

MOA SIGNING CEREMONY BETWEEN MTIB AND TTITC



■ CONGRATULATIONS TO
NEW DEPUTY DIRECTOR
GENERAL OF MTIB

■ INCENTIVES TOWARDS
INDUSTRIAL REVOLUTION 4.0
(IR 4.0)

ISSN 0126-771X

9 770126 771009



3



9



10



20



30



CONTENTS

HIGHLIGHTS

- 3** Congratulations To New Deputy Director General Of MTIB
- 9** MoA Signing Ceremony Between MTIB And TTITC
- 10** Reliable Trend – Make Your Home

- 19** Incentives Towards Industrial Revolution 4.0 (IR 4.0)
- 20** One Of The Key Players In The Malaysian Furniture Industry
- 30** Tetiup (Adinandra Spp.)



REGULAR FEATURES

- 4** Timber World in Brief
- 12** Shipping News
- 14** Timber Round-Up
- 16** Domestic Trade News
- 23** Market Profile : Hong Kong: Venturing Its Potential Trading Hub In Timber Trade
- 32** MTIB Moments



Cover : For more details, please read page 9

Chief Editor

Mohd Kheiruddin Mohd Rani
Director-General

Editorial Members

Haji Mahpar Atan
Hajah Robiyah Haji Husin
Haji Kamaruzaman Othman
Dr. Mohd Nor Zamri Mat Amin
Saiful Bahri Salleh
Farydatul Nazly Mohd Zin
Noorazimah Sarkom@Haji Othman
Hajah Roslina Idris
Mohd Nizam Hamid
Erien Noor Md Nasir
Shamsul Azman Abdul Aziz
Hariz Reza Mohd Yazid
Laili Japar@Ja'afar

Publisher

MALAYSIAN TIMBER INDUSTRY BOARD
Level 13 - 17, Menara PGRM, 8, Jalan Pudu Ulu
Cheras, 51200 Kuala Lumpur, Malaysia
Tel : 603-9282 2235
Fax : 603-9200 3769/9283 9792
E-mail : info@mtib.gov.my
Website : www.mtib.gov.my



Read eMASKAYU at
www.mtib.gov.my



CONGRATULATIONS TO NEW DEPUTY DIRECTOR GENERAL OF MTIB

On 1st December 2020, Cik Hajah Robiyah binti Husin was appointed as the Deputy Director General (Management and Operation) of the Malaysian Timber Industry Board (MTIB). Cik Hajah Robiyah holds a Master of Business Administration (MBA) degree majoring in two disciplines; international business, and personnel administration and industrial relations from Southern New Hampshire University, USA, a Bachelor of Business Administration (Finance) from Idaho State University, USA and a Diploma in Accountancy from Universiti Teknologi MARA, Malaysia. She has more than 31 years of experience in the timber industry which includes contribution in investment promotions, industry studies, free trade negotiations, domestic and international trade promotions, entrepreneur and forest plantation development as well as in the formulation of a national timber industry policy and its strategic action plans which include the Industrial Master Plans (IMP) culminating in the National Timber Industry Policy (NATIP), and the currently on-going formulation of the National Agri-Commodity Policy and the National Timber Industry Strategic Action Plan (NTISP).

Cik Hajah Robiyah began working in MTIB in 1988. She has served various units and divisions in MTIB such as Corporate Communication and Trade Development. Prior to this appointment, she was the Director of Bumiputera Economic Empowerment, Forest Plantation and Strategic Planning Divisions.

During her time at the Trade Development and also the Strategic Planning Division, Cik Hajah Robiyah represented MTIB in various international trade negotiations including the Regional Comprehensive Economic Partnership (RCEP) and Trans-Pacific Partnership (TPP) Free Trade Agreement. She also presented papers in addition to being a panellist at local and international forums and seminars. She conducted timber trade missions and business matching sessions internationally to promote Malaysian timber products globally and to attract new investment ventures into the industry. She was involved in the early draft and eventual acceptance of MCSG (Malaysia's Country Specific Guideline) in 2014 by the Australian government, as one of the legal ways to adhere to its Illegal Logging Prohibition Act (ILPA) 2012.

On behalf of all MTIB management and staff, we would like to congratulate Cik Hajah Robiyah in her appointment and look forward to her continuous leadership in MTIB and the Malaysian timber industry at large. 





ASIA

PRICES OF WOOD PRODUCTS START TO RISE

The pandemic caused container scarcity as well as the resulting increase of freight costs, and the impact is being felt by the wood markets in Asia. But other current effects are being noticed. From the Fordaq network there comes information about several wood products whose prices are increasing.

Indian importers of Pine and Spruce from Europe recognize a price jump of about a quarter due to the container crisis. Big players run with it, while smaller ones try to wait for a drop but the majority might not have accurate storage capacities to do that for a long time. The Indian plywood industry is also under pressure because of non-availability of workers at factories. Also there is a very short supply of face veneers coming from Indonesia and Malaysia. The prices of face veneer therefore have also increased resulting in increased plywood prices by about 3 to 5%.

In Indonesia also tropical forest logs are getting more expensive - due to the rainy season and resulting lack of supply. Some forests stopped harvesting due to lack of orders which have caused supply shortage and price increase.

Fordaq, 25 December 2020



CHINA

SOFTWOOD LOG INVENTORY DROP

Softwood log inventory in China has dropped by approximately 14% over the last month to 3.0-3.2m per cubic metre. Inventory levels have dropped about 30% over the last two months, which is a good sign heading towards the Chinese New Year in February 2021.

Daily log use in China is now back to the 100,000 - 105,000 per cubic metre range after peaking at over 120,000 per cubic metre at the end of October.

China's ban on export logs and sawn timber has widened to include all of Australia. There is no sign of this changing in the short term. In the third quarter of this year Australia supplied approximately 11% of the softwood logs imported by China.

The supply chain costs for spruce from Europe continued to increase due to a shortage of containers.

The long-term supply situation may be beneficial for New Zealand logs with forecasts that 2021 will be the peak of spruce availability from Europe and a proposed Russian ban on export logs starting in January 2022.

The CFR prices for New Zealand pine logs in China has continued to increase.

scoop.nz, 21 December 2020



CHINA

TIMBER IMPORTS EXPECTED RISE

From January to October this year, the total import and export trade of timber and wood products in China was USD43.159 billion, a year-on-year decrease of 7.76%; the total timber imports were 89,074,700 cubic meters, a year-on-year decrease of 5.53%.

China's total import and export volume of timber and wood products has increased from an average of USD3.4 billion at the beginning of the year to USD4.1 billion in October.

The volume of wood imports has increased from an average of USD1.51 billion at the beginning of the year to USD1.78 billion in October. China's export volume of wood products has increased from the beginning of the month. The average increase was USD1.82 billion to USD3.2 billion in October.

Chinese timber imports have exceeded 10 million cubic meters for four consecutive months starting in July. It is estimated that the total timber imports this year are expected to reach 110 million cubic meters.

Globalwood.org, 16 December 2020



GERMANY

GERMAN FURNITURE EXPORTS IMPACTED BY PANDEMIC

In the German furniture foreign trade, the consequences of the corona pandemic made themselves felt in the first nine months of 2020. Compared to the previous year, German furniture exports fell by 7.3% to EUR5.2 billion. Double-digit losses were recorded in business with Great Britain, the USA, Spain and Poland, among others. In contrast, exports to Switzerland (4.3%) and China (7.7%) increased.

"While domestic demand developed positively after the reopening of the furniture trade in spring, the lockdown measures in various countries, international travel restrictions and the negative effects of Brexit, have made themselves felt in foreign trade," reports Jan Kurth, Managing Director of the Association of the German Furniture Industry of the Herford furniture associations, on the first three quarters of 2020.

Of the furniture divisions, the German kitchen furniture industry recorded the most moderate decline in exports, down 2.2% to EUR1.5 billion. There was a decline in exports to France, the most important export market, as well as to Belgium, Switzerland, Great Britain, Spain and the USA. China stands out positively with a growth of almost 37%. There was also an increase in exports to the Netherlands (7.7%). The import of kitchen furniture fell by 6.3% to EUR67 million.

With the producers of upholstered furniture, export sales of EUR489 million were almost 7% below the previous year. Exports to Switzerland, the main destination, were kept almost stable (-0.4%). There was growth in France and Italy. Imports rose by almost 1% with the main supplier countries Poland (+0.5%) and China (+4%) able to expand their positions, while Hungary, in third place, lost 5.3%.

In the case of living room, dining room and bedroom furniture, the statistical analysis shows a decline in sales in exports of 6.8%. The strong growth of 11.3% in Switzerland, the most important customer country, is striking. The import volume was almost 3% lower. Poland, by far the largest supplier country, lost 8.3%, while China, number two, was able to gain around 17%. The 89% increase in imports from Romania is also worth mentioning. The foreign trade deficit of this division increased to EUR568 million (+2.2%).

VDM/Fordaq, 4 December 2020



JAPAN

ROAD MAP TO EXPAND LARGE WOODEN STRUCTURES ANNOUNCED

The Ministry of land, infrastructure and transport tied up with the Forestry Agency and made up the road map to expand large scale wooden buildings market scale to one trillion yen by 2030. This was publicized on the website in late August.

Large scale wooden building means to exclude low buildings of three stories or less and the market scale as of 2018 is 500 billion yen and the target is to double this to one trillion yen by 2030.

To materialize the target, there are problems and necessary activities as large buildings in urban areas require high fire resistance and as they become higher, stronger materials are needed so future activities require developing highly fire proof and durable wooden materials.

Today's technology and products are not good enough to permeate in terms of versatility and cost. Design samples should be made to make it easier to consider the safety of high rise architecture.

The durability of the outer shell of wooden buildings should be considered and a standard should be made up. At the same time, training is necessary to secure necessary personnel who are in charge of designing and actual construction works. It is necessary to have a stable supply of wood to meet the target so the road map would improve the productivity and safety of the forest by promoting smart forestry.

Forestry cloud and an ICT production system will be introduced nationwide with a unified standard on the development of the functions of automation and remote control of logging machines.

Japan Timber Trade Journal, 20 December 2020



UNITED KINGDOM

BORDER CHECKS ON WOOD IMPORTS FROM EU WILL DISRUPT TRADE

Until the end of this year, trucks can just roll into the UK from the European continent with no checks. This changes from 1st January 2021. Irrespective of whether or not there is a deal any goods arriving into the UK from the EU will be treated as an import and traders will have more work to do.

New controls at the UK border with the EU are expected to add delays to the supply chain, as product origins are checked and relevant duties applied. This is likely to have a significant impact on 'just-in-time' procurement which in turn will slow down progress and add to costs of manufacturing and on projects across numerous sectors.

In the UK construction sector, the major driver of the UK timber demand, the turnaround time for delivery to building sites in Central London was previously only two days. Already there is considerable congestion at UK ports as distributors of all commodities and products are rushing to build stocks before the end of the year. This, combined with COVID related supply problems, has greatly increased lead times which now extend to weeks instead of days.

Due to tightening operating conditions and sawmill shutdowns throughout the pandemic, combined with a surge in demand for timber for DIY and garden projects during the lockdown period, timber stockholdings in the UK builders' merchant sector are already much lower than usual at this time of year.

The UK Timber Trade Federation issued a warning early in December that the overall tight timber supply conditions in the country will continue "certainly into second quarter of 2021. It was also noted that "companies can no longer expect to get what they need through just-in-time buying".

UK timber companies that used to rely on frictionless trade with the EU are now having to adjust to the need for customs checks. The UK hardwood sector, which is already sourcing globally, is generally better prepared than the softwood sector where there is huge reliance on EU suppliers.

However, there are now many UK trading companies having to apply for the first time for a so-called Economic Operators Registration and Identification (EORI) number which identifies businesses or operators that export or import to the EU. They are having to familiarise themselves with the customs codes and duties applied to traded products and with new VAT procedures. They are being advised by both UK government and the TTF to hire customs agents and logistics specialists.

Globalwood.org, 23 December 2020



UNITED STATES

HOUSING STARTS INCREASED SHARPLY

U.S. homebuilding and permits increased solidly in November, pointing to sustained housing market strength even as the broader economic recovery is slowing amid a resurgence in new COVID-19 cases and lack of additional government money.

