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ENHANCING BUMIPUTERA BUSINESS LINKAGES - TECHNICAL AND MARKET ACCESSMISSION TO SAUDI ARABIA

- CONSULTATION SESSION ON USAGE OF TIMBER IN CONSTRUCTION
- HABITARE INTERIOR, DESIGN AND FURNITURE FAIR 2023 IN HELSINKI, FINLAND

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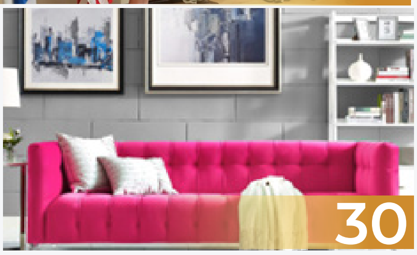

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HeveaBoard Berhad

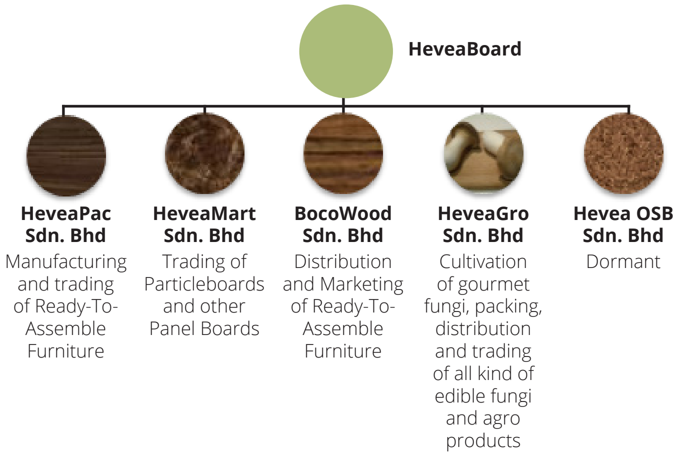
Prepared by: Ts. MUHAMAD FAIZUL RAZILAH

Company Background

HeveaBoard Berhad operates one of the most advanced particleboard mills in Malaysia. Set on the HeveaWood Industrial Park, the particleboard plant has a total annual particleboard production capacity of 405,000m^3 using modern equipment and European technology. HeveaBoard particleboard has been produced since 1994 from renewable wood resources and wood residues from plantation and sawmills.

The company is a leading particle board manufacturer established in 1994 and commenced commercial production in 1996, producing rubberwood based particleboards and chipboards. HeveaBoard particleboard, a cost effective, versatile and ecologically sustainable wood panel product, is the ideal particleboard for a wide range of manufacturing, trade and building applications.

Rubber Tree Plantation



HeveaBoard Subsidiaries

HeveaBoard's products are directly and indirectly exported to various countries, focusing mainly on the Asia Pacific region.

History of the Company

HeveaBoard was incorporated in 1993 as a private limited company under the name of HeveaBoard Sdn Bhd. The company was converted into a public limited company in 2004 and assumed its present name. It was subsequently listed on the main board of Bursa Malaysia Securities Berhad in January 2005. The term HeveaBoard originates from the scientific name for the rubber tree 'Hevea brasiliensis' and is combined with 'board', creating the exclusive and unique commercial name, HeveaBoard.

HeveaBoard is located in Gemas, Negeri Sembilan. HeveaBoard and its subsidiaries manufacture, trade and distribute a wide range of particleboards and particleboard-based products. HeveaBoard takes the lead in the manufacturing of particleboards - a reconstituted wood panel derived from rubberwood residues, while its subsidiaries are involved in downstream particleboard based Ready-to-Assemble (RTA) furniture manufacturing, trading and distribution of particleboard and wood panel related products.

HeveaBoard products are exported to more than 20 countries and are also sold in the domestic market. HeveaBoard also supplies particleboards to HeveaPac for making RTA furniture. HeveaPac consumes about 25-30% of HeveaBoard products, thus making HeveaBoard Group the largest integrated particleboard RTA furniture manufacturer in Malaysia.

HeveaBoard Berhad is committed to its policy that places a very heavy emphasis on research and development to ensure the product range and services meet the demand of today's global market. HeveaBoard Berhad considers the environment, occupational health and safety of its employees as vital to the continued wellbeing of its business and with that HeveaBoard Berhad recognises its duty to operate its activities with care to avoid environmental pollution and not create risks to the health and safety of its employees, contractors, visitors and members of the public.

Corporate Vision and Mission

The HeveaBoard mission is to produce high quality products which satisfy its customers. In recognition of the importance of customer satisfaction and producing consistent high quality products, the HeveaBoard particleboard mill is fully accredited under MS ISO 9001:2008 and was the first particleboard mill in Malaysia to obtain the Certification for Japanese Industrial Standard (JIS) A5908:2003.

HeveaBoard VISION
To be a leading wood-based panel producer in Asia Pacific Region.

HeveaBoard MISSION
To produce high quality products which satisfy our customer.

HeveaBoard POLICY		
Safety	➤	Our Priority
Efficiency	➤	Our Commitment
Cleanliness	➤	Our Desire
Quality	➤	Our Guarantee

Particleboard Products

HevaBoard products have relatively homogenous properties and thus are excellent substrates for various applications. The smooth finishing of HeveaBoard products is especially suitable for lamination purposes. The high bending and internal bonding properties of the boards create opportunities for it to be used in furniture manufacturing. HeveaBoard can be utilized for many applications including furniture components, dining sets, speaker boxes, door manufacturing, office systems, and DIY furniture components. While maintaining excellent physical properties, HeveaBoard products are less dense compared to Medium Density Fiberboard (MDF), making them lighter and easier to work with. Also, the life of cutting tools is longer as compared to when they are used on MDF.

Emission Class	Remarks
E1	Conforms to European Standard ("EN")
E0/CARB P2	Excellent bonding and low formaldehyde emission.
F****	Conforms to the Japanese Formaldehyde Standard (JIS). The excellent bonding and minimal formaldehyde emission make this product ideal for environment and health application
MFC	Decorative finished wood panel. Suitable for wide range of furniture and wall paneling application.
MUF	High moisture resistant particleboard which is widely used for table top, kitchen cabinet and high humidity furniture applicatin
NAF	Particleboards manufactored with a no added formaldehyde adhesive system.
PEFC	Sustainable forest management programme.

Product manufacturing

Using modern equipment and technology HeveaBoard particleboards are produced through several processes. Every process is automatically computer controlled and closely monitored to ensure production consistency is maintained. Every aspect is inspected thoroughly from the beginning to the end of the manufacturing process to ensure quality control is complied with and all processes meet requirements.

General Particleboard Process

Contribution to the timber industry

Besides being active in the production of panel products, Heveaboard is regularly involved in activities with government agencies in the development of the service industries such as receiving students from educational institutes or universities to conduct practical training programmes at Heveaboard. Heveaboard is also a member of the MTIB board, a member of the Registration and Enforcement Committee (RECM) and a member of the Formaldehyde Emission Regulation Development Committee.

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Year	Certificates	Certification Body
2009	Certified by California Air Resources Board (CARB)	Mutuagung Lestari
2011	Certified ISO 14001:2015 Environmental Management System	SIRIM QAS
2011	Certified ISO 45001:2018 Occupational, Safety and Health Management System	SIRIM QAS
2011	Certified MS 1722: PART 1: 2005	SIRIM QAS
2013	Certified on Chain of Custody by Program for the Endorsement of Forest Certification (PEFC ST 2022:2010)	SIRIM QAS
2014	Certified ISO 50001: 2011 Energy Management System	SIRIM QAS
2015	Certified Eco-Label License	SIRIM QAS
2015	Certified GreenLabel by Singapore	Singapore Environment Council
2015	MyHIJAU Certificate - Malaysia's Green Recognition Scheme	Green Tech Malaysia (MGTC)
2018	Certified US EPA	Mutuguang Lestari
2019	Certified KS (Korea Industrial Standard)	KOFPI
2021	Certified ISO 14067:2018 Carbon FootPrint of Products	SIRIM QAS

No.	Awards and Achievements
1	Certified of Appreciation On National Industry Excellence Award Year 2005
2	National Productivity Award 2005 - Special Award
3	2006 National Work Safety & Health Excellence Award - 4th winner
4	National Business Excellence Award Year 2008
5	Asean Energy Award 2014 - Winner (Industry Category - Special Submission)
6	Anugerah Penghargaan Pengguna Malaysia Standard 2015 - Winner
7	Asean Best Practice Awards (ISO50001)
8	Industry Awards 2022 - Innovative Timber Product
9	Anugerah Industri Perkayuan MTIB 2023



HeveaBoard products

ENHANCING BUMIPUTERA BUSINESS LINKAGES-TECHNICAL AND MARKET ACCESS MISSION TO SAUDI ARABIA

Prepared by: HAIRANI MOHD NOH

In an effort to boost Bumiputera participation in the furniture and timber export market, MTIB recently organised a Technical and Market Access Mission for Malaysia's Bumiputera Entrepreneurs to Saudi Arabia from 9 to 16 September 2023. The mission objectives were to promote Malaysian timber and timber products to the Saudi market in addition to exploring latest timber developments and business opportunities.

In 2022, Saudi Arabia continued to be a significant timber trade partner for Malaysia in the West Asia Region. However, there was a decline in the export of Malaysia timber and timber products to Saudi Arabia, with the total value decreasing by 6.96% from RM229.5 million in 2021 to RM214.6 million. Despite the decrease in export value in the year 2022, Saudi Arabia is still considered an exceptional business partner for Malaysia's export market, ranked 24th, and sharing 0.4% of Malaysia's total export earnings. Among the various timber and timber products exported to Saudi Arabia, wooden furniture emerged as the main product with a total value of RM147.3 million. Second place was sawntimber with an export value close to RM56.7 million while plywood was third with an export value of RM6.1 million.

During the visit, the delegation had discussions on business arrangement with the Riyadh Chamber of Commerce and Industry (RCCI) and Jeddah Chamber of Commerce and Industry (JCCI). The discussion with RCCI was chaired by Eng. Ibrahim A. Alshaikh, Board Member and Deputy Chairman of Commercial Committee, RCCI. The meeting was graced by the presence of Datuk Wan Zaidi Wan Abdullah, H.E. Ambassador of Malaysia to the Kingdom of Saudi Arabia and Encik Saiful Bahri Salleh, Deputy Director General (Management and Operation) of MTIB. The discussion with JCCI was hosted by Encik Mohammed Alsafah, Director of Event Affairs, JCCI and the delegation was led by Encik Roslan Sharif, Consul General of Malaysia in Jeddah. Both discussions highlighted potential collaborations in the timber sector between Malaysia and Saudi Arabia. Following both discussions, business matching session was conducted during which the delegation had the opportunity to meet with more than 80 Saudian timber and furniture importers .

Purposely to build networking and gain knowledge, the delegation then visited selected timber manufacturing and timber products companies, established in Riyadh and Jeddah namely Almutlaq Furniture Co. Ltd (home furniture), Jeraisy Gorup - Jeraisy Furniture Factory (MDF, home and office furniture), SGAPCO - Saudi German Aluminium Products Co. Ltd (wooden and metal furniture), Furniture Cluster - International Company for Furniture (high end furniture), ABYAT (home furniture and finishing) and Binladin Group - Binladin Woodwork Factory Co. Ltd (interior design services and wooden furniture). The delegation were briefed on the operations of the companies and their future plans. After the briefing sessions, the delegates were taken to tour around the factories and the showrooms.

The delegation also visited an ongoing exhibition, INDEX Saudi Arabia 2023, located at Riyadh Front Exhibition and Conference Centre. INDEX Saudi Arabia is the Kingdom's premier interior design, furniture and fit-out trade event where interior brands meet interior designers, retailers, distributors, and fit-out contractors. As their vision 2023 comes to life, the construction industry has seen a boom with multiple giga-projects underway, all seeking suppliers, solutions, and materials. Given the growth, INDEX Saudi Arabia is the perfect platform to showcase interior products and solutions to the most influential buyers in Saudi Arabia. In this regard, the delegation takes opportunities during the visit to expand their networking and meeting with prospects.

Overall, the mission was successful in terms of exploring and expanding into the Saudi market, and enhancing knowledge in latest timber developments. The mission also paved the way for more exports from Malaysian Bumiputera entrepreneurs into the Saudi market, particularly involving companies that are still new to the export market business.

Malaysian Bumiputera Companies that were involved in the mission were Triumphant Gallery Sdn Bhd, Maszma Projects Sdn Bhd, Pesama Timber Corporation Sdn Bhd, Puncak Bumi Utama Sdn Bhd, Meranti Marshal Sdn Bhd, Ella Furniture Sdn Bhd, Homestead Wood Industries Sdn Bhd, Purnama Bersatu Sdn Bhd and Rina Craft. The MTIB delegation was led by Encik Saiful Bahri Salleh, Deputy Director General (Management and Operation), and joined by Puan Hairani Mohd Noh.

