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MTIB CONSULTATION SESSIONS ON TIMBER TRANSIT CONTROL WITH PORT AUTHORITIES AND PORT COMMISSIONS

**Advanced Structural Wood Plastic
Composite (WPC) for Sustainable
Housing - "Rumah FAST Rakyat"**

**The Green Sprint:
How the Batai Tree is Powering
Malaysia's Sustainable Timber Future**



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PUBLISHERS

MALAYSIAN TIMBER INDUSTRY BOARD

Level 13 - 17, Menara PGRM, 8,
Jalan Pudu Ulu, Cheras,
56100 Kuala Lumpur, Malaysia
603-9282 2235
603-9200 3769/9283 9792 (Faks)
info@mtib.gov.my
www.mtib.gov.my





MTIB CONSULTATION SESSIONS ON TIMBER TRANSIT CONTROL WITH PORT AUTHORITIES AND PORT COMMISSIONS

Prepared by: Puan Sunita Muhamad

The Malaysian Timber Industry Board (MTIB) has undertaken a series of strategic consultation sessions with Port Authorities and Port Commissions across Peninsular Malaysia as part of its continuing effort to strengthen the control and monitoring of timber transit operations at selected major ports. This initiative reflects MTIB's commitment towards enhancing regulatory compliance, improving monitoring effectiveness, and supporting a more coordinated and transparent management of the national timber supply chain.

- Port Klang Authority on 16 January 2026
- Johor Port Authority on 27 January 2026
- Penang Port Commission on 23 February 2026
- Kuantan Port Authority on 12 March 2026

This series of engagements demonstrated MTIB's comprehensive approach in ensuring a more coordinated implementation of timber transit control measures across key ports in the country. The sessions focused on several main objectives, including:

- ✓ Reviewing the current status of timber transit handling and monitoring at ports
- ✓ Identifying operational challenges and compliance-related issues associated with timber transit movements
- ✓ Enhancing mutual understanding between MTIB and the Port Authorities/Port Commissions on their respective roles, responsibilities and jurisdictions
- ✓ Exploring practical improvements to existing control mechanisms to support compliance with established legal provisions and standards.

The sessions also served as an important platform for technical discussions on the operational implementation of timber transit control, including consignment flow, documentation requirements, coordination arrangements,

and the strengthening of inter-agency monitoring mechanisms. Operational issues on the ground, as well as the need for greater procedural standardisation, were also deliberated to support a more efficient, consistent and integrity-driven control system.

MTIB records its appreciation for the cooperation extended by the Port Authorities and Port Commissions throughout these consultation sessions, particularly through the sharing of information, statistics and technical input relating to existing timber transit management procedures. The active participation of technical officers directly involved in port operations and compliance matters also contributed to the effectiveness of the discussions and to the development of constructive recommendations for strengthening strategic cooperation.

Overall, the consultation sessions resulted in clearer alignment between MTIB and the relevant port authorities on the implementation of timber transit control, while also strengthening inter-agency coordination in related operational areas. The initiative supports broader efforts to enhance the integrity of monitoring systems, improve compliance with existing regulatory requirements, and promote the sustainable governance of Malaysia's timber industry.

The sessions were attended by representatives from enforcement and border control agencies, including the Royal Malaysian Customs Department, the Malaysian Border Control Agency, as well as relevant port operators. The involvement of these stakeholders reinforced a more collaborative and integrated approach to ensure that timber transit control is implemented in an effective, systematic and comprehensive manner.

MTIB remains committed to strengthening timber transit governance through continuous engagement with port authorities and relevant agencies. This is in line with MTIB's aspiration to establish a more efficient, transparent and integrity-driven control framework in support of the sustainable development of Malaysia's timber industry.



Consultation Session with Johor Port Authority



Consultation Session with Penang Port Commission



Consultation Session with Port Klang Authority



Consultation Session with Kuantan Port Authority

Advanced Structural Wood Plastic Composite (WPC) for Sustainable Housing— “Rumah FAST Rakyat”

Prepared by: ChM. Ts. Dr. Loh Yueh Feng

Introduction

The construction sector is currently challenged by a dual crisis: the environmental impact of carbon-heavy materials and the economic burden of raw material price hikes. The “Rumah FAST Rakyat” initiative aims to revolutionise social housing by introducing a “Quick to Build, Easy to Own” model. The innovation is built upon the **FAST** framework: **F**riendly (eco-conscious), **A**ffordable, **S**ystem (IBS-based), and **T**echnology (advanced bio-composites).



Front View of Rumah FAST Rakyat

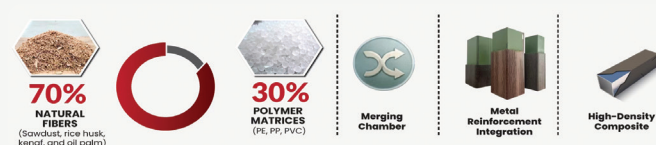


Back View of Rumah FAST Rakyat

Methodology and Material Composition

The core innovation lies in the engineering of a hybrid bio-composite profile:

- Natural Fibres (70%):** This is sourced from renewable agricultural waste, including sawdust, rice husk, kenaf, and oil palm biomass.
- Polymer Matrix (30%):** Thermoplastics such as Polyethylene (PE), Polypropylene (PP), or Polyvinyl Chloride (PVC) act as the binding agent.
- Metal Hybridisation:** Unlike conventional WPC, this material is hybridised with metal to enable structural load-bearing capabilities for pillars, beams, and roof trusses.



Performance Highlights

Research indicates that Metal-Reinforced WPC offers superior resilience compared to traditional materials:

- Climate and Disaster Readiness:** The material is inherently waterproof and moisture-resistant, making it ideal for rural and flood-prone areas where traditional wood would rot and concrete would absorb moisture.
- Biological Resistance:** The composite is 100% immune to termite attacks and fungal decay, significantly reducing long-term maintenance costs.
- Carbon Sequestration:** The system locks carbon within the natural fibre components, effectively acting as a carbon sink throughout the building’s lifecycle.



Installation of Metal-Reinforced WPC on Beam and Roof Truss

The construction industry faces a dual crisis of escalating material costs and high carbon emissions from traditional cement and steel production. *Rumah FAST Rakyat* addresses these

Carbon Sequestration:
Low carbon emissions throughout the lifecycle, storing carbon within wood

Climate Resilience:
Inherently waterproof, moisture-resistant, and weather-durable.

Biological Resistance:
100% immune to termite attacks and fungal

Disaster Ready:
Ideal for rural and flood-prone areas due to superior moisture resistance.

Industrial Building System (IBS) and Commercial Validation

Rumah FAST Rakyat utilises a pre-fabricated IBS model that drastically reduces on-site construction time:

-  **Efficiency:** A complete 800 sqft home can be assembled within a one-month period.
-  **Labour:** The system reduces dependency on highly skilled labour, as semi-skilled workers can be trained as proficient installers.
-  **Commercial Validation:** The technology is validated by industry partner Perceptive Profile Sdn. Bhd.

Advantages



Environment friendly



Long life span



Cost saving



Waterproof



High durability



Termites and insect resistances

Case Study: Daerah Bera, Pahang

To validate the research in a real-world setting, a prototype was successfully constructed in Daerah Bera, Pahang. This model features an 800 sqft layout comprising:

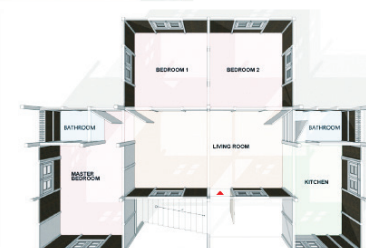
-  three bedrooms (including a 139 sqft Master Bedroom)
-  living room, kitchen, and two bathrooms
-  external components including WPC wall panels and louvres.

Project Showcase



Project Showcase: Daerah Bera Pahang

To demonstrate real-world viability, the first prototype was successfully constructed in Daerah Bera, Pahang, serving as landmark for high-performance, low-carbon bio-composite housing in modern Malaysian architecture.

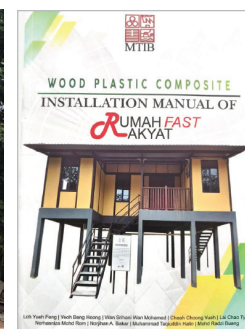


Floor Plan Specifications (800 sqft):
 Master Bedroom: 139 sqft.
 Bedroom 1 & 2: 100 sqft each.
 Living Room: 204 sqft.
 Kitchen: 100 sqft.

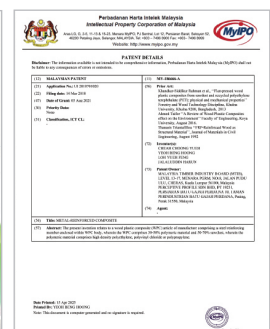


Conclusion

The development of structural Metal-Reinforced WPC represents a significant advancement in the national housing agenda. By integrating waste-valorization with advanced engineering, **Rumah FAST Rakyat** offers a cost-effective, disaster-resilient, and sustainable alternative to conventional masonry. This innovation positions Malaysia as a leader in green building technology and bio-composite applications.



Wood Plastic Composite:
Installation Manual of
Rumah FAST Rakyat



Malaysian Pattern

Prepared by: Puan Nurul Atiqah Shaharuddin



AHL Art Epoxy Furniture is a well-known Malaysian woodworking and epoxy brand specialising in premium, custom-made solid wood and epoxy resin furniture. They are famous for their large live-edge Cengal and Merbau wood tables, river tables, and decorative resin pieces.

AHL Art Epoxy Furniture is fully owned by Bumiputera holders and was incorporated under the Companies Act 1956 on 26 June 2022. The business is proudly owned and spearheaded by Encik Ahmad Safariduan Mohamad, who operates the studio alongside two (2) dedicated workers. Demonstrating strong industry credibility, AHL Art Epoxy Furniture frequently collaborates with various government bodies, state departments, and institutional frameworks, including Kraftangan Malaysia, Terengganu State Government Departments, Terengganu State Education Department, Malaysian Timber Industry Board (MTIB) & the Prison Department.

They actively partner with MTIB and the Prison Department to conduct specialised training workshops and courses on epoxy furniture manufacturing and application for industry players and the community.

The combination of craftsmanship, premium materials, and modern design techniques delivers durable, artistic, and high-quality epoxy products tailored to each client's vision. Inspired by modern epoxy design studios and decorative flooring specialists, epoxy businesses commonly focus on custom artistic finishes, metallic epoxy systems, countertops, furniture, and protective coatings.

The brand enjoys a robust market presence and high demand, catering directly to individual buyers looking for bespoke home statement pieces. Government agencies across Peninsular Malaysia are looking for premium corporate or office installations.

VISION

Becoming an epoxy resin-based furniture company that can compete in the local and international markets in the future

MISSION

- Offer the best quality and reasonable price
- Custom-made furniture with us
- Creating proactive entrepreneurs
- Always maintain the quality of handicraft products

Product Catalogue:

Custom dining tables (up to 14-seaters), coffee tables, and unique epoxy wall clocks.

Signature Styles:

"River green," "Octagon Cengal Beach," and various metallic or pigmented resin pours combined with indigenous timber.

Workshops & Training:

AHL Art Epoxy frequently collaborate with government bodies (such as the Prison Department) and MTIB to conduct courses on epoxy furniture manufacturing and applications.

Why Choose AHL Art Epoxy Furniture?

- Premium quality materials
- Custom-made artistic designs
- Professional workmanship
- Durable and long-lasting finishes
- Affordable pricing
- Personalised customer service
- Modern and creative concepts



AHL Art Epoxy Furniture



1625- P Kampung Kota, Manir,
21200 Kuala Terengganu,
Terengganu Darul Iman



ahllartepoxyfurniture@gmail.com



+60 17 957 0757



le wan



Safaridzuan



AHL Art Epoxy Furniture

The Green Sprint

How the Batai Tree is Powering Malaysia's Sustainable Timber Future

The global timber market is undergoing a massive shift. As natural forests face stricter logging regulations to protect biodiversity, the wood-based industry is turning toward forest plantations. Through its rapid growth, strong commercial potential and environmental benefits, Batai is increasingly reshaping the future of the country's wood-based industry helping to ensure a continuous and sustainable timber supply.

As one of the solutions to overcome shortage of raw timber resource, the Batai Tree has been introduced under the Forest Plantation Development Programme (PPLH), which is managed by MTIB. The Batai tree, known as *Paraserianthes falcataria* is one of the fastest growing species and it is expected to drive sustainable timber production forward by developing commercial forests to ensure a continuous local timber supply. Backed by soft loans from MTIB to develop commercial forest plantation, Batai cultivation is successfully securing a continuous supply of local timber while drastically reducing logging pressures on pristine natural forests.

Botanical Architecture: A Sprint to the Canopy

Belonging to the legume family (Fabaceae), Batai tree holds a reputation as one of the fastest-growing tree species on earth. Under optimal tropical conditions, a young sapling can sprint up to 7 metres in height within its very first year. This rapid growth condenses the traditional hardwood harvest timeline of 30 to 50 years down to a highly efficient 8-to-10-year commercial rotation cycle.

The Batai tree develops a highly uniform structural architecture that contributes significantly to the efficiency of industrial plantation management and timber harvesting. Its main trunk grows straight and cylindrical, maximizing the recovery of usable sawlogs while displaying a smooth surface with a light grey to greenish appearance. The tree's canopy expands into a broad, umbrella-shaped crown that effectively blocks sunlight from reaching the forest floor, naturally suppressing the growth of competing weeds. Complementing this structure are its finely divided bipinnately compound leaves, which create a soft, feathery texture across the canopy. During flowering season, the tree produces small, brush-like blossoms in creamy white to yellowish hues that emit a distinctive fragrant scent, particularly noticeable at night.

Structural Wood Properties

Classified strictly as a light hardwood, Batai features a low air-dry density ranging from 220 to 430 kg/m³. Suited for heavy structural load-bearing beams, its lightweight profile provides specific manufacturing advantages. It is incredibly easy to kiln-dry, machine and peel into veneers. When layered with high-performance adhesives, this low-density wood transforms into exceptionally stable, lightweight engineered panels. Meant for heavy structural load-bearing beams, its low density yields massive advantages when layered with high-performance adhesives to create incredibly stable, lightweight plywood panels, blockboards and packaging materials.

Its low density allows the wood to absorb adhesives exceptionally well, making it highly suitable for engineered wood products such as plywood, blockboard, glued

laminated timber (Glulam) and cross-laminated timber (CLT). The wood also peels smoothly into large veneer sheets with minimal defects, reducing production waste and improving manufacturing efficiency.

Industrial Advantages: Why Batai is the Preferred Choice

As supplies of natural timber and rubberwood continue to decline, Batai has emerged as one of the wood-based industry's most practical and sustainable alternatives. Its fast growth, sustainability and versatile wood properties provide both economic and environmental advantages for manufacturers and plantation developers.

Superior Manufacturing Performance

- **Exceptional Bonding:** Due to its low resin and oil content, Batai wood possesses a uniform texture that absorbs adhesives remarkably well. This makes it a preferred choice for engineered wood products like Glued Laminated Timber (Glulam), Cross-Laminated Timber (CLT) and blockboard cores.
- **Clean Veneer Yields:** When processed using industrial rotary lathes, Batai produces large and continuous veneer sheets with minimal knot defects and grain tear-outs, significantly reducing the need for patching and sanding during manufacturing.
- **Odourless and Tasteless:** Once properly kiln-dried, Batai wood is completely neutral in smell and taste, making it safe and suitable for consumer products such as disposable cutlery, chopsticks, ice cream sticks and fruit crates.

