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SEMINAR ON OIL PALM TRUNK



- THE INTERNATIONAL WORKSHOP ON ESG TOWARDS CARBON MANAGEMENT IN THE FORESTRY AND WOOD INDUSTRY
- COURSE ON APPLICATION OF CARVING VECTOR IN INNOVATIVE FURNITURE DESIGN

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THE INTERNATIONAL WORKSHOP ON ESG TOWARDS CARBON MANAGEMENT IN THE FORESTRY AND WOOD INDUSTRY

Prepared by : Juliwar Idrus

The International Workshop on ESG Towards Carbon Management in the Forestry and Wood Industry was organised by the Faculty of Forestry and Environment, Universiti Putra Malaysia (UPM) in collaboration with the Malaysian Timber Industry Board (MTIB) and Universiti Teknologi Mara (UiTM). The workshop which aimed to promote carbon management and Environmental, Social and Governance (ESG) principles in Malaysia's forestry and wood industries was held on 7 November 2024 at Rashdan Baba Auditorium Hall, UPM.

Carbon management is the process of measuring and reporting a carbon footprint and setting a baseline for reducing carbon emissions. While ESG refers to the three central factors used to measure the sustainability and ethical impact of an investment in a organisation or entity. By integrating ESG principles into carbon management, the forest and wood industries can adopt practices that reduce carbon footprints, enhance sustainable practices, ensure regulatory compliance with international environmental standards and meet the global sustainability goals.

The opening speech was delivered by YB Datuk Larry Sng Wei Shien, Chairman of MTIB who also officiated the workshop. In his speech, he highlighted that the entire community of forestry and wood industries must be aware and knowledgeable of all the requirements associated with green products, including the related aspects of ESG certification and carbon footprint.

The key note address was delivered by Encik Mohd Amin Kadir, Director of Management Services (Acting Deputy Director-General of Management and Operations), MTIB. He spoke on the current situation of the wood industry in Malaysia entitled 'The Wood Industry in Malaysia and Its Challenges'.

Eight (8) speakers delivered presentations and shared information based on their respective areas of expertise. The presentations covered topics related to forest carbon, forest diversity, ESG in the forestry and wood industries, the potential of blue carbon, and carbon trading. The full list of presentations delivered at the workshop is as follows:

- i. Forest Resources in Peninsular Malaysia – En. Jamal Shuhaili Shahar (JPSM)
- ii. Human Wildlife Conflict & Wildlife Conservation – En. Mohamad Khairul Adha Mat Amin (PERHILITAN)
- iii. Introduction to Forest Carbon – Prof. Ts. Dr. Mohd Nazip Suratman (UiTM)
- iv. Forest Biodiversity and Its Impact on Forest Carbon – Prof. Dr. Mohd Nizam Mohd Said (UKM)
- v. Potential of Forest Resources for Carbon – Dr. Johar Mohamed (UPM)
- vi. Status of Malaysian Forest Carbon – Dr. Elizabeth Philip (FRIM)
- vii. Carbon Management & Trading – Dr. Waseem Razzaq Khan (UPM)
- viii. Introduction to Carbon Unit in UPM – Dr. Shazali Johari (UPM)

At the end of the workshop, a Town Hall Session was conducted by the moderator, Prof. Dr. Jegatheswaran Ratnasingam (UPM) for the presenter and participants to discuss in greater detail and exchange views on carbon management and ESG principles in the Malaysian forestry and wood industry sectors.

MTIB representatives who attended the workshop included officers from Fibre and Biocomposite Centre (FIDEC), Forest Plantation Division and Industry Development Division.



Token of appreciation presented by YB Prof. Dr. Zamberi Sekawi, Deputy Vice Canselor (Research and Innovation), UPM to YB Datuk Larry Sng Wei Shien



Participants of the workshop



Encik Mohd Amin Kadir presenting the key note address

COURSE ON APPLICATION OF CARVING VECTOR IN INNOVATIVE FURNITURE DESIGN

Prepared by : *Nor Shahira Mat Nasir*

The Application of Digital Technology in the Development of Woodcarving Products Programme, initiated by MTIB in 2022, revolutionised the traditional woodcarving industry. The programme focused on digitising hand-drawn motifs created by master craftsmen and skilled carvers. The digitalisation process involves master craftsmen, skilled carvers and designers converting the hand-drawn motifs into digital vector files or computer graphic formats. These designs are then carved by Computerised Numerical Control (CNC) routers and laser cutters. This technological advancement allows entrepreneurs to scale up their production, transitioning from manual craftsmanship to mass production capabilities, thus improving efficiency and opening up new business opportunities.



Dr. Addy Putra from UNISZA and Encik Khairuddin from TTITC with participants.



Participants posing with their prototypes

Building on the success of this initiative, MTIB, in collaboration with the Terengganu Timber Industry Training Center (TTITC) organised the Application of Carving Vectors in Innovative Furniture Design Programme from 3 to 7 November 2024 in Kuala Terengganu. This training aimed to enhance participants' knowledge of digitisation technology in carving motifs thus fostering creativity in furniture design and improving professional skills in furniture-making.

The speaker was YBrs. Ts. Dr Addy Putra Zulkifli from Universiti Sultan Zainal Abidin (UniSZA) who spoke on the fundamentals of carving vectors, software and digital tools for vector design, furniture design techniques and prototyping. He also spoke on the application of digital carving motifs in design and prototype development.

The training adopted an interactive and hands-on approach, which allowed participants to complete prototype designs through practical exercises guided by TTITC instructors. The interactive sessions also facilitated knowledge sharing and collaboration among the attendees.

By the end of the course, the participants had completed 11 prototypes of carving motifs. The prototypes were presented during the closing ceremony which was officiated by Puan Hazlinda Zainal Abidin, Deputy Director of the Industry Development Division. She stated that the course was a significant milestone in MTIB's ongoing efforts to integrate digital technology into the wood-based industry and commended the participants' achievements and collaborative efforts during the programme. Encik Mohamad Sulong, CEO of TTITC who also attended the closing ceremony praised the programme for equipping stakeholders with the tools and skills needed to embrace modern manufacturing techniques.



Some prototypes built by participants during the programme



Participants reviewing technical drawings as they prepare to build products

The course was attended by 12 participants consisting of designers, entrepreneurs, carvers, and other related stakeholders. Also in attendance were ten instructors from TTITC.

SEMINAR ON OIL PALM TRUNK (OPT): A CATALYST FOR THE SUSTAINABILITY OF THE MALAYSIAN TIMBER INDUSTRY

Prepare by : Norjihan A.Bakar

The Malaysian Timber Industry Board (MTIB) successfully organised the Oil Palm Trunk (OPT) Seminar: A Catalyst for the Sustainability of the Malaysian Timber Industry 2024 on 21 November 2024 at Bangi Resort Hotel. The seminar which served as a platform to share insights on the development and commercialisation of Oil Palm Trunk (OPT)-based products, was officiated by YB Datuk Larry Sng Wei Shien, Chairman of MTIB. The event was also graced by YBrs. Tuan Saiful Bahri Salleh, Director General of MTIB.

The seminar emphasised the critical need to address challenges surrounding the adoption of Oil Palm Trunk (OPT) through collaborative efforts involving government agencies, industry players, and academic institutions. By fostering research and innovation, these partnerships can help ensure OPT-based products meet market demands and international regulatory standards while unlocking immense opportunities for OPT as an alternative raw material.

In conjunction with the seminar, MTIB launched the Pelan Tindakan Pembangunan Batang Kelapa Sawit (OPT) sebagai Bahan Mentah Alternatif untuk Industri Kayu-Kayan (2023–2030), a strategic initiative aimed to support the sustainability of Malaysia's timber industry. The action plan outlines systematic efforts to unlock the potential of OPT-based products. This collaborative endeavour, involving government agencies, industry stakeholders, research institutions, higher learning institutions, and timber associations, is expected to elevate the timber industry's contribution to the national economy and position it as a sustainable agricommodity by 2030.

Another significant milestone highlighted during the seminar was the introduction of the Malaysian Grading Guideline for Oil Palm Trunk (OPT) Dressed Timber by MTIB. This technical document serves as a comprehensive guideline for grading and assuring the quality of OPT sawntimber.

During the seminar, six presenters from MTIB, Malaysian Palm Oil Board (MPOB), Universiti Tun Hussein Onn Malaysia (UTHM), Weng Meng Greentech Sdn. Bhd., IOI Palmwood Sdn. Bhd., and the Malaysian Sustainable Palm Oil (MSPO) Certification Body shared valuable insights. They spoke on the current developments in the wood-based industry, focusing on the optimising of OPT as an alternative raw material for wood products, providing the participants with a comprehensive overview of the potential for transforming the timber industry.





During the Q&A session, several issues were raised by participants, as they discussed adopting Oil Palm Trunk (OPT) as an alternative raw material and developing product standards for OPT.

As part of its efforts to promote the use of OPT-based products, MTIB had also organised the Oil Palm Trunk (OPT) Creativity and Innovation Challenge 2024. During the seminar, the 13 winners of the competition were announced. The prizes awarded were:

- 1st Prize: RM5,000
- 2nd Prize: RM2,500
- 3rd Prize: RM1,000
- 10 Consolation Prizes: RM200 each

OPT. It also aimed to raise awareness about the potential of alternative raw materials in furniture design and manufacturing in Malaysia. Additionally, the competition recognised and appreciated participants who contributed unique and innovative ideas, paving the way for groundbreaking advancements in product development.



TRUST, INTEGRITY AND ANTI-CORRUPTION

Prepare by : Shamsul Azman Abdul Aziz



YB Datuk Larry Sng Wei Shien, Chairman of MTIB

MTIB organised Hari Semarak Integriti on 5 November 2024 at MTIB Headquarters in Kuala Lumpur in conjunction with the Bulan Integriti Nasional held annually in the month of November. With the theme Amanah, Integriti dan Antirasuah or Trust, Integrity and Anti-corruption, the programme's main objectives included strengthening the integrity amongst MTIB staff by promoting awareness on the importance of fighting corruption, embezzlement and abuse of power.

The programme was officiated by YB Datuk Larry Sng Wei Shien, Chairman of MTIB. He stated that integrity is defined as one's belief in upholding high moral principles, and it is reflected in that person's behaviour. Furthermore, it is important for civil servants to gain the public's trust towards the government and public service by continuously practising the integrity culture. He believes that when a civil servant behaves honestly and is transparent in his or her actions, this in turn will increase the public's confidence in them.

YB Datuk Larry, accompanied by YBrs. Tuan Saiful Bahri Salleh, Director General of MTIB, then launched MTIB's Buku Kod Etika dan Tatalaku. This book contains rules and guidelines that must be adhered to by all MTIB staff when carrying out their daily duties. In addition to officiating the launch, YB Datuk Larry and YBrs. Tuan Saiful also presented the prizes to the winners of the Treasure Hunt activity, which was held on 4 November 2024.

Two speakers from the Malaysian Anti-Corruption Commission (MACC) then gave their presentations. The first was Puan Norul Ashikin Amat Yakub, Head of Sector, Public Sector Governance Division. She spoke on the functions of the National Governance Committee (JTK) which is aimed at enabling government agencies to enhance its management systematically, based on good governance principles to ensure the efficiency and effectiveness of service delivery to the people. The second speaker was PPj Muhammad Zaim Mohd Zuki, Head of Agency Section, Community Education Division. He gave a presentation entitled "Issue of Corruption and it's Effects", highlighting examples of corruption cases throughout the nation and the consequences being faced by the perpetrators.

