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- CONGRATULATIONS : TUAN HAJI KAMARUZAMAN BIN OTHMAN APPOINTED AS MTIB DEPUTY DIRECTOR GENERAL
- THE 25TH PLANTS COMMITTEE MEETING 2021

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3

29

30

Cover : *For more details, please read page 29*

CONTENTS

HIGHLIGHTS

REGULAR FEATURES

Publisher

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CONGRATULATIONS

TUAN HAJI KAMARUZAMAN BIN OTHMAN APPOINTED AS MTIB DEPUTY DIRECTOR GENERAL

On 1 June 2021, Tuan Haji Kamaruzaman Othman was appointed as the Deputy Director General (Management and Operation) of the Malaysian Timber Industry Board (MTIB). Tuan Haji Kamaruzaman holds a Bachelor of Science (Economics) from Universiti Putra Malaysia. He has more than 30 years experience in the timber industry which includes contributions in trade negotiations, both domestic and international as well as in empowerment of Bumiputera entrepreneurs.

Tuan Haji Kamaruzaman entered MTIB in 1987. Among the highlights of his career in MTIB include his roles as the director of several divisions such as MTIB Pahang branch (1999 – 2005), Forest Plantation (2012 – 2018) and Bumiputera Economic Empowerment (2018 – 2021).

On behalf of all MTIB management and staff, we would like to congratulate Tuan Haji Kamaruzaman on his appointment and look forward to his continuous leadership in MTIB and the Malaysian timber industry at large. Wishing you continued success.

WOOD PRODUCT EXPORTS EXPECTED TO REACH NEW RECORD

Vietnam's wood products exports are expected to rise to a record USD15-16 billion this year despite the impacts of the COVID-19 pandemic. They were worth USD12.5 billion last year, which means a rise by 20-28%. According to the General Department for Agricultural Products Processing and Market Development, in the first five months they were worth USD6.6 billion, up 61.3% year-on-year. Most companies have received orders until the end of 2021, and they are 30% higher than in 2020. The US is the largest market, accounting for 60.4% of all exports, followed by China with 9.9%, Japan with 9.5%, and the Republic of Korea with 5.7%.

Vietnam's wood products have achieved a solid foothold in many markets around the world, highly appreciated for their design and technology. With the disruption of the supply chain due to the pandemic, the world's leading distributors tend to diversify and seek safer sources, and Vietnam needs to make use of this opportunity, analysts said. But the Ministry of Industry and Trade also warned that the rapid growth in exports comes with a concomitant risk of anti-dumping and anti-subsidy threats.

Vietnam's wood industry is affected by trade tensions between major countries. It has already faced anti-dumping lawsuits from the US and the Republic of Korea, especially for plywood- related commercial fraud and tax evasion. But plywood is not the only item facing a threat, the Ministry of Industry and Trade said. Recently the US Trade Representative accused the Vietnamese timber industry of using illegal wood, and the risk of resultant trade restrictions is very high. The Ministry of Agriculture and Rural Development has issued a decision on geographic origins and timber species risk categories. This plays an important role in controlling the legality of imported timber.

According to the foreign trade defence handling division at the Ministry of Industry and Trade's department of trade defence, Vietnam has faced a total of 199 cases so far, and in the last five years there have been 97 commercial defense investigations. The most problematic markets are the US, India, Turkey, Australia, Canada, the EU and the Philippines, it said.

In 2020 alone, Vietnam faced a total of 37 cases related to tax evasion on plywood products and anti-dumping related to MDF wood. To avoid anti-dumping and anti-tax evasion investigations, businesses need to have knowledge of trade defence and understand the true nature of this tool to make the right responses. When exporting to a certain market, they should have information from importers, and as soon as information about anti-dumping investigations is known, businesses must respond. The ministry has said it will issue warnings to support businesses. It is also necessary to control exports to that market to ensure the lowest tax rate.

Source: www.bsc.com.vn, 29 Jun 2021

HOUSING STARTS RISE

Japan's housing market continues to fight an uphill battle, despite some signs of improvement. In February, Japan's housing starts declined -3.7%, followed by a slight improvement in March of 1.5% to 35,448 units.

By wooden housing type, post and beam starts are outperforming wooden prefab and 2×4 construction. The total number of non-residential starts between January and March 2021 fell -8% to 10,205 units; however, non-residential floor area increased 6.5% to 8.75 million square meters. Wooden non-residential starts dipped -1.8%; however, floor area increased 5.4% to 722,057 square meters.

The top five building types for wood use in Japan were led by medical, elderly care and social welfare facilities, mixed residential/commercial, agricultural, business services and the restaurant & hospitality sector.

Source: Fordaq, 10 Jun 2021

FURNITURE PRICES ON THE RISE

Furniture prices in Japan have been on the rise recently, with industry watchers pointing to the growing popularity of domestically made whisky and its aging casks as contributing to a shortage of timber.

Karimoku Furniture has hiked prices about 10% on almost all its products, starting with deliveries made last summer. Sharply higher costs for raw materials and shipping prompted the move.

"We raised prices, unable to absorb the rising cost of white oak and other raw materials for furniture," a procurement manager said. Fellow Japanese furniture maker Conde House raised prices on certain wood tables and chairs in 2019. The Runt Om chair went up 5% to 53,000 yen (USD486). Furniture makers have faced recent competition from whisky and wine makers in procuring wood, the speculation goes. White oak, favored for its strength and durability, is the material of choice for making whisky barrels. The barrels are fabricated from straight-grain lumber, which can come only from trees with straight annual rings. Wood desks and tables averaged 37,713 yen in 2019, according to government data, up 10% from five years prior. Chairs climbed 10% to 36,280 yen.

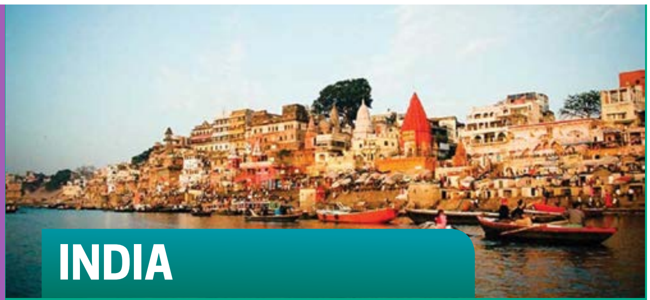
Furniture makers prefer wood from broadleaf trees because of their hardness and material quality. Apart from white oak, teak, walnut and Japanese beech have been go-to varieties.

White oak and walnut in particular have reportedly taken on larger profiles at the Milan furniture fair, one of the largest of its kind. "In recent years, furniture using white oak and walnut make up about 30% of the products on display," said Kiyoshi Sadogawa, president of Zero First Design in Tokyo. The two wood types are said to be popular in China and Japan as well as in the West. That has caused import costs for timber to surge. The wholesale price of imported white oak, produced mostly in the U.S., hovers at around 180,000 yen per cubic meter.

"Prices have steadily increased from five to six years ago, and recently they have remained higher," said a sales manager at Hokkaido sawmill Shingu Shoko. The pattern could be seen for walnut too. FAS walnut, the highest grade, is being traded domestically at prices 50% to 100% higher than white oak. "It's up 50% from a decade ago," said a source at Saito Wood Industry. Walnut has always been a scarce variety whose production is concentrated in the U.S. The recent attention has tightened supplies further. Furniture maker Hida Sangyo, which imports 90% of its wood, raised product prices 5% to 10% in 2019. "As a factor in the price adjustments, the upswing in the broadleaf wood market is not insignificant," a manager said.

The costlier imported lumber has pushed up prices of domestically produced wood as well. A cubic meter of homegrown oak now fetches around 195,000 yen, according to an industry survey by Hokkaido Prefecture up 8% from five years earlier. With the coronavirus slowing economic activity worldwide, demand for furniture is expected to decrease in Japan and the rest of the world. This could shift the greater market for hardwood, forcing industry insiders to closely watch new developments.

Source: asia.nikkei.com, 7 Jun 2021



INDIA

PRICES FOR PINE FROM NEW ZEALAND AS HIGH AS FROM EUROPE

In June, India is confronted with softwood prices that are now even higher than in December 2020 – where they have been 25-30% above the norm. Now almost EURO350 per cubic metre for pine have gotten standard and prices from New Zealand are as high as from Europe. Plywood prices are not decreasing despite of low demand because of an increase in price of glue.

Within the chaotic market situation, India faces challenges in being a nation of import but also not buying for the highest price. At the moment that leads to a low ranking on the priority list for deliveries, because countries like China get preferential treatment in terms of supply. With that come unsure shipping and delivery dates. An upcoming problem in India is the closing of Formaldehyde factories for pollution reasons. The base for important adhesives for the wooden industry therefor might as well have to be imported in the future.

Source: madeiranews.com, 17 Jun 2021

PAKISTAN

THE CHALLENGES OF NOT BEING THE DELIVERY PRIORITY

Within the chaotic market situation, Pakistan faces challenges in being a nation of import but also not buying huge volumes for the highest price. At the moment that leads to to a low ranking on

the priority list for deliveries, because countries like China get preferential treatment in terms of log supply – even though Pakistani importers are used to get the priority and paid down payments before delivery.

That leads to unsure shipping and delivery dates that brings to delays for weeks. As a result there is a rise in sales of local timber beating all previous price records and evaluated almost similar to imported softwood. The shortage of local and imported timber causes panic buying and some started storing the wood. Prices are on a stable high level. Spruce from Ukraine f.e. can even be availible for 340 USD/m3 instead of the standard prices compared to German prices 380 - 400 USD/m^3. While in plywood companies like ZRK who are strong local plywood producers covered the scarcity of plywood since local plywood got more in demand due to unavailability of raw wood, the market seems silent and slow for now.

The country's prime minister has released the new budget of fiscal year 2021-2022 waving off the custom duty on imports from 121 items while giving a lot of benefits to exporters. The market is hopeful for better economical condition in the upcoming time.

Source: fordaqnews..com, 17 Jun 2021

ECONOMIC FORECAST REVISED UPWARDS

According to the EU's Spring 2021 Economic Forecast published on 12 May, following a 6.1% decline in 2020, the EU economy will expand by 4.2% in 2021 and by 4.4% in 2022. This represents a significant upgrade of the growth outlook compared to the Winter 2021 Economic Forecast which the Commission presented in February.Growth rates will continue to vary across the EU, but all Member States should see their economies return to precrisis levels by the end of 2022.The Forecast notes that the rebound in Europe's economy that began last summer stalled in the fourth quarter of 2020 and in the first quarter of 2021, as fresh public health measures were introduced to contain the rise in the number of COVID-19 cases. However, the rise in vaccination rates and easing of lockdown restrictions is expected to drive a strong rebound in private consumption and investment. Growth is expected to be bolstered by rising demand for EU exports from a strengthening global economy. Public investment, as a proportion of GDP, is also set to reach its highest level in more than a decade in 2022 driven by the Recovery and Resilience Facility (RRF), the key instrument at the heart of NextGenerationEU.

While the outlook is more positive, the Forecast emphasises that the risks are high and will remain so as long as the shadow of the COVID-19 pandemic hangs over the economy. Developments in the epidemiological situation and the efficiency and effectiveness of vaccination programmes could turn out betterr worse than assumed in the central scenario of this forecast. The forecast may underestimate the propensity of households to spend or it may underestimate consumers' desire to maintain high levels of precautionary savings. The impact of corporate distress on the labour market and the financial sector could yet prove worse than anticipated.

Forward looking indicators show that economic momentum in the EU27 has picked up since the start of the year, although business and consumer confidence is still quite fragile, particularly in the construction sector, a key driver of timber demand in the region. The EU's consumer confidence indicator reached its highest level in one year in March, pushing the quarterly average up to -14.8, 1.9 points above the previous quarter.

The EU's Economic Sentiment Indicator (ESI) continued to recover, edging up to 109.7 in April 2021, markedly above its long-term average and higher than its prepandemic level for the first time since the outbreak of COVID-19 on the continent. Similarly, Markit's Flash Purchasing Managers' Composite Output Index for the euro area stayed above its no change mark of 50 for a second month in a row in April, after four months of decline. It was up by 0.5 points to 53.7.

The IHS Markit Eurozone Construction Total Activity Index was unchanged at 50.1 in April, signalling only a fractional expansion in euro area construction activity for the second successive month. Construction firms often linked the slight expansion to a resumption of work on paused projects and were increasingly concerned about the impact that renewed COVID-19 restrictions have had on overall demand in the construction sector.

According to IHS Markit, work undertaken on housing by euro area construction firms increased for a second successive month in April. The rate of growth quickened from March and was the strongest recorded since February 2020. A renewed contraction in home building activity in Germany was offset by a survey record expansion among Italian housebuilders. French firms, meanwhile, reported stable conditions in housebuilding for the second month in a row.

