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WOOD & LIFESTYLE FAIR 2024



- **MK MAJU FURNITURE : YOUNG ENTREPRENEUR IN FURNITURE BUSINESS**
- **SUSTAINABLE FOREST PLANTATION STRENGTHENING PROGRAMME**

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MK MAJU FURNITURE

Young Entrepreneur In Furniture Business

Prepared by : Norhasniza Rom

Encik Musalman bin Kamal started as an entrepreneur in the furniture business in 2014 at the age of 20. He holds a Sijil Kemahiran Malaysia (SKM) and a Diploma Kemahiran Malaysia (DKM Perabot). He established MK Maju Furniture Enterprise with only RM5,000 as capital and with it, he took his first step into furniture business in Dungun, Terengganu.

Currently, he has expanded the business in Kuala Berang and has 15 employees. As a young entrepreneur, he ensures that his pieces are durable, functional, and elegant. Quality is key to building a solid reputation and gaining repeat customers as customers today are willing to pay a premium price for quality products, especially if they are handmade or have a personal touch. This caused him to have customers not only around Terengganu, but also in Klang Valley.

MK Maju Furniture Enterprise has made more than 500 wood and furniture products and gross sales reached RM800,000 in 2023. The furniture business is made up of two major parts: making and selling and got started making and selling products on a small scale. Among the products that MK Maju Enterprise produces are kitchen cabinets, wardrobes, partitions, TV panels, cabinets, benches, tables, chairs and beds. In addition to its services, the company also, offers interior design services for houses.

The company vision will be the preferred furniture supplier and commit in meeting their business needs with absolute integrity of work ethics, uncompromising quality, competitive pricing, on-time delivery and good after sales services.

When asked what motivated him to start the business, he said, "Furniture business has huge opportunities for me based on my skills and competency. I am confident that I will be able to make and sell good quality furniture products". To date, MK Maju Furniture has made more than 500 wood and furniture products and gross sales reached RM800,000 in 2023. He explained that his furniture business is made up of two major parts: making and selling. He got started making and selling products on a small scale. Among the products that his company produces are kitchen cabinets, wardrobes, partitions, TV panels, cabinets, benches, tables, chairs and beds.

His success is not without challenges. According to him, "I have faced many challenges such as lack of machinery, equipment, tools and working capital. I also faced problems in acquiring a building to run my business, buying machinery and equipment, employing workers, keeping enough stock and raw materials and saving funds for future development". The people who most supported his business are his parents, wife, friends and MTIB/WISDEC officials. He hopes to build a furniture gallery for the convenience of customers and expand his wooden furniture market throughout Malaysia and globally.



Musalman during WorldSkills Competition (WSC) 2015, Sao Paulo, Brazil



Musalman during Malaysia Skills Competition (WSMB) 2013, Kuala Lumpur



Musalman during ASEAN Skills Competition (ASC) 2014, Hanoi

Encik Musalman has an impressive track record at the international level; he represented Malaysia in the 43rd WorldSkills Competition (WSC), which was held in Sao Paulo, Brazil in August 2015 and he won the Medallion of Excellence in the cabinetmaking category. At the 10th ASEAN Skills Competition (ASC), which was held in Hanoi, from 19 to 29 October 2014, he won the silver medal in the cabinetmaking category. At the national level, he won the gold medal in World Skills Malaysia (Youth) in 2013.

MTIB, through WISDEC, has been involved in many skills competitions, at the national level, the ASEAN level as well as at the international level. To develop human capital in the timber industry, MTIB was appointed as an Industry Lead Body (ILB) by the Department of Skills Development (JPK), Ministry of Human Resources. As ILB, MTIB has undertaken various technical training programmes and activities in order to elevate the level of skilled human resource in the timber industry.

Achievements of Musalman Kamal

No.	Skills Competition	Achievement
1.	WorldSkills Competition (WSC) 2015	Medallion of Excellence
2.	WorldSkills Oceania 2015	Gold Medal
3.	ASEAN Skills Competition (ASC) 2014	Silver Medal
4.	WorldSkills Malaysia (Youth) 2013	Gold Medal
5.	Terengganu Youth Icon in 2015	
6.	TVET Icon 2021	

Encik Musalman has achieved a high level of competency namely at the WorldSkills' level. WorldSkills is a skills competition, and a job and career event held in a member country every two years. It is a competition for youths ranging from 17 to 22 years to demonstrate their excellence in skilled professions.

Among its main objectives are:

- To promote the exchange between young professionals from various regions of the world.
- To exchange information on skills, experience and technological innovations.
- To raise the understanding in governments, the education institutions and local industries to the importance of skills training.
- To raise the awareness of youths and those who influence youths to the opportunities available in skilled professions.

The development of entrepreneurs requires a longer process involving the commitment of many parties. Educational policies in Malaysia are designed and coordinated by the human capital needs of this country. The Technical and Vocational Education Training (TVET) sector has been identified as a career path suitable for nurturing young entrepreneurs. TVET graduates or trainees are expected to have the capability to generate their income through job creation rather than employment seeking. Through skills competitions and TVET programmes, Encik Musalman has gained benefits in terms of the acquisition of the right skills and technical knowledge related to furniture and woodworking. TVET prepares students with specific skills for a specific job, thus, making employment easier as they are trained and equipped with the right skills. This gives TVET graduates an advantage in the job market.

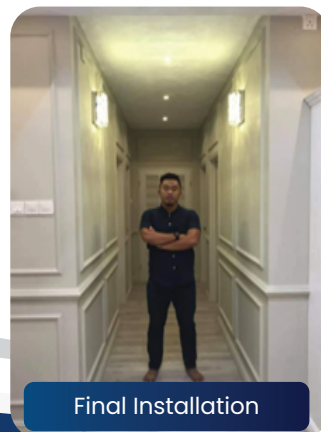
To get further information, please visit his Facebook page (Musalman Kamal) Instagram (mkfurniture_) or by phone 011-25525198.



Kitchen Cabinet



Wardrobe



Final Installation

MTIB'S WOOD & LIFESTYLE FAIR 2024: A CATALYST FOR ENTREPRENEUR GROWTH AND SME ACHIEVEMENT

Prepared by : Arizah Talha

The Malaysian Timber Industry Board (MTIB) has ramped up its marketing and promotional activities to encourage the consumption of wood products in the local market, with the aim of achieving the National Timber Industry Strategic Plan (NTISP) domestic target valued at RM20 billion by 2025.

The Wood and Lifestyle Fair (WLF) an exhibition organised by MTIB, serves as a local trade exhibition platform for entrepreneurs, especially those with Micro, Small & Medium Enterprise (MSME) status, to showcase their products. This platform also provides entrepreneurs with opportunities to increase market penetration and boost sales revenue for timber products within the local market.

WLF 2024, was held on 17-20 October 2024 and was officially launched by MTIB Chairman, YB Datuk Larry Sng Wei Shien. Ts. Farydatul Nazly Mohd Zin, Director of Industrial Development and acting Deputy Director General (Development & Commercial) of MTIB, represented YB Datuk Larry and delivered his opening speech. The event was also attended by MTIB Board Members, representatives from the Ministry of Plantations and Commodities, timber industry associations, government agencies, and public institutions of higher learning (IPTAs).



In his address, Ts Nazly stressed the significance of organising the Fair for both the timber industry and the Malaysian economy in reaching the objectives highlighted in NTISP (2021-2025) and National Agricommodity Policy (DAKN 2030) particularly in expanding market share and the consumption of timber and timber products domestically and internationally. He noted that the export value of the country's timber and timber products in 2023 experienced a 13.3 percent decline, dropping to RM21.8 billion from RM25.2 billion in 2022. Therefore, it is hoped that the current initiatives will help boost demand for timber products globally.

The speech also emphasised on the timber industry's crucial role as one of the primary agricommodities, significantly contributing to the nation's economic development. He noted that furniture products remained the leading contributors to the country's timber exports, reaching important markets such as the United States, India, Japan, China, Australia, and Europe.

"Despite facing global market challenges and rising production costs, Malaysia successfully recorded RM11 billion in wood furniture exports last year. With the success of the exports, it is expected that the industry would be able to meet NTISP's target of RM28 billion in timber industry exports by 2025," he stated.

Ts. Nazly added that the event would provide the public with an opportunity to learn more about timber and timber products that can be used for home and office decoration.

The four-day event which took place at Central i-City Shah Alam in Central Region brought together 16 exhibitors from Kuala Lumpur, Selangor, Negeri Sembilan, Melaka, and Johor, showcasing a diverse array of wood products which included furniture, kitchen cabinets, crafts and agarwood products. Various activities including timber talks, wood-carving demonstrations, perfume-making, wooden products DIY activities and colouring competitions were held.

The next WLF will take place in July 2025 in the Eastern Region (Kota Bharu).

INCORPORATING ESG IN DESIGN FOR TIMBER INDUSTRY

Prepare by : Norhaizurah Zulkarnain

The move towards sustainability spiralled when the 17 United Nations Sustainable Development (UN SDG) Goals was adopted in 2015, aiming at creating a better, more sustainable world for everyone by 2030. The 17 Goals are increasingly seen as essential targets and standards that encourage actions to protect the environment and general living space. In view of increasing globalisation and climate change, businesses especially in the timber industry need to also pay attention to social and environmental responsibilities, apart from purely gaining profit. Meanwhile, Environmental, Social and Governance (ESG) is a framework used to assess an organisation's business practices and performance on various sustainability and ethical issues. It also provides a way to measure business risks and opportunities in those areas.

ESG elements are streamlined into three main areas, namely Environmental (E) that focuses on resource management and environmental impact, Social (S) that centres on labour relations, working conditions, and community engagement and Governance (G) that emphasises on management structure, business ethics, and legal compliance in doing business.

By integrating ESG principles into the product design process, designers can craft products that not only meet the needs of buyers or consumers but also minimise their environmental impact, promote social responsibility, and adhere to ethical governance practices. As such, designers can utilise eco-conscious decisions to develop specific and practical strategies in finalising their products.

Designers are keen to incorporate these principles into products because of the clear benefits. Being conscious of ESG factors enhances the value of final products and amplifies brand reputation.

Pursuant to this emerging trend, MTIB organised a seminar entitled "ESG in Design for Timber Industry" on 22 October 2024 in Royale Chulan Kuala Lumpur and the seminar was officiated by YB Datuk Larry Sng Wei Shien, Chairman of MTIB. In his opening speech, he stated that timber industry needs to continue strengthening ESG in the development of product design in Malaysia through the integration of sustainable practices into various aspects of design, from architecture and urban planning to product design and corporate governance. In addition to physical and aesthetic aspects, design elements also provide a platform to promote sustainability, inclusivity, diversity, and accessibility, which are the fundamental elements of ethical and socially responsible designs. Product design needs to consider a more energy-efficient usage and incorporate more comprehensive accessibility elements for various user segments. The application of the circular economy in design, promoting the use of green products made from reusable and recyclable materials, as well as green packaging, can also contribute to the goal of integrating ESG values into design.

The topics presented during the seminar were "*The ESG Edge: Wood as the Future of Green Architecture*" by YBrs. Ar. Azman Zainal that focused on how **to turn architecture into green** and using timber as construction material. It is reported that timber only emits 1 mega joules of energy as compared to glass (24 mega joules), steel (60 mega joules) and aluminium (130 mega joules). Timber also provides low thermal conductivity in buildings and houses and it provides less waste as the timber materials can be reused and repurposed. Following that, YBrs. Prof. Madya IDr. Dr. Azimin Samsul Mohd Tazilan, CiDe from Ultrinovate Sdn. Bhd spoke on "*ESG in Design Development*



YB Datuk Larry Sng, MTIB Chairman with both MTIB Deputy Director-Generals and speakers



Some of the seminar participants



YBrs. Ar. Azman Zainal



YBrs. Prof. Madya IDr. Dr. Azimin Samsul
bin Mohd Tazilan, CiDe

for Timber and Furniture Industry". He deliberated on incorporating ESG in design development for the timber and furniture industry. The drive for ESG in the furniture industry are mainly due to consumer demand for sustainable and ethical products. This grants wider market access and competitive advantage for ethical and responsible companies. Furniture designers can incorporate ESG elements in their designs by using certified timber, working with local artisans, ensuring ethical labour in production and providing clear reporting on sustainability and accountability efforts.

The seminar continued with a presentation on "i-ESG Framework" by Encik Muhammad Adam Anuar, Assistant Director from Ministry of Investment, Trade and Industry (MITI). His presentation explained the reasons for the push in global efforts to integrate ESG elements into business

operations. He noted the reasons as being due to various international regulations such as CBAM, EUDR, US Inflation Reduction Act; requirements from investors and financial institutions; demand from the customer and government commitment for UN SDGs and net zero GHG emissions. Encik Muhammad Adam also elaborated on issues and challenges in implementing ESG such as lack of awareness; difficulty in understanding, managing and quantifying ESG risks; high cost of implementation for adopting ESG and the mix bag of competing standards and ESG reporting frameworks. The final presentation was delivered by Encik Azlan Abdul Ghafar, Deputy Director from Malaysian Investment Development Authority (MIDA) entitled "Incentives and Investment Opportunities in Malaysia's Furniture & Wood-Based Industry." It was reported that the investment for furniture and fixtures amounted RM8.63 billion while wood & wood products was worth RM16.90 billion from January to June 2024. Some of the incentives highlighted were incentives for new investments such as Pioneer Status (PS) and Investment Tax Allowance (ITA), Reinvestment incentive and New Automation Capital Allowance. PS provides income tax exemption of 70% of statutory income for 5 years while ITA provides capital expenditure incurred within a period of 5 years to be utilised against 70% of the statutory income for each assessment year.

The seminar was attended by 70 participants from the timber industry, government ministries and agencies, and higher learning institutions. The participants gave positive feedback towards the programme. It is hoped that the companies involved will be able to successfully implement ESG in their product designs and further strengthen the country's timber industry.



