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VIET NAM

BIFA WOOD VIET NAM SET TO RETURN AUGUST 2022

In light of border control and quarantine measures, BIFA Wood Vietnam, one of the country's leading wood and woodworking exhibitions, to be held in Binh Duong, Vietnam, will be postponed to 8 - 11 August 2022.

"Currently, Vietnam borders are still closed and quarantine is required upon arrival," elaborated William Pang, co-organiser of BIFA Wood Vietnam and publisher of the Panels & Furniture Group of wood magazines. "Moving our event to August will give Vietnam and other borders more time to establish quarantine-free travel for visitors and exhibitors, and more time for exhibitors to freight their exhibits or machinery for the show."

The postponed BIFA Wood Vietnam will be held in a new exhibition hall, the WTC Binh Duong New City Expo Centre, which was completed in mid-2021. Visitors can look forward to leading international woodworking machinery, plus hardwood, softwood and wood materials for the manufacturing of panels, flooring, doors and windows, and other industry trends and developments.

Prior to that, the 2018 edition of BIFA Wood Vietnam treated 4,200 visitors to 183 exhibitors of the latest technologies and products in the furniture manufacturing and woodworking sectors.

https: www.fordaq.com, 1 April 2022

NEW TENSION IN WOODEN INDUSTRY

Up to now, Vietnamese processing enterprises can fill the partial shortage of timber, but in the long term, it may be more serious. For the first two months of this year, the export of timber and wood products achieved positive results with USD2.6 billion, but the shortage of timber is still persistent.

"The price of timber increases each day," said Mr. Tran Phuong, a director of Minh Thanh Company Ltd.. 95% of the pine used by Minh Thanh Company is imported pine, mainly from Chile and New Zealand. Currently, the price of New Zealand pine logs has reached USD175-USD180 per cubic metres; its price was USD140-USD148 two months ago. Chilean pine logs are currently at USD190 per cubic metres; it was USD155 previously.

While the supply chain is still tense because of Covid-19, the war in Ukraine is a new blow to the escalating price of raw materials and fuel. At this time, Minh Thanh Company which uses imported timber, is also indirectly affected by "the changes in the US market", Mr. Phuong said. The price of construction timber in the US has increased by 4 times from the beginning of 2020 to the end of 2021 and continued increasing highly in the early 2022. American lumber suppliers transferred to pine lumber, instead of oak lumber in order to meet very high demand forconstruction timber. Other countries also rushed to sell pine to the US, including New Zealand and Chile, which pushed the selling price of this species of timber to a higher level in the global market.

The Vietnamese timber industry is witnessing a general principle: the more it grows, the higher the risk is. Currently, Vietnam ranks the second in Asia in exporting timber and wood products, with a fast growth of about 17% per year. Now, the global supply of timber is under pressure from the conflict between Russia and Ukraine.

https: www.fordaq.com, 8 April 2022

CHINA

FOREST DEVELOPMENT PLAN 2021-2025

China aims to establish a modern forest and grass industry system by 2025 with the total output value expected to reach RMB9 trillion from RMB8.1 trillion in 2020. This was included in the Forestry and Grassland Development Plan (2021-2025) released by the State Forestry and Grassland Administration.

China also strives to establish itself as a leading country in the international trade of forest and grassland products with an annual import and export value hitting USD195 billion by 2025 from USD152.8 in 2020.

The output of wood-based panels is expected to be stable at around 300 million cubic metres, the output of flooring at around 800 million square metres and the output of wooden furniture at RMB800 billion by 2025.

More than 2 million hectares of national reserve forests will be cultivated and upgraded by 2025. There will also be a rise of 20 million cubic metres in annual stocking volumes in national reserve forests. More than 8 million cubic metres of stocking will be of rare tree species.

https: www.fordaq.com, 19 April 2022

TRADE OPPORTUNITIES WITH EU IN INDUSTRIAL WOOD PRODUCTS

Trade Opportunities between India and the EU in Industrial Wood Products was a webinar that was jointly organised by the European Confederation of the Woodworking Industry (CEI-Bois), the Indian Embassy to Belgium, Luxembourg and the EU, in Brussels and the Federation of Indian Export Organisations (FIEO), on the 7th of April 2022. The event was moderated by CEI-Bois' Trade Working Group Chairman Mr Fryer and gathered a great number of participants from across the EU and India.

This was the second time that the organizers hosted a joint webinar that aimed to serve as a platform of discussion between various Indian and European Woodworking Industry players. The session was opened by Dr. Smita Sirohi, Adviser at the Embassy of India to Belgium, Luxembourg and the EU who stressed the importance of bringing together partners from this increasingly growing in prominence sector. A keynote speaker from DG Trade, Mr Maxim, presented the state of play of EU-India trade and investment relations and gave a glimpse of what is to be expected as next steps of the recently reopened trade negotiations between the EU and India.

India is amongst the world's fastest-growing large economies and an important player in global economic governance. India is the tenth largest partner for EU exports of goods (1.9 %) and also the tenth largest partner for EU imports of goods (2.2 %). There is still work ahead in concluding an agreement, but India is an important trade and investment partner for the EU and both India and the EU will gain from a balanced, ambitious, comprehensive, and mutually beneficial trade agreement.

The webinar explored current trends and opportunities for industrial wood products both from an Indian perspective - with a presentation of the India Timber Supply and Demand 2010–2030 report by co-author Dr Kant, which showed that although India's forest cover has increased steadily for nearly two decades, timber production is still substantially less than consumption, and an increasingly large proportion of demand is being met by imports; and a European perspective - with a presentation by Mr Paul Brannen on recent EU initiatives that favour the use of more wood in construction and renovation due to its environmental benefits and its potential to help reach climate neutrality goals in Europe.

In its ending session the webinar focused on showcasing the potential of timber construction with examples from India and Slovenia. Dr Šušteršič from InnoRenew CoE presented the recently completed construction of the largest wooden building in Slovenia. It is a hybrid combination of timber, concrete, and steel. The upper three floors of the main building are entirely wooden, making it the largest wooden building in Slovenia to date. The building houses offices, meeting rooms and research laboratories. On the other hand, Dr. Shankar gave a presentation from an Indian architect perspective on the huge opportunity wood offers in construction not only in aesthetics but also as a renewable, reusable, climate resilient and low embodied energy natural material.

Overall, the webinar highlighted the importance of fostering exchange and open dialogue in order to encourage new potential areas for cooperation between the European and Indian Woodworking Industries, be it from a technological, RDI, services or best practices perspective.

www.fordaq.com, 8 April 2022

EUROPEAN SAWMILL ASSOCIATIONS ARE DEMANDING GREATER USE OF WOOD RESOURCES

The German Sawmill and Timber Industry Association, the Association of the Austrian Timber Industry and the Swiss Timber Industry have called for a clear commitment in Europe towards sustainable forest management and greater use of wood. This requires adjustments to the European Green Deal to reflect the new realities in Europe. In particular, the drafts of the biodiversity strategy, the forest strategy, the Renewable Energy Directive (RED II + RED III) and the Ordinance on Land Use and Forestry (LULUCF) should be completely realigned.

The Russian war of aggression in Ukraine and the sanctions against Russia and Belarus pose major challenges for the economy and society throughout Europe. A turning point was heralded in many areas. The timber industry is also affected by the current developments, but also offers solutions for the tasks of the future. As a renewable raw material, wood makes a key contribution to climate protection and reduces dependence on fossil energy sources and products from other countries. The right course must be set for this in Europe and in the individual countries.

According to the associations, right now it is important to use European raw materials and to strengthen independent and climate-friendly value chains. The lack of imports of wood products from Russia, Belarus and the Ukraine can be compensated for by their own production, but the wood industry in Europe needs a secure supply of raw materials from sustainable forest management. Europe's forests are growing. The forest area in the European Union increased by almost 10% in the period 1990-2020. An estimated 63% of annual wood growth is harvested. Wood stocks in the EU have increased by 8 billion cubic meters since 1990.

The German Sawmill and Timber Industry Association, the Association of the Austrian Timber Industry and the Swiss Timber Industry are also calling for politicians in Europe to refocus on the value of an independent economy and production in Europe and to preserve jobs. Using one's own renewable resources is of fundamental importance.

www.globalwoodmarketsinfo.com, 14 April 2022

UNITED KINGDOM

TIMBER PRODUCTS IMPORTS UP

Timber Development UK, which is under the Timber Trade Federation (TTF), has released a market statement to provide greater clarity on the current supply and demand situation in the UK.

The market statement provides a detailed analysis of the past year, looking at the import and price statistics of 2021, as well as how recent events will impact inflationary trends in 2022.

One key takeaway from the statement is that the timber supply chain is resilient with 2021 proving to be a record year for imports despite significant disruptions to the market.

According to the market statement, import volumes in 2021 reached nearly 11.7 million cubic metres – a 15% increase on 2020. This is the largest volume of imports seen in the UK since 2008, reflecting strong demand for timber products.

With another year of significant disruption highly likely due to the invasion of Ukraine and economic sanctions against Russia and Belarus, communication across the supply chain will remain vital. The report considers how the invasion will influence supply, demand and price, and recent market trends, with consideration given to construction forecasts for 2022.

According to Nick Boulton, Head of Technical and Trade Policy, Timber Development UK, “Reflecting on 2021, for the first time in my memory we saw timber nearly cleared off the shelves of all merchants. A strong RM&I sector, a resurgent housing market and a construction industry looking to rapidly decarbonise led to unprecedented demand for timber in the UK. This all put significant pressure on price over the course of 2021, taking some specific products like structural softwood, OSB and US hardwoods to unprecedented levels.

“Despite these challenges, the past year has shown the strength and resilience of the timber supply chain which ensured material needs were met through record imports in 2021. I would like to say that we are moving back towards normality in 2022, however, the supply situation remains particularly tricky given continuing labour shortages and high fuel costs. Recent weeks have also seen the awful illegal invasion of Ukraine by Russia which is likely to exacerbate existing supply and price pressures.

“Yet against this backdrop, timber will continue to play a pivotal role in 2022 as the UK looks to build back better, safer, and greener while achieving net-zero targets.”

www.fordaq.com, 1 April 2022

AUSTRIA

INCREASE IN LOG PRICES FOR SPRUCE AND PINE

The Austrian sawmill industry is stocked with softwood saw logs on average. In combination with a still very good order situation in timber construction, demand is very brisk. The quantities of logs that are made available are transported away quickly. The only delays are due to thaw closures or the unavailability of truck drivers. Pine is also in high demand with prices also rising. The demand for larch remains high and can hardly be met.

In summary, at the end of the hardwood season it can be stated that demand for oak was still very lively and demand for beech was higher than in the previous year. Following the trend of previous years, marketing hardwood was difficult, often only the best qualities could be sold here.

Due to the currently high energy prices, electricity production from wood is also economically viable without subsidies. Individual plants are or have therefore been put back into operation. There is correspondingly brisk demand for energy wood, and prices have risen.

www.fordaq.com, 20 April 2022

Photo session with participant that includes officers from MPC and MTIB

Regulatory Impact **Analysis (RIA)**

In 2013, the government introduced the National Policy on the Development and Implementation of Regulations (NPDIR) to boost national productivity and competitiveness, as well as the adoption of Good Regulatory Practice (GRP) among regulators. Through NPDIR, Regulatory Impact Analysis (RIA) was introduced and emphasised in the development processes of quality regulations. Since the NPDIR implementation, revisions and improvements have been made with the launch of the National Policy on Good Regulatory Practice (NPGRP) in July 2021. NPGRP is a policy that provides a structured and systematic approach to regulatory reforms that enhances regulators' competency and knowledge in the rule-making process. All regulators should comply with General Circular No. 1 of 2021, which came into force on 22 June 2021 in relation to the NPGRP and System Regulatory Process Management System (RPMS).