Discussions on business arrangement with the Riyadh Chamber of Commerce and Industry (RCCI)

HABITARE INTERIOR, DESIGN AND FURNITURE FAIR 2023 IN HELSINKI, FINLAND

Prepared by: NIK ZURAIHAH NIK MOHAMMAD

TANGGAM, an initiative by MTIB, has set out to spotlight the Malaysian design and furniture industry, forging trade relations in Finland and across Europe. The pavilion, featuring an array of furniture crafted by Malaysian designers, captivated the interest of numerous visitors, owing to the products' distinctiveness and the booth's strategic positioning.

Centered around interior design, the furniture fair at this event stands as a flagship gathering in the Nordic and Baltic regions. Held from 13 to 17 September 2023, as an integral component of the Helsinki Design Week, it served as a cornerstone for showcasing the latest trends and innovations in the design industry. Habitare 2023 illuminated tremendous possibilities, significantly expanding designer market horizons, particularly within wood products and bespoke designer collections. The event also served as a dynamic platform for showcasing innovative approaches and cutting-edge techniques, encouraging designers to explore new dimensions in their creative endeavors and fostering a fertile ground for the fusion of traditional craftsmanship and contemporary design trends.

Through this engagement, attendees were introduced to the unparalleled characteristics of Malaysian timber products, renowned for their application in catering to the discerning demands of the high-end wooden furniture segment. The reception was notably enthusiastic, with a widespread commendation for the seamless incorporation of locally sourced Malaysian wood, adding a unique and authentic touch to the designer collection. The contemporary cultural adaptation within the collection also garnered significant appreciation, serving as a testament to the designer's adeptness at merging traditional elements with modern aesthetics. Ezran Studio unveiled a 3D-printed collection, tailor-made for each client, as part of an exclusive launch at the event alongside the highly anticipated debut of the newest FLUX collection.

The delegation took a picture with Encik Mohamed Ariff Bin Mohamed Ali, Charge Daffairs of Embassy of Malaysia in Helsinki, Finland

The Malaysian delegation, led by Puan Nik Zuraihah Nik Mohammad, Senior Assistant Director, MTIB, comprised of Puan Norazleen Othman, an MTIB officer; Dr Muhamad Ezran Zainal Abdullah, CiDe from Ezran Studio; Encik Mohamed Shahril Mohamed Faisal representing Shahril Faisal Studio; Dr Nor Hamizah Abdul Hamid from NOKTA; and Cik Kati Susanna Viik, representative of Anggun Sofa & Interior.

Dr Muhamad Ezran Zainal Abdullah with his new design of Flux 2.0 - introducing new innovations of engraving in design.

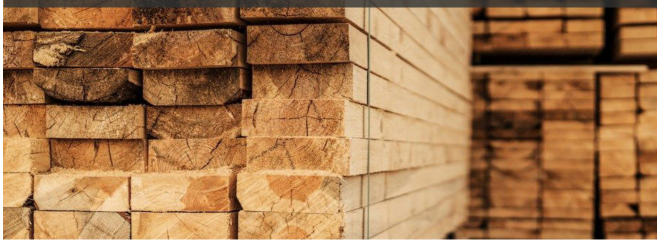
3D-printed collection vase in pink and blue silk

HABITARE 2023 promo sculpture in Helsinki, Finland

AUGUST 2023

The total export of Malaysian timber and timber products in August 2023 increased by 12% in value totalled at RM2.1 billion from RM1.9 billion in the previous month. However, cumulative exports for the period of August 2023 decreased by 19% valued at RM14.0 billion over RM17.3 billion in the previous corresponding period. According to Reuters, US construction spending particularly increased in August, lifted by outlays on single- and multi-family housing, though mortgage rates at nearly 23-year highs could slow momentum. Construction spending jumped 7.4% on a year-on-year basis in August. Spending on private construction projects rose 0.5%, with investment in residential construction rising 0.6% after increasing 1.6% in the prior month. The construction spending report showed outlays on multi-family housing projects rose 0.6% in August. There is limited room for further gains as the stock of multi-family housing under construction is near record highs. Spending on new single-family construction projects rose 1.7%.

SAWNTIMBER



Total export of sawntimber in August 2023 decreased by 1% in volume and 6% in value to 90,115 m³ totalling at RM194.8 million as compared to the previous month. Cumulative exports for the period of August 2023 also decreased by 13% in volume and 15% in value to 699,883 m³ totalling at RM1.6 billion over the previous corresponding period.

Exports to the EU for the month were recorded at 4,117 m³, decreased by 15% as compared to the previous month. The Netherlands as the main buyer decreased buying by 9% to 1,438 m³ from 1,585 m³ in the previous month. Export to Belgium also decreased by 24% to 681 m³ from 901 m³ whilst Italy increased imports by 114% to 1,122 m³ from 524 m³ as recorded in the previous month. Meanwhile, in other parts of Europe, exports to the UK increased by 53% to 874 m³ from 571 m³ in the previous month.

Total export to South Asia increased by 14% to 14,746 m³ from 12,942 m³ as recorded in the previous month. India as the main buyer from South Asia increased purchases by 21% to 9,108 m³ followed by Maldives and Sri Lanka with an increase of 2% and 8% to 2,444 m³ and 1,768 m³ respectively.

Elsewhere, total export to West Asia increased by 28% to 17,493 m³ from 13,715 m³ as recorded in the previous month. The UAE increased their imports by 171% to 6,129 m³ from 2,259 m³ as recorded last month. Similarly, exports to Oman also increased by 37% to 3,128 m³ from 2,290 m³ as in the previous month whilst Iraq decreased buying by 8% to 1,717 m³.

Elsewhere, shipments to East Asia decreased by 83% to 24,500 m³ from 142,873 m³ in July. China as the main buyer decreased purchases by 2% to 14,958 m³ from 15,226 m³ in the previous month. Exports to Japan decreased by 98% to 2,583 m³ from 116,334 m³ last month whilst South Korea increased buying by 30% to 2,428 m³.

Meanwhile, buying from ASEAN also decreased by 14% to 21,585 m³ from 25,097 m³ as registered in the previous month. Thailand as the main buyer in ASEAN increased its intake by 2% to 9,522 m³ from 9,314 m³ as recorded in the previous month. Meanwhile, exports of sawntimber to the Philippines decreased by 51% to 3,786 m³ whilst Singapore decreased buying by 3% to 6,973 m³ from 7,153 m³ last month.

Moving to the Africa region, exports increased by 25% to 3,568 m³ from 2,857 m³ in the previous month. Demand from South Africa increased by 42% to 2,977 m³ from 2,096 m³ as recorded last month. Meanwhile Mauritius decreased buying by 16% to 518 m³ followed by Seychelles with a decrease of 85% to 14 m³ from 96m³ in the previous month.

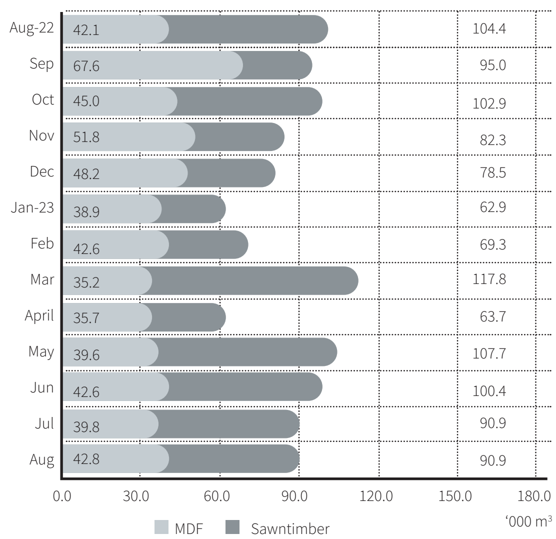
Exports to North America also increased by 24% to 1,846 m³ from 1,494 m³ in the previous month. The USA as a major buyer from North America also increased its intake by 51% to 1776 m³ from 1,178 m³ whilst Canada decreased buying by 78% to 70 m³ from 316 m³ last month.

In the Oceania-Pacific region, exports to Australia increased by 25% to 1,292 m³ from 1,037 m³ in the previous month. Australia increased its intake by 16% to 1,204 m³ from 1,037 m³ whilst New Zealand resumed its intake with 87 m³ for the month.

The average FOB price of sawntimber increased by 115% to 2,162 per m³ from 1,008 per m³ in the previous month. The price of Dark Red Meranti to the Netherlands decreased by 8% to 3,845 per m³ from 4,183 per m³ previously. Keruing was traded at 4,327 per m³, an increase of 19% from 3,650 per m³ in the previous month.

The weaker growth momentum in the EU is expected to extend to 2024, and the impact of tight monetary policy is set to continue restraining economic activity. However, a mild rebound in growth is projected next year, as inflation keeps easing, the labour market remains robust, and real incomes gradually recover. Inflation continued easing in the first half of 2023 because of declining energy prices and moderating inflationary pressures from food and industrial goods. In the euro area, it reached 5.3% in July, exactly half of the peak level of 10.6% recorded in October 2022, and remained stable in August. Energy prices are set to continue declining for the remainder of 2023, but at a slowing pace. They are projected to increase slightly again in 2024, driven by higher oil prices. Inflation in services has so far been more persistent than previously expected, but it is set to continue moderating as demand softens under the impact of monetary policy tightening and a fading post-COVID boost.

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



MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in August 2023 recorded a 9% increase in volume at 42,810 m³ and 0.4% in value at RM73.4 million compared to the previous month. Cumulative exports for the period of August 2023 recorded an increase in volume of 2% to 313,035 m³ but a decrease in value of 9% totalling at RM555.1 million as compared to the corresponding period in 2022.

Export to ASEAN decreased by 6% from 4,994 m³ in the previous month to 4,679 m³. The Philippines and Viet Nam reduced their import by 8% and 33% to 2,495 m³ and 879 m³ respectively. Meanwhile, Indonesia recorded an increase in MDF import by 45% to 744 m³ from 513 m³.

Elsewhere, East Asia also increased MDF purchases by 9% from 11,679 m³ in the previous month to 12,673 m³. MDF sales in Japan and the Republic of Korea recorded an increase of 10% and 57% to 11,579 m³ and 384 m³ each. Meanwhile, Taiwan reduced purchases by 20% to 491 m³. Moving to the South Asia market, export decreased by 18% to 6,427 m³ from 7,880 m³. Export performance to India, Pakistan and Sri Lanka plunged by 15% to 3,549 m³, 9% to 2,644 m³ and 67% to 213 m³ respectively.

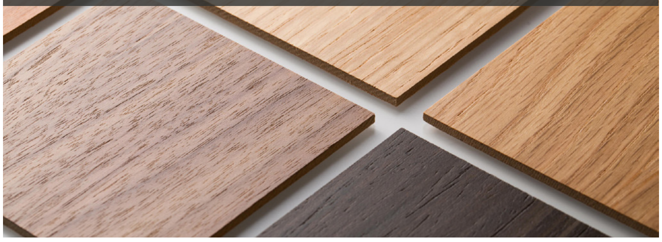
Exports to the West Asia region increased by 19% from 9,227 m³ to 10,968 m³ compared to the previous month. Yemen and the UAE added up their sales performance by 107% and 123% to 2,474 m³ and 7,365 m³ each. However, Oman decreased its buying by 63% to 793 m³ from 2,119 m³ in July.

In the United Kingdom, imports decreased by 13% to 144 m³ from 165 m³. Export to the Oceania-Pacific increased by 5% to 2,652 m³. Australia and New Zealand improved their purchases by 0.4% to 2,462 m³ and 171% to 168 m³ each. Fiji resumed its buying with 21 m³.

Meanwhile, MDF import in North America increased by 63% from 2,985 m³ to 4,864 m³ compared to previous month. The US and Mexico reduced their purchases by 3% and 8% to 2,050 m³ and 517 m³ respectively. Meanwhile, Canada increased purchases by 9% to 333 m³. The Africa region showed a decrease of MDF import by 6% from 387 m³ to 364 m³ with new purchases from Mauritius and South Africa at 116 m³ and 247 m³ each. The FOB price of MDF decreased by 6% to RM1,715 per m³ from RM1,833 per m³ in the previous month.

The UAE's construction industry is set to expand by 3.5% due to an uptick in real estate projects, improved energy market receipts and investment in non-energy infra projects. This year's growth rate is 2% higher than 2022. Over the next four years, the sector is expected to grow at a higher CAGR of 4%. This uptick in numbers is primarily attributed to increased residential demand and tourism-related inflows. In line with the nation's vision to double its GDP to 3 trillion by 2031, the infra and construction sector will support non-oil GDP activities. Some of the mega projects that have already started are the 1,200-kilometre network of Etihad Rail, the Abu Dhabi Midfield Terminal that are expected to accommodate up to 11,000 passengers an hour or around 45 million passengers annually, the Dubai Urban Tech District and few private projects including the Burj Binghatti, the Dubai Wasl Tower and Abu Dhabi-based Saadiyat Grove.

VENEER



Export of veneer for August 2023 decreased in volume by 11% to 2,804 m^3 and 17% in value worth RM6.7 million as compared to the previous month. Likewise, the cumulative export for August 2023 showed a decrease in volume and value respectively by 13% to 25,195 m^3 worth RM52.6 million over the previous corresponding period.

