maskayu
MALAYSIAN TIMBER INDUSTRY BOARD
MTIB
VOL 1
JANUARY 2021

CONTINUATION OF FOREST PLANTATION DEVELOPMENT PROGRAMME (FPDP)

- WORKSHOP ON MTIB CORPORATE STRATEGIC PLAN (2021 - 2025)
- MARKET PROFILE : GHANA - EXPLORING THE FUTURE OF TIMBER RESOURCES
- HOK LAI TIMBER (M) SDN BHD

ISSN 0126-771X
9 770126 771009


3

9


21

CONTENTS

HIGHLIGHTS

REGULAR FEATURES

Cover : For more details, please read page 3

Chief Editor

Mohd Kheiruddin Mohd Rani
Director-General

Editorial Members

Haji Mahpar Atan
Hajah Robiyah Haji Husin
Haji Kamaruzaman Othman
Dr. Mohd Nor Zamri Mat Amin
Saiful Bahri Salleh
Farydatul Nazly Mohd Zin
Noorazimah Sarkom@Haji Othman
Hajah Roslina Idris
Mohd Nizam Hamid
Sunita Muhamad
Erien Noor Md Nasir
Shamsul Azman Abdul Aziz
Laily Japar @ Jaafar

Publisher

MALAYSIAN TIMBER INDUSTRY BOARD
Level 13 - 17, Menara PGRM, 8, Jalan Pudu Ulu
Cheras, 56100 Kuala Lumpur, Malaysia
Tel : 603-9282 2235
Fax : 603-9200 3769/9283 9792
E-mail : info@mtib.gov.my
Website : www.mtib.gov.my

QUALITY SYSTEM
SIRIM
UKAS QUALITY MANAGEMENT
074
CERTIFIED TO ISO 9001 : 2015
CERT. NO. QMS 01285

Read eMASKAYU at
www.mtib.gov.my

WORKSHOP ON MTIB CORPORATE STRATEGIC PLAN (2021-2025)

Corporate Strategic Planning is a company-wide approach at the business unit and corporate level for developing strategic plans to achieve a longer-term vision. The process includes defining corporate strategic goals and top-level intentions and cascading them through each level of the organization.

To ensure MTIB has a long term prospect in organizational sustainability, the Strategic Planning Division organised a corporate strategic plan workshop on 8 January 2021. The workshop focused on a five-year plan, from 2021 until 2025.

The workshop focused on the six pillars of MTIB which is Competent Human Resource Management (Pengurusan Sumber Yang Kompeten), Facilitation, Systems and Technology Enhancement (Pengukuhan Fasilitasi, Sistem dan Teknologi) Services Delivery Chain System Enhancement (Pengukuhan Sistem Rantaian Penyampaian Perkhidmatan), Primary Consultation and Reference Source for the National Timber Industry (Sumber Rujukan Utama dan Terunggul Industri Perkayuan Negara) and Strengthening Wood Industry Development (Pemerkasaan Pengembangan Industri Perkayuan). During the workshop, participants were separated into six groups; each group represented one pillar and discussed related issues and possible solutions, as guided by the consultant. The session was attended by 30 participants comprising representatives from various divisions at MTIB.

INDONESIA

FORESTRY EXPORTS EXCEED 2020 TARGET

The 2020 export target for forest and wood products has been exceeded despite the impact of the corona pandemic on production and trade. Early in 2020 the export target was lowered from USD 10 billion to USD 7 billion to take account of the anticipated disruption of businesses however, export earnings in 2020 topped USD 11 billion even exceeding the original target. Bambang Hendroyono, the Secretary General in the Ministry of Environment and Forestry, said the ministry is very proud of the performance of Indonesian forestry sector adding that 2020 forestry export earnings were only 5% below that of 2019. He added that government incentives and relaxation of regulations helped achieve this success.

foresthints.news, 7 Jan 2021

CHINA

ADJUSTED IMPORT TARIFFS

On 1 January 2021 China adjusted import tariffs on commodities including some of those in the most favored nation (MFN) category, conventional tariffs and provisional tariffs commodities. This was in response to the various trade deals agreed including the Free Trade Agreement between China and Mauritius.

Further tariff reductions will be made under the free trade agreements China has signed with countries including New Zealand, Peru, Costa Rica, Switzerland, Iceland, Pakistan, Chile, Australia, the Republic of Korea, Georgia as well as the Asia-Pacific trade agreement, the Regional Comprehensive Economic Partnership (RCEP).

Among the changes and in order to encourage domestic demand for imported materials the import duties on more than 100 wood products will be reduced. China will continue to apply preferential tariff rates to goods from the 43 of the least developed countries that have established diplomatic ties with China.

www.fordaq.com, 18 Jan 2021

INDIA

STRONG GDP GROWTH IN 2021 FORECAST

The National Statistical Office (NSO), on Thursday, announced its projections for India's GDP in 2020-21, pegging the Indian economy to contract by 7.7%, compared to a growth rate of 4.2% in 2019-2020. latest review, the Reserve Bank of India (RBI) has projected an economic contraction of 7.5%, an improvement on its earlier forecast of a 9% plus decline for fiscal 2020.

The services and agricultural sectors have been supporting recovery and this, along with a proposed increase in government expenditure targeting agriculture as a vehicle of growth, could lift growth prospects higher.

Analysts suggest the future of the Indian economy will also hinge on expanded private investment. Of greatest concern is the financial state of the millions of SMEs in the country as the temporary relief from the government is set to end in the months ahead.

www.timesnownews.com, 1 Jan 2021

PRODUCTION IN CONSTRUCTION UP BY 0.5% IN EURO AREA

In October 2020 compared with September 2020, seasonally adjusted production in the construction sector increased by 0.5% in the euro area and by 0.9% in the EU, according to first estimates from Eurostat, the statistical office of the European Union. In September 2020, production in construction fell by 2.7% in the euro area and by 2.5% in the EU. In October 2020 compared with October 2019, production in construction decreased by 1.4% in the euro area and by 1.2% in the EU.

Monthly comparison by construction sector and by Member State

In the euro area in October 2020, compared with September 2020, building construction increased by 1.1% while civil engineering decreased by 1.5%.

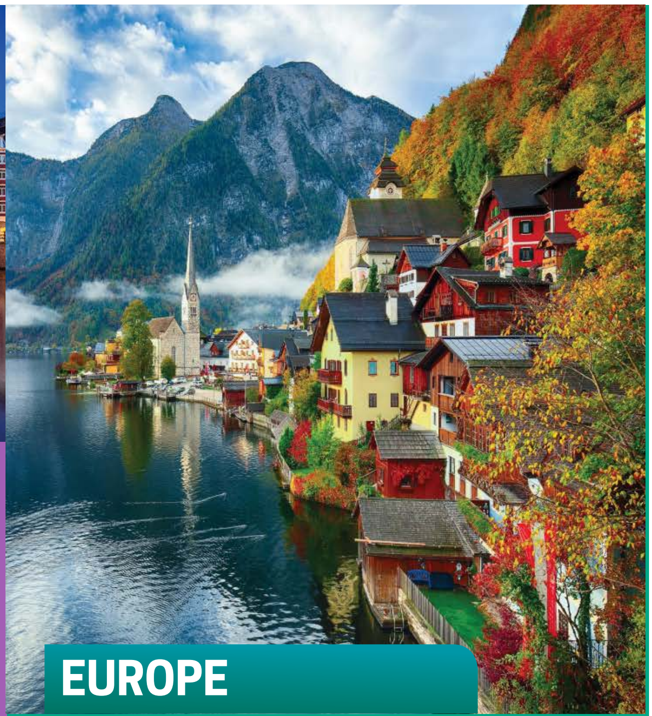
In the EU, building construction increased by 1.6% while civil engineering decreased by 1.3%. Among Member States for which data are available, the highest increases in production in construction were recorded in Poland (+1.8%), France (+1.7%) and Germany (+1.6%). The largest decreases were observed in Slovakia (-5.2%), Slovenia (-2.2%) and Czechia (-1.7%).

Annual comparison by construction sector and by Member State

In the euro area in October 2020, compared with October 2019, building construction decreased by 1.5% and civil engineering by 0.3%. In the EU civil engineering decreased by 1.3% and building construction by 0.9%.

Among Member States for which data are available, the largest decreases in production in construction were observed in Slovakia (-23.0%), Hungary (-16.2%) and Spain (-11.6%). Increases were recorded in Romania (+21.0%), Germany (+3.4%) and Netherlands (+0.4%).

www.fordaq.com, 11 Jan 2021



UPCOMING APPROVAL END DATE OF PROPICONAZOLE : A SAFE TRANSITION PERIOD IS NEEDED

Ahead of the upcoming approval expiry date (31st of March 2021) of propiconazole, a wood preservative used for timber doors and windows, CEI-Bois, EuroWindoor and Small Business Standards (SBS) published a position paper that defines its role as preservative for wood-based products, recognising the need to extend the transition period and expressing the wish to initiate partnerships to develop long term sustainable alternatives.

The availability of timber provided by the European forestry industry has turned wood into a popular primary material for many industrial sectors, among which the timber window and door industry plays a key role and follows strict processes to meet the properties demanded by construction standards.

In its recent Renovation Wave Strategy, the European Commission also recognised the important role of nature-based construction materials such as wood due to its double benefit of “stocking carbon emissions in buildings and avoiding emissions that would have been needed to produce conventional construction materials”.

To increase the use of wood in construction products and more specifically in windows and doors, the humid European climate makes it necessary to treat the timber sash and frame against fungal attack (see position paper annex, page 7) to ensure a long service life of the products. This is often a

www.timesnownews.com, 1 Jan 2021

regulatory requirement as contained in several European standards such as EN 599-1 and EN 335, both setting treatment requirements to ensure the durability of wood and wood-based products.

Timber window and door manufacturers use the approved active substance propiconazole in combination with one or two other active substances (tebuconazole and/or Iodopropynyl Butyl Carbamate (IPBC) when impregnating timber. The combination is essential to keep the total amount of active substances at a minimum, limit the concentration of impregnation product and at the same time ensure a long service life for the windows and doors. Currently, there are no identified alternatives that can be used directly by manufacturers of wooden products, leaving the industry without any solution to secure the long lifespan of the products in case of a non-renewal. In this regard, several studies are being conducted at the moment with the aim of screening all suitable technologies (with and without propiconazole), and findings should be communicated in early 2021.

In the meantime, it must be avoided that users of wood materials are excluded from the market.

Solutions need to be found to ensure that the properties of wood products will not deteriorate due to insufficient protective measures. Maintaining and expanding the use of the sustainable native material wood in the construction sector is an important contribution to achieve the goals defined by the EU within the framework of the EU Green Deal (2019) and Bio-economy Strategy (2018) which aim for climate neutrality, value creation and resource efficiency. For users of these wood preservatives, the priority is on the development of practical solutions that would ensure the use of wood as a sustainable material and not in defending a specific chemical substance.

Therefore, CEI-Bois, EuroWindoor and SBS support the following temporary decisions to maintain the relevancy of the timber window and door industry:

- Postpone the expiry date of approval of the propiconazole active substance for use in biocidal products in wood preservatives (Product Type 8) due to the delay of the impact assessment study.
- Renew the approval of propiconazole until an equivalent substitute is available, tested and assessed for use in timber windows and doors.

In the long term, CEI-Bois, EuroWindoor and SBS call for a public-private partnership on wood preservatives to be initiated by the European Commission without delay, where public authorities and the industry can agree on sustainable alternatives to biocidal products containing the active substances propiconazole, tebuconazole and IPBC.

www.fordaq.com, 11 Jan 2021

GERMANY

FOREST DAMAGE COMPENSATION ACT HAS NEGATIVE EFFECTS ON THE ENTIRE TIMBER INDUSTRY

The measures to restrict logging provided by the Forest Damage Compensation Act threaten the supply of raw materials to the German wood industry.