MTIB as a regulatory body, is committed to enhancing the productivity and competitiveness of the timber industry through effective and efficient regulations that can contribute towards strengthening the industry. As such, MTIB has conducted a Regulatory Impact Analysis and prepared a Regulatory Impact Statement (RIS) for a proposed regulation or reviews of existing regulations which include the following elements:

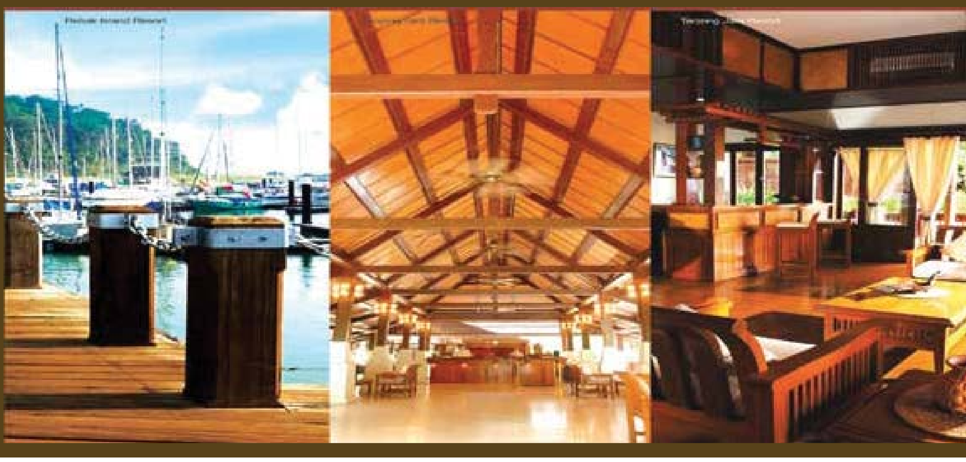
i. Problem Statement
ii. Objectives
iii. Options (Regulations, non-regulatory, or other alternative mechanisms)
iv. Impact Analysis
v. Consultation - get feedback from stakeholders
vi. Conclusions and recommendations
vii. Strategy for implementation

In view of the above, MTIB in collaboration with Malaysian Productivity Corporation (MPC), organised the Workshop on the Development of Regulatory Impact Analysis for strengthening the timber licensing and legality system which was held from 31 March 2022 to 1 April 2022 in Kuala Lumpur. The objectives of the workshop were to gather inputs to evaluate proposals designed to strengthen the timber licensing and legality system in order to identify the specific objectivesof regulations that can reduce unnecessary burdens and avoid redundancy. The workshop also discussed the range of feasible solutions for alleviating the burden of the timber industry through the proposed regulations which addressed specific problems.

A total of 16 officers from MPC and MTIB attended the workshop. The workshop was led by Encik Mazree Iman, Senior Deputy Director, Licensing and Inspectorate Division, MTIB.

Encik Mazree Iman is delivering the talk to participant of RIA workshop.

Participant during the workshop session



JAWALA INC.

JAWALA PLANTATION INDUSTRIES SDN. BHD.

Jawala Plantation Industries Sdn Bhd (JPISB) is a Sabah-based company engaged in the management of forestry resources including the planting and extraction of logs; managing the planting and silvicultural treatments of natural and plantation forests; and felling, cutting, collecting, removing and converting trees into forest produce such as logs and timber within the Sapulut Forest Reserve, Sabah. Its main focus is on the development of Industrial Tree Plantations (ITP). It manages part of Forest Management Unit (FMU) 14 under the terms and conditions of the Sustainable Forest Management License Agreement (SFMLA) with the Sabah Forestry Department.

Tropical reforestation has been highlighted as an important intervention for climate change mitigation due to its carbon storage potential. Sustainability is given utmost priority in the business of JPISB. Our slogan of 'Replanting Sabah's Forest for Future Generations' reflects our commitment to sustainability through renewability of our resources.

SUSTAINABILITY

ENVIRONMENT

- JPISB has on its own initiative conducted a High Conservation Value (HCV) assessment of its concession area.
- 1,800 hectares were set aside as additional HCV area covering flora and fauna, community needs and protected species where the HCV area covers 31% of the total concession area.
- JPISB has conducted restoration activities in conservation areas

SOCIAL

- JPISB has formalised its Standard Operating Procedure (SOP) concerning COVID-19 control measures as recommended by the Malaysian National Security Council (Majlis Keselamatan Negara (MKN), Ministry of Health (MOH), and the Ministry of International Trade and Industry (MITI).
- JPISB recognises employees as valuable contributors to the business operations and sustain-ability efforts. We care for our

GOVERNANCE

- ZERO incidence of non-compliance in FY2021 (FY2020: Nil) and JPISB has not been fined or penalised (FY2020: Nil) by any authority or government agency related to violation of laws and regulations.
- JPISB obtained its TLAS Certificate covering the period from 20 January 2021 to 19 January 2022 based on the assessment conducted by GFS (Sabah) Sdn Bhd. The CoC from Sabah Timber Legality Assurance System was issued on 20 January 2021.

ENVIRONMENT	SOCIAL	GOVERNANCE

through installation of signboards, enforcement of boundary demarcation, re- demarcation and re-brushing, establishment of Rafflesia buffer and new water catchment areas.

- JPISB has consumed water from natural streams located close to its base camps and processed sufficient water for employee consumption in the base camps.
- JPISB has installed solar panels near the base camp and facilities since year 2017 to offset use of generators which generate carbon emission.
- As of FY2021, 7 units of solar panels have been installed and they generate 25,125 kw/h for the base camps, labour quarters and central office.

employees to ensure that they have a sense of belonging. We support diversity in their employment profile, and practice equal opportunities regardless of race, gender, age, and religion.


Sabah Timber Legality Assurance System (TLAS)

Certificate of Compliance

This is to certify that

Jawala Plantation Industries Sdn. Bhd.
Lot 2-10 & 2-11, Pusat Komersil Latitud 6 Lintas, Off Jalan Lintas
88000 Kota Kinabalu, Sabah; Malaysia

Licence No.: SFMLA 02/2015

has complied with the requirements of the Sabah TLAS Principle 1 - 4, based on the assessment conducted by GFS (Sabah) Sdn. Bhd., reported in Document # GFSSBH 003-109 and Audit Statement # GFS 100 LVS.

TLAS Certificate No. : FDS(SLS)003/2022
Validity : 24th January 2022 to 23rd January 2023

(DATUK FREDERICK KUGAN)
Chief Conservator of Forests

Date of Issuance : 24th January 2022

HIGH CONSERVATION VALUES (HCV) DASHBOARD

With our commitment on sustainability, Jawala Inc has commissioned an independent assessment of our high conservation value forest within the plantation area. The assessment was conducted in accordance with the Malaysian National Interpretation for the identification of Hight Conservation Value (HCV) guidelines. The total area delineated for high conservation value was 3,375 ha; representing 31% of the total licensed area 11,040 ha.

HCV IDENTIFICATION AND DELINEATION

HCV 1: Rare, Threatened, Endangered Plants and Animal	HCV 3 & 4: Forest Ecosystem and Services	HCV 5 & 6 : Community Needs
113 species of trees listed under IUCN Red List	**1,496 ha** Conservation Areas	**318 ha** Water catchment
41 species of trees listed under The Sabah Conservation Wildlife Enactment 1997	**178 ha** Wildlife corridor cum refugia	**1,267 ha** Riparian Reserves
11 species of mammals listed under IUCN Red Listed	**81 ha** Salt licks	**8 ha** Basic Needs
15 species of mammals listed under The Sabah Conservation Wildlife Enactment 1997	**38 ha** Green Buffer	

- **5 species**
  of mammals listed under CITES
- **33 species**
  of birds listed under IUCN Red Listed
- **24 species**
  of birds listed under The Sabah Conservation Wildlife Enactment 1997
- **7 species**
  of birds listed under CITES
- **37 ha**
  Limestone forest

CORPORATE SOCIAL RESPONSIBILITY (CSR)

We are committed to maintaining the well-being of our community and believe that we have the responsibility to give back to society and bring a positive impact on the community. We actively engage our local community through our Corporate Social Responsibility ("CSR") programmes and incorporate these values into our business practices.

CSR activities held include :

- Donating to 120 families in the nearby villages at Kampung Salung, Kampung Sinikaluan and Kampung Tataluan in the vicinity of our plantation
- Donating logs to 3 families in order to rebuild their houses which had been completely burnt to the ground as a result of a fire
- Installing and maintaining gravity water pipes in Kampung Sinikaluan
- Installing piping equipment to secure a source of clean water for the villages around JPISB and Tibow District Forestry Office
- Delivering piping goods and contributions to Kampung Sinikaluan during the implementation of the MCO
- Delivering piping equipment to repair damaged pipes at Tibow District Office
- Providing machinery assistance for cleaning house site areas and drainage in Kampung Kuku Amas
- Giving monetary assistance to surrounding villages

BUSINESS MODEL

1. Salvage Logging within Licensed Area

- Harvesting of existing trees of degraded forest
- Transporting to stumping yard for processing and royalty marking
- Authorised to process, convert, sell processed or converted timber to local purchasers.

2. Industrial Tree Plantation within Licensed Area

Sustainability Matter	FY2021 Achievement	FY2020 Achievement	FY2019 Achievement
Environmental Impact Assessment and Mitigation	• Forest silviculture – 84% • Replanted – 452.04 ha	• Forest silviculture – 90% • Replanted – 727 ha	• Forest silviculture – 94% • Replanted – 392 ha
Nursery and Seedling Production	Seedling production – 375,000 • Planted – 224,502 seedlings	• Seedling production – 500,000 • Planted – 348,000 seedlings	• Seedling production – 357,000 • Planted – 149,000 seedlings

PLANTING CYCLE OF INDUSTRIAL TREE PLANTATION

JPISB has to-date planted 2,202 hectares with 932,827 seedlings comprising of White Laran (Neolamarckia Cadamba), Albizia (Falcataria Moluccana), Khaya Ivorensis and Red Laran with White Laran being the most dominant with 1,548 hectares planted with 630,454 seedlings planted. The targeted net planting area is 7,500 hectares with 3.4 million seedlings by the year 2025. The first harvest is expected to be between 2026 and 2028. The ITP logs produced are expected to replace or substitute the utilisation of tropical logs for plywood and sawn timber manufacturing.

The benefits and advantages of ITP will lead to the conservancy, renewability and sustainability of the forest industry in Sabah. The Sabah Government has just recently launched the Action Plan on Forest Plantation Development 2022 to 2026. It is expected that the total production of ITP logs will reach 6 to 8 million cubic meters annually.

1 Selected laran mother tree located in our area for fruit collection. Height: 30 meters, DBH size: 70cm, Age: more than 25 years old.

2 Collect ripened laran fruits for the extraction of seeds. More than 8,000 seeds per fruit.

3 Seeds are sowed in the germination trays for 2 months before transplanting.

4 Transplanting seedlings into 64 cells tubes tray.

5 Selection and trimming of seedlings before transferring to the Hardening Area.

6 Seedlings are strengthened in the Hardening Area before transferring to the open area upon reaching 15cm in height.

7 Selected healthy seedlings ready to be transferred to the open area.

8 Hardening process in the open area for 2 weeks before planting in the field.

JPISB is a subsidiary company of Jawala Inc., a company listed on the Singapore Exchange specialising on forest management with a focus on industrial tree plantations in Sabah.

