 5S Creanova, to encourage competition among the participants and maximise the knowledge obtained throughout the programme. The GMP 5S programme implementation is guided by a qualified and highly skilled training provider appointed by MTIB for a period of six to eight months. GMP 5S also applies principles, methods and improvement efforts that focus on identifying and eliminating non-value-added activities (work waste) to help improve process efficiency in the timber mills and workplace to be more productive and efficient.

GMP 5S Creanova was held at Hotel Bangi Resort on 22 September 2020. This programme served as a platform for 12 timber companies that are part of the MTIB GMP 5S Programme, to share their experience. The GMP 5S Creanova served as a competition for the participants where the top three scorers would be awarded trophies, certificates and a complimentary two-page company promotional advertorial in MTIB's monthly bulletin, MASKAYU.

MTIB GMP 5S Creanova was officiated by Yang Berusaha Tuan Mohd Kheiruddin Mohd Rani, MTIB Director-General. In his opening remarks, Encik Kheiruddin stated that MTIB had been implementing the Good Manufacturing Practices (GMP) - 5S Programme which is held annually since 2015 with the aim of transforming the manufacturing sector to increase the existing level of efficiency towards a productivity improvement process and promote a more conducive and safe workplace environment. As of 2019, 91 timber companies have participated in the GMP 5S Programme with a total operational savings of RM1.7 million per year. MTIB's Director-General also noted the importance of having a higher productivity rate amongst the timber industry for



The participants observing the presentation

it to prepare itself for the Industrial Revolution 4.0 which has the potential of propelling this nation towards higher income and more profitability.

Each company gave a 15-minute presentation that highlighted all activities that had been implemented at their factories during their six-month programme. During the presentation all participating companies shared their respective journeys, challenges and innovative efforts towards having more productive and competitive factory operations. All presentations were judged by a panel of juries headed by Encik Safarwan Mohd. Suhaimi, Assistant Manager, Productivity & Competitiveness Development of Malaysian Productivity Corporation (MPC). Also present as part of the jury panel was Cik Hajah Robiyah Husin, MTIB's Director of Strategic Planning Division. The jury's evaluations were based on each participating company's chosen projects and the methods or techniques that were used as well as how effective and innovative they were in solving their problems.

After listening to and judging all companies presentations, Encik Safarwan congratulated all



The winners of the programme



Yang Berusaha Tuan Mohd Kheiruddin Mohd Rani visited information booths during the programme

the participants on successfully participating in the programme. He urged them to continue with their efforts to practise GMP 5S to increase productivity and remain competitive globally.

It was announced later that the top spot was given to Teck Seng Industrial Sdn. Bhd. a furniture manufacturer from Batu Pahat, Johor. The second spot was given to another furniture manufacturer, Malpro Industri Sdn. Bhd. from Rawang, Selangor while the third place was given to Feng Yuan Industries Sdn. Bhd., a furniture manufacturer from Muar, Johor. Each of the winners received a trophy, a certificate and a two-page company promotional advertorial in MASKAYU.

Overall, the MTIB GMP 5S Creanova programme was well received by the audiences, as it showcased the positive impact of GMP 5S to the timber industry. GMP 5S Creanova was attended by over 80 participants, ranging from representatives from both private and government sectors of the Malaysian timber industry.



Resak *Vatica* spp.

Malaysian Wood
Standing on Excellence

Tak Lapuk Dek Hujan, Tak Lekang Dek Panas
Timeless, Enduring



Beauty, Elegance & Versatility of Malaysian Timber *At Its Best*

Malaysian timber products give you the beauty in tropical wood. The versatility and elegance of Malaysian timber surpasses man-made materials in beauty and value for money. Our timbers make excellent products such as window frames, staircase railings, wall panelling and partitions, parquet floors, doors and furniture.

And while our timber industry grows so do our forests. We manage our forests as a renewable resource consistent with International Tropical Timber Organisation's criteria for sustainability.

For more information please contact us.



MTIB

MALAYSIAN TIMBER INDUSTRY BOARD

(Ministry of Plantation Industries and Commodities)

13-17, Menara PGRM, Jalan Pudu Ulu, Cheras

P.O.Box 10887, 50728 Kuala Lumpur.

