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QUALITY CONTROL INSPECTORS RETREAT

- THE IMPORTANCE OF ERGONOMIC FURNITURE AND HOW IT CAN IMPROVE GLOBAL EXPORT VALUE
- BAMBOO STRUCTURAL DEVELOPMENT FOR OUTDOOR APPLICATION

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FAMILIARISATION COURSE FOR MTIB LICENSING OFFICERS (EXPORT, IMPORT, CITES, AND MYTLAS)

Prepared by: NOR SHAHIRA MAT NASIR

In an effort to enhance the proficiency of licensing officers responsible for overseeing the import and export of timber and timber products, the Malaysian Timber Industry Board (MTIB) conducted a comprehensive training programme entitled Familiarisation Course for MTIB Licensing Officers (Export, Import, CITES, and MyTLAS). The programme was held from 11 to 12 July 2023, in Penang.

The course aimed to enhance the knowledge of licensing officers in matters relating to regulation of the timber trade, the rules and procedures for issuing export-import, and CITES permits, as well as MyTLAS certificates. This initiative underscored MTIB's commitment to ensuring sustainable timber trade practices while aligning with international standards and regulations.

The course helped equip the licensing officers with the necessary skills and knowledge of timber trade regulations. With an emphasis on policies and procedures, participants were also exposed to a comprehensive curriculum to enhance their competencies. MTIB Officers from the Licensing and Inspectorate Division and the Head of MTIB Northern Regional Office presented the topics and shared their insights and experiences. The attendees benefited from a diverse range of topics, which included licensing functions and governance, the procedures

Course attendees

Encik Ahmad Ikhsan explaining Export Regulations and Procedures

for issuance of import and export permits, CITES Permits and MyTLAS Certificates, documentation requirements, physical inspection, and enforcement activities. The training approach was interactive and hands-on; participants engaged in practical exercises that simulated real-life scenarios, and they also had an opportunity for knowledge exchange amongst themselves.

Encik Mazree Iman, the Director of Licensing and Inspectorate Division, noted in his closing remarks that the successful completion of the course marks a significant milestone in MTIB's ongoing efforts to promote transparency, accountability, and responsible timber trade practices. He further added that conducting such familiarisation courses to licensing officers and providing them with the necessary expertise will significantly contribute towards achieving these goals.

QUALITY CONTROL INSPECTORS RETREAT

Prepared by: FARIZ AHMAD

MTIB organised the Quality Control Inspectors Retreat from 25 to 27 July 2023 at Semenyih Eco Village Resort and Recreation, Selangor. The objectives of the programme were to provide a platform for the Quality Control Inspectors to provide updates on MTIB services regarding timber grading, licensing procedures, physical inspection processes, law enforcement, and Timber Verification Services (TVS).

The programme was officiated by YBrs. Dr. Mohd Nor Zamri Mat Amin, Director General of MTIB. He urged all participants to take the opportunity to enhance their knowledge by working closely together with Senior Quality Control Inspectors. During the ceremony, Dr. Mohd Nor Zamri also presented Certificates of Competency (CoC) to the representatives of the divisions and both regional and state offices.

Group photo after the opening ceremony.

20 officers from headquarters as well as regional and state offices, participated in the programme during which 7 (seven) papers were presented by officers from various MTIB Divisions, as follows:

i. Grading Summary Revision and Timber Grader Monitoring by Encik Azlin Adila Zakaria, Technical and Timber Grading Unit, Industry Development Division and Encik Shaiful Razman Ghazi, MTIB Southern Region.
ii. Import and Export Procedures for Timber Products by Encik Ahmad Ikhsan Zainuddin, Licensing Unit, Licensing and Inspectorate Division.
iii. An Understanding of Enforcement, Physical Inspection, and Calibration Procedures by Encik Idris Mohd Alli, Enforcement Unit, Licensing and Inspectorate Division.
iv. Timber Import Export Rules and Regulations by Encik Mohider Mat Saleh, Technical and Timber Grading Unit, Industry Development Division and Encik Mohd Faizani Hassan, MTIB Eastern Region.
v. The Flow Process of Timber Verification Services (TVS) by Puan Hasshviny a/p Subramaniam, and Encik Mohd Norzam Ujud, Industry Support and Verification Unit, Industry Development Division.
vi. Integrity Management and Corruption by Cik Rainah Yusof, Integrity Unit, Director-General Office.
vii. The Career Path of an Economic Affairs Assistant by Puan Nurul Ain Mokhtar, Human Resource Management Unit, Management Services Division.

In order to strengthen cooperation and foster stronger relations among co-workers, various team-building and Islamic spiritual activities were held.

At the end of the programme, Encik Abdul Rafa Tan, Senior Deputy Director of the Industry and Development Division, conveyed his appreciation for the participants' efforts and cooperation. The information obtained during this program can be used as a guide or reference in fieldwork. He also hoped this program would have a second series for the next batch if management had sufficient budget.

Briefing session

Director General handing over Certificates of Competency (CoC) to participants.

Puan Nurul Ain Mokhtar speaking on The Career Path of an Economic Affairs Assistant.

A short sermon after Maghrib prayers for participants

Team building activities

BAMBOO STRUCTURAL DEVELOPMENT FOR OUTDOOR APPLICATIONS

Prepared by: NORHAZAEDAWATI BAHARUDDIN

The Malaysian Timber Industry Board (MTIB), as a leading agency in the bamboo industry, constantly undertakes initiatives to enhance the growth and development of the industry in Malaysia. Among the continuous efforts undertaken is strengthening skills through continuous human capital development efforts.

In line with that, MTIB recently organised a Bamboo Structural Development for Outdoor Applications Workshop. The programme took place from 24 to 26 July 2023 at the Fibre and Biocomposite Centre (FIDEC), Selangor. The programme aligned with the collaborative efforts between MTIB and Ipoh City Council through the Memorandum of Understanding on the development of the bamboo industries. The workshop aimed at strengthening technical skills of MTIB, Ipoh City Council and selected bamboo players and creating a knowledge exchange platform on bamboo upstream and downstream industry sectors.

Puan Nor Liza Mat Yasok, Director of FIDEC, officially opened the workshop. The programme began with a presentation by two speakers from Forest Research Institute Malaysia (FRIM) and Universiti Tun Hussein Onn Malaysia (UTHM), who spoke on the upstream bamboo industry and application of processed bamboo fibres, in both technical and non-technical products. The programme continued with hands-on activities to create a bamboo gazebo structure with Ipoh City Council instructors experienced in developing bamboo structures and landscaping.

Over 30 participants attended the programme, which consisted of members of the bamboo industry, bamboo enthusiasts from Ipoh City Council and architects. At the end of the workshop, one bamboo gazebo was successfully constructed with the use of multiple bamboo species, as well as with the utilisation of laminated bamboo as a flooring component.

Kelempayan
Neolamarckia cadamba

Introduction
Neolamarckia cadamba, commonly known as Kelampayan, is a fast-growing woody species of great interest to forestry researchers. This species has been recognised by the Malaysian government as suitable for forest plantation programmes due to its fast growth and sustainable properties.

Taxonomy
Botanical name: *Neolamarckia cadamba*
Family: *Rubiaceae*
Genus: *Neolamarckia*
Vernacular and common names: entipong (Sarawak), kelampayan (Peninsular Malaysia and Sarawak), kelempayan (Sabah), limpoh (Sabah) and sempayan (Sarawak).
Also known as Thkoow (Cambodia); Anthocephalus (Fiji); Kadam (India); Emajang, Jabon, Laran and Semama (Indonesia); Koo-somz and Sako (Laos); Maukadon, Mau-lettan-she and Yemau (Myanmar); Kadam (Pakistan); Kaatoan bangkal (Philippines); and Ka Thum, Kra Thum, Krathum-bok and Taku (Thailand).

Distribution
Native Distribution: India, Sri Lanka, Nepal, Southern China, Indochina, Malaysia, Indonesia, Papua New Guinea
Native Habitat: Terrestrial (Primary Rainforest, Monsoon Forest)
Preferred Climate Zone: Tropical, Sub-Tropical / Monsoonal

Tree type and distribution
The plant grows to medium-sized to large trees (to 40 m tall). Its bole is straight and columnar, sometimes with steep buttresses to 2 m tall. It is found in lowlands and mountain forests at about 1000 m, often by streams and rivers and in open sites and deep moist alluvial soils as a pioneer species, frequently gregarious.

General Description
The colour of the heartwood is white with a yellow tinge and darkens to creamy yellow on exposure. The sapwood is not differentiated from the heartwood. It is diffuse-porous and growth rings are absent. The grains are straight while texture is moderately fine and even.

Anatomical properties
Its vessels grouping parameter are predominantly solitary or in radial multiples of 2–6, arranged in radial series, and are round to oval shaped. Deposits and tyloses are absent. Wood parenchyma is axial parenchyma, diffuse to diffuse in aggregates while rays are multiseriate with 2–4 cells and are hetero-cellular.

Physical properties
1. Timber classification: Light Hardwood
2. Wood density: Ranges from 370 to 465 kg m-3 air dry
3. Drying and relative movement: Air drying of 15 mm and 40 mm boards takes 21/2 and 31/2 months respectively
4. Strength grouping: D or SG 7

Mechanical properties

Properties	Green	Air Dry
Modulus of rupture	43	50
Modulus of elasticity	7300	7700
Maximun crushing strength	21.0	27.9

Wood working properties
Generally easy to work with hand and machine tools. It is easy to resaw and cross-cut, planing is easy and the planed surface produced is smooth.

Seasoning properties
The timber seasons fairly rapidly, with slight end checks and splitting. Boards of 13 mm take approximately 2.5 months to air dry, while 38 mm boards take 3.5 months.

Durability and treatability
Non-durable, the heartwood is perishable and highly susceptible to termite attacks, sapwood is liable to sap-stain and powder-post beetle attacks. It is easy to treat with preservative impregnation but penetration of heartwood is unsatisfactory

Uses
It is suitable for face and core veneer in plywood, particleboard, cement-bonded board, hardboard, packing cases, wooden sandals and disposable chopsticks. It is also a source of short fibre pulp and is suitable for making canoes and less expensive furniture if properly seasoned.

Figure 1: (a) Mature tree; (b) Twig with inflorescence; (c) Fruit
Source: *Tiong, Shing-Yiing & Chew, Song & Fu, & Ho, Wei-Seng & Seng, & Pang, ShekLing. (2014). Genetic diversity of Neolamarckia cadamba using dominant DNA markers based on inter-simple sequence repeats (ISSRs) in Sarawak. 2014. 458-463.*

Figure 2: Macroscopic Structure Of N. cadamba (kelempayan/laran)(10 ×)

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THE IMPORTANCE OF ERGONOMIC FURNITURE AND HOW IT CAN IMPROVE GLOBAL EXPORT VALUE

Prepared by: ZAMZARINA AHMAD

As the world becomes increasingly connected, businesses of all types are looking to expand their reach and increase their exports. One area where this can be particularly impactful is the furniture industry. By investing in ergonomic furniture designs, companies not only can improve the comfort and safety of their products, but also increase their export value and appeal to a wider range of customers.

Ergonomic furniture design is all about creating products for optimized use. This means considering factors like body posture, movement, and comfort, and designing furniture that supports these needs. The benefits of ergonomic furniture design are many, including reduced injury rates, increased productivity and comfort, and improved overall health and wellbeing.

When it comes to exports, there are several reasons why investing in ergonomic furniture design can be particularly beneficial. For one, it can help companies differentiate themselves from their competitors. In a crowded global marketplace, having a unique and desirable product is key to standing out and gaining market share. Ergonomic furniture design can help companies achieve this by offering a product that is not only visually appealing, but also comfortable and safe to use.

Another benefit of ergonomic furniture design is that it can help companies comply with international safety standards. Many countries have regulations in place that require furniture to meet certain safety standards, and companies that fail to comply may find it difficult to export their products. By investing in ergonomic designs, companies can ensure that their products meet these standards and are therefore more likely to be accepted in international markets.