Commercial Applications: From Pulp to Engineered Panels

Although Batai is lightweight and relatively soft in its natural form, it becomes structurally stable when layered, making it less suitable for heavy sawn timber but highly valuable as a core material for engineered wood composites and various consumer products, including:

- **Plywood & Veneer:** As the top application for industrial mills, when layered into multi ply panels (such as 7-layer structural plywood), its structural stability increases exponentially.
- **Blockboard & Particle Boards:** This serves as the ideal lightweight filler material for core blocks, medium-density fibreboards (MDF) and Oriented Strand Board (OSB).
- **Insulating Cement Boards:** Reconstituted wood chips are mixed with cement to produce moisture-resistant, lightweight and sound-insulating cement-bonded particleboards.
- **Pulp and Paper:** Its structural fibre length provides an incredibly high yield for industrial paper and packaging pulp.
- **Specialty Items:** Because it is lightweight and easy to carve, it is frequently used for picture frames, light shipping pallets, crates, interior moulding and artificial limbs.

Through the strategic implementation of the PPLH and its exceptional natural traits, the Batai tree has emerged as a key pillar of Malaysia's modern bioeconomy, proving that industrial development and environmental sustainability can grow together.



Malaysia's export of timber and timber products in February 2026 declined by 29% month-on-month to RM1.30 billion, compared with RM1.82 billion as recorded in January 2026. The weaker performance was mainly attributed to lower exports of wooden furniture (35%), builders' joinery and carpentry (BJC) products (31%), mouldings (27%) and fiberboard (26%). Exports of logs and sawntimber also recorded declines of 21% and 17% respectively. Plywood exports, however, remained relatively resilient with a smaller decline of 5%.

For the cumulative period of January to February 2026, total export of timber and timber products amounted to RM3.12 billion, representing a decrease of 13% compared with RM3.61 billion recorded in the corresponding period of 2025. The decline was mainly due to lower exports of wooden furniture (18%), mouldings (20%), chipboard/ particleboard (25%), wooden frame (20%) and BJC (11%). Fiberboard exports also contracted by 9%, while rattan furniture declined marginally by 9%. Despite the overall moderation, several products recorded positive growth, including sawntimber which increased by 18% to RM307.1 million, veneer which rose by 19% to RM10.8 million, plywood which expanded by 4% to RM361.5 million, and logs which grew by 5% to RM73.6 million. Wooden furniture remained the largest export earner, contributing RM1.30 billion or 42% of total export receipts during the period.

Despite the weaker export performance recorded in the first two months of 2026, prospects for Malaysia's timber industry remain cautiously optimistic, supported by continued global demand for value-added timber products, such as wooden furniture. Nevertheless, the industry continues to face significant external challenges arising from global trade uncertainty. In February 2026, the Supreme Court of the United States invalidated the use of the International Emergency Economic Powers Act (IEEPA) 1977 as the legal basis for imposing broad import tariffs, leading to the termination of the reciprocal tariff. Shortly after the ruling, the United States introduced a new 10% universal tariff under Section 122 of the Trade Act of 1974 for 150 days, effective from 24 February 2026 until 24 July 2026. The new tariff framework has continued to create uncertainty and additional cost pressures for exporting countries, including Malaysia.

At the same time, the escalating West Asia crisis since early 2026 has disrupted shipping routes, increased freight and marine insurance costs, and heightened volatility in global energy prices, indirectly affecting production costs and

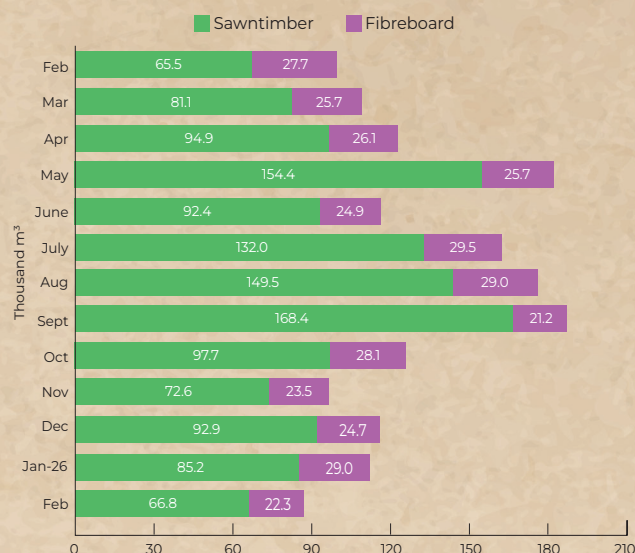
export operations within the timber supply chain. Under the current environment, Malaysia's timber export performance for 2026 is expected to remain moderate, with industry growth depending largely on the ability of exporters to diversify markets, improve operational efficiency, strengthen compliance with international trade requirements and maintain competitiveness amid evolving global trade and geopolitical conditions.

SAWNTIMBER

Total sawntimber exports in February 2026 declined by 22% in volume to 66,768 m³ and by 17% in value to RM138.9 million, compared to 85,239 m³ and RM168.2 million in January 2026. Cumulative sawntimber exports for January–February 2026 increased by 12% in volume to 152,008 m³ and by 18% in value to RM307.1 million, compared to 135,564 m³ and RM259.8 million in the same period of 2025.

In the European Union (EU), exports decreased by 9% to 3,594 m³ in February 2026 from 3,943 m³ in January 2026. Among member countries, the Netherlands declined by 15% to 1,301 m³, while Greece recorded a decline of 57% to 388 m³ and Germany registered an increase of 13% to 631 m³. Exports to other European markets, comprising solely to the United Kingdom, declined by 31% to 662 m³.

Malaysia: Export of Sawn Timber and MDF



In South Asia, shipments dropped significantly by 42% to 7,812 m³ from 13,549 m³ in January 2026. India declined buying by 47% to 2,910 m³, while Maldives and Sri Lanka also recorded contractions of 35% and 52% to 2,126 m³ and 1,687 m³, respectively.

Exports to West Asia decreased by 25% to 11,966 m³ from 15,850 m³. Shipments to the United Arab Emirates declined sharply by 42% to 3,470 m³, while Oman decreased buying slightly by 8% to 1,877 m³. However, exports to Yemen increased significantly by 77% to 3,431 m³, indicating a shift in demand within the region.

In East Asia, exports increased by 23% to 27,175 m³ from 22,111 m³ in January 2026, driven primarily by strong demand from China, which surged by 77% to 21,934 m³. However, exports to Taiwan declined sharply by 58% to 2,656 m³, while Japan decreased moderately by 14% to 1,996 m³.

Shipments to ASEAN markets fell significantly by 58% to 9,765 m³ from 22,964 m³. The Philippines recorded a steep decline of 96% to 432 m³, while Singapore and Thailand also decreased buying by 40% and 15% to 3,621 m³ and 4,906 m³, respectively.

Exports to Africa increased markedly by 85% to 3,379 m³ from 1,825 m³, supported by strong growth in Mauritius, with purchases increased by 342% to 517 m³, although shipments to South Africa declined by 15% to 1,340 m³.

Meanwhile, exports to North America decreased by 34% to 2,004 m³, mainly due to lower shipments to the United States, which declined imports by 34% to 2,004 m³.

Exports to Oceania/ Pacific also dropped significantly by 58% to 411 m³, with Australia decreasing its imports by 65% to 349 m³.

“From a pricing perspective, the overall average FOB price for sawntimber increased slightly by 6% to RM2,081 per m³ compared to January 2026. By species, the price of Keruing rose by 33% to RM3,215 per m³, while Dark Red Meranti (DRM) price increased by 31% to RM2,391 per m³. However, DRM exports to the Netherlands declined by 6% to RM3,061 per m³, while no trade was recorded for Redwood (UAE).”

European sawntimber markets remained cautious in February 2026, with overall price stability masking underlying uncertainty driven by geopolitical tensions, particularly the Iran conflict, which disrupted global freight markets. Nordic exporters continued to face high log costs, weak construction demand in Europe, and lingering impacts from Storm Johannes. Price movements were minimal and mixed. In Germany, spruce 44–50×150 mm price declined slightly (−0.77%), while spruce 50×100 mm price increased marginally (+0.80%), with other grades unchanged. France recorded a slight uptick (+0.81%) for spruce 44–50×150 mm, while the remaining grades were stable. Meanwhile, UK and Benelux markets were largely flat across all categories.

PLYWOOD

Export of plywood in February 2026 recorded a decrease of 2% in volume to 86,995 m³ and a 5% decrease in value to RM175.8 million as compared to the previous month. However, the cumulative exports for the period of January–February 2026 showed an increase of 3% in volume to 176,004 m³ and a 4% increase in value totalling at RM361.5 million over the previous corresponding period. The East Asia market recorded an increasing trend of 4% to 44,493 m³ from 42,749 m³ in January. Japan as the largest importer from the region reduced its buying by 7% to 37,303 m³. Both South Korea and Taiwan added up their purchases by 228% to 3,764 m³ and 118% to 2,910 m³ respectively. In the ASEAN region, import decreased by 32% from 4,368 m³ to 2,961 m³ compared to the previous month. Plywood exports to Viet Nam, Singapore and the Philippines recorded a declining trend of 41% to 873 m³, 27% to 912 m³ and 96% to 38 m³ each.

In the South Asia region, plywood purchases recorded an increase of 88% from 131 m³ to 245 m³. Maldives reduced its purchases by 54% to 42 m³ while India increased purchases by 311% to 163 m³. Pakistan resumed its purchases with 40 m³. The West Asia region recorded a decrease of 76% to 2,636 m³ from 11,151 m³ in the previous month. Yemen and the UAE reduced imports by 88% to 1,199 m³ and 80% to 133 m³ respectively.

“Moving to the EU region, intake by the region recorded an increasing trend for plywood with exports increased by 28% from 4,728 m³ to 6,053 m³. Italy increased its purchases by 53% to 1,953 m³ while Slovenia and Greece reduced their buying by 28% to 1,330 m³ and 65% to 235 m³ respectively. In other parts of Europe, export also recorded an increase of 40% to 7,409 m³ from 5,285 m³ as in the previous month. Plywood purchases by the UK dropped by 16% to 2,525 m³ while Turkiye improved buying by 115% to 4,883 m³.”

In the Africa region, plywood exports recorded an increase of 185% from 126 m³ to 359 m³ with purchases being solely from South Africa. The North America region also recorded an increase of 25% from 17,461 m³ to 21,825 m³. The USA as the main buyer improved purchases by 12% to 19,545 m³. Mexico and Canada made new purchases amounting to 2,202 m³ and 78 m³ respectively. In the Oceania/ Pacific region, the plywood export depleted by 66% from 3,011 m³ to 1,014 m³ with purchases from Australia amounting to 952 m³.

The FOB price of plywood for February 2026 was at RM2,021 per m³, a decrease of 3% from RM2,087 per m³ in the previous month.

According to Dodge Construction Network's February 2026 analysis, the USA construction spending remained relatively stable despite delays in official federal data reporting caused by the previous government shutdown. The estimated total construction spending was at a seasonally adjusted annual rate of approximately USD2.19 trillion in February 2026, representing a slight month-on-month decline of 0.1% but still recording a 1% increase compared to the same period in 2025. The construction sector continues to demonstrate resilience and steady project

activity amid broader economic uncertainty, supported by active infrastructure, residential and data-center-related developments. However, the industry also faces growing challenges, including rising construction input costs, elevated mortgage rates, geopolitical tensions and weakening non-residential construction activity in several sectors.

VENEER

Export of veneer in February 2026 decreased in volume by 45% to 1,986 m³ and by 18% in value to RM4.9 million as compared to the previous month. Meanwhile, the cumulative export for January-February 2026 showed an increase in both volume and value by 1% to 5,589 m³ and 19% to RM10.8 million over the previous corresponding period.

ASEAN recorded a decrease in veneer imports by 88% from 315 m³ to 39 m³. Singapore increased its purchases by 1800% to 38 m³ while Cambodia did not make any purchase for the month. In East Asia, exports decreased by 44% from 1,430 m³ to 801 m³. Japan and China reduced their veneer imports by 32% to 193 m³ and 86% to 78 m³ respectively. Meanwhile, Taiwan increased its imports by 24% to 489 m³. In the South Asia region, veneer sales also decreased by 88% to 88 m³ from 749 m³ in the previous month. India recorded an increase of 62% to 944 m³ while Bangladesh reduced its purchases by 39% to 102 m³.

“North America recorded a decline in imports by 89% from 858 m³ to 92 m³. Both the USA and Canada reduced their buying by 93% to 51 m³ and 59% to 41 m³ respectively. In the Africa region, South Africa resumed imports with 8 m³, while there were no imports from EU and Oceanic/ Pacific for the month.”

The average FOB price for veneer increased by 50% from RM1,647 per m³ to RM2,463 per m³ as compared to the previous month.

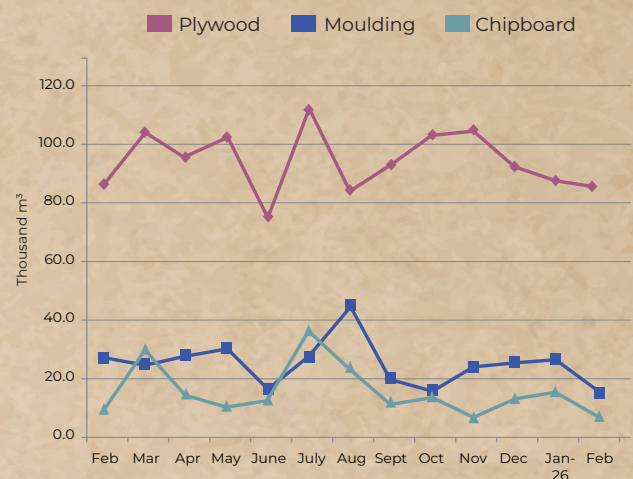
Singapore's construction industry is projected to expand by 4.5% in real terms in 2026, driven by stronger export performance, rising investments in data centres and advanced manufacturing, as well as accelerating infrastructure and energy development aligned with growing artificial intelligence (AI) demand. The sector is benefiting from improved economic momentum, with Singapore's non-oil domestic exports rising 8.6% in 2025, led mainly by electronics, pharmaceuticals and specialised machinery. Construction activity is also supported by higher contract awards and progress payments, which increased by 8.6% and 13.2% respectively in 2025, reflecting a healthy project pipeline and implementation rate. Over the longer term, the industry is expected to maintain an average annual growth rate of 4% between 2027 and 2030, underpinned by major public investments in rail expansion, renewable energy and green urban development. Key initiatives such as the expansion of the MRT network to 360km, enhanced cycling infrastructure and Singapore's strengthened solar deployment targets reinforce the country's long-term strategy to support sustainable urban growth and achieve net-zero emissions by 2050.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in February 2026 recorded a 23% decrease in volume at 22,334 m³ and a 26% decrease in value to RM44.1 million compared to the previous month. Likewise, cumulative export for the period of January-February 2026 recorded a declining trend of 19% in volume to 51,355 m³ and in value by 9% totalling at RM103.6 million as compared to the corresponding period in 2025.

MDF export to ASEAN decreased by 48% from 5,630 m³ to 2,948 m³ compared to the previous month. The Philippines, Indonesia and Viet Nam decreased their imports by 51%, 67% and 4% to 2,027 m³, 223 m³ and 656 m³ respectively.

Malaysia: Export of Major Timber Product
February 2025 – February 2026^a



East Asia purchases of MDF also recorded a decreasing trend by 28% from 13,674 m³ to 9,893 m³ compared to the previous month. Imports of MDF from Japan and Taiwan depleted by 29% to 9,306 m³ and 13% to 264 m³ respectively. Meanwhile, South Korea increased its purchases by 1% to 294 m³. Moving to the South Asia market, exports declined by 9% from 3,055 m³ to 2,788 m³. Export performance to Pakistan and Sri Lanka grew by 10% to 2,254 m³ and 50% to 321 m³ respectively. India reduced its buying by 73% to 197 m³.

“Exports to the West Asia region improved by 17% from 2,800 m³ to 3,287 m³ compared to the previous month. The UAE reduced its purchases to 2,768 m³ while Oman and Qatar resumed their purchases with 70 m³ and 449 m³ each. During the month, no import of Malaysian MDF were recorded from Europe and South America. However, in the Central America region, new MDF purchases of 68 m³ were registered in Guatemala.”

