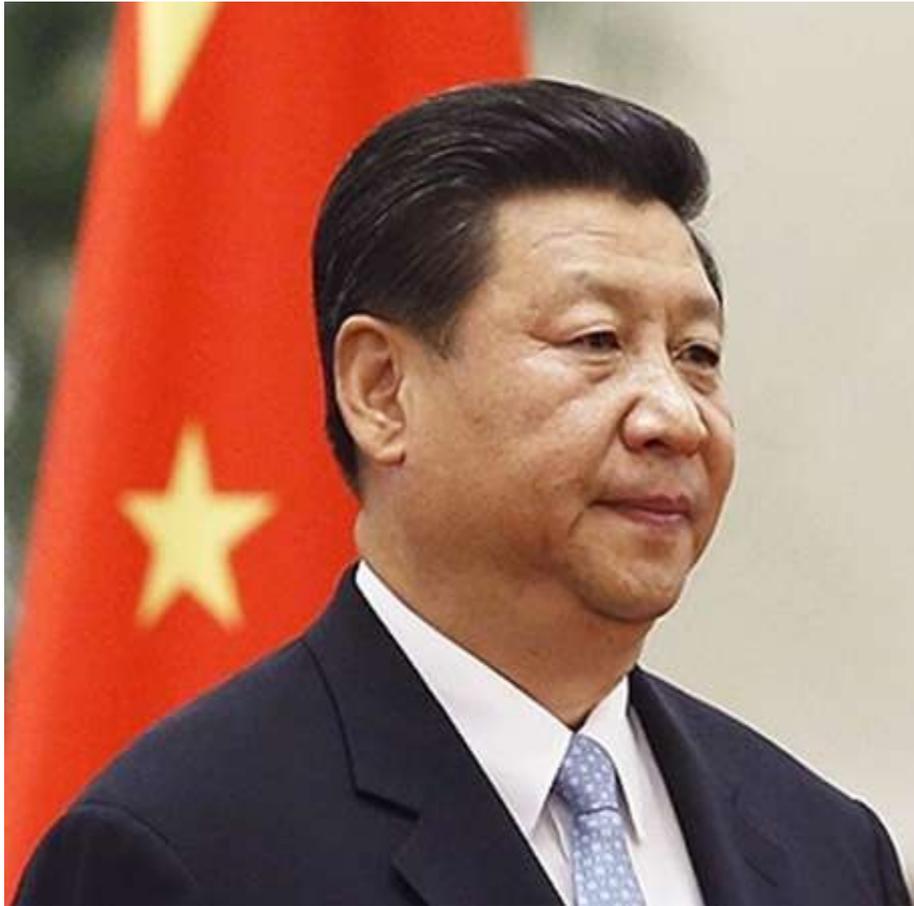


CHINA : CURRENT SITUATIONS



China's Leaders (2012-2022)



President Xi Jinping



Premier Li Keqiang

ECONOMIC PLAN

One Belt One Road (一帶一路)

Silk Road Economic Belt

21st Century Maritime Silk Road

The Belt and Road Initiative aims to promote connectivity in infrastructure, resources development, industrial co-operation, financial integration and other fields along the Belt and Road countries. These strategic objectives are also closely connected to the “**going out**” strategy of many Chinese businesses

ECONOMIC PLAN

Made in China 2025 (中国制造2025)

- Made in China to Created in China
- From speed to quality and from products to brands
- Innovation, product quality, green development, structural optimisation and human capital
- Strong by 2025, intermediate level by 2035 and world major manufacturing by 2049

Made in China 2025 (中国制造2025)

9 strategic tasks and priorities

- Improving the national innovation capability of the manufacturing industry
- Advancing the deep integration of informatisation and industrialisation
- Strengthening industrial foundations
- Ensuring quality and brand building
- Promoting green manufacturing
- Making breakthroughs in key sectors
- Pushing forward the restructuring of the manufacturing industry
- Developing service-oriented manufacturing and producer services
- Raising the level of internationalisation of China's manufacturing industry

Infrastructure

Asian Infrastructure Investment Bank

The bank was proposed by China in 2013 and the initiative launched at a ceremony in Beijing in October 2014. The Articles of Agreement (AOA) were signed by 50 Prospected Founding Members on 29 June 2015.