An internal survey by the German Saw and Wood Industry Association (DeSH) among companies from the sawing and wood industry, the paper and pulp industry and wood packaging manufacturers makes the dangers clear: More than three quarters of the companies surveyed expect significant negative effects from the reduced fresh wood harvest to their business.

Based on a reference period of 2013-2017 and the significantly increased processing capacities of the German wood industry in the last three years, raw material restrictions will have very different effects from region to region and will lead to supply deficits.

Small and medium-sized companies that do not have rail or waterway connections would be particularly affected. In view of the limited capacities in timber transport and logistics, more than 70% of those surveyed expect supply bottlenecks and production losses. Almost two thirds of the companies are also dependent on a high supply of fresh wood for the manufacture of their products. Restricting raw materials would quickly lead to production stoppages and thus financial damage.

www.fordaq.com, 15 Jan 2021

"These results must be taken seriously and acted accordingly. Here the economic power of an entire industry with more than a million employees is weakened and with it the forest conversion and the climate protection contribution provided by the forest and wood", emphasizes DeSH managing director Lars Schmidt.

As early as November, several timber industry associations drew attention to the threatened consequences of reduced logging and, in return for strengthening the cluster, proposed measures for wood storage and transport logistics in addition to financial support.

"The German timber industry has proven to be an anchor of stability during the Corona crisis. Now this success threatens to be thwarted by the weakening of competitiveness. We therefore appeal to the political decision-makers to choose measures for financial support for forest owners that do not have negative economic consequences for the entire industry or climate protection through the use of wood in Germany", argues Schmidt.

www.fordaq.com, 15 Jan 2021

CANADIAN GOVERNMENT TO PLANT TWO BILLION TREES

Canada's Minister of Natural Resources, Seamus O'Regan, has unveiled the federal government's plan to launch its two billion tree initiative in 2021.

The Government of Canada's plans to plant two billion trees over 10 years, with an investment of CAD 3.16 billion. Meeting this commitment will help Canada address climate change by reducing carbon pollution and is a key part of Canada's efforts to achieve net-zero greenhouse gas emissions by 2050.

The government statement says there is no path to net-zero emissions that does not involve our forests. Planting trees is a natural climate solution that reduces emissions while providing other benefits such as improved air and water quality, particularly in urban settings, decreased risk of wildland fire to rural communities and support for biodiversity. It also provides spaces for recreational opportunities that improve quality of life and form part of Canada's identity.

"Planting two billion trees is more than a plan for climate action. It's a plan for creating thousands of good, green jobs. We're confronting the urgency of climate change and getting trees in the ground starting this spring," Seamus O'Regan said.

www.fordaq.com, 6 Jan 2021

TROPICAL HARDWOOD IMPORTS HELD STEADY IN OCTOBER

Imports of sawn tropical hardwood rose only 2% in October as imports for 2020 continue to lag far below those of 2019. The 13,491 cubic metres imported was more than 38% below the volume imported in October of last year. Year-to-October imports remained down 36% from 2019.

Imports from Ecuador and Malaysia each rose by 39% in October, yet they remained the two countries whose exports to the US are down the most for the year.

Year-to-October imports from Ecuador were down 68% while imports from Malaysia were off by 44%.

Balsa import volumes rose in October by 29% but were still only about one-third of what they were for October of last year. Balsa imports were down 67% year-to-October. Similarly, imports of Keruing, while rising 39% in October, were down 49% year-to-October. Canadian imports of tropical hardwood rose 7% in October but were down 16% year-to-October.

Plywood imports continue to rise

Imports of hardwood plywood rose by 17% in volume in October, the strongest month of 2020 at 254,178 cubic metres. Imports from China rose 76% to the highest level since January and for the first mont this year outpaced volume from a year ago.

Year-to-October imports from China were down 43%. Imports from Indonesia also surged in October and were now up 32% for the year to October. Total US hardwood plywood imports remained up 3% year-to-October.

Veneer imports still weak despite rebound

While US imports of tropical hardwood veneer grew by 15% in October, imports for the month were less than half of the previous October. Year-to-October imports were down 31%. Imports from Italy and India recovered somewhat from September's poor numbers but imports from Cote d'Ivoire and Ghana both fell by about half.

Imports from nearly all major trading partners were down by more than one-third year-to-October. However, imports from Cameroon had more than doubled by October.

www.fordaq.com, 14 Jan 2021

CAMEROON

LEGAL ORIGIN OF WOOD TO BE PROVEN IN PUBLIC PROCUREMENT PROCEDURES

On December 15, 2020, Jules Doret Ndongo (Minister of Forestry), Emmanuel Nganou Djoumessi (Minister of Public Works), and Ibrahim Talba Malla (Minister in charge of Public Contracts) signed a joint order setting the terms for the use of legal timber in public procurement in Cameroon.

"The use of legal timber should be checked before the public procurement files are constituted. The legality of the timber is a major criterion for rating the public procurement orders involving the use of timber and derived products. When the public contract in question involves the use of timber or derived products, the contracting authority must ensure that a representative of the Ministry in charge of forests is present among the members of the reviewing sub-committee," the interministerial decree informs.

Henceforth, economic operators engaged in building construction or public procurement procedures in connection with wood by-products will have to prove the legal origin of the wood used. The Ministry of Forests should ensure the availability of wood of legal origin and compliance with this provision when receiving the infrastructures or equipment the contract is issued for. The Ministry of Public Procurement is called upon to include this provision in tender documents and the Ministry of Public Works (as the State Engineer and Building Authority) will oversee the implementation of this measure.

At the end of the awarding process, the reception, the monitoring, and technical acceptance commissions (responsible for checking the use of legal timber after the process) will ensure the effective use of legal timber in the public procurement order as provided for in the contractual clauses.

"This economic text is a major step in the implementation of the Voluntary Partnership Agreement for the Legal Timber Trade (VPA-Flegt) in the country. The objective is to limit the impact of informal activities on the economic performance of the forestry sector. The State's objective is also to limit the import of timber products. This will boost the further processing industry that has, for over a decade now, been the weaker point of public policy," commented the communication unit of the ministry of forests.

Meanwhile, according to the Food and Agriculture Organization of the United Nations (FAO) through its FAO-EU Flegt program, access to legal timber remains a major constraint for the development of SMEs in the timber processing sub-sector in Cameroon.

"The proportion of sawn timber coming from legal sources and supplying the domestic market is estimated at only 27% of the total volume of timber in circulation in markets of the country's main cities. The remaining 73%, therefore, represents the volume of illegal wood supplied to the domestic market and its operators," FAO revealed in a note published in September 2020.

www.businessincameroon.com, 19 January 2021

GABON

OKOUME LOG PRICES RISING

Heavy rain and thunder storms continue to disrupt forest operations and transportation in Gabon. There are reports that mills in the GSEZ are running low on okoume logs and that delivered prices are rising.

The news from Moyen Ogooué Province is that the network involved in the disappearance of seized logs has been dismantled and arrests have been made and senior government officials have been questioned by the police.

It appears that the logs have not yet been traced but the police are trying to locate a Chinese buyer in connection with the disappearance of the 4,000 cubic metres of logs.

www.businessincameroon.com, 19 January 2021

Crown Furniture
Trading Sdn. Bhd.

Affordable luxury at its best, crownlivin® brings you collections of modular furniture that can be rearranged, reconfigured, and redesigned to reflect your personality with a zest of trend.

By infusing precise craftsmanship, a familiarity of materials, and a deep understanding of space management and aesthetic design, our contemporary and modern classic products are fashioned to transform your living space into a statement-making haven.

With our functional and decorative products that are flexible in terms of design, we don't just make use of space;we reinvent it.

crownlivin™

Our Vision

Malaysia's Leading Home Furniture Supplier

Our Mission

To create a comfortable lifestyle

To innovate flexible furnishing solutions

To nurture young entrepreneurs

Our Holding company

Having been in the furnishing industry since 1991, Crown Venture Holdings Sdn Bhd – our parent holding company – started with building modest television cabinets under the leadership and experienced carpentry skills of our founder, Mr. Ong Fok Tick.

As time moved forward and the needs of our clientele changed, so did our line of home furnishings. Now, we have evolved into a world-class modular furniture manufacturer, supplier, and retailer with a wide global reach – known for our flexibility in design.

We have grown to charter new territories and have gained a reputable industry recognition through our inventive approach in modular furniture design – with superior quality and enduring value.

Today, we stand at the forefront of creating functional and decorative modular furniture that is easy to assemble, customize, reconfigure, and move or stack – to adapt to the ever-changing market needs and wants.

Our furniture and living concepts are distinguished by the fluidity of form and function, and the lure of lifestyle inspirations.

Crown Furniture Trading Sdn. Bhd. | Crown Furniture Manufacture Sdn. Bhd.

Our Headquarters

Established in 1991, Crown Furniture Trading is growing extensively as a home furnishing innovator aimed at providing customers with affordable, comfortable and personalized living. With the number of employees rapidly increasing - currently at 110, our market share has extended drastically through various sales channels which include retail, wholesale, one-stop home designs, exports and e-commerce.

Our fast growing business is driven by our three unique selling propositions which consist of space planning, theme-based furniture design and mix & match concepts that satisfy different customer needs. With work passion as one of our company's core values, our design team provides professional home space advice and consultation to customers at zero cost. The other two special propositions, theme-based furniture and the mix and match concept, not only help to create customer value but at the same time provide us with a competitive advantage to be a home furniture leader in the market.

To achieve our vision as an international leading home furniture supplier, we will continue to invest in learning and development which will enable us to acquire necessary knowledge and technology that create special living comforts to people.

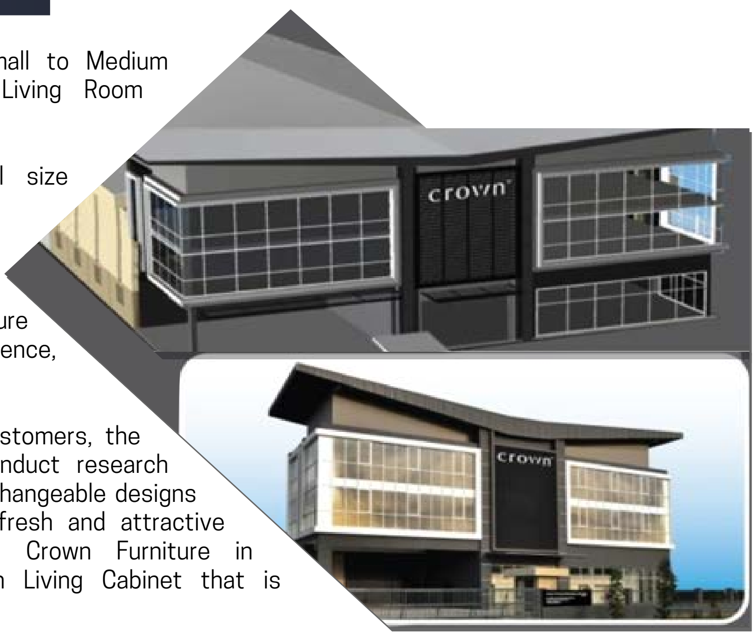
Our Factory

Crown Furniture Manufacture Sdn Bhd is a Small to Medium Enterprise that specializes in manufacturing Living Room Furniture under its brand name CROWN.

Factory is located at Jeram, Selangor (total size area: 99,000 sq ft, production area : 50,000 sq ft).

