

Empowering Design Craft: LAKAR 2024 and The Future of Carved Furniture

Johan



**Agarwood Tree
Inoculation Course**

**Practicing Sustainable
Reporting For Timber
Industry**

Content

HIGHLIGHTS

- 3 Empowering Design Craft: LAKAR 2024 and the Future of Carved Furniture
- 4 Agarwood Tree Inoculation Course
- 5 Practicing Sustainable Reporting for Timber Industry



REGULAR FEATURES

- 7 Timber Round Up
- 13 Market Profile: Venturing New Potentials In Mexican Timber Industry
- 20 Timber World In Brief
- 27 Shipping & Domestic News
- 32 Timber Species
- 34 Feature Article
- 36 MTIB Moment



Cover: For more details please read page 3

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Empowering Design Craft: LAKAR 2024 and the Future of Carved Furniture

Prepared by: Puan Nik Zuraihah Nik Mohammad

3 March 2025 | Kuala Lumpur - The Prize-Giving Ceremony for the LAKAR 2024 Carving Design Competition took centre stage at the World Trade Centre Kuala Lumpur (WTC KL), in conjunction with the Malaysian International Furniture Fair (MIFF) 2025. Organised by the Malaysian Timber Industry Board (MTIB) through its TANGGAM Design Centre, the event celebrated Malaysia's growing design craft movement and its role in preserving cultural heritage through carved furniture. It also served as a platform to showcase the remarkable design capabilities of Malaysia's woodcraft community to a broader audience of industry players, artisans and international visitors.

Officiated by YBrs. Tuan Saiful Bahri Salleh, Director General of MTIB, the ceremony honoured winners of the competition who demonstrated exceptional creativity and craftsmanship. The 2024 edition attracted a total of 66 entries including four (4) submissions from Indonesia. And after two rounds of judging, eight (8) finalists were shortlisted.

The top three winners received RM10,000, RM5,000 and RM2,000 respectively, along with trophies and certificates of participation. Five consolation prize recipients were each awarded RM1,000.

In his keynote address, the Director General highlighted the importance of integrating traditional woodcarving with contemporary design innovation, particularly through strategies like Original Design Manufacturing (ODM) and Original Brand Manufacturing (OBM). He emphasised that design craft is not only an artistic pursuit but also an economic catalyst that contributes to Malaysia's creative and timber-based industries.

Following the prize-giving ceremony, MTIB officially launched the LAKAR 2025 Carving Design Competition, themed "Urban Nomad". The theme invites designers to explore how traditional carving can be reimagined to suit the evolving lifestyles of urban dwellers, blending heritage with mobility and modernity.

To further support the design community, MTIB also introduced the newly revamped TANGGAM Design Centre website: www.tanggam.my now enhanced with an improved interface and richer content, aimed at promoting local talent and sharing resources across the creative ecosystem.

With growing support from stakeholders and consistent public engagements, LAKAR continues to bridge tradition with innovation. As MTIB charts the future of carved furniture through initiatives like LAKAR, Malaysia's design craft scene is poised for global recognition.



LAKAR 2024 participants at the LAKAR 2024 Prize-Giving Ceremony



1st Place Winner, En. Mohammed Shahril Mohammed Faisal showcasing his award-winning product to the Director General and Deputy Director General (Industry and Commercialisation) of MTIB



2nd Place Winner, Dr. Muhammad Jamel Mohamed Kamil, presenting his product to the Director General and Deputy Director General (Industry and Commercialisation) of MTIB



3rd Place Winner, Cik Awatif Ahmad, posing with her team and the product featured in the competition

Agarwood Tree Inoculation Course

Prepared by: Puan Nor Shahira Mat Nasir



Participants and speakers

On 19 March 2025, the Malaysian Timber Industry Board (MTIB) organised an Agarwood Tree Inoculation Course at Dewan Komuniti Orang Asli (KOA), Gapam Baru, Jasin, Melaka. The one-day training session aimed to enhance participants' knowledge and skills in the inoculation techniques of agarwood (*Aquilaria* spp.) plantation trees. The inoculation technique is a key process in stimulating the formation of valuable resin, gaharu. Gaharu, also known as agarwood or aloeswood, is a fragrant resinous heartwood that is usually derived from diseased trees of the *Aquilaria* spp.

Agarwood is one of the most expensive types of wood in the world, widely used in the perfume and incense industries, and traditional medicine. The course reflects MTIB's commitment to capacity building and community development. The course objectives included practical inoculation techniques and helping participants understand the factors influencing agarwood resin production. The course consisted of both theory sessions and practical demonstrations, providing participants with a comprehensive understanding of gaharu cultivation and tree inoculation methods. In addition, MTIB's aid incentive, "*Program Pembangunan Usahawan dan Pekebun Kecil Gaharu*", were introduced.

The key topics presented during the course included Introduction to Agarwood Trees and "*Skim Insentif Proses Inokulasi Pokok Karas Untuk Pengeluaran Gaharu*" by Puan Nor Shahira Mat Nasir from MTIB while Encik Nor Mohamad Zazali Ali from Oudh Malize Resources spoke on Inoculation Technique and Demonstration of inoculation processes using different methods.

A total of 31 participants attended the course, including agarwood plantation owners from various Orang Asli communities, representatives from Jabatan Kemajuan Orang Asli Negeri Sembilan and Melaka, as well as MTIB officers.



Puan Hazlinda Zainal Abidin, Deputy Director of Industry Development, MTIB officiating the event



Participants during the event



Group photo of YBrs. Ts. Farydatul Nazly Mohd. Zin, Deputy Director-General (Development and Commercial) with the participants

Practicing Sustainable Reporting for Timber Industry

Prepared by: Puan Norhaizurah Zulkarnain

Sustainability reporting, also often referred to as ESG (Environmental, Social, and Governance) reporting, has rapidly moved from a niche practice to a strategic imperative for businesses worldwide. The benefits extend far beyond mere compliance, offering significant value to companies and their stakeholders. Companies across industries, including the timber industry, now recognise the importance of establishing the connection of their operations with ESG principles. Not merely meeting regulatory requirements, sustainability reporting is also a means to enhance transparency and maintain accountability that drives lasting value creation. It also permits organisations to recognise areas of improvement, establish measurable sustainability objectives and monitor progress over time. The Sustainable Development Goals (SDGs), which encompass the ESG, established by the United Nations and the 17 goals of SDG present significant targets that organisations can seek to accomplish using strategic endeavours and innovations. Through the integration of SDGs into ESG reporting, a business not only widens the scope of its sustainability efforts but also guarantees that its business plans align with global issues, enhancing its reputation and operational effectiveness. By sharing information about their involvement in SDG-related projects, businesses could show their commitment to bringing about significant changes that promote a sustainable, legitimate, and equitable global environment.

In accordance to the above objective, MTIB, having appointed SIRIM Academy as its training provider, organised a two-day seminar entitled “ESG and Sustainability Reporting” from 19 March to 20 March 2025 at Bangi Resort Hotel, Selangor. The seminar was led by Puan Nageswary S. Iyampillai; she presented on the “Overview of ESG Incidents” covering global ESG issues and their impact on sustainability. The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by the United Nations in 2015 as a universal call to action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. The SDGs highlight the connection between the environmental, social and economic aspects of sustainable development.

Only 15% of nations are on track to meet the SDGs by 2030, with Malaysia ranking 78th on the 2023 SDG Index and demonstrating little progress toward its objectives. In order to improve ESG performance, Puan Nageswary underlined the necessity for Malaysian industries to use sustainable practices. She also discussed the significance of ESG, the growing expectations of stakeholders, and its advantages: improving reputation, lowering risks and creating opportunities. Additionally, she discussed several Malaysian and EU policies pertaining to ESG.

“The seminar continued with a focus on ESG-related standards. Climate accords, Bursa Malaysia indicators, waste management strategies (linear economy vs. circular economy), the three categories of greenhouse gas emissions (direct, indirect, and value chain), and ISO emissions standards were among the subjects covered under the environmental pillar. Globalisation, human capital, and legal compliance were all addressed under the social pillar. Encik Saiful Nizam Jasni from SIRIM Academy elaborated on the governance pillar, where he emphasised eight essential elements of effective leadership, including involvement, accountability, and transparency. He referred to the Malaysian Code on Corporate Governance (2021), which encourages stakeholder involvement, sustainable integration, and best practices for board conduct. Additionally, he listed three fundamental governance guidelines and procedures for efficient ESG management.”

On the first day, the seminar was conducted by Encik Saiful Nizam who spoke on “Introduction to Reporting Standards & Framework”. He noted that it is vital for companies to fulfil the demands of stakeholders and demonstrate their commitment to environmental, social, and governance (ESG) challenges. It was noted that the EU has recently introduced the Corporate Sustainability Reporting Directive, wherein a large and listed company must report their ESG performance as proof of how well the company manages risks associated to these elements. All ESG reports from Public Limited Companies (PLCs) must be Bursa-compliant whereby all the requirements are met.

On the second day, Encik Saiful Nizam started with “Bursa Saham and International Reporting Requirements”, introducing the five key ESG reporting standards: Bursa Malaysia Sustainability Reporting Guide and MITI i-ESG, Global Reporting Initiative, Task Force on Climate-Related Financial Disclosures, and IFRS Sustainability Standards. These standards exist due to different regulations, evolving reporting needs, diverse priorities, and alignment with global agendas. He also spoke on coverage in both Bursa Malaysia's and MITI i-ESG's sustainability rules. The key economic, environmental, and social (EES) issues covered by Bursa Malaysia's sustainability regulations, concentrate on how companies handle associated risks and opportunities. ESG issues specific to the manufacturing industry are covered by MITI i-ESG framework.

Encik Saiful Nizam added that the sustainability reporting in Malaysia was supervised by the Securities Commission Malaysia (SC), especially regarding the National Sustainability Reporting Framework (NSRF). To help implement the NSRF, the SC formed the Advisory

Committee on Sustainability Reporting (ACSR). Company performance on ESG aspects is evaluated by ESG rating firms, which then assign grades based on their conclusions. He also explained and compared the three frameworks - Global Reporting Initiative, Task force on Climate-Related Financial Disclosures, and IFRS Sustainability Standards - by its focus, target audience, materiality assessments, and integration with financial reporting. At the end of the session, the participants completed an ESG assessment, which assessed their companies' readiness and willingness to participate in MTIB's upcoming ESG-related project on the development of Sustainability Reporting for selected timber companies.

The seminar was attended by a total of 39 participants from the timber industry, government agencies and higher learning institutions. Participants gave positive feedback towards the programme. It is hoped that the companies involved will be able to commence and successfully establish ESG framework in their sustainability reporting to further improve and strengthen the sustainability performance of timber industry.



Pn. S. Nageswary of SIRIM Academy explaining Materiality Matters to participants



Encik Saiful Nizam Jasni of SIRIM Academy briefing on the importance of Sustainability Reporting



February

2025



Total export of Malaysian timber and timber products in February 2025 decreased by 10% in value totalled at RM1.7 billion from the previous month. Similarly, the cumulative export for the period of January – February 2025 decreased by 2% valued at RM3.6 billion over RM3.7 billion in the previous corresponding year.

“According to the Global Timber Index Report for February 2025, the plywood industry faced multiple challenges that significantly impacted production and export potential. A major issue was the declining demand for plywood in Japan, coupled with a shortage of export demand in general. At the same time, there was a critical shortage of suitable logs for producing face veneer, which further limited manufacturing capabilities. The situation was worsened by the limited supply of raw materials, particularly wood waste which remained costly.”

Additionally, a lack of incoming orders and a rise in freight costs to the USA placed further financial strain on the industry. These combined factors created a difficult environment for plywood producers, limiting both their capacity to operate efficiently and their competitiveness in international markets.

SAWNTIMBER

Total export of sawntimber in February 2025 decreased by 7% in volume but rose by 14% in value, amounting to 65,527 m³ and totaling at RM138.7 million, compared to 70,169 m³ with RM121.2 million in the previous month. Cumulative exports for January–February 2025 reached 135,680 m³, valued at RM259.9 million reflecting a 3% increase in volume but a 9% decrease in value versus the same period in 2024, when exports were 131,954 m³ and RM285.2 million.

Exports to the European Union in February 2025 stood at 5,450 m³, reflecting a 62% increase compared to 3,359 m³ in the previous month. The Netherlands, the main buyer, imported 2,577 m³, up 43% from 1,807 m³ in the corresponding period. Belgium's intake dropped by 26% to 450 m³, down from 611 m³ in January, while Germany's purchases showed a 109% rise to 769 m³, compared to 368 m³ in January. Meanwhile, exports to the United Kingdom increased by 51%, reaching 918 m³, up from 609 m³ in the corresponding period.

In South Asia, February shipments dropped by 32% to 7,913 m³ from 11,705 m³. India, the region's largest market, received 4,599 m³, a 24% decrease from 6,035 m³ in the previous month. Maldives' imports fell by 31% to 1,524 m³ from 2,201 m³, while Sri Lanka's purchases declined by 46% to 1,122 m³ from 2,073 m³.

Meanwhile, exports to West Asia fell by 13% to 14,300 m³ from 16,459 m³. The United Arab Emirates, the leading buyer, imported 4,393 m³, a 107% increase from 2,120 m³. Iraq's imports dropped sharply by 88% to 1,346 m³, down from 10,888 m³, while Saudi Arabia's intake rose by 95.0% to 1,620 m³, compared to 831 m³ in January.

Shipments to East Asia increased by 60%, totalling at 21,700 m³ in February 2025, up from 13,555 m³ in the previous month. China imported 15,299 m³, a 120% surge from 6,960 m³. Taiwan's purchase volume rose by

15% to 4,253 m³, up from 3,716 m³, while Japan's intake dropped by 27% to 1,523 m³ from 2,093 m³.

Conversely, ASEAN's demand declined, with total shipments falling by 47% to 11,295 m³ in February 2025 from 21,328 m³ in the previous month. The Philippines recorded a sharp drop of 97%, importing only 387 m³ compared to 11,524 m³ previously. Thailand's imports increased by 9% to 5,131 m³, up from 4,722 m³, while Singapore's intake rose by 6% to 4,989 m³, from 4,719 m³.