There were also quiz sessions held throughout the programme. Based on the participants' feedback, the programme was successful in promoting a better understanding of the importance of having good ethics and integrity in the workplace. The programme was attended physically and virtually by MTIB staff nationwide.



YB Datuk Larry launching Buku Kod Etika dan Tatalaku MTIB



Programme participants



Puan Norul Ashikin Amat Yakub



PPj Muhammad Zaim Mohd Zuki

ROOTED IN OPPORTUNITY: EXPANDING TIMBER TRADE BETWEEN MALAYSIA AND KAZAKHSTAN



Kazakhstan's flag



Kazakhstan's map

Overview

Kazakhstan is a landlocked country located primarily in Central Asia, with a small portion extending into Eastern Europe. It is the world's ninth-largest country by land area and the largest landlocked country. Kazakhstan is bordered by Russia to the north and west, China to the east, Kyrgyzstan and Uzbekistan to the south, and Turkmenistan to the southwest. The Caspian Sea lies to the southwest, providing Kazakhstan with a coastline.

The capital city is Astana (formerly known as Nur-Sultan and Aqmola), while Almaty is the largest city and the leading cultural and commercial hub. Kazakhstan has a diverse geography, including hilly plateaus, plains, and low mountainous regions. The country has a population of approximately 20 million people, with ethnic Kazakhs constituting the majority and ethnic Russians forming a significant minority. Kazakhstan is a secular state with a Muslim-majority population and a sizeable Christian community. The national currency is the tenge (KZT), and the official languages are Kazakh and Russian.

Economy

Kazakhstan's economy is one of the largest and most dynamic in Central Asia, primarily driven by its vast natural resources. Kazakhstan's GDP in 2023 was approximately \$243 billion, reflecting steady economic growth driven by its diverse industries, including energy, mining, and agriculture. The country has been focusing on economic diversification to reduce its reliance on oil and gas exports, which have historically been the backbone of its economy. This growth is supported by government initiatives and foreign investments aimed at boosting various sectors.

The timber sector in Kazakhstan, while not a dominant contributor to the overall GDP, plays a significant role in the country's economy, particularly in rural areas. It contributes to employment and supports industries like construction and furniture manufacturing. In addition to its natural resources, Kazakhstan is making concerted efforts to diversify its economy and reduce its dependence on oil and gas. The government has launched various initiatives to promote the development of other sectors, such as agriculture, manufacturing, and services. Agriculture plays a crucial role in the economy, with Kazakhstan being one of the world's top producers of wheat and other grains. The country is also investing in the manufacturing sector, particularly in machinery, chemicals, and food processing, to create a more balanced and resilient economic structure. The services sector, including finance, telecommunications, and tourism, is also growing, contributing to the overall economic development.

Forestry

Kazakhstan's forestry sector is characterised by its vast forest resources, covering approximately 5% of the country's territory, which amounts to around 13.6 million hectares. The forests are predominantly composed of saxaul, a resilient desert shrub, and other native species. Despite the relatively low forest cover, Kazakhstan has been making efforts to protect, restore, and sustainably manage its forests. These efforts include reforestation and afforestation projects aimed at increasing forested areas and promoting biodiversity.

Forests in Kazakhstan play a crucial role in the country's ecosystem, contributing to biodiversity, climate regulation, and the livelihoods of local communities. They are vital in the fight against climate change, as they help maintain the Earth's carbon balance. However, the sector faces challenges such as deforestation, forest degradation, and frequent fires, which are driven by anthropogenic activities like agriculture expansion and infrastructure development. Addressing these challenges through sustainable forest management practices and international cooperation is essential in preserving Kazakhstan's forest resources for future generations.

Timber Production

Timber production primarily involves saxaul and other native species, contributing to the local economy and supporting the construction and furniture industries. Despite challenges such as deforestation and forest degradation, Kazakhstan continues to invest in sustainable forest management to ensure the long-term viability of its timber resources. According to the FAO forest statistics in 2023, Kazakhstan produced around 194,900 m³ of sawnwood. Apart from sawnwood production, the country also produced about 163,000 m³ of particle board. The table below depicts Kazakhstan's production of timber and timber products from 2019 – 2023.

Kazakhstan: Production of Timber & Timber Products, 2019 – 2023

Product	2019	2020	2021	2022	2023
	RM	RM	RM	RM	RM
Sawnwood coniferous	197,300	263,300	197,800	192,200	194,900
Particle board	98,400	114,400	127,600	106,400	163,000
Veneer sheets	21,000	21,000	0	0	0

Source: FAO Stats

Kazakhstan's Export of Timber and Timber Products

Kazakhstan's export of timber and timber products in 2023 increased by 175% to USD128.9 million from USD46.8 million in the previous year. The country exports mainly plywood, BJC, furniture, fibreboard and particleboard. Export of plywood totalled at USD83.0 million, an increase of 177% compared to RM30.0 million as recorded in the previous corresponding period. Meanwhile, export of BJC totalled at USD13.5 million followed by furniture and particleboard at USD9.9 million and USD6.4 million respectively.

Kazakhstan: Export of Timber and Timber Products to the World, 2019–2023

(Value USD'000)

Product	2019	2020	2021	2022	2023
Furniture & Parts	5,836	4,200	6,350	4,446	9,934
Plywood	585	226	452	30,001	82,976
BJC	1,192	527	922	7,675	13,453
Particle Board	5,623	2,637	1,691	941	6,377
Veneer	17	19	58	507	6,024
MDF	1,953	1,382	2,014	1,436	5,891
Moulding	109	209	11	1,558	4,195
Sawntimber	29,527	758	3,340	251	14
Wooden Frame	1	2	0	2	3
Other products	9,115	1,570	4,086	13	0
TOTAL	53,958	11,530	18,924	46,830	128,867

Source: UN-Comtrade Statistics

Kazakhstan's Import of Timber and Timber Products

Kazakhstan's import of timber and timber products in 2023 increased by 16% to USD775.5 million over the previous corresponding period. Kazakhstan imports mainly furniture, particleboard, plywood and MDF. Import of furniture increased 45% to USD225.0 million whilst import of particleboard decreased by 15% to USD148.6 million. Elsewhere, import of plywood increased by 245% to USD119.6 million whilst MDF declined by 17% to USD114.3 million compared to the previous corresponding period.

Kazakhstan: Import of Timber and Timber Products from the World, 2019–2023

(Value USD'000)

Product	2019	2020	2021	2022	2023
Furniture & Parts	204,490	191,932	262,207	154,763	224,993
Particle Board	106,177	91,188	158,854	148,594	126,011
Plywood	27,796	26,445	38,636	34,691	119,620
MDF	85,986	83,007	129,731	138,267	114,337
BJC	73,086	90,010	113,408	108,177	93,926
Sawntimber	33,405	29,400	47,733	44,744	47,502
Moulding	9,256	10,215	11,333	13,225	11,596
Logs	17,958	12,645	17,294	8,738	10,562
Veneer	820	872	1,245	2,200	4,477
Wooden Frame	654	293	442	1,137	1,528
Others Product	15,364	14,486	21,766	16,043	20,976
TOTAL	574,992	550,493	802,649	670,579	775,528

Source: UN-Comtrade Statistics

Malaysia's Export of Timber and Timber Products to Kazakhstan

In 2023, Malaysia exported RM2.7 million of timber and timber products to Kazakhstan with wooden furniture garnering the largest market share of its export value. Malaysia exported wooden furniture worth RM2.6 million compared to RM4.1 million in the previous year. Kazakhstan ranked 90th amidst Malaysia's major export markets in timber and timber products.

Malaysia: Export of Timber and Timber Products to Kazakhstan, 2019 – 2023

(Value RM)

Product	2019	2020	2021	2022	2023
	RM	RM	RM	RM	RM
Wooden Furniture	6,306,315	5,261,603	7,407,424	4,089,221	2,629,979
Other Products	0	0	48,789	17,438	33,973
TOTAL	6,306,315	5,261,603	7,456,213	4,106,659	2,663,952

Source: MTIB & DOSM

Malaysia's Import of Timber and Timber Products from Kazakhstan

From 2018 to 2023, Malaysia did not import any timber and timber products from Kazakhstan.

Import Tariffs

Kazakhstan imposes import tariffs on timber and timber products, which vary based on the specific type of product and its origin, ranging from 0% to 15% respectively. These tariffs are part of the country's customs regulations and include customs duties, VAT, and other related taxes. The Harmonized System (HS) codes determine the applicable rates, aiming to protect domestic industries while regulating the flow of imported goods. The details on Kazakhstan's import duty for timber and timber products are as follows:

Kazakhstan: Import Tariff

Product	Description	MFN Rate	Product	Description	MFN Rate
4401	Fuel wood	0-10	4415	Packing cases, boxes	5-9
4402	Coniferous	5	4416	Casks, barrels, vats, tubs	10
4403	Logs	5-10	4417	Tools, tool bodies, tool handles	13
4404	Hoopwood; split poles; piles	10	4418	Builders' joinery and carpentry	5-10
4405	Wood wool; wood flour	10	4419	Tableware and kitchenware, of wood	8
4406	Railway or tramway sleepers	10	4420	Wood marquetry and inlaid wood	8
4407	Sawntimber	0-12	4421	Other articles of wood, n.e.s.	9
4408	Veneer	0-10	9401	Furniture Seats	0
4409	Moulding	8-9	9403	Furniture and parts thereof, n.e.s.	0-15
4410	Particle board/Chipboard	5			
4411	Fibreboard	5			
4412	Plywood	5-10			
4413	Metallised wood and other densified wood	12			
4414	Wooden frames	8			

Source: WTO Tariff

Prospects

The timber industry offers considerable potential for collaboration between Malaysia and Kazakhstan. Malaysia with its renowned premium timber products and sustainable forestry practices, is uniquely positioned to meet Kazakhstan's increasing demand for diverse and reliable timber imports. Kazakhstan's strategic location and integration into regional and global trade networks enhance its economic prospects. As a member of key international organizations such as the Eurasian Economic Union (EAEU) and the World Trade Organization (WTO), Kazakhstan benefits from trade and investment-friendly policies. Additionally, government efforts to reduce regulatory barriers and improve infrastructure further strengthened its business environment.

Joint ventures and strategic partnerships in the timber sector could drive mutually beneficial outcomes for both countries. Knowledge-sharing initiatives on sustainable forestry practices and advanced wood processing technologies could enhance industry standards in Kazakhstan while expanding Malaysia's influence in the region. Malaysia's expertise in producing high-quality and eco-friendly timber products positions it as an ideal partner to support Kazakhstan's growing construction sector. As Kazakhstan experiences rapid construction industry growth, the demand for reliable and durable building materials continues to rise signifying needs that Malaysian timber is well-equipped to fulfil.

To maximize these opportunities, Malaysia could leverage existing trade agreements to boost its timber exports to Kazakhstan. Participating in international trade fairs, exhibitions and dedicated trade missions to Kazakhstan would provide excellent platforms to showcase Malaysian timber's quality, sustainability and eco-friendly credentials to Kazakh buyers and investors. These initiatives not only ensure a stable timber supply for Kazakhstan but also diversify Malaysia's export portfolio, opening new economic possibilities in Central Asia. A focused trade mission can further strengthen bilateral ties, facilitate direct engagement with key stakeholders and foster strategic partnerships in the timber sector.

