



Bridging Academia and Industry: Knowledge Sharing Session on Wood Anatomy Identification and Grading

-  Domestic and International Marketing Training for Industry Players
-  Strengthening Timber Industry TVET Through the Implementation of Code of Practice for TVET Programme Accreditation

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Domestic and International Marketing Training for Industry Players

Prepared by: Tc. Nurul Hasana Jaafar

The Wood Industry Skills Development Centre (WISDEC), MTIB continues its commitment towards strengthening human capital development within the timber sector through specialised, industry-driven training programmes. In line with this mission, WISDEC Sabah, through a strategic collaboration with the Sarawak Timber Industry Development Corporation (STIDC) conducted the Customised Training Programme on Domestic and International Marketing on 3 - 4 November 2025 at the Multipurpose Hall, PUSAKA Kuching, Sarawak.

The training was conducted by Encik Saiful Anwar Abu Hasan, an instructor with expertise in marketing strategies, timber industry trends, and market development at both domestic and international levels. Throughout the two-day programme, participants were actively engaged through interactive sessions, group discussions, and practical applications tailored to current challenges and emerging opportunities in the wood-based sector.

The programme was specifically designed to address the practical needs of industry players and representatives of the wood-based companies involved in the *Kompleks Industri*

Perabot PUSAKA Kota Samarahan (KIPPKS) organisational teams. It aimed to provide participants with knowledge of current policies related to domestic and international marketing, expose participants to effective approaches for improving marketing performance, and enable participants to explore potential opportunities in both domestic and international markets.

The closing ceremony was conducted by YBhg. Datu Haji Zainal Abidin Haji Abdullah, General Manager of STIDC. Also in attendance were Ts. Muhamad Faizul Razilah, Director of WISDEC; and Tuan Omar Ali Sepian, Assistant General Manager SME & Entrepreneur Development STIDC. The programme was attended by 14 participants comprising Sarawak furniture entrepreneurs as well as vendors under *Kompleks Industri Perabot PUSAKA Kota Samarahan (KIPPKS)*.

Overall, the programme successfully enhanced participants' understanding of market dynamics, trade policies, and strategic marketing approaches within the timber industry.

MTIB



Bridging Academia and Industry: Knowledge Sharing Session on Wood Anatomy Identification and Grading

Prepared by: Puan Juliwar Idrus

The Fibre and Biocomposite Centre (FIDEC), MTIB collaborated with the Centre for Wood Industry Studies, Faculty of Applied Sciences, Universiti Teknologi MARA (UiTM) Pahang Branch, Jengka Campus to host a Knowledge Sharing Session on Wood Anatomy Identification and Wood Grading.

The programme was attended by 40 Furniture Technology students and six (6) lecturers from the Centre. The session aimed to achieve the following:

- i To provide exposure to the importance of anatomical wood characteristics for scientific species identification through microscopic identification techniques
- ii To share comprehensive information on the Malaysian wood grading system, including the criteria and specifications used for quality assessment within the wood-based industry
- iii To equip students with practical knowledge and industry awareness, fostering their understanding of career opportunities and demands within the wood-based sector
- iv To strengthen the strategic partnership between academic institutions and government agencies to enhance the national wood industry ecosystem.

The programme commenced with welcoming remarks delivered by Puan Syafinaz Abd. Rashad, Deputy Director of FIDEC. This was followed by an address by Ts. Dr. Ahmad Fauzi Awang @ Othman, Senior Lecturer at UiTM Pahang Branch, Jengka Campus. The presentations were by Puan Juliwar Idrus (Senior Assistant Director, FIDEC - MTIB): Wood Anatomy Identification and Services Offered by FIDEC; and Encik Suhaime Rosman Abdul Malek (Wood Quality Control Inspector, MTIB East Region - Kuantan): Wood Grading.

After the presentation, students engaged in a practical session by applying macro-technique wood identification to commercial tropical timbers. The programme also included a tour to the Wood Workshop, the Wood Anatomy Laboratory, and the Pulp and Paper Laboratory. During the tour, potential strategic collaborations in supporting Research and Development (R&D) and fostering quality human capital development for the mutual benefit of both institutions were discussed.

The knowledge-sharing programme successfully achieved its objective of bridging theoretical knowledge with industry practice, thereby benefiting the academic community while providing the future workforce with essential industry exposure needed for their careers in the wood-based industry.





Welcoming remarks delivered Puan Syafinaz Abd. Rashad



Students receiving insights from the presenter



Students during practical session - macro-technique wood identification



Tour of Pulp and Paper Laboratory



Tour of Wood Workshop



Strengthening Timber Industry TVET Through the Implementation of Code of Practice for TVET Programme Accreditation

Prepared by: Ts. Norhasniza Md Rom



Introduction

The rapid development of Malaysia's Technical and Vocational Education and Training (TVET) sector demands a holistic transformation of programme implementation and quality assurance. In alignment with the government's aspiration to unify all TVET programmes under a single national standard, the Code of Practice for TVET Programme Accreditation (COPTPA) has been established as the primary framework to ensure training is effective, industry-relevant, and of consistent high quality.

COPTPA represents a strategic collaboration between the Malaysian Qualifications Agency (MQA) and the Department of Skills Development (JPK), supported by the Ministry of Human Resources (KESUMA) and the Ministry of Higher Education (KPT). It builds upon the Malaysian Qualifications Framework (MQF), integrating the skills and vocational sectors into a cohesive TVET qualification system that is structured, accessible, and internationally recognised. This harmonisation elevates TVET alongside the academic sector, enhancing the recognition, marketability, and credibility of skilled professionals both locally and abroad.

Within the timber sector, COPTPA plays a pivotal role in strengthening training infrastructure, particularly in furniture production operations, which form a critical component of the national timber industry value chain. By providing clear standards and expectations, COPTPA ensures graduates emerge not only with technical proficiency but also with the competence, adaptability, and professionalism needed to meet evolving industry requirements.

WISDEC: Leading COPTPA Implementation in the Timber Industry

As an accredited centre under JPK, the Wood Industry Skills Development Centre (WISDEC) plays a strategic role in preparing Malaysia's timber industry sector for full COPTPA implementation by 2026. To ensure programmes remain industry-relevant and effective, WISDEC has initiated a series of strategic measures:

-  Conducting consultation workshops with industry stakeholders to maintain skills relevance and responsiveness
-  Developing updated assessment instruments that comply with stringent quality assurance principles
-  Upskilling trainers and assessors through COPTPA-based training and accreditation
-  Strengthening partnerships with the industry to ensure graduates meet real-world workforce demands.

These initiatives position WISDEC as a reference training centre in the timber industry sector, supporting Malaysian Timber Industry Board's (MTIB) mission to develop a competent, skilled, and future-ready timber workforce.



The Future of TVET in the Timber Industry

With COPTPA as the guiding framework, Malaysia's timber TVET sector is set to evolve into a highly structured, globally recognised, and industry-aligned ecosystem. Key strategic focus areas include:

- 🌳 Designing modular and flexible curricula that respond to industry demands
- 🌳 Integrating automation, digital technologies, and sustainability into training programmes
- 🌳 Enhancing graduate employability through practical, real-world experience
- 🌳 Expanding articulation pathways between TVET and academic streamss

This approach ensures graduates are not only technically capable but also adaptable, possessing the soft skills demanded by modern industry. COPTPA establishes a new era of quality assurance in Malaysian TVET, enabling industries to confidently employ and absorb future-ready professionals.



Consultation workshop with industry stakeholders

As a leading training centre in Malaysia's timber industry, WISDEC remains committed to ensuring all programmes under its supervision meet COPTPA standards and stay relevant to industry needs, as it continues to develop a workforce that sustains Malaysia's position as a global leader in timber and furniture production.



Malaysia's exports of timber and timber products increased by 4% in October 2025, reaching RM1.8 billion compared to RM1.7 billion in September 2025. The stronger monthly performance was supported mainly by higher exports of sawntimber, plywood, veneer, chipboard/particleboard, fibreboard, wooden frames, and builders' joinery and carpentry products, which outweighed declines in logs, mouldings, and other products.

Cumulative exports for January–October 2025 amounted to RM18.0 billion, representing a 5% decrease from RM18.9 billion as recorded in the corresponding period of 2024. The year-to-date contraction was driven primarily by lower exports of plywood, fibreboard, veneer, mouldings, chipboard/particleboard, wooden furniture, rattan furniture, and other timber products. Wooden furniture exports declined by 5% to RM7.8 billion. In contrast, exports of sawntimber rose by 2% to RM1.8 billion, while builders' joinery and carpentry products increased by 6% to RM1.2 billion, helping to partially offset the overall decline in timber and timber product exports.

According to the International Tropical Timber Organization (ITTO) and the Global Green Supply Chains Initiative (GGSC), Asian timber and woodworking industries are navigating a strategic transition in October 2025, marked by a cautious recovery in China and a pivot toward sustainable, high-value wood sources in Southeast Asia. While China's timber imports saw a notable 15.9% month-on-month rebound in September to 4.67 million cubic meters, the October GTI-China index was registered at 45.6%, reflecting a temporary slowdown due to the National Day holiday. In Indonesia, the industry is leveraging its 574 forest business units (PBPH) and a massive 3-million-house strategic project to stimulate domestic demand and green investment, despite heavy rainfall impacting logging operations. Simultaneously, Malaysia is focusing on economic diversification by tapping into Sarawak's 94,000 hectares of rubber wood resources and strengthening international cooperation to navigate strict European Union Deforestation Regulations (EUDR). Overall, the region is balancing the need for economic growth with increasing pressure for digitalisation, sustainable management, and compliance with global climate standards as reported by itto-ggsc.org.

SAWNTIMBER

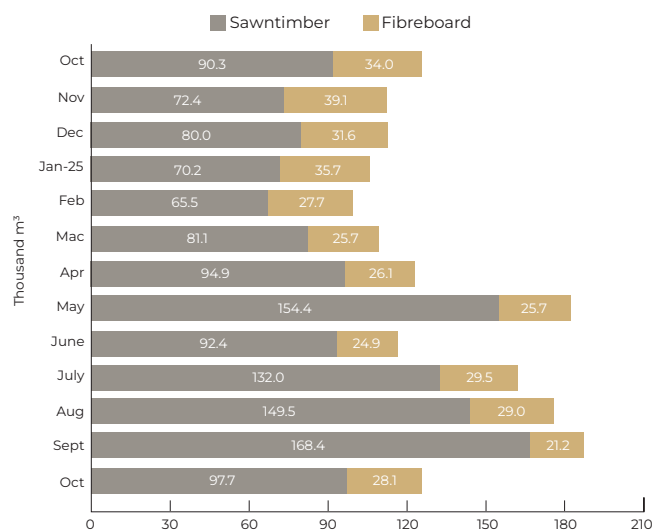
Total sawntimber exports in October 2025 increased by 10% in volume and value compared to the previous month. Exports totalled at 97,680 m³ worth RM194.1 million, up from 88,849 m³ valued at RM176.8 million in September 2025. Cumulative exports for January–October 2025 amounted to 1,007,085 m³ valued at RM1.8 billion, reflecting a 22% increase in volume and a 2% increase in value compared to the same period in 2024 (828,480 m³ valued at RM1.7 billion).

In the European Union, exports declined sharply by 95% to 4,203 m³ in October 2025 compared to 75,953 m³ in September. Among member countries, the Netherlands recorded an increase of 38% to 1,516 m³ from 1,101 m³, Belgium a decrease of 9% to 725 m³ from 793 m³, and Greece a decrease of 14% to 543 m³ from 634 m³. Exports to other parts of Europe rose by 53% to 1,185 m³ from 775 m³, with the United Kingdom accounting for an increase of 48% to 1,150 m³ from 775 m³ in September 2025.

In South Asia, shipments fell by 27% to 13,912 m³ from 18,974 m³ last month. India recorded an increase of 48% to 7,213 m³ from 4,863 m³, the Maldives a decrease of 76% to 2,383 m³ from 9,871 m³, and Sri Lanka an increase of 8% to 3,110 m³ from 2,875 m³ in September. Exports to West Asia rose by 39% to 16,599 m³ from 11,927 m³ in September. The UAE recorded an increase of 92% to 5,879 m³ from 3,060 m³ and Yemen an increase of 80% to 5,016 m³ from 2,794 m³, while Oman recorded a decrease of 4% to 1,893 m³ from 1,963 m³.

In East Asia, imports decreased slightly by 3% to 34,932 m³ from 35,954 m³ in the previous period. China recorded a decrease of 13% to 28,169 m³ from 32,365 m³, Taiwan a sharp increase of 221% to 3,170 m³ from 987 m³, and Japan an increase of 40% to 2,639 m³ from 1,882 m³.

Malaysia: Export of Sawn Timber and MDF



Shipments to ASEAN markets fell by 4% to 19,372 m³ from 20,175 m³ in September. The Philippines recorded a decrease of 33% to 6,542 m³ from 9,822 m³, Thailand an increase of 43% to 5,663 m³ from 3,964 m³, and Singapore an increase of 9% to 6,004 m³ from 5,514 m³ last month.

Exports to Africa grew by 82% to 3,557 m³ from 1,954 m³ last month. Somalia recorded an increase of 56% to 2,561 m³ from 1,644 m³, and Mauritius an increase of 74% to 538 m³ from 310 m³. Meanwhile, exports to North America

increased by 78% to 3,018 m³ from 1,696 last month, with the United States recording an increase of 94% to 2,948 m³ from 1,521 m³.

Exports to Oceania/Pacific declined by 25% to 749 m³ from 995 m³ September, all of which went to Australia, which recorded a decrease of 12% to 749 m³ from 847 m³ in September 2025.

