

MOA SIGNING BETWEEN MTIB & YPU

MAJLIS مجلس مننداتاغنى ميمورندوم
MENANDATANGANI
MEMORANDUM
PERJANJIAN (MOA)
PROJEK PEMBANGUNAN
KOMPLEKS INDUSTRIAL
TERENGGANU (KITA)

ANTARA
LEMBAGA PERINDUSTRIAN
DAN
YAYASAN PEMBANGUNAN



- THE NINETEENTH MEETING OF THE ASEAN WORKING GROUP ON THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA AND WILDLIFE ENFORCEMENT IN CHONBURI, THAILAND
- COMPANY PROFILE PALBOX INDUSTRIAL SUPPLY SDN BHD

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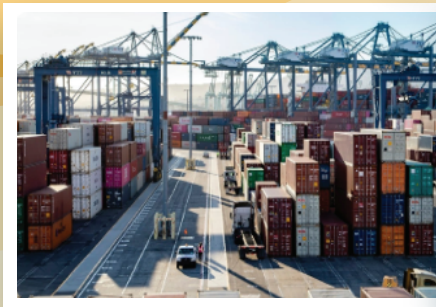
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Note Sumber Gambar <https://palbox.com.my/>



PALBOX Industrial Supply Sdn. Bhd. is a pallet manufacturing company in Selangor Malaysia, with more than 30 years of experience in the packaging industry. Established in 1992, it began its journey as a corrugated box manufacturer in Jalan Sungai Besi, operating from a rental premise. PALBOX was founded by Mr. Vincent Boo and Ms Belinda Chin. Our legacy now continues under the stewardship of the second generation, Mr. Fabian Boo.

In the year 2000, PALBOX expanded operations by acquiring a 3.5-acre land and building its own manufacturing plant at Semenyih Selangor. This allows to better serve customers by providing them with quality packaging solutions and prompt delivery services.

In 2012, PALBOX officially ventured into the timber business, and since then, PALBOX have been providing a wide range of wooden packaging products, including wooden pallets, wooden crates, wooden boxes, and plywood boxes.

Vision

Palbox aspires to become Malaysia's top supplier of wooden packaging products, dedicated to fostering long-term business success through our commitment to quality.

Mission

- 1. Commitment to Excellence:** We are dedicated to achieving excellence in both quality and cost-effectiveness. Through continuous process enhancement, open communication, collaboration, and an unwavering commitment to our goals, we strive to set new standards in the industry.
- 2. Innovation and Sustainability:** Driven by a systematic approach, data-driven insights, and a relentless pursuit of continuous improvement, our mission is to deliver innovative and sustainable products and solutions. We believe in pushing the boundaries to meet the evolving needs of our customers.

Products Info

Wooden Pallet

Wooden pallets are an essential component of the logistics and transportation industry, providing a sturdy and durable base for the movement of goods. We specialise in manufacturing high-quality wooden pallets made from tropical mixed hardwood. Wooden pallets are available in three main types: 2-way pallets, 4-way pallets, and semi 4-way pallets. 2-way pallets are designed to be lifted from the sides, while 4-way pallets can be lifted from any direction due to the addition of blocks at the corners. Semi 4-way pallets, on the other hand, have notches on two sides of the stringer, allowing them to be lifted in all directions like 4-way pallets.

Plywood Box

One significant advantage of using a fully-plywood box for packaging and shipping is that it does not require heat treatment or fumigation for pest control. This is because plywood is a natural material that is resistant to pests, which means that it does not need to be treated with chemicals to protect against insect infestations.

Wooden Crates

Wooden crates are a versatile and durable packaging solution for local transit and storage. At PALBOX, we specialise in custom-made wooden crates using local mixed hardwood.

Wooden Box

Wooden boxes are an excellent choice for protecting goods during shipping, especially for fragile or heavy items. At PALBOX, we specialise in custom-made wooden boxes using either tropical mixed hardwood or plywood.

Our wooden boxes are fully covered and can be designed to meet your specific product requirements, including shape, weight, and size. We work closely with our customers to ensure that the box is tailored to their needs, providing the optimal protection during transit.

Our team of experts is experienced in designing and building custom wooden boxes, including extra-large sizes that can be as long as 20 to 24 feet. We use high-quality materials and construction techniques to ensure that the box is durable and sturdy, able to withstand the rigors of shipping.

Tropical mixed hardwood boxes are known for their strength and durability, making them a great choice for heavy or bulky items.

Heat Treatment

Heat treatment is an effective and environmentally friendly method of pest control, which is a mandatory requirement for export from Malaysia, unlike chemical fumigation, which can leave harmful residues and pose a risk to human health and the environment.

Contact Detail



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MOA SIGNING CEREMONY FOR TERENGGANU WOOD CARVING INDUSTRY COMPLEX DEVELOPMENT PROJECT

Prepared by : Anisatur Rahmah Puteri Ahmad Fadzil



The Signing Ceremony of the Memorandum of Agreement (MoA) for the Terengganu Wood Carving Industry Complex (KIUT) Development Project was successfully held on 28 July 2024 at Wood Carving Village, Besut, Terengganu. YBrs. Encik Saiful Bahri bin Salleh, Deputy Director-General of MTIB (Management & Operations) and YBrs. Puan Afnida Aini binti Alwi, Chief Executive Officer of the Terengganu Entrepreneurial Development Foundation (YPU), signed the MOA, as both parties agree to collaborate in the construction and development of the complex.

An allocation of RM4.5 million has been approved by MTIB for the implementation of this project. This amount includes RM3.0 million for construction and RM1.5 million for the acquisition of machinery and equipment to be installed in the complex.

The development project will involve strategic cooperation between MTIB, YPU Terengganu, and the Malaysian Wood Carving Artisans Association (PENGUKIR). The initiative aims to elevate the local wood carving industry by incorporating the latest technology and enhancing competitiveness both locally and internationally, and to ultimately foster a new generation of wood carving practitioners.

The construction of the complex (KIUT) will be an extension of the Wood Carving Village, functioning as a one-stop centre for information sharing, research and development (R&D), and training. KIUT will also provide equipment and machinery facilities and the centre is expected to benefit carvers throughout Malaysia.



THE NINETEENTH MEETING OF THE ASEAN WORKING GROUP ON THE CONVENTION ON INTERNATIONAL TRADE IN ENDANGERED SPECIES OF WILD FAUNA AND FLORA AND WILDLIFE ENFORCEMENT IN CHONBURI, THAILAND

Prepared by : Norsasuhaida Salleh

The Nineteenth Meeting of The Asean Working Group on The Convention on International Trade in Endangered Species of Wild Fauna and Flora and Wildlife Enforcement (19th AWG-CITES and WE) was held in Chonburi, Thailand, from 2 July to 4 July 2024. This meeting aimed to strengthen the cooperation within ASEAN countries in the issue of CITES implementation and activities concerning illegal trade of wildlife in the ASEAN region. The Meeting was represented by the ASEAN Secretariat, Timor Leste as an observer, and all ASEAN Member States and the participants included representatives from the Southeast Asian Fisheries Development Centre (SEAFDEC), USAID-End Wildlife Crime (EWC) programme, INTERPOL, World Custom Organisation (WCO), UN Office on Drugs and Crime (UNODC), TRAFFIC Southeast Asia, World Wildlife Fund (WWF), UN Environment Programme (UNEP), USAID Wildlife Traps Project, and Centre for Environment Fisheries and Aquaculture Science (CEFAS).



Representatives of the ASEAN Working Group



ASEAN representatives with souvenirs from host, Thailand



Presentation session



Malaysia delegation

Fifteen agendas were successfully presented and discussed during this meeting. Malaysian representative Encik Kamarul Ikram Abdul Halim, Ministry of Natural Resources and Environmental Sustainability (NRES) Officer, delivered Malaysia's country report in the 11th Agenda. The report addressed national strategies and new initiatives that had been implemented to combat the illegal wildlife trade. New initiatives comprised efforts by the Royal Malaysian Police's Wildlife Crime Bureau (WCB), the Community Ranger Department of Wildlife and National Parks Peninsular Malaysia. They included the strengthening of Transboundary Collaboration on Combatting Wildlife Crime Between Thailand and Malaysia, the K9 Unit, and the inclusion of Forest Research Institute Malaysia (FRIM) in the CITES Directory of Laboratories. The details on enforcement activities and wildlife seizures cases were also presented from the Management Authority (MA) record, with a particular emphasis on offenders detained from neighbouring countries.

MTIB, the Management Authority (MA) for Timber species under Act 686, is dedicated to the governance of CITES-permit issuance. By participating in the meeting, the latest data from ASEAN member countries can be utilised as a reference for improving the work connected to CITES, ensuring that all regulations are effectively governed.

The Malaysian delegation was led by Dato' Abdul Kadir bin Abu Hashim, Director General of the Department of Wildlife and National Park (DWNP), Peninsular Malaysia. Encik Kamarul Ikram bin Abdul Halim, Principal Assistant Secretary NRES; Encik Zulkifli bin Suara, Forest Conservator Sabah Forestry Department; Puan Norsasuhaida binti Salleh, Senior Assistant Director MTIB; Puan Siti Nur'ain Ampuan binti Acheh, Officer of Sabah Wildlife Department; Encik Ruzlee bin Jumatin, Senior Assistant Director Department of Fisheries Sabah; and Cik Sylvia Scholastica Michael Dalansing, Officer of Department of Fisheries Sabah, were also present.

JUNE 2024

Total export of Malaysian timber and timber products in June 2024 decreased by 16% in value totalled at RM1.7 billion from RM2.1 billion in the previous month. However, the cumulative exports for the period of January – June 2024 increased by 14% valued at RM11.4 billion over RM10.0 billion in the previous corresponding period.

The overall performance of timber markets in June was relatively sluggish. Amid the continued downturn, enterprises explored ways to survive and grow, according to the Global Timber Index (GTI) Report. In the face of pressure from production and operations, enterprises put forward various suggestions for tackling challenges in businesses. Malaysian enterprises expressed hope for government assistance to ease port congestion while other global enterprises such as Ghanaian enterprises wanted the government to introduce policies to ensure the supply of raw materials. On the other hand, Chinese enterprises looked to increase the proportion of exports and shift from the domestic market to the Southeast Asian Market. In Indonesia, enterprises sought incentives for sustainable forest management-certified and legally-verified wood products.

SAWNTIMBER

Total export of sawntimber in June 2024 decreased by 24% in volume and 25% in value to 84,034 m³ totalling at RM176.8 million as compared to the previous month. Meanwhile, cumulative exports for the period of June 2024 decreased by 1% in volume and 5% in value to 510,161 m³ totalling at RM1.1 billion over the previous corresponding period.

Exports to the EU for the month were recorded at 2,964 m³, decreased by 23% as compared to 3,828 m³ in the previous month. The Netherlands as the main buyer decreased buying by 5% to 1,381 m³ from 1,453 m³ in the previous month. Similarly, export to Belgium also decreased by 59% to 306 m³ whilst Germany increased intake by 72% to 750 m³. In other parts of Europe, UK imports increased by 103% to 1,018 m³ from 502 m³ in the previous month.

Total export to South Asia decreased by 12% to 11,197 m³ from 9,819 m³ as recorded in the previous month. India as the main buyer from South Asia decreased buying slightly to 5,637 m³ from 5,667 m³ as recorded in the previous month. Similarly, exports to Maldives also decreased by 32% to 1,632 m³ followed by Sri Lanka with a

decrease of 22% to 1,517 m³.

Elsewhere, total export to West Asia increased by 16% to 18,355 m³ from 15,856 m³ as recorded in the previous month. The UAE as the main buyer decreased imports by 35% to 2,866 m³ from 4,384 m³ as recorded in the previous month. Similarly, exports to Iraq also decreased by 53% to 1,274 m³ as compared to 2,688 m³ in the previous month whilst Yemen increased intake by 160% to 10,370 m³.

Shipments to East Asia decreased by 50% to 24,933 m³ from 49,693 m³ in May 2024. China as the main buyer also decreased purchases by 64% to 14,770 m³ from 40,875 m³ as in the previous month. Meanwhile, exports to Japan decreased by 55% to 2,053 m³ from 4,581 m³ last month whilst Taiwan increased intake by 154% to 6,838 m³ compared to the previous month.

Buying from ASEAN decreased by 3% to 23,764 m³ from 24,396 m³ as registered in the previous month. Thailand as the main buyer in ASEAN decreased its intake by 26% to 6,446 m³ from 8,647 m³ as recorded in the previous month. Exports of sawntimber to Singapore also decreased by 18% to 5,770 m³ whilst the Philippines increased imports by 53% to 10,888 m³ from 7,130 m³ last month.

Moving to the Africa region, exports to Africa decreased by 15% to 1,226 m³ compared to 1,449 m³ in the previous month. Similarly, demand from South Africa also decreased by 5% to 1,056 m³ from 1,109 m³ followed by Mauritius with a decrease of 63% to 111 m³ from 300 m³ respectively in the previous month.

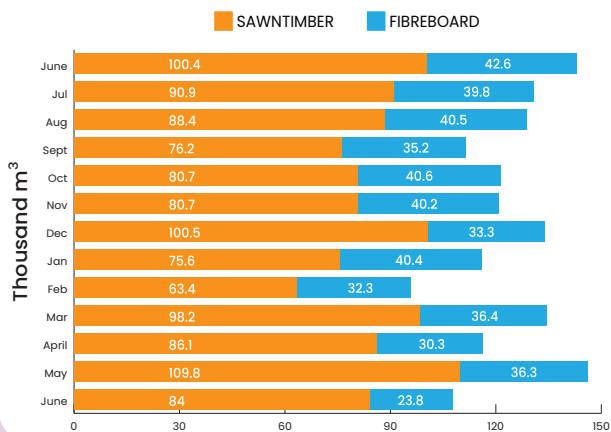
Similarly, exports to North America decreased by 33% to 1,517 m³ from 2,280 m³ in the previous month. The USA as a major buyer decreased its intake by 16% to 1,413 m³ from 1,687 m³ followed by Canada with a decrease of 82% to 105 m³ from 592 m³ in the previous month. In the Oceania/Pacific region, export to Australia also decreased by 30% to 416 m³ from 596 m³ in the previous month.

The average FOB price of sawntimber decreased by 2% to 2,104 per m³ from 2,153 per m³ in the previous month. The price of Dark Red Meranti to the Netherlands decreased slightly to 4,062 per m³ from 4,091 per m³ in the previous month. Keruing was traded at 3,244 per m³, an increase of 1% from 3,206 per m³ in the previous month.