In Africa, exports fell by 7% to 1,337 m³ from 1,436 m³ in the previous month. South Africa imported 1,023 m³, an 18% decrease from 1,241 m³. Mauritius purchased 264 m³, a 35% rise from 195 m³.

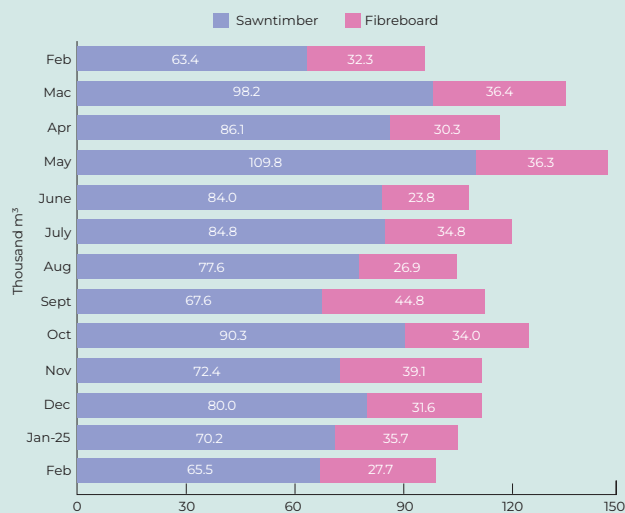
North America recorded imports of 2,115 m³ in February 2025, up 91% from 1,108 m³ in the previous month. All of this went to the USA, which imported 2,077 m³, up 87% from 1,108 m³ in January. In the Oceania/Pacific region, exports to Australia decreased by 12%, falling to 499 m³ in February 2025, from 566 m³ in the previous month. Meanwhile, New Zealand recorded no imports in February, compared to 21 m³ in the previous month.

The average FOB price of sawntimber increased by 23% to RM2,116 per m³ from RM1,727 per m³ in the previous month. Meanwhile, the price of Dark Red Meranti to the Netherlands also decreased by 6% to RM3,222 per m³ from RM3,420 per m³ in the previous month. Keruing was traded at RM2,844 per m³, a decrease of 6% from RM2,677 per m³ in the previous month.

According to the forest sector forecast by Finland's Pellervo Economic Research PTT, wood prices are expected to increase in 2025 and 2026. The need for wood will increase this year and next year in Finland's forest industry, which will keep the demand for

domestic wood strong. As a result, both felling volumes and wood prices in Finland will increase. The gross stumpage income of private forests will rise to new record figures, clearly over three billion euros.

Malaysia: Export of Sawntimber and MDF



PLYWOOD

Export for plywood in February 2025 recorded a decrease of 2% in volume at 85,030 m³ and 6% in value to RM168.0 million as compared to the previous month. The cumulative exports for the period of January – February 2025 showed an increase of 6% in volume to 171,516 m³ but a decrease of 7% in value totalling at RM347.1 million over the previous corresponding period. The EU region recorded an increase of 458% from 531 m³ to 2,963 m³. Poland and the Netherlands resumed their purchases with 542 m³ and 824 m³ each. However, Germany didn't make any purchase for the month. In other parts of Europe, imports recorded an increase of 81% to 5,983 m³ from 3,309 m³ in the previous month. Plywood purchases by the UK increased by 117% to 5,076 m³ but Türkiye dropped purchases by 7% to 907 m³.

Moving to the East Asia market, volume dropped by 31% to 38,587 m³ from 55,518 m³ in January. Japan as the largest importer from the region decreased its buying by 37% to 30,808 m³. South Korea and Taiwan added up their purchases by 13% to 3,445 m³ and 46% to 4,025 m³ respectively. In the ASEAN region, import increased by 4% from 4,421 m³ to 4,579 m³. Plywood export to Thailand and Singapore increased by 16% to 2,720 m³ and 17% to 1,280 m³ each. Meanwhile, the Philippines reduced buying by 45% to 435 m³.

In the South Asia region, plywood purchase depleted by 84% from 828 m³ to 137 m³. India decreased its import by 90% to 80 m³ while Maldives increased buying by 127% to 57 m³. The West Asia region recorded an increase of 56% to 13,665 m³ from 8,771 m³ in the previous month. Import performance in Yemen and Jordan increased by 42% to 11,578 m³ and 379% to 859 m³ respectively.

In the Africa region, plywood export recorded a decrease of 79% from 292 m³ to 62 m³. The North America region showed an increase of 61% from 10,673 m³ to 17,179 m³. The USA as

the main buyer increased purchases by 62% to 15,333 m³, followed by Mexico with a 95% increase to 1,716 m³. However, Canada reduced its intake by 72% to 87 m³. Plywood export in the Oceania/Pacific region recorded a decrease of 13% to 1,876 m³ from 2,143 m³ while Australia reduced its purchase by 14% to 1,846 m³.

The FOB price of plywood for February 2025 was at RM1,976 per m³, a decrease of 5% from RM2,071 per m³ from the previous month.

Jordan is actively transitioning its construction sector towards a circular economy model, emphasising sustainability and resource efficiency. The Jordan Green Building Council, in collaboration with the Center for International Private Enterprise and the Jordan Chamber of Industry, has launched an executive action plan to promote circular economy practices within the construction industry. This initiative focuses on integrating sustainable materials, recycling construction waste and adopting eco-friendly building practices. By implementing these measures, Jordan aims to reduce environmental impact, enhance economic growth and create job opportunities in the green construction sector. The move aligns with the country's broader goals of environmental sustainability and economy.

VENEER

Export of veneer for February 2025 increased in volume by 128% to 3,845 m³ and in value by 29% worth RM5.1 million as compared to the previous month. The cumulative export for January – February 2025 showed a decrease in both volume and value by 9% to 5,535 m³ and 36% to RM9.1 million over the previous corresponding period.

ASEAN recorded a decrease in veneer import by 14% from 271 m³ to 233 m³ with purchases from Singapore. In East Asia, export increased by 297% from 799 m³ to 3,174 m³. China added up its veneer import by 223% to 1,591 m³ while Japan reduced buying by 44% to 172 m³. South Korea resumed buying with 456 m³. In contrast, the South Asia region recorded a decrease in buying by 36% to 148 m³ from 229 m³ in the previous month. Veneer purchases by India decreased by 51% to 81 m³ while Bangladesh increased buying by 1% to 67 m³.

Moving to North America, veneer import recorded an increase of 44% to 290 m³ from 202 m³ with purchases from the USA. Meanwhile, there were no purchases from the EU region, and both the Oceania/Pacific and Africa regions in February 2025.

The average FOB price for veneer decreased by 44% from RM2,360 per m³ to RM1,335 per m³ as compared to previous month.

The business activity index for the construction industry in China was 52.7%, an increase of 3.4% points from the previous month. The proposed tariff schedule introduced by the Trump administration has heightened uncertainty for China's construction industry, contributing to stagnation in labour markets and weakening aggregate demand. Elevated material prices are expected to be passed on to consumers, inflating construction costs and reducing the affordability of new builds. In addition to existing weaknesses in industrial construction activity, the intensifying US-China trade war

is expected to dampen investor confidence, potentially leading to reduced investment in the construction industry in the near term. The residential construction sector, already under strain, is also likely to suffer. Lower employment and declining consumer confidence may further exacerbate the sector's weakness.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in February 2025 recorded a 22% decrease in volume at 27,717 m³ and 13% in value at RM53.2 million compared to the previous month. Similarly, the cumulative export for the period of January – February 2025 recorded a decrease in volume by 13% to 63,438 m³ and also in value by 15% totalling at RM114.3 million as compared to the corresponding period in 2024.

Export to ASEAN decreased by 6% from 3,824 m³ to 3,600 m³ in the previous month. Indonesia and Viet Nam increased imports by 41% and 4% to 760 m³ and 607 m³ respectively. Meanwhile, the Philippines reduced imports by 28% to 1,827 m³.

Elsewhere, East Asia's purchase of MDF decreased by 5% from 12,586 m³ to 11,995 m³ in the previous month. Import of MDF from Japan, Taiwan and South Korea recorded a decreased of 4%, 22% and 9% to 11,067 m³, 447 m³ and 450 m³ each. Moving to the South Asia market, export also dropped by 49% from 6,631 m³ to 3,356 m³. Export performance to India decreased by 98% to 93 m³ while Pakistan added up its volume by 203% to 3,028 m³.

Export to the West Asia region recorded a decrease of 47% from 9,038 m³ to 4,807 m³ compared to previous month. Saudi Arabia decreased buying by 89% to 266 m³ while the UAE improved its buying by 43% to 3,892 m³. In other parts of Europe, the UK resumed its purchases to 21 m³ while countries of the EU, Central America and South America didn't make any purchase for Malaysian MDF for the month.

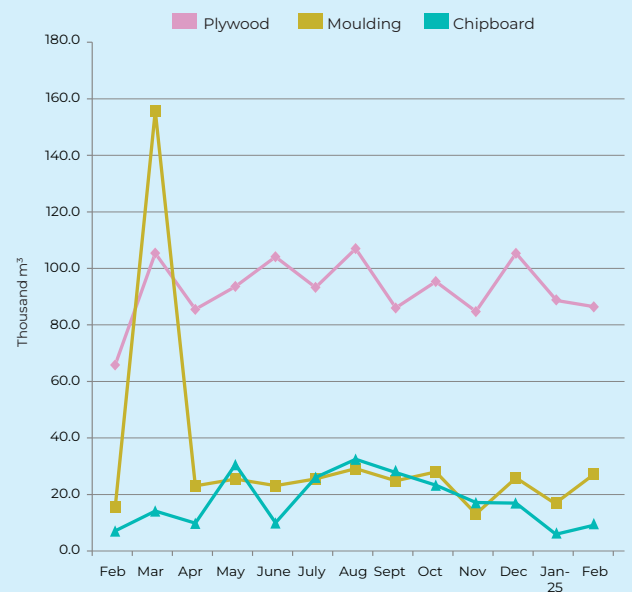
Export to Oceania/Pacific recorded a decrease of 39% to 1,195 m³ from 1,943 m³. Australia reduced purchases by 40% to 1,154 m³ while New Zealand resumed its sales to 21 m³. MDF import in North America showed an increase of 61% from 1,599 m³ to 2,580 m³ compared to the previous month. The MDF purchase by the USA and Canada improved by 103% to 1,825 m³ and 33% to 552 m³ each. Mexico reduced its buying by 29% to 203 m³. In the Africa region, MDF purchases also recorded an increase of 182% to 163 m³. Import from South Africa and Mauritius increased at 100% to 105 m³ and 497% to 32 m³ each.

The average FOB price of MDF increased by 12% to RM1,918 per m³ from RM1,712 per m³ in the previous month.

According to the Asian Development Bank's (ADB) annual flagship economic publication, Pakistan's real gross domestic product (GDP) is expected to grow by 2.5% in 2025, the same growth rate from 2024. Pakistan is ready to reshape its future through mega

infrastructure projects. The country plans major improvements in transportation, energy and urban development by 2025. ML-1 Railway modernization, new international airports and expanded highway networks will improve connectivity nationwide. These projects fill crucial infrastructure gaps and prepare the groundwork for future growth. Smart city initiatives and urban development projects reflect Pakistan's steadfast dedication to responsible growth. Pakistan has a long way to go, but they can build on this progress as coordinated efforts in these sectors position for remarkable development ahead.

**Malaysia: Export of Major Timber Product
Jan 2024 – Feb 2025^P**



MOULDINGS

In February 2025, the export of mouldings increased by 13% in volume to 22,292 m³ but decreased slightly by 0.4% in value to RM71.2 million compared to January 2025. Cumulatively, for the period of January to February 2025, exports rose by 2% in volume to 42,021 m³ but declined by 5% in value to RM142.7 million compared to the same period in 2024.

Exports of mouldings to ASEAN countries declined by 17% to 743 m³ in February 2025, down from 892 m³ in January. Exports to Singapore remained stable, increasing slightly by 0.4% to 739 m³ compared to 737 m³ in January. Meanwhile, Viet Nam did not resume its purchases in February 2025.

In the East Asia region, exports rose marginally by 3% to 1,275 m³ in February 2025. Exports to Japan increased by 7% to 733 m³, while exports to the Republic of Korea declined slightly by 5% to 451 m³. No shipments were recorded to Hong Kong in February, following 42 m³ in January.

In the South Asia region, exports fell sharply by 40% to 165 m³. No exports were recorded to Maldives and Sri Lanka, compared to 192 m³ and 82 m³ respectively in January. However, India resumed intake with 165 m³ in February after no exports in the previous month. The West Asia region recorded no demand in both January and February 2025.

Exports to the European Union rose by 7% to 4,688 m³ in February 2025. The Netherlands showed a strong increase of 22% to 3,090 m³, while France recorded a decline of 24% to 604 m³. Belgium saw a notable increase of 58%, reaching 523 m³. Exports to the United Kingdom dropped by 27% to 400 m³, down from 548 m³ in January 2025. In the Oceania and Pacific region, total exports remained steady at 1,050 m³. Australia took in 1,030 m³, a slight decline of 1% from January.

In North America, demand increased by 22% to 13,399 m³. Exports to the USA rose by 17% to 12,759 m³, while Canada also registered growth, rising 12% to 57 m³. Exports to Africa surged by 40% to 531 m³. Mauritius increased more than doubled its imports to 449 m³, while South Africa saw a 37% decrease to 83 m³.

The average FOB unit value for mouldings in February 2025 decreased by 12% to RM3,193/m³, compared to RM3,624/m³ in January.

According to the report published in Fordaq, Vietnam's wood industry is showing signs of recovery in early 2025, driven by rising export demand, particularly for mouldings, and a rebound in key markets such as the EU and the U.S. According to data from the Ministry of Industry and Trade, Vietnam's export value of wood and wood products reached USD 738.8 million in the first half of January, marking a 15.6% year-on-year increase. Orders are flooding in, with demand for mouldings growing steadily, pushing companies to ramp up production capacity for the spring-summer season.

The industry's recovery follows a tough period of declining orders, high inventory, and increased shipping costs. However, companies have adapted by restructuring order patterns, embracing digitalisation, and improving efficiency. Cross-border e-commerce has also played a role in expanding global reach, allowing Vietnamese firms to engage directly with consumers in a B2C model. Despite challenges in shipping, the industry anticipates export growth of up to 30% in 2025, with mouldings seeing a particularly strong demand boost.

