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PLANTED FORESTS
The Way Forward



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Professionalism



Professionalism is one of the shared-values emphasised by the government in ensuring customers' satisfaction. The other shared-values are Integrity, Kind and Caring, Sense of Urgency and Ownership, Teamwork, and Result-Oriented. Professionalism refers to the ability to promote impartiality, transparency, and compliance to rules and regulations regardless of status, colours and creeds. In any decision making, professionalism means putting the interest of an organisation first before self-interest.

In today's complex society, professionalism is crucial and becomes a prerequisite particularly among the civil servants in ensuring that they execute their duties and responsibilities professionally in tandem with customers' needs. Professionalism goes along with other values such as competency, accountability, meritocracy, consideration and firmness in problem solving and decision making.

Professionalism being one of STIDC's top priorities is given serious attention. This is evident by our continuous efforts in promoting critical thinking, openness, pro-activeness, fairness and innovativeness among the staff and customers.



ACACIA

– A NEW ALTERNATIVE

Acaria mangium is among the fast growing tree species being extensively planted in Sarawak. Sarawak Forestry Department revealed that as at December 2013, 227,635 hectares had been planted with Acacia mangium in the state. This represented 70% out of the total 325,314 hectares planted areas in Sarawak. This achievement augurs well

with the state government's aspiration to establish at least one million hectares of planted forests by 2020 with emphasis on fast growing tree species.

Planted forests help to mitigate pressure on natural forests besides ensuring sustainable supply of raw materials to serve the needs of the local down-stream wood-based industries in Sarawak.

Mitigates pressure
on natural forests
besides ensuring
sustainable supply of
raw materials

Taking advantage of the abundant supply of Acacia raw materials, Samling Housing Products Sendirian Berhad (SHPSB) is playing a leading role in manufacturing various products using Acacia wood. These include kitchen cabinets, flooring, engineered door, dining sets, wall panels, bar stools, louvers, etc.





focusing on diversification and mass production of down-stream value-added Acacia products in order to secure bigger share in the global market. Towards that end, SHPSB plans to establish a factory in Vietnam apart from intensifying the use of Acacia wood in the new housing projects in the near future.

"Acacia business which is relatively new in Sarawak needs the assistance of the government as well as the big companies to be able to penetrate and compete in international markets. While the government can help with international promotions, the big companies on the other hand can invest in infrastructure and machinery including kiln dryers. This is because kiln dryers are costly and not affordable by small companies. Presently our Acacia wood is sent to the Peninsular Malaysia for kiln drying at higher costs" Mr. Yap said.

Mr. Yap Fui Fook, Assistant General Manager (Finished Products) of SHPSB said, after years of research and development, his company is now aggressively promoting Acacia products both locally and internationally. This is evident by the company's involvement in recent furniture shows such as the Timber and SMEs Expo in Kuching, Sarawak, Malaysian International Furniture Fair 2014 and the 15th International Architecture, Interior Design and Building Exhibition (Archidex) in Kuala Lumpur. In addition, a showroom was opened in Kuala Lumpur to provide information and samples of Acacia products.

that SHPSB is determined to venture into similar field harnessing the availability of raw materials from Samling's 17,000 hectares Acacia forest plantations in Bintulu, Sarawak. Moreover, Acacia which can be harvested at the seventh year has brighter prospect due to high demand and the government's emphasis on this tree species.

Moving forward, he said SHPSB is

Inspired by Vietnam's advancement and achievement in Acacia business, he stated

SUMMARY

- SHPSB is playing a leading role in manufacturing various products using Acacia wood
- SHPSB is now aggressively promoting Acacia products locally and internationally
- SHPSB is focusing on diversification and mass production of down-stream value-added Acacia products



SARAWAK BUMIPUTERA ENTREPRENEURS SHOWCASE

SMEs play pivotal role in accelerating the economy besides providing employments to the people

Small and medium scale entrepreneurs (SMEs) play pivotal role in accelerating the economy besides providing employments to the people. SME Corporation reported that SMEs contribute 32% to GDP and provide 57.4% employment opportunities in Malaysia. This is despite the fact that the number of SMEs in Malaysia is smaller compared with those in Japan, Taiwan and South Korea.

Datuk Haji Mohd. Naroden (left) testing the Acacia bench while the STIDC Corporate Affairs Manager, Mdm. Sharifah Norolah Wan Ahmad looks on.



Visitors appreciating the Acacia cabinet.

In view of this, various initiatives were made by the government to increase the number of SMEs in this country. These include trainings, provision of funds and premises as well as promotional activities like the annual Bumiputera Entrepreneurs Showcase.

In line with the aspiration to create resilient Bumiputera SMEs in Sarawak, the State Government through the Chief Minister's Department (Bumiputera Entrepreneurs Development Unit) in collaboration with Johor Economic Planning Unit had mooted the Sarawak Bumiputera Entrepreneurs Showcase since 2012 in Johor. This year's showcase was held on 27th-30th March 2014 at Angsana Johor Bahru Mall. Datuk Haji Mohd. Naroden bin Haji Majais, Assistant Minister in the Chief Minister's Office (Bumiputera Entrepreneurs Development) officiated the show.



STIDC Corporate Affairs Manager, Mdm. Sharifah Norolah Wan Ahmad (middle) ushering Datuk Haji Mohd. Naroden (2nd right) and other visitors at STIDC booth.

The showcase was an ideal platform for SMEs particularly those from Sarawak to promote their products aside from strengthening and expanding business networking with their counterparts in Johor and Singapore.

Datuk Haji Mohd. Naroden highlighted that Johor was the preferred choice due to its strategic location and good infrastructure. Johor is close to Singapore and other states in Malaysia. Moreover, there are over 40,000 Sarawakians working and residing here who are not merely consumers but also ambassadors for Sarawak's products. "Hopefully our participants would acquire deeper insight into SME businesses from their counterparts in Johor and the Peninsular Malaysia and take this opportunity to expand business networking and marketing" he said.

Like Johor which is renowned for its Iskandar Development Region, Sarawak on the other hand is aggressively developing the Sarawak Corridor of Renewable Energy (SCORE). Currently, RM30 billion worth of investments had been poured in SCORE. The 77,000 hectares Tanjung Manis Halal Hub is part of SCORE. The RM1.6 billion worth of global halal market provides immense business opportunities for our local SMEs to tap.

Ultimately, SMEs concerned should put packaging and labeling as their top priority to add value to their products and at

the same time use modern technology as marketing tool. In today's borderless world, internet and social media including facebook and twitter play important role in promoting and marketing the products. With this technology, information dissemination becomes quicker, broader and cheaper, Datuk Haji Mohd. Naroden said.

STIDC in co-operation with one of its furniture vendors, KR Woodworking joint the show together with 56 other Bumiputera SMEs from Sarawak, Johor and Terengganu. STIDC's booth featured Acacia products like table, bench and cabinet as well as Nibong (*Oncosperma tigillaria*) accessories besides providing information on its Bumiputera Furniture Vendor Programme.

Commenced in October 2002, STIDC Bumiputera Furniture Vendor Programme aims to create a robust community of Bumiputera entrepreneurs with emphasis on

furniture and furniture related businesses. Presently, there are 43 active Bumiputera furniture vendors across Sarawak. To ensure the success of this programme STIDC plays its role by providing the basic infrastructure like workshops apart from trainings and guidance to help them to penetrate the open market. This is to enable them to be at par with the global players.

SUMMARY

- SMEs contribute 32% to GDP and provide 57.4% employment opportunities in Malaysia
- Various initiatives were made by the government to increase the number of SMEs in this country
- The showcase was an ideal platform for SMEs particularly those from Sarawak to promote their products aside from strengthening and expanding business networking



STIDC official (left) attending to the visitors.

SARAWAK FURNITURE & HOME EXPO 2014

Trade platform for local furniture traders to exhibit and promote their products besides expanding business networking

The annual Sarawak Furniture & Home Expo returned this year with the finest and trendiest of what the industry has to offer. Entering its fourth edition this year, the four-day show, 10th-13th April 2014 served as trade platform for local furniture traders to exhibit and promote their products besides expanding business networking.

With over 30 local exhibitors converged under one roof at CityOne Megamall in Kuching, Sarawak, this year's show had a full range of home furnishing and furniture products such as indoor and outdoor furniture, bedroom sets, living room sets, dinning sets, wall papers,



curtains, electrical goods and kitchen appliances.