ASEAN recorded a decrease in veneer import by 4% from 240 m^3 to 231 m^3. The Philippines and Singapore reduced their imports by 1% and 39% to 208 m^3 and 13 m^3 while Viet Nam increased import by 27% to 10 m^3. In East Asia, export fell by 19% from 2,023 m^3 to 1,644 m^3. China and Taiwan recorded a decrease of 16% and 32% to 367 m^3 and 887 m^3 respectively. Meanwhile, import by the Republic of Korea increased by 117% from 148 m^3 to 321 m^3. In contrast, South Asia increased import performance by 29% to 582 m^3 from 452 m^3 in the previous month. Veneer purchase by India and Bangladesh surged by 24% and 66% to 494 m^3 and 88 m^3 respectively.

Moving to North America, veneer import decreased by 12% from 108 m^3 to 95 m^3 with purchases being from the US. Similarly, the Oceania-Pacific region reduced their purchases by 54% from 332 m^3 to 154 m^3 with purchases from Australia being recorded at 154 m^3, reduced by 18% from the previous month. Meanwhile, Canada and South Africa have resumed their buying with 67 m^3 and 97 m^3 each.

The average FOB price for veneer decreased by 6% from RM2,534 per m^3 to RM2,380 per m^3 as compared to the previous month.

India's residential real estate segment continues to show boundless forward momentum and is setting unprecedented benchmark. According to a report released by Anarock Group, housing sales rose by 48% year-on-year to reach INR3.57 trillion during the last fiscal year across seven major cities. Several financial factors and sweeteners have also played a role in driving the increase in demand. The availability of ready-to-move-in homes in the presence of a favourable interest rate regime, tax benefits for first time and female home buyers and fiscal boosters, such as stamp duty waivers, were catalysts in fast tracking the housing sales pace. Over the past year, rental housing demand has surged in major Indian cities, driven by the return of employees and students. Return-to-office culture boosted the need for workplace proximate housing, while educational institutions resumed in-person activities, drawing students back to city centers.

PLYWOOD

Export for plywood in August 2023 recorded an increase of 54% in volume at 135,748 m^3 and 47% increase in value at RM293.5 million as compared to the previous month. Meanwhile, the cumulative exports for the period of August 2023 decreased by 49% in volume and 33% in value to 686,418 m^3 totalling at RM1.6 billion over the previous corresponding period. The EU region recorded an increase of 66% for plywood export, from 262 m^3 to 435 m^3. Ireland increased purchases by 151% to 391 m^3 while Poland resumed its purchases with 44 m^3. In another European country, exports showed an improvement by 127% to 15,194 m^3 from 6,706 m^3 in the previous month. Turkey and the UK increased their buying by 232% to 11,257 m^3 and 19% to 3,937 m^3 each.

Moving to the East Asia market, the volume grew by 66% to 85,672 m^3 from 51,585 m^3 in July. Japan as the largest importer from the region increased buying by 82% to 73,654 m^3 from 40,433 m^3, followed by Taiwan with an increase of 28% to 7,157 m^3. However, the Republic of Korea decreased purchases by 18% from 5,113 m^3 to 4,198 m^3. In the ASEAN region, imports slightly increased by 4% from 3,545 m^3 to 3,695 m^3. Plywood export to Thailand picked up by 54% to 1,544 m^3. On the other hand, Singapore and Brunei decreased their imports by 20% and 47% to 1,480 m^3 and 259 m^3 respectively.

In the South Asia region, plywood purchases increased by 5% from 1,855 m^3 to 1,950 m^3. Maldives increased its imports by 162% to 178 m^3 while India reduced purchases by 5% to 1,695 m^3. Pakistan resumed its purchase with 77 m^3. The West Asia region also recorded an increase of 8% to 11,170 m^3 from 10,394 m^3 in the previous month. Import performance in the UAE increased by 27% to 219 m^3, while Yemen showed a decrease in import by 39% to 5,494 m^3.

In the Africa region, purchases increased by 37% from 691 m^3 to 943 m^3. Plywood purchases in Morocco and South Africa increased by 17% and 77% to 393 m^3 and 270 m^3 each. Kenya resumed its purchases with 43 m^3. In North America, imports also showed an increment of 24% from 9,850 m^3 to 12,204 m^3. The US as the main buyer improved purchases by 43% to 10,921 m^3, followed by Canada with additional 177% of sales to 230 m³. Meanwhile, Mexico reduced its buying by 51% to 1,053 m³. For the Oceania-Pacific region, plywood export increased by 36% to 4,344 m³ from 3,198 m³. Australia increased buying by 36% to 4,301 m³ from 3,155 m³ while American Samoa and French Polynesia didn't make any purchases for the month.

The FOB price of plywood for August 2023 was at RM2,162 per m³, a decrease of 5% from RM2,271 per m³ from the previous month.

Since this year, Japan's monthly imports of plywood have been declining. However, in August 2023, a double-digit surge in shipping volume was recorded. According to International Tropical Timber Organization (ITTO), based on year on year, the volume of plywood imports from the main shippers Indonesia, Malaysia, Vietnam and China all declined with sharper trends observed for Malaysia and Indonesia, due to Japan's reduced movement on importing plywood and the low demand. Based on the Japan Lumber Report (JLR), prices are on the rise in Japan due to the weak Yen. However, importers find it difficult to raise the prices due to low demand. Since there are more workdays than in August and the heat has subsided, it is easier to operate at building sites, allowing trade enterprises to experience a certain level of order.

MOULDINGS

Exports of mouldings for the month increased by 641% in volume and decreased by 13% in value to 179,339 m3 worth RM64.6 million. However, cumulative exports for the period of August 2023 increased by 151% in volume but decreased by 9% in value to 327,482 m³ worth RM565.7 million as compared to the previous corresponding period in 2022.

Exports to the EU for the month were recorded at 6,877 m³, decreased by 32% as compared to the previous month. France, the Netherlands and Germany decreased their purchases by 61%, 27% and 19% to 769 m³, 4,394 m³ and 503 m³ respectively. Meanwhile, the UK recorded a slight increase of 1% to 734 m³ while Turkey resumed its intakes with 40 m³ for the month.

In Asia, Thailand and Cambodia increased their purchases by 225% and 15% to 13 m³ and 39 m³ while Singapore decreased its intake by 30% to 764 m³ respectively. Japan and South Korea increased their intakes by 1362% and 50% to 25,707 m³ and 1,497 m³ respectively while China decreased its purchases by 25% to 369 m³. Meanwhile, India also decreased its purchases by 15% to 170 m³ for the month.

In the Oceania-Pacific region, export to Australia decreased by 26% to 3,000 m³ for the month. Similarly, in the America region, exports to Canada and Mexico decreased by 50% and 26% to 83 m³ and 130 m³ respectively while the US increased its intake tremendously by 2788% to 138,505 m³ for the month.

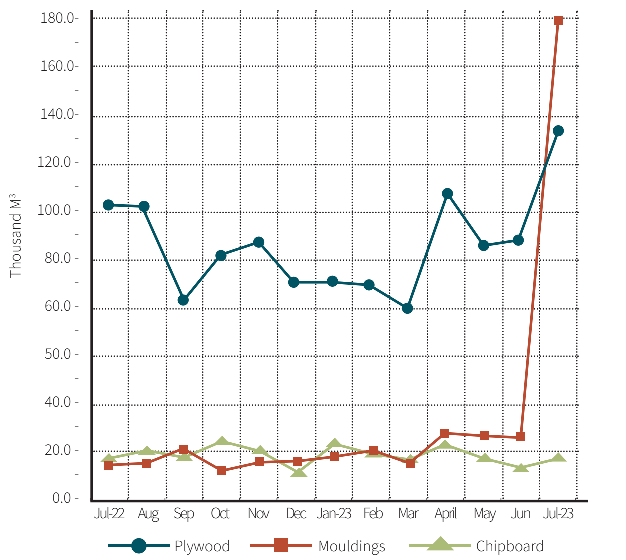
Elsewhere, exports to the Africa region, South Africa and Mauritius increased their purchases by 27% to 250 m³ and 1% to 532 m³ for the month.

The average FOB unit value for mouldings decreased significantly to RM360 per m³ compared to RM2,837 per m³ in the previous month.

The global construction market is undergoing a transformative phase driven by sustainability, technology adoption and the need for modern infrastructure. The construction industry is a cornerstone of economic development, encompassing various sectors such as residential, commercial, infrastructure, and industrial construction. It's imperative for stakeholders to embrace innovation, sustainable practices and collaboration to navigate the evolving landscape successfully. As urbanisation accelerates and economies develop, the construction industry is poised for significant growth in the years ahead.

Malaysia: Export of Plywood, Mouldings and Chipboard

August 2022 - August 2023



BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for August 2023 recorded an increase of 2% both in volume and in value to 11,440,199 kg worth RM114.6 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased by 12% to RM834.4 million as compared to RM945.3 million last month.

Exports to the EU increased by 14% to RM180.6 million compared with RM157.9 million in the previous corresponding period. Exports to Sweden and Belgium increased by 108% and 30% to RM36.7 million and RM54.2 million respectively while Germany decreased imports by 23% to RM16.7 million. Meanwhile, exports to Norway and Turkey decreased by 94% and 57% to RM1.7 million and RM790,637 respectively whilst the UK increased its intakes by 5% to RM82.1 million for the month.

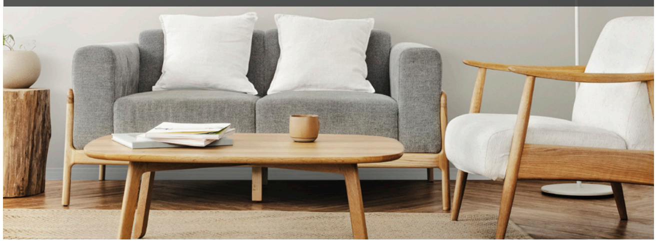
In Asia, exports to Singapore recorded an increase of 59% to RM85.7 million while Viet Nam and Thailand decreased their intakes by 54% and 27% to RM5.7 million and RM6.2 million respectively. Exports to China and Taiwan decreased by 57% and 5% to RM8.2 million and RM6.5 million while Japan increased imports by 2% to RM39.3 million respectively. Nevertheless, exports to Maldives and Bangladesh recorded an increase of 66% and 29% to RM4.4 million and RM1.5 million while India decreased imports by 50% to RM14.3 million for the month. Meanwhile, UAE purchases grew by 153% to RM2.4 million, Saudi Arabia fell by 3% to RM218,319 and Iran resumed its intake with RM180,293.

In the Oceania-Pacific region, exports to New Zealand and Australia decreased by 25% and 15% to RM13.0 million and RM141.5 million while Western Samoa improved its purchases by 121% to RM807,261 million respectively. However, in the America region, Canada, Mexico and Uruguay increased their purchases by 135%, 30% and 12% to RM1.8 million, RM14.2 million and RM965,459 respectively while the US dropped its intake by 31% to RM194.5 million for the month.

Elsewhere, in the Africa region, South Africa reduced its intake by 42% to RM3.3 million while Mauritius and Seychelles increased their intakes by 101% and 82% to RM1.0 million and RM2.0 million respectively.

The global construction market has witnessed substantial growth in recent years, with its size and share expanding across regions. According to Expert Market Research's report, the global construction market size is expected to reach a value of USD18.59 trillion over the next five years. This growth is attributed to factors such as increased urbanisation, infrastructure investments, technological advancements and the need for sustainable construction practices. With the world's population continuing to grow and urbanise, the demand for construction projects remains robust.

FURNITURE



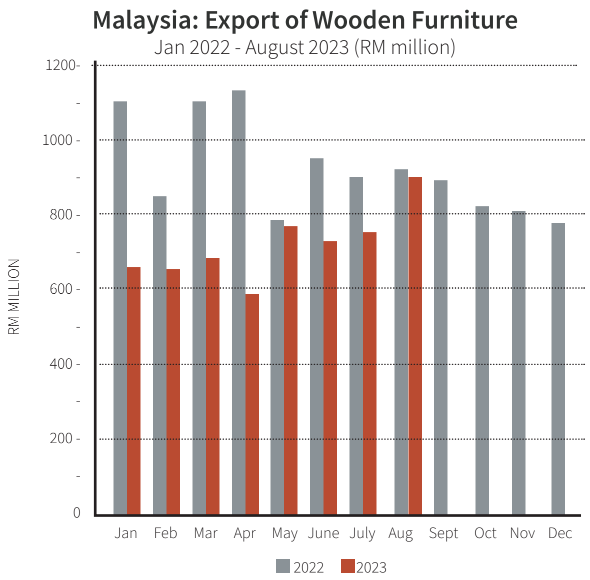
Export of wooden furniture for the month of August 2023 increased by 17% to RM886.1 million. Similarly export of rattan furniture rose by 43% to RM9.9 million from the previous month, July 2023. Meanwhile, the export of wooden furniture for the cumulative period January to August 2023 recorded an export value worth RM5.7 billion, a decrease of 27% from RM7.8 billion in its corresponding period in 2022. Similarly, demand for rattan furniture plummeted by 28% year-on-year to RM48.0 million from RM66.9 million over its corresponding period in 2022.

