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**Transformation
Plan To Boost
Export Earnings**



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Business volatility and the current global economic situation pose challenges to the future of the wood-based industry particularly in Sarawak. This is aggravated by dwindling resources from natural forests. Transformation plans are crucial in handling these challenges in consonance with the government's aspiration to sustain the industry so that it will remain as the mainstay of the economy.

Our transformation plans among others, aim to encourage the industry to source for resources from planted forests. Sarawak hopes to establish one million hectares of planted forests by 2025 which could produce four million cubic meters of raw materials annually. Industry players are, therefore, urged to invest in new technology to process raw materials from planted forests.

Towards that end, we are promoting the new industries to manufacture value-added products such as engineered wood, biomass, bio fuel, pulp and paper and furniture using raw materials from planted forests.

To complement raw materials from planted forests, industry players are also urged to import resources to cater for their needs. Process to import raw materials is being streamlined to ensure a more business friendly environment.

Presently, we are also promoting Rubber wood to produce furniture among our furniture entrepreneurs. Collaborative efforts are being made with the related ministries, Forest Department, SFC and RISDA to simplify the process to obtain Rubber wood.

Bamboo is also being promoted as a renewable source of raw materials. 89 hectares of land at Sabal Forest Reserve was earmarked for Bamboo plantation pilot project. 12 Bamboo species were identified for this project including Buluh Betung, Buluh Beting and Buluh Lemang. A Memorandum of Understanding was signed by STIDC and Subur Tiasa Holdings Berhad in July 2018 to implement this pilot project and to develop the bamboo integrated industry.

To ensure the success of our transformation plans, we are collaborating in terms of research and development activities with the research institutions and other

agencies such as UNIMAS, UiTM, UCTS, FRIM, SFC, STA and UPM.

Through these transformation plans, we are ready to face the current and future challenges in tandem with our vision to spearhead the advancement of timber industry in Sarawak.



Growth Of Downstream Timber Industry Spurred By Effective Policies

The Honourable Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Chief Minister of Sarawak and Chairman of STIDC Board of Management attributed the success of STIDC and the timber industry in Sarawak to the far sightedness of His Excellency Tun Pehin Sri Haji Abdul Taib Mahmud who was the

Minister of Communication and Forestry in 1967 and the Chief Minister of Sarawak (1981-2014) as well as the Chairman of STIDC (1987-2008).

According to him, the idea to develop Tanjung Manis was also mooted by Tun. In 1984, a study on Master Plan

- *Laying of the foundation stone for Tanjung Manis Timber Processing Zone, 11 March 1990.*



- *Laying of the foundation stone for Tanjung Manis Timber Processing Zone, 11 March 1990.*

for Timber Industry in the Rajang Basin was commissioned and conducted by H.A Simons from Canada. The findings of this study formed the basis for the development of Tanjung Manis. The ground breaking ceremony for the development of Tanjung Manis was officiated by Tun on 11 March 1990. Presently, Tanjung Manis has transformed from a traditional fishing village and a mangrove forest into a mega economic growth area of the central region of Sarawak known as TMEGA.

Tun also consolidated the fragmented timber associations that led to the formation of Sarawak Timber Association (STA) as a single entity for the timber industry.

“Prior to 1970’s, the timber industry in Sarawak was confined to Peat Swamp Forests. In 1968-1972, the Sarawak Government had commissioned the Food and Agriculture Organization of the United Nations (FAO) in collaboration with the Sarawak Forestry Department to conduct the forest inventory study. The study aimed to evaluate the potential of developing the timber industry from the Hill Forests. I believe this was a challenging period because it involved the suspension of some of the timber licences. The findings of the study amongst others,

recommended the formation of STIDC in 1973, whose role was to regulate and facilitate the development of timber industry in Sarawak,” Awang Tengah said.

“Over the years, the Government had laid down clear and effective policies to spur the growth of the downstream timber processing industry. Among others, the log quota policy, timber processing zones, royalty incentive, integrated timber complex and industrial forest plantation, were introduced. STIDC has been instrumental in implementing these policies in collaboration with other agencies and industry players,” he added.

In order to strengthen the timber industry in Sarawak, he said, the Government also invited other international institutions such as ITTO, UNDP, DANIDA, SIDA, CSIRO, GTZ and others comprising experts from England, Canada, New Zealand, Australia, USA and Denmark.

“The outcome of these policies and initiatives implemented was manifested by the growth of export earning of timber products. In 1980, the export revenue derived from timber products was

RM1billion which was mainly from log export. In 2012, the export value of timber products grew to RM7.4 billion of which more than 90% were from primary and secondary products like plywood, veneer and sawn timber,” he said.

“STIDC will continue to carry out promotional activities particularly timber selling missions besides participating in international exhibitions to strengthen and expand our existing markets as well as to penetrate new markets,” he added.

To ensure sustainable forest and timber industry, he mentioned that the Chief Minister has initiated a new policy and action plans encompassing economy, social and environmental aspects. These include land use, Sustainable Forest Management, industrial forest plantations and timber industry transformation. The aim was to ensure optimum timber resources and to encourage the development of tertiary industry producing high value-added products.

He highlighted that a consultation session with the stakeholders was held on 22-23 January 2019 to formulate a more

comprehensive, pragmatic and holistic forest and timber industry policies. This was to ensure that the timber industry remain relevant and sustainable apart from being one of the major contributors to the state’s economy.

“We have formed PUSAKA Capital as an investment arm for STIDC to consolidate the investment activities of STIDC subsidiaries. Currently, PUSAKA Capital has embarked into various investment activities such as petroleum and gas, realty development, construction, aquaculture, palm oil industry cluster, biomass, port and logistic, airport management and manufacturing activities. PUSAKA Capital will expand its investment activities to include bio-plastic, bio-fuel and other potential economic sectors. It will continue to enhance collaborations with the private sectors either locally or internationally,” he added.

To enhance efficiency of our service delivery, he said, STIDC would continue to apply information technology in its work processes. This is in line with the Government’s aspiration to leverage on digital economy.



• Maiden Voyage of Evergreen Vessel at Tanjung Manis Integrated Port, 2016



• Palm Oil Industrial Cluster (POIC) & Central Oil Distribution Terminal (CODT).



• Passengers Boat Terminal

Immense Potential In Furniture Business



The global trade of furniture was recorded at USD120-130 billion in 2017. The national export value of furniture during the corresponding year was USD2 billion (RM8.1 billion) with Sarawak contributed only RM47 million.

Obviously, there is immense potential in the global furniture business waiting to be fully tapped.

The Honourable Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Chief Minister of Sarawak and Chairman of STIDC Board of Management said, our furniture industry is still at its infancy stage and our export performance is yet to be desired.

“We have the potential to develop this industry through a structured action plan to boost furniture export. I am glad that STIDC has developed the Timber Industry Transformation Plan to chart the future direction focusing on the development of value-added products particularly furniture,” he said.

He added that the timber selling mission and STIDC participation in international exhibitions were timely and should be continued to maintain the existing markets and to explore new ones.

“Our industry is export orientated. Its performance, therefore, is influenced by

external factors including new market requirements and trade barriers. Trade barriers such as FLEGT, Legality, Anti-dumping were imposed by consuming countries to restrict our products into their countries,” he said.

He emphasised that the new market requirements and trade barriers must be dealt with professionally in order to protect the interest of our industry.

He also advised STIDC to keep abreast with the current market situation in order to facilitate and assist the industry to compete in the global markets.



Samarakan nursery in Bintulu. •

Industrial Forests The Way Forward

Various initiatives were taken by the State Government of Sarawak to sustain the development of the timber industry and to ensure that it remain as the mainstay of economy.

Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Chief Minister of Sarawak and Chairman of STIDC Board of Management said, the way forward for the timber industry is to source for raw materials from industrial forests.

This is in tandem with the objective to plant one million hectares of fast growing tree species by 2025. These include *Acacia* spp., *Kelempayan (N. cadamba)*, *Batai (P.falcataria)*, *Eucalyptus* spp., *Rubber (Hevea brasiliensis)*, *Meranti (Shorea species)*, *Kapur (Dryobalanops spp.)*, *Keruing (Dipterocarpus spp.)* and many more.

The aim is to reduce log production from natural forests by producing 15-20 million m³ of raw materials from industrial forests to support downstream industry.

To ensure continuous supply of raw materials for the local industry, the government practises flexibility on log

importation besides promoting non-timber such as rubber wood and bamboo as well as raw materials from industrial forests.

In addition, Log Reservation Quota is reviewed regularly for mutual benefit. Presently, 80% of logs are reserved for local processing. The remaining 20% is for export.

Through this policy, the government hopes to gradually reduce log export and to impose total ban by 2022.

Towards that end, all Long-Term Timber Licences are required to obtain Forest Management Certification (FMC) by 2022. By then, issuance of long term timber licences shall cease. This augurs well with the government's aspiration for certification and sustainable forest management.