An AI analysis software is intended to make it easier to determine wood species for the purpose of EUDR compliance in the future. Researchers at the Fraunhofer Institute for Industrial Mathematics ITWM are developing an automatic image recognition system for large-scale verification of wood species declarations in close cooperation with the Thünen Institute of Wood Research. Using machine learning,

the AI is intended to relieve the burden on inspection personnel in view of the increasing number of inspection orders. In the project, the researchers are initially focusing on hardwoods, particularly on plantation woods that are grown worldwide for pulp production. The type of wood can be determined using artificial intelligence based on their vascular cells with their different structure, shape and size. Using reference preparations from the Thunen Institute's huge wood collection, scientists at Fraunhofer ITWM train neural networks until the AI can independently identify and classify the characteristic features of the type of wood and thus detect the types of wood contained in the microscopic image of an unknown sample. Each type, such as birch, beech or poplar, is trained individually.

Malaysia: Export of Sawntimber and MDF
June 2023 – June 2024



PLYWOOD

Export of plywood in June 2024 recorded an increase of 6% in volume at 102,109 m³ and 0.4% in value at RM213.6 million as compared to the previous month. Similarly, the cumulative exports for the period of June 2024 showed an increase of 20% in volume to 461,955 m³ and 13% in value totalling at RM1.1 billion over the previous corresponding period. The EU region recorded an increase in plywood export of 9% from 588 m³ to 643 m³. Denmark and the Netherlands resumed their buying with 172 m³ and 142 m³ each. Meanwhile, Ireland reduced its buying by 25% to 121 m³. In other parts of Europe, imports recorded a decrease of 4% to 3,154 m³ from 3,283 m³ in the previous month. Plywood purchases by the UK increased by 46% to 2,225 m³ while Türkiye reduced its buying by 47% to 929 m³.

Moving to the East Asia market, volume decreased by 3% to 60,032 m³ from 62,131 m³ in May. Japan as the largest importer in the region decreased its buying by 6% to 46,876 m³ from

50,082 m³, followed by Taiwan with a decrease of 4% to 5,710 m³. South Korea increased imports by 24% from 5,225 m³ to 6,475 m³. In the ASEAN region, import decreased by 4% from 4,290 m³ to 4,134 m³. Plywood export to Thailand and the Philippines recorded a growth of 1% to 1,677 m³ and 4% to 237 m³ each. Meanwhile, Singapore reduced buying by 2% to 1,719 m³.

In the South Asia region, plywood purchase depleted by 28% from 1,394 m³ to 1,006 m³. India and Maldives decreased imports by 28% respectively to 913 m³ and 94 m³. The West Asia region recorded an improvement of 28% to 19,585 m³ from 15,352 m³ in the previous month. Import performance in Yemen and Oman increased by 25% to 17,579 m³ and 13% to 387 m³ each. Saudi Arabia resumed its purchase with 1,084 m³ for the month.

In the Africa region, plywood import increased by 140% from 86 m³ to 206 m³ with purchases from South Africa. Likewise, the North America region also showed an increase of 42% from 7,551 m³ to 10,741 m³. The USA as the main buyer increased purchases by 23% to 8,156 m³. This was followed by Mexico with an increase in sales of 295% to 2,415 m³. However, Canada reduced imports by 42% to 170 m³. Plywood export to the Oceania/Pacific region also recorded an increase of 35% to 2,608 m³ from 1,930 m³. Australia and New Zealand increased their purchases by 30% to 2,296 m³ and 191% to 312 m³ each.

The FOB price of plywood for June 2024 was at RM2,092 per m³, a decrease of 5% from RM2,203 per m³ from the previous month.

The Middle East, led by the UAE and Saudi Arabia, is transitioning towards timber-based construction, signaling a regional shift towards sustainability. Despite a limited number of timber buildings erected, Dubai and Riyadh have experienced a threefold increase in imports of plywood and other timber products in the past year. Saudi Arabia, as the world's largest oil exporter, is committed to achieving net-zero carbon emission by 2060 and has allocated over USD180 billion towards decarbonisation efforts, including the adoption of eco-friendly construction materials. The Saudi Arabia National Centre for Vegetation Cover Development and Combating Desertification (NCVC) is spearheading an initiative to plant 10 billion trees, aiming to expand the country's forest cover significantly. Saudi Arabia and the UAE are significant importers of plywood, with substantial quantities sourced from Chinese ports annually, while Nigeria and the UK rank among the top five global plywood markets.

VENEER

Export of veneer in June 2024 increased in volume by 61% to 5,994 m³ and in value by 39% worth RM12.3 million as compared to the previous month. Likewise, cumulative exports in June 2024 showed an increment in both volume and value by 16% to 22,422 m³ and by 31% to RM49.7 million over the previous corresponding period.

ASEAN recorded a decrease in veneer imports by 87% from 176 m³ to 23 m³ compared to last month. Singapore reduced its purchases by 1% to 6 m³ while Viet Nam resumed buying with 18 m³. In East Asia, export increased by 95% from 2,698 m³ to 5,255 m³. China, Taiwan and South Korea improved their veneer imports by 58%, 428% and 45% to 2,270 m³, 1,576 m³ and 1,062 m³ respectively. On the contrary, the South Asia region recorded a decrease in import of 55% to 191 m³ from 426 m³ in the previous month. Veneer purchases by India and Bangladesh dropped by 27% to 159 m³ and 85% to 32 m³ each.

Moving to North America, veneer imports recorded a decrease of 87% to 31 m³ with purchases from the USA. In the Oceania/Pacific region, a tremendous increase of 899% to 490 m³ was recorded with purchases from Australia while New Zealand resumed purchases with 362 m³. The average FOB price for veneer decreased by 14% from RM2,379 per m³ to RM2,055 per m³ as compared to the previous month.

In April 2024, Taiwan suffered its strongest earthquake in 25 years and this is expected to impact the industry's output this year. The world's largest contact chipmaker, Taiwan Semiconductor Manufacturing Co (TSMC) suspended work at its construction sites in Taiwan in early April. Over the remainder of the forecast period, Taiwan's construction industry is expected to expand at an annual average rate of 4% between 2025 and 2028, supported by investments in semiconductor manufacturing, transport, tourism, energy and housing. Taiwan aims to achieve net-zero emissions by 2050 and generate 20% of its electricity by renewables energy, 30% by coal and 50% by gas by 2025, and this is expected to drive investment in the renewable energy sector.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in June 2024 recorded a 35% decrease in volume at 23,758 m³ and 33% in value at RM43.8 million compared to the previous month. Similarly, the cumulative export for the period of

January – June 2024 recorded a decrease in volume of 14% to 199,603 m³ and a decrease of 9% in value totalling at RM373.2 million as compared to the corresponding period in 2023.

Export to ASEAN decreased by 10% from 4,652 m³ to 4,187 m³ in the previous month. The Philippines and Viet Nam reduced their imports by 22% and 45% to 2,095 m³ and 445 m³ respectively. Meanwhile, Indonesia increased buying by 31% to 706 m³ from 539 m³.

Elsewhere, East Asia's purchase of MDF decreased by 18% from 9,780 m³ to 8,032 m³ in the previous month. Imports of MDF into Japan and Taiwan recorded a decrease of 15% and 23% to 7,508 m³ and 504 m³ each. China resumed its MDF import with 21 m³. Moving to the South Asia market, exports also dropped by 70% from 6,080 m³ to 1,798 m³. Export performance to India, Pakistan and Nepal reduced by 60% to 1,279 m³, 77% to 487 m³ and 1% to 32 m³ respectively.

Export to the West Asia region recorded a decrease of 42% from 9,661 m³ to 5,594 m³ compared to the previous month. Oman however increased buying by 42% to 893 m³ while the UAE reduced import by 80% to 1,769 m³. Yemen, France and the UK resumed their imports of MDF with 2,798 m³, 2 m³ and 62 m³ respectively.

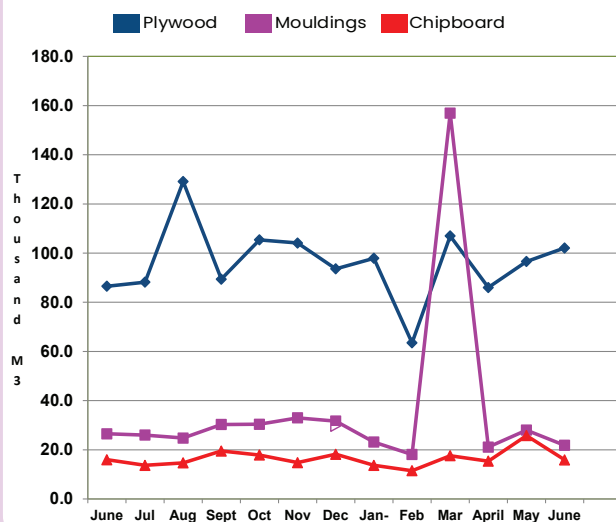
Export to Oceania/Pacific decreased by 22% to 2,054 m³ from 2,647 m³ in the previous month with purchases from Australia at 1,904 m³ while New Zealand resumed its purchase with 150 m³. MDF import in North America showed a decrease of 36% from 2,961 m³ to 1,911 m³ compared to the previous month. MDF purchase by the USA, Mexico and Canada decreased by 43% to 1,257 m³, 9% to 329 m³ and 15% to 326 m³ each. In the Africa region, MDF purchase also recorded a decrease of 77% to 117 m³ from 511 m³. Imports from South Africa fell by 82% to 32 m³ while Kenya resumed its purchase with 86 m³.

The FOB price of MDF increased by 3% to RM1,843 per m³ from RM1,784 per m³ in the previous month.

New Zealand's construction industry is expected to grow by 1.6% in real terms in 2024 before recording an average annual growth of 3.8% from 2025 to 2028, supported by investments in transport, energy and housing projects. Growth in the residential sector will be supported by investments as part of the 'Public Housing Plan', which aims to increase public housing supply in the country, with a special focus on areas that are experiencing high rates of

population growth. On the other news, a significant upsurge in mass timber awareness and application was highlighted by the Building Association of New Zealand (BRANZ) in its survey of building and construction experts. Forecast by Deloitte's indicates that changing market share to timber by 25% would result in the removal of an additional 920,000 tonnes of carbon dioxide from the environment each year. Greater use of timber is critical to rebuilding New Zealand's economy, boosting the country's GDP and providing regional jobs in a highly productive sector.

Malaysia: Export of Major Timber Product
June 2023 – June 2024



MOULDINGS

Export of mouldings for the month decreased in volume by 22% to 21,852 m³ and in value by 4% worth RM81.5 million from the previous month, May 2024. Meanwhile, for the cumulative period of January – June 2024, export of mouldings both increased in volume by 117% to 269,157 m³ and value by 11% worth RM475.9 million over the same period in 2023.

Shipments to ASEAN decreased by 43% to 568 m³ for the month from 1,002 m³ in May 2024. Exports to both Singapore and Viet Nam also decreased by 30% to 532 m³ and by 81% to 36 m³ for the month. Likewise, exports to the East Asia region also decreased by 21% to 1,731 m³ for the month. Demand from Japan and South Korea fell by 39% to 809 m³ and by 3% to 619 m³ respectively. Meanwhile, Taiwan increased its buying by 182% to 112 m³ from 40 m³ in the month before. Moving to South Asian countries, export to India increased by 81% to 276 m³ from 153 m³ in the previous month while Sri Lanka resumed its intake with 180 m³ for the month.

Export to the EU bloc for the month were recorded at 5,088 m³, a decrease of 30% over 7,250 m³ in the previous month. The Netherlands and Germany also decreased their demand by 35% to 3,296 m³ and 6% to 476 m³ respectively. However, intake from France increased slightly to 560 m³. Moving on to other parts of Europe, exports to the UK decreased by 19% to 414 m³ compared to 510 m³ in the previous month whilst Turkey resumed its intake with 120 m³.

Similarly, export to North America decreased by 21% to 11,721 m³ from 14,875 m³ in the previous month. The USA as a major buyer also decreased its intake by 19% to 11,680 m³ from 14,413 m³ followed by Canada with a decrease of 88% to 22 m³ from 187 m³ in the previous month while Barbados resumed its buying with 19 m³. In the Oceania/Pacific region, export to Australia also decreased by 14% to 1,338 m³ from 1,547 m³ in the previous month whilst intake from Guam decreased by 17% to 15 m³ for the period of June 2024.

Elsewhere, export to Mauritius increased by 72% to 344 m³ from 200 m³ in the previous month. In the meantime, South Africa decreased buying by 69% to 57 m³ from 185 m³ in the previous month.

The average FOB unit value for mouldings increased by 23% to RM3,728 per m³ compared to RM3,024 per m³ in the previous month.

According to the European Panel Federation's (EPF) latest Annual Report, Europe's wood panel manufacturing sector had a difficult 2023. This year the EPF expects to see a degree of improvement in sales, however, a stronger upturn is not anticipated until 2025. A summary of the EPF report, covering market development and European panel producer performance through 2023/24 was presented at the EPF in Riga in June. The event was reported by Wood Based Panels International as attracting an audience of 180, drawn from across particleboard, plywood, MDF, OSB, hardboard and softboard industries. It underlined the EPF's 'representation of all panel types and the whole of Europe', said WBPI, with the organisation reporting market statistics for the EU 27, the UK and EFTA and some 'all-Europe figures', including those of Belarus, Russia, Turkey and Ukraine. Delegates heard that Europe's total wood panel production declined by 6.3% in 2023 to 56.5 million m³, hit by poor construction and furniture production. European wood furniture output and consumption was down by 8% and by 11% respectively in 2023 after declines of 11% and 12% respectively in 2022. Furniture production in the EU27+UK was valued at EUR39.7 billion and consumption at EUR39.4 billion. Euroconstruct reports that overall construction output last year in the 19 countries it covers was down 1.4%.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC in June 2024 both increased by 9% in volume and in value to 10.9 million kg worth RM103.3 million from last month, May 2024. Similarly, exports of BJC for the cumulative period January–June 2024 jumped by 4% in volume and 2% in value to 64.5 million kg worth RM620.8 million from the previous corresponding period in 2023.

Demand from the ASEAN region decreased by 9% to RM69.6 million with Singapore as the highest buyer reducing its intake to RM50.3 million, with a decrease of 20% from RM62.8 million in the previous corresponding period. However, exports to Viet Nam and Thailand grew by 92% to RM7.4 million and 34% to RM7.1 million respectively.

Meanwhile, export to East Asia countries expanded by 17% to RM48.3 million over RM41.2 million in the corresponding period in 2023. Japan was recorded as the highest buyer with an increase of 20% to RM34.5 million followed by China with an increase of 46% to RM6.8 million whilst Taiwan decreased its intake by 6% to RM4.5 million.

