ISSN 0126 - 771X

MASKAYU

MALAYSIAN TIMBER INDUSTRY BOARD

MTIB

Volume 3 | MARCH 2023

WOOD & LIFESTYLE FAIR

- MALAYSIAN INTERNATIONAL FURNITURE FAIR 2023
- SUCCESSFUL JOURNEY OF THE TIMBER INDUSTRY IN MALAYSIA AND ITS FURTHER GROWTH POTENTIAL

1973-2023

TEGUH SEIRING USIA

ISSN 0126-771X
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Content

Highlight

Regular Features

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Wood & Lifestyle Fair (WLF) (*MTIB 50 Tahun Teguh Seiring Usia*)

In conjunction with MTIB's 50th Golden Jubilee Celebration, MTIB together with the Malaysian Bumiputra Timber and Furniture Entrepreneurs Association (PEKA) and the Bumiputera Laser-Cut Entrepreneur Network (JULB) organised the Wood & Lifestyle Fair (WLF) (MTIB 50 Tahun Teguh Seiring Usia). The fair was held at the Malaysia Grand Bazaar in Kuala Lumpur March 9 until 12, 2023.

The objectives of the three-day fair were to promote Bumiputera entrepreneur products and to explore new potential markets. The products range displayed were from wooden furniture, cabinetry to wooden crafts items. Another objective of the Wood & Lifestyle Fair was to enhance young people's awareness on the technology used in the production of carved products.

WLF was officiated by YAB Dato' Sri Haji Fadillah bin Haji Yusof, Deputy Prime Minister and Minister of Plantation and Commodities. In his speech, he highlighted that exports of timber and timber products in 2021 was RM22.7 billion, increased by 11.0% in 2022 valued at RM25.2 billion. The three main products which contributed to the increment of exports value were furniture, plywood and sawntimber. Furniture itself recorded an increase of RM10.4 billion. He added that Malaysia is among the top 10 furniture exporters in the world and has exported the products to more than 160 countries.

YAB Dato' Sri Haji Fadillah also stressed that Bumiputera participation in the timber industry still needs to grow, of which 66% are mainly in micro category. Thus the Ministry of Plantation Industries and Commodities (MPIC) under the National Agricommodity Policy (DAKN) (2021- 2030) has outlined a plan to increase Bumiputera participation in the timber sector from 370 companies (2020) to 600 companies by 2030 (71% in the midstream and downstream segments).

YAB Dato' Sri Haji Fadillah highlighted that for that purpose, several programmes have been implemented since the 10th Malaysia Plan to empower Bumiputera participation in the industry. The programmes included Program Peningkatan Kapasiti Pengeluaran di Kilang Kerja Kayu SME Bumiputera and Program Sokongan Bahan Mentah.

The Minister also added that the wood carving industry is also one of the industries that has enormous potential and can generate a significant profit. Hence, the National Timber Strategic Plan (NTISP) has been formulated with the cooperation of various parties in order to achieve greater goals towards the development of the country's carving industry. One of the steps implemented by MTIB in helping the carving industry is technology transition using high-technology machines such as the Digitalization Technology Application Programme in Wood Product Design Development. Through this programme, the carvers are able to meet market needs by producing the finished products in a shorter period of time as compared to when just using basic equipment and produce the carved products in a mass production.

Various activities were carried throughout the exhibitions such as a carving demonstration and briefing sessions by Key Opinion Leaders (KOL) in the timber industry and DIY sessions. 17 Bumiputera companies exhibitors participated in this WLF - Zonara Cabinet Industry (M) Sdn Bhd, Paharudin Industries Sdn Bhd, Impressive Transforms Sdn Bhd, One-Tech (M) Sdn Bhd, Aspirasi MZ Enterprise, HAL Fintect Advisor, Rina Craft, KWM Craft, Tihara Lifestyle Sdn Bhd, Cengal Timber Craft Sdn Bhd, Seni Ukir Bakawali, Al-Hilmi Agarwood Sdn Bhd and Biobenua Teknoloji Sdn Bhd. Program Pendigitalan Produk Ukiran (MTIB), Persatuan Pengusaha Kayu Kayan dan Perabot Bumiputera Malaysia (PEKA) and CTCS Worldwide Sdn Bhd were also present at the event.

MALAYSIAN INTERNATIONAL FURNITURE FAIR 2023

The 2023 Malaysian International Furniture Fair (MIFF) was held on 1 - 4 March at World Trade Centre Kuala Lumpur (WTCKL) and Malaysia International Trade & Exhibition Centre (MITEC). MIFF is the largest leading export-oriented furniture trade show in Southeast Asia showcasing the widest collection of Made-in-Malaysia wooden furniture, home furniture and office furniture. Since 1995, MIFF has been a one-stop platform connecting a global community of more than 20,000 buyers.

The opening ceremony was officiated by YAB Dato' Sri Haji Fadillah Bin Haji Yusof, Deputy Prime Minister (DPM) cum Plantation and Commodities Minister. In his speech, YAB Dato' Sri Haji Fadillah said the furniture industry has demonstrated a reputation for quality and strength, enabling it to become a global exporter to more than 160 countries worldwide. This industry is highly export driven, recording an export value of RM11.5 billion in 2022. While many industries have been affected by the COVID-19 pandemic, Malaysian furniture exporters managed to do fairly well with exports of RM10.64 billion in 2020 and RM10.42 billion in 2021.

Opening Ceremony by YAB Dato' Sri Haji Fadillah Bin Haji Yusof, Deputy Prime Minister (DPM) and Plantation and Commodities Minister

YAB Dato' Sri Haji Fadillah added timber is one of the eight commodities identified under the National Agricommodity Policy 2030 (DAKN 2023) to be transformed into a more sustainable, competitive and market-oriented commodity to ensure it remains a strong contributor to Malaysia's economic growth, as we target the export value of timber and timber products to hit RM28 billion by 2025 and RM32.8 billion by 2030.

"In order to achieve this, I believe there should be a continuous synergy between the furniture industry and the ministry as well as its agencies the Malaysian Timber Industry Board (MTIB); and councils – the Malaysian Timber Council (MTC) and the Malaysian Timber Certification Council (MTCC). As a major producer and exporter of tropical timber products, Malaysia has made tremendous efforts to ensure our timber products are sourced from sustainably managed forests," he said.

MTIB's participation in MIFF 2023 was mainly to promote Malaysian furniture products that have the potential to expand their export markets as well as to promote MTIB services. Puncak Bumi Utama Sdn Bhd and Excelfurn Sdn Bhd were among the entrepreneurs who participated under MTIB.

TDC goals to stimulate a change from the existing level of Original Equipment Manufacturer (OEM) towards the practice of Original Design Manufacturer (ODM) and to finally achieve the status of Own Brand Manufacturing (OBM). MTIB believes that by focusing on furniture design development, local designers would be capable of attaining world-class reputation and will facilitate the growth of the Malaysian furniture industry. In MIFF 2023 there were four (4) design studios has been involved with the theme of 'Design and Lifestyle' includes showcase an interactive experience that enhances the real world with computer-generated perceptual information described

MTIB Info Booth

Exhibitors Booth

TANGGAM Booth

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February 2023

The total export of Malaysian timber and timber products in February 2023 increased by 7% in value totalled at RM1.6 billion from RM1.5 billion in the previous month. However, cumulative exports for the period of February 2023 decreased by 25% valued at RM3.1 billion over RM4.1 billion in the previous corresponding period. The Malaysian timber industry still has a few obstacles to overcome, mainly with the requirements in the certification of the European Union Deforestation Regulation (EUDR) that may limit the exporting of timber products into multiple markets. The regulation has called for all relevant companies to abide by mandatory due diligence rules if they place their products on the EU market. Companies are also required to prove that their products are deforestation-free and present precise geographical information on where the commodities were sourced. Therefore, the Malaysian government, stakeholders and timber players will need to work together to overcome these certification barriers. At this juncture, Malaysia has complied with all the standards and requirements regarding the environment and sustainability.

Sawntimber

The total export of sawntimber in February 2023 increased by 10% in volume and 16% in value to 69,332 m³ totalling at RM162.0 million as compared to the previous month. However, cumulative exports for the period of February 2023 decreased by 25% in volume and 22% in value to 130,535 m³ totalling at RM301.4 million over the previous corresponding period.

Exports to the EU for the month were recorded at 5,181 m³, an increase of 23% as compared to the previous month. The Netherlands as the main buyer increased buying by 36% to 2,493 m³ from 1,840 m³ in the previous month. Meanwhile, imports from Belgium decreased by 12% to 597 m³ from 679 m³ whilst France increased buying by 167% to 660 m³ from 247 m³ as recorded in the previous month. In another European country, exports to the UK decreased by 82% to 741 m³ from 4,221 m³ in the previous month.

Total export to the South Asia region increased by 17% to 9,181 m³ from 7,879 m³ recorded in the previous month. India as the main buyer from South Asia increased buying by 17% to 6,362 m³ followed by Maldives with an increase of 2% to 1,371 m³ while Sri Lanka increased purchases by 38% to 1,121 m³ for the month.
Moving to the West Asia region, total export to the region recorded an increase by 19% to 14,087 m³ from 11,843 m³ in the previous month. The UAE as the largest buyer in the region showed a decrease of 12% to 2,627 m3 from 2,968 m³ in the previous month followed by Saudi Arabia with a decrease of 26% to 1,511 m³. However, exports to Yemen increased significantly to 6,398 m³ from only 1,280 m³ in the previous month.

Elsewhere, shipments to East Asia also increased by 45% to 17,058 m³ from 11,773 m³ in January 2023. China as the main buyer increased purchases by 64% to 8,958 m³ from 5,457 m³ in the previous month followed by Taiwan with an increase of 146% to 3,805 m³. Meanwhile, exports to Japan decreased by 16% to 2,958 m³ compared from 3,499 m³ the previous month.
Meanwhile, buying from ASEAN decreased by 15% to 18,440 m³ from 21,784 m³ as registered in the previous month. Thailand as the main buyer in ASEAN increased buying by 35% to 8,630 m³ from 6,399 m³ as recorded in the previous month. Similarly, exports of sawntimber to the Philippines also decreased by 65% to 3,688 m³ whilst exports to Singapore grew by 17% to 5,136 m³ from 4,377 m³ in the previous month.

Moving to the Africa region, exports increased by 60% to 1,689 m³ from 1,058 m³ in the previous month. Demand from South Africa also increased by 123% to 1,689 m³ from 757 m³ recorded last month. Meanwhile, Mauritius and Algeria didn't make any purchase for the month.
Exports to North America increased by 7% to 1,821 m³ from 1,710 m³ in the previous month. The USA as a major buyer from North America also increased its intake by 14% to 1,751 m³ from 1,533 m³ whilst Canada decreased it's intake by 60% to 70 m³ from 176 m³. In the Oceania/Pacific region, exports to Australia also decreased by 21% to 802 m³ from 1,018 m³ in the previous month.

The average FOB price of sawntimber increased by 5% to 2,336 per m³ from 2,216 per m³ the previous month. Meanwhile, the price of Dark Red Meranti to the Netherlands decreased by 4% to 3,860 per m³ from 4,021 per m³ previously. Keruing was traded at 2,213 per m³, a decrease of 38% from 3,594 per m³ in the previous month.

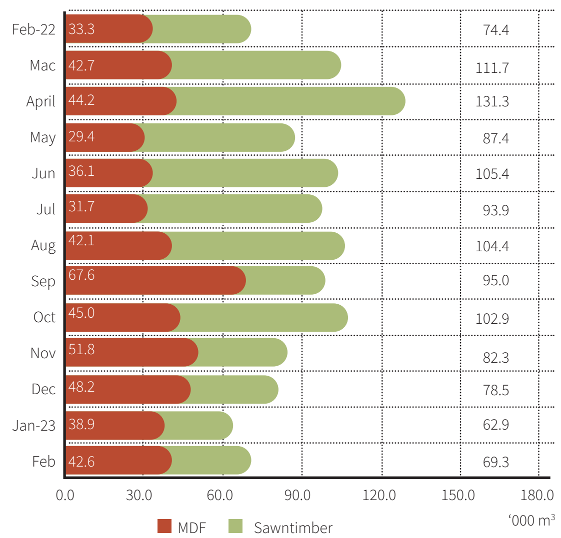
In February 2023, the seasonally adjusted volume of production in the construction sector of EU member states increased by 2% compared to January 2023, and by 2.1% compared to the same month of 2022. SteelOrbis reports about it with the reference to the Eurostat data. In the Eurozone, the seasonally adjusted volume of production in the construction sector increased by 2.3% in February, both monthly and annually.