Ultimately, strengthening cooperation in the timber and construction industries presents a compelling opportunity for Malaysia and Kazakhstan. Such a partnership promises to create new job opportunities, drive innovation, and promote sustainable development in both nations. By capitalising on this potential, Malaysia and Kazakhstan can forge a strong, enduring partnership that will enhance their respective timber sectors and contribute to their long-term economic prosperity. 



Construction of wood processing plant commencing in North Kazakhstan Region



The St. Regis Astana Hotel, Kazakhstan.



Rich Forests: The backbone of Kazakhstan's Timber Sector

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VIET NAM

WOOD AND WOOD PRODUCT EXPORTS UP 11% YEAR-ON-YEAR

According to Viet Nam Customs data, in September 2024, wood and wood product (W&WP) exports earned USD 1.25 billion, representing a 17% decrease from August 2024 but an 11% increase over September 2023. The share of wood product (WP) exports was USD 902.5 million, down 12.5% compared to August 2024 but up 20% compared to September 2023. For the first nine months of 2024, W&WP exports reached USD 11.7 billion, marking a 22% increase over the same period in 2023, with WP exports accounting for USD 8.04 billion, a 24% year-on-year increase.

In terms of exports to specific regions, W&WP exports to the EU in the first nine months of 2024 earned about USD 378 million, up 25% over the same period in 2023. Viet Nam's office furniture exports in September 2024 reached USD 27.3 million, up 18% compared to September 2023, while the total for the first nine months reached USD 216.9 million, reflecting an 11% year-on-year increase.

On the import side, Viet Nam's W&WP imports in September 2024 totalled USD 234.5 million, down 13% from August 2024 but up 24% compared to September 2023. For the first nine months, Viet Nam's W&WP imports stood at USD 2.03 billion, a 26% increase over the same period in 2023.

In September, Viet Nam imported 36,900 cubic meters of tali, worth USD 13.0 million, down 2% in both volume and value compared to August 2024 but showing an 18% increase in volume and a 2.5% decrease in value year-over-year. For the first nine months, tali imports were estimated at 240,400 cubic meters, valued at USD 89.7 million, marking a 19% decrease in volume and a 28% decrease in value compared to the same period in 2023.

Viet Nam's imports of logs and lumber from the U.S. surged in September 2024, totalling 65,000 cubic meters with a value of USD 28.0 million, an 11% increase in volume and a 6% increase in value over August 2024. Year-over-year, this represents a sharp increase of 54% in volume and 61% in value. In the first nine months of 2024, Viet Nam's imports of logs and sawnwood from the U.S. reached

518,380 cubic meters, valued at USD 222.96 million, reflecting a 32% increase in volume and a 33% increase in value compared to the same period in 2023.

Exports of wooden upholstered chairs in September 2024 earned USD 255 million, up 11% compared to September 2023. In the first nine months of 2024, exports of this item earned USD 2.4 billion, marking a 22% increase over the same period in 2023. In the first nine months of 2024, W&WP exports reached a total of USD 11.7 billion, up 25% year-on-year, ranking seventh among Viet Nam's export commodity groups. WP exports contributed USD 8 billion, up 24% over the previous year, accounting for 69% of total W&WP exports.

<https://www.fordaq.com>, 07 November 2024



INDONESIA

INCREASE EXPORTS TO THE US

Some wood product manufacturers are of the opinion that with the change of government in the US, wood product imports from China may decline presenting an opportunity for Indonesia to boost its exports. Abdul Sobur, the General Chairperson of the Indonesian Furniture and Crafts Association (Himki), stated that Indonesia has the opportunity to boost its exports to the US under this condition.

However, increasing Indonesian furniture and craft exports to the US presents challenges. Indonesia faces competition from countries like Viet Nam, Malaysia, Canada and Mexico, all of which have also recognised this market opportunity. Notably, Viet Nam stands out as a significant competitor due to its well-developed infrastructure and proactive export policies. Another challenge has emerged is the "America First" initiative which emphasises domestic products which, said Sobur, may hinder export opportunities particularly if the US enforces stricter import regulations. For this reason, Sobur suggested that Indonesia must take full advantage of export cooperation agreements such as the Indonesia-Australia Comprehensive Economic Partnership Agreement (IACEPA).

<https://www.itto.int/>, 15 November 2024



EUROPE

SAWMILLS UNDER PRESSURE AS MARKET CONDITIONS REMAIN UNCERTAIN

European sawmillers are continuing to face significant challenges due to ongoing poor market conditions, with expectations of a major boost from the UK Government's ambitious housebuilding agenda proving uncertain. Key industry figures, speaking at Timber Development UK's (TDUK) Global Markets Conference in early November, highlighted the ongoing struggles and market volatility affecting the sector.

Noble Francis, Economics Editor at the Construction Products Association (CPA), addressed a crowd of 200 industry professionals in London, expressing skepticism over the UK Government's target of 1.5 million new homes over the next parliamentary period. He described the target as "ludicrous," noting that the construction sector has faced significant workforce losses, with 385,000 fewer workers since the first quarter of 2019.

While CPA's forecast remains one of "cautious optimism" for the UK construction sector, its projections show modest growth. UK GDP is expected to increase by 1.1% in 2024, 1.7% in 2025, and 2.3% in 2026. Construction output in 2025 is forecast to grow by 2.5%, with private housebuilding rising by 8%. However, these projections are tempered by a 2.9% contraction in overall construction output in 2024, alongside a 9% decline in private housebuilding.

Olle Berg, EVP Market/Sales & Business Development at Setra Group, shared that Swedish, Finnish, and central European sawmillers are continuing to experience severe pressure. The downturn, which began in the second quarter of 2024, is being felt across the sector, and production rates are being kept low. According to Berg, there is little indication that these conditions will improve in the near future, with raw material availability becoming an increasing challenge.

He warned that this continued strain could lead to restructuring in the Swedish sawmilling industry, as profitability challenges persist. Even if market conditions improve, Berg noted that there would be insufficient material to meet potential increases in demand. While optimism remains limited, some recovery is

anticipated. Berg forecasts a 5% improvement in European softwood imports in 2025. Additionally, European softwood exports to the US are expected to grow by 20% after a decline of 17% in 2024. However, softwood exports to China have dropped to their lowest levels in 10 years, with the Chinese economy facing fundamental issues.

The US market is currently seeing healthy levels of softwood consumption, though supply appears to be oversaturated. The North Africa and Middle East markets have emerged as the largest overseas markets for European softwood, with redwood being the predominant product. During a panel discussion at the TDUK event, concerns were raised about the overspecification of C24 timber, which has led to the erosion of the C16 grade market.

Glennon also highlighted the ongoing housing shortage in Ireland, noting that increasing tree planting is crucial for meeting future wood demand. He pointed out the lack of political understanding that in order to build more with wood, more trees must be planted to ensure sustainable supply. As European sawmills continue to navigate these challenges, the industry remains under pressure, and any potential market recovery will need to address these ongoing issues.

<https://www.globalwoodmarketsinfo.com>, 18 Nov 2024



UNITED STATES

FURNITURE IMPORTS AND EXPORTS REBOUND IN FIRST HALF OF 2024

Countries doing business with the United States sent about USD 12.6 billion worth of household furniture to American suppliers, a 5% increase over the same period last year. To put it in context, however, that figure is still about 26% below the USD 17.1 billion in furniture imported in the first half of 2022.

Viet Nam, which has held the number one spot for a few years now, continues its leadership position at USD 4.4 billion in imports, which is up 19% over to the first six months of 2023. Viet Nam's share of the total market is about 35%, while China imports USD 3.2 billion, has around 26% of the total market. China registered a modest gain, growing by 2%. Viet

Nam and China still have a way to go, though, to match their 2022 first-half totals of more than USD 5.1 billion. In that year, just USD 2.5 million separated those countries. Where there were declines among this year's Top 10 sourcing countries for household furniture imports, five saw their totals decline year-over-year for the period, Mexico, Canada, Indonesia, India and Thailand.

As a result, Indonesia slipped to sixth place from fifth, and Thailand dropped to 10th, replaced by Cambodia, which saw its number rise by 16%. This is big improvement over the numbers from the first half of 2023, when all countries except Canada declined between 16% (Mexico) and 39% (China). Within the specific categories of household furniture shipped to the United States, miscellaneous wood furniture remained the largest sector, accounting for more than USD 2.7 billion. It saw a 5% increase year-over-year for the period.

The largest share gainer was wood-frame upholstered seats, which grew by 16% to more than USD 2.1 billion. Also up by double-digits were metal frame upholstered seats and wood kitchen furniture, which includes kitchen cabinets. Three categories experienced a decline during the first six months, metal outdoor seats with textile cushions, down double digits, furniture of other materials, and wood dining tables.

In fact, the figure eclipses by USD 10 million its 2022 figure for the same period. Canada remains the largest trading partner, with exports to America's northern neighbour up 12% to more than USD 782 million. Mexico, which increased its total by 2%, is still a distant second at USD 92 million. Only the United Kingdom, which is the United States' (third place customer) imported less in early 2024 than previously, down by 6%.

In contrast, the United States did much more business with several countries in the first half than in the same period the prior year, with Netherlands up 88%, Saudi Arabia up 48%, and South Korea up 37%. Germany, which bought 35% more, joined Netherlands and Saudi Arabia as returning countries to the Top 10 list. The United Arab Emirates and Dominican Republic, meanwhile, exited the Top 10.

Miscellaneous wood furniture remained the largest category at more than USD 217 million in exports, up 12%. The largest gainer was miscellaneous cane and bamboo furniture, up 22% to just less than USD 80 million. Double-digits gains were also made in wood-frame upholstered seats, mattresses and wood bedroom furniture. Among those countries with large percentage increases for the period, Netherlands focused its purchases on miscellaneous cane and bamboo furniture, miscellaneous wooden furniture and metal furniture. Saudi Arabia, meanwhile, made its largest purchases in imported upholstered

chairs with wood frames and metal frame upholstered seats. Miscellaneous wood furniture was the largest category for South Korea at more than USD 2.2 million, or about 15% of its total.

<https://www.globalwood.org>, 21 Nov 2024



ANTI-DUMPING MEASURES GIVE HOPE FOR BUSINESS REVIVAL

The Association of the German Parquet Industry supports the Implementing Regulation (EU) 2024/2733 recently adopted by the European Commission, which makes imports of multi-layer wooden floors from China subject to registration. This measure is a first important step in the ongoing anti-dumping proceedings against Chinese manufacturers who are disadvantaging the European parquet industry through severely undervalued exports.

"The European Commission's decision sends a clear signal against unfair trade practices and strengthens the competitiveness of our domestic parquet manufacturers," says Michael Schmid. "We expect that this measure will have an immediate impact on the pricing of Chinese dumping suppliers. This is because the registration requirement gives the EU the opportunity to impose retroactive tariffs on imports if dumping by Chinese exporters is confirmed in the course of the EU investigation. The Commission is expected to announce the level of the provisional anti-dumping duties from mid-November, which will come into force from mid-December and apply for six months."

The initiation of this procedure was preceded by a complaint from the Federation of European Parquet Industries (FEP), which pointed to dumping margins of between 60% and 160%. The European parquet industry had suffered massive price and sales pressure as a result of these unfair competition practices, which jeopardised sustainable development and investment. The current measures cover products made of multi-layer wood, but not bamboo or mosaic panels.

The Association of the German Parquet Industry sees this measure as an opportunity to secure sustainable wood processing in Europe and to promote demand for high-quality, locally

produced products. "We are convinced that the EU's decision will not only help to stabilize the European parquet industry in the long term, but also to preserve local jobs and promote environmentally friendly production methods," says Michael Schmid.