The average FOB price for sawntimber in October 2025 was recorded at RM1,987 per m³, a significant increase of 89% from RM1,049 per m³ in September 2025. Exports of Dark Red Meranti (DRM) totalled at RM2,293 per m³, recording a decrease of 2% from RM2,340 per m³ in September. Keruing exports rose by 6% to RM2,834 per m³, while DRM exports to the Netherlands decreased by 18% to RM2,967 per m³. No trade was recorded for Redwood (UAE) in October 2025.

According to nz.pfolsen.com, the global sawntimber market in October 2025 was characterised by significant export pressures and subdued demand across key international hubs. New Zealand sawmills specialising in clear-wood exports to the United States faced intensified competition and squeezed margins due to rising tariffs. Simultaneously, the Chinese market remained stagnant amidst a negative outlook on construction activity, a situation further exacerbated by the onset of the “sap-stain” season. During this period, fluctuating temperatures in both New Zealand and China facilitated rapid fungal growth, posing a substantial risk to the visual quality and subsequent market value of the timber.

Regional operations in the Asia-Pacific area experienced varied disruptions, particularly in India, where Diwali festivities and regional elections led to acute labour shortages in sawmilling centers like Gandhidham. Although domestic prices for green sawntimber in India showed a modest recovery, monsoon patterns in the south continued to dampen immediate timber offtake. Conversely, the New Zealand domestic market benefited from stabilised construction costs; however, the industry continued to struggle with a scarcity of skilled workers and a lack of strategic focus on low-carbon transitions, which hindered the broader adoption of timber in local infrastructure projects.

PLYWOOD

Export of plywood in October 2025 recorded an increase of 12% in volume at 101,762 m³ and a 14% increase in value to RM215.0 million as compared to the previous month. The cumulative exports for the period of January – October 2025 showed an increase of 1% in volume to 932,833 m³ but a 6% decrease in value totalling at RM1.9 billion over the previous corresponding period. The East Asia market recorded a declining trend by 18% to 50,834 m³ from 61,945 m³ in September. Japan, as the largest importer from the region decreased its buying by 14% to 45,735 m³, followed by South Korea and Taiwan with decreases of 33% to 2,190 m³ and 39% to 2,388 m³ each. In the ASEAN region, imports increased by 38% from 1,924 m³ to 2,662 m³ last month. Plywood exports to Thailand and Brunei improved by 61% to 877 m³ and 208% to 378 m³ respectively. Singapore reduced purchases by 3% to 998 m³ in October 2025.

Moving to the EU region, intake by the region recorded an increasing trend for plywood export by 7% from 4,869 m³ to 5,196 m³. Slovenia and Belgium increased their purchases by 95% and 58% to 941 m³ and 1,048 m³ respectively. Spain reduced its buying by 1% to 1,048 m³ as well. In other parts of Europe, exports recorded an increase of 53% to 11,544 m³ from 7,559 m³ in the previous month. Plywood purchase by

the UK increased by 123% to 9,317 m³ while Turkiye decreased by 34% to 2,228 m³.

In the South Asia region, plywood purchase recorded a decrease of 68% from 222 m³ to 72 m³. India and Maldives reduced their plywood imports by 92% to 13 m³ and 11% to 59 m³ each. The West Asia region recorded a tremendous increase of 785% to 11,877 m³ from 1,342 m³ in the previous month. Yemen improved sales by 1255% to 11,233 m³, followed by Oman with an increase of 458% to 402 m³. However, the UAE resumed its purchase with 241 m³ for the month.

In the Africa region, plywood export recorded a four-digit increment from 38 m³ to 1,261 m³. South Africa recorded a 336% increase from 38 m³ to 166 m³ while Somalia resumed its purchase with 975 m³. The North America region also showed an increase of 38% from 11,697 m³ to 16,097 m³. The USA as the main buyer improved its purchases by 36% to 14,951 m³, followed by Mexico and Canada with an increase of 39% to 865 m³ and 575% to 281 m³ respectively. In the Oceania/Pacific region, plywood export increased by 94% from 1,143 m³ to 2,219 m³ with purchases being from Australia.

The FOB price of plywood for October 2025 was RM2,112 per m³, an increase of 1% from RM2,091 per m³ from the previous month.

Somalia's construction industry is an emerging but dynamic sector shaped by substantial infrastructure investments, strong diaspora involvement and evolving private real estate development, yet it continues to face significant structural constraints. Large-scale projects including major road upgrades financed by international partners such as the African Development Bank are expanding transport networks and boosting connectivity, which in turn stimulates broader economic activity and demand for construction services. At the same time, rapid urban growth in cities like Mogadishu has driven private and diaspora-backed developments in housing and commercial real estate, creating jobs and drawing new participants into building trades.

VENEER

Export of veneer in October 2025 increased in volume by 75% to 3,171 m³ and 39% increase in value worth RM7.0 million as compared to the previous month. Meanwhile, the cumulative export for January – October 2025 showed a decrease in both volume and value by 48% to 23,824 m³ and 46% to RM49.9 million over the previous corresponding period.

ASEAN recorded an increase in veneer imports by 39% from 154 m³ to 214 m³. The Philippines decreased its purchase by 1% to 96 m³ while Cambodia resumed its buying to 104 m³. In East Asia, exports also increased by 65% from 481 m³ to 794 m³. Japan and South Korea increased their veneer imports by 160% to 427 m³ and 72% to 289 m³ respectively. In China, veneer purchases decreased by 75% to 37 m³. In the South Asia region, veneer sales increased by 51% to 1,417 m³ from 940 m³ in the previous month. India recorded an increase of 59% to 1,285 m³ while Bangladesh's purchase remained at 132 m³.

Moving to North America, veneer import recorded an increase of 365% to 377 m³ from 81 m³. The USA and Canada improved their buying by 630% to 336 m³ and 17% to 41 m³ respectively. The Oceania/Pacific region also increased its buying by 20% to 143 m³ with purchases being from Australia, while the EU made no purchase for the month. However, South Africa resumed its buying with 226 m³ with sole purchases being from South Africa.



The average FOB price for veneer decreased by 21% from RM2,799 per m³ to RM2,220 per m³ as compared to the previous month.

Cambodia is projected to achieve approximately 5% economic growth in 2025, a slight deceleration from an estimated 6% in 2024, according to Deputy Prime Minister Vongsey Vissoth at the launch of the country's National Strategic Development Plan. The slower growth pace is attributed in part to the adverse effects of a border conflict with Thailand and a 19% tariff imposed by the United States on Cambodian exports since 1 August 2025, which has impacted the competitiveness of local goods. Despite these headwinds, Cambodia's GDP per capita is forecast to increase to nearly USD3,000 in 2025, up from USD2,713 in 2024 and USD2,520 in 2023. The economic expansion is expected to be supported by robust performance in the industrial sector (including garment and non-garment manufacturing and construction, projected to grow by 7.1%), moderate gains in the service sector (3.8% growth in tourism, transport, telecom, trade and real estate) and modest growth in agriculture (0.9%).

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in October 2025 recorded a 49% increase in volume at 28,142 m³ and a 47% increase in value to RM54.6 million compared to the previous month. However, the cumulative export for the period of January – October 2025 recorded a decreasing trend of 20% in volume to 271,247 m³ and 19% in value totalling at RM510.7 million as compared to the corresponding period in 2024.

MDF exports to ASEAN increased by 30% from 3,750 m³ to 4,872 m³ compared to the previous month. The Philippines, Indonesia and Viet Nam increased their imports by 26%, 51%, and 187% to 2,468 m³, 1,071 m³, and 1,177 m³, respectively.

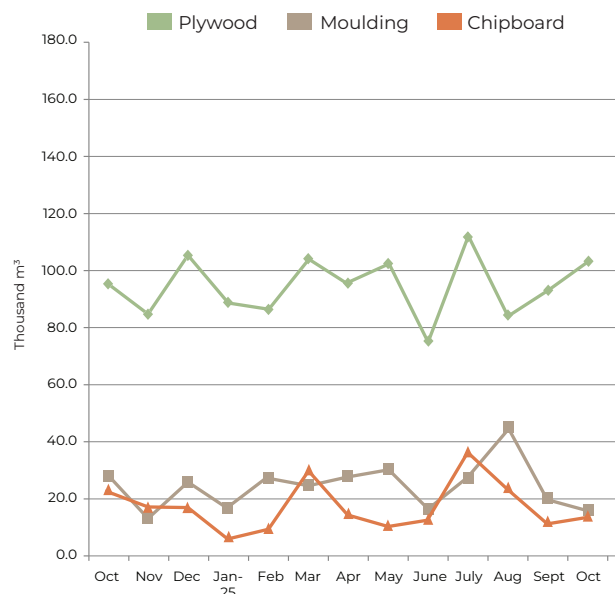
Elsewhere, East Asia's purchases of MDF also increased by 35% from 9,675 m³ to 13,021 m³ compared to the previous month. Imports of MDF from Japan and South Korea recorded increases of 84% and 191% to 11,755 m³ and 851 m³, respectively. Taiwan reduced its purchases by 44% to 395 m³. Moving to the South Asia market, exports decreased by 37% from 3,223 m³ to 2,020 m³ in October 2025. Export performance to India increased by 157% to 1,099 m³, while Pakistan decreased imports by 49% to 889 m³. Meanwhile, Nepal resumed its buying with 32 m³.

Exports to the West Asia region recorded an increase of 213% from 1,056 m³ to 3,305 m³ compared to the previous month. The UAE increased its purchases by 593% to 1,414 m³. Yemen and Kuwait resumed their purchases with 750 m³ and 772 m³, respectively. On the other hand, no purchases of Malaysian MDF were recorded from the European Union and South America during the month. Nevertheless, MDF purchases were made by the UK amounting to 62 m³, and by Guatemala in Central America, totalling at 147 m³.

Exports to the Oceania/Pacific region recorded an increase of 24% to 2,184 m³ from 1,767 m³. Australia and New Zealand increased their purchases by 20% to 2,098 m³ and 274% to 86 m³, respectively. MDF imports in North America also showed an increase of 50% from 1,677 m³ to 2,511 m³ compared to the previous month. Purchases by the USA, Canada, and Mexico increased by 26%, 6%, and 420% to 1,470 m³, 412 m³, and 629 m³, respectively. In the Africa region, MDF purchases decreased by 23% to 20 m³, all from South Africa, while Mauritius made no purchases for the month.

The average FOB price of MDF increased by 11% to RM1,939 per m³ from RM1,755 per m³ in the previous month.

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



The report on the Kathmandu – Tarai Expressway Project indicates that progress has reached approximately 43.3%, reflecting slower-than-anticipated advancement toward its targeted 2026 completion, with about Rs. 82.17 billion spent to mid-October but less than half of the physical work done. The Nepali Army, which is executing the project, states that 12 of the 13 construction packages are underway, including major bridges and tunnels, though land acquisition and policy approvals remain key bottlenecks in certain sections. Infrastructure elements such as 85 of the 89 bridges are in progress, some tunnel segments have been significantly excavated, and initial road paving has commenced, yet land compensation, forest land use and design adjustments continue to affect timelines and costs, which the project's estimated costs has risen from Rs. 175 billion to over Rs. 211 billion.

MOULDINGS

The export of mouldings in October 2025 decreased by 4% in volume, reaching 19,304 m³, and similarly decreased by 2% in value, amounting to RM65.1 million as compared to September 2025. For the cumulative period from January to October 2025, exports of mouldings dropped in volume and value by 5% to 0.2 million m³ and by 7% worth RM742.2 million from RM798.0 million in the same period in 2024.

Exports to ASEAN countries increased by 61% to 1,053 m³ in October 2025, from 652 m³ in September 2025. Export to Singapore improved by 57% to 911 m³ and similarly export to Viet Nam increased by 63% to 116 m³ from the previous month. In the East Asia region, export of mouldings was recorded at 1,180 m³ in October 2025, a decrease of 10% from 1,317 m³ in the previous month. Exports to Japan and Hong Kong increased by 18% to 689 m³ and 40% to 42 m³, respectively. Meanwhile, export to South Korea declined by 21% to 383 m³ from 482 m³ in September 2025.

In the South Asia region, export volume showed a downward trend, with intake down by 14% to 172 m³ in October 2025 compared to the previous month. Export to

Maldives decreased by 62% to 51 m³, while India increased its intake by 81% to 121 m³ for the month. Meanwhile, the UAE resumed its buying with 24 m³.

Exports to the EU showed a positive growth, increasing by 21% to 4,942 m³ in October 2025 compared to 4,099 m³ in September 2025. Export to the Netherlands was recorded at 2,881 m³, an increase of 47% from 1,955 m³ in the previous month. Similarly, exports to France and Italy grew by 29% to 852 m³ and by 893% to 437 m³. Meanwhile, intake from the UK improved by 49% to 430 m³ for the month.

In the Oceania/Pacific region, export of mouldings to Australia grew by 6% to 1,405 m³ for the month as compared to 1,322 m³ previously. Meanwhile, in North America, total demand declined by 19% to 9,547 m³ in October 2025 when compared to the previous month. Export to the USA dropped by 17% to 9,304 m³, while export to Canada dropped by 19% to 243 m³ from 301 m³ in the previous corresponding month, September 2025.

In the Africa region, total export increased by 69% to 494 m³ compared to 293 m³ in September 2025. Exports to Mauritius improved by 108% to 354 m³ while buying from South Africa also grew by 14% to 140 m³ for the month.

The average FOB unit value for mouldings in October 2025 increased by 2% to RM3,374 per m³ compared to RM3,308 per m³ in September 2025.

