ISSN 0126-771X

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MTIB

MALAYSIAN TIMBER INDUSTRY BOARD

JUNE 2022

WOOD PLASTIC COMPOSITE, GREEN AND ENVIRONMENTALLY FRIENDLY PRODUCTS IN THE CONSTRUCTION INDUSTRY

- WOOD PLASTIC COMPOSITE (WPC) GARDEN FURNITURE AND COLLABORATION NOTES EXCHANGE CEREMONY
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WARMEST CONGRATULATIONS TO TUAN HAJI KAMARUZAMAN OTHMAN AS NEW DIRECTOR GENERAL OF MTIB

The Malaysian Timber Industry Board (MTIB) announced the appointment of Tuan Haji Kamaruzaman bin Othman as its Director General, following the retirement of Tuan Haji Mahpar Atan on June 16, 2022. Tuan Haji Kamaruzaman has assumed the new responsibilities with effect from 17 June 2022.

Tuan Haji Kamaruzaman who was previously the Deputy Director General (Management and Operations) was born on December 20, 1962 in Selangor and holds a Bachelor Degree and Diploma from Universiti Pertanian Malaysia (UPM). Tuan Haji Kamaruzaman has been with MTIB since 1987 when he began his 35-year career as an Administrative Officer (A22) and has since held various positions within the organisation including being the Head of MTIB Pahang for six years. His leadership roles at MTIB covered several key functions including International Market, Bumiputera Programmes, Forest Plantation and Management Services. Aside from these responsibilities, he was also involved in several trade missions as well as regional and international events and meetings.

MTIB's Boards Members and the management team would like to congratulate Tuan Haji Kamaruzaman on his appointment as Director General and look forward to his leadership, wisdom and guidance.

CHINA/INDONESIA

COOPERATION IN TIMBER SECTOR

The Chinese company Shandong Timber and Wood Products Association and the management of the Sei Mangkei Special Economic Zone, North Sumatra, signed a Memorandum of Understanding (MoU) for the development of an international industrial area. The Indonesian Ambassador to China, Djauhari Oratmangun, said this MoU was the result of intense negotiations between the Indonesian Embassy in Beijing and the Shandong Association for almost 3 years. The Shandong Association, a major business player in the timber sector in China is believed to be able to make a significant contribution to improve the quality of wood production in Indonesia. The chairman of the Shandong Association, Yang Yuelu, said, "This investment will strengthen cooperation between the two countries in the context of the synergy between the Belt and Road Initiative and the Global Maritime Fulcrum.

www.itto.int, 1- 15 June 2022

MYANMAR

HARVESTING BAN COULD STARVE MILLERS

The current government put a stop to timber extraction from April to September 2022 and for the financial year from October 2022 to September 2023. As a result of such long logging ban commentators say log supplies may not meet the demand of the manufacturers but it is not clear how this will be addressed. The supply issue has been exacerbated as the Myanmar Timber Enterprise, the sole and only legal supplier of logs, is facing problems transporting logs from the remote extraction sites to Yangon where the manufacturers have their operations due to security concerns. It is not possible to assess the current level of exports as the the Ministry of Commerce has not updated statistics on wood product export since December 2021.

www.itto.int, 1- 15 June 2022

VIET NAM

WOOD PRODUCT EXPORTS UP

Wood and wood product (W&WP) exports in April 2022 topped USD1.59 billion, up 12% compared to April 2021.

In particular, WP exports reached US$1.14 billion, up 5.5% compared to April 2021. In the first 4 months of 2022, W&WP exports totaled USD 5.6 billion, up 6.7% over the same period in 2021. WP exports accounted for USD4.17 billion of the total, up 2.6% over the same period in 2021.

In April 2022 Viet Nam's W&WP exports to the EU reached USD 57 million, down 10.9% compared to April 2021. In the first 4 months of 2022 exports of W&WPs to the EU reached USD259.3 million, up 3.2% over the same period in 2021.

W&WP exports to Australia in April 2022 reached USD 18.3 million, up 27.5% compared to April 2021. In the first 4 months of 2022 W&WP exports to the Australian market amounted to USD 64.3 million, up 17.8% over the same period in 2021.

Data from the General Department of Customs show that W&WP imports in April 2022 were valued at USD 273.7 million, up 15.0% compared to March 2022 and up 3.8% compare to April 2021.

In the first 4 months of 2022 imports of W&WP reached USD 952.1 million, down 4.2% compared to the same period in 2021.

Viet Nam's imports of tali wood in April 2022 reached 31,100 cubic meters worth USD 12.7 million, up 1.9% in volume and 1.5% in value compared to March 2022. Compared to April 2021 the imports of this species increased by 9.7% in volume and 11.2% in value.

In the first 4 months of 2022, tali wood imports from all sources reached 160,100 cubic meters worth USD 65.2 million, up 20.6% in volume and 20.7% in value over the same period in 2021.

Imports of log and sawnwood from Southeast Asia in April 2022 were 88,000 cubic meters worth USD 31.0 million, up 24% in volume and 17% in value compared to March 2022.

www.itto.int, 1- 15 June 2022

CHINA

OVERSTOCKING AT TAICANG PORT

At present, the Covid control measures in Taicang City remain strict and timber transport is limited which has created storage headache for Taicang Port.

It is reported that timber stocks have risen to about 1.7 million cubic meters, a record high. Shanghai and Taicang areas of the Yangtze River Delta have been heavily affected by the current covid outbreak and are still not fully open.

As of mid-May around 8,000 containers have been moved out from the port but more than 1,000 containers of North American timber are still stranded.

It has been reported that timber is not allowed to be unloaded at Taicang Port and is being directed to other regional ports such as Qingdao and then barged back along the Yangtze River.

www.fordaq.com, 3 June 2022

JAPAN

MITSUI AND NOMURA TO ACQUIRE AUSTRALIA'S NEW FORESTS

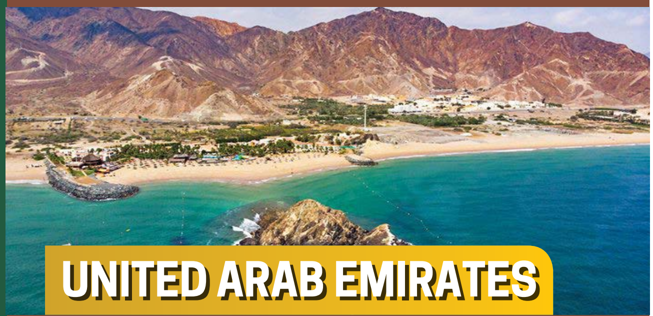
New Forests, the North Sydney, Australia-based global investment manager of nature-based real assets and natural capital strategies, with AUD 7.8 billion (USD 5.8 billion) in assets under management across 1.1 million hectares (2.7 million acres) of investments, announced that Japan's Mitsui and Nomura had entered into an agreement to purchase 100% of all the shares of New Forest.

Mitsui and Nomura will provide capital to support New Forests' strategic growth initiatives and the global expansion of its investment platform. In addition, New Forests will leverage Nomura's global distribution network particularly across Japan and more broadly in Asia.

Mitsui and Nomura share New Forests' commitment to sustainability and vision to see investment in sustainable land use and forestry as central to the transition to a sustainable future—including addressing climate change and the conservation of nature; supporting the transition to a circular bioeconomy; and contributing to the prosperity of communities where New Forests operates.

The agreement, which is subject to regulatory approval and expected to be completed by December 2022, will see Mitsui become a 49% shareholder and Nomura a 41% shareholder, with the remaining 10% shareholding retained by New Forests' staff. Mitsui has been a shareholder in New Forests since 2016 and will increase its shareholding from approximately 23% to 49%.

www.dealstreetasia.com, 1 June 2022



UNITED ARAB EMIRATES

MARKET SIZE OF OFFICE FURNITURE

United Arab Emirates office furniture market is expected to record a positive CAGR during the forecast period. The increasing employment rate and rising usage of office spaces are some of the major factors attributing to the growth of UAE office furniture market. Launch of innovative office furniture, such as 3D/2D office furniture, is expected to further increase the demand for office furniture in the region. The increasing construction activities in the country and upcoming events, like Expo 2020, are expected to provide significant growth opportunities for the market. Expo 2020 is expected to generate revenue up to USD 35 billion in the United Arab Emirates. The pre expo phase is anticipated to boost the real estate and construction sectors, which is expected to increase the need for new office space. Also, the government regulations on FDI in free zones are one of the major drivers that may increase the number of business activities, such as establishment of new businesses and business expansions, in the country, which in turn, may directly impact the growth of the UAE office furniture market.

Currently, the country majorly meets its demand by importing its office furniture requirements from countries, such as China, Italy, Germany, Malaysia, and Lithuania. The country also reexports imported office furniture to other Gulf countries and countries, like Kenya and Lebanon. Coworking and flexible workspaces are emerging as a rising trend across the commercial real estate sector in the country. In 2020, new market entrants are anticipated in the country. In addition, the existing companies are also expected to provide additional coworking spaces and flexible office facilities. For instance, currently, Dubai has 53 coworking locations, which indicates a growth of nearly 130% since 2015. Dubai has around 650,000 square feet of flexible and coworking spaces. The rise in new coworking and flexible office spaces is likely to drive the demand for office furniture for the new office spaces.

www.marketwatch.com, 11 June 2022

EUROPEAN UNION

TROPICAL WOOD IMPORT VALUE AT HIGHEST LEVEL FOR A DECADE

In the first three months of this year, the value of EU imports of tropical wood and wooden furniture was at a level not seen for over a decade.

Import value was USD 1.05 billion in the first quarter, a gain of 22% compared to the same period last year. It was also 16% up on the last quarter in 2021 when trade was already at a decadal high for that period of the year.

A large part of the gain in tropical wood import value in the first quarter this year reflected a rise in CIF prices, driven both by continuing high freight rates and severe shortages of wood and other materials due to logistical challenges during the global pandemic. In quantity terms, EU imports of tropical wood and wooden furniture products in the first quarter this year were, at 459,000 tonnes, up only 10% compared to the same period in 2021 and slightly below the pre-pandemic level of 479,000 tonnes in the first quarter of 2020.

The Drewry World Container Index shows that global rates for a 40 foot container, after peaking at USD 10,400 in the middle of September 2021 compared to USD 2000 in the same month in 2020, were still in excess of USD 9000 for most of the first quarter this year.

The index began to fall from mid-March this year but remains at an historically high level of USD 7,600 in May. Nevertheless, a robust rebound in EU economic activity following the COVID downturn did play a role to underpin stronger trade in tropical wood products during the first quarter this year. Rising activity in key sectors such as furniture and construction, particularly in private sector renovation, maintenance, and improvement (RMI), coincided with severe shortfalls in the supply of tropical wood alternatives.

These shortfalls have become even more pronounced since Russia's invasion of Ukraine on 24 February greatly curtailed availability from Russia, Belarus and Ukraine. Together these three countries accounted for over 50% of all wood fibre imported into the EU for outside the bloc last year.

The curtailment of supplies from these countries is opening up new opportunities in the EU market for some tropical wood products, notably plywood and decking for which Russian birch and larch products have been important substitutes.

The first quarter import data doesn't reveal any increase in share for tropical wood in the EU market, unsurprising as the full impact of the war in Ukraine on wood supply in the EU had yet to be felt in that period. However, EU imports from Russia and Belarus did begin to decline during this period and early beneficiaries of the opening supply gap appear to have been Norway, China and, most notably, Brazil (non-tropical products only).

Meanwhile the war in Ukraine is having a severely detrimental effect on the wider European economy. Before the invasion, the EU economy was well positioned for robust recovery as COVID restrictions have been eased and as funds from the EURO 723.8 billion Recovery and Resilience Facility are now being rolled out across the EU Member States.