Exports of wooden furniture to ASEAN expanded by 17% to RM824.6 million from RM703.1 million in its corresponding period in 2022. Export to Singapore increased by 35% to RM509.7 million. Similarly, export to Indonesia rose by 33% to RM77.5 million. However export to the Philippines declined by 7% to RM142.0 million for the stated period.

Moving to the East Asia region, exports were down by 24% to RM431.6 million from RM567.2 million year-on-year 2022. Japan remained the highest buyer with export valued at RM328.8 million despite a reduction in its buying by 20%. Similarly, exports both to China and Taiwan reduced by 14% to RM36.0 million and by 51% to RM30.9 million, respectively over its corresponding period in 2022.

Exports to West Asia expanded by 15% to RM318.7 million from RM278.0 million in its corresponding period in 2022. Exports to the UAE, the largest buyer in the region, improved by 45% to RM169.2 million. Similarly, export to Saudi Arabia increased by 6% to RM106.6 million, however export to Kuwait declined by 52% to RM13.0 million, respectively.

Moving to the South Asia region, export of wooden furniture to the region decreased by 43% to RM79.5 million for the month. Amongst South Asian countries,



India recorded the highest intake with import value worth RM71.5 million despite a decrease in intake by 45%. Similarly, export to Bangladesh was also down by 33% to RM1.1 million. However, export to Maldives improved by 11% to RM6.4 million for the month.

Export to the Central Asia region decreased by 8% to RM2.9 million, while intake from Kazakhstan reduced by 35% valued at RM1.9 million. Meanwhile, Uzbekistan and Armenia resumed its intake at RM261,243 and RM515,706 respectively.

Exports to the EU recorded a decrease of 21% to RM218.1 million from RM275.2 million over the corresponding period in 2022. France as the highest buyer in the bloc reduced its buying by 22% to RM24.3 million, followed by Germany with a decrease of 49% to RM24.5 million. Nevertheless, export to Belgium showed an improvement of 3% to RM25.0 million.

Amongst the other countries in Europe, the United Kingdom was recorded as the largest buyer despite a reduction of 4% to RM254.4 million from RM263.9 million over its corresponding period in 2022. Meanwhile, exports to Turkey and Switzerland increased by 52% to RM8.1 million and by 98% to RM7.6 million respectively.

Exports to the Oceania-Pacific reduced by 21% to RM313.0 million from RM395.6 million over its corresponding period in 2022. Australia remained the top buyer in the archipelago region with imports valued at RM279.0 million despite a loss of 19%. Similarly, both exports to New Zealand and Papua New Guinea decreased by 28% to RM21.4 million and by 26% to RM5.2 million respectively.

Moving to the Central America region, export of wooden furniture increased by 43% to RM28.9 million over the corresponding period in 2022. Panama recorded the highest intake of wooden furniture for the cumulative period with an increase of 28% to RM8.6 million. Likewise, exports to Costa Rica and Guatemala also increased by 44% to RM6.5 million and by 49% to RM6.3 million respectively.

Meanwhile, exports to the North America region dropped by 39% to RM3.0 billion from RM4.9 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 40% to RM2.8 billion from RM4.6 billion in its corresponding period in 2022. Similarly, exports to Canada and Puerto Rico declined by 21% to RM192.6 million and 41% to RM39.0 million respectively.

Similarly, export of wooden furniture to the South America region recorded a decrease of sale by 21% worth RM56.4 million from RM71.7 million over its corresponding year in 2022. Export to Chile decreased by 50% to RM27.4 million from RM54.4 million in its corresponding period in 2022. Export to Peru increased by 59% to RM11.2 million, while Ecuador resumed its buying worth RM1.9 million for the said period.

Export to the Africa region recorded a decrease by 18% to RM97.2 million with South Africa garnering the largest market share with RM21.8 million. Intake from South Africa recorded a decrease of 36% from RM33.7 million in its corresponding period in 2022. This was followed by Kenya, with recorded sales of RM13.1 million, declined by 0.4%. Similarly, export to Reunion Islands also dropped by 1% to RM8.8 million for the period of January – August 2023.

Rattan furniture shipments for August 2023 recorded an increase of 43% valued at RM9.9 million from RM6.9 million in the previous month. However, export of rattan furniture for the cumulative period of January – August 2023 declined by 28% to RM48.0 million from RM66.9 million in the corresponding period in 2022.

Exports to ASEAN member countries were recorded at RM4.2 million, an increase of 30% for the cumulative period of January – August 2023. The highest buyer was the Philippines with recorded sales of RM2.6 million at an increase of 56%. Similarly, export to Singapore grew by 67% to RM1.2 million. However, export to Thailand decreased by 52% to RM308,562.

Export of the East Asia region was worth RM4.4 million, a reduction of 42% from RM7.5 million over its corresponding period. China reduced its intake by 37% to RM2.9 million, followed by Japan with import reduced by 26% to RM1.0 million. Taiwan increased its buying by 41% to RM197,195. Moving on to South Asian countries, India was recorded as the highest buyer of rattan furniture worth RM2.1 million despite a reduction in its buying by 30%. Similarly, Bangladesh also reduced its buying by 85% to RM2,456.

Export to the West Asia region improved by 467% to RM2.4 million from RM419,661 over its corresponding period in 2022. The largest buying nation of rattan furniture in the West Asian countries, the UAE, increased its intake by 235% to RM901,560 and similarly with Saudi Arabia, export increased significantly by 1,763% to RM1.1 million. Meanwhile, Iran resumed its intake with RM235,769.

Moving to the EU bloc, exports were down by 19% to RM7.2 million with France being the largest buyer amongst EU countries. Export to France increased by 17% to RM1.7 million from RM1.4 million over its corresponding period in 2022. Meanwhile, exports to Sweden and Ireland dropped by 30% to RM1.1 million and by 61% to RM814,302 respectively for the mentioned period. Moving to other countries in Europe, demand from the group declined by 8% to RM5.7 million with the UK being the largest buyer in the region. The UK increased its buying by 17% to RM5.2 million. However, Russia reduced its buying by 64% to RM518,516 from RM1.4 million over its corresponding period in 2022.

Shipments to the Oceania-Pacific archipelago region dropped by 41% to RM4.0 million from RM6.8 million over the same period in 2022. Australia recorded a decline in intake by 45% to RM3.4 million. Similarly, export to New Zealand decreased by 24% to RM424,290. Meanwhile, Fiji resumed its buying with RM103,863.

Exports to the North America region decreased by 40% to RM16.9 million from RM28.3 million over the same period in 2022. The USA being the largest buyer for rattan furniture recorded a decline in intake by 41% to RM14.8 million, followed by Canada with imports down by 70% to RM643,314. The Dominican Republic increased its intake by 52% to RM1.2 million. Meanwhile, Panama, a country in the Central America region resumed its intake with RM7,522. Amongst South American countries, Uruguay increased its intake by 43% to RM50,291. Intake of rattan furniture by the Africa region also declined by 62% to RM775,475 with the Republic of Congo resuming buying with RM142,818. Meanwhile, export to Cote D'Ivoire increased significantly by 1,390% valued at RM122,563 and export to South Africa decreased by 55% to RM114,825 for the mentioned period.

According to ResearchAndMarkets.com's latest October 2023 report entitled 'The US Office Furniture Market - Focused Insights 2023-2028', the US office furniture market was valued at USD14.30 billion in 2022 and is expected to reach USD19.38 billion by 2028, growing at a CAGR of 5.20% during the forecast period. In terms of product types, the US office furniture market is divided into categories such as chairs, desks, tables and storage furniture. The market offers a wide range of office furniture products to cater to diverse office needs. Among these product categories, office chairs represent the largest segment in the market. Wood-based office furniture is witnessing steady demand due to its durability and strength. Office furniture is available through both offline and online retail channels in the US market.

The US office furniture market is growing significantly due to the growing popularity of modular and ergonomic design of office furniture, the rising popularity of standing desks and height adjustment workstations, the growing trend of co-working spaces, the increasing demand for office pods, the increasing office infrastructure requirement for SMEs, the establishments of new companies, and the continuously changing designs and rising innovations. The consumer preference for ergonomic design-based chairs is rising in the US office furniture market due to the growing awareness of the importance of ergonomic chairs for reducing back pain issues. The popularity of standing desks is rising across the office in the US, as it resolves various risks related to health due to sitting for long hours. The demand for office furniture from online store distribution channels is rising significantly from small businesses or startups. The awareness about sustainable and eco-friendly products in the US has also been rising for the last few years driving the demand for furniture made of recycled plastic materials.

CAMEROON
CONSTRUCTION INDUSTRY EXPECTED TO GAIN MOMENTUM

Background

Cameroon is a country in West-Central Africa with its Southwest border along the Gulf of Guinea (Atlantic Ocean). Cameroon is divided into ten semi-autonomous regions with its capital city, Yaoundé, located in the central region of the country. Geographically, Cameroon borders Chad to the Northeast, the Central African Republic to the east, Equatorial Guinea, Gabon and the Republic of the Congo to the south and Nigeria to the North West. Its coastline lies on the Bight of Biafra, part of the Gulf of Guinea and the Atlantic Ocean. Due to its strategic position at the crossroads between West Africa and Central Africa, it has been categorized as being in both camps. Cameroon has a total population of approximately 27.2 million people. The Cameroonian population consists of approximately 250 ethnic groups with the Bamileke-Bamu, Beti/Bassa, Mbam and Biu-Mandara being the largest groups whereby 70% of the population is Christian. The country has 24 major African language groups, with English and French serving as the official languages. Cameroon's industries include agriculture, aluminium, the service sector, timber and the oil industry. Oil is the country's main export commodity, accounting for 40% of Cameroon's exports.

Economy

In the two decades following independence in year 1960, Cameroon was quite prosperous. The government initially concentrated on expansion of educational facilities, diversification of farm production, selective industrialization, rural development, and the introduction of rural cooperatives. Since November 2021, Cameroon is experiencing high inflation, driven mainly by shortage and increase of the price of staple goods (bread, wheat and related products, vegetable oil, and meat), which can be explained by the disruption of the global value chain due to Covid-19 pandemic and Ukraine's invasion by Russia. This has impeded Cameroon's economic recovery, heightening inflation pressures and domestic structural vulnerabilities. The economic outlook is expected to remain moderately favourable over the medium term, but risks are tilted to the downside. Cameroon's real GDP is projected to grow 4.2% in 2023 and 4.5% in 2024 supported by sustained activities in the secondary and tertiary sectors. However, inflation is projected to decline gradually to 5.9% in 2023 and 3.3% in 2024, due to continued tightening of the monetary policy by the Bank of Central African States while the budget deficit is projected to widen to 2.9% of GDP in 2023 and 3.1% in 2024.

Forest Resources

According to the Ministry of Forests and Wildlife (MINFOF), Cameroon has about 22 million hectares of forests, or nearly 46% of the total country area. About 26 000 hectares (0.1% of the forest area) is categorised as planted forest. Cameroon's forests are mainly tropical rainforests of two predominant types: lowland evergreen (54% of total forest area) and lowland semi-deciduous (28%). The evergreen forests can be divided into two broad categories: The Biafran forests, a low altitude coastal forest along the Gulf of Guinea and the Congo Basin forests in Cameroon's south and southeast. According to MINFOF, Cameroon has the second highest deforestation rate amongst all Congo Basin countries; only the Democratic Republic of Congo deforests more per year than Cameroon. Since 1990, Cameroon's forest sector has increased its logging activities, which now contributes around 6% of its GDP. Today, Cameroon's legal timber production has reached approximately 2 million cubic metres and as a result, Cameroon has become the leading exporter of timber products in Africa especially for sawntimber and logs. Although Cameroon has taken measurable steps to improve local forest policy and governance in the country to manage its high rate of deforestation, illegal logging continues to be a major concern in the country and is frequently documented at various stages along the local supply chain.

Timber Production

According to the FAO forest statistics, Cameroon produced 91,000 m^3 veneer sheets, followed by 22,000 m^3 of coniferous sawnwood and 18,000 m^3 of plywood for the year 2022. Details for timber production are as below:

CAMEROON: PRODUCTION QUANTITY 2018-2022

Unit:m

Product	2018	2019	2020	2021	2022
Veneer sheets	76,140	96,000	71,000	71,000	91,000
Sawnwood, coniferous	22,000	22,000	22,000	22,000	22,000
Plywood	18,000	18,000	18,000	18,000	18,000

Source: FAO Stats

Cameroon's Export of Timber and Timber Products

Cameroon's export of timber and timber products in 2022 increased 76% to USD928.1 million from USD527.8 million as recorded in the previous corresponding period of 2021. Cameroon exported mainly sawntimber, logs and veneer totalled at USD618.0 million, USD232.6 million and USD62.8 million respectively. Cameroon exported sawntimber mainly to Belgium amounting to USD121.7 million, while logs were mainly exported to China, amounting to USD126.2 million and veneer was mainly sent to Italy at USD21.5 million.