The United Kingdom's construction activities contracted in November 2025 at the fastest pace since May 2020, with steep falls in civil engineering, residential, and commercial building, partly due to uncertainty ahead of the government's budget. S&P Global's monthly purchasing managers' index for the construction industry fell to 39.4 in November from 44.1 in October, extending its longest downturn since the global financial crisis and remaining well below the 50 that divides growth from contraction. Residential construction activity was at its weakest since May 2020, when lockdowns during the COVID pandemic halted building work. Activity in the commercial sector in November dropped at the sharpest pace in five-and-a-half years, with its subindex at 43.8. Civil engineering and new orders were also their weakest since May 2020. "November data revealed a sharp retrenchment across the UK construction sector as weak client confidence, and a shortfall of new project starts again weighed on activity. Total industry activity decreased to the greatest extent in five-and-a-half years, led by steep falls in infrastructure and residential building work. Commercial construction also faced severe headwinds during November as business uncertainty in the run-up to the budget pushed clients to defer investment decisions," said Mr. Tim Moore, economics director at S&P Global Market Intelligence.

Other recent business surveys have also shown similar concerns about investment, hiring and demand in the lead-up to finance minister Rachel Reeves' annual budget on November 26, which included GBP26 billion (USD35 billion) in tax rises. S&P Global said the pace of job-shedding accelerated last month, with the employment index at its lowest since August 2020, with firms citing elevated wage costs and less work. The survey's gauge of optimism struck a nearly three-year low, and cost pressure rose slightly. The all-sector PMI, which combines the services, manufacturing and construction sectors, stood at 50.1 in November compared to October's 51.4.

BUILDERS JOINERY AND CARPENTRY (BJC)

The total export of builders' joinery and carpentry (BJC) in October 2025 increased by 10% in volume to 13.1 million kg and by 17% in value to RM120.3 million, and similarly for the cumulative period of January – October 2025, export of BJC increased by 11% in volume to 128.5 million kg and 6% in value worth RM1.2 million as compared from the previous corresponding period in 2024.

Shipments of BJC to ASEAN were valued at RM73.2 million, a decrease of 36% from RM113.8 million in the same corresponding period in 2024. Singapore as the main buyer decreased its buying by 51%, valued at RM39.9 million as compared to the previous year. Similarly, there was a cutback on export to Viet Nam by 18% worth RM9.2 million. However, export to Thailand increased by 16% worth RM14.9 million for the period of January to October 2025.

As for the East Asia region, exports decreased by 15% from RM76.5 million to RM64.8 million. Japan, despite being the main buyer from this region, dropped its buying by 15% to RM46.5 million from RM54.6 million over the same corresponding period. Similarly, exports to China and Taiwan also declined by 29% worth RM7.4 million and by 31% to RM4.8 million respectively.

Exports to South Asia totalled at RM20.4 million, a decrease of 40% from RM34.2 million in the corresponding period in 2024. Both India and Maldives decreased their imports by 36% to RM13.8 million and by 27% worth RM3.6 million respectively. Similarly, Sri Lanka dropped its purchases by 59% from RM4.6 million to RM1.9 million in the period of January - October 2025.

As for the West Asia region, the total export of BJC grew significantly by 81%, totalling at RM12.1 million as compared to RM6.7 million from the previous year. The main buyer from this region was Saudi Arabia with a total purchase of RM10.1 million, while demand from Kuwait dropped by 84% worth RM96,119 for the stated period. Similarly, exports to the UAE dropped by 21% to RM1.8 million from RM2.3 million in the period of January – October 2024.

The total export of BJC to The European Union region rose by 7%, totalling up from RM213.1 million to RM227.7 million. Intake from Belgium increased by 18% worth RM78.7 million, followed by the Netherlands with imports improved by 9% worth RM78.1 million. Similarly, intake from Germany grew by 56% to RM14.9 million for the stated period. Meanwhile, exports to the other parts of Europe declined by 10% with a total amount of RM115.9 million. The United Kingdom decreased its intake by 5% worth RM11.2 million. Buying from Norway and Türkiye also dropped by 67% to RM3.9 million and by 6% worth RM0.8 million, respectively.

Shipments to the Oceania/Pacific region decreased by 8% to RM195.1 million in the period of January – October 2025. Australia as the main buyer reduced its purchases by 7% with a total value of RM177.9 million from RM191.9 million in the previous corresponding year. Similarly, New Zealand lowered its intake by 17% worth RM13.5 million while export to Tonga increased by 5% to RM0.6 million for the stated period.

Shipment to North America increased by 49%, amounting to RM458.4 million whereas the USA as the main buyer from this region increased its purchases by 50% with a total value of RM451.7 million. Similarly, intake from Canada grew by 3% worth RM6.1 million. Meanwhile, Brazil resumed its intake with RM61,150 for the month.



Shipments to Africa on the other hand, decreased by 29% to RM6.6 million in the period of January – October 2025. There has been a decrease on exportations of BJC to South Africa at 26% from RM4.9 million to RM3.7 million. Similarly, Seychelles dropped its purchase by 26% to RM0.9 million, while Morocco increased its intake by 619% worth RM0.9 million for the cumulative period of January – October 2025.

According to the Australian Construction Material Price Outlook from Altus Group, the country's construction material price outlook shows the industry under ongoing pressure from uneven cost movements and persistent supply-side challenges. While global commodity prices have softened, locally intensive inputs (such as concrete, plasterboard and bricks) continue to climb due to labour inefficiencies, supply chain constraints and rising energy costs, particularly electricity, which has surged and fed directly into manufacturing and material prices. Labour scarcity, declining productivity and project delivery issues are compounding these material cost pressures, keeping overall construction expenditure elevated despite softer international trends. Domestic output and approvals data also reflect a market where residential and public works proceed amid high input costs and constrained capacity, underscoring the structural nature of cost escalation.

Looking ahead, the outlook suggests that material prices and broader construction costs will remain high relative to historical norms, with relief unlikely without significant improvements in productivity, delivery models and supply logistics. Recent government focus on reducing regulatory barriers and adopting modern construction methods could help ease cost pressures over time, but entrenched labour and locally driven cost factors mean that meaningful cost reductions remain elusive. Material categories like timber, plasterboard and copper continue to show upward pressure, even as other inputs ease, indicating that project budgeting and risk management will remain complex for developers and contractors in the near term.

FURNITURE

The total export value of wooden furniture for the period of January–October 2025 amounted to RM7.76 billion, reflecting a decline of 5% compared with RM8.12 billion recorded during the corresponding period in 2024. This contraction indicates a continued decline in Malaysia's wooden furniture export performance during the first ten months of 2025. On a monthly basis, the export value in October 2025 stood at RM817.7 million, representing a month-on-month increase of 16% compared to RM702.5 million registered in September 2025, indicating an improvement in export momentum towards the later part of the period.

Exports of wooden furniture to ASEAN totalled at RM969.8 million during the period of January–October 2025, representing a decline of 4% compared with RM1.01 billion recorded in the corresponding period in 2024. Singapore remained the largest market in the region, with exports increasing by 7% to RM644.3 million, reflecting resilient demand. Meanwhile, exports to the Philippines declined by 18% to RM179.3 million, while shipments to Thailand recorded a marginal increase of 2% to RM57.4 million.

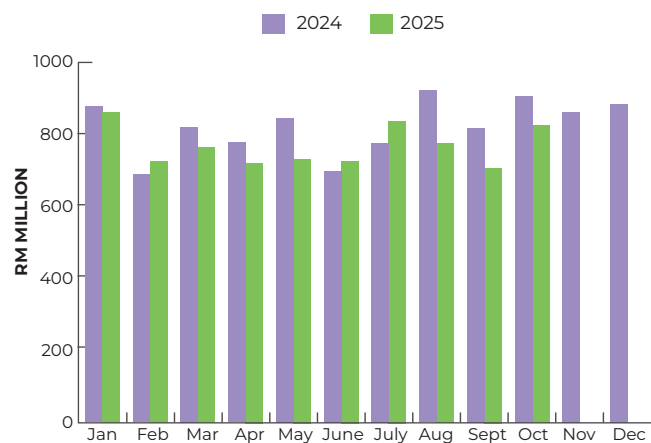
Shipments to East Asia contracted by 6% to RM450.5 million from RM477.6 million in the same period of 2024. Japan continued to dominate as the principal destination,

although exports edged down slightly by 1% to RM362.5 million. Exports to Taiwan increased by 3% to RM42.9 million, while shipments to the Republic of Korea declined sharply by 29% to RM19.9 million, indicating weaker market demand.

In South Asia, exports increased by 2% to RM141.2 million compared to RM138.3 million in the corresponding period of 2024. India remained the key market in the region, with exports rising by 7% to RM133.2 million. However, exports to the Maldives and Sri Lanka declined markedly by 41% and 28%, amounting to RM5.9 million and RM1.3 million, respectively.

Exports to Central Asia declined by 14% to RM2.8 million from RM3.3 million in the previous year. Kazakhstan remained the main market, accounting for RM2.6 million, although this represented a slight decrease of 2%. Azerbaijan recorded new shipments valued at RM0.15 million, while exports to Armenia fell substantially by 59% to RM170 thousand.

Malaysia: Export of Wooden Furniture



Note : Preliminary

In West Asia, total export of wooden furniture were valued at RM399.8 million for January–October 2025, reflecting a contraction of 7% compared to RM428.4 million in the same period of 2024. Exports to the United Arab Emirates declined by 17% to RM160.6 million, while Saudi Arabia recorded a moderate increase of 3% to RM147.3 million. Exports to Oman also rose slightly by 2% to RM22.1 million, indicating steady demand from selected Gulf markets.

Exports of wooden furniture to the European Union declined by 18% to RM266.3 million during the period of January–October 2025, compared to RM323.9 million as recorded in the same period in 2024. Spain registered a notable increase of 12% to RM39.9 million, reflecting stronger demand from that market. In contrast, exports to Germany and France recorded marginal declines of 4% and 1%, amounting to RM37.1 million and RM35.1 million, respectively.

Shipments to other parts of Europe decreased by 8% to RM397.1 million from RM433.0 million in the corresponding period in 2024. The United Kingdom remained the dominant market in the region, accounting for RM372.2 million, although this represented a decline of 5% in January–October 2025. Exports to Georgia fell by 10% to RM8.2 million, while shipments to Turkey contracted sharply by 53% to RM6.4 million, indicating significantly weaker demand.

Exports to Oceania/ Pacific fell by 17% to RM410.1 million during January–October 2025, compared to RM495.0 million in the same period last year. Australia continued to be the



main destination, with exports declining by 17% to RM358.7 million. Exports to New Zealand edged down slightly by 2% to RM31.9 million, while shipments to Fiji increased marginally by 2% to RM6.8 million.

In Central America, exports of wooden furniture declined substantially by 34% to RM30.5 million compared to RM46.5 million as recorded in the corresponding period of 2024. Exports to Panama and Guatemala decreased by 10% and 19%, amounting to RM12.2 million and RM6.9 million, respectively. Meanwhile, shipments to El Salvador fell sharply by 36% to RM6.0 million.

Exports to North America recorded a marginal contraction of 1% to RM4.50 billion for the period of January–October 2025, compared to RM4.54 billion in the same period in 2024. The United States remained the largest market, with exports declining slightly by 1% to RM4.02 billion. Exports to Canada decreased by 4% to RM344.9 million, while shipments to Puerto Rico increased significantly by 41% to RM67.2 million.

In South America, exports declined by 22% to RM71.6 million from RM91.4 million in the corresponding period in 2024. Chile remained the largest market in the region, although exports fell by 32% to RM34.4 million. Exports to Peru also declined by 27% to RM12.5 million. In contrast, shipments to Venezuela more than doubled, increasing by 110% to RM6.5 million, albeit from a low base.

Exports of wooden furniture to Africa decreased by 10% to RM122.5 million in January–October 2025, compared to RM136.7 million as recorded in the same period in 2024. South Africa remained the key market despite exports declining by 12% to RM38.0 million. Exports to Reunion Islands and Kenya also fell by 15% each, amounting to RM10.4 million and RM9.8 million, respectively.

• Rattan Furniture

Rattan furniture exports recorded a total value of RM0.79 million during the period of January–October 2025, representing a sharp decline of 51% compared to RM1.63 million registered in the corresponding period in 2024. This significant contraction indicated weaker external demand for rattan furniture over the review period. On a monthly basis, export value in October 2025 increased to RM77,398, posting a 17% month-on-month growth compared to RM65,960 as recorded in September 2025, suggesting a modest short-term improvement toward the latter part of the year.

Exports of rattan furniture to ASEAN amounted to RM0.57 million during the period of January–October 2025, representing a significant decline of 53% compared to RM1.22 million recorded in the corresponding period in 2024. Singapore remained the largest market in the region despite a sharp contraction of 72% to RM0.24 million. In contrast, exports to Thailand increased by 6% to RM0.20 million, while shipments to the Philippines declined by 12% to RM0.13 million for the said period.

Exports to East Asia rose sharply to RM0.04 million, registering a strong increase of 197% from RM0.01 million in the same period in 2024, albeit from a low base. Taiwan emerged as the main market with new shipments valued at RM0.04 million, while exports to Japan also recorded new shipments amounting to RM0.01 million. Conversely, exports to China declined by 100%, reflecting the absence of shipments during the review period.

In South Asia, exports of rattan furniture declined by 46% to RM0.01 million compared to RM0.03 million as recorded in the corresponding period in 2024. India remained the sole market importing in the region, accounting for the entire export value.

Exports to West Asia increased by 46% to RM0.01 million during January–October 2025, up from RM0.01 million in the same period last year. The United Arab Emirates was the only destination in the region, reflecting improved demand despite the relatively small export value.

Shipments to the European Union decreased by 12% to RM3,505 compared to RM4,000 recorded in the corresponding period in 2024. The Netherlands recorded new shipments valued at RM3,505, while there was no intake by Germany for the period.

Exports to other parts of Europe recorded new shipments amounting to RM1,751 during January–October 2025, with Switzerland as the sole destination, compared to no exports to the region in the same period in 2024.

Likewise, exports of rattan furniture to Oceania/ Pacific declined sharply by 56% to RM154,992 during the period of January–October 2025, compared to RM354,560 recorded in the same period in 2024. Australia remained the dominant market in the region, accounting for RM152,716, although exports to the country fell by 56%. In contrast, New Zealand and Papua New Guinea resumed their buying with RM2,253 and RM23, respectively.