We established this company in 1991 with factories and high technology machineries. With almost three decades of experience in the industry, Crown Furniture clearly showcases its extensive skills and experience, prioritizing quality and excellent designs.

To provide a variety of choices of design to customers, the company has a strong R&D department to conduct research and develop new designs every year. We believe changeable designs and improvement in quality levels can provide fresh and attractive looks for customers and consequently lead Crown Furniture in stepping forward to become a professional in Living Cabinet that is highly recognised globally.



2019 "Full Range Residency Cabinet"

Value Stream Mapping

- Products Picture

2020 "New Business Model"

"I want my home to be that beautiful, but I don't know how.."

"Oh my god! This is so much over my budget!"

"It's so stressful to keep track of everything! So many people to liaise with!"

"I've spent so much but I only get low quality products.. This is not what I wanted.."

Solution 360

The one-stop solution for all your home needs Furniture & furnishing solution with interior design

Mix & Match Concept

Customer satisfaction is our priority. With a spectrum of beautiful designs, materials and colours, our furniture can be customized exactly to your needs and taste.

Furnishing

We offer interior furnishing advice to achieve a coordinated style. So you can be sure that the design theme is coherent throughout your home.

3D Platform

With our 3D space planner, we can help you to visualize different solutions as close as possible to reality. See what your newly designed home would actually look like before you get all the hard work started, so you can save time and money.

5 Themes

No idea how to design your home?

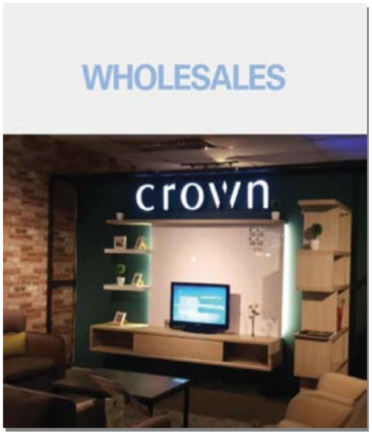
Just let us know your preferred style, and leave the headache to us. We are here to listen to your needs, and guide you every step of the way; from design planning to completion. Just pick a theme and we'll do the rest:

- Scandinavian
- Modern Oriental
- Industrial
- Fun Colour
- Tropical

Market Segment
- Business To Customer (B2C)

Participated in a variety of local & outstation furniture fair throughout the year, including:

Market Segment
- Business To Business (B2B)



Sponsor Comments

- Throughout the whole process of Lean Management implementation, my team strongly felt that Lean Management is truly a way of managing a company that ensures continuous improvement by making small changes and bringing great value to us and our customers.

- Changes help us to improve in terms of quality and efficiency.

- Other than that, we also found that this process created lots of team activities in order to complete each individual task and indirectly, it improved our team spirit and company culture, teaching us to work well together.

- Last but not least, I would like to take this opportunity to thank MTIB for the sponsorship which gave us a chance to improve in many ways throughout the programme, with En. Muhar providing professional support.

Export Global Market Over Decades.

Crown Furniture Trading Sdn Bhd won second place during MTIB's Lean Creanova Programme. This article write-up of the company is part of its prize package.

UNITED STATES

Port of Houston posts record box traffic in Nov, second month in a row

THE Port Houston has set a new record for November container throughput handling 262,930 TEU, a seven per cent increase compared to November 2019, when 245,738 TEU were handled, marking the second record-breaking month in a row for containers and helping pave the way for a strong finish for the year. "Our fourth quarter is shaping up to be the best in our history, "executive director Roger Guenther said. "The past 11 months we have handled 2.72 million TEU, which puts us virtually flat compared to our 2019 record year.

"Importers are taking advantage of Houston's consistent and solid vessel productivity and quick truck turn times through our gates at Bayport and Barbours Cut. Houston is not only the 'International Port of Texas', supporting the nation's number one export state, we're also well positioned to handle the huge pipeline of imports and exports across mid America. We're making history in Houston."

Breakbulk volume at Port Houston is down about 40 per cent compared to last year, with steel, automobiles, and general cargo all down at the public facilities Port Houston manages, primarily attributed to the downturn in energy production. Movements of grain and bulk cargo are up, however.

Port Houston is the sixth largest container port in the United States and is the dominant container port on the US Gulf Coast, handling more than two-thirds of all the containers in the gulf. Port Houston's terminals and the nearly 200 private terminals along the Houston Ship Channel were recently ranked number one for waterborne tonnage, reports AJOT.

Source: Asian Shipper

FMC to launch investigation into carriers' role in congestion

THE US Federal Maritime Commission (FMC), announced an investigation into carriers' role in congestion at the ports of Los Angeles, Long Beach, New York, and New Jersey.

Commissioners Carl Bentzel and Daniel Maffei expressed their concern with reports that carriers were refusing to receive export bookings, and that high import demand was causing operational challenges. "We want to stress the point that in responding to import cargo challenges, ocean carriers should not lose sight of their common carriage obligations to provide service to US exporters," said the commissioners.

"As our ports experience unprecedented cargo surges, it i imperative that we strive for a balanced trade to keep our supply chain fully effective and efficient while maintaining vital export opportunities for the US agriculture and manufacturing bases, " said the commissioners.

Some carriers are refusing export bookings so they can shi empty containers back to Asia faster to be refilled with higher-paying US imports from Asia. "The fundamental driver here is the enormous, record-breaking consumer demand in the US [and in other developed economies], which has to be satisfied. So, the equipment crunch is a symptom, not a cause," said World Shipping Council (WSC) CEO John Butler.

The Shipping Act of 1984 forbid carriers from unreasonably refusing to deal or negotiate, and that two or more carriers can't agree to boycott a shipper.

"Although we are very concerned about reports of refus als to provide service to our export community, we would be remis in not acknowledging the extraordinary challenges caused to the supply chain because of Covid-19," said the commissioners.

Source: Asian Shipper

Extra-loader vessels overwhelm Ports of Los Angeles and Long Beach

THE Ports of Los Angeles and Long Beach have suffered work slowdowns due to labour shortages during the holidays, reports IHS Media.

"I expect the next two weeks are not going to be pretty," said SSA Terminals president Ed DeNike. Previously, bottlenecks at the hundreds of distribution warehouses in Southern California were the cause of supply chain congestion, while vessel bunching is the trouble now.

"I don't see the bottleneck being the warehouses. The holiday merchandise is gone, over-the-road truck capacity to the US interior is much improved, and inter modal rail capacity is not as constrained as it was several weeks ago," said a logistics provider.

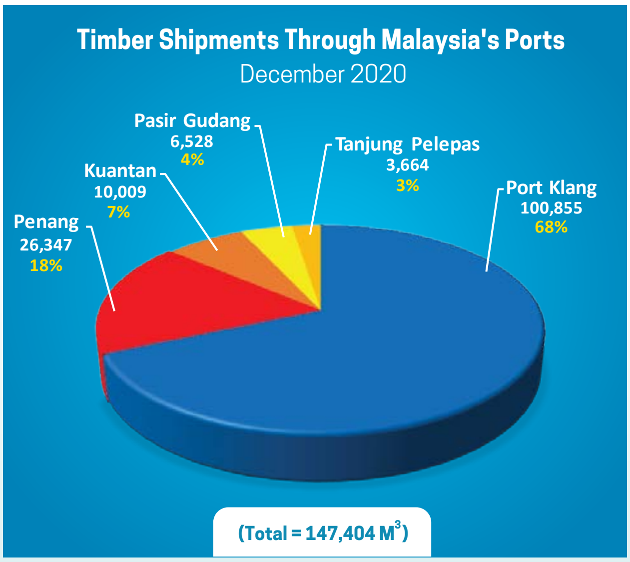
The ports continue to be overwhelmed by 26 scheduled weekly liner services from Asia and several extra-loader vessels. There will also be 31 calls in December, while additional extra-loader ships are expected to be announced in January.

Tioga Group consulting firm principal Dan Smith declared that with holiday merchandise having already been delivered to stores and consumers' homes, retailers are in a frenzy to restock their inventories for spring 2021.

Yusen Terminals CEO Alan McCorkle stated the next few weeks will be difficult for the company as they'll have fewer longshoremen available to dispatch from the hiring halls.

Meanwhile, the Ports of Los Angeles and Long Beach handled 800,000 TEU of US imports from Asia every month from July through November, as laden volumes from Asia jumped 20 per cent during the period.

Source: Asian Shipper



KOREA

Hapag-Lloyd Places $1 Billion Order for Ultra Large Ships with DSME

Hapag-Lloyd confirmed that it has signed an order with the Korean shipyard Daewoo Shipbuilding & Marine Engineering (DSME) for what could become the world's largest ultra large containerships. The order is valued at approximately $1 billion. The line confirmed that it ordered six ultra large container vessels each with a carrying capacity of more than 23,500 TEU. The contract calls for delivery to Hapag between April and December 2023.

"With the investment in six ultra large container vessels we will not only be able to reduce slot costs and improve our competitiveness on the Europe – Far East trade, but also take a significant step forward in modernizing our fleet. Additionally, we will further reduce our environmental impact," said Rolf Habben Jansen, CEO of Hapag-Lloyd in announcing the order. The vessels will be LNG dual-fuel ships with MAN believed to have been selected to provide the engines. Hapag said that the vessels will be fitted with a state-of-the-art High Pressure dual-fuel engine, which will be extremely fuel efficient. The engine will operate on LNG but has alternatively sufficient tank capacity to operate on conventional fuel.

The new ships also represent a substantial step-up for Hapag from the company's current largest vessels. The A 18 Class, owned by United Arab Shipping, and operated by Hapag has a capacity o just under 19,000 TEU. Built in 2015, that class of ship each measure 1,312 feet in length and 199,700 DWT.

By comparison, HMM took delivery on the HMM Algeciras in April 2020, which currently is considered the world's largest container ship with a nominal capacity of nearly 24,000 TEU. In May, when the HMM Algeciras departed Yantian she set a new record with 19,621 TEU of cargo on board, but that was topped in October 2020 by CMA CGM's new vessel the CMA CGM Jacques Saade. On her maiden voyage, she reportedly departed carrying 20,723 TEU worth of cargo - about 10 percent below her nominal maximum capacity of 23,112 TEU.

Hapag said that it plans to deploy its new class of ships on th Europe – Far East routes as part of THE Alliance. The company believes that they will increase its competitiveness in this trade. Currently, Hapag-Lloyd operates a worldwide fleet of 234 container ships with a total capacity of 1.7 million TEU.

Source: Port News

CHINA

A-E up 21.5pc to US$3,797/TEU, USWC up 25.1pc to $4,080/FEU

SPOT rates for shipping containers from Asia to northern Europe in the week ending Friday increased 21.5 per cent to US$2,984 per TEU.

Asia-Mediterranean rates increased 15 per cent to $3,709 per TEU, according to the Shanghai Constrained Freight Index (SCFI)

Rates from Shanghai to US west coast were down 25.1 per cent to $4,080 per FEU. China-US east coast increased 0.04 per cent $4,876 per FEU.

Source: Asian Shipper

Ningboa joins Singapore, Shanghai as a 28-million TEU port

THE Port of Ningbo Zhoushan saw its annual container throughput surpass 28 million TEU for the first time, reports Xinhua. That makes the port one of just three in the world to have exceeded an annual container throughput of 28 million TEU. Only Singapore and Shanghai have accomplished this, according to Ningbo Zhoushan Port Company Limited.

By the end of November, the Port of Ningbo Zhoushan had a total of 257 ship routes, hitting a record high. The sea-rail transport service links the port by railway with parts of China and other countries. The port currently has 17 railway routes linking cities in 15 provincial-level regions across China.

