



Participants at the UMS regional seminar on engineered wood product-towards high-value addition yesterday.

Malaysia should focus on value-added downstream products – UMS

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KOTA KINABALU: It is vital for Malaysia to focus its development of the wood-based industry on the value-added downstream products to sustain in the market.

And it can be done with the support through the development of industry in an integrated manner, combining both manufacturing activities and research, as well as product design and market promotion.

Universiti Malaysia Sabah (UMS) vice chancellor Professor Datuk Seri Panglima Dr Kamaruzaman Ampon said this yesterday, stressing that it was important for the country to develop its wood-based industry due to the increasing competition from low-cost and resource-rich countries that would inevitably force Malaysia out of the low-end markets.

Speaking at the launching of the regional seminar on Engineered Wood Product: Towards High-Value Addition at the UMS' School of International Tropical Forestry near here, he added that timber industry is indispensable to the economic development of Malaysia and vital to the economic returns to the country.

"Facing stiff challenges

posed by the China downstream timber products, substitution of softwood logs for tropical hardwood logs and anti-dumping duties leveraged on Malaysia plywood in Korea, the Malaysian government aims at transforming the timber industry into the manufacture of high value-added products and services and poised to achieve export earnings of RM53 billion per year by 2020.

"A majority of it are derived from wooden and composite furniture products engineered wood and panel products," he said in his speech, read by UMS School of Science and Technology Dean, Professor Dr Harun Abdullah.

He said the wood-based industry had long been an important segment of Malaysia's dynamic manufacturing sector, the main driver of economic growth for the country.

"The industry has also played a significant role as an export earner," he pointed out.

According to the Index of Production Malaysia in May this year, the manufacturing output grew by 0.6 per cent compared to a similar period last year due to the positive growth recorded in the groups where timber products and

furniture are situated.

Kamaruzaman added that the Malaysian government expressed confidence in reaching the timber product export target of over RM20 billion for the year.

"The growth was also attributed to the structural transformation of the timber industry, shifting from primary to secondary processing complemented by the development of energized industrial clusters over the years," he said.

In addition, the country also grew from an exporter of unprocessed wood to wood furniture; panel woods such as plywood, fibreboard and chipboard; flooring and many more.

"And in line with the encouraging growth of the industry, the Federal Government has made an allocation of RM1 billion for a 15-year programme to plant high value timber trees by 2020," he said.

On the event, seven working papers were delivered which drew some 30 participants comprising government heads and industry players.

"We hope through the seminar, we will be able to foster closer rapport between the industry players and the relevant bodies," he said.