Exports to the Oceania/ Pacific region recorded an increase of 19% to 2,167 m³ from 1,819 m³. Australia improved sales by 14% to 2,080 m³ while New Zealand resumed its purchases with 87 m³. MDF imports in North America recorded a decrease of 47% from 2,018 m³ to 1,079 m³ compared to the

previous month. Purchases by the USA, Canada and Mexico declined by 61%, 20% and 41% to 455 m³, 391 m³ and 206 m³, respectively. Exports to the Africa region improved by 304% from 26 m³ to 105 m³ with sole purchases being from South Africa.

The average FOB price of MDF decreased by 4% to RM1,975 per m³ from RM2,050 per m³ in the previous month.

South Africa's construction industry continued to face significant headwinds in February 2026, despite a relatively stable macroeconomic environment marked by easing inflation and resilient consumer spending. Growth within the sector remained uneven, with household-driven renovation and maintenance activities providing limited support while broader investment-led construction activity, particularly in civil engineering and large infrastructure projects, continued to weaken amid declining project awards, subdued building approvals and constrained public-sector spending.

The industry also faced mounting structural challenges, including municipal inefficiencies, procurement bottlenecks, fiscal limitations and rising construction material costs, all of which have slowed project implementation and pressured contractor margins. Regionally, investment momentum remained concentrated in logistics and mixed-use developments, while infrastructure deterioration and governance issues in other regions, particularly the Eastern Cape, continued to hinder economic and construction activity. Overall, the sector's outlook points to a slow and fragmented recovery, with ongoing risks linked to weak infrastructure delivery, low private investment confidence and broader domestic and global economic uncertainties.

MOULDINGS

The moulding segment faced a significant contraction in February 2026, with both export volume and value retreating by 27% month-on-month to 16,127 m³ and RM48.3 million, respectively. This downward trend is mirrored in the year-to-date (YTD) performance; cumulative export volumes for the January–February period fell 9% year-on-year to 38,330 m³. More notably, export value saw a sharper 20% erosion over the same period, declining from RM142.7 million in 2025 to RM114.8 million in 2026.

Monthly data for February 2026 reveals a 3% expansion in ASEAN-bound exports, totalling at 1,012 m³ compared to 984 m³ in January. Singapore remained the primary driver, growing 2% to 942 m³. However, the East Asian region suffered a 27% slump, where volumes fell from 1,196 m³ to 874 m³. This regional retreat was underscored by an 18% volume reduction to 550 m³ in Japan and a minor 1% contraction to 324 m³ in South Korea.

“The South Asia region experienced a sharp contraction in February 2026, with export volumes plunging 63% month-on-month to 88 m³. This regional downturn was almost entirely attributable to the Maldives, which saw its intake reduce by 56% to settle at 88 m³ for the period. Meanwhile, intake from the UAE expanded significantly by 1,800% to 38 m³ in February 2026 from only 2 m³ in the previous month.”

Exports to the EU softened by 39% to 3,183 m³ in February 2026 compared to 5,198 m³ in January 2026. Exports to the Netherlands contracted by 30% to 1,644 m³ from 2,352 m³ in the previous month. Similarly, exports to France dropped by 35% to 582 m³ from 893 m³ in the previous month. Greece also reduced its purchases by 87% to 89 m³. Meanwhile, exports to the UK fell by 22% to 272 m³ for the month.

In the Oceania and Pacific region, total moulding exports softened by 46% in February 2026, decreasing to 749 m³ from 1,391 m³ as recorded in January 2026. This downturn was entirely driven by the Australian market, which accounted for nearly all the region's volume, as shipments to the country dropped by 44% to 749 m³. Meanwhile, total export to North America declined by 24% in February 2026, declining to 9,460 m³ from 12,439 m³ in January 2026. The deficit was driven by a 20% slide to 9,406 m³ in U.S. demand and a sharp 95% correction in Guadeloupe, where monthly volumes bottomed out at 30 m³.

In the Africa region, exports increased by 11% from 408 m³ to 452 m³ compared to the previous month. Exports to Mauritius contracted by 87% to 23 m³, while imports by South Africa decreased by 42% to 127 m³ for the month.

The average FOB unit value for mouldings in February 2026 increased by 0.1% to RM2,997 per m³ compared to RM2,993 per m³ in January 2026.

The Atradius report titled “Industry trends construction February 2026” provides a global and regional outlook for the construction sector, highlighting a shift toward growth driven by emerging markets, despite ongoing challenges like trade tariffs and labour shortages. Global construction output is forecast to grow by 2.3% in 2026 (up from 1.4% in 2025) primarily driven by emerging markets (+3.1%), while advanced economies expect a more modest increase of 1.5%. Residential construction is expected to increase by 2.6% as interest rate cutting cycles begin to take effect. Meanwhile, the civil engineering segment is forecast to grow by 2.5%, supported by government infrastructure projects. For the non-residential/commercial segment, this sector is lagging with only 1.6% growth due to business uncertainty and global trade issues. As for market growth, the US is expected to record a modest growth of 1.5% while the industry is being hindered by targeted tariffs on essential inputs like steel, aluminium, and copper, as well as a tight labour market. In China, a rebound of 2% is projected after a contraction in 2025, though insolvency risks in the sector remain above average. Activity in the Eurozone is expected to rise by 1.6%. However, credit risk remains high across most European markets, and liquidity issues continue to plague smaller firms. Demand in Southeast Asia remains stable, underpinned by government-led infrastructure, but profit margins are under pressure from intense competition and high commodity prices.

Tariff-related economic uncertainty is a major drag on commercial construction spending, while structural challenges in advanced economies such as the USA, Europe, Australia, and Japan are driving up labour costs, squeezing profit margins, and causing project delivery delays. In regions like the EU, strict sustainability targets add cost pressure, though they also create new opportunities as in “green” infrastructure. The construction sector continues to face elevated credit risks, particularly for SMEs struggling with high input prices and cautious bank lending. Technologies

like AI, drones, and offsite construction are being adopted to mitigate labour shortages, though high entry costs remain a barrier for smaller businesses. Government spending on energy transition and public works remains a key growth driver for the civil engineering segment globally.

BUILDERS JOINERY AND CARPENTRY (BJC)

In February 2026, BJC export performance faced a notable monthly contraction, with volumes retreating by 28% to 9.9 million kg and values sliding by 31% to RM84.6 million. While a year-on-year (YoY) comparison reveals a marginal volume increase of 0.3% to 23.8 million kg, export value fell by 11% over the same period, dropping from RM231.6 million in 2025 to RM206.2 million. This divergence suggests a significant softening in average unit pricing compared to the previous year.

Shipments of BJC to ASEAN for January – February 2026 declined to RM11.0 million, representing a 23% drop from RM14.3 million as recorded in 2025. Singapore, the main buyer in the region, reduced its purchases by 14% to RM6.9 million compared to the previous year. Exports to Thailand also dropped by 66%, totalling at RM0.8 million, while shipments to the Philippines increased by 5% to RM1.4 million.

The East Asia region saw a 6% aggregate decline in export value to RM9.6 million in January-February 2026. Performance among key partners was mixed where Japan maintained relative stability with a marginal 1% dip to RM7.5 million, while Taiwan's intake softened by 11% to RM0.7 million. Conversely, China emerged as a high-growth outlier, with exports climbing 51% to a record high of RM1.3 million.

Exports to South Asia experienced an improvement in market demand, with total exports growing by 2% to RM3.6 million. The growth was driven by significant importation from Bangladesh, which increased by 694% to RM0.3 million, whilst exports to India dropped by 5% to RM2.6 million. Similarly, exports to the Maldives decreased by 53% to RM0.3 million for the cumulative period of January-February 2026.

As for the West Asia region, the total export of BJC declined sharply by 93%, totalling at RM0.7 million as compared to RM9.8 million in the corresponding period last year. Bahrain resumed its purchases at RM0.6 million, while Kuwait improved its buying by 146% to RM0.1 million for the stated period.

The total export of BJC to the European Union region rose by 7%, increasing from RM49.1 million to RM52.5 million. This expansion was anchored by heightened demand from key western European economies. Shipments to Belgium increased by 3% to RM22.2 million, establishing it as a primary destination, followed by the Netherlands, where exports improved by 59% to RM20.3 million. Nevertheless, imports by Denmark declined by 22% to RM1.6 million for the stated period. Meanwhile, exports to other parts of Europe declined by 28% to RM17.3 million. This downturn was largely influenced by a reduced intake from the United Kingdom, which saw a 28% decrease to RM16.5 million. Trade with Norway experienced a steep decline of 54%, falling to RM0.5 million. However, this sub-region was not entirely devoid of growth, as exports to Türkiye resumed at RM0.3 million.

Regional performance in Oceania and the Pacific softened in February 2026, as total exports declined by 20% from RM38.4 million to RM30.6 million. Leading the downturn, Australia's purchases retreated by 16% to RM28.5 million, while New Zealand's intake saw a substantial 52% correction, ending at RM1.8 million. Bucking the regional trend, Papua New Guinea posted an 18% gain, contributing RM85.3 thousand to the monthly total.

“North America solidified its position as a critical strategic frontier for BJC exports during the January-February 2026 period. Although total regional shipments saw a marginal 1% contraction from RM80.5 million to RM80.0 million due to a 3% retreat in the United States to RM77.5 million, the aggregate figures mask a significant breakthrough in Canada. Exports to the Canadian market surged by an impressive 174%, reaching RM2.4 million and signalling a major diversification of the region's buyer profile.”

Shipments to Africa on the other hand decreased by 50% from RM1.8 million to RM0.9 million in January-February 2026. There was an increase of 34% in exports of BJC to South Africa, from RM0.7 million to RM0.5 million. Similarly, Morocco improved its purchases by 6% to RM0.3 million, while Kenya resumed its intake with RM0.1 million for the month.

According to FDM Asia, the global woodworking industry is undergoing a significant transformation driven by Industry 4.0 integration, sustainability mandates, and shifting consumer demographics. The sector is moving away from traditional artisanal methods toward a digitally enabled manufacturing discipline, balancing precision technology with environmental stewardship. It is forecast that the total wood manufacturing market will grow from USD476.7 billion in 2025 to USD490.4 billion in 2026. This expansion is primarily fuelled by increased mechanisation and rising demand in the construction and furniture sectors. The solid wooden furniture segment is projected to enter 2026 valued at USD6.03 billion, with a long-term CAGR of 4.8%, reaching an estimated USD8.36 billion by 2035. Meanwhile, the shift from isolated machinery to networked “Smart Factories” is now standard whereas advanced CNC systems and software-driven fabrication (CAD/CAM) have replaced manual templates. The adoption of collaborative robots (cobots) is rising, particularly in mid-sized facilities, for repetitive tasks such as panel loading, sanding, and part stacking. Smart factories are reporting an average 30% reduction in manufacturing cycle times and a 10% increase in line efficiency.

Sustainability has shifted from a peripheral concern to a core business mandate, driven by frameworks like the EUDR (EU Deforestation Regulation). Approximately 70% of buyers in key segments now prioritise sustainably sourced wood and are willing to pay a premium for verified environmental credentials. The industry is facing a structural shift in labour requirements. While manual tasks are being automated, there is an acute demand for a “technically fluent” workforce. Workers are now required to manage digital workflows, interpret real-time performance data, and oversee predictive maintenance. Traditional woodworking hubs (e.g., Malaysia) continue to face recruitment

challenges, accelerating the push toward automation to reduce reliance on manual labour. Meanwhile, trade policy uncertainty, fluctuating tariffs, and currency volatility remain the primary threats to global supply chains. Rising prices for raw timber and energy continue to pressure profit margins, necessitating “green” efficiency measures (e.g., using sawdust to fuel kilns). In addition, smaller firms unable to afford the high capital expenditure for automation risk being phased out by more efficient, high-tech competitors. With all the challenges in 2026, it looks like the success in the woodworking sector is no longer defined by craftsmanship alone, but by operational agility. Companies that integrate digital workflows and transparent, sustainable sourcing will be best positioned to capture growth in an increasingly eco-conscious global market.

FURNITURE

Malaysia’s export performance of wooden furniture remained subdued in February 2026 with total exports declining significantly by 35% to RM512.9 million, compared to RM791.7 million as recorded in the previous month. Cumulative exports decreased by 18% to RM1.30 billion in January–February 2026, compared to RM1.60 billion in the corresponding period of 2025. The contraction reflected softer demand in key traditional markets as well as ongoing global trade uncertainties.

At the regional level, ASEAN remained the largest market, although exports declined to RM179.8 million in January–February 2026, representing a decline of 4% from RM187.5 million in the corresponding period of 2025, with Singapore still the main destination at RM128.1 million despite a modest 2% increase. Performance within ASEAN was mixed, with Indonesia recording import growth of 12% to RM10.9 million, while shipments to the Philippines fell significantly by 29% to RM24.3 million.

East Asia exports contracted by 14% from RM90.0 million to RM77.4 million, driven largely by a sharp 21% decline in shipments to Japan to RM59.3 million, while Taiwan posted strong growth of 71% to RM11.0 million, partially offsetting the regional decline. South Asia, however, emerged as a key growth region, expanding by 48% from RM21.3 million to RM31.4 million, supported primarily by robust demand from India, which increased purchases by 54% to RM30.0 million.

In contrast, West Asia recorded a notable decline of 24% from RM94.1 million to RM71.1 million, weighed down by reduced exports to the United Arab Emirates by 31% to RM27.4 million and Saudi Arabia by 46% to RM20.9 million, despite strong growth in Iraq of 344% to RM6.7 million.

The Central Asia market remained relatively small but expanded from a negligible base to RM1.0 million, entirely driven by exports to Kazakhstan. Overall, the performance indicated a continued shift in demand patterns, with growth in selected emerging markets partially offsetting declines in established destinations amid a more challenging global trade environment.

Europe remained relatively stable overall, with the European Union increasing buying by 6% from RM52.8 million to RM56.1 million, supported by strong growth in Germany, where imports surged by 152% to RM14.3 million, and Spain,

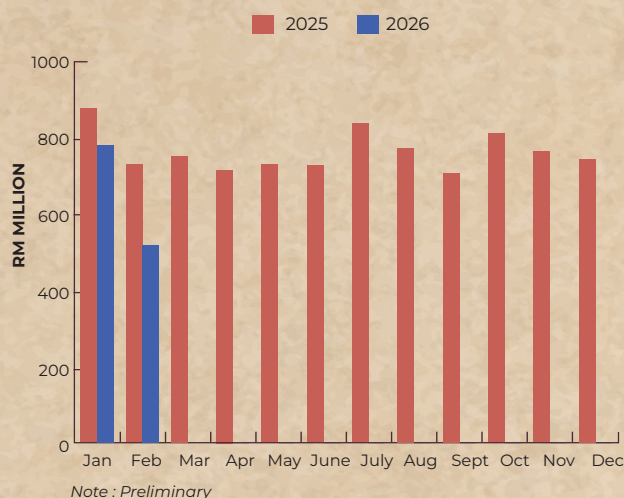
which expanded by 52% to RM8.2 million. However, exports to Belgium declined by 14% to RM6.9 million, partially moderating the region’s overall performance.

Other parts of Europe recorded a slight decline of 3% to RM84.2 million in January–February 2026, compared to RM86.8 million in the corresponding period of 2025, mainly due to weaker shipments to the United Kingdom, which remained the dominant market despite declining by 5% to RM78.1 million. In contrast, exports to Switzerland recorded a substantial increase of 751% to RM2.8 million. Meanwhile, exports to Georgia declined by 29% to RM2.0 million.

