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MEMORANDUM OF UNDERSTANDING ON BAMBOO ONE-STOP CENTRE

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WORKSHOP ON REVISION OF MTIB'S LICENSING PROCEDURES AND TIMBER LEGALITY GUIDELINES

Attendees of Workshop On Revision Of MTIB's Licensing Procedures And Timber Legality Guidelines

In an effort to strengthen the governance of licensing for the import and export of timber and timber products, MTIB organised a workshop on the revision of licensing and timber legality procedures which was held from 9 February to 11 February 2022 in Port Dickson, Negeri Sembilan. The main objectives of the workshop were to review and update the selected procedures to be in line with current policies, rules,rules, and practices. The procedures involved are:

- A) Procedure for Obtaining an Export and Import Permit
- B) Fallback Procedure for the Issuance of Permits
- C) Procedure and guidelines for the issuance of the MyTLAS Certificate

Apart from the discussion, the workshop also provided the licensing officers with an understanding of timber import and export rules, regulations, and procedures. Leading the discussion at the workshop was Encik Mazree Iman, Senior Deputy Director of the Licensing and Inspectorate Division, and he was assisted by Puan Sunita Muhamad, Deputy Director from the same division. During the discussion, he highlighted that MTIB's licensing activities play an important role in regulating trade facilitation. In this regard, respective procedures and guidelines need to be updated from time to time for improvement in their implementations.

The workshop was attended by 30 participants, which comprised MTIB's licensing officers from MTIB regional offices and headquarters.

MEMORANDUM OF UNDERSTANDING ON BAMBOO ONE-STOP CENTRE

YB Minister witnessing Memorandum of Understanding signed between MTIB-MTC and Tadom Hill Resort Sdn Bhd

INTRODUCTION

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

Bamboo grows widely throughout Malaysia. Bamboo has been used in various applications, since time immemorial. Due to socioeconomic and technological changes, its use in society has declined and it’s seen as a less valuable product compared to other commodities. Bamboo began to experience a resurgence of interest when there was a lack of wood, the primary source of raw material. This was in addition to the general awareness of the importance of maintaining a good environment. It is clear that the country's bamboo industry has the potential to grow extensively as is the case in China, Japan, Thailand, Indonesia and Viet Nam.

Demonstration by Temuan Aborigin in Bamboo Cutting process

Starting from 2011, various actions and initiatives have been taken to develop the country's bamboo industry so that it can become an important industry that can generate income for the population and contribute significantly to the country's GDP. Until the end of 2021, the country's total export of bamboo and bamboo-based products have recorded up to RM8.43 million. However, this achievement is still too small compared to the total import of bamboo and bamboo products for 2021 for domestic use which was recorded RM89.2 million. It lagged behind compared to the global market of USD 53.28 billion in 2020.

To further develop the bamboo industry in Malaysia, MTIB in collaboration with Malaysian Timber Council (MTC) and Tadom Hill Resort Sdn Bhd, recently inked a Memorandum of Understanding on the Establishment of a Bamboo One-Stop Centre at Tadom Hill Resort, Banting, Selangor. The event was held on 19 February 2022. The main objectives of the MoU were as follows:

- To exercise a strategic collaboration on the establishment and promotion of the Bamboo One-Stop Centre
- To initiate human resource development programmes for the bamboo industry
- To increase the research, development and commercialisation of the bamboo industry

- To enhance promotional activities on the bamboo industry (domestic and international markets)
- To develop bamboo industry entrepreneurs

The MoU was signed and witnessed by YB Datuk Hajah Zuraida Kamaruddin, Minister of Plantation Industries and Commodities. MTIB was represented by Haji Mahpar Atan, Director General whilst MTC and Tadom Hill Resort Sdn Bhd were represented by Mr. Mokhtar Mohd Yaacob, Director of Industry Transformation and Development and Dato' Lai Yeng Fock, Director of Tadom Hill Resort Sdn Bhd respectively.

YB Datuk Hajah Zuraida Binti Kamaruddin ,MPIC minister observing the structure of Buluh Semantan

In her speech, YB Minister emphasised on the advantages of bamboo which is considered a green material that is environment-friendly and can easily meet the demand of today's green consumerism. She also added that the Bamboo One-Stop Centre would soon benefit more than 500 bamboo entrepreneurs in Malaysia and will act as the information, promotion and R&D centre for all issues related to the bamboo industry, including trading activities, under one roof. She also stressed the need for the Malaysian bamboo industry to make a radical move to produce higher value-added products through innovation and technology. She further expressed her hope that the Bamboo One-Stop Centre would be able to spur further growth of the industry through the increased awareness of the potential of bamboo by various relevant sectors throughout the country.

A total of 50 participants comprising individuals and representatives from both the government and private sectors attended the programme.

Briefing on Bamboo One Stop Centre by Dato Lai Yeng Fock of Tadom Hill Resort Sdn Bhd

VIET NAM

WOOD PRODUCT EXPECTED TO GROW

Vietnamese wood and furniture products are expected to grow in 2022 due to the purchasing demand of the international market along with meeting necessary factors in Free Trade Agreements (FTAs).

Despite experiencing a difficult year (last year) after being heavily affected by the pandemic, the country's exports of timber and non-timber forest products in 2021 was predicted to reach USD 15.6 billion, up by 18% compared to 2020. In which, the exports of wood and products reached USD 14.5 billion, up by 17.2% compared to 2020.

Viet Nam's timber and forest products are exported to over 140 countries and territories, of which the main markets are the US, Japan, China, EU and South Korea with a total export value estimated at USD 13.98 billion, accounting for 89.5% of the country's export value of forest products. This will show a great momentum for the Viet Namese wood processing and export industry to develop with an export turnover value of 20% higher than 2021. The gains are also attributed to the effects of FTAs such as the EU-Viet Nam Free Trade Agreement, the UK-Viet Nam Free Trade Agreement (UKVFTA), and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

According to the Viet Nam Timber and Forest Products Association, last year the export of wooden furniture to the UK sharply increased with products for living rooms and dining rooms. They are followed by wooden furniture for the bedroom and wooden frame chairs.

As the UK-Viet Nam free trade agreement (UKVFTA) took effect in May 2021, the wood processing and exporting industry has seen high import volumes in the market, reaching an export turnover of USD 5.24 billion, an increase of more than 15% on 2020.

The UKVFTA agreement is the driving force for Viet Namese wood processing and exporting businesses in expanding the market and diversifying products to offer more choices to consumers.

According to the General Department of Viet Nam Customs, the export value of Viet Namese timber and wood products in 2021 to the Americas reached USD 9.3 billion, up 22% compared to 2020.

www.globalwoodmarketsinfo.com, 16 February 2022

CHINA

FORESTRY INDUSTRY OUTPUT REACH 9 TRILLION YUAN

"China aims to establish a relatively complete modern forest and grass industry system by 2025, with the total output value reaching 9 trillion yuan (about USD 1.41 trillion), according to a development plan", Chinese news agency Xinhua reported.

China also strives to establish itself as a leading country in international trade of forest and grass products, with an annual import and export value hitting USD 195 billion by 2025, according to the development plan for the forest and grass industry (2021-2025) released by the National Forestry and Grassland Administration.

The plan identified 12 key sub-sectors for development during the 14th Five-Year Plan (2021-2025) period, including economic forest, wood processing and ecological tourism, among others.

The plan also identified forest and grass planting areas to ensure that no arable land or permanent farmland is occupied.

www.china.org.cn, 15 February 2022

UAE

CONSTRUCTION PROJECTS BOOST ACCORDING TIMBER DEMAND

According to previous surveys, about 70% of timber and forestry products are used in the building industry, while the remainder are used in real estate, interiors, furniture and other industrial applications. The figures reflect an increasing demand for timber products in the region, led mainly by the overall economic growth and the growth of the USD 2.4 trillion worth of construction activities in the region.

With an average of USD 2,722.54 spent on wood goods per household, this amounts to USD 68 million spent last year alone in Dubai.

However, with more than 35,000 residential units planned to be delivered in the last two years, expenditure on wood products is projected to grow to USD 95 million by 40%, according to the survey.

Growth in the housing market will drive the timber and timber business across the region, creating a great opportunity for the industry. When families migrate to their new freehold houses, they will need a fresh supply of furniture and, due to their preferences and patterns, most families are searching for authentic wood furniture and goods, where the new market resides.

Consumers are now looking for modern, creative items to replace old furniture, in particular innovative furniture that can help families better to navigate spaces. Such products will be in solid demand.

The demand for wood products is also expected to be increased by new hotel developments. Dubai will add 40,000 hotel rooms and service apartments to accommodate the rising demand of visitors. A variety of hotel operators are providing tenders for wooden beds, tables and wooden interior items to provide hotel guests with greater comfort. This is going to be a great engine of demand for wood products.

The UAE construction market was valued at USD 101.45 billion in 2020, and is now expected to reach a value of USD 133.53 billion by 2026, registering a Compound Annual Growth Rate (CAGR) of 4.69% over the period of 2021-2026.

www.globalwoodmarketsinfo.com, 14 February 2022

EUROPE

DYNAMIC RECOVERY IN CONSTRUCTION

According to the new estimate, the total construction output in the Euroconstruct area decreased by 4.7% in 2020, a more moderate decline than expected six months ago. Also, the final results for the current year as well as the new short-term forecast have been improved, even though slowing down in the mid-term.

The synchronic international recovery, the use of infrastructure works as a classic fiscal policy measure, the introduction of generous incentives for building renovation and upgrade, are some of the sectorial factors that support the positive outlook and its overall improvement, in a more general context of economic upswing and confidence index growing in all countries.

The level of construction output in 2021 was set at 1,740 billion euros that, after the difficult year 2020, already represents a fully recovered loss, thanks to an important leap of 5.6%.

The new short-term outlook is defined by a lively growth next year (+3.6%) and by an increase of no more than 1.5% in the next two-year period. Some elements of concern may impact the general positive scenario: these are coming from the supply side, not only in terms of raw material prices but also in terms of labour shortage and may also derive from the direction of public support.

All non-residential construction will show a relatively better performance in the near future, against a more moderate increase in the level of expenditure for housing: in particular, for civil engineering, a growth rate close to 3% per year, is estimated, not so far from that expected for non-residential building (+2.5% on average 2022-2024), while for the biggest European market the slowing path should be more pronounced (+1.6%). At a country level, the positive development will be sustained by the strong growth (more than 4%) in Ireland, Spain, Hungary and the United Kingdom; a flat trend is expected for Germany and Switzerland, while sectorial output should be shrinking in Finland and Sweden.

www.globalwoodmarketsinfo.com, 02 February 2022

FINLAND

REPORTS RECORD FELLING IN 2021

Last year, 65 million cubic meters of wood were harvested for use in the forest industry. That's 12%, or 7 million cubic feet, more than the previous year, the Natural Resources Center (Luke) reports.