Civil construction in the European Union increased by 1.9% in the month compared to January, and by 2% year-on-year. Production in the civil construction sector increased by 2.9% both monthly and annually. In the Eurozone, civil construction increased by 2.1% m/m in February and by 2.6% y/y. Production in the civil sector of the region increased by 3.6% m/m over the month and by 2.6% year-on-year.

Compared to February 2022, in February 2023, construction volumes increased by 17.5% in Slovenia, by 17% in Austria and by 10.4% in Romania. However it decreased by 11.8% in Hungary, by 4.3% in the Czech Republic, and by 3.3% in Finland. The European Steel Association EUROFER expects moderate growth volumes of construction in the EU during 2023. In 2022, the association expects the indicator to drop by 4.4% year-on-year.

Malaysia: Export of Sawntimber and MDF

Feb 2022 - Feb 2023 (RM million)



Medium Density Fiberboard (MDF)

The export of MDF in February 2023 recorded a 10% increase in volume at 42,561 m³ and 5% in value at RM75.0 million compared to the previous month. Cumulative exports for the period of February 2023 also increased in volume at 5% to 81,520 m³ and in value by 7% totalling at RM146.5 million as compared to the corresponding period in 2022.

Exports to ASEAN increased by 43% from 4,229 m³ to 6,044 m³ in the previous month. The Philippines and Indonesia added up the imports by 9% and 57% to 3,153 m³ and 1,045 m³ respectively. Meanwhile, Thailand recorded a fall in MDF import by 52% to 164 m³ from 338 m³.

Elsewhere, East Asia also has increased the MDF purchase by 20% from 13,220 m³ to 15,915 m³ in the previous month. Japan improved sales by 23% to 15,084 m³. However, Taiwan and South Korea decreased their buying by 27% and 52% to 472 m³ and 127 m³ respectively. Moving to the South Asia market, exports decreased by 12% to 5,721 m³ from 6,486 m³. Export performance to Pakistan and Sri Lanka declined by 59% to 1,208 m³ and 92% to 21 m³ each. However, shipping to India grew by 35% to 4,411 m³.

Export to the West Asia region also recorded a decrease by 7% from 11,483 m³ to 10,675 m³ compared to the previous month. The UAE and Oman reduced their sales performance by 12% and 73% to 7,127 m³ and 222 m³ each. Kuwait resumed its purchase to 904 m³.
In the United Kingdom, exports decreased by 62% to 41 m³. Export to Oceania and Pacific increased by 29% to 2,285 m³. Australia increased imports by 30% to 2,203 m³ from 1,696 m³. However, export to New Zealand decreased by 1% to 82 m³. Guatemala purchased 245 m³.

Meanwhile in North America, MDF import increased by 40% from 1,135 m³ to 1,594 m³. The USA, Canada and Mexico increased their purchases by 40%, 3% and 208% to 1,135 m³, 271 m³ and 188 m³ respectively.

The Africa region showed a decrease of MDF imports by 90% from 427 m³ to 41 m³. South Africa reduced import by 61% to 41 m³ while Sudan and Egypt didn't make any purchase for this month.

The FOB price of MDF decreased by 4% to RM1,763 per m³ from RM1,837 per m³ in the previous month.

The East Asia MDF market is expected to provide maximum opportunity to its manufacturers supported by the availability of strong supply chain networks of MDF manufacturers in this region. Activities such as interior paneling and flooring for enhancing appeal of households are looking for environmental friendly options, thereby propelling the growth of East Asia MDF market with CAGR of 8.3% during the forecast period of 2022-2032. Considering the above analysis, East Asia MDF market is forecast to surpass USD19.5 billion in 2032 with around 71.7% share generated through China's MDF market during the same year.

Veneer

The export of veneer for February 2023 increased in volume by 125% to 4,241 m³ and 81% in value worth RM6.8 million as compared to the previous month. The cumulative exports for February 2023 showed a

decrease in volume by 6% to 6,122 m³ and 17% in value to RM10.6 million over the previous corresponding period.

ASEAN increased veneer import by 77% from 481 m³ to 853 m³. The Philippines and Singapore increased sales by 76% and 467% to 837 m³ and 17 m³ each. In East Asia, exports improved by 151% from 1,264 m³ to 3,171 m³. South Korea and Taiwan recorded an increase of 28% and 3022% to 817 m³ and 1,530 m³ respectively. However, Japan reduced purchases by 6% to 281 m³. Meanwhile in South Asia, exports to Bangladesh declined by 67% to 26 m³.

Moving to North America, veneer purchase dropped by 49% from 57 m³ to 29 m³ with the purchase from Canada. On the other hand, Australia and South Africa purchased 85 m³ and 75 m³ each.

The average FOB price for veneer decreased by 20% from RM1,996 per m³ to RM1,604 per m³ as compared to the previous month.

The wood flooring market was valued at USD36 billion in 2022 and it is expected to reach USD55 billion by 2029, exhibiting a CAGR of 6.2% during the forecast period (2023-2029). To meet the rising demand, many major international companies are making significant investments in the wood flooring activities and establishing new warehouses. By using a reduced price approach, cutting expenses and offering new value propositions to the customers, the established players in the wood flooring industry are anticipated to exert pressure on new emerging businesses. The demand for wood for flooring is also rising in developing economies due to rapid urbanization, the spread of flooring materials and economic development.

Plywood

Export of plywood in February 2023 recorded an increase of 2% in volume at 71,526 m³ and 8% in value at RM180.75 million as compared to the previous month. However, cumulative exports for the period of February 2023 decreased by 38% in volume and 36% in value to 138,622 m³ totalling at RM347.82 million over the previous corresponding period. The EU region recorded an increase of plywood export by 235% from 87 m³ to 291 m³. Italy also increased buying by 105% to 178 m³, followed by UK with an increase of 10% to 4,530 m³. Meanwhile, Turkey increased purchase to 332 m³.

Moving to the East Asia market, import volume rose by 37% to 50,142 m³ from 36,693 m³. Japan as the largest importer increased buying by 23% to 37,670 m³ from 30,526 m³. South Korea and Taiwan also improved sales by 9% and 44% to 5,309 m³ and 5,727 m³ respectively. In the ASEAN region, imports increased by 11% from 3,068 m³ to 3,398 m³. Plywood export to Singapore and Thailand grew by 26% and 9% to 1,005 m³ and 1,786 m³ each. However, the Philippines reduced their plywood intake by 35% to 312 m³. In the South Asia region, plywood purchase dropped by 15% from 1,302 m³ to 1,114 m³. India and Maldives dropped imports by 4% and 76% to 1,070 m³ and 44 m³ respectively.

The West Asia region recorded a decrease of 70% to 4,340 m³ from 14,348 m³ in the previous month. Yemen and the UAE reduced their import performance by 83% and 74% to 1,998 m³ and 465 m³ each. However, Oman added up the plywood purchase by 784% to 760 m³.

In the Africa region, there was an increase of 37% from 123 m³ to 169 m³ as compared to the previous month. South Africa decreased their buying volume by 30% to 86 m³. Likewise, North America also decreased import by 20% from 6,030 m³ to 4,822 m³. The USA as the main buyer reduced their purchases by 35% to 3,234 m³. However, Mexico and Canada increased their buying by 38% and 347% to 1,418 m³ and 170 m³ each. For the Oceania/Pacific region, plywood export to the region increased by 57% to 2,388 m³ from 1,517 m³. Australia increased buying by 60% to 2,358 m³ from 1,475 m³ in the previous month.

The FOB price of plywood for February 2023 was at RM2,527 per m³, an increase of 6% from RM2,377 per m³ from the previous month.

After uncertainty following the COVID-19 pandemic, construction in Asia is entering a period of significant growth. Globally, the industry is expected to grow by USD4.5 trillion to USD15 trillion between 2020 and 2030. A huge portion of this growth will take place in Asia; up to USD7.4 trillion of the 2030 figure. As building activity increases for both residential and commercial uses, so does consumer preference for well-designed walls, ceilings and floors in homes. Global demand for plywood has increased as a result of strong population growth, rising disposable income and growing preference for branded plywood. In addition, increased use of plywood for car flooring is anticipated to fuel the market's expansion globally. The plastic sector however is pushing back against the plywood business and other materials like metals are becoming more popular.

Mouldings

Exports of mouldings for the month increased by 14% in volume and 5% in value to 17,947 m³ worth RM72.8 million. However, cumulative exports for the period of February 2023 increased by 13% in volume and 4% in value to 33,528 m³ worth RM142.2 million as compared to the previous corresponding period in 2022.

Exports to the EU for the month were recorded at 7,754 m³, increased by 18% as compared to the previous month. The Netherlands increased its purchases by 48% to 5,745 m³ while Germany and France decreased purchases by 65% and 38% to 174 m³ and 876 m³ respectively. Meanwhile, the UK also recorded an increase of 25% to 471 m³ compared to the previous month.

In Asia, Viet Nam and Singapore increased their purchases by 738% and 4% to 298 m3 and 1,074 m³ for the month. Japan increased its intake by 16% to 880 m³ while Korea decreased its intake by 44% to 379 m³ from 676 m³ respectively. Meanwhile, Maldives and India increased their intakes by 766% and 79% to 277 m³ and 315 m³ respectively. However, the UAE also increase its intakes by 2600% to 54 m³ for the month.

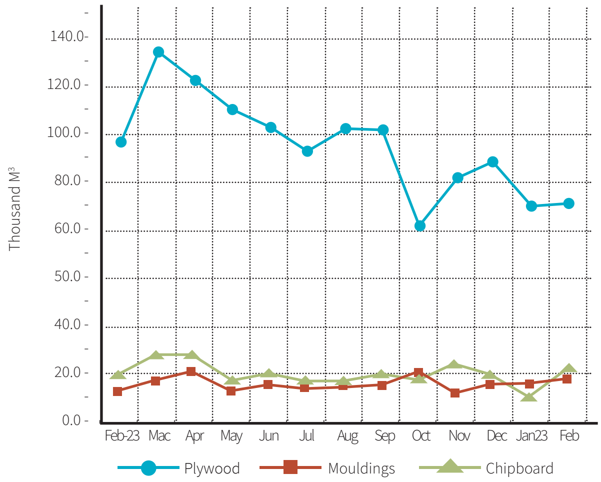
Meanwhile, in the Oceania/Pacific region, exports to Australia increased by 32% to 2,317 m³ while New Zealand purchased 70 m³ for the month. Similarly, in the Americas region, export to Mexico increased by 122% to 400 m³ while the US decreased its intakes by 17% to 2,849 m³ respectively. Meanwhile, Canada purchased 58 m³ for the month.

Elsewhere, in the Africa region, Mauritius and South Africa increased their purchases by 149% and 5% to 309 m³ and 158 m³ respectively.

Average FOB unit value for mouldings decreased marginally to RM4,055 per m³ compared to RM4,404 per m³ in the previous month.

The global construction industry is predicted to reach USD14.41 trillion by 2030 with a CAGR of 7.3% from 2022. The demand for construction is increasing due to huge economic growth in developing countries and low interest rates in developed countries. Also, factors such as increasing private sector investments in construction, technological development, and rising disposable income are expected to propel the growth of the market during the forecast period. Moreover, increased infrastructure and housing spending by governments across the globe is invigorating the market growth. Rapid technological advancements in infrastructure development and growing demand for low-carbon, environmentally friendly buildings are other key factors contributing to the growth of the global construction market.

Malaysia: Export of Plywood, Mouldings and Chipboard
Feb 2022 - Feb 2023



Builders Joinery And Carpentry (BJC)

Export of BJC for February 2023 recorded an increase of 17% in volume and 12% in value to 10,058,099 kg worth RM99.6 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased by 4% to RM188.7 million as compared to RM197.1 million last month.

Exports to the EU increased by 32% to RM44.7 million compared to RM33.9 million in the previous corresponding period. Export to Sweden, Belgium and Germany increased by 88%, 45% and 43% to RM11.7 million, RM10.9 million and RM6.0 million respectively. Meanwhile, export to Norway and Turkey decreased by

84% and 10% to RM1.3 million and RM212,548 while the UK also decreased its intake by 30% to RM17.8 million for the month.