The Oceania/ Pacific region also contracted imports by 14% from RM83.56 million to RM71.9 million, driven largely by a 23% decline in exports to Australia to RM58.5 million, although this was partially offset by strong import growth in New Zealand, which rose by 84% to RM10.1 million, and Fiji, which increased significantly by 249% to RM1.2 million.

North America remained the largest export destination but recorded a significant decline of 27% from RM942.1 million to RM691.3 million, driven primarily by a 28% drop in exports to the United States to RM615.1 million, reflecting softer demand and heightened trade uncertainty. Exports to Canada also declined by 11% to RM57.1 million, while shipments to Puerto Rico recorded a more moderate decrease of 8% to RM9.5 million.

Malaysia: Export of Wooden Furniture



Exports to the Central America region fell sharply by 38% from RM7.3 million to RM4.5 million, mainly due to a substantial decline in exports to Guatemala, which dropped by 78% to RM0.5 million, and El Salvador, which decreased by 15% to RM1.2 million. However, exports to Costa Rica increased by 45% to RM1.3 million, partially cushioning the regional decline. South America, in contrast, recorded a positive growth of 15% from RM14.3 million to RM16.4 million, supported largely by a sharp increase in exports to Venezuela, which surged by 190% to RM2.9 million, despite declines of 9% to RM6.9 million in Chile and 35% to RM1.7 million in Peru.

Africa recorded a modest import increase of 3% from RM18.8 million to RM19.4 million, supported by higher exports to South Africa, which rose by 13% to RM7.1 million, Réunion Islands up by 32% to RM2.0 million and Kenya surging by 146% to RM1.6 million.

Malaysia's export performance of rattan furniture remained moderate in February 2026, with total export recording a slight decline of 4% to RM76,108, compared to RM78,910 in the previous month. Cumulative exports declined by 9% to RM155.0 thousand in January–February 2026, compared with RM171.2 thousand in the corresponding period of 2025, reflecting softer and more uneven demand across key markets. At the regional level, ASEAN remained the dominant market, although exports contracted by 20% from RM126.0 thousand to RM100.5 thousand. Singapore continued to be the largest destination within the region at RM54.6 thousand, despite a decline of 8%, while Thailand recorded a sharp contraction of 47% to RM23,075. In contrast, the Philippines posted a marginal increase of 2% to RM22.6 thousand which indicated relatively stable niche demand.

In the first two months of 2026, Malaysia's rattan furniture exports to Oceania/Pacific recorded a decline of 10% to RM30.1 thousand compared to RM33.5 thousand in the corresponding period of 2025. Australia remained the dominant market in the region, although exports fell significantly by 22% to RM26,065. In contrast, exports to New Zealand emerged from a nil base in the previous year, reaching RM4.1 thousand in January–February 2026, suggesting a modest diversification of demand within the region. Papua New Guinea remained inactive during the period, with no recorded exports.

No exports of rattan furniture to North America, South America, Central America, or Africa in both periods were recorded, indicating that Malaysia's rattan furniture trade continues to be highly concentrated in a limited number of markets, particularly within ASEAN and selected parts of Oceania. Overall, the performance in Oceania reflected a mixed trend, with declining demand from established

markets partially offset by emerging shipments to smaller destinations such as New Zealand resumed export by RM4 thousand during the period, albeit from a low base.

“According to the Convington Report, in February 2026, the United States experienced a major shift in its trade policy framework following a landmark ruling by the U.S. Supreme Court whereby the Court ruled that the International Emergency Economic Powers Act (IEEPA) does not possess legal authority for the imposition of tariffs, effectively invalidating all tariffs previously imposed under that mechanism. This decision led to the immediate termination of IEEPA tariff measures. In response, the U.S. administration introduced a new global tariff under Section 122 of the Trade Act of 1974, implementing a temporary tariff of 10% effective 24 February 2026.”

In the context of the timber sector, the introduction of the 10% Section 122 tariff created additional cost pressure and uncertainty for exporters, particularly those with significant exposure to the U.S. market such as Malaysia. The sudden policy shift disrupted established pricing structures and added a new layer of import cost on key downstream products including wooden furniture, builders' joinery and carpentry, and other value-added timber products. Although the tariff is temporary in nature, it has heightened market volatility and may affect order flows, profit margins, and competitiveness in the short term as exporters adjust to the revised U.S. tariff regime and evolving trade policy landscape.




KEMENTERIAN PERLADANGAN
DAN KOMODITI


LEMBAGA PERINDUSTRIAN
KAYU MALAYSIA


**KAYU
MALAYSIA**
Standing on Excellence

**A nature's blessing
that evokes
memories to last.**



Transition Towards Sustainable and Traceable Timber Industry



Overview

Thailand, officially known as the Kingdom of Thailand, is widely recognised as one of Southeast Asia's most dynamic and strategically positioned economies. Commonly referred to as the "Land of Smiles," Thailand is among the few developing nations in the region that was never colonised, enabling the country to preserve its political independence and cultural identity throughout its historical development. Strategically located at the centre of Mainland Southeast Asia, Thailand covers an area of approximately 513,120 square kilometres and has an estimated population of 71.5 million in 2026. The country serves as a major regional hub for trade, manufacturing, tourism, logistics, and investment, supported by its strong connectivity to neighbouring ASEAN markets including Malaysia, Myanmar, Laos, and Cambodia.

Bangkok, the capital and largest city, functions as Thailand's primary commercial, financial, and administrative centre. The city hosts the headquarters of major domestic and multinational corporations, financial institutions, and government agencies. Bangkok is also consistently ranked among the world's most visited cities, internationally recognised for its vibrant tourism industry, cultural landmarks, hospitality sector, and diverse culinary offerings. The country possesses an extensive network of international airports, deep-sea ports, highways, industrial estates, and logistics facilities that support both domestic economic activities and international trade. The government continues to invest significantly in transportation modernisation, digital transformation, renewable energy, and smart manufacturing initiatives under the "Thailand 4.0" development framework. This national strategy aims to transition the economy toward innovation-driven, technology-based, and high-value industries.

On the international front, Thailand plays an active role in regional cooperation and multilateral diplomacy. As a founding member of Association of Southeast Asian Nations (ASEAN), Thailand has consistently promoted regional integration, economic cooperation, and sustainability initiatives. The country also serves as an important bridge between South and Southeast Asia through its involvement

in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) and was instrumental in initiating the Asia Cooperation Dialogue to strengthen broader Asian cooperation. Globally, Thailand actively participates in international organisations and economic forums such as Asia-Pacific Economic Cooperation, United Nations, World Trade Organization, International Monetary Fund, and United Nations Conference on Trade and Development. The country continues to support international trade cooperation, regional stability, post-pandemic economic recovery, and sustainable development initiatives. In recent years, Thailand has also strengthened its commitment to responsible business practices and human rights governance, becoming the first ASEAN member state to adopt a National Action Plan on Business and Human Rights aligned with United Nations guiding principles. Overall, Thailand continues to maintain a strategically balanced foreign policy while positioning itself as a stable and competitive regional economy.



Economy

The Thai economy remains highly export-oriented, supported by a diversified industrial base that includes automotive manufacturing, electronics, food processing, petrochemicals, healthcare, logistics, and tourism. Thailand is widely recognised as the "Detroit of Asia" due to its well-established automotive manufacturing ecosystem and the strong presence of major global automotive assemblers and component suppliers. In addition, the country is a leading producer and exporter of agricultural commodities and food products, including rice, natural rubber, seafood, and processed foods.

Thailand's macroeconomic performance in 2026 reflects a cautious but improving recovery trajectory. The economy recorded stronger-than-expected GDP growth of 2.8% in the first quarter of 2026, supported primarily by resilient domestic consumption and a 10.1% increase in private investment, particularly in machinery, industrial construction, and advanced manufacturing equipment. Nevertheless, full-year GDP growth projections remain

moderate at between 1.5% and 2.5%, reflecting persistent structural challenges including elevated household debt levels, subdued consumer purchasing power, and ongoing volatility in global energy markets.

Strategically located at the centre of mainland Southeast Asia, Thailand shares land borders with Myanmar, Lao PDR, Cambodia, and Malaysia, providing direct access to major regional markets and integrated ASEAN supply chains. The country also maintains maritime connectivity with Viet Nam, Indonesia, and India, further strengthening its regional trade position. Thailand's role as a regional manufacturing and logistics hub has been reinforced through the development of the Eastern Economic Corridor (EEC), spanning the provinces of Chonburi, Rayong, and Chachoengsao. The EEC serves as a strategic industrial and technology corridor supporting advanced manufacturing, logistics, digital infrastructure, and high-value investments under the Thailand 4.0 economic transformation agenda.

The structural impact of the COVID-19 pandemic significantly disrupted Thailand's core economic sectors, particularly tourism, exports, and manufacturing activities. As the country entered the mid-2020s seeking macroeconomic stabilisation, escalating geopolitical tensions in the Middle East introduced additional external vulnerabilities. As a net energy importer, Thailand remains exposed to global energy market volatility, with geopolitical instability affecting the domestic economy through energy security risks, rising import costs, inflationary pressures, and supply chain disruptions.

Despite these external shocks, Thailand's financial and industrial sectors have demonstrated relative resilience. Headline inflation has remained comparatively contained, supported by government interventions through retail fuel subsidies and electricity tariff controls. At the same time, ongoing geopolitical fragmentation and supply chain diversification trends have created new investment opportunities for Thailand. Multinational corporations pursuing a "China Plus One" or "China Hedge" strategy have increasingly redirected investments into Thailand's industrial estates, particularly within advanced electronics, digital infrastructure, renewable energy, and electric vehicle (EV) manufacturing sectors.

In response to these challenges, the government has increasingly shifted economic policies towards the Bio-Circular-Green (BCG) economic model, which focuses on sustainability-driven, high-productivity industries that are less vulnerable to fossil fuel price fluctuations. Strategic priority sectors include electric vehicles, renewable energy technologies, energy-efficient cooling systems, and solar photovoltaic (PV) manufacturing.

While domestic private consumption continues to provide underlying economic support, the near-term outlook remains subject to downside risks. High public and household debt levels continue to constrain spending capacity, while external risks including protectionist trade policies, freight cost volatility, and geopolitical disruptions to maritime trade routes require businesses to maintain prudent and risk-mitigated operational strategies. Overall, Thailand's medium-term growth prospects remain supported by its strategic regional position, industrial diversification, infrastructure capabilities, and continued transition toward higher-value and sustainability-oriented economic sectors.



Forest Resources and Management

Thailand's forestry sector is a key component of the country's natural resource base, providing significant contributions to the economy, environmental sustainability, and rural livelihoods. As of the latest data, forests cover approximately 32% of Thailand's land area, encompassing 16.38 million hectares, and host nearly 8% of the world's plant species,

positioning Thailand among Southeast Asia's most bio-diverse nations. Thailand's forests include tropical evergreen, deciduous, mangrove, and commercial plantations.

Following severe environmental degradation and catastrophic floods in the late 20th century, Thailand's modern forestry policy is defined by a hard pivot toward conservation:

- The 1989 Logging Ban: Following catastrophic flash floods and severe landslides caused by deforestation, Thailand enacted a total ban on commercial logging in all natural forests.
- The Two-Tier Forest Policy: The Royal Forest Department (RFD) divides Thailand's forest strategy into two distinct pillars, namely Conservation Forests (national parks and wildlife sanctuaries designed for environmental protection and eco-tourism) and Commercial Forests (strictly managed tree plantations).

Since then, forest management has focused on conservation, sustainable plantation forestry, and community-based management. Plantations now supply 100% of the country's industrial timber, with key species including rubberwood, eucalyptus, and teak. Rubberwood, a byproduct of latex production, dominates the furniture and engineered wood export markets, while eucalyptus and teak serve pulp, bioenergy, and high-value hardwood sectors. With natural forests off-limits for commercial logging, Thailand's domestic timber supply is entirely derived from plantations. Key species include:

- Rubberwood (*Hevea brasiliensis*): Timber sourced from mature latex trees; a major export commodity supporting furniture manufacturing and engineered wood products
- Eucalyptus: Used for construction, pulp, fiberboard, and biomass energy; plantation expansion has grown tenfold over the past three decades
- Teak (*Tectona grandis*): High-value hardwood managed under strict state supervision and certified private growers to ensure legal compliance for international markets

Thailand's timber value chain is vertically integrated, from plantation cultivation to industrial processing and downstream manufacturing. Plantation forestry reduces pressure on natural forests while supporting export-oriented timber industries. The sector is increasingly aligning with global sustainability standards, including FSC certification, while continuing to advance its alignment with the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. Although a formal Voluntary Partnership Agreement (VPA) remains under negotiation, these efforts support traceability, legal compliance, and access to international markets. While industrial margins are significant, smallholder growers often capture a smaller proportion of total profits, highlighting the importance of equitable supply chain management. Strategic government initiatives under the Thailand 4.0 and Bio-Circular-Green (BCG) frameworks are driving the sector toward a sustainable bioeconomy, emphasising eco-friendly production, green energy, and high-value wood products. Thailand's forestry sector is transitioning toward a sustainable bioeconomy model, aligned with the Thailand 4.0 and Bio-Circular-Green (BCG) frameworks. Key trends include:

- Sustainable Timber Demand: Rising international demand for certified timber incentivises plantation expansion and FSC compliance.
- Biomass and Green Energy: Plantation by-products are increasingly used in bioenergy and sustainable industrial applications.
- Value-added Manufacturing: Expansion of furniture, engineered wood, and eco-friendly building materials is expected to drive sector growth.
- Digital Tracking and Legality Compliance: Thailand has adopted digital timber tracking and is currently developing its TH-TLAS to meet global trade requirements, ensuring plantation traceability from origin to export.

Market trends include rising demand for certified timber, expansion of biomass and renewable energy applications, and growth in value-added wood manufacturing.

Overall, Thailand's forestry and timber sector is a mature, regulated, and increasingly sustainable industry, balancing economic growth, environmental stewardship, and export competitiveness. The sector is strategically positioned to meet growing regional and global demand for timber products while advancing national conservation and climate objectives. Challenges remain, including land use competition, climate variability, enforcement of environmental regulations, and the equitable distribution of benefits along supply chains.



Timber Production

With natural forests off-limits to commercial logging, Thailand's domestic timber supply is sourced entirely from commercial plantations. Plantation areas have expanded significantly over recent decades, rising from 94,000 hectares in 1987 to 846,708 hectares in 2023.

Thailand's timber sector is responding to shifting global demand and fluctuating raw material conditions. Industrial roundwood production has consistently averaged around 14.7 million cubic metres annually, with forecasts suggesting a gradual increase toward 15.2 million cubic metres as plantation management and optimisation improve. According to the Global Timber Index (GTI), Thailand remains a strong performer in Asia, demonstrating expansionary trends even as neighbouring competitors experience contractions. To comply with the European Union Deforestation Regulation (EUDR), the government has accelerated the implementation of traceability systems and raw material certification to maintain competitiveness in international markets.

The Government of Thailand has established ambitious targets to increase forest cover to 40% of the country's land area, allocating 25% to conservation forests and 15% to economic forests. Legislative updates in 2019 incentivised plantation development, aiming for 4.1 million hectares of economic forests by 2037 to enhance both timber supply and commercial returns. Thailand holds the second-largest area of natural teak forests globally, estimated at 8.7 million hectares (30% of global teak forests), primarily located in protected areas of northern Thailand, the historical centre of teak production. Teak logging concessions date back to 1829, but a complete ban on natural forest harvesting in 1989 shifted national policy toward forest conservation and sustainable production. Over the past century, Thailand has established an estimated 140,000 hectares of teak plantations, with the FIO managing approximately 78,385 hectares, 55% of which are FSC-certified. Teak rotation periods have shortened from 60 to 30 years, yielding an annual production of 40,000–60,000 cubic metres.