President of Sarawak Furniture Industry Association (SFIA), Ms. Sim Lee Beng said



the show was not just another expo but a top-notch event for participants to showcase their products, develop trade-marks and create a lasting image and impression.

"SFIA is determined to demonstrate that with greater support from the government, it can and will continue to play a bigger role in the overall development of the furniture industry and economy of Sarawak. Presently, SFIA is co-operating with STIDC in addressing the issues affecting the furniture industry in the state. This was evident by SFIA's initiative in proposing for the establishment of a Furniture Park to the Ministry of Industrial Development for the benefit of the industry" she said.

Describing the domestic furniture market as small, she urged the local industry players to think outside the box and explore new opportunities by supporting and participating in various promotional activities organised either by SFIA or the government. "Your participation in this activity is important in order to create awareness among the public on your products aside from fostering closer rapport with other industry players and the government agencies. By joining this activity you are exposed to the current market trends at both local and international levels. Hence, you are keeping abreast with the latest information on customers' needs" she emphasised.

According to her, Malaysian furniture manufacturers always face stiff competition from bigger players such as China and Vietnam. Local industry players particularly SFIA members were therefore advised to consistently upgrade themselves in terms of knowledge and skills on designing and marketing in order to be on par with the global players.

To put the furniture sector to a higher level, Ms. Sim opined that the entrepreneurs should play proactive role in other activity including trade missions so

as to assess and penetrate the world market. In addition, there is a need for a permanent exhibition centre in Sarawak to serve the needs of the local industry. "With strategic planning, I am optimistic that the

Sarawak furniture industry could become more resilient and continue to contribute significantly to the state's economy" she said.

STIDC together with its subsidiary, Harwood Timber Sendirian Berhad took this opportunity to display Teak (*Tectona grandis*) wood products including living room set, dining set, cabinet and bar.

SUMMARY

- The show was not just another expo but a top-notch event for participants to showcase their products, develop trade-marks and create a lasting image and impression
- The local industry players were urged to think outside the box and explore new opportunities by supporting and participating in various promotional activities
- Furniture entrepreneurs should play proactive role in other activity including trade missions so as to assess and penetrate the world market





TANJUNG MANIS FISHING SAFARI

Promoting
Tanjung Manis
as the economic
hub of the
central region of
Sarawak





Datu Haji Len Talif Salleh (9th right) with the winners of Tanjung Manis Fishing Safari 2014.

Various initiatives were made by STIDC to support the state government's efforts in promoting Tanjung Manis as the economic hub of the central region of Sarawak. These include the annual Tanjung Manis Fishing Safari which entered its 11th season this year.

STIDC is a state government's agency tasked to oversee and facilitate the overall development of Tanjung Manis by providing basic infrastructure such as roads, bridges, electricity, water, tele-communication, etc. for mutual benefit.



Datu Hajjah Norah (3rd left) officiating the Tanjung Manis Fishing Safari 2014.

Graced by Tanjung Manis Member of Parliament (P206), Datuk Hajjah Norah Tun Abdul Rahman, this year's fishing safari were participated by 237 anglers from across the state who contested under deep-sea, coastal and waterfront categories. The three-day competition was held on 23rd - 25th May 2014.

Fishing is a lucrative industry which is yet to be fully tapped by the local people. Hence, Datuk Hajjah Norah said that the federal government had allocated RM400 million to further develop this sector and to encourage the locals to exploit fishing business to its fullest. This allocation is to assist them to purchase the necessary fishing equipments such as fishing gears, outboard motors and boats. The locals particularly youth were therefore urged to explore fishing due to its promising prospect.



Corridor of Renewable Energy (SCORE) manifests the government's continuous stride in helping the local populace by providing employment and business opportunities. Tanjung Manis is one of the new growth nodes in SCORE. It is also a place for the 77,000 hectares halal hub.

Due to overwhelming response, STIDC General Manager, Datu Haji Sarudu Haji Hoklai said, this event will be retained in STIDC's calendar of events for the benefit of fishing



Datu Haji Len Talif Salleh (right) taking a close look at the fish. Also seen are Datu Haji Sarudu Haji Hoklai (3rd right) and his Deputy, Tuan Haji Hashim Haji Bojet (3rd left).

Meanwhile, Assistant Minister in the Chief Minister's Office (Promotion of Technical Education) and Assistant Minister of Environment, Datu Haji Len Talif Salleh commended STIDC for its continuous improvement in this aquatic sport in terms of number of participants and programmes. This year's participants increased by 196% compared with 121 participants last year. Side events like cooking demonstration by a renowned Chef, Dato Haji Ismail Ahmad and cooking competition added colours and enticed bigger crowd to this year's event. Expressing his gratitude to the government, Datu Haji Len emphasised that Sarawak

enthusiasts. He appealed to the participants to continue to support this competition in future and at the same time promote Tanjung Manis among their friends and families.

SUMMARY

- STIDC is a state government's agency tasked to oversee and facilitate the overall development of Tanjung Manis
- Fishing is a lucrative industry which is yet to be fully tapped by the local people
- RM400 million allocated to further develop this sector and to encourage the locals to exploit fishing business to its fullest



Deputy Chief Minister of Sarawak, Datuk Patinggi Tan Sri Alfred Jabu anak Numpang (3rd left) taking a close look at the T-Kiosk.

TIMEPIECE

Longer Retrieval Time
for Identified Wood Samples

TIMEPIECE at the Sarawak Civil Service ICC Convention for Central Region.



Innovative and creative culture in the civil service is vital in developing strong human capital. This is parallel with the government's aspiration to enhance effectiveness and efficiency in service delivery system for mutual benefit.

In line with this, STIDC had taken various initiatives to encourage the staff to embrace the culture by creating several Innovative and Creative Circles (ICCs). Among its active ICCs presently is TIMEPIECE.

In its quest for customers' satisfaction, TIMEPIECE is leveraging on a project "Longer Retrieval Time for Identified Wood Samples".

The project augurs well with STIDC corporate vision "Spearheading the Advancement of Timber Industry" and one of its core functions to provide technical advisory services to the industry. It is also in tandem with the objective to deliver excellent services including responding effectively to enquiries related to timber activities such as identification of wood samples.

The project aims to improve current delivery system besides providing learning tool for the public in order to enhance knowledge on the local wood species and their uses. Previously, there was no proper reference and system to retrieve the identified wood samples. The problem arises particularly in the absence of timber inspectors.

Various problem-solving tools were applied throughout the project. Based on data collected and analysed, TIMEPIECE had identified that the main possible root cause of the problem was due to unsystematic wood samples storage. Through brainstorming and detail analysis, several potential solutions were proposed. After thorough discussion, it



TIMEPIECE at the Annual Productivity & Innovation Conference and Exposition (APIC) 2013.

was agreed that the most effective solution would be to make a creative one-stop T-Kiosk to display wood samples.

T-Kiosk is a pure wood product which is unique, handy and mobile. It displays about 100 wood samples of commercial species commonly exported from Sarawak. It is also equipped with computerised search system called 'SearchMe', a value-added system comprising the references and information on common uses of wood samples displayed.

Besides portraying the organisation's vision and client charter, the project has also successfully enhanced delivery system and created greater stakeholders' confidence. In addition, it also benefits and assists the timber industries in meeting the global standards.

Through this project TIMEPIECE had successfully earned various awards including the STIDC Board of Management Award (STIDC Mini Convention 2012), MPC Gold Award - ICC Mini Convention 2013 (Sarawak Zone), MPC Best Junior ICC Award - ICC Mini Convention 2013 (Sarawak Zone) and MPC Gold Award - Team Excellence (Sabah and Sarawak Zone 2013). The team had also participated in Sarawak State Civil Service ICC Convention - Central Region, ICC Convention - Sarawak State Civil Service, and MPC National ICC Convention 2013.

TIMEPIECE forges ahead and was selected for the Asia Pacific Quality Conference slated for November 2014 in Kuala Lumpur together with over 60 ICCs from six countries namely Singapore, Thailand, Indonesia, India, The Philippines and Malaysia.



TIMEPIECE with T-Kiosk at the back.