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

USD '000

Products	2018	2019	2020	2021	2022
Sawntimber	284,244	286,039	275,028	308,102	618,015
Logs	218,329	146,423	130,212	177,632	232,554
Veneer	43,358	40,152	32,437	39,405	62,830
Mouldings	1	0	7	0	4,403
Plywood	3,001	3,118	1,555	1,246	3,243
Builders' Joinery and Carpentry	43	17	94	10	1,687
Furniture	235	431	577	633	1,604
Particlboard	0	0	0	0	59
Fibreboard	0	9	12	21	29
Wooden frames	1	0	0	0	2
Others	4,071	2,021	1,395	734	3,640
Total	**553,283**	**478,210**	**441,317**	**527,783**	**928,066**

Source: ITC Stats

CAMEROON: EXPORT OF TIMBER & TIMBER PRODUCTS (HSCODE 44) BY COUNTRY, 2018-2022

USD '000

No.	Importers	2018	2019	2020	2021	2022
	Total	**965,992**	**913,018**	**741,213**	**797,956**	**932,713**
1	China	325,940	243,275	214,620	216,223	230,763
2	Viet Nam	188,229	197,715	149,884	132,087	196,906
3	Belgium	122,777	107,006	93,117	112,354	124,954
4	Italy	63,904	58,120	47,311	54,960	63,767
5	United States of America	27,768	35,633	21,736	27,662	43,087
6	France	28,760	31,526	28,352	35,541	37,036
7	United Kingdom	20,635	20,939	17,331	26,294	29,489
8	Spain	22,046	27,195	19,858	24,329	24,796
9	Senegal	18,189	26,383	19,053	24,427	20,794
10	Netherlands	12,499	23,023	18,309	14,776	20,700
13	**Malaysia**	**6,822**	**8,506**	**6,571**	**10,604**	**13,591**
	Others	128,423	133,697	105,071	118,699	126,830

Source: ITC Stats

Cameroon's Import of Timber and Timber Products

According to the latest ITC statistics, Cameroon's import of timber and timber products in 2022 increased by 170% to USD78.9 million compared to USD29.2 million in 2021. Cameroon imported mainly furniture, BJC and plywood totalled at USD72.8 million (an increase of 213%), USD2.6 million (an increase of 55%) and USD1.3 million (an increase of 84%) respectively. The major import sources for timber and timber products (HS44) for Cameroon are China, followed by Turkiye and Morrocco.

CAMEROON: IMPORT OF TIMBER & TIMBER PRODUCTS, 2018-2022

USD '000

Products	2018	2019	2020	2021	2022
Furniture	19,845	20,764	18,557	23,242	72,812
Builders' Joinery and Carpentry	1,221	2,493	1,480	1,656	2,560
Plywood	868	536	610	722	1,325
Particleboard	180	110	71	75	522
Fibreboard	93	284	327	368	194
Sawntimber	307	91	247	126	130
Wooden frames	52	66	44	115	45
Mouldings	7	426	7	17	34
Logs	2	1	744	1,640	20
Veneer	27	49	3	4	0
Others	1,629	1,827	1,035	1,221	1,299
Total	**24,231**	**26,647**	**23,125**	**29,186**	**78,941**

Source: ITC Stats

CAMEROON: IMPORT OF TIMBER & TIMBER PRODUCTS (HSCODE 44) BY COUNTRY, 2018-2022

USD '000

No.	Exporters	2018	2019	2020	2021	2022
	Total	**6,753**	**8,322**	**6,125**	**5,618**	**6,143**
1	China	1,027	1,353	1,544	1,952	2,192
2	Türkiye	533	338	369	741	870
3	Morocco	543	79	162	142	660
4	France	445	201	344	401	481
5	Belgium	647	383	284	279	364
6	United Arab Emirates	249	143	271	445	266
7	Portugal	60	552	290	10	265
8	Slovenia	0	0	0	0	236
9	Italy	293	850	245	335	135
10	Germany	32	37	39	75	122
	Others	**2,924**	**4,386**	**2,577**	**1,238**	**552**

Source: ITC Stats

Malaysia's Export of Timber and Timber Products to Cameroon

In 2022, export of Malaysian timber and timber products to Cameroon registered a decrease of 7% to RM1.01 million from RM1.09 million in 2021. Cameroon ranked 125th with less than 0.5% of Malaysia's total export share of RM25.2 billion in 2022. Wooden furniture was the only product exported with an average total export value of RM1.0 million annually.

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

Value RM

Products	2018	2019	2020	2021	2022
Wooden Furniture	945,551	985,584	975,355	1,085,311	1,012,214
Total	**945,551**	**985,584**	**975,355**	**1,085,311**	**1,012,214**

Source: MTIB/DOSM

Malaysia's Import of Timber and Timber Products from Cameroon

In 2022, import of Malaysian timber and timber products from Cameroon were valued at RM59.7 million, an increase of 36% from RM44.0 million recorded in 2021. Sawntimber was the main product imported with a total value of RM59.2 million, increased by 37% over 2021 followed by veneer, increased by 17% at RM473 thousand.

MALAYSIA: IMPORT OF TIMBER & TIMBER PRODUCTS TO CAMEROON, 2018-2022

Value RM

Products	2018	2019	2020	2021	2022
Sawntimber	27,332,928	34,291,511	27,284,328	43,340,000	59,246,447
Veneer	38,521	35,321	239,010	403,284	473,016
Logs	136,883	149,910	75,664	183,133	0
Mouldings	0	754,868	0	0	0
Wooden Furniture	0	5,283	0	30,129	0
Total	**27,508,332**	**35,236,893**	**27,599,002**	**43,956,546**	**59,719,463**

Source: MTIB/DOSM

Import Tariffs

Cameroon has been a member of the World Trade Organization (WTO) since 13 December 1995 and a member of the General Agreement on Tariffs and Trade (GATT) since 3 May 1963. Cameroon's import duties on timber and timber products under Most-Favoured Nations (MFN) range between 20% - 30% and the details of the tariff duties are as follows:

CAMEROON: TARIFF DUTY

HS CODE	PRODUCT	MFN Tariff Duty (%)
4403	Logs	30
4407	Sawntimber	30
4408	Veneer	30
4409	Mouldings	30
4410	Chipboard/Particleboard	30
4411	Fibreboard	30
4412	Plywood	30
4414	Wooden Frames	30
4418	Builders Joinery & Carpentry	30
9401	Seats and parts there of	20 - 30
9403	Wooden Furniture	30

Source: World Trade Organisation (WTO)

Prospects

The global Construction and Infrastructure Market is poised to grow robustly over the forecast period of 2020-2026. The ongoing trend towards modernisation of construction and infrastructure through renovation projects, new building construction and other civil projects are supporting Cameroon to strengthen its Construction and Infrastructure Market size. The Cameroonian construction industry is expected to gain momentum and register healthy growth in the coming years, assuming there is no repeat of strict COVID-19 restrictions on economic activity.

The construction sector in Cameroon will experience an average annual growth rate of 7.4% until 2028. This improvement makes Cameroon the most dynamic market in the construction sector in Central and West Africa. Investment in large-scale infrastructure projects is one of the key strategies of Cameroon to increase their economic growth. Cameroon's construction industry's growth will be supported by the Strategie Nationale de Development 2020-2030 (National Development Strategy - known as 'SND30'), unveiled in November 2020, under which the government plans to invest CFA37.5 trillion (USD63 billion) on flagship plans, programmes and projects until 2030.

The government's effort is to improve the country's infrastructure, to sustain growth in the manufacturing sector and to expand municipal utilities that will contribute to the growth in construction spending. Rising personal income levels, household growth and population migration from rural to urban areas will augment the need for better construction facilities and road infrastructure developments in the country. It also plans to increase the contribution of the secondary sector (manufacturing and industry) to the country's GDP from 28.2% in 2018 to 36.8% in 2030. To achieve this, it will focus on nine sub-sectors, including construction, energy, petrochemicals and hydrocarbons, manufacturing and mining.

Increasing government expenditure towards sustainable infrastructure development with continued investment in energy-efficient and environmentally sustainable assets is promoting the market demand for Cameroon Construction and Infrastructure companies. The government is also encouraging companies that emphasise on technological advancements and standardising modern methods of construction. Increasing public investments into Cameroon's commercial construction sectors will also be a key market opportunity for the companies operating in the construction and infrastructure industry. The presence of a huge customer base is resulting in strong Foreign Direct Investment (FDI) inflows into the country. Further, increasing investments in real estate and infrastructure sectors result in the growth of construction activities.

Cameroon has become one of the first African countries to require the use of legal wood and timber in all its public procurement procedures. Cameroon started VPA (Voluntary Partnership Agreement) negotiations in 2007, signed the agreement in 2010 and ratification followed in 2011. However, the pace of VPA implementation has been slow in recent years. VPA is a legally binding trade agreement between the EU and a timber-exporting country outside the EU that aims to ensure that all timber and timber products destined for the EU market from a partner country comply with the laws of that country. Under the VPA both parties commit to trading only in legal timber products. VPAs are a key component of the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan of 2003. Cameroon is one of six tropical countries that have ratified and are implementing VPAs. As part of the European Union's efforts to make Europe the first climate-neutral continent by 2050, the European Parliament and Council formally adopted the European Union (EU) deforestation-free regulation (EUDR) on 29 June 2023. This new regulation, which replaces the EU Timber Regulation (EUTR) established in March 2013, will require all importers of timber or timber products in the EU to apply a due diligence system that follows a prescribed method with transparency and information along the supply chain. While Cameroon has agreed to comply with EUTR previously, challenges remain in fully enforcing these regulations and ensuring effective oversight of the timber industry to prevent illegal logging and ensure sustainable forest management practices.

The Pan African Forest Certification (PAFC) Congo Basin regional system achieved PEFC (Program for the Endorsement of Forest Certification) endorsement on 16 December 2021. PAFC Cameroon, along with PAFC Congo and PAFC Gabon, is part of this regional system, which was created in July 2007 with the principal objective to set up a Cameroonian forest certification system. To maintain its PEFC endorsement, the system must meet specific endorsement milestones. The first milestone is the start of the periodic review within five years of the national approval of the sustainable forest management standard. This national scheme allows local manufacturer to promote sustainable forest management in Cameroon.

As for the market prospects for Malaysian timber and timber products in Cameroon, Malaysian timber exporters need to strengthen make their presence and enhance networking with Cameroon's timber and furniture importers while at the same time undertake market research on Cameroon's importers' market preferences and taste. Malaysian exporters looking to get into the Cameroonian market should also adopt this new strategy. There are market opportunities for the Malaysian plywood and MDF sector as it has market for manufacturing kitchen fixtures, cabinets, packaging boxes, interior décor applications and doors. Blockboard for furniture manufacturing is also considered better in terms of structural strength. Sales of home and office furniture are expected as new housing projects come up on stream. Malaysia, an emerging trading partner with Cameroon in timber, is also facing strong competition from China and Turkiye. Therefore, to sustain and improve trade as well as market share in Cameroon, Malaysian exporters need to be competitive in terms of price and product quality together with effective marketing and promotion strategies.

Malaysian manufacturers also need to enhance their presence in the Cameroon market to create demand for Malaysian value-added timber products, focusing mainly on furniture. Malaysian engineered timber products also can be further promoted since there are opportunities to fulfill future demand in Cameroon's construction industry. It is an excellent opportunity for Malaysian timber and furniture exporters to enhance networking and explore business opportunities among Cameroon's counterpart by participating in their annual trade fairs such as Furniture exhibition "Made in Cameroon" and African Building Trade Show (AFRIBAT) Building Exhibition.

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INDONESIA
Technology Can Increase Competitiveness of Timber Sector

Indonesian wood and furniture products, which are known for their uniqueness and beauty, can improve their competitiveness through the adoption of advanced technology. This was the theme of a seminar "Unlocking Opportunities: Integrating IFMAC & WOODMAC Technology in Indonesia's Growing Furniture Industry" held in Semarang in late August.

The seminar was part of the preparations for the IFMAC & WOODMAC 2023 exhibition. Wiradadi Soeprayogo, Chairman of the Presidium of the Indonesian Sawmill and Wood working Association (ISWA), said that the growth potential for the Indonesian wood processing and furniture industry in the global market is enormous but will need the adoption of technology if the opportunities are to be captured. He explained that with the introduction of advanced technology and innovative solutions from global companies Indonesia can increase the competitiveness of local furniture businesses while creating new opportunities for investment, employment and economic growth.

www.itto.int, 8 September 2023

INDONESIA
Furniture Industry Needs Foreign Partners

President Joko Widodo (Jokowi) urged Indonesian furniture makers to look for foreign partners as an effort to enter into the global market.He said that the domestic furniture industry is ranked 17th in the world, with a total revenue of only USD2.8 billion amid the world furniture market potential, which can reach USD766 billion.

According to Jokowi, who was a furniture entrepreneur, Indonesian furniture products in the 1990s were always dominant at international exhibitions, such as in Italy, Germany, France, and other countries. However, Indonesia's furniture industry still ranks below Vietnam (2nd) and Malaysia (12th), he added.

Jokowi encouraged domestic furniture industry players to look for partners from other countries, such as those in Europe, the United States, and China.

