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MTIB

MALAYSIAN TIMBER INDUSTRY BOARD

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MTIB LEAN AND GMP 5S PROGRAMMES

- VIRTUAL STANDARD COURSE: PRODUCT CERTIFICATION ON FORMALDEHYDE EMISSIONS FROM WOOD BASED PANEL
- VACCINATION PROGRAMME FOR AGRI-COMMODITY SECTOR

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VACCINATION PROGRAMME FOR AGRI-COMMODITY SECTOR

The Vaccination Programme for the Agri-Commodity Sector (VACOMS) is a significant initiative in supporting the Government's efforts to expedite the implementation of vaccinations to economic-based frontline groups, especially those in the agricultural sector which was severely affected by the implementation of the Movement Control Order (MCO) and the National Recovery Plan (PPN) Phase 1.

The COVID-19 Immunisation Task Force (CITF) on 1 July 2021 approved the plantation and commodity sectors under the Ministry of Plantation Industries and Commodities (MPIC) as the fourth economic sector to be involved in the Industrial Vaccination Centre Programme. The Fibre and Biocomposite Center (FIDEC) of the Malaysian Timber Industry Board (MTIB) was selected as the MTC Industrial Vaccination Center (PPVIN) in Olak Lempit (known as PPVIN MTC@Olak Lempit). MPIC was tasked as the Regulatory Ministry to take full responsibility on the operations of the PPVIN.

In a move to help curb the spread of the COVID-19 pandemic in factories, MTC, via the PPVIN, targeted the vaccination of 10,000 employees from the furniture as well as other timber-based sectors. MTC subsidized RM30 per vaccine for each employee while the remaining RM40 was borne by the respective companies. The VACOMS PPVIN MTC@Olak Lempit, which started operations on 28 July 2021, is scheduled to end on 6 September 2021 and it was conducted with the cooperation of MTIB. As many as, 10,005 employees from 207 companies have successfully been vaccinated to date.

PPVIN MTC@Olak Lempit was officiated by YB Datuk Dr. Mohd Khairuddin Aman Razali, Minister of Plantation Industries and Commodities on 3 August 2021. The event was also attended by YB Dato Sri Dr. Wee Jeck Seng, Deputy Minister; YBrs. Datuk Ravi Muthayah, MPIC Secretary-General; other senior officers; MTC trustees led by Chairman Tuan Haji Mazli Zakuan Mohd Nor; En. Muhtar Suhaili, MTC CEO; YBrs. Tuan Haji Mahpar Atan, Deputy Director General (Development and Commercial) MTIB; YBrs. Dato' Sri Abd Rahim,YDP Majlis Perbandaran Kuala Langat; district and health officers; captains of the timber industry as well as MTC volunteers and staff.

MPIC hopes that more agencies will open PPVINs in an effort to ensure that all workers in the Agri-commodity industry receive vaccines to create group immunity and revive the country's economy.

YB Datuk Dr. Mohd Khairuddin Aman Razali observing the vaccination process

Among the employees being registered for vaccination

INDONESIAN

RECOVERY OF EXPORTS TO THE US

Indonesia's furniture and craft exports recorded positive growth especially to the US market rising 35% in the first half of 2021. The chairman of the Indonesia's Furniture and Craft Industry Association's (HIMKI), Abdul Sobur, said during the first half of 2021 exports of furniture and crafts were valued at USD1.687 billion, a 35% increase year on year. The main market was the US (50%) followed by Japan (7%), the Netherlands (5%) Germany (4%), Belgium (4%), Australia (3.6%) and the UK (3%). Meanwhile, the Director of Production Forest Business in the Ministry of Environment and Forestry (KLHK) reported that exports of forest and wood products in the first quarter of 2021 increased to USD3.045 billion compared to the USD2.731 billion in 2020. In the second quarter of 2021 exports increased 70% year on year.

www.fordaq.com, 27 August 2021

VIETNAM

TIMBER INDUSTRY IN JEOPARDY

Vietnam has ordered a two-week shutdown of the entire southern region of the country due to a spike in COVID-19 cases. This region is where the vast majority of the country's furniture is made. The region was already under a lockdown that was set to lift this week. But now, after recording more than 30,000 cases of COVID since late April, a stricter lockdown has begun.

The country's furniture factories have already been negatively affected by heavy congestion at ports and an inadequate supply of containers. Vietnam surpassed China this year as the largest source of U.S. furniture and wood product imports. The timber industry had been doing well until mid-July but the infection situation has become much worse. Many companies tried to accommodate workers on-site in order to keep factories running but this was not successful. The likelihood is that many factories will soon have to close. Infections rates are rising steeply in Binh Duong, Dong Nai and Ho Chi Minh City, localities contributing 70% of total exports.

Source: www.globalwoodmarketsinfo.com, 2 August 2021

WOOD PRODUCTS EXPORT INCREASE

Viet Nam exported USD9.58 billion worth of wood and wood products in the first seven months of this year, a year-on-year increase of 55 percent, according to the General Department of Customs. Of the figure, wood products raked in USD7.44 billion, posting a 64-percent rise compared with the same period last year. Local experts contributed the impressive growth of wood export to the fact that the demand for furniture increases during the COVID-19 pandemic. According to Dien Quang Hiep, chairman of Binh Duong Furniture Association (BIFA), shipments to the main export markets of the Binh Duong wood processing industry surge considerably. The US market accounted for more than 65 percent of Binh Duong's total wood product export turnover, with an increase of 81 percent over the same period last year while Hong Kong (China) market made up 8.5 percent, with an increase of more than 47 percent and Taiwan (China) market picked up 43 percent. Ngo Van Tong, Director of Binh Dinh Department of Industry and Trade said local wood products have been exported to countries in Europe, Oceania, America, Asia, and Africa. The province's furniture exporters have received orders until the end of the third quarter of this year.

The COVID-19 pandemic has caused many difficulties for trade and transportation activities, resulting in changes in working and living lifestyle of people, with consumers purchasing more furniture to maintain work and life at home. Thus, Hiep said, the province's export turnover of living room and dining room furniture is forecast to rise rapidly in the coming time. To be able to meet the orders of wood products, wood processing enterprises in Binh Duong have quickly adapted and changed their production methods accordingly, he said, adding that some businesses are renting more land to open factories. Bui Chinh Nghia, deputy general director of the Vietnam Administrat Bui Chinh Nghia, deputy general director of the Vietnam Administration of Forestry (VNFOREST) under the Ministry of Agriculture and Rural Development, said along with the US, Japan, and Hong Kong (China) markets, Viet Nam's export turnover of wood and wood products to the European market would increase sharply in the last months of 2021 when the COVID-19 pandemic is brought under control and the prevention measures are gradually eased. Although Vietnam's wood processing and export industry has gained a momentum given the context that the whole country is coping with the COVID-19 pandemic, challenges still lie ahead. According to Nguyen Liem, Chairman of the Board of Directors of Lam Viet

Company in Binh Duong province, the high growth in export value of the wood industry in the past two years contains potential risks because the United States would increase defensive measures for imports with sudden growth. Therefore, enterprises that export furniture for living and dining rooms should be careful to avoid becoming a transit point for goods to a third country, he said, adding that if the US imposes sanctions on Viet Nam's wood industry, the whole sector would be seriously affected. Another problem for the sector is the lack of empty containers for shipments, which has pushed transport cost up by twice, thrice and even 10 times in the past two-three years.

www. en.vietnamplus.vn, 9 August 2021

CHINA

LOW DEMAND FOR LOGS

A number of factors have reduced the immediate demand for logs in China. Firstly, the quantity of logs being utilised in China tends to fall away at this time of the year as construction activity slows during the very hot summer months. This typically results in stocks of logs building on the wharves of Chinese ports. This season the quantity of logs being utilised is even lower than normal. In Taicang (just north of Shanghai) there has been a government crackdown on the operation of timber mills. Whilst this has generally occurred under the guise of improving environmental outcomes, there is also pressure to develop some of the land currently used for mills into higher-value uses. It has been estimated that maybe half of the milling capacity in Taicang has been shut down. It is not unusual in China to see Government regulatory changes result in factories being quickly shut down, but over the longer term this capacity tends to be rebuilt in other regions. At this stage it appears that the current slowdown in demand is primarily seasonal.

This explains the recent pushback from Chinese importers on the prices they are prepared to pay for logs. Whilst buyers may be pulling the shots now, the lack of global supply of export logs means the balance of power may swing back to log exporters relatively quickly. Despite the recent fall, returns for logs are still exceptionally high. China's main suppliers of logs are New Zealand, Russia, and Europe but it also buys smaller volumes of logs from North America (Pacific North-West region) and South America (mainly Uruguay). Supply from most of these regions is expected to be constrained. Russia announced some time back that it was banning the export of raw logs to China but these regulations are yet to take effect. Russia wants to support its own domestic milling industry and would rather export sawn timber than logs. Its lumber exports to China have been falling in recent years as China has been importing more logs and less lumber. Russia has also been supplying a smaller portion of China's lumber imports.

Similarly, there are growing concerns from European mills that the large quantity of logs being exported to China will undermine their ability to secure supply. The export of logs from Eastern Europe to China really cranked up when vast tracts of forest were being felled to stop the spread of bark beetle. There was insufficient local demand, meaning if the logs weren't exported to China they would simply have rotted where they lay. China's relationship with Australia remains strained, meaning it is unlikely to see any significant lift in logs being sourced from Australia. At present, Australia is exporting logs to alternative markets such as Korea and India. Likewise, logs from Uruguay are helping fill demand from India, but the prices on offer from the market in recent months have not matched those of China. Meanwhile supplies of logs from North America have been very tight in the past six months due to strong demand within the US for timber to build, expand, and remodel homes. Spending additional time at home during lockdowns has prompted this demand. However, that demand is now easing as funds are being directed into other uses, and the supply of lumber has improved. This has resulted in a dramatic plunge in US lumber prices, which had risen at an exorbitant rate in the past year.

www.globalwoodmarketsinfo.com, 11 August 2021

CHINA ANNOUNCES TREE PLANTING PLEDGE TO INCREASE FORESTS AND BRING DOWN CARBON EMISSIONS

China will plant 36,000 square kilometres of new forest a year until 2025 as a measure to combat climate change and better protect natural habitats, a senior forestry official says. Tree planting has been at the heart of China's environmental efforts for decades and is a major part of plans to bring carbon emissions down to net zero by 2060. The total area pledged to have trees planted each year is greater than thesize of Belgium and is being described as "land greening" by Li Chunliang, vice-chairman of the State Forestry and Grasslands Commission.

"By 2035, the quality and stability of national forest, grassland, wetland and desert ecosystems will have been comprehensively upgraded," Mr Li said. China aims to raise its overall forest coverage rate from 23.04 to 24.1 per cent by the end of 2025, according to its forest and grassland five-year plan published this week. The plan warned that China's forest and grass resources were inadequate, especially in drought-prone regions in the north and west. Following the destruction of major ecosystems during decades of rapid economic growth, China has promised to create "ecological security barriers" and protect as much as a quarter of its total territory from human encroachment. Over the next five years, China will also expand its national park system, create corridors to alleviate habitat fragmentation, and will crack down further on illegal wildlife trade, according to Chen Jiawen from the Chiense State Forestry Administration, who was lead author of the five-year plan.

www.abc.net.au, 20 August 2021

JAPAN

TIMBER PRICES RISE

Wholesale prices in Japan jumped 5.6 percent in July from a year earlier, the fastest pace of increase in nearly 13 years, amid rising energy and commodity prices as economic activity picks up, Bank of Japan data showed. The prices of goods traded between companies rose for the fifth straight month and steep year-on-year gains have been seen in recent months, 5.0 percent in June and 5.1 percent in May. The latest figure represents the steepest rise since September 2008, according to the Central Bank. A weaker yen also led to higher raw material costs for companies, the data showed. Import prices surged 27.9 percent while those of exports gained 11.2 percent, both in yen terms. Wholesale prices normally have a delayed effect on consumer prices.