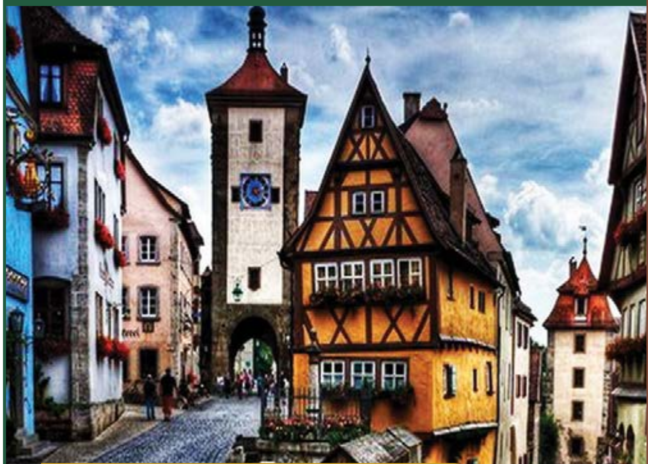
The felling volume of logs rose by one-fifth to 30 million cubic meters and that of pulpwood by 5% to 35 million cubic meters. The largest number of spruce logs was felled - 16.3 million cubic meters. That's more than ever before and a quarter more than last year.

“The felling volume of spruce logs in particular was exceptionally high. For the first time, more spruce logs were cut than pine wood and 16 million cubic meters of pine fiber were now felled," said Senior Actuary Tiina Sauvula-Seppala from Luke.

A record of 12.9 million cubic meters of pine logs were also felled. Among the tree species, pine was felled the most with a total of 28.9 million cubic meters while 26.4 million cubic meters of spruce and 10.1 million cubic meters of hardwood were harvested.

The majority, or 83%, of the fellings were made in private forests. There, felling increased by 15%, with growth in the state's and industry's own forests of 1%.

www.fordaq.com, 08 February 2022



GERMANY

OAK LOG PRICE INDEX INCREASE

The German producer price indices for oak continued to increase in December 2021 compared to the previous month. On average, the index value for log wood increased by 1.9% to 123.7 points. No data was available for A quality in the previous month. Compared to August, there was a minus of 3.5 points to a level of 88 points. B quality recorded an increase of 1.4% to 128.6 points. 3m length logs decreased 0.8% to 122.8 points, while the 5m lengths increased 1.7% to 145.7 points. The C range increased by 2.5% to 132.6 points. All recorded lengths contributed to this, except for the 2 m lengths, which recorded a minus of 3% to 108.8 points. 3 m lengths increased by 3.8% to 1138.8 points. Oak pulpwood reversed its upward trend in December and fell by 2.4% to 86.1 points. Beech pulpwood recorded an increase of 0.6% to 96.1 points. The hardwood pulpwood price index increased by 0.2% to 94.6 points. Year-on-year, the oak log index increased by 6.7%. A quality lost 7.1% while B quality exceeded last year's value by 9.7% with an increase of 10.1% for 3m lengths and 14.3% for 5m lengths. The C range saw an 8.7% increase and industrial grade gained 13.4%.

www.fordaq.com, 17 February 2022

NEW ZEALAND

EXPORTS OF LOGS TO CHINA IS NOW CHALLENGING

New Zealand log export revenue was up 34% during the year to 30 June 2021 due to stronger than expected demand from China. "China remains the key market for New Zealand log exports, making up 85% of overall log export values", says New Zealand's Ministry of Primary Industries (MPI) in its annual report.

According to MPI, New Zealand's log export revenue is forecast to reduce by 1% to USD 3.8 billion in the year to 30 June 2022. Chinese demand for logs has softened due to a slowdown in the construction sector and high market prices. The effects of China's response to a heated property market and high levels of debt at the country's second-largest property developer (Evergrande Group) have started to ripple through the construction sector. Despite near-term challenges in the construction sector, medium-term demand for ogs is projected to lift, driven by the Chinese Government's targeted measures to support the economy and infrastructure development.

"Global demand and supply dynamics create uncertainty for New Zealand log prices in the medium-term", says MPI in its report. Log prices have fallen as demand eased, due to pressure in China's real estate sector and the general slowing of the economy. According to MPI, increased supply of spruce logs from Europe is expected to put additional downward pressure on New Zealand log prices. Log supply from South America into China is expected to be subdued because of high freight costs. This will partly offset the downward pressure on log demand and prices. In the medium-term, demand and prices are also likely to be supported by the imminent removal of Russian logs from the export market in 2022.

Supply volumes to South Korea as a share of total export have decreased from 58% in 2005 to 8% in the year to 30 June 2021. Demand in this market is likely to remain sluggish in the medium-term as other markets ramp up supply. Demand from India has also plummeted. It accounted for only 2% of total log export volumes in the year to 30 June 2021, down from 12% in 2011. While demand is forecast to improve slightly over the medium-term as India's economy recovers, greater supply from Australia and Uruguay is expected to pick up much of the slack.

New Zealand's harvest volumes for the year to 30 June 2021 reached an all-time high of 37.6 million cubic meters, up 18% compared with last year due to robust demand and high prices. MPI is forecasting harvest volumes to slightly reduce for the coming year as demand eases.

New Zealand's sawn timber export values were up 13% in the year to 30 June 2021 compared with last year supported by both strong domestic production and rising export prices. Sawn timber export values are forecast to reach USD 1.0 billion in the year to 30 June 2022, up a further 11% from 2021.

Demand in the US and Australia is driven by housing construction activity, while it remains subdued in China. Chinese demand for sawn timber has been negatively impacted by rising export prices.

The proposed Russian ban on log exports is likely to increase the supply of timber into China as Russia processes more wood for export. As China accounts for only 12% of sawn timber exports by value, the medium-term effect is likely to be marginal.

www.globalwoodmarketsinfo.com, 02 February 2022

CANADA

LUMBER PRICES RISE AGAIN

Lumber futures rose to the highest in a month as some of Canada's biggest producers reduce output and transportation snags disrupt shipments to customers.

March futures rose by the exchange limit of USD45 to USD1,336 per USD1,000 board feet in Chicago before paring gains. The surge comes as firms such as Canfor Corporation announce supply cuts in British Columbia, while port congestion and a lack of rail cars and trucks make it harder for Canadian companies to get timber to buyers.

Lumber futures have already gained about 34% this month as supplies remain tight ahead of the peak spring construction season in North America. That may add to the housing inflation that's already hurting buyers.

Canfor said Tuesday it plans to cut 150 million board feet of production in British Columbia, citing impacts of the mountain pine beetle infestation and other constraints on available timber. At the same time, West Fraser said companies are facing shippingsnarls after massive flooding late last year washed away rail tracks and shut highways in British Columbia.

While repairs to rail and truck routes are progressing, West Fraser said its ability to "ship products in a timely manner remains challenged" and the company said it was forced to take "unscheduled downtime" due to the transportation problems, according to a statement. The company may need to further reduce operating schedules to maanage its inventory levels.

www.globalwoodmarketsinfo.com, 17 February 2022

UNITED STATES

RESIDUES CREATES OPPORTUNITIES FOR WOOD PELLET

The US South's softwood industry has enormous potential for a variety of reasons. The region has a significant forest resource with room for expansion, low and stable wood costs, and a thriving lumber and pellet manufacturing sector. The local forest industry is set to grow in the coming years and play a more prominent role in regional and global forest product markets. This expansion will lead to a tighter log market, but growth will still exceed harvests (drain) in most states, according to Wood Resources International LLC.

Longer-term, the drain could overtake growth in some states unless the productive forest area expands, harvest yields improve, or access to small woodlots and underutilized forest increases. It should be noted that wood markets are often very local, and the demand-supply balance can vary significantly in micro-markets within individual states.

The sawmilling industry is the largest end-user of softwood logs in the US South and is also the sector that has increased capacity the most over the past decade. Lumber output has grown from 26% of North American production in 2011 to 33% in 2021. Lumber producers in the region are still not likely to be significant players in international markets due to expected strong domestic demand and declining imports from Canada. However, the continued expansion in capacity will help reduce the US lumber import demand in the coming years.

Pulp mills receive about one-third of harvested softwood round wood in the US South. With the pulp sector not expected to expand in the short-term, wood fiber demand will not change much. With increases in residue supply from the expanding lumber sector, there will be less demand for softwood pulp logs, a trend that will probably intensify in the coming years.

The expansion of the lumber industry in the South looks set to outpace wood fiber-based industries (pellets, panels, and pulp), potentially creating a deficit in demand for small-diameter logs and sawmill residues. Finding end-uses for smaller logs could be the most significant predicament for timberland owners in the US South in the coming decade. However, the surplus of small-diameter logs will create long-term opportunities to expand the pulp and wood pellet sectors.

www.prnewswire.com, 08 February 2022

GLOBAL

WOOD PELLET MARKETS OUTLOOK

The industrial wood pellet markets have been growing at an annualized rate of about 1.66 million metric tones per year from 2010 through 2021.

As the consequences of climate change become increasingly obvious and costlier as a result of more frequent and more severe events globally, the pace of decarbonization will accelerate. Wind and solar power, coupled with massive energy storage solutions, will become the foundation of power generation in many jurisdictions. But it will be at least a decade, and probably much longer, before grid-level energy storage coupled with wind and solar generation, and perhaps the build out of new nuclear generation capacity, is sufficient to allow most traditional thermal generation from coal and natural gas to be eliminated.

There is a well-proven strategy that can bridge this gap. That transition strategy is already a mainstay in some jurisdictions. The strategy is based on the substitution of coal for sustainably sourced pellet fuel in existing coal-fueled generating stations. Between now and a future that is primarily dependent on wind and solar generation, as well as massive energy storage able to keep electricity flowing at all times, this well-proven and already deployed strategy will be an important component in how nations decarbonize their power sectors.

Asia and Europe, already significant users of pellet fuel, will continue to use significant quantities. It is likely that other European nations that are seeking a way to lower the carbon dioxide emissions from coal generation will follow. Furthermore, other regions, such as Canada and the US, will likely promulgate policies that support this rational, pragmatic, and ready-to-use strategy.

Demand is expected to increase by 8.9% from 2021 to 2022 and by another 14.8% from 2022 to 2023. In 2023, modest new demand in the US and Canada as decarbonization policies evolve are expected. Japan and Germany are expected to add about one million tones per year of demand in 2023.

However, under a scenario in which US, German, and Japanese policies evolve over the next five years, demand for pellet fuel could grow at an annualized rate of 3.73 million metric tones per year.