Intake of rattan furniture by North America recorded new shipments amounting to RM80 during January–October 2025, with the United States as the sole destination, compared to no exports in the corresponding period in 2024.

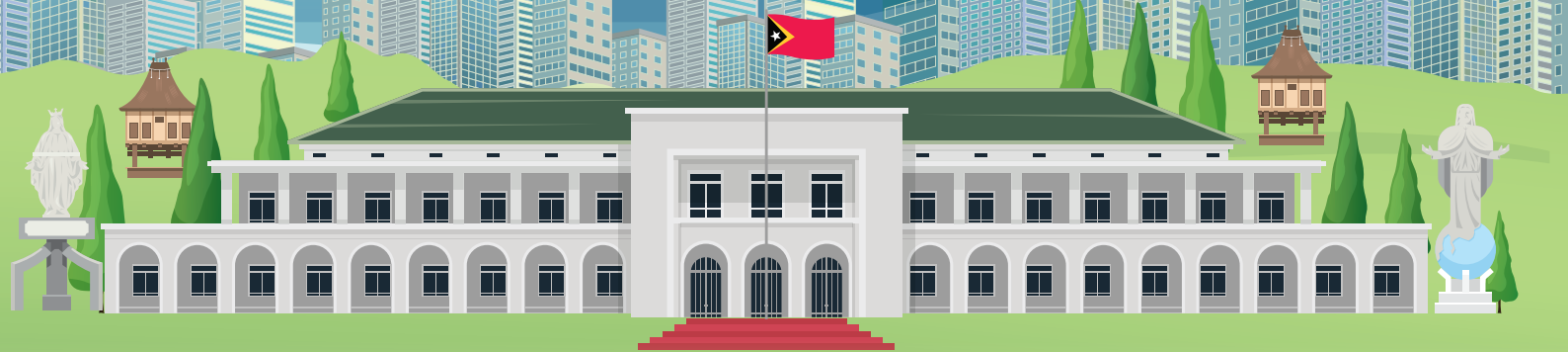
No exports of rattan furniture were recorded by Central America, South America, and Africa during the period of January–October 2025, unchanged from the same period of 2024.

According to the business report from abc11 USA, business owners and industry participants at the High Point Furniture Market in North Carolina expressed optimism that newly implemented tariffs on foreign-made furniture could help reinvigorate the local furniture manufacturing sector, which has faced challenges as production shifted overseas. The tariffs, including a 30% duty on imported upholstered furniture effective October 1, 2025, were highlighted by political leaders as a measure to “level the playing field” and encourage production to return to the U.S. Local manufacturers anticipate that the increased duties will stimulate domestic production and create jobs, with some companies already receiving inquiries from overseas firms considering relocating production to North Carolina.

Industry leaders also noted the potential for significant job growth and broader economic benefits if production returns to traditional furniture hubs in the state. While the long-term effects of the tariff policy remain under assessment, many local manufacturers view the measure as an opportunity to revitalise a sector that has seen factories and employment decline over the past decades due to outsourcing and global competition.



Tapping Emerging Prospects in Timor-Leste



Background

Timor-Leste with a total land area of 14,950 square kilometres (5,770 square miles) became independent in 2002 and its population reached 1.4 million in 2025. Dili, on the north coast of Timor, is its capital and the largest city. Timor-Leste shares a land border with Indonesia to the west and Australia to the south.



Since regaining independence, Timor-Leste has made good progress in peacebuilding and state building. It has established strong democratic norms, with regular elections for the Presidency and National Parliament and high levels of press freedom. The country has pursued membership in a variety of multilateral forums, positioning itself as a reliable international actor. This promotion of international law is tied to the country's own security needs. Timor-Leste is a member of the Community of Portuguese Language Countries (CPLP) and in August 2024, Timor-Leste became the 166th member of the WTO, a move supported by its digital reforms to ensure regulatory transparency and readiness for international trade. Timor-Leste is a leader within the Group of Seven Plus (G7+), an organisation of fragile and conflict-affected states that advocates for their specific development needs on the global stage.

Timor-Leste officially became the 11th full member of ASEAN on 26 October 2025, which opens access to a regional market of over 600 million consumers and deeper integration into

ASEAN Free Trade arrangements. The country's accession is expected to make the business environment more attractive to foreign investors and reduce trade barriers, important for import and export expansion. Timor-Leste also holds observer status in the Pacific Islands Forum (PIF) and in the Melanesian Spearhead Group (MSG).

Economy

Timor-Leste's economy is small and emerging, relying heavily on oil and gas, coffee, and remittances, but it also faces significant poverty and development hurdles. The country's economy is still heavily shaped by government spending financed by the Petroleum Fund (PF), which holds revenues derived from oil and gas fields in the Timor Sea. The PF provides most of the state's budget financing, making Timor-Leste one of the most oil-dependent economies globally. Its non-oil economy centres on agriculture (especially coffee, rice, maize, coconuts), which employs most of the population, alongside growing tourism (eco-tourism, cultural heritage) and a developing services sector (remittances, finance), with construction also being significant, all crucial for diversification.

Since 2002, the government has focused heavily on utilising oil revenues for infrastructure development (roads, ports, power generation) to improve connectivity and support private sector growth. This structure has resulted in a dual economy: a massive, state-controlled oil sector providing revenue, and a small, underdeveloped non-oil economy that provides most employment. The non-oil economy, which is the focus for long-term growth, is small but has been showing gradual progress, namely in construction, agriculture and manufacturing.

Growth forecasts show steady but modest expansion in the near term. Timor Leste's economic performance showed substantial progress in 2024, with its Gross Domestic Product (GDP) rising by 4% compared to 2.4% in 2023. The Asian Development Bank (ADB) projects a GDP growth of about 3.8% in 2025 and ~3.4% in 2026, underpinned by domestic

demand and low inflation. This growth reflects the ongoing momentum driven by increased public spending, investment, and macroeconomic stability. The long-term economic outlook is highly dependent on successful diversification efforts guided by the Strategic Development Plan (SDP) 2011–2030. Several key sectors have been identified such as agriculture and fisheries, tourism, petroleum infrastructure and regional integration. Timor-Leste's accession into ASEAN is expected to open up larger regional markets, increase foreign direct investment (FDI), and encourage institutional reform, which is vital for long-term economic stability. Continued economic diversification is a priority as Timor-Leste seeks less reliance on petroleum revenue and a broader tax base, mainly through land reform and private investment.



Forestry in Timor-Leste

Timor-Leste is currently transitioning from an oil-dependent economy toward a more diversified model, with forestry and timber industry identified as a key strategic sector for sustainable growth. As of late 2025, approximately 61% to 67% of Timor-Leste's land area is classified as forested, playing a critical role in the livelihoods of the rural population. The country has diverse forest ecosystems ranging from dry lowland forests to mountain cloud forests. The landscape includes a mix of tropical dry forests, moist lowland forests, and mountainous cloud forests. Key species include Sandalwood (historically famous), Teak, Mahogany, and various bamboo species.



Corypha utan palms in hilly savanna near Ayotupas, West Timor, Timor Leste



Mangrove conservation in Timor Leste

The sector currently suffers from historical exploitation, land-use pressures, and climate factors and thus, the government has developed forestry policies to achieve sustainable forest management while supporting environmental protection and rural development. Guided mainly by the National Policy on Forests (2017) and the Forestry Law (Law No. 14/2017), these policies emphasise forest conservation, reforestation, watershed protection, and the rehabilitation of degraded land to address issues such as deforestation and soil erosion. Community participation is strongly encouraged through community forestry and agroforestry approaches, which aim to improve livelihoods, enhance food security, and reduce





pressure on natural forests. In Timor-Leste, forest governance is primarily the responsibility of the Ministry of Agriculture, Livestock, Fisheries, and Forestry (MAF). The Ministry, through the Directorate-General for Forests and the Secretary of State for Forestry is responsible for designing, implementing, coordinating, and evaluating policies related to forest resources, reforestation, and watershed conservation. The governance is aligned with international climate change commitments, including REDD+, integrating forest management into national climate change mitigation and adaptation efforts. However, challenges such as limited institutional capacity, enforcement difficulties, and unclear land tenure continue to affect effective implementation of forestry policies in Timor-Leste.

Timor-Leste's Export of Timber and Timber Products

There is limited commercial timber production for export; most forests are small-scale and primarily used locally. Large commercial plantations are not yet well established. The export of timber and timber products from Timor-Leste remains very limited and economically insignificant within the national export structure. Statistics show that exports of seats and wooden furniture contribute only a negligible share of total exports, with recorded values in recent years remaining at very low levels. This situation is influenced by strict forestry regulations, limited industrial processing capacity, and national policies that prioritise forest conservation and sustainable resource management over commercial timber exploitation. Australia, Congo, Indonesia, Argentina and Fiji are Timor Leste's main export destinations for timber and timber products. The table below indicates the export of timber and timber products of Timor Leste from 2020-2024.

Timor-Leste: Export of Timber & Timber Products, 2020-2024

USD '000

Code	Product label	2020	2021	2022	2023	2024
9401	Seat and parts thereof	0	0	5	10	2
9403	Wooden Furniture	0	0	83	150	2
4401	Fuel Wood	0	1	0	0	0
4403	Logs	28	0	0	0	0
4407	Sawntimber	0	32	183	0	0
4410	Chipboard/Particleboard	0	0	0	1	0
4411	Fibreboard	0	0	0	1	0
4412	Plywood	0	0	0	0	0
4413	Metalised wood	47	0	0	0	0
4414	Wooden Frame	0	0	0	0	0
4415	Packing cases	0	0	8	1	0
4418	Builders Joinery & Carpentry	0	0	0	0	0
4419	Tableware and kitchenware	0	0	0	0	0
4420	Wood marquetry	0	1	1	1	0
4421	Other articles of wood, n.e.s.	0	0	0	0	0
TOTAL		75	34	280	164	4

Source : ITC Stats, UN Comtrade

Timor-Leste's Import of Timber and Timber Products

Timor-Leste relies heavily on imports of timber and timber products to meet domestic demand, particularly for the construction and housing, furniture and finishing, and infrastructure development sectors. Due to limited domestic forest resources, conservation-oriented forestry policies and weak industrial processing capacity, the country imports most of its sawnwood, plywood, panels, and manufactured wood products from regional trading partners. Statistics indicate that timber and wood-related products represent a significantly larger share of imports than exports, reflecting structural dependence on external supply. Imports are driven by ongoing public infrastructure projects and private construction activities, while restrictions on commercial logging limit domestic production. As a result, timber imports play an important role in supporting economic development in Timor-Leste, despite national efforts to promote sustainable forest management and reduce pressure on natural forests.





Timor-Leste mainly imported wooden furniture, wood-based panel products and BJC at a total of USD21.9 million in 2024, an increase of 21% from USD18.1 million in 2023. Timor-Leste mainly imported timber and timber products (HS Code 44) from China, Indonesia, Hong Kong, Australia and New Zealand. As for furniture (HS9403), Malaysia ranked 5th among top exporters to Timor-Leste after China, Indonesia, Australia and Hong Kong. Meanwhile, Timor-Leste mainly imported seats (HS9401) from Indonesia, China, Malaysia, Singapore and Australia. The table below indicates import of timber and timber products of Timor-Leste from 2020-2024.

Timor-Leste: Import of Timber & Timber Products, 2020-2024

USD '000

Code	Products	2020	2021	2022	2023	2024
9403	Wooden Furniture	2,914	4,126	7,469	8,571	12,060
9401	Seat and parts thereof	1,469	1,781	3,165	3,249	4,388
4412	Plywood	2,612	2,504	3,074	4,029	4,053
4421	Other articles of wood, n.e.s.	58	137	194	145	352
4411	Fibreboard	13	7	8	54	244
4418	Builders Joinery & Carpentry	213	430	853	1,318	228
4413	Metalised wood	27	0	49	2	202
4410	Chipboard/Particleboard	17	52	10	23	174
4409	Mouldings	1	2	0	126	57
4404	Hoopwood, Split polis, Piles	8	11	19	9	45
4420	Wood marquetry	107	103	282	190	37
4407	Sawntimber	49	11	78	51	32
4419	Tableware and kitchenware	17	21	42	57	17
4415	Packing cases	23	48	38	116	9
4402	Wood Charcoal	4	2	8	12	8
4417	Tools, tool bodies, tool handles	11	4	7	32	7
4414	Wooden Frame	52	37	87	40	5
4403	Logs	0	0	11	3	2
4401	Fuel Wood	0	12	16	24	0
4405	Wood wool; Wood flour	0	0	0	0	0
4406	Railway sleepers	0	0	0	0	0
4408	Veneer	0	0	0	0	0
4416	Casks, barrels, vats, tubs	1	0	2	0	0
TOTAL		7,596	9,288	15,412	18,051	21,920

Source : ITC Stats, UN Comtrade



Malaysia's Timber and Timber Products Timber Trade to Timor-Leste

Malaysia exports a range of timber and timber products globally as one of the world's major producers and exporters of timber and timber products. However, direct exports to Timor-Leste remain very small in absolute terms compared to Malaysia's overall timber trade. Malaysia's exports of wood and related products to Timor-Leste were valued at only RM1.1 million (wooden furniture) in 2024, indicating minimal export. Meanwhile, a small export amount of builders' joinery & carpentry (BJC) and chipboard/particleboard was recorded in 2022 and 2023. The low bilateral timber trade likely reflects Timor-Leste's limited import volumes of wood products from Malaysia, due to among others, competition from other supplying countries, cost considerations, economic uncertainty, low infrastructure, and weak consumer purchasing power. Meanwhile, from the record, Malaysia did not import any timber and timber products from Timor-Leste from 2020 to 2024. The table below indicates Malaysia's export of timber and timber products to Timor-Leste from 2020-2024.