Commercial construction activity contracted again in the latest HIS Markit survey period, extending the current sequence of decline to 14 months. That said, the pace of the reduction eased from March and was the softest in the sequence. A softer fall in commercial activity in France and a stronger rise in Italy contributed to the easing in the rate of decline. However, firms in Germany signalled a further, marked decline in commercial building. The downturn in euro area civil engineering activity continued in April, as work undertaken on infrastructure projects contracted at a modest pace.

The IHS Markit survey shows that the degree of optimism regarding the outlook for construction activity over the coming 12 months eased in April and was the softest recorded for three months. German constructors signalled renewed pessimism regarding the year ahead outlook, with projections at their weakest since December 2020. French firms indicated a lower level of positive sentiment, though Italian firms signalled the strongest projections since August 2001.

Source: forestindustries.info,4 Jun 2021

INTRODUCTION OF PRELIMINARY ANTI-DUMPING DUTIES ON BIRCH PLYWOOD FROM RUSSIA

The European Commission approved for 6 months the introduction of preliminary anti-dumping duties on birch plywood from Russia.

Individual duties are set for four Russian manufacturers: 15.7% for Vyatsky FC (part of the Segezha Group) and the Russian subsidiary of the Finnish UPM-Kymmene, 15.3% for Zheshartsky FC, 15% for Syktyvkar Federal Law. For all other plywood suppliers from Russia, the anti-dumping duty will amount to 15.9%.

The decision to impose the duty was made following an investigation initiated by the European Woodstock Consortium on behalf of a number of European plywood producers (mainly from Poland, Latvia and Lithuania). The complaint argued that prices for birch plywood imported from Russia were understated for dumping purposes, thereby damaging the EU industry.

Preliminary anti-dumping duties entered into force on June 14, 2021. The decision to re-qualify them as permanent duties will be made in the 2nd half of 2021. If approved, the permanent measures will take effect on 21 December 2021 for three years.

Source: trade.ec.europa.eu, 30 Jun 2021

GERMANY

WOOD PRICE INDEX FOR PALLET EXCEEDED

The monthly German price index for sawn timber and wood-based materials for wooden packaging materials and pallets again increased in double digits in June. The index for solid wood for wooden pallets rose by a further 20.7% compared to May, in which the increase was still 16.6%. With a score of 352.2 points, the value determined by the Bundesverband Holzpackmittel - Paletten - Exportverpackung (HPE) in cooperation with the Rheinische Friedrich-Wilhelms-Universität Bonn was 125.9% above the previous year's value.

The index for solid wood for wooden packaging increased by 26.1% to a level of 278.6 points. Compared to June 2020, this resulted in an increase of 110.6%.

Plywood for packaging rose by 16.7% to 233.1 points compared to the previous month and was thus 103.8% above the previous year's value.

With an increase of 52.1% to 218.0 points compared to May, OSB for packaging also made significant gains. Compared to the index level in June 2020, there is an increase of 200.3%.

Source: fordaq news, 28 Jun 2021

UNITED KINGDOM

TIMBER IMPORT HIGHEST ON THE FIRST QUARTER OF 2021

The volume of UK timber and panel products imported in first quarter of 2021 was at its highest in more than a decade, since 2007. In the first quarter 2021 solid timber and panel product import volumes were 23% higher than first quarter 2020, nearing almost 3 million cubic metre (2,938,000 cubic metre) as compared to last year's 2,396,000 cubic metre.

This makes the first quarter of 2021 have the highest volume of imports since the first quarter of 2007 (3,021,000 cubic metre), and the third consecutive quarter of record volumes, following third quarter (2,698,000 cubic metre) and fourth quater (3,123,000 cubic metre) 2020.

Based on the strength of demand seen in 2021 it is estimated that the total volume of imports in the second quarter of 2021 could reach 3,300,000 cubic metre and rival the second quarter of 2007 (3,371,000 cubic metre). With demand so strong that even record imports cannot satisfy it, the TTF believes supply is likely to continue to tighten – particularly with Swedish mill stocks the lowest for 20 years.

The Timber Trade Federation (TTF) has previously warned that these low stock levels will mean the balance between supply and demand is likely to further tighten this summer. David Hopkins, CEO of the Timber Trade Federation (TTF), said: “These statistics underline that the market is continuing to import unprecedented levels of volume amidst record demand for timber and panel products. “Recent reports from our members and the CPA indicate that demand remains strong which will keep supply tight throughout 2021. “All users of timber must work closely with suppliers on their purchasing strategies, and to take a forward-looking perspective as timber is likely to remain on allocation.”

Source: Timbermedia.co.uk ,18 Jun 2021

CZECH REPUBLIC

WOOD PRICES WILL RISE

According to data from the Czech Statistical Office, almost 36 million cubic meters of wood were harvested in Czech forests last year. Almost 10% more than in the record year of 2019. The price of wood fell to its minimum. However, due to the policy of the United States and the massive export of raw wood to China, an early turnaround can be expected. There will be little wood and it will be significantly more expensive. "It's a strange situation. It can only be described as plundering of Czech forests", evaluates the current state of the woodworking industry the Czech economist Lukáš Kovanda.

The catastrophic year of 2018 is to blame, when the Czech Republic was hit by a great drought and heat and the subsequent bark beetle calamity. "As a result, there was a forced harvesting of infested wood. And because there is a shortage of sawmill capacity and staff in the Czech Republic, it is exported in the form of logs to various countries, including China. And that is, of course, a great pity."

According to Lukáš Kovanda, the Czech Republic is losing a lot. "If we export such low added value, and on the contrary we import from Germany processed added goods in the form of furniture, for example, we lose the possibility of qualified jobs that could increase the level of our economy. "But why are wood processing capacities lacking in the Czech Republic? One of the reasons is the building law and the generally slow construction industry with long approval processes, which hampers the faster construction of sawmills. The second thing is that the situation in 2018 and 2019 was unprecedented. No one expected the bark beetle calamity to cause such damage. The capacities of domestic sawmills and the woodworking industry were simply not prepared for that”, Kovanda explains. On the other hand, Lukáš Kovanda confirms that the Czech labor market has been overheated for a long time. "We have the lowest unemployment rate in the whole EU, and it is very difficult to find a suitable workforce in forestry. "

Source: GWMI.com ,30 Jun 2021

BRAZIL

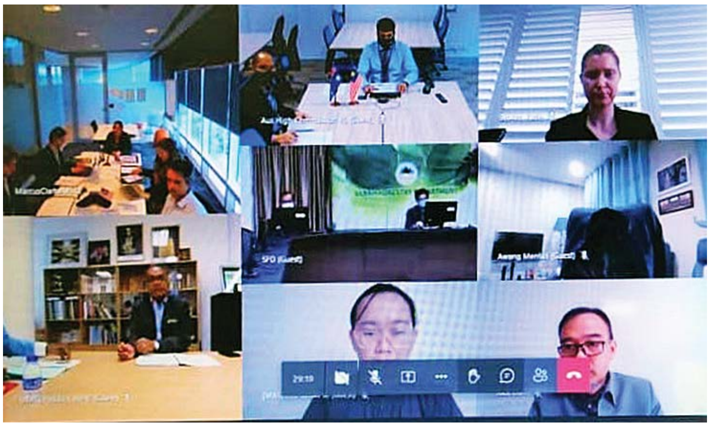
WOOD PRODUCT EXPORTS RISE

In April 2021 Brazilian exports of wood products (except pulp and paper) increased 57.5% in value compared to April 2020, from USD238.9 million to USD376.4 million. Pine sawnwood exports grew 31% in value between April 2020 (USD45.6 million) and April 2021 (USD59.7 million). Export volumes increased 16% over the same period, from 245,600 cubic metre to 285,500 cubic metre.

Tropical sawnwood exports increased 11.5% in volume, from 31,400 cubic metre in April 2020 to 35,000 cubic metre in April 2021. The value of exports in the same period rose 14% from USD12.6 million to USD14.4 million. The value of pine plywood exports surged over 100% in April 2021 in comparison with April 2020, from USD49.19 million to USD100.9 million. Export volumes also rose jumping 20% over the same period, from 200,900 cubic metre to 241,200 cubic metre. As for tropical plywood exports increased in volume (28%) and in value (39%), from 6,100 cubic metre (USD2.6 million) in April 2020 to 7,800 cubic metre (USD3.6 million) in April 2021. Wooden furniture export earnings increased from USD25.7 million in April 2020 to USD72.2 million in April 2021, a 181% growth in the total exports of the product during the period.

Source:Globalwood.org, 2 Jun 2021

9th Meeting on Forestry & Timber Technical Working Group (FTTWG) Meeting under the Malaysia – Australia Agricultural Cooperation Working Group (MAACWG)



The 9th Forestry & Timber Technical Working Group (FTTWG) under the Malaysia – Australia Agricultural Cooperation Working Group (MAACWG) was held on 25 June 2021 via an online platform. The meeting was co-chaired by Mr. Pubadi a/l Govindasamy, Senior Under Secretary, Timber Industry, Timber, Tobacco and Kenaf Industries Development Division, MPIC and Ms Julia Gaglia, Assistant Secretary, Agvet Chemicals, Fisheries and Forestry & Engagement Division, Department of Agriculture, Water and the Environment (DAWE) Australia.

Both parties acknowledged the importance of trade in timber and timber products between Malaysia and Australia, Australia being the 4th largest export destination for Malaysia and as such, wish for continuous good cooperation. Malaysia stated that exports to Australia in 2020 were recorded at AUD 0.281 billion, of which wooden furniture accounted for 49.54% (AUD 139.44 million), builders' joinery & carpentry (BJC) 18.5% (AUD 52.08 million), plywood 12.89% (AUD 36.29 million) and moulding 9.53% (AUD 26.83 million). Malaysia also imports significant quantities of timber products from Australia. In 2020, Malaysia imported timber products valued at AUD 63.9 million. Malaysia mainly imports logs from Australia, which account for about 53.58% (AUD 34.22 million) of the total imports. This is followed by sawntimber 22.7% (AUD 14.49 million) and veneer 21.48% (AUD 13.72 million).

The Working Group will also provide the platform to promote bilateral consultation and cooperation aimed at promoting better understanding between the two countries on matters regarding both the forestry and timber sectors through dialogue and joint initiatives.

Issues relating to the Malaysia Country Specific Guideline (MCSG) were also discussed with some amendments put forward by the Sarawak Forestry Department. The restructuring of the Sarawak Forestry Corporation & Forest Department Sarawak (FDS) was also announced by YAB Chief Minister of Sarawak on 2 January 2020, the functions of both agencies having been streamlined for a stronger focus. Sarawak Forestry Cooperation (SFC) is now focusing on managing Totally Protected Areas (TPAs) and conserving the biodiversity of Sarawak, protecting the wildlife. Hence, the collection of removal passes and other forestry related matters will be handled by the Sarawak Forestry Department. FDS is also currently pilot testing the issuance of removal passes online to the northern parts of Sarawak and this will be expanded to the whole state if the test is successfully and effectively conducted.

Australia presented its forest plantation programme which accounts for 137 million hectares of forest area. The commercial forest is about 2 million hectares with the radiata pines species (softwood) and eucalyptus (hardwood).

On the proposed cooperation in advancing the ability of the furniture design industry – TANGGAM, Australia welcomed the proposal made by TDC. There remains minimal paperwork to be done before Australia proceeds with the programme which involves 4 selected companies and organizations - Jam Factory, Jardan, Nau Design and Dessien Furniture. The proposal will be further discussed at the MAACWG Meeting which is expected to convene in August 2021. In the multilateral forum, regarding Malaysia's and Australia's involvement in APEC EGILAT and ITTO Meetings, both parties look forward to continuous productive relations.

MTIB was represented by Tn Hj. Kamaruzaman Othman, Deputy Director General (Administration & Operational), Pn. Noorazimah Sarkom@Othman (Director of Trade Development Division) and Pn Emie Syarina Norizan (Senior Deputy Director of Trade Development Division).

MALAYSIA

Tri-mode Granted Tax Incentive, Licensing Approval From Mida

Tri-Mode System (M) Bhd has obtained the integrated logistic services (ILS) tax incentive and international integrated logistics services (IILS) status from the Malaysian Investment Development Authority (Mida).

Under the incentive, it has been granted a 70% income tax exemption against statutory income for five years via the approved tax incentive-pioneer status under the Promotion of Investments Act, 1986. As stipulated by the conditions of the incentive, the group has to maintain at least 60% of its equity held by Malaysians, undertake at least one value added activities such as distribution and supply chain management.

In addition, it has to maintain at least 80% full time local employees and incur yearly operating cost of at least RM5.96 million during the incentive period as well as applying for a pioneer status certificate within 24 months of its approval. With the IILS status, Tri-Mode can be issued a freight forwarding agent/customs agent licence by the Royal Malaysian Customs Department with 100% equity ownership.

Its group managing director Datuk Hew Han Seng said the approval is expected to add value to its services and contribute positively to its future earnings. "The IILS status will enable Tri-Mode to have 100% operating licence on customs declaration activities which will also benefit Tri-Mode in terms of operation efficiency and improve overall revenue and profitability of the group, as currently the custom declaration activities are operating under an associate company of the group," he said in a statement today.

