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MTIB

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CONSULTATION ON MINIMUM WAGES AND FOREIGN WORKER LEVY

MOA SIGNED FOR GREENER EARTH PROGRAMME

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Cover: *MTIB has been recognised by Standards Malaysia as an Accredited Certification Body (ACB) for timber products. The scope of product certification is plywood based on the Plywood Certification Standard. See pages 16-19 for details on MTIB-CB.*

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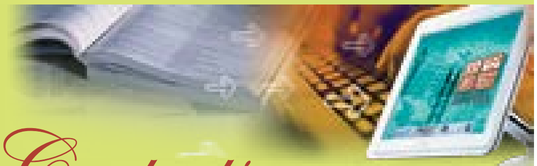

Contents

Highlights

Regular Features

CONSULTATION ON MINIMUM WAGES AND FOREIGN WORKER LEVY

YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities (centre) chairing the dialogue.

A consultation with the industry on the "Implementation of Minimum Wages and Levy Workers" convened on 10 January in Kuala Lumpur. The consultation was carried out to update members of the timber industry on the latest development on the Minimum Wages Policy as well as the imposition of the levy charged for application of foreign workers for the timber sector.

The consultation provided an interactive platform and an avenue for the industry players and representatives from relevant government agencies to discuss issues pertaining to implementation of minimum wages and imposition of levy for foreign workers.

About 10 issues were raised by the participants from various sub-sectors in the industry. Some of the issues noted were the pertinent implications of the implementation of minimum wages, for instance the increasing of production cost, and the mechanism applied towards implementing the new wage structure. The industry requested the Malaysian government to review the current policy on long term contract for foreign workers which relates to insurance and levy charges. They also suggested a best practice solution particularly for the benefit of local workers.

A Memorandum from the furniture sector was handed over to the Deputy Minister by Encik Sunny Terr, the President

YB Dato' Hamzah Zainudin (second from left) handing over a memorandum on minimum wages from the furniture sector to Encik T. Shanmugam, a representative from the National Wages Consultative Council.

One of the participants posing a question during Q&A session.

Cont. on page 13

TIMBER WORLD IN BRIEF

AFRICA
WWF Develops Legal Guide for Timber Traders in Ghana and Liberia

The West African Office of the World Wildlife Fund (WWF) developed a legal guide for timber exporters and importers from Ghana and Liberia. The guide was developed after the WWF completed a 17-month project on “Facilitating compliance with Forest Law Enforcement Governance and Trade and European Union Timber Regulation (EUTR) in Cote d’Ivoire, Ghana and Liberia”.

The new guide is to be used for various capacity building activities targeted at eliminating illegal logging from the supply chains in Ghana and Liberia. The WWF also developed a strategy document for civil society organisations in environment, forest and social sectors as they seek to present a common front in the negotiation and implementation of a Voluntary Partnership Agreement (VPA) in Cote d’Ivoire. The WWF indicated that the document developed for Ghana and Liberia although very useful, is only a first step.

Ghana News, SpyGhana.com, 4 January

CANADA
Lumber Prices Rising Due to Increasing Demand in the US

The Alberta forestry industry is rebounding as the price for lumber increases. The price jump is being driven by higher demand in the US. Lumber prices have almost doubled since a couple of years ago. Along with the housing market crash in the US, the Alberta lumber business also took a downturn as the mountain Pine beetle spread through the province. The rebound in the industry will also mean more general business activity in the area as more contractors and trucks are put into service.

CBC New, 28 January

CHILE
Eucalyptus Trees will be Replaced with Native Species

A total of 3,600 hectares of Eucalyptus trees, planted by a forestry company, will be replaced with native species in the La Reserva Costera Valdiviana forestry reserve, which is managed by The Nature Conservancy, in Chile. This reserve effectively saved 12% of the 500,000 hectares of native forest in this region, of which only 2.4% were under protection. The Nature Conservancy believes that Eucalyptus trees are a blight on the forest and this reforestation scheme, encompassing 2.5 million trees, is the biggest project of its kind in the country. Masisa, a forest products company headquartered in Chile will be responsible for harvesting the non-native Eucalyptus trees. A pilot project involving the reforestation of 150 hectares should be completed in March 2013. The ultimate aim is to restore original ecosystem, which improves water availability levels. Experts have commented on the urgent need for native tree reforestation on a national level and for legislation that will promote such activities to be incorporated, especially where demand for water affects the quality of life of local residents.

La Tercera (Chile), 14 January

ECUADOR
Government Announces Reforestation Plans

The Ministry of Agriculture of Ecuador revealed plans to finance reforestation projects in the country.

Currently Ecuador has 167,000 hectares of planted forests. An extra 120,000 hectares might be added in the next five years. This project will require USD323 million (EUR241.55 million). It could potentially be home to 2.6 milllion hectares of planted forests. The government’s development bank Corporacion Financiera Nacional (CFN) will be part of the project and will open credit lines to finance the private initiatives. In Brazil there are 7 million hectares with planted trees. The figures for Uruguay and Chile are 1 million and 2.5 million hectares, respectively.

Diario Hoy, 18 January

EUROPEAN UNION
EU Timber Imports Rules to Change

New European Union import regulations may affect the price and availability of timber used for large outrigger mats and temporary roadways. The new rules, which take effect in March, are aimed at prohibiting the import of any illegally produced wood products into the EU in order to help combat the unlawful felling of trees and thus help combat illegal logging and the deforestation of rainforests.

For years contractors have used the African wood Ekki for mats and temporary roadways because it is exceptionally tough and requires no preservative treatment and is therefore benign to the environment. The new regulations may well cause a shortage of such tropical woods in the EU, pushing up their price and forcing a move towards alternative materials.

Vertikal.net, 4 January

EU Recognises Indonesian Timber Certification System

The European Union (EU) is now unconditionally accepting Indonesian timber products that come with a wood certification document based on the Timber Legality Verification System (SVLK). The EU Ambassador stated that if a product carries the logo V-legal, it can be ascertained that the product is legal and has clear origins so that there is no need to impose additional controls.

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The EU will begin imposing additional controls on its timber product imports under the EU Timber Regulation (EUTR) starting in March. The programme aims to ascertain whether wood products are derived from legal sources. Indonesia developed the SVLK as part of its commitment to curb trade in illegally harvested wood.

The verification system was effective for Indonesia's wood exports as of 1 January. Indonesia and the EU are also working on a FLEGT VPA that is expected to be signed in April. The ratification process is expected to be completed by September. The FLEGT VPA will provide unequivocal legal recognition of Indonesia's SVLK certification system. The EU Ambassador also stated that although the partnership is only expected to come into force later this year, it is believed that there would be no hindrance to the importation of legal timber and wood products from Indonesia and the EUTR will not give rise to any additional control at the borders of EU countries.

The Forestry Ministry of Indonesia, welcomed the EU recognition of SVLK certification, and expressed hope that Indonesia's forestry product exports would rise substantially from the current USD1.2 billion annual level and reported that the European Union is one of the main markets for Indonesian forestry products.

The Association of Indonesian Forestry Entrepreneurs (APHI) hoped that the recognition would rapidly enter into force so that there is a guarantee that wood products exported is really free from any additional test when entering the EU.

Jakarta Globe, 22 January

European Plywood Market Undergoing Rapid Change

The European plywood market is changing rapidly. Since the start of a recession in 2008, the market has become less willing to pay premium prices for tropical hardwood plywood. Instead it has opted for plywood manufactured from alternative hardwood species. The emergence of China as a major supplier of large volumes of hardwood plywood at competitive prices played an important role to drive this change. Now the market looks set to alter again. This time the main driver is likely to be the EU Timber Regulation (EUTR), to be enforced from March 2013. The EUTR will require that EU importers have access to documents demonstrating negligible risk of any wood product coming from an illegal source. This will present challenges for suppliers of wood products that rely on long and complex supply chains such as many Chinese plywood manufacturers.

EU imports of tropical hardwood plywood have been falling since the middle of 2010. European domestic manufacturing of tropical hardwood plywood using imported African Okoume logs has also fallen dramatically and is now negligible. This follows implementation of a ban on exports of Okoume logs by Gabon in May 2010.

In contrast, EU imports of temperate hardwood plywood increased dramatically between 2009 and 2011.The recent switch from tropical hardwood to temperate hardwood plywood in the EU market is the result of various factors. These include relatively high and volatile prices associated with tropical hardwood plywood and lack of availability. These trends became strongly apparent following the tsunami in Japan in March 2011 which led to a large volume of tropical hardwood plywood being diverted to reconstruction work in Japan. EU plywood imports from Indonesia were particularly affected by shipment delays and large fluctuations in container rates during this period.

Prices for South East Asian plywood remained more consistent and have been less volatile than in the past. In addition, moves to develop comprehensive legality verification systems in these countries are expected to boost competitiveness following implementation of EUTR.

A notable trend in the EU hardwood plywood market during 2011 was replacement of Indonesian film-faced plywood with cheaper Russian Birch plywood products. However availability of Russian Birch plywood declined in 2012 as manufacturers struggled to source adequate volumes of good quality logs. This led to a particularly sharp fall in availability of high quality 5x10ft Russian Birch plywood. This situation is expected to ease in January and February 2013 with the onset of large scale winter felling in Russia.

Europe Timber Market, 1-15 January

GERMANY
Furniture Worth Around EUR16.8 Billion Produced in 2012

Preliminary figures by Germany's Federal Statistics Office, Destatis, the value of furniture produced in Germany in 2012 rose by 1.1% in nominal terms to around EUR16.80 billion (USD22.45 billion) compared to 2011. Wooden kitchen furniture accounted 22.7% of the overall furniture production value. Seating furniture accounted for 29.2% and other furniture including wooden bedroom, dining and sitting room furniture as well as metal and plastic furniture accounted 22.7%. The production value of wooden kitchen furniture rose by 5% in 2012 compared to 2011 and the production value of seating furniture increased by 0.9%. By contrast, the production value of other furniture decreased by 1.1% in 2012 compared to 2011.

Statistisches Bundesamt, 14 January

UNITED KINGDOM
Timber Frame Market Tough in 2013

In the UK, competition increased and margins were under pressure in the timber frame sector in 2012 and expectations for 2013 are the same. In 2012, timber frame's market share increased by 1 % to 22.8% the market share may rise by 2 % in the next two years.

Social housing has decreased but there has been some growth in the commercial sector and the self-build market is holding up. No real change in the housing market is expected in 2013.

In the long term, timber frame is predicted to benefit from measures to improve building efficiency and sustainability.

TTJ Timber Trades Journal, 12 January

Cont. on page 20

DECEMBER 2012

CMA CGM Aims to Move Three Million TEUs at Westports in 2013

The world's third biggest shipping company, CMA CGM is expected to move 3 million TEUs (twenty-foot equivalent units) of containers at Westport next year. The French liner which owns the world's largest containership, CMA CGM Marco Polo, has a record of over 2.5 million TEUs now. CMA CGM Malaysia Sdn. Bhd. Managing Director, Mr. Simon P. Whitelaw said it was difficult to predict the growth for next year but it would be great if the group could achieve the three million mark. He added that they still foresaw growth next year despite the gloomy global economy. However, they did not expect to see any dramatic or high growth that they had four or five years ago. Annually, they had had over 10 % growth in volume and it would be nice to achieve 3 million in 2013.

