

MTIB News Extracts (Vol. 12/06/19)



MTIB News Extract
Vol. 12/06/2019

MTIB News Extracts (Vol. 12/06/19)

This twice monthly information service provided by MTIB represents one of our efforts to provide the timber industry regularly updated business information on forestry and timber and the trading environment. This enables quick reading of trends, developments and business opportunities to be identified.

Since its launching, the service is well received and I thank you for your continued support especially your comments and suggestions. We will continue to upgrade the quality of the news items for the interest and benefit of the industry and hope your association's members will continue to benefit from it. Please communicate with us regularly so that we can improve the information flow based on your feedback.

We look forward to hearing from you. Thank you.

Mohd Kheiruddin Mohd Rani
Deputy Director General
Malaysian Timber Industry Board

MTIB News Extracts (Vol. 12/06/19)

INDONESIA: US-CHINA TRADE CONFLICT COULD GIVE INDONESIAN FURNITURE EXPORTERS A BOOST

According to Wang Sutrisno, Director of PT Integra Indocabinet, the Indonesian furniture industry has the opportunity to expand exports to the US as Chinese made furniture has become more expensive because of tariff increases and antidumping duties. Wang said the US-China trade conflict could give Indonesian furniture exporters a boost in the US market which is a major destination for Indonesian furniture.

Indonesian light wood (plantation timber) products were well received at the Interzum Furniture Exhibition held in Cologne, a fair that attracted orders worth over USD5 million. Participation of Indonesian manufacturers was supported by the Ministry of Trade in order to introduce Indonesian wood products that carry the domestic SVLK certification and satisfy the EUTR.

Globalwood, 15 June 2019

MYANMAR: PLANTATION LOG EXPORT ALLOWED

The authorities in Myanmar have officially announced that logs, poles and posts harvested from plantations can be exported without further processing. The export of logs harvested from the natural forest has been banned since 2014. Private plantations were first allowed in 2016 and some

MTIB News Extracts (Vol. 12/06/19)

are now at the stage of first thinning. According to the official website of the Forest Department, 143,000 acres of teak and 104,000 acres of other hardwoods have been planted by the private sector. This move by the Forest Department appears intended to allow those who have invested in plantations to secure some early cash flow.

Following the announcement from the Forestry Department, there was speculation that the export of logs from the natural forest may also be allowed. This is highly unlikely according to analysts. The Forest Department will apply strict export control of plantation timbers which are clearly distinguishable from natural forest timbers.

fordaq.com, 18 June 2019

VIET NAM: RISING IN WOOD EXPORT

The forest industry gained a trade surplus of more than USD4 billion in the first six months of this year, according to the Viet Nam Administration of Forestry under the Ministry of Agriculture and Rural Development. The export value of forest products in the period reached nearly USD5.3 billion, up nearly 20 per cent year-on-year and reaching 50 per cent of the industry's plan for 2019.

About 87 per cent of Viet Nam's wood and wood product exports by value went to highly demanding traditional markets such as the US, Japan, the EU,

MTIB News Extracts (Vol. 12/06/19)

China and South Korea. Viet Nam planted 108,456 hectares of forest, equal to 51 per cent of the plan for the year. 85 per cent of the planted area has certified origins for its seedlings. The area with origin certificates has produced about 9.7 million cubic metres of timber, up 4.86 per cent year on year.

According to the administration, the Voluntary Partnership Agreement on Forest Law Enforcement, Forest Governance and Trade (FLEGT), in effect from June 1, will support co-operation between Viet Nam and the EU in resolving illegal logging and trade promoting trade, and developing the local forestry industry. So far, 237,386 hectares of forest land in Viet Nam have gained the sustainable management certification.

Viet Nam News, 25 June 2019

CHINA: WOOD PRODUCTS TRADE CONTINUES TO EXPAND

According to the data of China Customs, the total value of China's wood products trade rose 6% to USD163.5 billion in 2018. Of the total, the value of wood products exports rose 3% to USD81.6 billion and imports grew 8% to USD 83.7 billion. Around 27% of the total value of trade in 2018 was nonwood products (USD45.2 billion) a year-on-year increase of 4%. Of the total, the value of non-wood product exports rose 8% to USD20 billion, accounting for 25% of the total national wood product exports. Imports

MTIB News Extracts (Vol. 12/06/19)

increased 2% to USD25.2 billion, making up 30% of the total national wood products imports.

