



MTC MIDDLE EAST AND NORTH AFRICA MARKET UPDATE



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MARKET UPDATE
October 2021**

EXECUTIVE SUMMARY

- Economic activity in the UAE continued its recovery in the second quarter of 2021, with growth reaching almost pre-pandemic levels. Real oil GDP growth projection has been revised to -2.0 percent in 2021 while non-oil GDP growth forecast for the year 2021 kept at 3.8 percent.
- The Ministry of Energy and Infrastructure represented by the Sheikh Zayed Housing Programme in UAE is in the process of handing over citizens their new homes that have been completed in the emirates of Ras Al Khaimah, (888 houses) Ajman (497), and Dubai (342) before the end of this year 2021.
- Turkey's GDP grew by 21.7 percent year-on-year in the second quarter of 2021. Activities constituting GDP are the 45.8 percent rise in services and 40.5 percent in the industry, financial and insurance activities decreased 22.7 percent during the same quarter. In August, Turkish exports hit USD16.4 billion, rising 10.2 percent year-on-year, while imports jumped 16.8 percent to USD20.7 billion.
- The Turkish housing sector is currently in crisis over rising up of rent. Rent prices in Istanbul nearly doubled over the summer of this year, a result of a spike in the city's population following pandemic restrictions. In addition to rent prices, material costs for building houses have also shoot up. In September, many contractors across Turkey have suspended all works for two weeks to protest soaring costs of building materials, particularly cement prices.
- East Africa seems to be the most resilient among the African region as it enjoyed 5.3 percent growth in 2019 and an estimated 0.7 percent growth in 2020. In 2021, growth of real GDP is projected at 3.0 percent, and in 2022, 5.6 percent. Based on the projection, top performers in 2021 would be Djibouti (9.9 percent), Kenya (5.0 percent), Tanzania (4.1 percent), and Rwanda (3.9 percent).
- The economic outlook of Kenya indicates that the construction industry presents one of the key areas that is attracting investors to the country. The construction market was reported to be optimistic, with infrastructure development as a central pillar of national long-term development policy The Kenya Vision 2030.
- Malaysia exported sawntimber valued at USD2.30 million for the month of July. Export of sawntimber to UAE for the same month totalled to USD64.29 million, registering an increase of 5.98% from the previous month's values led by Germany (USD8.94 million) followed by Romania (USD4.96).

- Stocks of Red Meranti remained relatively low on warehouses in Dubai and Sharjah with the continued skyrocketing shipping prices. Meanwhile, demand of Redwood has picked up a little from local buyers and re-export to neighbouring countries while Whitewood prices are up.
- Malaysia exported plywood worth USD0.03 million for the month of July. Export of plywood to UAE for the same month totalled to USD13.82 million, registering a decline of 56.54% from the previous month's values led by China (USD10.11 million).
- Major retailers stock up Chinese plywood foreseeing increased demand in the coming months from construction sector. Several tons of commercial plywood were also received from Indonesia and Oman through breakbulk shipping in Sharjah for the month of September.
- Malaysia exported Fibreboard worth USD0.38 million for the month of July. Export of fibreboard to UAE for the same month totalled to USD34.32 million, registering an increase of 23.36% from the previous month's values led by Thailand (USD20.14 million).
- Import prices for Thai MDF are relatively stable due to steady supplies to the UAE with 18,000 ton of Thai MDF received through breakbulk shipping in Sharjah for the month of September. Meanwhile, exports of Malaysian MDF to UAE is slowly picking up with total exports for the first half of 2021 amounting to USD2.91 million.

GENERAL ECONOMIC TRENDS

United Arab Emirates

Economic activity in the UAE continued its recovery in the second quarter of 2021, with growth reaching almost pre-pandemic levels. The Central Bank of UAE (CBUAE) forecasts real total GDP growth to reach 2.1 percent, with the real non-hydrocarbon GDP projected to increase by 3.8 percent. For 2022, CBUAE foresees real total GDP to grow at a stronger pace by 4.2 percent and non-hydrocarbon real GDP to increase by 3.9 percent. However, economic projections are vulnerable to uncertainties amidst COVID-19 repercussions and are thus subject to revisions.

