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WORLD BAMBOO DAY : VIRTUAL CELEBRATION

- WELCOMING THE NEW MINISTER OF PLANTATION INDUSTRIES AND COMMODITIES
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WELCOMING THE NEW MINISTER OF PLANTATION INDUSTRIES AND COMMODITIES

MTIB congratulates YB Datuk Hajah Zuraida Kamaruddin on her appointment as Minister of Plantation Industries and Commodities and the reappointment of MPIC's two Deputy Ministers, YB Dato' Sri Dr Wee Jeck Seng and YB Datuk Willie Anak Mongin. Prior to her present appointment, YB Datuk Hajah Zuraida served as the Minister of Housing and Local Government since May 2018.

A reception Ceremony was organised by the Ministry of Plantation Industries and Commodities (MPIC) on 1 September 2021 in hybrid mode in compliance with the current COVID-19 SOPs.

MTIB Board Members and its management team would like to take this opportunity to wish the Honourable Minister success in all endeavours and look forward to her leadership towards further strengthening the Malaysian timber industry.

CONGRATULATIONS

TUAN HAJI MAHPAR BIN ATAN APPOINTED AS DIRECTOR GENERAL OF MTIB

On **7 September 2021**, Tuan Haji Mahpar Bin Atan was appointed as the Director General of the Malaysian Timber Industry Board (MTIB). Tuan Haji Mahpar holds a Master of Science Degree in Forestry from Universiti Putra Malaysia. He has more than 30 years' experience in the timber industry which includes his contributions in the development of timber standards and designs as well as in encouraging the usage of timber in the construction industry. He was previously the Deputy Director General (Development and Commercial) of MTIB since 1 July 2020.

Tuan Haji Mahpar began working in MTIB in 1987. Among the highlights of his career in MTIB were his roles as the director of several divisions such as WISDEC (1998), MTIB Sabah Branch (1999 – 2008), Forest Plantation (2009 – 2012) and Industry Development (2012 – 2020).

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

INDONESIA

INDONESIA-NORWAY CLIMATE AND FOREST PARTNERSHIP TERMINATED

On 10 September 2021, the Government of Norway received a formal notification that the Government of Indonesia had decided to terminate the 2010 Letter of Intent on Cooperation on Reducing Greenhouse Gas Emissions from Deforestation and Forest Degradation. A press release from the Norwegian authorities reads "Our two nations have for more than a decade collaborated on reducing greenhouse gas emissions from deforestation and forest degradation. During this time, Indonesia has become a world leader in combatting tropical deforestation. A series of progressive regulations and policies to protect the nation's rainforests have been put in place. The results are impressive. Over the last four years Indonesia has delivered massive reductions of deforestation and peatland conversion. This is a significant contribution to global climate change mitigation and protection of biodiversity. Last year, Norway announced a contribution of NOK530 million to Indonesia for its 2016/2017 deforestation results in line with the Letter of Intent. The contribution was intended to be disbursed to Indonesia's own financial mechanism, the newly established Indonesian Environment Fund (IEF). Recently, our two governments have been engaged in discussions on a legal agreement for the transfer of the results-based contribution. Until the termination announcement discussions in this regard were ongoing and in Norway's view constructive and progressing well, within the frameworks set by our two countries' regulatory limits. Given our commitments in the Letter of Intent, and Indonesia's impressive results, we were looking forward to supporting Indonesia's efforts with similarly significant annual contributions in the years to come. The Government of Norway would like to congratulate the Government of Indonesia with their impressive REDD+ achievements to date. We welcome the Indonesian Government's continued leadership on this crucial climate action agenda, and its continued commitment to deliver on its emission reduction targets. We have highly appreciated our collaboration and stand ready to continue supporting – in mutually agreeable ways – Indonesia's efforts in protecting its forests and peatlands".

www.fordaq.com, 16 September 2021

CHINA

TO EXTEND US HARDWOOD TARIFF EXEMPTIONS

According to the American Hardwood Export Council and the National Hardwood Lumber Association (NHLA), Chinese tariff exemptions that were set to expire on September 17 have been extended until April 16, 2022. The tariffs apply to hardwood logs and lumber products exported to China from the U.S. China implemented these tariffs in May 2019 as a retaliatory measure to the tariffs placed on it by the Trump Administration. In February 2020, China first announced exclusions. Of the 65 initial exclusions, seven were wood products, including hardwood logs; jointed and non-jointed-end lumber; "other" oak logs; and cherry, ash, and other lumber with thickness over six millimetres.

NHLA/Fordaq, 24 September 2021

JAPAN

WOOD PRODUCTS EXPORT 2021

In wood products exports during January and June 2021, logs were 813,000 cubic metres, 27.7% more than the same period of last year and lumber was 104,000 cubic metres, 40.2% more. Lumber exports to the USA doubled and exceeded the volume for China and the USA became the top destination lumber with value of logs was 11.4 billion yen, 50% more while lumber was 4.6 billion yen, 59.7% more. For the first half of 2021, demand from China and the USA was strong so the export of wood products from Japan increased considerably. If the exports continues in the second half with the same pace as the first half, annual export volume of logs would be about 1,600,000 cubic metres and lumber about 200,000 cubic metres, a double digit increase for two straight years. Also, the total value would climb to 50 billion yen if the second half value is the same as the first half. By destination, in log export, China bought 678,941 cubic metres, 32.1% more and stayed as top buyer then Korea took 67,201 cubic metres, 4.6% more. Taiwan was in third with 50,704 metres, 8.4% more. By species, cedar was the top with 712,971 cubic metres, 28.8% more while Cypress was 93,682 cubic metres, 22.2% more. In lumber export, the top was the USA with 36,081 cubic metres, 108.7% more than China which was second with 28,892 cubic metres, 8.9% less. Third was the Philippines with 21,850 cubic metres, 92.2% more. Increase of value was remarkable. Domestic demand for logs increased and the prices soared, which pushed the export prices. Normally it is hard to pass high cost onto exports but worldwide inflation of wood products prices helped passing high prices on exports. Average log value is 14,004 yen, 17.5% up. In particular, cedar log prices are 13,470 yen per cubic metres, 21.1% up. Lumber value is 44,416 yen, 13.9% up.

www.japantimes.co.my, 20 September 2021

EUROPEAN UNION

PRODUCTION IN CONSTRUCTION UP

In July 2021 compared with June 2021, seasonally adjusted production in the construction sector increased by 0.1% in the euro area, while it decreased by 0.1% in the EU, according to first estimates from Eurostat, the statistical office of the European Union. In June 2021, production in construction fell by 0.6% in the euro area and by 0.4% in the EU. In July 2021 compared with July 2020, production in construction increased by 3.3% in the euro area and by 3.8% in the EU. Monthly comparison by construction sector and by Member State in the euro area in July 2021, compared with June 2021, building construction increased by 0.4% while civil engineering decreased by 1.7%. In the EU, civil engineering decreased by 1.8%, while building construction increased by 0.3%. Among Member States for which data are available, the largest monthly decreases in production in construction were recorded in Slovenia (-3.9%), Romania (- 3.5%) and Austria (-3.4%). The highest increases were observed in France and Sweden (both +1.3%) and Germany (+1.1%). Annual comparison by construction sector and by Member State in the euro area in July 2021, compared with July 2020, building construction increased by 3.8% and civil engineering by 0.8%. In the EU building construction increased by 4.7% and civil engineering by 0.8%. Among Member States for which data are available, the highest annual increases in production in construction were observed in Hungary (+22.5%), Austria (+13.6%) and Sweden (+9.7%). The largest decreases were recorded in Spain (-13.2%), Slovenia (- 8.0%) and Belgium (-3.8%).

www.globalmarketinside.com, 21 September 2021

ITALY

GROWTH IN WOOD AND FURNITURE TECHNOLOGY SECTOR

The development of the pandemic has impacted all economic trends, including the machines, tools and equipment for woodworking and furniture production. This trend has some "peculiarities" that have been clearly identified in the analysis by the Studies Office of Acimall, the Italian Association of Woodworking Machinery and Tools Manufacturers, about the first half of 2021. According to Acimall, in the January-June 2021 period, the orders of wood furniture machinery and tools increased by 100.3% compared to the same semester of 2020. The demand from international markets – reaffirming the industry's export vocation – recorded an 88.7% increase, while the domestic market was even livelier, with orders up by 190.8%. Although these results are significant, they have to be compared with the first half of 2020, i.e., the period when the COVID-19 pandemic had its strongest impact on the world's economic and production system. Nevertheless, this growth is not just a simple rebound, but a significant structural expansion. On a semester-on-semester basis, the first half 2021 showed a positive trend compared to the previous six months, from July to December 2020, with orders growing by 42.2% (plus 31.9% for international demand, plus 49.2% in Italy). The furniture wood machinery industry and the furniture industry have overcome this season thanks to the engineering, industrial, financial and business foundations to support the rally of recent months. This result has also been supported by the incentives of the new Italian plan 4.0 Transition, and similar measures introduced in many countries. The Italian industry keeps offering advanced technology, as a result of its capacity to innovate and make business, which has always distinguished the players of "made in Italy".

Acimall/Fordaq, 17 September 2021

GERMANY

KITCHEN FURNITURE MANUFACTURERS EXPECT AN "EXTRAORDINARILY GOOD YEAR"

Germans and consumers from abroad like to spend a little more money on kitchens – the kitchen builders are doing well again after the interim crisis. The German kitchen builders have overcome the Corona dent with furniture stores that have been closed at times. The Association of the German Kitchen Furniture Industry (VdDK) reported about increasing sales and well-filled order books. The German kitchen furniture manufacturers achieved increases both domestically and in exports. Domestic business contributed a good EUR1.8 billion in sales to total earnings by the end of July, 6.7 percent above the previous year's figures. With exports, the manufacturers turned over almost EUR1.5 billion, 26.7 percent more than in the first seven months of the last year. More money is often spent on kitchens where manufacturers benefit from the willingness of households to buy a new kitchen to be tasted. The increase in the value of incoming orders from within Germany is usually higher than the increase in the number of units. In the meantime, more than half of all household expenditure on furniture per year goes into the kitchen. The overall situation remains tense – despite good growth figures and high demand. The bottleneck list ranges from chipboard and metal parts to packaging material. All of this is now causing increasing delivery times.

www.icis.com, 20 September 2021

GHANA

WOOD PRODUCT TRADE PICKING UP

Ghana classifies its wood products into three main categories: Primary Products (PP), Secondary Wood Products (SWP) and Tertiary Wood Products (TWP). According to data distributed by the Timber Industry Development Division (TIDD) in the first 5 months of the years 2017 to 2021 SWPs topped the list of export products followed by PP and TWP. The SWPs registered the highest volume of 126,317 cubic metres in 2018 and the lowest in 2020 (66,229 cubic metres) when trading activities slumped due to the global pandemic. For the same period in 2021 SWP export volumes, however, improved to 92,238 cubic metre registering a year-on-year growth of 39%. Export earnings for the period under review also followed the same yearly pattern as that of volumes. For the period under review the Average Unit Prices (AUPs) for TWPs shown below were at the highest in 2018. For the years AUPs were within the range EUR685/cubic metre to EUR890/cubic metre, except in 2017 when an AUP of EUR438/cubic metre was recorded. While the AUP for both PPs and SWPs improved in 2021 over that of 2020 that of the TWPs declined in 2021 against 2020.