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MARCH 2022

The total export of Malaysian timber and timber products in March 2022 increased by 41% in value totalled RM2.4 billion from RM1.7 billion in the previous month. Moreover, cumulative exports for the period of March 2022 increased by 8% valued at RM6.5 billion over RM6.0 billion in the previous corresponding period. Malaysia is prepared to capitalize on the surge in demand for Malaysian timber-based products, especially furniture in the US and the UK as many people around the world began working from home, leading to a rise in home construction, repairs and re-modelling. Besides that, the ongoing trade dispute between the US and China had left Malaysia and Indonesia as the only timber source options for the world's largest economy. On the other hand, as of 1 Jan 2022, changes in the UK customs regulations following the UK's exit from the EU's Customs Union and Single Market framework meant that the Malaysian timber industry stood to benefit from duty-free exports. Malaysia is also prepared to work closely with the UK to address the country's shortage of timber and timber products by sourcing and value-adding from third countries, especially PEFC-certified timber products *(Programme for the Endorsement of Forest Certification).*

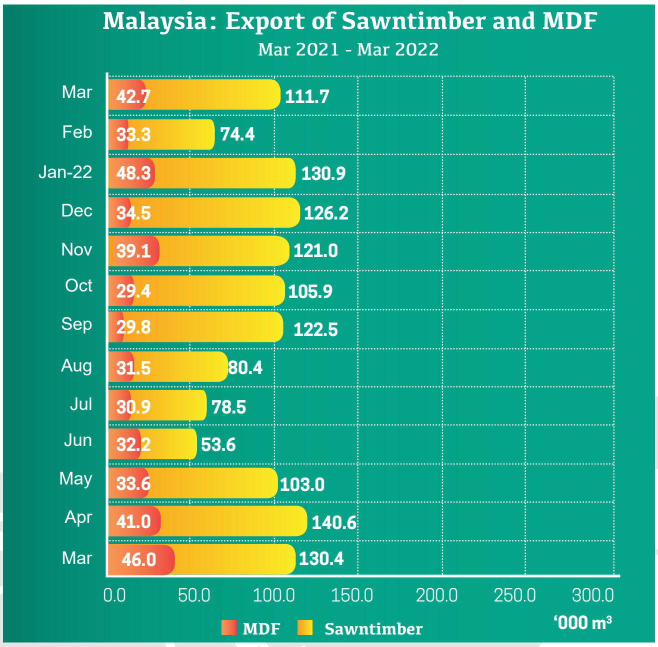
SAWNTIMBER

Total export of sawntimber in March 2022 increased by 50% in volume and 51% in value to 111,660 m³ totalling RM256.0 million as compared to the previous month. Cumulative exports for the period of March 2022 decreased by 7% in volume but increased 9% in value to 286,577 m³ totalling at RM640.9 million over the previous corresponding period.

Exports to the EU for the month were recorded at 74,447 m³, increased by 50% as compared to the previous month. The Netherlands as the main buyer increased by 102% to 5,158 m³ from 2,550 m³ in the previous month. Exports to Belgium and Germany also increased by 54% and 5% to 1,085 m³ and 1,094 m³ respectively compared to 706 m³ and 1,043 m³ recorded in the previous month. Outside the EU, country, exports to the UK also increased by 38% to 599 m³ from 434 m³ in the previous month.

Total export to South Asia decreased slightly to 15,149 m³ from 15,338 m³ as recorded in the previous month. India as the main buyer from South increased buying by by 27% to 8,126 m³ followed by Maldives by 13% to recorded in the previous month. However, exports to Pakistan decreased by 12% to 940 m³ from 1,071 m³ recorded in the previous month.

Total export to West Asia decreased by 17% to 12,660 m³ from 15,174 m³ as recorded in the previous month. Yemen as the main buyer from West Asia increased buying significantly to 2,764 m³ from only 935 m³ recorded last month. Similarly, exports to Saudi Arabia increased by 15% to 2,586 m³ compared to 2,253 m³ the previous month. However, exports to the UAE decreased by 64% to 2,536 m³ from 7,071 m³ as recorded in the previous month.



Elsewhere, shipments to East Asia increased by 84% to 34,946 m³ from 19,027 m³ in February. China as the main buyer increase purchases by 51% to 20,249 m³ from 13,451 m³ in the previous month. Exports to Taiwan also increased by 400% to 9,225 m³ from 1,846 m³ followed with Japan by 39% to 3,604 m³ respectively.

Meanwhile, buying from ASEAN increased by 111% to 32,655 m³ from 15,511 m³ as registered in the previous month. Thailand as the main buyer in ASEAN increased its intake by 96% to 13,004 m³ from 6,623 m³ as recorded in the previous month. Similarly, exports of sawntimber to the Philippines and Singapore also increased by 194% and 69% to 12,042 m³ and 6,509 m³ respectively from 4,097 m³ and 3,843 m³ last month.

Moving to Africa region, exports to Africa increased by 110% to 3,087 m³ compared to 1,472 m³ in the previous month. Demand from South Africa increased by 48% to 1,763 m³ from 1,188 m³ as recorded the month before. Sudan resumed its purchases to 583 m³ whilst Mauritius increased buying significantly to 422 m³ from only 6 m³ in the previous month.

Exports to the North America also increased by 123% to 2,698 m³ from 1,210 m³ in the previous month. The USA as a major buyer from North America increased its intake by 78% to 1,906 m³ whilst Canada increased 466% to 792 m³ from 140 m³ last month. In the Oceania/Pacific region, exports to Australia increased by 12% to 979 m³ from 871 m³ in the previous month. However, New Zealand didn't make any purchase for this month.

The average FOB price of sawntimber increased by 0.5% to 2,293 per m³ from 2,281 per m³ in the previous month. The price of Dark Red Meranti to the Netherlands also increased by 7% to 4,568 per m³ from 4,261 per m³ previously. Keruing was traded at 2,566 per m³, an increase of 8% from 2,369 per m³ in the previous month.

The construction sector continued to grow at a modest pace in the context of the global economy despite a slight decline. Despite the ongoing challenges from the COVID-19 pandemic and the Ukraine-Russia war, demand for sawntimber is expected to remain stable as investments in the residential sector continued to be stimulated by the government. Factors influencing growth include population growth in developing countries, improvements needed for infrastructure in developed countries and trends towards increased residential development. This means that investment depends on the government's ability to finance expenditure although stable and index-linked long term returns from infrastructure are generally well matched to the need for large retirement funds.

PLYWOOD

Exports for plywood in March 2022 recorded an increase by 38% in volume at 134,492 m³ and 89% in value at RM353.4 million as compared to the previous month. However, cumulative exports for the period of March 2022 decreased by 0.1% in volume but increased 29% in value to 359,672 m³ totaling at RM896.5 million over the previous corresponding period.

The EU union region recorded an increase for plywood exports by 358% from 38 m³ to 174 m³. Belgium resumed the purchase with 174 m³. However, Denmark and Ireland didn't make any purchase for plywood in March 2022. On the other hand, UK purchased 14,167 m³.

Moving to East Asia market, the volume climbed up by 97% to 98,723 m³ from 50,191 m³. Japan increased the import performance by 109% to 85,088 m³, followed by Republic of Korea at 27% to 6,643 m³ and Taiwan at 38% to 5,581 m³. In South Asia, the exports of plywood increased by 173% to 1,869 m³ from 685 m³ in February 2022. India and Maldives increased their buying by 149% and 485% to 1,588 m³ and 281 m³ respectively. Pakistan however didn't make any purchase.

Elsewhere, the West Asian region recorded a decrease of 17% to 3,267 m³ from 3,925 m³ in the previous month. Yemen, Oman and Saudi Arabia dropped their buying by 34%, 82% and 82% to 2,331 m³, 433 m³ and 405 m³ each. For ASEAN, imports has increased by 14% to 4,210 m³ from 3,692 m³. Singapore and Thailand increased their imports of plywood by 36% and 4% to 2,241 m³ and 1,183 m³ respectively. The Philippines however decreased purchase by 21% to 435 m³.

Plywood purchase in Oceania/Pacific countries increased by 15% to 2,683 m³ with purchases from Australia at 2,667 m³ and Papua New Guinea at 16 m³. Fiji didn't make any purchase for March 2022. The Americas region showed a significant increase in imports of plywood with 643% from 1,210 m³ to 8,984 m³. The USA as the main buyer increased purchases by 692% to 8,470 m³, followed by Canada with an increase of 145% to 343 m³. Mexico purchased 171 m³. For the African region, Somalia, South Africa and Mauritius made new plywood purchases at 214 m³, 161 m³ and 40 m³ respectively. The FOB price of plywood for March 2022 is at RM2,628 per m³, an increase of 37% from RM1,916 per m³ from the previous month.

As the global economy stays on the path to recovery, analysts see the revival of housing activities and demand for furniture as key catalysts for the sector. The industry's valuations were undemanding last year, owing to factors such as prolonged lockdowns, which had a negative impact on production, high raw material prices, foreign labour shortage due to border closures as well as environmental, social and corporate governance (ESG) concerns on the forced labour issue. The combination of limited existing home inventory in the US and solid buyer demand has driven the need for new housing construction to pick up, which has in turn increased the demand for plywood, a component widely used in internal housing structures.

VENEER

Exports of veneer for March 2022 increased in volume by 24% to 3,385 m³ and 36% in value that worth RM7.2 million as compared to the previous month. Cumulative exports for March 2022 showed a decrease in both volumes by 27% to 9,859 m³ and 6% in value to RM19.7 million over the previous corresponding period.

In Asia, Singapore, Republic of Korea, Japan and India increased veneer purchase by 700%, 38%, 144% and 25% to 8 m³, 924 m³, 504 m³ and 334 m³ respectively. However, The Philippines and Viet Nam resumed their intakes to 186 m³ and 88 m³ each. On the other hand, China and Bangladesh dropped their buying purchase by 50% and 45% to 651 m³ and 32 m³ respectively. Meanwhile, Nepal didn't make any purchase for the month

Australia has increased the veneer imports by 609% to 78 m³ while USA maintained their import volume at 31 m³. Nonetheless, Canada and South Africa resumed buying with 36 m³ and 18 m³ each. Italy didn't make any purchase for the month.

The average FOB price for veneer increased by 10% from RM1,937 per m³ to RM2,128 per m³ as compared to previous month.

In March, Russia halted the export of three wood items – wood chips, logs and veneer sheets to Japan after it was added to Moscow's list of "unfriendly" countries which has affected Japanese housing and furniture purchases. Since veneer are mostly used on doors, cabinet panels, parquets floors and different parts of furniture, the demands are increasing to avoid domestic shortage. The situation could affect not only housing but also the construction of buildings and condominiums. The Japanese construction industry is expected to be blooming as the country will host the World Expo in 2025 in Osaka.

MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in March 2022 recorded a 28% increase in volume at 42,690 m³ and 33% in value at RM89.0 million compared to the previous month. Cumulative exports for the period of March 2022 increased both in volume and value at 4% to 120,264 m³ and 28% totalling at RM226.0 million as compared to the corresponding period in 2021.

