

# Did You Know? Understanding the timber industry's importance



BRANDED

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Malaysia is among the world's top suppliers of timber and timber-based products.

WHILE the Covid-19 pandemic has undoubtedly affected every industry, Malaysia remains one of the world's top suppliers of timber and timber products, the raw materials of which are sourced from either sustainable or legal sources to meet ever-increasing global demand.

It therefore comes as no surprise that the timber sector is an important socio-economic contributor to the country, as it is among the country's top three gross domestic product (GDP) contributors in



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For 2019, it contributed 1.6% to the GDP and 2.3% of the country's total merchandise export with total exports of RM22.5bil for timber and timber-related products. Of the amount, wooden furniture made up the highest export at RM9.14bil, followed by plywood products at RM3.40bil and sawn timber at RM3.37bil.

From January to November 2020, timber-based products contributed 14.9% to the export of commodity products. Although total exports fell 3.3% to RM19.8bil year-on-year, the results still reflect the resilience of the sector and its importance to Malaysia's economy, especially when seen against the backdrop of the pandemic's ongoing impact on the world economy.

Malaysia is among the world's biggest exporters for timber, exporting to over 160 countries worldwide, with its products highly regarded in the market owing to its greater supply reliability and superior quality as well as availability of sustainable and certified timber products.

It was the fourth largest exporter of plywood, the sixth largest for both wooden furniture and frames, eighth largest for mouldings and 10th largest for sawn timber in 2019. It is also the top 20 exporters for fibreboard, builders' joinery and carpentry and veneer globally.

In terms of Malaysian wooden furniture, which has seen an increase in exports for the first eleven months of 2020 despite muted sentiments, about 75% is exported to major markets such as the United States, Japan, United Kingdom and Australia.

The timber industry has grown well over the years, employing over 100,000 workers, with the latest figures showing that there are over 1,900 mills that produce various types of timber products.

The timber industry has a promising future and the sector needs to innovate and incorporate the right business practices to ensure that it remains as a viable economic contributor for the country for many years to come.

#### TAGS / KEYWORDS:

**Branded , Malaysian Timber Council , MTC , Timber , Plywood**

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