Registered Capital: USD100 billion

China 30.34%

Malaysia 0.07%

Internet+

TIMBER MARKET

The Chinese timber industry is currently re-adjusting itself and the highly developed coastal regions are fiercely competitive.

TIMBER MARKET

LOGS 2015

Products	Month	Export (Vol kg)	Export (Val USD)	Import (Vol kg)	Import (Val USD)
Logs	Jan	3,592,113	1,177,980	3,514,164,601	676,525,960
	Feb	-	-	2,173,849,989	469,173,648
	Mar	164,213	38,590	3,937,447,180	835,323,506
	Apr	-	-	3,851,993,674	818,253,748
	May	3,842,665	1,063,004	3,707,488,242	768,259,286

ALL KINDS OF LOGS

ROOTS



乾 qián 天

巽 xùn 风

坎 kǎn 水

艮 gèn 山

坤 kūn 地

震 zhèn 雷

离 lí 火

兑 duì 泽

TIMBER MARKET

SAWNTIMBER 2015

Products	Month	Export (Vol kg)	Export (Val USD)	Import (Vol kg)	Import (Val USD)
Sawntimber	Jan	12,454,958	21,441,003	1,397,664,276	676,525,960
	Feb	10,062,001	15,048,654	812,538,773	352,517,364
	Mar	8,356,380	12,021,549	1,470,300,977	683,618,460
	Apr	11,015,666	17,885,250	1,760,920,890	764,052,801
	May	12,435,500	21,105,476	1,666,749,890	714,345,589

RED HEAVY PRICE COMPETITIVE
CONSISTENT SUPPLY

TIMBER MARKET

VENEER 2015

Products	Month	Export (Vol kg)	Export (Val USD)	Import (Vol kg)	Import (Val USD)
Veneer	Jan	22,358,271	31,469,788	75,802,530	16,300,377
	Feb	14,818,812	22,025,979	28,237,034	6,572,227
	Mar	12,142,943	17,678,005	77,085,602	15,013,254
	Apr	18,762,362	27,070,949	89,320,216	16,753,826
	May	21,592,465	28,442,773	75,895,693	13,982,328

0.6 – 1.6 mm FOR PLYWOOD FACE

ENGINEERED VENEER

TIMBER MARKET MOULDINGS 2015

Products	Month	Export (Vol kg)	Export (Val USD)	Import (Vol kg)	Import (Val USD)
Mouldings	Jan	33,983,089	56,601,420	1,534,446	3,097,082
	Feb	24,147,855	39,156,799	853,860	1,725,633
	Mar	15,498,499	27,049,105	928,690	1,736,203
	Apr	31,081,888	62,480,121	2,284,125	4,490,721
	May	30,790,422	49,384,365	1,296,241	2,881,646

FOR RE-EXPORT

TIMBER MARKET

PARTICLEBOARD 2015

Products	Month	Export (Vol kg)	Export (Val USD)	Import (Vol kg)	Import (Val USD)
Particleboard	Jan	19,970,689	14,833,765	35,724,027	11,670,769
	Feb	13,134,945	9,228,984	11,625,126	3,860,939
	Mar	7,669,634	4,009,968	31,276,652	11,628,717
	Apr	13,464,586	8,896,808	38,429,591	12,676,753
	May	14,179,429	9,490,507	24,287,120	8,141,105

CABINET

FURNITURE

TIMBER MARKET

MDF 2015

Products	Month	Export (Vol kg)	Export (Val USD)	Import (Vol kg)	Import (Val USD)
MDF	Jan	243,714,233	146,914,074	16,927,391	10,658,686
	Feb	167,063,332	107,971,467	6,166,591	4,206,414
	Mar	109,840,711	65,482,249	11,262,867	7,224,817
	Apr	208,822,703	129,141,211	13,166,439	8,003,299
	May	231,097,619	142,816,905	14,395,269	8,547,342

THIN MDF

VALUE-ADD OR
RESELLER

TIMBER MARKET PLYWOOD 2015

Products	Month	Export (Vol kg)	Export (Val USD)	Import (Vol kg)	Import (Val USD)
Plywood	Jan	563,564,453	557,567,289	7,608,383	9,514,689
	Feb	414,180,742	415,179,100	2,878,439	3,991,788
	Mar	273,235,687	271,270,478	7,392,692	9,789,680
	Apr	528,387,510	512,159,815	10,325,052	11,543,813
	May	546,478,189	544,584,392	9,539,592	11,611,787