Encik Muhammad Adam Anuar (MITI)



Encik Azlan bin Abdul Ghafar (MIDA)

SUSTAINABLE FOREST PLANTATION STRENGTHENING PROGRAMME

Prepared by : Nur Hayani Adlina Abdur Rahim

The timber sector in Malaysia is a significant contributor to the country's economy. As such to remain competitive in the current global trade, information on topics such as forest resources, timber production and market trends, sustainable forestry practices, timber industry development and environmental considerations need to be continuously updated.

Thus, the Malaysian Timber Industry Board (MTIB) took the initiative to organise a knowledge sharing programme entitled Sustainable Forest Plantation Programme on 24 October 2024, at Pulse Grande Hotel, Putrajaya. The event aimed to disseminate relevant information on current regulations and the status of forest plantations which included challenges and issues, as well as to determine the direction of the Forest Plantation Development Programme (FPDP) in ensuring a continuous supply of raw materials to the industry.

The programme was officiated by YBr. Tuan Saiful Bahri Salleh, Director General, MTIB. In his opening remarks, YBr. Tuan Saiful stated that the upstream sector is very important in the timber industry and cooperation between agencies involved is crucial in ensuring the success of the programmes or projects related to forest plantations. This includes the planting of non-timber species such as bamboo as an alternative raw material. Also present as guests of honour were YBr. Encik Mohd Amin Kadir, Deputy Director General (Management and Operations), MTIB and YBr. Puan Jasvinderjeet Kaur, Principal Assistant Secretary (KPSU), Ministry of Plantation and Commodities (KPK).

Eight speakers from MTIB and related agencies presented during the programme. The first paper, entitled Status of Forest Plantation in Permanent Forest Reserve, was presented by Puan Siti Dessyma Isnani, from the Forestry Department of Peninsular Malaysia (JPSM) which explains the importance of setting up a moratorium on the establishment of forest plantations, updating the Standard Operating Procedure (SOP) and implementing the action plan for forest plantation development projects. Following that, Dr. Mohd Zaki Haji Abdullah, from Forest Research Institute Malaysia (FRIM) presented the second paper entitled The Basis of Species Selection for Forest Plantation which listed out the fundamental factors involved in species selection to develop a forest plantation. The factors were the final product (related to number of trees that need to be planted), soil suitability, topography, pests and diseases.

For the third paper, Puan Sunita Muhamad from MTIB presented on the Peninsular Malaysia Timber Legality Assurance System (MyTLAS) as a strategic movement by the Government to guarantee wood products that carry a legal timber status, meeting the requirements of international laws and regulations. Next, Puan Norhaizurah Zulkarnain from MTIB presented her paper entitled The Export's Potential and Challenges of Malaysian Timber Product which highlighted ways to increase export value in the timber industry such as the use of additional alternative raw materials, engineered wood products, strengthening trade for new markets as well as ensuring legal and certified timber.

Puan Patahayah Mansor from FRIM shared her research on the problem of pests and diseases in forest plantation species. The study focused on three (3) species – Eucalyptus, Batai and Kelempayan/ Laran. The sixth speaker was Encik Mohd Zamakhsyary Mustapa from Forest Plantation Development Sdn Bhd (FPDSB) who spoke on the Forest Plantation Development Programme (FPDP) highlighting the initiatives put forward by the Government in developing forest plantations which include soft loans to eligible companies.

The seventh paper, by Encik Faris Sobri from FRIM, was on his research on growth and yield in Permanent Forest Reserves. The results of the study can be used as a reference in improving forest management. Lastly, Dr. Farrah Shameen Mohamad Ashray from Malaysian Timber Certification Council (MTCC) spoke on the challenges and opportunities related to forest plantation certification. She also highlighted the importance of certification in that sector to promote sustainability along the value chain in the timber industry.

A total of 100 people consisting of representatives of government agencies and timber industry associations, attended the programme.



YBr. Tuan Saiful Bahri Salleh, MTIB Director General giving his opening speech



YBr. Tuan Saiful Bahri Salleh, MTIB Director General with speakers



Participants consisting of representatives of government agencies and timber industry associations

SEPTEMBER 2024

The total export of Malaysian timber and timber products in September 2024 decreased by 6% in value totalled at RM1.8 billion from RM1.9 billion in the previous month. However, the cumulative exports for the period of January – September 2024 increased by 8% valued at RM17.1 billion over RM15.8 billion in the previous corresponding period.

The timber sectors in Brazil and China showed signs of recovery in September, according to the latest edition of the Global Timber Index (GTI) Report. The ITTO-supported GTI tracks the performance of the timber sector in diverse pilot countries. The GTI indices for Brazil (52.3%) and China (54.2%) were above the threshold of 50% in September (up from 44.5% and 43.1%, respectively), thus indicating an upward trend in their timber sectors. Specifically, both countries experienced an increase in orders and production.

The timber sectors of most GTI-participating producing countries continued to contract, however, with the GTI indices for Thailand (49.1%), Ghana (46.7%), the Congo (44.9%), Mexico (37.1%), Malaysia (29.0%) and Gabon (26.3%) all below the 50% threshold. Congo, Malaysia and Mexico have all been below the threshold for several months, with timber enterprises in those countries facing considerable pressure on production and operations. GTI-participating enterprises in the three countries called for government intervention in September.

SAWNTIMBER

The total export of sawntimber in September 2024 decreased by 13% in volume and 20% in value to 67,613 m³ totalling at RM138.6 million as compared to the previous month. Similarly, cumulative exports for the period of January–September 2024 also decreased by 4% in volume and 8% in value to 739,437 m³ totalling at RM1.6 billion over the previous corresponding period.

Exports to the EU for the month were recorded at 3,913 m³, a decrease of 25% as compared to 5,228 m³ in the previous month. The Netherlands as the main buyer decreased purchases by 17% to 2,105 m³ from 2,528 m³ in the previous month. Similarly, export to Belgium also decreased by 48% to 426 m³ followed by Germany with a decrease of 30% to 437 m³ respectively. In other parts of Europe, exports to the UK also decreased by 25% to 675 m³ from 896 m³ in the previous month.

Meanwhile, the total export to South Asia increased by 14% to 12,882 m³ from 11,344 m³ recorded in the previous month. India as the main buyer from South Asia increased imports by 22% to 7,972 m³ from 6,527 m³ as recorded in the previous month. However, exports to Maldives decreased by 22% to 1,855 m³ whilst Sri Lanka increased purchases by 49% to 2,133 m³.

Elsewhere, the total export to West Asia increased by 10% to 12,697 m³ from 11,562 m³ as recorded in the previous month. The UAE as the main buyer decreased their buying by 15% to 4,150 m³ from 4,873 m³ as recorded last month. Similarly, exports to Iraq also decreased by 19% to 1,417 m³ compared to 1,757 m³ in the previous month followed by Yemen with a decrease of 41% to 894 m³.

Shipments to East Asia also decreased by 26% to 17,961 m³ from 24,207 m³ in August 2024. China as the main buyer decreased purchases by 32% to 9,526 m³ from 14,009 m³ in the previous month. Similarly, exports to Japan also decreased by 10% to 2,533 m³ from 2,799 m³ last month followed by Taiwan with a decrease of 24% to 4,304 m³ as compared to the previous month.

Similarly, buying from ASEAN decreased by 18% to 14,795 m³ from 18,084 m³ as registered in the previous month. However, Thailand as the main buyer in ASEAN increased its intake by 8% to 6,205 m³ from 5,737 m³ as recorded in the previous month. Exports of sawntimber to Singapore also increased by 11% to 6,549 m³ whilst the Philippines decreased buying by 80% to 1,126 m³ from 5,491 m³ last month.

Moving to the Africa region, exports to Africa decreased by 26% to 2,598 m³ as compared to 3,511 m³ in the previous month. Similarly, demand from South Africa also decreased by 22% to 2,234 m³ from 2,860 m³ whilst Mauritius increased buying by 47% to 298 m³ from 203 m³ in the previous month.

Elsewhere, export to North America decreased by 46% to 1,123 m³ from 2,092 m³ in the previous month. The USA as a major buyer from North America decreased its intake by 32% to 1,123 m³ from 1,656 m³ whilst Canada didn't make any purchase for the month. In the Oceania/Pacific region, export to Australia increased 40% to 927 m³ from 661 m³ in the previous month.

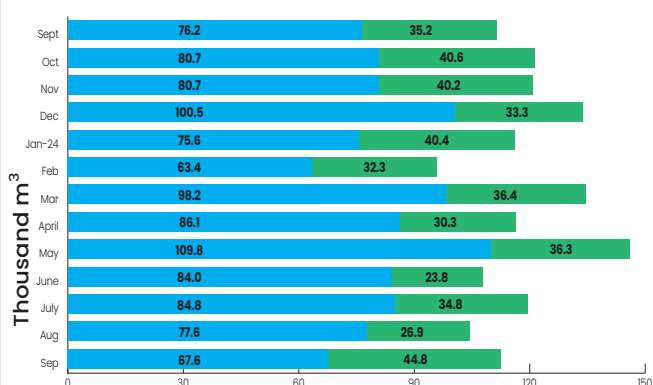
The average FOB price of sawntimber decreased by 8% to RM2,049 per m³ from RM2,237 per m³ in the previous month. The price of Dark Red Meranti to the Netherlands increased by 23% to RM3,984 per m³ from RM3,234 per m³ in the previous month. Keruing was traded at RM2,796 per m³, a decrease of 14% from RM3,265 per m³ in the previous month.

On 25 September 2024, twenty-eight organisations representing European primary wood producers, and a wide range of forest product industries urged a delay of the entry into the application of EUDR. The concerned organisations issued a statement supporting the Commission's goal of eradicating deforestation and forest degradation but raised questions over the regulation's feasibility and lack of clarity. "With less than 100 days before the EUDR takes effect, we are still grappling with severe legal and market uncertainties," they declared, explaining that adjusting practices in compliance with the regulation cannot be achieved at the last minute. The statement highlighted repeated warnings over the past year, asking "for clarity for a workable, harmonised implementation of the regulation". Concerns have gone unanswered, signatories remarked, especially on the need for a functional EU Information System and proper benchmarking for low-risk countries.

Malaysia: Export of Sawntimber and MDF

Sept 2023 - Sept 2024

SAWNTIMBER FIBREBOARD



PLYWOOD

Export of plywood in September 2024 recorded a decrease of 23% in volume at 81,545 m³ and a 26% decrease in value to RM165.9 million as compared to the previous month. However, cumulative exports for the period of January - September 2024 showed an increase of 9% in volume to 834,642 m³ and 2% in value totalling at RM1.8 billion over the previous corresponding period. The EU region recorded an increase of plywood export by 35% from 290 m³ to 390 m³. In other parts of Europe, export also recorded an

increase of 55% to 10,982 m³ from 7,086 m³ in the previous month. The plywood purchase by the UK added up tremendously by 499% to 10,956 m³ while Turkiye reduced purchases by 100% to 27 m³.

Moving to the East Asia market, volume decreased by 42% to 44,467 m³ from 76,378 m³ in August. Japan as the largest importer from the region reduced its buying by 48% to 34,912 m³ from 66,989 m³, followed by South Korea with a decrease of 16% to 2,795 m³. Taiwan increased imports by 13% from 5,349 m³ to 6,034 m³. In the ASEAN region, imports increased by 29% from 3,690 m³ to 4,742 m³. Plywood export to Thailand, Singapore and the Philippines recorded an addition of 38% to 2,293 m³, 48% to 1,668 m³ and 4% to 355 m³ each.

In the South Asia region, plywood purchase decreased by 49% from 1,911 m³ to 979 m³. India and Maldives reduced imports by 47% to 914 m³ and 56% to 65 m³ respectively. The West Asia region recorded an increase of 96% to 8,836 m³ from 4,519 m³ in the previous month. Import performance in Yemen increased by 123% to 7,867 m³ while Saudi Arabia and Oman didn't make any purchases for the month.

In the Africa region, plywood export decreased by 48% from 372 m³ to 193 m³ with a purchase from South Africa. Likewise, sales in the North America region showed a small decrease of 0.1% from 9,275 m³ to 9,264 m³. The USA as the main buyer increased purchase by 30% to 7,899 m³. However, Mexico and Canada dropped their sale orders by 57% to 1,196 m³ and 61% to 168 m³ each. Plywood export to the Oceania/Pacific region also recorded a decrease of 28% to 1,692 m³ from 2,340 m³ with the purchases being from Australia.

The FOB price of plywood for September 2024 was at RM2,034 per m³, a decrease of 4% from RM2,109 per m³ from the previous month.

European sawmillers are continuing to face significant challenges due to ongoing poor market conditions, with expectations of a major boost from the UK Government's ambitious housebuilding agenda proving uncertain. Key industry figures, speaking at Timber Development UK's (TDUK) Global Markets Conference in early November, highlighted the ongoing struggles and market volatility affecting the sector. Noble Francis, Economics Editor at the Construction Products Association (CPA), addressed a crowd of 200 industry professionals in London, expressing skepticism over the UK Government's target of 1.5

million new homes over the next parliamentary period. He described the target as “ludicrous,” noting that the construction sector has faced significant workforce losses, with 385,000 fewer workers since the first quarter of 2019. While CPA’s forecast remains one of “cautious optimism” for the UK construction sector, its projections show modest growth. UK GDP is expected to increase by 1.1% in 2024, 1.7% in 2025, and 2.3% in 2026. Construction output in 2025 is forecast to grow by 2.5%, with private housebuilding rising by 8%. However, these projections are tempered by a 2.9% contraction in overall construction output in 2024, alongside a 9% decline in private housebuilding. As European sawmills continue to navigate these challenges, the industry remains under pressure, and any potential market recovery will need to address these ongoing issues.