Sustainable financing mechanisms, such as micro-financing and tree-collateral schemes, are critical to incentivise smallholders to maintain optimal rotation periods, improving timber quality and economic returns. Beyond teak, other high-value species such as *Pterocarpus macrocarpus*, *Xylia xylocarpa*, *Azelia xylocarpa*, and *Dalbergia cochinchinensis* are cultivated for specialty applications, while exotics such as *Eucalyptus* and rubberwood are widely used for pulp, paper, and construction. Rubberwood plantations now cover approximately 3.5 million hectares, producing 4.8 million tons of latex annually, representing 34% of global output and positioning Thailand as the world's largest producer.

Thailand's timber production has exhibited steady growth across key products, reflecting strong upstream plantation activity and downstream processing capabilities. Incremental increases have been observed in wood fuel, charcoal, and veneer sheet production, indicating stable domestic supply and export-oriented manufacturing. According to FAO forest statistics, these trends underscore Thailand's continued emphasis on sustainable, plantation-based timber production and value-added manufacturing.

Thailand: PRODUCTION OF TIMBER PRODUCTS, 2020–2024

Products	Unit	2020	2021	2022	2023	2024
Wood fuel, non-coniferous	m³	51,379	52,674	54,001	55,362	56,757
Wood charcoal	t	7,684	7,879	8,079	8,283	8,493
Veneer sheets	m³	18,929	18,969	19,009	19,049	5,379

* FAO Estimate
Source: FAO Stats

Thailand's production of non-coniferous wood fuel has demonstrated steady growth, rising from 51,379 m³ in 2020 to 56,757 m³ in 2024. This trend reflects consistent domestic demand for energy applications and industrial use. Similarly, wood charcoal production increased from 7,684 tonnes in 2020 to 8,493 tonnes in 2024, indicating stable utilisation across both household fuel and commercial sectors. Veneer sheet production remained relatively stable between 2020 and 2023, averaging approximately 19,000 m³ annually. However, in 2024, production sharply declined to 5,379 m³. This reduction may reflect shifts in manufacturing priorities, fluctuations in export demand, raw material availability, or a strategic reallocation towards other wood-based products. The observed growth in wood fuel and charcoal production underscores Thailand's reliance on sustainable plantation sources to meet energy and industrial timber requirements. Conversely, the decline in veneer sheet output highlights potential challenges in raw material supply and evolving international market demands. To sustain long-term resilience, continued investment in plantation forestry, modernised supply chains, and sustainable timber practices is essential. These measures will help Thailand's timber and wood-processing industries adapt to market shifts, maintain production capacity, and align with international sustainability standards.



Thailand's Export of Timber and Timber Products

Thailand's timber and timber-product sector have experienced sustained growth, supported by years of steady development. This momentum is reflected in an 11% increase in exports since 2021, reaching USD4.9 billion in 2025. The leading export categories included sawn timber (USD1.2 billion), wooden furniture (USD921.0 million), fibreboard (USD859.7 million), seats and parts thereof (USD761.4 million), and chipboard/particleboard (USD362.5 million). In 2025, Thailand exported timber and timber products to 171 countries, with total global trade in HS44 products valued at USD3.2 billion. Malaysia ranked as the sixth-largest export destination after China, UAE, USA, Saudi Arabia, and Japan. These figures highlight Thailand's strong position in the global timber market and its diversified international trade footprint, underpinned by a well-developed production and export infrastructure.

Latest industry statistics from the Thai Furniture Association (TFA) for January – February 2026 reveal an extraordinary start to the year with a steady double-digit growth rate that solidifies Thailand's position as a global manufacturing hub. During January and February 2026, Thailand's exports of furniture and component parts reached an impressive USD321 million. This marks a sharp 26.16% year-on-year increase, carrying forward the strong upward momentum established throughout 2025.

Despite the stellar growth, exporters noted that ongoing global regional conflicts have created market uncertainty and driven up operational costs, making long-term forward contracts harder to secure. Locally, rising domestic diesel prices hit upstream transport logistics, forcing some timber-delivery trucks to temporarily suspend operations. To buffer against these geopolitical risks, the Thai Ministry of Commerce has proposed aggressively expanding wood product exports into emerging markets across Africa and South Asia. For the European market, the Thai government is pushing to accelerate the EU-Thailand Free Trade Agreement. More importantly, to maintain compliance with the European Union Deforestation Regulation (EUDR), relevant agencies have been ordered to fast-track digital traceability and raw-material origin certification platforms to ensure Thai wood maintains its premium, eco-compliant edge. The table below depicts Thailand's export of timber and timber products to the world from 2021-2025.

Thailand: EXPORT OF TIMBER & TIMBER PRODUCTS, 2021-2025

USD '000

Product	2021	2022	2023	2024	2025
Sawntimber	1,059,729	999,629	1,250,237	1,333,771	1,214,367
Wooden Furniture	740,924	716,492	550,975	693,400	920,982
Fibreboard	850,239	843,375	849,081	849,924	859,720
Seat and parts thereof	758,000	730,788	654,756	632,217	761,386
Chipboard/Particleboard	496,885	389,479	419,086	465,956	362,539
Plywood	91,919	92,684	79,860	100,527	114,424
Builders Joinery & Carpentry	44,552	38,838	50,822	61,830	96,816
Veneer	10,148	14,369	26,959	42,443	42,711
Wooden Frame	11,358	11,674	10,809	13,312	20,550
Mouldings	8,061	9,290	8,112	6,456	6,590
Logs	10,425	3,323	6,430	6,152	4,343
Other products	355,411	559,628	600,737	558,103	527,607
TOTAL	4,437,651	4,409,569	4,507,864	4,764,091	4,932,035

Source: ITC-UNCOMTRADE

Thailand is successfully transitioning from a raw timber exporter to a high-value, downstream-focused manufacturing hub, demonstrating robust international demand and a thriving domestic construction market. Supported by sustainable, legally sourced raw materials and strategic modernisation under the Thailand 4.0 framework, the industry has shown remarkable adaptability. While primary material supply remains sensitive to global economic fluctuations and domestic energy costs, the consistent growth in downstream manufacturing positions Thailand as a competitive, compliance-driven, and export-oriented timber hub in Southeast Asia.



Thailand's Import of Timber and Timber Products

Despite its status as a leading global producer and exporter of forestry products, Thailand's wood-processing sector relies heavily on international imports to supplement its domestic supply. This inflow is crucial for acquiring specific timber species and specialised timber variants that are not sufficiently available from local plantation forests. Reflecting an even broader industrial scope, the latest International Trade Centre (ITC) statistics showed that Thailand's total imports of timber and timber products surged by 16% year-on-year to reach USD1.9 billion in 2025, underscoring the critical role that foreign raw materials and semi-finished supplies play in feeding local downstream manufacturing plants. This import volume was led by wooden furniture at USD691.1 million, closely followed by seats and component parts at USD473.7 million. Additionally, plywood and sawn timber accounted for USD226.6 million and USD162.3 million of the total intake, respectively. To satisfy these structural demands, Thailand draws its shipments from highly diversified international supply chains, with China, Vietnam, New Zealand, Malaysia, and the United States operating as the country's primary trade partners. The table below showed Thailand's import of timber and timber products from the world from 2021-2025.

Thailand: IMPORT OF TIMBER & TIMBER PRODUCTS, 2021-2025

USD '000

Product	2021	2022	2023	2024	2025
Wooden Furniture	478,609	492,767	523,893	598,933	691,128
Seat and parts thereof	441,709	425,416	387,096	411,910	473,673
Plywood	262,345	268,174	222,625	238,217	226,552
Sawntimber	180,271	202,768	139,993	143,810	162,253
Veneer	25,169	27,765	34,144	49,918	102,303
Builders Joinery & Carpentry	20,173	19,403	19,082	21,120	22,537
Fibreboard	12,968	12,547	9,914	14,892	22,030
Chipboard/Particleboard	6,334	5,794	6,223	8,785	11,308
Logs	4,325	3,621	4,506	6,344	4,192
Mouldings	3,920	4,134	3,352	2,843	2,435
Wooden Frame	731	1,305	1,874	1,730	2,411
Other products	66,714	78,768	86,189	80,944	100,189
TOTAL	1,569,982	1,621,230	1,525,080	1,660,390	1,921,200

Source: ITC-UNCOMTRADE

The reliance on imported timber and timber products reflects the structural dynamics in Thailand's forestry supply chain. Limited natural forest harvesting and a growing demand for processed wood inputs mean that manufacturers increasingly supplement domestically grown plantation timber with imported logs, sawntimber, panels, and engineered products to sustain export production and meet growing consumer needs.



Malaysia's Export of Timber and Timber Products to Thailand

Thailand historically maintains its position as a vital, strategic timber trade partner for Malaysia within the ASEAN zone. However, the bilateral trade corridor experienced a moderate contraction over the last fiscal cycle. In 2025, Malaysia's aggregate exports of timber and wood-based products to Thailand recorded a 9% year-on-year (YoY) decline, dropping to RM 240.8 million from the RM 265.8 million benchmark established in 2024. Consequently, within Malaysia's global forestry export portfolio, Thailand ranked as the 15th largest destination market, commanding a 1.1% share of total outbound timber trade. The table below shows Malaysia's export of timber and timber products to Thailand from 2021 to 2025.

Malaysia: EXPORT OF TIMBER & TIMBER PRODUCTS TO THAILAND, 2021-2025

Value: RM

Products	2021	2022	2023	2024	2025
Sawntimber	209,083,753	231,939,660	163,833,444	121,740,152	100,037,472
Wooden Furniture	47,397,550	85,910,009	87,461,905	68,781,044	66,528,202
Plywood	34,839,399	31,757,760	36,832,021	38,714,110	29,732,693
Other Products	10,071,030	12,715,353	14,819,880	13,183,745	20,381,586
Builders Joinery & Carpentry	16,327,310	12,407,898	9,596,231	15,803,528	15,746,831
Chipboard/Particleboard	5,629,322	7,115,736	2,749,003	3,031,775	4,026,684
Fibreboard	6,005,099	4,217,717	3,240,124	3,670,927	3,719,972
Mouldings	1,729,755	799,282	736,097	712,237	559,735
Logs	116,037	140,360	50,069	130,048	84,662
TOTAL	331,199,255	387,003,775	319,318,774	265,767,566	240,817,837

Source: MTIB & DOSM

While Thailand's domestic timber processing and export sector grew strongly in early 2026 that was driven by an influx of downstream furniture orders, the drop in 2021-2025 import values suggests a brief period of inventory adjustments. High domestic transportation costs and fluctuations in primary materials forced Thai mills to rely heavily on local plantation wood stocks like rubberwood and eucalyptus before looking to outside sources. However, moving forward, this trade lane holds a highly favourable outlook for revitalisation for Malaysia. Since Thailand faces a permanent deficit in high-density, structural natural timber and given its state-backed push to satisfy strict international standards like the European Union Deforestation Regulation (EUDR), Malaysian exporters are uniquely positioned to bounce back. By focusing on certified, sustainably sourced heavy hardwoods and engineered panels under the Malaysian Timber Certification Scheme (MTCs-PEFC), exporters can directly feed Thailand's growing high-end construction and export-oriented furniture industries.



Malaysia's Import of Timber and Timber Products from Thailand

Thailand remains an essential upstream and midstream supplier for Malaysia's domestic timber, construction, and furniture-manufacturing ecosystems. However, in alignment with broader regional supply chain adjustments and shifting industrial inventory cycles, inbound trade volumes experienced a moderate contraction during the 2025 fiscal year.

Malaysia's total import value of Thai's timber and wood-based products registered at RM752.1 million in 2025. This represented an 8.75% year-on-year (YoY) decrease from the RM824.2 million benchmark recorded in 2024. This temporary deceleration reflects a tightening of procurement strategies among Malaysian manufacturers navigating fluctuating domestic construction demands and highly competitive pricing structures for alternative engineered materials. Chipboard was the main product imported with a total value of RM455.6 million followed by fibreboard at RM173.8 million and sawntimber at RM54.3 million. The table below shows Malaysia's import of timber and timber products from Thailand from 2021 to 2025.

Malaysia: IMPORT OF TIMBER & TIMBER PRODUCTS FROM THAILAND, 2021-2025

Value: RM

Products	2021	2022	2023	2024	2025
Chipboard/Particleboard	439,847,294	311,469,180	338,386,142	491,731,828	455,569,756
Fibreboard	108,662,935	85,243,391	141,641,017	188,904,894	173,824,022
Sawntimber	50,224,094	56,480,839	61,013,009	74,681,885	54,263,810
Builders Joinery & Carpentry	5,040,444	7,482,892	13,142,653	27,613,561	33,188,931
Wooden Furniture	26,225,227	26,987,520	36,949,921	14,139,868	11,924,675
Mouldings	11,293,405	12,092,937	7,352,410	8,557,710	10,374,919
Plywood	5,655,512	3,504,601	2,725,089	5,343,847	4,358,226
Veneer	0	132,364	1,983,558	6,044,232	2,933,305
Logs	0	0	0	239,618	142,211
Other Products	11,055,232	17,204,130	10,525,186	6,907,846	5,562,300
TOTAL	658,004,143	520,597,854	613,718,985	824,165,289	752,142,155

Source: MTIB & DOSM

While Malaysia is historically recognised for exporting premium, high-density structural natural hardwoods to Thailand, it acts as a major net importer of low-cost, high-volume engineered panels (chipboard and fibreboard) from Thailand. This allows Malaysian manufacturers to lower their baseline material overheads for mass-produced furniture lines. The moderate dip in 2025 imports points to brief localised factors—such as rising diesel and transportation overheads inside Thailand that temporarily disrupted haulage logistics to factories, alongside general domestic market adjustments within Malaysia. Looking ahead, this trade pipeline is expected to stabilise. As Thai mills aggressively upgrade their automation capabilities and implement rigorous digital tracking frameworks to meet strict global sustainability criteria, Malaysia will continue to look to Thailand as a highly reliable, legally certified, and cost-competitive source for engineered wood panels.



Tariff

Thailand's tariff structure for timber and wood-based products is a highly strategic framework. It is explicitly designed to protect the domestic plantation forestry while simultaneously encouraging the import of raw materials needed to support its booming downstream, export-oriented furniture and engineering sectors. Managed primarily by the Customs Department of Thailand under the Harmonized System (HS) Code Chapter 44, the tariff rates are heavily influenced by Thailand's extensive network of Free Trade Agreements (FTAs).

Under ATIGA, timber trade between Thailand and fellow ASEAN member states—most notably Malaysia and Viet Nam – enjoys a 0% preferential tariff rate across all wood and wood-product categories. This duty-free access explains the deep industrial integration between Malaysia and Thailand. Malaysia can export its high-value structural sawn timber to Thai mills at 0% duty, while Thai manufacturers can export high volumes of chipboard (RM 455.6 million) and fibreboard back to Malaysian furniture plants entirely duty-free.

China operates as Thailand's largest raw lumber buyer and a major supplier of finished wooden components. Under the ASEAN – China Free Trade Agreement (ACFTA), many primary timber products, veneers, and plywood trade at 0% to 5% preferential tariffs, facilitating a massive bilateral logistics pipeline. Thailand maintains bilateral and multilateral FTAs with New Zealand, Australia, Japan, and India. These agreements systematically eliminate or phase out tariffs on primary roundwood and engineered timber inputs, ensuring that specialised species (such as New Zealand Radiata Pine) enter the Thai processing ecosystem at highly competitive price points.

Beyond the baseline customs duty, all timber shipments entering Thailand are subjected to a uniform domestic tax structure:

- **Value-Added Tax (VAT):** A flat 7% VAT is applied to all imported timber products. The tax is calculated on the CIF (Cost, Insurance, and Freight) value of the shipment plus any applicable customs duties and excise taxes.
- **Royalties and Forest Fees:** While imports are generally exempt from local logging royalties, the Royal Forest Department (RFD) charges nominal administrative fees for issuing import permits and verifying phytosanitary certificates at border checkpoints.

