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# STIDC

## Takes a New Milestone in Promoting Bamboo Utilisation


# contents




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# editorial

Small and medium enterprises (SMEs) represent 76% of the total number of manufacturing and services enterprises in Sarawak's wood-based sector and provide employments to 6.5% of the total workforce in the sector. Undoubtedly, SMEs are crucial to the economy.

The government provides incentives through agencies such as the Royal Malaysian Customs, STIDC, Sarawak Timber Association, Sarawak Forestry Corporation, MATRADE, UNIMAS, Ministry of Industrial Development and Harwood Timber Sendirian Berhad to facilitate the establishment and development of SMEs in Sarawak.

SMEs stand to gain from these incentives in terms of tax exemption, training opportunities, marketing, R&D activities, raw materials procurement, data management as well as technology transfer.

A recent study conducted by our consultant discovered that most of these SMEs were oblivious about these incentives.

We wish to advise them to be alert at all times and capitalise on these incentives and move in pace with the dynamic market situation in order to consolidate their business and remain competitive domestically and abroad. This is in sync with the government's goal to ensure SMEs contribute up to 41% to the national GDP by 2020.

# Promoting Utilisation of Raw Materials from Planted Forests

Efforts were made to promote the utilisation of raw materials from planted forests through timber expos, exhibitions and trade fairs

Sarawak practises sustainable forest management to ensure adequate supply of raw materials for the wood-based industry. In tandem with this, the government aspires to establish one million hectares of fast growing tree species by 2020 through planted forests. Presently, more than 335,000 hectares had been planted with Acacia spp., Kelempayan *(N. cadamba)*, Batai *(P.falcataria)*, Eucalyptus spp., Rubber *(Hevea brasiliensis)*, Meranti *(Shorea species)*, Kapur *(Dryobalanops spp.)*, Keruing *(Dipterocarpus spp.)*, etc.

Efforts on planted forests are showing positive result as some of them had already been harvested. Forest Department of Sarawak revealed that log production from planted forests is growing steadily from 62,741m$^3$ in 2011 to 253,171m$^3$ in 2012 and 537,752m$^3$ in 2013. It could reach 3 million m$^3$ in the next five years if this momentum continues.

Obviously, planted forests complement the natural forests by providing an alternate source of raw materials for the industry.

Sarawak's wood-based industry is currently dominated by primary processing sector such as plywood, sawn timber and veneer. The growth of primary industry is limited due to the decline in natural forests production. Planted forests therefore play pivotal role in supplying raw materials particularly for high value added product like furniture.

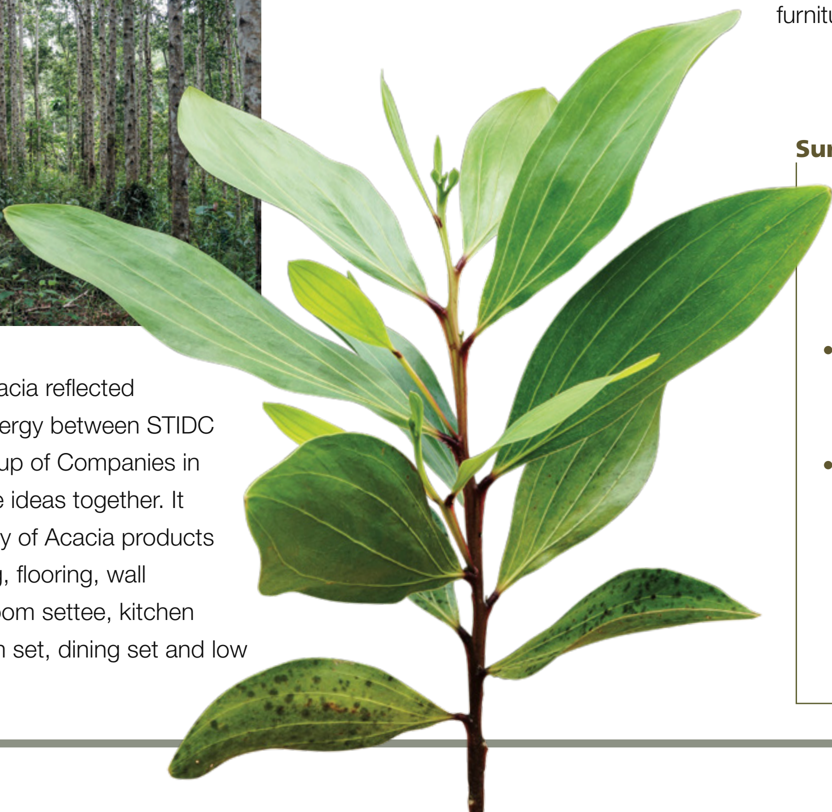
In Sarawak, raw materials from planted forests are also used to produce other products like veneer, plywood, sawn timber, finger joint, laminated board, MDF, particle board, woodchips, pellets, compressed wood, doors, flooring and handicraft.

Concerted efforts were made to promote the utilisation of raw materials from planted forests through timber expos, exhibitions

and trade fairs. This was manifested by the creation of the House of Acacia at the Biannual Sarawak Timber and SMEs Expo. A website, *houseofacacia.com* was also launched to promote Acacia wood.

The House of Acacia reflected a continuous synergy between STIDC and Samling Group of Companies in putting innovative ideas together. It displayed an array of Acacia products including decking, flooring, wall paneling, living room settee, kitchen cabinet, bedroom set, dining set and low cabinet.

In July 2014, STIDC and Samling Housing Products Sendirian Berhad initiated a technical collaboration focusing on R&D of Acacia. The initiative augurs well with the government's policy to intensify the establishment of planted forests and to further promote Acacia wood particularly among the furniture industry players in Sarawak.



Acacia is a renewable and sustainable source of raw materials which meets the Green Products Certification requirement.

STIDC aims to pursue its proactive role in the overall development of furniture industry by producing Acacia furniture for global market with the ultimate objective of making Sarawak the hub for Acacia furniture.

**Summary**

- Forest Department of Sarawak revealed that log production from planted forests is growing steadily from 62,741$m^3$ in 2011 to 253,171$m^3$ in 2012 and 537,752$m^3$ in 2013
- Planted forests play pivotal role in supplying raw materials particularly for high value added product like furniture
- STIDC and Samling Housing Products Sendirian Berhad technical collaboration on R&D of Acacia augurs well with the government's policy to intensify the establishment of planted forests and to further promote Acacia wood

# Training Workshop on Bamboo Application

Focused on raw bamboo processing, bamboo weaving, bamboo furniture making as well as basic bamboo craft tools handling

• Bamboo building and furniture specialist showing the participants how to make a bamboo furniture

Sarawak has huge potential in bamboo industry due to available land as well as suitable soil and climate for the development of this industry. The existing bamboo resources in Sarawak are based on their natural stand mainly for handicrafts. Bamboo is one of the fastest growing crops with three to four years gestation period. It is a renewable source of raw materials and has great potential for Small and Medium Enterprises (SMEs) in Sarawak. Bamboo is an alternative source of raw materials and at the same time complements timber and R&D on bamboo therefore helps to spearhead the development of SMEs.

Looking at its economic potential, there is good prospect for bamboo industry particularly in Sarawak. The global market value for bamboo products is forecasted at USD15-20 billion by 2018 with the USA as the major consumer.

According to Malaysian Timber Industry Board and Forest Research Institute Malaysia, there are 70 bamboo species in Malaysia in which 50 species are found in the Peninsular, 30 species in Sabah and 20 species in Sarawak. Out of these, 13 species are used commercially such as Buluh Semantan, Buluh Beting, Buluh Beti, Buluh Betong, Buluh Tumpat, Buluh Duri, Buluh Galah, Buluh Minyak, Buluh Gading, Buluh Lemang, Buluh Semeliang, Buluh Dinding, and Buluh Brang.

Awareness on the economic potential of bamboo in Sarawak is evident by the presence of Bamboo Museum and Bamboo Botanical Park in the state capital. Apparently, there is interest to develop bamboo industry and to sustain these resources for the benefit of the present and future generations.

STIDC is taking a new milestone in creating greater awareness and promoting bamboo utilisation among the people. Besides promoting bamboo products in the Sarawak Timber and SMEs Expo 2015, STIDC in collaboration with its Chinese counterparts had conducted a training workshop on bamboo application on 16th -30th October 2015.

The training workshop was facilitated by Mr. Weiren Zeng from the Centre of Anji Bamboo Research and Design in China. He was assisted by specialists in bamboo weaving as well as bamboo building and furniture who come with decades of experience.

The training workshop focused on raw bamboo processing, bamboo weaving, bamboo furniture making as well as basic bamboo craft tools handling.

Through this training workshop, STIDC hoped to share knowledge with the participants to become new entrepreneurs by making simple household furniture, baskets and handicrafts to meet market demands and generate income.

STIDC and other government agencies plan to collaborate with their Chinese counterparts to integrate bamboo industry within the timber industry.

The MoU signing between STIDC and Centre of Anji Bamboo Research and Design (CABRD) during the opening ceremony of the Sarawak Timber and SMEs Expo 2015 reflected STIDC's commitment to develop this industry in Sarawak. The MoU charts the way forward for technical collaboration on R&D on bamboo plantation and bamboo products manufacturing in the state.

STIDC was selected by The International Network for Bamboo and Rattan (INBAR) to represent Malaysia for the Aid Programme on Capacity Building for Bamboo and Rattan Sustainable Development by attending Training Seminar on SMEs of bamboo industry on 9th-23rd April 2015 in China.


• Mr. Weiren Zeng (seated second right) flanked by STIDC assistant general manager, Mr. Paul Lau (seated in the middle) posing with the participants

**Summary**

- The global market value for bamboo products is forecasted at USD15-20 billion by 2018 with the USA as the major consumer
- STIDC is taking a step ahead in creating greater awareness and promoting bamboo utilisation among the people

# Wood-Based Industry To Benefit From ASEAN-India FTA

## Industry players urged to capitalise on the preferential treatment under the AIFTA

Malaysia had signed 13 Free Trade Agreements (FTAs) thus far with its trading partners including the ASEAN-India FTA (AIFTA). Subsequently, two key agreements were signed under the AIFTA namely the ASEAN-India Trade in Goods Agreement and the ASEAN-India Trade in Services and the ASEAN-India Investment Agreement on 13th August 2009 and 13th November 2014 respectively.

Under the AIFTA, ASEAN member countries and India had agreed to progressively reduce and eliminate duties on substantial number of products including timber and timber products over a period of three to eight years until 2019.

The reduction and elimination of import duties is poised to open the market for export of timber products including those from Malaysia to India in the near future which is currently confined to logs. Industry players were therefore urged to capitalise on the preferential treatment under the AIFTA to explore and expand export of timber products to this market.

In order to enjoy the preferential tariff reduction and elimination in the Indian market exporters however must comply with the market requirements particularly the rules of origin (ROO).

According to Mr. Davidson Dee Ladi, Senior Principal Assistant Director of the Ministry of International Trade and Industry, ASEAN-India has a combined population of 1.88 billion people with GDP of approximately US$4.62 trillion in 2014. The ASEAN-India trade was valued at US$67.7 billion in 2014 compared with US$67.9 billion in 2013. India is the region's seventh largest trading partner. Foreign direct investments from India to ASEAN were accounted for US$817.9 million in 2014 compared with US$1.33 billion in the previous year.