Wood product trade with ECOWAS picking up Ghana's wood export volume to the ECOWAS sub-region (Economic Community of West African States) for the first 5-months in 2021 picked up, registering a total of 11,951 cubic metres which, when compared to the same period in 2020 (8,515 cubic metres), showed a growth of 40% year-on-year. Prior to the dip in 2020, wood export volumes to the regional market showed consistent increasing growth from 8,846 cubic metres in 2017 to 9,456 cubic metres in 2018 till it reached a peak of 10,974 cubic metres in 2019 for the same period. The lowest export volume was in January to May 2020 (8,515 cubic metres) and was due to the impact of the COVID-19 pandemic when the government introduced travel restrictions, border closures and lockdowns all which affected the global supply chain. Ghana's major trading countries within the sub-region in the first 5 months of 2021 were Burkina Faso, Togo, Senegal, Niger, Benin, Mali, Cape Verde, Cote D'Ivoire and Gambia which traded in products including plywood, air-dried lumber and sliced veneer.

ITTO/fordaq, 7 September 2021

UNITED KINGDOM

GROWTH SLOWS AMONG CONSTRUCTION FIRMS

The UK's construction sector has grown healthily again in August, despite a slowdown from the prior month, new data shows. A closely watched survey found that disruption in the UK supply chains is pushing up prices at the second-highest rate in more than two decades. The IHS Markit/CIPS UK Construction Purchasing Managers' Index (PMI) gave the sector a score of 55.2 last month, down from 58.7 in July. It pushed the PMI score to its lowest since February amid shortages of materials and transport. Yet the score is still a sign of growth in the sector – anything above 50 is considered positive. "Formidable supply chain pressures restrained purchasing activity and building projects across the board in August as 68% of construction companies reported even longer delivery times for materials compared to July," said Duncan Brock, group director at the Chartered Institute of Procurement & Supply. "A combination of ongoing Covid restrictions, Brexit delays and shipping hold-ups were responsible as builders were unable to complete some of the pipelines of work knocking on their door." More than eight in 10 businesses said they were paying more for supplies in August, the survey found. The sector's costs have therefore increased at their second-fastest rate in the survey's 24-year history, beaten only by a record set two months ago Concrete, fuel, steel and timber are the supplies that have shot up in price the quickest. As the rate of new orders slowed in August, the sector hiring spree sank to a four-month low. Although there is still a need for new staff, there is a lack of skilled workers and costs are higher, which has weighed on hiring.

www.uk/news/growth.com, 6 September 2021

UNITED STATES

WOODEN FURNITURE IMPORTS REMAIN STEADY

US imports of wooden furniture rose by less than 1% in July as 2021 continued along record levels. With imports of more than USD2.2 billion in July, imports remained at a level more than 37% higher than the previous July and at a year-to-date pace 60% above 2020. Imports from Vietnam, India, and Mexico advanced, while imports from Malaysia, Indonesia and Canada retreated. Meanwhile, new orders for residential furniture continued their rise, up 7% in June compared to 2020. This was especially notable considering June 2020 was up 30% over 2019, and it marked 13 straight months of year-over-year growth, as reported by Smith Leonard in the latest issue of Furniture Insights. An increase in new orders was reported by about 66% of the residential furniture manufacturers and distributors participating in the monthly survey.

ITTO/Fordaq, 24 September 2021

BRAZIL

IMPROVING WORLD ECONOMY LIFTS BRAZILIAN TIMBER EXPORTS

Driven by the economic recovery in the world's largest economies, exports from Paraná State totalled USD1.8 billion in July, 11% more compared than in July 2020. Between January and July this year exports from Paraná have grown 14% year on year. Wood products are one of the main products exported from the state and earnings reached USD1.1 billion according to the Foreign Trade Secretariat, Ministry of Economy. The strong recovery in developed economies explained the more than doubling of furniture exports. Almost 60% of the wood products exported from Paraná State were for the US market. The appreciation of the US dollar against the Brazilian currency favors exports making the Brazilian product more competitive in international markets. Brazilian furniture exports closed the first half of 2021 with a 72% increase compared to the same period in 2020. The main importers were the US followed by Chile and the United Kingdom.

ITTO/Fordaq, 23 September 2021

GLOBAL

THE GLOBAL FOREST INDUSTRY

Softwood sawlog prices have gone up in worldwide in the past year. By far, the most significant increases have occurred throughout Europe and British Columbia. The Global Sawlog Price Index (GSPI) jumped 10% q-o-q in the 2Q/21. This change was the fifth consecutive quarterly increase and the highest level in seven years. The rise of sawlog prices in much of Europe has taken the European Sawlog Price Index (ESPI), denoted in Euros, to an all-time high of over EUR96/m^3. Global Lumber Markets Lumber has been in high demand in the US 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. Canadian lumber prices have spiked similarly to US prices, with record highs in May followed by sharp declines during June through August. Due to the strong US lumber market, Canada and the US reduced lumber exports overseas in the first half of 2021. Sawmill profits continued to rise in the spring and early summer and reached all time highs in America and Europe. In the US South, gross margins fell as lumber prices crashed, but thanks to low sawlog costs, sawmills were still running at profitable levels into the third quarter of 2021.

Global Biomass Markets Net imports of pellets to Europe have gone up the past two years as production on the continent has not kept up with consumption. Over the past five years, the Netherlands and Japan have increased their market shares of globally traded wood pellets substantially.

WRQ, Fordaq, 24 September 2021

MALAYSIA

Wan Hai Lines makes maiden voyage to Northport

Taiwanese shipping company Wan Hai Lines has made its maiden voyage through Malaysian waters to Northport today after launching its independent new service, connecting Asia and the East Coast of North America.

The call at Northport terminal was an expansion of Wan Hai Lines' AA7 service, which was launched in June 2021, aimed at strengthening the network between Asia and the US East Coast due to strong demand in both markets. The AA7 service is operated by eleven container vessels with a capacity of 2,800 to 4,000 twenty-foot equivalent units (TEUs).

The rotation of AA7 service includes the ports of Ningbo (China), Taipei (Taiwan), Xiamen (China), Shekou (China), Cai Mep (Viet Nam), Port Klang – Northport (Malaysia), New York (US East Coast), Savannah (US East Coast) and Ningbo (China).

Northport (Malaysia) Bhd chief executive officer Datuk Azman Shah Mohd Yusof said the port operator was delighted to be one of the ports of call for Wan Hai Lines' AA7 service, connecting Asia and the United States (US) East Coast. "For Northport, this service is important as it is the first service that connects our port with ports in the US since April 2017. "We believe that the direct service from Port Klang to the US East Coast will further enhance the capacity and competency of Malaysian ports, especially in connecting our local exporters and importers with the US markets, within competitive transit time,"

Malaysia's trade with the US increased by 21 per cent year-on-year (YoY) to RM137.58 billion in the first eight months of 2021 from RM114.11 billion recorded in the same period a year ago, according to statistics from the Malaysia External Trade Development Corporation (Matrade). The US is Malaysia's third-largest trading partner, with exports and imports standing at RM89.95 billion and RM47.63 billion during the same period.

Azman said the new service would open up more opportunities for local shippers to expand their market into the world's largest economies. "Demand for warehouse space for regional distribution to fulfil the needs of US-based companies is also expected to increase.

"This service will also further strengthen our business relationship with Wan Hai Lines on the foundation of excellent service quality, reliability and trust," he added.

Meanwhile, Wan Hai Lines' business relationship with Northport had been established more than three decades ago with the commencement of its Singapore/Malaysia service at Northport (then known as Klang Container Terminal or KCT) in June 1989, with only 7,500 TEUs handled in that year. Currently, Wan Hai Lines is the 10th largest container shipping line globally, with 149 vessels.

Source: News Straits Times, 2 November

Port Klang has highest container rollover percentage of 58.45% in 2021

Port Klang has the highest rollover percentage of 58.45% in 2021, an increase of 37.94% compared to 2020, according to transportation visibility platform Project44. The firm said global supply chains had been facing several major disruptions in 2021 and port congestion is only one of them.

It said vessel schedule disruptions with increases of up to 45% in the ratio of container rollovers, increased transit times and increases in blank sailings are among the underlying factors causing shipment delays and global supply chain disruptions. A container rollover, or cargo rollover, is when a container fails to get loaded onto its scheduled vessel and has to be accommodated on a subsequent ship.

Project44 vice-president of data insights Josh Brazil said looking at future blank sailing schedules, there seems to be no immediate improvement on the horizon and "we don't see the situation improving until after Lunar New Year in 2022 when China will shut down for about two weeks". Brazil said global container movement had been affected significantly by an increasing number of containers rolled and delayed across major transhipment hubs around the world.

"Ports were never meant to be storage facilities and in most cases, the average dwell time for transhipment containers used to be five days maximum," said Brazil.

A three-year data map analysed by Project44 of transhipment containers only shows the ratio of container rollovers at major ports between 2019 and 2021. Project44 said Shanghai recorded 38.66% of rollovers in 2021, an increase of 45.22% compared to rollovers in 2020.

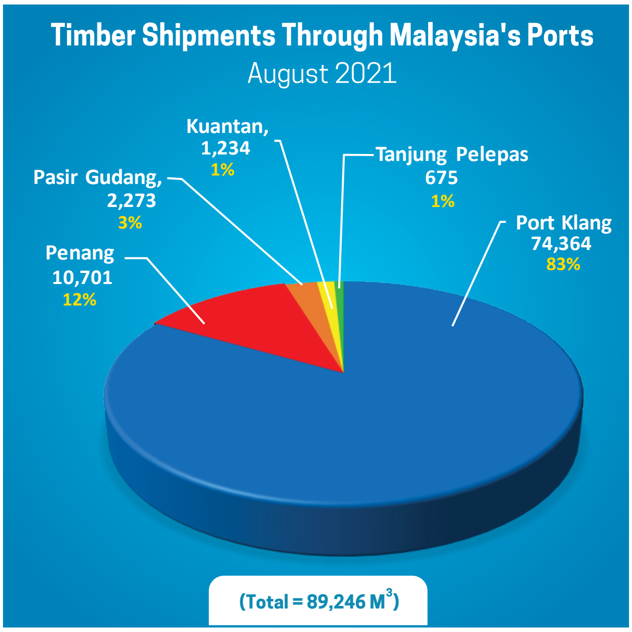
Source: The Edge Markets, 11 November

CHINA

CULines to start first direct service next week from China to Tilbury, UK

Chinese container carrier China United Lines (CULines) is to launch a direct service connecting China with the Port of Tilbury in the UK, reports Colchester's Seatrade Maritime News. The express service is expected to debut from Shanghai on October 26, calling at Ningbo and Yantian, then heading to Tilbury directly, which will become the only direct service from China to Tilbury.