VENEER

Export of veneer in September 2024 decreased by 42% in volume to 4,892 m³ and in value by 25% worth RM9.1 million as compared to the previous month. The cumulative export for January - September 2024 showed an increment in both volume and value by 46% to 41,430 m³ and by 39% to RM83.3 million over the previous corresponding period.

ASEAN recorded a tremendous increase in veneer imports by 1285% from 20 m³ to 277 m³ as compared to last month. Viet Nam improved its purchase by 106% to 35 m³ while Singapore reduced its purchase by 33% to 2 m³. In East Asia, export declined by 47% from 7,569 m³ to 4,042 m³. Taiwan and South Korea increased their veneer imports by 1% and 63% to 1,113 m³ and 961 m³ respectively. China as the largest veneer importer from Malaysia decreased purchase by 70% to 1,684 m³. Likewise, South Asia region recorded a decrease in import by 68% to 86 m³. Veneer purchase by India and Bangladesh dropped by 73% to 57 m³ and 53% to 29 m³ each.

Moving to North America, veneer import recorded a decrease of 88% to 47 m³ with purchases being from Canada. In the Oceania/Pacific region, purchase increased with Australia and New Zealand resuming their buying at 142 m³ and 133 m³ respectively. In the Africa region, sales dropped by 96% from 167 m³ to 7 m³ with purchases being from South Africa.

The average FOB price for veneer increased by 29% from RM1,442 per m³ to RM1,863 per m³ as compared to previous month.

Australia is falling behind its goal to build 1.2 million new homes by July 2029, with a projected shortfall of 166,000 homes, according to Master Builders Australia. All states, including major

contributors NSW, Victoria, and Queensland, are not meeting their targets due to high inflation, rising interest rates, supply chain issues, and a chronic shortage of construction workers. The nation needs 90,000 more residential construction workers to address the crisis.

Housing Minister Clare O’Neil emphasised the need for bold solutions and criticised the impact of high interest rates on construction starts. Opposition housing spokesman Michael Sukkar accused the government of slow progress, highlighting that only USD3 billion of USD32 billion in housing-related commitments have been distributed. NSW faces significant challenges, with Premier Chris Minns acknowledging the need for planning system reforms. Master Builders and state leaders stress the importance of addressing workforce shortages through measures like better apprenticeship incentives, reskilling migrants, and attracting skilled international workers. Despite efforts, the housing market is expected to recover slowly as economic conditions improve.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in September 2024 recorded a 66% increase in volume at 44,834 m³ and 46% in value to RM76.4 million compared to the previous month. In contrary, the cumulative export for the period of January - September 2024 recorded a decrease of 12% in volume at 306,128 m³ and 7% in value totalling at RM571.5 million as compared to the corresponding period in 2023.

Export to ASEAN decreased by 30% from 5,856 m³ to 4,105 m³ in the previous month. The Philippines and Indonesia decreased imports by 56% and 27% to 1,665 m³ and 955 m³ respectively. Meanwhile, Viet Nam increased import by 56% to 990 m³.

Elsewhere, East Asia’s purchase of MDF increased by 76% from 8,332 m³ to 14,690 m³ in the previous month. Import of MDF from Japan rose by 85% to 13,748 m³ while Taiwan reduced its orders by 43% to 475 m³. China didn’t make any purchase for the month. Moving to the South Asia market, export also increased by 73% from 2,461 m³ to 4,263 m³. Export performance to India and Pakistan improved by 130% to 1,930 m³ and 5% to 1,476 m³ respectively.

Export to the West Asia region recorded an increase of 303% from 4,383 m³ to 17,646 m³ as compared to previous month. The UAE spiked its buying performance by 1026% to 6,687 m³ from 594 m³ in the previous month. Lebanon and Oman resumed their MDF purchases with 6,343 m³ and 4,047 m³ each.

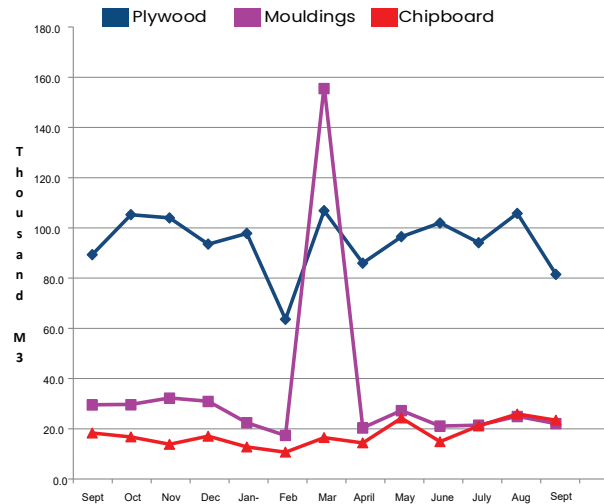
Export to Oceania/Pacific decreased by 19% to 1,996 m³ from 2,471 m³ with the sole purchase being from Australia. Meanwhile, Guatemala resumed its purchase with 109 m³. In Europe, the UK resumed its purchases with 109 m³. MDF import in North America showed a decrease of 46% from 3,411 m³ to 1,848 m³ compared to the previous month. MDF purchases by the USA and Canada depleted by 61% to 991 m³ and 49% to 255 m³ each. Mexico improved its purchase by 58% to 603 m³. In the Africa region, MDF purchase also recorded a decrease of 40% to 158 m³ from 265 m³ with the purchase being from South Africa.

The FOB price of MDF decreased by 15% to RM1,704 per m³ from RM1,998 per m³ in the previous month.

Currie & Brown, a leading provider of project management, cost management, and advisory services, forecasts construction costs to rise 2-5% annually as the demand for new infrastructure, residential, commercial and leisure attractions continue to grow in the UAE. Following record visitor numbers in 2023, major airport expansion and hospitality projects are underway across the Emirates to meet the continuing tourism growth. Increased demand for infrastructure will put pressure on construction costs, particularly in the hotel and leisure sectors.

Currie & Brown's latest UAE Market overview report reveals a wealth of opportunities and challenges as the sector works to meet the UAE's ambitious tourism goals. It also focuses on the unprecedented growth in tech projects, as the UAE government continues to position the country as a global technology and innovation hub. Emirates aims to attract investment and global talent by expanding data center infrastructure to support cutting-edge AI research, cloud computing, and big data processing requirements. The report anticipates the UAE will outperform its Gulf counterparts for the rest of the year. Tourism and long-term resident visas are driving economic growth, contributing to job creation, infrastructure development, and cultural exchange, while also positively impacting small businesses and regional investment. Sustained growth in the UAE will offer a wealth of opportunities for the construction industry over the coming months and years, although increasing costs will require careful oversight. Rigorous project management and detailed analysis of costs will be fundamental to the successful delivery of projects.

Malaysia: Export of Major Timber Product
Sept 2023 – Sept 2024



MOULDINGS

Export of mouldings for the month decreased in volume by 11% and in value by 16% to 22,832 m³ worth RM74.0 million from the previous month, August 2024. Meanwhile, for the cumulative period of January – September 2024, export of mouldings increased both in volume by 67% to 339,873 m³ and in value by 13% worth RM710.3 million over the same period in 2023.

Shipments to ASEAN decreased by 28% to 782 m³ for the month from 1,088 m³ in August 2024. Exports to both Singapore and Viet Nam also decreased by 16% to 598 m³ and by 32% to 182 m³ for the month, respectively. Meanwhile, exports to the East Asia region decreased by 39% to 1,598 m³ for the month. Demand from Japan and South Korea also decreased by 39% to 943 m³ and by 35% to 361 m³ respectively. Moving to South Asia countries, export to India decreased by 26% to 240 m³ from 324 m³ in the previous month, while Sri Lanka didn't make any purchase for the month.

Export to the EU bloc for the month was recorded at 4,904 m³, a decrease of 38% over 7,898 m³ in the previous month. The Netherlands also decreased its demand by 37% to 3,151 m³ from 4,976 m³ in the previous month. and. However, intake from France increased by 14% to 664 m³ whilst Germany decreased buying by 62% to 365 m³. Moving on to other parts of Europe, exports to

the UK increased by 54% to 787 m³ compared to 512 m³ in the previous month whilst Turkey didn't make any purchase for the month.

Export to the North America region increased by 17% to 12,904 m³ from 11,018 m³ in the previous month. The USA as a major buyer from North America increased its intake by 21% to 12,690 m³ from 10,509 m³ whilst Canada decreased buying by 7% to 198 m³ from 213 m³ in the previous month. In the Oceania/Pacific region, export to Australia decreased by 44% to 997 m³ from 1,765 m³ in the previous month whilst Guam didn't make any purchase for the month.

Export to Mauritius increased by 201% to 217 m³ from 72 m³ in the previous month. Meanwhile, South Africa decreased buying by 34% to 183 m³ from 279 m³ in the previous month.

Average FOB unit value for mouldings decreased by 5% to RM3,239 per m³ compared to RM3,410 per m³ in the previous month.

The government of the United Kingdom (UK) announced that its housing target will be increased from 300,000 to 370,000 net additional homes per year and that it will be made mandatory. It also proposed substantial changes to the National Planning Policy Framework (NPPF), now out to consultation, and broader changes to the planning system in England. Most of the focus following the announcement was on the housing target itself and the regional distribution of the housing target. However, there were also positive proposed changes to planning around infrastructure, including public service infrastructure (such as schools, hospitals and prisons) and private, commercial and industrial (such as data centres and gigafactories) infrastructure, as well as changes to planning for some home improvements (upward extensions including mansards).

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for September 2024 decreased by 7% in volume and 5% in value to 12.4 million kg worth RM119.7 million from last month, August 2024. However, exports of BJC for the cumulative period of January–September 2024 jumped by 6% in volume and 2% in value to 102.6 million kg worth RM985.6 million from the previous corresponding period in 2023.

Demand from the ASEAN region decreased by 15% to RM103.8 million with Singapore as the highest buyer reducing its intake to RM75.9 million, a

decrease of 21% from RM96.2 million in the previous corresponding period. However, exports to Viet Nam and Thailand grew by 48% to RM9.6 million and 54% to RM11.1 million respectively.

Meanwhile, exports to East Asia countries decreased slightly to RM68.1 million over RM67.7 million in the corresponding period in 2023. Japan was recorded as the highest buyer with an increase of 7% to RM47.9 million whilst Taiwan decreased its intake by 6% to RM6.7 million.

Intake from South Asia countries increased by 22% to RM32.3 million with India as the largest buyer expanded its buying by 22% to RM20.0 million. Similarly, Sri Lanka increase intake by 307% to RM4.6 million whilst Maldives decreased buying to RM4.7 million for the cumulative period of January – September 2024. Moving on to West Asia countries, the UAE recorded a decrease of 17% to RM2.3 million from RM2.8 million over the same cumulative period in 2023. Meanwhile, Saudi Arabia increased its intake by 337% to RM1.0 million whilst Kuwait resumed its buying with RM610,333.

At the EU bloc, exports of BJC decreased by 13% worth RM186.8 million from RM213.5 million in the same corresponding period in 2023. Exports to the Netherlands grew by 60% to RM64.8 million from RM40.7 million in the previous month. Exports to Belgium reduced by 10% worth RM57.1 million whilst France decreased its intake by 24% worth RM14.6 million respectively. Meanwhile, exports to the UK increased by 14% to RM108.6 million from RM95.3 million. Similarly, exports to both Norway and Türkiye increased by 502% to RM10.5 million and by 2% to RM0.8 million respectively.

As the largest buyer of BJC for the period January – September 2024, demand from the North America region was worth RM275.2 million, an increase of 14% from RM242.0 million in the same period in 2023. Exports to the USA increased by 19% to RM269.3 million from RM225.5 million in the same period in 2023. Export to Canada exploded by 148% to RM5.7 million from RM2.3 million in the same corresponding period. Meanwhile, Mexico reduced its intake by 99% to RM0.2 million from RM14.2 million in the corresponding period in 2023 followed by Uruguay also with a decrease of 32% to RM0.8 million from RM1.3 million over the same period.

Shifting to the Oceania/Pacific region, export increased to RM186.0 million with Australia as the largest buyer recording an increase of 4% to RM167.7 million. Export to New Zealand was down by 5% to RM14.9 million whilst Western Samoa increased purchases by 16% worth RM1.0 million. Elsewhere, exports to the Africa region dropped by 6% to RM8.6 million. Intake from both South Africa and Mauritius increased by 27% to RM4.5 million and by 81% to RM1.8 million respectively. Meanwhile, Seychelles decreased its intake by 53% to RM1.1 million for the cumulative period of January – September 2024.

The U.S. single-family house prices increased solidly in September, which together with a resurgence in mortgage rates will further reduce affordability for many prospective homeowners. The Federal Housing Finance Agency said that house prices jumped 0.7% on a month-on-month basis after an upwardly revised 0.4% rise in August. They increased 4.4% in the 12 months through September, matching the upwardly revised rise in August. The gain in annual house prices was previously reported to have been 4.2%. The pace of increase, however, slowed from the second quarter. House prices rose at a 2.86% annual rate in the July-September quarter after advancing at a 3.76% pace in the second quarter. Though the Federal Reserve cut interest rates in September and earlier this month, mortgage rates have risen in tandem with U.S. Treasury yields on strong economic data and investor fears that President-elect Donald Trump's policies, including higher tariffs on imported goods and mass deportations, could reignite inflation. Mortgage rates track the 10-year Treasury note and have erased the total decline seen in September.

FURNITURE

Export of wooden furniture for the month of September 2024 declined by 10% to RM814.8 million from RM903.3 million in August 2024. However, when compared year-on-year, export of wooden furniture has increased by 11% to RM7.2 billion from RM6.5 billion in its corresponding period in 2023.

For the period of January – September 2024, export of wooden furniture to ASEAN dropped by 2% valued at RM899.0 million from RM919.9 million in its corresponding period in 2023. Exports to Singapore and Indonesia decreased by 6% to RM535.1 million and by 13% to RM76.6 million, respectively. However, export to the Philippines grew by 23% to RM196.6 million for the cumulative period of January – September 2024.

