

Malaysia Sets Up National Oil Palm Trunk (OPT) Task Force

Malaysia has established National OPT Task Force to promote Oil Palm Trunk as an alternative raw material for its timber industry.

In announcing this recently, Malaysia's Plantation Industries and Commodities Datuk Seri Mah Siew Keong said the pressure for securing raw materials has been a concern in the industry.

"I am optimistic that the industry could capitalise on this potential new source of raw material," he said at the 25th anniversary dinner of Malaysian Timber Council in Kuala Lumpur.

He said OPT has generated interest among industry players, not only for plywood and sawn timber but also other potential value-added products.

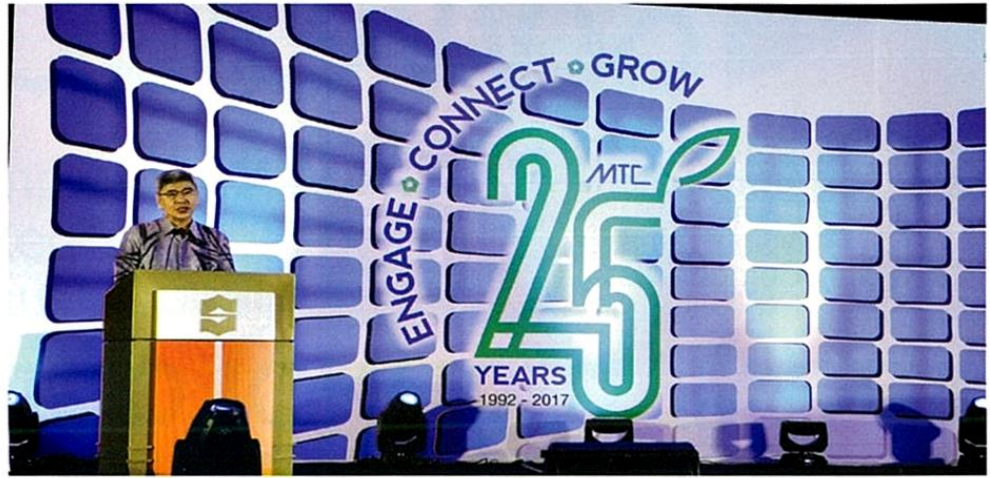
Mah also said Malaysia should be in the forefront to develop new products and woodworking systems.

"We need more efforts to push for more sophisticated and high-tech production and processing systems. Part of this will rely on uplifting the profile of timber, by getting all involved in the process on board, such as academics, foresters, architects, developers, specifiers, local authorities and not forgetting members of our timber industry.

"The collaboration of all will be needed to garner more attention on what timber can do and benefits it can offer," he added.

He said the timber and timber products represents the third most important commodity and commodity-based products exported, after palm oil and rubber where for the past ten years, the export earnings range at RM20-22 (USD4.6-5.1) billion annually.

In 2016, the total export value of timber and timber products was recorded as RM21.86 (USD5.10) billion. From January to May 2017 the exports reached RM9.75 (USD2.27) billion, marking an increase of 6.76 per cent over the same period last year. The major products that contributed



Datuk Seri Mah Siew Keong

to the export earnings in the first five months were furniture (valued at RM3.28 billion), plywood (RM1.96 billion) and sawn timber (RM1.6 billion).

"We aspire to achieve a five per cent growth this year for timber and timber products exports. I hope this industry will continue to work towards not only achieving, but exceeding the target," he added.

On the global economy, the minister said it appears to be strengthening where in advanced countries; economic activities have improved but remained moderate, supported by still accommodative monetary policy and a shift towards expansionary fiscal measures.

He said economic prospects for ASEAN (Association of South-East Asian Nations) are expected to be resilient underpinned by healthy domestic demand and infrastructure spending.

"The growing urbanisation, favourable demographics and higher purchasing power in India, as well as the solid footing of the US housing market could potentially drive the demand for Malaysia's timber and timber products as the year progresses," he said.

Other opportunities that could help to strengthen and increase the country's exports of timber products included the acceptance of the Malaysian Timber

Certification Scheme (MTCS) under the Dutch Public Procurement Policy for Sustainable Timber and the ASEAN+6 (FTA partners, namely Australia, China, India, Japan, New Zealand and South Korea) under the Regional Comprehensive Economic Partnership (RCEP).

"This poise great potential when RCEP includes more than three billion people or 45 per cent of the world's population, and a combined GDP of about USD21.3 trillion, accounting for about 40 per cent of the world trade," he said.

He also said the ministry, as the central implementing agency will also be revisiting the National Timber Industry Policy (NATIP), which was launched in 2009, to meet the developments and challenges faced by the industry.

He said that with the latest global development of Industrial 4.0, the ministry would look into various aspects, which include not only about technology and connectivity but also the supply and demand situations as well as other policy issues.

"The review of NATIP is timely and consultations will be held with relevant government agencies, stakeholders and industry players from Peninsular, Sabah and Sarawak," he said.