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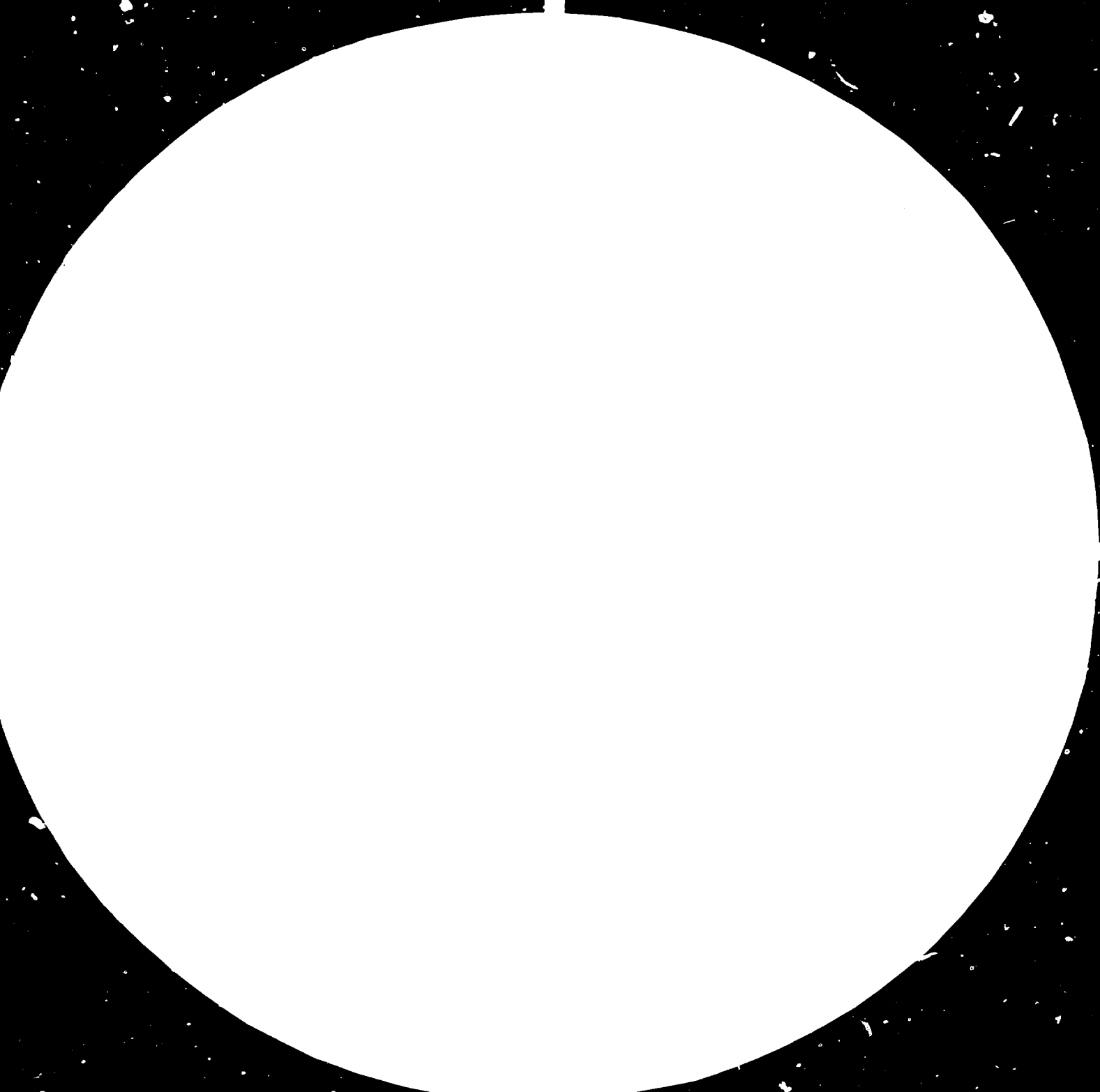
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Resolution Test Chart (NBS 1963-A)

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A BRIEF ON THE TIMBER INDUSTRY SITUATION  
IN SINGAPORE \*

by

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The timber industry is one of Singapore's oldest economic activities. It includes sawmilling, manufacture of plywood, veneer, mouldings, wooden furniture and other wood products. Since the establishment of the first sawmill in 1902, the timber industry has grown in 1981 to include 40 sawmills, 10 plywood and veneer factories, 7 plywood lamination plants, 35 manufacturers of mouldings and other wood products, 36 manufacturers of knocked-down furniture for export, over 200 manufacturers of household wooden furniture for domestic consumption, 3 commercial kiln-drying plants, 4 wood preservation plants and 8 commercial bundling yards. Total employment in the industry amounts to some 16,501 workers in 1981, down 3% from 1980.

