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KELUARGA MALAYSIA FURNITURE EXPO

- BRIEFING ON THE STANDARD OF PRODUCT CERTIFICATION ON FORMALDEHYDE EMISSION FROM WOOD BASED PANEL
- BAMBOO PLANTATION MANAGEMENT PROGRAMME

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BRIEFING ON THE STANDARD OF PRODUCT CERTIFICATION ON FORMALDEHYDE EMISSION FROM WOOD BASED PANEL

Photo session with participants

In accordance with the newly developed 'MTIB-CB-PS-02: 2021: Product Certification on Formaldehyde Emission from Wood Based Panel' standard, a briefing was held by MTIB's Certification Body Unit (CB) on 9 March 2022 at DoubleTree by Hilton, Putrajaya Lakeside. The briefing entitled 'Briefing on The Standard of Product Certification on Formaldehyde Emission from Wood Based Panel' aimed to provide information to MTIB's CB internal and external committee members on the new standard. In addition, it also aimed to increase competence which is one of the requirements of ISO/IEC 17065.

The briefing session was officiated by YBrs. Tuan Haji Mahpar Atan, Director General of MTIB. In his speech, he stated that the standard will be a reference and required to be complied by panel product companies in Malaysia to meet the criteria stipulated in the Wood Industry Regulations (Level of Formaldehyde Emission from Panel Based Products) which will be enforced in 2023.

Demonstration on cutting and sampling method

The briefing began with a presentation on the 'Role of MTIB as a Product Certification Body (CB)' by Puan Syafinaz Abd Rashad, Deputy Director of MTIB Certification Unit. Following that, the guest speaker, YBrs. Prof. Dr. Paridah Md Tahir as Chairman of the Technical Committee presented the content of the standard document, which encompassed; Introduction and Facts on Formaldehyde, The Basics of the Standard, and Sampling and Testing.

(From left to right) YBrs. Puan Habibah Ahmad, Deputy Secretary of the Timber, Tobacco and Kenaf Industry Division, MPIC, YBrs. Tuan Haji Mahpar Atan, Director General of MTIB and YBrs. Prof. Dr. Paridah Md Tahir, UPM INTROP

The briefing was attended by Puan Habibah Ahmad, Deputy Secretary of the Timber, Tobacco and Kenaf Industry Division, MPIC and Puan Hajah Roslina Idris, Deputy Director General (Development & Commercial), MTIB as well as 50 other participants comprising representatives from statutory body agencies, timber associations, universities, and panel-based industries.

BAMBOO PLANTATION MANAGEMENT PROGRAMME

Practical session at UTHM Pagoh Campus' bamboo plantation

Bamboo has been used in various applications for hundreds of years. Aware of its potential and to further develop the bamboo industry in Malaysia, MTIB organised the Bamboo Plantation Management Programme. The three-day programme was held from 19 to 21 March 2022 at University Tun Hussein Onn (UTHM) Campus Pagoh, Johor and attended by 30 participants from bamboo related industries which including the applicants of MTIB's Bamboo Community Farming Development Programme. The main objective of the programme was to share knowledge and updates, both theory and practical, regarding methods of bamboo planting and the management of bamboo plantations. The programme was implemented in accordance with the project scope of MTIB's Bamboo Community Farming Development Programme that had been approved under The Twelfth Malaysian Plan.

The first paper entitled The Status of the Bamboo Industry in Malaysia was presented by Puan Norhazaedawati Baharuddin, Senior Research Officer of the Fiber and Biocomposite Development Centre (FIDEC), MTIB. She also explained on the role of MTIB in developing the country's bamboo industry in various aspects including upstream processes, research and development (R&D) and human capital development, as well as standards development based on the Malaysian Bamboo Industry Development Action Plan 2021-2030.

The second paper was Bamboo Processing Technology, which was presented by Ts. Dr. Mohd Nazrul Roslan, Head of Bamboo Research Centre (BambooRC), Faculty of Engineering Technology, UTHM. Through his presentation, the participants were able to gain new insight on the value chain of advanced bamboo products involving primary and secondary processing.

Puan Norhazaedawati Baharuddin presenting on The Status of the Bamboo Industry in Malaysia

The third speaker was Encik Mohd Ramadhan Abdul Hamid from Bamboo Village, Kuala Lumpur. He has extensive experience in the use of bamboo as a building material as he was involved in various bamboo-based construction projects such as Bamboo Playhouse Botanical Garden, Kuala Lumpur; Tadom Hill Resorts, Banting; Masjid Buluh, Gua Musang; and McCormick 5 Bamboo Site Office, Setiu, Terengganu. During the sharing session, the participants were able to to increase their understanding and knowledge regarding commercial bamboo species in Malaysia, and bamboo breeding methods including area and site preparation for bamboo plantations.

The founder of Bamboo Village Kuala Lumpur, Encik Mohd Ramadhan Abdul Hamid, the third presenter for the programme

On the second day, the participants underwent practical activities at a bamboo plantation located near the UTHM Pagoh Campus. At the plantation, Encik Mohd Ramadhan explained the differences between the species of bamboo grown in the area, namely Buluh Madu *(Gigantochloa albociliata)*, Buluh Minyak *(Bambusa vulgaris)*, and Buluh Betong *(Dendrocalamus asper)*. At the end of the session, the participants planted bamboo seedlings from the Semeliang species *(Schizostachyum grande)*.

MTIB, through its Forest Plantation Division, will continue to commit towards organising various bamboo-related courses to promote the Bamboo Community Farming Development Programme. MTIB hopes to raise public awareness on the importance and potential of bamboo as an alternative raw material for the national timber industry.

Ts. Dr. Mohd Nazrul Roslan presenting on Bamboo Processing Technology

INDONESIA

WOOD PRODUCT EXPORTS TO EUROPE CAN BE INCREASED

The Indonesian Ambassador for Belgium, Luxembourg and the European Union Andri Hadi said there are opportunities to increase wood product exports to the EU as the EU plans to implement a Deforestation-Free Supply Chain (DFSC) policy.

Indonesia has a wood legality certificate which has now been reframed into a wood sustainability certificate and with more vigorous promotion Indonesian products can capture a greater share of the EU market he said.

Indonesia's export performance for wood products has been continuing to show improvement since the FLEGT VPA was established with the EU and products such as wood parquet, furniture, paper and plywood exports have expanded.

One such product that should be promoted is wood fuel (chips and pellets) as many EU countries want to expand biofuel consumption.

January export earning encouraging

Chairman of the Communication Forum of Indonesian Forestry Society (FKMPI), Indroyono Soesilo, revealed that the performance of the forestry sector was positive in early 2022.

Total export of wood products in January 2022 amounted to US$1.23 billion, up 28% compared to January 2021. In January 2022 exports of wood products to the EU and the UK recorded an increase of 30%.

www.itto.int. 1-15 March 2022

ENCOURAGING FURNITURE AND LIFESTYLE PRODUCTS TRADE

The Ministry of Trade, through the Directorate General of National Export Development, launched the Aku Siap Expor (ASE 2) programme to encourage production and trade in furniture and lifestyle products. According to the Director General of National Export Development, Didi Sumedi, the first ASE was welcomed by exporters which encouraged the Ministry to launch the second programme, ASE 2. The scope of this programme is expanded and directed at home decoration products, furniture and lifestyle products.

The new programme will provide assistance to 50 businesses. The one year programme will offer workshops, simulation practices, assignments, business meetings, private mentoring, local market orientation missions and participation in domestic and foreign exhibitions.

voi.id, 1 March 2022

VIET NAM

WOOD AND WOOD PRODUCTS EXPORT RISE AT THE BEGINNING OF THE YEAR

According to Viet Nam Customs in January 2022 wood and wood products export turnover amounted to USD 1.5 billion, up 8.3% compared to December 2021 and 14.3% compared to January 2021. In particular, the wood product export reached USD 1.15 billion, up 6.8% compared to December 2021 and 6% compared to January 2021.

Wood and wood products exported to the UK in January 2022 totalled USD 30.7 million, up 11.6% compared to December 2021 and 48% compared to January 2021. The share of exports to the UK accounted for 2% of Viet Nam's total wood products and wood product export turnover, up 0.5% compared to January 2021.

In January 2022, exports of office furniture from Viet Nam were valued at USD 43 million, up 7.5% compared to December 2021, but down 10% compared to January 2021.

In January 2022, wood and wood products imported into Viet Nam reached USD 250.1 million, up 13.3% compared to December 2021, but down 10.3% compared to January 2021.

In January 2022 Viet Nam imported 49.2 thousand cubic metres of pine wood, worth USD 15.3 million, down 9.3% in volume and 8% in value compared to December 2021. Compared to January 2021, it increased by 6.7% in volume and 59% in value.

The imports of wood from Southeast Asia to Viet Nam in December 2021 reached 87.0 thousand cubic metres, worth USD 29.68 million, down 40% in volume and 55% in value compared to November 2021 but increased by 1.7% in value compared to December 2020. In 2021, Viet Nam imported 960,330 cubic metres from Southeast Asia, worth USD 338.28 million, up 5% in volume and 49% in value. compared to 2020.

www.fordaq.com, 1 March 2022

INDIA

GROWING DEMAND FOR IMPORTED PARTICLEBOARD

The Indian trade magazine Plyreporter has said currently there is a huge demand for wood based particleboard in the Indian market due to firm demand from furniture makers. To satisfy production requirements manufacturers have turned to imports especially as container freight rates have eased making imports from regional producers viable. Despite having more than 60 particleboard manufacturing plants in the country quality furniture makers in India are still keen to utilize imported particleboard.

www.itto.int. 1-15 March 2022

CHINA

TROPICAL SAWN HARDWOOD IMPORTS RISE

China's tropical sawn hardwood imports in 2021 were 6 million cubic metres valued at USD1.88 billion, a year on year increase of 2% in volume but drop 3% in value and accounted for about 21% of the national total, up 2% on 2020 levels.

Thailand still is the main source of tropical sawn hardwood for China and 2021 tropical sawn hardwood imports from Thailand totalled 3.773 million cubic metres valued at USD 1.017 billion, a year on year increase of 6% in volume and 7% in value in 2021.

Thailand's share of tropical sawn hardwood imports by China rose to 63% in 2021 from 54% in 2020. The increase in China's tropical sawn hardwood imports from Thailand contributed to the growth in total 2021 imports.

www.itto.int, 1-15 March 2022

JAPAN

IMPORTED LUMBER INVENTORY AT TOKYO

Imported lumber inventory at Tokyo harbor at the end of January was 7.9% more than December with 178,000 cubic metres. This is three consecutive months of increase. Bulk ships of North American lumber arrived one in December and another in January then delayed shipments of European lumber and Russian lumber arrived one after another. The inventory at the end of January last year was only 71,000 cubic metres so now it's 2.5 times more. The arrivals increased in December and January so the inventory jumped up from the bottom of last November's 131,000 cubic metres. By source, North America is 54,000 cubic metres, 2.57 times more than a year ago. Europe is 54,000 cubic metres, 3.6 times more. Russia is 33,000 cbms, 2.2 times more. China and others are 31,000 cubic metres, 1.9 times more. The increase of European lumber is conspicuous.