Housing starts rose 1.2% to a seasonally adjusted annual rate of 1.547 million units last month, the Commerce Department said on Thursday. That lifted homebuilding closer to its pace of 1.567 million units in February. Economists polled by Reuters had forecast starts holding steady at a rate of 1.530 million units in November. Homebuilding surged 12.8% on a year-on-year basis.

Permits for future homebuilding raced 6.2% to a rate of 1.639 million units in November. Permits typically lead starts by one to two months.

Single-family homebuilding, the largest share of the housing market, rose 0.4% to a seasonally adjusted annual rate of 1.186 million units, the highest level since April 2007.

USCensus/Fordaq, 18 December 2020



UNITED STATES

LUMBER PRICES ARE ON THE RISE AGAIN

According to the National Association of Home Builders (NAHB), after drifting lower from mid-September to mid-November, U.S. lumber prices are on the rise again. Prices peaked at an all-time high of roughly USD950 per thousand board feet in September before gradually moving down to around USD550 per thousand board feet last month. However, prices have been moving upward for the past three weeks, and now stand slightly above USD600 per thousand board feet. Elevated lumber prices since mid-April have added thousands

of dollars to the cost of new single-family homes and apartment units.

Indications are that lumber producers are reducing production heading into the slower winter building season, even as new residential construction continues to outpace seasonal norms.

However, there is some good news on the lumber front regarding tariffs on Canadian softwood lumber. The U.S. Commerce Department's International Trade Administration published an administrative review of anti-dumping duties in late November, followed by an administrative review of countervailing duties on 1 December.

The effect of the reviews is that duties on shipments of Canadian lumber into the United States, which currently stand at 20%, will be reduced by more than half, to roughly 9%. The tariff reductions are expected to go into effect in mid-December.

"This is a step in the right direction, as tariffs have contributed to unprecedented price volatility in the lumber market, leading to higher prices and harming housing affordability for American families," said NAHB Chairman Chuck Fowke. "The United States needs to work with Canadian officials to end the tariffs and achieve a long-term, stable solution in lumber trade that provides for a consistent and fairly priced lumber supply."

NAHB/Fordaq, 14 December 2020



VIET NAM

WOOD EXPORTS TO HIT ANOTHER RECORD IN 2020

Viet Nam's wood export turnover this year is expected to reach a record high of nearly USD12.5 billion despite impacts of the Covid-19 pandemic as well as risks from export markets and the country's policy changes in controlling the legality of imported wood materials, according to the Chairman of the Viet Nam Timber and Forest Product Association (VIFOREST), Đỗ Xuân Lập, who made the statement at a conference held online both in Ha Noi and HCM City on 21 December 2020.

Lập said the wood sector was confident of achieving the target thanks to a surge in the product's

exports, especially in the second and third quarter of the year.

In the first 11 months of 2020, the wood sector's export turnover reached more than USD11 billion, representing a 15.6% year-on-year increase.

The Government said the wood industry has been one of the leading sectors contributing to the increase of export turnover of the country's agro-forestry products. Relating to risks from export markets, Viet Nam's wood industry is facing trade tensions among big countries around the world.

The local industry has faced anti-dumping lawsuits from the US and South Korea, specifically for plywood related to commercial fraud and tax evasion. Plywood is not the only item. There are still a number of Viet Nam's export products with great risks in the future, he said.

Most recently, the US Trade Representative accused the Vietnamese timber industry of using illegal timber in the domestic market and in products exported to the country. The risk that the US Government applies trade restrictions on these Vietnamese timber could be very high.

The chairman added that Viet Nam, has changed policies as it promulgated the decree on Viet Nam, Timber Legality Assurance System (VNTLAS). The decree regulates the harvest, transportation, trade, and processing of timber in accordance with requirements and regulations of international conventions that Viet Nam is party to and requirements of countries that import processed wooden products from Viet Nam.

The Ministry of Agriculture and Rural Development (MARD) issued a decision on a geographic origin and timber species risk category. This plays an important role in controlling the legality of imported timber.

Phùng Gia Đức, deputy head of the Foreign Trade Defence Handling Division under the Ministry of Industry and Trade's Department of Trade Defence said Viet Nam has faced a total of 199 cases so far.

In the past five years, there were 97 commercial defence investigations. The most surveyed markets are the US, India, Turkey, Australia, Canada, the EU and the Philippines. In 2020, Viet Nam, is under investigation in a total of 37 cases. The investigations were related to tax evasion on plywood products and anti-dumping for MDF wood.

To avoid anti-dumping and anti-tax evasion investigations, Đức said that local businesses need to have knowledge about trade defence. They

must understand the true nature of this tool in order to have the right responses. When exporting to a certain market, they should have information from importers.

As soon as information about anti-dumping investigations is available, businesses must take action. The ministry will also issue warnings to support businesses.

Globalwood.org, 23 December 2020



GLOBAL

FOREST INDUSTRY RIDES OUT OF A TUMULTUOUS YEAR

The global forest industry has gone through an unprecedented year caused by the Covid-19 pandemic. These are the key fluctuations and trends within the timber and lumber sectors:

Strong lumber sales and a weakening US dollar moved sawlog prices upward in many markets worldwide in the third quarter of 2020. The most significant price

increases occurred in Western US, Northern and Eastern Europe, and Oceania.

Following a two-year decline, the Global Sawlog Price Index (GSPI) increased in the 3Q/20 by 2.9% from the previous quarter.

The European Sawlog Price Index (ESPI) fell by 1.4% quarter of quarter to EURO70.15 per cubic metre in the third quarter of 2020. The Index has been in steady decline since 2018, when it reached a five year high. US lumber prices reached record highs in the fall, with prices doubling from April to September.

Global Lumber Markets

- Canadian lumber exports declined during the first nine months compared to 2019.
- High domestic demand for lumber in the US and a trade dispute with China reduced US softwood exports throughout 2019 and 2020.
- Lumber imports to China have been down 10% this year, with the two largest supplying countries, Russia and Canada, losing market shares.
- Predominantly European suppliers, including Ukraine, Sweden, Germany, Finland, and Belarus, increased their presence in China in 2020.
- The largest lumber importer in Europe, the United Kingdom, imported 22% less lumber in the first nine months this year compared to the same timeframe in 2019.

Globalwood.org, 23 December 2020



Jelutong Dyera spp.

Malaysian Wood
Standing on Excellence

Lukisan Seribu Makna, Kayu Eratkan Semua

A Picture Paints a Thousand Words. Wood Binds Them All

www.mtib.gov.my



Resak Vat'ca spp.

Malaysian Wood
Standing on Excellence

Tak Lapuk Dek Hujan, Tak Lekang Dek Panas

Timeless, Enduring

www.mtib.gov.my



MOA SIGNING CEREMONY BETWEEN MTIB AND TTITC



The MoA signing ceremony

On the 19th December 2020, a Memorandum of Agreement (MoA) was signed between the Malaysian Timber Industry Board (MTIB) and the Terengganu Timber Industry Training Centre (TTITC). The agreement is related to the Bamboo Plantation Model Development Project located at TTITC Campus, Kuala Berang, Terengganu. In addition, the agreement also includes researches for growth for bamboo and the development of a training centre. It is aimed that these projects and researches shall be used as point of reference for all stakeholders and subsequently be turned into bamboo based eco-tourism center.

YB Dato' Dr Mohd Khairuddin Aman Razali, Minister of Plantation Industries and Commodities has stated that as encouragement for the commercialisation of bamboo plantation, a loan worth RM500 million will be provided to the industry as well as various agencies. He added that a loan worth RM10,000 will be awarded for each hectare of bamboo plantation.



YB Dato' Dr. Mohd. Khairuddin Aman Razali, Minister of Plantation Industries And Commodities giving his opening address

For the signing of the MoA, MTIB is represented by its Director General Tuan Mohd Kheiruddin Mohd Rani while TTITC is represented by its Chief Executive Officer Encik Muhammad bin Sulong. The ceremony was witnessed by YAB Dato' Seri Dr. Ahmad Samsuri bin Mokhtar, the Chief Minister of Terengganu and YB Dato' Dr. Mohd Khairuddin Aman Razali.

RELIABLE TREND – MAKE YOUR HOME

RELIABLE TREND Sdn. Bhd had been involved in the manufacturing of furniture since 2000. Over the years, Reliable Trend has established its reputation as a quality and efficient furniture manufacturer specializing in Kitchen, Living and Dining Room furniture.

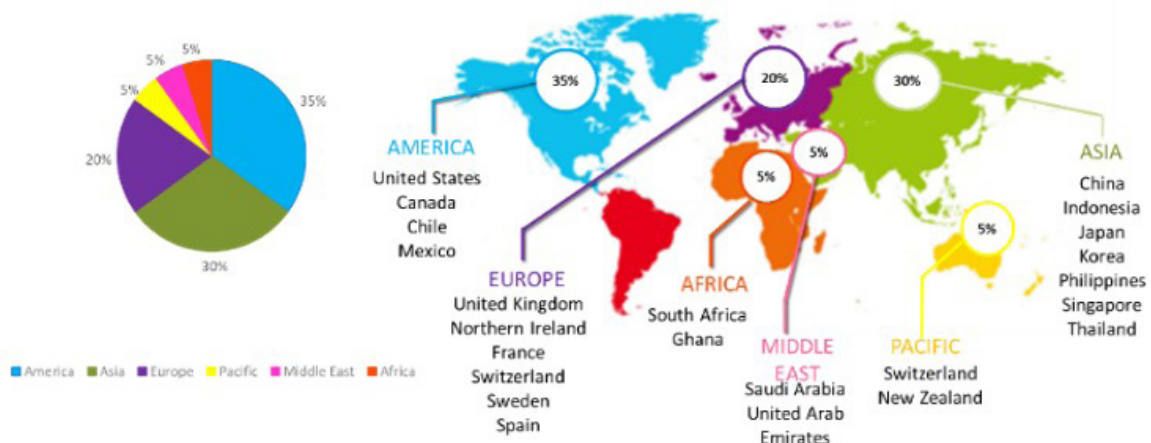
With a total workforce of 200 well trained production associates and guided by a team of qualified and capable management team leaders, our company is well established as a major player in the furniture industry, locally and globally.

WHAT WE DO?

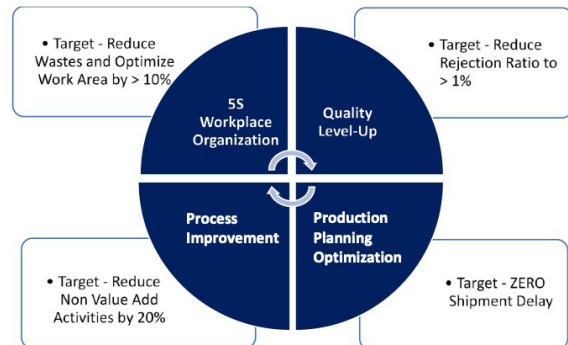
We are well known internationally as the Living, Dining and Kitchen specialist, producing a vast range of collection (contemporary, elegant, modern, and classic & luxury) to serve different levels markets worldwide.

WHAT IS OUR VISION?

We want to be a dynamically growing, profitable, international manufacturer of Quality Home Furnishing combining craftsmanship and innovative solutions. From design through fulfillment, we continuously strive to provide the best product at the best prices accompanied by the best service in the industry. Being the best and bringing the best to you is our priority.



OUR LEAN JOURNEY



Reliable Trend embarked on our Lean Journey toward continuous improvement as a long-term commitment and strategy to being the best in the industry. In Quarter 4, 2019 – under the auspices of the Malaysian Timber Industry Board (MTIB), the Lean Journey was launched with 4 core targeted scope:

1. Workplace organization
2. Quality level-up
3. Production scheduling optimization
4. Process improvement

A Lean Health Check was done to gauge the level of Lean culture and practices within the organization and observed that we have much room for improvement. There was strong commitment from all levels to make things Good, Better and Best. With this commitment, our Top Management whole-heartedly supported this leap of faith for the betterment of the enterprise.