Mr. Whitelaw said although demand in US, Europe and China had slowed down there were some fast-emerging markets such as in Africa, Middle East and Asia countries. He said following the introduction of the biggest containership in the world, CMA CGM could offer services more efficiently at lower cost. What they trying to do were to get the unit cost down and offer better and efficient environmental services without adding any additional capacity.

In line with the sustainable development policy of the group, Mr. Whitelaw said that CMA CGM Marco Polo was equipped with all the latest environmental technologies. An electronically-controlled engine would allow a significantly-reduced consumption of fuel and lubricant oil.

Source: Westports, 6 November

Nam Cheong Launches New Vessel

Nam Cheong Dockyard Sdn. Bhd. which is Malaysia's largest builder of offshore support vessels has launched the NC800, the country's first diesel-powered electric multi-purpose platform support vessel (MPSV). Designed by Finnish ship designer Wartsila, the RM106 million MPSV vessel was commissioned by Bumi Armada Bhd. To be named as Armada Tuah 300, the ship would serve Sarawak Shell Bhd. and Sabah Shell Petroleum Company in the deepwater Gumusut field, off the coast of Sabah.

Encik Leong Seng Keat, Nam Cheong Executive Director, said the company to date had delivered 16 vessels, including the NC800, and was still rushing to complete 18 vessels scheduled for the year. The company would also deliver 19

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, December 2012

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports m^3	% Change December 2012/ November 2012
	m^3	% Change December 2012/ November 2012	m^3	% Change December 2012/ November 2012	m^3	% Change December 2012/ November 2012	m^3	% Change December 2012/ November 2012	m^3	% Change December 2012/ November 2012		
Sawntimber	31,018	21	4,393	9	474	-39	257	51	7,444	20	43,586	18
MDF	18,452	55	289	-40	11,327	48	9,853	-26	19,155	-46	59,076	-14
Mouldings	6,775	18	252	-38	1,212	40	637	-27	1,463	-31	10,339	4
Dressed Timber	1,374	4	81	-	683	-	387	-	155	-	2,680	-25
Plywood	5,281	7	-	-	-	-	48	-	6,672	-	12,001	20
Veneer	78	16	-	-	-	-	-	-	81	-	159	-31
Particleboard	23,752	2	707	-43	137	-	2,283	69	-	-	26,879	4
TOTAL	**86,730**	**19**	**5,722**	**-9**	**13,833**	**39**	**13,465**	**-19**	**34,970**	**-30**	**154,720**	**-1**

Note : Indicates % change over the previous month
Source : MTIB

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vessels next year, of which nine have been sold. They practised a 'build-to-stock' model since 2006 where they build up stocks and sell later. With that business model, all 75 vessels built had been sold to customers even before completion. They believed that they could maintain this track record.

Source: The Star, 10 December

The Shipping Sector is Set to Continue Finding Itself in Choppy Waters

The shipping industry, which is the main artery that carries more than 90% of global trade, is expected to continue operating in choppy waters next year amid the challenging economic environment in the West and the cooling down of Asia's growth. This does not bode well for the sector that is suffering from overcapacity and dwindling demand. As a capital intensive industry that rides on the cyclical waves in relation to world trade volume, the shipping sector is indeed grappling to stay afloat. This down cycle of the shipping industry has been one of the longest and the worst ever witnessed.

The shipping industry started to chart its journey into troubled waters in early 2009 as a result of the global economic downturn and the less construction of new buildings that were entering the market since then as a result of huge orders made in 2003 and 2004, when the global economy was booming, just adds insult to injury. Overcapacity and a prolonged trade slump since early 2009 proved to be a bad combination as it pushed freight rates to historic lows and forced some companies to cancel orders or delay deliveries of ships.

As far as overcapacity was concerned, OSK Research, in middle of this year said the influx of 10,000 TEUs ships into the transpacific before 2014 to 2016 was not expected to occur as most terminals would not be able to handle these ships although 50% of the vessels in the order book were more than 10,000 TEUs ships. As for the 2012 order book, OSK said it would still be at least 2% above demand and that little could be done as most of the ships were close to be fully-paid. By 2013 and 2014, they expect the order book to be stretched out and by 2015 and 2016, they should have been through the difficult period of dealing with marginal tonnage and experience a better demand-supply balance.

On rates, after the price war among shipping lines last year, they have seen that general rate increases were back this year despite weak volumes. This could be because the industry has to somehow balance between the overcapacity, demand, operational cost and the prospects of getting a little bit of profit. Additionally, some big names in the shipping industry have even taken some capacity off the main Asia-Europe trade lane. For instance, AP Moeller-Maersk A/S would remove 19 ships from Asia-Europe trade lanes in a bid to bolster rates as demand slumped. Maersk would permanently scrap the AE5 service, which employed eight vessels, and halt the AE9 operations, which has 11 vessels, until early December.

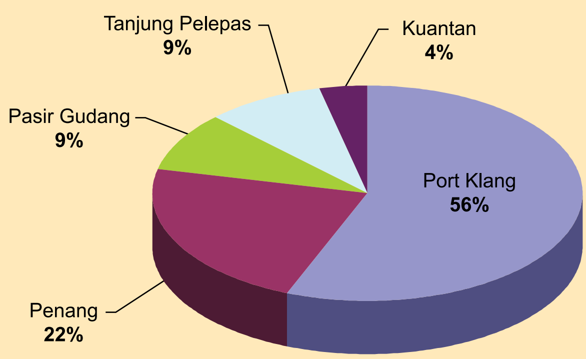
The same bleak situation goes to the dry bulk shipping sector where year-to-date the average Baltic Dry Index is lower at 921 points compared to the average of 1,547 points last year. Thus, in a nutshell, unless the world trade magically and sharply rebounded, the shipping industry would still have to struggle to adjust and survive in this challenging environment going forward.

Vessel lay-ups, extreme slow steaming, service or capacity diversions would continue to be the options for liners to strike a balance in revenue. The vessels are getting bigger, greener and they provide a higher level of economies of scales that in turn are re-sculpting ports' operations and infrastructures. Maesrk has come out with a Triple-E class of vessels where the name signifies its three main purposes behind its creation – economy of scale, energy efficiency and environmentally improved, setting a new industry benchmark for size and fuel efficiency. Its 18,000 TEUs capacity is 16% greater (2,500 containers) than its largest container vessel, Emma Maersk. The world's largest containership to date, the 16, 000 TEUs vessel CMA CGM Marco Polo, belongs to French shipping giant CMA CGM Group. CMA CGM Marco Polo is equipped with all the latest environmental technologies such as an electronically controlled engine allowing a significantly reduced consumption of fuel. It also has a twisted leading edge rudder improving the hydrodynamics of the vessel (optimisation of the water flow), and significantly reducing energy expenditures as well as carbon dioxide emissions amongst many other environmentally friendly features.

Nevertheless, on the bright side, the worst and longest down cycle is changing the landscape and technology of one of the oldest business around.

Source : The Star, 24 December

Shipments of Timber and Timber Products through Ports in Peninsular Malaysia, December 2012



Total = 154,720 m³

DECEMBER 2012

Total export of timber and timber products from Peninsular Malaysia in December 2012 decreased 40.65% in volume and 68.04% in value to 140,007 m³ valued at RM164.1 million over the previous month. Cumulative export for the period of January to December decreased 14.11% and 12.1% in volume and value to 2.6 million m³ with a value of RM3.11 billion respectively over the corresponding period.

Sawntimber

Export of sawntimber in December decreased 49% in volume and 47% in value to 83,800 m³ valued at RM121.1 million. Similarly, cumulative export since January to December totalled 949,961 m³ worth RM1.2 billion, showing a decline of 10% in volume and 8% in value compared to the first 12 months of 2011.

Exports of sawntimber to the EU declined 19% to 6,224 m³ due to reduced purchases by major markets in the region. Exports to the Netherlands and Germany decreased 17% to 2,090 m³ and 35% to 1,203 m³ respectively. Likewise, the UK and Italy decreased their imports by 34% and 64% to 651 m³ and 238 m³ respectively. On the other hand, Belgium and France increased purchases by 8% and 77% to 1,175 m³ and 723 m³ respectively.

Demand in West Asia decreased 38% to 6,736 m³ from 10,787 m³ recorded in the previous month. Export of sawntimber to the UAE decreased 11% to 3,112 m³. Similarly, exports to Saudi Arabia and Oman declined 12% to 1,082 m³ and 19% to 1,399 m³ respectively. Kuwait and Qatar also reduced buying by 69% and 86% to 757 m³ and 244 m³ respectively.

East Asia's intake decreased 38% to 7,186 m³ compared to the previous month. Exports to China, a major market of sawntimber in the region decreased 40% to 4,816 m³. Sales to South Korea and Taiwan decreased as well to 376 m³ and 558 m³ respectively compared to the previous month.

In ASEAN, exports of sawntimber declined 66% to 14,619 m³. Exports of sawntimber to Thailand recorded a decline of 71% to 8,992 m³. Similar situations were also seen in exports to Singapore and Viet Nam where export decreased by 50% to 5,434 m³ and 65% to 172 m³ respectively.

The US reduced intake by 76% to only 349 m³ while shipment to Australia also decreased 21% to 725 m³ compared to the previous month. However, exports of sawntimber to South Africa increased 27% to 2,145 m³ from 1,688 m³ in the previous month.

Overall FOB prices of sawntimber for this month increased 4% to RM 1,496 per m³. Price of Keruing increased 6% to RM1,792 per m³. Prices of Dark Red Meranti (DRM) to the Netherlands, the other hand, decreased 5% to RM2,738 per m³. Meanwhile, price of DRM increased marginally from RM2,544 to RM2,598 per m³. There was no trading of Redwood to the UAE for the month.

Plywood

Plywood exports in December 2012 were at 10,274 m³ and valued at RM16.7 million. Cumulative exports for the period January to December showed decreases of 16.8% and 13.8% in volume and value to 181,004 m³ valued at RM297.8 million respectively from the previous corresponding period.

Total export to the EU decreased by 9.1% to 6,434 m³. Similarly consignments to Denmark and the UK decreased 90% and 20.1% to 43 m³ and 4,596 m³ respectively. However, exports to the Netherlands increased by 208.5% to 1,715m³ whereas Belgium, France, and Ireland did not import any plywood in December 2012. Germany and Italy resumed imports in December 2012.

Exports to the ASEAN region decreased as Singapore and Thailand reduced intake of plywood by 56.8% and 19.5% to 938 m³ and 496 m³ respectively. Meanwhile Indonesia and Brunei did not make any purchase in December 2012. In East Asia, exports to Hong Kong increased by 314.3% to 174 m³. Similarly, China resumed its intake. However, Taiwan reduced its intake by 10.7% to 108 m³. In the mean time, Japan, South Korea and West Asia did not make any purchase in December 2012.

Elsewhere, exports to Africa increased by 302.8% to 713 m³. Shipments to South Africa increased by 57.6% to 279 m³ whilst Algeria and Tanzania resumed its intake. Australia increased its intake to 1,077 m³ from 972 m³ in the previous month whilst New Zealand decreased its intake marginally to 21 m³ from 59 m³ in the previous month. Norway and Turkey did not make any purchase in December 2012

The FOB price of plywood increased to RM1,628 per m³ from RM1,589 per m³ in the previous month, an increase of 2.5% from the previous month.