**Summary**

- The reduction and elimination of import duties is poised to open the market for export of timber products including those from Malaysia to India in the near future
- In order to enjoy the preferential tariff reduction and elimination in the Indian market exporters must comply with the market requirements
- The ASEAN-India trade was valued at US$67.7 billion in 2014 compared with US$67.9 billion in 2013

# Developing The Wood Carving Career Path

## STIDC continues to play its role as training provider to meet the need of the industry

In its stride to regulate and facilitate the advancement of an innovative timber industry, STIDC continues to play its role as training provider to meet the need of the industry. This is to ensure a continuous supply of skilled workforce to remain competitive by producing high quality products that meet global standards.

In realisation of this aspiration, a residential training centre was established in Tanjung Manis New Township supported by full-time trainers and staff. Since its inception in 1997 STIDC through this training centre had successfully provided both short-term and long-term trainings to more than 4,000 people.

Wood carving is part of the training programme carried out in this training centre. It is divided into two parts including the introduction to wood carving techniques and wood carving & construction. The first part is an eleven-week programme aimed at helping trainees to acquire knowledge and skills in identifying basic carving methods and motifs. This is followed by a fifteen-week programme to provide trainees with knowledge and skills in wood carving process based on calligraphy and ethnic group motifs. In recognition of their commitment, trainees are awarded with certificate of competency upon completion of every programme.

- *STIDC trainees participating in the Amateur Wood Carving Competition 2015*

Aside from formal training, trainees also have the opportunities to participate in other activities such as exposure visits and wood carving competition. In the recent Terengganu International Timber Showcase 2015, four trainees were given opportunity to visit and participate in the Amateur Wood Carving Competition 2015. Their passion for wood carving paid off as all of them had successfully secured the first, third, fifth, and sixth placing respectively. Besides cash prize they were also accorded with certificate of participation.

Presently, STIDC is in negotiation with the National Craft Institute to explore the possibility of providing wood carving programmes to certificate and diploma levels. This will definitely give chances to our former and existing trainees to grow further into the thriving wood carving industry and contribute to the economy.


- *STIDC officials and trainees visiting the Terengganu Timber Industry Training Centre*

**Summary**

- Since its inception in 1997 STIDC through this training centre had successfully provided both short-term and long-term trainings to more than 4,000 people
- STIDC is in negotiation with the National Craft Institute to explore the possibility of providing wood carving programmes to certificate and diploma levels

• Participants listening attentively to a presentation

To help industry players keeping abreast with current issues

# Stakeholders Briefing

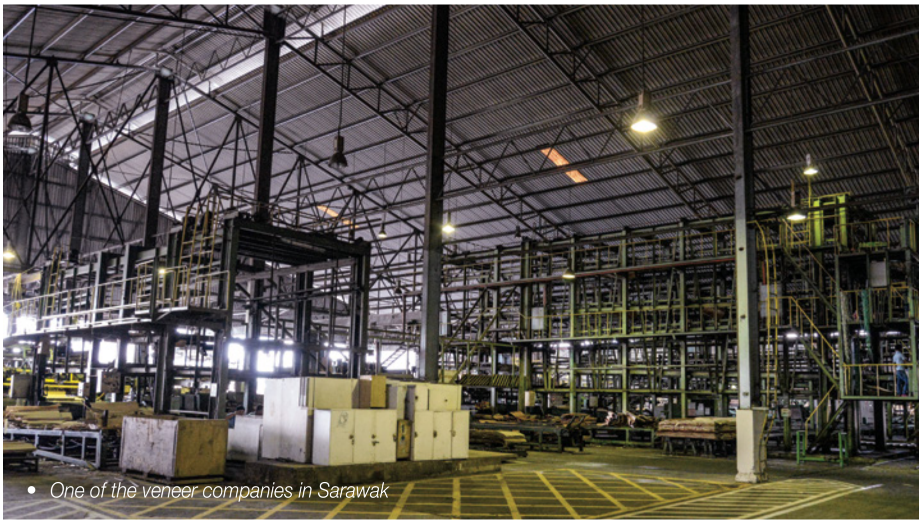
Amid the volatile market situation STIDC took the initiative to help industry players keeping abreast with current issues affecting business sectors across the globe. The issues were addressed through stakeholders briefing on 18th September 2015.

The briefing was an annual event aimed at sharing and disseminating useful information apart from providing a platform to obtain feedbacks from the wood-based industry players on issues close to their hearts.

The briefing focused on five topics related to the wood-based industry in Sarawak. STIDC presented three topics namely "Utilisation of Planted Species in Sarawak", "Status of Timber Export and Import of Timber Products in Sarawak" and "Application Procedures for Log Importation into Sarawak". Mr. Davidson Dee Ladi, Senior Principal Assistant Director of the ASEAN Economic Cooperation Division of the Ministry of International Trade and Industry on the other hand shared a topic on "Implementation and Update on the ASEAN-India FTA". This was followed by a presentation on "Findings on SMEs Study" by Professor Dr. Jegatheswaran Ratnasingam from the Faculty of Forestry, Universiti Putra Malaysia.

The briefing also provided question and answer session to clarify issues related to the topics raised by the participants.

It is hoped that the briefing would help industry players move in pace with the current market situation and brace for tougher times ahead due to uncertainties to ensure continuous resilience and competitiveness.



• One of the veneer companies in Sarawak


**Summary**

- The briefing was an annual event aimed at sharing and disseminating useful information
- The briefing focused on five topics related to the wood-based industry in Sarawak

# KoPUSAKA Invests in 40 Units Shop Houses

STIDC general manager, Datu Haji Sarudu Haji Hoklai (centre) taking a close look at the project model •

## This project is timely in complementing and supporting the economic growth of the township

Koperasi PUSAKA Sarawak Berhad (KoPUSAKA) is a cooperative and investment arm of STIDC to generate revenue through business activities. Since its inception in 1998, it has ventured into varied sectors including finance, food and beverage, property developments and services.

KoPUSAKA's business endeavours continue to benefit its members in terms of facilities like personal loan, educational incentives, and profit sharing through disbursement of share dividend and profit from monthly contribution fees.

Due to its excellent performance and prudent business management, KoPUSAKA had secured the best 75th position out of 11,871 cooperatives nationwide and the second-best out of 917 cooperatives in Sarawak. The achievements were announced in conjunction with the National Cooperatives Day 2015 recently.

Driven by these achievements, KoPUSAKA is currently embarking into the development of 40 units of shop houses in Tanjung Manis New Township. The ground-breaking ceremony of this project was graced by the Assistant Minister in the Chief Minister's Office (Promotion of Technical Education) and Assistant Minister of Environment, Datu Haji Len Talif Salleh on 5th November 2015.

According to him, the RM30 million project will be developed by a local contractor and is poised to complete in two years adding that the interest shown by prospective purchasers is encouraging due to the immense economic potential of the township.

STIDC general manager, Datu Haji Sarudu Haji Hoklai described this project as timely in complementing and supporting the economic growth of the township. With rapid development currently taking place in the township, this project will definitely help in meeting the needs of the people as well as the industries.

The economic activities of Tanjung Manis have diversified ranging from wood-based industry to other sectors like halal industry, shipbuilding industry, deep sea fishing industry, Palm Oil Industrial Cluster, oil and gas industry, aquaculture industry, and the related industries.

Undeniably, the development of KoPUSAKA's shop houses will generate spin-off effects particularly to the local people in terms of business and employment opportunities.

KoPUSAKA's chairman and STIDC deputy general manager, Tuan Haji Hashim Haji Bojet said KoPUSAKA aspires to venture into other fields like tourism as well as training and courses adding that it is also in the process of taking over several lots in Tanjung Manis for housing and industrial projects.

KoPUSAKA hopes to explore new business opportunities besides expanding business with STIDC subsidiaries on win-win situation in order to be a modal to other cooperatives.

• *Datu Haji Len Talif Salleh flanked by STIDC management members performing the ground-breaking ceremony of the KoPUSAKA shop houses project*


**Summary**

- This project will definitely help in meeting the needs of the people as well as the industries
- The development of KoPUSAKA's shop houses will generate spin-off effects particularly to the local people in terms of business and employment opportunities

# Glossary of Classification: Timber & Timber Products

## This is the first book of its kind published in the country to ease trade of timber and timber products


- *RMCD deputy director, Rosinah Ali (third right) presenting a glossary to Datuk Amar Haji Awang Tengah Ali Hassan on behalf of RMCD director general, Dato' Sri Khazali bin Haji Ahmad*

STIDC plays pivotal role in the overall development of the timber industry in Sarawak parallel with its vision "Spearheading the Advancement of the Timber Industry". Consistent efforts are made to ensure continuous improvement for customers' satisfaction.

In tandem with this objective, STIDC in collaboration with the Royal Malaysian Customs Department (RMCD) took the initiative to publish a Glossary of Classification: Timber & Timber Products of Sarawak.

Idea to publish this glossary was mooted by one of STIDC's Innovative and Creative Circles from the northern region of Sarawak. This is the first book of its kind published in the country to ease trade of timber and timber products.

The glossary provides guidelines on how to identify the timber and timber products with tariff codes based on Customs Duties Order 2012. It facilitates industry players as well as STIDC and RMCD's officers in processing applications for export licence.

11th November 2015 marked the launching of the glossary by the Chairman of STIDC Board of Management and Second Minister of Resource Planning and Environment cum Minister of Public Utilities and Minister of Industrial Development, the Honourable Datuk Amar Haji Awang Tengah Ali Hassan.

STIDC General Manager, Datu Haji Sarudu bin Haji Hoklai hoped the glossary would be of great help not just to STIDC and RMCD but also to other stakeholders particularly the industry players as well as the public in identifying timber and timber products tariff codes for international trade.

Meanwhile, Director General of Customs, Dato' Sri Khazali bin Haji Ahmad said, the glossary is poised to boost the knowledge and expertise of customs officers and at the same time provide guidelines and clear references to STIDC, industry players and the public on tariff classification for timber and timber products based on Customs Duties Order.

"In consonance with our vision to achieve a world-class customs administration status by 2020, RMCD is committed to provide excellent, quality and innovative services that meet our clients and stakeholders' expectation" Dato' Sri Khazali said.

**Summary**

- The glossary provides guidelines on how to identify the timber and timber products with tariff codes based on Customs Duties Order 2012
- Hopefully the glossary will be of great help to STIDC, RMCD and other stakeholders in identifying timber and timber products tariff codes for international trade

# OSH Campaign in Forestry Sector Launched

## OSH is a pertinent issue among companies and organisations in their stride for greater competitiveness

- *DOSH enforcement section head, Mr. Sadiyuk Henry Rigit conducting the OSH campaign*

- *STIDC assistant general manager, Mr. Paul Lau (seated fourth left) posing with DOSH enforcement section head, Mr. Sadiyuk Henry Rigit (seated fourth right) and OSH campaign participants*

Occupational Safety and Health (OSH) is a pertinent issue among companies and organisations in their stride for greater competitiveness. Occupational accidents and disasters particularly those that caused death pose adverse impacts to all parties. For families, fatal accidents cause loss of loved ones and sources of income. For companies and organisations, fatal accidents result in loss of talents and skills which affect productivity and tarnish image and reputation.

In the forestry sector, forest certification is crucial. Under this initiative, safety and health of employees is a prerequisite to get forest concessions certified. Non-certification therefore, should not be viewed as trivial issue due to imposition of restrictions and requirements in the global markets.

To prevent occupational accidents, organisations must be aware of the hazards at workplaces and manage employees' safety and health effectively. Besides employers, employees are equally responsible for occupational safety and health by making it a culture.

Recognising the importance of OSH, STIDC in collaboration with the Department of Occupational Safety and Health (DOSH) had launched the OSH Campaign for wood-based industry in Sarawak. The two-day campaign was attended by wood-based industry players in the central region of Sarawak and the related agencies.