Samarakan nursery in Bintulu. •

New Policy, Action Plans To Ensure Timber Industry Remain Relevant

The Right Honourable Chief Minister of Sarawak, (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg said, new policy and action plans were formulated to ensure that the timber industry remain relevant. According to him, the recent stakeholders' consultation aimed to obtain inputs particularly from industry players to ensure a holistic and pragmatic policies.

"Under the State land use policy, the forestry sector was allocated with six million hectares for Permanent Forest Estates (PFEs) to support the economic activities such as timber industry, biotechnology and eco-tourism. We will also continue to focus on conservation of flora and fauna by gazetting one million

hectares as Totally Protected Areas (TPAs) by 2020. In addition, log production from natural forests will be gradually reduced," he said.

To strengthen the management of Permanent Forest Estates (PFEs), he said, the Government has made it mandatory for all long-term forest licences to be certified under Sustainable Forest Management by 2022. Forest certification is a proactive policy aimed to boost yield of natural forests and global market acceptance.

"I am glad to note that six Forest Management Units (FMUs) covering a total area of 561,703 hectares have been certified. I would like to encourage the

other forest management units to work harder to obtain certification. This augurs well with the Sarawak Legality Verification System (STLVS) which was accepted by Japan, Australia and Korea," he added.

Concerning the Industrial Forest Plantation (IFP), he said, Sarawak has embarked on this since 1997 as another source of raw materials to support the industry. The Government has issued 43 IFP licences to plant one million hectares by 2025. Currently, 420,146 hectares were planted with fast growing tree species such as Acacia spp., Kelempayan (*N. cadamba*), Batai (*P.falcataria*), Eucalyptus spp., Rubber (*Hevea brasiliensis*), Meranti (*Shorea species*), Kapur (*Dryobalanops spp.*), Keruing (*Dipterocarpus spp.*) many more.



His Excellency Tun Pehin Sri Haji Abdul Taib Mahmud (front - 3rd left) and his wife, Yang Amat Berbahagia Toh Puan Datuk Patinggi Hajjah Ragad Kurdi Taib (on his right) together with The Right Honourable Chief Minister of Sarawak, (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg (4th right), The Honourable Deputy Chief Minister of Sarawak, Datuk Amar Haji Awang Tengah Ali Hasan (front left) and other state dignitaries launching the Tanjung Manis Book in conjunction with STIDC 45th Anniversary Dinner.

- His Excellency Tun Pehin Sri Haji Abdul Taib Mahmud (5th left) and his wife, Yang Amat Berbahagia Toh Puan Datuk Patinggi Hajjah Ragad Kurdi Taib (on his right) together with The Right Honourable Chief Minister of Sarawak, (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg (on his left), The Honourable Deputy Chief Minister of Sarawak, Datuk Amar Haji Awang Tengah Ali Hasan (3rd right) cutting the STIDC 45th Anniversary cake while the other state dignitaries look on.



Towards that end, he urged the industry players to intensify R&D activities in order to produce high quality planting materials, pest and disease control, forest management and harvesting.

“The harvesting of industrial forests in Sarawak started in 2011 with log production of 44,000 cubic metres compared to 1.72 million cubic metres in 2018 and is expected to increase in future. It is, therefore, vital for the industry to realign their manufacturing facilities to process logs from industrial forests. The industry must explore opportunities to produce higher value-added products such as engineered wood, pulp & paper, bio-plastics, bio-fuel and furniture,” the Chief Minister said.

The timber sector is one of the major contributors to the economic development of Sarawak besides other sectors such as natural gas, petroleum and palm oil. The industry has created more than 100,000 employment opportunities. In 2018, timber products accounted for RM5.4 billion in which 91% were primary and secondary products.

The timber industry is export oriented. It is, therefore, important to enhance

competitiveness through innovations by leveraging on a more structured and collaborative research and knowledge sharing. The industry needs to capitalise on the best available expertise by conducting collaborative R&D with reputable research institutions both domestically and internationally.

“It is also imperative for both the forestry and the timber sectors to capitalise on the digital infrastructure to enhance efficiency. The industry could leverage on digital technology for business transaction, promotions, networking and data management which could reduce costs and enhance competitiveness. Competent and skilled workforce is required to manage new technology, develop new products and produce attractive designs. I am glad that STIDC has initiated the Pool of Young Designers (POYOD) programme in collaboration with UNIMAS, Institut Teknologi Bandung (ITB), Bandung, Indonesia and the timber industry players,” the Chief Minister said.

“POYOD programme developed by STIDC is commendable in creating designers for the growth of furniture industry. These designers’ attachment

with private sectors like Samling, Shin Yang and Giovani has shown potential in producing commercial furniture designs. STIDC will work closely with Sarawak Timber Association (STA) to ensure that this programme benefit more industry players,” he added.

He was glad to learn that participation of these young designers in trade exhibitions in India, Australia and Dubai last year has generated potential sales of RM47 million worth of furniture designed by them.

“As we celebrate the 45th anniversary of STIDC, I am glad to note that the timber industry has grown immensely over the last 45 years. I would like to thank STIDC staff for your dedicated services in executing the government policies and congratulations for your achievements over the last 45 years. The path ahead has been clearly chartered but the journey won’t be smooth. However, I am confident that with the experiences and support from the related government agencies and the timber industry players, STIDC will be able to overcome challenges faced in spearheading the future development of the timber industry in Sarawak,” he said.

Planted Forests To Be The Main Source Of Raw Materials For Local Processing



Initiatives to plant forests in Sarawak started in 1997 to ensure sustainable supply of raw materials for the timber industry. The target was to establish one million hectares of forests by 2025 to produce 15-20 million m³ of logs annually.

Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Chief Minister of Sarawak and Chairman of STIDC Board of Management disclosed that as of June 2018, 420,146 hectares have been planted with fast growing tree species such as Acacia

spp., Kelempayan (*N. cadamba*), Batai (*P.falcataria*), Eucalyptus spp., Rubber (*Hevea brasiliensis*), Meranti (*Shorea species*), Kapur (*Dryobalanops spp.*), Keruing (*Dipterocarpus spp.*) and many more. The figure represented 41% of the planting target.

“Apparently, there is a need for industry players to work harder in order to achieve the target of one million hectares. In line with this, I have directed the Forest Department to look into this matter seriously,” he said.

He added that in the near future, with the reduction in log production from natural forests, planted forests will be the main source of raw materials for local processing in Sarawak. Log production from planted forests was on upward trend with 1.6 million m³ in 2017 and 1.8 million m³ in 2018.

Presently, sawmills are equipped with machinery meant for cutting huge timber from natural forests. Timber from planted forests, however, are relatively smaller. It is, therefore, imperative that the industry players adjust accordingly by investing in modern technology to match with the latest trend and to ensure competitiveness.

“The current production from planted forests is still far from the demand to cater for the needs of tertiary processing such as furniture manufacturing. Because of this, I would like to urge STIDC to work closely with the Forest Department in order to expedite the development of this project for win-win benefit,” he said.



Planted forest in Sarawak



POYOD Training Programme To Increase Furniture Exports

Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Chief Minister of Sarawak and Chairman of STIDC Board of Management commended STIDC for initiating the Pool of Young Designers (POYOD) training programme.

He highlighted that the first batch of industrial attachment with the local furniture manufacturers as well as the subsequent attachment training programme with the Faculty of Art and Design, Institut Teknologi Bandung (ITB), Indonesia would definitely further enhance the knowledge and skills in furniture design. Upon completion of the two-year training, POYOD would be ready to serve the industry with new ideas and designs for Sarawak furniture.

The two-year training programme aims to prepare the POYOD to serve the industry particularly the furniture sector with trendy furniture designs besides ensuring a readily

available furniture designers to help the industry players to expand their markets.

“This programme is beneficial to the timber industry particularly the furniture manufacturers. The involvement of Sarawak Timber Association (STA) is also crucial because the programme brings benefits to its members. It is hoped that STIDC would carry on with this training programme on long term basis,” Datuk Amar Haji Awang Tengah said.

He added that this programme helps to create employment opportunities for fresh graduates and at the same time, it would increase our furniture exports in the long run.

“Furniture designing is relatively new in the furniture sector in Sarawak and most furniture manufacturers are yet to give emphasis to this aspect in furniture production. Currently, we export

mostly furniture components which do not require good designs. Hence, for POYOD to grow, STIDC needs to create awareness among the industry players concerning the importance of furniture designing. There is an urgent need to focus on furniture designing to ensure that Sarawak is at par with the globally players,” he said.



STIDC Empowered To Issue All Timber Mill Licence



Datuk Amar Haji Awang Tengah signing the Transformation Plan in conjunction with the STIDC monthly staff assembly in January 2019.

issue all timber mill licence including sawmill would be vested to STIDC.

This will enable the Forest Department to focus solely on the management of upstream sectors including marine, water bodies, natural forests and planted forests. STIDC, on the other hand, will manage the development of downstream sectors.

“The handing over of power for issuance of sawmill licence from the Forest Department to STIDC aims to streamline the functions of the forestry agencies while efforts are being made to review the provisions in the relevant ordinances. It is hoped that the industry would

The Honourable Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Chief Minister of Sarawak, Minister For Industrial and Entrepreneur Development, Second Minister of Urban Development and Natural Resources and Chairman of STIDC Board of Management announced the delegation of power for issuance of Sawmill Licence from Forest Department to STIDC.