Veneer

Total export of veneer for December 2012 showed a decrease of 14.4% in volume and 11.3% in value to 179 m³ at RM0.27 million compared to the previous month. Similarly, cumulative exports from January to December decreased by 22.6% in volume and 23.8% in value respectively to 5,036 m³, valued at RM9.3 million from the previous corresponding period of last year.

Exports to Singapore and Thailand remained at 1 m³ and 35 m³ respectively. Indonesia, China, Taiwan, Sri Lanka and Canada did not import any veneer in December 2012. However, Australia and the UK resumed imports by 1 m³ and 33 m³ in December 2012 respectively.

The FOB price of veneer increased to RM1,513 per m³ from RM1,442 per m³ in the previous month, an increase of 4.9% from the previous month.

Medium Density Fibreboard (MDF)

Peninsular Malaysia's exports of MDF for December 2012 decreased 40% in volume and 67% in value. Export totalled 53,920 m³ at RM46.8 million.

Exports to East Asia registered a decrease of 12% to 2,213 m³ from 2,520 m³ in the previous month. Exports to South Korea grew by 209% to 1,181 m³ whilst exports to Japan and Taiwan recorded a negative growth with a decrease of 39% to 715 m³ and 83% to 162 m³ respectively.

Meanwhile exports to West Asia for the month also decreased 47% to 27,745 m³ from 52,325 m³ in the previous month. Exports to Bahrain recorded a positive growth of 185% to 365 m³ followed by Oman at 63% increased to 2,800 m³, and Kuwait at 6% increased to 2,767 m³. Meanwhile, exports to Saudi Arabia, Iran and the UAE dropped 41% to 4,700 m³, 50% to 12,663 m³, and 78% to 3,084 m³ respectively.

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Elsewhere, exports to the UK and Australia increased 462% to 1,815 m³ and 18% to 1,329 m³ respectively. However, exports to the US fell 52% to 686 m³.

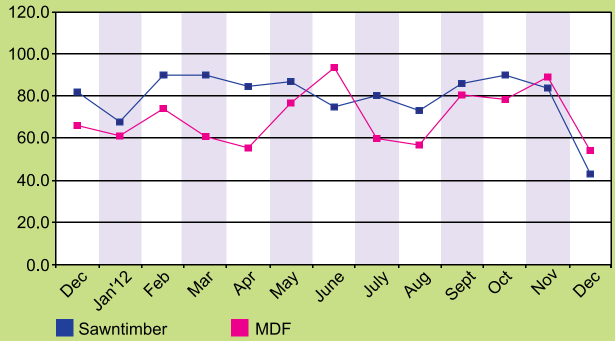
In ASEAN, total export to the ASEAN region for the month of December decreased by 41% to 9,425 m³ from 16,093 m³ in the previous month. Exports to Singapore increased by 42% to 382 m³. However, the Philippines, Viet Nam and Indonesia registered a negative growth of 30% to 899 m³, 32% to 5,696 m³ and 60% to 2,448 m³ respectively.

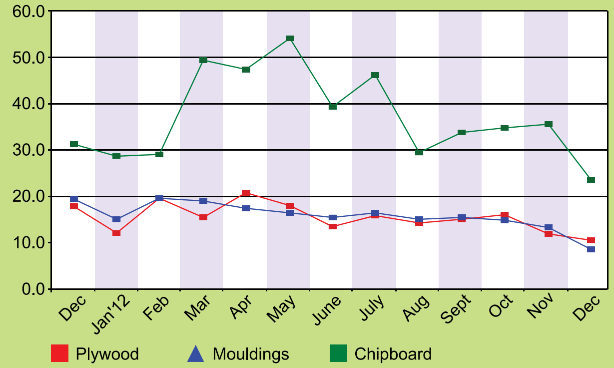
Mouldings

Exports of mouldings for the month decreased by 37.2% in volume and 55.4% in value to 8,257 m³ and RM23.27 million respectively. Cumulative exports from January to December decreased 16.2% in volume and 12.2% in value over the previous corresponding period to 184,748 m³ with a value of RM522.3 million.

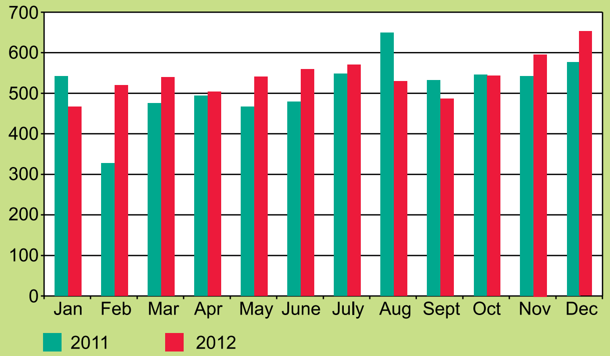
Exports to the EU for the month were recorded at 7,554 m³, a decrease of 36.2% compared to the previous month. Similarly,

Export of Selected Products from Peninsular Malaysia
(December 2011 - December 2012) / Volume ('000 m³)



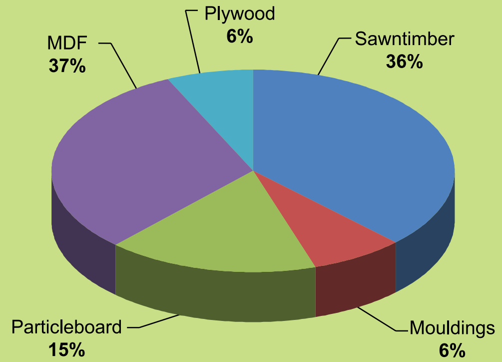


Malaysia: Export of Wooden Furniture
(January 2011 - December 2012) / Value (RM Million)



DECEMBER 2012

Export of Major Timber Products From Peninsular Malaysia
(October - December 2012)



Volume : 605,774 m³

shipments to Belgium, Germany and the Netherlands reduced 24.6%, 53.2% and 16.4% to 548 m³, 588 m³ and 1,364 m³ respectively. On the other hand, the UK improved its intake by 46.4% to 514 m³ whereas Italy did not make any purchase in December 2012.

Exports to the ASEAN region decreased as Singapore decreased intake of mouldings by 62% to 409 m³ and Indonesia did not make any purchase in December 2012. However, Viet Nam resumed its intake in December 2012.

In the mean time, exports to Japan and South Korea for the month declined by 45.8% and 43.9% to 1,157 m³ and 507 m³ respectively. Likewise, exports to China decreased by 7.6% to 73 m³ and Taiwan did not make any purchase in December 2012. However, exports Hong Kong increased by 244.4% to 62 m³.

Elsewhere, exports to Australia decreased by 35.2% to 1,670 m³. Similarly, exports to the US decreased 39.8% to 615 m³. However, consignments to Canada improved by 15.4% to 15 m³ in December 2012.

FOB unit value increased 2.4% from RM2,752 per m³ in the previous month to RM2,819 per m³.

Builders Joinery and Carpentry (BJC)

Total BJC cumulative exports from January to December 2012 decreased slightly at 1.3% to RM993 million as compared to RM1.0 billion in the corresponding period 2011. Similarly, exports to the EU declined 11% to RM298.2 million as compared to RM335.2 million in the corresponding period 2011.

Demand from the France, Italy, Denmark, Netherlands, Norway and Sweden decreased by 13.4%, 38.7%, 11.8%, 46.2%, 30.2%, and 21.2% to RM36.3 million, RM15.3 million, RM26.4 million, RM3.6 million, RM6.9 million and RM15.3 million respectively. On the other hand, exports to the UK, Germany, and Turkey registered an increase of 11%, 8.6%, 9.4% and 48.7% to RM101.8 million, RM48.2 million, RM17.5 million and RM8.5 million respectively.

In ASEAN, exports to Thailand and Viet Nam grew by 10.2% and 18.9% valued at RM30.8 million and RM20.4 million respectively. However, consignments to Singapore decreased by 2.1% to RM11.6 million as compared to the corresponding period in 2011. Similarly in ASIA, exports to Japan, India and

Cont. on page 11

DECEMBER 2012

Logs

Reaching the end of the year, logging activities seemed to be active due to higher demand of logs from the local sawmills and also from the overseas markets particularly India, China and Korea which had resumed their purchasing of Malaysian logs, contributing an upward trend of prices.

The prices for Balau and Merbau logs increased by 12% and 9% to be traded at RM2,750 per tonne and RM2,400 per tonne respectively whilst Chengal stood firm at RM6,800 per tonne. Similarly, prices for Kempas and Kapur rose by 12% and 16% compared to last month to be quoted at RM1,450 per tonne and RM2,200 per tonene respectively. Prices for Dark Red Meranti and Yellow Meranti were traded at RM1,375 per tonne and RM1,130 per tonne respectively. Nevertheless, prices for Nyatoh fell by 8% to be traded at RM1,200 per tonne. Prices for Mixed Heavy Hardwood and Mixed Light Hardwood continuously showed positive growth as the prices recorded an increase of 2% and 23% over last month to RM1,000 per tonne and RM980 per tonne respectively.

Sawntimber

The average sawntimber prices were recorded at the higher prices due to the increasing demand especially from the overseas markets.

Prices for Balau sawntimber increased by 4% to be traded at RM3,815 per m^3 whilst Chengal and Merbau were traded at RM6,005 per m^3 and RM4,095 per m^3 respectively, decreased by 16% and 3%. Price of Kempas improved by 35% over the previous month to be quoted at RM1,905 per m^3 whilst Kapur remained firm at RM1,975 per m^3. Likewise, prices of Yellow Meranti grew by 15% to RM1,785 per m^3. Meanwhile, prices for Dark Red Meranti and Nyatoh maintained at RM2,260 per m^3 and RM810 per m^3 respectively. Sawntimber prices of Mixed Heavy Hardwood and Mixed Light Hardwood stood at RM1,130 per m^3 and RM810 per m^3 respectively.

Plywood

The supply of plywood to the domestic market remained adequate. Prices of plywood of 4mm thickness remained firm at RM16.00 per piece. Prices of plywood with the thicknesses of 6mm, 9mm and 12mm rose by 1%-2% over the previous month to be quoted at RM25.50, RM36.00 and RM43.50 per piece respectively.

Medium Density Fibreboard (MDF)

Supply of MDF remained stable whilst prices remained at last month's level. MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM14.50, RM21.50, RM28.50 and RM38.00 per piece respectively.

Intra-Malaysia Trade * - December 2012

The export of logs from Sabah to Peninsular Malaysia decreased sharply in December with only 1 m^3, worth RM13,000 as there was already enough stock for the construction activities. Similarly, the shipments of sawntimber decreased by 50% from 1,070 m^3 to 535 m^3 valued at RM736,000. Shipments of plywood, however, increased by 24% over the previous month to 14,904 m^3 valued at RM22 million. Shipments of veneer grew tremendously by four digits to 1,463 m^3, worth at RM1.7 million.

Meanwhile, there was a higher export of sawntimber from Sarawak to Peninsular Malaysia in December as total shipment rose by more than 100% to 3,438 m^3, valued at RM2.8 million. Similarly, shipments of veneer increased in volume by triple digits from 4,121 m^3 to 11,583 m^3, worth at RM11.6 million. However, exports of plywood remained at last months' level.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in December 2012.

