ISSN 0126-771X

maskayu

MALAYSIAN TIMBER INDUSTRY BOARD

MTIB

MAY 2022

EXCELLENT SERVICE AWARD CEREMONY AND MTIB RETIREMENT 2022

- BJC A NEW FOCUS FOR LY FURNITURE BUSINESS DIVERSITY
- LAUNCHING OF BAMBOO COMMUNITY FARMING PROGRAMME – A THOUSAND BAMBOO CLUMP

ISSN 0126-771X
9 770126 771009

CONTENTS


3

8

9

HIGHLIGHTS

REGULAR FEATURES




Cover : For more details, please read page 8

CHIEF EDITOR

Haji Mahpar Atan
Director-General

EDITORIAL MEMBERS

Haji Kamaruzaman Othman
Hajah Roslina Idris
Dr. Mohd Nor Zamri Mat Amin
Saiful Bahri Salleh
Noorazimah Sarkom@Haji Othman
Mohd Amin Kadir
Mohd Nizam Hamid
Farydatul Nazly Mohd Zin
Suzana Abdul Rahim
Nor Liza Mat Yasok
Suga @ Mazree Iman
Emy Zulika Dzulkifly
Shamsul Azman Abdul Aziz
Nur Aqilah Ahmad Bakri

PUBLISHER

MALAYSIAN TIMBER INDUSTRY BOARD
Level 13 - 17, Menara PGRM, 8, Jalan Pudu Ulu
Cheras, 56100 Kuala Lumpur, Malaysia
Tel : 603-9282 2235
Fax : 603-9200 3769/9283 9792
E-mail : info@mtib.gov.my
Website : www.mtib.gov.my

QUALITY SYSTEM
SIRIM
UKAS QUALITY MANAGEMENT
074
CERTIFIED TO ISO 9001 : 2015
CERT. NO. QMS 01285

Read eMASKAYU at
www.mtib.gov.my

LAUNCHING OF BAMBOO COMMUNITY FARMING PROGRAMME – A THOUSAND BAMBOO CLUMP

"A Thousand Bamboo Clump" is the theme for the Bamboo Community Farming Programme that was held on 21 May 2022 at Langkawi Bamboo Shapers, Ulu Melaka, Langkawi. The programme was organised by MTIB with the cooperation of bamboo industry players. The main objectives of the programme were to increase awareness of bamboo usage and to bring the bamboo industry to greater heights while maintaining environment conservation and developing economic growth for the Langkawi community.

YBrs. Tuan Haji Mahpar Atan planting a bamboo seedling

Langkawi Bamboo Shapers (LBS) is an area of about two (2) acres on which is a unique bamboo structure developed as a bamboo exhibition and reference centre. The exhibition center is built using bamboo structures from various local and international species. LBS aims to be a one-stop center where interested parties can go to access information on the bamboo industry. This includes information on more than 50 local and foreign commercial bamboo species which will be planted in the area. LBS will be the first bamboo one-stop center in Langkawi, Kedah.

Langkawi Bamboo Shapers

The programme was launched by Tuan Haji Mahpar Atan, Director General (DG) of Malaysian Timber Industry Board (MTIB). In his speech, the DG stated that a special grant had been given under MTIB's Bamboo Community Farming Development Programme, to aid in the planting of the bamboo clumps. This development programme was approved under the 12th Malaysian Plan (2021-2025) as part of efforts to accommodate to the demand for bamboo poles by the bamboo industry. The special grant is in form of bamboo seedlings and fertilizer. It also includes capacity building activities that will be carried out to successful and committed participants. He added that bamboo is one of the eleven (11) species listed under the Forest Plantation Development Programme (PPLH).

After the speech, Puan Surina Aziz, Assistant Director, Forest Plantation Division, MTIB, further explained the Bamboo Community Farming Development Programme to the participants.

The event was attended by representatives of the Langkawi Development Authority (LADA), Langkawi District Office and Langkawi Forest Department, as well as local participants.

VIET NAM

WOOD PRODUCT EXPORTS UP IN APRIL 2022

The Viet Nam General Department of Customs has reported wood and wood product (W&WP) exports in April 2022 at an estimated at USD 1.5 billion, up 7.3% compared to April 2021. In the first 4 months of 2022 exports of W&WP were estimated at USD 5.48 billion, up 5% over the same period in 2021.

Total exports of wood products in April 2022 have been estimated at USD 1.13 billion, up 6.4% compared to April 2021. In the first 4 months of 2022 wood products exports were worth USD 4.14 billion, up 3% compared to the same period in 2021.

Padauk wood imports in April 2022 were estimated at 19,200 cubic meters worth USD 7.5 million, up 20.4% in volume and 20% in value.

In the first 4 months of 2022, padauk wood imports were estimated at 59,200 cubic meters, worth USD 24.7 million, down 6.5% in volume and 4% in value compared to the same period in 2021.

Viet Nam's exports of rattan, bamboo and other Non-Timber Forest Products (NFTPs) in March 2022 reached USD 89.06 million, up 32% compared to February 2022 and up 14% compared to March 2021.

Wood and Wood Product (W&WP) exports have gained nearly USD 4.0 billion in the first quarter and are optimistic with the target of USD 16 billion. According to the Import-Export Department of the Ministry of Industry and Trade (MT) many wood product export enterprises have orders until the end of the third quarter of 2022. With this pace of growth the timber industry's target of USD 16 billion in 2022 can be achieved.

International demand for wood products and wooden furniture continues to rise and businesses in the timber industry, especially the furniture manufacturers have full order books until the end of the third quarter or even the end of 2022.

Viet Nam's production and export activities are being promoted by a series of agreements that are being implemented such as European Free Trade Association (EUFTA) and Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) creating a competitive advantage for enterprises.

As China is implementing a "Zero COVID" strategy, export productions have been affected which also gives an advantage to Viet Nam.

However, the impact of the COVID-19 pandemic and the war between Russia and Ukraine are causing businesses to face a shortage of shipping opportunities, a lack of containers, rising freight costs which are all leading to disruption of supply chains.

In the first quarter 2022, W&WP exports to the main trade partners all grew except for China and Canada. The US continues to be Viet Nam's top export market for W&WP and in the first quarter was worth USD 2.4 billion, up 4% over the same period in 2021.

Exports to Japan were worth a further USD 396 million, up 11%, exports to South Korea were at USD 249 million, up 18% while to China exports were worth USD 353 million, down by 1%.

https://www.fordaq.com/, 03 May 2022

CHINA

FIBREBOARD EXPORTS SURGE IN 2021

According to China Customs exports have been dominating China's fibreboard trade in recent years. The volume of China's fibreboard exports fell to 1.52 million tonnes in 2020 from 2.09 million tonnes in 2017. However, exports surged 49% to 2.26 million tonnes year on year in 2021.

In 2021, China's fibreboard exports totalled 2.26 million tonnes valued at USD 1.2 billion a year on year an increase of 49% in volume and 45% in value. The average CIF price for China's fibreboard exports fell 3% to USD 532 per tonne.

China's fibreboard export markets are diverse and the volume of fibreboard exports to the top 10 destinations accounted for only 63% of the total in 2021. The top three countries in terms of fibreboard export volumes in 2021 were Viet Nam, Nigeria and Mexico. China's fibreboard exports in 2021 to Viet Nam and Mexico surged but to Nigeria it fell 15%.

The USA was ranked fifth in terms of China's fibreboard exports volume in 2021; previously it was ranked number one.

The average CIF price for China's fibreboard exports to Viet Nam among the top 10 destination countries was lowest at USD 362 per tonne in 2021, down 14% year on year. The average CIF price for China's fibreboard exports to Mexico fell 26% year on year.

https://www.fordaq.com/, 02 May 2022

CZECH REPUBLIC

WOOD PRICES HIGHEST LEVEL IN 20 YEARS

Wood prices in the Czech Republic are at the highest in two decades due to high demand. Prices have been rising since last spring. This may have been affected by the disruption of timber imports to Europe from Belarus and Russia, and the feeling that commodities in general will become scarce. Czech foresters are also reporting rising costs, seedlings are expensive and not enough.

“Wood prices in the Czech Republic have been rising since last spring. Now they are rising even faster,” said the chairman of the Association of Owners of Private, Municipal and Church Forests in the Czech Republic, Jiri Svoboda at a recent conference.

The price of spruce sawlogs in the highest quality is now around CZK 3,300 per cubic meter (EUR 133.86/m3) at the collection point. "(This) is a price that hasn't been here for a long time," he said. At the same time, he noted that everyone probably knew that wood will become scarce one day, because it was harvested more than it grew.

According to Jiri Svoboda, this year's development of the bark beetle calamity in the Czech forests will depend on the weather. Moisture could slow down bark beetle growth. "If there is a drought again, we will be back to the same situation of 2020," he said.

According to the Minister of Agriculture Zdenek Nekula, if his ministry had not only forests but also wood processing, it would contribute to a better solution of the issues of the entire ministry. The wood processing industry now falls under the Ministry of Industry and Trade (MIT). "Because the wood processing industry is not a priority at the Ministry of Industry and Trade, there are far larger sectors within the industry," he said. He asked the foresters for support for this step.

Today, Czech forest owners stated that, according to them, various ecological organisations have a disproportionate influence on the setting of conditions for forest management. "In no other period has the politics and opinions of people who are not affected by forestry have been so involved in forestry as at present," said Radomír Charvat. The Minister called on foresters to be inspired by the behavior of these organisations and to inform the public and the media more about their work.

The Association of Municipal, Private and Church Forest Owners in the Czech Republic (SVOL) has over 700 members who farm on 551,000 hectares of land. This is 21% of the total forest area in the Czech Republic.

www.globalwoodmarketsinfo.com , 04 May 2022

EUROPE

PELLET PRICES CONSIDERABLY HIGHER THAN A YEAR AGO

The price of wood pellets is considerably higher in some Western European as compared to a year ago. The average price for wood pellets across Germany in April 2022 was EUR 377.21 per ton (t) of pellets (when purchasing 6 t). This is 2.1% more than in the previous month and 66.4% more than in April 2021.

Pellets in Germany had become significantly more expensive since September 2021. Since many buyers have waited a long time due to the relatively high prices, the current short-term increase in demand in the spring was not unexpected. Last year's excess supply of sawdust is not to be expected this year. That is why the low prices of the previous year are unlikely even in the short term.

For Austria, the industry association proPellets Austria also reports a price increase for April, loose pellets cost an average of EUR 322.9 for an order quantity of 6 tons, whereby delivery is not included in the price. Compared to the previous year, the price increase in Austria was 46.90% and compared to the previous month 5.5%. Heating oil and natural gas are 112.6% and 35.6% more expensive than pellets, respectively.

Compared to the previous year, pellet prices in Switzerland rose by an average of 34% to CHF 467.40/ton (EUR 453.79/ton). Compared to March, they have fallen by 0.7%, namely from an average of CHF 469.80 (EUR 455.79/ton) to CHF 467.40 (EUR 453.40/ton), which corresponds to a decrease of around 0.7%.

www.globalwoodmarketsinfo.com , 04 May 2022

GERMAN

TIMBER INDUSTRY FACE TOUGH TIMES

The German timber industry has stabilized at a low level after the crash in the previous month. After the initial shock of the Russian attack on Ukraine, the industry is showing resilience. While the current order situation is still perceived as good by companies, they anticipate tough times ahead given rising material prices and ongoing supply chain problems.