THIN PLYWOOD

All PLYWOOD is “Certified”

TIMBER MARKET FURNITURE 2014

Products	Month	Export (Vol)	Export (Val USD)	Import (Vol)	Import (Val USD)
Furniture	Jan	147,663,467	3,087,090,198	6,372,707	81,356,179
	Feb	116,821,468	2,474,599,992	4,595,682	54,374,747
	Mar	82,188,995	1,443,616,837	5,590,362	74,011,021
	Apr	125,471,060	2,259,994,711	6,611,854	86,715,431
	May	141,836,362	2,259,994,781	6,059,770	83,422,676

PANEL-BASED

SOLID WOOD

IMPORT TAX

Products	Import Customs Duty	VAT
Logs	0	13
Sawntimber	0	17
Veneer	0	17
Mouldings	0	17
MDF	4-7.5	17
Plywood	4-12	17
Wooden Frame	20	17
BCJ	0-4	17
Furniture	0	17

Total Import Tax = Import Customs Duty + Consumption Tax + VAT

IN GENERAL

- Logs
- Sustainable Raw Materials
- New/Innovative Raw Materials
- Red Color Timbers
- Consistent Supply
- Competitive Price
- Rosewood or Sandalwood (檀香)

STATUS: CHINA TIMBER INDUSTRIES

- African timbers and New Zealand timbers are dominating the market
- Labor cost is increasing
- Shortage of labor
- Supply of logs is shrinking
- Looking for semi-finished or components due to labor issues
- The Government is setting up policies and incentives for domestic consumption

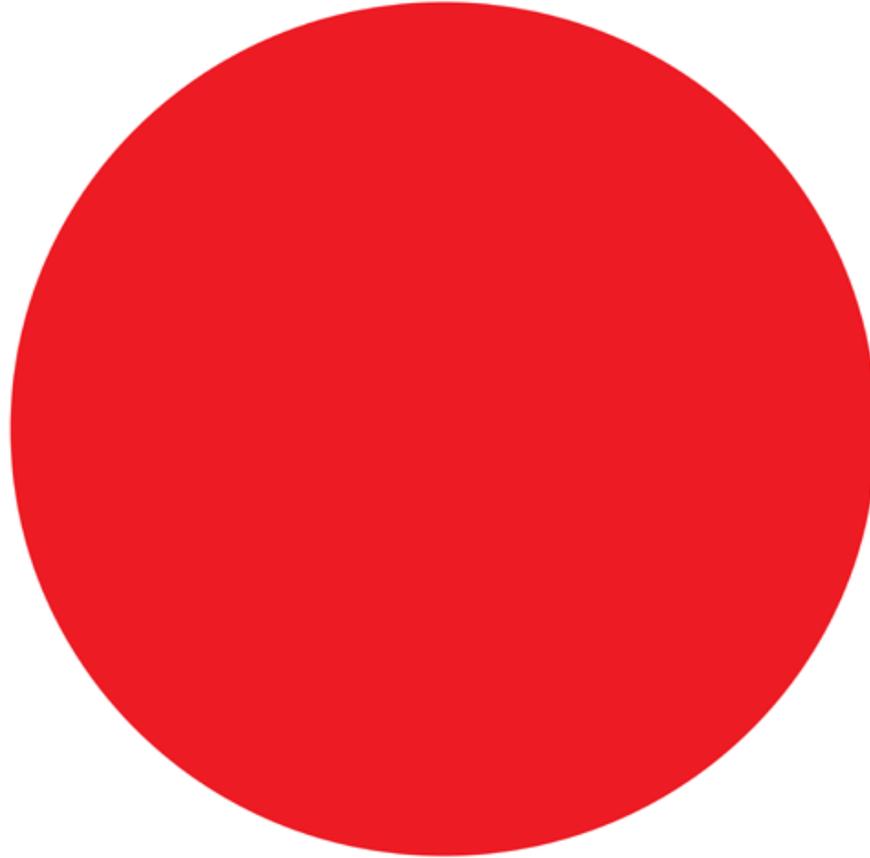
POTENTIAL PRODUCTS

- Sawntimber - Durian, Merpauh, Sepetir, KSK, Mengkulang, Balau, Melunak
- Veneer - Rubberwood, Keruing, Palm
- Wooden Flooring Materials
- Door Components
- Pellets
- Blockboard core

HOW TO DEAL WITH CHINA MARKET

- A good name
- Sample
- Timber Species
- Tell a story – bad or good
- No volume game
- Consistent supply
- WeChat
- Payment – 30% or 50%

JAPAN : CURRENT SITUATIONS



Japan PM (2012-....)