In line with the government’s aspiration to streamline the functions of all the forestry related agencies, he said, the authority to

render their undivided support to ensure the success of this transition of power between the two agencies,” he said.

According to him, the power to issue sawmill licence in Sarawak is under the purview of Forest Department of Sarawak as stipulated in Section 62 of the Forest Ordinance 2015.

He added that, the authority to issue mill licence for other wood-based mills apart from sawmill, however, is being carried out by STIDC. This authority is defined in Section 5A(1) of The Sarawak Timber Industry Development Corporation Ordinance, 1973.



Datuk Amar Haji Awang Tengah (third right) witnessing the handing over of document by the Director of Forest, Mr. Hamden bin Mohammad (second left) to STIDC General Manager, Tuan Haji Hashim Haji Bojet (second right) to mark the delegation of power for issuance of Sawmill licence from Forest Department to STIDC.

Transformation Plan To Boost Export Earnings

Primary and secondary products such as logs, plywood, sawn timber and veneer accounted for 98% of timber export earnings whereas value-added products such as furniture contributed only 2%.

Concerted efforts were made by STIDC to boost export earnings from value-added products. This is evident by the Transformation Plan which aims to transform the timber industry structure from heavily dependent on the export of primary and secondary timber products to the export of value-added products particularly furniture.

Towards that end, STIDC is developing the Anchor Programme through partnership with the prominent industry players, local SMEs and foreign investors. STIDC is also collaborating with University Malaysia Sarawak (UNIMAS) to develop the Pool of Young Designers (POYOD) programme to groom young graduates to become professional designers for the furniture industry. STIDC long-term plans also include the establishment of a furniture testing lab, a design studio, a furniture village, besides forming a strategic

partnership on R & D with various agencies, universities, local and international research organisations to develop new products.

Through this Transformation Plan, STIDC hopes to improve the export earnings ratio from 98/2% to 40/60% by 2030 and to boost export earnings to RM10 billion in which RM6 billion will come from value-added products and furniture.

In tandem with this, efforts were made to attract foreign investors to invest

in furniture mills using planted forest resources. Several MoU were signed between the local industry players and the Vietnamese counterparts to establish value-added mills in Sarawak.

Industry players are, therefore, urged to move in pace with the ever changing market situation and current trends to remain competitive by migrating into automated industry. STIDC is committed to creating an environment that will support the development of the downstream industry.



Datuk Amar Haji Awang Tengah (centre) witnessing the exchange of MOU document between Sarawak Forestry Corporation and Vietnam Academy of Forest Science.

Proposed Amendment To STIDC Ordinance

STIDC strives to move in pace with the current market situations in tandem with its vision to spearhead the advancement of timber industry in Sarawak. The proposed Amendment to STIDC Ordinance and the proposed establishment of two New Regulations under STIDC Ordinance (Timber Export-Import Regulations and Licensing Regulations) were a testimony to this.

Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Chief Minister of Sarawak and Chairman of STIDC Board of Management said, the new regulations would:

- enable STIDC to control the export and import of timber from and into the State;
- enable STIDC, as the authority in the State to issue export and import permit;
- enable STIDC to restrict export and import, whenever required;
- enable STIDC, as the authority in Sarawak, to issue sawmill license.

With these amendment and improvement, STIDC could facilitate the development of the timber industry and control trade practices more effectively.

2018

market performance

for January to December

Export Value of Logs & Timber Products

The export value of logs and timber products decreased by 24% from RM6.1 billion in 2017 to RM5.4 billion in 2018.

2018 saw weaker export value for plywood (7%), veneer (12%), sawn-timber (16%), particle board (16%), block board (24%), logs (36%) and dowel (52%).

Significant growth in export value, however, were recorded for woodchips (92%) and moulding (65%). These were followed by fibreboard and laminated board/flooring which grew by 5% respectively.

Plywood, logs and sawn-timber which contributed RM3.0 billion, RM773 million and RM673 million respectively, contributed 82% of the total export revenue of timber and timber products in 2018.

(Table 1)



Logs

The export volume of logs dropped by 37% to 1.4 million m³ in 2018. Similarly, the export value also declined by 36% to RM773 million compared to the previous year.

Indonesia became the number one importer of logs from Sarawak with 696 thousand m³ worth RM133 million of Acacia mangium. This was followed by India at 542 thousand m³ to RM487 million and Taiwan at 98,650 m³ to RM89 million.

The export volume to Indonesia and India slid by 38% and 37% respectively. Order from Taiwan, however, increased by 5% compared to the previous year.

The average FOB unit value dropped by 1% from RM545 per m³ in 2017 to RM539 per m³ last year due to tighter supplies in Sarawak. **(Table 2)**



The export volume of sawn-timber for 2018 decreased by 26% to 673 thousand m³ from 803 thousand m³. Similarly, the export value also dropped by 16% at RM673 million compared to RM803 million in 2017.

The Philippines, being the largest consumer of Sarawak's sawn-timber accounted for 123 thousand m³ worth RM220 million. This was followed by the Middle East at 92 thousand m³ or RM182 million and Thailand at 49 thousand m³ or RM67 million.

The export volume of the sawn-timber to the Philippines decreased by 29% compared to the previous year. Consumption by the Middle East and Thailand also decreased by 20% and 41% respectively.

The average FOB price of sawn timber rose by 14% from RM1,573 per m³ in 2017 to RM1,794 per m³ in 2018. **(Table 3)**

2018 saw a decrease in export volume of plywood by 18% to 1.4 million m³ from 1.7 million m³ in 2017. Similarly, the export value also dropped by 7% to RM3.0 billion from RM3.3 billion in 2017.

Japan remained as the top consumer of Sarawak's plywood with 990 thousand m³ worth RM2.2 billion. This was followed by the Middle East with 125 thousand m³ at RM200 million and Korea with 123 thousand m³ at RM261 million.

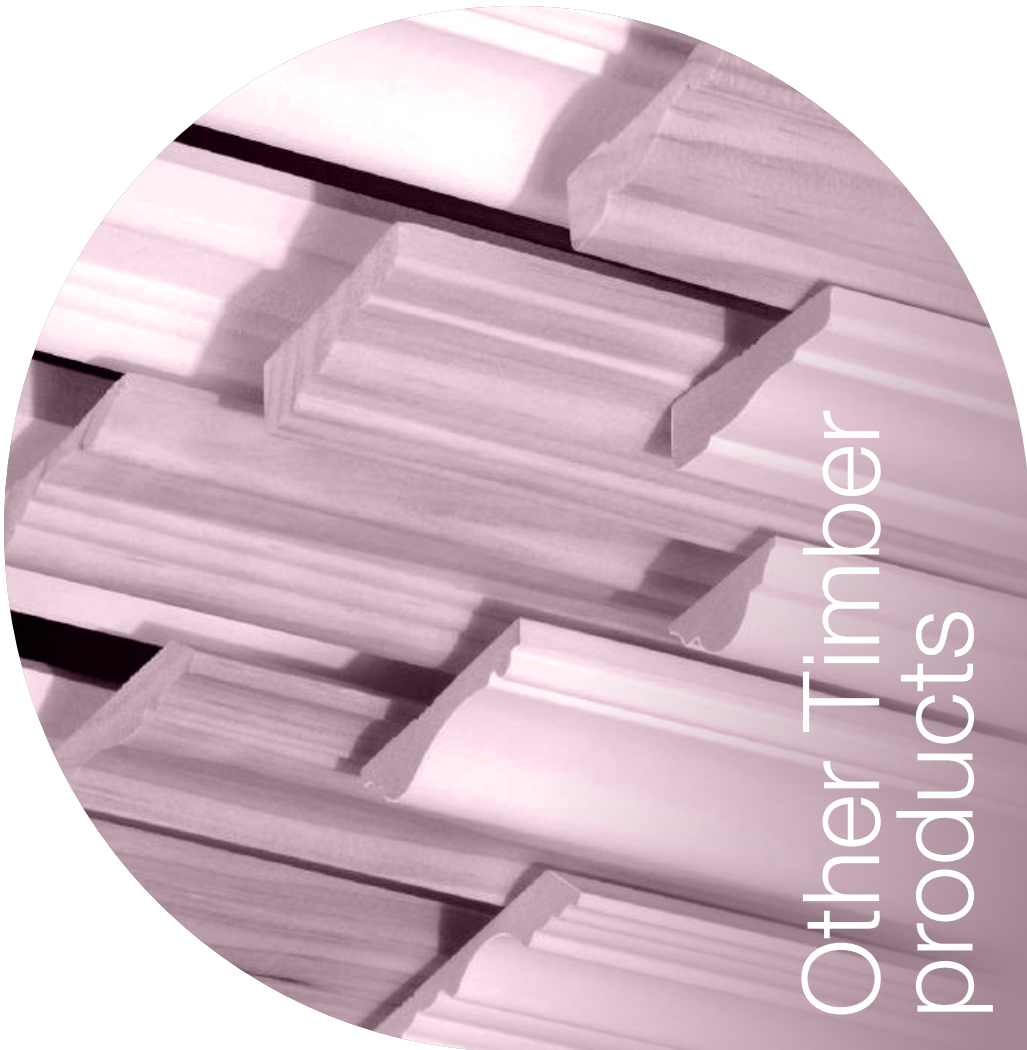
Export volume to Japan, the Middle East and Korea registered a decrease by 5.5%, 31% and 47% respectively compared to the previous year.