Moving to the East Asia region, exports dropped by 12% to RM418.1 million from RM476.9 million year-on-year in 2023. Japan remained the highest buyer with export valued at RM321.1 million despite a decline of 11%. Similarly, export to Taiwan decreased by 1% to RM35.8 million, followed by South Korea with exports down by 8% to RM24.9 million over its corresponding period in 2023.

Exports to West Asia expanded by 5% to RM380.6 million from RM362.8 million in the corresponding period in 2023. The UAE remains the largest buyer in the region albeit a decline of 10% to RM172.6 million. Nevertheless, exports to Saudi Arabia and Kuwait grew by 5% to RM128.6 million and by 37% worth RM18.6 million, respectively for the mentioned period.

Moving to the South Asia region, export of wooden furniture to the region improved by 32% to RM123.5 million for the period of January –

September 2024. Amongst South Asia countries, India recorded the highest intake with export value worth RM111.1 million with an increase of 32%. Meanwhile, export to Maldives grew by 13% to RM9.1 million and Sri Lanka increased its buying by 435% valued at RM1.6 million.

Export to the Central Asia region decreased by 9% to RM3.0 million with export to Kazakhstan improved by 21% to RM2.5 million. Armenia reduced its demand by 68% to RM0.2 million and Tajikistan also dropped its intake by 27% to RM0.3 million for the cumulative period of January-September 2024.

Exports to the European Union recorded an increase of 15% to RM286.6 million from RM249.9 million over its corresponding period in 2023. Export to France increased by 16% worth RM30.6 million, followed by Germany with export increased by 21% to RM34.4 million and Spain with intake increased by 39% worth RM30.5 million. Amongst the other countries in Europe, the United Kingdom as the largest buyer recorded an increase of 18% to RM340.9 million from RM289.7 million over its corresponding period in 2023. Similarly, exports to Türkiye and Georgia increased by 40% to RM12.3 million and by 22% to RM8.2 million respectively.

Exports to Oceania/Pacific improved by 20% to RM432.8 million from RM360.2 million over its corresponding period in 2023. Australia remained as the top buyer in the archipelago region with imports worth RM377.8 million, an improvement of 18%. Similarly, exports to both New Zealand and Papua New Guinea expanded by 13% to RM28.3 million and by 76% to RM10.9 million respectively.

Moving to the Central America region, export of wooden furniture increased by 37% to RM43.5 million from RM31.7 million year-on-year. Both Panama and Guatemala recorded an increase of 32% to RM12.5 million and by 22% worth RM7.9 million respectively. Similarly, export to El Salvador grew by 39% to RM8.4 million from RM6.0 million in January-September 2023.

Meanwhile, exports to the North America region advanced by 16% to RM4.0 billion from RM3.4 billion year-on-year. As Malaysia's largest wooden furniture buyer, demand from the USA improved by 14% to RM3.6 billion from RM3.1 billion over its corresponding period in 2023. Similarly, export to Canada multiplied by 41% to RM312.6 million while Puerto Rico reduced its demand by 3% to RM43.4 million.

Export of wooden furniture to the South America region recorded an increase of 29% worth RM83.9 million from RM65.2 million over its corresponding period in January – September 2023. Export to Chile improved by 49% to RM46.5 million from RM31.3 million, followed by Peru with export increased by 25% to RM15.4 million. Similarly, export to Uruguay increased by 1% to RM5.1 million for the cumulative period in 2024.

Moving to the Africa region, export to the region improved by 7% to RM120.3 million with South Africa garnering the largest market share with RM38.3 million. Intake from South Africa recorded an increase of 35% from RM28.4 million in its

corresponding period in 2023. This was followed by Reunion Islands, with recorded sales of RM11.1 million, exports increased by 9% from the previous corresponding period. Conversely, export to Kenya decreased by 27% to RM10.7 million from RM14.6 million year-on-year.

Rattan furniture shipments for September 2024 recorded a decrease of 13% valued at RM5.2 million while based on year-on-year, export of rattan furniture for the cumulative period of January – September 2024 also declined by 15% to RM47.9 million from RM56.0 million in the same period in 2023.

Exports to ASEAN member countries were recorded at RM6.1 million, an increase of 23% for the mentioned period of January – September 2024 from RM5.0 million in the same period in 2023. The highest buyer, the Philippines recorded sales of RM3.7 million with an increase of 21%. Similarly, export to Singapore grew by 29% to RM1.7 million while export to Thailand increased by 47% to RM0.6 million.

However, export of the East Asia region recorded a decline of 76% worth RM1.1 million with Japan reduced its intake by 47% to RM0.6 million. Similarly, exports to China and Taiwan decreased by 91% to RM0.3 million and by 77% to RM49,338 respectively. Moving on to South Asia countries, India was recorded as the highest buyer of rattan furniture worth RM0.7 million despite a reduction in its buying by 71%. Meanwhile, Tajikistan resumed its intake with 122,721 m3 for the same cumulative period.

Export to the West Asia region increased by 31% to RM3.4 million with the largest buying nation of rattan furniture in the region, the UAE increasing its intake by 89% to RM1.8 million, while intake from Saudi Arabia reduced by 18% to RM0.9 million. Meanwhile, Iraq resumed its intake with RM244,672.

Moving on to European Union bloc, export dropped by 4% to RM7.6 million with France being the largest buyer amongst EU countries. Nevertheless, export to France increased by 15% to RM2.0 million from RM1.7 million over the same period in 2023. Similarly, exports to Ireland and Romania grew by 19% and 48% to reach each RM1.0 million respectively. Moving to other parts of Europe, demand from the group decreased by 20% to RM5.4 million with the UK being the largest buyer in the region. The UK dropped its buying by 20% to RM4.7 million, while Georgia resumed its buying with RM0.2 million. Meanwhile, intake from Russia dropped by 49% to RM0.5 million for the period of January – September 2024.

Shipments to the Oceania/Pacific archipelago region dropped by 49% to RM2.4 million from RM4.7 million over the same period in 2023. Australia recorded a decline in intake by 49% to RM2.0 million, while both Papua New Guinea and Western Samoa increased their buying by 95% to RM71,217 and by 62% to RM66,952 respectively.

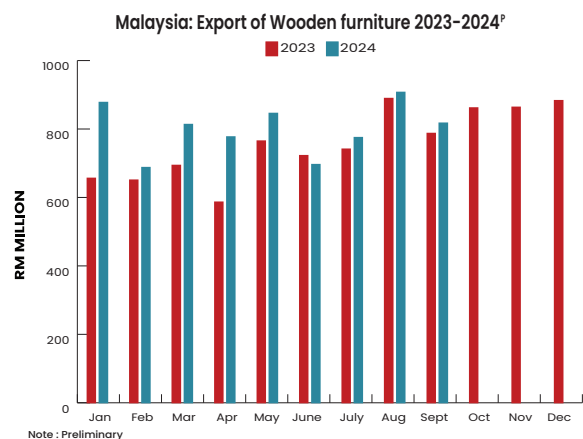
Exports to the North America region decreased by 5% to RM19.5 million from RM20.5 million over the same period in 2023. The USA being

the largest buyer for rattan furniture recorded a drop in intake by 13% to RM15.5 million. However, export to Canada increased by 50% to RM1.6 million while Mexico resumed its intake with RM0.7 million. Meanwhile, Chile and Uruguay increased their intake by 115% to RM0.6 million and by 58% to RM141,564 respectively. Panama increased its intake by 149% worth RM18,756 for the period of January to September 2024.

Moving to the Africa region, South Africa increased its buying by 50% to RM0.2 million, while Ghana and Kenya resumed buying with RM0.3 million and RM79,283 respectively.

The World Wildlife Fund (WWF) in their report entitled “Wood Furniture Scorecard Continues to Spur Responsible Wood Sourcing in the Furniture Industry” published in November 2024 stated that in the USA, a strong trend toward the responsible and legal sourcing of wood products has been growing in the furniture sector. Research has shown strong and steady growth in consumer interest in products made of environmentally sound materials. Furthermore, there are increasing concerns from the businesses about deforestation, forest degradation, and the climate crisis, driven by voluntary environmental, social, and governance (ESG) commitments, as well as new regulations like the European Union Deforestation-free Regulation (EUDR), which have also influenced an uptick in the availability of sustainable wood furniture.

An initiative called the Wood Furniture Scorecard, led by the National Wildlife Federation (NWF) and the Sustainable Furnishings Council (SFC), has played a major role in driving the wave. Now in its seventh year of publication, the purpose of the scorecard is to help protect forests by encouraging furniture retailers to implement policies that drive steady increases in the sourcing of responsible wood—particularly FSC-certified wood, as well as reclaimed and salvaged wood, whose use alleviates pressure on forests. The scorecard initially evaluates furniture retailers based on the information available on their websites. SFC then leads a proactive outreach effort to give companies an opportunity to make changes or provide additional information that affects their score.



REVIVING TIMBER OPPORTUNITIES AND CHALLENGES IN THE PHILIPPINES TIMBER INDUSTRY

Country Overview

The Philippines is an island country in Southeast Asia in the western Pacific Ocean. It is an archipelago consisting of some 7,100 islands, lying about 800km off the coast of Viet Nam. The archipelago is bound by the Philippine Sea to the east, the Celebes Sea to the south, the Sulu Sea to the southwest and the South China Sea to the west and north. The large islands fall into three groups: the Luzon group in the north and west, the Visayas group in the centre and Mindanao in the south. Manila is the country's capital and its most populated city is Quezon City. The Philippines is the 14th most populous country in the world, estimated to have a population of approximately 116 million, accounting for about 1.42% of the global population.



The Philippines is one of the most dynamic economies in the East Asia Pacific region. With increasing urbanisation, a growing middle class and a large young population, the Philippines' economic dynamism is rooted in strong consumer demand supported by a vibrant labour market and robust remittances. The industry drivers of the Philippines are the construction, tourism, manufacturing and service industries. Within the manufacturing industry, petroleum, transport equipment, food and beverage industries are the top contributors to economic growth.

The Philippines economy has demonstrated a robust recovery following the COVID-19 pandemic, marked by consistent growth across multiple quarters. In 2022, the economy achieved a notable 7.6% growth, indicating strong recovery momentum. This positive trajectory continued into 2023, with a 5.9% year-over-year GDP growth in the third quarter, up from 4.3% in the second quarter.

Forest Resources

Forests are important ecosystems that serve as habitats for many terrestrial species and provide vital resources for social, environmental and economic wellbeing. According to the Philippines' Department of Environment and Natural Resources (DENR) in 2023, from 15 million hectares forest land in the Philippines, only 7 million hectares are actually forested. Despite the importance of forests, the Philippines has lost almost 90% of original forest cover since the 1990s. Forest loss is mainly driven by forest extraction (logging - legal and illegal), agricultural expansion (upland cultivation in forest areas) and infrastructure development (demand for timber products, roadside clearing and river bound colonisation).

Eight major types of forests are distributed throughout the Philippines, namely the dipterocarp, beach forest, pine forest, molave forest, lower montane forest, mossy forest, mangroves and ultrabasic forests. Dipterocarp is the main source of raw materials for the lumber industry. About 70 percent of the entire lumber output is represented by six species of the lauan family or "Philippines Mahogany": White lauan, *Pentacme contorta*; red lauan, *Shorea negrosensis*; tangile, *S. polysperma*; apitong, *Dipterocarpus grandiflorus*; yakal, *Hopea sp.*; and guijo, *S. guiso*.

Timber Production

According to the FAO forest statistics in 2022, one timber product as seen below, was the roundwood coniferous, being consistently at around 40,000 cubic metres every year. Production of veneer sheets, plywood and wood charcoal were recorded at 293,000 cubic metres, 280,000 cubic metres and 89,000 tonnes each.

The Philippines: Timber Production (2018–2022)

Product	Unit	2018	2019	2020	2021	2022
Other industrial roundwood, coniferous (production)	m ³	40,000	40,000	40,000	40,000	40,000
Veneer sheets	m ³	213,000	285,000	170,090	293,320	293,320
Plywood	m ³	189,000	210,000	140,410	280,600	280,600
Wood charcoal	tonne	348,000	289,000	247,000	117,880	89,430

Source : FAO STATS

Export of Timber and Timber Products

In the five-year export trend from 2019 to 2023, year 2021 recorded the highest export value due mainly to the post pandemic recovery with a value of USD859.9 million, an increase of 25% from 2020. In 2023, the Philippines' exported timber and timber products worth USD529.7 million, a decrease of 31% from USD772.2 million in 2022. The main timber products exported were sawntimber, furniture and fibreboard totalled at USD175.1 million, USD114.8 million and USD47.5 million respectively.

The Philippines: Export Of Timber & Timber Product To The World, 2019–2023

USD '000

Product	2019	2020	2021	2022	2023
Sawntimber	203,231	174,566	235,585	224,443	175,133
Furniture & part thereof	160,824	159,442	196,838	165,670	114,788
Fibreboard	53,382	44,285	47,544	50,969	47,515
Plywood	88,474	89,257	91,430	75,984	43,543
Builders' joinery and carpentry	221,666	140,548	164,173	124,218	40,357
Particle board	180	95	563	592	2,814
Mouldings	865	960	2,458	2,252	2,652
Wooden frames	475	562	2,517	1,810	442
Veneer	11,158	90	502	138	106
Logs	1	0	0	0	0
Others	79,858	78,339	118,283	126,172	102,349
Total	820,114	688,144	859,893	772,248	529,699

Source : ITC Stats

Japan is the Philippines' major timber and timber product (HS44) export destination, worth USD277.9 million in 2023. This is followed by China with USD108.7 million), the USA (USD14.0 million), the Republic of Korea (USD4.5 million) and Türkiye (USD1.4 million). Meanwhile, Malaysia was at the 28th place as the export destination, worth USD105 thousand.

