



PROGRAM LEAN CREANOVA MTIB



LEAN CREANOVA Sharing Best Practices in Lean Management

- 🌿 **Safeguarding Fair Trade Briefing – Mastering Anti-Dumping and Anti-Circumvention Measures**
- 🌿 **Knowledge Sharing Program on Timber Sector**

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PROGRAM LEAN CREANOVA MTIB



Sharing Best Practices in Lean Management

Prepared by: Puan Fia Nazeta Azilah

The Malaysian Timber Industry Board (MTIB) successfully organised the Lean Creanova 2024/2025 on 21 August 2025 at Bangi Resort Hotel, Selangor. This flagship event marked the culmination of the Lean Management Programme 2024/2025 session, providing a platform for participating companies to showcase their achievements and share best practices with industry players.

MTIB has been driving the Lean Management Programme as part of its efforts to strengthen productivity in Malaysia's timber industry since 2014. The programme is designed to help companies streamline their operations, reduce costs, eliminate waste, and enhance efficiency through structured Lean practices. Over the past decade, a total of 125 timber companies have taken part, with cumulative cost savings recorded at RM112.6 million.

The event was officiated by YB Datuk Larry Sng Wei Shien, Chairman of MTIB. In his opening address, he highlighted that the timber industry is currently facing numerous challenges, such as the imposition of U.S. tariffs that may

impact exports to key markets, dependency on foreign labour, rising raw material costs, expansion of the Sales and Services Tax (SST), increasing minimum wages, and higher operating expenses.

According to him, Lean Management is a vital strategy for companies to weather these challenges by cutting unnecessary costs, improving efficiency, and sustaining competitiveness. He also noted that productivity enhancement programmes like Lean have been proven globally to boost business profitability by eliminating waste and streamlining processes.





For the 2024/2025 session, 10 companies participated in the Lean Management Programme, collectively recording RM9.1 million in cost savings. These savings came from better workspace utilisation, improved maintenance practices, and reductions in labour expenses, including overtime costs. Overall, companies that implemented Lean practices have shown productivity improvements of between 5% to 10%.

During the Lean Creanova event, eight (8) timber companies presented their Lean project outcomes. Each was given 20 minutes to showcase their improvement journey explaining the challenges they encountered, the solutions applied, and the tangible results gained from their projects.

The judging panel from the Malaysian Productivity Corporation (MPC) and MTIB, evaluated all the presentations and subsequently named Amirul Yusoff Resources as the champion, receiving RM1,000, a trophy, and a certificate. GP Plywood Sdn. Bhd. was awarded first runner-up with RM700 and a certificate, while Kilang Papan PGP Sdn. Bhd. secured third place, taking home RM500 and a certificate.

In addition, five Special Awards were presented to recognise outstanding efforts and unique achievements:

- ★ Best Come Back – Purnama Bersatu Sdn. Bhd.
- ★ Best Team Work – Lakareka Sdn. Bhd.
- ★ Best Presenter – Purplestars Industries Sdn. Bhd.
- ★ Best Commitment – Syarikat Tong Hin
- ★ Best Factory Transformation – Sin Soon Aik

The prize-giving ceremony was officiated by YBrs. Tuan Saiful Bahri Salleh, Director General of MTIB.

The Lean Creanova 2024/2025 received encouraging participation from both private and public sectors of the timber industry. The event not only celebrated the companies' achievements but also reinforced the importance of Lean Management as a practical and effective tool to drive sustainable productivity growth in facing today's economic challenges.



Safeguarding Fair Trade Briefing – Mastering Anti-Dumping and Anti-Circumvention Measures

Prepared by: Encik Muhammad Zahin Karim Md Ziaul Karim



The Malaysian Timber Industry Board (MTIB) successfully organised a briefing session entitled “Safeguarding Fair Trade: Mastering Anti-Dumping and Anti-Circumvention Measures” on Wednesday, 6 August 2025, in Kuala Lumpur.

The programme was designed to provide stakeholders and industry players with the latest information on safeguard mechanisms under the World Trade Organization (WTO) and Free Trade Agreements (FTA), with particular emphasis on issues relating to anti-dumping and anti-circumvention. It is aimed to strengthen the capacity of the timber industry in understanding the steps that need to be taken should there be any suspicion of dumping activities, as well as to prepare businesses to effectively manage allegations of circumvention made by importing countries. The initiative is timely, as the timber sector is currently navigating complex global trade challenges, including an increase in timber product imports and growing accusations linked to dumping and mostly circumvention from developed countries.

In addition, participants were introduced to various technical aspects of Malaysia’s trade remedies framework. These included discussions on anti-dumping measures currently in force, the role of domestic interested parties, the Anti-Dumping Petition Questionnaire, and the investigation procedures carried out under the Trade Remedies Investigation Management (TRIMA) System.



The sessions were led by experienced officers from the Ministry of Investment, Trade and Industry (MITI), namely Encik Zahari Md Ali, Senior Principal Assistant Director; and YBrs. Dr Ahmad Afif Abdul Aziz, Principal Assistant

Director; both from the Trade Practices Section, Multilateral and Trade Policy Negotiations Division. The Trade Practices Section functions as Malaysia’s key authority in formulating, coordinating, and managing trade remedies such as anti-dumping, anti-circumvention, and safeguard investigations. It plays a critical role in ensuring that domestic industries are protected against unfair trade practices, while at the same time maintaining Malaysia’s compliance with its international obligations under the WTO and various FTAs. The officers shared their experiences in managing trade remedy cases, offering participants practical insights into the intricacies of the investigation process and the importance of timely industry cooperation.

To further complement the classroom-based sessions, participants were exposed to real-life examples of investigations conducted by other countries against Malaysia, including case studies of anti-circumvention measures. These discussions provided an opportunity for participants to better understand how such cases unfold in practice, while also equipping them with strategies to manage risks and safeguard their businesses from similar challenges in the future.

The programme concluded successfully with participants having gained a better understanding of practical knowledge on the subject while fostering meaningful exchanges between government agencies and industry stakeholders. MTIB expressed its hopes to continue organising similar initiatives in the future as part of its ongoing commitment to strengthen fair trade practices and enhance the resilience and global competitiveness of Malaysia’s timber industry.

The session attracted a total of 40 participants, comprising representatives from timber industry players, government agencies, and the Ministry. The session offered both theoretical insights and practical exposure, beginning with an introduction to safeguard mechanisms and continuing with case studies on anti-dumping and anti-circumvention practices in Malaysia. The course also examined the processes involved in filing an anti-dumping petition and provided guidance on how businesses can avoid becoming the subject of anti-circumvention allegations.

Knowledge Sharing Program on Timber Sector

Prepared by: Encik Husaini Ghani

The Malaysian Timber Industry Board (MTIB), in collaboration with the Department of Wood and Fiber Industries, Faculty of Forestry and Environment at Universiti Putra Malaysia (UPM), organised a Knowledge-Sharing on Timber Sector programme on 12 August 2025.

The programme was officiated by YBrs. Ts. Farydatul Nazly Mohd. Zin, Deputy Director-General (Development & Commercial) of MTIB. In her officiating speech, YBrs. Ts. Farydatul Nazly Mohd. Zin highlighted the timber industry's significant contributions to Malaysia's agro-commodity exports, noting it has created over 178,127 jobs. She stated that the timber sector's GDP contribution for 2024 increased by 1% to RM15.7 billion, and its export performance rose by 4.9% to RM22.9 billion. However, she also pointed out a recent challenge, with exports as of May 2025 declining by 6.9% to RM9.2 billion due to geopolitical instability and uncertain global economic conditions. She affirmed that the Ministry of Plantation and Commodities, through MTIB, remains committed to strengthening the industry in line with national policies like the National Agri-commodity Policy (DAKN) 2021-2030 and the National Timber Industry Strategic Plan (NTISP) 2021-2025.

The programme provided a platform to share research findings on the timber industry with industry stakeholders and relevant agencies. The six presenters were from MTIB, UPM and Universiti Teknologi MARA (UiTM). The speakers presenting the programmes were as follows:

- i ChM. Ts. Dr. Loh Yueh Feng
Fibre and Biocomposite Centre, MTIB
Title: Wood Plastic Composite - Pembangunan Rumah FAST Rakyat
- ii Prof Dr. Jegatheswaran Ratnasingam
Faculty of Forestry and Environment, UPM
Title: The Wood Industry - Making the Numbers Meaningful

- iii Ts. Dr. Falah Abu
Faculty of Applied Sciences, UiTM
Title: Overcoming the Barriers: A Lean Manufacturing Framework for the Malaysian Wood and Furniture Industry
- iv Dr. Aimi Fadzirul Kamarubahrin
Faculty of Forestry and Environment, UPM
Title: Towards Understanding Marketing Strategies in Malaysia Wooden Furniture Sector
- v Puan Norhazaedawati Baharuddin
Fibre and Biocomposite Centre, MTIB
Title: Influence of Preservative Treatment on The Mechanical Characteristics of Gigantochloa Scortechinii
- vi Cik Nurul Aida Othman
Faculty of Forestry and Environment, UPM
Title: Enhancing Bamboo Performance through Combined Heat and Boric Acid Treatments

70 participants attended, including representatives from the Ministry of Plantation and Commodities (KPK), timber associations, industry players, and MTIB staff. It is hoped that the programme will not only serve as a platform for sharing information but also create networking opportunities to commercialise research findings. The aspiration is for such programmes to be continued and held from time to time to steer the nation's timber industry towards sustainability.

MTIB is committed to serving as a liaison between the timber industry and the government, facilitating effective communication and feedback. Through collaboration with ministries and relevant agencies, MTIB works to address industry challenges and develop sustainable solutions, ensuring Malaysia's timber industry remains resilient, competitive, and progressive.



Global Partnership in Combating Illegal Timber Trade: Strengthening Enforcement Through International Cooperation

Prepared By: Puan Rohaiza Abdul Kadir Zailani

Illegal timber trade is a pressing environmental and economic issue that poses a serious threat to forest sustainability, legal markets, and governance structures worldwide. It undermines biodiversity, disrupts ecosystems, and fuels corruption, impacting both timber producing and importing countries. As countries intensify efforts to ensure only legally sourced timber enters global supply chains, international collaborations have shifted from being an optional strategy to an absolute necessity.

The Cross-Border Nature of Timber Crime

Illegal logging and timber trafficking are inherently global crimes that transcend national borders. Once timber is extracted from forests, it enters a complex, and often opaque supply chain that involves multiple actors, including harvesters, transporters, manufacturers, traders, and consumers. This web of connections makes tackling illegal logging solely through domestic enforcement efforts insufficient.

Criminal networks take advantage of loopholes in legislation, weak law enforcement, and insufficient international coordination to perpetuate illegal activities. Common tactics include forging documents, mislabelling wood species, and concealing illicit timber in “mixed” shipments to launder illegally harvested timber into legitimate markets. These practices not only deplete forest resources but also result in significant revenue losses for governments while unfairly undermining law-abiding businesses committed to ethical practices.

To effectively address this highly organised transnational crime, countries must work together to harmonise enforcement frameworks and establish robust systems for monitoring, verification, and compliance. International cooperation is the backbone of any strategic effort to combat illegal timber trade on a significant scale.

Malaysia's Response: MyTLAS and Beyond

Malaysia has made commendable progress in addressing illegal logging and promoting sustainable forest management through coordinated legal and certification frameworks. The Malaysian Timber Legality Assurance System (MyTLAS) has played a central role in ensuring the legality of timber exported from Peninsular Malaysia while Sabah Timber Legality Assurance System (Sabah TLAS) and Sarawak Timber Legality Verification System (STLVS) ensure the legality of Sabah and Sarawak timber exports.

MyTLAS is a comprehensive system which encompasses strict measures to verify compliance with forest harvesting licenses, environmental regulations, chain-of-custody processes, and export permits. By providing a mechanism to trace the origin of timber and ensure it is sourced legally, MyTLAS offers a degree of transparency that helps prevent illegal timber from entering the global market.

Complementing MyTLAS is the Malaysian Timber Certification Scheme (MTCS), which promotes responsible forestry practices and sustainable forest management. MTCS, through its independent certification process, addresses environmental, economic, and social dimensions of forest sustainability, aligning with international standards such as those established by the Programme for the Endorsement of Forest Certification (PEFC). Despite these efforts, the fight against illegal timber cannot be won through internal systems alone. Cooperation with other countries is also essential to address prevailing challenges such as timber laundering, document forgery, and cross-border trafficking.

Strategic International Collaborations

In addressing the transboundary nature of illegal timber trade, Malaysia has prioritised international cooperation to strengthen its enforcement mechanisms and align national frameworks with global best practices.

“While Malaysia is not formally party to the Voluntary Partnership Agreement (VPA) under the EU's Forest Law Enforcement, Governance and Trade (FLEGT) initiative, Malaysia has developed its own timber legality assurance system i.e MyTLAS, by incorporating the core principles of FLEGT. MyTLAS includes a comprehensive legal framework, transparent supply chain monitoring, independent auditing, and stakeholder consultation. This robust system ensures timber legality at every stage, from forest to port.”

Malaysia also engages in broader forms of international collaborations as follows:

-  **Information sharing and joint enforcement:** Agencies such as the Royal Malaysian Customs and the Malaysian Timber Industry Board (MTIB) cooperate work closely with global organisations like INTERPOL and the World Customs Organization (WCO). These joint efforts focus on intelligence sharing, coordinated enforcement operations, and real time monitoring to identify and intercept illegal timber shipments moving across international borders.
-  **Regional enforcement networks:** Through ASEAN-WEN (Wildlife Enforcement Network) and ASEAN Senior Officials on Forestry (ASOF), Malaysia participates in intelligence exchange, joint operations, and policy harmonisation aimed at reducing forest-related crimes across Southeast Asia.
-  **Capacity-building and technical support:** Malaysia works closely with organisations such as the United Nations Office on Drugs and Crime (UNODC), Food and Agriculture Organization (FAO), Trade Records Analysis of Fauna and Flora in Commerce (TRAFFIC), and International Tropical Timber Organization (ITTO) to strengthen technical capacity, provide training, and improve regulatory systems.
-  **Digital traceability systems:** International development partners and donor agencies support Malaysia's transition towards digital documentation and traceability, enabling real-time verification of timber origin and movement within the supply chain.
-  **Harmonisation of certification standards:** Malaysia's forest certification scheme (MTCS, endorsed by PEFC) is aligned with international benchmarks, helping prevent illegal timber laundering and promoting global market acceptance.