Industry leaders emphasise the importance of policy support and regulatory adjustments to sustain growth. The EU's extension of its Anti-Deforestation Regulation deadline has given Vietnamese exporters more time to adjust, while efforts to improve creativity, design, and branding are seen as key to diversifying markets and increasing product value. With a focus on digital transformation and sustainability, Vietnam's wood sector, especially mouldings, is poised for long-term growth in 2025 and beyond.

BUILDERS JOINERY AND CARPENTRY (BJC)

In February 2025, exports of BJC declined by 13% in volume to 11.1 million kg and by 18% in value to RM104.6 million compared to January 2025. For the cumulative period of January to February 2025, exports increased by 8% in volume to 23.7 million kg and by 9% in value to RM231.6 million compared to the same period in 2024.

In the ASEAN region, exports fell by 27% to RM14.3 million. Singapore saw a sharp decline of 30% to RM8.0

million, while exports to Vietnam were halved, dropping by 51% to RM1.9 million.

Exports to East Asia declined significantly by 45% in the period January to February 2025, reaching RM10.2 million. Shipments to Japan dropped by 47% to RM7.6 million, China by 62% to RM856,379, and Taiwan by 49% to RM781,816, compared to the same period in 2024.

In the South Asia region, exports fell steeply by 57% to RM3.5 million. The decline was led by India, which decreased purchases by 40% to RM2.8 million, while exports to Maldives remained nearly stable at RM645,246, down just 3%. Exports to Bangladesh dropped sharply by 84% to RM43,000.

The West Asia region registered a massive increase of 984%, rising to RM9.8 million from just RM903,180 a year earlier. Saudi Arabia was the main contributor with a surge of 12,481% to RM9.6 million, while Kuwait also recorded strong growth of 599%. In contrast, exports to the UAE fell drastically by 90% to RM78,000.

Exports to the European Union remained stable with a modest 1% growth, totaling at RM49.1 million. Belgium saw a strong increase of 45% to RM21.5 million, and France's imports grew by 50% to RM4.6 million, while exports to the Netherlands dropped by 30% to RM12.7 million.

In other parts of Europe, exports rose slightly by 2% to RM24.0 million. Exports to the United Kingdom increased by 5% to RM22.8 million, while Norway showed a marginal gain of 1%. No exports were recorded to Turkey, compared to RM0.6 million last year.

Exports to the Oceania/Pacific region declined by 9%, totalling at RM38.4 million. Australia accounted for the majority with RM34.1 million, down 12%, while New Zealand's imports rose by 19%. Tonga experienced a slight decrease of 2%.

In North America, exports surged by 62%, reaching RM80.5 million. The USA led this growth with a 63% rise to RM79.5 million while exports to Canada also increased by 15%. No exports were recorded to South America during this period.

In the Africa region, total exports increased by 24% to RM1.8 million. Mauritius and Morocco resumed intake with RM392,000 and RM281,000 respectively, while South Africa saw a 26% decline to RM721,000.

According to the Reuters Report, in February 2025, the UK construction sector experienced a significant downturn, with the S&P Global/CIPS UK Construction Purchasing Managers' Index (PMI) falling to 44.6, its lowest level since May 2020. This decline was primarily driven by a sharp contraction in residential housebuilding, which saw its PMI drop to 39.3, marking one of the steepest declines on record. Factors contributing to this downturn included weak demand, high borrowing costs, and a lack of new projects to replace completed ones.

The Builders Joinery and Carpentry sectors, encompassing the production of doors, windows, staircases, and other wooden components, was notably impacted by this slump. With housebuilding activity at a historic low, demand for these essential joinery products diminished, leading to reduced order volumes and increased job losses within the sector. The downturn in residential construction has created a ripple effect, affecting manufacturers and suppliers of joinery products.

Despite the challenges, the UK government has committed to investing £600 million (USD775 million) to address severe skills shortages in the construction sector. This investment aims to support the Labour government's plan to build 1.5 million homes by 2029 and spur economic growth. The initiative includes funding for construction courses in colleges and upskilling workers, which could provide a much-needed boost to the Builders Joinery and Carpentry sector by training a new generation of skilled professionals.

FURNITURE

Total export of wooden furniture in February 2025 recorded a decrease of 18% to RM715.9 million from RM872.1 million, whereas the cumulative export in the period of Jan-Feb 2025 increased by 2% with a total value of RM1.6 billion as compared to the previous year.

Shipments of wooden furniture to ASEAN were valued at RM186.6 million, a decrease of 2% from RM190.1 million in the last corresponding period. Singapore as the main buyer increased its buying by 9%, valued at RM124.9 million as compared to the previous year. There were cutbacks on exports to both the Philippines and Thailand at 4% and 8%, valued at RM33.9 million and RM12.0 million respectively.

As for the East Asia region, exports decreased by 18% from RM109.0 million to RM89.7 million. Japan, despite being the main buyer from this region dropped its buying to RM75.3 million from RM88.7 million over the same corresponding period. Similarly, exports to Taiwan and South Korea also declined by 13% worth RM6.4 million and by 42% to RM4.0 million respectively.

Exports to South Asia totalled at RM21.0 million, a decrease of 19% from RM25.9 million in the period of Jan-Feb 2024. Both India and Maldives decreased their imports by 18% amounting to RM19.2 million and by 53% worth RM1.1 million respectively. Meanwhile, Bangladesh increased its purchases significantly from RM3,602 to RM0.2 million in the period of Jan-Feb 2025.

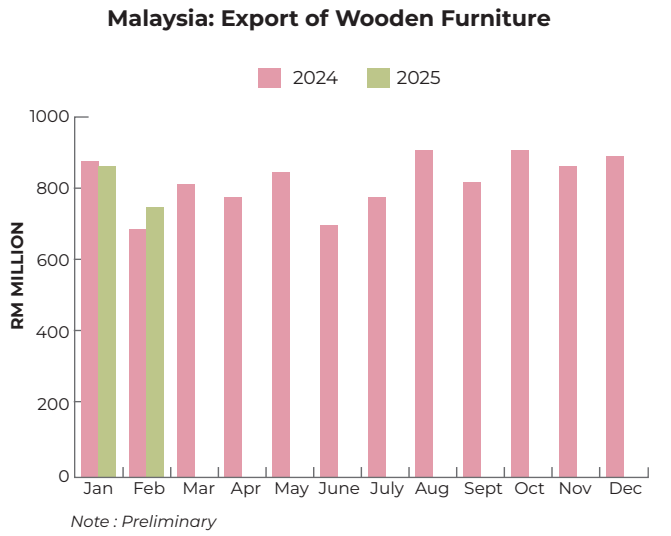
As for the West Asia region, total export of wooden furniture increased by 25%, totaling at RM93.6 million as compared to the amount of the previous year. The main buyer of this product was the UAE, with a total purchase of RM39.5 million, increased by 9% from RM36.2 million in the previous corresponding year. Both Saudia Arabia and Oman also increase their imports of wooden furniture by 56% amounting to RM38.6 million and by 47% with a total value of RM5.2 million, respectively.

Total export of wooden furniture to the European Union region declined by 13%, from RM57.9 million to RM50.7 million. Intake from Belgium increased by 14% worth RM8.0 million, followed by France with an increase of 14% worth RM8.0 million. Nevertheless, export to Poland dropped by 21% to RM4.9 million from RM6.2 million over the same period. However, imports in other parts of Europe rose by 6% with the total amount of RM85.9 million. The United Kingdom increased its intake by 13% worth RM81.7 million while purchases from Georgia and Türkiye decreased by 2% and 72% to RM2.8 million and RM0.8 million, respectively.

Shipments to the Oceania/Pacific region decreased by 14% to RM83.3 million in the period of Jan-Feb 2025. Australia as the main buyer decreased its purchases by 11% with a total value of RM75.2 million from RM84.5 million in the previous corresponding year. Similarly, both New Zealand and Papua New Guinea dropped its intake by 21% and 58%, totalled at RM5.5 million and RM1.1 million, respectively.

Shipments to North America increased by 7%, amounting to RM936.9 million from RM872.3 million in the previous year. The USA as the main buyer from this region increased its purchases by 7% with a total value of RM852.5 million from RM795.4 million in the same corresponding period. Meanwhile, exports to both Canada and Puerto Rico increased by 5% to RM63.7 million and by 42% to RM10.4 million respectively.

In the Central America region, export increased by 30%, amounting to RM7.3 million for the stated period. Panama, as the largest buyer in the region increased its intake by 188% worth RM2.6 million. Similarly, exports to El Salvador and Guatemala grew by 37% to RM1.4 million and by 30% to RM2.2 million, respectively. Moving to South America, export decreased by 17% to RM14.1 million with Chile and Venezuela decreasing their purchases by 33% to RM7.4 million and by 31% to RM1.0 million, respectively. Meanwhile, Peru increased its buying by 22% worth RM2.7 million.



Shipments to Africa on the other hand, decreased by 19% to RM18.7 million in the period of Jan-Feb 2025. Exports to South Africa decreased by 20% from RM7.8 million to RM6.3 million. Similarly, Libya also dropped its purchases by 36% to RM0.9 million. Meanwhile, import into Tanzania increased by 11% from RM1.2 million to RM1.4 million for the stated period.

In February 2025, the total export of rattan furniture from Malaysia recorded a decrease of 29% in value to RM4.5 million, while the cumulative export in the period of January-February 2025, increased by 5% in value to RM10.9 million over the previous corresponding year.

Export of rattan furniture to the ASEAN region recorded a decrease of 31% worth RM0.9 million from RM1.4 million in the previous year. Singapore as the main importer in this region decreased its import by 43% valued at RM0.2 million as compared to the year before. Meanwhile, exports to Thailand and Indonesia improved by 114% and 313% with a total amount of RM0.1 million and RM35,122 respectively.

Export to the East Asia region increased by 14% worth RM0.4 million with Japan as the largest buyer. Shipment to Japan was worth RM95,477 despite a decrease of 23%. Similarly, export to China also reduced by 57% worth RM69,816. In the South Asia region, India was the only country Malaysia exported its rattan furniture to. The total exports increased by 295% with a total amount of RM0.3 million as compared to the previous year.

As for the West Asia region, the total export was valued at RM0.5 million, a decrease of 8% from RM0.6 million in the previous corresponding year. The UAE was the main buyer from this region, dropping its intake by 36% with a total value of RM0.2 million. Meanwhile, exports to Qatar increased by 50% to RM23,394 while Iran resumed its intake worth RM0.1 million.

Export to European Union region increased by 129%, valued at RM2.2 million as compared to the previous year with a total value of RM1.0 million. Poland resumed its intake worth RM0.5 million while exports to France and the Netherlands increased by 40% to RM0.7 million and by 14% to RM0.4 million respectively. Meanwhile, export to United Kingdom decreased by 54% to RM0.8 million and Switzerland resumed its intake with RM860. However, Russia increased its buying by 7% worth RM49,179 from RM45,824 in the same corresponding period.

Exports to the Oceania/Pacific region has a total value of RM0.3 million, a decrease of 34% from RM0.4 million in the previous corresponding year, with exports to Australia, the main buyer of this product, decreased by 8%, valued at RM0.3

million. Shipment to the North America region increased by 19% to RM5.1 million from RM4.3 million, with the USA as the main purchaser with an increase of 47%, valued at RM4.7 million from RM3.2 million in the previous corresponding year. However, Canada decreased its purchases by 4% from RM0.4 million while Chile resumed its intake worth RM0.2 million for the period January – February 2025.

According to Furniture Today's Home Furnishings Sentiment Index report published in March 2025, the home furnishings industry retailers, manufacturers and other participants have started the year with a cautious attitude, but the longer-range vision leans toward optimism and business improvement in the USA. Similarly, sales performance in the fourth quarter of 2024 was more down than up, based on responses, but projections for the first quarter of 2025 significantly narrow the gap to four points between sales falling and rising. Respondents are also being restrained at this point about adding staff or making capital investments, with the numbers tilting toward having fewer employees over the next six months vs. adding them, as well as cutting back on capital investments rather than making them for the first half of the year. Optimism is running highest among respondents as they look farther down the road, with improving expectations for business conditions for the home furnishings industry over the next six months ahead, along with positive projections for higher consumer demand for furniture, bedding and accessories. Respondents were most bullish on home furnishings sales for the entire year, while concerns were high for the housing market, mortgage rates, tariff, consumer sentiment, inflation rate and supply chain issues.

Meanwhile, according to Mordor Intelligence analysis, at a compound annual growth rate (CAGR) of more than 5%, the rattan furniture market is projected to reach USD1.22 billion by 2030 from an estimated USD0.96 billion in 2025. China is the world's leading manufacturer of rattan products with five different varieties of rattan wood manufacturing. The market is mostly concentrated on Asia Pacific, with the Philippines, Vietnam, and Singapore being the other major sources. The market for rattan furniture is expanding as a result of the exportation of genuine rattan furniture at reduced costs to Western nations as well as other nations worldwide.





Venturing New Potentials in Mexican Timber Industry

Background

Mexico is known as the third-largest nation in Latin America and a country in the southern part of the North America continent. With a population of nearly 130 million people, Mexico has emerged as a major economic and political force, boasting a thriving industrial base, abundant natural resources and a diverse service sector. Mexico ranks among the fifteen largest economies in the world and is the second largest in Latin America. The country has strong macroeconomic institutions, an open trade policy, and a diversified manufacturing base integrated into global value chains.

Mexico is a member of numerous international organisations, including the United Nations, the G20, the OECD, the WTO, and APEC. It is a founding member of the United Nations. Mexico is also a member of the Organization of American States (OAS), the Community of Latin American and Caribbean States (CELAC), and the Organization of Ibero-American States (OEI). Mexico has 13 Free Trade Agreements (FTAs) with 50 countries, including the European Union, European Free Trade Area, Japan, Israel, 10 countries in Latin America, and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). The United States, Mexico, and Canada are parties to the United States-Mexico-Canada Agreement (USMCA), which entered into force on 1 July 2020, replacing the North American Free Trade Agreement (NAFTA). Mexico is also a member of the Pacific Alliance, a trade bloc formed in 2011 by Mexico, Chile, Colombia, and Peru.