<https://www.timberindustrynews.com>, 08 Nov 2024



GHANA

OBTAINED USD 800 MILLION FROM CARBON CREDIT TRADING

The domestic media has reported Ghana earned USD 800 million from carbon markets after trading with foreign countries which included Sweden and Switzerland. President Akufo-Addo disclosed this during the opening of the 29th Conference of Parties (COP29) in Baku, Azerbaijan.

Ghana is on a target project to reduce its carbon emission by 64 million metric tonnes of carbon dioxide equivalent (MtCO₂e) by 2030. The country has adopted 13 mitigating actions intended to cut annual greenhouse gas emissions by 43% since 2021. The President indicated that, despite the financial and technical hurdles, Ghana is determined to reach the Paris Agreement goals in the areas of agriculture, forestry, energy and other sectors and urged his peers the need to take decisive measures to safeguard the environment.

In 2023, Ghana began receiving payments from the World Bank for reducing emissions from deforestation and forest degradation, known as the REDD+. While at COP28, the country signed USD 50 million emission reduction payment agreement with the Emergent Forest Finance Accelerator Incorporated, a US-based non-profit organisation under the Lowering Emissions by Accelerating Forest Finance (LEAF) Coalition.

<https://www.myjoyonline.com>, 12 November 2024



AUSTRALIA

TIMBER INDUSTRY CALLS FOR STRICTER COUNTRY OF ORIGIN LABELLING

The Australian timber industry is pushing for stricter country-of-origin labelling laws after a government-led verification trial revealed that a significant portion of imported timber products could have misleading or inaccurate origin claims. The trial, which tested over 140 products, found that around 25% of items had potentially false species or origin information.

Acting Director of the Department of Agriculture, Fisheries and Forestry, Madeleine Osborn, highlighted the scale of the problem, noting that between 15% to 30% of timber traded globally could be illegally sourced. She also revealed that up to 10% of timber products in the Australian market may have questionable origins, often linked to illegal logging. Osborn warned that illegal logging is one of the most profitable environmental crimes globally, with devastating consequences for ecosystems and local communities.

The trial used advanced techniques, including DNA analysis and wood anatomy, to verify timber species and origins. These methods, comparable to forensic tools like fingerprint databases, uncovered troubling results, such as misleading claims about the origin of products made from Burmese teak, oak from Europe and the U.S., and even potential Russian-sourced veneers.

Diana Hallam, CEO of the Australian Forest Products Association, expressed concern over the findings, particularly the unexpected scale of misleading labels. She emphasized the need for a strong regulatory framework, including mandatory country-of-origin labelling laws for timber products, similar to the system in place for food products. Hallam argued that clearer labelling would not only protect Australian consumers but also support local timber growers by making it easier to distinguish Australian-sourced timber from potentially unsustainable imports. The Department of Agriculture is currently considering the trial's findings and the call for stronger compliance

and enforcement measures. With the timber industry accounting for a significant portion of global trade, advocates believe that these steps are essential to ensure that Australian consumers can make informed choices and that illegal logging practices are curbed.

<https://www.fordaq.com>, 08 Nov 2024



GLOBAL CROSS LAMINATED TIMBER MARKET SET FOR RAPID GROWTH

The global cross laminated timber (CLT) market is poised for significant growth, projected to expand at a compound annual growth rate (CAGR) of 10.6% from 2023 to 2031. Transparency Market Research anticipates that this growth trajectory will elevate the CLT market's sales revenue to an estimated USD 3.0 billion by the close of 2031.

A number of factors drive the rising demand for CLT. Increasingly, insurance companies recognize the safety and structural resilience of CLT buildings, which leads to reduced premiums, making CLT an attractive choice for construction projects. Additionally, CLT's fire-resistant properties and sustainable production processes contribute to its appeal, further boosting its acceptance in the building industry.

A primary driver in the CLT market is the global shift toward sustainable building practices. As the need for eco-friendly materials grows, CLT's environmental benefits, including its role in carbon-neutral construction, align well with green building trends. Rising urban populations also generate increased demand for sustainable housing, where CLT is increasingly used in both residential and commercial projects. The CLT market is marked by strong competition among key players. Prominent industry leaders such as Stora Enso,

Binderholz, and KLH Massivholz GmbH dominate the landscape, offering a diverse range of CLT products tailored for sustainable and high-quality construction.

Europe leads in CLT usage due to established timber construction traditions, especially in countries like Austria and Germany. Industry giants such as Stora Enso and Binderholz thrive here, capitalizing on the region's stringent environmental standards and architectural practices. Sustainability initiatives in the United States and Canada drive CLT's popularity, with companies like Structurlam Mass Timber Corporation pushing innovative applications for timber-based construction. Rapid urbanization and a growing emphasis on eco-friendly materials in the Asia Pacific region, particularly in countries like Japan and China, propel the CLT market forward. Companies such as Sumitomo Forestry and Sodra contribute to this growth by tailoring CLT solutions to regional demands.

<https://www.fordaq.com>, 06 November 2024

KAYU MALAYSIA
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A nature's blessing that evokes memories to last.

LOGS

The average price of logs for species classified under the three hardwood categories in October 2024 is reported to be constant for nearly all 20 listed species. Only two species exhibited a shift of less than 1%, or around 0.2–0.3%, and are classed as modest price fluctuations and regarded as typical.

Six price reference species from the heavy hardwood group are now on the market at the highest rates per tonne, ranging from RM1,260 to RM8,300 per piece. Species in the medium hardwood group achieved the greatest market values of roughly RM1,100 to RM2,650 per tonne, while nine species in the light hardwood group were sold in the present market at the highest prices of RM1,220 to RM3,000 per tonne.

According to timber industry participants, logs prices remain high despite a lack of demand and poor market performance for most timber products in the domestic and international markets.

SAWNTIMBER

The average price of all species of sawntimber products under the three production classes, namely General Market Specification (GMS), STRIPS and Scantling, is said to be consistent with the market pricing circumstances of its principal raw material, logs. According to the data received, practically all 20 species addressed had no price changes and stayed at the same selling price as the previous month.

The average market price for five heavy hardwood species in the GMS production class ranged from RM1,342 to RM6,003 per m³. The average price for the six medium hardwood species was from RM1,730 to RM2,943 per m³, while the remaining nine light hardwood species ranged from RM1,278 to RM2,130 per m³.

In the STRIPS manufacturing class, chosen heavy hardwood species had an average price ranging from RM1,088 to RM5,650 per m³. The reference species in the medium hardwood group were marketed at prices ranging from RM1,201 to RM2,331 per m³, while the remaining nine species in the light hardwood group had an average market price of RM1,095 to RM1,995 per m³.

The average market price for scantling production class species remains stable in the timber industry market, with prices ranging from RM1,246 to RM6,356 per m³ for chosen species of the heavy hardwood group. The five medium hardwood species were traded at an average price of RM1,766 to RM2,495 per m³, whereas nine light hardwood species were traded at RM1,165 to RM3,355 per m³.

PLYWOOD

The current average market pricing for 4mm, 6mm, 9mm, and 12mm thickness plywood goods with a width and length of 4' x 8' in October 2024 remained unchanged from the previous month. As a result, the average price per piece of plywood for the four sizes remained at RM19.40, RM26.00, RM38.25 and RM48.85, with the largest price range being between RM19.40 and RM49.00 per piece.

MEDIUM DENSITY FIBERBOARD (MDF)

MDF panel products, like plywood, saw average price maintenance in all four sizes sold in October 2024. MDF with thicknesses of 4mm, 6mm, 9mm, and 12mm were offered at a market price of roughly RM12.90, RM23.80, RM31.60 and RM37.75 per piece respectively, with the maximum price reported ranging from RM12.90 to RM42.00 per piece depending on size.

TRADE IN MALAYSIA*
- OCTOBER 2024

In October 2024, commerce between Sabah and Sarawak with Peninsular Malaysia totalled at 14,340 m³, with a value of RM10.92 million. The state of Sabah contributed the most timber product trade value, accounting for around 91% of the total, with the trading of the four primary timber products, while Sarawak accounted for approximately 9% via the trade of its two timber products.

Logs, sawntimber, plywood and veneer are the four timber products transported between Sabah and Peninsular Malaysia. In October 2024, transaction volume reached 13,594 m³ with a value of RM9.94 million, a 71% rise from the previous month. For the current month, veneer was the largest contributor to the trade value between the two regions, recording a trade value of RM3.52 million with a trade volume of 1,546 m³, followed by plywood products with a trade value of RM3.02 million, logs with RM2.97 million and sawntimber with RM0.43 million.

The entire trade value of timber products from Sarawak to Peninsular Malaysia fell by 44% in October 2024 and 47% in total product volume compared to the previous month. Only two items, sawntimber and plywood were traded, as was the case in the month before. The transaction of two wood products with a volume of 746 m³ yielded RM0.97 million in total. Plywood goods continued to be the highest contribution to trade value between the two areas, with RM0.70 million, followed by sawntimber at RM0.27 million.

***AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDF
IN PENINSULAR MALAYSIA
RINGGIT MALAYSIA
OCTOBER 2024**

SPECIES	LOGS/ton	SAWN TIMBER/m³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	5,000	6,003	5,650	6,356	
Balau	3,717	3,055	2,338	4,590	
Red Balau	1,959	2,754	2,119	2,419	
Merbau	2,875	3,754	3,225	3,725	
Mixed Heavy Hardwood	1,088	1,342	1,225	1,246	
MEDIUM HARDWOOD					
Keruing	2,192	2,943	2,331	2,495	
Kempas	1,357	2,166	2,048	2,331	
Kapur	1,804	1,746	1,289	1,853	
Mengkulang	1,779	1,299	1,201	2,013	
Tualang	1,300	1,907	1,448	1,766	
LIGHT HARDWOOD					
Dark Red Meranti	1,759	2,130	1,942	3,355	
Red Meranti	1,840	1,754	1,995	2,307	
Yellow Meranti	1,667	1,799	1,530	1,695	
White Meranti	1,667	2,036	1,801	1,624	
Mersawa	1,459	2,013	1,283	2,154	
Nyato	1,480	1,801	1,795	1,201	
Sepetir	1,320	1,819	1,660	1,295	
Jelutong	1,384	2,119	1,589	1,819	
Mixed Light Hardwood	1,157	1,278	1,095	1,165	
MALAYSIAN RUBBERWOOD Hevea brasiliensis	LOGS/ton	SAWNTIMBER/m³			
	204	1" X 1"	2"X2"	3"X 3"	4" X 4"
		1,235	1,330	1,380	1,520
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

	Sep-24		Oct-24		% change in volume	% change in value
	Vol(m ³)	Val(' 000 RM)	Vol(m ³)	Val(' 000 RM)	SEP/OCT	SEP/OCT
Sabah						
Logs	5,818	1,647	10,288	2,974	77	81
Sawn Timber	296	748	264	427	-11	-43
Plywood	1,327	2,579	1,496	3,022	13	17
Veneer	345	845	1,546	3,520	347	317
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	462	642	138	274	-70	-57
Plywood	953	1,107	608	701	-36	-37
Veneer	0	0	0	0	0	0

Source: Department of Statistics Malaysia

Tabulated: Malaysian Timber Industry Board

GRI Gamble: Carriers Play Hardball With Asia-Europe Spot Rate Hikes



Container shipping lines on the main east-west trades this week managed to reverse 15 weeks of consecutive declines in spot freight rates by managing to push through a general rate increase on ex-Asia loadings. This week's Drewry World Container Index (WCI) saw the spot rate on the Shanghai-Rotterdam leg rise 8% week on week, to \$3,396 per 40ft, while the Shanghai-Genoa leg grew 11%, to \$3,648 per 40ft.