The campaign discussed topics on Occupational Safety and Health Act (OSHA), Hazard Identification, Risk Assessment and Risk Control (HIRARC), Occupational Safety and Health Committee at Workplaces, and Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease Regulation 2004 (NADOPOD).

DOSH disclosed that from January to June 2015, there were 36 occupational accidents in the wood-based sector in Sarawak. Out of these, there were four fatalities, one permanent disability case and 31 non-permanent disability cases.

In future, STIDC and DOSH plan to conduct the OSH audit in the timber camps, log yards and forest estates to ensure that OSH is practised across-the-board in the forestry sector in Sarawak.

**Summary**

- Occupational accidents and disasters particularly those that caused death pose adverse impacts to all parties
- Safety and health of employees is a prerequisite to get forest concessions certified
- Organisations must be aware of the hazards at workplaces and manage employees' safety and health effectively

*OSH campaign participants having group discussion on issues related to OSH in the forestry sector*

# Promoting OSH Through Campaign

## Campaign served as a platform to promote OSH at workplaces

The Occupational Safety and Health (OSH) campaign served as a platform to promote OSH at workplaces. Besides ensuring better understanding on Occupational Safety and Health Act 1994, it also aimed to instill a safe and healthy work culture among the workforce with emphasis on safety aspects in the forestry sector including risks associated with driving along logging roads and engineering activities as well as biological and psychological hazards.

In handling the OSH issues, Department of Safety and Health (DOSH) director, IR Haji Mohd Hatta Bin Zakaria said the government through DOSH had launched the Occupational Safety and Health Master Plan 2011-2015 (OSH MP-15). He added that the OSH Master Plan 2016-2020 is in the pipeline in order to have a safe and healthy work culture nationwide.

According to him, statistics showed that the accident rate in Malaysia had decreased by 5.5%, from 3.10 per 1000 workers in 2014 to 3.28 per 1000 workers in 2013. Apparently, Malaysia is a safe and healthy place to work in, he said.

"Tripartite cooperation among the government, employers and employees on OSH should be intensified. All policies, strategies and programmes related to OSH warrant undivided support from the three parties in order to achieve the desired results" he added.

**Summary**

- Besides ensuring better understanding on Occupational Safety and Health Act 1994, the campaign also aimed to instill a safe and healthy work culture among the workforce
- OSH Master Plan 2016-2020 is in the pipeline in order to have a safe and healthy work culture nationwide
- Statistics showed that Malaysia is a safe and healthy place to work in

# Visit to Vietnam

## To expand market for Sarawak's timber and timber products

- *Mr. Simon Kuek of Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA) enlightening The Honourable Datuk Haji Julaihi bin Haji Narawi (right) on the strength of Acacia furniture*

Vietnam is one of Sarawak's important trading partners for timber and timber products. In 2014, Sarawak earned RM152.3 million in export revenue from timber and timber products to Vietnam. For the first nine months of 2015, Sarawak recorded more than RM111 million in export earnings from timber and timber products to Vietnam. The main export items were logs, plywood, laminated board or flooring, fibreboard, particleboard and veneer.

Vietnam also boasts as the world's leading player in Acacia industry at both upstream and downstream levels.

To expand market for Sarawak's timber and timber products, once again STIDC had initiated a trade visit to Ho Chi Minh City, Vietnam on 18th – 22nd October 2015 following the encouraging outcome from the previous visits.

In conjunction with the visit, the delegates had the opportunity to attend a dialogue with the chairman of Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA), Mr. Nguyen Quoc Khanh to share information and explore the possibility of collaboration in areas of common interest. A dialogue was also held with the Trade Commissioner of MATRADE, Mr. Faizal Izany Mastor.

This was followed by the visits to Vietnam-Singapore Industrial Park (VSIP), Poly-Poxy Coatings Vietnam, Scansia Pacific - Acacia Furniture Mills and Kiln Drying Facility as well as Wilsons Hill, an Acacia furniture gallery.


- *Mr. Victor (right) briefing the delegates on the Vietnam-Singapore Industrial Park's (VSIP)*

The visit was led by the Assistant Minister of Industrial Development (Investment and Promotion) and Assistant Minister of Rural Development cum STIDC board of management member, The Honourable Datuk Haji Julaihi bin Haji Narawi. Also present were the chairman of Sarawak Furniture Industry Association (SFIA), Mr. Lai King Min, SFIA members and officials from STIDC and its subsidiaries.

# STIDC Takes Over The Role of Issuing Sawmill Licence

By order of STIDC Board of Management, STIDC shall take over the role of issuing Sawmill Licence from the Forest Department of Sarawak.

In accordance with this directive, STIDC Industrial Planning Section is responsible for the following tasks:

a) issuing Sawmill Licence; and
b) collecting annual fees for all types of wood-based mills/wood-based products.

On the other hand, STIDC Registration and Licensing Division is responsible for issuing Registration Certificate once Sawmill Licence is approved and issued by the Industrial Planning Section.

To ensure smooth transition, Industrial Planning Section is also required to assist on the following matters:

a) preparing procedures for issuance of Sawmill Licence;
b) retrieving Sawmill Licence files from the Forest Department; and
c) formulating Mill Registration Regulations in tandem with this restructuring exercise.

• VIPs taking part in blowpipe competition

# Family Day

Family moulds characters, aspirations and values of individuals towards achieving their dreams. Family institution is integral in supporting and realising organisational and national goals. The future of the nation is therefore determined partly by this institution.

Confucius shared a thought on family institution saying, “To put the world in order, we must first put the nation in order; to put the nation in order, we must put the family in order; to put the family in order, we must cultivate our personal lives; and to cultivate our personal lives, we must first set our hearts right”.

Apparently, strong family institution is imperative to every level of society in creating a better place to live in. Concerted efforts must be made to strengthen this institution to ensure a better future for common good.

In recognition of the significance of the family institution, once again STIDC had put aside its daily routines to give way to the annual family day. This year’s family day was held on 21st – 22nd November 2015 at a resort in Kuching.

The event aimed to promote family bonds and team spirit as well as to appreciate the staff for their dedication and to celebrate diversity. Chief Minister of Sarawak, Datuk Patinggi Tan Sri Haji Adenan Bin Haji Satem in his address at the International Conference on Global Peace said, “We should appreciate diversity as God created us differently to know each other. There is great wealth in diversity. Imagine a garden where flowers are all yellow, it will be a very dull garden. There must be colours so that we can be more beautiful”.

Gimmick for the opening of STIDC Family Day 2015 •


• One of the sport houses

To add thrill to the event, various activities were carried out including treasure hunt, dinner, sports and games.

Chairman of STIDC Board of Management and Second Minister of Resource Planning and Environment, Datuk Amar Haji Awang Tengah Ali Hassan was the guest-of-honour. The event was also attended by the board members.

# Findings on Sarawak Timber SMEs

Small and Medium Entrepreneurs (SMEs) constitute 76% of the total number of manufacturing and services enterprises in the timber industry in Sarawak. They also account for 26% of the total installed capacity for timber products manufacturing and services and provide employments to 6.5% of the total workforce in the timber sector.

In recognition of their economic contribution, STIDC had appointed a consultant, Professor Dr. Jegatheswaran from Universiti Putra Malaysia (UPM) to conduct a study on the wood-based SMEs in Sarawak.

The study aimed to develop a data bank on SMEs as well as to benchmark them with best practices in the market and to propose strategies and action plans for future growth.

The study findings were presented by the consultant in conjunction with the Stakeholders Briefing on 18th September 2015. The following are some of the findings:

## Distribution of SMEs

Out of 666 wood-based SMEs in Sarawak, 287 of them are in the southern region. The central and northern regions account for 215 and 164 SMEs respectively. Apparently, most of them are in the southern and central regions where there are good network including infrastructure and ports besides being close to industrial areas and accessible to production sectors.

The findings also showed that more than 75% of these SMEs are located outside the industrial estates to serve the local markets. This is also an avenue for further improvement through clustering system in gazetted zones.

## Capacity Utilisation among SMEs

The capacity utilisation among the wood-based SMEs in Sarawak is comparatively low – at the average of 44%. This is due to excessive cutting and reprocessing of raw materials as reflected by the high number of machine centres at the rough milling section in the mills – 67% of all machine available. This is also to cope with raw materials of non-optimal dimensions.

## Raw Materials Utilisation by SMEs

Among the issues faced by the SMEs is the access to the right quality and quantity of raw materials. Most of the sawn timber supplied to the domestic market requires re-processing to the right sizes. Hence, recovery is low and is therefore wasteful.

## Capital Investments by SMEs

The investments are in the proportion of land and buildings : machinery in the range of 65%/35%. The machinery is mostly old with little sign of reinvestment in new technology.

## Market Characteristics among SMEs

Obviously the SMEs are catering for the local market and interest in export activities is higher among the medium-scaled enterprises.

Sarawak has a huge market for furniture, which suggests that SMEs are operating in a comfortable marketplace. Import outstrips export by almost five times.

## Human Capital in SMEs

The SMEs are mostly family-owned business with few professional personnel.

## Origin of Workers among SMEs

The SMEs are foreign labour intensive with a ratio of 1 local : 3 foreigners. In terms of gender, the SMEs employ more male than female workers.

The average monthly wages paid by the SMEs is beyond the RM800 minimum wage policy for the state.

## Industrial Development Agencies

To run their business SMEs in Sarawak must acquire approval from the Ministry of Industrial Development through the Industrial Coordination Committee. The ministry involves in regulatory, advisory and disbursement of funds for industrial development to ensure an orderly development of the industry.

## Incentives for Industrial Development

Numerous incentives are channeled through the agencies to facilitate the development of SMEs. Unfortunately, many SMEs were oblivious about these incentives. Only 17 or 14% out of 121 SMEs interviewed indicated any knowledge on the incentives available, while only three of them were successful in their applications.

## Comparison of Logistic Cost

Comparatively higher cost of transportation is one big challenge faced by SMEs. Previous study by Ratnasingam (2012) showed that logistic cost accounted for up to 5.5% of product price increase when dealing with products from Sarawak.

## Benchmarking

The current status of industrial performance of the value-added sector which is dominated by SMEs in Sarawak's timber industry is best described by its stagnating productivity growth against increasing input costs.

The low rate of technical change and value-added per employee reflects an industry that is "matured in a non-competitive domestic marketplace".

## Competitiveness

The value-added sector in Sarawak which is dominated by SMEs is not competitive due to the comfortable domestic market. Hence, market intervention mechanisms should be put in place to boost competitiveness. In addition, domestic industry should be capacitated to reduce imports.

## Key Challenges Identified

1. **Raw Materials**
   There should be accessibility to competitively-priced raw materials of

the right quality and sizes. The issue of certification therefore will become increasingly important in future.

2. **Human Capital**
High dependence on foreign workers is not an issue of wage but attitude and the minimum wage of RM800 per month is not a problem. As a result, demand for training is limited.

3. **Financing and Incentives**
There is lack of funding because the SMEs are mostly family-based. Funding from agencies is difficult to secure due to lack of collateral or guarantees which is required by banks. Awareness on incentive schemes is also minimal. Thus far, SME Corporation has funded only one company in the wood-based sector for the past three years.

4. **Management**
Presently, wood-based SMEs in Sarawak are mostly family business where there is limited recognition on the importance of R&D and professionalism.

5. **Productivity and Technology**
Productivity and technology are stagnant due to excessive work in processing of raw materials. Besides not giving due attention to safety and health quality control is also not well defined.