However, compared to two years ago, North America increased by 45.9% but Europe is only 5.9% more and Russia is 3.1% more. Bulk ships from North America were three in December and one in January with a total volume of 37 million cubic metres with the December arrival of 42,000 cubic metres being an unusually high supply because the supplier took additional orders in fear of a log shortage in the first quarter. The problem is that the market in Japan is becoming bearish with heavy inventory while the worldwide wood market is recovering and the prices are climbing again. Daily shipment volume in January was 3,610 cubic metres, 29.9% more than December. This is the highest since September 2019 so the inventory should decrease speedily. With a bearish mood, the second quarter contract volume is expected to largely decrease. The inventory shortage may become serious in summer months.

www.itto.int, 1-15 March 2022

UNITED ARAB EMIRATES

DUBAI WOODSHOW 2022 WILL FEATURE 400 EXHIBITORS FROM 35 COUNTRIES

The Dubai WoodShow, which has carved a niche for itself as the region's only dedicated business-to-business meeting place for the wood and woodworking machinery industry, is all set to take off on March 15. Running for three days, the show will present an impressive line-up of exhibitors, brands and products, besides highlighting new concepts, technologies and innovations in the field.

Providing a perfect platform for suppliers, manufacturers, machinery and tool companies to showcase their products, innovative technologies production scenarios and large-scale machinery, the , Dubai WoodShow will provide access to both local and international players from the industry under one roof.

The high profile show this year will witness participation from over 35 countries including Australia, Canada, Denmark, Egypt, France, Germany, India, Japan, Kuwait, Malaysia, Poland, Romania, Spain, Turkey, United Kingdom, United Arab Emirates, Unites States of America and Viet Nam. The show will witness over 400 exhibitors and provide the perfect opportunity for regional and international companies to showcase and learn about wood and woodworking and to build new strategic relationships with buyers, traders and investors.

"The Dubai WoodShow, over time, has become a hugely popular convergent point for manufacturers, traders, suppliers, machinery companies and end-users in the wood industry chain. The vast range of products being showcased at the show include wood products, woodworking machinery, blades and knives, tools, abrasives and industry solutions," said Dawood Al Shezawi, President of Strategic Exhibition & Conference and Head of Organizing Committee of the Dubai WoodShow.

"The specialty of the Dubai WoodShow is that it is happening at a time when the UAE is witnessing vibrant growth in varied sectors the country; this year's show is bound to be a major attraction," he added. The massive construction projects executed as part of the build-up for the Expo 2020 Dubai has perceptibly come as a boon for the wood and woodworking machinery industry. The construction sector is a major driver of wood business as it is an important component for many products used in residential projects.

The organisers of the show have announced the first edition of The Innovation & Excellence Awards in this year's edition being held at the Dubai World Trade Centre in an attempt to recognize achievements through leadership, thereby raising the bar of excellence. The Dubai WoodShow has been supporting the growth of the wood and woodworking industry since 2005.

As per Industry estimates, the UAE Construction Market is expected to reach USD 133.53 billion by 2026.

Going by the arrangement, one can say those looking for the latest woodworking machinery for business or even searching for inspiration for the next furniture line of business need not look beyond the Dubai WoodShow.

Also, under a B2B Matchmaking Programme, exhibitorswill be offered an opportunity to schedule meetings with qualified pre-registered attendees based on their job profile and interests.

www.fordaq.com, 11 March 2022

EUROPEAN UNION

PRODUCTION IN CONSTRUCTION UP

In January 2022 compared to December 2021, seasonally adjusted production in the construction sector increased by 3.9% in both the euro area and the EU, according to first estimates from Eurostat, the statistical office of the European Union. In December 2021, production in construction fell by 1.5% in the euro area and by 1.2% in the EU. In January 2022 compared to January 2021, production in construction increased by 4.1% in the euro area and by 4.8% in the EU.

Monthly comparison by construction sector and by Member State

In the euro area in January 2022, compared to December 2021, building construction increased by 4.2% and civil engineering by 1.4%.

In the EU, building construction increased by 3.9% and civil engineering by 1.5%. Among Member States for which data is available, the highest monthly increases in production in construction were recorded in Poland (+19.0%), Germany (+10.1%) and Romania (+8.3%). The largest decreases were observed in Hungary (-6.3%), Belgium and the Netherlands (both -1.3%) and Italy (-0.9%).

Annual comparison by construction sector and by Member State

In the euro area in January 2022, compared to January 2021, civil engineering increased by 6.6% and building construction by 3.5%. In the EU civil engineering increased by 6.1% and building construction by 4.3%. Among Member States for which data is available, the highest annual increases in production in construction were observed in Poland (+18.4%), Italy and Romania (both +13.2%) and Germany (+12.3%). The largest decreases were recorded in Belgium (-14.4%), Slovakia (-3.6%) and France (-2.6%).

www.itto.int, 1-15 March 2022

SWEDEN

INNOVATIVE WOODEN SKYSCRAPER CAN CAPTURE 9 MILLION KILOGRAMS OF CO2

Between the towering trees of Sweden's Bothnian coastline, a new skyscraper is bucking the trend of the traditionally carbon-heavy construction industry. The 20-storey, 75-metre-high Sara Cultural Centre - named after a popular Swedish author - opened its doors last September.

It's yet another wooden structure to adorn the streets of Skelleftea - a city that is tackling the climate crisis one newbuild at a time.

The cultural centre is home to six theatre stages, a library, two art galleries, a conference centre and a 205-room hotel. It's all built from over 12,000 cubic metres of wood - harvested from forests just 60km from the town. The design is part of a wider effort in Skelleftea to wean the local construction industry off environmentally-harmful materials.

According to the United Nations Environment Programme, building work was responsible for over 38 per cent of global energy-related carbon emissions in 2015 alone. The production of cement, meanwhile, is the largest single industrial emitter of CO2 in the world.

By contrast, wood sequesters carbon dioxide, binding it from the atmosphere and storing it for good. Those behind the Sara Cultural Centre - the second tallest wooden tower in the world - claim the skyscraper will capture nine million kilograms of carbon dioxide throughout its lifetime.

But the building's sustainable focus doesn't stop there. It also boasts solar panels capable of powering the edifice, and storing excess energy in the basement.

www.euronews.com, 31 March 2022

NORTH AMERICA

LUMBER PRICES INCREASE

Most lumber prices in North America rose by a noticeable margin in the week ending February 18, as ongoing strong demand and relentless delayed deliveries prompted customers who had been waiting on the sidelines to step in and buy. Due to still-lengthening order files, sawmills were able to hold their ground on prices, according to Madison's Lumber Reporter.

Some items, which had risen too high in recent weeks – like Southern Yellow Pine 2×4 East Side – corrected down significantly, to come in line with similar products. This indicates the market is finding balance between supply and demand.

The latest US housing starts and new home sales data shows a slight lull; however permit applications are up by quite a bit and new house prices rose yet further in January. As spring building season comes on over the next couple of months, there is indication of powerful underpinnings for continued robust constructio

Most industry folks, whether lumber or housing, agree that this year will closely match the hot activity of 2021.

Jumping up further over small gains the previous week, in the week ending February 18, 2022, the price of benchmark softwood lumber item Western Spruce-Pine-Fir 2×4 #2&Btr KD (RL) was USD 1,330 thousand board feet (mfbm). This is up by USD 100, or 8%, from the previous week when it was USD 1,230, said forest products industry price guide newsletter Madison's Lumber Reporter.

That week's price is up by USD 153, or 13% from one month ago when it was USD 1,178. Following the early-February sales lull largely precipitated by slumping futures, US buyers were busy for the past two weeks securing coverage from Canadian suppliers of Western S-P-F; placing orders for the remainder of the month and into March.

A ceaseless overall lack of available Western S-P-F lumber and studs in the US continued to bring buyers back to the table repeatedly. There remained a pervasive air of caution to every deal however, as no one could forget the considerable growing pains experienced during a similar run-up of prices last year at this time.

Both primary and secondary suppliers had their yards picked clean of any material that came available. Actually moving that volume to market was another matter entirely.

Robust demand for Western S-P-F commodities persisted, according to suppliers in Canada. Following the early-February lull largely precipitated by slumping futures, US buyers were busy for the past two weeks securing coverage for the remainder of the month and into March. Reported prices varied from supplier-to-supplier, but any sense of weakness was gone as all numbers firmed up further.

Sawmills showed increasing confidence as the week wore on, as incoming demand allowed them to extend order files into early- or mid-March in most cases.

When compared to the same week last year, when it was USD 1,040 thousand board feet (mfbm), for in the week ending February 18, 2022 the price of Western S-P-F is up by USD 290, or 28%. Compared to two years' ago when it was USD 440, that week's price is up by USD 890, or 202%.

www.lesprom.com, 2 March 2022

BRAZIL

WOOD PRODUCT EXPORTS RISE SHARPLY

In January 2022 Brazilian exports of wood-based products (except pulp and paper) increased 52% in value compared to January 2021, from USD 254.4 million to USD 387.1 million.

Pine sawnwood exports grew significantly in January 2022 (US$49.8 million) as compared to January 2021 (USD 5.2 million). However, export volumes fell 5% over the same period in 2020 from 191,000 cubic metres to 181,200 cubic metres.

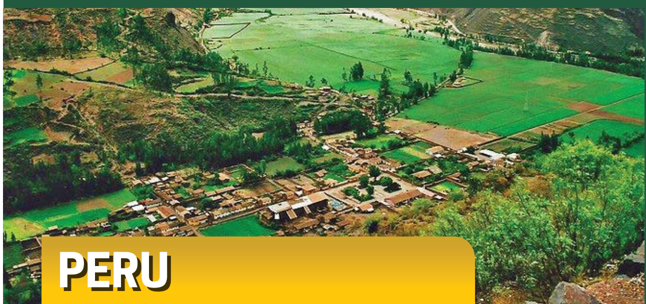
Tropical sawnwood exports increased 25% in volume, from from 31,100 cubic metres in January 2021 to 39,000 cubic metres in January 2022. In value, exports increased 25.0% from USD 12.8 million to USD 16 million over the same period.

Pine plywood exports witnessed a 58% increase in value in January 2022 compared to January 2021, from USD 51.1 million to USD 80.9 million. Also the volume of exports increased 31% over the same period, from 170,400 cubic metres to 222,900 cubic metres.

As for tropical plywood, exports increased in volume (68%) and in value (78%), from 3,800 cubic metres (USD 1.8 million) in January 2021 to 6,400 cubic metres (US32 million) in January 2022.

As for wooden furniture, the export value increased from USD 41.1 million in January 2021 to USD 52.1 million in January 2022, a 27% growth.

www.fordaq.com, 2 March 2022



PERU

EXPANDING TIMBER SECTOR FOR JOB CREATION

The wood processing industry has the potential to generate around 400,00 formal and decentralised jobs which would benefit regional development, tax collection and fiscal control according to the president Tof the Association of Exporters (ADEX), Erik Fischer Llanos in a meeting with the executive director of the National Forest and Wildlife Service (SERFOR), Levin Rojas Meléndez.