Tel: 603 - 9282 2235 Fax: 603 - 9200 3769, 9284 6214

E-mail: info@mtib.gov.my <http://www.mtib.gov.my>

Yes! I would like to know more of your services.

Please mail or fax back to us at:

Name :

Address :

Tel / Fax :

From which publications have you received our information?

.....

NEW ZEALAND: EXPLORING ITS VAST OPPORTUNITIES IN TIMBER INDUSTRY



third in the 2020 Index of Economic Freedom. According with World Bank, New Zealand is 28th largest economy with GDP per capita of USD43,953 in 2019.



Overview

New Zealand is an island country in the southwestern Pacific Ocean which consists of North Island, South Island and approximately 600 smaller islands, covering a total area of 268,021 square kilometres. The country's varied topography and sharp mountain peaks, including the Southern Alps, owe much to tectonic uplift and volcanic eruptions.

The current population of New Zealand is 4.82 billion and generally, most of the population is located in urban areas. Being a developed country, New Zealand ranks highly in international comparisons of national performance, such as quality of life, education, protection of civil liberties, government transparency, and economic freedom. The country underwent major economic changes during the 1980s, which transformed it from a protectionist to a liberalised free-trade economy. The service sector dominates the national economy, followed by the industrial sector, and agriculture; international tourism is a significant source of revenue. New Zealand is a member of the United Nations, Commonwealth of Nations, ANZUS, Organisation for Economic Co-operation and Development, ASEAN Plus Six, Asia-Pacific Economic Cooperation, the Pacific Community and the Pacific Islands Forum.

New Zealand is heavily dependent on international trade, particularly in agricultural products. Exports account for 24% of its output, making New Zealand vulnerable to international commodity prices and global economic slowdowns. The industrial sector represents 19.2% of GDP and 20.4% of the workforce. Main industries include log and wood articles, food processing, manufacturing, mining, transportation equipment, construction, aluminium production, and paper products. Prefabricated homes factor strongly in New Zealand's housing and urban development programme. Tourism also plays a significant role in the economy, contributed NZD16.2 billion with 5.8% share of GDP in 2019. New Zealand's major trading partners are mainly with Australia, EU, USA, China, South Korea, Japan and Canada. New Zealand's large-scale manufacturing industries include aluminium production, food processing, metal fabrication, wood and paper products. Meanwhile, the service sector represents 65.6% of GDP and employs 73.5% of the population. The main services include financial services, real estate services, and tourism - which is one of the most important sources of foreign currency. Other important sectors include retail and wholesale trade, restaurants and hotels.

According to IMF, New Zealand's GDP grew 2.2% in 2019 against 3.2% in 2018 - and is expected to contract to -7.2% in 2020 due to COVID-19 pandemic and revive to 5.9% in 2021. New Zealand relies heavily on consumption to bolster its GDP, although low interest rates, a benevolent fiscal and monetary policy, and increases in real wages due to declining unemployment also factor into its economic growth. Its proximity to Asia and Australia, and strong tourism and agricultural sectors also strengthen the economy. The country's entrepreneurial environment is one of the world's most efficient and competitive.

Economy

The economy of New Zealand is a highly developed free-market economy. Over the past 40 years, the government has transformed New Zealand from an agrarian economy, dependent on concessionary British market access, to a more industrialized, free market economy that can compete globally. In the mid-1980s, New Zealand deregulated its agricultural sector by phasing out subsidies over a three-year period. Since 1984, successive governments engaged in major macroeconomic restructuring (known first as Rogernomics and then Ruthanasia), rapidly transforming New Zealand from a protected and highly regulated economy to a liberalised free-trade economy. Nowadays, New Zealand has a very export-driven competitive economy with exports accounting for about 30% of GDP. The country ranked 14th in 2019 Human Development Index and