The average price FOB of plywood for 2018 was higher by 13% to RM2,127 from RM1,885 in 2017.

(Table 4)

Plywood





Other Timber products

Other timber products were veneer, dowels, mouldings, particle board, fibreboard, block board, laminated board/ flooring, woodchip and others as mentioned in Table 1. These products contributed RM961 million and 14% of the overall export value of logs and timber products in 2018.

The export volume of particle board, veneer, block board and dowel decreased by 16%, 20%, 23% and 50% respectively.

The export volume of moulding, woodchip, fibre board and laminated board/flooring, however, increased by 96%, 73%, 8% and 7% respectively in 2018 compared to the previous year. **(Table 5, 6, 7, 8, 9 & 10)**

The top export markets for Sarawak's timber and timber products in 2018 were Japan (RM2.69 billion), India (RM545 million), Korea (RM424 million), the Middle East (RM385 million) Taiwan (RM 538 million) and ASEAN countries including Thailand, Philippines, Indonesia and Vietnam at RM666 million.

Timber production from natural forests continued to show a downward trend, with 4.7 million m³ in 2018 compared with 10 million m³ in 2010. This trend is forecasted to continue to the level of 1.7 million m³ by 2030. To ensure sufficient raw materials for downstream activities in the future, Sarawak aims to establish one million hectares of planted forests by 2025 which could produce 15-20 million m³ of logs annually.

To sustain the industry, there is a need for industry players to invest in high technology to produce value-added timber products.



Conclusion

TABLE 1
EXPORT SUMMARY OF TIMBER AND TIMBER PRODUCTS FROM SARAWAK

PRODUCTS	2018 ^p January - December			2017 ^a January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
LOG	1,418,743	773,448	14.21	2,238,278	1,208,083	19.71	(36.61)	(35.98)
SAWNTIMBER	375,106	672,958	12.37	510,282	802,847	13.10	(26.49)	(16.18)
PLYWOOD	1,426,010	3,034,467	55.77	1,737,029	3,274,372	53.41	(17.91)	(7.33)
VENEER	92,151	154,230	2.83	115,472	174,369	2.84	(20.20)	(11.55)
LAMINATED BOARD / FLOORING	10,747	40,027	0.74	10,049	38,192	0.62	6.94	4.81
MOULDING	11,278	20,814	0.38	5,756	12,580	0.21	95.95	65.45
DOWEL	141	535	0.01	280	1,096	0.02	(49.52)	(51.20)
FIBREBOARD	186,641	322,454	5.93	173,488	307,980	5.02	7.58	4.70
BLOCKBOARD	2,355	3,095	0.06	3,067	4,083	0.07	(23.20)	(24.21)
PARTICLE BOARD	55,871	36,624	0.67	66,308	43,779	0.71	(15.74)	(16.34)
OTHER PRODUCTS*	176,001	201,802	3.71	110,683	144,485	2.36	59.01	39.67
OTHER PRODUCTS**[Units]	3,911,662	42,921	0.79	3,513,835	46,628	0.76	11.32	(7.95)
WOODCHIP [tonne]	317,215	138,025	2.54	182,840	72,074	1.18	73.49	91.50
TOTAL (m³) (RM)	3,755,045	5,441,401	100	4,970,693	6,130,569	100	(24.46)	(11.24)

***OTHER TIMBER PRODUCTS:**

- Briquette
- Charcoal
- Chopping board
- Core Plugs
- Densified wood
- Door & door frames
- Doorskin
- Finger jointed
- Lamin Board
- Laminated beam
- Laminated post
- Laminated Veneer Lumber (LVL)
- Railways sleepers
- Shuttering Board
- Wood Pellets
- Wooden Fence
- Wooden frames
- Wooden lattice
- Wooden handle
- Wooden panels
- Wooden stakes

****OTHER TIMBER PRODUCTS:**

- Furniture & Furniture parts
- Wooden pallets

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 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) : 2018 / 2017

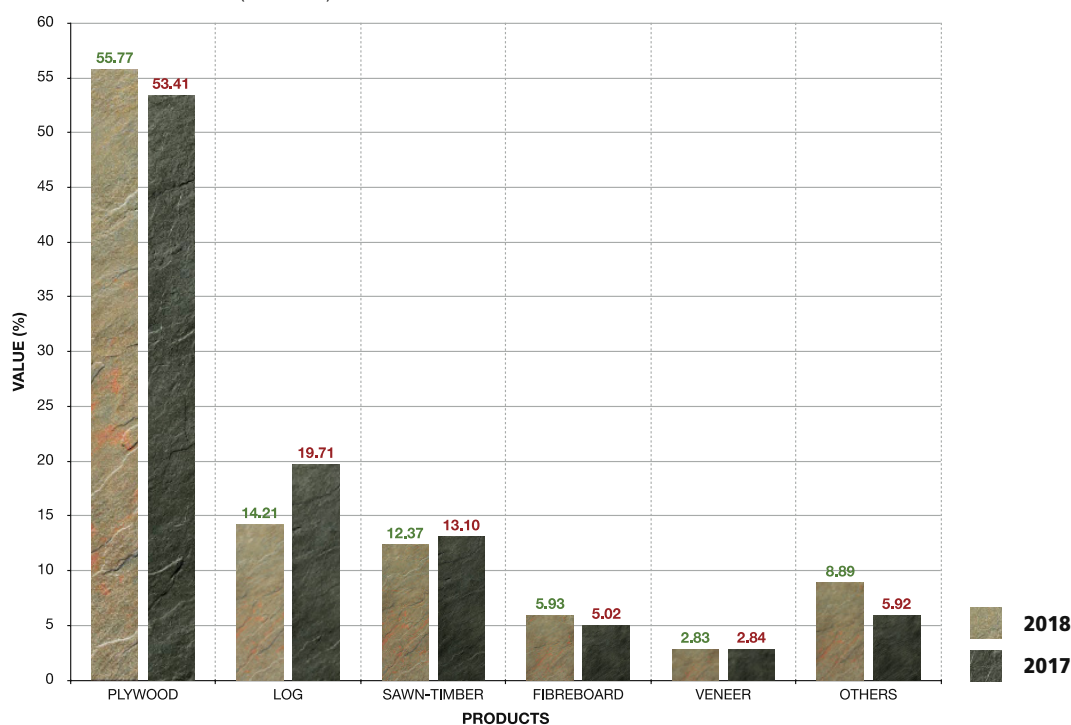


TABLE 2
EXPORT OF LOGS BY COUNTRY OF DESTINATIONS

DESTINATIONS	2018 ^p January - December			2017 ^a January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
INDONESIA	695,654	133,312	17.24	1,128,392	203,075	16.81	(38.35)	(34.35)
INDIA	541,615	487,292	63.00	858,665	799,850	66.21	(36.92)	(39.08)
TAIWAN	98,650	89,523	11.57	93,946	84,201	6.97	5.01	6.32
VIETNAM	36,163	21,591	2.79	81,273	56,727	4.70	(55.50)	(61.94)
JAPAN	33,970	31,928	4.13	40,543	40,456	3.35	(16.21)	(21.08)
CHINA	11,439	7,951	1.03	24,958	17,192	1.42	(54.17)	(53.75)
KOREA	1,253	1,851	0.24	10,474	6,535	0.54	(88.04)	(71.67)
OTHERS	-	-	-	27	48	0.00	(100.00)	(100.00)
TOTAL	1,418,743	773,448	100	2,238,278	1,208,083	100	(36.61)	(35.98)