** Source: Department of Statistics, Malaysia*

INTRA-MALAYSIA TRADE - DECEMBER 2012

From	Products	NOVEMBER 2012		DECEMBER 2012		% change in volume DEC 2012/NOV 2012	% change in volume DEC 2012/NOV 2012
		Volume (m^3)	Value (RM '000)	Volume (m^3)	Value (RM '000)		
SABAH	Logs	4,839	2,736	1	13	-100	-100
	Sawntimber	1,070	1,550	535	736	-50	-53
	Plywood	12,016	17,038	14,904	22,006	24	29
	Veneer	63	107	1,463	1,673	2,222	1,464
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	1,507	1,125	3,438	2,841	128	153
	Plywood	17,271	20,154	17,217	20,270	0	1
	Veneer	4,121	4,248	11,583	11,648	181	174

Source : Department of Statistics, Malaysia

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DECEMBER 2012

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA DECEMBER 2012 (VALUE IN RM)

SPECIES	LOGS/tonne	SAWNTIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	6,800	6,005	2,470	8,830
Balau	2,750	3,815	2,120	2,965
Red Balau	2,800	2,985	2,120	3,180
Merbau	2,400	4,095	3,180	4,235
Mixed Heavy Hardwood	1,000	1,130	955	1,130
MEDIUM HARDWOOD				
Keruing	1,600	2,470	1,420	2,260
Kempas	1,450	1,905	1,555	2,330
Kapur	2,200	1,975	1,060	1,975
Mengkulang	1,200	1,870	1,940	1,485
Tualang	1,400	1,975	2,260	2,260
LIGHT HARDWOOD				
Dark Red Meranti	1,375	2,260	1,375	2,260
Red Meranti	1,450	1,695	1,365	2,540
Yellow Meranti	1,130	1,785	1,095	2,470
White Meranti	990	1,520	2,260	1,695
Mersawa	1,300	3,105	2,190	2,685
Nyatoh	1,200	810	600	1,200
Sepetir	900	1,130	990	1,200
Jelutong	1,040	1,450	1,235	1,820
Mixed Light Hardwood	980	810	955	920

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	LOGS/tonne	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	150	900	1,115	1,170	1,235

PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	16.00	25.50	36.00	43.50
MDF 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	14.50	21.50	28.50	38.00

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

Cont. from page 9

TIMBER ROUND-UP

Pakistan increased by 2.4%, 10.4% and 15.9% to RM113.6 million, RM61.1 million and RM28.1 million respectively. Conversely, South Korea's intake declined by 50.3% to RM5.8 million as compared to the corresponding period in 2011.

Elsewhere, exports to Australia and the US decreased by 99.8% and 7.5% to RM0.2 million and RM67.4 million respectively. Similarly, intake by the UAE and South Africa decreased by 13.3% and 23.8% to RM24.7 million and RM17.4 million respectively. However, exports to Maldives improved by 28.8% to RM11.8 million as compared to the corresponding period in 2011.

Furniture

Exports of wooden and rattan furniture for the period under review in 2012 rose 5.2% compared to the corresponding period of 2011. Total shipment recorded RM6.5 billion against RM6.2 billion in 2011.

Purchase of wooden furniture from Malaysia for 2012 increased 5.3% from RM6.2 billion to RM6.5 billion compared to 2011.

Imports of wooden furniture by the US expanded 10.1% from RM1.8 billion to RM2.0 billion. Japan decreased its consumption by 10.5% from RM775.1 million to RM693.8 million.

The UK's imports saw a growth of 6.2% from RM355.4 million to RM377.6 million. Intake by Australia remained positive with a 2.3% increase from RM418 million in 2011 to RM427.9 million in 2012.

Shipments to Singapore picked up by 3.2% in 2012 to RM338.9 million. Canada's uptake of wooden furniture strengthened with an increase of 3.8% to reach RM275.1 million. UAE posted an increase of 3.2% with an intake of RM206.7 million. India saw a decrease of 2.5% to RM151.8 million. Saudi Arabia managed to record an crease of 3.6% to RM122.9 million.

Germany boosted its wooden furniture consumption by 16.5% with a purchase of RM83.8 million in 2012 from RM73.1 million in 2011. Russia's consumption of furniture increased by 79.4% from RM71.7 million to RM128.6 million.

Rattan furniture shipments decreased to RM21.2 million in 2012 compared to RM25.1 million in 2011, a drop of 15.3%. Main buyer Singapore absorbed RM4.4 million, thus decreasing its buying by 32.3%. The UK reduced its consumption by 31.8%, into RM1.2 million in 2012 from RM1.7 million. Meanwhile the US saw positive improvements with an increased from RM16,000 into RM3.8 million. In addition, there was an increase of consumption of rattan furniture of 14.5% from RM1.5 million to RM1.7 million from China.

MOA SIGNED FOR GREENER EARTH PROGRAMME

Signing of MoA on Greener Earth Programme between Tesco (Malaysia), MTIB and Kumpulan Pengurusan Kayu-Kayan Terengganu (KPKKT).

Tesco Stores (Malaysia) Sdn. Bhd. (Tesco) and MTIB inked a Memorandum of Understanding (MoU) to mark its partnership for a Greener Earth Tree Planting Programme in January 2012, last year. The MoU established a cooperative effort to plant 500,000 trees throughout the country within three years to help meet the country's target of planting 26 million trees.

Within a year of the collaboration, some projects have been initiated. The Greener Earth Programme engaged the community to be more involved in reducing their impact on the environment. Floria 2012 in Putrajaya was held in June 2012 and managed to bag the silver medal award in the corporate sector under the *Teratak Alam Mesra* concept. MTIB-TESCO was also involved in projects initiated by Kuala Lumpur City Hall by planting Karas trees inside Taman Rimba Bukit Kerinchi. The park was officially launched by YB Senator Dato' Raja Nong Chik, Minister of Federal Territories and Urban Wellbeing in June 2012 and 500 Karas tree were planted inside the park. Finally, in conjunction of Tesco Mutiara Damansara's official launch in September 2012, the Eco-Carnival were held and managed to attract 3,000 crowds during three-day event.

In order to achieve the target of planting 500,000 Karas trees, MTIB-TESCO recently signed a Memorandum of Agreement (MoA) with Kumpulan Pengurusan Kayu-Kayan Terengganu (KPKKT) on 22 January in Kuala Lumpur. The agreement involves KPKKT planting 25,000 Karas trees in Dungun, Terengganu within 10 hectares. The trees planted will be monitored for conservation purposes and no harvesting of gaharu will be allowed. The MoA was signed by Mr. Georg Fisher, new Chief Executive Officer of Tesco Malaysia, Dr. Jalaluddin Harun, Director-General of MTIB and Dato' Haji Che Azmi bin Haji A. Rahman, Chairman of KPKKT.

Exchanging documents between Dr. Jalaluddin Harun, MTIB Director-General (left), Mr. Georg Fisher, CEO of Tesco Malaysia (centre) and Dato' Haji Che Azmi bin Haji A. Rahman, Chairman of KPKKT.

Currently MTIB-TESCO is actively seeking partnership with parties interested in the tree planting programme in order to achieve the 500,000 trees target to be planted by 2014. At present, possible partnerships with a few higher learning institutions, companies and some local councils are being considered.

FOURTH JOINT EXPERT MEETING

The European Union (EU) Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA), has emerged as a potentially important and effective mechanism to combat illegal logging and its associated trades. Malaysia is supportive of this EU initiative and is in the final stages of negotiation to conclude the FLEGT VPA. Central to the VPA is the Timber Legality Assurance System (TLAS) which will be the basis for assurance of legality to timber exported from Malaysia.

The TLAS has been developed after extensive consultations with stakeholders both formally and informally. At the level of Malaysia – EU it was reviewed by the Joint Expert Meeting (JEM) comprising technical experts from Malaysia and the EU.

The Fourth JEM was held from 22-25 January at the Sabah Forestry Department Headquarters in Sandakan, Sabah. The Meeting was officiated by Datuk Sam Mannan, Director of the Sabah Forestry Department. Datuk Sam welcomed the delegates to the Meeting and gave a brief overview of the status of forest management activities of the department. The Meeting was co-chaired by Dato' Dr. Freezailah Che Yeom (Malaysia) and Dr. Alexander Hinrichs (EU Expert). It was attended by delegates representing the EU and officers from MTIB, Sabah Forestry Department and the Protem Secretariat.

The Meeting reviewed the most current Peninsular Malaysia TLAS including its Annexes which was compiled further to the comments and revisions made at the Third JEM and then proceeded to review the Sabah TLAS.

The EU Experts made several new observations and comments on the Peninsular Malaysia TLAS. Malaysia agreed to the minor changes and stressed that with these changes it has reached the stage of finality for further consideration by the Technical Working Group (TWG). The Meeting agreed that the development of the TLAS is an evolving process and it should be made as simple as possible.

The Meeting then proceeded to review the Sabah TLAS and made a number of observations. Malaysia was requested to submit the revised version of the Sabah TLAS by end of February. MTIB was represented by Encik S. Rajan, Director of Licensing and Enforcement.

Cont. from page 3

Attendees at the dialogue held at MTIB, Kuala Lumpur.

of Malaysian Furniture Industry Council (MFIC), during the latter consultation session. The memorandum hovered around the implications which the furniture companies are facing, and further recommended solutions for consideration.

A total of 160 participants from various timber industry sectors and associations as well as representatives from relevant government agencies attended the programme, held at Seri Pacific Hotel, Kuala Lumpur. The consultation programme was chaired by YB Dato' Hamzah Zainudin, Deputy Minister of Plantation Industries and Commodities.

Prior to this event, a dialogue with furniture manufacturers was held at MTIB, Kuala Lumpur on 4 January with YB Dato' Hamzah Zainudin. It was attended by 120 furniture manufacturers.

THIRD EGILAT MEETING – UNDERLINING THE IMPORTANCE OF PROMOTING LEGAL TRADE IN TIMBER

Participants of the Third EGILAT Meeting.

The Third Experts Group on Illegal Logging and Associated Trade (EGILAT) Meeting, organised by the APEC Secretariat, was held in Jakarta, Indonesia from 29–30 January. The objective of the meeting was to enable APEC member economies to discuss current and future actions to combat illegal logging and promote trade in legal forest and timber products. This is significant because APEC economies account for over 50% of the world's forests and approximately 80% of global trade in forest and timber products.

The three-day meeting started with welcoming remarks by Dato' Prof Dr. Hj. Abd. Rahman, Chairman of the EGILAT Meeting. He thanked all participants for attending the meeting and looked forward to the upcoming discussions and presentations. He also urged all participants to work together towards the endorsement of the EGILAT 2013 Strategic Plan as well as the Multi-Year Strategic Plan, 2013– 2017.