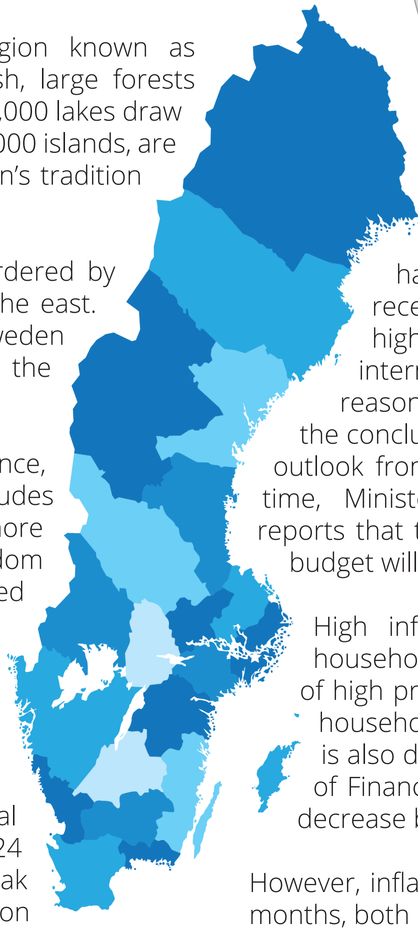
Finally, ergonomic furniture designs can help companies appeal to a wider range of customers. With an increasing emphasis on health and wellness, many consumers are looking for products that are not only functional, but also promote their overall wellbeing. By offering ergonomic furniture that supports good posture, reduces strain on the body, and improves comfort and productivity, companies can tap into this growing market and increase their appeal to customers around the world.

In conclusion, investing in ergonomic furniture designs can have a significant impact on a company's export value and appeal to customers globally. Businesses that prioritize ergonomic designs will have an advantage and be in a better position to succeed in the global marketplace.

SWEDISH CONSTRUCTION INDUSTRY

Overview

Sweden is in the geographical region known as Scandinavia in northern Europe. Lush, large forests cover half of the country and over 100,000 lakes draw the landscape. The lakes, and over 24,000 islands, are all open to the public through Sweden's tradition of right to public access.



Sweden is 1,572 km long and is bordered by Norway on the west and Finland to the east. Three stretches of water separate Sweden from Denmark—the Skagerrak, the Kattegat, and the Oresund straits.

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

The total population in Sweden was forecast to continuously increase between 2023 and 2028 by 0.4 million people (+3%). After the tenth consecutive increasing year, the total population is estimated to reach 11.24 million people and therefore a new peak in 2028. Notably, the total population was continuously increasing over the past years. Sweden is known throughout the world for its neutrality.

Relative to its population size, Sweden has taken in far more migrants than any other EU country since the beginning of the migration crisis in 2015. This has put pressure on public services and prompted a rise in support for the far-right Sweden Democrats party. Sweden is known throughout the world for its neutrality. With the ending of the Cold War, Sweden joined the European Union in 1995. It further altered its long-standing neutrality in the wake of Russia's invasion of Ukraine and, with Finland, applied to join NATO in 2022.

Economy

Sweden's economic growth decelerated in 2022. Surges in energy prices and interest rates negatively affected domestic demand. The broadening of price increases to non-energy spending categories further eroded real wages as the year progressed. The housing market reacted strongly to higher mortgage rates and lower purchasing power, dragging down construction activity. Gross fixed capital formation outside construction was affected less as companies had healthy balance sheets and internal funding. In addition, high energy prices led to investments in energy savings.

The weakening economic situation has pushed the Swedish economy into recession in 2023. High inflation and higher interest rates combined with waning international demand are the primary reasons for the flagging economy. These are the conclusions of a new forecast of the economic outlook from the Ministry of Finance. At the same time, Minister for Finance Elisabeth Svantesson reports that the reforms in the forthcoming autumn budget will amount to an estimated SEK 40 billion.

High inflation continues to put a strain on households and businesses. The combination of high prices and higher interest rates is curbing household consumption. Housing construction is also down, which hinders growth. The Ministry of Finance has assessed that Sweden's GDP will decrease by 0.8 per cent this year.

However, inflation has decreased somewhat in recent months, both in Sweden and in other countries.

It seems like a bright spot with a lower rate of inflation, but core inflation remains too high. This puts a heavy burden on households and businesses and is a contributing factor to the Swedish economy entering a recession. The Swedish labour market remains strong, with a record-high employment rate. Due to the economic downturn, however, unemployment is expected to rise in 2023 and 2024. The economy is expected to start to rebound in 2025, which will lead to increased demand for labour.

The forecast is clouded by several factors of uncertainty. Persistent inflation, the trend in the housing and property market, and geopolitical developments are some of those factors.

Forestry

Swedish forest has to meet a number of different demands. Despite making up less than one percent of the planet's forested land, it makes Sweden the world's second-biggest exporter of pulp, paper and sawn wood products. Sweden's total land area covers 40.8 million hectares, while Swedish forest comprises 22.5 million hectares of productive forest land. Growth is greater than the amount felled and has been for the entire 20th century onwards.

Almost 70% of Sweden's land area is covered in forest, and that figure has remained stable for a long time. As much as 83% of Sweden's forest land is coniferous forest, with mixed forest accounting for 12 % and pure broadleaf forest 5%. The volume of wood comprises 40% spruce, followed by 39% pine, then 13% birch and 8% other broadleaf trees. The distribution of tree species is not the same everywhere in the country. Pines cope in dry and poor soil compared with spruces, which thrive in healthy, moist and more nutrient-rich soil. The closer you get to medium quality soil, the greater the mix of different tree species. Birch, aspen and alder can be found across the country, while broadleaf trees such as oak, beech, elm and ash only grow south of the Dalalven river.

Sweden's sustainable forestry is subject to legislation that balances production and environmental objectives. Harvested forest must be regenerated either through planned planting or by leaving trees that naturally produce seeds and new seedlings, known as natural regeneration. In addition to forest-related legislation, there are also voluntary international forest certification schemes, under which sustainable forestry is verified through third-party certification. The two schemes that operate in Sweden are FSC and PEFC.

FSC certification is issued by the Forest Stewardship Council, an organisation with international members including big names such as the Worldwide Fund for Nature (WWF) and Greenpeace. FSC works to promote environmentally aware, socially responsible and economically viable use of the world's forests. PEFC stands for Programme for the Endorsement of Forest Certification Schemes, and this is also an international, non-profit organisation. The aim of the Swedish PEFC's forestry standard is to develop economically sustainable and valuable forest production, while also protecting biodiversity, cultural heritage and social and aesthetic values.

Timber Production and Processing

According to the latest FAO forest statistics on Sweden, the country produced around 37.7 million cubic metres of major timber products in 2022. Major timber products produced were sawlogs, particleboard and plywood. Details of production are as follows:

TIMBER PRODUCTION AND PROCESSING

Sweden: Production Quantity 2018 - 2022

Volume: m^3

Product	2018	2019	2020	2021	2022
Sawlogs and veneer logs, coniferous	36,500,000	36,400,000	37,200,000	37,000,000	37,000,000
Particle board	550,000	550,000	578,000	561,400	561,400
Plywood	85,000	85,000	85,000	90,000	100,620
Veneer sheets	35,000	35,000	60,000	60,000	60,000

Source: FAO Stats

Export of Malaysian Timber and Timber Products to Sweden

In 2022, export of Malaysian timber and timber products to Sweden valued at RM68.5 million, an increase of 52% over the previous corresponding period. Major products exported to Sweden are BJC and wooden furniture. Export of BJC and wooden furniture totalled RM38.0 million and RM30.2 million, an increase of 87% and 23% respectively compared to RM20.3 million and RM24.6 million in 2021.

MALAYSIA: EXPORT OF TIMBER AND TIMBER PRODUCTS TO SWEDEN, 2018-2022

FOB Value: RM

Products	2018	2019	2020	2021	2022
Builders Joinery & Carpentry	3,213,954	7,618,208	17,648,087	20,323,001	38,026,992
Plywood	91,087	0	0	0	0
Sawntimber	0	44,857	0	0	0
Wooden Furniture	32,225,539	29,163,924	27,990,963	24,599,971	30,202,405
Other Products	162,982	204,537	206,499	105,857	274,737
TOTAL	**35,693,562**	**37,031,526**	**45,845,549**	**45,028,829**	**68,504,134**

Source: MTIB & DOSM

Import of Malaysian Timber and Timber Products from Sweden

Meanwhile, Malaysian import of timber and timber products from Sweden increased by 27% from RM33.7 million in 2021 to RM42.6 million in 2022. Major products imported from Sweden are sawntimber and BJC. In 2022, import of sawntimber decreased 4% to RM23.3 million compared to RM22.5 million in the previous year. Import of BJC increased significantly to RM6.2 million from only RM1.3 million as compared in 2021.

MALAYSIA: IMPORT OF TIMBER AND TIMBER PRODUCTS FROM SWEDEN, 2018-2022

FOB Value: RM

Products	2018	2019	2020	2021	2022
Sawntimber	19,513,594	25,874,194	23,034,482	22,505,521	23,341,683
Builders Joinery & Carpentry	84,871	2,269,042	7,206,143	1,329,969	6,220,539
Veneer	0	0	0	0	254,318
Fibreboard	0	0	0	9,892	24,332
Mouldings	68,560	0	0	0	0
Plywood	8,727	0	7,290	13,266	0
Wooden Furniture	1,156,279	574,850	231,085	847,143	1,553,785
Other Products	10,520,056	9,363,543	3,248,622	8,981,596	11,215,438
TOTAL	**31,352,087**	**38,081,629**	**33,727,622**	**33,687,387**	**42,610,095**

Source: MTIB & DOSM

Sweden's Timber Export

Sweden's export of timber and timber products in 2022 decreased 7% to USD7.2 billion over the previous corresponding period. Sweden major products exported were furniture with a total of USD1.5 billion, slightly decreased from USD1.6 billion in the previous corresponding period. Similarly, export of sawntimber and BJC decreased to USD4.8 billion and USD421.0 million whilst logs increased to USD232.2 million respectively. Sweden's timber industry has continued to grow after the COVID-19 pandemic although at a slower pace.

SWEDEN: EXPORT OF TIMBER AND TIMBER PRODUCTS, 2018-2022

USD '000

Products	2018	2019	2020	2021	2022
Furniture & Parts	1,377,089	1,401,811	1,375,291	1,566,347	1,520,099
Sawntimber	3,265,705	3,022,976	3,369,518	5,346,712	4,829,643
BJC	412,114	387,792	392,262	463,097	421,005
Logs	110,130	106,020	115,813	171,961	232,263
Fibreboard	69,440	70,677	80,048	89,754	73,508
Moulding	78,143	76,536	73,362	92,960	72,295
Plywood	15,532	17,413	19,948	40,436	51,887
Particleboard/Chipboard	30,517	24,312	31,244	39,442	30,495
Veneer	21,901	20,845	23,774	26,570	27,591
Wooden Frame	11,174	9,984	12,003	22,193	18,017
TOTAL	**5,391,745**	**5,138,366**	**5,493,263**	**7,859,472**	**7,276,803**

Source: UN-Comtrade Statistics

Sweden's Timber Import

Sweden's import of timber and timber products in 2022 increased 7% to USD4.1 billion over the 2021. Sweden imports mainly furniture, logs, BJC and sawntimber. Import of furniture and sawntimber decreased 3% and 2% to USD1.5 billion and USD253.8 million respectively. However, import of logs and BJC improved 29% to USD547.8 million and 4% to USD504.5 million respectively.