This is good news for all of the major pellet producing regions and, given how demand for pellet fuel is expected to grow in the Japanese and Canadian power sectors, for Canadian pellet producers. Western Canadian pellet producers have already established a strong presence in the rapidly growing Japanese market. Canada is on the brink of reclaiming it leadership in Japanese market share for imported pellet fuel.

www.globalwoodmarketsinfo.com, 01 February 2022

TIMBER LEGALITY FOR LIGNOCELLULOSIC MATERIALS

Introduction

The Timber Legality Assurance System (MyTLAS) was initiated by the Malaysian government as a guarantee to produce wood products with a legal timber status in Peninsular Malaysia by means of providing verification along the timber processing chain from the timber stage in the forest all the way to shipment for export. The Ministry of Plantation Industries and Commodities (MPIC) and the Malaysian Timber Industry Board (MTIB) are committed to ensuring that the timber products produced comply with current laws and procedures in both the forestry and timber sectors.

Background

The TLAS initiative began in 2006, through Malaysia's original commitment in negotiating the Forest Law Enforcement, Governance and Trade (FLEGT VPA) agreement to meet the requirements of the EU Timber Regulations (EUTR). In support of the EUTR and pending conclusion of negotiations for a FLEGT VPA with the EU, Peninsular Malaysia commenced the implementation of TLAS designated as MyTLAS (Peninsular), purely as Malaysia's own initiative since 1 February 2013, to assure the legality of its timber and timber products exported to the EU. MyTLAS has also put in place comprehensive control procedures to ensure the exclusion of unverified timber. Peninsular Malaysia is confident that MyTLAS (Peninsular) meets the requirements of due diligence under the legality of timber requirements from consumer countries.

The implementation of MyTLAS (Peninsular) involves close coordination between the Licensing Authority and the implementing agencies (Malaysian Timber Industry Board, Forest Department, Department of Environment, Department of Occupational Safety and Health, Department of Labour, Social Security Organization, Royal Malaysian Customs and Department of Agriculture). An independent consultant was commissioned to develop the Guidelines and Checklist to facilitate the auditing of the implementation and operation of MyTLAS (Peninsular). These Guidelines and Checklist were subsequently used to undertake an annual compliance audit of MyTLAS (Peninsular) by a third-party auditor.

Compliance Audit and Meeting with Implementing Agencies

The first compliance audit was carried out in March of 2013 while the second compliance was completed in May 2021 (Pictures 1a-1d). The working group meets regularly to coordinate, monitor and consider reports on the enforcement activities of the implementing agencies which then recommend remedial actions on non-compliances and other necessary measures to effectively implement MyTLAS (Peninsular). In 2021, 8 states (Johor, Negeri Sembilan, Selangor, Perak, Kedah, Pahang, Terengganu and Kelantan) were involved in the auditing scope. Primary and secondary wood industries enrolled in exportation were also included in the scope of audit. Interviews with the Implementing Agencies were carried out to detailed up the findings from auditing process.

Meeting on Consolidation of Peninsular Malaysia Timber Legality Assurance System (MyTLAS) at The Hotel Pulse Grande, Putrajaya

Picture 2

During the presentation, all implementing agencies shared their respective journeys and challenges towards the implementation of MyTLAS. The Control Procedures (Table 1) under MyTLAS (Peninsular) are guided by approximately 6 Principles and each of these Principles is supported by a number of Criteria, which indicate the following:

a) exact legislative reference relevant to the respective Criteria, which must be complied with
b) verification procedures to demonstrate compliance
c) responsible implementing agencies
d) outputs of the verification procedures

Table 1:
summary of the Principles (P), Criteria (C) and Responsible Authorities of MyTLAS (Peninsular) audited by the Third Party Auditor.

Principle			Criterion	Responsible Authorities
P1	Right to harvest	C1	Approval of harvesting area by State Authority	State Authority / State FD
		C2	Issuance of harvesting licence	State FD
		C3	Consent by owner to remove logs and wood residues from rubber smallholding/estate	
		C4	EIA requirements	DoE
		C5	EIA requirements (rubber estate)	DoE
		C6	Plan preparation and registration of classification mark	State FD
P2	Forest operations	C7	Area demarcation	
		C8	Pre-F inventory	
		C9	Pre-removal assessment	
		C10	Tree marking	
		C11	Control of timber production	
		C12	Log transportation	
		C13	Worker safety and health	DOSH /DoL / SOCSO
P3	Statutory charges	C14	Royalty and fees	State FD
P4	Other users' rights	C15	User rights by Aborigines	
		C16	Community benefits	
P5	Mill operations	C17	Issuance of mill licence and conditions for operation	
		C18	Issuance of mill licence/approvals and conditions for operation (secondary processing mills)	
		C19	Issuance of mobil e sawmill/chipper licence	
		C20	Worker safety and health	DOSH/ DoL/ SOCSO
P6	Trade and customs	C21	Registration of company/person for export	MTIB
		C22	Export regulations	MTIB / RMC
		C23	Import regulations	MTIB/ RMC/ DoA
		24	Transportation of impo rted logs	State FD

*Notes: FD = Forest department; DoE = Department of Environment; DOSH = Department of Occupational Safety and Health; DoL = Department of Labour; SOCSO = Social Security Organization; MTIB = Malaysian Timber Industry Board; RMC = Royal Malaysian Customs; DoA = Department of Agriculture

No	Products	HSCode
1	Wood pallet	4401
2	Logs	4403
3	Railway sleepers	4406
4	Sawntimber	4407
5	Veneer	4408
6	Mouldings	4409
7	Particleboard	4410
8	Fibreboard	4411
9	Plywood	4412
10	Wooden frames	4414
11	Joinery products	4418
12	Wooden furniture	9403/30/40/50/60/90

MTIB has taken the lead in promoting timber and timber products from legal sources to assure the legality of timber exports from Peninsular Malaysia to all export destinations. An Action Plan on Timber Legality Assurance System (MyTLAS) 2022–2025 was drafted and presented at the meeting to ensure that the MyTLAS (Peninsular) certificate fully meets the due diligence requirements under the timber legality requirement for all export destinations. The objectives of this plan (2022-2030) are to strengthen the credibility of MyTLAS as the country's leading timber product legality verification system, to improve Malaysia's image as a producer of timber products with legal timber status and from sustainably managed sustainably managed sources and to expand timber market access and increase the growth of the timber industry.

The plan ensures that the national timber legality system is constantly improved to increase credibility, the wood legality system is certified by a third party and that there is a comprehensive network of cooperation and coordination across all MyTLAS implementing agencies. The plan also creates industry awareness on the legality aspects of the forestry and timber industries.

Action Plan on Timber Legality Assurance System (MyTLAS) 2022 To 2025

The auditing by the third-party on MyTLAS (Peninsular) held in 2021 found that tables 9,10 and 5 were in full compliance, partial compliance and not applicable which concluded that the timber legality system is credible and meets compliance requirements.

THE LEGACY OF WOOD

Kayu Warisan may have humble beginnings, but through their dedication to create unique wood products, they have certainly reached great heights.

Azahari Jamal started his journey with wood and timber in his village, where he first laid eyes on old pieces of wood that seem like scrap material without high value. However, with time, he learned that these pieces of wood are actually of exceptional quality and are actually of sought-after species of timber such as Chengal. While clearing the wood stuck in the river, which resulted in floods, he also learned the beauty of driftwood – wood that has been washed up on the river or lake shores.

Kayu Warisan prides itself as one of the few companies in Malaysia that aspires to elevate the worth of driftwood, and it's all because of Azahari's ambitiousness. As someone with no background in the timber industry, he started his company from the ground up, striving to help empower the local economy in his village. Even though he did not have any relationship with the timber industry, Azahari soldiered on and took his dreams seriously. He also dedicates much of his success to the Malaysian Timber Industry Board (MTIB) and the support they have provided. According to Azahari, MTIB has opened many doors and provided any opportunities to Kayu Warisan, helping them become a reputable brand

FAST FACTS
Species: Chengal, Merbau & Balau

At first, Azahari did not know the nuances of timber and all the various species. But thanks to the courses and seminars provided by MTIB, Azahari came to learn all about the intricacies of working with wood. With his knowledge and expertise, Kayu Warisan is able to keep up with the times and create artistic and unique items with the timeless and everlasting driftwood. With the MTIB courses, trends like epoxy furniture and laser engraving can be achieved, allowing Malaysian companies like Kayu Warisan to match international standards and big names in the industry. They also use excess pieces of timber to create precious giftable items such as an axe or a decorative bird. All these souvenirs come with a tale or story, as it is one of Kayu Warisan's goal to create products that have meaning.

The word Warisan refers to heritage or legacy, and it's Azahari's intention to create products that can be treated as treasures and heirlooms. After all, the material itself was designed to withstand the test of time. For instance, the chengal that Azahari can easily find in his village, which is known to date back to the 1800s, is a species that's often crowned as the best wood in Malaysia, with it being highly resilient and durable.

"After a period of time, it's actually the high-quality and resistant wood that remains," Azahari explains. The same philosophy can be said for timber products – those that can be passed down through generations and still maintain their quality are the best kind of products.

Further continuing the legacy of wood, Kayu Warisan also offers practical courses for the youth. This resource enables them to develop their own craftsmanship and learn how to work with wood, ultimately bolstering the industry as a whole.

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JANUARY 2022

Total export of Malaysian timber and timber products in January 2022 decreased by 5% in value totalled at RM2.3 billion from RM2.4 billion in the previous month. Likewise, cumulative exports for the period of January 2022 increased 21% valued at RM2.3 billion over RM1.9 billion in the previous corresponding period. The timber industry is looking at RCEP as the new driver of Malaysian domestic and international business activities in the post-pandemic period. RCEP entered into force for Malaysia on 18 March 2022 as Malaysia joined 11 other signatories: Singapore, China, Japan, Brunei, Cambodia, Laos, Thailand, Vietnam, Australia, New Zealand and South Korea. Malaysia is expected to be a major beneficiary of the RCEP agreement in terms of gains in exports, with a projected US$200 mil increase. These gains would result from tariff eliminations and price reductions for merchandise goods.

