

# MASKAYU

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## MELAKA WOOD & LIFESTYLE FAIR 2020

Potential of Cross Laminated Timber  
from Malaysian Tropical Hardwoods

ISSN 0126-771X



**MALAYSIAN TIMBER INDUSTRY BOARD**





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**Cover :** Products from Wood Art & Decor Sdn. Bhd. displayed during Melaka Wood & Lifestyle Fair. For more details, please refer pages 3 and 9.

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News



# MELAKA WOOD & LIFESTYLE FAIR 2020



Official opening of Melaka Wood & Lifestyle Fair 2020.

**M**TIB organised the Melaka Wood & Lifestyle Fair (MWLF) 2020 on 15-19 January at Mydin Mall MITC, Melaka. The fair showcased timber products ranging from garden furniture sets, bedroom sets, living furniture, and decorative products as well as ID services and contract manufacturing of timber

products by 15 Small and Medium-sized Bumiputera Enterprises (SMEs).

The range of furniture products showcased at the fair also highlighted the beauty, elegance and versatility of Malaysian timbers in furniture making. In addition, the Fair was also an avenue for the SMEs to showcase their products to gain access to retail outlets and participate in premium contracts with the corporate sector and residential developments.

YB Datuk Seri Shamsul Iskandar Mohd Akin, Deputy Minister of Primary Industries, who officiated at the MWLF opening ceremony, said in his speech, that exports by the timber industry contributed RM18.46 billion to the nation's income in the first 10 months of 2019. He added that the wood-based furniture



Attendees at the Melaka Wood & Lifestyle Fair.





## INDONESIA

### FORESTRY INDUSTRY ANTICIPATES BOOST THIS YEAR AFTER EXPORTS FALL

Indonesia's wood product exports totalled USD11.6 billion in 2019, a 4% drop from the previous year due to falling demand from the ongoing trade war and the weak competitiveness of local products. Industry players, however, are more optimistic come 2020, thanks to policy reforms, reported Jakarta Post.

Wood veneer, panel and woodwork products saw the sharpest declines, with annual exports plummeting by 20%, 16.14% and 11.14% respectively, said Association of Indonesian Forest Concessionaires (APHI) Chairman, Indroyono Soesilo.

Wood panel exports to China were close to zero as Indonesian products have become less competitive than foreign competitors, while shipments of woodwork products to the US and China were hit by the ongoing trade war, an industry player said.

Indroyono, however, is positive that the forestry industry can bounce back, with the help of the government's upcoming policy reform plans. President Joko "Jokowi" Widodo's administration is preparing omnibus bills that are expected to improve the ease of doing business and investing.

The President, himself a former furniture entrepreneur, is also looking to boost the timber and furniture industries, which are major contributors to Indonesia's wood product exports. The government is considering plans to provide value-added tax (VAT) exemptions for log exports and partially relax the timber legality assurance system (SVLK).

The Environment and Forestry Ministry is preparing production forest management policies that include simplifying investment licensing and increasing competitiveness through upgrading machinery and product diversification, said acting production forest management director general Bambang Henroyono.

"Based on the president's vision, we will boost the forestry sector through production forests," Bambang said, adding that the ministry will open forest management access to local residents through a people's forest (HTR) programme.

*Jakarta post, 11 January*



## VIET NAM

### FORESTRY INDUSTRY AIMS AT EXPORTS OF USD20 BILLION BY 2025

Agricultural Minister Nguyen Xuan Cuong emphasised that with an export turnover of USD 11.3 billion in 2019, an increase of 18% compared to that in 2018, forest products have become one of three product lines with annual export turnover over USD10 billion, at a meeting with the Vietnam Timber and Forest Product Association and wood associations of Ho Chi Minh City, Binh Duong, Dong Nai and Binh Dinh provinces on 9 January in Long An Province.

Agricultural and forest products have accounted for a higher and higher proportion in the structure of export products, growing at a two-digit number rate for the last 20 years and the market space is still large as total wood trading of the world is at USD300 billion per year.

The local forestry industry targets to hit an export turnover of USD20 billion by 2025. To achieve its target, it is necessary to complete institutions and policies, build value chains for product lines and obtain market opportunities and new technology. The most important thing is to train and meet the demand for human resources in engineering, administration and designing to improve product value.

*SGGP, 10 January*



## CHINA

### INCREASING IMPORT SOFTWOOD LOGS FROM EUROPE AND NEW ZEALAND

Europe has rapidly become a major supplier of softwood logs to China, while Russia and North America have lost market shares in 2019, reports the Wood Resource Quarterly (WRQ).

China is increasing importation of logs from New Zealand and Europe, while diminishing imports from North America and Russia. As a region, Europe is now the second largest supplier of softwood logs to China behind New Zealand.

New Zealand continues to expand its market share in China, supplying 39% of the total import volume in the



third quarter of 2019, up from 32% five years earlier. Russia and North America suffered the largest declines in the Chinese market share from 2015 to 2019, with Russia's share falling from 28% to 12%, and North America from 21% to 13% during the same period. In the third quarter of 2019, log imports from Russia were at their lowest levels in almost 20 years. The only other major change in the Chinese market over the past few years has been an increase in Pine log shipments from Uruguay. These have increased from just a few thousand m<sup>3</sup> in 2016 to almost 2.5 million m<sup>3</sup> last year, making Uruguay the fifth largest log supplier to China in 2018. Startlingly, shipments from Uruguay to China fell to less than 200,000 m<sup>3</sup> in the third quarter of 2019, when prices for logs plummeted to the point where it no longer made financial sense for Uruguayan exporters to ship logs.

Interestingly, a number of countries in Europe, although small suppliers, have begun to expand their presence in the Chinese market over the past 12 months, report the WRQ. This can be attributed to an oversupply of logs in their domestic markets. The European supply of softwood logs totalled over two million m<sup>3</sup>.

Supplying countries included Germany, Czech, Poland and France (in descending order), all countries impacted by storms and insects in 2018 and 2019. The European share of imported softwood logs has increased from just 3% in the third quarter 2018 to as much as 20% in the third quarter 2019.

*panelsfurnitureasia.com, 14 January*

## INDIA

### MAY IMPOSE CURBS ON FURNITURE IMPORTS TO BOOST DOMESTIC MANUFACTURING

The government is likely to impose restrictions on imports of furniture with a view to boost domestic manufacturing and reduce inbound shipments of non-essential items, an official said.

The Department for Promotion of Industry and Internal Trade has suggested to its commerce counterpart to put the restrictions. The Directorate General of Foreign Trade is expected to soon come out with a notification regarding this, the official said. Putting a product in restricted category means an importer will require licence or permission for the inbound shipment.

India's furniture imports stood at USD603 million in 2018-2019. Out of this, from China, it was USD311 million in that financial year. The other main exporters to India include Malaysia, Germany, Italy, and Singapore.

China is the largest exporter of different kinds of furniture in the world. According to estimates, China's

export to India stood at around USD1 billion. The position of India in the sector is weak as the sector is largely fragmented and is in the unorganised segment. The size of the domestic furniture industry is about USD5 billion. The exports stood at around USD1.5 billion.

*business-standard.com, 27 January*

## DENMARK

### FIRST ALL-TIMBER NEIGHBOURHOOD TO BE DESIGNED IN COPENHAGEN

Denmark-based practice Henning Larsen has been picked to design the city's first all-timber neighbourhood. Named Fælledby, the new community will resemble a rural village that will feature three "mini-villages" connected by green spaces for local wildlife, such as turtles, songbirds, and deer.

Like the traditional rural villages, the Fælledby master plan stands for itself within an open, natural landscape," said Henning Larsen partner Signe Kongebro in a press release. This gives an opportunity to create an entirely unique setting and one that is especially sensitive to sustainable and natural priorities. We see a potential to build a new city that speaks to the sustainable sensibilities of the younger generations, to create a home for people seeking solution on how to live in better harmony with nature. For us, Fælledby is a proof of concept that this can indeed be done.

*panelsfurnitureasia.com, 20 January*

## EUROPEAN UNION

### TIMBER BUILDINGS COULD BECOME AN IMPORTANT GLOBAL CARBON SINK

Timber buildings could store anywhere between 10 million tonnes of carbon per year to 700 million tonnes, according to a new paper published on 27 January in Nature Sustainability.

With anticipated growth in the global population and urbanisation, demands for new housing and commercial buildings will only increase over the next few decades. Around 2.3 billion more people will be living in urban areas by 2050, according to UN estimates. This will place huge demands for the construction of new housing, commercial buildings, and accompanying infrastructure.

The modern world is built on concrete and steel. But cement, steel, and other building materials are a major source of greenhouse gas emissions. Switching to timber materials could potentially turn a significant source of carbon emission into a powerful carbon sink.

A team of environmentalist and scientists have put their heads together to quantify just how powerful timber might prove to be in mitigating climate change. The researchers from the Potsdam Institute for Climate Research (PIK) in Germany and Yale University in the US looked at four different scenarios: business as usual (just 0.5% of new buildings constructed with timber) or driving up timber production by 10% to 50% by 2050. The scientists even suggest that constructing up to 90% of new buildings out of timber is plausible.

Based on their analysis, this could potentially reduce cumulative greenhouse gases emissions from steel and cement manufacturing by one-half, at least, which would contribute to achieving the targets set out in the 2015 Paris agreement. However, under business-as-usual, the construction industry is likely to use up around 20% of the CO2 emissions budget up to 2050.

Furthermore, to reach net-zero carbon emissions, additional carbon sinks are needed to soak up all the carbon from agriculture and other major — and often, less avoidable — sources. Incredibly, a five-story residential building made out of laminated timber, sometimes referred to as mass timber, can store up to 180 kg of carbon per square meter. That is three-fold more than the same aboveground mass of natural forest.

*europeanscientist.com, 27 January*



## RUSSIA

### PLYWOOD MARKET, DEMAND AND PRICE EVOLUTION

Plywood sales in the Russian market fell from 1.7% to 12.9% per year from 2014 to 2018. Russian plywood sales in 2018 were 1.38 million m<sup>3</sup>, a decrease of 24.5% compared to 2014. The main reasons for the decline in plywood sales were the Russian economic crisis, the depreciation of the Ruble exchange rate and high inflationary pressures. Reduced domestic demand for plywood affordability has forced consumers to abandon buying or look for cheaper similar products.

Russian products dominate the Russian market. And Russia's domestic products are mainly produced from hardwood plywood, which accounts for 80% of the total output. The production of hardwood plywood is mainly made of Birch. At the same time, most new plywood production capacity and new investment projects in recent years are oriented to Birch.

The average price of plywood on the Russian market in 2018 was 55,000 Rubles per m<sup>3</sup> (USD871.75). In 2015, the price increase of Russian plywood reached the highest value, an increase of 22.0% compared with the previous year, which was related to the sharp depreciation of the Russian currency against the US dollar, which led to an increase in the price of imported plywood and an increase in the price of domestic products. Meanwhile, the average sales price of hardwood plywood in 2018 was 56,900 Rubles per m<sup>3</sup> (USD 901.86), while the average sales price of softwood plywood was 44,600 Rubles per cubic meter (USD706.81). Other types of plywood were priced on average at 57,100 Rubles per cubic meter (USD905.04).

Russian plywood sales will continue to decline slightly by 0.4% in 2019. It is estimated that between 2020 and 2023, in the context of economic stability, Russian plywood sales will gradually increase at a rate of 1.5-1.7% per year, and by 2023, sales will reach 1.47 million m<sup>3</sup>.

*GWMI, 28 January*



## AUSTRALIA

### QUEENSLAND'S GOVERNMENT AND LOCAL COMPANY DEVELOPED NEW SUSTAINABLE TIMBER PRODUCT

Queensland's Department of Agriculture and Fisheries (DAF) and Eco Cottages have collaborated to research and develop a new sustainable timber product, leading to additional jobs being created.

"An innovative collaboration between DAF and Eco Cottages, which began in 2017, has resulted in high-quality cypress glue-laminated beams which have helped deliver cheaper, more sustainable housing and jobs for Eco Cottages," said Minister for Agricultural Industry Development and Fisheries Mark Furner.

Eco Cottages use cypress glue-laminated beams in the construction of their sustainable, pre-fabricated modular homes. The beams not only offer a cost effective and more environmentally sustainable alternative to traditional construction options such as steel, they have proven that jobs can grow on trees.

This totally Queensland-focused effort involves cypress timber harvested from the Barakula State Forest, Hurford Hardwood which operates a cypress sawmill at Chinchilla, Eco Cottages and DAF.