Fischer said wood processing requires a lot of labour and even low skilled workers can be trained. Regarding foreign trade, he noted that shipments of wood products generate at least 302 jobs for every million new exported. Only traditional agriculture (635) and clothing stores (329) surpass it in that ranking. The forestry sector, he added, promotes the formalisation of the entire production chain as the companies have all their workers on the payroll with social benefits. In addition workers bank their payments. Expanding the forestry and wood processing sectors offers a great opportunity for the country. To capture the opportunities Fischer considered it essential that the new processes for forest concessions be implemented and concession should be granted only to companies with adequate technical, managerial and financial resources. Fischer noted that under the previous conession arrangement around 7.5 million hectares was allocated but only around 2 million were operational. He added, the presence of the private timber industries in the forest ensures forest sustainability by sticking to management plans and by not allowing a change in land use and guarding against illegal felling and mining.

www.itto.int, 1-15 March 2022

GHANA

WOOD EXPORTS

Ghana's wood product exports in the first month of 2022 grew by 22% year-on-year to 23,349 cubic metres earning Eur 10,041 million according to the Timber Industry Development Division (TIDD). In January 2021 exports stood at 19,173 cubic metres valued at Eur 10,295 million.

The leading export products were air-dried sawnwood (51%), kiln-dried sawnwood (18%), billets (14%), plywood (7% for the regional market) and mouldings (3%). Together this accounted for 93% of the total volume of wood products exports in January 2022.

According to the TIDD report 77 companies were involved in the export of ten different products for the month. These products were produced from about 43 different species including teak, wawa, denya, ceiba and mahogany.

The major drivers of export growth were sawnwood and plywood destined for regional markets. Of the 35 importing countries the leading destinations in terms of volume were India, the USA, Viet Nam, Belgium and Germany. Asian markets accounted for over 60% of total export volume.

www.itto.int, 16-31 March 2022

Group photo after officiation of the workshop on reviewin 24 MyTLAS Schedule with FDPM.

MYTLAS (PENINSULAR) REINFORCEMENT WORKSHOP WITH FORESTRY DEPARTMENT PENINSULAR MALAYSIA (FDPM)

The TLAS initiative began in 2006, through Malaysia's commitment in negotiating the Forest Law Enforcement, Governance and Trade (FLEGT VPA) agreement to meet the requirements of the EU Timber Regulation. In support of 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, on 1 February 2013, to assure the legality of its timber and timber products exported to the EU. MyTLAS (Peninsular) has also in place, comprehensive control procedures to ensure the exclusion of unverified timber.

MyTLAS (Peninsular) complies with the principles and criteria set, which refers to the 24 Criterion, also known as MyTLAS Schedule. The laws are clustered under six (6) Principles (P) as follows:

- PI - Right To Harvest
- P2 - Forest Operations
- P3 - Statutory Charges
- P4 - Other Users' Rights
- P5 - Mill Operations
- P6 - Trade and Customs

In May 2021 MyTLAS (Peninsular) was further reinforced by the Peninsular Malaysia Timber Legality Assurance System (TLAS) Compliance Audit. Following that, a MyTLAS (Peninsular) meeting was held with the eight (8) implementing agencies (AP-MyTLAS). The agencies were as follows:

- State Forestry Departments (SFD)
- Malaysian Timber Industry Board (MTIB)
- Department of Environment (DoE)
- Department of Occupational Safety and Health (DOSH)
- Department of Labour (DoL)
- Social Security Organisation (SOCSO)
- Royal Malaysian Customs (RMC)
- Department of Agriculture (DoA)

One of the FDPM officers presenting their discussion outcomes.

Forestry Department of Peninsular Malaysia (FDPM) proposed for MTIB to organise a workshop especially to review the 24 MyTLAS Schedules. This requirement was justified and taken into account as most of the TLAS Schedules are under the supervision of FDPM. MyTLAS (Peninsular) Reinforcement Workshop with Forestry Department Peninsular Malaysia (FDPM) was held on 23 to 25 March 2022 at M Roof Hotel and Residence, Ipoh, Perak. Forestry Department of Peninsular Malaysia (FDPM) proposed for MTIB to organise a workshop especially to review the 24 MyTLAS Schedules. This requirement was justified and taken into account as most of the TLAS Schedules are under the supervision of FDPM. MyTLAS (Peninsular) Reinforcement Workshop with Forestry Department Peninsular Malaysia (FDPM) was held on 23 to 25 March 2022 at M Roof Hotel and Residence, Ipoh, Perak.

The main objective of this workshop is to review and update 17 out of 24 MyTLAS Schedule that was under the responsibilities of FDPM based on their current procedures and practices. The workshop was officiated by YBrs. Tuan. Hj. Mahpar Atan, Director General of MTIB. Also present were YBrs. Tuan Mohd Rahim bin Rani, Deputy Director General (Operations and Technical) FDPM, Tuan Hj. Kamaruzaman Othman, Deputy Director General (Management and Operations) MTIB, and Pn. Hjh. Roslina Hj. Idris Deputy Director General (Development and Commercial) MTIB. A total of 23 officers attended the workshop comprising officers from the State Forestry Department in Peninsular Malaysia.

Group discussion during the workshop on reviewing TLAS Schedule with FDPM officers.

Before this, MyTLAS Reinforcement Meeting with AP-MyTLAS was held on 19 and 20 January 2022 at the Pulse Grande Hotel Putrajaya. The meeting was one of the suggestions put forward by the auditors (SIRIM Qas International Sdn Bhd) to certify the MyTLAS system of credibility and meet the wood validity compliance requirements. According to the auditors, the meeting would provide more exposure on the implementation of MyTLAS (Peninsular), to all AP-MyTLAS involved.

YBrs. Tuan Mohd Rahim bin Rani, Deputy Director General (Operations and Technical) of FDPM (right) receiving a souvenir from YBrs. Tuan. Hj. Mahpar Atan, Director General of MTIB.

VIPs of the workshop on reviewing 24 MyTLAS Schedule with FDPM.

YBrs. Tuan. Hj. Mahpar Atan, Director General of MTIB giving an opening speech.

KELUARGA MALAYSIA FURNITURE EXPO

Keluarga Malaysia Furniture Expo was held on 25-27 March 2022 at the Taman Titiwangsa Community Hall. The event was organised by EG Groups Holding Sdn. Bhd. in collaboration with Malaysian Timber Industry Board (MTIB).

The expo was part of MTIB's and EG Groups Holding Sdn Bhd's Corporate Social Responsibility (CSR) efforts to ease the burden of flood victims. The welcoming remarks were delivered by Tuan Haji Mahpar Atan, Director General of MTIB. The expo was then officiated by Hulu Langat Member of Parliament, Datuk Hasanuddin Mohd Yunus.

During the launch ceremony, MTIB, on behalf of LY Furniture Sdn Bhd, handed over a CSR contribution of two sets of bedroom equipment to Datuk Hasanuddin to be presented to flood victims in Hulu Langat.

The furniture companies involved in the expo consisted of entrepreneurs from Hulu Langat, Klang and Sungai Besar, Selangor; and Batu Pahat, Johor.

Attendees during the event

Datuk Hasanuddin Mohd Yunus officiating the event

More than 400 visitors visited the *Ekspo Perabot Keluarga* Malaysia which was held especially for the Hulu Langat community to facilitate residents affected by the floods at the end of 2021 to buy home furnishings.

The expo provided an opportunity for the public to buy home furnishings at reasonable prices. It also served to introduce MTIB as the government agency responsible for promoting local timber products.

Tuan Haji Mahpar Atan, Director General MTIB handing over the CSR contribution to Datuk Hasanuddin Mohd Yunus

Tuan Haji Mahpar Atan (left) accompanying Datuk Hasanuddin Mohd Yunus during his walkabout at the expo

FEBRUARY 2022

The total export of Malaysian timber and timber products in February 2022 decreased by 27% in value totaled at RM1.7 billion from RM2.3 billion in the previous month. However, cumulative exports for the period of February 2022 increased by 9% valued at RM4.1 billion over RM3.8 billion in the previous corresponding period. The timber industry stood as the third highest contributor to the country's agro-commodity sector with an export value of RM22.7 billion from timber and timber products last year. The government is targeting the export value for wood-based products including wooden furniture to reach RM19 billion by 2025 under the National Agricommodity Policy (DAKN) 2021 – 2030. Thus, opportunities for timber export to grow is highly positive with the rising demand from key markets such as the USA and Europe for wooden furniture, Japan for panel products, China. for sawntimber and the Middle East for veneer and BJC.

SAWNTIMBER

The total export of sawntimber in February 2022 decreased by 43% in volume and 21% in value to 74,447 m³ totalling at RM169.8 million as compared to the previous month. Similarly, cumulative exports for the period of February 2022 decreased by 2% in volume and 16% in value to 174,917 m³ totalling at RM384.9 million over the previous corresponding period.

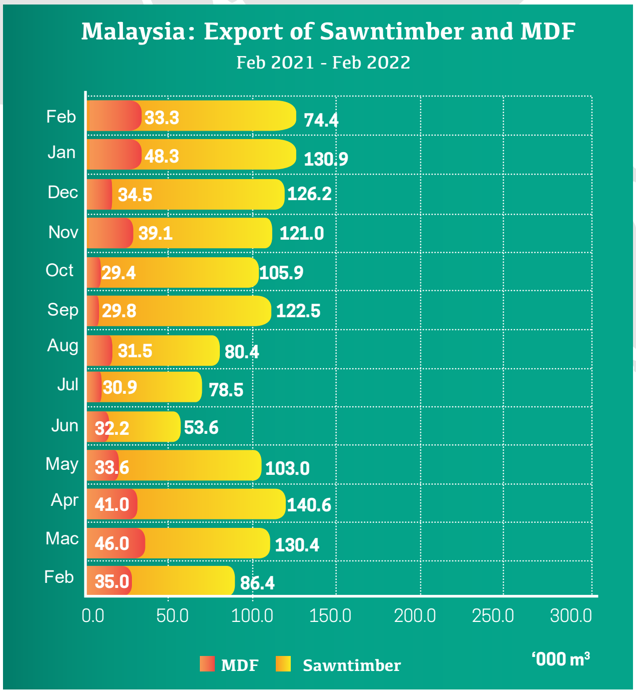
Exports of sawntimber to the EU for the month decreased by 9% to 5,334 m³ over the previous month as a result of the low demand from major countries in the region. The Netherlands as the main buyer also decreased buying by 29% to 2,550 m³ from 3,568 m³ in the previous month. Greece and France increased buying by 424% and 5% to 356 m³ and 457 m³ respectively compared from 68 m³ and 435 m³ in the previous month. Exports to Germany and Italy also increased by 16% and 23% to 1,043 m³ and 184 m³ respectively compared from 903 m³ and 150 m³ recorded in the previous month. Similarly, exports to the UK also increased by 15% to 434 m³ from 377 m³ in the previous month.