The companies' assessment of the current situation improved slightly in April 2022 to +45.5 points (previous month: +44.7 points). The outlook for the next 6 months, on the other hand, brightened slightly, the current value is -27.6 points (previous month: -36.1 points). Overall, the Main Association of the German Wood Industry's (HDH) economic indicator rose slightly in April to +5.8 points (previous month: +0.2 points).

In view of the different impacts on the individual segments, the mood in the timber industry remains mixed. Companies in all segments and especially in the construction-related area of the wood industry (+56.1 points), in prefabricated wood construction (+55.9 points), in the wood-based materials industry (+50 points) and in the sawmill industry (+45.2 points) appreciate rate their current business situation as positive. However, the expectations in all segments indicate a negative development in the coming months. In particular, the furniture industry (-12.2 points), prefabricated wood construction (-8 points) and the wood packaging industry (-4.9 points) are currently pessimistic about the future.

From the point of view of the HDH, this is due not only to the expected negative effects of the Ukraine war on demand, but also to the rising material prices and the worsening problems in material procurement. The delivery problems currently affect adhesives, fittings, steel as well as plastics and packaging. In addition to wood and wood-based materials, almost all other raw materials and primary products in the wood and plastics industry are becoming more expensive. A significant easing of the supply and price situation is not to be expected in the coming months. A possible suspension of Russian gas deliveries to Germany also remains a risk factor.

https://www.globalwoodmarketsinfo.com/, 05 May 2022

SWEDEN

INCREASE IN ROUNDWOOD PRICES IN Q1/2022

The roundwood prices on delivery timber in Sweden increased for both sawlog and pulpwood during the first quarter of 2022 in comparison to the fourth quarter of 2021. The sawlog price increased by 4% and pulpwood by almost 3%, according to statistics released by the Swedish Forest Agency.

Regionally, the greatest increase in sawlog prices was in Södra Norrland, by almost 4%, followed by Norra Norrland with almost 3%. In Götaland, the sawlog prices rose by 1% while the price in Svealand were unchanged.

Regarding pulpwood prices, the greatest increase was in Norra Norrland by 6% while the pulpwood prices in Södra Norrland were unchanged. In both Svealand and Götaland the increase amounted to 1%.

If we compare with the same quarter last year, then the development with increasing roundwood prices has continued. Sawlog prices overall increased by almost 13%. Regionally, the sawlog prices increased by 13% and 10% in Götaland and Svealand respectively. In Norrland prices also increased, by almost 11% and 9% in Södra and Norra Norrland respectively.

Pulpwood prices overall increased by 8%. The increase was greatest in Götaland by almost 11%, followed by Norra and Södra Norrland by almost 8% and 5% respectively. In Svealand the pulpwood price was unchanged.

https://www.fordaq.com/, 12 May 2022

UNITED KINGDOM

BIG SHIFT IN COUNTRIES SUPPLYING TROPICAL SAWNWOOD

UK imports of tropical sawnwood started this year strongly. Imports were 15,800 tons in the first two months of 2022, 72% more than the same period last year and 32% more than the same period in 2020.

In addition to making major gains overall, there were big changes in the countries supplying tropical sawnwood to the UK in the opening months of this year. This is indicative of the major shifts in hardwood markets since the start of the pandemic which have led to significant supply shortages and sharply increasing prices in many supply regions along with continuing high levels of demand in markets like the UK.

UK imports from Malaysia, which had fallen to little more than a trickle in recent years, were 4,300 tons in the first two months this year, a 5-fold increase compared to the same period last year and nearly a 3-fold gain compared to the pre-pandemic level in the opening two months of 2020.

In contrast, UK imports of tropical sawnwood from the Republic of Congo (RoC) were only 1,100 tons in the first two months of this year which, while 43% more than the same period last year, were 68% less than the same period in 2020. Before the pandemic, the UK had been sourcing more sawn hardwood from RoC but this trend has faltered in the last two years.

However, there has been a big rise in UK imports from RoC, which were 1,900 tons in the first two months this year, a gain of 52% compared to the same period last year. UK imports from RoC were negligible before the pandemic.

UK imports of tropical sawnwood from Côte d'Ivoire were 800 tons in the first two months this year, a big increase compared to negligible imports in the same period last year and a 25% increase compared to the same period before the pandemic in 2020.

Imports of tropical hardwood sawnwood from Brazil also made gains from a small base, at 1,100 tons in the first two months of this year, 13% more than the same period last and 55% more than the same period in 2020.

Indirect UK imports of tropical sawnwood from other EU countries have fallen dramatically since the UK's departure from the EU single market on 1st January 2021. Total UK imports from EU countries were 2,600 tons in the first two months of this year, 30% less than the same period last year and 39% down on the same period in 2020.

UK imports of tropical hardwood mouldings and decking were relatively high in the opening two months of 2022, at 2000 tons, 88% more than the same period the previous year and 90% more than the pre-pandemic level in the first two months of 2020.

This is another commodity group for which there has been particularly strong demand in the UK, combined with sharply tightening supply since the start of the pandemic. And like in the plywood sector, the war in Ukraine and sanctions on Russia are expected to lead to even tighter supplies of non-tropical decking products that directly compete with tropical decking in the short to medium term.

UK imports of decking and mouldings from Indonesia and Brazil increased sharply in the first two months of this year.

Imports of 751 tons from Indonesia were 230% more than the same period last year and 108% more than the same period in 2020. Imports of 490 tons from Brazil were 149% up from the same period in 2021 and 71% more than the same period in 2020.

https://www.fordaq.com/, 24 May 2022

MTIB
Malaysian Timber Industry Board

EXCELLENT SERVICE AWARD CEREMONY AND MTIB RETIREMENT 2022

YBhg. Datuk Hishamuddin Bin Abdul Karim delivering his speech

The Excellent Service Award Ceremony and MTIB Retirement 2022 was held on 24 May 2022 at the Dewan Wawasan, Menara PGRM. The main objectives of the event were to reward employees who showed excellent performance throughout their work in 2021 and to show appreciation to 2022 retirees for their services.

YBrs. Tuan Haji Mahpar bin Atan, Director General of MTIB in his welcoming remarks congratulated all the recipients of the awards and certificates of appreciation. He also said that the success achieved by MTIB is contributed by the efforts of MTIB officers and staff who are committed to ensuring that every programme is successfully implemented.

The event was officiated by YBhg. Datuk Hishamuddin bin Abdul Karim, Chairman of MTIB who, in his speech, noted that MTIB plays an important role as a contributor to the country's export earnings and Gross National Product (GDP) rate.

During the event, certificates of appreciation were given to the Flood Relief Squad which provided assistants to flood victims in various districts in Selangor, Pahang and Kelantan. Certificates of appreciation were presented to the team leaders: Encik Nasrullah bin Ahmad, Encik Mohd Tarmin bin Ismail, Tuan Haji Norazli bin Ismail and Puan Huda Alhana binti Ali.

The launching of Digitalization Strategic Plan (PSP)

The highlight of the day was the presentation of certificates of appreciation to MTIB 2022 retirees and the 2021 Excellent Service Award. Six (6) retirees, including YBrs. Tuan Haji Mahpar, received their certificates. Following that, 38 employees received the Excellent Service Award for the year 2021. The awards were given in appreciation of their commitment, services and contribution in performing the tasks entrusted to them with full dedication and excellence. Each recipient of the Excellent Service Award received a Bank Simpanan Nasional Premium Savings Certificate, a consolation prize as well as a Certificate of Appreciation. The awards were presented by YBhg. Datuk Hishamuddin.

The event continued with a prize-giving ceremony for the AidilFitri Office Decorating and Video Greetings Competitions and the Audit Star Rating and Control Self-Assessments (ACSA) as well as the launches of the Organizational Anti-Corruption Plan (OACP) and the Digitalization Strategic Plan (PSP). The Office Decorating Competition involved all divisions at the MTIB headquarters while the Video Greeting Competition was open to all branch offices including FIDEC and WISDEC.

The event was also attended by MTIB board members, MTIB regional and branch heads and members of industry.

Retirees of MTIB 2022

LY Furniture Headquarters

BJC A NEW FOCUS FOR LY FURNITURE BUSINESS DIVERSITY

▪ It took more than 40 years for its founder, Mr. Tan Kwee Chai, to bring LY Furniture to its current status from a humble start-up in 1976 with only eight employees to becoming one of the largest wooden bedroom furniture manufacturers in Malaysia with more than 1,000 employees.

▪ LY Corporation Limited (the holding company of LY Furniture) was listed on Catalist of Singapore Exchange Securities Trading Limited on 31 January 2018.

▪ Today, LY Furniture is recognised as one of the best wooden bedroom furniture manufacturers in the region and has been regarded as a benchmark for the industry.

Quote

"The only thing that never changes is that everything changes. To cope with the ever-changing environment, we must be willing to release ourselves from our comfort zone and always stay alert to the rapid market changes, be innovative, flexible, adaptive, and constantly upgrade our production skills and product quality. This is the only way to ensure the competitiveness of our Company in the international market" - Mr. Tan Kwee Chai, Founder and Executive Chairman

LY Furniture Production Overview

Awards & Accreditations

A handful of awards and accreditations such as the Asia Pacific International Honesty Enterprise Award from Keris Award 2002 underline the impressive achievements of LY Furniture. Other achievementsinclude the Enterprise 50 Award in 2002 and 2003 with 3rd and 2nd placing respectively, Global Top Enterprise Golden Rim Award 2003, Golden Bull Award 2003 for Malaysia's 100 Outstanding SMEs -2nd Placing, MTC Best Performing Company Award 2006, Asian Furniture Leadership Award 2009, Corporate Social Responsibility Award 2009, Award of Industrial Excellence by Malaysian Timber Industry Board 2013, Winner of the Eminent Eagle – Golden Eagle Award 2015 (Malaysia 100 Excellent Enterprises), ISO 9001: 2015 for the management system related to the manufacturer of wooden furniture, ISO 45001: 2018 for the management system related to the manufacture of wooden furniture,and the 2021-PEFC ST 2002: 2013 (Second Edition) for Chain of Custody of Forest Based Products.

Corporate Social Responsibility (CSR)

LY Furniture has been actively playing its part in caring for the community and lending a helping hand to the less privileged in society and communities in need. It's also committed towards sustainable manufacturing and production such as sustainable wood sourcing, recycling of wood waste, usage of environmentally friendly materials and the installation of solar panels.

LY Furniture is also working closely with the Malaysian Prison Department for parole and community services. As of to-date, a total of 153 parolees are working with LY Furniture to cater for the shortages of manpower. This is also an opportunity for the paroles to start a new chapter in their lives.

The Company also cares for the welfare of their foreign workers whereby a newly constructed hostel was completed in 2019 to house all of them. The conducive environment hostel fulfills Act 446: Employees' Minimum Standard of Housing as well as the Accommodations and Amenities Act 1990. With this, LY Furniture will be used as a reference and benchmark for other timber and furniture players in the market to take serious considerations in relation to the welfare of their workers.


LY Furniture Workers' Hostel

Increasing Productivity and Quality in Production System

LY Furniture is currently using the Manufacturing Execution System (MES) 6M for their integrated production data, working with operations management systems, people, and practice.

The company also invested in timber mouldings, jump saws, finger joint machines, lamination moulders, CNC machines, and double end machines for the wooden door production line. A majority of the machineries were imported.

LY Furniture minimises the rejection rates of its manufactured products by strictly following the specifications and criteria from customers.

