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MTIB

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NATIONAL WOOD CARVING INDUSTRY DEVELOPMENT STRATEGIC PLAN 2021 – 2030

- WENG MENG INDUSTRIES SDN BHD WEATHERING THE STORM OF COVID-19: RESILIENCE IN TIMES OF CRISIS
- MTIB'S LICENSING DIALOGUE PROGRAMME WITH OTHER GOVERNMENT AGENCIES (OGA)

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CONTENTS

HIGHLIGHTS

REGULAR FEATURES

Cover : *For more details, please read page 19*

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CAPACITY BUILDING ON PLANTATION AND INOCULATION OF AQUILARIA SPP.

In an effort to further develop the Agarwood industry in Malaysia, MTIB recently organised a training session on the plantation and inoculation of Aquilaria spp. and it was held in Sri Menanti, Negeri Sembilan on 17 November 2021. The objective of the course was to update and share information on the plantation and inoculation of Aquilaria spp. in producing Agarwood and other value added products.

Course attendees

Theory session

The opening remarks was delivered by Encik Almizi Ibrahim, Deputy Director of Forest Plantation MTIB. He noted that MTIB had launched the Aquilaria/Agarwood Industry Development Action Plan, 2011 - 2021 with five (5) main strategic thrusts. The strategic thrusts formulated in the Action Plan are the Establishment of Aquilaria Plantation and Sustainably Managed Existing Natural Resources; Human Resources and Capital Development, Development of Value-Added Products, Research and Development, Marketing, Trade and Promotion. The four (4) methods of Aquilaria tree inoculations demonstrated during the practical training were 4-Side Spiral Innoculent Technique, 4-Side Innoculent Technique using Chemjet 20ml, 4-side Innoculent Technique using Low Pressure Syringe 40 ml and lastly 1-Foot Innoculent Drip Technique using 20 ml bottle.

The topics covered during the training included Introduction to Aquilaria spp., Management of Aquilaria Plantation and Method of transfusing Inoculant to the tree during on-site practical sessions. The training was attended by 15 participants comprising 5 officers from MTIB and 10 participants from the private sector. The speaker that been appointed was Nor Mohamad Zazali Ali from Oudh Malizie Resources Sdn. Bhd.

MTIB'S LICENSING DIALOGUE PROGRAMME WITH OTHER GOVERNMENT AGENCIES (OGA)

The dialog session was chaired by Pn Hjh Roslina Hj Idris

Towards an effort to strengthen cooperation between MTIB and Other Govermnent Agencies (OGA) in the governance of licensing Import Export of timber and timber products, MTIB once again organised a series of four dialogues. The first dialogue entitled "Licensing Governance of Timber Industry" was held on 10 November 2021 in Shah Alam. The dialogue aimed to increase awereness and understanding on the policies and regulations of export-import issues related to the timber industry. It also acted as a platform to share information on MTIB's licensing activities and operations.

Pn Hjh Roslina Hj Idris, Director of Licensing and Inspectorate Division delivering her speech for the dialogue program

Leading the discussion at the dialogue was Puan Hajah Roslina Hj Idris, Director of Licensing and Inspectorate Division. Puan Hajah Roslina in her speech noted that the cooperation between MTIB and OGA plays an important role in regulating trade facilitation and it has a relationship with MTIB's licensing activities in reviewing policies and procedures respectively for improvement in its implementation.

During the session, En Mazree Iman, Senior Deputy Director of Licensing and Inspectorate Division talked about MTIB's Licensing Policies and Procedures inclusive of amendments as well as new policies to be implemented by MTIB. He started his presentation with an introduction of MTIB's legislations and further explained in detail the role of MTIB in enforcing the legislations, policies as well as procedures for import and export related to the timber industry.

The dialogue was attended by 31 participants from the respective Government Agencies such as Royal Malaysian Customs Department, State Forestry Department, Department of Quarantine and Inspection Services Malaysia (MAQIS), State Department of Agriculture (DOA), Marine Police, Malaysian Maritime Enforcement Agency (APMM), Port Klang Authority, SPRM, UPEN, MBSA, and JPNS. The next three sessions will be held in Kuala Terengganu on 1 December, Penang on 8 December and lastly in Johor Bahru on 15 December 2021.

Participants of the dialog

INDONESIA

EXPORTS MORE WOOD PRODUCTS TO US AND CHINA

The Indonesian Ambassador to the European Union, Mr. Andri Hadi, said demand for Indonesian wood products in the European Union is less than that to the United States and China even though Indonesia has adopted the Forest Law Enforcement Governance and Trade (FLEGT) scheme which aims to promote Indonesian products in the EU. According to him Article 13 of the VPA between Indonesia and the EU which regulates market incentives has not been implemented by several EU member states. In response, Mr. Patrick Child, speaking for the European Commission, said that with the recognition of the Timber Legality Verification System (SVLK) the FLEGT-license Indonesian wood products can more easily enter the EU market but the impact does need to be optimised. He said the European Union will continue cooperating with Indonesia for the benefit of both parties regarding FLEGT including the issue of applying due diligence on wood products that do not have a FLEGT license. In related news, Indonesia has indicated that it will act if the European Union and UK do not consistently apply the Forest Law Enforcement, Governance and Trade (FLEGT) regulation. The Director General of Sustainable Forest Management of Ministry of Environment and Forestry (KLHK), Mr. Agus Justianto, in a statement at COP26 said "Our SVLK has obtained a FLEGT license but the European Union is not consistent in applying the FLEGT license system.

ITTO/Fordaq, 16 November 2021

VIET NAM

WOOD PRODUCT EXPORTS ONE OF THE FASTEST GROWING SECTORS

The latest outbreak of the Covid-19 heavily disrupted many export-oriented industries of Viet Nam, including the wood industry. Wood and wood product exports, therefore, declined in the last 3 months. However, in the first 9 months of 2021, wood and wood products exports were one of the fastest growing industries, significantly contributing to the growth rate of Viet Nam's goods production and exports. With the pandemic now under control, wood processing enterprises are endeavouring to restore supply chains effectively capturing market opportunities to boost production and export of wood and wood products in the last months of 2021. The accumulated wood and wood products exports from the beginning of the year to first two weeks of October 2021 accounted for USD11.5 million, up 27% over the same period in 2020. Exports of wood products contributed USD8.7 billion, up 26% over the same period in 2020.

Viet Nam's wood and wood products export turnover of 2021 is forecast to total at USD14 billion, year-on-year up by 13%. Wood and wood products exports in the first two weeks of October 2021 reached USD397 million, up 29% compared to the first two weeks of September 2021, but down 33% compared to the first two weeks of October 2020. Exports of wood products reached USD258 million, up 41% compared to the first two weeks of September 2021 down 63% compared to the first two weeks of October 2020. The accumulated wood and wood products exports from the beginning of the year to first two-week October 2021, reached USD11.5 billion. The export of high value-added groups of wood products (HS 94) reached USD8.7 billion, up 26% over the same period in 2020. Wood and wood products export earnings in the second week of October reached USD257.9 million, up 28% against the previous week. Wood products exports recorded at USD152.9 million were up 30% compared to the previous week.

Viet Nam's imports of wood raw material in October 2021 were estimated at 462,400 cubic metres, worth USD76.2 million, up 4.8% in volume and 5% in value compared to September 2021; compared to October 2020 they decreased by 25% in volume and 4% in value. In the first 10 months of 2021, imports of raw wood were estimated at 5.552 million cubic metres, worth USD1.872 billion, up 14% in volume and 28% in value over the same period in 2020. Viet Nam's export earnings from non-forest timber products (NTFPs) in September 2021 reached USD50.23 million, down 16.5% compared to August 2021 and down 9% compared to September 2020. This is the first month when exports of rattan, bamboo and other types of NTFP decreased over the same period last year following 15 months of continued increases.

Vietnamnews.VN, 3 November 2021

CHINA

RELEASES NEW WOOD PRODUCT STANDARDS

By the end of August 2021, China had released 273 standards on wood products including 140 national standards and 133 industrial standards on timber for construction products and sawnwood for structural use. The Standard system is basically the same as that of the international and developed countries. China has adopted 23 ISO international standards and foreign advanced standards which cover 22% of the total national timber standards. The Standards such as the Names of Main Timbers in China (GB/T 16734), Names of Main Imported Timbers in China (GB/T 18513) and Chinese Redwood (GB/T 18107) have been widely used and effectively promote the healthy development of the timber trade. In order to meet market requirements a number of standards such as 'Rotary Veneer Log', 'Slice Veneer Log' and 'Sawnwood for Instrument' have been revised and have played a role in the realisation of an efficient and regulated market.

Globalwoods market info, 1 November 2021

EUROPEAN UNION (EU)

CONSTRUCTION SECTOR STILL FRAGILE

The fragile position of the construction sector in the EU, a key driver of timber demand in the region, is revealed by the IHS Markit Eurozone Construction Index. The index increased from 49.5 in August to 50.0 in September and then to 51.2 in October. The trend is positive but, with 50.0 being the dividing line between contraction and growth, the index implies that sentiment in the sector is very mixed. Where construction activity rose, companies often cited stronger demand growth, although this was offset by a lack of raw materials which halted work on site. Underlying data indicated that growth was centred around house building, while commercial construction was steady, but infrastructure activity was still slow. Overall, the IHS Markit reports that construction firms are still confident that activity will increase over the next 12 months amid forecasts of strengthening economic conditions, improved supplier performance and new projects.

Eulerherms.com, 23 November 2021

NETHERLANDS

FSC AND PEFC MARKET SHARE CONTINUES TO RISE

According to a report by the Sustainable Tropical Timber Coalition (STTC), the latest analysis of Dutch timber imports reveals a further rise in the proportion certified from demonstrably sustainably managed forests under FSC or PEFC schemes.

There has also been an increase in the volume of FLEGT-licensed timber and sheet materials imported from Indonesia. The report, commissioned by the Netherlands Timber Trade Association (NTTA) undertaken by forest and timber sustainability advisors and analysts Probos, shows that in 2020, 93.7% of the 2.047 million cubic meters of timber and panel products imported by NTTA members (who account for the vast bulk of Dutch imports) was chain of custody certified. This compared with 91.9% of the 1.76 million cubic meters imported in 2019. The proportion of the Netherlands' 319,000 cubic meters of hardwood imports certified was 67.2%, up from 62.4% in 2019. Within that figure, the percentage of the 269,550 cubic meters of tropical imports certified was 65.1%, compared to 61.6% in 2019, while that of the 49,482 cubic meters of temperate hardwood imports was 78.6% as against 67.2%. The figures show Dutch FLEGT-licensed imports up substantially; from 26,934 cubic meters in 2019 to 47,944 cubic meters in 2020. This gave them a 17.8% share of total tropical timber imports. Probos highlighted that a proportion of FLEGT licensed imports were also certified. Looking at other timber product categories, the certified proportion of the Netherlands' 1.09 million cubic meters of softwood imports in 2020 was 98.8%, while for its 616,462 cubic meters sheet materials import total it was 98.2%. After reporting on sustainable timber sourcing in the Dutch and Belgian market for 15 years, Probos is now working on a timber data gathering tool and information portal to help timber trade federations across Europe to monitor, benchmark and promote verified sustainable timber procurement in their countries to support sustainable forest management in producer countries. Launched earlier this year, Thémis is being developed in association with French trade association Le Commerce du Bois (LCB), Fedustria of Belgium, the UK Timber Trade Federation, the InternationalTropical Timber Technical Association (ATIBT) and IT company Graphius. Thémis is supported by PPECF and IDH, the Sustainable Trade Initiative. By tracking sustainable procurement, says Probos, trade bodies can increase timber trade transparency, monitor progress and target interventions to grow certified timber market share. By highlighting the level of wood sourced sustainably it can also help 'positively brand the sector and timber generally'. The first round of monitoring amongst members of Fedustria, LCB and ATIBT has taken place.

Lemn.Fordaq.com, 5 November 2021

SWEDEN

SAWMILL INDUSTRY EXPECTED TO BREAK NEW PRODUCTION RECORDS THIS YEAR

The Swedish wood products industry is expected to break new production records this year. After a time of historically strong demand, the pressure seems to ease somewhat, showing the Swedish Forest Industries' latest market report, which also reports unexpectedly high prices for printing paper. After a period with the lowest stock levels in 20 years, the Swedish sawmills have finally been able to build up a certain buffer. This year, timber production is expected to break production records by 18.9 million cubic meters. Initially, during the pandemic, there was a global demand for wood products of a rarely seen kind, but now we see the first tendencies to a change of trend and that the market may have calmed down somewhat. Overall, I hope that we will be able to see a more stable development in the future, says Mr. Christian Nielsen, analyst in wood products at Skogsindustrierna. As demand for wood products declines, there are signs of a more subdued economic recovery in the euro area and China. Development is slowed down by problems such as lack of containers and record high freight, raw material and energy prices. It creates bottlenecks that affect the continued economic recovery globally and drive inflation. The forest industry is also being affected to an increasing extent as the pressure on the market eases, says Kerstin Hallsten, chief economist at Skogsindustrierna. Two Swedish pulp and paper mills were closed down in 2021, and now the price of printing paper is rising. There are indications that there is a shortage of printing paper. Demand, delivery times and prices are increasing. However, despite the increase, prices are lower than in 2019 and the assessment is that both demand and Swedish production of graphic paper will decrease in the future, says Ms. Katrin Heinsoo, analyst in paper and pulp at Skogsindustrierna.