One European forwarder told The Loadstar the hike was largely due to a 1 November general rate increase that was applied last week for bookings on shipments due to be loaded in Asia from today – for example, MSC notified customers in October that its new FAK rate from 1 November was \$5,000 per 40ft from Asia to North Europe. “The GRIs we saw applied last week are already being reduced, and we do not expect these rates to maintain beyond November. It seems more an attempt to slow the decline in rates after Golden week,” he said.

“Feedback from customers who move cargo on these lanes is that they have enough stock now and demand will be low for the next three months – so we can't see any reason why rate levels will maintain elevated levels, longer-term. “Bookings have been a little tight, but this was due to the blank sailings not extra demand from customers,” he explained.

An analysis of the eeSea liner database shows that, of 168 liner services scheduled to operate Asia-North Europe and Asia-Mediterranean services in October, only 147 actually set sail, the remaining 21 sailings being blanked. This had the effect of reducing capacity on the trades by around 300,000 teu, the scheduled 1.88m teu reduced to 1.57m teu.

A further attempt at hiking Asia-Europe rate levels is scheduled for 15 November, although the quantum varies considerably among carriers: MSC has notified a new FAK rate of 5,500 per 40ft for Asia-North Europe shipments; Hapag-Lloyd

has announced \$3,500 per 40ft for North Europe and \$3,700 to west Mediterranean; CMA CGM is aiming for \$5,700 per 40ft on Asia-West Mediterranean shipments; while Maersk has introduced a peak season surcharge of \$500 on all Asia-Europe shipments.

However, Xeneta chief analyst Peter Sand described the spot rate hikes as “desperate”, and said they were part of carriers’ negotiating strategy as shippers and lines begin to discuss 2025 contracts, which typically run January-December on Asia-Europe.

“Tender season for new long-term contracts is already under way for many European shippers, so it is no coincidence these are the trades where carriers are fighting so hard to keep the spot market elevated in the hope it strengthens their hand at the negotiating table. “European shippers may be spooked by the uptick in average spot rates on these trades at the beginning of November, but it is clear the fundamental direction of the market is downward.

“That is why it is vitally important that European shippers pay close attention to market developments during November, because these desperate efforts by carriers to push up spot rates are unlikely to succeed for too long, and it could have a significant bearing on the long-term rates they secure for new contracts coming into force in January,” he said. Elsewhere, spot rates on the transpacific and transatlantic trades were unchanged, week on week.

Source: The Loadstar _November 1, 2024

High Container Rate Volatility To Enter 5th Consecutive Year; Measures To Mitigate The Uncertainty



For shippers and BCOs, over recent years container shipping has felt like a relentless cycle of disruptions, delays and freight rate volatility.

In this article we explore what measures logistics teams can take to mitigate these challenging dynamics. Drewry data shows that there have now been 4 or 5 years of huge volatility, depending on which market segment you look at. We have also warned our shipper, forwarder and carrier customers to expect little change next year, with 2025 likely to mark the 5th consecutive year of high volatility in ocean freight rates.

Drewry tracks both ocean contract rates and spot rates and found that average freight rates (including both contract and spot rates) on the major East-West routes decreased by about 60% in 2023 and are expected to have risen by about 20% in 2024 year-on-year.

Our forecast model for the main scenario of expected US port strikes in Q1 2025 shows that ocean contract rates on routes to the US will rise in 2025, despite the addition of substantial new ship capacity. We also anticipate that spot rates on East-West routes will decline in the second half of 2025.

Even for contract rates, which used to be much more stable than spot rates, we have seen wild price swings since the beginning of 2021, with standard deviations in average contract rates increasing more than 10-fold. So, this is already 4 years of crazy price volatility in ocean contract rates (2021 to 2024). But for spot rates, which tend to be used by small shippers or for ad hoc or excess volumes by large carriers, many shippers were already starting to feel the effects of extreme volatility in 2020.

This year, rates in the spot market appeared to have peaked in July and saw 3 months of rapid decline, but started rising again in late October. In the contract market, according to shipper/members of Drewry Benchmarking Club, exporters and importers have had to battle with carriers about requests to accept Red Sea and Peak Season Surcharges. Due to capacity shortages, carriers have been able to enforce surcharges on the Asian routes, as happens during strong years.

What should shippers do about these long-lasting problems?

Shippers need to be aware that the shipping industry will continue to be disrupted and that there are risks and a need for contingency plans and active vendor management. Resilience will require a different

way of vetting, selecting and working with ocean carriers or third-party logistics providers and greater attention to assessing and responding to geopolitical risks. Indeed, some shippers we are working with have appointed staff dedicated to monitoring geopolitical risk in supply chains.

Thanks to our extensive cost benchmarking capabilities, the valuable insights from our Benchmarking Club closed user group and in-house team of procurement-experienced industry consultants, we are well-placed to support shippers' procurement strategies in 4 closely-related and specialist areas: Forecasting contract and spot rates; Identifying market signals that things are changing; Quantifying the level at which surcharges can be renegotiated (using both calculations of underlying ocean carrier costs and peer benchmarking); Modelling scenarios of supply and demand and associated market risks.

Custom bid support for shippers/BCOs

We work with logistics operations and procurement teams in some of the world's top manufacturers and retailers, helping them benchmark their ocean freight costs and improve their ocean freight tender processes by combining robust market intelligence with powerful procurement technologies and proven best practices.

Source: hellenicshippingnews.com _ November 12, 2024



FAK Fantasy: Carriers Struggle To Keep Rates Afloat



Container spot rates were largely unchanged for a third consecutive week, as it became evident that a 15 November rate hike on Asia-Europe trades had failed to have anything more than a marginal impact on pricing.

Drewry's World Container Index (WCI) global composite rate declined 1%, although its Shanghai-Rotterdam leg edged up 1% and ended the week on \$4,071 per 40ft, while the Shanghai-Genoa route was up 3% week on week, to \$4,520 per 40ft.

Although these rates are some 255% and 229% higher year on year, forwarders on the trades remarked that repeated attempts recently by carriers to further lift spot freight rates appeared to have had little effect, and they were sceptical that the effect of new FAK (freight all kinds) rate levels scheduled for 1 December would be any different.

"Rate levels have been flat, we keep getting GRIs [general rate increases] but they quickly drop away, and we're not expecting any significant rate increase for December to stick," one told *The Loadstar*.

Traditionally, the final two months of the calendar year would see carriers and their customers hammering out the terms of the following year's Asia-Europe annual contracts, and the level at which they are set is often guided by spot rate behaviour. Now, the trade waits to see if the 1 December FAK hikes stick.

This morning, CMA CGM announced an FAK of \$6,500 per 40ft on Asia-West Mediterranean ports, the same rate MSC announced earlier this week, while Hapag-Lloyd will set a rate of \$6,100 to North Europe and \$6,400 to the West Mediterranean on the same date. Given that achieving carriers' desired rate levels would require a 50% week-on-week increase in Asia-Europe spot rates, the chances of these FAK

hikes fully sticking appear to be close to zero.

Meanwhile, the calendar for the Asia-Europe contracts appears to have slid from a January-December set-up to Q1-to-Q1 arrangement, with many shippers reluctant to sign anything before Chinese New Year, set to begin on 27 January. "We've had a busy tender season so far, but most clients seem to be holding out on negotiations post-CNY, which makes sense," one forwarder told *The Loadstar*. This was confirmed last week by Hapag-Lloyd CEO Rolf Habben Jansen, who told analysts during the company's third-quarter earnings call that "it is still very early for the Far East contracting season".

He added: "Yes, negotiations have started in many cases, but most of those contracts will only be closed in the first quarter." And he said that, of "the early ones that have been closed, there we definitely see that rates are up. They don't go to the level of spots, but they are definitely up compared to what we had before".

Meanwhile, the WCI's Shanghai-Los Angeles spot rate shed 5% this week, down to \$4,488 per 40ft, while the Shanghai-New York leg was flat, at \$5,210 per 40ft. Carrier attempts to raise prices have seen a number of blank sailings announced in a short-term measure to curtail capacity – Drewry's Cancelled Sailings Tracker reports 70 sailings cancelled between next week and the end of the year, representing some 10% of scheduled departures globally.

It said that 50% of these would be on the transpacific eastbound trade, 27% on the transatlantic westbound and 23% on Asia-Europe westbound, and the consultancy warned shippers and forwarders that further blanks could be on their way, while schedule reliability may also take a hit.

"Over the next five weeks, we anticipate a decline in schedule reliability, with approximately 10% of vessels expected to miss their scheduled sailings. "To sustain higher rates, carriers are likely to implement additional cancellations, cargo owners operating in this trade should proactively prepare for potential disruptions," it said.

Source: *The Loadstar* _ November 22, 2024

Shipping Lines Won't Pay For Reduced Emissions By Terminal Operators



Speaking at TOC Asia Datuk Ruben Emir Gnanalingham, Executive Chairman and Group Managing Director of Westport Holdings did not pull his punches when it came to a lack of willingness to pay for reduced emissions by terminal operators.

Gnanalingham stated the cause of emissions was ultimately consumers. The problem is he said that studies show only 20% are willing to pay more to reduce emissions and that of those 20% very few were willing to pay a lot. This issue of not being willing to pay is amplified when it comes to container shipping and their customers. "If you don't have ROI backing your plan it's not going to work especially in the container shipping industry where everyone is basically a low cost carrier," he said.

"I know some shipping lines say they

prefer service over price, but I can tell you all shippers care about is price. They don't care about service, they pretend to care delivery comes on time, but actually price is the most important part." This then passes on down the line to Westports in terms of price pressure and a lack of willingness to pay for reduced emission by the terminal operator. "None of these customers [shipping lines] are willing to pay more and it's because none of their customers are willing to pay more."

For its own decarbonisation Westports is exploring using alternative fuels including a couple of electric trucks. However, the EVs have not proved as green as hoped due to the electricity supplied by the Malaysian power grid. "I think the problem there is in Malaysia the grid is so dirty that actually electrification means higher emissions," Gnanalingham shared. Emission from the electric trucks were actually 50% higher than using diesel. "Electrification does not always make sense," he stated. However, a different case is seen for the electrification of RTGs in the yard.

When it comes to Scope 3 to emissions the port has installed a solar panels for lighting and air conditioning and is exploring wind energy given the port sits on the Malacca Straits. In terms of Scope 3 the port is waiting to see where shipping companies commit in terms of alternatives fuels. Gnanalingham noted that all alternative powered vessels were dual-fuel but none seemed committed to a single fuel.

Source: seatrade-maritime.com_November 27, 2024

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m³)	% change Sep'24/Oct'24
	m³	% Change	m³	% Change	m³	% Change	m³	% Change	m³	% Change		
Sawntimber	36,652	-2	13,000	1,380	537	32	377	8	3,984	45	54,550	30
MDF	16,235	70	0	0	2,709	26	276	76	212	3	19,531	61
Mouldings	15,778	1	5	179	1,221	24	1,556	-8	271	16	18,829	1
Plywood	2,523	150	0	0	64	6	766	83	6,269	9	9,622	33
Veneer	1,843	205	0	0	27	-39	0	-100	3,008	28	1,843	202
Particleboard	16,290	-4	0	0	404	1,843	0	0	3,832	-31	20,527	-9
TOTAL	89,320	10	13,004	1,378	4,961	35	3,075	15	17,575	4	127,936	21

OCTOBER 2024

The total export of Malaysian timber and timber products in September 2024 increased by 3% in value totalled at RM1.9 billion from RM1.8 billion in the previous month. Similarly, the cumulative exports for the period of January – October 2024 increased by 6%, valued at RM19.0 billion over RM17.9 billion in the previous corresponding period.