Prime Minister Abe Shinzō

ABENOMICS



Fiscal Stimulus



Monetary Easing



Structural Reforms

VISION

fukoku kyohei

(enriched the country, strengthen the army)

JAPAN ECONOMIC

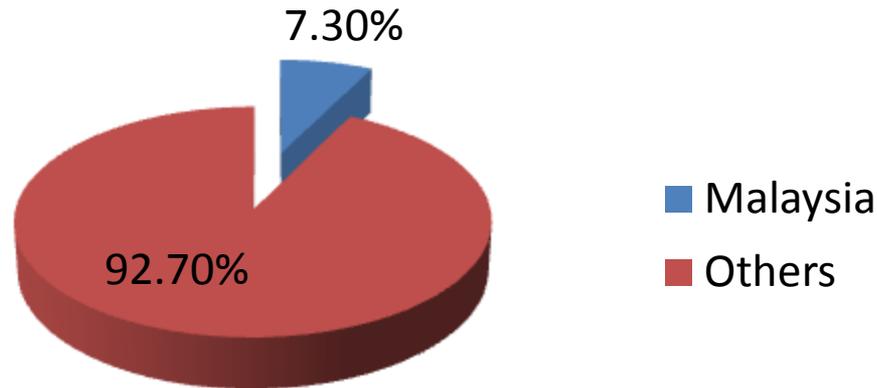
The projected real GDP growth rates in fiscal year 2015 and fiscal year 2016 were revised downwards from the previous 1.7% and 1.5% to 1.4% and 1.3% respectively because

1. persistent pressure for inventory adjustment will likely weigh down economic activity for the time being,
2. the pace of recovery in private consumption expenditure is likely to stay moderate, as the rate of increase in cash earnings in households seems to be limited and,
3. a solid expansion in exports of goods will not be able to be counted on, as the structural changes in Japan's export structure take place

TIMBER MARKET

Logs 2015

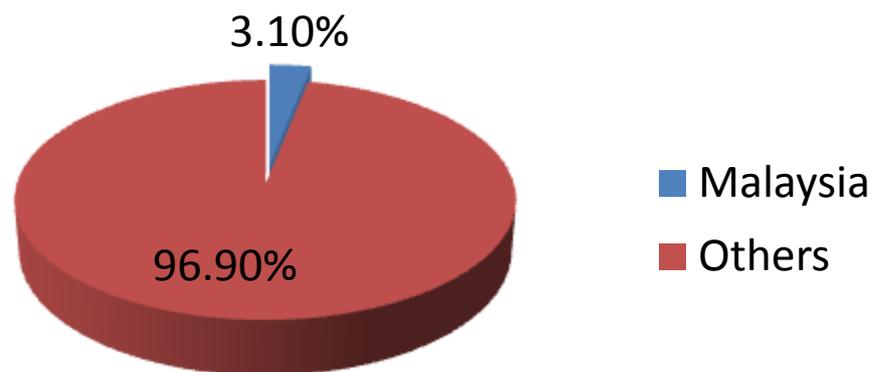
Products	Month	From Indonesia		From Malaysia		From Thailand	
		Vol (m3)	Val ('000 ¥)	Vol (m3)	Val ('000 ¥)	Vol (m3)	Val ('000 ¥)
4403 (Logs)	Jan	-	-	23,973	929,936	-	-
	Feb	-	-	14,489	578,153	-	-
	Mar	-	-	10,251	438,791	-	-
	Apr	-	-	13,831	548,733	-	1,025
	May	-	-	9,116	348,332	-	-
	Subtotal	-	-	71,660	2,834,945	-	1,025



