



**Asia-Pacific
Economic Cooperation**

2025/SOM3/EGILAT/010

Agenda Item: VII.A

Updates on Sustaining Legal Supply Chains of Tropical Wood and Wood Products

Purpose: Information

Submitted by: International Tropical Timber Organization



**28th Experts Group on Illegal Logging
and Associated Trade Meeting
Incheon, Korea
28–30 July 2025**

Updates on Sustaining Legal Supply Chains of Tropical Wood and Wood Products

The 28th APEC-EGILAT Plenary Meeting
Seoul (Korea), 28-30 July 2025

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International Tropical Timber Organization (ITTO)



Contents

..... Updates of ITTO promotion on sustainable wood use
to ensure legal sustainable supply chains

- Covering new SWU projects
- Future actions

Organization's mission

- Promote the sustainable management and conservation of tropical forests.
- Promote the expansion and diversification of trade in tropical timber from sustainably managed and legally harvested forests.

ITTO—THE SOLE inter-governmental organization focused entirely on tropical forest resources.

ITTO members (37 producers & 38 consumers) **cover over 80% of global tropical forests and account for 90% of trade in tropical forest products!**



ITTO

INTERNATIONAL TROPICAL
TIMBER ORGANIZATION

- **Legal & Sustainable Supply Chains (LSSC)**
 - Enhance tropical timber supply and value chains, from the forests to the market, to achieve legality and sustainability
 - Capacities of legal and sustainable supply chain enhanced, business collaboration and networking facilitated:
- Conservation of Biodiversity and Ecosystem Services
- Forest Landscape Restoration and Resilient Livelihoods
- Emerging Issues and Innovation

Promotion of Sustainable Wood Use



- Promotes sustainable wood use in domestic markets of Viet Nam (completed), Indonesia (completed), Thailand (completed), Malaysia,, and India by improving:
 - domestic strategy/policy
 - production capacity
 - CFE's skill capacity
 - the assortment of wood products
 - the awareness of consumers
- Using wood in construction also reduces the carbon footprint of buildings/houses in comparison to other materials, meaning that wood offers great potential to revolutionize the greenhouse gas emissions of the construction industry, and in turn will help economies to fulfil their NDC

PROMOTING SUSTAINABLE WOOD USE FOR DOMESTIC MARKET IN MALAYSIA



Project's focus:

Promote the development of domestic consumption for sustainable wood products, in anticipation of population and economic growth and reduced carbon footprint , through increased resilience of consumption, and enhance supply chains and improved government policies

Project Overview

PROJECT BRIEF

ITTO Project Number:

PD 935/23 Rev.1 (I)

Start Date:

1 October 2024

End Date:

1 April 2026

Donor:

MAFF-Japan

Duration:

18 months

Total Project Budget:

Total	: \$ 304,212
ITTO	: \$ 212,088
MTCC	: \$ 92,212

Project Signed: 5 April 2024



&



Project Agreement: 4 October 2024



&



UPM CONSULTANCY & SERVICES
WHOLLY OWNED BY UPM HOLDINGS SDN BHD

(Executing Agency)

(Project Coordinator)

Project Steering Committee:

1. Chairperson: Senior Official of the Ministry of Plantation and Commodities (MPC)
2. Alternate Chairperson: Senior Official of the Ministry of Plantation and Commodities (MPC)
3. Members:
 - i. International Tropical Timber Organization (ITTO)
 - ii. Representative of the donor country (Japan)
 - iii. Malaysian Timber Certification Council (MTCC)
 - iv. Ministry of Natural Resources and Environmental Sustainability (NRES)
 - v. Malaysian Timber Industry Board (MTIB)
 - vi. Malaysian Timber Council (MTC)
 - vii. Sabah Forestry Department (SFD)
 - viii. Forest Department of Sarawak (FDS)
 - ix. Sarawak Timber Industry Development Corporation (STIDC)
 - x. Secretariat: SWU Project Coordinator