Deploying the 2010-built 1,740 TEU containership A Daisen, this direct service to Tilbury will have a transit of 27-30 days from China to Tilbury featuring advantages of fast transportation and on-time delivery.



With UK's largest container port Felixstowe currently experiencing serious congestion with significant berthing delays, this service is aimed to provide more logistics solutions for e-commerce clients.

According to London Container Terminal's website it would be first service to connect it to the East Asian region. It currently has services that call from the Indian sub-continent and Australasia/ New Zealand.

Source: Asian Shipper, 22 October

EUROPE

German port giants Eurogate and HHLA discuss cooperation

Bremen's Eurogate and Hamburger Hafen und Logistik AG (HHLA) are widely being tipped in German media circles to be discussing some form of merger. Acknowledging the rumours, HHLA head Angela Titzrath has gone public to say that there could be a letter of intent for cooperation between the two container port operators by the end of the year.

"To boost operational efficiency and to build a counterweight to an increasingly consolidated field of carriers, HHLA and Eurogate consid- er to establish a set-up under which all of their container terminals at the German ports of Hamburg, Bremerhaven and Wilhelmshaven, would be transferred to a jointly-held special purpose vehicle," Alphaliner suggested in its latest weekly report, adding that any deal hatched would likely not include the overseas holdings of the two companies.

HHLA currently has three container terminals in Hamburg, whereas Eurogate has three terminals at Bremerhaven and one each at Hamburg and Wilhelmshaven.

Source: Asian Shipper, 28 October

UNITED STATES

Los Angeles and Long Beach issue fines for lingering containers

New regulations to try and get containers out of the Ports of Los Angeles and Long Beach quicker are being enacted, including fines for companies whose containers linger too long at the terminals, reports Singapore's Splash 247.

Arriving containers scheduled to be moved by trucks at the ports will be allowed to stay for nine days before fines start occurring. Containers set to move by rail can stay at the ports for three days. After the days are up, ocean carriers will be charged US$100 per container, increasing in $100 increments per container per day. The new rules went into effect November 1.

"The terminals are running out of space, and this will make room for the containers sitting on those ships at anchor," said Port of Long Beach executive director Mario Cordero. The Biden administration has recently allowed the ports to operate 24 hours a day to try and get goods unloaded quicker.

The Port of Long Beach has also eased restrictions on stacking containers for three months whereby stacks of four containers will be allowed on private property instead of two.

Source: Asian Shipper, 1 November

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% change Jul/Aug
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	37,454	99	559	-91	866	160	**80**	11	4,481	52	43,439	52
MDF	7,707	40	289	-36	289	-54	**121**	-86	823	56	9,229	16
Mouldings	6,678	51	147	16,628	867	5	**355**	51	540	-10	8,587	41
Plywood	5,686	333	227	100	0	0	**109**	-39	4,270	125	10,292	203
Veneer	1,403	670	12	100	0	0	**9**	100	388	56	1,812	321
Particleboard	15,435	80	0	0	252	100	**0**	**0**	199	-74	15,886	70
TOTAL	**74,364**	**92**	**1,234**	**-82**	**2,273**	**27**	**675**	**-50**	**10,701**	**53**	**89,246**	**60**

Note : Indicates percent change over the previous month

Source : MTIB

AUGUST 2021

The total export of Malaysian timber and timber products in August 2021 increased by 6% in value totalled at RM1.4 billion from RM1.3 billion in the previous month. Likewise, cumulative export for the period of January to August 2021 increased 4% valued at RM14.3 billion over RM13.7 billion in the previous corresponding period. According to the Business Research Company, an economy market intelligence company, the global timber and timber-based products market size is expected to grow from USD159.69 billion in 2020 to USD172.08 billion in 2021 at a compound annual growth rate (CAGR) of 7.8%. The growth is mainly due to companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The global timber market is expected to reach USD230.26 billion in 2025 at a CAGR of 7.6%.

SAWNTIMBER

The total export of sawntimber in August 2021 increased by 2% in volume at 80,392 m³ but decreased by 1% in value at RM160.0 million as compared to the previous month. However, cumulative exports for the period of January to August 2021 decreased by 7% in volume and 1% in value to 764,062 m³ totalling at RM1.5 billion over the previous corresponding period.

Exports of sawntimber to the EU for the month increased by 25% to 3,817 m³ over the previous month as a result of high demand from major countries in the region. Exports to Germany increased by 213% to 575 m³ from 184 m³ recorded in the previous month followed by Italy and Greece with increases of 492% and 164% to 213 m³ and 95 m³ respectively. Similarly, the Netherlands as the main buyer increased by 8% to 2,017 m³ from 1,871 m³ in the previous month. Belgium recorded a negative growth at 42% to 452 m³ while France increased by 137% to 375 m³ for the month. Meanwhile, exports to the UK increased significantly to 1,236 m³ from only 602 m³ in the previous month.

Similarly, total export to West Asia also decreased by 43% to 11,420 m³ from 20,041 m³ recorded in the previous month. Yemen as the main buyer from West Asia decreased by 44% to 6,307 m³ from 11,160 m³ recorded last month.

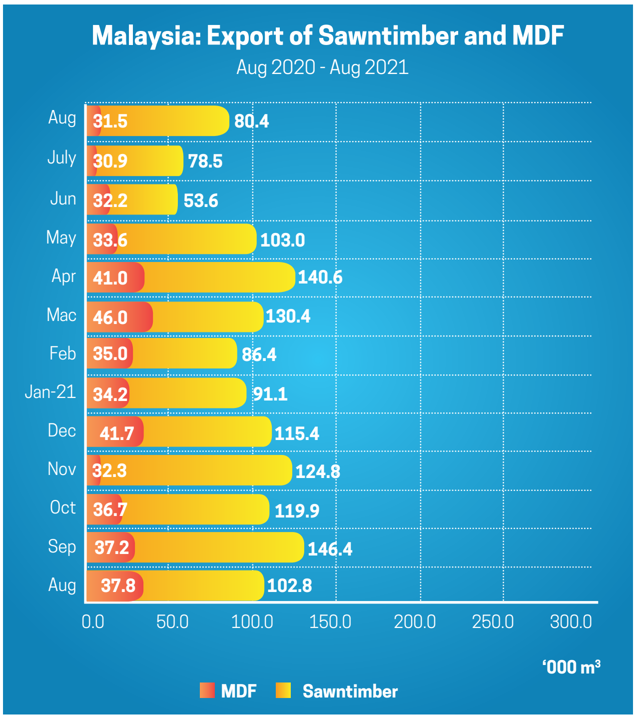
Similarly, exports to Iraq also decreased by 39% to 356 m³ from 584 m³ followed with Oman by 62% to 1,047 m³ from 2,764 m³ recorded in the previous month. Exports to the UAE also decreased by 46% to 2,084 m³ from 3,862 m³ recorded last month followed with Saudi Arabia with 39% lower to 446 m³. Meanwhile, exports to Qatar increased significantly to 558 m³ from only 242 m³ recorded in the last month.

Elsewhere, buying from ASEAN increased by 27% to 29,650 m³ from 23,387 m³ as registered in the previous month. Thailand as the main buyer in ASEAN increase its intake by 182% to 16,849 m³ from 5,970 m³ as recorded in the previous month. Similarly, exports of sawntimber to Singapore increased by 33% to 6,570 m³ from 4,932 m³ last month. Exports to Indonesia also increased by 32% to 184 m³ from 139 m³ as recorded in the previous month. Exports to the Philippines and Viet Nam decreased by 55% and 9% to 5,153 m³ and 862 m³ respectively from 11,403 m³ and 943 m³ recorded in the previous month.

Meanwhile, shipments to East Asia decreased by 2% to 18,781 m³ from 19,065 m³ in July. China as the main buyer increased purchases by 41% to 9,854 m³ from 6,967 m³ in the previous month. Meanwhile, exports to South Korea and Japan increased by 16% and 92% to 1,955 m³ and 3,202 m³ respectively from 1,679 m³ and 1,670 m³ as recorded in the previous month. However, Taiwan's intake decreased by 56% to 3,770 m³ from 8,523 m³ last month.

Exports to the USA decreased by 83% to 135 m³ followed by Australia with 6% to 970 m³ compared from 813 m³ and 1,029 m³ respectively in the previous month. Meanwhile, demand from South Africa increased by 92% to 2,122 m³ from 1,104 m³ recorded in the previous month.

The average FOB price of sawntimber decreased by 3% to 1,990 per m³ from 2,048 per m³ in the previous month. Meanwhile, the price of Dark Red Meranti to the Netherlands increased by 135% to 3,699 per m³ from 1,577 per m³ previously. Keruing was traded at 2,001 per m³, decreased by 6% from 2,121 per m³ in the previous month.



PLYWOOD

Exports of plywood in August 2021 recorded an increase both in volume by 17% to 118,155 m³ and in value by 19% totalled RM267.1 million compared to the previous month. Meanwhile, cumulative export for January-August 2021 based on year-on-year reduced in volume by 4% to 978,876 m³ but recorded an increase in value by 6% worth RM2.0 billion over the previous corresponding period. Following the ReportLinker report entitled "Global Construction Outlook to 2025 (Q3 2021 Update), the analyst expects the global construction industry to grow by 6.3% in the third quarter 2021, an upward revision from 5.7% in the previous forecast update (Q2 2021). The positive revision reflects the faster-than-expected recovery in output in some key markets in the first half of the year, with works on construction sites being ramped up to try to accelerate progress following delays last year, and a surge in residential construction projects (in some markets to record highs), which has been offsetting weaknesses in the commercial and industrial sectors.

Exports of plywood to the EU increased by 22% to 752 m³ for the month from 617 m³ in the previous month. The Denmark and Italy resumed their buying to 172 m³ and 49 m³ respectively meanwhile Ireland increased its buying by 96% to 488 m³. Meanwhile, Belgium, France, Germany and the Netherlands didn't make any purchases for the month. Likewise, exports to UK reduced by 99% to only 77 m³.

Moving to ASEAN and East Asia region, the region recorded an increase in export volume by 24% to 89,607 m³ compared to 72,018 m³ in the previous month. Japan as the main importer of Malaysian plywood increased its stock intake by 40% to 73,505 m³ from 52,413 m³ in the previous month. On the other hand, South Korea decreased its buying by 22% to 6,889 m³, followed by Taiwan where exports shrunk by 1% to 3,421 m³, China 47% to 1,223 m³ and Hong Kong 40% to 481 m³ respectively. Meanwhile, Malaysia's plywood trade with its ASEAN partners showed a mixed trend for the month. Singapore increased its intake by 40% to 1,962 m³ for the month. However, exports to Thailand reduced by 16% to 857 m³, followed by the Philippines with 11% to 739 m³ and Brunei 41% to 530 m³. Indonesia did not make any purchase for the month.

