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SEEKING A SUSTAINABLE PATH FORWARD

THE issue of raw material shortage is a major trouble facing the timber industry, but industry players are working hand-in-hand with the government to address the situation - a vital step forward, as plywood products were the second largest contributor (RM3.4bil) to Malaysia's RM22.5bil wood-based products export in 2019.

Describing the acute shortage of raw materials in Peninsular Malaysia, as well as lower rubberwood supply due to increased latex production, the Malaysian Panel-Products Manufacturers' Association (MPMA) chairman Datuk Wira Sheikh Othman Rahman said that plywood and panel manufacturers are facing stiff competition from sawmillers in securing a sufficient supply.

MPMA was established in 1965 to represent its members' interests in the Malaysian wood-based panel industry, through promoting the export of such products, engaging industry stakeholders and working closely with government agencies to drive forward-looking national policies aligned with the wood-based industries.

With the Malaysian Timber Council's Import Assistance Programme - the offshore sourcing programme helps local timber manufacturers to import raw materials by footing some of the freight and handling costs - to partly alleviate the issue, Sheikh Othman said the industry was also looking into alternative raw materials such as oil palm trunk (OPT), coconut trunk, rubberwood and other materials.

He stressed, "The plywood industry is not in good shape now, due to the raw material problem, so we have to go for alternative raw materials or plant new species to create sufficient supply.

"There is more demand for sustainable timber in recent years, as we move towards the direction of zero waste and we can use existing materials such as OPT to produce plywood.

OPT, for one, is a good alternative that MPMA is promoting to produce plywood. Once used for biomass or fertiliser, OPT logs



Industry players need to seek alternate raw material sources.

have proven viable to peel into plywood, although only two manufacturers are able to do so currently.

Moreover, MPMA's committee has been seeking alternative species that can meet the future demand for timber. Forest Research Institute Malaysia (FRIM) signed a Memorandum of Understanding with MPMA and Plus Intervest Sdn Bhd in the collaboration of producing tissue culture Eucalyptus seedlings.

This FRIM-MPMA collaboration involves producing tissue culture seedlings of Eucalyptus and other commercial value species for plantation to ensure the sustainability of plant materials and raw materials.

Since 2016, it has been looking into community farming to help communities to plant new wood species with rapid growth such as Eucalyptus, which can be a good source for plywood and panel production.

The Eucalyptus tree produces heavy and

durable wood that can be used as a high-quality raw material for various wood-based products including plywood, pulp, paper, essential oil and energy.

Eucalyptus takes six years to grow, as compared to rubber wood, which takes more than 15 years before the tree can be harvested in plantations.

The Community Plantation Programme - with its pilot started in Batu Kikir, Negeri Sembilan three years ago - has a three-fold objective: The plantations aimed to introduce tree species with rapid growth such as Batai and Eucalyptus to ensure the sustainability of raw wood material as well as to reduce the dependence on resources from the natural forest and raise the income of the B40 community.

For the industry, the planting of new species can help meet future demand for timber by producing raw materials for upstream,

while at the same time enabling downstream players to bring in more revenue.

"The problem we're facing now is upstream, so we need more focus in terms of increasing community plantations in kampung areas with idle or vacant land, by signing them up with a buy-back guarantee to supply the factory.

"The way forward is community farming," he pointed out, adding that MPMA is involved in contractual farming with entities such as Angkatan Koperasi Kebangsaan Malaysia Bhd, which has more than six million members that own a minimum of one to two acres of land.

Meanwhile, he noted that it can also act as an enabler to uplift the livelihood of rural communities and create a generation of Malaysians who know how to plant trees and in turn, appreciate the importance of protecting the environment.



Sheikh Othman: Eucalyptus has good potential for plywood production.