But now growth projections are being severely cut back in the face of rapidly rising energy costs as EU countries are under considerable pressure to reduce dependence on Russian gas and oil. Rising energy costs, combined with the direct impact of the war and trade sanctions on availability of agricultural and other essential commodities, is driving inflation in the EU to historically high levels.

The inflation shock has been made worse by the impact on supply chains from Covid lockdowns in China.

To dampen inflation, European central banks are now under pressure to raise interest rates. But this would bring borrowing costs to levels unseen since the recession caused by the 2008 financial crisis and would likely undermine fragile consumer confidence and reduce business investment. So while EU demand for wood products was high at the start of this year, it may tail off later in the year.

www.timberindustrynews.com, 7 June 2022

SEMINAR KEUSAHAWANAN PERKAYUAN DAN UKIRAN KAYU BUMIPUTERA DALAM ERA PASCA PANDEMIK 2022


The team behind 'Keusahawanan Sebagai Satu Kerjaya'.

Today's timber industry still plays a significant role in contributing to the country's economic development. In 2020, the country's timber export value was RM22.0 billion. However, in 2021, the export value of timber products has increased to RM22.74 billion, showing an increase of 3.0% over the export value recorded for the previous year even though the world was still in the Covid-19 pandemic phase.

While there is a positive outlook for Malaysia's total export, the contribution of the export value of timber and timber products by Bumiputera entrepreneurs is less than 1.0% and is very small compared to the total export value in 2021. In addition, the contribution of Bumiputera entrepreneurs in the local market worth RM18.0 billion is 7.0%, and it is believed that it can be improved in the future. The country's economy has to some extent, recovered as compared to previous years. Based on the performance shown in terms of export value, the contribution of Bumiputera entrepreneurs as players in the timber industry still needs to be enhanced, since Bumiputera entrepreneurs have great potential to participate and be more active in the country's timber industry.

Among the factors identified to influence the participation of Bumiputera entrepreneurs in the local market is intense competition between non -Bumiputeras, apart from ineffective marketing strategies and management weaknesses that affect business performance. Therefore, it is recommended that all Bumiputera entrepreneurs increase their knowledge in learning the field of business plan development because a comprehensive business plan is important to ensure that Bumiputera entrepreneurs can expand their business and supply chain in the open market instead of relying on government projects.

A strong supply chain and business network are also important and a recipe for a business's success. Therefore, in the face of a competitive environment, the Government, through MTIB, is always committed to the entrepreneurial plan in line with the National Agricommodity Policy 2021-2030 (DAKN 2030), which is 'Inclusiveness: Increase Bumiputera participation in the timber industry'. This is because economic development in the future will be more collaborative, knowledge-oriented, and talent capability.

Meanwhile, the wood carving industry has enormous potential and can guarantee encouraging profit returns. The industry is beginning to be taken seriously. It can provide high added value to every wood product, especially furniture, because it has a very high aesthetic value and is distinctive. Interior decorations such as furniture are also starting to get a touch of wood carving, whose motifs have been modified according to the tastes tastes of trendsand the passage of time. It has become one of the styles in Government buildings and houses, which is beginning to get more attention from the public and can be seen at some angle in constructing a house with a modern concept.

Wood carving products require evolution and innovation, allowing them to be placed in line with other value-added wood products. It needs to be produced on a fast and vast scale to meet the extensive demand. However, the original elements and motifs of the carvings must be preserved to guarantee and maintain the identity of the National wood carving. Looking at the various advantages, potential and high aesthetic value, the art of wood carving in the country needs to be cared for and developed for the sake of heritage in the future. At the same time, the issues and challenges that are and will be faced by these wood carving practitioners also need to be addressed immediately.

The *Seminar Keusahawanan Perkayuan dan Ukiran Kayu Bumiputera Dalam Era Pasca Pandemik* 2022 on 8 June 2020 was jointly organised by MTIB and Universiti Putra Malaysia (UPM). Held in Auditorium Rashdan Baba, at the Office of the Deputy Vice Chancellor (Research & Innovation), UPM, the seminar discussed the issues and challenges faced by Bumiputera entrepreneurs and the status of Bumiputera entrepreneurs in the timber industry. Also discussed in the seminar was the development of the national wood carving industry because carved products can offer added value and contribute to this industry.

The launching of 'Keusahawanan Sebagai Satu Kerjaya' book.

During the opening ceremony, Prof. Dr. Hazandy Abdul Hamid, Dean of the Faculty of Forestry and Environment, gave the welcoming speech on behalf of UPM's Vice-Chancellor. It was followed by an opening speech by Tuan Haji Mahpar Atan, Director General of MTIB. Also included in the event was the book launching entitled 'Keusahawanan Sebagai Satu Kerjaya: Penguraian Status Terkini Dan Panduan Keusahawanan Bumiputera Dalam Sektor Perabot Dan Perkayuan.' Two UPM lecturers acted as moderators: Prof. Madya Dr. Seca Gandaseca in the morning session and Dr. Sabiha Salim in the evening session. There were also activities outside the Auditorium throughout the seminar, where four booths were set up: MTIB Publication, Faculty of Forestry and Environment UPM, PKF Malaysia and MTIB Timber Verification Services (TVS). Participants visited the booths during breaks. At the end of the seminar, the closing remarks were delivered by Tuan Haji Kamaruzaman Othman, Deputy Director General of MTIB.

It is hoped that the seminar could be helpful to the entrepreneurs by providing useful knowledge and information which would help to strengthen and sustain their businesses. 115 participants attended the seminar, and a total of 9 papers were presented by MTIB, UPM and the industry, as follows:

1. Current Status of the Local Market For Furniture and Wood Products by Tuan Haji Kamaruzaman Othman, MTIB
2. Status of Bumiputera Entrepreneurs in the Furniture and Wood Products Sector and The Challenges by Prof. Dr. Jegatheswaran Ratnasingam, UPM
3. Challenges and the Future of Art Malay Carving by Encik Norhaiza Noordin, Tokoh Kraf Negara
4. The Role of Wood Carving Art in Global Industry by Encik A. Muhaimin Hasbollah, Adiguru of Wood Crafts
5. Introduction to Persatuan Pengusaha Kayu Kayan dan Perabot Bumiputera Malaysia (PEKA) by Tn. Hj. Farosham Naizamohideen, President of PEKA
6. Entrepreneurship as a Career - Perceptions of Young Graduates by Dr. Paiman Bawon & Dr. Zubaidah Harun, UPM
7. Involvement of Internal Academics in Empowering Bumiputera Entrepreneurs - Researchers' Perceptions in Faculty of Forestry and Environment By Prof. Madya Ts. Dr. Rasmina Halis, UP
8. Issues and Challenges Faced by Bumiputera Entrepreneurs and MTIB Incentives in the Bumiputera Economic Empowerment Division by Encik Mohd Afthar Amir, MTIB
9. How to Secure Sustainable Business by PKF Malaysia Company

Malaysian Wood
Standing on Excellence

WOOD PLASTIC COMPOSITE (WPC) GARDEN FURNITURE AND COLLABORATION NOTES EXCHANGE CEREMONY

Group photo of MTIB-PPj representatives after the handover ceremony

The Malaysian Timber Industry Board (MTIB) have successfully presented wood plastic composite (WPC) garden furniture to Perbadanan Putrajaya (PPj) in a ceremony held on 3 June 2022 at Anjung Floria, Precinct 4, Putrajaya. An exchanged of collaboration notes was also held during the hand over ceremony. The event was officiated by the Director General of MTIB, YBrs. Tuan Hj Mahpar Atan and the Senior Vice President of PPj, YBhg. TPr. Dato' Fadlun Mak Ujud.

The development of garden furniture from WPC is one of MTIB's initiatives in promoting the use of biocomposite products as an alternative raw material for the furniture industry under the 12th Malaysia Plan. It is also an effort from PPj in ensuring Putrajaya becomes a world-class smart and sustainable administrative city by 2025. This is in line with the Government's goals toward Green Technology, which promotes the use of sustainable and environmentally friendly products in public areas for an eco-friendlier lifestyle.

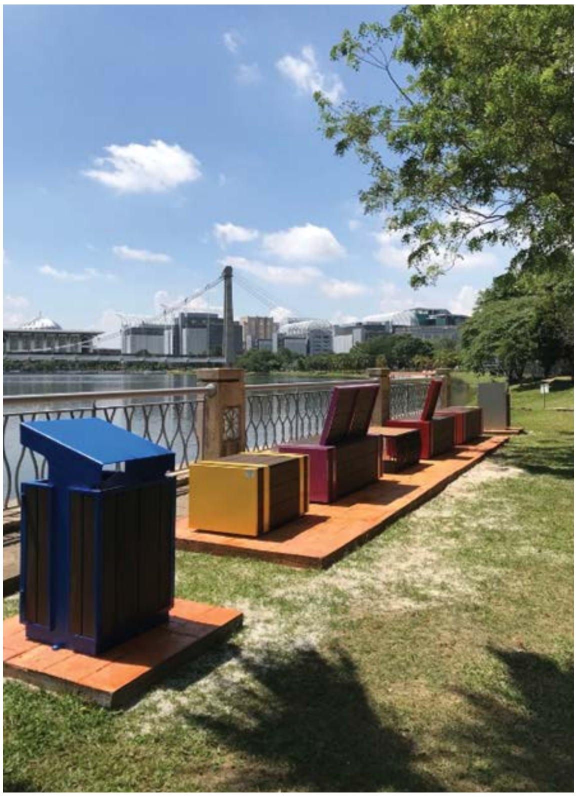
Tuan Hj Mahpar Atan, Director General of MTIB and Senior Vice President of PPj, YBhg. TPr. Dato' Fadlun Mak Ujud exchanging collaborative notes during the handover ceremony

MTIB has developed four (4) sets of WPC garden furniture with support from several industry partners, including Bumiputra furniture manufacturer Meranti Marshal Sdn. Bhd. Art Wood Composite Sdn. Bhd., authorized distributor of the BOISDECK brand for Timberdeck Sdn. Bhd (local WPC manufacturer). The sets which include benches, tables, and a litter bin were placed in Anjung Floria to give the public a clearer idea of unique green applications in developing garden furniture. Placing the furniture in a public area not only creates a comfortable environment for visitors but also acts as a model for future local green projects.

Visitors seen resting on WPC garden furniture

WPC is a biocomposite product produced from a unique blend of two main components, namely natural fibre (sawdust, kenaf and rice husk) and plastic. This product which has the closest feel and appearance to real wood, has proven its optimal performance in many applications. It is best fit for outdoor usage as it is termite resistant, fire retardant and moisture resistant. It also has a safe surface and requires low maintenance.

This initiative hopes to guide the public on ways to utilise biocomposite products and create awareness of its potential. WPC has shown its applications in the manufacture of outdoor furniture and it clearly has the potential to become an alternative raw material source to support the raw material supply demand for the wood industry. MTIB, with the support of the Ministry of Plantation Industries and Commodities (MPIC), is committed to implementing research and development (R&D) and pre-commercialization activities specifically for the biocomposite industry in Malaysia to boost demand and encourage the use of green and environmentally friendly timber products.



WPC furniture as a new attraction in Anjung Floria, Putrajaya

Malaysian Wood
Standing on Excellence

MAY 2022

The total export of Malaysian timber and timber products in May 2022 decreased by 25% in value totalled at RM1.9 billion from RM2.6 billion in the previous month. However, cumulative exports for the period of May 2022 increased by 8% valued at RM11.0 billion over RM10.2 billion in the previous corresponding period. Stronger demand for timber and timber-based products from the United States (US) and the United Kingdom (UK) provided an impetus for Malaysian timber producers especially sawntimber and plywood. The sanctions on Russian timber products to the US have undoubtedly led to American importers looking for alternative sources of material, especially plywood and sawntimber. Moreover, the on-going trade dispute between the US and China has left Malaysia and Indonesia as the only timber source options for the world's largest economy.