Plywood export performance in the West Asian region improved by 47% to 9,940 m³ for the month. Being the largest importer of Malaysian plywood in the region for the month, Yemen recorded an increase in intake by 22% to 7,836 m³. UAE also recorded an increase in export volume by 631% to 621 m³. Meanwhile, Bahrain, Saudi Arabia, Kuwait dan Qatar didn't make any purchases for the month.

Exports to the African region recorded an increase of intake by 11% to 1,024 m³ over 920 m³ in the previous month. Exports to Morocco decreased by 20% to 391 m³ while demand from South Africa rose by 37% to 118 m³. Moving to our main buyer in the Americas region, the USA increased its intake of plywood by 16% to 12,864 m³ from 11,106 m³ last month. Canada and Mexico decreased their intake by 67% to 287 m³ and 70% to 379 m³ respectively. While in the Oceania region, exports to Australia increased by 153% to 2,622 m³ while New Zealand did not make any purchase for the month.

The FOB price of plywood increased by 1% to RM2,261 per m³ from RM2,233 per m³ in the previous month.

VENEER

Exports of veneer for August 2021 decreased in volume by 10% to 4,281 m³ but increased in value by 8% worth RM7.7 million as compared to the previous month. Meanwhile, cumulative exports for January-August 2021 recorded a decreasing trend both in volume and value by 6% to 36,750 m³ and by 5% worth RM59.6 million over the previous corresponding period.

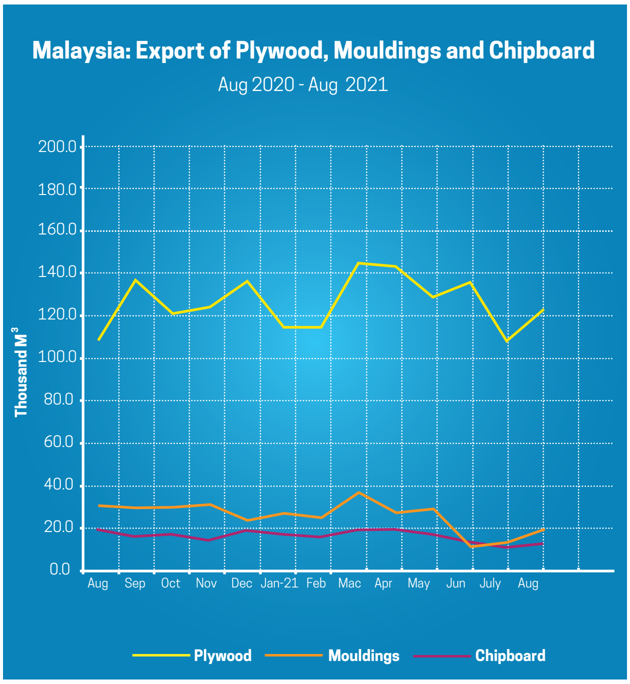
Exports to China increased by 8% to 1,199 m³ and followed by South Korea where exports rose by 43% to 1,126 m³, India 108% to 339 m3 and the Philippines 33% to 317 m³. However, Australia and Taiwan reduced their buying by 79% to 15 m³ and 62% to 528 m³ respectively. Singapore, Canada, Italy, USA and Viet Nam did not make any purchases for the month.

The FOB price of veneer for August 2021 was at RM1,806 per m³, a decrease of 20% from RM1,506 per m³ on the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in August 2021 recorded an increase in volume and value by 2% respectively to 31,451 m³ worth RM55.8 million compared to the previous month. On the other hand, cumulative exports for January-August 2021 based on year-on-year reduced in volume by 21% to 284,317 m³ and in value by 9% to RM460.7 million over the previous corresponding period.

Export performance to ASEAN member countries increased by 36% to 8,957 m³ from 6,577 m³ in the previous month. Exports to Indonesia and the Philippines increased by 164% to 2,304 m³ and by 17% to 4,980 m³ respectively. However, exports to Singapore and Viet Nam decreased by 47% to 45 m3 and 7% to 1,200 m³



respectively. Moving to the East Asia region, exports to the region decreased by 21% to 12,163 m³ for the month from 15,380 m³ in the previous month. Japan as the major importer of MDF in the region decreased its buying by 21% to 10,783 m³. Similarly, exports to Taiwan and China including Hong Kong reduced by 21% to 675 m³ and 76% to 67 m³ respectively.

Shifting to the South Asian region, exports to the region increased by 58% to 4,659 m³ for the month. Exports to Pakistan and Sri Lanka increased by 44% to 2,306 m³ and by 410% to 1,433 m³ respectively. Bangladesh also increased its intake by 300% to 343 m³ respectively. Likewise, exports to the West Asian region recorded a decrease of 49% to 1,111 m³ from 2,172 m³ in the previous month. Exports to Oman increased by 379% to 407 m³ while Qatar resumed its intake by 426 m³ respectively. UAE decreased its intake by 79% to 278 m³ for the month.

Elsewhere, exports to USA and Australia were down by 8% to 431 m³ and 37% to 2,818 m³ respectively, for the month. Similarly, exports to South Africa reduced by 13% to 331 m³ for the month.

The FOB price of MDF increased by 0.1% to RM1,775 per m³ from RM1,773 per m³ from the previous month.

MOULDINGS

Exports of mouldings for the month increased by 22% in volume and 26% in value to 10,824 m³ worth at RM43.0 million. However, cumulative exports for the period of January – August 2021 decreased by 5% in volume and increased 2% in value to 115,465 m³ worth at RM457.8 million as compared to the previous corresponding period in 2020.

Exports to the EU for the month were recorded at 3,563 m³, increased by 26% as compared to the previous month. Germany, Belgium and The Netherlands increased their purchases by 149%, 50% and 16% to 743 m³, 216 m³ and 2,311 m³ respectively. However, Italy and UK did not make any purchase.

Exports to the ASEAN region showed a mixed trend as Viet Nam decreased its purchases by 69% to 41 m³ while Singapore increased its purchases by 163% to 864 m³ respectively. However, Thailand maintained its purchases at 30 m³ compared to the previous month. Meanwhile, Indonesia did not make any purchase.

Likewise, South Korea and Hong Kong decreased their purchases by 31% and 27% to 466 m³ and 175 m³ compared to the previous month. However, Japan and China increased their imports by 145% and 20% to 947 m³ and 506 m³ respectively.

Elsewhere, exports to Australia and the US increased by 47% and 18% to 1,471 m³ and 1,960 m³ respectively. Meanwhile, Canada did not make any purchase.

The average FOB unit value for mouldings increased marginally to RM3,972 per m³ compared to RM3,835 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for August 2021 increased by 14% in volume and 23% in value to 5,627,494 kg worth RM47.4 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased by 1% to RM606 million as compared to RM610.4 million. Similarly, exports to the EU decreased by 11% to RM106.8 million from RM120.4 million in the corresponding period last year. Exports to Turkey, the Netherlands and Sweden increased by 802%, 35% and 7% to RM642,888, RM17.4 million and RM13.6 million respectively. However, exports to Italy, Germany, Denmark, France and Belgium decreased by 73%, 35%, 25%, 22% and 14% to RM924,314, RM8.8 million, RM12.7 million, RM9.2 million and RM29.8 million compared to the previous month. Exports to the UK, however increased by 15% to RM78.6 million from last year.

In Asia, exports to Qatar and Bahrain increased significantly to RM1.1 million respectively. Similarly, UAE, Pakistan and Singapore increased imports by 154%, 34% and 10%, to RM1.3 million, RM1.4 million and RM25.7 million respectively. However, exports to South Korea, Egypt, Thailand, Taiwan, India, Japan and Viet Nam decreased by 66% 33%, 30%, 26%, 17%, 15% and 9%, to RM620,545, RM628,308, RM10.4 million, RM5.9 million, RM18.2 million, RM29.6 million and RM9.4 million compared to the previous month. Meanwhile, Saudi Arabia did not make any purchase for the month.

Exports to the US and Mauritius increased by 36% and 14% to RM155.4 million and RM623,766 respectively. Meanwhile, South Africa and Australia decreased by 19% and 9% to RM5.1 million and RM102.1 million compared to the previous month.

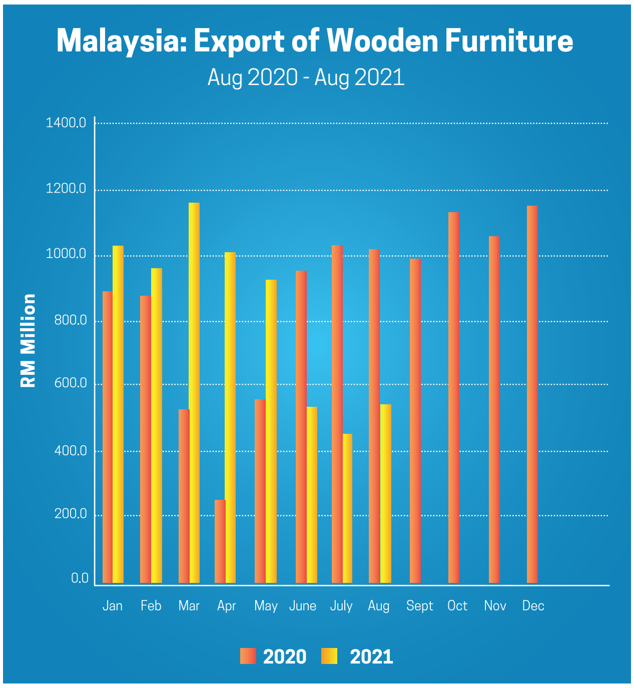
FURNITURE

Exports of wooden furniture for the period of January to August 2021 recorded an increased by 5% to RM6.5 billion from RM6.2 billion in the previous corresponding period. However, there was a decrease in demand for rattan furniture by 21% to RM47.7 million from RM60.4 million in the previous corresponding period. The USA as the main buyer of wooden furniture increased purchases by 9% to RM4.2 billion from RM3.8 billion in the same corresponding period in 2020. In Europe, exports to Poland decreased by 7% to RM19.5 million followed with France 4% to RM29.2 million respectively. Similarly, exports to both the Netherlands and Greece also decreased by 15% to RM18.1 million and RM12.5 million from RM21.3 million and RM14.7 million respectively compared to the previous corresponding period. However, Germany increased intake by 6% to RM30.4 million from RM28.5 million in the previous corresponding period.

Shipments to the UK also increased by 41% to RM258.7 million from the same corresponding period. Meanwhile, purchases by Russia decreased by 27% to RM6.9 million from RM9.5 million in the same period last year. Demand from both Canada and Australia also decreased by 6% to RM150.7 million and RM235.7 million respectively.