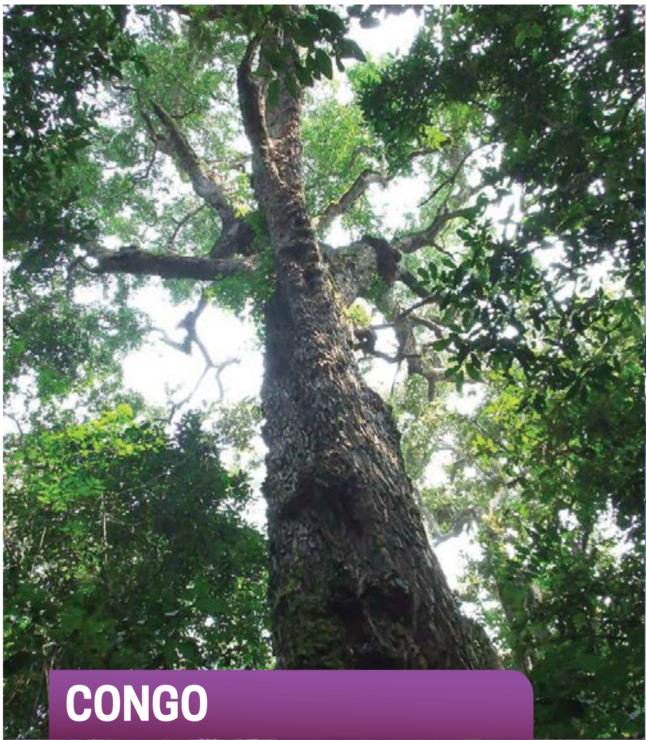
Global Wood Market Info, 3 November 2021

NEW ZEALAND

LOG EXPORT PRICES TO CHINA DROP

CFR sale prices for logs in China are reasonable but extremely high shipping costs continue to adversely affect the New Zealand export price. The October prices for export logs dropped an average of NZD1.10 per JAS m3 in the main North Island ports. The domestic prices for structural logs dropped by NZD5 per tonne in many regions. The PF Olsen Log Price Index dropped NZD1 in October to NZD119. The index is currently NZD4 below the two-year average, NZD5 below the three year average and NZD6 below the five-year average. Export markets for sawn timber are challenging due to extremely difficult container supply channels. One New Zealand processer has switched from producing clear sawn timber to domestic structural grades due to these difficulties. Another supplier said it is nearly impossible to transport sawn timber to the West Coast of the USA. Container lines are avoiding this area due to excessive delays. Fortunately, the demand from Europe for clear sawn timber is still very strong with buyers wanting to fix supply agreements as far ahead as possible.

Global Wood Market Info/PFOlsen, 3 November 2021

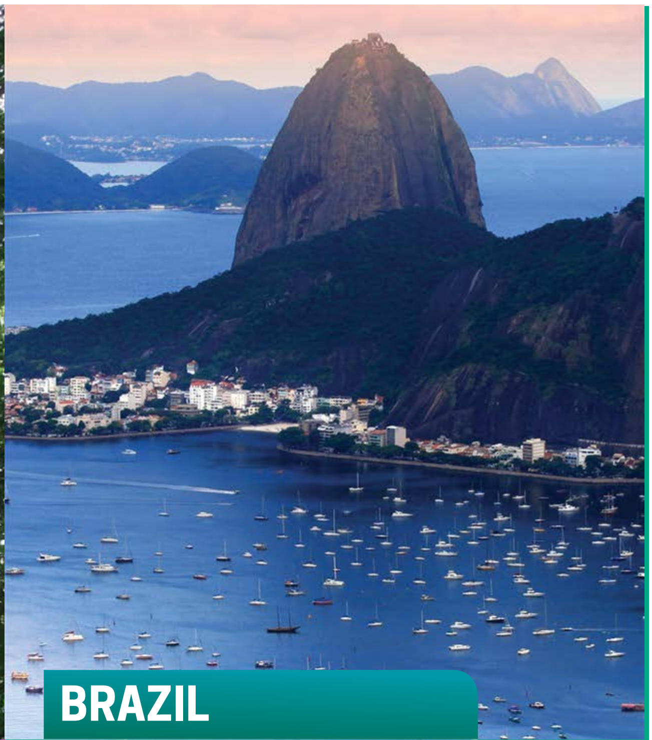


CONGO

BAN LOG EXPORTS

The Democratic Republic of Congo's Environment Minister said that the country intends to ban all log exports and implement other measures to lessen threats to its carbon-absorbing tropical rainforest, a major bulwark against climate change. Home to a majority of the world's second-largest rainforest, Congo is under pressure to improve forest management and curb a high deforestation rate that has doubled in the last decade, according to UN figures. Environment Minister, Ms. Eve Bazaiba announced the suspension of log exports to reporters in the capital Kinshasa, but did not say when it would come into effect. "It allows us not only to enable natural restoration but also a reforestation programme that we have with all of our technical, financial and development partners," she said. The Congo Basin rainforest, 60% of which lies in Congo, sucks approximately 4% of global carbon dioxide emissions out of the atmosphere annually, according to the Central African Forest Initiative. The environment ministry's plan to lift a 2002 moratorium on new industrial logging concessions has dismayed environmental groups and scientists, who have warned of catastrophic environmental, social and climatic impacts. Earlier, President Felix Tshisekedi ordered an audit of all existing logging contracts in a bid to impose order on the poorly regulated sector. "We don't want any more contracts with partners who came to savagely cut our forests, we will retire these types of contracts," Bazaiba said. Congo's biggest markets for wood products by value are Viet Nam, the European Union and the European Free Trade Association, and China.

Reuters.com, 1 November 2021



BRAZIL

EXPORTS OF WOOD-BASED PRODUCTS UP

In September 2021, Brazilian exports of wood-based products (except pulp and paper) increased 36% in value compared to September 2020, from USD283.2 million to USD385.8 million. Pine sawnwood exports grew 59% in value between September 2020 (USD51.8 million) and September 2021 (USD82.2 million). In terms of volume, exports fell slightly over the same period, from 293,700 cubic metres to 293,100 cubic metres. Tropical sawnwood exports fell 10% in volume from 39,700 cubic metres in September 2020 to 35,900 cubic metres in September 2021. In value, exports declined 21% from USD15.3 million to USD12.1 million, over the same period. Pine plywood exports saw a 20% increase in value in September 2021 compared to September 2020, from USD65.9 million to USD78.8 million. In volume, exports dropped 32% over the same period, from 233,500 cubic metres to 159,100 cubic metres. As for tropical plywood, exports increased in volume by 48% and in value by 30%, from 6,100 cubic metres (USD2.3 million) in September 2020 to 9,000 cubic metres (USD5.3 million) in September 2021. As for wooden furniture, exports increased from USD51.8 million in September 2020 to USD71.9 million in September 2021, a 39% growth.

ITTO/Fordaq, 1 November 2021

OCTOBER 2021

Total export of Malaysian timber and timber products in October 2021 increased by 24% in value totalled RM2.0 billion from RM1.6 billion in the previous month. Likewise, cumulative export for the period of January to October 2021 increased 1% valued at RM18.0 billion over RM17.8 billion in the previous corresponding period. Although demand for timber and timber products increased marginally, the trend signalled that continued demand for decorating and establishment acivities countries especially for holiday season.

SAWNTIMBER

Total export of sawntimber in October 2021 decreased by 14% in volume at 105,873 m³ and 11% in value at RM226.5 million as compared to the previous month. Similarly, cumulative exports for the period of January to October 2021 also decreased by 8% in volume and 1% in value to 992,473 m³ totaling RM2.0 billion over the previous corresponding period.

Exports of sawntimber to the EU for the month increased by 36% to 7,378 m³ over the previous month as a result of the high demand from major countries in the region. Exports to Germany increased by 39% to 1,476 m³ from 1,066 m³ recorded in the previous month followed by France and Greece increased 13% and 51% to 756 m³ and 269 m³ respectively. The Netherlands as the main buyer also increased by 93% to 3,852 m³ from 1,994 m³ in the previous month followed by Italy decreased 12% to 209 m³ from 187 m³. Belgium recorded in negative growth at 33% to 745 m³ for the month. Meanwhile, exports to the UK increased 7% to 945 m³ from 880 m³ in the previous month.

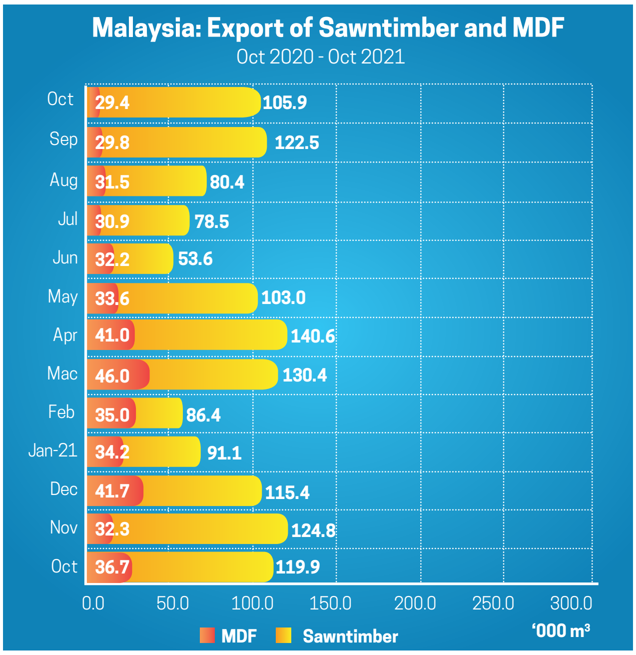
Total export to West Asia decreased by 33% to 14,584 m³ from 21,637 m³ recorded in the previous month. Yemen as the main buyer from West Asia decreased by 96% to 288 m³ from 7,017 m³ recorded last month. Similarly, exports to Iraq also decreased by 15% to 2,237 m³ from 2,641 m³ followed by Oman and Qatar with 20% and 22% to 1,567 m³ and 1,026 m³ respectively recorded in the previous month. Meanwhile, exports to the UAE increased by 26% to 8,798 m³ from 7,012 m³ recorded last month. Saudi Arabia didn't make any purchase compared to the previous corresponding period in 2020.

Similarly, buying from ASEAN also decreased by 38% to 23,973 m³ from 38,339 m³ as registered in the previous month. Thailand as the main buyer in ASEAN declined its intake by 13% to 11,874 m³ from 13,659 m³ as recorded in the previous month. Similarly, exports of sawntimber to the Philippines decreased by 74% to 4,227 m³ from 16,333 m³ last month. Exports to Singapore also decreased by 3% to 7,242 m³ from 7,494 m³ followed with Indonesia by 89% to 38 m³ from 352 m³ recorded in the previous month. Meanwhile, exports to Viet Nam increased by 17% to 588 m³ from 501 m³ recorded in the previous month.

Elsewhere, shipments to East Asia increased slightly to 32,104 m³ from 31,407 m³ in September. China as the main buyer increase purchases by 44% to 20,975 m³ from 14,614 m³ in the previous month. China embarked on a construction boom in October as fiscal stimulus quickened and the issuance of special bonds accelerated that will provide support for the country's fixed-asset investment. Exports to Japan also increased by 9% to 3,720 m³ from 3,423 m³ as recorded in the previous month. However, exports to South Korea and Hong Kong decreased by 22% and 71% to 1,873 m³ and 63 m³ respectively followed by Taiwan with 50% to 5,366 m³ compared the previous month.

Exports to the USA increased by 73% to 1,791 m³ followed by Australia with 9% to 1,535 m³ compared from 1,037 m³ and 1,415 m³ respectively in the previous month. Meanwhile demand from South Africa decreased slightly to 3,233 m³ from 3,321 m³ recorded last month.

