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MTIB

MALAYSIAN TIMBER INDUSTRY BOARD

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WELCOME NEW CHAIRMAN OF MTIB

- MTIB ANTI-CORRUPTION PLAN : SCENARIO-PLANNING WORKSHOP
- MTIB-MALAYSIAN BAMBOO SOCIETY CO-ORGANISES 'KURSUS PANDAI BULUH'

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CONGRATULATIONS PUAN HAJAH ROSLINA IDRIS ON HER APPOINTMENT AS DEPUTY DIRECTOR GENERAL OF MTIB

On 1 December 2021, Pn Hajah Roslina Idris was appointed as the Deputy Director General (Development and Commercialization) of the Malaysian Timber Industry Board (MTIB). Puan Hajah Roslina holds a Bachelor of Science (Hons) from University of Malaya. She has more than 25 years of experience contributing to the development of the timber industry and has been serving various divisions in MTIB. Pn Hajah Roslina started her journey with MTIB in heightening the awareness of Original Design Manufacturing through various projects. She also represented Malaysia at various regional and international fora on issues related to timber product standards and conformance initiatives.

Apart from human capital development programmes, Pn Hajah Roslina was also involved in the formulation and implementation of strategic plans and programmes for the growth and development of a competitive timber industry, particularly aimed at promoting innovation and investment in the timber sector. Among the highlights of her career in MTIB were her roles in the formulation of policies as well as rules and regulations to ensure good governance within the dynamics of both domestic and international trade of the industry, in tandem with MTIB's core business as a regulatory agency.

On behalf of all MTIB management and staff, we would like to congratulate Puan Hajah Roslina on her appointment and look forward to her continuous leadership in MTIB and the Malaysian timber industry at large. We wish you continued success in your future endeavours.

Malaysian Wood
Standing on Excellence

HEARTIEST WELCOME TO THE NEW CHAIRMAN OF MALAYSIAN TIMBER INDUSTRY BOARD

The Malaysian Timber Industry Board (MTIB) is pleased to welcome Yang Berbahagia Datuk Hishamuddin Abdul Karim (DPSM) as the new Chairman effective 1 December 2021, marking a next chapter in the growth of MTIB. We would also like to convey our utmost gratitude to YB Tuan Jugah Muyang, former chairman of MTIB.

YBhg. Datuk Hishamuddin Abdul Karim (47) was born on July 18, 1974, in Melaka. He graduated with a Professional Diploma in Politics & Governance from Universiti Teknologi Malaysia (UTM). He is currently the chairman of MAIM Industries. He has extensive experience in corporate and business management, logistics, event management and communication. Over the years he has established himself as an effective mediator between both state and federal leaders and between the government and industrialists.

MTIB board members and the management team would like to take this opportunity to congratulate YBhg. Datuk Hishamuddin upon his appointment and will give full support to all future plans for MTIB especially in upholding the Bumiputera agenda and in upholding the profession of all MTIB personnel.

INDONESIA

ASSOCIATION CONVINCED NEW EU DEFORESTATION FREE TRADE PROPOSAL WILL NOT DISRUPT EXPORTS

According to the Chairman of the Association of Indonesian Forest Concession Holders (APHI), Indroyono Soesilo, exporters of wood products believe the new draft proposal from the European Union aimed at reducing deforestation will not hamper Indonesia's exports. He said Indonesian products meet the legality criteria determined by the EU and that the products exported to the European Union come from legal timber and are not the product of deforestation. The Association reports forest and wood product exports to the EU reached US$1.24 billion as of October 2021 exceeding both 2020 and 2019 levels. It is Indroyono's understanding that the EU draft proposal states that companies must provide geographic coordinates showing the origin of the raw material processed for export to the EU market. The EU draft proposal would prohibit agricultural commodities and their derivatives from entering the EU market if they are produced from raw material from deforested or degraded land.

ekonomi.bisnis.com, 1-31 December 2021

MYANMAR

FADING PROSPECTS FOR THE TIMBER INDUSTRY

2021 will be remembered as the year of the fading prospects for the timber industry. In contrast to other extractive industries the entire process starting from the purchase of logs to the delivery of products to the port is regulated and controlled by the respective departments of the government. Even the container has to be sealed by Forest Department officers before leaving the factory otherwise the container will not be allowed into the port for shipment. Timber exporters have been complaining against restrictive practices but the regulators say that a relaxation of current practices is not feasible under the current circumstances. In addition to the tight control of export procedures inside the country there are also other challenges in importing countries such as the measures adopted by the EU and the USA against Myanma Timber Enterprise and the market concerns on the verification of timber legality. In addition to the various regulations, Covid control measures are also disrupting production. A few mills decided to close temporarily and a few ceased operations and sold-up. In most cases manufacturers had to switch production to the localmarket. The export of veneer and flooring to India, China and some ASEAN countries is expected to continue but the export of teak products to the EU and the USA will decline sharply in the coming years. The current administration has ordered a halt to the export of the sawnwood as of 1 January 2023 which is another challenge and millers and manufacturers feel that it is the time to stop or start a new business line.

www.itto.int,1-31 December 2021

VIET NAM

WOOD PRODUCT EXPORTS STARTING TO RECOVER

Demand in international markets continues to grow creating a solid foundation for recovery of the Viet Namese furniture processing and exporting industry.

Speaking at a webinar "Strategy to revive the supply chain of the furniture industry in Viet Nam" Mary Tarnowka, Managing Director of AmCham Viet Nam said the recent period of implementing social distancing to fight the pandemic has been a huge challenge for businesses, including American furniture manufacturers in Viet Nam with a large number of orders that had been affected.

The fourth quarter is a very important period for the US market especially during the Christmas and Thanksgiving holidays so companies are doing their best to prepare to meet orders for these holidays.

Ms. Tarnowka also said demand for Viet Namese wood and furniture products will continue to grow in 2022 and 2023. However, in the next six months while orders will increase manufacturers in Viet Nam will continue to struggle to recover 100% capacity.

"This will have a negative impact on US buyers, in addition to the high freight rates. There are a number of US businesses that have moved orders to China and it will be difficult to call them back to Viet Nam. It is important to reopen quickly, resume manufacturing operations, rebuild supply chains and promote sustainability and innovation in the industry," said Ms. Tarnowka.

The same opinion was voiced by Alain Cany, President of EuroCham who acknowledged: “The time to implement social distancing is a bad time for European businesses in Viet Nam, because this is the time when many orders are received. While orders from Germany, France and the Netherlands are "booming", everything in Viet Nam has stopped.”

Accordingly, businesses there are still many difficulties and challenges such as shortage of raw materials, increases in raw material prices, labour shortages which hold down factory capacity. Worst of all shippers cannot find containers.

Deputy Director of the General Department of Forestry (Ministry of Agriculture and Rural Development) Bui Chinh Nghia said "Viet Nam's wood industry is ready to recover and speed up after the Covid-19 pandemic". He said 95% of wood workers have been vaccinated against Covid-19 with the 1st dose and 60% have received the 2nd dose. The Ministry of Agriculture and Rural Development is making efforts to coordinate with the Ministry of Health to prepare 136,000 doses of the vaccine for further vaccination of workers to gain immunity.

On the labour issue, he said the local People's Committee also support enterprises in recruiting workers. Along with that, the Government and localities have also implemented solutions to actively support businesses in ensuring supply chains, finding outputs, building operating models, transportation, travel and financial problems for enterprises to restore production.

The recovery of the timber industry will be in three phases in which the adaptation phase will take place over three months with employment being maintained and factories operating. The goal of this phase is to restore 70% of the production with sales estimated at USD900 million to USD 1.2 billion per month.

The recovery period will last for 3-6 months to prepare for the new production season with new orders. The goal of this phase is to restore 90% of factories and expect revenue of USD 1.2-1.4 billion per month. An acceleration phase is expected to begin in 6 months with investments in opportunities and growth with an expected growth rate of 15% compared to 2021.

Nguyen Hoai Bao, Deputy General Director of Scansia Pacific Company (Dong Nai province) said that Dong Nai province has now allowed workers to live in green areas or if they have received one dose of the Covid-19 vaccine to return to work. This helps the company have more workers and workers can also return home instead of staying at the factory as before.

From the perspective of the association, Do Xuan Lap, Chairman of the Vietnam Wood and Forest Products Association, said that despite difficulties, opportunities for Viet Nam's furniture industry are still wide open.

Enterprises themselves are aware of the great opportunities so they have been looking for ways to adapt to the new conditions from retaining workers, finding a stable source of raw materials to applying machinery and modern equipment to reduce dependence on human resources and to improve product quality.

www.thestar.com.my, 2 December 2021

CHINA

LOG IMPORTS INTO CHINA INCREASE IN PRICE AND VOLUME

According to the China Customs, log imports in quarter three 2021 totalled 48.4 million cubic metres valued at USD 8.617 billion, up 14% in volume and 43% in value. The average cost, insurance and freight (CIF) price for imported logs was USD 178/cubic metres , up 25% from the same period of 2020.

Of total log imports, softwood log imports rose 18% to 37.98 million cubic meters, accounting for 78% of the national total. The average CIF price for imported softwood logs was USD 154/cubic metres, up 33% from the same period of 2020. Hardwood log imports rose 3% to 10.42 million cubic metres, accounting for 22% of the national total. The average CIF price for imported hardwood logs was USD 264/cubic metres, up 16% from the same period of 2020.

The China Customs also reported that log imports from Brazil and Uruguay surged 178% and 128% to 1.65 million m3 and 1.60 million cubic metres respectively for quarter three 2021. Log imports from other countries in quarter three 2021 included: New Zealand, up by 35% to 15.26 million cubic metres; Germany, up by 50% to 9.47 million cubic metres; Russia, up by 3% to 5.07 million cubic metres and the US, up by 26% to 3.04 million cubic metres.

However, imports from Australia plunged to 62,855 cubic metres in quarter three 2021, down 99% from the same period of 2020. The reason for such a plunge was because of a ban imposed by China on imports from Australia as of November 2020. This was because the quarantine service in China detected pests in a log shipment. Since the beginning of 2020, Chinese Customs has repeatedly detected live pests such as Cerambycidae and Buprestidae in logs imported from Australia. Since then, Australia has not been a main supplier of logs to China.

Even so, while volumes dropped, the average price for log imports from Australia rose 7% from USD108/cubic metres in quarter three 2020 to USD 116/cubic metres in quarter three 2021.

panelsfurnitureasia.com, 6 December, 2021

JAPAN

DOMESTIC LOGS AND LUMBER

Demand of domestic lumber is weakening so the prices are declining but compared to the same period of last year, the prices are high and sawmills can make money so sawmills are anxious to produce and many mills are running fully. Lumber supply is so much that the prices are softening day after day. This impacts log prices; A class log prices for lumber are declining while B class logs for plywood are tight in supply nationwide. B class logs are used by laminate lumber mills, crate lumber mills and wood chip plants for power generating plants so they compete with each other to scramble for necessary logs and the prices are firm.

Prices of stud and cross beam are particularly weak among lumber because supply of imported lumber increased. 3 meter KD cedar post prices were more than 100,000 yen per cbm up until last summer and in the Kanto region the prices were as high as 120,000 yen but now they are down to about 90,000 yen. Post and sill are weak but the prices dropped in small degrees. 3 meter KD cedar 105 mm square prices are unchanged at 100,000 yen. 4 meter KD cypress sill 105 mm square prices are 130,000-150,000 yen. The supply of logs is steady as it is full harvest season and November has favorable weather. Sawmills are actively purchasing but the prices of logs for lumber, which climbed sharply in last spring and summer, are weakening in Western Japan. Since last June, cypress log prices are less than 40,000 yen, compared to the previous 40,000-50,000 yen and in November, they were 30,000-35,000 yen with some low prices of less than 30,000 yen. Meantime, tight supply of plywood log prices were 20,000 yen on larch in the North East and 30,000 yen on cypress in Western Japan.

