



ENGAGEMENT SESSION WITH TIMBER GRADERS

**Preparing The Malaysian Timber
Industry For European Union
Deforestation-Free Regulation (EUDR)**

**Wood-Plastic Composites
Innovation Challenge:
Redefining Modular Flat-Pack Design**



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Engagement Session with Timber Graders

Prepared by: Puan Hazwani Husna Abdullah

MTIB, through the Industrial Development Division, successfully organised a stakeholder engagement session with timber graders on 22 January 2026 at the Dewan Persidangan MTIB.

The engagement session aimed to get feedback and views from the graders and representatives of the associations regarding Instructions for Timber Grader 2018 (ITG 2018). The programme's objective was also to discuss current issues and develop appropriate programmes to ensure that the planned grader activities are practical and relevant to the current development of the timber industry.

Among the proposed amendments to the ITG discussed in the engagement session were the setting of the grader's age limit, the frequency of submission of graders' health reports during the Timber Grader (TG) registration renewal

process, and the lowering of the annual minimum grading quota. Other issues raised by graders included the need for insolvency documents to renew their TG registration, the low service fee for graders, and efforts to develop their careers.

“MTIB, as the body responsible for regulating graders and grading activities from time to time, will continue with such programmes and will be more committed and proactive in addressing current issues related to the national timber industry, especially wood grading activities.”

This engagement session was attended by about 30 participants comprising representatives from Malaysian Timber Graders Associations (MTGA), Timber Exporters' Association of Malaysia (TEAM), independent graders, industry players, and MTIB officers. The programme was officiated by YBrs.Ir. Ts. Dr. Izwan Johari, Director of the Industry Development Division, MTIB.



Preparing The Malaysian Timber Industry For European Union Deforestation-Free Regulation (EUDR)

Prepared by: Puan Aimee Aiza Mohd Tusin

MTIB Strengthens Industry Readiness Through Nationwide Compliance Training

As global sustainability requirements continue to evolve, the Malaysian timber industry is taking proactive steps to remain competitive and aligned with international market expectations. In line with this objective, the Malaysian Timber Industry Board (MTIB) recently organised a European Union Deforestation-Free Regulation (EUDR) Compliance and Preparedness Training Programme, aimed at equipping industry players with the knowledge and practical tools required to navigate the upcoming regulatory landscape.

“This initiative forms part of MTIB’s strategic efforts to strengthen industry preparedness ahead of the EUDR implementation, scheduled for December 2026. The regulation requires that timber-based products entering the European Union market must be verified as deforestation-free after the stipulated cut-off date, while also complying with strict requirements relating to legality, due diligence and supply chain traceability”

Nationwide Engagement with Industry Stakeholders

To ensure comprehensive industry engagement, the training programme was conducted across several strategic locations nationwide:

- Pulau Pinang – 7 January 2026
- Johor – 4 February 2026
- Selangor – 26 February 2026

The sessions attracted strong participation from a wide spectrum of stakeholders within the timber supply chain, including exporters, importers, timber processors, suppliers and traders, logging companies and forwarding agents.

Their participation reflected the industry’s growing awareness of the importance of compliance with emerging international sustainability standards.



Building Capacity for EUDR Compliance

The programme was structured as an interactive workshop, incorporating technical briefings, case studies, group discussions and open dialogue sessions with subject-matter experts.

Participants were guided through six comprehensive training modules covering:

- interpretation of EUDR requirements
- geolocation and traceability obligations
- legal compliance and due diligence procedures
- certification and legality schemes
- supply chain transparency
- potential impacts of EUDR implementation on the timber industry.

A key highlight of the programme was the MyTLAS–EUDR Trial Run session, conducted by MTIB. This practical session provided participants with valuable insights into how Malaysia's existing national systems can support compliance with EUDR requirements.

Industry participants also benefited from technical knowledge sharing by experts from Peterson Solution Sdn. Bhd., alongside MTIB officers, enabling them to better understand the operational challenges and compliance mechanisms associated with the new regulation.



Industry participants taking part in interactive group discussions and case study sessions

Strengthening Malaysia's Timber Legality System

Central to Malaysia's preparedness for EUDR is the continued strengthening of the Malaysian Timber Legality Assurance System (MyTLAS). MyTLAS, which has gained international recognition, plays a crucial role in ensuring that Malaysian timber products meet global standards of legality, transparency, traceability and supply chain traceability.

Through initiatives such as this nationwide training programme, MTIB aims to further reinforce MyTLAS as a strategic national instrument that safeguards the credibility and competitiveness of Malaysian timber products in international markets.

Strengthening Malaysia's Position in Sustainable Timber Trade

The nationwide EUDR training series reflects MTIB continued commitment towards supporting global sustainability agendas while ensuring that the Malaysian timber industry remains resilient and well-prepared to adapt to evolving international trade regulations.

Through strong collaboration between government agencies and industry stakeholders, Malaysia is well positioned to maintain its reputation as a trusted supplier of legal, sustainable and high-quality timber products to international markets.



Industry participants showing keen interest and active participation during the interactive EUDR compliance training session

Moving forward, MTIB will continue to work closely with relevant government agencies and industry stakeholders to enhance the readiness of the Malaysian timber sector for EUDR implementation. Through continuous engagement, capacity building initiatives and the strengthening of national traceability systems such as MyTLAS, Malaysia remains committed to ensuring that its timber products meet evolving global sustainability requirements while maintaining market access to international destinations.



Wood-Plastic Composites Innovation Challenge: Redefining Modular Flat-Pack Design

Prepared by: Puan Juliwar Idrus

MTIB, through the Fibre and Biocomposite Centre (FIDEC) in collaboration with the School of the Arts, Universiti Sains Malaysia (USM), successfully conducted the Development and Design Programme for Wood-Plastic Composite (WPC) Modular Flat-Pack Products for Sustainable Applications.

Executed over a four-month period from October 2025 to January 2026, the initiative involved 26 Bachelor of Product Design students from USM. The programme officially commenced on 28 October 2025 with a comprehensive technical briefing on WPC materials from Puan Juliwar Idrus (Senior Assistant Director, FIDEC), providing participants with the foundational knowledge essential for sustainable product development.

Following the launch, the period through January 2026 was dedicated to an intensive phase of design guidance and technical consultations to redefine the potential of WPC through creative, modular and eco-friendly applications. Throughout this duration, FIDEC's officers and USM senior lecturers worked closely with the students to oversee the transition from conceptual sketches to the development of physical prototypes. This rigorous mentorship ensured that each student-led design was not only aesthetically pleasing but also structurally sound and aligned with industrial manufacturing standards.

The peak of this strategic collaboration was an official evaluation session held on 26 January 2026 in USM, Pulau Pinang. The product concepts were assessed based on their marketability, innovation, and design excellence. The evaluation panel was led by Puan Syafinaz Abd Rashad (Deputy Director of FIDEC) as the Head Evaluator, alongside YBrs. Ts. Dr. Siti Suhaily Surip (Senior Lecturer, USM) and Puan Juliwar Idrus. The results of the evaluation were as follows:

1st Place

Stack-N-Turn (RM700)

2nd Place

Rafflesia Bloom Coffee Table (RM500)

3rd Place

Grab & Go Desk (RM400)

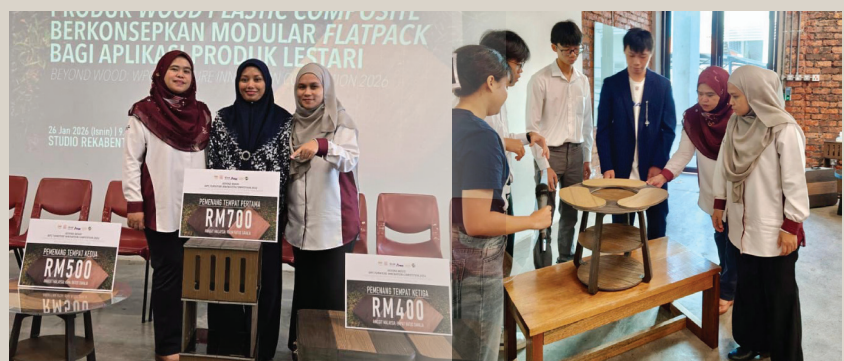
Consolation

TimberTuck and *The Haruan Forge* (RM 200 each)

The successful completion of this design and development phase demonstrated the significant potential of WPC as a competitive and innovative alternative material for the modern product market. By bridging the gap between academic creativity and industrial feasibility, FIDEC and USM have set a new benchmark for the future of the national timber and biocomposite industry.



Project presentation session



Final products evaluation



Industrial Tree Plantation Programme Briefing

Prepared by: Puan Normazmin Che 'Ad

The Industrial Tree Plantation (ITP) Development Programme was approved under the 13th Malaysia Plan (RMKe-13) for the period of 2026–2030. It is a strategic initiative designed to strengthen Malaysian timber resources. The programme provides a 30% matching grant for forest plantation development, capped at RM6,000 per hectare, covering a minimum of 40 hectares and a maximum of 200 hectares per company. This incentive encourages companies to plant fast-growing species that can be harvested within eight (8) years, helping to ensure a sustainable and continuous supply of raw materials to meet the demand of timber industry players. In line with this goal, the programme targets the development of approximately 7,600 hectares of forest plantations, which are expected to produce about 760,000 cubic metres of timber after eight (8) years, depending on the species planted.

A comprehensive briefing on the ITP Development Programme was held on 29 January 2026 at Grand Riverview Hotel, Kota Bharu, Kelantan. The session was organised to promote the incentive programme offered by the Malaysian Timber Industry Board (MTIB), particularly to forest plantation owners and industry players.

“The briefing session was officiated by Cik Rainah Yusof, Deputy Director of the Forest Plantation Division, MTIB. In her speech, Cik Rainah emphasised the importance of incentives offered under this programme that not only helps to reduce the cost of developing forest plantations but also provides comprehensive support in terms of training and technical guidance.”



The briefing started with a presentation by Puan Normazmin Che' Ad, Deputy Director of the Forest Plantation Division, MTIB. During the session, detailed information on the programme's objectives, eligibility requirements, application process and benefits were presented. The session was followed by an active discussion during which participants raised various issues and enquiries.

The briefing session was attended by 50 participants comprising representatives from companies, associations, individuals, particularly forest plantation owners as well as players from the timber industry.





JUTAWAN JEWELS SDN. BHD.

Prepared by: Puan Hairani Mohd Noh

Jutawan Jewels Sdn. Bhd. (JJSB) is a Malaysia-incorporated company dedicated to the development of forest plantations. The establishment of the company reflects its commitment to support the sustainable growth of Malaysia's timber resources through well-planned and responsible plantation forestry.

In line with the Malaysian Government's initiative to encourage greater participation from the private sector in the cultivation of tree crops, JJSB has taken a progressive step into the forest plantation industry. This initiative aims to contribute towards addressing the current and future demand for wood supply in Malaysia while strengthening the sustainability of the nation's timber-based sector.

As part of this endeavour, JJSB is developing forest plantations in the State of Perak, initially focusing on Rubber Timber Latex Clone (TLC) species covering approximately 1,000 hectares. The plantation development commenced in 2015 and was implemented in phases as part of the company's long-term plantation development programme.

In 2021 however, the TLC plantations were adversely affected by Pestalotiopsis Leaf Fall Disease, caused by the fungal pathogen *Pestalotiopsis spp.* The outbreak resulted in severe defoliation, shoot dieback and a significant decline in latex yield, which consequently affected overall plantation productivity.

In response, JJSB conducted a comprehensive review of its plantation strategy to strengthen operational resilience and mitigate future biological risks. As part of this strategic adjustment, the company diversified its plantation species and transitioned towards hybrid Eucalyptus, a fast-growing species recognised for its adaptability, resilience and suitability for commercial plantation forestry. To date, JJSB has successfully established hybrid Eucalyptus plantations covering approximately 1,600 hectares.

Through this transition and diversification strategy, JJSB aims to enhance plantation resilience, optimise land productivity and contribute to the long-term sustainability of the timber industry, while continuing to generate economic value through responsible and sustainable plantation development.

Mission

"To establish and nurture healthy forest plantations consisting of diverse tree species that contribute to ecological balance while generating sustainable economic value"

Vision

"To create and sustain a healthy and resilient environment through responsible forest plantation management, contributing towards a greener and more sustainable Earth"

Products

The company focuses on the cultivation and production of timber, particularly from *Eucalyptus spp.*, which is known for its fast growth, adaptability and suitability for sustainable forest plantation development.

Achievements

The company has achieved several important milestones in strengthening its role in sustainable forest plantation development:

2021

Implementation of the *Projek Pembangunan Ladang Hutan Contoh Negeri Perak Darul Ridzuan*, serving as a model forest plantation project in the state

2022

Appointed as a Strategic Partner to the Department of Environment, State of Perak, in supporting environmental sustainability initiatives

2023

Nominated for the Best Plantation Award under the Malaysian Timber Industry Board (MTIB), recognising the company's commitment in applying best practices in plantation development and management.



Beyond The Craft

MTIB'S Strategic Role as a Centre of Excellence for Worldskills Competitions

Prepared by: Ts. Norhasniza Mohd Rom

Skills competitions have evolved beyond mere platforms for rivalry; they now serve as strategic foundations for measuring the competency levels of a nation's youth. For the Malaysian Timber Industry Board (MTIB), empowering wood-based skills competitions is a central agenda to ensure that local standards remain globally competitive and aligned with a high-tech industrial landscape.

For over ten years, MTIB through the Wood Industry Skills Development Centre (WISDEC) has been a key player in the industry. Initially starting its journey primarily as a competition venue for wood-based categories, WISDEC has now been officially appointed by the *Jabatan Pembangunan Kemahiran* (JPK) as a Centre of Excellence (CoE) for three trades: Cabinetmaking, Joinery, and Carpentry. Today, WISDEC hones the talents of national contestants according to WorldSkills Occupational Standards (WSOS), blending traditional craftsmanship with contemporary techniques.

THE PATHWAY TO EXCELLENCE

To reach the pinnacle of global skills, Malaysian talents navigate a structured and rigorous pathway:

WorldSkills Malaysia Belia (WSMB)

Formerly known as the Malaysia Skills Competition (PKM), WSMB is an annual national event held by the DSD and Ministry of Works Malaysia. It aims to select and recognise youths with superior talents through pre-qualification and final stages.

ASEAN Skills Competition (ASC)

Organised every two years, it serves as a prestigious regional platform for youths to showcase their talents at the ASEAN level.

WorldSkills Asia (WSA)

A regional organisation under WorldSkills International (WSI), this event promotes TVET excellence across Asia.

WorldSkills Competition (WSC)

This is the ultimate global peak, prestigious and known for its "Skills Olympics" status.

THE ROAD TO WORLDSKILLS SHANGHAI 2026

Malaysia joined the WSC in 1993 and remains a committed member. The 48th WorldSkills Competition will take place in Shanghai, China, from 22–27 September 2026 at the National Exhibition and Convention Centre (NECC). Malaysia is sending a contingent of 22 contestants competing in 21 trades.