The UAE's oil production fell by 9.6 percent Y-o-Y, while increasing by 1.4 percent Q-o-Q in line with the agreement by OPEC+. Real oil GDP growth projection has been revised to -2.0 percent in 2021, down from -1.0 percent previously. Non-oil sector continued to improve in the second quarter of 2021, benefiting from the recovery in global travel and pick-up in local and global demand, while the country continued to be a leader in containing the spread of the virus. The real non-oil GDP growth forecast for the year 2021 has been kept at 3.8 percent. Inflation remained negative in the second quarter of 2021 as the headline consumer price index declined by 0.5 percent Y-o-Y, compared to a drop by 1.7 percent in the previous quarter. This was the result of a decline by 0.6 percent in the price of non-tradables. Meanwhile, prices of tradables fell by 0.3 percent.

Residential real estate is on the upward trend, with prices in Abu Dhabi registering Y-o-Y gains for the second consecutive quarter in more than five years, while Dubai is showing a decline but at a slower pace. Tourism and hospitality data in Dubai in the first six months of 2021 showed a recovery in hotel occupancy at 62 percent, up from 54 percent recorded during 2020, owing mostly to the resumption of international travel.

Turkey

The robust recovery in the Turkish economy since the beginning of the year continued to gain momentum. Turkey's GDP grew by 21.7 percent Y-o-Y in the second quarter of 2021, posting its highest-ever expansion since 1999 and ranking second in the world after the UK. The Turkish Statistical Institute (TurkStat) also revised upwards Turkey's growth in the first quarter of 2021 to 7.2 percent from 7.0 percent. The data released on 1st September revealed that the GDP at current prices reached USD188.56 billion in the second quarter and the Turkish economy expanded by 0.9 percent on a quarterly basis, showing that it kept its strong growth momentum despite the lockdown in May.

Among the activities constituting GDP, the value-added rose 45.8 percent in services and 40.5 percent in the industry, while financial and insurance activities decreased 22.7 percent during the same second quarter. It was noted that recovery in the tourism

sector has been supported by the growth in the economy, attributed to the ongoing global economic recovery and progress in the Covid-19 vaccination programme. The upturn in the Turkish manufacturing sector has also continued with a headline figure above the threshold level for the third consecutive month in August. In the same month, Turkish exports hit USD16.4 billion, rising 10.2 percent year-on-year, while imports jumped 16.8 percent to USD20.7 billion.

Kenya

The Kenyan economy is the largest in East Africa. After independence, Kenya promoted rapid economic growth through public investment, encouraged smallholder agricultural production and provided incentives for private (often foreign) industrial investment. Additionally, Kenya is a regional transportation and financial hub. Kenya's financial sector is described to be vibrant, well developed and diversified in the region and has highest financial inclusion in the region and globally. Banking sector is well capitalized, profitable with capital adequacy and liquidity ratios above the recommended thresholds.

Kenya also has the highest literacy rate in Africa and the workforce is well known for being educated and hard working. One advantage for foreign investors is that everyone speaks the common language English making a good starting point to begin business in Africa. Opportunities for investment exists particularly in the area of upgrading slums and informal settlements, urban renewal, construction of middle and low-income housing, and the manufacture and supply of building materials and components.

According to the African Development Bank statistics and IMF World Economic Outlook database, East Africa seems to be the most resilient among the African region, mainly attributed to its less reliance on primary commodities and greater diversification. It enjoyed 5.3 percent growth in 2019 and an estimated 0.7 percent growth in 2020. In 2021, growth of real GDP is projected at 3.0 percent, and in 2022, 5.6 percent. Based on the projections, top African performers in 2021 are Djibouti (9.9 percent), Kenya (5.0 percent), Tanzania (4.1 percent), and Rwanda (3.9 percent).

Kenya expects a strong economic rebound this year 2021 after its economy contracted for the first time in nearly three decades as the coronavirus pandemic hit the nation's key sectors, including tourism and education. Output declined by 0.3% in 2020, Treasury Secretary Mr. Ukur Yatani said in September 2021. Production fell despite an overhaul of Kenya's national accounts data that show gross domestic product was Sh10.753 trillion (est. USD97.8 billion) last year 2020.