The Philippines: Export Of Timber & Timber Product (HS Code 44) By Countries, 2019–2023

USD '000

Rank	Importers	2019	2020	2021	2022	2023
	World	659,291	528,703	663,054	606,579	414,913
1	Japan	568,568	443,621	523,959	457,714	277,906
2	China	49,541	52,010	89,491	94,811	108,683
3	United States of America	12,742	11,853	26,712	32,462	13,982
4	Korea, Republic of	6,859	7,808	6,644	5,513	4,542
5	Türkiye	2,316	1,776	1,717	2,396	1,405
6	Canada	950	491	768	1,278	808
7	Singapore	208	158	236	450	686
8	Netherlands	760	670	665	728	569
9	United Arab Emirates	737	195	423	444	568
10	United Kingdom	1,034	720	515	592	438
28	Malaysia	473	63	116	62	105
	Others	14,968	9,280	11,756	9,936	5,330

Source : ITC Stats

Import of Timber and Timber Products

Based on the five-year trend between 2019 and 2023, the value of the Philippines' imports of timber and timber products was within range of USD1.1 billion to USD1.4 billion. However, the figure dropped in 2020 due to COVID-19 global pandemic. In 2023, imports decreased by 13% to USD1.2 billion from USD1.4 billion as recorded in the previous year. The main timber products imported into the Philippines were furniture, plywood and sawntimber totalled at USD506.9 million, USD271.1 million and USD230.5 million respectively.

The Philippines: Import Of Timber & Timber Products From World, 2019–2023

USD '000

Product	2019	2020	2021	2022	2023
Furniture & Part Thereof	395,276	285,634	358,264	387,240	506,891
Plywood	265,823	233,309	299,359	287,049	271,066
Sawntimber	251,939	174,645	487,774	498,635	230,523
Fibreboard	43,284	31,963	46,995	52,996	39,519
Particle board	29,818	20,189	43,973	39,295	32,404
Builders' joinery and carpentry	38,437	22,352	35,199	31,702	25,060
Veneer	22,376	19,751	19,295	25,307	22,468
Wooden frames	1,599	987	1,242	1,212	3,080
Mouldings	8,584	4,183	6,473	5,179	2,373
Logs	9,999	3,312	4,386	3,659	1,958
Others	43,138	35,858	34,883	32,881	45,999
Total	1,110,273	832,183	1,337,843	1,365,155	1,181,341

Source : ITC Stats

Meanwhile for import of furniture (HS9403), China was the main supplier to the Philippines with a value of USD400.7 million, followed by Malaysia (USD36.9 million), Japan (USD15.5 million), Italy (USD6.7 million) and Republic of Korea (USD6.6 million) each. Malaysia ranked at 2nd position from a total of 63 countries that supply furniture to the Philippines.

The Philippines: Import Of Furniture (HS Code 9403) By Countries From World, 2019–2023

USD '000

Rank	Exporters	2019	2020	2021	2022	2023
	World	395,276	285,634	358,264	387,240	506,891
1	China	264,768	208,117	257,047	275,716	400,654
2	Malaysia	57,803	28,872	34,062	41,237	36,898
3	Japan	14,344	12,237	18,629	13,496	15,506
4	Italy	3,468	2,057	2,855	4,335	6,721
5	Korea, Republic of	8,255	8,431	7,673	5,614	6,645
6	Thailand	9,199	4,634	5,833	7,222	4,965
7	Germany	2,517	1,319	2,296	2,818	4,160
8	Taipei, Chinese	5,977	2,816	4,096	4,526	3,828
9	United States of America	4,914	2,395	3,065	4,169	3,519
10	Singapore	4,152	2,579	6,612	4,792	3,492
	Others	19,878	12,176	16,096	23,318	20,506

Source: ITC Stats

Malaysia's Exports of Timber and Timber Products to The Philippines

Malaysia and the Philippines have been traditional timber trade partners since the 1960s. However, the trend for timber imports and exports between these two countries have been in a fluctuating trend in recent years because of the global economic conditions and regulatory changes. After a sharp decline in 2020, export to the Philippines were seen to be increasingly positive, but in 2023, exports fell again. In 2023, the export of timber and timber products to the Philippines showed a decrease of 8% to RM505.4 million from RM551.6 million in 2022. Wooden furniture was the main product exported at RM222.6 million, followed by sawntimber with RM155.9 million and fibreboard, RM57.8 million. After a prolonged hiatus, logs from Sabah have once again become one of the products exported to the Philippines, marking a significant revival in trade for this commodity.

Malaysia: Export Of Timber & Timber Products To The Philippines, 2019–2023

FOB Value RM

Products	2019	2020	2021	2022	2023
Wooden Furniture	237,193,318	112,761,095	110,681,153	252,677,192	222,633,101
Sawntimber	273,546,250	176,953,989	213,353,991	162,952,873	155,917,760
Fibreboard	46,723,094	41,979,512	76,481,315	76,991,332	57,808,101
Chipboard/Particleboard	39,481,921	22,026,436	34,658,063	33,671,319	31,173,811
Builders Joinery & Carpentry	5,547,688	4,638,255	2,074,685	4,760,493	10,991,682
Plywood	25,578,146	24,880,468	19,784,775	12,128,215	8,709,940
Veneer	16,582,640	6,653,334	4,405,686	4,848,000	8,578,424
Logs	0	0	0	0	230,664
Mouldings	597,583	0	14,684	47,549	222,860
Others	1,382,003	823,842	1,577,093	3,527,175	9,117,029
Total	646,632,643	390,716,931	463,031,445	551,604,148	505,383,372

Source: MTIB & DOSM

Malaysia's Imports of Timber and Timber Products from The Philippines

The trend of timber import from the Philippines to Malaysia between 2019 and 2023 has experienced dynamic changes, showcasing several interesting trends in import performance. In 2023, imports of Malaysian timber and timber products from the Philippines recorded a 44% decrease worth RM12.5 million from RM22.0 million in 2022. The main product imported from the Philippines were wooden furniture with a total value of RM12.2 million, followed by veneer which resumed import at the value of RM83.5 million. The top products under others categories that were imported to Malaysia included tableware and kitchenware, bamboo furniture, pulp of fibres, wood marquetry and other articles of wood.

Malaysia: Import Of Timber & Timber Products From The Philippines, 2019–2023

FOB Value RM

Products	2019	2020	2021	2022	2023
Wooden Furniture	13,944,187	8,859,013	14,083,403	21,908,558	12,212,985
Veneer	0	0	0	0	83,469
Plywood	0	0	0	0	0
Logs	0	0	97,607	0	0
Others	148,376	130,012	857,559	166,606	167,243
Total	14,092,563	8,989,025	15,038,569	22,075,164	12,463,847

Source: MTIB & DOSM

Import Tariffs

The Philippines' import tariffs play a crucial role in its trade policy, particularly within the context of various free trade agreements (FTAs). These tariffs, which are taxes imposed on imported goods, are often reduced or eliminated as part of the country's commitments under FTAs such as ASEAN Trade in Goods Agreement (ATIGA) and the Regional Comprehensive Economic Partnership (RCEP) for 0% tariffs.

Besides ATIGA, Malaysia and the Philippines have signed few regional FTAs under the Association of Southeast Asian Nations (ASEAN) with other countries namely the ASEAN – Australia New Zealand FTA (AANZFTA), the ASEAN – China FTA (ACFTA), the ASEAN – Hong Kong FTA (AHKFTA), the ASEAN – India FTA (AIFTA), the ASEAN – Japan Comprehensive Economic Partnership (AJCEPA) and the ASEAN – Republic of Korea FTA (AKFTA).

In addition to regional agreements, the Philippines has established bilateral FTAs to further strengthen its trade relationship with Japan under the Philippines – Japan Economic Partnership Agreement (JPEPA) and the Philippines – European Free Trade Association (EFTA) with EFTA member states: Iceland, Liechtenstein, Norway and Switzerland.

The Philippines: Tariff Duty

Code	Product	MFN	ASEAN Trade in Goods Agreement (%) EIF: 1993	ASEAN-Australia-New Zealand Free Trade Area (%) EIF: 2010	ASEAN-China Free Trade Area (%) EIF: 2003	ASEAN-Hong Kong, China Free Trade Area (%) EIF: 2019	ASEAN-India Free Trade Area (%) EIF: 2010	ASEAN-Japan Economic Partnership Agreement (AJCEPA) (%) EIF: 2009	ASEAN-Republic of Korea Free Trade Agreement (AKFTA) Rates (%) EIF: 2006	Regional Comprehensive Economic Partnership (RCEP) (%) EIF: 2023
4403	Logs	0								
4407	Sawntimber	3-7	0	0	0	0	0	0	5	0
4408	Veneer	3-8	0	0	0-3.7	0-7	0	0	0	0
4409	Mouldings	7	0	0	0	0	0	0	0	0
4410	Chipboard/ Particleboard	15	0	0	4-7.5		0	0	0-5.7	0
4411	Fibreboard	15	0	0	4-6.3	6-9	0	0	2.5-8.8	0
4412	Plywood	15	0	0	0-7.8	6-12	0	0	5-7.7	0
4414	Wooden Frame	10	0	0			0	0	0	0
4418	BJC	5	0	0	0-4	0	0	0	0	0
9403	Furniture	10-15	0	0	0	4-9	0-5	0	0-5	0-10

Source: WTO

Prospects

The Philippines stands out as one of the most dynamic economies in the East Asia Pacific region, driven by rapid urbanisation, a youthful population and robust consumer demand. This economic vitality is further bolstered by a thriving labour market and strong remittance inflows, which have significantly improved the livelihoods of vulnerable groups. The private sector continues to flourish, with the services industry at its core – highlighting the growth of business process outsourcing, wholesale and retail trade, and tourism. According to the report by World Bank Group, the Philippines' economy has sustained its strong momentum in 2023, growing at 6% placing it among the top growth performers in the region. As a result of continued recovery and reforms, the Philippines is on track to transition from lower-middle to upper-middle-income status this fiscal year.

The Philippines government has released nearly 80% of its 2024 budget to expedite project implementation, aimed to sustain the construction industry's growth, which saw a 9% increase in 2023 due to a focus on infrastructure spending. Meanwhile, GlobalData forecasts a 7% expansion in the Philippines construction industry for 2024. To continue infrastructure development through the Build Better More (BBM) Program, the government increased its allocation for infrastructure outlays by 13.5% in its 2024 Budget, from 1.3 trillion pesos to 1.5 trillion pesos. This infrastructure allocation is equivalent to 5.5% of the country's projected gross domestic product (GDP) for 2024 and is also within the government's 5-6% target range.

On the other hand, the furniture industry in the Philippines is also poised for significant growth in the coming years. Projections indicate that the market will reach approximately USD1.7 billion by 2033, with a compound annual growth rate (CAGR) of 8.2% from 2024 to 2033. The export sector, particularly wooden furniture, is also expected to expand, with forecasts suggesting that export values could reach USD3 billion by 2033, reflecting a growth rate of 5.5% over the same period. This positive outlook is supported by the Philippines' abundant wood resources, competitive labour costs and favourable trade environment, positioning the country as a key player in the global furniture market.

The furniture preferences of Filipino consumers are evolving, reflecting a blend of traditional aesthetics and modern functionality. Among the key trend for furniture demand in the Philippines is contemporary Filipino fusion that combines indigenous material like rattan and bamboo with modern design elements, creating a harmonious balance between tradition and modernity. Another style is sustainable and eco-friendly designs where with a growing environmental consciousness, furniture made from sustainable materials and eco-friendly production methods are in demand. The need for furniture with multifunctional spaces has led to a preference for versatile furniture that maximizes space such as modular pieces and items with integrated storage solutions. Meanwhile, nostalgic modernism design integrates traditional Filipino design elements like intricate wood carvings and antique pieces, with contemporary furnishings, reflecting a blend of heritage and modernity.

Based on the key trends mentioned earlier, Malaysian entrepreneurs, designers and manufacturers can take advantage of several development opportunities in the Philippines' furniture business. There is a notable rise in demand for locally-made, eco-friendly furniture, as consumers prioritise sustainability and support local artisans. To expand Malaysian furniture in the Filipino market, businesses can focus on digital marketing to reach more customers online. They can also innovate by understanding and adapting

to the preferences of Filipino buyers, such as their style choices, price range and functional needs. Both Malaysian and Filipino entrepreneurs can look into joint ventures or investments to leverage its strategic location and take advantage of beneficial trade agreements between parties under the umbrella of ASEAN and Regional Comprehensive Economic Partnership (RCEP), benefitting from the lower tariffs and facilitating access to international markets



Contemporary Filipino Fusion furniture design



Furniture from Natural Materials

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INDONESIA

FURNITURE EXPORTS HIT

According to The Ministry of Industry (Kemenperin) reports exports of domestically made furniture products at USD1.2 billion from January-July 2024 in Indonesia, after achieving export earnings of USD2.11 billion in 2023. Referring to the figures, Director General of Small, Medium and Multifarious Industries (IKMA) Reni Yanita said the potential of domestic furniture products is considerable.

She attributed the strong interest of global markets in Indonesian furniture to the fact that small and medium industry players (IKM) continued to innovate and were able to adjust to market trends and consumer needs. She said IKMA supports development of local furniture IKM players so they can be more globally competitive, including through implementation of production technical guidance, machine and equipment restructuring and development of IKM centres.

<https://www.fdmaasia.com>, 2 October 2024



VIET NAM

MAJOR CHALLENGES IN INTERNATIONAL WOOD MARKETS

According to Trieu Van Luc, Deputy Director of Department of Forestry, currently some of Vietnam's main wood product export markets (EU, US, Japan, South Korea) still face economic difficulties; product protection policies, strict implementation of regulations on

illegal wood exploitation, reduction of greenhouse gas emissions, regulations on deforestation and forest degradation of European Union (EUDR), anti-dumping and anti-subsidy investigations of the US and South Korea.