The average FOB volume of sawntimber increased by 3% to 2,140 per m³ from 2,084 per m³ in the previous month. Meanwhile, volume of Dark Red Meranti to the Netherlands decreased by 10% to 3,804 per m³ from 4,223 per m³ previously. Keruing was traded at 2,069 per m³, a decreased of 6% from 2,204 per m³ in the previous month.



PLYWOOD

Export of plywood in October 2021 recorded an increase of 14% in volume at 121,781 m³ and 16% in value worth RM295.1 million as compared to the previous month. However, cumulative exports for the period of January to October 2021 decreased by 5% in volume but increased in value to 1,207,299 m³ totalling RM2.6 billion over the previous corresponding period.

Export of plywood to the EU region increased by 27% to 738 m³ from 582 m³ in the previous month. Ireland has increased its' purchases by 83% at 619 m³ from 338 m³ recorded in the previous month. France also showed an increase of 100% to 76 m³. Meanwhile, Belgium, Denmark, Germany, Italy and the Netherland didn't make any purchase for the month. Export to UK increased by 68% to 707 m³ while Turkey doesn't make any purchases.

As for East Asia & ASEAN region, the volume increased 15% from 77,540 m³ to 89,322 m³ from the previous month. Japan climbed up by 20% to 72,507 m³ from 60,605 m³ in the previous month. This followed by South Korea with a slight growth at 7% from 5,390 m³ to 5,742 m³ for the month. Similarly, China and Taiwan increased their purchases at 1% to 880 m³ and 5,737 m³ respectively. However, Hong Kong's volume fell by 16% to 470 m³ from 560 m³. Meanwhile, the export to Brunei, Singapore and Thailand decreased by 15% to 356 m³, 5% to 1,511 m³ and 21% to 1,521 m³ each. Indonesia doesn't make any purchase for the month.

Export performance in West Asia region rose to 15% from 6,220 m³ to 7,171 m³ this month. UAE has steeply increased its export to 133 % at 576 m³, followed by Yemen at 32% from 4,978 m³ to 6,551 m³. However, Bahrain, Saudi Arabia, Kuwait and Qatar didn't make any purchase for October 2021.

Elsewhere, African region has recorded an increase of 119% to 1,270 m³ from the previous month. Intake from Morocco, South Africa and Mauritius increased by 81%, 52% and 100% to 584 m³, 129 m³ and 107 m³ respectively.

The American region has dropped marginally by 5% from 17,773 m³ to 16,824 m³. USA as the main buyer has reduced by 7% to 15,023 m³ and Canada reduced 4% to 395 m³. However, Mexico has increased by 6% from 1,169 m³ to 1,237 m³. For Oceania, the export increased by 38% with 4,250 m³ from 3,088 m³ in the previous month. Australia increased by 46% to 4,145 m³ but New Zealand has decreased by 41% to 64 m³. The FOB price of plywood for October 2021 recorded RM2,423 per m³, an increase of 2% from RM2,387 from the previous month.

VENEER

Export of veneer for October 2021 increased both in volume by 34% to 4,639 m³ and 38% in value worth RM8.5 million as compared to the previous month. However, cumulative export for January – October 2021 decreased for both in volume by 7% to 44,862 m³ and 3% in value to RM74.3 million over the previous corresponding period.

For East Asia region, intake from Taiwan has escalated significantly from 36 m³ to 1,393 m³. Alongside is South Korea with an increase of 77% to 849 m³ while India at 32% from 281 m³ to 371 m³. However, China recorded of 22% from 1,121 m³ to 874 m³ for the month. Meanwhile, Singapore and Canada have increased their purchases at 178% to 89 m³ and 100% to 411 m³. USA has dropped 94% to 24 m³ from 396 m³ previously. For October 2021, The Philippines, Italy and Viet Nam didn't make any purchases.

The average FOB price for veneer increased by 3% from RM1,778 per m³ to RM1,835 per m³ as compared to previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in October 2021 recorded 1% decrease in volume at 29,379 m³ but increase in value of 3% at RM52.4 million compared to the previous month. Cumulative export for the period of January to October 2021 decreased by 21% in volume at 343,462 m³ and also in value to RM564 million as compared to the corresponding period in 2020.

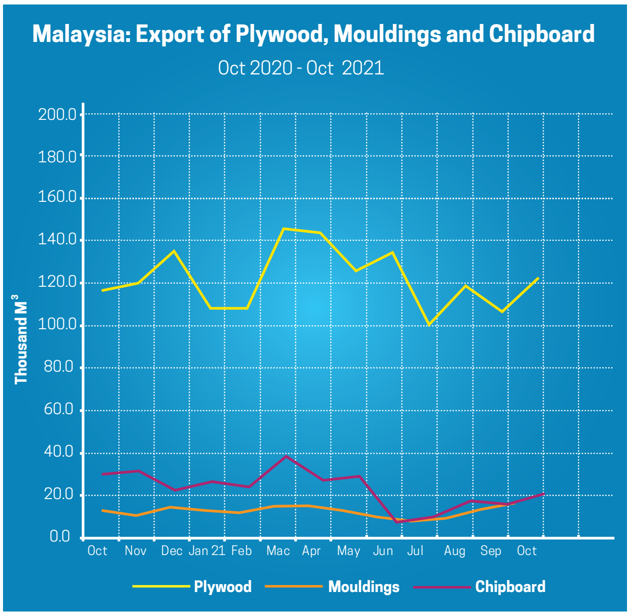
Exports to East Asia has increased by 49% from 9,508 m³ to 14,144 m³ in the previous month. China (including Hong Kong), Japan, South Korea and Taiwan increased by 175%, 43%, 6% and 695% to 140 m³, 12,859 m³, 422 m³ and 723 m³ respectively. However, for South Asia market, exports have decreased by 61% at 1,784 m³ from 4,528 m³. Export performance to Bangladesh, India, Pakistan and Sri Lanka declined by 15%, 52%, 82% and 29% to 322 m³, 566 m³, 424 m³ and 472 m³ compared to September 2021.

Moving to ASEAN member countries, there is an increase of 1% to 8,567 m³ from 8,506 m³ in the previous month. Exports to the Philippines rose by 3% at 4,444 m³ from 4,335 m³, followed by Singapore from 16m³ to 249 m³. However, export to Indonesia and Viet Nam reduced at 10% to 2,204 m³ and 2% to 1,146 m³ respectively.

Elsewhere, export to the West Asia region recorded a decrease of 82% from 3,449 m³ to 623 m³ compared to previous month. Oman has fell 97% from 986 m³ to 32 m³, followed by UAE with 67% from 1,329 m³ to 440 m³. Meanwhile, Bahrain, Iran, Jordan, Kuwait, Lebanon, Saudi Arabia, Syria and Qatar didn't make any purchase for the month.

Likewise, export to Australia decreased by 48% to 965 m³ from 1,855 m³. The USA, UK and South Africa have increased their purchases by 408%, 131% and 30% to 1,259 m³, 148 m³ and 518 m³ respectively. However, Sudan does not make any purchase for the month.

The FOB price of MDF increased by 4% to RM1,782 per m³ from RM1,717 per m³ from the previous month.



MOULDINGS

Exports of mouldings for the month increased by 24% in volume and 28% in value to 20,780 m³ worth at RM79.4 million. However, cumulative exports for the period of January – October 2021 increased by 1% in volume and 5% in value to 152,995 m³ worth at RM599.3 million as compared to the previous corresponding period in 2020.

Exports to the EU for the month recorded at 8,843 m³, an increase of 34% as compared to the previous month. The Netherlands and Germany both increased its purchases by 31% to 6,796 m³ and 866 m³ respectively while Italy decreased its intakes by 38% to 29 m³. However, Belgium did not make any purchase for the month. Meanwhile, the UK recorded a decrease of 29% to 519 m³ for the month.

Exports to ASEAN region increased as Viet Nam increased it purchases by 45% to 204 m³ while Singapore and Thailand decreased by 22% and 17% to 858 m³ and 63 m³ respectively. Meanwhile, Indonesia did not make any purchases for the month.

Likewise, South Korea, China and Japan increased their intakes by 40%, 27% and 5% to 1,081 m³, 777 m³ and 959 m³ respectively. However, Taiwan by 60% to 37 m³, while Hong Kong recorded decreased at 242 m³ as compared to last month.

Elsewhere, export to Canada, Australia and the US also increased by 158%, 59% and 25% to 103 m³, 2,330 m³ and 3,912 m³ respectively.

Average FOB unit value for mouldings increased marginally to RM3,822 per m³ compared to RM3,711 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Export of BJC for October 2021 recorded an increase of 47% in volume and 46% in value to 11,814,708 kg worth RM97.9 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased 4% to RM770.9 million as compared to RM800.7 million last month.

Exports to the EU decreased 21% to RM132.3 million compared RM 167.9 million in the previous corresponding period. Export to the Netherlands increased by 21% to RM21.2 million compared to the previous month. However, export to Italy, Germany, Denmark, France, Belgium and Sweden decreased by 78%, 35%, 27%, 24%, 12% and 5% to RM934,735, RM11.0 million, RM14.8 million, RM11.7 million, RM38.2 million and RM15.5 million respectively. Export to the UK, however decreased by 13% to RM94.6 million from last year. Export to Turkey recorded an increase of 141% to RM783,730 for the month.

In Asia, Qatar and Bahrain increased significantly to RM1.1 million respectively from RM8.6 thousand and RM382.3 thousand. Similarly, UAE and Pakistan increased by 91% and 58%, to RM1.5 million and RM2.0 million compared to the previous month. However, exports to South Korea, Egypt, Thailand, Taiwan, India, Japan, Viet Nam and Singapore decreased by 55% 26%, 30%, 11%, 12%, 18%, 27% and 2% to RM862,439, RM861,044, RM13.0 million, RM8.5 million, RM24.3 million, RM37.9 million, RM10.7 million and RM34.4 million respectively. Meanwhile, Saudi Arabia did not make any purchases for the month.

Export to the US and Mauritius increased by 31% and 19% to RM206.2 million and RM856,366 respectively. Meanwhile, South Africa and Australia decreased by 29% and 9% to RM6.3 million and RM126.6 million compared to the previous month.

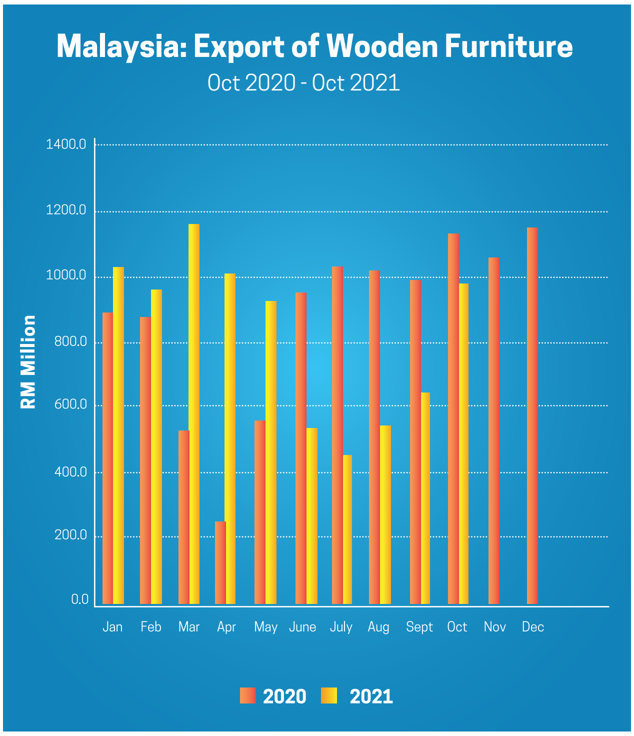
FURNITURE

Export of wooden furniture and rattan furniture for October 2021 increased by 51% to RM947.5 million and 43% to RM6.9 million respectively. Meanwhile, cumulative export of wooden furniture for the period of January to October 2021 recorded a slight decrease of 3% to RM8.1 billion from RM8.3 billion in the previous corresponding period 2020. Similarly, demand for rattan furniture decreased by 28% to RM59.5 million from RM82.7 million in the previous corresponding period.

In the Americas region, the USA as the main buyer of wooden furniture has decreased its purchase by 1% to RM5.1 billion from RM5.2 billion in the same corresponding period in 2020. Similarly, Canada also reduced its buying by 18% to RM189.2 million. However, export to Chile increased by 6% to RM46.5 million from RM43.9 million. Moving to East Asia region, Japan increased its intake by 3% to RM409.0 million over RM396.0 million in its corresponding period 2020. However, exports to China, South Korea and Taiwan reduced by 38% to RM64.8 million, 23% to RM58.9 million and 13% to RM45.8 million respectively. Singapore as the largest buyer amongst ASEAN member countries recorded an increased in export by 42% to RM326.3 million, meanwhile export to the Philippines reduced by 11% to RM83.0 million. In Europe region, export to United Kingdom reduced by 18% to RM311.3 million, followed by Russia, export down by 47% to RM9.2 million and Turkey 25% to RM3.9 million. Amongst EU member countries, Germany recorded as the highest buyer despite a reduce in buying by 5% to 36.7 million, followed by France export down by 10% to RM35.2 million, the Netherlands 12% to RM23.3 million, Poland 22% to RM23.6 million and Greece 20% to RM14.3 million.