Malaysia: Export of Timber and Timber Products to Timor-Leste, 2020-2024





Malaysia: Export of Timber and Timber Products to Timor-Leste, 2020-2024

Value : RM

Products	2020	2021	2022	2023	2024
Wooden Furniture	152,564	354,335	1,037,583	650,216	1,116,387
BJC	0	7,249	11,448	0	0
Chipboard/Particleboard	0	0	0	1,014	0
TOTAL	152,564	361,584	1,049,031	651,230	1,116,387

Source : MTIB/DOSM



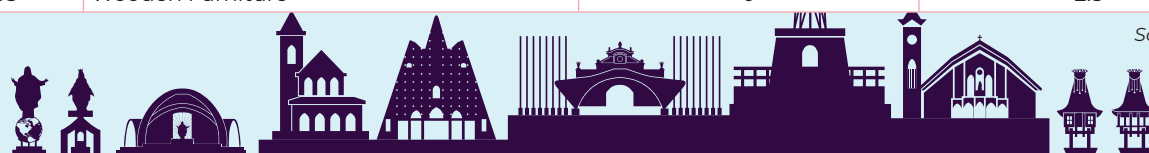
Tariff Regime in Timor-Leste

Timor-Leste applies a simple and relatively low tariff regime designed to facilitate trade, ensure revenue collection, and support domestic consumption rather than protect domestic industries. Under the current customs system, most imported goods are subject to a uniform import duty of 2.5%, which is one of the lowest tariff rates in Southeast Asia. In addition to import duties, imports are generally subject to sales tax (currently 2.5%), excise duties on selected goods (such as alcohol, tobacco, and fuel), and customs service charges. Essential goods, humanitarian supplies, and certain government or donor-funded imports may qualify for tariff exemptions, subject to approval by customs authorities. Timor-Leste's low-tariff structure reflects its reliance on imports, limited domestic manufacturing capacity, and policy orientation toward trade openness and price stability, while customs controls are primarily used for revenue generation and regulatory enforcement rather than trade protection. There is no high protective tariff on timber imports, indicating that Timor-Leste does not use tariff barriers to restrict timber imports but instead maintains a low tariff environment to facilitate trade. The table below reflects the tariff schedule for Timor Leste.

Tariff Schedule for Timor-Leste

HS Code	Products	MFN (%)	
		Malaysia: Schedule of Tariff Commitment	Timor Leste (2017): Schedule of Tariff Commitment
4401	Fuel Wood	20	2.5
4402	Wood Charcoal	20	2.5
4403	Logs	0	2.5
4404	Hoopwood, Split polis, Piles	10 - 20	2.5
4405	Wood wool; Wood flour	5 - 20	2.5
4406	Railway sleepers	5	2.5
4407	Sawntimber	0	2.5
4408	Veneer	0	2.5
4409	Mouldings	0	2.5
4410	Chipboard/Particleboard	20	2.5
4411	Fibreboard	20	2.5
4412	Plywood	25 - 35	2.5
4413	Densified wood	20	2.5
4414	Wooden Frame	20	2.5
4415	Packing cases	20	2.5
4416	Casks, barrels, vats, tubs	20	2.5
4417	Tools, tool bodies, tool handles	20	2.5
4418	Builders Joinery & Carpentry	5 - 20	2.5
4419	Tableware and kitchenware	20	2.5
4420	Wood marquetry	0 - 20	2.5
4421	Other articles of wood, n.e.s.	0 - 20	2.5
9401	Seat and parts thereof	0 - 30	2.5
9403	Wooden Furniture	0	2.5

Source: WTO





Outlook and Potential

The Asian Development Bank (ADB) projects that Timor-Leste will maintain stable economic momentum, supported by strong domestic demand and a low-inflation environment, with GDP growth forecast at 3.8% in 2025 and 3.4% in 2026 following higher-than-expected growth of 4.1% in 2024. The ADB highlights improved budget execution, sustained credit growth, steady remittance inflows, and easing price pressures, with inflation projected to average 1.2% in 2025 and 1.9% in 2026. Timor-Leste's accession into ASEAN on 26 October 2025 is expected to further strengthen confidence and opportunities in trade, investment, and private sector development. These projections broadly align with the Government of Timor-Leste's outlook, which anticipates non-oil GDP growth of 4.5% in 2025–2026, supported by private sector expansion, stronger public spending execution, increased household consumption, and regional integration, underpinned by a proposed USD1 billion budgets for 2026.

The Government of Timor-Leste has announced a USD1 billion investment programme aimed at accelerating economic development, improving infrastructure, and supporting long-term growth. The investment prioritises key sectors including transport infrastructure, renewable energy, water and sanitation, airport upgrades, food security, and decentralised regional development. Significant funding is also allocated to the resources sector and the establishment of the National Development Bank of Timor-Leste to enhance access to finance and stimulate private sector activity. The investment programme is intended to strengthen productivity, improve connectivity, and diversify the economy, while creating opportunities for foreign participation in infrastructure, clean energy, and sustainable development projects.



Furniture making and design in Timor Leste

“As a new ASEAN member state, it is expected to unlock new trade corridors, attract Foreign Direct Investment (FDI), and integrate the nation into regional value chains. Timor-Leste's accession into the ASEAN Economic Community will be a defining trend for the timber market. Timor-Leste's government is accelerating land tenure reforms (2021–2025) to create a safer environment for long-term agricultural and forestry investments and harmonise local regulations with regional standards. Furthermore, the Green Climate Fund (GCF) and UNDP are anticipated to increase funding for community-based landscape management, which will stabilise timber supply and improve forest quality. Regional ASEAN integration may lower barriers and costs for importing construction and value-added timber products, thereby supporting growth in construction activities. Integration into ASEAN and improved infrastructure, including export logistics hubs like Tibar Bay Port, will enhance Timor-Leste's ability to participate in regional supply chains, potentially improving both import competitiveness and future export capacity in selected sectors.”

There is potential for the Malaysian timber and furniture industry in Timor-Leste although there is currently more focus on trade and investment in infrastructure development rather than large-scale direct timber harvesting or manufacturing within Timor-Leste itself. Timor-Leste presents a stable, albeit small, market for Malaysian processed wood products, driven primarily by its ongoing infrastructure and building and construction industry. As Timor-Leste continues to invest heavily in infrastructure (roads, utilities) and commercial/residential construction (offices, housing), the demand for imported finished and semi-finished wood products is expected to increase. Malaysian companies can effectively export high-quality,





processed wood products that Timor-Leste currently lacks the capacity to produce domestically such as plywood and MDF that are essential for internal finishing, cabinets, and furniture manufacturing.

There is also demand for high quality office and residential furniture that could be supplied to the growing middle class, diplomatic missions, hospitality sector (hotels), and

government offices. As for sawntimber and BJC, Malaysian exporters could provide high-grade, treated timber for structural and non-structural building applications. Malaysian products benefit from a reputation for quality, durability, and compliance with international standards, giving them an advantage over lower-quality regional alternatives.

Malaysian companies, with decades of experience in large-scale plantation development and sustainable forestry practices, can cooperate with the Timor-Leste government or local private entities to establish and manage commercial timber plantations (e.g., teak, mahogany), and potentially sandalwood. Malaysian timber players should take advantage of existing innovations and explore new markets within Timor-Leste itself. It is necessary to enhance cooperation in the construction industry, fulfilling market requirements in supplying legal timber, and adapting to the country market environment to further increase its market share in Timor-Leste and global timber trade. Malaysian exporters would need to actively engage with Timor-Leste importers, distributors, and furniture manufacturers. Participating in trade shows and B2B missions can help build relationships and showcase the quality and variety of Malaysian timber products. Malaysia, as a leading and reliable global supplier of a wide range of timber and value-added wood products, is perfectly positioned to meet this demand.

To fully realise this potential, Malaysian exporters should focus on a strategic approach that includes competitive pricing, efficient logistics, and targeted marketing that highlights the quality and sustainability of their products. Timor Leste's market profile in 2025–2026 shows a small but steadily growing economy, increasingly integrated into ASEAN trade frameworks. Construction demand will drive imports of timber and other building materials in the near term, driven by public infrastructure projects, private construction activities, and efforts to diversify the economy through industrialisation. It is aligning with the 2030 strategic development plan focused on improving connectivity and transitioning to a modern economy.



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INDONESIA.....



Strengthening Competency of Workers to Achieve US\$6 Billion Exports

The Indonesia Furniture Industry and Craft Association (HIMKI) is prioritizing stronger human resource development through relevant and market-oriented professional certification.

Chairman Abdul Sobur said that improving the quality and competency of workers is essential for raising the competitiveness of the country's furniture and craft sector and achieving the export target by 2030. He highlighted that practical skills, real work portfolios and credible certification systems are crucial to meeting global standards.

The Chairman also noted that Indonesia is at a strategic moment to become a global hub for production and creativity as long as it builds solid quality and competency standards. He pointed out that many local craft products already align with international market demands, especially those inspired by the Monozukuri philosophy which stresses skill, precision and the creation of high-quality goods.

Source: <https://www.itto.int>, 30 November 2025

VIETNAM.....



Vietnam's Wood Product Exports Up 14% in October

Vietnam's wood and wood products (W&WP) exports in October 2025 reached USD1.55 billion, unchanged from October 2024. Of this total, wood products (WP) exports contributed USD1.07 billion, up 14% compared to the same month last year.

In the first 10 months of 2025, W&WP exports earned USD14 billion, a 6% increase over the same period in 2024, of which WP exports accounted for USD9.6 billion, up 5%.

Oak imports in October 2025 totaled 54,300 cubic meters, worth USD28.8 million, up 4% in volume and 5% in value compared to September 2025. Compared to October 2024, oak imports rose 79% in volume and 57% in value. In the first 10 months of 2025, oak imports reached 463,500 cubic meters, valued at USD254.7 million, up 49% in volume and 41% in value compared to the same period in 2024.

Non-timber forest product (NTFP) exports in September 2025 earned USD66.4 million, a slight increase from August 2025 and 31% higher than September 2024. For the first 9 months of 2025, NTFP exports totaled USD640 million, up 8% year-on-year.

Exports to Africa in October 2025 were valued at USD9 million, up 15% compared to October 2024. Over the first 10 months of 2025, W&WP exports to African markets amounted to USD68.7 million, up 17% over the same period in 2024.

Office furniture exports in October 2025 reached USD35 million, down 2% compared to October 2024. For the first 10 months, office furniture exports generated USD314 million, up 22% year-on-year.

Raw wood imports in October 2025 were estimated at 530,600 cubic meters, worth USD164.5 million, down 5% in both volume and value from September 2025, but up 4% in volume and 5% in value compared to October 2024. For the first 10 months of 2025, raw wood imports totaled 5.67 million cubic meters, valued at USD1.79 billion, up 23% in volume and 20% in value over the same period in 2024.

W&WP exports to the EU in October 2025 reached USD56 million, down 2% year-on-year. For the first 10 months, W&WP exports to the EU totaled USD504 million, up 15% over the same period in 2024.

Kitchen furniture exports in October 2025 earned USD120 million, down 5% compared to October 2024. For the first 10 months, kitchen furniture exports reached USD1.18 billion, up 2% year-on-year.

Raw wood imports from China in September 2025 amounted to 107,070 cubic meters, valued at USD30.29 million, up 6% in volume but down 7% in value compared to August 2025. For the first 9 months of 2025, imports from China reached 1.05 million cubic meters, worth USD320 million, up 65% in volume and 26.7% in value compared to the same period in 2024.

Source: <https://www.fordaq.com>, 17 November 2025



CHINA.....



Further Decline in Tropical Log Imports

China's tropical log imports fell 29% to 3.009 million cubic meters valued at USD743 million from January to September 2025.

Tropical log imports from PNG, the largest supplier, fell 22% to 1,208 million cubic meters over the same period. In the meantime, China's tropical log imports from Solomon Is, the Republic of Congo, Cameroon, DRC, Suriname and Bolivia dropped 28%, 29%, 32%, 16%, 37% and 47% respectively year-on-year. In contrast, China's tropical log imports from Central African Republic and Ecuador rose 43% and 3% over the same period of 2024.

The main reasons for the significant reduction in China's tropical log imports were the sluggish real estate sector, as well as the cautious purchasing strategies adopted by importers due to economic environment and trade uncertainties.

The real estate sector in China remains sluggish. In the first half of 2025 the reduction in new housing starts and the decline in the level of second-hand housing transactions directly led to a cooling in the demand for wood from developers, decoration companies and furniture factories. This trend was particularly evident in July 2025 when both the import volume of logs and sawnwood decreased by 14% over the same period of 2024.

When China and the US failed to reach a consensus on trade it intensified the cautious purchasing attitude of importers. Coupled with the pressure in the domestic economic environment importers reduced their inventories. Export volume from most major tropical log suppliers such as Papua New Guinea to China decreased, directly leading to a significant drop in China's total tropical log imports.

Source: <https://www.fordaq.com>, 18 November 2025

NEW ZEALAND.....



Pushes High-Value Timber Exports as India FTA Talks Gather Pace

New Zealand's trade in high-value timber products has emerged as a clear winner from advancing talks with India, one of the world's top ten timber importers. Forestry, Trade and Investment Minister Todd McClay led a delegation of 13 New Zealand timber companies across India last week, deepening ties and showcasing the country's premium wood products.

"This mission delivered the first tangible results under the Letter of Intent on Forestry Cooperation signed earlier this year," Minister McClay said, noting that the visit gave exporters valuable insight into India's forestry policies and its fastgrowing domestic market.

As it stands, wood and wooden products are already New Zealand's largest goods export to India, worth NZD134 million in the year to June 2025, with a delegation of Indian forestry businesses slated to tour New Zealand in February 2026. And whilst logs and pulp remain the backbone of current trade, McClay stressed that the real opportunity lies in processed timber products that match India's rapid urbanization and its emphasis on sustainable construction.