Forestry And Timber And Timber-Based Production

Forestry is a key sector in the New Zealand economy. It contributes 11% of total exports and comprises of natural forest and planted forest. Natural forest covers 6.4 million hectares (24% of the land area), while planted forest covers 1.5 million hectares (5% of land area). A further 10% of the

land area is in other forms of indigenous vegetation including regenerating forests (scrubland). National or regional parks or private conservation areas comprise 5.7 million hectares of the total forest area. Planted forests provide 99% of all roundwood produced annually. These plantations are predominantly fast growing where Radiata pine (*Pinus radiata*) makes up 90% of the plantation area, with Douglas fir (*Pseudotsuga menziesii*) accounts for 6%, and the rest is made up of eucalypti and other species. Lately, there have been a growing interest in hardwood plantations. Natural forests owned by the State are largely protected from timber production with limited small-scale production allowed from privately owned natural forests, provided the production is carried out in a sustainable manner and has the required permits from the government. In 2019, 35.9 million m³ were harvested from the forests and about 1.697 million hectares of net stocked plantation forest area, a reduction of 9,918 hectares from the net stocked area as of 1 April 2018. Meanwhile, the estimated standing volume of

timber in the plantation forest is 495 million m³, 2.5% higher than 2018 and the provisional new planting estimate is 22,000 hectares for 2019.

The government encourages the private sector to plant trees through various incentives, while at the same time continuing to afforest large areas itself. Ironically, some of the incentives paid by government were to clear natural forests so that they could be replaced by planted forests of introduced species. The development of these planted forests has put New Zealand in an almost unique position in terms of wood production. The extent of planted forests has permitted a dichotomy of management regimes to develop to the point where natural forests are almost entirely protected from both timber production and clearance, and planted forests are managed principally for wood production. With planted forests providing almost all domestic forest products requirements, the rising levels of harvest have created a substantial exportable surplus.

New Zealand: Forest Area, 1990-2020

Area (1,000 ha)

PRODUCT	1990	2000	2010	2015	2016	2017	2018	2019	2020
Forest area	9,372	9,850	9,848	9,846	9,486	9,850	9,855	9,865	9,892
Other wooded land	1,494	1,399	1,386	1,370	1,367	1,366	1,365	1,363	1,356
Other land	15,464	15,081	15,096	15,114	15,116	15,113	15,110	15,102	15,081
Total Land Area	26,331	26,331	26,331	26,331	26,331	26,331	26,331	26,331	26,331

Source: Global Forest Resources Assessments 2020

According to the FAO, New Zealand produced around 6.22 billion m³ of major timber and timber products, an increase of 5% from 2015. This has emphasised the fact that New Zealand is increasingly harvesting timber from its planted forests.

New Zealand produced around 4.4 billion m³ of sawntimber followed by veneer 496 million m³, MDF/HDF 791.5 million m³ and plywood 332.2 million m³.

New Zealand: Production of Timber and Timber Products, 2015-2019

PRODUCT	UNIT	2015	2016	2017	2018	2019
Sawlogs and veneer coniferous	m ³	25,129	25,177	30,107	31,914	31,914
Sawnwood, coniferous	m ³	4,018,652	4,287,460	4,649,632	4,414,966	4,414,966
Veneer sheets	m ³	624,185	523,613	495,975	495,975	495,975
Plywood	m ³	381,957	398,760	332,200	332,200	332,200
Particle board	m ³	149,223	153,659	157,786	149,449	149,449
MDF/HDF	m ³	719,568	766,336	777,180	791,520	791,520
TOTAL		5,918,714	6,155,005	6,442,880	6,216,024	6,216,024

Source: FAOSTAT DATA

New Zealand's timber industry produced an annual gross income of NZD6.32 billion in 2019 and contributed 1.6% to its annual GDP. The industry also provided employment to 35,000 people in timber production, processing, and the commercial sector. The New Zealand market for wood fibre and timber products is mature and annual per caput consumption - estimated at 3 m³ - is amongst the highest in the world. The construction and agriculture industries make extensive use of timber products. As indicated by high and expanding export levels, a combination of the well-developed local market and marginal domestic population growth mean the increasing harvest being processed by the forest industry is for its global customer base.

Malaysia's Export of Timber and Timber Products to New Zealand

New Zealand has been Malaysia's trading partners for timber and timber products, despite the export value being on a declining trend, for the last five years. In 2019, Malaysia exported RM59.67 million of timber and timber products, a decrease of 2.7% from RM61.34 billion in 2018. The country mainly imported wooden furniture worth RM43.15 million followed by BJC RM8.21 million, wooden frame RM2.06 million and fibreboard RM2.03 million. A slowdown of economic growth, softening of private consumption and increasing competition from other timber and timber products producers such as China, Indonesia and Australia have reduced our export of timber and timber products to New Zealand.