These strategic collaborations not only enhance Malaysia's enforcement capacity to combat illegal timber trade but also reinforce its commitment to sustainable forest management and legal trade, both at home and across borders.

Challenges and the Way Forward

Despite notable progress in combating illegal timber trade, significant challenges persist. Differences in legal definitions of "legality" among countries, inconsistent enforcement capacities across regions, and the sophisticated laundering tactics employed by criminal syndicates require constant vigilance and adaptability from all stakeholders involved.

To address these challenges and safeguard timber legality, timber-producing countries like Malaysia must continue to:

-  **Strengthen the legal and institutional framework** for forest and trade governance
-  **Expand digitalisation and traceability tools**, such as electronic tracking systems
-  **Promote transparency and public reporting** to deter illegal practices
-  **Deepen engagement with trading partners and regional bodies** to create a united front against illegal timber trade.

Timber Legality as a Shared Responsibility

The fight against illegal timber trade is not solely the responsibility of enforcement agencies or timber producing countries. It requires a whole-of-supply-chain approach that brings together various stakeholders, including governments, industry players, NGOs, and consumers. Collaborations must be built on shared value of trust and transparency while aligned goals are essential in preserving forest ecosystems, protecting legal industries, and upholding the integrity of global timber markets.

Towards a Future of Responsible Timber Trade

Illegal logging and trade are not merely environmental offences — they undermine legal businesses, threaten indigenous rights, and deprive nations of valuable revenue. Malaysia recognises that sustainable forest management cannot be achieved in isolation. It requires whole-of-government approaches, private sector accountability, and international cooperation that is firm, transparent and adaptive.

The development of systems like MyTLAS and the continued enforcement of forest laws through agencies such as MTIB, Forest Research Institute Malaysia (FRIM), Forestry Department Peninsular Malaysia (FDPM), Department of Wildlife and National Parks (PERHILITAN), the Royal Malaysian Customs and the Royal Malaysian Police, signal the country's unwavering stance against illegal timber. At the same time, international engagement through regional forums, bilateral dialogues, and partnerships with NGOs and intergovernmental bodies helps build trust, strengthen governance, and address gaps in enforcement.

As global demand for certified and legal timber continues to rise, Malaysia stands at a strategic crossroad. By investing in traceability technologies, harmonising certification standards, and maintaining robust enforcement mechanisms, the country is not only protecting its forest heritage, it is also ensuring long term market access and industry credibility.

In this shared fight against illegal timber trade, collaboration is not an option, it is a necessity. 

INTERNATIONAL COOPERATION IN COMBATING THE ILLEGAL TIMBER TRADE



Recognising that the illegal timber trade is a global issue, Malaysia has established cooperative efforts guided by the principles of the Forest Law Enforcement, Governance and Trade (FLEGT) initiative.

Other forms of cooperation include

 Information sharing and joint investigations between customs and enforcement agencies across borders	 Capacity-building workshops and training with ASEAN counterparts under regional mechanisms such as ASEAN WEN (Wildlife Enforcement Network)
 Mutual recognition and harmonisation of standards to reduce loopholes exploited by illegal traders	 Technical assistance from international NGOs and donor agencies in developing digital traceability systems and strengthening legal frameworks



JULY 2025

Malaysia's export of timber and timber products in July 2025 rebounded by 24% month-on-month to RM2.00 billion, recovering from RM1.62 billion in June. The stronger performance was mainly supported by higher shipments of sawntimber (21%), plywood (45%) and builders' joinery and carpentry (BJC) products (42%), reflecting improved export orders from key markets. For the first seven months of 2025, total exports amounted to RM12.64 billion, representing a decline of 5% compared with RM13.30 billion recorded in the corresponding period of 2024. The moderation in export performance was attributed to declining demand for major products such as plywood (9%), sawntimber (4%), mouldings (3%), and fibreboard (17%). Veneer exports recorded the sharpest reduction at 45%, in line with weaker downstream processing activity. Wooden furniture remained the largest export earner, contributing RM5.41 billion or 43% of total export receipts, although this was slightly lower by 1% compared with the same period last year. Meanwhile, growth was recorded in BJC products, which expanded by 11% to RM822.0 million, and rattan furniture, which grew by 18% to RM43.4 million, indicating steady niche demand for value-added timber products.

Despite the weak start in 2025, the rebound in July gives some optimism for the remainder of the year. The global furniture market is projected to grow steadily; for instance, the Global Furniture Market Report forecasts the industry expanding from USD 750.6 billion in 2024 to USD 791.1 billion in 2025 (CAGR of ~5.4%). The World Furniture Outlook 2025/2026 warns, however, that trade policy uncertainty and tariff unpredictability may dampen momentum, especially for export-reliant markets.

Under a base scenario where reciprocal or Section 232 tariffs are partially mitigated through exemptions, carve-outs or phased implementation, Malaysia could still post modest gains in furniture exports to the U.S., potentially in the range of 2% to 6% growth year-on-year by end-2025. This assumes that Malaysian exporters can reengineer cost structures, streamline logistics, and maintain price competitiveness.

On 30 September 2025, the U.S. introduced new Section 232 tariffs on timber and furniture imports, 10% on softwood lumber and 25% on imported upholstered furniture, kitchen cabinetry, and vanities (with rates scheduled to rise further in January 2026). These charges explicitly override earlier reciprocal tariffs for affected timber products. If carve-outs are not granted for Malaysian products, the full burden of tariffs could erode margins or force exporters to absorb cost increases to stay in the U.S. market. The outcome will centre heavily on Malaysia's ability to secure preferential treatment or negotiate exceptions under U.S. trade law.



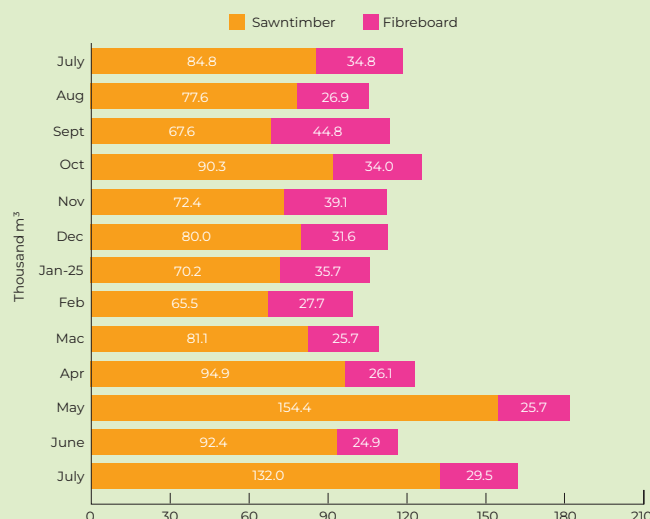
SAWNTIMBER

Export of sawntimber in July 2025 surged to 131,984 m³ at a value of RM223.20 million, representing a sharp increase of 43% in volume and 21% in value compared to 144,713 m³ worth RM184.14 million in June 2025. Cumulative exports for January–July 2025 reached 1,037,233 m³ worth RM1.21 billion, showing a 75% increase in volume but a 4% decline in value compared to 594,131 m³ worth RM1.26 billion during the same period in 2024.

In the European Union, exports rose slightly by 3% to 56,856 m³. Greece dominated this volume with 53,516 m³, showing an increase of 2%. Meanwhile, the Netherlands inched up to 1,268 m³ also growing by 2% while Belgium dropped significantly by 33% to 325 m³. Exports to other parts of Europe fell by 32% to 732 m³, all of which went to the United Kingdom.

In South Asia, shipments nearly doubled, with an increase of 97% to reach 20,220 m³. This massive growth was led by the Maldives, which surged almost six-fold, marking a jump of 477% to 9,821 m³. This was followed by Sri Lanka with 3,392 m³, increased by 76%. India also recorded a modest import growth of 11% to 5,797 m³.

Malaysia: Export of Sawn Timber and MDF



Exports to West Asia skyrocketed more than 38-fold, increasing by 3,862% to 325,885 m³. Individual market performance was highly mixed; the UAE increased imports by 44% to 6,599 m³, while Iraq reduced buying by 25% to 1,169 m³ and Saudi Arabia plunged 52% to 246 m³.

In East Asia, shipments expanded by 28% to 66,100 m³. Japan saw exponential growth, with imports surging almost seven-fold, marking an increase of 683% to 16,543 m³. Meanwhile, China's imports grew by 15% to 47,052 m³. In contrast, Taiwan dropped buying sharply by 83% to 1,244 m³.

Shipments to ASEAN markets jumped 73% to 21,496 m³. This surge was driven by key members; the Philippines rose more than threefold, increasing purchases by 245% to 8,077 m³. Meanwhile, Thailand increased buying by 48% to 6,002 m³, and Singapore climbed 24% to 6,350 m³.

Exports to Africa increased by 10% to 3,841 m³, led by Mauritius up 36% to 523 m³ and South Africa up 2% to 3,151 m³. Meanwhile, exports to North America grew by 38% to 2,278 m³, with the United States accounting for 1,978 m³ a 25% rise. Exports to the Oceania/Pacific region rose by 23% to 754 m³, with Australia increasing imports by 29% to 754 m³, while shipments to New Zealand ceased.

“ The average FOB price for overall sawntimber decreased by 65%, from RM1,272 per m³ in June to RM448 per m³ in July. By species, Dark Red Meranti (DRM) exports eased slightly by 0.3% to 2,189 m³, Keruing exports rose 12% to 2,989 m³, while DRM exports to the Netherlands increased by 16% to 3,445 m³. Redwood (UAE) remained unchanged at 0 m³. ”

The most significant threat comes from the EU Deforestation Regulation (EUDR), which industry representatives warn could reduce sawntimber production by up to 10% because forest owners may halt harvesting due to compliance costs and risks. The EUDR is criticised for creating an unmanageable bureaucratic burden in verifying timber as deforestation-free, with implementation costs estimated to reach billions across Europe. Industry leaders deem the current regulation disproportionate and impractical, calling for its revision or repeal. They advocate instead for a risk-based approach, suggesting a low-risk category for countries like Austria to use simpler documentation and focus oversight on targeted, factual risk assessments rather than blanket regulation.



PLYWOOD

Export of plywood in July 2025 recorded an increase of 46% in volume at 110,343 m³ and 45% in value at RM225.9 million as compared to the previous month. The cumulative exports for the period of January – July 2025 showed an increase of 2% in volume to 657,192 m³ but recorded a 9% decrease in value totalling at RM1.3 billion over the previous corresponding period. The EU region recorded an increasing trend for plywood export by 55% from 1,619 m³ to 2,516 m³. Poland increased its purchases by 22% to 282 m³. Germany resumed its buying with 221 m³ while the Netherlands didn't make any purchase for the month. In other parts of Europe, export recorded a decrease by 37% to 7,101 m³ from 11,214 m³ in the previous month. The plywood purchases by the UK decreased by 49% to 4,117 m³ while Turkiye increased buying by 3% to 2,985 m³.

Moving to the East Asia market, volume improved by 76% to 79,058 m³ from 44,870 m³ in June. Japan as the largest importer from the region increased its buying by 85% to 72,356 m³, followed by Taiwan with increase of 52% to 3,499 m³. South Korea reduced buying by 8% to 2,815 m³. In the ASEAN region, import increased by 5% from 3,639 m³ to 3,815 m³. Plywood export to Thailand and the Philippines grew by 15% to 1,231 m³ and 674% to 403 m³ each. Singapore however decreased buying by 6% to 1,877 m³.

“ In the South Asia region, plywood purchases recorded an increase of 20% from 86 m³ to 103 m³ with the sole purchases being from Maldives. India and Pakistan didn't make any purchase for the month. The West Asia region also recorded an improvement of 1352% to 4,573 m³ from 315 m³ in the previous month. Jordan increased sales by 101% to 634 m³ while Yemen resumed its purchases with 3,050 m³. The UAE didn't make any purchase for the month. ”

In the Africa region, plywood export recorded a decrease of 34% from 214 m³ to 142 m³. South Africa improved its buying by 21% to 104 m³ while Mauritius resumed its purchase with 38 m³. Similarly, the North America region showed a decrease of 6% from 11,843 m³ to 11,114 m³. The USA as the main buyer increased purchases by 0.4% to 10,358 m³, followed by Canada with an increase of 39% to 173 m³. However, Mexico decreased import by 59% to 583 m³. In the Oceania/Pacific region, plywood import declined by 1% from 1,936 m³ to 1,921 m³ with purchases from Australia being at 1,848 m³.

The FOB price of plywood for July 2025 was RM2,047 per m³, a decrease of 0.4% from RM2,056 per m³ in the previous month.

In Japan, the Revised Building Energy Efficiency Act was finally put into effect in April 2025. All buildings, including wooden detached houses, must now comply with energy conservation standards, accelerating decarbonisation in the construction sector in the move toward carbon neutrality by 2050. Under the initiative of the Cabinet Secretariat, the Inter-Ministerial Liaison Conference on Life Cycle Carbon Reduction of Buildings was established in

November 2024. This body brings together the supervisory authorities of a wide range of industrial sectors, from raw materials to construction materials, equipment, design, and construction, to promote decarbonisation not only during occupancy but for the building's entire life cycle.

VENEER

Export of veneer in July 2025 increased in volume by 57% to 3,043 m³ and 59% increased in value worth RM6.1 million as compared to the previous month. The cumulative export for January – July 2025 showed a decrease in both volume and value by 39% to 16,945 m³ and 45% to RM33.7 million over the previous corresponding period.

ASEAN recorded an increase in veneer import by 504% from 39 m³ to 235 m³. However, Viet Nam and Singapore didn't make any purchase for the month. In East Asia, import increased by 21% from 1,043 m³ to 1,266 m³. China decreased its veneer import by 93% from 937 m³ to 62 m³ while Japan increased its buying by 122% to 156 m³. South Korea didn't make any purchase for the month. Meanwhile, South Asia increased import by 59% from 530 m³ to 840 m³. Veneer purchases by India and Bangladesh increased by 43% to 708 m³ and by 300% to 132 m³ respectively.

“Moving to North America, veneer import recorded an increase of 143% to 689 m³ from 283 m³. The USA increased its buying by 132% to 656 m³ while Canada resumed its purchase to 32 m³. In the Oceania/Pacific region, Australia decreased its buying by 78% to 11 m³ while the EU and Africa didn't make any purchase for the month.”

The average FOB price for veneer increased by 2% from RM1,989 per m³ to RM2,020 per m³ as compared to previous month.