The BOJ is struggling to hit its 2 percent inflation target, measured in consumer prices, even as its U.S. and European peers are carefully monitoring rapid inflation. The latest survey showed that petroleum and coal product prices soared 38.8 percent from a year earlier, tracking higher crude oil prices. The pace of rise slowed from a 42.0 percent gain in June.

Prices for wood and lumber products surged 33.1 percent on supply shortages due to growing demand for house building and other uses. "The global economic recovery continues in line with progress in vaccinations (against COVID-19) and wholesale prices are facing upward pressure," a BOJ official said. "But coronavirus cases have been resurging at home and abroad, and uncertainty is rather increasing."

www.mainichi.jp, 21 August 2021

JAPAN TO PROMOTE LUMBER USE IN GOVERNMENT BUILDINGS

The Japanese government plans to promote the use of lumber for key structural elements such as posts in all new government buildings and related facilities in principle as part of its decarbonization efforts, according to informed sources. The government's current wood utilization strategy targets buildings with up to three stories, but it will expand the coverage to structures with four or more stories in response to technological innovation, the sources said. The Government hopes that the change will also prompt local governments and private-sector companies to use lumber in buildings more actively, they added. At its headquarters on lumber utilization to be launched on Oct. 1, the government will adopt a basic policy on wood use that incorporates the new strategy. The move will be in line with legislation enacted during the ordinary parliamentary session, which ended in June, aimed at expanding the use of lumber from public buildings to private-sector buildings. The recent development of wooden materials with advanced fireproof performances has led to the construction of medium-to high-rise wooden buildings, mainly in the Tokyo metropolitan area and Miyagi Prefecture.

The Government's new policy is expected to stipulate that all government buildings, including seminar facilities, will be wooden structures in principle, except when it is difficult to construct such buildings due to technical and cost reasons, the sources said. The new policy on promoting lumber use will not apply to prison facilities and buildings that house emergency headquarters in natural disasters. Planted forests of trees aged over 50 years old account for some 50% of overall forest areas in Japan.

The Government aims to step up decarbonization efforts by boosting demand for lumber and planting younger trees, which can absorb more carbon dioxide than old trees, the sources said.

www.globalwoodmarketsinfo.com, 11 August 2021

EUROPEAN UNION (EU)

PLYWOOD IMPORTS REBOUND STRONGLY

Latest analysis of Eurostat figures underlines the recent volatile conditions in the EU and UK plywood trade. Total EU+UK imports from outside rose to a peak of 4.8 million cubic metres in the 12 months to March 2019 before declining sharply to a low of 4.1 million cubic metres in the 12 months to March 2020. The decline in imports predates the first Covid-19 lockdown in Europe and was due to weakening construction sector activity and overstocking in the prepandemic period. The rebound in construction and DIY activity after the first lockdown period is mirrored by a sharp rise in imports starting in September last year and continuing until May this year. Overall EU+UK plywood imports declined 2.9% to 4.3 million cubic metres in 2020 but rose 5.1% from January to May 2021 compared to the same period the year before to 3.8 million cubic metres. Following a fall of 11.8% in 2020, hardwood plywood imports from the tropics in the first five months of this year were up 11.5% to 122,000 cubic metres, while tropical hardwood plywood imports from China, after contracting 30.3% in 2020, rose 15.3% to 72,000 cubic metres. Looking at individual tropical plywood suppliers, EU and UK imports from Indonesia from January to May 2021 were up 7% at 53,000 cubic metres, from Malaysia 14.8% at 35,000 cubic metres, Gabon 16% at 16,000 cubic metres and Thailand 122.8% at 4,000 cubic metres, while those from Vietnam were down 23.4% at 4,000 cubic metres. Those from Morocco were up 43.7% at 7,000 cubic metres and from Brazil 2.1% at 5,000 cubic metres. In the first five months of 2021, temperate hardwood plywood imports from China were up 16.5% at 428,000 cubic metres, while those from Russia increased 8.3% to 542,000 cubic metres and from other non-tropical countries 14.7% at 172,000 cubic metres.

Underlining the European shift away from Brazil due to the rise in prices triggered by US demand, Brazilian softwood plywood imports dropped 19.5% from January to May 2021 to 439,000 cubic metres. Softwood plywood imports from other countries were up 28.6% to 261,000 cubic metres, with those from China ahead 48.7% at 43,000 cubic metres.

www. globalwoodmarketsinfo.com, 9 August 2021

FRANCE

LOG EXPORTS TO CHINA

China is buying more and more French timber. The French National Timber Federation wants to curb these exports to protect the supply of French sawmills and processors. The wood industry is fed up. Chinese purchases of French oaks climbed 42% at the end of May, compared to 2020. And even 66% for softwood. And this increase in demand poses a problem: there is not enough left for European processors. Between January and May 2021, 187,167 cubic metres of French oak went to China directly from the French forest without any transformation. The National Timber Federation (FNB) is sounding the alarm to European authorities in order to reduce exports of logs, ie unprocessed tree trunks. There are several reasons that have caused the rapid flow of French logs to China.

First, China revised the Forest Law in 2017 to strictly restrict the commercial logging of natural forests, which directly increased the market share of overseas timber supply. Second, Russia, a major producer of oak, has decided to stop exporting next year. Since 70% of Russia's log exporting country is China, China has turned its attention to other countries, and a large number of French oak is continuously exported to China. "France has met international demand to a certain extent, but this has harmed the country's wood processing and related industries." Since April this year, the French Timber Federation has repeatedly petitioned the government to ban the export of logs. They said that because the wood was bought by the Chinese, many sawmills and processors are facing an unprecedented dilemma of "cooking without rice", and some jobs have even been forced to suspend work. The price of French oak flooring is constantly rising due to the pressure of Chinese procurement.

It is estimated that the surge in Chinese purchases of French oak in the past six years has increased the price of French oak flooring by 15% to 20%. The French government has not made a statement on log exports. The French Timber Federation recently launched an online petition calling for the implementation of the "France first" principle and no longer exporting oak logs on a large scale.

www.globalwoodmarketsinfo.com, 11 August 2021

UNITED KINGDOM (UK)

TIMBER SUPPLY TENSION EXPECTED TO EASE

With timber prices having accelerated in 2021 amidst skyrocketing demand, there has been concern how this will affect the thousands of businesses in UK's timber industry. Structural softwood, a product with significant price rises, is an essential material to timber frame, a commonly used low-carbon modern method of construction using high-tech manufacturing.

A joint market statement from the Confederation of Timber Industries (CTI) and Swedish Wood points to a likely easing of supply tension in the timber market as the pandemic eases. By partnering with Swedish Wood, who represent the largest exporters of structural softwood to the UK, the CTI is seeking to provide a complete picture from forest through to end users. Overall construction activity has expanded at the fastest pace in 24 years, and with double digit growth for the construction industry predicted in 2021 there will be challenges.

www.globalwoodmarketsinfo.com, 3 August 2021

AFRICA

LOG EXPORT BAN POSTPONED

Implementation of the decision to ban the export of logs by the six Cemac countries (Cameroon, Congo, Gabon, Chad, CAR and Equatorial Guinea) will not become effective as planned on 1 January 2022. This information emerged from a meeting of Forestry Ministers in Cemac member states and the DRC held 28 July 2021 chaired by Paul Tasong, Minister Delegate to the Cameroonian Minister of the Economy. The ban on log exports has been postponed for one year until January 2023. The postponement was decided to allow countries to conduct preliminary studies on the state of investment projects in wood processing as part of the first phase of the process of banning the export of logs. In the first phase special economic zones have been identified in each country for new wood processing industries. The local media has quoted Duval Antoine Dembi, Director of Iindustrial Development, Mines and Tourism in the Cemac Commission, as saying that the postponement will allow time to attract investors and allow operators to prepare for this change. He continued saying that to avoid putting companies in the sector into difficulty, the Cemac Commission will support member states during the transmission. Cemac, with the support of the ADB, will prepare investment studies to attract investment proposals. It was reported that a harmonised forestry tax system is under consideration.

www.fordaq.com, 17 August 2021

CANADA

REGULATION ON FORMALDEHYDE EMISSIONS FROM WOOD-BASED PANELS

The Canadian Ministry of the Environment published an ordinance on the regulation of formaldehyde emissions from wood-based materials SOR/ 2021-148 in the Canada Gazette, Part II, Volume 155, Number 14 on July 7, 2021. The aim is to protect the Canadian population from the negative health effects of increased formaldehyde concentrations in indoor air. In addition, one wants to minimize any distortions of competition between the neighbouring countries USA and Canada. For this reason, CANFER is mainly based on the US formaldehyde regulations EPA TSCA Title VI. The regulation affects wood-based materials and "laminated products" within the meaning of the EPA TSCA Title VI regulations with identical requirements for test methodology and frequency, as well as limit values for formaldehyde emissions for the corresponding product types. Manufacturers who are already certified according to EPA TSCA Title VI do not have to take any further steps with regard to product monitoring, informed the Institute for Wood Technology Dresden (IHD). Only the requirements for product labelling, relevant records as well as their archiving time and other administrative elements, such as reporting to the Canadian Ministry of the Environment, are different and must be taken into account before importing or selling the wood-based materials concerned in Canada. On January 7th, 2023 the “Ordinance for plywood, chipboard and MDF (greater than and less than or equal to 8 mm thickness)” will come into force. The requirements for “laminated products”, on the other hand, will come into force on January 7, 2028.

www.fordaq.com, 18 August 2021

NEW ZEALAND

GOVERNMENT LIMIT TIMBER EXPORTS TO ENSURE LOCAL SUPPLY

The Government was warned its efforts to tackle New Zealand's housing affordability issues could be hampered by wood shortages. The issue has become so significant, Building and Construction Minister Poto Williams is considering limiting timber exports to ensure there is enough in the country. It's also caught the attention of Green MP Chlöe Swarbrick, who intends to call for a select committee inquiry into building products, with a specific focus on timber. This comes as the cost of building materials continues to rise, pushing up house prices.

According to the OIA, it still maintained relationships with Placemakers and its own subsidiary, Carters. Despite this, officials were troubled about the impact of the decision on the housing market. The briefing shows there were concerns smaller companies impacted by Carter Holt Harvey's decision would ration their timber supplies, leading to price increases. "If demand for building materials continues to grow, constraints on the ability of domestic wood processors to increase production may act as a handbrake on New Zealand's housing driven recovery from COVID-19."

www.newstalkzb.co.nz, 4 August 2021

UNITED STATES (US)

HOUSING STARTS RISE, WHILE BUILDING PERMITS FALL SHARPLY

While mainstream media has largely moved on from covering major supply chain disruptions, a Woodworking Network survey confirms that most woodworking companies continue to struggle with serious challenges to get the materials and supplies they need to operate. In a survey conducted by email sent to the Woodworking Network audience in August, nearly 87 % of respondents said they suffered massive or moderate disruptions to their sourcing, supplies and ability to conduct business. Some 24.8% characterized the disruption as "massive," while 62 % said it was "moderate."