Shipments to the Australia reduced by 13% to RM295.1 million for the month. However, purchases by India increased by 30% to RM121.7 million from RM93.7 million in the same period last year. Demand from Middle Eastern countries generally increased with Saudi Arabia recorded the highest export value to RM119.9 million, a decreased by 5% from its corresponding period last year. Meanwhile, export to UAE increased by 12% to RM111.0 million, followed by Kuwait, export rose by 37% to RM32.2 million, Oman 45% to RM15.7 million and Qatar 87% to RM10.0 million. Elsewhere, exports to South Africa and Algeria reduced by 85% to RM33.1 million and RM1.8 million respectively.

Rattan furniture shipments for January to October 2021 recorded a decrease of 28% at RM59.5 million from RM82.7 million in the previous corresponding period In the Americas region, exports to the USA and Canada decreased by 19% to RM23.7 million and 40% to RM1.6 million. Similarly, export to China

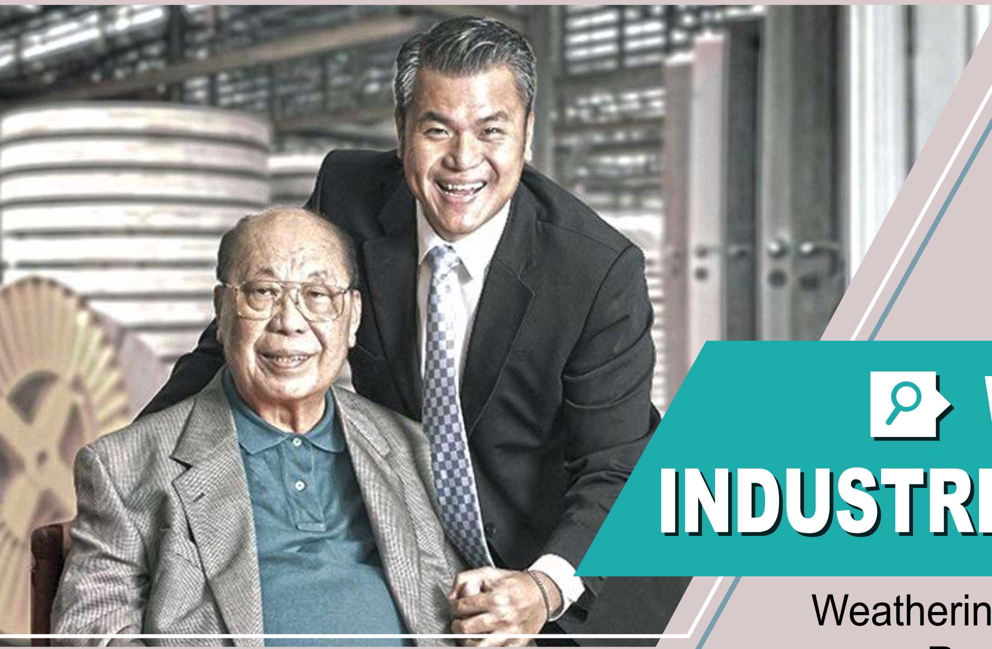


reduced by 43% to RM4.9 million and followed by Japan, export down by 64% to RM767,204. Meanwhile, in European region, United Kingdom recorded the highest export worth RM4.8 million, a decrease of 30%, followed by Russia, export down by 26% to RM1.8 million and Turkey 73% to RM61,082. Meanwhile, amongst EU countries, export to Ireland increased 2% to RM2.0 million and yet, exports to Denmark, Germany and France reduced by 49% to 538,889, 24% to RM464,434 and 71% to RM383,366 respectively. Export to Poland also reduced by 68% to RM156,470 for the mentioned period.

Moving to the Asian region, India recorded an increase of 150% to RM4.3 million. Although Singapore recorded the highest export value amongst the ASEAN member countries with export value worth RM956,513, it is a decrease of 37% from RM1.5 million in its corresponding period 2020. Meanwhile, the Philippines and Thailand recorded an increased in buying by 55% to RM859,021 and 48% to RM624,297 respectively.

Meanwhile in North Africa, Algeria also decreased their buying by 85% to RM402,225 from RM2.6 million in the previous corresponding period. Elsewhere, South Africa also decreased by 46% to RM167,033 from RM310,239 in the previous corresponding period.

Moving to the Middle East, export to the UAE decreased by 42% to RM337,662 from RM579,436 recorded in the same period 2020. Meanwhile, Oman improved buying to RM62,079 for the month. MTIB



WENG MENG INDUSTRIES SDN BHD

Weathering the Storm of Covid-19: Resilience in Times of Crisis

Mr. Yap Lin Chai (Chairman and Founder) and Mr. George Yap (CEO) Of Weng Meng Industries Sdn. Bhd.

BACKGROUND

Weng Meng Industries Sdn Bhd was established on 27 February 1979. The company began its operation as a manufacturer of assorted types of timber joinery products such as wooden drums for the cable industry, wooden pallets, office furniture and fittings. The robust growth in the property development industry in Malaysia also prompted Weng Meng Industries Sdn Bhd to venture into production of timber joinery and door products in the mid 1980's.

In line with the high demand for timber doors and fire resistance doors in the construction sector, a marketing arm of the door division, Jurusanwa Enterprise Sdn. Bhd., was incorporated in 1985 to cater to local customers' door requirements. Since its inception, Jurusanwa has maintained high manufacturing standards for its products that carry the well-known Made-in-Malaysia trademark of SANDOR®. In late 1998, the door production facility was expanded, and a second factory was set up for the manufacturing of Engineered Door and Engineered Carved Door. These doors are specially catered for the export market.

The dramatic spread of Covid-19 brought with it unprecedented disruptions to business. During the movement control orders, production suspensions, demand cutbacks and supply chain disruptions, businesses had to navigate financial and operational challenges whilst expeditiously addressing the needs of their workforce, customers and suppliers. Weng Meng Industries Sdn Bhd, a global wooden door manufacturer and solutions provider, was not spared. "When the crisis struck, our entire game plan was thrown off balance. There was no playbook to refer to. We had to make decisions and make them quick. We fell back on our CAN DO! Values and our Kaizen principles of continuous improvement to steer the way forward", said its CEO, Mr George Yap.

Weng Meng's CAN DO! values are inspired by the spirit of its founder, Mr Yap Lin Chai. The values are Credibility (highest standards of integrity), Adaptability (embracing change), Nurturing (investing in growing talent), Diversity (valuing differences) and Openness (culture of inclusion). This moral compass formed the backbone of the company's resilience during a time of rapid change. While CAN DO! provided the discipline and framework for decision making, Weng Meng fell back on their practice of the Japanese Kaizen philosophy in maneuvering the new operating reality and taking strategies to the ground. Such a culture kept them focused on activities that improve processes, customer service, systems and operations. It forced them to look at how things can be continuously improved.

PRODUCTION AND MARKETING

Weng Meng Industries Sdn Bhd has manufactured and installed millions of door sets and has grown to become one of the most comprehensive total door solutions provider globally. As business grew, Weng Meng Industries Sdn Bhd expanded its capacity. In 2003 , factory in Puchong. Later on, Weng Meng operations moved to Olak Lempit, Banting Selangor. The newest two dedicated engineered joinery door production and the engineered door production line now makes up 70 percent of production. The company has committed substantial amount of financial resources to its modern production facilities located at Puchong (Factory 1) which houses all the three manufacturing divisions of the company, namely Wooden Drum Division, Fire Doors & Frame Division and Steel Drum Division.

To ensure they meet customer demands for high quality products, the company has invested more than RM20 million in its production facility with up-grading, improvement and modernization. The factory has a monthly capacity of more than 10,000 pieces of wooden drums of various sizes, 2,000 pieces of steel cable drums of various sizes & designs and total door production capacity up to 10,000 units per month.

Door Production

Weng Meng Industries Sdn Bhd at Olak Lempit Banting, Selangor

On the production side, they have instituted machine programming linkage between the front office and production centres. Customised applications are used for construction site management and costing to ensure consistency, effective communication, and faster turnaround times. Local project customers are also be able to check delivery status of their orders remotely via a QR-code or a link-enabled system. A few of their key machinery was installed with the TeamViewer software to enable remote access and remote control, allowing maintenance by overseas vendors, thus minimising down times.

Digitization of sales and marketing channels picked up momentum during the pandemic. They created an e-commerce platform for the Malaysian end-user market. By adopting an omni- channel digital marketing strategy the company is able to collect reliable data on their prospective customer's behaviours. This has led to more purpose-driven advertising and marketing campaigns. Social media platforms (website, Facebook, Instagram, and LinkedIn) are also critical in building an appealing image of their business in digital space. It represents an alternative communication channel with potential new customers, in a global setting. To further increase brand awareness and capture the attention of customers, they also invested in virtual reality video marketing. Virtual reality videos are available for both their factory and showroom.

Door Products Manufactured by Weng Meng Industries

Industrial Robots in Door Manufacturing At Weng Meng Industries

BUSINESS PHILOSOPHY

Our Vision

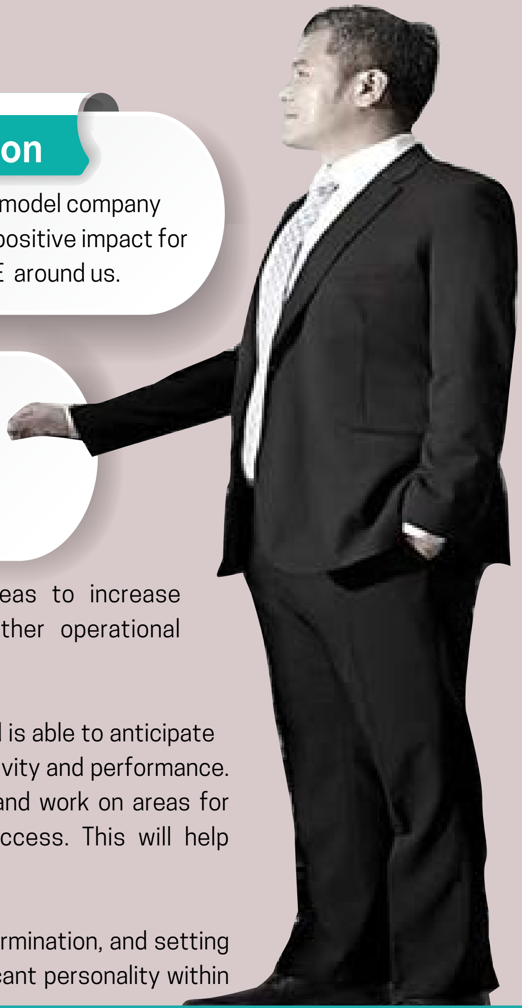
To be sustainable role model company in Malaysia that creates positive impact for PEOPLE and PLACE around us.

Our Mission

KAIZEN
(People, Place, Performance)
X Teamwork | X Innovation

Weng Meng Industries Sdn Bhd has embraced the Kaizen business philosophy into the company. Kaizen is a Japanese business philosophy that focuses on gradually improving productivity by involving all employees and by making the work environment more efficient. Kaizen translates to "change for the better" or "continuous improvement." Kaizen is focused on improvements through various small movements, steps and ideas to increase labour productivity, business efficiency, product and service quality and other operational and financial performance.

By incorporating Kaizen into the company's Mission, Weng Meng Industries Sdn Bhd is able to anticipate consumer needs and deliver better products. They can focus on improving productivity and performance. The heart of Kaizen is Teamwork. Kaizen succeeds when all employees look for and work on areas for improvement. The synergy of teamwork leads to greater capabilities and success. This will help the company anticipate, design and develop the next generation of products.



Transformational Leadership Style by CEO

Besides that, organizational leadership is critical in generating vision, mission, determination, and setting goals to efficiently attain the organization's goals. The employee acts as a significant personality within the organization to guarantee that the organization remains productive. Without a worker to carry out the assignment or task, there is no place within the organization for a leader. This is why the leaders must show their strong leadership and teamwork, as seen in Mr. George Yap, Chief Executive Officer of the company. Leaders are role models for their employees or workers. Leadership is also importance in initiating innovation. The transformational leadership style is said to provide a great opportunity to provide innovation as these types of leadership will try to provide greater opportunities for innovation.