Growth in the Bangladeshi construction industry is expected to slow from 3.4% in real terms in 2024 to 1.1% in 2025, owing to a slowdown in construction activities following continued political instability in the country, coupled with downward revision in the Annual Development Program (ADP) and cancellation of several projects initiated by the earlier government. In March 2025, the National Executive Committee (NEC) revised down the allocation under the ADP for FY2024-25 (July 2024-June 2025) to BDT2.2 trillion (USD17.6 billion). Indeed, this is 18.5% lower than the original ADP budget and 11.8% lower than the revised ADP budget of FY2023-24. Under the revised ADP, the allocation for the transport and communication sector and the power sector has reduced by 31.7% and 21.7%, respectively, from the original ADP. This is attributed to the current political instability and rising costs that caused delays in the tendering processes and cessation of multiple construction projects. In December 2024, the interim government cancelled 67 projects undertaken by the Awami League Party. Over the forecast period, however, the Bangladeshi construction industry is expected to recover and register an annual average growth rate of 6.3% from 2026 to 2029.

This will be supported primarily by investments in energy, transport, industrial and telecommunication infrastructure projects. In December 2024, the country received BDT149.6 trillion (USD1.2 billion) in financing to aid in the development of the clean energy, healthcare, and water infrastructure sectors.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in July 2025 recorded a 19% increase in volume at 29,451 m³ and 13% increase in value at RM55.0 million compared to the previous month. Meanwhile, cumulative exports for the period of January – July 2025 recorded a decrease in volume by 17% to 195,234 m³ and also in value by 17% totalling at RM365.5 million as compared to the corresponding period in 2024.

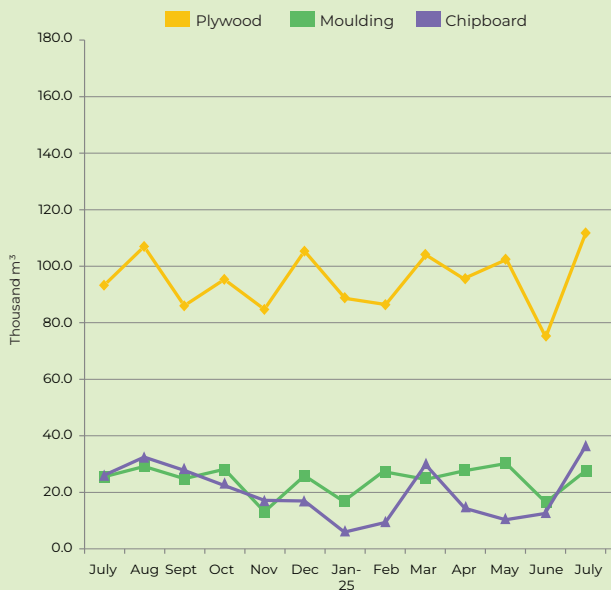
Export to ASEAN increased by 6% from 4,600 m³ to 4,855 m³ in the previous month. The Philippines and Indonesia improved imports by 42% and 45% to 2,510 m³ and 1,271 m³ respectively. Meanwhile, Viet Nam reduced import by 34% to 591 m³.

“Elsewhere, East Asia purchase for MDF decreased by 9% from 12,037 m³ to 10,990 m³ in the previous month. Imports of MDF from Japan and Taiwan recorded a reduction of 11% and 36% to 10,084 m³ and 248 m³ respectively. South Korea improved sales by 41% to 412 m³. Moving to the South Asia market, export increased by 243% from 1,079 m³ to 3,702 m³. Export performance to India and Pakistan grew by 188% to 1,338 and 235% to 1,506 m³ each. Meanwhile, Nepal didn't make any purchase for the month.”

Export to the West Asia region recorded an increase of 67% from 3,502 m³ to 5,858 m³ compared to previous month. The UAE reduced orders by 20% to 2,308 m³ while Yemen resumed purchases with to 2,681 m³ (100% increase). Saudi Arabia didn't make any purchase for the month. In Europe, the UK increased its purchases by 12% to 21 m³. On the other hand, countries in the EU, Central America and South America regions didn't make any purchase for Malaysian MDF for the month.

Export to the Oceania/Pacific region recorded an increase of 24% to 1,681 m³ from 1,356 m³. Australia increased its purchases by 27% to 1,639 m³ while New Zealand decreased buying by 2% to 42 m³. MDF import in North America showed an increase of 4% from 2,145 m³ to 2,238 m³ compared to the previous month while MDF purchases by the USA and Mexico reduced by 12% to 1,248 m³ and 44% to 310 m³ respectively. Canada increased purchases by 286% to 680 m³ from 176 m³. In the Africa region, MDF purchases recorded a decrease of 10% to 105 m³ with purchases being from South Africa, while Mauritius didn't make any purchase for the month.

Malaysia: Export of Major Timber Product July 2024 – July 2025^P



The average FOB price of MDF decreased by 5% to RM1,866 per m³ from RM1,964 per m³ in the previous month.

In July 2025, Canadian timber construction was characterised by a mix of market challenges, including lower-than-expected demand for timber products and shifts in lumber prices. However, there was also significant momentum from supportive government programmes, such as Ontario's new strategy to boost woodmanufacturing and the GCWood programme as well as the upcoming Woodrise 2025 congress focused on innovative timber solutions. The integration of technologies like underfloor air distribution in mass timber buildings was also emerging as a key trend.

MOULDINGS

The export of mouldings in July 2025 increased by 51% in volume, reaching 28,513 m³ and by 41% in value, amounting to RM88.5 million as compared to June 2025. For the cumulative period of January to July 2025, exports of mouldings were down by 1% in volume to 0.2 million m³ and in value by 3% worth RM533.9 million over the same period in 2024.

Exports to ASEAN countries increased by 49% to 1,424 m³ in July 2025, up from 955 m³ in June 2025. Exports to Singapore rose by 36% to 1,125 m³ while Viet Nam increased its intake by 38% to 148 m³ from previous month.

In the East Asia region, export of mouldings recorded at 1,717 m³ in July 2025, an increase of 50% from 1,144 m³ in the previous month. Exports to Japan and the Republic of Korea increased by 23% to 687 m³ and 48% to 662 m³, respectively. Meanwhile, export to Hong Kong decreased by 37% to 43 m³ from 69 m³ in June 2025.

In the South Asia region, export volume showed an upward trend, intake down by 308% to 327 m³ in July 2025 compared to the previous month. This decline was driven by a significant increase in demand from Maldives which

increased by 2,445% to 229 m³, while intake from India remained at 71 m³ in July 2025 as compared to the previous month. Meanwhile, Sri Lanka resumed its buying with 26 m³. Exports to West Asia dropped by 46% to 10 m³ for the month, all of which went to the UAE, recording a drop of 44%.

“ Exports to the EU showed an upward trend, increasing by 34% to 4,987 m³ in July 2025 compared to 3,726 m³ in June 2025. The Netherlands recorded an increase in purchases for the month of July 2025 with 2,284 m³, an increase of 42% from 1,609 m³ in June 2025. Meanwhile, exports to France and Belgium also grew by 98% to 926 m³ and by 77% to 372 m³ respectively. Meanwhile, purchases by the UK improved by 98% to 395 m³ for the month.”

In the Oceania/Pacific region, total export increased by 122%, reaching 1,807 m³ in July 2025 compared to 813 m³ in June 2025 due to an increased intake from Australia. Export of mouldings to Australia grew by 122% to 1,790 m³ for the month as compared to 807 m³ in the previous month.

In North America, total demand improved by 50% to 17,398 m³ in July 2025 compared to the previous month. Export to the USA grew by 47% to 16,796 m³ while export to Canada also improved by 98% to 310 m³ for the month.

In the Africa region, exports increased by 19% to 447 m³ compared 377 m³ in June 2025. Exports to Mauritius grew by 9% to 50 m³ while buying from South Africa dropped by 27% to 108 m³ for the month.

The average FOB unit value for mouldings in July 2025 decreased by 7% to RM3,105/m³ compared to RM3,329/m³ in June 2025.

Home improvement has surged over the last decade, and insights project that the market will continue rising into next year. Data from Harvard's Joint Centre for Housing Studies tracks home improvement spending to measure remodelling activity, which has trended upward. Considering the industry will only continue to grow larger, home renovation industry can capitalise on the market's growth. Since 2015, home improvement spending jumped 82% from USD277 billion to USD502 billion in 2024, with an expected increase of USD9 billion before the end of 2025. Median annual spending on home improvement projects grew 60% between 2020 and 2023 alone, going from USD15,000 to USD24,000.

While the pandemic played a large part in the home improvement boom, the expected fizzling-out is not quite as dramatic as anticipated. Planned household spending on home remodelling dropped in 2024, and the predicted spending in 2025 matches 2020's number of USD15,000. Nevertheless, the market is still surging far beyond pre-pandemic numbers, having grown by about 70% between 2015 and 2024. Starting at USD339 billion in 2014, remodelling business growth and market expansion raised the USA home improvement market size to USD574 billion in 2024. The market size is expected to reach USD593 billion in 2025 and USD615 billion in 2026. Renovating outdoor living spaces and curb appeal projects offer the highest return on

investment, keeping them in high demand. Interior design projects have typically seen a desire for storage space solutions as the top priority for many homeowners. Kitchen space remodelling and spa-like bathroom redesigns are also high priorities according to the experts surveyed.

BUILDERS JOINERY CARPENTRY

The total export of builders' joinery and carpentry (BJC) in July 2025 improved by 39% in volume to 17.1 million kg and by 42% in value to RM153.6 million, whereas in the cumulative period of January – July 2025, export of BJC increased by 16% in volume to 89.3 million kg and 11% in value worth RM822.0 million as compared to the previous corresponding period in 2024.

Shipments of BJC to ASEAN were valued at RM52.2 million, a decrease of 38% from RM83.7 million in the same corresponding period in 2024. Singapore as the main buyer decreased its buying by 53%, valued at RM28.4 million as compared to the previous year. Similarly, there was a cutback on exports to Viet Nam by 32% worth RM5.8 million. However, export to Thailand increased by 29% worth RM11.0 million for the period of January to July 2025.

As for East Asia region, exports decreased by 17% from RM54.8 million to RM45.8 million. Japan, despite being the main buyer from this region dropped its buying by 10% to RM34.3 million from RM38.2 million over the same corresponding period. Similarly, exports to China and Taiwan also declined by 49% worth RM4.2 million and by 48% to RM2.9 million respectively.

Exports to South Asia totalled at RM14.3 million, a decrease of 47% from RM26.8 million in the corresponding period in 2024. Both India and Maldives decreased their imports by 43% amounting to RM9.5 million and by 41% worth RM2.5 million respectively. Similarly, Bangladesh reduced its purchases by 69% from RM1.0 million to RM0.3 million in the period of January - July 2025.

“As for the West Asia region, total export of BJC grew significantly by 368%, totalling at RM11.4 million as compared to the amount of RM2.4 million from previous year. The main buyer from this region was Saudi Arabia with a total purchase of RM10.1 million, increased tremendously from RM0.2 million in the previous corresponding year by 6,279%. Nevertheless, demand from Kuwait dropped by 81% worth RM96,119 for the stated period. Similarly, export to the UAE dropped by 39% to RM1.1 million from RM1.8 million in the period of January – July 2024.”

The total export of BJC to European Union region increased by 20%, totalling up from RM137.3 million to RM164.3 million. Intake from Belgium increased by 59% worth RM61.3 million, followed by the Netherlands with buying improved by 10% worth RM53.5 million. Nevertheless, intake from France

dropped by 21% to RM8.6 million for the stated period. Meanwhile, imports from other parts of Europe declined by 11% with a total amount of RM81.4 million. The United Kingdom decreased its intake by 7% worth RM78.2 million. Buying from Norway and Türkiye also dropped by 60% to RM2.8 million and by 50% worth RM0.4 million, respectively.

Shipments to the Oceania/Pacific region decreased by 1% to RM133.7 million in the period of January – July 2025. Australia as the main buyer reduced its purchases by 1% at a total value of RM121.6 million from RM123.1 million in the previous corresponding year. Similarly, New Zealand lowered its intake by 4% worth RM9.4 million while export to Tonga improved by 1% to RM0.4 million for the stated period.

Shipment to North America increased by 56%, amounting to RM313.4 million whereas the USA as the main buyer from this region increased its purchases by 57% with a total value of RM309.9 million. However, intake from Canada dropped by 5% worth RM3.1 million.

Shipments to Africa on the other hand, decreased by 15% to RM5.4 million in the period of January – July 2025. There has been a decrease on exports of BJC to South Africa at 22% from RM3.7 million to RM2.9 million. Similarly, Mauritius dropped its purchases by 45% to RM0.7 million, while Morocco increased its intake by 619% worth RM0.9 million for the cumulative period of January – July 2025.

The UK joinery market has experienced steady growth over the past decade, driven by increasing demand for high-quality craftsmanship, sustainable materials and bespoke design. One area that stands out is specialist joinery – an increasingly vital segment focused on custom, commercial-grade solutions tailored to the exact needs of projects. As design standards rise and clients demand more tailored solutions, specialist joinery is becoming essential to modern construction and interior fit-out strategies. A pivot toward refurbishment has become one of the key drivers of growth for specialist joinery. As businesses seek to enhance their premises without committing to full-scale construction projects, they are turning to interior specialists, making fit-outs, upgrades and retrofitting more common than ever. This approach offers a cost-effective way to stay current, meet regulatory standards and enhance user experience, all without the risks and delays associated with major development work. Retailers and hospitality venues, too, are embracing refurbishment as a strategy for recovery and growth. It allows businesses to make targeted improvements that reflect their identity, meet evolving customer needs and demonstrate ongoing investment in their brand, all of which are crucial in attracting and retaining footfall in a challenging economic climate.

One company aiming to set itself apart is leading UK timber supplier Premier Forest Products, which has recently launched a dedicated specialist joinery division. The new team – comprising industry experts Scott Bowman, Gareth Howells and Lee Jefferson – has been formed to deliver bespoke solutions with a strong focus on design, collaboration and customer service. Premier Forest's approach is built around flexibility, offering a full end-to-end service from initial concept to final installation. They work closely with clients at every stage of the project, ensuring that each solution is carefully designed to meet the specific needs of the space, the user, and the brand. The

new division also benefits from Premier Forest's vertically integrated supply chain, which allows for efficient sourcing of high-quality timber materials and access to advanced manufacturing technologies.

FURNITURE

The total export value of wooden furniture in July 2025 increased by 17% to RM830.4 million compared to RM712.3 million in June 2025, reflecting improved export orders following a slower performance in the previous month. Cumulatively, exports of wooden furniture in January–July 2025 amounted to RM5.41 billion, a marginal decline of 1% compared to RM5.45 billion as recorded in the corresponding period of 2024.