Intake from South Asian countries increased by 41% to RM23.1 million with India as the largest buyer expanding its buying by 42% to RM13.7 million. Similarly, Sri Lanka increase intake by 494% to RM4.5 million while Maldives reduced its demand to RM3.8 million for the cumulative period of January – June 2024. Moving on to West Asian countries, the UAE recorded an increase of 8% to RM1.8 million from RM1.6 million over the same cumulative period in 2023. Meanwhile, Saudi Arabia dropped its intake by 27% to RM158,468 whilst Kuwait resumed its buying with RM7,093.

However, in the EU bloc, exports of BJC decreased by 5% worth RM119.1 million from RM125.5 million in the same corresponding period in 2023. Exports to Belgium reduced by 12% worth RM33.4 million while France increased intake by 1% worth RM8.6 million. Buying from the Netherlands grew by 216% to RM42.1 million. Meanwhile, exports to the UK increased by 18% to RM71.8 million from RM60.7 million. Similarly, exports to both Norway and Türkiye increased by 204% to RM5.3 million and by 30% to RM0.8 million respectively.

As the largest buyer of BJC for the period of January – June 2024, demand from the North America region was worth RM163.3 million, an increase of 3% from RM158.1 million in the same period in 2023. Exports to the USA increased by 12% to RM160.1 million from RM143.5 million in the same period. Export to Canada exploded by 260% to RM3.0 million from RM0.8 million in its corresponding period in 2023. Meanwhile, Mexico reduced its

intake by 99% to RM0.2 million from RM13.7 million in the corresponding period in 2023. Export to Uruguay increased by 32% to RM0.8 million from RM0.7 million over the same period in 2023.

Shifting to the Oceania/Pacific region, export dropped by 5% to RM110.9 million with Australia as the largest buyer recording a decrease in intake of 3% to RM100.9 million. Export to New Zealand was down by 24% to RM7.7 million, followed by Western Samoa with exports down by 10% worth RM0.7 million. Elsewhere, exports to the Africa region dropped by 11% to RM5.8 million. Intake from both South Africa and Mauritius increased by 31% to RM3.2 million and by 100% to RM1.1 million respectively. Similarly, Seychelles also reduced its intake by 67% to RM0.61 million for the cumulative period of January – June 2024.

According to IBISWorld.com, the building construction sector is part of the main construction industry and is therefore one of the leading sectors in the construction industry. In the past five-year period, building construction initially operated in a positive market environment, but this was increasingly impaired in the years following the outbreak of the coronavirus pandemic. Demand for housing was high in the country's urban and suburban areas between 2016 and 2022. This and the historically low-key interest rates in the European economic area ensured that sales in residential construction, the most important sector, grew very dynamically, particularly in the first half of the past five-year period. Overall, building construction achieved an average annual increase in turnover of 0.8% per year over the past five years. IBISWorld expects the industry to turn over 77.3 billion euros in 2024. This corresponds to a decline of 7% compared to the previous year. The European Central Bank's key interest rate hike in 2022 is currently having a particularly negative impact on the construction industry, which has now significantly reduced demand, particularly in residential construction.

In addition, the Russian invasion of Ukraine led to a sharp increase in energy prices in the European economic area, which further intensified the upward trend in construction costs that had already been ongoing since 2021. In the next five years, the building construction industry is unlikely to be able to build on the dynamic growth trend from before the pandemic, with average annual sales growth of 1.4%. IBISWorld forecasts industry had a turnover of 82.6 billion euros in 2029. The ongoing skills shortage in the skilled trades and the increase in financing costs for property projects compared to the previous five-year period are likely to undermine industry growth in the coming years. The further implementation of digitalisation technologies offers potential to increase efficiency and productivity.

FURNITURE

Export of wooden furniture for the month of June 2024 decreased by 18% to RM694.6 million from RM843.1 million in May 2024. Nevertheless, when compared year-on-year, export of wooden furniture has increased by 16% to RM4.7 billion from RM4.0 billion in its corresponding period in 2023.

For the period of January – June 2024, export of wooden furniture to ASEAN dropped by 4% worth RM596.7 million from RM618.9 million in its corresponding period in 2023. Exports to Singapore and Indonesia decreased by 9% to RM345.9 million and by 14% to RM53.5 million, respectively. However, export to the Philippines grew by 32% to RM134.3 million for the cumulative period of January – June 2024.

Moving to the East Asia region, export declined by 4% to RM266.8 million from RM277.5 million year-on-year 2023. Japan remained the highest buyer with export valued at RM203.3 million, with a slight increase by 0.3%. Similarly, export to Taiwan increased by 11% to RM24.4 million, however export to South Korea dropped by 7% to RM18.4 million over its corresponding period in 2023.

Exports to West Asia expanded by 19% to RM244.2 million from RM205.6 million in the corresponding period in 2023. Export to the UAE, the largest buyer in the region, improved by 16% to RM115.6 million. Similarly, export to Saudi Arabia grew by 9% to RM83.2 million, while Kuwait increased its demand by 8% valued at RM11.1 million for the mentioned period.

Moving to the South Asia region, export of wooden furniture to the region improved by 36% to RM74.9 million for the period of January – June 2024. Amongst South Asian countries, India recorded the highest intake with export value worth RM67.2 million with an increase in intake by 35%. Meanwhile, export to Maldives grew by 28% to RM5.8 million while Sri Lanka increased its buying by 366% worth RM0.8 million.

Export to the Central Asia region declined by 12% to RM2.2 million with export to Kazakhstan improved by 64% to RM1.8 million. Armenia reduced its demands by 68% to RM0.2 million while Tajikistan resumed its intake with RM200,679 for the cumulative period of January-June 2024.

Export to the European Union recorded an expansion of 27% to RM194.3 million from RM152.6 million over its corresponding period in 2023. Export

to France increased by 18% worth RM22.4 million, followed by Germany with export increased by 14% to RM21.3 million and Spain, by 61% worth RM21.0 million. Amongst other countries in Europe, United Kingdom as the largest buyer recorded an increase of 18% to RM220.4 million from RM186.3 million over its corresponding period in 2023. Similarly, exports to Türkiye and Georgia increased by 32% to RM9.8 million and by 42% to RM6.2 million respectively.

Export to Oceania/Pacific improved by 29% to RM286.6 million from RM221.8 million over its corresponding period in 2023. Australia remained as the top buyer in the archipelago region with export valued at RM251.6 million, an improvement of 27%. Similarly, both exports to New Zealand and Papua New Guinea expanded by 29% to RM18.9 million and by 127% to RM8.3 million respectively.

Moving to the Central America region, export of wooden furniture increased by 62% to RM27.4 million from RM16.9 million year-on-year. Both Panama and Guatemala recorded an increased sales of 60% worth RM8.8 million and 55% worth RM5.3 million respectively. Similarly, export to El Salvador grew by 72% to RM4.8 million from RM2.8 million in January-June 2023.

Meanwhile, export to the North America region advanced by 20% to RM2.6 billion from RM2.2 billion year-on-year. As Malaysia's largest wooden furniture buyer, demand from the USA improved by 18% to RM2.3 billion from RM2.0 billion over its corresponding period in 2023. Likewise, export to Canada increased by 46% to RM199.5 million while Puerto Rico reduced its demand by 5% to RM26.6 million.

Export of wooden furniture to the South America region recorded an increase of 56% worth RM52.6 million from RM33.7 million over its corresponding period, January – June 2023. Export to Chile improved by 83% to RM32.1 million from RM17.6 million followed by Peru with export increased by 27% to RM9.8 million. Similarly, export to Uruguay increased by 74% to RM3.1 million for the cumulative period in 2024.

Moving to the Africa region, export to the region improved by 6% to RM74.9 million with South Africa garnered the largest market share with RM23.0 million. Intake from South Africa recorded an increase of 48% from RM15.6 million in its corresponding period in 2023. This was followed by Reunion Islands, with recorded sales of RM8.0 million and export increased by 12% from the previous corresponding period. Export to Kenya reduced by 40% to RM6.0 million from RM10.0 million year-on-year.

Rattan furniture shipments for June 2024 recorded a decline of 30% valued at RM4.7 million from RM6.6 million in the previous month, May 2024. However, based on year-on-year, export of rattan furniture for the cumulative period of January – June 2024 increased by 3% from RM31.9 million from RM31.1 million in the same period in 2023.

Exports to ASEAN member countries were recorded at RM4.7 million, an increase of 57% for the mentioned period of January – June 2024, from RM3.0 million in the same period in 2023. The highest buyer, the Philippines, recorded buying worth RM2.9 million with an increase of 78%. Similarly, export to Singapore grew by 40% to RM1.3 million while export to Thailand increased by 61% to RM0.4 million.

Meanwhile, export to the East Asia region recorded a decline of 80% worth RM0.7 million with China reducing its intake by 88% to RM0.3 million. Similarly, exports to Japan and Taiwan decreased by 57% to RM0.4 million and by 77% to RM42,173 respectively. Moving on to South Asian countries, India recorded as the highest buyer of rattan furniture worth RM0.5 million despite a reduction in its buying by 66%. Meanwhile, Tajikistan resumed its intake with 122,721 m³ for the cumulative period.

Export to the West Asia region increased by 46% to RM2.2 million with the largest buying nation of rattan furniture in the region, the UAE increasing its intake by 115% to RM1.2 million, while intake from Saudi Arabia decreased by 27% to RM0.6 million. Meanwhile, Iraq resumed its intake with RM174,762.

Moving to the European Union bloc, export grew by 31% to RM5.0 million with France being the largest buyer amongst EU countries. Export to France increased by 19% to RM1.3 million from RM1.1 million over the same period in 2023. Similarly, exports to Ireland and Romania grew by 53% and by 274% to RM0.8 million respectively. In other parts of Europe, demand decreased by 16% to RM3.6 million with the UK being the largest buyer in the region. The UK dropped its buying by 16% to RM3.1 million, while Georgia resumed its buying with RM0.19 million. Intake from Russia dropped by 62% to RM0.2 million for the period of January – June 2024.

Shipments to the Oceania/Pacific archipelago region dropped by 40% to RM1.7 million from RM2.8 million over the same period in 2023. Australia recorded a decline in intake by 37% to RM1.5 million, while both Papua New Guinea and Western Samoa increased their buying by 95% to RM71,217 and by 38% to RM49,080 respectively.

Exports to the North America region increased by 19% to RM12.6 million from RM10.6 million over the same period in 2023. The USA being the largest buyer for rattan furniture recorded a surge in intake by 13% to RM10.5 million, followed by

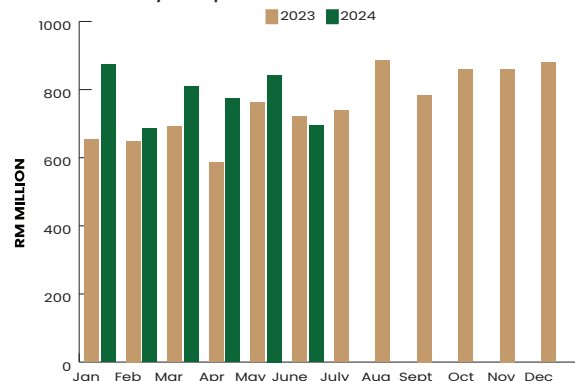
Canada with buying increased by 40% worth RM0.6 million. Mexico and Chile also resumed their intake to RM0.7 million and RM0.3 million respectively. Meanwhile, Uruguay increased its intake by 120% worth RM78,354 for the period of January to June 2024.

Moving to the Africa region, South Africa increased its buying by 57% to RM0.2 million, while Ghana and Kenya resumed their buying to RM0.3 million and RM79,283 respectively.

In August 2024 Furniture Insights® published by Smith Leonard, an accounting firm based in USA reported that the new orders for furniture were down 6% in June 2024 compared to June 2023, which follows the 3% year over year decline last month. New orders were also down 8% compared to the prior month of May 2024. However, based on year-on-year, new orders are still up by 3% in June 2024 compared to 2023, though that spread has narrowed significantly with the last two months' declines. June 2024 shipments were down 8% from June 2023, but relatively flat with May 2024. Year to date through June 2024, shipments are down 9% compared to 2023. Meanwhile, backlogs were down 6% compared to June 2023, and down 2% from May 2024. Receivable levels were down 1% from May 2024, and also down 7% from June 2023, with both being materially in line with shipments for the same periods. Inventories and employee levels are again materially in line with recent months, but down from 2023, indicating that companies have aligned levels to match current operations.

The National Retail Federation's Monthly Economic Review (June Edition) reported that as the USA continues to face high interest rates and small wage gains, the growth of consumer spending is slowing. Nevertheless, the consumers are still willing to spend. The growth for the rest of the year will depend on several things such as the pace of job growth, inflation and what actions will be taken by the Federal Reserve. The good news is that the economy is growing, inflation is moderating, and overall fundamentals look fine as increased consumer spending supports underlying momentum.

Malaysia: Export of Wooden furniture 2023-2024^a



Note : Preliminary

AUSTRALIA

Strengthening Trade Relations Between Malaysia And Australia

Overview

Australia is the largest country in Oceania and the world's sixth-largest country by total area with a landmass of 7,617,930 square kilometres. Its population, reaching 26.7 million in 2024, is highly urbanised and heavily concentrated on the eastern seaboard. Australia is home to just 0.3% of the world's population, but accounts for 1.7% of the global economy. Australia's capital is Canberra, located in the southeast between the larger and more important economic and cultural centres of Sydney and Melbourne. It is a highly developed country with a mixed economy. Trade is a major contributor of the Australian economy, accounting for as much as 45% of GDP. As of 2023, Australia was the 14th largest national economy by nominal GDP (gross domestic product), the 19th largest by Purchasing Power Parity (PPP)-adjusted Gross Domestic Product (GDP), the 21st largest goods exporter and 24th largest goods importer in the world. According to the Australian Bureau of Statistics, Australian economy grew 1.5% in 2023-2024, the weakest annual growth (excluding the COVID-19 pandemic) since 1991-1992, a year that included the gradual recovery from the 1991 recession. The weak growth reflected subdued household demand when the household saving ratio decreased to 2.5% from 3.8% in 2022-2023 while labour productivity was flat. National net worth rose AUD1.5 trillion in 2019-2020 to USD20.5 trillion in 2023-2024.

Australia is a member of the United Nations, G20, Commonwealth of Nations, ANZUS, Organisation for Economic Co-operation and Development (OECD), World Trade Organization, Asia-Pacific Economic Cooperation, Pacific Islands Forum, and the ASEAN Plus Six mechanism. China in particular is Australia's main export and import partner by a wide margin. Australia also has free trade agreements with ASEAN, Canada, Chile, China, South Korea, Malaysia, New Zealand, Peru, Japan, Singapore, Thailand and the United States. The ANZCERTA agreement with New Zealand has greatly increased integration with the economy of New Zealand. Australia also a member of RCEP and CPTPP, that entered into force on 1 January 2022 and 30 December 2018, respectively.