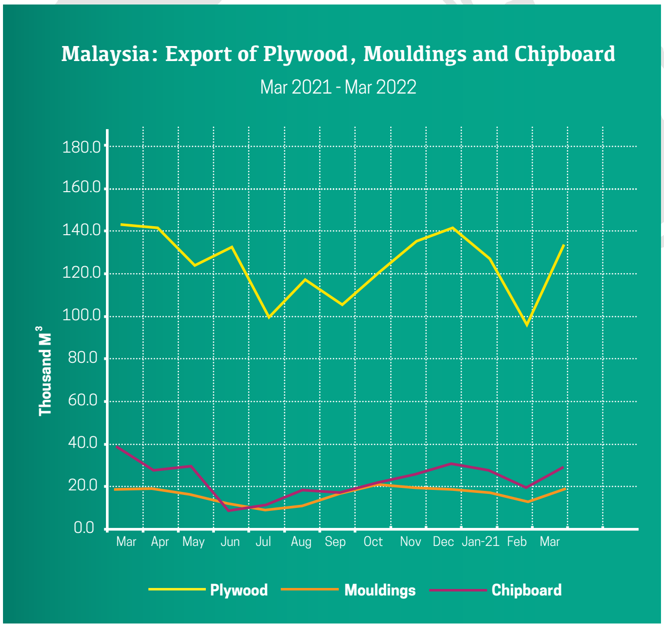
Exports to ASEAN increased by 49% from 6,676 m³ to 9,945 m³ in the previous month. The Philippines, Indonesia and Viet Nam show a climbed by 40%, 69% and 43% to 4,4769 m³, 3,235 m³ and 1,349 m³ respectively. Elsewhere, East Asia decreased the MDF purchase by 18% from 14,695 m³ to 12,021 m³ in the previous month. Exports to Japan dropped by 21% to 10,613 m³ but Taiwan and Republic of Korea recorded an increase of 32% and 23% to 796 m³ and 501 m³ each.

Moving to the South Asian market, exports increased by23% to 6,241 m³ from 5,074 m³. Export performance to Bangladesh declined by 35% to 811 m³. However, shipping to Pakistan and India boosted up to 74% and 62% to 4,032 m³ and 1,381 m³ respectively.

Export to the West Asian region also recorded an increase of 174% from 1,039 m³ to 2,847 m³ compared to previous month. Saudi Arabia resumed buying with 308 m³ meanwhile Yemen and UAE increased imports by 220% and 216% to 2,032 m³ and 338 m³.

Ireland, the UK, Turkey, New Zealand and Fiji purchased 16 m³, 42 m³, 29 m³, 112 m³ and 19 m³ respectively while France and Switzerland didn't make any purchase for this month. Australia significantly increased MDF imports by 1245% to 3,873 m³. Exports to the USA and South Africa decreased by 60% and 74% to 1,365 m³ and 138 m³ each. However, purchase of MDF by Mexico and Canada jumped 64% and 67% to 886 m³ and 661 m³ respectively. Sudan and Mauritius purchased 4,449 m³ and 19 m³ for March 2022. On the other hand, Chile and Guatemala didn't make any purchase for the month.

The FOB price of MDF increased by 4% to RM2,085 per m³ from RM2,009 per m³ from the previous month. The Asia-Pacific region dominated the global market, holding a share of more than 60%. The increasing construction activities in Pakistan and India are boosting the demand for MDF in the region. The rapid growth in consumption of MDF has been majorly driven by the ample developments in the residential and commercial construction sectors, which are being supported by the growing economy. Furthermore, the booming furniture market in Indonesia is likely to boost the demand in the MDF market in the region, since MDF is the staple of the mass-manufacturing furniture industry and the preferred choice of ready-made furniture manufacturers.



MOULDINGS

Exports of mouldings for the month increased by 50% in volume and 46% in value to 18,904 m³ worth at RM85.5 million. However, cumulative exports for the period of March 2022 decreased. by 1% in volume and increased by 13% in value to 48,477 m³ worth at RM222.7 million as compared to the previous corresponding period in 2021.

Exports to the EU for the month were recorded at 174 m³, decreased by 97% as compared to the previous month. Belgium decreased its purchases by 56% to 174 m³ while Denmark and Ireland did not make any purchases for the month. Meanwhile, the UK recorded a significant increase of 3314% to 14,167 m³ for the month while Switzerland did not make any purchase.

In Asia, exports to Thailand, India, Maldives increased by 5277%, 1990% and 603% to 1,183 m³, 1,588 m³ and 281 m³ respectively. This trend was followed by Singapore, South Korea and Japan with increased buying by 244%, 131% and 64% to 2,241 m³, 884 m³ and 1,087 m³ each. However, the Philippines purchased 435 m³ for the month while Taiwan and Pakistan did not make any purchase for the month. Nevertheless, exports to Yemen, Oman and Saudi Arabia resumed with 2,331 m³, 433 m³ and 405 m³ respectively for the month.

Meanwhile, in the Oceania/Pacific region, exports to Australia increased by 68% to 2,667 m³ while Papua New Guinea resumed its purchase to 16 m³ while Fiji did not make any purchase for the month. Similarly, in the Americas region, exports to the US and Canada also increased by 361% and 346% to 8,470 m³ and 343 m³ respectively while Mexico resumed its purchases with 171 m³ for the month.

Elsewhere, in the African region, Somalia, South Africa and Mauritius resumed their intakes by 214 m³, 161 m³ and 40 m³ respectively for the month. Average FOB unit value for mouldings decreased marginally to RM4,520 per m³ compared to RM4,632 per m³ in the previous month.

The construction market continues to grow at a moderate pace in the context of a global economy that is showing signs of a slight deceleration. With robust demand for construction activities despite facing continued challenges from the COVID-19 pandemic and war in Ukraine, the industry is expected to grow above global gross domestic product (GDP) growth over the next decade. Factors influencing growth include population increases in emerging countries, necessary upgrades to infrastructure in developed countries and the trend toward increased residential development.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for March 2022 recorded an increase of 42% in volume and 41% in value to 14,042,117 kg worth RM126.5 million from last month. Total BJC cumulative exports for the same corresponding period last year increased by 13% to RM323.6 million as compared to RM286.1 million last month. Exports to the EU increased by 7% to RM54.4 million compared RM50.7 million in the previous corresponding period. Exports to Belgium, the Netherlands and Sweden decreased by 8%, 6%, and 1% to RM11.8 million, RM8.3 million and RM8.3 million respectively. However, Exports to Norway increased by 120% to RM12.8 million compared to the previous month while Turkey resumed its intakes to RM582,103 for the month. Exports to the UK, however decreased by 10% to RM35.9 million from last year.

In Asia, exports to Viet Nam, Pakistan and Bangladesh recorded an increase of 49%, 47% and 35% to RM5.1 million, RM785,708 and RM685,452 respectively. Meanwhile, Singapore, China, Taiwan, and Japan also increased by 20%, 12%, 10% and 5% to RM16.0 million, RM5.5 million, RM2.3 million and RM12.1 million each. However, exports to Qatar, Thailand, India and the UAE decreased by 70%, 41%, 11% and 1% to RM314,469, RM3.1 million, RM8.7 million and RM424,066 respectively. Meanwhile, Saudi Arabia resumed its intakes to RM224,453 for the month.

Meanwhile, in Oceania/Pacific region, exports to Guam, New Zealand and Australia increased by 80%, 29% and 20% to RM204,220, RM5.4 million and RM58.9 million respectively. In the Americas region, Canada and the US also increase their intakes by 132% and 21% to RM751,639 and RM87.2 million respectively while Uruguay decreased its intakes by 1% to RM281,448 compared to the previous month. However, Mexico resumed its intake to RM3.6 million for the month.

Elsewhere, in the African region, Egypt, Mauritius and South Africa increased their intakes by 149%, 70% and 5% to RM499,310, RM410,001 and RM2.4 million respectively.

Meanwhile, in Oceania/Pacific region, exports to Guam, New Zealand and Australia increased by 80%, 29% and 20% to RM204,220, RM5.4 million and RM58.9 million respectively. In the Americas region, Canada and the US also increase their intakes by 132% and 21% to RM751,639 and RM87.2 million respectively while Uruguay decreased its intakes by 1% to RM281,448 compared to the previous month. However, Mexico resumed its intake to RM3.6 million for the month.

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The construction market is facing severe headwinds globally after making good progress in recovering from the severe downturn recorded in 2020 due to the spread of COVID-19. However, investment in the residential sector continues to be buoyed by government support measures and housebuilding programmes where investment in the infrastructure sectors have been a major driver in the recovery of the overall construction output.

FURNITURE

Exports of wooden furniture for January - March 2022 increased by 30% to RM1.1 billion while rattan furniture exports increased by 9% to RM9.8 million respectively from the previous month, February 2022. At the same time, exports of wooden furniture for the period January to March 2022 recorded a decrease of 1% year-on-year to RM3.1 billion from its corresponding period in 2021. However, demand for rattan furniture increased by 16% year-on-year to RM28.9 million from RM24.7 million over its corresponding period in 2021.

Exports of wooden furniture to ASEAN increased by 42% valued at RM248.4 million over its corresponding period in 2021. Singapore recorded as the highest buyer with RM135.9 million, an increase by 38%. This followed by the Philippines with exports rising by 57% to RM48.6 million and Thailand with exports expanding by 107% to RM21.5 million.

Moving to the East Asian region, exports increased by 15% to RM231.6 million. Japan remained the highest buyer with an export value of RM173.2 million, an increase of 27%. This was followed by Taiwan with imports increased by 30% to RM21.0 million. However, exports to South Korea decreased by 30% to RM17.7 million.

Exports to West Asia decreased by 20% to RM101.3 million from RM125.9 million in its corresponding period in 2021. The top three buyers in the region recorded a decrease in export: Saudi Arabia, exports down by 23% to RM40.1 million, the UAE, exports decreased by 13% to RM37.8 million and Kuwait, by 12% to RM12.2 million, respectively.

The South Asian region recorded an increase of wooden furniture intake by 6% to RM56.9 million. Amongst South Asian countries, exports to India jumped by 10% to RM55.5 million over its corresponding period 2021. Yet, exports to Maldives and Sri Lanka down were by 61% to RM1.1 million and 28% to RM218,731.

The Central Asia region recorded a 63% decrease of wooden furniture to RM735,764 with Azerbaijan resuming its intake to RM103,012 while exports to Kazakhstan were down by 69% to RM632,752. Exports to the European Union (EU27) recorded a growth of 4% to RM122.6 million from RM118.0 million in its corresponding period in 2021. Germany was recorded as the highest buyer with an increase of 39% to RM21.8 million, followed by Poland with an increase of intake by 48% to RM13.8 million. Exports to Belgium decreased by 32% to RM13.1 million.

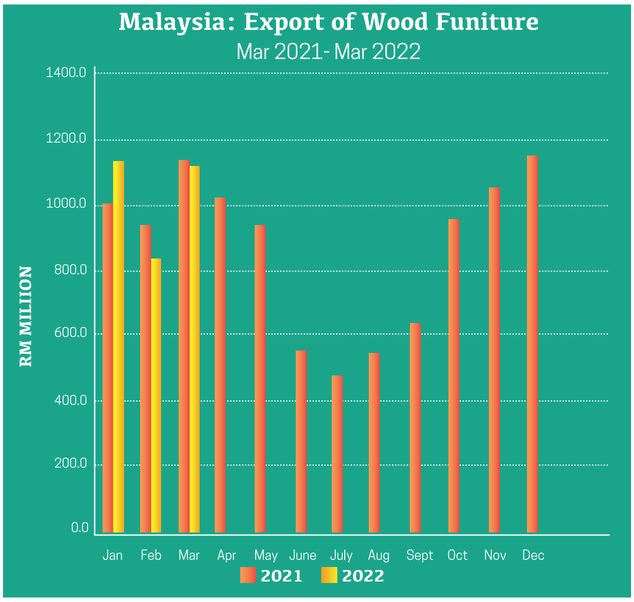
As for Europe-others countries, export reduced by 1% to RM123.8 million. Exports to United Kingdom and Russia decreased by 0.2% to RM116.0 million and by 36% to RM2.3 million respectively while exports to Turkey increased by 47% to RM2.2 million.