BJC: A New Focus for LY Furniture Business Diversity

LY Furniture has since ventured into the manufacturing of wooden door frames made from Radiata pine species (a medium-density wood) besides the manufacturing of wooden bedroom furniture. A total of 3,000 m_3 of Radiata pine is needed in their monthly production to cater to customer demand. A total of 5,000 m3 Radiata pine has been imported from Chile, New Zealand and Brazil to fulfill the monthly stock planning and forecasting production capacity. Wooden Door segmentation contributed approximately 18.3% to the total revenue according to LY group's financial revenue report in 2021.

Issues and Challenges post-Covid-19

Due to the various Movement Control Orders "MCOs" implemented by the Malaysian government since March 2020, LY Furniture was unable to fulfill customer demands. The Company also had to deal with the disruption in the supply of raw materials due to the MCOs.

In addition, the new raw material prices as a result of the increase in logistic and transportation costs was another challenge faced by the Company. Another matter that arose from the MCOs were the shortage of workers needed to cater to production demand whereby arrangement of work had to be re-arranged to optimize production.

Although the global economy is slowly emerging from the COVID-19 pandemic, the extent of economic recovery would depend on when the pandemic can be controlled, given the emergence of more virulent strains. Overall, the business outlook continue to remain challenging in 2022.

As the Company moves forward, it will focus on strengthening business performance to better position itself to capture growth opportunities when the business sentiment improves by enhancing production efficiency and developing new designs and innovative ready-to-assemble furniture. At the same time, LY Furniture will remain diligent and disciplined in exercising financial prudence and managing operating costs efficiently.

While the Company is hopeful that the worst is behind it, it expects the operating environment to remain volatile in the year ahead. LY Furniture will remain resilient and resolute to stay on course. It will continue to seek opportunities to drive its business forward with a diversified range of products by leveraging on its strong track record and capabilities built over the years to return to a higher level of growth and productivity.

Wooden door components

For more details and enquiries, please contact LY Furniture at:

No. 15, Jalan Wawasan Utama,
Kawasan Perindustrian Sri Gading,
83300 Batu Pahat, Johor, Malaysia
Phone: (607) – 455 8828
E-mail : info@lyfurniture.com

References:

https://www.lyfurniture.com
interviewed with Mr. Hew Chee Hong, General Manager of LY Furniture

APRIL 2022

Total export of Malaysian timber and timber products in April 2022 increased by 6% in value totalled at RM2.6 billion from RM2.4 billion in the previous month. Moreover, cumulative exports for the period of April 2022 increased by 10% valued at RM9.1 billion over RM8.3 billion in the previous corresponding period. The Malaysian timber industry chalked notable gains in exports for the first quarter (Q1) of 2022 as global demand for timber products grew. The impact of the Russia-Ukraine war on supply chains worldwide not only created a demand for Malaysian timber-based products but also affected the prices of commodities worldwide, including timber that increased year-on-year (y-o-y).

SAWNTIMBER

Total export of sawntimber in April 2022 decreased by 17% in volume and 14% in value to 131,025 m³ totaling RM291.0 million as compared to the previous month. Cumulative exports for the period of April 2022 decreased by 7% in volume but increased 9% in value to 417,602 m³ totaling RM932.0 million over the previous corresponding period.

Exports to the EU for the month were recorded at 6,657 m³, decreased by 25% as compared to the previous month. The Netherlands as the main buyer decreased buying by 38% to 3,211 m³ from 5,158 m³ in the previous month. Exports to Belgium and Germany also decreased by 12% and 15% to 960 m³ and 935 m³ respectively compared from 1,085 m³ and 1,094 m³ recorded in the previous month. However, in another country in Europe, the UK's imports increased by 126% to 1,355 m³ from 599 m³ in the previous month.

Total export to South Asia decreased by 14% to 13,080 m³ from 15,149 m³ recorded in the previous month. India as the main buyer from South Asia decreased imports by 11% to 7,201 m³ followed by Sri Lanka by 84% to 1,204 m³ from 8,126 m³ and 7,409 m³ respectively recorded in the previous month. However, exports to Maldives increased by 66% to 3,626 m³ from 2,180 m³ recorded in the previous month.

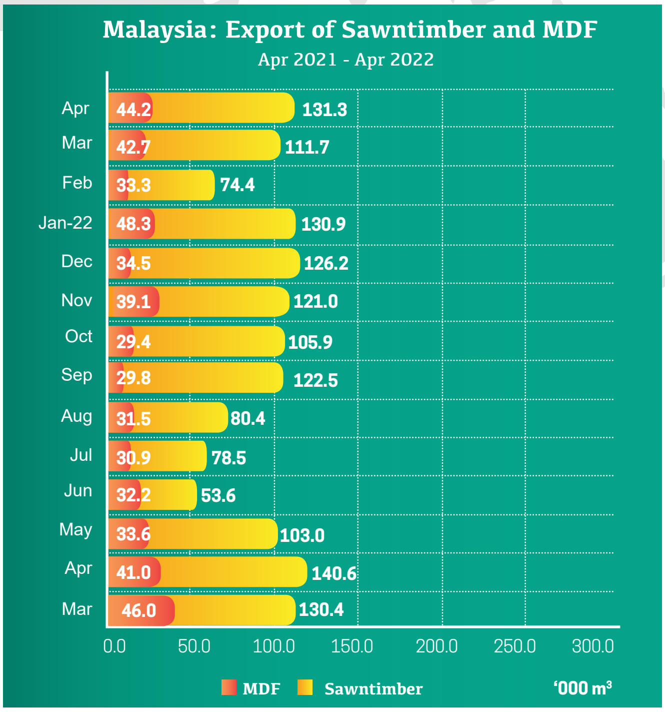
Total export to West Asia increased by 120% to 27,887 m³ from 12,660 m³ recorded in the previous month. Yemen as the main buyer from West Asia increased buying significantly to 13,307 m³ from only 2,764 m³ recorded last month. Similarly, exports to the UAE increased by 191% to 7,386 m³ compared from 2,536 m³ the previous month followed by Iraq which increased buying by 25% to 2,904 m³.

Elsewhere, shipments to East Asia increased by 50% to 52,231 m³ from 34,946 m³ in March. China as the main buyer increased purchases by 97% to 39,954 m³ from 20,249 m³ in the previous month. Exports to Japan also increased by 33% to 4,782 m³ from 3,604 m³ whilst Taiwan decreased buying by 35% to 5,996 m³ respectively.

Meanwhile, buying from ASEAN decreased by 28% to 23,552 m³ from 32,655 m³ as registered in the previous month. Thailand as the main buyer in ASEAN increased its intake by 8% to 13,989 m³ from 13,004 m³ as recorded in the previous month. Similarly, exports of sawntimber to the Singapore also increased by 5% to 6,840 m³ whilst the Philippines decreased buying by 84% to 2,062 m³ from 12,505 m³ last month.

Moving to the African region, exports to Africa decreased by 13% to 2,693 m³ compared from 3,087 m³ in the previous month. Demand from South Africa increased by 12% to 1,976 m³ from 1,763 m³ recorded last month. Nigeria resumed its purchases to 188 m³ whilst Mauritius increased buying by 6% to 446 m³ from 422 m³ in the previous month.

Exports to North America also decreased by 13% to 2,338 m³ from 2,698 m³ in the previous month. The USA as a major buyer from North America increased its intake by 4% to 1,980 m³ whilst Canada decreased buying by 67% to 260 m³ from 792 m³ last month. In the Oceania/Pacific region, exports to Australia increased by 9% to 1,065 m³ from 979 m³ in the previous month. New Zealand decreased its intake by 71% to 40 m³ from 138 m³ whilst French Polynesia didn't make any purchase for this month.



The average FOB price of sawntimber decreased by 3% to 2,221 per m³ from 2,293 per m³ in the previous month. The price of Dark Red Meranti to the Netherlands also decreased by 5% to 4,328 per m³ from 4,568 per m³ previously. Keruing was traded at 2,510 per m³, a decrease of 2% from 2,566 per m³ in the previous month.

The sanctions on Russian timber products to the US have undoubtedly led to American importers looking for alternative sources of material, especially for plywood. Moreover, the on-going trade dispute between the US and China has left Malaysia and Indonesia as the only timber source options for the world's largest economy. As it is, Malaysian mills are unable to meet the supply volume demanded by US importers. However, the current market sentiments for Malaysian timber in the US is bright especially for Meranti and Keruing.

PLYWOOD

Exports of plywood in April 2022 recorded a decrease by 9% in volume at 122,275 m³ and 1% in value at RM349.3 million as compared to the previous month. Cumulative exports for the period of April 2022 decreased by 4% in volume but increased by 26% in value to 481,947 m³ totalling at RM1.2 billion over the previous corresponding period.

The EU union region recorded an increase for plywood exports by 191% from 174 m³ to 506 m³. Malta increased the purchase significantly by 399% from 86 m³ to 429 m³. Turkey resumed buying to 34 m³. However, Italy and UK decreased their buying by 35% and 92% to 77 m³ and 729 m³.

Moving to the East Asian market, buying decreased by 14% to 84,891 m³ from 98,723 m³. Japan decreased import performance by 18% to 70,097 m³, followed by the Republic of Korea with 4% to 6,391 m³. Meanwhile, Taiwan increased their imports by 26% to 7,030 m³. In South Asia, the export of plywood dropped by 62% from 1,869 m³ to 719 m³. India and Maldives decreased their buying by 61% and 95% to 625 m³ and 13 m³ respectively. Pakistan resumed buying with 81 m³.

Elsewhere, the West Asian region recorded an increase of 88% to 6,144 m³ from 3,267 m³ in the previous month. Yemen increased import volume by 151% to 5,838 m³ while Jordan and Kuwait dropped their buying by 14% and 37% to 176 m³ and 103 m³ each. For ASEAN, import decreased slightly by 1% to 4,183 m³ from 4,210 m³. Singapore, Thailand and Brunei reduced imports of plywood by 5%, 29% and 10% to 2,138 m³, 840 m³ and 568 m³ respectively.

Plywood purchases in the Oceania/Pacific region increased by 56% to 4,192 m³ from 2,683 m³ with purchases from Australia at 4,021 m³. New Zealand and French Polynesia resumed buying with 64 m³ each. The North American region increased buying by 123% from 8,984 m³ to 20,059 m³. The USA as the main buyer increased purchases by 127% to 19,187 m³, followed by Canada with an increase of 130% to 789 m³. Mexico however decreased buying by 52% to 83 m³. Plywood export to the African region grew by 97% to 818 m³ in April 2022. Somalia and South Africa showed an increase of 160% and 3% to 557 m³ and 166 m³ respectively. However, Morocco recorded a drop of 71% to 95 m³.

The FOB price of plywood for April 2022 was at RM2,857 per m³, an increase of 9% from RM2,628 per m³ in the previous month.

Malaysia remains the No. 1 supplier of plywood to Japan, with close rival Indonesia ranked at second. According to the Japan Lumber Report (JLR), the soaring import volume was due to a chronically short supply of domestic softwood structural plywood. It expects Japan's high level imports to continue for some time. The housing sector in Japan may decline after summer and once the demand weakens, imports plywood will be the first one to be dumped and this will create confusion in the plywood market.

VENEER

Exports of veneer for April 2022 decreased in volume by 2% to 3,307 m³ but increased 5% in value worth RM7.6 million as compared to the previous month. The cumulative exports for April 2022 showed a decrease in both volume by 36% to 13,166 m³ and value by 16% to RM27.4 million over the previous corresponding period.

In Asia, the Republic of Korea, Taiwan and Bangladesh increased purchases by 35%, 46% and 81% to 1,244 m³, 738 m³ and 58 m³ respectively. On the other hand, the Philippines, Singapore, China and India dropped their purchases by 66%, 63%, 4% and 45% to 64 m³, 3 m³, 626 m³ and 184 m³ respectively.