***OTHER DESTINATIONS:**

- UNITED STATES

EXPORT VALUE (%) OF LOGS TO MAJOR DESTINATIONS

(RM'000) : 2018 / 2017

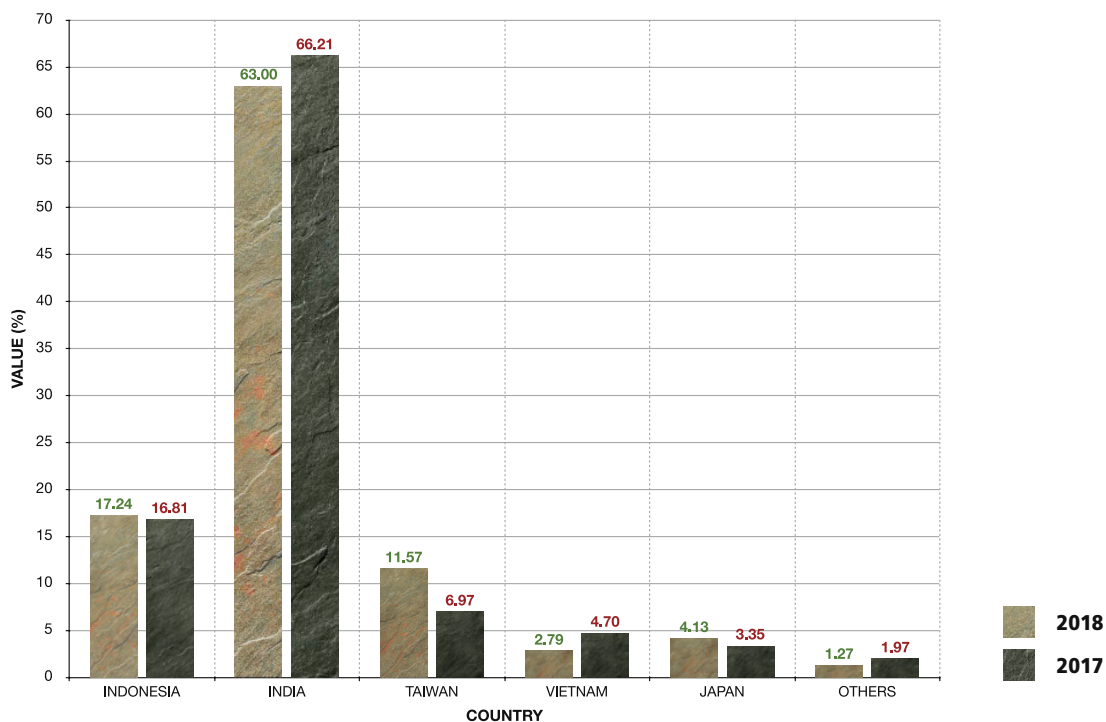


TABLE 3
EXPORT OF SAWN-TIMBER BY COUNTRY OF DESTINATIONS

DESTINATIONS	2018 ^p January - December			2017 ^a January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
PHILIPPINES	122,642	220,442	32.76	172,502	254,785	31.74	(28.90)	(13.48)
MIDDLE EAST	92,009	182,077	27.06	114,350	217,254	27.06	(19.54)	(16.19)
THAILAND	49,451	66,951	9.95	84,002	108,144	13.47	(41.13)	(38.09)
TAIWAN	44,144	76,518	11.37	53,967	69,751	8.69	(18.20)	9.70
KOREA	17,325	30,228	4.49	20,689	35,820	4.46	(16.26)	(15.61)
JAPAN	14,573	34,071	5.06	17,086	39,564	4.93	(14.71)	(13.88)
CHINA	12,463	14,681	2.18	16,366	19,995	2.49	(23.85)	(26.58)
SRI LANKA	5,059	10,677	1.59	5,813	12,527	1.56	(12.98)	(14.77)
INDIA	4,678	8,211	1.22	9,559	17,197	2.14	(51.07)	(52.25)
SOUTH AFRICA	3,759	7,054	1.05	2,618	5,041	0.63	43.59	39.94
OTHERS	9,003	22,047	3.28	13,328	22,769	2.84	(32.45)	(3.17)
TOTAL	375,106	672,958	100	510,282	802,847	100	(26.49)	(16.18)

***OTHER DESTINATIONS:**

- AUSTRALIA
- BRUNEI DARULSALAM
- EU
- HONG KONG
- MALAYSIA (Peninsular or Sabah-free zon)
- UNITED STATES
- MALDIVIES
- MAURITIUS
- PAKISTAN
- SEYCHELLES
- SINGAPORE
- REUNION
- VIETNAM

EXPORT VALUE (%) OF SAWN-TIMBER TO MAJOR DESTINATIONS

(RM'000) : 2018 / 2017

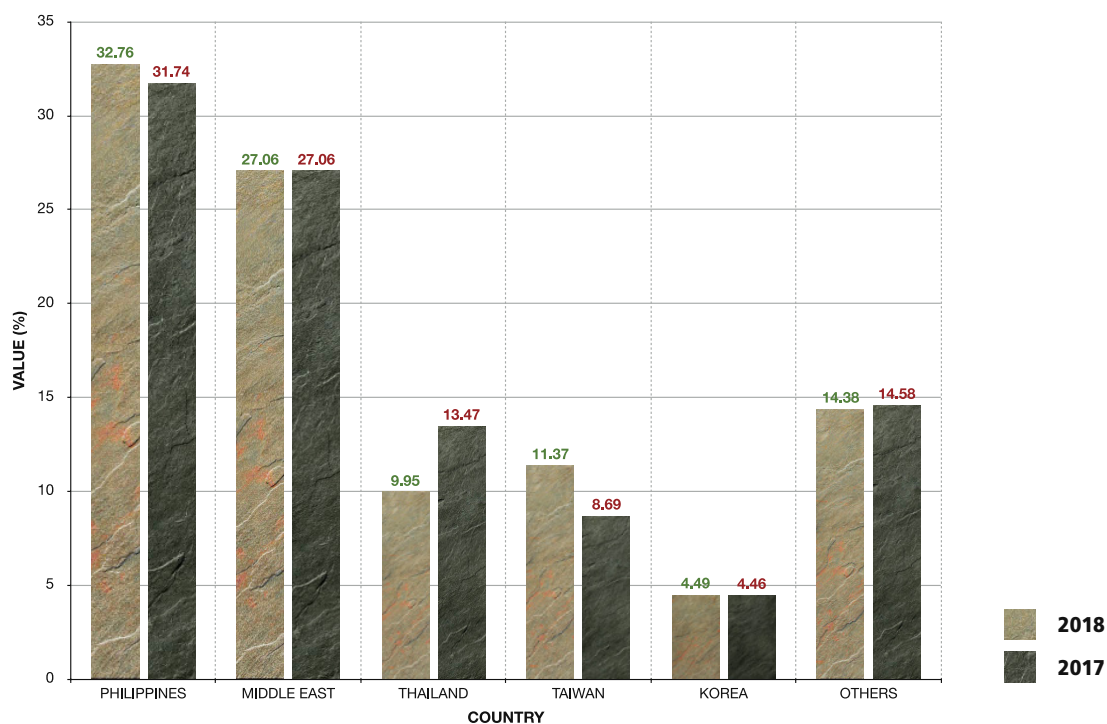


TABLE 4
EXPORT OF PLYWOOD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2018 ^a January - December			2017 ^a January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	990,413	2,171,796	71.57	1,047,744	2,089,080	63.80	(5.47)	3.96
MIDDLE EAST	124,944	199,965	6.59	179,947	278,424	8.50	(30.57)	(28.18)
KOREA	123,168	260,769	8.59	231,036	390,719	11.93	(46.69)	(33.26)
TAIWAN	75,487	134,167	4.42	128,191	207,497	6.34	(41.11)	(35.34)
UNITED STATES	27,690	77,013	2.54	22,578	46,355	1.42	22.64	66.14
CHINA	15,058	31,495	1.04	26,193	48,509	1.48	(42.51)	(35.07)
AUSTRALIA	12,309	31,484	1.04	14,440	36,107	1.10	(14.76)	(12.80)
INDIA	11,407	29,728	0.98	14,724	35,946	1.10	(22.53)	(17.30)
HONG KONG	9,204	19,954	0.66	25,406	47,412	1.45	(63.77)	(57.91)
VIETNAM	8,805	19,807	0.65	8,309	17,544	0.54	5.97	12.90
OTHERS	27,524	58,289	1.92	38,461	76,779	2.34	(28.44)	(24.08)
TOTAL	1,426,010	3,034,467	100	1,737,029	3,274,372	100	(17.91)	(7.33)

***OTHER DESTINATIONS:**

- BRUNEI DARUSSALAM
- BANGLADESH
- CANADA
- DJIBOUTI
- EGYPT
- EU
- FIJI
- INDONESIA
- MALAYSIA (Peninsular or Sabah-free zon)
- MALDIVES
- MEXICO
- NEW ZEALAND
- NORTHERN MARIA ISLAND
- PAKISTAN
- PAPUA NEW GUINEA
- PHILIPPINES
- PUERTO RICO
- SEYCHELLES
- SINGAPORE
- SOLOMON ISLANDS
- SOMALIA
- SOUTH AFRICA
- SRI LANKA
- SYRIAN ARAB REPUBLIC
- THAILAND
- TURKEY