In Asia, exports to Singapore and Thailand recorded an increase of 113% and 20% to RM18.3 million and RM2.2 million while Viet Nam decreased its intake by 84% to RM494,329 respectively. Exports to China and Taiwan decreased by 67% to RM1.0 million and RM492,829 respectively. Nevertheless, export to Pakistan and India, also decreased by 67% and 47% to RM230,877 and RM3.0 million while Maldives increased buying by 506% to RM2.1 million respectively. Meanwhile, the UAE increased purchases by 205% to RM1.0 million for the month.

In the Oceania/Pacific region, Western Samoa, New Zealand and Australia increased their purchases by 275%, 30% and 12% to RM339,493, RM4.0 million and RM38.4 million respectively. In the America region, Mexico increased its purchases by 133% to RM4.7 million while the US and Canada decreased their intakes by 33% and 100% to RM33.8 million and RM124 respectively.
Elsewhere, in the Africa region, South Africa decreased its intake by 35% to RM1.0 million while Libya purchased RM436,721 for the month.

The future of the global construction industry looks good with opportunities in residential, non-residential and infrastructure. The global construction industry is expected to reach an estimated USD10.5 trillion by 2023. The major drivers for the growth of this market are increasing housing starts and rising infrastructure due to increasing urbanization and growing population. Emerging trends which have a direct impact on the dynamics of the construction industry include increasing demand for green construction to reduce carbon footprint, bridge lock-up device systems to enhance the life of structures, building information systems for efficient building management and the use of fiber-reinforced polymer composites for the rehabilitation of aging structures.

Furniture

Exports of wooden furniture for the month of February 2023 decreased by 4% to RM626.0 million, while rattan furniture exports increased by 7% to RM5.0 million from the previous month, January 2023. Export of wooden furniture for the cumulative period of January to February 2023 recorded an export value worth RM1.3 billion, a decrease of 35% from RM2.0 billion in its corresponding period in 2022. Similarly, demand for rattan furniture plummeted by 49% year-on-year to RM9.7 million from RM19.0 million over its corresponding period in 2022.
Export of wooden furniture to ASEAN expanded by 28% worth RM191.6 million from RM150.1 million in its corresponding period in 2022. Singapore was recorded as the highest buyer with RM111.7 million, an increase of 30%. This was followed by the Philippines, with imports increased by 2% to RM33.0 million and Thailand, with a significant increase in purchases of 105% to RM22.5 million.

Moving to the East Asian region, exports were down by 26% to RM104.1 million from RM140.3 million year-on-year 2022. Japan remained the highest buyer with export valued at RM81.5 million despite a decrease in its intake by 21%. This was followed by Taiwan with intake reduced by 57% to RM6.2 million. However, exports to China expanded by 13% to RM9.6 million over its corresponding period in 2021.

Export to West Asia weakened by 21% to RM61.7 million from RM78.2 million in its corresponding period in 2022. Export to the UAE, the largest buyer in the region, decreased by 6% to RM27.3 million. Similarly, exports to Saudi Arabia and Kuwait reduced by 28% to RM24.8 million and by 53% to RM3.4 million, respectively.

Meanwhile, the South Asia region also recorded a decrease of wooden furniture intake by 51% to RM17.7 million for the month. Amongst South Asian countries, India recorded the highest intake with export valued at RM15.9 million despite a decrease in intake of 55%. However, exports to Maldives and Bangladesh improved by 146% to RM1.5 million and 199% to RM257,977 respectively.

Export to the Central Asia region improved by 61% to RM1.0 million with exports to Kazakhstan reduced by 54% worth RM247,317. Meanwhile, Uzbekistan and Armenia resumed its intake at RM261,243 and RM515,706 respectively.

Export to European Union (EU27) recorded a decrease of 38% to RM51.0 million from RM82.7 million over its corresponding period in 2021. Belgium as the highest buyer in the bloc reduced its buying by 14% to RM8.3 million, followed by France with a decrease of 37% to RM5.4 million. Similarly, export to Denmark reduced by 43% to RM3.8 million.

As for other countries in Europe, exports declined by 10% to RM70.0 million. Export to the United Kingdom was down by 13% to RM64.0 million. However, exports to Turkey and Switzerland increased by 814% to RM3.8 million and by 20% to RM1.0 million respectively.

Export to the Oceania/Pacific region reduced by

26% to RM67.4 million from RM90.4 million over its corresponding period in 2022. Australia remained the top buyer in the archipelago region with an export value worth RM62.3 million despite a 21% decrease of intake. Similarly, exports to both New Zealand and Papua New Guinea declined by 53% to RM3.7 million and RM616,735 respectively.

Moving to the Central America region, export of wooden furniture decreased by 32% to RM3.5 million over its corresponding period in 2022. El Salvador recorded the highest intake of wooden furniture for the cumulative period with an increase of sale of 43% to RM1.0 million. Meanwhile, exports to Guatemala and Costa Rica decreased by 35% to RM891,377 and by 43% to RM781,269 respectively.

Meanwhile, export to the North America region dropped by 45% to RM680.1 million with the highest buying from the USA, as Malaysia's largest wooden furniture buyer, being RM639.7 million although there was still a 45% reduction in intake from RM1.2 billion in its corresponding period in 2022. Similarly, exports to Canada and Puerto Rico declined by 44% to RM28.8 million and 62% to RM7.6 million respectively.

Export of wooden furniture to the South America region recorded a decrease of sale by 46% worth RM691.9 million from RM1.3 billion in its corresponding year in 2022. Exports to Chile and Peru decreased by 68% to RM5.7 million and by 15% to RM1.3 million respectively. Yet, export to Colombia rose by 87% to RM764,646 from RM409,617 in its corresponding period in 2022.

Export to the Africa region recorded an increase of 49% to RM18.2 million with South Africa garnering the largest market share with RM3.2 million. It was a decrease of 76% from its corresponding period in 2022. This was followed by Reunion Islands, with a recorded sale of RM1.8 million, decreased by 52%. However, export to Kenya grew by 2% to RM3.6 million for the period January – February 2023.

Rattan furniture shipments for February 2023 recorded an increase of 7% valued at RM5.0 million from RM4.7 million in the previous month. However, export of rattan furniture for the cumulative period of January – February 2023 recorded a decrease of 49% to RM9.7 million from RM19.0 million in the corresponding period in 2022.
Export to ASEAN member countries were recorded at RM730,277, a decrease of 10.2% for the cumulative period of January – February 2023. The highest buyer was the Philippines with recorded sales of RM360,309, an increase of 22%. Similarly, export to Singapore grew by 128% to RM289,438, while export to Thailand were down by 91% to RM33,494.

Likewise, the East Asian region also decreased its shipments by 55% to RM646,120 over RM1.4 million in its corresponding period 2022. China as the largest buyer in the region reduced its intake by 66% to RM282,983. Likewise, exports to Japan and Taiwan also declined by 20% to RM320,832 and by 87% to RM12,262 respectively. India as the largest buyer amongst South Asian countries recorded a reduction in intake by 16% to RM620,487 from RM741,652 in the corresponding period in 2022. Meanwhile, Bangladesh purchased RM2,456 for the cumulative period of January - February 2023.

Export to the West Asia region improved by 281% to RM790,057 from RM207,442 over its corresponding period in 2022. The largest buying nation of rattan furniture in the West Asian countries, the UAE, increased its intake by 45% to RM299,685. Meanwhile, Saudi Arabia and Qatar resumed its buying to RM481,014 and RM4,727 respectively.

Moving to the European Union bloc, export was down by 37% to RM1.3 million with Ireland being the largest buyer amongst the EU27 countries. Export to Ireland reduced by 69% to RM198,283 from RM635,835. Similarly, export to Sweden was down by 67% to RM167,765 from RM509,703 over its corresponding period in 2022. However, demand from France increased by 181% to RM447,694. Moving to other European countries, demand from the group was reduced by 23% to RM1.5 million from RM1.9 million in its corresponding period in 2022. However, intake from the United Kingdom, increased by 45% to RM1.5 million.

Shipments to the Oceania/Pacific archipelago region dropped by 27% to RM1.1 million from RM1.5 million over the same period in 2022. Australia recorded a decline in intake by 25% to RM1.0 million and likewise, export to New Zealand decreased by 27% to RM106,600. Similarly, export to Western Samoa was also down by 84% to RM4,921.

Export to the North America region decreased by 70% to RM2.8 million from RM9.4 million over the same period in 2022. The USA being the largest buyer for rattan furniture recorded a decline in intake by 68% to RM2.7 million, followed by Canada with buying reduced by 85% to RM153,752 million.

The intake of rattan furniture in the Africa region also declined by 82% to RM111,869. Cote d'Ivoire resumed its buying to RM64,535 while exports to South Africa decreased by 66% to RM47,334.

According to ITTO/Fordaq, a draft of EU regulatory measures designed to reduce carbon emissions and other environmental impacts are set to have a significant impact on Europe's furniture sector. The high political priority attached to such measures as the EU Deforestation Regulation (EUDR), the Ecodesign for Sustainable Products Regulation (ESPR), and the EU single use Plastics Directive is due to EU-wide commitment to the European Green Deal. This aims to make the EU's climate, energy, transport and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030 and to achieve zero net emissions by 2050.

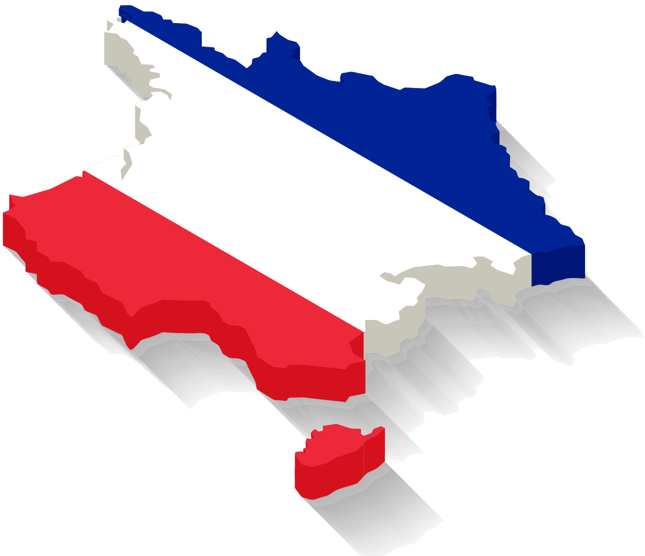
The EUDR was passed by the European Parliament in a vote on 19 April and looks set to have a particularly immediate effect on the trade in wood furniture. The EUDR will likely have a major impact on the supply of some materials to the furniture sector - including wood, textiles, and leather. It will also impact significantly on manufacturers of wood furniture both inside and outside the EU. Under the terms of EUDR, both importers and exporters of wood furniture in the EU – together with large operators even if only engaged in internal EU trade - will be obliged to gather and provide geolocation data for all the harvest sites from which all wood components have been derived with each individual consignment before it can be placed on, or exported from, the EU market. This applies to all wood furniture including items such as wood seating not formerly covered by EUTR. The same applies to wood-based textile fibres and to leathers derived from cattle contained in furniture products. The geolocation requirement will apply irrespective of risk of illegal harvest, deforestation, or forest degradation in the region of supply. Furthermore, if regulated material components of furniture products derive from harvest sites in any country or region except those identified by the EC as "low risk", these operators will be obliged to undertake due diligence to identify and mitigate these risks.

Continuation from page 4

as an augmented reality (AR). By Using software, apps, and hardware such as AR glasses, the visitors could experience the augmented reality overlays digital content onto real-life environments on TDC new furniture collections.

MTIB is committed in improving the competitiveness of entrepreneurs in the local and international markets, which will directly increase the income value of entrepreneurs and further contribute to increasing the trade value of the country's high value-added timber products. Several enquiries on products, policy and MTIB services were also reported.

FRANCE
PROSPECTS OF FURNITURE INDUSTRY



Overview

France is located on the western edge of Europe, bordered by the Bay of Biscay (North Atlantic Ocean) in the west, by the English Channel in the northwest, and by the North Sea in the north. France borders Belgium and Luxembourg in the northeast, Germany, Switzerland, and Italy in the east, the Mediterranean Sea, Monaco, Spain and Andorra in the south. In addition, France shares maritime borders with the United Kingdom.

Metropolitan France, or Mainland France, covers an area of 551,695 km²; it includes the island of Corsica. Compared, it is more than twice the size of the United Kingdom or more than twice the size of the U.S. state of Colorado.

France has a total population of 67.4 million people (in 2021), 65.2 million inhabitants in Metropolitan France (the European part of France plus Corsica), and about 2.2 million in its overseas regions (French Guiana, Guadeloupe, Martinique, Mayotte, and Reunion). Other major dependencies are French Polynesia and New Caledonia. The largest city and capital is Paris and the spoken language is French (official).

