



# FACTORS OF PRIMARY TIMBER EXPORT IN SARAWAK

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CHAPTER 1 INTRODUCTION

**ABSTRACT**

Wood or timber is recognized widely as a key economic activity in Sarawak which also contributes revenue to nation. According to Daniel Feah (2011), controversial growth of timber industries in Sarawak have heavily influenced the Malaysia's economy over the past 30 years. Exportation of timber in Sarawak has begun since 18th century. The continued by increment in the interest for timber and timber products in Asia and the world further because of the never-ending unusual fluctuation in oil costs due to the assessed low holds of the nation's crude oil (FAO, 1995). There is a terrible need to build timber yield to fulfill its neighbourhood and worldwide requests. This will serve as important in stretching Malaysia's investment in worldwide exchange and improving the country's export trade diversification. In view of the economic importance a study on the relationship of the major variables to determine the export volume of timber industry is certainly useful for it to provide a framework. The major variables of the industry are (i) official exchange rate, (ii) local output production, (iii) world output production, (iv) average of price primary timber product. It is hoped that this model will contribute to the much sought-after information on the behavioural relationships of the industry and explain the role and effects of certain policy instruments.