

“CRITICAL INFORMATION FOR EXPORTERS”



Malaysian Representative

Mr Wong Kah Cane
Acting Chief Executive Officer
MTC



Moderator

Chow Khoon Liam
Regional Head,
MTC Americas



American Representative

Cindy Squires
Executive Director / CEO
IWPA



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Joseph L. O'Donnell
Director, Government and
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NEW RULES IN THE US

KUALA LUMPUR (4 AUGUST 2020): The United States has long been one of Malaysia's major export destinations. MTC held a dialogue session today with the International Wood Products Association (IWPA) from the US to gain a better understanding on market developments in the US since the Covid-19 pandemic and to seek further business collaborations where possible.

Speaking on behalf of IWPA was its Executive Director Ms Cindy L. Squires and Director of Government and Public Affairs Mr Joe O' Donnell. MTC was represented by Acting Chief Executive Officer Mr Wong Kah Cane. The virtual dialogue titled "Malaysia-United States 'Critical Information for Exporters'" was moderated by the Regional Head of MTC Americas Mr Chow Khoon Liam.

While Mr Wong spoke on the challenges faced by the Malaysian timber-based manufacturers, the representatives from IWPA highlighted some of the steps taken by the US in light of the US-China Trade War where the Enforce and Protect Act (EAPA) was introduced to combat circumventions of the anti-dumping and countervailing

duties. Action will be taken on transshipment or any attempts at avoiding duties, for example, shipping of Chinese products out of Vietnam or Cambodia to the US. Industry members are advised to carefully consider whether to use Chinese origin inputs for products destined for the US.

Traceability of timber products will soon not be limited to only sawntimber and plywood but also products from the higher value chain such as furniture.

Malaysia is a key supplier of tropical hardwood to the US. However, the import of Malaysian hardwoods and kitchen cabinets dropped by 41% and 4.3%, respectively, but the import of plywood increased by 18% on a year to date basis due to amongst others, a spike in recreational vehicle manufacturing, boat-building and home projects.

Malaysian manufacturers are looking at tapping into possible business opportunities with the surge in demand for household and home décor products as well as exteriors such as decking, fencing, and siding in the US. More renovations are being done as

consumers spend more time at home due to the pandemic.

The US Department of Agriculture – Animal and Plant Health Inspection Service, which is the federal government agency that oversees implementation of the Lacey Act, announced the phase six of the Lacey Act declaration requirement which includes a new group of products. This phase, which will take effect on 1 October 2020, includes products such as Oriented Strand Board (OSB), wood cases and trunks, crates, pallets, and subset of musical instruments, among others.

O' Donnell said there may be potential exemptions on laminated products covered under the Toxic Substances Control Act (TSCA) Title VI Formaldehyde Emission Standards depending on the adhesive used and production process.