Nearly 11 percent said they suffered only minor disruptions affecting a few sources and supplies. Only 2.2% said they experienced no real disruptions in the supply chain for their businesses. Most of the disruptions have taken the form of skyrocketing prices, delays in shipments, and long or uncertain backorders. More than 90% of respondents reported facing sudden increases in prices for regular supplies. Nearly as many, 87.6% reported longer than expected delays in shipments, and nearly three-quarters (74.5%) reported long and uncertain backorders for the supplies they need. The result of all of this for 62.8 percent of respondents was an inability to deliver their own products in a timely manner. About a third of respondents (34.3 percent) said that orders they expected from suppliers were outright cancelled or just not delivered. In the worse cases, a majority of respondents (57.7%) reported that needed supplies were not available at all.

www.woodworkingnetwork.com, 31 August 2021

GLOBAL

LUMBER SUPPLY TO SHIFT

Softwood lumber has been in high demand in the U.S. and Europe throughout 2021. The limited supply resulted in temporary price surges to record high levels during the spring, followed by substantial declines in early summer. The outlook for lumber demand is likely to be strong worldwide in the coming decade in most world regions, including North America and Asia. Few countries in the world can significantly expand lumber exports, and Europe will play an increasingly important role as a wood supplier in the future. Tighter lumber markets will impact not just the sawmilling industry, but also forest owners, pulp companies, wood panel manufacturers and pellet producers. The latest Focus Report: Global Lumber Markets – The Growing Role of European Lumber from Wood Resources International and O'Kelly Acumen examines the forces driving the tightness of global lumber markets, including the demand outlook in the U.S. and China and the supply potential from Europe, Russia, and other regions. It also analyzes the possible implications of near-term changes in the lumber markets for all players in the value chain.

The U.S. is the largest lumber market in the world and is very dependent on imported lumber. Imports have consistently accounted for about 30% of consumption over the past 10 years. There is expected to be continued demand growth long-term in the U.S., driven mainly by new house construction and solid consumption of wood products in the repair and remodelling sector. U.S. imports from Canada have fallen over the last five years, and European lumber has mainly filled the gap. Supply from Canada will be further restricted in the coming years due to the lasting effects of the mountain pine beetle in British Columbia. The U.S. will therefore become more reliant on Europe as demand grows and Canadian imports level off. Asia is a rapidly growing market for softwood lumber, with China in particular driving growth. Countries in the rest of Asia (India, Vietnam, Australia and Southeast Asia) are likely to grow from low levels, while importation of lumber to Japan trends downward. The study expects Chinese lumber demand to continue growing at more than 5% per to 2025. All market segments have strong underlying demand trends, and the Chinese economy is projected to rebound quickly from the COVID-19 slow-down in late 2021 and 2022.

European sawmills, already the source of almost half of global exports, will become even more important. Factors such as sawlog supply and cost will determine which European countries can seize this opportunity.

www.globalwood.org, 11 Auguust 2021

MALAYSIA

Sea freight charges skyrocket up to 700%

Shippers have been caught out by the impact of Covid-19 on the global supply chain and are now facing a shortage of ships and containers that has forced sea freight rates to skyrocket compared to pre-pandemic times. A survey by the Malaysian National Shippers' Council (MNSC) from Oct 7-10 showed sea freight is now at an all-time high, having increased between 100% and 700% of pre-pandemic levels.

MNSC chairman Datuk Andy Seo said this has led to high transportation costs, causing companies to make transport-driven adjustments in their supply chain strategies. He said the global supply chain crunch has also forced shippers to absorb higher logistics costs such as warehousing, forwarding, haulage and landside charges that have increased in tandem with freight costs. As a result, Malaysian exports are becoming more expensive to consumers and less competitive globally.

"This notable impact on the entire supply chain and the burden of high cost have been passed on to the consumers, while negatively affecting export competitiveness. "As there is no certainty when this situation is expected to normalise, shippers are trying to cope with the situation by engaging multiple forwarding agents and shipping carriers for quota utilisation and rationalising the limited container, vessel space and cargo with their customers and working with them to reschedule to the earliest possible delivery date to suit the demand," he told The Malaysian Reserve.

"MNSC has been working closely with the Ministry of Transport (MoT) and other relevant stakeholders from the logistics industry to ensure that efficient shipping, air and rail services are provided at a fair rate. "We are calling for intervention by MoT and port authorities, similar to efforts undertaken by the US Federal Maritime Commission and South Korean Authority to request shipping lines to increase capacity and allocate equipment to more critical trade lanes," he added. Seo also suggests that the government provides more grants to cover logistics costs — currently the temporary relief granted through the Market Development Fund (MDF) under the Malaysia External Trade Development Corp only covers export shipment with a cap of 30% of total logistics costs for export, subject to a maximum amount of RM40,000 per shipment. "Since the relief is only offered until the end of 2021, respondents request for an extension of time to claim under MDF and to expand the grant to include import shipments. "We also request for tax incentives such as tax rebate and double deduction from corporate tax be permitted to assist companies to cope during this difficult period," he said.

Seo believes in digitalisation of the processes and synchronisation of the standard operating procedures of the Royal Malaysian Customs Department and the other government agencies for a resilient supply chain. "Reduce dependence on foreign shipping lines by developing Malaysian-owned containerised shipping lines. "Develop the Malaysian shipping container industry, which is highly reliant on imported containers to meet the growing demand," he concluded.

Source: The Malaysian Reserve, 20 October

EUROPE

Rotterdam box volumes rise 7.8pc in first 9 months

ROTTERDAM port authorities have announced that container throughput increased 7.8 per cent year on year in the first nine months in TEU terms and four per cent in terms of tonnage, but did not reveal actual TEU volume in its press release. "These quarterly figures show that the economy is continuing its upward path. Now factories, businesses and logistics are operating flat out again to meet increased demand," said Port of Rotterdam Authority CEO Allard Castelein. The only decreases were in agribulk (-12.8%) and LNG (-1.8 per cent), he said.

The throughput of containers has been high since autumn 2020, said the port authority Consumers are spending generously and the economy is recovering from the Covid in 2020, with volumes being higher than in 2019. "This strong demand, in combination with various disruptions in 2021, means that pressure on the logistics chain continues to be high. This also led to persistently high transport prices," said the press release.

The increase in the throughput of empty containers had a minor effect. The largest effect came from the sharp fall in the average weight of full containers. Movement of heavy, low-value, goods declined. This effect was strongest in the case of export containers but it was also seen in imports, the release said. Overall, throughput rose 14.6 per cent more than in the same period last year. Throughput was 350.1 million tonnes through to the end of the third quarter, an increase of 8.6% on 2020.

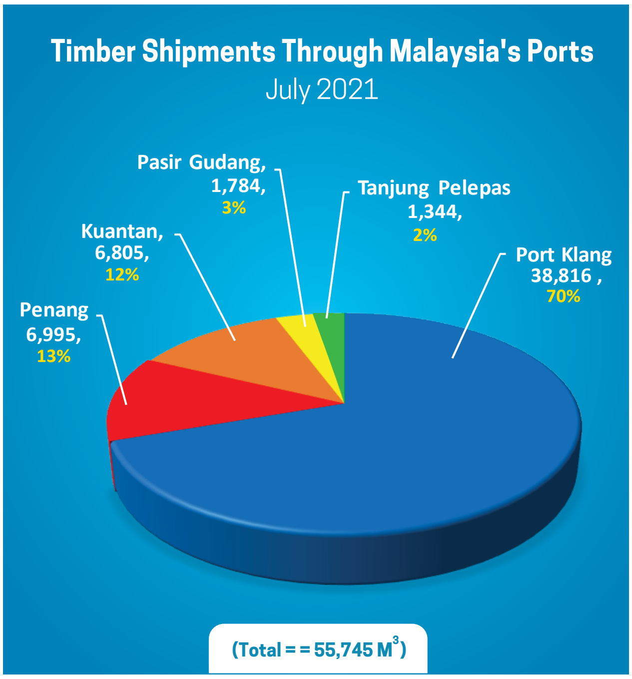
Source: Asian Shipper, 28 October

SINGAPORE

Ship queues worsen port delays from Singapore to Piraeus

The world's largest shipping hubs are suffering elevated levels of congestion as containers pile up at seaports from Singapore to Greece's Piraeus. The backlog was 22% above normal with 53 container ships anchored off the financial and cargo-transit hub, the highest count since Bloomberg News started tracking the data in April.

The pileup is the latest logistical knot in global supply chains, with satellite shipping data allowing for real-time monitoring of port issues globally. The container vessel wait immediately off Singapore, which dealt with an unusual surge in Covid-19



cases last week, started Friday and continued over the weekend, topping the previous count of 45 waiting ships recorded on July 21, when Typhoon In-fa roared through Shanghai.

Like all major container hubs, Singapore relies on a delicate logistical ecosystem, where a storm or a Covid-19 outbreak in another port, transit way or transportation sector can ripple widely. Typhoon Kompasu scattered ships out of Hong Kong and Shenzhen over two weeks ago and congestion rates off that port were still 10.4% higher than normal.

Backups was also seen in several other ports in Southeast Asia Monday, with Port Klang in Malaysia reporting congestion rates 14.5% above normal and Tanjung Pelepas at 29.9% more than usual. Jakarta's container hub of Tanjung Priok was 6.7% above normal, and Manila's 6.5% higher. On the other side of the Pacific, the dual ports of Los Angeles and Long Beach kept at least 79 vessels waiting off the coast of southern California early Monday, as America's busiest import hub continues to work though a backlog around the clock.

Source: The Edge Markets, 2 November

Singapore opens mega-port storage early to ease container bottlenecks

Singapore's new mega-port is just months away from full operations, but it has opened its storage area early to help alleviate the supply chain bottlenecks plaguing container shipping.

Congestion has caused ships to arrive late, resulting in logjams of containers in major ports around the globe. Ship arrivals at Singapore are now 7.5 days late, on average, after schedule reliability fell to an all-time low of 33.6% in August, although this has since improved to 40%. Schedule reliability issues were exacerbated by the Ever Given blocking the Suez Canal in March and Covid-19 ripple effects, among other things.

Senior minister of state for transport Chee Hong Tat said that following the Ever Given grounding, a ship which skipped a port call in the Persian Gulf came to Singapore, where it unloaded 2,700 containers originally bound for the Gulf. The containers were stored before being reloaded onto ships sailing to the intended destination. Mr Chee said, "In doing so, [port operator] PSA enabled the shipping line to skip a port and catch up on its schedule, after a two-week diversion around the Cape of Good Hope." And in May, PSA assisted in diverting some ships and cargo when operations in Yantian port in China slowed, due to a Covid-19 outbreak.

"We have become the go-to port for shipping lines to catch up on lost time and connections, and also to untangle some of their operational challenges," Mr Chee said. Singapore was once the world's busiest container port, surrendering its crown to Shanghai in 2010 – although the city state remains the busiest transhipment hub.

Currently, Singapore's five container terminals are on the city fringe, the mega-port, being built in stages, is in the Tuas industrial estate in the western part of Singapore. By 2040, when the fourth, and final, phase of construction is expected to be completed, it will have an annual capacity of 65m teu, compared with the current 50m teu. Under the first phase, the mega-port will commence operations with two berths opening by the end of the year.

Source: Theloadstar, 26 October

UNITED STATES

LA port to open round the clock to tackle shipping queues

One of biggest US ports will start operating 24 hours a day to try to clear long queues of cargo ships stuck waiting outside. It comes as officials scramble to ease global supply issues that may lead to goods shortages this Christmas.

The Port of Los Angeles in California will handle more goods at night after a similar move by nearby Long Beach port. The ports - which handle 40% of all cargo containers entering the US - have faced months of problems.

Major US firms such as Walmart and FedEx have also committed to increasing their round-the-clock operations to help clear the jam, the White House said.