Project Objective and Outputs

Objective

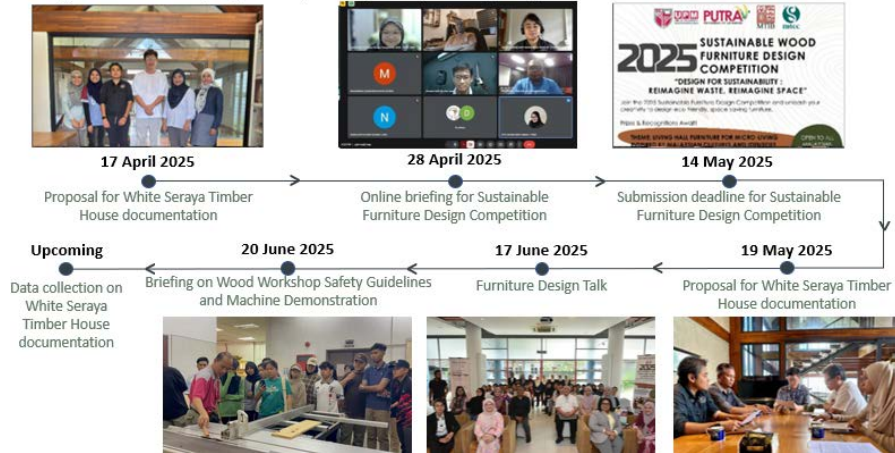
- To enhance and diversify domestic consumption and promote local markets of sustainable wood and wood products in Malaysia

Outputs

1. Improved policy framework to drive domestic consumption of wood and wood products
2. Strengthened capacity to produce wood and wood products to meet local market demands & promote local consumption
3. Assessed the market demands and supply for sustainable wood and its Chain of Custody with higher quality, more diverse products, fulfilling the due diligence requirements and the commitment to ESG requirements, including carbon emission and the use of IR 4.0 and advanced technologies
4. Developing an Information Systems Master Plan (ISMP)

Progresses on the ground

Project Overview (Key Dates) - Output 2 (Activity 2.1)



Project Overview (Key Dates) - Output 2 (Activity 2.2, 2.3, and 2.4)



Project Overview (Key Dates) - Output 2 (Activity 2.1)



Project Overview (Key Dates) - Output 3 (Activity 3.2)



Progresses on the ground

Timber Structure Demonstration

The White Seraya Timber House Showcase and Documentation

The White Seraya Timber House is a demonstration project showcasing the use of locally sourced, PEFC-certified Malaysian timber, specifically Glulam beams made from White Seraya and Keruing as a sustainable, cost-effective alternative to conventional materials, aiming to inspire industry stakeholders and reinforce Malaysia's commitment to green building and sustainable development.

Aim: To produce an [informative book](#) that documents the White Seraya Timber House, promoting sustainable timber usage while capturing its design, construction process, and significance as a visually compelling reference for stakeholders and industry professionals.



Project Milestone	Timeline
Project Kickoff	May 2025
Content Collection	May 2025 – September 2025
Interviews and Editing	July 2025 – January 2026
Book Design and Layout	January 2026 – February 2026
Review and Revisions	February 2026 – March 2026
Submission	March 2026

Wood Furniture Design for Sustainable Consumption

Title: Sustainable Wood Furniture Design Competition 2025

Theme: Living Hall Furniture for Micro-Living Inspired by Malaysian Cultures and Identity

Target Participants: Students age 18 years above from any academic institutions

- This initiative identifies and supports 15 young designers and contest winners recognized for innovative, sustainable furniture design. Emphasizing a fusion of contemporary and traditional styles, participants will integrate Malaysian cultural elements using at least 70% sustainable wood, including waste/reclaimed timber.
- 10 finalists will be fabricating the prototype and exhibited at Serdang Gallery.
- Number of entries received from various institutions across Malaysia: 105 groups = 233 individuals
- Rubrics: https://docs.google.com/document/d/1U3JQqft8DKNnXCjHNMGuW6Pmi98QeYg/edit?usp=drive_link&oid=105992946419745035016&rtfpof=true&sd=true
- Finalist profile: https://drive.google.com/file/d/1ShNaEuLreoJnX68RfktRRZSv-xwple3g/view?usp=drive_link



Meja Wau Modular



PatWeave Chair



Dwilena Lounge Chair



Lumi Kayu Shelf



Serasi Cupboard

Promotion of Sustainable Teakwood Use in Domestic Markets of India

PD 933/23 Rev.1 (M)

Executing Agency:

Kerala Forestry Research Agency, India

Project Period: 24 Months started from June 2025

Budget: ITTO Contribution : USD 296,000
KFRI Contribution : USD 25,000

Donor: Govt. of
Japan



Project Background

- India, as the largest consumer of teak—absorbing nearly 90% of global production—faces significant vulnerability due to climate change impacts, market disruptions (such as those caused by COVID-19), and challenges in legal and sustainable timber sourcing; this underscores the urgent need for a shift toward sustainable teakwood production and use.



Gaps in the Domestic Market

Indian wood industry remains largely informal and fragmented, with low awareness of timber legality and sustainability.