Succession Planning in Human Capital Development

HUMAN RESOURCES

The company's vision is to become a sustainable role model company that creates positive impact to people and place. The aspiration is to build products in the most sustainable manner. The Covid-19 pandemic has also brought to light that businesses do not operate in silos. This is precisely the time when companies should step up and live up to their vision and aspirations. This is the time for companies to offer real commitment to social and environmental causes. Throughout the pandemic, Weng Meng Industries Sdn Bhd has mobilised its expertise and resources to assist with relief and containment efforts. They have supported industry partners and the community at large in the fight against Covid through the production of relevant SOPs and awareness videos. They also facilitated the administration of the industry vaccination centre PPVN Olak Lempit.

The company emphasizes on health and safety of their employees, business partners and communities in which they operate. Health and safety protocols were quickly updated. Hazard assessments were done to identify exposure risks and mitigation efforts were executed to reduce transmission risks. In order to boost morale and build confidence of their employees, the company provided free meals, free transportation and free masks and sanitisers to all their employees. Their worker hostels were awarded Akta 446 certification on 13 October 2021 by Ministry Of Human Resources. However, one of the biggest challenges was inspiring employees to buy-in to updated strategies and processes. It fell on the leaders to unite the company behind a clear vision and a common set of goals to emerge stronger. Succeeding during volatile timesrequires calm and empathetic leadership with quick and clear decisiveness, even when parameters for informed decisions are unclear. Leadership needs to be backed up by effective communication to encourage inclusiveness and collective learning, not just internally but also with external business partners.

"My focus pre-Covid was skewed towards vision, strategy, relationship building, development and opportunities. During Covid, my operational hat took on a greater role. I kept in constant touch with key management teams, operators, sales and marketing teams, suppliers, customers as well as other CEOs and industry players. This helped me greatly in understanding their operating realities and in determining Weng Meng's strategic imperatives. I believe this made all the difference", emphasised Mr Yap.

CARE ABOUT ENVIRONMENT

As a company that relies on wood and natural resources, Weng Meng Industries Sdn Bhd is committed to environmentally sustainable practices in all aspects of business. The company supports sustainable forest management practices by purchasing timber from companies that have been certified and that comply with environmental legislations set out by national and international regulators. The company must ensure that doors produced come from forests that are being regenerated, where biodiversity is maintained for future generations. In order to minimize environmental effects, the company has introduced efficiency in manufacturing and distribution processes.

Weng Meng Industries Sdn Bhd manage all projects sustainably, with regular independent audits confirming the quality of their approach. The company supports third-party certification and green building programmes. Forestry certification helps identify wood supplies that originate in responsibly managed forests. The company undertook the Forest Stewardship Council (FSC) certification in 2004 and the Programme for the Endorsement of Forest Certification (PEFC) certification in 2014.

As the world moves through the pandemic and begin to consider recovery, it is important for businesses to renew and strengthen their commitment to environmental and sustainability issues. The health of the planet is inextricably linked to the health of people and business. As a company that relies on wood and natural resources, Weng Meng Industries Sdn Bhd is conscious that the planet is its biggest partner. Environmental, Social andGovernance (ESG) are three broad areas that govern the company's sustainable practices throughout its supply chain. Over the years, Weng Meng has successfully improved on its environmental and sustainability performance indicators, within a financially viable construct.

As an innovator in the door industry, the company invests heavily in research and development, part of which looks at producing products that are in line with its environmental pledge. They are currently conducting research and testing on alternative material options, with a focus on greener, renewable alternatives such as the use of Oil Palm Trunk (OPT) as a door core material.

Production and distribution processes are also designed with the intention of minimising overall waste and improve on energy efficiency. The company has implemented the use of solar energy with NEM 3.0 approval @ 1 megawatt. Their dust collecting system is using the SKF system which is partially mechanical and noematic resulting in greater energy savings. Moving forward, Weng Meng will continue to reinvent themselves for the long-term. They will continue to invest in a digital-first workplace and other technology enablers so that they can create new ways and new ecosystems in which to reach customers and deliver employee satisfaction.

"The pandemic has brought to light many of our business' strengths and weaknesses. It has highlighted critical gaps in our systems and processes which have been addressed. Whilst the mood was gloomy at the start of the pandemic, I believe we turned the many challenges into meaningful change. Our business and our people are now more resilient to disruption and we can look forward with confidence" concluded Mr Yap.

WEBINAR ON POST-COVID OPPORTUNITIES AND FREE TRADE AGREEMENT BENEFITS FOR TIMBER INDUSTRY

The Malaysian timber industry is an important industry that contributes to the export growth of the country's commodity sector. The Malaysian timber and timber products exports analysis showed a positive increment from 2009 to 2020. The value of Malaysia's timber products exported in 2020 recorded a slight decrease of 2% to RM22.02 billion as compared to RM22.50 billion in 2019. Meanwhile, for the period from January to August 2021, Malaysia's timber export performance recorded a growth of 4% to RM14.29 billion. The industry contributed 1.8% of the nation's export performance which recorded RM778.49 billion for the period from January to August 2021. The country's timber industry has the potential to continue to grow, but it must be supported by continuous efforts to ensure the sustainability of downstream high value-added products.

In line with the National Timber Industry Strategic Plan (NTISP) 2021-2025, which targets timber industry exports to reach RM28 billion and domestic market to be valued at RM20 billion by 2025, strengthening the expansion of the national timber industry will always be a priority for MTIB. This includes facing current issues and challenges such as issues related to raw material resources, shortage of labor, production costs & productivity, as well as issues of tariff and non -tariff barriers in the global trade.

As part of its efforts to strengthen the timber industry in Malaysia, MTIB recently organised an online seminar, a Webinar entitled Opportunities for the Timber Industry Post-Covid-19 and Free trade Agreement Benefits for the Development of the Timber Industry Webinar (Peluang Industri Kayu Pasca Pandemik Covid-19 Dan Manfaat Perjanjian Perdagangan Bebas (FTA) kepada Pembangunan Industri Perkayuan Negara), in collaboration with the Ministry of International Trade and Industries (MITI) and Malaysia External Trade Development Corporation (MATRADE) on 2 November 2021. The objectives of the webinar were to provide information on advisory services and incentives offered by MATRADE to timber industry operators who are also affected like other industries due to the COVID-19 pandemic. The speaker from MITI presented information on the benefits of the FTA and the Preferential Certificate of Origin (PCO) which can help to expand market access to the countries and regions involved in the FTA with Malaysia at both bilateral and regional levels and help to reduce company operation costs when exporting to FTA countries.

Poster of Webinar: Post-Covid-19 Opportunities for the Timber Industry and Free Trade Agreement Benefits.

Screenshot during the webinar

Puan Hjh. Roslina Idris, acting Deputy Director General of MTIB (Development and Commercial) officiated the webinar. In her opening speech, she noted that information sharing sessions from MATRADE and MITI have proven to be one of the best ways in widening market access for Malaysian exporters. FTA partner countries also provide mutually favorable treatment to trade, investment, provision of services and trade facilities as well as economic and technical cooperation particularly to the timber industry.

In the webinar, MATRADE shared information on their advisory services and incentives and continued with the digital incentive programme as a stimulus for timber companies to expand market access globally. The briefing was followed a talk by MITI's representative who shared on FTA benefits. The FTA aims to provide better market access for various Malaysian commercial and professional services. The FTA also provides easier entry for businessmen as well as more predictable conditions for investments in FTA partner countries which would benefit Malaysia in gaining access to larger markets. Malaysian products will be more competitivecompared to countries that do not have FTAs. Malaysian service exporters can also export their services to FTA partner countries in line with the liberalization of the services sector among FTA partners.

The participants of the interactive sessions showed keen interest in learning more about marketing on a digital platform. A total of 165 participants comprising individuals and representatives of government agencies and industry players attended this half-day webinar. MTIB

THE 5TH WOOD AND BIOFIBRE INTERNATIONAL CONFERENCE (WOBIC) 2021 AND MTIB-UPM MOU SIGNING

The WOBIC 2021 was organized by the Institute of Tropical Forestry and Forest Products (INTROP), University Putra Malaysia (UPM). It was held on 23 -24 November 2021 at Bangi Resort Hotel, Selangor. The conference entitled 'Wood and Biofibre - Transformation Towards Circular Economy' brought together experts and leaders of various disciplines in biopolymer, biocomposite and forestry from within and outside the country to share their expertise and insights. The WOBIC 2021 was co-organized by the Malaysian Timber Industry Board (MTIB), Malaysian Palm Oil Board (MPOB), Forest Research Institute of Malaysia (FRIM), National Kenaf and Tobacco Board (NKTB) and The French Agriculture Research for International Development (CIRAD). More than 100 topics were presented in keynotes, plenaries, forums, parallel sessions and posters by researchers, students and professional leaders.

Delegation having photography session to commemorate the conference

One presentation in the plenary session and three technical papers in the parallel session were delivered by MTIB. Puan Hajah Roslina Idris, Director of Licensing and Inspectorate Division presented on 'The Malaysian Timber Industry: Gearing towards a Resilient Industry' in the plenary session. In the parallel session, Puan Norhazaedawati Baharuddin presented 'The Effects of Boron and Copper Chrome Boron (CCB) Treatment on Physical and Mechanical Properties of Gigantocholoa scortechinii'; Dr. Loh Yueh Feng, 'Enhancement of Manufacturing Process for Oil Palm Trunk Plywood'; and Dr. Noor Intan Saffinaz Anuar, 'Thermo-physico-mechanical Properties of Chemical Modified Kenaf/PP Nonwoven Composite with PVA Urea/Silane'.

In conjunction with the WOBIC 2021, a Memorandum of Understanding (MoU) between MTIB and UPM was signed by Tuan Haji Kamaruzaman Othman, Deputy Director General (Management & Operation) MTIB and YBhg Profesor Ts. Dr. M. Iqbal Saripan, Deputy Vice Chancellor (Academic & International) UPM. The purpose of the MoU signing was to seal and document the mutual bilateral collaboration between MTIB and UPM in the area of wood, forestry, biocomposite and lignocellulosic.

Signing and Exchanging Memorandum of Understanding (MoU) involving MTIB - UPM

NATIONAL WOOD CARVING INDUSTRY DEVELOPMENT STRATEGIC PLAN 2021 – 2030

PENGUKIR explaining the motif and the beauty of local wood carving to YB Datuk Hajah Zuraida Kamaruddin as part of the visit to Desa Ukiran Kayu

“Jelajah Agrikomoditi #KeluargaMalaysia” is an outreach programme organised by the Ministry of Plantation Industries and Commodities (MPIC). In conjunction with the outreach programme, the National Wood Carving Industry Development Strategic Plan (2021-2030) book launching ceremony, officiated by YB Datuk Hajah Zuraida Kamaruddin, Minister of Plantation Industries and Commodities was held, alongside a handover of machines to boat-builder entrepreneurs. The event was held on 28 November 2021 at Desa Ukiran Kayu, Besut Terengganu.

The ceremony was also graced by the attendance of YB Tuan Haji Hilmi Harun, Deputy Chairman of the Terengganu state government’s Agriculture, Food Industries, Plantations, Commodities and Rural Development Committee and local Bumiputera entrepreneurs.

YB Datuk Hajah Zuraida in her opening remarks said that timber industry plays a pivotal role in the socio-economic development in Malaysia which directly contributed to the country's export earnings of up to RM22.02 billion in 2020. However, the contribution of exports of timber and timber products by Bumiputera entrepreneurs was still low with a percentage of less than 1%. As such she stressed that Bumiputera economic empowerment efforts needed to be seriously pursued through various National missions and agendas.

The Minister also noted that the wood carving industry, which is traditionally dominated by Bumiputera entrepreneurs, gives a lot of added value in terms of product quality and price. She strongly believes that the industry needs to be preserved and developed since the younger generation is seemingly unaware of the value and potential of traditional Malaysian wood carving.

In order to protect the Malaysian wood carving industry, the Ministry of Plantation Industries and Commodities throug its agency, the Malaysian Timber Industry Board (MTIB), has initiated the establishment of a strategic plan book

In order to protect the Malaysian wood carving industry, the Ministry of Plantation Industries and Commodities throug its agency, the Malaysian Timber Industry Board (MTIB), has initiated the establishment of a strategic plan book which compiles the introduction and history of wood carving in Malaysia, its issues and challenges, the way forward as well as strategic plans and actions for the industry. The identified critical success factors noted in the strategic plan is raw material supply, skill worker, capital and financial strength, production capacity, and marketing and promotion.