ITTO TTM Report: 25:23 1- 31 Dec 2021

INDIA

PRICES FOR MANUFACTURED PRODUCTS, INCLUDING WOOD PRODUCTS RISING

The Ministry of Commerce and Industry has reported that the official Wholesale Price Index for 'All Commodities' (Base: 2011-12=100) for September 2021 increased to 133.8 from 133.0 in August. The annual rate of inflation was 12.5l for October, 2021 compared to 1.31% in October, 2020. The high rate of inflation in October 2021 is primarily due to rise in prices of mineral oils, basic metals, food products, crude petroleum and natural gas, chemicals and chemical products. For manufactured products, 18 groups saw price increases, 3 groups saw decreases and for one group the price remained unchanged in October 2021 compared to September 2021. The increase in prices was mainly contributed by manufacture of basic metals; chemicals and chemical products; electrical equipment; rubber and plastics products, textiles and wood products.

www.itto.int, 1-31 December 2021

FIVE INDIAN FURNITURE DESIGNERS REMAKE THREE OF THEIR EXISTING PIECES IN AMERICAN HARDWOODS

Five Indian furniture designers have recently unveiled finished furniture items remade using American hardwoods as part of REMAKE, the first design collaboration in India led by the American Hardwood Export Council (AHEC). The project challenged these designers in selecting three pieces from their own existing furniture range and to remake them using American hardwoods.

REMAKE was conceived by AHEC, an international trade association for the American hardwood industry, as a response to the need for hands-on experience with American hardwoods in India's evolving furniture manufacturing sector. Launched in late 2020, the project involved designers such as Bram Woodcrafting Studio, Esvee Atelier, Kam Ce Kam, Studio SFDW, and Studio Wood. The available hardwood species include American red oak, white oak, cherry, hard maple, tulipwood or hickory, all of which were supplied by AHEC from a stock of American hardwood species held in India, which was donated to AHEC by Allegheny Wood Products.

Despite the challenges posed by the global pandemic and the inability to travel to India, AHEC was able to remotely launch REMAKE with the five designers. According to AHEC, the onset of COVID-19 and the enforced lockdown enabled them to spend a lot of time conducting in-depth research into India's furniture manufacturing sector and identify a number of companies previously unknown. Many of these companies are already using imported temperate hardwoods for their production, which is primarily targeted at India's domestic market.

On a whole, the designers all expressed satisfaction and fascination at being able to adapt American hardwoods into their designs, with some also commenting on their favourite choice of hardwoods. Bram Rouws, director of Bram Woodcrafting Studio, commented on the versatility of American hardwood in terms of "the grain and finish", and how the hardwood is carbon negative upon arrival in India, thus making it attractive in terms of its environmental and sustainability standards.

Rouws elaborated: "I personally believe that American red oak and cherry have the potential to be big in India. As a company, we place great importance on the environmental credentials of the materials we work with and find in American hardwoods a way to continue fulfilling our timber requirements while consuming responsibly."

Saif Faisal, founder of Studio SFDW, also commented: "Working with cherry was a new experience for me; it was quite fascinating as the wood is quite dense and the grains gorgeous. This inspired me to explore CNC milling with it for objects with finer details and smaller in scale. American white oak in contrast is very strong and has the resilience to take any shape and structure. This made it possible for me to achieve a piece that is flatpack with neat joinery and details. The nightstand in white oak is my favourite as it brings the beauty of natural wood and technology together in a harmonious way."

AHEC hopes that this collaboration will inspire the next generation of furniture designers and help the Indian market discover the untapped potential of US hardwoods. Below are some examples of the remade furniture items by their respective designers.

panelsfurnitureasia.com, 15 December 2021

FINLAND

RISING LOGGING VOLUME

The Finnish Natural Resources Institute (Luke) published statistics on commercial felling in the country in October 2021. According to analysts, in the reporting month, 6.1 million cubic metres of roundwood was harvested in Finland for the needs of the timber industry. The indicator increased by 11% compared to October in the previous year and by 4% compared to the average for October in the last five years.

In the volume of logging of industrial roundwood, sawlogs accounted for 3.1 million cubic metres, pulpwood - 3.1 million cubic metres.

The removal of industrial roundwood from forests in non-industrial private ownership amounted to 5 million cubic metres. Timber companies and the state have harvested 1.1 million cubic metres of roundwood in their forests. For energy production in October 2021, 524 thousand cubic meters of wood were harvested.

As a result, in January-October 2021, 53.6 million cubic meters of roundwood were procured in the country for the needs of the timber industry. This volume increased by 17% compared to the first ten months of the previous year and by 6% compared to the January-October average of the last five years.

www.fordaq.com, 6 December 2021

GERMANY

SPRUCE LOG PRICES PARTLY DECLINING

In the fourth quarter, demand for fresh spruce logs in Germany was mostly more subdued than in the summer. However, long logs and fixed lengths remain in some regions in great demand and achieve consistently high prices. Long logs B/C 2b sometimes are 105 to 110 EURO /cubic metre. Logs in B quality of strength class 2b are marketed at 74 to 100 EURO /cubic metre. According to information from various forest owner associations, beetle wood is up to 25 EURO /cubic metre, below the average value of the respective range. However, the fixed metre prices for beetle wood are predominantly specified as 65 to 75 EURO(B/C 2b) and C/D 2b+ is sometimes marketed for up to 75 EURO/ fm as well.

Pine logs are seeing mostly stable demand and pricing. B/C 2b is offered for 65 to 70 EURO /cubic metre.

Oak logs continue to enjoy great popularity, especially with B 3a +. The average cubic metre here is EURO 142. B 4 has a range from 260 to 390 EURO /cubic metre and B 5/6 is priced between 273 and 520 EURO /cubic metre. C 5 achieves an average of EURO 152/ cubic metre.

Beech logs are in constant demand and are marketed in B quality and strength class 4 for 80 to 115 EURO /cubic metre - 5/6 is a maximum of EURO 138/cubic metre. For C quality in strength class 4, the figures are between 65 and 90 EURO /cubic metre.

www.fordaq.com, 1 December 2021

QUEBEC WOOD EXPORT BUREAU DEVELOPS TOOL TO CALCULATE CO2 IMPACT IN BUILDING DESIGNS

Robotics & Innovation has reported that the Quebec Wood Export Bureau (QWEB), a non-profit organisation for wood product manufacturers in Canada, has developed with global AI consultancy Brainpool.ai, a machine learning tool which calculates the impact of CO2 in choices of early-phase building design.

According to QWEB and Brainpool.ai, the aim of the tool, CarbonFixer, is to help the building and construction industry decarbonise by showing how much CO2 is emitted in their design-related choices of using traditional concrete and steel in comparative scenarios with wood and bio-sourced building materials.

The building industry alone is responsible for 38% of the total global energy-related CO2 emissions, mainly due to the use of steel and concrete, with concrete alone accounting for 8%. The partnership between QWEB and Brainpool.ai hence aims to decarbonise the industry with this tool, to explore carbon-neutral alternatives of building materials.

QWEB's US architect liaison and software project lead Eli Gould has described CarbonFixer as "like using a mortgage calculator before going to the bank, it gives an idea of what to expect." Architects and sustainability professionals can feed the tool basic building data, such as dimensions, area and structural data, to produce scenarios that compare the use of steel, concrete or timber. It also has pre-sets for fire resistance and acoustics, and offers design considerations with industry-specific knowledge and norm.

"Attitudes to using wood in construction are changing," said Gould. "We wanted to build a tool that counters the greenwashing around non-sustainable building materials and gives architects and construction firms the data and confidence to explore timber options.

"The Brainpool.ai team has been instrumental in developing the CarbonFixer. They were fast and passionate and have created something very robust that we can soon launch to market."

Co-founder and managing director of Brainpool.ai, Kasia Borowska, also commented: "CarbonFixer is a complex application because of the volume of data that has to be collected. Our team of backend developers and ML experts collated the data quickly and built a robust proof-of-concept for the application, which the CarbonFixer team can develop further into the future. The project shows how environmental AI has a growing role in the construction industry from proving how sustainability is feasible, through to automating building designs to find the most eco-efficient plans."

Robotics & Innovation explained that the final version of the tool will incorporate a machine learning engine which will continuously improve the accuracy of calculations and inputs. Future plans include integrations with popular design software, and a bank of archetype structures ready to be used and customised by design studios.

panelsfurnitureasia.com, 3 January 2022

COMMERCIAL FOREST PLANTATIONS PLANNED FOR NINE REGIONS

The National Forest and Wildlife Service (SERFOR) in the Ministry of Agrarian Development and Irrigation reported that, within the framework of the investment programme 'Promotion and Sustainable Management of Forest Production in Peru' the management of natural forests and the promotion of forest plantations for commercial purposes shall be in accordance with forestry regulations in nine regions of Peru. Through this programme three large investment projects will be executed in the prioritised Departments. This programme has been officially presented to the Regional Governors of Loreto, Pasco and Ucayali who pledged to support the execution of the programme to strengthen the role of a Regional Forest and Wildlife Authority and install a Consultative Committee for the programme. It should be noted that the Forestry Programme will be executed with investments from the Peruvian State and the German Development Bank (KWF).

www.itto.int, 1-31 December 2021

MTIB-MALAYSIAN BAMBOO SOCIETY CO-ORGANISES 'KURSUS PANDAI BULUH'

Group photo of all participants

Bamboo is a plant that belongs to the family Gramineae and has about 75 genera with over 1,250 species worldwide. Bamboo is abundant in the tropics and subtropic areas as it requires a humid and hot climate for good growth. Most bamboo grow wild in the foothills of the main range, secondary forests, ex-logging areas and along river banks. Bamboo is also cultivated in villages or in plantations that can be found in many parts of Asia, America and Southeast Asia. Malaysia has about 70 species of bamboo of which 45 species are native species that grow naturally in natural forests or ex-logging areas.

Bamboo has been used since time immemorial in various applications. Due to socioeconomic and technological changes, its uses are declining and is seen as a less valuable product compared to other commodities. However, the country's bamboo industry still has the potential to grow widely as is the case in countries such as China, Japan, Thailand, Indonesia and Vietnam.

To further develop the bamboo industry in Malaysia, MTIB and the Malaysian Bamboo Society (MBS) jointly organized a programme entitled "Kursus Pandai Buluh" (Bamboo-Smart Course). The course was held at Tadom Hill Resort from 11 – 12 December 2021 with the theme Bamboo Empowerment. The main objective of the programme was to promote awareness of bamboo as a sustainable resource and commercialization of bamboo products. Besides that, it also aimed to provide exposure to the participants on the innovation aspects that made from Bamboo. The programme also provided a platform for the government and private agencies to exchange information, experiences and issues related to bamboo.

The course was officiated by Puan Hajjah Roslina Idris, Deputy Director General of MTIB. In her speech, she emphasised the importance of bamboo as one of the more important non-timber forest products that have the potential to be utilized by the timber industry as well as other related industries such as transportation, textile and food industries through product II development initiatives, innovation and creativity. She added that bamboo could be considered as green material as it is environment friendly and could easily meet the demand of today's green consumerism.