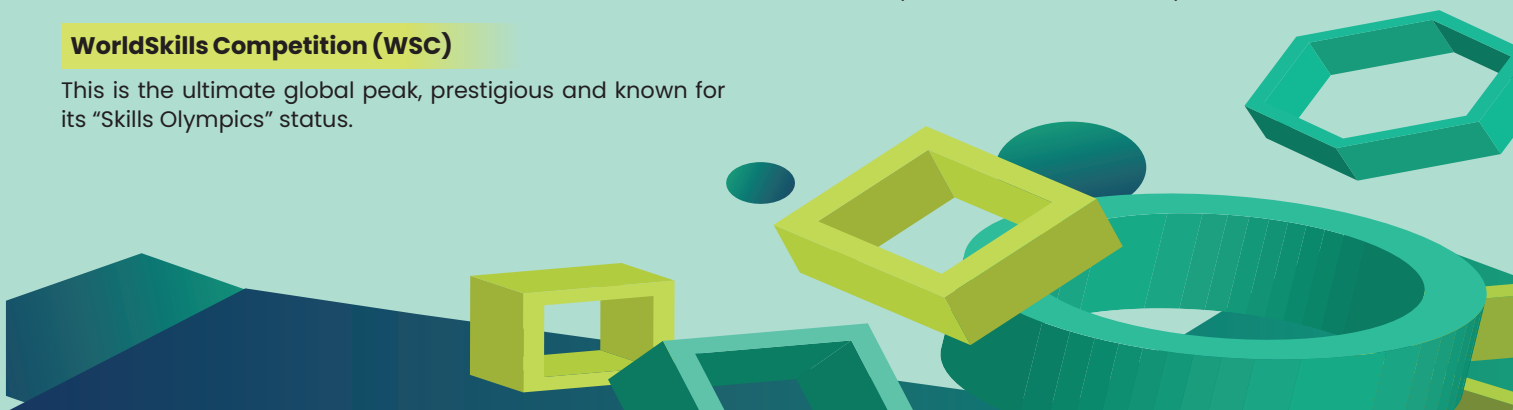
Specifically for the timber sector, Malaysia is strategically focusing its participation on the Cabinetmaking trade only. This focus ensures that resources and training are optimised to compete at the highest global level. Alongside Cabinetmaking, the Malaysian contingent is also competing in a diverse range of disciplines, including Cooking, Fashion Technology, Hairdressing, Digital Construction, 3D Digital Game Art, and other high-impact skills areas.

CABINETMAKING: PRECISION UNDER PRESSURE

Craftsmanship is at the heart of cabinetmaking. In an age of mass production, the cabinetmaker produces lasting work designed to be appreciated for generations, blending an aesthetic understanding of design with profound technical skill. This specialised discipline requires absolute accuracy and consistency under strict time constraints, demanding problem-solving skills and disciplined execution under pressure.

A world-class cabinetmaker must be proficient in:

- **Material Mastery:** Identifying and selecting various types of solid timber, veneers, and composite materials
- **Technical Precision:** Safely operating hand tools, portable power tools, and woodworking machinery to perform detailed milling and material breakouts
- **Expert Assembly:** Executing detailed joinery, casework assembly, gluing, laminating, and finishing processes
- **Complex Construction:** Building high-quality furniture, cabinets, doors, and complex specialty work according to exact specifications within competition timelines.



PROVEN SUCCESS: A FOUNDATION FOR THE FUTURE

Malaysia's recent achievements in Cabinetmaking reflect the effectiveness of structured preparation and the high standards of training at WISDEC. Under the guidance of National Expert, Ts. Amri Mustafa, whose training emphasises precision, time discipline, and technical consistency aligned with WSOS requirements, Malaysian talents have consistently reached the podium:

- WorldSkills ASEAN Manila 2025: Gold Medals won by Encik Khairul Idham Bahari (IKM Lumut) and Encik Mohamad Ikbai Maznan (IKM Pekan)
- WorldSkills Asia Taipei 2025: Silver Medal won by Encik Khairul Idham Bahari.

These accomplishments, achieved by national-level winners from institutions such as *Institut Kemahiran MARA (IKM)* prove that Malaysia's training ecosystem is at par with international benchmarks.

STRATEGIC ALIGNMENT & GLOBAL LEADERSHIP

MTIB aims to transform WISDEC into a premier regional hub for timber skills excellence by 2030. This strategic focus reinforces Malaysia's position in value-added wood-based manufacturing and ensures our talents remain competitive and adaptable.

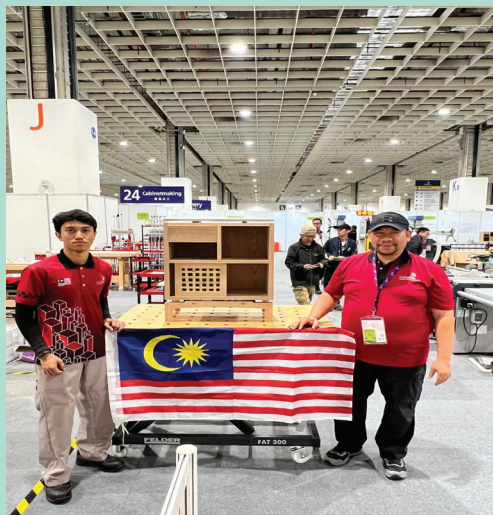
As Malaysia prepares for WorldSkills Shanghai 2026, the focus remains on disciplined training and continuous improvement—strengthening the foundation of the nation's timber industry on the global stage. Through sustained industry collaboration, MTIB ensures that the next generation of Malaysian woodworkers is not only world-class but ready to lead the future. 



Skills Competition Levels



Khairul Idham working on his cabinet making project



Khairul Idham and National Expert, Tc. Amri Mustafa with the completed cabinet



Khairul Idham celebrating a silver medal win at WorldSkills Asia Taipei 2025

The New Wood Technologist: Bridging Craftsmanship and AIs

Prepared by: Puan Nurul Atiqah Shaharuddin



Malaysia's timber industry has long been rooted in craftsmanship, technical skill, and hands-on production. For decades, the sector has been associated with labour-intensive processes, conventional manufacturing methods, and traditional woodworking expertise. While these fundamentals remain important, the industry is now entering a new phase of development shaped by Industrial Revolution 5.0 (IR 5.0).

Unlike earlier industrial phases that focused primarily on automation and productivity, IR 5.0 places greater emphasis on the collaboration between technology and human capability. It recognises that the future of industry does not lie in machines replacing people entirely, but in creating systems where advanced technologies enhance human creativity, skill, and decision-making.

Within this changing environment, the Wood Industry Skills Development Centre (WISDEC) is playing an increasingly important role in developing the workforce needed for the future of Malaysia's timber industry. Beyond producing technically competent workers, WISDEC is helping shape a new generation of industry talents who are able to combine traditional craftsmanship with digital knowledge, intelligent systems, and modern production thinking. This transformation has given rise to a new professional identity in the sector: the Wood Technologist.

From Carpenter to Wood Technologist

The emergence of the Wood Technologist reflects a broader shift in how skills are understood within the timber and furniture industry. In the past, practical woodworking ability was often seen as the primary requirement. Today, however, industry players must operate in an environment that is increasingly influenced by automation, digital tools, artificial intelligence, sustainable production methods, and customer-driven innovation.

The transition from a "Carpenter" to a "Wood Technologist" is more than a change in job title; it is a fundamental shift from manual execution to systems management. In Malaysia of

2026, this evolution reflects the move from IR 4.0's focus on efficiency to IR 5.0's focus on the synergy between human intuition and machine intelligence.

In the past, a carpenter's value was measured by their physical stamina and basic tool proficiency. Today, IR 5.0 demands a hybrid professional. While IR 4.0 focused on robots replacing humans to achieve mass production, IR 5.0 focuses on Human-Machine Collaboration (Cobotics).

The Wood Technologist doesn't just cut timber; they collaborate with AI to optimise wood grain patterns, use Augmented Reality (AR) to visualise furniture assembly, and manage Cobots that handle the heavy lifting while the human focuses on intricate aesthetic finishing.

As a result, the workforce of the future must possess more than manual competence alone. They must also be able to adapt to new technologies, interpret data, understand smart production systems, and apply technical judgment in increasingly complex manufacturing settings. In short, the Wood Technologist is not only a skilled worker, but also a technical contributor to modern industrial transformation.

Making the Timber Industry More Attractive to Future Talent

The shift towards IR 5.0 also provides an opportunity to redefine the image of Malaysia's timber industry, especially among younger generations. For many years, the sector has often been viewed as traditional, physically demanding, and limited in professional advancement.



However, the industry today offers opportunities in digital production, smart manufacturing, sustainable product development, automation support, and technical innovation. These changes have made the sector more relevant to students and trainees within the Technical and Vocational Education and Training (TVET) ecosystem, who are looking for careers that are modern, meaningful, and future-ready.

December 2025



Malaysia's exports of timber and timber products increased by 4% in December 2025, reaching RM1.8 billion compared to RM1.7 billion in the previous month. The downturn in monthly performance was primarily driven by a contraction in demand for logs, plywood, wooden frames, Builders' Joinery and Carpentry (BJC) and furniture, which outweighed the surge in sawntimber and the marginal gains seen in chipboard/particleboard sectors.

Total export for 2025 reached RM21.5 billion, a 6% year-on-year decline from the RM22.9 billion achieved in 2024. This contraction was largely fuelled by softening overseas sales of wooden furniture – which fell 6% to RM9.3 billion – alongside diminished demand for logs, wood-based panel products, veneer, mouldings, and other timber products. However, the overall downturn was partially cushioned by resilient performances in the BJC and sawntimber sectors, which saw export growths of 7% and 3%, respectively.

According to the www.fordaq.com, EU imports of tropical wood and tropical wood furniture increased in the final quarter of 2025, with both volumes and values rising compared with earlier in the year and the same period in 2024. Total import volumes reached 436,600 tonnes in the fourth quarter of 2025, up 9% from the previous quarter and 11% higher year-on-year. The late-year increase brought quarterly import volumes close to the long-term average of around 450,000 tonnes recorded since 2013. In value terms, EU imports amounted to USD843 million in the fourth quarter, representing a 4% increase compared with the previous quarter and 5% more than in the fourth quarter of 2024.

In 2025, the EU imported 42,200 m³ of tropical logs valued at USD24.7 million, representing increases of 14% in volume and 12% in value compared with 2024. The growth in trade was driven mainly by higher shipments from the Central African Republic, where exports to the EU climbed 44% to 15,200 m³, and from Liberia, where volumes surged 355% to 3,400 m³. Most of these additional shipments arrived during the second quarter of the year. Imports from Cameroon also edged up 3% to 6,000 m³, with trade gaining momentum in

the third quarter after a relatively slow start to the year. In contrast, EU purchases of logs declined from several other suppliers. Imports from the Democratic Republic of Congo fell by 19% to 5,100 m³, while shipments from the Republic of Congo dropped 21% to 3,600 m³, partly reflecting tighter controls on log exports. Outside Africa, EU log imports also decreased from Paraguay, down 10% to 3,300 m³, and from Guyana, which supplied 1,400 m³, 8% less than in the previous year.

SAWNTIMBER

Total sawntimber exports in December 2025 increased by 28% in volume and 24% in value compared to November 2025, reaching 92,895 m³ worth RM184.2 million, up from 72,572 m³ valued at RM148.2 million in the previous month. Cumulative exports for January–December 2025 amounted to 1,172,551 m³ valued at RM2.1 billion, representing a 20% increase in volume and a 3% increase in value compared to the same period in 2024, which was 980,913 m³ valued at RM2.1 billion.

In the European Union (EU), exports rose significantly by 73% to 4,533 m³ in December 2025 from 2,614 m³ in the previous month. The Netherlands increased buying by 70% to 1,972 m³ from 1,163 m³, Belgium imports grew by 76% to 602 m³ from 343 m³, while Germany increased purchasing by 58% to 563 m³ from 357 m³. Exports to other European markets also increased by 45% to 998 m³ from 691 m³, with the United Kingdom increasing imports by 52% to 998 m³ from 655 m³.

In South Asia, shipments increased by 12% to 12,605 m³ in December 2025 from 11,271 m³ last month. India recorded a 19% increase to 6,088 m³ from 5,133 m³, the Maldives increased buying by 8% to 2,531 m³ from 2,338 m³, and Sri Lanka increased by 26% to 2,884 m³ from 2,290 m³.

Exports to West Asia increased by 11% to 18,620 m³ from 16,793 m³ in November. UAE imports rose by 10% to 4,689 m³ from 4,252 m³, while Yemen's buying surged sharply by 150% to 8,724 m³ from 3,489 m³. In contrast, Oman decreased imports by 57% to 1,966 m³ from 4,535 m³.

“In East Asia, exports increased by 5% to 28,401 m³ from 27,088 m³ in November. China recorded an increase of 39% to 23,020 m³ from 16,587 m³, while, the Republic of Korea increased by 55% to 1,361 m³ from 878 m³. Japan also increased imports by 19% to 2,761 m³ from 2,314 m³.”

Shipments to the ASEAN markets rose sharply by 100% to 21,514 m³ from 10,775 m³ last month. The Philippines recorded a very significant increase of 4,447% to 10,730 m³ from 236 m³, Thailand imports grew by 16% to 4,337 m³ from 3,730 m³, while Singapore increased by 7% to 5,742 m³ from 5,380 m³.

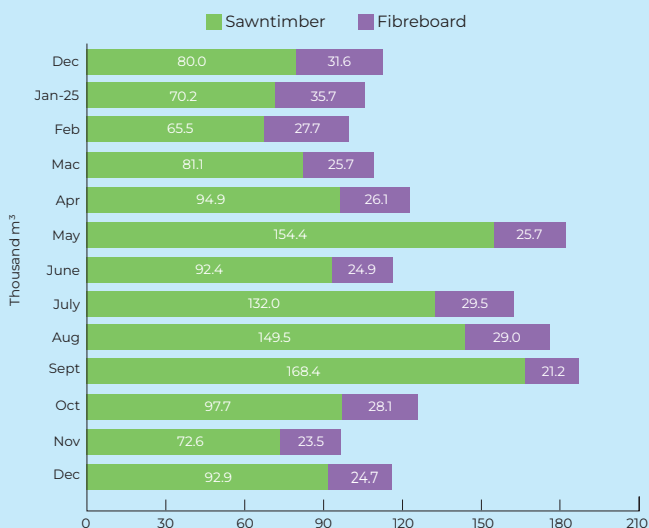
Exports to Africa increased substantially by 466% to 3,645 m³ from 644 m³ in the previous month. South Africa recorded a sharp increase of 1,068% to 3,462 m³ from 296 m³, while Mauritius reduced imports by 37% to 152 m³ from 243 m³. Meanwhile, exports to North America declined by 15% to 1,893 m³ from 2,221 m³ in November, primarily destined for the United States, which decreased imports by 11% to 1,893 m³ from 2,117 m³.

Exports to Oceania/Pacific increased by 47% to 636 m³ from 434 m³ last month, mainly destined for Australia, which increased buying by 42% to 616 m³ from 434 m³.

The average FOB price for sawntimber in December 2025 was recorded at RM1,983 per m³, representing a decrease of 3% from RM2,042 per m³ in November 2025. Exports of Dark Red Meranti (DRM) were recorded at RM2,402 per m³, a slight increase of 1% from RM2,382 per m³ in November. Keruing exports increased by 16% to RM3,039 per m³ from RM2,617 per m³, while DRM exports to the Netherlands declined by 9% to RM3,007 per m³ from RM3,311 per m³. No trade was recorded for Redwood (UAE) in December 2025.

In December 2025, Brazilian pine sawntimber exports rebounded to around USD55 million after earlier declines caused by high U.S. tariffs, which had pushed values down from USD67.3 million in February to USD42.7 million in August. The recovery was largely supported by increased demand from Middle Eastern markets such as Saudi Arabia, the United Arab Emirates, and India, reflecting exporters' efforts to diversify away from the U.S., where imports had fallen sharply following the 50% tariff imposition.