He said that Indonesia has advantages in the furniture industry, such as raw materials, human resources, and also artistic and cultural wealth. Hence, if this potential is used effectively, the industry should be able to succeed in the global market.

en.antaranews.com, 14 September 2023

MYANMAR
Conserve Forest and Green Urban Areas

Myanmar Prime Minister, Senior General Min Aung Hlaing, stressed the importance of conserving forests close to rural communities and also encouraged urban dwellers to green their environs as a national duty. This was announced at the fourth monsoon tree-growing ceremony 2023 in Nay Pyi Taw. The PM also said the extraction of a sustainable volume of timber is necessary for the development of the nation and that replanting trees will improve the socio-economic lives of the people.

Analysts interpreted his statement as suggesting the probability of a resumption of log harvesting which was halted when the military-led government took the power on 1 February 2021. It is understood that the Myanma Timber Enterprise (MTE) intended to harvest about 6,000 tons of teak in 2023-24 but there is no statement of the MTE Annual Harvest Plan. According to the website of the MTE the last announced Annual Harvesting Plan was for 2020-2021. The Prime Minister pointed out the current average temperature of the capital is 28.50°C although it was 26.97°C in 2006. While reporting the current forest cover at 42% he cited the unlimited extraction of timber by the colonialists and the continued extraction to bolster finance of the State in successive eras as a cause of forest loss. Myanmar has been blamed for excessive harvesting but the rate of harvesting was drastically reduced in 2014 when the log export ban was enacted. The trend of reduction of harvesting was enhanced by enacting a logging ban during the previous NLD (National League for Democracy). The logging ban was for ten years in Bago Yoma and for one year over the entire country in 2016-2017.

www.gnlm.com.mm, 13 September 2023

JAPAN
Plywood Supply for the 1st Half of 2023

The supply of plywood in the first half of 2023 decreased from the first half of 2022. Total plywood supply is 2,116,000 cbms, 28.2 % less than January to June, 2022. Domestic plywood is 1,188,000 cubic metres, 23.9 % less and imported plywood is 927,000 cbms, 33 % less than the same period last year.

The product of domestic plywood in June, 2023 was 9.4 % up from May 2023 and it was 19.4 % less than June, 2022. The anticipation of falling prices is about to calm down because the price of 12 mm 3 x6 structural softwood plywood almost reached the bottom in Eastern and Western Japan in July, 2023. The price was 1,600 yen, delivered per sheet. However, demand of houses has been low so the shipment of plywood in the future remains unclear.

Imported plywood in June, 2023 was 38.2 % down from June, 2022. Malaysian plywood in January to June, 2023 was 40 % less than June, 2022. Indonesian plywood at the first half of 2023 was 196,000 cubic metres, 37.2 % down from the first half of 2022. Indonesian plywood in June, 2023 increased slightly from May, 2023 and it was 30.4 % down from June, 2022.

www.itto.int, 22 september 2023

UK
Imports of Tropical Sawnwood From EU

UK imports of tropical sawnwood were 54,000 m3 in the first six months of this year, 2% less than the same period in 2022. Although UK imports of this commodity appear to have held up reasonably well compared to other tropical products this year, a larger share has been sourced indirectly from the EU and not direct from the tropics.

Furthermore, a large increase in UK imports of tropical hardwood sawnwood (HS 4407) from Brazil this year is also offset by a significant decline in imports of Brazilian tropical hardwood decking/mouldings (HS4409). Therefore, it may be that reported trends for both commodities are distorted by changes in the way products from Brazil are categorized respectively as “sawnwood” and “mouldings”.

UK imports of tropical sawnwood from Cameroon were 19,300 cubic metres in the first six months of 2023, 6% less than the relatively high level in the same period in 2022. UK tropical sawnwood imports from Malaysia, which revived to some extent last year after many years of decline, fell by 57% in the first six months of this year to 4,700 cubic metres.

UK imports of tropical sawnwood from Brazil were reported as 4,800 cubic metres in the first six months of this year, a gain of 98% compared to the same period in 2022. UK tropical sawnwood imports also increased in the first six months this year from Republic of Congo (+29% to 1,600 cubic metres), and Ghana (+78% to 1,300 cubic metres). However imports from Guyana fell 12% to 1,700 cubic metres.

Indirect UK imports of tropical sawnwood via the EU recovered ground despite the Brexit disruption, increasing 8% to 13,800 cubic metres in the first six months of 2023. To some extent, UK’s continuing dependence on indirect imports of tropical sawnwood from the EU is due to a shortage of kiln drying space in African supply countries combined with lack of any hardwood kiln dying capacity in the UK.

UK imports of tropical hardwood mouldings/decking fell 31% in the first six months of 2023 to 4,500 tonnes. This commodity group benefited in the UK market during 2022 from shortages of non-tropical products, particularly since the start of the war in Ukraine and sanctions on Russian decking products that directly compete with tropical decking.

However, with high stocks built up in the UK last year and much reduced consumption, imports of tropical mouldings/decking have fallen away again this year. Imports of 1,500 tonnes from Indonesia were 43% less than the same period in 2022. Imports from Malaysia totalling 1,300 tonnes were down 20% compared to the same period last year.

Imports of this commodity group from Brazil were recorded at less than 200 tonnes in the first six months of this year, 86% less than the same period last year. In contrast, imports increased 123% from the Netherlands to 891 tonnes, while imports from Vietnam increased 3-fold to 350 tonnes from a very small base.

www.fordaq.com, 11 September 2023

ITALY
Wood -Furniture Sector, 2023 Will Close In The Negative

The variations reported by Istat in revenue (-14.9%) and production (-13.9%) in the wood sector, as well as revenue (-0.1%) and production (-5.4%) in furniture in the first half of 2023 compared to the same period in 2022, are clear signs of the wood-furniture sector navigating through uncertainty and dealing with an evolving situation that is expected to persist throughout 2023 and possibly beyond.

It is evident that the decrease in demand for furniture has corresponded to a decline in wood production as well. Wood revenues have increased significantly in the past two years due to rising raw material and energy costs. Therefore, the decrease in revenue can partly be attributed to the positive recovery in commodity prices. Even when comparing June ‘22 and June ‘23, it is apparent that wood is experiencing a more significant decline in terms of revenue (-17.1%), coupled with a very negative production figure of -13.9%. Furniture revenue shows a -0.8% decline, while production is down by -5.1%.

“If the significant decline in wood revenue can be partially attributed to the slowing growth of raw material and energy costs, in contrast to 2022 compared to 2021, the data on furniture production is different, primarily indicating a slowdown in demand and the export of our products, even overseas. Clearly, these two factors also impact the wood sector, which is beginning to feel the effects of reduced production once the 2022 demand, a year with above-average performance, has been met,” explains Claudio Feltrin, President of FederlegnoArredo. This uncertain situation is confirmed by data from the Monitor compiled by the FederlegnoArredo Study Center, based on a representative sample of companies in the sector, accounting for 18% of the total turnover, approximately 10 billion out of 56.5 billion. In the first half of 2023, compared to the same period in '22, the wood-furniture sector records an overall contraction of 5.9%, with a negative trend both for the Italian market (-6.8%) and exports (-4.5%).

The wood macrosystem is the most significant contributor to the overall decline, contracting by -12.6% (with national sales down by -14% and exports down by -8.3%), despite widely varying trends among different segments, from panels experiencing significant contraction to wooden coverings, structures, and buildings showing growth.

The furniture macrosystem, representing 62% of total sales, closes the first six months of 2023 more or less in line with the same period in '22 (-1.1%). The overall trend is primarily influenced by reduced exports (-3.3%), which account for more than half of the total, offsetting the moderately positive effect of the domestic market (+1.3%).

Looking ahead to the end of 2023, the assessment predicts a negative year-end for our sector at -3.3%, with exports at -2.6% and the domestic market at -3.8%. Regarding the furniture macrosystem, forecasts suggest a slightly positive overall trend (+0.2%) thanks to stronger domestic market performance (+1.3%) compared to exports (-0.7%). Conversely, the wood macrosystem is expected to experience a negative trend (-8.5% overall) with little difference between the domestic market (-8.6%) and exports (-8.3%).

"It's not surprising, therefore, that according to our Monitor, 39% of wood-furniture companies are slowing down their investments due to the uncertain situation, compounded by the difficulty in securing affordable financial resources, driven by rising interest rates and the decline in bank loans to businesses, which is at its lowest point in over 20 years. In the first half of 2023," Feltrin explains, "85% of companies report increased costs, with 21% experiencing an increase of over 20% compared to the same period in 2022, indicating an ongoing and worsening trend. Approximately 22% of companies are beginning to encounter greater difficulties in accessing credit, and to overcome the liquidity shortage, they are attempting to seek new loans from other institutions. 25% are considering reducing loans and supporting growth with alternative resources, possibly from partners. Our companies," Feltrin concludes, "are ready to meet this challenge by implementing strategies to actively mitigate the consequences, but it is crucial to anticipate measures to support investments to safeguard the competitiveness of the entire sector."

www.fordaq.com, 15 September 2023

PERU
Wood Product Exports Fell in The First Half of the Year

Peru's shipments of wood products between January and June totalled USD 54.3 million which was a decline of 28% compared to the same period in 2022 (USD 75.8 million) according the Association of Exporters (ADEX).

This contraction is partly explained by lower orders from Peru's two main buyers, France (USD 10.8 million) and China (USD 10.7 million) which decreased their demand by 22% and 30% respectively.

In the case of France the increase in the price of Peruvian wood products made Peru less competitive compared to suppliers from other countries such as Brazil and Russia. Regarding China, the real estate sector is going through a deepening crisis with a growing risk of default among some developers seeking to sell apartments and demand for wood products in this sector has dropped sharply.

Other export destinations were Mexico (USD 8.2 million), a year on year increase of 50%, the Dominican Republic (USD 5.7 million) a reduction of 40% and the US (USD 3.9 million) with a contraction of 33%. Completing the top ten export markets were Belgium (USD 2.9 million), Ecuador (USD 2.4 million), Vietnam (USD 1.9 million), Denmark (USD 1.5 million) and Chile (USD 0.9 million).

According to figures from the ADEX Data Trade Commercial Intelligence System, semi-manufactured products were the most traded, accounting for USD 22.4 million of the total but with a decrease of 42%. Second in the ranking was sawnwood, at USD 21.9 million despite falling 17%.

Others were construction products (USD 2.6 million); fuelwood and charcoal (USD 2.2 million); furniture and parts thereof (USD 1.8 million); manufactured products (USD 1.5 million); plywood (USD 1.2 million), veneers and sheets (USD 0.65 million). In the first six months of the year the most important exporting companies were Maderera Bozovich, IMK Maderas, Grupo Maderero Amaz, Consorcio Maderero and Industria Forestal Huayruro.

www.itto.int, 16-30 September 2023

US
Hardwood Plywood Import Surge 38%

The volume of US imports of hardwood plywood rose for a fifth consecutive month in July, surging 38% over the previous month. The 354,292 cubic metres of plywood imported last month was 31% higher than July 2022 imports, making it the first time this year imports for a month surpassed that of the previous year. Imports climbed from most trading partners with imports from Indonesia rising 50%, imports from Vietnam gaining

30%, and imports from China up 27%. Despite the upward momentum of late, imports from most countries remain down sharply year on year and total import volumes are down 42% through July.

US veneer imports rebound

US imports of tropical hardwood veneer nearly doubled in July, rebounding from a disappointing June to reach their highest level of the year so far. Rising more that 96% on surging imports from Cameroon (up 147%) and India (up more than 1,000%), July's total was still 13% below that of July 2022. Italy has been the biggest supplier to the US by far in recent years, but imports from Italy have fallen sharply this year. The 61% decline in imports from Italy in 2023 has been met with increases of 335% in imports from Cameroon, 128% in imports from Cote d'Ivoire, and 73% in imports from China so far this year.

Total imports of tropical hardwood veneer are relatively flat this year, up 2% over 2023 through July.

www.fordaq.com, 27 September 2023

CONSULTATION SESSION ON USAGE OF TIMBER IN CONSTRUCTION

Prepared by: MOHD HILMI SHAMSURI, HASSHVINY SUBRAMANIAM

The Consultation Session on Usage of Timber in Construction held on 6 September 2023 at Le Meridien Hotel Kota Kinabalu, Sabah, served as an insightful platform for local authorities, industries, and the public to explore the utilisation of timber in construction. The primary focus was to shed light on key factors influencing timber usage, namely quality assurance and fire resistance. Led by the Malaysian Timber Industry Board (MTIB), the session aimed to disseminate the findings of a comprehensive fire resistance study and underscore the significance of MTIB's timber verification service.

Attended by approximately 70 participants, the event featured three distinguished speakers who shared their expertise on various aspects of timber in construction. Encik Mohd Hilmi Shamsuri enlightened attendees on the practical applications of timber in construction, elucidating its benefits and potential challenges. Prof. Dr. Zakiah Ahmad delved into the crucial aspect of fire resistance for timber, presenting insights from research conducted on tropical wood species. Puan Hasshviny Subramaniam highlighted the pivotal role of quality assurance in timber verification, emphasizing the importance of adhering to stringent standards to ensure structural integrity and safety in construction projects.

In addition to the enlightening presentations, a timber verification demonstration session provided participants with hands-on experience, further enhancing their understanding of the verification process. The interactive nature of the event fostered meaningful discussions and exchange of ideas, contributing to a deeper appreciation of timber as a sustainable and versatile building material.