Forestry And Timber And Timber-based Production

Australia has 133.6 million hectares of forest which covers 17% of Australia's total land area. This is the seventh largest area of forest in the world by country, and approximately covers 3% of the world's forest area. Forests extend across Australia's northern tropical regions, east coast subtropical regions, and warm and cool temperate zones in the south-east. They are also found in Mediterranean climate zones in the south-east and south-west. In some regions, forests extend from the wetter coastal and sub-coastal areas into drier parts of the continent, and into sub-alpine and alpine zones. They grow on a range of soils, from ancient, fragile and infertile soils to more recent, fertile soils of volcanic origin.

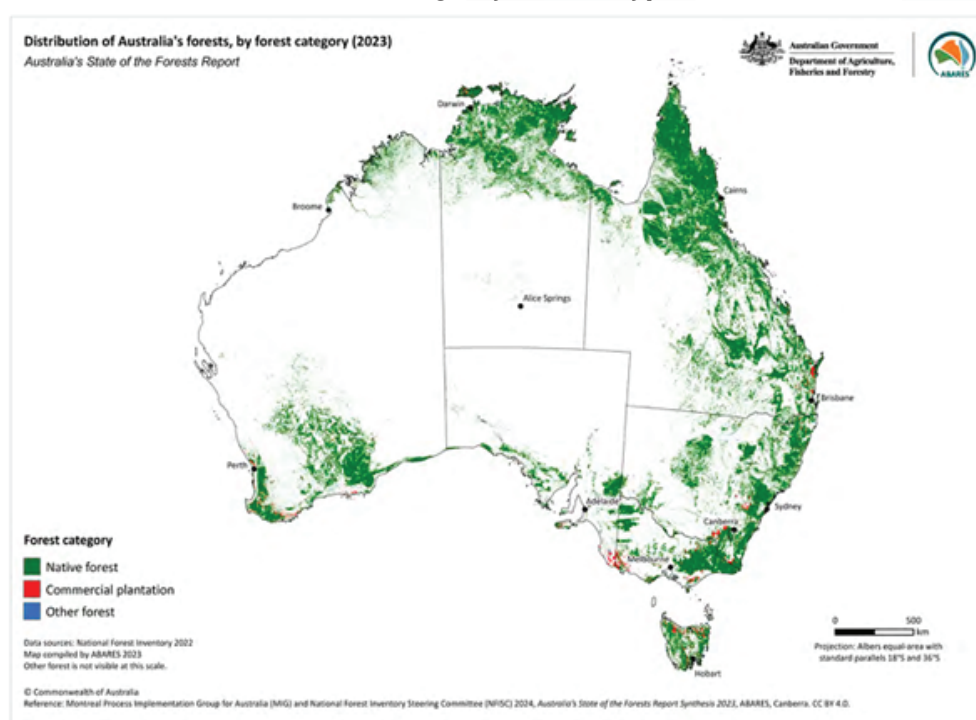
In Australia's National Forest Inventory, forests are assigned to three broad categories, namely native forest, commercial plantation and other forest. Native forest covers 131.5 million hectares of land area and is dominated by native tree species. Queensland has the largest area of native forest (51.8 million hectares), with much of the balance in the Northern Territory (23.3 million hectares), Western Australia (20.4 million hectares) and New South Wales (19.9 million hectares). Australia's native forest is dominated by the Eucalypt forest (101.1 million hectares, 77% of total native forest). Acacia forest (10.9 million hectares, 8% of total native forest) and Rainforest (3.4 million hectares, 3% of total native forest)



also cover significant areas. Australia has 1.82 million hectares of commercial plantations (1.4% of Australia's total forest area), comprising 1.06 million hectares (58%) of softwood plantations and 0.74 million hectares (41%) of hardwood plantations.

Commercial softwood plantations are mainly radiata pine with smaller areas of other exotic pines and native softwood species meanwhile commercial hardwood plantations are dominated by Tasmanian blue gum and shining gum with smaller areas of other eucalypts. Other forest covering include about 0.24 million hectares of planted forest other than commercial plantation, including non-commercial plantations, sandalwood plantation, and environmental plantings.

Australia: Coverage by Forest Type, in 2023



The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) stated that 90% of the total volume of logs harvested in Australia was from commercial plantations in 2022–2023 whereas 62% was plantation softwood logs (both sawlogs and pulplogs) and 38% was plantation hardwood logs (mostly pulplogs). It is estimated that the total commercial plantation estate may decrease by around 80,000 to 100,000 hectares over the next 10 to 15 years as new plantation establishments will not be sufficient to offset removals of low commercial plantations unless there are new drivers to expand or maintain the current plantation estates.

Australia: Forest Area, 1990–2020

	Area (1,000 ha)									
Product	1990	1992	2000	2010	2015	2016	2017	2018	2019	2020
Forest area	1,776	1,770	1,746	1,716	1,701	1,698	1,695	1,692	1,689	1,686
Other wooded land	20	20	20	20	20	20	20	20	20	20
Other Land	604	610	614	664	679	685	688	691	691	694
Total Land Area	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400

Source: Global Forest Resources Assessments 2020

Responding to global market forces and changing of trends in the global timber market, the Australian forest sector has become increasingly internationally focused, with trade increasing strongly in recent years. Timber and timber-based products make substantial contributions to the Australian economy and provide significant job opportunities in rural and regional Australia. Their timber and timber products comprise of four sub-sectors, namely sawmilling and processing, timber manufactured products, wood panel and board production and timber merchandising. Australia's forestry industry is an important contributor to Australia's economy, providing jobs and generating revenue through the production and export of forest products. According to the FAO, in 2022, Australia produced around 12.7 million m³ of woodchips, followed by logs 8.7 million m³, sawntimber 3.7 million m³ and particleboard 970,000 m³.

Australia: Production of Timber and Timber Products, 2018–2022

(unit m³)

Product	Unit	2018	2019	2020	2021	2022
Wood chips and particles	m ³	17,958,215	18,186,119	14,858,293	12,737,071	12,737,071
Sawlogs and veneer logs, coniferous	m ³	10,840,456	10,352,215	10,654,361	10,011,968	8,667,000
Sawnwood, coniferous	m ³	3,923,998	3,763,116	3,751,339	3,863,791	3,739,000
Particleboard	m ³	967,675	965,000	955,000	970,000	970,000
MDF/HDF	m ³	593,333	585,000	530,000	590,000	595,000
Plywood	m ³	156,100	182,111	176,000	190,000	200,000
Veneer sheets	m ³	122,000	122,500	110,500	112,000	115,000
Wood charcoal	tonne	24,000	24,000	24,000	24,000	24,000
Wood fuel, coniferous	m ³	24,582	39,116	23,270	23,525	23,525

Source: FAOSTAT DATA

Australia's Illegal Logging Prohibition Act 2012 restricts the movement of illegally logged timber into Australia at the border, for imported timber and timber products, and at timber processing mills, for domestically grown raw logs. The Act defines 'illegally logged' as: 'in relation to timber, means harvested in contravention of laws in force in the place (whether or not in Australia) where the timber was harvested.' The Illegal Logging Prohibition Amendment Regulation 2013 prescribes due diligence for the regulated community, that is, businesses importing regulated timber and timber products for the purposes of the Act a regulated timber product is a product listed in Schedule 1 to the Regulation and Australian processors of domestic raw logs. Under the Regulation, the regulated community must undertake a due diligence process to minimise the risk of sourcing illegal logged timber. Currently, the Australian Government is reviewing the Illegal Logging Prohibition Regulation 2012. The Regulation that was due to no longer have effect (sunset) on 1 April 2023 have been deferred for two years and will repeal on 2 April 2025.

Australia's Export Of Timber And Timber Products

The Australian timber industry caters to both domestic and international market demands. Its timber products are renowned for their quality and are widely used in construction, furniture making, and various other applications. Australia's timber export has been booming on the back of robust demand from Asian countries such as India, New Zealand, Taiwan, China, Malaysia, Japan, Viet Nam, USA and South Korea, especially for its logs, furniture and sawntimber. However, market fluctuations and changes in global demand pose challenges to the industry, requiring adaptation and innovation to maintain competitiveness. Malaysia ranked 12th in export destination of furniture and parts and 6th in export destination of timber and timber products in 2023. In 2023, Australia exported logs worth USD99.5 million, followed by furniture valued at USD72.3 million and sawntimber export worth USD51.4 million.

Australia: Export of Timber and Timber Products to the World, 2019-2023

(Value USD '000)

Products	2019	2020	2021	2022	2023
Logs	532,463	513,396	183,885	98,158	99,458
Furniture	65,677	48,432	61,009	69,197	72,253
Sawntimber	66,301	60,649	56,158	50,732	51,400
BJC	12,393	12,373	15,101	10,955	13,537
Plywood	5,167	6,338	5,420	8,425	12,455
Fibreboard	20,333	23,287	15,523	13,251	11,246
Veneer	17,418	12,901	7,945	6,393	3,645
Particle board	1,914	2,132	2,505	3,611	2,299
Mouldings	2,084	1,631	2,670	4,039	1,562
Wooden frames	953	585	512	266	524
Others	1,041,431	720,408	844,234	954,125	860,260
Total	1,766,134	1,402,132	1,194,962	1,219,152	1,128,639

Source: UN-Comtrade Statistics

Australia's Import Of Timber And Timber Products

Import of timber and timber products by Australia has been substantial due to its high consumption from the growing demand of urbanisation and domestic consumption, rising population and growth of the construction sector. In 2023, Australia imported mainly furniture parts (USD1.8 billion), plywood (USD424.1 million), BJC (USD305.4 million), sawntimber (USD276.5 million) and mouldings (USD257.2 million). Malaysia ranked 4th among supplier countries for timber and timber products in 2023 after China, Indonesia and New Zealand. Meanwhile, Malaysia ranked 3rd after China and Viet Nam as a supplier country for furniture and parts to Australia.

Australia: Import of Timber and Timber Products from The World, 2019-2023

(Value USD'000)

Products	2019	2020	2021	2022	2023
Furniture	1,736,677	1,729,087	2,070,073	2,153,448	1,764,484
Plywood	311,336	314,644	447,369	549,686	424,072
BJC	339,020	267,473	340,756	402,956	305,431
Sawntimber	249,357	219,141	384,483	603,702	276,525
Mouldings	289,667	309,277	381,038	368,827	257,188
Fibreboard	95,929	88,932	96,345	88,037	92,631
Particle board	33,298	28,618	36,128	37,852	42,133
Wooden frames	23,352	25,559	27,374	25,034	25,700
Veneer	10,556	10,501	11,645	13,607	11,186
Logs	2,267	809	1,628	5,567	1,392
Others	229,625	232,620	307,291	308,766	255,986
Total	3,321,084	3,226,661	4,104,130	4,557,482	3,456,728

Source: UN-Comtrade Statistics

Malaysia's Export Of Timber And Timber Products To Australia

Australia has been one of longest trading partners with Malaysia. In 2023, Australia ranked 5th in Malaysia's top export destinations, despite buying from Australia having reduced by 12% valued at RM1.0 billion due to reduced consumer demand, interest rate hikes and slow construction growth. Wooden furniture gained the largest market share of Malaysian timber and timber products exported to Australia at RM463.9 million, followed by BJC, with export worth RM211.4 million and plywood valued at RM101.4 million.

Malaysia: Export of Timber and Timber Products to Australia, 2019 - 2023
(in RM)

Products	2019	2020	2021	2022	2023
Wooden Furniture	478,906,962	435,529,828	382,346,249	518,100,868	463,858,869
BJC	203,004,042	162,620,114	158,365,323	249,085,578	211,371,279
Plywood	100,718,668	113,272,694	99,987,967	120,756,852	101,357,691
Mouldings	109,666,373	84,414,566	93,200,673	110,518,144	89,448,481
Fibreboard	57,988,808	26,838,054	38,697,149	50,065,655	58,420,979
Sawntimber	28,973,442	25,776,821	41,684,191	54,826,798	44,073,297
Chipboard/Particleboard	2,620,800	1,877,913	2,541,071	3,826,016	4,102,793
Veneer	6,136,770	3,832,663	4,203,108	6,410,103	3,608,689
Other Products	33,125,105	25,784,423	31,001,320	44,737,016	42,350,110
Total	1,021,140,970	879,947,076	852,027,051	1,158,327,030	1,018,592,188

Sources: MTIB & DOSM
Malaysia's Import Of Timber And Timber Products From Australia

Malaysia's import of timber products from Australia shows a fluctuating trend. In 2023, Australia ranked 7th among timber and timber product suppliers to Malaysia. As one of the largest timber producers in the world, Malaysia has had a long-standing timber trade relationship with Australia with an intake value worth RM129.8 million in 2023, despite a reduction in buying by 42%. Logs, sawntimber and wooden furniture are the top three products Malaysia sourced from Australia. Malaysia imported RM66.2 million worth of logs, followed by sawntimber with RM50.3 million and wooden furniture RM914,340.

