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MTIB APPRECIATION CEREMONY
(50 Tahun Teguh Seiring Usia)

Briefing On The MTIB CB's Product Certification Scheme

Knowledge Sharing On Timber Sector Programe

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MTIB APPRECIATION CEREMONY
(50 Tahun Teguh Seiring Usia)

Prepared by: NURUL AIN MOKHTAR

8 June 2023 was a very meaningful day in the history of the Malaysian Timber Industry Board (MTIB) as we celebrated our 50th Golden Jubilee anniversary. Almost 400 guests attended the ceremony which was held at Dewan Perdana Felda, Kuala Lumpur. The guests who attended consisted of representatives of the Ministry of Plantations and Commodities, Board of Directors of MTIB, industry players, MTIB regional branch heads and MTIB staff.

Welcoming speech by
The Honorable Datuk Larry Sng Wei Shien
Chairman MTIB

MTIB Chairman, YB Datuk Larry Sng Wei Shien delivered his welcoming remarks, congratulating all the recipients of awards and certificates of appreciation. He added that MTIB's accomplishments were mainly due to the contributions and commitment of MTIB personnel who are always committed towards ensuring that every programme is successfully implemented.

The event was officiated by YAB Dato' Sri Haji Fadillah bin Haji Yusof, Deputy Prime Minister and Minister of Plantations and Commodities. In his speech, he urged the industry players to continue to provide a strong support to MTIB by adhering to the rules and regulations for the benefit of the timber industry and the country's economic growth.

YAB Dato' Sri Haji Fadillah bin Haji Yusof
delivering his speech

Twelve (12) awards were presented to timber industry players with excellent achievements. The awards categories were as follows:

1. Timber Industry Award (Product Panel)
2. Timber Industry Award (Sawntimber)
3. Timber Industry Award (Floorboard)
4. Timber Industry Award (Bumiputera)
5. Timber Industry Award (Furniture)
6. Timber Industry Award (Moulding)
7. Timber Industry Award (Young Entrepreneur)
8. Timber Industry Award (Green and Innovation Timber Industry)
9. Timber Industry Award (Best Forest Plantation Model)
10. Special Jury Award: Full Payment to PPLH
11. Special Jury Award: Education (Training Provider)
12. Special Jury Award: MTIB Golden Jubilee Figure

Recipients of the Timber Industry Awards

From left: Senior Undersecretary (SUBK), KTK, KPK, Wood Industries members, former Director General MTIB, Director General MTIB, Wood Industries members and Director of Management Services

One of the most meaningful moments was when all former Director Generals of MTIB were awarded with tokens of appreciation. MTIB would not be standing strong today without the hard work of these Director Generals who have crafted the path to be as it is today. The names of all former MTIB Director Generals are listed as follows:

1. The late Tuan Haji Abdul Razak bin Majid (1974 – 1980)
2. Encik Abdul Latif bin Nordin (1981 – 1983)
3. Dato' Haji Baharudin bin Haji Ghazali (1983 – 1993)
4. Dato' Zainal Abidin bin Haji Ahmad (1993 – 1996)
5. Datuk Wira Haji Jahaya bin Mat (1996 – 1998)
6. Dato' Haji Abdul Rashid bin Mat Amin (1998 – 2002)
7. Dato' Mohd Nazuri bin Hashim Shah (2002 – 2009)
8. Dato' Dr. Jalaluddin bin Harun (2009 – 2018)
9. Encik Mohd Kheiruddin bin Mohd Rani (2019 – 2021)
10. Tuan Haji Mahpar bin Atan (2021 – 2022)
11. Tuan Haji Kamaruzaman bin Othman (2022)

Six (6) former Director Generals of MTIB attended this ceremony and received the MTIB Jubilee Figure Award which was presented by YAB Dato' Sri Haji Fadillah bin Haji Yusof.

Recipients of the MTIB Jubilee Figure Awards

The montage video "50 Years of MTIB" was the highlight of the evening. It captured glorious moments of MTIB as well as the felicitations from industry luminaries. The montage was prepared by the Corporate Communications and Public Relations Unit, Director General Office.

Recipients of the Excellent Service Award 2022

During the ceremony, the 2022 Excellent Service Award was also presented as an appreciation to selected employees who have shown excellent performance and hard work throughout the year. Each recipient received a Bank Simpanan Nasional Premium Savings Certificate, a consolation prize as well as a Certificate of Appreciation. The awards were presented by YB Datuk Siti Aminah binti Aching, Deputy Minister of Plantation and Commodities. 38 recipients comprising Professional and Management officers as well as support staff received the awards.

The success of the event was the result of the collaborative contribution, hard work and cooperation of all MTIB departments who worked tirelessly to ensure the event ran smoothly and successfully.

Pictures around the event

KNOWLEDGE SHARING ON TIMBER SECTOR PROGRAMME

Prepared by: DR. PAIMAN BAWON, AZORA ABDULLAH

The timber sector in Malaysia is a significant contributor to the country's economy. As such to be at par with current global issues, 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.

In lieu of that, the Malaysian Timber Industry Board (MTIB) and the Department of Wood and Fiber Industries, Faculty of Forestry and Environment, Universiti Putra Malaysia (UPM) took the initiative to organise a knowledge sharing programme on 22 June, 2023, at the MTIB Conference Hall. The programme entitled Knowledge Sharing on Timber Sector aimed to disseminate relevant industrial information and research.

A total of seven speakers from MTIB and UPM presented during the programme. The first paper, entitled Status of the Timber Industry in Malaysia, which explains the latest developments in the local timber industry, was presented by Puan Noorazimah Sarkom @ Haji Othman, Director of Trade Development, MTIB.

Following that, Dr. Norzanalia Saadun, Senior Lecturer from the Faculty of Forestry and Environment, UPM presented a study entitled Status and Prospects of the Eucalyptus Plantation Industry in Malaysia: A Stakeholder's Perspective. Her study focused on assessing the status of Eucalyptus plantations in Malaysia and examining stakeholder (wood plantation companies, wood-based manufacturing companies, and government agencies) perspectives on the potential growth, issues, and challenges related to the Eucalyptus plantation industry in Malaysia. For the third research paper, Cik Hazirah Ab. Latib, a Faculty of Forestry and Environment graduate student, presented on Readiness for and Adoption of Industry 4.0 among Small and Medium-Sized Enterprises in the Malaysian Furniture Industry.

Dr. Adlin Sabrina Muhammad Roseley, Senior Lecturer at the Faculty of Forestry and Environment spoke on the reliability of measuring the mechanical properties of wood using Near-Infrared (NIR) Spectroscopy with a presentation entitled Compression Strength of Planted Eucalyptus Pellita Wood by Near-Infrared (NIR) Spectroscopy. Next, Cik Sarah-Nur Hanis Roslan, a graduate student of the Faculty of Forestry and Environment presented a paper entitled Physical Mechanical Properties and the Natural Durability of an 8-year-old Parasenrianthes Falcataria Planted in Kelantan, Malaysia.

Other research papers presented included Palm Kernel Shell Activated Carbon Monolith for Biogas Upgrading by Cik Chew Tung Woey and Efficacy of Boron-Tannin Preservative against Rot Fungi Attack by Puan Roziela Hanim Alamjuri.

This programme was officiated by YBrs. Dr. Mohd Nor Zamri Mat Amin, Director General, MTIB. Also present were YBrs. Prof. Dr. Jegatheswaran Ratnasingam, Head of the Department of Wood and Fiber Industries, Faculty of Forestry and Environment, UPM, and YBrs. Encik Saiful Bahri Salleh, Deputy Director General (Management and Operations), MTIB.

A total of 80 people attended the programme, consisting of representatives of government agencies and timber industry associations.

BRIEFING ON THE MTIB CB's PRODUCT CERTIFICATION SCHEME

Prepared by: NOR SYARAFANA DINI MOHD ROSLI

The MTIB Certification Body (CB) Certification Scheme is a programme implemented to assess compliance to the product certification scheme and establish the quality of timber products in Malaysia. Additionally, it strives to provide certification services to the timber industry.

In line with that, a comprehensive briefing on the MTIB CB Certification Scheme was recently held on 20 June 2023, at the MTIB Conference Hall. The briefing sought to provide a clearer understanding of the role of MTIB CB, raise awareness about the importance of certification for panel products, and showcase the significance of MTIB CB in the industry.

The briefing session was officiated by YBrs. Dr. Mohd Nor Zamri Mat Amin, Director General of MTIB. In his speech, he emphasised the importance of certification for products and services in ensuring they meet the established standards for quality, safety and customer satisfaction.

The briefing commenced with an insightful presentation titled Importance and The Needs of Certification by Puan Nadhiah Nadhirah Che Abbas from SIRIM QAS International Sdn. Bhd.. Her presentation shed light on the important aspects and criteria for certification.

Presentation on the Importance and the Needs of Certification by Puan Nadhiah Nadhirah Che Abbas, SIRIM QAS International Sdn. Bhd.

Following that, Puan Syafinaz Abd. Rashad, Deputy Director of the Product Certification Unit, took the stage to discuss the pivotal role played by MTIB as a Product Certification Body. Her presentation provided an explanation of MTIB CB's responsibilities in facilitating the certification process and supporting the timber industry in achieving compliance.

The briefing also featured a presentation by YBrs. Dr. Paridah Md Tahir, Chairman of the Technical Committee. Dr. Paridah shared valuable insights into the content of

Dr. Paridah Md Tahir, Chairman of Technical Committee presenting MTIB CB's standard

the MTIB CB standard documents, specifically MTIB-CB-PS-01: Plywood Certification and MTIB-CB-PS-02: Product Certification on Formaldehyde Emission from Wood Based Panel. These documents serve as essential guidelines for ensuring the quality and safety of wood products, particularly in relation to plywood and formaldehyde emissions.

Among the attendees were members of the MTIB CB's committee, representatives from statutory bodies, timber associations, universities, and panel-based industry. Throughout the event, attendees had the opportunity to engage in fruitful discussions, exchange ideas, and gain valuable knowledge. The presence of Puan Habibah Ahmad, Deputy Under-Secretary of the Timber, Tobacco and Kenaf Industry Development Unit from the Ministry of Plantation and Commodities (KPK), further underscored the government's commitment to supporting the timber industry's growth and development.

MTIB CB is committed to fostering the growth and prosperity of the timber industry in Malaysia.

Programme participants

WORKSHOP ON ROAD TO EXPORT/GLOBAL MARKET

Prepared by: HAIRANI MOHD NOH, WAN HAFIZI WAN MOHAMMAD @ MUDA

Bumiputera contribution to the export market was still less than 1.0% of the total timber and timber products exports in 2022. Among the causal factors identified are lack of knowledge on the needs of market segmentation products, export procedures, export market pricing, and payment procedures.

As such, in line with MTIB's role in advancing the competitive strength of Bumiputera entrepreneurs in the wood industry, MTIB organised a Road to Export/Global Market workshop on 13-15 June 2023, at the Imperial Heritage Hotel, Melaka. The aim of the workshop was to increase awareness towards the needs of the export market through the practise of 7Ps Marketing, and to provide up-to-date information on potential export markets, terms and procedures of payment claims for export markets, maritime export procedures, INCOTERM terms, and escort documentation.

YBrs. Dr. Mohd Nor Zamri Mat Amin, Director General of MTIB, delivered the opening remarks. In his speech, he stated his hopes that the workshop would provide the entrepreneurs with the opportunity to expand their knowledge and become successful exporters.

Also present at this workshop were senior officers from MTIB, Malaysia External Trade Development Corporation (MATRADE), Alliance Bank, Maju Senja Sdn Bhd (Forwarding Agent), One Tech (M) Sdn Bhd, and FACTS Consultance. On the third day, the participants had the opportunity to visit export factories, namely Deep Furniture Sdn Bhd in Muar and Honsoar Jaycorp Cabinetry Sdn Bhd in Batu Pahat.

A total of 16 Bumiputera entrepreneurs attended the workshop, including officers from MTIB.