Elsewhere in East Asia, exports to Japan increased by 3% to RM314.9 million from RM305.3 million in the same period last year. Exports to India also increased by 23% to RM89.3 million from RM72.9 million in the previous corresponding period. Meanwhile, South Korea decreased consumption by 28% to RM47.0 million followed by China with 41% to RM48.1 million.

In the ASEAN region, exports to Singapore and the Philippines were recorded at RM235.5 million and RM62.9 million respectively. Exports to Saudi Arabia and Qatar increased by 4% to RM97.0 million and 130% to RM8.6 million respectively. The UAE also increased their buying by 18% to RM84.1 million followed by Kuwait with 46% higher to RM24.3 million and Oman with 87% to RM13.3 million respectively.



Rattan furniture shipments for January to August 2021 were recorded at RM47.7 million from RM60.4 million in the previous corresponding period. Exports to the USA decreased by 9% to RM18.4 million from RM20.2 million in the corresponding period in 2020. Elsewhere, exports to Australia increased slightly to RM3.0 million whilst Canada decreased buying by 21% to RM1.4 million compared to the previous corresponding period.

In Europe, exports to the UK increased by 25% to RM4.0 million compared to RM3.2 million in the previous corresponding period. Exports to Russia also increased by 4% to RM1.7 million followed by Germany by 2% to RM415,327. However, purchases by France and Poland declined by 68% and 36% to RM 383,366 and RM156,470 in the same period last year. Meanwhile in North Africa, Algeria decreased buying by 84% to RM402,225 from RM2.5 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 59% to RM621,327 from RM1.5 million recorded in the same period last year. India increased intake by 149% to RM3.5 million from RM1.4 million whilst China decreased buying by 47% to RM3.6 million compared to RM6.8 million in the previous corresponding period. In the ASEAN region, exports to Singapore and Thailand recorded at RM708,551 and RM415,483 respectively.

Elsewhere in the Middle East, exports to the UAE increased by 17% to RM337,662 from RM288,782 as recorded in the same period 2020. Meanwhile, Turkey didn't make any purchase compared to the previous corresponding period in 2020. MTIB

WORLD BAMBOO DAY : VIRTUAL CELEBRATION

Director General of MTIB, Haji Mahpar Atan planting Bamboo Tree at FIDEC Banting

Introduction

Bamboo is a plant that belongs to the family Gramineae and has about 75 genera with over 1,250 species worldwide. Bamboo is abundant in the tropics and subtropic areas as it requires a hot and humid climate for growth. Most bamboo plants grow wild in the foothills of the main range, secondary forests, ex-logging areas and along river banks. Bamboo is also cultivated in villages or as plantations that can be found in many parts of Asia,m America and Southeast Asia.

Bamboo is grows widely throughout Malaysia. Malaysia has about 70 species of bamboo of which 45 species are native species that grow naturally in natural forests and ex-logging areas. Bamboo has a variety of uses. Due to socioeconomic and technological changes, its uses are declining and is seen as a less valuable product compared to other commodities.

The importance of bamboo began to be felt again due to the lack of the main source of raw material, namely wood, in addition to the general awareness of the importance of maintaining a good environment. In fact, Malaysia's bamboo industry has the potential to expand and reap considerable profit as is the case in countries such as China, Japan, Thailand, Indonesia and Vietnam.


Bamboo Tree Planting in Tamparuli Sabah

Starting from 2011, various initiatives have been taken to develop the country's bamboo industry so that it can become an industry that can generate income for the nation and contribute significantly to the country's GDP. Until the end of 2020, the country's total export of bamboo and bamboo-based products have recorded a total of RM8.28 million. However, this achievement is still too small compared to the total import of bamboo and bamboo products for 2020 for domestic use which recorded a total of RM76.7 million. It lagged behind compared to the global market of USD 68.8 billion in 2018 of which China's export value was USD 5.5 billion.

Bamboo produces over 35% more oxygen into the air and absorbs 40% more carbon dioxide than other trees. Large-scale bamboo cultivation is also able to control erosion andimprove degraded soils. The tree grows straight and is easy to shape, making it a suitable material for a variety of applications. Large-scale bamboo cultivation will have a positive impact on the environment and can help economic generation such as the rapid expansion of bamboo-based industries in major producing countries such as China, India and Japan.

Bamboo is a fast-growing species where the age of maturity to be harvested is between 3 to 4 years and it can live over 100 years. Worldwide, the usage of bamboo in various sectors is growing very rapidly as noted in the plantation, bio-energy, construction, medicine, nutrition, handicraft, furniture, landscaping, tourism, interior decoration and textile sectors.


Bamboo tree planting in Ipoh Perak

Bamboo tree planting by top management of MTIB on 16th September 2021

World Bamboo Day Malaysia 2021

Every year, Malaysia celebrates World Bamboo Day (WBD) in commemorating its inception in 18th September 2009. Since then, WBD celebration has gained a natural momentum from all over the world. This celebration was initiated during the 8th World Bamboo Congress held in Prachanburi, Bangkok in 2009. WBD is an important day as it increases awareness of bamboo and efforts to bring bamboo benefits to a greater height for the environment, the economy and the community. The first WBD was celebrated in Kuala Lumpur way back in 2012.

The 10th World Bamboo Day was celebrated virtually in Malaysia in the wake of the Covid-19 pandemic. Various activities were organized by MTIB such as a coloring contest, to a greater height for the environment, the economy and the community. The first WBD was celebrated in Kuala Lumpur way back in 2012.

The 10th World Bamboo Day was celebrated virtually in Malaysia in the wake of the Covid-19 pandemic. Various activities were organized by MTIB such as a coloring contest, a virtual run, planting of bamboo plants in conjunction with Malaysia Day on September 16, webinars and of course, the virtual launch of World Bamboo Day Malaysia (WBDM) 2021.

The virtual opening ceremony of WBD2021 was held on 20 September 2021 and officiated by YB Datuk Hajah Zuraida Kamaruddin, Minister of Plantation Industries And Commodities. In her opening speech, she highlighted MTIB's role in developing the bamboo industry in Malaysia. She then launched the National Bamboo Industry Development Action Plan 2021– 2030. The bamboo industry needs to make a radical move from low value to higher value added products through innovation and technology. YB Minister reiterated that WBD would be able to spur further growth for the local bamboo industry through increased public awareness on the importance of the plant.

World Bamboo Day is a day of celebration to increase the awareness of bamboo globally. Where bamboo grows naturally, bamboo has been a daily element, but its utilization has not always been sustainable due to exploitation. The World Bamboo Organization aims to bring the potential of bamboo to a more elevated exposure, to protect natural resources and the environment, to ensure sustainable utilization, to promote new cultivation of bamboo for new industries in regions around the world, as well as promote traditional uses locally for community economic development.

Malaysia WBD2021 successfully gathered more than 10,000 people through numerous programmes that were held virtually throughout the month of September.

National Bamboo Industry Development Action Plan 2021 - 2030

MTIB has taken the lead in developing and empowering the bamboo industry. Realising the potential of bamboo in generating national income, the National Bamboo Industry Development Action Plan 2021-2030 was initiated in order to plant and sustain bamboo resources, empower human capital that promotes research & development and lead in both the marketing & promotion of bamboo products. MTIB had worked closely with other government agencies and non-governmental organisation, such as Forest Research institute Malaysia (FRIM), Malaysian Bamboo Society (MBS) and local universities, in driving the national bamboo agenda.

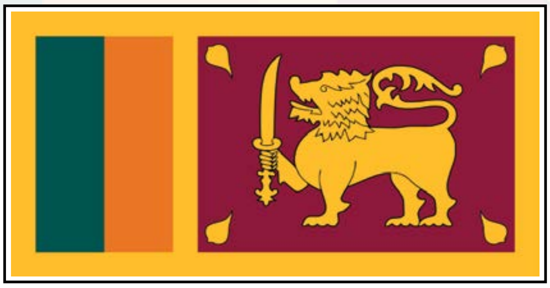
The Malaysian Bamboo Industry Development Action Plan 2021-2030 is a continuity of the previous action plan

Screenshot of World Bamboo Day Webinar on 28-29 September 2021

(2011-2020). The previous action plan focused on five (5) strategic thrusts namely: (1) Establishment of Bamboo Farms and Sustaining Existing Natural Resource Management, (2) Human Capital Development, (3) Development of Downstream Activities, (4) Research and Development, as well as (5) Promotion and Trade.

In this new action plan (2021-2030), the focus continues on five (5) strategic thrusts that have been targeted, namely: (1) Policy Improvement and Resource Expansion, (2) Increasing Human Capital, Expertise and Capacity, (3) Enhancing Innovation, Technology and R&D&C, (4) Chain Expansion and Quality Assurance, as well as (5) Improving Marketing Strategy and Smart Partnerships. Each of these strategic thrusts will be the main determinant to boost the development of the bamboo industry in the country, both in the local and international markets. In addition, the action plan aims to play a significant role in spearheading Malaysia into becoming a major bamboo and bamboo-based product producer.

EXPLORING OPPORTUNITIES IN TIMBER INDUSTRY IN SRI LANKA



Introduction

The Democratic Socialist Republic of Sri Lanka, is an island country in South Asia near southeast India. Sri Lanka has maritime borders with India to the northwest and the Maldives to the southwest. The island is rich in natural resources, and has a diverse economy based on agriculture, mining, fishing, manufacturing, and tourism. Shaped like a teardrop, the island of Sri Lanka measures about 255 miles (415 km.) from north to south, and about 135 miles (220 km.) from east to west, with a total land area of about 25,300 square miles (65,600 square km.). It has more than 830 miles (1340 km.) of coastline. The northern part of the island consists of flat and gently rolling plains, while the south-central region varies from hilly to mountainous. The island is ringed by a broad coastal plain, rising to an inland terrain of gently rolling hills. A range of mountains dominates the south-central interior, with the highest peak, Mt. Piduruthalagala, reaching more than 8200 feet (2524 meters) in height. The climate is very warm all year round (average about 30°C), except in the milder highlands. Monsoon rains drench the southwest (in May-August) and the northeast (in October-January).

Sri Lanka's documented history spans 3,000 years, with evidence of pre-historic human settlements dating back to at least 125,000 years. Its geographic location and deep harbours made it of great strategic importance from the time of the ancient Silk Road through to World War II. Sri Lanka was known from the beginning of British colonial rule until 1972 as Ceylon. Sri Lanka is a democratic republic and a unitary state which is governed by a semi-presidential system, with a mixture of a presidential system and a parliamentary system. Being a diverse and multicultural country, home to a population of 21.92 million in 2020, Sri Lanka is home to many religions, ethnic groups, and languages. In addition to the majority Sinhalese, it is home to large groups of Sri Lankan and Indian Tamils, Moors, Burghers, Malays and the aboriginal Vedda.