Puan Hajah Roslina (Deputy Director General) officiating the "Pandai Buluh" Workshop

Dato Dr Marzalina giving a token of appreciation to the Deputy Director General

A total of three (3) topics were presented during the course: (i) Bamboo Fabrics: Potential and Basic Design, (ii) Techniques in Utilizing Bamboo Residue and (iii) Bamboo Charcoal and Vinegar Production. The three invited speakers were Datin Bahira Tajul Aris from Tihara Lifestyle Sdn Bhd, Dr Nazlina Shaari from University Putra Malaysia and Dato' Lai Yeng Fock from Tadom Hill Resort Sdn Bhd. A total of 50 participants comprising individuals and representatives from both the government agencies and the private sector attended the course.

MTIB Top Management with the participants

MTIB ANTI-CORRUPTION PLAN : SCENARIO-PLANNING WORKSHOP

According to the National Anticorruption Plan (NACP) 2019-2023, under initiative 2.1.5 and 6.2.1, the Public Sector, Statutory Bodies, State-Owned Enterprises (SOEs), Company Limited by Guarantee (CLBG) and Private Sector is to be regulated by regulatory bodies to develop an Organizational Anticorruption Plan (OACP).

OACP is a fundamental anticorruption document at organizational level to curtail weakness and issues regarding governance, integrity and corruption within an organization. It outlines the problem statement, approaches and relevant programmes by specifying a reasonable time frame and drawing the path towards the achievements of the strategic objectives.

In response to the government's commitment to making Malaysia corruption free and a country with integrity, MTIB developed the Organizational Anticorruption Plan for the Malaysian Timber Industry Board (OACP MTIB), a five-year plan from year 2022 to 2026. The Integrity Unit, in collaboration with Institute Integrity Malaysia (IIM), organised a scenario-planning workshop on 29 to 31 December 2021. The workshop focused on six main fields: governance, procurement, finance, administration, human resources and operations.

MTIB Top Management, Consultants and Head of Integrity Unit

During the workshop, participants were separated into six groups and each group represented one main field. Each group discussed related risks, strategy and possible solutions, guided by the consultant. The session was attended by 50 participants comprising MTIB top management and representatives from various divisions at MTIB.

Scenario-Planning Workshop, OACP MTIB

Deputy Minister of MPIC Visits
Gopeng Gaharu Tea Valley

Deputy Minister of MPIC, YB Dato' Sri Dr. Wee Jeck Seng visited Gopeng Gaharu Tea Valley on 3 December 2021. The Deputy Minister and his delegation were welcomed by Mr. Nicklaus Ho, General Manager of Gopeng Gaharu Tea Valley. During the visit, the delegation were brought to the Agarwood Plantation and Gaharu Showroom. A dialog was held between the Deputy Minister and ten (10) Gaharu entreprenuers from Perak such as Ral Plantations Sdn Bhd, Compugates Marketing Sdn Bhd, Alhilmi Agarwood Sdn Bhd, Terawis Lestary Resources, Gaharu Lestary Resources, MrSol Fragrances Sdn Bhd and Gaharu Technologies Sdn Bhd.

The Gaharu industry players shared information on the current post-pandemic challenges in the Agarwood industry especially In Malaysia. They also highlighted improvements needed to be taken in order for the Malaysian Agarwood Industry to be in a sustainable form. They also hoped that more promotions and programmes could be conducted by MPIC through MTIB in the upcoming years to rebrand the Malaysian Oudh.

Karas is a Gaharu-producing tree from the species of *Aquilaria*. There are 22 species of *Aquilaria worldwide*, out of which five (5) species are found in Malaysia namely; *Aquilaria malacenssis, beccariana, hirta, rostrata* and *microcarpa*. Locally known as Gaharu, Agarwood is now being considered as an important non-timber forest product. It has been used since hundreds of years ago for medicine and as a base material in perfumes. Indeed, due to growth in the population and affluence of Gaharu-consuming markets, the demand for Gaharu has risen significantly over the past 30 years.

The Convention on International Trade of Endangered Species of Wild Flora and Fauna (CITES) has therefore listed the Gaharu-producing species, Aquilaria under Appendix II of CITES due to the threat posed by trade to the survivability of the species. These resources are currently under threat because of unsustainable production of Agarwood – common methods include direct harvesting and indiscriminate felling of trees from natural forests. To lift the pressure on natural resources and to meet market demands, domestication efforts are currently on-going. Selected species are being planted in mass plantations. In many producer countries, Agarwood is moving from a simple forest-dependent livelihood source for the local people, into industrial scale operations. In the coming years, Agarwood source will shift from wild forests to plantations.

Mr Nicklaus Ho (General Manager) of Gaharu Technologies giving a briefing on the their Agarwood Plantation

Gaharu Tea Valley, Gopeng was established in 1992. The vision was to create a holistic way of living using one of nature's best kept secret which is the Gaharu trees produce. Hence the name HOGA, which is abbreviated from Holistic Gaharu. Gaharu Tea Valley, Gopeng is the only Gaharu sanctuary in Malaysia that obtained the 1st Organic Gaharu Plantation status in Malaysia Book of Records in the year of 2013. There are over 200,000 Gaharu tress with the size of 200-acres plantation. Since its establishment, Gaharu Tea Valley has attracted visitors from around the world and create awareness of the need to protect the endangered Gaharu trees from extinction and of the vast benefits of the tree for future generations.

Group photo of the trip

Tuan Haji Mahpar Atan, Director General of MTIB, Tuan Haji Kamaruzaman Othman, Deputy Director General (Operational and Administration), Dr. Mohd Nor Zamri Mat Amin, Director of Industry Development Division and Encik Mohd Zamakhsyary Assistant Director of Industry Development Division attended in this programme.

NOVEMBER 2021

Total export of Malaysian timber and timber products in November 2021 increased by 16% in value totalled at RM2.3 billion from RM19.8 billion in the previous month. Likewise, cumulative exports for the period of January to November 2021 increased 3% valued at RM20.3 billion over RM17.8 billion in the previous corresponding period. Improved demand and construction activities resuming its operations previously in backlog, contributed to the positive growth for the corresponding period.

SAWNTIMBER

Total export of sawntimber in November 2021 increased by 14% in volume at 120,990 m³ and 17% in value at RM263.9 million as compared to the previous month. However, cumulative exports for the period of January to November 2021 decreased by 16% in volume and 7% in value to 1.1 million m³ totaling RM2.2 billion over the previous corresponding period.

Exports of sawntimber to the EU for the month increased by 8% to 7,962 m³ over the previous month as a result of the improved demand from major countries in the region. The Netherlands as the main buyer of sawntimber increased by 23% to 4,734 m³ from 3,852 m³ in the previous month followed by Greece which increased by 2% to 273 m³ from 269 m³. Exports to France increased by 3% to 780 m³ from 756 m³ recorded in the previous month while Italy increased by 3% to 216 m³ for the month. Belgium and Germany recorded negative growth at 25% and 12% to 556 m³ and 1,302 m³ respectively. Meanwhile, exports to the UK increased significantly to 1,906 m³ from only 945 m³ in the previous month.

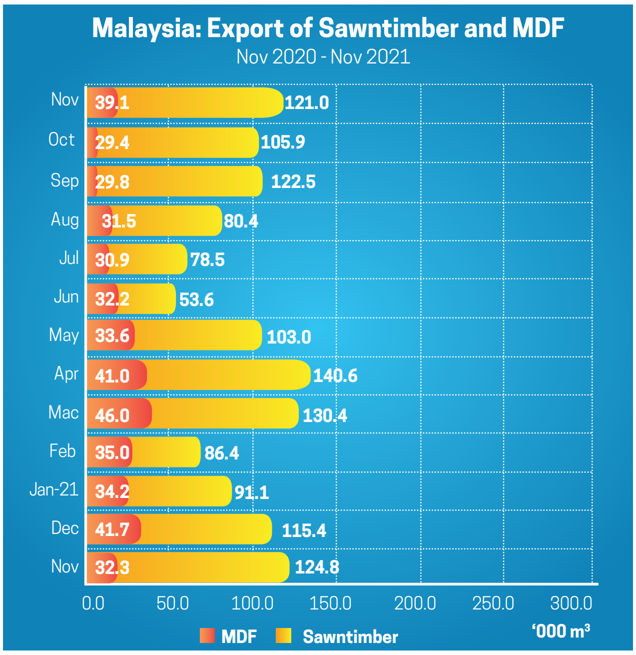
Total export to West Asia increased by 82% to 26,509 m³ from 14,584 m³ recorded in the previous month. Yemen imports increased significantly to 7,344 m³ from only 288 m³ recorded last month. Similarly, exports to Iraq also increased by 56% to 3,494 m³ from 2,237 m³ followed by Oman and Qatar with 11% and 38% to 1,738 m³ and 1,415 m³ respectively as recorded in the previous month. Meanwhile, exports to the UAE decreased by 3% to 8,523 m³ from 8,798 m³ recorded last month whilst Saudi Arabia resumed its intake to 2,088 m³.

Similarly, buying from ASEAN also increased by 51% to 36,086 m³ from 23,973 m³ as registered in the previous month. Thailand as the main buyer in ASEAN reduced its intake by 4% to 11,446 m³ from 11,874 m³ as recorded in the previous month. Similarly, exports of sawntimber to Singapore decreased by 7% to 6,749 m³ from 7,242 m³ last month. Meanwhile, exports to the Philippines and Indonesia increased significantly to 16,014 m³ and 376 m³ from only 4,227 m³ and 38 m³ respectively. Exports to Viet Nam also increased by 152% to 1,484 m³ from 588 m³ as recorded in the previous month.

Elsewhere, shipments to East Asia decreased by 7% to 29,746 m³ from 32,104 m³ in October. China as the main buyer decreased purchases by 18% to 17,278 m³ from 20,975 m³ in the previous month. As China's economic growth has been slowing in the second half of 2021 mainly due to the base effect, starting construction for a variety of infrastructure projects in the fourth quarter will help the country to smooth the average economic growth rate for the full year. Exports to South Korea also decreased by 32% to 1,267 m³ from 1,873 m³ as recorded in the previous month. However, exports to Japan and Taiwan increased by 9% and 29% to 4,053 m³ and 6,895 m³ respectively followed by Hong Kong with 302% to 253 m³ compared to the previous month.

Meanwhile, exports to both the USA and Australia decreased by 44% to 1,009 m³ and 855 m³ compared from 1,791 m³ and 1,535 m³ respectively in the previous month. Similarly, demand from South Africa also decreased by 56% to 1,413 m³ from 3,233 m³ as recorded last month.

The average FOB price of sawntimber increased by 2% to 2,181 per m³ from 2,140 per m³ in the previous month. Similarly, the price of Dark Red Meranti to the Netherlands also increased by 19% to 4,543 per m³ from 3,804 per m³ previously while Keruing was traded at 2,181 per m³, an increase of 5% from 2,069 per m³ in the previous month.



PLYWOOD

The export of plywood in November 2021 showed an increase in volume by 12% to 136,103 m³ and also in value by 11% totalling at RM326.4 million compared to the previous month. On the other hand, cumulative exports for January – November 2021 decreased in volume by 12% to 1,343,402 m³ but grew 2% in value to RM2.9 billion over the corresponding period.