EXPORT VALUE (%) OF PLYWOOD TO MAJOR DESTINATIONS

(RM'000) : 2018 / 2017

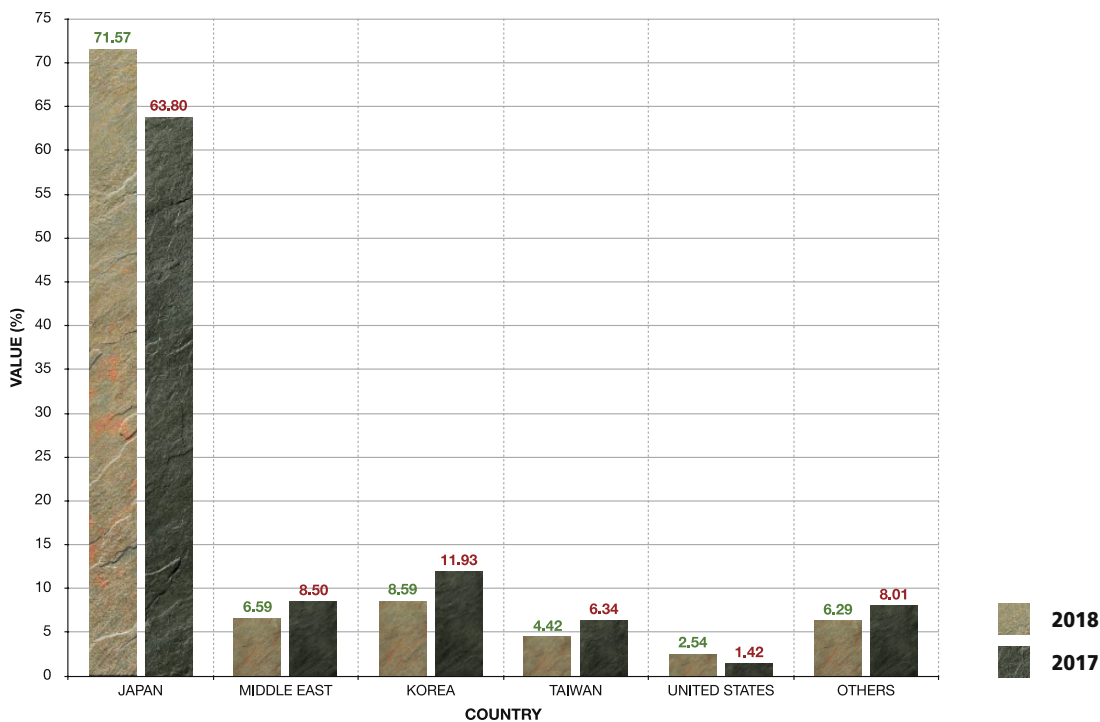


TABLE 5
EXPORT OF VENEER BY COUNTRY OF DESTINATIONS

DESTINATIONS	2018 ^a January - December			2017 ^a January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
KOREA	42,597	75,201	48.76	53,854	87,076	49.94	(20.90)	(13.64)
TAIWAN	30,592	45,928	29.78	47,818	61,870	35.48	(36.02)	(25.77)
CHINA	9,835	14,612	9.47	6,020	7,773	4.46	63.36	87.99
JAPAN	5,181	12,343	8.00	4,414	10,069	5.77	17.36	22.58
PHILIPPINES	3,218	3,500	2.27	1,631	2,009	1.15	97.26	74.19
OTHERS	728	2,646	1.72	1,734	5,572	3.20	(58.04)	(52.52)
TOTAL	92,151	154,230	100	115,472	174,369	100	(20.20)	(11.55)

***OTHER DESTINATIONS:**

- AUSTRALIA
- BRUNEI DARUSSALAM

EXPORT VALUE (%) OF VENEER TO MAJOR DESTINATIONS

(RM'000) : 2018 / 2017

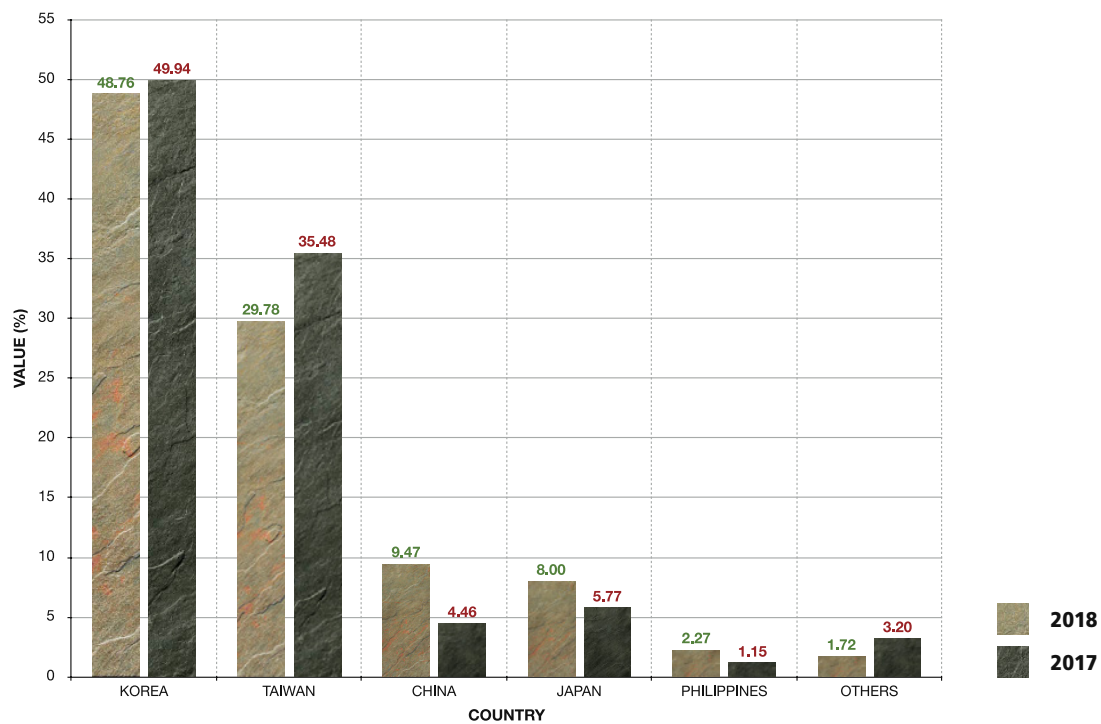


TABLE 6
EXPORT OF LAMINATED BOARD/FLOORING BY COUNTRY OF DESTINATIONS

DESTINATIONS	2018 ^P January - December			2017 ^A January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
UNITED STATES	4,938	20,696	51.70	4,201	18,624	48.76	17.54	11.13
VIETNAM	3,387	11,748	29.35	2,809	10,925	28.60	20.55	7.54
TAIWAN	976	2,847	7.11	1,315	3,350	8.77	(25.80)	(15.00)
INDONESIA	371	1,203	3.00	667	1,951	5.11	(44.30)	(38.35)
EU	307	1,273	3.18	68	275	0.72	350.00	362.24
BRUNEI DARUSSALAM	172	668	1.67	255	845	2.21	(32.58)	(21.00)
MIDDLE EAST	143	361	0.90	115	235	0.61	24.53	53.64
KOREA	127	306	0.76	354	857	2.24	(64.14)	(64.34)
SINGAPORE	108	211	0.53	100	290	0.76	8.20	(27.24)
INDIA	69	278	0.69	-	-	-	100.00	100.00
OTHERS	150	437	1.09	166	840	2.20	(9.81)	(47.97)
TOTAL	10,747	40,027	100	10,049	38,192	100	6.94	4.81