TIMBER MARKET

Sawntimber 2015

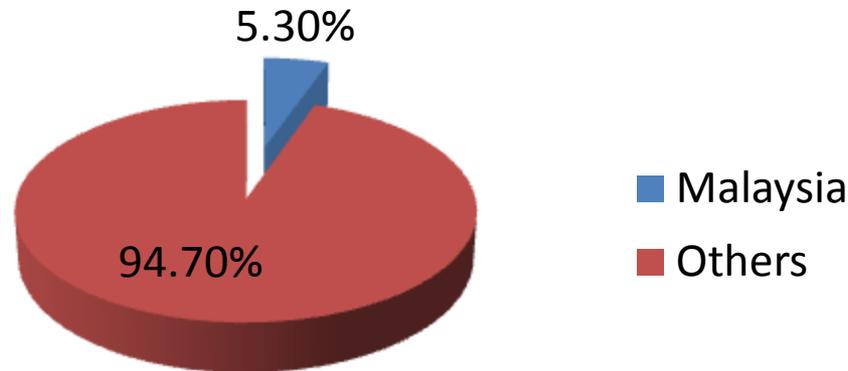
Products	Month	From Indonesia		From Malaysia		From Thailand	
		Vol (m3)	Val ('000 ¥)	Vol (m3)	Val ('000 ¥)	Vol (m3)	Val ('000 ¥)
4407 (Sawntimber)	Jan	1,778	219,225	8,012	721,429	1	549
	Feb	882	97,901	7,686	703,532	47	6,526
	Mar	1,541	163,223	7,056	692,049	59	6,271
	Apr	1,393	139,081	6,181	558,915	23	2,934
	May	1,732	200,059	5,224	491,282	41	4,678
	Subtotal	7,326	819,489	34,159	3,167,207	130	20,958



TIMBER MARKET

Veneer 2015

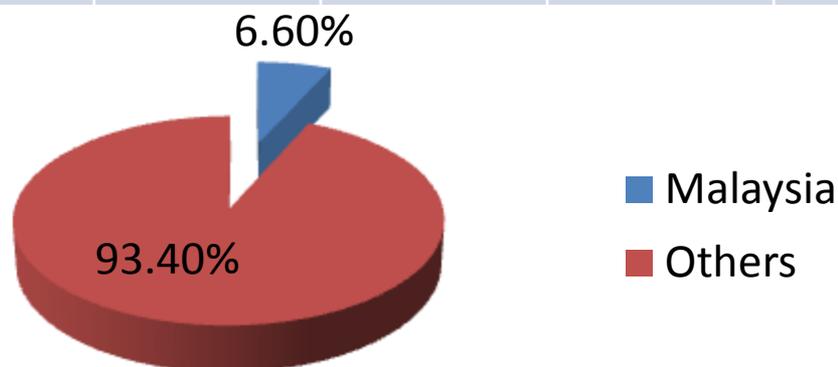
Products	Month	From Indonesia		From Malaysia		From Thailand	
		Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)
4408 (Veneer)	Jan	398,787	116,885	427,292	73,352	-	-
	Feb	156,023	59,834	808,738	99,002	-	-
	Mar	203,363	72,340	492,603	58,234	-	-
	Apr	321,301	102,470	438,135	48,737	-	-
	May	149,486	56,423	377,934	54,370	-	-
	Subtotal	1,228,960	407,952	2,544,702	333,695	-	-



TIMBER MARKET

Mouldings 2015

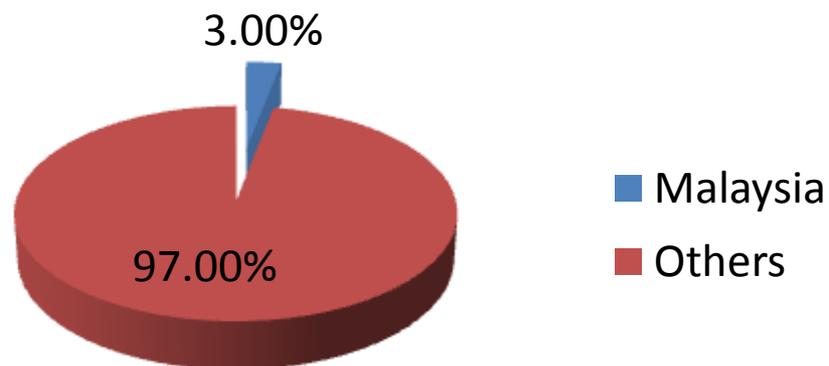
Products	Month	From Indonesia		From Malaysia		From Thailand	
		Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)
4409 (Mouldings)	Jan	2,780,655	644,882	973,904	228,578	86,776	34,304
	Feb	1,585,650	397,919	718,343	159,898	81,928	47,690
	Mar	2,146,362	481,160	818,948	194,359	6,834	6,632
	Apr	2,061,145	448,897	514,452	113,742	37,698	23,788
	May	2,144,990	465,758	810,866	190,875	107,120	46,373
	Subtotal	10,718,802	2,438,616	3,836,513	887,452	320,357	158,784