Since prehistoric times, the region that is known today as France has been the scene of trade, travel, and invasions. Three basic European ethnic stocks--Celtic, Latin, and Teutonic (Frankish)--have blended over the centuries to make up France's present population.

Today France is one of the most modern countries in the world and is a leader among European nations. Since 1958, it has constructed a presidential democracy, resistant to the instabilities experienced in earlier parliamentary democracies. In recent years, its reconciliation and cooperation with Germany have proved central to the economic integration of Europe, including the advent of the euro in January 1999. Presently, France is at the forefront of European states seeking to exploit the momentum of monetary union to advance the creation of a more unified and capable European defence and security apparatus. France is the most visited country in the world, with 89.4 million foreign tourists in 2018.

Economy

The French economy is projected to keep gaining traction until the end of 2024 as energy and food inflation moderate, and core inflation progressively declines. This gradual acceleration is expected to be driven by domestic demand, with a mostly preserved household purchasing power over the forecast horizon resulting from government measures, dynamic wages, and a very favourable labour market. Net exports' contribution to growth is set to remain moderately negative despite a strong growth of exports of goods and services. For the whole of 2024, GDP is forecast to expand by 1.4%.
HICP inflation has been continuously accelerating since the last quarter of 2021. It averaged 5.9% over the whole year 2022 and reached 7.0% in the fourth quarter of 2022, mainly driven by energy and commodity prices. At the start of this year, the increase in regulated electricity and gas prices, although capped at 15%, the end of the fuel rebate, the delayed transmission of energy prices along the whole value chain and the still significant supply shortages are set to feed into consumer prices. In 2023, inflation is expected to peak in the first quarter before progressively slowing down as wholesale prices of energy and commodities decelerate. Inflation is forecast to decrease only gradually through the end of the forecast horizon, as wage increases are set to feed into core inflation while the effect of lower energy prices on non-energy industrial goods comes with a delay. Overall, HICP inflation is projected to increase by 5.2% in 2023 and 2.5% in 2024.

The main policy challenges in France are to boost economic growth, lower high unemployment (especially among youth), increase competitiveness, improve public finances, and mitigate foreign investors' negative views of the labour market. To do so, the government will have to rely on traditionally resilient French entrepreneurs and such institutional strengths as strong protection of property rights and a fairly efficient regulatory regime.

Foresty

The forests are a natural environment which has been anthropized for centuries in France, providing economic, environmental and social benefits. They are a major source of biodiversity, and have a protective effect on soil, water, air, and the climate. They are also the source of wood, a renewable raw material with multiple uses and a key resource of job creation and value added products.

The forests are a major part of the landscape. In France, they are primarily located in the Mediterranean basin, the Landes Forest, the East of the country, and its mountainous regions. 98% of forest in its overseas territory is found in Guiana. France is one of the only countries in Europe to have tropical forests.

According to the U.N. FAO, 29.0% or about 15,954,000 ha of France is forested, according to FAO. Of this 0.2% (30,000) is classified as primary forest, the most biodiverse and carbon-dense form of forest. France had 1,633,000 ha of planted forest. Between 1990 and 2010, France lost an average of 70,850 ha or 0.49% per year. In total, between 1990 and 2010, France gained 9.7% of its forest cover, or around 1,417,000 ha.

France's forests contain 1,208 million metric tonnes of carbon in living forest biomass. Biodiversity and Protected Areas: France has some 750 known species of amphibians, birds, mammals and reptiles according to figures from the World Conservation Monitoring Centre. Of these, 1.6% are endemic, meaning they exist in no other country, and 4.9% are threatened. France is home to at least 4630 species of vascular plants, of which 2.9% are endemic. 3.0% of France is protected under IUCN categories I-V.

Timber Production

According to the latest FAO forest statistics on France, the country produced around 16.8 million cubic metres of major timber products in 2021. Details of production are as follows:

TIMBER PRODUCTION AND PROCESSING

Volume: m3

France: Production Quantity 2017 - 2021					
Product	**2017**	**2018**	**2019**	**2020**	**2021**
Sawlogs and veneer logs, coniferous	11,997,355	12,398,092	12,097,229	11,644,787	13,451,122
Veneer sheets	157,000	157,000	157,000	157,000	157,000
Plywood	254,000	258,000	253,000	234,000	270,000
Particle board	3,395,000	3,508,000	2,796,000	2,221,000	2,194,470
MDF/HDF	1,108,000	898,000	751,000	751,000	751,000
TOTAL	**16,911,355**	**17,219,092**	**16,054,229**	**15,007,787**	**16,823,592**

Source: FAO Stats

Export of Malaysian Timber and Timber Products to France

In 2022, export of Malaysian timber and timber products to France were valued at RM147.9 million, an increase of 39% over the previous corresponding period. Major products exported to France were wooden furniture, mouldings, BJC and sawntimber. Export of wooden furniture totalled at RM47.1 million; an increase of 7% compared to RM44.2 million in 2021. Export of mouldings were valued at RM44.6 million followed by BJC with RM21.8 million and sawntimber with RM18.7 million.

(FOB Value:RM)

Malaysia: Export of Timber and Timber Products to France, 2018 -2022					
Product	**2018**	**2018**	**2019**	**2020**	**2022**
Mouldings	30,827,864	39,181,173	28,833,536	28,444,908	44,610,197
Builders Joinery & Carpentry	36,710,476	23,816,248	18,724,219	14,377,852	21,768,330
Sawntimber	34,496,233	22,900,414	17,827,227	15,706,036	18,652,165
Plywood	643,468	406,579	441,724	617,351	937,477
Fibreboard	114,599	72,325	26,901	13,215	114,498
Wooden Furniture	64,034,624	64,073,624	53,520,987	44,249,594	47,108,667

Other Products	1,406,003	1,674,003	4,897,016	2,924,129	14,706,370
TOTAL	**168,233,267**	**152,124,366**	**124,271,610**	**106,333,085**	**147,897,704**

Source: MTIB & DOSM

Import of Malaysian Timber and Timber Products from France

Malaysian import of timber and timber products from France improved significantly from RM36.4 million in 2018 to RM38.8 million in 2022. Major products imported from France were sawntimber and fibreboard. In 2022, import of sawntimber decreased by 24% to RM20.8 million compared to RM27.4 million in the previous year. Import of fibreboard also decreased by 20% to RM13.1 million compared RM16.4 million in 2017.

(FOB Value:RM)

Malaysia: Import of Timber and Timber Products from France, 2018-2022

Product	2018	2019	2020	2021	2022
Logs	0	0	8,374	329,714	0
Sawntimber	28,663,111	20,059,373	18,184,130	27,431,113	20,780,941
Plywood	14,979	0	0	0	0
Veneer	3,922,774	166,284	469,097	0	0
Mouldings	0	83,421	0	0	0
Chipboard/Particleboard	1,279,546	917,806	553,103	743,100	3,723,157
Fibreboard	70,759	334,600	7,097,925	16,417,058	13,135,699
Builders Joinery & Carpentry	413,180	53,175	0	1,600,648	0
Wooden Furniture	1,783,420	1,584,158	1,300,403	876,773	788,696
Other Products	300,647	334,367	250,356	6,636,432	361,818
TOTAL	**36,448,416**	**23,533,184**	**27,863,388**	**54,034,838**	**38,790,311**

Source: MTIB & DOSM

France's Timber Export

France's export of timber and timber products in 2022 increased 9% to USD5.2 billion over the previous corresponding period. France's major products exported were furniture at a total of USD1.6 billion, slightly increased from the previous corresponding period. Similarly, export of particleboard, sawntimber and logs increased to USD559.0 million, USD571.4 million and USD504.7 million respectively.

FRANCE'S EXPORTS OF TIMBER AND TIMBER PRODUCTS

Value: USD'000

France: Exports of Timber and Timber Products, 2018-2022

Product	2018	2018	2019	2020	2022
Furniture & Parts	1,365,080	1,346,392	1,242,866	1,562,858	1,574,418
Log	386,941	340,803	306,265	420,795	504,704
Sawntimber	415,198	381,651	400,489	571,271	571,413
Plywood	193,147	181,259	176,145	173,269	162,338
BJC	113,120	123,743	111,376	165,751	163,167
Particle Board	415,829	389,290	335,672	451,953	558,984
Mouldings	51,212	52,229	46,627	57,924	51,417
Veneer	99,040	80,661	71,455	88,678	86,679

MDF	343,121	304,740	285,489	320,480	386,551
Others Product	994,014	953,594	837,649	978,866	1,180,133
TOTAL	**4,376,702**	**4,154,362**	**3,814,033**	**4,791,845**	**5,239,804**

Source: UN-Comtrade Statistics

France's Timber Import

France's import of timber and timber products in 2022 increased 9% to USD12.0 billion over the previous corresponding period. France imports mainly furniture, sawntimber, BJC and plywood. Import of furniture and sawntimber decreased by 4% and 14% to USD5.7 billion and USD1.3 billion respectively. Likewise, import of MDF and plywood improved by 11% to USD537.5 million and 6% to USD532.3 million respectively.

FRANCE'S IMPORTS OF TIMBER AND TIMBER PRODUCTS

Value: USD'000

France: Imports of Timber and Timber Products, 2018-2022					
Products	**2018**	**2019**	**2020**	**2021**	**2022**
Furniture & Parts	4,668,484	4,710,871	4,467,167	5,919,635	5,702,914
Sawntimber	1,021,195	962,702	913,653	1,502,888	1,290,876
BJC	602,891	602,513	612,008	858,543	788,202
MDF	456,554	433,286	418,998	532,217	537,503
Plywood	428,608	411,198	366,972	503,914	532,259
Mouldings	275,199	300,526	283,266	366,351	424,293
Particle Board	303,953	277,548	260,117	426,862	398,575
Veneer	131,507	125,457	121,829	145,696	160,330
Logs	126,736	120,938	97,930	125,483	152,507
Others Product	1,336,690	1,360,080	1,306,339	1,722,576	2,047,774
TOTAL	**9,351,817**	**9,305,119**	**8,848,279**	**12,104,165**	**12,035,233**

Source: UN-Comtrade Statistics

Import Tariffs

France's MFN import duty on timber and timber products ranges from 0 – 10%. Details are as follows:

HS Code	Product	MFN (%)
4401	Fuel Wood	0
4402	Wood Charcoal	0
4403	Logs	0
4404	Hoop Wood	0
4405	Wood Wool and Wood Flour	0
4406	Sleepers	0
4407	Sawntimber	0 – 2.5
4408	Veneer	0 – 6
4409	Mouldings	0
4410	Particleboard	7
4411	Fibreboard	7
4412	Plywood	6 - 10
4413	Densified Wood	0

4414	Wooden Frames	0 – 2.5
4415	Packing Cases	3 – 4
4416	Cask, Barrels, Vats and Tubs	0
4417	Tools Bodies and Handle	0
4418	BJC	0 – 3
4419	Tableware and Kitchenware	0
4420	Wood Marquetry	0 – 4
4421	Other Articles of Wood	0 – 4
9401-9403	Wooden Furniture	0 – 5.6

Source: European Union

Prospects

The French furniture market will earn USD20.73 billion by 2028 and it is expected to grow by 4.12% CAGR during the forecast period of 2022-2028, according to Renub Research. France, ranked as the third largest furniture production market in Europe and the seventh largest in the world, is a leading player in the international furniture industry and takes a leading role in post-pandemic Europe. With a rich history of craftsmanship and high-quality design, the furniture industry is an important sector of the French economy, encompassing a wide variety of producers from small and independent artists to large multinationals.

French country style is popular worldwide for its comfortable and casual elegance, characterized by a combination of rustic and refined decor inspired by homes in the French countryside. The French government actively supports the furniture industry through various initiatives, such as research and development programmes, financial assistance for small and medium enterprises, and tax incentives for sustainable production practices. According to this research report, the French Furniture Industry will amount to USD27.11 billion by 2023.

Based on the potential of the French furniture market, the Malaysian furniture player should take the opportunity and enhance efforts to develop better quality products, invest in product design diversity and intensify marketing and communication strategies in order to penetrate into the French market. Participation in furniture trade shows and exhibitions as well as trade missions will help to assist and enhance business networking between Malaysian furniture exporters and French importers and buyers.

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INDONESIA
Furniture Exports Almost USD 3 Billion

Indonesia's furniture and crafts exports reached USD 2.8 billion in 2022 and the government hopes that exports will increase to USD 5 billion in 2024.