Australia increased veneer imports by 56% to 122 m³ while the USA increased their import volume by 116% to 67m³. However, Canada recorded a decrease by 14% to 31 m³. Italy and South Africa didn't make any purchase for the month.

The average FOB price for veneer increased by 8% from RM2,128 per m³ to RM2,291 per m³ as compared to previous month.

The average FOB price for veneer increased by 8% from RM2,128 per m³ to RM2,291 per m³ as compared to previous month.

Consumption of veneers especially in EU27+UK was already falling in 2019 before the pandemic hits globally in 2020 and 2021. However, the rising activity in the private sector demand as homeowners invested in DIY, renovation and new furniture as spending declined on restaurants, vacations and other leisure activities has caused a sharp rebound of veneer consumption in the early 2022. Another factor driving rising demand for veneer in some parts of Europe is a partial switch away from solid lumber in favour of veneered panels for cheaper alternatives to hardwood lumber in the country.

MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in April 2022 recorded a 4% increase in volume at 44,175 m³ and 1% in value at RM89.8 million compared to the previous month. Cumulative exports for the period of April 2022 increased both in volume and value at 5% to 164,439 m³ and 31% totalling RM315.8 million as compared to the corresponding period in 2021.

Exports to ASEAN decreased by 38% from 9,945 m³ to 6,178 m³ in the previous month. Buying by the Philippines, Indonesia and Viet Nam plummeted by 41%, 56% and 2% to 2,803 m³, 1,409 m³ and 1,325 m³ respectively. Elsewhere, East Asia increased MDF purchases by 22% from 12,021 m³ to 14,712 m³ in the previous month. Exports to Japan rose by 31% to 13,903 m³ but Taiwan and the Republic of Korea recorded a fall of 10% and 82% to 719 m³ and 90 m³ each.

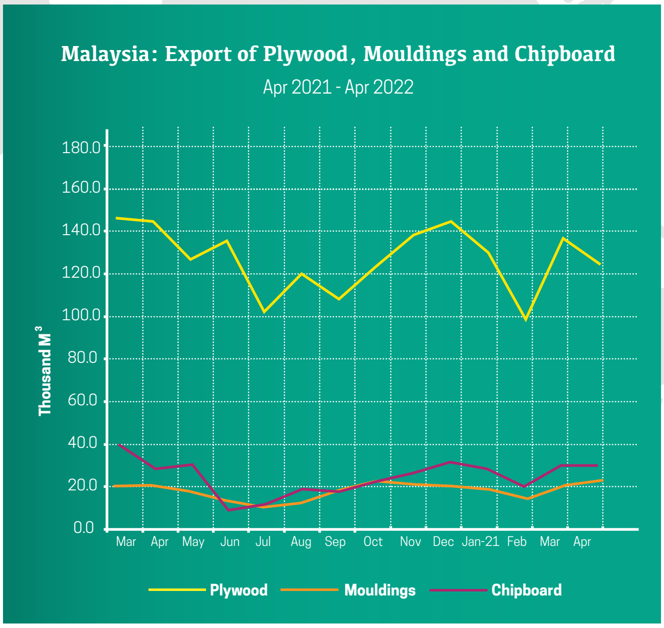
Moving to the South Asian market, exports decreased by 20% to 5,005 m³ from 6,241 m³. The export performance to Pakistan declined by 57% to 1,748 m³. However, shipping to India and Bangladesh increased by 5% and 88% to 1,447 m³ and 1,528 m³ respectively.

Exports to the West Asian region recorded an increase of 234% from 2,847 m³ to 9,511 m³ compared to previous month. The UAE showed a significant purchase at 1649% to 5,912 m³ while Yemen and Oman decreased imports by 35% and 53% to 1,327 m³ and 793 m³ respectively.

The UK reduced MDF purchase by 11% to 63 m³ while Ireland, Central America and South America didn't make any purchase for the month. Exports to the Oceania and Pacific region recorded a decrease of 40% from 4,004 m³ to 2,419 m³. Fiji increased MDF imports by 679% to 148 m³. New Zealand and Australia dropped purchases by 57% and 43% to 48 m³ and 2,223 m³.

Exports to North America increased by 69% to 4,980 m³. Purchase of MDF by the USA and Canada increased by 130% and 51% to 3,134 m³ and 995 m³ each while Mexico decreased by 4% to 851 m³. In the African region, buying dropped by 72% to 1,307 m³ from 4,606 m³ in the previous month. South Africa and Mauritius increased import of MDF by 107% and 11% to 285 m³ and 21 m³ respectively. Egypt resumed intakes to 1,001 m³.

The FOB price of MDF decreased by 3% to RM2,033 per m³ from RM2,085 per m³ from the previous month. Bursa Malaysia-listed companies producing panel boards including MDF are expected to enjoy strong profits in 2022 on the back of an upcycle in the timber manufacturing sector. The ongoing Russian-Ukraine conflict, which has led to Russia banning the export of timber and timber products to the West, could see buyers sourcing alternative suppliers from countries in this part of the region such as Viet Nam, Indonesia and Malaysia. The demand for local MDF boding well because of raw material costs, which had gone up due to ongoing supply disruptions and labour shortage, are tapering off from the peak. However, manufacturers were able to offset the hike in raw material prices from the higher average selling prices (ASPs) of timber products because of the robust demand.



MOULDINGS

Exports of mouldings for the month increased by 12% in volume and 11% in value to 21,153 m3 worth RM94.8 million. However, cumulative exports for the period of April 2022 increased by 2% in volume and 17% in value to 69,630 m³ worth RM317.4 million as compared to the previous corresponding period in 2021.

Exports to the EU for the month were recorded at 7,978 m³, increased by 5% as compared to the previous month. Germany and the Netherlands increased their purchases by 74% and 3% to 1,236 m³ and 5,430 m³ while France decreased its intake to 10% to762 m³. Meanwhile, the UK recorded a decrease of 37% to 437 m³ for the month.

In Asia, exports to Viet Nam increased by 214% to 781 m³ while Thailand and Singapore decreased their purchases by 96% and 57% to 44 m³ and 958 m³ respectively. Meanwhile, Japan and Korea increased their purchases by 35% and 34% to 1,468 m³ and 1,188 m³. However, India and Maldives decreased their intakes by 86% and 77% to 228 me and 65 m³ respectively. Nevertheless, exports to Taiwan and the UAE resumed to 383 m³ and 4 m³ for the month.

Meanwhile, in the Oceania/Pacific region, exports to Australia decreased by 14% to 2,304 m³ while New Zealand resumed its purchases to 22 m³ for the month. Similarly, in the American region, exports to the US and Canada also decreased by 46% and 25% to 4,545 m³ and 258 m³ respectively.

Elsewhere, in the African region, South Africa increased its purchases by 11% to 179 m³ while Mauritius decreased its intake by 90% to 4 m³ for the month.

The average FOB unit value for mouldings decreased marginally to RM4,480 per m³ compared to RM4,520 per m³ in the previous month.

The construction industry has made a significant recovery from the 2020 recession, but it has also experienced multiple headwinds that are expected to persist. The industry is expected to register an annual average growth of 6.2% between 2023 and 2026, driven by investments in large-scale transport and energy projects supported by further improving economic conditions and the government's focus on completing large infrastructure projects.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC for April 2022 recorded an increase of 8% in volume and 7% in value to 15,118,694 kg worth RM135,7 million from last month. Total BJC cumulative exports for the same corresponding period last year increased by 19% to RM495.2 million as compared to RM386.6 million last month.

Exports to the EU increased by 3% to RM72.8 million compared RM70.8 million in the previous corresponding period. Exports to Belgium and the Netherlands decreased by 14% and 10%, to RM15.5 million and RM10.8 million respectively. However, exports to Turkey, Norway and Germany increased by 708%, 138% and 41% to RM1.1 million, RM17.8 million and RM9.4 million respectively. Exports to the UK, however decreased by 16% to RM46.3 million from last year.

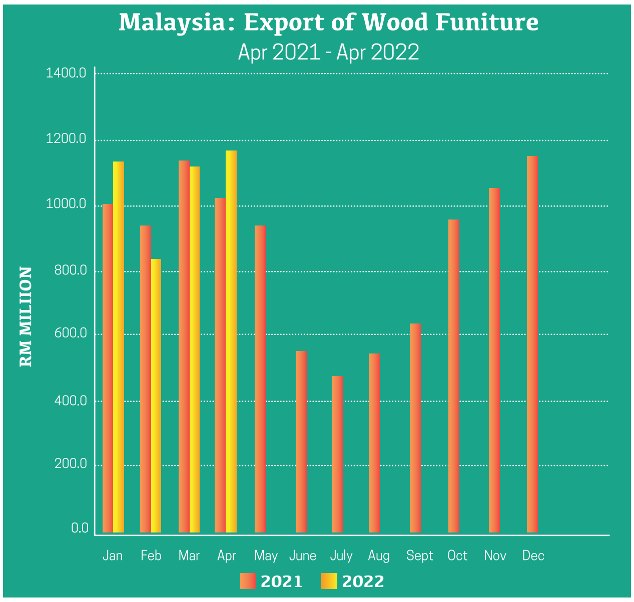
In Asia, exports to Viet Nam and Singapore recorded an increase of 80% and 28% to RM9.3 million and RM22.9 million respectively while Thailand decreased its intake by 32% to 4.4 million for the month. However, exports to China, Japan and Taiwan increased by 32%, 31% and 3% to RM8.9 million, RM18.9 million and RM2.8 million respectively. Nevertheless, exports to Pakistan, Bangladesh and India also increased by 63%, 2% and 1% to RM1.4 million, RM882,603 and RM13.3 million respectively. Meanwhile, Qatar decreased its intake by 71% to RM314,469 while the UAE increased purchases by 26% to RM551,377 from last year. Saudi Arabia resumed its intake to RM224,453 for the month.

Meanwhile, in the Oceania/Pacific region, exportss to Guam, New Zealand and Australia increased by 48%, 46% and 19% to RM204,220, RM8.2 million and RM79.7 million respectively. However, in the American region, Canada and the US also increased their intakes by 132% and 37% to RM751,639 and RM131.6 million respectively while Uruguay decreased intake by 1% to RM281,448 compared to the previous month. Mexico resumed its intake to RM4.8 million for the month. Elsewhere, in the African region, Mauritius, Egypt and South Africa increased their intakes by 70%, 22% and 2% to RM410,001, RM499,310 and RM3.0 million respectively.

The global precast construction is projected to reach USD227.6 million by 2030 with a growth of a CAGR of 4.9% from 2020 to 2030. Precast construction includes buildings and infrastructure where most structural components such as columns & beams are standardized and used in manufacturing facilities in a controlled location away from the from the actual constructional sites. The precast technique is used to manufacture custom components such as columns, slabs, walls, stairs and beams.

FURNITURE

Exports of wooden furniture for January - April 2022 increased by 5% to RM1.2 billion while rattan furniture decreased exports by 12% to RM8.6



million respectively from the previous month, March 2022. Meanwhile, exports of wooden furniture for the period January to April 2022 recorded an increase of 3% year-on-year to RM4.3 billion from its corresponding period in 2021. Similarly, demand for rattan furniture increased by 11% year-on-year to RM37.5 million from RM33.7 million over its corresponding period in 2021.