6. **Market**
The wood-based SMEs in Sarawak are highly dependent on domestic market.

## Salient Opportunities Recognised

1. **Diverse Wood Materials**
There is a need to explore the better use of mixed-light hardwood as well as the use of wood resources from planted forests for niche products

2. **Market Segmentation**
SMEs should explore and focus on niche products particularly outdoor furniture, doors, flooring and frames for export markets.

3. **Research and Development (R&D)**
R&D is vital to explore and promote the effective use of lesser-known wood species and wood species from planted forests.

4. **Control of Supply Chain**
Control of supply chain is necessary to ensure sustainability and quality control as well as appropriate pricing for raw materials required by SMEs.

5. **Facilitate Cluster Formation**
This could be done through networking and synergistic approach to business development of the SMEs. STIDC can play a crucial role by creating a platform for such an initiative.

## Recommendations

1. **Raw Materials**

**1.1 Way Forward**

- Establish an organization to manage the supply chain to ensure adequate supply of raw materials of specific quantity, quality and price.

- Encourage importation of certified raw materials for value-added products.
- Introduce specific incentives to encourage utilisation of planted and certified wood.
- Introduce incentives to improve raw material recovery utilization.

**1.2 Action Plan**

- Set a domestic sawn timber quota of 100,000m$^3$ (initial volume) of furniture sizes available in the market place (1”, 2”, 3” thickness and 2”, 3”, 4” width).
- Create a fund to facilitate the importation of wood, as done by MTC in the Peninsular Malaysia – RM40 per m$^3$ is recommended.
- Provide an incentive or subsidy of RM25 per m$^3$ for using raw materials from planted forests.
- Reward companies with a scaled-up productivity incentive of 5% from their energy cost to improve recovery.
- Existing policy of logs exportation must be reviewed to ensure availability of raw materials in the local market besides providing incentive to those processing and supplying to the local market.

2. **Manpower/Human Capital**

**2.1 Way Forward**

- Encourage the employment of local workers by SMEs.

- Review and reorganise the training institutions and programmes organised for SMEs.
- Foster close collaboration between the existing training institutes and SMEs.
- Renewal of foreign workers requires skilled assessment tests.

### 2.2 Action Plan

- Provide tax incentive for companies employing local workers on a full year basis
- Provide industry-need trainings with industrial experts. Introduce teaching company schemes and training on-site rather than at a designated training centre.
- Establish a training network between STIDC-UNIMAS-SFC-STA and develop a full range of modular training programme to provide trainees with career advancement through further education by accumulating sufficient CPD modules.
- Introduce a training levy on all companies employing more than ten workers and use this fund for training such as the HRDF.
- Renewal of permits for foreign workers should be mandated with a skills assessment to ensure that it is conducted by training institute such as SFC, STA or STIDC.

## 3. Market

### 3.1 Way Forward

- Expose SMEs to current market requirements and trends.
- Provide SMEs with financial assistance to participate in selected fairs.
- Provide incentive to encourage new products development especially planted and certified wood.

### 3.2 Action Plan

- Continue providing financial subsidy for SMEs to cover participation cost in attending trade and furniture fairs under the STIDC/STA banner.
- Provide financial assistance to engage local or foreign experts to work with SMEs to develop new products using raw materials that are certified and from planted forests.
- Expose SMEs to export markets through export assistance scheme by providing financial support for every container exported.
- Provide assistance for capacity expansion to reduce imports of furniture.
- Provide assistance programme or vendor scheme to assist Bumiputera SMEs to capture export market.
- Entice large timber companies in Sarawak or the Peninsular Malaysia to serve as anchor companies to help SMEs.

## 4. Technology

### 4.1 Way Forward

- Continue to expose SMEs to current technologies through sponsored visits to machinery fairs.
- Provide SMEs with financial assistance to acquire specialised technologies.

### 4.2 Action Plan

- Continue financial subsidy for SMEs to cover participation cost at selected machinery fairs locally and internationally.
- Provide special assistance programme to help SMEs to acquire new technologies and specialised know-how to develop niche products.
- Provide incentive for SMEs outside industrial estates to move into industrial estates to enable them to increase capacity through clustering system and sharing of facilities.

## 5. Research and Development

### 5.1 Way Forward

- Continue to encourage collaboration between SMEs and training and research institutes to develop new products and boost productivity.
- Provide SMEs with programmes to boost productivity.
- Undertake relevant research for new products using raw materials that are certified and from planted forests.

### 5.2 Action Plan

- Establish a formal network for collaborative research between SMEs and research and training institutes to work on industry-related problems with financial assistance.
- Conduct programmes to help SMEs boost productivity through teaching-company schemes.
- Offer grants for collaborative product development using raw materials from planted forests.

# 2015 market performance

FOR JANUARY TO SEPTEMBER

## Export Value of Logs & Timber Products

Total export value of Sarawak timber and timber products for the first nine months of 2015 decreased by 9% to RM4.89 billion compared with RM5.4 billion during the corresponding period last year. **(Table 1)**

## Logs

Export of logs for the first nine months of 2015 plunged by 11% in volume to 2.1 million m³ and 12% in value to RM1.4 billion against the previous corresponding period.

Export to India declined by 19% to 1.2 million m³ from 1.5 million m³ compared to the corresponding period last year. Meanwhile, export to Indonesia increased by 260% to 419,970 m³ from 116,633 m³ compared to the same period last year. However, export of logs to Taiwan dipped by 32% to 166,461 m³ from 245,571 m³ compared to the similar period in 2014.

The average FOB price of logs decreased by 1% from RM671 to RM664 for the first nine months of 2015 compared to the similar period in 2014. **(Table 2)**

# Sawn-timber

Total export of sawn-timber for the first nine months of 2015 registered a decrease of 2% in volume but increased by 32% in value compared to the same period in 2014.

Export to the Philippines grew by 19% to 130,429 m³ from 109,986 m³. Other top countries recorded negative growth including Thailand 6% to 90,793 m³ and the Middle East decreased by 19% to 69,374 m³.

The average FOB price of sawn-timber increased by 34% from RM991 to RM1,822 for the first nine months of 2015 compared to the similar period in 2014. **(Table 3)**

# Plywood

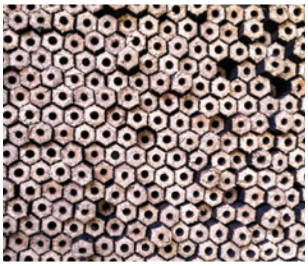
Export of plywood from January to September 2015 slid by 22% in volume and 15% in value to 1.34 million m³ at RM 2.4 billion compared to the previous year.

Export volume to the top three consuming countries namely Japan, Korea and Taiwan decreased by 17% to 816,049 m³, 14% to 140,303 m³ and 22% to 131,207 m³ respectively.

The average FOB price of plywood increased by 9% from RM1,822 to RM1,679 for the first nine months of 2015 compared to the similar period in 2014. **(Table 4)**

# Other Timber products

Other timber products included veneer, dowels, moulding, particleboard, fibreboard, block board, laminated board, woodchip and others (mentioned in Table 1) accounted for RM565 million or 12% of the overall value of timber and timber products exported for the first nine months of 2015.



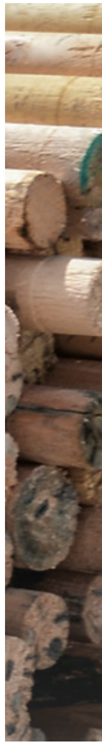
As a whole, the export volume of various timber products had also declined including laminated board/flooring (25%), moulding (11%), dowels (30%), particle board (33%) and woodchips (41%) compared to the corresponding period in 2014. **(Table 5, 6, 7, 8, 9 & 10)**

# Outlook

Cumulative export volume of timber and timber products for the period of January to September 2015 declined by 14% to 4.19 million m³ from 4.89 million m³ due to the government's policy to minimise felling of natural forests in Sarawak for timber production. Last year Sarawak produced almost 9 million m³ of logs.

Based on market demand for the first nine months of 2015, export revenue for 2015 is projected at RM6.5 billion compared with RM7.3 billion recorded last year.

# tradestatisticsSARAWAK



## TABLE 1
EXPORT SUMMARY OF TIMBER AND TIMBER PRODUCTS FROM SARAWAK

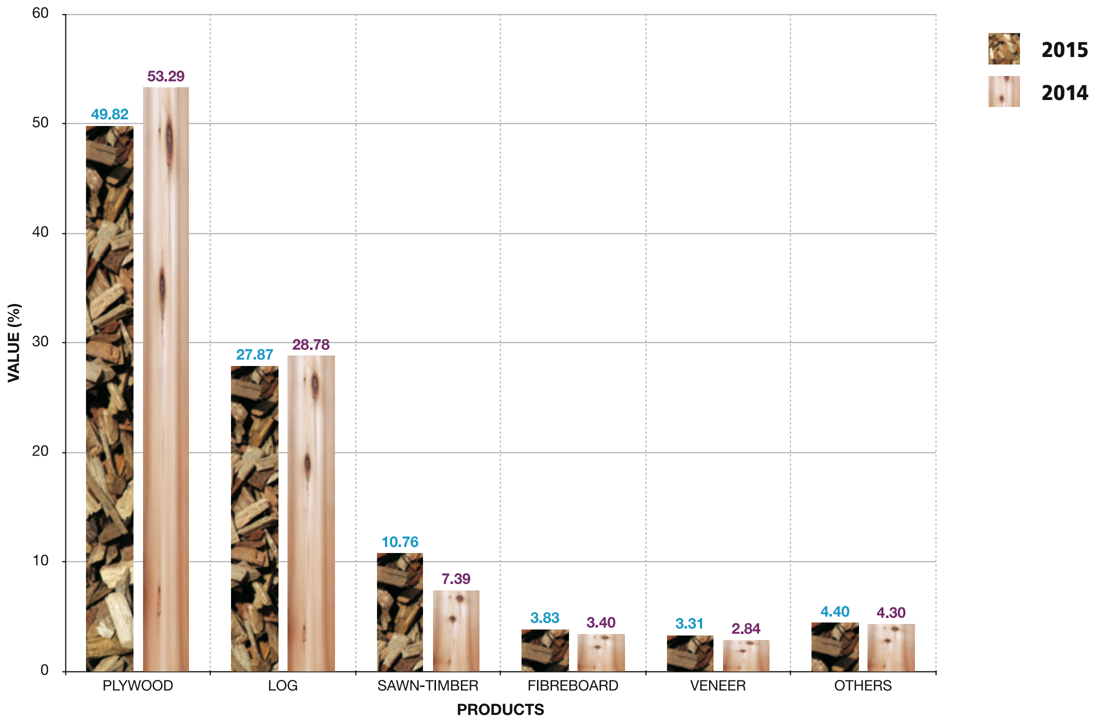
| PRODUCTS | 2015ᵖ January - September | | | 2014ᵖ January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume (M³) | FOB Value (RM'000) | Value % | Volume (M³) | FOB Value (RM'000) | Value % | Volume | Value |
| LOG | 2,051,929 | 1,363,410 | 27.87 | 2,316,050 | 1,553,502 | 28.78 | (11.40) | (12.24) |
| SAWNTIMBER | 430,250 | 526,473 | 10.76 | 438,019 | 398,999 | 7.39 | (1.77) | 31.95 |
| PLYWOOD | 1,337,438 | 2,437,121 | 49.82 | 1,713,085 | 2,876,583 | 53.29 | (21.93) | (15.28) |
| VENEER | 113,804 | 162,090 | 3.31 | 112,633 | 153,261 | 2.84 | 1.04 | 5.76 |
| LAMINATED BOARD / FLOORING | 8,940 | 26,025 | 0.53 | 11,855 | 28,958 | 0.54 | (24.59) | (10.13) |
| MOULDING | 6,731 | 17,840 | 0.36 | 7,555 | 19,777 | 0.37 | (10.90) | (9.79) |
| DOWEL | 477 | 1,757 | 0.04 | 680 | 2,139 | 0.04 | (29.83) | (17.86) |
| FIBREBOARD | 126,430 | 187,182 | 3.83 | 125,502 | 183,318 | 3.40 | 0.74 | 2.11 |
| BLOCKBOARD | - | - | - | - | - | - | 0.00 | 0.00 |
| PARTICLE BOARD | 62,473 | 36,202 | 0.74 | 92,546 | 46,885 | 0.87 | (32.50) | (22.79) |
| OTHER PRODUCTS* | 55,124 | 62,985 | 1.29 | 72,550 | 72,800 | 1.35 | (24.02) | (13.48) |
| OTHER PRODUCTS**[Units] | 15,635 | 22,319 | 0.46 | 10,967 | 12,895 | 0.24 | 42.56 | 73.08 |
| WOODCHIP [Tonne] | 146,700 | 48,210 | 0.99 | 246,661 | 48,842 | 0.90 | (40.53) | (1.29) |
| **TOTAL (m³) (RM)** | **4,193,597** | **4,891,614** | **100** | **4,890,474** | **5,397,959** | **100** | **(14.25)** | **(9.38)** |