Source: BBC News, 13 October

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% change June/July
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	18,819	-29	6,354	7,926	333	206	72	-14	2,953	102	28,531	0
MDF	5,490	-38	450	100	623	13	858	53	526	-73	7,948	-33
Mouldings	4,425	-13	1	-30	829	3	236	-68	602	248	6,092	-10
Plywood	1,314	-87	0	-100	0	0	178	100	1,901	15	3,392	-72
Veneer	182	-40	0	0	0	0	0	-100	248	-71	430	-64
Particleboard	8,585	78	0	0	0	0	0	0	766	-77	9,351	15
TOTAL	**38,816**	**-30**	**6,805**	**924**	**1,784**	**22**	**1,344**	**-5**	**6,995**	**-26**	**55,745**	**-19**

Note : Indicates percent change over the previous month

Source : MTIB

JULY 2021

Total export of Malaysian timber and timber products in July 2021 decreased by 7% in valued totalled RM1.3 billion from RM1.4 billion in the previous month. However, cumulative export for the period of January to July 2021 increased 10% valued at RM12.9 billion over the previous corresponding period. The economy is slowly recovering as more economic sectors especially in timber and furniture manufacturing both domestically and international has boosted demand for Malaysian timber and timber products.

SAWNTIMBER

Total export of sawntimber in July 2021 increased by 47% in volume at 78,538 m³ and 51% in value at RM160.9 million as compared to the previous month. However, cumulative exports for the period of January to July 2021 decreased by 4% in volume but increased slightly in value to 683,670 m³ totalling RM1.3 billion over the previous corresponding period.

Exports of sawntimber to the EU for the month increased slightly to 3,066 m³ over the previous month. Exports to Germany decreased by 17% to 184 m³ from 221 m³ recorded in the previous month followed by France and Greece decreased 68% and 10% to 158 m³ and 36 m³ respectively. Meanwhile, the Netherlands as the main buyer increased 11% to 1,871 m³ from 1,682 m³ in the previous month. Belgium and Italy recorded positive growth at 45% and 3% to 774 m³ and 36 m³ for the month. Similarly in other European countries, exports to the UK increased significantly to 602 m³ from only 288 m³ in the previous month.

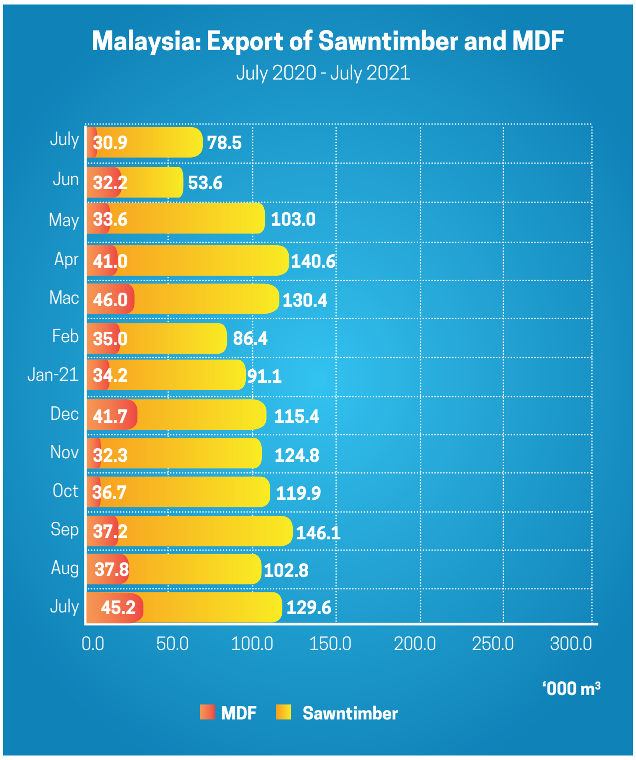
In paralel, total export to West Asia also increased by 79% to 20,041 m³ from 11,202 m³ recorded in the previous month. Yemen as the main buyer from West Asia increased significantly to 11,160 m³ from only 4,492 m³ recorded last month. Similarly, exports to Iraq also increased by 212% to 584 m³ from 187 m³ followed with Oman by 225% to 2,764 m³ from 850 m³ recorded in the previous month. Meanwhile, exports to the UAE decreased by 10% to 3,862 m³ from 4,281 m³ recorded last month followed with Qatar by 28% lower to 242 m³. Similarly, exports to Saudi Arabia decreased by 21% to 735 m³ from 925 m³ recorded in the last month.

Elsewhere, buying from ASEAN increased by 189% to 23,387 m³ from 8,098 m³ as registered in the previous month. Thailand as the main buyer in ASEAN increase significantly to 5,970 m³ from 1,035 m³ as recorded in the previous month. Similarly, exports of sawntimber to the Philippines increased by 230% to 11,403 m³ from 3,453 m³ last month. Exports to Singapore also increased by 64% to 4,932 m³ from 3,012 m³ as recorded in the previous month followed by Viet Nam and Indonesia higher 84% and 88% to 943 m³ and 139 m³ respectively from 513 m³ and 74 m³ recorded in the previous month.

Similarly, shipments to East Asia also increased by 9% to 19,065 m³ from 17,488 m³ in June. China as the main buyer decrease purchases by 35% to 6,967 m³ from 10,686 m³ in the previous month. Likewise, exports to Hong Kong and Japan also decreased by 14% and 23% to 226 m³ and 1,670 m³ respectively from 263 m³ and 2,170 m³ as recorded in the previous month. Meanwhile, exports to South Korea increased by 15% to 1,679 m³ from 1,458 m³ followed by Taiwan increased by 193% to 8,523 m³ from 2,911 m³ compared to the previous month.

Exports to the USA increased significantly to 813 m³ followed with Australia by 98% to 1,029 m³ compared from 519 m³ in the previous month. However, demand from South Africa decreased by 13% to 1,104 m³ from 1,272 m³ recorded in the previous month.

The average FOB price of sawntimber increased by 3% to 2,048 per m³ from 1,988 per m³ in the previous month. Similarly, price of Dark Red Meranti to the Netherlands also increased by 15% to 1,577 per m³ from 1,373 per m³ previously. Keruing was traded at 2,121 per m³, decreased by 8% from 2,226 per m³ in the previous month.



PLYWOOD

Exports of plywood in July 2021 recorded a decrease both in volume by 24% to 100,718 m3 and in value by 25% totalled RM224.9 million compared to the previous month. Meanwhile, cumulative export for January-July 2021 based on year-on-year reduced both in volume by 6% to 860,721 m³ but recorded an increase in value by 2% worth RM1.8 billion over the previous corresponding period. The imbalance of supply and demand in plywood manufacturing and foreign exchange has influenced the growth rate for export volume and value for the month.

Export of plywood to the EU increased by 36% to 617 m³ for the month from 453 m³ in the previous month. The Netherlands resumed its buying to 325 m³ meanwhile Ireland reduced its buying by 26% to 249 m³. Meanwhile, Belgium, Denmark, France, Germany and Italy didn't make any purchases for the month. Export to UK reduced by 51% to 5,077 m³ and Turkey doesn't make any purchase for the month.

Moving to ASEAN and East Asia region, the region recorded a drop in export volume by 21% to 72,018 m³ compared to 90,986 m³ in the previous month. Japan as the main importer of Malaysian plywood reduced its stock intake by 30% to 52,413 m³ from 74,565 m³ in the previous month. Hong Kong also decreased its buying by 23% to 801 m³. Exports to China, South Korea and Taiwan increased by 61% to 2,316 m³, 18% to 8,874 m³ and 10% to 3,457 m³ respectively. Meanwhile, Malaysia's plywood trade with its ASEAN partners showed positive trend for the month. Singapore increased its intake by 35% to 1,405 m³ for the month, followed by Thailand 42% to 1,014 m³, Brunei 36% to 905 m³ and the Philippines 92% to 833 m³. Indonesia does not make any purchase for the month.

Plywood export performance in West Asian region were improved by 160% to 6,770 m³ for the month. Being the largest importer of Malaysian plywood in the region for the month, Yemen recorded an increase in intake by 243% to 6,407 m³. Similarly, both Bahrain and Saudi Arabia increased their buying to 86 m³ respectively. UAE recorded a decrease in export volume by 77% to 85 m³. Meanwhile, Kuwait and Qatar didn't make any purchases for the month.

Exports to the African region recorded an increase of intake by 68% to 920 m³ over 549 m³ in the previous month. Export to Morocco increased by 17% to 491 m³ while demand from South Africa reduced by 33% to 86 m³. Meanwhile, Mauritius and Sierra Leone did not make any purchases for the month. Moving to our main buyer in the Americas region, the USA decreased its intake of plywood by 57% to 11,106 m³ from 25,551 m³ last month. Canada and Mexico increased their intake by 66% to 861 m³ and 9% to 1,243 m³ respectively. Meanwhile, Mexico reduced its export by 96% to 1,243 m³. While in the Oceania region, export to Australia increased by 51% to 1,035 m³ and. New Zealand does not make any purchase for the month.

The FOB price of plywood has decreased by 1% toRM2,233 per m³ from RM2,251 per m³ in the previous month.

VENEER

Export of veneer for July 2021 increased both in volume by 47% to 4,757 m3 and in value by 44% worth RM7.2 million as compared to the previous month. However, cumulative export for January-July 2021 recorded a decrease both in volume and value by 7% to 32,469 m³ worth RM51.9 million over the previous corresponding period.

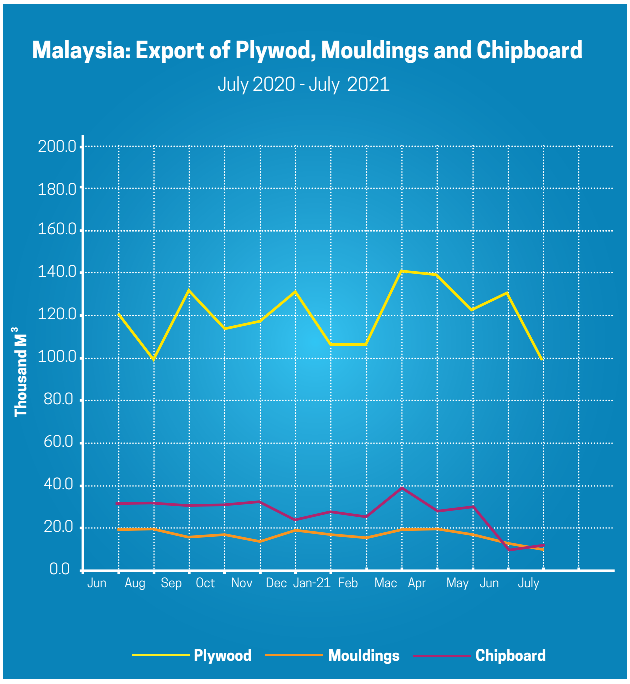
Export to Taiwan significantly increased by 1,814% to 1,378 m³ from mere 72 m³ from the previous month. This is followed by China, export rose by 101% to 1,107 m³, South Korea 74% to 785 m³, USA 52% to 319 m³ and India 46% to 163 m³. However, exports to Australia and the Philippines reduced their buying by 21% to 72 m³ and 68% to 238 m³ respectively. Singapore, Canada, Italy and Viet Nam did not make any purchases for the month.

The FOB price of veneer for July 2021 is at RM1,506 per m³, a decrease of 2% from RM1,536 per m³ on the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in July 2021 recorded a decrease in volume and value by 4% to 30,882 m³ and 2% worth RM54.7 million compared to the previous month. Similarly, cumulative export for January-July 2021 based on year-on-year reduced in volume by 22% to 252,866 m³ and in value by 9% to RM404.9 million over the previous corresponding period.