Exports of plywood to the EU region decreased by 15% to 631m³ from 738 m³ last month. Italy and The Netherlands picked up their export rate by 100% to 506 m³ and 125 m³ respectively. However, Belgium, Denmark, France, Germany and Ireland did not make any purchases for the month. Meanwhile, exports to the UK leapt up to 2518% from 707 m³ to 18,509 m³ in November 2021. Turkey did not make any purchase for the month.

Moving to the East Asian and ASEAN region, the region recorded a decrease of 24% from 89,322 m³ to 68,218 m³ as compared to the previous month. Hong Kong and South Korea both increased their intakes by 5% from 470 m³ to 495 m³ and 5,742 m³ to 6,021 m³ respectively. Japan, despite being Malaysia's largest export destination dropped the rate by 26% to 53,835 m³ from 72,507 m³, followed by China with a decrease of 32% to 601 m³ and Taiwan a with decrease of 27% to 4,167 m³. Singapore increased their purchase by 9% from 1,511 m³ to 1,652 m³ while the same goes with the Philippines with a surge up at 8% from 580 m³ to 629 m³. Exports to Thailand decreased by 66% from 1,521 m³ to 520 m³, followed by Brunei Darussalam with a decrease of 16% from 356 m³ to 298 m³. Indonesia did not make any purchase for the month.

Plywood export performance in the West Asian region decreased to 12% from 7,171 m³ to 6,330 m³ in the previous corresponding period. UAE increased their intakes by 36% from 785 m³ to 576 m³ while Yemen showed a decrease by 29% from 6,551 m³ to 4,686 m³. On the other hand, Bahrain, Saudi Arabia and Kuwait resumed their purchases by 100% respectively to 20 m³, 40 m³ and 129 m³. However, Qatar did not make any purchase for the month.

Elsewhere, in the African region, the export performance plummet significantly by 75% from 1,270 m³ to 321 m³. Morocco recorded a decrease of 84% to 96 m³ while Mauritius decreased by 25% to 80 m³. Nevertheless, South Africa increased by 12% from 129 m³ to 145 m³.

Meanwhile, for the Americas region, the export performance grew steeply at 137% from 16,824 m³ to 39,879 m³ in November 2021. Our main buyer, the USA increased their buying by 127% from 15,023 m³ to 34,032 m³, followed by Mexico with 342% increment to 5,471 m³ from 1,237 m³ whereas Canada fell to 5% from 395 m³ to 376 m³. For the Oceania region, exports to Australia dropped by 69% to 1,307 m³ whilst exports to New Zealand increased by 64% to 105 m³.

The FOB price range of plywood decreased by 1% to RM2,398 per m³ from RM2,423 per m³ in the previous month.

VENEER

Export of veneer for the period of November 2021 increased by 174% in volume to 12,686 m³ but decreased in value by 8% to RM7.83 million compared to October 2021. However, cumulative exports for veneer shows a decrease in both volumes at 4% to 57,548 m³ and in value at 13% worth RM82.15 million over the previous corresponding period.

In East Asia market, China and Taiwan recorded a rapid increase at 156% and 513% to 2,237 m³ and 8,536 m³ respectively. However, South Korea decreased by 10% to 764 m³ from 849 m³ in previous month. Moving on to India, export rose by 15% to 425 m³ from 371 m³. The Philippines and Viet Nam resume buying to 189 m³ and 16 m³ each. Elsewhere, Singapore, Australia and Canada export performance recorded a decrease of 40%, 17% and 86% to 54 m³, 177 m³ and 57 m³ respectively. Italy and the USA did not make any purchases for the month. The FOB price range of veneer decreased by 66% to RM617 per m³ from RM1,835 per m³ in the previous month.

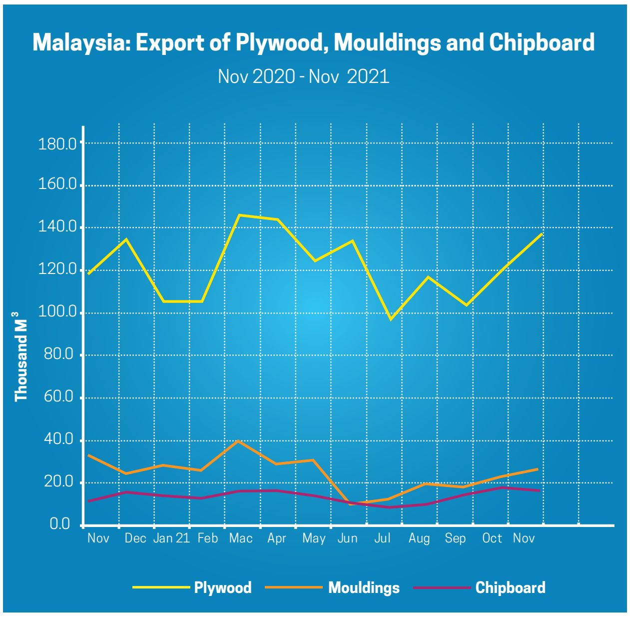
MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in November 2021 increased gradually both in volume by 33% to 39,098 m³ and 29% in value worth RM67.5 million as compared to the previous month. On the contrary, cumulative exports for January to November 2021 recorded a decrease in volume by 25% to 382,560 m³ and 13% in value to RM631.7 million over the previous corresponding period in 2020.

In the ASEAN region, the export performance showed an increase of 18% from 8,567 m³ to 10,390 m³ from the previous month. Indonesia, Singapore and Viet Nam increase their buying by 55%, 13% and 4% to 4,879 m³, 3,415 m³ and 1,197 m³ each. However, the Philippines decreased their purchase by 30% from 4,444 m³ to 3,415 m³ for the month.

For the East Asian region, an increase of 40% was recorded for China (including Hong Kong) at 235 m³ from 140 m³ compared to the previous month. However, markets in Japan, South Korea and Taiwan fell to 1%, 33% and 8% to 12,718 m³, 317 m³ and 667 m³ respectively. As for the South Asian region, an increase of 64% was recorded for November 2021 from 1,784 m³ to 4,971 m³. Bangladesh, India, Pakistan and Sri Lanka increased their intakes by 65%, 67%, 74% and 29% to 907 m³, 1,719 m³, 1,656 m³ and 664 m³ respectively.

Shifting to the West Asian region, the export performance showed an upward trend by 85% from 623 m³ to 4,163 m³ in October 2021. Bahrain, Oman and UAE increased their buying to 100%, 26% and 48% to 33 m³, 43 m³ and 841 m³ respectively. Meanwhile, Iran, Jordan, Kuwait, Lebanon, Saudi Arabia, Syria and Qatar did not make any purchase for the month.



Elsewhere, exports of MDF to the USA and Australia increased by 30% and 44% to 1,809 m³ and 1,710 m³ respectively. In contrast, the UK and South Africa reduced buying by 37% and 17% to 108 m³ and 444 m³ while Sudan did not make any purchase for the month.

The FOB price of MDF decreased by 3% to RM1,726 per m³ from RM1,782 per m³ in the previous month.

MOULDINGS

Exports of mouldings for the month decreased by 8% in volume but increased in value by 7% to 19,079 m3 worth at RM84.8 million. However, cumulative exports for the period of January – November 2021 decreased by 6% in volume and 1% in value to 172,034 m3 worth at RM684.1 million as compared to the previous corresponding period in 2020.

Exports to the EU for the month were recorded at 8,205 m³, decreased by 7% as compared to the previous month. The Netherlands and Belgium decreased their purchases by 17% and 8% to 5,641 m³ and 347 m³ respectively. However, Italy and Germany increased their intakes by 59% and 6% to 46 m³ and 919 m³ while the UK recorded an increase of 10% to 573 m³ for the month.

Exports to the ASEAN region decreased as Viet Nam decreased it purchases by 59% to 84 m³ while Thailand and Singapore increased buying by 73% and 26% to 109 m³ and 1,083 m³ respectively. Meanwhile, Indonesia did not make any purchase for the month.

Likewise, Hong Kong, China and South Korea decreased their intakes by 37%, 20% and 19% to 153 m³, 621 m³ and 874 m³ respectively. However, Taiwan and Japan increased their intakes by 192% and 53% to 108 m³ and 108 m³ as compared to the previous month.

Elsewhere, exports to the US also decreased by 38% to 2,425 m³ compared to the previous month while Canada and Australia increased buying by 78% and 2% to 183 m³ and 2,379 m³ respectively.

Average FOB unit value for mouldings increased marginally to RM4,445 per m³ compared to RM3,822 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for November 2021 recorded an increase of 7% in volume and 8% in value to 12,631,407 kg worth RM105.6 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased by 10% to RM876.5 million as compared to RM971.7 million the previous month.

Exports to the EU decreased by 18% to RM148.6 million compared RM182.0 million in the previous corresponding period. Exports to the Netherlands increased by 21% to RM23.5 million compared to the previous month. However, exports to Italy, Denmark, Germany, France, Belgium and Sweden decreased by 80%, 28%, 27%, 27%, 6% and 4% to RM934,735, RM16.2 million, RM13.2 million, RM12.4 million, RM44.4 million and RM16.5 millionrespectively. Exports to the UK, however decreased by 9% to RM107.2 million from last year while exports to Turkey recorded an increase of 206% to RM995,362 for the month.

In Asia, Qatar and Bahrain increased buying significantly to RM1.3 million and RM1.1 million from RM8,600 and RM626,520. Similarly, the UAE and Pakistan increased buying by 81% and 36%, to RM1.6 million and RM2.1 million compared to the previous month. However, exports to Saudi Arabia, Egypt, Viet Nam, Thailand, Japan, Taiwan, India, South Korea and Singapore decreased by 45%, 31% 30%, 27%, 15%, 13%, 9%, 8% and 4% to RM330,034, RM861,044, RM12.1 million, RM14.6 million, RM43.1 million, RM9.0 million, RM27.3 million, RM1.8 million and RM38.6 million respectively.

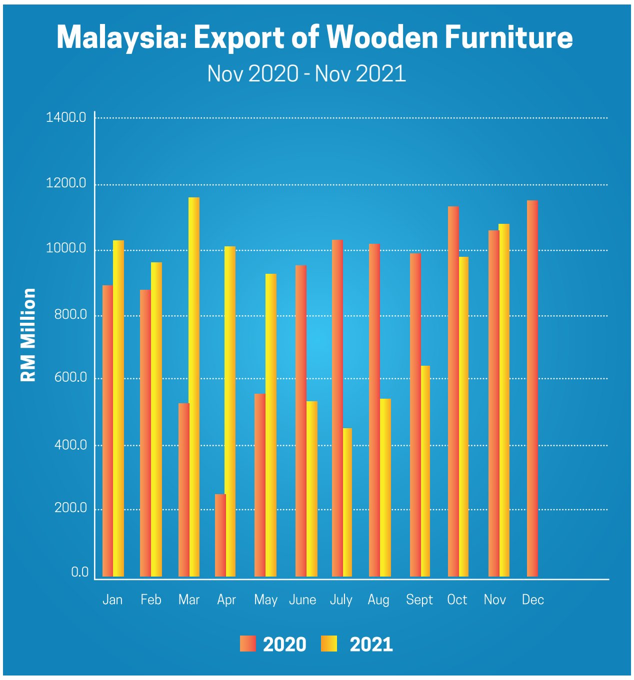
Exports to the US and Mauritius increased by 32% and 19% to RM236.4 million and RM874,177 respectively. Meanwhile, South Africa and Australia decreased imports by 24% and 6% to RM7.5 million and RM140.8 million compared to the previous month.