To help achieve this the Minister of Industry, Agus Gumiwang Kartasasmita, highlighted the ministry's support policies including ensuring a supply of raw and auxiliary materials, increasing technological capability and human resource capacity, tax incentives, design development and facilitating participation in exhibitions. He added that the furniture industry should take advantage of the expanding domestic market which would help reduce the dependency on imported products which reached USD 496 million in 2022.

The Ministry of Industry has two strategies to improve profitability in the sector. First, greater emphasis on the domestic market as the size of this market, especially the middle class segment, continues to expand. The second is exports to non-traditional markets for example India and the Middle East where growth in the property sector is relatively stable.

In related news, Reni Yanita, the Director General of Small, Medium and Multi-various Industries of the Ministry of Industry urged small and medium furniture and craft industry players to continue to follow global market trends and actively innovate products. According to Reni, Indonesia has an advantage because of the variety of wood, rattan and bamboo raw materials to produce unique and attractive designs. The Indonesian Furniture and Craft Association (HIMKI) chairman, Abdul Sobur, revealed that exports to the EU declined in 2022 so HIMKI members are now investigating the Middle East markets such as Qatar, Israel and the United Arab Emirates.

www.msn.com, 12 March 2023

VIET NAM
Remains Fourth Largest Wooden Furniture Supplier to Canada

Despite accounting for only 15% of Canada's imports value last year Viet Nam remains the fourth largest wooden furniture supplier to the country according to the General Department of Viet Nam Customs. The Viet Nam Timber and Forest Products Association has assessed that there is a wealth of opportunities ahead for Vietnamese wood furniture to expand their market share in Canada in the near future. Most notably, the

enforcement of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) has helped Canadian businesses to gain greater insights about Vietnamese production capacity. Moreover, both sides are members of the CPTPP and the Asia-Pacific Economic Cooperation (APEC), with the two countries establishing a mechanism of a Joint Economic Committee to periodically exchange views on economic and trade co-operation prospects. Recently, the two countries have put into operation a large container ship route running directly from Hai Phong to Vancouver, thereby reducing the transit time to 17 days and lowering transportation costs for Vietnamese exporters.

wtocenter.vn, 10 March 2023

CHINA
Implementation Plan For National Reserve Forest Development

It has been reported that the Implementation Plan for National Reserve Forests Development during the 14th Five-Year period was released recently. More than 2.46 million hectares of national reserve forests will be planted and more than 70 million cubic metres of forest stocking volume will be created.

In the 2.46 million hectares of national reserve forest during the 14th Five-Year Plan period, 1.52 million hectares of medium and short growth cycle industrial raw material forests and nearly 0.94 million hectares of long growth cycle, large diameter timber forest will be planted or existing forest will be transformed.

In order to establish a national timber security system the Chinese government started the national reserve forest project in 2012. By 2022, the project covered 29 provinces (autonomous regions and municipalities), six forest industry (forestry) groups and Xinjiang Production and Construction Corps.

In the past ten years, more than 613 million hectares of national reserve forest have been planted and the total stock volume of the project area has increased by 270 million cubic metres with an average annual stock volume growth of about 10.8 cubic metres per hectare. About 150 million cubic metres of timber have been produced from the national reserve forest. The construction of national reserve forests has provided a total of more than 3.6 million jobs in the past ten years and the income of timber output has exceeded RMB150 billion.

www.itto.int, 16 March 2023

JAPAN
Wooden Building Assisting De-Carbonisation Effort

Drawing all eyes in a business district in downtown Yokohama, the Port Plus building is fashioned solely from tidy wooden columns and beams instead of the standard steel and concrete.

The 44-meter, 11-story Port Plus, located near the Kanagawa prefectural government's office, is the highest fireproof architecture created entirely of timber in Japan. It was completed in March last year.

In comparison, the famed five-level pagoda of Horyuji temple in Nara Prefecture, the nation's oldest existing wooden structure, stands 32.5 meters tall.

Stepping into Port Plus, a training facility for Obayashi Corp.'s employees, visitors will smell the fresh aroma of trees. All sections there, including a seminar room, lounge and bed space, are characterized by the solid and warm feel of wood. The lumber used totalled at 1,990 cubic meters, and 60 to 70 percent of the material was produced in Japan.

Pure-wood buildings such as Port Plus, whose pillars, beams and other components are all made of lumber, are increasingly finding a market in Japan. Leading general contractors and homebuilders are jumping on board, putting wooden buildings that can withstand fires and earthquakes into place.

As demand is growing for timber-derived buildings against the backdrop of the increasing awareness of the need for decarbonization, a remaining challenge involves their hefty price tags.

However, an estimate by Obayashi shows the carbon dioxide emissions linked to the facility's introduction are a quarter of those of its reinforced concrete counterparts and half of those of steel-frame buildings.

To enhance the building's seismic resistance, pillars and beams are comprised of cross-shaped units connected with each other. Special wood with improved strength was utilized for the unit to boast a triple-layered structure, with seismic isolation technology adopted as well.
Port Plus meets fireproof standards at the same time. Now that Obayashi has developed Japan's first timber column that can survive flames for three hours, pure-wood buildings as tall as 15 or more stories can be erected under the Building Standards Law.

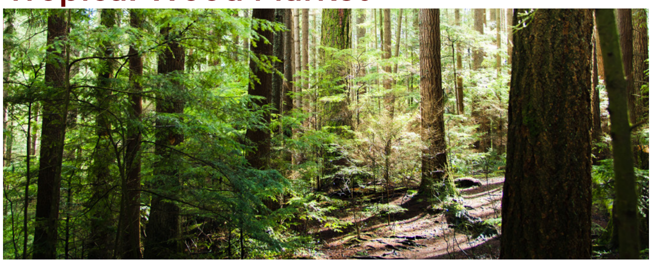
"We successfully presented how far we can go with pure-wood construction, revealing its potential," said an Obayashi representative.

Mass production of this kind of structure, however, is not under consideration at present, given the wealth of techniques and expenditures that must be poured into it.

The structural elements alone entail 30 to 40 percent higher costs than steel-framed buildings, because expenditures to meet anti-fire criteria and other processes are particularly costly.

www.asahi.com, 19 March 2023

EU
Largest Increase in Share of EU27 Tropical Wood Market



In 2021, logistical problems on the supply side in tropical countries during the COVID pandemic seemed to accelerate the long term trend away from tropical timber products in the EU27 market. The share of tropical products in the total value of EU27 imports of wood and wood furniture fell from 20% in 2020 to just 17% in 2021. However, last year the situation was transformed as tropical products recorded the largest increase in share for at least the last 15 years, rebounding to 21% of the total value of EU27 imports of wood products and wooden furniture.

www.itto.int, 16 March 2023

BRAZIL
Accounting For Carbon in Wood Products

A Brazilian Agricultural Research Corporation (EMBRAPA) study measured data on carbon accumulation in wood and forest products such as sawnwood, plywood, paper and cardboard. The first survey was undertaken in

2020 using 2016 as a reference year when an estimated 50 million tonnes of CO2 equivalent or 3.5% of total greenhouse gas (GHG) emissions were captured.

The data was included in the National GHG Inventory submitted to the United Nations Framework Convention on Climate Change (UNFCCC). The report, published every five years, presents an overview of the implementation of the Climate Convention in the country and has as one of its main components, the review and update of the National Inventory of Anthropogenic Greenhouse Gas Emissions and Removals.

The production and use of wood products is a way to increase the removal of CO2 from the atmosphere contributing to reduce the effects of climate change and representing about 13% of gross emissions of the land use sector.

According to the methodological guide of the Intergovernmental Panel on Climate Change (IPCC-2006), the estimates of carbon in forest products can be made by three different approaches (stock change, atmospheric flow and production).

It is up to each country to decide which is the most suitable to prepare its inventory of emissions. This is because each is influenced by the production, consumption, export and import characteristics of forest products in each country.

The approach used by Brazil for estimating the contribution of wood forest products is that of atmospheric flow, which favors the large timber producing and exporting countries.

cipem.org.br, 15 March 2023

NORTH AMERICA
Housing Starts Rise For First Time in Six Months

New home construction moved upward in February for the first time in six months led by apartment buildings but it's unclear if the bounce translates into a recovery for the housing market. Construction on new homes rose 9.8% in February to a seasonally adjusted rate of 1.45 million. Despite the gain from the previous month the annual rate of total housing starts fell 18.4% from the previous year. The February increase was larger than what Wall Street expected. Economists polled by the Wall Street Journal expected housing starts to stay at a 1.31 million rate from January's initial estimate of 1.31 million.

The better-than-expected housing starts was due to a boom in apartment construction and with the US facing a housing deficit, the addition of multi-family units is likely to boost affordability. The construction pace of singlefamily homes rose 1% in February and apartments jumped 24%. Regionally, construction of homes rose the most in the Midwest (up 70%) and the West (up 17%).

Single-family home construction in the West led the jump with a 28.5% increase. The Midwest and South regions reported a drop in single-family construction. In Canada, the seasonally adjusted annualised rate of housing starts rose 15% to 243,959 units from a revised 216,514 units in January according to the Canadian Mortgage and Housing Corporation (CMHC). Economists had expected starts to rise to 220,000. Groundbreaking increased on both multiple units and single-family detached urban homes.

www.msn.com, 16 March 2023

PERU
Forest And Wildlife Resources Supervision Agency (OSINFOR) Optimizes The Digital Information System For The Prevention Of Crimes In The Forestry And Wildlife Sector

Facilitates the exchange of information between OSINFOR, regional forestry authorities and justice operators, optimizing time and resources. Guarantees the right to defend forest users. As part of its contribution to information management in the forestry and wildlife sector, the Forest and Wildlife Resources Supervision Agency (OSINFOR) made improvements to its system of information Somali International Aid Development Organization (SIADO) Region, which allows the registration of information by the regional authorities. The "Administered SIADO" is a tool that facilitates access to documents related to OSINFOR interventions for justice operators and forest users.

The improvements were achieved with the technical support of the USAID Prevenir project and contributes to the sustainable management of the forestry and wildlife sector through transparent and more timely information, explained the head of OSINFOR, Lucetty Ullilen, during the presentation held in Ucayali. "This is work that is carried out within the framework of articulation with regional governments and that are part of our continuous improvement process. Everything can be improved to be able to contribute to decision-making in the sector", she stated.

One of the most significant advances implemented is the improvement of document transfer in the SIADO Region module, which allows the Regional Forestry and Wildlife Authorities (ARFFS) to preserve digital information that in its physical state can deteriorate or be lost, in addition to being accessible from anywhere with an Internet connection.

The use of the SIADO Region has allowed the Regional Governments of Ucayali, Loreto and Madre de Dios to reach 60% of sending management plans within a period of 15 business days, with the commitment to exceed said percentage this year. Likewise, OSINFOR and the National Forest and Wildlife Service (SERFOR) have implemented an interoperability process so that the said information is also managed by the National Authority within the framework of the National Forest and Wildlife Information System.

Along the same lines, the "Administered SIADO" has been developed, through which forest users can consult and download, in a simple and orderly manner, the main documents that are part of a file of the Single Administrative Procedure (PAU), generated in cases in which non-compliance with obligations is detected. This makes it easier for users to access their files to apply voluntary correction and better exercise their right to defense.

Likewise, it contributes to the Specialized Prosecutor's Offices in Environmental Matters (FEMA) and the Public Prosecutor's Office of the Ministry of the Environment (MINAM), by allowing direct and rapid access to relevant information for the investigation of alleged crimes.

www.gob.pe, 23 March 2023

GHANA
Asian Markets Contributed Over 50% of Wood Export Receipts

Asian markets imported 59% of Ghana's wood export volume (21,649 cubic metres) in January 2023 with four other markets accounting for the remaining 8,749 cubic of wood products. The European and African markets also accounted for 14% and 13% respectively of the total market.

Wood product exports to five major market destinations earned the country a total of Eur9.16 million in January 2023 compared to the January 2022 earnings of Eur10.04 million. Asian markets accounted for Eur4.97 million (54%) of total export receipts in January 2023, with four other market destination accounting for the remaining.

Africa and Middle East markets registered a year-on-year revenue growth of 3% and 2% respectively compared to the other markets for the same period. Products that recorded significant increased revenue for the period included plywood, rotary veneer and air-dried boules.