Export performance to ASEAN member countries decreased by 19% to 6,577 m³ from 8,072 m³ in the previous month. Exports to Indonesia and the Philippines reduced by 48% to 874 m³ and by 14% to 4,272 m³ respectively. However, exports to Singapore and Viet Nam increased by 100% to 85 m³ and 5% to 1,295 m³ respectively. Moving to East Asia region, export to the region increased by 38% to 15,380 m³ for the month from 11,165 m³ in the previous month. Japan as the major importer of MDF in the region has increased its buying by 44% to 13,653 m³. Similarly, exports to South Korea and Taiwan rose by 1% to 595 m³ and 21% to 855 m³ respectively. Meanwhile, export to China including Hong Kong reduced by 28% to 277 m³ for the month.



Malaysia: Export of Plywood, Mouldings and Chipboard

July 2020 - July 2021

Shifting to South Asian region, export to the region decreased by 46% to 2,956 m³ for the month. Exports to Bangladesh and Pakistan decreased by 91% to 86 m³ and by 43% to 1,603 m³ respectively. Similarly, India and Sri Lanka decreased its intake by 27% to 986 m³ and 27% to 281 m³ respectively. Likewise, export to West Asian region also recorded a decrease of 46% to 2,172 m³ from 4,049 m³ the previous month. Exports to Oman and UAE decreased by 96% to 85 m³ and 7% to 1,315 m³ respectively. Saudi Arabia resumed its intake to 772 m³ for the month.

Elsewhere, exports to USA and Australia down by 16% to 395 m³ and 40% to 1,780 m³ respectively, for the month. Meanwhile, UK resumed its buying at 79 m³ while South Africa increased its intake by 269% to 288 m³. Sudan does not make any purchases for the month.

The FOB price of MDF increased by 2% to RM1,773 per m³ from RM1,737 per m³ from the previous month.

MOULDINGS

Exports of mouldings for the month decreased by 24% in volume and 28% in value to 8,912 m³ worth at RM34.2 million. However, cumulative exports for the period of January – July 2021 increased by 2% in volume and 8% in value to 104,641 m³ worth at RM414.8 million as compared to the previous corresponding period in 2020.

Exports to the EU for the month recorded at 2,820 m³, decreased 31% as compared to the previous month. Belgium, Germany and The Netherlands decreased their purchases by 76%, 39% and 26% to 144 m³, 298 m³ and 1,994 m³ respectively. However, Italy did not make any purchases. Meanwhile, the UK recorded an increase of 72% to 219 m³ for the month.

Exports to ASEAN region decreased as Thailand and Vietnam decreased their purchases by 33% and 21% to 30 m³ and 131 m³ respectively while Singapore increase its purchases by 16% to 328 m³ compared to the previous month. Meanwhile, Indonesia did not make any purchases for the month.

Likewise, Japan, Hong Kong and China decreased their intakes by 51%, 21% and 13% to 386 m³, 239 m³ and 423 m³ compared to the previous month. However, South Korea and Taiwan increased their intakes by 16% and 9% to 672 and 51 m³ respectively.

Elsewhere, export to the US and Canada decreased by 51% and 20% to 1,660 m³ and 68 m³ respectively. However, Australia increased its purchases by 11% to 1,002 m³ compared to the previous month.

Average FOB unit value for mouldings decreased marginally to RM3,835 per m³ compared to RM4,054 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Export of BJC for July 2021 recorded a decrease of 14% in volume and 19% in value to 4,924,400 kg worth RM38.6 million from last month. Total BJC cumulative exports for the same corresponding period last year increased 7% to RM558.6 million as compared to RM523.3 million. Export to the EU decreased 16% to RM98.8 million. Export to Turkey, the Netherlands and Sweden increased by 429%, 60% and 14% to RM376,828, RM16.3 million and RM13.4 million respectively. However, export to Italy, Germany, France, Denmark and Belgium decreased by 74%, 28%, 21%, 21% and 11% to RM802,378, RM8.6 million, RM8.2 million, RM12.1 million and RM26.8 million compared to the previous month. Export to the UK, however increased by 11% to RM75.8 million from last year.

In Asia, Qatar and Bahrain increased intake both by 100% to RM1.1 million respectively. Similarly, UAE, Pakistan, Singapore, Viet Nam increased by 118%, 44%, 33%, 7% to RM988,502, RM1.4 million, RM24.2 million, RM9.3 million respectively. However, exports to South Korea, Taiwan, Thailand, India, Japan and Egypt decreased by 59% 31%, 29%, 17%, 16% and 15%, to RM602, 308, RM4.9 million, RM9.0 million, RM16.1 million, RM26.3 million and RM628,308 compared to the previous month. Meanwhile, Saudi Arabia did not make any purchases for the month.

Export to the US and Mauritius increase by 44% and 13% to RM140.7 million and RM567,992 respectively. Meanwhile, South Africa and Australia decreased by 13% and 2% to RM4.6 million and RM94.3 million compared to the previous month.

FURNITURE

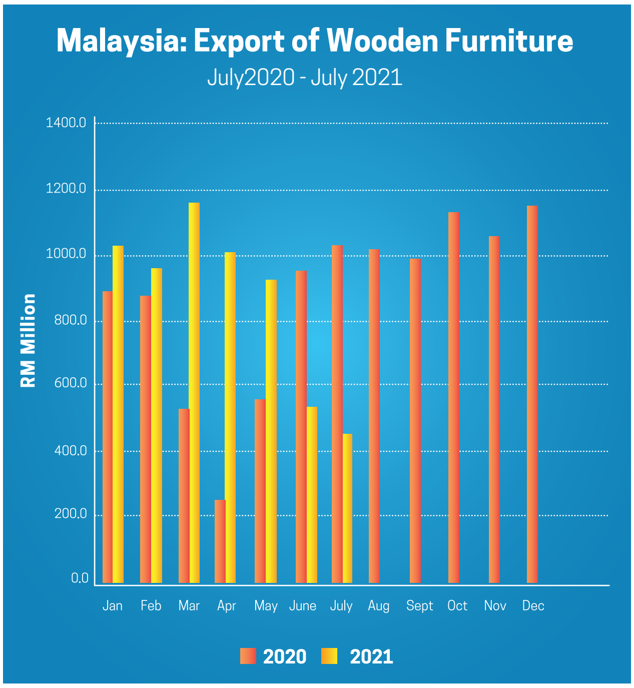
Exports of wooden furniture for the period of January to July 2021 recorded an increased by 15% to RM6.0 billion from RM5.2 billion in the previous corresponding period. However, there is a decrease in demand for rattan furniture by 9% to RM46.1 million from RM50.4 million in the previous corresponding period. The USA as the main buyer of wooden furniture has increased purchases by 21% to RM3.8 billion from RM3.2 billion in the same corresponding period in 2020. In Europe, export to Germany also increased by 17% to RM28.9 million, France 12% to RM28.2 million and Poland 4% to RM18.4 million respectively. Meanwhile, exports to the Netherlands decreased by 4% to RM18.0 million from RM18.7 million followed by Greece decreased by 8% to RM12.2 million from RM13.3 million compared to the previous corresponding period.

Shipments to the UK also increased by 4% to RM239.5 million for the month. Meanwhile, purchases by Russia decreased by 19% to RM6.8 million from RM8.5 million in the same period last year. Both demand from Canada and

Australia also increased by 2% and 11% to RM135.2 million and RM226.4 million respectively.

Meanwhile in East Asia, exports to Japan decreased by 5% to RM250.0 million from RM262.3 million in the same period last year. South Korea also decreased their consumption by 17% to RM46.1 million followed by China decreased by 36% to RM44.8 million. However, exports to India increased by 21% to RM82.6 million from RM68.4 million in the previous corresponding period.

In the ASEAN region, exports to the Philippines and Singapore recorded at RM60.0 million and RM209.2 million respectively. Exports to Saudi Arabia and Qatar increased by 15% to RM93.7 million and 120% to RM7.5 million respectively. The UAE also increased their buying by 28% to RM80.1 million followed by Kuwait with 67% higher to RM23.2 million and Oman by 89% to RM12.4 million respectively.



Rattan furniture shipments for January to July 2021 recorded at RM46.1 million from RM50.4 million in the previous corresponding period. Exports to the USA has increased by 12% to RM17.6 million from RM15.7 million in the corresponding period in 2020. Elsewhere, exports to Australia increased by 22% to RM2.9 million whilst Canada decreased by 20% to RM1.2 million compared to the previous month.

In Europe, exports to the UK decreased by 6% to RM4.0 million compared to RM4.2 million in the previous corresponding period. Exports to Russia increased by 9% to RM1.5 million followed with Ireland by 48% to RM1.6 million and Poland 4% to RM156,470. However, purchases by France and Denmark declined 60% and 23% to RM 383,366 and RM521,702 in the same period last year. Meanwhile in North Africa, Algeria also decreased their 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 decreased by 49% to RM621,327 from RM1.2 million recorded in the same period last year. India increased their intake by 181% to RM3.3 million from RM1.2 million whilst China decreased by 45% to RM3.5 million compared to RM6.5 million in the previous corresponding period. In the ASEAN region, exports to Singapore and Thailand recorded at RM691,822 and RM415,483 respectively.

Elsewhere in the Middle East, exports to the UAE increased by 17% to RM337,662 from RM288,782 recorded in the same period 2020. Meanwhile, Cote D' Ivore, American Samoa, Sri Lanka and Turkey didn't make any purchases compared to the previous corresponding period in 2020. MTIB

VIRTUAL STANDARD COURSE : PRODUCT CERTIFICATION ON FORMALDEHYDE EMISSIONS FROM WOOD BASED PANEL

On 4 August 2021, the Certification Body (CB) Unit ran the standard Product Certification on Formaldehyde Emissions from Wood Based Panels course virtually. The Certification Body of Malaysian Timber Industry Board (MTIB CB) is responsible for developing, implementing and monitoring the Product Certification Scheme for timber and timber products in Malaysia. The programme was officiated by Tn Hj Mahpar Atan, Deputy Director General (Development & Commercial).

This course was implemented to ensure that all implementers understand the standard requirements in Product Certification On Formaldehyde Emissions From Wood Based Panel (MTIB-CB-PS-02:2021) developed for the certification scheme as the product standard is one of the requirements for MTIB in being recognised as the the Accredited Certifying Body (ACB) for timber products in accordance to the standard ISO/IEC 17065:2012 set by Standard Malaysia.

Prof. Paridah Md Tahir (UPM), the chairman of the Technical Committee of MTIB CB was the invited speaker. She facilitated and explained the subject matter related to product standards which covered the following topics:

- **i** Scope
- **ii** Specification for formaldehyde emission limits
- **iii** Sampling
- **iv** Testing
- **vi** Evaluation Requirements for product certification scheme

This course was attended by 34 participants. It is hoped that MTIB CB implementers can get a better understanding of the subject and assist MTIB in effectively implementing the Wood Industry Regulations (Level of Formaldehyde Emission from Panel-Based Products).

MTIB LEAN AND GMP 5S PROGRAMMES

To achieve Malaysia's National Timber Industry Policy (NATIP) 2020 and the *Wawasan Kemakmuran Bersama 2030* targets' in becoming a competitive timber and timber products exporting country, it is necessary for the country's timber industry to focus on increasing its overall market competitiveness and mills productivity. Apart from promoting products innovation, increasing timber companies productivity is also on the government's agenda towards realising the country's aspiration for timber manufacturing companies to adopt IR4.0 technological smart manufacturing processes.