Economy

Mexico is a dynamic and significant economy in Latin America, closely tied to the United States due to geographical proximity and the USMCA trade agreement. However, it faces both considerable opportunities and persistent challenges. It is the 13th largest in the world in nominal GDP terms and by purchasing power parity as of 2024. As an emerging global player in the economy, Mexico ranks 8th in the world export rankings with USD669.3 billion in 2024, an increase of 13% from USD5923.0 billion in 2023.

Despite the recent complicated international environment, the Mexican economy has grown at an average pace of 2.1% over the past ten years. The responsible economic, financial, and commercial policies that are aimed at bolstering the domestic market are the foundation of Mexico's economic success. With 50% of the population in the middle class and 30% in the upper class, Mexico is essentially turning into a middle-class nation. Mexico continues to gain from US outsourcing initiatives although the realised gains will be modest, as the government's statist policies, particularly in the energy sector, will continue to raise investor concerns about contract rights and the business environment.



Mexico's economic growth is projected to stall in 2025, with a gradual recovery reaching 1.8% by 2027, still below the average growth rate of the past three years. This is mainly due to anticipated uncertainty surrounding potential shifts in trade policy, the upcoming revision of the USMCA, and the expected slowdown of the U.S. economy. With gradual growth improvements expected by 2027, the poverty rate is projected to decline. Unlocking Mexico's full economic potential will require strengthening the drivers of growth. Spending pressures will call for revenue-enhancing actions to protect debt sustainability in a lower growth environment, along with greater private sector participation to meet investment needs, particularly in infrastructure. In the near term, it will be essential to navigate a turbulent trade and investment landscape and plan for greater trade resilience.



Forestry and Timber

Mexico has temperate and tropical climates, making it a major consumer and producer of timber. Mexico's largest forests are found in the tropical east and south, yielding valuable hardwoods like oak and mahogany, as well as fragrant woods such as cedar and rosewood. The forests of Mexico cover a surface area of about 64 million hectares, or 34.5% of the country. These forests are categorised by the type of tree and biome: tropical forests, temperate forests, cloud forests, riparian forests, deciduous, evergreen, dry and moist. The agency in charge of Mexico's forests is the National Forestry Commission (Comisión Nacional Forestal). Softwoods, primarily pine species, are prevalent in the Sierra Madre Oriental and Occidental. Pine species alone accounted for over 70% of processed wood in 2017. The primary wood products are lumber (around 60% of harvest), pulpwood, panels, charcoal, and fuelwood. Beyond timber, forests provide non-wood forest products (NWFPs) like mushrooms, pine nuts, resins, medicinal plants, and aromatics, which are crucial income sources for rural communities.



Forest in the Sierra Juárez
of Oaxaca, Mexico



Monarch butterflies clustering on the trunks and
branches of oyamel fir in the Monarch Butterfly
Biosphere Reserve

A significant and distinguishing feature of Mexican forestry is the prevalence of community ownership. Forest lands that are privately owned accumulates up to 30.4%, communally owned through ejidos or by Indigenous communities (70.6 million hectares, 50.9%), owned by the State (2.9%) and other nonidentified types of properties (15.8%). While there are national laws that regulate production in forest areas, the General Law on Sustainable Forestry Development (2018) (amended in 2024) delegates each Federal Entity to design and develop economic instruments to comply with the forestry policy and manage the forests within their jurisdictions. Forest products can be commercially harvested from forest lands (natural forests) and forest plantations. Mexico no longer issues concessions for forest production and other forestry activities. Instead, the Secretariat of Environment and Natural Resources (SEMARNAT) issues authorisations and notices for forest use purposes directly to the landowners.



Timber Production

Despite having a considerable forest area, Mexico's domestic production of wood products is insufficient to meet domestic demand. This has resulted in the country being a net importer for most categories of industrial forest products, with the exception of wood-based panels. According to the FAO forest statistics in 2023, most production of timber and timber products in Mexico has been stagnant from the previous corresponding year except for wood fuel and wood charcoal. That year, the country produced a total of 11.5 million m³ of wood fuel, indicating a decrease of 0.2% from 2022. Meanwhile, both logs and sawntimber from coniferous species showed an increase in production from 2019 to 2021 and remained stagnant at 7.3 million m³ and 6.2 million m³ respectively from 2022 to 2023. Similarly, for particleboard, veneer, wood chips and particles together with plywood and LVL, production remained stagnant in 2022-2023 at 0.7 million, 0.6 million, 0.6 million and 0.2 million respectively. The table below shows the production of timber and timber products in Mexico from 2019 until 2023.



MEXICO : PRODUCTION OF TIMBER AND TIMBER PRODUCTS, 2019 – 2023

Product	Unit	2019	2020	2021	2022	2023
Wood fuel, coniferous	m ³	11,558,306	11,533,384	11,507,498	11,481,672	11,455,906
Sawlogs and veneer logs, coniferous	m ³	5,600,000	5,600,000	6,424,000	7,278,000	7,278,000
Sawntimber, coniferous	m ³	4,999,000	4,999,000	5,539,000	6,177,000	6,177,000
Particle board	m ³	754,000	754,000	754,000	754,000	754,000
Veneer sheets	m ³	493,000	488,593	428,000	606,000	606,000
Wood chips and particles	m ³	449,000	449,000	329,000	582,000	582,000
Plywood and LVL	m ³	224,636	206,842	206,842	206,842	206,842
Wood charcoal	t	124,000	124,000	84,000	86,000	100,000
Medium/high density fibreboard (MDF/HDF)	m ³	29,000	29,000	29,000	29,000	29,000
Other industrial roundwood, coniferous (production)	m ³	70,000	70,000	25,000	25,000	25,000

Source: FAO Stats



Mexico's Export of Timber And Timber Products

The Mexican timber industry contributes a relatively small portion to Mexico's Gross Domestic Product (GDP). While Mexico has a significant forest area, the sector's contribution to GDP has been reported to range between 1.8% and 2% over the past decade. Mexico's timber and timber products exportation showed an increase of 4% from USD10.5 billion in 2022 to USD10.9 billion in 2023. The top three major products exported from Mexico are furniture, BJC and mouldings. The total value of furniture exported in 2023 was USD10.1 billion, increased by 5% from USD9.7 billion in the previous corresponding year. Meanwhile, exports of BJC and mouldings increased by 8% worth USD215.7 million and by 5% worth USD131.0 million in 2023. However, export of fibreboard recorded a decrease of 37% to USD29.0 million from USD46.0 million. In 2023, Mexico exported its furniture (HS9403) to 59 countries with the USA, Canada, Guatemala, Columbia and Dominican Republic being the major buyers. Malaysia ranked 48th in Mexico's furniture export destination list in 2023. As for timber and timber products (HS44), its major export destinations are the USA, Guatemala, India, United Kingdom and Jamaica. The table below shows Mexico's export of timber and timber products for the period of 2019 until 2023.

MEXICO: EXPORT OF TIMBER & TIMBER PRODUCTS TO THE WORLD, 2019 - 2023

USD '000

Products	2019	2020	2021	2022	2023
Furniture	7,642,930	6,627,059	8,121,646	9,668,275	10,113,385
BJC	94,685	133,527	189,638	200,153	215,708
Mouldings	101,009	119,949	183,452	124,801	131,010
Fibreboard	12,673	12,173	23,204	46,000	29,009
Chipboard/ Particleboard	12,232	8,824	14,144	21,288	18,095
Plywood	9,105	13,348	21,568	21,367	12,412
Sawntimber	6,843	6,199	11,170	10,900	8,310
Veneer	2,474	667	414	374	887
Logs	9,805	7,495	6,828	655	486
Other products	275,934	295,730	357,323	388,956	361,223
TOTAL	8,167,690	7,224,971	8,929,387	10,482,769	10,890,525

Source: ITC UNCOMTRADE



Mexico's Import of Timber And Timber Products

The USDA Foreign Agricultural Service reported that Mexico is a net importer of forest products, and its domestic production typically only covers about 25% of the total demand for forest products within the country. More than 50% of timber imported into Mexico comes from the United States (53.6%), according to Russian-based Lesprom, ahead of Brazil, Chile and Canada. In 2023, import of timber and timber products by Mexico decreased by 12% with a value amounting to USD5.4 billion from USD6.1 billion in 2022. The top three major imported products were furniture, sawntimber and plywood. As of 2023, Mexico imported furniture valued at USD3.2 billion, a decrease of 4% from USD3.3 billion in the precedent year. Moreover, importation of sawntimber and plywood decreased by 30% to USD796.1 million and by 25% worth USD433.8 million respectively. According to International Data Centre (ITC) statistics, the top five major supplying markets for timber and timber products (HS44) are the USA, Brazil, China, Chile and Canada, while Malaysia ranks 10th in its supplying countries ranking. China, the USA, Italy, Viet Nam and Spain were major suppliers with Malaysia ranking 14th in Mexico's major furniture supplier list (HS9403) in 2023. The table below shows Mexico's import of timber and timber products for the period of 2019 until 2023.

MEXICO: IMPORT OF TIMBER & TIMBER PRODUCTS FROM WORLD, 2019 - 2023

USD '000

Products	2019	2020	2021	2022	2023
Furniture	2,742,245	2,188,219	2,828,993	3,305,077	3,185,425
Sawntimber	567,083	521,241	905,174	1,144,010	796,074
Plywood	289,063	289,106	434,032	577,557	433,833
Mouldings	181,799	108,058	188,477	238,451	257,093
Fibreboard	185,748	160,404	293,289	298,587	250,621
Chipboard/ Particleboard	77,298	74,418	92,602	111,216	110,886
BJC	46,501	30,899	35,687	50,233	43,708
Veneer	67,233	62,716	81,353	79,811	61,123
Logs	13,785	11,409	8,805	7,478	11,488
Other products	193,900	162,642	204,222	251,752	208,638
TOTAL	4,364,655	3,609,112	5,072,634	6,064,172	5,358,889

Source: ITC Stats



Malaysia's Export Of Timber And Timber Products To Mexico

In 2024, total exportation of timber and timber products from Malaysia to Mexico amounted to RM84.0 million, an increase of 1% from the previous year with RM83.1 million in 2023. The highest export timber and timber products were plywood, followed by wooden furniture, fibreboard and particleboard. The export of plywood was worth RM35.9 million. Malaysia also exported wooden furniture, fibreboard, and particleboard at a value of RM33.3 million, RM12.5 million and RM1.73 million in 2024 respectively. The table below shows export of timber and timber products from Malaysia to Mexico for the period of 2019 until 2023.

MALAYSIA : EXPORT OF TIMBER & TIMBER PRODUCTS TO MEXICO, 2020 - 2024

FOB Value RM

Products	2020	2021	2022	2023	2024
Plywood	46,384,885	49,955,002	26,234,577	37,066,937	35,932,023
Wooden Furniture	19,434,429	22,661,631	27,127,984	16,231,617	33,296,032
Fibreboard	13,002,536	8,745,761	14,157,685	8,766,758	12,458,983
Chipboard/ Particleboard	0	0	728,792	395,116	1,729,236
BJC	0	1,231,089	17,749,097	15,151,500	189,983
Mouldings	0	0	4,027,043	5,460,184	0
Other Products	30,603	29,639	62,480	110,410	403,565
Total	78,852,453	82,623,122	90,087,658	83,182,522	84,009,822

Source: MTIB & DOSM



Malaysia's Import Of Timber And Timber Products From Mexico

In 2024, import of timber and timber products from Mexico to Malaysia were valued at RM0.1 million with packing cases (categorised in other products) as the highest imported product worth RM74,210, followed by logs, RM39,208 and sawntimber worth RM11,226. The table below shows import of timber and timber products from Mexico to Malaysia for the period of 2019 until 2023.

MALAYSIA : IMPORT OF TIMBER & TIMBER PRODUCTS FROM MEXICO, 2020 - 2024

FOB Value RM

Products	2020	2021	2022	2023	2024
Logs	0	41,446	0	0	39,208
Sawntimber	0	0	0	83,997	11,226
Wooden Furniture	0	0	0	10,652	0
Other Products	124,348	266,903	530,443	66,482	74,523
Total	124,348	308,349	530,443	161,131	124,957

Source: MTIB & DOSM



Mexico Tariff Rates

Mexico's Most-Favoured-Nation (MFN) import duty on timber and timber products ranges from 0-25%, with the highest being wooden furniture at 0% - 25%, followed by wooden frames at 15%, and chipboard/particleboard and BJC at 5% -15%. In addition to MFN duties, Mexico applies a 16% Value-Added Tax (IVA) on most sales transactions, including foreign products. Brazil remains one of Malaysia's traditional markets for timber and timber products. The bilateral trade relationship between these two countries is more enhanced as both countries have ratified the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The CPTPP helps Mexico diversify its trade relationships, reducing over-reliance on any single trading partner, particularly the United States, given its strong economic integration with North America through USMCA. Malaysia also benefits from duty-free treatment for the majority of tariff lines to Mexico, a country which Malaysia did not have any prior free trade agreements before CPTPP. Mexico will progressively eliminate duties on the remaining tariff lines by 2033. For the forestry sector, the agreement will gradually eliminate tariffs on all Mexican exports of forest and value-added wood products, creating new opportunities in key markets such as Japan, Malaysia, and Viet Nam. Malaysia will enjoy tariff-free export to Mexico by 2027 for the following products namely hoopwood (HS4404), mouldings (HS4409), chipboard/particleboard (HS4410), plywood (HS4412), densified wood (HS4413), wooden frames (HS4414), packing cases (HS4415), casks, barrels, vats & tubs (HS4416), tools and handles of wood (HS4417), BJC (HS4418), tableware & kitchenware (HS4419), wood marquetry (HS4420), other articles of wood (HS4421), seats (HS9401) dan furniture and parts (HS9403). As for other timber and timber products, Malaysia will enjoy elimination of tariff upon the agreement entering into force. The table below specifies Mexico's import of timber and timber products under MFN tariff and CPTPP for the period of 2019 until 2023.