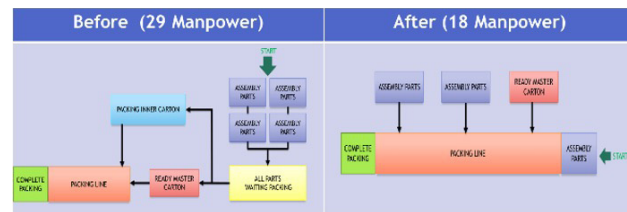
1. Quality level-up

- Non-compliance data collection: Systemic digitalized quality data analysis and management was established to enhance quick response to concerns and problem solving, in addition to having quality rejects details captured in daily output report.

2. Production Planning Optimization

- Communication: Daily morning review of production planning visualized on a board – everyone able to grasp the current status and the action required by responsible in charge enabling clarity and accountability.
- Material feeding to production: Established Container & Checklist for Small Parts Raw Materials to ensure right part, right quantity and right on time.

3. Process Improvement



- Time Study: Video data collection for Process Time and Lead Time for Kitchen Cart (Assy & Packing) and line balancing activity to identify and reduce non-value added waste in process. The time study resulted in a re-layout that combined the Assy and Packaging process and reduced manpower from 29 head count to 19 head count and directly reduced production cost per box.

OUR PRODUCTS



Amelia Writing Desk



Charles Wine Cabinet



Connie Kitchen Cart



Marcus Table + Coby Chair



Taylor Sofa Set



Winter Bedroom Set

FUTURE PLAN

As in most industries in Malaysia, Reliable Trend is also facing challenges in terms of market diversification, competitive pricing, a need for indigenous product design and last, but not least – skilled manpower availability.

Thus, Lean culture and Kaizen Continuous Improvement in Reliable Trend is now an important corporate strategy to maximize our capability to face and manage the challenges. Some of the most significant immeasurable benefits from our Lean Journey was seeing our team members' mindset and behavior shift – taking ownership of their workplace and tasks and having clarity in how each and everyone's contribution will continue to sustain the success we have achieved.

In addition to automation capex, we will continue developing our team's abilities through training and support as employees who are closest to the problems on our shop floor are the best-equipped to seek ideas to solve them. Our people are our greatest asset.

For more details & enquiries please contact Reliable Trend Sdn. Bhd: Tel +607 4287 889, Fax +607 4287 886 or visit No. 11 & 13, Jalan Budi 6, Taman Industry Wawasan, 83000 Batu Pahat, Johor, Malaysia.

www.reliabletrend.com.my | Sales@reliabletrend.com.my

* Reliable Trend is the winner of MTIB's Lean Creanova Programme. As part of its prize package, MTIB will publish a write-up of the company in MASKAYU.

November 2020

Kuala Lumpur

MNSC calls for government intervention to address container space shortage

The Malaysian National Shippers' Council (MNSC) has urged the government to help importers and exporters to address the issue of container and space shortage on board shipping lines due to the Covid-19 pandemic.

The shortage during the second half of the year has increased container freight rates for both export and import shipments by 300 to 400 per cent. Chairman Datuk Dr Ir Andy Seo said MNSC is concerned that the skyrocketing shipping costs will increase the cost of doing business, and subsequently, affect the consumers as it would further increase the cost of living, especially during this challenging period.

"This issue is expected to persist during this peak season (Christmas festive season) until the Chinese New Year holiday mid-February 2021," According to MNSC, the container shortage stemmed from the boom in China following the country's post-pandemic trade recovery. It said Chinese exporters are willing to pay the premium rates to secure containers and space, and thus, most of the shipping lines have moved their inventory there to cater for the demand.

"Currently, as almost every vessel out from China is full and Port Klang is the last port of call for ships headed west, Malaysia's trade is badly affected by the shortage of containers and space to meet shippers' demand," the MNSC said. Additionally, during the first wave of Covid-19, shipping lines had reduced the number of vessels and manpower due to low demand. "Coupled with the inability to collect empty containers in countries that imposed movement control restrictions, this has led to a backlog of demand for containers from across North Asia," it said.

The council is seeking the government's help via the Ministry of Transport (MOT) and Port Authorities to request shipping lines to increase capacity and allocate equipment to the more critical trade lanes where the rates are climbing. It has also called for the government's help in discouraging liners from skipping port calls to move to the more lucrative transpacific lanes.

Additionally, the MNSC also urged the government to consider offering more tax incentives, such as tax rebates and double tax deductions, to enable exporters to pay higher or premium rates to compete with international exporters.

The council also proposed for the government to remove the 30 per cent cap on the reimbursement of logistic costs under the temporary relief granted through the Market Development Grant (MDG).

The MDG allows for the reimbursement of up to 30 per cent of total logistic costs, including the cost of transportation, warehousing and freight, subject to a maximum of RM15,000 per shipment. It is applicable for logistics costs incurred until Dec 31, 2020 or until the Covid-19 pandemic is officially declared ended by the government, whichever comes first.

Source: Bernama

Singapore

Singapore named "Best Seaport - Asia" for the 32nd time

The Port of Singapore was conferred the "Best Seaport - Asia" for the 32nd time at the 2020 Asian Freight, Logistics and Supply Chain (AFLAS) Awards held in Hong Kong on 9 November 2020, MPA said in its release.

"As a global hub port, the Port of Singapore continues to play a key role in keeping global supply chains going, particularly as the world economy starts re-opening. While we are humbled by this affirmation and thank the industry for their support, we will continue to strive to uphold high standards of service and drive initiatives that enable a low-carbon future for the maritime community," said Ms Quah Ley Hoon, Chief Executive of Maritime and Port Authority of Singapore.

The AFLAS Awards is organised by Asia Cargo News to honour organisations for demonstrating leadership as well as consistency in service quality, innovation, customer relationship management and reliability. Winners were determined by votes cast by readers of the publication.

Source: Asian Shipper

Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, November 2020

Product	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all Ports M³	% Change Nov 2020/ Oct 2020
	M³	% Change Nov 2020/ Oct 2020	M³	% Change Nov 2020/ Oct 2020	M³	% Change Nov 2020/ Oct 2020	M³	% Change Nov 2020/ Oct 2020	M³	% Change Nov 2020/ Oct 2020		
Sawntimber	60,229	2	2,562	-73	1,272	31	237	-30	7,078	-4	71,379	-7
MDF	4,298,953	1,827	0	-100	1,252	-67	1,176	-99	3,933	9	4,305,314	902
Mouldings	9,257	-16	50	-7	1,608	12	814	36	877	7	12,606	-9
Plywood	4,448	0	167	4	0	0	624	97	10,285	-19	15,523	-12
Veneer	373	-29	14	100	1	100	32	-56	3,943	94	4,362	66
Particleboard	17,736	-13	131	-64	478	11	0	-100	6,264	-10	24,609	-12
TOTAL	4,390,996	1,289	2,923	-71	4,610	-30	2,882	-99	32,380	-4	4,433,792	682

Source: MTIB

CMA CGM Group Begins LNG Fueling in Rotterdam for Containerships

CMA CGM Group completed its first LNG bunkering operation in Rotterdam as the shipping giant prepared to introduce its fleet of LNG-powered container ships. By 2022, the CMA CGM Group will have 26 LNG-powered vessels with total capacity of 380,000 TEUs.

The line's first LNG bunkering was for the CMA CGM Tenere, the first of six 15,000-TEU containerships chartered by the CMA CGM Group and powered by liquefied natural gas (LNG). The new containership was delivered on September 15 built by Hyundai Samho Heavy Industries for Eastern Pacific Shipping. The other five vessels of the class will be delivered by the end of 2022.

Using the world's largest LNG bunker vessel, the Gas Agility, being operated by total the container ship received 12,000m³ of LNG in Rotterdam, while the containership also carried out cargo handling operations. After the bunkering, the CMA CGM Tenere is joining the Group's French Asia Line routing connecting Asia with Europe.

The bunkering was also seen as a practice before the arrival of the CMA CGM Jacques Saade, the world's largest LNG-powered container ship arrives in Rotterdam. The 23,000 TEUs container ship arrived on November 9 in Hamburg, Germany in the midst of her maiden voyage that departed Shanghai on September 22. Hamburg was the ship's third stop in Europe after a call in Malta and then Southampton. She is part of the fleet that will offer weekly sailings on the route that makes 13 calls during 84 days.

The CMA CGM has a sufficient LNG capacity to make a round trip voyage. She is the first of nine sister ships being built for CMA CGM Group. The line recently took delivery on the second of the ultra-large boxships fueled by LNG.

Source: <https://www.maritime-executive.com>

Persian Gulf-Japan VLGC freight rate surges to 9-month high on robust demand

Very Large Gas Carrier freight rates on the Persian Gulf to Japan voyage surged to the highest level in more than nine months Nov. 26 at \$73/mt, underpinned by strong shipping and LPG demand from China, Japan and South Korea during the winter seasonal peak, S&P Global Platts data showed. In addition, tonnage supply has been moderated by heavy dry dock schedules, a Singapore-based market source said. "Freight rates [are] going up because of more shipping demand, and also more ships [are] going into dry dock.

An estimated 31 VLGC vessels are in dry dock in the fourth quarter, according to data from shipping service provider Clarksons Platou. The VLGC freight rate on the Persian Gulf to Japan route was last assessed higher at \$73.50/mt on Feb. 11, Platts data showed. Spot VLGC freight rates month-to-date averaged at \$63.47/mt, up from the \$60.02/mt average in October and \$54.34/mt average in September, Platts data showed. VLGC rates typically peak in the fourth quarter, driven by strong seasonal LPG demand for winter heating in North Asia. In November 2019, VLGC freight rates averaged at \$75.45/mt.

BW LPG, in its third quarter financial results released Nov. 13, said it is optimistic about the VLGC market for the rest of the year. "The VLGC freight market is strong and is supported by resilient LPG exports out of the US, recovery in LPG exports from the Middle East, and a widening arbitrage driven by strong demand and reduced fleet availability," the Singapore-based company said in its Q3 results. VLGC freight rates out of the US Gulf Coast also rose to a 10-month high on Nov. 25, on the back of tight availability amid Panama Canal delays, Platts reported earlier. The Houston-Japan freight rate was assessed at \$135/mt, while the freight to Europe was assessed at \$70/mt. The US market is closed Nov. 26 for the Thanksgiving holiday.

Source: <https://www.hellenicshippingnews.com/>

Port of Hamburg container throughput down 4.9 percent to 2.3 million TEU in Q3 2020

The Port of Hamburg had shown a 16.2 percent loss in that quarter. The negative effects of the worldwide coronavirus pandemic are still affecting developments in the Port of Hamburg's cargo throughput, the company said in its release.

However, according to Port of Hamburg Marketing's (HHM) assessment, the results in the third quarter give reason to be optimistic that the double-digit decrease in turnover has ended. It resulted in particular from a downswing in numerous economic sectors and lower demand for consumer goods. In HHM's opinion, the third quarter showed signs of a beginning recovery.

In the first three quarters of the year, 93.2 million metric tons of seaborne cargo were loaded or discharged in the Port of Hamburg's terminals. That marks a drop of 10.7 percent compared to the previous year. Both major segments of cargo throughput were affected and remained significantly below the levels reached a year earlier. General cargo declined 9.9 percent to 65.2 million tons and bulk cargo was down 12.4 percent to 28 million tons. In container throughput, 6.3 million TEU (20-foot standard container units) were handled on Hamburg's quays in the first three quarters. That represents an annualized decrease of 9.9 percent.

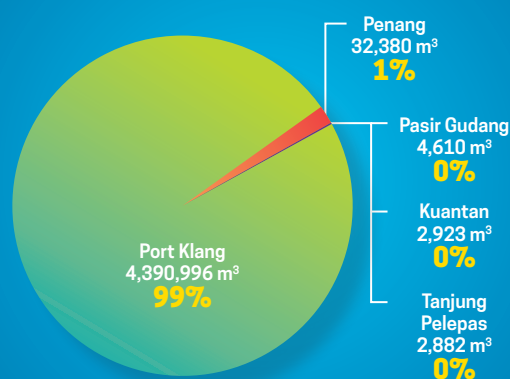
Developments in container traffic in the first three quarters varied among the Port of Hamburg's ten most important trade partners. Positive developments in trade with other countries could not make up for the 11.3 percent drop in seaborne container shipping with China, which is Hamburg's most important trade partner by far. Furthermore, Hamburg's seaborne container throughput for other countries besides China also showed up to double-digit decreases: Russia (-15.1 percent), Sweden (-11.8 percent), South Korea (-11.8 percent), Denmark (-3.4 percent), and Poland (-9.6 percent).