SUMMARY

- Innovative and creative culture is parallel with the government's aspiration to enhance effectiveness and efficiency
- The project augurs well with STIDC corporate vision
- The project aims to improve current delivery system besides providing learning tool for the public

MEDIA NIGHT

STIDC organised the Media Night in recognition and appreciation of the media contribution

Media plays important role in disseminating precise information to the public. In Sarawak, the media works closely with both the public and private sectors including the forestry and timber fraternities by providing the latest and accurate information on government policies and current issues.

In realisation of its vision "Spearheading the Advancement of Timber Industry" in Sarawak, STIDC maintains close relationship with the media. In recognition of the media contribution, STIDC had organised the Media Appreciation Night at a leading hotel in Kuching, Sarawak on 5th April 2014.

STIDC General Manager, Datu Haji Sarudu Haji Hoklai stated that this event among others aimed to further strengthen the good rapport with members of the media.

One of the activities held in conjunction with the Media Night.



Besides, he added that it also provided the platform for the media to understand the roles of the related agencies including STIDC as well as the actual situation in the forestry and wood-based sectors.

According to him, the two sectors in Sarawak are not spared from various challenges such as the adverse impact of the global economic downturn as well as the allegations made by foreign NGOs. With the help of the media those challenges could be handled and addressed effectively by giving the correct information. This is important so as to rectify misconception over these sectors.

He added that the government will continue to work closely with the local media to reach out to the public on its policies. Describing the media as the agent of change, Datu Haji Sarudu stressed that they play a vital role

in educating the readers on government policies and current issues. He advised them to write professionally in order to maintain the good reputation of the state and the sectors concerned.

"The media plays important role as a bridge which connects the community and the government by disseminating useful and correct information on time", Datu Haji Sarudu said.

The local media should never rely on or totally believe the reports from their overseas counterparts on certain issues. Instead, they must always seek the truth through fact finding and investigation, he said.

It is also vital for members of the media to write meticulously and to continue to enhance their writing standards. This is to

ensure that they are not lagged behind their counterparts elsewhere. This is because unscrupulous reporting could tarnish the image of the State and adversely affect investments and the people as a whole, he emphasised.

SUMMARY

- Media plays important role in disseminating precise information to the public
- In realisation of its vision "Spearheading the Advancement of Timber Industry" in Sarawak, STIDC maintains close relationship with the media
- The government will continue to work closely with the local media to reach out to the public on its policies



PLANTED



FORESTS

– THE WAY FORWARD

Timber resources for Sarawak are currently obtained from natural forests comprising Permanent Forest Estates (PFEs), state lands and others. In 2013, the volume of logs extracted from PFEs accounted for 8.2 million cubic metres compared with 9.4 million cubic metres in the previous year. Obviously, logs production from natural forests is decreasing with time as reflected by the figures.

PFEs remain as the main sources of raw materials as they are managed under Sustainable Forest Management (SFM). Based on International Tropical Timber Organisation's (ITTO) recommendation, 9.2 million cubic metres of logs could be harvested from PFEs

are reserved for local mills processing. The remaining 40 percent is allowed for export.

Apparently, there is shortage of raw materials to meet the needs of local processing mills in the state. Price factor is among the challenges faced by many small mills because they could not afford to purchase logs at market value. Species and quality of timber is another factor that warrants consideration in determining the supply of raw materials for local mills particularly furniture sector.

Concerted efforts were made by the state government to address those challenges in order to sustain the timber industry in Sarawak. This was evident by the government's

pro-activeness in promoting and developing planted forest estates to complement the supply of raw materials from natural forests.

Towards that end, the government aspires to establish about one million hectares of planted forests

by 2020 with emphasis on both exotic and indigenous fast growing trees species with the estimated production volume of 15 million cubic metres per year. At the national level, eight species were recommended namely *Acacia mangium*, Rubber (*Hevea brasiliensis*), African mahogany (*Khaya senegalensis*), Teak (*Tectona grandis*), Kelampayan (*Anthocephalus cadamba*), Sentang (*Azadirachta excelsa*), Binuang (*Octomeles sumatrana*) and Batai (*Falcataria moluccana*).

The State Government of Sarawak aspires to establish 1 million hectares of planted forests by 2020

per year. This is considered as sustained level of logs production sourced from PFEs.

Meanwhile, the installed processing capacities of timber mills in Sarawak stand at about 11.6 million cubic metres per year.

Currently, restrictions are in place to stabilise and sustain the timber industry in Sarawak. Among them is Log Quota Policy which stipulates that 60 percent or about 6 million cubic metres of logs harvested from PFEs

One of the planted forests in Sarawak.



Though not all those species are applicable to Sarawak, they are of paramount importance in order to qualify industry players for soft loan from the federal government.

Sarawak Forestry Department disclosed that 33 percent or 325,314 hectares had been planted with various fast growing tree species as at December 2013 including *Acacia mangium* (227,635 hectares or 70%), Batai (42,547 hectares or 13%), *Eucalyptus* (24,447 hectares or 8%), Kelampayan (20,421 hectares or 6%) and others (10,264 hectares or 3%).

To realise the government's target of one million hectares of planted forests by 2020, serious efforts should be made by both the public and private sectors. This includes the enhancement of timber utilisation from Native Customary Rights (NCR) lands including Rubber trees for raw materials supply. Besides, extra incentives should also be considered to encourage industry players to intensify planted forest projects.

In order to sustain the timber processing industry in Sarawak, there is a need to look into the supply of raw materials in perpetuity. LPF holders also have important role to play by initiating community forestry development in their respective LPF areas.

2014

JANUARY – MARCH

market

performance

EXPORT VALUE OF LOGS AND TIMBER PRODUCTS

• The value of logs and timber products exported for the first quarter of 2014 decreased by 17% worth RM 1.77 billion compared to the same period last year at RM1.83 billion. There were decrease in the value of major timber products exported including logs (13%), sawntimber (32%), plywood (18%), veneer (19%), dowel (20%), and fibreboard (8%). However, there were respective increase in export value of laminated board/flooring (8%), moulding (50%), particle board (5.97%) and woodchip (5%).

Plywood remained as the major contributor accounting for 57% @ RM1.0 billion of the total export value, followed by logs (25% @ RM442 million) and sawntimber (7 % @ RM132 million) respectively. **(Table 1)**



LOGS

• The volume of logs exported decreased by 13% to 650,368 m³ from 749,044 m³. However its value increased by 4.53% to RM 442 million from RM422 million for the first quarter of 2014 in comparison with the similar period in 2013. India remained as the number one importer of the State's logs, followed by Taiwan, China, Japan and Vietnam.

However, there was a decrease by 9.6% for logs exported to India at 419,822 m³ valued at RM295 million contributing 67% to the overall value of logs exported against that of RM422 million for the corresponding period in 2013. The export volume of logs to Taiwan and China decreased by 28% and 2.8% respectively compared with the previous year.

The top three log importing countries were India, Taiwan and China contributing 87% of the overall export volume and value of the products in the first quarter of 2014.

The average price of logs increased by 20% from RM564 per m³ to RM679 per m³ for the first quarter of 2014 compared to the similar period in 2013. **(Table 2)**

SAWNTIMBER • The volume of sawntimber exported decreased by 32% to 143,354 m³ from 210,590 m³. Similarly, the value had also dipped by 30% to RM132 million from RM190 million for January to March 2014 against that of similar period in 2013.

The Philippines being the major consumer of the State's sawntimber had imported 39,204 m³ to RM14 million, followed by The Middle East (imported 30,773 m³ @ RM40 million) and Thailand (30,071 m³ @ RM29 million).

The export volume of sawntimber to The Philippines decreased by 30% compared to similar period of the previous year. This was followed by The Middle East and Thailand which decreased by 29% and 49% respectively.

Meanwhile, export of sawntimber to Thailand, The Middle East and The Philippines constituted 70% of the overall export volume and contributed 62% to the overall value of the products in the first quarter of 2014.

The average price of the sawntimber increased by 2.3% from RM901 per m³ to RM922 per m³ for the first quarter of 2014 compared to similar period in 2013. **(Table 3)**



PLYWOOD • The export volume of plywood for the first quarter of 2014 was 18.14% lower compared to 734,162 m³ exported during the corresponding period in 2013. Plywood sales amounting to RM2 billion contributed 57% to the overall revenue earned from the total export of logs and timber products for the first quarter of 2014.