The initiative follows a visit to New Zealand by India's Minister of Commerce and Industry, Piyush Goyal, underscoring both governments' commitment to a deeper strategic relationship. Earlier this month, Minister Goyal urged both countries to explore new avenues of cooperation across sport, education, technology, tourism, maritime affairs, and forestry during remarks at the IndiaNew Zealand Business Forum in Auckland.

Negotiations toward a long-sought free trade agreement are also advancing

Delegates from New Delhi and Wellington began talks on November 3, focusing on trade in food, services, and rules of origin. Officials described the discussions as constructive, with Goyal highlighting India's vast and fastgrowing marketplace as an opportunity for New Zealand traders, while India looks to leverage New Zealand's technological expertise and niche capabilities.



India is already one of New Zealand's most important log export markets, and the forestry sector has seen a surge in pulp and high-value wood products. Analysts say tariff relief, clearer sanitary and phytosanitary rules, and deeper regulatory cooperation could drive trade far beyond the NZD326 million peak reached before the pandemic. The current trade between the two countries is valued at NZD3.14 billion, with forest products alone accounting for NZD134 million. This includes a notable increase in wood products to NZD76.5 million, up from NZD9.5 million in 2023.

Source: <https://woodcentral.com.au>, 18 November 2025

FINLAND.....



Finland Harvests 5.9 Million Cubic Meters of Industrial Roundwood in October

According to the Natural Resources Institute Finland (Luke), in October, Finland harvested 5.9 million cubic meters of roundwood for industrial use, representing a 6% decrease from the same month last year.

From January to October, the total harvest of industrial roundwood reached 51.4 million m³, 2% or about 1.2 million cubic meters higher than in the same period of the previous year. Of the October total, sawlogs accounted for 2.8 million cubic meters, down 9% year-on-year, while pulpwood totaled 3.0 million cubic meters, a decrease of 3%.

Harvests from private forests totaled 4.6 million cubic meters, 6% lower than a year earlier. From forest industry companies' own forests and state-owned forests, 1.2 million cubic meters were harvested, a decline of 8%. In the same month, 0.5 million cubic meters of energywood was harvested. Of this, 55% consisted of delimbed stems and whole trees. From January to October, the total energywood harvest reached 5.9 million cubic meters.

Between January and October, Finland's industrial roundwood harvest reached 51.37 million cubic meters, 2% above the previous year and 3% higher than the average of the past five years. Logs totaled 22.5 million cubic meters, 2% below last year, while pulpwood amounted to 28.87 million cubic meters, 6% higher.

By species, pine logs totaled 9.902 million cubic meters (-7%), spruce logs 11.647 million cubic meters (+1%), and hardwood logs 0.951 million cubic meters (+1%). Pine pulpwood reached 12.943 million cubic meters (+1%), spruce pulpwood 8.906 million cubic meters (+14%), and hardwood pulpwood 7.021 million cubic meters (+7%).

Source: <https://www.fordaq.com>, 28 November 2025

CANADA.....



Canada's Lumber Industry's Eyeing Global Markets To Offset US Tariffs

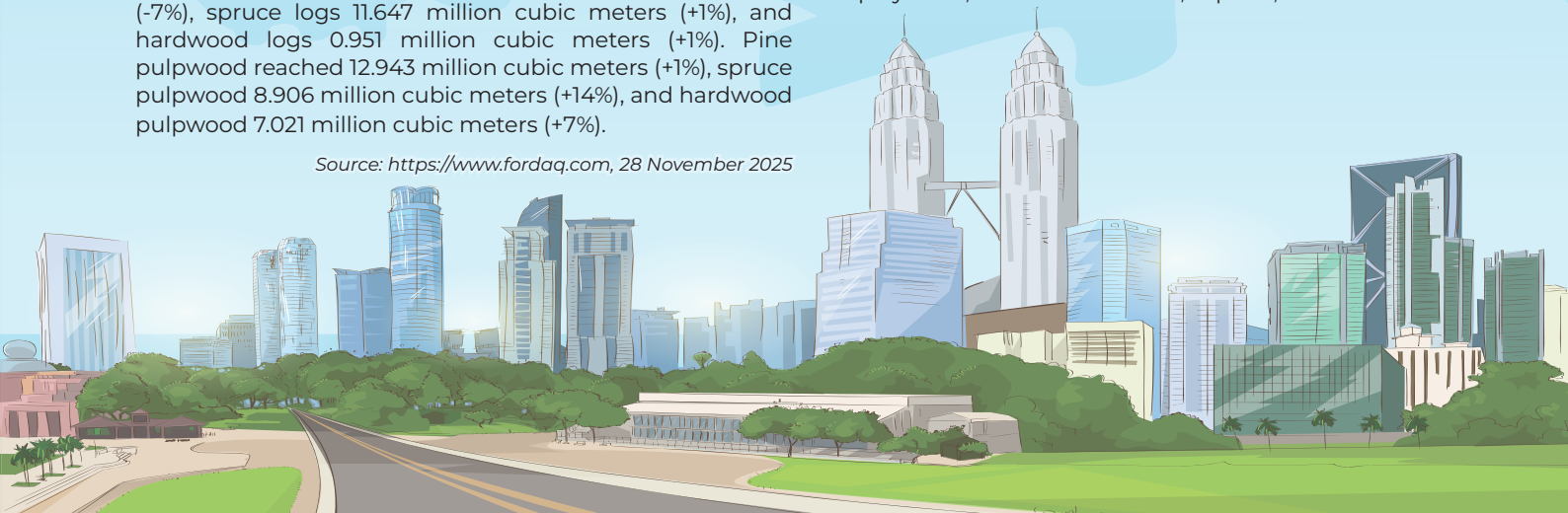
Canada's lumber industry remains heavily export-dependent, with roughly 65% of production sold abroad. The United States is by far the largest customer, accounting for about 87% of exports in 2025, leaving Canadian producers highly exposed to US trade policy.

In 2025, the US imposed new trade barriers on Canadian lumber, including tariffs under "Section 232" and higher anti-dumping and countervailing duties. These measures are estimated to raise producers' costs by 25–30%, significantly eroding price competitiveness and pushing many sawmills into negative margins.

Canada is expected to seek greater market diversification in regions such as China, Japan, India, Europe, and the Middle East. Canadian lumber is manufactured to North American grades and sizes, while many overseas markets use different specifications. Longer shipping distances, higher logistics costs, and the time needed to establish reliable trade relationships slow the pace of diversification. Export volumes outside the US are near historic lows, at 13% in 2025, compared with a long-term average of roughly 20%, limiting near-term relief from reduced US access.

Declining log supply, particularly in British Columbia, further constrains production. Over the past 20 years, the province's allowable annual cut has fallen by one-third due to timberland set-asides, Indigenous rights settlements, insect infestations, and wildfire losses. Harvest levels have dropped by about half, increasing log costs and rendering many older sawmills uneconomic. This has prompted investment shifts to regions with more abundant and lower-cost timber, especially the US South.

Sawmill closures have cascading effects across the forest products value chain. Pulp mills, panel manufacturers, and pellet producers lose access to residual fiber, which raises costs and sometimes forces closures. The contraction affects employment, rural communities, exports, and GDP.



The Canadian government is responding with financial support and new procurement initiatives. Federal measures include loan guarantees to ease liquidity pressures, funding to encourage product and market innovation, and policies intended to increase domestic wood use in construction. However, these efforts cannot fully offset structural disadvantages related to timber supply, high sawlog costs, and competitiveness in the US market.

Canada's lumber and forest sector is expected to continue contracting through 2030. Sawmill capacity will decline, particularly among smaller and older operations in regions affected by insects and fires, and export patterns will slowly rebalance away from the US. Rural communities will bear the greatest impacts. If US tariffs are eventually removed, the surviving modern mills could benefit from improved margins as lumber prices rise in the US. Meanwhile, opportunities exist in gradually growing overseas markets and in the domestic construction sector, where housing starts would need to roughly double by 2035 to meet projected demand. Achieving that, however, would require policy changes, streamlined permitting, and lower construction costs—none of which are guaranteed.

Source: www.globalwoodmarketsinfo.com, 14 November 2025

BRAZIL



Impact of US Tariffs on Brazil's Wood Product Exports

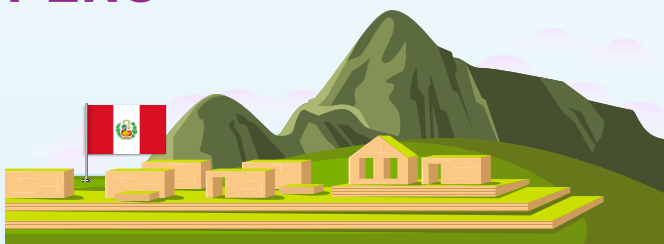
Brazilian exports of wood products to the US fell by 55% in the first three months following the 50% tariff imposed by the US according to an analysis by the Brazilian Association of Mechanically-Processed Timber Industry (ABIMCI) based on SECEX/MDIC data. Between August and October, there was a sharp decline in the volume shipped to the US, the main market for items such as mouldings, plywood, sawnwood and doors.

The drop in sales has meant companies had to introduce operational shutdowns, reduced production and resort to layoffs and dismissals, reflecting four consecutive months of export contraction since the measure was announced in July.

ABIMCI warned that, without progress in negotiations between Brazil and the United States, the situation is likely to worsen. The Association notes that delays in diplomatic discussions increase the risk that Brazilian products will be replaced in the US market by suppliers from countries with lower tariffs.

Source: <https://www.itto.int>, 30 November 2025

PERU



Primary Product Exports Disappoint in First Nine Months

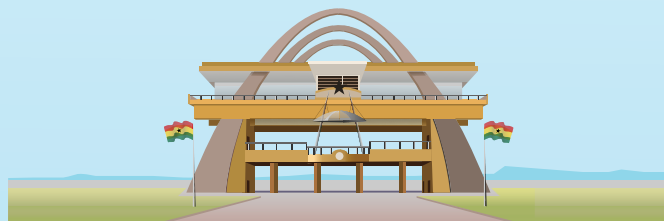
Export shipments of wood products earned USD49.9 million during the first nine months of 2025 a 22% decrease compared to the same period in 2024 according to the Center for Research on Global Economics and Business of the Association of Exporters (CIEN-ADEX).

Figures from the ADEX Data Trade Business Intelligence System report exports included sawn timber (USD18.2 million), semi-finished products (USD17.1 million), fuelwood and charcoal (USD4.4 million), furniture and furniture parts (USD3.5 million) and construction products (USD3.1 million).

The leading destination was the Dominican Republic at USD8.4 million, a 1% increase compared to the previous year. The US followed with USD7.6 million, a decrease of 24% compared to 2024, France with USD6.8 million, a decrease of 35%, China with USD5.3 million, a decrease of 40% and rounding out the top five export destinations was Mexico with sales of USD4.9 million, a decrease of 36%.

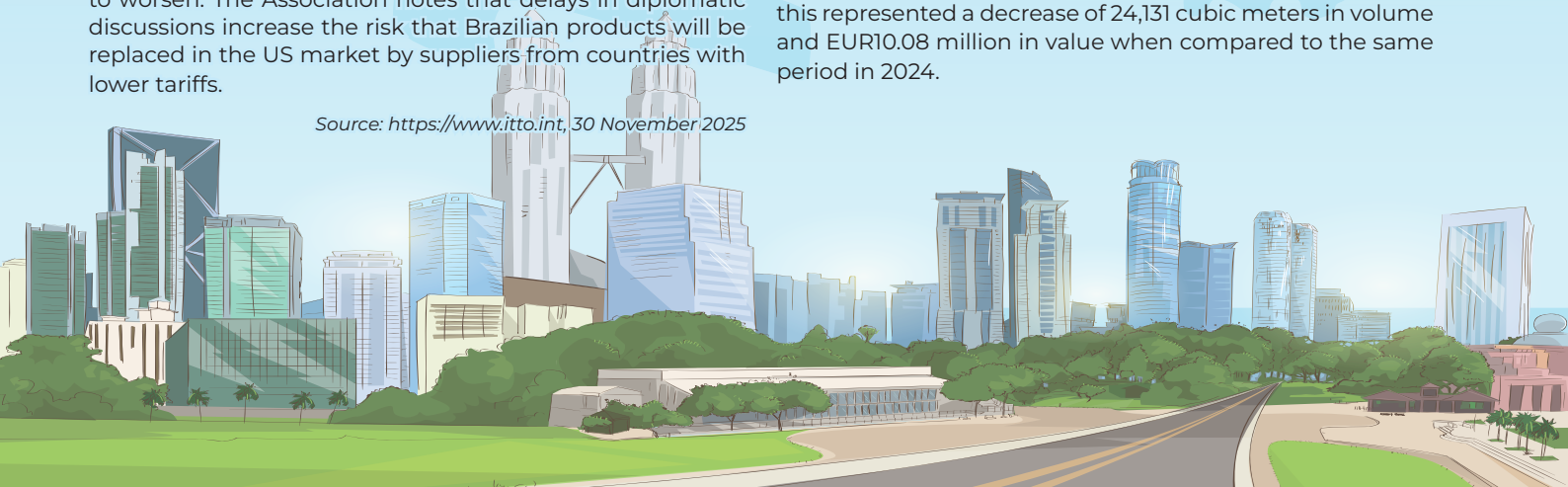
Source: <https://www.itto.int>, 30 November 2025

GHANA



Ghana's Wood Product Market Performance, Asia Tops

Asia continent continued to maintain its dominance as Ghana's largest market for wood products for the period January to August 2025. Total exports to Asian markets for the eight-month period accounted 66% (95,075 cubic meters), valued at EUR36.05 million, according to Timber Industry Development Board (TIDD) data source. However, this represented a decrease of 24,131 cubic meters in volume and EUR10.08 million in value when compared to the same period in 2024.