HOUSING AND CONSTRUCTION MARKET

United Arab Emirates

The Ministry of Energy and Infrastructure represented by the Sheikh Zayed Housing Programme, is in the process of handing over new completed homes to citizens in the different emirates of UAE before the end of this year 2021. A total of 888 houses will be provided to citizens in the Emirate of Ras Al Khaimah, constructed in Bateen Al Samar residential neighbourhood, a total of 497 houses in the Al Muntazi residential neighbourhood in the Emirate of Ajman, and 341 housing units in the Al Khawaneej residential neighbourhood of Dubai. The housing project in the three emirates was constructed at a cost of AED2 billion (est. USD544 million). The project will consolidate the country's position globally within the relevant global competitiveness indicators, based on the percentage of citizens who own a home.

Meanwhile in Dubai, contracting company Airolink has commenced construction work on AED800 million (est. USD217.8 million) Motor City Views, developed by Dubai Financial Market-listed Union Properties. Union Properties appointed Airolink for the engineering, procurement, and construction (EPC) of the project, the first launch of the proposed phased developments in Motor City, which are collectively valued at AED2.2 billion (est. USD599 million). Overlooking the famous racetrack of Motor City, the project has a built-up area of over 92,903.04 m². Upon completion, the project will be home to 880 residences comprising 313 studios, 427 one-bedroom apartments, 133 two-bedroom apartments, and seven three-room apartments.

The UAE construction sector has been trying to get a grip on escalating shipping and material costs since October last year. Disruptions in the supply of key commodities after the pandemic broke out also added to the sudden and sharp cost inflation. UAE-based contractors have tried to compensate by looking for alternate sources, but there is a limit to how much this has helped. With the way things are progressing, the construction and real estate sectors will have to contend with increase in cost for some time.

Turkey

The Turkish housing sector is currently in crisis over rising rent prices. In Istanbul they have nearly doubled over summer this year, a result of a spike in the city's population following pandemic restrictions. Demand for apartments has reached record high along the Anatolian coast of the city, central Beşiktaş district and Avcılar, as many older residences are being torn down to be replaced with modern buildings.

In addition to escalating rent prices, material costs for building houses have also shot up. In September, many contractors across Turkey have suspended works for two weeks to protest against soaring costs, particularly cement prices. Representatives of the Building Contractors Confederation (İmkon) had announced on the same month that they would stop working unless measures are taken to limit input costs. The

average price of cement was around TL150 (USD15.6) per ton last year, this year it climbed as high as TL450 (USD46.8). On the other hand, head of the Turkish Cement Manufacturers' Association (Türk Çimento), Mr. Fatih Yücelik said that price hikes were caused by increases in fuel and electricity prices, which are heavily affected by currency volatilities.

Nevertheless, the country continues to pursue infrastructure projects despite the pandemic. Turkish Minister of Transportation and Infrastructure Mr. Adil Karaismailoğlu stated that despite challenging conditions of pandemic, the construction works in infrastructure projects are being held continuously. IBS Insurance and Reinsurance Broking CEO Mr. Murat Çiftçi evaluating the investment projects in the last ten years in Turkey stated in August that "Turkey forms a total investment pool of USD400 billion for 2023 in the framework of the planned targets. The primer projects concern investments in transportation, health, telecom, renewable and nuclear energy sectors."

Kenya

The economic outlook of the country indicates that the construction industry presents one of the key areas that is attracting investors to the country. The construction market was reported to be optimistic, with infrastructure development as a central pillar of national long-term development policy The Kenya Vision 2030. The government has invested heavily in the construction sector improving the infrastructure such as road networks, and at the same time provide new residencies for the locals who are being supported by the banks to get loan to buy apartments.

An economic survey carried out in September 2021 revealed that the Kenyan construction industry defied the COVID-19 economic fallout in 2020, recording its fastest growth in five years showing that the industry, which comprised of buildings, roads, and railway, grew 11.8 percent in 2020 compared with 5.6 percent in 2019. According to the Kenya National Bureau of Statistics (KNBS), the accelerated growth was attributed to the continued investments in road infrastructure carried out by the government and to expanded construction in the housing sub-sector.