On Aug 12, the group unveiled its business expansion plans to purchase 5.38 acres of industrial land near its headquarters and facilities to expand its warehouse services business to cater for positive demand of warehousing and third-party logistics services.

Source:The Sun Daily, 25 August

CHINA

Cu Lines Extends Portfolio To Asia-Europe Route To Tilbury

China United Lines (CU Lines) has now extended its Asia-Europe loop adding a call to the London dock of Tilbury, reports London's Loadstar. Previously, the liner's Asia-Europe Express (AEX) service loop was Shanghai, Ningbo-Zhoushan, Xiamen, Yantian, Ho Chi Minh City, Rotterdam, Hamburg and Antwerp.

The Tilbury extension will begin departing on July 8, when the 4,400-TEU Ren Jian 25 leaves Shanghai. "With the Covid-19 pandemic and other overwhelming factors, shippers are finding it hard to secure shipping slots. We're therefore increasing the supply of slots on various routes and are extending our routes in July," said CU Lines.

Tilbury is one of three major London terminals on the River Thames and handles over 500,000 containers and trailers a year.

Source: Asian Shipper

EUROPE

Ports Of Stockholm Reported A 9.6% Increase In Freight Volumes For The Year To July

The company's northernmost port, Kapellskär handled around 2m tonnes of freight in the first seven months of the year, a 9.6% increase over the same period in 2020.

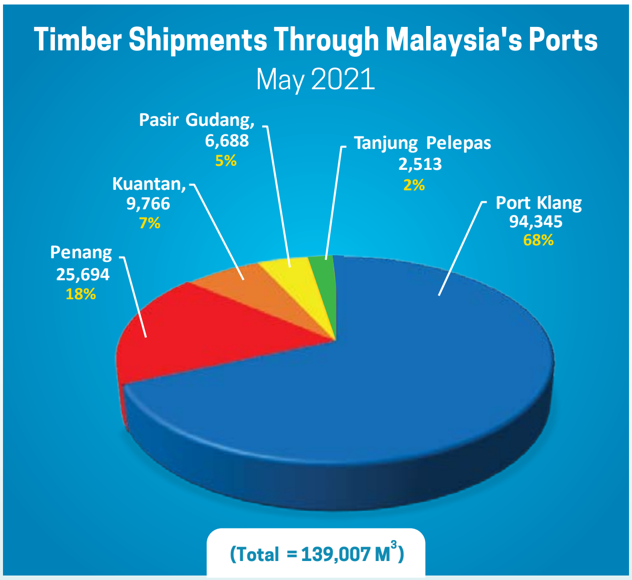
Ports of Stockholm's largest freight customer Finnlink accounted for the largest proportional rise in volumes, with volumes also increasing from Tallink Silja, DFDS and Viking Line.

"We have seen steady growth for several years at Kapellskär, which shows how important the port is for the growing Stockholm region. Good collaboration with all of the shipping companies at the port means that we are able to grow side-by-side," said Peter Lundman, Technical Operations Manager at the Port of Kapellskär.

"More freight needs to be transported by sea. Shipping is an energy efficient means of transport that both reduces climate impact and the number of vehicles on the roads. That is why the continuous rise in the volume of goods being transported by sea from Stockholm via the Port of Kapellskär is incredibly pleasing," said Nicklas Ebersson, Marketing Manager Cargo, at Ports of Stockholm.

Ports of Stockholm is Sweden's third-largest freight transport port. The Port of Kapellskär currently handles 50% of Ports of Stockholm's ferry freight to and from Finland and Estonia.

Source: Seatrade Maritime News, August 20



GERMANY

One Opens Dedicated Container Depot In The Port Of Hamburg

Ocean Network Express (ONE) has partnered with United Container Services (UCS) for a dedicated container depot in the Port of Hamburg. The new depot has a capacity of 4,000 teu, including 25 reefer plugs over an area of 60,000 sq m. It is equipped with three reach stackers and three empty handlers, and the depot has fully automated gates.

Johan Pijpers of ONE (Europe) Ltd commented, "Depot yard space in most European and African ports is being reduced and for that reason our strategy is to start long term partnerships with our most valued suppliers where we see opportunities. ONE is focused on providing best-in-class service to its customers while ensuring that ONE is set up for growth in one of the most important ports in Europe".

Source: Seatrade Maritime New, 25 August

JAPAN

Suez Ship's Japan Owner Braces For 'Thousands' Of Legal Claims

The owner of the Ever Given, the cargo ship that blocked the Suez Canal for almost a week, hampering global trade and roiling markets, expects to be hit with "many hundreds or thousands" of legal claims.

The scale of future litigation against the vessel's owners was laid bare at a London court hearing Tuesday, where lawyers won a court order to put any potential claims on hold for two months. Two subsidiaries of Shoei Kisen Kaisha Ltd., the container vessels' owner, and Evergreen Group, a Taiwanese conglomerate that operated it under a long-term charter, had asked a London judge for the stay.

Earlier this year, they obtained another order limiting some claims against the ship to £84 million ($116 million). The 400-meter-long Ever Given grounded in the Suez canal for several days in March, blocking the route in both directions and disrupting global trade. Last week, it began its voyage out of the canal and left Egyptian waters on Wednesday.

The owners expect to be sued by Evergreen and foresee potentially thousands more legal claims lodged by individual cargo owners against individual ship owners, their court lawyer Stewart Buckingham said at the London hearing.

The stay in proceedings will allow similar and overlapping claims to potentially be grouped together, limiting legal costs and court time, he said. A further court hearing will be held in two months, when the owners will be equipped with more information as to any claims filed against it, allowing them to "see the lay of the land," Buckingham said.

"The owners' position is that they are not liable for the grounding incident or its consequences," he said in a court filing. When the ship became stuck, it was being led by a Suez Canal pilot, who had earlier taken over from the harbor pilot who had driven the ship from the Suez anchorage into the canal, he said.

While there was some damage to the bow of the ship as a result of the incident, no injuries, deaths or pollution are understood to have occurred and the death of a canal worker involved in the refloating is thought to be unrelated, he said.

Lawyers for the owner didn't immediately respond to a request for comment. A lawyer for Evergreen declined to comment.

Any claims filed in the U.K. will likely take years before reaching a resolution. Some may be resolved by arbitration, an alternative and generally private alternative to long and costly court battles.

Source:The Japan Times, July 14

Shipments of Timber and Timber Products
Through Ports in Peninsular Malaysia, MAY 2021

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		(m3)	% change Mac/Apr
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	51,753	-22	8,833	-47	665	-45	470	-2	5,466	2	67,187	-26
MDF	11,890	-24	547	100	3,528	-7	1,205	2	4,927	1	22,097	-14
Mouldings	9,674	-21	77	-31	1,524	37	710	17	1,220	17	13,204	-13
Plywood	3,396	-66	309	-2	294	157	59	-81	4,761	-31	8,820	-50
Veneer	847	1	0	-100	0	-100	69	66	2,236	-47	3,152	-39
Particleboard	16,785	-13	0	-100	677	3,564	0	0	7,085	-21	24,547	-13
TOTAL	**94,345**	**-24**	**9,766**	**-44**	**6,688**	**7**	**2,513**	**-4**	**25,694**	**-18**	**139,007**	**-24**

Note : Indicates percent change over the previous month

Source : MTIB

UNITED STATES

Port Of Houston Sees Box Volume Up 39pc To 292,627 Teu In June

THE Port of Houston handled 292,627 TEU in June, a double-digit growth with loaded imports being 139,488 TEU, reports AJOT.

The total June container numbers demonstrated a 39% increase year over year, with the port seeing 1.6 million TEU for the year, an increase of 13 %.

Total tonnage is up seven per cent and two per cent year-to-date. Steel and auto volumes dipped but the year to date is still positive, at a three per cent increase in steel and a 44 per cent increase in autos compared to 2020.

"Houston is a growth market and at Port Houston, we're poised and ready for continued growth. As an operating port, we are here to meet the changing needs of vessels and businesses and continue adding new services and additional capacity to move the world and drive regional prosperity," said Port of Houston executive director Roger Guenther.

Source: Asian Shipper

Port Of New Orleans Hosts Its Third Direct-asia Service

The Alliance and Evergreen launched their new Asia-US Gulf service with the inaugural sailing of the ONE Modern calling on Port New Orleans (Port NOLA) last week.

It marked Port NOLA's third weekly direct-Asia container service and adds to the port's two existing direct-Asia services operated by the 2M Alliance and OCEAN Alliance. The Alliance's East Coast Loop 6 (EC6) and Evergreen's Asia US Gulf (AUG) service includes Ocean Network Express (ONE), Hapag-Lloyd, HMM, Yang Ming Line (YML) and Evergreen. The new service expands New Orleans' direct connectivity with Asian markets for importers and exporters, adds a new direct port of call to Kaohsiung in southern Taiwan and offers additional options for customers.

Port NOLA president and CEO Brandy D Christian said: "This new direct-Asia service highlights the industry's continued investment in the New Orleans market and the importance of the Louisiana gateway's connectivity to Asia. We are excited that our partners at Hapag Lloyd, ONE, HMM, Yang Ming and Evergreen are committing to this service and increasing access between the US Gulf and the global market."

The service's direct ports of call, Kaohsiung, Hong Kong, Yantian, Ningbo, Shanghai, Pusan, (Panama), Houston, Mobile, New Orleans, (Panama) and Kaohsiung, will offer the best transit times for exporters out of New Orleans. The service will be handled by terminal operator Ports America at the Napoleon Avenue Container Terminal, reports Colchester's Seatrade Maritime News.

"At a time when the west coast is operationally under great pressure and shippers are increasingly looking at the carbon intensity of their logistics routing, it is exciting that ONE and the Port of New Orleans has a new weekly direct service connection with Asia," said ONE chief executive Jeremy Nixon. Port NOLA is currently in the process of a US$100 million expansion project at the Napoleon Avenue Container Terminal that will increase capacity to 1 million TEU.

The port also is in the due diligence process for a US$1.5 billion multimodal container terminal with a two million TEU capacity to serve the largest container vessels calling in the Gulf of Mexico.

Source: Asian Shipper

MAY 2021

The total export of Malaysian timber and timber products in May 2021 decreased by 15% in value totalled RM1.9 billion from RM2.2 billion in the previous month. However, cumulative exports for the period of January to May 2021 increased 33% valued at RM10.2 billion over the previous corresponding period.

SAWNTIMBER

The total export of sawntimber in May 2021 decreased by 27% in volume at 103,030 m³ and 28% in value at RM195.0 million as compared to the previous month. However, cumulative exports for the period of January to May 2021 increased by 19% in volume and 23% in value to 551,567 m³ totalling RM1.1 billion over the previous corresponding period.

Exports of sawntimber to the EU for the month decreased by 37% to 5,785 m³ over the previous month as a result of the low demand from major countries in the region. Exports to Germany decreased by 52% to 680 m³ from 1,426 m³ recorded in the previous month followed by France and Greece decreased 39% and 58% to 430 m³ and 186 m³ respectively. Similarly, the Netherlands as the main buyer also decreased 52% to 2,722 m³ from 5,635 m³ in the previous month. Belgium and Italy recorded positive growth at 61% and 268% to 966 m³ and 534 m³ for the month. Meanwhile exports to the UK also decreased by 81% to 59 m³ from 313 m³ in the previous month.

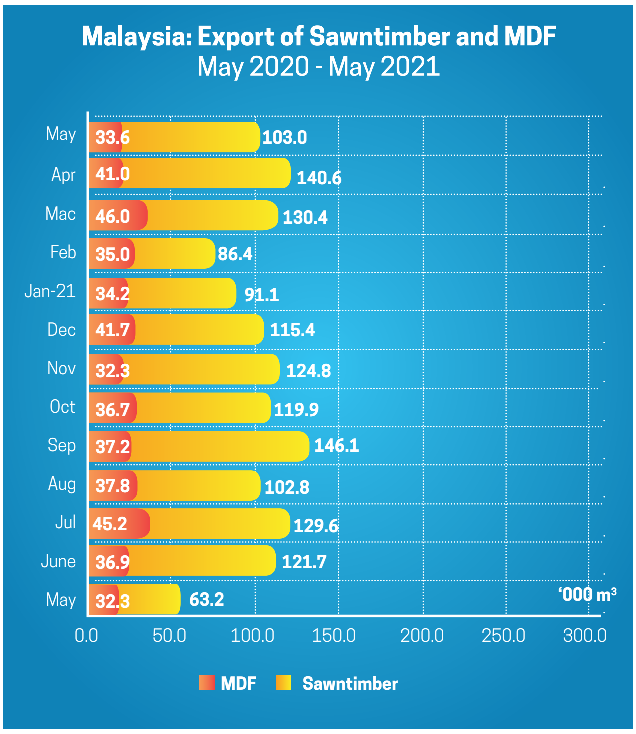
Similarly, total export to West Asia also decreased by 35% to 19,882 m³ from 30,429 m³ recorded in the previous month. Yemen as the main buyer from West Asia decreased by 32% to 10,575 m³ from 15,541 m³ recorded last month. Similarly, exports to Saudi Arabia also decreased by 94% to 123 m³ from 1,970 m³ followed with Oman by 61% to 1,401 m³ from 3,586 m³ recorded in the previous month. Exports to the UAE also decreased by 30% to 4,351 m³ from 6,225 m³ recorded last month followed with Iraq by 18% lower to 1,751 m³. However, exports to Bahrain and Qatar increased to 396 m³ and 1,125 m³ from only 41 m³ and 534 m³ as recorded in the last month.