Japan continued to be the number one importer of the State's plywood with the purchase of 365,088 m³ to RM637 million for the first three months of 2014. There was a decrease by 9.22% in the volume of plywood exported to Japan from January to March 2014 compared to the similar period in 2013. Other major plywood importers were Taiwan (decreased by 15%) and Korea decreased by 32%).

Export of plywood to Japan, The Middle East and Korea contributed 80% to the overall export volume and value of the products in the first half of 2012.

The average price of plywood decreased by 5% from RM1,681 per m³ to RM1,439 per m³ for the first quarter of 2014 compared to similar period in 2013. **(Table 4)**

OTHER TIMBER PRODUCTS

• Other timber products included veneer, dowels, mouldings, particle board, fibreboard, block board, laminated board/flooring, woodchip and others as stated in Table 1. The export value of these products was RM183 million accounted for 0.1% of the overall value of logs and timber products exported during the first quarter of 2014.

There was respective increase in volume of laminated board/flooring (7.52%), moulding (50%) and fibreboard (7.69%). However, there were decrease in volumes of veneer (19%), dowel (20%) particle board (5.97%) and woodchip (4.5%) for the first quarter of 2014 compared to the corresponding period in 2013. **(Table 5, 6, 7, 8, 9, 10)**



OUTLOOK

• Logging and milling operations in Malaysia had slowed down considerably due to unfavourable weather and the country's preparation for Chinese New Year celebration. This year, the rain have been exceptionally heavy in the eastern states. In addition, parts of Sarawak had also experienced flood. Some roads in Bintulu had been closed due to flash flood. *(Source: ITTO 16- 31 January 2014)*

Based on RHB Research tropical logs process is expected to start rising again from the second half of this year after the existing inventory held by importing countries declined as Myanmar had banned all exports beginning April 2014 to address wood/logs smuggling and conserve the nation's forests. Myanmar is the fifth largest tropical logs producer and third largest exporter in the Asia Pacific region, producing 5.59 million m³ of logs and exported 2.35 million m³ (42%) in 2012. Malaysia is the region's third logs producer and top exporter.

RHB Research forecasts log process to be 5% to 7% higher this year and in 2015 respectively to US250-270 per m³ from US240-260 per m³ previously.

Average price of logs increased by 20% from RM564 per m³ to RM679 per m³ for the first quarter of 2014 compared to similar period in 2013. *(source: The star 22 April 2014)*

trade statistics

Sarawak

TABLE 1
EXPORT SUMMARY OF TIMBER AND TIMBER PRODUCTS FROM SARAWAK

PRODUCTS	2014 ^p January - March			2013 ^p January - March			% Change 2014 / 2013	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
LOG	650,368	441,613	25.00	749,044	422,455	22.84	(13.17)	4.53
SAWNTIMBER	143,354	132,131	7.48	210,590	189,731	10.26	(31.93)	(30.36)
PLYWOOD	600,961	1,010,238	57.18	734,162	1,057,033	57.14	(18.14)	(4.43)
VENEER	34,981	48,035	2.72	43,322	49,868	2.70	(19.25)	(3.68)
LAMINATED BOARD / FLOORING	3,894	9,367	0.53	3,622	8,154	0.44	7.52	14.88
MOULDING	2,224	5,614	0.32	1,482	3,507	0.19	50.09	60.08
DOWEL	172	541	0.03	215	807	0.04	(20.00)	(32.96)
FIBREBOARD	42,448	62,315	3.53	45,984	65,728	3.55	(7.69)	(5.19)
BLOCKBOARD	-	-	-	-	-	-	0.00	0.00
PARTICLE BOARD	29,999	15,443	0.87	28,309	13,242	0.72	5.97	16.62
OTHER PRODUCTS*	23,039	24,708	1.40	22,328	21,821	1.18	3.18	13.23
WOODCHIP [Tonne]	86,000	16,738	0.95	82,300	17,606	0.95	4.50	(4.93)
TOTAL (m³) (RM)	1,531,440	1,766,743	100	1,839,058	1,849,952	100	(16.73)	(4.50)

***OTHER TIMBER PRODUCTS:**

- Core Plug
- Chopping board
- Densified wood
- Door & door frames
- Finger jointed
- Furniture and furniture parts
- Laminated beam
- Laminated post
- Laminated Veneer Lumber (LVL)
- Parquet flooring
- Railway sleepers
- Wooden pallet
- Wooden pellet
- Wooden pegs & stakes
- Wooden Lattice

Notes:

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

EXPORT VALUE OF MAJOR TIMBER & TIMBER PRODUCTS
FROM SARAWAK (RM'000) : 2014/ 2013

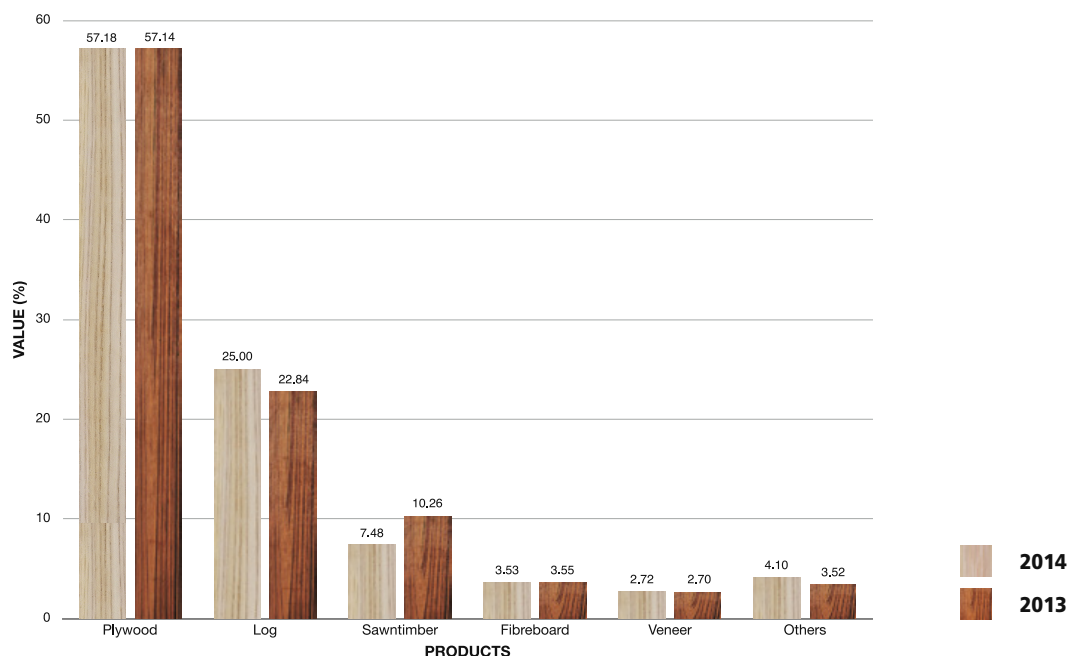


TABLE 2
EXPORT OF LOGS BY COUNTRY OF DESTINATIONS

DESTINATIONS	2014 ^p January - March			2013 ^p January - March			% Change 2014 / 2013	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
INDIA	419,822	294,615	66.71	464,404	275,309	65.17	(9.60)	7.01
TAIWAN	76,601	56,452	12.78	106,006	59,990	14.20	(27.74)	(5.90)
CHINA	68,168	41,553	9.41	70,130	31,332	7.42	(2.80)	32.62
JAPAN	31,488	24,452	5.54	38,609	25,231	5.97	(18.44)	(3.09)
VIETNAM	24,523	11,756	2.66	40,036	17,884	4.23	(38.75)	(34.27)
INDONESIA	17,330	4,167	0.94	11,600	1,597	0.38	49.39	160.93
KOREA	6,833	4,480	1.01	7,592	4,175	0.99	(10.00)	7.31
THAILAND	5,434	3,825	0.87	3,914	2,865	0.68	38.84	33.51
PAKISTAN	169	313	0.07	-	-	-	100.00	100.00
PHILIPPINES	-	-	-	6,752	4,072	0.96	(100.00)	(100.00)
TOTAL	650,368	441,613	100	749,044	422,455	100	(13.17)	4.53