Eco Cottages Director Greg Phipps said the partnership with DAF had made possible the production of low cost, environmentally friendly cypress glue-laminated beams.



"Eco Cottages has a strong sustainability ethos and working with DAF has allowed us to realise our vision to replace steel and other similar products used in modular house construction with a product made from a sustainable and renewable natural resource," Mr Phipps said.

The result has been so good that we had no hesitation in using more than 200 of the beams in the construction of our new 2,000 square metres factory at Cooroy.

*panelsfurnitureasia.com, 16 January*



## CANADA

### ALBERTA REDUCING RED TAPE FOR WOOD-BUILDING CONSTRUCTION

Alberta will become the first province in Canada to allow the practice province-wide. This decision support the forestry industry and land developers, it will provide affordability to homebuyers, bolster employment, and give Alberta a competitive advantage. They made this change knowing that mass timber products are safe and that these buildings will meet all necessary standards.

Current Alberta and national building codes allow wood-building construction for up to six- storeys. Alberta will issue a notice, based on technical provisions developed for the next edition of the National Building Code to allow early use of tall wood or mass timber construction for up to 12-storeys using fire-resistant material in time for the upcoming construction season.

The building codes will require tall wood buildings to be built as encapsulated mass timber construction, where the solid or engineered wood is surrounded by fire-resistive material. Buildings of mass timber construction will also be fully sprinklered.

*todayville.com, 31 January*



## UNITED STATES

### INDIA'S AMERICAN HARDWOOD LUMBER AND VENER IMPORTS ON TRACK

A booming furniture market is expected to drive up demand for American hardwoods in India this year,

according to the American Hardwood Export Council (AHEC), the leading international trade association for the American hardwood industry. With the total value of American hardwood lumber and veneer exports to India reaching USD5.272 million in the first three quarters of last year, India is on track for a record year in 2019.

Valued at more than USD31.61 billion in 2018, the Indian furniture market is anticipated to reach USD61.09 billion by the end of 2023, according to market reports. A closer look reveals that the residential sector accounted for USD20.65 billion in 2018 with the remainder being attributed to the commercial sector. Significantly, wooden furniture is expected to continue its dominance in India with a projected annual growth of 11.32% for 2018-2023. Currently, the demand for furniture is mainly from the north and south of India but it is in the south where the majority of manufacturers and distribution networks exist. With this in mind, AHEC is returning to INDIWOOD, taking place in Bengaluru on 27 February - 2 March, targeting the major players up and down the 'timber chain' at the show.

According to Roderick Wiles, AHEC Regional Director, the major elements of AHEC's campaign this year will involve key collaborations, installations, seminars, workshops and sustainable initiatives targeting established and emerging players in India. Through 2020, AHEC will also focus its strategy on education aimed at all elements of the 'timber chain', whether it is specifiers (architects and interior designers), end users (furniture and joinery manufacturers) or importers and distributors. Pointing to the sustained growth of the US hardwood exports to India over the past few years, Wiles believes that American hardwoods are now widely accepted and understood across India, but there is still a lot more to be done to help the market discover the untapped potential of US hardwoods.

In line with an overall industry goal to increase sales of US hardwoods, AHEC is focused on developing existing markets and finding new markets and applications for American hardwoods. The aim is to enable the American hardwood industry to be proactive rather than reactive by identifying markets and providing data to help develop these markets.

*panelsfurnitureasia.com, 17 January*



## UNITED STATES

### WOOD MOULDINGS AND MILLWORK PRODUCERS FILE ANTI-DUMPING PETITIONS AGAINST CHINA AND BRAZIL

The Coalition of American Millwork Producers (CAMP) filed antidumping (AD) petitions on imports of wood

mouldings and millwork products from Brazil and China and a countervailing duty (CVD) petition on imports of wood mouldings and millwork products from China.

The filed trade petition details the damage born by the US industry and workers due to unfairly traded millwork products imported into the US from these countries. Brazil and China's market share from 2016 to 2019 increased by more than 10 percentage points, while the US industry lost 7 to 9 percentage points of market share during the same period. The US industry also lost production, shipments, workers, working hours, and gross, operating and net profits during this period.

Millwork building materials subject to this petition include wood mouldings and other wood millwork products. Examples include interior and exterior door frames, casing, base mouldings, hand rails, crown moulding, and panel moulding. In 2018, total sales of these products in the US were approximately USD1.3 billion.

CAMP's legal action seeks for the US to impose duties to offset the harm caused to the US mills, workers, and communities through these unlawful actions by Chinese and Brazilian millwork producers. CAMP's petition is supported by manufacturers that comprise the vast majority of all wood mouldings and other wood millwork materials produced in the United States.

Trade investigations at Commerce and the ITC take about 12 months from start to finish. Preliminary duties to offset unfair trade can be imposed approximately four to six months after petitions are filed.

The Coalition of American Millwork Producers is an alliance of large and small millwork producers from across the United States. CAMP is committed to addressing the unfair trade practices of China and Brazil, including dumping and subsidising of wood millwork products sold into the US.

*prnewswire.com, 8 January*



## GLOBAL

### STABILISATION LAMINATE FLOORING MARKET IN 2019

In 2019, European Producers of Laminate Flooring (EPLF) member's sales was 447 million m<sup>2</sup> of laminate flooring (2018: 454 million m<sup>2</sup>, decreased -1.5%). The second half of 2019 has witnessed an upturn recovering and is stabilising at a high level, even though the influence of declining world trade remains noticeable globally. The EPLF "home market" of Western Europe fell slightly in 2019, although important Western European countries are currently already reporting positive figures. Eastern Europe also delivered strong

figures, while overseas sales experienced a setback.

In Western Europe (including Turkey), total sales reached 219 million m<sup>2</sup> in 2019 (225 million m<sup>2</sup> in 2018). This represents a decline of 2.1% compared to the previous year. Germany remains by far the most important single market in Central Europe with 50 million m<sup>2</sup> (52 million m<sup>2</sup> in 2018). However, the setback is slowing down compared to previous years with a reduction of 5.0 %.

France remains second in Europe, improving by 1.1 % in 2019 to 36.5 million m<sup>2</sup> (36.0 million m<sup>2</sup> in 2018). A positive trend for EPLF members can be seen in Great Britain: at 32.6 million m<sup>2</sup> in 2019 (29.8 million square metres in 2018), the dent in the previous year's figure was offset by an increase of 9.5 %. The country thus continues to rank third in Western European sales ahead of Netherlands, where association sales in 2019 improved by 1.4% to 18.6 million m<sup>2</sup> (18.3 million m<sup>2</sup> 2018). Spain also reported positive developments: sales figures for laminate flooring increased by 1.4% to 16.7 million square metres (16.5 million m<sup>2</sup> in 2018).

A clear upward trend is evident in Eastern Europe. The region confirms its role as an important future market for EPLF manufacturers. With 135 million m<sup>2</sup> (128 million m<sup>2</sup> in 2018), the European laminate flooring manufacturers achieved good results in 2019. EPLF members in Russia reported 43.8 million m<sup>2</sup> (39 million m<sup>2</sup> in 2018), which corresponds to a growth rate of 11.4%. Poland improved by 6.1% to 31.2 million m<sup>2</sup> (29.5 million m<sup>2</sup> in 2018). The Ukraine is developing into the "rising star" in Eastern Europe: with 10.1 million m<sup>2</sup>, the country moved into third place in the region (+ 32.5% compared to the previous year with 7.6 million m<sup>2</sup>). Romania and Hungary are behind with 10 million m<sup>2</sup> (11 million m<sup>2</sup> in 2018) and 7 million m<sup>2</sup> (-2.4% in comparison to 2018).

After a boom in the US, North America has returned to a normal level, slowed down by a double-digit reduction in Canada. In 2019, a total of 40 million square metres (44.3 million m<sup>2</sup> in 2018) were sold in North America, around 9.6% less than in the previous year. The US showed a slight setback of 3.2% in 2019 with around 29.7 million m<sup>2</sup> (30.7 million m<sup>2</sup> in 2018), while in Canada, close to 10.3 million m<sup>2</sup> (previous year 13.6 million m<sup>2</sup>) were registered in 2019, which means a decline of 24.7%.

The smaller export regions showed signs of the slowdown in world trade. Asia fell by 6% from 30 million m<sup>2</sup> to 28.2 million m<sup>2</sup>, with the positive exception of the Central Asian Republic Kazakhstan stabilised at the comparatively high level of 4 million m<sup>2</sup> with a small increase of 0.1%. Latin America declined from 18.5 million m<sup>2</sup> in 2018 to 15.7 million m<sup>2</sup> in 2019 (-15.2%). Africa was also unable to continue the positive trend of previous years. The total sales volume of the various export markets from the north to the south of the continent fell slightly from 5.0 million m<sup>2</sup> in 2018 to 4.9 square metres, which corresponds to a decline of 2.1%.

*EPLF-press, January*





Cont. from page 3

industry contributed 39.35% which amounted to RM7.26 billion in export value followed by sawntimber at RM2.89 billion and plywood at RM2.88 billion. He said the main markets for the country's timber exports were the United States (RM3.82 billion), followed by Japan (RM2.92 billion) and China (RM1.45 billion).

YB Datuk Seri Shamsul Iskandar said Bumiputera timber entrepreneurs contributed RM99.76 million of the export value and that they constitute about 30% of the total number of timber entrepreneurs. As such, he said various programmes are regularly being implemented by the Ministry and its agencies such as MTIB, to boost the Bumiputera entrepreneur participation. The initiatives include a raw material support programme, promotions on the use of mechanisation and automation, the Bumiputera furniture entrepreneur scheme as well as the development of furniture designs. He also urged Bumiputera entrepreneurs to cooperate in smart

partnerships with non-Bumiputera entrepreneurs to enhance the country's timber industry.

MWLF 2020 aimed to assist in the development of SMEs and provided a platform for these furniture entrepreneurs to promote their products in the domestic market and pave the way for a subsequent foray into the international market. 



Impressive Transforms Sdn. Bhd. displaying furniture and timber products at the MWLF.



MTIB booth during the fair.



Resak Vatica spp.

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Standing on Excellence

**Tak Lapuk Dek Hujan, Tak Lekang Dek Panas**  
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[www.mtib.gov.my](http://www.mtib.gov.my)



## December 2019

 Malaysia

## Port Klang Handled 12.32 Mil TEUs From January - November 2019

Port Klang registered a growth of 10.7% year-on-year (y-o-y) for January to November 2019 in container handling with a total of 12.32 million twenty-foot equivalent units (TEUs). According to the Port Klang Authority (PKA) in terms of import container throughput, Port Klang handled 2.31 million TEUs, up 5.9% y-o-y. Meanwhile, export throughput rose 5.6% y-o-y to 2.26 million TEUs, and in terms of transshipment, Port Klang handled 7.8 million TEUs, a y-o-y growth of 13.9%. Port Klang is expected to handle 13.5 million TEUs this year and is likely to retain its position in the World Container Ports ranking at number 12.

Through the efforts of the private terminal operators together with PKA and the strong support of the Ministry of Transport Malaysia in proactive policies and high level marketing, Port Klang has seen a strong positive growth for 2019.

Source: Edge Markets (The)

 Malaysia

## Johor Port Hits Record 1 Million TEUs of Containers In 2019

Johor Port Bhd handled a record 1 million TEUs of containers in 2019, up 10.5% from a year earlier. Johor Port is already designated as an approved delivery point under some international commodity exchanges such as LME, CME/KLCE and APEX. It should be a natural progression for Johor Port to be a regional cargo hub. Developing Malaysian ports into RDCs (regional distribution centres) is also the aspiration of the government. Johor Port is taking proactive measures to overcome its various constraints over the years especially in terms of navigational constraints and has since grown to become the Premier Southern Gateway Multi-Purpose Port in Malaysia.