Total export to West Asia increased by 14% to 15,174 m³ from 13,297 m³ as recorded in the previous month. Yemen as the main buyer from West Asia decreased imports by 68% to 935 m³ from 2,939 m³ recorded last month. Exports to Iraq and Qatar decreased by 3% and 54% to 1,155 m³ and 545 m³ respectively compared from the previous month. However, exports to the UAE increased by 26% to 7,071 m³ from 5,621 m³ followed by Saudi Arabia and Oman with 978% and 70% to 2,253 m³ and 2,437 m³ respectively as recorded in the previous month.

Meanwhile, buying from ASEAN decreased by 56% to 15,511 m³ from 35,583 m³ as registered in the previous month. Thailand as the main buyer in ASEAN decreased its intake by 40% to 6,623 m³ from 10,980 m³ as recorded in the previous month. Exports of sawntimber to Singapore and Indonesia also decreased buying by 41% and 66% to 3,843 m³ and 73 m³ respectively from 6,486 m³ and 215 m³ last month. Similarly, exports to the Philippines and Viet Nam also decreased by 76% and 7% to 4,097 m³ and 875 m³ from 16,948 m³ and 938 m³ respectively.

Elsewhere, shipments to East Asia decreased by 23% to 19,027 m³ from 24,563 m³ in January. China as the main buyer increased purchases by 40% to 13,451 m³ from 9,631 m³ in the previous month. Exports to Hong Kong also increased by 185% to 100 m³ from 35 m³ compared from the previous month. However, exports to Taiwan decreased by 72% to 1,846 m³ from 6,530 m³ followed by Japan and South Korea with 63% and 23% to 2,587 m³ and 1,043 m³ respectively.

Meanwhile, exports to the USA and Australia decreased by 25% and 40% to 1,070 m³ and 871 m³ compared from 1,434 m³ and 1,442 m³ respectively in the previous month. Demand from South Africa decreased by 96% to 1,188 m³ from 32,336 m³ recorded last month.



The average FOB price of sawntimber increased by 45% to 2,281 per m³ from 1,573 per m³ in the previous month. Price of Dark Red Meranti to the Netherlands also increased by 5% to 4,261 per m³ from 4,042 per m³ previously. Keruing was traded at 2,369 per m³, an increase of 66% from 1,425 per m³ in the previous month.

PLYWOOD

Exports for plywood in February 2022 recorded a decrease by 24% in volume at 97,461 m³ and 48% in value at RM186.8 million as compared to the previous month. However, cumulative exports for the period of February 2022 increased by 4% in volume and 31% in value to 225,180 m³ totalling at RM543.1 million over the previous corresponding period.

The EU region recorded a decrease for plywood exports by 54% from 82 m³ to 38 m³. Italy resumed buying to 38 m³. Meanwhile, Belgium, Denmark, France, Germany, Ireland and The Netherlands didn't make any purchase for the month. Likewise, UK and Turkey also didn't make any purchase for plywood in February 2022.

Moving to the East Asian and ASEAN markets, the volume dropped by 30% to 53,883 m³ from 77,104 m³. Singapore increased import performance by 36% to 1,651 m³, followed by Thailand with 12% to 1,143 m³ and the Philippines with 136% to 553 m³. However, Brunei decreased import performance to 83% at 65 m³ from 377 m³. China, Hong Kong, Japan, South Korea, and Taiwan also dropped their purchases at 88%, 55%, 35%, 1% and 24% to 37 m³, 131 m³, 40,751 m³, 5,230 m³, and 4,042 m³ respectively. Indonesia doesn't make any purchase for plywood in February 2022.

Elsewhere, the West Asian region recorded an increase of 64% to 3,925 m³ from 2,387 m³ in the previous month. UAE also improved import performance by 207% to 267 m³, followed by Yemen with 90% to 3,555 m³. Kuwait resumed buying to 103 m³. On the other hand, Bahrain, Saudi Arabia and Qatar didn't make any purchase for the month. Meanwhile, the Africa region that consisted of Morocco, South Africa, Mauritius and Sierra Leone didn't make any purchase in February 2022.

The Americas regions decreased imports by 16% from 43,640 m³ to 36,602 m³. The USA as the main buyer dropped purchases by 16% to 36,091 m³ while Canada showed an increase by 22% to 511 m³. Mexico didn't make any purchase for the month. For Oceania, the plywood export to the region decreased by 35% with 2,328 m³ from 3,557 m³. Australia and New Zealand declined the purchase by 34% and 13% to 2,307 m³ and 21 m³ respectively.

The FOB price of plywood for February 2022 is at RM1,916 per m³, a decrease of 23% from RM2,491 per m³ from the previous month.

VENEER

Exports of veneer for February 2022 decreased in volume by 38% to 2,738 m³ and 28% in value, worth RM5.3 million as compared to the previous month. The cumulative exports for February 2022 showed an increase in volume by 12% to 6,474 m³ and 23% in value to RM12.7 million over the previous corresponding period.

A decrease trend for exports of veneer has been recorded to most countries. China, Singapore, Australia and Taiwan dropped their veneer purchase by 23%, 75%, 92% and 79% to 1,312 m³,1 m³, 11 m³ and 182 m³ respectively. This is followed by India, South Korea and USA with decreases of 12%, 14% and 69% to 268 m³, 668 m³ and 31 m³ each. Meanwhile, Canada, the Philippines and Italy didn't make any purchase for the month.

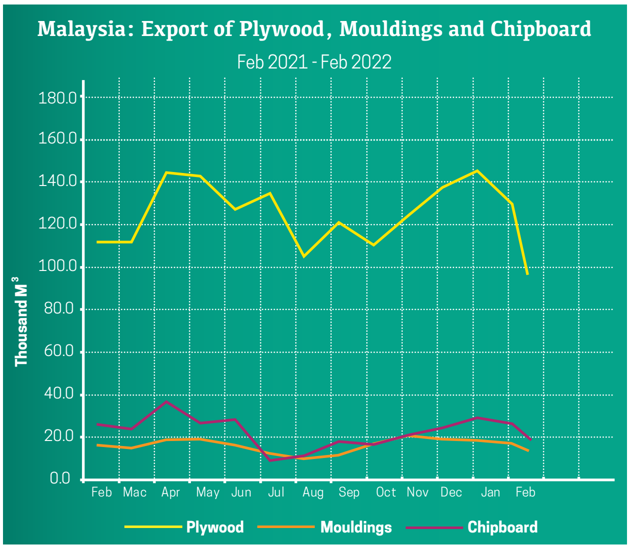
The average FOB price for veneer increased by 8% from RM1,801 per m³ to RM1,937 per m³ as compared to previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in February 2022 recorded a 31% decrease in volume at 33,267 m³ and 5% in value at RM66.9 million compared to the previous month. Cumulative exports for the period of February 2022 increased both in volume and value by 12% to 77,574 m³ and 25% totalling at RM136.9 million as compared to the corresponding period in 2021.

Exports to ASEAN decreased by 63% from 18,073 m³ to 6,676 m³ in the previous month. Indonesia recorded a drop in MDF import by 36% to 1,916 m³ from 2,974 m³. This was followed by Viet Nam with a decrease of 86% from 6,685 m³ to 946 m³. However, The Philippines increased their buying at 25% to 3,415 m³, followed by Singapore with an increase of 27% to 95 m³.

Elsewhere, East Asia also decreased the MDF purchase by 8% from 15,916 m³ to 14,695 m³ in the previous month. Exports to Japan and South Korea increased by 8% and 117% to 13,482 m³ and 407 m³ respectively. However, Taiwan recorded a drop of 81% from 3,232 m³ to 603 m³. China including Hong Kong resumed buying at 203 m³ for this month. Moving to the South Asian market, exports increased by 18% to 5,074 m³ from 4,305 m³. Export performance to Sri Lanka declined by 28% to 662 m³. However, shipping to Bangladesh, India and Pakistan were booste up to 698%, 19% and 5% to 854 m³, 1,239 m³ and 2,319 m³ respectively.



Exports to the West Asian region recorded a decrease of 59% from 2,546 m³ to 1,039 m³ compared to previous month. Bahrain resumed buying to 296 m³ while the UAE decreased imports by 86% to 107 m³. On the other hand, Iran, Jordan, Kuwait, Lebanon, Oman, Saudi Arabia, Syria and Qatar didn't make any MDF purchase for the month.

Export to the USA increased by 92% to 3,390 m³ from 1,766 m³. Australia decreased buying by 92% to 288 m³ respectively. However, the UK and Sudan didn't make any purchases for the month.

The FOB price of MDF increased by 114% to RM2,009 per m³ from RM939 per m³ from the previous month.

MOULDINGS

Exports of mouldings for the month decreased by 25% in volume and 26% in value to 12,628 m³ worth at RM58.4 million. However, cumulative exports for the period of February 2022 decreased by 3% in volume and increased by 15% in value to 29,573 m³ worth at RM137.2 million as compared to the previous corresponding period in 2021.

Exports to the EU for the month were recorded at 6,073 m³, decreased by 18% as compared to the previous month. The Netherlands, Germany and Italy decreased their purchases by 22%, 18% and 11% to 4,056 m³, 570 m³ and 42 m³ while Belgium increased its intake by 7% to 397 m³ respectively. Meanwhile, the UK recorded a decrease of 12% to 415 m³ for the month.

Exports to the ASEAN region increased as Viet Nam increased its purchases by 1014% to 312 m³ while Singapore decreased it purchases by 22% to 651 m³ respectively. Meanwhile, Thailand resumed its intake to 22 m³ and Indonesia did not make any purchase for the month.

Likewise, South Korea, Japan, China and Hong Kong decreased their intakes by 55%, 31%, 11% and 1% to 383 m³, 665 m³, 72 m³ and 167 m³ respectively. However, Taiwan increased its intake to 32 m³ as compared to last month.

Elsewhere, exports to the US, Australia and Canada decreased by 36%, 26% and 11% to 1,839 m³, 1,586 m³ and 77 m³ respectively.

Average FOB unit value for mouldings decreased marginally to RM4,623 per m³ compared to RM4,725 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for February 2022 recorded a decrease of 27% in volume and 16% in value to 9,861,811 kg worth RM89.7 million from last month. Total BJC cumulative exports for the same corresponding period last year increased 7% to RM197.1 million as compared to RM184.7 million last month.

Exports to the EU increased by 4% to RM33.9 million compared RM32.6 million in the previous corresponding period. Exports to France, Germany and Belgium increased by 48%, 42% and 9% to RM3.3 million, RM4.2 million and RM7.5 million respectively. However, exports to Denmark and the Netherlands decreased by 41% and 16% to RM2.9 million and RM5.2 million compared to the previous month. Exports to the UK, increased by 1% to RM25.6 million from last year while Turkey resumed its buying to RM236,055.

In Asia, exports to Pakistan, Taiwan and Viet Nam recorded an increase of 111%, 24%, and 20% to RM707,173, RM1.5 million and RM3.1 million respectively. However, exports to Qatar, Thailand and India decreased by 69%, 37% and 12% to RM314,469, RM1.8 million and RM5.7 million respectively. Meanwhile, South Korea, Italy, Saudi Arabia and Turkey resumed buying to RM146,915, RM1.1 million, RM71,708 and RM236,055 respectively.