The global market for cross laminated timber (CLT) is set for significant growth, with its valuation expected to rise from USD1.40 billion in 2023 to USD3.55 billion by 2030, representing a compound annual growth rate (CAGR) of 14.2%, as reported by Maximize Market Research. CLT is transforming the construction industry with its sustainable, durable, and versatile properties. Manufactured from renewable wood resources, it has become a cornerstone of eco-friendly building practices. Its lightweight and prefabricated nature streamline construction timelines and reduce material waste, making it a preferred choice across residential, commercial, and industrial sectors. The market's rapid expansion is fueled by supportive regulatory frameworks and growing environmental awareness. Policies such as updated international building codes permitting taller wooden structures and mandates like France's requirement for public buildings to contain 50% wood have removed key barriers to adoption. Additionally, government incentives promoting green construction are further propelling CLT's integration into mainstream construction practices.

SAWNTIMBER

Total export of sawntimber in October 2024 increased by 34% in volume and 24% in value to 90,343 m³ totalling at RM12.3 million as compared to the previous month. Meanwhile, cumulative exports for the period of January–October 2024 decreased by 3% in volume and 8% in value to 829,240 m³ totalling at RM1.7 billion over the previous corresponding period.

Exports to the EU for the month were recorded at 6,272 m³, an increase of 60% as compared to 3,913 m³ in the previous month. The Netherlands as the main buyer decreased buying by 5% to 1,992 m³ from 2,105 m³ in the previous month. Meanwhile, export to Belgium increased by 254% to 426 m³ followed by Germany with an

increase of 154% to 1,111 m³ respectively. In other parts of Europe, exports to the UK increased by 12% to 756 m³ from 675 m³ in the previous month.

Total export to South Asia increased by 8% to 13,890 m³ from 12,882 m³ as recorded in the previous month. India as the main buyer from South Asia increased intake by 4% to 8,281 m³ from 7,972 m³ as recorded in the previous month. Similarly, exports to Sri Lanka increased by 13% to 2,413 m³ whilst Maldives decreased buying by 12% to 1,630 m³.

Similarly, total export to West Asia increased by 83% to 23,201 m³ from 12,697 m³ as recorded in the previous month. The UAE as the main buyer increased exports by 45% to 6,001 m³ from 4,150 m³ as recorded last month. Likewise, exports to Yemen also increased by 584% to 6,111 m³ as compared from 894 m³ in the previous month followed by Iraq with an increase of 33% to 1,891 m³.

Shipments to East Asia increased slightly to 18,207 m³ from 17,961 m³ in September 2024. China as the main buyer increased purchases by 17% to 11,179 m³ from 9,526 m³ in the previous month. Exports to Taiwan decreased by 25% to 3,223 m³ from 4,304 m³ last month whilst Japan increased intake by 1% to 2,565 m³ compared to 2,533 in the previous month.

Similarly, buying from ASEAN increased by 59% to 23,456 m³ from 14,795 m³ as registered in the previous month. Thailand as the main buyer in ASEAN decreased its intake by 9% to 5,663 m³ from 6,205 m³ as recorded in the previous month. Meanwhile, exports of sawntimber to Singapore increased by 5% to 6,869 m³ followed by the Philippines with an increase of 772% to 9,827 m³ from 1,126 m³ last month.

Moving to the Africa region, exports to Africa decreased by 14% to 2,238 m³ compared to 2,598 m³ in the previous month. Similarly, demand from South Africa also decreased by 37% to 1,411 m³ from 2,234 m³ whilst Mauritius increased buying by 120% to 654 m³ from 298 m³ in the previous month.

Elsewhere, the USA as a major buyer from North America increased its intake by 16% to 1,305 m³ from 1,123 m³ whilst Canada resumed its buying with 35 m³ compared to the previous month. In the Oceania/Pacific region, export to Australia increased by 4% to 962 m³ from 967 m³ in the previous month whilst New Zealand resumed its buying to 21 m³.

The average FOB price of sawntimber decreased by 7% to RM1,907 per m³ from RM2,049 per m³ in the previous month. The price of Dark Red

Meranti to the Netherlands also decreased by 11% to RM3,557 per m³ from RM3,984 per m³ in the previous month. Keruing was traded at RM2,533 per m³, a decrease of 9% from RM2,796 per m³ in the previous month.

China's economy, the world's second largest, has faced significant challenges this year, including a deepening property market crisis, mounting local government debt, and weak domestic demand. The Central Economic Work Conference (CEWC) pledged to maintain the basic stability of the yuan at a "reasonable and balanced level," in line with China's broader strategy to manage external shocks and ensure economic stability. Financial markets closely monitor such statements for clues on China's currency policy, as the yuan has been under pressure amid trade disputes. In line with the recent dovish statements from China's Communist Party leadership, which called for an "appropriately loose" monetary policy and "more proactive" fiscal measures, the CEWC is committed to increasing government spending and borrowing. This includes issuing more debt at both the central and local government levels, as well as cutting interest rates and reducing bank reserve requirements.

PLYWOOD

Export of plywood in October 2024 recorded an increase of 15% in volume at 93,836 m³ and 10% increase in value to RM182.8 million as compared to the previous month. The cumulative exports for the period of January - October 2024 showed an increase of 6% in volume to 928,478 m³ but 1% decrease in value totalling at RM2.0 billion over the previous corresponding period. The EU region recorded an increase of 155% from 390 m³ to 994 m³. The Netherlands and Ireland resumed their buying with 163 m³ and 659 m³ respectively. Meanwhile, Poland reduced its purchases by 73% to 81 m³ from 301 m³ in the previous month. In other parts of Europe, the export recorded a decrease of 65% to 3,893 m³ from 10,982 m³ in the previous month. Plywood purchases by the UK decreased by 71% to 3,223 m³ but Turkiye improved buying with a tremendous hike of 2382% to 670 m³.

Moving to the East Asia market, volume

increased by 22% to 54,410 m³ from 44,467 m³ in September. Japan as the largest importer in the region added up its buying by 33% to 46,447 m³ from 34,912 m³ followed by South Korea with an increase of 32% of sales to 3,677 m³. Taiwan reduced its import 36% to 3,889 m³ from 6,034 m³. In ASEAN region, the import increased by 15% from 4,742 m³ to 5,459 m³. Plywood export to Singapore and the Philippines recorded a growth by 31% to 2,187 m³ and 284% to 1,363 m³ each. Meanwhile, Thailand reduced imports by 38% to 1,431 m³.

In the South Asia region, plywood purchase rose by 98% from 979 m³ to 1,937 m³. India and Maldives increased their imports by 79% to 1,633 m³ and 202% to 196 m³ respectively. The West Asia region recorded an improvement in import performance by 56% to 13,808 m³ from 8,836 m³ in the previous month. Import performance in Yemen and Jordan increased by 55% to 12,226 m³ and 198% to 653 m³ respectively while Oman resumed its purchase with 539 m³.

In the Africa region, plywood export decreased by 94% from 193 m³ to 11 m³ with purchases from South Africa. The North America region showed an increase of 17% from 9,264 m³ to 10,799 m³. The USA as the main buyer increased purchase by 17% to 9,269 m³. This was followed by Mexico with an increase in sales by 0.1% to 1,198 m³ and Canada by 98% to 332 m³. Plywood export in the Oceania/Pacific region also recorded an increase of 49% to 2,525 m³ from 1,692 m³. Australia increased its purchase by 52% to 2,471 m³ while New Zealand didn't make any purchase for the month.

The FOB price of plywood for October 2024 was RM1,948 per m³, a decrease of 4% from RM2,034 per m³ from the previous month.

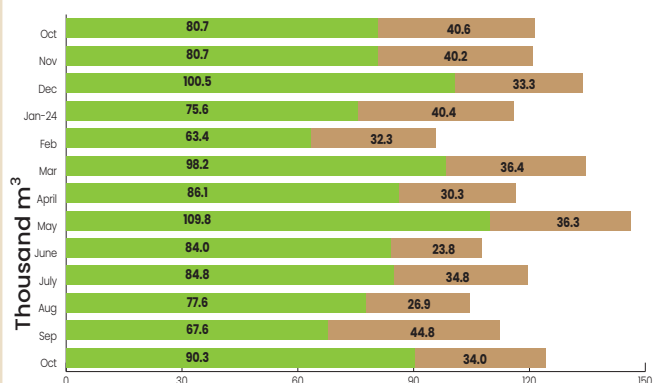
According to the Monthly Indicator Economic Growth as reported by Maldives Bureau of Statistics, October 2024 monthly GVA (gross value added) for construction was MVR399 million. This indicates a slight positive growth compared to September 2024 with preceding month growth rate at 0.7%, for October 2024, whereas, the corresponding month growth rate reflects a significant decline compared to October 2023 with a growth rate of -11.1% for October 2024. Over the years, the construction sector has experienced significant volatility driven by economic factors

such as rising material costs and tighter financial conditions, often worsened by unforeseen events.

Malaysia: Export of Sawntimber and MDF

Oct 2023 – Oct 2024

SAWNTIMBER FIBREBOARD



VENEER

Export of veneer in October 2024 increased in volume by 5% to 5,140 m³ but decreased in value by 2% worth RM8.9 million as compared to the previous month. The cumulative export for January – October 2024 showed an increment in both volume and value by 48% to 46,571 m³ and 39% to RM92.3 million over the previous corresponding period.

ASEAN recorded a decrease in veneer import by 20% from 277 m³ to 221 m³ last month with purchases from Singapore. In East Asia, export increased by 5% from 4,042 m³ to 4,242 m³. China added up its veneer import by 50% to 2,522 m³. However, Taiwan and South Korea reduced their imports by 28% to 805 m³ and 49% to 490 m³ each. Similarly, the South Asia region recorded an increase in import by 102% to 174 m³ from 86 m³ in the previous month. Veneer purchases by India and Bangladesh increased by 146% to 140 m³ and 14% to 33 m³ each.

Moving to North America, veneer import recorded a significant improvement of 698% to 375 m³ with purchases being from the USA. In the Oceania/Pacific region, sales were recorded at 119 m³ with purchases being from Australia, while in the Africa region, no veneer sales were made for the month.

The average FOB price for veneer decreased by 7% from RM1,863 per m³ to RM1,735 per m³ as compared to the previous month.

In July – September 2024 quarter, housing sales in eight major India cities rose by 5% year-on-year to 87,108 units, marking the highest quarterly sales of the year. This surge was primarily driven by strong demand for premium homes priced above Rs 1 crore, with Mumbai recording the highest sales at 24,222 units, a 9% increase from the previous year. Bengaluru experienced the most significant growth among larger markets, with an 11% rise to 14,604 units. This upward trend in housing sales is expected to bolster the demand for wood panels and decorative interior products in the subsequent months of October and November.

MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in October 2024 recorded a 24% decrease in volume at 33,966 m³ and 23% in value at RM58.7 million compared to the previous month. Similarly, cumulative exports for the period of January – October 2024 recorded a decrease in volume of 12% to 340,094 m³ and a decrease of 8% in value totalling at RM630.2 million as compared to the corresponding period in 2023.