Mr. Hadi Daryanto, Secretary-General of the Ministry of Forestry of Indonesia gave the meeting's opening remarks. He noted that timber is a vital traded commodity and income source in many Asia-Pacific economies, particularly developing ones, which are rich in forest resources and driving production as global demand increases. "For trade in the sector to be sustainable, fair market access for legal products and the socio-economic factors tied to illegal logging must be practically addressed," he added. He also proposed the use of the term "promoting legal timber" rather than "combating illegal logging" as it shows a more positive point of view. Indonesia is also committed on continuing moratorium on issuance of new forest concessions and is now proposing a draft of law on the eradication of destructive activities on its forest. The remarks were followed by the Alternate SOM Chair, Ambassador Wahid Supriyadi of Indonesia who updated the group on APEC's priorities for 2013.

The meeting proceeded with the discussion of the EGILAT's Multi-Year Strategic Plan and the 2013 Work Plan. EGILAT's Multi-Year Strategic Plan is from 2013 until 2017. Presentations were then given by the European Union (EU) – The EU FLEGT Initiative (Forest Law Enforcement Governance and Trade), The Nature Conservancy (TNC) – Responsible Asia Forestry and Trade (RAFT) Programme, APEC Business Advisory Council (ABAC) – Role of ABAC, Australia – Illegal Logging Prohibition Act 2012, Korea – Forests and Policies of Korea, Papua New Guinea – Economy Report and Chinese Taipei – The Actions Taken by Chinese Taipei to Combat Illegal Logging.

Indonesia gave a presentation on its Timber Legality Assurance System (TLAS). Indonesia's TLAS offers legality assurance to timber products importers and buyers and allows continuous supply and sustainable trade. For the government of Indonesia, legal certification is declared as mandatory and law enforcement measures have been implemented, to prove its sincerity in combating illegal logging. The purpose of the aforementioned presentations was to promote the exchange of information on policies, regulations, governance, and law enforcement relating to combating illegal logging and promoting trade in legal forest products.

There was also a session on capacity building that focused on the presentation of concept notes and proposals namely by Peru on Forest Control Systems and Market Chains, and Viet Nam on Regional Workshop on Timber Tracking System Development Experience Exchange. The United States proposed two capacity building activities; a workshop entitled Law Enforcement Cooperation and a Private Sector Dialogue were proposed to be held back to back with the next EGILAT meeting. The member economies were of the view that they needed more time to reflect on the two proposals. As such, member economies agreed that the APEC Programme Director would follow up on the matter.

Malaysia proposed a concept note entitled Workshop in Promoting Products from Sustainably Managed Forests. The programme would bring together experts such as government officials, researchers, environmental non-government organisations (NGOs) and interested stakeholders in the logging and wood-based industries such as manufacturers, consumer association and traders from APEC member economies. The concept note will be further developed in the upcoming meetings.

The participants endorsed a Multi-Year Strategic Plan which strives to strengthen policy dialogue on combating illegal logging and promoting trade in legally harvested forest and timber products, increase knowledge on technical matters related to combating illegal logging and associated trade, increase member economies' capacity to address illegal logging and associated trade, and increase law enforcement cooperation and information sharing related to combating illegal logging and associated trade. The plan will also see collaboration with international and regional organisations involved in promoting sustainable forest management and forest rehabilitation and collaborate with the industry and civil society to raise awareness and contribute to national and regional efforts in combating illegal logging and associated trades, and to promote trade in legally harvested forest and timber products.

Malaysian delegates at the meeting.

On the last day of the meeting, participants had a field trip to Bogor Botanical Garden and Taman Safari Indonesia.

The meeting was attended by 57 participants comprising officials from Australia, Brunei, Chile, People's Republic of China, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Papua New Guinea, Peru, Philippines, the Russian Federation, Singapore, Chinese Taipei, and the United States. Representatives from ABAC, The Nature Conservancy and the APEC Secretariat also participated in the meeting.

Malaysia was represented by the Ministry of Plantation Industries and Commodities, which acted as the Head of Delegates, Ministry of Natural Resources and Environment, MTIB, Malaysian Timber Certification Council and Forest Department Sarawak. MTIB was represented by Cik Hjh. Robiyah Husin from Trade Development.

The next gathering of EGILAT will be held alongside the Third APEC Senior Officials' Meeting to take place in Medan, Indonesia from 22 June-6 July 2013. It will be followed by the APEC Ministers Responsible for Forestry Meeting in Cusco, Peru on 14-16 August 2013.

From left: Ms Natalie Nii, APEC Secretariat and Dato' Prof. Dr. Hj. Abd. Rahman of Malaysia, Third EGILAT Meeting Session Chairman.

STANDARDS, CERTIFICATION AND ROLE AS ACCREDITED CERTIFICATION BODY

Dr. Jalaluddin Harun, MTIB Director-General (left) receiving the Accredited Certification Body (ACB) certificate from Encik Shaharul Sadri Alwi, Director of Accreditation, Department of Standards Malaysia.

Standard and Accreditation

There are many definitions of a 'Standard'. Generally, a Standard might simply be defined as 'a set of rules for ensuring quality'. ISO/IEC Guide 2:1996, defines a standard as 'a document established by consensus and approved by a recognised body that provides for common and repeated use, rules, guidelines or characteristics for activities or their results, aimed at the achievement of the optimum degree of order in a given context'.

Why do we need Standards? What the world would be like without Standards?

Products might not work as expected. The devices and tools might be not compatible. The appliances might not work together with other equipment and in extreme cases; non-standardised products may even be dangerous.

Standards assure the users of the quality and safety in our daily lives; foods, electrical equipment, toys, household products and many things that we used every day. Standards give consumers assurance that the products are reliable and will do the job they were intended for.

Standardised products build consumers' confident in a few aspects such as safety, healthy, security, quality and flexibility. As a result, standardised goods are widely accepted, commonly trusted and highly valued.

The objective of accreditation is to provide confidence. The word 'credit' originated from *Latin credere* which means to be confident in, to trust and believe. 'Accreditation' means to credit or to give confidence. Accreditation provides the credibility and assurance that the products have undergone stringent testing and conformity assessment processes to ensure they correspond to the agreed standards of safety and quality.

Together, standards and accreditation build confidence. They essentially help consumers make everyday choices between products and support basic consumer rights by helping to raise level of quality, safety, reliability, efficiency and inter-changeability. Without accreditation, standards may just be empty promises. The need for standards and accreditation has also grown with globalisation. The world economy is witnessing a shift of power from corporation to consumers.

Accreditation essentially involves the process of ensuring the Conformity Assessment Bodies, which cover all activities such as testing, calibration, inspection, management system certification and product certification system.

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Product Certification

Product certification is the process of that a certain product has passed performance tests and quality assurance tests, and meets qualification criteria stipulated in standards, regulations, or specifications.

Most product Certification Bodies (CB) are accredited to ISO/IEC Guide 65:1996, an international standard for ensuring competence to those organisations performing product certifications. The organisations which perform this accreditation are called Accreditation Bodies (AB), and they themselves are assessed by international peers against the ISO 17011 standard. The AB which participate in the International Accreditation Forum (IAF) Multilateral Agreement (MLA) also ensure that these accredited CB meet additional requirements set forth in “IAF GD5 : 2006 - IAF Guidance on the Application of ISO/IEC Guide 65:1996”.

Certification Process

A product might be verified to comply with a specification or stamped with a specification number. The organisation who owns the certification scheme has the responsibility of considering the choice of available specifications, set qualification limits, and enforce compliance with those limits. The end users of the product have the responsibility of using the item correctly; products must be used in accordance with their listing for certification to be effective.

Product certification is often required in sensitive industry and marketplace areas where a failure could have serious consequences, such as negatively affecting the health and welfare of the people or person using that product. For example, food, pharmaceuticals, healthcare products, dangerous goods, and products which have radio frequency emissions such as computers and cellular telephones.

MTIB QAS

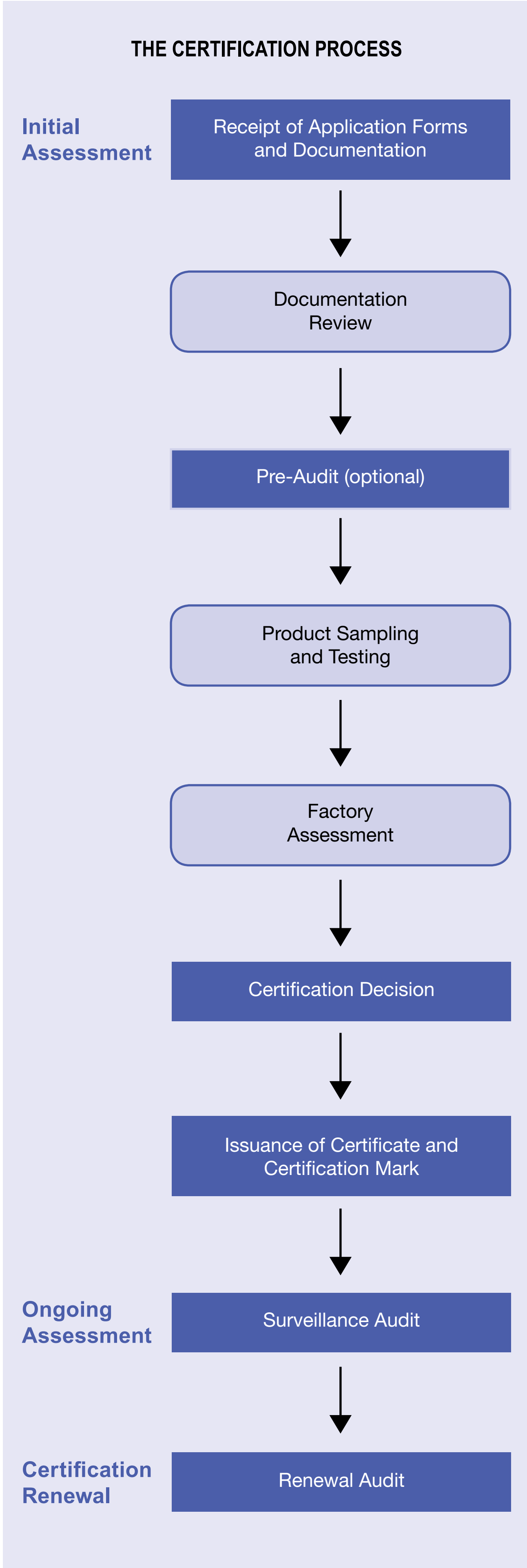
Quality Policy:

MTIB is committed:-

- To provide services to our customer consistently, professional and efficiently
- To conform to our customers’ needs and to all product certification requirements
- To empower our employees through on going training and professional development

Quality Objectives:

- To ensure certification processes provided comply with the applicable standards
- To understand and meet clients needs and requirements
- To provide training to employees in order to maintain and enhance skill and knowledge, at least seven days/year
- To respond to customers’ enquiries within one working day



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MTIB officials (auditors and implementors) attending a Course on ISO/IEC Guide 65 : 2000 Product Certification on 11-12 June 2012 at MTIB, Kuala Lumpur.

Audit process on site.

Selection of samples at a factory.

The Need to Develop a Certification Body

The world trade is becoming more competitive as buyers and consumers require assurance in terms of quality and safety for the products purchased. The competition for access to markets also has made products assurance an important requirement. As such, it is time for the timber products produced in the country to acquire a certification system. It is meant to assure that the products are of quality and safe for usage and do not affect consumer's health. In this instance, MTIB took the initiative by developing s product certification scheme which has led to the establishment of a Product Certification Body.