Exports of wooden furniture to ASEAN increased by 39% worth RM339.4 million over its corresponding period in 2021. Singapore was recorded as the highest buyer with RM186.2 million, an increase of 34%. This was followed by the Philippines where buying rose by 54% to RM67.3 million. Thailand also increased buying by 92% to RM26.7 million.

Moving to the East Asian region, exports increased by 11% to RM308.1 million. Japan remained the highest buyer with exports valued at RM224.7 million, an increase of 23%. This was followed by Taiwan with 28% to RM30.6 million. However, exports to South Korea decreased by 29% to RM24.1 million.

Exports to West Asia decreased by 15% to RM139.1 million from RM163.7 million in its corresponding period in 2021. The top three buyers in the region recorded a decrease in export with the UAE's buying down by 8% to RM54.1 million, followed by Saudi Arabia by 22% to RM50.9 million and Kuwait, 2% to RM17.4 million.

The South Asian region recorded a decrease of wooden furniture intake by 4% to RM69.6 million. Amongst South Asian countries, exports to India were down by 2% to RM66.6 million over its corresponding period in 2021. Similarly, exports to Maldives and Bangladesh were down by 25% to RM2.4 million and 29% to RM284,143 respectively.

The Central Asian region recorded a decrease of wooden furniture intakes by 63% to RM1.2 while Azerbaijan resumed its intake to RM103,012 and exports to Kazakhstan were down by 66% to RM1.1 million.

Exports to the European Union (EU27) recorded a growth by 3% to RM164.0 million from RM159.5 million in its corresponding period in 2021. Germany was recorded the highest buyer with an increase of 35% to RM29.3 million, followed by Poland with an increase of intake by 39% to RM17.0 million. Nevertheless, exports to Belgium decreased by 23% to RM18.5 million.

As for Europe's other countries, exports reduced by 3% to RM169.6 million. Exports to the United Kingdom and Russia decreased by 1% to RM160.7 million and by 50% to RM2.5 million respectively. Meanwhile, exports to Turkey increased by 22% to RM2.2 million.

Exports to Oceania/Pacific increased by 4% to RM199.5 million from RM191.5 million over its corresponding period in 2021. Australia remained the top buyer in the archipelago region with exports valued at RM175.1 million, an increase by 4%. This was followed by Papua New Guinea with exports up by 80% to RM3.5 million. However, exports to New Zealand recorded a decrease of 17% to RM14.6 million from RM17.6 million over the same period in 2021.

Moving to the Central American region, exports of wooden furniture were reduced by 32% to RM10.5 million over its corresponding period in 2021. Export to El Salvador reduced by 52% to RM2.8 million, followed by Panama, down by 23% to RM2.7 million and Guatemala, by 17% to RM2.1 million.

Meanwhile, exports to the North American region recorded a slight decrease by 1% to RM2.7 billion with sales to USA, the largest wooden furniture buyer, reduced by 1% to RM2.5 billion from RM2.6 billion in its corresponding period in 2021. Exports to Canada were also lowered by 5% to RM106.4 million, but exports to Puerto Rico increased by 30% to RM38.5 million.

Exports of wooden furniture to the South American region recorded a sale of RM43.0 million, an increase of 21% from RM35.7 million in its corresponding year in 2021. Exports to Chile increased by 50% to RM36.4 million but exports to Peru and Columbia decreased by 52% to RM2.6 million and 48% to RM1.0 million respectively.

Exports to the African region recorded an increase of 27% to RM69.9 million with South Africa garnering the largest market share with RM20.7 million. It was an increase of 17% from its corresponding period in 2021. This was followed by Kenya, with a recorded sale of RM8.3 million, an increase of 70% while exports to Reunion Islands increased by 21% to RM6.0 million.

Rattan furniture shipments for April 2022 recorded a decrease of 12% valued at RM8.6 million from RM9.8 million in the previous month. However, exports of rattan furniture for the cumulative period of January – April 2022 recorded an increase of 11% to RM37.5 million from RM33.7 million in the corresponding period in 2021.

Exports to ASEAN member countries were recorded at RM1.5 million, a decrease of 3%. The highest buyer was the Philippines with recorded sales of RM499,688, a decrease of 9%. Similarly, exports to Singapore were also reduced by 17% to RM416,847. However, exports to Thailand increased significantly by 119% to RM439,158.

Meanwhile, the East Asian region decreased its shipments by 14% to RM2.8 million. China as the largest buyer in the region reduced its intake by 29% to RM1.5 million. However, exports to Japan and Mongolia increased by 46% to RM596,688 and 11% to RM348,443 respectively.

India as the largest buyer amongst South Asian countries recorded a decrease in intake by 41% to RM1.4 million from RM2.3 million in the corresponding period in 2021. Exports to the largest buying nation of rattan furniture in the West Asian countries, the UAE, increased by 41% to RM223,163 from RM158,255 in its corresponding period in 2021.

Exports to the European Union recorded an increase of 35% to RM5.0 million with Sweden being the largest buyer amongst the EU27 countries. Exports to Sweden rose drastically by 239% to RM1.4 million followed by Ireland by 20% to RM1.1 million and France by 70% to RM508,533. Moving to other countries in Europe, exports reduced by 30% to RM3.3 million; exports to Russia were down by 15% to RM996,479. Similarly, exports to Ukraine decreased by 45% to RM122,916 but Georgia resumed its intake to RM52,801.

Shipments to the Oceania/Pacific archipelago region increased by 26% to RM3.0 million from RM2.4 million over the same period in 2021. Australia recorded an increase of 31% to RM2.8 million, followed by New Zealand with an increase of 4% to RM205,465 and Western Samoa, 174% to RM29,965.

Exports to the North American region increased by 29% to RM18.6 million from RM14.4 million over the same period in 2021. The USA being the largest buyer for rattan furniture recorded an increase by 27% to RM16.5 million, followed by Canada by 38% to RM1.4 million and Dominican Republic by 122% to RM459,160. In South America, exports to Chile increased by 141% to RM247,727.

Intake of rattan furniture by the African region increased by 93% to RM1.5 million where the largest buyer, Algeria increased its buying by 129% to RM922,524. South Africa also increased its intake by 63% to RM187,328 while Tanzania resumed its buying to RM143,741.

As per the Zion Market Research study, the global urniture market was valued at USD595 Billion in 2021 and is likely to exceed USD722 Billion by the end of 2028. The market is likely to grow with a considerable CAGR of 5.6% during the forecast period. Asia Pacific accounts for the largest share of the global furniture market due to the growing expansion of the real estate and hospitality sector in the region. The fast spurring of commercial spaces, particularly in India, is likely to further expedite the market growth manifolds in the forthcoming years. North America is expected to be the fastest-growing region in the global market due to the growing demand for multi-functional furniture in the region.

With the strong growth of the furniture market, it is forecast that the e-commerce furniture market size would reach USD40.74 billion by 2030 with a CAGR of 4.4% from 2022-2030. In 2021, the e-commerce furniture market was valued at USD27.74 billion. The data was stated in the ResearchAndMarkets.com's report "The E-Commerce Furniture Market by Type, by Product Type, by Material Type, by End Use, and by Price Range - Global Opportunity Analysis and Industry Forecast 2022-2030". Over the past few years, furniture has become one of the fastest-growing segments in the overall retail e-commerce industry. The success of furniture e-commerce platforms is mainly attributed to the fact that the consumers are more inclined toward buying foldable, multi-purpose, and technology-driven furniture through e-commerce websites on account of heavy discounts, comfort, and trendy designs. The furniture sold on the e-commerce websites can come assembled, be partially assembled, or need assembly on arrival. The furniture includes larger items such as couches, desks, and beds as well as the much smaller decorative items, such as throw pillows, light fixtures, and window treatments. The proliferation of online shopping, the expansion of smartphone applications, and the growth of the real estate and hospitality industries across the globe are the major factors expected to fuel the growth of the global furniture e-commerce market.

MALAYSIA

Large Shipping Companies Have 'Abandoned' Sabah

The food supply problem in Sabah may actually be more serious than in West Malaysia, said Kota Kinabalu Member of Parliament, Chan Foong Hin. He said Sabah is also facing another issue which West Malaysia may not face that badly, namely the increase in costs in the transportation industry which includes shipping costs.

The problem of ever increasing logistic costs will inevitably lead to a surge in the cost of doing business and prices of goods, including foodstuff, he pointed out.

Chan said in a statement today that he had recently communicated with the business community in Sabah and learned that the biggest problem in Sabah is that the shipping is often delayed, and even foreign suppliers cannot send the goods to Sabah at one time, and that the buyers in Sabah have to find a third party shipper to forward goods to the final destination in Sabah on their behalf.

"So what had happened? To put it crudely, large shipping companies have 'abandoned' Sabah," he said. With the outbreak of the Russian-Ukrainian war and the factors of Covid-19, Chan said the demand for shipping and containers have changed, so many large international shipping companies have the tendency to abandon the Sabah market, because the cargo volume is too small.

"In fact, since the Covid-19 pandemic we have noted a suspension of international carrier services on the domestic trade between Peninsular Malaysia and Sabah, Sarawak and Labuan due to the diversion of capacity to higher yield service routes.

"With big shipping companies having no obligation to dock at Sabah ports despite being on the route, it is time to assist our local shipping companies that would go the distance to pick up goods and deliver them to smaller ports in Sabah and Sarawak. If the government can't even take care of the local shipping companies, I just fear that one day there will be problems for Sabah's food supply when nobody will ship them, especially when shipping of such essential foodstuff is a loss making business.

"I acknowledge that increase in logistical costs is a big problem which is not easy to resolve, and the state government alone may not be able to handle it. It should seek the intervention of the federal government, especially the Federal Ministry of Transportation," he said

Source: *www.malaymail.com/news/malaysia: May 26, 2022*

EUROPE

150% Jump in Long-term Container Freight Rates

According to Xeneta's Shipping Index (XSI), long term contracted ocean freight rates jumped by 30.1% in May, the highest ever monthly increase. Price hikes in 2022 have reached 55%, leaving long term rates 150% higher than their year-ago level. The price hike comes as new contracts, which typically run from May to April, came into effect.

Xeneta CEO Patrik Berglund said that month-to-month predictions are difficult and mid- and long-term forecasts are near-impossible in the current market. "Just last month we were looking at an 11% rise and questioning how such continued gains were possible. Now we see a monthly increase of almost a third blowing the previous XSI records out the water."

"The breath-taking gains reflect the sharp increase of the average of all valid long-term contracts, as older contracts, with lower rates, expire and are replaced by newer agreements with much higher rates. It's certainly a challenging time to be a shipper."

US import costs led the charge, up 65.1% in the month to a 205.4% increase on-year, while exports rose 9.9%. Asia import rates rose 17.4% to be 57.1% up on-year, while exports rose 35.4% on the month to be up 174.8% on-year. In Europe, long-term import rates rose by 11.3%, 122% on-year, while exports jumped by 27.6% on month to be 138.3% up on-year. Xeneta listed regulatory investigations into carriers and Chain's zero COVID policy and geopolitical upheaval as risks to the sector.

"The best advice we can offer, as ever," said Berglund, "is to try and stay as strategically limber as possible, while always keeping up to date with the very latest industry intelligence. In a fast-moving market, that really is the only way to achieve the optimal value for your business and stakeholders."

Source: *www.seatrade-maritime.com : May 31, 2022*

CHINA

Challenger Carriers and Retailer-chartered Services Hit by China Lockdowns

The combination of Covid lockdown cargo delays in China and congestion at US east coast ports has prompted alliance carriers to announce blank sailings on the transpacific – and the independent lines are also feeling the heat.