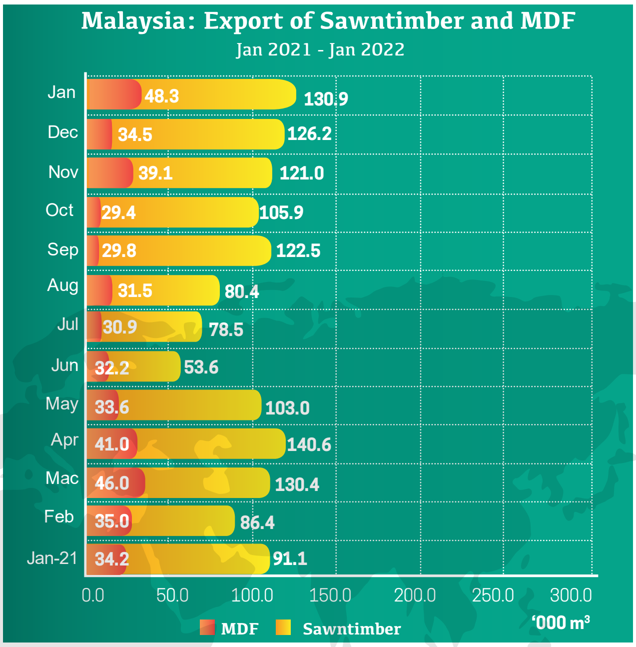
SAWNTIMBER

Total export of sawntimber in January 2022 increased by 4% in volume at 130,870 m³ but decreased 24% in value at RM215.2 million as compared to the previous month. However, cumulative exports for the period of January 2022 increased by 44% in volume and 32% in value to 130,870 m³ totalling at RM215.2 million over the previous corresponding period.

Exports of sawntimber to the EU for the month decreased by 18% to 5,827 m³ over the previous month as a result of the low demand from major countries in the region. The Netherlands as the main buyer also decreased imports by 9% to 3,568 m³ from 3,911 m³ in the previous month followed by Greece and France which decreased by 74% and 5% to 68 m³ and 435 m³ respectively. Exports to Germany also decreased by 5% to 903 m³ from 955 m³ recorded in the previous month. Belgium and Italy recorded negative growth at 40% and 56% to 703 m³ and 150 m³ respectively. Exports to the UK also decreased by 92% to 377 m³ from 4,747 m³ in the previous month.

Total export to West Asia also decreased by 49% to 13,297 m³ from 26,195 m³ as recorded in the previous month. Yemen as the main buyer from West Asia decreased by 66% to 2,939 m³ from 8,612 m³ recorded last month. Similarly, exports to Oman and Qatar decreased by 76% and 21% to 1,434 m³ and 1,195 m³ respectively compared from the previous month. Meanwhile, exports to the UAE decreased slightly to 5,621 m³ from 5,652 m³ followed by Saudi Arabia and Iraq with 85% and 48% to 209 m³ and 1,189 m³ respectively recorded in the previous month.

Meanwhile, buying from ASEAN increased by 19% to 35,583 m³ from 29,971 m³ as registered in the previous month. Thailand as the main buyer in ASEAN decreased its intake by 30% to 10,980 m³ from 15,707 m³ as recorded in the previous month. Meanwhile, exports of sawntimber to Singapore and Indonesia decreased by 5% and 43% to 6,486 m³ and 215 m³ respectively from 6,790 m³ and 380 m³ last month. Similarly, exports to the Philippines and Viet Nam decreased by 169% and 20% to 16,948 m³ and 938 m³ from 6,290 m³ and 780 m³ respectively.



Elsewhere, shipments to East Asia decreased by 20% to 24,563 m³ from 30,595 m³ in December 2021. China as the main buyer decreased purchases by 46% to 9,630 m³ from 17,676 m³ in the previous month. Exports to Hong Kong and South Korea also decreased by 73% and 36% to 35 m³ and 1,353 m³ respectively compared the previous month. However, exports to Taiwan and Japan increased by 1% and 67% to 6,530 m³ and 7,015 m³ respectively from 6,477 m³ and 4,195 m³ as recorded in the previous month.

Meanwhile, exports to the USA decreased by 44% to 1,434 m³ whilst exports to Australia increased by 40% to 1,442 m³ compared from 2,573 m³ and 1,032 m³ respectively in the previous month. Demand from South Africa increased significantly to 32,336 m³ from only 2,925 m³ recorded last month.

The average FOB price of sawntimber decreased by 30% to 1,573 per m³ from 2,232 per m³ in the previous month. The price of Dark Red Meranti to the Netherlands also decreased by 5% to 4,042 per m³ from 4,262 per m³ previously. Keruing was traded at 1,425 per m³, a decrease of 42% from 2,437 per m³ in the previous month.

PLYWOOD

Exports of plywood in January 2022 recorded a decrease by 10% in volume at 127,700 m³ and 5% in value at RM356.5 million as compared to the previous month. However, cumulative exports for the period of January 2022 increased by 18% in volume and 71% in value to 127,700 m³ totaling RM356.5 million over the previous corresponding period.

The EU region recorded a decrease of plywood imports by 46% from 152 m³ to 82 m³. Denmark resumed purchase with 43 m³. Meanwhile, Belgium, France, Germany, Ireland, Italy and The Netherlands didn't make any purchase for the month. Exports to the UK decreased by 95% from 9,040 m³ to 429 m³ and Turkey. didn't make any purchase for plywood in January 2022.

Moving to East Asian and ASEAN market, the volume dropped by 15% to 77,104 m³ from 91,054 m³. Taiwan increased import performance by 42% to 5,299 m³, followed by Brunei by 75% to 377 m³. However, China decreased buying by 50% at 320 m³ from 637 m³. Hong Kong, Japan, Singapore, South Korea, Thailand and The Philippines also dropped their purchases by 16%, 17%, 25%, 6%, 46% and 76% to 292 m³, 62,983 m³, 1,216 m³, 5,301 m³, 1,024 m³ and 234 m³ respectively. Indonesia didn't make any purchase of plywood in January 2022.

Elsewhere, the West Asian region recorded a decrease of 68% to 2,387 m³ from 7,541 m³ in the previous month. Saudi Arabia increased import performance by 410% to 107 m³. Qatar resumed purchase buying to 80 m³. However, the UAE decreased buying by 16% to 87 m³, followed by Yemen by 71% to 1,871 m³. On the other hand, Bahrain and Kuwait didn't make any purchase for the month.

In the African region, there was an increase by 44% from 324 m³ to 468 m³ as compared to the previous month. Morocco decreased their buying volume by 84% to 35 m³, followed by Mauritius by 89% to 4 m³. Meanwhile, South Africa showed an increase by 34% to 86 m³. Sierra Leone didn't make any purchase for the month.

The Americas regions increased imports by 43% from 30,606 m³ to 43,640 m³. USA as the main buyer picked up purchase by 43% to 43, 099 m³ while Canada showed an increase of 60% to 418 m³. Mexico reported a decrease of 52% to 123 m³. For Oceania, plywood exports to the region increased by 43% with 3,557 m³ from 2,482 m³. Australia increased by 49% to 3,491 m³ but New Zealand fell by 77% to 24 m³.

The FOB price of plywood for January 2022 is at RM2,491 per m³, a decrease of 5% from RM2,629 per m³ from the previous month.

VENEER

Exports of veneer for January 2022 decreased in volume by 21% to 4,428 m³ and 19% in value, worth RM7.4 million as compared to the previous month. The cumulative exports for January 2022 showed an increase in volume by 73% to 4,428 m³ and 67% in value to RM7.4 million over the previous corresponding period.

Australia increased veneer purchase by 1650% to 140 m³ from 8 m³ in December 2021, followed by the Philippines with an increase of 52% to 282 m³, South Korea 33% to 779 m³ and the USA 313% to 99 m³. Meanwhile, China, Singapore, Taiwan and India show a decrease of 21% to 1,708 m³, 60% to 4 m³, 50% to 859 m³ and 27% to 303 m³ respectively. On the other hand, Canada, Italy and Viet Nam didn't make any purchase for the month.

The average FOB price for veneer increased by 11% from RM1,629 per m³ to RM1,801 per m³ as compared to previous month.

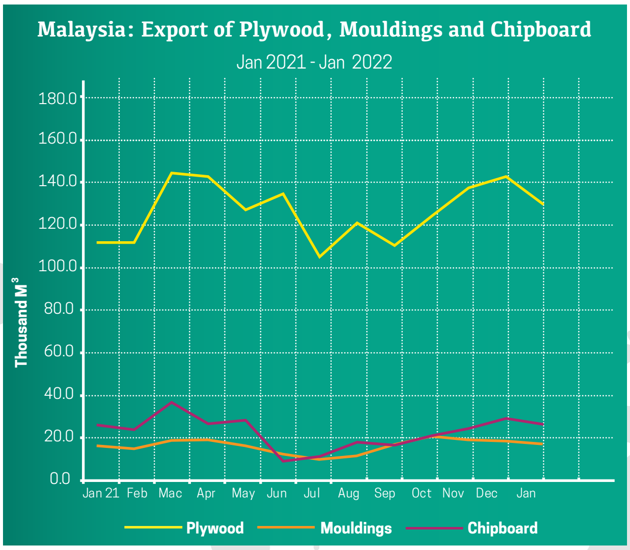
MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in January 2022 recorded 40% increase in volume at 48,278 m³ and 20% in value at RM70.1 million compared to the previous month. Cumulative exports for the period of January 2022 increased both in volume and value at 41% to 48,278 m³ and 26% totaling RM70.1 million as compared to the corresponding period in 2021.

Exports to ASEAN increased by 101% to 18,073 m³ from 9,014 m³ in the previous month. Indonesia recorded a climb in MDF imports by 15% to 2,974 m³ from 2,588 m³. This was followed by Viet Nam with an increase of 555% from 1,020 m³ to 6,685 m³. However, the Philippines decreased buying at 38% to 2,737 m³, followed by Singapore with a reduction of 75% to 75 m³

Elsewhere, East Asia increased MDF purchase by 62% from 9,834 m³ to 15,916 m³ in the previous month. Japan and Taiwan increased buying by 54% and 263% to 12,496 m³ and 3,232 m³ respectively. However, South Korea recorded a drop of 67% from 568 m³ to 188 m³. China including Hong Kong however didn't make any purchase for this month. Moving to the South Asian market, exports increased by 19% to 4,305 m³ from 3,611 m³. Export performance to Bangladesh and India declined by 89% to 107 m³ and 37% to 1,040 m³ each. However, shipping to Sri Lanka and Pakistan increased by 113% and 298% to 921 m³ and 2,210 m³ respectively.

Exports to the West Asian region recorded a decrease of 58% from 5,991 m³ to 2,546 m³ compared to previous month. Saudi Arabia also increased MDF purchase of 40% from 308 m³ to 431 m³, followed by the UAE and Qatar with an increase of 101% and 1324% to 767 m³ and 299 m³ respectively. Oman reduced buying by 85% at 193 m³ while Lebanon resumed buying to 856 m³. Meanwhile, Bahrain, Iran, Jordan, Kuwait and Syria didn't make any purchase for the month.