MTIB as a Product Certification Body

MTIB has been officially recognised as the Accredited Certification Body (ACB) for timber products in accordance to ISO/IEC Guide 65 : 2000, an international standard for ensuring competence to those organisations performing product certifications. This accreditation, given on 3 April 2012 by Standard Malaysia, has placed MTIB as the sixth organisation in Malaysia to gain the status. The scope of the product is plywood and the product standard being used is the Plywood Certification Standard.

As the ACB, MTIB runs the Product Certification Scheme for plywood in Malaysia. The MTIB Product Certification Scheme operates in an impartial, non-discriminatory and transparent manner, providing third-party certification of plywood for domestic consumption. 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 of samples.

The Product Certification Scheme of MTIB is based on two technical criteria:

a) The products are in conformity with the applicable standards.

b) Clients have an adequate quality assurance system to maintain the conformity of the products with the standards.

The Scheme is equivalent to Type 5 of ISO/IEC Guide 67 : 2004, Conformity Assessment-Fundamentals of Product Certification, excluding testing or inspection of samples from the open market.

The Product Certification Scheme of MTIB comprises the following activities:

1) **Initial Assessment – Inspection before a licence is granted.**

   At this stage, MTIB carries out the assessment of the Manufacturer's Product Quality Plan and its implementation. Some samples of the product will be taken from the factory and sent to an accredited laboratory for testing against the relevant product standards. Upon successful product testing, a factory audit will be conducted by an Audit Team against the relevant product certification standard and certification requirements.

   The Certification Approval Panel then makes the final decision on certification after reviewing the Audit Team report. The Product Certificate is awarded to successful applicants. The certificate is valid for two years. The applicants are also granted use of the Certification Mark on certified products.

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2) Ongoing Assessment – Surveillance after a licence is granted.

Certified clients will be subjected to surveillance audits at every six months to ensure continued compliance with the certification requirements. During the surveillance audit, products from the factory will be sampled and factory audits will be conducted.

3) Renewal Assessment (Assessment for renewal certification).

The Product Certificate expires at the end of the second year. Prior to expiry, a comprehensive audit will be conducted, including document review, product testing and factory audit.

MTIB acts in conformance with international requirements and regulations for certification bodies, and guarantees the competence, impartiality, confidentiality and independence of its certification activities. Confidentiality is maintained by its employees, auditors and technical specialists keeping confidential any relevant documentation or information which they become acquainted with as a result of their contact with organisations during the certification process.

The product certificate issued gives the client the right to use MTIB's certification mark. Having been granted a product certificate, the client or the certificate holder has the right to use the product certification mark on their products showing that the product is certified. MTIB's certification mark is only to be used in reference to the scope of product included in the product certificate.

The certification mark may be used in the marketing of the product. Use of the mark shall not cause misunderstanding about the scope and meaning of the certificate and is not to be used in any misleading manner. If the mark is used contrary to these rules, MTIB may, in addition to withdrawing the certificate, take legal actions.

The certificate holder is responsible for the continuous fulfilment of the product and its quality assurance to certification requirements. They also shall control the use of the certification mark and shall, in making reference to its product certification in communication media (documents, brochures or advertising), comply with the rules of certification.

MTIB have plans to expand the service as Accredited Certification Body to cover all timber products in Malaysia. Meanwhile, MTIB also plans to become an international accreditation body according to international standard/ product scheme.

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1. *Wikipedia*
2. *Rules of Certification, MTIB Product Certification Scheme*
3. *Standards and Accreditation News, Issue 24, 2010, publication of Standard Malaysia*

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Suppliers of Floor, Wall and Roof Systems Confident

In the UK, the construction industry suffers from weak economy but efforts to increase performance and sustainability have helped floor, wall and roof system suppliers to win market share from traditional build. Suppliers have invested in product development and improved manufacturing and supply channels. Now the off-site construction and modern methods of construction offer performance and quality.

Most of the sales come from floor applications, but demand for roofing and wall systems is growing. Open-web metal components have taken market share from I-joists but I-joists are still providing a cost advantage.

TTJ Timber Trades Journal, 12 January

UNITED STATES
US Mouldings and Trim Market to Reach USD9 Billion in 2016

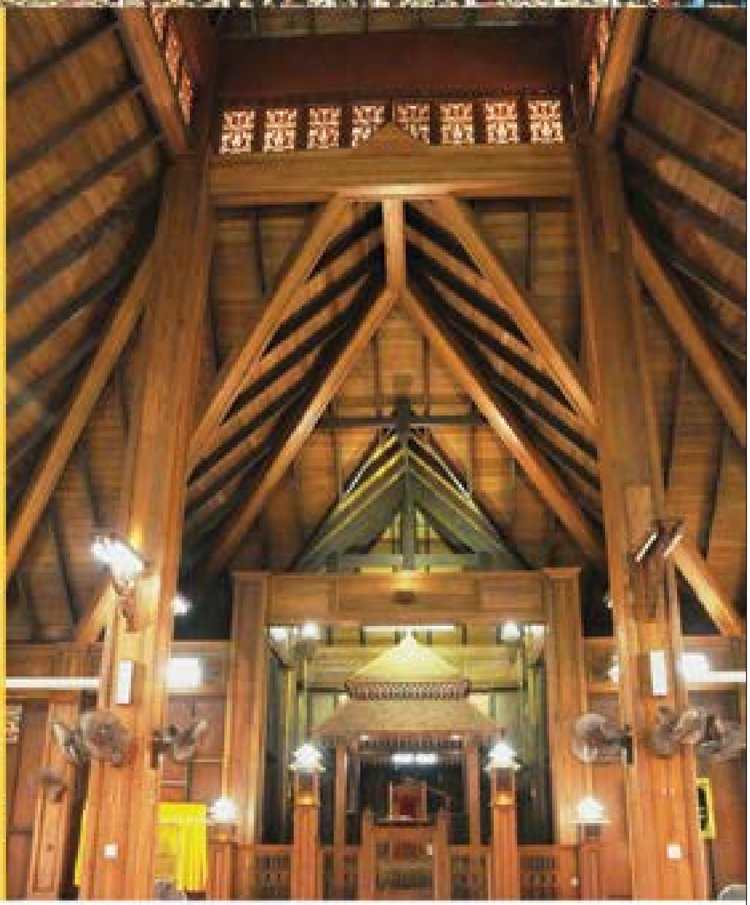
US demand for mouldings and trim is forecast to rise nearly 11% per year to USD9.0 billion in 2016. A sharp rebound in new housing construction and a partial recovery in non-residential building construction will drive gains. This revival in new construction activity will however still not be sufficient to raise mouldings and trim demand in 2016 to the level achieved in 2006.

Engineered wood mouldings and trim is forecast to advance at the most rapid pace of all materials through 2016. The rising use of these materials in the fast-growing new residential market will fuel gains. Home builders will choose engineered wood products because they look like wood, but do not need to be painted or stained prior to installation. This will support the use of engineered wood as mouldings and exterior trim.

Overall gains for the different materials will primarily be shaped by the underlying growth in the respective market segments, rather than from increases in share within the particular market segments. Wood is used extensively in new residential mouldings and stairworks, the rebound in new residential construction will support demand increases for wood mouldings and trim. Residential consumers overwhelmingly opt for wood mouldings due to its favourable aesthetics. Wood will see an increase in the stairwork segment, spurred by a rebound in housing completions, as most wood stairways are installed in residences.

Reportlinker.com, 7 January

Malaysian Wood
Standing on Excellence



MTIB
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TIMBER INDUSTRY IN PERU

Quick Facts

Capital city	Lima
Official language	Spanish
Currency	Peruvian
Population	30,135,875
GDP (Nominal)	USD6,573 (per capita)

Introduction

Peru is nestled between the cold water of the Pacific, in the foothills of the northern Andes and the southern seat of the Amazon. Despite it being one of the smallest South American nations, Peru's entire economy has experienced an unprecedented period of growth during the last five years, making it one of the fastest growing economies in the region. Underpinned by the country's political and economic stability, exports of all industries climbed by 28% in 2011 compared to 2010 to a record of USD45.7 billion.

A driver for these increased exports has been the 11th free trade agreements that Peru has entered into with the main world trade blocks and markets. Exports of traditional products such as minerals, gas, fish and agriculture have increased 27% compared to 2010 to USD35.6 billion, while non-traditional products such as biotrade have jumped 32% compared to 2010 to USD10.2 billion.

The country's primary exports are its metals (silver, gold, copper, zinc, tin and lead), petroleum and gas, agricultural products, textiles and apparel. In 2010, total export value for wood products (mainly sawnwood, plywood and mouldings) was USD168 million, excluding paper products - in comparison to the country's overall exports of USD35.1 billion.

Forest Coverage

Peru is the ninth country in the world in forest surface extension worldwide and the second in Latin American, only after Brazil. Peruvian natural forests have a great biological diversity reflected in a wide variety of forest types. Peru has 78.8 million hectares of natural forests, out of which 74.2 million hectares are located in the Amazon forest, 3.6 million in the Coast and 1.0 million in the Highlands.

Some 26% (17.8 million hectares) of Peru's forests are zoned for commercial logging as Permanent Production Forests while another 3.4% (2.3 million hectares) lie within protected areas.

Seventy percent of Peru's national territory is covered by some of the most biologically diverse forests on earth. It is a place where the vast expanse of South America's great rainforest meets the towering wall of the Andes mountain range, and the headwaters of the Amazon River emerge from dramatic canyons and valleys. Along the banks of the Ucayali, Marañon, and Tambopata rivers lies not only a fantastic range of ecosystems, but thousands of native communities from 56 distinct ethnic groups, whose cultural identities and livelihoods are closely tied to the forest. Over 10 million hectares of Peruvian forest are titled to native communities.

Timber Resources

For years, the inaccessibility of Peru's Amazon limited most logging to extraction of selected species mostly of Mahogany (*Macrophylla*) species, one of the world's most valuable timbers, whose beautiful, durable red wood currently sells at up to USD1700 per m^3 in the international markets. Even as the commercially viable population of Mahogany began to plummet, the industry was expanding its search. Spanish cedar (*Cedrela odorata*), another red-colored wood of the same taxonomic family (*Meliaceae*), has been the subject of the second intense wave of logging in the Peruvian forest.

Both species are valued for high-end doors, furniture, windows and other interior design work, as well as cigar boxes in the case of Cedar. By value, Mahogany and Cedar are still an important segment of the export market. By volume, a suite of other hardwoods used for flooring, veneers or construction now make up the bulk of exports: Cumala (*Virola* spp., *Iryanthera* spp.), Lupuna (*Chorisia integrifolia*), Tornillo (*Cedrelinga cateniformis*), Shihuahuaco or Cumaru (*Dipteryx*

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micrantha, Dipteryx spp.) and Capirona (*Calycophillum spruceanun*).

Bilateral Timber Trade with Malaysia

Malaysia bilateral timber trade with Peru is minimal, only involving the export of furniture from Malaysia and the import of sawntimber from Peru. The amount of Malaysian furniture export has increased since 2009 with 2011 recording the highest amount of total export which was RM15.81 million. Malaysia imported the most sawntimber in 2008 (RM964,000). Malaysia's importation of Peru's sawntimber continued to decrease in 2009 and 2010 before increasing to RM211,000 in 2011. Malaysia ranks fourth as Peru's import partner for furniture products.