EXPORT VALUE OF LOGS TO MAJOR DESTINATIONS
 (RM'000) : 2014 / 2013

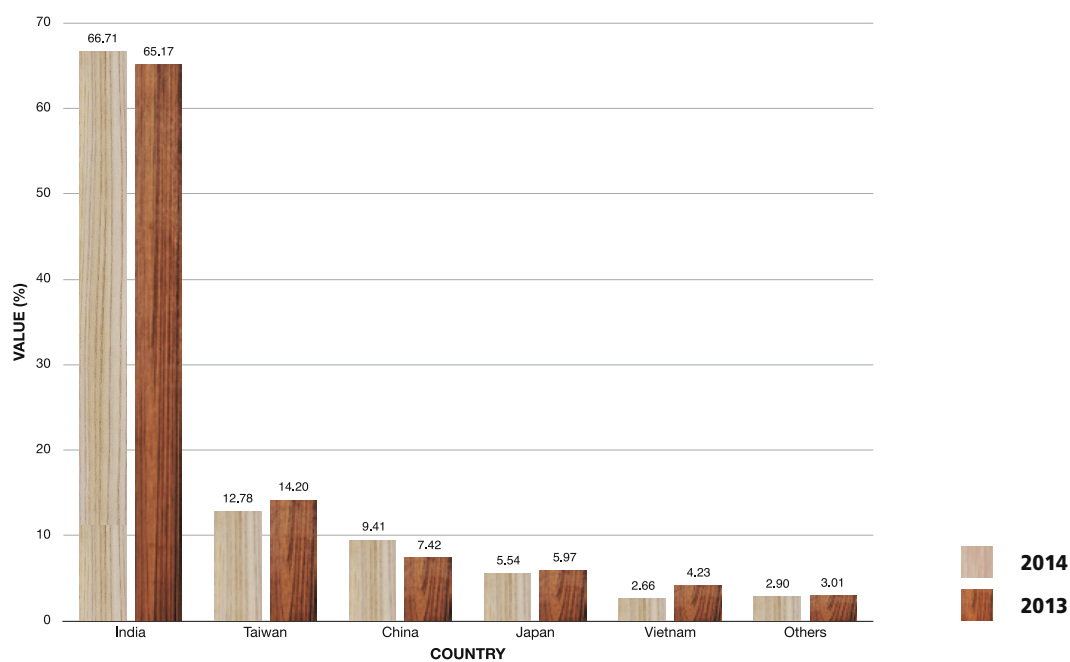


TABLE 3
EXPORT OF SAWNTIMBER BY COUNTRY OF DESTINATIONS

DESTINATIONS	2014 ^P January - March			2013 ^P January - March			% Change 2014 / 2013	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
PHILIPPINES	39,204	13,994	10.59	55,846	21,284	11.22	(29.80)	(34.25)
MIDDLE EAST	30,773	39,635	30.00	43,267	51,458	27.12	(28.88)	(22.98)
THAILAND	30,071	28,538	21.60	59,507	60,355	31.81	(49.47)	(52.72)
TAIWAN	15,258	14,513	10.98	15,451	12,778	6.73	(1.25)	13.58
JAPAN	6,044	10,897	8.25	6,164	10,031	5.29	(1.94)	8.63
SINGAPORE	5,690	6,466	4.89	7,595	7,587	4.00	(25.09)	(14.78)
SRI LANKA	4,501	4,795	3.63	4,163	4,738	2.50	8.13	1.20
CHINA	4,152	4,243	3.21	3,537	3,065	1.62	17.40	38.43
KOREA	3,040	3,667	2.78	6,738	7,828	4.13	(54.88)	(53.16)
SOUTH AFRICA	1,401	1,427	1.08	2,658	2,978	1.57	(47.30)	(52.08)
OTHER*	3,220	3,956	2.99	5,664	7,629	4.02	(43.15)	(48.15)
TOTAL	143,354	132,131	100	210,590	189,731	100	(31.93)	(30.36)

***OTHER DESTINATIONS:**

- AUSTRALIA
- BRUNEI DARUSSALAM
- FRANCE
- HONG KONG
- INDIA
- MALAYSIA (Free Trade Zone)
- MALDIVES
- MAURITIUS
- THE NETHERLANDS
- SEYCHELLES
- THE UNITED KINGDOM
- THE UNITED STATES
- VIETNAM

EXPORT VALUE OF SAWNTIMBER TO MAJOR DESTINATIONS
(RM'000) : 2014 / 2013

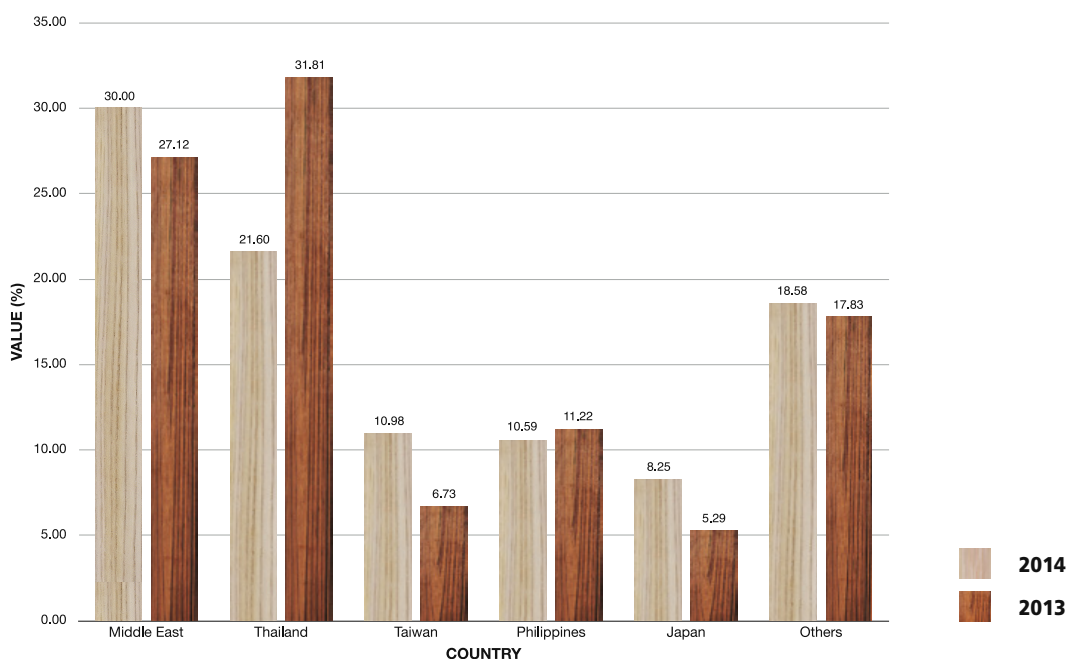


TABLE 4
EXPORT OF PLYWOOD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2014 ^p January - March			2013 ^p January - March			% Change 2014 / 2013	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	365,088	636,601	63.01	402,149	583,211	55.17	(9.22)	9.15
TAIWAN	63,173	94,349	9.34	74,256	100,177	9.48	(14.93)	(5.82)
KOREA	52,166	81,807	8.10	76,280	97,706	9.24	(31.61)	(16.27)
MIDDLE EAST	50,689	73,480	7.27	108,075	147,687	13.97	(53.10)	(50.25)
PHILIPPINES	21,900	41,256	4.08	20,179	37,646	3.56	8.53	9.59
CHINA	11,561	20,077	1.99	6,330	9,665	0.91	82.65	107.73
HONG KONG	7,340	11,738	1.16	7,877	10,800	1.02	(6.82)	8.69
VIETNAM	6,301	9,324	0.92	1,252	1,558	0.15	403.33	498.46
UNITED STATES	5,891	11,148	1.10	18,883	37,417	3.54	(68.80)	(70.21)
MEXICO	4,209	7,450	0.74	814	1,379	0.13	417.28	440.25
OTHER*	12,643	23,008	2.28	18,066	29,787	2.82	(30.02)	(22.76)
TOTAL	600,961	1,010,238	100	734,162	1,057,033	100	(18.14)	(4.43)

***OTHER DESTINATIONS:**

- AUSTRALIA
- BRUNEI DARUSSALAM
- CANADA
- GERMANY
- INDIA
- INDONESIA
- ITALY
- MAURITIUS
- THE NETHERLANDS
- NEW ZEALAND
- SINGAPORE
- SOUTH AFRICA
- SRI LANKA
- THAILAND
- THE UNITED KINGDOM