Exports to Oceania/Pacific countries reduced by 5% to RM142.1 million over RM148.8 million over its corresponding period 2021. Despite a reduction of export sales of 6%, Australia remained the top buyer in the archipelago region an export value of RM124.5 million.

This was followed by New Zealand with export value down by 15% to RM10.7 million. However, exports to Papua New Guinea recorded a significant increase of 110% to RM2.7 million from RM1.3 million over the same period in 2021.

Rattan furniture shipments for March 2022 recorded an increase of 9% valued at RM9.8 million from RM9.0 million in the previous month. Similarly, exports of rattan furniture for the cumulative period January – March 2022 recorded an increase of 16% to RM28.9 million from RM24.7 million in the corresponding period 2021.

Export to ASEAN member countries recorded at RM1.2 million, an increase of 9%. The highest buyer is Thailand



period in 2021. Exports to largest buying nation of rattan furniture in the West Asian countries, the UAE increased by 274% to RM215,909 from RM57,682 in its corresponding period in 2021.

Exports to the European Union recorded an increase of 15% to RM3.8 million with Ireland being the largest buyer amongst EU27 countries. Exports to Ireland rose by 17% to RM988,459, followed by Sweden, with an increase of 247% to RM807,910 and France 53% to RM456,781. Moving to Europe-Other countries, exports reduced by 32% to RM2.7 million with exports to the United Kingdom down 48% to RM1.5 million. Meanwhile, exports to Russia and Ukraine increased by 10% to RM996,479 and 20% to RM122,916 respectively.

Shipments to the Oceania/Pacific archipelago region increased by 46% to RM2.4 million from RM1.7 million over the same period in 2021. Australia recorded an increase of 42% to RM2.2 million, followed by New Zealand, by 117% to RM205,465 and Western Samoa 174% to RM29,965. Exports to the North American region increased by 40% to RM14.0 million from RM10.0 million over the same period in 2021. The USA being the largest buyer for rattan furniture recorded an increase of 38% to RM12.3 million, followed by Canada with 34% to RM1.0 million and Dominican Republic 122% to RM459,160. Amongst South American countries, exports to Chile increased by 135% to RM241,550.

Intake of rattan furniture by the African region increased by 17% to RM761,633 despite the largest buyer, Algeria reducing its buying by 46% to RM217,944. South Africa and Tanzania resumed buying to RM187,328 and RM143,741 respectively. The growth of the real estate and construction industries has contributed to an increase in the number of office spaces, commercial complexes, and residential buildings, ultimately helping to foster economy and creating demand for furniture. The global increase in the number of single-person and two-person households and hospitality industries has also contributed to the increased number of construction activities. Thus, it has created demand for the furniture in both residential and commercial sectors. There is a specifically high demand for portable and compact furniture. Furthermore, the rising demand for outdoor rattan furniture are also due to increase in disposable income of populations and government investments for infrastructural development. In addition, emergence and proliferation of smart furniture is anticipated to be opportunistic for market growth. However, increased freight charges, fuel price hike, shortage of skilled labour and geo-political tensions are some of the factors expected to restrain the growth of the industry and affect the supply chains and prices of commodities worldwide. Furthermore, emergence of low-cost furniture by countries such as China and Viet Nam provide a competitive edge to our local furniture producers.

MALAYSIA

Port Klang Sets Three-day Deadline For Clearing Containerised Imports

Malaysia's Ministry of Transport has set a three-day deadline – from entry date to customs clearance – for all imported container goods to leave the Port Klang container yard, from 1 May. Transport minister Wee Ka Siong said this would improve Port Klang's efficiency and prevent containers from piling up at the yard.

He added that the new measures would see freight inspected by customs officers on the first day after arrival, and the inspection reviewed the following day. By the third day, customs clearance procedures must be completed. However, said the minister: "If the containers have to be investigated, then authorities have up to 30 days to complete the customs checks.

"For example, if someone imported a used car and claimed it was manufactured in 2019, and if customs officers suspect that the year of production is falsely declared, the container and its cargo can be detained and investigated for up to 30 days.

"In the past, the government never set deadlines for imported containers to clear customs checks, resulting in some containers being kept in the storage yard for up to five years without any importers coming to claim them."

Mr Wee said for customs clearance to be expedited, liner operators must also play their part, by submitting all necessary documentation. He added: "If this process succeeds in Port Klang, we will implement it in other ports in Malaysia."

Port Klang, Malaysia's largest container port, was the world's 12th busiest container port last year, having handled a record 13.64m teu, as container shipping experienced an unprecedented boom. Dubai's Jebel Ali port, ranked 11th, handled only 20,000 teu more, a shortfall Mr Wee blamed on floods that hit Malaysia last year.

Source: *theloadstar.com, April 26, 2022*

EUROPE

Port Antwerp-Bruges Launched As European Ports Face 'Tsunami' of East Asia Container Flood

The ports of Antwerp and Zeebrugge have completed their long-awaited merger – as bosses predict a "tsunami" of containers coming into the ports. At the extraordinary general meeting of 22 April 2022, the two European cities signed the shareholders' agreement of the unified port company to become Port of Antwerp-Bruges.

In February 2021, the City of Antwerp and the City of Bruges announced the launch of the merger process for their respective ports. As a leading container port by tonnage – with 159 million tons/year – Port of Antwerp-Bruges said it will meet container capacity due to global growth and recent developments in the international logistics chain.

Port of Antwerp-Bruges will capitalise on the strengths of both port locations and focus its strategy on containers, breakbulk, RoRo traffic and chemicals. Bosses believe Antwerp-Bruges will play a crucial role in major freight flows and reinforce its position as one of the main gateways to Europe. The unified port has also become Europe's largest export port – with 147 million tons/year.

"We're faced with global disruptions: entire logistics chain being shaken up," commented Annick De Ridder, Vice-Mayor of the City of Antwerp and President of the board of directors of Port of Antwerp-Bruges. "Hundreds of ships are waiting outside of Shanghai that will flood like a tsunami to [Europe] and the United States." De Ridder added that the Port of Antwerp-Bruges is working on a 'Container Plan 2022-2030' to bolster capacity from 15 million TEU to 22 million TEU annually.

Elsewhere, Port of Antwerp-Bruges said it will invest strategic infrastructure including the Europa Terminal in Antwerp, as well as the New Lock and the Maritime Logistics Zone in Zeebrugge. Congestion is a huge problem," De Ridder continued. "In Antwerp we are at maximum capacity."

COVID-19 lockdowns in China and elsewhere have led to uncertainty throughout the supply chain: combined with a lack of capacity in container availability, container analysts Drewry has estimated that carrier profits will soar to $300 billion in 2022 as freight rates continue to rise.

The US will also bear the brunt of vessel and container backlogs making their way over from East Asia. Earlier in April PTI reported that vessel queues outside of Los Angeles and Long Beach are climbing once again.

Source: *worldports.org, April 29, 2022*

USA

Container Market 'Sitting Pretty' As Freight Rates Continue Climb

April has seen the third consecutive monthly climb in long-term contracted ocean freight rates, reports one analytics firm. According to analytics company Xeneta, shipping costs have rocketed by 11.1 per cent globally to stand 109.9 per cent up year-on-year. Supply chain demand, successful carrier strategies, and continued COVID-19 disruption in China have impacted shippers worldwide.

Newly released data by Xeneta Shipping Index (XSI) Public Indices has shown near universal long-term hikes across key trading corridors. In April 2022, European developments led the charge as the import benchmark surged 16.8 per cent (up 107.3 per cent year-on-year), while export rates climbed 20.3 per cent over the month, now standing 102.8 per cent up against April 2021.

Rates in the Far East grew slighter according to Xeneta's report, with imports edging up 0.8 per cent (52.3 per cent higher year-on-year) and exports jumping 9 per cent accounting for a 127.7 per cent year-on-year appreciation. In the US, the import index rose by 9 per cent, a 109.7 per cent gain on this time last year, while the export benchmark recorded the month's only decline by 0.8 per cent. This figure remains 29.8 per cent up year-on-year.

Xeneta CEO Patrik Berglund noted that a shift from US West Coast to US East Coast hubs by carriers – together with the impact of Chinese lockdowns – has reduced the congestion that has come to define ports such as Long Beach in recent times. He revealed that container imports into LA are down by around a fifth year-on-year, while the Port of New York & New Jersey is now the second busiest import destination – after Long Beach – in the country.

"China's zero tolerance policy on COVID-19 continues to disrupt supply chains, as demonstrated by the lockdown in Shanghai, the world's largest port," added Berglund. "That is hitting exports, which could obviously free up capacity and put pressure on spot rates. However, proactive carriers are moving to protect their dominant positions, as we can see with the 2M alliance aiming to blank three Far East-North Europe sailings in May.

"Yet again we see the carrier community sitting pretty when it comes to long-term contracted rate negotiations," Berglund said. "The data from our contributors is one indicator, while the financial performance of leading operators is another. They are, quite frankly, reaping huge rewards from a red-hot market." Berglund referred to the latest results from COSCO subsidiary OOCL, which reported revenues of $5.16 billion for the quarter, up 71 per cent year-on-year. More recently, Maersk also released its figures for the first three months of the year, posting revenues of $19.3 billion, with an underlying EBITDA of $9.2 billion.

Source: *porttechnology.org/news, April 28, 2022*

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% Change Feb/ Mar 22
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	50,971	27	7,893	28	905	71	233	-30	5,705	582	65,706	37
MDF	9,008	-15	2,958	922	2,774	113	1,285	-9	733	-1	16,758	17
Mouldings	12,924	31	58	25	1,772	60	1,584	52	855	5	17,193	34
Plywood	2,745	74	0	-100	385	95	139	-33	5,878	69	9,147	67
Veneer	810	-35	0	100	35	100	0	-100	1,114	-56	1,959	-48
Particleboard	16,619	19	129	100	769	628	0	100	7,123	12	24,640	20
TOTAL	**93,077**	**20**	**11,037**	**69**	**6,640**	**105**	**3,241**	**8**	**21,408**	**45**	**135,403**	**29**

Note : Indicates percent change over the previous month

Source : MTIB

CHINA

Shanghai lockdown: Container line blank sailings remain 'normal'

The continuing Shanghai lockdown against Covid has not translated, as yet, into a large number of blank sailings by container lines. Analysts Sea-Intelligence compared the number of blank sailings that resulted from the Covid outbreak at Yantian port last year on the Asia – US West Coast trade with the lockdown in Shanghai this year. In the case of the Shanghai lockdown the number of blank sailings has actually come down from before the lockdown, whereas in the case of Yantian last year it rose.

"This also implies that even though the level of blank sailings right now basically matches the number seen in 2021 following the Yantian impact, it cannot be concluded that the impact on the market is the same. Quite the contrary, there has not yet been any material impact on blank sailings, beyond the normal state of affairs – to the degree that the market prior to the Shanghai lockdown can be called 'normal'," said Alan Murphy CEO Sea-Intelligence.

Sea-Intelligence also saw no impact on the number of blank sailings on the Asia-North America East Coast trade compared to the Yantian outbreak, while on the Asia – Europe trade the impact was similar between the two incidents. A key factor has been that while the Yantian outbreak closed two-thirds of Yantian International Container Terminals for a three-week period, in the case of Shanghai the port has remained open. The impact has instead caused the landside to trucking, warehousing, and factory production.

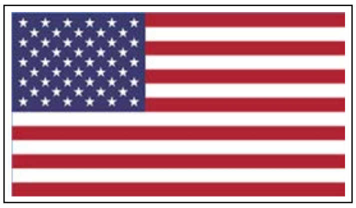
"It should however be clearly noted that we could still be in an early phase of the Shanghai lockdown, and if the factory closings persist, it is highly likely that the number of blank sailings will begin to increase in the coming weeks," Murphy said.