SAWNTIMBER

The total export of sawntimber in May 2022 decreased by 33% in volume and 30% in value to 87,376 m³ totalling at RM204.6 million as compared to the previous month. Cumulative exports for the period of May 2022 decreased by 8% in volume but increased 8% in value to 504,978 m³ totalling at RM1.1 billion over the previous corresponding period.

Exports to the EU for the month were recorded at 6,185 m³, a decrease of 7% as compared to the previous month. The Netherlands as the main buyer increased slightly to 3,294 m³ from 3,211 m³ in the previous month. Meanwhile, exports to Belgium and Germany decreased by 34% and 11% to 633 m³ and 830 m³ respectively from 960 m³ and 935 m³ recorded in the previous month. Similarly, in another Europe country, exports to the UK also decreased by 9% to 1,236 m³ from 1,355 m³ in the previous month.

The total export to South Asia decreased by 35% to 8,481 m³ from 13,080 m³ as recorded in the previous month. India as the main buyer from South Asia decreased buying by 20% to 5,746 m³ followed by Sri Lanka by 75% to 301 m³ from 7,201 m³ and 1,204 m³ respectively as recorded in the previous month. Similarly, exports to Maldives decreased by 48% to 1,902 m³ from 3,626 m³ as recorded in the previous month.

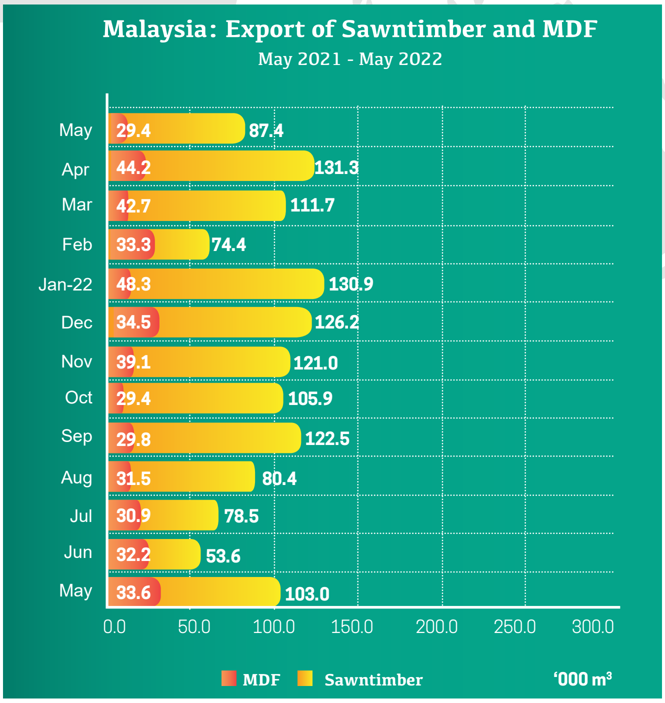
The total export to West Asia also decreased by 33% to 18,772 m³ from 27,887 m³ as recorded in the previous month. Yemen as the main buyer from West Asia decreased buying by 55% to 6,054 m³ from 13,307 m³ as recorded last month. Similarly, exports to the UAE decreased by 46% to 3,990 m³ from 7,386 m³ the previous month followed by Oman with a decrease of 46% to 3,725 m³.

Elsewhere, shipments to East Asia decreased by 48% to 27,033 m³ from 52,231 m³ in April. China as the main buyer decreased purchases by 53% to 18,760 m³ from 39,954 m³ in the previous month. Exports to Japan also decreased by 41% to 2,814 m³ from 4,782 m³ followed by Taiwan with a decrease of 41% to 2,814 m³.

Meanwhile, buying by ASEAN also decreased by 10% to 21,255 m³ from 23,552 m³ as registered in the previous month. Thailand as the main buyer in ASEAN decreased its intake by 16% to 11,764 m³ from 13,989 m³ as recorded in the previous month. Similarly, exports of sawntimber to the Singapore also decreased by 20% to 5,485 m³ whilst the Philippines increased intake by 43% to 2,941 m³ from 2,062 m³ last month.

Moving to the African region, exports to Africa decreased by 30% to 1,891 m³ from 2,693 m³ in the previous month. Demand from South Africa decreased by 60% to 880 m³ from 1,976 m³ as recorded last month. Exports to Nigeria increased by 63% to 306 m³ followed by Mauritius with an increase of 25% to 557 m³ from 446 m³ in the previous month.

Exports to North America also decreased by 23% to 1,809 m³ from 2,338 m³ in the previous month. The USA as a major buyer from North America decreased its intake by 26% to 1,459 m³ whilst Canada increased 35% to 350 m³ from 260 m³ last month.



In the Oceania/Pacific region, exports to Australia decreased by 35% to 694 m³ from 1,065 m³ in the previous month. Meanwhile New Zealand and French Polynesia didn't make any purchase for the month.

The average FOB price of sawntimber increased by 5% to 2,341 per m³ from 2,221 per m³ in the previous month. The price of Dark Red Meranti to the Netherlands also increased by 7% to 4,641 per m³ from 4,328 per m³ previously. Keruing was traded at 2,718 per m³, an increase of 8% from 2,510 per m³ in the previous month.

The current market sentiments for Malaysian timber in the US is bright especially for Meranti and Keruing. The demand for Meranti sawntimber has increased by 9% year-on-year while Keruing has increased by 467% year-on-year. However, shipments from Malaysia are slow given shortage of logs from natural forest have left Malaysian sawmills struggling to fulfil the increasing demands and orders. Another challenge that exporters have to cope with is heavy port congestion that ranges from lack of containers to insufficient vessel space and other logistical constraints.

PLYWOOD

Exports for plywood in May 2022 recorded a decrease by 10% in volume at 110,670 m³ and 7% in value at RM³24.9 million as compared to the previous month. Cumulative exports for the period of May 2022 decreased by 6% in volume but increased by 27% in value to 592,231 m³ totalling at RM1.6 billion over the previous corresponding period.

The EU union region recorded a decrease for plywood exports by 58% from 506 m³ to 215 m³. Italy increased the purchase by 14% to 88 m³. The UK and Turkey however reduced the buying by 71% and 29% to 211 m³ and 24 m³. Meanwhile, Denmark resumed buying to 86 m³.

Moving to the East Asian market, exports slightly decreased to 84,175 m³ from 84,891 m³. Japan increased import performance by 3% to 72,463 m³. Meanwhile, the Republic of Korea and Taiwan decreased their imports by 9% and 26% to 5,845 m³ and 5,176 m³ each. In South Asia, the export of plywood jumped by 19% from 719 m³ to 857 m³. India and Maldives increased their buying by 30% and 62% to 814 m³ and 21 m³ respectively. Sri Lanka resumed buying to 22 m³.

Elsewhere, the West Asian region recorded a decrease of 3% to 5,955 m³ from 6,144 m³ in the previous month. Yemen dropped its import volume by 3% to 5,650 m³ while Saudi Arabia and Oman resume their purchases to 241 m³ and 64 m³ respectively. Plywood export to the ASEAN region decreased by 22% to 3,246 m³ from 4,183 m³. Singapore and Thailand decreased their imports by 27% and 36% to 1,563 m³ and 541 m³ respectively. Meanwhile, Viet Nam increased the import volume tremendously by 322% to 869 m³.

Plywood purchases in the Oceania/Pacific region decreased by 37% to 2,646 m³ from 4,192 m³. Australia and New Zealand recorded a decrease of 38% and 36% to 2,500 m³ and 41 m³ each, while Papua New Guinea resumed the buying to 105 m³.

North American regions decreased the imports of plywood by 34% from 20,059 m³ to 13,341 m³. The USA as the main buyer decreased purchases by 33% to 12,895 m³, followed by Canada with decrease of 49% to 406 m³. Jamaica resumed purchases to 40 m³. On the other hand, Somalia, South Africa and Morocco didn't make any purchase for the month. The FOB price of plywood for May 2022 was at RM2,936 per m³, an increase of 3% from RM2,857 per m³ inthe previous month.

The UK's demand for plywood is reducing as a merchant described plywood as "one of the most boring products" at present but due to rising energy process, the cost-of-living crisis, the war in Ukraine and the persistent backdrop of COVID-19 threaten to throw the market off. China's recent COVID-19 lockdowns could also affect plywood supply. The problem was getting the product to ports because trucks could travel only in the province where they were registered. It is also predicted that plywood could face availability problems because of competing demands for logs. Although traders are faced with challenges from all sides, they are managing to retain the better margins established over the past two years and are hoping that the industry and its customers now recognize timber's true value.

VENEER

Exports of veneer for May 2022 decreased in both volume and value by 17% to 2,731 m³ and 32% to RM5.1 million as compared to the previous month. The cumulative exports for May 2022 also showed a decrease in both volume and value by 35% to 15,897 m³ and 18% to RM³2.6 million over the previous corresponding period.

In Asia, Singapore, the Republic of Korea and China recorded a decrease for veneer purchases by 67%, 8% and 70% to 1 m³, 1,152 m³ and 190 m³ respectively.

This is followed by India and Bangladesh with drop of 39% and 48% to 112 m³ and 30 m³ each. However, Taiwan showed an increase of 43% to 1,057 m³ from 738 m³ in the previous month. The Philippines didn't make any purchase for the month.

Exports to the Oceania/ Pacific region fell by 88% to 15 m³ from 122 m³. Australia decreased veneer imports by 94% to 7 m³ while New Zealand resumed buying to 8 m³. On the other hand, Italy, North America, Canada, USA, Africa and South Africa didn't make any purchase for the month.

The average FOB price for veneer decreased by 18% from RM2,291 per m³ to RM1,877 per m³ as compared to the previous month.

According to the Future Market Insight (FMI) analysis, the global veneer market is projected to reach a market value of USD41.2 million by 2031. Although it is projected to rise consistently, the COVID-19 pandemic is expected to have a major impact on short-term demand patterns. Delays caused in building projects and manufacturing processes have contributed to a decline in demand for sheets of veneer. Nonetheless, with economies returning to normalcy post extended lockdown period, the purchase of veneer is expected to pick-up, especially in the residential sector and furniture manufacturing perhaps by the end of 2022.

MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in May 2022 recorded a 34% decrease in volume at 29,397 m³ and 33% in value at RM60.0 million compared to the previous month. However, cumulative exports for the period of May 2022 increased both in volume and value by 2% to 193,836 m³ and 28% totalling at RM³75.8 million as compared to the corresponding period in 2021.

Exports to ASEAN increased by 14% from 6,178 m³ to 7,026 m³ in the previous month. The Philippines and Viet Nam imports plummeted by 6% and 11% to 2,631 m³ and 1,178 m³ respectively while MDF purchase in Indonesia increased by 68% to 2,363 m³. Elsewhere, East Asia showed a decrease in buying by 45% from 14,712 m³ to 8,106 m³ in the previous month. Exports to the Republic of Korea rose by 160% to 234 m³ but Japan and Taiwan recorded a fall of 48% and 27% to 7,289 m³ and 528 m³ each.