Exports to Australia increased by 607% to 3,399 m³ dfrom 481 m³. The USA and South Africa decreased their purchases by 12% and 78% to 1,766 m³ and 222 m³ respectively. However, the UK and Sudan didn't make any purchase for the month. The FOB price of MDF decreased by 45% to RM939 per m³ from RM1,692 per m³ from the previous month.

MOULDINGS

Exports of mouldings for the month decreased by 8% in volume and 2% in value to 16,891 m³ valued at RM78.9 million. However, it was an increase of 5% in volume and 24% in value to 16,891 m³ worth RM78.9 million as compared to the previous corresponding period in 2021.

Exports to the EU for the month were recorded at 7,397 m³, decreased by 3% as compared to the previous month. Belgium and Germany decreased their purchases by 32% and 6% to 371 m³ and 698 m³ while the Netherlands increased its intake by 0.3% to 5,185 m³ respectively. Italy did not make any purchase for the month. Meanwhile, the UK recorded a decrease of 34% to 474 m³ for the month.

Exports to the ASEAN region decreased as Viet Nam and Singapore decreased purchases by 49% and 1% to 28 m³ and 837 m³ respectively. Meanwhile, Indonesia. and Thailand did not make any purchase for the month.

Likewise, Hong Kong, South Korea and Japan decreased intake by 53%, 31% and 17% to 169 m³, 849 m³ and 965 m³ respectively. However, China increased intake by 47% to 81 m³ as compared to last month while, Taiwan resumed its intake to 25 m³.

Elsewhere, exports to Canada and the US decreased by 41% and 19% to 86 m³ and 2,862 m³ respectively while Australia increased buying by 5% to 2,131 m³ compared to the previous month.

Average FOB unit value for mouldings increased marginally to RM4,725 per m³ compared to RM4,403 per m³ in the previous month.

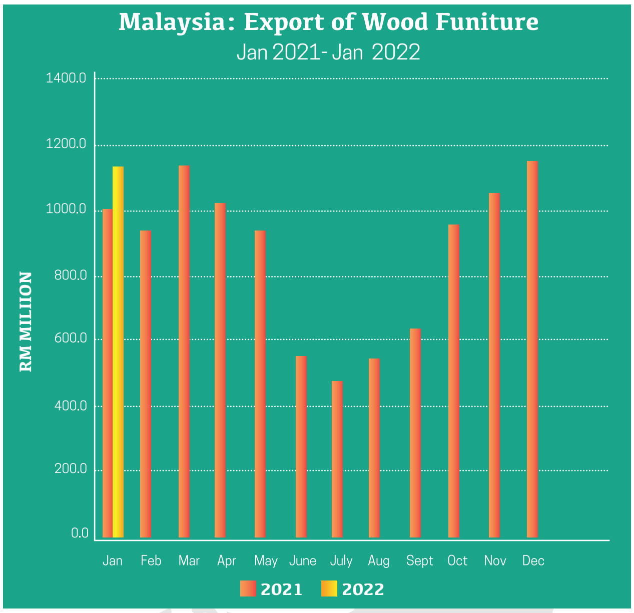
BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for January 2022 recorded a decrease of 5% in volume and 11% in value to 13,516,852 kg worth RM107.4 million from last month. Total BJC cumulative exports for the same corresponding period last year increased by 19% to RM107.4 million as compared to RM89.9 million last month.

Exports to the EU increased by 25% to RM16.9 million compared RM13.4 million in the previous corresponding period. Exports to Germany, France, Sweden and the Netherlands increased by 612%, 130%, 28% and 12% to RM2.3 million, RM1.7 million, RM2.8 million and RM3.6 million respectively. However, exports to Denmark and Belgium decreased by 31% and 14% to RM1.3 million and RM3.2 million compared to the previous month. Exports to the UK, however increased by 77% to RM12.9 million from last year. Turkey did not make any purchase for the month.

For Asia, exports to Pakistan, Japan, Singapore, Taiwan and India recorded an increase of 388%, 26%, 13%, 12% and 11% to RM621,610, RM4.9 million, RM5.2 million, RM802,888 and RM3.4 million respectively. However, exports to Qatar, Thailand and Viet Nam decreased by 74%, 26% and 21% to RM178,935, RM1.3 million and RM1.8 million respectively. Meanwhile, the UAE, South Korea, Italy and Egypt resumed their intakes to RM338,319, RM146,915 RM774,521 and RM253,000 respectively while Saudi, Arabia, Turkey and Bahrain did not make any purchases for the month.

Exports to South Africa and Australia increased by 49% and 27% to RM996,622 and RM20.6 million respectively. However, the US decreased buying by 4% to RM26.5 million compared to the previous month. Mauritius resumed its intake to RM83,581.



FURNITURE

Exports of wooden furniture for January 2022 decreased by 3% to RM1.1 billion while rattan furniture increased by 5% to RM10.0 million respectively from the previous month, December 2021. Meanwhile, the export of wooden furniture of January 2022 recorded an increase of 10% year-on-year to RM1.1 billion from RM1.0 billion in January 2021. Similarly, demand for rattan furniture increased by 15% year-on-year to RM10.0 million from RM8.7 million in January 2021.

In the Americas region, the USA as the main buyer of wooden furniture has increased its purchase by 3% to RM635.4 million from RM614.6 million in the same corresponding year in 2021. Similarly, Canada also raised its buying by 9% to RM29.8 million. Exports to Chile also increased by 79% to RM10.2 million from RM5.7 million in January 2021.

Moving to the East Asia region, Japan and Taiwan increased their orders by 15% and 84% to RM58.2 million and RM11.0 million respectively. However, exports to China and South Korea reduced by 83% to RM1.4 million, and 36% to RM6.3 million respectively. Singapore as the largest buyer amongst ASEAN member countries recorded an increase in export by 16% to RM47.6 million. Similarly, exports to the Philippines rose by 77% to RM19.4 million.

Amongst EU member countries, Germany was recorded as the highest buyer with an increase in buying by 138% to RM9.5 million. At the same time, exports to the Netherlands and Poland also increased by 61% to RM2.9 million, and 46% to RM5.5 million respectively. However, exports to France and Greece recorded a decrease by 34% to RM3.9 million, and 60% to RM719,956 respectively. In Europe-other countries, exports to the United Kingdom and Russia both increased by 68% to RM44.4 million and 38% to RM1.1 million respectively while exports to Turkey decreased by 45% to RM271,795.

Shipments to Australia was reduced by 20% to RM41.8 million for the month. However, purchases by India increased by 14% to RM23.5 million from RM20.6 million in the same month of last year. Demand from Middle Eastern countries generally increased with Saudi Arabia being recorded with the highest export value at RM25.3 million with an increase of 18% from its corresponding month last year. Meanwhile, exports to the UAE increased by 28% to RM18.8 million, followed by Kuwait with an export growth of 5% to RM4.5 million and Qatar 58% to RM998,438. However, Oman recorded a decrease of 57% to RM1.0 million over its corresponding month in 2021. Elsewhere, exports to South Africa increased by 54% to RM6.4 million while Algeria resumed its buying to RM239,469 for the month.

Rattan furniture shipments of January 2022 recorded an increase of 15% year-on-year at RM10.0 million from RM8.7 million in the previous corresponding year. In the Americas region, exports to the USA and Canada increased by 22% to RM4.3 million and 391% to RM847,376. Amongst EU member countries, Ireland recorded the highest export value of RM171,025 despite a decrease of 14%. Exports to Denmark and Germany reduced by 26% to RM140,589, and 59% to RM66,895 respectively. Conversely, exports to Poland rose by 24% to RM97,139 for the mentioned period. Meanwhile, in Europe-other countries, the United Kingdom recorded the highest imports, worth RM686,792, a decrease of 8% while Russia increased its buying by 105% to RM483,837.

Exports to Japan rose by 27% to RM239,295, while exports to India were down by 23% to RM392,515. In the ASEAN members' circle, Thailand recorded the highest export value by RM233,860 with an increase of 157%. However, exports to the Singapore and the Philippines decreased by 58% to RM69,050 and 34% to RM191,010 respectively.

Shipments to Australia increased by 17% to RM643,069 from RM551,448 in its corresponding month 2021. Meanwhile, in the African region, South Africa resumed its buying to RM63,983. Moving to the Middle East, exports to the UAE increased by 655% to RM151,398 from RM20,052 recorded in January 2021.

MALAYSIA

Sea Freight Rates Rise 800% On Reduced capacity

SEA freight rates have increased up to 800% in some routes a 100% increase from October last year 700% due to reduced available capacity on shipping lines and container shortage, based on recent feedback received by the Malaysian National Shippers' Council (MNSC).

MNSC chairman Datuk Dr Andy Seo said as an open trading nation like Malaysia, over 90% of the international trade volume is being carried through international sea transportation. He stressed that the skyrocketing sea freight rates coupled with the increasing commodity prices and labour shortages in both the manufacturing and logistics services sectors as a result of the pandemic has caused prices of imported business inputs and export costs to soar.

"Shippers face difficult decisions daily on whether to ship and incur high export costs or not to ship and lose their export markets. Major shippers in Malaysia are now exporting on 'Free on Board' basis as they are no longer able to cover the high freight costs and now must rely on freight services determined by the overseas buyer. "The high freight rates on the other hand have forced foreign buyers which are absorbing all freight and insurance costs for the shipment to delay their orders, hoping that the shipment costs will decrease in the coming months thus our exporters are losing out on export revenue," he told The Malaysian Reserve (TMR).

In addition to the increase of sea freight rates, he said shippers are also forced to bear other logistics costs such as the warehousing, forwarding, haulage and landside charges which have increased in parallel to the freight rates. "Ports in Johor, for example Pasir Gudang Port and Port of Tanjung Pelepas, have increased port tariffs by 30% and 15%, respectively, on Oct 1, 2021. "We understand that ports in Penang and Kuantan are also planning to increase port tariffs this year. Any increase in port tariff will further on our exports and Malaysia's competitiveness," he added.

A survey by MNSC from Oct 7-10 last year showed that sea freight is now at an all-time high, having increased between 100% and 700% of pre-pandemic levels. TMR previously reported Seo as saying that this has led to high transportation costs, causing companies to make transport-driven adjustments in their supply chain strategies. Meanwhile on port congestion, MNSC said it learned that certain ports in North America and Europe were badly affected in December 2021 and that the start of 2022 has seen no sign of improvement.

"This will have a ripple effect on ports in Asia especially for Malaysian ports such as Port Klang, being the last port of call for ships heading west, forcing shippers to struggle with lengthening port delays and cargo rollovers," he said. Seo said MNSC has called on the government to support shippers to reduce the impact by providing grants to cover logistics expenses and double tax deduction from corporate tax on freight costs during this critical period.