TIMBER MARKET

Particleboard 2015

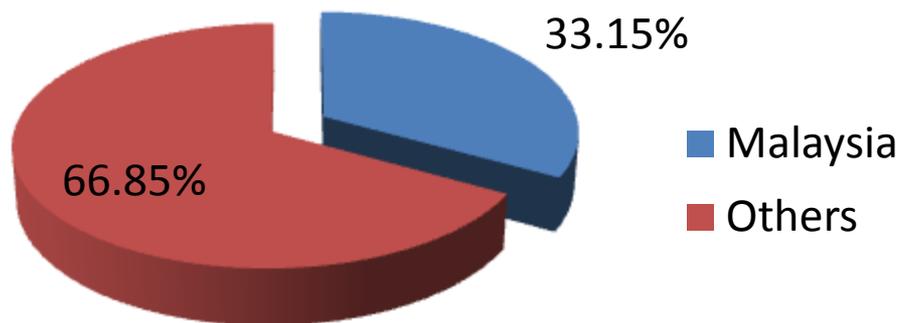
Products	Month	From Indonesia		From Malaysia		From Thailand	
		Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)
4410 (Particleboard)	Jan	13,054	2,090	882,291	59,387	591,009	33,745
	Feb	79,434	8,378	644,959	45,834	537,543	28,910
	Mar	61,298	6,996	590,843	41,529	345,594	18,830
	Apr	51,799	5,889	716,333	45,211	174,619	10,409
	May	35,615	5,829	674,322	41,002	415,355	24,132
	Subtotal	241,200	29,182	3,508,748	233,413	2,064,120	116,026



TIMBER MARKET

MDF 2015

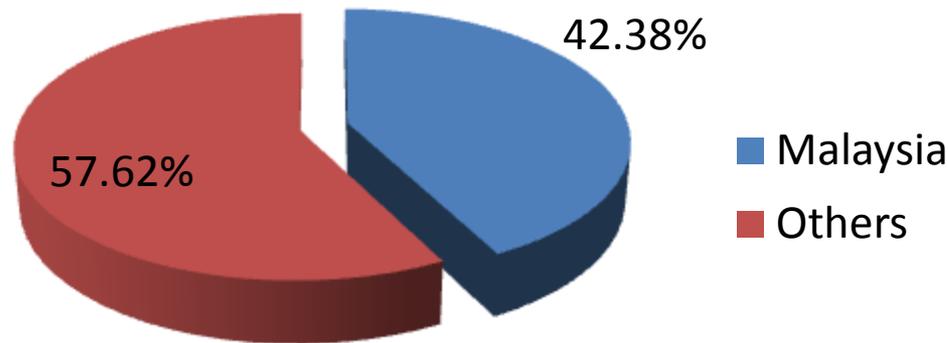
Product	Month	From Indonesia		From Malaysia		From Thailand	
		Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)
4411 (MDF)	Jan	689,708	88,897	11,284,050	791,120	330,985	17,055
	Feb	646,092	81,677	9,859,508	674,162	245,604	12,224
	Mar	1,059,164	113,568	9,901,681	674,182	2,526	2,207
	Apr	963,916	101,756	10,634,157	751,993	-	-
	May	458,785	75,175	7,030,622	516,461	294,249	14,571
	Subtotal	3,817,665	461,073	48,710,018	3,407,918	873,364	46,057