SWEDEN: IMPORT OF TIMBER AND TIMBER PRODUCTS, 2018-2022

USD '000

Products	2018	2019	2020	2021	2022
Furniture & Parts	1,285,471	1,242,147	1,259,324	1,530,834	1,485,010
Logs	735,448	623,774	453,379	425,459	547,791
BJC	411,818	384,368	395,921	483,164	504,466
Sawntimber	177,604	156,885	187,025	258,106	253,830
Fibreboard	174,802	165,894	175,487	220,021	238,373
Chipboard/Particleboard	196,979	170,693	181,221	239,042	221,729
Plywood	146,324	140,076	134,406	168,568	199,818
Moulding	43,206	55,745	71,097	91,076	86,875
Veneer	32,470	24,533	25,609	32,183	39,452
Wooden Frames	14,625	13,374	12,010	17,098	14,660
Others Product	430,027	425,741	344,438	417,497	541,674
TOTAL	**3,648,774**	**3,403,230**	**3,239,917**	**3,883,048**	**4,133,678**

Source: UN-Comtrade Statistics

Import Tariffs

Sweden's MFN import duty on timber and timber products ranges from 0 – 10% with plywood recording the highest duty of 6 -10% followed by veneer (0 - 6%) and furniture (0 - 5.6%). Details of the import tariffs are as follows:

HS Code	Product	MFN Rate (%)
4401	Fuel wood	FREE
4402	Wood charcoal	FREE
4403	Logs	FREE
4404	Hoopwood	FREE
4405	Wood wool & flour	FREE
4406	Railway sleepers	FREE
4407	Sawntimber	0 - 2.5
4408	Veneer	0 - 6.0
4409	Moulding	FREE
4410	Particleboard	7
4411	Fibreboard	7
4412	Plywood	6 - 10
4413	Densified wood	FREE

HS Code	Product	MFN Rate (%)
4414	Wooden frames	0 - 2.5
4415	Packing cases	3 - 4
4416	Casks, barrels, vats and tubs	FREE
4417	Tools, bodies and handles	FREE
4418	Builders' joinery and carpentry	0 - 3
4419	Tableware and kitchenware	FREE
4420	Wood marquetry.	0 - 4
4421	Other articles of wood	1 - 4
9401	Seats, whether or not convertible into beds, and parts	0 - 5.6
9403	Furniture and parts	0 - 5.6

Source: Official Journal of the European Union

Prospects

Sweden's construction industry is a top contributor to global environmental issues. Every stage in the construction process, from procuring raw materials to completing a structure, has major environmental ramifications. It places an enormous strain on dwindling natural resources, disturbs natural habitats, and contaminates water, soil and air.

Materials central to construction, such as concrete, steel, glass, and aluminium, have emerged as critical focal points in the fight against climate change. The construction industry needs to make use of renewable materials that do not deplete natural resources and address other major climate and environmental concerns. Among the available eco-friendly options, timber and straw stand out. Timber, a time-tested construction material, is amid a revival. This isn't just nostalgia; it's a strategic response to global environmental imperatives.

Lately, the field of architecture has experienced a significant transition toward utilizing timber-based structures. Leading countries like Norway, Switzerland, and Australia have taken the initiative to erect towering timber skyscrapers. Additionally, Singapore marked a significant achievement with the inauguration of a 468,000-square-foot college campus in May, making it the largest timber structure in Asia. If any nation could be poised for a timber revolution, it's Sweden. In a land where flygskam ("flight shame"), an anti-flying movement, is part of the national lexicon, it's only natural that construction emissions have become a focus. Furthermore, architectural enthusiasts from all over the world, including the US, the UK and Japan, have been flocking to marvel at Sweden's wooden wonders. From pioneering wood skyscrapers to modular apartments, Sweden's construction narrative is embracing timber like never before.

Stockholm Wood City is a shining example of Sweden's dedication to curbing emissions. The allure of the city isn't confined to its sustainable ethos. Positioned near a new subway station, it offers a promise of connectivity, potentially attracting eco-conscious businesses. Sweden's timber revolution is broader than flagship projects like Stockholm Wood City. From towering wooden skyscrapers to ordinary buildings and even supermarkets, wood is steadily becoming the construction material of choice for new projects. The country's timber crusade is supported by evolving regulations and a diverse range of expertise spanning the entire timber ecosystem. Landowners, urban planners, and architects work together to make Sweden's timber renaissance a collective endeavour.

Global interest in "plyscrapers" - skyscrapers made of ply or engineered wood - is on the rise and Sweden, with its sustainable offerings, is poised to capitalize on this burgeoning demand. Therefore, Malaysian exporters especially those in construction segment product manufacturing need to aggressively promote Malaysian value-added timber products especially to Sweden in order to expand their market share. Malaysian suppliers need to continuously create excitement and creativity in terms of design, innovation, materials used, coloursa and finishing. They also need to improve product quality and meet the necessary standards, particularly standards related to the timber construction industry.

The durability and strength of timber as a construction material provide more choices to attract investors from Sweden to do business with Malaysia's local timber exporters. It is hoped that the timber trade between Malaysia and Sweden will continue to flourish in the future.

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JUNE 2023

The total export of Malaysian timber and timber products in June 2023 decreased by 7% in value totalled at RM1.8 billion from RM1.9 billion in the previous month. Similarly, cumulative exports for the period of January - June 2023 also decreased by 24% valued at RM10.0 billion over RM13.2 billion in the previous corresponding period.

Sawntimber

Total export of sawntimber in June 2023 decreased by 7% in volume and 8% in value to 100,392 m³ totalling at RM221.1 million as compared to the previous month. Similarly, cumulative exports for the period of June 2023 also decreased by 15% in volume and 16% in value to 520,431 m³ totalling at RM1.2 billion over the previous corresponding period.

Exports to the EU for the month were recorded at 5,301 m³, an increase of 35% as compared to the previous month. The Netherlands as the main buyer increased imports by 6% to 1,791 m³ from 1,683 m³ in the previous month. Similarly, imports from Italy also increased by 254% to 964 m³ from 272 m³ followed by Belgium with an increase of 32% to 922 m³ from 697 m³ as recorded in the previous month. In other parts of Europe, outside the EU, exports to the UK decreased by 5% to 1,036 m³ from 1,089 m³ in the previous month.

Meanwhile, total export to the South Asia region decreased slightly to 11,673 m³ from 11,877 m³ as recorded in the previous month. India as the main buyer from South Asia reduced buying by 3% to 6,782 m³ followed by Sri Lanka with a decrease of 23% to 856 m³ respectively. However, Maldives increased imports by 26% to 3,229 m³ from 2,574 m³ in the previous month.

Moving to the West Asia region, total export to the region recorded a decrease of 5% to 18,533 m³ from 19,533 m³ in the previous month. The UAE as the largest buyer in the region increased imports by 9% to 5,959 m3 from 5,487 m³ in the previous month followed by Oman with an increase of 67% to 4,648 m³. Similarly, exports to Iraq also increased by 13% to 1,875 m³ from 1,658 m³ in the previous month.

Elsewhere, shipments to East Asia decreased by 16% to 30,126 m³ from 36,015 m³ in May 2023. China as the main buyer increased purchases by 10% to 24,801 m³ from 22,461 m³ in the previous month followed by the Republic of Korea with an increase of 39% to 1,645 m³. Meanwhile, exports to Japan decreased by 32% to 2,276 m3 compared to 3,354 m³ in the previous month.

Buying from ASEAN increased slightly to 30,379 m³ from 30,163 m³ as registered in the previous month. Thailand as the main buyer in ASEAN decreased purchases by 16% to 9,974 m³ from 11,862 m³ followed by Singapore with a decrease of 11% to 6,784 m³ from 7,624 m³ in the previous month. However, exports of sawntimber to the Philippines increased by 36% to 12,865 m³ from 9,432 m³ as recorded in the previous month.
Moving to the Africa region, exports decreased by 52% to 1,015 m³ from 2,113 m³ in the previous month. Similarly, demand from South Africa and Mauritius also decreased by 56% and 15% to 857 m³ and 141 m³ respectively from 1,947 m³ and 166 m³ as recorded last month.

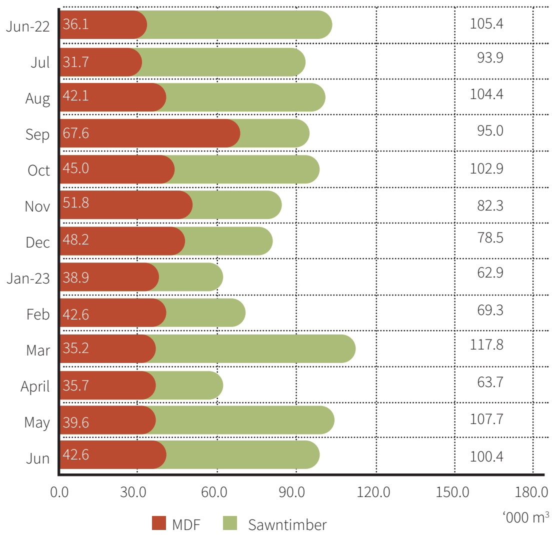
Export to the North America region also decreased by 26% to 1,670 per m³ from 2,246 per m³ in the previous month. The USA as a major buyer from North America decreased its intake by 15% to 1,670 m³ from 1,965 m³ in the previous month. Meanwhile, in the Oceania/Pacific region, export to Australia also decreased by 28% to 526 m³ from 727m³ in the previous month.

The average FOB price of sawntimber decreased slightly to 2,202 per m³ from 2,224 per m³ in the previous month. Meanwhile, the price of Dark Red Meranti to the Netherlands decreased by 2% to 4,349 per m³ from 4,445 per m³ previously. Keruing was traded at 4,163 per m³, an increase of 13% from 3,694 per m³ in the previous month.

In the second quarter of 2023, real GDP in the euro zone grew by 0.3% on a quarterly basis-the sharpest expansion since the second quarter of 2022-and by 0.6% on an annual basis, according to flash estimates. This followed a quarterly growth of 0.1% in the first quarter. There was a notable divergence in quarterly growth rates across the region. Among the largest economies, the German economy continued to stagnate. The Italian economy contracted by 0.3%, following a robust expansion of 0.6% in the first quarter, as the downturn in the manufacturing sector worsened. The French and Spanish economies grew by 0.5% and 0.4% respectively-the former supported by strong exports and the latter by recovering domestic demand.

Ireland was the top performer, after the economy contracted by 2.7% quarter on quarter in the first quarter; it expanded by 3.3% in the second quarter. Irish growth is prone to volatility due to the impact of balance-sheet movements of foreign multinational companies in the country. Latvia was the worst performer in the second quarter; this probably reflects volatile changes in firm inventories. The Austrian economy also contracted amid a deterioration in the country's industrial production and business outlook.

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



Medium Density Fiberboard (MDF)

Export of MDF in June 2023 recorded an 8% increase in volume at 42,623 m³ and 11% in value at RM76.4 million compared to the previous month. Cumulative exports for the period of June 2023 recorded an increase in volume at 2% to 231,444 m³ but a decrease of 10% in value totalling at RM408.5 million as compared to the corresponding period in 2022.

Export to ASEAN decreased by 5% from 4,862 m³ to 4,640 m³ in the previous month. The Philippines and Indonesia reduced their import by 27% and 18% to 2,092 m³ and 967 m³ respectively. Meanwhile, Viet Nam recorded an increase in MDF import by 386% to 1,099 m³ from 226 m³.

Elsewhere, East Asia increased MDF purchase by 22% from 10,897 m³ to 13,304 m³ in the previous month. MDF sales in Japan and South Korea rose by 24% to 12,091 m³ and 373% to 369 m³ each. However, Taiwan decreased buying by 15% to 754 m³. Moving to South Asia market, exports decreased by 39% to 5,643 m³ from 9,202 m³. Export performance to India and Pakistan dropped by 38% to 3,642 m³ and 52% to 1,197 m³ each. Sri Lanka increased import by 381% to 514 m³.

Exports to the West Asia region increased by 29% from 9,371 m³ to 12,097 m³ compared to the previous month. Yemen and Oman added up their sales performance by 2792% and 7% to 4,280 m³ and 3,501 m³ respectively. However, the UAE reduced its buying by 40% to 2,464 m³.