Exports to South Africa, Australia and the US increased by 18%, 15% and 1% to RM1.6 million, RM34.5 million and RM50.1 million respectively. However, Mauritius decreased imports by 3% to RM164,328 compared to the previous month.

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 56% to RM15.4 million. Similarly, exports to Poland increased by 41% to RM9.3 million. However, exports United Kingdom and Russia both increased by 11% to RM73.6 million and 56% to RM2.1 million respectively while exports to Turkey decreased by 34% to RM411,193.

Shipments to Australia was reduced by 14% to RM78.4 million for the month. Purchases by India decreased by 1% to RM35.1 million from RM35.5 million in the same month of last year. Saudi Arabia recorded an export value of RM34.4 million despite a decrease of 7% from its corresponding period last year. Similarly, exports to the UAE decreased by 6% to RM28.9 million, followed by Kuwait with exports down by 23% to RM7.2 million and Oman by 61% to RM2.2 million. However, Qatar recorded an increase of 26% to RM1.8 million over its corresponding period in 2021. Elsewhere, exports to South Africa increased by 60% to RM13.4 million.

Rattan furniture shipments of January - February 2022 recorded an increase of 21% year-on-year at RM19.0 million from RM15.8 million in the previous corresponding year. In the Americas region, exports to the USA and Canada increased by 37% to RM8.4 million and 161% to RM1.0 million.

Amongst EU member countries, Ireland recorded the highest export value of RM635,835, an increase of 34%. Poland also seen a significant increase in buying of rattan furniture by 242% worth RM267,121 over its corresponding period 2021. On the other hand, exports to France, Denmark and Germany reduced by 24% to RM159,544, 55% to RM140,589 and 82% to RM66,895 respectively. Meanwhile, in Europe, the United Kingdom recorded the highest export worth RM1.0 million, a decrease of 49% while Russia increased its buying by 85% to RM711,354.

Exports to China reduced by 3% to RM840,693 while exports to Japan rose by 70% to RM401,946. Moving to India, exports were down by 27% to RM741,652. However, Australia increased its buying of rattan furniture by 45% to RM1.4 million from RM935,581 in its corresponding period 2021. In the ASEAN members' circle, Thailand recorded the highest export value by RM384,472 with an increase by 323%. However, exports to the Philippines and Singapore decreased by 16% to RM294,678 and 57% to RM126,695 respectively.

Meanwhile, in the African region, South Africa resumed its buying to RM137,028. Algeria also resumed its buying to RM217,944.

Moving to the Middle East, exports to the UAE increased by 260% to RM207,442 from RM57,682 as recorded in its corresponding period 2021.

MALAYSIA

Ports, Shipping Industry More Agile and Resilient from Covid-19

Lessons learnt from the Covid-19 pandemic have made the ports and shipping industry more agile and resilient. They are also better prepared to face current and future challenges, said Port Klang Authority (PKA) chairman Datuk Chong Sin Woon.

He said, since the onset of the pandemic the last two years, the maritime transport industry across the globe has faced unprecedented challenges. On a positive side, the health and economic crisis has taught them much and it would stand them in good stead in facing challenges to come.

"The challenges have shaped the future business model of shipping, ports and logistics services. The pandemic has brought into sharp focus the critical role of ports and shipping in the global supply chain. "Port Klang, as with all other ports, was confronted with unprecedented challenges and had to adapt quickly and innovatively to help keep the economy going. As Malaysia's leading port handling more than half of the country's maritime trade, the onus was on us to keep things running, to adapt, to innovate and to do it fast and do it right so as to mitigate the severe impact of the pandemic on the nation," he said at the 19th ASEAN Ports and Shipping Exhibition and Conference themed Cultivating Adaptability and Resilience.

The event was officiated by Transport Minister Datuk Seri Wee Ka Siong. Present were Transport Ministry Secretary-General Datuk Isham Ishak, its Maritime Division Under-Secretary Captain Mohamad Halim Ahmed and PKA General Manager Captain K. Subramaniam.

Chong said PKA, in managing the industry's disruption, worked very closely with the other terminal operators like Northport, Westports and Port Klang Free Zone. "We did likewise with all the other key players in the port's ecosystem, such as the shipping lines, forwarding agents, haulier companies, related logistics and ancillary service providers, as well as port-related government agencies.

"The Transport Ministry was instrumental in facilitating the clearance of goods during the several periods of the Movement Control Order (MCO). This assisted in de-congesting the ports and ensured critical goods reached their intended destinations with minimal delay, and exports continued to be delivered to the ports for loading on board ships. In addition, the government also facilitated crew change on ships calling Malaysian ports, besides providing access to medical treatment ashore for crew members," Chong said.

Recognising the importance of vaccinating maritime and logistics workers against Covid-19, PKA with the close collaboration of the Transport and Health Ministries, established a dedicated vaccination centre. "The centre, located in Port Klang, successfully vaccinated 10,000 workers including seafarers within one month. "It subsequently became a public venue for booster doses, providing comfort and protection to the workers, their families and the industry," said Chong.

He added that despite the many travel and movement restrictions, the conference was held at a most opportune time. "We can use this forum to learn from one another's recent experiences and to enhance cooperation in coping with the many challenges we are still facing for the mutual benefit of our respective organisations," he said.

On the exhibition and conference, Chong said it was a platform to showcase the importance of the maritime industry to Malaysia's economic development. "This conference is the first major international event for the industry since the lifting of the nationwide MCO.

"20 eminent speakers from across various disciplines in the ports, shipping and logistics industry from Asia, Europe and the United States will share with us their knowledge and experience from their respective fields of disciplines on coping with the issues we are all facing.

"I am sure that what is shared here will in one way or another, be beneficial to all participants and help us adapt and build resilience in this most challenging time we are in now," he said.

Source: *nst.com.my/news Mar 01, 2022*

JAPAN

War in Ukraine Pushes Up Already High Freight Costs for Japan

Russia's invasion of Ukraine has disrupted transport and air logistics networks, inflicting freight prices - already excessive as a result of the COVID-19 pandemic — to climb even higher.

Extra European international locations have been proscribing arrivals of ships at their ports, whereas as a result of struggle in Ukraine many flights have been cancelled, inflicting freight prices to soar — a rise that might in flip be mirrored within the costs of day-by-day merchandise.

At the port of Tokyo, the logistics business had already been experiencing a scarcity of container vessels as a result of the pandemic. However, the struggle in Ukraine has positioned additional pressure on the business. Ocean Community Specific Pte., a three-way partnership firm comprising three main transport companies together with NYK Line, stopped transport cargo to and from Russia and Ukraine at the end of February.

The corporation mentioned that supply had become difficult not solely at ports alongside the Black Beach akin to Odessa, but additionally at geographically distant ports akin to St. Petersburg. "There's a concern that many corporations might want to redirect their vessels to giant ports (in numerous elements of Europe) that function hubs for cargo," a transport business official mentioned.

Though there's not a lot cargo instantly shipped between Russia and Japan, there are issues that disruption at main European ports might result in increased freight charges. The same goes for air cargo. Airways are scrambling to safe cargo areas, and competition for worldwide cargo slots is heating up. Many European international locations have closed their airspace to Russian planes.

The sanctions resulted in quite a few cancellations of cargo flights all over the world. Takuma Matsuda, a professor at Takushoku College and expert on worldwide logistics, predicts that merchandise counting on air cargo would be the first to be affected.

An airline business official stated, "Freight charges between Japan and Europe have doubled since before the invasion, and the time frame it takes for the cargo to reach has additionally been prolonged by a number of days." There's a chance that contemporary meals, clothes, auto elements and different items originating in Europe will probably be held up, inflicting costs to also rise in Japan.

***Source:** colorsofindia.media March 9, 2022*

EUROPE

Disruption Keeps Asia -Med Container Rates Steady

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% change Jan/Feb'22
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	40,194	1	6,189	-29	529	-34	330	164	837	49	48,079	-4
MDF	10,587	1	289	80	1,303	-61	1,418	11	740	-62	14,338	-17
Mouldings	9,829	-1	46	50	1,108	-35	1,043	-19	816	27	12,842	-6
Plywood	1,574	-77	0	100	197	-42	207	109	3,488	-45	5,466	-60
Veneer	1,250	157	0	100	0	100	10	-76	2,508	81	3,767	97
Particleboard	13,985	-8	0	100	106	274	0	100	6,363	-15	20,454	-10
TOTAL	**77,418**	**-7**	**6,525**	**-27**	**3,243**	**-47**	**3,008**	**7**	**14,751**	**-20**	**104,945**	**-12**

Note : Indicates percent change over the previous month

Source : MTIB

Xeneta reported that container freight rates on the Far East-Mediterranean trade have been flat this year, supported by disruption in other trades.

Rates have held at around $14,000 per feu on the spot market, a level seen since late September 2021, and $9,000 per feu for longer-term contracts. While Asia-Med rates have held steady, rates from Asia-North Europe have softened in the first few months of 2022, eroding a premium the route held over Asia-Med in the second half of 2021.

“In the second half of 2021, spot rates to North Europe from the Far East were on average $860 per feu higher than those to the Mediterranean, while long term rates were $1,350 per feu higher. In the first two and a half months of 2022, the gap between the two has again fallen, leaving them cheaper than the shorter journey to the main Mediterranean ports and hubs,” said Peter Sand, Chief Analyst at Xeneta.

The shrinking gap between the two trades will make Mediterranean ports less attractive to shippers looking to save money by routing cargo to Northern Europe on cheaper Med services. “Switching to importing through Mediterranean ports instead of sailing further North will not offer any substantial discount on freight rates for shippers,” said Sand.

Xeneta said that rates were supported by disruptions to the sector rather than volume growth, and that the recent COVID lockdowns in China threaten to upset the balance seen in recent months. “Despite the softening in spot rates to North Europe in March, the latest COVID lockdown in southern China may leave both shippers and carriers again having to find solutions to new problems quickly. Should the situation deteriorate further, it may stop the current trend of softening spot rates,” said Sand.

Source: *seatrade-maritime.com Mar 17, 2022*

CHINA

Update: Shanghai Lockdown to Set Shipping and Supply Chain On Edge

A two-stage lockdown of Shanghai has started that will prompt further fears of supply chain disruption as China continues its zero Covid policy. The U-turn on a Shanghai lockdown was announced on Sunday following a record of 3,450 asymptomatic Covid-19 cases and 50 symptomatic cases, numbers that seem small compared to most countries.

The city of 26 million will be locked down in two phases for mass testing with the Pudong financial district and areas east of the Huangpu river from 28 March – 1 April, and the second phase west of the Huangpu river for five days from Friday. Residents will be barred from leaving their homes and public transport will be suspended, with only private cars allowed to make necessary journeys.

All firms and factories are to suspend production with people to work from home apart from those involved in essential services and food supply. Bloomberg reported that Tesla would be stopping operations at its plant. Shanghai International Port Group (SIPG) said that during the lockdown period, the port would ensure normal operations and provide 24 hours services at its all port production units.