Elsewhere, buying from ASEAN decreased by 15% to 34,795 m³ from 40,828 m³ as registered in the previous month. Thailand as the main buyer in ASEAN increased its intake by 19% to 14,629 m³ from 12,281 m³ as recorded in the previous month. Meanwhile, exports of sawntimber to the Philippines decreased by 35% to 12,254 m³ from 18,706 m³ last month. Similarly, exports to Singapore decreased by 8% to 6,360 m³ from 6,902 m³ as recorded in the previous month followed by Viet Nam and Indonesia which decreased buying by 57% and 6% to 940 m³ and 612 m³ respectively from 2,198 m³ and 651 m³ as recorded in the previous month.

Similarly, shipments to East Asia also decreased by 27% to 23,095 m³ from 31,622 m³ in April. China as the main buyer decreased purchases by 34% to 12,338 m³ from 18,605 m³ in the previous month. Likewise, exports to Taiwan and Japan also decreased by 14% and 33% to 5,926 m³ and 2,699 m³ respectively from 6,896 m³ and 4,054 m³as as recorded in the previous month. Hong Kong reduced buying by 74% to 96 m³. Meanwhile, South Korea's intake increased by 20% to 2,036 m³ from 1,694 m³ last month.

Exports to the USA decreased by 21% to 3,274 m³ while Australia increased buying by 12% to 834 m³ compared from 744 m³ in the previous month. Meanwhile, demand from South Africa decreased by 29% to 2,381 m³ from 3,333 m³ as recorded in the previous month.

The average FOB price of sawntimber decreased slightly to 1,893 per m³ from 1,931 per m³in the previous month. Meanwhile, price of Dark Red Meranti to the Netherlands decreased slightly to 3,646 per m³ from 3,656 per m³ previously. Keruing was traded at 2,256 per m³, a decrease of 3% from 2,317 per m³ in the previous month.



Malaysia: Export of Sawntimber and MDF
May 2020 - May 2021

PLYWOOD

Exports of plywood in May 2021 recorded a decrease both in volume by 12% to 124,784 m³ and in value by 14% totalled RM249.9 million compared to the previous month. Similarly, cumulative exports for January-May 2021 based on year-on-year, reduced in volume by 7% to 626,766 m³ and in value by 2% at RM1.2 billion over the previous corresponding period.

Exports of plywood to the EU decreased by 80% to 237 m³ for the month from 1,185 m³ in the previous month. France resumed its buying to 76 m³ while exports to Denmark and Ireland were reduced by 91% to 43 m³ and 83% to 118 m³ respectively. However, Belgium, Germany, Italy and the Netherlands didn't make any purchase for the month. Exports to the UK increased significantly to 9,388 m³ from only 426 m³ in the previous month while Turkey did not make any purchase for the month.

Moving to ASEAN and the East Asia region, there was a decrease in volume by 12% to 83,567 m³ compared to 94,575 m³ in the previous month. Japan as the main importer of Malaysian plywood decreased its stock intake by 25% to 57,262 m³ from 76,556 m³ in the previous month. However, South Korea increased its buying by 132% to 13,390 m³, followed by Taiwan with 26% to 3,342 m³, China 27% to 3,179 m3 and Hong Kong 107% to 1,008 m³. Meanwhile, Malaysia's plywood trade with its ASEAN partners showed a mixed trend for the month. Singapore decreased its intake by 2% to 2,063 m³ for the month, followed by Thailand which reduced buying by 27% to 1,783 m³ and Brunei 70% to 233 m³. The Philippines increased its buying by 17% to 835 m³ while Indonesia did not make any purchase for the month.

The plywood export performance in the West Asian region was down by 8% to 11,342 m³ for the month. Despite being the largest importer of Malaysian plywood in the region for the month, Yemen recorded a decrease in intake by 19% to 7,864 m³. Similarly, Saudi Arabia also reduced its buying by 38% to 280 m³. However, exports to the UAE increased by 99% to 1,209 m³ while Kuwait and Qatar resumed their buying by 86 m³ and 302 m³ respectively. Meanwhile, Bahrain does not make any purchase for the month.

Exports to the African region recorded a decrease of intake by 94% to 119 m³ over 2,144 m³ in the previous month. Despite the decrease in the region, exports to South Africa increased by 205% to 64 m³ while Mauritius resumed its buying to 12 m³ for the month. Both Morocco and Sierra Leone did not make any purchase for the month. Moving to our main buyer in the Americas region, the USA decreased its intake of plywood by 34% to 15,000 m³ from 22,618 m³ last month. Similarly, exports to Mexico and Canada were also reduced by 53% to 1,991 m³ and 62% to 238 m³ respectively. While in the Oceania region, exports to Australia decreased by 17% to 1,845 m³ while New Zealand did not make any purchase for the month.

The FOB price of plywood decreased by 2% to RM2,002 per m³ from RM2,042 per m³ in the previous month.

VENEER

Exports of veneer in May 2021 were reduced both in volume by 47% to 3,821 m³ and in value by 41% worth RM6.9 million as compared to the previous month. Similarly, cumulative exports for January-May 2021 recorded a decrease both in volume by 6% to 24,467 m3 and in value by 0.4% to RM39.7 million over the previous corresponding period.

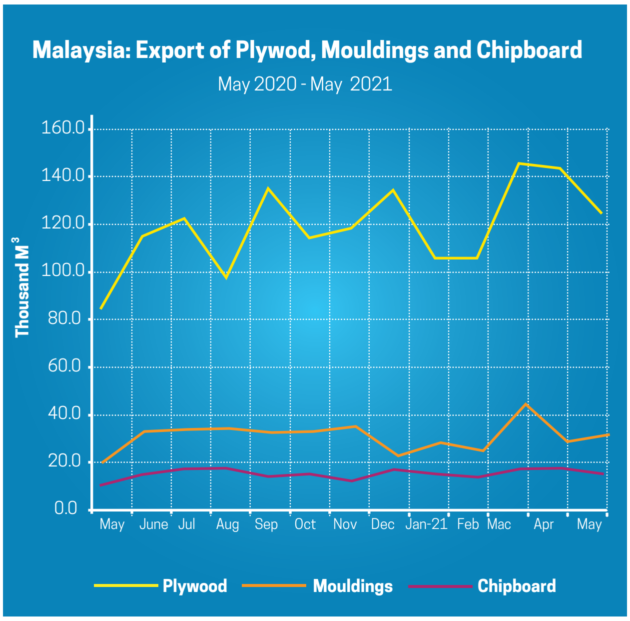
Exports to China decreased by 44% to 1,163 m³, followed by Taiwan where exports were down by 55% to 785 m³, India 13% to 348 m³, the Philippines 62% to 280 m³ and Australia 63% to 55 m³. However, South Korea and Canada increased their buying by 7% to 670 m3 and 105% to 45 m³ respectively. Singapore and USA resumed their buying to 10 m³ and 70 m³ respectively for the month. Italy and Vietnam did not make any purchases for the month.

The FOB price of veneer for May 2021 were recorded at RM1,810 per m³, an increase of 10% from RM1, 651 per m³ on the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in May 2021 recorded a decrease in volume by 18% to 33,581 m³ and in value by 15% worth RM53.9 million compared to the previous month. Similarly, cumulative exports for January – May 2021 based on year-on-year reduced in volume by 21% to 189,764 m³ and in value by 10% to RM294.2 million over the previous corresponding period.

The import performance of ASEAN member countries decreased by 10% to 8,305 m³ from 9,220 m³ in the previous month. Exports to the Philippines and Singapore increased by 10% to 3,988 m³ and 361% to 198 m³ respectively. However, exports to Indonesia and Viet Nam reduced by 30% to 2,495 m³ and 9% to 1,495 m³ respectively. Moving to the East Asia region, exports to the region increased by 32% to 11,758 m³ for the month from 8,919 m³ in the previous month. Japan as the major importer of MDF in the region increased its buying by 30% to 10,176 m³ followed by South Korea which increased exports by 345% to 658 m³ and Taiwan 30% to 631 m³. Meanwhile, exports to China including Hong Kong, decreased by 31% to 293 m³ for the month.



Shifting to the South Asian region, exports to the region declined by 40% to 5,007 m³ for the month. Exports to Pakistan dan India decreased by 16% to 2,040 m³ and 43% to 2,030 m³ respectively. Similarly, Sri Lanka and Bangladesh decreased intake by 50% to 642 m³ and 97% to 29 m³ respectively. Exports to the West Asian region recorded a decrease of 76% to 1,661 m³ from 6,848 m³ in the previous month. Exports to the UAE and Oman decreased by 60% to 1,260 m³ and 87% to 214 m³ respectively. Lebanon and Saudi Arabia also reduced intake by 76% to 104 m³ and 95% to 40 m³ respectively. Qatar resumed its intake with 43 m³ while Bahrain, Iran, Jordan, Kuwait and Syria did not make any purchase for the month.

Elsewhere, exports to the USA and South Africa increased by 34% to 2,179 m³ and 12% to 1,176 m³ respectively, for the month. Exports to Australia decreased by 37% to 1,579 m³ while Sudan resumed its buying to 128 m³ for the month. UK did not make any purchase for the month.

The FOB price of MDF increased by 4% to RM1,606 per m³ from RM1,541 per m³ from the previous month.

MOULDINGS

Exports of mouldings for the month decreased by 15% in volume and 14% in value to 16,015 m³ worth at RM62.7 million. However, cumulative exports for the period of January – May 2021 increased by 23% in volume and 29% in value to 84,032 m³ worth at RM333.3 million as compared to the previous corresponding period in 2020.

Exports to the EU for the month were recorded at 5,992 m³, with a decrease of 17% as compared to the previous month. Germany and the Netherlands decreased their purchases by 41% and 17% to 675 m³ and 4,117 m³ respectively while Belgium increased buying by 15% to 234 m³ as compared to the previous month. However, Italy did not make any purchase. The UK recorded a decrease of 11% to 383 m³ for the month.

Exports to the ASEAN region increased as Thailand and Vietnam increased their purchases by 36% and 4% to 76 m³ and 714 m³. However, Singapore decreased its intake by 28% to 663 m³. Indonesia did not make any purchase for the month.

Likewise, Hong Kong and China decreased intake by 56% and 41% to 105 m³ and 132 m³ respectively. However, Japan and South Korea increased their purchases by 7% and 2% to 1,084 m³ and 1,032 m³. Taiwan resumed buying to 132 m³.

Elsewhere, exports to Canada, Australia and the US decreased by 59%, 22% and 19% to 43 m³, 3,018 m³ and 1,990 m³ respectively.

The average FOB unit value for mouldings increased marginally to RM3,913 per m³ compared to RM3,870 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC in May 2021 recorded a decrease by 11% in volume and 15% in value to 11,237,817 kg valued at RM85.7 million, from last month. Total BJC cumulative exports for the same corresponding period last year increased by 39% to RM472.3 million as compared to RM338.8 million. Exports to the EU increased 20% to RM84.5 million from RM70.2 million in 2020. Exports to Turkey, the Netherlands, Sweden, Belgium, Denmark and Germany increased by 429%, 113%, 40%, 14%, 3% and 1% to RM376,828, RM14.6 million, RM11.3 million, RM23.0 million, RM9.8 million and RM8.1 million respectively. However, exports to Italy and France decreased by 69% and 3% to RM659,841 and RM6.6 million, compared to the previous month. Exports to the UK and Turkey, increased by 60% and 429% to RM68.7 million and RM376,828 from last year.

In Asia, Qatar and Bahrain resumed buying to RM1.1 million respectively. Similarly, Pakistan, UAE, Viet Nam, Singapore and India increased by 218%, 170%, 95%, 72% and 6% to RM1.1 million, RM812,981, RM8.0 million, RM21.8 million and RM15.0 million respectively. However, exports to South Korea, Thailand, Egypt and Taiwan, decreased by 62% 7%, 6% and 4%, to RM491,526,RM7.8 million, RM408,115 and RM3.8 million compared to the previous month. Saudi Arabia did not make any purchase for the month.