MEXICO: TARIFF RATES UNDER MFN AND CPTPP (2025)

Products	MFN (%)		Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (2025) (%)	
	Malaysia	Mexico	Malaysia : Tariff Elimination Schedule	Mexico : Tariff Elimination Schedule
4403 Logs	0	0	0	0
4407 Sawntimber	0	0 - 5	0	0
4408 Veneer	0	0	0	0
4409 Mouldings	0	0 - 15	0	0 - 3.0
4410 Chipboard/ Particleboard	20	5 - 15	0	1.0 - 3.0
4411 Fibreboard	20	0 - 5	0	0
4412 Plywood	25 - 35	7	0	0 - 3.0
4414 Wooden frames	20	15	0	3.0
4418 BJC	5 - 20	5 - 15	0	3.0
9403 Wooden furniture	0	0 - 25	0	0 - 3.0

Source: World Trade Organisation (WTO) and CPTPP tariff schedule



Challenges and Prospects

In 2024, Mexico's construction industry was projected to expand by 4.1%, mainly supported by investments in building activities, particularly in residential and infrastructure sectors. According to Mexico's National Institute of Statistics and Geography (INEGI), the volume index of construction production in Mexico grew by 6.3% year-on-year (YoY) in the first nine months of 2024, owing to YoY growths in buildings (8.4%), civil engineering works (2.3%), and specialised construction activities (0.8%). However, the industry faced several headwinds and is forecast to shrink by 7.1%, mainly attributed to political uncertainty amid precarious US-Mexican relations, fiscal consolidation, depreciation of the local currency (Mexican Peso - MXN), and high construction costs. Mexico's Chamber of Deputies approved the 2025 Federal Expenditure Budget (PEF) in mid-December 2024. Additionally, Mr. Donald Trump's re-election as the President of the US threatens renunciation and migration status quos, while spelling uncertainty for Mexican-US trade.

The timber industry in Mexico faces several issues and challenges that impact its sustainability and economic viability. Mexico has a comprehensive legal framework for timber management, primarily governed by the General Law on Sustainable Forestry Development (2018) (modified in 2024). This law promotes sustainable forest use, regulates harvesting, processing, transport, and trade of forest products, and outlines policy instruments like the National Forest Monitoring System (SNMF). It also requires forest owners to have forest management plans and reports on their implementation.

“While efforts exist to promote sustainable forestry practices, certification processes can be complex and costly for small producers. Furthermore, compliance with international standards and regulations can pose challenges for exporters. Changes in climate can affect forest ecosystems, leading to increased pest infestations and diseases. The industry must adapt to changing conditions, which may require investment in research and development. While the market shows signs of growth in value-added production and output, it also struggles with illegal logging and deforestation issues. The industry is heavily reliant on imports, particularly from the United States, for lumber. Mexican enterprises reported that there was a high level of customer turnover in the timber sector and the number of orders was unstable. Addressing these challenges requires a multifaceted approach, including stronger regulations, improved enforcement, sustainable practices, and better support for local communities. Collaboration between government, industry, and civil society is essential for the long-term viability of Mexico's timber industry.”

Mexico City, in particular, is becoming more committed to green building practices, increasing the use of wood in construction. The Mexican government, through Mexico's Comisión Nacional Forestal (National Forestry Commission, CONAFOR) has incentive programmes for sustainable forest management and conservation. International initiatives like the “Mexico Strengthening Entrepreneurship in Productive Forest Landscapes Project” (with World Bank funding) and the “Zero Deforestation Timber” project (under the EU's AL-INVEST Verde programme) aim to strengthen sustainable forest management, improve livelihoods, and enhance traceability. These programs also emphasise private sector engagement and women's role in forestry. Furthermore, there is an imperative to analyse and generate innovative or competitive timber products to improve the efficiency of forest harvesting and move towards more value-added processing.

Malaysia has a strong emphasis on sustainable forest management and certification such as FSC and MTCS-PEFC. As Mexico and global markets increasingly prioritise sustainable sourcing and legal timber, Malaysia's certified timber and timber products can gain a competitive advantage and meet evolving import regulations, such as those related to the EU Deforestation Regulation (EUDR) which may influence global supply chains. Furthermore, on 22 April 2024, the Mexican government established temporary import tariffs ranging from 5% to 50% for 544 HS codes. This temporary measure was in force from 23 April 2024 through 23 April 2026. The Decree aimed to combat unfair competition from countries which Mexico does not have free trade agreements. The main products affected by this decree were steel, aluminium, textiles, clothing, footwear, timber, plastic and its manufactures, chemical products, paper and cardboard, ceramic products, glass and its manufactures, electrical material, transport material, musical instruments and furniture. However, the temporary import duties did not apply to goods originated from countries which Mexico had signed a Free Trade Agreement such as USMCA and CPTPP, with. Thus, the impact would be particularly significant for imports from non-FTA countries, such as China, Brazil, or Indonesia. Meanwhile, it provided an advantage for Malaysian exporters to enjoy preferential tariff under CPTPP.

Mexico's construction industry is expanding, driven by urbanisation and housing demand. This fuels the need for timber in joinery (doors, windows, cabinets), flooring, and general construction. The demand for wooden furniture is also rising due to increasing disposable incomes and changing lifestyle preferences. Mexico's industrial wood coatings market, tied to these sectors, is expected to grow, indicating healthy activity in the wood product manufacturing space. Mexico's position as a growing economy and a large importer offers Malaysia an opportunity to diversify its timber export markets beyond traditional destinations like the US, Japan, and India. This reduces reliance on a few key markets.



“To fully exploit these opportunities, Malaysian timber exporters must actively enhance their presence in Mexico. This involves strengthening network with Mexican timber importers through consistent and targeted promotional activities. Participating in trade fairs, organising business matching events, and conducting market visits can significantly improve visibility and foster stronger business relationships. It is also essential to provide comprehensive information about Malaysian timber products, including their sustainability credentials, quality certifications and diverse applications. Building trust and establishing long-term partnerships with Mexican importers will be key to ensuring sustained export growth and market penetration.”

While overall timber demand is strong, the specific types of timber and wood products that Mexico imports will influence the demand for Malaysian offerings. Malaysian exporters need to align their product offerings with Mexico's specific needs. The Mexico positive economic outlook combined with the increasing demand for imported timber presents a compelling opportunity for Malaysian timber exporters. By focusing on value-added products, leveraging import trends and actively engaging with the Mexico local timber players, Malaysian companies can significantly boost their exports and contribute to the growth of the timber industry. Continuous market research, adaptation to changing demands and proactive networking will be vital in maintaining a competitive edge and achieving long-term success in the Mexico timber market. 



Clubhouse by Sordo Madaleno Arquitectos



A restaurant at the Paseo Interlomas Mall in Mexico City, with interior design by Paul Roco



Patio furniture in a Mexican home



The ambiance in a Mexican living room

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INDONESIA



Environmental Organisations Advocate Revision Of The Forestry Law

Several environmental organisations are optimistic that the Indonesian House of Representatives' plan to revise Law No. 41 of 1999 on Forestry will bring about significant improvements in forestry governance. Muhamad Burhanudin, coordinator of the Indonesian Conservation Dialogue Forum

(FDKI) stated that Law No. 41 of 1999 has served as the foundation for Indonesian forest governance for over two decades.

"However, with the advancement of time and the growing pressure on forest resources, it is essential to update this regulation to address current challenges," he stated during a discussion organised by the KEHATI Foundation in collaboration with FDKI.

He specifically highlighted several issues including deforestation and land conversion which contribute to greenhouse gas (GHG) emissions and drive climate change.

Forest Watch Indonesia (FWI) Campaigner Anggi Putra Prayoga highlighted the incompatibility in current forestry conditions and challenges. He discussed the impacts of climate change, deforestation, forest degradation and the rise in agrarian conflicts, particularly to Law 41 of 1999.

www.antaranews.com, 18 March 2024

VIETNAM



Preparing For The EUDR

Viet Nam is a major global exporter of timber, coffee and rubber. As such the EUDR presents both challenges and opportunities. For instance, adapting commercial operations to ensure the production of deforestation-free commodities will require adjustments, especially strengthening business due diligence systems. At the same time, however, it also offers the potential to improve Viet Nam's sustainability credentials and global competitiveness.

With the EUDR the focus is shifting from voluntary action to a regulatory framework. Companies placing products on the EU market will be required to conduct due diligence. This includes ensuring products are deforestation-free, complying with national legislation and provide geolocation data for production plots. Vietnamese enterprises are preparing a robust traceability systems and to

conduct due diligence to ensure their products meet EUDR requirements.

The regulation's traceability requirements may pose a challenge in some situations. But they may also create important possibilities for others. For example, they offer significant opportunities for smallholders in third countries, such as Vietnam, by ensuring a more transparent and traceable value chain.

Meanwhile, by owning their geolocation data, smallholders will gain greater independence in the value chain, enabling direct relationships with suppliers and fairer pricing. Furthermore, the regulation will facilitate technical support and capacity building from business partners who depend on information exchange, helping smallholders and their cooperatives meet requirements.

Recognising the importance of the EUDR, the Vietnamese government is assisting stakeholders to build deforestation-free, legal supply chains. For instance, it is fostering collaboration among coffee, rubber and timber actors to address challenges in these sectors.

In doing so the government is encouraging the development of sustainable and climate-adaptive agricultural products and demonstrating its dedication to building sustainable, deforestation-free supply chains that meet EUDR requirements.

www.fordaq.com, 4 March 2025



Dubai Woodshow 2025 To Convene Global Industry Leaders

DUBAI, 17th March, 2025 (WAM) -- The 21st edition of Dubai WoodShow, the premier platform for the wood and woodworking machinery industry in the Middle East and North Africa (MENA), is set to take place from 14th to 16th April 2025, at the Dubai World Trade Centre.

The exhibition will bring together 781 leading local and international exhibitors from over 50 countries, featuring 12 distinguished international pavilions that provide a strategic platform to showcase the latest industry trends, technological advancements, and innovative products.

The event will feature country pavilions from Portugal, Gabon, China, United States of America, India, Italy, Türkiye, Russia, France, Canada, Latvia, and Egypt. These international pavilions will highlight innovative products and groundbreaking developments, playing a key role in driving growth and expansion within this dynamic industry.

The event offers participants a unique opportunity to explore cutting-edge solutions tailored to evolving market demands while fostering collaboration

among manufacturers, suppliers, buyers, and industry stakeholders.

The exhibition will host hundreds of exhibitors alongside global and regional suppliers, traders, and distributors of building materials, furniture and machinery manufacturers, architects, interior designers, contractors, and developers.

The event serves as a premier networking platform, offering industry professionals an opportunity to engage with key decision-makers and explore the latest technological innovations in woodworking and machinery.

Participants will have access to an extensive range of wood products and production essentials, including sawn timber, engineered wood, fiberboard, plywood, panels, woodworking machinery, tools, accessories, abrasives, and wood coatings.

Dubai WoodShow plays a vital role in supporting global and regional sustainability initiatives, aligning with the UAE Energy Strategy 2050, which aims to triple the contribution of renewable energy by 2030 and invest AED150 to 200 billion to meet the country's growing energy demands. Additionally, the exhibition contributes to Dubai's vision of reducing carbon emissions by 50 percent by 2030 and achieving net-zero emissions by 2050.

Through the promotion of sustainable wood alternatives, the event underscores the importance of reducing industrial waste and promoting environmentally friendly materials. It also highlights smart solutions for sustainable construction, encouraging investments in green wood industries to drive a more sustainable and eco-friendly future.

www.wam.ae, 17 March 2025



Chinese Timber Enterprises See Production Slowdown During Chinese New Year Break

In 2024, China's wood and wood product imports amounted to 74 million cubic metres, a year-on-year decrease of 4.4%. The import value stood at USD13 billion, down 1.53% year-on-year. In terms of species hardwood logs included oak, beech, okoumé and merbau and the main hardwood sawnwood species were rubberwood, beech and ash with Thailand being the largest supplier of tropical sawn hardwood.

In January the Ministry of Commerce and other agencies jointly issued a notice on implementing the home improvement and kitchen and bathroom

renovation initiative for 2025. Focusing on a green, smart and senior friendly direction the policy supports consumers in purchasing materials and items for old house renovations, partial kitchen and bathroom upgrades and home modifications for the elderly. During the Chinese New Year holiday, this policy boosted sales of building and decoration materials as well as other home renovation related products by 15.5% year-on-year. Recently, the National Forestry and Grassland Administration, along with the National Development and Reform Commission and four other agencies, issued the medium and long-term Plan for Natural Forest Conservation and Restoration. The Plan requires that by 2035 natural forest conservation and restoration will be complete with the total area of natural forests maintained at around 2.58 billion mu (approximately 172 million hectares) and significant improvements in forest quality observed.

In January 2025 the GTI-China index registered 39.5%, a decline of 10.3 percentage points from the previous month. It has been below the critical value (50%) for 3 consecutive months indicating that the business prosperity of the timber enterprises represented by the GTI-China index shrank from the previous month and the degree of contraction was increased.

The primary reason for this decline was the impact on business activity of the traditional Chinese New Year festivities, during which Chinese timber enterprises temporarily suspended production and operations.

As for the twelve sub-indices, three indices (purchase price, delivery time and market expectation) were above the critical value of 50% while the remaining nine indices (production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, import, inventory of main raw materials, purchase quantity, import, inventory of main raw

materials and employees) were all below the critical value.

Compared to the previous month the indices for purchase price and market expectation increased by 4.6-13.1 percentage points and the indices for production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, import, inventory of main raw materials, employees and delivery time declined.

www.fordaq.com, 4 March 2025

JAPAN



Japan Glued Laminated Timber Market Poised To Reach Usd 1.8 Billion By 2034 - 3.5% CAGR

The Japan Glued Laminated Timber Market is projected to reach approximately USD 1.8 billion by 2034, up from USD 1.3 billion in 2024, reflecting a compound annual growth rate (CAGR) of 3.5% during the forecast period from 2025 to 2034.

The Japan Glued Laminated Timber (Glulam) Market is a vital segment within the country's engineered wood industry, driven by the rising demand for sustainable and high-performance construction materials. Glued Laminated Timber (Glulam) refers to a structural wood product manufactured by bonding multiple layers of dimensioned timber with durable adhesives, offering superior strength, stability, and design flexibility compared to traditional lumber.

The Japan Glulam market is experiencing steady growth, fueled by increasing adoption in residential, commercial, and infrastructure projects due to its environmental advantages, earthquake-resistant properties, and enhanced load-bearing capacity. The Japanese government's commitment to promoting wooden construction, particularly in public buildings, aligns with the broader trend of reducing carbon footprints and enhancing urban sustainability.