Shipments of wooden furniture to ASEAN were valued at RM662.1 million, a decrease of 6% from RM700.8 million in the corresponding period of 2024. Singapore remained the leading buyer, with imports rising 8% to RM444.0 million. In contrast, exports to the Philippines and Thailand contracted by 23% and 3%, valued at RM119.7 million and RM39.2 million, respectively.

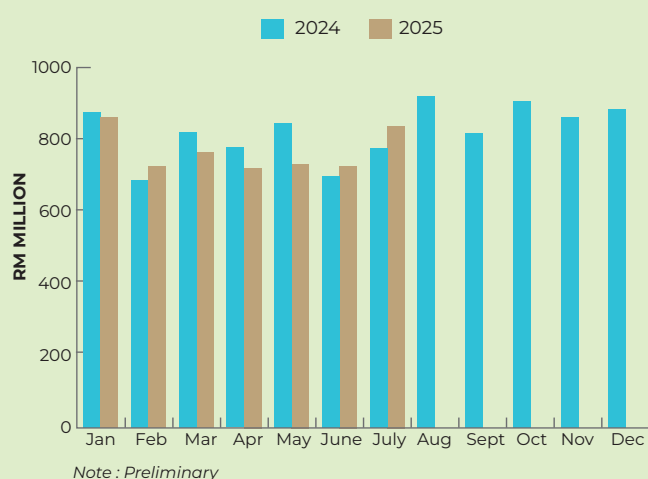
In the East Asia region, exports declined by 5% to RM315.6 million compared to RM331.2 million in 2024. Japan, the dominant market in this region, recorded a 2.0% increase to RM259.9 million, indicating sustained demand for Malaysian wooden furniture. However, exports to Taiwan and South Korea fell by 16% and 23%, to RM24.4 million and RM15.7 million, respectively.

Exports to South Asia totalled at RM84.0 million, down 8% from RM91.6 million in the previous year. India remained the largest importer in the region with RM78.2 million, a 5% decline. Shipments to Maldives dropped sharply by 43% to RM3.9 million, while exports to Bangladesh surged 226% to RM0.5 million, albeit from a small base.

For Central Asia, exports declined by 25% to RM1.9 million compared with RM2.5 million in 2024. Kazakhstan accounted for the bulk of the exports, though its imports fell 15% to RM1.7 million. Shipments to Armenia and Uzbekistan remained negligible during the period.

In West Asia, total exports increased marginally by 0.4% to RM282.8 million from RM281.6 million in 2024. Saudi Arabia registered a 9% rise to RM105.2 million, while Oman recorded strong growth of 37% to RM15.5 million. In contrast, exports to the United Arab Emirates (UAE) contracted by 12% to RM114.7 million.

Malaysia: Export of Wooden Furniture



Exports of wooden furniture to the European Union decreased by 20% to RM179.8 million compared to RM225.8 million in the same period of 2024. Among key markets, Belgium's imports dropped 18% to RM20.3 million, France declined 8% to RM22.5 million while Poland fell 27% to RM17.1 million.

Meanwhile, other parts of Europe also registered a 5% decline to RM270.6 million from RM285.0 million previously. The United Kingdom, which continued to be the dominant market, recorded a marginal drop of 2% to RM251.4 million. Georgia showed a modest growth of 4% to RM6.8 million, whereas Türkiye experienced a significant fall of 52% to RM5.2 million.

Shipments to the Oceania/Pacific region contracted by 18% to RM269.9 million from RM328.3 million a year earlier. Australia, the primary destination, saw its imports decline by 17.5% to RM237.6 million, while New Zealand registered a 14.4% drop to RM17.8 million. Exports to Papua New Guinea also fell sharply by 62.0% to RM3.5 million.

In the Central America region, exports decreased by 30% to RM23.5 million from RM33.3 million in 2024. Panama, the leading market, was one of the few countries to register an increase, up 2% to RM10.2 million. Meanwhile, exports to El Salvador and Guatemala declined by 29% and 23%, amounting to RM4.1 million and RM4.9 million, respectively.

Exports to North America rose by 6% to RM3.19 billion compared to RM3.01 billion in the same period last year. The United States, Malaysia's largest wooden furniture export market, expanded 6% to RM2.86 billion. Exports to Canada remained stable at RM235.7 million, while Puerto Rico posted robust growth of 58% to RM47.9 million, reflecting improved demand in niche markets.

For South America, exports declined by 20% to RM50.9 million from RM63.5 million in 2024. Chile recorded a steep drop of 38% to RM23.4 million, while Peru decreased buying by 26.4% to RM8.6 million. In contrast, Venezuela saw a notable increase of 223% to RM5.6 million, though from a small base.

Exports to Africa also moderated by 11% to RM80.9 million compared with RM90.4 million a year ago. South Africa remained the largest market in the region, with imports declining by 12% to RM25.2 million. Shipments to Reunion Islands and Kenya also decreased by 16% and 11%, valued at RM7.4 million and RM6.5 million, respectively.

Exports of rattan furniture for the period of January–July 2025 increased by 18% to RM43.4 million compared to RM36.7 million in the corresponding period of 2024, supported by stronger demand from key markets in East Asia, West Asia, and North America.

Exports to the ASEAN region declined by 41% to RM3.0 million, down from RM5.0 million in the same period last year. Singapore, the main importer, reduced its intake by 37% to RM0.93 million, while Thailand reduced purchases by 46% to RM0.24 million. In contrast, shipments to Indonesia grew sharply by 256% to RM0.17 million, reflecting a recovery in cross-border orders.

Exports to the East Asia region rose markedly by 67% to RM1.21 million. Japan remained the largest buyer, with imports increased by 64% to RM0.62 million. Hong Kong recorded a surge of 1,486% to RM0.09 million, while exports to China contracted by 73% to RM0.07 million.

In the South Asia region, India was the sole destination, recording an increase of 54% to RM0.81 million from RM0.52 million last year. Exports to West Asia expanded by 44% to RM4.0 million, mainly supported by higher demand from Iran, which rose 12% to RM0.33 million. Exports to the UAE decreased slightly by 8% to RM1.31 million, while Qatar also recorded a mild contraction of 7% to RM0.07 million.

Shipments to the European Union increased substantially by 66% to RM9.69 million compared to RM5.83 million in 2024. Poland registered a sharp increase of 610% to RM0.73 million, while France and the Netherlands reduced imports by 16% and 15%, to RM1.39 million and RM0.36 million, respectively.

Exports to the other parts of Europe dropped by 40% to RM2.65 million. The United Kingdom remained the largest market, although imports declined by 37% to RM2.33 million. Shipments to Russia fell significantly by 79% to RM0.09 million, while Switzerland resumed imports with RM0.002 million after recording none in 2024.

Shipments to the Oceania/Pacific region decreased by 14% to RM1.58 million, with Australia accounting for the majority of imports at RM1.47 million, down 6%. No shipments were recorded to Fiji or New Caledonia during this period, compared to RM0.03 million and RM0.003 million respectively last year.

No exports were recorded to Central America in 2025, compared to RM0.04 million during the same period in 2024. Exports to North America surged by 32% to RM19.0 million. The United States remained the dominant market, with imports increasing by 45% to RM16.2 million. Exports to Canada grew by 15% to RM1.21 million, while the Dominican Republic saw a decline of 57% to RM0.56 million.

In South America, exports almost doubled, rising 86% to RM0.72 million, driven entirely by Chile, which recorded an increase of 120% to RM0.68 million. Exports to Africa also strengthened by 22% to RM0.71 million, with Kenya as the sole importer from the region, though its purchases dropped by 17% to RM0.07 million.

“Despite the forthcoming threat of U.S. reciprocal and sectoral tariffs, Malaysia’s furniture exporters remain cautiously optimistic about maintaining positive export performance into the medium term. According to HKTDC analysis, the growth of Malaysia’s furniture exports is expected to continue, underpinned by established supply chains, brand relationships, and ongoing promotional efforts in North America and premium markets. Moreover, local industry reports indicate that many manufacturers are now front-loading orders, optimising logistics, and negotiating preferential terms with U.S. buyers to anticipate tariff impact.”

In that scenario, even with tariffs at 19% or higher, Malaysia may still sustain modest year-on-year growth of 3% to 8% in U.S. wooden furniture exports through 2026, assuming tariff exemptions or phased implementation are secured. This projection factors in potential trade diversion effects where the U.S. shifts away from more highly taxed producers and facilitate Malaysian exports if tariff rates remain lower than those applied to competitors.

MTIB



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A GROWING FRONTIER FOR MALAYSIA'S TIMBER TRADE

OVERVIEW

Peru, officially the Republic of Peru, is located on the western coast of South America. It is the third largest country in South America, after Brazil and Argentina, covering approximately 1.28 million square kilometres. Peru is recognised as one of the world's megadiverse countries, featuring a wide range of ecosystems—from the arid plains along the Pacific coast to the high peaks of the Andes mountains, and the tropical rainforests of the Amazon Basin in the east, which are traversed by the Amazon River. As of 2024, Peru has a population of over 34.4 million people. Its capital and largest city is Lima, which also serves as the country's economic and political centre.

Peru plays an active role in regional and international affairs and is regarded as a stable and constructive partner in South America. It is a member of various international organisations, including the United Nations (UN), Organization of American States (OAS), Asia-Pacific Economic Cooperation (APEC), International Monetary Fund (IMF), World Bank, and the World Trade Organization (WTO). In 2024, Peru hosted the Asia-Pacific Economic Cooperation (APEC) forum, including the APEC Leaders' Meeting in November 2024, reaffirming its commitment to regional economic integration and cooperation.

ECONOMY

According to IMF's forecast in October 2024, Peru's economy is projected to grow by 2.9% in 2025 and 2.5% in 2026, close to its potential. The Peruvian Government expects to promote private investment further in 2025, along with enhanced mining investment prospects, greater port development, and a promising performance outlook for the agro-industrial sector. This national economic momentum is a significant driver for the timber market, particularly through robust domestic demand for wood products. The sector benefits directly from a surge in Gross Fixed Capital Formation, which is projected to trend upward into 2027, underpinning a booming construction industry for public works and residential projects. This stability in capital investment creates a large, consistent market for primary and engineered wood products. Moreover, the long-term expansion of the Peruvian middle class translates to rising consumer power and a growing appetite for high-quality, finished wood products like furniture and architectural moldings, shifting domestic demand toward value-added goods. This creates substantial opportunities for both local producers and foreign exporters to address a structural supply gap, as Peru remains a net importer of certain processed and standardized wood products.

Peru has the potential to become a high-income country within two decades, if bold reforms are implemented. Supporting this aspiration is the strategic shift toward becoming a global supplier of legal and certified sustainable timber. While Peru's immense forest wealth provides the raw material, the economic potential is realised through formalising the supply chain, which is vital for accessing high-value international markets, such as the European Union and the United States, which have stringent regulations against illegally sourced timber. Key initiatives, such as implementing a legal timber traceability system and the National Multi-Sectoral Strategy to Fight Against Illegal Logging (ENLTI), are aimed at creating a transparent and reliable supply chain. This push for legality is a crucial factor that provides a competitive edge for Peruvian exporters committed to sustainability. Additionally, the increasing focus on commercial forest plantations on previously deforested land signals a move toward a scalable, more efficient, and predictable production model, further attracting investment and solidifying the timber industry's role as a long-term engine for employment and regional economic development.

FOREST RESOURCES

According to the FAO (Food and Agriculture Organization of the United Nations), Peru has approximately 72 million hectares of forested land. This figure dates back to the FAO's 2020 assessments, which state that this constitutes about 56% of Peru's total land area.

Peru's 71 million hectares of forested land are primary or otherwise naturally regenerated forest and around 1 million hectares are planted forest. Approximately, 17.9 million hectares of forest are designated for production. Around 83% of forested lands are publicly owned, with 15% privately owned and the remainder under another type of ownership. The forest sector contributes 1% of Peru's gross domestic product and supplies a number of high-value timbers to the international markets. Most plantations are located outside the Amazon in the Andes, with the main commercial species being *Eucalyptus Globulus*.

As one of the world's 17 megadiverse countries and home to 10% of global species, Peru plays a pivotal role in addressing both the biodiversity and climate crises. Peruvian forests act as a net carbon sink, effectively capturing more atmospheric carbon than they emit. The Peruvian Amazon alone removes over 57 million tons of carbon dioxide (CO₂) from the atmosphere every year. Amidst the surging global demand for timber, Peru's timber industry is grappling with an imbalance between demand and supply of managed forests. Peru mainly produces sawntimber (non-coniferous),

veneer and logs. Peru has officially had a ban on the export of logs from natural forests since 2001. This ban was put in place to combat rampant illegal logging and promote the processing of timber within Peru. However, despite this ban, the country has continued to face significant challenges with illegal timber exports.



TIMBER PRODUCTION AND PROCESSING

According to the latest FAO forest statistics on Peru, the country produced approximately 0.95 million cubic meters of major timber products in 2023. The top three timber products produced in 2023 were sawnwood non-coniferous (943,289 m³), followed by veneer sheets (2,381 m³) and sawnwood coniferous (282 m³). This reflects a significant increase in non-coniferous sawnwood production compared to previous years. Details of production are as below:

PERU: PRODUCTION QUANTITY 2019-2023

Product	Unit	2019	2020	2021	2022	2023
Sawnwood, non-coniferous	m ³	588,014	323,703	754,631	619,986	943,289
Veneer sheets	m ³	2,943	1,530	1,681	1,905	2,381
Sawnwood, Coniferous	m ³	8,533	4,145	5,027	226	282

Source : FAO stats Estimate



PERU EXPORTS OF TIMBER AND TIMBER PRODUCTS

In 2024, Peru's export of timber and timber products recorded a total value of USD93.5 million, representing a decline of 16% compared to USD111.1 million in 2023. The contraction was mainly attributed to lower exports of mouldings and sawntimber, which together accounted for more than 60% of Peru's total timber exports. The main timber products exported by Peru in 2024 were mouldings, sawntimber, and wooden furniture, valued at USD31.7 million, USD28.0 million, and USD8.2 million, respectively. Collectively, these three product groups contributed approximately 72% of total timber export earnings. Exports of mouldings (HS 4409) continued to dominate despite a decline of 9% to USD31.7 million in 2024, down from USD34.8 million in 2023. Sawntimber (HS 4407) exports fell sharply by 34% to USD28.0 million from USD42.3 million in the previous year, reflecting reduced global demand and possible supply-side constraints. Meanwhile, exports of wooden furniture (HS 9403) remained relatively stable, decreasing marginally by 2% to USD8.2 million.