Timber Round-Up

MAY 2023

The total export of Malaysian timber and timber products in May 2023 increased by 33% in value totalled at RM1.9 billion from RM1.4 billion in the previous month. However, cumulative exports for the period of January - May 2023 decreased by 25% valued at RM8.3 billion over RM11.0 billion in the previous corresponding period. GlobalData's latest report, "Construction Market Size, Trends, and Growth Forecasts by Key Regions and Countries, 2023–2027" states that the worldwide construction industry widened by 2.1% in real terms in 2022, with the speed slowing from the 3.8% growth that was recorded in 2021. Furthermore, the international construction sector's progress is predicted to remain sluggish this year, expanding just by 0.8%. Excluding China, the sector is predicted to contract by 0.1% because of weak economic backdrop as well as additional issues that are specific to the global construction segment, like high construction material costs and shortage of labour. This deceleration goes on to reflect the challenging landscape in most of the markets across the world in the form of tightening monetary policies that go on to dampen investment and high inflation. Apart from China, which went on to post a 5.5% expansion in 2022, the international construction sector edged up just 0.6%. A steep decline in US construction activity in real terms happened to be a key factor in the weak global outturn of 2022, teamed with a slowdown across Europe, where major markets have been fighting really hard due to the energy crisis.

The expected poor performance this year indicated that the downturns taking place across the developed nations, with the entire Europe expected to shrink by 2.8%. Besides this, the North American market is expected to fall by 0.9%. Australia & Oceania is not going to be any different, as it will witness a contraction of 1.5%. Growth in the emerging markets is going to be positive; however, the growth pace will slow to 2.4% from what it was in 2022, i.e., 4.6%. GlobalData forecasts that the worldwide construction sector is anticipated to regain some momentum when it comes to growth in 2024, assuming that there will be an improvement in global economic stability wherein the output will expand by 3% and there will be an annual average of 4.2% across 2025–2027. It is to be noted that most of the markets will suffer a significant downturn this year because of weak investment growth as well as high prices when it comes to key construction materials as well as energy costs, which is a trend that has seen an elevation due to the ongoing Ukraine war. The underlying instability related to macroeconomic aspects has pushed down growth in North America, especially in the residential sector, which has suffered the most as a result. The inflationary pressure is starting to subside, and the Federal Reserve is starting to bring down rate hikes, all of which have led to better growth recovery. The prediction when it comes to the latter half of the forecast period, has been pushed hard by a robust outlook on the infrastructure construction in the US.

Sawntimber

The total export of sawntimber in May 2023 increased by 69% in volume and 66% in value to 107,739 m³ totalling at RM239.6 million as compared to the previous month. However, cumulative exports for the period of May 2023 decreased by 17% in volume and 18% in value to 420,942 m³ totalling at RM933.6 million over the previous corresponding period.

In Europe, exports to the UK increased by 63% to 1,089 m³ from 670 m³ in the previous month. Exports to the EU for the month were recorded at 3,917 m³, a decrease of 13% as compared to the previous month. The Netherlands as the main buyer increased imports by 7% to 1,683 m³ from 1,578 m³ in the previous month. Similarly, imports from France also increased by 47% to 650 m³ from 441 m³ whilst Belgium decreased by 9% to 697 m³ from 762 m³ recorded in the previous month.

Meanwhile, total export to the South Asia region increased by 74% to 11,877 m³ from 6,836 m³ as recorded in the previous month. India as the main buyer from South Asia increased imports by 54% to 6,982 m³ followed by Maldives with an increase of 91% to 2,574 m³ and Sri Lanka by 175% to 1,204 m³ for the month.

Moving to the West Asia region, total export to the region recorded an increase of 31% to 19,533 m³ from 14,887 m³ in the previous month. The UAE as the largest buyer in the region also increased imports by 7% to 5,487 m3 from 5,108 m³ in the previous month followed by Yemen with an increase of 84% to 6,916 m³. Similarly, exports to Oman also increased by 42% to 2,784 m³ from 1,963 m³ in the previous month.

Elsewhere, shipments to East Asia increased by 123% to 36,015 m³ from 16,162 m³ in April 2023. China as the main buyer increased purchases by 110% to 22,461 m³ from 10,679 m³ in the previous month followed by Japan which increased buying by 45% to 3,354 m³. Similarly, exports to Taiwan also increased by 338% to 8,765 m3 compared from 2,002 m³ in the previous month.

Buying from ASEAN also increased by 83% to 30,163 m³ from 16,531 m³ as registered in the previous month. Thailand as the main buyer in ASEAN increased imports by 76% to 11,862 m³ from 6,756 m³ as recorded in the previous month. Similarly, exports of sawntimber to Singapore also increased by 56% to 7,624 m³ followed by the Philippines with an increase of 132% to 9,432 m³ from 4,073 m³ in the previous month.

In Africa, exports increased by 6% to 2,113 m³ from 1,996 m³ in the previous month. Similarly, demand from South Africa also increased by 21% to 1,947 m³ from 1,615 m³ as recorded last month. However, Mauritius decreased its purchase to 166 m³ recording a decrease of 49% whilst Seychelles didn't make any purchase for the month.

Export to North America also increased by 78% to 2,246 per m³ from 1,262 per m³ in the previous month. The USA as a major buyer increased its intake by 56% to 1,965 m³ from 1,262 m³ whilst Canada resumed its purchase with 281 m³ for the month. Meanwhile, in the Oceania/Pacific region, exports to Australia decreased by 2% to 727 m³ from 740 m³ in the previous month.

The average FOB price of sawntimber decreased slightly to 2,224 per m³ from 2,271 per m³ in the previous month. Meanwhile, price of Dark Red Meranti to the Netherlands increased by 6% to 4,445 per m³ from 4,205 per m³ previously. Keruing was traded at 3,694 per m³, a decrease of 23% from 4,812 per m³ in the previous month.

Weak growth across Britain's construction sector picked up modestly in May, despite an increasingly severe downturn in house-building activity prompted by rising interest rates, a survey showed on Tuesday. The S&P Global/CIPS UK Construction Purchasing Managers' Index (PMI) rose to 51.6 from 51.1 in April. A Reuters poll of economists had pointed to no change in May. The civil engineering and commercial sectors drove the increase, with the survey's gauge of new orders reaching its highest level since April 2022.

Overall, construction added to recent signs of resilience in the economy, even if many forecasters expect Britain to suffer higher inflation and weaker growth for longer than its peers. It was a different story for housing activities, which contracted at the fastest rate since the onset of the COVID-19 pandemic three years ago. Excluding the pandemic, only the 2009 recession saw worse downturns in housebuilding. Interest rates offered by lenders for new mortgage deals have risen sharply over the last two weeks, as higher-than-expected inflation data prompted investors to double down on bets that the Bank of England will be forced to raise borrowing costs further. Many economists think this could spur renewed weakness in Britain's housing market, which had been showing signs of stabilisation in recent months.

Medium Density Fiberboard (MDF)

Export of MDF in May 2023 recorded an 11% increase in volume at 39,602 m³ and 12% in value at RM68.9 million compared to the previous month. Cumulative

exports for the period of May 2023 recorded a volume decrease of 2% to 189,750 m³ and in a value decrease of 12% totalling at RM332.2 million as compared to the corresponding period in 2022.

Exports to ASEAN increased by 16% from 4,207 m³ to 4,862 m³ in the previous month. The Philippines and Indonesia improved their imports by 21% and 225% to 2,855 m³ and 1,177 m³ respectively. Meanwhile, Thailand recorded a fall in MDF import by 59% to 266 m³ from 650 m³.

Elsewhere, East Asia decreased MDF purchases by 4% from 11,299 m³ to 10,897 m³ in the previous month. MDF sales in Japan dropped by 5% to 9,781 m³. However, Taiwan and South Korea added up their buying by 16% and 284% to 884 m³ and 154 m³ respectively. Moving to the South Asia market, exports increased by 128% to 9,202 m³ from 4,023 m³. Export performance to India, Pakistan and Bangladesh soared tremendously by 112% to 5,834 m³, 151% to 2,474 m³ and 3835% to 787 m³ each.

Export to the West Asia region decreased by 9% from 10,318 m³ to 9,371 m³ compared to the previous month. Oman and Kuwait added up their sales performance by 183% and 14% to 3,274 m³ and 1,503 m³ respectively. However, the UAE reduced its buying by 35% to 4,080 m³.

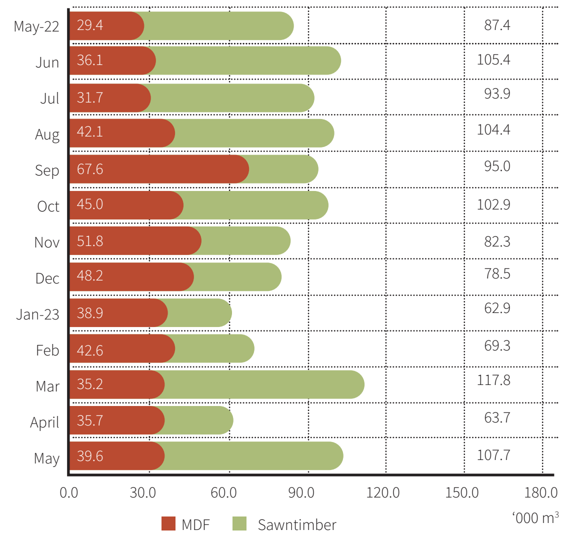
In the United Kingdom, exports increased by 21% to 128 m³ from 106 m³. Export to Oceania/Pacific also increased by 14% to 2,000 m³. Australia improved its purchases by 4% to 1,836 m³ while New Zealand resumed its buying with 164 m³. For Central America, MDF sales increased by 5% to 23 m³ with purchases from Guatemala.

Meanwhile, MDF import in North America decreased by 6% from 2,888 m³ to 2,719 m³ compared to the previous month. Canada and Mexico reduced their purchases by 37% and 20% to 288 m³ and 281 m³ respectively. Meanwhile, USA increased purchases by 3% to 2,150 m³. The Africa region showed a decrease of MDF import by 66% from 1,021 m³ to 346 m³ with purchases from South Africa. Algeria, Egypt and Chile didn't make purchase for the month.

The FOB price of MDF increased by 1% to RM1,740 per m³ from RM1,726 per m³ in the previous month.

In the residential sector, the Asia-Pacific region is likely to dominate the market, owing to the expanding housing market in China and India. In addition, the region is the most significant region for low-cost housing construction, led by China, India and several countries in Southeast Asia. In September 2022, 51 countries and real estate industry deals worth USD1.1 billion were announced for the Asia-Pacific region. Changes in government policies and spending on infrastructure projects are expected to pay a prime role in the revival of the Asia Pacific construction industry in 2023. Hence, increasing demand for MDF in the residential segment will likely dominate the market.

Malaysia: Export of Sawntimber and MDF
May 2022 - May 2023 (RM million)



Veneer

Export of veneer for May 2023 increased in volume by 59% to 4,291 m³ and 72% in value worth RM9.0 million as compared to the previous month. The cumulative exports for May 2023 showed an increase in volume by 3% to 16,419 m³ but a decrease by 5% in value to RM30.8 million over the previous corresponding period.

ASEAN recorded a decrease in veneer import by 14% from 1,273 m³ to 1,100 m³. The Philippines reduced its import by 13% to 1,100 m³ while Singapore and Brunei didn't make any purchase for the month. In East Asia, exports rose by 180% from 895 m³ to 2,501 m³. Japan recorded an increase in buying by 88% to 428 m³ while China decreased imports by 1% to 658 m³. Taiwan resumed its buying with 1,195 m³. Likewise, South Asia increased imports by 20% to 336 m³. India added up the buying by 27% to 283 m³ while Bangladesh purchases declined by 9% to 53m³.

Moving to North America, veneer purchase decreased by 45% from 229 m³ to 126 m³. The USA reduced buying by 73% to 62 m³ while Canada resumed its purchase with 64 m³. On the other hand, the Oceania/Pacific region added up their purchases significantly by 991% to 229 m³ with the purchase being from Australia.

The average FOB price for veneer increased by 8% from RM1,931 per m³ to RM2,092 per m³ as compared to the previous month.

The growing demand for sustainable building materials and the increasing popularity of wood-based products in the construction industry are the major factors driving the veneer market. The global veneer sheet market is forecast to rise at CAGR 0f 1.7% from USD15.7 billion in 2022 to USD 18.5 billion in 2030 due to rising demand for furniture, wall and floor covering materials. In Australia, despite the rise of hybrid and laminate flooring, natural timber flooring remains a popular choice among homeowners, embracing the beauty of natural wood. Thus, the demand for timber flooring is increasing as these materials are renewable, requires less energy to produce and reduces carbon footprint.

Plywood

Exports of plywood in May 2023 recorded an increase of 80% in volume at 108,222 m³ and 83% in value at RM247.9 million as compared to the previous month. However, cumulative exports for the period of May 2023 decreased by 37% in volume and 43% in value to 376,037 m³ totalling at RM893.9 million over the previous corresponding period. The EU region recorded a decrease for plywood imports by 32% from 615 m³ to 416 m³. Ireland and The Netherlands reduced their purchases by 50% and 47% to 150 m³ and 78 m³ each. Italy resumed its purchase with 73 m³. Meanwhile, in other parts of Europe, exports increased slightly by 4% to 5,091 m³ from 4,899 m³ in the previous month. The UK reduced its buying by 10% to 2,915 m³ while Turkey added up the import by 31% to 2,176 m³.