"In ensuring Malaysia's maritime industry remains competitive, robust and future-proof, we have called on the Ministry of Transport to assist local players to get into the shipping container production industry through the introduction of direct and indirect tax incentives to reduce our over dependence on imported containers to meet the growing demand," he said.

***Source:** themalaysianreserve.com, February 17, 2022*

USA

Improvement in box rates, transit times and gate-out times in US ports

Container spot rates between Chinese base ports and the US West and East Coast are seeing a steady decline since they peaked in January in the run-up to the Chinese New Year (CNY) on 1 February. Particularly, according to a study by the digital freight forwarding platform Shifl, the spot freight rates for a 40' high cube container moving from Chinese base ports to Los Angeles have fallen roughly 44% from 1 January, while spot rates to the port of New York show a similar drop of around 38% over the same period.

"Spot rates have stabilised after an uptick prior to CNY. We hope they will remain stable and continue downwards as we move into the year although they would still be notably higher than the pre-pandemic rates," said Shabsie Levy, CEO and founder of Shifl.

Significant macroeconomic factors impacting spot prices

High container spot prices will only remain justified as long as retail demand follows through. However, several growing challenges will likely pull the brakes on freight prices. One of the foremost factors is US retail inventory volumes, which will determine retailer urgency in Transpacific imports. Federal Reserve Economic Data (FRED) economic data on retail inventories shows the metric has surged spectacularly over January, indicating overstocked retail supplies that were meant for the holiday season. Inventory strength is a bellwether to understanding the immediate future of US retail imports, with hig inventory stocking levels reflecting a slowdown in demand for Asian imports, according to Shifl.

Census Bureau's data on non-seasonally adjusted real sales for retail trade, excluding auto vehicles and parts sales, shows it fell by 22% month-over-month in January. "A particularly strong increase in consumer price inflation (CPI) over '21 and the termination of stimulus checks and higher spend on travel and restaurants can be alarmist to the retail consumer base," stated Levy.

"This could push consumers to tighten their spending and further exacerbate the fall in retail sales. Taking these factors into account, spot prices will likely not cause the level of pain it meted out to shippers last year," added Levy.

Transit delays and container gate-out times coming down but continue to be of concern

While the number of vessels queued up around the West and East Coast ports has been reduced, the monthly throughput volumes continued to progress seen in the last few weeks, according to Shifl, which believes that this trend will be sustainable enough to get supply chains out of the ripple effect caused by months of disruptions and delays since the onset of the pandemic. Albeit much higher than the pre-pandemic norm, transit times to the East Coast from China have maintained a similar trend for over a year now but seem to be going slightly down. While the usual transit time till discharge was 27 days to the East Coast, it stood at 40 days at the end of January, going up slightly in the first half of February and seemingly coming down in the second half of the current month, according to the US-based digital platform.

Shifl's market report shows that China to West Coast transit has been longer than East Coast transit since the second half of November 2021, peaking at 52 days in December 2021, reflecting how slower port operations are on the West than the East Coast, although it is a much longer transit route. That said, transit times have actually improved across the West Coast, trending below East Coast transit times for the first time since November 2021. The transit time shrank by six days from the 47 days of transit in the first half of January.

While the time that import containers dwell in the ports are still slightly on the higher side than normal the good news is that the gate out times are showing noticeable improvement dropping 40% from December 2021 highs on the West Coast and 25% on the East Coast for the same period. According to Shifl's report, general booking volumes and forecasts are down compared to the past year's chaotic crunch indicating a possible

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, January 2022

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% change Jan 2022 / Dec 2021
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	39,932	-21	8,763	-2	808	17	125	-42	560	-88	50,188	-23
MDF	10,475	-13	161	100	3,300	-84	1,277	-44	1,961	-22	17,174	-55
Mouldings	9,935	1	31	-49	1,700	-6	1,283	-12	645	-26	13,593	-3
Plywood	6,929	-33	0	-100	341	151	99	-77	6,313	83	13,681	-5
Veneer	486	-59	0	100	0	100	41	100	1,388	-47	1,915	-49
Particleboard	15,283	-23	0	100	28	-87	0	100	7,503	24	22,814	-13
TOTAL	**83,040**	**-20**	**8,955**	**-2**	**6,177**	**-74**	**2,824**	**-36**	**18,370**	**-9**	**119,366**	**-26**

Note : Indicates percent change over the previous month

Source : MTIB

start to the leaner season up to around June/July, after which the new peak season should start kicking in.

"We hope that a slowdown will give the carriers and ports time to get out of the chaotic ripple effect that we are in and start the new peak season on a better and more sustainable note" concluded the boss of Shifl, Shabsie Levy.

Source: *container-news.com, February 25, 2022*

EUROPE

CMA CGM applies new surcharges from Europe to America

The French ocean carrier CMA CGM has announced the implementation of new Peak Season Surcharges (PSS) for cargoes transferred from Europe to several ports of America.

Firstly, a new surcharge will be introduced in all shipments from the ports of Belgium, Germany, the Netherlands, France Atlantic, Sweden, Finland, Norway, Denmark, Poland, United Kingdom, Portugal and Spain Atlantic to the Latin American destinations of Ecuador, Peru, Chile, and Buenaventura in Colombia, as well as to the Mexican ports of Ensenada, Manzanillo, Lazaro Cardenas.

The PSS of US$1,144 (€1,000) per container will be set in dry boxes, including non-operating reefers (NOR), according to a statement. CGM CGM said the surcharge, which will take effect on 1 March for Peru, Chile and Mexico, and on 10 March for Ecuador and Colombia, will have a short-term contract validity of three months maximum. In addition, the Marseille-based box line will apply another PSS from ports of North Europe, Scandinavia and Poland to the Caribbean, Windward, Leeward, Guyana, and Central America, excluding Mexico.

This surcharge of US$228 (€200) per TEU will also have a short contract validity and will be introduced only in dry containers from 1 March in all destinations, except Colombia Atlantic, Panama Atlantic, North Brazil, Puerto Rico and the Virgin Islands where the surcharge will be effective from 10 March. CMA CGM stated this PSS will not be applicable from France Atlantic to St Maarten and St Barthelemy in the Caribbean. Furthermore, the company will impose another PSS of US$228 (€200) per TEU for dry containers from the Baltic Sea to the American destinations of Windward, Leeward and Guyana. The surcharge will begin on 1 March for all ports except North Brazil and the Virgin Islands, where the charge will take effect on 12 March.

Last but not least, CMA CGM will set another short-term contract PSS of US$1,143 (€1,000) per TEU, and US$857 (€750) per FEU for special equipment and dry boxes, excluding NOR, from ports of West Mediterranean and Portugal to West Coast South and Central America, East Coast Central America, the Caribbean, Mexico West Coast, Guyana, Leeward and Windward. This PSS will also be effective from 1 March, except the ports in Ecuador, Colombia, Venezuela, Panama, North Brazil, Puerto Rico and the Virgin Islands, where it will start on 12 March.

Source: *container-news.com, February 10, 2022*

CHINA

China Port Closures Cause Panic in Global Supply Chain

Partial closure of ports in China as a result of an increase in Covid-19 infections is expected to cause shortage of commodities globally in the next few weeks, with Africa likely to be most affected. China is one of Africa's leading market sources, with data indicating that China-Africa trade reached $185.2 billion between January and September 2021, up 38.2 percent year on year.

China's north-eastern city of Dalian reported its first cases of Omicron last week from two travellers, becoming the second major Chinese port to be struck by the highly contagious Covid variant after Tianjin, a port neighbouring Beijing. Some shipping lines have suspended operations as at least three Chinese ports, including Shanghai and Shenzhen, remain partially closed. The shipping companies said they are re-assessing the situation before resuming operations.

Ships looking to avoid Covid-induced delays in China are causing growing congestion at the world's biggest container ports. Shipping lines like AP Moller-Maersk A/S and CMA CGM are skipping the Ningbo port after its closure, according to Simon Heaney, senior manager of container research at Drewry Shipping Consultants. Japan's Toyota and Germany's Volkswagen have both suspended factory output due to partial closure of the Chinese ports.

The companies prefer to divert shipments to other ports rather than wait outside Ningbo for an unknown length of time. Some other ships, however, are waiting at a shared anchorage for the Shanghai and Ningbo ports. With outbreaks now recorded in other ports there's an increased risk of China denying ships berth and with cities like Tianjin on lockdown, truck drivers are unable to haul cargo from factories to ships and vice versa. Supply chain watchers are now increasingly concerned about the flow of goods from the country's factories. The shipping industry has been plagued by recent disruptions, which have driven freight rates to record highs.

About 20 million people in China, most of them in the city of Xi'an in the west and Henan province in the east, are in lockdown as the country tries to contain the Omicron variant of the coronavirus. The Chinese aviation regulator has in recent weeks cancelled more than 60 scheduled flights from the US over Omicron fears.

Source: *hellenicshippingnews.com, February 1, 2022*

CAMBODIA

ECONOMIC GROWTH PROJECTED TO GROW IN 2022

Overview

Cambodia is a Southeast Asian nation whose landscape spans low-lying plains, the Mekong Delta, mountains and Gulf of Thailand coastline. Its busy capital, Phnom Penh, is home to the art deco Central Market, the glittering Royal Palace and the National Museum's historical and archaeological exhibits. In the country's northwest lie ruins of Angkor Wat, a massive stone temple complex built during the Khmer Empire. The landmass and the territorial waters of Cambodia contain a variety of resources. Apart from water, abiotic resources, such as minerals are generally rare. Still, advanced geo-scientific technologies have produced remarkable results and re-assessments in recent years, such as the localisation of offshore oil and gas depots in the Gulf of Thailand. Cambodia, on the other hand possesses a relatively wide range of biotic resources, in particular timber, forest products, rare plants and a fauna of great diversity.

Economy

The National Bank of Cambodia (NBC) claims that the national economy will grow by 5 per cent in 2022 while inflation is projected at 2.6 per cent. Cambodia has shown some mixed growth in key sectors namely construction and agriculture in 2021 based on the first sets of data released in construction and agriculture, which are considered two of the main pillars of the Cambodian economy. The other sectors are garment export and tourism. The National Bank of Cambodia's recent report on "Macroeconomic and Banking Progress in 2021 and Outlook 2022" explains that Cambodia's economic recovery is well supported by the export of garments and non-garment products, electronic components and bicycles that will enhance Cambodia's export diversification. These industries have long been key assets of the economy. The capita GDP is expected to reach USD1,842 in 2022, compared to USD1,730 in 2021. The digitalization of the economy is seen as a new source of economic growth, while banking will better embrace fintech and financial technologies to support the national Digital Economy and Social Policy 2021-2035 of the Royal Government. According to a World Bank report released on January 2022, Cambodia is projected to grow 4.5 per cent in 2022 and 5.5 per cent in 2023.