Zhejiang's foreign trade grew rapidly this year, which partly contributed to the increase in the port's container throughput, said He Jie from Ningbo Zhoushan Port Company Limited. In the first 11 months of this year, Zhejiang's imports and exports rose 10.3 per cent year on year to CNY3.06 trillion (US$467 billion), customs data shows.

The Port of Ningbo Zhoushan saw cargo throughput exceed 1.1 billion tonnes in 2019, ranking first in the world for 11 consecutive years, according to official statistics.

Source: Asian Shipper

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, DECEMBER 2020

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% change Nov / Dec
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	57,979	-4	9,540	272	1,637	29	504	113	4,793	-32	74,452	4
MDF	12,668	-100	0	0	2,851	128	1,270	8	2,873	-27	19,662	-100
Mouldings	11,247	21	120	138	1,542	-4	1,266	56	892	2	15,066	20
Plywood	3,580	-20	120	-28	11	100	523	-16	7,048	-31	11,282	-27
Veneer	495	33	0	100	0	-100	102	218	3,792	-4	4,390	1
Particleboard	14,886	-16	230	76	487	2	0	0	6,948	11	22,551	-8
TOTAL	**100,855**	**-98**	**10,009**	**242**	**6,528**	**42**	**3,664**	**27**	**26,347**	**-19**	**147,404**	**-97**

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, NOVEMBER 2020

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% change Nov / Dec
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	60,229	2	2,562	-73	1,272	31	237	-30	7,078	-4	71,379	-7
MDF	4,298,953	1,827	0	-100	1,252	-67	1,176	-99	3,933	9	4,305,314	902
Mouldings	9257	-16	50	-7	1,542	12	814	36	877	7	12,606	-9
Plywood	4448	0	167	4	0	0	624	97	10,285	-19	15,523	-12
Veneer	373	-29	14	100	1	100	32	-56	3,943	94	4,362	66
Particleboard	17,736	-13	131	-64	478	11	0	-100	6,264	-10	24,609	-12
TOTAL	**4,390,996**	**1,289**	**2,923**	**-71**	**4,610**	**-30**	**2,882**	**-99**	**32,380**	**-4**	**4,433,792**	**682**

Note : Indicates % change over the previous month

Source : MTIB

DECEMBER 2020

Export of Malaysian timber and timber products in December 2020 improved by 12% valued at RM2.2 billion from RM2.0 billion in the previous month. However cumulative export for the period of January to December 2020 decreased 2% worth RM22.0 billion over RM22.5 billion in the previous corresponding period.

SAWNTIMBER

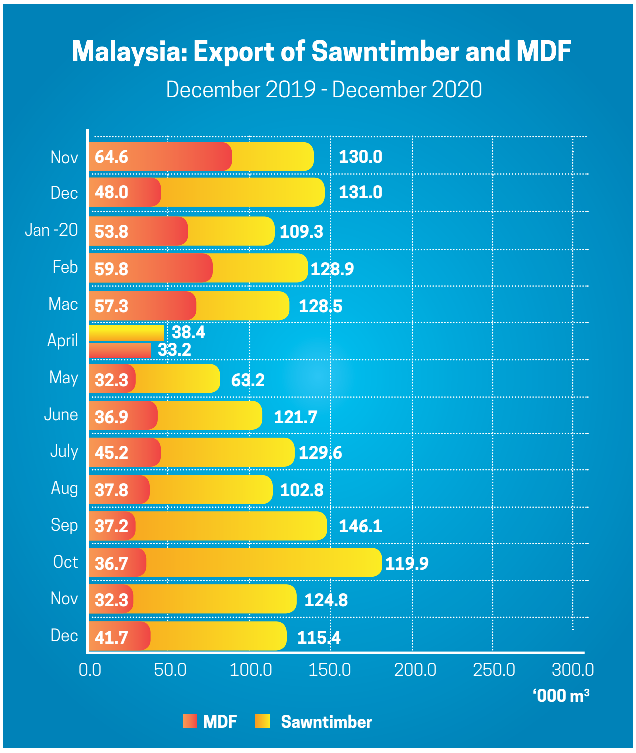
Cumulative exports for the period of January to December 2020 both decreased by 27% in volume and 29% in value to 1,323,501 m³ totalling RM2.4 billion over the previous corresponding period.

Exports of sawntimber to the EU for the month decreased by 29% to 3,295 m³ over the previous month as a result of lower demand from major countries in the region. The Netherlands as the main buyer decreased 14% to 2,091 m³ from 2,426 m³ in the previous month. Exports to Germany also decreased by 81% to 190 m³ from 989 m³ recorded in the previous month followed by France decreased 7% to 428 m³. Similarly, export to Greece and Belgium also decreased by 25% and 42% to 37 m³ and 374 m³ respectively from 49 m³ and 647 m³ recorded in the previous month. Meanwhile in other European countries, exports to the UK also decreased by 83% to 187 m³ from 1,100 m³ in the previous month.

Total export to West Asia increased by 11% to 23,217 m³ from 20,941 m³ recorded in the previous month. Yemen as the main buyer from West Asia increased by 21% to 9,027 m³ from 7,456 m³ recorded last month. Similarly, exports to Saudi Arabia increased significantly to 2,391 m³ from only 558 m³ recorded in the previous month followed with Oman and Bahrain by 30% and 10% higher to 2,856 m³ and 994 m³. Exports to Iraq also increased by 11% to 2,727 m³ from 2,457 m³ recorded in the last month. However, exports to the UAE and Qatar decreased by 23% and 9% to 4,078 m³ and 1,144 m³ respectively from 5,308 m³ and 1,259 m³ recorded in the previous month.

Elsewhere, buying from ASEAN decreased by 15% to 33,647 m³ from 39,485 m³ as registered in the previous month. Thailand as the main buyer in ASEAN decrease its intake by 31% to 13,853 m³ from 20,122 m³ as recorded in the previous month. Similarly, exports to the Philippines decreased slightly to 11,711 m³ from 11,878 m³ as recorded in the previous month followed by Viet Nam 0.2% to 1,630 m³ meanwhile intake by Indonesia increased by 71% to 303 m³. However, exports of sawntimber to Singapore increased by 8% to 6,150 m³ from 5,675 m³ last month.

Similarly, shipments to East Asia also decreased by 19% to 27,121 m³ from 33,633 m³ in November. China as the main buyer decrease their purchases to



15,915 m³ from 18,058 m³ in the previous month. Similarly, Taiwan decreased by 49% to 4,687 m³ from 9,126 m³ in the previous month followed by South Korea 22% to 2,086 m³ respectively. However, exports to Japan and Hong Kong increased by 17% and 34% to 4,195 m³ and 238 m³ respectively from 3,598 m³ and 178 m³ as recorded last month.

Elsewhere, exports to the USA and Australia increased 55% and 19% to 902 m³ and 578 m³ compared from the previous month. However, demand from South Africa decreased by 30% to 1,724 m³ from 2,460 m³ recorded in the previous month.

The average FOB price of sawntimber increased slightly to 1,752 per m³ from 1,748 per m³ in the previous month. Meanwhile, price of Dark Red Meranti to the Netherlands also increased slightly to 3,282 per m³ from 3,252 per m³ previously. Keruing was traded at 1,831 per m³, decreased slightly from 1,824 per m³ in the previous month.

PLYWOOD

Export of plywood in December 2020 both increased in volume and value by 12% and 13% to 133,752 m³ totalled RM244.5 million compared to the previous month. However, cumulative export for January-December 2020 based on year-on-year showed a decrease in volume by 12% to 1,517,543 m³ and in value by 17% worth RM2.8 billion over the previous corresponding period.

Export of plywood to the EU decreased by 42% to 514 m³ for the month from 884 m³ in the previous month. Ireland reduced its intake by 32% to 433 m³ while Italy increased its buying by 65% to 38 m³. elgium, Denmark, France, Germany and the Netherlands didn't make any purchases for the month. Apart from EU countries, export to UK also decreased by 66% to 1,885 m³ for the month.

Moving to ASEAN and East Asia region, the region recorded an increase of 23% to 105,219 m³ compared to 85,269 m³ in the previous month. Japan as the main importer of Malaysian plywood increased its intake by 17% to 76,926 m³ followed by South Korea 64% to 11,004 m³, Taiwan 53% to 7,319 m³ and China 18% to 1,436 m³ . However, export to Hong Kong decreased by 26% to 711 m³ . Meanwhile, Malaysia's plywood trade with its ASEAN partners showed positive growth for the month. The major buyer in ASEAN region, Thailand increased its intake by 12% to 3,359 m³ , followed by Singapore 62% to 1,971 m³ and Brunei Darussalam 8% to 987 m³ . Similarly, the Philippines and Indonesia also resumed its buying by 84% to 859 m³ and 100% to 148 m³ .

Export to West Asian region recorded a decrease of 35% to 6,592 m³ from 10,100 m³ in the previous month. Yemen reduced its intake by 43% to 3,591 m³, followed by UAE 6% to 1,139 m³, Kuwait 40% to 325 m³ and Qatar 86% to 41 m³. Meanwhile, Saudi Arabia increased its intake by 83% to 858 m³ and Bahrain does not make any purchase for the month.

Meanwhile, export to the African region recorded an increase of intake by 57% to 902 m³ over 576 m³ in the previous month. Morocco increased its intake by 174% to 859 m³, while South Africa, Mauritius and Sierra Leone didn't make any purchases for the month. Our main buyer in the Americas region, the USA increased its intake of plywood by 1% to 9,935 m³ from 9,813 m³ last month. Export to Mexico increased by 164% to 4,296 m³, but export to Canada decreased by 89% to 88 m³. Moving to Oceania region, exports to Australia and New Zealand decreased by 21% to 2,659 m³ and 51% to 21 m³ respectively.

The FOB price of plywood has increased by 1% to RM1,828 per m³ from RM1,818 per m³ in the previous month.

VENEER

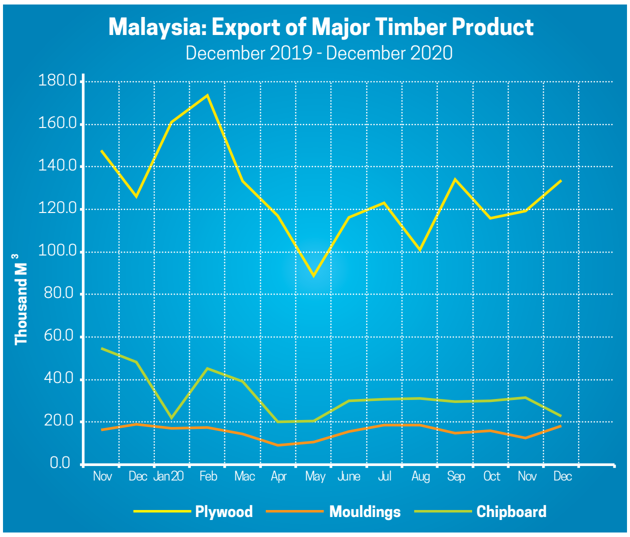
Export of veneer for December 2020 improved both in volume by 7% to 6,072 m³ and 19% in value worth RM9.6 million as compared to the previous month. However, cumulative export for January-December based on year-on-year showed a decrease in volume by 47% to 59,838 m³ and in value by 45% worth RM94.1 million over the previous corresponding period.

Export to China increased by 4% to 1,773 m³, followed by South Korea 204% to 1,355 m³, the Philippines 22% to 584 m³ and India 19% to 541 m³. Australia, Canada and USA resumed its buying to 92 m³, 56 m³ and 44 m3 respectively. However, export to Taiwan reduced by 27% to 1,327 m³. Singapore, Italy and Viet Nam didn't make any purchases for the month.