Source: Edge Markets (The)



## Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, December 2019

| Product       | Port Klang     |                             | Kuantan      |                             | Pasir Gudang |                             | Tanjung Pelepas |                             | Penang        |                             | Total all Ports M³ | % Change Dec 2019/ Nov 2019 |
|---------------|----------------|-----------------------------|--------------|-----------------------------|--------------|-----------------------------|-----------------|-----------------------------|---------------|-----------------------------|--------------------|-----------------------------|
|               | M³             | % Change Dec 2019/ Nov 2019 | M³           | % Change Dec 2019/ Nov 2019 | M³           | % Change Dec 2019/ Nov 2019 | M³              | % Change Dec 2019/ Nov 2019 | M³            | % Change Dec 2019/ Nov 2019 |                    |                             |
| Sawntimber    | 62,205         | 6                           | 8,603        | 150                         | 1,030        | -2                          | 324             | -11                         | 7,311         | -19                         | 79,473             | 10                          |
| MDF           | 17,505         | -13                         | 867          | 93                          | 3,546        | -12                         | 1,944           | -29                         | 11,113        | -14                         | 34,975             | -13                         |
| Mouldings     | 11,729         | 23                          | 177          | -3                          | 2,108        | 42                          | 333             | -25                         | 1,304         | 12                          | 15,651             | 22                          |
| Plywood       | 3,415          | -10                         | 0            | -100                        | 24           | 104                         | 234             | 5                           | 10,674        | 42                          | 14,347             | 23                          |
| Veneer        | 710            | 8                           | 0            | 0                           | 93           | 209                         | 52              | 262                         | 3,115         | 50                          | 3,970              | 43                          |
| Particleboard | 27,037         | -23                         | 167          | -64                         | 2,627        | -25                         | 1,567           | 100                         | 7,397         | 13                          | 38,794             | -15                         |
| <b>TOTAL</b>  | <b>122,601</b> | <b>-4</b>                   | <b>9,814</b> | <b>108</b>                  | <b>9,427</b> | <b>-7</b>                   | <b>4,454</b>    | <b>18</b>                   | <b>40,914</b> | <b>5</b>                    | <b>187,210</b>     | <b>1</b>                    |

Source : MTIB



## Malaysia

### Westports Handles Record-Breaking 10 Millionth Container for 2019

Westports Holdings Bhd handled its record-breaking 10-millionth Twenty-Foot Equivalent Units (TEUs), cumulatively since the beginning of the year. This makes Westports the first and only terminal in Malaysia that has handled 10 million TEUs in a calendar year. The 10 millionth TEUs threshold was attained after its container throughput increased by about 14% to 9.89 million TEUs during the 11 months between January and November 2019. Westports as one of the main transshipment hubs in South East Asia for international container shipping companies, is the preferred port terminal for the nation's gateway economic trade. The company is investing in the deployment of additional terminal handling equipment at Container Terminal 9 and is also planning for significant expansions at Pulau Indah to support long-term growth in the coming decades. Westports gained 0.72% or 3 sen to RM4.18, valuing it at RM14.25 billion.

Source: Edge Markets (The)

## China

### China November Exports Unexpectedly Fall, But Imports Rebound

China's exports in November shrank for the fourth consecutive month, customs data showed on Sunday, confounding market expectations for a rise and underscoring persistent pressures on manufacturers from the Sino-U.S. trade dispute. The 17-month long trade war has heightened the risks of a global recession and fuelled speculation that Beijing will unleash more stimulus measures to prop up slowing growth in the world's second-largest economy.

Overseas shipments fell 1.1% from a year earlier last month, data showed, compared to a 1.0% expansion tipped by a Reuters poll of analysts and a 0.9% drop in October. Imports unexpectedly rose 0.3% from a year earlier, compared to a 1.8% decline forecast by economists and a 6.4% decline in October. This marks the first year-on-year growth since April.

Source: Sundaily (The)

## United States

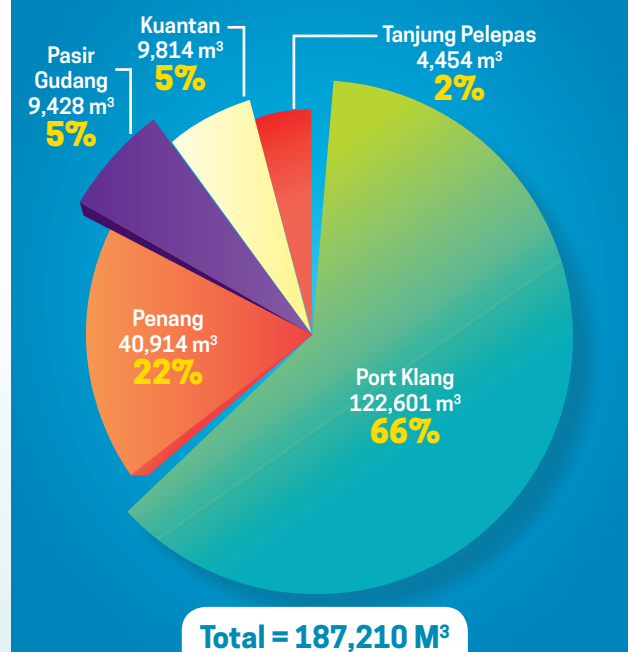
### Container Imports at Top US Ports Spike Ahead of New Tariffs

Volumes at the US major container ports bumped up significantly in November as retailers imported merchandise ahead of new tariffs set to take effect this month. The US ports covered by Global Port Tracker handled 1.88 million TEUs in October, the latest month for which after-the-fact numbers are available. That was up 0.6% from September but down 7.5% from the all-time monthly record of 2 million TEUs in October 2018. November jumped to an estimated at 1.95 million TEUs, up 8% year-over-year as retailers frontloaded imports ahead of this month's scheduled tariffs. That was the highest number since 1.97 million TEUs in August, when retailers did the same ahead of tariffs that took effect in September.

December is expected to drop to 1.79 million TEUs both because of the new tariffs and the usual falloff in imports as the holiday season winds down. The first half of 2019 totalled 10.5 million TEUs, up 2.1% over the first half of 2018, and 2019 is expected to see a new annual record of 21.9 million TEUs. That would be up 0.8% from last year's previous record of 21.8 million TEUs.

Source: PortNews

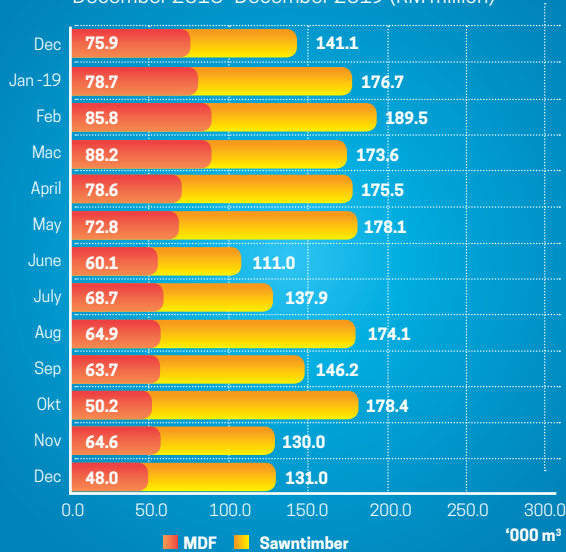
### Timber Shipments through Ports in Peninsular Malaysia, December 2019



## December 2019

Total export of Malaysian timber and timber products in December 2019 increased slightly by 0.3% valued at RM2.02 billion over the previous month. Meanwhile, exports of timber and timber products for 2019 grew by 1% to RM22.5 billion over RM22.3 billion in 2018.

**Malaysia: Export of Sawntimber and MDF**  
December 2018- December 2019 (RM million)



## SAWNTIMBER

Total export of sawntimber in December 2019 both increased in volume and value by 1% and 3% to 130,946 m<sup>3</sup> with a value of RM243.1 million as compared to the previous month. Cumulative export for the period of January to December 2019 decreased 6% in volume and 8% in value to 1.8 million m<sup>3</sup> totalling RM3.4 billion over the previous corresponding period.

Exports of sawntimber to the EU for the month increased by 99% to 7,362 m<sup>3</sup> over the previous month as a result of higher demand from major countries in the region. Netherlands as the main buyer increased its intake significantly to 3,155 m<sup>3</sup> from 1,300 m<sup>3</sup> in the previous month. Exports to the UK also increased to 1,792 m<sup>3</sup> from 804 m<sup>3</sup> recorded in the previous month followed by Germany to 635 m<sup>3</sup> from 226 m<sup>3</sup>. Similarly, exports to Belgium also increased by 82% to 913 m<sup>3</sup> from 501 m<sup>3</sup> recorded in the previous month followed by France with 65% to 503 m<sup>3</sup>.

Total export to West Asia decreased by 23% to 22,917 m<sup>3</sup> from 29,588 m<sup>3</sup> recorded in the previous month. Export to Saudi Arabia increased by 83% to 1,737 m<sup>3</sup> from 1,122 m<sup>3</sup> recorded in the previous month followed by Qatar with 18% to 1,328 m<sup>3</sup> from 1,122 m<sup>3</sup>. Yemen as the main buyer from West Asia reduced purchased by 19% to 12,310 m<sup>3</sup> from 15,193 m<sup>3</sup> recorded in the previous month. Similarly, export to the UAE and Bahrain also decreased by 38% to 4,618 m<sup>3</sup> and 93% to 23 m<sup>3</sup> respectively.

Buying from ASEAN increased by 22% to 41,114 m<sup>3</sup> from 33,665 m<sup>3</sup> registered in the previous month. Thailand as the main buyer in ASEAN increased its intake of sawntimber by 15% to 17,401 m<sup>3</sup> from 15,122 m<sup>3</sup> recorded in the previous month. Exports of sawntimber to Philippines also increased by 56% to 14,279 m<sup>3</sup> from 9,146 m<sup>3</sup> followed by Viet Nam with 14% to 2,087 m<sup>3</sup> from 1,829 m<sup>3</sup> recorded in the previous month. Contrarily, exports of sawntimber to Singapore decreased by 4% to 7,269 m<sup>3</sup> from 7,568 m<sup>3</sup> in the previous month. On the other hand, Indonesia purchased 78 m<sup>3</sup> this month.

At the same time, shipments to East Asia decreased by 10% to 30,867 m<sup>3</sup> from 34,208 m<sup>3</sup> in the previous month. China as the main buyer decreased their purchases by 14% to 16,937 m<sup>3</sup> from 19,586 m<sup>3</sup> recorded in the previous month. Similarly, South Korea also decreased by 50% to 1,829 m<sup>3</sup> followed by Japan with 9% to 4,236 m<sup>3</sup>. Meanwhile, exports to Taiwan and Hong Kong increased by 25% to 7,599 m<sup>3</sup> and 4% to 266 m<sup>3</sup> respectively.

Elsewhere, exports to the US decreased by 26% to 1,351 m<sup>3</sup> whilst intake by Australia increased by 10% to 537 m<sup>3</sup>. Demand from South Africa increased to 3,230 m<sup>3</sup> from only 1,352 m<sup>3</sup> in the previous month.

The average FOB price of sawntimber increased slightly to RM1,856 per m<sup>3</sup> from RM1,819 per m<sup>3</sup> in the previous month. Meanwhile, the price of Dark Red Meranti to Netherlands decreased slightly to RM3,251 per m<sup>3</sup> from RM3,270 per m<sup>3</sup> in the previous month. Keruing was traded at RM2,407 per m<sup>3</sup>, a decrease of 5% from RM2,525 per m<sup>3</sup> in the previous month.

## MEDIUM DENSITY FIBREBOARD (MDF)

Exports of MDF in December 2019 decreased both in volume by 25% to 48,294 m<sup>3</sup> and in value by 23% valued at RM67.8 million compared to the previous month. Similarly, cumulative export for January to December 2019 recorded a decrease in volume by 18% to 823,521 m<sup>3</sup> and in value by 11% worth RM1.1 billion over the previous corresponding period.

In ASEAN, total export decreased by 21% to 6,626 m<sup>3</sup> from 8,366 m<sup>3</sup> in the previous month. Exports to the Philippines and Singapore reduced by 61% to 1,507 m<sup>3</sup> and 4% to 172 m<sup>3</sup> respectively. However, Indonesia and Viet Nam increased their intake by 20% to 2,652 m<sup>3</sup> and 12% to 1,988 m<sup>3</sup> respectively.

Similarly, exports to East Asia countries registered a decrease of 21% to 12,411 m<sup>3</sup> from 15,679 m<sup>3</sup> in the previous month. Japan as the major importer of MDF reduced its intake by 18% to 11,959 m<sup>3</sup> followed Taiwan with 60% to 313 m<sup>3</sup>, China including Hong Kong by 27% to 82 m<sup>3</sup> and South Korea with 74% to 60 m<sup>3</sup>. Moving to South Asia region, export to India decreased by 9% to 3,441 m<sup>3</sup> followed by Pakistan with 17% to 3,049 m<sup>3</sup>, Sri Lanka 41% to 1,605 m<sup>3</sup> and Bangladesh 8% to 542 m<sup>3</sup>.