China imported wood pulp, logs, sawnwood, paper, paperboard and paper products in 2018. Wood pulp imports were about 25 million tonnes valued at USD19.7 billion, a year on year increase of 4% in volume and 29% in value. China's log imports in 2018 totaled 59.75 million cubic metres valued at USD10.984 billion, a year-on-year increase of 8% in volume and 11% in value. In 2018, sawnwood imports totalled 36.74 million cubic metres valued at USD10.13 billion, a year-on-year decline of 2% in volume and a slight increase (1%) in value.

China mainly exported wooden furniture, paper, paperboard and paper products, other wood products and plywood. The value of China's wooden furniture exports rose 1% to USD22.9 billion. The value of other wood products such as flooring exports grew 12% to USD6.9 billion. China's plywood exports were 11.33 million cubic metres valued at USD5.546 billion, a year-on-year increase of 5% in volume and 9% in value.

GlobalWood, 15 June 2019

JAPAN: PRICE HIKE OF SOFTWOOD PLYWOOD

Softwood plywood manufacturers have been suffering climb of log cost and transportation cost. These increased about by 10% in last one year. The

MTIB News Extracts (Vol. 12/06/19)

manufacturers say that transportation cost has been the manufacturers' since delivery term is arrived at buyers' desirable place but transportation cost has been climbing without no end recently. Trucking companies ask higher cost of drivers and charge waiting time. The rule requires two drivers for long distance delivery so bearing such higher transportation cost is becoming difficult for the plywood manufacturers so delivery term may change to FOB mill and transportation cost would be buyer's account in future.

Globalwood, 15 June 2019

EU: ZERO DEFORESTATION POLICIES

Increasingly the twin concepts of “zero deforestation” and “embodied deforestation” lie at the heart of European policy making, both in the public and private sector, in relation to the trade in commodities from tropical countries. This has significant implications for the tropical wood products trade with potential impacts throughout the supply chain, from the forest through to the final consumer. Policy decisions taken in relation to the so-called “Amsterdam Declarations” and an imminent EC “Communication on Stepping up EU Action against Deforestation and Forest Degradation” may be critical for the competitiveness of forestry operations and wood products

MTIB News Extracts (Vol. 12/06/19)

in the European market, with wide-ranging, and unpredictable, effects filtering through into world markets.

The effects on wood industry competitiveness will act on at least two levels: at forest level, in relation to other commercial users of the land; and in finished products markets - construction, furniture, packaging, and energy production - where wood products from different regions and with various sustainability assurances and labels compete with each other and a wide, and growing, variety of non-wood products.

fordaq.com, 14 June 2019

GERMANY: CONSTRUCTION ORDERS DECLINE

The German construction sector saw a decline in April following months of strong growth. Orders in the sector fell back by 1.7 per cent from the March figure, corrected for seasonal effects, number of working days and prices. There was a similar decline of 1.9 per cent in orders in the first quarter, compared with the last quarter of 2018, but it was too early to discern a trend. Year-on-year comparisons showed a rise of 6.4 per cent for the month of April and a rise of 7.5 per cent for the first quarter. The statistics take in construction companies with a staff of more than 20. The sector includes buildings, roads, rail lines and pipes and cables.

Deutschland.de, 25 June 2019

MTIB News Extracts (Vol. 12/06/19)

MTIB News Extracts (Vol. 12/06/19)

NORTH AMERICA: SAWN TROPICAL HARDWOOD IMPORTS REBOUND

US imports of sawn tropical hardwood rose by 22% in April, returning to the strong import volume seen in the first two months of the year. April volumes of 22,960 cubic metres were the second highest in more than two years, with only this January being higher. Import volumes are ahead of 2018 by 23% year to date. Imports from Brazil, Cameroon, Congo (Brazzaville), and Malaysia all gained in April and are well ahead of 2018 year to date. Imports from Ecuador, which had been outpacing last year's volume, fell by 26% in April to now lag behind 2018 by 4% year to date. Imports of Acajou d'Afrique were up 61% in April and are more than doubling 2018 volume year to date.

Globalwood, 15 June 2019

MTIB News Extracts (Vol. 12/06/19)

By:

Trade Development Division
Malaysian Timber Industry Board
(Ministry Of Plantation Industries & Commodities)
Level 13-17, Menara PGRM, No. 8 Jalan Pudu Ulu, Cheras
P.O.Box 10887,
50728 Kuala Lumpur