FURNITURE

Exports of wooden and rattan furniture for November 2021 increased by 16% to RM1.1 billion and 58% to RM11.0 million respectively. Meanwhile, cumulative exports of wooden furniture for the period of January to November 2021 recorded a decrease of 13% to RM9.2 billion from RM10.5 billion in the previous corresponding period in 2020. Similarly, demand for rattan furniture decreased by 31% to RM70.5 million from RM102.4 million in the previous corresponding period.

In the Americas region, the USA as the main buyer of wooden furniture decreased its purchase by 2% to RM5.7 billion from RM5.8 billion in the same corresponding period in 2020. Similarly, Canada also reduced buying by 10% to RM230.9 million. However, exports to Chile increased by 16% to RM55.1 million from RM47.6 million over the same period last year. Moving to the East Asian region, Japan increased its intake by 9% to RM465.5 million over RM428.9 million in its corresponding period in 2020. However, exports to China, South Korea and Taiwan reduced by 34% to RM75.3 million, 25% to RM64.0 million and 5% to RM55.0 million respectively. Singapore as the largest buyer amongst ASEAN member countries recorded an increase in export by 41% to RM374.7 million, but exports to the Philippines reduced by 3% to RM101.5 million. Amongst the EU member countries, Germany was recorded as the highest buyer despite a reduction in buying by 2% to RM41.6 million, followed by France with buying down by 12% to RM39.8 million. Exports to both Poland and Greece reduced by 18% to RM27.3 million and RM16.1 million respectively. The Netherlands recorded an increase in buying by 1% to RM29.6 million. Exports to the United Kingdom and Russia reduced by 17% to RM348.8 million and RM11.5 million. Exports to Turkey also reduced by 47% to RM3.9 million.

Shipments to Australia reduced by 16% to RM329.2 million for the month. However, purchases by India increased by 38% to RM144.6 million from RM104.5 million



in the same period last year. Demand from Middle Eastern countries generally increased with Saudi Arabia recording the highest export value of RM137.0 million despite a decrease by 6% from its corresponding period last year. Meanwhile, exports to the UAE increased by 11% to RM125.6 million, followed by Kuwait with imports increased by 30% to RM34.2 million, Oman 35% to RM17.6 million and Qatar 92% to RM11.6 million. Elsewhere, exports to India rose by 38% to RM144.6 million but exports to South Africa and Algeria reduced by 24% to RM39.5 million and by 81% to RM2.6 million respectively.

Meanwhile, rattan furniture shipments for January to November 2021 recorded an increase of 31% at RM70.5 million from RM102.4 million in the previous corresponding period. In the Americas region, exports to the USA and Canada decreased by 17% to RM28.3 million and 19% to RM2.2 million. Amongst EU member countries, Ireland recorded the highest buyer with an export value of RM2.3 million, an increase by 2% from the corresponding period last year. Exports to Denmark, Germany and France reduced by 54% to RM538,889, 33% to RM464,434 and 77% to RM383,366 respectively. Exports to Poland also reduced by 76% to RM156,470 for the mentioned period. Meanwhile, the United Kingdom recorded the highest export worth RM6.0 million, a decrease of 22%, followed by Russia down by 22% to RM2.0 million and Turkey 73% to RM61,082.

Moving to the Asian region, exports to China decreased by 36% to RM5.9 million, followed by Japan with a decrease of 60% to RM845,461 and Hong Kong 48% to RM16,606. Meanwhile, exports to India recorded an increase of 173% to RM4.9 million. In the ASEAN members' circle, the Philippines recorded the highest import value with an increase of 75% to RM1.2 million. Similarly, exports to Thailand increased by 61% to RM847,157 while exports to Singapore were down by 38% to RM1.1 million.

Meanwhile in the African region, Algeria and South Africa decreased their buying by 76% to RM635,149 and 48% to RM167,033 respectively. Moving to the Middle East, exports to the UAE decreased by 46% to RM449,117 from RM862,786 as recorded in the same period 2020 while Oman improved buying to RM178,393 for the month. MTIB

MALAYSIA

National Ports Policy essential for growth, curb resources wastages

MALAYSIA needs a proper National Ports Policy (NPP) to promote the orderly growth and development of port capacity that is urgently needed and consistent with longterm demand growth.This policy, experts said, would prevent wasteful competition and misallocation of resources.

Tan Hua Joo, a consultant at a shipping research company Linerlytica, said Malaysia has been mulling the formulation of the NPP since 2015, but it remains incomplete until now.He said the lack of a proper port policy has resulted in the failure to develop additional capacity at Tanjung Pelepas, which has seen the fastest growth of any port in Malaysia in the last two decades. “Instead, its expansion is now blocked by the development of the Forest City project. It is currently experiencing serious congestion due to having insufficient capacity to handle the increased demand. “Meanwhile, resources were wasted in promoting projects that are not needed and have little growth potential, such as the Melaka Gateway and Carey Island projects,” he told *The Malaysian Reserve* (TMR).

Sharing the sentiment, Universiti Malaysia Terengganu’s Faculty of Maritime Studies senior lecturer Dr Jagan Jeevan said Malaysia’s seaport policy is still vague in the maritime system due to the domination of National Transport Policy (NTP), which severely dominates the functionalities of seaport policy in this country. He said the NTP covers many perspectives, especially rail, road, aviation and maritime transportation. However, the nucleus of maritime logistics, which consists of ocean activities, seaports and hinterland, has remained unclear.“If the NPP has been established, the structure of seaport operation will be changed by focusing on both markets, including ocean activities as well as inland markets. This will provide more prosperity to Malaysian seaports and contribute to regional economic development in secluded inland regions.

“By this, the economic growth in four main coasts — northern region, southern region, east coast region as well as west coast region — will equally developed. By implementing the NPP, the port operators and port authorities can perform under the same roof where all the system can be centralised and monitored easily,” he told TMR.

Are Malaysia’s ports still lagging?

Malaysian seaports have performed remarkably in global trade. However, it only refers to certain seaports such as Port Klang and Port of Tanjung Pelepas. As Malaysia’s main port, Port Klang is experiencing the shortest average turnaround time for vessels among major global ports, about two days, while the global average is about one week, amid slowdown in supply chain, said chartered accountancy body ICAEW early this month.

Jeevan said in contrast, the remaining ports are still not equally developed compared to these two seaports. This is because of the lack of internal collaboration among the seaports and the inadequate competitiveness of the seaports, which are unable to attract additional clients from outside Malaysia due to their less strategic locations, limited facilities and services. “Furthermore, the overdependence on a single mode of transportation for freight mobility also becomes the contributing factor for pushing the competitiveness of Malaysian seaports backward. On the other hand, assuming the inland ports as the competitor of seaports also becomes the main reason for this drawback.

“The inland ports possess many advantages such as operational flexibility, additional capacity, ability to expand seaport lifespan as well as contributing to the non-financial investment policy, whereby the infrastructure, space and locational advantages can be utilised by seaports,” he added. The limitations faced by seaports are competition from neighbouring regions, especially from Thailand and Singapore, due to the limitation of service options compared to these seaports. Jeevan said this issue can be overcome by rejuvenating the Barter Trade System in Malaysian seaports.

“Secondly is the imbalance in multimodal freight transportation. The proportion of road freight is dominated by rail freight by 99:1 and this will produce a significant issue in seaport operation. “Hence, the emergence of the East Coast Rail Link connecting the east and west coasts will be a great relief to seaport operations and they can utilise both transport modes for effective freight movement within the country or beyond the regions,” he explained.

Jeevan said thirdly, the remaining inland ports or dry ports in Malaysia are still underutilised and treated as competitors to the seaports. “This concept needs to be changed and these entities need to be treated as complementary entities for seaports and utilise them for improving the seaports’ competitiveness and transforming logistics functions of seaports towards geologistics concept.

“Finally, several freight corridors in Malaysian remain underutilised and not used for trade purposes. In that case, investment policy via public-private partnership needs to be enforced to ensure the investment policy in the seaport sector can be executed efficiently,” he concluded.

Source: themalaysianreserve.com, December 28, 2021

USA

Los Angeles Import Volume Sinks As Shipping Traffic Jam Worsens

Despite America’s epic consumer boom, containerized imports to the Port of Los Angeles dropped to 403,569 twenty-foot equivalent units in November, down 14% from October and down 13.2% year on year. For the second month in a row, Los Angeles’ containerized imports have fallen below levels in the same months in 2018.

On one hand, the Port of Los Angeles will boast record full-year throughput in 2021, including loaded imports, loaded exports and empty containers. Business is booming. Executive Director Gene Seroka said during a press conference Wednesday that the port was on track for 5.5 million TEUs of total throughput this year, 13% above the 2018 peak.

On the other hand, import volumes in Los Angeles were front-loaded in the first half when congestion, while significant, was less severe than it is now. The last time monthly imports to Los Angeles were as low as in November was in June 2020, at a time when ocean carriers were canceling sailings to America due to lockdown-depressed demand.

At the beginning of November, according to data from the Marine Exchange of Southern California, there were waiting vessels with boxes aboard (including container ships and noncontainer ships) with aggregate capacity of 637,329 TEUs. At the end of November, ships with aggregate capacity of 745,305 TEUs were waiting for berths in Los Angeles/Long Beach, up 17% from the beginning of the month.The capacity of ships stuck off Southern California ports rose 107,976 TEUs over the course of last month, whereas the combined import throughput at the two ports fell 86,324 TEUs in November versus October.

The offshore ship queue has gotten even bigger in December. According to the Marine Exchange of Southern California, 102 container vessels were waiting for berths in Los Angeles and Long Beach on Wednesday. The combined number of container ships waiting offshore and at the berths is at or near an all-time high. The aggregate capacity of container ships waiting offshore, as well as noncontainer ships carrying boxes, was 794,962 TEUs on Wednesday, up another 7% from the end of November, according to data from the Marine Exchange. The capacity of ships in the Pacific Ocean queue now exceeds the combined monthly imports of Los Angeles and Long Beach.

The official calculation of the number of ships waiting for berths in Los Angeles/Long Beach recently changed due to a new queuing system to promote vessel safety and clean air. Under the new protocol, ships wait farther offshore and the number of vessels within 40 miles of the port has dramatically decreased. During Wednesday's press conference, Seroka addressed what the port spokesperson called "reports suggesting this [new queuing] system is being used as a way to hide or disguise the number of vessels waiting to enter San Pedro Bay. Seroka maintained: "There has never been and there never will be any intent to hide data or vessels headed our way. Our goal is to present a transparent and accurate picture of the container vessel count."

Empty container situation worsening

The executive director discussed a number of key performance indicators — some improving, some worsening. Dwell time for containers moving by rail has dropped from a high of 13.5 days this summer to just two days, the lowest it has been since pre-COVID. Dwell time of containers moving by truck at Los Angeles terminals is down to six days from a peak of 11 days, Seroka added.

The number of loaded import containers dwelling at terminals for nine or more days is down 56% from Oct. 24, when a new fee for long-dwelling containers was announced by the ports. Due to continued progress, implementation of the fee has been pushed back each week. "If we go backwards, you bet it will be implemented," affirmed Seroka. Two metrics are going in the wrong direction. Street dwell time — the time containers are outside th terminals — "is now at a high of 10 days," said Seroka. "That needs immediate attention, to bring that number below four days as it was pre-surge."

The empty container situation is also worsening. There are now 71,000 on Los Angeles terminals or near-dock depots, up from 65,000 a month ago, with 60% dwelling nine days or more. In November, 325,838 TEUs of empty containers were loaded on ships. That's up 11% year on year, but it marks yet another decline from the preceding month. In August, 364,212 TEUs of empties were loaded. The volume has declined every month since then.