However, landside infrastructure and transport links to and from the will be disrupted. Container truck drivers must provide a negative covid test result taken in the last 48 hours and related documents during the lockdown period. Many expressway entries are also under lockdown while truck drivers have limited access to the city.

Several logistics companies in the areas experiencing the first phase of the lockdown said that they had suspended logistics-related operation and will not be accepting cargoes during the lockdown.

UK-headquartered logistics solutions provider Woodlands Group said in an update: "There is significant disruption to truck movements already, particularly from neighbouring provinces with trucks being forced to turn back on their way to Shanghai port, leaving a large part of the cargo ready for loading today unable to be transported to the port. "While some FCL trucks are still running within Shanghai, LTL trucks are not allowed to enter Pudong. As a result, there will likely be a significant impact on LCL cargo."

In the recent lockdown in Shenzhen, South China ports remained operating relatively normally, however, yard congestion and queues of ships have built up due to similar landside transport and infrastructure restrictions to those now in place in Shanghai. The city is also home to one of China’s top shipyards Shanghai Waigaoqiao Shipyard (SWS) and the closure of factories and production facilities could delay new buildings under construction at the yard.

The closure of two-thirds of Yantian port for three weeks in a Covid outbreak wreaked havoc on container shipping and the global supply chain, and congestion and capacity issues remain a global issue.

Source: *seatrade-maritime.com Mar 28, 2022*

ITALY

FURNITURE MARKET OUTLOOK

Overview

Italy, officially known as the Italian Republic, is a unitary parliamentary republic in Europe. Italy is located in Southern Europe on the Apennine Peninsula. Its distinct shape, resembling a kicking boot, makes it easy to recognize it on maps or even from space.

The Adriatic Sea borders the peninsula in the east, the Sea of Sicily in the south, the Ionian Sea in the southeast, the Ligurian Sea and the Tyrrhenian Sea in the west; all those seas are parts of the Mediterranean Sea. Italy has international borders with Austria, France, the Holy See (Vatican City), San Marino, Slovenia, and Switzerland. It also shares maritime borders with Albania, Algeria, Croatia, Greece, Libya, Malta, Montenegro, Spain, and Tunisia.

Two of the largest Mediterranean islands belong to Italy, Sardinia in the west and Sicily in the south. The country covers an area of 301,318 km² (116,340 sqft). It is about 80% the size of Japan or slightly larger than the U.S. State of Arizona. In 2020, Italy had a population of more than 59.6 million people. The capital and largest city is Rome. Some of its major cities are Florence, Milan, Naples, and Venice.

Economy

Italy has a highly developed market economy. It is the third-largest national economy in the European Union, the 8th -largest in the world by nominal GDP, and the 12th-largest by GDP (PPP). Italy is a founding member of the European Union, the Eurozone, the OECD, the G7 and the G20. Italy is the world's eighth largest economy with a GDP of USD1.85 trillion in 2020 and a per capita GDP of USD31,630. Its closest trade ties are with the other countries of the European Union, with whom it conducts about 59% of its total trade. The largest trading partners, in order of market share in exports, are Germany (12.5%), France (10.3%), the United States (9%), Spain (5.2%), the United Kingdom (5.2%) and Switzerland (4.6%).

Italy has a diversified industrial economy, which is divided into a developed industrial north, dominated by private companies, and a less-developed, welfare-dependent, agricultural south, with high unemployment. The Italian economy is driven in large part by the manufacture of high-quality consumer goods produced by small and medium sized enterprises, many of them family owned. Italy also has a sizable underground economy, which by some estimates accounts for as much as 15% of GDP. These activities are most common within the agriculture, construction, and service sectors. Italy has moved slowly on implementing needed structural reforms, such as reducing graft, overhauling costly entitlement programmes, and increasing employment opportunities for young workers, particularly women.

Forest Resources

The area of forests in Italy is about 10 million hectares, equivalent to a third of the national territory and represents 5% of the European forested area. Italy is at sixth position in Europe for forested areas, after Sweden, Finland, Spain, France and Germany (excluding Russia).

The Italian forested area is spreading, at a rate of about 100,000 hectares per year. This is due to the dismissal of agriculture practices, mostly in mountain zones, and to the natural conversion of cultivated lands and grazing in forests. In the period 1990-2005, the area of forests destined to preserve biodiversity has grown and attained about 3 million hectares, which means 30% of the national forest surface.

Italy has more softwood than hardwood growth and extensive coppice with thicket and small shrub stands. The overall forest structure consists of 58% coppice stands, 23% softwoods, and 19% hardwood high stands. The only species that are commercially important are chestnut, beech, oak, and poplar.

Primary forests amount to 160,000 ha and grow in parks and environmental protected areas. There are about 700 natural protected areas, having been established on various administrative levels: national, regional and local. These areas occupy 8% of the national territory (1). 22.2% of the national forested area is under NATURA2000.

About 6.8 million hectares consist of forest managed for the supply of lumber, coming mostly from coppice forests not subject to legal, economic or environmental restrictions. Approximately 90% of Italian forest product exports consist of wooden furniture, semi-finished wood products, and other finished wood products. Concerning fuel-wood use, statistics show an increase of it in the last few years. The surface area annually subjected to use is less than 2% of the total forested area. Italy is a major importer of hardwood and softwood lumber, since its rugged terrain and disjointed forestland restrict domestic production.

Timber Production

According to the FAO 2020 forest statistics, Italy produced around 400,000 m³ of sawnwood. The country also produced 2.7 million m³ of particleboard followed by 810 thousand m³ of MDF/HDF and 265 thousand m³ of plywood.

Italy: Production of Timber Products, 2016-2020

Product	2016	2017	2018	2029	2020
Sawnwood	950,000	970,000	1,004,200	473,971	400,000
Veneer	207,000	132,554	116,549	107,345	107,345
Plywood	280,000	236,446	320,000	320,000	265,000
Particleboard	2,550,000	2,380,937	2,978,000	3,070,000	2,670,000
MDF/HDF	930,000	864,745	1,005,820	849,689	810,000

** FAO Estimate Source: FAO Stats* *In volume (m^3)*

Imports of Timber and Timber Products

Italy's imports of timber and timber products in 2021 amounted to USD5.0 billion, a decrease of 12% over the previous corresponding period. Italy imports mainly sawntimber, furniture, BJC and fibreboard. Imports of sawntimber and furniture totalled at USD1.12 billion and USD1.1 billion respectively. Meanwhile, imports of BJC totalled at USD532.0 million followed by fibreboard with USD288.8 million and particleboard with USD257.0 million.

Italy: Imports of Timber and Timber Products, 2017 -2020

HSCode	Products	2017	2018	2019	2020	2021
4401	Fuel wood	453,941	494,186	630,638	718,432	472,427
4402	Wood charcoal	26,536	24,071	27,054	27,160	30,386
4403	Logs	261,028	288,956	285,833	251,363	179,536
4404	Hoopwood	9,912	12,594	9,406	10,707	11,727
4405	Wood wool & flour	1,154	1,851	1,709	1,360	1,771

4406	Railway sleepers	7108	5,816	6,800	6,766	4722
4407	Sawntimber	1,187,948	1,256,896	1,482,844	1,251,750	1,160,317
4408	Veneer	159,738	172,785	175,154	189,403	151,923
4409	Moulding	108,115	94,839	84,812	83,213	57,178
4410	Particleboard	292,492	288,386	347,394	292,938	256,955
4411	Fibreboard	277,070	300,809	343,537	278,903	288,782
4412	Plywood	227,582	250,764	299,447	231,172	212,276
4413	Densified wood	12,408	11,701	9,311	9,683	8,522
4414	Wooden frames	18,007	19,861	21,547	18,026	17,074
4415	Packing cases	172,547	188,860	197,993	198,239	195,472
4416	Casks, barrels, vats and tubs	35,617	34,660	21,869	23,633	18,775
4417	Tools, bodies and handles	6,103	6,461	5,325	4,416	4,869
4418	Builders' joinery and carpentry	521,412	556,392	600,818	511,049	532,013
4419	Tableware and kitchenware	29,101	31,265	36,391	35,540	36,220
4420	Wood marquetry	47,312	49,912	44,351	40,490	27,946
4421	Other articles of wood	185,590	194,294	240,070	239,641	191,368
9403	Furniture and parts	1,149,128	1,195,484	1,375,785	1,275,240	1,131,361
	TOTAL	**5,189,849**	**5,480,843**	**6,248,088**	**5,699,124**	**4,991,620**

Source: UN-Comtrade Statistics *USD ('000)*

Italy: Imports of Furniture Parts, 2017-2021

Countries	2017	2018	2019	2020	2021
World	1,149,128	1,195,484	1,375,785	1,275,240	1,131,361
China	215,707	233,822	248,265	273,278	244,296
Germany	205,070	183,335	231,637	209,625	185,506
Poland	123,334	132,476	165,635	159,019	151,067
France	74,526	92,404	92,197	80,376	75,190
Sweden	24,546	27,224	68,385	26,385	57,754
Romania	66,768	65,765	63,066	49,990	43,210
Lithuania	40,272	44,504	52,040	60,118	43,202
Spain	38,558	47,281	44,725	56,103	39,062
Slovenia	43,092	51,434	47,790	41,198	36,589
Austria	32,340	34,189	40,436	53,661	30,608

Malaysia ranked 38th from 128 countries. *USD ('000)*
Source: UN-Comtrade Statistics

Exports of Timber and Timber Products

Italy's exports of timber and timber products in 2021 decreased 10% to USD8.8 billion over the previous corresponding period. Italy exports mainly furniture, BJC, sawntimber and plywood. Exports of furniture and BJC totalled at USD6.8 billion and USD377.5 million respectively. In addition, exports of sawntimber totalled at USD253.1 million followed by plywood at USD227.4 million.

Italy: Exports of Timber and Timber Products, 2017 – 2021

Product	2017	2018	2019	2020	2021
Sawntimber	218,273	246,366	272,550	300,322	253,074
BJC	421,862	466,251	467,039	429,466	377,545
Particleboard	195,275	250,357	292,202	301,332	296,776
Plywood	208,088	229,897	253,940	253,634	227,364

Moulding	145,673	145,981	163,359	163,895	144,943
MDF	122,669	122,855	142,963	91,641	122,945
Logs	26,620	25,129	23,034	65,474	45,242
Furniture & Parts	6,910,753	7,225,189	7,891,732	7,533,394	6,810,226
Others Products	530,816	568,887	627,934	728,218	558,953
TOTAL	**8,780,029**	**9,280,912**	**10,134,753**	**9,867,376**	**8,837,068**

Source: UN-Comtrade Statistics *USD ('000)*
Source: MTIB & DOSM

Malaysia's Imports of Timber and Timber Products from Italy

In 2021, imports of Malaysian timber and timber products from Italy registered an increase of 34% to RM36.5 million from RM27.2 million in 2020. Major products imported from Italy were wooden furniture with a total value of RM29.2 million followed by chipboard/particleboard at RM2.4 million and sawntimber at RM1.6 million.