In the United Kingdom, export decreased by 84% to 21 m³ from 128 m³. Export to the Oceania/Pacific region increased by 21% to 2,426 m³. Australia improved its purchase by 31% to 2,405 m³ while New Zealand reduced its buying by 88% to 20 m³.

Meanwhile, MDF import in North America increased by 54% from 2,719 m³ to 4,195 m³ compared to the previous month. The US and Mexico improved their purchases by 45% and 244% to 3,123 m³ and 966 m³ respectively. Meanwhile, Canada decreased purchases by 63% to 106 m³. The Africa region showed a decrease of MDF import by 14% from 346 m³ to 299 m³ with purchases from Kenya and Somalia were at 257 m³ and 42 m³ each.

The FOB price of MDF increased by 3% to RM1,792 per m³ from RM1,740 per m³ in the previous month.

The global MDF market size is expected to reach USD67.6 billion by 2030, expanding at a CAGR of 6.9% from 2023 to 2030. The demand for MDF is expected to increase in the forecast period on account of its rising consumption in the construction, furniture and building industries. Despite being affected by general difficulties, the growth rate achieved by Viet Nam's construction industry was about 8% to 8.5% last year, contributing to the economy's overall growth rate and surpassing the 6% to 6.5% target set by the government. Timely control of the real estate market is one of the recognised successes in the management of the Construction Ministry. The Viet Nam's Construction Ministry has comprehensively assessed the shortcomings and proposed solutions to ensure the real estate market's safe, healthy and sustainable development.

Veneer

Export of veneer for June 2023 decreased in volume by 34% to 2,838 m³ and 20% in value, worth RM7.2 million as compared to the previous month. Cumulative exports for June 2023 showed an increase in volume of 4% to 19,257 m³ but a decrease of 4% in value to RM38.0 million over the previous corresponding period. ASEAN recorded a slight decrease in veneer import by 0.3% from 1,100 m³ to 1,096 m³. The Philippines reduced its import by 1% to 1,086 m³ while Singapore resumed its intake with 11 m³. In East Asia, exports fell by 60% from 2,501 m³ to 996 m³. South Korea recorded an increase of 65% to 362 m³ while China and Taiwan decreased their imports by 29% and 92% to 465 m³ and 93 m³ each. In contrast, South Asia increased imports by 45% to 487 m³ from 336 m³ in the previous month. India and Bangladesh increased buying by 40% and 72% to 397 m³ and 91 m³ each.

Moving to North America, veneer purchase, specifically from the US, decreased by 29% from 126 m³ to 89 m³. Similarly, Oceania/Pacific, namely Australia, reduced purchases by 30% from 229 m³ to 161 m³. The average FOB price for veneer increased by 21% from RM2,092 per m³ to RM2,525 per m³ as compared to previous month.

The global flooring market is expected to grow at CAGR of 5.7% during 2022 - 2028. The flooring demand is mainly concentrated in countries such as the US, Japan, China the UK, Germany and France. US imports of hardwood flooring edged up by 2% by value, nearly 42% higher than imports from 2022. Hardwood flooring is one of the few areas of consistent growth in 2023. Imports from China and Brazil, which had been lagging so far this year, showed the biggest growth in April, while imports from Malaysia and Indonesia continued to show steady growth. The growth of prefabricated building manufacturers and rising disposable income investing in decorative buildings are expected to fuel flooring sales. Moreover, increasing demand for veneer due to the ease of its availability, installation and durability in a cost-effective manner, especially in the residential sector, is expected to drive the market growth. Thus, during the forecast period, veneer flooring is expected to be a vital part of the flooring in the market.

Plywood

Export for plywood in June 2023 recorded a decrease of 20% in volume at 86,514 m³ and 19% in value at RM200.7 million as compared to the previous month. Likewise, cumulative exports for the period of June 2023 decreased by 59% in volume and 41% in value to 462,584 m³ totalling at RM1.1 billion over the previous corresponding period. The EU region recorded an increase of plywood exports by 93% from 416 m³ to 804 m³. Latvia added up purchase by 111% to 152 m³ while Ireland reduced purchase by 25% to 113 m³. Denmark resumed its purchase with 384 m³. Meanwhile, outside the EU, exports increased by 80% to 9,151 m³ from 5,091 m³ in the previous month. Turkey and the UK improved its buying by 129% to 4,976 m³ and 43% to 4,169 m³ each. Switzerland resumed its purchase with 6 m³.

Moving to the East Asia market, volume decreased by 28% to 51,953 m³ from 72,158 m³ in May. Japan as the largest importer reduced buying by 27% to 39,814 m³ from 54,459 m³. Taiwan and South Korea also reduced their purchases by 28% and 32% to 5,975 m³ and 5,930 m³ respectively. In the ASEAN region, imports decreased by 25% from 4,331 m³ to 3,249 m³. Plywood export to Thailand, Singapore and Brunei dropped by 13%, 33% and 40% to 1,415 m³, 1,240 m³ and 257 m³ respectively.

In the South Asia region, plywood purchase slightly decreased by 2% from 1,497 m³ to 1,471 m³. India increased import by 14% to 1,423 m³ while Maldives reduced buying by 80% to 48 m³. The West Asia region also recorded a decrease of 45% to 7,430 m³ from 13,387 m³ in the previous month. Import performance in Yemen and Jordan fell by 41% and 91% to 7,164 m³ and 62 m³ respectively. However, the UAE increased purchases by 258% to 161 m³.

In the Africa region, purchase decreased by 56% from 1,042 m³ to 462 m³. Plywood purchase in South Africa increased by 7% to 123 m³. Morocco resumed its buying with 339 m³. On the other hand, North America increased imports by 31% from 6,387 m³ to 8,372 m³. The US as the main buyer improved buying by 47% to 7,616 m³ while Mexico decreased its buying by 52% to 573 m³. Canada resumed its plywood intake with 183 m³. For the Oceania/Pacific region, plywood export decreased by 8% to 3,622 m³ from 3,912 m³. Australia reduced buying by 6% to 3,601 m³ from 3,818 m³ while American Samoa resumed its purchase with 21 m³.

The FOB price of plywood for June 2023 was RM2,319 per m³, an increase of 1% from RM2,291 per m³ from the previous month.

The India plywood market size reached INR208.5 billion in FY2022-2023. Looking forward, IMARC Group expects the market to reach INR306.5 billion by FY2028-2029, exhibiting a growth rate (CAGR) of 6.7% during 2023-2024 to 2028-2029. The rising construction industry in India represents a significant factor driving the market growth across the country. This is primarily attributed to the increasing application of plywood in both building and interior design, which is facilitating the market growth. In addition to this, the increasing demand for furniture and home decor, coupled with rising disposable incomes, is contributing to the growth of the market. The market is also driven by the rising focus of the Government of India (GoI) on infrastructure development and increasing initiatives for affordable housing, which is facilitating the demand for plywood. Other factors, such as the emergence of eco-friendly and sustainable building practices, the availability of a wide range of plywood grades and types and the rapid growth of e-commerce and online sales channel, are creating a positive outlook for the market across India.

Mouldings

Exports of mouldings for the month decreased by 7% in volume and 12% in value to 26,522 m3 worth RM71.6 million. However, cumulative exports for the period of Jun 2023 increased by 26% in volume and decreased by 8% in value to 124,055 m3 worth RM427.2 million as compared to the previous corresponding period in 2022.

Exports to the EU for the month were recorded at 10,196 m3, decreased by 12% as compared to the previous month. France and the Netherlands decreased their purchases by 25% and 12% to 1,618 m3 and 6,624 m3 respectively while Germany increased its purchases by 205% to 1,002 m3. Meanwhile, the UK recorded a decrease of 13% to 838 m3 compared to the previous month.

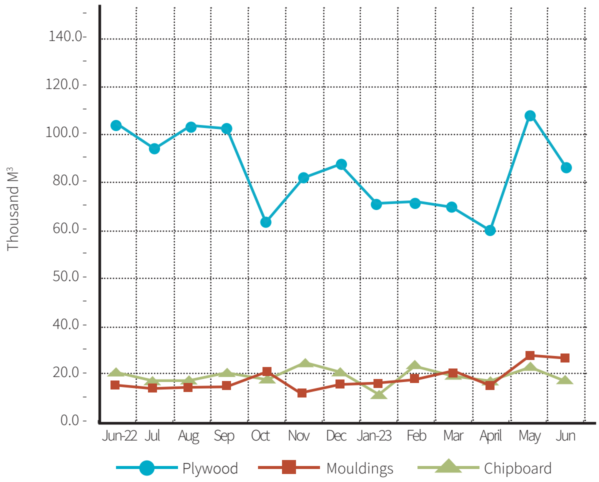
In Asia, Thailand, Cambodia and Singapore decreased their purchases by 62%, 61% and 4% to 33 m3, 16 m3 and 1,485 m3 respectively. China and Japan decreased their intakes by 22% and 17% to 1,005 m3 and 1,782 m3 respectively while South Korea increased its purchases by 10% to 1,099 m3. Meanwhile, India increased its purchases by 36% to 249 m^3 for the month.
Meanwhile, in the Oceania/Pacific region, export to Australia decreased by 10% to 2,458 m^3 for the month. Similarly, in the America region, export to Canada, Mexico and the US increased by 533%, 31% and 19% to 222 m^3, 100 m^3 and 6,220 m^3 respectively.

Elsewhere, in the Africa region, South Africa decreased its purchases by 31% to 242 m^3 while Mauritius increased its intake by 5% to 302 m^3. Egypt resumed its intake with 40 m^3 for the month.

Average FOB unit value for mouldings decreased marginally to RM2,698 per m^3 compared to RM2,855 per m^3 in the previous month.

Despite challenges posed by the pandemic and changes in global investment priorities, the outlook for the global construction industry remains bright. Even though the economic prospects were temporarily slowed down by the resurgence of COVID-19 and Russia's invasion of Ukraine, the industry's overall trajectory appears promising. With the construction sector showing resilience and adaptability, coupled with shifts towards sustainable practices, there are opportunities for continued growth in the coming years especially in the residential and commercial sectors.

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



Builders Joinery And Carpentry (BJC)

Export of BJC for Jun 2023 recorded an increase by 2% in volume and 6% in value to 11,622,771 kg worth RM113.7 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased 13% to RM607.0 million as compared to RM698.1 million last month.

Exports to the EU increased 9% to RM125.5 million compared to RM115.2 million in the previous corresponding period. Exports to Sweden and Belgium increased by 146% and 32% to RM31.1 million and RM37.8 million respectively while Germany decreased buying by 15% to RM13.4 million. Meanwhile, export to Norway and Turkey decreased by 94% and 66% to RM1.7 million and RM618,898 respectively whilst the UK also decreased its intake by 5% to RM60.7 million for the month.

In Asia, exports to Singapore recorded an increase of 67% to RM62.8 million while Viet Nam and Thailand decreased their intakes by 64% and 15% to RM3.8 million and RM5.3 million respectively. Exports to China and Taiwan decreased by 69% and 0.2% to RM4.6 million and RM4.8 million respectively while Japan increased buying by 10% to RM28.8 million. Exports to Maldives and Bangladesh, recorded an increase of 128% and 37% to RM3.8 million and RM1.3 million respectively while India decreased buying by 57% to RM9.6 million. Meanwhile, the UAE imports grew by 99% to RM1.6 million while Saudi Arabia decreased buying by 3% to RM218,319 whilst Iran resumed its intake with RM180,293 for the month.

In the Oceania/Pacific region, export to New Zealand and Australia decreased by 15% and 12% to RM10.1 million and RM103.7 million respectively while Western Samoa improved its purchases by 200% to RM807,261 million. However, in the America region, Mexico, Uruguay and Canada increased their purchases by 68%, 16% and 10% to RM13.7 million, RM660,616 and RM824,547 respectively while the US reduced its intake by 32% to RM143.5 million for the month.