Countries among the Port of Hamburg's top ten trade partners that showed growth in container traffic were Singapore (up 7.1 percent), the UK (up 41.0 percent), and Malaysia (up 5.5 percent), along with the USA (up 0.1 percent). The USA ranks second for container throughput in Hamburg and still showed growth in the first three quarters of the year with a total of 439,000 TEU.

All in all, imports via the Port of Hamburg decreased by 14.4 percent, while exports were down by 5.5 percent. A drop in steel production was responsible for lower volumes in ore and coal imports. On the other hand, agribulk showed positive growth during the first three quarters, reaching a volume of 5.6 million tons, an increase of 20.1 percent. Significantly higher exports of grain and fertilizers were the main causes of this very favorable development in cargo throughput.

Source: Port News

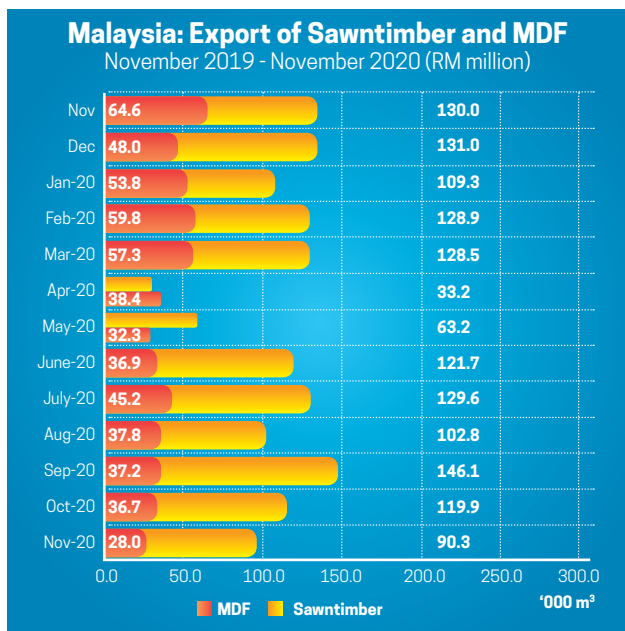
Timber Shipments through Ports in Peninsular Malaysia, November 2020



Total = 4,433,792 M³

November 2020

Exports of Malaysian timber and timber products in November 2020 decreased by 6% valued at RM2.0 billion from RM2.1 billion in the previous month. Similarly, cumulative exports for the period of January to November 2020 decreased by 3% worth RM19.8 billion over RM20.5 million in the previous corresponding period.



SAWNTIMBER

Total export of sawntimber in November 2020 decreased both in volume at 124,795 m³ and in value at RM218.2 million as compared to the previous month. Cumulative exports for the period of January to November 2020 increased by 4% in volume but decreased by 1% in value to 1,208,114 m³ totalling RM2.2 billion over the previous corresponding period.

Exports of sawntimber to the EU for the month decreased by 33% to 4,631 m³ over the previous month as a result of lower demand from major countries in the region. The Netherlands as the main buyer decreased 30% to 2,426 m³ from 3,476 m³ in the previous month. Exports to Germany also decreased by 12% to 989 m³ from 1,121 m³ recorded in the previous month followed by France with a decrease of 36% to 462 m³. Similarly, exports to Greece and Italy also decreased by 82% and 88% to 49 m³ and 19 m³ respectively from 277 m³ and 164 m³ recorded in the previous month. Exports to the UK also decreased by 25% to 1,100 m³ from 1,458 m³ in the previous month.

Total export to West Asia increased slightly to 20,941 m³ from 20,887 m³ recorded in the previous month. Yemen as the main buyer from West Asia increased buying by 65% to 7,456 m³ from 4,519 m³ recorded last month. Similarly, exports to the UAE and Qatar also increased by 9% and 5% to 5,308 m³ and 1,259 m³ respectively from 4,886 m³ and 1,196 m³ recorded in the previous month. Exports to Iraq increased by 3% to 2,457 m³ from 2,386 m³ recorded in the last month. However, exports to Saudi Arabia decreased by 71% to 558 m³ from 1,196 m³ recorded in the previous month followed with Oman and Bahrain with lower imports by 47% and 20% to 1,192 m³ and 906 m³.

Elsewhere, buying from ASEAN increased by 17% to 39,485 m³ from 33,774 m³ as registered in the previous month. Thailand as the main buyer in ASEAN increase its intake by 22% to 20,122 m³ from 16,452 m³ as recorded in the previous month. Similarly, exports to the Philippines increased by 30% to 11,878 m³ from 9,151 m³ as recorded in the previous month followed by Viet Nam 22% to 1,633 m³ while intake by Indonesia decreased by 7% to 177 m³. Exports of sawntimber to Singapore also decreased by 14% to 5,675 m³ from 6,587 m³ last month.

Shipments to East Asia also increased by 20% to 33,633 m³ from 27,938 m³ in October. China as the main buyer increased purchase slightly to 18,058 m³ from 17,663 m³ in the previous month. Similarly, Taiwan increased significantly to 9,126 m³ from only 4,348 m³ in the previous month followed by South Korea with 34% to 2,673 m³ respectively. However, exports to Japan and Hong Kong decreased by 4% and 10% to 3,598 m³ and 178 m³ respectively from 3,729 m³ and 198 m³ as recorded last month.

Elsewhere, exports to the USA and Australia decreased 38% and 48% to 581 m³ and 487 m³ compared from the previous month. Similarly, demand from South Africa also decreased by 6% to 2,460 m³ from 2,617 m³ recorded in the previous month.

The average FOB price of sawntimber decreased by 4% to 1,748 per m³ from 1,829 per m³ in the previous month. Meanwhile, the price of Dark Red Meranti to the Netherlands increased by 1% to 3,295 per m³ from 3,252 per m³ previously. Keruing was traded at 1,824 per m³, a decrease of 9% from 1,996 per m³ in the previous month.

MEDIUM DENSITY FIBREBOARD (MDF)

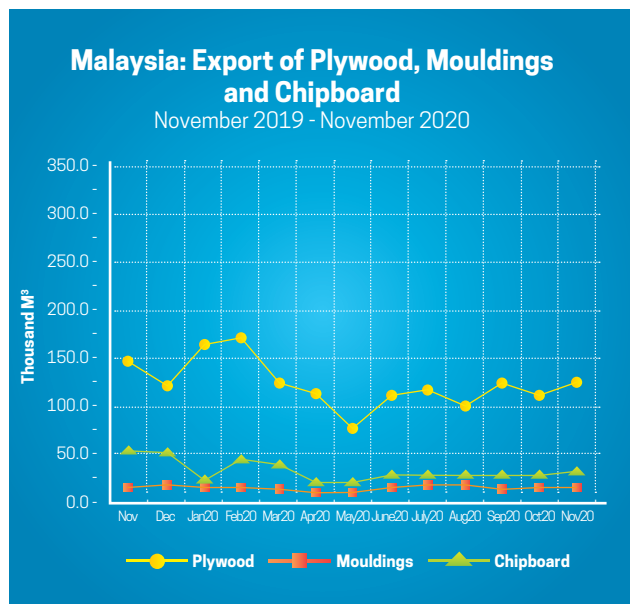
Exports of MDF in November 2020 decreased both in volume and value by 12% and 5% to 32,335 m³ worth RM51.8 million compared to the previous month. Similarly, cumulative exports for January-November 2020 based on year-on-year recorded a decrease in volume by 40% to 467,594 m³ and in value by 33% worth RM664.7 million over the previous corresponding period.

In ASEAN, total export decreased by 37% to 5,369 m³ from 8,464 m³ in the previous month. Exports to Indonesia decreased by 34% to 2,742 m³, followed by Viet Nam with 31% to 1,108 m³ and Philippines 55% to 1,101 m³. Singapore increased its intake by 118% to 83 m³ for the month. Moving to the East Asia region, exports increased by 43% to 14,196 m³. Japan as the major importer of MDF increased its intake by 43% to 12,774 m³ and similarly with Taiwan, exports increased significantly to 1,134 m³. Exports to China including Hong Kong and South Korea also increased by 50% to 223 m³ and 83% to 65 m³ respectively.

Shifting to the South Asian region, exports to the region improved by 1% to 7,747 m³ for the month. Sri Lanka increased its intake by 78% to 2,674 m³. However, Pakistan reduced its buying by 19% to 2,322 m³, followed by India with 16% to 2,195 m³ and Bangladesh 15% to 556 m³. In contrast, exports to the West Asian region decreased by 43% to 2,523 m³ from 4,449 m³ in the previous month. Exports to Jordan declined by 2% to 658 m³, followed by Oman with 85% to 235 m³, Kuwait 81% to 125 m³ and Lebanon 25% to 124 m³. However, exports to the UAE increased by 4% to 1,321 m³. Bahrain, Iran, Saudi Arabia, Qatar and Syria didn't make any purchase for the month.

Elsewhere, exports to the USA and South Africa decreased by 66% to 542 m³ and 64% to 415 m³ respectively. Similarly, Sudan and Australia reduced its buying by 84% to 129 m³ and 60% to 77 m³ respectively. However, exports to the UK improved by 73% to 214 m³ for the month.

The FOB price of MDF decreased by 8% to RM1,601 per m³ from RM1,481 per m³ from the previous month.



PLYWOOD

Exports of plywood in November 2020 both decreased in volume and value by 3% and 0.1% to 119,393 m³ totalled RM217.1 million compared to the previous month. However, cumulative exports for January-November 2020 based on year-on-year showed a decrease in volume by 13% to 1,383,791 m³ and in value by 18% worth RM2.6 billion over the previous corresponding period.

Exports of plywood to the EU decreased by 21% to 884 m³ for the month from 1,118 m³ in the previous month. Belgium and Italy reduced intake by 1% to 217 m³ and by 40% to 23 m³ respectively. Meanwhile, exports to Ireland and Germany increased by 4% to 638 m³ and 100% to 6 m³ respectively. Denmark, France and the Netherlands didn't make any purchases for the month. Apart from EU countries, exports to the UK also decreased by 20% to 5,496 m³ for the month.

Exports to ASEAN and the East Asia region recorded a decrease of 20% to 85,269 m³ compared to 71,262 m³ in the previous month. Despite the decrease in the region, Japan as the main importer of Malaysian increased its intake by 32% to 66,023 m³ followed by China by 38% to 1,214 m³ and Hong Kong 15% to 954 m³. However, exports to South Korea and Taiwan reduced by 8% to 6,692 m³ and 31% to 4,794 m³ respectively. Meanwhile, Malaysia's plywood trade with its ASEAN partners showed mixed trends for the month. Thailand increased its intake by 44% to 2,988 m³, followed by Singapore by 19% to 1,219 m³ and Brunei Darussalam 23% to 914 m³. In contrast, the Philippines decreased its intake by 44% to 467 m³. Indonesia did not make any purchase for the month.

Exports to the West Asian region recorded a decrease of 20% to 10,100 m³ from 12,541 m³ in the previous month. Yemen reduced its intake by 25% to 6,265 m³, followed by Qatar by 22% to 300 m³ and Saudi Arabia 31% to 470 m³. However, exports to UAE and Kuwait increased by 94% to 1,216 m³ and by 468% to 545 m³ respectively. Bahrain did not make any purchase for the month.

Meanwhile, exports to the African region recorded an increase of intake by 8% to 576 m³ over 536 m³ in the previous month. Mauritius increased its intake significantly to 103 m³ and Sierra Leone resumed its buying to 116 m³. However, Morocco and South Africa decreased buying by 17% to 314 m³ and by 71% to 43 m³ respectively. Our main buyer in the Americas region, the USA, reduced its intake of plywood by 43% to 9,813 m³ from 17,173 m³ last month. Meanwhile, Mexico and Canada increased buying by 97% to 1,628 m³ and by 4% to 796 m³ respectively. Moving to the Oceania region, exports to Australia increased by 4% to 3352 m³ but New Zealand decreased its buying by 48% to 43 m³ for the month.