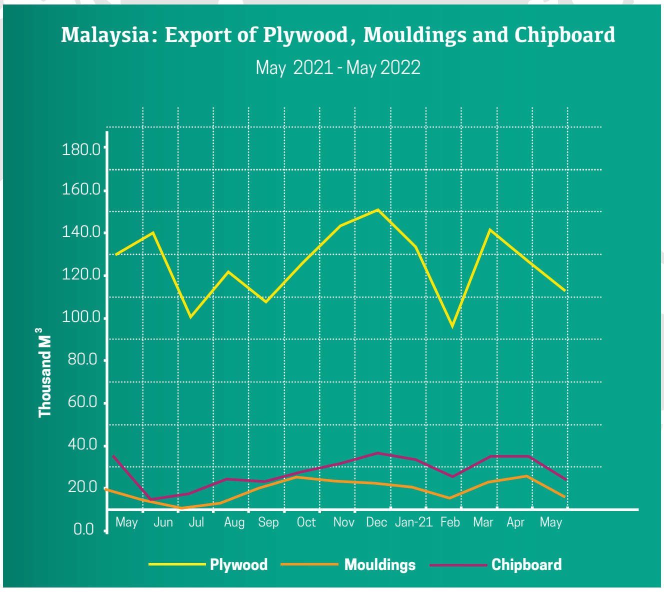
Moving to the South Asian market, exports decreased by 7% to 4,659 m³ from 5,005 m³. Export performance to Pakistan and Bangladesh declined by 31% and 74% to 1,212 m³ and 404 m³ respectively. However, shipping to India hiked up at 88% to 2,722 m³.

Likewise, exports to the West Asian region recorded a decrease of 41% from 9,511 m³ to 5,602 m³ compared to previous month. Yemen showed an increase in purchases by 61% to 2,135 m³ while UAE and Oman decreased their imports by 62% and 24% to 2,249 m³ and 600 m³ respectively.

In the North American region, the USA, Mexico and Canada decreased their buying by 63%, 42% and 58% to 1,157 m³, 496 m³ and 414 m³ each. Central America and South America didn't make any purchase for the month. Meanwhile, Germany and Turkey both resumed buying to 1 m³ and 29 m³ respectively. Exportd to Oceania and Pacific recorded a decrease by 30% from 2,419 m³ to 1,683 m³. New Zealand increased MDF imports tremendously by 373% to 227 m³ but Australia recorded a decline of 35% to 1,456 m³. Fiji didn't make any purchase for the month.

In the African region, the buying dropped by 83% to 224 m³ from 1,307 m³ in the previous month. South Africa and Somalia decreased imports of MDF by 75% and 94% to 72 m³ and 62 m³ respectively. Kenya on the other hand, increased intake by 200% to 63 m³.

The FOB price of MDF increased by 0.4% to RM2,041 per m³ from RM2,033 per m³ from the previous month.



The Asia-Pacific Region dominated the global market, holding a share of more than 60%. The increasing construction activities in the Republic of Korea and India are boosting the demand for MDF in the region. Over the short term, another major factor driving the increase on the demand for MDF is furniture. The furniture segment currently dominates the market and it is expected to expand at the fastest rate, owing to the rapid growth in residential construction activities across the world. A study reported that emission from building and furnishing materials such as MDF are potentially important contributors to indoor Volatile Organic Compounds' (VOCs).

MOULDINGS

Exports of mouldings for the month decreased by 38% in volume and 31% in value to 13,059 m³ worth at RM65.4 million. However, cumulative exports for the period of May 2022 decreased by 2% in volume and increased by 15% in value to 82,689 m³ worth at RM³82.8 million as compared to the previous corresponding period in 2021.

Exports to the EU for the month were recorded at 5,994 m³, decreased by 25% as compared to the previous month. Germany, France and the Netherlands decreased their purchases by 46, 26% and 21% to 667 m³, 565 m³ and 4,283 m³ respectively. Meanwhile, the UK recorded a decrease of 6% to 409 m³ and Turkey resumed its intakes to 40 m³ for the month.

In Asia, exports to Viet Nam, Singapore and Thailand decreased by 83%, 22% and 14% to 136 m³, 751 m³ and 38 m³ respectively. Meanwhile, Korea, Japan and Hong Kong also decreased their purchases by 74%, 50% and 24% to 309 m³, 728 m³ and 81 m³. However, India and Maldives increase their intakes by 11% and 5% to 252 me and 68 m³ respectively. The UAE did not make any purchase for the month.

Meanwhile, in the Oceania/Pacific region, exports to Australia decreased by 46% to 1,242 m³ while New Zealand and Guam resumed its purchases to 22 m³ and 19 m³ for the month. Similarly, in the American region, exports to Canada and the US also decreased by 85% and 49% to 38 m³ and 2,329 m³ respectively while. Mexico resumed its purchases by 102 m³ for the month.

Elsewhere, in the African region, South Africa decreased its purchases by 62% to 97 m³ while Mauritius increased its intake by 5% to 188 m³ and Egypt resumed its intakes to 82 m³ for the month.

Average FOB unit value for mouldings decreased marginally to RM5,007 per m³ compared to RM4,480 per m³ in the previous month.

Having made good progress in recovering from the severe downturn recorded in 2020 amid the widespread disruption caused by restrictions imposed to contain the spread of COVID-19, the global construction industry is again facing severe headwinds. There is a high degree of uncertainty over the short-term outlook following Russia's invasion of Ukraine and the war will exacerbate existing supply chain disruptions and put even greater upward pressure on energy prices, which will further drive up prices for key construction materials.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for May 2022 recorded a decrease of 23% in volume and 21% in value to 11,581,182 kg worth RM107.4 million from last month. Total BJC cumulative exports for the same corresponding period last year increased by 20% to RM566.6 million as compared to RM472.3 million last month.

Exports to the EU increased by 9% to RM92.4 million compared RM78.2 million in the previous corresponding period. Exports to Germany increased by 61% to RM13.1 million while Belgium and the Netherlands decreased buying by 12% and 9%, to RM20.3 million and RM13.2 million respectively. Meanwhile, exports to Turkey and Norway also increased by 292% and 115% to RM1.5 million and RM19.5 million respectively.

Exports to the UK, however decreased by 18% to RM56.1 million from last year. In Asia, exports to Singapore and Viet Nam recorded an increase of 34% and 30% to RM29.1 million and RM10.4 million respectively while Thailand decreased its intake by 29% to 5.5 million for the month. Exports to China and Japan increased by 61% and 14% to RM11.9 million and RM21.3 million while Taiwan decreased its intake by 7% to RM3.5 million respectively. Nevertheless, exports to Pakistan, India and Bangladesh increased by 24%, 17% and 2% to RM1.4 million, RM17.6 million and RM882,603 respectively.

Meanwhile, Qatar and the UAE decreased their intakes by 68% and 32% to RM340,939 and RM551,377 while Saudi Arabia resumed its intakes to RM224,453 for the month.

Meanwhile, in the Oceania/Pacific region, exports to Papua New Guinea, New Zealand and Australia increased by 593%, 28% and 18% to RM497,837, RM10.0 million and RM97.0 million respectively. However, in the American region, Canada, Uruguay and the US also increased their intakes by 132%, 101% and 44% to RM751,639, RM570,495 and RM165.0 million respectively. Mexico resumed its intake to RM6.5 million for the month.

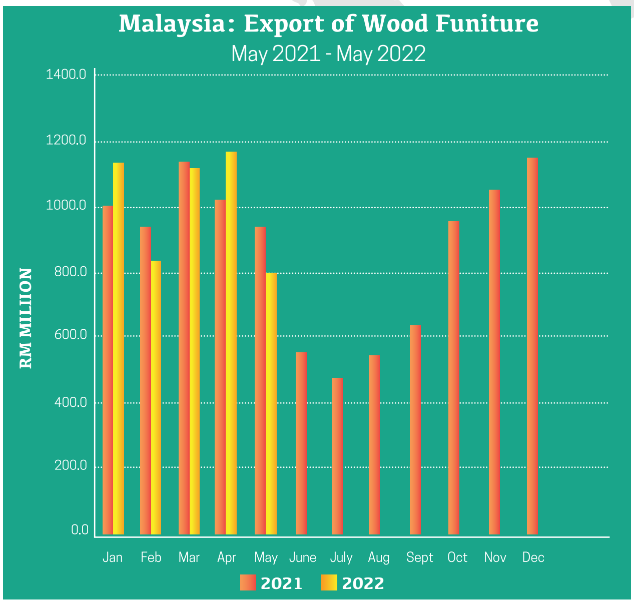
Elsewhere, in the African region, Mauritius and Egypt increased their intakes by 25% and 22% to RM410,001 and RM499,310 while South Africa decreased imports by 7% to RM3.9 million respectively.

Investments in the residential sector has recovered quickly and the sector continues to be buoyed by government support measures and house-building programmes aimed to narrow housing supply deficits in many markets. Investments in the infrastructure and energy and utilities sectors have been a major driver of the recovery in the overall construction output. These sectors expanded in 2020 despite COVID-19 disruptions, reflecting the efforts by governments and public institutions to accelerate investment to stimulate activity.

FURNITURE

Exports of wooden furniture for January – May 2022 decreased by 31% to RM793.3 million while rattan furniture exports decreased by 16% to RM7.3 million respectively from the previous month of March 2022. Meanwhile, exports of wooden furniture for the cumulative period from January to May 2022 recorded an export value worth RM5.1 billion from its corresponding period 2021. Meanwhile, demand for rattan furniture increased by 6% year-on-year to RM44.8 million from RM42.4 million over its corresponding period in 2021.

Exports of wooden furniture to ASEAN increased by 34%, worth RM418.0 million over its corresponding period in 2021. Singapore was recorded as the highest buyer with RM226.4 million with an increase of 25%. This was followed by the Philippines with an increase of 55% to RM85.7 million and Indonesia whose buying increased by 16% to RM33.2 million.



Moving to the East Asian region, exports increased by 8% to RM367.9 million. Japan remained the highest buyer with an export value of RM265.5 million, an increase of 19%. This was followed by Taiwan with imports increased by 30% to RM39.1 million. However, exports to South Korea decreased by 32% to RM28.0 million.

Exports to West Asia decreased by 18% to RM166.2 million from RM202.8 million in its corresponding period in 2021. The top three buyers in the region recorded a decrease in exports: the UAE with exports down by 4% to RM68.1 million, followed by Saudi Arabia, down by 29% to RM59.0 million and Kuwait, down by 9% to RM19.6 million.

Meanwhile, the South Asian region recorded an increase of wooden furniture intake by 5% to RM83.5 million. Amongst South Asian countries, exports to India rose by 7% to RM79.8 million over its corresponding period 2021. Similarly, exports to Bangladesh increased by 10% to RM669,527 while exports to Maldives were down by 26% to RM2.8 million for the month.

The Central Asian region recorded a decrease of wooden furniture imports by 60% to RM1.7 with exports to Azerbaijan recorded at RM103,012 and exports to Kazakhstan down by 58% to RM1.6 million.

Exports to the European Union (EU27) recorded a downturn by 4% to RM192.3 million from RM199.4 million in its corresponding period 2021. Despite the overall decreased buying in the region, Germany was recorded as the highest buyer with an increase of 33% to RM33.9 million, followed by Poland with an increase of intake by 25% to RM19.5 million. Similarly, exports to Denmark increased by 36% to RM19.1 million.

As for other-Europe countries, exports reduced by 12% to RM196.3 million. Exports to the United Kingdom and Russia decreased by 10% to RM185.4 million and by 56% to RM2.6 million respectively. Similarly, exports to Turkey decreased by 15% to RM2.4 million.

Exports to Oceania/Pacific rose by 3% to RM239.3 million over RM232.8 million in its corresponding period in 2021. Australia remained the top buyer in the archipelago region with an export value worth RM209.1 million, an increase of 2%. This was followed by Papua New Guinea with an increase of 89% to RM4.4 million. However, exports to New Zealand recorded a decrease of 14% to RM18.6 million from RM21.6 million over the same period in 2021.