Seroka warned, "If necessary, we will look at additional measures, including levying fees against liner companies for empty containers that dwell excessively at our marine terminals."

Source: freightwaves.com December 15, 2021

CHINA

China shipping to South-East Asia sees prices surge tenfold as reopening demand picks up

Shipping rates from China to surrounding Asian countries have soared amid the peak season ahead of the Lunar New Year, adding fuel to an already overheated global shipping market disrupted by the coronavirus pandemic.

The South-East Asian routes of the Ningbo Containerised Freight Index, which reflects the spot rate of container ships departing from the Ningbo-Zhoushan port – the world's largest port by cargo

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% change Oct/Nov
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	59,585	5	14,260	123	1,015	-16	39	-66	5,060	12	79,959	16
MDF	22,018	148	161	100	3,178	117	2,058	-2	1,235	-7	28,649	108
Mouldings	11,243	-3	59	-28	2,292	3	1,037	99	920	20	15,552	3
Plywood	7,810	175	0	100	161	-22	252	-39	3,357	-40	27,132	12
Veneer	1,087	3	0	100	0	100	22	66	3,153	492	4,262	166
Particleboard	18,246	26	613	71	278	162	0	100	3,200	31	22,338	28
TOTAL	**119,989**	**26**	**15,093**	**120**	**6,925**	**33**	**3,407**	**8**	**16,926**	**12**	**162,340**	**29**

Note : Indicates percent change over the previous month

Source : MTIB

tonnage – recorded a price surge in the past month and reached an all-time high, with freight costs to Thailand and Vietnam rising 137 per cent from the end of October to the first week of this month, while the Singapore-Malaysia freight costs also increased by 49 per cent.

A 20-foot container, shipped from Shenzhen to Southeast Asia, cost about US$100 to US$200 before the pandemic, but the price has since surged tenfold, from US$1,000 to US$2,000, said Yan Zhiyang, a manager with a logistics company based in Guangdong province. High rates and congestion are ultimately the results of a consumer-spending shift from services to goods that began early in the pandemic. "Shipping costs to various destinations have risen and fallen repeatedly. Sometimes the export demand for a specific place suddenly rises and pushes up the rates immediately, and when the demand cools a bit, the rates drop. But in general, the freight costs have gone up multiple times," Yan said.

Meanwhile, freight costs to South Korea also quickly picked up in the past two months, according to Zhou Jie, who manages a freight-forwarding company based in Dalian, a coastal city in northeast China. "Generally, the prices of other routes have been soaring since the beginning of the year, but the route to South Korea started to rise quickly in the past two months, and now it has reached US$1,600 per 20-foot container, compared with US$200 during normal times," Zhou said.

Source: thestar.com.my December 11, 2021

EUROPE

Sustainability of Amsterdam port and region under pressure due to congestion on electricity network

Liander announced today that a large part of Amsterdam will be in congestion, including the port area. This means that newly established companies (leads) and existing companies will not receive any new or additional electricity. The electricity network is full.

Port of Amsterdam wants to be a leader in the transition to a sustainable society. The port plays a crucial role in achieving climate objectives by facilitating companies that contribute to them. The companies based in the port are in the middle of a transition to a more sustainable form of business, and are active in the circular economy and energy transition, including the production of biofuels.

Causes

With the electrification of our society, the demand for electricity has grown enormously over the past decade, not in the least due to digitalisation and sustainability. This is also reflected in the companies in the port area. Port companies active in the energy transition and circular process industry are also working on making their own operations more sustainable. They are moving away from gas and are electrifying their vehicles and vessels as well as their terminal equipment – such as cranes and shovels. But the greatest demand for electricity is coming from data centres, new buildings and mobility; and this is set to remain so in the coming years.

Effects

In the Metropolitan Area (MRA), this congestion will slow down the pace of the energy and raw materials transition. This is bad news for customers with expansion and/or sustainability plans and new customers who want to establish themselves in the port. About fifty port companies are affected by this congestion, leaving them unable to achieve their objectives – or only able to do so later. This is placing major pressure on achieving the climate goals in the port of Amsterdam, the City of Amsterdam and the North Sea Canal Area. The situation is harming the competitive position of the port of Amsterdam and the MRA as a business location.

Solutions to create more capacity

The first structural increase in electricity capacity for companies connected to the Hemweg substation and underlying stations will become available in mid-2027. In the intervening period, Liander, TenneT, the City of Amsterdam and Port of Amsterdam are jointly working on a programme to accelerate work and innovations and to promote temporary solutions. These include large-scale battery up-scaling and peak shaving. Through mutual cooperation between consumers, it may be possible to reduce the peak and suffice with the existing capacity.

We are also working to increase the production and transport capacity of electricity and to accelerate the provision of alternative renewable energy sources. These include the reuse of heat and the use of hydrogen. By developing the infrastructure and facilities for this purpose at an accelerated pace, Port of Amsterdam is working on alternatives to partially relieve the power grid. In addition, Port of Amsterdam is holding talks with a number of large-scale consumers to see to what extent they can coordinate and possibly share their contracted capacity with other port companies.

Priority and creativity

The congestion announced today will not be limited to Amsterdam and the region, as the whole of the Netherlands is expected to face much more congestion in the future. Electricity will be scarce in the coming years and will have a major impact on the sustainability of Dutch society. This is putting pressure on the climate objectives and ambitions, such as making Amsterdam climate neutral by 2050. This congestion requires the highest priority and creativity from energy companies, governments and politicians in order to be resolved. Port of Amsterdam has therefore joined the Taskforce with Liander, TenneT and the City of Amsterdam to tackle the consequences of the flooded electricity network.

Source:News|Port of Amsterdam, Dec 09, 2021

EXPLORING PAPUA NEW GUINEA'S VAST MATERIALS RESOURCES

Country Overview

Papua New Guinea (PNG) is a country in Oceania, occupying the eastern half of the island of New Guinea, the largest tropical island in the world and some 600 offshore islands with total land area of 452,860 square kilometres. The island contains the third-largest tropical rainforest after the Amazon Basin and the Congo Basin and is a hotspot for biodiversity and endemism. PNG has a moderate tropical climate with high levels of seasonal rainfall. There are 19 provinces, each governed by a Provincial Government which have similar constitutional arrangements to the National Government and have concurrent power with the latter in areas such as agriculture, business development, town planning, forestry, and natural resources. National laws, however, take precedence over provincial laws. PNG is richly endowed with natural resources, including mineral and renewable resources, such as forests, marine (including a large portion of the world's major tuna stock) and agriculture.

The sovereign state is classified as a developing economy by the International Monetary Fund. Nearly 40% of the population lives a self-sustainable natural lifestyle with no access to global capital. Most of the people live in strong traditional social groups based on farming. Their social lives combine traditional religion with modern practices, including primary education. These societies and clans are explicitly acknowledged by the PNG Constitution, which expresses the wish for "traditional villages and communities to remain as viable units of Papua New Guinean society" and protects their continuing importance to local and national community life. PNG's population currently stands at 9.15 million people with around 15% of the population living in the 10 major urban areas. PNG has an urbanisation rate of 2.51%, measured as the projected change in urban population from 2015 to 2020. According to the CIA World Factbook (2018), PNG has the second lowest urban population percentage in the world, with 13.2%, only behind Burundi. The geography and economy of PNG are the main factors behind the low percentage. Its capital, Port Moresby is economically booming. There has been substantial building of housing, office towers, shopping malls and commercial establishments over much of it.

Asian Development Bank forecast that PNG's GDP is expected to grow by 1.3% in 2021 and 4.1% in 2022 with an inflation rate of 4.6% in 2021 and 2022. The economy of PNG is largely underdeveloped. It is dominated by the agricultural, forestry, and fishing sectors as well as the minerals and energy extraction sector that account for most of the labour force of Papua New Guinea. The minerals and energy extraction sector is responsible for most of the export earnings. Agriculture, for subsistence and cash crops, provides a livelihood for 85% of the population and continues to provide some 30% of the GDP. Mineral deposits, including gold, oil, and copper, account for 72% of its export earnings. Oil palm production has grown steadily over recent years (largely from estates and with extensive out-grower output), with palm oil now the main agricultural export. About 40% of the country is covered with timber rich trees, but a domestic woodworking industry has been slow to develop. Traditional forestry and subsistence use of forests continue to be the basis for survival of most rural people in PNG.

Cities and ports in PNG are poorly connected. Construction of new roads and improvement of existing roads is hampered by rugged mountains and a lack of government funding. Presently, only 3.5% of PNGs roads are paved. The principal ports for export in PNG are: Alotau (Milne Bay Province), Kavieng (New Ireland Province), Kimbe (West New Britain Province), Lae (Morobe Province), Lorengau (Manus Province), Madang (Madang Province), Port Moresby (National Capital District), Rabaul (East New Britain Province), Vanimo (West Sepik Province) and Wewak (East Sepik Province). As there are relatively few roads, river transport is also important for both freight and passengers in the Western and Gulf Provinces.

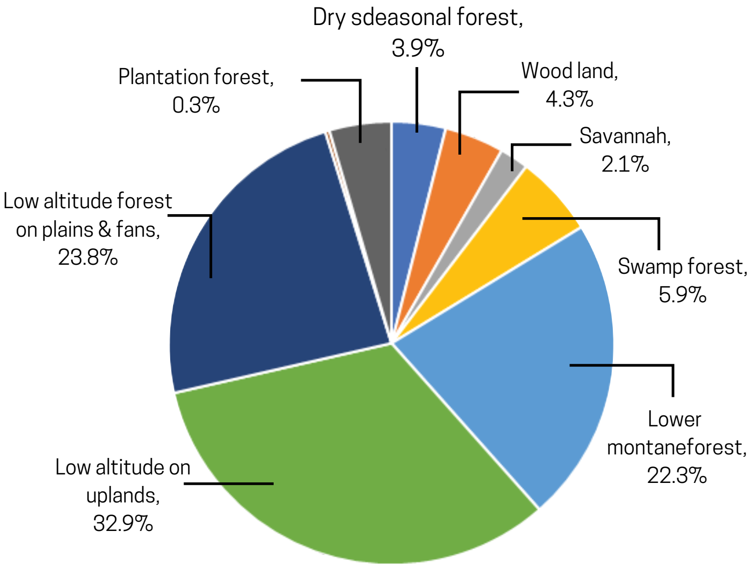
PNG's main imports are sourced from Australia, Singapore, China, Japan, Malaysia, the USA, Italy, Indonesia, Thailand and New Zealand. The main destinations of PNG exports are Australia, Japan, Germany, China, Singapore, the Netherlands, India, the Philippines, the UK and South Korea. The nation has been an observer state in the Association of Southeast Asian Nations (ASEAN) since 1976 and has filed its application for full membership status. It is a full member of the Commonwealth of Nations, the Pacific Community, and the Pacific Islands Forum.

Forest Resources and Production

Giant ferns at Mt. Wilhem, PNG

Lush river landscape in PNG

PNG has a total land area of 46.3 million hectares (ha), with forest cover at 33.6 million ha (72.5%). Its forest is mostly primary or other naturally regenerated forest. The country falls within the world's moist tropical rainforest zone. More than 90% of the forested area is primary or naturally regenerated forest, making it one of the most intact forest ecosystems in the world. With its rugged terrain, and with forests stretching from sea level to an altitude of over 4,000 m, the forest types vary from mangrove forest, swamp forest and low altitude forest, to lower montane forest, upper montane forest, and dry evergreen forest. Three forest types however dominate PNG's Forest land - low altitude forest on plains and fans, low altitude forest on uplands, and lower montane forest. The forests are classified as 80% rain forest, 4% moist forests, 5% woodland and 11% mountain forest.