The FOB price of plywood decreased by 3% to RM1,818 per m³ from RM1,870 per m³ in the previous month.

MOULDINGS

Exports of mouldings for the month decreased by 21% in volume and 20% in value to 12,634 m³ worth at RM49.5 million. However, cumulative exports for the period of January to November 2020 decreased by 23% in volume and 22% in value to 164,504 m³ worth at RM619.6 million as compared to the previous corresponding period in 2019.

Exports to the EU for the month recorded at 4,749 m³, a decrease of 34% compared to the previous month. Belgium, the Netherlands and Germany decreased purchases by 67%, 34% and 29% to 193 m³, 3,244 m³ and 652 m³. However, Italy did not make any purchase for the month. Meanwhile, the UK recorded an increase of 27% to 480 m³ for the month.

Exports to the ASEAN region decreased as Viet Nam and Singapore decreased purchases by 49% and 11% to 159 m³ and 723 m³. Meanwhile, Indonesia did not make any purchase.

Likewise, Hong Kong, Taiwan, China and Japan increased intake 400%, 38%, 27%, and 4% to 210 m³, 69 m³, 156 m³ and 1,178 m³ respectively. However, South Korea decreased its intake by 49% to 670 m³ compared to the previous month.

Elsewhere, exports to Canada and the US increased by 184% and 8% to 88 m³ and 1,679 m³ respectively. Meanwhile Australia decreased its purchases by 23% to 1,576 m³ compared to the previous month.

Average FOB unit value for mouldings increased marginally to RM3,922 per m³ compared to RM3,871 per m³ in the previous month.

November 2020

LOGS

Average prices of logs reported slightly increased compared to the previous month level due to increasing demand in the domestic market.

Log prices for the species of Balau and Red Balau increased by 1.5% and 0.9% at RM3,400 per ton and RM2,270 per ton respectively. Similarly, the price for Kapur and Mengkulang increased by 4.2% and 6.2% at RM1,750 per ton and RM1,380 per ton respectively. The prices for Dark Red Meranti increased by 1.6% at RM1,880 per ton whilst Red Meranti remained at RM1,750 per ton respectively. On the other hand, logs prices for Mixed Heavy Hardwood and Mixed Light Hardwood increased by 0.3% and 1.8% at RM1,160 per ton and RM1,120 per ton.

MEDIUM DENSITY FIBREBOARD (MDF)

Domestic supply of MDF remained stable as prices continued to chart at last month's level. The MDF of 4mm, 6mm, 9mm and 12mm of thicknesses were traded at RM12.90, RM16.20, RM22.00 and RM29.10 per piece respectively.

SAWNTIMBER

The average sawntimber prices rose slightly with export demand show an increasing.

The sawn timber prices of Balau and Red Balau increased by 4.2% and 2.3% at RM3,531 per m³ and RM2,895 per m³ respectively. Meanwhile, the prices for Keruing and Kempas remained at RM2,083 per m³ and RM2,507 per m³ respectively. The prices for Dark Red Meranti increased by 11.1% at RM2,119 per m³ whilst Red Meranti remained at RM1,836 per m³. On the other hand, sawn timber prices of Mixed Heavy Hardwood and Mixed Light Hardwood remained at RM1,059 per m³ and RM953 per m³ for this month.

PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. The prices of plywood for 4mm, 6mm, 9mm and 12mm of thicknesses were continued to be traded at RM14.80, RM22.20, RM38.35 and RM48.50 per piece respectively.

INTRA-MALAYSIA TRADE * - NOVEMBER 2020

The shipments of logs from Sabah to Peninsular Malaysia for the month fell by 58% in volume from 4,158 m³ to 1,764 m³ worth at RM581,000. Similarly, trade of sawn timber fell by 93% in volume from 324 m³ to 23 m³ worth at RM72,000. Trade of plywood increased by 40% in volume 3,479 m³ worth at RM6.2 million.

Trade of sawn timber from Sarawak to Peninsular Malaysia decreased by 97% in volume from 537 m³ to 14 m³ worth at RM7,000. Similarly, trade of plywood decreased by 41% in volume from 3,589 m³ to 2,135 m³ worth at RM2.0 million. Trade of Veneer in volume 40 m³ worth at RM110,000 for this month.

No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded during the month under review.

*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, NOVEMBER 2020 (RINGGIT MALAYSIA)

	LOGS/tonne	SAWNTIMBER/m³			
SPECIES	18” UP	GMS	STRIPS	SCANTLINGS/m³	
HEAVY HARDWOOD					
Cengal	5,000	7,062	5,650	8,475	
Balau	3,400	3,531	3,178	3,531	
Red Balau	2,270	2,895	2,825	3,531	
Merbau	3,590	4,710	3,934	4,237	
Mixed Heavy Hardwood	1,160	1,059	1,038	1,236	
MEDIUM HARDWOOD					
Keruing	1,700	2,083	1,391	2,210	
Kempas	1,600	2,507	2,295	2,578	
Kapur	1,750	1,751	1,412	1,836	
Mengkulang	1,380	2,338	1,624	2,323	
Tualang	1,440	2,507	2,331	2,542	
LIGHT HARDWOOD					
Dark Red Meranti	1,880	2,119	1,766	2,648	
Red Meranti	1,750	1,836	1,483	2,083	
Yellow Meranti	1,310	1,603	1,236	1,660	
White Meranti	1,480	2,472	1,342	2,507	
Mersawa	1,770	1,977	1,624	1,977	
Nyatoh	1,330	1,695	1,412	1,518	
Sepetir	1,350	1,702	1,194	1,758	
Jelutong	1,110	1,780	1,215	1,836	
Mixed Light Hardwood	1,120	953	862	1,088	
MALAYSIAN RUBBERWOOD <i>Hevea brasiliensis</i>	LOGS/tonne	SAWNTIMBER/m³			
	190	1” X 1”	2” X 2”	3” X 3”	4” X 4”
		1,150	1,294	1,390	1,590
PLYWOOD 4’ X 8’ (RM per piece)	4 mm	6 mm	9 mm		12 mm
	14.80	22.20	38.35		48.50
MDF 4’ X 8’ (RM per piece)	4 mm	6mm	9 mm		12 mm
	12.90	16.20	22.00		29.10

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

* Prices are only indicative

INTRA-MALAYSIA TRADE - NOVEMBER 2020

From	Product	October 2020		November 2020		% Change in volume	% Change in value
		Vol (m³)	Val (RM'000)	Vol (m³)	Val (RM'000)	Oct2020/Nov2020	Oct2020/Nov2020
SABAH	Logs	4,158	1,357	1,764	581	-58	-57
	Sawntimber	324	472	23	72	-93	-85
	Plywood	2,491	4,497	3,479	6,153	40	37
	Veneer	0	0	0	0	0	0
SARAWAK	Logs	0	0	0	0	0	0
	Sawntimber	537	762	14	7	-97	-99
	Plywood	3,589	4,019	2,135	1,996	-41	-50
	Veneer	0	0	40	110	100	100

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

Cont. from page 15

VENEER

Exports of veneer for November 2020 improved both in volume by 57% to 5,674 m³ and 52% in value worth RM8.0 million as compared to the previous month. Similarly, cumulative exports for January-November based on year-on-year showed a decrease in volume by 48% to 53,766 m³ and in value by 47% worth RM84.5 million over the previous corresponding period.

Exports to China and the USA declined by 12% to 1,709 m³ and by 72% to 22 m³ respectively. However, exports to Taiwan increased significantly to 1,809 m³, followed by India with 88% to 455 m³, South Korea 8% to 446 m³ and Italy 33% to 28 m³. Singapore and the Philippines resumed their buying by 29 m³ and 478 m³ respectively. Australia, Canada and Viet Nam didn't make any purchase for the month.

The FOB price of veneer for October 2020 was at RM1,419 per m³, a decrease of 3% from RM1,469 per m³ in the previous month.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for November 2020 recorded a decrease of 10% in volume and 18% in value to 11,294,167 m³ worth RM83.0 million from last month. Total BJC cumulative exports for the same corresponding period last year decreased 7% to RM883.7 million as compared to RM945.8 million. Exports to the EU decreased by 39% to RM169.1 million. Exports to the Germany, France, Italy and Netherlands decreased by 34%, 21%, 22% and 10% to RM18.2 million, RM17.0 million, RM4.6 million and RM19.4 million respectively. However, exports to Turkey, Sweden, Denmark and Belgium increased by 394%, 147%, 23% and 7% to RM324,998, RM17.2 million, RM22.6 million and RM47.2 million respectively. Meanwhile the UK increased imports by 9% to RM118.4 million from last month.

In Asia, exports to Bahrain and Egypt increased by 809% and 109% to RM626,520 and RM1.2 million compared to the previous month. Meanwhile, Qatar, the UAE and Saudi Arabia recorded a decrease of 100%, 84% and 61% to RM8,599, RM863,870 and RM600,848 respectively. Thailand increased by 2% to RM19.9 million compared to the previous month. However, exports to Singapore, Pakistan, Viet Nam, South Korea, Japan, India and Taiwan decreased by 49%, 27%, 37%, 64%, 20%, 18% and 3% to RM40.2 million, RM1.5 million, RM17.1 million, RM1.9 million, RM50.6 million, RM29.8 million and RM10.3 million respectively.

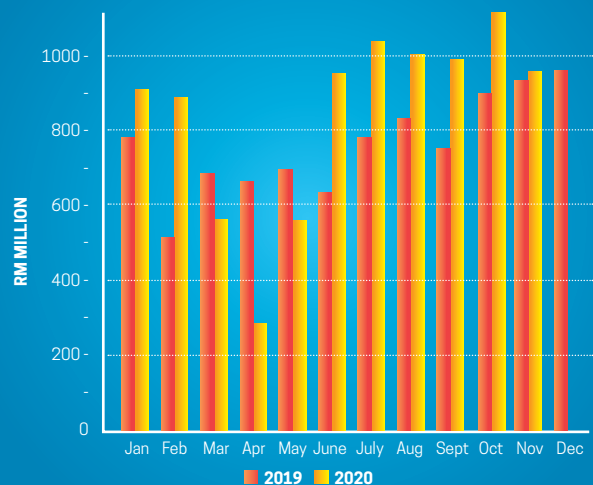
Exports to South Africa, Australia and Mauritius decreased by 42%, 21% and 8% to RM9.9 million, RM150.2 million and RM732,920 respectively. Meanwhile, exports to the US increased by 22% to RM179.6 million compared to the previous month.

FURNITURE

Exports of wooden and rattan furniture for the period of January to November 2020 recorded increased by 16% to RM9.6 billion from RM8.3 billion in the previous corresponding period. The USA as a main buyer of wooden furniture increased purchases by 63% to RM5.8 billion from RM3.6 billion in the corresponding period in 2019. In Europe, shipments to Germany decreased by 10% to RM42.3 million, while exports to the Netherlands increased by 14% to RM29.4 million from RM25.8 million compared to the previous corresponding period. Exports to Greece also decreased by 12% to RM19.5 million followed by France with 18% to RM45.1 million respectively.

Shipments to the UK also decreased by 7% to RM422.3 million for the month. Similarly, purchases by Russia declined by 11% to RM13.9 million from RM15.7 million in the same period last year.

Malaysia: Export of Wooden Furniture
November 2019 - November 2020 (RM million)



Demand from Canada and Australia also decreased by 4% and 11% to RM255.4 million and RM390.0 million respectively.

In East Asia, exports to Japan reduced by 23% to RM428.9 million from RM557.5 million in the same period last year. However, South Korea increased consumption by 6% to RM84.9 million whilst exports to China decreased by 38% to RM114.9 million. Exports to India also decreased by 52% to RM104.5 million from RM215.7 million in the previous corresponding period.