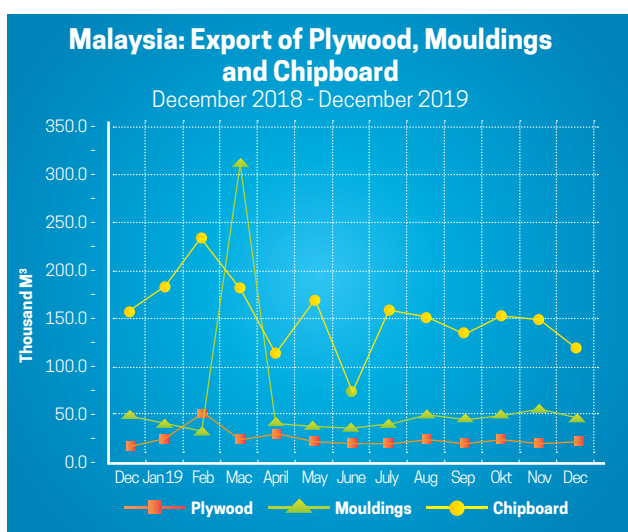
Exports to the West Asia region also recorded a decrease of 30% to 12,181 m<sup>3</sup> from 17,309 m<sup>3</sup> in the previous month.



The largest buyer in the region, the UAE reduced its intake by 11% to 6,589 m<sup>3</sup> followed by Kuwait with 48% to 1,731 m<sup>3</sup>, Saudi Arabia 24% to 866 m<sup>3</sup> and Jordan 85% to 122 m<sup>3</sup>. Meanwhile, Oman increased its intake to 2,064 m<sup>3</sup> followed by Qatar to 522 m<sup>3</sup> and Bahrain 287 m<sup>3</sup>. Iran, Lebanon and Syria did not make any purchases for this month.

Elsewhere, exports to the US and UK increased by 11% to 2,108 m<sup>3</sup> and 22% to 208 m<sup>3</sup> respectively. South Africa and Mauritius also increased its intake to 583 m<sup>3</sup> and 43 m<sup>3</sup> respectively. However, Australia reduced its buying by 19% to 1,930 m<sup>3</sup> for this month.

The FOB price of MDF increased by 4% to RM1,405 per m<sup>3</sup> from RM1,356 per m<sup>3</sup> from the previous month.



## PLYWOOD

Exports of plywood in December 2019 both decreased in volume and value by 14% and 9% to 126,413 m<sup>3</sup> totalled RM245.2 million compared to the previous month. Similarly, cumulative export for January to December 2019 showed a decrease in volume by 20% to 1.7 million m<sup>3</sup> and in value by 26% worth RM3.4 billion over the previous corresponding period.

Total export of plywood to the EU increased by 22% to 6,136 m<sup>3</sup> for this month. The UK as the main buyer increased its import volume by 23% to 5,607 m<sup>3</sup>. Similarly, Netherlands and Italy increased intake to 211 m<sup>3</sup> and 79 m<sup>3</sup> respectively. However, Ireland reduced buying by 35% to 196 m<sup>3</sup>. Belgium, Denmark, France and Germany did not make any purchases this month.

Exports to ASEAN and East Asia regions recorded a decrease of 7% to 90,804 m<sup>3</sup> compared to the previous month. In the East Asia region, Japan as the main importer of Malaysian plywood reduced its intake by 13% to 57,179 m<sup>3</sup> followed by Hong Kong with 48% to 1,229 m<sup>3</sup>. Contrarily, South Korea increased its buying by 31% to 14,138 m<sup>3</sup> followed by Taiwan with 1% to 9,432 m<sup>3</sup> and China 3% to 1,125 m<sup>3</sup>. Meanwhile, Malaysia's plywood trade with its ASEAN partners showed a mix trend for this month. Thailand reduced its buying by 6% to 3,464 m<sup>3</sup>, followed by Singapore with 10% to 2,214 m<sup>3</sup> and the Philippines 29% to 993 m<sup>3</sup>. Meanwhile, Brunei

Darussalam increased its buying by 29% to 634 m<sup>3</sup> whilst Indonesia does not make any purchase this month.

Exports to the West Asian region recorded a decrease of 61% to 7,377 m<sup>3</sup> with the biggest buyer for the month, Yemen, reducing its buying by 75% to 3,986 m<sup>3</sup>. Similarly, exports to the UAE decreased by 72% to 365 m<sup>3</sup> followed by Kuwait at 30% to 343 m<sup>3</sup> and Qatar at 12% to 212 m<sup>3</sup>. Meanwhile, Saudi Arabia and Bahrain increased their intake to 940 m<sup>3</sup> and 335 m<sup>3</sup> respectively.

Exports of plywood to the Americas region decreased by 22% to 16,448 m<sup>3</sup> as compared to the previous month. Our main buyer in the Americas, the US reduced its intake of plywood by 22% to 13,140 from 16,838 m<sup>3</sup> last month. Similarly, exports to Mexico and Canada decreased by 4% to 2,817 m<sup>3</sup> and 61% to 491 m<sup>3</sup> respectively. Moving to the Oceania region, Australia and New Zealand increased its intake by 62% to 3,092 m<sup>3</sup> and by 132% to 146 m<sup>3</sup> respectively. Similarly, in the African region, South Africa and Mauritius increased their buying to 254 m<sup>3</sup> and 110 m<sup>3</sup> respectively.

The FOB price of plywood has increased by 7% to RM1,940 per m<sup>3</sup> from RM1,821 per m<sup>3</sup> in the previous month.

## MOULDINGS

Exports of mouldings for the month increased by 15% in volume and 16% in value to 18,517 m<sup>3</sup> and RM73.8 million respectively. However, cumulative export for the period of January to December 2019 decreased by 3% in volume and 0.2% in value to 232,548 m<sup>3</sup> and RM872.3 million respectively as compared to the previous corresponding period in 2018.

Exports to the EU for the month recorded at 7,748 m<sup>3</sup>, an increase of 44% compared to the previous month. The UK, Netherlands and Belgium increased their purchases by 190%, 59% and 41% to 665 m<sup>3</sup>, 4,716 m<sup>3</sup> and 483 m<sup>3</sup> respectively. However, Germany decreased its purchases by 32% to 518 m<sup>3</sup> compared to the previous month.

Exports to the ASEAN region increased as Indonesia and Viet Nam increased purchases by 100% and 18% to 72 m<sup>3</sup> and 662 m<sup>3</sup> respectively. However, Singapore decreased purchases by 25% to 903 m<sup>3</sup> compared to the previous month.

Meanwhile, Hong Kong, Taiwan and Japan increased intake by 71%, 5% and 3% to 352 m<sup>3</sup>, 90 m<sup>3</sup> and 1,692 m<sup>3</sup> respectively. However, China and South Korea decrease purchases by 11% and 3% to 440 m<sup>3</sup> and 1,387 m<sup>3</sup> compared to the previous month.

Elsewhere, export to the US and Canada increased by 45% and 26% to 2,070 m<sup>3</sup> and 91 m<sup>3</sup> respectively. Meanwhile, Australia decreased intake by 15% to 1,954 m<sup>3</sup> compared to the previous month.

FOB unit value increased 1% to RM3,983 per m<sup>3</sup> compared to RM3,942 per m<sup>3</sup> in the previous month.

## December 2019

### LOGS

The supply of logs was reported to have slowed down in December due to rainy season.

Log prices for the species of Chengal increased slightly by 10.4% to RM5,040 per tonne whilst Balau stood firm at RM3,500 per tonne respectively. The prices of Keruing and Kapur remained at RM1,500 per tonne and RM1,700 per tonne respectively. The prices for Dark Red Meranti and Red Meranti stood firm at RM2,100 per tonne and RM1,830 per tonne. Meanwhile, the prices of Nyatoh decreased by 1.9% to RM1,300 per tonne. However, the prices for Sepetir increased slightly by 1.5% to RM1,370 per tonne. On the other hand, logs prices of Mixed Heavy Hardwood remained at RM1,011 per tonne whilst Mixed Light Hardwood increased by 3.2% to RM980 per tonne respectively.

### MEDIUM DENSITY FIBREBOARD (MDF)

The domestic supply of MDF remained stable as prices continued to chart at last month's level. MDF of 4 mm, 6 mm, 9 mm and 12 mm of thicknesses were sold at RM13.30, RM16.60, RM22.50 and RM29.35 per piece respectively.

### SAWNTIMBER

The average prices of sawntimber of some major species in the domestic market was reported to have slightly increased.

The sawntimber prices of Chengal and Red Balau increased slightly by 5.0% and 1.2% to RM7,415 per m<sup>3</sup> and RM3,072 per m<sup>3</sup> respectively. The prices of Keruing stood at RM1,236 per m<sup>3</sup> whilst Kempas decreased by 0.5% to RM2,578 per m<sup>3</sup>. Meanwhile, the prices for Dark Red Meranti and Red Meranti remained at RM2,036 per m<sup>3</sup> and RM2,013 per m<sup>3</sup> respectively. On the other hand, sawn timber prices of Mixed Heavy Hardwood continued to chart at RM1,013 per m<sup>3</sup> whilst Mixed Light Hardwood increased by 0.4% to RM932 per m<sup>3</sup> for this month.

### PLYWOOD

The supply of plywood to the domestic market remained adequate for the month under review. Plywood of 4 mm, 6 mm, 9 mm and 12 mm of thicknesses continued to be traded at RM14.60, RM22.00, RM38.00 and RM48.00 per piece respectively.

## INTRA-MALAYSIA TRADE \* - DECEMBER 2019

The shipments of logs from Sabah to Peninsular Malaysia for the month increased by 100% in volume to 1,470 m<sup>3</sup> worth at RM480,000. Trade of sawntimber in 60 m<sup>3</sup> volume worth at RM89,000. Meanwhile, trade of plywood fell by 5% in volume from 4,066 m<sup>3</sup> to 3,844 m<sup>3</sup> worth at RM6.3 million.

Trade of sawntimber from Sarawak to Peninsular Malaysia decreased by 38% in volume from 1,211 m<sup>3</sup> to 755 m<sup>3</sup> recorded last month worth at RM1.9 million. Meanwhile, trade of plywood increased by 36% in volume from 2,581 m<sup>3</sup> to 3,506 m<sup>3</sup> worth at RM3.6 million. Trade of veneer increased by 16% in volume to 3,105 m<sup>3</sup> worth at RM3.6 million.

**No intra trade from Peninsular Malaysia to Sabah and Sarawak was recorded in December 2019.**

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



## \*AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA, DECEMBER 2019 (RINGGIT MALAYSIA)

|                      | LOGS/tonne | SAWNTIMBER/m³ |         |               |         |
|----------------------|------------|---------------|---------|---------------|---------|
| SPECIES              | 18" UP     | GMS           | STRIPS  | SCANTLINGS/m³ |         |
| HEAVY HARDWOOD       |            |               |         |               |         |
| Cengal               | 5,040      | 7,415         | 5,720   | 8,121         |         |
| Balau                | 3,500      | 3,453         | 3,143   | 3,213         |         |
| Red Balau            | 2,300      | 3,072         | 2,754   | 3,319         |         |
| Merbau               | 3,500      | 4,696         | 3,927   | 3,955         |         |
| Mixed Heavy Hardwood | 1,011      | 1,013         | 883     | 1,095         |         |
| MEDIUM HARDWOOD      |            |               |         |               |         |
| Keruing              | 1,500      | 1,236         | 1,215   | 2,203         |         |
| Kempas               | 1,800      | 2,578         | 2,472   | 2,747         |         |
| Kapur                | 1,700      | 1,751         | 1,412   | 1,746         |         |
| Mengkulang           | 1,300      | 2,105         | 1,377   | 2,126         |         |
| Tualang              | 1,425      | 2,507         | 2,331   | 2,493         |         |
| LIGHT HARDWOOD       |            |               |         |               |         |
| Dark Red Meranti     | 2,100      | 2,036         | 1,695   | 2,860         |         |
| Red Meranti          | 1,830      | 2,013         | 1,660   | 2,189         |         |
| Yellow Meranti       | 1,250      | 1,554         | 1,236   | 1,271         |         |
| White Meranti        | 1,500      | 2,472         | 1,306   | 2,260         |         |
| Mersawa              | 1,700      | 1,808         | 1,660   | 2,013         |         |
| Nyato                | 1,300      | 1,660         | 1,257   | 1,342         |         |
| Sepetir              | 1,370      | 1,706         | 1,003   | 1,730         |         |
| Jelutong             | 1,140      | 1,815         | 1,215   | 1,801         |         |
| Mixed Light Hardwood | 980        | 932           | 777     | 968           |         |
| MALAYSIAN RUBBERWOOD |            |               |         |               |         |
|                      | LOGS/tonne | SAWNTIMBER/m³ |         |               |         |
|                      | 160        | 1" X 1"       | 2" X 2" | 3" X 3"       | 4" X 4" |
| Hevea brasilienses   |            | 1,112         | 1,195   | 1,375         | 1,483   |
| PLYWOOD 4' X 8'      | 4 mm       | 6 mm          | 9 mm    |               | 12 mm   |
| (RM per piece)       | 14.60      | 22.00         | 38.00   |               | 48.00   |
| PLYWOOD 4' X 8'      | 4 mm       | 6mm           | 9 mm    |               | 12 mm   |
| (RM per piece)       | 13.30      | 16.60         | 22.50   |               | 29.35   |