The current situation has led to congestion at Shanghai terminals, and in particular reefer cargoes being diverted, but not the large scale skipping of port calls. An image of highly congested marine traffic around Shanghai based on AIS data that has done the rounds on social media this week "illustrating" the problem, including all shipping traffic not just containerships with many people seemingly unaware just how busy Asia's mega-ports are on any given day.

However, hopes an easing of the lockdown have been dashed as the Shanghai government said on Friday that restrictions would only be lifted in batches in areas where there had been zero community transmission.

Shipping line Maersk said in an update to customers on Thursday that some warehouse operations in Shanghai had partly resumed this week. Some factories such as Tesla's Giga Factory have also resumed operations but is reported to be struggling for parts due to supply chain issues.

Source: *seatrade-maritime.com,April 22, 2022*



USA

OPTIMISING TIMBER MARKET OPPORTUNITIES IN USA

Overview

The United States of America (U.S.A. or USA), commonly known as the United States or America, is a country primarily located in North America. It consists of 50 states, a federal district, five major unincorporated territories, 326 Indian reservations, and nine minor outlying islands. It is the world's third-largest country by both land and total area. The United States shares land and maritime borders with Canada to the north and Mexico to the south as well as maritime borders with the Bahamas, Cuba, and Russia. With more than 331 million people, it is the third most populous country in the world. The population growth in the United States is mainly attributed to high rates of immigration, which have decreased since 2016, and natural increase (the difference between births and deaths). Although the total population of the United States is large by world standards, its overall population density is relatively low. The country embraces some of the world's largest urban concentrations as well as some of the most extensive areas that are almost devoid of habitation. The national capital is Washington, D.C., and the most populous city and financial centre is New York City. The United States is the fourth largest country in the world in area (after Russia, Canada, and China).

The United States is a highly developed country, and its economy accounts for approximately a quarter of the global GDP and is the world's largest by GDP at market exchange rates. According to WorldBank, the USA's GDP is recorded at USD20.94 trillion in 2020. However, FocusEconomics panelists stated that its growth will slow in 2022 from 2021, on tighter financial conditions. GDP growth is 2.8% in 2022, which is down 0.4% points from the previous month's forecast. In 2023 the economy is expected to expand by 2.0%. The buoyant labour market will support private consumption and healthy investments as firms look to boost productive capacity, while the Ukraine war will support the energy sector. However, the risks that will dampen the growth includes possible new Covid-19 variants, an intensification of the war and tensions with China.

By value, the USA is the world's largest importer and second-largest exporter of goods. Although its population is only about 4.2% of the world's total, it holds over 30% of the total wealth in the world. The country has trade relations with more than 200 countries, territories, and regional associations around the globe. The exports and imports of the United States represent major proportions of the world total. The country also impinges on the global economy as a source of and as a destination for investment capital. USA is among the world's leading producers of several minerals, including copper, silver, zinc, gold, coal, petroleum, and natural gas; it is also the chief exporter of food. Its manufactures include iron and steel, chemicals, electronic equipment, motor vehicles, computers, and textiles. Other important industries are tourism, dairying, livestock raising, fishing, and lumbering.

Forest Production

Forests in the USA cover nearly 1 billion acres (4,000,000 km^2). Its physical environment ranges from the Arctic to the subtropical, from the moist rain forest to the arid desert, from the rugged mountain peak to the flat prairie. Urbanisation, conversion to agriculture, reservoir construction, and natural disasters have been major factors contributing to loss of forests. Eastern forests cover about 384 million acres (1,550,000 km^2) and are predominantly broadleaf (74%), except for extensive coniferous forests and plantations in the southern coastal region. These are largely in private ownership (83%). Major uses of forests include timber production, recreation, hunting, fishing, watershed and fisheries protection, wildlife habitat and biodiversity protection, and gathering nontimber products such as berries, mushrooms, and medicinal plants. USA had a 2019 Forest Landscape Integrity Index mean score of 6.65/10, ranking it 67th globally out of 172 countries.

powerful military alliance in the world. Having one of the world's most powerful military, booming economy, and a leading role in international institutions such as the UN and NATO, USA is a superpower. However, the rise in power and importance of China and re-emergence of Russia challenges the global dominance of the USA.

Forest Resources

Forest industries are a major contributor to the US economy, by providing jobs from forests to showrooms. The economic benefits of the industry are felt throughout the nation, but each region of the country relies on different components of the industry to varying degrees: from softwood lumber and plywood production in the west to hardwood manufacturing in the east. According to the American Forest and Paper Association (AF&PA), the nation's forest products industry employs about one million workers and accounts for approximately 6% of the total USA manufacturing GDP, placing it roughly on par with the automotive and plastics industries. The forest products industry is among the top ten manufacturing sector employers in 48 states and generates over USD200 billion a year in sales and about USD54 billion in annual payroll.

USA: Production of Timber and Timber Products, 2016 – 2020

Product	2016	2017	2018	2019	2020
Sawlogs and veneer logs, coniferous	132,462,000	136,965,708	140,768,540	142,587,215	147,987,600
Sawlogs and veneer logs, non-coniferous	33,967,000	34,306,670	45,068,817	44,573,047	32,249,600
Sawnwood, coniferous	55,627,000	57,600,000	59,343,600	60,042,300	62,446,100
Sawnwood, non-coniferous all	22,538,000	22,774,000	22,654,000	22,429,400	16,687,503
Veneer sheets	400,000	2,096,000	2,209,000	2,229,493	2,284,022
Plywood	11,239,000	11,600,000	10,104,241	9,925,234	9,499,533
Particle board	4,129,410	4,129,410	4,165,128	4,346,542	4,136,077
MDF/HDF	3,001,000	2,987,800	3,091,000	3,184,733	2,667,145

Source: FAOStats *(in volume, m3)*

USA Timber Trade Performance

The National Hardwood Lumber Association stated that the timber and timber-based industry in USA is an important contributor to the economy, accounting for approximately 4% of the total USA manufacturing GDP. Timber companies are among the top ten manufacturing sector employers in 47 states, producing USD210 billion in products annually. The industry employs nearly 900,000 workers; more than the automotive, chemicals and plastics industries. Many of them are in rural areas where employment opportunities are limited. Hardwood is an important sub-sector of the timber products industry and has a heavy reliance on export markets for its survival.

USA's export performance for timber and timber-based products showed a mixed trend for the period 2017-2021. Timber and timber-based products are the third leading US agricultural export

Superior National Forest, Minnesota

Tongass National Forest, Alaska

sector after soybeans and corn. The US-China trade war and COVID-19 have caused a major disruption on USA timber and timber export performance and hindered production because of lockdowns, business closures, and halted production. Export of timber and timber products in 2017 was recorded at USD12.7 billion and slightly increased by 1% to USD12.9 billion in 2018. However, export performance dropped by 13% to USD11.2 billion in 2019 and further down by 10% in 2020 to USD10.1 billion. The dropped export performance with these two years (2019-2020) are largely contributed to trade tension between USA and China and the COVID-19 pandemic making it even harder for the US's timber industry to sustain its growth performance. However, when the vaccination programmemoved faster and reopened business activities, timber and timber-based industry export performance was boosted by 24% to USD12.5 billion in 2021. The table below shows the export performance of the US timber and timber-based industry from 2017 to 2021.

USA: Export of Timber and Timber Products, 2017-2021

Country	2017	2018	2019	2020	2021
Sawntimber	3,797,745	3,650,197	2,804,237	2,561,484	3,434,020
Logs	2,414,887	2,411,638	1,701,827	1,626,489	2,148,401
Furniture and parts	2,946,275	3,008,134	2,863,916	2,447,726	2,786,272
BJC	384,587	404,642	399,930	400,630	544,268
Plywood	412,955	347,704	259,287	227,215	367,054
Veneer	310,558	337,798	301,939	279,028	360,099
Mouldings	281,080	294,221	289,936	198,688	275,700
Particleboard	152,195	164,229	189,281	191,052	234,114
Fibreboard	210,027	220,466	219,558	197,348	233,117
Other products	1,812,684	2,037,346	2,157,695	1,972,997	2,134,124
Total	**12,722,993**	**12,876,375**	**11,187,606**	**10,102,657**	**12,517,169**

Source: ITC - UNCOMTRADE

Initially, in 2017, China was US's major export destination with exports worth USD3.2 billion for timber and timber products (HS44). In 2021, exports to China were recorded at USD2.1 billion, a decrease by 36% from 2017. This was mostly contributed by the ongoing trade tensions between the two countries. Due to the trade war also, American exporters are looking for alternative markets. Thus, since 2019, Canada has topped the chart with exports valued at USD2.1 billion. In 2020, exports decreased by 6% to USD2.0 billion but increased by 27% to USD2.5 billion in 2021. Malaysia ranked 31st with exports valued at USD22.7 million in 2021. The table below shows the USA's major export destinations for timber and timber products (HS44) from 2017-2021.

USA: Major Export Destinations for Timber and Timber Products (HS44), 2017-2021

	Country	2017	2018	2019	2020	2021
	World	**9,776,719**	**9,868,241**	**8,323,691**	**7,654,931**	**9,730,896**
1	Canada	2,125,461	2,186,908	2,109,034	1,979,920	2,547,773
2	China	3,197,788	2,863,505	1,583,144	1,571,433	2,054,990
3	Mexico	773,365	796,063	803,084	669,966	1,090,120
4	United Kingdom	732,696	850,463	936,149	928,083	899,822
5	Japan	705,762	794,326	662,576	594,759	681,745
6	Viet Nam	264,469	312,333	352,071	325,050	319,606
7	Netherlands	19,457	25,602	37,915	97,089	211,110

8	Dominican Republic	84,509	104,366	93,720	75,328	133,340
9	Korea, Republic of	131,644	122,200	105,951	88,249	128,871
10	Australia	125,763	124,045	102,003	83,231	109,623
31	**Malaysia**	**34,576**	**30,016**	**26,303**	**23,388**	**22,724**

Source: ITC - UNCOMTRADE

In 2017, the USA exported USD2.9 billion worth of furniture and parts and the amount increased by 2% to USD3.0 billion in 2018. However, for the period 2019-2020, exports reduced by 5% to USD2.9 billion and 15% to USD2.4 billion respectively. The USA's global export of furniture and parts increased by 14% worth USD2.8 billion in 2021. Canada has remained the top export destination for the period of 5 years, followed by Mexico, UK, Japan and the Netherlands. Malaysia ranked 20th in the US's export destinations for furniture and parts in 2021. The table below shows the USA's major export destinations for furniture and parts (HS9403) from 2017-2021.