Aside from the shipments of wood products to Asia the share of Ghana's remaining wood product exports for the first eight months of this year went to Europe (16%), Africa (10%), America (5%) and Middle East (3%).

Ghana's main importing countries in Europe were Italy, France, Germany, the UK, Belgium, Spain, Ireland and the Netherlands while African market destinations included Egypt, Morocco, and South Africa and the ECOWAS subregion. Wood products export to Asian markets included air and kiln dried sawnwood, billets, sliced veneer and mouldings. The species exported included Teak, Denya, Wawa, Koto / Kyere, Papao / Apa, Cedrela, Kaku / Ekki / Azobe, Asanfina / Anigre, Gmelina and Ananta.

Source: <https://www.fordaq.com>, 05 November 2025

GLOBAL



Malaysian Wood Expo (MWE) 2025 Breaks Records As Global Timber Demand Surges

The Malaysian Wood Expo (MWE) 2025 closed with record sales, broader international participation, and a clear shift towards sustainability and regulatory readiness.

Organised by the Malaysian Timber Council (MTC), the event reinforced Malaysia's position in the global timber market.

Held from 10–11 November at the Malaysia International Trade and Exhibition Centre (MITEC), the expo drew more than 1,900 trade visitors and featured 127 exhibitors from 19 countries, including China, Germany, Austria, Uruguay and Thailand.

The strong turnout underscored MWE's role as a key platform for timber innovation, market insights and industry dialogue.

MWE 2025 recorded RM194.5 million in confirmed sales, surpassing the RM180.8 million achieved in 2023 and the RM145.8 million in 2019. The increase points to renewed confidence in Malaysia's timber industry.

The Incoming Buying Mission (IBM), organised with MATRADE, held more than 350 targeted meetings between Malaysian exporters and 78 buyers from 27 countries, including the United States, Türkiye, Mexico and the UAE. The sessions secured RM177.6 million in export deals, reflecting rising global demand for Malaysian timber and wood-based products.

The Inbound Overseas Suppliers Programme (IOSP) linked 33 Malaysian manufacturers with 18 raw material suppliers from Australia, Austria, Canada, Chile, Denmark, New Zealand, Sweden, Türkiye, the United States and Uruguay. It generated RM16.9 million in orders, more than doubling the RM7 million recorded in 2023.

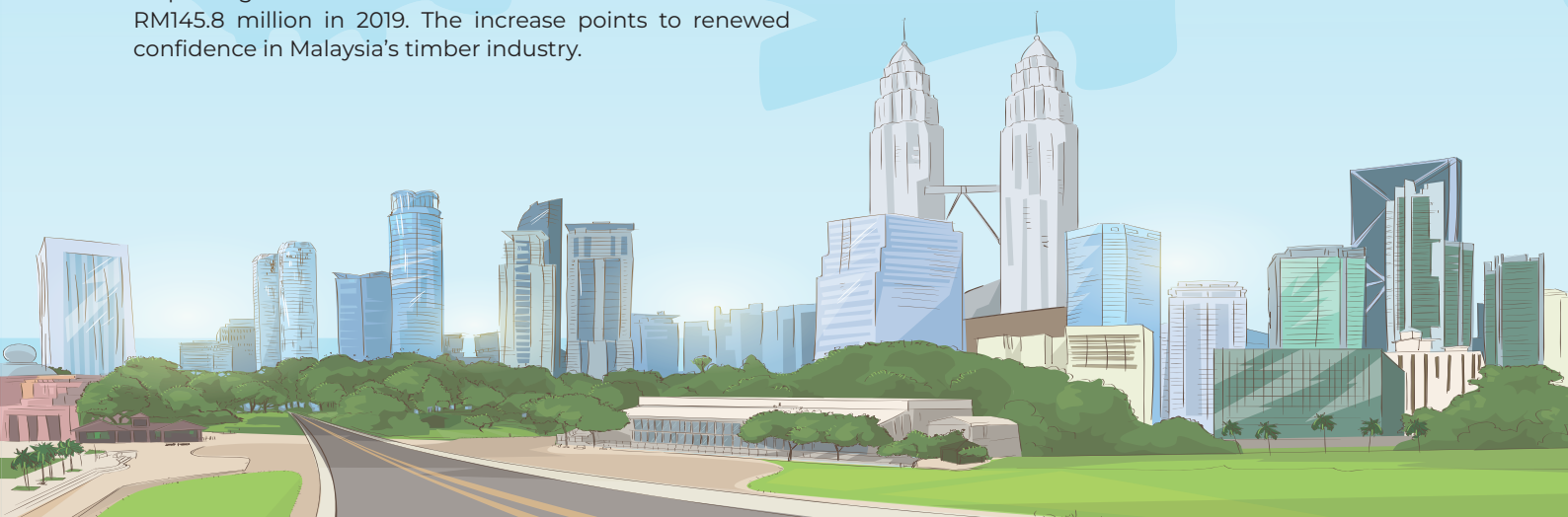
“One of this year's key shifts was a stronger focus on sustainability and regulatory readiness. The new International Conference brought together industry leaders, policymakers and global buyers to discuss issues such as EUDR compliance, ESG adoption, supply-chain resilience and changing trade measures.”

More than 270 participants took part and contributed to the discussions. Industry players described MWE 2025 as the most successful edition yet, noting its stronger international links and clearer strategic direction.

Alongside its record trade results, the expo underscored Malaysia's push to future-proof its timber sector as regulations tighten and global market dynamics continue to evolve.

Source: <https://www.businesstoday.com.my>, 17 November 2025

KAYU MALAYSIA
Kelestarian Teras Keunggulan



US unveils payment rules for new China vessel fees



US Customs provided over the weekend more details about the upcoming hiked port fees for Chinese-linked tonnage, due to come into effect next week.

The notice makes clear: the burden for determining liability lies squarely with the vessel operator, not US Customs. Vessels failing to show proof of payment may be denied unloading, denied clearance, or blocked from operations until their paperwork is in order. Payment is to be made via a US Treasury site, with Customs urging ship operators to make sure they have paid up at least three days prior to a vessel arrival in the US.

There are three pricing levels. Annex 1 is \$50 per net ton for ships owned or operated by Chinese entities. Annex 2 is for Chinese-built ships arriving in the US, where the operator will pay the higher of \$18 per net ton or \$120 per container discharged. Annex 3 covers all non-US-built vehicle carriers – not just Chinese – with operators having to pay \$14 per net ton.

Some relief is baked in: LNG tankers are exempt from fees under these annexes.

The online Section 301 Fee Payment Form will prompt responsible parties to complete various required fields and then the charge will be revealed by the site.

China has vowed to retaliate. Chinese premier Li Qiang signed a State Council decree nine days ago, which states that China will take necessary countermeasures against countries or regions that impose or support discriminatory bans, restrictions, or similar measures targeting Chinese operators, vessels, or crew engaged in international maritime transport and related services.

(Splash247_6 October 2025)

Box rates sink to lowest levels since Red Sea crisis

Container freight rates are sliding further, with Drewry's World Container Index (WCI) dropping 8% this week to \$1,761 per feu — the fifteenth consecutive weekly decline. The fall is being felt across key trade lanes, with carriers struggling to hold the line despite capacity cuts.

Spot rates from Shanghai to Los Angeles fell 10% to \$2,311 per feu, while Shanghai–New York rates slid 8% to \$3,278. On Asia–Europe routes, Shanghai–Rotterdam rates dropped 9% to \$1,735 and Shanghai–Genoa slipped 7% to \$1,990. Carriers have been pulling capacity in the run-up to China's Golden Week factory shutdown, but according to Drewry, with demand soft, further rate erosion is expected.

The Shanghai Containerized Freight Index (SCFI) also posted its steepest weekly drop in nearly a decade, down to 1,198.21 points on Thursday and sliding further to 1,114.52 on Friday. For context, the SCFI averaged 1,645 in the second quarter — 37% lower year-on-year. Meanwhile, the China Containerized Freight Index (CCFI) has plunged 19% year-on-year, with transpacific lanes hardest hit: West Coast rates are down 31% and East Coast 23%, according to NH Investment & Securities.

Lars Jensen, who heads up container consultancy Vespucci Maritime, noted that current spot levels are back to — or even below — where they stood before Red Sea diversions at the end of 2023, when carriers were already loss-making.

"By now this is indicative of a quite weak market situation," Jensen said, highlighting that the seasonal Golden Week lull has not yet fully started, and reminding that Atlantic westbound rates also slid by more than \$100 per feu last week, their lowest since early February.

Carriers are beginning to react. Hapag-Lloyd has announced new FAK rates from October 15, setting \$1,200 for 20-foot and \$2,000 for 40-foot boxes to North Europe, and higher levels into the Mediterranean and Black Sea.

Separately, Ocean Network Express (ONE) warned shippers that US Customs is tightening audits on commodity descriptions from September 27. The move could lead to fines, delays or even cargo seizures if cargo data is not precise.

(Splash247_10 October 2025)



Port fees: from temporary problem to structural risk to trade?

☞ Sagitta Marine managing director Thomas Zaidman on what happens if fair and unimpeded port access becomes a tool of trade policy. ☞

After decades lying in the long grass, geopolitical forces have re-emerged as a key operational risk. This is not to say that politicians especially target shipping and vessel operators as a policy tool; most have only a very limited idea of its size, scale and importance to the global economy.

True, sanctions hit shipping, but until recently, the impact has been a secondary effect, focusing mostly on the companies carrying specific cargoes and the personnel who lead them. The regional conflicts of the last three years have changed all that, with financial penalties hitting tonnage operators as well as commodity producers and importers.

Away from the real battlefield, the ongoing trade tensions between the US and China and others also have their weapons, targets and victims.

The USTR port fees levied by the US on China-built or controlled ships – and their tit-for-tat counterparts – are viewed with typical industry pragmatism as a short-term problem to be navigated; a cost to be passed on or swallowed.

One doesn't have to be the most pessimistic voice in the room to observe that it is possible to see the fees as the first shot in a bigger war, a potential precursor to broader weaponisation of the maritime sector.

The industry's unique approach to global regulation has long given it a pass where the impacts on the ability to trade are concerned. As a somewhat 'extra-jurisdictional' business, it has preferred to get on with things without much attention to the risk of disruption.

Perhaps the most surprising aspect of the new trade war is how resilient shipping supply chains have been, but there is no guarantee that this will continue to be the case.

If fair and unimpeded port access becomes a tool of trade policy rather than supply and demand, the implications are far more serious than some additional costs. If a portion of the fleet – and a large one if we consider China-built hulls – faces discrimination in terms of berth availability, then the impact, if prolonged, would be severe.

This need not only be in primary or mainline trades. If selective port access becomes policy rather than market-driven, the result would be a systemic shock — if not a crisis, then something uncomfortably close.

In a worst-case scenario, the effect on global fleet liquidity would be effectively to put a section of the global fleet beyond use, out of the market and forced to seek layup for lack of opportunity. That change in fleet dynamics could have a seismic impact not just on capacity but on ship values, finance and the insurance markets too.

This underlines the importance of incorporating geopolitical premiums into fleet allocation and chartering strategies. On a more prosaic level, the tens of thousands of vendors and suppliers which owe their existence to the global fleet could see their customer base shrink and perhaps disappear.

It has become a maxim of this new world order that disruption is a commonplace and that the costs, not of compliance but of navigating change, will continue to rise. Whether it makes for a good headline depends largely on the location from which you are reading it.

As the rules-based trading environment changes, perhaps forever, the maritime industry must adapt its risk frameworks rather than wait for political clarity.

Shipping has successfully navigated all manner of risk over the last 80 years, but a more direct impact on its day-to-day operations it would make the economic reversals and fragmentation of that period look like small beer by comparison to what comes next.

Does this have to happen? Of course not: the ability to change course is always at hand, even in congested waters. Perhaps it will prove the impetus for the industry to become much more vocal, more participatory and more assertive in advocating more effectively for its operational integrity and the safety of its people, rather than relying on governments, whose priorities have changed for good.

(Splash247_29 October 2025)



Port fee showdown postponed as US and China return to talks

China's stock market climbed to decade highs on Thursday as presidents Donald Trump and Xi Jinping met for the first time in six years — with one major outcome for shipping being the suspension of new port fees both countries had introduced earlier this month.

“The United States has postponed higher port charges on Chinese-built vessels, a move initially aimed at challenging Beijing's dominance in global shipbuilding. The delay follows the rollout of reciprocal port fees by both countries on October 14, which marked the first time port charges had been used as geopolitical tools rather than traditional trade tariffs.”

“We're going to postpone that while we negotiate with them about that issue,” US Trade Representative Jamieson Greer told reporters aboard Air Force One following the Trump–Xi meeting in Busan on Thursday. “We're trying to rebuild shipbuilding,” he added, signalling a desire to address the issue through dialogue rather than escalation.

The fees, introduced by both Washington and Beijing, were structured around a vessel's ownership, operation, flag, and place of build — a design that industry players said blurred traditional definitions and created uncertainty across the maritime sector.

Marine insurer Gard noted that the lack of clarity in charterparty clauses could spark disputes over who bears the cost. “Owners will argue the fees arise because the vessel is ordered to that port, while charterers will say it's due to the ship's characteristics or ownership,” Gard said in an advisory.

Industry associations have already started responding. Intertanko and BIMCO have published owner-friendly clauses to address liability for the US-imposed fees, and new wording to cover China's reciprocal charges is said to be in the works.

While the postponement offers a short-term reprieve for shipowners, it does not resolve the wider question of whether such differential port charges could become a longer-term feature of maritime trade policy. For now, the focus turns to negotiations — and whether the thaw in Busan will last long enough to calm one of the shipping industry's newest and most unusual flashpoints, something that has already seen two of Hong Kong's largest shipowners – Pacific Basin and Seaspan – relocate to Singapore to avoid the aggressive American fees.