Sri Lanka has had a long history of international engagement, as a founding member of the South Asian Association for Regional Cooperation (SAARC) and Non-Aligned Movement (NAM). The country is also a member of the United Nations, the Commonwealth of Nations and the G77. While ensuring that it maintains its independence, Sri Lanka has cultivated relations with India. Sri Lanka became a member of the United Nations in 1955. Today, it is also a member of the World Bank, the International Monetary Fund, the Asian Development Bank, and the Colombo Plan. Sri Lanka is the highest ranked South Asian nation on the Human Development Index, and has the second highest per capita income in South Asia.

Economy

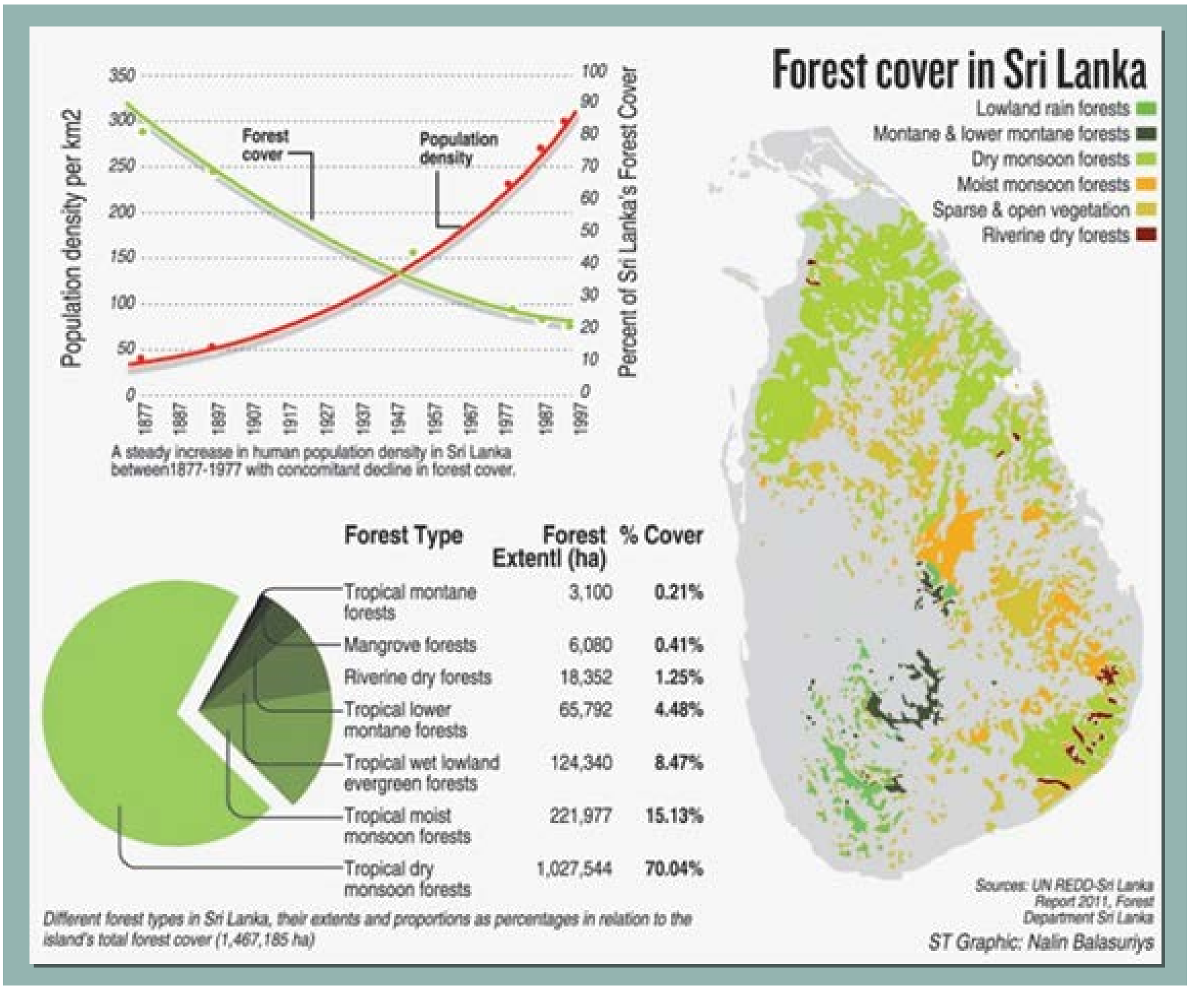
As of today, Sri Lanka's most widely known export is the Ceylon tea which ISO considers the cleanest tea in the world. Sri Lanka is also the world's second largest exporter of tea while the production and export of tea, rubber, coffee, sugar and other commodities remain important, industrialisation has increased the importance of food processing, textiles, telecommunications and finance. The country's main economic sectors are tourism, tea export, clothing, rice production and other agricultural products. In addition to these economic sectors, overseas employment, especially in the Middle East, contributes substantially to foreign exchange. Sri Lanka has met the Millennium Development Goal (MDG) target of halving extreme poverty and is on track to meet most of the other MDGs, outperforming other South Asian countries. Sri Lanka's poverty head count index was 4.1% by 2016. Since the end of the three-decade-long Sri Lankan Civil War, Sri Lanka has begun focusing on long-term strategic and structural development challenges. It strives to transition to an upper middle-income country. Sri Lanka also faces challenges in social inclusion, governance and sustainability.

In 2020, Sri Lanka's nominal gross domestic product (GDP) was worth USD80.7 billion. Growth is expected to recover to 3.3% in 2021 to reach USD88.00 billion and is projected to reach USD97.00 billion in 2022. However, the medium-term outlook is clouded by pre-existing macroeconomic weaknesses and economic scarring from the COVID-19 pandemic.

With jobs and earnings lost, poverty is projected to remain above pre-pandemic levels in 2021. Official reserves remain low relative to short-term liabilities amid constrained market access. A severe foreign exchange shortage is exerting pressure on the exchange rate. Urgent policy measures are needed to address risks to debt sustainability and external stability. Real GDP grew by 8.0%, year-on-year, in the first half of 2021 from a low base with significant contributions from manufacturing, trade, financial services, and real estate activity. The subsequent up-tick of COVID-19 infections likely weakened the pace of recovery in the second half of 2021. The crisis precipitated widespread losses in livelihoods, which are expected to have increased the USD3.20 poverty rate from 9.2% in 2019 to 11.7% in 2020.

Forestry in Sri Lanka

Sri Lanka is endowed with natural forests, with a forest cover of 29.7%, which is almost two million hectares of land area. About 55% of the country's forest lands fall under the purview of the Forest Department while the balance forest area is primarily managed by the Department of Wildlife Conservation with an exception of very small extents of isolated forest patches under the purview of other state agencies and private ownership. In these forests plant species show extraordinary patterns of localized distribution. The country forest became one of highest density of species diversity in the world. Dry monsoon forests, lowland rain forests, moist monsoon forests, montane forests, riverine dry forests, savanna and mangrove forests are the major types of forests found in the country. Forest coverage is about 70% tropical dry monsoon forests, 15% tropical moist monsoon forests and 5% tropical lower montane forests. In the span of 30 years, forest area in Sri Lanka reduced by 0.81% to 2.11 million hectares in 2020 over 2.35 million hectares in 1990. However, recent technical reports and mainstream media reports both signal a rapid increase in deforestation and degradation of forests in Sri Lanka. An estimated 70% of the island was covered with forests at the beginning of the 19th century, which has since reduced to 29.7% (1.95 million hectares) in 2017.



Forest Type	Forest Extentl (ha)	% Cover
Tropical montane forests	3,100	0.21%
Mangrove forests	6,080	0.41%
Riverine dry forests	18,352	1.25%
Tropical lower montane forests	65,792	4.48%
Tropical wet lowland evergreen forests	124,340	8.47%
Tropical moist monsoon forests	221,977	15.13%
Tropical dry monsoon forests	1,027,544	70.04%

Different forest types in Sri Lanka, their extents and proportions as percentages in relation to the island's total forest cover (1,467,185 ha)

Sources: UN REDD-Sri Lanka Report 2011, Forest Department Sri Lanka

ST Graphic: Nalin Balasuriya


Lowland rain forests


Montane rain forests


Mangrove forests


Dry monsoon forests / savanna

An estimated -3.16% change in forest area has been observed during the period from 2015-2020. Primary forests are the most affected forest types. In 1999, the island had been covered by 257, 000 hectares of primary forests whereas in 2020, only 167,000 hectares remained. Land encroachment, development projects and expansion of private agricultural ventures are the main proximate drivers of deforestation. Besides that, demand for precious stones like gems accelerates the degradation of forests Athrough encroachment for mining activities.

Infrastructure development is another driver of deforestation and degradation of forests. Population pressure is also a significant factor as the removal of forested areas to make way for irrigation networks and paddy fields which were major processes in the 1980s. Figures from the Food and Agricultural Organization (FAO) suggest that in 2020, the forest cover has further reduced to 33.7% covering 2.11 million hectares of the entire land area compared to 2.13 million. hectares in 2016, a reduction of 0.2% in the span of five years. The table below shows the forest area in Sri Lanka from 2016-2020.

Sri Lanka: Forest area (2016-2020)

Product	2016	2017	2018	2019	2020
Forest area	2,125.66	2,122.50	2,119.34	2,116.18	2,113.02
Other wooded land	52.00	52.00	52.00	52.00	52.00
Other Land	4,093.34	4,096.50	4,099.66	4,102.82	4,105.98
Total Land Area	**6,271.00**	**6,271.00**	**6,271.00**	**6,271.00**	**6,271.00**

(in 1,000 hectares)
Source: Global Forest Resources Assessments 2020 (FAO)

Conservation Efforts

Conservation of the environment is enshrined in the constitution of Sri Lanka and the state has pledged to protect, preserve, and improve the enduement for the benefit of the community. At present, about 14% of the total land area of the island is managed for conservation purposes. The Department of Forest Conservation manage about 50% of the island's natural vegetation. All activities in forests administered by it are governed by the Nation Forest Policy of 1995 and associated ordinances and enactments. The balance 45% is under the jurisdiction of the Department of Wildlife Conservation; all these forests are governed primarily by the Flora and Fauna Protection ordinance of 1937 and its subsequent revisions. The Land Reform Commission and the state Plantation Corporation and other plantation companies administer 25% of natural forests that are bordering tea, rubber and coconut plantations.

However, ground realities in Sri Lanka as well as at a global level have now changes, and there is a need to re-focus and update the existing FSMP to ensure that a clear and relevant guideline exists to conserve and sustainable manage existing forests. Thus, the Forest Department of Sri Lanka with the support of Ecosystem Conservation and Management Project (ESCAMP) of World Bank is now beginning the process of developing the 2021-2030 Forestry Sector Master Plan that will address current issues such as climate change adaptation and resilience, sustainable forest management, restoration of forest landscapes, support to communities and community forest management, valuation of ecosystem services, setting parameters for ecotourism, biodiversity enhancement and pandemic recovery.