Malaysia: Export of Sawn Timber and MDF



Despite this improvement in sawntimber exports, total Brazilian timber product exports still declined 3% in 2025 to USD1.6 billion, due to both U.S. tariff impacts and regulatory uncertainties linked to the EU Deforestation Regulation (EUDR). Pine sawntimber remained one of Brazil's highest-value timber exports at USD662.1 million, with the U.S. continuing as the largest single destination, underscoring the ongoing importance of both market diversification and tariff negotiations for export stability.



PLYWOOD

Export of plywood in December 2025 recorded a decrease of 13% in volume at 90,329 m³ and a 14% decrease in value to RM186.0 million as compared to the previous month. The cumulative exports for the period of January – December 2025 showed a slight increase of 0.1% in volume to 1,126,499 m³ but a 4% decrease in value totalling at RM2.3 billion over the previous corresponding period. The East Asia market recorded a declining trend of 17% to 45,357 m³ from 54,478 m³ in November. Japan as the largest importer from the region decreased its buying by 20% to 38,209 m³, followed by South Korea with a decrease of 3% to 2,614 m³ while Taiwan added up the purchase by 3% to 4,058 m³. In the ASEAN region, import increased by 76% from 2,592 m³ to 4,554 m³ compared to last month. Plywood export to Thailand and Singapore improved by 555% to 2,107 m³ and 5% to 1,034 m³ respectively. Brunei reduced purchases by 15% to 456 m³ in December 2025.

In the South Asia region, plywood purchases recorded a decrease of 21% from 179 m³ to 142 m³. Maldives increased buying by 112% to 142 m³ while India and Pakistan didn't make any purchase for the month. West Asia region recorded a decrease of 75% to 3,284 m³ from 13,031 m³ in the previous month. Yemen reduced sales by 87% to 1,643 m³ while Jordan resumed its purchase with 676 m³ for the month.

Moving to the EU region, intake by the region recorded a decreasing trend for plywood imports by 23% from 4,856 m³ to 3,728 m³. Italy and Spain decreased their purchases by 45% and 46% to 1,691 m³ and 354 m³ respectively. Greece increased its buying tremendously by 1471% to 440 m³. In other parts of Europe, export recorded an increase of 8% to 9,022 m³ from 8,337 m³ in the previous month. Plywood purchase by the UK increased by 18% to 5,279 m³ while Turkiye decreased buying by 4% to 3,742 m³.

“In the Africa region, plywood export recorded a decrease of 74% from 163 m³ to 43 m³ with new purchases from Mauritius. The North America region recorded an increase of 28% from 17,621 m³ to 22,465 m³. The USA as the main buyer improved its purchases by 18% to 20,426 m³, followed by Mexico and Canada with increases of 595% to 1,663 m³ and 339% to 333 m³ respectively. In the Oceania/Pacific region, plywood export decreased by 26% from 2,340 m³ to 1,735 m³ with Australia accounting for the largest share, although its imports declined by 36% from 2,255 m³ to 1,440 m³.”

The FOB price of plywood for December 2025 was at RM2,059 per m³, a decrease of 1% from RM2,081 per m³ from the previous month.

By December 2025, the Greek construction industry solidified its role as a primary economic pillar, achieving an estimated annual output growth of 4.5% and significantly outperforming the broader EU average. This performance was anchored by the accelerated absorption of the EU Recovery and Resilience Facility (RRF) funds and the progression of landmark projects like The Ellinikon and the Northern Road Axis of Crete (BOAK). Despite persistent challenges including a 12.2% year-on-year increase in labour costs and a mid-year dip in building permits due to regulatory uncertainty, the sector saw a year-end surge in private investment driven by record tourism demand. While high interest rates and material cost inflation remained headwinds, the industry entered 2026 with a robust project pipeline and a stabilised regulatory environment.

VENEER

Export of veneer for December 2025 increased in volume by 16% to 3,515 m³ but decreased 11% in value worth RM6.6 million as compared to the previous month. Meanwhile, cumulative exports for January – December 2025 showed a decrease in both volume and value of 46% to 30,379 m³ and 41% to RM63.9 million over the previous corresponding period.

ASEAN recorded an increase in veneer imports by 183% from 53 m³ to 151 m³. Singapore increased its purchases by 288% to 31 m³ while Cambodia resumed its buying to 119 m³. In East Asia, export also increased by 69% from 1,053 m³ to 1,780 m³. Japan increased its veneer import by 274% to 359 m³, followed by South Korea and Taiwan with increases of 95% to 245 m³ and 2% to 808 m³ respectively. In the South Asia region, veneer sales increased by 42% to 1,127 m³ from 796 m³ in the previous month. India recorded an increase of 55% to 1,029 m³ while Bangladesh reduced its purchases by 26% to 99 m³.

In the Oceania/Pacific region, imports increased by 18% to 181 m³, with Australia remaining the sole buyer during the month. Meanwhile, North America recorded no purchases for the month. In contrast, imports from South Africa rose sharply by 675% to 237 m³, entirely sourced from South Africa. The European Union also recorded a new purchase of 27 m³ in December 2025, by Italy.

The average FOB price for veneer decreased by 23% from RM2,424 per m³ to RM1,871 per m³ as compared to the previous month.

East Asia's construction industry saw a clear split between struggling property markets and booming industrial sectors. While China and South Korea faced sharp contractions due to falling residential starts and high debt, Japan and Taiwan maintained steady growth fuelled by high-tech manufacturing, the Osaka World Expo and major renewable energy projects. Across the region, the industry shifted away from traditional housing toward green infrastructure, data centres and semiconductor plants, increasingly relying on digital automation to manage persistent labour shortages.

MEDIUM DENSITY FIBREBOARD (MDF)

Export of MDF in December 2025 recorded a 5% increase in volume to 24,674 m³ but a 0.3% decrease in value to RM46.2 million compared to the previous month. However, the cumulative export for the period of January – December 2025 recorded a decreasing trend of 22% in volume to 319,456 m³ and also a decrease of 20% in value, totalling at RM603.2 million as compared to the corresponding period in 2024.

MDF export to ASEAN increased by 80% from 3,173 m³ to 5,723 m³ compared to the previous month. Thailand and Viet Nam increased their imports by 1627% and 463% to 1,209 m³ and 2,088 m³ respectively.

Elsewhere, East Asia purchases of MDF decreased by 11% from 10,375 m³ to 9,201 m³ compared to the previous month. Imports of MDF from Japan and Taiwan depleted by 11% to 8,571 m³ and 35% to 307 m³ respectively. Meanwhile, South Korea increased its purchases by 50% to 320 m³. Moving to

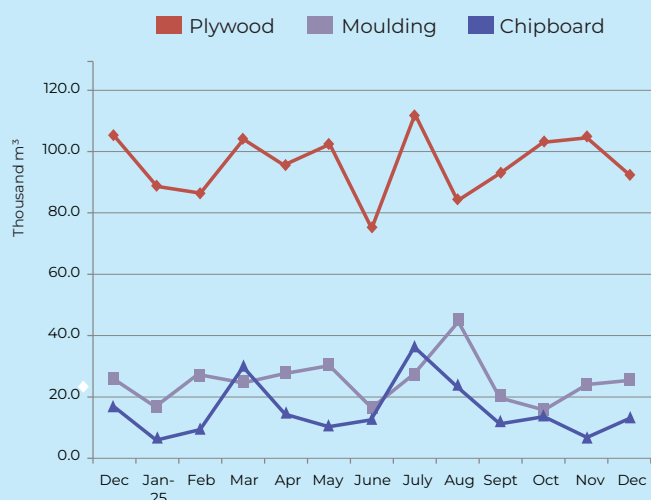
the South Asia market, exports increased by 82% from 1,370 m³ to 2,493 m³ in December 2025. Export performance to India and Pakistan grew by 41% to 554 m³ and 45% to 1,414 m³ respectively. Sri Lanka resumed its purchases at 472 m³.

Exports to the West Asia region decreased by 14%, declining from 4,380 m³ to 3,770 m³ compared to the previous month. The UAE reduced its purchases by 51% to 1,746 m³, while Oman increased its imports by 57% to 745 m³. Meanwhile, MDF imports by Yemen surged significantly from 1 m³ to 964 m³. During the month, no imports of Malaysian MDF were recorded from other parts of Europe and South America. However, new MDF purchases were registered from the Netherlands, which is part of the EU, at 21 m³, as well as from Guatemala in Central America at 109 m³ and South Africa in Africa at 26 m³.

Exports to the Oceania/Pacific region recorded a decrease of 10% to 1,669 m³ from 1,858 m³. New Zealand increased its purchases by 2% to 45 m³, while Australia decreased buying by 10% to 1,625 m³. MDF imports in North America also showed a decrease of 26% from 2,239 m³ to 1,663 m³ compared to the previous month. Purchases by the USA and Canada declined by 22% and 52% to 1,143 m³ and 235 m³, respectively. However, Mexico increased its purchases by 1% to 285 m³.

The average FOB price of MDF decreased by 5% to RM1,871 per m³ from RM1,968 per m³ in the previous month.

**Malaysia: Export of Major Timber Product
December 2024 – December 2025^a**



Sri Lanka's construction sector recorded strong growth in December 2025, with the Construction Purchasing Manager's Index (PMI) rising to 67.1 from 66.2 in November, indicating a significant expansion in industry activity. The growth occurred despite initial disruptions caused by adverse weather conditions, as many firms reported increased construction activity during the month. The expansion was mainly supported by higher new orders driven by government-funded infrastructure projects and new private-sector developments, while employment levels remained generally stable. In addition, the quantity of purchased materials continued to increase, reflecting stronger construction activity, although suppliers' delivery

times remained longer due to supply constraints. Overall, the outlook for the sector remained positive, supported by upcoming projects and expected improvements in weather conditions in 2026.

MOULDINGS

In December 2025, moulding exports saw a slight volume recovery of 1% to 21,288 m³; however, export value fell by 10% to RM61.3 million compared to the previous month. This end-of-year fluctuation contributed to a cumulative decline in 2025, with total volumes reducing by 4% to 0.3 million m³ and overall value contracting by 6%, from RM928.2 million in 2024 to RM871.4 million.

Exports to ASEAN countries improved by 0.1% to 795 m³ in December 2025, increasing from 794 m³ in November 2025. Exports to Singapore grew by 4% to 670 m³, meanwhile intake from Viet Nam dropped by 17% to 126 m³ from the previous month.

In the East Asia region, exports of mouldings were recorded at 1,264 m³ in December 2025, a decrease of 30% from 1,814 m³ in the previous month. Exports to Japan and Hong Kong dropped by 26% to 675 m³ and 76% to 30 m³, respectively. Conversely, South Korea increased its purchases by 15% to 584 m³ from 506 m³ in November 2025.

Export volumes to the South Asian region trended downward in December 2025. This was highlighted by an 82% plunge in intake to just 9 m³ compared to the previous month, with exports to the Maldives seeing a 65% decline, falling to 9 m³ for the month. Meanwhile, exports to the West Asia region dropped to zero in December 2025, with no shipments recorded during the month.

“Exports to the EU grew by 33% to 4,216 m³ in December 2025 compared to 3,166 m³ in November 2025. Exports to the Netherlands expanded by 35% to 2,066 m³ from 1,529 m³ in the previous month. Similarly, exports to Italy improved significantly to 584 m³ from 10 m³ in the previous month. However, France reduced its buying by 26% to 559 m³. Meanwhile, imports by the UK weakened by 17% to 276 m³ for the month.”

“In the Oceania/Pacific region, total moulding exports contracted by 15% in December 2025, falling to 1,126 m³ from 1,322 m³ recorded in November. This decline was entirely driven by the Australian market, which accounted for nearly all of the region's volume, as shipments to the country dropped 15% to 1,125 m³. Meanwhile, total exports to North America saw a marginal improvement of 0.1% in December 2025, rising to 13,258 m³ from 13,239 m³ in November. However, key markets within the region showed declines; USA imports dropped by 1% to 12,804 m³ while Canada experienced a significant 41% decrease to 155 m³ compared to the previous month.

In the Africa region, total export increased by 5% to 343 m³ compared to 326 m³ in November 2025. Exports to Mauritius dropped by 63% to 106 m³, while imports by South Africa improved significantly by 341% to 181 m³ for the month.

The average FOB unit value for mouldings in December 2025 declined by 11% to RM2,878 per m³ compared to RM3,219 per m³ in November 2025.

According to Fortune Business Insights, the global home renovation market size was valued at USD2,049.25 billion in 2025 and is projected to grow from USD2,111.14 billion in 2026 to USD3,026.50 billion by 2034, exhibiting a CAGR of

4.61% over the forecast period. North America dominated the home renovation market with a market share of 32.12% in 2025. Home renovation involves improving or upgrading residential spaces to enhance functionality, aesthetics, or property value. Common projects include kitchen remodelling, bathroom upgrades, and energy-efficient installations. Post-pandemic, the renovation market has seen significant growth as homeowners prioritise comfort and multifunctional spaces.

The global home renovation market is expected to grow steadily, driven by growing urbanisation, rising disposable income, and an emphasis on sustainability. Trends such as smart home integration, eco-friendly materials, and minimalist designs are shaping consumer preferences. Additionally, Do-It-Yourself (DIY) solutions and home improvements and repairs technology are gaining traction. While economic fluctuations and rising materials costs pose challenges, demand for renovation remains strong, especially in urban and suburban areas. Industry players are capitalising on innovative designs and sustainable solutions to meet the evolving needs of customers. North America dominated the home renovation market with a 33.12% share in 2025, supported by aging housing stock, rising adoption of sustainable upgrades, and the integration of smart home technologies across the U.S. and Canada.

BUILDERS JOINERY AND CARPENTRY (BJC)

Although December 2025 recorded a slight decline in BJC exports, where shipment volume fell by 1% to 12.9 million kg and export value decreased by 5% to RM115.8 million, the overall performance for the year remained strong. Total export for the full year rose with a cumulative volume increasing by 11% to 154.5 million kg and total export value reaching RM1.4 billion, reflecting a 7% growth compared to the 2024 calendar year.

Shipments of BJC to ASEAN declined to RM87.8 million, representing a 33% drop from RM131.8 million as recorded in 2024. Singapore, the main buyer in the region, reduced its purchases by 49% to RM47.8 million compared to the previous year. Exports to Vietnam also fell by 6%, totalling at RM12.3 million, while shipments to Thailand edged down slightly by 0.4% to RM15.7 million.

Total export to the East Asia region shrank by 8%, falling from RM89.0 million to RM81.8 million. Japan, the dominant buyer in this corridor, reduced its purchases by 11% to RM57.1 million. The Taiwanese market also weakened, dropping by 24% to RM6.1 million. However, the Chinese market provided a slight counterbalance, growing by 2% to record an intake of RM12.0 million.

Exports to South Asia experienced a severe downturn, with total exports plummeting by 35% to RM24.3 million. The decline was broad-based among key trading partners; exports to India fell by 30% to RM16.6 million, the Maldives decreased buying by 23% to RM4.2 million while Sri Lanka witnessed a dramatic 59% drop, reducing its intake to RM1.9 million.

As for the West Asia region, the total export of BJC dropped by 42%, totalling at RM12.7 million as compared to RM21.8 million in the same corresponding period of the previous year. The main buyer from this region was Saudi Arabia with a total purchase of RM10.1 million, signalling a drop of 46%. Meanwhile, demand from Kuwait also dropped by 84% to RM96,119 for the stated period. However, exports to the UAE improved by 1% to RM2.4 million from RM2.3 million in the period of January – December 2024.