Moving to the East Asia market, volume increased by 142% to 72,158 m³ from 29,871 m³ in April. Japan as the largest importer added up the buying by 190% to 54,459 m³ from 18,763 m³. Likewise, South Korea and Taiwan increased their purchases by 92% and 31% to 8,669 m³ and 8,261 m³ respectively. In the ASEAN region, imports increased by 52% from 2,842 m³ to 4,331 m³. Plywood export to Singapore, Thailand and Brunei grew by 44%, 39% and 75% to 1,861 m³, 1,620 m³ and 431 m³ respectively.

In the South Asia region, plywood purchase increased by 4% from 1,434 m³ to 1,497 m³. India and Maldives increased imports by 2% and 23% to 1,253 m³ and 244 m³ each. West Asia region also recorded an increase of 15% to 13,387 m³ from 11,606 m³ in the previous month. Import performance in Yemen and Jordan surged by 28% and 40% to 12,122 m³ and 689 m³ respectively. However, Saudi Arabia reduced purchases by 7% to 512 m³.

In the Africa region, purchases increased by 130% from 453 m³ to 1,042 m³. Plywood purchase in South Africa decreased by 21% to 115 m³. Meanwhile, Somalia, Kenya and Jamaica resumed their intakes with 900 m³, 21 m³ and 21 m³ each.

North America increased imports by 1% from 6,348 m³ to 6,387 m³. The USA as the main buyer slightly reduced purchases by 0.4% to 5,177 m³ while Mexico increased its buying by 10% to 1,188 m³. For the Oceania/Pacific region, plywood imports increased by 89% to 3,912 m³ from 2,074 m³. Australia improved buying by 92% to 3,818 m³ while New Zealand reduced purchases by 0.2% to 41 m³. Vanuatu resumed its purchases with 21 m³.
The FOB price of plywood for May 2023 was at RM2,291 per m³, an increase of 2% from RM2,251 per m³ from the previous month.

A new report on the Global Plywood Market published by the Market Business Insights stated that the global demand for plywood was registered at USD54.2 billion in 2022 and it is expected that by 2023 the market demand will be USD90.60 billion. The expected growth rate for the market during the forecast period from 2023 to 2030 is 6.6%. The rising technological advancements in the plywood market and the increasing investments in the research and development activities are augmenting its market growth. The Asia-Pacific plywood market is expected to register the highest CAGR over the forecast period, notably China, India, Japan, South Korea, Taiwan, Thailand, Australia and Indonesia. Among these countries, the largest share which is 80% falls on China.

Mouldings

Exports of mouldings for the month increased by 87% in volume and 46% in value to 28,510 m^3 worth RM81.4 million. However, cumulative exports for the period of May 2023 increased by 18% in volume and decreased by 7% in value to 97,491 m^3 worth at RM355.5 million as

compared to the previous corresponding period in 2022.

Exports to the EU for the month were recorded at 11,575 m^3, increased by 71% as compared to the previous month. France, the Netherlands and Belgium increased their purchases by 98%, 61% and 24% to 2,153 m^3, 7,540 m^3 and 977 m^3 respectively. Meanwhile, the UK also recorded an increase of 504% to 961 m^3 compared to the previous month.

In Asia, Viet Nam and Singapore increased their purchases by 262% and 114% to 252 m^3 and 1,544 m^3 respectively while Thailand resumed its intakes with 87 m^3 for the month. China, Japan and Korea increased their intakes by 1303%, 103% and 16% to 1,288 m^3 2,143 m^3 and 1,002 m^3 respectively. Meanwhile, India also increased its purchases by 161% to 392 m^3 whilst Maldives resumed its purchases with 105 m^3 for the month.

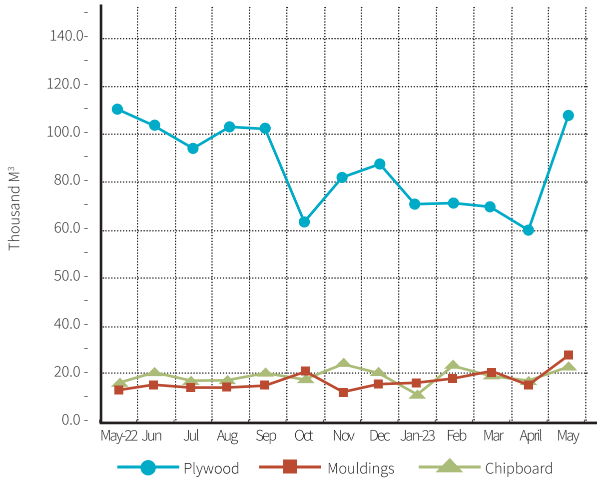
In the Oceania/Pacific region, exports to Australia increased by 78% to 2,721 m^3 for the month. Similarly, in the America region, export to the US increased by 54% to 5,211 m^3 compared to the previous month. Meanwhile, Canada decreased buying by 18% to 35 m^3 whilst Mexico resumed its intakes with 76 m^3 for the month.

Elsewhere, in Africa, South Africa and Mauritius increase their purchases by 1,156% and 228% to 352 m^3 and 288 m^3 respectively while Seychelles resumed its intake with 15 m^3 for the month.

Average FOB unit value for mouldings decreased marginally to RM2,855 per m^3 compared to RM3,669 per m^3 in the previous month.

The global construction industry recorded a marked slowdown in output in real terms (constant prices) in 2023, with an expansion of just 0.7%, down from 2.2% growth last year. The deceleration reflects the challenging conditions in most markets around the world in the form of high inflation and a tightening in monetary policies that has dampened investments. Excluding China, the global construction industry will contract by 0.6% in 2023, following a marginal expansion of 0.6% last year. The gloomy prediction for 2023 reflects ongoing weakness in the US, which shrank by 8.2% last year, along with an expected contraction of 3.3% in Western Europe. In many markets across Europe there has been a sharp drop in residential building permits, as high interest rates and construction costs are taking a toll on new investments.

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



Builders Joinery And Carpentry (BJC)

Exports of BJC for May 2023 recorded an increase of 24% in volume and 19% in value to 11,407,613 kg worth RM107.2 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased by 13% to RM493.5 million as compared to RM566.6 million last month.

Exports to the EU increased by 16% to RM106.7 million compared to RM92.4 million in the previous corresponding period. Exports to Sweden and Belgium increased by 140% and 52% to RM26.1 million and RM30.8 million while Germany decreased buying by 6% to RM12.3 million respectively. Meanwhile, exports to Norway and Turkey decreased by 91% and 58% to RM1.7 million and RM618,898 while the UK also decreased its intake by 12% to RM49.4 million for the month.

In Asia, exports to Singapore recorded an increase of 81% to RM52.6 million while Viet Nam and Thailand decreased their intakes by 75% and 27% to RM2.6 million and RM4.1 million respectively. Exports to China and Taiwan decreased by 72% and 33% to RM3.4 million and RM2.4 million while Japan increased buying by 14% to RM24.4 million respectively. Nevertheless, exports to

Maldives and Bangladesh recorded an increase of 329% and 39% to RM3.2 million and RM1.2 million while India decreased buying by 50% to RM8.8 million for the month. Meanwhile, the UAE increased imports by 194% to RM1.6 million, Saudi Arabia fell 3% to RM218,319 whilst Iran resumed its intake with RM180,293 for the month.

In the Oceania/Pacific region, export to New Zealand and Australia decreased by 19% and 13% to RM8.1 million and RM84.9 million while Western Samoa improved its purchases by 200% to RM807,261 million. However, in the America region, Mexico and Uruguay increased their purchases by 60% and 16% to RM10.3 million and RM660,616 while the US and Canada dropped their intakes by 32% and 7% to RM111.5 million and RM700,149 for the month.

Elsewhere, in the Africa region, South Africa reduced its intake by 45% to RM2.0 million while Seychelles increased its intake by 482% to RM1.5 million whereas Libya resumed its purchases with RM830,633 for the month.

Globally, residential construction has generally recovered well from the downturn in 2020 amid the COVID disruption, with government incentive schemes and a build-up of household savings helping to drive up residential building work, particularly on the renovation side to improve energy efficiency. However, with rising interest rates and a squeeze on household incomes from rising cost of living, as well as house builders having to pass on the surge in construction costs, growth in the residential sector slowed sharply in 2022, and is now predicted to contract by 7.8% in 2023, and drop further by 1.9% next year. Hence the demand for construction activities is likely to get impacted due to recession pressure.

Furniture

Export of wooden furniture for the month of May 2023 increased by 30% to RM762.4 million, meanwhile export of rattan furniture reduced by 8% to RM4.4 million from the previous month, April 2023. Meanwhile, export of wooden furniture for the cumulative period of January - May 2023 recorded an export value worth RM3.3 billion, a decrease of 34% from RM5.0 billion in its corresponding period in 2022. Similarly, demand for rattan furniture plummeted by 43% year-on-year to RM25.4 million from RM44.8 million over its corresponding period in 2022.

Export of wooden furniture to ASEAN expanded by 24% worth RM518.0 million from RM418.5 million in its corresponding period 2022. Export to Singapore increased by 39% to RM316.2 million. Similarly, export to Indonesia rose by 61% to RM53.3 million, but export to the Philippines declined by 2% to RM83.9 million for the stated period.

Moving to the East Asian region, exports were down by 38% to RM230.1 million from RM367.9 million year-on-year in 2022. Japan remained the highest buyer with an import value of RM170.4 million despite a reduction in its buying by 36%. Similarly, exports both to China and Taiwan reduced by 23% to RM20.8 million and by 54% to RM17.9 million, respectively over its corresponding period 2022.

Export to West Asia expanded by 2% to RM169.9 million from RM166.2 million in its corresponding period in 2022. Export to the UAE, the largest buyer in the region, improved by 22% to RM83.2 million. Similarly, exports to Saudi Arabia increased by 7% to RM63.0 million, however export to Kuwait declined by 54% to RM9.1 million, respectively.

Moving to South Asian region, export of wooden furniture to the region weakened by 47% to RM44.7 million for the month. Amongst South Asian countries, India recorded the highest intake with export value worth RM39.8 million despite a decrease in intake by 50%. However, exports to Maldives and Bangladesh improved by 44% to RM4.0 million and by 5% to RM704,208 respectively.

Despite export to the Central Asia region improving by 24% to RM2.1 million, intake from Kazakhstan reduced by 17% worth RM1.3 million. Meanwhile, Uzbekistan and Armenia resumed its intake at RM261,243 and RM515,706 respectively.

Export to the European Union recorded a decrease of 33% to RM128.6 million from RM192.3 million over its corresponding period in 2022. Belgium as the highest buyer in the bloc reduced its buying by 8% to RM17.4 million, followed by France with imports down by 13% to RM16.7 million. Similarly, export to Germany also slashed by 51% to RM16.6 million.

As for the other European countries, export declined by 13% to RM171.9 million. Export to the United Kingdom was down by 16% to RM156.3 million. However, exports to Turkey and Georgia increased by 130% to RM7.1 million and by 81% to RM3.9 million respectively.

Export to Oceania/Pacific reduced by 24% to RM182.6 million from RM239.3 million over its corresponding period in 2022. Australia remained the top buyer in the archipelago region with exports valued at RM164.7 million despite a loss of 21%. Similarly, both exports to New Zealand and Papua New Guinea deceased by 34% to RM12.3 million and by 40% to RM2.7 million respectively.

Moving to the Central America region, export of wooden furniture reduced by 18% to RM10.3 million over its corresponding period in 2022. Panama recorded the highest intake of wooden furniture for the cumulative period despite a decrease of sale by 10% to RM3.3 million. Likewise, exports to Guatemala and El Salvador also declined by 1% to RM2.2 million and by 32% to RM2.1 million respectively.

Meanwhile, export to the North America region dropped by 45% to RM1.8 billion from RM3.2 billion in its corresponding period in 2022. Despite the USA being Malaysia's largest wooden furniture buyer, the country recorded a reduction in sales by 46% to RM1.6 billion from RM3.0 billion in its corresponding period in 2022. Similarly, exports to Canada and Puerto Rico decreased by 23% to RM103.0 million and 47% to RM22.6 million respectively.