***OTHER TIMBER PRODUCTS:**
- Briquette
- Core Plugs
- Densified wood
- Door & door frames
- Finger jointed
- Furniture and furniture parts
- Laminated beam
- Laminated post
- Laminated Veneer Lumber (LVL)
- Railways sleepers
- Wooden fences
- Wooden gates
- Wooden pellet
- Wooden pegs & stakes

****OTHER TIMBER PRODUCTS:**
- Furniture
- Wooden pallet

Notes:
- Fibreboard include MDF and HDF
- Total of volume (m³) does not includes woodchips (tonne) and other product (units)
- a = actual data & total does not include application/permit to transport goods within the Federation [Customs Decleration Form No.3 (CDF3)]
- p = preliminary data & total does not include application/permit to transport goods within the Federation [Customs Decleration Form No.3 (CDF3)]

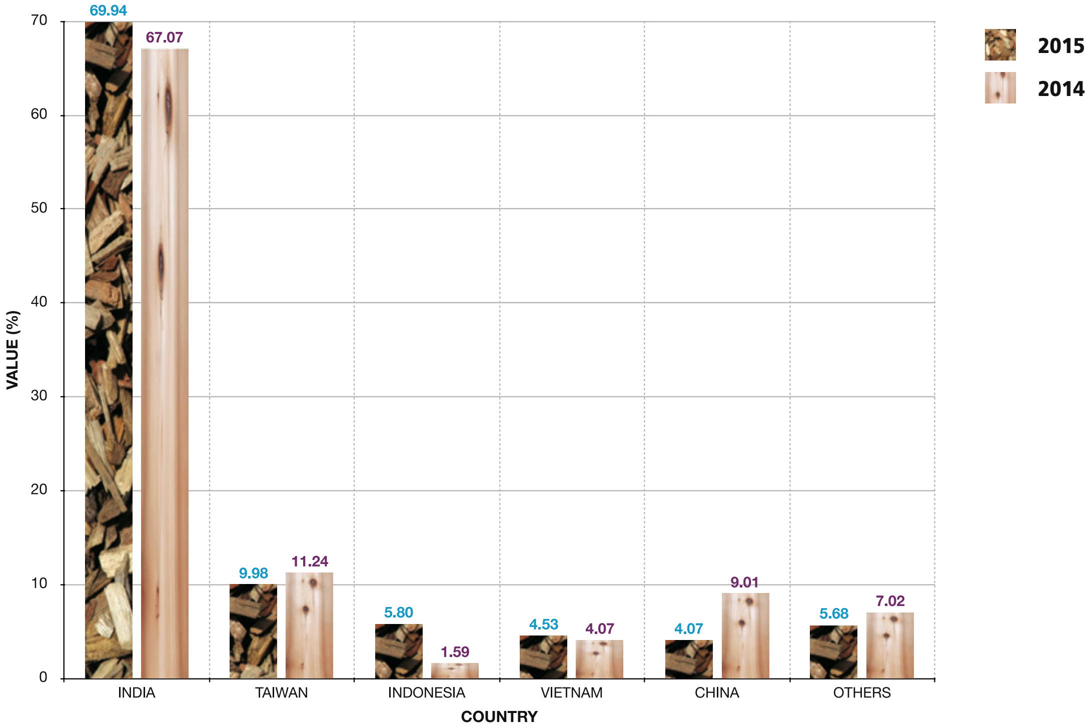
**EXPORT VALUE (%) OF MAJOR TIMBER & TIMBER PRODUCTS**
FROM SARAWAK (RM'000) : 2015 / 2014

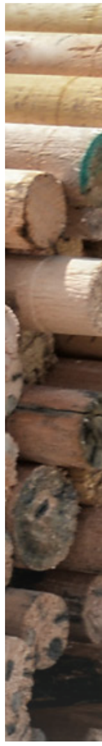


## TABLE 2
EXPORT OF LOGS BY COUNTRY OF DESTINATIONS

| DESTINATIONS | 2015ᴾ January - September | | | 2014ᴾ January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume ($M^3$) | FOB Value (RM'000) | Value % | Volume ($M^3$) | FOB Value (RM'000) | Value % | Volume | Value |
| INDIA | 1,181,436 | 953,538 | 69.94 | 1,453,441 | 1,041,950 | 67.07 | (18.71) | (8.49) |
| INDONESIA | 419,970 | 79,108 | 5.80 | 116,633 | 24,702 | 1.59 | 260.08 | 220.25 |
| TAIWAN | 166,461 | 136,076 | 9.98 | 245,571 | 174,546 | 11.24 | (32.21) | (22.04) |
| VIETNAM | 108,460 | 61,773 | 4.53 | 130,590 | 63,227 | 4.07 | (16.95) | (2.30) |
| CHINA | 77,831 | 55,455 | 4.07 | 223,015 | 139,990 | 9.01 | (65.10) | (60.39) |
| JAPAN | 68,040 | 55,211 | 4.05 | 106,352 | 82,435 | 5.31 | (36.02) | (33.02) |
| KOREA | 29,730 | 22,249 | 1.63 | 26,390 | 17,222 | 1.11 | 12.66 | 29.19 |
| THAILAND | - | - | - | 13,890 | 9,116 | 0.59 | (100.00) | (100.00) |
| PAKISTAN | - | - | - | 169 | 314 | 0.02 | (100.00) | (100.00) |
| **TOTAL** | **2,051,929** | **1,363,410** | **100** | **2,316,050** | **1,553,502** | **100** | **(11.40)** | **(12.24)** |

### EXPORT VALUE (%) OF LOGS TO MAJOR DESTINATIONS
(RM'000) : 2015 / 2014





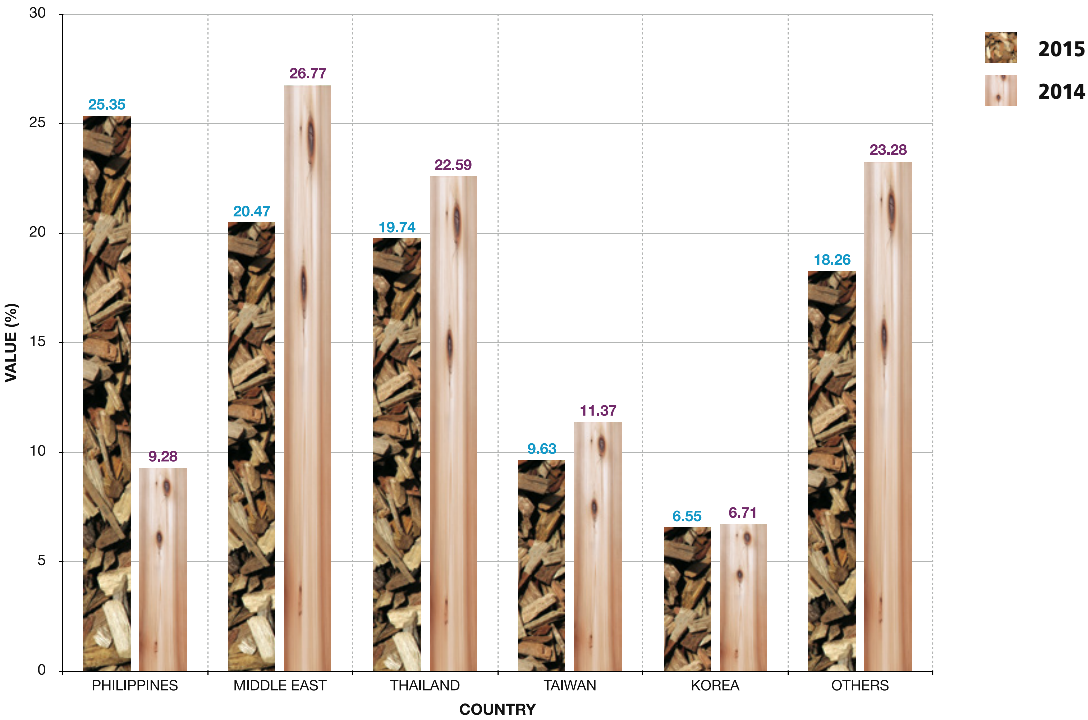
## TABLE 3
EXPORT OF SAWN-TIMBER BY COUNTRY OF DESTINATIONS

| DESTINATIONS | 2015^P January - September | | | 2014^P January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume (M³) | FOB Value (RM'000) | Value % | Volume (M³) | FOB Value (RM'000) | Value % | Volume | Value |
| PHILIPPINES | 130,429 | 133,465 | 25.35 | 109,986 | 37,046 | 9.28 | 18.59 | 260.27 |
| THAILAND | 90,793 | 103,918 | 19.74 | 96,659 | 90,117 | 22.59 | (6.07) | 15.31 |
| MIDDLE EAST | 69,374 | 107,790 | 20.47 | 85,241 | 106,804 | 26.77 | (18.61) | 0.92 |
| TAIWAN | 51,276 | 50,715 | 9.63 | 51,394 | 45,363 | 11.37 | (0.23) | 11.80 |
| KOREA | 20,984 | 34,472 | 6.55 | 20,783 | 26,775 | 6.71 | 0.97 | 28.75 |
| JAPAN | 14,978 | 29,579 | 5.62 | 18,143 | 32,600 | 8.17 | (17.44) | (9.27) |
| CHINA | 14,674 | 14,125 | 2.68 | 14,057 | 13,551 | 3.40 | 4.38 | 4.24 |
| SRI LANKA | 12,393 | 20,265 | 3.85 | 10,849 | 12,611 | 3.16 | 14.23 | 60.69 |
| SINGAPORE | 9,987 | 11,535 | 2.19 | 15,411 | 16,648 | 4.17 | (35.20) | (30.71) |
| SOUTH AFRICA | 4,120 | 6,977 | 1.33 | 4,304 | 4,472 | 1.12 | (4.28) | 56.02 |
| OTHER* | 11,243 | 13,632 | 2.59 | 11,193 | 13,012 | 3.26 | 0.45 | 4.76 |
| **TOTAL** | **430,250** | **526,473** | **100** | **438,019** | **398,999** | **100** | **(1.77)** | **31.95** |