Malaysia: Exports of Timber and Timber Products to New Zealand, 2015-2019

Value: RM '000

PRODUCT	2015		2016		2017		2018		2019	
	Qty	RM	Qty	RM	Qty	RM	Qty	RM	Qty	RM
Sawntimber	624	1,878,446	2,581	5,818,786	1,389	2,728,252	356	975,493	442	1,188,580
Plywood	729	1,844,132	885	2,388,053	827	2,525,531	1,040	3,109,191	673	1,909,076
Veneer	0	0	0	0	46	112,303	0	0	0	0
Mouldings	222	789,754	316	971,100	282	866,448	252	926,885	190	868,188
Chipboard/ Particleboard	85	84,512	21	14,913	2	2,323	1,023	716,500	175	151,583
Fibreboard	1,754	3,361,357	2,328	4,395,063	1,927	3,863,072	2,138	4,483,294	1,007	2,026,196
Wooden Frame	111,142	2,150,084	112,405	2,047,358	122,050	2,344,207	106,166	1,860,147	104,883	2,057,971
BJC	568,627	5,785,094	636,584	6,503,881	690,416	7,815,188	690,648	7,424,223	790,930	8,212,542
Wooden Furniture	n.a	43,205,674	n.a	48,290,956	n.a	45,951,816	n.a	41,650,316	n.a	43,151,277
Rattan Furniture	n.a	261,325	n.a	13,451	n.a	15,309	n.a	1,554	n.a	0
Other Products	n.a	1,331,231	n.a	774,504	n.a	594,427	n.a	192,616	n.a	103,576
TOTAL	n.a	60,691,609	n.a	71,218,065	n.a	66,818,876	n.a	61,340,219	n.a	59,668,989

Source: MTIB & DOSM

Malaysia's Import of Timber and Timber Products from New Zealand

Malaysia's import of timber products from New Zealand shows a fluctuating trend. Total import in 2015 amounted to RM144.08 million and in 2016, imports reduced to

RM112.8 million. Imports then increased in 2017, amounting to RM138.21 million. Imports to Australia continued to increase to RM197.41 million in 2018, however, decreased to RM153.02 million in 2019. Major products imported from New Zealand in 2019 were sawntimber worth RM80.09 million, followed by veneer RM14.88 million and fibreboard at RM8.99 million.

Malaysia: Imports of Timber and Timber Products from New Zealand, 2015-2019

Value: RM '000

PRODUCT	2015		2016		2017		2018		2019	
	Qty	RM	Qty	RM	Qty	RM	Qty	RM	Qty	RM
Logs	0	0	55	74,039	0	0	276	123,286	38	29,037
Sawntimber	29,199	27,722,284	32,609	33,819,038	40,090	41,101,001	76,116	78,702,725	80,821	80,085,260
Plywood	0	0	203	350,198	0	0	0	0	198	319,909
Veneer	39,612	39,231,219	23,262	20,487,395	35,768	34,174,317	35,833	37,422,173	15,371	14,876,324
Mouldings	47	58,538	45	55,314	48	63,093	36	41,887	48	44,977
Chipboard/ Particleboard	0	0	0	0	34	71,628	0	0	0	0
Fibreboard	15,692	19,619,844	10,775	13,950,414	5,006	8,050,512	5,014	8,097,663	5,744	8,990,234
BJC	0	0	0	0	0	0	0	0	1,715	53,905
Wooden Furniture	n.a	120,937	n.a	227,071	n.a	42,179	n.a	10,412	n.a	428,156
Other Products	n.a	57,332,209	n.a	43,840,647	n.a	54,707,736	n.a	73,007,291	n.a	48,195,412
TOTAL	n.a	144,085,031	n.a	112,804,116	n.a	138,210,466	n.a	197,405,437	n.a	153,023,214

Source: MTIB & DOSM

New Zealand's Export of Timber and Timber Products

New Zealand's timber export has been booming on the back of robust demand from Asia-Pacific countries such as China, Japan,

South Korea, Australia and USA especially for its logs, sawntimber and MDF. In 2015, exports were recorded at USD2.49 billion. The numbers decreased by 17% to USD2.9 billion in 2016. In 2017, exports increased by 15% to USD3.34 billion and continued to increase to USD3.65 billion in 2018. However, in 2019, total export fell 9% to USD3.34 billion.