Additionally, the demand for Glulam is supported by stringent building regulations emphasizing

earthquake resilience, as Glulam structures offer high strength-to-weight ratios and flexibility, making them suitable for seismic-prone areas.

Furthermore, rising urbanization and the shift towards prefabricated and modular construction methods are augmenting the demand for engineered wood solutions, including Glulam. Key growth opportunities exist in the increasing preference for eco-friendly building materials, government incentives for timber-based construction, and the expansion of cross-laminated timber (CLT) applications.

However, challenges such as raw material price fluctuations and competition from alternative construction materials remain factors to monitor. Overall, Japan's Glued Laminated Timber market is poised for sustained growth, supported by evolving construction practices, sustainability initiatives, and the need for resilient building materials in a region prone to natural disasters.

The Japan Glued Laminated Timber (Glulam) market is set for steady expansion, driven by rising demand for sustainable construction materials, government policies promoting timber-based structures, and technological advancements enhancing product performance. The market benefits from Glulam's structural strength, design flexibility, and earthquake-resistant properties, making it a preferred choice for residential, commercial, and infrastructure projects. Increased urbanization and the adoption of prefabricated construction further boost its application. However, challenges such as competition from alternative materials, price fluctuations, and regulatory constraints persist. Despite these hurdles, the market remains poised for growth, supported by sustainability trends, innovative manufacturing processes, and increasing awareness of engineered wood's benefits in modern construction.

globalwood.org, 12 March 2025

INDIA



Agroforestry Contributes Massive Volumes To Woodbased Industries

The March issue of Ply Insight carries a story on the contribution of farm forests to wood-based industries. According to the India State of Forest Report (ISFR)-2023 India's recorded forest area comprises 52 million hectares of forest cover (FC) inside recorded forest areas and 30.7 million hectares under trees outside forests (TOF).

According to ISFR-2023 India's tree cover area under agroforestry was 1.27 million hectares in 2023. The potential production of industrial wood from TOF, mainly from agroforestry, has been estimated as 91.5 million cu.m per year, an increase of 30% over the estimate of industrial wood reported in ISFR-2017.

Andhra Pradesh and Telangana lead in commercial agroforestry due to the promotion of clonal forests of eucalyptus, casuarinas and subabul to meet the raw material demand. Plyreporter says the Tamil Nadu agricultural university played a major role in encouraging the planting of neem, Melia dubia.

It has been reported that farmers of States of Uttar Pradesh, Punjab and Haryana are cultivating eucalyptus and poplar finding this more profitable than traditional agricultural crops. As a result of agroforestry these states produced substantial amounts of farm wood, fostering the growth of the plywood industry.

Between 2013 and 2023 the area under agroforestry in Uttar Pradesh increased by around 200,000 hectares while the area is reported to have remained almost unchanged in Punjab and Haryana states. These states are seeing agricultural crop yields declining due to changes in the watertable and have switched to cultivation of tree crops.

The (ISFR)-2023 has the following observations: Agroforestry has significantly contributed to increasing forest cover outside Red Flag Accounts (RFAs) and tree cover in southern India. Given the large coastal expanses of many of the southern states this advantage can be further harnessed to develop wood-based industries in the region.

In Northern States of Haryana, Punjab, Uttarakhand and Uttar Pradesh commercial agroforestry has also substantially increased forest cover outside RFAs and tree cover on farmlands resulting in greater wood production from farmlands and fostering the growth of wood-based industries.

India's forest and tree cover story is one of mixed result significant progress in TOF growth through agroforestry contrasts with challenges in maintaining dense forest cover within the Red Flag Accounts (RFAs). By embracing agroforestry India can sustainably balance ecological and developmental needs, says the (ISFR)-2023.

plyinsight.com, 7 March 2025

EUROPEAN UNION



European Union Retaliatory Tariffs Could Impact Alabama's Wood Industry

The imposition of European Union tariffs on American wood products, including those from Alabama, in retaliation for U.S. tariffs on steel and aluminum, creates a complicated landscape for the state's forestry and wood product industries. In the short term, this may lead to disruptions as businesses navigate new trade barriers. Long-term effects could potentially be more damaging, leading to a decrease in the volume of wood

products exported to Europe, which would directly impact the state's economy.

For Alabama's forestry and agriculture leaders, this uncertainty poses a significant challenge. Stability is key to sustaining growth, but with these tariffs in play, it becomes harder to predict how the market will respond. While it's still unclear whether the tariffs will result in dramatic changes to prices or costs, concerns about slower production and reduced exports are widespread.

The possibility of a sustained impact on the export market means that companies may have to adapt. They may need to explore alternative international markets or rethink their overall strategies for reaching European buyers. Given the global nature of trade, the shifting dynamics could be an opportunity for some to diversify, but it may also force others to adjust to lower profit margins or fewer exports.

globalwood.org, 13 March 2025

CANADA



Canada Invests In Sustainable Wood Construction In Ontario, Creating 319 New Residential Units

TORONTO, March 6, 2025 - The Honourable Jonathan Wilkinson, Minister of Energy and Natural Resources, along with Parliamentary Secretary Julie Dabrusin, announced a federal contribution of more than \$5.9 million for four green construction and green technology projects across Ontario, which will support the use of low-carbon and processed wood in the Canadian construction sector. This funding is helping to protect Canadian industry and to build more housing for Canadians.

More than \$900,000 to Assembly Corp. for the development of an innovative design and seismic system for a 62-unit, all-wood building in Toronto. This eight-storey residential and mixed-use rental building will serve as a building typology to be repeated across over a half dozen other sites, promoting sustainable construction practices that reduce the environmental impact of the building

industry. \$1 million to Sean Mason Homes to deploy an innovative, hybrid, mass timber and steel system for the five-storey, 38-unit Rainwater Condominium project. This project aims to demonstrate a cost-efficient, sustainable and replicable building solution for mid-rise and taller residential buildings while addressing Ontario's housing needs. It will also provide the initial example and model in a series of future projects in Barrie. \$1 million to Post Office Limited Partnership to deploy an innovative, wood-based and sustainable building solution to reconstruct and add nine storeys to a two-storey heritage post office in Oshawa. The project will stimulate demand for Canadian wood products and provide 219 high-quality rental units in a growing community. More than \$3 million to Timmerman Timberworks to develop, study and certify next-generation mass timber building products. This project will develop the first fully automatic, precision-engineered, nail-laminated timber production line, leading to new, advanced, high-value building products. Funding for these projects is being provided through Natural Resources Canada's Green Construction through Wood and Investments in Forest Industry Transformation programs.

With this funding, the Government of Canada is helping to accelerate the adoption of the most cutting-edge technologies available to drive down costs and help the construction industry access the ecological Canadian wood products it needs to build more homes for Canadians.

globalwood.org, 2 March 2025

NEW ZEALAND



New Zealand Log Prices Solid In Early 2025

Last month was relatively quiet in terms of market movements, which is to be expected as Chinese traders have mostly been away on holiday while the domestic market has continued to mostly trade on quarterly contracts signed at the start of the year.

The big news at the start of February was United States President Donald Trump's move to introduce an additional 10% tariff on all Chinese goods, then just a month later on March 4 he upped it to 20%.

Export log supplies from New Zealand during January were at a record high for the month and there are mild concerns that the market may be over saturated as a result, though we'll need a few weeks of normal operations in China before we have a clearer picture of the demand situation.

For wharf gate log values, it's been nothing but good news for harvesters. Both the low exchange rate and

shipping costs have combined with stable CFR rates to place A-grade logs in the low-to-mid USD 130/JASm3 range in the North Island and upper South Island.

Domestically, it's mostly been more of the same. While there's been the odd report of improvements in housing starts following steady reductions in the official cash rate, the return to normal operations for mills nationwide has added extra supply to the market and usually kept timber prices either stable or otherwise weaker.

Those who opted to prune trees have continued to be well rewarded as up to USD 230/t have been paid for P1 logs in large parts of the North Island. This continues a trend that started mid-last year, with the differential between these and S1 logs among the largest on record in percentage terms, and the largest in raw dollars per tonne.

As expected, Oji confirmed the closure of the paper division of its Kinleith mill. But in some brighter news, the mothballed Juken Gisborne mill has been bought and is set to re-open, producing a variety of products for the Australian market.

Carbon markets have been largely stable over the past month, essentially holding within a dollar of USD 63/NZU since the start of the month. This is \$5 short of the reserve price for the first government auction of the year, which will be held on March 19.

globalwood.org, 13 March 2025



U.S. Agricultural Commissioners Urge Exemption From EU Deforestation Regulation

Wilton Simpson, Florida's Agriculture Commissioner, along with 18 U.S. agricultural commissioners, has written a letter urging U.S. lawmakers to push for a full exemption of U.S. forests from the EU's Deforestation Regulation (EUDR). The regulation, effective in December 2025, requires commodities entering the EU to be free from deforestation linked to products from 2020 onward. Despite the U.S. being a low-risk country with sustainable forestry practices, the letter warns that the EUDR's compliance costs will severely impact U.S. industries.

The American Forest and Paper Association supports the exemption, calling for a "green lane" for U.S. exports, which amount to over \$3 billion annually in pulp, paper, and lumber imported by the EU.

Main Concerns:

- **Unfair Burden:** The EUDR imposes strict requirements on U.S. businesses, despite the U.S. being classified as low-risk for deforestation.
- **Economic Impact:** The regulation could cost U.S. forest industries up to \$8 billion annually and harm jobs in the sector.
- **Compliance Issues:** The EUDR's geolocation traceability requirement is impractical for U.S. industries, and confidentiality concerns could harm business competition.
- **Private Property Rights:** Restrictions on land use could limit landowners' economic freedom and conflict with U.S. legal principles. Requests to U.S. Officials:
 - Oppose the EUDR to protect private property rights.
 - Seek exemptions for low-risk, sustainably managed regions like the U.S.
 - Demand an economic impact analysis of the regulation.

The letter emphasizes the need for a balanced approach to ensure both environmental sustainability and the economic well-being of U.S. agriculture and forestry.

www.globalwoodmarketsinfo.com, 6 March 2025



Trump Orders Probe Into Lumber Imports, Paving Way For New Tariffs

US President Donald Trump has ordered the Commerce Department to investigate the national security risks posed by lumber imports, potentially setting the stage for new tariffs, Bloomberg reported. The investigation will examine whether exporters such as Canada, Germany, and Brazil are dumping lumber into US markets, undermining domestic producers. A senior administration official stated that the probe could lead to tariffs or regulatory changes to ease timber harvesting.

In addition to the investigation, Trump signed an executive order titled "Freeing our Forests," aimed at streamlining the permitting process for logging on federal lands. According to Bloomberg, the administration argues that forest management, rather than climate change, is the primary factor in preventing wildfires. The official did not provide a timeline for the probe but indicated that the Commerce Department would act swiftly.

“ The US and Canada have long clashed over softwood lumber trade, with American producers accusing Canada of subsidizing its industry. Bloomberg noted that US tariffs on Canadian lumber were raised to 14.54% last year, increasing pressure on Canadian sawmills. If Trump proceeds with a 25% tariff, it could further strain trade relations and impact both US and Canadian markets, as the US remains reliant on imports to meet demand. ”

The move follows a broader pattern of trade actions under Trump. In February, he directed the Commerce Department to explore tariffs on copper, arguing that overcapacity and dumping had harmed domestic production. Bloomberg reported that these trade measures are part of Trump's strategy to protect US industries and reduce reliance on foreign imports.

www.reuters.com, 2 March 2025



Global Timber Market Shows Signs Of Recovery

According to the latest report of the global timber index (GTI), the encouraging development last month, with positive signs of a turnaround seen in several countries.

Global Timber Index (GTI) pilot countries, including Thailand and Ghana, have reported growth for February 2025.

"The GTI for Thailand stood at 47.1 per cent, with harvesting, production, and domestic orders all showing positive signs despite a decline in export orders.

"The GTI for Ghana was at 53.3 per cent, above the critical value of 50 per cent for the second consecutive month and signalling an overall improvement in its timber sector. In Ghana, the total volume of existing orders was relatively sufficient, providing short-term support for production and business activities in the sector," according to the GTI Index's overview for February.

In Malaysia, the GTI rose by 0.5 percentage points to 20.6 per cent month-on-month, indicating an easing in the downward trends in the timber sector. Also reporting increases on GTIs from January were Mexico (47.8 per cent), Republic of Congo (45.6 per cent), China (44.1 per cent), Brazil (43.2 per cent), and Gabon (34.7 per cent).

The GTI is a survey in nine pilot countries that covers timber harvesting, trade, and manufacturing, including production, orders, imports and exports, employees, inventory, raw material prices, and other business indicators.

The index reflects the monthly prosperity trend of a country's timber market.

A GTI index reading above 50 per cent indicates the industry prosperity is generally expanding, while below 50 per cent indicates that it is generally declining.

The monthly report said Chinese enterprises were relatively optimistic about the overall trend of the timber market over the next six months.

Last month, several countries increased policy support for their timber markets.

Thailand's Commerce Ministry announced the simplification of export procedures for the export of Thai wooden products.

Except for Siamese Rosewood, which remains banned from export, companies are no longer required to obtain a permit to export these wooden products.

"And it is expected that the cancellation of the requirement to get a permit will greatly reduce complicated steps and costs for Thai wood traders," said the report.

In Gabon, the country's transitional President announced that the government would immediately allocate 30 billion FCFA (the country's official currency) to revive stalled construction projects, and the move is expected to boost the construction sector's demand for timber.

In Brazil, the Chamber of Deputies unanimously approved a bill that stipulates the refund of taxes equivalent to three per cent of export revenue for micro and small exporting companies, which will ease the tax burden on their timber exports.

On sustainable forest management, the report said Brazil's National Biodiversity Commission established national biodiversity targets for the period 2025-2030, including a target of achieving zero deforestation in the country.

The GTI-Malaysia Index reported that in 2024, the country's timber product exports jumped 4.9 per cent to RM22.9 billion from RM21.85 billion in 2023.