The number of completed public residential buildings built by the State Department for Housing and the National Housing Corporation stood at 2,332 and 338, respectively in 2020. In the same year, the value of public buildings completed increased substantially to Sh9,084.3 million (est. USD81.72 million), compared to Sh1,509.1 million (est. USD13.57 million) in 2019. Importation of timber and wood products, bitumen and cement, and construction related materials, also grew by 69.6 percent, 15.2 percent and 3.4 percent, respectively. The growth has also been attributed to projects such as the Nairobi Expressway, Dongo Kundu Bypass, James Gichuru-Rironi highway, Nairobi Western Bypass, and the ongoing construction of mega dams in parts of the country.

Sources: Construction Kenya, Africa Business Pages, Reuters, The National Treasury & Planning-Kenya, Invest.gov.tr, trtworld.com, Khaleej Times, Gulf News, Central Bank of UAE

TIMBER MARKET

Sawntimber

Below table illustrates the top ten exporting countries of sawntimber to UAE for the month of May, June and July 2021 based on the IHS Markit. Among the reporting countries, Germany remains the largest exporter with value amounting to USD8.94 million for the month of July, an increase of 13.59 percent from previous month of June. This is followed by Romania at USD4.96 million and Bosnia & Herzegovina at USD2.4 million. Malaysia ranked 4th and exported USD2.30 million worth of sawntimber to the UAE for the month of July. Export of sawntimber to UAE for the month of July totalled to USD64.29 million, registering an increase of 5.98 percent from the previous month's values.

Export of Sawntimber to UAE for May, June and July 2021 <i>*Estimates as reported by select countries only</i>						
Country	Month					
	May		June		July	
	Quantity in cbm	Value in USD million	Quantity in cbm	Value in USD million	Quantity in cbm	Value in USD million
Germany	15,222	6.38	15,222	7.87	18,819	8.94
Romania	17,040	4.67	17,040	4.89	14,693	4.96
Bosnia & Herzegovina	2,781	0.72	2,781	1.62	6,879	2.40
Malaysia	4,351	2.58	4,351	2.07	3,861	2.30
Brazil	5,017	1.03	5,017	1.23	8,635	2.10
Slovenia	3,386	0.98	3,386	0.98	4,853	1.84
Croatia	2,872	0.87	2,872	1.37	4,257	1.59
USA	783	0.74	998	0.68	1,408	1.21
Italy	1,283	0.49	1,283	0.78	2,569	0.95
Ukraine	2,716	0.46	3,282	0.71	3,585	0.89

Source: IHS Markit

Red Meranti

Stock level of Meranti in the warehouses of Dubai and Sharjah remains relatively low with shipping prices continued to skyrocket. While some buyers are obliged to work strictly with Red Meranti as specified by the project, others that have option to substitute the specie will temporarily do so with available and cheaper alternative in the market.

Redwood or Mixed Light Hardwood (MLH)

Recent shipment of around 6,000 ton of Redwood was received by breakbulk at

Sharjah port for the month of September. Demand has started to pick up from local buyers and re-exported to neighboring countries while Whitewood prices are on the uptrend.

UAE: Average Indicative Prices of Red Meranti and Redwood Merchantable Grade - Air Dried October 2021			
Species	Size	Price in USD/ton	Remarks
		C&F Sharjah/Dubai	
Red Meranti (Peninsular Malaysia)	Small: 2" x 6" 2" x 8" Big: 2" x 10" & 12"	820 935 895	<ul style="list-style-type: none"> • Mostly in containerized shipment. • Rates subject to change upon confirmation of shipping dates
Malaysian Redwood	Long Length: 20' • 1.625" x 2.625" • 2.5" x 3.5" Short Length: 10' & 12' • 1.625" x 2.625" • 2.5" x 3.5"	345 370 330 355	<ul style="list-style-type: none"> • Break-bulk shipment. • Old rates, no available booking rates for October

Note: The range of booking prices is wide and varies according to the composition of timber sizes and length, quality as well as the volume of each order placed. The price survey of the above was carried out in October 2021.