In this regard, MTIB in its intervention effort to assist the Malaysian timber industry to assess their capabilities and readiness to adopt IR 4.0 technologies and processes have undertaken two programmes namely the Lean Management (LM) and the Good Manufacturing Practices (GMP 5S) since the last seven (7) years (2014-2020).

OBJECTIVES

The main objective of LM and GMP 5S programmes are as follows;

(i) To identify the causes of waste in key processes and plan improvement actions towards a more efficient and cost effective production;

(ii) To use LM and GMP 5S methods in improving process and operational efficiency as well as organisational productivity;

(iii) To improve product delivery efficiency and customers satisfaction; and

(iv) To share best practices so that the organisation becomes more productive, cost efficient and market competitive.

Besides the above objective, LM and GMP 5S programmes is also aiming towards reducing the currently high dependency of labour force particularly foreign workers within the timber industry. In principle, LM and GMP 5S programmes utilised a combination of training packages, guidance, evaluation and sharing of best practices that will enable timber companies to increase productivity through an improved operational system and management efficiency. In addition, both programmes are implemented and guided by a qualified and highly skilled training provider appointed by MTIB for a period of six to eight months. Furthermore, LM and GMP 5S also apply the principles, methods and improvement efforts that focus on identifying and eliminating non-value-added activities (work waste) to help improve process efficiency in the timber mills/workplace to be more productive and efficient.

Impact of LM and GMP 5S programmes ;

The most significant impact of the MTIB's LM and GMP 5S programmes is in terms of operational savings by participating companies. A total of 181 timber companies have participated in both programmes with total operational savings of RM80.3 million, of which RM79.45 million per year has been saved by the 90 companies participating in the LM programme. Whilst a total of RM842,858 million per year has been saved by the 91 companies participating in the GMP 5S programme. Other impacts includes; participating companies' production operating system is more flexible, neat and orderly; reduction in the dependency of the timber industry on foreign workers; an increase in the number of skilled manpower in the timber industry and an increase in the involvement of the local workforce, especially youths pursuing careers in the timber sector due to the conducive working environment conditions where 3D elements can be reduced;

Lean and GMP 5S Creanova

In conjunction with MTIB Lean and GMP 5S programmes, annually MTIB also encourage competition among both programmes participants to maximise the knowledge obtained throughout the programmes by having a one-day sharing presentation on their LM and GMP 5S journey called Lean and GMP 5S Creanova. During the presentation all participating companies share their respective journeys, challengers and innovation towards having a more productive and competitive factory operation. All presentations were judged by a panel of juries headed by the Malaysian Productivity Corporation (MPC). Juries evaluation were based on each participating companies chosen projects and the methods or techniques that were used and how effective and innovative in solving their problems. Prizes are given to the top three winners in form of cash prizes, trophies, certificates and a complimentary two (2) pages company's promotional advertorial in MTIB monthly bulletin namely MASKAYU.

Since both programmes have received good support from the industry and resulted in improving the overall mills productivity, efficiency and market competitiveness of the Malaysian timber industry, MTIB will be continuing both programmes in the future. This is as a continuation of MTIB efforts to provide awareness and encouragement to timber entrepreneurs to improve their mills process efficiency in manufacturing operations as well as reduce waste costs and increase global competitiveness in line with Sustainable Development Goals (SDGs) agenda.

Photo session with the winners of Lean Creanova

Group photo with Tuan Haji Mahpar Atan, MTIB Deputy Director-General at GMP 5S Creanova Programme

CERTIFIED TIMBER MARKET IN THE NETHERLANDS

Overview

The Netherlands borders the North Sea to the north and west, Belgium to the south, and Germany to the east, and shares maritime borders with Belgium, Germany and the United Kingdom. The Netherlands is a geographically low-lying country, with about 20% of its area and 21% of its population located below sea level and 50% of its land lying less than one metre above sea level. This distinct feature contributes to the country's name: in Dutch (Nederland), English, and in many other European languages, its name literally means "(The) Low Countries" or "Low Country".

The Dutch Parliament (or Staten General) consists of two chambers. The first, with 75 members, is indirectly elected and has limited powers. The second chamber, or lower house, is directly elected. Members of both houses serve a four-year term. Given the country's multi-party system, all governments are coalitions. Industrial activity in the Netherlands predominantly consists of food processing, chemicals, petroleum refining as well as electrical and electronic machinery. It has a dynamic agricultural sector and is well known for its plants and cut flowers. The port of Rotterdam is the busiest in Europe, serving a vast hinterland which stretches into Germany and central Europe.

Economy

The economy of the Netherlands is the 17th largest in the world in 2021 according to the World Bank and International Monetary Fund. Its GDP per capita was estimated at roughly USD57,101 in the fiscal year 2019/20 which makes it one of highest-earning nations in the world. Between 1996 and 2000, annual economic growth (GDP) averaged over 4%, well above the European average of 2.5% at the time. Growth slowed considerably in 2001–2005 as part of the global economic slowdown. 2006 and 2007 however showed economic growth of 3-4% per annum.

The Dutch economy was hit considerably by the financial crisis of 2007–2008 and the ensuing European sovereign-debt crisis. The country plays an important role as a European transportation hub, with a persistently high trade surplus, stable industrial relations, and moderate unemployment. Its industry focuses on food processing, chemicals, petroleum refining, and electrical machinery. A highly mechanized agricultural sector employs only 2% of the labour force but provides large surpluses for food-processing. This underpins the country's status as the world's second largest agricultural exporter.

The Dutch economic growth is driven by both internal and external demand and by business investment. In 2017, private consumption benefited from the fall in unemployment and a growing consumer confidence. Business investment increased as capacity utilisation rates went back to pre-crisis levels. In 2017, the government launched an expansionary fiscal policy including income tax cuts for households and businesses as well as higher expenditures in education, defense and social affairs. Since 2013, the resurgence of the housing market has boosted the construction industry. The market is notably characterized by a shortage of available rental housing in the main urban areas and a sustained rise in property prices.

According to CPB (Netherlands Bureau for Economic Policy Analysis), the Dutch economy will grow by 1.8% in 2019 and 1.5% in 2020. Although the uncertainty created by external issues such as US trade policy and Brexit has undermined confidence, business investment growth has been robust so far in 2020 and the disposable income of Dutch households continues to increase on the back of tax cuts, rising wages and high levels of employment.

At 3.3% of the work force, the level unemployment in the Netherlands is now lower than before the financial crisis and amongst the lowest in the EU. After the sharp 40% decline in house completions between 2008 and 2012, residential construction has been recovering due to low mortgage rates and government stimulus measures. House completions in 2018 were 6% up on the previous year.

The number of residential building permits continued to rise in the Netherlands in 2018, although at a slower rate than in 2017 due to lack of available land for new construction and the constrained capacity of municipalities and private developers. Building contractors are suffering from a lack of skilled workers while projects are being delayed by shortages in the supply of concrete. During this year, housing completions are expected to be slightly down from last year.

Forestry

One of the least forested countries in Europe, the Netherlands produces only about 8% of its wood requirements. Its forest mainly grows the coniferous species. The dominant species are broadleaved, including beech and oaks. Its woodland is chiefly pine and covers about 375,000 hectares (927,000 acres), or only 11.1% of the total land area, of which state forest areas comprise some 37% while private owners by 31%; provincial and local governments by 14%; and nature conservation organisations by 18%. The Netherlands imports about 95% of its softwood lumber needs, mostly from Sweden, Finland, and Russia.

Domestic sources of temperate hardwood lumber usually meet 40–50% of annual demand; production totalled at131,000 cubic metre (4.6 million cubic foot) in 2001. Afforestation has not kept pace with increasing consumption. The Dutch government would like to become at least 25% self-sufficient in wood fibre by 2025. In order to meet this goal, some 3.9 million cu m (137.7 million cubic foot) of fibre would need to be produced annually (assuming current consumption trends). Currently, Dutch wood fibre production is only 1.2 million cubic metre (42 million cubic foot). During 1990–2000, only 1,000 ha (2,500 acres) of forest were planted. The government established a goal in 1994 of increasing forested land by 3,000 ha (7,400 acres) annually until 2020.

Approximately 85% of primary timber products met the Dutch sustainable procurement criteria in 2017, up from 83% in 2015 and 13% in 2005. A mandatory policy to procure 100% sustainably sourced timber and timber products across all government departments, and at all levels of government, came into force in 2015. However, implementation of the policy is not systematically monitored. Audits found that is it is not always possible to demonstrate that timber meets the procurement criteria, and there are no penalties for non-compliance. The multi-stakeholder processes within the Timber Procurement Assessment Committee, which assesses certification systems included under the procurement policy, are not considered robust by NGOs.

Production

Production of timber and timber products is not significant and the trend is decreasing over the years. According to the FAO forest statistics in 2019, the Netherlands produced around 246,000 m^3 of logs. Apart from logs production, the country also produced 141,000 m^3 of sawntimber followed by fibreboard with 29,000 m^3.

The Netherlands: Production of Timber 2015-2019

Product	2015	2016	2017	2018	2019
Sawlogs and veneer logs	385,700	386,169	314,933	285,392	246,000
Sawnwood	185,056	183,821	171,000	140,232	141,000
Veneer	-	-	-	-	-
Plywood	-	-	-	-	-
Particle board	-	-	-	-	-
Fibreboard	28,800	28,900	29,000	29,000	28,751
TOTAL	**599,556**	**598,890**	**514,933**	**454,624**	**415,751**

Volume: M^3
Source: FAO Forest stats

Imports of Timber and Timber Products

The Netherland's import of timber and timber products was on an increasing trend in 2020 at USD7.7 billion, an increase of 12% over the previous corresponding period. The country imported mainly furniture, sawntimber, BJC and plywood. Import of furniture and sawntimber totalled at USD3.2 billion and USD1.1 billion respectively. Meanwhile, imports of BJC totalled at USD499.7 million followed by plywood with USD425.4 million and fibreboard with USD328.2 million.

The Netherlands: Imports of Timber and Timber Products, 2016 - 2020

Code	Product	2016	2017	2018	2019	2020
9403	Furniture & parts	1,977,868	2,377,346	2,787,340	2,898,674	3,229,760
4407	Sawntimber	981,220	1,055,725	1,206,138	1,122,500	1,119,832
4401	Fuel wood	91,262	112,307	165,842	296,976	666,703
4418	Builders' joinery and carpentry	375,486	441,380	454,066	469,086	499,668
4412	Plywood	348,598	378,880	439,223	417,611	425,406
4411	Fibreboard	286,939	297,672	319,586	305,316	328,159
4410	Particleboard	215,551	229,728	249,076	247,336	258,136
4415	Packing cases	219,908	222,465	259,432	232,011	233,741
4421	Other articles of wood	149,419	165,614	203,558	217,321	231,571
4403	Logs	124,565	130,916	157,746	130,515	151,726
4409	Moulding	84,786	84,627	92,100	106,027	111,954
4406	Railway sleepers	3,731	56,105	97,021	90,683	109,364
4420	Wood marquetry .	81,228	96,227	95,508	91,008	83,457
4419	Tableware and kitchenware	43,615	55,342	57,515	61,470	64,867
4408	Veneer	41,879	48,291	46,697	37,015	48,581
4402	Wood charcoal	28,177	33,974	44,715	43,218	42,974
4404	Hoopwood	20,292	18,437	17,914	21,713	25,574
4414	Wooden frames	20,621	23,479	26,433	23,302	22,324
4413	Densified wood	11,514	12,304	16,729	19,512	21,516
4417	Tools, bodies and handles	7,600	8,713	16,461	12,852	14,737
4405	Wood wool & flour	9,286	7,839	8,636	7,968	8,415
4416	Casks, barrels, vats and tubs	765	744	1,983	1,932	4,398
TOTAL		5,124,310	5,858,115	6,763,719	6,854,046	7,702,863

Source: ITC, Un-Comtrade data *Value: USD'000*

Exports of Timber and Timber Products

The Netherland's exports of timber and timber products in 2020 increased 8% to USD3.3 billion from USD3.1 billion in the previous year. The country exported mainly furniture, sawntimber and BJC. Exports of furniture totalled at USD1.6 billion whilst sawntimber totalled at USD245.9 million over the previous corresponding period. Meanwhile, exports of BJC totalled at USD241.0 million followed by packing cases and plywood at USD235.2 million and USD100.1 million while fibreboard totalled at USD90.7 million.