Elsewhere, in the Africa region, South Africa reduced its intake by 40% to RM2.5 million while Seychelles increased purchases by 407% to RM1.9 million. Libya resumed its purchases with RM830,633.

The demand for global construction is expected to witness a notable increase in the upcoming years, largely attributed to the growth in global building activity. Moreover, the rising focus on green buildings is expected to play a significant role in driving this demand. According to the International Finance Corporation (IFC), green buildings are projected to offer major global investment opportunities, with an estimated value of USD24.7 trillion by 2030. This emphasises the importance of sustainability practices in the global construction industry's future.

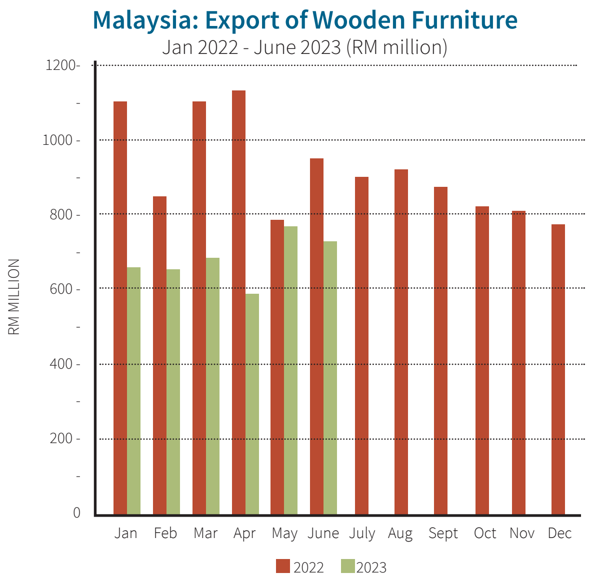
Furniture

Export of wooden furniture for the month of June 2023 decreased by 6% to RM720.7 million. However export of rattan furniture rose by 40% to RM6.1 million from the previous month, May 2023. Export of wooden furniture for the cumulative period January to June 2023 recorded an export value worth RM4.0 billion, a decrease of 32% from RM6.0 billion in its corresponding period in 2022. Similarly, demand for rattan furniture plummeted by 41% year-on-year to RM31.5 million from RM53.3 million over its corresponding period in 2022.

Export of wooden furniture to ASEAN expanded by 22% worth RM618.9 million from RM505.7 million in its corresponding period in 2022. Export to Singapore increased by 38% to RM377.8 million. Similarly, export to Indonesia rose by 56% to RM62.5 million, but export to the Philippines declined by 3% to RM101.5 million for the stated period.

Moving to the East Asian region, export was down by 38% to RM277.5 million from RM444.5 million year-on-year in 2022. Japan remained the biggest buyer with exports valued at RM202.6 million despite a reduction in its buying by 37%. Similarly, exports to both China and Taiwan were reduced by 19% to RM26.0 million and by 52% to RM22.0 million, respectively over its corresponding period in 2022.

Export to West Asia expanded by 2% to RM205.2 million from RM201.3 million in its corresponding period in 2022. Export to the UAE, the largest buyer



in the region, improved by 17% to RM99.4 million. Similarly, exports to Saudi Arabia increased by 6% to RM76.5 million. However export to Kuwait declined by 54% to RM10.3 million.
Moving to the South Asia region, export of wooden furniture to the region reduced by 43% to RM55.2 million. Amongst South Asian countries, India recorded the highest intake with an export value of RM49.7 million despite a decrease in intake of 46%. Similarly, export to Bangladesh was also down by 35% to RM745,394. However, exports to Maldives improved by 14% to RM4.5 million for the month.

While exports to the Central Asia region improved by 11% to RM2.5 million, intake from Kazakhstan reduced by 20% worth RM1.7 million. Meanwhile, Uzbekistan and Armenia resumed intake with RM261,243 and RM515,706 respectively.

Export to European Union recorded a decrease of 30% to RM152.6 million from RM218.9 million over its corresponding period in 2022. France as the biggest buyer in the bloc reduced its buying by 17% to RM19.0 million, followed by Germany with a decrease of 53% to RM18.6 million. Similarly, exports to Belgium reduced by 3% to RM18.5 million.

As for other European countries, export declined by 9% to RM204.1 million. Export to the United Kingdom was down by 12% to RM186.3 million. However, exports to Turkey and Georgia increased by 125% to RM7.4 million and by 27% to RM4.4 million respectively.

Export to Oceania/Pacific reduced by 24% to RM221.8 million from RM292.7 million over its corresponding period in 2022. Australia remained the top buyer in the archipelago region with an export value worth RM198.8 million despite a loss of 22%. Similarly, both exports to New Zealand and Papua New Guinea declined by 35% to RM14.7 million and by 30% to RM3.7 million respectively.

Moving to the Central America region, export of wooden furniture increased by 16% to RM16.9 million over its corresponding period in 2022. Panama recorded the highest intake of wooden furniture for the cumulative period with an increased sale of 27% to RM5.5 million. Likewise, exports to Costa Rica and Guatemala also increased by 15% to RM3.9 million and by 31% to RM3.4 million respectively.

Meanwhile, export to the North America region dropped by 43% to RM2.2 billion from RM3.8 billion in its corresponding period in 2022. Despite the USA being Malaysia's largest wooden furniture buyer, the country recorded a reduction in sales by 44% to RM2.0 billion from RM5.6 billion in its corresponding period in 2022. Similarly, exports to Canada and Puerto Rico declined by 22% to RM137.2 million and 43% to RM27.8 million respectively.

Similarly, export of wooden furniture to the South America region recorded a decrease of sale by 43% worth RM33.7 million from RM58.6 million in its corresponding year in 2022. Export to Chile decreased by 62% to RM17.6 million from RM46.3 million in its corresponding period in 2022 while export to Peru increased by 50% to RM7.7 million. Ecuador resumed its buying with RM1.8 million for the said period.

Export to the Africa region recorded a decrease of 23% to RM70.7 million with South Africa garnering the largest market share with RM15.6 million. It was a decrease of 39% from RM25.4 million in its corresponding period in 2022. This was followed by Kenya, with recorded sale of RM10.0 million, declined by 8%. Similarly, export to Reunion Islands also dropped by 6% to RM7.2 million for the period January – June 2023.

Rattan furniture shipments for June 2023 recorded an increase of 40% valued at RM6.1 million from RM4.4 million in the previous month. However, export of rattan furniture for the cumulative period of January – June 2023 declined by 41% to RM31.5 million from RM53.3 million in the corresponding period in 2022.

Exports to ASEAN member countries were recorded at RM3.0 million, an increase of 22% for the cumulative period of January – June 2023. The highest buyer was the Philippines with recorded sales of RM1.6 million, an increase of 46%. Similarly, exports to Singapore grew by 41% to RM915,873. However, export to Thailand was down by 43% to RM262,289.

Export to the East Asia region was worth RM3.3 million, a reduction of 39% from RM5.4 million over its corresponding period. China reduced its intake by 35% to RM2.1 million, followed by Japan with imports reduced by 16% to RM881,863. Taiwan increased its buying by 38% to RM180,831. Moving on to South

Asian countries, India was recorded as the highest buyer of rattan furniture worth RM1.3 million despite a reduction in its buying by 31%. Similarly, Bangladesh also reduced its buying by 85% to RM2,456.

Export to the West Asia region improved by 491% to RM1.9 million from RM326,199 over its corresponding period in 2022. The largest buying nation of rattan furniture in the West Asian countries, the UAE increased its intake by 267% to RM986,608 and similarly Saudi Arabia increased imports by 1,311% to RM808,465. Meanwhile, Kuwait resumed its intake with RM73,251.

Moving to the European Union bloc, export was down 45% to RM3.8 million with France being the largest buyer amongst EU countries. Exports to France and Spain grew by 23% to RM1.1 million and by 50% to RM628,641 respectively. However, exports to Ireland were down by 68% to RM538,620 for the mentioned period. Moving to other European countries, demand from the group decreased by 13% to RM4.2 million with the UK being the largest buyer in the region. The UK increased its buying by 11% to RM3.7 million. However, Russia reduced its buying by 58% to RM518,516 from RM1.2 million over its corresponding period in 2022.

Shipments to the Oceania/Pacific archipelago region dropped by 42% to RM2.8 million from RM4.8 million over the same period in 2022. Australia recorded a decline in intake by 47% to RM2.4 million. Similarly, exports to New Zealand decreased by 13% to RM213,061. Meanwhile, Fiji resumed its buying with RM103,863.

Export to the North America region decreased by 56% to RM10.6 million from RM24.2 million over the same period in 2022. The USA being the largest buyer for rattan furniture recorded a decline in intake by 57% to RM9.3 million, followed by Canada with a decrease of 76% to RM455,066. The Dominican Republic increased its intake by 56% to RM716,193. Meanwhile, Panama, a country in the Central America region resumed its intake with RM7,522. Amongst South American countries, Uruguay resumed its intake to RM35,624. Intake of rattan furniture by the Africa region also declined by 77% to RM445,737 where Republic of Congo and Cote D'Ivoire resumed their buying with RM142,818 and 64,535 respectively. Meanwhile, export to South Africa were reduced by 42% to RM109,331.

According to Fordaq, US imports of wooden furniture fell 3% in June as imports from most countries remained relatively flat. Imports from Indonesia were the exception, falling 30% for the month, while imports from Mexico fell 8%. Furniture imports for the year continue to trail the record numbers of last year. June imports were 28% less than those of the previous June while totals through the first half of this year were down 29% versus last year. According to the Kitchen Cabinet Manufacturer's Association's (KCMA) monthly Trend of Business Survey, participating cabinet manufacturers reported an increase in sales of 4.5% in June. Sales were down by 3% for June 2023 compared to the same month in 2022. The survey reported that compared to the previous month, custom sales were up 6.6%, semi-custom sales were up 4.9% and stock sales were down 0.2%. Compared to June 2022, custom sales were up 5.2%, semi-custom sales were down 0.1% and stock sales were down 21.1%.

VIET NAM
Viet Nam's Wood Product Exports Rise

In June 2023, Viet Nam's wood and wood product (W&WP) exports reached USD1.2 billion, up 14% compared to May 2023 but down 15% compared to June 2022. WP exports, alone accounted for USD868 million, up 14% compared to May 2023 but down 7% compared to June 2022. In the first 6 months of 2023 W&WP exports totalled USD6.2 billion, year-on-year down 27%. The export of WPs contributed USD4.2 billion, down 30% over the same period in 2022.

Viet Nam's imports of logs and sawnwood in June 2023 amounted to 569,000 cubic meters worth USD199.2 million, up 25% in volume and 25% in value compared to May 2023. Compared to June 2022 imports were up 3% in volume but down 12% in value. In the first 6 months of 2023 imports of logs and sawnwood are estimated at 2,177 million cubic meters, worth USD777.6 million, down 25% in volume and 31% in value over the same period in 2022.

Viet Nam's exports of NTFPs (rattan, bamboo and other minor NTFPs) in May 2023 reached USD61,835 million, down 1.5% compared to April 2023 and down 12% over the same period in 2022. Over the first 5 months of 2023, Vietnam's NTFP exports totalled USD289.93 million, down 30% over the same period in 2022.

https://www.globalwood.org/news, 24 July 2023

INDONESIA
Indonesia, Malaysia and EU to Establish Joint Task Force on Supply Chain Traceability and Transparency

A joint Indonesia/Malaysia mission met with leaders of the European Union in Brussels at the end of May to discuss the EUDR. As a follow-up to this Dr Florika FinkHooijer, DirectorGeneral for the Environment of the European Commission, visited Indonesia and Malaysia 26 - 28 June 2023 to meet with government officials. Indonesia and Malaysia agreed that this Joint Task Force with the European Commission will focus on the relevant commodities in both countries in particular palm oil, wood, rubber, coffee, and cocoa. When needed, matters may be addressed based on the countryspecific approach in an inclusive and transparent manner under the framework of the Joint Task Force. The Task Force will examine the situation for relevant commodities in Indonesia and Malaysia within the scope of the EUDR for the EU market. All three partners will appoint a single point of entry and immediately discuss and conclude the TOR of the Joint Task Force.

https://www.atibt.org/en, 4 July 2023

CHINA
Duties on China Hardwood Plywood and Engineered Wood Flooring Continue

According to a recent announcement from the US Decorative Hardwood Association, the US International Trade Commission decided that the existing duties on Chinese hardwood plywood will remain in place for the next five years. This decision follows the country's review process on whether to remove the tariffs after five years as required by the Uruguay Round Agreement Act and follow a similar ruling by the Commerce Department. The Commission stated that removing existing antidumping and countervailing duties on hardwood plywood from China would cause substantial harm to the US wood flooring industry.

