

Headline **Our lamtec gaining wide usage in Germany**  
 Date **24 Dec 2009**  
 MediaTitle **Borneo Post**  
 Section **Business**  
 Journalist **N/A**  
 Frequency **Daily (EM)**  
 Circ / Read **57,529 / 166,173**

Language **English**  
 Page No **B1,13**  
 Article Size **369 cm<sup>2</sup>**  
 Color **Full Color**  
 ADValue **4,249**  
 PRValue **12,747**



# Our lamtec gaining wide usage in Germany

**Adrian Lim**

**KUCHING:** A locally registered trade mark for Malaysian wooden laminated scantlings, lamtec, has found wide-acceptance in the German market largely due to the efforts from a German window frame maker, PADO Elementebau GmbH.

According to the latest report published by International Tropical Timber Organisation (ITTO), the German manufacturer is using Malaysian local timber. It said the German window frame market was one of the few growth areas in an economic downturn.

The sector created consistent demand for Malaysian and Indonesian Meranti window scantlings but slightly high prices for the Asian hardwoods and limited availability meant that the actual volume of trade is currently low.

Meanwhile, it said lamtec, was the result of collaboration between the Malaysian Wood Industries Association (MWIA), Forest Research Institute of Malaysia (FRIM), Malaysian Timber Industry Board (MTIB) and Malaysian Timber Council (MTC).

Lamtec was reportedly gaining acceptance in other countries such as Austria and the US.

The Malaysian timbers used in the manufacture of lamtec are Meranti, Kasai, Bintangor and Gerutu.

On the other hand, Malaysia's export of timber and timber products dropped 18 per cent to RM13.95 billion for the first three quarters of 2009.

According to Malaysian Timber Industry Board

(MTIB) at the Industrialised Building System (IBS) seminar held in Kuala Lumpur recently, it said the decline affected the sawnwood, plywood and wooden furniture sectors.

On another front, Sarawak Meranti regular log prices on the Japanese markets were reported by the Japan Lumber Reports (JLR) at 6,200 to 6,300 yen.

It noted that small meranti log prices were hovering between 5,200 to 5,300 yen while Sabah kapur (floater) log prices were trading at about 8,900 yen. It observed that log harvest rates and transportation volumes in the producing countries were dropping drastically due to unfavourable weather conditions, which usually occurred at the time of the year.

In the meantime, importers are optimistic

◆ Turn to Page B13, Col 4

## Indonesia will focus on enforcing good governance

◆ From Page B1

that the situation will improve and water level in the rivers will be back to normal in a short time so that towing of logs downstream can continue.

It cited that the lower log availability has the effect of firming prices. ITTO noted that Sarawak Meranti regular log prices were US\$180 to 185 per cubic metre and small Meranti were selling at US\$140 to 145 whilst super small Meranti logs were sold at US\$125 to 130 per cubic metre. In addition, Sabah Kapur prices were trading at US\$225 to 230 per cubic metre.

The report added that prices have not increased much but grades which were in short supply were up US\$5 per cubic metre.

In neighbouring country, Indonesia will focus on enforcing good governance in forests management before signing the Voluntary Partnership Agreement (VPA).

It said Indonesia was reluctant to sign a voluntary accord aimed at stopping illegal harvested timber and timber products from entering the European Union (EU) market after three years of negotiations with the EU.

It also said the Indonesian authorities have decided to wait until they can assess the impact of the EU-Ghana VPA before making a decision to sign the accord. Besides that, EU is finalising a new regulation which is expected to be adopted in 2010.

This requires timber traders in the EU to implement procedures to transfer the risk of illegal timber being traded in the EU. Ironically, 2009 has been an important year for

Headline **Our lamtec gaining wide usage in Germany**  
 Date **24 Dec 2009**  
 MediaTitle **Borneo Post**  
 Section **Business**  
 Journalist **N/A**  
 Frequency **Daily (EM)**  
 Circ / Read **57,529 / 166,173**

Language **English**  
 Page No **B1,13**  
 Article Size **369 cm<sup>2</sup>**  
 Color **Full Color**  
 ADValue **4,249**  
 PRValue **12,747**

Myanmar teak. The report indicated that the recession in Western countries has influenced the teak trade.

The purchase of teak by certain markets have shown signs of weakening over the past few years. Interestingly, the huge domestic market for teak in India remained strong as teak was indigenous to India as customers there preferred teak as compared with other timber products.

On a positive note, timber traders in Myanmar expects the market to recover in the second quarter of 2010.