Moving to the Central American region, exports of wooden furniture decreased by 37% to RM12.5 million over its corresponding period in 2021. Exports to Panama and El Salvador decreased by 9% to to RM3.7 million and 60% to RM3.1 million respectively. However, exports to Costa Rica recorded an increase of 1% to RM2.6 million for the cumulative period of January-May 2022.

Meanwhile, exports to the North American region recorded a slight decrease of 3% to RM3.2 billion. Exports to the USA, the largest wooden furniture buyer, decreased by 4% to RM3.0 billion over RM2.6 billion in its corresponding period 2021. Nevertheless, exports to Canada and Puerto Rico increased by 9% to RM132.8 million and 15% to RM42.5 million respectively.

Export of wooden furniture to the South American region recorded an increase of sale by 15% worth RM52.1 million from RM45.2 million in its corresponding year 2021. Although exports to Chile increased by 36% to RM41.9 million, exports to Peru and Columbia recorded a decrease by 33% to RM4.1 million and 39% to RM1.8 million respectively.

Exports to the African region recorded an increase of 22% to RM81.7 million with South Africa garnering the largest market share with RM23.5 million. It is an increase of 6% from its corresponding period in 2021. This was followed by Kenya, with a recorded sale of RM10.0 million, an increase of 77% while exports to the Reunion Islands also increased by 5% to RM6.8 million.

Rattan furniture shipments for May 2022 recorded a decrease of 16% valued at RM7.3 million from RM8.6 million in the previous month. However, exports of rattan furniture for the cumulative period of January – April 2022 recorded an increase of 6% to RM44.8 million from RM42.4 million in the corresponding period in 2021.

Exports to ASEAN member countries were recorded at RM1.8 million, an increase of 3% for the cumulative period of Jan-May 2022. The highest buyer was the Philippines with recorded sales amounting to RM666,756, a decrease of 4%. Similarly, exports to Singapore also reduced by 20% to RM510,300. However, exports to Thailand increased significantly by 119% to RM439,158.

Likewise, the East Asian region also decreased its shipments by 18% to RM3.6 million. China as the largest buyer in the region reduced its intake by 36% to RM2.0 million. However, exports to Japan increased by 46% to RM596,688 whilst Mongolia recorded a decrease of 9% to RM³48,443.

India as the largest buyer amongst South Asian countries recorded a decrease in intake by 50% to RM1.4 million from RM2.9 million in the corresponding period in 2021. Exports to the largest buying nation of rattan furniture in the West Asian countries, the UAE were down by 30% to RM223,163 from RM³18,271 in its corresponding period in 2021.

Meanwhile, exports to European Union recorded an increase of 34% to RM6.0 million with Sweden being the largest buyer amongst EU27 countries. Exports to Sweden rose drastically by 149% to RM1.4 million. Ireland recorded a sale value of RM1.4 million, an increase of 6% while exports to France increased by 99% to RM700,552. Moving to other-Europe countries, exports decreased by 29% to RM4.0 million with exports to the United Kingdom were down by 28% to RM2.7 million. Likewise, exports to Russia and Ukraine decreased by 32% to RM996,479 and 62% to RM122,916 respectively.

Shipments to the Oceania/Pacific archipelago region increased by 16% to RM3.9 million from RM3.3 million over the same period in 2021. Australia recorded an increase of 34% to RM3.5 million and exports to Western Samoa increased by 522% to RM68,143. However, exports to New Zealand declined by 60% to RM245,172.

Exports to the North American region increased by 22% to RM22.1 million from RM18.1 million over the same period in 2021. The USA, being the largest buyer for rattan furniture increased buying by 17% to RM19.5 million, followed by Canada win an increase of 76% to RM1.9 million and Dominican Republic with an increase of 122% to RM459,160. Amongst South American countries, exports to Chile increased by 42% to RM247,727.

Intake of rattan furniture in the African region increased by 61% to RM1.5 million where the largest buyer, Algeria increased its buying by 129% to RM922,524. South Africa also increased its intake by 12% to RM187,328 while Tanzania resumed its buying to RM143,741.

Malaysian furniture makers stated that rising raw material costs, freight costs, sluggish demand from key export markets and the minimum wage hike have eaten into their profit margins. Furthermore, the Russia-Ukraine war has affected the supply chains and prices of commodities worldwide, thus driving the prices of timber. Numerous furniture makers have opted to raise prices to offset the rising input costs, while others have maintained prices in a bid to remain competitive in the global market. The elevated raw material costs have driven many furniture makers to increase its prices to cushion its profit margin, resulting in deterred overseas buyers or reduced orders. In addition, the post-pandemic spending bubble has burst, with furniture makers and retailers facing

MALAYSIA

Malaysian Ports Achieved Reasonable Growth In 2021

Several of Malaysia's ports have achieved reasonable growth in 2021, mainly due to the lifting of restrictions imposed during the height of the pandemic, said Transport Minister Datuk Seri Dr Wee Ka Siong (third from left).

He said Port Klang, Selangor, was ranked the 12th among the busiest ports in the world while Port of Tanjung Pelepas, Johor, was at the 15th place in 2021, having served as gateways and trans-shipment hubs and frequently handling the largest container vessels of 24,000 20-foot equivalent units.

"Other main ports including Penang; Pasir Gudang, Johor; Kuantan, Pahang; Bintulu and Kuching, Sarawak; and Kota Kinabalu, Sabah, serve as important regional ports providing direct shipping links to various parts of the country.

"Ports such as Pengerang, Johor; Sungai Udang, Melaka; and Kertih, Terengganu, provide facilities for oil and gas cargo and are actively involved in petrochemical industries, refineries and liquefied natural gas storage," he said after officiating the 13th International Harbour Masters Congress in Kuala Lumpur today.

The conference, which was held for the first time in Asia, was hosted by the Port Klang Authority and supported by the Ministry of Transport.

Nearly 200 delegates from 30 countries will take part in the four-day conference and trade fair with more than 40 speakers and panellists expected to discuss sustainable capacity building, decarbonisation, digitisation, safe maritime transportation and new green technologies.

Wee added that the International Harbour Masters Association is an international organisation that promotes good practices in governing marine operations and security in port waters, with the ultimate objective of protecting the environment and providing a safe and secure environment for ships, passengers and goods.

"Almost 90% of our trades are seaborne and that is all the more reason why we need to ensure that shipping lanes are kept safe and functional, with our ports readily accessible.

"It opens up opportunities for Malaysia, especially Port Klang, to showcase the country's achievements and future potential in the maritime industry which is a benchmark for safe and sustainable development and practices," he said.

However, Wee further added that the ongoing Russia-Ukraine war and the resulting escalation in oil prices and shortage of commodities, coupled with continuing high freight rates, have somewhat dampened the country's expectations.

"It is our hope that a speedy resolution is negotiated in the case of the Russia-Ukraine conflict and hopefully accelerates the recovery of the global economy which is still reeling from the effects of the Covid-19 pandemic," he concluded.

Source: *themalaysianreserve.com : June 27, 2022*

Timber Round-UP

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tougher trading conditions, falling consumer confidence, and soaring inflation impacting consumer spending power. Supply chain issues including rising commodity and transport costs, a tight labour market and higher energy bills are forcing the industry to increase their prices, contributing to wider inflation. Profits may be squeezed further, as manufacturers and retailers continue to find efficiencies in their own operations and supply chains to reduce the impact of future price rises for consumers. MTIB

EUROPE

Shippers to Pay the Penalty as ONE Set to Apply Overweight Charge

Asia-Europe ocean carriers are cracking down on rogue shippers who incorrectly declare westbound booking container weights and make last-minute verified gross mass (VGM) amendments.

Misdeclared booking weights can cause the weight allocations of individual alliance partners to be exceeded, ships to shut out cargo, contracts to underperform and revenue to be lost. For instance, Japanese carrier ONE said a $2,000 per container weight discrepancy charge (WDS) would be applicable from 1 July for bookings accepted on or after that date.

ONE said the penalty fee would apply where the cargo weight deviated by more than +/- 3 tons per teu from the bill of lading instructions and VGM documentation. Its advisory added: "The implementation of this misdeclaration penalty will support the operational safety for everyone in the cargo handling network, both onshore and onboard ship."

The International Maritime Organization's (IMO) Safety of Life at Sea (SOLAS) VGM regulations, requiring the gross mass (cargo gross weight plus container tare weight) of loaded shipping containers to be recorded and verified before they can be loaded onto a vessel for export, came into force on 1 July 2016.

Previously, shippers often estimated the weight of export containers or, in some cases, deliberately misdeclared information, compromising the safe carriage of containers at sea and resulting in many accidents relating to vessel stability and the collapse of container stacks.

Overall, the VGM regulations have been successfully implemented around the world, resulting in much safer supply chains. However, concerns have been raised in the past over the accuracy of weighing facilities, as well as the number of late VGM amendments. Moreover, where container lines have an abundance of export cargo to load, as has been the case in the past two years from Asia to Europe and the US, cargo weights become more critical.

At the recent Multimodal event in Birmingham, carriers were less interested in discussing rates with a shipper that wanted to move 20ft containers of animal feed from China to the UK, than if he had been offering them 40ft containers of garden furniture. A carrier representative conceded that his line was currently "restricting heavy boxes from China".

And carriers have also tightened up on their annual contracts with shippers that specify minimum quantity commitments between the BCO (shipper) and the shipping line, which have often only shipping line, which have often only focused on volume, to also encompass container weights. According to a carrier source, some shippers have been "conveniently underestimating the weight of their boxes". "It drives our ops guys mad," he said. "The weights they state in the agreements are often nowhere near the actual ones."

And ONE appears to suggest it has similar issues. Its advisory added: "The penalty fee also safeguards the commercial integrity of our agreements with all our customers."

***Source:** theloadstar.com, June 28, 2022*

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% Change Apr/ May'22
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	39,697	4	8,979	28	650	-21	304	140	3,993	-36	53,622	2
MDF	10,374	-7	96	-91	1,605	0	1,305	-31	2,734	183	16,114	-3
Mouldings	9,326	-14	73	13	1,111	-35	1,455	15	565	-24	12,530	-14
Plywood	6,251	-19	0	0	131	-63	413	208	4,415	-34	11,210	-25
Veneer	608	68	0	0	0	-100	0	100	87	100	694	68
Particleboard	10,823	-35	0	-100	208	224	0	0	1,614	-80	12,645	-49
TOTAL	**77,078**	**-9**	**9,149**	**11**	**3,706**	**-19**	**3,477**	**1**	**13,407**	**-41**	**106,816**	**-14**

Note : Indicates percent change over the previous month

Source : MTIB

UNITED STATES

Freight Data Wars on The Horizon

An early June report from the Freightwaves platform, with the headline, "US import demand is dropping of a cliff", received a great deal of traction, and caused holders of transport related equities to push the "sell" button- against the backdrop of equity markets already rattled by fears of rampant inflation and pending interest rate hikes that would stifle demand. Indeed, the Freightwaves article emphasized a looming inventory glut.

The investment house Stifel, in a letter to its investor clients, raised concerns about the Freightwaves report which stated: "The latest ocean container bookings data reveals that despite the strong levels of inbound cargo during the first five months of 2022, import demand is not just softening - it's dropping off a cliff.

Because capacity on the trans-Pacific has remained relatively stable, Freightos' container spot rates from China to the West Coast have plunged 38% month-over-month to $9,630."

In a sign of further confusion, the spot rate had initially been attributed to yet another source-Drewry. Freightos, an Israel based data provider with a working relationship with London's Baltic Exchange, is different from Freightwaves, a US-based supply chain intelligence platform which provides news and data.