New Zealand: Exports of Timber and Timber Products, 2015-2019

(Value USD'000)

PRODUCT	2015	2016	2017	2018	2019
Furniture & Parts	30,826	34,410	29,341	26,387	20,680
Logs	1,390,084	1,782,393	2,194,054	2,485,640	2,289,112
Sawntimber	585,842	586,072	614,182	653,763	571,657
MDF	179,668	192,686	192,139	202,595	183,283
Plywood	101,695	98,945	93,953	89,293	80,056
Moulding	67,656	69,975	75,008	67,062	67,820
Veneer	31,343	29,440	33,444	36,356	32,863
BJC	31,126	32,754	35,696	25,267	25,217
Particleboard	26,686	28,208	28,406	25,297	22,204
Other Products	46,347	49,695	44,942	39,856	46,665
TOTAL	2,491,273	2,904,578	3,341,165	3,651,516	3,339,557

Source: UN-Comtrade Statistics



New Zealand's Import of Timber and Timber Products

Imports of timber and timber products by New Zealand has been substantial due to its high consumption from growing demand of urbanisation due to rising population and growth of its construction sector. In 2015, imports were recorded at

USD468 million and continued to increase by 7% to USD499.17 million in 2016. In 2017, imports increased by 7% to USD533.69 million and continued to increase by 9% to USD581.88 million in 2018. New Zealand continued its intake of timber and timber products in 2019 where imports rose by 1% to USD589.96 million. Australia imported mainly furniture parts, sawntimber, plywood and moulding and its main suppliers were China, Canada, Indonesia, Australia and Chile.

New Zealand: Imports of Timber and Timber Products, 2015-2019

(Value USD'000)

PRODUCT	2015	2016	2017	2018	2019
Furniture Parts	262,824	279,217	284,095	299,336	309,616
Sawntimber	60,757	68,491	75,045	81,856	76,807
Plywood	35,940	39,576	45,638	56,449	53,221
Moulding	24,958	22,426	29,311	37,949	38,786
BJC	23,411	27,365	34,238	36,220	35,389
MDF	9,142	11,427	11,243	13,273	14,201
Wooden Frame	4,380	3,559	3,041	3,421	4,533
Particleboard	1,380	1,740	2,543	3,557	4,418
Logs	3,150	2,896	3,883	2,031	2,331
Veneer	782	565	633	695	1,456
Other Products	41,277	41,903	44,015	47,089	49,205
TOTAL	468,001	499,165	533,685	581,876	589,963

Source: UN-Comtrade Statistics

New Zealand Import Tariff

Malaysia and New Zealand commenced negotiations on the bilateral FTA (MNZFTA) in May 2005. MNZFTA was concluded on

30 May 2009 at the 10th round of negotiations in Kuala Lumpur. The Agreement was signed by both Ministers of Trade on 26 October 2009 in Kuala Lumpur. MNZFTA entered into force on 1 August 2010.

PRODUCT	DESCRIPTION	MFN RATE	MNZFTA
4401	Fuel wood	0	0
4402	Coniferous	0	0
4403	Logs	0	0
4404	Hoopwood; split poles; piles	5	0
4405	Wood wool; wood flour	0	0
4406	Railway or tramway sleepers	5	0
4407	Sawntimber	1.7 - 2.5	0
4408	Veneer	2 - 12	0
4409	Mouldings	1.7	0
4410	Particleboard/ Chipboard	5	0
4411	Fibreboard	5	2.5
4412	Plywood	5	0
4413	Metallised wood & other densified wood	0	0

PRODUCT	DESCRIPTION	MFN RATE	MNZFTA
4414	Wooden frames	5	0
4415	Packing cases, boxes	2.5	0
4416	Casks, barrels, vats, tubs	0	0
4417	Tools, tool bodies, tool handles	2	0
4418	Builders' joinery and carpentry	0 - 5	0
4419	Tableware and kitchenware, of wood	5	0
4420	Wood marquetry and inlaid wood	2.5 - 5	0
4421	Other articles of wood, n.e.s.	1.3	0
9401	Furniture Seats	5 - 6.7	0

Source: WTO and MITI

Outlook and Prospects

For the New Zealand forest and wood processing sectors, 2019-2020 has been a tumultuous year. Domestic and international recessions resulting from COVID-19 lock-down measures are expected to reduce residential construction activity, significantly reducing demand for sawntimber and wood-based panel products. The restrictions put in place to mitigate the spread of COVID-19 will have significant impacts on both New Zealand and international economies.