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

Products	2017	2018	2019	2020	2021
Sawntimber	1,333,037	2,782,460	590,690	223,004	1,588,406
Plywood	10,383	116,649	13,401	192,298	132,025
Veneer	6,471,925	4,724,962	2,742,191	2,138,778	843,747
Mouldings	0	174,396	0	0	0
Chipboard/Particleboard	566,014	896,405	793,136	515,027	2,441,813
Fibreboard	29,660	175,092	80,242	38,974	391,905
Wooden Frame	16,093	80,765	0	0	0
BJC	30,883	91,539	24,600	213,518	1,015,538
Wooden Furniture	44,008,871	36,422,770	24,697,883	19,025,969	29,164,296
Rattan Furniture	1,418,502	187,724	0	0	0
Other Products	1,174,812	1,378,753	8,700,840	4,825,874	927,088
TOTAL	**55,060,180**	**47,031,515**	**37,642,983**	**27,173,442**	**36,504,818**

Source: MTIB & DOS *(Value: RM)*

Malaysia's Exports of Timber and Timber Products to Italy

In 2021, exports of Malaysian timber and timber products to Italy registered a decrease of 28% to RM19.7 million from RM27.5 million in 2020. Italy ranked 43th with 0.13% of Malaysia's total market share. Amongst timber products, furniture constituted the largest portion totalled at RM8.0 million. Other major products exported were sawntimber with a total value of RM5.6 million followed by plywood with RM2.0 million and veneer with RM1.7 million.

Malaysia: Exports of Timber and Timber Products to Italy, 2017-2021

Products	2017	2018	2019	2020	2021
BJC	6,433,934	6,223,963	6,206,782	5,173,911	1,306,697
Plywood	1,906,578	2,011,614	1,244,481	1,532,193	1,990,702
Sawntimber	16,657,243	14,154,494	13,578,478	9,630,667	5,614,068
Veneer	2,113,518	2,487,700	1,206,900	3,427,735	1,687,913
Mouldings	361,419	569,529	662,256	674,721	583,726
Wooden Frame	6,612	6,240	0	0	0
Fibreboard	0	0	6,248	0	0

Fibreboard	0	0	6,248	0	0
Wooden Furniture	5,018,477	8,174,988	4,502,834	6,538,176	7,956,493
Other Products	472,534	216,854	298,981	528,996	599,238
TOTAL	**32,970,315**	**33,845,382**	**27,706,960**	**27,506,399**	**19,738,837**

Source: MTIB & DOS *(Value: RM)*

Import Tariff

Italy's import duty on timber and timber products ranges from 0 – 10%. Details are as follows:

Malaysia: Exports of Timber and Timber Products to Italy, 2017-2021

HS Code	Product	MFN (%)
4401	Fuel Wood	0
4402	Wood Charcoal	0
4403	Logs	0
4404	Hoop Wood	0
4405	Wood Wool and Wood Flour	0
4406	Sleepers	0
4407	Sawntimber	0 - 2.5
4408	Veneer	0 - 6
4409	Mouldings	0
4410	Particleboard	7
4411	Fibreboard	7
4412	Plywood	6 - 10
4413	Densified Wood	0
4414	Wooden Frames	0 - 2.5
4415	Packing Cases	3 - 4
4416	Cask, Barrels, Vats and Tubs	0
4417	Tools Bodies and Handle	0
4418	BJC	0 - 3
4419	Tableware and Kitchenware	0
4420	Wood Marquetry	0 - 4
4421	Other Articles of Wood	0 - 4
9104-9403	Wooden Furniture	0 - 5.6

Source: WTO

Italian Furniture Market Outlook

The Italian furniture industry plays an important part in the Italian economy. Italy is one of the leading exporters of furniture in the world and the world's fourth largest furniture manufacturer. Among the key factors influencing the popularity of Italian furniture is the fact that the Italian furniture industry is at the forefront in terms of designing production and product aesthetics, and Italian architecture has a strong role to play as a global trendsetter.

The Italian furniture tradition occupies a special place in the overall history of furniture, with Italy being the birthplace of the classical Renaissance and the Italian Renaissance furniture. Italian design is a by-product of a virtuous circle composed of quality workmanship, a winning manufacturing model (the industrial furniture districts), constant technological innovation and a strong creative attitude to the marketplace. This is an important success factor for the furniture related sectors (furniture components, woodworking machinery, and household appliances) and is fundamental for the image of Italian furniture. Exports currently account for nearly 58% share of the total in the furniture production in the country. Some of the major export countries for Italian furniture include France, Germany, the United States, and Canada.

The state of health of the wood furniture supply chain offers a picture of positives and negatives. The year 2021 closed with a +14.1% compared to 2019, with a production turnover of over EUR49 billion, compared to EUR43 billion in 2019. There was a nice growth also for exports: +20.6% in 2020; +7.3% in 2019, for a value of over 18 billion euros. This value exceeds, albeit slightly, the EUR17 billion of 2019, consolidating a recovery of exports, which weigh more than 37% on the entire sector. The Italian market, in turn, records an 18.5% growth compared to 2019 and +28.9% in 2020.

Therefore, the preliminary figures drawn up by Centro Studi FederlegnoArredo certify a return to pre-Covid levels in the sector, or rather their overcoming; however, the high cost of energy, the shortage of raw materials, and logistics costs risk reversing the trend as early as the first months of 2022. And the war in Ukraine, with all its consequences, is worsening a situation that was already beginning to deteriorate, due to all the related factors.

Italy is recognised as the leading and well renowned global producer of furniture. Therefore, Malaysian furniture designers should take the opportunity to learn from Italian furniture designers in the aspects of design and marketability of the design in order to penetrate the global market. Malaysian furniture manufacturers and exporters should also enhance their presence in the Italian market through active participation in the relevant fairs and exhibitions, conducting market visits as well as enhancing business networking relationship with the Italian furniture manufacturers.

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ASSESSING THE AWARENESS AND READINESS OF THE MALAYSIAN FURNITURE INDUSTRY FOR INDUSTRY 4.0.

In the furniture industry, the application of Industry 4.0 encompasses five components: digital component, intelligent machine, horizontal networking, vertical networking, and smart work-piece (Anderl et al. 2018). It is widely accepted that Industry 4.0 takes the emphasis on digital technology to a whole new level, by improving interconnectivity through the internet of things (IoT), access to real-time data, and the introduction of cyber-physical systems. This allows business owners to better control and understand every aspect of their operation, and it allows them to leverage instant data to boost productivity, improve processes, and drive growth (Arnold et al. 2016). The rapidly evolving and converging technologies of Industry 4.0 is pushing the boundaries of new product development through additive manufacturing and advanced materials. With big data analytics, rich simulations, and augmented reality supported by cyber-security functions, the lines between physical and digital realms are blurred, allowing furniture designs to be taken to greater heights. The human capacity is also enhanced through artificial intelligence and autonomous robots in the smart factory environment. Many of these technologies have been available for several years, but its awareness and application in the Malaysian wood and furniture industry is unknown. Therefore, this study aims to evaluate the degree of awareness and readiness of the Malaysian Furniture Industry for Industry 4.0.

Methodology

The study was carried out using a structured questionnaire to a sample population of furniture manufacturers, identified with the support of the Malaysian Furniture Council (MFC). The questionnaire had 4 parts, and the questions were designed to fulfil the objectives of the study. The data were then compiled and analysed statistically. The results are presented in the following sections.

Results & Discussion

1.0 Reasons for Adopting Automated Technologies in Furniture Manufacturing

Of the 780 respondents who participated in this survey, 57%, or 444 respondents had invested up to RM 1.0 million over the last three years to acquire automated technologies. These respondents, in their opinion and perspective, reported that the main reasons in an order of importance, for acquiring these technologies were to:

(1) improve productivity,
(2) reduce workforce,
(3) reduce cost, and
(4) improve quality.

These findings were comparable to previous studies by Adolph et al. (2014), Paritala et al. (2016), Cimini et al. (2017) and Kiel et al. (2017), who reported that the acquisition of automation and high technologies were usually driven by the need for higher productivity and cost competitiveness. In fact, this revelation is also the basis on which the government introduced the Industry 4.0 Master Plan in 2018 (MITI 2018), so as to encourage the manufacturing sector to further embark on higher technology application.

The results of the survey also revealed that panel-based furniture manufacturers reported the most use of automated technologies, followed by metal furniture, wooden furniture, and soft/leather furniture, in that respective order. This finding has serious implications for the furniture manufacturing industry, as it suggests that not all furniture industry segments can adopt similar levels of automated technologies. In addition, the available technologies appear better suited for furniture with standardized components of a great variety, which is a common feature in the panel-based and metal furniture industries (Ratnasingam et al. 2018).

The preference among panel-based furniture and metal furniture manufacturers to apply a higher degree of automated technologies in their manufacturing facility is driven by the need for consistent quality, lower unit cost, standardized components, and compliance to various standards (Bahrin et al. 2016). Further, these findings conflict with other reports on the factors that encouraged the use of automated technologies in the furniture manufacturing industry. Ng and Kanagasundaram (2017) reported that automated technologies were the most appropriate means of manufacturing furniture in high-wage economies where technology application can off-set the high labour cost.

Ratnasingam et al. (2018) found that the prevailing low-wage economy, typical of the furniture industry in other parts of Asia, serves as a strong deterrent to adopting automated technologies. Further, the lack of enforcement of the existing environmental regulations indirectly contributes to the poor state of workers' welfare, health, and safety (Koch et al. 2014, Ratnasingam et al. 2019). However, other studies have reported that the benefits of applying automated technologies in furniture manufacturing outweigh the high initial cost (Erol et al. 2016), and the delay on returns from such investments can be shortened significantly by the increased productivity offered by automated technologies (Bahrin et al. 2016; Wang et al. 2017). Although, the prevailing low-wage economy in the Malaysian furniture industry may impede the adoption of automated and Industry 4.0 technologies on a wider scale, this may change when the benefits to be derived from such technologies are realized by the manufacturers (Kiel et al. 2017).

2.0 Most Preferred Key Enabling Technologies of Industry 4.0 Among Furniture Manufacturers

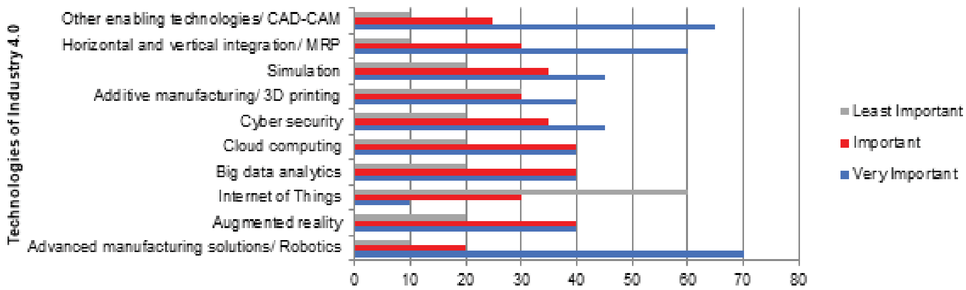

Figure 1. Enabling technologies of Industry 4.0 preferred among respondents

Figure 1 contains the potential technologies of Industry 4.0 in the order of reported importance to furniture manufacturers. Advanced manufacturing technologies, including low-cost automation and robotics, ranked the highest and were followed by other enabling technologies, including CAD-CAM, horizontal and vertical integrated manufacturing, such as MRP, computer-aided design (CAD), cyber security, and simulation. The preferred enabling technologies of Industry 4.0 were skewed towards technologies that could be easily adopted without much investment in hardware or human capital. This result was also in line with the findings of previous studies by Adolph et al. (2014), Ratnasingam (2015), and Smit et al. (2016), who found that the lack of knowledgeable and skilled workers appeared to be a big threat to the full utilization of such technologies in the manufacturing sector. It is apparent that in the Malaysian furniture manufacturing industry, awareness of the benefits of Industry 4.0 and its enabling technologies is low, and much education and promotion would be required to realize the objective of achieving higher productivity and value-addition from the application of such technologies. Until then, there is overwhelming evidence that the labour-intensive nature of the industry will remain the norm rather than the exception, as noted by Ratnasingam et al. (2018).