Similarly, export of wooden furniture to the South America region recorded a decrease of 47% worth RM27.5 million from RM52.1 million in its corresponding year in 2022. Export to Chile decreased by 67% to RM14.0 million from RM41.9 million in its corresponding period in 2022. Export to Peru increased by 63% to RM6.7 million, while Ecuador resumed its buying at RM1.8 million for the said period.

Exports to African recorded a decrease of 30% to RM56.9 million with South Africa garnering the largest market share with RM12.7 million. It was a decrease of 46% from RM23.5 million in its corresponding period in 2022. This was followed by Kenya, with a recorded sale of RM8.6 million, decreased by 13%. Similarly, export to Reunion Islands also dropped by 16% to RM5.7 million for the period January – May 2023.

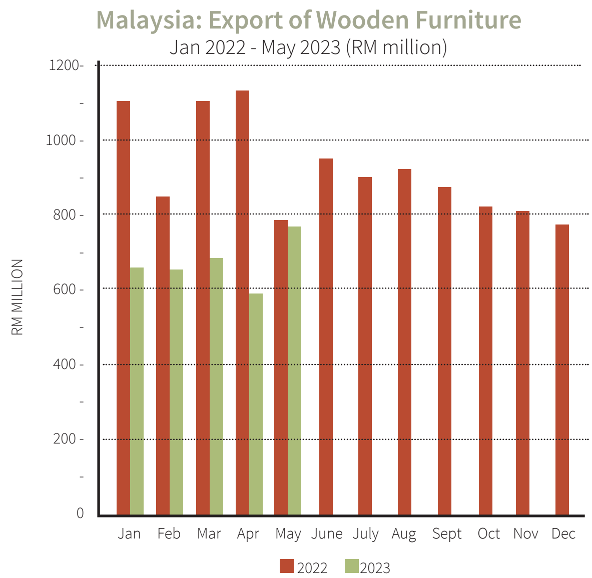
Rattan furniture shipments for May 2023 recorded a decrease of 8% valued at RM4.4 million from RM4.8 million in the previous month. Exports of rattan furniture for the cumulative period of January – May 2023 recorded a decrease of 43% to RM25.4 million from RM44.8 million in the corresponding period in 2022.

Export to ASEAN member countries was recorded at RM2.5 million, an increase of 35% for the cumulative period of January – May 2023. The highest buyer was the Philippines with recorded sales of RM1.3 million, an increase of 90%. Similarly, exports to Singapore grew by 60% to RM814,683. However, exports to Thailand were down by 44% to RM246,261.

Export to the East Asian region was worth RM2.8 million, a reduction of 24% from RM3.6 million over its corresponding period. China reduced its intake by 12% to RM1.7 million, followed by Japan whose imports were reduced by 18% to RM774,825. South Korea also reduced its buying by 42% to RM138,983. Moving on to South Asian countries, India was recorded as the highest buyer of rattan furniture valued at RM1.2 million despite a reduction in its buying by 16%. Meanwhile, Bangladesh resumed its buying ar RM2,456 for the said period.

Export to the West Asian region improved by 479% to RM1.3 million from RM223,163 over its corresponding period in 2022. The largest buying nation of rattan furniture in the West Asian countries, Saudi Arabia resumed its intake to RM677,142 and similarly with Kuwait, the country resumed its intake at RM73,251. Meanwhile, exports to the UAE improved by 116% to RM482,894.

Moving to the European Union bloc, exports were down by 48% to RM3.1 million with France being the largest buyer amongst EU countries. Exports to France and Spain grew by 38% to RM964,904 and by 14% to RM440,029 respectively. However, export to Ireland was down by 74% to RM353,454 for the mentioned period. Moving to other European countries, demand from the group declined by 3% to RM3.8 million with the UK being the largest buyer in the region. The UK increased its buying by 21% to RM3.3 million. However, Russia reduced its buying by 48% to RM518,516 from RM996,479.



Shipments to the Oceania/Pacific archipelago region dropped by 34% to RM2.6 million from RM3.9 million over the same period in 2022. Australia recorded a decline in intake by 38% to RM2.2 million. Similarly, exports to New Zealand decreased by 13% to RM213,061. Meanwhile, Fiji resumed its buying at RM103,863.

Export to the North American region decreased by 65% to RM7.7 million from RM22.1 million over the same period in 2022. The USA being the largest buyer for rattan furniture recorded a decline in intake by 62% to RM7.5 million, followed by Canada with imports down by 85% to RM283,678 million. Meanwhile, amongst South American countries, Uruguay resumed its intake at RM35,624. Intake of rattan furniture by the African region also declined by 78% to RM325,987 where Republic of Congo and Cote D'Ivoire resumed their buying at RM142,818 and 64,535 respectively. Meanwhile, exports to South Africa reduced by 75% to RM47,334.

The European Commission has established a new limit for the concentration of formaldehyde in the air of "living environments": Regulation 2023/1464, published on 14 July 2023, cuts the previous values by setting the limit to 0,062 mg/m3 for the emission of this substance considering, in particular, wood-based products and furniture as possible "sources" of formaldehyde. The provision prescribes a new limit which is exactly half of the value indicated in 1989 by the World Health Organization (0.124 mg/m3), on which the well-known and consolidated E1 classification is based. The E1 is, up to now, not only the recognised standard of the sector, but it is also the reference class legally adopted by many European countries. It is undoubtedly worth highlighting that, for the first time, the whole European wood and furniture sector must adopt a precise "rule" from the European authorities which, unlike the E1 classification, must necessarily be applied by all European countries, obviously involving also all products imported into the EU. Companies in the sector will have three years to comply with the new Regulation. This period of time is necessary for the European Chemicals Agency (ECHA) to define, with the involvement of the European associations and organizations involved, the proper guidelines on test methods.

On another news, the Indian furniture market has undergone significant transformations over time, expanding beyond basic chairs and tables to encompass a wide range of interior furnishings such as wardrobes and sofas. Several factors contribute to the growth of the Indian furniture industry. The rising demand for modular and contemporary furniture among urban dwellers, increasing urbanisation across Indian states, and a growing preference for durable and hybrid seating furniture are driving the market expansion. This upward trend in furniture demand is expected to persist in the coming years. Additionally, the thriving wood sector in India helps mitigate furniture production costs, making it more affordable. Furthermore, the surge in online and mobile shopping trends in India is expected to boost furniture sales through digital channels. The growth of the Indian furniture market is fuelled not only by residential demand but also by the flourishing tourism and hospitality industry as well as the corporate sector. The expansion of hotels and business offices in the country contributes significantly to the increasing need for furniture.

According to a recent study conducted by strategic consulting and market research firm Report Ocean, the Indian furniture market was valued at USD23.3 billion in 2021. It is projected to grow at a compound annual growth rate (CAGR) of 6.40%, reaching USD35.9 billion by the end of 2028. This growth is expected to be driven by factors such as increasing disposable income and growing expenditure on home decor among consumers. Moreover, the ongoing infrastructural development and construction of residential, industrial, and commercial facilities will further fuel market growth. Furniture manufacturers in India are embracing advanced technologies like the Internet of Things (IoT) to gain a competitive edge in the market. By incorporating IoT services, manufacturers can enhance their capabilities in areas such as design management, performance tracking, and maintenance. This adoption of IoT is anticipated to be a significant driver for the growth of the Indian furniture market in the foreseeable future.

The Indian furniture market is highly competitive and fragmented in nature. While the market has traditionally been dominated by small, unorganised local firms, organised players have gradually increased their presence in the Indian furniture sector, and the entry of multinational companies is expected to further bolster their market share. Several new players are expected to enter this market due to low entry barriers. The advent of e-commerce has significantly enhanced the convenience of furniture shopping, providing retailers with the ability to reach customers worldwide. This expanded reach has enabled furniture retailers to offer an extensive range of products, including rare and exclusive items that were previously inaccessible in various markets. However, the impact of e-commerce extends beyond convenience alone. The utilisation of data-driven insights has been instrumental in the growth of online furniture sales. By harnessing the wealth of data provided by e-commerce platforms, furniture retailers can make well-informed decisions regarding product assortment, pricing, and effective marketing strategies. However, the online segment is projected to witness the highest CAGR during the forecast period as more furniture companies launch websites and sell their products through popular e-commerce platforms targeting younger and working consumers. By 2023, the revenue of the furniture eCommerce market is projected to reach USD252 billion, with an expected annual growth rate of 3.98% between 2023 and 2027 (CAGR 2023-2027).

JORDAN – CONSTRUCTION SECTOR GETS MAJOR BOOST

Overview

Jordan is a country in Western Asia. It is situated at the crossroads of Asia, Africa and Europe within the levant region, on the East Bank of the Jordan River. Jordan is bordered by Saudi Arabia, Iraq, Syria, Israel and the West Bank of Palestine. All these border lines add up to 1,619 kilometres. The Gulf of Aqaba and the Dead Sea also touch the country, giving Jordan a coastline of 26 kilometres. Amman is the nation's capital and largest city, as well as the economic, political and cultural centre. Jordan has few natural resources and no oil. Jordan is a semi-arid country, covering an area of 89,342 square kilometers with a population of 11 million, making it the eleventh-most populous Arab country. The dominant majority or around 95% of the country's population is Muslim, with an indigenous Christian minority. Jordan has been repeatedly referred to as an "oasis of stability" in the turbulent region of the Middle East.

Economy

Growth in Jordan picked up to 2.8% year on year in the first quarter of 2023, driven by improved performance in agriculture, construction, transport and tourism (as tourism receipts surpassed pre-pandemic levels at last). Unemployment remained high at 21.9% in the first quarter of 2023, with higher rates among women (26.7%) and youth (43.7%). Meanwhile, inflation eased to 0.9% in July 2023, following a peak of 5.4% in September 2022, on the back of elevated prices for global food and energy. The Central Bank of Jordan has raised its main policy rate by a cumulative 500 basis points since February 2022, in line with decisions taken by the Federal Reserve. Gross Domestic Product (GDP) growth is expected to stabilise at 2.5% in 2023 and 2024, supported by a continued recovery in tourism and robust growth in non-service sectors.

Nevertheless, downside risks include further increases in energy and food prices, muted private investment due to tighter monetary conditions, and possible delays in the implementation of structural reforms. Successful implementation of the reforms announced under the Economic Modernisation Plan and aimed at attracting foreign direct investment could provide a medium-term boost to growth. Gross Domestic Product (GDP) in Jordan is expected to reach USD48.73 billion by the end of 2023, according to Trading Economics global macro models. In the long-term, the Jordan GDP is projected to trend around USD49.95 billion in 2024 and USD51.55 billion in 2025.

Forest Resources

Jordan is very lightly forested where forest cover is 86,000 hectares or about 1% of the country's land area. This includes 45,000 hectares of plantation forests. Jordan's network of protected areas includes three national parks, 23 range reserves and 12 wild nature reserves. The natural forests are fragmented, undermarketed, unmapped and degraded forests of poor density. Because of the low percentage of forest cover, the arid Mediterranean climate, past deforestation, heavy grazing and frequent fires and droughts, the forests and rangelands are unable to provide the needed environmental benefits. Jordan's forests mainly occur in the northern and southern highlands. In the north, forests are mainly of mixed-evergreen type dominated by Pinus halepensis and oak (Quercus spp.). To the south the forests give way to cultivated lands with woodlands comprising cedar (Cedrela odorata), cypress (Cupressus sempervirens), wild olive (Olea europaea) and modest areas of Eucalyptus spp. plantations. The Gulf of Aqaba contains some of the most northern mangrove stands in the world.

Timber Production

Jordan's arid climate and limited water resources make agricultural production a precarious endeavor. Conversely, with rising temperatures and increasingly frequent and severe droughts due to climate change, local farmers are grappling with reduced yields and escalating water scarcity. According to the FAO forest statistics, Jordan's production for 2021 was only wood charcoal at around 52,147 tonnes. Details of the production are as below:

JORDAN: PRODUCTION OF TIMBER PRODUCTS, 2017-2021

Volume: tonnes

Product	2017	2018	2019	2020	2021
Wood charcoal	47,809	48,862	49,939	51,039	52,147

Source: FAO Stats

Jordan's Export of Timber and Timber Products

Jordan's export of timber and timber products in 2022 decreased 15% to USD28.5 million over the previous corresponding period. Jordan exported mainly furniture, fibreboard and plywood totalled at USD21.5 million, USD2.0 million and USD1.1 million respectively. Jordan exported furniture and plywood mainly to Saudi Arabia at USD8.7 million and USD0.47 million while fibreboard was exported mainly to Iraq at USD1.3 million respectively.