The total export of BJC to the European Union region rose by 12%, increasing from RM250.7 million to RM281.5 million. This expansion was anchored by heightened demand from key western European economies. Shipments to Belgium increased notably by 24% to RM101.1 million, establishing it as a primary destination, followed by the Netherlands, where exports improved by 11% worth RM93.9 million. Similarly, intake from Germany grew by 33% to RM17.3 million for the stated period. Meanwhile, exports to other parts of Europe declined by 9% to RM137.6 million. This downturn was largely influenced by reduced intake from the United Kingdom, which saw a 5% decrease to RM131.0 million. Trade with Norway experienced a steep decline of 61%, falling to RM4.8 million. However, this sub-region was not entirely devoid of growth, as exports to Türkiye saw a remarkable surge of 115%, reaching RM1.7 million.

The Oceania/Pacific region recorded a moderate contraction, with overall shipments decreasing by 7% to RM231.1 million. Australia, the anchor market for this region, reduced its purchases by 6% to RM210.5 million. Neighbouring New Zealand mirrored this trend, lowering its intake by 17% to RM16.1 million. Conversely, American Samoa showed isolated spikes in demand, highlighted by a 126% increase in exports, which reached RM1.5 million.

“North America emerged as the most significant growth frontier for BJC exports in 2025. Total shipments to the region surged by an impressive 43%, reaching a total value of RM545.9 million. This upward momentum was heavily driven by the United States, which remains the principal buyer in the region. The USA’s intake mirrored the regional average, expanding by 43% to reach RM537.7 million. Similarly, exports to Canada demonstrated solid growth, increasing by 21% to RM7.4 million. Additionally, Brazil resumed its intake, contributing RM61,150 during the period.”

Shipments to Africa on the other hand, decreased by 22% to RM8.8 million in 2025. There was a decrease in exports of BJC to South Africa by 13% from RM5.7 million to RM4.9 million. Similarly, Seychelles dropped its purchases by 17% to RM1.4 million, while Mauritius decreased its intake by 58% worth RM0.9 million in 2025.

The value of timber and joinery product sales at the UK builders’ merchants increased slightly in the fourth quarter of 2025, according to the latest data from the Builders Merchants Building Index (BMBI). Like-for-like value sales for timber and joinery products rose by 1.8% year-on-year in the final quarter of the year. A strong performance in December, when sales were 8.6% higher than a year earlier, helped close 2025 on a more positive note for the category. Overall trading conditions across the builders’ merchant sector remained weak. After adjusting for trading days, total like-for-like value sales across all product categories in Q4 2025 were 1.2% lower than in Q4 2024, while sales volumes declined by 2.9%. The figures indicate that modest price increases partly offset weaker demand. Sales of heavy building materials recorded a sharper decline, with values falling 3.9% year-on-year. Compared with the previous quarter, activity slowed significantly. Like-for-like sales in Q4 2025 were 9.0% lower than in Q3, while volume sales dropped by 13.1% over the same period. Demand for engineered timber products weakened toward the end of the quarter with many companies also reducing inventories ahead of financial year-end reporting. Demand for softwood products remains steady as repair and maintenance work continues, but customers are increasingly focused on price and often compare suppliers to secure the lowest cost.

Reports from merchants suggest that many construction businesses are operating with relatively weak order books, which has intensified price competition across the supply chain. Supply conditions in the European timber market have also shifted. Much of the strength-graded timber, joinery-grade softwood and engineered wood products sold in the UK is sourced from continental Europe, particularly the Nordic countries and central Europe. Log supplies in these regions declined as major roundwood consumers became unwilling to pay the high prices demanded by forest owners. At the same time, weak demand across key European markets led some producers to reduce output, in several cases extending mill shutdowns during the Christmas period. The market entered 2026 with supply-chain inventories broadly balanced. However, any disruption in production or a sudden increase in demand during the first quarter could lead to sharp price increases later in the year. If either a lack of production or excessive demand materialises in the first quarter, it is expected that very aggressive price increases will occur in the second quarter.

FURNITURE

Wooden Furniture

The total export value of wooden furniture for the period of January–December 2025 amounted to RM9.3 billion, representing a decline of 6% compared with RM9.9 billion recorded in the corresponding period of 2024. This decrease reflects a moderation in Malaysia’s wooden furniture export performance amid evolving global market conditions and softer external demand in several key markets. On a monthly basis, export value in December 2025 stood at RM751.2 million, marking a 3% month-on-month decrease from RM770.3 million as recorded in November 2025, indicating a slight easing in export momentum toward the end of the year.

Exports of wooden furniture to ASEAN declined by 6% (RM70.2 million) to RM1.2 billion in January–December 2025 compared to the same period in 2024. Singapore remained the largest market in the region, with exports increasing by 6% to RM786.8 million, reflecting resilient demand. Meanwhile, exports to the Philippines declined significantly by 19% to RM206.5 million, while shipments to Indonesia fell sharply by 38% to RM68.8 million.

Shipments to East Asia contracted by 2% to RM558.4 million from RM570.4 million in the same period of 2024. Japan continued to dominate as the principal destination, with imports increasing slightly by 2% to RM444.6 million. Exports to Taiwan recorded a stronger increase of 16% to RM59.1 million, while shipments to the Republic of Korea declined sharply by 30% to RM23.6 million.

In South Asia, exports of wooden furniture declined slightly by 3% to RM165.3 million compared with RM170.5 million in the corresponding period of 2024. India remained the key market in the region, with exports rising marginally by 1% to RM156.3 million. However, exports to the Maldives and Sri Lanka declined markedly by 40% and 29%, amounting to RM6.9 million and RM1.3 million, respectively.

Exports to Central Asia declined by 11% to RM3.6 million from RM4.1 million in the previous year. Kazakhstan remained the main market, accounting for RM3.4 million, although this represented a slight decrease of 1%. Azerbaijan recorded new shipments valued at RM0.1 million, while exports to Armenia fell substantially by 59% to RM0.1 million.

Exports of wooden furniture to West Asia totalled at RM486.7 million during the period of January–December 2025, representing a decline of 5% compared to RM514.1 million as recorded in the corresponding period of 2024. The United

Arab Emirates remained the largest market in the region although exports fell by 17% to RM191.9 million. In contrast, shipments to Saudi Arabia and Oman recorded modest increases of 3% and 2%, amounting to RM178.3 million and RM26.2 million respectively.

Exports of wooden furniture to the European Union totalled at RM315.8 million during the period of January–December 2025, representing a decline of 20% compared to RM392.9 million as recorded in the corresponding period of 2024. Within the EU, exports to Spain increased by 4% to RM45.6 million, while shipments to Germany and France declined slightly by 2% to RM44.3 million and RM40.8 million, respectively.

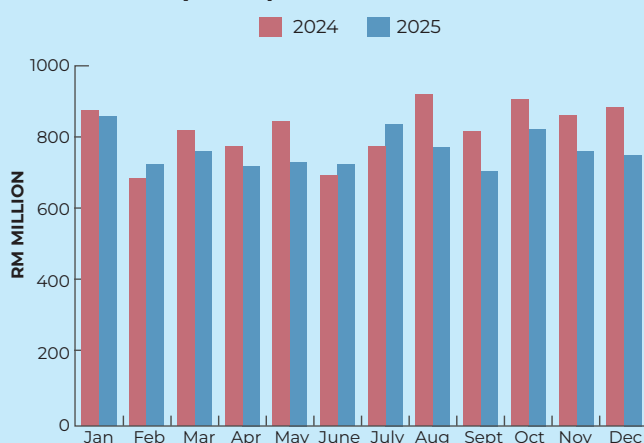
Exports to other parts of Europe amounted to RM486.5 million, down 8% from RM527.3 million in the previous year. The United Kingdom remained the dominant destination in this sub-region, with exports decreasing by 6% to RM454.8 million. Exports to Georgia recorded a marginal increase of 0.1% to RM10.3 million, while shipments to Turkiye fell sharply by 45% to RM8.7 million.

In Oceania/Pacific, wooden furniture exports declined by 15% to RM502.3 million compared to RM588.9 million in 2024. Shipments to Australia decreased by 15% to RM434.8 million, while exports to New Zealand increased by 9% to RM42.4 million. Exports to Fiji also recorded a modest rise of 1% to RM8.2 million.

Exports to Central America contracted significantly by 37% to RM35.2 million, compared with RM55.7 million in the previous year. Panama led the region with RM14.1 million in exports, down 14%, followed by Guatemala at RM8.0 million (down 18%) and El Salvador at RM6.7 million (down 35%).

In North America, exports of wooden furniture decreased by 4% to RM5.3 billion compared with RM5.6 billion in the corresponding period of 2024. The United States remained the largest destination, with exports declining by 5% to RM4.8 billion, while Canada recorded a slight reduction of 2% to RM416.2 million. Exports to Puerto Rico, however, surged significantly by 46% to RM81.8 million.

Malaysia: Export of Wooden Furniture



Note : Preliminary

Exports to South America contracted by 18% to RM84.3 million from RM103.0 million in 2024. Shipments to Chile decreased by 26% to RM42.2 million, and exports to Peru declined by 32% to RM13.6 million. In contrast, exports to Venezuela rose sharply by 129% to RM7.7 million.

In Africa, exports of wooden furniture declined by 11% to RM145.7 million compared to RM163.6 million in the corresponding period of 2024. South Africa was the largest buyer. However, exports were down by 10% to RM45.9 million.

Exports to the Reunion Islands declined by 6% to RM13.2 million, while shipments to Mauritius fell by 32% to RM11.0 million.

Rattan Furniture

The total export value of rattan furniture for the period of January–December 2025 amounted to RM0.9 million, representing a sharp decline of 48% compared to RM1.8 million as recorded in the corresponding period of 2024. This contraction reflects a significant weakening in Malaysia's rattan furniture export performance throughout 2025.

Exports to ASEAN totalled at RM0.7 million, down 52% from RM1.4 million in 2024. Singapore, the largest market in the region, recorded a steep decline of 70% to RM274,200. In contrast, exports to Thailand increased slightly by 5% to RM235,167, while shipments to the Philippines fell by 16% to RM137,320.

Shipments to Central Asia remained negligible at zero. Exports to East Asia showed a strong growth of 191% to RM67,228, driven by Taiwan and Japan, which recorded new shipments of RM61,334 and RM5,894 respectively, while exports to China declined completely from RM11,373 to zero. In South Asia, exports fell sharply by 55% to RM13,704 from RM30,400 in 2024, with India remaining the sole market in the region. Exports to West Asia declined by 23% to RM7,805 from RM10,099 in 2024, entirely accounted for by the United Arab Emirates.

Exports to the EU decreased by 53% to RM3,505 from RM7,500 in 2024, with the Netherlands emerging as a new buyer at RM3,505, while exports to Germany fell to zero. Meanwhile, exports to other European countries recorded a modest increase of 6% to RM2,821 from RM2,653 in 2024, entirely from Switzerland.

Exports of rattan furniture to Oceania/Pacific totalled at RM194,000 during the period of January–December 2025, representing a decline of 50% compared to RM386,161 recorded in 2024. Exports to Australia fell sharply by 50% to RM188,546, while new shipments to New Zealand and Papua New Guinea were recorded at RM5,405 and RM23, respectively.

Shipments to Central America and South America remained negligible at zero. Exports to North America were minimal, with RM80 recorded to the United States. No exports were reported to Africa during the period.

According to Channel News Asia (CNA) report, the U.S. Supreme Court ruled that key parts of former President Donald Trump's tariff authority were unlawful, striking down broad reciprocal tariffs he had used to impose duties on imports from many trading partners. In response to the decision, the administration quickly introduced a temporary 10% global tariff on most imports – and signalled a possible rise to 15% – under a different legal provision, creating continued uncertainty about U.S. trade policy.

As reported by Mondaq Legal 500 Intelligence, for the furniture industry, this shift could have mixed effects. On the positive side, the Supreme Court's limiting of certain tariffs may lower some trade barriers that had previously made imported furniture and wood products more expensive in the U.S. market, potentially easing costs for exporters of timber, furniture components, and finished wood products. However, the swift introduction of new global tariffs at 10–15% means that many imported furniture items could still face significant duties, dampening demand or forcing exporters to absorb costs. Uncertainty around tariff applicability and refund processes may also affect pricing strategies and order planning for Malaysian furniture exporters seeking to remain competitive in the U.S. market.



South Korea

Timber and Furniture Sectors in the Republic of Korea



Country Overview

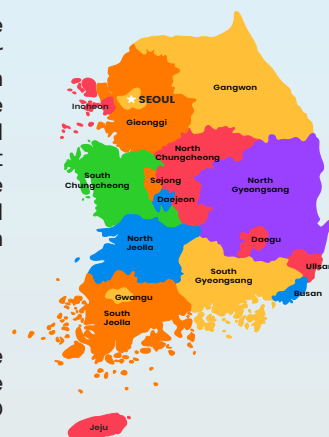
South Korea, officially the Republic of Korea (ROK), has a total land area of about 100,364 km². Its terrain is predominantly mountainous with fertile lowlands concentrated in the west and south with a coastline extending roughly 17,000 km including islands. The country experiences four distinct seasons with a generally mild climate and significant summer rainfall. The ROK has a population of over 51 million people, heavily concentrated in the Seoul Capital Area. Politically, the ROK is a democratic republic with a president serving as head of state and government under a separation of powers and socially it continues to evolve while actively addressing demographic and cultural shifts.

Economic Performance and Outlook

The economy of the Republic of Korea has evolved from post-war devastation following the Korean War into one of the world's most advanced and industrialised systems, a transformation widely known as the "Miracle of the Han River". Now a high-income member of the Organisation for Economic Co-operation and Development (OECD) since 1996, the country has become the 14th largest economy in the world in 2024 by nominal gross domestic product (GDP), with a projected GDP of about USD1.86 trillion in 2026 according to International Monetary Fund. Once a subsistence economy where agriculture drove nearly 50% of GDP in the 1960s, the ROK has transformed into a manufacturing powerhouse, with agriculture now contributing less than 2% while industry accounts for roughly one-quarter of GDP. The growth was supported by strong performance in steel, shipbuilding, automotive production, electronics and semiconductors. Despite limited arable land and heavy reliance on imports for food and raw materials, the ROK sustains robust growth through industrial sophistication, high-value marketing and a dynamic services sector.

The ROK's economy is projected to strengthen modestly in 2026, with growth rising to around 1.9% from 1.0% in 2025, driven primarily by robust semiconductor exports and a gradual recovery in private consumption. Exports are expected to stay strong in 2026, especially because of high global demand for semiconductors linked to Artificial Intelligence (AI). Forecasts from IMF also support this positive outlook. Even though higher US tariffs may create challenges, the country

is still expected to record a larger current account surplus of about USD150 billion due to the ongoing semiconductor boom. Consumer spending is projected to grow by 1.7% as earlier interest rate cuts and better income conditions support households. Business investment in equipment may improve slightly, but construction activity will likely remain weak because of the slow property market in regional areas. Inflation is expected to stay stable at around 2.1%, although core inflation may rise slightly as spending increases. Job growth is forecast to slow to about 170,000 new jobs due to a shrinking working-age population, while the unemployment rate should remain steady at around 2.8%. Overall, the economy is expected to grow moderately, but risks remain from the US trade policy changes, fluctuations in semiconductor demand and exchange rate movements.