The National Wood Carving Industry Development Strategic Plan (2021-2030) was developed with full cooperation from various ministries and government agencies, the Association of Malaysia Bumiputera Timber and Furniture Entrepreneurs (PEKA), the Association of Malaysian Wood Carvers (PENGUKIR) and institutes of higher learning. It was agreed that five (5) strategic thrusts needed to be carried out:

i. strengthening cooperation,
ii. marketing and promotion,
iii. human capital development,
iv. policy and incentive and
v. research, development, and certification.

Tuan Haji Mahpar Atan, Director General MTIB hand over The National Wood Carving Industry Development Strategic Plan (2021-2030) to YB Datuk Hajah Zuraida Kamaruddin, Minister of Plantation Industries and Commodities

MTIB is taking various measures to strengthen the position of Bumiputera entrepreneurs and to support them in competing in both local and international markets. Bumiputera wood carving entrepreneurs have a huge potential to actively grow in the national timber industry. Currently, the aim is for the mass production of wood carving by creating demand and increasing sales, as well as generating a new and more profitable source of income for local wood carvers.

Besides the book launching, MTIB has taken the initiative to assist the boat building industry by providing suitable woodworking machinery as an effort to ensure that the industry continues to develop and remain sustainable. Seven (7) boat builders received various type of machineries from MTIB as the boat building industry in Malaysia is seen as an ndustry that has great potential and needs to be developed.

A Bumiputera entrepreneur dialogue session with YB Datuk Hajah Zuraida Kamaruddin was also conducted during which several issues were raised by the Bumiputera entrepreneurs especially by PENGUKIR members.

The programme ended with the Minister being given a tour of Desa Ukiran Kayu to witness the wood carving demonstration and the wood carving exhibition. MTIB

The ceremony was officiated by YB Datuk Hajah Zuraida Kamaruddin, Minister of Plantation Industries and Commodities accompanied by YB Tuan Haji Hilmi Harun, Deputy Chairman of the Terengganu state government's Agriculture, Food Industries, Plantations, Commodities and Rural Development Committee and Bumiputera Entrepreneurs and Haji Mahpar Atan, Director General MTIB

MALAYSIA

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

Port Klang has the highest rollover percentage in 2021 with 58.45%, an increase of 37.94% compared to 2020, according to transportation visibility platform project44. In a statement on Thursday (Nov 11), the firm said global supply chains had been facing several major disruptions in 2021 and port congestion was 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 were 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". "Bear in mind that about 60,000-70,000 containers are expected to come into service around mid-2022 and many of the new vessel orders will be on the water by mid- to late 2023," he said.

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. Algeciras, Jebel Ali, Pusan, Tanjung Pelepas, Hong Kong and Singapore all recorded a higher percentage of rollovers in 2021 compared to 2020 but the percentage of change was lower than 2019-2020. On the European side, Rotterdam showed an increase with rollovers increasing from 38.95% in 2020 to 51% in 2021, an increase of 30.94% compared to the 7.42% change in 2019-2020.

Brazil said the increase in rollovers at key transhipment ports around the world is a worrying factor in terms of schedule reliability. "This means continuing schedule uncertainty, consistent increases and delays in cargo lead times," he said.

According to Project44 data, transit time for containers also drastically increased between 2019 and 2021 for the main corridors of China to North America's West Coast and China to Europe.

Transit time in this analysis refers to the time it takes for a container loaded on a ship at a port of loading to reach the port of discharge.

When comparing the main ports in China to the West Coast of North America, Yantian had the highest percentage change in transit time, increasing by 42.11% in 2021 compared to its 2020 levels, while Ningbo had the lowest percentage increase of 27.78%.

Project44 said that when compared to 2019 levels, the 2021 transit time increases were all above 40%, which were significant considering the already stressed supply chains. On the service to Europe, Shanghai had the highest percentage increase in transit time, increasing by 30.56% in 2021 compared to its 2020 levels, while Qingdao had the lowest percentage increase of 25%.

Meanwhile, Brazil said blank sailing is another major factor that impacts container rollovers. Blank sailing is when a ship scheduled to call on a specified port skips that port. "Blank sailings are a key factor of network disruption. "The number of containers sitting in trans-ship ports on 'sweeper' vessels has distorted the equilibrium in the global network," he said.

Source : The Edge Markets, Nov 11, 2021

EUROPE

Container supply chain disruption set to continue through 2022

Europe's largest port has seen good volume growth this year, although these volume increases on their own would not result in the difficulties being seen in the supply chain in a normal year, with current volumes slightly above 2019 levels.

Emile Hoogsteden, Vice President Commercial of the Port of Rotterdam, told an online media briefing that container volumes had grown 7.8% in the first three quarters of 2021 and were up 4% in terms of tons. This growth is seen continuing into October although at a slower rate as volumes had already started to pick-up again in the same month last year post-Covid lockdowns.

"We're happy to see that the volumes we are having now are above 2019 levels and we do expect actually the growth to continue into 2022," he said. The port handled 11.5m teu in the first three quarters of 2021 compared to 11.2m teu in the same period in 2019.

This growth though has come against a background of issues with empty container repositioning, events such as the blockage of the Suez Canal by the Ever Given, and closure of much of Yantian Port due to a Covid-19 outbreak leading to growing port congestion and supply chain dislocation globally.

Hans Nagtegaal, Director Containers Port of Rotterdam, highlighted that container line schedule reliability has been at an all-time low this year and remains so. According to analysts Sea-Intelligence global container line schedule reliability stood at 34% in September as an average across 34 different trades. "We see that the lead time and also the dwell times on the terminals are further and further increasing and it is creating a large backlog. In Rotterdam, for instance to give you an example, the average dwell time for a container has moved from four to about seven days, "Nagtegaal explained.

He said the port sees the situation continuing through 2022. Nagtegaal likened the supply chain to gears or cogs that have become tightened together and need oil to allow them to run smoothly again. "We actually need some oil, and the oil that we need is schedule reliability. That would be the first step where we see a global change of this effect. We need somewhere that the schedule reliability can be picked up," he said.

However, he noted that it didn't help that 25% of global containership capacity is essentially out of the market waiting outside ports for berths. This highlights a chicken and egg situation with lines blaming their poor schedule reliability on delays and congestion at ports.

Source: Seatrade Maritime News, Nov 12, 2021

CHINA

China's seven-week port quarantine snarls supply chains further

China's increasingly extreme Covid Zero policies are standing in the way of a full recovery for the shipping industry and prolonging a crisis that's snarled ports and emptied shelves worldwide.

In its attempts to keep the virus out, China continued to prohibit crew changes for foreign crew and recently imposed as much as a seven-week mandatory quarantine for returning Chinese seafarers. Even vessels that have refreshed their crew elsewhere have to wait two weeks before they're allowed in.

Around the world, factories, shipping and consumers are still adjusting to a pandemic that's not going anywhere. Supply shortages are showing signs of easing in the U.S. but worsening in the U.K. Some ports in Asia are getting less congested, but in California, loaded vessels are still piling up. Ship managers and operators are calling for China to relax its restrictions and governments to prioritize seafarers and shipping, or risk continued disruptions that may go deeper as mariners bear the brunt of the toll.

The latest restrictions at China's ports target Chinese crew, requiring them to quarantine for three weeks before their return to China, then another two weeks at the port of arrival, and two more weeks in their province before they can reunite with their families, according to Terence Zhao, managing director of Singhai Marine Services, one of the biggest Chinese crew supply agents. "The ports' main focus is on quarantine and health matters," he said at an online industry forum Monday.

Even seafarers with emergency medical needs aren't allowed to get care in China, ship managers said. An Anglo Eastern chief officer with a severe tooth abscess couldn't get off his vessel for treatment. He had to wait until the ship got to South Korea before he could see a dentist.

"China is a major issue," said Bjorn Hojgaard, chief executive officer of ship manager Anglo-Eastern Univan Group and the chairman of the Hong Kong Ship Owners Association. "They are doing a good job at keeping Covid at bay but at the cost of not letting seafarers in-even Chinese seafarers sometimes can't get back into China."

Operating in China has become challenging even for the biggest operators, including Cargill Inc. "We've had vessels that ran into demurrage" (late fees), we've had instances where we had to deviate, either before we call China, or after," said Eman Abdalla, global operations & supply chain director at Cargill. "There are instances where the delays are within hours, but there are also instances where the delays could go on for days."

Euronav NV, one of the world's largest owners of oil supertankers, has spent an estimated $6 million handling disruptions related to the crew change crisis, including the likes of deviations, quarantines and higher travel costs. "In the past, it was pretty nice to do crew rotation when we were in China," said Chief Executive Officer Hugo De Stoop. "And now basically it's not possible."

Ship owners and operators also acknowledge that they are managing China's restrictions by shifting the burden to the workers on board. Chinese authorities won't allow more than three Chinese seafarers on a flight to the mainland, so their return home can be stretched to months after they've signed off from vessels, said Hojgaard.

This month, China's coronavirus czar defended the nation's strict Covid measures and signaled there wouldn't be an easing of rules. Meanwhile, the industry's supply chain disruptions don't show signs of abating. According to a new Oxford Economics survey of 148 businesses Oct. 18-29, nearly 80% of respondents said they expect the supply crisis still has scope to worsen.

"China is determined to achieve zero Covid and it will not relax regulations due to the policy," said Singhai Marine's Zhao. "It may even step up rules due to the winter Olympics in February next year."

Source: economictimes.indiatimes, Nov 26, 2021

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% change Aug/Sep
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	56,522	-3	6,404	-47	1,202	24	113	-22	4,499	5	68,740	-9
MDF	8,886	15	0	0	1,464	274	2,089	195	1,328	-38	13,768	26
Mouldings	11,544	-5	83	6	2,224	33	522	18	767	19	15,140	1
Plywood	2,840	-36	0	0	206	308	411	40	5,567	4	24,163	138
Veneer	1,055	-32	0	0	0	0	13	-89	532	1	1,600	-27
Particleboard	14,494	-27	359	43	106	52	0	0	2,449	2,559	17,408	-15
TOTAL	**95,340**	**-8**	**6,847**	**-45**	**5,202**	**65**	**3,148**	**85**	**15,142**	**16**	**125,680**	**-6**

Note : Indicates percent change over the previous month

Source : MTIB

UNITED KINGDOM - BREXIT AND THE TIMBER INDUSTRY

Country Overview

The United Kingdom is made up of England, Wales, Scotland and Northern Ireland. It has a long history as a major player in international affairs. The twentieth century saw Britain having to redefine its place in the world. At the beginning of the century, it commanded a world-wide empire as the foremost global power. Two world wars and the end of empire diminished its role, but the UK remains an economic and military power, with considerable political and cultural influence around the world. Britain was the world's first industrialised country. Its economy remains one of the largest, but it has for many years been based on service industries rather than on manufacturing.

The process of deindustrialisation has left behind lasting social problems and pockets of economic weakness in parts of the country. More recently, the UK has suffered a deep economic slump and high public debt as a result of the 2008 financial crisis, which revealed its over-reliance on easy credit, domestic consumption and rising house prices. Efforts to rein in the public debt - one of the developed world's highest - has led to deep cuts to welfare, government services and the military, prompting concern about social equality and a possible loss of international influence. In response to growing dissatisfaction with the UK's traditionally highly centralised nature, the London government devolved powers to separate parliaments in Scotland and Wales in 1999. The UK was one of the 28 member states of the European Union (EU), but since a kind of populist referendum in June 2016, the UK has now left the EU effective on January 31, 2020.

Economy

The United Kingdom's economic freedom score is 78.4, making its economy the 7th freest in the 2021 Index. Its overall score has decreased by 0.9 point, primarily because of a decline in judicial effectiveness. The United Kingdom is ranked 3rd among 45 countries in the Europe region, and its overall score is above the regional and world averages.

Although it retained its standing in the ranks of the mostly free, the economy of the United Kingdom lost a little ground in 2021. Nevertheless, there will be ample opportunities for greater economic freedom in the post-Brexit U.K. economy. Unshackled from the strictures of the European Union bureaucracy, the economy could register substantial improvements in Index indicator scores for tax burden, government spending, labor freedom, and trade freedom.

Steady growth has made Britain's economy, which has been thriving ever since former Prime Minister Margaret Thatcher's market reforms in the 1980s, the world's fifth largest. In 2016, by popular referendum, British voters approved departure from the European Union, and the UK formally left the EU on January 31, 2020. A UK/EU Trade and Cooperation Agreement was concluded in December 2020, but many aspects of the future relationship remained uncertain. In December 2019, Prime Minister Boris Johnson led the Conservative Party to its largest electoral victory since 1987. Formal negotiations on a U.S. –U.K. free-trade agreement began in May 2020. Services, particularly banking, insurance, and business services, are key drivers of GDP growth. Large oil and natural gas reserves are declining.