The Netherlands: Exports of Timber and Timber Products, 2016 - 2020

Code	Product	2016	2017	2018	2019	2020
9403	Furniture & parts	1,047,555	1,207,297	1,381 ,436	1,406,572	1,564,138
4407	Sawntimber	241,697	253,899	258,443	250,555	245,880
4418	Builders' joinery and carpentry	214,779	246,081	255,215	248,671	241,037
4415	Packing cases	172,981	199,328	220,485	220,167	235,157
4421	Other articles of wood	139,210	158,391	168,889	160,480	169,501
4401	Fuel wood	131,557	127,397	167,343	169,337	166,909
4403	Logs	71,231	62,463	68,489	78,265	151,312
4412	Plywood	75,892	78,035	96,203	101,885	100,116
4411	Fibreboard	73,148	77,265	85,306	87,455	90,688
4420	Wood marquetry	52,287	74,802	73,881	68,994	76,023
4419	Tableware and kitchenware	24,928	28,398	33,772	41,677	51,055
4409	Moulding	52,226	60,032	61,958	51,696	49,906
4410	Particleboard	41,557	37,712	45,520	47,614	46,630
4406	Railway sleepers	1,500	23,532	30,3 76	38,020	32,803
4413	Densified wood	12,230	22,542	23,738	29,940	28,269
4402	Wood charcoal	21,999	23,302	29,193	28,281	21,431
4414	Wooden frames	18,564	20,270	22,646	20,258	18,592
4408	Veneer	8,744	7,910	9,576	12,574	8,636
4404	Hoopwood	4,013	3,287	4,145	5,802	6,703
4417	Tools, bodies and handles	1,673	1,699	7,056	4,358	4,485
4416	Casks, barrels, vats and tubs	1,781	1,030	684	3,088	4,173
4405	Wood wool & flour	4,333	4,278	3,149	3,208	2,655
TOTAL		**2,413,885**	**2,718,950**	**3,047,503**	**3,078,897**	**3,316,099**

Source: ITC, Un-Comtrade data *Value: USD'000*

Malaysia's Exports of Timber and Timber Products to the Netherlands

The Netherlands ranked 11th major export market for timber and timber products in 2020. Exports of Malaysian timber and timber products to the Netherlands in 2020 registered a decrease of 10% to RM395.2 million from RM439.1 million in 2019 due to COVID-19 pandemic constraints. Major products exported to the Netherlands in 2020 were sawntimber totalled at RM118.3 million followed by mouldings with RM217.7 million, wooden furniture with RM34.2 million and BJC with RM22.4 million. The Dutch construction industry had been growing at a fast pace prior to the COVID-19 pandemic. Although the country is not immune to the C19 crisis, the construction industry has not been affected to the same extent as other markets in Europe.

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

Product	2016	2017	2018	2019	2020
Sawntimber	170,003,470	186,852,603	160,296,214	137,537,320	118,267,727
Plywood	22,087,968	17,619,761	5,401,023	1,963,693	1,719,028
Veneer	-	-	-	66,516	-
Mouldings	159,456,560	184,703,312	229,542,143	219,504,054	217,664,399
Particleboard	-	356,948	-	-	-
Fibreboard	903,594	71,168	-	-	-
Builders Joinery & Carpentry	5,695,029	12,803,919	25,656,583	23,067,499	22,423,514
Wooden Furniture	33,315,173	31,018,907	26,966,237	29,083,147	34,240,459
Rattan Furniture	17,487	-	-	-	-
Other Products	2,374,001	1,971,462	595,259	27,919,082	854,918
TOTAL	**393,853,282**	**435,398,080**	**448,457,459**	**439,141,311**	**395,170,045**

Source: DOSM/MTIB *Value: RM*

Note: Netherlands ranks 11th in 2020 export

Malaysia's Imports of Timber and Timber Products from the Netherlands

In 2020, imports from the Netherlands into Malaysia registered a decrease of 37% to RM7.3 million from RM11.7 million in 2019. Major products imported in 2020 were mouldings with a total value of RM1.4 million followed by sawntimber at RM1.1 million, wooden furniture at RM436 thousand and veneer at RM261 thousand.

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

Product	2016	2017	2018	2019	2020
Sawntimber	875,361	1,036,780	957,946	2,636,559	1,093,188
Plywood	15,009	-	-	6,656	-
Veneer	-	-	90,941	-	261,224
Mouldings	228,037	616,793	448,353	-	1,422,589
Particleboard	169,882	516,754	10,030	-	-
Fibreboard	-	239,423	12,269	-	30,623
Builders Joinery & Carpentry	149,893	195,652	1,035,407	519,609	32,341
Wooden Furniture	1,000,438	1,124,703	511,243	582,890	436,479
Rattan Furniture	47,921	24,438	35,457	-	-
Other Products	4,252,704	5,147,054	4,814,561	7,910,390	4,032,139
TOTAL	**6,739,245**	**8,914,666**	**7,916,207**	**11,656,104**	**7,308,583**

Source: DOSM/MTIB *Value: RM*

Note: Netherlands ranks 40th in 2020 import

Import Tariffs

The Netherland's import duty on timber and timber products are between 0-10%. The details are as follows:

Netherlands: Import Tariff

Code	Product	Tariff Rate
4401	Fuel wood	0
4402	Wood charcoal	0
4403	Logs	0
4404	Hoopwood	0
4405	Wood wool & flour	0
4406	Railway sleepers	0
4407	Sawntimber	0 -2.5
4408	Veneer	0 - 6
4409	Moulding	0
4410	Particleboard	7
4411	Fibreboard	7
4412	Plywood	6 - 10
4413	Densified wood	0
4414	Wooden frames	0 - 2.5
4415	Packing cases	3 - 4
4416	Casks, barrels, vats and tubs	0
4417	Tools, bodies and handles	0
4418	Builders' joinery and carpentry	0 - 3
4419	Tableware and kitchenware	0
4420	Wood marquetry	0 - 4
4421	Other articles of wood	1 - 4
9403	Furniture & parts	0 -5.6

souce: EU common tariff

Prospects

The Dutch market is the largest importer of certified timber products from Malaysia, accounting for about 30% of the total export of PEFC/MTCS-certified timber products. Additionally, the PEFC/MTCS-certified timber products constitute approximately 50% of the total certified tropical timber imported into the Dutch market. It is therefore envisaged that the acceptance of the MTCS will certainly contribute towards The Netherlands' ambition of procuring at least 90% of its tropical timber imports from sustainable sources by 2020. With this acceptance, the Netherlands becomes the latest country to fully recognize the MTCS in its public procurement policy along with other countries who have previously recognised MTCS such as United Kingdom, Germany, France, Denmark, Belgium, Finland, Switzerland and Japan.

In the Netherlands, leading timber and associated trade associations, construction and retail sector bodies, unions, conservation organisations and various government ministries have signed a 'Covenant' to make "verified sustainable" the norm across the supply chain.

It is hoped that the booming economy and rising demand for certified timber products in the Netherlands will provide opportunities for Malaysian timber manufacturers to enhance their market presence as well as the Malaysian timber market share in the country. It can be done through active participation in industry fairs, conducting market visits as well as enhancing business networking relationships with the Dutch timber and furniture manufacturers.

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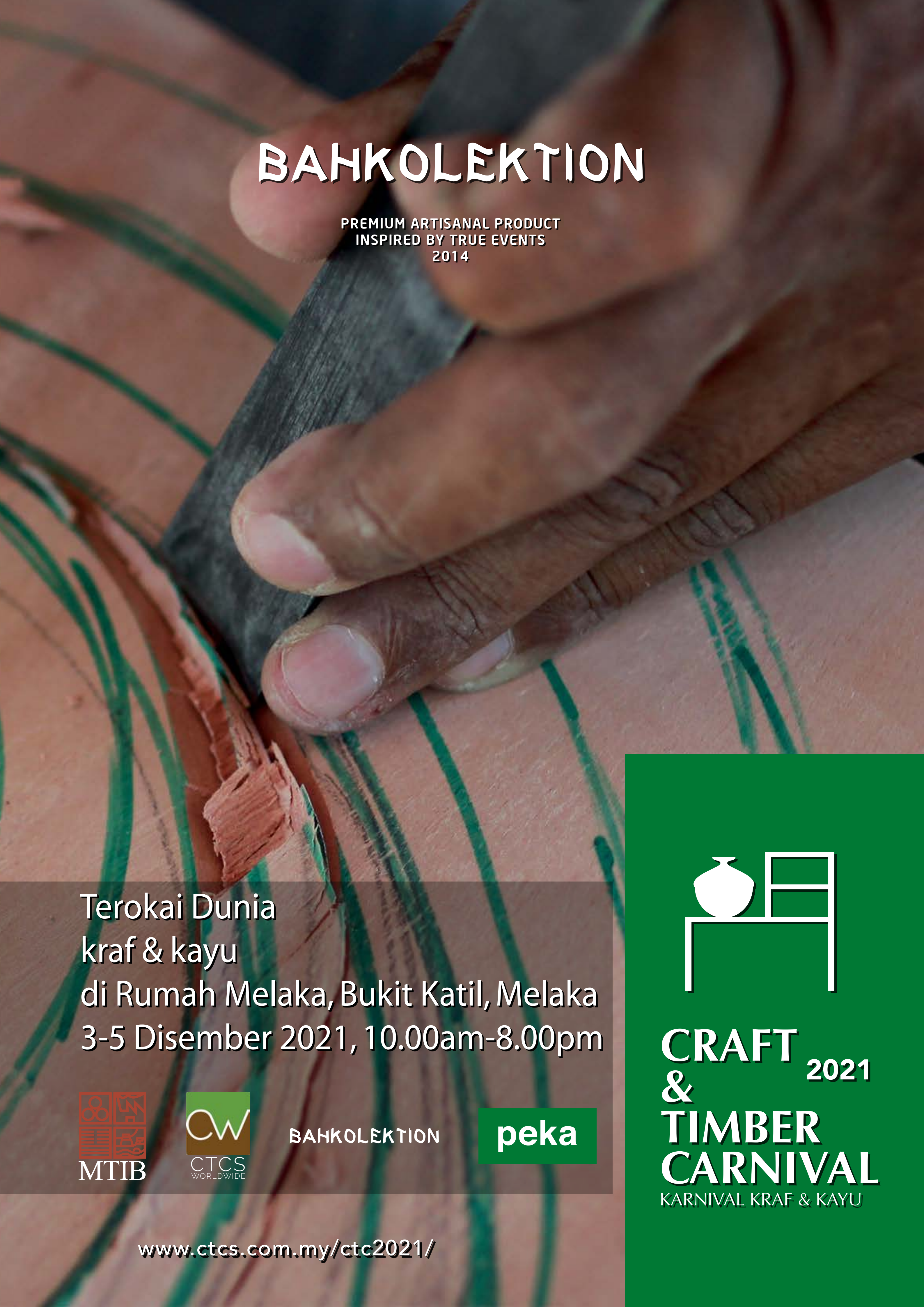
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JULY 2021

LOGS

The average prices of logs for some species were increase marginally. Most mills however reported having tight of supply due to implementation of National Recovery Plan (PPN) since June 2021.