The plywood and veneer sector of the industry has expanded considerably since 1964 and today it is the largest value added sector of the timber industry in Singapore. The knocked-down furniture industry is largely export-oriented with a high degree of automation, and is the sector with the highest annual growth rate.

There are also various other woodworking activities carried out on a smaller scale, for example, laminated truck flooring, louvre doors,

parquet flooring, windows and door frames. These woodworking activities are geared for export as well as for local consumption, the latter being attributed to the fast housing construction in Singapore.

There are also 2 particleboard plants, 1 woodchip plant and woodwool panel manufacturing plant in production in Singapore. These are foreign joint-venture companies and their products are mainly exported.

All the sawmills, plywood mills and other woodworking factories are located either in the Jurong Industrial Estate, the Kranji Industrial Estate or the new Sungei Kadut Industrial Estate.

The sawmilling and other wood-based industries ranked 6th in terms of foreign exchange earnings. Total export of timber and timber products in 1981 amounted to 1.7 million cubic metres valued at S\$1,009 million. Timber products for export include graded, ungraded, kiln-dried and treated sawn timber, railway sleepers, veneer, plywood, blockboard, parquet, laminated boards, knocked-down furniture, furniture parts and components, flush doors, louvre doors, pallets, wooden cases and other wood products.

The Singapore Government attaches a great deal of importance to the timber industry and for this reason has established a Timber Industry Board. The Timber Industry Board is a statutory body established under the Timber Industry Board (Incorporation) Act, 1973 and came into operation in April 1974. The Board is responsible for, among other

things, the promotion, improvement, regulation and control of the trade in, and the marketing and distribution of, timber and timber products. All timber exporters, manufacturers, suppliers, packers and graders are required under the Act to register with the Board. In 1981, there are 546 licensed timber exporters, 138 registered manufacturers, 378 registered suppliers, 51 registered packers and 160 registered timber graders.

The timber industry in Singapore procures its log supplies from the neighboring countries, particularly Indonesia and Malaysia. The bulk of these imports is consumed by the local sawmills and plywood manufacturers. Only a small quantity of logs is re-exported.

Besides logs, Singapore also imports sawn hardwoods from Indonesia, Malaysia and Burma for grading, kiln-drying, preservative treatment or further processing into wood mouldings, knocked-down furniture and other wood products.

In 1981, the total volume of sawn timber and sawlogs exported from Singapore amounted to 983,000 cubic metres valued at S\$404 million.

Dark Red Meranti, Kempas and Keruing continue to dominate the markets for both graded and ungraded sawn timber. Other popular species were Red Meranti, Ramin, Jelutong and Balau.

In 1981, the volume of wood mouldings exported from Singapore totalled 51,000 cubic metres valued at S\$46 million. The United States of America was the largest buyer followed by Australia, West Germany, Japan and Canada.

Total volume of plywood exported from Singapore in 1981 amounted to 529,000 cubic metres worth S\$384 million. The United Kingdom was the top importer of plywood followed by Hong Kong, Saudi Arabia, Qatar and the United Arab Emirates.

The volume of veneer exported during the year of 1981 amounted to 10,000 cubic metres valued at S\$18 million. Denmark was the main buyer. Second was United Kingdom followed by West Germany, Australia and the United States of America.

The total value of knocked-down furniture exported in 1981 was S\$96 million. The USA was in first position among our buyers. Second was Canada followed by Saudi Arabia, Australia and the United Kingdom.

There are several local manufacturers of universal woodworking and sawmilling machinery - band saw, radial arm saw, chain saw, etc. Many of these machines are used in domestic furniture and building construction trades. They are also exported to overseas countries. Kiln-drying equipments are designed and fabricated by local engineering companies and installed successfully in many of the timber kiln-drying plants.



Continued recession, inflation and a general downturn in building construction in the EEC and the USA during 1981 affected the wood-based industry adversely to some extent, especially in the production of sawn timber. The decline of the markets which began in early 1980 continued well into the whole of 1981. As a result, total exports in 1981 further dropped by 6% in volume and 10% in value when compared with 1980. Apart from knocked-down furniture which increased by 34% over 1980, all the other sectors such as sawn timber, plywood, veneer and mouldings declined during the year.

While the adverse economic conditions prevailing in important markets like the EEC, USA, Middle East and Australia are expected to persist at least up to the first half of 1982, the demands of the international markets in recent years have been for more sophisticated and higher value-added timber products. The timber industry in Singapore is therefore moving into secondary and tertiary processing of timber and into the higher and manufacturing of wood-based products. The cost of labour will also progressively increase, and skills are therefore being constantly and systematically upgraded, and more mechanisation and automation being introduced in the labour-intensive sectors of the timber industry.

