

MALAYSIA: TIMBER INDUSTRY

The Malaysian timber industry retracted in 2007 amidst intense global competition, rising fuel prices and raw material constraint. Malaysia's export of timber products recorded a figure of RM 22.7 billion, down 3.7% over 2006's earnings of RM 23.3 billion mainly caused by the global effect of the US subprime mortgage global crisis.

Wooden furniture continues to be the leading export item with RM 6.7 b or 29.3% of total timber based exports in 2007, followed by plywood with RM 6.3 b or 27.6% and sawn timber with RM 3.2b or 13.9%.

Logs contributed RM 2.1 billion while MDF and Builders' Carpentry and Joinery each contributed RM 1 b respectively.

Japan, USA and Korea remains the main export markets for our timber products.

Export of logs fell in 2007 by 6.6% to RM 2.1b. India remained the largest market for Malaysian logs which grew by 13.3% to RM 784.7 million in 2007. Although China and Japan continues to be major importers of Malaysian logs after India, the slow down in the housing and commercial sector reflected the decline in demand from these two countries.

Malaysia's export of sawn timber weakened in 2007 by 3.6% to RM 3.2b compared to 2006. Thailand, Netherlands and Japan are the biggest export markets for Malaysian sawn timber.

In 2007, Malaysia ranked within the top 10 furniture exporters in the world with USA remaining as the largest single market for Malaysian wooden furniture. Total exports amounted to RM 6.7b in 2007 and future exports to USA is expected to come under pressure again due to its subprime mortgage crisis.

On the local front, the building and construction industry is bogged down by high (and rising) cost of building materials. The situation is also aggravated by the rising demand for building and construction materials, including timber, in emerging economies such as China and India.

For this reason, private property launches are expected to decline in 2008 more so for the medium-cost mass-market residential properties which saw a build-up in over-capacity in recent years.

However, projects by the Government under its 9th Malaysian plan may not be much effected because of its commitment to build low and medium-cost housing.

Statistics- Export of major timber products by Malaysia 2007

Product	FOB Value RM million
Logs	2,112
Sawntimber	3,160
Sleepers	19
Veneer	390
Mouldings	915
Chipboard/Particle board	365
Fibreboard	1,181
Plywood	6,274
Wooden Frame	132
Builders joinery & carpentry	1,018
Wooden Furniture	6,665
Rattan Furniture	50
Other timber products	483
Total	22,764

Some useful contacts:

MINISTRY OF PLANTATION INDUSTRIES & COMMODITIES

Level 6-13, Lot 2G4, Presint 2
Pusat Pentadbiran Kerajaan Persekutuan
62654 Putrajaya
Tel: 03-8880.3300 Fax:03-8880.3341
Website: www.kppk.gov.my

MALAYSIAN TIMBER INDUSTRY BOARD (MTIB)

Level 13-17, Menara PGRM
8, Jalan Pudu Ulu
56100 Cheras
Tel : 03-9282.2235 Fax :03-9285.1477
Website : www.mtc.com.my

MALAYSIAN TIMBER COUNCIL (MTC)

18th Floor, Menara PGRM
8, Jalan Pudu Ulu
56100 Cheras
Tel: 03-9281.1999 Fax:03-9281.8999
Website : www.mtc.gov.my

Trade Fairs

MALAYSIAN INTERNATIONAL FURNITURE FAIR 2009

MIFF 2009
March 3-7, 2009
Venue : Putra World Trade Centre and Matrade Exhibition & Convention Centre
Organiser:
MIFF SDN BHD
99-1, Villa Shoplex Pudu Impian III
Jalan Pudu Ulu
Cheras
56100 Kuala Lumpur.
Tel : 03-9282.2888 Fax :03-9286.1551
Website : www.miff.com.my