EXPORT VALUE OF PLYWOOD TO MAJOR DESTINATIONS

(RM'000) : 2014 / 2013

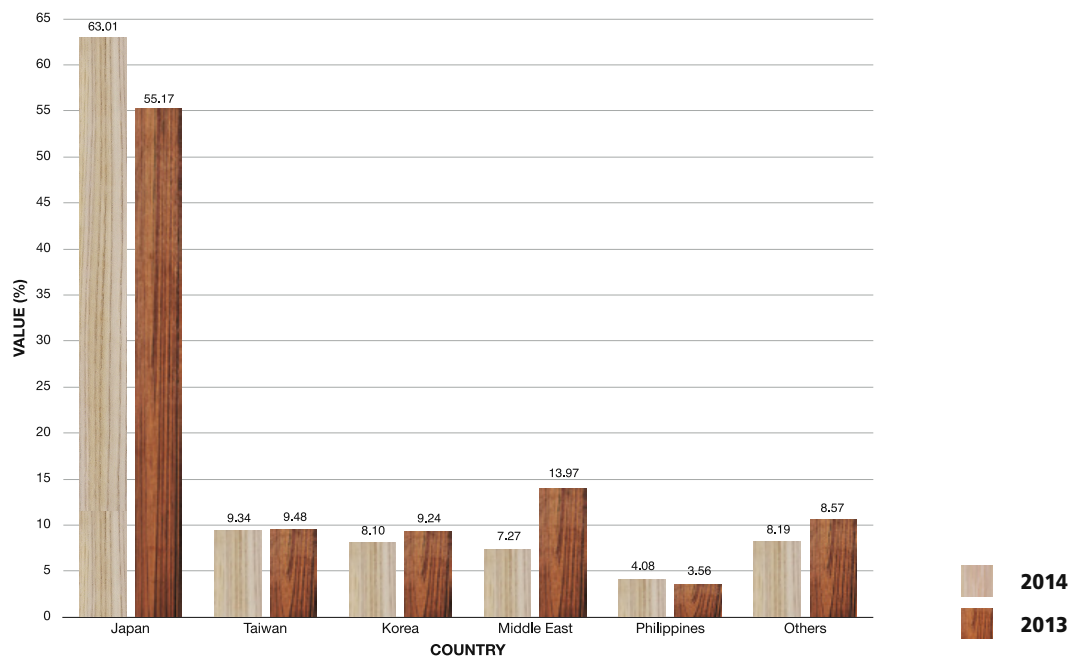


TABLE 5
EXPORT OF VENEER BY COUNTRY OF DESTINATIONS

DESTINATIONS	2014 ^p January - March			2013 ^p January - March			% Change 2014 / 2013	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
TAIWAN	15,956	20,261	42.18	25,330	28,372	56.89	(37.01)	(28.59)
KOREA	13,567	18,558	38.63	11,021	12,330	24.73	23.10	50.51
PHILIPPINES	2,001	3,088	6.43	1,603	2,386	4.78	24.81	29.42
JAPAN	1,822	3,595	7.48	1,269	1,918	3.85	43.59	87.43
CHINA	1,361	1,490	3.10	3,805	3,159	6.33	(64.23)	(52.83)
AUSTRALIA	273	1,040	2.17	180	902	1.81	51.87	15.30
VIETNAM	1	3	0.01	-	-	-	100.00	100.00
THAILAND	-	-	-	79	133	0.27	(100.00)	(100.00)
UNITED STATES	-	-	-	33	596	1.20	(100.00)	(100.00)
GERMANY	-	-	-	2	72	0.14	(100.00)	(100.00)
TOTAL	34,981	48,035	100	43,322	49,868	100	(19.25)	(3.68)

EXPORT VALUE OF VENEER TO MAJOR DESTINATIONS

(RM'000) : 2014 / 2013

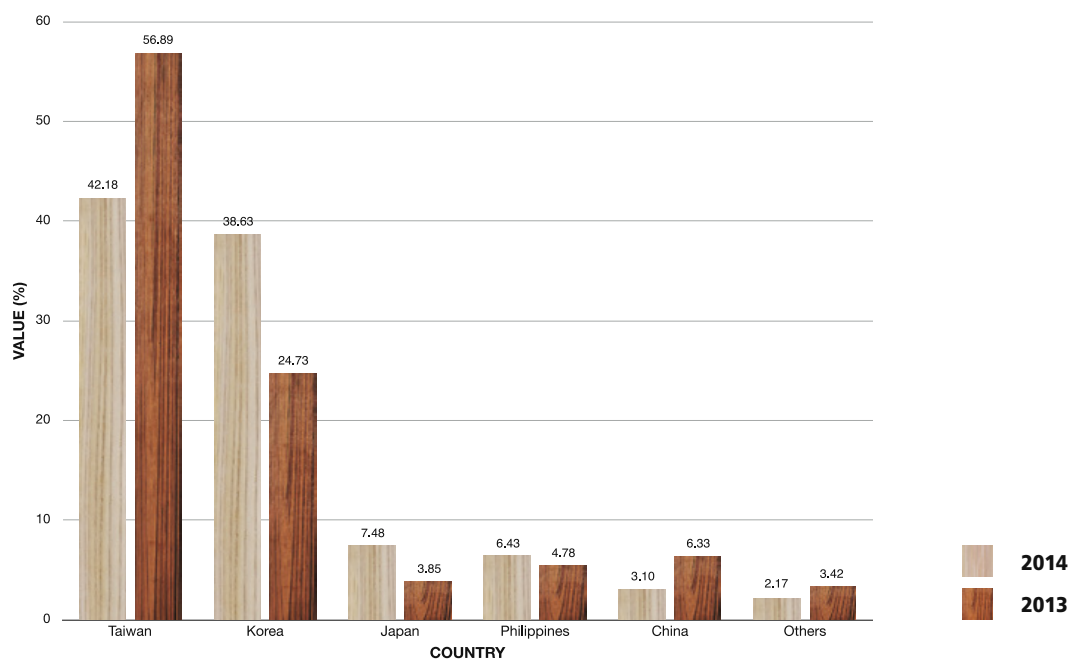


TABLE 6
 EXPORT OF LAMINATED BOARD/FLOORING BY COUNTRY OF DESTINATIONS

DESTINATIONS	2014 ^p January - March			2013 ^p January - March			% Change 2014 / 2013	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
UNITED STATES	1,532	5,215	55.67	916	3,102	38.04	67.26	68.12
TAIWAN	1,123	1,411	15.06	1,331	1,590	19.50	(15.59)	(11.26)
KOREA	422	549	5.86	274	309	3.79	54.00	77.67
BRUNEI DARUSSALAM	329	874	9.33	563	1,693	20.76	(41.60)	(48.38)
VIETNAM	208	545	5.82	115	312	3.83	80.44	74.68
INDONESIA	153	368	3.93	248	634	7.78	(38.27)	(41.96)
JAPAN	43	172	1.84	36	123	1.51	18.74	39.84
UNITED KINGDOM	33	125	1.33	94	278	3.41	(64.67)	(55.04)
MALDIVES	28	43	0.46	-	-	-	100.00	100.00
SINGAPORE	23	65	0.69	-	-	-	100.00	100.00
CANADA	-	-	-	25	78	0.96	(100.00)	(100.00)
REUNION	-	-	-	20	35	0.43	(100.00)	(100.00)
TOTAL	3,894	9,367	100	3,622	8,154	100	7.52	14.88