New Zealand fell into its deepest economic slump on record in the second quarter 2020 as its battle against the coronavirus pandemic paralysed business activities. GDP contracted a seasonally adjusted 12.2% quarter-on-quarter, its sharpest quarterly contraction on record and largely in line with forecasts of a 12.8% decline. In August 2020, the Reserve Bank of New Zealand had forecast a quarterly and annual GDP decline of 14%. Growth has been hit by a standstill in economic activity as a strict nationwide coronavirus lockdown in April and parts of May forced almost everyone to stay at home and businesses to shut.

The long-term recovery is slower than previously expected because of the more persistent impacts of coronavirus and predictions of a weak global economy impacting on trade and tourism. New Zealand's border is assumed to stay closed throughout 2021, although there may be scope for some relaxation from the third quarter as a result of safe travel zones.

Despite the gloomy outlook, Malaysian timber players should take advantage of existing innovations and explore new markets within New Zealand itself. There are still vast

opportunities for Malaysian value-added timber products such as furniture, mouldings and BJC in New Zealand markets. Furthermore, with lower FTA import tariff (0 – 2.5%), New Zealand will be an interesting market to venture into for timber and timber products.

Facing continuous cost pressures, the industry's increasingly on the look-out for lower cost wood chips. The Central Government (Te Kawanatanga o Aotearoa) has allocated NZD3 billion for spending on infrastructure in the 2020 Budget, with a focus on building public housing. Thus, it has created an impetus for robust growth in residential buildings. This has provided an opportunity for Malaysian timber and timber products such as furniture, BJC and plywood to further penetrate the market. It is necessary to enhance cooperation in the construction industry, fulfilling market requirements in supplying legal timber and adapting to New Zealand's market environment to further increase its market share in New Zealand and the global timber trade.

References:

- MTIB
- DOSM
- MITI
- FAO
- New Zealand's Ministry of Primary Industries
- https://en.wikipedia.org/wiki/Forestry_in_New_Zealand
- <https://www.nzfoa.org.nz/plantation-forestry>
- <https://www.nordeatrade.com/fi/explore-new-market/new-zealand/economical-context>



Malaysian Wood

Standing on Excellence

Multiple Uses, Variable Styles

Incomparable Malaysian Wood. Choice for those with exclusive preference. Pushing the Frontier of imagination and creativity. Our Heritage. Our Pride.



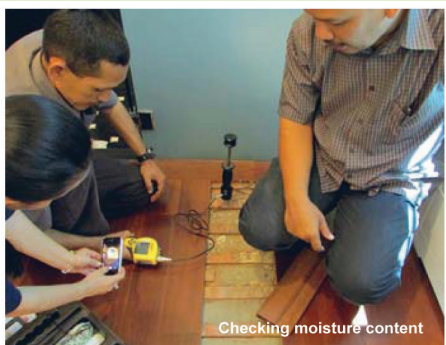
TIMBER VERIFICATION SERVICES

Timber has always been a preferred material in homes and other buildings as it creates warmth and coziness, and also highlighting elegance. While it is widely used in developed countries, Malaysian consumers tend to avoid timber based on perceived quality and maintenance problems.

Defects such as splitting, delamination, decay and insect attacks can be easily avoided if the right quality and correct specification of timber is selected and used from the outset.

The Malaysian Timber Industry Board (MTIB) offers timber verification services that can assist you to ensure the timber you choose is of the right quality and correct specification for its intended usage and application. The services include timber grading, identification of species, determination of moisture content, determination of preservatives and other services.

You can be rest assured that your products meet quality standards and hence extend the lifespan with minimal maintenance cost if it is verified to specification.