Among investors, fears of a 2008-like financial collapse are in the air. The Stifel note to investors in transport-related shares, sought to refute the Freightwaves allusion to a drastic fall in trade movements. Stifel said: "A Freightwaves article that claimed sea-borne US import bookings dropped by 40% within a couple of weeks caused a sharp sell-off in transport names.

We see little evidence for this claim as it contradicts import data from US Customs. Also, it is our understanding that neither carriers nor freight forwarders have witnessed a sudden deterioration of sea-borne volume." Stifel's bottom was: "We thus believe last week's sell-off is not warranted".

The report's author's go on to say that: "We believe that the Freightwaves time series is neither an accurate reflection of the sea-borne import situation for the present, nor for the past. According to US Customs, sea-borne imports were stable late in May and early June except for a brief u-shaped move at the start of May that is most likely tied to the lockdown in Shanghai."

Another observer, industry veteran John McCown, who publishes the McCown Container Volume Observer, noted that: "The ten largest US ports showed a gain of 2.9% inbound container volume during May." Mr. McCown, an active consultant on supply chain matters, did say that while the May number represented a new record volume, the rate of increase on-year had slowed compared to the tremendous upticks over 2021 figures seen earlier in 2022.

With all the uncertainty, and the possibly over-stated levels of trade flow drop-offs, Stifel came with buy recommendations on a number of shipping and logistics "names" including Maersk, Matson and a number of others.

Further along in the vast burgeoning data lake, Windward Maritime AI, announced that it was offering predicted ETA and real-time insights as part of its Ocean Freight Visibility (OFV) set of solutions. Windward, a major proponent of deploying artificial intelligence to cull through and integrate numerous sources of maritime data, said that it is new feature: "… predicts shipments' and vessels' ETAs more accurately than carriers up to 30 days out. The groundbreaking AI technology outperforms the carriers' arrival estimations for two out of three containers traded across the globe, and cuts down by half the number of ETAs assessments that are off by 5+ days, providing organizations with full visibility and predictability."

***Source:** seatrade-maritime.com, June 15, 2022*

LEAN CREANOVA 2022 – SHARING BEST LEAN PRACTICES

Launching of the National Timber Industry Strategic Plan book and the book "Aplikasi LEAN Dalam Industri Perkayuan"

MTIB has been conducting the Lean Management Programme yearly since 2014 with the purpose of improving work process flow particularly in manufacturing operations such as floor lay-outs, logistics management and maintenance in order to increase operations efficiency in wood-based companies in Malaysia. After the completion of the programme, each participant would have to participate in Lean Creanova MTIB to present their progress. The programme, which was held on 13 June 2022, in Bangi Resort Hotel, Selangor was officiated by YBhg. Datuk Hishamuddin Abdul Karim, Chairman of the Malaysian Timber Industry Board (MTIB), while also launching the National Timber Industry Strategic Plan book and the book "Lean Applications in the Timber Industry" *(Buku Aplikasi Lean Dalam Industri Perkayuan).*

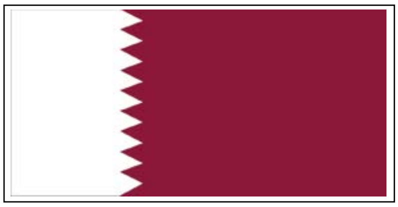
According to Datuk Hishamuddin, as of 2021 a total of 96 timber companies have participated in this Lean Management Programme with a total operational savings of RM84.0. million per year. He urged members of the timber industry to continue to strive towards increasing productivity which would help them not only in providing quality services to customers but also in optimizing the use of resources as well as saving production operating costs. He also added that the newly launched *Buku Aplikasi Lean Dalam Industri Perkayuan* can be utilised as a reference and guide for the timber industry to begin their own lean transformation journey. The book presents insights into lean thinking as a philosophy that allows the industry to identify problems and waste in various areas, analyze them, and identify activities that allow processes to improve in many areas.

Each company gave a 15-minute presentation that highlighted all activities and Kaizens (process improvement measures) that had been implemented at their factories during the six-month programme. They also laid out all Kaizens to be implemented in the near future, indicating that they would continuously practice Lean Management, with or without the involvement of MTIB or its appointed consultants. All presentations were judged based on their chosen projects and the methods or techniques that were used and how effective it was to solve their problems. The panel of judges, which was headed by Encik Sabri Bin Hasan, Manager of Organisational Excellence Development of Malaysian Productivity Corporation (MPC), also comprised Encik Mohd. Amin Kadir, Director of Management Services, from MTIB. After hearing and judging all presentations, Encik Sabri stated that he was very impressed and proud of the achievements shown by the timber industry in implementing lean management. He expressed his hopes that all companies involved would continue these efforts as lean is about striving for perfection.

It was announced later that the top spot was awarded to MYR Construction Sdn. Bhd. a furniture manufacturer from Tumpat, Kelantan. The company walked away with a cash prize of RM1,000.00 and a trophy. The second prize was awarded to MG Furniture Sdn. Bhd. from Nibong Tebal, Penang who received RM700.00 and a trophy. The third prize was won by Teck Seng Industrial Sdn. Bhd., an office furniture manufacturer from Parit Sulong, Batu Pahat, Johor who received a cash prize of RM500.00 and a trophy. Each of the three winners were also givenatwo-page promotional advertorial in MASKAYU.

The winners of LEAN CREANOVA

Overall, the MTIB Lean Creanova programme was well received by the audience, as it showcased the positive impacts of Lean Management to the timber industry. The event was attended by over 100 participants, ranging from representative from both private and government sectors.



QATAR

CONSTRUCTION ATTRACTS GROWTH MARKET

Overview

The State of Qatar juts out into the Arabian/Persian Gulf from the Arabian Peninsula, a peninsula itself protruding from Arabia into the Gulf, comprising 11,437 square kilometers of low lying land surrounded by a number of reefs and small islands. Qatar is bordered by Saudi Arabia. Qatar shares maritime borders with Bahrain, Iran and the United Arab Emirates. The country covers an area of 11,586 km² making Qatar about 1.25 times larger than Cyprus or also somewhat larger than Puerto Rico. The main cities in Qatar are the capital city of Doha, the industrial city of Misaiaeed and the smaller cities of Al Khor, Al Wakrah, Dukhan, Al Shamal, Al Zubarah and Ras Laffan. Qatar's population is estimated at about 3.1 million as of January 2022. The rest of the population are foreign workers, mainly from Iran and Pakistan, as well as India and other Asian countries. The official language is Arabic, but other languages such as English and Urdu are used.

Economy

The economy of Qatar is one of the richest in the world based on GDP per capita, ranking generally among the top ten richest countries on world rankings for 2015 and 2016 data compiled by the World Bank, the United Nations and the International Monetary Fund (IMF). The country's economy grew despite sanctions by its neighbours, Saudi Arabia and the United Arab Emirates.

Petroleum and natural gas are the cornerstones of Qatar's economy and account for more than 70% of the total government revenue, more than 60% of gross domestic product, and roughly 85% of export earnings. Qatar has the world's third largest proven natural gas reserve and is the second-largest exporter of natural gas.

Qatar’s economic freedom score is 67.7, making its economy the 44th freest in the 2022 Index. Qatar is ranked 3rd among 14 countries in the Middle East and North Africa regions and its overall score is above the regional and world averages.

Qatar’s economic growth has fluctuated over the past five years, positive in 2017 and 2018, slowing in 2019, negative in 2020, and returning to positive in 2021. A five-year trend of solid economic freedom, however, has faltered. With drops in scores for judicial effectiveness and trade freedom, Qatar has recorded a 5.4-point overall loss of economic freedom since 2017 and has fallen from the “Mostly Free” category to the “Moderately Free” category. Qatar has a hearty fiscal health, but business freedom lags.

Forest Resources

According to the FAO, the forested area in Qatar is negligible. However, Qatar has some 151 known species of amphibians, birds, mammals and reptiles according to figures from the World Conservation Monitoring Centre. In addition, Qatar is also home to at least 355 species of vascular plants.

Timber Industry

The natural vegetation of Qatar includes a very limited number of plant species because of the arid climate. The country has virtually no forest or woodland. Natural vegetation is predominantly sparse desert scrub, with some tree cover, mainly in the wadis. Acacia species are probably the most common shrub species. Small patches of mangroves occur around the northern third of Qatar. Avicennia marina plants grow on small areas along the seashore and the lagoons.

There has been no accurate survey of the area of natural woodlands. The total area of natural rangeland is about 3.4 percent of the land. However, the area covered by old and scattered trees and shrubs does not exceed 10 percent of the rangelands. Tree plantations in Qatar (all mixed, non-industrial and publicly owned) started in 1983.

Due to the climatic constraints, the number of tree species used in afforestation projects is very limited. Planted trees and shrubs are mostly indigenous species that have proven to grow well under the prevailing climatic conditions. The most common species are Acacia tortilis, Acacia ehrenbergiana, Lycium shawii, Zizyphus spina-christi, Leptadenia pyrotechnica, Tamarix spp. and Avicennia marina.

Qatar's network of protected areas includes the Al- Mashabiah Protected Area, the Ras Osheirej Protected Area and Shahanya Park. There are four natural reserves and a project is under way for setting up three reserves aimed at breeding plants facing depletion. A reserve for gazelles is being planned in Maszhabiya.

Qatar has no large-scale forest industries. Almost all demand for wood and paper products is met from imports. Verified data is currently unavailable on the presence or significance of non-wood forest products in Qatar.

Timber Production

According to the FAO forest statistics, Qatar's productions are as below:

Qatar: Production Quantity 2017-2021

Product / Year	2017	2018	2019	2020	2021
Wood Charcoal	778	777	777	777	776

Source : FAO STATS *Volume: tonnes*

Qatar: Exports of Timber and Timber Products

Qatar's exports of timber and timber products in 2021 decreased by 18% to USD3.6 million over the previous corresponding period. Qatar exported mainly furniture, BJC and fibreboard totalled at USD3.5 million, USD26 thousand and USD18 thousand respectively. Qatar exported furniture mainly to the UK where the exports were valued at USD1.7 million, BJC mainly to the Netherlands, at USD21 thousand and fibreboard mainly to Ethiopia, at USD15 thousand.

Qatar: Export Of Timber & Timber Products, 2017-2021

Product / Year	2017	2018	2019	2020	2021
Furniture	2,382	1,607	1,410	1,626	3,453
BJC	431	5,359	933	173	26
Fibreboard	22	0	50	99	16
Sawntimber	129	0	30	224	16
Wooden frames	8	0	0	56	2
Mouldings	143	23	14	0	2

Plywood	532	129	240	77	1
Particle board	7	20	14	0	0
Veneer	60	0	21	0	0
Logs	0	0	0	0	0
Others	1,137	1,484	188	126	35
Total	**4,851**	**8,622**	**2,900**	**2,381**	**3,551**

USD'000 *Volume: tonnes*

Qatar: Imports of Timber and Timber Products

According to the latest ITC statistics, Qatar's imports of timber and timber products in 2021 increased by 34% to USD559.4 million over the previous corresponding period. Qatar imported mainly furniture, sawntimber and plywood totalled at USD351.1 million (an increase of 42%), USD62.1 million (an increase of 43%) and USD49.8 million (an increase of 7%) respectively. The major import sources for Qatar are China, followed by Slovenia and Italy.