***OTHER DESTINATIONS:**

- AUSTRALIA
- BANGLADESH
- BRUNEI DARUSSALAM
- FRANCE
- HONG KONG
- INDIA
- MALAYSIA (Peninsular or Sabah-free zon)
- MALDIVES
- MAURITIUS
- REUNION
- SEYCHELLES
- UNITED STATES
- VIETNAM

**EXPORT VALUE (%) OF SAWN-TIMBER TO MAJOR DESTINATIONS**
(RM'000) : 2015 / 2014



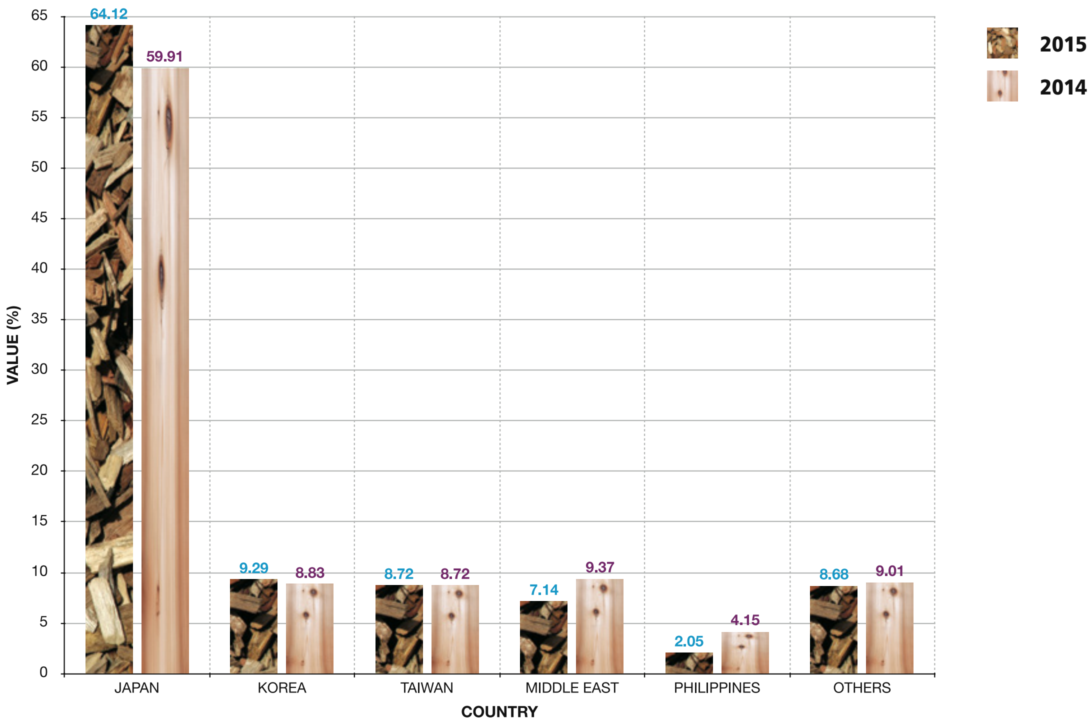
## TABLE 4
## EXPORT OF PLYWOOD BY COUNTRY OF DESTINATIONS

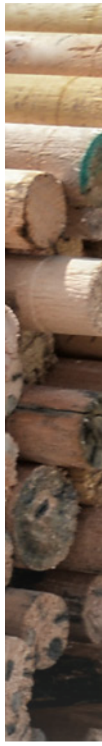
| DESTINATIONS | 2015ᴾ January - September | | | 2014ᴾ January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume ($M^3$) | FOB Value (RM'000) | Value % | Volume ($M^3$) | FOB Value (RM'000) | Value % | Volume | Value |
| JAPAN | 816,049 | 1,562,630 | 64.12 | 981,592 | 1,723,417 | 59.91 | (16.86) | (9.33) |
| KOREA | 140,303 | 226,305 | 9.29 | 162,721 | 254,010 | 8.83 | (13.78) | (10.91) |
| TAIWAN | 131,207 | 212,630 | 8.72 | 167,998 | 250,940 | 8.72 | (21.90) | (15.27) |
| MIDDLE EAST | 111,035 | 174,066 | 7.14 | 188,097 | 269,624 | 9.37 | (40.97) | (35.44) |
| PHILIPPINES | 25,376 | 50,037 | 2.05 | 63,221 | 119,453 | 4.15 | (59.86) | (58.11) |
| CHINA | 25,226 | 47,495 | 1.95 | 35,111 | 60,198 | 2.09 | (28.16) | (21.10) |
| HONG KONG | 24,461 | 44,938 | 1.84 | 28,773 | 46,430 | 1.61 | (14.99) | (3.21) |
| VIETNAM | 12,277 | 24,069 | 0.99 | 18,167 | 29,466 | 1.02 | (32.42) | (18.32) |
| AUSTRALIA | 11,672 | 24,350 | 1.00 | 13,271 | 29,200 | 1.02 | (12.05) | (16.61) |
| THAILAND | 10,526 | 19,314 | 0.79 | 9,212 | 15,841 | 0.55 | 14.27 | 21.92 |
| OTHER* | 29,305 | 51,287 | 2.10 | 44,921 | 78,004 | 2.71 | (34.76) | (34.25) |
| **TOTAL** | **1,337,438** | **2,437,121** | **100** | **1,713,085** | **2,876,583** | **100** | **(21.93)** | **(15.28)** |

***OTHER DESTINATIONS:**

- BRUNEI DARUSSALAM
- CANADA
- CHILE
- COMOROS
- GERMANY
- INDIA
- INDONESIA
- MALAYSIA (Peninsular or Sabah-free zon)
- MALDIVES
- MEXICO
- MYANMAR
- NEW ZEALAND
- NOTHERN MARIANA ISLANDS
- PAPUA NEW GUINEA
- SINGAPORE
- SOUTH AFRICA
- SRI LANKA
- UNITED KINGDOM
- UNITED STATES

**EXPORT VALUE (%) OF PLYWOOD TO MAJOR DESTINATIONS**
(RM'000) : 2015 / 2014

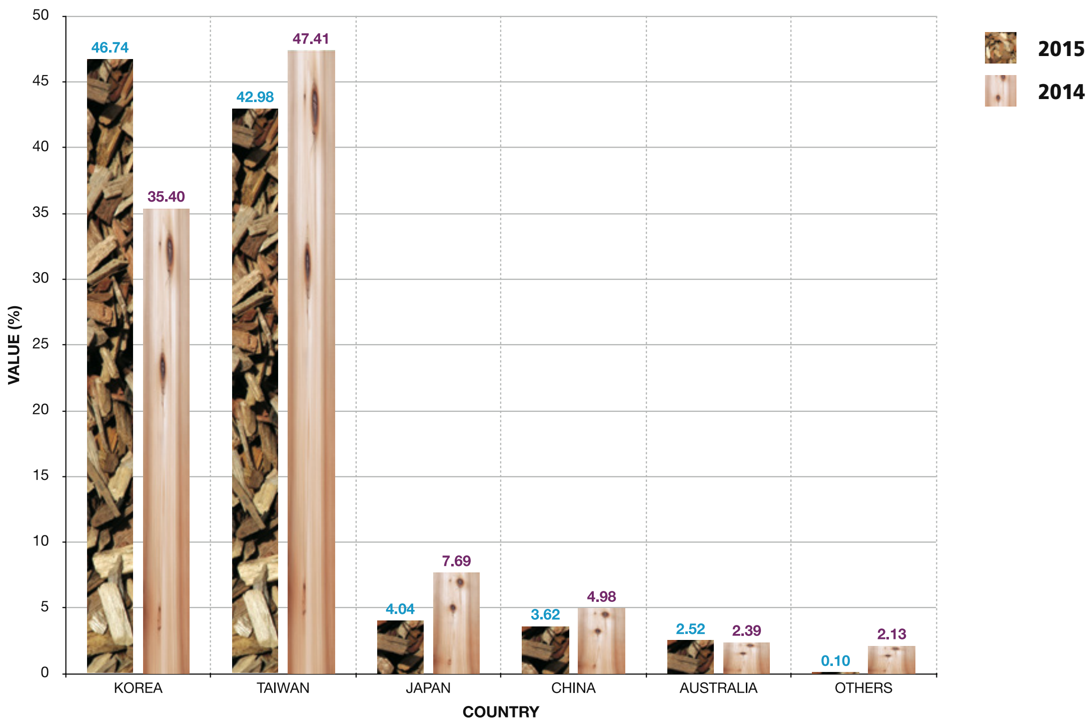




## TABLE 5
EXPORT OF VENEER BY COUNTRY OF DESTINATIONS

| DESTINATIONS | 2015P January - September | | | 2014P January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume (M³) | FOB Value (RM'000) | Value % | Volume (M³) | FOB Value (RM'000) | Value % | Volume | Value |
| TAIWAN | 54,959 | 69,668 | 42.98 | 54,768 | 72,656 | 47.41 | 0.35 | (4.11) |
| KOREA | 50,031 | 75,764 | 46.74 | 41,478 | 54,261 | 35.40 | 20.62 | 39.63 |
| CHINA | 4,590 | 5,862 | 3.62 | 7,177 | 7,638 | 4.98 | (36.05) | (23.25) |
| JAPAN | 3,116 | 6,548 | 4.04 | 6,133 | 11,779 | 7.69 | (49.19) | (44.41) |
| AUSTRALIA | 996 | 4,083 | 2.52 | 986 | 3,662 | 2.39 | 1.05 | 11.50 |
| MIDDLE EAST | 77 | 105 | 0.06 | - | - | - | 100.00 | 100.00 |
| UNITED STATES | 36 | 60 | 0.04 | - | - | - | 100.00 | 100.00 |
| PHILIPPINES | - | - | - | 2,001 | 3,088 | 2.01 | (100.00) | (100.00) |
| SINGAPORE | - | - | - | 44 | 34 | 0.02 | (100.00) | (100.00) |
| INDIA | - | - | - | 34 | 99 | 0.06 | (100.00) | (100.00) |
| VIETNAM | - | - | - | 12 | 44 | 0.03 | (100.00) | (100.00) |
| **TOTAL** | **113,804** | **162,090** | **100** | **112,633** | **153,261** | **100** | **1.04** | **5.76** |

