Understanding MTIB'S role and objectives

Established on 1 June 1973 by an Act of Parliament (Act 105), the Malaysian Timber Industry Board (MTIB) is a statutory body accredited to the Ministry of Plantation Industries and Commodities. It is the principal government agency tasked with the development of a competitive timber industry. To this end, MTIB is organised as 10 operating divisions, including Trade Development, Industry Development and Research, Strategic Planning & Corporate Affairs and Forest Plantation, with the mission to enhance the sustainable growth of the Malaysian timber industry through the provision of a conducive environment and continuous extension of quality services.

Use of timber in construction.
Photo Credit: Meritus Pelangi Beach Resort & Spa
Photographer: Pete Wong, www.awarna.com

Dr Jalaluddin Harun.

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INTERVIEW WITH DR JALALUDDIN HARUN DIRECTOR GENERAL MALAYSIAN TIMBER INDUSTRY BOARD

In a recent interview with Dr Jalaluddin Harun, Director General, Malaysian Timber Industry Board (MTIB), B&I explored a variety of issues including the Board’s current activities, the domestic timber market, the development in timber engineering and timber in IBS applications

B&I: By way of introduction to B&I readers, what are the key functions and/or responsibilities of the Malaysian Timber Industry Board as a regulatory body for the timber industry?

MTIB: MTIB is responsible for initiating the development of the various sectors of the timber industry and providing technical, marketing and other forms of assistance to ensure the industry’s continued growth within a rapidly industrialising Malaysian economy.

As specifically provided by the Act, MTIB’s functions include: regulating, promoting, improving and controlling trade and the marketing and distribution of timber; co-ordinating effective marketing and shipping activities; encouraging effective utilisation of timber, with emphasis on product diversification and upgrading of timber processing; extending technical advisory services and training to assist in the development and establishment of existing and new timber industries; helping to consolidate SMEs and effective integration of timber industries and affect appropriate technology transfer for greater efficiency within the timber industry as a whole, and gathering information on and maintaining records of all relevant matters relating to the timber industry.

MTIB, in carrying out its functions, is empowered to: negotiate agreements and arrangements considered fit and necessary for carrying out its functions for the promotion of the overall interests of the timber trade and industry; undertake marketing activities on behalf of the SMEs; set and maintain establishment that the Board considers necessary in the discharge of its functions; prescribe registration application procedures, the conditions and/or restrictions imposed and the form(s) of the certificate to be issued upon registration; and provide for the maintenance of appropriate standards of conduct in the timber trade and for dealing with violations and infringements of such standards.

B&I: With the exception of plywood, as finished products, the larger proportion in volume of exported Malaysian timber is

in the form of logs and sawntimber as raw materials. Is this a straight-forward supply and demand scenario or does it suggest that there is not enough downstream activities, ie manufacturing and processing, to convert these raw materials into value-added products for export?

MTIB: If you are familiar with NATIP (National Timber Industry Policy), you will note that currently the export of commodities (logs, sawntimber, MDF and particleboard) is weighted against value-added products (furniture, etc) in 60:40 ratio. Firstly, this is mainly due to market forces and, secondly, to the different stages in development of the timber industry in the three regions of Malaysia, namely, Peninsula, Sabah and Sarawak. Value-added processing activities are more advanced in the Peninsula as compared to Sabah and Sarawak where these are confined mainly to sawntimber and plywood. As a result, export of logs has long been prohibited in Peninsular Malaysia but is still allowed in the case of Sarawak. Towards this end, the Government is actively promoting value-added processing in the two states.

NATIP, launched in 2009, is a concerted 10-year plan to reverse, by 2020, the 60:40 export ratio mentioned earlier to 40:60 or better, in favour of high value-added products. The target export value for 2020 is RM53 billion which represents an annual growth of 6.4 per cent. The success of the plan will depend on multi-dimensional factors each of which is to be in consonant with the other.

Firstly, we must ensure that our industry is well-equipped, meaning that raw materials must be sustainable and available in the country, without having to increase production rate in the forest. In this regard, we are focusing on re-plantation and cultivation or reforestation so as not to depend wholly on natural forests for supply of raw materials. The third dimension is that we must be ready with technology, for processing of new products, with Italy, the world's top furniture exporter, as our benchmark. We need to develop the capacity for large-scale mechanised or automated operations, for moving up the ladder from OEM to ODM. Also, the issue of human capital; the industry cannot continue being labour-intensive, relying on imports which currently form 55 to 60 per cent of the workforce, because we lack local labour. At the same time, we have to ensure that our R&D sector is dedicated and geared towards creating new high value-added products.

