

The sun and opportunity rise in the East for Malaysian industry

More muscular approach to global supply of tropical wood

JIM BOWDEN

“REMEMBER... the sun rises in the East ...”

The significance of this Chinese idiom used by MTC CEO Richard Yu was not lost on the 250 delegates, mostly from ASEAN countries, who gathered in Kuala Lumpur last week for the inaugural Malaysian Timber Conference.

As the world’s largest exporter of certified tropical hardwood logs and sawn timber and a major producer of tropical plywood, veneer and mouldings, Malaysia has adapted a more muscular approach to globalisation in recent years, supplying products to more than 160 countries.

Export earnings in 2017



International journalists meet with Malaysian officials in Kuala Lumpur before departing on a six-day study of the country’s in-forest operations and wood manufacturing centres... seated, from left, Zulkepli And Rani, director, licensing and enforcement, Malaysian Timber Industry Board, Noraihan Abdul Rahman, corporate communications acting director, MTC, Richard Yu, MTC CEO, Yong Teng Koon, CEO, Malaysian Timber Certification Council, and MD Yusoff Ismail, deputy director, licensing and enforcement, MTIB. Standing are invited members of the MTC media familiarisation program, from left, Liu QuianWei, China Green Times, Su JinLing, secretary-general, International Wood Culture Society, California, USA, Jim Bowden, managing editor, Timber&Forestry enews, Brisbane, Candace King, senior writer, Timber IQ, Johannesburg, South Africa, Marleen van Herwijnen, chief editor, HoutWereld Magazine, Amsterdam, Holland, and Joseph O'Donnell, director, government and public affairs. International Wood Products Association, Washington DC.

“ IDENTIFYING NEW SOURCES OF RAW MATERIAL SINCE 1993

were \$A7.8 billion as Malaysia positions to meet the World Bank prediction that global demand for timber will quadruple by 2050.

Nine speakers from the UK, Italy, Switzerland, Finland and Malaysia addressed the full scope of challenges faced in Asia by the timber industry on

the theme Towards a Better Tomorrow; all agreed the tariff wars would be temporary

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and that with increasing middle-class populations and greater disposable incomes, particularly in China and India, there was no reason to expect a slowing in the record demand for timber and paper products.

MTC recently opened a regional office in Bangalore in a move to tap more trade opportunities in India.

Also, the conference agreed certification and legality would remain the two core advantages for Malaysia in an expanding wood fibre sector.

Malaysia remains the biggest Asian investor in tree planting. Since 2005, the government has initiated the Forest Plantation Development Program to ensure sustained timber supply for downstream business such as flooring, mouldings, veneers and furniture making.

The country targets to establish 375,000 ha of forest plantations by 2020, achieved by planting 25,000 ha of good timber species every year for 15 years.

The crux of KL conference presentations centred on the global economic outlook, timber demand and supply worldwide, the need for certification which proves that timbers are extracted in a sustainable and legal manner, embracing technology in relation to IR4.0 ('the 4th industrial revolution') and the commercialisation of research findings.

The conference was



1/ Visiting a log checking station at Bukit Kina, Peninsular Malaysia... journalists Su JinLing, International Wood Culture Society, Liu QianWei, China Green Times, and Marleen van Herwijnen, HoutWereld Magazine, Amsterdam, with study tour leader Andrew Kong, manager, MTC corporate communications. Felled logs are inspected by State Forestry Department officials for payment of royalty, legality and chain of custody and hammer branding before transit from one sawmill to another.



2/ Malaysia has a target to establish 375,000 ha of forest plantations by 2020, achieved by planting 25,000 ha of good timber species every year for 15 years. Certification and legality are core advantages for the country's forests as it expands exports of value-added products to global markets.

area. Of this, 14.6 million ha is designated permanent reserved forest, the remaining 20% being state land or national parks.

MTC chairman Dato Low said Malaysian manufacturers must understand the life cycles of their products to help maximise profitability.

"As time goes by, our products must also change and be in line with current market trends," Mr Low said.

"Therefore, it is important for us to change our mindset and be innovative in creating a steady stream of new products for the market."

Mr Low said there was a pertinent need for succession planning within each company so that the younger generation viewed the timber industry as attractive and viable.

"Manufacturers also need real-time market intelligence, technological upgrade and raw material supply solutions," he said.

No sooner had the last delegate departed the Meridien Hotel, than MTC officials were laying the ground for the inaugural Malaysian Wood Products and Machinery Exhibition in 2019.

expertly organised by the Malaysian Timber Council, which has been encouraging members to identify new sources of raw material supply since 1993.

Business missions have been mounted in Laos, Cambodia, Thailand, China, Canada, Indonesia, Brazil, and New Zealand.

To further augment the supply of raw materials, MTC has set up an overseas suppliers-Malaysian importers and manufacturers exchange program, a platform for business-matching sessions between Malaysian importers and manufacturers and overseas suppliers.

Six suppliers from Chile and two from Canada have participated in the exchange program, providing raw materials ranging from hardwood and softwood sawn timber to decorative veneer. More than 60 representatives

of 42 Malaysian companies have joined the program.

In the conference opening sessions, Malaysian Minister for Primary Industries Puab Teresa Kok said timber producers must maintain their position in the global market and face up to challenges by employing innovative, sustainable and market-driven solutions.

“INDUSTRY MUST UNDERSTAND LIFE CYCLES OF ITS PRODUCTS”

She said Malaysia's commitment to maintaining forest cover at above 50% – pledged at the 1992 Rio Earth Summit – would ensure the industry remained sustainable in the long-term.

Forests cover more than 18.48 million ha in Malaysia, making up 56% of the land