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

\* Prices are only indicative

## INTRA-MALAYSIA TRADE - DECEMBER 2019

| From    | Product    | Nov 2019 |               | Dec 2019 |               | % Change in volume | % Change in value |
|---------|------------|----------|---------------|----------|---------------|--------------------|-------------------|
|         |            | Vol (m³) | Val ('000 RM) | Vol (m³) | Val ('000 RM) | Nov 2019/Dec 2019  | Nov 2019/Dec 2019 |
| SABAH   | Logs       | 0        | 0             | 1,470    | 480           | 100                | 100               |
|         | Sawntimber | 60       | 177           | 60       | 89            | 0                  | -50               |
|         | Plywood    | 4,066    | 6,667         | 3,844    | 6,334         | -5                 | -5                |
|         | Veneer     | 0        | 0             | 0        | 0             | 0                  | 0                 |
| SARAWAK | Logs       | 0        | 0             | 0        | 0             | 0                  | 0                 |
|         | Sawntimber | 1,211    | 1,850         | 755      | 1,929         | -38                | 4                 |
|         | Plywood    | 2,581    | 2,812         | 3,506    | 3,636         | 36                 | 29                |
|         | Veneer     | 2,673    | 3,502         | 3,105    | 3,560         | 16                 | 2                 |

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

Cont. from page 13

## VENEER

Exports of veneer for December 2019 reduced by 3% in volume and 14% in value to 8,589 m<sup>3</sup> at RM13.0 million as compared to the previous month. Taiwan as the main buyer decreased its intake by 51% to 2,516 m<sup>3</sup> from 5,079 m<sup>3</sup> in the previous month. India also decreased by 5% to 483 m<sup>3</sup> from 508 m<sup>3</sup>.

However, China increased its intake by 87% to 1,510 m<sup>3</sup> from 807 m<sup>3</sup> and Australia increased significantly to 324 m<sup>3</sup> from only 47 m<sup>3</sup> in the previous month. On the other hand, Singapore, Italy, the US and Viet Nam did not make any purchases this month.

The FOB price of veneer for December 2019 was at RM1,509 per m<sup>3</sup>, a decrease of 12% from RM1,708 per m<sup>3</sup> in the previous month.

## BUILDERS JOINERY AND CARPENTRY (BJC)

Total BJC cumulative export for the period of January to December 2019 decreased by 2% to RM1.04 billion as compared to RM1.06 billion in the corresponding period last year. Exports to the EU decreased by 12% to RM301.2 million. Exports to Turkey, France, Denmark and Italy decreased by 82%, 35%, 27% and 0.3% to RM290.1 thousand, RM23.8 million, RM19.0 million and RM6.2 million respectively. However, exports to the UK and Netherlands also decreased by 13% and 10% to RM118.6 million and RM23.1 million respectively. Meanwhile, exports to Sweden, Germany and Belgium increased by 137%, 12% and 1% to RM7.6 million, RM29.4 million and RM48.7 million respectively.

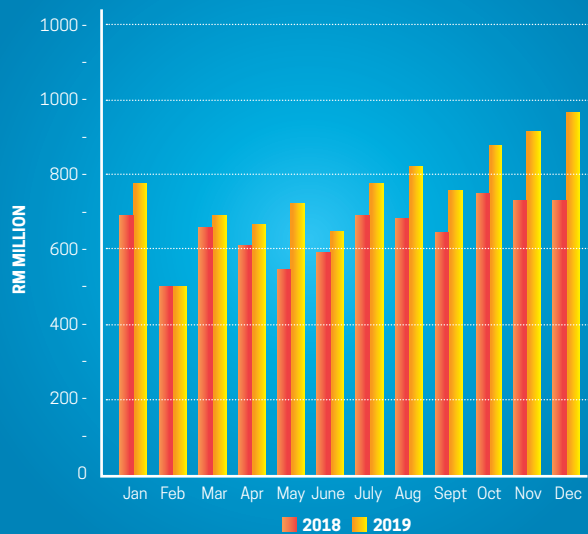
In Asia, exports to Pakistan, Viet Nam, the UAE, Singapore, Thailand and Japan decreased by 35%, 26%, 11%, 8%, 9% and 4% to RM2.5 million, RM30.9 million, RM5.4 million, RM85.1 million, RM21.0 million and RM68.8 million respectively. However, exports to Qatar increased to RM4.5 million from only 6.5 thousand in the previous corresponding period. This is followed by South Korea to RM11.5 million, Saudi Arabia RM1.7 million, Taiwan RM11.4 million and India RM40.1 million. Meanwhile, Bahrain resumed purchases for the period.

Exports to the US and Mauritius increased by 31% and 2% to RM165.7 million and RM798.5 thousand respectively. However, exports to South Africa and Australia decreased by 10% and 0.04% to RM18.1 million and RM203.0 million compared to the previous month. Meanwhile, Reunion Island did not make any purchase.

## FURNITURE

Exports of wooden and rattan furniture for the period of January to December 2019 increased by 17% to RM9.1 billion from RM7.8 billion in the previous corresponding period.

**Malaysia: Export of Wooden Furniture**  
January 2018- December 2019 (RM million)



Imports of wooden furniture by the US increased by 45% to RM4.2 billion from RM2.9 billion in the previous corresponding period of 2018. Demand from Canada also increased by 10% to RM297.8 million whilst exports to Australia declined by 10% to RM478.9 million. In Europe, shipment to the UK increased by 29% to RM513.5 million followed by Belgium by 33% to RM49.9 million and Spain 6% to RM19.0 million. Meanwhile, exports to France, Poland and Sweden decreased 0.03% to RM64.0 million, 4% to RM36.3 million and 10% to RM29.2 million respectively. Similarly, purchases by Russia declined by 27% to RM21.4 million from RM29.4 million in 2018.

In East Asia, China reduced consumption by 11% to RM225.9 million from RM254.3 million in 2018. Exports to South Korea also declined marginally to RM92.1 million whilst Japan increased imports by 3% to RM619.8 million from RM602.1 million in 2018. Exports to India improved 4% to RM249.9 million from RM239.9 million in the previous corresponding period.

In the ASEAN region, exports to Singapore increased by 2% to RM463.3 million followed by Philippines with 14% to RM237.2 million compared to the previous year. Exports to West Asia saw growth as the UAE increased intake by 13% to RM151.3 million followed by Saudi Arabia with 43% to RM179.5 million and Kuwait 13% to RM49.1 million.

Rattan furniture shipments for the period of review decreased 49% to RM1.5 million from RM2.9 million in the previous corresponding period. Exports to Australia improved significantly to RM408.4 thousand from only RM53 thousand in the previous corresponding period. Exports to Singapore increased by 71% to RM202.3 thousand. The US, Japan, American Samoa, China, France and Spain resumed purchases at RM352.6 thousand, RM65.6 thousand, RM5.2 thousand, RM56.2 thousand and RM49.7 thousand respectively. In addition, Sri Lanka and Hong Kong resumed purchases at RM9.1 thousand and 11.6 thousand respectively.



News

# Potential of Cross Laminated Timber from Malaysian Tropical Hardwoods

## What is CLT?

Cross laminated timber (CLT) has opened a new perspective in timber engineering construction; CLT has been optimised for bearing loads in and out of planes. CLT consists of uneven numbers of multi-layered timber components. Timber planks are placed side by side to form one layer and this layer is then positioned crosswise and glued to the other layer at a 90 degree angle. Cross lamination provides dimensional stability, strength and rigidity. This makes the CLT a compact, versatile and useable product.



Photo 1: CLT panel from Light Red Meranti.

## MTIB Way Forward for CLT

Under the 11<sup>th</sup> Malaysia Plan (RMK-11), a project entitled 'Development of Standards and Engineered Timber Products' was conducted with the aim to develop the manufacturing protocol of CLT. In order to develop the protocol, Malaysian tropical timbers were sent to two CLT manufacturers in Europe (Germany and Italy) based on their extensive experience in commercialisation of CLT.

The project involved the collaboration between Malaysian Timber Industry Board (MTIB), Universiti Teknologi MARA (UiTM) and MPA University of Stuttgart, Germany (UoS). The product was

manufactured at Eugen Decker Holzindustrie KG, Morbach, Germany and Rubner Holzbau, Brixen, Italy. Two timber species namely Keruing and Light Red Meranti were selected for this project.

The project teams from MTIB and UiTM visited the factories to observe and learn the manufacturing process of CLT together with the experts from the UoS.



Photo 2: Project team at Eugen Decker Holzindustrie, Morbach, Germany.

The CLT was manufactured using two methods namely hydraulic pressure and vacuum pressure. The hydraulic pressure method was carried out at Eugen Decker and the vacuum pressed method was conducted at Rubner Holzbau. **Photo 4** shows the manufacturing processes at Eugen Decker while **Photo 5**, at the Rubner Holzbau.

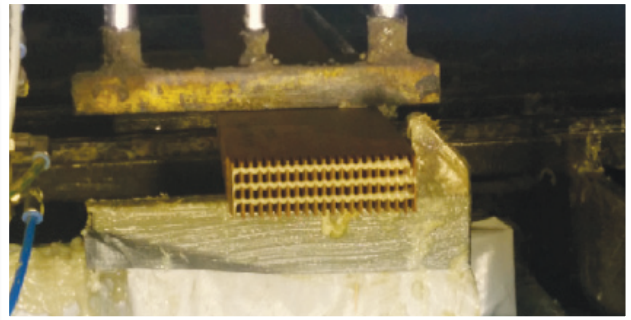


Photo 3: Visiting the manufacturing factory at Rubner Holzbau, Brixen, Italy.





(a)



(b)



(a)

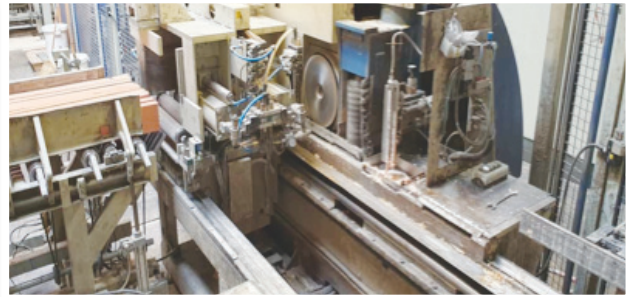


(b)

Photo 4: Hydraulic pressure method at Eugen Decker (a) Joint mill system;(b) Finger joint with PU adhesive; (c) Assembles CLT panel; and (d) Hydraulic press system for CLT panel.



(a)



(b)



(c)



(d)



(e)

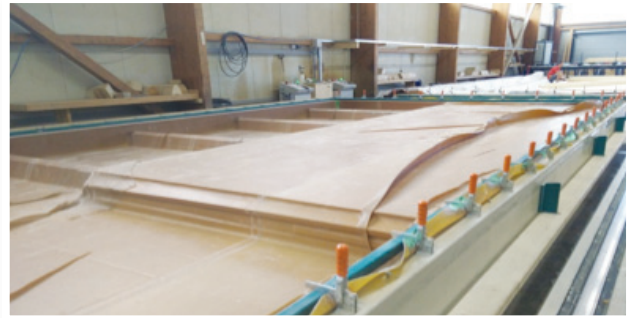


(f)





(g)



(h)

Photo 5: Vacuum pressure method at Rubner Holzbau (a) Joint mill system; (b) Finger profiling; (c) Bonded joint of two timber pieces; (d) Planing process; (e) First layer with longitudinal arrangement; (f) Applied adhesive at the surface; (g) Second layer of CLT panel; and (h) Panel pressured using vacuum method.

These two methods are commonly used in Europe based on the capacity of the CLT manufacturers as well as market demand to both European countries and countries outside Europe. The project adopted these two methods in order to evaluate the capability of Malaysian tropical timbers from density ranges of either above or below 800kg/m<sup>3</sup>. The vacuum press method was also included in the project taking into account the initial investment costs which was lower compared to the hydraulic press method. It is also suitable for those companies which intend to start manufacturing CLT.