Other prominent exports in 2024 included logs (HS 4403) valued at USD7.6 million (an increase of 43% from 2023), seats and parts thereof (HS 9401) at USD5.1 million, and builders' joinery and carpentry (HS 4418) at USD4.8 million. Exports of plywood (HS 4412) showed a notable rebound, rising by 33% to USD3.2 million compared to USD2.4 million in 2023.

PERU: EXPORT OF TIMBER & TIMBER PRODUCTS, 2020-2024

Value: USD'000

Code	Product label	2020	2021	2022	2023	2024
4409	Mouldings	54,326	71,332	55,728	34,772	31,658
4407	Sawntimber	23,978	33,031	50,392	42,339	27,963
9403	Wooden Furniture	14,582	27,270	7,346	8,390	8,183
4403	Logs	156	845	4,421	5,343	7,612
9401	Seat and parts thereof	5,662	17,638	7,354	5,948	5,056
4418	Builders Joinery & Carpentry	3,969	3,968	3,714	5,224	4,794
4412	Plywood	2,552	3,068	3,323	2,404	3,206
4415	Packing cases	42	101	285	2,249	1,353
4420	Wood marquetry and inlaid wood	1,008	812	1,427	1,677	1,346
4408	Veneer	916	1,282	1,484	1,629	1,175
4414	Wooden Frame	458	2,219	624	322	415
4421	Other articles of wood, n.e.s.	210	169	168	221	307
4419	Tableware and kitchenware, of wood	155	278	203	169	204
4410	Chipboard/Particleboard	13	19	25	312	163
4411	Fibreboard	17	58	2	48	64
4402	Wood Charcoal	0	0	8	1	18
4405	Wood wool; Wood flour	0	0	11	7	10
4401	Fuel Wood	11	25	24	20	7
4416	Casks, barrels, vats, tubs	0	3	0	4	6
4413	Metalised wood or other densified wood	5	2	0	1	1
4406	Railway sleepers	0	0	0	4	1
4417	Tools, tool bodies, tool handles	1	13	9	2	1
4404	Hoopwood, Split polis, Piles	0	0	0	41	0
	TOTAL	108,061	162,133	136,548	111,127	93,543

Source: ITC stats

Peru exported its timber and timber products (HS 44) to 89 countries in 2024, with exports totalling at USD80.3 million. France emerged as Peru's leading export destination for timber and timber products, with shipments valued at USD14.2 million in 2024, accounting for 18% of total HS 44 exports. France has consistently maintained strong demand for Peruvian

mouldings and sawntimber, driven by its use in furniture manufacturing and interior fittings. China ranked second with USD11.3 million, followed closely by the Dominican Republic (USD11.2 million), Mexico (USD10.1 million), and the United States (USD9.7 million). Together, these top five countries accounted for 71% of Peru's total timber exports in 2024.

PERU: EXPORT OF TIMBER & TIMBER PRODUCTS (HS CODE 44) BY COUNTRY, 2020-2024

Value: USD'000

RANK	COUNTRIES	2020	2021	2022	2023	2024
1	France	8,633	22,816	18,080	14,114	14,204
2	China	37,081	36,585	24,273	19,919	11,267
3	Dominican Republic	5,135	9,225	18,141	11,777	11,191
4	Mexico	8,730	8,697	13,521	13,676	10,063
5	United States of America	6,002	10,191	8,518	7,190	9,697
6	Viet Nam	3,040	5,265	10,709	5,990	7,859
7	Denmark	4,913	4,313	6,162	3,160	2,899
8	Belgium	2,679	5,220	7,504	4,093	2,756
9	Chile	447	697	694	2,422	1,591
10	Ecuador	1,468	2,773	2,206	4,764	1,074
	Others	9,689	11,441	12,033	9,683	7,703
	TOTAL	87,816	117,225	121,846	96,789	80,304

Source: ITC stats

In 2024, Bolivia remained the leading destination for Peru's export of seats and parts thereof (HS 9401), with shipments valued at USD2.9 million, accounting for 57% of Peru's total furniture exports. This was followed by the United States with USD0.7 million (13%) and Chile with USD0.6 million (11%). Other key destinations included Brazil (USD0.3 million), Ecuador (USD0.1 million), and Panama (USD0.1 million). Collectively, these six markets represented approximately 95% of Peru's total exports under HS 9401, underscoring the country's strong reliance on regional markets within Latin America and its established trade linkages with North America.

Overall, exports of furniture (HS 9401) decreased by 15% to USD5.1 million in 2024, down from USD5.9 million in 2023. The contraction was mainly due to weaker demand from Bolivia and the United States, which together accounted for about 70% of the decline. Nevertheless, exports to Brazil and Panama recorded notable increases from low bases, suggesting emerging opportunities in secondary Latin American markets. The data indicates that while Peru's furniture exports remain concentrated in neighbouring countries, modest diversification is beginning to take shape, supported by improving intra-regional trade connectivity and gradual recovery in regional construction and furnishing demand.

PERU: EXPORT OF FURNITURE (HS CODE 9401) BY COUNTRY, 2020-2024

Value: USD'000

RANK	COUNTRIES	2020	2021	2022	2023	2024
1	Bolivia	2,415	3,577	4,507	3,570	2,905
2	USA	750	1,258	1,314	1,135	675
3	Chile	2,086	12,232	895	670	558
4	Brazil	2	7	5	1	345
5	Ecuador	130	199	248	206	132
6	Panama	63	20	55	43	126
7	Colombia	112	148	190	59	65
8	Costa Rica	7	8	6	111	49
9	Spain	-	12	-	1	46
10	Italy	48	59	34	53	30
	Others	49	118	100	99	125
	TOTAL	5,662	17,638	7,354	5,948	5,056

Malaysia has no ranked from 56 countries

Source : ITC Stats, UN Comtrade

In 2024, the United States remained the leading destination for Peru's export of wooden furniture (HS 9403), valued at USD2.1 million, accounting for 25% of Peru's total furniture exports. This was followed by Chile and Bolivia, each importing USD1.3 million, while Ecuador and Colombia recorded imports of USD0.7 million and USD0.5 million, respectively. Collectively, these five markets contributed nearly 75% of Peru's total wooden furniture exports, reflecting the country's strong trade ties within the Americas. Although total export of wooden furniture declined slightly by 2% to USD8.2 million in 2024 compared to USD8.4 million in 2023, shipments to regional markets such as Panama, Guatemala, and Mexico showed notable growth, suggesting Peru's gradual diversification into neighbouring Latin American markets. The sustained demand from the United States and the recovery of orders from South American partners indicate that Peru's wooden furniture industry continues to hold competitive potential in medium-value product segments, particularly for home and office furniture made from sustainably sourced tropical timber.



PERU: EXPORT OF FURNITURE (HS 9403) BY COUNTRY, 2020-2024

Value: USD'000

RANK	COUNTRIES	2020	2021	2022	2023	2024
1	United States of America	2,425	2,229	2,548	2,056	2,058
2	Chile	9,265	21,527	802	966	1,349
3	Bolivia, Plurinational State of	1,205	2,129	2,111	2,134	1,290
4	Ecuador	305	267	642	1,592	691
5	Colombia	247	117	62	36	511
6	Panama	111	224	206	243	507
7	Guatemala	5	11	0	93	292
8	Italy	281	348	257	247	289
9	Mexico	294	8	7	155	249
10	Brazil	6	7	37	0	173
	Others	436	405	673	867	772
	TOTAL	14,582	27,270	7,346	8,390	8,183

Source: ITC stats



PERU'S IMPORTS OF TIMBER AND TIMBER PRODUCTS

In 2024, Peru's imports of timber and timber products increased by 16% to USD595.9 million, up from USD513.5 million in 2023. The top five imported products were chipboard/particleboard, wooden furniture, seats and parts thereof, plywood and fibreboard, which together accounted for over 85% of total timber imports. Imports of chipboard/particleboard recorded the largest category, rising slightly by 2% to USD171.8 million, driven by the strong performance of Peru's furniture and building sectors. Wooden furniture imports surged by 28% to USD131.8 million, and seats expanded by 27% to USD100.5 million, supported by growth in the commercial and hospitality sectors. Plywood imports also registered a moderate increase of 11% to USD53.0 million, while fibreboard imports rose by 8% to USD44.1 million.

PERU: IMPORT OF TIMBER & TIMBER PRODUCTS, 2020-2024

Value: USD'000

HS Code	Products	2020	2021	2022	2023	2024
4410	Chipboard/Particleboard	136,668	210,207	200,080	168,815	171,803
9403	Wooden Furniture	88,079	149,057	116,776	102,724	131,767
9401	Seat and parts thereof	69,386	120,949	89,102	79,048	100,503
4412	Plywood	45,622	53,162	51,647	47,906	53,009
4411	Fibreboard	40,114	73,432	58,842	41,022	44,124
4407	Sawntimber	36,010	55,239	48,450	31,064	41,780
4403	Logs	10,488	9,380	12,084	13,341	21,327
4421	Other articles of wood, n.e.s.	5,542	7,780	8,271	9,275	8,946
4418	Builders Joinery & Carpentry	5,105	5,842	12,508	7,931	7,376
4415	Packing cases	4,155	4,644	7,171	2,662	4,137
4419	Tableware and kitchenware, of wood	1,512	2,380	3,050	2,041	2,677
4417	Tools, tool bodies, tool handles	1,923	3,053	2,738	2,151	2,458
4420	Wood marquetry and inlaid wood	1,291	1,798	2,082	1,857	2,252
4402	Wood Charcoal	67	171	292	385	721
4414	Wooden Frame	437	622	614	720	622
4401	Fuel Wood	1,388	811	467	311	616
4408	Veneer	2,738	3,176	1,310	1,147	526
4416	Casks, barrels, vats, tubs	169	527	227	264	402
4409	Mouldings	578	1,706	1,731	336	389
4406	Railway sleepers	636	282	169	411	226
4413	Metalised wood or other densified wood	21	4	120	76	115
4404	Hoopwood, Split polis, Piles	2	0	0	10	73
4405	Wood wool; Wood flour	8	23	12	9	11
	TOTAL	451,939	704,245	617,743	513,506	595,860

Source : ITC

China remained Peru's leading supplier of timber and timber products with an import from China valued at USD86.1 million in 2024. This was followed by Ecuador, Chile, Brazil and Spain. Malaysia was ranked 13th with an export value of USD1.9 million among a total of 81 countries supplying timber and timber products to Peru.

PERU: IMPORT OF TIMBER & TIMBER PRODUCTS (HS CODE 44) BY COUNTRY, 2020-2024

Value: USD'000

RANK	COUNTRIES	2020	2021	2022	2023	2024
1	China	57,052	77,834	79,272	72,240	86,139
2	Ecuador	47,465	72,521	74,842	76,199	73,799
3	Chile	77,698	95,937	97,316	64,323	71,247
4	Brazil	42,979	60,923	66,762	41,158	44,363
5	Spain	26,843	45,591	44,225	35,372	40,902
6	United States of America	8,494	8,952	7,577	10,395	15,719
7	Germany	5,786	10,622	10,575	5,148	5,574
8	Türkiye	4,978	17,515	7,308	7,470	5,489
9	Thailand	4,779	24,312	8,038	6,570	5,252
10	South Africa	0	0	0	1	2,820
13	Malaysia	2,048	1,434	557	2,850	1,947
	Others	16,349	18,601	15,392	10,009	10,346
	TOTAL	294,475	434,241	411,865	331,733	363,590

Source: ITC

*Malaysia ranked 13th from 81 countries

As for import of seats and parts thereof (HS 9401) in 2024, China retained its position as the top supplier to Peru, with imports valued at USD77.6 million, accounting for 77% of Peru's total imports under this category. This was followed by the United States with USD3.5 million, Brazil (USD3.1 million), Italy (USD2.1 million), and Spain (USD2.1 million). Malaysia was ranked 6th among 79 supplying countries, recording an import value of USD1.8 million in 2024.

PERU: IMPORT OF FURNITURE (HS CODE 9401) BY COUNTRY, 2020-2024

Value: USD'000

RANK	COUNTRIES	2020	2021	2022	2023	2024
1	China	54,215	105,185	69,632	59,238	77,596
2	United States of America	2,645	3,466	3,899	3,764	3,521
3	Brazil	997	1,822	2,619	2,433	3,082
4	Italy	1,942	1,675	1,919	1,936	2,071
5	Spain	840	665	748	1,129	2,065
6	Malaysia	1,195	1,190	1,121	1,294	1,845
7	Colombia	867	259	854	1,522	1,410
8	Mexico	1,474	736	921	1,026	1,319
9	Viet Nam	688	769	1,076	646	1,072
10	Germany	700	496	820	1,106	1,026
	Others	3,823	4,686	5,493	5,109	5,496
	TOTAL	69,386	120,949	89,102	79,203	100,503

Source: ITC

*Malaysia ranked 6th from 10 countries

Meanwhile, for the import of wooden furniture (HS9403) in 2024, China retained its position as the top supplier to Peru with a value of USD54.4 million, followed by Brazil (USD41.7 million), Spain (USD5.9 million), the USA (USD3.8 million) and Colombia (USD3.7 million). Malaysia was ranked 10th out of 79 countries with an export value of USD2.0 million in 2024.



PERU: IMPORT OF FURNITURE (HS CODE 9403) BY COUNTRY, 2020-2024

Value: USD'000

RANK	COUNTRIES	2020	2021	2022	2023	2024
1	China	30,578	58,995	46,770	41,718	54,375
2	Brazil	34,469	59,185	38,988	29,546	41,720
3	Spain	1,842	2,783	1,376	5,146	5,963
4	United States of America	3,037	2,584	3,286	4,280	3,806
5	Colombia	3,242	4,730	4,453	2,943	3,726
6	Chile	3,049	3,061	2,223	2,554	2,707
7	Germany	1,000	1,480	2,151	3,026	2,688
8	Mexico	1,441	1,022	2,053	1,484	2,571
9	Canada	439	2,313	2,499	2,239	2,243
10	Malaysia	1,064	1,534	1,633	1,753	2,006
	Others	7,917	11,373	11,341	8,035	9,963
	TOTAL	88,079	149,057	116,776	102,724	131,767

Source: ITC

*Malaysia ranked 10th from 79 countries

MALAYSIA'S EXPORTS OF TIMBER AND TIMBER PRODUCTS TO PERU

In 2024, Malaysia's export of timber and timber products to Peru increased by 15% to RM31 million, compared to RM26.9 million in 2023. Wooden furniture remained the main export product, at a value of RM20.1 million, followed by chipboard/particleboard at RM10.9 million. No exports of fibreboard or plywood were recorded in 2024.

