



COMPANY HIGHLIGHT

HIGHLIGHTS

Teak Market in India

by Sid Bharqava- KVTC Rep. in India

Teak is the most popular and liked species of timber in India. Almost the entire country is in love with this species. This fascination is because India was and still is home to some very good quality teak and also because of its proximity to Myanmar, home of some very good quality teak.

India currently imports more than 100,000m³ of teak every month from all over the world. Diminishing forest cover and rising demand in India has fuelled the demand for imported teak. India accounts for more than 80% of the world teak market by volume and approximately 75% by value. Due to lack of standardization in the sizes across the country, India prefers to buy logs or rough squares, which saw millers can then use to cut specific sizes. Customs duty structure also helps the trade in favour of logs and rough squares.

Latin American (Brazil, Ecuador, Costa Rica, Panama and others) as a group, are the largest supplier of teak into the market, followed by Africa (Ghana, Benin, Nigeria, Tanzania and South Sudan, Ivory Coast) and then Myanmar.

Teak is widely used in the manufacture of furniture, doors, windows, door and window frames and flooring.

With a population of more than 1.3 billion people, India is a growing market driven by rising income levels.

There are however numerous challenges such as:

- Poor quality teak coming into the market, giving 'teak' a bad name
- Use of alternate products in the manufacturing of furniture, doors and frames
- A general misconception that using wood is environmentally bad.
- Concerted marketing effort from American Hardwood Council and Canada to promote species like Walnut, Oak, Ash.
- Rising labour cost in India causing a shift to sawn sizes and lumber.



Within these challenges are opportunities waiting to be tapped:

- Provide good quality graded timber
- Build deeper relationships with buyers and offer them timber as per required specifications including kiln dried material.
- Housing and construction is poised to grow in the long term and hence there will be a demand for solid wood
- As income level rises, uses of solid wood will increase and so will the demand for good quality teak



The market for teak in India is poised to remain robust and suppliers who are able to build stronger and deeper bonds with the buyers and cater to their demands will be riding the wave comfortably.

KVTC has been engaged with the Indian market for more than 10 years and has been fully responsive to the demands and requirements of the Indian customers. KVTC has been working with importers, traders, manufacturers and saw millers who produce a wide range of products. KVTC's teak goes into various applications like moldings, beading, furniture, door frames, window frames, doors, windows, finger jointed panel boards and flooring. KVTC sells directly and indirectly into this teak value chain.



From Irvine's desk

by Irvine Kanyemba

Time flies when one is having lots of fun.

We are launching the KVTC Essay competition yet again. This is open to Ordinary Level students in some of the secondary schools in the Kilombero valley. Youth the world over including in Kilombero valley are extremely concerned about global warming. The topic of this year's essay is therefore quite appropriate: *Based on scientific evidence and observed current trends, climate change is real and is happening, How has climate change affected the valley so far? What changes are perceived and what could be the solution to the problem.* We will publish excerpts from the winning essay in the next issue of our newsletter.

The Ministry of Foreign Affairs of Finland has made available funding up to €164,351

towards the company's implementation of its Tree Out-grower Programme for the period 2019-2020. This will enable the company to expand participation in this programme significantly. Applications have already been received from close to 200 potential participants. There will be a deliberate bias in favour of women and vulnerable groups when selecting participants.

We want the newsletter to be for KVTC and its stakeholders. You will see more and more articles written by some of our stakeholders starting from this issue.

We also want to hear from some of the company's pioneers. Please write to us at ikanyemba@kvtc-tz.com. We would like to find out where you are now and what you are up to. It would be nice to feature one or two articles from some of you.

Despite the slowdown of the Indian economy the demand for our products in that market remains firm. We intend to showcase some of our products at local and regional Expos later this year and in future.

On behalf of the KVTC family, I wish all our Indian clients and their families: HAPPY DIWALI.



KVTC Social Fund

by The Voice of Beneficiaries

KVTC social fund continues to support community projects in participating villages. A priority area are projects related to health care, education, water supply, resource and skill development that will lead to economic development. In this quarter we interviewed some of the beneficiaries of the scheme to learn the impact. Milola primary school Milola Primary school is one of the beneficiaries of the KVTC social fund. The school has 1000 pupils. It has only 8 classrooms making a ratio of pupils to classroom 125:1 while the recommended ratio is 45:1. This translates to a classroom deficit not to mention other challenges

Mr Lusajo Milola Primary School head teacher appreciates the impact of KVTC 's social fund for helping to improve the school learning environment. *"The connection of school to power grid along with the provision of a computer and a photocopier machine through the social fund was a game changer that transformed school life.*



Milola classrooms at construction stage

The arrival of a photocopier machine has increased the school ability to provide more exercises to pupils because it is easy now to prepare and duplicate the examination papers and has given equity to all pupils regardless of parent affluence. In the past parents used to contribute to their children internal examinations exercise. The school had difficulties collecting contributions from some parents hit by poverty and less interested in education. Pupils used to share examination papers or had to copy from the blackboard in congested classrooms Examination frequency was reduced, and deadlines were not observed.

Mr Adolf Izoba Mushirizi (pictured , Igumbiro primary school head teacher, the first to adopt school electrical power, computer and photocopier machine project reported that: *the school*

District examination results performance has improved from 82 out of 92 in 2014 to 22 in 2018 and since 2015, 100% of all standard four pupils passed their national exams.

Mr. Salum Mvogo, Milola Village government chairman, also recognizes the social fund as a springboard and a catalyst to attract government funding in village community-initiated projects. *The government's policy is to support the community once they have shown some effort to solve their problem. Milola village government started two classroom and office block building using KVTC social fund worth TZS 5,000,000. This attracted 37,510,000 shillings from the government in completing the project*

Rehema Nyoka Ulanga Primary School Education officer explained that the social fund has helped to improve the district national primary school examination results performance in Ulanga district. *Its ranking in standard Seven from 39 position in 2017 to 5 in 2018 out of 186 councils*

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RADIO MITIKI

On Radio Pambazuko at 89.5FM
 Every Friday at 07.30pm and every
 Saturday at 07.30am