Malaysia: Import of Timber and Timber Products from Australia, 2019-2023
(in RM)

Products	2019	2020	2021	2022	2023
Logs	54,778,623	106,888,591	175,342,699	123,425,944	66,161,960
Sawntimber	65,969,591	45,280,864	61,677,609	75,516,071	50,250,093
Wooden Furniture	143,825	166,577	228,206	381,045	914,340
Veneer	85,742,804	42,849,872	10,477,851	220,886	704,428
Mouldings	196,064	118,326	0	0	544,882
Builders Joinery & Carpentry	700,231	761,629	63,664	191,374	130,786
Fibreboard	728,710	638,159	171,976	37,371	41,633
Plywood	0	0	0	25,170	695
Other Products	3,425,065	2,799,204	3,560,135	22,965,728	11,095,925
Total	211,684,913	199,503,222	251,522,140	222,763,589	129,844,742

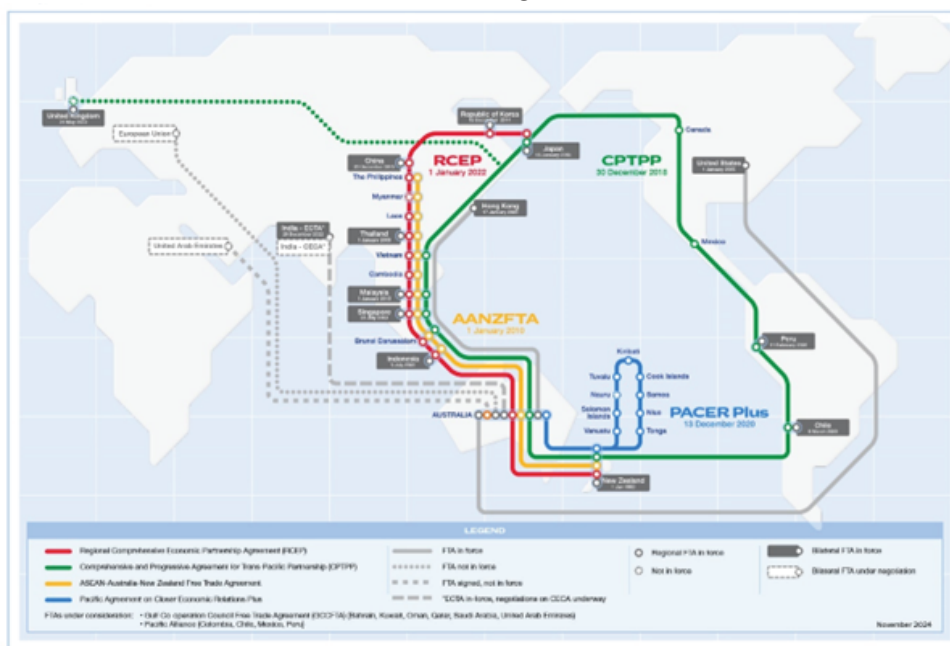
Sources: MTIB & DOSM
Australia In Free Trade Agreements (FTA)

Malaysia has signed a free trade agreement with Australia, which reduces the tariff rate for timber and timber products to 0% for Trade in Goods (TIG). The Malaysia-Australia Free Trade Agreement (MAFTA) came into effect on 1 January 2013. MAFTA marks another important milestone in Malaysia-Australia economic relations, complementing the already established ASEAN-Australia-New Zealand FTA (AANZFTA) which also enjoys import tariff reductions for timber products.

Regional Comprehensive Economic Partnership Agreement (RCEP) is a regional free trade agreement that will complement and build upon Australia's existing free trade agreements with 14 other Indo-Pacific countries. RCEP entered into force on 1 January 2022, for ten countries, namely Australia, New Zealand, Brunei Darussalam, Cambodia, China, Japan, Laos, Singapore, Thailand and Vietnam, with Australia as an original party. RCEP entered into force for the Republic of Korea on 1 February 2022 and for Malaysia on 18 March 2022.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was signed by all 11 participating countries – Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Viet Nam – on 8 March 2018 in Santiago, Chile. The CPTPP entered into force on 30 December 2018 with the first six countries to have ratified the agreement: Canada, Australia, Japan, Mexico, New Zealand, and Singapore. The Agreement entered into force between Canada and Vietnam on 14 January 2019, and Peru on 19 September 2021. Malaysia ratified the CPTPP on 29 November 2022 and thus provided further impetus to trade with the other eight states that have ratified the deal: Australia, Canada, Japan, Mexico, New Zealand, Peru, Singapore and Viet Nam. Meanwhile, Chile and Brunei Darussalam ratified the CPTPP on 21 February 2023 and 12 July 2023 respectively. Australia has also signed several FTAs with major and emerging economies such as Singapore, Thailand, Chile, Japan, China, Hong Kong, Peru, United States of America, India and the United Kingdom. Currently, Australia is negotiating with the European Union under the Australia-European Union Free Trade Agreement and India under the Australia-India Comprehensive Economic Cooperation Agreement (CECA).

Australia: Free Trade Agreement Network



Source: Department of Foreign Affairs and Trade, Australia

Malaysia and Australia are involved in the Malaysia-Australia Agricultural Cooperation Working Group – Forestry and Timber Technical Working Group (MAACWG-FTTWG). The aim of this working group is to strengthen and further develop cooperation in the forest and timber industries between two countries. Malaysia and Australia have developed the Malaysia Country Specific Guideline (MCSG) and it was first released in February 2015. The guideline is intended to assist both countries' timber industry players on the requirements to import regulated timber products from Malaysia into Australia and to create better understanding on the regulatory framework in Malaysia for them to carry out their due diligence obligations under the Illegal Logging Prohibition Amendment Regulation 2013, which supports the Illegal Logging Prohibition Act 2012. Currently, the Country Specific Guideline for Malaysia is being reviewed by both countries for current updates. Apart from Malaysia, Australia has also developed CSGs with Canada, Chile, Finland, Indonesia, Italy, New Zealand, Papua New Guinea, the Republic of Korea and Thailand.

Australia Tariff Rates Under FTA, 2024

Products	MFN (%)		Malaysia-Australia Free Trade Agreement (MAFTA) (%)		ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) (%)		Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)(2024) (%)		Regional Comprehensive Economic Partnership (RCEP) (2024) (%)	
	Malaysia	Australia	Malaysia : Schedule of Tariff Commitments	Australia : Schedule of Tariff Commitments	Malaysia : Schedule of Tariff Commitments	Australia : Schedule of Tariff Commitments	Malaysia : Tariff Elimination Schedule	Australia : Tariff Elimination Schedule	Malaysia : Schedule of Tariff Commitments	Australia : Schedule of Tariff Commitments
4403 Logs	0	0	0	0	0	0	0	0	0	0
4407 Sawntimber	0	0 - 5	0	0	0	0	0	0	0	0 - 5
4408 Veneer	0	0 - 5	0	0	0	0	0	0	0	0 - 5
4409 Mouldings	0	5	0	0	0	0	0	0	0	0
4410 Chipboard/ Particleboard	20	5	0	0	0	0	0	0	14	0 - 3
4411 Fibreboard	20	5	0	0	0	0	0	0	14	0 - 5
4412 Plywood	25-35	0 - 5	0	0	0	0	0	0	25 - 40	0 - 5
4414 Wooden frames	20	5	0	0	0	0	0	0	14	0
4418 BJC	5 - 20	5	0	0	0	0	0	0	14	0 - 3
9403 Wooden furniture	0	5	0	0	0	0	0	0	0	0 - 5

Source: World Trade Organisation (WTO)

Outlook And Prospects

The global demand for forest-based products is anticipated to increase over the years and this escalation is fuelled by population growth, urbanisation, and the cross-industry drive towards net-zero emissions. Adapting to these changes requires implementing sustainable practices, supporting research and innovation, and embracing resilient timber species that can thrive in a changing climate. A growing demand for ensuring timber has been sourced responsibly and with minimal environmental impact has seen a rise in sustainable forestry practices and the introduction of industry certification programmes such as Forest Stewardship Council (FSC). There is a growing trend for using timber that has been locally sourced while minimising the carbon footprint of transportation is also seeing greater demand. Thus, Malaysian timber exporters should further embrace sustainability practices in their production. The timber industry is fundamentally linked to the environment, making Environmental, Social and Governance (ESG) considerations necessary to decrease public scrutiny on the environmental impact by the industry. Given the industry's reliance on forests, negative environmental factors such as deforestation, biodiversity loss, and climate change mitigation are critical. Social aspects include the welfare of workers, particularly those in vulnerable supply chain segments, and the rights of indigenous communities. Governance is essential for ensuring transparency, accountability, and responsible forest management practices. By integrating ESG principles, the timber industry can mitigate its environmental impact, enhance social responsibility, and improve its overall reputation and long-term sustainability.

Engineered wood products, including cross-laminated timber (CLT) and laminated veneer lumber (LVL) have revolutionised the timber industry. Manufactured by bonding together layers of wood, these products are now more commonly being used for more large complex building projects. Digital technologies are also transforming the timber industry. Advanced software and precision machinery enable more efficient processing and utilisation of timber resources. With a substantial portion of Australian timber servicing the construction industry, any change in demand here greatly influences timber trends. The growing trend of using timber in higher-density constructions, coupled with the increasing demand for sustainable green building materials with lower carbon footprints, is driving significant growth in timber demand. Thus, it will provide an opportunity for Malaysian players to further advance and seek investments on timber engineering.

Flooring design trends for home and living furniture such as spacious family room with wooden floor and timber trend for rich, warm, dark wood flooring are increasing in popularity. Dark woods are making a comeback. Australia's leading interior design thinkers including Better Homes & Gardens and Home Beautiful identify that richer, warm, dark tones of timber are already beginning to trend, marking

a resurgence of what has been considered a 'dated' design choice in more recent years. This resurgence is not one we have seen in this century, in fact it was back in the 1970's where warmer redwoods like Red Mahogany, Sydney Blue Gum and Turpentine first became popular, and it wasn't until the 1990's, that hardwood timber flooring became popular again using species like Brush Box, to create high gloss parquetry styles. The blending of indoor and outdoor living remains a key trend, driving continued growth in demand for timber flooring and decking. Emphasising simplicity, functionality, and the beauty of natural materials, this trend fosters a connection between humans and nature in built environments.



Photo Courtesy: Harvey Norman, Australia



Photo Courtesy: Castlery, Australia

Moreover, timber's resurgence in outdoor living spaces is evident. Timber decks, pergolas, and outdoor furniture are increasingly popular as homeowners seek to expand their living areas into the outdoors. With its durability and natural beauty, timber is an ideal choice for creating inviting and functional outdoor spaces that seamlessly blend with the natural environment. Although some dark woods may be back in fashion, light-coloured timbers are still the most popular choice. Since the turn of this century, blonde, pale colour timbers have trended predominantly driven by their characteristics and wide availability, supporting fashionable white and grey style interiors, including Scandi, Coastal and Hamptons to name a few. Blonde timber flooring is still the number one choice of hardwood flooring in Australia.

The boom in the residential sector and infrastructure spending may prolong a looming residential construction downturn, keeping rents high and jeopardising the government's landmark pledge to build 1.2 million homes. While a decline in home building would typically force construction firms to lower prices to lure in new activity, the ongoing and future government infrastructure projects costing AUD80 billion meant this was unlikely to eventuate. Housing Industry Association stated that the volume of public sector activities was draining resources from the residential construction sector. The National Housing Finance and Investment Corporation (NHFIC) estimated that household demand in Australia will grow from 10.7 million to around 12.6 million in 2033 and showed housing supply is already in a shortfall condition, with the supply to household formation balance to be a cumulative negative, in the territory of a -106,300 balance over the next five years. House prices shall continue to go from strength-to-strength into 2024-25 in the midst of high inflationary pressure, due mainly to the housing supply shortage. The Reserve Bank of Australia (RBA) also warned that as infrastructure projects soaked up labour and building materials, costs would increase, hitting home builders and prolonging an acute rental shortage.

Malaysian timber players should take advantage of existing innovations and explore new markets within Australia itself. There are still vast opportunities for Malaysian value-added timber products such as furniture, plywood and BJC in Australia markets. It is necessary to enhance cooperation in the construction industry, fulfil market requirements in supplying legal timber, venture into e-commerce and adapt to Australia's market environment to further increase market share in Australia and the global timber trade. Malaysia and Australia can further strengthen its bilateral timber

trade and Malaysian exporters can capitalise on the preferential tariff treatments under the CPTPP and RCEP. Therefore, to attract as well as expand market share in Australia, Malaysian exporters need to be competitive in terms of price, product quality and after-sales services, combined with strong and effective marketing and promotion strategies. The Australian timber industry is evolving rapidly, driven by sustainability, technological advancements, and changing market demands. Embracing these timber trends is crucial for building a sustainable future and ensuring the industry's longevity and resilience while positively impacting Australia's economy and environmental stewardship. By embracing sustainability, Malaysian exporters can preserve biodiversity, minimise negative environmental impact, and meet the growing demand for responsibly sourced timber. Looking into the outlook of the Australian timber industry, Malaysian timber exporters should take the opportunity to further enhance their presence in the Australia's market through participation in major timber, furniture and construction fairs and exhibitions. In addition, these industry players should also find ways to improve business networking with Australian counterparts and seek new businesses and strategic alliances.



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VIETNAM

VIETNAMESE WOOD PRODUCTS EXPORTS RISE SHARPLY

According to Viet Nam Office of Customs, data wood and wood products exports to the EU in May 2024 reached USD42 million, up 45% compared to May 2023. In the first 5 months of 2024 wood and wood products exports to the EU totalled USD247.3 million, up 37% over the same period in 2023. Viet Nam's woodchip exports in May 2024 were valued at USD224 million, down 8% compared to April 2024 but up 67% compared to May 2023. In the first 5 months of 2024, woodchip exports contributed USD1.08 billion, up 30% over the same period in 2023. Imports of raw wood (logs and sawnwood) from the US in May 2024 amounted to 55,000 cubic metres with a value of USD24.0 million, up 7% in volume and 10% in value compared to April 2024 bringing the total amount of raw wood imported from the US in the first 5 months of 2024 to 249,290 cubic metres with the value of USD107.29 million, up 15% in both volume and value over the same period in 2023. In the first 5 months of 2024, wood and wood products exports earned USD6.2 billion, up 24% over the same period in 2023 of which the share of wood products exports was USD4.2 billion, up 24% over the same period in 2023.

Viet Nam's office furniture exports in May 2024 earned USD25.7 million, up 18% compared to May 2023. In the first 5 months of 2024 office furniture exports reached USD117.6 million, up 11% over the same period in 2023. Viet Nam's wood and wood products imports in May 2024 were valued at USD247.8 million, up 6% compared to April 2024 and up 15% compared to May 2023. In the first 5 months of 2024 wood and wood products imports were valued at USD1.02 billion, up 20% over the same period in 2023. Viet Nam's imports of logs and sawnwood from China in May 2024 were reported at 92,000 cubic metres with a value of USD36.0 million, up 3% in volume and 1% in value compared to April 2024 bringing the total imported from China in the first 5 months of 2024 to 346,510 cubic metres with a value of USD134.99 million, up 71% in volume and 38% in value over the same period in 2023.

<https://www.fordaq.com>, 1 July 2024



CHINA

CHINA REJECTS EUDR: STANDOFF COULD PLUNGE EU INTO SUPPLY CRISIS

The European Union's flagship policy is in crisis. With over 40% of all wood furniture and cardboard exports at risk, China is the latest country to oppose the EU Deforestation Regulation (EUDR), refusing to share geolocation data due to "security concerns." According to GD Holz, the German timber trade association, the world's two largest forest markets (China and the US) remain at an impasse over the rules.

The move comes just days after the Biden administration stepped up pressure on the EU to delay implementing its "impossible standards," after 27 senators warned the new rules amounted to a "non-tariff trade barrier" and could end the USD3.5 billion forestry trade between Europe and America. A Chinese withdrawal from the EUDR rules, set to come into force in December, could have huge implications for global supply chains of wood, paper and pulp products. Through the Belt and Road Initiative, China controls more than 30% of the global forest products supply chain, cementing its crucial role in the industry. Under China's Belt and Road project, more than 30% of the global supply chain of forest products will be directly impacted by Chinese industry – in the planting, production, manufacturing and distribution of products worldwide.