The FOB price of veneer for December 2020 is at RM1,578 per m³, an increase of 11% from RM1,419 per m³ on the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in December 2020 increased both in volume and value by 29% and 20% to 41,669 m³ worth RM62.2 million compared to the previous month. However, cumulative export for January-December 2020 based on year-on-year recorded a decrease in volume by 38% to 509,263 m³ and in value by 32% worth RM726.9 million over the previous corresponding period.



In ASEAN, total export increased by 27% to 6,799 m³ from 5,369 m³ in the previous month. Export to Indonesia increased by 15% to 3,165 m³, followed by the Philippines 121% to 2,429 m³ and Singapore 74% to 144 m³. However, Viet Nam reduced by 28% to 800 m³ for the month. Moving to East Asia region, export to the region increased by 21% to 17,231 m³. Japan as the major importer of MDF increased its intake by 21% to 15,444 m³, followed by China including Hong Kong by 240% to 757 m³ and South Korea 195% to 192 m³. However, export to Taiwan decreased by 26% to 838 m³ for the month.

Shifting to South Asian region, export to the region reduced by 33% to 5,169 m³ for the month. Export to Pakistan decreased by 2% to 2,268 m³ . However, exports to Bangladesh and India increased its buying by 22% to 678 m³ and 1% to 2,223 m³ respectively. Sri Lanka does not make any purchase for the month.

Meanwhile, export to West Asian region recorded a significant increase by 107% to 5,220 m³ from 2,523 m³ in the previous month. Oman and UAE recorded an increase of export by 857% to 2,248 m³ and by 12% to 1,484 m³ respectively. Meanwhile, Bahrain, Saudi Arabia and Qatar resumed its intake by 43 m³, 370 m³ and 385 m³. However, export to Jordan reduced by 13% to 570 m³. Iran, Kuwait, Lebanon and Syria didn't make any purchases for the month.

Elsewhere, exports to the USA and Australia increased by 232% to 1,798 m³ and 487% to 452 m³ respectively. Similarly, exports to South Africa dan Sudan increased significantly to 1,147 m³ and 1,792 m³ respectively. However, export to UK reduced by 31% to 147 m³ for the month.

The FOB price of MDF reduced by 7% to RM1,494 per m³ from RM1,601 per m³ from the previous month.

MOULDINGS

Exports of mouldings for the month increased by 43% in volume and 38% in value to 18,105 m³ worth at RM68.3 million. However, cumulative exports for the period of January to December 2020 both decreased by 21% in volume and value to 182,609 m³ worth at RM687.9 million as compared to the previous corresponding period in 2019.

Exports to the EU for the month recorded at 6,416 m³, increased 35% compared to the previous month. Belgium, the Netherlands and Germany increased their purchases by 244%, 30% and 16% to 663 m³, 4,207 m³ nd 754 m³. However, Italy and the UK did not make any purchases for the month.

Exports to ASEAN region increased as Viet Nam and Singapore increased their purchases by 173% and 2% to 434 m³ and 739 m³. Meanwhile, Indonesia did not make any purchases.

Likewise, South Korea and Japan increased their intakes 105% and 23% to 1,374 m³ and 1,443 m³ compared to the previous month. However, China Taiwan and Hong Kong decreased its intakes by 37%, 35% and 8% to 98 m³, 45 m³ and 194 m³ respectively.

Elsewhere, exports to Canada and the US increased by 161% and 138% to 230 m³ and 3,994 m³ respectively. Meanwhile Australia also increased its purchases by 40% to 2,204 m³ compared to the previous month.

Average FOB unit value for mouldings decreased marginally to RM3,773 per m³ compared to RM3,922 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Export of BJC for December 2020 recorded an increase of 4% in volume and 6% in value to 11,686,259 m³ worth RM88.0 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased 7% to RM971.7 million as compared to RM1.0 billion. Export to the EU decreased 35% to RM197.0 million. Export to the Germany, France, Italy and Netherlands decreased by 33%, 23%, 17% and 3% to RM19.8 million, RM18.4 million, RM5.2 million and RM22.4 million respectively. However, export to Sweden, Denmark, Turkey and Belgium increased by 132%, 20%, 12% and 9% to RM17.6 million, RM22.9 million, RM324,998 and RM52.9 million respectively. Meanwhile, intake by the UK increased to 8% to RM127.7 million from last month.

In Asia, exports to Bahrain and Egypt increase its purchases by 1161% and 142% to RM868,907 and RM1.4 million compared to the previous month. Meanwhile, Qatar, Saudi Arabia and the UAE recorded a decrease of 79%, 56% and 79% to RM936,221, RM723,988 and RM1.1 million respectively. Thailand and Taiwan increased by 3% and 2% to RM21.7 million and RM11.6 million compared to the previous month. However, exports to South Korea, Singapore, Viet Nam, Pakistan, Japan and India decrease by 82%, 45%, 39%, 34%, 20%, and 19% to RM2.0 million, RM46.8 million, RM18.8 million, RM1.7 million, RM55.2 million and RM32.4 million respectively.

Exports to South Africa, Australia and Mauritius decreased by 42%, 20% and 8% to RM10.5 million, RM162.6 million and RM732,920 respectively. Meanwhile, export to the US increased by 23% to RM203.2 million compared to the previous month.

FURNITURE

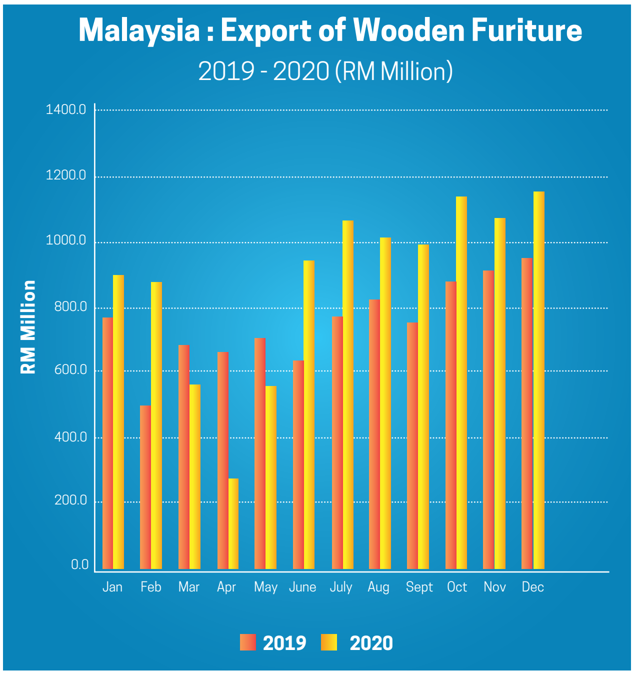
Exports of wooden and rattan furniture for the period of January to December 2020 recorded an increase by 15% to RM10.7 billion from RM9.3 billion in the previous corresponding period. The USA as a main buyer of wooden furniture has increased purchases by 60% to RM6.6 billion from RM4.1 billion in the corresponding period in 2019. In Europe, shipments to Germany decreased by 9% to RM47.1 million, while exports to the Netherlands increased by 20% to RM33.5 million from RM27.8 million compared to the previous corresponding period. Export to Greece also decreased by 12% to RM21.2 million followed by France 14% to RM51.8 million respectively.

Shipments to the UK also decreased by 8% to RM462.0 million for the month. Similarly, purchases by Russia declined by 10% to RM14.8 million from RM16.5 million in the same period last year. Both demand from Canada and Australia also decreased by 0.2% and 10% to RM294.2 million and RM429.5 million respectively.

In East Asia, exports to Japan reduced by 24% to RM471.0 million from RM618.7 million in the same period last year. However, South Korea increased consumption by 7% to RM96.0 million whilst exports to China decreased by 32% to RM137.5 million. Exports to India also decreased by 46% to RM129.9 million from RM241.8 million in the previous corresponding period.

In the ASEAN region, exports to the Philippines and Singapore recorded at RM112.0 million and

and RM310.4 million respectively. Elsewhere, exports to Saudi Arabia and Qatar also decreased by 10% to RM160.9 million and 48% to RM7.0 million respectively. The UAE also reduced buying by 13% to RM130.7 million followed by Kuwait, lower by 33% to RM32.4 million and Oman by 56% to RM15.5 million respectively.



Rattan furniture shipments for January to December 2020 recorded at RM102.4 million from RM139.1 million in the previous corresponding period. Exports to the USA has increased slightly to RM37.6 million from RM37.4 million in the corresponding period in 2019. Elsewhere, exports to Canada decreased slightly to RM2.9 million while Australia increased by 32% to RM5.3 million as compared from the previous month.

In Europe, exports to the UK and the Netherlands decreased by 30% and 38% to RM8.2 million and RM777,295 respectively compared from the previous corresponding period. Export to Russia also decreased by 47% to RM2.6 million followed with France by 52% to RM1.8 million and Poland 63% to RM719,595. However, purchases by Germany improved by 58% to RM763,172 from RM481,922 in the same period last year. Elsewhere in North Africa, Algeria decreased their purchases by 16% to RM2.6 million from RM3.1 million in the previous corresponding period.

In East Asia, exports to Japan increased by 87% to RM2.2 million from RM1.2 million recorded in the same period last year. However, China and India declined intake by 59% and 76% to RM9.9 million and RM1.9 million compared from RM23.9 million and RM8.1 million respectively in the previous corresponding period. Meanwhile in the ASEAN region, exports to Singapore and Thailand recorded at RM2.1 million and RM668,743 respectively.

Elsewhere in the Middle East, exports to the UAE decreased by 12% to RM862,786 from RM980,804 recorded in the same period 2019. Meanwhile, Viet Nam, Cote D'Ivore, Sri Lanka and Oman didn't make any purchases compared to the previous corresponding period in 2019.

DECEMBER 2020

LOGS

The logging activities quite slow in December affected by the rainy season, while average domestic prices were at the same level.

Log prices for the species of Chengal increased by 0.8% at RM5,040 per ton whilst Balau remained at RM3,400 per ton respectively. The price for Keruing increased by 2.9% at RM1,750 perton whilst Kempas remained at RM1,600 per ton. The prices for Dark Red Meranti and Red Meranti remained at RM1,880 per ton and RM1,750 per ton respectively. On the other hand, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM1,160 per ton and RM1,120 per ton.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable as prices continued to chart at last month's level. The MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.90, RM16.20, RM22.00 and RM29.10 per piece respectively.

SAWN TIMBER

The average sawn timber prices for some species are slightly increasing due to positive demand for local and overseas markets.

The sawn timber prices of Chengal increased by 3.0% at RM7,274 per m³ and Red Balau remained at RM2,895 per m³ respectively. Similarly, the prices for Keruing increased by 1.7% at RM2,119 per m³ and Kempas remained at RM2,507 per m³ respectively. The prices for Dark Red Meranti increased by 1.7% at RM2,154 per m³ whilst Red Meranti remained at RM1,836 per m³. On the other hand, sawn timber prices of Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM1,059 per m³ and RM953 per m³ for this month.

PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. The prices of plywood for 4mm, 6mm, 9mm and 12mm of thicknesses continued to be traded at RM14.80, RM22.20, RM38.35 and RM48.50 per piece respectively.

INTRA-MALAYSIA TRADE * - DECEMBER 2020

The shipments of logs from Sabah to Peninsular Malaysia for the month fell by 52% in volume from 1,764 m³ to 840 m³ worth at RM260,000. Meanwhile, trade of sawn timber rose by 135% in volume from 23 m³ to 54 m³ worth at RM86,000. Tread of plywood increased by 39% in volume 4,845 m³ worth at RM8.6 million.