The US International Trade Commission also ruled that the existing duties on Chinese engineered wood flooring will remain in place for the next five years. This is a critical development for the industry which has been fighting to have this overturned.

https://www.fordaq.com/news, 26 July 2023

INDIA
India's Timber Import Market Booms as Country Recovers to Pre Covid Levels

India's timber import market thrives as the country recovers to pre-Covid-19 levels. India's remarkable recovery from the Covid-19 pandemic has led to a resurgence of various sectors, with significant growth in the timber import sector. The demand for furniture components has exploded with the emergence of many direct-to-consumer (D2C) brands, which have set up large factories across the country. Notably, the industry has not only returned to pre-pandemic levels, but even surpassed them in terms of volume.

One of the main drivers for the expansion of the timber industry is the growing demand for hardwood and softwood logs. Teak, mainly sourced from South America and Africa, has seen a substantial increase in demand. Similarly, European hardwood also saw significant growth, with some buyers eagerly awaiting further price declines.

The lumber market was particularly dynamic, with growing demand for softwoods such as pine and spruce. The packaging industry, fuelled by increased exports, requires more pallets and boxes, resulting in increased demand for these materials. Moreover, the increasing construction of housing, especially villas, has led to an increased demand for wood products such as doors, windows and panels for interior applications. An emerging trend in the Indian market is the construction of wooden accommodation, especially in tourist destinations such as hotels and chalets.

This trend is not only driving the demand for wood products, but also providing new opportunities for the construction industry and local artisans.

However, the plywood industry faces its own challenges. Plywood factories are facing a shortage of core veneer and are actively looking for new eucalyptus core veneer suppliers. Despite this hurdle, overall industry growth remains strong, particularly for US hardwood, which has seen remarkable expansion this year.

https://www.fordaq.com/news/India,1 July 2023

EUROPEAN UNION
EUDR Enters Into Force

On June 29, 2023, the EU Deforestation Free Products Regulation entered into force (EUDR). According to the regulation, any operator or trader who places regulated products on the EU market, or exports them, must be able to prove that the products do not come from recently deforested land or have contributed to the degradation of forests. Products regulated include wood products as well as soybeans, beef, palm oil, cocoa, coffee and rubber. The EUDR repeals the EU Timber Regulation. From June 29, 2023, operators and merchants have 18 months to implement the new rules. Operators classified as small or micro-enterprises (SMEs) with up to 250 employees and an annual turnover of up to EUR50 million have 24 months to comply.

Intensive work will be undertaken over the next 18 months by the European Commission, in consultation with Member States and other stakeholders, to prepare for its implementation. This will include the following activities: definition and development of guidelines and tools to comply with EUDR requirements; the European Commission has decided to set up two working groups (including at least one representative of the timber sector): the "Traceability" group (including due diligence requirements) and the "Inclusion of smallholders" group. These groups will help the "multi-stakeholder platform" gather information and evidence that can be used to interpret the requirements and facilitate the implementation of the regulations. Participants in these groups will be members of the platform (Note that members of the platform include the Commission, Member State authorities and "stakeholders", the latter being identified as trade associations and "European" or "European" NGOs). Government representatives from third countries (i.e., non-EU members) are also invited to participate in the platform sessions involving stakeholder input.

However, Country Risk Benchmarking: The European Commission will classify countries, or certain regions, as low, standard or high risk within 18 months of the entry into force of the regulation. Products from "low risk" countries will be subject to a simplified due diligence process. Controls on operators will vary depending on the level of risk attributed to the country of origin of the regulated products. The development and operationalization of the information system (Register) allowing operators to submit their due diligence declarations for each batch of regulated products placed in or exported from the EU market and to verify the declarations already registered. This register will be interconnected with customs and accessible to the competent authorities of the Member States to establish their controls.

https://ec.europa.eu/info , 4 July 2023

UNITED KINGDOM
Slowdown in Construction Starts to Affect Timber Import

Following three months of steady growth, timber imports saw a gradual decline in April 2023. Overall timber import volumes were 13.6% lower than in April 2022, with reduced construction activity in crucial RMI and private housing sectors largely responsible. Imports of the main timber and panel products in the first four months of 2023 were 9% lower than over the same period in 2022.

After a period of great price volatility over the last 2 years, prices have stabilised in 2023 to date. Solid wood imports over the first four months of 2023 were 8% lower than over the same period in 2022 and imports of panel products were 11% lower. Gradual declines were seen in all categories, most notably softwood, which was down 6% from the previous year. Despite reduced volumes, the monthly rate of change in April 2023 was significantly less volatile than the fluctuations of the last three years, suggesting a return to pre-pandemic market patterns. This is echoed in the timber price data, with timber values appearing less volatile in 2023 than in the previous two years.

TDUK (Timber Development.UK) Head of Technical and Trade, Nick Boulton, said: "Timber imports have had a solid start to 2023, however, the gradual decline in April 2023 is unsurprising. "Crucial demand-driving sectors like private housing are struggling due to high-interest rates, with the cost of borrowing deterring aspiring homeowners. Sticky inflation is also proving an issue, particularly in the RMI sector. "This slowdown, however, is likely to be temporary, with the CPA predicting RMI and private housing recovery next year. "On a more positive note, the statistics highlight a return to more 'normal' market patterns, with import and price volatility appearing to stabilise in 2023. "Though fluctuations are still likely, the figures suggest the dramatic peaks and troughs of the immediate post-covid years are likely behind us.

https://www.globalwood.org/UK, 15 July 2023

USA
US Sawn Tropical Hardwood Imports Edged Down

US imports of sawn tropical hardwood fell 4% in May after two consecutive months of growth. The 15,681 cubic metres imported in May was 43% below the volume from May 2022. Imports from Brazil, the leading trade partner, rose 8%, but that gain was more than offset by declines in imports from Malaysia (down 7%), Indonesia (down 20%), and Cameroon (down 36%). Imports from nearly all trading nations remain down sharply through the first five months of the year. Imports of Ipe rose 70% in May to reach their highest level of the year; however, they still came short of last May's volume by over 37%. Imports of Sapelli and Keruing both declined 13% in May.

Keruing and Cedro are the only woods being imported at a greater rate in 2023 so far than last year, while imports total less than half of last year's amount of Ipe, Virola, Meranti, Jatoba, Iroko, and Annigre through May. Overall imports remain down 41% versus last year so far this year. Canada's imports of sawn tropical hardwood fell by more than a quarter for the second straight month in May, declining 30% to their lowest level in 20 months. Imports of Mahogany fell sharply while imports of Sapelli fell more modestly but were at less than a quarter of their May 2022 level. Overall imports, which had led those of 2022 for the first four months of the year, are now behind by 14%.

https://www.commerce.gov, 24 July 2023

AUSTRALIA
China's Impact on Australian Timber Exports

Global wood markets will see another changeup in the coming months as Australian exporters can again ship logs to China following a 2.5-year ban. But exports are not expected to reach historic levels seen a few years ago. At the end of 2020, China banned the importation of plantation pine logs from Australia. China's decision to ban Australian logs resulted in a collapse of Australian exports. China was practically the only log market being served by the country.

As a result, total annual shipments from Australia fell a shocking 89% in 2022 compared with 2016-2020. When the ban was implemented, Australian log traders started exploring other spaces in Asia and nearby markets. In 2021, they began shipping to previously less significant markets.

https://www.timberbiz.com.au, 19 July 2023

BRAZIL
New Import Controls in Argentina Impact Exports

Recent import regulations adopted in Argentina are having a big impact on Brazilian export sales. In order to secure greater control of supply chains and monitor of foreign trade operations, the Argentine government introduced the "Import System of the Republic of Argentina" (SIRA) which came into force in October 2022.

The new system restricts the granting of non-automatic licenses (licences automatic's - LNAs). A nonautomatic license is an instrument used by countries to control the entry of products into their countries. Brazilian exporters can only ship products when a permit is obtained directly from the Argentine government.

According to a survey conducted by the National Confederation of Industry (CNI) with 252 Brazilian exporters, 77% of the companies indicated that there was a negative impact on export operations after the creation of SIRA. Out of these, 84% said there was a reduction in the value exported to Argentina. Among the exporters that reported a decrease in the value exported after the implementation of the new system, 49% said that the reduction in sales to Argentina in the period was around 40%.

With the implementation of the new system the list of goods subject to non-automatic licenses jumped from 1,474 at the beginning of 2020 to 4,193 by the end of 2022 and 99% of the products are from the manufacturing industry. Considering 2022 trade data, 59% of Brazilian exports to Argentina are subject to this measure.

The three main problems pointed out by exporters are the very long payment terms (79%), the bureaucracy for the release of foreign exchange even after compliance with the established deadline (55%) and the change and extension of deadlines after approval of the SIRA (42%).

https://getfea.com/international-markets/brazilian, 13 July 2023

PERU
Shipments of Semi-Manufactured Wood Products Fall

According to the Services and Extractive Industries Management of the Association of Exporters (ADEX), Peruvian export shipments of semi-manufactured wood products in the first 4 months of the year contracted 41%, earning just USD16.7 million compared to USD28.5 million in the same period of 2022.

The drop can be explained by lower demand from the main buyers, France down 6% (USD8.2 million), Belgium, down 39% (US$2.2 million) and China down 79% (USD2.1 million). Among the top ten markets were Mexico (USD1.1 million), Denmark (USD1.0 million), USA (USD0.6 million), New Zealand (USD0.4 million), Germany (USD0.2 million), Mauritius (USD0.19 million) and Australia (USD0.14 million).

Over the past 10 years (January-April period) shipments of semi-manufactured goods remained relatively stable. In 2014 the amount was almost USD22.2 million, in 2015 USD22.14 million, in 2016 about USD22.3 million, in 2017 USD23.4 million and in 2018 USD22.9 million.

In 2019 the amount went to USD28.4 million, to drop to USD15.6 million in 2020. In 2021 it recovered and reached USD23.9 million and in 2022 it closed at USD28.5 million. According to figures from the ADEX Data Trade Intelligence System between January and April 2023 the most important item was profiled wood totalling USD6.8 million. Other shipments include moulded tropical wood (USD3.9 million) other longitudinally profiled wood (USD2.15 million), slats and friezes for parquet (USD1.4 million) other wood profiled on one or more faces (USD1.2 million) among others.

Lima was the region from which most semi-manufactured wood products were exported followed by Ucayali (USD5.5 million) and Madre de Dios (USD1.2 million). Semi-manufactured products ranked first among the shipments of this sector surpassing sawn wood (USD14.5 million), construction products (USD1.6 million), firewood and charcoal (USD1.4 million) and furniture and its parts (USD1.1 million).

https://www.fordaq.com/news/Peru, 14 July 2023

GHANA
First Quarter Wood Exports Record 15% Growth

According to the first quarter 2023, Timber Industry Development Division (TDD) report Ghana's timber and wood product exports earned the country EUR34.46 million from a volume of 76,779 cubic meters, a 15% year-on-year increase in value and a year-on-year increase of 3% in value. In the first quarter 2022 earnings were Eur30.04 million from a total export of 74,853 cubic meters. The data show that air dried sawnwood, kiln-dried sawnwood, plywood to the regional market, billets and plywood to other international markets accounted for 53%, 13%, 10%, 5% and 5% respectively of the first quarter export volume.