Exports to the USA, Australia and South Africa increased by 78%, 31% and 29% to RM114.8 million, RM82.4 million and RM3.9 million respectively. Meanwhile, Mauritius decreased by 23% to RM 327,626 as compared to the previous month.

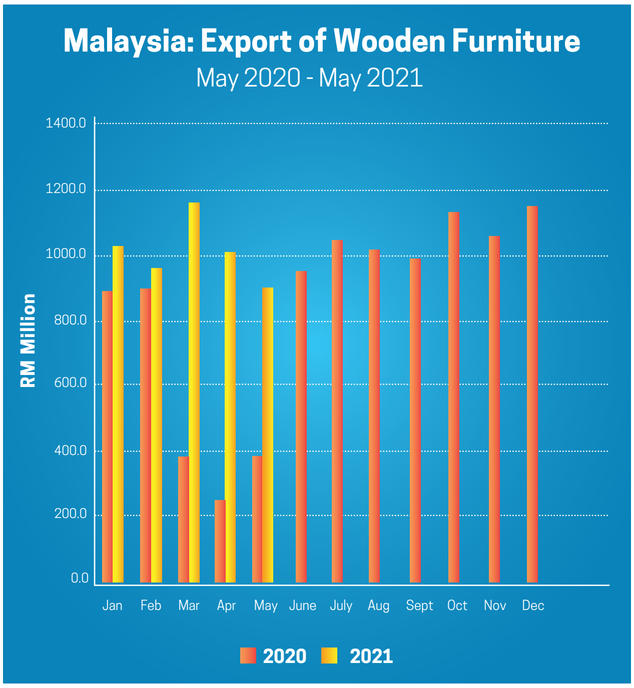
FURNITURE

Exports of wooden and rattan furniture for the period of January to May 2021 recorded an increase of 59% to RM5.1 billion from RM3.2 billion in the previous corresponding period. The USA as the main buyer of wooden furniture has increased purchases by 66% to RM3.1 billion from RM1.9 billion in the same corresponding period in 2020. In Europe, shipments to Germany increased by 54% to RM25.6 million from RM16.6 million followed by the Netherlands with an increase of 42% to RM15.8 million from RM11.1 million compared to the previous corresponding period. Exports to Greece also increased by 25% to RM10.5 million, France by 65% to RM25.6 million and Poland 66% to RM15.6 million respectively.

Shipments to the UK also increased by 47% to RM206.0 million for the month. Similarly, purchases by Russia increased by 32% to RM5.9 million from RM4.9 million in the same period last year. Demand from both Canada and Australia also increased by 42% and 55% to RM122.3 million and RM204.7 million respectively.

Similarly in East Asia, exports to Japan also increased by 24% to RM223.9 million from RM180.0 million in the same period last year. South Korea increased consumption by 9% to RM41.2 million followed by India by 46% to RM74.7 million. Meanwhile, exports to China decreased by 9% to RM40.5 million from RM44.6 million in the previous corresponding period.

In the ASEAN region, exports to the Philippines and Singapore were recorded at RM55.5 million and RM180.5 million respectively. Similarly, exports to Saudi Arabia and



Qatar also increased by 52% to RM82.6 million and 151% to RM6.1 million respectively. The UAE also increased buying by 76% to RM70.9 million followed by Kuwait by 94% higher to RM21.5 million and Oman by 147% to RM10.7 million respectively.

Rattan furniture shipments for January - May 2021 recorded RM42.4 million from RM29.7 million in the previous corresponding period. Exports to the US increased by 83% to RM16.6 million from RM9.1 million in the corresponding period in 2020. Elsewhere, exports to Canada increased slightly to RM1.1 million followed by Australia with an increase of 177% to RM2.6 million compared to the previous month.

In Europe, exports to the UK increased by 58% to RM3.8 million compared to RM2.4 million in the previous corresponding period. Exports to Russia also increased by 224% to RM1.5 million followed with Spain by 64% to RM220,374 and Poland 96% to RM156,470. However, purchases by France and the Netherlands declined by 49% and 53% to RM 351,958 and RM168,401 in the same period last year. Meanwhile in North Africa, Algeria decreased buying by 82% to RM402,225 from RM2.3 million in the previous corresponding period. Elsewhere, South Africa also decreased slightly to RM167,033 from RM 168,247 in the previous corresponding period.

Meanwhile in East Asia, exports to Japan increased by 45% to RM559,766 from RM386,998 recorded in the same period last year. India increased its intake by 164% to RM2.9 million from RM1.1 million whilst China decreased buying by 7% to RM3.1 million compared to RM3.3 million in the previous corresponding period. Meanwhile in the ASEAN region, exports to Singapore and Thailand were recorded at RM640,632 and RM200,357 respectively.

Elsewhere in the Middle East, exports to the UAE increased by 40% to RM318,271 from RM227,652 recorded in the same period 2020. Meanwhile, Viet Nam, Cote D' Ivore, American Samoa, Sri Lanka and Turkey didn't make any purchase compared to the previous corresponding period in 2020. MTIB

WEBINAR e-TRADE PROGRAMME

The development of digital technology has caused a change in the world of entrepreneurship which has resulted in a transformation of businesses from a conventional business model to a digital one. Digital business can be a shield to the 'economic tsunami' which can help entrepreneurs diversify marketing methods by utilizing the facilities and opportunities in the technology itself in growing their respective businesses. Entrepreneurs need to take steps and seize the opportunities provided through initiatives such as MYDIGITAL and the Malaysian Digital Economy Blueprint announced by the YAB Prime Minister, Tan Sri Muhyiddin Yassin on 29 February 2021 to grow their businesses. The government's follow-up measures through the Malaysian Digital Economy Blueprint in the long run will help increase the country's Gross Domestic Product (GDP) which is currently targeted at between 6.0 to 7.5 percent for 2021, while at the same time reduce the country's unemployment rate.

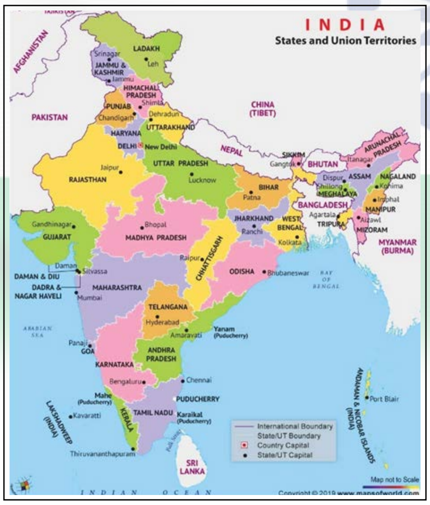
As such, to further strengthen the timber industry in Malaysia, MTIB recently organised an online seminar, the Webinar e-TRADE programme, a collaboration with MATRADE, on 3 June 2021. The objective of the webinar was to introduce the e-TRADE programme which aims to encourage local companies to use e-commerce platforms to increase their export sales. Through the e-TRADE programme, eligible and selected companies will be able to receive a minimum incentive of RM5,000.00 to list their brands and products on the world's leading e-commerce sites such as Alibaba.com, Amazon.com and JD.com. In addition, companies participating in the programme can also get training from the e-commerce provider. It is hoped that this programme will help improve and expand the appearance of local companies in the e-commerce platform market internationally, which is in line with the government's goal to increase the export contribution of SMEs.

En. Mohd Kheiruddin Mohd Rani, Director General of MTIB officiated the webinar and welcomed the participants to the event. In his opening speech, he noted that information sessions from MATRADE and representatives from AliBaba.com will be able to provide a clearer understanding to timber companies on how to dominate the world of digital marketing so that we can remain competitive with other companies nationally and internationally.

In the programme, MATRADE provided information on advisory services and incentives offered by them and then shared about the e-TRADE programme as a stimulus for timber companies to expand market globally and digitally. The briefing then continued with the AliBaba.com representative who shared experiences and how Alibaba.com can help the timber industry to use the e-commerce platform. The papers presented were: Advisory Exporters and Incentive by MATRADE, Programme e-TRADE by MATRADE and Introduction of e-Commerce Platform by AliBaba.com.

The session was conducted interactively and the participants showed keen interest in knowing more about marketing in digital platform. A total of 142 participants comprising individuals and representatives from both the government and private sectors attended this half-day webinar.

INDIAN TIMBER MARKET: EXPLORING ITS MARKET POTENTIAL



Overview

India, officially the Republic of India, is situated in southern Asia. It shares its border with China, Nepal, Bhutan to the north, Bangladesh, and Myanmar to the north-east and Pakistan to the north-west. There exists a small, disputed area with Pakistan which shares its border with Afghanistan. It is the second-most populous country, with a population of 1.39 billion in 2021 and the seventh-largest country by land area. It is also the most populous democracy in the world. In the coming 25 years, it might overtake China to become the world's most populated country. The country has an estimated population of 1.21 billion. 29 percent of the population live in urban areas. India has more than 2,000 ethnic groups.

Economy

Since the start of the 21st century, India's annual average GDP growth has been 6% to 7%, and from 2013 to 2018, India was the world's fastest growing major economy, surpassing China. Historically, India was the largest economy in the world for most of the two millennia from the 1st until the 19th century. The long-term growth perspective of the Indian economy remains positive due to its young population and corresponding low dependency ratio, healthy savings, and investment rates, increasing globalisation in India and integration into the global economy. The economy slowed in 2017, due to shocks of "demonetisation" in 2016 and the introduction of the Goods and Services Tax in 2017. Nearly 60% of India's GDP is driven by domestic private consumption and it continues to remain the world's sixth-largest consumer market. Apart from private consumption, India's GDP is also fuelled by government spending, investments, and exports. In 2019, India was the world's ninth-largest importer and the twelfth-largest exporter. India has been a member of the World Trade Organization since 1 January 1995. It ranks 63rd on the Ease of doing business index and 68th on the Global Competitiveness Report 2020. With 500 million workers, the Indian labour force is the world's second largest as of 2019. According to the 2017 PricewaterhouseCoopers (PwC) report, India's GDP at purchasing power parity could overtake that of the United States by 2050.

India is the world's sixth-largest manufacturer, representing 3% of global manufacturing output, and employs over 57 million people. The construction and real estate sectors rank third among the 14 major sectors in terms of direct, indirect, and induced effects in all sectors of the economy. It is the world's 25th-largest oil producer and the third largest oil consumer. India also has USD1.17 trillion worth of retail market which contributes over 10% of India's GDP and has one of the world's fastest growing e-commerce markets. In 2020, India's ten largest trading partners were the United States, China, UAE, Saudi Arabia, Switzerland, Germany, Hong Kong, Indonesia, South Korea, and Malaysia. In 2019-2020, the foreign direct investment (FDI) in India was USD74.4 billion with the service sector, computer and telecom industry being the leading sectors for FDI inflows. The country reported a GDP of USD2.6 trillion for 2020 and ranked 3rd in the world with USD8.9 trillion in terms of GDP. GDP growth recovered to 1.6% in fourth quarter of year 2020 (FY2020, ended 31 March 2021), narrowing contraction in the whole fiscal year from 8.0% estimated in April 2021 to a revised 7.3%. Then, a second wave of the pandemic induced many state governments to impose strict containment measures. New COVID-19 cases daily peaked at more than 400,000 in early May, then fell to a little over 40,000 in early July. Early indicators show economic activity resuming quickly after containment measures eased. The growth projection for 2021, downgraded from 11% to 10%, reflects large base effects. The projection for 2022, by which time much of India's population is expected to be vaccinated, is upgraded from 7.0% to 7.5% as economic activity normalizes.

Forestry In India

Forestry in India is a significant rural industry and a major environmental resource. India is one of the ten most forest-rich countries in the world and one of the 17 mega biodiverse regions. In 2010, the Food and Agriculture Organization of the United Nations estimated India's forest cover to be about 68 million hectares, or 22% of the country's area. The 2013 Forest Survey of India stated its forest cover increased to 69.8 million hectares by 2012; this represented an increase of 5,871 square kilometres of forest cover in two years. However, the gains were primarily in the northern, central and southern Indian states, while the north eastern states witnessed a net loss in forest cover over 2010 to 2012. In 2018, the total forest and tree cover in India increased to 24% or 8,02,088 square kilometres. It increased further to 24.56% or 807,276 square kilometres in 2019. As per the India State of Forest Report (2019), the recorded forest areas (RFA) and the area under Trees Outside Forests (TOF) of India is 76.7 million hectares and 29.4 million hectares, which are 23% and 9% respectively, of the geographical area. Important species in rural areas are mango, kikar, eucalyptus, rubber, shisham and poplar.

Sal forest in India

Forests provide timber for the manufacturing of domestic and industrial products. The National Forest Policy (NFP), 1952, envisaged that the forests would meet the raw material demand of wood-based industries, while the National Forest Policy of 1988 shifted focus to the conservation of forests. During the late 1970s and the 1980s, as per the recommendations of the National Commission on Agriculture, the states implemented externally aided social forestry projects which not only met the demand of raw material, but also led to the popularisation of agroforestry. To achieve these objectives, the National Commission on Agriculture in 1976 recommended the reorganisation of state forestry departments and advocated the concept of social forestry. In 2002, India set up a National Forest Commission to review and assess India's policy and law, its effect on India's forests, its impact of local forest communities and to make recommendations to achieve sustainable forest and ecological security in India.