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

Value: RM

Products	2020	2021	2022	2023	2024
Wooden Furniture	6,172,576	13,382,935	12,590,038	16,682,428	20,075,859
Chipboard/Particleboard	6,095,542	1,775,832	4,749,537	9,868,736	10,928,721
Fibreboard	873,268	0	0	0	0
Plywood	0	0	0	370,104	0
TOTAL	13,141,386	15,158,767	17,339,575	26,921,268	31,004,580

Source: MTIB/DOSM



MALAYSIA'S IMPORTS OF TIMBER AND TIMBER PRODUCTS FROM PERU

In 2024, Malaysia's total import of timber and timber products from Peru amounted to RM1.4 thousand. The main products imported were sawntimber, wooden furniture, and other wood products.

MALAYSIA: IMPORT OF TIMBER & TIMBER PRODUCTS FROM PERU, 2019-2024

Products	2020	2021	2022	2023	2024
Sawntimber	0	6,062	0	0	363
Wooden Furniture	0	0	0	0	209
Other Products	0	0	0	0	894
TOTAL	0	6,062	0	0	1,466

Source : MTIB/DOSM



IMPORT TARIFFS

Malaysia's import duties for timber and timber products under the Most Favoured Nation (MFN) generally range from 0% to 35%, with the highest tariff applied for plywood (HS Code 4412) at 25–35%. On the other hand, Peru's MFN for timber and timber products ranging from 0-6%.

Malaysia has ratified the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on 29 November 2022 and thus provided further impetus to trade with the other eight states that have ratified the deal namely Australia, Canada, Japan, Mexico, New Zealand, Peru, Singapore and Viet Nam. On the 8th year schedule, Malaysian exporters to Peru enjoy zero tariff, except for panel products which are chipboard/particleboard, fibreboard and plywood that are still subject to duties ranging up to 2.4%.

Meanwhile, in 2025 Peru exporters enjoys 0% tariff for all timber and timber products exported to Malaysia including wooden furniture.

PERU : TARIFF DUTY

HS Code	Products	MFN (%)		Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) (2025) (%)	
		Malaysia	Peru	Malaysia : Tariff Elimination Schedule	Peru : Tariff Elimination Schedule
4403	Logs	0	0	0	0
4407	Sawntimber	0	0	0	0
4408	Veneer	0	0	0	0
4409	Mouldings	0	0 - 6	0	0
4410	Chipboard/Particleboard	20	6	0	2.4
4411	Fibreboard	20	6	0	2.4
4412	Plywood	25 - 35	6	0	0 - 2.4
4414	Wooden frames	20	6	0	0
4418	BJC	5 - 20	0 - 6	0	0
9403	Wooden furniture	0	6	0	0

Source : WTO

OUTLOOK AND PROSPECT


Peru's construction sector is expected to continue its recovery in 2025 with a projected growth rate of 3.8%, following a strong rebound of 4.6% in 2024 after the sharp narrowing experienced in 2023. This growth is driven by increased private investments in mining and a sustained push by the government in transport, education, and renewable energy infrastructure. Public spending remains a key driver, with significant capital expenditure planned at both regional and local levels, including guaranteed allocations for investment projects in every municipality. A major transport infrastructure programme valued at approximately USD46 billion is scheduled for implementation through 2026, alongside various mining and railway megaprojects such as the Lima-Ica train. These developments are expected to support an average annual growth rate of 3.6% in the construction sector between 2026 and 2029. Timber products, especially sawntimber, continue to play an important role in Peru's construction industry, being widely used in formwork, framing, flooring, baseboards, and pallets. The growth in housing projects also supports rising demand for timber-based materials and household furniture.

The Peruvian furniture market continues to show steady growth, supported by ongoing urbanisation, higher household incomes, and changing consumer preferences. The sector is expected to grow consistently, with revenue projected to increase by about USD149 million from 2023 to 2027, reaching around USD832.8 million by 2027. The outdoor furniture segment alone generated USD34.87

million in 2024 and is expected to grow at an annual rate of 5.8% between 2024 and 2028, driven by increasing demand for durable and weather-resistant products. Both local and international furniture companies are benefiting from the expansion of retail infrastructure, the growing use of e-commerce platforms, and customer interest in comfortable, space-saving, and environmentally friendly designs. Demand for business and office furniture is also increasing due to the rising number of co-working spaces and commercial developments. While local manufacturing is growing, certain products such as revolving chairs are still mostly imported, especially from China. Government-backed initiatives have helped attract foreign investment and support local furniture producers, leading to more opportunities in the domestic market.

Malaysia can take advantage of Peru's positive market conditions through stronger trade relations under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). To succeed in this market, Malaysian timber exporters need to focus on offering competitive prices, good product quality, and reliable after-sales services. There is increasing demand in Peru for certified and sustainably sourced timber and furniture, especially among consumers who are more environmentally friendly. With many millennials planning to buy their first homes in the coming years, there is a growing need for functional, affordable, and eco-friendly furniture. Malaysian exporters should therefore focus on innovative products that meet these demands while ensuring legal and sustainable sourcing. This will not only help expand Malaysia's timber exports to Peru but also contribute to global efforts in promoting responsible trade and environmental sustainability.



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INDONESIA

To Grow, Furniture and Woodworking Industries Need The Latest Technologies

The General Chairman of the Indonesia Furniture & Craft Promotion Forum (IFPF), Erie Sasmito, is urging enterprises to adopt modern technology to expand business and improve global competitiveness. He stated that "Utilising the latest technology can make the industry more efficient and better equipped to handle tough global competition".

The Secretary General of the Indonesian Sawmill and Woodworking Association (ISWA), Choiril Muchtar, also added that only an estimated 24% of the industry's potential has been exploited.

He noted that new machinery and technology can help reduce raw material costs which typically make up 40% to 60% of total production costs, while simultaneously boosting productivity and product quality.

Source: <https://www.itto.int>, 31 August 2025



VIETNAM

Vietnam's Wood Industry Considers U.S. Production to Counter Tariffs

Vietnam's wood industry is exploring U.S. based manufacturing as a strategy to offset recently imposed American tariffs, according to industry officials.

Under a revised U.S. reciprocal tariff policy that took effect on August 7, 2025, Vietnamese wood products now face a 19.1% tariff, part of a broader 20% rate applied to imports from the country. Despite the higher cost, Vietnam remains a dominant supplier of wood and wood products to the U.S., which accounted for 55.9% of the nation's exports in the first seven months of 2025.

Ngo Sy Hoai, Vice Chairman and General Secretary of the Vietnam Timber and Forest Products Association (Viforest) stated that "The U.S. continues to be our most important wood export market". He also mentioned "For every 10 American women in the kitchen, four are using kitchen cabinets imported from Vietnam."

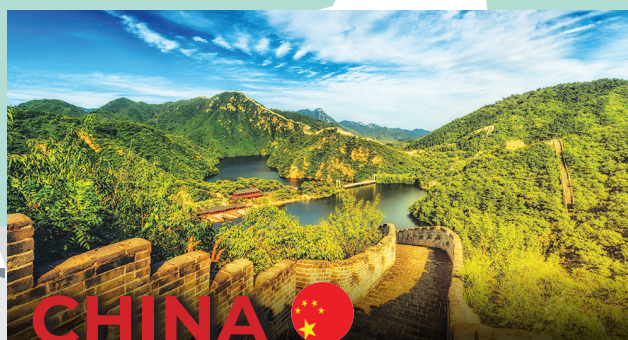
Vietnam's wood and wood product exports reached USD 9.67 billion in January to July 2025, up 8.3% year-on-year, contributing the largest share to the country's USD 11.52 billion trade surplus in agricultural, forestry, and fishery products, according to the Ministry of Agriculture and Environment.

In response to tariffs, Vietnamese companies are considering partnerships with U.S. firms to produce directly on American soil, leveraging skilled Vietnamese workers while mitigating the impact of tariffs. "A group of enterprises is seriously exploring this strategy," Hoai stated, noting that such moves would be difficult for individual companies to achieve alone.

Vietnam imports 70% to 80% of its timber materials, including USD 300 million to USD 400 million worth annually from the U.S., a figure the industry wishes to raise up to USD 600 million this year. According to Hoai, this could help reduce trade imbalances and provide a practical foundation for U.S. based production.

Beyond the U.S., Vietnam is also looking to expand wood furniture exports to Japan, where demand for finished products is rising. Hoai emphasized that refreshing existing markets, alongside exploring new ones, would require coordinated support from the government.

Source: <https://www.fordaq.com>, 21 August 2025



CHINA

Log Prices Hold Firm as Inventories Slip Below 3 million Cubic Metres

Log prices in China are holding at relatively firm levels for this time of the year, with the support of steady demand and tighter supply from New Zealand. At-wharf-gate (AWG) prices in New Zealand's Southern North Island ports were set at around NZD122/JAS for A-grade 3.9 metre logs in August, the highest

August spot level since 2018. In the Chinese market, wholesale prices for radiata pine middle A-grade eased RMB10/ m³ in late July versus June, while hemlock and spruce logs posted gains of RMB10-30/ m³.

Export flows have remained resilient. Log uplift from Chinese ports increased from 50,000 m³/day in early July to just under 60,000 m³/day, indicating a renewed momentum as the construction season begins. Traders expect sales prices to firm further into the fourth quarter, a period that typically sees an increase in historical prices, particularly as New Zealand supply remains constrained.

The recently launched log futures market in China is beginning to play a role in pricing dynamics. Around 115,000 m³ was delivered against futures contracts in July, its first month of operation, with industry participants expecting buyer activity in this channel to expand in coming months.

China's softwood log inventories at major ocean ports fell to 2.96 million m³ on August 2, 2025, down 4.2% (-131,000 m³) from late June. Radiata pine logs from New Zealand and Australia totalled 2.56 million m³, comprising nearly 86% of the overall inventory, up from 83% a month earlier.

Source: <https://www.globalwoodmarketsinfo.com>, 18 August 2025

Some of the important groups that showed month on month increases in prices were other manufacturing, machinery and equipment, other transport equipment, pharmaceuticals, medicinal chemical and botanical products, computers, electronic and optical products.

Some of the groups that witnessed a decrease in prices in June were manufactured basic metals, food products, fabricated metal products (except machinery and equipment), tobacco products, rubber and plastics products.

The price index for wood panels in June was unchanged from May. The sawnwood price index in June was down compared to a month earlier and there was also a decline in the index for veneers.

Source: <https://www.itto.int>, 31 August 2025



Sharp Fall in Roundwood Purchases in Finland

In July, purchases of industrial roundwood from Finnish private forests were 36% lower than in the same month last year. Compared to the five-year average for July, purchases fell short by 13%.

For the third consecutive month, purchase volumes were significantly lower than last year. However, volumes earlier in the year were so high that the cumulative timber trade for January to July was only 3% below last year's level. It still exceeded the five-year average by 10%.

Roundwood prices declined in standing sales in July. The average prices of pine and spruce logs fell by 2% compared to June, while the price of birch logs dropped by 4%. Prices for pulpwood decreased by 3% to 4% respectively. In delivery sales, prices remained stable or rose slightly.

In July, over one-third less industrial roundwood was purchased compared to last year. The cumulative purchase volume for January to July was 3% lower than last year but exceeded the five-year average by 10%.

Source: <https://www.fordaq.com>, 25 August 2025



Sawnwood and Veneer Price Indices Delined in June

The annual rate of inflation based on the all-India Wholesale Price Index (WPI) was -0.13% in June. The negative rate of inflation in June 2025 was primarily due to decreases in the price of food articles, mineral oils, manufactured basic metals and crude petroleum and natural gas.

The index for manufacturing declined by 0.07% to 144.8 in June 2025 from 144.9 for May 2025. Out of the 22 NIC two-digit groups for manufactured products, 11 groups witnessed an increase in prices, 6 groups a decrease and 5 groups witnessed no change in prices.



Brazil Back in Expansion After Six Months

Brazil's timber sector returned to growth in July after six months in the doldrums, according to the latest Global Timber Index (GTI) report. The ITTO-supported GTI tracks the performance of the timber sector in pilot countries.

The GTI for Brazil stood at 50.8% in July, back above the 50% threshold, indicating an upward trend in its timber sector. The GTI for Ghana (75.8%) remained in positive territory for the seventh consecutive month, suggesting sustained improvement. Despite heavy rains, Thailand (53.4%) also posted growth for the second consecutive month.

However, the GTI for China (48.7%) fell back into contraction territory after four months of growth, and the readings for Gabon (45.4%), the Republic of the Congo (42.4%), Mexico (36.7%), and Malaysia (29.6%) remained in contraction territory, suggesting an overall decline in the timber business in those countries.

GTI sub-indices showed that both Thailand and Ghana saw significant increases in harvesting volume as compared to the previous month, wherein, China's timber production-maintained growth for a fifth consecutive month. Meanwhile, Brazil's domestic market improved significantly. As for Mexico, its export market stabilised again after a temporary decline in June.

In July, the United States of America adjusted tariffs on imports from several countries. For example, the tariff was reduced from 36% to 19% for Thailand. However, the White House announced an additional 40% tariff on Brazil, raising the total tariff to 50%.

According to the GTI-Brazil focal point, the most significant impacts on the timber sector are on processed wood products from planted forests, which are not included in exemptions outlined in the relevant US executive order.

The latest edition of the GTI report also surveys progress toward sustainable forest management, including developments in Ghana and Malaysia related to EU market regulations.

In its series of case studies on good practice for legal and sustainable timber trade, the July report showcases sustainable forest management based on community governance in Mexico.

The GTI platform has conducted a comprehensive supply-demand survey, targeting its sample enterprises in ten pilot countries, with the main findings presented.

Source: <https://www.itto.int>, 19 August 2025



Canada to Give Lumber Industry Up to C\$1.2 Billion In Aid to Cope With US Duties

Canada will provide up to C\$1.2 billion (USD 870 million) to help softwood lumber producers deal with U.S. countervailing and anti-dumping duties, Prime Minister Mark Carney said on Tuesday.

Carney, speaking to reporters in the Pacific province of British Columbia, said Ottawa would make up to C\$700 million available in loan guarantees and also provide C\$500 million to help speed product development and market diversification.

The United States, which has for decades accused Canada of dumping lumber on the domestic market, imposes both anti-dumping and countervailing duties on imports of timber used in house construction. Canada denies it is dumping wood.

