ISSUES AND PROBLEMS OF TIMBER INDUSTRY IN MALAYSIA

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BACHECELOR OF ECONOMICS (NATURAL RESOURCES)

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PENGAKUAN

Saya akui Kertas Projek (EKN4998/4999) ini adalah hasil kajian saya sendiri kecuali sumber-sumber yang telah saya jelaskan rujukannya.

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03 April 2010

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DECLARATION

I further certify that this Project Paper (EKN4998/4999) is the original work and has not been previously submitted for assessment in any other course or institution, except where specifically stated.

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ABSTRACT

This paper represent about the issues and problems face by the timber industries in Malaysia. There are some problems being identified in the research. First, relationship between the total timber production and the stumpage price will be analysis in the study. How and why the stumpage price and total timber production related. Secondly, the association between total number of employment and total timber production will be determined. Thirdly, another suitable econometric model of the forest area and total timber production being developed to see whether they have the relationship or not. The overall objective of this study is to empirically identify and discuss the problems in the Malaysian timber industry in social, environment and economic perspectives. Some suitable models being develop to determine the relationship between total timber production, stumpage price, forest area and the total number of employment in timber industries. I have use E-views to do the analysis in the study case. Simple regression model being developed to analysis their relationship. Ordinary Least Squares (OLS) method will be use to see the actual relationship between the variables. In the study of Malaysia case, we found out that these two variables are affected. There is negative relationship between stumpage price and the total timber production. When the stumpage prices increase, the total timber production follow to decrease. There is no relationship between total number of workers and the total timber production in Malaysia. The very low value of the R^2 also shows that these two variables are hardly affecting each other. Besides that, there is positive relationship between total forest area and the total timber production in Malaysia. When the forest areas increase, the total timber production will follow to be increase. The high value of the R^2 shows that these two variables are affecting each other. Some policies and suggestion should be done to settle the problems face by the timber industry. The government needs to take good action to ensure that stumpage price always keep low to protect our timber industries. From my research finding, I found that Malaysia government has being taking care in forest management because from the data, we can clearly see that our forest area is increasing and the total timber production is increasing. This good action should be continued. I found that the total number of workers in timber industry is increasing mean while, the total timber production is just stable and no increasing. Therefore, hiring too many workers will increase the timber production cost and affect the company profit. Government has developed some alternative resources to overcome many environmental problems like: pollution, deforestation, illegal logging, lost of habitat, changes of climate and others.

ABSTRAK

Kertas projek ini dibuat mengenai isu-isu dan masalah yang dihadapi oleh industri kayu balakdi Malaysia. Terdapat beberapa masalah yang telah dikenalpasti dalam kajian ini. Pertama, hubungan antara jumlah pengeluaran kayu balak dan harga akan analisis dalam pengajian ini. Bagaimana dan mengapa harga dan jumlah produktiviti kayu balak adalah berkaitan. Kedua, hubungan antara jumlah pekerja dan jumlah produktiviti kayu balak akan ditentukan. Ketiga, model ekonometrik yang sepadan diperlihatkan untuk melihat samaada kawasan hutan dan jumlah produktiviti kayu balak ada hubungan atau tidak. Objektif umum daripada kajian ini adalah untuk mengenalpasti secara empirik dan membincangkan masalah-masalah di industri kayu balak di Malaysia dari segi sosial, ekologi dan perspektif ekonomi. Tiga model yang berpadanan untuk menentukan hubungan antara jumlah pengeluaran kayu, harga, kawasan hutan dan jumlah pekerja di industri kayu telah diterbitkan. Saya telah menggunakan E-Views untuk melakukan analisis dalam kajian kes ini. Model regrasi sederhana telah dibangunkan untuk menganalisis hubungan mereka. Ordinary Least Square (OLS) method akan digunakan untuk melihat hubungan yang sebenarnya antara pembolehubah-pembolehubah yang disediakan. Dalam kajian kes Malaysia, kami mendapati hubuangan di antara harga dan jumlah produktiviti kayu balak adalah negatif. Apabila harga meningkat, jumlah pengeluaran kayu balak akan menurun. Tidak ada hubungan antara jumlah pekerja dan jumlah pengeluaran kayu di Malaysia. R^2 yang sangat rendah menunjukkan bahawa kedua-dua pembolehubah tersebut tidak mempengaruhi satu sama lain. Selain itu, ada hubungan positif antara jumlah kawasan hutan dan jumlah pengeluaran kayu balak di Malaysia. Apabila kawasan hutan meningkat, jumlah pengeluaran kayu balak juga akan meningkat. Beberapa dasar dan cadangan yang harus dilakukan untuk menyelesaikan masalah-masalah yang dihadapi oleh industri kayu balak. Kerajaan perlu mengambil tindakan yang baik untuk memastikan bahawa harga selalu rendah untuk melindungi industri kayu balak. Dari kajian, saya mendapati bahawa kerajaan Malaysia sedang mengurus dalam pengurusan hutan, kerana daripada data, kita dapat melihat dengan jelas bahawa apabila kawasan hutan kami meningkat dan jumlah produktiviti kayu balak akan meningkat. Tindakan yang baik ini harus dilanjutkan. Saya mendapati bahawa jumlah pekerja di industri kayu balak meningkat, tetapi jumlah pengeluaran kayu balak hanya stabil dan tidak meningkat. Oleh itu, mengupah terlalu ramai pekerja akan meningkatkan kos pengeluaran kayu balak dan menjejaskan keuntungan syarikat. Akhirnya, kerajaan juga telah membangunkan beberapa sumber alternatif untuk mengatasi pelbagai masalah persekitaran seperti: pencemaran, penggundulan hutan, pembalakan liar, kehilangan habitat, perubahan iklim dan lain-lain.