Key policies that govern Indian's forests

Compensatory Afforestation Fund Act 2016	Forest Conservation Act 1980	National Forest Policy 1988	Indian Forest Act 1927
Wildlife (Protection) Act 1972	Forest Rights Act 2006		

Source: Mongabay

According to the 2019 Forest Survey, the total forest cover of India is 7,12,249 square km. The State of Madhya Pradesh has the largest forest cover in the country. In terms of percentage of forest cover, Mizoram (85%) is the most forest-rich state. The States/Union Territories that showed larger increase in forest cover were Karnataka followed by Andhra Pradesh, Kerala, and Jammu & Kashmir while the States/Union Territories that showed loss of forest cover were Manipur, Arunachal Pradesh and Mizoram. As per the report Tree Outside Forest Resources in India (2020), the annual timber production from TOFs was 85 million cubic metres in 2020, while 15 million cubic metres Roundwood Equivalent (RWE) of wood and wood products were imported, as per Sustainable Trade of Wood and Wood- based Products in India (2021). India has achieved self-sufficiency in producing small-sized wood but is still heavily dependent on imported timber due to shortage of large-sized wood from the forests.

The Central Government has launched Aatmanirbhar Bharat Abhiyan to reduce dependency on imports and is encouraging the production of local products. Significant forest products of India include paper, plywood, sawntimber, logs, poles, pulp and matchwood, fuelwood, sal seeds, tendu leaves, gums and resins, cane and rattan, bamboo, grass and fodder, drugs, spices and condiments, herbs, cosmetics, and tannins. On top of that, India also has a thriving non-wood forest products industry, which produces latex, gums, resins, essential oils, flavours, fragrances and aroma chemicals, incense sticks, handicrafts, thatching materials and medicinal plants.

It is estimated that 60% of non-wood forest products production is consumed locally. About 50% of the total revenue from the forestry industry in India is in non-wood forest products. For achieving self-reliance in the wood sector, the domestic production of large- sized wood needs to be enhanced through harvesting the annual incremental yield of forests. India has sufficient land resources, favourable climate, technical know-how and manpower to produce large-sized wood; hence, incentives to plantation companies and industries are needed for attracting investments to this sector. In 2019, India increased domestic production of wood-based panel products such as plywood, particleboard and MDF/HDF. That year, India produced 10 million cubic metres of plywood, an increase of 51% from 2015. Similarly, production of particleboard and MDF/HDF increased by 66% to 1.2 million cubic metres and 30% to 1.0 million cubic metres respectively. The table below depicts the production of timber products in India from 2015-2019.

India : Production of Timber Products, 2015-2019

Product / Year	2015	2016	2017	2018	2019
Sawnwood	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Veneer	295,000	240,000	217,130	116,000	116,000
Plywood	6,617,000	7,411,000	8,300,000	9,500,000	10,000,000
Particleboard	724,000	724,000	1,070,000	1,140,000	1,200,000
MDF/HDF	770,000	770,000	890,000	950,000	1,000,000

In volume (m^3)

** FAO Estimate*
Source: FAO Stats

India's Import Of Timber And Timber Products

Logs account for 67% of all wood and wood products imported into India due to local preference for unprocessed wood. This preference is explained by the availability of inexpensive labour and the large number of productive sawmills. Indian market for unprocessed wood is mostly fulfilled with imports from Malaysia, Uruguay, New Zealand, Ecuador and Ghana. India is a growing market for partially finished and ready-to-assemble furniture. China and Malaysia account for 60% of this imported furniture market in India followed by Italy, Germany, Sri Lanka, Singapore and Hong Kong. The Indian market is accustomed to teak and other hardwoods that are perceived to be more resistant to termites, decay and can withstand the tropical climate. Teak wood is typically seen as a benchmark with respect to grade and prices of other wood species. Major imported wood species are tropical woods such as mahogany, garjan, meranti, and sapeli. Plantation timber includes teak, eucalyptus, and poplar, as well as spruce, pine, and fir. India imports small quantities of temperate hardwoods such as ash, maple, cherry, oak, walnut, beech, etc. as squared logs or as lumber. India is the world's largest meranti log importer and second largest tropical log importer in the world.

2020 posed a very challenging year for India with containment measures/lockdown to curb the spreading of COVID-19 and the global economic slowdown. It has impacted badly on economic activities and halted construction and manufacturing industry growth. India reduced its buying by 34% of timber and timber products worth USD1.8 billion in 2020 over USD2.7 billion in 2019. Import of logs, the major timber product imported by India, decreased by 35% to USD649.0 million, followed by sawntimber of which imports were reduced by 24% to USD356.2 million, furniture and parts by 38% to USD350.4 million, veneer 40% to USD169.4 million and plywood 27% to USD78.9 million. The tables below show the performance of India import of timber and timber products and major supplying countries for furniture and parts from 2016 to 2020.

India: Imports of Timber and Timber Products, 2016-2020

Product / Year	2016	2017	2018	2019	2020
Logs	1,277,620	1,202,125	1,113,989	999,990	649,040
Sawntimber	275,392	366,681	423,740	469,667	356,196
Furniture and parts	525,278	615,972	617,613	567,673	350,396
Veneer	199,937	219,033	234,422	283,015	169,370
Plywood	79,753	97,423	121,210	108,457	78,870
Fibreboard	88,449	105,850	121,249	104,167	54,348
Moulding	21,537	31,028	34,750	38,637	35,673
BJC	46,625	47,751	55,077	46,722	32,521
Particleboard	34,741	27,444	40,138	44,315	28,963
Other articles of wood	44,590	38,390	22,654	30,876	18,018

Other articles of wood	44,590	38,390	22,654	30,876	18,018
Packing cases	10,579	12,310	12,309	14,638	9,829
Tableware and kitchenware	746	1,723	4,250	8,597	6,225
Wood charcoal	790	642	12,719	5,271	5,731
Tools, bodies and handles	1,170	1,142	2,206	2,816	3,385
Casks, barrels, vats and tubs	1,058	1,660	1,970	2,428	3,284
Densified wood	3,509	3,765	4,642	3,121	2,546
Wood wool & flour	791	1,923	2,029	2,194	2,030
Fuel wood	56,568	25,623	16,572	10,136	1,278
Wood marquetry	992	1,533	1,930	2,353	1,234
Wooden frames	429	550	1,299	983	471
Hoopwood	254	29	45	24	295
Railway sleepers	0	239	12	49	0
TOTAL	**2,670,808**	**2,802,836**	**2,844,825**	**2,746,129**	**1,809,703**

In USD ('000

Source: UN Comtrade

India: Imports of Furniture Parts (9403) from the World, 2016-2020

Countries	2016	2017	2018	2019	2020
World	525,278	615,972	617,613	567,673	350,396
China	301,846	366,759	333,364	293,310	177,004
Malaysia	67,562	73,620	80,202	69,728	39,096
Italy	41,722	51,840	45,848	46,927	33,802
Germany	21,897	24,470	27,750	25,868	15,913
Sri Lanka	13,767	14,376	16,724	17,475	12,125
Singapore	11,473	13,444	27,118	21,411	10,793
Hong Kong	5,378	4,463	10,720	11,647	7,588
USA	10,290	10,624	9,356	10,316	6,828
United Kingdom	4,013	7,580	5,832	8,320	6,510
Thailand	2,851	3,529	5,704	3,522	3,833

In USD ('000

Malaysia ranked 2nd from 113 countries.

Source: UN-Comtrade Statistics

India's Export Of Timber And Timber Products

The Indian furniture market witnessed strong growth from 2016 to 2020. The country's furniture market is expected to grow at a rapid pace due to the rising disposable incomes, the burgeoning middle class, and the growing number of urban households. The furniture market in India is moving from the unorganized sector to the organized industry to adapt to fast changes in the furniture market. The critical states for the wood furniture market in India are Kerala, Punjab, Andhra Pradesh, West Bengal, Uttar Pradesh, and West Bengal. The demand for wooden and engineered wood furniture has increased tremendously in India. India flourishes in the natural resources of several tree species, and the furniture industry uses both indigenous wood and imported wood. India imports raw materials from various Southeast Asian countries, such as Indonesia, Myanmar, and Malaysia. Popular types of wood used in the Indian furniture industry are teak, sandalwood, ebony, walnut, sal, red cedar, and rosewood. However, the furniture sector in India makes a marginal contribution to the Gross Domestic Product (GDP), which is around 0.5%.

Demand for traditional wooden furniture is increasing in India

In 2020, Indian furniture industry recorded an increase of 2% valued at USD909.1 million over USD882.9 million in 2019. Major buyers of Indian furniture are Japan, USA, China, Viet Nam and Indonesia. Wood-based panel products also flourished for the past five years with an increase of 14% in 2020 worth USD69.4 million from USD61.1 million in 2016. The increase is due to rising demand of ready to assemble/DIY products and wooden furniture manufacturing. The COVID-19 pandemic has resulted in a temporary halt in the timber and furniture manufacturing activities in the country yet owing to the increased time customers spending at home due to lockdown, and stay at home to stay safe practices, the demand for wooden furniture increased in the country. With the increasing work from home for employees, and learn from home practices for students, the demand for study tables, working tables, and home office setups helped the market in generating increased revenues in the market. The tables below explain the exports of Indian timber and timber products and major export destinations for India furniture and parts from 2016 and 2010.

India: Exports of Timber and Timber Products, 2016-2020

Product / Year	2016	2017	2018	2019	2020
Furniture & Parts	617,990	656,604	773,334	882,866	909,076
Plywood	42,674	30,065	31,600	33,549	32,951
MDF	14,793	17,064	20,541	31,259	32,416
Veneer	14,412	10,958	19,775	21,030	19,924
BJC	9,104	9,208	16,044	20,472	16,524
Wooden Frame	16,651	19,052	17,238	17,244	14,249
Logs	20,166	70,046	54,308	55,778	6,378
Particleboard	3,644	3,392	6,831	4,476	4,005
Sawntimber	17,925	10,460	5,394	3,474	3,147
Mouldings	2,253	3,102	3,895	2,929	2,160
Other Products	259,126	241,726	259,899	287,440	292,096
TOTAL	**1,018,738**	**1,071,677**	**1,208,859**	**1,360,517**	**1,332,926**

In USD ('000

Source: UN Comtrade

India: Top 10 Export Destinations for Indian Furniture & Parts, 2016-2020

Countries	2016	2017	2018	2019	2020
World	90,322	87,582	88,806	87,401	77,524

Japan	38,040	34,299	33,347	32,067	21,150
USA	6,054	6,307	7,789	9,273	14,150
China	7,975	9,838	10,859	10,070	11,639
Vietnam	5,665	6,682	4,386	5,153	4,817
Indonesia	2,421	3,024	3,915	3,342	4,235
Taiwan	1,173	1,164	1,651	1,637	2,371
Philippines	1,820	2,318	2,551	2,427	1,809
Germany	1,704	1,690	1,925	1,841	1,500
Netherlands	90	323	525	1,101	1,462
Mexico	3,984	2,667	2,183	1,581	1,368
Malaysia	**1,924**	**1354**	**825**	**675**	**460**

In USD Thousand ('000)

Malaysia ranked 20th from 145 countries.
Source: UN-Comtrade Statistics

Malaysia's Export Of Timber And Timber Products To India

India has a tremendous growth of wood-based industries which include pulp and paper, match, saw wood, veneer and plywood, pencil and dendro biomass industries. The timber and timber-based industry is growing rapidly with the increasing demand for furniture, housing, construction material, packaging, agriculture good, sports goods, plywood, veneer and matches. Similarly, the biomass-based power generation industries are also on the rise across the country to generate electricity from forest biomass. This growing demand for wood and wood-based industries will create a wood deficit of 20-70 million cubic meter by 2020. It is estimated that approximately 40% of the timber products are supplied from outside forest areas and more than 95% of fuel wood and major timber requirement are obtained from outside forest areas. Thus, it has created a demand for timber and timber-based products and opened opportunities for Malaysian exporters to provide a supply of timber and timber products to India.

In 2020, exports to India reduced by 39% to RM779.6 million over RM1.3 billion in 2019. Most major timber products recorded a decline in export value in 2020 due to halted economic and manufacturing activities caused by restricted movements/lockdown measures to curb the spreading of COVID-19 pandemic, reduced global demand, increased logistic and shipping costs and a global economic slowdown. Logs and sawntimber are the major products exported to India with an export value of RM315.0 million and RM219.4 million, respectively. Both exports recorded a decrease of 34% and 36% respectively. Similarly, exports of wooden furniture reduced by 46% to RM131.8 million, followed by BJC by 19% RM32.4 million, fibreboard 49% to RM32.1 million and plywood 50% to RM25.2 million. The table below displays the export performance of Malaysian timber and timber products to India for the period from 2016 to 2020.