### Current Scenario on CLT Standards

Currently, the ISO standard under ISO/TC165: Timber Structures and EN 16351 for CLT are still under development. Therefore, this study is timely as the data can be incorporated in the draft standards in particular for CLT from tropical hardwoods.

This effort can be regarded as an evolvement of the Malaysian timber industry towards producing high value-added timber products to widen market access locally and internationally as outlined in the National Timber Industry Policy (NATIP). At present, Malaysia mainly exports sawntimber as well as plywood and furniture to international markets including Europe. Therefore, this project may open up new markets for structural timber products.

### Project Outcome

The outcome of the project are as follows:

- Mechanical properties of CLT from Keruing and Light Red Meranti.
- Manufacturing protocol of CLT.

Both the properties and the protocol of CLT will act as impetus for the industry to embark on CLT production using tropical hardwoods considering the availability of more than 2,500 species of Malaysian tropical hardwoods.



CLT product using Malaysian hardwood timber.

Article contributed by: Zakiah Ahmad<sup>1</sup> (Prof. Dr.), Norshariza Mohamad Bhkari<sup>1</sup> (Dr.) & Mahsuri Mat Dris<sup>2</sup>

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Universiti Teknologi MARA Shah Alam, Selangor

<sup>2</sup>Malaysian Timber Industry Board (MTIB)



Resak *Vatrica* spp.

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*Timeless, Enduring*



# MTIB TRAINING PROGRAMME 2020

MTIB will conduct the following courses in 2020 at the Wood Industry Skills Development Centre (WISDEC) in Banting, Selangor and Kota Kinabalu, Sabah. These courses are designed to assist in expediting technology transfer and to impart skills and knowledge to the wood-based industry in particular the downstream wood processing sectors.

Besides these, MTIB offers customised courses according to the specific needs of the companies or agencies, upon request.



## For WISDEC Selangor, please contact :

Cik Siti Aishah Abu Bakar/Encik Mohd Shairazi Yahya  
Wood Industry Skills Development Centre (WISDEC)  
Lot 167, Jalan 3, Kompleks Perabot Olak Lempit,  
42700 Banting, Selangor  
Tel : 603-3149 2924  
Fax : 603-3149 2122  
E-mail : wisdec@mtib.gov.my

## For WISDEC Sabah, please contact :

Encik Mohd Faizal Abdul Rodzak  
Wood Industry Skills Development Centre (WISDEC)  
Lot 4, Fasa 1, Jalan Timur 6, Taman Perindustrian  
Kota Kinabalu (KKIP),  
Peti Surat 177, Pos Mini Indah Permai,  
88450 Kota Kinabalu, Sabah  
Tel : 6088-498 822  
Fax : 6088-498 811/833  
E-mail : mtib.sabah@mtib.gov.my



## WISDEC SELANGOR (2020)

| MONTH | NO. | COURSE TITLE                                                                   | FEE (RM) | DATE            |
|-------|-----|--------------------------------------------------------------------------------|----------|-----------------|
| MAR   | 1   | Identification of Malaysian Timber Species                                     | 700.00   | 2-5 MARCH       |
|       | 2   | Identification of Commercial Import Timber Species                             | 700.00   | 23-26 MARCH     |
| APR   | 3   | Introduction to MGR                                                            | 525.00   | 13-15 APRIL     |
| JUN   | 4   | Technology and Operation of Woodworking Machine CNC Router (Alphacam Software) | 700.00   | 15-18 JUNE      |
| JUL   | 5   | Technology and Operation of Woodworking Machine - 6 Head Moulder               | 700.00   | 6-9 JULY        |
|       | 6   | Basic Furniture Making                                                         | 700.00   | 20-23 JULY      |
| AUG   | 7   | Furniture Making (Built-in Furniture)                                          | 700.00   | 10-13 AUGUST    |
|       | 8   | AutoCAD In Furniture Drawing (3D)                                              | 700.00   | 24-27 AUGUST    |
| SEP   | 9   | Basic Wood Technology                                                          | 700.00   | 7-10 SEPTEMBER  |
|       | 10  | Wood Machining Technology                                                      | 700.00   | 21-24 SEPTEMBER |
| OCT   | 11  | Operation and Maintenance of Woodworking Machines                              | 700.00   | 5-8 OCTOBER     |
|       | 12  | Epoxy Application in Furniture Making                                          | 875.00   | 19-23 OCTOBER   |
| NOV   | 13  | Furniture Finishing Technology                                                 | 700.00   | 2-5 NOVEMBER    |
|       | 14  | Safety and Health in Wood-based Industry                                       | 350.00   | 16-17 NOVEMBER  |
|       | 15  | Furniture Quality Control                                                      | 350.00   | 26-27 NOVEMBER  |

\* Subject to change



## WISDEC SABAH (2020)

| MONTH      | NO. | COURSE TITLE                                                                   | FEE (RM) | DATE           |
|------------|-----|--------------------------------------------------------------------------------|----------|----------------|
| <b>FEB</b> | 1   | <b>Wood Lamination Technology</b>                                              | 375.00   | 10-12 FEBRUARY |
| <b>MAR</b> | 2   | <b>Creativity and Innovation Marketing</b>                                     | 500.00   | 9-12 MARCH     |
| <b>APR</b> | 3   | <b>Technology and Operation of Woodworking Machine - CNC Router (AlphaCAM)</b> | 500.00   | 6-9 APRIL      |
| <b>JUN</b> | 4   | <b>Furniture Design and Model Making</b>                                       | 500.00   | 15-18 JUNE     |
| <b>JUL</b> | 5   | <b>Creative Finishing for Wood-based Product</b>                               | 500.00   | 13-16 JULY     |

\* Subject to change



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**Malaysian Timber Industry Board**

Level 13-17, Menara PGRM No.8, Jalan Pudu Ulu, Cheras P.O. BOX 10887, 50728 KUALA LUMPUR  
Tel : 603 - 9282 2235 , Fax : 603 - 9285 1477 / 9200 3769, E-mail : [info@mtib.gov.my](mailto:info@mtib.gov.my), Website : [www.mtib.gov.my](http://www.mtib.gov.my)



# UPCOMING EVENTS



MAY - JUNE 2020

|                          |                                                                                                                                         |          |                                                                         |          |                                                                                                                                              |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|----------|-------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>MAY</b><br><b>6-7</b> | <b>EVENTS</b><br><b>Kuchenwohntrends 2020</b><br>Trade Fair for kitchens and furniture                                                  | <b>+</b> | <b>VENUE</b><br>Munich, Germany                                         | <b>+</b> | <b>ORGANISER DETAILS</b><br>Stefan George Ring 2,<br>D-81929 Munich<br>Tel : + 49 89 309 040 191<br>E-mail : info@trendfairs.de              |
| <b>7-8</b>               | <b>EVENTS</b><br><b>HBP Forum HolzBau Poland 2020</b><br>International Wood Construction Conference                                     | <b>+</b> | <b>VENUE</b><br>Warsaw, Poland                                          | <b>+</b> | <b>ORGANISER DETAILS</b><br>Forum Holzbau Polska<br>Tel : +48 609 192 635<br>Fax : +48 880 100 682<br>E-mail : http://biuro@forum-holzbau.pl |
| <b>15-17</b>             | <b>EVENTS</b><br><b>EMBC EXPO Mueble 2020</b><br>Furniture Fair                                                                         | <b>+</b> | <b>VENUE</b><br>Baja California, Mexico                                 | <b>+</b> | <b>ORGANISER DETAILS</b><br>Tel : (664) 634.1024<br>Fax : (661) 138.0599<br>E-mail : info@expomueblebajacalifornia.com                       |
| <b>16-19</b>             | <b>EVENTS</b><br><b>IFF 2020</b><br>Qingdao International Furniture Fair                                                                | <b>+</b> | <b>VENUE</b><br>Jinan Qingdao, Shuangcheng Co-Exhibition China          | <b>+</b> | <b>ORGANISER DETAILS</b><br>Deruijia<br>Tel : 400-012-6660                                                                                   |
| <b>17-20</b>             | <b>EVENTS</b><br><b>ICFF 2020</b><br>High end furniture, luxury furniture, luxury interior design exhibition                            | <b>+</b> | <b>VENUE</b><br>New York City's Javits Centre, United States of America | <b>+</b> | <b>ORGANISER DETAILS</b><br>Phil Robinson<br>Show Director<br>E-mail: phil.robinson@icff.com                                                 |
| <b>19-22</b>             | <b>EVENTS</b><br><b>Wood Processing 2020</b><br>Specialised exhibition of equipment and tools for forestry, wood and furniture industry | <b>+</b> | <b>VENUE</b><br>Arena - Lviv<br>199 Stryiska Str., Lviv, Ukraine        | <b>+</b> | <b>ORGANISER DETAILS</b><br>79008 Lviv, Vynnychenka, 30<br>Tel: (032) 2970628<br>Fax : (032) 2971756<br>E-mail : expo@galexpo.lviv.ua        |

|                            |                                                                                                                                                 |          |                                                                           |          |                                                                                                                                                                                                           |
|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>MAY</b><br><b>26-29</b> | <b>EVENTS</b><br><b>Interzum Bogota 2020</b><br>Event for industrial wood processing and furniture manufacturing                                | <b>+</b> | <b>VENUE</b><br>Bogota, Colombia                                          | <b>+</b> | <b>ORGANISER DETAILS</b><br>Carrera 37,<br>No. 24 – 67 Bogota, Columbia<br>Tel : 9571) 381 0000/30<br>Website : www.corferias.com                                                                         |
| <b>27-29</b>               | <b>EVENTS</b><br><b>Carrefour du Bois 2020</b><br>International Timber Trade Show                                                               | <b>+</b> | <b>VENUE</b><br>Nantes, France                                            | <b>+</b> | <b>ORGANISER DETAILS</b><br>Carrefour International du Bois<br>15 Bd Leon Bureau,<br>CS 66206,<br>44262 Nantes CEDEX 02<br>Tel : 02 40 73 60 64                                                           |
| <b>JUNE</b><br><b>2-5</b>  | <b>EVENTS</b><br><b>FIMMA Maderalia 2020</b><br>International Fair of Woodworking Machinery & Tools                                             | <b>+</b> | <b>VENUE</b><br>Pavilions FIMMA & MADERALIA<br>Valencia, Spain            | <b>+</b> | <b>ORGANISER DETAILS</b><br>Daniel Navarro<br>Tel : 96.386.13.12<br>E-mail : dnavarro@feriavalencia.com                                                                                                   |
| <b>9-11</b>                | <b>EVENTS</b><br><b>Woodex for Africa 2020</b><br>Specialised trade fair for the woodworking, forestry, furniture and other related industries. | <b>+</b> | <b>VENUE</b><br>Gallagher Convention Centre<br>Johannesburg, South Africa | <b>+</b> | <b>ORGANISER DETAILS</b><br>Annelize Jooste<br>Tel : +27 81 775 5859<br>E-mail : info@woodexforafrica.com                                                                                                 |
| <b>10-12</b>               | <b>EVENTS</b><br><b>AfriWood East Africa Kenya 2020</b><br>Woodworking and furniture manufacturing exhibition                                   | <b>+</b> | <b>VENUE</b><br>Nairobi, Kenya                                            | <b>+</b> | <b>ORGANISER DETAILS</b><br>Expolane and Ltd<br>P.O. Box 21604 – 00100,<br>Nairobi, Kenya<br>Tel : +254 20 2000621<br>E-mail : kenya@expogr.com                                                           |
| <b>25-27</b>               | <b>EVENTS</b><br><b>Woodshow Gabon 2020</b><br>International Wood, woodworking and forestry show                                                | <b>+</b> | <b>VENUE</b><br>Libreville, Gabon                                         | <b>+</b> | <b>ORGANISER DETAILS</b><br>Strategic Exhibitions & Conferences<br>Tel : +971 4392 3232<br>E-mail : info@gabonwoodshow.com                                                                                |
| <b>26-28</b>               | <b>EVENTS</b><br><b>IFF India Furniture Fair 2020</b><br>International furniture exhibition for launching new products & creative ideas         | <b>+</b> | <b>VENUE</b><br>Bangalore, India                                          | <b>+</b> | <b>ORGANISER DETAILS</b><br>Businesslive Trade Fairs<br>No. 29, 2 <sup>nd</sup> Floor, Ramakrishna Street, T, Nagar,<br>Chennai – 600017<br>Tel : +91 44 28144852<br>E-mail : sales@indiafurniturefair.in |



# BELGIUM

## PROSPECTS IN CONSTRUCTION SECTOR



### Overview

The kingdom of Belgium is a sovereign state in Western Europe bordered by France, the Netherlands, Germany,

Luxembourg, and the North Sea. Culturally, Belgium is a heterogeneous country straddling the border between the Romance and Germanic language families of Western Europe. With the exception of a small German-speaking population in the eastern part of the country, Belgium is divided between a French-speaking people, collectively called Walloons (approximately one-third of the total population), who are concentrated in the five southern provinces (Hainaut, Namur, Liège, Walloon Brabant and Luxembourg) and Flemings, a Flemish- (Dutch-) speaking people (more than one-half of the total population), who are concentrated in the five northern and north-eastern provinces (West Flanders, East Flanders [West-Vlaanderen, Oost-Vlaanderen], Flemish Brabant, Antwerp, and Limburg). Just north of the boundary between Walloon Brabant (Brabant Walloon) and Flemish (Vlaams) Brabant lies the officially bilingual but majority French-speaking Brussels-Capital region, with approximately one-tenth of the total population.