USA: Major Export Destinations for Furniture & Parts (HS9403), 2017-2021

	Country	2017	2018	2019	2020	2021
	World	**2,946,275**	**3,008,134**	**2,863,916**	**2,447,726**	**2,786,272**
1	Canada	1,585,960	1,607,988	1,615,659	1,486,229	1,770,286
2	Mexico	277,911	317,904	273,558	256,844	253,613
3	Japan	95,549	90,045	89,288	60,924	64,403
4	Japan	44,537	42,669	50,285	42,387	42,062
5	Netherlands	27,974	33,250	33,457	37,617	39,462
6	Germany	39,258	38,436	38,585	33,101	37,072
7	Bahamas	43,428	36,547	35,904	30,916	34,819
8	Australia	36,924	36,213	32,048	27,416	32,685
9	Dominican Republic	28,415	26,040	29,772	25,914	31,791
10	United Arab Emirates	27,286	31,611	31,170	17,379	26,133
20	**Malaysia**	**3,653**	**4,164**	**4,572**	**4,479**	**9,900**

Source: ITC - UNCOMTRADE

The USA's import performance for timber and timber-based products showed positive growth for the period 2017-2021, except in 2019 when the trade war between the USA and China escalated. Despite the trade war and COVID-19, the demand for timber and timber products were growing with imports of timber and timber products in 2017 recorded at USD46.4 billion, an increase of 8% to USD50.1 billion in 2018. However, export performance dropped by 11% to USD44.6 billion in 2019. Import performance recovered in 2020 with import value recorded at USD48.4 billion, an increase of 8% and this continued to increase by 40% to USD67.5 billion in 2021 due to increased demand for manufacturing, growth in construction industry and reopening of business activities. The table below shows import performance of the USA's timber and timber-based industry for 2017-2021.

USA: Import of Timber and Timber-based Products, 2017-2021

Product	2017	2018	2019	2020	2021
Furniture and parts	25,347,829	27,477,854	25,441,093	25,814,418	31,995,488
Sawntimber	7,459,216	7,586,225	6,145,053	8,445,544	14,262,993
Plywood	2,967,104	3,589,839	2,730,801	2,936,460	4,532,823
Particleboard	1,792,192	1,977,218	1,449,336	2,062,972	4,447,586
BJC	2,300,471	2,390,176	2,290,768	2,425,001	3,268,347
Fibreboard	1,272,724	1,307,819	1,162,493	1,227,234	1,538,128
Veneer	384,740	433,507	356,045	336,595	492,270

Logs	134,560	141,830	144,375	154,744	182,127
Other products	4,785,353	5,148,019	4,925,776	4,989,934	6,819,907
Total	**46,444,189**	**50,052,487**	**44,645,740**	**48,392,902**	**67,539,669**

Source: ITC - UNCOMTRADE *USD '000*

The USA's import performance of timber and timber-based products (HS44) for the period 2017-2021 showed positive trends despite hiccups in import value in 2019. In 2017, the USA imported USD21.1 billion worth of timber and timber-based products and this increased by 7% to USD22.6 billion in 2018. In 2019, the import value dropped by 15% to USD19.2 billion to later be increased by 16% to USD22.6 billion in 2020. The boost of residential and commercial construction and recovery of business activities managed to increase USA import performance by 57% to USD35.5 billion in 2021. Canada is the USA's major supplier, followed by China, Brazil, Chile and Germany. Malaysia ranked 13th with import value worth USD22.7 million in 2021. The table below shows the USA's major suppliers for timber and timber products (HS44) from 2017-2021.

USA: Major Supplier Countries for Timber and Timber-based Products (HS44), 2017-2021

	Country	2017	2018	2019	2020	2021
	World	**21,096,360**	**22,574,631**	**19,204,648**	**22,578,485**	**35,544,182**
1	Canada	10,736,870	10,781,242	8,815,040	11,297,362	19,387,541
2	China	4,276,425	4,468,940	3,136,108	2,696,534	3,366,963
4	Chile	851,503	957,371	899,878	999,545	1,250,677
5	Germany	474,670	634,908	586,711	836,616	1,214,405
6	Indonesia	416,204	630,865	473,165	597,403	1,083,771
7	Viet Nam	159,981	316,481	491,488	643,641	983,146
8	Mexico	335,882	364,637	412,986	528,737	782,932
9	Russian Federation	223,055	265,016	250,115	258,328	528,022
10	Sweden	138,499	165,929	162,156	290,661	401,086
13	**Malaysia**	**162,961**	**241,822**	**236,996**	**216,464**	**300,965**

Source: ITC - UNCOMTRADE *USD '000*

In 2017, USA imported USD25.3 billion worth of furniture and parts and the amount increased by 8% to USD27.5 billion in 2018. However, for 2019, imports reduced by 7% to USD25.4 billion to slightly increase by 1% to USD25.8 billion in 2020. The USA's global export of furniture and parts increased by 24% valued at USD32.0 billion in 2021. China is the top supplier for furniture and parts to USA and followed by Viet Nam, Canada and Mexico. Malaysia ranked 5th in the USA's supplier for furniture and parts in 2021. The table below shows the USA's major supplier countries for furniture and parts (HS9403) from 2017-2021.

USA: Major Supplier Countries for Furniture & Part (HS9403), 2017-2021

	Country	2017	2018	2019	2020	2021
	World	**25,347,829**	**27,477,854**	**25,441,093**	**25,814,418**	**31,995,488**
1	China	12,389,760	13,705,124	9,670,021	7,709,208	9,452,392
2	Viet Nam	3,825,215	4,072,889	5,178,102	6,835,787	8,243,067
3	Canada	2,413,088	2,443,695	2,605,103	2,213,577	2,511,950
4	Mexico	1,118,108	1,271,833	1,407,901	1,511,757	2,080,964

5	**Malaysia**	**831,629**	**871,227**	**1,094,199**	**1,673,660**	**1,753,092**
6	Taiwan	671,484	653,902	847,581	1,006,888	1,142,390
7	Italy	736,004	896,243	893,136	860,298	1,138,763
8	Indonesia	538,385	572,692	612,448	729,635	1,004,033
9	India	396,393	447,163	486,192	491,162	799,972
10	Thailand	165,309	144,099	204,079	456,546	616,605
20	Poland	321,674	347,138	305,667	313,651	436,796

Source: ITC - UNCOMTRADE *USD '000*

Malaysia - USA Timber Trade Performance

The USA remains as top export markets for Malaysia's timber products and continues to be the largest market for Malaysia's wooden furniture. In 2021, exports of Malaysian timber and timber products to the USA registered an increase of 4.87% to RM7.8 billion from RM7.4 billion in 2020. The country ranked first with 61.8% of Malaysia's wooden furniture total market share. Wooden furniture was the main product exported with a total value of RM6.4 billion, followed by plywood at RM566.62 million and BJC at RM270.63 million.

United States: Import of Timber and Timber Products

Products	Import		Year to year comparison (%)
	2020 (RM Million)	2021 (RM Million)	
Wooden Furniture	6,613.23	6,434.67	2.70
Plywood	348.30	566.62	62.68
Builders Joinery & Carpentry	203.18	270.63	33.20
Mouldings	95.92	135.86	41.63
Sawntimber	40.27	59.51	47.77
Fibreboard	39.19	31.21	20.34
Veneer	4.97	4.53	8.76
Chipboard/Particleboard	0.04	0.31	629.24
Other Products	120.68	326.21	170.31
TOTAL	**7,465.77**	**7,829.56**	**4.87**

Source : DOSM & MTIB

Tariff

Import tariffs for timber and timber products into the USA range between 0% and 4.9%. Details are as follows:

HS Code	Products	Tariff
4403	Logs	0%
4407	Sawntimber	0%
4408	Veneer	0%
4409	Mouldings	1.1%
4410	Chipboard / Particleboard	0%
4411	Fibreboard	0.9%

4412	Plywood	4.9%
4414	Wooden Frame	3.9%
4418	BJC	2.8%
9401	Seats	0%
9403	Furniture and parts thereof	0%

Outlook

The US's demand for furniture is expected to reach USD67.7 billion in 2025, rising at an annual growth rate of 2.7% from USD59.3 billion in 2020, according to the report 'Furniture: United States' by Freedonia Focus Reports, a division of MarketResearch.com. The demand for furniture dropped in 2020 as offices, schools, and restaurants temporarily closed to limit the spread of COVID-19. In this uncertain economic environment, companies moved to conserve cash and slash overhead expenses, which also lowered business and institutional furniture demand. However, with a changing trend of working from home and online distance learning, consumers bought furniture for their home offices and to revamp their living spaces, which helped to lessen declines. In addition, the outdoor furniture market grew as more social activities shifted outside.

The COVID-19 pandemic also accelerated furniture e-commerce. In the early stages of the pandemic, non-essential businesses closed, and many consumers shopped through online retailers like Wayfair and Amazon to avoid exposure to COVID-19. In response, major furniture manufacturers set up online presences, either in-house or through acquisition. The growing drivers for wooden furniture are mainly due to changes in consumer buying behaviour along with the presence of large-scale manufacturers, growing renovation and remodeling investments, rise in outdoor furniture trends, increased spending on new residential construction and technological advancements and robust growth in the construction sector.

Malaysia should capitalise on the surge in demand for timber products in the USA. The demand for Malaysian timber-based products, especially furniture, grew in early 2020 as many people around the world began working from home, leading to a rise in home construction, repairs and re-modelling. Furthermore, sanctions on Russian timber products to the US had led to American importers seeking alternative material, especially plywood. The ongoing trade dispute between the US and China has also benefitted Malaysia as US buyers are sourcing from alternative markets for raw materials. However, the shortage of raw materials combined with increasing freight charges due to lack of containers and insufficient vessel space have caused a hindrance in timber and timber-based products growth performance.

Nevertheless, Malaysian timber and timber products producers, including furniture should still tap into this huge market by producing a variety of high-quality durable products with competitive prices that would be able to meet the demand of American consumer market. Malaysian timber and furniture exports should also enhance their presence and improve business networking with American importers by participating in relevant fairs and exhibitions in the country as well as organising specialised selling missions to cater to market demand. The Malaysian timber industry may also want to increase its presence on online trade platforms as Americans are increasing their online spending and changing their lifestyles due to the pandemic.

Source:

MTIB
DOSM
FAO
ITC-COMTRADE
https://en.wikipedia.org/wiki/United_States
https://www.britannica.com

LOGS

The logging activity in March 2022 is reportedly still low and has affected the total supply of logs in the market. This situation has indirectly led to an increase in prices between 2% - 15% for most of the species under three timber groups - Heavy Hardwood, Medium Hardwood and Light Hardwood. Under the Heavy Hardwood group, out of five species listed, two of them, Chengal and Balau recorded an increase between 2% - 13.8%.

The price of Chengal logs experienced a significant increase of about 13.8% or equivalent to RM670 per tonne for February and was traded at RM 5,500 while Balau was traded at RM3,100 per tonne. Meanwhile, the price for Red Balau was seen to remain unchanged as the previous month and was traded at RM2850 per tonne. On the other hand, the price for Merbau and Mix Heavy Hardwood experienced a price drop between RM25-RM40 per tonne.

Under the group of Medium Hardwood and Light Hardwood, most of the species listed recorded an increase in price ranging between RM10 - RM235 per tonne. Meanwhile, under the Medium Hardwood group, the Kempas and Kapur species recorded an increase of about RM90 per tonne and were traded at RM2030 and RM 1660 per tonnerespectively. Under the group of Light Hardwood, Red Meranti and Yellow Meranti also experienced an increase in price of between RM135 - RM235 per tonne and were traded at RM2050 and RM1825 compared to the previous month. A small increase could also be seen on the other species under Light Hardwood such as DRM, Mersawa, Nyatoh, Jelutong and Mixed Light Hardwood. However, White Meranti under this group recorded a decrease of RM140 per tonne compared to the previous month.

SAWN TIMBER

The direct impact of low activity in logging and the lack of supply of logs as reported also affected the average domestic market price of sawntimber under the General Market Specification (GMS), Strips and Scantling categories when most of the species under each group of hardwoods experienced a price increase ranging between RM20 – RM290 per m³.

In the GMS category under heavy hardwood, most of listed species had no change in price except for Merbau which reportedly experienced a decrease of RM240 per m³. Meanwhile under medium and light hardwood, majority of species experienced a price increase ranging between RM100-RM260 per m³.