Outdated technologies and designs lead to wood wastage and increased reliance on imported finished products.

There is a shortage of skilled designers and architects in the wood industry.

Substitutes like plastic and concrete are gaining popularity despite their higher environmental footprint.

Timber Production and Import Trends in India

Despite increasing forest and tree cover, India faces a shortfall in domestic timber production, relying heavily on imports.

Timber imports surged after the 1988 National Forest Policy emphasized conservation and reduced forest harvesting.

Roundwood production declined, and the current production (~47 million cum) falls short of the projected 2030 demand (97.81 million cum).



Project Objectives

➤ **Enhance sustainable domestic consumption of teak wood in India.**

Despite recent research and development yielding significant results in teak wood production and markets, there are critical gaps in knowledge management, dissemination, and professional networking among stakeholders.

➤ **Promote sustainable use of teak wood and products by improving wood certification policies, building stakeholder capacity, and optimizing timber supply chains.**

This initiative aims to create a more resilient and self-sustaining wood industry while contributing to broader environmental and economic sustainability goals.

5th World Teak Conference



‘Sustainable Development of the Global Teak Sector - Adapting to Future Markets and Environments’

17- 20 September 2025
Grand Hyatt, Kochi Bolgatty

Thematic sessions

- Value addition and their markets
- Financial analysis on short rotation teak investments in different teak growing regions
- Recent advances in teak genetics and stand management of natural and planted teak forests
- Management models for smallholder teak plantations and agroforestry systems in Asia, Africa and Latin America
- Environmental protection, biodiversity conservation and Forest Landscape Restoration



Previous World Teak Conferences



1st World Teak Conference 2011

Planted teak forests: an emerging forest resource at a global level

San José, Costa Rica, 31 Oct – 2 Nov 2011



2nd World Teak Conference 2013

Sharing our Planet: Teak Model Development towards the Improvement of Mankind

Bangkok, Thailand, 25 - 30 March, 2013



3rd World Teak Conference 2015

Strengthening Global Teak Resources and Markets for Sustainable Development

Guayaquil, Ecuador, 11 - 15 May, 2015



4th World Teak Conference 2022

Global teak market: Challenges and opportunities for emerging markets and developing economies