***OTHER DESTINATIONS:**

- AUSTRALIA
- BANGLADESH
- CHINA
- JAPAN
- MAURITIUS
- MYANMAR

EXPORT VALUE OF LAMINATED BOARD / FLOORING TO MAJOR DESTINATIONS
(RM'000) : 2018 / 2017

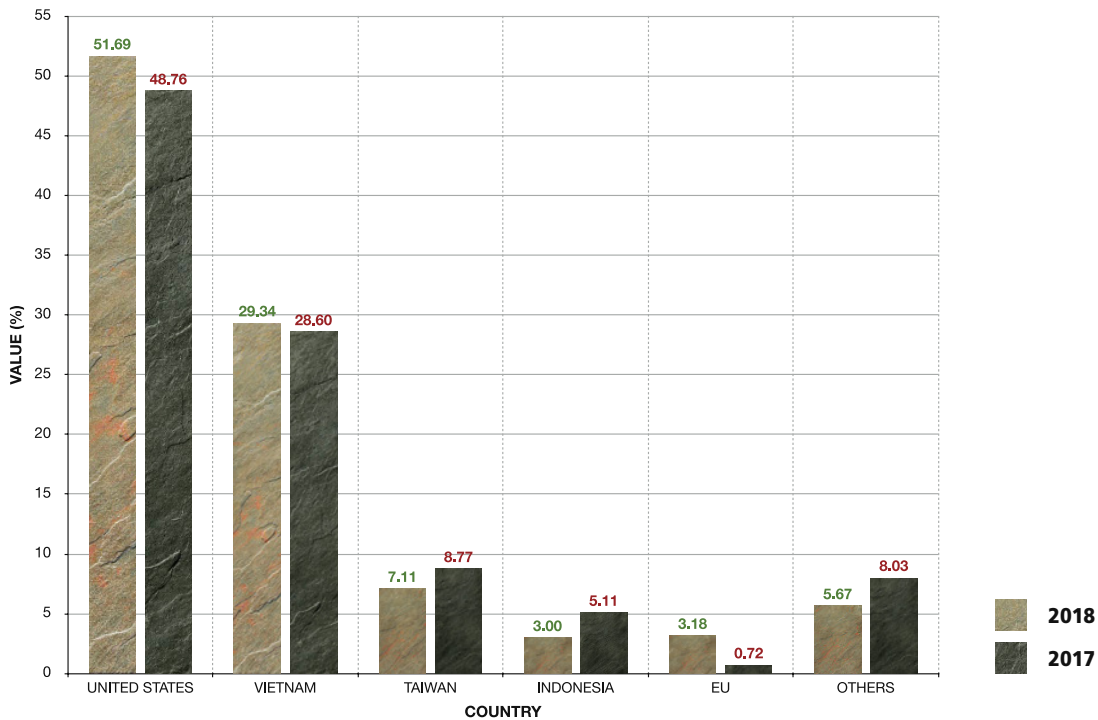


TABLE 7
EXPORT OF MOULDING BY COUNTRY OF DESTINATIONS

DESTINATIONS	2018 ^p January - December			2017 ^a January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
KOREA	4,089	7,548	36.26	435	1,085	8.63	840.77	595.51
JAPAN	3,512	7,884	37.88	3,432	8,354	66.41	2.33	(5.63)
CHINA	2,733	2,687	12.91	1,286	1,282	10.19	112.57	109.58
TAIWAN	361	555	2.67	52	94	0.74	587.48	493.23
SOUTH AFRICA	206	795	3.82	120	388	3.08	72.19	105.10
MALDIVES	120	542	2.60	-	-	-	100.00	100.00
UNITED STATES	117	278	1.33	305	869	6.91	(61.52)	(68.04)
OTHERS	140	525	2.52	127	507,791	4.04	11.00	3.40
TOTAL	11,278	20,814	100	5,756	12,580	100	95.95	65.45

***OTHER DESTINATIONS:**

- AUSTRALIA
- HONG KONG
- EU
- SEYCHELLES
- MAURITIUS

EXPORT VALUE OF MOULDING TO MAJOR DESTINATIONS

(RM'000) : 2018 / 2017

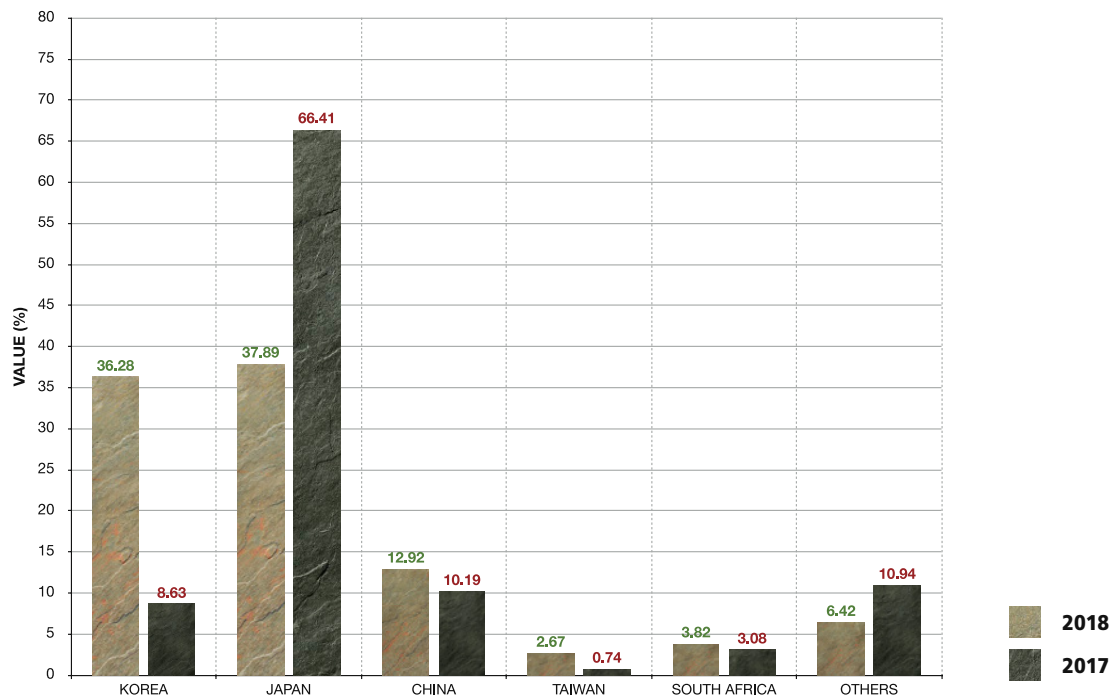


TABLE 8
EXPORT OF DOWEL BY COUNTRY OF DESTINATIONS

DESTINATIONS	2018 ^P January - December			2017 ^a January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
SOUTH AFRICA	133	499	93.35	151	538	49.09	(12.19)	(7.20)
EU	9	36	6.65	9	71	6.47	(8.21)	(49.85)
INDIA	-	-	-	45	114	10.43	(100.00)	(100.00)
JAPAN	-	-	-	3	15	1.41	(100.00)	(100.00)
UNITED STATES	-	-	-	72	357	32.59	(100.00)	(100.00)
TOTAL	141	535	100	280	1,096	100	(49.52)	(51.20)

EXPORT VALUE OF DOWEL TO MAJOR DESTINATIONS
(RM'000) : 2018 / 2017

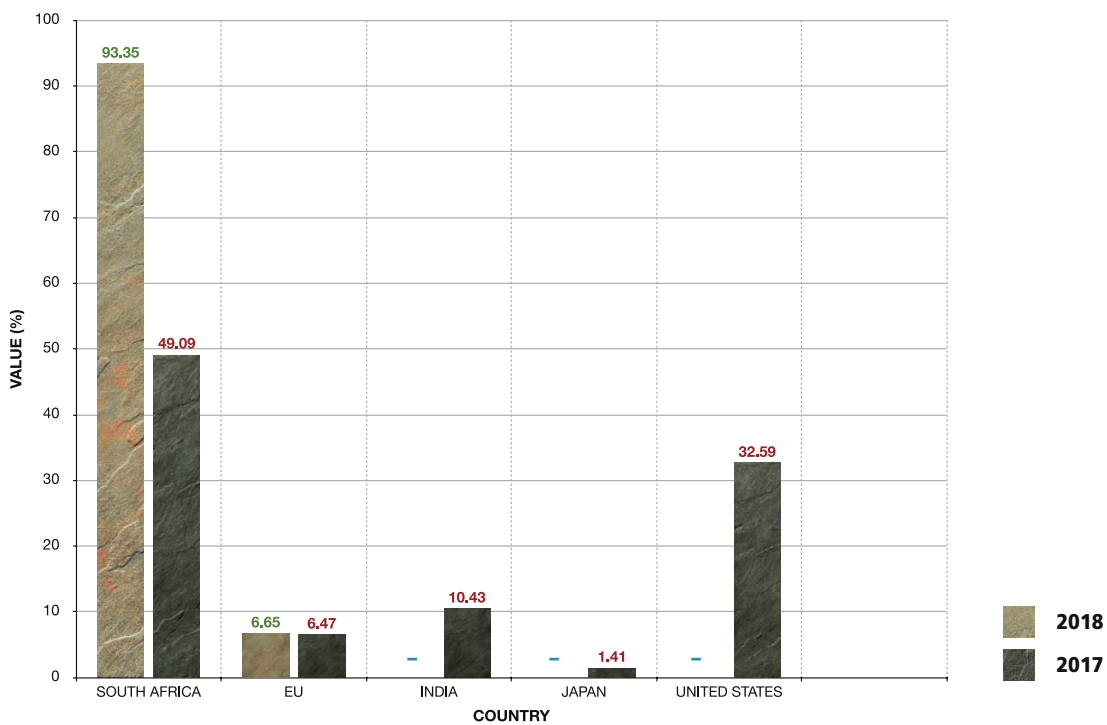


TABLE 9
EXPORT OF FIBREBOARD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2018 ^P January - December			2017 ^a January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	145,601	250,370	77.64	135,985	244,796	79.48	7.07	2.28
PHILIPPINES	20,555	37,717	11.70	12,418	18,945	6.15	65.53	99.09
INDONESIA	8,382	11,840	3.67	7,857	12,364	4.01	6.68	(4.24)
VIETNAM	6,047	12,148	3.77	6,395	12,418	4.03	(5.45)	(2.18)
KOREA	2,633	4,565	1.42	4,596	8,382	2.72	(42.72)	(45.54)
TAIWAN	2,590	4,827	1.50	2,514	4,523	1.47	3.03	6.73
INDIA	592	793	0.25	1,734	2,159	0.70	(65.87)	(63.26)
OTHERS	242	194	0.06	1,989	4,393	1.43	(87.83)	(95.58)
TOTAL	186,641	322,454	100	173,488	307,980	100	7.58	4.70