Malaysia: Exports of Timber and Timber Products to India, 2016-2020

Product / Year	2016	2017	2018	2019	2020
Logs	968,449,293	830,006,397	517,726,631	475,699,519	315,021,985
Sawntimber	181,932,840	344,687,870	401,758,124	344,043,627	219,398,637
Wooden Furniture	157,504,440	198,771,444	230,793,093	241,798,366	131,824,884
BJC	67,895,939	55,172,150	35,433,695	40,057,514	32,427,056
Fibreboard	41,911,614	58,116,987	64,474,922	62,984,176	32,063,746
Plywood	38,241,845	54,643,217	55,334,553	50,593,265	25,237,696
Chipboard/ Particleboard	57,358,845	38,349,391	34,946,233	23,275,456	7,662,129
Veneer	5,793,333	9,122,068	6,080,447	10,193,831	6,869,314
Mouldings	9,929,825	8,816,775	7,928,791	8,792,414	4,118,642

Wooden Frame	159,298	20,556	397,364	62,571	35,758
Others	7,865,193	13,818,742	10,805,238	19,332,195	4,951,223
TOTAL	**1,537,042,465**	**1,611,525,597**	**1,365,679,091**	**1,276,832,934**	**774,659,847**

(Value: RM) *Source: MTIB & DOSM*

Malaysia's Import Of Timber Products From India

Malaysia's import of timber products from India is small but shows an increasing trend from 2016. However it reduced drastically in 2020 due to the global economic slowdown and reduced demand in the local market. Imports totalled RM36.5 million in 2016 and increased to RM43.0 million in the following year. Imports however, decreased to RM47.2 million in 2018 and in 2019, they peaked further to RM70.6 million. In 2020, imports decreased to RM37.0 million. Malaysia's main imports of timber products from India are wooden furniture, fibreboard, BJC, veneer, plywood and sawntimber. The table below shows the import performance of Indian timber and timber products to Malaysia for a period from 2016 to 2020.

Malaysia: Imports of Timber and Timber Products from India, 2016-2020

Product / Year	2016	2017	2018	2019	2020
Wooden Furniture	21,054,796	24,819,214	31,333,432	49,443,758	19,166,687
Fibreboard	578,522	1,141,699	4,746,856	6,099,388	8,260,895
BJC	202,714	1,101,951	1,973,924	4,838,669	3,342,232
Veneer	3,862,386	6,343,500	4,468,951	4,809,820	2,319,513
Plywood	0	333,539	0	706,709	302,024
Sawntimber	746,487	136,849	0	5,253	223,934
Chipboard/ Particleboard	5,011	27,417	0	0	9,688
Logs	21,947	75,762	0	0	0
Mouldings	30,139	0	18,907	0	0
Others	9,996,196	9,011,043	4,630,882	4,649,348	3,420,011
TOTAL	**36,498,198**	**42,990,974**	**47,172,952**	**70,552,945**	**37,044,984**

(Value: RM) *Source: MTIB & DOSM*

Import Tariffs For Timber Products And Anti-dumping Measures

India import tariffs for timber and timber products have been reduced significantly with most rates at 10%. For example, import duty for logs was reduced from 140% to 5% in 2004. Basic duty for other timber products is at 10% but other duties such as excise duty, excise cess, education cess andcountervailing duties are also being levied. These duties can come up to between 9.3% and 36.7%.The Directorate General of Trade Remedies (DGTR) of India has published its second sunset review on the extension of anti-dumping duty (AD) for importation of MDF with more than 6mm thickness from China, Malaysia, Thailand and Sri Lanka on 8 January 2021. Importation from Malaysia was recommended the definitive AD duty ranges from 13.29% to 36.10%. The department recommended to extend the imposition of the anti-dumping duty for another five more years.

On 20 April 2021, DGTR also published its final findings report to impose anti-dumping duty on the importation of MDF with thickness less than 6mm from Viet Nam, Malaysia, Thailand and Indonesia. For Malaysia, the department recommended that AD duty of 258.42% will be imposed for importation of MDF to India. However, in its Office Memorandum dated 20 July 2021, the Ministry of Finance (Department of Revenue) has decided not to impose the anti-dumping duty on imports of MDF having thickness less than 6mm originating in or exported from Vietnam, Malaysia, Thailand and that Indonesia.

MDF with thickness less than 6mm are used in furniture and cabinet making and with the imposition of the AD duty, it may affect the Indian furniture industry that is rapidly increasing over the next few years, especially to cater to the demand of the new norm of products suitable for home and school offices.

Concurrently, DGTR Indian has also recommended to impose anti-subsidy/countervailing duties for the importation of MDF from Malaysia (apart from Indonesia, Thailand, Viet Nam and Sri Lanka), ranging from 10.52% to 18.08% on its final findings report dated 3 May 2021 but until now, the Ministry of Finance has yet to issue any notification on the matter.

India And Free Trade Agreements

The ASEAN-India FTA negotiations were ongoing when the Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA) talks began in February 2008. On 13 August 2009, upon conclusion of negotiations on Trade in Goods, ASEAN and India signed the ASEAN-India Trade in Goods Agreement (AITIG). The AITIG entered into force on 1 January 2010. The MICECA was signed on 18 February 2011 and came into force on 1 July 2011. MICECA is a comprehensive agreement that covers trade in goods, trade in services, investments, and movements of natural persons. It value-adds to the benefits shared from ASEAN-India Trade in Goods Agreement (AITIG) and will further facilitate and enhance two-way trade, services, investment and economic relations in general. Compared to AITIG, the MICECA contains many pluses. These include the following:

i. The comprehensive nature of MICECA, i.e., it includes Services, Investment, Economic Cooperation, Customs, Sanitary and Phytosanitary (SPS) and TBT chapters. AITIG only covers Trade in Goods

ii. The Exclusion List (i.e., list of products excluded from tariff concessions) of MICECA is shorter than that of AITIG. India has excluded 1,225 products under MICECA compared with 1,298 under AITIG. Malaysia has excluded 838 products under MICECA, compared with 898 under AITIG

iii. For Trade in Goods, MICECA has advanced the timelines agreed under AITIG

iv. Malaysia has been granted better concessions for palm oil and palm oil products under MICECA

v. MICECA contains more trade-facilitative Product Specific Rules (PSRs) compared with AITIG

vi. MICECA contains more stringent anti-dumping provisions compared with AITIG, which will benefit Malaysian exporters

As for Malaysian exporters to enjoy the benefits under MICECA, particularly the preferential tariff, exporters must ensure that the finished products have undergone substantial transformation in terms of change in tariff classification at 6 digits level and fulfill the general Rules of Origin Qualifying Content (QVC) of not less than 35% or Product Specific Rules (PSR). A Certificate of Origin (CoO) issued by the Ministry of International Trade and Industry Malaysia is required. The CoO is a certificate that can be used to satisfy importers that the products exported originate from Malaysia. Since 2016, most of our timber and timber products have enjoyed 0% preferential duties except for products under HS4406 (railway sleepers) and HS9403.30 (wooden furniture of a kind used in offices). These two items will be imposed preferential duties of 5%. The table below shows the import tariff for timber and timber products for Malaysian products exported to India.

Product	Description	MFN Rate	MALAYSIA INDIA FTA (MICECA)
4401	Fuel wood	5	0
4402	Coniferous	5	0
4403	Logs	5	0
4404	Hoopwood; split poles; piles	10	0
4405	Wood wool; wood flour	10	0
4406	Railway or tramway sleepers	10	5
4407	Sawntimber	10	0
4408	Veneer	10	0
4409	Moulding	10	0
4410	Particle board/Chipboard	10	0
4411	Fibreboard	10	0
4412	Plywood	10	0
4413	Metallised wood and other densified wood	10	0
4414	Wooden frames	10	0
4415	Packing cases, boxes	10	0
4416	Casks, barrels, vats, tubs	10	0
4417	Tools, tool bodies, tool handles	10	0
4418	Builders' joinery and carpentry	10	0
4419	Tableware and kitchenware, of wood	10	0
4420	Wood marquetry and inlaid wood	10	0
4421	Other articles of wood, n.e.s.	10	0
9401	Furniture Seats	2.5 - 25	0-5
9403	Furniture and parts thereof, n.e.s.	25	0-5

Source: MITI and WTO

Prospects And Challenges

The woodworking industry in India is amongst the fastest growing sectors. According to a study conducted by World Bank, the organized furniture market across the country is expected to grow at a rate of about 20% annually over the next few years. The country has also been importing wood and wood products. The value of imports in the industry was more than INR396 billion at the end of fiscal year 2020. As India has already been importing timber and timber products from Malaysia, there is prospect for growth in future trades. It provides a potentially vast market for consumers and industrial products, particularly when access is further liberalised bilaterally under MICECA. With the increasing work from home for employees, and learn from home practices for students, the demand for study tables, worktables, and home office setups has helped the market in generating increased revenues. Urbanization and growth in the number of nuclear families in India are further adding to the demand for wooden furniture products. Changing lifestyles, tastes, and preferences for different kinds of wood furniture is escalating the growth in the wooden furniture industry.

The availability of engineered wood furniture through various distribution channels provides an ease to the customer to buy furniture products. With technological advancements, such as access to smart gadgets and the availability of high-speed 4G networks, the online distribution channel is gaining popularity for buying the furniture items across the country. India is a very large and rapidly growing market for online shopping. Moreover, the ease of buying from the e-commerce platform is also encouraging the growth of modular and multifunctional furniture in the market for home decoration and convenience purposes. Even though Amazon has taken the lead, Indian companies, especially pure e-commerce players, are holding their ground and fighting to expand their presence in this fast-growth market. The Indians are rapidly getting used to e-commerce and its convenience, and they primarily use mobile devices to access the internet and shop online for a growing array of goods and services. Thus, catering to new rising norms, Malaysian exporters should take advantage of these new trends and widen their access in online business platforms in India. Amazon India has been able to take the lead in the country, but local players, such as IndiaMART Flipkart, Alibaba, Snapdeal and Shopify are also gaining increased market share.

Plywood is the most preferred wood for making furniture in India. It is a manufactured wood panel made from thin sheets of wood veneer. Plywood is durable so it is widely used for any furniture or wood panel application in the Indian wood furniture market. However, bamboo material boards and veneered panels are also becoming popular in the Indian wood furniture market for manufacturing furniture. According to a report "Indian Plywood Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026" from the IMARC Group, a market research company, the Indian plywood market was worth INR222.5 billion in 2020 and could expand over 4% annually up to 2026. The Indian plywood market is primarily driven by construction activities and the home furnishing sector. Growth in consumer disposable income levels along with the rising expenditure on home décor will support demand for wood-based panels. The demand for wood-based panel products in India are increasing and Malaysian exporters should capitalise on this opportunity, especially with the rising preference for bamboo boards. Moreover, the introduction of new designs and diverse product ranges of furniture have further helped in creating a demand among the consumers. Expanding distribution networks and exclusive outlets of furniture manufacturers in the region has also helped in influencing the market for plywood.

Due to continuous urbanization, upcoming infrastructure projects and a growing population base, the construction industry in India is booming. It is expected to record a CAGR of 15.7% to reach USD738.5 billion by 2022 with the construction output expected to grow on average by 7.1% each year. With huge ongoing project opportunities, it is the third largest contributor to economic growth. India is expected to become the world's third-largest construction market by 2022.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDIs in the construction development sector (townships, housing, built-up infrastructure, and construction development projects) and construction (infrastructure) activities stood at USD25.9 billion and USD24.0 billion respectively, between April 2000 and December 2020. Moreover, the industry employs more than 40 million people and has a large pool of low-cost workers. The growth is driven by investments in residential, infrastructure and energy projects under flagship programmes such as the 100 Smart Cities Mission, Housing for All 2022, the Atal Mission for Urban Rejuvenation and Transformation (AMRUT), the National Skill Development Mission (NMSD), Pradhan Mantri Gram Sadak Yojana (PMGSY), Make in India, and Power for All (PFA) by various governments. The Indian real estate sector is expected to reach a market size of USD180 billion by 2020. As such, there is a pressing need for the home construction and maintenance industry to renovate the existing spaces.

While India is on the path to becoming one of the biggest timber wood importers across the globe, the high rate of goods and service tax (IGST) as well as the degrading value of the rupee in the International market has eroded importers margin. In addition to this, the 18% GST on the selling put on by the Indian government has not done many benefits to the Indian importers. However, the government's plan to decrease GST on imports is very favourable to these importers. Thus, Malaysian timber and timber products, including furniture, producers, should tap into this huge market by producing a variety of high-quality durable products at competitive prices that would be able to meet the demand of the Indian consumer market. Malaysian timber and furniture exports should also enhance their presence and improved business networking with Indian importers by participating in relevant fairs and exhibitions in the country as well as organising specialised selling missions to furtherunderstand and cater to the market demand.