Accra, Ghana, 05-08 September, 2022

Stimulate Good Forestry Governance in Indonesia



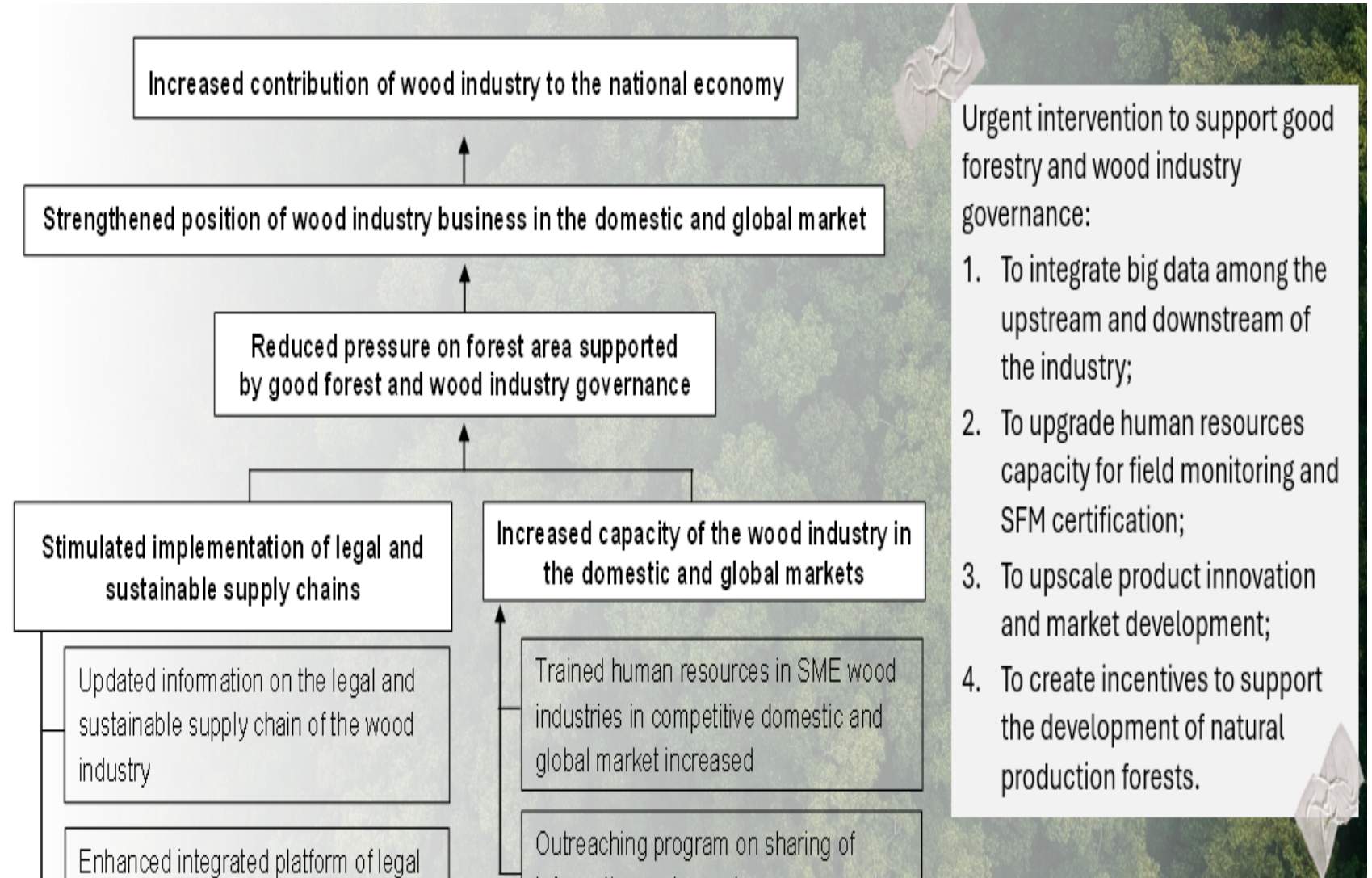
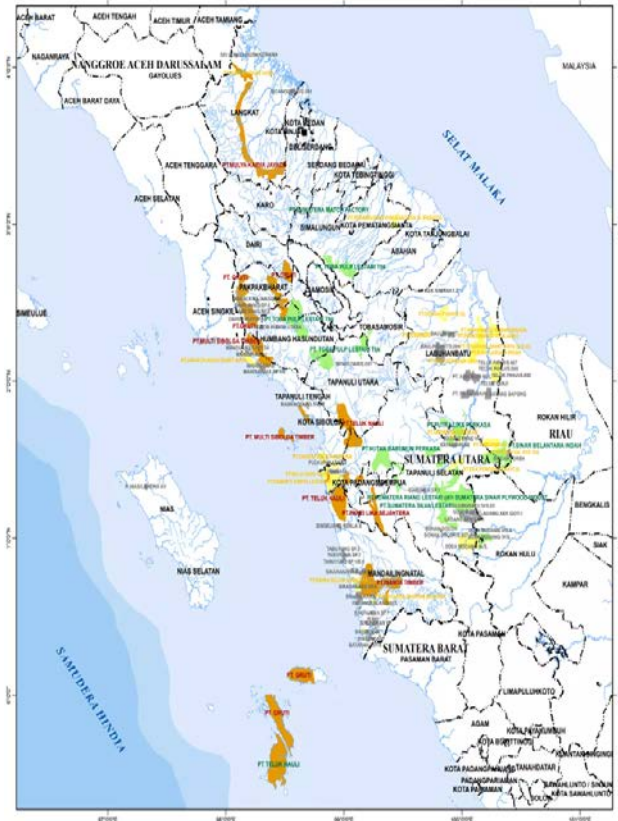
*ITTO PD 943/25 (I) Enhancing the Legal & Sustainable Supply Chain
in the Wood Industry to Stimulate Good Forestry Governance*



Project Profile

Proposed project title	Enhancing Legal & Sustainable Supply Chain in Wood Industry to Stimulate Good Forestry Governance
Donor	Ministry of Foreign Affairs of Japan (MOFA) - International Tropical Timber Organization (ITTO)
Proposed EA	Directorate of Forest Product Processing and Marketing Development, DG of SFM, MoF
Duration	12 Months (April 2025 – March 2026) (Status: in process for project register)
Budget	USD 225,000
Project locus	North Sumatera Province
Expected outputs	1. Stimulated implementation of sustainable supply chains of the wood industry to support forest governance; 2. Increased capacity of the wood industry in the domestic and export markets.
Specific objective	To reduce pressure on the North Sumatra Forest area due to unplanned destructive activities by stimulating good forest governance through enhanced legal and sustainable supply chains in wood industries
Expected indicators	1. A study on the supply chain of the wood industry completed 2. 2 integrated information systems of the wood industry and its market created 3. 9 training on capacity building in the wood industry are conducted
Supporting stakeholders and beneficiaries	1. Central Governments 2. Provincial Governments 3. PBPH and & Associations 4. PBPHH & Associations 5. Community as timber farmer 6. Universities and research institutions