Forestry

The total area of woodlands in the UK is 3.17 million hectares representing 13% of the total land area. The woodlands can be divided into three distinct categories - plantations, semi-natural woodlands, and mixed woodlands. The UK's plantation forests are predominantly made up of non-native coniferous species, often planted on economically marginal agricultural land and in some cases, on previously cleared ancient semi-natural woodlands (ASNW). The commercial base of the UK forest industry relies heavily on Sitka spruce (Picea sitchensis) from North America. Scots pine (Pinus sylvestris) is the only native conifer of economic significance. There are about a dozen conifer species in common forestry use.

The UK's semi-natural woodlands are made up of broadleaved trees with areas of scots pine, yew and juniper. Native woodlands are of particular value to UK biodiversity, representing a range of UK Biodiversity Action Plan (UK BAP) habitats supporting many important species. The creation of native woodlands has been the focus of woodland expansion schemes in recent years. Timber production and recreation are important uses of semi-natural woodland, but careful management is required to avoid conflict with wildlife interests. Ancient semi-natural woodlands ar especially valuable as some are remnants of the original post-glacial forest.

Brexit and the Timber Industry

As of 1 January 2021, EU trade agreements no longer apply to the UK. The UK has sought to reproduce the effects of trading agreements that previously applied to it to ensure continuity for UK business. Britain's exit from the EU officially occurred on 31st January 2020. For 11 months, to 31st December 2020, the UK had followed all the EU's rules and regulations as if it were a Member State. It will remain in the single market and the customs union, and the free movement of people will continue. Any changes to EU legislation or rules will also automatically apply to the UK during the transition period. Brexit boosts UK wooden furniture imports from China during 2021. There are some early signs that the departure of the UK, Europe's second largest economy, from the EU single market and customs union at the start of the year, may be increasing opportunities for non-EU suppliers of wood furniture to the UK market.

The immediate impact of the pandemic on UK trade in wood furniture was to marginally increase reliance on imports from within the EU. In 2020, UK imports from non-EU countries fell 9% to USD2.4 billion while imports from EU27 countries fell only 5% to USD1.2 billion. However, in the first quarter of this year, immediately following the UK's departure from the EU single market, UK imports from outside the EU surged to over USD800 million, nearly 40% more than the same period in 2020. Meanwhile imports from the EU increased by only 4%. Nearly all the gains in UK imports in the first quarter of 2021 came from China which alone accounted for 60% of all UK imports from non-EU countries.

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 2020, the UK produced around 3,340,392 m^3 of sawntimber. Apart from sawntimber production, the country also produced 2,030,000 m^3 of particleboard followed by MDF/HDF with 656,000 m^3.

The United Kingdom: Production of Timber,2016-2020

Product	2016	2017	2018	2019	2020
Sawnwood	3,624,094	3,721,430	3,618,236	3,408,180	3,340,392
Particleboard	2,004,000	2,146,000	1,890,000	2,030,000	2,030,000
MDF/HDF	684,000	675,000	724,000	751,000	656,000

Volume: m^3
Source : FAO STATS

Import of Timber and Timber Products

The UK's import of timber and timber products was on a decreasing trend in 2020 worth USD10.6 billion, a decrease of 6% over the previous corresponding period. The country import mainly furniture, sawntimber and fuel wood. Imports of furniture and sawntimber totalled USD3.4 billion and USD2.0 billion respectively. Meanwhile, imports of fuel wood totalled at USD1.8 billion followed by BJC with USD886.8 million and plywood with USD557.3 million.

The United Kingdom: Import of Timber and Timber Products, 2016 - 2020

HSCode	Product	2016	2017	2018	2019	2020
4401	Fuel wood	1,274,594	1,263,442	1,536,737	1,742,289	1,803,715
4402	Wood charcoal	37,753	45,620	58,084	53,607	62,776
4403	Logs	71,690	63,268	96,948	111,518	123,540
4404	Hoopwood	18,106	15,215	18,326	23,917	24,052
4405	Wood wool & flour	2,199	3,163	6,892	4,885	3,675

4406	Railway sleepers	15,532	30,655	37,012	30,202	43871
4407	Sawntimber	1,909,590	2,071,686	2,282,376	2,015,647	2,036,897
4408	Veneer	49,204	34,083	39,623	26,240	28,398
4409	Moulding	218,616	233,962	207,775	188,972	154,426
4410	Particleboard	276,416	327,223	355,888	314,299	256,109
4411	Fibreboard	402,924	439,172	440,652	433,351	414,844
4412	Plywood	643,659	669,692	766,960	651,836	557,280
4413	Densified wood	8,148	7,173	8,901	8,902	14,960
4414	Wooden frames	60,198	59,402	62,956	66,974	61,054
4415	Packing cases	70,313	67,623	77,976	64,425	83,941
4416	Casks, barrels, vats and tubs	142,571	148,327	167,410	171,332	138,718
4417	Tools, bodies and handles	8,626	9,289	11,145	9,704	8,570
4418	Builders' joinery and carpentry	928,109	986,226	995,546	994,364	886,804
4419	Tableware and kitchenware	69,970	66,950	78,187	93,762	88,491
4420	Wood marquetry	87,283	84,345	87,016	87,399	78,544
4421	Other articles of wood	324,045	314,384	318,018	306,438	300,375
9403	Furniture and parts	3,269,996	3,759,933	3,853,250	3,831,057	3,381,962
Total		**9,889,542**	**10,700,833**	**11,507,678**	**11,231,120**	**10,553,002**

USD ('000)
Source: UN-Comtrade Statistics

Export of Timber and Timber Products

The UK's exports of timber and timber products in 2020 decreased 11% to USD1.1 billion from USD1.2 billion in the previous year. The country exports mainly furniture, sawntimber, BJC and particleboard. Exports of furniture totalled at USD494.0 million, a decrease of 16% compared from RM585.8 million in 2019. Meanwhile, export of sawntimber totalled USD82.9 million followed by BJC and particleboard at USD75.2 million and USD69.5 million respectively.

The United Kingdom: Export of Timber and Timber Products, 2016 - 2020

Product	2016	2017	2018	2019	2020
Sawntimber	66,995	69,793	85,191	75,131	82,868
BJC	69,107	71,486	92,034	82,321	75,166
Particleboard	52,651	59,817	57,187	73,320	69,537
Plywood	34,809	40,537	47,052	50,894	45,601
Moulding	25,436	29,830	39,902	35,979	31,584
MDF	25,844	27,409	28,944	28,981	29,824
Logs	27,015	30,073	30,538	24,410	23,376
Furniture & Parts	517,115	557,353	592,425	585,812	493,962
Others Products	208,709	213,902	225,170	229,005	207,084
Total	**1,027,681**	**1,100,200**	**1,198,443**	**1,185,853**	**1,059,002**

In USD ('000)
Source: UN Comtrade

Malaysia's Export of Timber and Timber Products to the United Kingdom

The UK ranked 6th for Malaysia's major exports markets in timber and timber products in 2020. Exports of timber and timber productsto the UK in 2020 registered a decrease of 7% to RM782.6 million from RM843.9 million in 2019 due to COVID-19 pandemic constraints. Major product exported to the UK in 2020 were furniture which totalled RM462.0 million followed by BJC with RM127.7 million and plywood with RM113.7 million from RM501.9 million, RM118.6 million and RM109.6 million in 2019. Although all products reported declining trend, exports of BJC and plywood showed in increasing trends with 8% and 4% increment from 2019. Demand from DIY sector and domestic construction industry contributes to the trend.

Malaysia: Export of Timber and Timber Products to the United Kingdom, 2016-2020

Product	2016	2017	2018	2019	2020
Builders Joinery & Carpentry	180,168,861	158,228,105	135,598,765	118,639,196	127,661,243
Plywood	168,705,126	156,057,806	166,110,892	109,603,686	113,719,000
Sawntimber	56,920,180	65,445,854	50,086,201	51,473,625	34,369,515
Mouldings	36,659,443	37,328,994	34,472,048	34,374,817	26,189,757
Rattan Furniture	2,839,473	7,501,384	14,824,368	11,674,759	8,218,133
Fibreboard	9,850,695	11,258,048	6,575,093	5,494,641	4,631,700
Wooden Frame	1,314,180	1,390,063	1,524,996	1,853,477	764,273
Chipboard/Particleboard	-	-	-	193,747	-
Veneer	-	203,054	348,727	819,992	-
Wooden Furniture	427,855,905	426,522,976	384,165,330	501,853,894	462,021,452
Others Product	11,870,554	11,381,730	10,061,617	7,956,130	5,050,930
Total	**896,184,417**	**875,318,014**	**803,768,037**	**843,937,964**	**782,626,003**

(Value: RM)
Source: MTIB & DOSM

Malaysia's Import of Timber and Timber Products from the UK

In 2020, imports from the UK into Malaysia registered a decrease of 66% to RM76 million from RM22.4 million in 2019. Major products imported in 2020 were sawntimber with a total value of RM4.8 million followed by chipboard/particleboard at RM1.7 million, veneer at RM302 thousand and plywood at RM14 thousand. In 2019 before the COVID-10 pandemic, significant imports of sawntimber were recorded at RM17.1 million, while particleboard and wooden furniture were recorded at RM2.0 million and RM1.7 million respectively.

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

Product	2016	2017	2018	2019	2020
Builders Joinery & Carpentry	41,849	28,007	708,950	8,459	-
Chipboard/Particleboard	1,640,539	2,495,971	2,447,638	2,010,531	1,683,633
Fibreboard	-	-	16,277	423,141	-
Mouldings	19,450	-	-	-	-
Plywood	15,161	13,849	-	18,461	14,720
Rattan Furniture	35,365	24,437	-	12,506	-
Sawntimber	56,494	608,622	3,185,237	17,124,777	4,788,656
Veneer	820,416	677,680	258,903	644,083	302,156
Wooden Frame	11,247	25,295	6,778	27,102	-
Wooden Furniture	3,256,657	2,480,643	1,927,652	1,723,933	-
Others product	362,157	595,41	730,416	377,487	822,082
Total	**6,259,335**	**6,949,935**	**9,281,851**	**22,370,480**	**7,611,247**

(Value: RM)
Source: MTIB & DOSM

Import Tariffs

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

HS Code	Product	EU CET (%)	UKGT(%)
4403110000 - 4403990000	Logs	0	0
4407111000 - 4407999000	Sawntimber	0 - 0.25	0

4408101500 - 4408909500	Veneer	0 - 0.06	0
4409101100 - 4409299900	Mouldings	0	6
4410111000 - 4410900000	Particle board	0.07	6
4411121000 - 4411949000	Medium density fibreboard	0.07	6
4412100000 - 4412998590	Plywood	0.1 - 0.07	10
4414001000 - 4414009000	Wooden frames	0 - 0.3	2
4418101000 - 4418999000	BJC	0 - 0.3	0
9403105100 - 9403909090	Wooden Furniture & Parts	0 - 0.056	0

Source: https://www.gov.uk/guidance/uk-tariffs-from-1-january-2021

Prospects

The nature of the UK's separation deal with the European Union will clearly have an important bearing on its trade with the rest of the EU, but nothing dramatic is set to change in the short term. The British government has repeatedly delayed implementing many controls on EU imports required under international rules as a result of Brexit. January 1, 2021 brings new customs formalities including some checks on products entering Britain from the EU. Other requirements will follow in stages during the year.

While the EU immediately implemented border controls last January after the Brexit transition period expired, the British government had already announced that its controls would be phased in due to the COVID-19 pandemic. The delays helped EU agri-food exports to the UK remain broadly the same in the first eight months of 2021-according to the latest EU statistics-whereas UK exports to the EU plunged by over a quarter.

The EU and the UK will need to have a transitional period for both the UK and the rest of the EU to adjust their administrative systems and laws and also to negotiate any new UK-EU trade deal. Trade arrangements during this transitional period remain to be negotiated. However, even before any formal separation, there could be impacts of the EU referendum decision on trade and foreign direct investment flows. These could arise because firms may start to relocate their activities in anticipation of any formal separation between the UK and the rest of the EU.

The UK is in the process of mapping out its future trade policies. Brexit allows the UK to draft its own rules, including, for instance, on timber trade. With the growing demand for timber and timber products, illegal logging and related trade have become a problem that affects the environment and has social, political, and economic consequences.

As timber traders and wood product manufacturers in the UK are trying to stay afloat in a market already influenced by Covid and Brexit, changing regulations are adding concerns. Following Brexit, UK-based companies are no longer covered by the European Timber Regulation (EUTR), which essentially creates a "free lane" for imports of wood through the EU. Instead, these companies must now ensure that due diligence has been undertaken on all supply chains going through EU countries, while their EU-based customers are asking for similar documentation on products imported into the EU from the United Kingdom.