***OTHER DESTINATIONS:**

- BRUNEI DARUSSALAM
- EU
- PAKISTAN
- SOUTH AFRICA
- THAILAND

EXPORT VALUE OF FIBREBOARD TO MAJOR DESTINATIONS

(RM'000) : 2018 / 2017

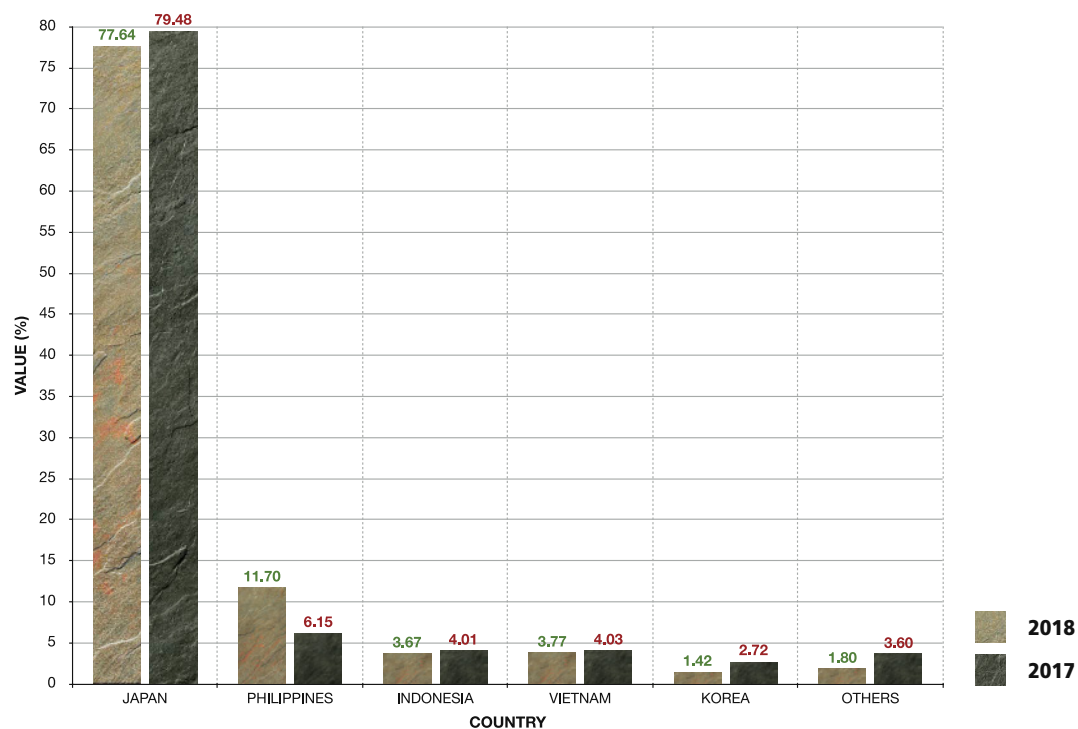


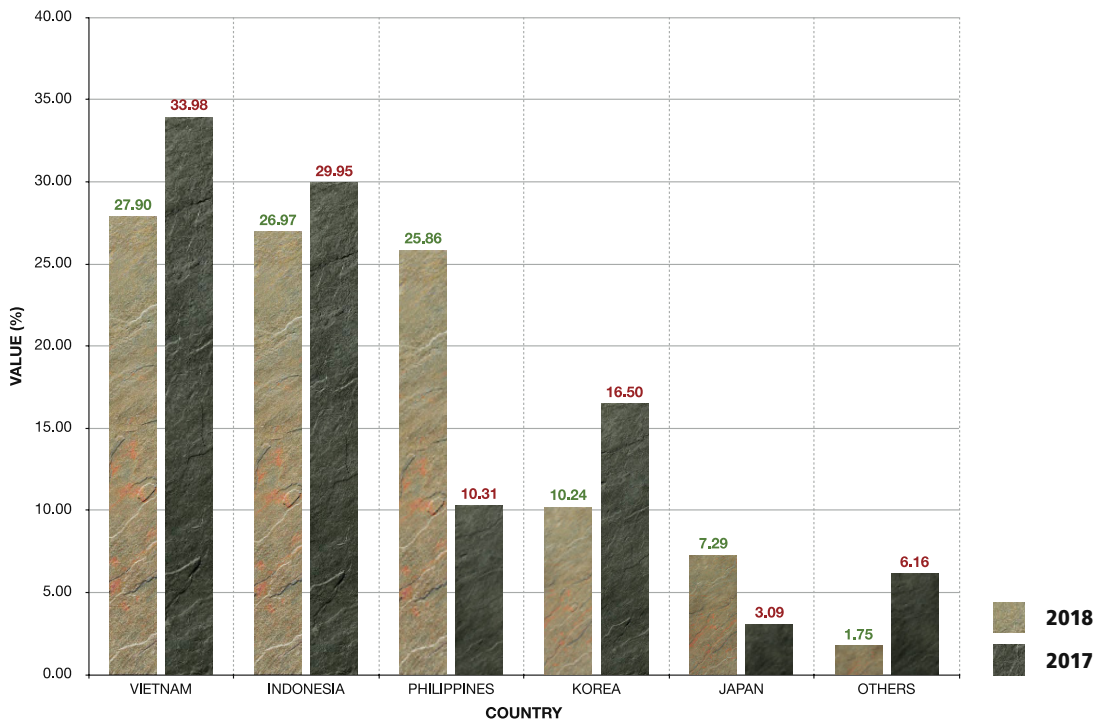
TABLE 10
EXPORT OF PARTICLE BOARD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2018 ^p January - December			2017 ^a January - December			% Change 2018 / 2017	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
VIETNAM	16,506	10,217	27.90	22,494	14,877	33.98	(26.62)	(31.32)
INDONESIA	16,014	9,877	26.97	20,047	13,111	29.95	(20.12)	(24.67)
PHILIPPINES	13,076	9,471	25.86	7,223	4,515	10.31	81.02	109.78
KOREA	5,486	3,750	10.24	10,143	7,225	16.50	(45.91)	(48.10)
JAPAN	3,711	2,669	7.29	2,036	1,355	3.09	82.25	97.05
BANGLADESH	1,006	588	1.61	2,507	1,510	3.45	(59.87)	(61.05)
NEW ZEALAND	43	29	0.08	-	-	-	100.00	100.00
OTHERS	29	23	0.06	1,857	1,187	2.71	(98.42)	(98.08)
TOTAL	55,871	36,624	100	66,308	43,779	100	(15.74)	(16.34)

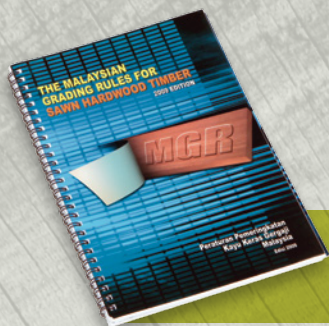
***OTHER DESTINATIONS:**

- BRUNEI DARUSSALAM
- CHINA
- INDIA
- MIDDLE EAST
- SINGAPORE
- SRI LANKA
- TAIWAN

EXPORT VALUE OF PARTICLE BOARD TO MAJOR DESTINATIONS
(RM'000) : 2018 / 2017



Publication Items FOR SALE



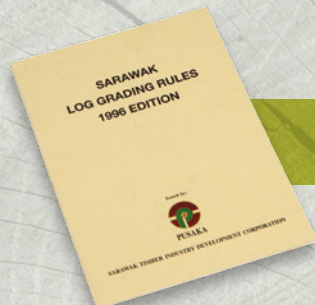
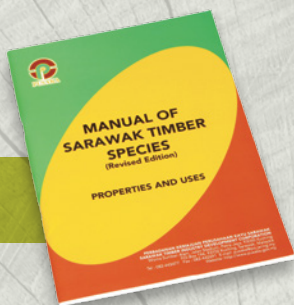
RM 25
The Malaysian Grading Rules For Sawn Hardwood Timber (English) (2009 Edition)

RM 25
Commercial Timber Species Of Sarawak (a set of 3)



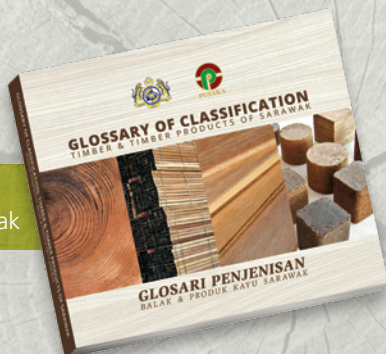
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Sarawak Timber Industry Directory (2015/2016)

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Manual Of Sarawak Timber Species (Revised Edition)



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RM 200
Glossary Of Classification Timber & Timber Products Of Sarawak



RM 40
Timber Sample Box (English Description)

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- Commercial Timber Species Of Sarawak (a set of 3) (English)
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- Sarawak Log Grading Rules (English)
- Timber Sample Box (English Description)

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WOOD CARVING is a tradition and living legacy of the people of Sarawak reflecting the diversity of cultural experiences and moods. It is a tradition that has brought to light the resourcefulness and skills of our people since time immemorial. Wood carving depicts a continuous evolution of man and his forest environment, working towards its esteemed goals of harmony and excellence.

The wood carving training programme conducted by STIDC serves to impart and develop carving skills amongst the younger generation to preserve and nurture this priceless cultural heritage.



PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK
Sarawak Timber Industry Development Corporation (STIDC)

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