In Thailand's modern trade landscape, non-tariff barriers function as the true regulatory gatekeepers for timber imports, occasionally overshadowing standard duty rates. To prevent the laundering of illegally logged timber from neighbouring nations, the Thai government enforces stringent import controls on high-value, vulnerable species. Importing premium woods like Teak, Rosewood, or Padauk requires specialised clearances from the Ministry of Commerce and the RFD. Thailand is actively re-engineering its import tracking protocols to protect its global export pipelines. To ensure imported wood mixed with local stock does not compromise Thailand's access to the European Union market, customs authorities are rolling out digital timber traceability checks. Importers are increasingly required to provide airtight geolocal origin certificates at the border, verifying that foreign logs were sourced from legally compliant, non-deforested land. Thailand's import duties on timber and timber products are as follows:

Thailand: IMPORT TARIFF

HS Code	Products	MFN (%)		ATIGA		RCEP	
		Malaysia : Schedule of Tariff Commitment	Thailand: Schedule of Tariff Commitment	Malaysia : Schedule of Tariff Commitment	Thailand: Schedule of Tariff Commitment	Malaysia : Schedule of Tariff Commitment	Thailand: Schedule of Tariff Commitment
121190	Gaharu Woodchips	0	10	0	0	0	15
140110	Bamboo	0	0	0	0	0	0
140120	Rattan Whole & Splits	0	0	0	0	0	0
3301	Gaharu Oil	0	0	0	0	0	0
4401	Fuel Wood	20	0 - 1	0	0	10	0
4402	Wood Charcoal	20	0	0	0	10	0
4403	Logs	0	0	0	0	0	0
4404	Hoopwood, Split polis, Piles	10 - 20	0	0	0	5 - 10	0
4405	Wood wool; Wood flour	5 - 20	0	0	0	3 - 10	0
4406	Railway sleepers	5	0	0	0	0	0
4407	Sawntimber	0	0	0	0	0	0
4408	Veneer	0	0 - 5	0	0	0	0
4409	Mouldings	0	0 - 3	0	0	0	0
4410	Chipboard/Particleboard	20	0 - 5	0	0	10	0
4411	Fibreboard	20	0 - 5	0	0	10	0
4412	Plywood	25 - 35	0 - 5	0	0	25 - 40	0
4413	Metalised wood or other densified wood	20	0 - 3	0	0	10	0
4414	Wooden Frame	0	0 - 10	0	0	10	0
4415	Packing cases	20	0 - 10	0	0	10	0
4416	Casks, barrels, vats, tubs	20	0 - 10	0	0	10	0

HS Code	Products	MFN (%)		ATIGA		RCEP	
		Malaysia : Schedule of Tariff Commitment	Thailand: Schedule of Tariff Commitment	Malaysia : Schedule of Tariff Commitment	Thailand: Schedule of Tariff Commitment	Malaysia : Schedule of Tariff Commitment	Thailand: Schedule of Tariff Commitment
4417	Tools, tool bodies, tool handles	20	0 - 10	0	0	10	0
4418	Builders Joinery & Carpentry	5 - 20	0 - 10	0	0	10	0
4419	Tableware and kitchenware, of wood	20	0 - 20	0	0	6	0
4420	Wood marquetry and inlaid wood	0 - 20	0 - 10	0	0	0 - 10	0
4421	Other articles of wood, n.e.s.	0 - 20	0 - 10	0	0	0 - 10	0
9401	Seat and parts thereof	0 - 30	0 - 10	0	0	0 - 23.7	0
9403	Wooden Furniture	0	0 - 20	0	0	0	0
9406	Prefabricated Buildings of Wood	0	0 - 20	0	0	2.5 - 15	0

Source: WTO, MITI



Prospect and Outlook

The macroeconomic outlook for Thailand's timber trade indicates a calculated structural shift. As the sector navigates a complex, dual-speed recovery, domestic consumption patterns are diverging across the real estate, consumer, and manufacturing verticals. This transitional environment, marked by an expansion in value-added processing and persistent local resource constraints, presents a strategic opportunity for Malaysian timber exporters to capture vital market segments. The broader Thai economy expanded by a stronger-than-expected 2.8% in the first quarter, signalling strong fundamental activity. This economic momentum has positively translated into the forestry sector. According to the *Global Timber Index (GTI) Report*, Thailand's timber industry stood out as a premier regional performer, pushing its index score to 54.2%, comfortably clear of the 50% threshold indicating active market expansion. This places it ahead of regional manufacturing competitors like China (45.0%) and Malaysia (37.5%), both of which have seen temporary market contractions due to shifting global asset demands.

Despite these strong output indicators, the sector is heavily restricted by systemic supply limits. Surveyed Thai enterprises consistently report a chronic shortage of premium raw materials and high production costs driven by rising domestic energy tariffs and transportation friction (ITTO, 2026). To protect its long-term market share, the industry is increasingly focused on maximizing high-value, downstream manufactured exports over raw lumber processing. Total domestic output of major processed wood lines grew from 4.44 million m³ in 2021 to 4.93 million m³ by 2025, representing a steady, long-term expansion in downstream capacity. Total raw and industrial roundwood production is projected to climb reliably toward 15.2 million m³ over the next few years.

The overall expansion of the Thai timber market is driven by uneven, highly specific product cycles that point to a clear shift toward high-end manufacturing. In high-value downstream goods, the market is experiencing an industrial transition. These shifting demands are directly tied to an uneven recovery across the built environment. The construction industry is experiencing a selective rebound, with overall investment projected to grow by approximately 3% annually, heavily sustained by massive state-backed public infrastructure networks and data centre real estate, as reported by Asian insiders. However, the market is highly segmented; while well-funded commercial megaprojects are proceeding efficiently, a lingering border labour shortage has compressed operating margins for smaller firms, forcing contractors to increasingly look for standardised, high-quality prefabricated timber components to reduce on-site waste.

Meanwhile, the new-start residential housing sector remains relatively subdued due to tight retail lending criteria and high levels of household debt. In response, the real estate landscape has pivoted heavily toward property asset revitalisation. Developers and asset owners

are prioritising major structural upgrades, retrofits, and premium sustainable refurbishments of existing mixed-use spaces and hotels over risky new builds. This trend favours premium interior timber fittings, durable decorative wood elements, and high-performance structural renovations.

In sharp contrast to the slow new-build market, consumer retail demand for value-added processed timber is flourishing. Driven by international export pipelines and a growing domestic preference for sustainable luxury furniture, Thailand's exports of downstream furniture and wood components hit an impressive USD4.9 billion in 2025. Modern urban consumers are heavily favouring certified, legally verified solid wood products, locking in long-term demand for high-end wood species and premium joinery.

Given that Thailand enacted a total logging ban in natural forests in 1989, 100% of its domestic timber supply is harvested from cultivated commercial plantations—overwhelmingly Rubberwood (*Hevea brasiliensis*) and fast-rotation Eucalyptus. This history has given Thailand an unexpected edge under the strict mandates of the European Union Deforestation Regulation (EUDR). By utilising rubberwood (a zero-waste byproduct harvested at the end of its latex-producing cycle) and certified Eucalyptus, Thai exporters have a naturally low-deforestation risk profile, allowing them to retain premium Western market access while uncertified tropical log exporters face market scrutiny. Guided by the state's Bio-Circular-Green (BCG) Economy Model, Thai mills are increasingly adopting a zero-waste manufacturing loop. Wood scraps, bark, and residual sawdust are recycled directly into biomass pellets to self-power processing facilities, or engineered into advanced, fire-retardant wood composites and Cross-Laminated Timber (CLT) to serve green construction frameworks.

The structural imbalances within Thailand's domestic wood market create an ideal opening to deepen cross-border trade with Malaysian timber exporters, moving away from competition toward shared regional cooperation. Regarding complementary material integration, Thailand produces massive volumes of lightweight plantation hardwoods and fibre inputs, but completely lacks domestic softwoods and dense, structural tropical hardwoods. Malaysia is internationally recognised for high-quality sawntimber and heavy hardwoods harvested under strict Sustainable Forest Management (SFM) rules. Importing certified Malaysian hardwoods allows Thai processors to create high-strength, premium blended products like heavy structural framing and durable outdoor millwork.

Furthermore, this trade lane can significantly mitigate supply chain volatility. The Thai timber sector remains vulnerable to raw material supply shocks. Because rubberwood availability is tied to latex production, fluctuations in global rubber prices often cause agricultural delays that ripple out as micro-supply shortages for local sawmills. Establishing stable buying pipelines for certified Malaysian timber ensures that Thai downstream furniture plants maintain constant, predictable production runs.



Ultimately, this collaborative partnership paves the way for highly coordinated regulatory alliances across the region. As the steep operational expenses associated with satisfying the EUDR's strict geolocation tracking threaten to marginalise vulnerable rural smallholders in both nations, Thai exporters are moving aggressively to standardise rigorous, transparent raw-material origin tracking systems. To capitalise on this transitional environment, Malaysian timber players should leverage existing innovations and actively explore new, specialised market segments emerging within Thailand itself. Deepening cross-border cooperation within the construction sector is essential to fulfil modern regulatory mandates for legally verified timber, allowing exporters to adapt to localised market environments and systematically expand their share in both Thai and global timber trade. Utilising the well-established Malaysian Timber Certification Scheme (MTCS-PEFC) which aligns seamlessly with international sustainability benchmarks, Malaysian exporters can provide a fully auditable, low-risk supply of legal timber products. Strategically blending certified Malaysian timber with Thai plantation stock ensures that finished consumer goods moving through Southeast Asian supply chains maintain uncompromised access to lucrative European and North American retail markets while significantly lowering overall compliance overheads.

To convert this potential into measurable market share, Malaysian exporters must actively engage with Thai importers, primary distributors, and downstream furniture manufacturers. Targeted participation in regional trade exhibitions and structured B2B trade missions will be critical in forging long-term institutional relationships and showcasing the premium quality and diverse varieties of Malaysian timber products. As a leading, reliable global supplier of a broad spectrum of timber and value-added wood fabrications, Malaysia is perfectly positioned to satisfy Thailand's evolving industrial demands. Realising this potential will require Malaysian suppliers to execute a highly strategic approach centred on competitive pricing models, optimised cross-border logistics, and targeted marketing campaigns that highlight the certified quality and verifiable sustainability of their products.

This proactive trade approach aligns cleanly with Thailand's current macroeconomic profile, which exhibits steady, incremental growth and a deepening integration into wider ASEAN trade frameworks. In the near term, construction demand will remain the primary engine driving imports of timber and foundational building materials, propelled by large-scale public infrastructure projects, active private construction developments, and ongoing state efforts to diversify the economy through industrialisation. This industrial momentum directly supports Thailand's 2030 strategic development plan, which focuses heavily on improving regional connectivity and transitioning the country into a modernised economic hub.



Rubberwood production



Furniture making by women entrepreneur



Thailand timber craftsmanship

Reference:

MTIB

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Indonesia

As Global Furniture Manufacturing Hub



The Indonesian Ministry of Industry aims to establish the country as a global hub for furniture manufacturing by enhancing sustainable wood downstream processing and strengthening the competitiveness of the national industry. Over the next five years, Indonesia plans not only to expand production capacity but also to take a leading role in design and sustainability.

However, the national furniture industry faces challenges, including a 3% decline in exports to USD1.85 billion in 2025 and a 6% rise in imports to USD0.82 billion. Indonesia's Legality and Sustainability Verification System (SVLK) provide a strong foundation to ensure responsible and sustainable production.

To increase productivity the ministry has implemented the Wood Processing Industry Machinery/Equipment Restructuring Programme supporting 35 companies with IDR26.1 billion in reimbursements and achieving notable improvements in efficiency, product quality and overall productivity.

Source: www.antaranews.com, 6 March 2026

Vietnam

Forest Carbon Market – A New Financial Channel for Sustainable Forestry



The development of a forest carbon market is opening up significant opportunities for Viet Nam's forestry sector to mobilize new financial resources for forest protection and development, while creating sustainable livelihoods for local communities, particularly in ethnic minority areas. Initial outcomes from the forest carbon payment mechanism highlight the sector's strong potential to align forest conservation with economic benefits and sustainable development goals.

According to Pham Hong Luong, Deputy Director of the Viet Nam Administration of Forestry and Forest Protection under the Ministry of Agriculture and Environment, the implementation of forest carbon payments through the Emission Reductions Payment Agreement (ERPA) for the north central region has generated tangible socio-economic and environmental impacts.

Viet Nam has received USD56.5 million under the programme which has directly supported more than 77,700 households and nearly 2,000 communities engaged in forest protection activities, including over 40,000 ethnic minority beneficiaries.

Money earned from forest carbon has boosted local livelihoods and been funneled into rural infrastructure, improving living standards and empowering communities in managing forests. As people see direct benefits from keeping forest cover, their sense of responsibility for forest resources has grown, helping cut down on forestry law violations.

According to Luong, the programme has also helped protect more than 2.15 million hectares of natural forest in the region, maintaining forest coverage at around 57%. Recognizing the vast potential of the forest carbon market, the forestry sector is rolling out comprehensive measures to manage and effectively leverage this resource.

Completing the legal framework is a priority, drafting a decree on forest carbon absorption and sequestration services and the national forest carbon standards. These steps are essential to ensuring transparent measurement, management and trading of forest carbon credits in line with international practices.

As Viet Nam has committed to achieving net-zero emissions by 2050, the forest carbon market is to become a key instrument for mobilizing domestic and international resources for forest protection. With promising initial results and systematic preparations, the forest carbon market is gradually establishing itself as a vital financing channel, laying the foundation for a modern, efficient and sustainable forestry sector.

Source: www.ito.int, 5 March 2026

India

Price Indices for Sawnwood and Veneer Declined



The annual rate of inflation in January, based on WPI, was 1.81%, a positive year on year increase driven mainly by rising prices of basic metals, manufacturing, non-food articles, food articles and textiles. The overall WPI index increased from December 2025 to January 2026 by 0.51%.

reflecting a moderate month on month rise. The Primary Articles group saw a slight decrease in index and inflation, with food articles and minerals experiencing price declines, while non-food articles and crude petroleum and natural gas prices increased.

The Manufactured Products index experienced a 1.30% increase with most sub-groups, including basic metals, food products, textiles and electrical equipment, witnessing price rises; pharmaceuticals, machinery and furniture saw decreases. The Wood Panel index in January was unchanged from a month earlier but the indices for sawnwood and veneer declined with the price index for veneer showing a steep drop. The press release indicates a modest rise in wholesale prices in India for January 2026, driven by increases in manufacturing and certain commodity groups, despite declines in fuel and power prices. The inflation trend shows signs of recovery after recent deflationary periods.

Source: www.itto.int, 7 March 2026

China

Sharp Rise in Particleboard Exports



According to China Customs, China's particleboard exports reached 945,000 tonnes in 2025, with a total value of USD378 million. This represented a 79% increase in volume and a 28% rise in value compared with 2024.

While exports to Taiwan fell 6%, shipments to most other leading destinations increased. South Korea became the main destination for Chinese particleboard exports in 2025, with volumes surging by more than 600% year on year.

A key reason for this sharp increase was South Korea's decision, on 5 December 2025, to impose anti-dumping duties of up to 15.18% on particleboard imports from Thailand. The measure raised the cost of Thai products and immediately altered the competitive landscape in the South Korean market.

Thailand had previously been one of China's main competitors in South Korea. Once the anti-dumping duties came into force, Korean importers shifted towards alternative supply sources, particularly China. This policy change appears to have been the main trigger behind the sharp rise in Chinese exports to South Korea in 2025.

Other factors also supported the increase. China's particleboard industry has expanded rapidly in recent years. By 2024, annual production capacity had

reached 641 million cubic meters, up 22% from 2023. With competition intensifying in the domestic market, producers have been seeking more opportunities abroad.

China's large-scale production base, complete industrial chain and relatively low manufacturing costs have strengthened its position in export markets. This has allowed Chinese suppliers to offer competitive prices in South Korea, especially for standard particleboard and oriented particleboard.