Forest Resources

According to the Korea Forest Service, forests cover 6.3 million hectares, or 63% of the ROK's land area, with an estimated 7.2 billion trees nationwide. As of 2020, the average growing stock reached 165m³/ha, about 29 times higher than in 1953 and above the OECD average, reflecting the country's successful reforestation efforts. Of the total forest area, 66.1% is privately owned, 26.2% national and 7.7% public, with national forests recording the highest growing stock per hectare. Forest composition is relatively balanced among coniferous, broad-leaved and mixed forest. In 2021, Korea's forest industry generated USD124 billion in revenue, involving 163,000 businesses and 612,000 workers. Beyond economic contributions, forests provide significant environmental and social benefits such as carbon absorption, recreation and public health which are valued at approximately USD199 billion annually, or about USD3,850 per citizen.

Production

Republic of Korea: PRODUCTION OF TIMBER AND TIMBER PRODUCTS, 2020 – 2024

Product	Unit	2020	2021	2022	2023	2024
Sawnwood, coniferous	m ³	1,837,000	1,883,000	1,899,000	1,660,000	1,660,000
Medium/high density fibreboard (MDF/HDF)	m ³	1,400,000	1,612,000	1,470,000	1,318,000	1,262,000
Wood chips and particles	m ³	1,874,000	1,584,000	796,000	1,011,000	1,011,000
Sawlogs and veneer logs, coniferous	m ³	594,000	613,000	518,000	646,000	646,000
Particle board	m ³	857,000	858,000	785,000	597,000	534,000
Other industrial roundwood, coniferous (production)	m ³	458,000	351,000	357,000	465,000	465,000
Other industrial roundwood, non-coniferous (production)	m ³	354,000	565,000	338,000	336,000	336,000
Plywood and LVL	m ³	233,000	241,000	268,000	212,000	181,000
Sawlogs and veneer logs, non-coniferous	m ³	15,000	96,000	20,000	80,000	80,000
Sawnwood, non-coniferous	m ³	63,000	71,000	74,000	53,000	53,000
Veneer sheets	m ³	59,000	85,000	93,000	11,000	11,000
Wood charcoal	tonnes	8,000	9,000	5,000	5,000	5,000

Source: FAO STATS

According to the Food and Agriculture Organization of the United Nations (FAO), the Republic of Korea's production of timber and timber products stood at around 6.2 million cubic metres of major timber products in 2024. The top 3 timber produced were sawnwood at around 1.7 million cubic metres, followed by medium/high density fibreboard (MDF/HDF) at 1.3 million cubic metres and wood chips and particles at 1.0 million cubic metres.

The Republic of Korea: Export of Timber and Timber Products

Republic of Korea: EXPORT OF TIMBER & TIMBER PRODUCTS AND FURNITURE & PARTS, 2021 – 2025

USD'000

Product	2021	2022	2023	2024	2025
Furniture	203,065	201,121	206,093	220,452	212,023
Fibreboard	11,995	14,604	12,302	10,249	9,707
Sawntimber	6,957	6,177	5,203	4,721	5,570
Plywood	4,408	6,292	3,526	4,232	3,985
Builders' joinery and carpentry	3,431	2,948	3,544	4,647	3,088
Veneer	3,047	2,389	2,160	2,365	2,785
Wooden frames	1,732	1,490	1,175	1,248	1,160
Mouldings	561	520	674	678	451
Chipboard/Particleboard	1,100	307	865	625	421
Logs	406	389	295	806	360
Others	40,142	34,252	32,802	38,587	43,433
Total	276,844	270,489	268,639	288,610	282,983

Source: ITC Stats

The Republic of Korea remains a modest figure in the global timber trade, operating with substantial deficit as it relies on imports to meet over 60% of its domestic wood requirements. Rather than shipping raw timber, the ROK export strategy focuses almost exclusively on processed goods, reinforcing its position as a specialised manufacturer that is heavily dependent on foreign raw materials. The export of timber and timber products from ROK in 2025 recorded a decrease of 2% to USD283.0 million over the previous corresponding period. The country exported mainly furniture, MDF and sawntimber totalled at USD212.0 million (a decrease of 4%), USD9.7 million (decrease of 5%) and USD5.6 million (an increase of 18%) respectively.

**Republic of Korea: EXPORT OF TIMBER & TIMBER PRODUCTS
(HS CODE 44), 2021 – 2025**

USD'000

Rank	Importers	2021	2022	2023	2024	2025
1	United States of America	12,989	12,126	11,513	15,498	21,471
2	Netherlands	2,307	2,821	4,159	4,926	8,652
3	Japan	15,834	15,432	14,096	10,291	7,514
4	China	11,028	9,762	4,722	5,645	6,817
5	Indonesia	5,298	5,392	2,583	3,675	3,859
6	Mongolia	2,025	2,255	2,538	2,888	3,515
7	Taipei, Chinese	2,000	1,078	1,673	951	2,669
8	Viet Nam	3,602	3,444	2,870	3,083	1,914
9	Italy	1,474	1,461	2,203	2,066	1,679
10	Mexico	1,316	1,365	1,693	2,502	1,457
20	Malaysia	535	304	511	280	429
	Others	15,371	13,925	13,985	16,354	10,979
TOTAL		73,780	69,367	62,549	68,158	70,958

Malaysia ranked 20th from 158 countries
Source: ITC Stats

The top export destinations for the ROK's timber and timber products (HS44) were to the USA (USD21.5 million), the Netherlands (USD8.7 million) and Japan (USD7.5 million) respectively. Meanwhile, Malaysia was at 20th place from 158 countries as the top export destination for timber and timber products (HS44) worth USD429 thousands in 2025.

**Republic of Korea: EXPORT OF FURNITURE AND PART THEREOF
(HS CODE 9403), 2021 – 2025**

USD'000

Rank	Importers	2021	2022	2023	2024	2025
1	United States of America	87,723	87,716	78,357	104,564	98,543
2	Japan	18,944	19,285	16,561	17,632	18,365
3	Canada	12,382	11,546	13,415	12,677	11,292
4	China	10,287	10,593	8,127	7,622	8,360
5	Philippines	5,964	5,103	6,023	7,872	7,082
6	Taipei, Chinese	6,580	7,921	6,200	6,468	6,381
7	Mexico	2,751	4,000	6,026	6,120	4,686
8	Viet Nam	3,565	4,164	6,817	3,550	4,584
9	United Arab Emirates	1,384	2,197	1,751	2,734	3,794
10	India	2,960	973	2,971	2,344	3,384
24	Malaysia	451	947	917	2,094	1,285
	Others	50,072	46,675	58,926	46,775	44,268
TOTAL		203,065	201,121	206,093	220,452	212,023

Malaysia ranked 24th from 166 countries
Source: ITC Stats

The main export destination for furniture and part thereof (HS9403) was to the USA (USD212.0 million), Japan (USD18.4 million) and Canada (USD11.3 million) each. Meanwhile, Malaysia was ranked 24th from 166 countries with value of USD1.3 million in 2025 as an export destination for the ROK. The USA – ROK timber and furniture trade remains vital especially in furniture, lighting and prefabricated building exceeding USD550 million in 2024. The USA is a crucial market for the ROK's furniture export, as both nations align on timber legality regulations.

The Republic of Korea: Import of Timber and Timber Products

Republic of Korea: IMPORTS OF TIMBER & TIMBER PRODUCTS AND FURNITURE & PARTS, 2021 – 2025

USD'000

Product	2021	2022	2023	2024	2025
Furniture	1,201,120	1,101,043	962,336	1,090,559	1,077,517
Plywood	837,115	778,401	651,290	694,417	670,587
Sawntimber	852,298	680,001	484,286	469,792	408,581
Logs	528,188	452,581	312,294	245,748	206,412
Chipboard / Particle board	272,654	237,410	178,614	193,551	158,373
Builders' joinery and carpentry	67,428	90,768	75,670	75,197	92,034
Mouldings	166,625	134,886	105,052	92,890	83,433
Fibreboard	71,002	74,519	71,887	83,878	59,004
Veneer	86,935	97,279	56,400	47,519	30,284
Wooden frames	5,984	7,003	5,892	4,921	4,823
Others	923,438	1,309,912	1,171,722	1,075,749	1,084,948
TOTAL	5,012,787	4,963,803	4,075,443	4,074,221	3,875,996

Source: ITC Stats

The heavy consumption of logs, plywood, sawntimber and logs in the ROK reflects a strategic dependence on foreign timber to fuel its primary manufacturing and building industries. The ROK's import of timber and timber products in 2025 recorded a decrease of 5% from USD4.1 billion to USD3.9 billion. The main imported products were furniture (USD1.1 billion), followed by plywood (USD670.6 million) and sawntimber (USD408.6 million) respectively.

Republic of Korea: IMPORT OF TIMBER & TIMBER PRODUCTS (HS CODE 44), 2021 – 2025

USD'000

Rank	Exporters	2021	2022	2023	2024	2025
1	Viet Nam	749,814	938,715	720,224	679,889	577,164
2	Indonesia	490,368	521,852	424,830	399,444	408,609
3	China	520,029	456,730	389,381	380,612	396,701
4	Russian Federation	241,982	257,093	252,014	263,087	273,937
5	New Zealand	285,568	306,198	227,800	184,810	166,488
6	Thailand	264,811	253,789	220,062	238,861	139,145
7	Canada	197,187	143,773	105,217	111,907	126,136
8	Chile	111,461	154,231	105,682	102,561	92,498
9	Malaysia	152,198	163,163	107,736	86,870	79,295
10	Latvia	82,930	51,752	56,546	66,142	72,795
	Others	715,323	615,462	503,613	469,481	465,713
	TOTAL	3,811,666	3,862,758	3,113,107	2,983,662	2,798,481

Malaysia ranked 9th from 147 countries

Source: ITC Stats

Viet Nam was the major supplier country of timber and timber products (HS44) for the Republic of Korea valued at USD577.2 million, followed by Indonesia (USD408.6 million) and China (USD396.7 million) each. Meanwhile, Malaysia placed ninth as the main exporter to the ROK valued at USD79.3 million in 2025.

Republic of Korea: IMPORT OF FURNITURE AND PART THEREOF (HS CODE 9403), 2021 – 2025

USD'000

Rank	Exporters	2021	2022	2023	2024	2025
1	China	777,399	684,853	610,438	702,874	715,779
2	Viet Nam	151,728	124,896	106,418	119,183	105,262
3	Italy	69,077	93,931	70,882	94,185	78,098
4	Germany	41,703	44,449	56,295	62,531	64,036
5	United States of America	9,355	10,686	9,461	9,864	15,416
6	Switzerland	10,599	14,175	13,229	12,041	12,714
7	Indonesia	30,110	22,694	15,156	12,750	10,361
8	Thailand	8,869	8,242	6,107	8,032	8,706
9	Denmark	12,580	13,181	7,420	10,398	8,703
10	Poland	11,715	10,035	7,721	7,234	6,939
14	Malaysia	10,425	11,007	5,444	4,676	4,652
	Others	77,984	73,901	59,207	51,467	51,504
	TOTAL	1,201,120	1,101,043	962,336	1,090,559	1,077,517

Malaysia ranked 14th from 162 countries

Source: ITC Stats

For supply of furniture and part thereof (HS9403) to the ROK, in 2025, China was the top exporter with a value of USD715.8 million, followed by Viet Nam (USD105.3 million) and Italy (USD78.1 million) each. Malaysia was ranked at 14th place as furniture exporter to the ROK with value of USD4.7 million. China dominates in mass-produced, diverse and affordable furniture items, Viet Nam leads in modern bedroom and residential furniture while Italy holds a strong position in high-end and premium designed furniture.

Malaysia's Export of Timber and Timber Products to The Republic of Korea

Malaysia: EXPORT OF TIMBER & TIMBER PRODUCTS TO THE REPUBLIC OF KOREA, 2021 – 2025

Value: RM

Product	2021	2022	2023	2024	2025
Plywood	179,286,197	145,668,406	135,569,137	105,839,234	62,310,436
Chipboard/Particleboard	48,187,314	44,716,372	27,456,800	35,883,722	37,937,621
Wooden Furniture	71,153,006	57,788,161	35,716,518	33,596,937	23,635,931
Sawntimber	39,789,017	47,872,374	44,501,863	30,937,573	23,512,943
Mouldings	30,240,484	30,695,047	35,763,547	23,888,052	18,117,283
Fibreboard	7,324,311	4,089,805	6,619,471	9,398,131	8,723,255
Builders Joinery & Carpentry	1,723,276	3,512,478	3,004,760	2,468,666	3,191,376
Veneer	11,865,765	40,080,650	8,597,913	10,848,073	2,479,383
Logs	3,696,763	-	2,039,527	3,152,653	480,960
Others	207,786,385	265,366,520	148,939,378	140,034,874	174,327,169
Total	601,052,518	639,789,813	448,208,914	396,047,915	354,716,357

Source: MTIB & DOSM

Malaysia is one of the key global suppliers of timber products to the Republic of Korea, with exports primarily comprising of wood in the rough, plywood and wooden furniture. These products have contributed to Malaysia's continued presence in the ROK market due to the country's established timber processing capacity and longstanding trade relations. In 2025, export to the ROK recorded a decrease of 10% from RM396.0 million to RM354.7 million compared to the previous year. Plywood was the main product exported with a total value of RM62.3 million, followed by chipboard/particleboard at RM37.9 million and wooden furniture at RM23.6 million respectively. The ROK stood 11th as an important buyer for Malaysian timber and timber products.

Malaysia's Import of Timber and Timber Products from The Republic of Korea

Malaysia: IMPORT OF TIMBER & TIMBER PRODUCTS FROM THE REPUBLIC OF KOREA, 2021 – 2025

Value: RM

Product	2021	2022	2023	2024	2025
Sawntimber	0	0	0	0	304,822
Wooden Furniture	3,338,504	851,376	950,422	600,082	243,011
Fibreboard	117,247	0	134,895	82,562	52,527
Plywood	0	0	0	0	7,385
Chipboard/Particleboard	0	67,329	0	3,225	1,420
Builders Joinery & Carpentry	125,734	4,688,400	0	9,017	0
Logs	0	0	1	0	0
Others	2,373,721	1,809,718	1,860,032	1,014,724	1,148,312
Total	5,955,206	7,416,823	2,945,350	1,709,610	1,757,477

Source: MTIB & DOSM

The ROK is not a major supplier of timber and timber products into Malaysia. In 2025, however, Malaysia's imports of the ROK's timber and wood products rose by 2%, reaching RM1.8 million compared to RM1.7 million in 2024. Most notably, Malaysia resumed importing sawntimber from the ROK after a four-year hiatus, recording an initial value of RM304,822. Other key imports contributing to this growth included wooden furniture at RM243,011 and fibreboard at RM52,527 each.