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APRIL 2021

LOGS

The average domestic prices of logs for the month under review were reported to have maintained at last month's level although some species recorded some changes. Most mills reported that they have sufficient logs supply.

Log prices for the species of Chengal and Balau remained at RM5,000 per ton and RM3,400 per ton respectivey. The prices for Keruing dropped by 5.9% at RM1,600 per ton whilst Kempas continued to be traded at RM1,750 per ton. The prices for Dark Red Meranti and Red Meranti remained stable at RM1,950 per ton and RM1,900 per ton. On the other hand, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood remained stable at RM1,200 per ton and RM1,120 per ton respectively.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable as prices continued to chart at last month's level. The MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.90, RM16.20, RM22.00 and RM29.10 per piece, respectively.

SAWN TIMBER

The average sawn timber prices for the month remain firm although some spesies recorded a slight decrease.

The sawn timber prices of Chengal remained stable at RM7,062 per m³ whilst Red Balau dropped by 2.4% at RM2,895 per m³ respectively. Meanwhile, the prices for Keruing and Kempas continued to be traded at RM2,119 per m3 and RM2,472 per m³. On the other hand, the prices of Dark Red Meranti dropped by 8.2% at RM1,977 per m³ whilst Red Meranti recorded at RM1,907 per m³. However, sawn timber prices of Mixed Heavy Hardwood and Mixed Light Hardwood charted at RM1,109 per m³ and RM989 per m³ for eachly for this month.

PLYWOOD

In Meil, the supply of plywood reported to remain adequate to serve the demand of the domestic market. The prices of plywood for 4mm, 6mm, 9mm and 12mm of thicknesses were continued to be traded at RM14.80, RM22.20, RM38.35 and RM48.50 per piece respectively.

INTRA-MALAYSIA TRADE * - MAY 2021

The shipments of sawn timber from Sabah to Peninsular Malaysia for the month under review rose by 3 digits or 515% in volume from 34 m³ to 209 m³ worth at RM531,000. Likewise, the trade of plywood grew in volume by 56% from 2,486 m³ to 3,887 m³ valued at RM7.7 million as compared to the previous month.

Trade of sawn timber from Sarawak to Peninsular Malaysia dropped by 37% from 549 m³ to 348 m³ worth at RM615,000. The shipment of plywood fell sharply by 12% in volume from 2,093 m³ to 1,840 m³ worth at RM1.9 million. Similarly, shipment of veneer recorded a sharp dropped of 50% volume from 159 m³ to 79 m³, amounting to RM239,000.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in May 2021.

*** Source: Malaysian Timber Industry Board (MTIB) and Department of Statistics, Malaysia**

*AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, MAY 2021 (RINGGIT MALAYSIA)

	LOGS/ton	SAWNTIMBER/m³		
SPECIES	**18" UP**	**GMS**	**STRIPS**	**SCANTLINGS**
HEAVY HARDWOOD				
Chengal	5,000	7,062	5,650	8,475
Balau	3,400	3,390	3,107	3,602
Red Balau	2,250	2,895	2,754	3,319
Merbau	3,500	4,696	3,948	4,343
Mixed Heavy Hardwood	1,200	1,109	1,045	1,236
MEDIUM HARDWOOD				
Keruing	1,600	2,119	1,271	2,203
Kempas	1,750	2,472	2,260	2,542
Kapur	1,680	1,746	1,412	1,836
Mengkulang	1,300	2,260	1,766	2,331
Tualang	1,550	2,507	2,331	2,542
LIGHT HARDWOOD				
Dark Red Meranti	1,950	1,977	1,660	2,684
Red Meranti	1,900	1,907	1,518	2,097
Yellow Meranti	1,250	1,554	1,236	1,716
White Meranti	1,500	2,472	1,321	2,507
Mersawa	1,700	1,871	1,624	1,977
Nyatoh	1,430	1,713	1,448	1,730
Sepetir	1,250	1,695	1,165	1,758
Jelutong	1,100	1,780	1,215	1,836
Mixed Light Hardwood	1,120	989	862	1,088

MALAYSIAN RUBBERWOOD *Hevea brasilienses*	LOGS/ton	SAWNTIMBER/m³			
		1" X 1"	**2" X 2"**	**3" X 3"**	**4" X 4"**
	205	1,262	1,356	1,409	1,590

PLYWOOD 4' X 8'	**4 mm**	**6 mm**	**9 mm**	**12 mm**
(RM per piece)	14.80	22.20	38.35	48.50
MDF 4' X 8'	**4 mm**	**6mm**	**9 mm**	**12 mm**
(RM per piece)	12.90	16.20	22.00	29.10

Note: Log prices ex-batau. Sawn timber, plywood, MDF and Malaysian Rubberwood (Hevea brasiliensis) prices ex-mill
** Prices are only indicative*

TIMBER BUILDING MAINTENANCE – THE BASICS

Timber buildings have a natural look and a healthy indoor climate. The use of wood in construction however, has its own requirements. If we want to preserve the endurance of timber building, maintenance is one of the needs that has to be considered as it is for any building, system and physical structure. First and foremost, the definition of 'maintenance' as stated in the Oxford Bilingual Dictionary of Dawn Sixth Edition, (2020), means 'to maintain' or 'to fix something'. Some journals also state that maintenance as a combination of all technical administrative actions related, intended to maintain or restore the original condition of the system or elements of the building. But the definition in the context of the Public Works Department JKR, (2017), maintenance is a combination of all technical aspects and administrative actions relating to the purpose of maintaining or maintaining a building, system and physical structure.

Hence, the maintenance the building should cover safety features comprehensively to ensure the safety of users. The cause of damage is generally due to lack of monitoring of maintenance work. When damage occurs, the value of a service will decrease and result in increased repair costs. Therefore, building maintenance is very important and its aims are:

I. Retention of the original function and performance of the building
II. Retention of building asset value
III. Image retention and building design
IV. Maintenance of safety and comfort aspects

There are various aspects that need to be considered before maintenance work is done on a timber building (Figure 1). This is important in ensuring that maintenance work can be carried out systematically and effectively

Figure 1: *Aspects to manage / evaluate*

Wood is one of the most widely used natural building materials in the world. Features such as low thermal conductivity, high density and density, high tensile strength and good compressive strength make wood the building material of choice. This is proven with the existence of buildings or houses that make wood as the basic material for components in its structure and design. In addition, wooden building maintenance will extend the life of a system or equipment, and at the same time, prevent any accident from happening.

The life of a wooden building is entirely dependent on the care or maintenance by the owner the said building. The life span of this wooden building is proven from examples of buildings that exist in Malaysia such as Istana Seri Menanti which is more than 150 years old, Istana LamaAmpang Tinggi (1865: 155 years), Pahang Club House (1907: 113 years), Kampung Laut Mosque (1730: 290 years), as well as the Palace Jahar (1887: 133 years). Through reference to existing wooden buildings, most wooden buildings are aged between 150-300 years. According to Ahmad (2006): Johar et al., (2011); Umar et al., (2015); Hanafi et al., (2018);Latip et al., (2020) it is stated that most of the damage that occurs is due to several external technical factors i.e. leakage, distortion, rust, peeling and flaking, rot and mildew, moisture, bending or sludge and pest infestation. Based on Chanter & Swallow (2008), there are 2 groupings of maintenance: i) planned and ii) unplanned and it is depends on the categories involved namely i) preventive maintenance, ii) routine maintenance and iii) emergency maintenance.

Figure 2: *Items that need to be checked in timber building maintenance*

Therefore, the maintenance inventory system is very important in monitoring timber building maintenance. There are several items that may need to be considered when drawing up a maintenance schedule for timber buildings (Figure 2). The conclusion is, the basics of the maintenance is related to works that ensure building parts and building facilities work perfectly, as well as services provided to users and occupants of buildings through work and innovation in management services.

Realising the importance of maintenance of timber buildings in Malaysia, MTIB took the initiative to publish the 'Basic Guidelines of Timber Building, 2021' as a public reference as a means of identifying the initial damage of wood components to reduce the risk of damage to the structural components of wooden buildings and as an early reference of government, private or public authorities.

The 25th Plants Committee Meeting 2021

The 25th Meeting of the Convention of International Trade in Endangered Species of Flora & Fauna (CITES) Plants Committee, was held from 2 to 24 June 2021. It was the first-ever online Meeting held in view of the COVID-19 pandemic that has affected the delegates and caused the postponement of meetings.

The online Meeting was the most heavily attended in the history of the Meetings, attended by 417 observer Parties from 86 countries and 106 representatives of 54 inter-governmental, non- governmental organization and private businesses. The Meeting had over 40 agendas, 20 of which are about CITES tree-listed species, which generate significant political and public attention. There were many issues on strategy, implementations and specific matters being discussed and reviewed by the Committee to provide advice on future actions to address the issues involving the species and to work ahead towards promoting sustainable forest management worldwide.

The 25th Meeting of the CITES Plants Committee (PC25) was officiated by CITES Secretary-General, Ms Ivonne Higuero. In her opening remarks, she welcomed the delegates to the first on-line Meeting which also coincided with the celebration of the 25th anniversary of the Plants Committee which first met in 1988. She also thanked the donors that entrusted the Secretariat with the funds for the implementation of the relevant Decisions, as well as the excellent experts in preparation of the reports. She highlighted that nearly half of the PC25 agenda items fall under specific matters. The science-based recommendations reached at the Plant Committee Meeting will provide the Parties with rules to be implemented to ensure the international trade of wild plants does not threaten their survival. The proposals and decisions would be considered at the 19th Meeting Conference of the Parties which is scheduled to take place in 2022.

The PC25 Meeting was chaired by Ms. Aurelie Flore Koumba from Gabon. During the plenary sessions, the members discussed on providing scientific and technical recommendations to strengthen the pillar of the Convention from specific perspectives. The agenda also included the Plants Committee work-plan for 2020-2022 and the CITES Tree Species Programme to be completed by July 2022. All discussion outcome were then shared with the Secretariat. In addition, ten in–session working groups were established. The topics were artificial propagation, frankincense, standard nomenclature, the rosewood checklist, annotation for orchids, a resolution on CITES and forests, agarwood – producing taxa, review of significant trade of African rosewood, medicinal and aromatics plants and wild collected seeds and spores. All plenary of the 25th Meeting of the Plant Committees were also broadcast live on the CITES YouTube channel .

The Malaysian delegation for this on-line PC25 Meeting were led by the Ministry of Energy and Natural Resources (KeTSA) , while the other representatives were from Malaysia CITES National Authority, MTIB, Forestry Department of Peninsular Malaysia, Forest Research Institute of Malaysia, Department of Agriculture, Sarawak Forestry Department and Sabah Forestry Department. MTIB was represented by Mr. Zahari Hamid from the Licensing and Inspectorate Division.

Pauh Kijang , *Irvingia Malayana Oliv.*

Its botanical name Irvingia malayana ,is a plant in the family Irvingiaceae scattered in the regions of Indochina and Southeast Asia.

Pauh Kijang

Tree Trunk

This tree is a plant found in the forests of Malaysia and Southeast Asia. Its botanical name is Irvingia malayana Oliv.

This tree is from the Irvingiaceae family which produces fibrous mango-like and edible pepauh fruit. This fruit is very popular with Bawean Deer (scientific name: Axis kuhlii), a type of deer that is only found in Bawean Island, Indonesia. The hardness of this tree is rich in fat and protein. This tree produces less well -known tropical hardwoods and is now being actively promoted for use in Malaysia.

RANGE

Southeast Asia - northeast India, Myanmar, Thailand, Cambodia, Laos, Vietnam, Malaysia, Indonesia.

HABITAT

Forests, on dry ground
A monograph of the Irvingiaceae which includes some plant uses. Dry, deciduous Dipterocarp forest, dry evergreen forest, tropical rain forest; at elevations below 300 metres.

PROPERTIES

1.	Conservation status	Least concern
2.	Edibility rating	No significant drawback
3.	Other uses rating	Minor usage
4.	Habit	Evergreen tree
5.	Height	40 m
6.	Cultivation status	Wild

CULTIVATION DETAILS

Requires a sunny position.Trees are frequently spared during habitat clearance because the wood is too hard to cut.

EDIBLE USES

Fruit. A sweet flavour. The ovoid fruit turns yellow when it is mature, it is about 6cm long and 4cm wide. Seed - raw or cooked

MEDICINAL

None known

OTHER USES

- The seeds are the source of a non-drying oil called
- 'cay-cay fat'. It is used in the manufacture of candles, soap making etc.
- The wood is very hard but is easily attacked by termites
- A low quality timber, it is used for general construction
- The wood is used for fuel and makes an excellent charcoal

Pauh Kijang Leave

Pauh Kijang Seed and Shell

MTIB

Selamat Menyambut

Ulang Tahun Penubuhan Lembaga Perindustrian Kayu Malaysia

Ke 48

1 Jun
1973 - 2021