Malaysia : Export of Furniture Products to Peru, 2007 – 2011
(Value : RM)

Year	2007	2008	2009	2010	2011
Product	RM	RM	RM	RM	RM
Wooden Furniture	3,954,662	8,450,484	5,938,318	11,842,793	15,806,501

Source: MTIB

Malaysia : Import of Sawntimber Products from Peru, 2007 – 2011
(Value : RM)

Year	2007	2008	2009	2010	2011
Product	RM	RM	RM	RM	RM
Sawntimber	212,162	963,547	302,241	61,792	211,279

Source: MTIB

Peru : Timber and Non-Timber Exports, 2012
(Value : USD million)

Type	Products	(FOB)
Furniture	Seats with wood frame padded	523,525,22
	Other wooden seats	566,994,19
	Office furniture	210,836,93
	Kitchen furniture	361,799,27
	Bedroom furniture	1,503,652,28
	Other wooden furniture	3,398,357,83
Total Furniture		**6,565,165,72**
Timber	Timber, even debarked	1,210,56
	Strips, stakes, wooden stakes	437,74
	Wood sawn or trimmed	59,109,821,90
	Sheets for veneering	1,658,058,06
	Shaped wood	52,333,882,06
	Panels of wood particles	1,746,415,32
	Panels of wood fiber	9,836,99
	Plywood	16,657,885,88
	Densified wood in blocks	3,982,774,46
Total Timber		**135,500,322,97**
GRAND TOTAL		**142,065,488,69**

Source: MTIB

Peru's Timber Industry

The timber industry in Peru is composed of more than 111,000 companies, making it the second largest industry in number of companies, after the textile industry. According to the latest Census of Industrial Manufacturing, 107,334 are micro-enterprises that represent 98.3% of the total industry, while 3,596 are small enterprises and only 418 are among medium and large businesses.

Of the total number of registered companies in this sector, 78% are engaged in the manufacture of furniture and 9% woodworking. Lima accounts for 40% of companies, while 30% is in Arequipa. Both are the two of the most dynamic cities in the timber industry.

Peru has 78.8 million ha of natural forests, out of which 74.2 million ha are located in the Amazon forest, 3.6 million in the Coast and 1.0 million in the Highlands.

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Peru : Major Exports of Timber and Timber Products, 2009–2011
(Value : USD million)

Product	2009	2010	2011	Market Share 2011 (%)	% Change 2011/2010	Main Market (2011)
Logs	0.00	0.13	0.00	0.00	-100.00	-
Sawntimber	58.11	57.05	57.37	32.26	0.56	Mexico
Veneer	0.37	0.82	0.71	0.40	-13.63	Mexico
Mouldings	64.28	76.50	67.13	37.76	-12.25	China
Particleboard	0.54	3.14	3.55	2.00	12.89	Colombia
Fibreboard	0.08	0.00	0.05	0.03	2,550.00	Bolivia
Plywood	15.04	14.57	17.37	9.77	19.24	Mexico
Wooden Frames	0.52	0.43	0.52	0.29	22.54	USA
BJC	5.07	4.56	5.47	3.08	19.90	USA
Wooden Furniture (HS9401 and HS9403)	16.46	18.81	25.64	14.42	36.26	Bolivia
TOTAL	**160.47**	**176.02**	**177.81**	**100.00**	**1.02**	

Source: World Trade Atlas

Peru : Export of Furniture, 2009-2011
(Value: USD million)

Year	2009	2010	2011	% of Market Share 2011	% Change 2011/2010
Country	Value	Value	Value		
Bolivia	5.22	6.70	8.09	31.56	20.83
United States	4.01	3.85	4.30	16.76	11.64
Ecuador	0.66	1.73	4.27	16.66	146.31
Colombia	0.86	1.47	2.38	9.30	62.29
Italy	2.17	1.97	2.10	8.20	6.70
Panama	0.72	0.49	2.10	8.17	327.55
Chile	0.67	0.96	1.15	4.48	19.19
Dominican Republic	0.16	0.20	0.16	0.62	-20.00
Spain	0.19	0.14	0.12	0.46	-18.06
Costa Rica	0.05	0.07	0.07	0.27	-1.41
Others	1.76	1.22	0.90	3.51	-26.23
TOTAL	**16.46**	**18.81**	**25.64**	**100.00**	**36.31**

Source: WTA

Export of Timber Products

Peru's most significant export markets, namely the US (including Puerto Rico) and China account for 89% of the total value of Peruvian timber sales. Wood exports leveled off when the global economic crisis hit in 2008. The proportion of timber exported to China has, however, increased rapidly in the last decade, offsetting a reduction in direct exports to the US. Chinese importers are particularly focused on species for flooring, while Mexico takes the majority of Peru's veneer and plywood, and the US receives high-value sawn wood.

The majority of timber products being exported is mouldings, which represented 37.76% of market share in 2011. This is followed by sawntimber and wooden furniture with a market share of 32.26% and 14.42% respectively.

Export of Furniture

Bolivia is Peru's main market for its furniture which is indicated by 31.56% of its market share in 2011. Peru exported USD8.09 million worth of furniture to Bolivia in 2011, and the amount has increased since 2009. This is followed by the US (USD4.30 million) and Ecuador (USD4.27 million) with a market share of 16.76% and 16.66% respectively. In total, Peru exported USD25.64 million worth of furniture products to the world in 2011, an amount which has been increasing since 2009.

Import of Timber Products

Peru mainly imports particleboard, fibreboard and wooden furniture. In 2011, particleboard and fibreboard recorded a market share of 21.37% (USD64.34 million), and 13.06%

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Peru : Major Import of Timber & Timber Products, 2009 –2011
(Value : USD million)

Product	2009	2010	2011	Market Share 2011 (%)	% Change 2011/2010	Main Market (2011)
Logs	9.21	15.39	15.49	5.15	0.66	USA
Sawntimber	13.74	23.58	27.23	9.04	15.46	Chile
Veneer	1.46	0.79	1.39	0.46	76.82	China
Moulding	0.53	0.46	0.86	0.28	88.16	China
Particleboard	42.02	49.30	64.34	21.37	30.51	Ecuador
Fibreboard	21.07	31.14	39.31	13.06	26.22	Chile
Plywood	4.95	11.17	10.97	3.64	-1.77	Chile
Wooden Frames	0.27	0.50	0.41	0.14	-18.76	China
BJC	4.70	8.37	10.00	3.32	19.39	Brazil
Wooden Furniture (HS9401 and HS9403)	74.95	109.47	131.08	43.54	19.74	China
TOTAL	**172.89**	**250.16**	**301.06**	**100.00**	**20.35**	

Source: WTA

Peru: Import of Furniture, 2009-2011

Year	2009	2010	2011	% of Market Share 2011	% Change 2011/2010
Country	Value	Value	Value		
China	25.83	38.68	45.42	34.65	17.42
Brazil	12.01	21.42	23.85	18.20	11.37
United States	6.63	7.66	15.98	12.19	108.71
Malaysia	**2.66**	**4.77**	**5.62**	**4.29**	**17.82**
Spain	1.04	1.97	5.30	4.05	169.19
Argentina	4.47	6.74	4.64	3.54	-31.10
Italy	3.26	3.02	3.81	2.91	26.12
South Korea	1.69	2.34	3.48	2.65	48.48
Taiwan	1.60	2.38	2.68	2.04	12.34
Chile	2.50	2.29	2.39	1.82	4.50
Colombia	1.59	2.66	2.10	1.60	-21.07
Others	11.67	15.55	15.81	12.06	1.67
TOTAL	**74.95**	**109.47**	**131.08**	**100.00**	**19.74**

Source: WTA

(USD39.31 million) respectively. Wooden furniture stood at 43.54% (USD131.08 million) of the market share in 2011.

Import of Furniture

Peru mostly imports its furniture products from China which makes up 34.65% of the total market share followed by Brazil, the US and Malaysia. The import of furniture has increased since 2009 with the highest amount recorded in 2011 which was USD45.42 million. In 2011, Peru imported USD5.62 million worth of furniture products from Malaysia, an increase of 17.82% compared to the previous year. In total, Peru imported USD131.08 million worth of furniture products from the world in 2011 which was a 19.74% increase compared to 2010.

Domestic Sawntimber Consumption

The demand for sawntimber by the Peruvian construction sector has reached 355,571 m^3, equivalent to 45% of the domestic timber market.

Although construction companies are turning to buy finished products and most of them are imported, there are about 41.05% still buying sawntimber and subcontracting the work to external carpenters.

The “Tornillo” species is the most used wood by this sector, although there is evidence of increased use of alternative woods. For now, the use of certified wood is seen as a laudable goal but the impractical level of additional costs could mean more requirements. It is known that 18% of

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the materials used in Peru's current construction industry correspond to wood, and it is expected that in the future it may be less. For sawmills, the ability to implement a joint strategy is so tempting and interesting as a partnership, especially with the onset of construction companies, industries or furniture retail companies willing to buy large volumes of sawntimber to meet their demands.

Market Prospects and Opportunities

According to Peru's Technology Innovation Wood Centre (CITE MADERA), domestic furniture sales have been growing 35% yearly since 2002. In 2011, furniture sales growth was 10.6%, driven by demand from the corporate sector and shopping malls. Among the factors that enhanced furniture demand in Peru is the buying of new homes, both in Lima and nearby provinces, which require modules to suit their sizes. This is due to Peru's highly centralised population, with 30% of all inhabitants living in the capital city of Lima and an estimated 50% of the country's GNP is generated in and around Lima. As a result, a large portion of the sales activities occur in Lima.

Furthermore, the current trend is more focused on fashion, and the purchase period has also been reduced. For example, previously Peruvian consumers bought new furniture every 20 to 25 years, now every five years or less.

In addition, Peruvian has preference for utilitarian furniture (durable, flexible and multifunctional) more than ornamental. There is a prevalence of simple and elegant design, according to the size of the houses; innovative design and combinations of materials and colors; use of natural and eco color tones and materials; must be environmental friendly; high preference for refurbished or remanufactured furniture and "ready to assemble" (RTA) furniture.

The local construction industry is forecast to grow above 10% for the next couple of years. Housing development, as well as hotel construction in Peru will also remain strong. The growth of the population, the focus on quality and the increasing number of households made up of one or two people and a booming housing industry are factors that have resulted in greater demand for wooden furniture. This situation has also reduced the size of houses, apartments and/or rooms leading to the increased demand for smaller and multifunctional furniture in the future.

Peru is the ninth country in the world in forest surface extension worldwide and the second in Latin American, after Brazil.

Peru exported USD25.64 million worth of furniture products to the world in 2011.

As for the type of material, Peruvians still prefer wooden furniture. However, there is an increasingly strong tendency to use melamine, a product that is clearly imported mainly from Chile and Ecuador.

Sales opportunities do exist in other major population centers such as Arequipa, Chiclayo and Trujillo. This should be a consideration for the company's overall marketing strategy. Representatives in Lima typically have sales agents in these cities, covering sales opportunities in these provinces.

The most common method of distribution is the appointment of a qualified representative. Although Peruvian law does not require the use of local distributors for private sector commercial sales, appointing a local agent or distributor is advisable for companies seeking to develop a market on a sustained basis especially for sales to the government sector.