Trade of sawn timber from Sarawak to Peninsular Malaysia rose in volume from 14 m³ to 497 m³ worth at RM699,000. Similarly, trade of plywood increased in volume from 2,135 m³ to 5,797 m³ worth at RM3.8 million.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded during the month under review.

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

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, DECEMBER 2020 (RINGGIT MALAYSIA)

	LOGS/tonne	SAWNTIMBER/m³		
SPECIES	**18" UP**	**GMS**	**STRIPS**	**SCANTLINGS/m³**
HEAVY HARDWOOD				
Cengal	5,040	7,274	5,650	8,475
Balau	3,400	3,531	3,178	3,531
Red Balau	2,270	2,895	2,825	3,531
Merbau	3,590	4,710	3,934	4,237
Mixed Heavy Hardwood	1,160	1,059	1,038	1,236
MEDIUM HARDWOOD				
Keruing	1,750	2,119	1,391	2,210
Kempas	1,600	2,507	2,295	2,578
Kapur	1,750	1,751	1,412	1,836
Mengkulang	1,380	2,338	1,624	2,323
Tualang	1,440	2,507	2,331	2,542
LIGHT HARDWOOD				
Dark Red Meranti	1,880	2,154	1,766	2,648
Red Meranti	1,750	1,836	1,483	2,083
Yellow Meranti	1,310	1,603	1,236	1,660
White Meranti	1,480	2,472	1,342	2,507
Mersawa	1,770	1,977	1,624	1,977
Nyatoh	1,330	1,695	1,412	1,518
Sepetir	1,350	1,702	1,194	1,758
Jelutong	1,150	1,815	1,215	1,836
Mixed Light Hardwood	1,120	953	862	1,088

	LOGS/tonne	SAWNTIMBER/m³			
MALAYSIAN RUBBERWOOD Hevea brasilienses	**190**	**1" X 1"**	**2" X 2"**	**3" X 3"**	**4" X 4"**
		1,150	1,294	1,390	1,590
PLYWOOD 4' X 8'	**4 mm**	**6 mm**	**9 mm**		**12 mm**
(RM per piece)	14.80	22.20	38.35		48.50
MDF 4' X 8'	**4 mm**	**6mm**	**9 mm**		**12 mm**
(RM per piece)	12.90	16.20	22.00		29.10

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

HOK LAI TIMBER (M) Sdn Bhd
- Standing Firm In Facing Challenges

Recognised as a major Malaysian plywood, veneer, sawn timber and wood pallet supplier and exporter, Hok Lai Timber (M) Sdn. Bhd started with a small sawmill in 1992, at Lot PT 2200, Bidor Industrial Estate, Perak Darul Ridzuan. Bearing the motto *"Innovation and to Continuously Innovate"*, the company continued to develop the business, and now it stands as one of the **largest establishments** in Malaysia. Hok Lai Timber had to go through many trials and difficulties in managing the businesses, but with persistence and continuous effort, the company sought new opportunities by exploring new markets abroad and today, it successfully markets products to central Asia, and to the Middle East.

Quality Products – The Best Advertisement

Hok Lai Timber constantly strives to improve the production quality of products using selected raw materials, the latest technologies and skilled manpower.

All products produced meet the requirements of Sustainable Forest Management and Timber Legality Verification and comply with the regulations of PEFC and its Chain of Custody Certification.

Plywood

Hok Lai Timber hardwood plywood uses wood veneers from species like Meranti, Jelutong and Keruing, giving it high planar shear strength, which makes the plywood suitable for heavy-duty applications both indoor and outdoor.

Sawntimber

Hok Lai Timber supplies quality sawn timber planks for wood mouldings, builder joinery & carpentry (BJC) and construction companies on a wholesale basis. They also cater to hardware retailers' quantity demands. The products include Malaysia Tropical Wood species from Red & Yellow Meranti, Nyatoh, Sepetir, Keruing, Bintangor, and Simpoh.

Wood Pellet

The wood pellets produced by Hok Lai Timber are made from 100% PEFC-certified natural wood and rubber wood. Pellet is produced by chipping, drying, grinding and compressing the wood material and passing it through heating and pressure processes, to provide a uniform mass, and it is then squeezed through a die. There are no binders, chemicals, additives, or additional flavourings added.

Veneer

The wood pellets produced by Hok Lai Timber are made from 100% PEFC-certified natural wood and rubber wood. Pellet is produced by chipping, drying, grinding and compressing the wood material and passing it through heating and pressure processes, to provide a uniform mass, and it is then squeezed through a die. There are no binders, chemicals, additives, or additional flavourings added.

Face Veneers are made from selected PEFC-certified tropical wood that is sourced from sustainably managed forest while Core Veneers are made from either rubber wood or PEFC-certified tropical wood.

Strengthening Business Amidst Increasingly Challenging Competition

In order to ensure that the company stands strong within the increasingly challenging timber industry, the company has ventured into the logging sector and developed forest plantations to ensure that raw material resources are always sufficient to meet the needs of market demand.


On top of that, the company recycles wood waste, like wood chips, veneer waste, saw dust from its own production mill, to develop new value added products. Hock Lai Timber received recognition with the Golden Eagle Award and became the winner of the Excellent Eagle award, organized by Nanyang Siang Pau, two years in a row in 2018 and 2019. The award aims at honouring the best of Malaysian businesses by giving them due recognition for their hard-earned success and outstanding achievements.

The company has taken another step forward by adopting new technologies to increase production volume, which would indirectly lead towards profits increase as well as meet the needs of the timber industry. Hok Lai Timber is also a certified supplier, recognised by organisations under the Programme for the Endorsement of Forest Certification (PEFC).

Hok Lai Timber (M) Sdn Bhd was also the winner of The Golden Bull Award 2020 – Outstanding SME on 4 September 2020.

Golden Eagle Award 2018, 2019

PEFC Certification

Golden Bull Award 2020

The Employees – The Most Important Asset

Hok Lai Timbers acknowledges the importance of its human resources development in increasing productivity and profit. Human resource management ensures the right quality and quantity of personnel in the workplace, apart from which it creates opportunities to facilitate and motivate its employees to grow and advance their career and meet their career goals which directly influences the productivity of the organisation; minimizing cost and maximizing profit, is the essence of productivity as the source of the company's success.

The Way Forward

To meet the rising industry demand, and relieving the pressur on natural forests as the primary source of raw materials, the company has produced a fast growing high yield species that are planted and managed in large scale of commercial log production. Hok Lai Timber aims to be a global model for the supply of certifiable and sustainable Tropical Timbers. Hok Lai Timber is constantly seeking opportunities in new markets that seek high quality wood products from sustainable forest management.

Community Support - Corporate Social Services (CSR)

Hok Lai believes, community services is just as beneficial for business, and the benefits go well beyond the bottom line. The company donates and sponsors charitable events, and has been collaborating with universities by providing cooperation in the field of technical studies and development especially related to commercial forest species plantation and wood technology.

Hok Lai Timber realises that, any company will reap all kind of benefits, when it shows a commitment of CSR to their communities. Company ethics, employee satisfaction and community involvement are important factors in enhancing the image of a company.

Contact Details :

Address
Lot Pt 2200, Bidor Industrial Estate, 35500 Bidor, Perak Darul Ridzuan, Malaysia.

Contact Number
Tel : +605-434 8888 / +605-434 7888

Fax: +605-434 4087 / +605-434 6833

Email Address
hoklai@hoklai.com.my

CONTINUATION OF FOREST PLANTATION DEVELOPMENT PROGRAMME (FPDP)

Raw materials from forest plantation resources need to cover the supply insufficiency based on the national forest felling ration every year. The amount of timber or raw material required to ensure the Malaysian timber industry continues to be viable is about 20 million m³ annually.

Therefore, the government is encouraging the development of large-scale commercial forest plantations to reduce pressure on natural forests as a source for raw materials and to ensure its continuous supply for the domestic timber industry. In March 2005, the Ministry of Plantation Industries and Commodities (MPIC) established a large-scale commercial forest plantation. The Government launched the Forest Plantation Development Programme (FPDP) in 2007 with a targeted area of 130,000 hectares of tree planted from selected species which had been categorised as fast growing so that it can be felled within 4 to 15 years. To achieve this, the Malaysian Timber Industry Board (MTIB) set up a Special Purpose Vehicle, known as the Forest Plantation Development Sdn Bhd on 13 February 2006 to oversee and monitor the programme.

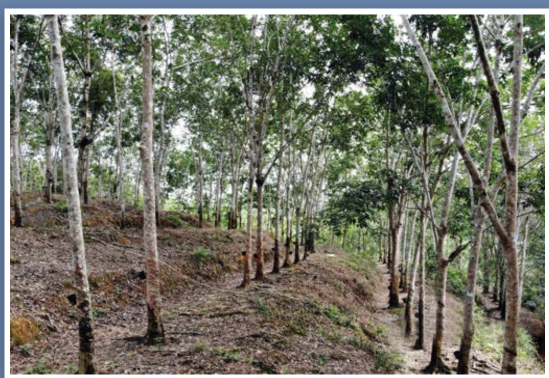
The government has allocated RM1.045 billion in a form of soft loan to enable eligible companies to take part in the FPDP. Through FPDP, borrower companies can enjoy loan interest rate incentives as low as 0.5% to 3% per year with a grace period between 6 to 15 years. It is based on 3 categories; large scale for an area of 2,500 hectares and above, medium scale for an area of 41 to 2,499 hectares, and small scale for areas of 4 to 40 hectares. For large and medium scales there are 11 species of trees identified, namely Rubber, Acacia, African Mahogany, Teak, Sentang, Kelempayan/ Laran, Batai, Binuang, all species of Bamboo, Paulownia and Eucalyptus. As for the small scale group, it involves Bamboo and Rubber species.

The FPDP soft loan (also known as Program Pinjaman Ladang Hutan - PPLH) approval is based on the set criteria, including appropriate land status, and fulfilling the approval of relevant authoritie or agencies. Evaluation visits are carried out by the Estate Audit Officer to ensure the suitability of the species applied and that mandatory conditions are met. It is then presented to the FPDP Committee comprising ministries and relevant agencies.

The distribution of soft loan incentives under FPDP is based on the demand for real crop development on farms. The borrower will submit a withdrawal claim and the Estate Audit Officer, on an evaluation visit to the project site will confirm this claim before submitting the confirmation to the FPDP Loan Withdrawal Claims Committee to enable payment to be made. This method is made to ensure that payments based on the actual progress of the borrower farm.