The Asia-US cancellations follow news of a number of skipped sailings to North Europe and the Mediterranean last week as carriers juggle their networks to mitigate the impact of more than a month of a strictly enforced Covid lockdowns in Shanghai. Carriers are urging shippers to deliver containers to ports not impacted by lockdowns, but these have now been imposed on dozens of Chinese cities as the virus spreads.

A carrier contact told The Loadstar today schedules from China were "a total mess" and that it would be "some time before we have a ship back on schedule". He added, "The only positive from the delays in China is that it will give the ports in Europe and the US some breathing space. But, as we saw after the Suez Canal blockage, they will become overwhelmed again with a rush of cargo."

Data released on Saturday in China showed a sharp contraction of factory activity last month, suggesting that even when restrictions are lifted it will be some time before manufacturing gets back to pre-lockdown levels. Anecdotal reports to The Loadstar indicated export bookings from China are running at just 50% of normal, a slump in cargo availability that has stymied the business plans of ad-hoc and new challenger carriers which rely on the spot market for most of their bookings.

Moreover, the aspirations of retailers to launch standalone services from Asia to North Europe and the US could be put on the back burner. Brokers reported that three ships chartered by Tailwind Shipping, linked to a service for German discount retailer Lidl, have recently been sub-let to major deepsea lines. For example, the brokers reported that one of the ships earmarked for the independent service, the 3,800 teu Merkur Ocean, has been fixed with Hapag-Lloyd for six months at $61,000 a day.

Meanwhile, turning their focus to the transpacific, 2M members Maersk and MSC, with their co-operation agreement partner Zim, said today they intend to cancel four scheduled Asia to US east coast voyages between weeks 21 to 25, end of May to end of June. This was, said MSC, "due to the ongoing challenging market situation generating congestion and schedule delays across the supply chain".

Maersk, interestingly, refers to the voided sailings on the transpacific as "slidings", adding that the intended voyage numbers would be adjusted accordingly. It added, "Our Asia-North America network continues to accumulate delays due to terminal congestions and

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m3)	% Change Mar/ Apr'22
	m3	% Change	m3	% Change	m3	% Change	m3	% Change	m3	% Change		
Sawntimber	38,219	-25	7,018	-11	823	-9	126	-46	6,253	10	52,439	-20
MDF	11,109	23	1,072	-64	1,605	-42	1,883	47	966	32	16,634	-1
Mouldings	10,785	-17	65	12	1,697	-4	1,262	-20	745	-13	14,554	-15
Plywood	7,754	182	0	0	353	-8	134	-3	6,691	14	14,932	63
Veneer	363	-55	0	0	30	-14	21	100	0	-100	414	-79
Particleboard	16,735	1	96	-25	64	-92	0	0	7,884	11	24,780	1
TOTAL	**84,964**	**-9**	**8,251**	**-25**	**4,572**	**-31**	**3,427**	**6**	**22,539**	**5**	**123,753**	**-9**

Note : Indicates percent change over the previous month

Source : MTIB

vessel incidents." The first vessel affected by the network adjustments will be the 11,078 teu Grete Maersk, which will now sail from Yantian on 11 June onm the MSC/Maersk/Zim Empire/TP12/ZBA pendulum loop via the US east coast.

The 6,266 teu MSC Damla, operating on the VSA partner's Lone Star /TP18/ZGC loop, will now depart from Shanghai on 20 June. Additionally, the sailing of the 6,750 teu MSC Vanessa from Xiamen on the Pelican/TP88/ZGX transpacific loop. will be delayed until 11 June, and the 8,204 teu MSC Bilbao, on the Emerald/TP16/ZSA RTW loop, has been pushed back to 22 June.

Source: *theloadstar.com: May 03, 2022*

SWITZERLAND

Shippers Cry 'Foul', but Regulators See No Evidence of Carrier Rate-fixing

Complaints from forwarders about the actions of ocean carriers on pricing and demurrage and detention (D&D) charges, were the final agenda item for Chinese, African, European and US regulator panellists at FIATA's final HQ meeting session on Friday.

Earlier, the regulators agreed they had found no evidence of rate collusion by carriers during the supply chain crisis, but that demand spikes have caused elevated pricing levels. However, it appears the jury is still out among regulators over allegations of dominance by the shipping alliances, fuelled by numerous forwarder complaints of unfair practices by carriers. "So far we have not seen anything out there that gives us cause for alarm," said EC director for transport in its competition directorate Henrik Morch. He said so far, the EC had not seen any evidence of price collusion and there was "no basis for our intervention".

However, the Chilean FIATA representative said, "We have definitely identified discrimination and mistreatment from the steamship lines towards the market." This, he alleged, included the cancellation of bookings without explanation and the cancellation without notice of 90-day contracts into 14-day duration FAK deals, which effectively restricted the shipper to only one sailing.

The representative also identified a "black market" for rates, which he argued was the main reason why they had escalated. "Basically, the carriers refused to accept bookings from Chile and, even though the freight was collect, it had to be booked at origin. So that generated the black market and the escalation of rates," he added. In the US, the regulators have come to the same "no evidence" conclusion as their European colleagues on rate collusion, but they appear to be cracking down harder on other practices shippers have complained about.

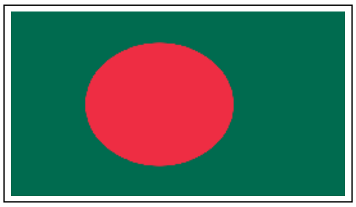
"I'm confident that illegal competition problems did not cause the extreme ocean shipping rates and capacity shortages that we have experienced, rather sustained demand, largely from the US, overwhelmed the suppliers shipping capacity and rates have increased to historic levels," said US FMC commissioner Rebecca Dye. She also pointed to the number of new entrants on the transpacific to support her argument.

Having just presented her Fact Finding 29 report to the FMC in the past few days, Ms Dye said her two-year investigation had identified two major concerns of US importers and exporters: the high cost of shipping; and excessive D&D charges. On the former, she said high freight rates "reflected market forces" in a supply chain challenged by the pandemic and caused by "an unprecedented surge in consumer demand".

However, in regard to D&D charges, Ms Dye spoke of the tightening of procedures, which is that "if the principle of the charge fails then no charge should be imposed", adding that the rule changes had "shifted substantially the risk on to ocean carriers and our ports and marine terminals to keep cargo moving and to avoid charges". She said, "We're enforcing the requirements of the underlying statutory provision which is our authority over reasonable practices for ocean carriers and marine terminals and ports.

"We are requiring, for the first time, compliance officers from ocean carriers, seaports and marine terminals. They should report directly to the CEO and not through lawyers or general counsels, because we have observed that, in other agencies, that can interfere with the free flow of information."

Source: *theloadstar.com: May 25, 2022*



BANGLADESH

HIGHER PURCHASING POWER ACROSS CONSTRUCTION AND INFRASTRUCTURE PROJECTS

Overview

Bangladesh, is a country in South Asia. It is the eighth-most populous country in the world, with a population exceeding 163 million people in an area of either 148,460 square kilometres (57,320 sq mi) or 147,570 square kilometres (56,980 sq mi) making it one of the most densely populated countries in the world. The country is situated in the fertile plains of the Ganges (Padma) River delta and borders the Bay of Bengal. Bangladesh borders various states of India in the west, north and east and has a short border with Myammar in the southeast. It is narrowly separated from Bhutan and Nepal by the Siliguri Corridor and from China by 100 km of the Indian state of Sikkim in the north. Dhaka, the capital and largest city, is the nation's economic, political, and cultural hub. Chittagong, the largest seaport, is the second-largest city. The official language is Bengali, one of the easternmost branches of the Indo-European language family.

Economy

Bangladesh has the world's 33rd largest economy in terms of market exchange rates and 29th largest in terms of purchasing power parity, which ranks second in South Asia after India. Bangladesh is one of the world's fastest-growing economies. The country has cut extreme poverty in half and achieved lower-middle-income status. Life expectancy, literacy rates and per capita food production have increased significantly. Its economy has grown roughly 6% per year since 2005 despite prolonged periods of political instability, poor infrastructure, endemic corruption, insufficient power supplies and slow implementation of economic reforms. About 39 million people or 23% from the population are still living below the national poverty line. The economy of Bangladesh is largely dependent on agriculture, especially rice. However, the garment sector of Bangladesh has become the largest earner of foreign exchange. Garment exports, the backbone of Bangladesh's industrial sector accounted for more than 80% of total exports and surpassed $25 billion in 2015.

Forest Resources

The total forest area of Bangladesh is 2.6 million hectares, which is nearly 17.4% of the total land area of the country. The forestry sector accounts for about 3% of the country's gross domestic product (GDP) and 2% of the labour force. However, these figures do not reflect the real importance of the sector in terms of monetary value. According to the Food and Agriculture Organization of the United Nations (U.N. FAO), 11.1% or about 1,442,000 ha of Bangladesh is forested. Of this 30.2% (436,000 ha) is classified as primary forest, the most biodiverse and carbon-dense form of forest. Bangladesh had 237,000 ha of planted forest. Between 1990 and 2010, Bangladesh lost an average of 2,600 ha or 0.17% per year. In total, between 1990 and 2010, Bangladesh lost 3.5% of its forest cover, or around 52,000 ha.

Based on their ecological characters, the forests of Bangladesh can be divided into tropical wet evergreen, tropical semi-evergreen, tropical moist deciduous, tidal, and planted forests.

Evergreen plants dominate with rich biodiversity; few semi-evergreen and deciduous species also occur but do not change or alter the evergreen nature of the forests. They occur in hilly area of Chittagong, Chittagong Hill Tracts (CHT), Cox's Bazar in the southeastern Bangladesh and Maulvi Bazar in the northeastern Bangladesh.

Timber Production And Processing

According to the latest FAO forest statistics on Bangladesh, the country produced around 2,614 cubic metres of major timber products in 2020. The top timber production in 2020 was plywood (414 m3) followed by particleboard (2,200 m3). In previous years, other timber products like sawnwood and veneer sheets were produced in Bangladesh too. Details of production are as below:

Bangladesh: Production of Timber Products, 2016 – 2020

Product / Year	2016	2017	2018	2019	2020
Sawnwood	0	0	0	0	0
Veneer sheets	1,000	1,000	1,000	1,000	0
Plywood	1,000	1,000	1,000	1,000	414
Particleboard	2,200	2,200	2,200	2,200	2,200
TOTAL	**4,200**	**4,200**	**4,200**	**4,200**	**2,614**

Source: FAO Stats ** FAO Estimate*

Bangladesh: Exports Of Timber And Timber Products

Bangladesh's export of timber and timber products in 2021 increased by 38% to 19.9 million as compared to the previous year. The main timber products exported were furniture and parts, particleboard and wooden frames, totalled at USD13.8 million, USD1.4 million and USD77,000 respectively in 2021. Major export destinations for Bangladesh are China, India, the UK and the US while Malaysia ranks 5th destination from overall 73 countries.