3.0 The Level of Readiness among Furniture Manufacturers to Adopt and Embrace Industry 4.0

The results from this survey showed that the level of readiness to adopt Industry 4.0 among furniture manufacturers is relatively low at this point in time. Only 6% of the respondents were ready for the adoption of a high degree of automated technology, such as Industry 4.0. As expected, all the respondents who were more receptive and prepared to adopt a high degree of automated technology were from the wood-based panel and metal furniture manufacturing sector. The remaining 94% of the respondents were not ready to adopt Industry 4.0 and were mainly deterred by the high initial investment involved and a lack of networking infrastructure and data management capacity in their manufacturing facilities.

The major deterrent factors listed based on their opinions and perspective of the industry were found to be lack of finance, insufficient skilled and knowledge workers, lack of incentives, lack of understanding and too difficult. These reasons were also similar to the previous studies by Bauer et al. (2019), Horyat et al. (2018) and Müller (2019), suggesting that cost implications are high on the decision-making hierarchy among SMEs, who predominate the furniture sector. Nevertheless, it must be recognized that without the availability of knowledgeable and skilled local workforce, the journey of embarking on Industry 4.0 technologies would ultimately be slow and challenging for Malaysian furniture manufacturers.

In the final analysis, however, as long as the low-cost foreign contract workers are available, manufacturers of furniture in the country may continue to shun high technologies, while believing that these low-cost workers can offset the perceived benefits offered by the costly technologies (Bahrin et al. 2016).

Conclusions

1 - Generally, the wood-based panel and metal furniture manufacturers were more receptive towards adopting automation and embracing the technologies of Industry 4.0, compared to the solid-wood and soft and leather furniture manufacturers.

2 - Advanced manufacturing technologies, such as CAD-CAM, MRP, cyber-security, and simulation, were the most preferred enabling technologies of Industry 4.0.

3 - The analysis revealed that the most beneficial attributes of adopting Industry 4.0 technologies (in order of declining importance) were increasing production capacity, improving product diversity, reducing workforce, and reducing production cost.

4 - Improvement in the work environment did not have a strong influence on respondents' decisions to embrace Industry 4.0 technologies.

5 - The lack of knowledgeable and skilled workers was one of the perceived barriers that prevented manufacturers from adopting the technologies of Industry 4.0.

This is a summary of the original paper titled "Assessing the Awareness and Readiness of the Malaysian This is a summary of the original paper titled "Assessing the Awareness and Readiness of the Malaysian Furniture Industry for Industry 4.0." published in the journal Bioresources (2020) 15(3) 4866-4885. The link to the full paper is https://ojs.cnr.ncsu.edu/index.php/BioRes/article/view/BioRes_15_3_4866_Ratnasingam_Awareness_ Readiness_ Malaysian_Furniture

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FEBRUARY 2022

LOGS

Logging activity for the whole month of February was basically reported to be still low with several major supplier states such as Pahang recording a reduction in the supply of logs. This situation has led to an increase in prices for certain species under the mixed-heavy hardwood category which was seen to have increased by 47% compared to the previous month while Red Balau and Kempas increased by about 12%. Apart from the mix of heavy hardwood and the two species mentioned above, most of the timber prices for other major species reported by the company were unchanged and did not show an increase or decrease that could be taken as an indicator of changes.

For February, the price for Chengal experienced a slight decline by about 4% and was traded at RM 4,830 per tonne while Balau was traded at RM3,040 per tonne with the highest prices reported for these two species were RM4,833 and RM3,400 respectively. Meanwhile, the prices for Merbau and Resak remained unchanged compared to the previous month and were traded at RM3,090 and RM1,550 per tonne.

For Keruing, its price for February reportedly remained unchanged at RM1,800 per tonne with a decrease of RM30 compared to the previous month. The Kapur species also recorded a slight decrease of around 9% and was trading at RM1,57 0 per tonne. Apart from the Sepetir species which experienced a 7% increase, the prices of the other species under the light hardwood category were reported to be unchanged.

SAWN TIMBER

By considering the low logging activity rate and the reduced supply of logs as reported, the average price of sawn timber in the domestic market was also affected by the mixed price situation for certain species. Out of the 21 species reported, Chengal and Mengkulang, were seen to have experienced price declines of around 15% and 21% respectively.

The average price of sawn timber for Chengal reportedly shrank by 15% and was traded at RM 6,000 per m³ while Balau was at RM 2,990 per m³. Meanwhile, apart from the Mengkulang species which recorded a 21% decrease in price with a trading price of RM1,450, species such as Keruing, Kempas, Kapur and Tualang under the medium hardwood category recorded a price increase of between 2% -16% and were traded at an average price of RM1,999, RM1,935 and RM1,570 and RM1260 respectively per m³. The average prices for Dark Red Meranti and Red Meranti for February was seen as little changed and were traded at RM2,030 and RM1,915 per m3.. However, the average price for the Sepetir species showed a slight increase of about 4% and was traded at RM1,710 m³. The price of sawn timber for mixed light hardwood remained unchanged and did not trade for more than RM1,130 per m³.

PLYWOOD

The average price for plywood in February did not show any change and remained as the previous month for all category sizes of thicknesses ranging between 3mm-12mm. The average prices for plywood were reportedly traded at RM20.00 for 3mm, RM19.40 (6mm), RM28.20 (6mm), RM44.00 (9mm) and RM49.00 (12mm).

MEDIUM DENSITY FIBREBOARD (MDF)

The average price of MDF for the current month also showed no change in prices compared to the previous month and remained traded at the price of RM31.00 per piece for thicknesses of 3mm, RM14.90 (4mm), RM21.70 (6mm), RM32.10 (9mm) and RM38.60 per 12mm.

INTRA-MALAYSIA TRADE * - FEBRUARY 2022

In February 2022, there was no activity for logs trading from Sabah to Peninsular Malaysia. Meanwhile the trading of sawn timber, plywood and veneer showed an increase in value of about 64-134% compared to the previous month. The sawn timber trade from Sabah had increased by 276% in volume from 34 m3 to 128 m3 worth RM 0.3 million. The trade for plywood and veneer also showed an increase of 104% and 115% respectively, from 1,205 m³ to 2,459 m³ worth RM4.9 million for plywood while veneer was from 252 m³ to 541 m³ worth RM1.3 million.

Meanwhile, sawn timber and veneer trading activities from Sarawak to Peninsular Malaysia were also reported to have not occurred in the current month as well as in January. Meanwhile, the trade for sawn timber and plywood showed a decrease of 28% and 48% respectively in value from RM0.89 million to RM0.64 million and RM1.2 million to RM0.63 million respectively.

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

*AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, FEBRUARY 2022 (RINGGIT MALAYSIA)

	LOGS/ton	SAWNTIMBER/m³		
SPECIES	**18" UP**	**GMS**	**STRIPS**	**SCANTLINGS**
HEAVY HARDWOOD				
Chengal	4,830	6,003	3,531	9,887
Balau	3,040	2,991	2,669	3,242
Red Balau	2,850	2,825	2,567	2,560
Merbau	3,090	3,337	3,531	3,199
Mixed Heavy Hardwood	1,395	1,116	1,123	1,236aa
MEDIUM HARDWOOD				
Keruing	1,800	1,999	1,843	2,119
Kempas	1,935	2,232	2,232	2,309
Kapur	1,570	1,600	1,412	1,886
Mengkulang	1,450	1,091	1,430	1,822
Tualang	1,260	1,783	1,900	2,083
LIGHT HARDWOOD				
Dark Red Meranti	2,030	1,928	1,748	3,153
Red Meranti	1,915	1,758	1,504	1,815
Yellow Meranti	1,590	1,819	1,236	1,886
White Meranti	1,640	2,472	1,801	1,977
Mersawa	1,590	1,631	1,610	1,999
Nyatoh	1,335	1,561	1,483	1,455
Sepetir	1,360	1,709	1,292	1,871
Jelutong	1,125	1,836	1,518	1,737
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	1,220	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	44.00	49.00
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- FEB 2022

	Jan-22		Feb-22		% change in volume	% change in value
	Vol(m³)	Val(' 000 RM)	Vol(m³)	Val(' 000 RM)	Jan/Feb	Jan/Feb
Sabah						
Logs	2,712	326	0	0	-100	-100
Sawn Timber	34	127	128	297	276	134
Plywood	1,205	3,013	2,459	4,934	104	64
Veneer		452	541	1,269	115	181
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	429	889	417	636	-3	-28
Plywood	1,130	1,198	522	624	-54	-48
Veneer	0	0	0	0	0	0

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

2 March 2022
Visit by lecturers and researchers from the Faculty of Mechanical and Manufacturing Engineering Technology, Universiti Teknikal Malaysia Melaka (UTEM) to FIDEC

9 March 2022
The Launching of National Agricommodity Policy 202 2030 (DAKN 2030) by Minister of Plantation Industries and Commodities (MPIC), YB Datuk Hajah Zuraida Binti Kamaruddin

16 March 2022
YBrs.Tuan Haji Mahpar Atan, Director General of MTIB receiving a courtesy visit by the Golden Pharos Berhad delegation, led by YBrs. Dr. Mohd. Zaki Hamzah, Chief Executive Officer

8 March 2022
MTIB delegates led by Tuan Haji Kamaruzaman Othman, Deputy Director General (Management and Operation) on a technical tour of the Bamboo industry, visits Sabah Handicraft Centre (PKS)

11 March 2022
Working Visit by YBrs. Tuan Haji Mahpar Atan, Director General of MTIB to Bumiputera timber entrepreneur workshops around Muar, Johor

13 March 2022
Inauguration of the Paulownia Plantation Project owned by Huu Haq Sdn. Bhd. by YBrs. Tuan Haji Mahpar Atan, Director General of MTIB

31 March 2022
Sarawak Timber Industry Development Corporation (STIDC) on a courtesy visit to MTIB

31 March 2022
The 228th MTIB Board Meeting was held at MTIB Kuala Lumpur. The meeting was chaired by YBhg. Datuk Hishamuddin Abdul Karim, MTIB Chairman