JORDAN: EXPORT OF TIMBER & TIMBER PRODUCTS, 2018-2022

USD '000

Products	2018	2019	2020	2021	2022
Furniture	22,403	30,116	23,524	25,435	21,549
Fibreboard	790	1,924	3,701	1,952	1,965
Plywood	1,561	1,978	1,385	1,368	1,127
Particle board	64	98	36	60	312
Mouldings	50	13	53	31	165
Logs	83	559	988	206	154
Sawntimber	713	586	439	363	99
Wooden frames	41	14	620	596	6
Veneer	0	19	0	4	6
Others	3,652	3,204	3,432	3,490	3,094
TOTAL	**29,357**	**38,511**	**34,178**	**33,505**	**28,477**

Source: ITC Stats

JORDAN: MAJOR EXPORT OF TIMBER PRODUCTS (HS CODE 44) BY COUNTRY, 2018-2022

USD '000

No.	Importers	2018	2019	2020	2021	2022
	World	**8,228**	**9,711**	**12,408**	**10,801**	**9,345**
1	Saudi Arabia	1,626	1,876	574	1,644	2,300
2	Free Zones	2,310	2,454	3,532	3,223	2,199
3	Iraq	1,428	2,874	5,756	2,851	2,196
4	Syrian Arab Republic	1,124	526	1,254	1,351	1,355
5	Palestine, State of	82	216	208	414	470
6	Egypt	260	58	0	11	264
7	United Arab Emirates	253	155	35	309	147
8	Lebanon	90	20	0	56	142
9	Qatar	538	908	590	449	87
10	Kuwait	176	209	164	158	48
	Other	340	415	295	336	138

Source: ITC Stats

Jordan's Import of Timber and Timber Products

According to the latest ITC statistics, Jordan's import of timber and timber products in 2022 decreased 28% to USD218.7 million over the previous corresponding period. Jordan imported mainly furniture, sawntimber and fibreboard totalled at USD57.0 million (a decrease of 31%), USD48.4 million (a decrease of 2%) and USD38.6 million (a decrease of 43%) respectively. The major import sources for Jordan are China, followed by Indonesia and Turkey.

JORDAN: IMPORT OF TIMBER & TIMBER PRODUCTS FROM WORLD, 2018-2022

USD '000

Products	2018	2019	2020	2021	2022
Furniture	96,864	83,152	68,476	82,980	57,049
Sawntimber	62,816	42,918	39,004	49,310	48,419
Fibreboard	31,600	33,264	32,506	67,428	38,550
Plywood	43,245	41,786	36,461	48,041	25,045
Particle board	4,743	5,537	5,839	11,908	12,194
Builders' joinery and carpentry	6,914	2,594	2,533	2,477	3,115
Logs	167	87	216	1,003	717
Mouldings	225	422	277	448	415
Wooden frames	89	248	718	1,595	265
Veneer	653	849	478	419	216
Others	29,134	30,434	34,748	37,363	32,723
TOTAL	**276,450**	**241,291**	**221,256**	**302,972**	**218,708**

Source: ITC Stats

JORDAN: MAJOR IMPORTS FOR TIMBER PRODUCT (HS CODE 44) BY COUNTRY, 2018-2022

USD '000

No.	Exporters	2018	2019	2020	2021	2022
	World	**179,587**	**158,139**	**152,782**	**219,993**	**161,659**
1	China	32,964	32,048	31,914	71,277	39,740
2	Indonesia	42,983	44,113	41,484	44,839	24,673
3	Türkiye	5,228	4,681	5,297	9,000	15,667
4	Finland	9,268	6,573	7,857	8,374	12,050
5	Sweden	15,543	7,178	6,589	9,526	9,557
6	Thailand	5,211	6,414	5,447	10,749	7,824
7	Romania	12,327	8,993	6,402	8,306	7,334
8	Russian Federation	7,047	6,167	5,857	9,435	6,365
9	Germany	10,613	7,058	7,923	7,814	5,584
10	Egypt	417	2,431	2,952	5,191	4,880
16	**Malaysia**	**4,053**	**3,620**	**2,995**	**2,090**	**1,773**
	Others	33,934	28,864	28,064	33,389	26,217

Source: ITC Stats

Malaysia's Export of Timber and Timber Products to Jordan

In 2022, exports of Malaysian timber and timber products to Jordan registered an increase of 0.1% to RM9.60 million from RM9.59 million in 2021. Jordan ranked 58th with 0.04% of Malaysia's total export share. Fibreboard was the main product exported with a total value of RM4.5 million, followed by plywood and wooden furniture at RM2.6 million and RM1.3 million respectively.

MALAYSIA: EXPORT OF TIMBER & TIMBER PRODUCTS TO JORDAN, 2018-2022

Value RM

Products	2018	2019	2020	2021	2022
Fibreboard	7,420,246	6,865,231	7,036,675	2,953,576	4,522,320
Plywood	3,761,122	5,345,151	3,563,669	4,738,756	2,623,287
Wooden Furniture	5,380,534	3,228,826	3,059,726	1,267,943	1,349,004
Sawntimber	97,458	592,169	851,005	215,063	646,484
Mouldings	0	0	0	0	227,905
Builders Joinery & Carpentry	0	245,257	18,387	0	0
Chipboard/Particleboard	643,774	88,328	0	0	0
Others	10,357	103,182	340,293	416,963	230,091
TOTAL	**17,313,491**	**16,468,144**	**14,869,755**	**9,592,301**	**9,599,091**

Source: MTIB/DOSM

Malaysia's Import of Timber and Timber Products from Jordan

In 2022, there were no import activities from Jordan.

MALAYSIA: IMPORT OF TIMBER & TIMBER PRODUCTS FROM JORDAN, 2018-2022

Value RM

Products	2018	2019	2020	2021	2022
Sawntimber	911,247	0	0	0	0
TOTAL	911,247	**0**	**0**	**0**	**0**

Source: MTIB/DOSM

Import Tariffs

The government of Jordan for the past years had made great strides in liberalizing its trade and investment environment. Jordan's accession to the WTO in April 2000 signalled its commitment to global integration. Upon accession to the WTO, Jordan substantially reduced its simple average tariff rate (based on Most Favoured Nation, or MFN, tariff rates). Jordan's import duties on timber and timber products under MFN ranged between 0% - 30% and the details of tariff duties are as follows:

JORDAN: TARIFF DUTY

CODE	PRODUCT	DUTY (%)
4403	Logs	20
4407	Sawntimber	0
4408	Veneer	0
4409	Moulding	20
4410	Particleboard	0
4411	Fibreboard	20
4412	Plywood	15
4414	Wooden frames	30
4418	Builder carpentary & joinery	30
9403	Furniture & Parts	30

Source: World Trade Organisation (WTO)

Prospects

The construction sector is considered one of the most important engines of the national economy in any country where it clearly contributes to improving the quality of life of the population. In the construction industry, project success is crucial, because it reflects positively on the growth of the nation's economy, in partnership with other sectors related to it directly and indirectly. As such, the construction industry in Jordan constitutes an important part of its economic activities.

According to MEED Projects regional report in May 2023, Jordan's construction sector will get a major boost for upcoming years as the country's largest project, the hospital project, is being developed by the Saudi Jordanian Fund for Medical and Educational Investments Company (SJFMEI) on a build-operate-transfer (BOT) basis. By strengthening the position and role of the construction, the engineering and housing sectors is the key solution for economic driving and sets the sectors as engines of growth in favour of other sectors.

There are also opportunities for new and ongoing projects in Jordan such as the establishment of six schools in several governorates in Jordan valued at JD17.5 million funded by a grant offered by Saudi Arabia through the Saudi Fund for Development. More projects such as the terminal at King Hussein Bridge, the border crossing that links Jordan and the West Bank where the estimated JD160 million projects will include a terminal and additional facilities and hospital project valued at JD283 million is being developed by the Saudi Jordanian Fund for Medical and Educational Investments Company (SJFMEI).

Meanwhile, furniture industry in Jordan is expected to grow at a fast pace especially in Jordan's office furniture market, which is projected to grow at a CAGR of 5.3% by 2026. Revenue in the market is projected to reach USD115.70 million in 2023. A growing demand for innovative and smart furniture that prioritises comfort and efficiency is expected to drive the market. Therefore, the revenue of Jordan's furniture industry is expected to show an annual growth rate (CAGR 2023-2027) of 11.54%, resulting in a projected market volume of USD179.10 million by 2027.

Large-scale initiatives of the government such as the Made in Jordan 2020-2025 vision which aims to increase self-dependency and boost the competitiveness of Jordanian industry locally and worldwide, along with rising investment in infrastructure under Jordan Vision 2025, are expected to lead growth in the Jordan office furniture market. In addition to that, the government has also taken various steps to significantly enhance the ease of doing business in the country which would help new firms to produce and sell office furniture in Jordan. This initiative could also be seen as an opportunity for Malaysian furniture parts supplier or completed furniture exporters to expand their market in Jordan.

As for the market prospects for Malaysian timber and timber products in Jordan, Malaysian timber exporters need to make their presence felt by renewing and enhancing networking with Jordan's timber and furniture importers and at the same time undertake market research on Jordan importers' market preferences and taste. Malaysian exporters should also emulate a new approach to penetrate Jordan's market. There is already a market for Malaysian plywood and MDF - kitchen fixtures, cabinets, back of wardrobes, packaging boxes, interior décor applications and doors. Blockboard for furniture manufacturing is also considered better in terms of structural strength. Sales of home and office furniture are expected as new housing projects come up on stream.

Jordan Arctic Oak Office Desk

Jordan Bedroom Furniture

Malaysia, which has always been an important trading partner with Jordan in timber, is also facing strong competition from China and Indonesia. Therefore, to sustain and improve trade as well as market share in Jordan, Malaysian exporters need to be competitive in terms of price and product quality together with effective marketing and promotion strategies.

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INDONESIA

EU and Domestic Regulations Could Weaken Furniture Exports.

The combined impact of the EUDR and the Indonesian government's legality verification system (SVLK) could potentially hurt the domestic furniture industry and erode Indonesia's furniture export competitiveness according to Abdul Sobur, chairman of the Indonesian Furniture and Handicraft Industry Association (Himki). When the EUDR is implemented this will add to production and delivery costs and if prices do not rise then eventually the regulations will weaken Indonesia's competitiveness, Abdul said. He added, unnecessary costs must be eliminated as restrictive regulations could hamper the target to achieve USD 5 billion in furniture exports.

jakartaglobe.id, 16 June 2023

VIET NAM

Timber Industry Continue to Face Sharp Decline

Vietnamese wood and wooden furniture enterprises have been facing many difficulties as export orders have dropped 50-60% since the beginning of this year, pushing firms to cut off at least half of their production capacities.

Data from Viet Nam's General Department of Customs showed that the export turnover of wood and wooden products reached USD 3.9 billion in the first four months, down 30.6% year-on-year. The export of wooden goods saw a yearly decline of 38% to USD 2.6 billion.

At the same time, the import value of wood and wooden products also decreased significantly to USD 634 million, down 33.6% over the same period last year.

During the first four months of 2023, Vietnamese exports of these goods to major markets all decreased sharply such as the US (USD 2.02billion, 38%); Japan (USD 556 million, 1.5%); South Korea (USD 274 million, 22%) and China (USD 481 million, 13%).

Analysts and businesses have said that the decrease in wood and wooden goods exports was foreseeable. They attribute the decline to inflation surges in some countries, which were also major importers of Vietnam's wood and wooden goods, resulting in sluggish demand for these products.

For example, the US imported USD 1.24 billion worth of timber and wooden products from Viet Nam in the first three months, a year-on-year drop of 42%.

In the context of inflation and the banking crisis, US banks have tightened credit, making importers unable to finance import goods in large quantities. The demand for US wooden furniture imports has plummeted, analysts said.

According to wood exporters, their export orders from the US market have decreased between 50-55% depending on the type of wood products.

Meanwhile, orders from the EU, another key export market, also dropped 60%.

The Chairman of the Woodworking Association Nguyen Liem said "amid the current difficult context the provincial wood enterprises had slashed their production capacities by 60%".

Liem also predicted that when the market situation improved and the inventory decreased, foreign customers would continue to order but not sooner than early 2024. Around the beginning of 2024, the market would be less difficult, and businesses would have export orders again. Still, only small ones, he said, forecasting that the market would likely recover at the end of 2024. However, the recovery growth would depend on the world's economic and political situation.

Despite a sharp slump in orders, trade experts said the US remained a key export outlet for Viet Nam's wood industry. Therefore, businesses needed to maintain the US market by updating information and converting production according to the market's consumption trends.