In the ASEAN region, exports to the Philippines and Singapore recorded at RM104.4 million and RM265.9 million respectively. Elsewhere, exports to Saudi Arabia and Qatar also decreased by 11% to RM145.2 million and 53% to RM6.0 million respectively. The UAE also reduced buying by 19% to RM112.9 million followed by Kuwait with 42% to RM26.4 million and Oman 60% to RM13.0 million respectively.

Rattan furniture shipments for January to November 2020 recorded at RM93.1 million from RM127.1 million in the previous corresponding period. Exports to the USA decreased by 5% to RM34.1 million from RM35.7 million in the corresponding period in 2019. Elsewhere, exports to Canada decreased slightly to RM2.8 million while Australia increased by 35% to RM5.1 million compared to the previous month.

In Europe, exports to the UK and the Netherlands decreased by 26% and 35% to RM7.8 million and RM747,146 respectively compared to the previous corresponding period. Exports to Russia also decreased by 42% to RM2.5 million followed by France with 52% to RM1.7 million and Poland 67% to RM641,398. However, purchases by Germany improved by 45% to RM697,845 from RM481,922 in the same period last year. Elsewhere in North Africa, Algeria decreased their purchases by 16% to RM2.6 million from RM3.1 million in the previous corresponding period.

In East Asia, exports to Japan increased by 93% to RM2.1 million from RM1.1 million recorded in the same period last year. However, China and India declined intake by 56% and 76% to RM9.1 million and RM1.8 million compared to RM20.7 million and RM7.3 million respectively in the previous corresponding period. Meanwhile in the ASEAN region, exports to Singapore and Thailand recorded at RM1.7 million and RM526,202 respectively.

Elsewhere in the Middle East, exports to the UAE decreased by 12% to RM862,786 from RM980,804 recorded in the same period 2019. Meanwhile, Viet Nam, Sri Lanka and Oman did not make any purchase compared to the previous corresponding period in 2019.



INCENTIVES TOWARDS INDUSTRIAL REVOLUTION 4.0 (IR 4.0)

The Malaysian Timber Industry Board (MTIB) organized an online briefing on 22 December 2020 entitled Incentives towards Industrial Revolution 4.0 (IR 4.0) for the Malaysian timber industry which was affected by the COVID-19 pandemic. The main objective of this briefing was to share information and understand more about incentives and financing provided by the government for the timber industry. Among the benefits of these incentives is to enhance the development and sustainability of the Malaysian timber industry. In addition, the briefing also aimed to transform the manufacturing industry to be Industry 4.0 ready.

Cik Hajah Robiyah Haji Husin, Deputy Director General of MTIB in her opening remarks said that the purpose of the briefing was to provide an opportunity for all parties in the timber industry as well as MTIB staff to know in more detail what the Industrial Revolution 4.0 (IR 4.0) is and how we can take advantage of it. In brief, Industry 4.0 involves 'internet-of-things' oriented automation technology (IoTs) that will present new challenges to all sectors of manufacturing and services in the country that will require them to make changes in line with digital transformation to remain competitive. Timber industries need to take steps and create a new strategy to ensure that the industry continues to thrive, be competitive and efficient in the local and international markets.

She further highlighted that Industry 4.0 is also seen as a means to solve the problem of dependence on manpower resources. She further added that it is estimated that 60% of all jobs have at least 30% activities that can be automated and are estimated to increase global productivity growth by 0.8% to 1.4% per year. MTIB as the government agency



Cik Hajah Robiyah Husin, Deputy Director (Operations & Management) of MTIB gives the opening speech

responsible for developing the timber industry in Peninsular Malaysia, needs to take up this challenge and move the industry towards IR 4.0 for it to remain productive and competitive. Lastly, Cik Hajah Robiyah Haji Husin urged the representatives of the timber industry to increase their momentum and take advantage of this briefing.

Six papers were presented at the briefing and the guest speakers were as follows:

- Puan Safniwati Jasri of Malaysia Productivity Corporation (MPC) spoke on Industry 4FWRD Readiness Assessment
- Puan Sarojini Ganesan of Malaysian Investment Development Authority (MIDA) spoke on Investment Incentives Related to Industry4FWRD
- Puan Sharifah Faten Nur Helmy AlHusaini of Malaysian Industrial Development Finance Berhad (MIDF) spoke on Moving Towards IR4.0 Financial Assistance for the Timber Industry
- Encik Idjarmizuan Ibrahim of Malaysian Technology Development Corporation Sdn. Bhd. (MTDC) spoke on Centre of 9 Pillars (Co9P)
- Puan Azizah Amirah Touhid Ahmad of Malaysian Global Innovation and Creativity Centre (MAGIC) spoke on National Technology and Innovation Sandbox (NTIS)
- Professor Dr. Jegatheswaran Ratnasingam of Universiti Putra Malaysia (UPM) presented on Industry 4.0 Education: A Collaborative Effort of Malaysian and European Partners

The briefing was followed by a Q&A session. More than 100 participants comprising representatives from local timber and furniture industries, government agencies and educational institutions attended the online briefing.



Q&A session with MIDF

ONE OF THE KEY PLAYERS IN THE MALAYSIAN FURNITURE INDUSTRY.

Since 1991, Versalink Holdings Limited (“Versalink” or the “Company” and, together with its subsidiaries, the “Group”) has grown to become one of the leading manufacturers of mid to high-end System Furniture in Malaysia.

Corporate Profile and Our Business

The Company attributes its success to Mr Roland Law, the founder of the Company. Mr Roland Law first went into the furniture business in 1979 when he started a business specializing in the manufacture of kitchen cabinets and bedroom furniture.

Today, after more than 20 years, Versalink has built a wide customer base that spans more than 40 countries in Africa, Australia, Asia, Middle East and North America. Its customers include architects, contractors, corporate customers, dealers, designers and OEM customers, both in domestic Malaysia as well as overseas. Versalink has been endeavoring to develop, design and produce modern system furniture since its establishment. The Group has received numerous awards and certifications over the years, which is a testament to Versalink’s position as one of the key players in the Malaysian furniture industry.

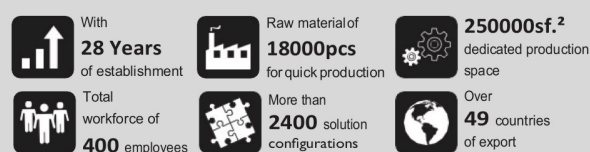
Established in Malaysia and International

In order to maintain its position as one of the leaders in system furniture both in Malaysia and in the world, the Group dedicates its resources to continuous research and development to ensure that its system furniture remains in the forefront of revolutionary designing.

In addition, the Group devotes its resources to giving back to society by implementing various socially and environmentally responsible practices. The Group is principally engaged in the design, manufacture and supply of a wide range of system furniture under its “Versalink” and “AD MAIORA brands or on an OEM basis that can be tailored to its customers’ specifications.

The Group also supplies ancillary products such as seating models and work tools that are sourced from third party manufacturers. In addition, the Group is also the reseller for various established international third party brands of premium office furniture such as ZÜCO Bürositzmöbel of AG Switzerland and Dauphin Human Design of Germany.

As part of our value-added service to our customers, the Group also provides workspace planning and consultation services to customers who require advice on optimizing their usage of space and/or customization of system furniture.



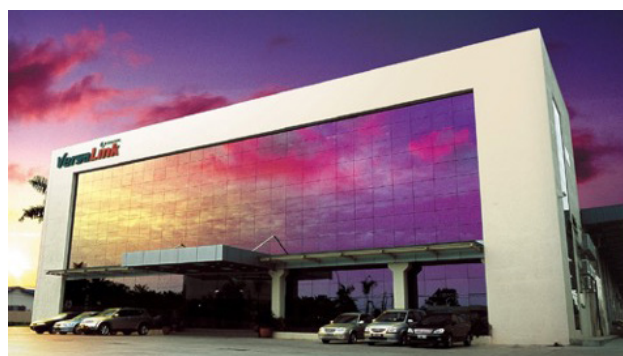
The Group has two business divisions, namely Domestic Sales (Malaysia) and Export Sales.

Domestic Sales

Domestic Sales are derived mainly from project sales by way of tenders, and directly negotiated contracts with contractors who operate in the office renovation and fit-out sectors, corporate customers who require renovation and fit-out services for their corporate offices and walk in customers who place orders at our showrooms.

Export Sales

Export Sales are primarily for overseas dealers such as furniture importers, distributors and retailers who resell the Group’s products to end-users through their respective retail networks. The Group also supplies to furniture brand owners that purchase from the Group on an OEM basis.

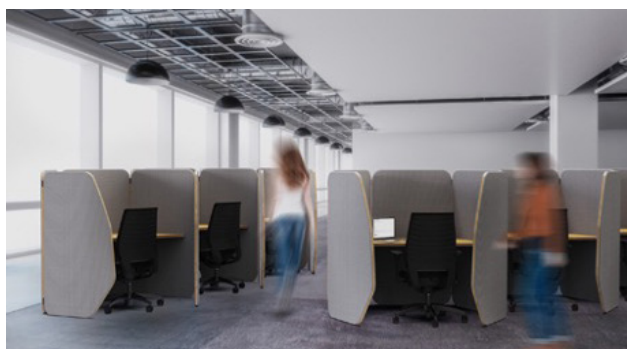


Vision

Our ultimate vision is to become a conscious-centred ethical global company, where we incorporate social goals in all our business goals, so as to maximise improvements in financial and social aspects while ensuring environmental well-being for all our stakeholders and Mother Earth.

Mission

Our mission is to create a positive impact in all that we do, through conscious business ethics where we develop best business practices and policies that lead us to operate based on Higher Consciousness decision-making and actions, and to experience higher levels of success, a more satisfied workforce, growth and longevity. We practice mindful awareness and do what is best by considering the impact on our employees, customers, suppliers, shareholders, the environment, and our community for each choice we make, so as to ensure a strong foundation of integrity, support, good-will and ethical behaviour in businesses.



Versalink Lean Journey

Versalink has been engaged with the MTIB Lean Management Programme to educate, guide and execute our employees towards improving productivity, efficiency and also output quality.

Lean manufacturing is a series of methods designed to minimize the waste of material and labour while maintaining or increasing levels of production.

At Versalink, we provide exceptional quality products ranging from Reception, Architectural & Space Division, Executive Series, System Series, Meeting & Conferences, Filing & Storages, Seating and Accessories.



Jemaramas Jaya Sdn. Bhd. (227317-M)
Versalink Marketing Sdn. Bhd. (225946-K)
 Lot 6119, Jalan Haji Salleh, Batu 5½,
 Off Jalan Meru, 41050 Klang,
 Selangor Darul Ehsan, Malaysia.

+6 03 3392 6888

info@versalink.com

www.versalink.com

A wholly owned subsidiary of Versalink Holdings Limited, Singapore.

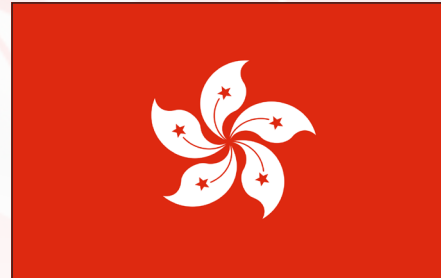
* Jemaramas won third place during MTIB's Lean Creanova Programme. As part of its prize package, MTIB will publish a write-up of the company in MASKAYU. Jemaramas Jaya Sdn. Bhd. is the manufacturer/OEM product of mid to high-end system furniture under its "Versalink" brand.

WOOD GROWS ON YOU

especially beautiful malaysian wood!



HONG KONG: VENTURING ITS POTENTIAL TRADING HUB IN TIMBER TRADE



History and Political Background

Hong Kong, officially known as the Hong Kong Special Administrative Region of the People's Republic of China (HKSAR), is one of the largest economies in the Asian region. The territory is located in a strategic entry point into mainland China. It's located on the Pearl River Delta, south of Guangdong and Shenzhen, surrounded by the South China Sea. The territory covers 2,755 square kilometres, consisting of Hong Kong Island, the Kowloon Peninsula, the New Territories, Lantau Island, and over 200 other islands. The territory is a major port city with an outstanding deep-water harbour. Hong Kong is also regarded as a cosmopolitan centre and famously known as one of the world's major financial and manufacturing centres. Urban development is concentrated on the Kowloon Peninsula, Hong Kong Island, and in new towns throughout the New Territories. Much of this is built on reclaimed land, about 70 square kilometres, and 6% of the total land is reclaimed from the sea.