Services

1. Timber Grading
2. Identification of Species
3. Determination of Moisture Content
4. Determination of Preservative

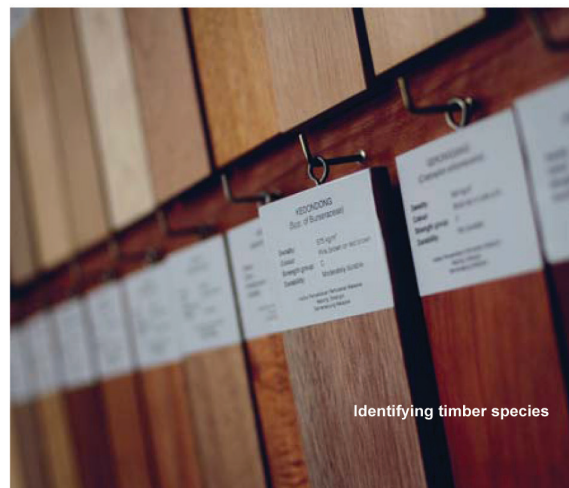
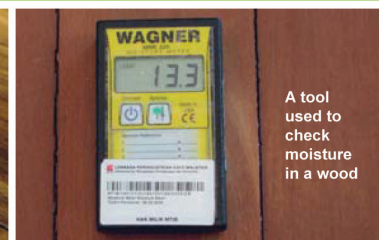
For more information and enquiries:



MTIB

Malaysian Timber Industry Board
Level 13-17, Menara PGRM,
No.8, Jalan Pudu Ulu, Cheras,
P.O.Box 10887, 50728
Kuala Lumpur,
Malaysia.
www.mtib.gov.my

Tel : +603 9282 2235
Fax : +603 9200 3769
Email : verifikasi@mtib.gov.my



CHEMPAKA

INTRODUCTION

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

SCIENTIFIC NAME

Michelia champaca L.

FAMILY

Magnoliaceae

COMMON NAMES

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

SCIENTIFIC NAME SYNONYMS

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

GENERAL CHARACTERISTIC

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

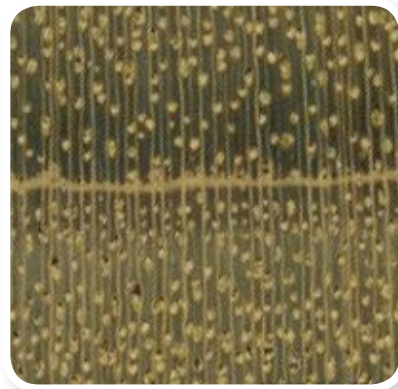
WOOD IDENTIFICATION

The wood is diffuse porous. Occasionally the tangential diameter of vessel lumina is 100 micras or less and vessels per mm² 5 to 20. Occasionally vessels are per mm² more than 20. Intervessel pits are scalariform. Vessel-ray pits reticulate and/or foraminate. Multiple perforation plate is axial parenchyma in marginal or in seemingly marginal bands, 5 to 8 cells per parenchyma strand. Axial parenchyma in narrow bands on lines is up to 3 cells wide. Axial parenchyma bands are more than 3 cells wide, 4 to 10 rays per mm (medium).

Oil and/or mucilage cells are associated with the axial and/or ray parenchyma. Body ray cells are procumbent with one row of upright and/or square marginal cells. Fibers are very thin walled. Fibers are with distinctly bordered pits.



Wood color and texture



Cross section of chempaka

NATURAL DURABILITY

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

DENSITY

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

AIR DRYING

Shrinkage is fairly low, with radial shrinkage averaging 1.2% and tangential shrinkage averaging 1.4%. 13mm boards take approximately 2 months to air dry, while 38mm boards take 4 months. The movement of seasoned timber is classified under type III. The timber is reputed to be moderately durable. Drying defect for this wood, insect attack and cupping and bowing are the main sources of degrade.