In addition, management agencies needed to support businesses to bring Vietnamese wooden goods into large distribution systems such as Walmart, Costco and Amazon.

In the current context, the Ministry of Industry and Trade and the Ministry of Foreign Affairs should continue to help businesses find out information about the market situation of products, consumer demand and tastes, Liem suggested.

They should also support the enterprises in updating the national mechanisms and policies of importing countries on quality, design, legality and sustainability of imported wood products and providing them with information on requirements as well as changes in the trade policy of key markets such as the US, the EU and North-east Asia, he said.

It was recommended that embassies should also provide information and support Vietnamese businesses to participate in international furniture fairs, the chairman of the Viet Nam Timber and Forest Products Association (VIFOREST) Do Xuan Lap said.

He also petitioned the embassies to assist wood enterprises in opening companies, representative offices and stores in potential export markets.

www.itto.int, 07 June 2023

CHINA
Resumption of Imports of Australian Timber

It has been reported that China has resumed imports of Australian timber. Australia's timber trade with China was halted in late 2020 after China said it had found pests in timber coming from several Australian ports.

Data show that in 2022 Australia's timber exports to China were worth RMB42.32 million compared with RMB4.13 billion in 2019 before the ban was implemented.

In an effort to get back into the Chinese market Australian officials petitioned China to resume trade and presented evidence of pesticide spraying on logs to Chinese Customs authorities. But China did not respond. The ban showed no sign of easing until 2023.

In March 2023 Chinese Customs sent Australian agriculture officials a list of technical rules that must be met to resume timber imports.In May the Australian Trade Minister, Stephen Farrel, arrived in Beijing for a three-day visit. During the talks the two sides agreed to restart economic and trade dialogue mechanisms such as the Joint Committee on Free Trade Agreement and the High-level Trade Remedy Dialogue. In May China announced the resumption of timber imports from Australia.

www.itto.int, 19 June 2023

CHINA
Sawntimber Imports Rise in Volume, But Fall in Value

According to Chinese customs statistics, total sawn timber imports in the first quarter of 2023 amounted to 6.522 million cubic meters, valued at USD 1.658 billion, a 3% increase in volume but an 8% decrease in value compared to the first quarter of 2022. USD 254 per cubic meter (CIF) in the first quarter, up 12% from the same period in 2022.

Of the total sawn timber imports, sawn timber imports increased by 9% to 4.42 million cubic meters, accounting for 68% of the national total. However, the average price of imported sawn timber fell by 10% to USD 203 per cubic meter (CIF) compared to the same period in 2022.

Imports of hardwood lumber fell 8% to 2.102 million cubic meters, accounting for 32% of the national total. The average price of imported sawn timber fell by 10% to USD 362 per cubic meter (CIF) compared to the same period in 2022.

Among the total imports of sawn timber, tropical sawn timber imports amounted to 1.372 million cubic meters with a CIF value of USD 409 million. Compared with the same period in 2022, the volume and value decreased by 16% and 14%, respectively, accounting for the total import volume of the country. 21% of the total. Imported tropical sawn timber will average USD 298 CIF per cubic meter, up 2% from the same period in 2022.

Major suppliers of sawn timber imports

Russia is China's largest supplier of sawn timber imports in the first quarter of 2023. China's sawn timber imports from Russia accounted for 44% of its total sawn timber imports. China imported 2.878 million cubic meters of sawn timber from Russia, an increase of 4%. Shipments from second-largest supplier Thailand fell 17% to 849,000 cubic metres.

China's imports of U.S. sawn timber have increased. In the first quarter of 2023, China's sawn timber imports from the US rose by 27% to 326,000 cubic meters. In contrast, China's sawnwood imports from Canada fell by 25% to 326,000 cubic meters in the first quarter of 2023.

Main sawn softwood sources

Russia is the largest supplier of sawn timber imports. Nearly 60% of China's sawn timber imports in the first quarter of 2023 will come from Russia. China's sawnwood imports from Russia rose 2% to 2.586 million cubic meters, while imports from Sweden, China's second-largest sawnwood supplier, surged 98% to 320,000 cubic meters in the first quarter of 2023.

In addition to a 26% drop in shipments from Canada in the first quarter of 2023, China saw an increase in imports of sawn softwood from major suppliers.

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www.itto.int, 15 June 2023

JAPAN
Domestic Lumber Market Faces Price Stabilization and Supply Challenges

There has been a noticeable halt in the declining prices of domestic logs and lumber in Japan during mid-May. The prices of laminated whitewood posts and laminated cedar posts, which are competitors to KD cedar posts, have reached their lowest point, leading to controlled inventory of imported lumber.

Since the wood shock experienced in spring 2021, the demand and supply of domestic lumber have been closely intertwined with the demand and supply of imported lumber. Consequently, as the inventory of imported lumber decreases, the availability of domestic lumber is expected to tighten.

In reality, there is a shortage of low-quality whitewood studs, and the production of cedar studs is unable to meet the demand. The price of 3m 20 x 105/ 45 x 105 mm cedar KD studs is currently around 70,000 yen per cubic meter, including delivery. However, the price of cedar squares in some markets has fallen below 70,000 yen, causing concern among sellers about the possibility of further price reductions. Lumber companies find it challenging to lower the price, which resulted in price stabilization during May.

As lumber prices declined, log prices followed suit throughout May. Particularly, the price of cedar logs used for lumber or plywood showed weakness in the northeastern to Kyushu regions of Japan. In Eastern Japan, the price of cedar logs has been decreasing since February 2023, while Western Japan saw a decline starting in April 2023, resulting in different cedar log prices between the two regions.

In Eastern Japan, the price of 4m cedar logs for lumber plants, laminated lumber plants, and plywood plants is approximately 11,000 to 12,000 yen, which is about 1,000 yen lower than the previous month. In the Kanto region, the price of 3m cedar logs is around 12,000 yen, while in the Kyushu area, it ranges from 14,000 to 17,000 yen.

www.itto.int, 30 June 2023

EU
Imports of Tropical Logs Up 21%

In the first three months of 2023, the EU27 imported 29,800 cubic metres of tropical logs, 21% more than the same period in 2022. The most significant trend was a sharp 195% rise in EU27 log imports from Congo to 17,600 cubic metres in the first quarter this year. This surge in European arrivals probably reflects a last-minute effort to ship logs in advance of the log export ban imposed by the Republic of Congo from 1st January 2023.

EU27 imports of logs also increased sharply from Cameroon (which may be derived from neighbouring Congo or Central African Republic) in the first quarter this year, rising 83% year-on-year to 3,000 cubic metres. EU27 imports of tropical logs from all other supply countries declined during the period including Central African Republic (-15% to 3,850 cubic metres), Democratic Republic of Congo (-62% to 1,650 cubic metres), Liberia (-58% to 1,250 cubic metres), Guyana (- 52% to 600 cubic metres) and Paraguay (-56% to 500 cubic metres).

www.itto.int, 08 June 2023

AUSTRALIA
Timber Industry Recorded Sales Growth

Austria's timber industry recorded total sales of goods worth €11.45 billion (+13%) in 2022.

"There is also a surplus of almost 1.8 billion euros in foreign trade - 11 percent more than in 2021," informed Mag. Herbert Jöbstl, Chairman of the Association of the Austrian Wood Industry. Since mid-2022, however, there has been a significant drop in demand, especially from the construction industry. "There is no spring revival this year, neither from the domestic construction industry nor from the overseas markets," said Dr. Erlfried Taurer, Deputy Chairman of the Association of the Austrian Wood Industry. In view of the weak order situation, the companies will have to continue to reduce production capacities.

In view of the declining construction activities, the timber industry is in favor of anti-cyclical investment incentives. The annual renovation rate has been stagnating at 1.5% for some time. "We therefore advocate a turbocharged renovation with the necessary instruments such as subsidies, easy-to-implement living space concepts, such as modular construction, understandable advice for owners and the removal of legal hurdles," emphasizes Dr. Andreas Ludwig, Deputy Chairman of the Association of the Austrian Wood Industry.

Waste wood is subject to the Waste Management Act and has therefore had to be transported by train since January 2023. "The train is undoubtedly an ecological mode of transport, but unfortunately it is not competitive compared to trucks. The obligation to transport by rail doubles our transport costs in some cases and leads to new bureaucratic hurdles," criticizes Erlfried Tauer. This weakens the competitiveness of the circular economy. "The use of waste wood is becoming less attractive and companies are increasingly using fresh wood."

www.fordaq.com , 07 June 2023

BRAZIL
Timber Export Control for Brazillian Wood

According to a Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA) Timber Management Analytical Report the most exported species for use in the design and architectural sectors are: ipê (Handroanthus), cumaru (Dipteryx odorata), garapa (Apuleia leiocarpa) and jatobá (Hymenaea courbaril).

According to IBAMA's 2022 report the European Union is the largest buyer of Brazilian wood products taking around 143,000 cubic metres worth about Brazilian real 1 billion followed by the United States with a purchase of almost 83,000 cubic metres also worth about Brazilian real 1 billion.

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) regulates the process of exporting and importing fauna and flora.

According to IBAMA some of the most exported plant species in Brazil are already listed in CITES Appendix II. These are Dipteryx odorata and Handroanthus serratifolius (yellow ipê). Others are in the MMA Ordinance No. 443/2014 (List of Brazilian flora species threatened with extinction), such as Araucaria augustifolia, Apuleia leiocarpa and Mezilaurus itauba.

To ensure legality the first step is to know the origin of the wood. Although it is difficult to know the true origin of the material, the Brazilian Association of Interior Designers (ABD) advises checking the Forest Stewardship Council (FSC) label, in addition to the Forest Origin Document (DOF) of IBAMA.

According to IBAMA there are a series of norms that regulate the procedures for authorising the export of wood products and by-products from native timber species. Among these are the Normative Instruction IBAMA No. 8/2022 and Normative Instruction No. 17/2021 which aim to control the export of wood from natural forests.

Normative Instruction No. 21/2014, established the National System for the Control of the Origin of Forest Products (SINAFLOR) to control the origin of wood, charcoal and other forest products and by-products. There is also Decree No. 3.607/2000 which deals with the implementation of CITES. There is also Ordinance No. 8/2022, which established the Brazil Single Consent Platform (PAU Brazil) under IBAMA.

Finally, SECEX Ordinance No. 19/2019, which conrols export licenses, permits and certificates (LPCO) through the Foreign Trade Single Portal of the Integrated Foreign Trade System (Siscomex).

www.fordaq.com , 23 June 2023

CANADA
Lumber Production Rises in March

Lumber production in Canada surged by 21.8% from February to reach a total of 4,785.3 thousand cubic meters in March. Despite this positive growth, there was a decline of 5.4% compared to the production levels in March 2022, reports Statistics Canada.

In March, Canadian sawmills shipped 4,286.3 thousand cubic meters of lumber, marking an 18.5% rise from the previous month. However, when compared to March 2022, sawmill shipments experienced a modest decline of 3.9%.

www.fordaq.com , 06 June 2023

US
Impose a Tax on Plywood From Viet Nam Containing Chinese Core Panels

According to the Trade Remedy Bureau of the Ministry of Industry and Trade of Viet Nam, the US Department of Commerce (DOC) continues to extend the time for the final conclusion of the anti-tax evasion and anti-dumping investigation on plywood using hardwood material imported from Viet Nam.

The US Department of Commerce will issue its final conclusions on July 14, 2023. This is the eighth time the Commerce Department has delayed issuing its final conclusion.

Previously, the US Department of Commerce announced the preliminary conclusion of the case in July 2022, saying that if the wood panel inside the Vietnamese hardwood plywood was imported from China it will impose antidumping and countervailing duties on the plywood.

According to the Trade Remedy Administration of Viet Nam the temporary tax rate could be as high as 378.26%. However, the US Commerce Department allowed Vietnamese companies cooperating with the investigation to self-certify that they do not use Chinese materials to avoid being subject to the measures.

Statistics show that the exports of enterprises participating in self-certification accounted for about 80% of Viet Nam ‘s exports during the survey period.

www.itto.int, 20 June 2023

CENTRAL/WEST AFRICA
Weakening Demand Having a Downward Pressure on Prices

Recent observations by operators in Central/West Africa signal a slowdown in demand in several markets. In Iraq, for example, the pace of new orders has fallen and in China demand is reported as slow. The weakening demand is beginning to have a downward pressure on prices for some species.

Reports suggest prices for Okoume have been showing signs of easing in the Middle East and Chinese markets. The Chinese market has not fully recovered since the Chinese New Year and it is anticipated to remain slow until the year's end.

European markets are reported as slow but stable as there are ample stocks in Portugal, France, Belgium, Germany and the Netherlands to see manufacturers through the summer months.