The Regional Comprehensive Economic Partnership (RCEP), in force since 2022, has also helped reduce tariff barriers between China and South Korea. Under this framework, Chinese particleboard exports have benefited from more favorable tariff treatment, lowering trade costs and improving price competitiveness.

At the same time, the quality of Chinese particleboard exports has improved, particularly in environmental performance. Products such as ENF-grade formaldehyde-free boards are increasingly aligned with South Korean demand for greener and healthier building materials. Advances in surface processing and dimensional accuracy have also made Chinese products more suitable for South Korea's custom furniture and prefabricated building sectors.

Overall, the sharp increase in China's particleboard exports to South Korea in 2025 reflected a combination of trade policy changes, China's production and cost advantages, the benefits of RCEP, and ongoing improvements in product quality.

Beyond South Korea, China has also exported particleboard to markets across Asia, Africa and Latin America, where demand has recently increased.

Source: www.fordaq.com, 13 March 2026

Middle East

Gulf Conflict Disrupts Timber Trade Routes

Since late February 2026, active hostilities between the United States, Israel, and Iran have fundamentally altered the maritime security landscape in the Arabian Gulf and Strait of Hormuz. Missile strikes, drone attacks on commercial vessels, and naval confrontations have made what was once a routine shipping corridor one of the most legally complex and commercially dangerous operating environments in decades.

For Finnish and Nordic timber exporters, this is not a distant geopolitical development, it is an immediate commercial and legal problem. Vessels carrying timber to Saudi Arabia, the UAE, Egypt, and other MENA markets are being rerouted, delayed, attacked, and diverted. Ports are intermittently inaccessible. War risk premiums have surged. General Average declarations are being issued. Letters of Credit are being blocked by sanctions compliance screening. And the contracts governing these shipments were, in most cases, never drafted with these conditions in mind.

Source: www.lkoslaw.fi, 20 March 2026

Iran

Crisis Brings Chaos to Nordic Sawmill Markets



The escalation of conflict surrounding Iran has triggered a logistics crisis for Nordic sawmills, driving shipping costs to unsustainable levels. A recent survey by the Finnish Sawmilling Industry Association revealed that 97% of producers are facing higher expenses, primarily due to soaring fuel prices and maritime risk premiums. With logistics serving as the industry's second-largest cost after raw materials, these increases have an immediate and damaging impact on profitability that sawmills are struggling to offset.

The disruption is most visible in shipping routes, where containerized freight rates to the Middle East have tripled in some instances. To avoid the Suez Canal, vessels are increasingly rerouting around Africa, a move that extends transit times and embeds higher fuel costs across all global supply chains, including exports to Asia. For Finland, which exports nearly €600 million worth of timber to the Middle East and North Africa annually, these delays and price hikes threaten a vital economic artery.

Market behavior has deteriorated as geopolitical uncertainty compounds existing economic pressures. Potential customers are postponing deals and slowing down decision-making in response to high interest rates and inflation, which have already weakened the global construction sector. In Sweden, production fell by 14% in early 2026, signaling a prolonged downturn as domestic and European demand remains soft, leaving producers with few high-value outlets for their goods.

The crisis is forcing an operational shift as producers attempt to reroute volumes and adjust product mixes. Because the Middle East has become commercially unviable for certain shipments, sawmills are being forced to redirect "displaced volumes" into other competitive regions. This influx of supply into already saturated markets, coupled with rising competition from producers in Brazil and China, is putting further downward pressure on prices and thinning margins for Nordic firms.

Ultimately, the market outlook for 2026 has darkened, with costs rising faster than the market can absorb. While some Swedish mills benefit from bioenergy self-sufficiency, this does little to mitigate the surge in externally driven transport costs. Industry experts warn that if these elevated freight rates persist, any meaningful recovery for the sawmilling sector will be pushed further out, leaving the industry in a defensive cycle of cost-cutting and inventory reallocation.

Source: globalwoodmarketsinfo.com, 26 March 2026

European Union

EUDR Delay Brings Time, Not Clarity for Timber Trade



The EU's decision at the end of 2025 to postpone the EU Deforestation Regulation (EUDR) by one year has provided a temporary reprieve, but significant implementation hurdles remain. Large and medium-sized companies are now expected to comply by December 30, 2026, while small enterprises have until June 2027. Despite this delay, the German Timber Trade Federation (GD Holz) reports that the core regulation remains largely unchanged, leaving companies and authorities in a state of prepared uncertainty as critical technical details remain unresolved.

A primary concern is the lack of a functional infrastructure to support the new rules. The EU's digital due diligence platform is not yet fully operational, and national control systems across Member States are still under

development. Companies are finding it particularly difficult to meet strict traceability requirements within complex global timber supply chains, leading to widespread anxiety that neither the industry nor the governing bodies will be truly ready even with the extra twelve months.

While the postponement introduced some “simplifications”—such as streamlining due diligence for downstream actors and exempting certain product categories—industry leaders argue these measures are insufficient. GD Holz, through its European umbrella organization, the European Timber Trade Federation (ETTF), is pushing for more “practical” adjustments. Their proposals emphasize the need to reduce bureaucratic weight and provide much clearer guidance for supply chains that are already verified as low-risk.

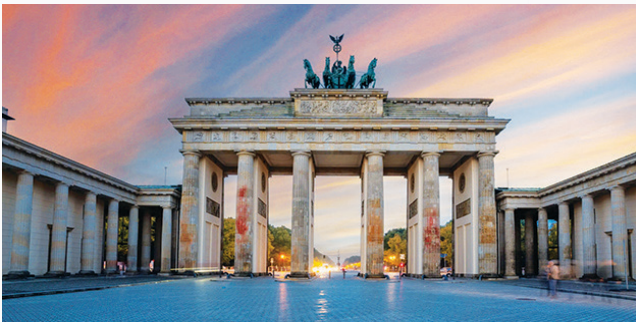
One of the most contentious points is the formal recognition of established certification systems like FSC and PEFC. GD Holz is demanding that these systems be officially recognized as risk mitigation tools to avoid redundant administrative work. Additionally, the industry is criticizing the rigid geolocation requirements, which demand precise coordinates for all harvesting areas. Trade groups are calling for exemptions for low-risk countries and a shift toward a more manageable “landscape-based” approach rather than plot-by-plot tracking.

The final shape of the regulation may still shift, as the European Commission is expected to present a formal review of implementation issues by April 30, 2026. While a total overhaul is unlikely, there is hope for additional simplifications regarding legality requirements and harmonized enforcement across the EU. For now, timber importers remain in a difficult position: they must continue to prepare for a looming deadline while key operational rules have yet to be finalized.

Source: globalwoodmarketsinfo.com, 30 March 2026

Germany

Housing Permits Rise 8.4% in January



Housing permits in Germany increased in January, with approvals rising 8.4% year-on-year to 19,500 units, according to data from the Federal Statistical Office (Destatis).

The increase was driven mainly by new construction. Permits for new-build housing rose by 7.4% to 16,400 units, while approvals for dwellings created through the

conversion of existing buildings climbed by 13.5% to 3,100 units.

Across building types, permits for residential buildings as a whole increased by 6.0% compared with January 2025. The strongest growth was recorded in smaller segments. Approvals for single-family houses rose by 12.6%, while permits for two-family houses jumped by 26.1%.

Permits for multi-family buildings, which account for the largest share of housing supply, increased more moderately, rising by 7.1% year-on-year.

The January figures point to a tentative improvement in activity at the start of the year, following a prolonged downturn in Germany's residential construction sector.

Source: www.fordaq.com, 16 March 2026

Brazil

Engineered Wood – A Sustainable Alternative in Construction



Engineered wood has been gaining ground as a lower environmental impact alternative in the construction sector which has traditionally been associated with high carbon dioxide emissions due to the extensive use of steel and concrete. Unlike those materials, wood captures carbon during tree growth and keeps it stored within building structures throughout their service life.

Studies indicate that buildings made with engineered wood emit up to 80% less CO₂ per square meter compared to concrete and masonry structures. Technological advances have expanded the possibilities for using this engineered wood products through industrialised production systems such as for glued laminated timber (Glulam) and cross laminated timber (CLT) which can meet contemporary structural requirements.

In Brazil, the structural use of wood is primarily regulated by ABNT NBR 7190, complemented by Standards related to durability and building maintenance. In addition to environmental benefits, engineered wood offers several construction advantages including lower structure weight, reduced loads on foundation, greater industrial precision and less waste generation at construction sites as well as contributing to faster and more predictable construction processes.

When sustained from forests managed sustainably the material also allows buildings to function as carbon reservoirs, reinforcing their role in climate change mitigation strategies.

However, sustainable use depends on certified supply chains, proper forest management and strict compliance with technical standards. When these elements are aligned, engineered wood represents a synthesis of tradition and innovation, a long-established material reinterpreted by contemporary engineering to address one of the greatest challenges of our time.

Source: www.maisfloresta.com.br, 2 March 2026

USA

Hardwood Plywood Imports Rise Sharply in 2025



US imports of hardwood plywood increased by 19% in 2025, reaching more than 3.28 million cubic meters, according to data from the US Department of Agriculture. This marks the highest level since 2022.

Indonesia was the leading supplier by volume, while Vietnam ranked first in terms of value. Imports from both countries recorded growth of more than 30% in both volume and value over the year.

In contrast, imports from China declined significantly, falling to nearly half of their 2024 volume. While shipments showed some recovery earlier in the year, volumes have weakened in recent months, declining for a third consecutive month in December. Monthly imports fell 12% in December and were 22% below December 2024 levels.

Veneer imports surge, led by Cameroon and Italy

US imports of tropical hardwood veneer rose by 20% in 2025. Cameroon remained the top supplier, with imports increasing by 29% and accounting for more than one-third of the total import value of over USD32.8 million.

Italy emerged as the second-largest supplier, with imports rising by 414%. Imports from China increased by 17%, while shipments from Côte d'Ivoire declined by 40%. In December, veneer imports rose 3% month-on-month and were 17% higher than in December 2024.

Hardwood moulding imports reach highest level since 2017

US imports of hardwood mouldings increased by 11% in 2025, reaching nearly USD182 million, the highest level since 2017.

Imports from Canada, the leading supplier, rose by 24% to more than USD59.4 million. Shipments from Brazil and Malaysia also increased, by 14% and 13% respectively.

Imports from China declined by 1% over the full year, following a sharp 93% drop in December to their lowest level in more than 15 years.

In December, moulding imports increased by 7% compared to the previous month and were 5% higher year-on-year.

Source: www.itto.int, 17 March 2026

Africa

CITES – Implications for Major African Timber



The most significant development in mid-March is emerging information regarding the upcoming CITES conference and possible implications for several major African timber species. The species reportedly under discussion for listing include Azobé and the four Entandrophragma species, Sipo, Sapelli, Tiamia and Kosipo with Ayous and Okoumé also reportedly under study.

This development is causing serious concern throughout the industry. Given the already difficult position of African timber species in Europe the prospect of wider listings is seen as a major threat to production, trade and investment. Many operators believe that if additional species fall under stricter CITES a number of industries may be forced to reduce activity sharply or stop operations altogether.

The current mood within the sector is one of frustration and alarm. Operators argue that policy discussions in Europe and elsewhere are increasingly disconnected from the realities on the ground in African producer countries. There is a strong feeling that import restrictions and environmental pressures are being intensified without sufficient regard for the consequences on local employment, rural livelihoods and national economies.

In related news, the opinion among several major operators strongly disputes the idea that reforestation is systematically required for species such as Okoumé and Ayous. According to field experience, natural regeneration is common and abundant.

The same argument is being made for Azobé, although operators acknowledge that Azobé regenerates more slowly than Okoumé. They point out that sustainably managed forest provides conditions for regeneration with enrichment replanting viewed as unrealistic or unnecessary in many cases.

Source: www.itto.int, 15 March 2026

Ghana

Utility Commission Announces Reduction in Tariffs



The Public Utilities Regulatory Commission has announced a reduction in utility tariffs for the second quarter of this year, effective 1 April 2026 when electricity charges are set to be reduced by 4.81% and water tariffs will go down by 3.06%.

According to the PURC statement, these adjustments will be carried out in line with the Commission's mandate to review tariffs on a quarterly basis reflecting developments within the quarter. The quarterly reviews track and incorporate movements in key factors whose variability affects the operations of Utility Service Providers (USPs).

Some analysts have explained that the factors considered in arriving at the tariff revisions were based on macroeconomic data before the US and Israel led war with Iran. It is therefore compelling that, should the ongoing war prolong or escalate, these gains to be enjoyed by manufacturing companies may be wiped away in the next quarter of utility tariffs.

Electricity tariffs have surged by over 28% since January 2025 driving up production costs for the manufacturing sector. Industry players have complained that high tariffs continue to undermine industry competitiveness.

According to the Chief Executive Officer (CEO) of Ghana National Chamber of Commerce and Industry (GNCCI), Mark Badu-Aboagye, Ghanaian manufacturers are paying among the highest rates per kilowatt-hour globally. He therefore urged government and the 24-hour Economy Secretariat to prioritise affordable energy.

Meanwhile, Ghana's year-on-year inflation rate has declined further to 3.3% in February 2026, according to provisional data released by the Ghana Statistical Service.

Source: www.graphic.com.gh, 13 March 2026

Global

The War In The Middle East is Affecting Energy, Trade and Finance



Energy prices, supply chains, and financial markets are the main transmission channels, but the regional effects will vary significantly.

The world faces yet another shock. The war in the Middle East is upending lives and livelihoods in the region and beyond. It is also dimming the outlook for many economies that had only just shown signs of a sustained recovery from previous crises.

The shock is global, yet asymmetric. Energy importers are more exposed than exporters, poorer countries more than richer ones, and those with meager buffers more than those with ample reserves.

Beyond its painful human toll, the war has caused serious disruption to the economies of the most directly affected countries, including damage to their infrastructure and industries that could become long-lasting. Although these countries are resilient, their short-term growth prospects will be negatively affected.

Meanwhile, large energy importers in Asia and Europe are bearing the brunt of higher fuel and input costs: about 25 to 30 percent of global oil and 20 percent of liquefied natural gas pass through the Strait of Hormuz, feeding demand not only in Asia but also in parts of Europe. Economies heavily dependent on oil imports in Africa and Asia are finding it increasingly hard to access the supplies they need, even at inflated prices.

Parts of the Middle East, Africa, Asia-Pacific, and Latin America face the added strain of higher food and fertilizer prices and tighter financial conditions. Low-income countries are especially at risk of food insecurity; some may need more external support—even as such assistance has been declining.

Although the war could shape the global economy in different ways, all roads lead to higher prices and slower growth. A short conflict might send oil and gas prices soaring before markets adjust, while a long one could keep energy expensive and strain countries that rely on imports. Or the world may settle somewhere in between—tensions linger, energy stays costly, and inflation proves hard to tame—with ongoing uncertainty and geopolitical risk. Much depends on how long the conflict lasts, how far it spreads, and how much damage it inflicts on infrastructure and supply chains.

Source: www.imf.org, 30 March 2026



How the India-EU pact will remake maritime trade

The new India-EU trade deal, called the 'Mother of all FTAs', is cutting tariffs, but more critically, it might change how shipping companies operate worldwide. The agreement brings in strict rules on environmental standards, digital tracking, and sustainability, forcing maritime leaders to rethink how they run their businesses. The most successful actors will use advanced technology to meet the new rules and gain an edge, making their operations more efficient, resilient, and trusted.

This deal is different from past trade agreements because it links business, the environment, and digital progress in a way that will reshape the sector. Shipping companies that follow the new sustainability and digital reporting rules will be better positioned to meet the demands of customers, investors, and regulators in an uncertain world. Using advanced technology for fleet management, route planning, and compliance will help companies cut emissions, reduce costs, and become more agile.