Import Tariffs

Republic of Korea: TARIFF DUTY

HS CODE	PRODUCTS	MFN (%)	AKFTA (%)	RCEP (%) (2025)
4401	Fuel Wood	0 – 2	0	0 – 1.2
4402	Wood Charcoal	2	0	0
4403	Logs	0	0	0
4404	Hoopwood, Split polis, Piles	5	0	3
4405	Wood wool; Wood flour	5	0	3
4406	Railway sleepers	5	0	3
4407	Sawntimber	5	5	3.0 – 5
4408	Veneer	2 – 8	0	0 – 4.8
4409	Mouldings	8	0	4.8–7.6
4410	Chipboard/Particleboard	8	0	4.8 – 8.0
4411	Fibreboard	8	0	4.8 – 8.0
4412	Plywood	8 – 10	0	4.8 – 10.0
4413	Metalised wood or other densified wood	8	5	8
4414	Wooden Frame	8	0	5.9
4415	Packing cases	8	0	5.9
4416	Casks, barrels, vats, tubs	8	0	5.9
4417	Tools, tool bodies, tool handles	8	0	5.9
4418	Builders Joinery & Carpentry	5 – 20	0	4.8–5.9
4419	Tableware and kitchenware, of wood	8	0	4.8
4420	Wood marquetry and inlaid wood	8	0	4.8
4421	Other articles of wood, n.e.s.	8	0	4.8
9401	Seat and parts thereof	0 – 8	0	0
9403	Wooden Furniture	0 – 8	0	0

Source: JKDM Explorer, WTO stats & MITI FTA

The Republic of Korea's import duties on timber and timber products under the Most Favoured Nation (MFN) regime, range between 0% and 10%. The ASEAN-Korea Free Trade Agreement (AKFTA), which came into effect on 1 January 2010, has facilitated stronger economic cooperation between ten (10) ASEAN member states and the ROK by promoting deeper economic integration and encouraging capacity building through the sharing of resources and expertise. In addition, the Regional Comprehensive Economic Partnership (RCEP), the world's largest free trade agreement with members mainly comprising the 10 ASEAN nations along with China, Japan, Australia and New Zealand, covering nearly a third of the global economy surpassing the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), serves as a comprehensive framework for regional trade by providing a unified set of rules and procedures for accessing preferential tariffs. RCEP entered into force on 18 March 2022. More recently, Malaysia and the ROK concluded negotiations for the Malaysia-Korea Free Trade Agreement (MKFTA) on 27 October 2025, marking Malaysia's 19th FTA aimed at strengthening bilateral trade and investment. However, the agreement has yet to be signed and will enter into force only after completion of the respective domestic ratification procedures.

Trade Barriers in Timber Trade Between Malaysia and The Republic of Korea

The Republic of Korea (ROK) first imposed anti-dumping (AD) duties on Malaysian plywood (HS4412.31, 4412.33 and 4412.34) in March 2011 for a period of five years. Subsequently, the Korean Trade Commission (KTC) decided to extend the measure for an additional three years from 5 September 2014 to 4 September 2017, with anti-dumping duty rates ranging from 5.12% to 38.10%.

Through Decree No. 622, the Ministry of Strategy and Finance of the ROK later announced a further extension of the AD duties for another three-year period from 8 May 2017 to 7 May 2020, with import duty rates ranging from 33.96% to 38.10%. On November 2019, the KTC initiated the second sunset review of the AD measures on Malaysian plywood. Following the review, the Ministry of Economy and Finance issued Decree No. 812 on 6 November 2020, maintaining the AD duties on imported plywood for three years from 6 November 2020 to 5 November 2023, with duty rates ranging between 4.73% and 38.10%.

Meanwhile, on 4 May 2023, the Korean Government received a request from domestic producers to conduct another sunset review covering several exporting countries, including Malaysia, as the existing measure was scheduled to expire on 6 November 2025. Subsequently, on 2 July 2024, the KTC announced the outcome of the sunset review, deciding to extend the AD duties for a further five-year period, with duty rates maintained between 4.73% and 38.10%.

As a result, Malaysian exporters are obliged to pay higher import duty rates into ROK, resulting in a price hike and subsequently making the products less attractive for the ROK buyer. Hence, Malaysian market has been decreasing in the ROK market.

Prospects

The Republic of Korea's construction sector continues to show steady growth, creating promising opportunities for timber and timber-based materials. The market is expected to expand by 3.5% in 2026 to reach approximately KRW119.24 trillion, following strong performance during 2021–2025 when the construction industry recorded a compound annual growth rate (CAGR) of 6.5%. Although growth is projected to moderate slightly, the construction sector is still forecast to grow at a CAGR of about 2.8% between 2026 and 2030, increasing from KRW115.17 trillion in 2025 to an estimated KRW137.84 trillion by 2030. Alongside this expansion, the country is increasingly embracing mass timber and wood-based construction as part of its strategy to develop a more sustainable built environment. Government policies have played a key role in accelerating this transition, particularly through the implementation of the Wooden Building Act, the national "2050 Carbon Neutrality" commitment, and the recently introduced Principles for Responsible Timber Construction in 2026, all of which promote the wider use of wood in buildings and encourage low-carbon construction practices. As a result, timber is gaining greater acceptance in large-scale projects, especially in public infrastructure such as government offices, libraries and transportation facilities.

Notable developments include a new government office building in Chuncheon, a large wooden bus terminal in Daejeon scheduled for completion in 2026, and the Seoul Metropolitan Library in Dongdaemun, which incorporates hybrid timber construction as part of environmentally responsible urban development. These initiatives reflect a growing shift in South Korea's construction industry towards greener building solutions, with timber increasingly recognised not only as a sustainable material but also as an important contributor to carbon storage and climate-friendly construction.

Beyond construction, the furniture sector is also evolving in ways that favour natural timber material. As outlined in the latest World Furniture Outlook, the ROK's furniture market is entering a period of steady but modest demand, with consumption growth expected to hold at 1% for both 2025 and 2026. Simultaneously, the nation continues to leverage its key export partnerships with the USA, China and Mexico to sustain its international trade presence. Today's consumers are becoming more environmentally conscious and are increasingly drawn to products made from solid wood and natural materials rather than low-cost laminates. These materials are valued not only for their durability but also for the sense of warmth and well-being they bring into living spaces.

For Malaysian manufacturers and exporters, these developments present both opportunities and challenges. The ROK remains an important trading partner, importing around RM355 million worth of Malaysian wood products in 2025. However, maintaining and expanding this presence will require Malaysian exporters to move beyond supplying basic materials and focus on higher value products. Compliance with sustainability requirements is also critical. Under South Korea's Act on the Sustainable Use of Timbers, importers are required to demonstrate that timber products originate from legal and responsibly managed sources. As a result, certification of timber under the Malaysian Timber Certification Scheme (MTCS), endorsed by PEFC, has become increasingly important. In today's market, ROK buyers are willing to pay a premium price for materials that support their Environmental, Social and Governance (ESG) commitments.

Looking ahead, deeper collaboration between Malaysian and The ROKs industries could unlock further potential. Recent progress in the Malaysia–Korea Free Trade Agreement (MKFTA), together with promotional initiatives by MATRADE and the international level trade expos such as Malaysian International Furniture Fair (MIFF) and Export Furniture Exhibition (EFE), offers a platform to strengthen trade ties. Rather than remaining solely as original equipment manufacturers (OEMs), Malaysian furniture producers have an opportunity to work more closely with ROK designers to develop products that reflect Korean lifestyle trends while showcasing the quality of Malaysian hardwoods such as rubberwood, *keruing* and *kekatong* species. Such partnerships could help Malaysian timber products move further up the value chain while meeting the evolving needs of the ROK's modern construction and furniture markets.

MTIB



The Seoul Metropolitan Library and Daejeon-Yuseong Multi-purpose Bus Terminal

(Photo credit: <https://canadawood.org/>)

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INDONESIA

Tightens Rules on Imported Forest Products

Indonesia has enforced a new legislation mandating that every forest product entering the country must originate from legal sources.

The Forestry Ministry released the new law on the "Assurance of Legality for Imported Forestry Products" on November 6, which took effect on December 26. The new regulation requires all importers to fulfil two key legality assurance obligations: the feasibility test and the import declaration, both conducted through the SILK Portal (Legality and Sustainability Information System), according to the Global Timber Index (GTI)-Indonesia November Report.

During the Belem Leaders Summit in Brazil on November 6, Indonesia's special presidential envoy for energy and climate change, Hashim Djojohadikusumo, said his country would actively participate in the Tropical Forest Forever Facility (TFFF) and had committed to matching Brazil's contribution of USD1 billion.

In the July-September 2025 quarter (3Q2025), Indonesia's wood processing exports experienced a notable contraction. The decline was driven by several converging factors: weaker global demand amid slowing economic growth, reduced housing and construction activities in the United States (US) and parts of East Asia, elevated logistics and freight costs, and persistent uncertainty caused by shifting global trade policies.

Domestically, rising production costs and stronger competition from alternative suppliers further pressured export performance, said the GTI-Indonesia report, based on information provided by the GTI-Indonesia Focal Point. Indonesia's primary export markets for wood panel products are the US, Japan and South Korea, followed by Malaysia, the United Kingdom and China.

On export performance, the report said Indonesia's woodworking products, including mouldings, joinery and engineered components, are primarily exported to China, Australia and Japan. Demand for these products remains resilient owing to Indonesia's strong capacity for customised production, favourable pricing relative to regional competitors, and a secure supply base of certified plantation timber.

Indonesia's wood furniture exports are predominantly shipped to the US, Belgium and Brazil, with additional growth observed in secondary markets across Europe and the Asia-Pacific.

Indonesia's furniture sector benefits from high craftsmanship and design adaptability, a reputation for quality materials and sustainable sourcing, and the ability to serve both high-volume retail chains and premium niche buyers.

In the first six months of 2025, Indonesia's furniture exports generated revenue of USD920 million, with the US remaining the largest export destination, accounting for 54.6 per cent of the total. However, the Indonesian government acknowledged the need to develop new strategies to tap into non-traditional markets, such as Eastern Europe, the Middle East, Latin America, India and Japan.

GTI-Indonesia enterprises reported several key challenges in November, notably low log prices in the domestic market due to weak demand from the timber processing industry. Heavy rainfall slowed log transportation, and there was a shortage of raw materials, particularly red meranti.

Other challenges include unstable global market conditions for plywood products, which tended to be sluggish, an insufficient number of plantation workers, and an unstable fuel supply.

To address or mitigate these challenges, enterprises called on the authorities to revise regulations related to the export of forestry products, particularly restrictions related to cross-sectional area provisions, to support the sustainability of upstream and downstream sectors.

Policy incentives, they said, are needed to increase the absorption of wood in the domestic market and to seek new markets for Indonesian wood products abroad.

"Policies are needed to ensure a continuous supply of raw materials for the industry. A strong role of the government in international trade is needed to enhance the competitiveness of wood products and forest commodities. Marketing in other countries should be expanded with government support," they added.

The enterprises also suggested that, to meet annual logging plan targets, wood production could be maximised during dry weather periods.

To reduce equipment breakdowns, they called for strengthening preventive maintenance and operator training, establishing partnerships with multiple suppliers and maintaining critical spare parts, implementing fuel efficiency measures and exploring alternative energy sources, as well as diversifying market channels and securing long-term contracts to mitigate wood price fluctuations.

In November, the GTI-Indonesia index registered 49.1 per cent, below the critical value of 50 per cent for the second consecutive month, indicating that business prosperity among the leading timber enterprises represented by the index declined from the previous month.

Despite the overall contraction on the supply side among the sampled enterprises, both domestic and international market demand demonstrated growth during the month under review.

Source: <https://www.sarawaktribune.com>, 19 January 2026



CHINA

Wooden Furniture Trade Contracts Amid Weak Demand and Tariff Pressure

China's wooden furniture trade weakened further in the first nine months of 2025, with both exports and imports declining year on year, reflecting subdued global demand, the impact of US tariffs and a sharp slowdown in domestic consumption.

Exports: US demand weakens, growth shifts to secondary markets

According to China Customs, China's wooden furniture exports from January to September 2025 fell by 7% year on year to USD16.69 billion. The downturn was driven primarily by weaker shipments to the United States, traditionally the largest single destination for Chinese wooden furniture.

The US market accounted for around 25% of China's total wooden furniture exports during the period, but export value to the US declined by 18% year on year to USD4.24 billion. The continued impact of US tariffs has significantly reduced competitiveness, weighing heavily on overall export performance.

China's wooden furniture exports are widely diversified, reaching more than 200 countries. In the first three quarters of 2025, the combined export value to the top three destinations – the US, the UK and Australia – accounted for less than 40% of total exports, underlining the fragmented nature of demand.

Exports to Australia, Japan, South Korea, France and Singapore declined by 4%, 5%, 27%, 6% and 3% respectively. In contrast, shipments to the UK, Canada, Germany, the Netherlands and Malaysia increased, indicating that some European and secondary markets partially offset losses elsewhere.

Imports: domestic demand slump weighs on inbound trade

China's wooden furniture imports also declined during the period. From January to September 2025, imports fell by 6% year on year to USD461 million, reflecting a sharp contraction in domestic furniture demand.

Italy remained China's largest supplier, accounting for 46% of total wooden furniture imports. However, imports from Italy dropped by 9% year on year to USD214 million, making it the main contributor to the overall decline in imports.

Imports from other major European suppliers also weakened. Shipments from Germany, Viet Nam and France declined by 14%, 25% and 6% respectively. In contrast, imports from Poland, Thailand, Slovakia and Indonesia increased, although from relatively low bases.

The overall decline in imports was driven less by trade policy and more by weak domestic consumption, with furniture demand in China falling sharply in 2025 amid broader economic headwinds.

Overall, the environment for China's wooden furniture sector remained challenging in 2025. Exporters continue to face tariff-related pressure in the US and uneven demand across global markets, while the domestic slowdown is curbing import demand. Although growth in selected European and Asian destinations offers some support, it has not been sufficient to offset losses in China's key markets.

Source: www.ittoforda.com, 15 January 2026



PAKISTAN

Tax-Free Chinese Imports Threaten Furniture Industry

According to the Pakistan Furniture Council Director Shahbaz Aslam has raised serious concerns over the government's decision to allow duty- and tax-free imports of Chinese goods into Gilgit-Baltistan, warning that the move could severely damage local manufacturing while encouraging smuggling and informal trade networks across the country.

Reacting to the recent notification allowing conditional tax exemptions on imports through the Sost Dry Port, Shahbaz Aslam said that while the policy may be presented as a regional facilitation measure, its broader economic consequences cannot be ignored. He cautioned that Pakistan's manufacturing sector, including furniture and allied industries, is already operating under extreme pressure due to high energy costs, expensive raw materials, heavy taxation and limited access to affordable financing.

According to him, introducing even partially tax-relieved imported goods into the market creates an uneven playing field that undermines documented local producers. He said domestic manufacturers pay full customs duties, sales tax, income tax and face some of the highest electricity and gas tariffs in the region, making it impossible to compete with imported products entering under special concessions.

Shahbaz Aslam pointed out that Pakistan has learned hard lessons from similar region-specific tax exemptions in the past. He recalled that concessions granted to certain

areas, despite being conditional on paper, often resulted in large-scale leakage of goods into settled markets. These practices, he said, not only weakened local industry but also caused long-term damage to the tax base and encouraged informal trade.

He expressed particular concern over enforcement challenges linked to the Gilgit-Baltistan route, citing difficult terrain, limited monitoring capacity and overstretched customs authorities. In his view, expecting strict compliance with consumption-only conditions is unrealistic when price differentials create strong incentives for diversion into mainland markets.

The Pakistan Furniture Council director emphasized that there is no supply shortage justifying tax-relieved imports of finished or semi-finished goods. He said that Pakistan's furniture, wood products and construction-related industries have ample capacity to meet domestic demand, including requirements for development projects in Gilgit-Baltistan, if supported through proper logistics and transport facilitation.

Shahbaz Aslam also warned that such policies risk promoting under-invoicing and misdeclaration. Once parallel supply chains take root under the cover of regional exemptions, he said, they become extremely difficult to dismantle and permanently distort market prices.