(Splash247_30 October 2025)



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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m³)	% change September 2025/ October 2025
	m³	% Change	m³	% Change	m³	% Change	m³	% Change	m³	% Change		
Sawn Timber	38,483	21	265	-97	793	56	688	32	6,577	59	46,805	2
MDF	6,756	-4	0	0	894	1	1,638	55	183	477	9,471	5
Mouldings	13,783	4	5	-27	1,477	18	1,561	-26	240	-41	17,066	0
Plywood	3,239	-20	0	0	175	122	525	-17	18,765	52	22,704	33
Veneer	582	50	0	0	67	2,331	0	0	276	-28	582	50
Particleboard	9,402	38	0	0	14	-57	0	0	6,839	98	16,255	58
Total	72,244	14	269	-97	3,421	24	4,411	2	32,880	59	113,226	13



LOGS

The timber price in October 2025 for heavy hardwoods remained the same as the previous month. Chengal was recorded at the price at RM3,220/tonne, Balau at RM3,710/tonne, Red Balau at RM2,125/tonne and Merbau at RM2,850/tonne. For medium hardwood, the price for Keruing, Kempas, Kapur, Mengkulang and Tualang remained the same compared to last month at RM1,930/tonne, RM1,559/tonne, RM1,840/tonne and RM1,383/tonne. For light hardwood, the price for Dark Red Meranti was RM1,605/tonne, Red Meranti was RM1,883/tonne, Yellow Meranti RM1,610/tonne and Nyatoh RM1,357/tonne. As for rubberwood, the price decreased to RM190/tonne as compared to last month.



PLYWOOD

In October 2025, the plywood price segment remained the same compared to last month. The prices for 6mm sheets were RM26.00/sheet while 9mm sheets were RM38.00/sheet and 12mm sheets were RM48.50/sheet.



MEDIUM DENSITY FIBREBOARD

In October 2025, the MDF price segment remained the same compared to last month. The sheets of 4mm thickness were priced at RM12.90/piece, while sheets of 6mm thickness were RM23.95/piece, 9mm thickness were RM31.70/piece and 12mm thickness were RM37.80/piece.



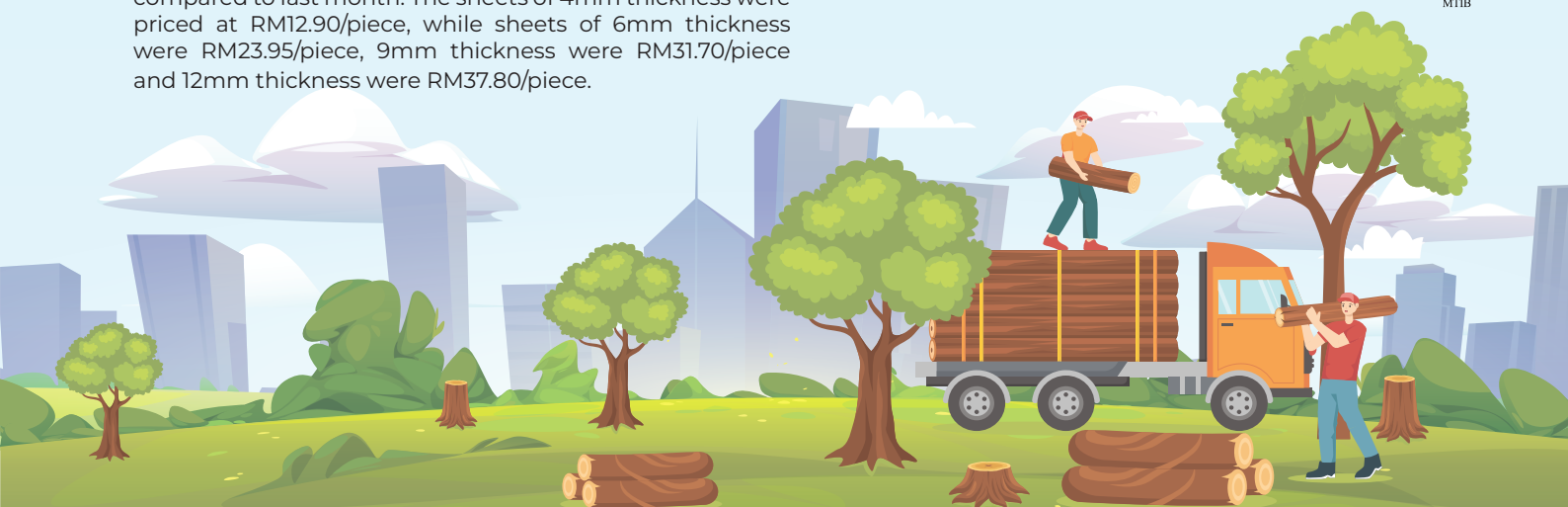
SAWNTIMBER

In October 2025, the price for 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 price for strips remained at RM2,754/m³. This is followed by Balau with its GMS grade priced at RM3,043/m³ and scantlings at RM4,590/m³. As for medium hardwood, timber species such as Keruing were priced at RM3,119/m³ for GMS, scantlings RM2,459/m³ and strips RM2,260/m³. As for Kempas, the price for its GMS was RM2,166/m³ while scantlings were RM2,378/m³ and strips RM1,783/m³. The price of rubberwood sawntimber in October 2025 was RM1,210/m³ for 1"×1" pieces, RM1,300/m³ for 2"×2", RM1,380/m³ for 3"×3" and RM1,430/m³ for 4"×4".



TRADE IN MALAYSIA – OCTOBER 2025

In October 2025, commerce between Sabah and Sarawak with Peninsular Malaysia totalled at 7,567 m³, with a value of RM5.77 million. Sabah remained the top contributor to the trade value for Peninsular, recording a trade value of RM3.33 million (1,419 m³) for plywood, followed by logs at RM1.03 million, sawntimber RM0.55million and veneer RM0.22 million. For Sarawak, the trade value for plywood was RM0.45 million while sawntimber was traded for RM0.19 million.



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

RINGGIT MALAYSIA

OCTOBER 2025

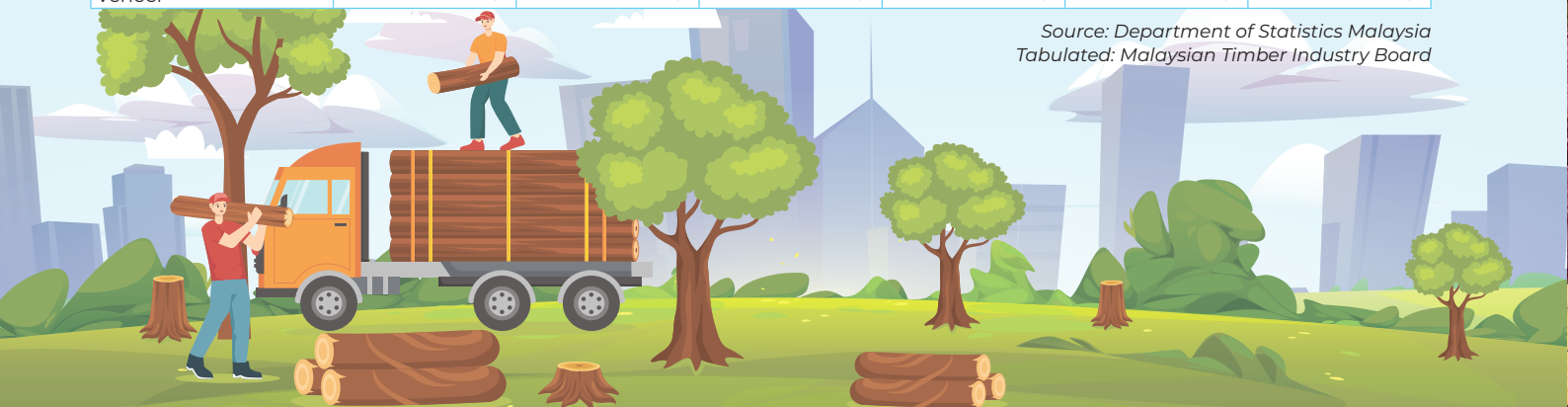
SPECIES	LOGS/ton	SAWN TIMBER/m ³			
	18" UP	GMS	STRIPS	SCANTLINGS	
HEAVY HARDWOOD					
Chengal	3,220	5,473	2,754		6,356
Balau	3,710	3,043	1,854		4,590
Red Balau	2,125	2,737	2,101		2,419
Merbau	2,850	3,754	3,225		3,725
Mixed Heavy Hardwood	1,112	1,326	1,066		1,377
MEDIUM HARDWOOD					
Keruing	1,930	3,119	2,260		2,495
Kempas	1,559	2,166	1,783		2,378
Kapur	1,840	1,746	1,271		1,685
Mengkulang	1,756	1,192	1,306		1,871
Tualang	1,383	1,907	1,518		1,730
LIGHT HARDWOOD					
Dark Red Meranti	1,605	2,083	1,942		3,319
Red Meranti	1,883	1,777	2,013		2,542
Yellow Meranti	1,601	1,593	1,365		1,801
White Meranti	1,683	2,024	1,801		1,600
Mersawa	1,425	1,977	1,330		2,154
Nyato	1,357	1,774	1,807		1,201
Sepetir	1,177	1,801	1,601		1,283
Jelutong	1,215	2,119	1,571		1,819
Mixed Light Hardwood	1,223	1,266	1,083		1,112
MALAYSIAN RUBBERWOOD					
Hevea brasiliensis	LOGS/ton 190	SAWN TIMBER/m ³			
		1" x 1"	2" x 2"	3" x 3"	4" x 4"
		1,210	1,300	1,380	1,430
PLYWOOD 4' x 8' (RM per piece)	LOGS/ton 4mm	6mm	9mm	12mm	
		19.50	26.00	38.00	48.50
MDF 4' x 8' (RM per piece)	LOGS/ton 4mm	6mm	9mm	12mm	
		12.90	23.95	31.70	37.80

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

* Prices are only indicative

INTRA-MALAYSIA TRADE

	SEPTEMBER 2025		OCTOBER 2025		% change in volume	% change in value
	Vol(m ³)	Val(' 000 RM)	Vol(m ³)	Val(' 000 RM)	SEPT/OCT	SEPT/OCT
Sabah						
Logs	3,038	858	4,909	1,028	62	20
Sawn Timber	328	278	361	549	10	97
Plywood	910	1,785	1,419	3,332	56	87
Veneer	365	765	132	218	-64	-72
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	109	202	228	198	110	-2
Plywood	441	389	518	449	17	15
Veneer	0	0	0	0	0	0

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

BELIAN

(*Eusideroxylon zwageri*)

Prepared by: Puan Norliwati Mohd Yusof

Belian (*Eusideroxylon zwageri*), widely known as the “Borneo Ironwood,” is one of the most prestigious and durable hardwood species in Southeast Asia. Revered for its extreme strength, high density, and resistance to decay, termites, marine borer and harsh weather conditions, Belian has long been used in heavy construction, marine engineering, and premium architectural applications.



Physical Characteristics of Belian Wood

Scientific Name

Eusideroxylon zwageri

Family

Lauraceae

Common Names

Belian, Bornean Ironwood, Kayu Besi, Ulin

Color

Deep, rich brown or dark golden

Grain

Straight to slightly interlocked

Texture

Fine and even

Density

The timber is exceptionally heavy and is classified as a heavy hardwood with an air-dry density ranging from 835 to 1,185 kg/m³.

Natural durability

The timber is regarded as one of the most durable in the world.

Preservative treatment

The heartwood is extremely resistant to preservative treatment.

Strength properties

The timber is classified in Strength Group A (Burgess, 1958) or (MS 544: Part 2:2001)

Machine properties

It is easy to work despite its high density, producing a smooth and often lustrous surface.

Air Drying

The timber seasons slowly, with a tendency to develop checking and splitting.

Shrinkage

Shrinkage average 4.5%.

Uses

Traditionally, indigenous communities across Borneo relied on Belian for longhouses, boats, bridges, flooring, and ceremonial structures due to its unmatched longevity. Today, its role has expanded into modern infrastructure and high-end construction. Belian is widely used for marine pilings, jetty components, railway sleepers, outdoor decking, fender supports, telegraph and power transmission posts and cross arms, mallets, shingles, heavy-duty columns and other applications where high strength and durability are required.



Reference:

1. Burgess, H.J. 1958. Strength Grouping of Malaysian Timbers. Malayan Forest Service Trade Leaflet No. 25. The Malaysian Timber Industry Board and Forest Research Institute Malaysia, Kuala Lumpur. 15 pp.
2. Menon, P.K.B. 1986. Uses of Some Malaysian Timbers. Revised by Lim, S.C. Timber Trade Leaflet No.31. The Malaysian Timber Industry Board and Forest Research Institute Malaysia, Kuala Lumpur. 48 pp.
3. MS 544: Part 2:2001. Code of Practices for the Structural Use of Timber : Permissible Stress Design of Solid Timber.
4. 100 Malaysian Timbers, The Malaysian Timber Industry Board.

1 NOVEMBER 2025

Project 21 - Oil Palm Trunk (OPT) Trade Basic Workshop

10 NOVEMBER 2025

Briefing Session on the Implementation of the Bamboo Community Farming Development Programme (PPCFB) with Village Communities and Indigenous People in Maran, Pahang

11 NOVEMBER 2025

Official Handover Ceremony of MTIB Enforcement Depot

17 NOVEMBER 2025

Bamboo Community Farming Development Programme (PPCFB) with JAKOA Perak for Indigenous Communities, in Perak

18 NOVEMBER 2025

Courtesy Visit of Humanology Sdn. Bhd. to MTIB

19 NOVEMBER 2025

Industry Visit to Adiguru of Rattan Weaving Crafts

19 NOVEMBER 2025

Courtesy Visit from the Kelantan State Forest Plantation Entrepreneurs Association (PPLHNK)