Demand for timber and timber-based products in Sri Lanka

With one of the highest population densities in the world, the demand for land in Sri Lanka has increased exponentially over the years. The annual timber demand of the country was estimated at 1 million m^3 with an annual growth of 4%. Furthermore, the estimates of the Forestry Sector Master Plan (FSMP) 1995-2020 indicate that 90% of the total timber produced in the country comes from non-forest timber resources, including home gardens (68%), rubber (12%), coconut (8%) plantations, and other perennial croplands (2%).

The wood-based manufacturing sector in Sri Lanka consists of a variety of industries including sawmilling, furniture, construction, and wood-based panel products. The sector depends almost entirely on local wood supply for raw materials. It is estimated that there are more than 9,000 furniture and other woodworking industrial plants in the country. The production of sawntimber from 2016 to 2020 totalled 30,000 m^3 annually, however, the production of MDF/HDF was doubled with 150,000 m^3 annually. Small amounts of plywood and veneer were also produced. From 2016 to 2020, the production of plywood and veneer were at 6,000 m^3 and 5,000 m^3 per annum respectively. The table below shows the Sri Lankan timber production from 2016-2020.

Sri Lanka : Production of Timber Products, 2016-2020

Product / Year	2016	2017	2018	2019	2020*
Sawnwood	30,000	30,000	30,000	30,000	30,000
Veneer	5,000	5,000	5,000	5,000	5,000
Plywood	6,000	6,000	6,000	6,000	6,000
Particleboard	0	0	0	0	0
MDF/HDF	150,000	150,000	150,000	150,000	150,000

** FAO Estimate*
in volume (m^3)
Source: FAO Stats

Sri Lanka's Import of Timber and Timber Products

The wood-based manufacturing sector in Sri Lanka consists of a variety of industries including sawmilling, furniture, construction and wood-based panel products. The sector depends almost entirely on the local wood supply for raw materials. 2020 posed a very challenging year for Sri Lanka with containment measures/lockdown to curb the spreading of COVID-19 and global economic slowdown. It has impacted badly on economic activities and halted construction and manufacturing industry growth. Sri Lanka reduced its buying of timber and timber products by 32%, worth USD82.6 million in 2020 over USD108.9 million in 2019. Imports of sawntimber, the major timber product imported by Sri Lanka, decreased by 20% to USD32.2 million, followed by furniture and parts, imports further reduced by 30% to USD13.5 million, fibreboard 16% to USD9.5 million, wood charcoal 51% to USD4.9 million and plywood 37% to USD4.7 million. For the last five years, Malaysia has remained the main supplier of timber and timber products with import value of USD32.0 million, followed by China with USD14.8 million, Indonesia USD4.0 million, India USD3.9 million and Thailand USD2.2 million in 2020. The tables below show the performance of Sri Lanka's imports of timber and timber products and major supplying countries for furniture and parts from 2016 to 2020.

Sri Lanka: Imports of Timber and Timber Products, 2016-2020

Product	2016	2017	2018	2019	2020
Sawntimber	58,442	59,018	0	40,501	32,209
Furniture and parts	25,529	26,008	0	19,307	13,466
Fibreboard	15,549	14,958	0	11,278	9,469
Wood charcoal	11,780	5,666	0	10,038	4,901
Plywood	11,154	10,158	0	7,412	4,663
Builders' joinery and carpentry	6,218	5,981	0	4,040	4,632
Moulding	3,670	2,815	0	4,967	2,893
Packing cases	1,414	3,004	0	1,502	2,629
Particleboard	3,875	2,965	0	2,886	2,146
Veneer	3,202	2,971	0	2,272	1,535
Tools, bodies and handles	914	1,017	0	1,098	1,141
Other articles of wood	1,740	2,613	0	1,896	1,090
Wood wool & flour	568	520	0	341	594
Logs	449	463	0	300	417
Tableware and kitchenware	413	362	0	346	292
Wood marquetry	374	472	0	445	284
Hoopwood	15	22	0	16	124
Wooden frames	199	138	0	170	61
Casks, barrels, vats and tubs	19	5	0	48	46
Densified wood	30	32	0	30	21
Fuel wood	16	20	0	45	12
Railway sleepers	239	-	0	2	1
TOTAL	**145,809**	**139,208**	**0**	**108,940**	**82,626**

Source: UN Comtrade
in USD ('000)

Sri Lanka: Top 10 Major Supplying Countries for Timber and Timber Products (HS44), 2016-2020

Countries	2016	2017	2018	2019	2020
World	120,281	113,201	0	89,633	69,161
Malaysia	**63,315**	**59,255**	**0**	**39,458**	**31,976**
China	22,516	26,435	0	18,583	14,801
Indonesia	4,713	1,470	0	8,567	4,025
India	12,166	10,226	0	7,217	3,867
Thailand	3,469	2,981	0	2,706	2,215
Sweden	1,276	2,633	0	2,292	2,003
Viet Nam	1,060	646	0	535	1,935
Russian Federation	600	458	0	1,094	1,238
Ukraine	318	745	0	1,192	1,235
Belgium	499	1,711	0	1,014	834

Malaysia ranked 1st from 84 countries.
Source: UN-Comtrade Statistics
in USD ('000)

Sri Lanka's Exports of Timber and Timber Products

The wood-based manufacturing sector in Sri Lanka consists of a variety of industries including saw milling, furniture, construction, parquet flooring, wood-based panel products, carvings, wooden toys and industrial wooden components such as brush handles. The production of timber and timber-based products in Sri Lanka is majorly catered for local consumption. Furniture and its partswere the main timber-based products exported by Sri Lanka, amounting to USD15.6 million in 2020. Fibreboard followed nextwith USD5.2 million and sawntimber with USD3.4 million. The table below shows the Sri Lankan timber and timber-based export performance from 2016-2020.

Sri Lanka: Exports of Timber and Timber Products, 2016-2020

Product	2016	2017	2018	2019	2020
Furniture & Parts	20,335	20,431	0	22,234	15,560
MDF	15,962	16,811	0	8,521	5,210
Sawntimber	1,404	2,362	0	4,340	3,445
Particleboard	35	4	0	737	937
Plywood	179	203	0	888	857
Builders' joinery and carpentry	231	217	0	466	143
Veneer	1	34	0	2	55
Logs	0	3	0	8	14
Wooden Frame	4	6	0	15	14
Mouldings	4	8	0	86	0
Others Products	18,130	22,055	0	19,314	17,429
TOTAL	**56,285**	**62,134**	**0**	**56,611**	**43,664**

In USD ('000)
Source: UN Comtrade

Furniture industry gaining more footing in Sri Lankan timber and timber-based industries

Malaysia's Exports of Timber and Timber Products to Sri Lanka

The COVID-19 pandemic has severely impacted the economic growth of many countries and Sri Lanka is no exception. Most of its timber products recorded a decline in export value in 2020 due to halted economic and manufacturing activities caused by restricted movements and lockdown measures to curb the spread of COVID-19, reduced global demand, increased logistic and shipping costs and the global economic slowdown. Sawntim ber and fibreboard are the major products exported to Sri Lanka with exports valued of RM118.5 million and RM10.6 million, respectively. Both exports recorded a decrease of 18% and 22% respectively. Similarly, exports of particleboard and wooden furniture reduced by 25% to RM1.5 million and by 75% to RM1.4 million respectively. The table below displays the export performance of Malaysian timber and timber products to Sri Lanka for the period from 2016 to 2020.

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

Products	2016	2017	2018	2019	2020
Sawntimber	200,719,713	209,721,834	155,477,588	144,481,943	118,535,700
Fibreboard	22,175,129	16,424,708	13,220,923	13,606,479	10,639,689
Builders Joinery & Carpentry	1,786,147	509,347	4,065,551	716,382	2,375,956
Chipboard/Particleboard	10,618,673	7,542,241	2,679,016	1,964,148	1,466,989
Wooden Furniture	7,201,433	4,534,914	3,094,296	5,515,806	1,365,809
Mouldings	345,545	470,022	124,558	742,297	147,153
Plywood	910,906	503,796	89,760	346,199	5,549
Logs	0	13,500	0	0	0
Wooden Frame	16,595	19,035	0	2,017,900	0
Veneer	87,778	56,974	35,554	0	0
Others	202,521	459,073	358,137	137,768	346,867
TOTAL	**244,064,440**	**240,255,444**	**179,145,383**	**169,528,922**	**134,883,712**

(Value: RM)
Source: MTIB & DOSM

Malaysia's Imports of Timber Products from Sri Lanka

Malaysia's imports of timber products from Sri Lanka are small and reduced drastically in 2020 due by global economic slowdown and reduced demand in local markets. Imports were totalled at RM148 thousand in 2016 and reduced to RM78 thousand in the following year. Imports further decreased to RM18 thousand in 2018 but peaked in 2019 to RM63 thousand. In 2020, imports decreased to RM20 thousand. The table below showed the import performance of Sri Lankan timber and timber products to Malaysia for the period from 2016 to 2020.

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

Products	2016	2017	2018	2019	2020
Wooden Furniture	78,673	35,856	0	0	0
Fibreboard	69,267	0	0	0	0
Others	0	41,891	17,870	63,263	20,091
TOTAL	**147,940**	**77,747**	**17,870**	**63,263**	**20,091**

(Value: RM)
Source: MTIB & DOSM

Import Tariff for Timber Products

Tariffs for timber and timber products have been reduced significantly with most rates at 0-5%. However, import duty for plywood, BJC and furniture are still considered high with the range of 0-15%.