Forest Resources

Cambodia is known for its natural resources. Cambodia currently has 10.6 million hectares of forest cover; 4.7 million hectares of which are managed by forest concessions. Owned by multi-national corporations, forest concessions play a vital role in economic development in Cambodia, whilst at the same time they protect the forests from illegal encroachment. Cambodia's forests hold over 2.37 gigatons of carbon, roughly the equivalent of the yearly emissions from 2,200 US coal-fired power plants. As home to over 3.1 million hectares of pristine primary forests, from moist jungles to dry woodlands, Cambodia is a country with a wealth of biodiversity and natural beauty. Cambodia has 3.374 million hectares of natural production forest, 23 million hectares of protection forest and 69,000 hectares of industrial timber plantations. There is over 320,000 hectares of primary forest in Cambodia, with almost 96% of the forest cover being other naturally regenerated forests (9.066 million hectares).

Timber Production

According to the latest FAO forest statistics on Cambodia, the country produced around 236,000 cubic metres of major timber products in 2021. Details of production are as follows:

Cambodia: Production Quantity 2017-2021

Product	2017	2018	2019	2020	2021
Sawlogs and veneer logs, coniferous	13,000	13,000	13,000	13,000	13,000
Sawnwood, coniferous	2,000	2,000	2,000	2,000	0
Veneer sheets	21,000	21,000	21,000	21,000	21,000
Plywood	27,000	27,000	32,000	152,000	202,000
TOTAL	**63,00**	**63,000**	**68,000**	**188,000**	**236,000**

Source : FAO STATS *Volume: m3*

Cambodia's Exports of Timber and Timber Products

Cambodia's exports of timber and timber products in 2021 increased 79% to USD303.9 million over the previous corresponding period. Globally, Cambodia exported mainly plywood, furniture and mouldings totalled at USD186.7 million, USD87.9 million and USD17.0 million respectively. Cambodia exported plywood, furniture and mouldings mainly to the US amounting USD185.7 million, USD83.7 million and USD16.9 million respectively. The US being the main export destination for Cambodia has increased imports to USD203 million, an increase of 45%, in 2020.

Cambodia: Exports Of Timber & Timber Products To World, 2016-2020

Product	2017	2018	2019	2020	2021
Plywood	8,015	62,165	103,661	125,726	186,734
Furniture	2,480	6,879	9,966	18,381	87,948
Mouldings	28,175	36,895	42,319	16,321	16,993
Sawntimber	3,289	16,410	7,964	8,302	7,327
Veneer	846	260	554	597	2,415
BJC	3	0	25	574	1,989
Logs	0	0	77	4	17
Wooden frames	606	27	0	0	2
Particle board	6	0	0	0	0
Fibreboard	0	0	10	17	0
Others	168	107	151	365	464
TOTAL	**43,588**	**122,743**	**164,727**	**170,287**	**303,889**

Source: ITC Stats *USD'000*

Cambodia: Exports Of Timber & Timber Products By Countries To World, 2016-2020

Rank	Importers	2016	2017	2018	2019	2020
	World	**41,109**	**115,864**	**154,761**	**151,906**	**215,941**
1	United States of America	36,495	95,823	144,742	140,875	203,808
2	China	3,134	13,549	7,063	8,721	7,246
3	Viet Nam	675	3,284	1,880	1,236	1,966

5	Cambodia	389	195	200	170	715
6	Thailand	23	27	92	75	389
7	Canada	128	431	511	404	294
8	Sweden	0	0	0	0	187
9	India	0	0	10	0	168
10	Korea, Republic of	17	50	19	0	144
11	**Malaysia**	**0**	**0**	**0**	**1**	**103**
	Others	247	2,506	243	423	162

Source: ITC Stats *USD'000*

Cambodia's Import of Timber and Timber Products

According to the latest ITC statistics, Cambodia's imports of timber and timber products in 2021 increased 6% to USD273.6 million over the previous corresponding period. Cambodia imported mainly veneer, plywood and logs totalled at USD89.9 million (an increase of 55%), USD48.5 million (a decrease of 52%) and USD20.0 million (an increase of 169%) respectively. The major import sources for Cambodia are China, followed by Viet Nam and Thailand.

Cambodia: Imports Of Timber & Timber Products From World, 2016-2020

Products	2017	2018	2019	2020	2021
Veneer	15,508	20,116	38,242	57,923	89,909
Plywood	36,210	91,589	111,802	100,033	48,463
Logs	523	3,516	11,522	7,435	19,985
Builders' joinery and carpentry	2,063	6,730	4,847	7,007	19,286
Fibreboard	1,913	4,177	5,409	7,714	14,828
Sawntimber	728	1,414	3,329	3,528	12,840
Particle board	2,704	3,442	5,180	11,230	9,383
Moulding	74	397	495	1,710	5,220
Wo oden frames	515	592	1,808	4,514	2,910
Furniture	24,658	34,968	39,059	50,457	43,164
Others	1,738	3,456	4,031	6,943	7,611
TOTAL	**86,634**	**170,397**	**225,724**	**258,494**	**273,599**

Source: ITC Stats *USD'000*

Cambodia: Imports Of Timber & Timber Products By Countries From World, 2016-2020

Rank	Products	2017	2018	2019	2020	2021
	World	**61,977**	**135,430**	**186,665**	**208,037**	**230,437**
1	China	43,074	102,178	147,224	165,660	184,447
2	Viet Nam	8,575	8,234	12,615	15,804	9,639
3	Thailand	2,281	3,586	6,266	7,530	8,404
4	Uruguay	-	-	2,298	1,551	5,554
5	United States of America	478	1,549	1,024	3,969	5,051
6	Brazil	23	81	443	747	3,838
7	Sweden	550	633	899	1,356	3,417
8	France	13	50	205	340	1,369
9	Ukraine	-	61	-	490	972
10	Indonesia	245	144	160	715	933
13	**Malaysia**	**428**	**896**	**321**	**386**	**649**
	Others	6,308	18,017	15,209	9,487	6,159

Source: ITC Stats *USD'000*

Malaysia's Exports of Timber and Timber Products to Cambodia

Cambodia has always been an important timber trade partner for Malaysia in the ASEAN region. However, in 2021, exports of Malaysian timber and timber products to Cambodia registered a decrease of 35% to RM6.4 million from RM9.8 million in 2020. Cambodia ranked 65th with 0.03% of Malaysia's total export share. Wooden furniture was the main product exported with a total value of RM4.3 million, followed by plywood at RM1.1 million and sawntimber at RM397,560.

Malaysia: Exports Of Timber & Timber Products To Cambodia, 2017-2021

Products	2017	2018	2019	2020	2021
Wooden Furniture	4,963,486	3,953,728	8,256,223	5,882,322	4,278,384
Plywood	42,638	0	0	1,419,148	1,112,956
Sawntimber	0	41,977	429,624	289,886	397,560
Builders Joinery & Carpentry	2,436,491	89,782	147,523	1,326,797	340,081
Mouldings	71,566	106,745	421,176	400,961	172,263
Fibreboard	0	454,233	272,430	324,234	63,001
Chipboard/ Particleboard	0	67,764	44,791	0	0
Veneer	0	0	0	171,244	0
Wooden Frame	11,909	33,192	0	0	0
Others	7,500	74,317	33,542	26,344	0
TOTAL	**7,533,590**	**4,821,738**	**9,605,309**	**9,840,936**	**6,364,245**

Source: MTIB & DOSM *Value: RM*

Malaysia's Imports of Timber and Timber Products from Cambodia

In 2021, imports of Malaysian timber and timber products from Cambodia were valued at RM200,053 from RM457,611 in 2020. BJC was the main product imported with a total value of RM147,727 and followed by other products at RM52,326.

Malaysia: Imports of Timber and Timber Products from Cambodia, 2017-2021

Products	2017	2018	2019	2020	2021
Builders Joinery & Carpentry	5,960	0	0	438,758	147,727
Mouldings	0	0	0	0	0
Sawntimber	0	0	0	0	0
Veneer	0	49,733	0	0	0
Wooden Furniture	5,314	8,361	15,705	7,937	0
Others	0	3,865,413	2,404,111	10,916	52,326
TOTAL	**11,274**	**3,923,507**	**2,419,816**	**457,611**	**200,053**

Source: MTIB & DOSM *Value: RM*

Import Tariffs

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

Cambodia: Tariff Duty

Product	MFN Tariff Duty %	ASEAN Tariff Duty %
Logs	7	0
Sawntiber	7	0

Mouldings	7	0
Particleboard/Chipboard	7	0
Fibreboard	7	0
Plywood	7	0
Wooden Frames	7	0
BJC	7	0
Furniture	35	0

Sorce: WTO

Prospects

Cambodia's Outdoor Furniture

Cambodia is looking forward to 2022 being a better year than 2021. The Ministry of Economy and Finance has forecast Cambodias economic growth in 2022 at 4.8% due to the gradual positive recovery signs driven by the effective vaccination campaigns as initiative to prevent from the covid19 virus spread. In 2021, Cambodias construction sector attracted a total investment of USD5.33 billion with 1,334 construction and home design companies in operation. China, South Korea and Japan were the top foreign investors in Cambodias construction and real estate sectors. The Cambodian construction industry has been one of the main drivers of the economic growth in the country, registering an average growth of 19% during 2014-2019 driven by rising foreign investments in the country. Given its macroeconomic stability as an emerging country to be explored, with the ongoing construction of its new international airport which aims to open its first phase in 2023 and as the host country for the 2023 Southeast Asian Games, Cambodia anticipates more partnership engagements, welcomes more collaboration and investment opportunities and encourages many new projects by foreign investors.

Cambodia's Oriental Furniture Rosewood Altar Cabinet

Malaysia, which has always been an important timber trading partner with Cambodia, is also facing strong competition from the US and China. Therefore, to sustain and improve trade as well as maintain market share in Cambodia, Malaysian exporters need to be competitive in terms of price and product quality, and develop more effective marketing and promotion strategies. Malaysian manufacturers also need to enhance their presence in the Cambodia market to create higher demand for Malaysian value-added timber products, especially furniture. Malaysian engineered timber products also can be further promoted since there are opportunities to fulfill future demand in Cambodia's construction industry. It is an excellent opportunity for Malaysian timber and furniture exporters to enhance networking and explore business opportunities among their Cambodian counterparts by participating in trade fairs such as Cambodia's International Building and Construction Show (CAMBUILD), Cambodia Architect & Décor fair and Cambodia's International Furniture, Architecture & Interior Design Expo (CAMFURNITURE) Through those activities, Malaysian timber exporters would be able to further develop their networking with Cambodian timber and furniture importers while at the same time undertake market research on current importers' market preferences and taste. Therefore, it is envisaged that with the above opportunities, trade between both countries especially in terms of export and import activities and investments in timber and timber products will be increased in the coming years.