In 2019, the country's population was estimated at 11,589,623 people equivalent to 0.15% of the total world population. Belgium ranked 81st in the list of countries (and dependencies) by population. Belgium's GDP is USD46,696 while GDP by sector is 77.2% services, 22.1% industry and 0.7% agriculture.

### Economy

Belgium has a well-developed free market economy, based on both industrial and service sectors. It is heavily dependent on international trade and most of its economic sectors are geared toward exporting products.

The Belgian economy is growing with real GDP rising by 1.7% in 2017, the highest since 2011, and was forecasted to grow by 1.9% in 2018. The labour market has been improving and consumer and business confidence have bode well as of late 2017.

A preliminary estimate revealed that economic growth was stable in the fourth quarter of last year. Private consumption likely fueled growth thanks to a tightening labour market and improving consumer sentiment in Q4. On the other hand, fixed investment was seemingly held back by lackluster sentiment in the construction and manufacturing sectors, and Brexit-linked uncertainties. Turning to the first quarter of this year, improved consumer and business sentiment in

January suggest that the economy began the year on a positive note.

On an annual basis, growth fell to 1.2% in Q4 from a revised 1.6% in the previous quarter (previously reported: +1.3% year-on-year). Taking the year as a whole, the economy grew 1.4% in 2019, slightly below 2018's 1.5% expansion.

### Forest

Total land area in Belgium is 3,028,000 hectares (ha) and forests cover 683,400 hectares or 22.4% of its national territory. 42% is naturally regenerated forest and 58% is planted forest. Belgium had 396,000 ha of planted forest.

The most common trees are Beech and Oak, but considerable plantings of conifers have been made in recent years. Belgium serves as a large transshipment centre for temperate hardwood logs, softwood lumber, and softwood plywood. Large quantities of timber for the woodworking industry are typically imported from the Democratic Republic of the Congo.

### Timber Production

According to the FAO 2017 forest statistics, Belgium produced around 3.0 million m<sup>3</sup> of logs. Apart from logs

production, the country produced 1.7 million m<sup>3</sup> of sawntimber, 1.3 million m<sup>3</sup> of particleboard followed by 300 thousand m<sup>3</sup> of fibreboard.

### Belgium: Production of Timber Products, 2013-2017

(Volume: ' 000 m<sup>3</sup>)

| PRODUCT                 | 2013         | 2014         | 2015         | 2016         | 2017         |
|-------------------------|--------------|--------------|--------------|--------------|--------------|
| Sawlogs and Veneer Logs | 3,015        | 2,965        | 2,965        | 2,965        | 2,965        |
| Sawntimber              | 1,745        | 1,805        | 1,800        | 1,700        | 1,650        |
| Veneer                  | 34           | 34           | 34           | 34           | 34           |
| Plywood                 | 24           | 24           | 24           | 24           | 24           |
| Particleboard           | 1,509        | 1,380        | 1,330        | 1,250        | 1,250        |
| Fibreboard              | 309          | 290          | 300          | 300          | 300          |
| <b>Total</b>            | <b>6,636</b> | <b>6,498</b> | <b>6,453</b> | <b>6,273</b> | <b>6,223</b> |

Source: FAO Yearbook

### Belgium's Import of Timber and Timber Product

Belgium is a major importer and distributor of forest products. The port of Antwerp's location near major markets in Europe such as France and Germany has made it as strategic centre for trade. The port of Antwerp handles forest products not only destined for

Belgium but serves as an arrival and trans-shipment point for other European markets as well. Belgium's import of timber and timber products in 2018 was worth USD4.6 billion, an increase of 8% over the previous corresponding period. Belgium imported mainly furniture, sawntimber, BJC and fibreboard. Import of furniture and sawntimber totalled USD1.4 billion and USD858.5 million respectively. In the meanwhile, import of BJC totalled USD303.7 million followed by logs with USD276.4 million and fuel wood with USD294.0 million.

### Belgium : Import of Timber and Timber Products, 2014-2018

(Value: USD' 000)

| CODE | PRODUCT                         | 2014      | 2015      | 2016      | 2016      | 2018      |
|------|---------------------------------|-----------|-----------|-----------|-----------|-----------|
| 9403 | Furniture and parts             | 1,575,639 | 1,218,640 | 1,274,421 | 1,316,837 | 1,414,743 |
| 4407 | Sawntimber                      | 851,281   | 730,150   | 759,335   | 773,279   | 858,477   |
| 4418 | Builders' Joinery and Carpentry | 318,902   | 274,198   | 279,205   | 278,806   | 303,743   |
| 4401 | Logs                            | 297,122   | 221,262   | 230,631   | 254,634   | 302,587   |
| 4411 | Fuel Wood                       | 270,245   | 267,385   | 257,951   | 278,574   | 294,039   |
| 4403 | Fibreboard                      | 311,728   | 265,845   | 261,057   | 302,974   | 276,448   |
| 4412 | Plywood                         | 280,931   | 236,752   | 227,253   | 250,181   | 268,414   |
| 4415 | Packing Cases                   | 245,753   | 224,427   | 229,827   | 214,024   | 245,183   |
| 4410 | Particleboard                   | 151,628   | 116,649   | 138,473   | 141,788   | 166,529   |
| 4421 | Other Articles of Wood          | 129,059   | 109,755   | 111,741   | 109,851   | 119,977   |
| 4409 | Mouldings                       | 112,287   | 89,138    | 88,164    | 89,649    | 92,516    |
| 4408 | Veneer                          | 51,900    | 39,688    | 48,823    | 52,583    | 58,510    |
| 4420 | Wood Marquetry                  | 35,281    | 31,830    | 36,514    | 37,261    | 38,817    |
| 4402 | Wood Charcoal                   | 28,724    | 30,396    | 34,273    | 38,349    | 37,928    |
| 4419 | Tableware and Kitchenware       | 21,333    | 21,082    | 23,453    | 23,232    | 30,164    |
| 4414 | Wooden Frames                   | 25,271    | 21,397    | 20,102    | 20,740    | 23,467    |
| 4406 | Railway Sleepers                | 12,421    | 13,685    | 16,308    | 15,415    | 12,966    |



|      |                               |                  |                  |                  |                  |                  |
|------|-------------------------------|------------------|------------------|------------------|------------------|------------------|
| 4417 | Tools, Bodies and Handles     | 12,406           | 10,327           | 11,212           | 9,699            | 9,541            |
| 4404 | Hoopwood                      | 4,843            | 4,463            | 4,486            | 3,716            | 6,281            |
| 4413 | Densified Wood                | 10,217           | 8,814            | 8,151            | 6,527            | 4,636            |
| 4405 | Wood Wool and Flour           | 5,799            | 3,796            | 3,992            | 4,672            | 4,424            |
| 4416 | Casks, Barrels, Vats and Tubs | 3,748            | 5,598            | 6,142            | 3,163            | 2,538            |
|      | <b>Total</b>                  | <b>4,756,518</b> | <b>3,945,277</b> | <b>4,071,514</b> | <b>4,225,954</b> | <b>4,571,928</b> |

Source: UN Comtrade

## Belgium's Export of Timber and Timber Products

Belgium's export of timber and timber products in 2018 increased 10% to USD3.9 billion over the previous corresponding period. Belgium exported

mainly furniture, sawntimber, fibreboard and particleboard. Exports of furniture and sawntimber totalled USD839.3 million and USD645.1 million respectively. In addition, exports of fibreboard totalled USD634.9 million followed by particleboard at USD349.0 million.

## Belgium: Export of Timber and Timber Products, 2014 - 2018

(Value: USD' 000)

| CODE | PRODUCT                         | 2014             | 2015             | 2016             | 2016             | 2018             |
|------|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| 9403 | Furniture and Parts             | 838,470          | 734,841          | 736,311          | 788,325          | 839,320          |
| 4407 | Sawntimber                      | 563,597          | 525,522          | 565,879          | 568,366          | 645,071          |
| 4411 | Fibreboard                      | 675,716          | 555,063          | 565,783          | 626,332          | 634,862          |
| 4410 | Particleboard                   | 344,560          | 309,031          | 285,851          | 312,441          | 348,960          |
| 4403 | Logs                            | 239,990          | 218,899          | 186,293          | 265,122          | 298,424          |
| 4412 | Plywood                         | 226,999          | 200,938          | 205,114          | 219,276          | 243,946          |
| 4418 | Builders' Joinery and Carpentry | 160,845          | 171,990          | 202,746          | 212,935          | 230,326          |
| 4415 | Packing Cases                   | 189,262          | 171,221          | 173,923          | 188,364          | 210,552          |
| 4401 | Fuel Wood                       | 97,199           | 86,539           | 103,811          | 98,920           | 136,461          |
| 4409 | Mouldings                       | 68,543           | 54,905           | 59,433           | 52,712           | 58,360           |
| 4421 | Other Articles of Wood          | 61,513           | 56,875           | 58,649           | 49,440           | 56,247           |
| 4402 | Wood Charcoal                   | 32,409           | 31,822           | 35,206           | 32,734           | 32,766           |
| 4414 | Wooden Frames                   | 28,572           | 24,975           | 26,289           | 24,021           | 26,665           |
| 4420 | Wood Marquetry                  | 27,469           | 22,094           | 25,472           | 28,808           | 26,463           |
| 4408 | Veneer                          | 17,646           | 13,165           | 20,285           | 19,722           | 22,151           |
| 4419 | Tableware and Kitchenware       | 11,231           | 12,279           | 13,863           | 17,534           | 22,097           |
| 4406 | Railway Sleepers                | 11,412           | 12,317           | 16,743           | 11,609           | 19,815           |
| 4404 | Hoopwood                        | 10,017           | 7,309            | 7,806            | 7,399            | 8,100            |
| 4416 | Casks, Barrels, Vats and Tubs   | 12,009           | 18,684           | 25,540           | 8,114            | 7,874            |
| 4417 | Tools, Bodies and Handles       | 7,862            | 6,821            | 7,780            | 6,316            | 6,276            |
| 4413 | Densified Wood                  | 8,457            | 776              | 1,076            | 640              | 3,611            |
| 4405 | Wood Wool and Flour             | 712              | 793              | 1,258            | 1,435            | 1,292            |
|      | <b>Total</b>                    | <b>3,634,490</b> | <b>3,236,859</b> | <b>3,325,111</b> | <b>3,540,565</b> | <b>3,879,639</b> |

Source: UN Comtrade

## Malaysia: Exports of Timber and Timber Products to Belgium

In 2019, exports of Malaysian timber and timber products to Belgium registered a decrease of 0.4% to RM169.0 million from RM168.0 million in 2018. Belgium ranked 21<sup>st</sup> with 7% of Malaysia's total market share. Amongst timber products, sawntimber constituted the largest portion. In 2019, sawntimber made up 20% of

Malaysia's total export of timber and timber products in terms of value to Belgium. Dark Red Meranti and Merbau were the most important species exported to Belgium from Malaysia. The main end-use of these species is for the manufacturing of joineries. Other products exported were wooden furniture with a total value of RM50.0 million followed by Builders' Joinery and Carpentry (BJC) with RM48.7 million and mouldings with RM29.6 million.