Source: PNG Environment Data Portal

Almost the full extent of the forested area is defined as primary or otherwise naturally regenerated forest, PNG has only about 62,000 ha of forest plantations, comprising of species such as acacia, eucalyptus, gmelina, mahogany, rubber trees, teak and coniferous species. More than 70% of the forest land is still intact or has not been disturbed by anthropogenic activities. Most of the forest degradation is caused by commercial logging (10.8%) followed by gardening (8.3%), fire (3.1%) and other disturbances (1.3%). Commercial logging is common in low attitude forest, on both plains and fans and uplands. About 80% of commercial logging occurs in Western, Gulf, West New Britain, East New Britain and West Sepik provinces. Gardening activities occur in the three major forest types, while fire occurrences are prevalent in savannah, woodland and scrub forests.

The forest industry in PNG makes an important contribution to the country's economy. Most of the timber is produced as raw logs for export - this accounts for 97% of the value of all exports of forest products, with woodchips covering almost all of the remainder. Production and exports of processed products has grown steadily in response to changing market demand and new processing plant investments. About 8.8 million ha has been designated for production. There are many species harvested from PNG's forests. The 10 most important species for export from PNG include Taun (Pometia pinnata), Merbau, locally known as Kwila (Intsia spp.), Malas (Homalium foetidum), Calophyllum (Calophyllum spp.), Terminalia (Terminalia spp.), Kamarere (Eucalyptus deglupta) from plantations, Dillenea (Dillenea spp., mainly D. papuana), Red Canarium (Canarium spp.), Pencil Cedar (Palaquium spp), and PNG Mersawa, also known as Palosapis (Anisoptera thurifera). The table below shows the forest cover and land area of PNG from 1990 – 2020.

PNG : Forest Cover and Land Area, 1990 – 2020

Area (1,000 ha)

Category	1990	2000	2010	2015	2016	2017	2018	2019	2020
Forest	36,399.68	36,277.97	36,178.89	36,024.42	35,989.88	35,956.35	35,922.82	35,889.29	35,855.76
Plantation forest	60.75	60.75	60.75	60.75	60.75	60.75	60.75	60.75	60.75
Plantation forest of which introduced species	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55	23.55
Other land*	8,886.32	9,008.03	9,107.11	9,261.12	9,296.12	9,329.65	9,363.18	9,396.71	9,430.24
Total land area	45,286.00	45,286.00	45,286.00	45,286.00	45,286.00	45,286.00	45,286.00	45,286.00	45,286.00

**Vegetation and other land use not classified as forest, including rubber plantation.*
Source: PNG Global Forest Resources Assessment 2020 (FAO)

The forest related projects initiated by the government across the country allows for landowners to have access to their forest and land for forest-based products and services for livelihood sustenance. Currently, around 85% of PNG's population still live in rural areas and depend on forests for their traditional and subsistence living. Forests are a still major source of traditional wealth and cultural inheritance. However, traditional forestry management and subsistence use of forests are now transformed into modern market commodities to meet the growing demands of people in rural areas. For instance, traditional medicinal plants and other forest produce that used to be cultivated and domesticated through traditional forestry practices are now sold in the informal sector markets for cash income. Firewood which used to be the only source of energy in rural areas for cooking and lighting, is now also sold in towns and cities for additional cash income. Various nuts and fruits obtained from the bush are being sold for cash. As such, the traditional and subsistence use of forests continue to maintain their traditional values and significance but, in some instances, are transformed into modern market in Papua New Guinea today, thus contributing to alleviating poverty in the country.

In terms of forest governance, PNG has a very high level of customary land ownership, at about 97% of the total country area. The Land Groups Incorporation Act 1974 enabled landowners in PNG to form a corporate body to manage their own customary land i.e. a legal form for representing customary landowners. Incorporated Land Groups (ILGs) are intended to facilitate landowner representation and benefit sharing from natural resource development. However, the ILG mechanism is said to have been widely misused due to a number of reasons, which resulted in a proliferation and fragmentation of ILGs. The Amended Land (Tenure Conversion) Act in 1987 allowed ILGs and other customary groups to properly register their land. The Amended ILG Act in 2007 further reformed the manner in which ILGs are registered and managed. It also established a new procedure by which ILGs can make their customary land available for development, including for industrial logging.

- Increase processed timber exports to 80 per cent of all forestry exports by 2030 from the current rate of 20%
- Have plantations produce all logs and manage forests by 2050
- Increase plantation forests from 62,000 hectares to well over 800,000 hectares by 2050

Apart from Plantation forestry, logged over forest land not required for other conversion or use, have been allowed to naturally grow with minimal intervention under the programme on 'reforestation naturally'. The programme has been scaled up throughout the country especially in all Forest Management Agreement timber concession areas where logging has been taking place. To date, over 46,000 hectares of logged over forests have been rehabilitated. The current target of reforestation naturally countrywide is 4,200 hectares yearly. The production of timber and timber products in PNG are sustainable especially sawntimber, veneer and plywood as shown in the table below:

PNG : Production of Timber and Timber Products, 2016 - 2020

in Volume m^3

Year / Product	2016	2017	2018	2019	2020
Wood fuel, coniferous	0	0	0	0	0
Wood fuel, non-coniferous	5,533,000	5,533,000	5,533,000	5,533,000	5,533,000

Sawlogs and veneer logs, non-coniferous	3,961,000	3,993,000	3,993,000	3,993,000	3,993,000
Sawnwood, non-coniferous all	100,000	100,000	200,000	200,000	320,000
Veneer sheets	62,800	62,800	62,800	62,800	76,000
Plywood	64,000	69,000	64,000	64,000	64,000
Sawlogs and veneer logs, coniferous	40,000	40,000	40,000	40,000	40,000
Sawnwood, coniferous	20,000	20,000	20,000	20,000	19,994

Source: FAO Stats

The national forest policy anticipates increased domestic processing of forest products to create employment, facilitate the transfer of technology and promote the export of value-added products. There are very few domestic companies to harvest in production forests. Most companies are foreign-based and have an extensive foreign employee base overseeing their PNG activities, though some hired domestic logging companies as subcontractors for some aspects of the work. There are approximately 43 log export companies active during 2020, some with many subsidiaries. The log export rates of each company are not static, and have fluctuated over time. In recent years several of the dominant logging companies have seen a reduction in log export levels.

PNG has become the world's largest exporter of tropical wood, surpassing Malaysia, which had held the top spot for the past several decades. The forest industry is predominantly based on log exports. PNG's timber products exports also include wood chips, high grade sawn timber, plywood, veneers and furniture components. Wood processing has been the fastest growing manufacturing sector of PNG economy over the last ten years. Over 90% of PNG's logs are exported to China. Between 2011 and 2020, exports of logs were declining. PNG exported an average of 3.52 million m^3 of logs each year. This is significantly higher than the preceding decade (2001-2010) which saw an average of 2.28 million m^3 in logs exported each year. PNG log export volumes reached their peak in 2018 at 4.04 million m^3 of logs exported.

PNG : Exports of Timber and Timber Products, 2016-2020

Year / Product	Unit	2016	2017	2018	2019	2020
Logs	m^3	366,848	200,301	181,349	110,698	126,033
	USD	702,754	721,329	896,544	706,426	566,077
Industrial roundwood, coniferous	m^3	86	322	378	369	1247
	USD	6	42	55	54	229
Wood chips and particles	m3	5630	5630	5630	0	0
	USD	1390	1390	1390	0	0
Sawnwood, coniferous	m^3	242	983	371	0	0
	USD	80	260	134	0	0
Veneer sheets	m^3	3222	1733	308	1801	10350
	USD	2178	819	293	810	2667
Plywood	m^3	8443	7806	8007	8377	7932
	USD	6414	6225	6542	5238	6324
Particle board	m^3	0	0	0	0	0
	USD	0	0	0	0	0
MDF/HDF	m^3	49	49	49	49	49
	USD	21	21	21	21	21

Source: FAO Stats

Malaysia-Papua New Guinea Timber Trade

Generally, timber trade between Malaysia and Papua New Guinea is small. In 2016, Malaysia exported RM18.7 million worth of timber products, down by 30% to RM13.2 million in 2017 and then increased by 2% to RM13.4 million. However, exports to PNG reduced significantly by 35% worth RM8.7 million in 2019 before improving by 13% to RM9.8 million in 2020. Wooden furniture remained the largest timber products exported to PNG with an export value of RM9.3 million in 2020, followed by BJC with RM424,338 and plywood RM128,389. The table below depicts Malaysia-PNG timber and timber exports between 2016 and 2020.

Malaysia: Exports of Timber and Timber Products to Papua New Guinea, 2016-2020

Product / Year	2016	2017	2018	2019	2020
Wooden Furniture	16,321,973	12,015,675	12,342,136	7,942,361	9,263,620
Builders Joinery & Carpentry	1,361,620	618,369	411,500	419,920	424,338
Plywood	48,635	381,286	453,124	154,047	128,389
Sawntimber	-	-	-	-	-
Chipboard/Particleboard	69,220	41,407	23,335	-	-
Fibreboard	-	-	183,889	136,958	-
Mouldings	-	-	-	-	-
Wooden Frame	8,778	-	-	-	-
Other Products	865,541	156,227	12,463	26,229	-
TOTAL	**18,675,767**	**13,212,964**	**13,426,447**	**8,679,515**	**9,816,347**

Source: MTIB

PNG is becoming a major global supplier of timber and timber products and Malaysia is increasingly importing timber and timber products especially logs despite its fluctuating trend for five years. In 2016, Malaysia imported timber and timber products worth RM6.6 million and this reduced slightly by 0.4% in 2017. However, demand improved significantly by 290% to RM25.7 million in 2018. Intake from Malaysia reduced by 50% in 2019 to RM12.9 million and then Malaysia increased its imports by 161% to RM33.6 million in 2020.

The most imported timber products were logs with an import value of RM30.6 million in 2020. This was followed by sawntimber with RM2.5 million, plywood RM277,366 and veneer RM232,032. The table below shows the import of PNG timber and timber products from 2016 to 2020 into Malaysia.

Malaysia: Imports of Timber and Timber Products to Papua New Guinea, 2016-2020

Products	2016	2017	2018	2019	2020
Logs	1,005,620	-	18,000,709	5,337,233	30,624,649
Sawntimber	4,567,088	5,882,232	5,747,353	6,407,138	2,480,173
Plywood	1,046,614	707,248	1,988,264	1,119,655	277,366
Veneer	-	-	-	-	232,032
Wooden Furniture	-	6,432	-	-	-
TOTAL	**6,619,322**	**6,595,912**	**25,736,326**	**12,864,026**	**33,614,220**

(in RM)
Source: MTIB

Tariff

Import tariff (effective from 1 Jan 2006) for timber and timber products into PNG ranges between 0% and 40%

HS Code	Products	Tariff
4403	Logs	10%
4407	Sawntimber	10%
4408	Veneer	50%
4409	Mouldings	10%
4410	Chipboard / Particleboard	10%
4411	Fibreboard	10%
4412	Plywood	30%
4414	Wooden Frame	15%
4418	BJC	15%
9401	Seats	15%
9403	Furniture and parts thereof	15%

Outlook

Being a major producer of tropical hardwood, the potential of increasing timber exports to Papua New Guinea is limited. Thus far, only wooden furniture and BJC feature predominantly in this market. Panel products such as plywood and fibreboard were exported to PNG in small quantities in the last five years. There are some prime opportunities for development of downstream activities. The potential for converting some of PNG's premium species, such as rosewood, kwila, blackbean and taun, into high- quality furniture and other wood products, is an investment opportunity with a growing market. Stocks of premium wood species will be maintained for wood product manufacturers, so the markets can be guaranteed of a continued supply. There are plans to introduce downstream processing in PNG with a focus on developing reforestation and plantation. Minister for Forestry Walter Schnaubelt reportedly said the government is trying to 'take back the forestry sector' and that new logging permits would only allow for 50% for export. There will be disgruntled developers because most of them would want 100% export but under the agreement for the permit, it clearly stipulates that 20% must be allocated for down-stream processing.