Log prices for the species of Chengal increased by 0.8% at RM5,040 per ton whilst Balau continued to be traded at RM3,400 per ton. Meanwhile, the prices for Keruing rose by 3.1% at RM1,650 per ton whilst Kempas dropped by 2.9% at RM1,700 per ton respectively. Similarly, the prices for Dark Red Meranti and Red Meranti dropped by 2.9% respectively at RM1,900 per ton and RM1,850 per ton. On the other hand, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood increased by 4.2% and 2.7% at RM1,250 per ton and RM1,150 per ton for this month.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable and prices slightly increased between 1.7% - 2.8%. The MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.90, RM16.65, RM22.50 and RM29.60 per piece, respectively.

SAWN TIMBER

The average sawn timber prices for most of the species in the domestic market reported to increase slightly from the previous month.

The sawn timber prices of Chengal and Balau rose by 3.0% and 4.2% at RM7,274 per m³ and RM3,531 per m³ . The prices for Keruing continued to be traded at RM2,119 per m³ whilst Kempas increased by 2.0% at RM2,521 per m³ respectively. On the other hand, the prices of Dark Red Meranti increased by 8.9% at RM2,154 per m³ and Red Meranti recorded at RM1,907 per m³. The sawn timber prices of Mixed Heavy Hardwood and Mixed Light Hardwood increased by 1.9% and 1.4% at RM1,130 per m³ and RM1,003 per m³.

PLYWOOD

In July, the supply of plywood reported to be sufficient whereby positive demand from domestic markets. Prices for the month under review reported to increase between 0.3% - 0.5%. The prices of plywood for 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM14.85, RM22.30, RM38.50 and RM48.70 per piece respectively.

INTRA-MALAYSIA TRADE * - JULY 2021

The shipments of logs from Sabah to Peninsular Malaysia for the month under review dropped by 15% in volume from 3,654 m³ to 3,108 m³ worth at RM962,000. Trade of sawn timber dropped by 33% in volume from 46 m³ to 31 m³ worth at RM90,000. Likewise, the trade of plywood decreased sharply by 80% in volume from 3,136 m³ to only 616 m³ valued at RM143,000. Similarly, shipment of veneer fell in volume from 275 m³ to 74 m³ totalled at RM166,000.

The shipment of sawn timber from Sarawak to Peninsular Malaysia in volume recorded at 481 m³ worth at RM761,000. Meanwhile, the shipment of plywood declined by 75% in volume from 1,565 m³ to 391 m³ worth at RM446,000.

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

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

	LOGS/ton	SAWNTIMBER/m³		
SPECIES	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	5,040	7,274	5,650	8,475
Balau	3,400	3,531	3,143	3,672
Red Balau	2,250	2,895	2,754	3,319
Merbau	3,590	4,696	3,948	4,343
Mixed Heavy Hardwood	1,250	1,130	1,052	1,257
MEDIUM HARDWOOD				
Keruing	1,650	2,119	1,271	2,203
Kempas	1,700	2,521	2,295	2,564
Kapur	1,750	1,751	1,483	1,871
Mengkulang	1,380	2,260	1,766	2,331
Tualang	1,550	2,507	2,331	2,542
LIGHT HARDWOOD				
Dark Red Meranti	1,900	2,154	1,695	2,719
Red Meranti	1,850	1,907	1,518	2,097
Yellow Meranti	1,310	1,589	1,271	1,730
White Meranti	1,500	2,472	1,321	2,507
Mersawa	1,700	1,907	1,624	1,977
Nyatoh	1,430	1,716	1,476	1,744
Sepetir	1,350	1,695	1,165	1,758
Jelutong	1,150	1,815	1,236	1,836
Mixed Light Hardwood	1,150	1,003	883	1,102

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)	14.85	22.30	38.50		48.70
MDF 4' X 8'	**4 mm**	**6mm**	**9 mm**		**12 mm**
(RM per piece)	12.90	16.65	22.50		29.60

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

INTRA-MALAYSIA TRADE-JULY 2021

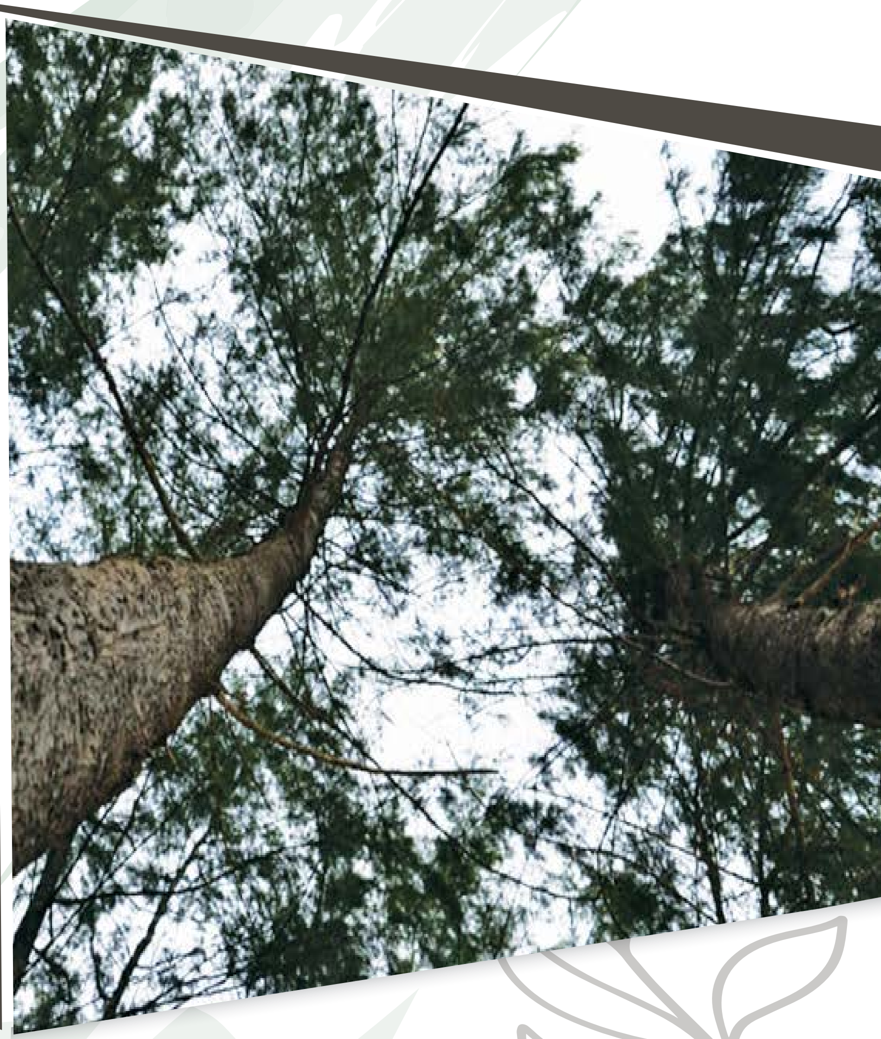
	Jun-21		Jul-21		% change in volume	% change in value
	Vol(m3)	Val('000 RM)	Vol(m3)	Val('000 RM)	Jun/Jul	Jun/Jul
Sabah						
Logs	3,654	1,197	3,108	962	-15	-20
Sawn Timber	46	102	31	90	-33	-12
Plywood	3,136	6,298	616	143	-80	-98
Veneer	275	728	74	166	-73	-77
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	0	0	481	761	100	100
Plywood	1,565	1,704	391	446	-75	-74
Veneer	0	0	0	0	0	0

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

RU

The common Malaysian name for the timbers of Casuarina spp. and Gymnostoma spp. (Casuarinaceae). The ASEAN Standard Name, which is of Philippine origin, is agoho. Vernacular names applied include aru (Sabah) and sempilau (Sabah) with various epithets. Major species include Casuarina equisetifolia, Gymnostoma nobile and G. sumatranum.

The tree is also known as Western Australian she-oak (Australia), Nakure (Fiji), Casuarina (India), Cemara, Cemara gunung, Cemara laut and Cemara Sumatra (Indonesia), Kabwi (Myanmar), Boi de fer de Riviera (New Caledonia), Casuarina (Pakistan), She oak (Papua New Guinea), Agoho (Philippines) Son and Son Tha Le (Thailand), and Dong-lieu and Phi lao (Vietnam).



Properties

Gymnostoma yields a heavy hardwood with a density of 910-1220 kg/m^3 at 15% moisture content. The heartwood is red to dark red or dark brown, usually not clearly differentiated from the sapwood which is about 3cm wide. The grain is straight or slightly interlocked. Growth rings are indistinct while the vessels are medium-sized to moderately large, mostly solitary but with a tendency to oblique arrangement, sometimes with white or yellowish deposits. Parenchyma is abundant, apotracheal in narrow continuous or interrupted bands. The rays are of two distinct sizes, the broad ones visible to the naked eye. Ripple marks are absent.

The wood is very strong and very hard. It is moderately durable when exposed to the weather or in contact with the ground. The heartwood is highly resistant to pressure treatment but the sapwood is amenable. The sapwood is non-susceptible to Lyctus.

The mean fibre length of G. sumatranum from Indonesia is 1.086 mm.

COLOR	The sapwood is lighter in colour and distinct from the heartwood, which is pink-brown, red-brown or dark brown.
GRAIN	The wood has conspicuous silver grain, somewhat lustrous.
TEXTURE	The texture is moderately fine to moderately coarse due to the broad rays,
NATURAL DURABILITY	The timber is moderately durable.
RESISTENSE TO IMPREGNATION	Its amenability to preservative treatment is average.

AIR-DRY DENSITY	850-1,120 kg/m^3 air dry
TOTAL SHRINKAGE TANGENTIAL (SATURATED TO 0% MC)	3.4%
TOTAL SHRINKAGE RADIAL (SATURATED TO 0%MC)[2]	1.6%
DRYING DEFECTS	considerable warp and checking
DIMENSIONAL STABILITY RATIO (TOTAL TANGENTIAL SHRINKAGE %/ TOTAL RADIAL SHRINKAGE %)	2.1%

SAWING	It is easy to resaw and cross-cut when green but is difficult when dry.
ROTARY VENEER CUTTING	In India, it is indicated that the wood is suitable for chemical and semichemical pulps.
SLICED VENEER	In India, it is indicated that the wood is suitable for chemical and semichemical pulps.
NAILING	Nailing property is rated as very poor.
PLANING	Planing is easy.
BORING	It is easy to bore.
MORTISING	It is easy to mortise.
NAILING	This species is reported to be easy to nail.
SANDING	1.6%

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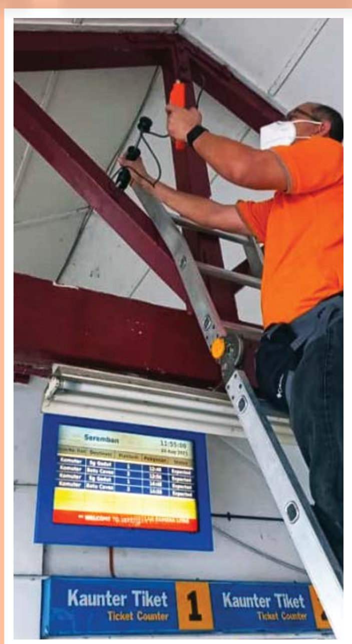

Timber Verification Services (TVS) at Seremban Railway Station building, Negeri Sembilan, 11 August 2021