Exports to Asia included sawnwood (air dried), teak logs, billets, sawnwood (kiln dried) and sliced veneer in teak, papao/apa, denya, senya, kako/ekki, wawa, danta, edinam, odum, dahoma, koto/kyere and ceiba.

www.itto.int, 16 March 2023

GLOBAL
Outdoor Furniture Market By 2030

The global economy is at a critical crossroads with a number of interlocking challenges and crises running in parallel. The uncertainty around how Russia`s war on Ukraine will play out this year and the war`s role in creating global instability means that the trouble on the inflation front is not over yet. Food and fuel inflation will remain a persistent economic problem. Higher retail inflation will impact consumer confidence and spending. As governments combat inflation by raising interest rates, new job creation will slowdown and impact economic activity and growth. Lower capital expenditure is in the offing as companies go slow on investments, held back by inflation worries and weaker demand. With slower growth and high inflation, developed markets seem primed to enter into a recession. Fears of new Covid outbreaks and China's already uncertain post-pandemic path poses a real risk of the world experiencing more acute supply chain pain and manufacturing disruptions this year. Volatile financial markets, growing trade tensions, stricter regulatory environment and pressure to mainstream climate change into economic decisions will compound the complexity of challenges faced. Year 2023 is expected to be tough year for most markets, investors and consumers. Nevertheless, there is always opportunity for businesses and their leaders who can chart a path forward with resilience and adaptability.

Global outdoor furniture market to reach USD 35.1 billion by 2030

In the changed post Covid-19 business landscape, the global market for outdoor furniture is estimated at USD 17.4 billion in the year 2022, it is projected to reach a revised size of USD 35.1 billion by 2030, growing at a CAGR of 9.2% over the period 2022-2030. Wood, one of the segments analyzed in the report, is projected to record 9.5% CAGR and reach USD 19.5 billion by the end of the analysis period. Taking into account the ongoing post pandemic recovery, growth in the metal segment is readjusted to a revised 8.7% CAGR for the next 8-year

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February 2023

LOGS

The average price for the 21 timber species that became the price reference for February 2023 as a whole was reported to have changed little. The average price increase was only 1.4 - 3.0%, or about RM50-RM70 per tonne for three species: Dark Red Meranti, Merbau and Mersawa. In comparison to the previous month, the average price decline for the Sepetir and Yellow Meranti species was 1.3 - 4.2% or about RM20-RM80 per tonne, while for other species it remained unchanged.

The rise in prices for the Dark Red Meranti, Merbau and Mersawa species has resulted in trade prices of RM2,210, RM3,220 and RM1,740 per tonne for the species, with the highest prices per tonne reported at RM2,550, RM3,600, and RM1,760. The reported price decline for the Sepetir and Yellow Meranti species on the other hand, made the average price for both species RM1,500 and RM1,820 per tonne, with the highest traded prices being RM2,800 and RM1,900 per tonne.

Although the average price for most species is reported to be unchanged, the issue of log prices remains high, transportation costs and difficulties in obtaining supplies of logs at competitive prices for most species continue to be discussed, putting pressure on players in the timber industry. Most of the log supply is obtained from East Coast supplier states such as Pahang, Terengganu, and Kelantan.

SAWNTIMBER

The average prices for certain species in the three classes of sawntimber product production, namely General Market Specification (GMS), STRIPS, and Scantling, have reportedly increased by 5 to 32%. However, the average price for most of the reference species still shows no price changes across the three production class categories.

Species such as Chengal, Balau, Merbau, Keruing, Tualang, Dark Red Meranti, and Sepetir reported price increases of 3.2–31%, or approximately RM80–RM1765, under the General Market Specification (GMS) production class. The Chengal species saw the greatest increase, with the average traded price rising from RM5,650 to RM7,415 per m^3, followed by Merbau, Balau, and Dark Red Meranti, which rose by RM620, RM375, and RM360 per m^3 respectively, over the previous month.

The Yellow Meranti, Keruing, Sepetir and Chengal species recorded an average price increase of 4–24%, or around RM115–RM480 per m^3, with the highest increase occurring to the Keruing species of RM480 per m^3, while the Yellow Meranti, Sepetir and Chengal species also reported increases of RM300, RM115, and RM140 per m^3 under the STRIPS category.

As a result, most species showed no improvement in their average price under Scantling category. However, Sepetir and Merbau are two species that reported an average price increase of RM180 and RM900 per m^3 under Scantling products, or 11 and 32% respectively. With this increase, the two species traded at RM1,780 and RM3,725 per m^3 on average in the previous month.

PLYWOOD

When the four main thick-traded sizes were seen to maintain the average price from the previous month, the average selling price of a piece of plywood in February 2023 generally did not change. With the reported price retention, the current month's average plywood prices were RM19.40, RM26.70, RM41.25 and RM49.35 per piece for 4mm, 6mm, 9mm, and 12mm plywood respectively.

MEDIUM DENSITY FIBERBOARD (MDF)

After all four major MDF sizes traded were reported unchanged in January 2023, the average price retention scenario that occurred on plywood products in February 2023 was reported to also apply to the average price of MDF products. In comparison to the previous month, the average price of MDF with thicknesses of 4mm, 6mm, 9mm and 12mm was RM 15.00, RM 23.50, RM 33.00, and RM 39.50 per piece.

INTRA-MALAYSIA TRADE* - February 2023

In February, trade in most timber products from Sabah increased, with three of the four timber products traded, namely sawntimber, plywood, and veneer, increasing by 6–51% in the trade value chain while the total volume increased by 9–57% for all three related products. With this increase, the trade value generated by the three products in the current month was RM759,000, RM3,504,000, and RM405,000 respectively, based on trading volumes of 556 m^3, 1,619 m^3 and 126 m^3. Log products were reported to have no trading transactions taking place during the current month.

There was no log product trade between Sarawak and Peninsular Malaysia in February 2023. Only three major timber products were reported to be traded: sawntimber, plywood and veneer. Plywood and veneer, two of the three products were reported to have increased in trade value and total volume by 400–770% and 430–1300% respectively. However, the trade value and volume of sawntimber products fell by 41% and 10%, respectively. Based on trading volumes of 563 m^3, 3,149 m^3, and 182 m^3, the resulting trade values of these three products were RM654,000, RM6,574,000, and RM266,000.

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

***AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, FEBRUARY 2023 (RINGGIT MALAYSIA)**

SPECIES	LOGS/ton	SAWN TIMBER/m3		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	5,000	7,415	3,319	9,887
Balau	3,045	3,291	2,154	3,362
Red Balau	2,810	2,754	2,472	2,419
Merbau	3,220	3,718	3,072	3,725
Mixed Heavy Hardwood	1,230	1,130	1,126	1,250
MEDIUM HARDWOOD				
Keruing	2,390	2,843	2,684	1,857
Kempas	2,110	2,299	2,366	2,542
Kapur	2,065	1,734	1,321	1,850
Mengkulang	1,870	1,391	1,561	2,048
Tualang	1,280	2,013	2,002	2,062
LIGHT HARDWOOD				
Dark Red Meranti	2,210	2,542	1,924	2,966
Red Meranti	2,300	1,999	2,175	2,401
Yellow Meranti	1,820	1,681	1,554	1,977
White Meranti	1,500	2,507	1,801	1,977
Mersawa	1,740	1,730	1,713	1,999
Nyatoh	1,295	1,568	1,455	1,412
Sepetir	1,500	1,822	1,436	1,780
Jelutong	1,150	1,836	1,589	1,819
Mixed Light Hardwood	1,190	1,095	1,229	1,201

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	LOGS/ton	SAWNTIMBER/m3			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	184	1,120	1,280	1,370	1,530

PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	19.40	26.70	41.25	49.35
MDF 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**	**12mm**
	15.00	23.50	33.00	39.50

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

INTRA-MALAYSIA TRADE - FEBRUARY 2023

	Jan-23		Feb-23		% change in volume	% change in value
	Vol (m3)	Val ('000 RM)	Vol (m3)	Val ('000 RM)	Jan/Feb 23	Jan/Feb 23
SABAH						
Logs	0	0	0	0	0	0
Sawn Timber	354	671	556	759	57	13
Plywood	1,035	2,321	1,619	3,504	57	51
Veneer	116	382	126	405	9	6
SARAWAK						
Logs	0	0	0	0	0	0
Sawn Timber	624	1,112	563	654	-10	-41
Plywood	593	755	3,149	6,574	431	771
Veneer	13	51	182	266	1,300	422

Source: Department of Statistics Malaysia
Tabulated: Malaysian Timber Industry Board

PTP to Invest RM3bil in Next Five Years for Additional 3.5 mil TEUs Capacity

MMC Corporation Bhd, through Pelabuhan Tanjung Pelepas Sdn Bhd (PTP), will be spending RM3 billion over the next five years to upgrade its current terminal footprint including automation, digitization, and other port facilities.

This will create an additional capacity to handle another 3.5 million twenty-foot equivalent units (TEU). Under the port's Ipsum Magna (Latin for great optimisation) programme initiated in 2019, several port capacity and productivity improvement initiatives have been initiated which include berth and empty yard expansions, crane replacements, new autonomous prime movers as well as the development of Tanjung Adang free trade zones.

Referred to as Berth 0, this project under the Ipsum Magna programme is currently in the development stage and is to be situated within PTP's undeveloped land bank, consisting of a 455 m berth and 14 ha of container yard with similar facilities as the existing terminal. It will be equipped with STS cranes to manage barges and fully-electric RTGs to support the operation. This new expansion will provide a dedicated berth for barges and small feeders, which are extremely important to the local and regional market that is experiencing strong growth.

Chief executive officer Marco Neelsen said the ambitious expansion plan is needed to position PTP as a strong regional player and the capability and capacity to handle more cargo handling from bigger vessels and operations. "The board has already approved RM450 million, and we have utilised the capital for the electrification of the cargo cranes," he told in a media briefing on Tuesday.

He said the total investment for the expansion of PTP and Tanjung Adang is funded internally. At 15th placing in the Global Ports Ranking, PTP handled 10.50 million TEUs for the financial year (FY) 2022 compared to 11.20 million TEUs in FY21. Marco noted that the lower TEUs were due to the global economic downturn, the Russia-Ukraine war, high energy prices in Europe and weak consumer demand. "We also see a 'Covid freedom' trend where consumers switch the purchasing to services where people eat in restaurants and spend on travels. We are now seeing the purchasing appetite coming back this year, and we are expecting to see a moderate first quarter (Q1) and some uptick in the second quarter (Q2)," he said.

PTP has six free zone lands comprising FZ1 with 173 acres, FZ2 with 248 acres, Tanjung Adang, which is Phase 2C with 81 acres, FZ3 with 168 acres, FZ4 with 208 acres and FZ5 with 194 acres. The land is ideal for warehousing, targeting large regional distribution centres. The Tanjung Adang development is currently at 85 per cent completion and will be completed by the second quarter (Q2) of 2023, while works for FZ3 are slated to commence in 2025 and are targeted to be completed by 2028.

PTP is a joint venture between MMC Corp, which holds a 70 per cent stake and Netherlands-based APM Terminals, a leading global ports group with 67 port and terminal facilities, holding the balance of 30 per cent. PTP is able to support the world's largest vessel with a capacity of up to 24,000 TEUs. It has a yard capacity of 252,400 TEUs, while its marine services have three pilot boats, eight tug boats 45 pilots.

Source: nst.com.my_ March 23, 2023

Container Lines still Chartering Ships despite Drop in Cargo Demand

With import demand flagging, freight rates falling, the container ship orderbook at record highs and ocean carriers cancelling voyages, you might think nobody would be chartering more ships. The fact is, the container-ship charter market is far from dead.

Charter rates are well off their peaks. Gone are the days when a small container ship could earn $200,000 per day for three months, or a midsize ship could earn $60,000 per day for five years. Yet deals are still getting done. "It's not like there is no demand. There is ongoing demand. There is ongoing charter business," affirmed George Youroukos, CEO of Global Ship Lease (NYSE: GSL), on a conference call Wednesday. "Charter rates are stabilizing at above historical levels," said Moritz Furhmann, CFO of Oslo-listed MPC Containers, during a conference call Tuesday.

The Harpex index, which measures charter rates across multiple ship sizes, stood at 1,059 points on Friday. That's down 77% from the all-time peak in March 2022. But the pace of decline has lessened this year and the index has stabilized in recent weeks. The Harpex index remains more than double its level in February 2019, pre-COVID. Alphaliner reported on Feb. 21, “Demand is picking up in the container charter market as Asia has gone back to work after the traditional Lunar New Year celebrations. The continued shortage of prompt tonnage across most size segments bodes well for charter rates, which should continue to rise in the coming weeks.”