Product	Description	Tariff Rate
4401	Fuel wood	10
4402	Coniferous	10
4403	Logs	0
4404	Hoopwood; split poles; piles	0
4405	Wood wool; wood flour	0
4406	Railway or tramway sleepers	0
4407	Sawntimber	0
4408	Veneer	0
4409	Moulding	0
4410	Particle board/Chipboard	0
4411	Fibreboard	0
4412	Plywood	0 - 15

Product	Description	Tariff Rate
4413	Metallised wood and other densified wood	15
4414	Wooden frames	15
4415	Packing cases, boxes	15
4416	Casks, barrels, vats, tubs	15
4417	Tools, tool bodies, tool handles	15
4418	Builders' joinery and carpentry	0 - 15
4419	Tableware and kitchenware, of wood	15
4420	Wood marquetry and inlaid wood	15
4421	Other articles of wood, n.e.s.	0 - 15
9401	Furniture Seats	0
9403	Furniture and parts thereof, n.e.s.	15

Source: WTO Tariff

Prospects

Loaded with the hope of a worthy future, Sri Lanka flourishes with infinite possibilities and is preparing itself to become a destination of choice. The country's economy has been on a strong growth led by determined rebuilding measures, surging tourism and increased investor confidence. However, in 2020, pandemic COVID-19 clouded the economic growth of Sri Lanka. The economy contracted by 3.6% percent in 2020 amidst stringent measures to control the spread of the virus. Low revenue collections, due to a pre-pandemic fiscal stimulus and the post-pandemic impact on economic activity, and rising expenditures widened the fiscal deficit and increased debt. Market access has been constrained by sovereign rating downgrades. While the economy is expected to grow by 3.3% in 2021 from a low base, output will remain 0.4% below its pre-COVID level. A gradual recovery will likely lead to corresponding improvements in labour market conditions. The country has been struggling to contain the spread of the virus in 2021 and the Delta variant has been spreading fast since June. The government focused on an expeditious vaccination process. Approximately 50% of the population has been fully vaccinated as of mid-September. Despite everything, there is still vast potential in Sri Lanka. The recent upturn in the service sector from finance, tourism and the IT industry in Colombo, has triggered a healthy demand for residential space in the Greater Colombo real estate market. The construction industry contributed 6.2% of GDP in 2020 from the previous year's contribution of 7.4%, employing around 600,000 workers. The Colombo

District Land Valuation Indicator (LVI) compiled by the Central Bank of Sri Lanka (CBSL) recorded an overall 6.8% growth rate in the first half of 2021. The construction sector has grown rapidly in the development of high-end residential areas, commercial space, hotel and resort constructions, and infrastructure since 2010. The turnover value of the construction sector is estimated at USD4.3 billion annually. Many local and international construction companies are active in the industry. Several large infrastructure projects are under development, including the PRC-built Port City on newly reclaimed land within Colombo's city limits. The economic slowdown post-COVID-19 has dented some optimism within the real estate and construction sector, but analysts expect demand to pick up with the economic recovery, and low prices may offer opportunities for developers. In particular, the real estate sector has reported renewed interest in housing and apartments as low interest rates have attracted buyers. With the strengthening of the construction industry and gradual economic recovery in Sri Lanka, the demand for upstream products such as plywood and fibreboard is burgeoning. Sri Lanka possesses an abundance of natural resources. Although timber product manufacturing companies are small-scale enterprises, exports have gradually increased over the past decade and show great growth potential. Leading the way in timber products exports are primarily furniture, parquet for flooring, brush handles, wooden panels, and wooden toys. Thus, there is demand for Malaysian products such as sawntimber and fibreboard that can be used as furniture components.

With its rising population and the call for more residential construction, the demand for household furniture is also increasing. Thus, Malaysian timber and timber products producers, including furniture, should tap into this huge market by producing a variety of high-quality durable products with competitive prices that would meet the demands of the Sri Lankan consumer market. Malaysian timber and furniture exports should also enhance their presence and improve business networking with Sri Lankan importers by participating in fairs and exhibitions in the country as well as business meeting exercises and specialised selling mission to cater to the market demand.

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AUGUST 2021

LOGS

Generally, log prices for some species experienced a slight upward trend as compared to the previous month. The overall supply of logs was reported sufficient for domestic consumption.

Log prices for the species of Chengal and Balau continued to be treaded at RM5,040 per ton and RM3,400 per ton. Meanwhile, the price for Red Balau increased slightly by 0.9% at RM2,270 per ton. Similarly, the prices for Keruing and Kempas rose by 1.8% respectively at RM1,680 per ton and RM1,730 per ton as compared to the previous month. The prices for Dark Red Meranti increased by 2.6% at RM1,950 per ton whilst Red Meranti recorded at RM1,850 per ton. On the other hand, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM1,250 per ton and RM1,150 per ton.

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, RM16.65, 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 increased slightly from the previous month. Demand for sawntimber from the domestic and overseas markets continued to improve although supply of logs reported to be affected by the current pandemic scenario.

The sawn timber prices of Chengal remained at RM7,274 per m³ whilst Red Balau increased by 2.4% at RM2,966 per m³. The prices for Keruing and Kempas by 3.3% and 0.8% at RM2,189 per m³ and RM2,542 per m³ respectively. On the other hand, the prices of Dark Red Meranti rose by 1.6% at RM2,189 per m³ and Red Meranti sawn timber continued to record at RM1,907 per m³. The sawn timber prices of Mixed Heavy Hardwood and Mixed Light Hardwood stayed at RM1,130 per m³ and RM1,003 per m³ for this month.

PLYWOOD

Demand for plywood during the month remained strong. whilst prices hovering at last month's level. Plywood of 4mm, 6mm and 9mm thickness were traded at RM14.85, RM22.30 and RM38.50 per piece respectively. Meanwhile, plywood of 12mm thicknesses was traded at RM48.70 per piece.

INTRA-MALAYSIA TRADE * - AUGUST 2021

The shipments of logs from Sabah to Peninsular Malaysia for the month under review dropped slightly by 2% in volume from 3,654 m³ to 3,570 m³ worth at RM1.3 miliion. Trade of sawn timber rose by 2% in volume from 46 m³ to 47 m³ worth at RM47,000. Meanwhile, trade of plywood decreased sharply by 60% in volume from 3,136 m³ to 1,261 m³ valued at RM3.1 million. Similarly, shipment of veneer fell in volume from 275 m³ to 228 m³ totalled at RM454,000.

Similarly, the shipment of Plywood from Sarawak to Peninsular Malaysia fell by 19% in volume recorded from 1,565 m³ MTIB

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

*AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, AUGUST 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	2,270	2,966	2,754	3,319
Merbau	3,590	4,732	3,948	4,379
Mixed Heavy Hardwood	1,250	1,130	1,052	1,257
MEDIUM HARDWOOD				
Keruing	1,680	2,189	1,271	2,203
Kempas	1,730	2,542	2,295	2,564
Kapur	1,750	1,746	1,483	1,871
Mengkulang	1,380	2,331	1,801	2,380
Tualang	1,500	2,507	2,331	2,542
LIGHT HARDWOOD				
Dark Red Meranti	1,950	2,189	1,695	2,719
Red Meranti	1,850	1,907	1,518	2,097
Yellow Meranti	1,310	1,589	1,306	1,695
White Meranti	1,500	2,472	1,321	2,507
Mersawa	1,770	1,977	1,660	2,048
Nyatoh	1,430	1,695	1,476	1,744
Sepetir	1,350	1,695	1,165	1,758
Jelutong	1,130	1,815	1,236	1,836
Mixed Light Hardwood	1,150	1,003	883	1,102

	LOGS/ton	SAWNTIMBER/m³			
MALAYSIAN RUBBERWOOD *Hevea brasilienses*		**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	22.20	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*

INTRA-MALAYSIA TRADE-AUG 2021

	Aug-21		Aug-21		% change in volume	% change in value
	Vol(m3)	Val(' 000 RM)	Vol(m³)	Val(' 000 RM)	Jul/Aug	Jul/Aug
Sabah						
Logs	3,654	1,197	3,570	1,271	-2	6
Sawn Timber	46	102	47	47	2	-54
Plywood	3,136	6,298	1,261	3,114	-6	-51
Veneer	275	728	228	454	-17	-38
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	0	0	0	0	0	0
Plywood	1,565	1,704	1,268	1,123	-19	-34
Veneer	0	0	0	0	0	0

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

KELADAN


Keladan Tree

Vernacular name	*Keladan*
Scientific name	*Dryobalanops oblongifolia*
Family name	*Dipterocarpaceae*


Keladan Fruit

Introduction

The Keladan tree is an indigenous rainforest tree that are amongst the 4,100 trees added to the Taman Tugu site, selected in collaboration with the Forest Research Institute of Malaysia (FRIM) and Malaysian Nature Society (MSN).

Physical Features

The Keladan tree is a large, emergent tree with buttresses and it is able to grow up to about 60m in height. The girth of the trunk can reach up to 1.5m wide, the bark is dark yellowish-brown and flaky. The green narrowly oblong leaves are in alternate arrangement. The species epithet "oblongifolia" refers to the shape of the leaf (oblongus = rather long and folia =leaves). The flowers are usually 6 borne on axillary and terminal panicle inflorescence up to 14cm long with white petals and glabrous, yellow anthers present, and **40 stamens unequal** and reaching to below the style apex. The fruit is a winged nut with a lenticellate surface.


Keladan Flower and Leaf

Habitat

These tropical trees occur in mixed dipterocarp forest, growing by streams in fresh water swamps and on hillsides a elevations up to 600m. The trees are native to Malaysia and Indonesia.

Density

The timber is a Medium hardwood with a density of 580-820kg/m³ air dry.

Texture

Its texture is moderately coarse and even with straight or shallowly interlocked or sometimes deeply interlocked grain.

Shrinkage

Species	Shrinkage (%) (Green to air dry)		Remarks
	Radial	Tangential	
Dryobalanops oblongifolia	1.7	3.8	High shrinkage

Strength Properties

Species	Test condition	Modulus of Elasicity (MPa)	Modulus of Rupture (MPa)	Compression parallel to grain (MPa)	Compression perpendicular to grain (MPa)	Shear strength (MPa)
Dryobalanops oblongifolia	Green	13,200	73	39.2	5.1	8.1
	Air Dry	-	-	-	-	-

Sawing and Woodworking Properties

Species Tested	Test Condition	Sawing		Planing		Boring		Turning	
		Re-sawing	Cross Cutting	Ease of planing	Quality of finish	Ease of boring	Quality of finish	Ease of turning	Quality of finish
D.oblongifolia	Green	easy to slight difficult	easy	easy	rough	easy	smooth	-	-
	Air dry	Slight difficult	easy	easy	smooth	easy	smooth	easy	Moderately smooth

Defects

The most common defect that is associated with the timber is the pin-holes. It was reported that the pin-holes are more frequently found in Dryobalanops oblongifolia (Desch, 1941). The pin-holes are caused by one of the small ambrosia beetles. The attack usually begins in the living tree and the attack cannot continue in seasoned wood. Spongy heart may occur in logs but the presence is usually insignificant.

Usage

The fruits make excellent raw vegetable. The tree is a source of kapur timber which is commonly harvested from the wild for local use and for export. The wood is used for construction of wharves, boats, bridges, shipbuilding and railway sleepers. The Keladan is threatened due to habitat loss. However it has not yet been assessed for the international Union for Conservation of Nature (IUCN) Red List. It is also a close relative to kapur or Dryobalanops aromatica which is an important source of camphor.

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YBhg Tuan Mohd Kheiruddin Mohd Rani officially retires from his position as the Director General of MTIB, 6 September 2021, Kuala Lumpur

Working visit by YB Datuk Hajah Zuraida Binti Kamaruddin to MTIB Sabah, 11 September 2021, Sabah

YB Datuk Hajah Zuraida Binti Kamaruddin observing the Vaccination Programme for the Agri-Commodity Sector (VACOMS) at The Fibre and Biocomposite Center (FIDEC), 6 September 2021, Selangor