Export to ASEAN increased by 37% from 4,105 m³ to 5,606 m³ in the previous month. Indonesia and Viet Nam improved their imports by 48% and 46% to 1,410 m³ and 1,445 m³ respectively. This was followed by the Philippines with an increase of 38% to 2,295 m³ from 1,665 m³.

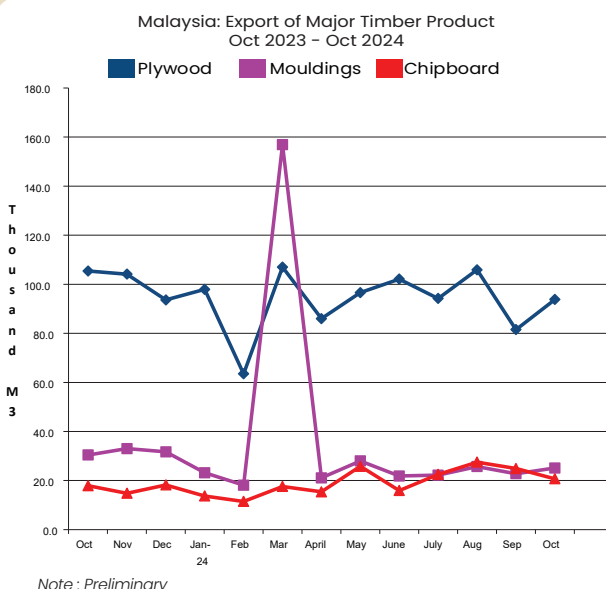
Elsewhere, MDF purchases by East Asia decreased by 29% from 14,690 m³ to 10,385 m³ in the previous month. Exports of MDF to Japan and Taiwan recorded a decrease of 31% and 43% to 9,531 m³ and 269 m³ each. China resumed its buying with 21 m³. Moving to the South Asia market, export fell by 9% from 4,263 m³ to 3,886 m³. Export to Pakistan reduced by 40% to 889 m³ while India increased buying by 43% to 2,762 m³.

Export to the West Asia region recorded a decrease of 48% from 17,646 m³ to 9,259 m³ compared to previous month. The UAE increased buying by 18% to 7,905 m³ but Oman reduced imports by 73% to 1,089 m³. Meanwhile, Lebanon did not make any purchase for the month. The UK increased its imports of MDF to 22 m³ from 19 m³ in the previous month.

Export to the Oceania/Pacific region recorded a slight decrease of 1% to 1,980 m³ from 1,996 m³ with purchases from Australia recording at 1,958 m³ while New Zealand resumed its purchase with 22 m³. MDF import into North America showed an increase of 48% from 1,848 m³ to 2,733 m³ compared to the previous month. MDF purchases by the USA, Mexico and Canada increased by 57% to 1,555 m³, 23% to 744 m³ and 70% to 434 m³ each. In the Africa region, MDF purchase recorded a decrease of 41% to 94 m³ with purchases from South Africa being 53 m³ while Kenya resumed its purchases with 42 m³. On the other hand, the Central America and South America region didn't make any purchases for the month.

The average FOB price of MDF increased by 1% to RM1,727 per m³ from RM1,704 per m³ in the previous month.

According to Dodge Construction Network, in October 2024, USA construction activities rebounded with a 4% increase in total starts, reaching a seasonally adjusted annual rate of USD1.2 trillion. This growth was driven by a 14% surge in non-residential building starts and a 2% uptick in non-building projects, while residential starts declined by 3%. Notable projects initiated include the USD2.2 billion Henry Ford hospital tower in Detroit and the USD1.6 billion natural gas pipeline in Haynesville, Louisiana. Despite these gains, Chief Economist Richard Branch noted that the effects of failing interest rates have yet to materialise, suggesting that additional rate cuts and reduced political uncertainty could further stimulate construction activity in the coming year.



MOULDINGS

In October 2024, export of mouldings increased by 10% in volume, reaching 25,141 m³, and by 20% in value, amounting to RM88.7 million, compared to September 2024. For the cumulative period from January to October 2024, exports of mouldings rose by 56% in volume to 365,014 m³ and by 14% in value to RM799 million compared to the same period in 2023.

Exports to ASEAN countries increased by 21% to 946 m³ in October, up from 782 m³ in September 2024. Exports to Singapore rose by 34% to 802 m³, while exports to Vietnam decreased by 21% to 144 m³. In the East Asia region, exports declined by 5% to 1,520 m³ in October. However, demand from South Korea grew significantly, increasing by 86% to 673 m³. In contrast, exports to Japan and Taiwan decreased by 29% to 669 m³ and by 80% to 17 m³, respectively.

In the South Asia region, export volume showed a positive trend, increasing by 239% to 860 m³ in October compared to the previous month. This growth was driven by demand from India which increased by 212% to 748 m³ whilst Sri Lanka resumed its buying with 27 m³. In West Asia, export volume declined by 19% to 65 m³ in October compared to September 2024 while demand from the UAE grew by 160% to 65 m³.

Exports to the EU bloc increased by 38%, reaching 6,767 m³ in October compared to 4,904 m³ in September 2024. The Netherlands and France recorded increases of 44% to 4,520 m³ and 11% to 738 m³, respectively. However, exports to Germany declined by 41% to 216 m³. In the UK, demand decreased by 60% to 322 m³, while Türkiye resumed its buying with 21 m³.

In the Oceania and Pacific region, total export rose by 59%, reaching 1,602 m³ in October compared to 1,011 m³ in September 2024. Australia exhibited strong growth, with exports increased by 54% to 1,535 m³, while Guam resumed its buying to 20 m³.

In North America, total demand decreased by 3% to 12,498 m³ in October. Despite being the largest importer of mouldings from the region, exports to the USA decreased slightly to 12,452 m³ compared to 12,690 m³ in September 2024.

Similarly, exports to Canada plummeted by 91% to 17 m³.

In the Africa region, exports to Mauritius increased by 60% to 347 m³ from 217 m³ in the previous month. Meanwhile, South Africa's demand remained steady, growing by 5% to 192m³.

The average FOB unit value for mouldings increased by 9%, reaching RM3,528 per m³ compared to RM3,239 per m³ in September 2024.

According to a Business Wire report, India's construction industry is poised for robust growth, with an anticipated 11.2% increase to INR 25.31 trillion in 2024. It is projected to achieve a compound annual growth rate (CAGR) of 9.6% from 2024 to 2028, reaching INR 36.58 trillion. This growth encompasses the residential, commercial, industrial, and infrastructure sectors, driven by government initiatives such as the National Infrastructure Pipeline and the Smart Cities Mission, rising urbanisation, and the adoption of modern technologies. Contributing 8% to GDP and employing over 40 million people, the construction sector benefits from increasing demand for housing, commercial spaces, and infrastructure development. Initiatives like the Pradhan Mantri Awas Yojana and investments in green and sustainable construction underline its transformative potential to support India's economic growth.

The residential segment continues to experience strong demand due to urbanization and government programs, with robust sales and new launches in cities such as Mumbai and Delhi. Commercial construction is thriving, driven by rising demand for office spaces, technological advancements, and foreign investments. Institutional construction is bolstered by government spending on education and healthcare, while infrastructure development benefits from significant projects in transportation and utilities. Despite challenges such as rising material costs and geopolitical uncertainties, the industry is set for steady expansion, offering significant opportunities for stakeholders and supporting India's vision of global economic leadership.

BUILDERS JOINERY AND CARPENTRY (BJC)

Exports of BJC in October 2024 increased by 5% in volume to 13 million kg and in terms of value, they decreased by 2% worth RM117 million compared to the last month, September 2024. However, when compared year-on-year, exports of BJC for the cumulative period of January–October 2024 were consistent with 7% in volume and 2% in value to 115.7 million kg worth RM1.1 billion.

Demand from the ASEAN region decreased by 15% to RM113.8 million with Singapore as the highest buyer reducing its intake to RM81.5 million, a decrease of 23% from RM105.2 million in the previous corresponding period. However, exports to Viet Nam and Thailand grew by 35% to RM11.2 million and 67% to RM12.8 million respectively.

Meanwhile, exports to East Asia countries expanded by 2% to RM76.5 million over RM74.9 million in the corresponding period in 2023. Japan was recorded as the highest buyer with an increase of 10% to RM54.6 million. China decreased intake slightly to RM10.4 million whilst Taiwan decreased its intake by 9% to RM7.0 million from 7.7 million in the corresponding period in 2023.

Intake from South Asia countries increased by 14% to RM34.1 million with India maintaining as the largest buyer by expanding its buying by 16% to RM21.6 million. Similarly, Sri Lanka increase intake by 249% to RM4.6 million whilst Maldives moderately decreased its demand to RM4.9 million for the cumulative period of January – October 2024. Moving on to West Asia countries, the UAE recorded a decrease of 33% to RM2.3 million from RM3.5 million over the same cumulative period in 2023. Meanwhile, Saudi Arabia increased its intake by 1623% to RM3.8 million whilst Kuwait maintained its buying with RM610,333.

Moving on to the EU bloc, exports of BJC decreased by 10% worth RM213.1 million from RM236.6 million in the same corresponding period in 2023. Exports to the Netherlands grew by 59% to RM71.7 million from RM45.2 million in the same period of January–October 2023. Exports to Belgium reduced by 7% worth RM67.0 million followed by France with a decrease of 27% worth RM17.2 million. Meanwhile, exports to the UK increased by 7% to RM116.3 million from RM108.6 million. Similarly,

exports to Norway increased by 591% worth RM 12.0 million. However, Turkiye decreased buying by 33% to RM805,382 from RM1.2 million from the same corresponding period.

As the largest buyer of BJC for the period of January – October 2024, demand from the North America region was worth RM306.9 million, an increase of 13% from RM272.0 million in the same period in 2023. Exports to the USA increased by 18% to RM300.6 million from RM254.1 million in the same period, 2023. Export to Canada expanded by 117% to RM5.9 million from RM2.7 million in its corresponding period in 2023. Meanwhile, Mexico reduced its intake by 99% to RM189,983 from RM15.1 million in the same corresponding period followed by Uruguay with a decrease of 32% to RM874,435 from RM1.3 million over the same period in 2023.

Shifting to the Oceania/Pacific region, export expanded moderately by 4% to RM211.8 million with Australia as the largest buyer recording an increase of 5.3% to RM191.8 million. Export to New Zealand was down by 9% to RM16.3 million whilst Western Samoa increased export by 13% worth RM1.1 million. Elsewhere, exports to the Africa region dropped by 9% to RM9.4 million. Intake from both South Africa and Mauritius increased by 10% to RM4.9 million and by 97% to RM2.0 million respectively. Meanwhile, Seychelles decreased its intake by 52% to RM1.2 million for the cumulative period of January – October 2024.

The Business Research Company indicated that the builders' joinery and carpentry of wood market has experienced significant growth in recent years. In 2024, the market size reached USD 72.56 billion and is projected to grow to USD 76.72 billion in 2025, reflecting a compound annual growth rate (CAGR) of 5.7%. This growth has been driven by factors such as increasing export promotion and trade agreements, government support for vocational training and apprenticeship programmes, tax incentives for sustainable practices, and a growing awareness of preserving cultural and architectural heritage. Additionally, rising disposable income and homeownership have further fuelled market expansion.