Charter activity focused on midsize, smaller ships

Charter activity is not evenly spread, however. Almost all of it is the midsize and smaller ship categories, vessels with capacity of around 10,000 twenty-foot equivalent units or lower. The reason is that almost all of the larger vessels were put onto multiyear charters during the boom. Those contracts won’t expire in the near future. Furthermore, larger vessels whose charters were coming up for renewal this year were “forward fixed.” New charter extensions were already agreed to last year. There are no more forward fixtures in any size category. “The forward fixture market is effectively on hold,” said GSL Chief Commercial Officer Tom Lister. According to Youroukos, “Charterers now wait until two to three months before expiration to enter discussions for renewals. They want to see for themselves what the demand is from their clients, the shippers.”

Another big change is charter durations have reduced sharply. No one is signing multiyear deals anymore. GSL has placed four of its ships on charters since October at an average duration of 10 months. Among the charters by top liner companies beginning this month reported by brokerage Braemar are the following: MSC has chartered the 3,469-TEU Hansa Europe for two to four months at $17,400 per day and the 1,355-TEU Atlantic West for five to seven months at $13,000 per day. Hapag-Lloyd has taken the 2,506-TEU Maira for four to seven months at $17,750 per day.

CMA CGM, which has been particularly active, has just chartered four ships: the 3,434-TEU Hope Island (eight to 10 months; $17,250 per day); 2,754-TEU Atlantic Discoverer (10-12 months, $17,000 per day); 1,781-TEU Sheng An (six to eight months, $14,500 per day); and 1,355-TEU Atlantic West (five to seven months, $13,000 per day).

Orderbook risk higher for lessors of larger ships

The longer-term concern on ship-leasing companies relates to the record-high orderbook. These companies have most of their ships employed on charters through at least this year, but what about after that?

As new, more fuel-efficient ships are delivered from the shipyards, ocean carriers will presumably let charters of older ships expire. If lessors cannot find any new takers, or if rates become uneconomical, they would face either layups or, eventually, scrapping. Both MPC and GSL emphasized during their calls that the orderbook — and potential impact on ship lessors — is heavily weighted to larger-ship classes. They maintained that lessors of midsize and smaller ships should escape the big capacity hit.

According to MPC CEO Constantin Baack, “What you see is that a very significant portion of the orderbook is of the very large ships. The smaller the ship, the smaller the orderbook in relative and absolute terms.” Baack also pointed out that the more recent orders have heavily favored dual-fuel vessels capable of using liquefied natural gas or methanol. These orders are inherently for larger ships. Smaller vessels operate in regional trades where LNG and methanol fuel infrastructure won’t be available.

Alphaliner reported Tuesday that 92% of container newbuildings ordered this year and 86% of newbuilds ordered in H2 2022 were for either LNG- or methanol-capable vessels.

Lister of GSL noted that the overall ratio of container-ship tonnage on order to tonnage on the water is 29%. But that ratio is 52% for ships larger than 10,000 TEUs, and only 14% for ships smaller than TEUs. In the sub-10,000-TEU category that GSL focuses on, a high level of scrapping — which is expected — would actually lead to very minimal fleet growth, he said.

Source: freightwaves.com_ March 01, 2023

The 3 Golden Rules of Effective Shipping Communications

Digitization has brought massive benefits to the shipping industry. It’s now possible for charterers to make million-dollar deals in a matter of minutes using email alone. But recent years have also seen exponential growth in the volume of messages that shippers send and receive. Charterers, brokers, operators and port agents can sift through thousands of emails a day, and missing just one could mean lost opportunities, compromised revenue and long-lasting reputational damage.

There are other considerations besides. With complex and constantly changing regulations in the maritime industry, missed communications can mean poor compliance and costly fines. And there’s also lost productivity to consider. Studies have shown that office workers typically spend around two hours each day browsing their inboxes – that’s 230 hours of productive time lost every year, for every worker, and translated to wages can amount to millions of dollars wasted.

Managers may think the solution is to impose changes in the way charterers, brokers and other shipping employees communicate, but there’s a risk of hindering skilled employees from doing their jobs the way they know best. What managers in shipping need are ways of empowering people to do their jobs better, which is why we’re sharing the three golden rules of effective shipping communications.

Monitor performance the right way

In a lot of industries, managers will rely on performance monitoring systems like KPIs (Key Performance Indicators) or OKRs (Objectives and Key Results) to improve efficiency, but in shipping these approaches take up employees' valuable time. With pre and post-fixture workers already working at breakneck speed, additional protocols can be a distraction.

The best way to improve performance in shipping is to reduce unnecessary demand on workers, and since so much of their time is spent finding, reading and replying to emails, anything that brings transparency and speed to their communications is a plus. The question is, how can managers tell if their efforts are successful? The primary metric for success in shipping is profit. If charterers have more time to make deals, businesses will quickly see the wins for expedited workflows in their bottom lines. But another key metric comes around measuring errors. By monitoring the fulfilment of post-fixture service-level agreements (SLAs) as well as the number and nature of mistakes made, managers can measure the effectiveness of communications without unnecessarily interfering in employees' work.

Collaborate with IT to reduce email volume

We've established that giving employees more breathing space is a surefire way to increase productivity. Simply dictating to maritime operators, charterers and brokers how they should communicate may only add more to their workload, and there's little advantage to making blanket demands of your workforce without knowing precisely where improvements need to be made – a lack of transparency will still impact efficiency.

Due to unclear disconnected communications, missed emails, or siloed information, managers in maritime often get a skewed picture of what's happening under them. The solution is to collaborate with your IT team to reduce email volume and create greater transparency. However, it's true that attempting to do so manually requires significant manpower. Sedna can be implemented quickly to centralise a company's email for effective oversight, whilst connecting with core business systems to gain rich insights and automate workflows. This makes it possible to form targeted strategies that don't try to fix what isn't broken.

Encouraging uptake of new technologies is a challenge for any business, but managers can also smooth the process by building networks of internal champions among IT staff. These champions can ease the switchover to new products by promoting their benefits, explaining their uses, and lending a hand to anyone with questions or concerns. Employees are more likely to trust product advocates who are also their colleagues, so the earlier you can bring these champions on board, the better.

Our take: Don't change people, change their inboxes

A common assumption about fixture workers like charterers is that they can't change their ways. But the truth is they change thirty times a day. When your employees' most valuable skill is adapting to rapidly changing situations to close deals at speed, you don't want to tell them how to do their job. You want to empower them to do it better. Communication plays a significant role here. In fact, studies have shown that many employees count ineffective communication as a key reason for wanting to quit their jobs – having the tools to avoid this is business critical.

When charterers, brokers, operators, and port agents have confidence that they don't need to read hundreds of daily emails, but will still catch the ones that matter, you're empowering them to adapt and operate as efficiently as possible without compromise. Sedna can reduce email volume by up to 95% and automatically prioritise the messages that really matter to staff. With extra time and less stress, they'll make faster, more informed deals and optimise vessel operations, resulting in higher profits for your business.

Sedna: The fast way to more effective communications in shipping

Through its innovative features and integrations to other maritime tools and apps, Sedna is designed to improve maritime efficiency and profitability by bringing business intelligence to your inbox.

Sedna's range of powerful features includes:
- Best-in-class search functionality which helps managers, operators, charterers and brokers find important messages instantaneously, creating greater efficiency.
- Auto-tagging which helps employees prioritise the emails they need to see, saving hours each day and ensuring deal-critical messages never go unread.
- Snippets which allow charterers and brokers to use pre-written message routines that can be completed and sent in seconds.
- The integration suite of Connected Apps which allows voyage data to be dropped into emails automatically, putting everything charterers and operators need at their fingertips.

Source: hellenicshippingnews.com_ March 15, 202

Up to €1.5m per year: Understanding Financial Implications of the EU ETS

In July 2021, the European Commission proposed to integrate maritime transportation into the EU Emissions Trading System (ETS) in order to cover greenhouse gas emissions from ships calling at EU ports. As part of the "Fit for 55" package, this change aims to help the EU reach net-zero GHG emissions by 2050. By putting a price on carbon and lowering emissions every year, the EU ETS provides financial incentives for stakeholders to reduce their carbon footprint, since polluters must surrender emission certificates, which cost around €90 at present.

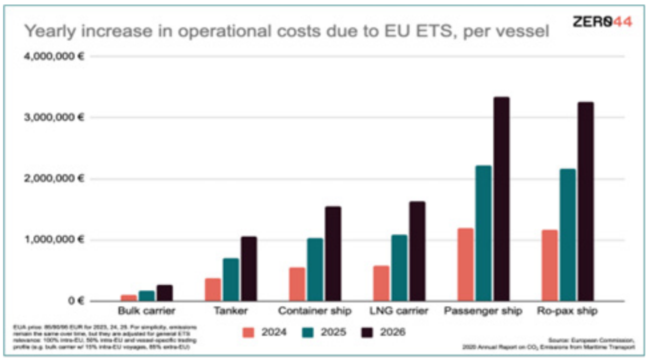
In the EU ETS, all emissions from vessels above 5,000 GT calling at EU ports for voyages within the EU (intra-EU), 50% of emissions from voyages that start or end outside of the EU (extra-EU voyages), and all emissions generated when ships are berthed in EU ports will be included. The final rule has not yet been fully agreed upon, but EU institutions reached a preliminary agreement in December 2022. Considering the final rule is merely a formality and agreed this year, the first monitoring year is 2024:

- With 40% of MRV-verified emissions required to be surrendered in 2024, 70% in 2025, and 100% from 2026 onwards, the maritime industry will gradually be integrated into the EU ETS.
- By 2026, general cargo and offshore vessels between 400 and 5,000 GT will be incorporated into MRV and integrated into the EU ETS.
- The EU ETS will apply to large offshore vessels > 5,000 GT starting in 2027, and MRV will be required starting in 2025.

Experts argue that the financial impacts for end users will be minimal, as Sofie Defour, freight director at Transport and Environment, a Brussels-based think tank, told Deutsche Welle: "We found that about 3 cents would be added to the price of your TV and about 8 cents to the price of Nikes." It is, however, very likely that the EU ETS will have significant impacts on shipping companies.

For example, the operating costs of an average bulk vessel, aged 10 years and emitting ~16,000 tons of CO2 per year, would increase by €1.3m in 2026, assuming it trades only between EU ports. Depending on the underlying cost of the emission certificates, these costs might rise dramatically. Different types of vessels have different financial implications because of the different regions they sail in and the different CO2 emission profiles they have. A relatively recent EU MRV report analysing CO2 emissions from maritime transport gives the following picture:

- In 2026, the EU ETS will on average increase operational costs per container vessel per year by €550,000 in 2024 and by €1.4m in 2026.
- By 2026, bulk carriers with MRV data showing 15% intra-EU voyages and 85% extra-EU voyages will face additional operational costs of €260,000 per vessel.
- The EU ETS will result in an increase in operational costs of €1m per tanker in 2026, and €380,000 already in 2024.



Legislators and industry participants are still debating which stakeholder will ultimately bear the increased costs from EU ETS. Considering that the EU ETS is based on the "polluter pays principle", it is reasonable to expect that, for example, time charter agreements will require the charterer to bear ETS costs. Bimco follows this notion with its ETS allowance clause for time charter parties. Also, industry participants might want to follow Maersk and MSC, which have already communicated ETS surcharges that will be passed on across the value chain.

Operators of smaller fleets, however, will see their operating expenses significantly increase once the ETS comes into force in 2024. It is possible that these players, who are essential to the operation of maritime transport, are less able to implement energy efficiency measures. They might not always be able to just pass on costs to others, due to their individual business models, nor are they able to leverage different emissions profiles across their fleet in order to limit their exposure to the EU ETS.

In order to stay ahead of the game, shipowners should not wait until the last minute before the EU ETS takes effect, but rather use digital tools available now to understand their exposure to ETS while at the same time taking care of getting access to the emission certificate market so they are prepared to purchase, hedge, and trade certificates, whether for themselves, their DoC holders, or their charterers.