### Malaysia: Exports of Timber and Timber Products to Belgium, 2015-2019

Value: FOB RM

| PRODUCT                         | 2015               | 2016               | 2017               | 2018               | 2019               |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Sawntimber                      | 40,711,349         | 49,397,538         | 45,079,617         | 41,980,540         | 34,179,296         |
| Plywood                         | 10,371,262         | 8,979,117          | 8,580,805          | 8,707,243          | 4,392,525          |
| Mouldings                       | 25,700,879         | 28,610,482         | 31,240,624         | 30,679,065         | 29,647,220         |
| Wooden Frame                    | 608,024            | 607,776            | 658,006            | 1,116,720          | 956,758            |
| Builders' Joinery and Carpentry | 51,661,639         | 48,710,798         | 55,310,446         | 48,421,881         | 48,684,219         |
| Wooden Furniture                | 46,378,392         | 42,246,967         | 40,725,870         | 37,632,640         | 49,978,596         |
| Rattan Furniture                | 295,607            | 40,734             | -                  | 49,010             | -                  |
| Other Products                  | 404,669            | 884,114            | 698,857            | 376,374            | 419,023            |
| <b>Total</b>                    | <b>176,131,821</b> | <b>179,477,526</b> | <b>182,294,225</b> | <b>168,963,473</b> | <b>168,257,637</b> |

Source: DOSM/MTIB

## Malaysia's Import of Timber and Timber Products from Belgium

In 2019, Malaysian import of timber and timber products from Belgium registered an increase of

282% to RM15.5 million from only RM4.1 million in 2018. Major products imported from Belgium were fibreboard with a total value of RM9.9 million followed by wooden furniture at RM493.2 thousand, mouldings at RM251.2 thousand and sawntimber at RM159.5 thousand.

### Malaysia: Imports of Timber and Timber Products from Belgium, 2015-2019

Value: FOB RM

| PRODUCT                         | 2015             | 2016             | 2017           | 2018             | 2019              |
|---------------------------------|------------------|------------------|----------------|------------------|-------------------|
| Logs                            | 26,539           | -                | 26,186         | 34,692           | -                 |
| Sawntimber                      | 3,012,036        | 1,168,657        | 79,112         | 175,691          | 159,510           |
| Veneer                          | -                | -                | 14,796         | -                | 59,897            |
| Mouldings                       | 41522            | -                | -              | -                | 251,150           |
| Fibreboard                      | 139,583          | 110,893          | 107,262        | 3,235,940        | 9,917,753         |
| Wooden Frame                    | -                | -                | -              | 9,945            | -                 |
| Builders' Joinery and Carpentry | 99,632           | 8,655            | 12,067         | 310,901          | 95,266            |
| Wooden Furniture                | 2,281,291        | 23,016           | 150,689        | 191,712          | 493,153           |
| Rattan Furniture                | 34,006           | 20,093           | -              | -                | -                 |
| Other Products                  | 358,962          | 259,545          | 215,352        | 93,993           | 4,491,201         |
| <b>Total</b>                    | <b>5,993,571</b> | <b>1,590,859</b> | <b>605,464</b> | <b>4,052,874</b> | <b>15,467,930</b> |

Source: DOSM/MTIB



## Import Tariff

Belgium's import duty on timber and timber products ranges from 0 – 10%. Details are as follows:

### EU Common Import Tariff (MFN)

| HS (2017) | Product                         | Rate  |
|-----------|---------------------------------|-------|
| 4401      | Fuel wood                       | 0     |
| 4402      | Wood Charcoal                   | 0     |
| 4403      | Logs                            | 0     |
| 4404      | Hoopwood                        | 0     |
| 4405      | Wood Wool and Flour             | 0     |
| 4406      | Railway Sleepers                | 0     |
| 4407      | Sawntimber                      | 0-2.5 |
| 4408      | Veneer                          | 0-6   |
| 4409      | Mouldings                       | 0     |
| 4410      | Particleboard                   | 7     |
| 4411      | Fibreboard                      | 7     |
| 4412      | Plywood                         | 6-10  |
| 4413      | Densified Wood                  | 0     |
| 4414      | Wooden Frames                   | 0-2.5 |
| 4415      | Packing Cases                   | 3-4   |
| 4416      | Casks, Barrels, Vats and Tubs   | 0     |
| 4417      | Tools, Bodies and Handles       | 0     |
| 4418      | Builders' Joinery and Carpentry | 0-3   |
| 4419      | Tableware and Kitchenware       | 0     |
| 4420      | Wood Marquetry.                 | 0-4   |
| 4421      | Other Articles of Wood          | 0-4   |
| 9403      | Other furniture and Parts       | 0-5.6 |

Source: European Union

## Prospects

The Belgian construction industry contracted by 0.1% and 0.8% in real terms in 2016 and 2017 respectively. This was preceded by an average annual growth of 1.1% during 2014-2015. This contraction can be attributed to weak consumer and investor confidence and a reduction in public and private sector investment in construction projects. Terror attacks in Brussels in 2016 also affected the tourism sector, and reduced the flow of investments in the construction industry.

Over the period of 2018-2022, the industry is expected to expand, driven by the government's focus on developing energy and transport infrastructure in the country. Moreover, an increase in building construction permits issued is expected to support new construction activity over the forecast period. Investments in energy and commercial developmental projects, and rising exports and the expanding tourism sector are also expected to support this growth over the forecast period. The industry's output value in real terms is expected to rise at a compound annual growth rate (CAGR) of 2.22% over the forecast period, compared to 0.32% during the period of 2013-2017.

Due to growth in construction in Belgium, Malaysian exporters need to aggressively promote Malaysian value-added timber products especially to Belgium in order to expand their market share. Malaysian suppliers need to continue to create excitement and creativity in terms of design, innovation, materials used, colors and finishing and to improve product quality and standards.

In addition, local furniture and wood manufacturers are being asked to act fast with market changes especially in terms of design, product range, materials and price competitiveness. In addition, there is a need to increase promotion on the benefits and advantages of using timber in the field of construction. The durability and strength of timber in the field of construction is expected to be more competitive and provide wider choices to a construction sector industrial player.

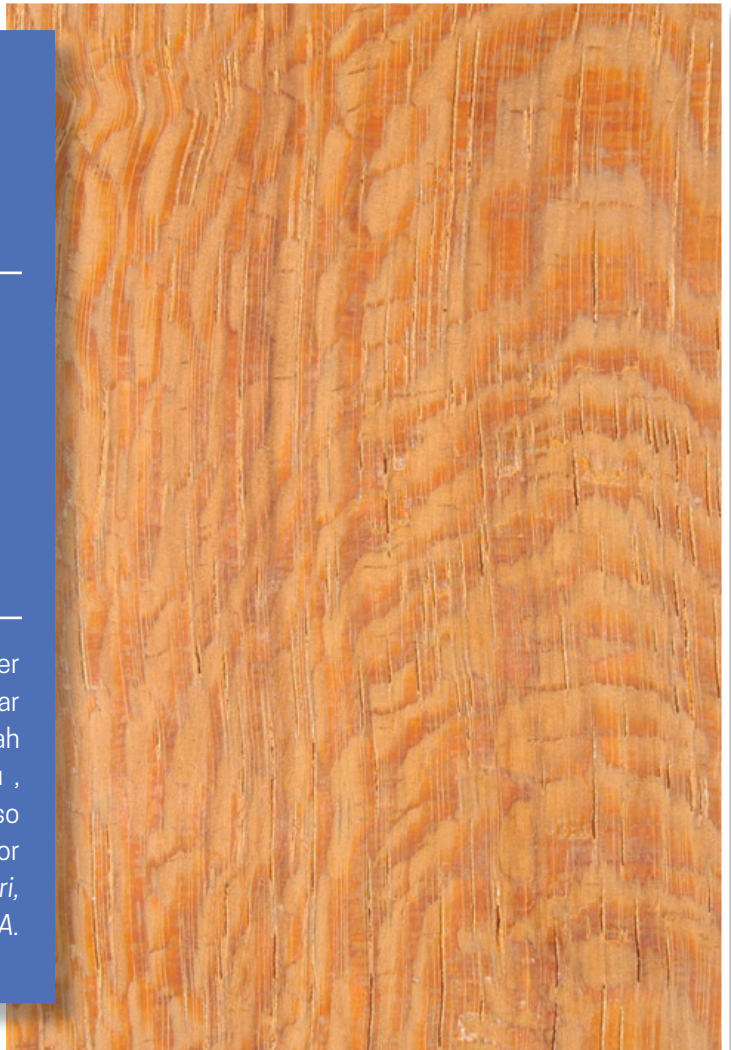
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# DELEK

## SUITABLE FOR PARQUET FLOORING

Delek is The Standard Malaysian Name for the timber of *Anisophyllea* spp. (*Anisophylleaceae*). Vernacular names applied include Delek, Hampas dadah (Peninsular Malaysia), Menengang, Mertama, Mopu, Sial menahun, sireh-sireh, Tengoda (Sarawak) and also various local names too numerous to list here. Major species include *A. apetala*, *A. beccariana*, *A. corneri*, *A. disticha*, *A. ferruginea*, *A. grandis*, *A. griffithii* and *A. nitida*.



Wood colour and texture

### General Characteristics

Its sapwood is not differentiated from the heartwood which is pink brown to orange-brown with purplish tinge.

### Wood Anatomy

The grain is interlocked and is sometimes irregular while the texture is fine or moderately fine and uneven. Growth rings are generally indistinct, but are occasionally distinct. Vessels are moderately small to medium sized, and solitary, in radials of two to three, in oblique or tangential arrangements, and some are filled with dark-deposit. Wood parenchyma is moderately abundant, paratracheal, vasicentric, aliform and is infrequently confluent and linking up several vessels. Rays are fine to

medium sized, the broader one visible to naked eye. Ripple marks are absent and while phloem is present in transverse sections two to three times the area of the vessel.

### Tree Characteristics

*Anisophyllea* spp. are monoecious shrubs or small to occasionally fairly large trees up to 36 m tall, its bole up to 80 cm in diameter, often poorly shaped and slightly fluted at the base, occasionally with short buttresses, bark surface smooth to slightly cracking or flaky, sometimes finely fissured or dipped or with horizontal rings, greyish-brown to reddish-brown, inner bark granular, yellow or pink to reddish-brown, and its sapwood often with strong radial rays, yellow to creamy to reddish-brown.



The leaves are alternate and distichous, simple, often asymmetrical, entire, with three to five longitudinal veins, sometimes pinnately veined (*A. griffithii*), in some species there are two additional rows of stipule-like leaves, stipules absent. They have inflorescence axillary, spike-like to paniculate. The flowers are small, unisexual, polygamous or apparently bisexual, usually four-merous, calyx with triangular lobes, petals entire to deeply divided, stamens twice as many as petals, usually unequal in length, ovary inferior, three to five-locular with a single ovule in each cell, generally with four styles.

The fruit is dry and rather hard-shelled drupe (fleshy in *A. disticha*), ellipsoid to pyriform, smooth or ridged, indehiscent, with persistent floral parts, usually one-seeded. Seedling with hypogeal germination, cotyledons apparently absent, storage function is passed on to a specialised hypocotyl. The hypocotyl is contained within the seed-coat and does not appear above the ground. This "storage hypocotyl" does not grow during germination, does not become erect and is eventually abscised.

*Anisophyllea* spp. seems to be most closely related to *Combretocarpus*, which differs in the pinnately veined leaves, the three-merous flowers and winged fruit. These two genera are often considered to represent a separate tribe (*Anisophylleae*) in the *Rhizophoraceae*, but recent multidisciplinary studies point to the distinction of a separate family (*Anisophylleaceae*).

## Mechanical Properties

The timber is hard and very heavy with a density of 800-980 kgm<sup>3</sup> air dry. The timber falls into Strength Group 3 - Naturally Durable (MS 544:Part 2:2001).

## Uses

The timber with its broad rays and Oak-like figure is suitable for interior finishing, parquet flooring, panelling, furniture, sliced veneers, fence posts, walking sticks and tool handles.

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Courtesy visit by members of 'Persatuan Penggiat Seni Ukir Kayu Malaysia' (PENGUKIR) to MTIB, Kuala Lumpur on 6 January 2020.



Encik Mohd Kheiruddin Mohd Rani, MTIB Director-General (centre in batik) with MTIB personnel during Melaka Wood & Lifestyle Fair, on 16-19 January 2020.



Courtesy visit by officials from Malaysian Industrial Development Finance (MIDF) to MTIB, Kuala Lumpur on 14 January 2020.



MTIB officials attending a workshop on RMK-11 Human Resource Development Enhancement and Wood Industry Capacity Building Project: Planning Adjustment and Project Report on 21-22 January 2020, Kuala Lumpur.



MTIB officials at a workshop on Enforcement Procedure Revision held on 29-31 January 2020, Kuala Lumpur.