While supporting the socio-economic uplift of Gilgit-Baltistan, he stressed that sustainable development should focus on infrastructure, local enterprise development, skills training and freight subsidies rather than import-based concessions that harm national industry.

www.interiordaily.com, 4 January 2026



UNITED KINGDOM

No Schedule Yet for UK Anti-Deforestation Regulation

The UK government says it remains committed to tackling global forest loss, but has yet to set a timetable for implementing the UK Forest Risk Commodities Regulations (UKFRCR), leaving affected companies uncertain about future compliance obligations and raising concerns over potential trade frictions with the European Union.

The UKFRCR, introduced in 2023 under Schedule 17 of the Environment Act, are intended to reduce the UK's "tropical deforestation footprint" by regulating the use of commodities linked to forest clearance. However, the absence of secondary implementing legislation means the regime cannot yet be enforced. Businesses that

expect to fall within scope say the delay is leaving them "in limbo", particularly as the EU Deforestation Regulation (EUDR) moves closer to full implementation.

Companies and retailers are increasingly concerned that a lack of alignment between the UK and EU frameworks could complicate cross-border trade. To avoid disruption, they want the final requirements of the UKFRCR to mirror those of the EUDR as closely as possible once enacted.

Under the UK framework, timber and wood products are excluded from the UKFRCR and instead remain regulated under the UK Timber Regulation (UKTR), which requires operators placing timber on the UK market to carry out due diligence to ensure products are legally harvested in the country of origin. Some parts of the timber trade argue that bringing timber within the scope of the UKFRCR would simplify the UK's anti-deforestation regime and better align it with the EUDR, while also countering any perception that timber poses a distinct deforestation risk requiring separate rules.

When the UKFRCR were announced, the then Conservative government described them as a flagship policy designed to address illegal deforestation in UK supply chains. At the time, Department for Environment, Food and Rural Affairs (Defra) said the measures would help protect tropical forests and support producer countries in enforcing their own laws. The regulations place three core obligations on regulated businesses: they must not use forest-risk commodities produced on illegally occupied or used land; they must operate a due diligence system for each regulated commodity; and they must report annually on those due diligence processes.

The UKFRCR apply to four commodities identified by Defra as major drivers of deforestation: cocoa, palm oil, soy and cattle products (excluding dairy). These commodities were estimated to account for around 64% of the UK's tropical deforestation footprint, with a high proportion of associated deforestation thought to be illegal under local laws. All derived products, including by-products and certain waste streams, are also covered, and dairy products fall within scope if sourced from animals fed on forest-risk commodities.

The regime is set to apply to businesses with a global annual turnover above EUR50 million, although companies using less than 500 tonnes per year of in-scope commodities may be eligible for an exemption. Unlike the EUDR, the UK rules would allow commodities originating from land that was legally deforested, a key point of divergence between the two systems. The EUDR prohibits placing covered goods on the EU market if they are linked to land deforested either illegally or legally after 31 December 2020.

The enacting legislation for the UKFRCR had been expected to be laid before Parliament in May 2024. However, the process stalled ahead of the July 2024 General Election, which brought a Labour government to power. While the new administration has reaffirmed the UK's commitment to the COP26 Glasgow Leaders' Declaration on Forests and Land Use, industry groups say there has been little clarity on when parliamentary time will be found to pass the legislation.

The Agricultural Industries Confederation has said that, despite ongoing engagement with Defra, there is still no indication of a firm timetable. In March 2025, Defra and the government's International Climate Fund launched a survey

to gather information on supply chain management for commodities including timber, soy, palm oil, rubber, leather, beef, cocoa and coffee, but did not link the exercise directly to the UKFRCR.

Pressure for progress has continued to build. In July 2025, an open letter signed by major UK retailers – including Aldi, Marks & Spencer, Sainsbury's, Tesco, Morrisons and Waitrose & Partners – called for the swift introduction of the UKFRCR to minimise trade friction with the EU once the EUDR takes effect.

Until a timetable is confirmed, businesses operating across UK and EU supply chains face continued uncertainty, with compliance planning complicated by the prospect of two closely related but potentially divergent anti-deforestation regimes coming into force at different times.

Source: www.ITTO.Fordaq, 15 January 2026



UKRAINE

Extends Roundwood and Fuelwood Export Restrictions Through 2026 Under Zero-Quota Licensing

Ukraine has extended export restrictions on unprocessed timber and fuelwood until the end of 2026, reinforcing a strategic push toward domestic value-added processing and energy security for rural regions. The decision was adopted at the Cabinet's final meeting of the year and sets a licensing regime with zero quotas, effectively barring exports of roundwood and firewood.

Prime Minister Yulia Svyrydenko said the measure is intended to preserve strategic raw materials for internal needs. She noted that logging has fallen sharply due to hostilities, while woodworking enterprises face shortages and downtime, and many rural communities rely on firewood for heating amid energy infrastructure challenges.

The restrictions build on temporary bans enacted in late October 2025 and formalize a two-year framework for the forestry and timber sector.

Ukraine's extension of export restrictions through 2026 signals a firm pivot toward domestic processing and energy security. While the policy is expected to support local wood industries and conserve forest resources, it will also reshape regional trade patterns and add upward pressure on roundwood and fuelwood pricing. Stakeholders across the value chain will need to adapt to tighter supply and a more value-added export model.

Source: <https://eos-oes.eu/> 5 January 2026



USA

White House Postpones Higher Tariffs on Timber-Derived Products

President Donald Trump has delayed planned tariff increases on selected wood-related products entering the United States, extending existing measures for a further year. In a proclamation issued on December 31, 2025, the White House invoked Section 232 of the Trade Expansion Act of 1962 to postpone higher duties on upholstered furniture, kitchen cabinets and vanities that were due to take effect on January 1, 2026. The current 25% tariff on certain products will now remain in place until January 1, 2027.

The administration said the decision reflects ongoing negotiations with trade partners, aimed at addressing trade reciprocity and national security concerns linked to imports of timber-derived products. Delaying the increase, officials said, would allow additional time for discussions with other countries while keeping existing safeguards in place.

The move comes after mounting economic and political pressure. With household costs still elevated and construction activity subdued, a further tariff escalation risked feeding directly into consumer prices at a sensitive moment. Pausing the increase offers short-term stability while avoiding an abrupt policy shock at the start of the year.

The tariffs themselves are part of a broader trade strategy launched in 2025, following a Section 232 investigation by the US Department of Commerce. That inquiry concluded that the volume and conditions of imported timber, lumber and related products could threaten US national security.

According to the administration, reliance on foreign supply is seen as a risk to defence readiness, the construction sector and wider economic resilience. The White House has also pointed to foreign subsidies and what it describes as predatory trade practices as factors weakening the competitiveness of domestic producers.

At the same time, the global backdrop has grown more complicated. Volatile trade policy, regulatory uncertainty in Europe and weakening demand in parts of Asia have made supply chains harder to manage. Against that backdrop, the administration opted for delay rather than escalation.

The proclamation does not roll back existing measures, nor does it alter the underlying Section 232 framework. Higher tariff rates remain scheduled to take effect in 2027 unless negotiations lead to a different outcome. For now, the White House has chosen time and leverage over immediate confrontation.

Source: <https://www.globalwood.market.info>, 5 Jan 2026



GHANA

Export structure remains heavily weighted toward primary products

A total of 18 different wood products were exported during the period. Air-dried sawnwood, kiln-dried sawnwood, billets and plywood remained the main export items, together accounting for 88% of total export volume in 2025, down slightly from almost 90% in the same period of 2024.

Primary products — including kindling and poles — accounted for 118,701 cubic metre, generating export earnings of EUR44.08 million in 2025. By comparison, exports of secondary wood products earned EUR34.14 million, while tertiary products generated EUR4.14 million.

Source: <https://www.news.mongabay.com>, 13 Jan 2026



GLOBAL

Csil Forecasts 1% Growth in Global Furniture Consumption in 2026

Global furniture consumption is expected to grow by around 1% in current USD in 2026, according to forecasts from Italian market research institute CSIL. However, the sector will continue to be affected by trade policy uncertainty and the impact of tariffs introduced in mid-October, CSIL said in its World Furniture Outlook 2026.

CSIL warned that the absence of stable trade agreements and ongoing tariff unpredictability are weighing on the outlook for international furniture trade. The institute described current conditions as unprecedented in terms of uncertainty, with continued volatility expected.

“The latest report introduces a new Country Vulnerability Index for Furniture Exports (FEXVI), measuring countries’ exposure to external shocks based on trade dependence and competitiveness. Countries with the highest vulnerability scores are those with a strong reliance on exports to the United States.”

China remains the world’s largest furniture exporter, followed by Vietnam, Poland, Italy and Germany. After peaking in 2021, Chinese exports declined in 2022 and 2023, partially recovered in 2024, and are estimated to have fallen again in 2025.

The United States is the world’s largest furniture importer, ahead of Germany, the UK, France and the Netherlands. US furniture imports reached USD 41 billion in 2024, accounting for about 25% of global imports, but declined in 2025 amid tariffs and uncertainty. Preliminary data suggest European markets performed relatively better.

CSIL forecasts global GDP growth to ease from 3.2% in 2025 to 3.1% in 2026, before rising again in 2027. Despite easing risks, the report cautions that persistent uncertainty, protectionism and potential economic shocks could continue to weigh on investment and consumer spending in the furniture sector.

Source: www.csil.fordaq, 2 January 2026

Global trade to hit record \$35trn this year: UNCTAD



Global trade is on track to hit an unprecedented \$35trn this year, with East Asia, Africa and South-South corridors driving the gains even as geopolitical fragmentation reshapes supply chains, according to UNCTAD's year-end global trade update.

Trade is expected to grow 7% in 2025, adding \$2.2trn in new value. Crucially, the late-year expansion is being powered by higher volumes, not higher prices, marking a shift from the inflation-driven trade growth seen earlier in the year. UNCTAD's data shows goods rising nearly 2% and services 4% in Q3, with momentum slowing but still positive into Q4. Trade inflation is set to fall, with prices for traded goods expected to decline in the final quarter.

East Asia remains the standout performer, posting 9% export growth over the past year, underpinned by a 10% surge in intra-regional trade. *Traditional trade patterns are being rewritten as China redirects exports from tariff-impacted US markets elsewhere*

Africa also recorded strong momentum, with imports up 10% and exports up 6%. South-South flows grew around 8%, underscoring how trade between developing economies has become a structural engine of global commerce.

Manufacturing remains the backbone of global trade growth, led by electronics, which expanded 14% on the back of AI-driven demand. Agriculture also saw a sharp Q3 rebound, while energy and automotive shipments faltered: crude oil flows fell, LNG contracted, and global automotive trade shrank 4% over the year.

Yet the backdrop is far from calm. UNCTAD warned that friendshoring and nearshoring intensified again in 2025, accelerating the restructuring of trade routes already underway since the pandemic era. Trade imbalances remain elevated, and supply chains are consolidating around politically aligned partners. Looking ahead, the agency expects weaker growth in 2026 as slowing global activity, rising debt burdens, higher logistics costs and persistent uncertainty weigh on performance.

For shipping, the numbers confirm what operators have felt all year: global trade hasn't just recovered – it has rerouted. East Asia and Africa's rising share, the resurgence of volumes in emerging markets, and steadily climbing South-South flows are redrawing the commercial map of global shipping as the industry enters 2026.

Splash reported yesterday on China's trade surplus smashing through the \$1trn mark in the first 11 months of 2025 – a record that underscores how dramatically global container flows have shifted this year, even as trade with the US slumps nearly 29%.

China-US liftings have been in structural decline throughout 2025, weighed down by Trump's protectionism, nearshoring, inventory corrections, and a wave of trade-diversion strategies among American importers. Yet the shortfall has been more than offset by booming demand from Latin America, the Middle East, Russia-adjacent markets, and parts of Africa and South Asia.

"Traditional trade patterns are being rewritten as China redirects exports from tariff-impacted US markets toward Europe (+10-15%), Africa (+20-25%), and intra-Asian lanes (+6-8%), while emerging markets-led by India, Philippines, and East Africa-accelerate their rise," noted a new report from Vizion, an American container tracking platform.

Faced with US tariff barriers, Chinese exporters executed what Vizion described as "a remarkable geographic pivot" in 2025. Vizion data shows US-bound bookings from China are down 8-12% this year compared to 2024, while Europe-bound bookings are up by 10-15%, Africa-bound bookings are up a remarkable 20-25%, while ASEAN-bound bookings are up 6-8%.

(*Splash247_10 December 2025*)b

MACN launches anti-corruption initiative in Indonesia, Malaysia and Germany

The Maritime Anti-Corruption Network (MACN) has launched a three-year initiative aimed at tightening integrity standards across maritime supply chains in Indonesia, Malaysia and Germany. The programme—"Transparent Trade Routes: Strengthening Integrity in Maritime Supply Chains"—is backed by funding from the Siemens Integrity Initiative.

MACN said the new project builds on more than six years of cooperation with Siemens. "The Siemens Integrity Initiative's sustained commitment has enabled us to expand our Collective Action methodology and show that systemic change is possible when industry, government and civil society push in the same direction," said MACN CEO Cecilia Müller Torbrand.

In Indonesia, MACN will form a private-sector alliance focused on integrity standards, roll out its Integrity Training programme and establish a structured public-private dialogue framework. The group also plans to introduce its HelpDesk tool, a real-time escalation mechanism that companies can use when faced with corrupt demands during port calls.

Malaysia will see an expansion of MACN's earlier Port Klang pilot, widening the anti-corruption effort to multiple ports and supply-chain actors. The plan includes industry training, outreach to government agencies and support to help businesses translate rules into practical on-the-ground conduct.



In Germany, MACN will develop sector-specific compliance training and strengthen long-term support structures under its Associate Membership model, including guidance on sanctions and corporate integrity systems.

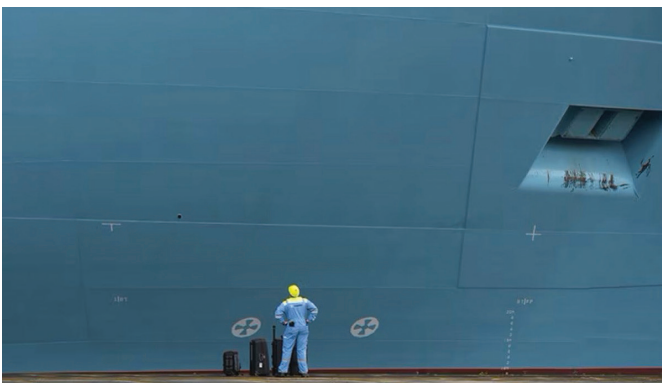
MACN's Collective Action framework—bringing together global operators, SMEs, authorities and civil-society groups—remains central to the programme. "When stakeholders across the supply chain commit to shared principles and use data-driven dialogue, lasting behavioural change becomes possible," Müller Torbrand said.

The initiative supports MACN's long-term goal of reducing corruption in maritime trade and levelling the playing field for compliant operators. Since 2011, the organisation has grown from a small group of shipping companies to a network of more than 225 members worldwide.

(Splash247_12 December 2025)

MAERSK completes first Red Sea transit in nearly two years

The Singapore-flagged, 6,500 teu *Maersk Sebarok* transited the Bab el-Mandeb Strait and Red Sea on 18 – 19 December. The Danish shipping company said the highest possible safety measures were applied during the transit, the first a vessel from the container line has made in nearly two years. The vessel would appear to have switched off its AIS transport for the transit with its last reported position on Pole Star Global's PurpleTrac tracking system being on 16 December in Oman having sailed from India.