The Timber and Timber Products Placing on the Market Regulations (UKTR) and the UK FLEGT Regulations commenced in Great Britain in 1 January 2021 but the requirements remain the same as under EUTR. Based on the positive outlook and opportunities, Malaysia manufacturers need to ensure high-quality execution of the requirements of the Regulations, including the implementation and monitoring of the Due Diligence System. Malaysian timber exporters need to enhance their presence in the market and continue to improve networking with the UK's timber importers through promotional activities. MTIB

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OCTOBER 2021

LOGS

Logging activity in October was seen to remain unchanged with most mills reporting that timber trade prices for some species of heavy hardwood, medium hardwood and light hardwood recorded a slight decline in prices compared to the previous month.

Log prices for the species of Chengal and Balau continued to be traded at RM5,040 per ton and RM3,150 per ton. Meanwhile, the prices Red Balau and Merbau fell by 0.9% and 6.1% at RM2,250 per ton and RM3,100 per ton respectively. Similarly, the prices for Kapur and Mengkulang fell by 11.6% and 7.1% respectively at RM1,680 per ton and RM1,300 per ton compared to the previous month. On the other hand, the prices for Dark Red Meranti and Red Meranti rose by 4.7% and 6.3% respectively and were valued at RM2,230 per ton and RM2,020 per ton. Meanwhile, log prices for Mixed Heavy Hardwood and Mixed Light Hardwood remained stable at RM1,250 per ton and RM1,150 per ton for this month.

MEDIUM DENSITY FIBREBOARD (MDF)

The domestic supply of MDF also remained stable as prices continued to chart at last month's level. Therefore, MDF with thicknesses of 4mm, 6mm, 9mm and 12mm were still traded at RM12.90, RM16.65, RM22.50 and RM29.60 per piece respectively, as in the previous month.

SAWN TIMBER

The decline in log prices for certain species as reported did not significantly affect the average price of sawn timber for those species. The average price of sawn timber in the domestic market was seen to remain stable with only a few categories of sawn timber products experiencing price declines.

The sawn timber prices of Chengal fell by 2.9% at RM7,062 per m³ whilst Balau remained at RM3,390 per m³. The prices for Keruing and Kempas also stood at RM2,366 per m³ and RM2,790 per m³ respectively. On the other hand, the prices of Dark Red Meranti and Red Meranti were recorded at RM2,189 per m³ and RM1,977 per m³. The sawn timber prices of Mixed Heavy Hardwood and Mixed Light Hardwood rose by 2.7% and 5.1% at RM1,160 per m³ and RM1,054 per m³ for this month.

PLYWOOD

Demand for plywood during the month under review remained strong while its market price remained at the same price level as the previous month. Prices of plywood of 4mm, 6mm, 9mm and 12mm thicknesses were reported unchanged and they continued to be traded at RM14.85, RM22.30, RM38.50 and RM48.70 a piece respectively.

INTRA-MALAYSIA TRADE * - OCTOBER 2021

The shipments of logs from Sabah to Peninsular Malaysia for the month under review increased sharply in volume from 1,008 m³ to 4116 m³ worth at RM1.4 million. Similarly, trade of sawn timber increased significantly by 270% in volume from 53 m³ to 196 m³ valued at RM517,000. Trade of plywood also showed an increase in volume from 915 m³ to 3,833 m³ worth RM8.8 million whilst shipments of veneer experienced a drop in volume from 235 m³ to 147 m³ amounting to RM378,000.

Trade of sawn timber from Sarawak to Peninsular Malaysia fell in volume from 304 m³ to 24 m³ valued at RM22,000. Meanwhile, shipments of plywood recorded a rise of 60% in volume from 722 m³ to 1,154 m³ totalled at RM1.2 million.

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

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

	LOGS/ton	SAWNTIMBER/m³		
SPECIES	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	5,040	7,062	5,650	8,475
Balau	3,150	3,390	3,178	3,814
Red Balau	2,250	2,966	2,613	3,390
Merbau	3,100	4,590	4,237	4,626
Mixed Heavy Hardwood	1,250	1,160	1,059	1,201
MEDIUM HARDWOOD				
Keruing	1,800	2,366	1,271	2,203
Kempas	1,710	2,790	2,225	2,595
Kapur	1,680	1,746	1,412	1,871
Mengkulang	1,300	2,119	1,695	2,260
Tualang	1,400	2,542	2,401	2,825
LIGHT HARDWOOD				
Dark Red Meranti	2,230	2,189	1,683	2,542
Red Meranti	2,020	1,977	1,448	2,260
Yellow Meranti	1,250	1,589	1,236	1,695
White Meranti	1,500	2,472	1,321	2,260
Mersawa	1,730	2,013	1,624	2,048
Nyatoh	1,425	1,713	1,476	1,730
Sepetir	1,450	1,695	1,095	1,660
Jelutong	1,100	1,815	1,342	1,836
Mixed Light Hardwood	1,150	1,054	953	1,095

	LOGS/ton	SAWNTIMBER/m³			
MALAYSIAN RUBBERWOOD *Hevea brasilienses*	215	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		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- OCT 2021

	Oct-21		Oct-21		% change in volume	% change in value
	Vol(m3)	Val(' 000 RM)	Vol(m³)	Val(' 000 RM)	Sep/Oct	Sep/Oct
Sabah						
Logs	1,008	384	4,116	1,390	308	262
Sawn Timber	53	87	196	517	270	494
Plywood	915	1,912	3,833	8,827	319	362
Veneer	235	518	147	378	-37	-27
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	304	387	24	22	-92	-94
Plywood	722	733	1,154	1,220	60	66
Veneer	0	0	0	0	0	0

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

SURIAN

Introduction

Surian is the timber belonging to the genus *Cedrela* of the family Meliaceae. The Standard Malaysian Name, which is of Sabah origin, of the timber is Limpaga. In Peninsular Malaysia, twospecies are recognised, Surian Bawang (*C. seratta)* and Surian Wangi *(C.sureni)(Desch, 1954).* These two species are often known as Toona serrata and T.sureni (Wong,1980). Other vernacular names used are Ranggau (Sabah) and Tangisan burung (P.M). The common equivalent names in other Asean member countries are Surian (Indonesia) and Yom-Hom (Thailand). Both species, *C. serrata* and *C.sureni,* occur in hill forests between 600m (2000 ft) and 1370m (4500 ft) altitude, but C.sureni has been found at altitudes as low as 240m (800 ft) (Desch, 1954). *C.serrata* is common in Pahang, Perak and Selangor while *C. sureni* in found in the state of Kedah, Kelantan, Langkawi Island, Negeri Sembilan, Perak, Pahang, Perlis and,Selangor. The trees of *C. serrata* are generally tall and large. Specimens grow up to 4.6m (15 ft) in girth and well above 30m (100 ft) in height. The crown of Surian trees is arge and deciduous. Bole is a longitudinally fissured type with small or no buttresses. The bark is light or dark chocolate in colour.

General Characteristics

Surian is a soft and light timber with air-dry density ranging from 270 to 530 kg/m^3 (17-33 lbs/ft3). The sapwood is grey-white or pink and is sharply differentiated from the heartwood. The heartwood is light red or red-brown when freshly cut, becoming russet-brown to quite dark-brown on prolonged exposure, with an aromatic smell. The grain is wavy or interlocked and texture is moderately coarse and uneven due to the ring-porous nature of the wood. The timber with wavy grain is highly lustrous and ornamental when polished.

Wood Anatomy

Growth rings are distinct to the naked eye due to their ring-porous structure. The vessels of the pore-ring are moderately large and the remainders are medium-sized. They are solitary and in radial groups of 2 to 3 and are open or filled with dark-coloured, gum-like deposits. Wood parenchyma is rather scarce and in terminal layers just visible to the naked eye, and vasicentric parenchyma forming narrow sheaths to the vessels is visible only with a lens. Rays are moderately fine to medium-sized and distinct to the naked eye on end and tangential surfaces but not conspicuous on the radial surface. Ripple marks are absent. Intercellular canals of the traumatic type are present occasionally.

Sawing And Woodworking

The sawing and woodworking properties of Surian were assessed in FRIM, Kepong. The results are summarised in Table 1.

Table 1. Sawing and Woodworking Properties of Surian

Test condition	Sawing		Planing		Boring		Turning	
	Resawing	Cross cutting	Ease of planing	Quality of finish	Ease of boring	Quality of finish	Ease of turning	Quality of finish
Green	Easy	Easy	Easy	Smooth	Easy	Moderately smooth	Easy	Smooth
Airdry	Easy	Easy	Easy	Smooth	Easy	Moderately smooth	Easy	Smooth

Its resistance to splitting when nailed is rated as excellent.

Seasoning

The air seasoning results of Surian based on the standard test methods conducted by the FRIM, Kepong are summarised in Table 2. The timber seasons fairly rapidly, without any degrade, except for some slight warping.

Table 2. Air Seasoning Characteristics of Surian

Species	Airdry Moisture Content (%)	Shrinkage (%) Green to air-dry		Time to air-dry (months)
		Radial	Tangential	25 mm board
C. sureni	18	1.1	2.7	3.5

Kiln Drying

Surian timber can be kiln-dried easily without any degrade. 25 mm boards kiln dry from 50% to 10% moisture-content in 6 days using schedule J (Table 3).

Table 3. Kiln Schudule J

Moisture content (%)	Temperature (Dry Bulb)		Temperature (Dry Bulb)		Relative Humidity (%) (approx.)
	°F	°C	°F	°C	
Green	135	57	123	50.5	70
50	135	57	119	48	60
40	140	60	118	47.5	50
30	150	65.5	121	49	40
20	170	76.5	127	53	30

Source : Grewal (1979)

Mechanical Properties

Standard mechanicl tests were conducted on small clear specimens of both green and air-dry materials. The result are tabulated in Table 4. Based on the bending and compressive strength parallel to the grain, Surian is classified under Strength group D. the basic and grade stresses were calculated and presented in Table 5.

Table 4. Strength Properties of Surian

Species	Test condition	Modulus of elasticity (MPa)	Modulus of ruptur (MPa)	Compression parallel to grain (MPa)	Compression perpendicular to grain (MPa)	Shearing strength (MPa)
C. sureni	Green	6610	29.1	14.7	1.70	4.5
	Airdry	7120	41.6	21.5	2.10	5.6

Table 5. Basic and Grade Stresses of Surian

Grade	Test condition	Modulus of elasticity		Modulus of rupture (MPa)	Compression parallel to grain (MPa)	Compression perpendicular to grain (MPa)	Shearing strength (MPa)
		Mean (MPa)	Minimum (MPa)				
Basic	Green	6610	5740	7.11	4.80	0.38	0.98
	Airdry	7120	6050	10.35	8.90	1.11	2.18
Select	Green	6610	5740	5.69	3.84	0.30	0.78
	Airdry	7120	6050	8.28	7.12	0.89	1.74
Standard	Green	6610	5740	4.48	3.02	0.24	0.62
	Airdry	7120	6050	6.52	5.61	0.70	1.37
common	Green	6610	5740	3.56	2.40	0.19	0.49
	Airdry	7120	6050	5.18	4.45	0.56	1.09

Durability

Surian is a non-durable timber and susceptible to powder-post beetle attacks. Based on reports by Desch (1954), two sticks each of C. serrata and C. sureni buried in a test ground at Tanah Rata, Cameron Highland. Those of C. sureni were destroyed by fungi after 21 months. The C. serrata material was also attacked within 21 months; though badly attacked it was still in existence after 61/2 years.

Uses

The timber of Surian is the local equivalent to one of the most famous timbers of the world variously known as the Red Cedar of Australia or the Spanish Cedar or the Cigar-box Cedar or the Toon of India. The timber is highly prized as a high class cabinet wood. It is suitable for interior finishing, decorative panelling, furniture manufacturing, fancy articles, cigar boxes, veneers, plywood, packing cases and other decorative purposes.

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Work visit by YB Datuk Hajah Zuraida Kamaruddin, Minister of Plantation Industries and Commodities to Kilang Honsoar Jaycorp Cabinetry Sdn. Bhd. Batu Pahat, Johor, 13 November 2021

Courtesy visit by representatives of the Selangor & Kuala Lumpur Wood Industries Association to MTIB at Menara PGRM, 5 November 2021

Work visit by YBrs. Tuan Haji Mahpar Atan, Director General MTIB and YBrs. Tuan Haji Kamaruzaman Othman, Deputy Director General (Management and Operation) to several timber companies in the northern region, 7 - 8 November 2021