It is important for companies to make environmental standards a core part of their business. This goes far beyond regulatory compliance, as the agreement aims to build trust and improve their reputation. Digital tracking will help companies demonstrate they are meeting new requirements and give customers and regulators confidence. Working closely with technology experts, sustainability consultants, and regulators will help companies handle the complex new rules and find new ways to grow.

Creating a culture of innovation within the company, by investing in its people and trying new ways of working, will be key to long-term success. The mix of the India-EU trade deal and advanced technology is creating a new era in which sustainability, digitalisation, and profitability go hand in hand. The best shipping leaders will use technology to turn environmental action into an advantage. By using these tools for fleet management, route planning, and compliance, leading actors are cutting emissions, saving

money, and building the resilience and trust needed in today's world. This might be the big change that will shape the future of shipping.

The deal has its challenges. According to a report prepared by former Indian Trade Service officer Ajay Srivastava, the EU's Carbon Border Adjustment Mechanism (CBAM) and strict digital reporting requirements could force Indian exporters to lower prices by 15-22% to remain competitive, acting as a non-tariff barrier. High registration costs for chemicals and medical devices, and strict sanitary and phytosanitary standards, have been flagged as challenges for Indian agri and marine products, resulting in rejected shipments due to pesticide traces or compliance issues. Sensitive agricultural sectors, like dairy, sugar, rice, and ethanol, are largely excluded from the deal, limiting its benefits.

Despite these challenges, the India-EU FTA offers significant opportunities for shipping companies that can adapt and innovate. The most successful actors are those who use the regulatory standards to build resilience, agility, and trust. The deal is projected to double EU exports to India by 2032, driving sustained growth in containerised and breakbulk cargo, with Indian ports like Jawaharlal Nehru Port (JNPT), Mundra, and Pipavav well-positioned to capture increased Europe-bound volumes. European hubs like Rotterdam, Antwerp, Hamburg, Piraeus, and Valencia will benefit on the inbound side, reshaping trade corridors.

Government and industry are stepping up to support affected sectors. Initiatives such as innovation hubs and policy interventions are helping companies navigate the transition. As European Commission President Ursula von der Leyen stated, "We have created a free trade zone of two billion people, with both sides set to benefit." This could be a quantum leap that will define the future of maritime leadership in 2026 and beyond.

Malaysia briefly detains two tankers off Penang

Two tankers were briefly detained off Penang last week after Malaysian authorities intercepted what they say was an illegal shiptoship (STS) transfer of crude in waters long notorious as a hotspot for shadow fleet activity.

The Malaysian Maritime Enforcement Agency (MMEA) said a patrol vessel found two tankers about 24 nautical miles west of Muka Head, Penang anchored in close proximity and suspected of transferring oil. The agency detained both vessels briefly.

TankerTrackers.com, the opensource monitor of the shadow fleet, noted the detentions were shortlived: one tanker is now empty and routing back to Iran while the other, laden,

appears bound for China. TankerTrackers.com flagged the common tricks – bogus flags and opaque ship identities – that let vessels slip through regulatory nets even after interdiction.

Malaysia's waters have for years been a favoured lane for clandestine STS transfers, used to mask cargo origins and dodge sanctions. The patchwork of flags, shell companies and brief rendezvous offshore create fertile ground for illicit transfers. Kuala Lumpur has recognised the problem. In July last year, officials signalled a tougher posture, promising tighter enforcement and new scrutiny on STS activity and sanctions evasion in its maritime zones.

Splash247_ February 2, 2026



APM Terminals buys into DP World's Jeddah terminal



APM Terminals has bought into a Saudi terminal owned by DP World. APM Terminals will acquire a 37.5% minority stake in the Southern Container Terminal at Jeddah Islamic Port, while DP World will retain a 62.5% majority shareholding and continue to lead the operations at the facility, which it has had a 30-year build-operate-transfer concession since 2019. No price for the investment has been revealed.

Keith Svendsen, CEO of APM Terminals, said: "Jeddah is one of the region's most important trade corridors. This investment secures long-term access to quality infrastructure and strengthens our ability to support customers with reliable, scalable capacity in the kingdom."

In 2021, Maersk signed an agreement with Saudi Ports Authority to invest \$136m over 25 years in an integrated logistics park at the same Saudi port.

Splash247_ February 19, 2026



Brazilian and Malaysian ports ink MoUs

Brazil's Suape Industrial Port Complex has signed two Memoranda of Understanding (MoUs) in Malaysia's Port Klang with Westports Malaysia and Northport, part of the MMC Port Holding Group, during its trade mission to Southeast Asia.

The agreements with Westports Malaysia and Northport pave the way for the creation of new long-distance maritime routes, the expansion of logistics connections, and the prospecting of new investments.

“Armando Monteiro Bisneto, CEO of Suape, signed the two memoranda on behalf of the Pernambuco port, formalising the strategic alliances. On behalf of Westports, the document was signed by the CEO, Vijaya Kumar, and on behalf of MMC Ports, by the CEO, Dato' Azman Shah Mohd Yusof.”

“The memoranda go beyond a formal act. The documents establish a formal and permanent channel of communication between Suape and Port

Klang, strengthening the interconnection between the two port complexes,” said Armando Bisneto.

“In the case of Westports, the terminal pointed out the possibility of enabling long-distance maritime routes between the two ports, in addition to future strategic projects that could represent a significant advance for Suape and Pernambuco,” added the Port of Suape executive.

In 2025, Westports Malaysia handled nearly 12 million teu with an expansion project to reach 28 million teu. In addition, it handled 12.8 million tonnes of conventional cargo, surpassing its own previous records. Northport, for its part, recorded the movement of 3.8 million teu last year, an increase of 3.8% over 2024. In the conventional cargo segment, Northport broke records with more than 12.9 million tonnes in 2025, surpassing the previous year's performance.

Seatrade Maritime News_February 26, 2026



Shipments of Timber and Timber Products Through Ports in Peninsular Malaysia, FEBRUARY 2026

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m³)	% change January 2026/ February 2026
	m³	% Change	m³	% Change	m³	% Change	m³	% Change	m³	% Change		
Sawntimber	24,149	-38	123	-98	785	-38	347	-22	1,386	-45	26,790	-47
MDF	7,742	13	0	0	262	1	970	-39	0	-100	8,973	2
Mouldings	12,586	-19	0	0	853	-40	786	-49	289	83	14,514	-22
Plywood	5,964	31	0	0	79	-1	291	-71	15,650	4	21,983	7
Veneer	364	-41	0	0	0	-100	0	0	321	-36	364	-41
Particleboard	5,944	-5	0	0	51	172	0	0	3,724	-32	9,719	-17
Total	56,748	-22	123	-98	2,030	-34	2,394	-47	21,371	-10	82,665	-26

LOGS

The timber price in February 2026 for heavy hardwood remained the same as January 2026. Chengal was priced at RM3,220/tonne, Balau was priced at RM3,710/tonne, Red Balau was priced at RM2,123/tonne and Merbau was priced at RM2,850/tonne.

For medium hardwood, Keruing's price decreased slightly to RM1,928/tonne. The prices for Kempas, Kapur, Mengkulang and Tualang remained steady at RM1,586/tonne, RM1,840/tonne, RM1,769/tonne and RM1,383/tonne respectively.

For light hardwood, Dark Red Meranti's price was RM1,650/tonne, Red Meranti was RM1,900/tonne, Yellow Meranti was RM1,610/tonne and Nyatoh was RM1,270/tonne.

As for rubberwood, the price amounted to RM191/tonne, remaining unchanged compared to January 2026.

PLYWOOD

As of February 2026, the Plywood price segment remained the same compared to last month. 6mm sheets were priced at RM26.00/piece, 9mm sheets were RM38.00/piece and 12mm sheets were RM48.50/piece.

MEDIUM DENSITY FIBREBOARD (MDF)

As of February 2026, the MDF price segment remained the same compared to last month. 4mm thick MDF was RM12.90/piece, 6mm thick MDF was RM23.95/piece, 9mm thick MDF was RM31.70/piece and 12mm thick MDF was RM37.80/piece.

SAWNTIMBER

As of February 2026, the price of Chengal sawntimber remained at RM5,473/m³ in the General Market Specification (GMS) grade, while the price for scantlings remained at RM6,356/m³ and strips remained at RM2,754/m³. Balau sawntimber followed with its GMS grade price remaining at RM3,043/m³ and scantlings remaining at RM4,590/m³.

As for medium hardwood, timber species such as Keruing were priced at RM2,895/m³ for GMS, scantlings were RM2,495/m³ and strips (RM1,860/m³). Meanwhile, for Kempas the price for its GMS grade was RM2,163/m³, scantlings were RM2,366/m³ and strips were RM1,783/m³.

The price of rubberwood sawntimber in February 2026 was RM1,200/m³ for 1"×1", RM1,300/m³ for 2"×2", RM1,380/m³ for 3"×3" and RM1,430/m³ for 4"×4".

TRADE IN MALAYSIA – FEBRUARY 2026

In February 2026, commerce between Sabah and Sarawak with Peninsular Malaysia totalled at 1,552 m³, with a value of RM2.44 million.

Sabah remained the top contributor to the trade value for the Peninsular, recording a trade value of RM1.33 million (691 m³) for plywood, followed by sawntimber at RM0.36 million and veneer at RM0.29 million.

Meanwhile for Sarawak, the trade value for plywood was RM0.40 million and sawntimber was RM0.01 million.

MTIB



* AVERAGE DOMESTIC PRICES OF LOGS, SAWNTIMBER, PLYWOOD AND MDF IN PENINSULAR MALAYSIA

RINGGIT MALAYSIA

FEBRUARY 2026

SPECIES	LOGS/ton	SAWNTIMBER/m³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	3,220	5,473	2,754	6,356	
Balau	3,710	3,043	1,854	4,590	
Red Balau	2,123	2,083	1,518	2,419	
Merbau	2,850	3,743	3,225	3,725	
Mixed Heavy Hardwood	1,207	1,209	1,066	1,243	
MEDIUM HARDWOOD					
Keruing	1,928	2,895	1,860	2,495	
Kempas	1,586	2,163	1,783	2,366	
Kapur	1,840	1,746	1,271	1,685	
Mengkulang	1,769	1,192	1,314	1,871	
Tualang	1,383	1,907	1,518	1,730	
LIGHT HARDWOOD					
Dark Red Meranti	1,650	2,083	1,824	3,337	
Red Meranti	1,900	1,754	1,766	2,542	
Yellow Meranti	1,610	1,730	1,255	1,801	
White Meranti	1,667	2,024	1,801	1,607	
Mersawa	1,425	1,681	1,342	2,154	
Nyato	1,270	1,774	1,548	1,208	
Sepetir	1,173	1,801	1,601	1,283	
Jelutong	1,215	2,119	1,571	1,819	
Mixed Light Hardwood	1,207	1,266	1,083	1,112	
MALAYSIAN RUBBERWOOD Hevea brasiliensis	LOGS/ton	SAWNTIMBER/m³			
		1" x 1"	2" x 2"	3" x 3"	4" x 4"
	191	1,200	1,300	1,380	1,430
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. Sawntimber, Plywood, MDF and Malaysian Rubberwood (Hevea brasiliensis) prices ex-mill

* Prices are only indicative

INTRA-MALAYSIA TRADE

	JANUARY 2026		FEBRUARY 2026		% change in volume	% change in value
	Vol(m ³)	Val(' 000 RM)	Vol(m ³)	Val(' 000 RM)	JANUARY/ FEBRUARY	JANUARY/ FEBRUARY
Sabah						
Logs	0	0	0	0	0	0
Sawntimber	415	673	245	361	-41	-46
Plywood	627	1,312	691	1,331	10	1
Veneer	0	0	169	289	100	100
Sarawak						
Logs	0	0	0	0	0	0
Sawntimber	384	556	2	8	-100	-99
Plywood	842	741	445	397	-47	-46
Veneer	0	0	0	0	0	0

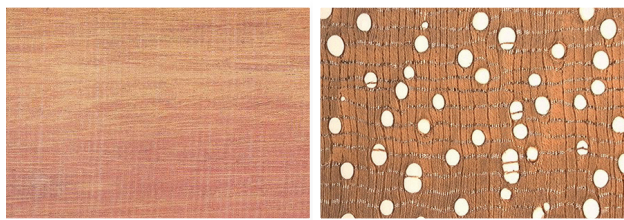
Source: Department of Statistics Malaysia
Tabulated: Malaysian Timber Industry Board

KERANJI

Dialium platysepalum

Prepared by: Encik Ahmad Nashriq Zariffuddin

KERANJI is one of the species of tree-shaped plants from the family *Fabaceae* (legume tribe). The plant, known by the scientific name *Dialium platysepalum*, comes from a wet tropical biome stretching from Thailand to western Malaysia. Keranji is also known by another name – karanji or geranji. The scientific name *Dialium platysepalum* was first published by botanist John Gilbert Baker in 1878. This species is a tropical rainforest tree well-known in Malay culture, famously featured in the traditional children's folk song: "Sorong papan tarik papan, buah keranji dalam perahu..."



Sources: <https://www.kalimantimber.com/timber-specification>

Physical Characteristics

- **Size and Height:** The Keranji tree is a rainforest giant that can grow up to 25 to 40 metres tall. It features a straight trunk with smooth, greyish-white bark.
- **Heavy Hard Wood:** The Keranji species is renowned as one of the hardest, densest, and heaviest timbers in the world. Its exceptional durability makes it highly valuable for heavy construction, furniture making, and bridge building.
- **Surface Color**
 - **Heartwood (Inner Wood):** When freshly cut, it has a golden-brown or orange-brown hue. Over time, as it is exposed to air and light, it matures into a rich, deep dark brown.
 - **Sapwood (Outer Wood):** The outer layer is much lighter, ranging from whitish to yellowish, creating a sharp, distinct contrast with the dark heartwood.
- **Grain Pattern**
 - The grain of Keranji wood is typically wavy, curly, or deeply interlocked.
 - This interlocked grain gives the surface a highly exclusive look, creating alternating light and dark ribbon-like stripes of lustre when the wood is planned and polished correctly.
- **Surface Texture**
 - It has a medium to fine texture, which makes the surface feel remarkably smooth and dense.

- Because its pores are small-to-medium and often filled with natural deposits, the surface looks compact and lacks the coarse open-pore look seen in woods like Meranti.

Natural Lustre

- Keranji wood possesses a high natural lustre. Once it is sanded and finished (with varnish or shellac), the surface takes on a beautiful, glossy sheen that brilliantly highlights its wavy grain.

Current Status

Today, the Keranji tree is considered an endangered forest treasure. Because it is a very slow-growing species, it has become increasingly rare in secondary forests and is now mostly found only in untouched forest reserves.



Its prominent feature in classical Malay poetry (*pantun*) and proverbs—such as "buah keranji dalam perahu"—reflects just how deeply intertwined this fruit is with traditional Malay culture and literature.

Uses

The timber is suitable for heavy construction, gymnasium equipment, railway sleepers, tool handles (impact), vehicle bodies (framework and floor boards), mallets, poles, telegraphic and power transmission posts and cross arms, bridges, pallets (permanent and heavy duty type), laboratory benches, heavy duty furniture, flooring (heavy traffic), pilling, door and window frames and sills, posts, beams, joists, rafters, fender supports, columns (heavy duty), staircase (balustrade, carriage, newel, riser, stringer, tread, bullnose, round end and winder), interior finishing, panelling, mouldings, joinery and cabinet making.



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3 - 6 MARCH 2026

Export Furniture Exhibition (EFE) 2026

4 - 7 MARCH 2026

Malaysian International Furniture Fair (MIFF) 2026

16 - 18 MARCH 2026

Workshop Preparation for LCA Technical Methodology Guide for Sustainable Wood Products and Biocomposites

31 MARCH 2026

Working Visit and Wood Industry Partnership Session with Fact Dialogue Malaysia Secretariat to MTIB