Meanwhile, furniture retailing is also another promising sector, considering the projected construction of new malls and strip malls as well as supermarkets. Among these are Quinde, the first open aired shopping center in Ica, an investment of USD10 million. The Chilean Almacenes Paris, Cencosud, and other strip malls will be coming to Lima. Also a new mall and recreation center is planned in Huánuco, with an estimated investment of USD30.5 million.

These positive outlooks in the Peruvian domestic furniture industry should be fully capitalised by Malaysian timber exporters particularly the furniture sector by forging close alliances and strategic partnerships with Peruvian timber importers/exporters to enhance our existing market share in Peru. In addition, currently both Malaysia and Peru, alongside Australia, Brunei, Canada, Chile, Mexico, New Zealand, Singapore, Viet Nam and the US are involved in the Trans Pacific Partnership (TPP) Free Trade Agreement which is expected to conclude by October 2013.

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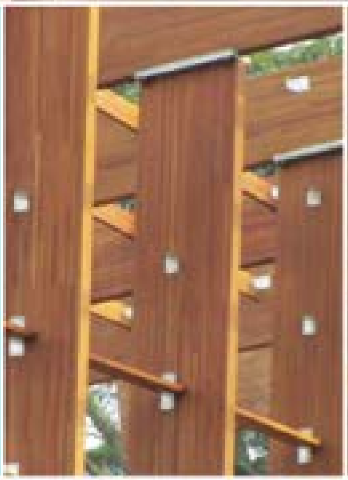
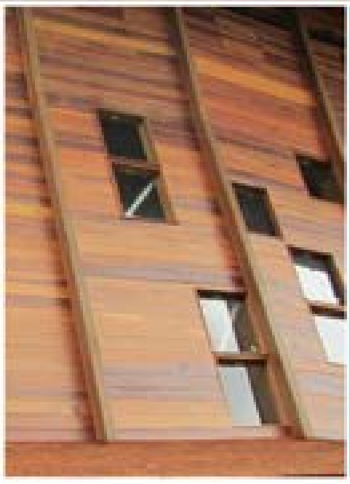
- *MATRADE Santiago*
- *Department of Statistics Malaysia (DOSM)*
- *Mercosur Online*
- *World Trade Atlas (WTA)*
- *Eia-Global.org*

GALERI GLULAM





MTIB TRAINING PROGRAMMES 2013

MTIB will conduct the following courses in 2013 at the Wood Industry Skills Development Centre (WISDEC) in Banting, Selangor and Kota Kinabalu, Sabah. These courses are designed to assist in expediting technology transfer and to impart skills and knowledge to the wood-based industry in particular the downstream wood processing sectors. Besides these, MTIB offers customised courses according to the specific needs of the companies or agencies, upon request.

VENUE : WISDEC SELANGOR

NO	CODE	COURSE TITLE	FEE	DATE
1	WD 407	Application of CAD in Furniture Design (Basic)	RM 700	4-7 Feb
2	WR 302	Identification of Malaysian Timbers Species	RM 525	19-21 Feb
3	WD 409	Application of CAD in Furniture Design (Advanced)	RM 700	25-28 Feb
4	WM 426	Lean Manufacturing - The Toyota Way	RM 350	12-13 Mac
5	WC 405	Kitchen Cabinet Making	RM 700	25-28 Mac
6	WP 303	Wood Protection (Basic)	RM 525	2-4 April
7	WM 427	Furniture Quality Control	RM 350	9-10 April
8	WC 410	Knock Down Furniture	RM 700	22-25 April
9	WD 415	Furniture Design Development	RM 700	13-16 May
10	WP 301	Wood Drying (CoC)	RM 1,500	10-28 June
11	WT 409	Maintenance of Wood Working Machine	RM 525	2-4 Sept
12	WF 402	Wood Product Finishing - Competency of Spraying Technique to Increase Wood Quality Finishing	RM 700	23-26 Sept

For WISDEC Selangor, please contact:

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VENUE : WISDEC SABAH

NO	CODE	COURSE TITLE	FEE	DATE
1	WD 411	Interior Design (Furniture)	RM 500	13-16 April
2	WD 415	Furniture Design Development	RM 375	27-29 April
3	WE 404	Introduction to Innovation and Creativity	RM 250	11-12 May
4	WC 409	Furniture Making (Sofa)	RM 500	18-21 May
5	WC 406	Furniture Making (Display Making)	RM 500	8-11 June
6	WP 301	Kiln Drying (CoC)	RM 1,500	10-28 June
7	WT 403	Technology and Operation of Wood Working Machines - CNC Router	RM 375	24-26 August
8	WF 404	Creative Finishing Industry and Wood-based Product	RM 500	7-10 Sept
9	WD 409	Application of CAD in Furniture Design (Advance)	RM 375	20-23 Sept
10	WE 403	Creative and Innovative Marketing Strategy	RM 375	28-29 Sept
11	WM 411	Product Costing and Budgeting	RM 250	19-20 Oct
12	WM 413	Planning and Control in Furniture Industry	RM 250	26-27 Oct

For WISEC Sabah, please contact:

Encik Mohd Razman Mohammad Azizuddin
Tel : 6088-498822
Fax : 6088-498811/498833
E-mail : mtibsabah@mtib.gov.my

COMING EVENTS – MAY 2013

DATE	EVENT	VENUE	ORGANISER
13-16	**INTERZUM 2013** (Furniture Production and Wood Interiors)	Cologne International Exhibition Centre, Germany	Koelnmesse GmbH Tel : +49 221 8210 Fax : +49 221 821 2570 E-mail : info@koelnmesse.de
13-16	**EEM/ EUROEXPOFURNITURE** (International specialised trade fair of furniture and accessories)	All Russian Exhibition Centre, Moscow, Rusia	MVK –International Exhibition Company Tel : +7 (495) 995 0595 Fax : +7 (495) 748 3480 E-mail : info@mvk.ru
20-23	**INDEX DUBAI 2013** (International Furniture, Interiors and Retail Design Exhibition)	Dubai World Trade Centre, Dubai, United Arab Emirates	Dmg events Middle East Tel : + 971 4 4380355 Faks : + 971 4 4380361 e-mail : info@dmginfo.com
21-24	**MOVEXPO 2013** (International Furniture Fair)	Centro de Convention de Pernambuco, Olinda – PE, Brazil	Multiplus Feiras & Eventos Tel : +55 (16) 2132 8936 Fax : +55 (81) 3221 3165 E-mail : multiplus@mfe.com.br
24-26	**GRAND DESIGN LIVE 2013** (The home, deco, garden and design show)	The Coca Cola Dome, Johannesburg, South Africa	Montgomery Africa Tel : +2711 835 1565 Fax : + 27 086 569 3350 E-mail : rossc@montgomeryafrica.com

MALANTAI – TALL TREE WITH SHORT BUTTRESSES

INTRODUCTION

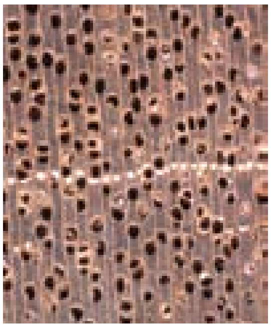
Malantai tree

Tree stump

Malantai is the Standard Malaysian Name for certain lightweight reddish and yellowish timber of Shorea spp. (Dipterocarpaceae). Vernacular names applied include Belantai (Kedah), Kawang with various epithets in Sabah, Engkabang for S. macrophylla in Sarawak and Melantai (Peninsular Malaysia). The species as a group are more developed in Sabah and Sarawak than in Peninsular Malaysia. Only one species occurs in Peninsular Malaysia and that is S. macroptera. The other species belonging to this group include S. macrophylla, S. parvistipulata, S. pilosa, S. pinanga and S. scaberrima. The timber is separated from the Red Merantis on the grounds in that Melantai is usually lighter in density and tends to have a bright yellow tinge. The sapwood is lighter in colour and is not sharply defined but moderately distinct from the heartwood, which is yellow-pink when freshly cut, weathering to a light pink colour with a yellow tinge.

STRUCTURE

Vessels are with simple perforation, medium-sized or moderately large, few or moderately few in number, mostly solitary while the rest are in radial or oblique pairs or radial multiples of less than four in a series. They are evenly distributed but with a tendency to form short, oblique lines. Tyloses are sparse or absent and deposits are absent.



Cross section of Malantai

Wood parenchyma is sparse, paratracheal, with narrow incomplete border to the vessels (often not distinct with a lens) and apotracheal, with irregularly spaced bands containing vertical resin canals. Rays are medium-sized and visible to the naked eye, and fairly conspicuous on a radial surface.

DENSITY

The timber is a Light Hardwood with a density of 415-625 kg/m^3 air dry.

NATURAL DURABILITY

The timber is non-durable in exposed conditions.

PRESERVATIVE TREATMENT

It is difficult to treat with preservatives.

TEXTURE

Texture is moderately coarse but even, with interlocked grain.

STRENGTH PROPERTIES

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

MACHINING PROPERTIES

It is easy to work and planes to a smooth and highly lustrous surface.

NAILING PROPERTY

The nailing property is rated as good.

AIR DRYING

The timber seasons fairly rapidly without any defects. Thick boards of 13mm take two months to air dry, while 38 mm thick boards take four months.

KILN-DRYING

Kiln Schedule H is recommended. The timber dries very fast without degrade. Thick boards of 25mm take an average of six days to kiln-dry from 50 to 10% moisture content.

Kiln Schedule H

Moisture Content (%)	Temperature (Dry Bulb)		Temperature (Wet Bulb)		Relative Humidity (%)
	° F	° C	° F	° C	
Green	135	57.0	127	53.0	80
50	135	57.0	126	52.0	75
40	140	60.0	126	52.0	65
30	150	65.5	129	54.0	55
20	170	76.5	136	58.0	40

SHRINKAGE

Shrinkage is fairly low, especially when compared with other species of Shorea. Radial shrinkage averages 0.9% while tangential shrinkage averages 2.6%.

USES

The timber is suitable for interior finishing, mouldings, panelling, pallet (expendable type), furniture, staircase (handrail, sprandrel framing, angle blocks and rough brackets), plywood, joinery, cabinet making, tool handles (non-impact), planking, shelving and the manufacture of doors.

References:

1. *http://www.woodwizard.my*
2. *http://info.frim.gov.my*

MTIB Moments

MTIB organised a Workshop on MTIB Corporate Portal from 13 to 15 January 2013 in Port Dickson, Negeri Sembilan.

Dr. Jalaluddin Harun, MTIB Director-General (centre) presenting retirement credentials to Encik Mohd Khalid Kahar, Chief Quality Control Inspector on 16 January 2013 at MTIB, Kuala Lumpur. Looking on is Puan Hjh. Norchahaya Hashim, MTIB Deputy Director-General.

MTIB organised a retreat for its management and senior personnel from 18 to 20 January 2013 in Melaka.

Visitors viewing wooden carving products at the MTIB booth during a Jelajah Janji Ditepati programme. It was held on 20 January 2013 in Kota Bharu, Kelantan.

Dato' Kamariah Hussain, Chairman of PUSPANITA MTIB (seated, centre) posing with committee members of 2012/2013 during the 23rd AGM. It was held on 23 January 2013 at MTIB, Kuala Lumpur.