Bangladesh: Exports of Timber and Timber Products, 2017 - 2021

Product	2017	2018	2019	2020	2021
Furniture and parts	3,069	3,885	4,996	7,213	13,755
Particleboard	961	634	949	948	1,446
Wooden frames	20	60	32	73	77
BJC	10	3	30	80	77
Sawntimber	17	0	28	26	61
Logs	0	6	4	0	3
Veneer	5	0	0	0	0
Mouldings	26	5	5	0	0
Fibreboard	9	1	4	14	0

Plywood	3	21	5	3	0
Others	4,529	5,796	2,674	3,917	4,490
TOTAL	**8,649**	**10,411**	**8,727**	**12,274**	**19,909**

Source: UN-Comtrade Statistics

Bangladesh: Export Destinations of Timber & Timber Products to The World, 2017 - 2021

Rank	Countries	2017	2018	2019	2020	2021
	World	5,584	6,528	3,736	5,065	6,157
1	China	4,184	4,415	2,027	2,837	3,029
2	India	115	18	383	805	1,366
3	United Kingdom	98	233	121	334	447
4	United States of America	10	11	9	70	219
5	Malaysia	652	513	511	109	185
6	Japan	-	11	33	64	123
7	Norway	35	83	87	152	117
8	Germany	1	2	7	20	100
9	Singapore	170	140	54	52	89
10	Switzerland	3	2	2	2	84

Malaysia ranked 5th from 73 countries

Source: UN-Comtrade Statistics

Bangladesh: Imports Of Timber And Timber Products

Demand for timber and timber products is likely to grow due to increasing population and their affordability. According to the Bangladesh Bureau of Statistics (BBS) in 2014, the demand for industrial roundwood and timber may continue to rise in tandem with the growth of population. Accordingly, the demand for timber is likely to rise to 9.77 million cubic metres by 2030 and 10.62 million cubic metres by 2050, from current consumption of approximately 8.57 million cubic metres.

Bangladesh's import of timber and timber products in 2021 increased by 13% to USD68.0 million as compared to previous year. The main timber products imported to Bangladesh are furniture and furniture parts, veneer and sawntimber, totalled at USD29.6 million, USD11.0 million and USD7.2 million respectively. The major import sources for Bangladesh are China, India, Indonesia and the US. Malaysia was the 5th top importer for timber and timber products to Bangladesh in 2021, from 67 countries.

Bangladesh: Imports of Timber & Timber Products from The World, 2017-2021

Product	2017	2018	2019	2020	2021
Furniture and parts	39,058	35,495	32,481	26,890	29,599
Veneer	5,108	7,133	6,302	6,384	10,989
Sawntimber	6,442	7,403	6,028	4,052	7,183
Plywood	7,029	4,688	4,390	5,779	7,136
Fibreboard	16,753	8,854	10,534	5,239	5,984
Logs	21,867	21,552	13,438	8,825	2,920
Builders' joinery and carpentry	4,567	4,340	3,421	2,356	2,801

Particleboard	1,589	843	316	346	1,176
Moulding	553	210	230	188	147
Wooden frames	12	77	15	16	22
TOTAL	**102,978**	**90,595**	**77,155**	**60,075**	**67,957**

Malaysia ranked 5th from 67 countries. *Source: UN-Comtrade Statistics*

Bangladesh: Imports of Timber & Timber Products from The World, 2017-2021

Rank	Countries	2017	2018	2019	2020	2021
	World	**70,458**	**59,958**	**51,917**	**39,747**	**44,454**
1	China	24,036	16,792	15,687	12,839	20,813
2	India	2,434	3,601	3,177	3,193	5,187
3	Indonesia	1,725	2,503	2,511	1,812	3,580
4	United States of America	4,674	8,554	8,475	5,541	2,603
5	Malaysia	7,061	4,051	3,594	1,990	2,545
6	Congo	195	880	188	0	2,278
7	Germany	2,314	3,343	1,723	2,333	1,801
8	Thailand	1,592	1,602	4,132	1,664	1,505
9	Canada	1,765	1,677	1,317	630	1,000
10	Italy	362	503	603	402	868

Malaysia ranked 5th from 67 countries. *Source: UN-Comtrade Statistics*

Malaysia's Exports Of Timber and Timber Products To Bangladesh

In previous years, Bangladesh was among the top importer for timber and timber products from Malaysia. However, when the pandemic hit globally, the export value was significantly decreased. In 2021, exports of timber and timber products to Bangladesh increased slightly from RM11.2 million to RM11.3 million. Fibreboard was the main product exported with a value of RM7.7 million, followed by BJC at RM1.5 million and wooden furniture at RM771,438.

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

Product	2017	2018	2019	2020	2021
Fibreboard	12,649,527	9,307,854	10,067,384	5,239,224	7,706,909
Builders Joinery & Carpentry	1,927,454	2,560,884	1,401,379	930,720	1,508,536
Wooden Furniture	2,446,319	1,198,096	1,561,830	1,761,390	771,438
Veneer	1,349,884	1,070,838	1,438,801	1,230,226	573,499
Sawntimber	5,735,982	1,300,607	942,776	436,380	446,518
Mouldings	509,780	515,938	497,436	449,203	102,765
Plywood	1,452,262	448,157	54,904	0	97,094
Logs	48,048	7,830	38,660	0	58,929
Chipboard/Particleboard	5,022,527	1,076,045	432,134	70,706	47,714
Other Products	1,642,748	49,500	197,868	1,113,852	0
TOTAL	**32,784,531**	**17,535,749**	**16,633,172**	**11,231,701**	**11,313,402**

Source: MTIB & DOSM

Malaysia's Imports Of Timber And Timber Products From Bangladesh

In 2021, imports of timber and timber products from Bangladesh increased sharply by 86% to RM876,289 from RM471,264 in 2020. The main products imported from Bangladesh were wooden furniture with a total value of RM111,478 and chipboard/particleboard at RM44,474.

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

Product	2017	2018	2019	2020	2021
Wooden Furniture	0	175,228	257,140	12,076	111,478
Chipboard/ Particleboard	2,799,273	2,067,186	2,08 1,121	459,188	44,474
Builders Joinery & Carpentry	0	0	0	0	0
Fibreboard	0	0	0	0	0
Other Products	0	0	34,223	0	720,337
TOTAL	**2,799,273**	**2,242,414**	**2,372,484**	**471,264**	**876,289**

Source: MTIB & DOSM

Import Tariffs

Bangladesh's import duty on timber and timber products ranges from 5 – 25%. Import duty details are as follows:

Bangladesh: Tariff Duty

HS Code	Product	MFN Duty Rates (%)
4403	Logs	10
4407	Sawntimber	5
4408	Veneer	10
4409	Mouldings	5
4410	Chipboard/Particle board	25
4411	Fibreboard	25
4412	Plywood	25
4414	Wooden Frame	10
4418	Builders Joinery & Carpentry	25
9403	Wooden Furniture	25

Source: World Trade Organization (WTO)

Prospects

According to World Bank report, Bangladesh has made a strong economic recovery from the COVID-19 pandemic, but growth faces new headwinds as global commodity prices increase amid the uncertainty created by the war in Ukraine.

In Bangladesh, a rebound of manufacturing and service sector activities led to strong growth in FY21 and in the first half of FY22. In the medium term, GDP growth is expected to remain strong. Public debt remains sustainable and the March 2022 joint World Bank-IMF Debt Sustainability Analysis assessed that Bangladesh remained at low risk of external and public debt distress.

The furniture industry in Bangladesh has great potential. The industry is growing every year by providing customers with products of quality and convenience. The industry has flourished from its cottage industry days and has transformed into a major economic contributor.

The industry is catering to growing consumer demand by manufacturing domestically or by importing from other countries. Previously, the industry used to heavily rely on imported furniture from Malaysia, India and Thailand. However, these days the domestic manufacturers have been able to take the major share of the market by providing quality end products. Around 70% of the furniture sector in Bangladesh produces home furniture while the remaining 30% produces office furniture.

According to the LCP Primary Research on Furniture Industry in Bangladesh in 2017, this market is currently going through a transitioning period factored by the changes in customer composition. As the purchasing power increases, shift in tastes and preferences is becoming more prominent. This shift can be found mostly in two ways: the material and the design used in a particular furniture. There are also some noticeable new trends including the flourishing of furniture e-commerce based on furniture sales activity and market. expansion opportunities with a cross-connection to the ship building industry.

Bangladesh is now making some low cost furniture and is in the process of establishing original equipment manufacturing (OEM) for other industries, like the garment industry. The next way forward is to shift away from OEM to ODM (original equipment manufacturing) and ultimately to original brand manufacturing (OBM). Bangladesh should get ready with trained manpower and advanced technology and future oriented furniture designs in order to take due share in the fast growing furniture market.

Malaysia, as one of the largest trading partners with Bangladesh in the South Asian region, needs to take advantage of this good relationship by strengthening cooperation between the two countries. There is no Free Trade Agreement (FTA) established until now, even though about 12 years ago Malaysia called upon Bangladesh to sign an FTA. Thus, this would be a good time to reconsider the establishment of an FTA. In addition, the FTA's signing should aim to develop into a comprehensive economic partnership agreement (CEPA) that will benefit both countries.

Like other successful furniture exporting countries, Bangladesh is proactively exploring new market opportunities and aims to increase the number of furniture items sold in each market simultaneously. The possibility of Malaysian furniture exporters penetrating the Bangladeshi market is very high as our local furniture are best known for their artistic finesse and are rich in eastern aesthetic values that represent the Malaysian identity.

In improving the quality of furniture and other timber products to be exported abroad, entrepreneurs and manufacturers should dare to invest in using the latest technology that will emphasize on products functionality and appearance. Other than that, Malaysian timber exporters should create opportunities to enhance their presence in the Bangladesh market through participation in international furniture exhibitions and fairs, which could provide opportunities to seek new businesses or form strategic alliances with local entrepreneurs.

References

- *International Trade Centre*
- *MTIB's statistics*
- *https://www.dosm.gov.my*
- *https://www.fao.org/*
- *https://comtrade.un.org*
- *https://www.wto.org*
- *https://en.wikipedia.org/wiki/Bangladesh*
- *https://www.nationsonline.org/oneworld/bangladesh.htm*
- *https://www.worldbank.org/en/country/bangladesh*
- *https://rainforests.mongabay.com/deforestation/2000/Bangladesh.htm*
- *https://bforest.portal.gov.bd/*
- *https://www.fao.org/bangladesh/fao-in-bangladesh*
- *https://en.banglapedia.org/index.php/Forest_and_Forestry*
- *https://databd.co/profiles/industries/profile-timber-and-furniture/*

WORKSHOP ON MAKING THE AGARWOOD PARFUM

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

Perfume is a mixture of fragrant essential oils or aroma compounds, fixatives and solvents, used to give the human body, animals, food, objects, and living-spaces "a pleasant scent". Ancient texts and archaeological excavations show the use of perfumes in some of the earliest human civilizations. Modern perfumery began in the late 19th century with the commercial synthesis of aromatic compounds such as vanillin or coumarin, which allows for the composition of perfumes with scents previously unattainable solely from natural aromatics alone.

Perfume is described as having three sets of scents or known as ‘notes’. These notes are created carefully with knowledge of the evaporation process of the perfume. Top notes called the head notes are perceived immediately on application of a perfume, while the middle notes are referrers to perfume that emerges just prior to the dissipation of the top note. Finally, the base notes is a scent of a perfume that appears close to the departure of the middle notes. The base and middle notes together are the main theme of a perfume.

Attendees during the workshop

Taking cognizance of the sophistication involved and view of the growing importance of perfumery in the local Agarwood industry, MTIB recently organised a workshop on Making the Agarwood Parfum held from 30 to 31 May 2022 at Dewan Persidangan MTIB Kuala Lumpur. The workshop was officiated by the Director General of MTIB, YBrs. Tuan Haji Mahpar Atan. In his officiating speech, he emphasized on the importance of developing the Karas and Agarwood industry further to be an important income generator for the country. He said that Agarwood products have long been used for perfumes, aromatherapy, soaps and other related products. He added that the industry has seen a significant growth over the years with the increasing number of Karas plantations in Malaysia and the workshop was aimed at enlightening participants on the intricacies of perfume making involving Gaharu.