Looking ahead, the market is expected to continue its robust growth, reaching USD 94.85 billion by 2029 at a CAGR of 5.4%. This forecast growth can be attributed to increased investment

in research and development, the rise of green building initiatives, a focus on luxury markets, the growth of emerging economies, and heightened renovation and remodelling activities in both residential and commercial sectors. Key trends include the automation of production processes, the development of bespoke woodwork, the integration of smart technologies, advancements in wood finishing techniques, and the adoption of 3D printing in joinery.

FURNITURE

Export of wooden furniture for the month of October 2024 improved by 11% to RM904.3 million from RM814.8 million in September 2024. Likewise, when compared year-on-year, export of wooden furniture increased by 11% to RM8.1 billion from RM7.3 billion in its corresponding period in 2023.

For the period January – October 2024, export of wooden furniture to ASEAN dropped by 2% worth RM1.0 billion where the largest buyer, Singapore reduced buying by 5% to RM599.1 million followed by Indonesia whereas intake also dropped by 12% to RM85.0 million. However, export to the Philippines grew by 20% to RM215.3 million for the cumulative period, January – October 2024.

Moving to the East Asia region, export dropped by 9% to RM476.3 million from RM525.9 million in its corresponding period in 2023. Japan remained the highest buyer with import valued at RM366.4 million despite a decline of 8%. Similarly, export to South Korea decreased by 5% to RM27.8 million while intake from Taiwan improved by 2% to RM41.8 million over its corresponding period in 2023.

Exports to West Asia expanded by 3% to RM424.1 million from RM410.1 million in the corresponding period in 2023. The UAE remained the largest buyer in the region albeit a decline of 10% to RM191.8 million. Nevertheless, exports to Saudi Arabia and Kuwait grew by 1% to RM142.4 million and by 45% worth RM22.4 million, respectively for the mentioned period.

Moving to the South Asia region, export of wooden furniture to the region improved by 29% to RM137.5 million for the period of January – October 2024. Amongst South Asia countries, India recorded the highest intake with imports worth RM123.7 million

at an increase in intake of 29%. Likewise, export to Maldives increased by 18% to RM10.1 million while Sri Lanka increased its buying by 324% worth RM1.8 million.

Export to the Central Asia region decreased by 15% to RM3.2 million with export to Kazakhstan improved by 7% to RM2.6 million. Armenia reduced its demand by 68% to RM0.2 million and Tajikistan also dropped its intake to 27% to RM0.3 million for the cumulative period of January–October 2024.

Exports to the EU recorded an expansion of 13% to RM315.1 million from RM278.6 million over its corresponding period in 2023. Export to France increased by 13% worth RM33.3 million, followed by Germany, with an increase of 19% to RM38.1 million and Spain, with an increase of 36% worth RM34.5 million. In other parts of Europe, the United Kingdom as the largest buyer recorded an increase of 16% to RM387.6 million from RM333.0 million over its corresponding period in 2023. Similarly, exports to Türkiye and Georgia increased by 54% to RM13.6 million and by 4% to RM9.0 million respectively.

Exports to Oceania/Pacific improved by 20% to RM492.6 million from RM412.3 million over its corresponding period in 2023. Australia remained as the top buyer in the archipelago region with export valued at RM429.7 million, an improvement of 18%. Similarly, both exports to New Zealand and Papua New Guinea expanded by 9% to RM32.4 million and by 60% to RM11.7 million respectively.

Moving to the Central America region, export of wooden furniture increased by 31% to RM46.5 million from RM35.5 million in the same period in 2023. Both Panama and Guatemala recorded an increase of 30% to RM13.5 million and by 21% worth RM8.5 million respectively. Similarly, export to El Salvador grew by 28% to RM9.3 million from RM7.3 million in January–October 2023.

Meanwhile, exports to the North America region advanced by 15% to RM4.5 billion from RM3.9 billion based on year-on-year. As Malaysia's largest wooden furniture buyer, demand from the USA improved by 13% to RM4.0 billion from RM3.6 billion over its corresponding period in 2023. Similarly, export to Canada multiplied by 34% to RM356.9 million while Puerto Rico reduced its demand by 5% to RM47.2 million respectively.

Similarly, export of wooden furniture to the South America region recorded an increase of 23%

worth RM90.5 million from RM73.9 million over its corresponding period in January – October 2023. Export to Chile improved by 41% to RM49.7 million from RM35.3 million, followed by Peru with an increase of 21% to RM17.1 million. However, export to Uruguay dropped by 22% to RM5.6 million for the cumulative period in 2024.

Moving to the Africa region, export to the region improved by 9% to RM136.1 million with South Africa garnering the largest market share with RM43.2 million. Intake from South Africa recorded an increase of 38% from RM31.3 million in its corresponding period in 2023. This was followed by Reunion Islands, with recorded sales of RM12.2 million, exports increased by 6% from the previous corresponding period. Likewise, export to Kenya increased by 33% to RM13.9 million from RM10.5 million year-on-year.

Rattan furniture shipments for October 2024 recorded an increase of 28% valued at RM6.7 million. However when based on year-on-year, export of rattan furniture for the cumulative period of January – October 2024 declined by 17% to RM54.6 million from RM65.8 million in the same period 2023.

Exports to ASEAN member countries were recorded at RM6.4 million, an increase of 16% for the mentioned period of January – October 2024 from RM5.5 million in the same period in 2023. The highest buyer, the Philippines recorded sales of RM3.9 million with an increase of 18%. Similarly, export to Singapore grew by 16% to RM1.8 million while export to Thailand increased by 20% to RM0.6 million.

Meanwhile, export to the East Asia region recorded a decline of 74% worth RM1.3 million with Japan reducing its intake by 44% to RM0.8 million. Similarly, exports to China and Taiwan decreased by 91% to RM0.3 million and by 79% to RM49,338 respectively. Moving on to South Asia countries, India was recorded as the highest buyer of rattan furniture worth RM0.8 million despite a reduction in its buying of 71%. Meanwhile, Tajikistan resumed its intake with 122,721 m³ in the cumulative period.

Export to the West Asia region rose by 8% to RM4.3 million with the largest buying nation of rattan furniture in the region, the UAE increasing its intake by 30% to RM2.3 million, while intake from Saudi Arabia dropped by 22% to RM1.1 million. At the

same time, Iraq resumed its intake with RM244,672.

Moving to the European Union bloc, import increased by 1% to RM8.7 million with France being the largest buyer amongst EU countries. France increased its intake by 7% to RM2.2 million from RM2.0 million over the same period in 2023. Similarly, exports to Romania and Ireland grew by 41% and 3% to reach RM1.1 million dan RM1.0 million respectively. Moving to other parts of Europe, demand from the group decreased by 33% to RM6.1 million with the UK being the largest buyer in the region. The UK decreased buying by 25% to RM5.1 million, while Russia reduced its buying to RM0.7 million. Meanwhile, intake from Georgia improved by 95% to RM0.2 million for the period of January – October 2024.

Shipments to the Oceania/Pacific archipelago region dropped by 54% to RM2.8 million from RM6.1 million over the same period in 2023. Australia recorded a decline in intake by 52% to RM2.4 million, while both Papua New Guinea and Western Samoa increased their buying by 95% to RM71,217 and by 29% to RM77,824 respectively.

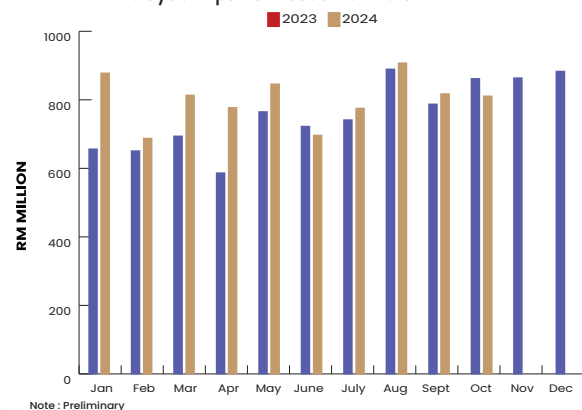
Exports to the North America region decreased by 3% to RM22.6 million from RM23.2 million over the same period in 2023. The USA being the largest buyer for rattan furniture recorded a drop in intake by 11% to RM18.4 million. However, export to Canada increased by 63% to RM1.7 million while Mexico increased imports by 685% to RM0.7 million. Chile and Uruguay increased their intake by 139% to RM0.6 million and by 66% to RM0.2 million respectively while Panama also increased its intake by 149% worth RM18,756 for the period of January to October 2024.

Moving to the Africa region, South Africa increased its buying by 25% to RM0.2 million, while Ghana resumed its buying with RM0.3 million. Export to Kenya improved by 230% worth RM79,283.

The recent CSIL's 'World Furniture Outlook 2024/2025' report talked about the complexities that the global furniture industry is facing. World furniture consumption is expected to continue to suffer from weak demand in 2024, with a possible recovery in 2025. Among prospect markets, India is by far the fastest-growing economy, with an expected increase in furniture consumption. The world furniture consumption will project modest growth by 1.9% in 2025 while world trade of furniture

is expected to reach USD181 billion in 2025, an increase of 4% from USD174 billion in 2024. The outlook is clouded by various factors including continuing inflation, ongoing geopolitical uncertainties, protectionist policies, particularly in the USA, economic volatility, shifts in consumer behaviour and continuing maritime transport difficulties. Analysts note that while North Africa furniture consumption saw a slight growth of 2% in 2025, European markets, despite easing inflation, have yet to rebound significantly in terms of consumption with slower growth of approximately 1.4% in 2024. However, furniture consumption by the Asia and Pacific regions increased by 2.3%, followed by the Middle East and Africa regions with an increase of 2.1% in 2025. The main furniture importers are the US, Germany, France, the UK, and Canada. About two-thirds of US imports come from Asia. Due to trade tensions between the US and China, however, the Chinese share of US imports decreased in favour of Vietnam, in particular. The global market remains highly interconnected, with trade fluctuations significantly impacting production and consumption. Analysts predict that while 2025 may present hurdles, it will also provide opportunities for businesses to adapt and innovate in response to evolving consumer preferences and economic conditions.

Malaysia: Export of Wooden furniture 2023-2024^P



5 NOVEMBER 2024



"Bengkel Pemantapan Spesifikasi Keperluan Pengguna (URS) Bagi Pemantauan Ladang Hutan Melalui WEB-GIS E-PPLH" in Sungkai, Perak

6 NOVEMBER 2024



Biocomposite and Fiber Center (FIDEC) welcomed a visit by 10 trainees of the Furniture Design Making (FDM) program from WISDEC.

6 NOVEMBER 2024



Courtesy visit from MDF Industry to MTIB(WPC)

3-7 NOVEMBER 2024



"Kursus Aplikasi Vektor Ukiran Dalam Inovasi Reka Bentuk Dan Pembuatan Perabot" in Terengganu Timber Industry Training Centre (TTITC), Terengganu.

5-7 NOVEMBER 2024



Skills development program – "Kursus Pengecaman Spesies-spesies Kayu Malaysia dan Asas Pemeringkatan Kayu Malaysia" with Muadzam Shah Vocational College

15 NOVEMBER 2024



Archidex@UIA 2024 at KL Convention Centre.

12-13 NOVEMBER 2024



MTIB has joined Convention International Trade on Endangered Species (CITES) in Bandar Seri Begawan, Brunei Darussalam

13-14 NOVEMBER 2024



"BENGKEL TRANSFORMASI BULUH: INOVASI KELESTARIAN BULUH" in collaboration with Majlis Bandaraya Ipoh (MBI), Universiti Teknologi Malaysia (UTM) and Think City at UTM Skudai, Johor.