According to Eurostat, the European Union's statistics office, China was responsible for more than 47% of wooden furniture imported into the region last year, far outpacing Turkey (10.2%), Ukraine (10.1%) and Vietnam (5.1%). "It is important to note that the ties between China and Vietnam are very close," said an official involved in the process, as evidenced by the increase in imports of Vietnamese plywood to U.S. ports after the introduction of U.S. trade tariffs on Chinese plywood.

In addition to furniture, China is virtually the European Union's largest manufacturer of cardboard boxes, accounting for 41% of all paper boxes and bags imported into the EU last year, ahead of Turkey (20.3%), Serbia (7.7%) and Switzerland (7.4%). Global concerns and criticism China's concerns come after twenty (out of 27) European agriculture ministers called for delaying the rules due to concerns about

global supply chains, echoing warnings from government officials in Australia, New Zealand, Brazil, Indonesia and Malaysia.

Indeed, the EUDR is one of the few issues that has unified the United States and China, the two largest producers of forest products, who remain deeply at odds over the governance of people and economies. Under Chinese law, geographic information is restricted to entities with special permission from the Administrative Department for Surveying and Mapping under the State Council – and given the current geopolitical climate, it seems unthinkable that China would provide such data to the EUDR authorities.

The regulation will assign regions low, standard or high-risk levels associated with deforestation and forest degradation. This classification will guide the obligations of operators and Member State authorities to carry out inspections and controls. This will streamline monitoring for high-risk regions and simplify due diligence processes for low-risk regions. The responsible authorities will have to inspect 9% of operators and traders handling products from high-risk regions, 3% from standard-risk regions and 1% from low-risk regions. This inspection aims to confirm compliance with the obligations stipulated by the regulations. Finally, the EU plans to step up its cooperation with partner countries, focusing mainly on high-risk regions. The standoff between China and the European Union over the EUDR could have profound implications for global trade in forest products. The EU's determination to implement these rules despite international opposition underlines the complexity of environmental and trade challenges in an increasingly interconnected world.

<https://www.globalwoodmarketsinfo.com>, 22 July 2024



INDIA

INDIA'S TIMBER MARKET SHOWS SIGNS OF WEAKNESS

According to data from the Indian Ministry of Commerce and Industry, imports for the first quarter of 2024 were down 37% over the same period last year. Whilst more recent data from April and May (considered off-peak for construction) shows that declining imports continue.

India is now cutting back on lumber, signalling a potential false dawn for exporters eying the Indian market as a pivot from China. India's imports of lumber contract 37% in January – March 2024, and it's not just lumber—used in framing, flooring, wall panelling, and window framing, with imports of timber furniture and log imports sinking and fast. In essence, traders are taking less timber during the busy construction months (September to March) than in the previous year, which is a massive reversal of the 137% increase between 2022 and 2023. India—as one of the world's top 10 importers of wood products—has been flagged as a major growth market producer of roundwood, lumber, and furniture, with the ITTO reporting that roundwood will grow 70%, from 57 million cubic metres in 2020 to 98 million cubic metres in 2030, fueled to a large degree by a surge in construction activity.

According to the Indian Centre for Science and Environment, the country's 2022 demand for lumber was 63 million cubic metres – 30 million cubic metres for domestic production and 33 million cubic metres from imported sources. Turning to Australia, New Zealand, Canada, the United States, Brazil, and even Uruguay, Indian importers have been aggressive in the market, dominating export orders.

<https://www.globalwoodmarketsinfo.com>, 10 July 2024



EUROPE

RETHINKING STRATEGY FOR EUROPE'S FURNITURE SECTOR

Europe continues to perform a key role in the global furniture trade and industry, but that role is shifting as European operators seek to reduce risk by shortening supply chains and with introduction of new environmental regulations. For wooden furniture, the EU Deforestation Regulation (EUDR) is likely to play a particularly significant role in future procurement practices. In global terms Europe has lost ground to emerging markets in furniture production and consumption in recent years. However, it remains the world's third-largest market after Asia Pacific and North America. With more than 230 million households, a relatively high level of per capita consumption, and annual retail

furniture sales of EUR165 billion, Europe accounts for over a quarter of the global world furniture market.

According to CSIL, is that it is characterised by an exceptionally high level of business-to-business trade concentration and integration: as much as three quarters of cross-border furniture trade worldwide occurs between European countries where there is a robust intraregional trade network. And unlike in the U.S. where a large share of furniture production has been relocated to China, Southeast Asia and Mexico, 80% of current demand in Europe continues to be met by European manufacturers. As elsewhere in the world, Europe's furniture market exhibited robust growth during the pandemic in 2021 as consumers spent heavily to improve their home environment, establish home offices, and improve outside space. Economic support measures in the immediate aftermath of the pandemic continued to fuel the boom into 2022, but the market decelerated rapidly in 2023. According to the latest figures from CSIL, the overall value of furniture consumption in Europe contracted by 3.5% last year.

CSIL note that the European furniture sector has faced a multitude of challenges since the pandemic outbreak with disruptions along the entire value chain. Since 2023, the rising cost of living has intensified pressure on consumer spending, particularly for big-ticket items such as furniture. At the same time, major logistical challenges, volatility in transport costs, and other supply problems forced furniture manufacturers and retailers to rethink their business strategies. Most furniture companies surveyed by CSIL in 2023 said they are actively working to shorten supply chains and increase dependence on local production to reduce risk and shorten time to market. Within Europe, Portugal, Italy, and Spain have particularly benefited from this trend.

<https://www.fordaq.com>, 16 July 2024

EUROPEAN WOOD-BASED PANEL PRODUCTION DROPS

In 2023, European production of wood-based panels recorded a notable decline of 6.3%, according to the European Panel Federation (EPF).

This decline was seen as disappointing, as shown by the latest statistics published in the EPF's 2023 Annual Report. The report was presented at the EPF's Annual General Meeting held in Riga, Latvia, on 19-21 June. The event was hosted by Latvian plywood producer Latvijas Finieras and gathered 180 industry experts. Despite this overall decline, engineered wood performed better than the furniture and construction sectors, indicating a gain in market

share in both wood product segments.

Within the EU27/UK/EFTA region, OSB was the only category to record production growth in 2023, increasing by 2% to 6.6 million m³ (compared to 6.5 million m³ in 2022). In contrast, production of particleboard, the largest product category, decreased by 5% to 30.9 million m³ (compared to 32.5 million m³ in 2022). MDF recorded a sharper decline of 11%, producing 11.1 million m³ (compared to 12.5 million m³ in 2022).

Softboards, which mainly consist of wood fibre insulation boards, had a growth area in recent years but recorded a decline of 6% to 4.8 million m³ (compared to 5.2 million m³ in 2022). Plywood production also fell significantly by 15% to 2.6 million m³ (compared to 3.1 million m³ in 2022), while hardboards, the smallest product segment of the European wood-based panel industry, recorded a reduction of 17% to 400,000 m³ (compared to 500,000 m³ in 2022).

<https://www.fordaq.com>, 3 July 2024



GERMANY

FURNITURE EXPORTS DECLINED

The export business of the German furniture industry declined in the first quarter of 2024. According to the preliminary foreign trade statistics of the Federal Statistical Office, furniture exports fell by almost 9% to around EUR2.0 billion. "In the important sales markets, our manufacturers have felt the effects of weak consumer spending and stagnating housing construction activity," reports Jan Kurth, Managing Director of the Associations of the German Furniture Industry. German furniture manufacturers generate around a third quarter of their sales abroad.

There were noticeable losses in almost all-important European sales markets. In the main sales market of France, German manufacturers sold around 11% less than in the same quarter last year. Exports to Switzerland (-14%), Austria (-20%), the Netherlands (-11%), the United Kingdom (-3.5%) and Belgium (-13.5%) also fell significantly. Growth was recorded in furniture deliveries to Italy, which ranks seventh, with an increase of almost 9%.

A look at the two most important sales regions outside Europe reveals a mixed picture. While furniture exports to the United States fell by

4%, exports to China increased by around 8%. Declines were recorded, among others, in the export of living room, dining room and bedroom furniture (-19%), kitchen furniture (-16%), upholstered furniture (-10%) and office furniture (-3%).

Meanwhile, German furniture imports were around EUR2.5 billion, almost 2% below the previous year's level. Poland remains the most important furniture supplier, accounting for 30% of total imports, even though imports fell by around 9% in the first quarter. In contrast, China was able to expand its position as the second largest furniture supplier, thanks in part to lower freight rates. The increase in furniture imports from Chinese production of around 20% in the first quarter is mainly due to the metal and seating furniture product groups.

<https://www.fordaq.com>, 10 July 2024



UNITED KINGDOM

CHINESE WOODEN FURNITURE RECOVERS GROUND IN EUROPE

The latest Eurostat and UK trade data shows that internal European trade in wooden furniture has been slowing continuously since the start of 2023, very much in line with the wider decline in consumption. It also shows that European exports of wooden furniture to countries outside the region, after falling rapidly in 2022, have remained flat since the second quarter of 2023. But it also shows that European imports from other parts of the world have been increasing since the middle of last year. Closer analysis of the data reveals that the recent growth in wooden furniture imports into the EU27+UK has been driven by China.

Imports into Europe from China increased by 6% to 1.25 million tonnes in 2023 and were up by more than 50% at 480,000 tonnes in the first four months of this year. In contrast imports from tropical countries fell by 23% to 430,000 tonnes in 2023 and were up only 4% in the first four months of this year. Imports from all other countries (mainly non-EU European countries and Turkey) decreased 9% to 600,000 tonnes in 2023 and increased by 7% to 210,000 tonnes in the January to April period this

year. Wooden furniture imports from China have increased both into the UK, the largest single wooden furniture importing country in Europe, and into the EU. UK imports from China increased 13% to 417,000 tonnes in 2023 and were up another 34% to 152,000 tonnes in the first four months of this year. EU imports from China were up only 3% in 2023 to 833,000 tonnes but increased 59% to 331,000 tonnes in the first four months this year. Imports of wooden furniture from China have increased very sharply into all the main EU markets this year including France, Germany, and the Netherlands.

<https://www.fordaq.com>, 17 July 2024



AUSTRALIA

SUPPLY OF NEW HOMES WILL CRASH TO THE LOWEST LEVEL

The supply of new homes will crash to the lowest level in over a decade by 2026, worsening housing and rental affordability, and leaving the federal government far short of its goal to build 1.2 million homes by mid-2029. Across capital cities, 79,000 new homes will be finished in 2026, a drop of 26% compared with last year due to planning bottlenecks, labour shortages and soaring material costs. The slump, predicted by industry lobby group the Urban Development Institute of Australia in a new report, will ratchet up house prices and rents, both of which are already at record highs.

Based on its forecasts, the industry will need to double its capacity and build an "eye-watering" 300,000 homes between 2026 and 2029 to meet the 1.2 million targets. "If Australia is facing a housing crisis now, then what it might be facing in a years' time may need a stronger adjective. Once again, governments fail to see the urgency in ensuring adequate levels of active supply and associated development capacity," said Mr. Colin Keane, who helped compile the report.

Meanwhile, Westpac chief economist, Dr. Luci Ellis said the weakness in building construction had nothing to do with zoning and building approvals but was due to a large backlog of properties that have been approved that are yet to be completed. the right skills, or just being able to get the job done," Ms Masters

said the government was working with states and territories to help meet the “ambitious national target” of building 1.2 million homes by July 2029. She cited a AUD3 billion new homes bonus, AUD500 million housing support program, AUD10 billion Housing Australia Future Fund, and new incentives to boost the supply of rental housing.

The new homes bonus is a AUD15,000 payment that states and territories will receive for every home delivered above the old target of 1 million homes in the hopes of reaching 1.2 million. The 2024 State of the Land Report shows 106,900 residences were completed in 2023, a 9% fall year-on-year. Next year, the supply of new housing in the capital cities is forecast to fall again to 104,580, before a 9% fall to 95,000 in 2025 and then a 17% slump in 2026 to 79,000 completions – the lowest production output of new homes in over a decade. This fall in new home completions comes after a record 737,000 migrants arrived over 2022-23 – contributing to a record net gain of 518,000 people – heaping more pressure on a housing system. Rents hit a fresh high of AUD614 a week in February as the national residential vacancy rate fell to 1%, according to SQM Research. Jarden chief economist, Mr. Carlos Cacho estimated the government would fall about 230,000 dwellings short of the 1.2 million homes target. “Labour has now become the biggest issue. And that’s partly because there’s so much public and non-public non-residential spending.”

<https://www.buildeustralia.com.au>, 15 July 2024



BRAZIL

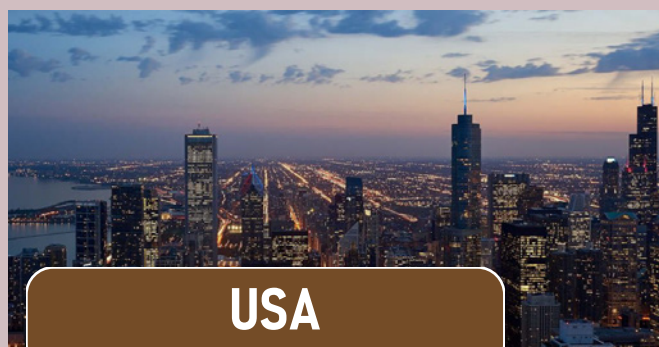
| BRAZILIAN WOOD PRODUCT EXPORTS UP

In May 2024 the Brazilian exports of wood-based products (except pulp and paper) increased 2.7% in value compared to May 2023, from USD328.3 million to USD337.0 million. Pine sawnwood exports decreased 14% in value between May 2023 (USD74.5 million) and April 2024 (USD64.1 million). In volume terms exports decreased 11% over the same period, from 306,300 cubic meter to 271,300 cubic meter. Tropical sawnwood exports decreased 18 % in volume, from 29,000 cubic meter in May 2023 to 23,900 cubic meter in May 2024. In value, exports decreased 36 % from USD14.9 million to USD9.6

million, over the same period. Pine plywood exports increased 20% in value in May 2024 (USD76.5 million) compared to May 2023 (USD63.8 million).

In volume, exports increased 11% over the same period, from 195,900 cubic meter (May 2023) to 217,100 cubic meter (May 2024). As for tropical plywood, exports increased in volume by 9% and in value by 11%, from 3,200 cubic meter and USD1.9 million in May 2023 to 3,500 cubic meter and USD2.1 million in May 2024, respectively. As for wooden furniture the exported value increased from USD52.1 million in May 2023 to USD54.6 million in May 2024, an increase 5% during the period.