Products for which significant increases in export volumes reported were briquettes, plywood and mouldings. The TIDD reports there were one hundred and forty-three exporters active during the first quarter in 2023 of which the top five leading exporters were Logs and Lumber Limited, Samartex Timber and Plywood Company Limited, Multimodal Freight Services Limited, John Bitar and Company Limited and K Lorvert Company Limited.

The major species that went into the production of export products were teak, ceiba, wawa, denya, and eucalyptus. The main markets were India, Togo, Germany, Belgium and the US. The TIDD report also indicated that, the overall Average Unit Price increased from EUR401/ cubic meters in the first quarter of 2022 to EUR449/ cubic meters in the first quarter of 2023.

https://www.globalwoodmarketsinfo.com, 13 July 2023

GLOBAL
Future Demand for Wood Will Undermine Efforts to Reduce Global Greenhouse Gas Emissions

With the harvesting of wood expected to increase dramatically in coming decades, researchers are warning that policy officials have woefully underestimated logging's carbon footprint — and that the widespread falls of trees will undermine efforts to reduce planetwarming emissions. Between 2010 and 2050, global demand for wood is expected to surge 54% as more trees are used for fuel and for the manufacturing of buildings, furniture and paper products, according to a study published this week in the journal Nature. During that time, greenhouse gas emissions from wood harvests would significantly increase, likely releasing 3.5 billion to 4.2 billion metric tons of carbon dioxide each year — three times more than what's emitted annually by the global aviation industry, say researchers at the World Resources Institute. Study authors say their analysis has revealed a massive accounting gap in global greenhouse gas production. Because carbon emissions from logging are rarely counted by policymakers, the increase will upend efforts to reduce the industry's carbon footprint. Globally, trees store a tremendous amount of carbon in their trunks, branches and roots. When they are cut down, the stored carbon can be released over time, or rapidly if the wood is burned. By mid-century, humans are expected to raze about 3 million square miles of forestland — an area roughly equivalent to the size of the continental U.S.

https://www.latimes.com/environment/story, 3 July 202

JUNE 2023

LOGS

The average price of logs og most species that became price reference species in June 2023 was reportedly little changed, with 75% or 15 of the 20 species, remaining traded in the market at the previous month's price. Only two species reported an average price increase of 1.9–2.1% or a price range of RM25–RM30 per tonne, while the remaining three reported a decrease of 1.1–4.9% or a price range of RM20–54 per tonne.

Sepetir and Nyatoh from the Light Hardwood Group were said to have seen price increases. With the reported percentage increase in prices, both species were traded at an average price of RM1,329 and RM1,407 per tonne respectively. Meanwhile, Kempas, Keruing and a species from the Heavy Hardwood Group were traded at RM1,833, RM2,217 and RM1,041 per tonne respectively. In the previous month, all the species reported to have increased or decreased prices were traded at RM1,304, RM1,378, RM1,853, RM2,319 and RM1,095 per tonne respectively.

The current low market performance of most timber products is seen as still having a significant influence on timber prices, as almost all species continue to record price retention, with only a small number of species recording decreases and average price increases on the timber industry's main raw materials.

SAWNTIMBER

For most species, the average price situation for sawn timber products under three production classes, General Market Specification (GMS), STRIPS and Scantling for June 2023 was not significantly different from the current average price for timber. According to reports, not less than 70% or 14 species out of 20 species, from all three classes of sawn timber production have not experience price changes and were traded at the same market price as the previous month.

In the GMS production class, 15 species had no price changes, with only three species experiencing price increases and two species experiencing price declines. Red Meranti, Mengkulang and Chengal, three species that reported price increases, increased by 4.2% to 42.9% or about RM82 and RM3,178 per m^3 respectively. These three species were traded in the current market at RM2,048, RM1,462, and RM10,593 per m^3. The remaining two species that decreased under the GMS production class were Sepetir and Nyatoh, which decreased prices of 1.3% and 5.1% or RM24 and RM83 per m^3 respectively. Both species were traded on the market at an average price of RM1,824 and RM1,530 per m^3 in the current month, compared to RM1,848 and RM1,613 per m^3 in the previous month. The Chengal species experienced a relatively high and significant increase in average prices in June 2023 because of the current demand and supply situation for this species, which is commonly known as a species that is difficult to obtain supply and has a high market price when compared to other commercial species.

Approximately 70% under the STRIPS production class, or 14 species reported maintaining the same average price as the previous month. Four species, namely Nyatoh, Yellow Meranti, Mix Heavy Hardwood and Kempas saw price increases ranging from 1.4 to 8.8%, or about RM20 to RM176 per m^3, while the remaining two, Red Balau and Red Meranti saw price decreases of 7.1% and 9.8%, or RM177 and RM200 per m^3 respectively. With the stated price increases and decreases, the current average monthly trade prices for all these species are RM1,548, RM1,389, RM1,231, RM2,189, RM2,295 and RM1,836 per m^3.

Following that, in the Scantling production class, approximately 90%, or the equivalent of 18 of the 20 reference species, maintained the same average price retention as the previous month. The remaining two species, Sepetir and Keruing experienced 1.3% and 6.4% decrease and increase respectively. The Sepetir species' price has dropped to RM1,755 per m^3, while the Keruing species' price has risen to RM2,189 per m^3. Both species were traded at RM1,779 and RM2,057 per m^3 respectively, higher than the previous month.

PLYWOOD

The average market price of plywood products for the four main sizes recorded in June 2023 showed no sign of volatility or price fluctuations. The average price per piece of plywood with a thickness of 4mm, 6mm, 9mm and 12mm was RM19.40, RM24.50, RM39.75 and RM48.35 respectively, based on price retention. The highest price of plywood for each thickness size traded remained unchanged from the previous month at RM19.40, RM25.00, RM41.00 and RM48.70 per piece respectively.

MEDIUM DENSITY FIBERBOARD (MDF)

MDF panel products were also reported to have maintained average prices for all four marketed MDF sizes for the current month of June 2023. The average price for MDF with thicknesses of 4mm, 6mm, 9mm, and 12mm remained unchanged at RM12.90, RM23.65, RM31.50 and RM37.60 respectively, with the highest price for each major size being listed at RM12.90, RM26.00, RM37.00, and RM42.00 per piece. Although MDF products are one of the primary raw materials used in the manufacture of timber and furniture, any

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

SPECIES	LOGS/ton	SAWN TIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	5,000	10,593	4,237	10,946
Balau	3,318	3,055	2,059	3,857
Red Balau	2,400	2,825	2,295	2,489
Merbau	3,067	3,754	3,072	3,725
Mixed Heavy Hardwood	1,041	1,352	1,231	1,271
MEDIUM HARDWOOD				
Keruing	2,217	3,185	2,587	2,189
Kempas	1,833	2,232	2,189	2,613
Kapur	1,837	1,746	1,189	1,853
Mengkulang	1,815	1,462	1,424	2,013
Tualang	1,250	2,013	2,002	2,062
LIGHT HARDWOOD				
Dark Red Meranti	2,134	2,631	1,942	3,919
Red Meranti	2,317	2,048	1,836	2,307
Yellow Meranti	1,705	1,854	1,389	1,977
White Meranti	1,650	2,507	1,801	1,977
Mersawa	1,794	1,907	1,730	2,154
Nyatoh	1,407	1,530	1,548	1,412
Sepetir	1,329	1,824	1,436	1,755
Jelutong	1,150	2,119	1,589	1,819
Mixed Light Hardwood	1,190	1,352	1,201	1,201

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	LOGS/ton	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	185	1,200	1,310	1,370	1,530

PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm
	19.40	24.50	39.75	48.35

MDF 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm
	12.90	23.66	31.50	37.60

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

INTRA-MALAYSIA TRADE - JUNE 2023

	May-23		June-23		% change in volume	% change in value
	Vol (m³)	Val ('000 RM)	Vol (m³)	Val ('000 RM)	May/June	May/June
SABAH						
Logs	0	0	5	6,423	100	100
Sawn Timber	178	500	171	226	-4	-55
Plywood	1,909	4,095	1,897	4,275	-1	4
Veneer	124	383	273	805	119	110
SARAWAK						
Logs	0	0	0	0	0	0
Sawn Timber	104	251	309	756	198	201
Plywood	1,255	1,339	781	767	-38	-43
Veneer	0	0	0	0	0	0

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

Container Industry Emissions Fall

The latest industry analysis from Xeneta shows that CO2 emissions from the container industry fell during the first quarter of 2023 across 10 of the world's busiest 13 ocean freight lanes. According to the Carbon Emissions Index (CEI), a unique environmental benchmarking tool from Xeneta and Marine Benchmark, the trade corridor making the biggest emissions inroads was the US West Coast to the Far East lane, while Yang Ming emerged as the industry's 'emissions hero' for the second consecutive quarter.

The CEI is built on a foundation of real-time AIS data and individual vessel specifications, allowing it to track and calculate environmental performance per ton of cargo carried across the sector's busiest trade routes. It uses a baseline score of 100 to assess carriers in relation to the trade lane average at the start of 2018. Those scores, comments Emily Stausbøll, Xeneta Shipping Analyst, showed quarterly improvements on many trades for the start of 2023. However, Stausbøll cautions over whether this trend is "here to stay," noting that it's perhaps not just environmental commitment that is lowering the CEI scores.

"Global shippers looking to shrink the carbon footprints of their logistics chains will be delighted to see some meaningful falls in emissions on key freight corridors," she comments. "And, in the aftermath of MEPC 80 and the IMO's accelerated GHG commitments, such improvements should certainly be applauded. But the question is, what happens when the market improves? Will we see commercial considerations trump environmental ones? Time will tell how committed individual carriers are here."

Stausbøll says that much of the improvements are down to carriers reducing speeds, which delivers fuel efficiency gains while also allowing them to cater for considerably lower demand in a subdued macroeconomic climate. The US West Coast to the Far East lane (a backhaul) saw a speed reduction of almost 1 knot, which, when combined with an increase in vessel sizes and a stable filling factor, enabled a 11.3% CEI improvement from Q4 2022. She adds: "We're also seeing several alliances add capacity to services, for example when newbuilds are coming on line, and then slowing down the speeds of deployed ships. This allows them to add the vessels without increasing capacity in real-terms (due to the slower transit times). This strategy, it's fair to say, is driven by business rather than environmental considerations."

Xeneta's data shows that only three trades increased speeds across the quarter, and that all were fronthaul routes, namely; from the Far East to North Europe and to the US East Coast, and from North Europe to the US East Coast. Of the 13 leading corridors the only ones to show an increase in quarterly CEI scores, and therefore emissions, were North Europe to the Far East and to the US East Coast, and from the Mediterranean to the US East Coast.

Despite the favorable current trend, there's a mixed long-term perspective, with four trades actually recording worse CEI scores in Q1 2023 than in Q1 2018. The Mediterranean to US East Coast trade is "bottom of the barrel" with a 13.6% higher CEI. At the other end of the scale, the "star performer" is the Far East to the US East Coast corridor, with a 21.2% improvement for the same period. "In general, we are seeing some positive steps forward," Stausbøll states, "with many carriers getting just the right balance of vessel speed, size and filling factor. In particular, there's good news for the many exporters out of the Far East, with the top five trades from the region all showing significant improvements over Q1 2018. None of these trades had a CEI above 91 - in other words, an improvement of at least 9% since the index was introduced."

The best individual carrier, Stausbøll concludes, is Yang Ming, which also recorded the best CEIs in Q4 2022. The Taiwanese giant was the cleanest carrier (when measured by CO2 emitted per ton of cargo carried) on three trades, with OOCL and HMM securing the top spot on two trades a piece. She notes: "Yang Ming was the only major carrier to score below the trade lane average on all the trades where it deployed ships. It also sailed younger ships than the trade lane averages and, importantly, sailed slower.