In the international fora, Hong Kong has no independent representation in the United Nations Security Council, the United Nations Conference on Trade and Development, the Group of 77 at the United Nations, or the Group of 22 (G22). However, Hong Kong actively participates in the World Trade Organization, the Asia-Pacific Economic Cooperation forum, the International Olympic Committee, the Asian Development Bank, the International Monetary Fund, the World Health Organization, and the United Nations World Tourism Organization, though as an associate member and not a member state.

Economy Background

Hong Kong is regarded as a highly developed free-market economy characterised by low taxation, an almost free port trade and a well-established international financial market. Its economy is governed under positive non-interventionism and is highly dependent on international trade and finance - the value of goods and services trade, including the sizable share

of reexports, is about four times its GDP. The World Bank stated that Hong Kong's GDP was worth USD366.03 billion in 2019, about 0.3% of the world economy. It has a strong and stable currency which is legally issued by three major international commercial banks and pegged to the US dollar. Interest rates are determined by the individual banks in Hong Kong to ensure that they are market driven. With its liberal economy, Hong Kong has the second-highest number of corporate headquarters in the Asia-Pacific region and provides a gateway for foreign direct investment in China, giving investors open access to mainland Chinese markets through direct links with the Shanghai and Shenzhen stock exchanges.

Mainland China has long been Hong Kong's largest trading partner and its economic integration with the mainland continues to be most evident with the signing of Closer Economic Partnership Agreement (CEPA) in 2014. All products made in Hong Kong, subject to CEPA's rules of origin, enjoy duty-free access to mainland China. CEPA also covers a negative list and a most-favoured treatment provision, effective March 2015. Later, in November 2015, on the basis of the Guangdong Agreement, the Agreement on Trade in Services signed to further enhance liberalization, including extending the implementation of a majority of the Guangdong pilot liberalization measures to the whole Mainland, reducing the restrictive measures in the negative list, and adding measures in the positive list for cross-border services as well as cultural and telecommunications services. It was followed by the Investment Agreement and the Agreement on Economic and Technical Cooperation (Ecotech Agreement) under the framework of CEPA that was signed in June 2017.

In December 2018, the mainland and Hong Kong signed the Agreement on Trade in Goods under the CEPA framework, which strengthened the arrangements for rules of origin (ROOs). From 1 January 2019, goods of Hong Kong origin are liable for a zero tariff when imported to the mainland. In addition to the product specific ROOs (PSRs), Hong Kong and the mainland introduced a general rule of origin (General Rule) based on the calculation of the value-added to the products in Hong Kong. Products without PSRs also benefit from a zero tariff when imported to the mainland, as long as the terms of the General Rule have been satisfied.

Amongst the major setback of being an open economy, Hong Kong is vulnerable to renewed global financial market volatility or a slowdown in the global economy. Its GDP slugged to -7.5% in 2020, against -1.2% in 2019. This slowdown resulted largely from the impact of the COVID-19 pandemic, China and US trade tensions, decreased FDI, and tighter credit conditions forcing the Hong Kong Monetary Authority (HKMA) to imitate rate increases. According to the latest International Monetary Fund (IMF) forecasts, Hong Kong growth is expected to bounce back to +3.7% in 2021 and remain at 3.4% in 2022, subject to the post-pandemic global economic recovery. According to the IMF also, the inflation rate dropped from 2.9% in 2019 to 0.3% in 2020. World Economic Outlook of the IMF (2021) reported that Hong Kong's inflation rate should remain low at 0.3% in 2021 and 2022.

Credit expansion and a tight housing supply have caused Hong Kong property prices to rise rapidly in recent years. Lower and middle-income segments of the population are increasingly unable to afford adequate housing. In 2021, the country's most immediate challenge is related to the economic, social and public health impacts of the COVID-19 pandemic. The unemployment rate increased from 3% to 5.2% in 2020; the IMF expects this trend to remain, the rate being currently estimated to stabilise at 4.4% in 2021 and 4% in 2022. Challenges also include pro-China vs anti-China sentiment, rising income inequality, and lack of economic innovation.

Hong Kong's Forestry

There were subtropical rainforests in Hong Kong long before it was inhabited by people. Due to excessive deforestation since the Yuan Dynasty in the 13th century until the Japanese Occupation in 1940's, only patchy forests or better known as feng shui woods survived and these covered less than 4% of its land. To quickly re-establish forest land cover, the government planted many fast-growing exotic non-native tree species. In 1960s, countering the water shortage crisis, the government resorted to building reservoirs and started planting more trees around Hong Kong as they can improve the catchment area. In 1970s, the government launched a reforestation program and designated about 41% of the land area of Hong Kong as country parks and nature reserves. About two-thirds of its forests have been protected in these areas since then. In 2009, the Agriculture, Fisheries and Conservation Department (AFCD) launched the Country Parks Plantation Enrichment Scheme to enrich the overall value of country park plantations. Major improvement measures included thinning of aging exotic tree species and planting of native tree seedlings. In 2015, AFCD planted 400,000 trees seedlings, 80% of them native species, in Hong Kong's 440 square kilometres country parks.

The current forest areas in Hong Kong can be divided into three main types. The first type is plantation forest, where trees of a single species are planted around a reservoir area to prevent erosion. Then, there are secondary forests, which have recovered naturally from previous loss. These 30- to 40-year-old secondary forests are dominated by *Persea* spp. Lastly, the feng shui woods. Located in the New Territories, feng shui woods usually have a richer biodiversity than the other two forest types. These

forests have the most complex structure and contain some tree species not found in other forest types. Shing Mun Fung Shui Wood inside Shing Mun Country Park, which has been around since the 17th century, possesses 76 different plant species.

Overall forest coverage has also been steadily increasing since the post-war period. In 2009, they reduced the tree planting numbers and shifted their focus to native trees to enhance biodiversity. In 2015, 80 percent of all 400,000 tree seedlings were native species. In 2019, around 298,000 tree seedlings were planted in Hong Kong's country parks. Despite the distinct and unique ecological value of Hong Kong, its future is overshadowed by rapid developments and this may jeopardize the reforestation efforts that have been going on since the previous century.

Hong Kong's natural resources are limited, and food and raw materials must be imported. In 2019, Hong Kong imported USD578.6 billion worth of food and raw materials, an increase of 3% since 2015. Hong Kong primarily sourced from China, Taiwan, Singapore, Japan and South Korea. Malaysia is ranked 7th with a total trade of USD25.1 billion, an increase of 58% since 2015. The territory mainly imports electrical components, machinery, gems and jewellery, raw material and edibles, and apparels. Hong Kong is regarded as one of the largest entry points for mainland China due to its role as a major distribution hub for the Asian region. Most of its opportunities in terms of expanding exports to Hong Kong relate to its 1997 change of status, particularly as a gateway to China.

Hong Kong's Timber Sector

Hong Kong itself presently operates mainly as a re-exporter of BJC, sawn timber, tableware and kitchenware. Re-exports of wood panels have also been growing substantially since 1988. There may be some potential to increase exports of panel products and the Hong Kong paper and paperboard market has grown strongly over the past decade. Another sector in the timber trade that is rapidly emerging in Hong Kong is the furniture and furnishing industry. It comprises the production of household, office and kitchen furniture, as well as mattresses, bedding and parts of furniture. Most of the industry's manufacturing activities are now carried out in mainland China. Head offices in Hong Kong act as a controlling office principally responsible for high value-added services such as management, finance, accounting and marketing, while production plants in Mainland China utilise the advantage of lower operational cost. A large variety of raw materials are used in production, including wood, rattan, plastic and metal. Wooden furniture is the industry's leading category in terms of production and exports. That includes rosewood and black-wood furniture, especially wooden tables, chairs and wardrobes. For many Hong Kong furniture manufacturers, Asian countries are the major source of raw materials. Solid wood, for example, is mainly sourced from Malaysia and Thailand, while Indonesia is the major supplier of rattan.

Modernisation of the furniture industry for space-saving furniture and a growing preference for personal style, custom-made and multi-functional furniture has become increasingly popular in

recent years. The Hong Kong furniture industry positioned its products in specialty stores, chain stores, department stores and hypermarkets. With the rapid rise of e-commerce worldwide, the omnichannel model is increasingly becoming adopted by furniture brands and retailers. Consumers can examine the products in stores and then buy them online and have the goods delivered to their homes. Low to medium-end products are often sold in hypermarkets. For standard products such as garden chairs, folding chairs, shoes racks and mattresses, Hong Kong manufacturers mainly rely on trading firms and foreign buying offices stationed in Hong Kong. They may also appoint sales agents to develop overseas markets.

Hong Kong furniture manufacturers have strong design capabilities but also accept OEM orders from major foreign brands such as IKEA. The manufacturer specialises in higher-end set furniture for hotels and offices; and real estate projects under tender-contracts. Many Hong Kong furniture manufacturers have established their own retail outlets in overseas markets, particularly in mainland China. Lamex, Four Seas Furniture and Dickson Furniture are among those companies that have set up subsidiaries, branch offices and sales outlets in major Chinese cities to facilitate domestic sales. As they are ODM

manufacturers, the companies have also started to develop their own brands. They have become more careful about their choice of raw materials, in order to meet international standards and comply with legal and environmental requirements in their target markets.

Malaysia's Export of Timber and Timber Products to Hong Kong

Hong Kong has long been Malaysia's trading partner for timber and timber products albeit the export value being on a declining trend for the last five years. In 2019, Malaysia exported RM77.82 million of timber and timber products, a decrease by 16% from RM92.6 billion in 2018. The country mainly imported plywood valued at RM34.37 million, followed by wooden furniture at RM15.47 million, sawntimber RM8.86 million, mouldings RM7.69 million and BJC RM3.49 million. The slowdown of economic growth, weak business sentiments and increasing competition from other timber and timber products producers such as China, India, Indonesia and Canada have dampened Malaysia's exports of timber and timber products to Hong Kong.

Malaysia: Export of Timber and Timber Products to Hong Kong, 2015-2019

(Value RM '000)

PRODUCT	2015	2016	2017	2018	2019
Logs	1,290,933	0	332,137	0	4,422,771
Sawntimber	16,610,805	6,835,193	9,218,507	7,540,201	8,863,992
Plywood	80,197,561	79,743,805	60,753,783	44,749,814	34,374,254
Veneer	361,288	0	8,415	611,013	10,000
Moulding	9,147,347	6,742,367	6,569,059	7,185,763	7,692,164
Chipboard/Particleboard	1,235,729	627,317	660,645	183,723	44,381
Fibreboard	18,587	19,358	396,375	1,248,111	533,522
Wooden Frame	892,947	1,041,495	933,511	755,863	842,662
BJC	3,087,103	6,017,550	5,276,533	4,773,038	3,486,921
Wooden Furniture	26,387,646	21,899,380	21,043,699	18,458,661	15,474,466
Rattan Furniture	179,563	320,160	687,087	841,600	220,458
Other Products	846,459	1,265,862	1,040,024	6,289,651	1,850,274
TOTAL	140,255,968	124,512,487	106,919,775	92,637,438	77,815,865

Source: MTIB & DOSM

Malaysia's Import of Timber and Timber Products from Hong Kong

Imports of timber products from Hong Kong showed negative growth for the last five years. Total import in 2015 amounted to

RM30.1 million. In 2016, imports plummeted to RM18.9 million and in 2017, it further reduced to RM13.51 million. However, the import increased to RM15.92 million in 2018, then down again to RM7.47 million in 2019. Major products imported from Hong Kong in 2019 were wooden furniture worth RM3.0 million, followed by veneer at RM2.0 million and other products at RM1.67 million.