The implementation of the first phase of PPLH ended in 2020 after 15 years. As of 31 December 2020, there are 82 PPLH loan agreements comprising 70 companies and Government Agencies that approved with a total forest area of 126,457.99 hectares, and a loan value of RM913,979,917.62. Of these 82 agreements, 13 companies have made payments starting from

Kelempayan Forest Plantation by Tropical Forest (Malaysia) Sdn Bhd at HSK Chikus, Bidor, Perak



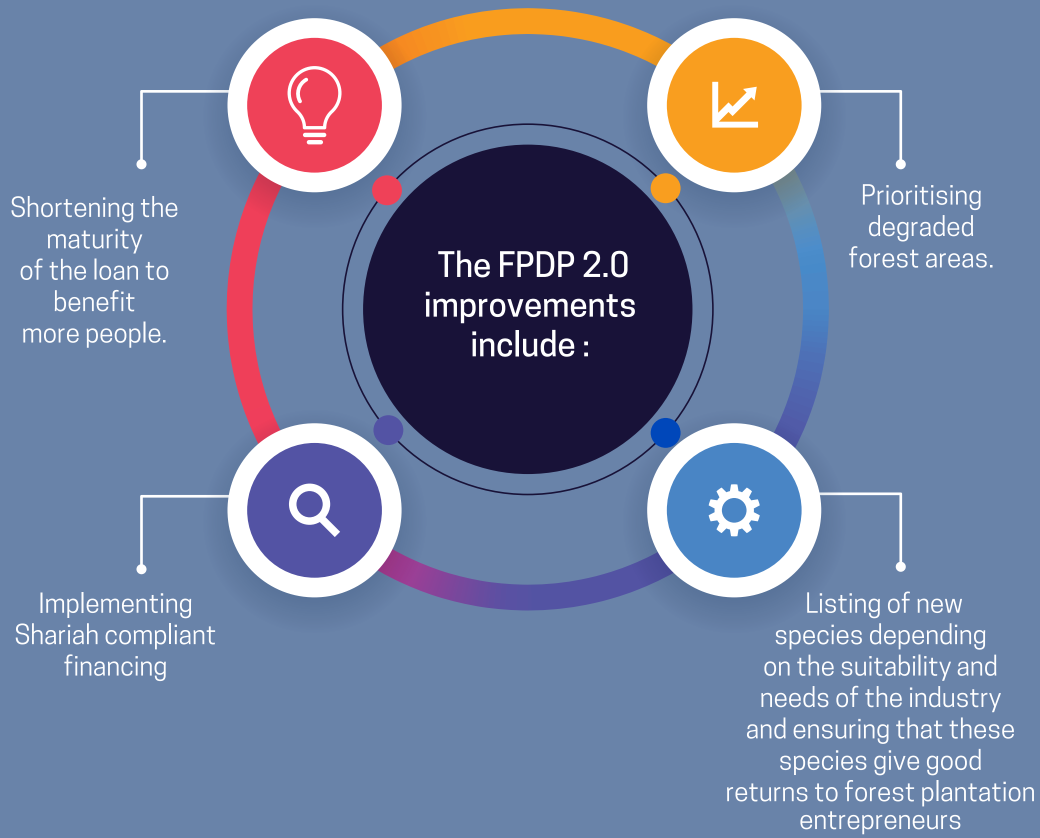
Rubber plantation by Acacia Industries (K) Sdn Bhd at HSK Relai & Serasa, Gua Musang, Kelantan

2017 (by selling latex) until now, and 12 new companies have begun rubber tapping activities in 2019 (later to turn into latex and sold) while four (4) companies have applied to implement the initial felling before the grace period expires.

The main tree species grown under PPLH are from the Timber Latex Clone (TLC) Rubber species with an area of 86,984.81 hectares (68.79%), while the remaining 39,473.18 hectares (31.21%) are planted with forest species. Of the total approved area, 66,553.98 hectares (52.7%) are for borrowers from Peninsular Malaysia, 30,404.01 hectares (24.0%) are from Sabah and 29,500.00 hectares (23.3%) are from Sarawak. An area of 116,648.26 hectares or 92.2% of the total area of 126,457.99 hectares has been planted.

The first harvest of the forest plantation will come in the year 2022. It will produce about 26 million m³ of timber raw material from the targeted area of 130,000 hectares. Given its importance, the Government has allocated RM500 million through Budget 2021 to continue the development of forest plantations in a second phase known as FPDP 2.0.

Under FPDP 2.0, the allowable area is 4 hectares and above, depending on the planted species. The implementation, through existing means or community farming, will involve the B40 group in the plantation sector through companies, cooperatives or related agencies.



Through this PPLH 2.0 programme, it is estimated that 50,000 hectares of forest plantations can be developed within the first 5 years with an estimated turnover of raw material supply of 10 million m³ for 4 to 15 years felling cycle depending on the species planted.

GHANA - EXPLORING THE FUTURE OF TIMBER RESOURCES

Overview

Ghana was formerly known as the Gold Coast, a country in western Africa just north of the Equator. It is situated between Cote d'Ivoire and Togo, bordered by Burkina Faso in the north and by the Gulf of Guinea (Atlantic Ocean) in the south. The country covers an area of 238,533 square kilometres, making it slightly smaller than the UK or slightly smaller than the US state of Oregon.

Ghana's terrain offers mostly low plains with some scattered hills criss-crossed by rivers. There is also Lake Volta, the world's largest artificial lake. Mount Afadja (Mount Afadjato) is Ghana's highest peak at 885 metre (2,904 feet). The hill is located in the Agumatsa Range. Its main rivers are the Black Volta, the Red Volta and the White Volta; they merge into one river Volta, which has been dammed at Akosombo to form Lake Volta, the world's largest artificial lake.

Ghana's population of almost 29.3 million inhabitants (in 2020) is divided into some 75 ethnic groups. The most densely populated parts of the country are the coastal areas, the Ashanti region around Kumasi and the Ashanti capital. Its capital and largest city is Accra. The languages spoken there are English (official) and Akan (Twi–Fante) with about seventy more West African languages.

Economy

Ghana has a market-based economy with relatively few policy barriers to trade and investment in comparison with other countries in the region and Ghana is also endowed with natural resources. Ghana's economy was strengthened by a quarter century of relatively sound management, a competitive business environment and sustained reductions in poverty levels. Urban areas hold greater opportunity for employment, particularly in informal trade, while nearly all (94%) of rural poor households participate in the agricultural sector. Agriculture accounts for about 20% of its GDP and employs more than half of the workforce, mainly small landholders. Gold, oil, and cocoa exports and individual remittances, are major sources of foreign exchange. Expansion of Ghana's nascen oil industry has boosted its economic growth. The country's first gas processing plant at Atuabo is also producing natural gas from the Jubilee field, providing power to several of Ghana's thermal power plants.

Ghana has an economic plan target known as "Ghana Vision 2020". This plan envisions Ghana as the first African country to become a developed country between 2020 and 2029 and a newly industrialised country between 2030 and 2039. This excludes fellow Group of 24 members and Sub-Saharan African country South Africa, which is a newly industrialised country. Ghana's economy also has ties to the Chinese yuan renminbi along with Ghana's vast gold reserves. In 2013, the Bank of Ghana began circulating the renminbi throughout Ghanaian state-owned banks and to the Ghana public as hard currency along with the national Ghana cedi for second national trade currency.

Forest Resources

The forest area of Ghana is estimated at 9.17 million ha accounting for about 40% of the total national land. The classification of these forests, based on ecological conditions, puts the Closed Forest Zone area at 8.1342 million hectares, Transitional Forests at 1.036 million and the Savanna Forest Zone at 14.66 million hectares, amounting to a total area of 23.85 million hectares. The Closed Forest Zone is divided into Evergreen Rainforest, Evergreen Moist Forest and Moist Semi-deciduous Forest.

Ghana is characterized by a tropical climate but the annual rainfall level decreases as the altitude increases to the north, where a savannah climate becomes dominant. Most part of the country belongs to the tropical savanna climate and the sub-sahelian African moist region.

Agriculture, including forestry, is the backbone of the Ghanaian economy. It provides 43% of the GDP, 50% of export earnings and 70% of total employment. Forestry as a sub-sector accounts for 6% of the GDP, 11% of export earnings and employs a labor force of 100,000 people.

Most of the rural population depends on the forests for their survival as forestry plays a significant role in the provision of food, clothing, shelter, furniture, potable water supply sources and bushmeat, thus providing livelihood for over 2.5 million people. The forests are also highly valued as sources of natural medicines, which are essential components of health treatment, commonly used in conjunction with mystical and ritual practices.

Timber industry

The timber industry in Ghana is the third most important foreign exchange earner of the country. It is one of the fastest growing manufacturing units in the country and generates more employment and income to a majority of Ganaians.

The timber industry plays an important role in the socioeconomic development of Ghana through timber product exports. Timber production is associated with increasing environmental burdens in terms of use ofmaterials and energy, production of emissions and waste, and land use changes.

Ghana has approximately 9.3 million hectares of forests which cover 39% of the country. Nearly 97% is natural forest while the remaining 3% is plantation. Nonetheless, due to an export ban on raw logs from natural forests, most of the 2.1 million cubic metres of roundwood produced in the country is processed domestically. 0.8 million cubic metres of roundwood equivalent of timber products are exported with mostly going to African countries, China and India.

Illegal logging is a considerable problem in Ghana. Chainsaw logging that supplies over 70% of the domestic market is considered illegal. Numerous problems are said to exist with logging permits and harvesting levels significantly exceed the annual allowable cut (itself said to exceed a sustainable level). However, several legality risks are present in Ghanaian timber supply chains. The risks are wide ranging and appear across all categories of law. By sourcing timber

Ghana's Export Of Timber And Timber Products

From the ITC statistics, Ghana's export of timber and timber products in 2019 decreased 31% to USD127.0 million over the previous corresponding period. Ghana exports mainly sawntimber, logs and veneer which totalled at USD78.3 milion, USD16.3 million and USD11.0 million respectively. Ghana also exports sawntimber and logs mainly to India amounting USD18.5 million and USD8.5 million respectively. Meanwhile, veneer is exported mainly to Italy, amounting to USD3.9 million.

Ghana: Export Of Timber & Timber Products, 2015-2019

PRODUCT	2015	2016	2017	2018	2019
Sawntimber	139,155	367,348	99,276	118,958	78,388
Logs	22,326	11,254	7,732	11,834	16,250
Veneer	22,425	2,148	11,101	11,215	10,994
Plywood	26,972	9,765	36,926	8,172	6,817
Mouldings	6,181	377	14,127	11,367	5,102
BJC	27	3	6	237	2,436
Furniture and parts thereof	997	501	4,604	1,723	1,166
Seats & Part thereof	249	35	32	89	487
Fibreboard	53,909	46	0	5	32
Wooden Frame	1	0	41	10	10
Particleboard/ Chipboard	0	0	16	0	0
Others	3,920	91,252	19,810	19,589	5,342
Total	**276,162**	**482,729**	**193,671**	**183,199**	**127,024**

Source: ITC Statistic

Unit : US Dollar thousand

Ghana's Import of Timber and Timber Products

According to the latest ITC statistics, Ghana's import of timber and timber products in 2019 decreased 10% to USD85.0 million over the previous corresponding period. Ghana imported mainly furniture, seats and plywood which totalled at USD31.1 million (a decrease of 20%), USD24.8 million (a decrease of 13%) and USD8.4 million (an increase of 47%) respectively. The three major import sources for Ghana are United Kingdom, followed by China and the US.

Ghana: Imports Of Timber & Timber Products, 2015-2019

PRODUCT	2015	2016	2017	2018	2019
Furniture and parts thereof,	37,122	33,286	39,326	39,130	31,145
Seats	21,533	21,942	28,960	28,637	24,802
Plywood	2,985	2,044	2,270	5,739	8,443
Logs	4,790	2,456	4,311	5,792	7,509
Fibreboard	1,173	1,143	2,099	4,552	3,826
BJC	6,368	7,288	3,954	4,275	3,207
Particle board/Chipboard	363	1,149	1,172	2,052	1,802
Sawntimber	327	398	381	420	314
Mouldings	72	64	103	101	309
Wooden frames	140	125	117	121	216
Veneer	275	98	93	248	161
Others	3,235	3,235	3,235	3,235	3,235
Total	**78,383**	**73,228**	**86,021**	**94,302**	**84,969**

Source: ITC Statistic
Unit : US Dollar thousand

Malaysia's Export of Timber and Timber Products to Ghana

Ghana has always been an important timber trade partner for Malaysia in the African region with RM8.9 million exports recorded in 2015. However, in 2019, exports of Malaysian timber and timber products to Ghana registered a decrease of 40% to RM5.9 million from RM10.0 million in 2018. Ghana ranked 81st with 0.026% of Malaysia's total export share. Wooden furniture was the main product exported with a total value of RM5.7 million, followed by fibreboard at RM173.0 thousand and particleboard at RM36.5 thousand.