<https://www.fordaq.com>, 1 July 2024



USA

| HOUSING STARTS FALL

Construction of new US homes fell 5.5% in May, the lowest level in four years as builders pulled back on new projects. The pace of construction hit a speed bump as builders grappled with higher-than-normal financing costs as well as elevated mortgage rates that affect home buyers. Housing starts fell to a 1.28 million annual pace from 1.35 million in April, the government reported. The data fell short of Wall Street’s expectations of 1.38 million houses. Housing starts fell in May to the lowest level since June 2020, during the depths of the COVID-19 pandemic. Both single-family and multi-family starts posted a decline across most of the nation. Builders appear despondent, saying they are feeling the effects of the high costs of loans, which has dissuaded buyers from taking on expensive mortgages and has made capital for construction expensive. In June, builder confidence, as measured by the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index, fell to its lowest reading since December.

<https://www.fordaq.com>, 3 July 2024



SAUDI ARABIA

PLYWOOD AND LAMINATES MARKET WAS VALUED AT USD 2.2 BILLION IN 2023

Saudi Arabia Plywood and Laminates Market was valued at USD2.2 billion in 2023 and is anticipated to project robust growth in the forecast period with a CAGR of 3.5% through 2029, reports Researchandmarkets.com. The Saudi Arabia plywood and laminates market is experiencing substantial growth, primarily fuelled by the surge in construction activities and a robust infrastructure development landscape. The country's burgeoning urbanization and a growing population have intensified the demand for high-quality building materials, with plywood and laminates emerging as integral components in the construction sector. The architectural renaissance and a rising trend towards modern interior designs further contribute to the market's upward trajectory. Additionally, the government's initiatives to diversify the economy and stimulate non-oil sectors have bolstered the construction industry, creating a sustained demand for plywood and laminates. This market expansion is indicative of a dynamic business environment, where manufacturers and suppliers are strategically positioning themselves to cater to the evolving needs of the construction sector in Saudi Arabia. As a result, the plywood and laminates market present lucrative opportunities for investors and businesses seeking to capitalize on the region's burgeoning construction boom.

Technological Advancements in Manufacturing Processes.

One prominent trend shaping the Saudi Arabia plywood and laminates market is the integration of advanced technologies in manufacturing processes. Automation, precision cutting technologies, and computer-aided design (CAD) systems are revolutionizing the production of plywood and laminates. These technologies enhance efficiency, reduce waste, and improve the overall quality of the final products. Automated processes not only contribute to cost-effectiveness but also enable manufacturers to meet the increasing demand for customized and intricate designs in laminates. As the industry embraces Industry 4.0 principles, the implementation of smart manufacturing technologies is becoming a key

trend, driving competitiveness and ensuring the production of high-quality, technologically advanced plywood and laminates in the Saudi Arabian market.

Demand for Sustainable and Eco-Friendly Products

A significant trend influencing the plywood and laminates market in Saudi Arabia is the escalating demand for sustainable and eco-friendly products. With an increased focus on environmental conservation and responsible resource management, consumers and businesses alike are seeking construction materials with minimal ecological impact. This trend has prompted manufacturers to adopt sustainable sourcing practices, explore recycled materials, and develop eco-friendly alternatives. The integration of green building standards and certifications, such as Leadership in Energy and Environmental Design (LEED), is driving the adoption of plywood and laminates that adhere to stringent environmental criteria. This emphasis on sustainability aligns with global environmental goals and positions the plywood and laminates market to cater to the evolving preferences of environmentally conscious consumers in Saudi Arabia.

Growing Preference for Engineered Wood Products

The Saudi Arabian plywood and laminates market is witnessing a growing preference for engineered wood products, including particleboard and medium-density fiberboard (MDF). Engineered wood offers advantages such as uniformity, dimensional stability, and ease of machining, making it an attractive alternative to traditional plywood in certain applications. In the laminates segment, the demand for high-pressure laminates (HPL) and low-pressure laminates (LPL) is on the rise, with HPL gaining traction in commercial and high-end residential projects. The versatility of engineered wood and laminates allows for a wide range of applications, contributing to their increased adoption in the construction and interior design sectors in Saudi Arabia. Industry players are adapting to this trend by diversifying their product offerings and exploring innovative combinations of materials to meet the evolving market demands.

Customization and Personalization in Design

A notable trend in the Saudi Arabian plywood and laminates market is the growing demand for customization and personalization in design. Consumers, including homeowners and businesses, seek unique and tailor-made solutions for their interior spaces. Plywood and laminates, with their versatility and adaptability, allow for intricate and personalized designs in furniture, cabinetry, and interior finishes. Manufacturers are responding to this trend by offering

a wide array of design options, finishes, and textures in both plywood and laminates. Customization services, such as digitally printed laminates and specialty veneers, are gaining popularity, allowing clients to express their individuality in architectural and interior design projects. This trend not only caters to the aesthetic preferences of consumers but also positions plywood and laminates as dynamic and creative solutions in the evolving design landscape of Saudi Arabia.

E-Commerce and Digital Transformation

The adoption of e-commerce and digital platforms is emerging as a transformative trend in the distribution and procurement of plywood and laminates in Saudi Arabia. Online platforms provide a convenient and efficient way for construction professionals, contractors, and consumers to access a wide range of products, compare specifications, and place orders. This digital transformation is reshaping the supply chain, improving transparency, and facilitating seamless transactions. Additionally, digital platforms serve as valuable resources for product information, trends, and industry updates, empowering stakeholders in the plywood and laminates market to make informed decisions. As the construction industry embraces digitalization, manufacturers are adapting by enhancing their online presence, streamlining distribution channels, and incorporating technology to provide a seamless and customer-centric experience in the procurement of plywood and laminates in the Saudi Arabian market.

[https:// www.globalwood.org](https://www.globalwood.org), 8 July 2024



GLOBAL

GLOBAL TIMBER TRADE CONTINUES TO BE DISRUPTED BY THE RED SEA CRISIS

The ongoing Red Sea Crisis continues to severely disrupt global timber supply chains. Traders are struggling with escalating container costs and increased pressure on the global port system, leading to significant congestion in the Middle East, Asia, and Africa. Mr. James Latham, a major timber merchant in the UK, reported that the crisis—forcing the world's largest shipping companies to reroute USD200 billion worth of trade around the Cape of Good

Hope—resulted in a 30% drop in profits for the 12 months ending 31 March 2024. In a statement to the London Stock Exchange, Mr. James Latham mentioned that “The cost prices from most of the manufacturers, excluding freight costs impacted by the Red Sea situation, are relatively stable, but also noted the uncertainty brought about by the current geopolitical instability and the upcoming UK general election. Earlier this month, Maersk, the world's second-largest container company by fleet size, indicated that trading conditions remain highly volatile due to the unpredictability of the Red Sea situation and the unclear future of supply and demand.

The crisis is now adding 2–3 weeks to shipping times, with fuel costs rising to USD1 million a week. Over 100 freight companies, including CMA CGM, Hapag-Lloyd, Evergreen, and oil giant BP, have halted movements through the channel. Meanwhile, insurance premiums for those still using the Red Sea have skyrocketed nearly tenfold since the attacks began. The impact has been particularly significant in China, India, Viet Nam, Thailand, Indonesia, and European countries like the UK, Germany, France, Spain, and Italy, where increased timber cargoes are entering European markets via China and the ASEAN region.



<https://www.globalwoodmarketsinfo.com>, 1 July 2024



LOGS

The average timber price for most reference species in June 2024 was found to be barely altered, with 75%, or 15 out of 20 species, trading at the same price as the previous month. Only two species were reported to have experienced an average price increase of between 4.1 and 14.3%, or between RM77 and RM175 per tonne, while the remaining three species were reported to have experienced a decrease of around 4.0 to 7.1%, or between RM55 and 100 per tonne.

Yellow Meranti and Jelutong from the Light Hardwood Group are two species whose prices have been observed to rise. With the stated percentage increase, these two species were selling at average prices of RM1,700 and RM1,395 per tonne. Meanwhile three species – Resak, Mix Heavy Hardwood and Kempas – were reported to have seen price declines, trading at RM1,300, RM1,088 and RM1,329 per tonne in the current month. For the record, in the previous month, all of the species claimed to have witnessed price rises and drops were in the market at average prices of RM1,633, RM1,220, RM1,400, RM1,143, and RM1,384 per tonne, respectively.

The current low market performance for most timber products is expected to have a significant impact on timber prices, as most species continue to maintain price retention above the average price of the timber industry's main raw material, with only a small number of species experiencing changes that are described as still low.

SAWNTIMBER

The current average price of sawntimber products for most species under the three production classes, namely General Market Specification (GMS), STRIPS and Scantling, for June 2024 does not appear to be significantly different from the present average pricing situation for logs. It was claimed that 75–90%, or 15–18 species out of 20 species, from the three production classes of sawntimber products did not vary in price and were priced the same as the previous month.

Under the GMS production class, 15 species prices remained stable, with only two species reporting price increases and the remaining three species reporting price decreases. Keruing and Jelutong saw price increases ranging from 2.4% to 3.4% or RM71 per m³. Current market prices for these two species are RM2,990 and RM2,119 per m³. With declines ranging from 1.1 to 39.3%, or RM23 and RM3,884 per m³ respectively, the remaining three species that experienced declines under the GMS production class were Chengal, Kempas and Tualang. The Chengal species, considered an expensive and special timber species, suffered the largest decline. The average price of these three species when they first entered the market this month was RM6,003, RM2,166 and RM1,907 per m³.

Three species—Chengal, Red Meranti and Nyatoh, reported price increases of between 3.2 and 12.5%, or roughly RM62 and RM354 per m³, while the average price for the remaining 85% or 17 reference species, under the STRIPS production class was said to have remained unchanged from the previous month. The three specified species have been selling at an average of RM4,944, RM2,013 and RM1,589 per m³ since the increase was noted.

Additionally, 90 percent or 18 out of 20 species, within the Scantling production class recorded the same average price retention as the previous month. The prices

of the two surviving species, Chengal and Kempas, reportedly dropped by 35.7 and 2.2%, respectively, or RM3,531 and RM52 per m³. The average price of these two species, with this spread is RM6,356 and RM2,331 per m³. In comparison to the previous month, the prices of these two species were RM2,383 and RM9,887 per m³, respectively.

PLYWOOD

There are no indications of price variations or upward movements based on the average market price of plywood products for the four primary sizes as of June 2024. Plywood with thicknesses of 4 mm, 6 mm, 9 mm, and 12 mm costs on average, RM19.40, RM26.00, RM38.25 and 48.85 per piece when the pricing is kept as documented. The highest plywood product costs, which were RM19.40, RM27.00, RM38.50 and RM49.00 for each thickness size transacted, likewise stayed the same as the previous month.

MEDIUM DENSITY FIBERBOARD (MDF)

MDF panel products were also said to retain the average pricing of all four sizes of MDF marketed for the current month of June 2024. RM12.90, RM26.00, RM37.00 and RM42.00 per piece were the highest prices for each of the primary sizes listed, but the average price of MDF with thicknesses of 4mm, 6mm, 9mm, and 12mm remained constant at RM12.90, RM23.80, RM31.60 and RM37.75 per piece, respectively. The current state of the furniture market is thought to have a significant impact on any changes in the price of this product because MDF goods are a major source of raw materials used to make wood and furniture.

TRADE IN MALAYSIA*
- JUNE 2024

In June 2024, the trade value of four products—logs, sawntimber, plywood and veneer from Sabah to Peninsular Malaysia was RM8.258 million, with an 11,707 m³ trading volume. The current month's trade value in the two areas was predominantly driven by veneer and log products. The prior month's transaction value for plywood items fell by 93%, from RM4.98 million to RM0.47 million. Meanwhile, the trade value of logs, sawntimber and veneer products increased from RM20 thousand, RM205 thousand and RM913 thousand to RM2.55 million, RM393 thousand and RM4.84 million, with logs and veneer products experiencing the greatest rise.

However, the trade value of timber products from Sarawak to Peninsular Malaysia is expected to fall by 65%, or around RM1.93 million, in June 2024. The current month's trading value was RM1.03 million, earned from the trading of its two timber products, sawntimber and plywood. The entire trade volume was 1,076 m³ and sawn timber products experienced the greatest loss of 97%, while plywood fell 45% from 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 RINGGIT MALAYSIA JUNE 2024					
SPECIES	LOGS/ton	SAWN TIMBER/m3			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	6,000	6,003	4,944	6,356	
Balau	3,875	3,055	2,338	4,590	
Red Balau	2,425	2,754	2,119	2,419	
Merbau	2,950	3,754	3,225	3,725	
Mixed Heavy Hardwood	1,088	1,347	1,172	1,246	
MEDIUM HARDWOOD					
Keruing	2,198	2,990	2,366	2,495	
Kempas	1,329	2,166	2,048	2,331	
Kapur	1,808	1,746	1,289	1,853	
Mengkulang	1,905	1,412	1,201	2,013	
Tualang	1,600	1,907	1,448	1,766	
LIGHT HARDWOOD					
Dark Red Meranti	2,090	2,130	2,119	3,355	
Red Meranti	1,883	1,777	1,951	2,319	
Yellow Meranti	1,700	1,860	1,530	1,695	
White Meranti	1,667	2,242	1,801	1,624	
Mersawa	1,470	2,013	1,330	2,154	
Nyato	1,650	1,801	1,412	1,201	
Sepetir	1,453	1,819	1,660	1,530	
Jelutong	1,395	2,119	1,589	1,819	
Mixed Light Hardwood	1,157	1,278	1,095	1,165	
MALAYSIAN RUBBERWOOD Hevea brasiliensis	LOGS/ton	SAWN TIMBER/m3			
	201	1" X 1"	2"X2"	3"X 3"	4" X 4"
		1,210	1,330	1,425	1,500
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	19.40	26.00	38.25	48.85	
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm	12mm	
	12.90	23.80	31.60	37.75	

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

INTRA-MALAYSIA TRADE						
	May-24		Jun-24		% change in volume	% change in value
	Vol(m3)	Val(' 000 RM)	Vol(m3)	Val(' 000 RM)	MAY/JUN	MAY/JUN
Sabah						
Logs	4	20	8,899	2,549	222,375	12,645
Sawn Timber	147	205	256	393	74	92
Plywood	2,560	4,978	166	474	-93	-90
Veneer	327	913	2,385	4,842	630	430
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	594	888	33	28	-94	-97
Plywood	1,787	1,831	1,043	1,006	-42	-45
Veneer	88	247	0	0	-100	-100

Source: Department of Statistics Malaysia
 Tabulated: Malaysian Timber Industry Board

Container Market Conditions Tighten on Key Deep-Sea Trades, Says Expert



June saw further tightening of market conditions on key deep-sea container trades, with spot rates and associated surcharges increasing every week throughout the month. According to Lars Jensen, CEO of Vespucci Maritime, the pace of these increases mirrored the pattern seen during the first growth phase of the pandemic. The critical question now is whether this trend will continue or if a market reversal is on the horizon.