EXPORT VALUE OF LAMINATED BOARD / FLOORING TO MAJOR DESTINATIONS

(RM'000) : 2014 / 2013

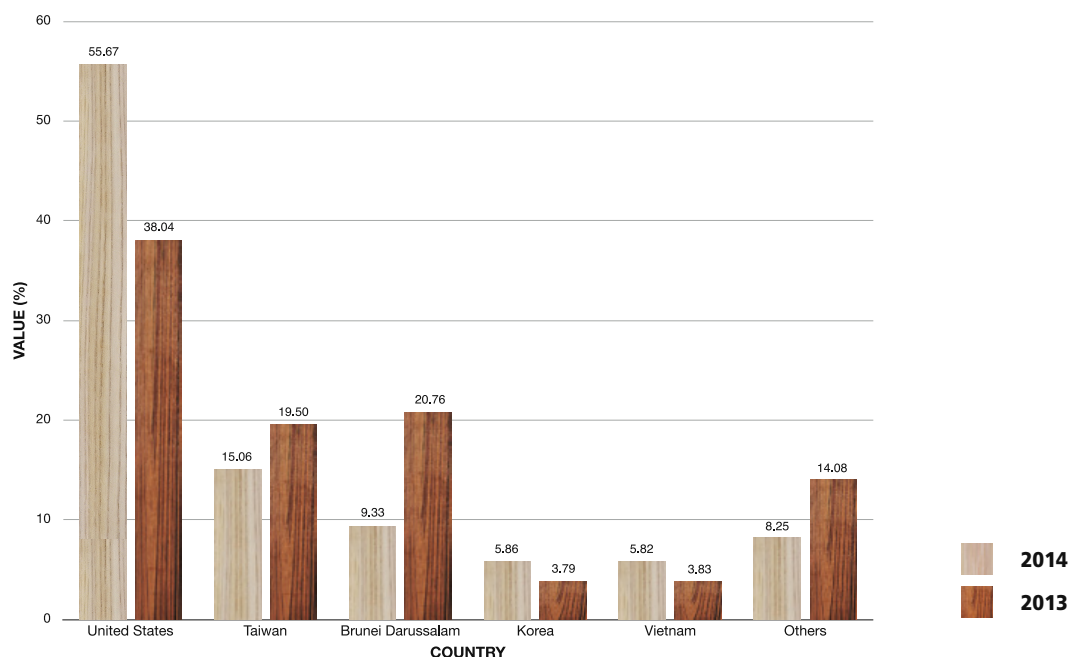


TABLE 7
EXPORT OF MOULDING BY COUNTRY OF DESTINATIONS

DESTINATIONS	2014 ^p January - March			2013 ^p January - March			% Change 2014 / 2013	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	1,076	2,234	39.79	542	1,182	33.70	98.53	89.00
KOREA	498	1,102	19.63	220	379	10.81	126.17	190.77
AUSTRALIA	380	1,663	29.62	58	220	6.27	560.99	655.91
UNITED STATES	102	243	4.33	321	1,004	28.63	(68.03)	(75.80)
MALDIVES	49	98	1.75	-	-	-	100.00	100.00
VIETNAM	37	87	1.55	-	-	-	100.00	100.00
SEYCHELLES	30	27	0.48	-	-	-	100.00	100.00
TAIWAN	27	110	1.96	73	197	5.62	(63.12)	(44.16)
SINGAPORE	22	34	0.61	253	509	14.51	(91.45)	(93.32)
UNITED KINGDOM	3	16	0.29	-	-	-	100.00	100.00
SRI LANKA	-	-	-	15	16	0.46	(100.00)	(100.00)
TOTAL	2,224	5,614	100	1,482	3,507	100	50.09	60.08

***OTHER DESTINATIONS:**

- BELGIUM
- CANADA
- CHINA
- GERMANY
- MALDIVES
- THE NETHERLANDS
- NEW ZEALAND
- SRI LANKA
- THE UNITED KINGDOM

EXPORT VALUE OF MOULDING TO MAJOR DESTINATIONS

(RM'000) : 2014 / 2013

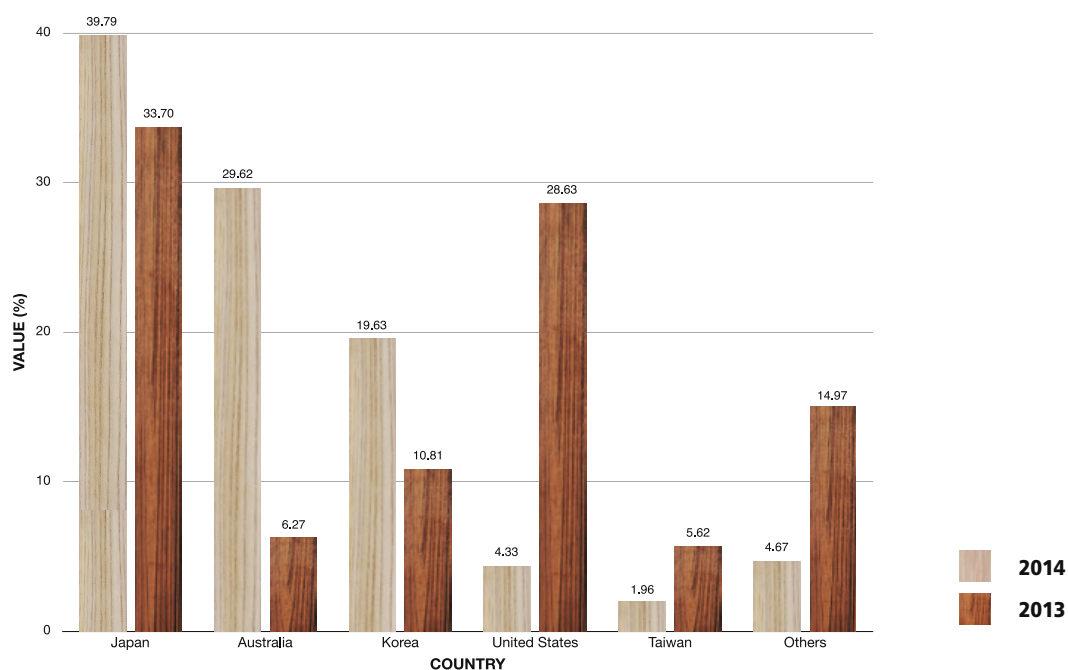


TABLE 8
EXPORT OF DOWEL BY COUNTRY OF DESTINATIONS

DESTINATIONS	2014 ^p January - March			2013 ^p January - March			% Change 2014 / 2013	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
UNITED STATES	73	265	48.98	141	615	76.21	(48.14)	(56.91)
SOUTH AFRICA	39	86	15.90	43	99	12.27	(8.90)	(13.13)
EU	35	136	25.14	17	36	4.46	105.38	277.78
AUSTRALIA	22	46	8.50	-	-	-	100.00	100.00
JAPAN	2	8	1.48	13	57	7.06	(83.80)	(85.96)
TOTAL	172	541	100	215	807	100	(20.00)	(32.96)