Belgium reportedly still boasts a healthy stock of padouk and doussie imported from Cameroon, Gabon and

Congo in advance of the CITES deadline.

www.itto.int, 23 June 2023

GHANA
Teak Accounts for Most Sawnwood Exports to Asia

In the first two months of 2023 Ghana's air-dried sawnwood accounted for 54% (24,589 cu.m) of the total wood exports of 45,312 cu.m, to be the leading export product. These exports earned Euro9.90 million which was 21% more than in the same period in 2022. In contrast, exports of kiln-dried sawnwood declined 13% (Euro3.52 million in January-February of 2023 compared to Euro3.72 million for January-February of 2022).

Air-dried sawnwood, together with mouldings and plywood were the only three out of thirteen products that registered significant year-on-year growth of 14%, 25% and 175% respectively in 2023 when compared to 2022.
India and Vietnam were ranked the first and second in terms of Ghana's exports of air-dried sawnwood. India absorbed 22,100 cu.m of the product valued at Eur8.35 million with Vietnam 1,072 cu.m which earned Eur0.83 million to become a major market for Ghana's air-dried sawnwood.

Between January and April 2023 Asian markets absorbed most of the teak exported from Ghana (27,890 cu.m) compared to the previous year (26,554cu.m). This was followed by the Middle East where there was a with 1.4% increase in 2023, however, demand in Europe, regional markets and the US weakened compared to the same period in 2022.

TIDD data shows that the Asian market accounted for close to 62% of all wood product exports in 2023 as against 60% recorded in 2022.

Five species namely teak (90%), papao (3%), deny (2%), dahoma (1%) and kako/ekki (1%) accounted for the bulk (97%) of the air-dried sawnwood exports in the first two months of 2023.

www.itto.int, 09 June 2023

Market Profile

Continuation from page 19

Malaysian manufacturers also need to enhance their presence in the Jordan market to create demand for Malaysian value-added timber products, especially furniture. Malaysian engineered timber products can also be further promoted since there are opportunities to fulfill future demand in Jordan's construction industry. Malaysian timber and furniture exporters can enhance networking and explore business opportunities with their counterparts the country by participating in trade fairs such as Jordan Home Expo and Jordan International furniture fair.

Through those activities, Malaysian timber exporters would be able to further develop their networking with Jordan's timber and furniture importers while at the same time undertake market research on current Jordan importers' market preferences and taste. Therefore, it is envisaged that timber trade for both countries, especially in terms of export and import activities and investments in timber and timber products will be increased in the coming years.

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MAY 2023

LOGS

The average price of logs for most species was reported to have decreased in May 2023, with 45 percent or nine species of the 20 listed as price reference species experiencing price reductions ranging from 1.2% to 14.6% or around RM26–RM410 per tonne. Six species on the other hand, reportedly saw price increases ranging from 3.1% to 10% or around RM54 to RM150 per tonne, while the average price for the remaining five species remained unchanged.

Red Balau, Merbau and Mixes Heavy Hardwood from the Heavy Hardwood Group, Keruing, Kempas, and Mengkulang from the Medium Hardwood Group, Dark Red Meranti (DRM), Yellow Meranti and Sepetir from the Light Hardwood Group were among the nine species reported to be experiencing price declines. All of these species were traded at an average price of RM2,400, RM3,067, RM1,095, RM2,310, RM1,853, RM1,806, RM2,134, RM1,705 and RM1,304 per tonne following the price drop. Balau, Kapur, Red Meranti, White Meranti, Mersawa, and Nyatoh on the other hand, reported average price increases in May 2023 and were traded at RM3,318, RM1,837, RM2,300, RM1,650, RM1,794, and RM1,378 per tonne. The White Meranti species reported the highest price increase in this production class of around 10% compared to the previous month, trading at an average price of RM1,650 per tonne compared to RM1,500 per tonne the previous month.

According to the feedback received, the current market performance for timber was still not very encouraging, as the majority of the species reported to have decreased prices experienced a decline in market demand. However, the current market's low supply factor and market focus, as well as an increase in demand for preferred species such as Balau, Kapur, Red Meranti, White Meranti, Mersawa, and Nyatoh, have resulted in an increase in prices for all species.

SAWNTIMBER

The average price position for sawntimber products across its three production classes - General Market Specification (GMS), STRIPS and Scantling - in May 2023 revealed that most species did not experience price changes, with 45 percent to 80 percent of the 20 reference species across the three production classes recording the same price as the previous month.

The number of species in the GMS class that did not experience price changes was the same as the number of species that experienced price increases with nine species each, while the remaining two species experienced price decreases. Red Balau and Mix Light Hardwood in the Heavy Hardwood Group, Keruing, Kapur and Mengkulang in the Medium Hardwood Group, Dark Red Meranti (DRM), Mersawa, Sepetir and Jelutong in the Light Hardwood Group, with the highest increase recorded for the Jelutong species at around 15.4 percent or RM283 per m^3, in the current month. The species were marketed at an average price of RM2,825, RM1,359, RM3,263, RM1,746, RM1,401, RM2,631, RM1,907, RM1,848 and RM2,119 per m^3, with an increase of around 1.4% to 15.4%, the equivalent of RM26-RM283 per m3, as reported. Meanwhile, the species that recorded a price decrease were Balau, Kempas, and Red Meranti, with the Balau species recording the highest percentage decrease at 7.2 percent, equivalent to RM236 per m^3, and marketed at RM3,055 per m^3 in the current month.

In the STRIPS production class, approximately 60% or 12 species reported maintaining their average price in the current month. Only two species, Balau and Nyatoh have reported price increases. Both species were marketed at RM2,059 and RM1,537 per m3, with increases of 13% and 3.5% respectively. The remaining six species, such as Keruing, Kempas, and Mengkulang and three Meranti species, namely DRM, Red Meranti, and Yellow Meranti, saw price reductions ranging from 1.8% to 15.2%, or approximately RM35–RM236 per m^3. These species were traded at RM2,587, RM2,013, RM1,424, RM1,942, RM2,036, and RM1,318 per m^3 in comparison to the previous month.

In the scantling production class, 80 percent or 15 of the 20 species listed recorded the same average price retention as the previous month. Four species, namely Red Balau, Keruing, Kapur and DRM experienced price increases ranging from 1.5 to 15.6 percent or around RM30 to RM530 per m^3, with DRM experiencing the highest increase, an increase from RM3,390 to RM3,939 per m3. For the record, only Kempas species under this production class recorded a price drop of around 3.3% or the equivalent of RM88 per m3, and were marketed at RM2,613 per m^3.

PLYWOOD

According to price feedback from the industry, the average plywood prices of the four main sizes traded in May 2023 did not indicate any price movements. Price retention, as reported in recent months has resulted in the average price of plywood with thicknesses of 4mm, 6mm, 9mm, and 12mm being marketed at RM19.40, RM24.50, RM39.75, and 48.35 per piece respectively. The highest price of plywood based on the thickness sizes stated remained unchanged from the previous month, when it was reportedly trading at RM19.40, RM25.00, RM41.00, and RM48.70 per piece respectively.

MEDIUM DENSITY FIBERBOARD (MDF)

The price of MDF panel products in May 2023 increased by 5.2–6.8 percent, or around RM1.15–RM2.40, involving MDF in 6mm, 9mm, and 12mm thickness sizes, while the price of 4mm thickness MDF remained unchanged. With the reported percentage increase, MDF with the stated thickness was traded at RM23.65, RM31.50, and

RM37.60 respectively, while 4mm-thick MDF remained at the previous month's price of RM12.90 per piece. The highest reported selling prices of MDF products during the current month were RM12.90, RM26.00, RM37.00, and RM42.00 per piece for MDF 4mm, 6mm, 9mm, and 12mm in size respectively. According to feedback, the price increase is due to the current market demand, particularly from the furniture sector which uses many MDF products in its production.

INTRA-MALAYSIA TRADE*- MAY 2023

In May 2023, the total trade volume from Sabah to Peninsular Malaysia for the four main timber products, namely logs, sawntimber, plywood, and veneer was approximately RM4.98 million. However, just three timber products were traded between these two regions last month, which is sawntimber, plywood and veneer.

Among these three timber products, plywood products saw a 45 percent decrease in volume and a 24 percent decrease in trade value compared to the previous month, with a volume and trade value of 1,909 m3 generating a trade value of RM4.10 million. Although the trade value of sawntimber products increased by around 3 percent, the volume traded decreased by 6 percent compared to the previous month. As a result, the volume of sawntimber traded in May 2023 will be 178 m3, with a trade value of RM0.5 million. Veneer products, on the other hand, saw a 100 percent increase in the current month due to no trading transactions in the previous month. This month, a total of RM0.38 million in veneer product trade value was reported through a trade volume of 124 m^3.

In May 2023, only sawntimber and plywood products were reported to be traded between regions from Sarawak to Peninsular Malaysia, with no transaction recorded for logs and veneer products. A total of RM1.59 million was generated by a trade volume of 1,359 m^3 for both traded timber products.

The total volume and trade value of sawntimber products were reported to have decreased by 69 percent and 67 percent respectively in May 2023, while plywood products decreased by 64 percent and 75 percent. Because of the decline in both value chains, the trading volume of sawntimber products was 104 m^3 with a trade value of RM0.25 million. In the current month, the volume traded for plywood products was 1,255 m^3, resulting in a trade value of RM1.34 million.

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

*AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, MAY 2023 (RINGGIT MALAYSIA)					
SPECIES	**LOGS/ton**	**SAWN TIMBER/m³**			
	18" UP	**GMS**	**STRIPS**		**SCANTLINGS**
HEAVY HARDWOOD					
Chengal	5,000	7,415	4,237		10,946
Balau	3,318	3,055	2,059		3,857
Red Balau	2,400	2,825	2,472		2,489
Merbau	3,067	3,754	3,072		3,725
Mixed Heavy Hardwood	1,095	1,359	1,137		1,282
MEDIUM HARDWOOD					
Keruing	2,319	3,263	2,587		2,057
Kempas	1,853	2,232	2,013		2,613
Kapur	1,837	1,746	1,189		1,853
Mengkulang	1,806	1,401	1,424		2,013
Tualang	1,250	2,013	2,002		2,062
LIGHT HARDWOOD					
Dark Red Meranti	2,134	2,631	1,942		3,919
Red Meranti	2,300	1,966	2,036		2,299
Yellow Meranti	1,705	1,854	1,318		1,977
White Meranti	1,650	2,507	1,801		1,977
Mersawa	1,794	1,907	1,730		2,154
Nyatoh	1,378	1,613	1,527		1,412
Sepetir	1,304	1,848	1,436		1,779
Jelutong	1,150	2,119	1,589		1,819
Mixed Light Hardwood	1,190	1,352	1,201		1,201
MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	**LOGS/ton**	**SAWNTIMBER/m³**			
		1" X 1"	**2" X 2"**	**3" X 3"**	**4" X 4"**
	185	1,200	1,310	1,370	1,530
PLYWOOD 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**		**12mm**
	19.40	24.50	39.75		48.35
MDF 4' X 8' (RM per piece)	**4mm**	**6mm**	**9mm**		**12mm**
	12.90	23.65	31.50		37.60

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

INTRA-MALAYSIA TRADE - MAY 2023						
	April-23		May-23		% change in volume	% change in value
	Vol (m³)	Val ('000 RM)	Vol (m³)	Val ('000 RM)	APR/MAY 23	APR/MAY 23
SABAH						
Logs	0	0	0	0	0	0
Sawn Timber	190	484	178	500	-6	3
Plywood	3,493	5,420	1,909	4,095	-45	-24
Veneer	0	0	124	383	100	100
SARAWAK						
Logs	0	0	0	0	0	0
Sawn Timber	335	753	104	251	-69	-67
Plywood	3,493	5,420	1,255	1,339	-64	-75
Veneer	0	0	0	0	0	0

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

Freight Forwarders Expect Container Demand Revival In 2023

A majority of freight forwarders expect container demand recovery this year, although there are no signs yet of a 2023 peak season. According to a recent Container xChange survey, 69% of freight forwarders expect demand recovery in 2023, with 51% of those not sure when that will happen. 18% of respondents expect recovery in the next one to three months, and 31% do not expect recovery this year.

An approaching peak season usually raises container prices as companies prepare to ship goods, but box prices have failed to increase so far this year. Container xChange data shows prices of 20 foot containers down by hundreds of dollars in June 2023 compared to June 2022 and 2021.