According to the Plantation and Commodities Ministry, this positions the timber industry as the third-largest contributor to commodity exports after palm oil and rubber.



globalwood.org, 28 March 2025



**KAYU
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**Becoming a legacy
over generations...**

Port Of Tanjung Pelepas Boosts Handling Capabilities With 58 New E – RTG Cranes In Latest Deal With ZPMC

Port of Tanjung Pelepas (PTP), a joint venture between MMC Group and APM Terminals, has made another significant investment by signing an agreement with Shanghai Zhenhua Heavy Industry Co., Ltd. (ZPMC) for the purchase of 58 eco-efficient electrified rubber-tyred gantry (e-RTG) cranes. PTP's Chief Executive Officer, Mark Hardiman and ZPMC's Vice President, Celilia Shen Qiu Yuan, inked and exchanged the agreement at PTP's premises on 3 February 2025. PTP's Chairman, Tan Sri Che Khalib Mohamad Noh, remarked that the contract with ZPMC is a key part of PTP's on-going expansion strategy to ensure the port is equipped with the latest technologies and equipment to better serve its business customers, as Malaysia's leading transshipment hub and a prominent player in the regional maritime industry.

"This investment is crucial to guarantee e-RTG availability and reliability to meet the demands of PTP's continued growth, ensuring operational stability, sustained yard performance and the upgrading of our RTG fleet," he said. Adding to the Chairman's remarks, Hardiman emphasised that innovation and continuous improvement are key to PTP's growth and future advancements, and that the upgrade will enable PTP to maintain exceptional service standards for its customers, all while upholding the highest level of safety. This is also particularly significant in accommodating the demands of the newly

launched Gemini network. "With the new cranes, we can better manage peak demand and handle heavier cargo volumes, which will lead to faster vessel turnaround times and more streamlined operations, ultimately ensuring a smoother and more consistent experience for all our customers. Moreover, these new electrified cranes are automation-ready and can be retrofitted to be fully automated in the future," said Hardiman.

"As we strengthen our handling capabilities, we remain steadfast in our commitment to sustainability, not only enhancing productivity and efficiency, but also actively reducing PTP's environmental impact," he said, highlighting PTP's dedication to its decarbonisation journey and broader sustainability efforts within its Environmental, Social and Governance (ESG) framework. On behalf of ZPMC, Shen expressed the company's appreciation for PTP's trust and reiterated their commitment to delivering the equipment on schedule. She emphasised ZPMC's pride in partnering with PTP and reaffirmed their dedication to providing innovative and reliable port equipment solutions.

The new cranes are expected to be delivered in five batches, with delivery scheduled between March and July 2026.

PTP_7 Feb 2025

US shippers eye Chinese-built vessel charges with concern



Global Shippers Council (GSF) director James Hookham said that during a recent meeting members had discussed the possible consequences of the levy proposed by the office of the United States Trade Representative (USTR), which could see charges of up to \$1.5 million per Chinese-built ship, per port call levied. Hookham told *Seatrade Maritime News* that US and Canadian representatives discussed the issues with "despair" at the GSF's last council meeting, with carriers expected to pass these charges on to their customers.

"In the first instance it will cost US shippers and importers and then the costs will be passed on to consumers, either as cash flow pressures on US businesses or as price inflation. It is not going to end well for anyone," said Hookham. Fleet details from consultancy MDS Transmodal reveal that 26% of all ships deployed on

services, during February, and calling at US ports, a total of 301 vessels, were built in China, which amounts to 20.2% of the standing capacity of the units.

One way around the charges will be for major carriers to establish US subsidiaries that operate feeder services from ports in Canada, Mexico and perhaps in the Caribbean, including Kingston, Jamaica to meet mainline vessels and tranship to the US. "But that won't work if the Trump administration imposes 25% tariffs on goods from Canada and Mexico," said Hookham. The impact on the trade will be substantial even if the charges are halved to \$750,000 per port call according to Dynaliner analyst Darron Wadey. "To model the potential impact of this measure on just one port, in this case New York, over 2,200 container ships called there in 2022. If 30% of those visits were indeed by Chinese-built ships, and even if a generic tariff of just \$750,000 per visit was applied, the extra costs to the US supply chain from just this one port would still be \$500 million, annually," calculated Wadey.

Furthermore, Wadey explained Chinese carriers would have to cancel calls at US ports in order to limit their exposure to extra charges, while Canada and Mexico may not be viable cargo alternatives. "However, especially in a shipping alliance context, to cut back on their US services could bring their operational relevance into question. Outside of alliances, it would also impact their commercial offering," said Wadey.

One of the reasons given by the USTR to levy these charges against Chinese built vessels is to stimulate shipbuilding in the US again. However, Wadey is sceptical, but said one silver lining of this measure could be that it cools what is an extended period of overheating in shipbuilding. It is unlikely that the two other experienced nations in large vessel construction, Japan and South Korea would have the yard capacity to meet the substantial switch in orders.

"The recent interest shown by carriers as Maersk, CMA CGM and MSC in India is noteworthy and part of the country's strategy to build an international presence in heavy industries. However, it has yet to demonstrate experience in building big (container) vessels in multiple series," said Wadey. In addition, India would be in competition with more established shipbuilding locations,

including Taiwan, a developing market in Vietnam and the Philippines a small but experienced industry, according to Wadey.

However, Wadey is adamant that shipbuilding will not return to the US at any time soon, an "answering, No, simply no, to the question. "We are a world away from shipyards could spring up in no time at all and start rolling fleets of 'Liberty Ships' down the slipways," added Wadey, "Even if it were, the economics and experience of US yards make it difficult to justify a significant switch."

In a back of the envelope calculation Wadey said the largest US boxships, two 3,600 teu ships, delivered in 2010 cost \$210 million, around the same price per ship of CMA CGM's latest order of a series of 18,000 teu units.

seatrade-maritime_25 Feb 2025

Trump tariffs likely to undermine weak ship recycling markets further

Tumbling charter rates have led to a revival in recycling sales on the Indian subcontinent in recent days but now the sector is eyeing President Trump's tariff strategy with dismay amid fears that cheap Chinese steel could flood the market, shaving weak recycling margins further.

A number of owners appear to have called time on older ships that have been making good money on buoyant freight markets until recently. Now, as owners come to terms with a sharp dip in day rates, a bunch of bulk carriers, several tankers, an LNG carrier and an elderly passenger vessel are amongst the ships that have arrived at Indian subcontinent recyclers in recent days.

However, it is certainly not the recycling prices that are attracting owners towards the beaches this time. It's the lesser of evils – spending more money on necessary tonnage upgrades in markets that are riven with uncertainties. And the possible impact of US tariffs on global steel prices and a possible wave of cheap product undermining recycling prices further.

According to statistics released by GMS, the world's largest cash buyer of end-of-life ships, Chattogram breakers have booked the largest tonnage volume recently, with seven vessels totalling 81,600 light displacement tons (ldt) arriving at the Anchorage. They include five bulk carriers, a general cargo ship, and the 25-year-old LNG carrier, *Lean*, flying the flag of St Kitts and Nevis.

Next came Indian recyclers, with six ships including two oil tankers, two supply vessels, an oil rig, and a passenger ship. Tonnage arriving at the Alang waterfront amounted to 74,350 ldt.

Pakistani breakers in Gadani have renewed interest in recycling acquisitions but are hampered by domestic economic issues and flat steel plate prices. Now, the concern is that these may weaken further, undermined by cheap product from China.

Recycling prices have eased slightly in recent days. The Bangladeshis lead with indicative prices of \$475 for containers, \$465 for tankers, and \$445 for bulk carriers, according to GMS figures. India and Pakistan are both five dollars less across the board.

seatrade-maritime_11 Feb 2025



Container rates fall 10% in a week

Drewry's World Container Index (WCI) published on Thursday (20 February 2025) was down 10% at \$2,795 per feu compared to the previous Thursday, while the Shanghai Containerized Freight Index (SCFI) published on Friday (21 February 2025) reported a 9.3% drop at 1,595.08 points down 163.74 points from a week earlier.

Container spot rates have fallen since the ceasefire in Gaza saw the Houthis stop targeting international ships, excluding Israel owned or flagged, passing through the sudden Red Sea. While major container lines have maintained transits on Asia – Europe/Med and Asia – US East Coast via the Cape of Good Hope, spot rates would appear to have reacted ahead of any change of routing.

According to Drewry the spot rate for Shanghai to New York decreased 13% or \$748 to \$5,126 per feu, while for Shanghai to Los Angeles there was an 11% decrease to

\$3,888 per 40 per feu container. Rates from Shanghai to Rotterdam reduced 9% or \$269 to \$2,618 per feu.

The drop-in spot rates on the transpacific does not bode well for lines ahead of the negotiations for new long term annual contracts on the trade which start in May.

Cape diversions acted to reduce a yawning demand and supply gap that the sector faced in 2024, however, as newbuildings continue to deliver into 2025 capacity is putting pressure on the market even while Cape diversions remain in place. Against expectations container ship owners have maintained their newbuilding order momentum into this year.

Looking ahead to the market in the coming week Drewry said: "Drewry expects a slight decrease in spot rates next week as capacity increases."



seatrade-maritime_21 Feb 2025



KEMENTERIAN PERLADANGAN
DAN KOMODITI

MTIB
LEMBAGA PERINDUSTRIAN
KAYU MALAYSIA

**KAJU
MALAYSIA**
Standing on Excellence

**Only the quality
ones be bestowed...**

**Shipments of Timber and Timber Products
Through Ports in Peninsular Malaysia, FEBRUARY 2025**

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m ³)	% change Jan'25/ Feb'25
	m ³	% Change	m ³	% Change	m ³	% Change	m ³	% Change	m ³	% Change		
Sawntimber	29,795	27	23	-99	380	-34	375	2	3,544	111	34,116	111
MDF	8,656	-40	0	0	1,973	24	723	54	108	100	11,460	52
Mouldings	16,818	35	20	100	1,232	82	2,655	-3	119	-59	20,844	6,277
Plywood	1,683	41	0	0	0	-100	307	-20	9,683	68	11,674	-14
Veneer	120	-63	0	0	0	-100	0	0	2,458	115	120	-98
Particleboard	7,372	3	0	0	76	179	0	0	6,574	3	14,022	4,190
Total	64,445	9	43	-99	3,662	19	4,060	2	22,486	47	94,695	598



The timber market in Peninsular Malaysia demonstrated varied pricing trends across different product categories. Timber price showed an increasing trend in February 2025 compared to last month. Heavy hardwoods log like Chengal recorded the highest price at RM3,900/tonne. Balau was at RM3,825/tonne, Red Balau (RM2,150/tonne) and Merbau (RM2,875/tonne). For medium hardwoods, the price showed a small increment compared to last month such as Kempas at RM1,354/tonne, Kapur (RM1,940/tonne) and Tualang (RM1,417/tonne). Meanwhile price for Mengkulang decreased to RM1,711/tonne while the price for Keruing remained the same at RM1,913/tonne. For light hardwood, the price didn't show any obvious difference compared to last month: Dark Red Meranti (RM1,800/tonne), Red Meranti (RM1,913/tonne), Yellow Meranti (RM1,650/tonne), White Meranti (RM1,667/tonne), Mersawa (RM1,425/tonne), Nyatoh (RM1,490/tonne), Sepetir (RM1,292/tonne) dan Jelutong (RM1,238/tonne). As for rubberwood, the price increased slightly to RM204/tonne as compared to last month.



In February, the Plywood price segment didn't show any change compared to last month. The prices increased with thickness, ranging from RM19.40 per piece for 4mm sheets to RM48.85 per piece for 12mm sheets. The 9mm plywood, priced at RM38.25 per piece, represented a balanced option for construction and furniture manufacturing, indicating steady demand across various thicknesses.



In February, the MDF segment showed a constant price compared to last month. The prices increased with thickness, ranging from RM 12.90/piece for 4mm, RM23.80/piece for 6mm, RM31.60/piece for 9mm and RM37.75/piece for 12mm.



The Malaysian sawn timber market exhibits a complex yet well-structured pricing system that reflects both the intrinsic qualities of various wood species and their dimensional specifications. As of February 2025, the market continues to demonstrate clear differentiation between timber grades and dimensions. Price for Chengal sawn timber didn't show any changes compared to last month particularly in General Market Specification (GMS) grade at RM5,508/m³, scantling (RM6,356/m³). This was followed by Balau with its GMS grade priced at RM3,055/m³ and scantlings (RM4,590/m³). As for medium hardwood, timber species such as Keruing, priced at RM3,037/m³ for GMS, scantling (RM2,495/m³) and strips (RM2,425/m³). Meanwhile, for Kempas the price for GMS (RM2,166/m³), scantling (RM2,154/m³) and strips (RM2,048/m³). The Malaysian rubberwood market operates on fundamentally different principles from natural forest timbers. As February 2025, the price of rubberwood remains constant at RM1,235/m³ for 1"x1", RM1,315/m³ for 2"x2", RM1,405/m³ for 3"x3" and RM1,460/m³ for 4"x4.



In February 2025, commerce between Sabah and Sarawak with Peninsular Malaysia totalled at 3,655.54 m³, with a value of RM7.20 million. Sabah remained the top contributor to the trade value for Peninsular, recording a trade value of RM3.56 million (1,761 m³), followed by Veneer (RM1.17 million) and sawntimber (RM1.22 million). Meanwhile for Sarawak, the trade value for Plywood were RM0.57 million and sawntimber (RM0.66 million).



*AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA				
RINGGIT MALAYSIA				
FEBRUARY 2025				
SPECIES	LOGS/ton	SAWN TIMBER/m ³		
	18" UP	GMS	STRIPS	SCANTLINGS
HEAVY HARDWOOD				
Chengal	3,900	5,508	2,790	6,356
Balau	3,825	3,055	1,826	4,590
Red Balau	2,150	2,754	2,119	2,419
Merbau	2,875	3,754	3,225	3,725
Mixed Heavy Hardwood	1,122	1,351	1,137	1,255
MEDIUM HARDWOOD				
Keruing	1,913	3,037	2,425	2,495
Kempas	1,354	2,166	2,048	2,154
Kapur	1,940	1,746	1,289	1,685
Mengkulang	1,711	1,201	1,377	1,871
Tualang	1,417	1,924	1,448	1,766
LIGHT HARDWOOD				
Dark Red Meranti	1,800	2,130	1,942	3,337
Red Meranti	1,913	1,777	2,013	2,331
Yellow Meranti	1,650	1,854	1,577	1,801
White Meranti	1,667	2,036	1,801	1,624
Mersawa	1,425	2,013	1,295	2,154
Nyatoh	1,490	1,783	1,819	1,201
Sepetir	1,292	1,819	1,660	1,295
Jelutong	1,238	2,119	1,589	1,819
Mixed Light Hardwood	1,163	1,278	1,095	1,165
MALAYSIAN RUBBERWOOD Hevea brasiliensis	LOGS/ton 204	SAWN TIMBER/m ³		
		1" X 1"	2"X2"	3"X 3"
		1,235	1,315	1,405
PLYWOOD 4' X 8' (RM per piece)	4mm 19.40	6mm 26.00	9mm 38.25	12mm 48.85
MDF 4' X 8' (RM per piece)	4mm 12.90	6mm 23.80	9mm 31.60	12mm 37.75

Note: Log prices ex-matau. Sawn timber, plywood, MDF and Malaysian Rubberwood (Hevea brasiliensis) prices ex-mill

* Prices are only indicative

INTRA-MALAYSIA TRADE

	January 25		February 25		% change in volume	% change in value
	Vol(m ³)	Val(' 000 RM)	Vol(m ³)	Val(' 000 RM)	JAN/FEB	JAN/FEB
Sabah						
Logs	0	0	0	0	0	0
Sawn Timber	295	691	582	1,220	97	77
Plywood	802	1,758	1,761	3,560	119	103
Veneer	336	819	479	1,175	42	43
Sarawak						
Logs	0	0	11	17	100	100
Sawn Timber	458	855	341	661	-26	-23
Plywood	561	615	482	572	-14	-7
Veneer	88	247	0	0	-100	-100
TOTAL	2,541	4,985	3,656	7,205		

Source: Department of Statistics Malaysia

Tabulated: Malaysian Timber Industry Board

KEMPAS – *Koompassia malaccensis*

Prepared by: Puan Nur Nabilah Mohammed Hanafiah



Koompassia malaccensis

Wood Description

Freshly sawn, the heartwood of Kempas exhibits a pale brick-red colour that, upon sunlight exposure, transforms into hues of orange-red to deep reddish-brown, sometimes dark brown. Its appearance resembles Merbau wood. The sapwood is whitish to pale yellow, measuring approximately 50 mm wide.

One distinguishing feature of Kempas is the presence of ingrown phloem, which appears as streaks or veins. These spots can extend about 6 mm deep in the radial direction and over 50 mm tangentially. Longitudinally, they may stretch several hundred millimetres. This abnormal tissue is mechanically weaker than standard wood and can lead to defects during the drying process.

Local Names:

- Impas (Sabah)
- Menggris (Sarawak)

Family:

Leguminosae

Ecological Role

Kempas (*Koompassia malaccensis*) is an emergent tree species in tropical rainforests, rising prominently above the forest canopy. Its towering presence provides habitat and food for various wildlife, contributing significantly to the structural diversity and complexity of rainforest ecosystems. It plays a vital role in supporting biodiversity.



Trunk - *Koompassia malaccensis*

Botanical Characteristics

Kempas is a deciduous tree that can grow up to 45 metres in height, occasionally reaching 60 metres. It typically has a straight, cylindrical trunk that remains branch-free for up to 25 metres. Trunk diameters range from 60 to 149 centimetres, supported by dramatic plank-like buttresses extending up to 6 metres high.

The foliage is pinnate with 5 to 14 egg-shaped to lance-shaped leaflets, measuring 5–13 cm in length. The tree produces small white flowers arranged in panicles up to 12 cm long, which emerge at the tips of leafy branches.

Density

The wood is classified as heavy and dense, with the heartwood being significantly harder than many other tropical hardwoods. Specific density values would need to be confirmed with external resources or tests.

🍀 Natural Durability

Kempas is moderately durable under natural conditions. However, its durability is enhanced when treated with preservatives. The heartwood shows resistance to insects and fungal decay but is susceptible to drying defects due to the presence of ingrown phloem.

🍀 Strength Properties

Kempas is known for its high mechanical strength, making it suitable for heavy-duty applications. Its resistance to wear and impact is comparable to other well-known tropical hardwoods such as Merbau. However, details such as its modulus of elasticity, compression, and bending strength may need additional reference sourcing.

🍀 Drying

Kempas is prone to defects during the drying process, primarily caused by the presence of ingrown phloem. These defects include warping, splitting, and surface checking. Proper drying techniques, such as controlled kiln drying, can mitigate these issues and improve the wood's suitability for structural and ornamental applications.

🍀 Uses

Kempas is highly versatile and suitable for a wide range of applications:



Treated Wood Applications:

Heavy-duty construction: posts, beams, joists, rafters, columns

04

Infrastructure: railway sleepers, bridges, telegraph poles, power transmission posts

02

Marine construction: piling, wharves, fender supports

03

Industrial uses: heavy-duty pallets, impact tool handles

01

🍀 Texture and Grain

Kempas has a slightly coarse texture with a moderately interlocked grain. The surface can be polished to achieve a smooth finish, but occasional streaks or veins caused by abnormal tissue may interrupt uniformity.

🍀 Machining Properties

Kempas is somewhat challenging to machinery due to its density and hardness. Tools may quickly dull when working with this wood, and additional care is required when planing or sanding to avoid splintering caused by the interlocked grain.

🍀 Shrinkage

The wood exhibits a moderate shrinkage rate during the drying process. However, improper drying can exacerbate dimensional changes and lead to deformations. Kiln drying with proper controls is recommended to reduce shrinkage issues.

Untreated Wood Applications:

Indoor structures: flooring, paneling, moldings, door/window frames

04

Plywood manufacturing

02

Vehicle framework and floorboards

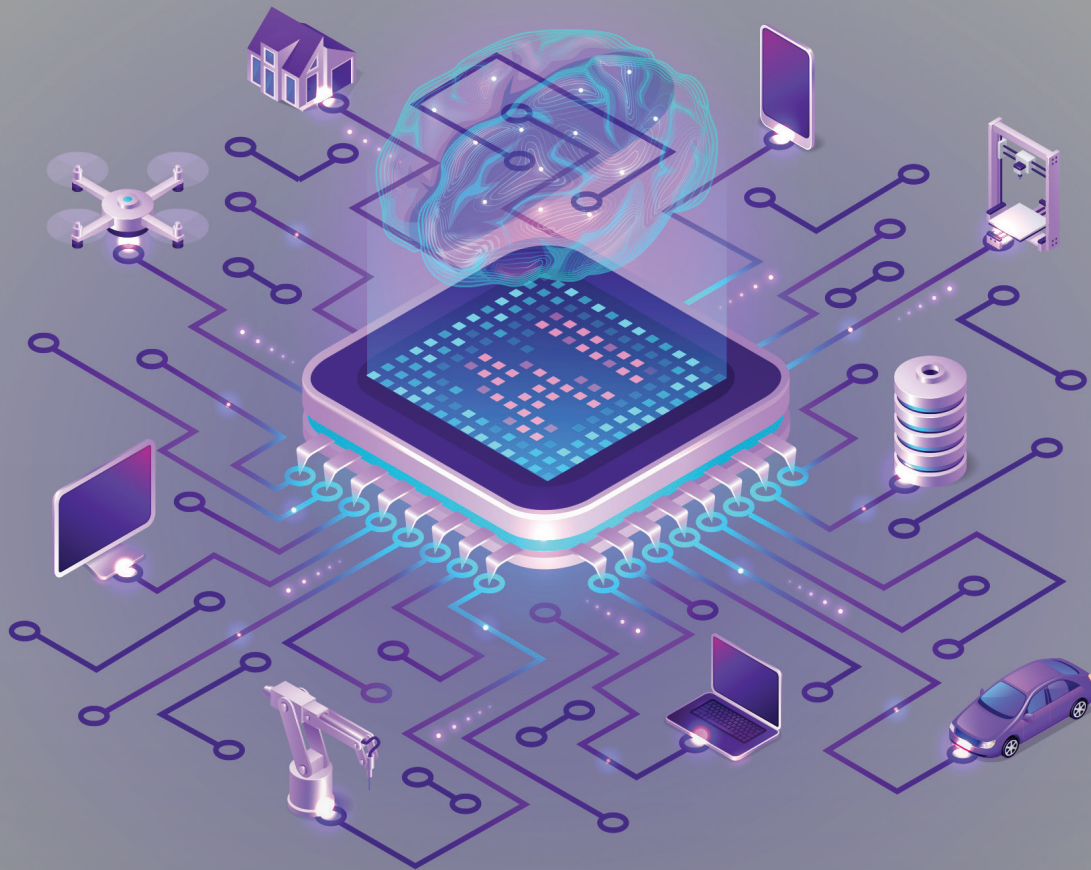
03

Charcoal production

01

Digitalisation and Artificial Intelligence: Catalysts for Transformation in Malaysia's Timber Industry

Prepared by: Puan Nur Hayati Ahmad



Introduction

Malaysia's timber industry, historically known for its rich forest resources and high-value wood products, is entering a new era defined by digital transformation and innovation. The sector has contributed significantly to the country's GDP and employment, particularly in rural areas. Yet, as the global market increasingly demands sustainable, traceable and efficient supply chains, traditional practices are proving inadequate.

Digitalisation and Artificial Intelligence (AI) offer powerful solutions. Digital tools help modernise processes from forest management to final product delivery while AI brings intelligence to operations by enabling automation, predictive analytics and data-driven decision-making. Together, these technologies are catalysts for transforming Malaysia's timber industry into a modern, competitive and sustainable sector.

Technology Evolution In The Timber Industry

Over the last few decades, technology in the timber industry has evolved significantly from manual felling and traditional sawmills to semi-automated lines and digitally controlled environments. Initially,

mechanisation introduced basic efficiency through equipment like hydraulic harvesters, conveyors and motorised kilns.

“In the 2000s, the sector saw early digitisation efforts such as barcode tracking, basic enterprise resource planning (ERP) systems and the use of CAD for furniture design. While these tools improved record-keeping and design precision, they often remained isolated and required manual inputs.”

Today, with Industry 4.0 and AI, the landscape is shifting dramatically. Cloud platforms, Internet of Things (IoT) sensors, machine learning and satellite imaging enable real-time data gathering, predictive insights and autonomous decision-making. Timber companies are beginning to adopt end-to-end digital ecosystems that can forecast demand, optimise cutting patterns and trace logs from forest to export port. All with minimal human intervention. This evolution is laying the groundwork for a fully smart and sustainable timber industry.

Issues and Challenges

Despite growing awareness, several barriers are slowing digital adoption in Malaysia's timber industry:

- 1

High Initial Costs and Limited Financing
Digital transformation requires significant capital, particularly for small and medium enterprises (SMEs) which dominate the timber sector. Technologies such as AI-powered machinery, IoT devices and cloud infrastructure entail upfront investment that many businesses find challenging.
- 2

Workforce Readiness and Skills Gaps
There is a lack of skilled personnel capable of managing digital tools or interpreting AI-generated data. Many workers are not equipped with the digital literacy required to support a smart manufacturing environment.
- 3

Fragmented Data Systems
Most companies operate in silos with limited system integration. Data is often stored manually or in incompatible formats, reducing its value for analytics, reporting or forecasting purposes.
- 4

Cultural and Structural Resistance
Many timber enterprises are family-run and adhere to long-standing practices and are resistant to change especially when perceived as risky or disruptive (slows the pace of transformation).

Way Forward: Strategies For Digital Acceleration

To catalyse sector-wide transformation, a multi-stakeholder strategy must be adopted, encompassing policy, training and technology.

- 1

Strengthening Public-Private Collaboration
The Malaysian government, through agencies like MTIB, can expand support through matching grants, incentives and access to digitalisation toolkits. Public-private partnerships can help scale innovation by piloting smart forestry zones and digital supply chain models.
- 2

Investing in Digital Infrastructure
Rural internet coverage, cloud data systems and national traceability platforms need to be established to ensure sector-wide connectivity. Blockchain and satellite-based monitoring should also be explored for greater transparency and forest resource protection.
- 3

Upskilling the Workforce
Targeted training programmes focusing on AI, data analytics and digital forest inventory systems must be rolled out. Collaboration with universities and vocational centres will be key to building a digitally fluent workforce.
- 4

Promoting Pilot Projects and Innovation Zones
Innovation testbeds can demonstrate real-world benefits of AI in timber grading, yield optimisation or predictive maintenance. Successful pilots can act as benchmarks for national rollout and attract tech investment.

Conclusion

Malaysia's timber industry is at a pivotal juncture. With its legacy strength in high-quality wood products and its access to a rich biodiversity, the sector is well-positioned to lead in a sustainable and tech-driven environment. Embracing digitalisation and AI is not merely an option. It is a necessity for long-term viability.

The journey forward will require more than technology. It calls for leadership, cross-sector collaboration and a shift in mindset toward innovation and agility. If navigated wisely, Malaysia's timber industry can evolve into a digitally intelligent ecosystem that aligns economic, environmental and global market aspirations.



1 MARCH 2025

Opening Ceremony of the Malaysian International Furniture Fair (MIFF) 2025, officiated by YB Datuk Chan Foong Hin, Deputy Minister of Plantations and Commodities at MITEC, Kuala Lumpur

3 MARCH 2025

Deputy Minister of Plantations and Commodities, YB Datuk Chan Foong Hin, officiating the opening of the Export Furniture Exhibition (EFE) Malaysia 2025 at the Kuala Lumpur Convention Centre (KLCC)

11 MARCH 2025

A Session on The Issues of Raw Material Supply and Labour in The Timber Industry, chaired by YB Datuk Chan Foong Hin, Deputy Minister of Plantations and Commodities at Bilik Jemaah Lembaga, MTIB

14 MARCH 2025

Closing Ceremony of The Workshop on The Development of The Malaysian Skills Assessment Document (SKM) Level 2 WISDEC Sabah Series 2/2025, attended by YBrs. Tuan Saiful Bahri Salleh, Director General of MTIB

23 – 25 MARCH 2025

Monitoring and Enforcement Programme with Chairman and Director-General Of MTIB, led by YB Datuk Larry Sng Wei Shien, MTIB Chairman