However, housing market in Japan was still fragile with total housing starts during October were 67,120 units which registered a decline of 27 per cent as compared with the corresponding period last year.

The JLR predicts that total year starts would be below 900,000 units adding that weak economy situation in Japan has shifted buyers for lower cost units while the average house floor space in October dropped 21 per cent against the previous year.

In the Africa region, trade analysts believed that the log export ban in Gabon, a country in west central

Africa appeared certain to come into effect from January 1, 2010.

The view has been formed on the basis of reports on various trade meetings with senior government officials rather than from official announcements.

The ITTO report also cited that no details have been issued by the government of Gabon and as a consequence, the timber industry remained pondering what business plans should be implemented.

It added that importers in the consumer countries were in a similar situation and will have to adapt very quickly to a changed trade flow where a large volume of logs will not be

The change in trade flow will affect materials handling businesses at the ports and will drastically impact shipping, especially existing time charters.

The report indicated that presently, there were insufficient capacity in Gabon to process the total allowable log harvest and this means logging capacity will be underutilised and there will be some loss of employment in the logging sector.

At the same time, trade

sources in Gabon believed that the government strategy was to seek expanded investment in non-timber sectors of the economy such as mining and agriculture.

It projected the expansion will absorb the workforce that will be displaced from the logging sector.

Speculation is rife that Gabon may be planning to access substantial financial benefits in carbon capture payments through the reduced emissions from deforestation and degradation (REDD) scheme that will assist to fund the new policy to develop the industries outside the timber sector.

This will assist to fund the new policy to develop the industries outside the timber sector.

Nevertheless, the period of November through to the end of January is normally a quiet time for global timber trade.

The report also noted that prices for wood products improved slightly during the third quarter of 2009 as compared with the first and second quarters.

Timber industry sources attributed the minor improvement to the ending of the recession in the major importing countries for instance Germany, France, the United Kingdom and the US.

Subsequently, there has been a significant improvement in prices of Dahoma sawnwood especially in the Middle East markets.

The Dahoma sawnwood prices improved from the previous quarter levels of between US\$290 per cubic metre and US\$310 per cubic metre to an average price of US\$350 per cubic metre during the quarter under review.

#### Sawnwood Prices

Malaysia Sawnwood, FOB	US\$ per m <sup>3</sup>
White Meranti A & up	280-310
Seraya Scantlings (75x125 KD)	433-446
Sepetir Boards	249-271
Sesendok 25,50mm	345-363
Kembang Semangkok	293-316

Malaysian Sawnwood, domestic	US\$ per m <sup>3</sup>
Balau (25&50mm, 100mm+)	325-345
Merbau	452-504
Kempas 50mmx(75, 100 & 125mm)	260-300
Rubberwood	
25x75x880mm up	202-252 ↑
50-75mm Sq.	243-275 ↑
>75mm Sq.	265-294 ↑

SAWNWOOD PRICES: A table shows the sawnwood produced in Malaysia and the prices are stated in US Dollar.

Headline	<b>Our lamtec gaining wide usage in Germany</b>	Language	<b>English</b>
Date	<b>24 Dec 2009</b>	Page No	<b>B1,13</b>
MediaTitle	<b>Borneo Post</b>	Article Size	<b>369 cm<sup>2</sup></b>
Section	<b>Business</b>	Color	<b>Full Color</b>
Journalist	<b>N/A</b>	ADValue	<b>4,249</b>
Frequency	<b>Daily (EM)</b>	PRValue	<b>12,747</b>
Circ / Read	<b>57,529 / 166,173</b>		

#### Log Prices

	US\$ per m <sup>3</sup>
Sarawak log. FOB	226-250
Meranti SQ up	210-241
Small	200-224
Super small	216-228
Keruing SQ up	192-222
Small	170-200
Super small	206-231
Kapur SQ up	180-217
Selangan Batu SQ up	

	US\$ per m <sup>3</sup>
Pen. Malaysia logs, domestic (SQ ex-log yard)	
DR Meranti	231-250
Balau	297-326
Merbau	323-355
Rubberwood	52-86
Keruing	214-230

Peninsular Malaysian meranti logs are top grade and are used for scantlings for the EU. Their prices are higher than Sarawak's.

LOG PRICES: A table shows the prices of log for Meranti, Keruing, Kapur and Selangan Batu in US Dollar whilst prices for Peninsular Malaysia were higher as they are top grade and are used for scantlings for the European Union (EU).