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Timber framing system model - IBS timber components.

B&I: Given that there is to be a consonant and unilateral move by all quarters, we see two stumbling blocks, namely, acquiring the technology and developing the human resources. How are these to be achieved?

MTIB: The simplest way to acquire technology is to import it and the more difficult is to develop our own, both of which come with costs. Perhaps a lesson can be learned from post-war Japan when their nationals were sent to USA, Europe and the UK. They returned with technical knowledge, rather than degrees and doctorates which they subsequently improvised and improved on. In value-added processing, we are emulating Italy but the pace is not fast enough. We must intelligently and quickly apply and develop what has been learnt and innovate for higher value to generate more revenue, in line with the PM's call. Thinking outside the box is crucial to survival, as in the case of a Kulim-based furniture manufacturer we visited, where by innovating on equipment for drilling holes, they were able to reduce manpower from 10 to just one.

B&I: At the National Conference on Timber Engineering 2009, you alluded to "the challenges faced by the timber sector as a result of inroads made by alternative materials such as steel, concrete and PVC into some applications which had been the domain of timber"; hence the need for "new engineered products". What are some of these challenges that have drawn MTIB's attention?

MTIB: The use of timber in the domestic market is approximate RM7.6 billion annually, the largest consumer being the housing and construction sector with sawntimber as the main product. In recent years, we have noted higher-priced steel and/or aluminium making inroads into the domain of timber, eg for roof trusses; the perception being that these materials are "simpler"

to install and are more predictable in terms of durability.

The reasons for the declining use of timber in the domestic market include lack of information and technical know-how amongst specifiers, and end-users, such as architects and building contractors or even project supervisors and inspectors, leading to the use of poor quality timber or wrong choices, ie, under-sized, under-treated and poor workmanship.

Inadequate supervision on quality assurance is also a major complaint which has been addressed (particularly in the aftermath of JKR's suspension of timber for prefabricated roof trusses) by the introduction of a Quality Assessment Scheme (QAS) that provides a comprehensive and systematic guideline for consistent quality and standard of pre-fabricated timber roof trusses supplied to the construction industry.

Another aspect is specifiers of today, especially the younger generation, are also concerned about the sustainability of the resource. As a result, timber is often seen in a negative light.

Timber, therefore, has to be positively projected to specifiers, end-users, people of authority like JKR and the public, in terms of its structural reliability, environmental-friendliness, diverse applications and other advantages – this is where the challenge lies. There are 2,650 timber species of different properties, density and strength groups (seven of them) therefore, not surprisingly, timber is often misunderstood for want of knowledge. Beyond the few familiar species like "Merbau", "Meranti", "Chengal" and "Keruing", people have no clue as to "Keledang" or "Kelat" which we intend to introduce and, most importantly, promote their properties and uses. Another area of interest to MTIB is the feasibility of producing sawntimber from the stem of oil palm of which 60 million hectares are under plantation.

B&I: Is timber engineering being promoted by MTIB as the emerging trend, the way to go in the future, for the timber industry or being encouraged, for now, to stave off the threat posed by alternative materials?

MTIB: With the availability of new technology, the timber industry has successfully introduced a whole range of engineered materials and components which have proven to be highly competitive building products. Engineered timber products such as glue-laminated timber (glulam) and laminated veneer lumber (LVL) are excellent materials for structural applications and, with architecturally-pleasing features, they are readily used for building hotels, swimming pool areas, stadia and bridges in developed markets such as Europe, North America, Japan and Australia.

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Timber roof trusses.

Glulam is an extremely strong material and is preferred for almost every type of building since it offers several benefits and flexibilities for innovating timber designs such as for curved beams, portal frames, bridges, pillars, trusses, marine decking as well as other structural applications. Cost-wise, glulam timber beams are competitive compared with other structural materials and the lower weight of glulam system leads to savings on foundations, transport and erection.

We believe that bio-composite technology and timber engineering will be the engines for growth in the timber industry and efforts are being undertaken by MTIB to promote glulam as well as other engineered products to give the domestic construction industry a boost.