The dispute is an irritant in broader talks between the United States and Canada on a new economic and defense relationship. U.S. President Donald Trump hiked tariffs on some Canadian imports to 35% last week after negotiators failed to meet an August 1 deadline.

Last month the U.S. Commerce Department said it was almost tripling anti-dumping duties on most Canadian softwood to 20.56%. Canadian officials say they expect that when these are added to higher countervailing charges due to be announced shortly, total duties will rise to 34.5% from 14.5%.

Source: <https://www.reuters.com>, 8 August 2025



UNITED STATES

US Hardwood Lumber Exports to Mena Up 11% in First Half of 2025

There has been an 11% year-on-year increase in the volume of US hardwood lumber exports to the Middle East and North Africa (MENA) region, including Pakistan, for the first six months, according to the American Hardwood Export Council (AHEC).

As per the updated figures from the United States Department of Agriculture (USDA), the total shipments reached 45,369 cubic meters, valued at USD 37.78 million, up 8% when compared to the same period in 2024.

The UAE retained its position as the region's leading market, with stable demand for American species. Egypt, Lebanon, and Israel posted strong double-digit growth, while Algeria and Bahrain recorded significant percentage increases from smaller bases, it stated.

Conversely, Turkey and Saudi Arabia experienced declines in both value and volume, reflecting local market adjustments, it added.

According to AHEC, red oak remained the top US species shipped to MENA, thus accounting for a substantial share of overall exports.

Other prominent species included white oak, walnut, and ash, with notable ash volumes continuing to find strong uptake among Turkish manufacturers involved in thermal modification. Tulipwood shipments also maintained a steady presence in several markets.

Roderick Wiles, the AHEC Regional Director, said: "While performance varied across individual markets, the first half of 2025 clearly demonstrates the enduring strength of MENA's appetite for premium, sustainably sourced American hardwoods."

Roderick Wiles also stated, "In particular, the UAE, Egypt, Morocco and Lebanon are charting robust growth paths, fuelled by dynamic design trends, ongoing infrastructure investment, and a growing commitment to environmentally responsible materials."

Source: <https://www.fordaq.com>, 21 August 2025



GHANA

Ghana Issues Africa's First Forest Law Enforcement, Governance and Trade (FLEGT) Timber Licence

Ghana today officially launched the Forest Law Enforcement, Governance and Trade (FLEGT) licence, making it the first African country and the second globally after Indonesia to issue this licence. This historic milestone solidifies Ghana's leadership in sustainable forest governance and legal timber trade.

The launching ceremony follows the successful go-live of Ghana's FLEGT licensing system on Friday, August 15 2025, marking the beginning of verified, legal timber exports.

The launch marks the culmination of about 16 years of reform, collaboration and investment across Ghana's forest sector, including the ratification of 131 Timber Utilisation Contracts (TUCs) by Parliament last month, the final regulatory hurdle that cleared the way for implementation.

A FLEGT licence certifies that timber and timber-related products exported to the European Union (EU) are legally harvested and processed in accordance with Ghanaian laws. Products covered by a valid licence automatically comply with the EU Timber Regulation (EUTR), ensuring seamless access to the EU market while eliminating the risk of illegal timber trade.

More than 350 industry operators have been trained in the licensing process, ensuring smooth transactions for international buyers.

This major roll out also positions Ghana to meet broader international obligations, including compliance with the EU Deforestation Regulation and commitments under global climate change frameworks. It further affirms Ghana's readiness to supply FLEGT-licensed timber to the EU, eliminating additional due diligence for buyers and strengthening Ghana's position as a frontrunner in sustainable forest governance.

Source: <https://globalwood.org>, 19 August 2025



GLOBAL

Furniture (and Lumber) in Crosshairs as Trump Sets 50-Day Tariff Deadline

On August 22, 2025, President Donald Trump set a 50-day deadline to slap sweeping tariffs on imported furniture, vowing to bring manufacturing jobs back to America's heartland. In a post on Truth Social over the weekend, Trump said the move triggered by a federal investigation into timber and wood products will target foreign-made goods and revive industries in states like North Carolina, South Carolina, and Michigan.

Politico cited an unnamed White House official who said that "Trump was referring to the Commerce Department's Section 232 investigation under the 1962 Trade Expansion Act, launched in March, which covers timber, lumber, and wood products, including furniture," which comes after trade officials agreed to a 15% ceiling on all lumber imports covered in the draft EU-U.S. Agreement Framework.

The directive comes amid a new push by the administration to increase tariffs on a range of imported goods, including copper, semiconductors, and pharmaceuticals. But furniture particularly timber-based products have emerged as a central focus, with China and Vietnam, the top two sources of imported furniture, facing the steepest penalties.

According to U.S. Commerce Department data, both countries exported a combined USD12 billion worth of furniture and fixtures to the United States last

year. It comes as tariff hikes have already begun to affect pricing. Furniture and bedding costs, tracked by the Consumer Price Index, rose 0.4% in June and 0.9% in July, reversing a two-and-a-half-year trend of deflation. Office, recreation, and patio furniture saw even sharper increases, with prices climbing 1.5% in May, 1.6% in June, and 1.5% in July.

Trump's Tariffs Could Hit 90% of IKEA Products

In April, Wood Central reported that just 10% of IKEA products sold in the United States are manufactured domestically, making the world's largest furniture retailer particularly vulnerable to Trump's tariffs. Wood Central understands that Inter IKEA, the company's U.S. division, relies heavily on overseas sourcing far more than its European and Chinese counterparts. And while 70% of IKEA's European products are sourced from European forests, and 80% of its Chinese inventory is manufactured locally, the U.S. division's top five sourcing markets include Poland, Italy, Lithuania, Germany, and China. Germany is now subject to a 20% tariff, while Chinese imports face a 34% duty.

Industry experts warn that the structure of the tariffs could disproportionately affect high-volume, low-value goods used in furniture, cabinetry, and other structural applications. "Absorbing a 10% tariff is one thing," said a supply chain analyst familiar with the matter. "But factoring in a 20% to 40% tariff without passing on increased prices to consumers is challenging."

Trump's strategy is aimed at boosting domestic timber production and manufacturing, but it presents complications for multinational firms like IKEA, which are committed to sourcing FSC-certified timber. IKEA is the world's third-largest timber consumer, responsible for roughly 1% of global lumber demand. Yet only 14.7 million hectares of U.S. forests are certified under the FSC scheme. The Sustainable Forestry Initiative (SFI), the U.S. equivalent under the PEFC system, covers approximately 33 million hectares. 

Source: <https://woodcentral.com.au>, 25 August 2025





Why the future of shipping platforms lies in collaboration, not control



It is not every day that a supply chain technology heavyweight announces a new game. But that is what happened when Chicago-based project44 introduced its latest platform, the next-generation Movement. The press release promised a “Decision Intelligence Platform” that would automate and orchestrate global supply chains with a flick of an AI wand. But how does it stack up against alternatives, and how does it fit into the messy, fragmented reality of global supply chains and shipping?

With the new Movement with Decision Intelligence, project44 is promising to go beyond seeing where your box is to tell you what to do about it, and in some cases, do it for you. AI agents clean up messy data, spot disruptions, and even book or reroute shipments. Ford, Eaton, Home Depot, Magna—big names are already singing its praises, with stories of fewer “where’s my order?” calls and comforting on-time delivery stats.

Movement is a proprietary platform. It is project44 that is in control, and you are along for the ride. That is fine if you are a Fortune 500 shipper with a global footprint and a healthy IT budget. But what about the rest of the industry—the small and mid-sized forwarders, the inland terminals, the ports in emerging markets? Enter the Virtual Watch Tower, or VWT, a very different “democratic” beast that has quietly been making waves from Singapore to Scandinavia.

VWT is not a product you buy; it is a public digital backbone, built by the industry for the industry. Born in the shadow of TradeLens’s demise, VWT was designed from the ground up as a federated, neutral platform, governed by neutral research institutes in Europe and Asia: RISE, A*STAR’s IHPC, VTT, and TalTech. The plan is to transfer the approach and tools to a to-be-established charity with a two-tier governance structure, developed by experts at Gothenburg

University. The solution developed is VWTnet, scheduled to go live in 2026. What is VWT’s secret sauce? Ports, carriers, customs, and even driver-owner operators get access to the same real-time truth, not a filtered version provided by a single vendor.

The difference is not just philosophical; it is practical. Take the Oulu-to-Australia case: a shipment of Finnish timber hits a storm, threatening to miss its transshipment in Zeebrugge. In the old world, each party would scramble in isolation, emails and messages flying. With VWT, everyone from the ship’s captain to the port operators can see the same disruption alert, the same ETA, and the same recommendation. The captain speeds up, the port adjusts its window, and the cargo makes its connection.

“So, does Movement make VWT obsolete? Hardly. If anything, the two are natural complements. VWT is the open plumbing, the shared language, the neutral ground where data flows. Movement is the AI-powered control tower and workflow engine. Plug Movement into VWT, and you get the best of both worlds: rich, trusted data and the tools to act on it.”

The lesson? The future belongs to platforms that can play nicely with others, bridging the gap between proprietary innovation and public infrastructure. Movement is probably a step forward, but it is not the only step the industry needs. Ultimately, the supply chain is too large, too complex, and too critical for any single company to control significant portions of it. The real revolution will come not from a single platform, but from the connective tissue that lets them all work together. Watch this space.

Trump's tariffs delay fuels shipping uncertainty

The global shipping industry is grappling with heightened uncertainty following further tariff announcements from president Donald Trump.

Initially set for July 9, the deadline for implementing increased tariffs for most of the world bar China, Mexico and Canada has been extended to August 1. This extension aims to provide additional time for negotiations with countries yet to finalise trade deals with the US, the White House has said with just the UK and Vietnam resolving their trade issues with the Trump administration thus far.

Talks with big trading areas such as the European Union and India are still in progress. The uncertainty surrounding these negotiations is causing importers to reassess their supply chains and inventory strategies with potential tariffs reaching up to 70% on imports from countries lacking new trade agreements with the US come the start of next month.

In response to the looming tariffs, many importers are exploring alternative strategies to mitigate potential cost increases. One such approach involves rerouting Chinese exports through Southeast Asian countries like Vietnam and Indonesia. However, the US has imposed a 40% levy on goods moved through Vietnam to counteract such practices. Additionally, importers are increasingly utilising bonded warehouses within the US to delay duty payments until merchandise is sold, allowing for better cash flow management amidst unpredictable trade policies.

The uncertainty surrounding tariff implementations has led to fluctuations in shipping rates and alterations in trade routes.

"For the first time in 2025, it is now more expensive to ship a 40-foot container from Asia to North Europe than to the US West Coast. Spot rates on Asia-US routes have declined for the third consecutive week while rates on the Asia to North Europe route have improved, driven by tighter capacity and successful rate increases," broker Braemar noted in a container report published today.

China-US west coast rates are now down to \$2,089 per feu, a steep drop from the spike of \$5,606 per feu just four weeks ago.

"In an industry, where the duration of the supply chain is measured in months, long-term planning is critical. Yet the regulatory uncertainty makes such planning de facto impossible, presently," analysts at Sea-Intelligence noted in their latest weekly report, adding: "In this unpredictable environment, US importers are likely to tread with caution."

Mediterranean Shipping Co (MSC), the world's largest container line, has made the first move to withdraw excess capacity on the transpacific route with Linerlytica, another container shipping consultancy, reporting on the suspension of MSC's Pearl service that connects Cai Mep, Haiphong, Nansha, Hong Kong, Yantian, Xiamen, Long Beach.

Splash 247_7 July 2025



Westports gets cargo lift from Gemini shift, trade turmoil



Westports Holdings Bhd's container volumes are estimated to be higher in the second quarter of 2025 (2Q 2025) compared to 0.6 per cent recorded in the 1Q 2025 due to the start of the Gemini Cooperation shipping alliance from Feb 1, 2025, according to CGS International Securities Malaysia Sdn Bhd (CGS MY).

It said the volume growth resulted in a one-off boost to Westports' trans-shipment (t/s) volume in the first three months of 2025, as Hapag-Lloyd reshuffled its boxes when it joined Gemini and got a permanent boost to Westports' t/s volumes.

"Two of Evergreen's container shipping services were relocated to call at Westports instead of Port of Tanjung Pelepas (PTP) from April 1, 2025 (Evergreen relocated five services from PTP to the Port of Singapore)," it said in a research note today.

CGS MY said Evergreen's move was directly linked to the higher t/s volumes that Gemini's Maersk and Hapag-Lloyd have given to PTP due to Gemini's transition to the hub-and-spoke model.

It also opined that Westports' t/s volumes for 2Q 2025 were boosted by the US trade war with China, which started on April 2, 2025, but was largely suspended for 90 days on May 14, 2025.

It added that the collapse in US-China trade in April caused shipping lines to redeploy their vessels to other trades, but US-China shipping capacity was reinstated after mid-May as US import demand returned.

"The whiplash vessel deployments resulted in greater t/s moves at both Port Klang and Singapore, according to Westports," it said.

“CGS MY said a modest 3.4 per cent year-on-year (y-o-y) recovery to 11.19 million t/s in 2026 is expected, further accelerating to 5.5 per cent y-o-y to 11.80 million t/s in 2027, as manufacturers' efforts to move production out of China to Southeast Asia in light of the US trade war against China would begin to positively impact Malaysia's containerised volumes.”

"Y-o-y growth in Average Revenue Per Teu (ARPT) and sequentially stronger container volumes in 2Q25F to be potential share price rerating catalysts for Westport," it said.

Meanwhile, CGS MY stated that the 15 per cent rise in port charges from July 15, 2025, would also boost Westports' 3Q 2025 results.

"Downside risks include the potential for the US to resume punitive trade tariffs on global economies (ex-China) after the 90-day reprieve ends on July 8, 2025, and a possible global recession that could impact the volumes on all container trade routes," it added.

Bernama_7 July 2025

Malaysia's MMC Port lines up cornerstone investors aiming for October IPO, sources say



MMC Port Holdings aims to finalise its cornerstone investor lineup as early as August, ahead of a planned listing on Bursa Malaysia (BMYS.KL), opens new tab in October that could raise over \$1.5 billion, two sources with knowledge of the matter told Reuters.

The IPO would be Malaysia's biggest since IHH Healthcare's (IHHH.KL), opens new tab \$2.1 billion debut in 2012, and Southeast Asia's largest since Indonesian tech firm Bukalapak (BUKA.JK), opens new tab raised \$1.5 billion in 2021, according to LSEG data.

The country's biggest port operator, a wholly owned unit of conglomerate MMC Corp, is in talks with more than 20 potential cornerstone investors, the sources said.