TIMBER MARKET

Plywood 2015

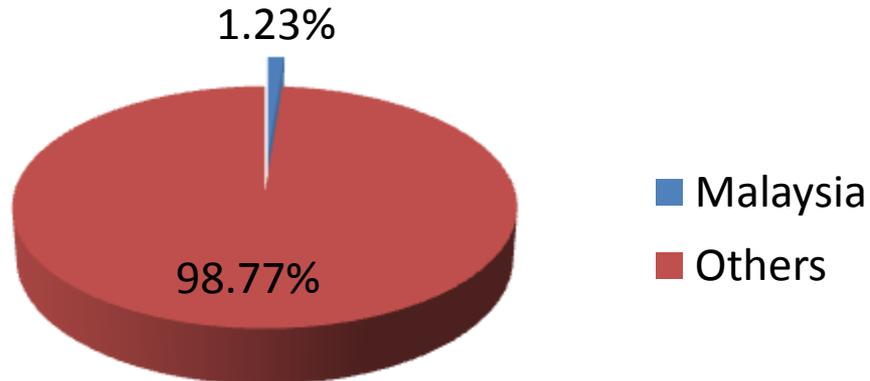
Product	Month	From Indonesia		From Malaysia		From Thailand	
		Vol (m3)	Val ('000 ¥)	Vol (m3)	Val ('000 ¥)	Vol (m3)	Val ('000 ¥)
4412 (Plywood)	Jan	79,065	6,360,446	132,807	9,298,758	101	24,228
	Feb	75,170	5,967,688	118,406	8,079,961	62	17,624
	Mar	78,440	6,147,931	106,927	7,333,301	88	25,442
	Apr	90,793	7,230,382	101,511	7,013,594	82	21,084
	May	65,374	5,185,291	88,982	6,154,802	60	13,254
	Subtotal	388,842	30,891,738	548,633	37,880,416	393	101,632



TIMBER MARKET

BCJ 2015

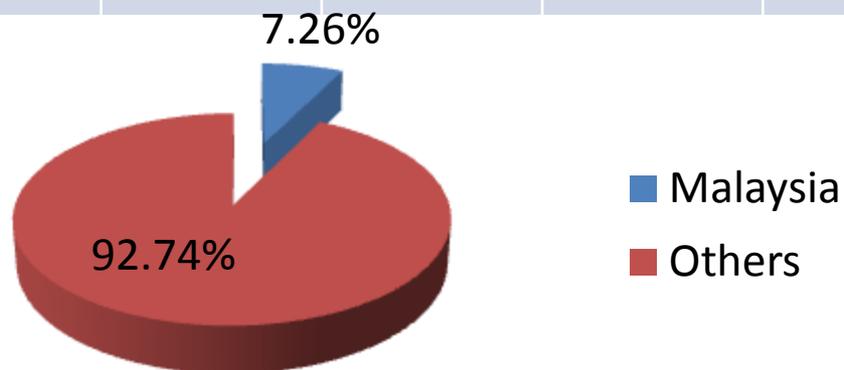
Product	Month	From Indonesia		From Malaysia		From Thailand	
		Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)
4418 (BCJ)	Jan	749,945	227,676	950,732	147,736	749,945	227,676
	Feb	692,138	216,660	1,183,280	190,922	81,779	43,127
	Mar	628,173	184,318	532,718	92,386	109,457	53,027
	Apr	593,196	168,299	612,015	105,379	81,120	34,924
	May	596,348	187,116	710,882	116,124	73,221	39,431
	Subtotal	3,259,800	984,069	3,989,627	652,547	529,262	225,309



TIMBER MARKET

Furniture 2015

Product	Month	From Indonesia		From Malaysia		From Thailand	
		Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)	Vol (kg)	Val ('000 ¥)
9043 (Furniture)	Jan	5,709,756	1,521,494	13,255,067	2,513,807	4,811,568	977,286
	Feb	5,152,185	1,415,192	12,641,435	2,275,333	4,068,268	905,478
	Mar	6,093,022	1,652,841	10,438,729	1,904,324	4,427,834	931,148
	Apr	5,046,178	1,410,880	7,054,684	1,333,143	3,707,277	795,167
	May	4,555,962	1,279,802	4,711,727	889,196	2,542,658	592,499
	Subtotal	22,001,141	6,000,470	43,389,915	8,026,607	17,014,947	3,609,079



JAPAN FOREST

Japan's forest reserve, mostly made up of Japanese Cedar and Japanese Cypress is reaching 4.4 billion m³ in 2007. Although mature forest growth was only 35% in 2007, this amount is expected to increase to 60% in 2017

Japanese government believe that there is a need for sustainable utilization and maintenance, with the harvesting of logs as essential

木材利用ポイントシステム
Wood Utilization Point System

公共建築物法における木材の使用のための推
進

**Promotion for the Use of Wood in Public
Buildings Act**

IN GENERAL

- There is market for Malaysian Keruing, Merbau, Ramin and Nyatoh
- Malaysia is still an important source of plywood
- Domestic plywood from the current 3 million m³ to 5 million m³ a year
- There is an emerging trend towards more DIY repair and renovation
- Tokyo Olympic Games

Thank You