The two-day workshop included both theory and practical training sessions followed by the practical with access to multiple commercially available perfumery materials including essential oils, absolutes, isolates, aroma chemicals and specialty key bases. The topics presented and discussed were Introduction to Perfume, Odour Classification and Description, Smelling Techniques, Overview of Natural Perfumery Materials (Oudh, Flower and Fruits Material), Ingredients and Formulating (Agarwood and Arabian Musk) and Perfume Applications.

The workshop was conducted by Encik Ruslan Osman from Oud Agarwood Sdn. Bhd. The workshop provided the participants with a better understanding of how famous perfumes are produced. 22 participants from local Agarwood enterprises attended the workshop.

April
2022

LOGS

Logging activity in April was reportedly still the same as in March and did not show any improvement. Logger companies reported that the situation resulted in an increase in the number of requests for log supply in the market. The average price data obtained shows that most of the selected species listed under heavy hardwood, medium hardwood and light hardwood categories showed an increase in market price with the highest rise being 18%. Out of the total species reported, only kempas and Kapur experienced a significant increase of around 10% and 18% with a value of RM190 and RM290 per tonne respectively.

Logs from Merbau and Mengkulang showed an increase of about 6% with an increment of RM190 and RM100 per tonne compared to the previous month. Meanwhile, there were no significant changes reported for logs under the light hardwood category. The average log prices for Chengal, Red Balau, Resak, Mix Heavy Hardwood, Tualang, White Meranti, Nyatoh and Ramin were reportedly still the same as the previous month.

SAWN TIMBER

Based on the average price data obtained, MTIB found that the fairly constant logging activities and the supply of logs in the market did not greatly affect the prices of sawn timber products under all three categories, namely General Market Specification (GMS), Strips and Scantling despite the increment in demand for timber supply.

Under the GMS category, most of the species showed no changes in price except for Mengkulang and Red Meranti which increased by 4.3% and were traded at RM1940 and RM2800 per m³. Under the STRIPS category, only Balau, Mengkulang and Red Meranti recorded price increments between 5-10% compared to the previous month and were traded at RM2422, RM1596 and RM1582 per m³ respectively. Like GMS and STRIPS, the average price for sawn timber under the Scantling category did not change much for most species with only Merbau showing a decline in price of around 14.7% and was traded at RM2814 per m³ compared to the previous month.

PLYWOOD

The average price of plywood in April 2022 especially with the thickness of 6mm and 9mm reportedly experienced a slight decrease of around RM1 and RM2.20 respectively. Plywood with a thickness of 12mm was reported to show a slight increase of around RM0.90 per piece, while the average price of plywood with a thickness of 4mm was unchanged compared to the previous month. The average price of plywood with a thickness 4mm was RM19.40, while 6mm thick plywood was traded at RM27.20, 9mm thick plywood at RM41.80 and 12mm at RM49.90 per piece.

MEDIUM DENSITY FIBREBOARD (MDF)

The average price of MDF with thicknesses of 6mm, 9mm and 12mm showed an increase of around RM1.70, RM0.60 and RM0.80 respectively while MDF with a thickness of 4mm reportedly showed no price change compared to the previous month. Throughout April 2022, MDF with a thickness of 4mm was traded at RM14.90, while 6mm thick MDF was traded at RM23.40, 9mm thick MDF at RM32.80 and 12mm at RM39.40 per piece.

INTRA-MALAYSIA TRADE * - APRIL 2022

Just like the previous month, in April 2022 there was also no activity on log trading from Sabah to Peninsular Malaysia. The trading of sawntimber, plywood and veneer showed an increase in value by 78%, 10% and 444% respectively compared to the previous month with a trading value of RM1,457, RM7,091 and RM2,055. Sawntimber, plywood and veneer also recorded an increase in trade volume.

Sarawak also reported no activity for log trading and veneer products between Sarawak and Peninsular Malaysia in April 2022. However, the trade value of sawntimber and plywood from Sarawak to Peninsular Malaysia reported a decrease of 74% and 54% in volume, valued at RM0.2 million and RM0.7 million respectively 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	1,000	1,059	1,321	1,024

	LOGS/ton	SAWNTIMBER/m³			
MALAYSIAN RUBBERWOOD *Hevea brasilienses*	220	1" X 1"	2" X 2"	3" X 3"	4" X 4"
		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		49.90
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-22		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	165	212	-74	-79
Plywood	1,333	1,409	616	709	-54	-50
Veneer	0	0	0	0	0	0

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

Cordia subcordata lam. (agutud)

Boraginaceae (borage family)

Attractive ornament of an Agutud tree in a park

INTRODUCTION

Agutud (Cordia subcordata) is a tiny evergreen shrub or tree with a dense, broad crown that can reach a height of 4 to 15 metres and branches that reach up to 8 metres in length and 60cm in width diameter. It prefers warm coastal areas on the leeward side of islands, and plentiful sunlight, but it can tolerate semi-moist inland forests. The plant is gathered in the wild for local consumption, primarily for its lumber, but also for fibre, dyestuff, and edible purposes. The plant is sometimes planted as decorations in gardens, where it is especially good for courts, and the wood is highly valued in New Guinea and the Pacific Islands, where it is occasionally farmed for its timbre. Native ranges of the Agutud covers the Pacific, tropical Asia and east Africa.

There are several traditional uses of Agutud, including as a shade tree around homesteads, because it provides a broad, dense crown. The large, beautiful orange flowers are used to make leis. The showy flowers are in open cymes of panicles, with a pale green calyx and orange corolla. Cordia Subcordata blooms throughout the year, but most heavily in the spring. Flowering may begin within 3 to 5 years of age. The fruit is drupaceous, almost round, green when young, and brown and hard at maturity. The fruit (capsules) are approximately 2.5 cm long, and contain up to four white seed, each about 10 to 13 13 mm long. Leaves are used to dye tapa or combined to make medicinal products.

The main product of the tree is its wood, which is lightweight, soft, easily workable with little shrinking, long-lasting, and durable. In the past, Agutud would occasionally be used to make canoes (especially on atolls, "plank canoes"), but it was more often used for food vessels and utensils, as it has no strong flavour that would impart taste to food. It is well-suited for cups, dishes and calabashes. Other objects such as paddles, boxes, small furniture, and carved igures were also often made from this wood.

BOTANICAL DESCRIPTION

Preferred scientific name
Cordia subcordata Lam.

Family
Boraginaceae (borage family)

Non-preferred scientific names
Cordia orientalis R.Br.
Cordia moluccana Roxb.
Cordia rumpjii Blume

Common names
Anau (Chuuk)
Agutud (Borneo)
Beach cordia sea trumpet (English)
Cordia, island walnut, kerosene wood (Papua New Guinea)
Galu (yap)
Ikoak (kosrae)
Ikoik (pohnpei)
Ironwood (Australia)
Kalua (palau)
Koa (guam)
Kanava ('uvea, futuna, Tokelau, Tuvalu)
Kou (Hawai'i)
Motou (Niue)
Nawanawa (fiji)
Niyoron (guam, noethern marianas)
Puataukanave (tonga)
Tauanave (samoa)
Te kanawa (Kiribati)
Tou (sociesties, cook, marquesas, tuamotus)
Vava asi (Solomon islands)

Size
Agutud is a tiny evergreen tree with a broad, dense, and wide crown that grows to a height of 7-10 metres (23-33 feet). The canopy can be as wide as the tree is tall, spanning up to 8 metres (25 feet). The bark is pale grey in colour and wrinkled or flaky in texture. The diameter of the trunk is usually less than 40 cm (16 in), but it might be bigger in older trees. The tree's boles are frequently twisted and moulded by the wind.

Flowers

At the terminal ends of its branches and in the leaf axils, Agutud bears clusters of orange blooms. The huge, funnel-shaped flowers have five to seven somewhat winkled lobes and are 2.5-4 cm (1-1.5 in) long and broad. The blooms have no perfume because they are short-lived.

Fruit

C. subcordata bears fruit all year. When fully mature, they are spherical, 2–3 cm (0.79–1.18 in) long, and woody. Each fruit bears four or fewer 10–13 mm (0.39–0.51 in) long seeds. Because the fruit is buoyant, it can be carried far by ocean currents.

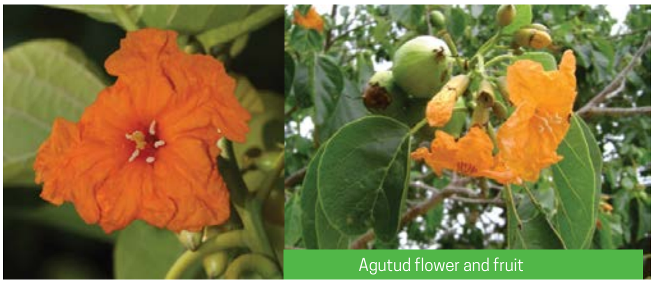
Habitat

C. subcordata is a coastal tree that grows up to 150 metres above sea level. It can be found at elevations ranging from sea level to 30 metres (98 feet) (490 ft). It grows in places with an annual rainfall of 1,000–4,000 mm (39–157 in). C. subcordata favours neutral to alkaline soils (pH 6.1 to 7.4) such as basalt, limestone, clay, or sand. Sand, sandy loam, loam, sandy clay loam, sandy clay, clay loam, and clay are all acceptable soil textures.

USES AND PRODUCT

Fuelwood

Agutud burns readily, and wood that is left over after the best pieces have been used for carving or other purposes may be used for fuelwood. The flammability of the wood has earned it the nick name "kerosene wood" in several communities.



Agutud flower and fruit

Agutud leaf

Craft wood/tools

The wood is finely textured and moderately durable. It shrinks little, takes fine polish and ranges in specific gravity from 0.45 to 0.65. In ancient times the wood was used to make cup, bowls and calabashes. Small pieces were made into small storage boxes for storage of utilities. Kou wood was favoured because it was easily worked and did not impart a taste to the food. If large enough the tree of Agutud can sometimes be used for canoes or paddles.

REFERENCE

- *Dayang Awa, A.L. (1996) in Soepadmo, E. et al. (eds.). Tree flora of sabah and Sarawak, vol. 2. Ampang press sdn.bhd. kuala lumpur: page 100*
- *J.b. Friday and Dana Okano. Species profile for pacific island agroforestry*
- *James A. Allen, Kou, Sea Trumpet (Corner 1988, Little and Skolmen 1989), part II – species description. Cordia subcordata lam, page 418*
- *Ken Fern, Airna Fern, and Richard Morris. Useful Tropical Plant Database 2014, licensed under a Creative Common Atrribution-NonCommercial-ShareAlike 3.0 Unported License.*

13 May 2022
MTIB Working visit to Bamboo Farm Model Development Project in Terengganu.

17 and 22 May 2022
MTIB Gaharu Industry Visit Series 2 and 3

26 - 27 May 2022
Bamboo Charcoal Book Preparation Workshop at Tanggam Design Centre, Kota Damansara

14 - 17 May 2022
Working Visit by YBrs. Director General MTIB to MTIB East Region Office (Kota Bharu, Kuala Terengganu and Kuantan)

26 - 27 May 2022
MTIB Visit to Furniture Processing Factory of Bumiputera Company,Tokmo Pallet Sdn.Bhd.

31 May 2022
Courtesy Visit from the Malaysian Entrepreneur & Ecosystem Data Centre Organisation (MEEDC)