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- *https://www.b2b-cambodia.com*

JANUARY
2022

LOGS

The overview of logging activities in January essentially showed slower activities. Some states like Pahang reported a reduction of log supply and this has caused an increase in prices. However, most mills reported that timber trade prices for some species of heavy hardwood, medium hardwood and light hardwood showed mixed conditions with the percentage of price increases and decreases occurring between 5-30%.

The price of Chengal logs remained at RM5,040 per tonne whilst Balau logs were traded at RM3,050 per tonne. The highest prices reported for these two species were RM5,040 and RM3,400. Meanwhile, the prices for Red Balau and Merbau were reported to have increased by 22.6% and fallen by 14.4% respectively, and the logs were traded at RM2,550 and RM3,100 per tonne.

The price for Keruing rose by 11% from RM1,650 to RM1,830 per tonne whilst Kapur log price also increased by 4%, and were traded at RM1,720 per tonne. On the other hand, the prices for Dark Red Meranti and Red Meranti also shown an increase by 7% and 16% respectively, valued at RM2,010 and RM1,890 per tonne. Meanwhile, logs prices for Mixed Light Hardwood was recorded as having increased by 6.8% while Mixed Heavy Hardwood remained unchanged compared to the previous month. Both categories were traded at around RM940-950 per tonne

SAWN TIMBER

Despite some states reporting a shortage in supply of logs, the average price of sawn timber in the domestic market still remained stable for most of species traded. Out of 21 species preferred for reporting, 42% of them showed an increasing while another 58% recorded a declining in price.

The price of the Chengal species reportedly remained strong and unchanged with the price exceeding RM7,000 per m³ whilst Balau remained at RM3,000 per m³. These two species opened for trading at RM7,060 and RM3,460 per m³ respectively. Meanwhile prices for Keruing, Kempas and Kapur fell by 6.2% to 18% and were traded at RM1,930, RM1,910 and RM1,590 per m³ each. Similarly, the prices of Dark Red Meranti and Red Meranti also recorded a decline by 6.4% at RM1,920 and RM1,800 per m³ whilst Red Meranti remain unchanged at RM1,921 per m3. The sawn timber prices of Mixed Light Hardwood and Mixed Heavy Hardwood remained stable without any changes and were traded at not more than RM1,000 per m³.

PLYWOOD

The prices of plywood during the month of January showed a slightly decrease between 1.7% to 7.4% for certain sizes such as 6mm, 9mm and 12mm thicknesses. However, the price of the 4mm plywood remained unchanged from the previous month during which it was reported to have been traded at RM19.40 while the 3mm plywood went at RM20.00 per piece. The average prices of 6mm, 9mm and 12mm plywood were at RM28.20, RM44.00 and RM49.00 respectively in January 2022.

MEDIUM DENSITY FIBREBOARD (MDF)

The prices of MDF also showed a slightly decline of between 2.8% to 6.1% especially for thicknesses of 9mm and 12mm. MDF with a thicknesses of 6mm showed a price increase of 9.6%. The prices for 4mm MDF remained unchanged and were traded at RM14.90 per piece compared to the previous month. However, MDF with a thicknesses of 6mm, 9mm and 12mm were traded at RM21.70, RM32.10 and RM38.30 per piece respectively.

INTRA-MALAYSIA TRADE * - JANUARY 2022

The shipments of logs from Sabah to Peninsular Malaysia for the month of January recorded unchanged volume at 2,712 m³. Despite the volume remaining stable, there was a decrease of 15% in value, from RM0.38 million to 0.33 million compared to the previous month. Trade of sawn timber fell by 83% in volume from 204 m³ to 34 m³ valued RM 0.13 million. Trade of plywood also showed a decline of 41% from 2,046 m³ to 1,205 m³ in volume worth RM3.0 million whilst shipments of veneer experienced a slightly rise from 247 m³ to 252 m³ amounting to RM452,000.

Meanwhile, the trade of sawn timber and plywood from Sarawak to Peninsular Malaysia also dropped by 32% from 633 m³ to 429 m³ and 33% from 1,683 m³ to 1,130 m³ in volume, valued at RM889,000 and RM1.2 million respectively.

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

*AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDFI N PENINSULAR MALAYSIA, JANUARY 2022 (RINGGIT MALAYSIA)

	LOGS/ton	SAWNTIMBER/m³		
SPECIES	**18" UP**	**GMS**	**STRIPS**	**SCANTLINGS**
HEAVY HARDWOOD				
Chengal	5,040	7,062	5,650	8,475
Balau	3050	3,016	2,302	3,277
Red Balau	2,550	2,790	2,567	3,390
Merbau	3,100	3,337	3,531	3,814
Mixed Heavy Hardwood	950	1,003	996	1,116
MEDIUM HARDWOOD				
Keruing	1,830	1,928	1,709	2,119
Kempas	1,720	1,914	1,884	2,157
Kapur	1,720	1,589	1,412	1,886
Mengkulang	1,390	1,377	1,471	1,713
Tualang	1,270	1,758	1,723	1,935
LIGHT HARDWOOD				
Dark Red Meranti	2,010	1,921	1,815	2,348
Red Meranti	1,890	1,801	1,716	1,363
Yellow Meranti	1,590	1,836	1,222	1,836
White Meranti	1,640	2,472	1,801	1,977
Mersawa	1,590	1,723	1,610	2,189
Nyatoh	1,320	1,610	1,483	1,783
Sepetir	1,270	1,638	1,271	1,836
Jelutong	1,100	1,836	1,518	1,836
Mixed Light Hardwood	940	1,130	1,321	1,024

MALAYSIAN RUBBERWOOD *Hevea brasilienses*	LOGS/ton	SAWNTIMBER/m³			
		1" X 1"	**2" X 2"**	**3" X 3"**	**4" X 4"**
	220	1,243	1,351	1,409	1,527

PLYWOOD 4' X 8'	**4 mm**	**6 mm**	**9 mm**	**12 mm**
(RM per piece)	19.40	28.20	47.00	52.00
MDF 4' X 8'	**4 mm**	**6mm**	**9 mm**	**12 mm**
(RM per piece)	14.90	21.70	32.10	38.60

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

INTRA-MALAYSIA TRADE- JAN 2022

	Dec-21		Jan-22		% change in volume	% change in value
	Vol(m³)	Val(' 000 RM)	Vol(m³)	Val(' 000 RM)	Dec/Jan	Dec/Jan
Sabah						
Logs	2,712	384	2,712	326	0	-15
Sawn Timber	204	192	34	127	-83	-34
Plywood	2,046	5,395	1,205	3,013	-41	-44
Veneer		431	252	452	2	5
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	633	827	429	889	-32	7
Plywood	1,683	1,503	1,130	1,198	-33	-20
Veneer	0	0	0	0	0	0

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

NYIREH BATU

SUITABLE FOR GENERAL EXTERIOR

Nyireh Batu pores cross-section

Nyireh Batu trees

Texture of Nyireh Batu

- **Standard Name:**

  Nyireh Batu (Medium Hardwood)

- **Family:**

  Meliaceae

- **Botanical Name:**

  Xylocarpus moluccensis

- **Distribution:**

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

General Description

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

Anatomic Description Of Wood

Its wood is diffuse porous. The tangential diameter of vessel its lumina is 100 micras or less (very small). Occasionally its vessels have coloured deposits. Vessels are per mm2 5 to 20. Occasionally vessels are per mm2 more than 20. Vessels of per mm2 less than 6 are rare. Simple perforation plate are axial parenchyma in marginal or in seemingly marginal bands. Occasionally apotracheal axial parenchyma is diffuse and/or diffuse in aggregates. Paratracheal axial parenchyma is scanty and/or vasicentric. Occasionally paratracheal axial parenchyma is scanty and/or vas 4 to 10 rays per mm (medium). Occasionally rays and/or axial elements are irregularly storied. Rays are storied. Larger rays are more than 4 seriate. Prismatic crystals are in radial alignment in procumbent ray cells (chambered cells). Occasionally body ray cells are procumbent with septate fibers present. Fibers are with simple to minutely bordered pits.

General Properties

Odour	Sometimes it has a faint cedar
Color	The heartwood is reddish, darkening to a deep warm brown on exposure, usually sharply demarcated from the buff-colored, pale pink or silver-gray sapwood.
Texture & Grain	The grain is straight or alternating to slightly interlocked.
Natural Durability	The wood is moderately durable when exposed to the weather or in contact with the ground. It is somewhat resistant to marine borers attack and to dry-wood termites if protected.
Drying Defects	Ease of Drying : Drying is rather slow and sometimes difficult to perform. Drying Defects : Risks of checks. Kiln Schedules : Schedule proposed is as a reference by comparison with well-known species taking into account the general technological behavior of this species.

End Uses

Exterior general, bridges, housing general, beams, joists, flooring, frames, panelling, furniture and cabinets, cabinets, plywood and veneer, decorative veneer, tools, tool handles, containers, truck bodies, truck flooring, naval construction, port pillar, other and musical instruments, handicrafts, moldings.

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2 - *Wong, T. M. 1982. A Dictionary of Malaysian Timbers. Revised by Lim, S. C. & Chung, R. C. K. Malayan Forest Records No. 30. Forest Research Institute Malaysia, Kuala Lumpur. 201 pp.*

04 February 2022
Courtesy visit by Wisdec Selangor Official led by Ms Farydatul Nazly Mohd Zain, Director of WISDEC to DBKL Training Institute (IDB)

11 February 2022
MTIB Chairman, Datuk Hishamuddin Abdul Karim's working visit to MTIB Sabah Region

12 February 2022
Working visit by MTIB Chairman, Datuk Hishamuddin Abdul Karim to Orbena Bamboo

27 February 2022
MTIB Director General's Working Visit to Perceptive Profile Sdn.Bhd. to monitor the Food and Beverage Kiosk Development project from Wood Plastic Composite (WPC)

26 February 2022
MTIB Director General YBrs. Tuan Haji Mahpar Atan handing over bamboo saplings and fertiliser to participants of the Bamboo Tree Delivery and Planting Programme and fertiliser Assistance as part of the Bamboo Farming Community Development Programme

22 - 23 February 2022
Fire Safety and First Aid Training Programme conducted by MTIB Biocomposite and Fiber Centre (FIDEC)