The world situation continues to face geopolitical risks, complex and unpredictable economic fluctuations, increasing risk and uncertainty factors. In addition the impact of high sea freight rates leading to an increase in prices of imported raw wood (some imported wood increased by 40% compared to 2023), is causing production costs to rise while importers require a reduction in prices.

The refund of value-added tax (VAT) for enterprises producing wood chips and plywood products still faces many difficulties because verification procedures for forest owners takes a lot of time.

In addition, there are difficulties in damage caused by storm impact to property, crops, livestock and socio-economic infrastructure, in which forestry production sector also suffered great damage. An area of nearly 170,000 hectares of planted production forests was damaged which will significantly reduce the source of raw materials for the wood processing industry. Many wood and forestry production and export establishments in northern mountainous provinces were damaged and need to be repaired.

In order to achieve the export target for wood and forest products in 2024 of USD15.2 billion, of which wood and timber products are over USD14.2 billion an increase of about 6% in exports is required compared to 2023.

Trieu Van Luc said that entire forestry sector is currently focusing on overcoming consequences caused by storm No.3 promptly supporting units and enterprises in forestry production, wood processing and export of damaged forest products to quickly stabilise production.

The Department will deploy solutions according to the direction of the Prime Minister in Official Dispatch dated May 26, 2023 on continuing to resolutely and effectively implement tasks to remove difficulties for production and business of enterprises and people.

<https://www.fordaq.com>, 24 October 2024



CHINA

FIBREBOARD TRADE ON UPWARD TREND

According to China Customs, in the first half of 2024, China's fibreboard exports totaled 1.293 million tonnes, marking a 28% increase compared to the same period in 2023. This growth was primarily driven by rising demand in the three leading export markets to Saudi Arabia, Vietnam, and Mexico.

Saudi Arabia was the largest export destination for China's fibreboard in the first six months of 2024, with exports rising 94% to 153,000 tonnes, accounting for 12% of total exports. Sales to Vietnam and Mexico grew by 89% and 35%, respectively, to 148,000 tonnes and 130,000 tonnes. Notably, exports to the USA, UAE, Canada, Algeria, and Australia also saw faster growth rates. On the other hand, exports to Nigeria and the UK decreased by 10% and 23%, respectively.

Although China's fibreboard imports remained modest at 24,000 tonnes, they increased by 30% in the first half of 2024 compared to the same period in 2023. Imports from Australia and Russia skyrocketed by over 1000%, although from a low base, and imports from Romania surged by over 200%. Conversely, fibreboard imports from Spain and Poland fell by 10% and 12%, respectively. China's imports of fibreboard are rising from multiple suppliers, with significant growth seen from Australia and Russia, although the volumes remain low compared to exports. Import declines from Spain and Poland contrast with this overall growth trend.

<https://www.chinacustoms.com>, 10 October 2024

POSITIVE SIGNS EMERGE IN LOG IMPORT MARKET

After months of stagnation, China's log import market is showing signs of recovery, with October prices for A-grade logs surpassing USD120/m³ at the wharf gate for the first time in seven months. This boost is due to several factors, including lower shipping rates and slightly higher in-market sales prices. Current log offers vary depending on the port, ranging from the mid to high USD120s in some areas, while southern regions see lower rates, with prices around USD110/m³.

China's on-port log inventory has reportedly dropped by 700,000m³ over the past month, bringing the total to around 2.7 million m³. However, this figure may be influenced by vessel delays caused by poor weather conditions in September, and the actual inventory could stabilize as October progresses.

In a significant development for the broader economy, the Chinese government has introduced its most aggressive stimulus package since the COVID-19 pandemic. This USD1.07 trillion package aims to stabilize the real estate market, which has been in decline, by offering measures such as cuts to mortgage-to-debt ratios and increased funding for banks. Despite the positive market response, including the largest single-day gain in the Shanghai Composite in 16 years, the overall real estate sector remains fragile, with concerns about declining property values and a shrinking population.

While these economic measures are helping to support log demand, the long-term sustainability of the recovery remains uncertain. Nonetheless, the recent improvements in China's log market provide a much-needed boost for exporters in the latter half of 2024.

<https://www.reuters.com>, 18 October 2024



INDIA

GROWING DEMAND FOR WPCs

According to builders in India the cost of wood is now very high and its use in the industry is time-consuming and that is why Wood/Plastic Composites (WPC) are a suitable alternative, particularly when ready-to-use products are available. Builders point out that the supply of WPC products has increased many fold which has helped drive demand.

Besides the high price of timber, demand for WPC doors, frames and windows have the advantage of meeting environmental guidelines on fire rated doors in government buildings and high-rise buildings. WPC products are also promoted as waterproof, termite-proof and eco-friendly which has given a boost to demand for WPC doors and door frames. The India WPC market could reach USD0.413 million by 2028.

<https://www.fordaq.com>, 31 October 2024



JAPAN

HOUSING STARTS FALL

Japan's housing starts decreased for the fourth straight month in August, data from the Ministry of Land, Infrastructure, Transport, and Tourism showed.

Housing starts dropped 5.1 percent year-on-year in August, much faster than the 0.2 percent slight fall in the previous month. Economists had expected a decrease of 3.3 percent. Data showed that new construction was contracted in all categories, including owned, rented, issued, and built for sale.

The seasonally adjusted annualized number of housing starts rose to 777,000 in August from 773,000 in July. Data also showed that construction orders received by the big 50 contractors grew 8.7 percent annually in August, following a 62.8 percent jump a month ago.

<https://tradingseconomic.com> 9 October 2024



UNITED STATES

HARDWOOD FLOORING IMPORTS FALL

Monthly imports of hardwood flooring fell below USD5 million in August for the first time since February 2021, according to U.S. Department of Agriculture, Foreign Trade Statistics data.

August was the third straight month U.S. imports fell. Imports fell 20% from July to August and 26% from August 2023 to August 2024.

Despite the decline, imports from the top trade partner, Indonesia, increased 18% in August. Year-over-year imports are up for most

countries. China saw a 22% increase in imports year-over-year, while Canada saw a 36% increase.

US imports of hardwood moulding took a slight hit for a second straight month but continue to stay at a level well above that of last year. Moulding imports fell 2% in August but remained 34% higher than that of August 2023. Imports from Brazil continue to disappoint, falling 35% in August and down more than 50% for the year so far. Imports from Malaysia rallied 60% in August but are still down 7% for the year to date. Total US imports of hardwood moulding are up 26% versus 2023 through August.

<https://tradingseconomic.com> 30 October 2024

TROPICAL HARDWOOD PRODUCT IMPORTS FELL

US imports of sawn tropical hardwood lumber fell by 14% in August to 15,106 cubic meters, which is 22% less than in August 2023. Imports for various types of hardwood sank by about 25%, with species such as Balsa, Sapelli, Ipe, Mahogany, Virola, Cedro, and Paduak all experiencing declines of 20-30% from the previous month. However, imports of Keruing rose by 54%, although they remain 34% below the level of the previous August and are down 47% year-to-date. Imports from Brazil, the top trading nation, decreased by 23%, marking a sharp drop for the second consecutive month.

Overall, U.S. imports of sawn tropical hardwood are down by 7% year-to-date compared to last year.

Canada's imports of sawn tropical hardwood also decreased by 13% in August from the previous month. Despite the decline, August imports were 51% higher than in August 2023. Imports from Brazil, Cameroon, and Bolivia are over 80% higher than last year for the year to date. Total Canadian imports of tropical hardwood have risen by 45% year-to-date compared to 2023.

<https://www.fordaq.com>, 25 October 2024

CONSTRUCTION INPUT PRICES DOWN

According to an Associated Builders and Contractors analysis of US Bureau of Labor Statistics' producer Price Index data released on October 11th. Construction input prices decreased 0.9 percent in September compared

to the previous month, Nonresidential construction input prices also decreased 0.9 percent for the month.

"The decline in construction input costs observed in September was almost entirely due to a large decrease in oil prices. While domestic freight rates are low by historical standards, elevated global container-shipping rates and emerging supply chain issues could put upward pressure on materials prices in the coming months. This represents a cause for concern for contractors, many of whom expect their profit margins to contract over the next six months.

<https://www.fdmasia.com>, 3 October 2024



EUROPEAN UNION

MOVES TO POSTPONE EUDR AFTER HUGE PUSHBACK

The European Commission has proposed delaying the implementation of the EU Deforestation Regulation (EUDR), extending the deadlines for compliance by one year. Large companies will now have until December 30, 2025, while micro and small enterprises will have until June 30, 2026, to comply. The proposal has been submitted to the European Parliament and the Council for approval by the end of 2024.

Meanwhile, the EU Commission admits that, in light of feedback from international partners on their state of preparations, it will give the parties concerned more time to prepare. Global partners in particular have repeatedly expressed concerns about their state of preparation, most recently during the week of the United Nations General Assembly in New York.

"Although the tools for implementation are technically ready, this extension will allow a smoother phasing-in process, ensuring all stakeholders are adequately prepared," the Commission said in a statement.

The EUDR aims to curb global

deforestation by requiring businesses to ensure that products such as coffee, cocoa, soy, and beef imported into the EU are not sourced from deforested areas. The new timeline provides an opportunity for stakeholders, particularly in commodity-producing countries, to adapt to the complex requirements of the law, which includes tracking the origin of products and ensuring compliance with EU standards. Most countries ranked as 'low risk': The Commission has also clarified the principles it will apply to the EUDR benchmarking and highlighted that, following the methodology applied, a large majority of countries worldwide will be classified as 'low risk'. This means that, in many cases, operators will have to draft a simplified due diligence instead of a full due diligence. "The Commission is intensifying dialogues with most concerned countries, which will feed into the speedy finalization of the country benchmarking system through a proposed Implementing Act by 30 June 2025," it said.

Finally, the Commission said that the Information System for the diligence statements will be ready to accept registrations in November and will be fully operational in December. The decision was met with relief by several wood industry sectors, including the pulp, paper, and printing industries.

<https://www.fordaq.com>, 3 October 2024



UNITED KINGDOM

CHINESE WOODEN FURNITURE RECOVERS GROUND IN EUROPE

The latest Eurostat and UK trade data shows that internal European trade in wooden furniture has been slowing continuously since the start of 2023, very much in line with the wider decline in consumption. It also shows that European exports of wooden furniture to countries outside the region, after falling rapidly in 2022, have remained flat since the second quarter of 2023. But it also shows that European

imports from other parts of the world have been increasing since the middle of last year. Closer analysis of the data reveals that the recent growth in wooden furniture imports into the EU27+UK has been driven by China.

Imports into Europe from China increased by 6% to 1.25 million tonnes in 2023 and were up by more than 50% at 480,000 tonnes in the first four months of this year. In contrast imports from tropical countries fell by 23% to 430,000 tonnes in 2023 and were up only 4% in the first four months of this year. Imports from all other countries (mainly non-EU European countries and Turkey) decreased 9% to 600,000 tonnes in 2023 and increased by 7% to 210,000 tonnes in the January to April period this year. Wooden furniture imports from China have increased both into the UK, the largest single wooden furniture importing country in Europe, and into the EU. UK imports from China increased 13% to 417,000 tonnes in 2023 and were up another 34% to 152,000 tonnes in the first four months of this year. EU imports from China were up only 3% in 2023 to 833,000 tonnes but increased 59% to 331,000 tonnes in the first four months this year. Imports of wooden furniture from China have increased very sharply into all the main EU markets this year including France, Germany, and the Netherlands.

<https://www.fordaq.com>, 17 July 2024



AFRICA

WOOD PRODUCT EXPORT MARKET UPDATE

Export contracts with China remain limited, but the local timber industry in Gabon continues to experience demand for Okoume wood and there has been a slight increase in prices. Significant improvements in infrastructure are underway, with China funding repairs for 3,000 kilometres of roads, upgrading them to tarmac surfaces. Container availability is adequate, ensuring smooth logistics for timber exports.

Market demand presents a mixed picture. China experienced a previous drop in

orders, but there is a slight resurgence in demand, particularly for species like Belli, Okan, Okoume, and Movingui. The Philippines continues to show steady demand, especially for reconstruction and housing projects. The Middle East market is improving, with increased enquiries and growing demand for species such as Andoung, Iroko and Okoume. Enquiry levels in Europe remain stable, with continued interest in various timber products.

Ongoing developments in CITES regulations are having an impact, but there are no new other government policy changes affecting the timber industry. Similarly, no additional changes have been reported regarding government fees beyond increased port charges and customs duties.

<https://www.fordaq.com>, 15 October 2024



SAUDI ARABIA

WORLD'S LARGEST CONSUMERS OF TIMBER

Saudi Arabia is poised to become one of the world's largest consumers of timber, fuelled by several 'mega' and 'giga' projects, including the futuristic region in northwest Saudi Arabia powered by 100% renewable energy (NEOM) and the Red Sea Project, Trojena and Qiddiya – which could see the market for timber-based products reach more than US \$4.1 billion by 2029.

Earlier this year, Wood Central revealed that the Kingdom and the United Arab Emirates are pushing to switch from concrete-and-steel-based construction to timber. While the number of timber buildings in the ground is small, imports of plywood and other timber products have tripled to Dubai and Riyadh in the last 12 months alone.

The rush has led hungry exporters, builders, and developers to take notice. Last month, exhibitors from 30 countries, including China—looking to dominate regional timber trade through the Belt and Road

initiative—Canada, Egypt, Italy, Turkey, Belgium, Estonia, Finland, France, Germany, Hong Kong, India, Japan, the UAE, the UK, the USA, and Vietnam, took part in the Saudi Wood Expo—the first to be held in the Kingdom.

It comes as Saudi Arabia has emerged as the Middle East's fastest-growing market for mass timber, with the Kingdom now competing with the UAE to become the region's "green power." In February, Wood Central covered a report published by Dr Danish Ahmed, calling for the Kingdom to use mass timber construction systems, specifically cross-laminated timbers.