UAE: Average Indicative Wholesale Prices of Red Meranti Merchantable Grade – Air Dried October 2021	
Sizes	Price in AED/ft ³ (USD1=AED3.672)
2" x 6"	80
2" x 8"	85
2" x 10"	95
2" x 12"	98
3" x 6"	95
3" x 8"	100
3" x 10"	110
4" x 6" & 8"	140

Note: The range of prices is wide and varies according to the composition of timber sizes, lengths, quality, payment terms as well as the volume of each order

placed. The timber is sold in bundles in the local market. The price survey of the above was carried out in October 2021.

European Timber

Species from Germany and Romania remain widely available in the market for the month of October 2021 with Beechwood and Whitewood having steady demand coming from fitout companies for residential building projects.

African Timbers

Lesser stocks of African sawntimber were reported for this month with some citing lower demand from joineries in the UAE as the main reason. Importers also mentioned receiving stocks this month from previous backlog orders and that new contract prices and new shipments are said to be available only by the first quarter of next year.

American Timbers

Small quantities of American species were reported available in the market in October with import prices generally steady except for certain hardwood species such as Walnut, Red and White Oak and Ash.

UAE: Average Indicative Prices of Non-Malaysian Sawntimber Size: 2" x 6" & wider October 2021		
Species	Price in USD/m ³ , C&FDubai	Remarks
Okoume (AD)	470	<ul style="list-style-type: none"> • Substitute for Red Meranti • No available booking rates for October 2021.
Dabema (AD)	660	<ul style="list-style-type: none"> • Equivalent amount quoted in Euro, thus subject to fluctuation
African Mahogany (AD)	800	
Sapele (KD)	1,300	
Iroko (KD)	1,475	
Canadian S4S Whitewood ('SPF') sizes 2" x 6", 2" x 8" and 2" x 10" (under size)	450	<ul style="list-style-type: none"> • Very few offer/ no available stocks in the market
Romanian Beech (KD)	625	<ul style="list-style-type: none"> • Substitute for Meranti
Red Oak (KD)	1,250	
Ash (KD)	1,250	<ul style="list-style-type: none"> • Very few available stocks in the market
White Oak (AD)	3,450	
Soft Maple (KD)	1,550	

Hard Maple (KD)	2,400	
Cherry (KD)	1,725	• Very few available stocks in the market
Walnut (KD)	3,250	• Very few available stocks in the market

Note: The range of prices is wide and varies according to the payment terms as well as the volume of each order placed. The price survey of the above was carried out in October 2021.

UAE: Wholesale Prices of Non-Malaysian Sawntimber October 2021			
Species	Size	Price in AED/ft3 (USD1= AED3.672)	Remarks
Okoume	2" x 6" & wider 2" x 8" & wider	75 (AD) 80 (AD)	<ul style="list-style-type: none"> • Substitute for Red Meranti • Very few available stocks in the market
Dabema	2" x 6" & wider	82 (AD)	<ul style="list-style-type: none"> • Utilised by joinery workshops and carpentry units
African Mahogany	2" x 6" & wider	98 (AD)	<ul style="list-style-type: none"> • Utilised by joinery workshops and carpentry units
Sapele	2" x 6" & wider	145 (KD)	<ul style="list-style-type: none"> • Available at select stores
Iroko	2" x 6" & wider	170 (KD)	<ul style="list-style-type: none"> • Available at big timber outlets
Beech	2" x 6" & wider	80-120 (KD)	<ul style="list-style-type: none"> • Normally sold as kiln-dried • Prices differ depending on Grade/Origin
Red Oak	2" x 6" & wider	120 (AD) 140 (KD)	<ul style="list-style-type: none"> • Available at select stores.
Cherry	2" x 6" & wider	205 (KD)	<ul style="list-style-type: none"> • Very few available stocks in the market

Note: The range of prices is wide and varies according to the composition of timber sizes, lengths, quality, payment terms as well as the volume of each order placed. The timber is sold in bundles in the local market. The price survey of the above was carried out in August 2021.

Prospects of Sawntimber in The Short Term

Despite the challenge of high freight costs, importers continue to negotiate for better booking prices while the demand from the construction sector is picking up. Lower grade sawntimber species may see good demand especially from local consumption. They are used for minor refurbishments, fencing, packaging and outdoor structures as the weather becomes favourable.