By facilitating dialogue and knowledge-sharing among stakeholders, the consultation session aimed to play a pivotal role in advancing the adoption of timber in construction while ensuring quality and safety standards are upheld. As the construction industry increasingly embraces sustainable practices, events like these serve as catalysts for innovation and progress, paving the way for a greener and more resilient environment.

This initiative underscored Malaysia's commitment to promoting sustainable development and harnessing the potential of its rich timber resources for the benefit of present and future generations.

AUGUST 2023

LOGS

The current average price for 20 timber species referred to as a source of price information for August 2023 shows that 45% of them showed price increases of between 1.7 and 20%, or around RM20 to RM1,000 per tonne, while 20% of them declined between 1.3 and 4.4%, or around RM30 to RM100 per tonne, while the remaining 35 % showed no price change.

For August 2023, the nine species that recorded price increases as reported were Chengal and Balau under the Heavy Hardwood Group, Kapur and Tualang under the Medium Hardwood Group, while Yellow Meranti, Nyatoh, Jelutong, and Mix Light Hardwood were under the Light Hardwood Group. With the stated price rise, these species were traded at RM5,000, RM3,477, RM1,870, RM1,433, RM1,720, RM1,523, RM1250, and RM1,210 per tonne, respectively. The Chengal species' logs became the only species to have the greatest price increase, increasing by up to RM1,000 per tonne, with the highest price recorded by one of the East Coast Region's states at RM8,000 per tonne.

Kempas from the Medium Hardwood Group, and Dark Red Meranti, Red Meranti, and Mersawa from the Light Hardwood Group are four species of logs that saw price decreases, bringing the market price per tonne for each species to RM1,903, RM2,150, RM2,240, and RM1,833. The species with the greatest price loss was Dark Red Meranti, which fell by RM100 per tonne after trading at RM2,250 per tonne the previous month.

SAWNTIMBER

In August 2023, the average price of sawn timber products for the three main production classes, which are General Market Specification (GMS), STRIPS and Scantling, did not change much, as at least 65% and not more than 75% or around 13–15 of the 20 preferred species referred to, maintained record price retention as in the previous month.

In the GMS production class, almost 75% or 15 species reported no price change during the month of reporting. Three of the remaining five species, Keruing, Mersawa and Balau were reported to increase at rates ranging from 1.9 to 7.7% or about RM56 to RM235 per m3, while the other two species, Red Balau and Red Meranti recorded decreases of 1.3 and 3.5%, or RM35 and RM70 per m3, respectively. Prices for these five species fluctuated, with typical market prices ranging from RM3,026, RM1,907, RM3,290, RM2,790,and RM1,966 per m^3.

Under the STRIPS production class, around 65%, or 13 of the 20 species, reported no price changes in the month of reporting. Five of the remaining seven species had price rises of 1.2–10.7%, or RM25–RM142 per m^3, while the other two species experienced price drops of 2.0–8.2% or RM25–RM100. Keruing and Mengkulang were the two species with the highest price increases, increasing by 10.3 and 10.7% respectively. The average market price for both species was RM2,639 and RM1,460 per m^3. The mixed light hardwood species saw the highest price decline of 8.2%, with sawn timber offered for RM1,118 per m^3.

Similar to the GMS production class, around 75% or 15 of the total 20 species in the Scantling production class, maintained the same average price as the prior month. Four of the remaining five species, Mix Heavy Hardwood, Red Balau, Sepetir and Dark Red Meranti, saw price reductions of 2.0–9.0% or about RM117–RM353 per m^3. The Dark Red Meranti species saw the biggest price reduction and traded at RM3,566 per m^3, while Mix Heavy Hardwood, Red Balau, and Sepetir were at RM1,246, RM2,419 and RM1,638 per m^3, respectively.

The general forecast for the present market price position of logs and sawn wood for all three production categories in August 2023 may be expressed as little changed since the percentage of changes that occur for most species impacted by variations and price fluctuations is minor. The highest percentage rise in pricing for logs of the Chengal species occurs owing to problems in acquiring logs from the species in question, and the supply is produced at a reasonably high price and only when there is a specific demand from the customer. The comparatively low purchasing power and continued low export market conditions were viewed as contributing causes to the monthly fluctuations in the present market price of wood and sawntimber.

PLYWOOD

In August 2023, the average price of plywood goods in a variety of sizes from the four primary thickness sizes of 4mm, 6mm, 9mm and 12mm changed somewhat by around 1.0–6.1%. Plywood with a thickness of 6mm saw a price increase of roughly 6.1%, while plywood with a thickness of 9mm fell by around 3.8%. The percentage increase and impairment recorded amounted to RM1.50 per item. Plywood with a thickness of 12mm also saw a modest price rise of roughly 1% or RM0.50 per piece. However, the average price for 4mm-thick plywood remains constant. Based on the reported price fluctuations for various plywood sizes, the average price of plywood for all four sizes traded is RM19.40, RM26.00, RM38.25 and RM48.85 per piece, respectively.

MEDIUM DENSITY FIBERBOARD (MDF)

In contrast to the present pricing position of plywood goods, which shows no change, the average price of MDF products for August 2023 indicates price retention in all four primary sizes. To that end, MDF with thicknesses of 4mm, 6mm, 9mm and 12mm was traded at an average price of RM12.90, RM23.66, RM31.50 and RM37.60 per piece, respectively, while the highest reported prices of MDF products remained unchanged from the previous month at RM12.90, RM26.00, RM37.00 and RM42.00 per piece for each major market size.

INTRA-MALAYSIA TRADE*- AUGUST 2023

In August 2023, trade operations for sawn timber, plywood and veneer between Sabah and Peninsular Malaysia produced RM4.76 million with a volume of 2,199 m^3. Plywood remained the leading trading product, with a trade value of RM3.83 million and a volume of 1,849 m^3, outperforming the other two items. The trade value of sawn timber and veneer products was RM0.49 million and RM0.43 million, respectively.

Although plywood leads in terms of value and volume of trade, the percentage shift in the value chain from the previous month is only approximately 7-8%. The proportion of changes was particularly substantial on veneer items, with an increase in value and trade volume ranging from 89 to 92%. In comparison to the previous month, plywood products had a 49% decrease in trading volume but a 26% gain in trade value, from 382 m^3 to 195 m^3 and RM390 thousand to RM491 thousand.

Sawntimber, plywood, and veneer were identified as the three major timber products contributing to trade activity between Sarawak and Peninsular Malaysia in August 2023. The three products had a combined trade volume of 2,516 m^3, generating RM 4.42 million. Plywood was again noted as the major commodity traded, resulting in the greatest trade value of timber products between the two areas at RM3.13 million, a 135% increase over the previous month's RM1.33 million. The current month's traded volume climbed by 61%, from 1,130 m^3 to 1,816 m^3.

Sawntimber products saw a significant increase in volume and trade value compared to the previous month. Total volume increased by over 120% from 291 m^3 to 691 m^3, while trade value increased from RM550 thousand to RM1.2 million. However, the total volume and trade value of veneer goods registered in the current month is quite tiny, about 9 m^3 or RM13 thousand.

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

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


Cameroon Kimber Two-Seater Sofa with Timber Legs & Paisley Style Upholstery


Cameroon Solid Wood Table

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

SPECIES	LOGS/ton	SAWN TIMBER/m³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	6,000	10,593	5,650	9,887
Balau	3,477	3,290	2,059	3,857
Red Balau	2,400	2,790	2,472	2,419
Merbau	3,050	3,754	3,072	3,725
Mixed Heavy Hardwood	1,093	1,344	1,231	1,246
MEDIUM HARDWOOD				
Keruing	2,328	3,026	2,639	2,189
Kempas	1,903	2,189	2,225	2,613
Kapur	1,870	1,746	1,165	1,876
Mengkulang	1,938	1,448	1,460	2,013
Tualang	1,433	2,013	2,002	2,081
LIGHT HARDWOOD				
Dark Red Meranti	2,150	2,631	1,942	3,566
Red Meranti	2,240	1,966	1,907	2,307
Yellow Meranti	1,720	1,854	1,389	1,977
White Meranti	1,670	2,507	1,801	1,977
Mersawa	1,833	1,907	1,730	2,154
Nyatoh	1,523	1,530	1,548	1,412
Sepetir	1,422	1,824	1,436	1,638
Jelutong	1,250	2,119	1,589	1,819
Mixed Light Hardwood	1,210	1,352	1,118	1,201

MALAYSIAN RUBBERWOOD *Hevea brasiliensis*	LOGS/ton	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	185	1,230	1,300	1,355	1,480

PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm
	19.40	26.00	38.25	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 - AUGUST 2023

	July-23		August-23		% change in volume	% change in value
	Vol (m³)	Val ('000 RM)	Vol (m³)	Val ('000 RM)	Jul/Aug	Jul/Aug
SABAH						
Logs	0	0	0	0	100	100
Sawn Timber	382	390	195	491	-49	26
Plywood	1,708	3,588	1,849	3,833	8	7
Veneer	81	229	155	432	92	89
SARAWAK						
Logs	0	0	0	0	0	0
Sawn Timber	291	550	691	1,214	138	121
Plywood	1,130	1,329	1,816	3,129	61	135
Veneer	0	0	9	13	0	0

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

FBX Index September 2023: Looking forward

August should see seasonal upswing of freight rates, alongside a pre-Q4 peak in demand into Western economies in the run up to the Christmas period. Driven by retail demand, and interestingly alongside similar seasonality you can find other ocean freight modes, including dry bulk, Q3 2023 has failed to inspire much in the way of confidence for prices.

The big news is that of a watershed moment for container futures, with a large burst in trading demand from the Shanghai INE contract launched at the end of August. Large trading volumes, driven by retail trading in China, vindicates prior attempts at container futures whilst also adding substantial fuel for FBX futures contracts listed on the SGX and the CME.

In terms of price action, however, much has been tied to the success or failure of general rate increases (GRIs) implemented through the end of April up until the end of August. Initially, prompt quarter (Q4 2023) impact was substantial. FBX01 China/East Asia to North America West Coast opened on 1 June at $1,625/FEU before sharply repricing up 41.54% to $2,300/FEU on 7 June. However, contract values almost immediately tapered off in line with a dropping spot price, beginning August (on 7 August) at $1,900/FEU (down 17.39%) and then slightly rebounding to $2,000/FEU on 21 August.

Conversely, despite the amount of noise in the index price, and the attempts by Maersk and CMA CGM to ratchet FAK rates to near $2,000/FEU, Q4 2023 futures prices on FBX11 China/East Asia to North Europe moved -3.75% from $2,000/FEU to $1,925/FEU. This pricing trend carries through into Q1 2024 on both routes, with FBX01 opening at $1,450/FEU on 1 June, shooting up to $2,200/FEU on 7 June, then slowly tapering to $2,015/FEU by 29 August. Even longer tenors on Cal'24 have not been spared the same price movement, FBX01 Cal'24 hitting $2,225/FEU on 16 June before pulling back to $2,030/FEU by 29 August.

Price action out of the way, supply and demand fundamentals remain eerily similar, with ship deliveries outpacing ship scrapping (which has increased over the past year), putting pressure on rates against a weak demand picture in European and North American economies. There have been micro-impacts from the threat of typhoons closing down Chinese ports, forcing Shanghai INE Apr'24 to move the limit up last week, quickly normalising. The feeling out of China is a pullback away from any 'big bang' stimulus package from the CCP (as we saw post-financial crisis in 2008) with concerns over high debt levels in China. However, green shoots come from relative support for the beleaguered commercial and residential real estate sector, which has been sucking the energy out of the Chinese economy.

However, the big real terms and potentially explosive event through August has been the success of the Shanghai INE futures contract, opening up opportunities for arbitrage trading between the INE and SGX/CME FBX futures – opening spreads often $200 to $300 wide on similar tenors. SGX/CME seems to also be attracting blocks of much larger volumes from companies looking to hedge freight rates against recognisable periods. The launch and success of the INE is almost identical to the formative impact of the launch of Dalian Commodities Exchange Iron Ore futures, on the explosion of Iron Ore Futures volumes on the SGX. This combines with a clear growth in index linking and index referencing, bringing together the pieces of the futures market puzzle that have been years in the making.

Source: *Freight Investor Services; September 12, 2023*

Container Freight Rates To Hit 2016 Levels

Asia to Europe rates are already below 2019 levels and there is a real risk that rates on the trade could slump to 2016 levels unless drastic capacity management levels are introduced said the report.

"Although overall capacity across the four main trades from Asia to Europe and North America are expected to fall by 14-22% in October mainly from blanked sailings, there has been very few actual service withdrawals with just three services permanently suspended to the US West Coast so far," said the report.

Containership capacity has now reached record levels of growth, standing at an average growth rate of 190,000 teu per month since April. "This pace of growth is the fastest rate ever recorded for the container markets and is set to continue for the next two years." With vessel demolition rates at under 10,000 teu per month the rate of growth has now easily surpassed the capacity growth booms of 2006-08 and 2014-15 which saw growth of a mere 120.000 teu per month on average.