**EXPORT VALUE (%) OF VENEER TO MAJOR DESTINATIONS**
(RM'000) : 2015 / 2014



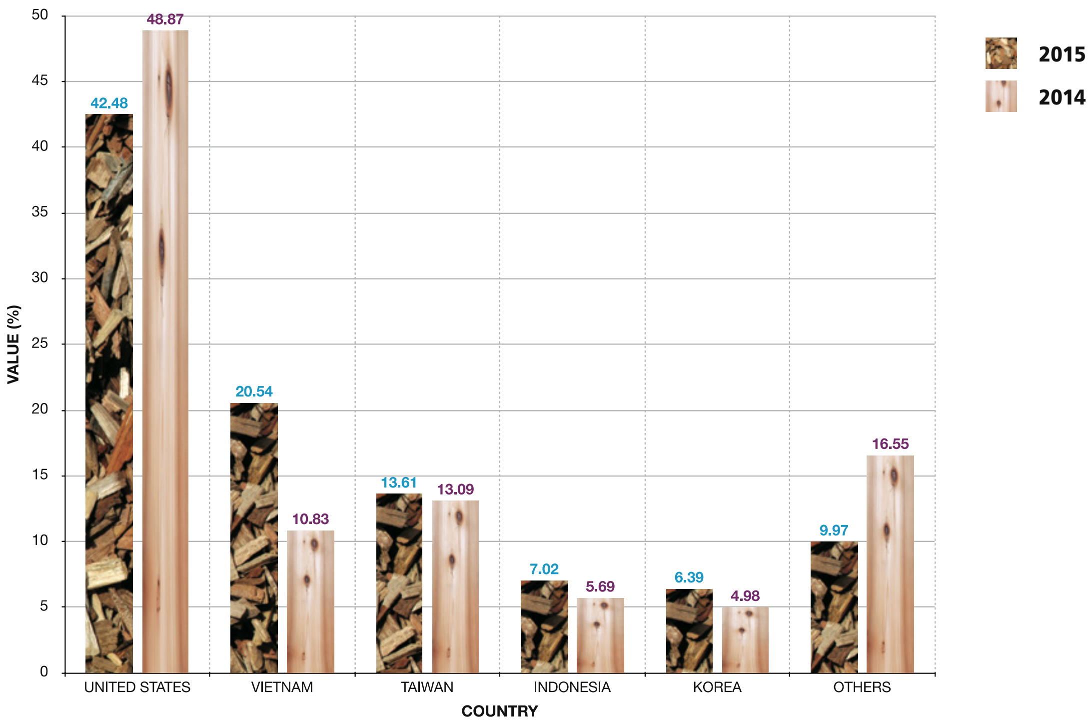
## TABLE 6
## EXPORT OF LAMINATED BOARD/FLOORING BY COUNTRY OF DESTINATIONS

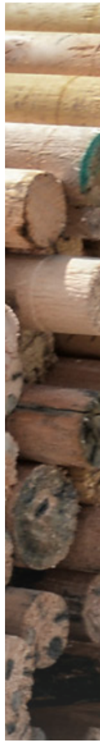
| DESTINATIONS | 2015P January - September | | | 2014P January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume (M³) | FOB Value (RM'000) | Value % | Volume (M³) | FOB Value (RM'000) | Value % | Volume | Value |
| UNITED STATES | 2,876 | 11,056 | 42.48 | 4,159 | 14,151 | 48.87 | (30.84) | (21.87) |
| TAIWAN | 2,247 | 3,542 | 13.61 | 3,098 | 3,790 | 13.09 | (27.47) | (6.54) |
| VIETNAM | 1,559 | 5,345 | 20.54 | 1,122 | 3,135 | 10.83 | 38.90 | 70.49 |
| KOREA | 714 | 1,662 | 6.39 | 1,108 | 1,442 | 4.98 | (35.57) | 15.26 |
| INDONESIA | 712 | 1,826 | 7.02 | 684 | 1,648 | 5.69 | 3.99 | 10.80 |
| BRUNEI DARUSSALAM | 506 | 1,514 | 5.82 | 1,318 | 3,679 | 12.70 | (61.58) | (58.85) |
| MIDDLE EAST | 88 | 172 | 0.66 | 44 | 70 | 0.24 | 99.98 | 145.71 |
| CANADA | 84 | 316 | 1.21 | - | - | - | 100.00 | 100.00 |
| JAPAN | 60 | 227 | 0.87 | 111 | 419 | 1.45 | (45.99) | (45.82) |
| MALDIVES | 38 | 151 | 0.58 | 28 | 43 | 0.15 | 36.64 | 251.16 |
| OTHER* | 56 | 214 | 0.82 | 182 | 581 | 2.01 | (69.21) | (63.17) |
| **TOTAL** | **8,940** | **26,025** | **100** | **11,855** | **28,958** | **100** | **(24.59)** | **(10.13)** |

***OTHER DESTINATIONS:**

- AUSTRALIA
- CHINA
- PHILIPPINES
- SINGAPORE
- UNITED KINGDOM

**EXPORT VALUE OF LAMINATED BOARD / FLOORING TO MAJOR DESTINATIONS**
(RM'000) : 2015 / 2014



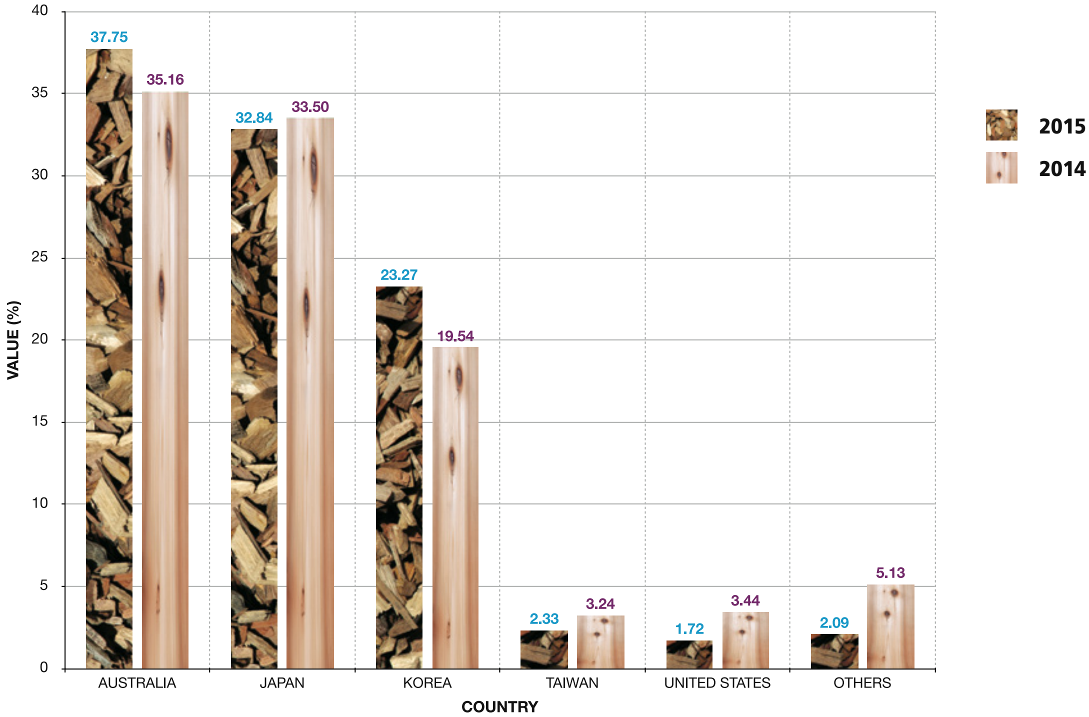


## TABLE 7
EXPORT OF MOULDING BY COUNTRY OF DESTINATIONS

| DESTINATIONS | 2015P January - September | | | 2014P January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume ($M^3$) | FOB Value (RM'000) | Value % | Volume ($M^3$) | FOB Value (RM'000) | Value % | Volume | Value |
| JAPAN | 2,877 | 5,858 | 32.84 | 3,153 | 6,625 | 33.50 | (8.74) | (11.58) |
| KOREA | 1,889 | 4,152 | 23.27 | 1,840 | 3,864 | 19.54 | 2.63 | 7.45 |
| AUSTRALIA | 1,499 | 6,734 | 37.75 | 1,564 | 6,954 | 35.16 | (4.16) | (3.16) |
| UNITED STATES | 213 | 307 | 1.72 | 281 | 680 | 3.44 | (24.15) | (54.85) |
| TAIWAN | 111 | 416 | 2.33 | 210 | 640 | 3.24 | (47.09) | (35.00) |
| SINGAPORE | 72 | 145 | 0.81 | 212 | 353 | 1.78 | (66.09) | (58.92) |
| SOUTH AFRICA | 23 | 43 | 0.24 | 74 | 233 | 1.18 | (68.11) | (81.55) |
| EU | 23 | 77 | 0.43 | 3 | 17 | 0.09 | 621.12 | 352.94 |
| SEYCHELLES | 17 | 69 | 0.39 | 30 | 27 | 0.14 | (43.90) | 155.56 |
| MALDIVES | 5 | 31 | 0.17 | 152 | 297 | 1.50 | (97.03) | (89.56) |
| OTHER* | 3 | 8 | 0.04 | 37 | 87 | 0.44 | (91.22) | (90.80) |
| **TOTAL** | **6,731** | **17,840** | **100** | **7,555** | **19,777** | **100** | **(10.90)** | **(9.79)** |

***OTHER DESTINATIONS:**
- BRUNEI DARUSSALAM
- VIETNAM

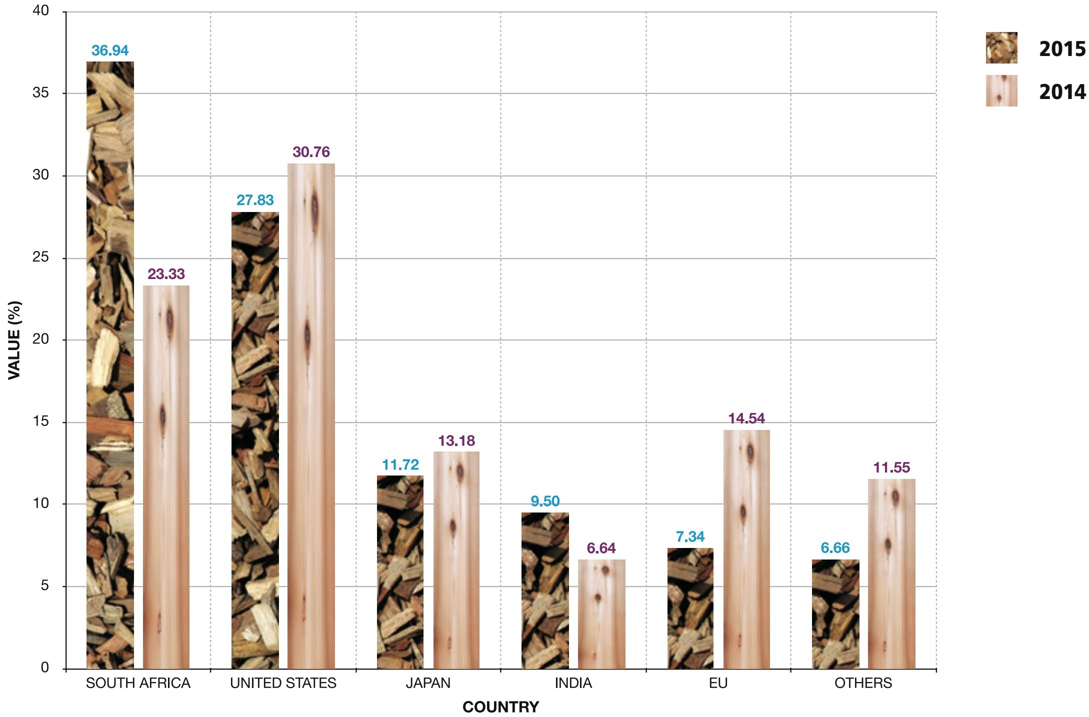
**EXPORT VALUE OF MOULDING TO MAJOR DESTINATIONS**
(RM'000) : 2015 / 2014



## TABLE 8
## EXPORT OF DOWEL BY COUNTRY OF DESTINATIONS

| DESTINATIONS | 2015ᴾ January - September | | | 2014ᴾ January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume ($M^3$) | FOB Value (RM'000) | Value % | Volume ($M^3$) | FOB Value (RM'000) | Value % | Volume | Value |
| SOUTH AFRICA | 198 | 649 | 36.94 | 204 | 499 | 23.33 | (2.61) | 30.06 |
| UNITED STATES | 109 | 489 | 27.83 | 180 | 658 | 30.76 | (39.65) | (25.68) |
| AUSTRALIA | 45 | 94 | 5.35 | 104 | 204 | 9.54 | (56.62) | (53.92) |
| JAPAN | 38 | 206 | 11.72 | 53 | 282 | 13.18 | (27.50) | (26.95) |
| INDIA | 37 | 167 | 9.50 | 37 | 142 | 6.64 | 1.06 | 17.61 |
| EU | 33 | 129 | 7.34 | 84 | 311 | 14.54 | (60.49) | (58.52) |
| TAIWAN | 16 | 23 | 1.31 | 18 | 43 | 2.01 | (10.29) | (46.51) |
| **TOTAL** | **477** | **1,757** | **100** | **680** | **2,139** | **100** | **(29.83)** | **(17.86)** |