Qatar: Imports of Timber & Timber Products, 2017-2021

Product / Year	2017	2018	2019	2020	2021
Furniture	291,666	280,565	292,066	246,892	351,081
Sawntimber	56,952	76,889	59,031	43,545	62,106
Plywood	66,048	65,364	47,526	46,739	49,801
Builders' joinery and carpentry	30,756	27,380	23,723	26,089	35,905
Fibreboard	20,262	24,159	21,588	19,040	25,767
Particle board	9,322	8,749	8,318	11,548	9,944
Veneer	2,720	3,843	3,201	3,048	2,198
Mouldings	3,887	3,215	3,227	1,356	1,804
Wooden frames	2,156	2,549	1,799	1,430	589
Logs	591	583	278	747	145
Others	33,961	29,764	26,668	17,107	20,080
Total	**518,321**	**523,060**	**487,425**	**417,541**	**559,420**

USD'000 *Source: ITC Stats*

Malaysia: Exports of Timber and Timber Products to Qatar

Qatar has always been an important timber trade partner for Malaysia in the Middle East region.In 2021, exports of Malaysian timber and timber products to Qatar registered an increase of 9% to RM42.7 million from RM39.3 million in 2020. Qatar ranked 36th with 0.2% of Malaysia's total export share. Sawntimber was the main product exported with a total value of RM24.6 million, followed by wooden furniture at RM12.1 million and MDF at RM2.6 million.

Malaysia: Exports of Timber & Timber Products To Qatar, 2017-2021

Product / Year	2017	2018	2019	2020	2021
	RM	RM	RM	RM	RM
Sawntimber	27,944,397	31,547,526	27,040,959	23,320,671	24,588,724
Wooden Furniture	15,559,299	18,056,621	13,400,576	7,045,793	12,146,411

MDF	13,426,235	12,540,063	7,203,944	4,976,408	2,624,043
BJC	0	6,583	4,541,839	936,221	1,497,847
Plywood	4,113,823	4,068,789	2,014,177	2,467,751	637,037
Mouldings	0	0	0	0	0
Chipboard/Particleboard	28,906	371,082	0	0	0
Others	499,402	446, 776	277,223	508,406	1,181,691
Total	**61,572,062**	**67,037,440**	**54,478,718**	**39,255,250**	**42,675,753**

Source: MTIB & DOSM *Value : RM*

Malaysia: Imports of Timber and Timber Products from Qatar

In 2021, there were no import activities to Qatar.

Malaysia: Imports of Timber & Timber Products From Qatar, 2017-2021

Product / Year	2017	2018	2019	2020	2021
	RM	RM	RM	RM	RM
Wooden Frame	7,510	0	0	0	0
Builders Joinery & Carpentry	12,859	0	0	0	0
Wooden Furniture	11,949	0	7,112	0	0
Others	30,725	0	0	0	0
Total	**63,043**	**0**	**7,112**	**0**	**0**

Source: MTIB & DOSM *Value : RM*

Import Tariffs

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

Product	MFN Tariff Duty %
Logs	5
Sawntiber	5
Veneer	5
Mouldings	5
Particleboard/Chipboard	5

Product	MFN Tariff Duty %
Fibreboard	5
Plywood	5
Wooden Frames	5
BJC	5
Furniture	5

Source: WTO

Prospects

The Qatari construction market was valued at USD 55 billion in 2021 and it is expected to reach a value of USD 76 billion by 2027, registering a CAGR of 10.54% over the period of 2022-2027. The impact of the COVID-19 pandemic was negative on the Qatari construction sector. As the pandemic's epicentre shifts from China to mainland Europe and the US, the Qatari construction sector is likely to face shortages of materials from these regions. However, Qatar's economy is likely to continue to grow for the foreseeable future due to the end of the embargo on Qatar (which was put in place in 2017) by the Gulf Cooperation Council (GCC), Qatar's National Vision for 2030 and its preparations for hosting the FIFA World Cup in 2022. As a result of its commitment to hosting the 2022 FIFA World Cup, its commitment to its National Vision 2030, and its ambition to host the Asian Games in 2030, Qatar is undertaking an impressive array of infrastructure and industrial projects.

As Qatar works towards the FIFA World Cup in 2022 and the Qatar National Vision 2030, international interest in the country continues to grow. The construction industry in Qatar was among the biggest in GCC countries. 'Build it and they'll come'. That's the vision of Qatar. The FIFA 2022 World Cup™ (World Cup) and the Qatar National Vision 2030 (QNV) is dominating activities in the construction and project sector in Qatar. A successful delivery of the World Cup will require the Qatari government to complete the infrastructure development promised to FIFA. This will also help Qatar to meet the targets it has set itself in the QNV. Creating a world-class infrastructure in Qatar will ensure the continued success of the cou try's powerhouse economy. In addition, Doha is expected to submit a bid for the right to host the 2024 Olympics Games.

Qatar's construction sector is nearing the end of a decade of building to prepare for the 2022 FIFA World Cup, as developing infrastructure directly and indirectly related to the event has taken centre stage since 2011. Focus is now shifting to legacy plans for stadia sites, as well as non-tournament projects that facilitate the goals of QNV 2030, the country's long-term development strategy. Recent milestones that will positively shape the sector in the coming years include the passage of the dedicated Public-Private Partnership (PPP) Law and other measures related to private sector worker protections, which should have a significant impact on labourers in construction. The growing emphasis on sustainability in building is also shaping activity, as is the use of digital technologies in the planning, construction and operation of infrastructure as smart city concepts move to the fore.

As for market prospects for Malaysian timber and timber products in Qatar, Malaysian timber exporters need to make their presence felt, renew and enhance networking with Qatar's timber and furniture importers and at the same time undertake market research on Qatar's importers market preferences and taste. Malaysian exporters should also emulate different approaches to penetrate the Qatar's market.

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

Vivid Round Coffee Table

Malaysian manufacturers also need to enhance their presence in the Qatar market to create demand for Malaysian value-added timber products, especially furniture. Malaysian engineered timber products also can be further promoted since there are opportunities to fulfill future demand from Qatar's construction industry. It is an excellent opportunity for Malaysian timber and furniture exporters to enhance networking and explore business opportunities among their Qatar counterparts by participating in trade fairs such as Building & Construction Trade shows.

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

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MEMORANDUM OF UNDERSTANDING ON MELAKA GAHARU ONE-STOP CENTRE

Opening speech by YBhg. Datuk Hishamuddin Abdul Karim, MTIB Chairman

Recently, the Agarwood industry and trade has become more prominent, partly due to the efforts of the government, in particular MTIB, in promoting and encouraging the growth of the industry. The government recognizes that in order to have a thriving and sustainable Karas and Agarwood Industry, a more systematic and structured development program is needed. As such, MTIB and BioBenua Teknoloji Sdn Bhd inked a Memorandum of Understanding on the Establishment of Melaka Gaharu One-Stop Centre on 8 June 2022 at Kuala Linggi, Melaka. The main objectives of the MoU were;

- i to strategize collaborations on the Establishment and Promotion of the Melaka Gaharu One-Stop Centre;
- ii to assist Human Resource Development for the Agarwood industry;
- iii to conduct promotional activities for the Agarwood industry (Domestic and International Market); and
- iv to develop Agarwood industry Entrepreneurs.

The MoU was signed and witnessed by YBhg. Datuk Hishamuddin Abdul Karim, MTIB Chairman; YB Tuan Haji Rosli Abdullah, Kuala Linggi State Assemblyman; and Encik Khirun Nizam Abdul Rahim, Director of Melaka Forestry Department. MTIB was represented by YBrs. Tuan Haji Mahpar Atan, Director General whilst BioBenua Teknoloji Sdn Bhd was represented by YBhg. Datuk Haji Abdul Razak Ali.

In Datuk Hishamuddin's speech, he highlighted on the trade of Agarwood which is governed under CITES regulations and the role of MTIB as a Management Authority which monitors and facilitates the trade of Agarwood products. He also stressed that it is very important for the industry to get a continuous supply of Agarwood from the plantation sources. He expressed hopes that this Melaka Gaharu One-Stop Centre would be able to spur further growth of the industry in Malaysia through the increased awareness of its potential. He added that the centre, as an information and promotion hub will benefit more than 200 Agarwood smallholders, A total of 100 participants comprising individuals and representatives from both the government and private sectors attended this programme.

The MoU signing session

WOOD PLASTIC COMPOSITE, GREEN AND ENVIRONMENTALLY FRIENDLY PRODUCTS IN THE CONSTRUCTION INDUSTRY

The Deputy Minister of Plantation Industries and Commodities, YB Dato 'Sri Dr. Wee Jeck Seng officiated the Kiosk Opening ceremony and the launch of the Kiosk Construction Manual for Wood Plastic Composite (WPC) on 24 June 2022 at Pantai Cahaya Negeri, Port Dickson. He also witnessed the exchange of a Memorandum of Agreement (MoA) between the Malaysian Timber Industry Board (MTIB), its two industry partners, and Universiti Putra Malaysia (UPM) for the development of a model house for flood victims.

In line with the government's commitment towards developing a green technology nation, the Ministry of Plantation Industries and Commodities Malaysia (MPIC), through MTIB, has collaborated with Majlis Perbandaran Port Dickson (MPPD) to utilise green and environmentally friendly biocomposite materials in the development of tourism infrastructure such as the food and beverage kiosks.

WPC is a green and environmentally friendly wood-alternative product. It is made from two (2) main materials: natural fibre and plastic. The use of natural fibres for the production of wood-based products can reduce dependence on natural forest resources, thus ensuring the sustainable development of the country's timber industry.

WPC should be highlighted and promoted because it is similar to natural wood, resistant to moisture and termite attack, and requires only minimal maintenance. One (1) food and beverage kiosk made of WPC and metal reinforced WPC has been built in Pantai Cahaya Negeri, Port Dickson, and this infrastructure will be a showroom that can be used as a model and pilot for future green and environmentally friendly projects, especially in the construction sector. This project is a joint venture between MTIB, MPPD, and a local WPC product manufacturer, Perceptive Profile Sdn. Bhd.

The kiosk was constructed using IBS and pre-fabrication and the on-site manpower was at a semi-skilled level. The kiosk was completed in only seven days as the building materials had already been

YB Dato 'Sri Dr. Wee Jeck Seng, YBrs. Tuan Mohd. Zamri Mohd Esa, YBrs. Tn Hj Kamaruzaman Othman and other invitees at the Kiosk Opening ceremony

prepared at the factory, and only the installation process was done at the construction site. For larger building structures, the use of semi-skilled manpower for the construction of these kiosks can produce Fabricators and Installers through simple and standardized techniques and continuous training.

At the same time, MTIB, UPM, and two strategic partner companies, Perceptive Profile Sdn. Bhd. and MyTeak-wood Holdings Sdn. Bhd. will develop a model house for flood victims, namely the FAST Rakyat Flood Type House from Biocomposite/Wood Products and other building materials with IBS and Pre-Fabrication. This house applies the FAST concept: F = Friendly (environmentally friendly, people friendly), A = Affordable, S = System (IBS and Prefabrication), and T = Technology (building materials and new construction methods). The estimated cost for the house ranges from RM70,000.00 to RM100,000.00.

The number of WPC producers in the country is still small; among them is Timberdeck Sdn Bhd in Kinta, Perak; Perceptive Profile Sdn. Bhd. in Batu Gajah, Perak; Composite Technology Wood Sdn. Bhd. in Gurun,Kedah. However, further exploration of biocomposite products through the expansion to the development of value-added downstream products is seen as appropriate to support local WPC entrepreneurs and promote the WPC market in Malaysia.

This measure is seen in line with the strategy to promote the use of alternative raw material on the circular economy principle outlined under several policies and action plans such as the National Agricommodity Policy (DAKN) 2021-2030 and the National Timber Industry Strategic Policy (NTISP). The direction of the timber industry as a whole is based on the Vision of Shared Prosperity 2030 and Sustainable Development Goals (SDGs), emphasizing on the industry's sustainability.