Jensen identifies three primary drivers behind the spiking markets: the diversion of major vessels around Africa, port congestion in Asia, and a surge in export demand from Asia. Resolving the Red Sea crisis is challenging in the short term, with port congestion in Asia indicating that market conditions may peak in July and gradually ease through the latter part of the peak season, ending in September.

Jensen stresses that the Red Sea crisis is the main concern for Q4 and 2025. Continued vessel diversions could improve the global supply-demand balance as new vessels are delivered, potentially stabilizing the market without causing overcapacity, provided demand grows normally.

Jensen notes that while overcapacity due to a re-opening of the Suez route or a demand collapse seems unlikely soon, significant labor disruptions on the US East Coast in September could worsen global supply/demand dynamics by causing port congestion and vessel delays. Freight rates increased in two stages during the pandemic: initially in late 2020 and early 2021 due to pandemic ripple effects, and later in late 2021 and early 2022 due to the Ever Given incident in the Suez Canal, reaching record rates of \$15,000 USD/FFE.

Jensen warns that a strike on the US East Coast in September could trigger similar effects,

potentially leading to another phase of record-high rates. He advises stakeholders to monitor two pivotal elements in the short to medium term: whether the demand boom abates in July, indicating early pre-positioning of cargo, and the outcome of union negotiations on the US East Coast.

Looking at the longer term, Jenssen suggests that stakeholders should prepare for the possibility that major container lines might navigate around Africa for several years due to prolonged conflicts in the Middle East and unchanged Western naval presence in the southern Red Sea and Gulf of Aden.

Source: gcaptain.com; July 5, 2024

Spot Rate Surge To Continue Post-Golden Week



Since the 1 July implementation of a series of peak season surcharges (PSS) and new FAK (freight all kinds) levels, the largest east-west container trades have seen a week of double-digit spot freight rate increases.

After several weeks in which most of the focus was on soaring spot rates on the Asia-Europe trades, this week it was the turn of the Asia-North America trades to post the largest increases. Drewry's World Container Index reading for its Shanghai-Los Angeles leg grew 12%, to finish at \$7,472 per 40ft, while Xeneta's XSI's Asia-US west coast leg recorded a rate of \$7,648 per 40ft.

Meanwhile, the WCI's Shanghai-New York leg grew 17%, to end the week at \$9,158 per 40ft, and the XSI tracked a similar trend to \$1,146 per 40ft. The WCI's Shanghai-Rotterdam leg also saw double-digit growth, rising 10% to reach \$8,056 per 40ft, with the XSI's Far East-North Europe growing a similar amount, recording a rate of \$7,897 per 40ft yesterday.

However, it is also clear that many forwarders and shippers are paying well above the quoted indexed rates in order to secure space in an increasingly strong demand environment, a situation that – on Asia-Europe trades at least – is now beginning to impact major box shippers with significant amounts of contracted volumes.

Freight forwarders in Europe this week told The Loadstar major shippers were being forced to pay space guarantee surcharges on at least a part of their volumes. "Importers and big BCOs are now beginning to see the effect, with space getting ever tighter," one forwarder said.

"Even if their carrier has maintained its full commitment in terms of volumes – every carrier is down 30% to 40%, in terms of space – so from the middle of July, retailers that were on contracts are now having to accept \$3,000–\$4,000 increases on a least a portion of their boxes to get them loaded.

"Some of the multinationals are buffered, but we are now talking to all sorts of importers that previously wouldn't give us the time of day; now they are calling us to see if we have any loading options – and it's almost accepted that higher rates are here and paying them is the only way to get cargo onboard vessels. "This will remain elevated until Golden Week," he added, which appeared to be a common consensus this week.

Another said that spot rates on Asia-North Europe had already breached \$10,000 for many customers, and claimed the elevated pricing would continue until China's Golden Week holiday, which begins on 1 October – and could even persist until the second quarter of next year.

"I think this is an early peak season, but I also believe this will continue to Golden Week – after speaking with customers they are mindful of the current challenges and do not want to be in a situation where they have no stock for Christmas, and are forecasting strong orders until at least then.

"Should the peak last that long, there is only four-to-six weeks before we start to ramp up for the peak just before Chinese New Year, so realistically the market will not start to come down significantly until Q2 next year, even with extra capacity coming in," he said.

Another believed there could well be a further 50% increase between now and Golden Week. "Demand in July and August is quite strong, so we are predicting that a ceiling of \$15,000 is not unrealistic," he said adding that there was very little vessel space for at least the next month. "We are now booking four weeks ahead for some

retailers and it's the soonest we can do. If a booking is released, 9 August is the first ship I can get onto."

Source: The Loadstar; July 5, 2024

Xeneta Sees First Crack In Container Carrier Spot Rate Consensus



Up to this month the general rate increases (GRI) have been across the board and adhered to by carriers in what was acknowledged by many to be a tight market, with the Red Sea diversions, absorbing excess capacity, while growing port congestion and increased demand all played a roll in the more than 150% surge in spot rates in some major trades.

In what could prove to be the turning point for shippers, the mid-July rate GRI was not backed by all lines, with some offering lower rates, this was considered important because it meant shippers could shop around for better spot rates.

"Early data received prior to 15 July suggested average spot rates would increase on the Far East to US West Coast trade by 2% as carriers looked to push through GRIs. However, new data received from shippers fresh from negotiations shows average spot rates did not increase – in fact they have fallen by \$50 per per feu since 14 July," said a Xeneta briefing note.

The market analytics platform said this "small crack in the dam" could be significant as it demonstrates that "shippers are regaining some negotiating power". Xeneta reminds its customers that the cause of this year's rate spikes is the Red Sea crisis and this is unlikely to be resolved any time soon, however, spot rates in some trades have softened at times, even

with the diversions in place.

According to Xeneta data Far East to US West and East Coast trades reached a peak on 1 February but then softened considerably by 32% and 33% respectively by 30 April. European headhaul trades reached a Red Sea crisis peak earlier in mid-January, before retreating in similar fashion to the US services, falling 33% into North Europe and 32% into the Mediterranean by the end of April.

Nevertheless, Xeneta also cautions: "Shippers will be hoping it is a case of history repeating, but there are other storm clouds on the horizon." Industrial action in Europe and the US could yet derail container shipping services again, while the prospect of a Trump election victory could raise the spectre of increased tariffs on imports from China and many other parts of the world, which could yet see a surge in demand that will again bolster rates.

Although rates remain high, with average spot since last December up by 382% from the Far East to the US West Coast, by more than 300% to the US East Coast and 457% to North Europe.

Even as Xeneta believes it has seen early signs of a plateau in spot growth, other indices are not showing the same signs that a change is imminent. Drewry's WCI composite inched upwards by 1%, but spot rates to North Europe rose 3%, while the Shanghai to Los Angeles index declined 3%. The SCFI does show a decline into the overall index with a fall of over 132 points over the last week to 3542.44 points.

Source: seatrade-maritime.com; Jul 22, 2024

Container Shipping Rates Snap Weeks Of Gains As Restock Rally Fades



Spot rates for shipping containers fell for the first time in almost three months amid signs demand is cooling after US tariffs on Chinese

goods and other trade disruptions sparked an earlier-than-usual peak season for restocking.

The Drewry World Container Index composite of eight major trade lanes dropped 2.2% to \$5,806 for a 40-foot unit, snapping a 12-week-long advance, according to figures released Thursday. That's still about three times higher than the rate posted at the end of 2023 — when cargo ships started diverting en masse away from the Red Sea to avoid Houthi attacks.

Rates surged unexpectedly in the second quarter on strong US demand for goods as importers raced to stock up ahead of higher American tariffs on Chinese products, and as concerns grew about a dockworker strike on the East and Gulf Coasts later this year. The momentum is now showing signs of fading.

The benchmark Shanghai-to-Los Angeles rate dropped for a second straight week, sinking 4.9% to \$6,934. Shanghai to Rotterdam was little changed at \$8,260, Drewry's figures showed. Those prices mirror the softening of a tight market reflected in short-term container rates released earlier this week by Freightos, a cargo-booking platform. Spot rates that include premiums and surcharges on Asia-US West Coast services fell 4% to \$7,738, while the cost to northern Europe from Asia sank 2% to \$8,420, according to Freightos.

Ups and Downs

The Port of Los Angeles and Long Beach, the busiest US gateway for maritime trade, posted solid increases in container volumes during the first half of 2024 from a year earlier. So did Europe's two largest container ports — Rotterdam and Antwerp-Bruges.

On top of the healthy demand were capacity constraints tied to the Red Sea turmoil and vessel diversions around the Cape of Good Hope, which in turn sparked port congestion at shipping hubs including Singapore. Some of those supply snarls are easing. According to industry figures as of Tuesday, wait times for berth space in Singapore — the world's biggest transshipment hub — ranged from 50 to 80 hours, down from 70 to 110 hours in mid-June.

Tide Turns

Judah Levine, head of research at Freightos, said during a webcast circulated this week that there are signs supply and demand are closer to balanced than they have been over the past few months.

"Taken all together, the additional capacity in the main trade lanes from improving congestion and from carriers adding more services, taken together with demand which might be peaking just now or in the next few weeks, these could be factors for some speculation in the market that rates may have already reached their peak," Levine said.

He said a stretch of peak season surcharges and general rate increases imposed by the shipping lines for freight to the US and Europe from Asia appears to have stopped, at least through August. Daily quoted rates are "ticking down" and there are reports that carriers are offering rate reductions, Levine added.



Source: Bloomberg; July 25, 2024

Shipments Of Timber Products Through Ports In Peninsular Malaysia **June 2024**

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m ³)	% change May'24/June'24
	m ³	% Change	m ³	% Change	m ³	% Change	m ³	% Change	m ³	% Change		
Sawntimber	33,213	-15	9,622	119	626	23	406	121	2,686	-36	46,554	-4
MDF	11,153	-28	161	0	1,373	-29	931	16	92	-85	13,709	-28
Mouldings	13,024	-13	39	352	1,149	1	1,600	-24	231	-42	16,044	-14
Plywood	13,856	404	0	0	0	0	395	21	4,610	-9	18,861	131
Veneer	3,673	88	0	0	0	0	45	1	1,977	-16	3,718	86
Particleboard	9,819	-6	0	0	74	126	0	0	5,301	-39	15,194	-21
TOTAL	84,738	0	9,822	115	3,222	-11	3,377	-3	14,897	-30	116,057	-1

KEMENTERIAN PERLADANGAN DAN KOKODORI
LEMBAGA PERINDUSTRIAN KAYU MALAYSIA

KAYU MALAYSIA
Standing on Excellence
For a viable nature...

National Technical and Vocational Education and Training (TVET) Policy 2030

Prepared by : Mohd Razman Mohamad Azizuddin

Technical and Vocational Education and Training (TVET) is widely acknowledged by governments in both developed and developing countries to be a catalyst for national economic and social growth. TVET has been called a 'game changer' by various stakeholders and in recent years, institutional, legal and regulatory reforms and substantial public investments have been made to help upgrade the country's TVET ecosystem. As such, the government hopes to increase the number of TVET graduates to remain competitive in a rapidly evolving global economy shaped by technological advancements.

In line with that, the National Technical and Vocational Education and Training (TVET) Policy 2030 was developed and launched by Prime Minister YAB Datuk Seri Anwar Ibrahim on 8 Jun 2024 as a comprehensive guideline for the implementation of TVET in Malaysia. The National TVET Policy 2030 outlines a clear direction towards strengthening the development of local talents.

The National TVET Policy 2030 contains five strategic thrusts, covering 23 strategies and 67 key initiatives to address the current landscape of the field as well as the new complex and dynamic technological challenges. Its comprehensive guidelines that highlight the government's aspirations towards achieving Malaysia's goal of becoming a developed nation centered on skilled human capital through a responsive, flexible and inclusive TVET programme.

The five core thrusts outlined in the policy are:

- I. Comprehensive and Synergy of Governance
- II. Quality and Pathways to World-Class Education
- III. Efficient and Productive Industry Collaboration
- IV. Sustainable TVET Financing
- V. TVET As Main Career Choice

MTIB contribution

The initiatives in the National TVET Policy 2030 are currently being implemented as part of MTIB's efforts to promote skills training for the wood industry through the Wood Industry Skill Development Centre (WISDEC) as training provider. WISDEC works closely with the industry and stake holders to ensure trainees who graduate are placed in the industry through its job-matching and train and place programme. The WISDEC TVET training modules have been refined and updated to ensure that the programmes meet industrial requirements. All these measures are also in line with the National Agricommodity Policy (DAKN) and the National Timber Industry Strategic Plan (NTISP).

The successful implementation of the National TVET Policy is very significant in maintaining global competitiveness through close cooperation between the Government and TVET institutions as well as the industry in driving the development of the nation's human capital.



Source : Dasar TVET Negara 2030

01 - 03 JULY 2024



Syarikat Sabah Wood Furniture, Syarikat Perniagaan Perabot Nuri Sdn. Bhd., Mccorry Sdn. Bhd., Politeknik Kota Kinabalu and Universiti Sains Malaysia attending WISDEC Sabah's Scheduled Course on Wood Machining Technology.

04 JULY 2024



Working visit by the Department of Civil Engineering, Port Dickson Polytechnic to MTIB.

06 JULY 2024



Working visit by YB Datuk Chan Foong Hin, Deputy Minister of Plantation and Commodities (KPK) to Syarikat Sin Wee Seng Industries Sdn. Bhd. (SWS Sofa) in Muar, Johor.

08 JULY 2024



Working visit by Deputy Director General (Management and Operation) MTIB to MTIB Kota Bharu, Kelantan

09 JULY 2024



Briefing of Standards Requirements in Exporting Wood and Wood Products – Bureau of Indian Standards (BIS)

10 JULY 2024



Final Revision Workshop on the Draft Book Classification of Saw Wood from Palm Coconut (OPT) at Fiber and Biocomposite Center (FIDEC), Banting Selangor

17 JULY 2024



Muadzam Shah Vocational College Institution, Pahang during a benchmarking and collaboration visit to MTIB

17 JULY 2024