"With the environment so high on the agenda – for customers and financers, as well as regulators – the commercial argument for this kind of commitment is almost as strong as the environmental one. If more carriers can follow Yang Ming's lead, then it's a strategy that could really pay dividends, in more ways than one."

Source: marinelink.com July 18, 2023

World Maritime Theme 2024: "Navigating The Future: Safety First!"

Maritime safety in an era of new technologies and alternative fuels central to IMO World Maritime Theme for 2024. "Navigating the future: safety first!" has been selected for the International Maritime Organization's 2024 World Maritime Theme, which will culminate in the celebration of World Maritime Day on 26 September 2024.

The theme reflects IMO's work to enhance maritime safety and security, in tandem with the protection of the marine environment, whilst ensuring its regulatory development process safely anticipates the fast pace of technological change and innovation. IMO Secretary-General Kitack Lim said: "This theme would allow us to focus on the full range of safety regulatory implications arising from new and adapted technologies and the introduction of alternative fuels including measures to reduce GHG emissions from ships as IMO strives to ensure the safety and efficiency of shipping are maintained, and potentially improved, so that the flow of seaborne international trade continues to be smooth and efficient."

Safety has been at the heart of all IMO's activities since the Organization was established in 1948. The regulatory framework is continuously evolving as gaps become apparent and as a result of IMO's proactive work to anticipate changes needed to accommodate emerging technologies and innovation – a prominent example being the currently ongoing development of a goal-based Code for maritime autonomous surface ships (MASS Code). 2024 marks 50 years since the adoption of the 1974 SOLAS Convention, the key IMO treaty regulating maritime safety.
Digitalization and automation are increasingly revolutionizing the shipping industry by introducing new technologies that enhance safety, security and efficiency, optimize performance, reduce environmental impact and ensure sustainability.

This is improving the overall efficacy and competitiveness of the shipping industry, making it possible to design, construct and operate ships more efficiently, handle more cargo, reduce costs and enhance customer satisfaction. Shipping transports about 90% of global trade and is the least environmentally damaging mode of transport. It is manifestly obvious that improving the safety of ships and reducing their greenhouse gas (GHG) emissions go hand in hand – both are critical to achieving a sustainable and efficient maritime industry. The theme "Navigating the future: safety first!" promotes IMO's ambitious and accelerated GHG reduction policy which includes the assessment of safety risks, that come with the introduction of new and adapted technologies and alternative fuels, and the development of regulatory measures to address and ultimately mitigate those risks.

The theme is also closely linked to the UN 2030 Agenda for Sustainable Development and several of the UN's Sustainable Development Goals (SDGs), particularly SDG 7 on ensuring access to affordable, reliable, sustainable and modern energy by facilitating access to clean energy research and technology; SDG 8 on promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all; SDG 9 on building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation; SDG 13 on taking urgent action to combat climate change and its impacts; and SDG 14 on conserving and sustainably using the oceans, seas and marine resources for sustainable development. The IMO Council, meeting for its 129th session, endorsed the theme following a proposal by IMO Secretary-General Kitack Lim.

Source: hellenicshippingnews.com July 27,2023

Saudi Maritime Congress Brings a Global Spotlight to the Kingdom's Shipping and Logistics Sectors

With its economic diversification efforts, policy development, and foreign direct investment commitments over the next five years, the world's eyes are on the Kingdom of Saudi Arabia as it fast tracks to becoming a leading maritime hub. The 4th edition of the Saudi Maritime Congress will take place in Dammam from 20-21 September 2023, highlighting the scope of opportunities within this burgeoning sector and the fast-growing maritime logistics potential.

Chris Morley, Group Director of Seatrade Maritime, the event's organisers, said: "Progress on maritime transport infrastructure forms part of a wider strategy aimed at developing the domestic ports and logistics sector. We expect maritime logistics to be a fast-growing activity in 2023-27, supported by the government's ambitious aim of making Saudi Arabia the leading regional logistics hub."

Through its comprehensive and free-to-attend conference programme, the Congress will delve into Vision2030 and its objectives for the maritime and logistics sectors. "The improvements in Saudi maritime logistics are expected to boost port revenue, an increasingly important non-oil source of growth. By building out inland logistics hubs and enhancing rail connectivity, the Kingdom is looking to more than quadruple the country's annual container throughput to 40 million TEU by 2030. The ambitions of Saudi Arabia's Vision 2030 plan are quite clearly matched by the scale of so-called giga projects such as the $500 billion Neom scheme or the plans for the Oxagon port, which will be the largest floating structure in the world," added Morley.

The two-day exhibition and conference will take place at Dhahran Expo, Dammam, KSA, following a highly successful event in 2022 that saw an international audience of 3,757 visitors participate, including key maritime executives, leading suppliers of marine equipment and services, and crucially, those responsible for shaping the KSA maritime landscape for the future.

Bringing together industry stakeholders

Emphasising the importance of the Congress, several key industry names have signed up to make industry and keynote addresses, including Nancy W. Karigithu, Principal Secretary, State Department for Shipping and Maritime, Kenya; Erik Jensby, Head of Business Development and Membership, BIMCO; John McDonald, EVP, and COO, ABS. Panel sessions across the two days will be short and sharp, with over 30 speakers lined up to discuss topics ranging from ship management, maritime education, ESG, to mega strategies for the Kingdom's maritime industry future, container shipping & tanker freight market update, offshore, and maritime logistics.

Complementing the programme is a bustling exhibition with participating companies such as MAWANI, IMI, Transport Global Authority, Saudi Global Ports Co, Grandweld, Naghi Marine Company, DP World Middle East, ASRY, and more.

Source: International Shipping News July 30, 2023

Container Rate Collapse Deepens as New Capacity Enters the Market

According to Xeneta's Shipping Index (XSI), global long-term shipping rates sank to a two-year low in July, falling 9.5% since June, plummetting 57.8% since the same period in 2022. And just as rates hit a fresh low, the bad news for carriers could continue for some time as June saw the highest ever monthly deliveries of new ships, with more than 300,000 TEU of capacity from a total of 40 new ships added to the market. In the first six months of the year, a total of 990,000 TEU was delivered, with around the same to come in the second half of 2023.

"Carriers waiting for higher volumes in July, and in the coming months due to peak season, look increasingly likely to be disappointed," said Xeneta market analyst Emily Stausboll. "Even if volumes do increase, and whatever happens to demand, overcapacity is now inevitable as these record numbers of new ships being delivered this year will have a wide-reaching effect."

Low demand is still the underlying factor affecting rates and the figures for July were gloomy across the board. The XSI for Far East exports fell by just 2.7% to 188.62 in July, but this is now the lowest this index has been since April 2021, and a 69.5% drop from July last year.

European imports were down by 12% from the previous month and this sub-index is now down by 52.7% since the start of this year. A slight fall of 2.9% in the XSI for US imports has brought the index to 231.6 points in July. "This is the only index still above 200, or still more than twice as expensive as the average rate in January 2017," said Stausboll.

Just as the threat of strikes at US West Coast ports was averted after a deal was signed, a new twist in port labor relations has jumped to the fore. The Canadian chapter of the ILWU went on strike in July, disrupting imports through the ports of Prince Rupert and Vancouver and a considerable slice of the US market.

"Low import volumes and space at some ports allowed shippers and carriers to mitigate delays and find alternatives when the Canadian ports were temporarily closed, but this situation is yet another thorn in the side for the industry at a crucial time leading up to peak season," said Stausboll.

Source: marinelink.com July 31, 2023

SHIPMENT OF TIMBER AND TIMBER PRODUCTS THROUGH PORTS IN PENINSULAR MALAYSIA, JUNE 2023

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m^3)	% change May'23/ June'23
	m^3	% change	m^3	% change	m^3	% change	m^3	% change	m^3	% change		
Sawntimber	35,986	-20	2,522	-69	753	-29	414	106	3,610	-2	43,284	-26
MDF	12,563	-25	0	0	1,446	-2	1,963	4	5,605	-18	21,577	-21
Mouldings	8,532	-28	43	-39	1,133	-36	1,893	15	321	-56	11,920	-26
Plywood	3,195	-22	12	100	0	0	648	-26	8,834	8	12,677	-4
Veneer	767	107	0	0	72	100	42	29	137	15	808	101
Particleboard	9,497	-4	0	0	498	385	626	100	5,063	-47	15,058	-23
TOTAL	**70,539**	**-20**	**2,576**	**-70**	**3,902**	**-12**	**5,585**	**20**	**23,570**	**-19**	**106,171**	**-21**

Note: Indicates % change over previous month
Source: MTIB

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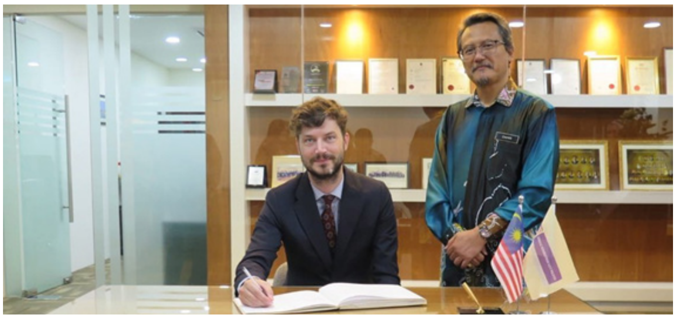
market price movement for these products is thought to be heavily influenced by the current state of the furniture market.

INTRA-MALAYSIA TRADE*- JUNE 2023

The trade value of the main timber products from Sabah to Peninsular Malaysia in June 2023 was RM11.729 million, based on a trade volume of 2,346 m^3 through four major products: logs, sawn timber, plywood, and veneer. Logs and plywood products contributed the most to trade value in the current month, with trading volumes of RM6.42 million and RM4.28 million, respectively. Sawn timber products recorded a 55% decrease in trade value from RM0.5 million to RM0.2 million from the previous month. Meanwhile, the trade value of logs, plywood, and veneer products increased by 100%, 4%, and 11% respectively. The one hundred percent increase in log products was due to trade transactions for the product after several months of no trade between the two regions.

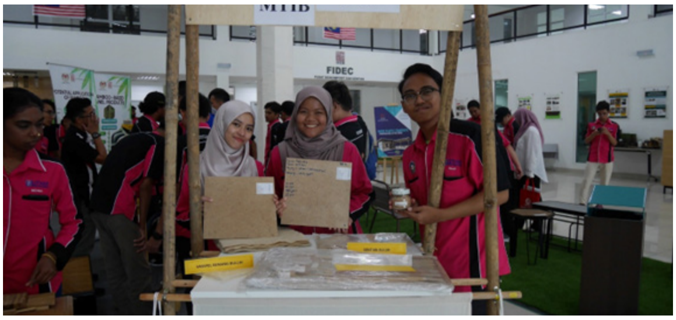
The total trade volume of 1,090 m^3 of sawn timber and plywood from Sarawak to Peninsular Malaysia was RM1.52 million in June 2023. Sawn timber products saw a 200% increase in trade value to RM0.76 million from RM0.25 million the previous month. Plywood products, on the other hand, saw a 43% decrease in trade value, falling from RM1.34 million to just RM0.77 million from the previous month. For the record, as in the previous month, only these two products were traded, while products such as logs and veneer saw no activity.

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



13 July 2023 – Courtesy visit by Embassy of Sweden delegation, led by Mr. Robert Lejon

6 July 2023 – MTIB field trip to Forest Research Institute Malaysia (FRIM), Kepong



3 July 2023 – "Program Jom Kenali FIDEC" with Students of Fakulti Teknologi Kejuruteraan, Universiti Tun Hussein Onn Malaysia (UTHM) at FIDEC, Banting

7 July 2023 – Working visit by MTIB delegates to Sabah Forestry, Sandakan Sabah

10 July 2023 – Working visit by Jabatan Hutan Sarawak (JHS) to FIDEC, Banting