20 fy DC cargo-worthy average prices	Jun-21	Jun-22	Jun-23
SHANGHAI	2197	2140	1263
NINGBO	2298	2238	1289
SINGAPORE	2142	2039	1118
SHENZHEN	2106	2177	1240
GUANGZHOU	1094	2322	1312
LOS ANGELES	2366	1599	1667
LONG BEACH	3865	1955	1431
NEW YORK	3525	1731	1175

Table: Container xChange

Christian Roeloffs, cofounder and CEO, Container xChange, said: "The supply-demand imbalance worsens with upcoming vessel deliveries and low scrapping rates. Spot rates are at pre-pandemic levels in most trades, and contract rates are sliding. Coupled with low demand, the industry continues to grapple with overcapacity of containers and vessel capacity.

"Now we have labour disruptions and the Panama Canal drought, which in normal circumstances would lead to an uptick in freight rates as they absorb effective capacity, but any significant price effect is now highly doubtful in the current market. The combination of factors could also affect any peak season this year. For shippers this means that supply chain reliability will deteriorate again, potentially leading to a "pull forward" on orders. This in turn will likely "flatten out" any peak season and further decrease the likelihood of a freight rate increase in the second half of 2023," said Roeloffs.

The good news for container lines was limited, as freight rates continue to be compared in pandemic and pre-pandemic terms, a return to pre-pandemic levels seems unlikely, if only because increased costs have raised minimum pricing. "Variable costs have surged by approximately 15-25% since 2019, depending on the trade lane," said Roeloffs.

"Consequently, the lower limit of freight rates offered by carriers has also increased by 15-25%. This poses challenges for shippers who now face higher variable costs for transporting cargo. Despite the significant decline in average container rates from 2021 to 2023, reaching almost 85% reduction, the underlying variable costs remain elevated—which makes a significant additional and sticky decrease in spot freight rates unlikely while contract rates still have room for further depreciation."

Source: seatrade-maritime.com June 12, 2023

Asia-Med Container Rates Settle $1,000 per feu Over Asia-Northern Europe

The volatile spread of container rates between Mediterranean and Northern Europe routes from Asia looks to have steadied around the $1,000 per feu mark. Analysis from Xeneta showed that operators on the Asia – Med route are paying a premium of $1,150 on the spot market compared to the Northern Europe routes.

"There is an interesting new dynamic at work here," said Xeneta chief analyst, Peter Sand. "If we look back to the years from 2015 to mid-2021 there was a spread of less than $100 per feu, with the Far East – Mediterranean route commanding the slight premium. However, the 'second wave' of covid introduced a new age of volatility, with the North Europe corridor racing to spot rates of $14,300 per feu in Q4 2021 – almost $1,000 more than Mediterranean-bound containers."

The swinging spread between the routes had changed again six months later, where the Mediterranean premium reached $2,300 per feu. "The spread then evaporated, then returned, and has seemingly steadied near the $1,000 mark. Long-term rates have also been prone to similar, dramatic fluctuations, with contracts from the Far East to North Europe currently around $1,600 per feu– $625 less than contracted prices to the Mediterranean," said Sand.

Looking behind the rates, Northern Europe imports from Asia fell by 8% or around 280,000 teu in the first four months of 2023, while demand on the Asia - East Mediterranean route rose by 21.9% or 195,000 teu, with a lesser 2.3% demand increase on the West Mediterranean route.

"It's been a wild rates ride and, while things seem to have stabilized, it'll be fascinating to watch further developments as the traditional Q3 peak season approaches," said Sand. Med routes currently show higher spot than contract rates, while the opposite is true for Asia – Northern Europe. "For further 'health checks' on the trades we can look at current blank sailing data. Here we see almost non-existent blankings into the Mediterranean, while between five and 13% of capacity is blanked from the Far East to North Europe."
Sand's outlook for the route was one of caution. "Our data shows the Far East – Mediterranean route's relative strength, but relative is the operative word here. Looking at how rates have fallen from their peaks a year and a half ago, we see a dramatic transformation in fortunes. Yes, we're seeing strong demand into the Mediterranean this year, but all that's achieved is a slowing down of the rates decline, rather than a turnaround," said Sand.

Source: seatrade-maritime.com June 22, 2023

Global Container Freight Stuck In Doldrums

Global trade remained in the doldrums during the second quarter as China's post-lockdown rebound proved slower than expected and was offset by continued weakness in North America and Europe.
Seasonally-adjusted trade volumes were no higher in the three months from February to April 2023 than they had been 17 months earlier in the three months from September to November 2021. Volumes were down in three of the first four months of 2023 compared with a year earlier, according to the Netherlands Bureau of Economic Policy Analysis. ("World trade monitor", CPB, June 23).

Growth from China and to a lesser extent other emerging markets in Asia was offset by a small contraction from the United States and much larger ones from Japan, the European Union and especially the United Kingdom. Britain's reputation as the sick man of the global economy was cemented by the fastest contraction in both import and export volumes from February to April, more than twice as fast as any other major economic area.

China's freight movements have rebounded as the country emerged from lockdowns and the exit wave of the epidemic, though not as fast as anticipated at the start of the year. China's coastal ports reported container throughput rose by 4% in the first four months of 2023 compared with the same period in 2022, according to the Ministry of Transport.

The port of Singapore, which acts as one of the major transshipment hubs between China, the rest of East Asia and Europe, also reported an increase in container throughput of 3% in the first five months of 2023. But in other regions freight remained lower than a year ago, as consumer spending rotated from merchandise back to services after the pandemic, and rising interest rates hit spending on durable goods by both households and firms.

Traffic at seven of the nine major U.S. container ports (Los Angeles, Long Beach, Oakland, Houston, Charleston, Savannah and Virginia excluding Seattle and New York) was down 16% in the first five months of 2023. The number of shipping containers hauled on the major U.S. railroads, many en route to and from the ports, was down by 10% in the first four months of 2023, according to the Association of American Railroads.

Truck tonnage movements were also down by a little under 1% compared with the same period a year earlier, based on data from the American Trucking Association. At Japan's Narita airport, international air cargo was down 25% in the first five months of 2023 compared with a year ago. Freight through London's Heathrow airport was down 8% in the first five months of 2023 at the lowest level since the pandemic in 2020 and before that the financial crisis and recession in 2009.

Some freight is likely to have been shifted from air to sea as supply chain bottlenecks ease and shippers focus on cost control, but the downturn in merchandise shipments is unmistakeable across the advanced economies. The most optimistic interpretation is that freight volumes have stabilised, after declining sharply in the second half of 2022, but there is no sign yet of a recovery outside China.

Source: reuters.com June 26, 2023

ENGKABANG

Other Name:
i. Kawang (Brunei)
ii. Tengkawang (Indonesia)

Botanical Name: *Shorea macrophylla*

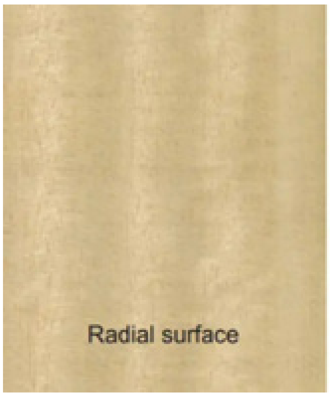
Family: DIPTEROCARPACEAE

Abstract

Shorea macrophylla is also named as 'Engkabang' (Iban), 'Kawang' (Brunei), and 'Tengkawang' (Indonesia). It belongs to the Dipterocarpaceae family and is categorised under the genus Shorea, which can be found in tropical rainforests in Southeast Asia. It prefers wet habitats, such as in periodically flooded alluvium and riverbanks. The tree size of *S. macrophylla* is medium or large; however, some researchers in Kalimantan claim it is a small tree. The flowering and fruiting systems of most Dipterocarps, including *S. macrophylla*, are irregular, but there is a massive flowering event once every few years. Its genetic structure is characterised by moderate genetic diversity within species and populations, as well as high genetic differentiation within local populations. *Shorea macrophylla*, also known as the Light Red Meranti, is a suitable timber supply for light construction work. It produces illipe nuts that are widely used as cocoa butter replacer fat. Wildlife eats the ripe illipe nuts, which contain a high oil content with mostly beneficial unsaturated triglycerides. The fat extracted from the nut is suitable for cosmetic application as it provides a good moisturising effect. Future investigation into the illipe nuts' composition and other potential uses should be carried out.

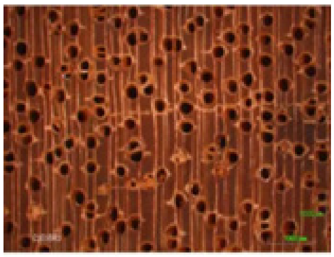
Engkabang Flower,Tree and Fruits

Engkabang Wood Identification

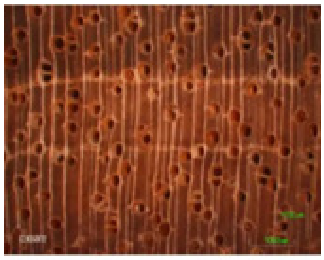


Radial surface

Tangential surface

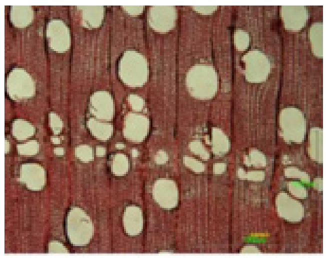


Sapwood portion

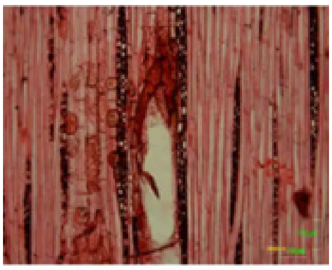


Heartwood portion

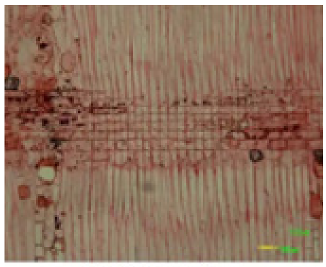
Pith portion



Transverse section



Tangential section



Radial section

USES OF *SHOREA MACROPHYLLA*

Timber or Reforestation Sources

Shorea macrophylla, also known as the Light Red Meranti, is a timber commonly utilised for light construction work (Ng et al., 2002; Yunanta et al., 2014). However, this timber is not resistant to exposed conditions and cannot be treated with preservatives, so it is only suitable for interior wall boarding in construction (Chai, 1998; Wong, 2009). Furthermore, Ismaili et al. (2016) showed that Engkabang is classified under-strength group SG6, which is close to Acacia mangium, which is grouped in SG5, and thus concluded that Engkabang is suitable for furniture making and other non-structural applications. Its fast-growing ability is due to its soft to medium texture timber structure, so this species is ideal for reforestation. The tree can reach a diameter of 50 to 60 cm at breast height (dbh) in about 20 to 30 years and continues regenerating after 15 to 16 years in the plantation (Ng et al., 2002). According to Lee et al. (1997), the average height of *S. macrophylla* was 19 metres after 21 years of planting, beginning in May 1973 with the first evaluation. Besides being fast-growing, *S. macrophylla* has other beneficial characteristics for reforestation, such as its ability to adapt to harsh conditions (for example, flooding) (Indriani et al., 2019). Furthermore, fast-growing trees are important for changing the microclimate and the soil's physical and chemical qualities, reducing understory temperature, humidity fluctuations, and providing better light for seedling development (Nawar, 2012). Therefore, *S. macrophylla* is an excellent candidate for reforestation purposes.

The only problem with using *S. macrophylla* as a reforestation subject is the difficulty in obtaining a huge amount of readily available seeds because their viability is limited and they are mainly found in forests, and sampling is more difficult than those available in nurseries (Chai, 1998). Based on Tsumura et al. (2011), the amount of tax paid for imported wood is determined by their classified group, with *S. macrophylla* belonging to the Red Meranti group being among the highest tax timber. However, some *Shorea* species have been misclassified, resulting in a lower tax rate paid than it should be. Although identifying *Shorea* wood can be done by the well-trained and experienced in just a few days, DNA analysis is recommended for a more accurate and convenient identification among species (Tsumura et al., 2011).

Products Made From Engkabang Timber

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6 June 2023 - "*Program Trek Komoditi*" for the Northern Zone of the Peninsula

10 - 14 June 2023 – "*Program Peningkatan Kemahiran Kursus Laser Cut*" at Tawau Sabah

13 - 16 June 2023 – "*Kursus Suaikhas Aplikasi Epoxy dalam Pembuatan Perabot*" at WISDEC Selangor

18 June 2023 - Malaysian Wood Expo (MWE) 2023 at MITEC, Kuala Lumpur