The *Maersk Sebarok* is deployed the MECL service which connects India and the Middle East with the US East Coast, which has been transiting via the Cape of Good Hope.

Maersk said that while the transit was a significant step forward it did not mean the line was at the stage of rerouting its east – west network via the Suez Canal and the Red Sea

rather than the Cape of Good Hope. Maersk operates its east – west network along with Hapag-Lloyd in the Gemini Cooperation alliance.

"Assuming that security thresholds continue to be met, we are considering continuing our stepwise approach towards gradually resuming navigation along the East-West corridor via the Suez Canal and the Red Sea. The first step is this initial sailing, followed by a limited number of additional trans-Suez sailings," Maersk said.

French container CMA CGM has led the way among major carriers with transits through the Red Sea and the Suez Canal and is the first shift an entire service back to the shorter routing.

CMA CGM's INDAMEX service is set to return to transiting the Suez Canal on both the fronthaul and backhaul voyages, shaving two weeks from the service's current full rotation time.

The 2008-built, 6,000 teu *CMA CGM Verdi* will be the first ship to complete a full loop of the new service when it reaches New York on 15 January 2026, a lap that will take 77 days.

(SeatradeMaritime_19 December 2025)

Storms on container shipping's horizon

A turbulent 2025 is closing, but a New Year change of direction for the liner shipping sector remains challenging as the industry faces sliding demand, chronic overcapacity and tougher regulation unless the US and its allies disrupt the IMO for a second year.

An early candidate for disruption in the New Year would be the possible return of services to the Suez Canal and the release of around 2 million teu to an already over-supplied global container market.

A return to the shorter Suez route has been mooted by a few industry observers, and the speculation was given legs by the transit of CMA CGM's INDAMEX service and further strengthened by Hapag-Lloyd's admission that the carrier had a plan for returning services to Suez "on the shelf".

More recently Maersk's announcement, last week, that its 6,500 teu vessel *Maersk Sebarok* had also completed the west bound journey via the Bab el-Mandeb Strait and into the Red Sea makes the return to Suez feel more imminent. Even though Maersk sought to play down the possibility.

"Whilst this is a significant step forward, we are not at a point where we can set a date on any potential wider network change back to the trans-Suez corridor. Also, there are currently no additional planned sailings," said a Maersk statement.

One temporary hiccup that could result from the return to Suez is a bunching of vessels at European and Asian ports as their rotations are disrupted with vessel arrivals from the ships travelling around the Cape, out of sync with those transiting Suez.

The flood of tonnage coupled with a regular influx of newbuildings could have a destabilising effect on the freight rates, not just on the major trades, but with a knock-on effect on regional trades.

Drewry's supply chain consultant Stijn Rubens believes the impact of this returning tonnage could prove to be catastrophic for the regional freight rates, which have climbed to \$667 per feu and with China sending



intermediate goods for finishing to Vietnam and other Asian countries, notably Indonesia, demand will continue to rise, but the influx of new vessels could kill the rate rises dead.

Dynamar analyst Darron Wadey believes that the case for the return to Suez is getting stronger but warns that there will be no mad rush to return to the far shorter route.

"There will be no mad rush to start utilising this route as carriers will want a firmer security foundation than the tentative one, we have now. Furthermore, even if the carriers feel comfortable enough to start transiting the Red Sea/Suez Canal again en masse, the logistics of the exercise will mean this will require weeks if not months to unravel," said Wadey.

Should such a pattern pan out then there will be a gradual and inexorable pressure on freight and charter rates as the service adjustments are made. Wadey added: "Once that is all done, then the question is: what to do with all this freed up capacity?"

That is a pertinent question given that the world's most lucrative trade, from Asia to the US, has seen volatile demand as the Trump administration tariffs have taken hold, with demand ramping up fast when import duties are suspended, filling inventories, and then declining rapidly when they have been reintroduced.

A similar pattern could ensue later in the year when China tariffs, and similar import taxes, are reapplied after year's moratorium. The major difference in 2026 could prove to be the US mid-term elections that will be imminent as tariff negotiations are being pursued. If the US electorate have not seen the promised decline in the cost of living Washington's leverage may be compromised.

A somewhat similar situation may occur with the IMO's Net Zero Framework (NZF), which the US and its allies successfully paused after frantic behind the scenes machinations at the regulators Extraordinary Meeting in October.

Another attempt to pass the legislation, vehemently opposed by some sections of shipping and just as forcefully supported by others, is expected to take place in October 2026.

If the NZF is passed then the maritime sector across the globe will enter a period of transition leading up to 2050, which will GHG emissions from shipping reduced to zero.

Failure to pass the legislation will inevitably see the fragmentation of climate regulations countries that have invested heavily in the climate transition drive the policies forward on a regional level.

Such an outcome may be seen as a victory for some oil producing nations in their battle to slow the transition to global clean energy, but the impact on shipping could be far reaching, even for those parts of the industry that oppose the IMO's global regulation.

George Procopiou, the chairman of Dynacom Tankers, spoke for many tanker and bulk carrier operators, when he said in October of 2025 that there were no net zero fuels and that made any regulation driving maritime to curb its emissions would need the fuels first, anything else was "Jules Verne ideas," he said.

Semiramis Paliou, CEO at Diana Shipping, speaking on the same panel as Procopiou, took a different view pointing out: "What is very important is that we maintain a global level playing field and a global regulation on decarbonisation, anything regional will be a disaster for shipping."

She said regional regulation will require more staff to monitor and maintain regulatory payments and compliance across a wide range of rules.

Moreover, maritime industry concerns over where and how emissions charges were used would be less transparent under national government regulation than if the IMO was to administer a fund that helped to decarbonise the industry.

Essentially, the major determinant for which side of the decarbonisation debate in shipping that you are on is how close to the consumer the vessel operator is. For example, the charterer of a bulk carrier, shipping iron ore will be less likely to support green regulations.

For a bulk owner green fuels will be difficult to bunker, vessels, very often, do not have a regular trade route that they follow and they do not feel the pressure from what is most often a single charterer of space on their vessel.

Customers of container ship operators, by contrast, have formed groups demanding to know what their scope three emissions are, pressure from consumers to use green transport is directly translating into a drive for greener fuels, green corridors and a host of vessel modifications to reduce fuel consumption, thereby reducing greenhouse gas emissions.

The industry already understands how the imposition of import duties can change the pattern of logistics services globally, with manufacturing shifting to the cheapest areas of production.

If the overcapacity levels become critical, driving down freight rates and sending the carriers back into loss-making businesses the effect could be a swift and major shift to ramp up vessel demolitions, which have virtually stopped in 2025.

If the NZF is again rejected and the above scenarios on tariffs and excess capacity are also realised the shift to demolitions may gather pace, but if there is a fragmentation of emissions regulations there will be too many variables to be certain how the industry will evolve.

Each element could play a part, but the interaction of these major structural changes will be difficult to predict.

(SeatradeMaritime_22 December 2025)

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

Products	Port Klang		Kuantan		Pasir Gudang		Tanjung Pelepas		Penang		Total all ports (m³)	% change November 2025/ December 2025
	m³	% Change	m³	% Change	m³	% Change	m³	% Change	m³	% Change		
Sawntimber	39,174	26	14,647	799	691	-20	687	54	4,910	49	60,109	61
MDF	11,133	38	0	0	827	69	1,326	-11	23	-4	13,309	32
Mouldings	15,666	-5	0	-100	1,370	1	1,562	-12	178	40	18,776	-5
Plywood	5,737	25	0	0	0	-100	425	-16	16,559	9	22,721	11
Veneer	685	40	0	0	36	-18	0	0	85	-87	685	40
Particleboard	8,211	13	0	0	72	19	0	0	5,938	2,048	14,222	87
Total	80,605	18	14,647	796	2,996	1	4,000	-5	27,692	42	129,941	35

LOGS

The timber price in December 2025 for heavy hardwoods remained the same as the previous month. Chengal's price was recorded at RM3,220/tonne, Balau at RM3,710/tonne, Red Balau at RM2,123/tonne while Merbau was at RM2,850/tonne. For medium hardwoods, Keruing, Kempas, Kapur, Mengkulang and Tualang were priced at RM1,930/tonne, RM1,579/tonne, RM1,840/tonne, RM1,756/tonne and RM1,383/tonne. For light hardwood, Dark Red Meranti was priced at RM1,650/tonne, Red Meranti at RM1,877/tonne, Yellow Meranti at RM1,610/tonne and Nyatoh at RM1,355/tonne. As for rubberwood, its price remained at RM190/tonne as compared to the previous month.

PLYWOOD

As of December 2025, the Plywood price segment remained the same compared to the previous month. The prices for 6mm sheets were RM26.00/sheet, 9mm sheets were RM38.00/sheet while the 12mm sheets were RM48.50/sheet.

MEDIUM DENSITY FIBREBOARD (MDF)

As of December 2025, the MDF price segment remained the same compared to last month. The prices for 4mm thick boards were RM12.90/piece, 6mm boards were RM23.95/piece, 9mm boards were RM31.70/piece and the 12mm ones were RM37.80.

SAWNTIMBER

As of December 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 strips at RM2,754/m³. This was followed by Balau with its GMS grade price remaining 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, RM2,459/m³ for scantlings and RM2,260/m³ for strips. Meanwhile, for Kempas the GMS price was RM2,154/m³ while scantlings were RM2,366/m³ and strips were RM1,783/m³. The price of rubberwood sawntimber in December 2025 amounted to RM1,210/m³ for 1"x1", RM1,300/m³ for 2"x2", RM1,380/m³ for 3"x3" and RM1,430/m³ for 4"x4".

TRADE IN MALAYSIA – DECEMBER 2025

In December 2025, commerce between Sabah and Sarawak with Peninsular Malaysia totalled at 3,849 m³, with a value of RM6.96 million. Sabah remained the top contributor to the trade value for Peninsular, recording trade valued at RM4.24 million (1,925 m³) for plywood, followed by veneer (RM1.08 million) and sawntimber (RM0.42 million). Meanwhile for Sarawak, the trade value for Plywood was RM0.97 million and sawntimber, RM0.24 million.

MTIB



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

RINGGIT MALAYSIA

DECEMBER 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	2,123	2,737	2,101		2,419
Merbau	2,850	3,743	3,225		3,725
Mixed Heavy Hardwood	1,212	1,209	1,084		1,243
MEDIUM HARDWOOD					
Keruing	1,930	2,957	2,260		2,495
Kempas	1,579	2,154	1,783		2,366
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	1,650	2,083	1,942		3,337
Red Meranti	1,877	1,754	2,013		2,542
Yellow Meranti	1,610	1,730	1,255		1,801
White Meranti	1,683	2,024	1,801		1,607
Mersawa	1,425	1,704	1,330		2,154
Nyato	1,355	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)	4mm	6mm	9mm	12mm	
	19.50	26.00	38.00	48.50	
MDF 4' x 8'					
(RM per piece)	4mm	6mm	9mm	12mm	
	12.90	23.95	31.70	37.80	

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

* Prices are only indicative

INTRA-MALAYSIA TRADE

	NOVEMBER 2025		DECEMBER 2025		% change in volume	% change in value
	Vol(m ³)	Val(' 000 RM)	Vol(m ³)	Val(' 000 RM)	NOV/DEC	NOV/DEC
Sabah						
Logs	0	0	0	0	0	0
Sawn Timber	337	645	339	421	1	-35
Plywood	1,399	2,972	1,925	4,241	38	43
Veneer	200	498	461	1,081	131	117
Sarawak						
Logs	0	0	0	0	0	0
Sawn Timber	136	174	175	241	28	39
Plywood	557	543	949	975	71	80
Veneer	0	0	0	0	0	0

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

Beting Bamboo

(*Gigantochloa levis*) in Construction

Prepared by: Encik Mohamad Zarul Ikhwani Ramli

Origin

Beting is a species commonly found in Malaysia and other parts of Southeast Asia. It naturally grows along riverbanks, lowland forests and open areas with sufficient sunlight. Although not as large as Bamboo Betung (*Dendrocalamus asper*), Beting is known for its straight culms and good structural characteristics, making it suitable for lightweight construction and rural applications such as ceiling panels and feature walls.

This species is widely used at the community level due to its availability, affordability and ease of processing. In many traditional villages, Beting has long been utilised as a practical and sustainable building material.

Ecology

Beting bamboo grows well in tropical climates with high rainfall and warm temperatures. It thrives in well-drained soils and is commonly found in flat areas or moderately sloped terrain, especially near rivers and secondary forests.

It grows in clumps and regenerates quickly after being harvested, making it a renewable resource when managed properly.

Ecological Importance

- **Soil Conservation:**
The fibrous and spreading root system of Beting bamboo helps to bind soil particles together, reducing erosion, particularly in riverbank and lowland areas.
- **Environmental Sustainability:**
Beting bamboo grows rapidly compared to hardwood trees and can be harvested within a few years. This fast growth cycle makes it a sustainable alternative building material that reduces pressure on natural forest.

Uses in Construction

Beting bamboo is suitable for light to semi-structural construction purposes:

- **Light Structural Framework**
Due to its relatively straight culms and moderately strong culms, Beting can be used for lightweight structural frames such as small huts, gazebos, storage sheds and temporary buildings.
- **Wall Panels and Flooring**
It is commonly split and woven into wall panels or as slatted flooring in traditional houses.
- **Scaffolding and Temporary Structures**
Beting is often used as temporary scaffolding, fencing, and site structures due to its flexibility and ease of handling.
- **Interior Design and Decorative Elements**
Its natural texture and appearance make it suitable for aesthetic architectural applications such as ceiling panels, feature walls, and decorative structures.



Mechanical Characteristic in Construction

While Beting is not as thick-walled or as strong as *Dendrocalamus asper* (Betung), it possesses:

- Good tensile strength
- Moderate compressive strength
- High flexibility
- Lightweight properties

These characteristics make it ideal for low-load-bearing applications and cost-effective rural construction.

Preservation and Treatment

To improve its durability in construction:

- Proper seasoning and drying must be conducted.
- Treatment using borax-boric acid solution is recommended to prevent insect and fungal attack.
- Protective coatings can enhance resistance against weather exposure.

With proper treatment, Beting can achieve a longer service life and improved structural reliability.

In summary, Beting is a practical and sustainable bamboo species suitable for lightweight construction, especially in rural and eco-friendly building projects. Although it is not as robust as larger species like Bamboo Betung, its availability, ease of processing, and environmental benefits make it a valuable resource in sustainable architecture and community-based construction initiatives.



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12 & 27 JANUARY 2026

Malaysian Timber Industry Briefing Session to the Minister and Deputy Minister of Plantations and Commodities

13 JANUARY 2026

MyCites Electronic System Briefing for Cites Implementation Compliance

14 JANUARY 2026

Working visit related to proposed cooperation for the development of Gaharu industry entrepreneurs

15 - 17 JANUARY 2026

MTIB participation in Agricommodity Expo: Women in Halal Industry

20 JANUARY 2026

Briefing and discussion on the Implementation of the Bamboo Community Farming Development Programme (PPCFB) for the Betau Economic Project

20 JANUARY 2026

Technical visit and Wood Anatomy Laboratory Standardisation at FRC Sabah

20 & 21 JANUARY 2026

Visit to Plywood Processing Factory in Sandakan

25 JANUARY 2026

Visit of Jabatan Kemajuan Orang Asli (JAKOA) Perak to Terengganu Bamboo Plant Model

27 JANUARY 2026

MTIB Monthly Assembly Ceremony Bil 1/2026

29 - 1 FEBRUARY 2026

Putrajaya Open Day 2026