**EXPORT VALUE OF DOWEL TO MAJOR DESTINATIONS**
(RM'000) : 2015 / 2014



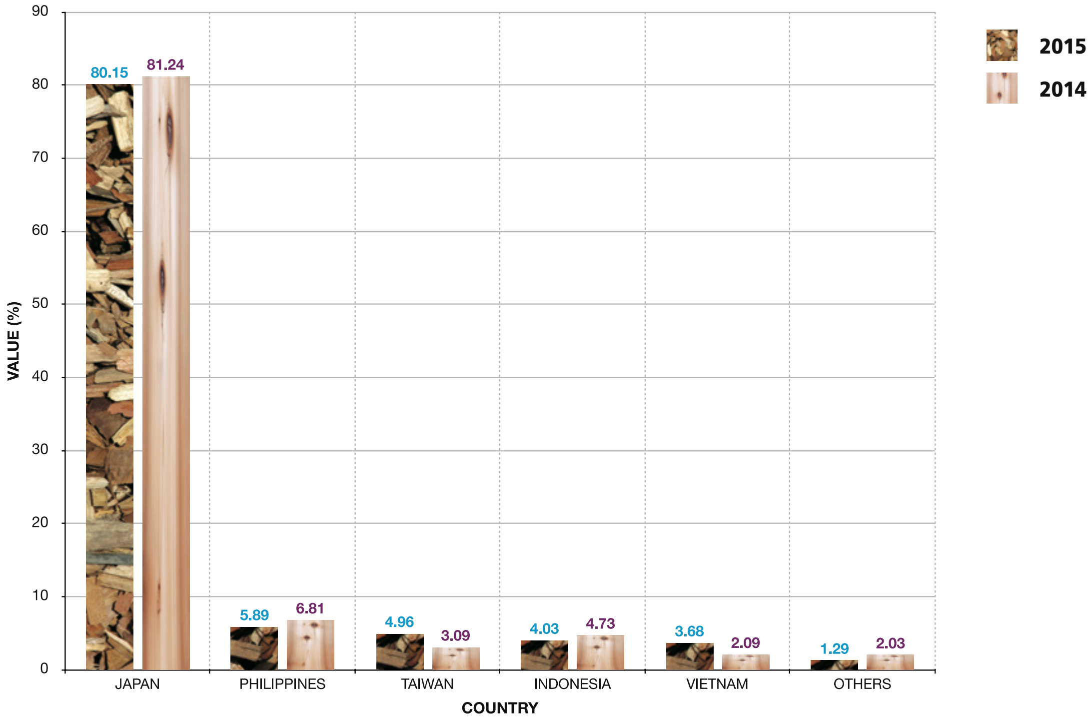
## TABLE 9
EXPORT OF FIBREBOARD BY COUNTRY OF DESTINATIONS

| DESTINATIONS | 2015P January - September | | | 2014P January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume (M³) | FOB Value (RM'000) | Value % | Volume (M³) | FOB Value (RM'000) | Value % | Volume | Value |
| JAPAN | 102,962 | 150,030 | 80.15 | 99,479 | 148,934 | 81.24 | 3.50 | 0.74 |
| PHILIPPINES | 8,513 | 11,027 | 5.89 | 10,370 | 12,491 | 6.81 | (17.90) | (11.72) |
| INDONESIA | 5,083 | 7,548 | 4.03 | 6,490 | 8,679 | 4.73 | (21.68) | (13.03) |
| VIETNAM | 4,133 | 6,880 | 3.68 | 2,390 | 3,826 | 2.09 | 72.89 | 79.82 |
| TAIWAN | 3,769 | 9,285 | 4.96 | 3,501 | 5,671 | 3.09 | 7.67 | 63.73 |
| BRUNEI DARUSSALAM | 791 | 721 | 0.39 | 1,724 | 1,381 | 0.75 | (54.15) | (47.79) |
| KOREA | 552 | 457 | 0.24 | 280 | 166 | 0.09 | 97.10 | 175.30 |
| EU | 227 | 572 | 0.31 | 487 | 1,103 | 0.60 | (53.31) | (48.14) |
| CHINA | 212 | 410 | 0.22 | 412 | 661 | 0.36 | (48.54) | (37.97) |
| THAILAND | 188 | 252 | 0.13 | 188 | 227 | 0.12 | 0.15 | 11.01 |
| OTHER* | - | - | - | 181 | 179 | 0.10 | (100.00) | (100.00) |
| **TOTAL** | **126,430** | **187,182** | **100** | **125,502** | **183,318** | **100** | **0.74** | **2.11** |

***OTHER DESTINATIONS:**

- AUSTRALIA
- OMAN
- SINGAPORE
- YEMEN

**EXPORT VALUE OF FIBREBOARD TO MAJOR DESTINATIONS**
(RM'000) : 2015 / 2014



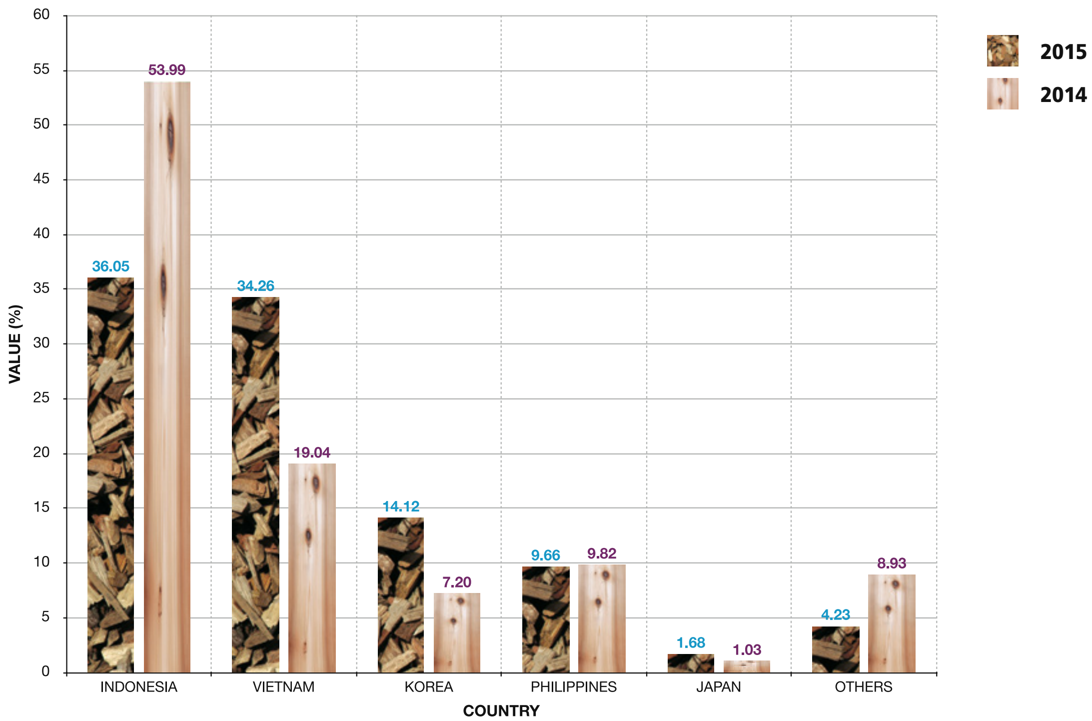
## TABLE 10
EXPORT OF PARTICLE BOARD BY COUNTRY OF DESTINATIONS

| DESTINATIONS | 2015P January - September | | | 2014P January - September | | | % Change 2015 / 2014 | |
|---|---|---|---|---|---|---|---|---|
| | Volume (M³) | FOB Value (RM'000) | Value % | Volume (M³) | FOB Value (RM'000) | Value % | Volume | Value |
| INDONESIA | 22,548 | 13,052 | 36.05 | 50,155 | 25,312 | 53.99 | (55.04) | (48.44) |
| VIETNAM | 21,010 | 12,402 | 34.26 | 17,423 | 8,926 | 19.04 | 20.59 | 38.94 |
| KOREA | 8,825 | 5,113 | 14.12 | 5,600 | 3,377 | 7.20 | 57.59 | 51.41 |
| PHILIPPINES | 6,087 | 3,498 | 9.66 | 9,023 | 4,603 | 9.82 | (32.54) | (24.01) |
| JAPAN | 1,093 | 607 | 1.68 | 964 | 482 | 1.03 | 13.33 | 25.93 |
| INDIA | 1,043 | 539 | 1.49 | 3,014 | 1,405 | 3.00 | (65.39) | (61.64) |
| BANGLADESH | 948 | 490 | 1.35 | 769 | 236 | 0.50 | 23.15 | 107.63 |
| BRUNEI DARUSSALAM | 726 | 370 | 1.02 | 944 | 467 | 1.00 | (23.07) | (20.77) |
| CHINA | 107 | 73 | 0.20 | 159 | 88 | 0.19 | (32.55) | (17.05) |
| NEW ZEALAND | 43 | 28 | 0.08 | - | - | - | 100.00 | 100.00 |
| OTHER* | 43 | 30 | 0.08 | 4,494 | 1,989 | 4.24 | (99.05) | (98.49) |
| **TOTAL** | **62,473** | **36,202** | **100** | **92,546** | **46,885** | **100** | **(32.50)** | **(22.79)** |

***OTHER DESTINATIONS:**

- EGYPT
- HONG KONG
- ITALY
- OMAN
- SINGAPORE

**EXPORT VALUE OF PARTICLE BOARD TO MAJOR DESTINATIONS**
(RM'000) : 2015 / 2014



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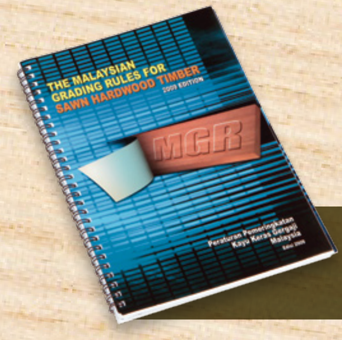


**RM 25**
The Malaysian Grading Rules For Sawn Hardwood Timber (English) (2009 Edition)


**RM 25**
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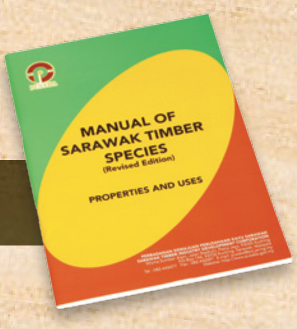
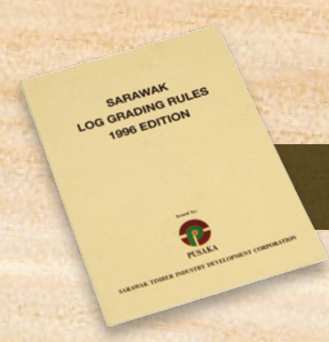



**RM 10**
Manual Of Sarawak Timber Species (Revised Edition)

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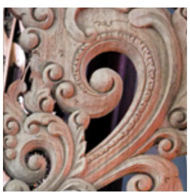

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