Malaysia: Import of Timber and Timber Products from Hong Kong, 2015-2019

(Value RM '000)

PRODUCT	2015	2016	2017	2018	2019
Logs	0	317,761	0	0	0
Sawntimber	0	414,352	0	167,657	208,885
Plywood	0	178,144	8,135	1,361,459	0
BJC	257,786	155,182	61,261	140,254	106,342
Veneer	1,166,378	1,079,144	361,100	1,436,876	1,972,957
Fibreboard	18,995	650,661	1,389,639	2,913,963	261,382
Moulding	172,008	43,950	966,284	624,273	0
Chipboard/Particleboard	322,175	274,109	0	5,929	0
Rattan Furniture	271,402	248,876	198,320	6,003	259,326
Wooden Furniture	3,379,468	10,350,880	4,546,951	5,234,822	2,992,487
Other Products	24,533,692	5,215,528	5,977,891	4,028,522	1,665,949
TOTAL	30,121,904	18,928,587	13,509,581	15,919,758	7,467,328

Source: MTIB & DOSM

Hong Kong's Export of Timber and Timber Products

Despite being one of the major entry points to the Asian region, exports of timber and timber products from Hong Kong are declining. China's adopting CITES requirement and its own rule banning the illegal timber have impacted

Hong Kong's timber trade as it acts as transit to other major destinations around the world. In 2015, exports recorded at USD712.26 million and decreased by 22% to USD556.2 million in 2016. In 2017, exports increased albeit minimally by 0.1% to USD556.77 million and decreased by 8% to USD509.85 million in 2018. Hong Kong's export of timber and timber products further decreased by 14% to USD439.96 million.

Hong Kong: Export of Timber and Timber Products, 2015-2019

(Value USD '000)

PRODUCT	2015	2016	2017	2018	2019
Logs	96,639	34,597	8,095	2,742	2,873
Sawntimber	41,118	20,559	21,506	8,007	5,195
BJC	48,547	49,296	51,887	43,478	54,387

Cont. from page 26

PRODUCT	2015	2016	2017	2018	2019
Moulding	3,781	1,411	2,134	1,693	869
Veneer	2,926	3,127	2,981	3,393	4,737
Plywood	15,065	9,461	8,300	7,837	7,294
MDF	1,574	1,780	930	561	519
Particle Board	1,133	1,618	1,769	1,411	637
Wooden Frame	2,281	2,832	1,412	2,527	4,489
Furniture & Parts	364,956	323,329	361,076	341,757	268,266
Others Product	134,242	108,187	96,678	96,439	90,698
TOTAL	712,262	556,197	556,768	509,845	439,964

Source: UN-Comtrade Statistics

Hong Kong's Import of Timber and Timber Products

Demand for timber and timber products by Hong Kong remain stable because of high consumption from urbanisation, rising population and also growth of the construction sector. In 2015, imports were recorded at USD1.11 billion and decreased by 11%

to USD988.5 million in 2016. In 2017, imports increased by 3% to USD1.02 billion then slightly declined by 0.2% to USD1.01 billion in 2018. Its intake of timber and timber products in 2019 reduced by 2% to USD996.15 million. Hong Kong mainly imported furniture parts, BJC, plywood, sawntimber and other products and its main suppliers were China, Italy, Germany, USA and Japan. Malaysia ranked 9th as a supplier of furniture parts in 2019 with a total value of USD5.36 million.

Hong Kong: Import of Timber and Timber Products, 2015-2019

(Value USD '000)

PRODUCT	2015	2016	2017	2018	2019
BJC	128,043	138,844	139,041	150,429	156,189
Plywood	78,918	73,353	83,707	78,593	67,937
Moulding	17,120	16,222	13,849	12,891	11,986
MDF	3,052	3,403	4,085	6,337	3,900
Veneer	3,737	4,065	4,195	4,233	4,541
Particle board	2,385	2,413	3,108	6,061	5,979
Sawntimber	79,771	51,374	44,374	33,428	22,178
Wooden Frame	4,526	4,955	4,142	4,006	3,967
Furniture Parts	584,529	551,163	597,445	607,875	577,517
Others Product	210,549	142,708	124,153	111,998	141,955
TOTAL	1,112,630	988,500	1,018,099	1,015,851	996,149

Source: UN-Comtrade Statistics

Hong Kong Import Tariff

For timber and timber products, Malaysia enjoy 0% import duty for all its products. Details are as follows: -

PRODUCT	MFN RATE
4401-4421	0 %
9401-9403	0 %

Source: WTO Tariff

Outlook And Prospects

Hong Kong's economy went through a difficult year in 2019-2020. Softening global economic growth, escalating US-China trade tensions and pandemic COVID-19 worldwide caused a heavy blow to economic sentiment and consumption- and tourism-related activities. Furthermore, domestic demand retreated in 2019, especially in the second half when consumption-related activities and economic sentiment were severely affected by local social incidents. Private consumption expenditure posted the first annual decline since 2003. Overall investment expenditure recorded the biggest drop in two decades, with machinery and equipment acquisition falling sharply and building and construction expenditure weakening further. Hong Kong's long recession showed signs of easing in the third quarter 2020, total exports of goods resumed moderate growth, whereas exports of services plummeted further. Domestic demand improved somewhat but stayed weak. Barring any sharp resurgence of local COVID-19 infections or abrupt relapse in global economic activity, Hong Kong's economy is likely to see further modest improvement in the fourth quarter of 2020.

Despite the gloomy outlook, Malaysian timber players should take advantage of existing innovations and current trends favoured in the furniture industry. The current trends in Hong Kong furniture industry includes customised products such as bespoke furniture; multi-functionality furniture - flexible, functional and smaller furniture which incorporates more than one function; green furniture that is environmentally friendly; and ergonomic office furniture and home office furniture with the growing trend of working from home. Increased disposable income, improved consumer lifestyles and a significant increase in GDP will support market growth in Hong Kong, and thus it provides a stimulus for Malaysia's furniture market to penetrate Hong Kong's home and office renovation and interior design sector. Premium household goods and convertible furniture are among many designs favoured in Hong Kong. It is therefore very clear that the Malaysian furniture industry needs to further develop better quality products, and invest in product design diversity and marketing and communication strategies.

Reference:

- MTIB
- DOSM
- The World Bank
- Hong Kong Trade Development Council
- <https://www.state.sc.us>
- https://en.wikipedia.org/wiki/Hong_Kong
- https://www.nationsonline.org/oneworld/hong_kong.htm
- https://rainforests.mongabay.com/deforestation/2000/Hong_Kong.htm
- <https://www.investopedia.com/articles/investing/121814/hong-kong-vs-china-understand-differences.asp>
- https://www.indexmundi.com/hong_kong/economy_overview.html
- <https://www.nordeatrade.com/dk/explore-new-market/hong-kong/economical-context>
- <https://www.wwf.org.hk/en/?3648/Our-Forest-Our-Future>
- <https://www.polyu.edu.hk/greencampus/en/green-tips/tips-on-sustainability/27-green-tips/tips-on-sustainability/571-201703greentips.html>



Malaysian Wood
Standing on Excellence

Multiple Uses, Variable Styles

Incomparable Malaysian Wood. Choice for those with exclusive preference. Pushing the Frontier of imagination and creativity. Our Heritage. Our Pride.





MTIB is committed towards enhancing the sustainable growth of the Malaysian timber industry through various initiatives and innovations.

For more information, contact:

Malaysian Timber Industry Board (MTIB)

Level 13-17, Menara PGRM, No. 8, Jalan Pudu Ulu, 56100 Cheras
Kuala Lumpur, Malaysia

Tel: +603-9282 2235 Fax: +603-9285 1477/1744

Email: info@mtib.gov.my URL: www.mtib.gov.my

[facebook.com/Malaysian-Timber-Industry-Board](https://www.facebook.com/Malaysian-Timber-Industry-Board)

Spot the difference

They look similar, are made from the same type of hardwood and have similar price tags. The only difference is that one came from a rainforest and the other from a plantation.

Every year, millions of trees are felled to fulfill the demands of the timber industry. Problems arise when these trees are not replaced as fast as they are taken, causing a multitude of environmental problems.

MTIB is fully aware of the need for renewable resources. One solution is forest plantation, where trees are planted specifically for commercial purposes. Not only does it provide a steady supply of timber, it also works to the advantage of our environment.

We care about the environment as much as we care about the timber industry, which is why it is important for us to come up with solutions that benefit both – because beautiful furniture doesn't have to come with a high environmental price tag.

TETIUP (ADINANDRA SPP.)

INTRODUCTION

Tetiup (P.M.) = *Adinandra dumosa* = SAMAK.

Tetiup is the Standard Malaysian name as well as the ASEAN Standard Name for the timbers of *Adinandra*, *Gordonia* and *Schima* (Theaceae). Vernacular names applied include *bangkao* (Sabah), *bangkau* (Sabah), *bawing* (Sabah), *gatal-gatal* (Peninsular Malaysia), *gegatal* (Peninsular Malaysia), *jalong* (Peninsular Malaysia), *legai* (Sarawak), *medang gatal* (Peninsular Malaysia), *meluluk* (Sabah), *mengkula* (Peninsular Malaysia), *samak pulut* (Peninsular Malaysia), *tekoyong-koyong* (Sarawak), *tetiup* (Peninsular Malaysia) and *tiup-tiup* (Peninsular Malaysia).

It is also known as Chilauni and Nagetta (India); Kasilala, Kayu manjel, Letok, Osole, Pelempang hitam, Puspa, Tabi, Tadungin and Weindie (Indonesia); Bounak, Khai sou and Mi (Laos); Laukya and Needlewood (Myanmar); *Schima* (Papua New Guinea); and Bunnak and Mang Tan (Thailand).



Leaves of Tetiup



Tangential view



Cross-section view

GENERAL CHARACTERISTIC

The sapwood is lighter in colour than and not clearly defined from the heartwood which is grey-brown with a purple tinge to dark red-brown.

DENSITY

The timber is moderately hard and moderately heavy with a density of 530 – 920 kg m³ air dry.

NATURAL DURABILITY

The timber is non-durable.

PRESERVATIVE TREATMENT

The heartwood is easy to impregnate with preservatives.

TEXTURE

Texture is rather fine and even, with interlocked and frequently irregular grain.

STRENGTH PROPERTIES

None.

MACHINING PROPERTIES

It is fairly easy to resaw and cross-cut and is easy to slightly difficult to plane. The finish is, however, smooth.

NAILING PROPERTY

Nailing property ranges from excellent in *Schima* to poor in *Adinandra*.

AIR DRYING

The seasoning properties of the timber are summarised below:

Species	Time to air dry (months)			Remarks
	13 mm thick boards	25 mm thick boards	38 mm thick boards	
<i>Adinandra dumosa</i>	3	-	4	Moderately slow drying; moderate cupping and splitting; severe staining.
<i>A. villosa</i>	-	5	-	Slow drying; slight twisting.
<i>Schima wallichii</i>	2.5	-	3	Fairly fast drying; severe cupping, bowing, twisting and splitting; slight end-checking and surface-checking.

SHRINKAGE

The shrinkage of the timber is summarised below:

Species	Shrinkage (%) (Green to air dry)		Remarks
	Radial	Tangential	
<i>Adinandra dumosa</i>	2.3	2.4	Fairly high shrinkage
<i>A. villosa</i>	1.7	4.4	High shrinkage
<i>Schima wallichii</i>	2.1	3.4	High shrinkage

USES

The timber is suitable for flooring, panelling, door and window frames, planking, plywood manufacture, wooden pallets and charcoal manufacture.

REFERENCES:

- 100 Malaysian Timbers, MTIB
- T.M. Wong – A Dictionary of Malaysian Timbers. Malayan Forest Records No. 30
- [http://mtc.com.my/wizards/mtc_tud/items/report\(176\).php](http://mtc.com.my/wizards/mtc_tud/items/report(176).php)
- ITTO Lesser Used Species 



Cik Hajah Robiyah Husin, Deputy Director General (Operation and Management) of MTIB's visit to WISDEC, Banting, Selangor, 24 December 2020



A briefing session for the Production Capacity Building Programme for Bumiputera SMEs is held at Ipoh, Perak, 31 December 2020



Lean Management Workshop was conducted at various factories throughout Malaysia, December 2020



Participants of Lakar Meet Lakar Programme, Kuala Terengganu, 17-18 December 2020