<https://www.woodcentral.com.au>, 24 October 2024



WOOD MARKETS FACE CONTINUED STRUGGLES WITH RISING COSTS AND TRADE DISRUPTIONS

As August came to a close, the global wood products sector remained under pressure. In Europe, many countries are facing the dual challenge of rising log costs and stagnating or falling lumber prices. Meanwhile, China's market is oversupplied, with both imported log and lumber prices remaining generally low. Japan's market also shows weakness, and European exporters are now facing increased costs due to the need to ship around Africa, avoiding the Red Sea as a result of ongoing shipping disruptions. For now, North America holds a temporary advantage.

In the U.S., the Federal Reserve has yet to implement any anticipated prime rate reductions this year, despite earlier forecasts suggesting three or four cuts. However, many now expect the first rate reduction to occur in mid-September, with potential for two more cuts by year-end. This is likely to lower interest rates for homebuyers and renovators, with further relief expected in 2025. In Canada, the

Bank of Canada has already introduced three rate cuts of 25 basis points each since June, and more reductions are anticipated in 2024. These changes could boost the lumber and panel industry, as residential construction and home renovation account for the majority of lumber consumption in North America. In July, lumber prices in the US hit a low point due to a combination of declining demand and overproduction, with prices falling below sawmill costs.

An analysis of lumber production costs versus revenue in key regions across North America and Central Europe highlights significant challenges. Lumber prices from late August 2024 were compared to the costs of production at top-tier mills in British Columbia, the US Pacific Northwest, US Inland, the US South, and Central Europe.

German exporters to the US fared the worst, with estimated margins ranging from -20 to -30%. This financial strain has contributed to sawmill curtailments and permanent closures, particularly in British Columbia, the US Pacific Northwest, and the US South. More curtailments and reduced European exports to the US are likely needed to support price increases, but the pace of this adjustment remains slow.

<https://www.globalwoodindustry.com/>, 17 October 2024



LOGS

Overall, the average price of timber under the three categories of timber groups referred to as the source of price information for September 2024 shows that almost all 20 species are reported to be unchanged, with only about 5 species showing a change of less than 1 percent and classified as unchanged when the price change experienced is very small and considered normal.

Under the Heavy Hardwood group, species such as Mix Heavy Hardwood, Resak, Red Balau, Merbau, Balau and Chengal had the highest values per tonne, ranging from RM1,260 to RM8,300. Tualang, Mengkulang, Keruing, Kempas and Kapur are the five Medium Hardwood group species with the highest market values ranging from RM1,600 to RM2,750 per tonne. Meanwhile, nine species of the Light Hardwood group, including Mix Light Hardwood, Jelutong, Nyatoh, White Meranti, Sepetir, Yellow Meranti, Dark Red Meranti, Mersawa and Red Meranti, are expected to enter the market at the highest rates, ranging from RM1,220 to RM3,000 per tonne.

The lack of demand and present low market performance for most wood products in the local and international markets are expected to continue to have an impact on timber prices, as practically all species continue to record price maintenance on the primary raw material of the timber sector.

SAWNTIMBER

The current average log price in September 2024 has an impact on the average price of all species of sawn wood products classified into three production classes: General Market Specification (GMS), STRIPS and Scantling. This condition is evident when a review of the price information feedback obtained reveals that all 20 price reference species have not shown any type of price adjustment and are all priced at the same level as the previous month.

Five heavy hardwood species are priced between RM1,342 and RM6,003 per m³ under the GMS production class. Six medium hardwood species cost between RM1,730 and RM2,954 per m³, while nine light hardwood species cost between RM1,278 and RM2,130 per m³.

Six species under the Heavy Hardwood group were offered under the STRIPS manufacturing class, with costs ranging from RM989 to RM5,650 per m³. Prices for Medium Hardwoods range from RM1,201 to RM2,342 per m³, while nine kinds of Light Hardwoods are priced between RM1,095 and RM1,995 per m³.

The average market price for five species of heavy hardwoods in the Scantling production class, which was stated to remain constant, ranged from RM1,246 to RM6,356 per m³. The medium hardwood group's five mentioned species are offered at prices ranging from RM1,766 to RM2,495 per m³, whereas the nine reference species are priced between RM1,165 and RM3,355 per m³.

PLYWOOD

The current average market price of plywood goods for the four main sizes, as recorded in September 2024, shows no indication of price change. With the pricing as reported, the average price of each piece of plywood with a thickness of 4mm, 6mm, 9mm, and 12mm is RM19.40, RM26.00, RM38.25 and RM48.85, respectively, with the maximum price recorded being between RM19.40 and RM49.00 per piece.

MEDIUM DENSITY FIBERBOARD (MDF)

MDF panel products, which are one of the primary raw materials used in furniture manufacture, are also expected to retain the market average pricing for all four major sizes in September 2024. As a result, the average price of MDF with thicknesses of 4mm, 6mm, 9mm, and 12mm has been recorded at the market price of RM12.90, RM23.80, RM31.60 and RM37.75 per piece, with the highest price for this product according to its major size ranging from RM12.90 to RM42.00.

TRADE IN MALAYSIA*
- SEPTEMBER 2024

In September 2024, the overall trade value between Sabah, Sarawak, and Peninsular Malaysia was around RM7.57 million, with a trade volume of 9,201 m³. The state of Sabah contributes the most value to regional commerce, accounting for around 77% of the total, with the trading of the four primary wood products. Sarawak contributes the remaining 27% through the sale of its two timber products.

In September 2024, the trade value of logs, sawntimber, plywood and veneer from Sabah to Peninsular Malaysia reached RM5.82 million, with a trade volume of 7,786 m³. Despite a 53% decline, plywood products continued to be the largest contributor to the trade value between the two regions, with a trade value of RM2.58 million and a trade volume of 1,327 m³. Logs products recorded a trade value of RM1.65 million, veneer RM0.85 million and sawntimber RM0.75 million.

The trade in timber products from Sarawak to Peninsular Malaysia remained stable during September 2024, with about the same trade value as the previous month. For the record, just two items, sawntimber and plywood were traded in the current month, while no transactions were recorded for log and veneer products. The trading volume for the two primary wood products was 1,415 m³, resulting in a total of RM1.75 million. Plywood products, like Sabah, contributed to the trade value between the two areas, with a value of RM1.11 million compared to RM0.64 million for sawntimber.

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

***AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDF
IN PENINSULAR MALAYSIA
RINGGIT MALAYSIA
SEPTEMBER 2024**

SPECIES	LOGS/ton	SAWN TIMBER/m³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	5,000	6,003	5,650	6,356	
Balau	3,715	3,055	2,338	4,590	
Red Balau	1,959	2,754	2,119	2,419	
Merbau	2,875	3,754	3,225	3,725	
Mixed Heavy Hardwood	1,088	1,342	1,225	1,246	
MEDIUM HARDWOOD					
Keruing	2,192	2,954	2,342	2,495	
Kempas	1,357	2,166	2,048	2,331	
Kapur	1,799	1,746	1,289	1,853	
Mengkulang	1,779	1,299	1,201	2,013	
Tualang	1,300	1,907	1,448	1,766	
LIGHT HARDWOOD					
Dark Red Meranti	1,759	2,130	1,942	3,355	
Red Meranti	1,840	1,754	1,995	2,307	
Yellow Meranti	1,667	1,799	1,530	1,695	
White Meranti	1,667	2,036	1,801	1,624	
Mersawa	1,459	2,013	1,283	2,154	
Nyato	1,483	1,801	1,713	1,201	
Sepetir	1,320	1,819	1,660	1,295	
Jelutong	1,384	2,119	1,589	1,819	
Mixed Light Hardwood	1,157	1,278	1,095	1,165	
MALAYSIAN RUBBERWOOD Hevea brasiliensis	LOGS/ton	SAWNTIMBER/m³			
	206	1" X 1"	2"X2"	3"X 3"	4" X 4"
		1,210	1,340	1,410	1,520
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	19.40	26.00	38.25	48.85	
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	12.90	23.80	31.60	37.75	

Note: Log prices ex-matau. Sawn timber, plywood, MDF and Malaysian Rubberwood (Hevea brasiliensis) prices ex-mill

* Prices are only indicative

INTRA-MALAYSIA TRADE

	Aug-24		Sep-24		% change in volume	% change in value
	Vol(m ³)	Val(' 000 RM)	Vol(m ³)	Val(' 000 RM)	AUG/SEP	AUG/SEP
Sabah						
Logs	0	0	5,818	1,647	100	100
Sawn Timber	303	570	296	748	-2	31
Plywood	2,804	5,511	1,327	2,579	-53	-53
Veneer	237	586	345	845	46	44
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	29	46	462	642	1,492	1,296
Plywood	1,563	1,606	953	1,107	-39	-31
Veneer	44	123	0	0	-100	-100

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

Container freight rate plunge set to continue



Drewry's composite World Container Index (WCI) declined by 4% for global rates, but the Asia to Europe and China to US West Coast rates fell by 8% and 5% respectively with only the Atlantic trades showing a meagre 1% rate increase in both directions.

Fears of renewed supply chain disruption have dissipated after the US East Coast port strike at the beginning of October only lasted three days. "With the USEC uncertainty now out of the way, freight rates are poised to resume their decline after the Chinese Golden Week holidays as excess capacity continues to build up as blanked sailings are reduced this year," reported Linerlytica.

On the supply side of the trade equation the flow of new tonnage from shipyards is continuing unabated with shipbroker Braemar estimating a total of 1,435 container ships having been ordered since 1 January 2021, and "58% of those vessels ordered are classed as post-Panamax or 5,100 teu plus. When looking at the same calculation for the teu capacity ordered, the percentage of post-Panamax capacity ordered since 2021 is 89%," said the broker.

Braemar is forecasting a cascading of vessels as the majority of vessels ordered are larger ships of the neo-panamax types, while the smaller regional ship ordering has not kept up with their larger cousins. "The supply and demand curve highlights a divergence between the big and small ship sectors. With the majority of the newbuilding investment strongly focussed on larger ships, especially neo-Panamax types, and less buying activity in regional ships, we can only assume that significant cascading of displaced post-Panamax ships to regional trades deploying smaller vessel sizes is in the pipeline," said Braemar in its latest market briefing.

Given the increase in the supply of capacity has outstripped demand, and that the deployment into the Asia to Europe trade via the Cape has now settled, the outlook seems to be turning in favour of shippers again. Port congestion has in the past been a significant curb on capacity, with vessels queueing for berths, and container dwell times rising and clogging supply chains. However, even this route to rate restoration appears to be fading, with Linerlytica reporting that even the backlog at USEC ports is clearing fast after the three-day stoppage.

Supply chain visibility company Beacon's latest monthly congestion report shows few bottlenecks in the major trade lanes and at major ports, those with volumes of more than 10 million teu. Beacon said that the weather-related disruption in Bangladesh during September had a limited effect on both Shanghai and Ningbo ports. "XL ports (those with an annual throughput greater than 10 million teu) have proven their resilience and ability to absorb much of the impact of such events. Despite the weather-related disruptions, both Ningbo and Shanghai ports recorded lower average vessel anchor and container dwell times in September compared to August," said the Beacon report.

Beacon analyses vessel times at anchorage, time spent at the berth and container dwell times to assess the levels of congestion at ports, and that analysis, can be used to assess the propensity for congestion to cause delays and capacity issues, leading to rate hikes. According to Beacon medium sized ports are the most likely to "feel the effects of the endless series of supply chain crises". Average anchor times at ports with volumes of between 500,000 and 4 million teu saw average vessel anchor times that were less efficient than their larger counterparts.

"In September, seven of the ten most congested ports (by anchor time) fall into this category. These ports also see more volatility in congestion levels. Looking at the difference between the min and max monthly average anchor times over the past six months, medium sized ports occupy the top three spots: Charleston (3.5 days), Chittagong (3.0 days) and Durban (2.8 days)," said Beacon.

Have Carriers Failed To Adjust To A New Normal?



Hong Kong consultant Linerlytica reports that carriers have not adjusted their Asia to Europe capacity as demand has softened, with an expected further boost of 25% to capacity in the trade in the coming weeks.

"Apart from selective void sailings, none of the carriers on the Asia-Europe route are planning any winter capacity reductions. This would jeopardise their efforts to arrest the decline in freight rates despite plans to hike rates by \$1,000-\$2,000/feu on 1 November after the SCFIS [Shanghai Containerized Freight Index Settled Rates] has already slipped by 62% since July," said Linerlytica.

Demand is now tailing off in both Europe and the US according to Linerlytica, with the "heavy front-loading of holiday season cargo now in reverse". An expected global boost to capacity of around 1m teu by the end of the year will increase capacity on both the Pacific and Asia to Europe trades, with notable changes to trades caused by the Red Sea diversions, which many industry observers believe will continue well into the new year and perhaps longer.

A newbuilding frenzy that began post-Covid has seen a flood of new tonnage arriving in a timely manner as attacks in the Red Sea closed the Suez route to the vast majority of traffic, increasing the number of vessels necessary to maintain weekly Asia to Europe services.

MDS Transmodal statistics reveal the how service schedules have been met by diverting vessels away from wayport calls in the Middle East and the Indian Subcontinent, with a 53% cut in scheduled capacity. These services have been replaced with direct Far East to Middle East, via Subcontinent services.

Likewise, the pendulum services to the US East Coast have also ceased with freight redirected to the West Coast and overland or via

the Panama Canal. Absorbing tonnage through direct calls has been successful, bolstering rates in the first seven months of this year, however a demand dip and supply increase brings a consequent downward shift in rates.

Shipyards are reporting full orderbooks up to 2027, but ordering appears to be continuing unabated, with Hapag-Lloyd confirming that it is in negotiations to build up to 24 dual fuel ships for delivery in 2028 and 2029, which will "contribute to the further modernisation of our fleet," said a Hapag-Lloyd spokesman. London-based shipbroker, Braemar calculates that the requirement to meet carbon regulations could compel owners to slow steam, and that this could have a significant impact on the over-capacity conundrum.