Panel Products

Plywood

The below table illustrates the estimated export of plywood to UAE for the month of May, June and July 2021 based on the latest record of selected country reporting from IHS Markit. China remains to be on top of the list recording the highest value amounting to USD10.11 million for the month of July, a decrease of 65.01 percent from June values. Following China are India and Indonesia, at USD0.91 and USD0.83 million both registering an increase of 49.18 percent and 124.32 percent, respectively. Malaysia's export worth USD0.03 million for the month of July, down by 83.33 percent compared to the previous month. Export of Plywood to UAE for the month of July totalled to USD13.82 million, registering a decline of 56.54 percent from the previous month's value of USD31.80 million.

Export of Plywood to UAE for May, June and July 2021 <i>*Estimates as reported by select countries only</i>						
Country	May		June		July	
	Quantity in cbm	Value in USD million	Quantity in cbm	Value in USD million	Quantity in cbm	Value in USD million
China*	11,732,652	7.40	50,775,471	28.90	16,025,181	10.11
India	618	0.25	1,817	0.61	2,450	0.91
Indonesia*	2	1.47	495,864	0.37	1,088,384	0.83
Vietnam*	75,000	0.05	56,184	0.03	360,500	0.27
Finland	5,720	0.39	137	0.09	372	0.23
Qatar*	NA	NA	NA	NA	153,072	0.10
Taiwan	NA	NA	25	0.23	11	0.09
Saudi Arabia**	385,735	0.10	340	0.14	227	0.09
Russia	620	0.03	126	0.07	146	0.08
Spain	11	0.09	NA	NA	94	0.80

Source: IHS Markit

*Unit quantity for China, Indonesia, Vietnam and Qatar are in KG

**Unit quantity for Saudi Arabia is in Ton

Commercial Plywood

Several tons of commercial plywood were received from Indonesia and Oman through breakbulk shipping in Sharjah for the month of September. Major retailers have stocked up Chinese plywood and foresee increased demand in the coming months from the construction sector. Importers mentioned the sale of Indian plywood has also picked up and received good feedback from end-users while few stocks of plywood from Vietnam are available at large retail outlets.

Prospects in The Short Term

For the first half of 2021, Malaysia exported a total of USD1.62 million worth of plywood to the UAE. Importers mentioned good demand from fitout companies and specialized projects recently, noting they expect demand to be stable in the coming months.

UAE: Average Indicative Prices of Plywood from Various Countries October 2021			
Source	Specifications Board size: 4' x 8'	Price in USD/m ³	Remarks
		C&F Sharjah/Dubai	
Malaysia	Commercial		
	• HMR DBB/CC		• Containerized shipment
	Thickness (mm):		• Rates subject to change upon confirmation of shipping dates
	3.6	625	
	5.2	635	
	9	645	
	12	655	
	15-18	650	
	• Mixed Hardwood core		
China	Commercial		• Containerized shipment
	• DBB/CC		
	Thickness (mm): 18	380	
	○ Poplar core		
	○ Combi core	400	
	○ Hardwood core film-faced	470	
	• BB/CC		
	Thickness (mm): 18		
	○ Combi core	480	
	○ Fingerjoint core	510	
India	Commercial		• Containerized shipment
	• DBB/CC		
	Thickness (mm): 18	410	

Note: The range of prices is wide and varies according to the payment terms as well as the volume of each order placed. This price survey was carried out in October 2021.

Fibreboard

Below table shows the estimated export of Fibreboard to UAE for the month of May, June and July 2021 based on the latest record of selected country reporting from IHS Markit. Maintaining the first spot is Thailand with USD20.14 million registering a 56.48 percent increase from last month. Following Thailand is China and India with USD6.32 and USD4.53 million respectively. Meanwhile Malaysia exported worth USD0.38 million of fibreboard. Export of Fibreboard to UAE for the month of July totalled to USD34.32 million, registering an increase of 23.36 percent from the previous month's value of USD27.82 million.