Cornerstone investors are typically large institutional funds that commit to buying shares before an IPO opens to the public.

A strong lineup is expected to bolster confidence in the offering and lift sentiment in Malaysia's IPO market, which, according to LSEG, raised \$751.2 million in the first half of 2025, up 17.9% from a year earlier.

Both domestic and global institutions are involved in the discussions, including BlackRock (BLK.N), opens new tab, UBS Asset Management, Malaysia's largest fund manager Permodalan Nasional Bhd (PNB), and the Employees Provident Fund (EPF), the country's biggest pension fund, the sources said.

The sources declined to be named as the information is private and discussions are ongoing. MMC Port and its parent company did not immediately respond to an emailed request for comment on Monday. BlackRock, PNB and EPF also did not immediately respond. UBS declined to comment. Reuters reported in February that MMC Port's IPO could raise more than 6 billion ringgit in the second half of 2025.

The company, which operates five ports along the Straits of Malacca, one of the world's busiest shipping lanes, filed a draft prospectus with the Securities Commission Malaysia in late June without specifying the IPO size or timeline. According to the filing, MMC Port posted a 9.2% drop in 2024 net profit to 636.6 million ringgit, despite a nearly 10% rise in revenue to 4.36 billion ringgit. Proceeds from the IPO will go to MMC Corp, which plans to divest up to a 30% stake in its port unit. MMC Port will not receive any funds from the listing.

Reuters_28 July 2025



NATO warns of surging state-linked cyber threats targeting ports

Ports are facing a deluge of cyber attacks from state-backed hackers, according to a new policy brief from NATO's Cooperative Cyber Defence Centre of Excellence (CCDCOE). Handling 80% of world trade and underpinning NATO's logistics chain, ports are now "magnets" for cyber aggression from Russia, Iran, and China, as well as ransomware gangs and politically motivated hacktivists, the report warns.

The brief outlines an increasingly aggressive threat landscape. Russian GRU-linked APT28, Iranian groups like APT35 and MuddyWater, and Chinese operations such as Mustang Panda are all actively targeting port systems—including access control, vessel traffic services, and fuel terminals.

Meanwhile, ransomware attacks and DDoS campaigns continue to hit major European terminals, with groups like BlackCat and NoName057 inflicting trouble in Hamburg, Antwerp, and Felixstowe. The civil-military divide is compounding the crisis: most ports are under private ownership, yet serve dual military functions with little integration into NATO's cyber defences.

“The CCDCOE calls for urgent reforms—updating NATO's maritime strategy, boosting intelligence-sharing, and embedding cyber training in NATO exercises—to prevent future digital blockades at the world's docks.”

Singapore faced a major cyber threat over the weekend, with coordinating minister for national security K. Shanmugam confirming a serious attack targeting the city-state's critical infrastructure. Authorities attribute the assault to UNC3886, a sophisticated, state-linked espionage group with potential ties to China. The breach, classified as an advanced persistent threat, aimed at high-value systems including energy grids, transport networks, and financial institutions, risking disruptions to essential services like power, ports, and airports.

Splash 247_23 July 2025

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m ³)	% change June 25/ July 25
	m ³	% Change	m ³	% Change	m ³	% Change	m ³	% Change	m ³	% Change		
Sawn Timber	38,706	41	4,008	-17	571	55	699	7	4,642	70	48,626	35
MDF	7,394	-11	0	0	1,880	-12	366	2	0	-100	9,640	-11
Mouldings	17,491	13	22	100	1,854	61	2,173	53	285	239	21,824	20
Plywood	1,002	-12	0	0	78	-61	397	-34	8,676	-1	10,153	-5
Veneer	249	-36	0	0	0	-100	0	0	616	-70	249	-36
Particleboard	15,337	68	0	0	29	100	0	0	7,454	33	22,819	55
Total	80,178	30	4,030	-16	4,411	14	3,635	20	21,673	13	113,927	23



LOGS

The timber price in July 2025 showed a decreasing trend compared to last month. Heavy hardwoods log like Chengal recorded the price at RM2,920/tonne, Balau was priced at RM3,710/tonne and Red Balau at RM2,132/tonne. In the medium hardwood category, the price for Keruing remained the same compared to last month at RM1,930/tonne. Meanwhile the price for Kempas increased by 2% to RM1,553/tonne, Mengkulang decreased 6.4% to RM1,656/tonne and Kapur decreased 5.9% to RM1,755/tonne. For light hardwoods, the price of Dark Red Meranti was RM1,700/tonne decreased by 3.7%, Jelutong decreased to RM1200/tonne, Sepetir to RM1,177/tonne and Nyatoh to RM1,357/tonne, while for other species the price remained the same compared to the previous month. As for rubberwood, the price decreased by 0.5% to RM 203/tonne as compared to the previous month.



PLYWOODS

In July 2025, the plywood price segment showed a decreasing trend compared to the month before. The prices for 6mm sheets decreased by 0.3% to RM26.08/sheet, 9mm sheets decreased 0.8% to RM38.00/sheet and 12mm sheets decreased by 0.9% to RM48.95/sheet.



MEDIUM DENSITY FIBREBOARD

In July 2025, the MDF price segment remained the same compared to the previous month. The prices for MDF of 4mm thickness was RM12.90/piece, 6mm thickness was RM23.95/piece, 9mm thickness was RM31.70/piece while 12mm ones were RM37.80/piece.



SAWNTIMBER

In July 2025, the price for Chengal sawntimber decreased to RM5,473/m³ in the General Market Specification (GMS) grade, while the price for the scantling category remained at RM6,356/m³ and the price for strips decreased to RM2,754/m³. This was followed by Balau with its GMS grade price decreased to RM3,043/m³ and scantlings remained at RM4,590/m³. As for medium hardwood, timber species such as Keruing increased at RM3,119/m³ for GMS, scantling (RM2,495/m³) and strips (RM2,354/m³). Meanwhile, for Kempas, the price for GMS was (RM2,166/m³), scantling (RM1,783/m³) and strips (RM2,454/m³). The price of rubberwood sawntimber in July 2025 amounted to RM1,240/m³ for 1" x 1", RM1,315/m³ for 2" x 2", RM1,400/m³ for 3" x 3" and RM1,460/m³ for 4" x 4".



TRADE IN MALAYSIA-JULY 2025

In July 2025, commerce between Sabah and Sarawak with Peninsular Malaysia totalled at 9,974 m³, with a value of RM8.98 million. Sabah remained the top contributor to the trade value with Peninsular, recording a trade value of RM3.33 million (1,567 m³) for plywood, followed by sawntimber with RM0.67million, veneer (RM0.91 million) and logs (RM1.50 million). Meanwhile for Sarawak, the trade value for plywood was RM1.77 million while sawntimber was RM0.79 million.



*AVERAGE DOMESTIC PRICES OF LOGS, SAWN TIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA					
RINGGIT MALAYSIA					
JULY 2025					
SPECIES	LOGS/ton	SAWN TIMBER/m³			
	18" UP	GMS	STRIPS		SCANTLINGS
HEAVY HARDWOOD					
Chengal	2,920	5,473	2,754		6,356
Balau	3,710	3,043	1,718		4,590
Red Balau	2,132	2,737	2,101		2,419
Merbau	2,850	3,754	3,225		3,725
Mixed Heavy Hardwood	1,122	1,326	1,128		1,243
MEDIUM HARDWOOD					
Keruing	1,930	3,119	2,460		2,495
Kempas	1,553	2,166	1,783		2,354
Kapur	1,755	1,746	1,271		1,685
Mengkulang	1,656	1,192	1,365		1,871
Tualang	1,383	1,730	1,518		1,766
LIGHT HARDWOOD					
Dark Red Meranti	1,700	2,083	1,942		3,337
Red Meranti	1,933	1,777	2,016		2,531
Yellow Meranti	1,627	1,531	1,365		1,801
White Meranti	1,667	2,024	1,801		1,600
Mersawa	1,425	2,013	1,306		2,154
Nyato	1,357	1,774	1,807		1,201
Sepetir	1,177	1,801	1,601		1,283
Jelutong	1,200	2,101	1,571		1,819
Mixed Light Hardwood	1,223	1,266	1,083		1,112
MALAYSIAN RUBBERWOOD Hevea brasiliensis	LOGS/ton	SAWN TIMBER/m³			
		1" x 1"	2" x 2"	3" x 3"	4" x 4"
	203	1,240	1,315	1,400	1,460
PLYWOOD 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	19.50	26.00	38.00		48.50
MDF 4' X 8' (RM per piece)	4mm	6mm	9mm		12mm
	12.90	23.95	31.70		37.80

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

* Prices are only indicative

INTRA-MALAYSIA TRADE

	June 2025		July 2025		% change in volume	% change in value
	Vol(m ³)	Val(' 000 RM)	Vol(m ³)	Val(' 000 RM)	JUNE/JULY	JUNE/JULY
Sabah						
Logs	0	0	5,000	1,500	100	100
Sawn Timber	277	491	325	677	17	38
Plywood	1,464	3,005	1,567	3,334	7	11
Veneer	414	838	510	911	23	9
Sarawak						
Logs	0	0	0	0	-100	-100
Sawn Timber	140	201	552	794	295	295
Plywood	771	719	2,021	1,770	162	146
Veneer	0	0	0	0	0	0

Source: Department of Statistics Malaysia
Tabulated: Malaysian Timber Industry Board



Hopea Subulata

Malaysia's Critically Endangered Treasure of Rawang Bypass

Prepared by: Puan Nurhananie Athira Mohd Saiful Rizal



The Rarest Merawan of Peninsular Malaysia

In the heart of Selangor, within the Kanching Forest Reserve, stands one of Malaysia's rarest and most critically endangered tree species, *Hopea subulata*. Locally, it is known as Merawan Kanching or Giam Kanching. This tree is more than just a botanical curiosity. It represents a living reminder of Malaysia's rich yet fragile forest heritage.



A Tree with Deep Cultural Roots

The local names given to this species carry cultural depth and ecological meaning. Merawan comes from a Malay phrase that means "as high as the clouds", reflecting the impressive height these trees can achieve. 'Giam' refers to trees with strong trunks and branches, highlighting the durability that has made *Hopea* timber highly valued. The name Kanching directly connects the tree to its only natural home, the Kanching Forest Reserve in Selangor.



Botanical Characteristics and Habitat

Hopea subulata belongs to the *Dipterocarpaceae* family, the same family that includes many of Southeast Asia's most valuable timber species. Unlike some of its towering relatives, this species grows to a more modest size, with trunks reaching about 32 cm in diameter.

It is also hyperendemic, meaning it exists in only one location on Earth. Its habitat is the lowland dipterocarp forests of Kanching, a type of ecosystem that has been steadily shrinking due to urban expansion. The tree's extremely narrow distribution makes it highly vulnerable to environmental changes.



Conservation Status: On the Edge of Extinction

In 2010, *Hopea subulata* was classified as Critically Endangered on the Malaysia Plant Red List, placing it in the highest category of extinction risk. Its survival is threatened by urban development, habitat

fragmentation and the fact that its population is extremely small and localised.

Although the species is no longer harvested for timber, its rarity means that conservation rather than utilisation is the only way forward.



Timber Properties and Traditional Uses



Density

The timber is soft to moderately hard, with an air-dry density ranging from 335 to 980 kg/m³.



Natural Durability

It is considered to be moderately durable.



Texture

The texture is moderately fine to slightly coarse, with interlocked grain. The sapwood is lighter in color and gradually merges into the heartwood, which is characterized by a bright yellow or orange hue.



Strength Properties

According to Burgess (1958), the timber falls into Strength Group C.



Machining Properties

The timber works easily and finishes well, making it suitable for woodworking applications.



Air Drying

It is reputed to dry well, although slight checking and warping may occur.



Shrinkage

Shrinkage values are relatively high, with radial shrinkage averaging 1.3% and tangential shrinkage averaging 3.2%.



Uses

Due to the rarity of the species, large-scale exploitation is not feasible. However, when available, the timber is suitable for plywood, flooring, furniture, ornamental items, and panels.

Other species in the Merawan group are known for producing valuable timber. These woods are durable, workable and traditionally used for construction, furniture making and even boat building.

Hopea subulata, however, is fully protected because of its critical conservation status. Preserving it in its natural environment is far more important than any commercial value it might once have had.



The Rawang Bypass Story: A Landmark in Conservation

Hopea subulata is closely tied to the story of the Rawang Bypass, a highway that cuts through Selangor's forested hills. Originally, the project was planned as a ground-level road that would have divided and damaged the forest, including the habitat of Merawan Kanching.

The Department of Environment stepped in and recommended a different approach. Engineers redesigned the project into a 2.7-kilometre elevated viaduct, allowing the road to bypass the most sensitive parts of the forest. This decision spared the remaining trees and preserved the ecosystem that supports them. Today, the Rawang Bypass is more than an engineering landmark. It is also a symbol of how development and environmental protection can coexist, with *Hopea subulata* standing quietly beneath as a reminder of what was saved.



Looking Forward: A Fragile but Valuable Legacy

Hopea subulata stands as both a symbol of Malaysia's extraordinary natural heritage and a reminder of how quickly biological treasures can vanish. Protecting its habitat in Kanching, strengthening conservation research and raising public awareness are the keys to ensuring its survival.

The story of Merawan Kanching shows that the true value of a tree is not only in its timber, but also in its place within a fragile ecosystem. With continued efforts, there is hope that future generations will still witness these rare trees reaching for the clouds in Selangor's forests.



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4 - 6 AUGUST 2025

Malaysian Commercial Timber Species Identification Course in WISDEC, Sabah

4 - 8 AUGUST 2025

Workshop on the Manual of Procedures for Registered Graders' Offences and Workshop on Improvement of Timber Import Export Regulations (TIER)

14 AUGUST 2025

Launching Ceremony of Independence Month and Kibar Jalur Gemilang Kementerian Perlindungan & Komoditi

14 - 16 AUGUST 2025

Audit Technique Workshop – MTIB CB Internal Auditor (ISO/IEC17065) & MTIB Internal Auditor (ISO 9001)

18 - 20 AUGUST 2025

Workshop on Audit and Monitoring Techniques for Bamboo Species Plantations Under the Program Pembangunan Community Farming Buluh (PPCFB)

18 - 19 AUGUST 2025

Technology Transfer Course for Gaharu Production

21 AUGUST 2025

Courtesy Visit to the Headquarters of the Fire and Rescue Department of Malaysia (JBPM)

25 AUGUST 2025

Brainstorming Session on Issues and Challenges of the Biocomposites Industry