"If slow steaming becomes the thing to do, the burst of newbuilding investment we have seen during the summer of 2024 makes sense. With the current order book and our assumed demolition estimate, we estimate that base case oversupply would average 23% in the six years 2025-2030. "If we factor in blanket slow steaming (-2.5 knots) as an example, the average overcapacity is reduced to just 3%," said Braemar.

The broker concluded: "It is plausible that long-term Cape of Good Hope diversions and anticipated mass slow steaming may have propelled the massive investment in container ship newbuildings in 2024."

Source : seatrade-maritime.com _ October 15, 2024

No End In Sight: New Ships Won't Stop Freight Rates From Climbing in 2025



Some three million TEU of new tonnage arriving next year will most likely be "more than offset" by further market disruption, ensuring no

respite for embattled shippers, according to Drewry.

As the prospect of more US east coast port strikes remains uncertain, the maritime consultancy drew up scenarios with a strike in January and without one, and found that in both models, freight rates would continue to rise. Port strikes “will have significant inflationary impact on spot rates, not just on the US connected trade, but also by contagion on the other trades”, said Drewry’s Philip Damas.

“If there is no port strike, some spot rates will decline, but overall we believe there will be sufficient other factors, such as the increased emission trading system carbon taxes, which will increase by 75% from January.” He added: “So it’s a bit of a return to increases in rates at a slow rate. Now, I should stress that global freight rates increased by 87% between pre-pandemic 2019 and this year, up 87% on average. “Even if the Suez Canal reopens, we do not expect container freight rates will go back to pre-pandemic levels.”

Mr Damas acknowledged that a reopened Red Sea would increase shipping capacity by about 25%. But Drewry does not expect this to happen, rather that the disruption and Cape of Good Hope routing will continue until at least 2026. “We have extended the timeline for a resumption of full-scale Suez Canal transits to 2026,” confirmed Mr Damas. “We anticipated previously that it would be resolved by the first half of 2025... we’re seeing escalating tensions in the Middle East and we don’t see any reason to be optimistic on this front.”

On top of the strain from the Red Sea and possible strikes across the US east coast, next year’s reconfiguration of shipping alliances is expected to cause an additional setback, with Mr Damas describing MSC as “a sort of quasi single-carrier network alliance”. “Watch for the schedule integrity of Gemini, which will be consumer-dependent,” he advised. “We have said in the past based on our experience, that container transshipment operations can quickly get caught up with delays and missed connections.”

Source : The Loadstar _ October 18, 2024

Stretched And Insecure Supply Chains Hurt The Poorest Nations Most



The Review of Maritime Transport 2024 released last week said that the small island and least developed states are bearing the brunt of these disruptions as they are the most vulnerable economies to the effects of climate change and political and social upheaval.

UNCTAD’s analysis: “Underscores the need for new infrastructure that is sustainable and resilient, a faster transition to low-carbon shipping and a crackdown on fraudulent ship registrations to safeguard global trade.”

The closure of the Suez Canal, which forced carriers to divert around the African Cape, absorbed vast amounts of tonnage as carriers attempted to maintain weekly schedules. Suez is seen as a ‘chokepoint’ in supply chains, in a prolonged war that is showing few signs of ending, though fighting must eventually cease, with many observers looking to the end of 2025 or early 26 for a resumption of Suez trading.

Another chokepoint according to UNCTAD was Panama, which saw disruption caused by drought, forcing draught restrictions on vessels transiting the waterway, with some cargo initially heading to the US East Coast via Suez and then, following the Red Sea crisis heading to the US West Coast, travelling over-land to eastern destinations.

“Regional examples show the wider impact,” said UNCTAD, “East African nations like Djibouti and Sudan, reliant on the Suez Canal for a third of their trade, face severe disruptions. The Panama Canal disruption has increased sailing distances by 31% for affected routes.”

Longer routes saw costs for fuel, wages, insurance and chartering rise substantially and added to vessel emissions. “For a 20,000-24,000 teu vessel on the Far East-Europe route, CO2

emissions alone add \$400,000 in costs under the European Union's Emissions Trading System," said the report. Meanwhile small island and developing states have seen maritime connections fall 9% over the last decade.

In particular intra-regional trade fell 3% last year, and with regional trades accounting for more than one third of global trade, while the larger intercontinental trades increased 2%, this meant global container trades stagnated overall, according to Dyna Liners Trades Review 2024, which, like UNCTAD's report was published last week.

Intra-Asia freight alone accounts for more than a quarter of global trade volumes which totalled 173.22 million teu in 2023, according to Container Trades Statistics, quoted in the Dyrer Liners review.

With the least developed countries suffering the most UNCTAD called for:

- Strengthened international cooperation to stabilise trade routes, enhance resilience and minimise supply chain disruptions from geopolitical and climate-related risks.
- Improved monitoring systems for early detection of chokepoint disruptions and faster rerouting, as well as investment in early warning systems for ports.
- Support for regional trade to reduce reliance on vulnerable routes and boost intraregional supply chains.
- Enhanced global coordination to prevent protectionism and ensure open trade routes.
- Active support of all UN Member States and stakeholders for IMO efforts to combat fraudulent ship registration through better verification, information sharing and strengthening of the legal framework.

New regulations will increase costs, as it is accepted that alternative fuels, whether it is ammonia, hydrogen or methanol will be more expensive than current fossil fuel prices. And although rates have fallen substantially, particularly on the major east/west trades, they remain elevated compared to pre-pandemic levels.

Average Drewry World Container Index (WCI) rates for this year are \$4,058 per feu, which is \$1,225 per feu higher than the 10-year average, which includes the unprecedented rates seen during Covid. "The impact is especially severe for vulnerable economies reliant on maritime transport, as rising costs erode trade competitiveness, threaten economic stability and drive inflation," said UNCTAD.

Quoting the Shanghai freight indexes for average rates for January to July this year, UNCTAD said Latin American rates of \$9,026 per teu have more than doubled; South African rates have tripled to \$5,426 per teu; and West Africa has seen a 137% leap to \$5,563 per teu.

UNCTAD, however, believes that fleet renewal is moving too slowly, having outpaced demand the global fleet increased by 3.4% in 2023, mainly due to box ship and LNG carrier orders. That is "below historical averages" said UNCTAD, and only 14% of the new tonnage was alternative fuel ready.

"Failure to accelerate decarbonisation could lead to higher costs, regulatory penalties and a loss of competitiveness as markets increasingly prioritise sustainability," concluded UNCTAD.

Source: seatrade-maritime.com_October 28, 2024

Shipments Of Timber Products Through Ports In Peninsular Malaysia **September 2024**

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m³)	% change Aug'24/Sep'24
	m³	% Change	m³	% Change	m³	% Change	m³	% Change	m³	% Change		
Sawntimber	37,562	7	873	-89	406	-50	351	5	2,744	-28	41,941	-13
MDF	9,570	62	0	-100	2,146	-6	214	-82	205	100	12,134	-21
Mouldings	15,647	10	2	-95	988	7	1,695	-20	234	-13	18,566	6
Plywood	1,011	-9	0	-100	60	0	419	55	5,752	8	7,242	8
Veneer	604	-81	0	0	43	37	7	100	2,351	-13	611	-81
Particleboard	17,022	-10	0	0	21	-58	0	0	5,547	-24	22,590	-14
TOTAL	81,415	4	880	-95	3,664	-10	2,685	-31	16,834	-13	105,478	-15

BUNGOR

Lagerstroemia Speciosa

Prepared by : Amin Ehsan

INTRODUCTION

Bungor is the common Malaysian name for the timber of *Lagerstroemia* spp. (Lythraceae). The vernacular name applied appears to be rather uniform in that bungor is used throughout the country. Major species include *L. floribunda*, *L. ovalifolia* and *L. speciosa*. The sapwood is light yellow-brown to grey-white, sometimes with a pink tinge, merging gradually into the heartwood, which is pale red-brown and darkens on exposure.

It is also known as Banglang and Sralao (Cambodia); Benteak, Jarul, Lendi and Pynma (India); Bungur, Langoti and Qindoloe (Indonesia); Khi mu, Mai ka ka lao tia, Mai peuyay dam, Peuyay khok and Peuyay si da (Laos); Pynma (Myanmar); Jarul (Pakistan); Banaba (Philippines); Banlang, Intanin, Salao, Tabeak and Tabek (Thailand); and Banglang and Banlang (Vietnam).

DENSITY

The timber is moderately hard and moderately heavy with a density of 515–785 kg/m³ air dry.

NATURAL DURABILITY

The timber is moderately durable.

PRESERVATIVE TREATMENT

It is very difficult to treat with preservatives.

TEXTURE

Texture is moderately fine to rather coarse but uneven due to the ring-porous nature of the wood. Grain is straight or slightly interlocked, occasionally conspicuously wavy.

STRENGTH PROPERTIES

The timber falls into Strength Group B (Burgess, 1958).

MACHINING PROPERTIES

It is reported that it saws and works well and produces a smooth finish. However, it is very difficult to peel even after boiling for 48 hours.

AIR DRYING

The timber is reputed to season well with very little degrade.

SHRINKAGE

Shrinkage is reported to be high, with radial shrinkage averaging 1.9% and tangential shrinkage averaging 4%.

USES

The timber is one of the rare Malaysian timbers to have a ring-porous arrangement and thus produces a pleasing growth-ring figure. The timber is suitable for interior finishing, panelling, mouldings, furniture, plywood and decking.



Bungo Flower



Bungo Fruits

MECHANICAL PROPERTIES OF WOOD

FLEXURAL STRENGTH (RUPTURE MODULUS)	MOR) 12%TH (KGF/CM ²) 988
STIFFNESS (ELASTICITY MODULUS)	MOE) 12%TH (KGF/CM ²) 104091
COMPRESSION RESISTANCE PARALLEL TO THE FIBER	12%TH (KGF/CM ²) 491
RESISTANCE TO COMPRESSION PERPENDICULAR TO THE FIBER	12%TH (KGF/CM ²) 97
SHEAR STRENGTH (RADIAL)	12%TH (KGF/CM ²) 111
HARDNESS (LATERAL)	12%TH (KGF) 614
HARDNESS (ENDS)	12%TH (KGF) 710

DESCRIPTION AND ETHNOBOTANY

Growth Form

It is a small to medium-sized tree, with dense bushy and oval to conical-rounded crown, usually 4 – 25 m in height.

Foliage

Mature leaves are dark green and leathery while young leaves are coppery-red. Stipules are present in leaf axils. The tree is relatively evergreen in wet tropical regions like Singapore, but semi-deciduous in monsoonal areas, where seasonal young foliar flushes are more extensive and pronounced.

Flowers

The tree blooms a few times per year, producing erect terminal panicle-inflorescences up to 50cm in height. Individual flowers (3 cm across) have ribbed scruffy-brown calyxes (fused sepals) and flower buds. Velvety crinkled petals fade from rich mauve to pale pink to creamy-white with age, making the tree appear to produce flowers of different colours all over the crown.



Bungo Stem



Bungo Leaves



Bungo Tree

Fruits

Small oblong dehiscent woody capsules are borne on branched infructescence, maturing from green to brown, before splitting to disperse abundant small dark brown seeds.

Plant Morphology

The bark flakes off in plates to reveal greyish-cream-brown patches.

Habitat

It is usually found in open secondary tropical and monsoon riverine gallery forests.

Cultivation

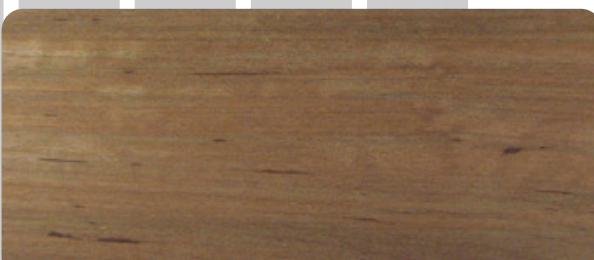
It prefers well-drained, humus-rich soils with ample moisture. Extreme drought stress may cause leaf-burn and inhibit blooming. It grows best at wind-sheltered sunny sites, as shaded moist leaves may be prone to powdery mildew. It propagates via seeds or stem cuttings. Seeds have short viability, so sow as fresh as possible. Rooting hormone can be used to promote the otherwise difficult striking of stem cuttings.

Etymology

The genus epithet 'Lagerstroemia' was named by Linnaeus (father of modern taxonomy) in honour of his friend Magnus von Lagerstroem (1691-1759), a Swedish merchant (and director of the Swedish East Indies Company), as well as an avid naturalist who sent collected specimens of a related species, Lagerstroemia indica to Linnaeus. Species epithet 'floribunda' means 'producing many flowers', a reference to the profuse inflorescences.

Ethnobotanical Uses

It is used to treat fever and myalgia. Regional Myth: The corpse of the last shaman (magician) in Perak, Malaya was disposed of by being placed amongst the branches of a Lagerstroemia floribunda tree between 1870 and 1875, and legend relates that he became a tiger with a white patch.



Wood colour and texture



Cross section of wood

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4 OCTOBER 2024



Courtesy visit from Fakulti Perhutanan Dan Alam Sekitar, UPM to MTIB

9 OCTOBER 2024



"Kursus Pembangunan Dan Pengurusan Ladang Buluh Komuniti" at Kampar Perak

11 OCTOBER 2024



Inauguration Ceremony and Handover of "Rumah Contoh FAST Rakyat Jenis Banjir" from Wood Plastic Composite (WPC)

11 OCTOBER 2024



17-20 OCTOBER 2024



WOOD & LIFESTYLE FAIR (WLF) WILAYAH TENGAH 2024

22 OCTOBER 2024



Seminar 'ESG in Design for Timber Industry' at Hotel Royale Chulan, Kuala Lumpur

24 OCTOBER 2024



MTIB has organized "Program Pemantapan Perladangan Hutan Yang Mampan" was held in Putrajaya