Export of Fibreboard to UAE for May, June and July 2021 <i>*Estimates as reported by select countries only</i>						
Country	May		June		July	
	Quantity in cbm	Value in USD million	Quantity in cbm	Value in USD million	Quantity in cbm	Value in USD million
Thailand*	9,189,969	2.93	41,816,934	12.87	67,894,645	20.14
China*	20,882,357	6.93	24,024,086	9.22	18,548,003	6.32
India*	6,173,073	1.65	8,999,622	2.56	14,687,449	4.53
Malaysia	1,260	0.47	1,412	0.43	1,316	0.38
Spain	593	0.26	417	0.24	754	0.35
Turkey	504	0.25	1,354	0.58	622	0.34
Germany	77	0.07	101	0.11	196	0.19
Vietnam*	155,068	0.07	0	0.06	357,867	0.18
Switzerland*	5,127	0.01	NA	NA	10,679	0.08
Canada	NA	NA	NA	NA	291	0.07

Source: IHS Markit

**Unit quantity for Thailand, China, India, Vietnam and Switzerland are in KG*

MDF

Another 18,000 ton of Thai MDF was received through breakbulk shipping in Sharjah for the month of September. Import prices for Thai MDF are relatively stable due to steady supplies to the UAE. Indian MDF are also available at large retail outlets. While stocks for Chinese MDF are depleting, importers mentioned high freight costs as a challenge. Small quantities of MDF from Spain and Turkey are also imported for the month of October, while certified MDF from Germany are supplied to some joineries in the UAE.

Prospects in the Short Term

Exports of Malaysian MDF to UAE is slowly picking up with total exports for the first half of 2021 amounting to USD2.91 million. Importers mentioned receiving a few enquiries for Malaysian MDF and trying to negotiate the best price amidst high freight cost.

UAE: Average Indicative Booking Prices of MDF Board size: 4' x 8' October 2021		
Country of Origin	Price in USD/m ³ C&F Dubai/Sharjah	Remarks
Malaysia <ul style="list-style-type: none"> Plain (E2) Thickness (mm): <div> <div>3</div> <div>280</div> </div> <div> <div>5.5/6</div> <div>285</div> </div> <div> <div>9</div> <div>290</div> </div> <div> <div>12</div> <div>300</div> </div> <div> <div>15-18</div> <div>310</div> </div> HMR Grade Thickness (mm): 18 <div> <div></div> <div>350</div> </div> 		<ul style="list-style-type: none"> Darker colour boardbased Rubberwood MDF. Rates subject to change upon confirmation of shipping dates
Thailand <ul style="list-style-type: none"> Plain Thickness (mm): 18 <div> <div></div> <div>310</div> </div> 		<ul style="list-style-type: none"> Whiter/Lighter colour board Rubberwood based MDF Break-bulkshipment.
India <ul style="list-style-type: none"> Plain Thickness (mm): 18 <div> <div></div> <div>280</div> </div> 		<ul style="list-style-type: none"> Whiter/Lighter colour board Containerized shipment
Chinese <ul style="list-style-type: none"> Plain Thickness (mm) 18 <div> <div></div> <div>280</div> </div> 		<ul style="list-style-type: none"> Break-bulkshipment

Note: The range of prices is wide and varies according to the payment terms as well as the volume of each order placed. This price survey was carried out in October 2021.

UAE: Average Indicative Local Wholesale Prices of Plain MDF Board size: 4' x 8' October 2021		
Country of Origin	Price in AED/Sheet	Remarks
Malaysia <ul style="list-style-type: none"> Thickness (mm): <div> <div>2.7</div> <div>38</div> </div> <div> <div>3.6</div> <div>40</div> </div> <div> <div>6</div> <div>45</div> </div> <div> <div>9</div> <div>55</div> </div> <div> <div>12</div> <div>58</div> </div> <div> <div>15</div> <div>72</div> </div> <div> <div>18</div> <div>78</div> </div> 		<ul style="list-style-type: none"> Very few stocks in the market

Thailand			
• Thickness (mm):	8/9	40	
	12	50	
	15-18	72	
China			
• Thickness (mm):	18	65	
India			
• Thickness (mm):	18	65	

Note: The range of prices is wide and varies according to the payment terms as well as the volume of each order placed. This price survey was carried out in October 2021.

Disclaimer

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