Malaysia: Export Of Timber & Timber Products To Ghana, 2015-2019

PRODUCT	2015	2016	2017	2018	2019
Wooden Furniture	8,289,987	9,341,931	11,722,646	9,212,307	5,699,010
Fibreboard	56,420	0	386,935	691,140	173,042
Chipboard/Particleboard	0	0	0	0	36,549
Builders Joinery & Carpentry	36,576	38,504	0	0	0
Rattan Furniture	483,845	0	0	0	0
Total	**8,866,828**	**9,380,435**	**12,109,581**	**9,903,447**	**5,908,601**

Source: MTIB & DOSM
Value : FOB RM

Malaysia's Import of Timber and Timber Products from Ghana

Imports from Ghana showed a mixed trend. In 2015, Malaysia reported RM395.5 thousand worth of veneer which was reduced to RM170.2 thousand in 2017. In 2019, Malaysia's import of timber and timber products from Ghana showed an increase of 129% to RM170.8 thousand from RM74.5 thousand in 2018. Sawntimber was the main product imported with a total value of RM89.3 thousand while veneer was at RM81.4 thousand.

Malaysia: Import Of Timber & Timber Products From Ghana, 2015-2019

PRODUCT	2015	2016	2017	2018	2019
Sawntimber	0	0	67,054	74,481	89,330
Veneer	395,538	19,571	103,189	0	81,434
Total	**395,538**	**19,571**	**170,243**	**74,481**	**170,764**

Value : FOB RM

Import Tariffs

The Ghana's import duties on timber and timber products under MFN are as follows:

Product	MFN tariff %
Logs	5
Sawntimber	10
Veneer	10
Mouldings	10
Particleboard/Chipboard	10
Fibreboard	10
Plywood	20
Wooden Frame	10
BJC	20
Furniture & Part threof	10
Seat & Part thereof	10

Source: WTO

Ghana Timber Export Performance and Industry Development for 2020

It is learned that Ghana's wood product export volume for the first three quarters of 2020 was well below that of the same period in 2019. The total volume shipped in the first three quarters of the year was 159,432 cubic metres, against the 229,239 cubic metres recorded for the same period in 2019, a decline of just over 30%. Export revenues dropped to EU81.39 million in the first three quarters of 2020 from EU116.08 million in 2019. This was attributed to low demand in those countries which experienced lockdowns. However, while export volumes fell, Ghana's overall average unit price for all wood products in the January to September 2020 was up slightly from the previous year.

Ghana's wood product exports are largely of timbers that are in demand in traditional markets. Hence, the World Bank will be assisting these private tree plantation growers from small and medium scale organisations in the country who will soon receive financial assistance for reforestation of degraded forest reserves. Ghana's government is close to securing a USD7 million grant from the World Bank for plantation establishmen in degraded forest reserves. The promotion of private sector participation in forest plantation development is included in the 2012 Forest and Wildlife Policy.

The Bolsa Verde Do Rio De Janeiro (BVRio) in collaboratio the TIDD and other stakeholders organised a training workshop to educate and promote the marketing of Lesser Known Timber Species (LKTS). The objective was to sensitise industry players on some 20 LKTS which have been identified as alternatives to the traditionally in-demand timbers.

Prospects

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

Malaysian manufacturers also need to enhance their presence in the Ghana market to create demand for Malaysian value added timber products. Malaysian engineered timber products can also be further promoted since there are opportunities to fulfill future demand in Ghana as well as an excellent opportunity for Malaysian timber and furniture exporters to enhance networking and explore business opportunity among their counterparts in Ghana.

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

Beautiful African Wooden Furniture

Painted African Folk Art Stool

References:

International Trade Centre

- International Trade Centre
- MTIB's statistics
- The World Bank
- http://www.cifor.org
- http://www.forestlegality.org
- http://www.fao.org
- https://www.cia.gov
- https://en.wikipedia.org/wiki/Ghana
- https://countryeconomy.com/countries/ghana

Malaysian Wood
Standing on Excellence

Shaping the Timber Industry of Malaysia

Spot the difference

They look similar, are made from the same type of hardwood and have similar price tags. The only difference is that one came from a rainforest and the other from a plantation.

Every year, millions of trees are felled to fulfill the demands of the timber industry. Problems arise when these trees are not replaced as fast as they are taken, causing a multitude of environmental problems.

MTIB is fully aware of the need for renewable resources. One solution is forest plantation, where trees are planted specifically for commercial purposes. Not only does it provide a steady supply of timber, it also works to the advantage of our environment.

We care about the environment as much as we care about the timber industry, which is why it is important for us to come up with solutions that benefit both – because beautiful furniture doesn't have to come with a high environmental price tag.

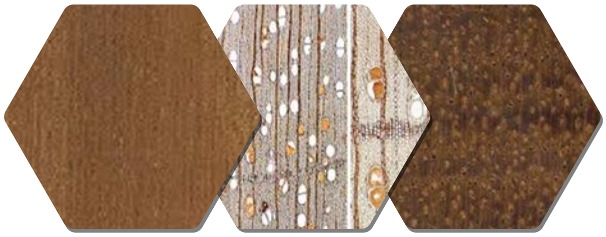
MTIB

MTIB is committed towards enhancing the sustainable growth of the Malaysian timber industry through various initiatives and innovations.

For more information, contact:

Malaysian Timber Industry Board (MTIB)
Level 13-17, Menara PGRM, No. 8, Jalan Pudu Ulu, 56100 Cheras
Kuala Lumpur, Malaysia
Tel: +603-9282 2235 **Fax:** +603-9285 1477/1744
Email: info@mtib.gov.my **URL:** www.mtib.gov.my
facebook.com/pages/Malaysian-Timber-Industry-Board

NYIREH BATU (XYLOCARPUS MOLUCCENSIS)



Wood Color & Texture

Microscopic and cross section image for Nyireh Batu

Nyireh Batu tree

Nyireh Batu fruit and flower

Introduction

TRADE NAME
Nyireh

SCIENTIFIC NAME
Xylocarpus moluccensis (Lam.) M.Roem.

FAMILY
Meliaceae

Common Names

Cedar mangrove; Pussur wood; Sangkuyong (Philippines); Piagau (Philippines); Delima wanita (Malaysia); Nyirih batu (Indonesia); Nyireh batu (Malaysia); Nyirih gundik (Indonesia); Niri batu (Indonesia); Tambu tambu (Philippines); Ta buun dam (Thailand); Nyireh batu (Singapore); Ta ban (Thailand); Pinle-on (Myanmar); Xuong ca (Vietnam); Indian crabwood (India); Kyana (Myanmar); Poshur (India); Dhundul (India); Kyatna (Myanmar)

SCIENTIFIC NAME SYNONYMS

Xylocarpus mekongensis Pierre; Xylocarpus gangeticus (Prain) C.E. Paarkinson; Xylocarpus australasicus Ridley; Carapa moluccensis Lam.

DESCRIPTION OF THE TREE

Botanical Description

It is a small to medium-sized tree up to 20 m tall, and 90 cm in diameter. The bole is straight and cylindrical, branchless for up to 10 m, usually with small buttresses and pneumatophore roots.

Natural Habitat

Xylocarpus moluccensis is common in mangrove swamps, beach and coastal woodlands. It may be locally gregarious.

WOOD IDENTIFICATION

Anatomic Description Of Wood

Wood diffuse porous. Tangential diameter of vessel lumina of 100 micras or less (very small). Occasionally vessels contain coloured deposits. Vessels per mm2 are 5 to 20. Occasionally vessels per mm2 are more than 20 while less than 6 is rare. Simple perforation pla Axial parenchyma is in marginal or in seemingly marginal bands. Occasionally appotracheal axial parenchyma is diffuse and/or diffuse in aggregates. Paratracheal axial parenchyma is scanty and/or vasicentric. Occasionally paratracheal axial parenchyma is scanty and/or has 4 to 10 rays per mm (medium). Occasionally rays and/or axial elements are irregularly storied. Rays are storied. Larger rays are more than 4 seriate. Prismatic crystals in radial alignment are in procumbent ray cells (chambered cells). Occasionally body ray cells are procumbent with Septate fibers present. Fibers are with simple to minutely bordered pits.

Availability

C.I.T.E.S Status

Unrestricted

GENERAL WOOD DESCRIPTION

Odor

Sometimes it has a faint cedar-like odor.

Color

The heartwood is reddish, darkening to a deep warm brown on exposure, usually sharply demarcated from the buff-colored, pale pink or silver-gray sapwood.

Color Index (1=black, 7=light Yellow, White)

3

Grain

The grain is straight or alternating to slightly

Texture

The wood is mostly fine in texture.

Natural Durability

The wood is moderately durable when exposed to the weather or in contact with the ground. It is somewhat resistant to marine borers attack and to dry-wood termites if protected.

Natural Durability Index (1=very High Durability, 7=very Low Durability)

3

Resistance To Impregnation

The heartwood is untreatable.

WOOD PHYSICAL PROPERTIES

0.71 — Basic Density Or Specific Gravity (O.D. Weight/vol. Green) (G/cm3)

Air-dry Density (Weight And Volume At 12%mc) (G/cm3) — 0.80

3.9 — Total Shrinkage Tangential (Saturated To 0%mc) (%)

Total Shrinkage Radial (Saturated To 0%mc) (%) — 2.5

DRYING DEFECTS

Drying is rather slow and sometimes is difficult to perform. Drying has risks of checks. Kiln schedule is proposed as a reference by comparison with well-known species taking into account to the general technological behaviour of this species.

1.6 — Dimensional Stability Ratio (Total Tangential Shrinkage % / Total Radial Shrinkage %)

WOOD MECHANICAL PROPERTIES

1162 — Bending Strength (Mor), 12% Mc (Kgf/cm2)

Stiffness (Moe) 12% Mc (Kgf/cm2) — 118054

599 — Compression Parallel To Fiber 12% Mc (Kgf/cm2)

Shear Strength Radial 12% Mc (Kgf/cm2) — 199

WORKABILITY

Sawing

It is reported as difficult to saw due to interlocked grain.

Machining

Machining operations are rather easy.

Finishing

It finishes well, taking a high polish.

Polishing

This species is reported to be easy to polish.

REFERENCED USES

End Uses Summary

Exterior uses include bridges and port pillars while house general applications include beams, joists, flooring, frames, panelling, cabinets, decorative veneer and tool handles. Also noted are its uses in containers as truck bodies and flooring as well as in handicrafts and mouldings in musical instruments.

REFERENCES:

International Trade Centre

- I.T.T.O lesser used species
- tropicaltimber.info/specie/nyireh-xylocarpus_moluccensis/
- wood-database.com/wood-articles/restricted-and-endangered-wood-species/
- fws.gov/international/plants/current-cites-listings-of-tree-species.html
- researchgate.net/figure/list-of-mangrove-tree-species-sampled
- bakau.forestry.gov.my
- introp.upm.edu.my
- tidechaser.blogspot.com
- ms.wikipedia.org
- www.wildsingapore.com
- www.mybis.gov.my

YB Dato 'Dr. Mohd Khairuddin Aman Razali, Minister of Plantation Industries and Commodities accompanied by YBrs. Tuan Mohd Kheiruddin Mohd Rani, Director General of the Malaysian Timber Industry Board during his working visit to the HeveaPac Sdn. Bhd., Seremban, Negeri Sembilan, 12 January 2021

Carpentry Skills Training Programme, Kuala Nerus, Terengganu, 12 January 2021