EXPORT VALUE OF DOWEL TO MAJOR DESTINATIONS
 (RM'000) : 2014 / 2013

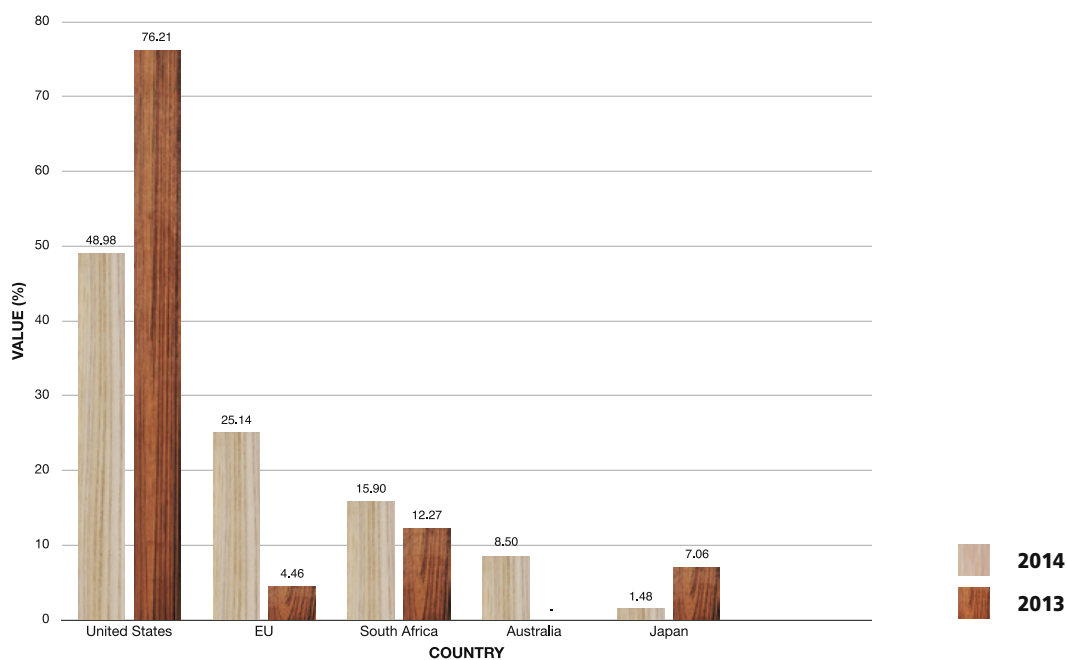


TABLE 9**EXPORT OF FIBREBOARD BY COUNTRY OF DESTINATIONS**

DESTINATIONS	2014 ^P January - March			2013 ^P January - March			% Change 2014 / 2013	
	Volume (M³)	FOB Value (RM'000)	Value %	Volume (M³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	33,905	51,317	82.35	39,117	56,901	86.57	(13.33)	(9.81)
PHILIPPINES	3,941	4,936	7.92	3,551	4,437	6.75	11.00	11.25
INDONESIA	1,945	2,608	4.19	1,559	1,996	3.04	24.77	30.66
TAIWAN	1,242	1,961	3.15	1,107	1,701	2.59	12.18	15.29
VIETNAM	426	409	0.66	-	-	-	100.00	100.00
BRUNEI DARUSSALAM	372	240	0.39	505	491	0.75	(26.39)	(51.12)
NETHERLANDS	191	434	0.70	18	39	0.06	967.85	1012.82
CHINA	163	218	0.35	127	163	0.25	28.39	33.74
KOREA	150	90	0.14	-	-	-	100.00	100.00
OMAN	91	71	0.11	-	-	-	100.00	100.00
THAILAND	21	31	0.05	-	-	-	100.00	100.00
TOTAL	42,448	62,315	100	45,984	65,728	100	(7.69)	(5.19)

EXPORT VALUE OF FIBREBOARD TO MAJOR DESTINATIONS

(RM'000) : 2014 / 2013

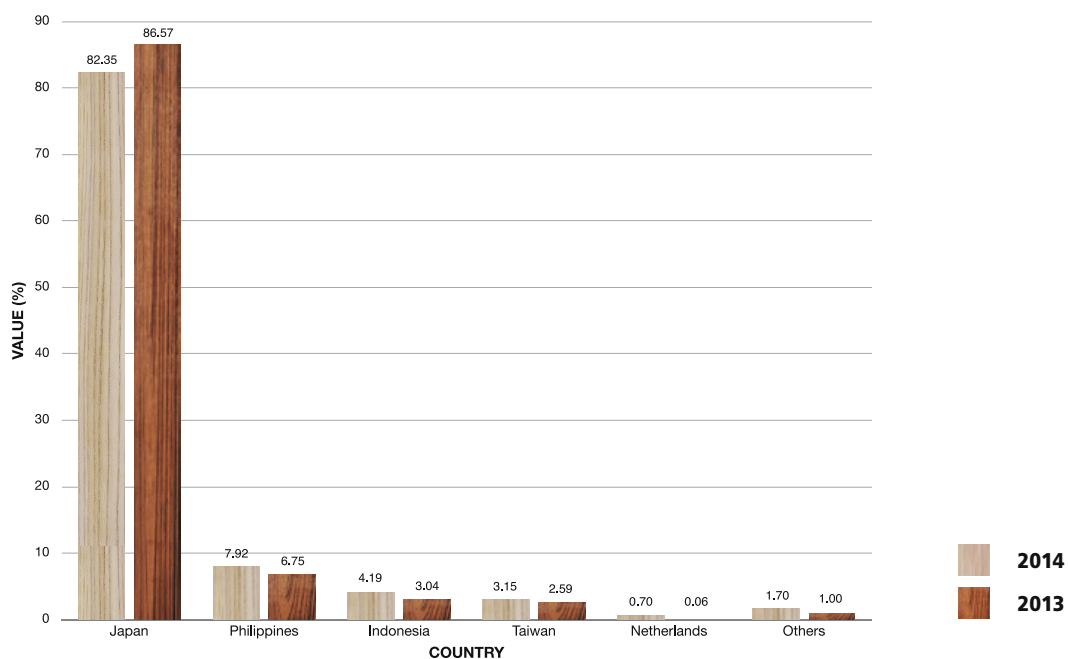
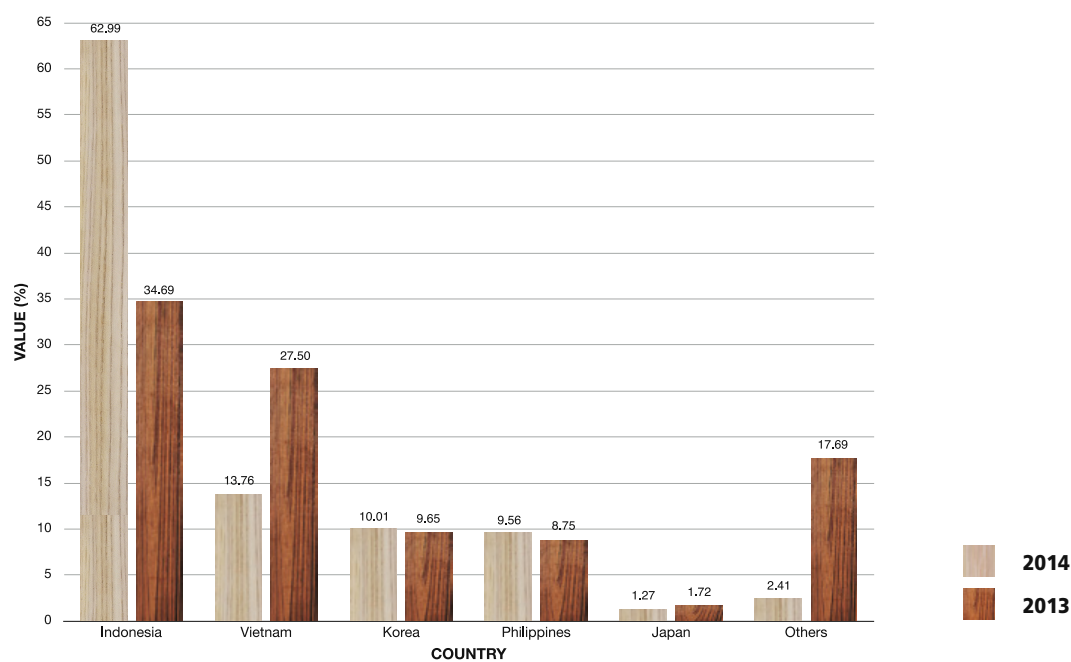


TABLE 10
 EXPORT OF PARTICLE BOARD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2014 ^P January - March			2013 ^P January - March			% Change 2014 / 2013	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
INDONESIA	19,377	9,728	62.99	9,885	4,593	34.69	96.02	111.80
VIETNAM	3,922	2,125	13.76	8,134	3,642	27.50	(51.78)	(41.65)
PHILIPPINES	2,858	1,476	9.56	2,293	1,159	8.75	24.64	27.35
KOREA	2,531	1,546	10.01	2,217	1,278	9.65	14.20	20.97
BANGLADESH	417	129	0.84	1,056	306	2.31	(60.49)	(57.84)
JAPAN	386	196	1.27	361	228	1.72	6.98	(14.04)
INDIA	220	92	0.60	503	244	1.84	(56.24)	(62.30)
BRUNEI DARUSSALAM	150	74	0.48	854	413	3.12	(82.42)	(82.08)
CHINA	137	77	0.50	3,007	1,379	10.41	(95.43)	(94.42)
TOTAL	29,999	15,443	100	28,309	13,242	100	5.97	16.62

EXPORT VALUE OF PARTICLE BOARD TO MAJOR DESTINATIONS

(RM'000) : 2014 / 2013



Publication Items FOR SALE



RM 25

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

RM 25

Commercial Timber Species Of Sarawak (a set of 3)

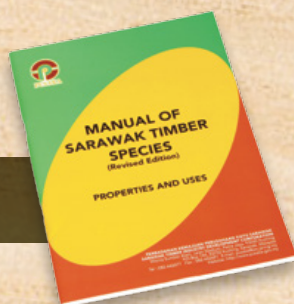


RM 20

Guide To Timber Trade Sarawak (2012/2013)

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