WOOD MECHANICAL PROPERTIES

Bending Strength (MOR)	12%MC (kgf/cm ²) 688
Stiffness (MOE)	12%MC (kgf/cm ²) 91812
Compression Parallel to Fiber	12%MC (kgf/cm ²) 420
Shear Strength Radial	12%MC (kgf/cm ²) 85
Janka Hardness (Side)	12%MC (kgf) 356

WOOD PHYSICAL PROPERTIES

Basic Density or Specific Gravity (O.D. Weight/Vol. Green) (g/cm³)	0.49
Air-Dry Density (Weight and Volume at 12%MC) (g/cm³)	0.54
Total Shrinkage Tangential (Saturated to 0%MC) (%)	5.2
Total Shrinkage Radial (Saturated to 0%MC) (%)	3.2
Recommended Dry Kiln Schedule	JP-18
Dimensional Stability Ratio (Total Tangential Shrinkage %/Total Radial Shrinkage %)	1.6

WORKABILITY

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

USES

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

The flowers are used as floats in bowls of water to scent the room, as a fragrant decoration for bridal beds, and for garlands. Champaka however has a strong perfume and is not that commonly or plentifully used.

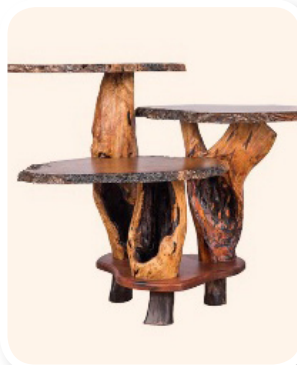
The tree was traditionally used to make fragrant hair and massage oils.



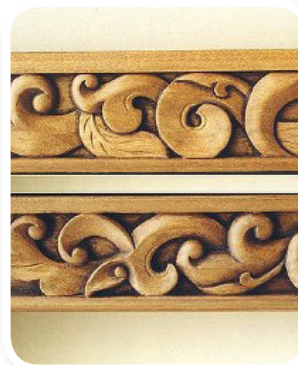
Champaka flower



Champaka tree



Champaka wood side table



Champaka wood carving designed by Lee Birch



Champaka perfume by Ormonde Jayne

REFERENCES

- efloras.org: Flora of China treatment of *Michelia* (*Magnolia*) *champaca* accessed 13.2.2018
- Pacific Horticulture Society: "Striving for Diversity: Fragrant Champaca" accessed 13.2.2018
- <http://www.tropicaltimber.info/specie/champaka-michelia-champaca/#lower-content> accessed 13.2.2018
- T.M. Wong. Revised by S.C Lim & R. C. K. Chung, A dictionary of Malaysian Timbers, Malayan Forest Records No. 30. Forest Research Institute Malaysia
- Asma D inquiries pokok cempaka di Malaysia. Accessed on 13.2.2018 from <http://tanamanhiaslanskap.blogspot.com/2017/06/bunga-cempaka-michelia-champaca.html>
- WONG, T.M. (1982). A Dictionary of Malaysian Timber. Malayan Forest Records No. 30. Forest Research Institute Malaysia.
- SKsiddharthan inquiries *Magnolia champaca*. Accessed on 13.2.2018 from https://en.wikipedia.org/wiki/Magnolia_champaca#/media/File:Champak_flower_parts.jpg
- <http://www.leebirch.com/showroom/foto-16.htm> accessed on 14.2.2018
- http://www.ktunderwood.com/p.36722_171065_793658_244.Magnolia-champaca.htm accessed on 14.2.2018
- <https://www.luckyscent.com/product/77702/champaca-by-ormonde-jayne> accessed on 14.2.2018



YBrs. Tuan Haji Mahpar Atan and YBhg. Dato' Hajah Marzalina Mansor, Deputy Director General (Research) of FRIM together officiated the Basic Bamboo Construction and Preservation Workshop (Series 1) and the 4th Annual General Meeting of the Malaysian Bamboo Society (MBS), 12 - 13 September, Hulu Langat, Selangor



Courtesy visit by representatives of the International Institute of Plantation Management to MTIB, 2 September, Kuala Lumpur



MTIB received a courtesy visit from YBrs. Tuan Haji Kamaruzaman Mohamad, the Chairman of Malaysian Timber Certification Council (MTCC), 8 September, Kuala Lumpur



YBrs. Encik Pubadi a/I Govindasamy, Senior Undersecretary, Timber, Tobacco and Kenaf Industries Division, attended a briefing session by YBrs. Tuan Mohd Kheiruddin Mohd Rani as well as a discussion on National Agricommodity Policy at MTIB, 17 September, Kuala Lumpur