Source: seatrade-maritime.com_ March 02, 2023

SHIPMENT OF TIMBER AND TIMBER PRODUCT THROUGH PORTS IN PENINSULAR MALAYSIA, FEBRUARY 2023

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% change Jan'23/ Feb'23
	m3	% change	m3	% change	m3	% change	m3	% change	m3	% change		
Sawntimber	35,612	26	728	-75	640	50	410	4	2,503	60	39,893	19
MDF	18,397	5	868	80	1,047	392	1,174	-6	3,960	-9	25,446	7
Mouldings	8,645	-2	23	37	1,402	-11	747	-35	503	-15	11,319	-7
Plywood	1,557	-44	0	0	39	-78	760	147	8,912	74	11,268	34
Veneer	128	-8	0	0	0	0	10	0	0	0	128	-8
Particleboard	10,804	53	0	0	349	-52	0	-100	9,614	146	20,767	78
TOTAL	**75,143**	**17**	**1,618**	**-52**	**3,477**	**11**	**3,102**	**0**	**25,491**	**64**	**108,831**	**22**

Note: Indicates % change over previous month
Source: MTIB

BULUH SEMANTAN - *Gigantochloa scortechinii*

V-shape silvery hair on the bamboo sheath

Other local name: Buluh pa'ao, buluh rayah, buluh telur

Family: Poaceae (formarly known as Gramineae)

Origin and geographic distribution

Gigantochloa scortechinii is a bamboo species found in Indonesia (Sumatera) and southern Thailand. In Malaysia, It has now become naturalised and is found primarily in disturbed forest areas.

Ecology

In Peninsular Malaysia, Gigantochloa scortechinii natural forests can be found up to 1000 m above sea level, but they thrive best between 400 and 800 m above sea level. The average maximum and minimum temperatures yearly are 32°C and 22°C, respectively and an annual rainfall of 2500 mm allows the plant to thrive. Though it may thrive in any soil type, this species prefers sandy loams with adequate drainage and a pH of 5.0 to 6.5. It is highly aggressive once exposed to sunlight and does well in ravines, gulleys, and logged-over places.

Brief Introduction

Gigantochloa scortechinii is one of the region's most widely grown bamboo species and is native to Southeast Asia, specifically Malaysia. It is usually found growing dominantly with rapid and lush growth in logged-over forest areas.

This species is a densely tufted, sympodial bamboo. Its characteristics include culm erect, up to 20 meters tall, 9-11 cm in diameter. Culm wall thickness ranges between 6-10 mm. The internode's length varies between 40-60 mm with light green stripes on the base. The young pole is covered with fine white waxy powder and later turns bright green when mature. The culm sheath is 15-25 cm long, lanceolate and spread in pale brown with blackish brown blades. On the surface, the sheath is covered with silvery hair and has a unique V-shape pattern, becoming an identification mark of this species. Young shoots are orange with soft green blades covered with appressed dark hair.

Physical and mechanical properties

G.scortechinii shoots

i. Density: Gigantochloa scortechinii has a relatively high density of around 600 – 700 kg/m^3, which gives it excellent strength and durability
ii. Modulus of rupture (MOR): 150 – 180 N/mm^2
iii. Modulus of elasticity (MOE): 17,000 – 25,000 N/mm^2
iv. Compressive strength: 70 – 80 N/mm^2

Uses

Gigantochloa scortechinii has a wide range of uses like other bamboo species due to its unique physical and mechanical properties. Some of the common uses include:

i. Construction applications – this is most popular, especially in Southeast Asia, such as in construction of traditional houses and bridges
ii. Furniture such as chairs, tables and cabinets
iii. Handicrafts such as baskets, mats and hats
iv. Landscaping, such as the creation of hedges and ornamental gardens (Norhazaedawati, SH,

Anwar, & Paridah, 2022)

v. Erosion control in stabilising slopes and preventing soil erosion.

G.scortechinii clumps

References

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period. The US market is estimated at USD 4.7 billion, while China is forecast to grow at 14.4% CAGR.

The outdoor furniture market in the U.S. is estimated at USD 4.7 billion in the year 2022. China, the world`s second largest economy, is forecast to reach a projected market size of USD 8.6 billion by the year 2030 trailing a CAGR of 14.4% over the analysis period 2022 to 2030. Among the other noteworthy geographic markets are Japan and Canada, each forecast to grow at 5.3% and 7.4% respectively over the 2022-2030 period. Within Europe, Germany is forecast to grow at approximately 6.5% CAGR.

globalwood.org, 21 March 2023

Succesful Journey of the Timber Industry in Malaysia And Its Further Growth Potential

Malaysia is an important player in the international market for timber and timber-based products and is also a leading global exporter of wooden furniture. For the past 20 years, Malaysia's timber-based industry has become a major revenue contributors to the country's economic growth, encompassing the production of sawntimber, veneer, panel products (plywood, particleboard, chipboard, and fibreboard), mouldings, builder joinery and carpentry (BJC), as well as furniture and furniture components.

In 2022, Malaysia recorded an increase of timber product export 3% to RM22.74 billion from RM22.08 billion. Wooden furniture, plywood and sawntimber were the main export products, exported to 172 global destinations. Wooden furniture is the largest contributor to the timber and timber-based export revenue valued at RM10.41 million, a decrease of 2% from RM10.63 billion in 2021. Exports of plywood and sawntimber were valued at RM3.28 billion and RM2.51 billion, an increase of 15% and 4% respectively. The USA, Japan, China, Singapore, and India were Malaysia's main export destinations for 2022. The timber industry is the third largest contributor to Malaysia's agri-commodity GDP with a contribution of RM16.30 billion or 1.1% in 2022. Malaysia is currently targeting timber exports to reach RM28 billion by 2025, which is in line with the National Timber Commodity Agriculture Policy and the National Timber Industry Strategic Plan 2021-2025.

Moving the industry forward

To achieve the national target at of RM28.0 billion export value, the furniture and timber product industries would require production re-examination and re-invention in terms of increasing local skilled expertise and increasing product quality and standardisation. In addition, by taking advantage of Malaysia's Free Trade Agreements (FTAs) – such as the signed Regional Comprehensive Economic Partnership, the ASEAN Free Trade Area and its seven regional FTAs with nine other bilateral FTAs, exports of timber and timber-related products can also be increased.

Such arrangements with the participating countries would reduce tariff and non-tariff barriers for certain products to selected markets, thereby increasing the competitiveness of Malaysian timber.

This has become increasingly necessary at a time when non-tariff barriers such as national procurement policies for various importing countries impede market access through timber legality requirements, import legality verification, eco-labelling, as well as carbon footprint reduction, life cycle assessments and other emerging compliance requirements.

Malaysia can take advantage of the United Kingdom as a separate market following its split from the EU, through the development of bilateral trade to increase market access. Australia, too, may be a good opportunity to tap into as a strong market for moulds.

As the shipping rates have increased significantly in the past few months, with freight costs to certain locations increasing by 100% up to 400%, this has also become a challenge for exporters. Market competition from neighboring countries is also increasing, with countries such as Viet Nam quickly gaining ground in furniture exports due to its low production costs.

The Malaysian timber industry needs to address this issue continuously. One way is through increasing productivity and capacity through automation and mechanisation in line with the fourth industrial revolution (IR4.0). The industry needs to shift to automation and mechanisation to accommodate the move towards IR4.0. Currently, it has barely reached IR3.0, while Germany and Italy have very high productivity. The second method is shifting from volume-based original equipment manufacturing to higher-value original design manufacturing (ODM) and original brand manufacturing (OBM), where product design and market niches will increase competitiveness.

Challenges with EU

Aside from facing constraints in establishing timber exports, the timber industry also faces problems related to the issue of deforestation. For example, the European Union Deforestation-Free Regulations (EUDR) is a new law that aims to create new measures to limit the effects of deforestation as a result of worldwide deforestation and agriculture. This new law also aims to ensure that goods and products imported into the EU are from sustainable sources and not the result of deforestation and forest degradation.
The Deforestation Regulation from the EU will present additional burdensome challenges to Malaysian exporters of timber and timber products to the EU market, particularly with the need for additional traceability and data to be provided to the end customers. Countries will be classified as 'high risk', 'standard risk' or 'low risk' and restrictions on their commodities will be either stricter or less strict, based on the classification. The Deforestation Free Products Regulation is an unjustified action by Europe that aims to restrict market access of timber and timber products. These regulations could affect smallholders and lead to higher prices and reduced production at a time when global inflation is soaring high. If the new rules come into force, all relevant companies will have to face strict procedures

if they want to place their products on the EU market.
With the support from 13 commodity producing countries including Malaysia, Brazil, Ghana and Indonesia, a joint letter was drafted and submitted to the European Union on July 27, 2022. The letter was submitted to the EC in November 2022 insisting that the EU consider engaging with producing countries. The Ministry of International and International Trade (MITI) has proposed the establishment of a national-level Committee that monitors the implications of EUDR implementation the Malaysian-EU trade. KPK supports the wish and is identifying a Panel of Experts according to the Agri-commodity sector.
Accordingly, Malaysia needs a period of time to prepare the industry and this poses a challenge because not all companies supply wood to the EU market (no interest to the company). Among the efforts that are being made and will be made is establishing and obtaining EU recognition for the Sustainable Certification Scheme and the Traceability System developed by Malaysia. In addition, the Panel of Experts will form a sustainability framework in the related agricommodity sector to assess the EU's needs and hold bilateral negotiations with EU representatives in Malaysia periodically to inform all the latest information regarding Malaysia's efforts towards the sustainability of the agricommodity sector.

Protecting natural resources

While the development of the timber industry remains central to the country's economy, equally important is the preservation and conservation of Malaysia's tropical rainforests and the biodiversity ecosystems within them. The 2023 industrial export performance is estimated to be encouraging, not only in facing this year's challenges, but also in terms of progress in line with government policy under the National Agricommodity Policy (DAKN). This aims to reduce the export of primary processed materials such as logs - which is demonstrated by the cap imposed on West Malaysian log production from local forests to 4 million cubic meters per year - while increasing exports of higher value-added downstream products.

We cannot rely on material from our natural forests, as the country is firmly committed to complying with the Rio Declaration, where forest cover must exceed 50% of the total land area. Under the National Agricultural Commodity Policy for the industry, the vision is to achieve a ratio of 65% downstream and 35% primary processing by 2025. In comparison, Malaysia's timber industry is currently at 56% downstream and 44% primary processing.

Peninsular Malaysia's timber industry is strong in downstream processing, with Sabah and Sarawak targeting the same under the 12th Malaysia Plan (RMK-12). Sarawak is already heading in this direction as it aims to export RM10 billion worth of downstream products such as furniture by 2030.

Although this stance has created a shortage of raw materials for the timber industry, steps are being taken to resolve the issue, with increased imports of raw materials in the short term, as well as research and development (R&D) into new materials and inventions. As for the long-term solution, MTIB has established a forest plantation programme. The Forest Plantation Development Programme (FPDP) has been carried out since 2007 with an initial allocation of RM1.045 billion in the form of soft loans to create an area of 130,000 hectares. Harvesting began in 2022, with 26 million cubic meters of logs projected to be produced within five years to improve the supply of raw materials in the local market.

The objective is twofold: to ease the burden on the country's natural forests and also provide a stable supply of materials for industrial use in a sustainable manner. Imports of raw materials have increased drastically over the past five years, to supplement the shortage of raw materials produced in the country. As such this is a very good sign. In fact, import statistics show imports increased from RM2.95 billion in 2014 to RM8.84 billion in 2022.

Locally, R&D on alternative raw materials has been carried out towards zero waste, especially the byproducts of the palm oil palm stem (OPT), bamboo and Eucalyptus. The development of OPT is encouraging for the production of engineered laminated veneer lumber and plywood, where there is a good market for such products overseas. We are not producing in volume at the moment, and we need more industry players to venture into the production of OPT, which can be used for structural purposes outdoors. This helps increase the production of the timber sector itself, as well as diversifying the range of products.

Under RMK-12, another RM500 million is allocated to continue the FPDP until 2025, with another RM500 million allocated under RMK-13 to maintain the programme for the next decade. In addition, there are also initiatives from the private sector to create their own forest plantations, leading to about 100,000 hectares including those established by the private sector mostly in Sabah and Sarawak.

At this point, Malaysia's continued achievements in sustainable agricommodity emphasises that the development of the timber industry can be achieved hand-in-hand with the conservation of tropical forests.

7-10 March 2023 - Export Furniture Exhibition 2023 (EFE) at Kuala Lumpur Convention Centre (KLCC)

15 March 2023 - Retirement of YBrs. Puan Hajah Roslina Idris, Deputy Director General (Development and Commercial) MTIB

8 March 2023 - Students from Politeknik Sultan Salahuddin Abdul Aziz Shah (PSA) during the "Jom Kenali FIDEC" Programme on 8 March 2023 at FIDEC, Banting Selangor

1 March 2023 - Work Visit on Understanding of Timber Exportation Procedures at Sungai Kolok, Thailand