MTIB, with the support of MPIC, will continue to be committed towards implementing research and development (R&D) and pre-commercialisation activities specifically for the biocomposite industry in Malaysia to further encourage the use of green and environmentally friendly products and increase economic growth.

May 2022

LOGS

Based on the average price report collected, logging activity in May was at a moderate level without any improvement and did not greatly change the log prices in the market. The average price data obtained showed over 60% from 21 selected species listed under the three groups of hardwood, namely heavy hardwood, medium hardwood and light hardwood, did not show a significant change in market prices. Out of the total species reported, only Chengal experienced a significant decrease of around 10% with a difference of RM500 per tonne compared to the previous month and it were traded at RM5,000 per tonne. Meanwhile, Red Meranti, Nyatoh and Mixed Light Hardwood recorded a price increase of 2.4%, 4% and 7% respectively with an increment of RM50, RM55 and RM70 per tonne, traded at RM2,150, RM1,415 and RM1,070 per tonne as compared to the previous month.

SAWN TIMBER

Referring to the status of logging activities in the current month, the average prices of sawn timber products under three categories, namely General Market Specification (GMS), STRIPS and Scantling also did not change too much; only certain species showed an increase and decrease in price.

Under the GMS category, Red Balau and Merbau recorded price increases of 3.8% and 4.2% respectively and were traded at RM1,070 and RM3,227 per m³ whilst the heavy hardwood mix showed a decrease of 3.2%, traded at RM1,081 per m³. In the medium hardwood group, Kempas recorded a decrease of 9% and was traded at RM2,288per m³, while Ramin under the Light Hardwood group recorded a decrease of 18% and was traded atRM1,624 per m³ compared to a month ago.

Under the STRIPS product category, Kempas also recorded a 10% price drop and was traded at RM2,270 per m³, while Mersawa and Nyatoh under the light hardwood group showed an increase of 3% and were traded at RM1,748 and RM1,398 per m³ respectively in the current month. Over 85% of the average price of sawn timber under Scantling products showed no change for most of the species listed with only Keruing showing a significant price decrease of around 13.3% and 3% for Heavy HardWood Mix and were traded at RM1,836 and RM1,236 per m³ respectively compared to the previous month, while the rest was defined as unchanged.

PLYWOOD

The average price of plywood in May 2022 can be defined as not experiencing any increase and decrease in price when all sizes of plywood was reported to be still traded within the price range as in the previous month. The average price of plywood with a thickness 4mm was RM19.40, while 6mm plywood was traded at RM27.15, plywood with 9mm thickness at RM41.75 and 12mm at RM49. 85 per piece.

MEDIUM DENSITY FIBREBOARD (MDF)

Like plywood, the average price for MDF with thicknesses of 4mm, 6mm, 9mm and 12mm also did not show any increment in price during the current month. In May 2022, MDF with a thickness of 4mm was traded at RM14.90, while 6mm thick MDF was traded at RM23.35, MDF with a thickness of 9mm was traded at RM32.80 while 12mm thick MDF was traded at RM39.40 per piece.

INTRA-MALAYSIA TRADE* -MAY 2022

During May 2022, there was still no reports of log trading activity from Sabah to Peninsular Malaysia. The trading for sawn timber, plywood and veneer in the current month saw a decline in trade value and volume. The trade impairment was recorded between 35-47% compared to the previous month. The trade value of sawn timber, plywood and veneer products in this month was RM0.99 million, RM4.0 million and RM1.2 million respectively.

At the same time, Sarawak also reported no logging and veneer trade activities between Sarawak and Peninsular Malaysia in May 2022. However, the trade value of sawn timber and plywood from Sarawak to Peninsular Malaysia reportedly increased by 305% and 93% respectively valued at RM0.86 million and RM1.37 million compared to the previous month.

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

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

	LOGS/ton	SAWNTIMBER/m³		
SPECIES	**18" UP**	**GMS**	**STRIPS**	**SCANTLINGS**
HEAVY HARDWOOD				
Chengal	5,000	6,003	3,531	9,887
Balau	3,070	3,054	2,429	3,277
Red Balau	2,850	2,895	2,578	2,595
Merbau	3,230	3,227	3,167	2,814
Mixed Heavy Hardwood	1,316	1,081	1,148	1,236
MEDIUM HARDWOOD				
Keruing	1,930	2,041	1,914	1,836
Kempas	2,230	2,288	2,270	2,436
Kapur	1,950	1,751	1,462	1,864
Mengkulang	1,600	1,391	1,645	2,189
Tualang	1,290	1,900	1,995	2,041
LIGHT HARDWOOD				
Dark Red Meranti	2,000	2,076	1,773	3,125
Red Meranti	2,150	1,995	1,596	1,815
Yellow Meranti	1,885	1,688	1,254	1,977
White Meranti	1,500	2,472	1,801	1,977
Mersawa	1,615	1,776	1,748	2,020
Nyatoh	1,415	1,564	1,398	1,391
Sepetir	1,400	1,758	1,292	1,942
Jelutong	1,125	1,836	1,483	1,737
Mixed Light Hardwood	1,070	1,059	1,342	1,024

MALAYSIAN RUBBERWOOD *Hevea brasilienses*	LOGS/ton	SAWNTIMBER/m³			
	220	**1" X 1"**	**2" X 2"**	**3" X 3"**	**4" X 4"**
		1,310	1,415	1,460	1,580

PLYWOOD 4' X 8'	**4 mm**	**6 mm**	**9 mm**	**12 mm**
(RM per piece)	19.40	27.15	41.75	49.85
MDF 4' X 8'	**4 mm**	**6mm**	**9 mm**	**12 mm**
(RM per piece)	14.90	23.35	32.80	39.40

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

INTRA-MALAYSIA TRADE- MAY 2022

	Apr-22		May-22		% change in volume	% change in value
	Vol(m^3)	Val(' 000 RM)	Vol(m^3)	Val(' 000 RM)	April/May	April/May
Sabah						
Logs	0	0	0	0	0	0
Sawn Timber	766	1,457	496	992	-35	-32
Plywood	2,800	7,091	1,636	4,018	-42	-43
Veneer	754	2,055	398	1,206	-47	-41
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	165	212	590	858	258	305
Plywood	616	709	1,252	1,366	103	93
Veneer	0	0	0	0	0	0

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

BINTANGOR
- *Calophyllum* spp.

INTRODUCTION

Bintangor is the standard Malaysian name for the timber of *Calophyllum* spp. in Peninsular Malaysia, Sabah and Sarawak. Other vernacular names applied include bakokol (Sarawak), entangor (Sarawak), and penaga laut (Peninsular Malaysia, Sabah). Genus *Calophyllum* consists of about 180 to 200 species distributed throughout warm, tropical regions around the globe, whereby many of the species are native to Southeast Asia. In Malaysia, about 45 different species from this genus have been reported (Wang et al. 2018).

Calophyllum species that are native and widely distributed in Malaysia are *C.* andersonii, *C. benjaminum, C. buxifolium, C. canum, C. castaneum, C. depressinervosum, C. dispar, C. ferrugineum, C. flavoramulum, C. gracilentum, C. gracilipes, C. hosei, C. incrassatum, C. inophylloide, C. inophyllum, C. javanicum, C. lanigerum, C. lowii, C. macrocarpum, C. mucigerum, C. nodusum, C. rubiginosum, C. sclerophyllum, C. scriblitifolium, C. soulattri, C. symingtonianum, C. teysmannii, C. venulosum, and C. wallichianu (Stevens 1980).*

TAXONOMY

Genus Calophyllum belongs to the family Calophyllaceae. Previously, this genus was categorized under the Clusiaceae (Guttiferae) family, until the recent phylogenetic studies conducted by the Angiosperm Phylogeny Group (APG) which reported that it was necessary to include genus *Calophyllum* along with several other genera (E.g: Kayea Wall., Mammea L. and Mesua L.) from the Clusiaceae subfamily Kielmeyeroideae to the reinstated family Calophyllaceae J. Agardh (APG III 2009; APG IV 2016; Wurdack and Davis 2009; Gómez- Verjan et al. 2017).

BOTANICAL DESCRIPTION

Bintangor consists of flowering evergreen trees or shrubs which exhibit characteristics such as low-branching, slow-growing as well as a broad, irregular crowns. The genus can be generally distinguished by the characteristics of the leaves which are oppositely arranged with leathery blades borne on petioles and narrow parallel veins that alternate with the resin canals (Díaz 2013). The outer bark is usually red-coloured with diamond-shaped fissures, while the fruits are usually drupe with thin flesh and large seeds (Stevens 1980).

ANATOMICAL DESCRIPTION

- Wood diffuse-porous
- Vessels in diagonal and / or radial pattern, exclusively solitary (90% or more)
- Vessels per mm² 6 to 10 (medium)
- Axial parenchyma apparent with the naked eye
- Gums and other deposits in heartwood vessels
- Rays exclusively uniseriate
- Body ray cells procumbent with mostly 2 to 4 rows of upright and/or square marginal cells
- Prismatic crystals in the ray cells
- Tyloses common

PHYSICAL PROPERTIES

- It is light hardwood with a density of 465-865 kg/m³ and an average density of 640kg/m³ air dry.
- Its sapwood is yellow brown with a pink tinge and is well defined from the heartwood, which is deep red., red brown, pink brown or orange brown.
- The texture is moderately coarse and uneven, with interlocked, spiral, or wavy grain.
- It is not durable and not resistant to dry wood termite
- It belongs to strength group C (moderately strong)

WORKABILITY

- Its sapwood is amenable to treatment with preservatives, while the heartwood is difficult to treat
- It is easy to resaw and crosscut
- Planning is easy and the surface is smooth to moderately smooth
- Nailing property is rated poor
- The timber seasons fairly slowly in general
- Gluing is good and it is easy to sand
- The timber dries moderately fast without much degrade, except for a slight warping and end checking
- The timber kiln dries from 50 to 10% moisture content in approximately 8 days

USES

The timber is suitable for light construction, flooring, decking, panelling, joist, furniture, decorative solid door, boat construction, diving board, veneer, plywood, and wooden pallets.

REFERENCES

- *Wong, T.M. 1982. A Dictionary of Malysian Timbers. Revised by Lim, S. C. & Chung, R.C.K. Malayan Forest Record No.30.*
- *https://www.sciencedirect.com/org/science/article/pii/S1478641922045557*
- *http://www.tropicaltimber.info/specie/bintangor-calophyllum-pulcherrimum/#*
- *Photo of timber surface – https://www.delta-intkey.com/wood/en/www/gutca-bi.htm*
- *Photo of bintangor's leaves – https://alchetron.com/Calophyllum-inophyllum#calophyllum-inophyllum-6c9c5c42-7a83-4b75-99df-9532da35efa-resize-750.ashx*
- *Photo of bintangor's fruits - https://seedsofborneo.com/2018/12/04/calophyllum-inophyllum-tg-aru-beach-sabah/*


2 June 2022
MyTLAS visit to Compartment 88 Work Area, Jengai Forest Reserve,Dungun Terengganu


10 June 2022
Launching of the Oil Palm Biomass for Composite Pan Book the: Fundamentals, Processing and Applications by YBrs. Tuan Haji Mahpar Atan, Director General of MTIB


5 June 2022
YBrs. Tuan Haji Mahpar Atan, Director General of MTIB visits various Bumiputra entrepreneurs' workshops around Johor & Terengganu state


12 June 2022
Central Region Friendly Bowling Tournament officiated by YBrs. Tuan Haji Mahpar Atan, Director General of MTIB and attended by Puan Hajah Roslina Idris, Deputy Director (Development and Commercial) MTIB.


15 June 2022
YBrs Tuan Haji Mahpar Atan officially retires from his position as the Director General of MTIB