International markets are establishing requirements for tropical wood products to come from forest plantations and afforested sourced areas. With PNG reforming its forestry policy to meet the international requirements particularly in already clear-felled areas and savanna grasslands, it will be well-equipped to provide sound and rewarding investment opportunities. In the forestry sub-sector, products made of tropical hardwood attract top prices. Although markets do exist, few are efficiently supplied at present, so the ability to establish a constant customer supply will guarantee a permanent and high demand. The present timber industry in PNG consists of more than 40 sawmills, a plywood factory, a woodchip mill and more than 25 furniture-making factories and joinery shops. Downstream processing activities include furniture making, plywood, flooring and other building material products.

Booming and developing countries such as China and India are piling up orders for timber. Market trends suggest that China's forestry sector will continue to grow in the medium term and demand for raw material for plywood mills and pulp and paper mills should remain strong. PNG has also been a supplying country for raw materials for Malaysia's timber industry.

Reference:

- DOSM
- United Nations
- The Food and Agriculture Organization of the United Nations (FAO)
- https://en.wikipedia.org/wiki/Papua_New_Guinea
- https://en.wikipedia.org/wiki/Economy_of_Papua_New_Guinea
- Asian Development Bank (ADB)
- International Monetary Fund (IMF)
- https://www.timbertradeportal.com/en/papua-new-guinea/91/timber-sector

NOVEMBER 2021

LOGS

Logging activities in November essentially remained unchanged with most mills reporting that timber trade prices for some species of heavy hardwood, medium hardwood and light hardwood recorded slightly rising and others falling over the previous month.

The average price of logs was reported to show a mixed condition for every timber species category. Log prices for the species of Chengal and Balau were traded at RM3,790 and RM3,520 per tonne with the highest prices reported at RM5,040 and RM4,500 per tonne respectively. Meanwhile, the prices for Red Balau and Merbau were reported to have increased by 8% to 18.7% and were traded at RM2,430 and RM3,680 per tonne.

The price for Keruing dropped by 8.0% at RM1,650 per tonne whilst Kempas fell by 2.0% at RM1,670 per tonne. On the other hand, the prices for Dark Red Meranti and Red Meranti also declined by 14.8% and 19.3% respectively and valued at RM1,900 and RM1,630 per tonne. Meanwhile, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood also dropped by 20.8% and 26.0% respectively compared to the previous month and were traded at RM850-900 per tonne.

MEDIUM DENSITY FIBREBOARD (MDF)

The domestic supply of MDF also remained stable as prices continued to chart at last month's level with a slightly increase . Therefore, MDF with a thicknesses of 4mm, 6mm, 9mm and 12mm were traded at RM14.90, RM19.80, RM34.20 and RM39.70 per piece respectively.

SAWN TIMBER

The decline in log prices for certain species as reported also significantly affected the average price of sawn timber for those species. However, the average price of sawn timber in the domestic market remained stable with only a few categories of sawn timber products experiencing price declining and increasing.

The prices of Chengal species reportedly remained strong at the price level above RM5,000 per m³ whilst Balau fell by 7.8% at RM3,130 per m³. Meanwhile, Keruing and Kempas dropped by 13.7% to 15.9% at RM2,040 and RM2,345 per m³. The price of Dark Red Meranti were recorded at RM2,034 per m³ whilst Red Meranti slightly dropped by 2.8% at RM1,921 per m³. The sawn timber prices of Mixed Light Hardwood and Mixed Heavy Hardwood fell by 14.2% and 14.7% respectively and were traded at the price of not more than RM1,000 per m³.

PLYWOOD

Demand for plywood during the month under review remained strong while its market price remained at the price level between RM19.40 to 52.90 per piece. Average prices of plywood for 4mm, 6mm, 9mm and 12mm thicknesses were reported to beat RM19.40, RM28.70, RM47.30 and RM52.90 a piece respectively.

INTRA-MALAYSIA TRADE * - NOVEMBER 2021

The shipments of logs from Sabah to Peninsular Malaysia for the month under review continued to increase sharply in volume from 4,116 m³ to 9,605 m³. Despite an increase in volume, it showed a drop of 11% in value from RM1.4 million to 1.2 million compared to previous month. However, trade of sawn timber decreased significantly by 100% in volume from 196 m³ valued RM 0.5 million to 0 m³. Trade of plywood also showed a decline in volume from 3,833 m³ to 1,946 m³ worth at RM4.8 million whilst shipments of veneer also experienced a drop in volume from 147 m³ to 139 m³ amounting RM283,000.

Meanwhile, trade of sawn timber from Sarawak to Peninsular Malaysia increased in volume from 24 m³ to 501 m³ and valued at RM768,000. Shipments of plywood also recorded a rise by 35% in volume from 1,154 m³ to 1,561 m³ totalled RM1.6 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, NOVEMBER 2021 (RINGGIT MALAYSIA)

	LOGS/ton	SAWNTIMBER/m^3		
SPECIES	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	3,790	5,085	3,764	5,812
Balau	3,520	3,129	2,669	3,008
Red Balau	2,430	2,874	2,535	2,677
Merbau	3,680	3,058	3,234	3,814
Mixed Heavy Hardwood	990	989	1,095	1,158
MEDIUM HARDWOOD				
Keruing	1,650	2,041	1,737	2,246
Kempas	1,670	2,345	2,034	2,479
Kapur	1,620	1,744	1,434	2,055
Mengkulang	1,350	1,829	1,405	2,034
Tualang	1,490	2,168	1,751	2,140
LIGHT HARDWOOD				
Dark Red Meranti	1,900	2,034	1,773	2,556
Red Meranti	1,630	1,921	1,660	2,119
Yellow Meranti	1,450	1,709	1,215	1,808
White Meranti	1,480	1,977	1,455	1,977
Mersawa	1,560	1,850	1,497	2,006
Nyatoh	1,690	1,999	1,921	2,112
Sepetir	1,600	1,688	1,412	1,794
Jelutong	1,580	1,766	1,328	1,907
Mixed Light Hardwood	850	904	1,045	1,186

	LOGS/ton	SAWNTIMBER/m^3			
MALAYSIAN RUBBERWOOD *Hevea brasilienses*	215	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		1,262	1,356	1,409	1,590
PLYWOOD 4' X 8'	**4 mm**	**6 mm**	**9 mm**		**12 mm**
(RM per piece)	19.40	28.70	47.30		52.90
MDF 4' X 8'	**4 mm**	**6mm**	**9 mm**		**12 mm**
(RM per piece)	14.90	19.80	47.30		39.70

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

INTRA-MALAYSIA TRADE- NOV 2021

	Nov-21		Nov-21		% change in volume	% change in value
	Vol(m3)	Val(' 000 RM)	Vol(m^3)	Val(' 000 RM)	Oct/Nov	Oct/Nov
Sabah						
Logs	4,116	1,390	9,605	1,235	133	-11
Sawn Timber	196	517	0	0	-100	-100
Plywood	3,833	8,827	1,946	4,840	-49	-45
Veneer	147	378	139	283	-5	-25
Sarawak						
Logs	0	0	76	297	100	100
Sawn Timber	24	22	501	768	1,988	3,391
Plywood	1,154	1,220	1,561	1,612	35	32
Veneer	0	0	0	0	0	0

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

YEMANE

– Suitable For General Utility Purposes Especially Light Construction and Structural Work


Figure 1: Texture of Yamane

Standard Name:

Yemane (Light Hardwood)

Family:

Verbenaceae

Botanical Name:

Gmelina arborea


Figure 2: Yamane tress

Distribution:

It is being planted throughout Malaysia. It grows well only on fresh, well-drained fertile soils.

General Description

The sapwood is whitish, sometimes with a greenish or yellowish tinge. Demarcation between the heartwood and sapwood is indistinct. The heartwood is light brown to yellowish-brown, sometimes with a pinkish tinge.


Figure 3: Yamane flowers

Texture

is moderately coarse but even.

Grain

is straight to moderately interlocked or wavy.

Growth rings

are generally not distinct.

Vessels

Vessels are diffused, solitary and in radial multiples of three to six, solitary and in radial multiples of two to four, occasionally with narrow vessels between the larger ones. Deposits are absent. Tyloses are abundant.

Wood parenchyma

is paratracheal, usually vasicentric and partly aliform, rarely confluent, and apotracheally diffused.

Rays

are moderately fine and visible to the naked eye.

Ripple marks

are absent.

Intercellular canals

are absent.

No.	Properties	Information
1	PHYSICAL PROPERTIES	Air-Dry Density : 408-500 kg/m³ Shrinkage Radial : 0.6% Tangential : 1.1% Seasoning : n.a Recommended Kiln Schedule : K
2	MECHANICAL PROPERTIES	Strength Group : SG 5 Static Bending MOE : 8,900 N/mm² MOR : 61 N/mm² Compression Strength Perpendicular to Grain : n.a Parallel to Grain : 33 N/mm² Shear Strength : 8-9 N/mm²
3	DURABILITY	Non-durable
4	TREATABILITY	Difficult
5	WORKING PROPERTIES	Planing : Easy Boring : Easy Turning : Easy Nailing : Excellent Gluing : Easy Finishing : Easy Finish : Smooth

Uses:

The wood has excellent woodworking properties and is suitable for general utility purposes, especially light construction and structural work, general carpentry, packaging, carvings, and utility furniture.

Reference

- http://uses.plantnet-project.org/en/Gmelina_(PROSEA_Timbers)
- http://panatrees.com/gmelina

Courtesy visit from YBrs. Dr. Ismail Hj. Parlan, Director General of Forest Research Institute Malaysia (FRIM) and Encik Wan Jusaini Rizal Wan Nasruddin, Chief Executive Officer of FRIM Incorporated Sdn. Bhd. to MTIB Headquarters, 1 December 2021

Courtesy visit from Committee Members of Persatuan Pemeringkat Kayu Malaysia (MTGA) to MTIB Headquarters, 2 December 2021

Courtesy visit from Committee Members of Persatuan Pengusaha Kayu-Kayan dan Perabot Bumiputra Malaysia (PEKA) to MTIB Headquarters, 2 December 2021

YBrs. Tuan Haji Mahpar Atan, Director General of MTIB was invited to attend the 22nd Convocation Ceremony of Politeknik Sultan Salahuddin Abdul Aziz Shah and presented certificates to the graduates at Session 6 in a series of graduation ceremonies, 8 December 2021.

Malaysian Timber Industry Board (MTIB) held a Disaster Relief Mission for MTIB employees affected by the floods on 24 December 2021