According to the Freightos Baltic Index (FBX) the westbound Asia to Europe spot rates had fallen to $1,517 per feu by 15 September this year, down from

$1,784 per feu at the beginning of the month. Spot rates on the Pacific to the US west coast have decreased according to shipbroker Braemar, but flatlined for freight with east coast discharge destinations. West coast freight at the end of August was at "a recent high point" of $2,033 per feu but had declined to $1,866 per feu by 15 September according to FBX data.

Since 1 January, however, west coast rates have appreciated by 33%, according to Braemar. US east coast rates have seen a marked decline to $2,844 per feu in the first two weeks of this month from a recent high of $3079 per feu. On both the Asia to Europe and Pacific trades the headhaul rates are significantly higher than the 2019 average $1,427 per feu and $1,530 per feu respectively.

Source: *seatrade-maritime.com, September 27, 2023*

West Coast Ports Face Hurdles Winning Back Importers

West Coast ports have a new labor agreement in hand but they face big hurdles in their efforts to get U.S. importers to bring their supply chains fully back through the gateways. New manufacturing strategies along with geopolitical tensions and China's lagging economic growth are casting clouds over the ports that have long been a linchpin of the U.S. trade economy, even as the gateways from Southern California to Seattle trumpet an end to the labor uncertainty that helped push millions of import containers to other ports.

"A lot of [importers] have found benefits with East Coast and Gulf Coast ports," said Jonathan Gold, vice president for supply chain at the National Retail Federation. Gold said Gulf Coast and East Coast ports are gaining trade as retailers look to spread out their supply chains to be less reliant on one gateway. He said importers also like the proximity to growing manufacturing and population centers, especially in the Southeast, where retailers are investing in new facilities.

Members of the International Longshore and Warehouse Union last week ratified a six-year contract covering dockworkers at West Coast ports, ending more than a year of uncertainty that led some importers and exporters to shift some business away from potential disruptions. The West Coast is still the preferred gateway for many importers bringing in toys, clothes, furniture and televisions from factories in Asia because it provides the quickest ocean route from factory to port. An extensive network of warehouses, trucks and railroad operations fans out from the ports to spread goods across the country.

But the region has been losing share slowly to other parts of the U.S. over the past 20 years. That shift accelerated during the pandemic because of big containership backups at the ports that caused massive cargo delays. It continued during the past year because of fears of labor disruptions as the dockworkers' union negotiated a multiyear deal to replace the last contract that expired in July 2022.

The share of all U.S. containerized import cargo handled by West Coast ports fell in June to a combined 35% as measured by weight, according to the Pacific Merchant Shipping Association, down from 37% in June last year. The ports of Los Angeles and Long Beach, which together form the largest single gateway complex for U.S. container imports, saw inbound volumes fall by nearly a quarter in the first six months of this year compared with the same period in 2022, according to PMSA figures. The ports of Savannah, Ga., and Charleston, S.C., the closest points to a burgeoning network of electric-vehicle and battery factories in the Southeast, reported far slimmer declines.

Gene Seroka, executive director at the Port of Los Angeles, said in July he attributes about 15% of the lost cargo volumes to the diversion of trade to alternate gateways, and that experience suggests some percentage of that lost trade won't return. "It will be an uphill climb," Seroka said. "Our job now is to be absolutely relentless in going after every pound of freight possible."

Logistics property developer Prologis, in a report being released this week, estimates that over the next six to 12 months the combined Los Angeles-Long Beach port complex might regain only half of the cargo volumes lost to diversions. That is in part because of long-term supply chain shifts, as retailers and manufacturers move goods production away from China to countries such as India that connect more easily to East Coast ports as well as to Mexico.

Meanwhile, growing production of electric vehicles and batteries for those cars is focused mostly on southeastern U.S. states, a potential boon for ports like Savannah and Charleston as manufacturers bring in parts for their factories.

Source: *Wall Street Journal, September 6, 2023*

Top Global Ports May Be Unusable By 2050 Without More Climate Action

Some of the world's largest ports may be unusable by 2050 as rising sea levels hit operations, and efforts to speed up decarbonisation of the maritime sector and bring in new technology are vital, a study showed.

Weather-related disruptions are already impacting ports across the globe. These include a drought which is hampering operations in the Panama Canal, a top waterway. The Global Maritime Trends 2050 report, commissioned by leading shipping services group Lloyd's Register and the independent charity arm Lloyd's Register Foundation, looked at future scenarios.

"Of the world's 3,800 ports, a third are located in a tropical band vulnerable to the most powerful effects of climate change," a Lloyd's Register (LR) spokesperson said. "The ports of Shanghai, Houston and Lazaro Cardenas (in Mexico), some of the world's largest, could potentially be inoperable by 2050 with a rise in sea levels of only 40 cm."

Other key ports including Rotterdam are already under pressure, the report said. "Countries will need to invest in increasing the efficiency and resilience of their ports and logistics infrastructure to keep up with growing demand for imports and consumption," the report said, which was authored by think tank Economist Impact. Ports highly susceptible to rises in sea levels such as Shanghai could establish flood defence systems similar to Holland's Maeslant Barrier and London's Thames Barrier, the LR spokesperson said.

"This would negate the need to constantly raise existing floodwalls every decade, which is a short-term and costly solution," the spokesperson added. Shipping accounts for nearly 3% of global CO2 emissions. The industry is actively cutting its emissions by reducing its fossil fuel consumption, the LR spokesperson said, adding that it remains fragmented.

"The average shipowner owns circa five ships. As a consequence, not all players are good at gathering data. There can also be a reluctance to share data. Forecasting relies on having access to solid and relevant datasets." The report was launched ahead London International Shipping Week, which starts on Sept. 11.

Source: *Reuters, September 11, 2023*

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m^3)	% change Jul'23/ Aug'23
	m^3	% change	m^3	% change	m^3	% change	m^3	% change	m^3	% change		
Sawntimber	40,433	-2	3,677	53	691	-2	508	101	4,393	9	49,702	2
MDF	13,728	-15	0	0	1,256	155	1,709	-30	5,113	53	21,806	-4
Mouldings	8,415	-3	45	22	1,247	-26	1,053	-20	939	-4	11,699	-8
Plywood	3,991	5	6	118	0	0	591	-31	11,504	24	16,086	15
Veneer	325	-45	0	0	0	0	43	250	138	33	368	-39
Particleboard	12,424	52	0	0	871	301	537	-12	1,111	-15	14,406	49
TOTAL	**79,316**	**1**	**3,728**	**45**	**4,065**	**30**	**4,441**	**-19**	**23,198**	**22**	**114,748**	**5**

Note: Indicates % change over previous month
Source: MTIB

PINK AESTHETIC: PONDER TO TIMBER-BASED COMPANIES

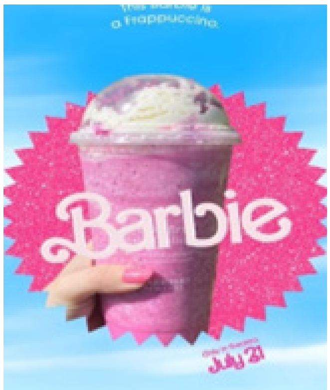
Prepared by: RAINAH YUSOF

Following the release of the Barbie movie in July 2023, it seemed as if that the world, Malaysia included, was turning pink. Many merchandise items such as apparels, footwear, bottles, and jewelleries were in pink. Even well-known brands in Malaysia were collaborating with Barbie; Barbie x Duck, Barbie x TYPO, Barbie x Cotton:On, Barbie x ALDO, Barbie x Fossil, Perrysmith x Barbie and lots more.

The pink trend also penetrated in the food and beverages industries; Inside Scoop's has the Barbie the Movie Ice Cream Cake, GSC Cinema has its Pink Bandung Popcorn, Starbucks has the Barbie Pink Frappuccino while the hotel industry also surged into the Barbie-related trends by creating themed rooms. For instance, GrandHyatt Kuala Lumpur worked in partnership with Mattel and created the Barbie staycation at its Barbie-themed room and the Barbie café which is surrounded by Barbie-themed furnishings.

Some companies found it difficult to cope with the sudden new pink market trend and its demand, as there was a lack of material supply and designs which unfortunately led to supply chain challenges.

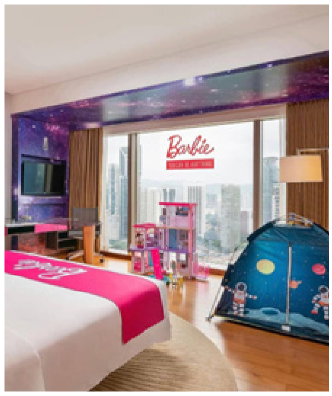
Perysmith Barbie Collection
Source: Perysmith Website



Starbucks Barbie Pink Frappuccino
Source: Google

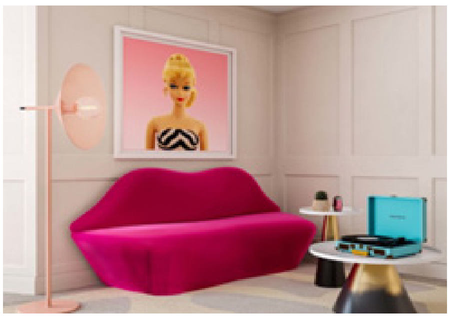
Inside Scoops: Barbie the Movie Ice Cream Cake
Source: Google

Pink Bandung Popcorn
Source: Google



Barbie-themed room
Source: GrandHyatt Kuala Lumpur

Did the sudden phenomenon also impact the timber industry? Did consumers desire change from the minimalist furniture concept to a new furniture concept? Were the timber-based companies able to adapt and reconfigure for these sudden changes? Or were the companies actually unaware and as such, encountered supply chain difficulties? If the answer is yes, what can we learn and improve for the future of the timber industry?



Hot Pink Settee
Source: TOV website (https://tovfurniture.com)

Hot Pink Bedroom Set Design
Source: Google

1. Re-evaluate Current Supply Chain Practices

Unforeseen disturbances may lead to disruption of supply chains. Timber-based companies must be able to strategise in fully utilising resources efficiently to create a competitive advantage which is critical to its success. This involves re-evaluating the supply chains' flexibility and adaptability in coping with difficult conditions, such as raw-material shortages, transportation delays and lack of manpower. Simulating predictions of various scenarios may help companies to create preventive measures as well as contingency plans to mitigate all potential risks and build resilience.

2. Always be on the lookout for Potential "Ripple Effect"

The Barbie phenomenon has caused a ripple effect across industries. It is vital for timber-based companies to be able to recognise interferences in one product that may impact other products. Companies must be able to create, access and exploit new resources that were developed on its capabilities that are inimitable to survive and stay up in the market.

These signals indicate that timber-based companies need to be more alert and react faster to overcome the cascading effect. This would help companies to stay ahead of shifting consumer behaviours as well as market trends and optimise supply chains to meet customer expectations more effectively. For example, once the Barbie movie trailer was announced, everything went pink. This gave the opportunity and time for the companies to search for material supply, design and gain early promotional advantages to grasp customer attention; being-the-first will ultimately boost company revenue.

3. Focusing on social media and e-commerce

Internal company constraints are the most significant element which limits any good supply chain practice. Relying solely on traditional methods may lead companies to be less competitive in today's highly dynamic market. In the current situation everything is based on technology. Social media such as Facebook, Instagram, TikTok; and e-commerce platforms such as Shopee and Lazada, offer unexpected swings in demand. As customers become more engaged through these platforms, the impact on consumer behaviour can lead to significant fluxes in demand for products. Therefore, timber companies should alert and aware of new trends.

4. Look into potential market

Timber companies need to understand behavioural changes and market trends to be able to enhance their marketing strategies and promotions, fully utilising resources which can then lead to customer satisfaction and increased sales. For instance, due to the Barbie movie, 'everything' turned pink. Timber companies could grasp the opportunity by creating and promoting pink bedroom designs, Barbie-like customised furniture, vibrant-coloured home décor and other pink ideas.

In conclusion, due to the COVID-19 pandemic most companies are currently still struggling to sustain in the industry and this includes members of the timber industry. However, the Barbie-craze has created a big wave of opportunities for all industries and this means timber-based companies should also be ready to align skills, routines, and processes to successfully operate in such specific markets and meet its end user needs. These companies should always be ready to adapt to the ever-changing market trends by building, integrating, and reconfiguring its competencies. Such companies which harness the latest technology, have the ability to anticipate ripple effects, re-evaluate supply chain practices, and possess a deeper understanding of consumer behaviour and market trends, will ultimately maximise future business opportunities.

7 September 2023 - Courtesy visit from Institut Perladangan dan Komoditi Malaysia (IMPAC)

8 September 2023 – Working visit to Emkay Group Berhad in Cyberjaya by YB Datuk Larry Sng Wei Shien, Chairman of MTIB

12 September 2023 – Courtesy visit from SIRIM Industrial Research (SIRIM IR).

14 September 2023 – "Simposium Perladangan Hutan: Hala Tuju dan Cabaran Hari Ini" at Bangi Hotel Resort

18 September 2023 – Visit to Syarikat Media Prima Berhad by YBrs Dr. Mohd Nor Zamri Mat Amin, Director General of MTIB with MTIB's top management