Under the STRIPS category, the price changes didn't occur too much when 50% of the entire species under the three categories of hardwood still maintained as in the previous month. However, Kempas and Balau recorded an increase and decrease in prices at RM289 and RM410 per m³ respectively.

Just like STRIPS, the average price of sawntimber under the Scantling category also showed a mixed situation with prices increasing and decreasing. However, the changes that occur were still low and not so significant as compared to STRIPS. A slight change in price could be seen in the Mengkulang species when its price was recorded to have increased up to RM330 per m³ compared to the previous month.

PLYWOOD

The average price for plywood in March 2022 reportedly remained unchanged as the previous month for all the thickness being traded, of between 4mm-12mm. The average price for plywood with a thickness 4 mm was traded at RM 19.40, while it Twas RM28.20 for the 6mm plywood, RM44.00 (9mm) and RM49.00 (12mm) per piece.

MEDIUM DENSITY FIBREBOARD (MDF)

The average price of MDF also showed no change under the current month compared to the previous month. MDF with a thicknesses of 4mm, 6mm, 9mm and 12mm were traded at RM14.90, RM21.70, RM32.10 and RM38.60 per piece respectively.

INTRA-MALAYSIA TRADE * - MARCH 2022

There were still no log trading activities from Sabah to Peninsular Malaysia in March 2022. The trade for plywood and sawntimber showed an increase of 31% and 174% respectively with a value of RM6.46 million and RM0.82 million. Meanwhile, trade for veneer shrank by 70% with a value RM0.38 million compared to the previous month. Trading activity for logs and veneer from Sarawak to Peninsular Malaysia was also not available in March 2022.

However, the trade value of sawntimber and plywood from Sarawak to Peninsular Malaysia was reported to have increased by 62% and 126% respectively with a value of RM1.03 million and 1.4 million compared to the previous month.

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

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

	LOGS/ton	SAWNTIMBER/m³		
SPECIES	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	5,500	6,003	3,531	9,887
Balau	3,035	3,033	2,422	3,277
Red Balau	2,850	2,790	2,532	2,595
Merbau	3,230	3,097	3,167	2,814
Mixed Heavy Hardwood	1,360	1,116	1,116	1,271
MEDIUM HARDWOOD				
Keruing	1,910	2,013	1,893	2,119
Kempas	2,220	2,511	2,521	2,429
Kapur	1,950	1,734	1,462	1,850
Mengkulang	1,590	1,370	1,596	2,189
Tualang	1,285	1,900	1,995	2,041
LIGHT HARDWOOD				
Dark Red Meranti	2,015	2,030	1,730	3,125
Red Meranti	2,100	1,977	1,582	1,808
Yellow Meranti	1,875	1,674	1,246	1,977
White Meranti	1,500	2,472	1,801	1,977
Mersawa	1,615	1,744	1,695	2,013
Nyatoh	1,360	1,532	1,356	1,363
Sepetir	1,420	1,709	1,292	1,942
Jelutong	1,100	1,836	1,518	1,737
Mixed Light Hardwood	1,100	1,059	1,321	1,024

MALAYSIAN RUBBERWOOD *Hevea brasilienses*	LOGS/ton	SAWNTIMBER/m³			
		1" X 1"	2" X 2"	3" X 3"	4" X 4"
	225	1,260	1,380	1,430	1,550
PLYWOOD 4' X 8'	4 mm	6 mm	9 mm		12 mm
(RM per piece)	19.40	27.20	41.80		49.00
MDF 4' X 8'	4 mm	6mm	9 mm		12 mm
(RM per piece)	14.90	23.40	32.80		39.40

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

INTRA-MALAYSIA TRADE- APR 2022

	Mar-21		Apr-22		% change in volume	% change in value
	Vol(m³)	Val(' 000 RM)	Vol(m³)	Val(' 000 RM)	Mac/April	Mac/April
Sabah						
Logs	0	0	0	0	0	0
Sawn Timber	24,752	819	766	1,457	-97	78
Plywood	2,428	6,459	2,800	7,091	15	10
Veneer	215	379	754	2,055	251	442
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	645	1,031	645	212	-74	-79
Plywood	1,333	1,409	1,333	709	-54	-50
Veneer	0	0	0	0	0	0

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

EUCALYPTUS SPP.


Figure 1: Eucalyptus spp. plantation in Malaysia.

INTRODUCTION

Eucalyptus is a genus of over seven hundred species of flowering trees, shrubs or mallees in the myrtle family, Myrtaceae. Along with several other genera in the tribe *Eucalypteae*, including Corymbia, they are commonly known as eucalypts. Most of Eucalyptus species are indigenous to Australia, and there are representative species in each state and territory. *Eucalyptus* forests cover over three-quarters of Australia's land area. Wildfire is a common part of the Australian landscape, and many eucalypt species have adapted to it, resprouting after a fire or having fire-resistant seeds.

Eucalyptus have been grown in plantations in many other countries because they grow quickly and produce valuable timber, or they can be used for pulpwood, honey production, or essential oils. In Malaysia, Eucalyptus is considered a new species introduced to be grown on a plantation scale since 2020 through the forest plantation development programme. However, only 2 (two) species is known to have been planted - E. pelitta and E. hybrid. Some Eucalyptus species are extremely flammable. In fact, they have been banned in some countries because of that reason.

GENERAL CHARACTERISTICS


Figure 2: Eucalyptus spp. tree bole.

Eucalyptus plants have smooth, fibrous, hard, or stringy bark. Every year, *Eucalyptus* adds a layer of bark, and the outermost layer dies. Approximately half of the species shed their dead bark, exposing a new layer of fresh, living bark. The dead bark can fall out in large slabs, ribbons, or small flakes.

Almost all *Eucalyptus* species are evergreen, however, some tropical species lose their leaves at the end of the dry season. *Eucalyptus* leaves, like those of other members of the myrtle family, are covered with oil glands. The abundance of oils produced is an important feature of the genus. Although mature *Eucalyptus* trees can be tall and fully leafed, their shade is typically patchy due to the leaves' tendency to hang downwards.


Figure 3: Eucalyptus spp. flower and seed.

A mature *Eucalyptus* plant's leaves are typically lanceolate, petiolate, apparently alternate, and waxy or glossy green. Seedling leaves, on the other hand, are frequently opposite; sessile, and glaucous, though there are many exceptions to this pattern.

As some *Eucalyptus spp.* grows slightly slower than other plantation species such as Acacia *mangium*, planters prefer it because it requires less maintenance and can be planted in a wider range of soils, including clay soil and sandy soil. It is an excellent choice for living fences because it can be cut at fence post height and will usually regenerate. It can withstand barbed wire without becoming infected. It is not considered a social tree, however, because its deep root system typically denies competing trees access to water.

TREATABILITY

Fresh-wood are susceptible to termites, wood-boring beetles and marine borers. Plantation-grown wood is easier to impregnate with chemicals than wood from natural forests.

SEASONING

Shrinkage: moderate to high, radial shrinkage: 1.8% – 4.4%, and tangential shrinkage: 3.4% - 8.9%. Care is needed during seasoning, especially with the heavier timber, as back sawn boards tend to check; close-stacking strips is important. Kiln drying heavier grades of Eucalyptus timber is only practicable in boards up to 25 mm in thickness. It is strongly recommended to air dry the wood to 30% moisture content prior to kiln drying. Boards of E. *deglupta* wood of 25 mm will require about 4 months air drying and 3 days kiln drying, boards of 50 mm thick about 6 months air drying and 4 day kiln drying.

WORKING PROPERTIES

Texture is moderately coarse to coarse, with fibre length 0.8 mm – 1.4 mm, non-durable wood. Colour of heartwood is light brown to reddish-brown and the sapwood is white, cream or light pinkish. The MOR value is 50 – 142 N/mm2 and the MOE value is 8,000 – 18,800 N/mm2.

DENSITY

505 – 760 kg/m³ air dry.

DURABILITY CLASS

Non-Durable

STRENGTH GROUP

C

USES

In some countries, Eucalyptus is planted primarily for pole production and sawn wood, as well as the manufacture of boxes and pallets since its introduction. Nowadays, Eucalyptus is used as a general-purpose timber. It is suitable for furniture components, interior finishing, panelling, moulding, staircase components, glue-laminated timber, particleboard, cement board, wooden pallets, charcoal and the production of pulp for paper manufacture.

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2 - *Eucalyptus (n.d.). In Wikipedia. Retrieved March 10, 2022, from https://en.wikipedia.org/wiki/Eucalyptus.*

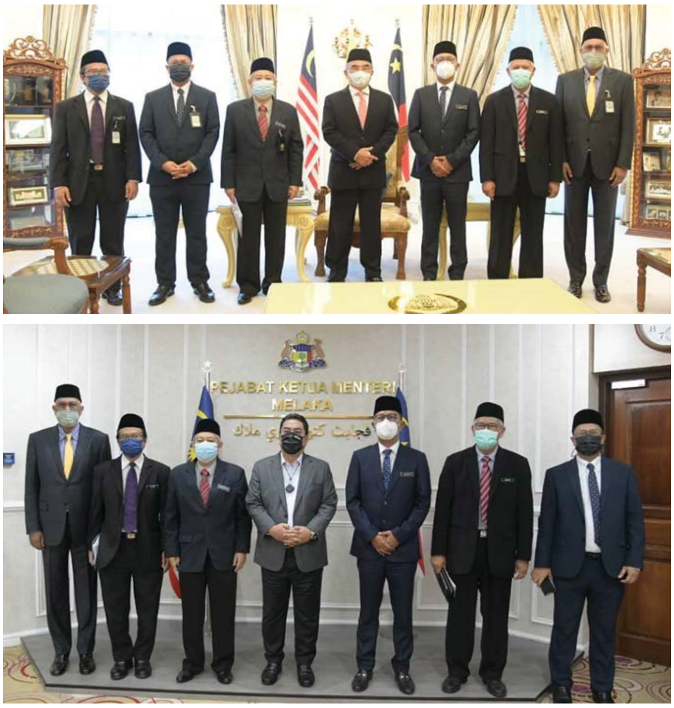
3 - *Dombro, D. B. (2010). Eucalyptus pellita: Amazonia Reforestation's red mahogany. Bogotá: Planeta Verde Reforestación.*

4 - *Acosta, M.S., Mastrandrea C., Lima, J.T. (2008). Wood technologies and uses of eucalyptus wood from fast grown plantations for solid products. Proceedings of the 51st International Convention of Society of Wood Science and Technology, November 10-12, 2008, Concepción, Chile.*

5 - *Eucalyptus pellita A fast-growing tree marketed internationally as Red Mahogany (n.d.). In Avicap Plantation. Retrieved March 10, 2022, from http://www.grupoavicap.com/eucalyptus.html*

1 April 2022
Working visit by FIDEC to Kg. Sg. Senam with YB Ustaz Ahmad Tarmizi Sulaiman as the Member of Parliament for Sik

5 -7 April 2022
i-Timber System Acceptance Test Session with the timber industry in PGRM.



18 April 2022
MTIB Courtesy visit towards TYT Tun Seri Setia Dr. Hj. Mohd Ali bin Mohd Rustam,Yang Di-Pertua Negeri Melaka and YAB Datuk Seri Utama Hj. Sulaiman Md Ali, Chief Minister of Melaka

18 April 2022
Ifthar programme with orphans and tahfiz students from madrasahs around Bukit Katil, Melaka was jointly organised by the Bumiputra Wood and Furniture Entrepreneurs

21 - 22 April 2022
IMS ISO 9001_2015 audit was conducted at MTIB SabahAssociation (PEKA)

27 April 2022
Gaharu industry visit accompanied by Deputy Director General MTIB, Puan Hajah Roslina Idris