B&I: Yet another thought-provoking statement made by your goodself at the conference was that "Malaysia has been dependent for too long on exports that are produced cheaply" and that it is time "for us to build a new economy based on domestic growth and less dependent on the export market". Could you kindly elaborate on this and, more importantly, how can MTIB play a decisive role in shaping this change?

MTIB: The comment was made in the context of potential for the expansion of the domestic market, which has been under-

BIODATA: DR JALALUDDIN HARUN

From forestry studies at UPM to forest resources at Penn State USA, a Post-Graduate Diploma in Pulp and Paper Technology to a Doctorate in Wood Science, University of Wales, Prof Dr Jalaluddin Harun is unreservedly passionate about timber, and is exceptionally clued in to both its upstream and downstream activities, ie manufacturing and marketing. This stems from an illustrious career in the academics of timber, publishing more than 110 papers and presentations in national and international journals and conferences.

Specialising in the fields of bio-composites and pulp and paper technology, he has had more than 22 years experience in R&D and teaching at BSc and post-graduate levels has garnered a host of awards conferred him, including:

– Silver Medal for Injection Moulding of Oil Palm Fibre Reinforced Plastic Composite at International I-TEX Innovation and Exhibition 2007

– Gold Medal for Fibre Reinforced Plastic Composite (FRPC) from Oil Palm Fibre and Polypropylene Blend. UPM R&D Innovation and Invention Competition, August 2002 and

– Silver Medal for High Performance Security Paper from Kenaf Fibre. UPM R&D Innovation and Invention Competition, August 2002

Prior to his appointment as Director General of Malaysian Timber Industry Board in April 2009, Dr Jalaluddin held the office of Director, Institute of Tropical Forestry and Forest Products (INTROP), Universiti Putra Malaysia. He continues to serve his alma mater as Professor/Lecturer on the Faculty of Forestry and, at the same time, sits on the Council of Institute Directors (Jemaah Pengarah Institut) and Joint Council (Deans Council and Council of Institute Directors).

estimated and not to undermine the importance of exports. During the last decade, Malaysia has depended on exports and enjoyed success in international trade. However, the time is right for us now to focus on our domestic timber trade, especially in these uncertain times, in the belief that it too plays important roles in (a) contributing to the national economy and (b) cushioning Malaysia from global and/or regional recessions or downturns. In 1990's, only a small percentage of overall production of timber products was locally consumed. However, with rapid economic development and the increase in population and incomes, domestic timber demand has escalated, to RM7.6 billion in 2008.

In shaping this change, MTIB is now encouraging a paradigm shift towards the growth of the domestic market through intensive promotional activities such as advertisements in print media (magazines and newspapers), electronic media (TV commercial), outdoor advertisement (billboard and buses). The campaign, launched on 11 August 2009 by YB Dato' Hamzah Zainuddin, Deputy Minister of Plantation Industries and Commodities, is aimed at creating awareness among Malaysians and also to increase influence on domestic consumers to use Malaysian timber products for their homes and everyday life.

I do hope with these promotional activities being carried out by MTIB, the public will be more aware of and appreciate the quality, beauty and strength of Malaysian wood.

B&I: Finally, in MTIB's view, what do you reckon are the future prospects and potential for timber in IBS applications, particularly in the context of the Malaysian building construction industry?

MTIB: I am confident timber will be a promising material for IBS applications in the domestic market, if the right grades, species and properties of timber are successfully introduced and utilised.

For IBS timber applications, standardisation of timber components comprises (a) non-structural members, eg internal partitions, boards, flat sheets, finishes, openings (doors and windows), furniture and accessories, and (b) structural members including frame system, roofing system, flooring system and walling system, timber doors and windows. Starting from design stage of the house or building, architects and designers must adopt the standard sizes which can be made available by local manufacturers. Currently in Malaysia, this system is widely used in schools and low-cost housing projects.

A total of RM1.5 mil has been secured under the timber industry levy fund to carry out activities to encourage the use of timber IBS. For the record, MTIB is currently working closely with UPM in designing a model IBS house to be promoted to FELDA for their housing projects.

Finally, MTIB has prepared a roadmap for IBS timber to: (i) provide a strategic and structural framework for promotion of timber IBS; (ii) promote and encourage manufacture of IBS timber products; (iii) promote IBS-compliant products to developers, contractors, architects and engineers; (iv) establish vendor development programmes (VDP) for timber IBS, and the core activities stipulated in the roadmap that comprise: IBS training; promotion and marketing; IBS technology support and incentives; IBS verification, certification and testing. ■