

by MICHAEL HERMENS

# Global wood resources

When the publisher of Panels & Furniture approached me to write a regular column on timber species for his magazine my initial reaction was “is there really any interesting news to write about timber species”? Most Asian trade magazines focus heavily on technology, general industry updates and have regular write-ups about imported timbers, so what would I be able to contribute?

Let's go back a bit in my personal background; I arrived in Singapore 24 years ago and joined a Dutch/Singaporean owned company as partner supplying individual woodworking machinery in Singapore as well as complete production lines, mainly to Indonesia. This was in 1987 when Indonesia banned the export of round logs and one year later the export of non kiln dried sawn timber. Both bans initiated an enormous growth in woodworking factories all across Indonesia. Two years later Malaysia started to commercialize the use of rubberwood as sawn timber for various applications (till then old trees had been burned in the plantations) which spearheaded the industry in Malaysia; with Thailand following soon. About 15 years ago we then saw China emerging as the new location for the Asian woodworking industry and Vietnam following pursuit a few years later, predominantly due to the lower production costs.

So where are we now 24 years later? Indonesia still is South East Asia's major export hub for wood products with Vietnam in a close second place. China is of course still a market leader in production however both China and Vietnam have (currently) relatively few timber resources and rely predominantly on imported timbers.

Raw material and labour costs are the leading factors for our industry and production costs in China have become higher than Vietnam and Indonesia. Commercial forestry in Indonesia has become very expensive and, with fewer legal (and illegal) forests available,

Indonesia is South East Asia's largest importer of wood material such as logs, timber and veneers with Vietnam in second place. China is losing more factories which are being relocated to Vietnam and Indonesia as labour (and general) costs keep rising in China.

Having travelled around the world for the last 24 years visiting forests, sawmills, production plants and retail outlets, I have had a unique opportunity to learn firsthand about the world's raw material supply and demand. In my current position of Managing Director of APP Timber, it is my daily task to foresee trends in this supply and demand to ensure that our customers are ensured of their current and future supply of logs, timber, components and veneers.

The foundation of our industry is the supply of raw material so I will use this column to address those matters relating to the world's wood supply, past, current and future. I might not be able to offer any immediate solutions but I do hope that my articles at least generate awareness about what is going on in the world with our wood resources. **PFA**

## About the AUTHOR



*Dutch-born Michael Hermens is Managing Director of APP Timber, a timber importing company that he founded nearly 18 years ago on the conviction that Southeast Asia will grow increasingly short of raw material as it develops. The company is now the leading regional distributor of imported timber employing people in Malaysia, Indonesia, Thailand, Vietnam, India, USA and Europe. He permanently lives in Kuala Lumpur with his Singaporean wife and two boys.*