Problem Statement



Outputs and Activities

Output and Activity	Approach	Indicator	Methodology
Output 1: Stimulated implementation of sustainable supply chains of the wood industry to support forest governance			
Activity 1.1: To conduct the study of the sustainable supply chain of the wood industry	Hiring the university as the subcontractor	A study on the supply chain of the wood industry completed	• PC develops ToR • The university as the subcontractor conducts the comprehensive study based on the ToR • The university provides the report • PC assists in reviewing the result and the report
Activity 1.2: To develop an integrated platform for the sustainable supply chain of the wood industry	Hiring an IT consultant as the subcontractor	2 integrated information systems of the wood industry and its market created	• PC develops ToR • Subcontractor develop integration of information systems in DG SFM to enhance the sustainable supply chain of the wood industry • and provide the report • PC assists in reviewing the result and the report
Output 2: Increased capacity of the wood industry in the domestic and export markets			
Activity 2.1: To increase the capacity of SME wood industries in domestic and export markets	Appoint the associations to conduct the workshop on capacity building	10 workshops on capacity building in the wood industry are conducted	• PC develop ToR • The association as the subcontractors conduct the comprehensive capacity building based on the ToR and provides the report • PC assists in reviewing the result and the report
Activity 2.2: To disseminate the progress of the sustainable supply chain of the wood industry	Collaboration with all related stakeholders	The result of the project is disseminated to related stakeholders	• EA reviews the results of the project and disseminates the report with ITTO and related domestic stakeholders • ITTO disseminates findings to member economies

LSSC: ongoing programme



- Collaborative Framework Between ITTO and IPIM of Macao SAR, China.
- Global Legal & Sustainable Timber Forum, **GLSTF** (attended by average 700 participants)
 - GLSTF2023, Nov 2023 (legal supply chains)
 - GLSTF2024, Sept 2024 (EUDR)
 - GLSTF2025, Sept 2025 (emerging trade barriers)
- Global Timber Index, **GTI**.
- Blockchain-based Timber Traceability System, **BTTS**
- Global Green Supply Chains, GGSC platform.



POLICY BRIEF

Encouraging greater domestic use of legal and sustainable tropical wood

Lessons from experiences in Southeast Asia

Future actions

The findings of the review include the following proposed actions that constitute a possible approach for countries interested in further developing their domestic markets for legal and sustainably produced timber:

- 1) strengthening supply-side management, with producer countries encouraging the development of domestic markets for legal and sustainable timber;
- 2) improving demand-side management, with importing countries putting in place the technologies and processes necessary to reduce the risk of illegal timber imports;
- 3) developing national strategies in producer countries to encourage domestic markets;
- 4) making concerted efforts to shift the building-construction sector towards increased wood use;
- 5) technology transfer to reduce the flammability of wooden buildings;
- 6) developing standards for wood use in building construction;
- 7) increasing international cooperation, especially through technological and financial assistance, to enable producer countries to increase low-cost wood-based housing and to tap into the ITMO mechanism;
- 8) encouraging private-sector actors to obtain and trade carbon credits for the climate-change-mitigation impacts of wooden buildings;
- 9) enabling smallholder forest plantation owners to tap into the benefits of first-stage value adding;
- 10) putting in place strong public procurement policies that require governments and public agencies to purchase legal and sustainably produced timber, especially that produced domestically;

- 11) ensuring a simple, clear, easy-to-operationalize legislative environment to enable the wood sector to flourish, based on legal and sustainable timber;
- 12) developing TLASs to provide assurance of timber legality;
- 13) facilitating the involvement of smallholders in TLASs, possibly through the use of SDCs;
- 14) developing hubs to better enable the development of wood industries based on legal and sustainable timber via the benefits of scale and co-location;
- 15) providing open access to high-quality forest-related data;
- 16) working collaboratively, including with international organizations such as ITTO and CITES, to increase capacity in the use of forensic evidence in forest-crime detection; and
- 17) conducting public-awareness campaigns, potentially in collaboration with international organizations and other countries, on the benefits of preferencing legal and sustainable timber in consumption choices.

Full reports of the ongoing projects reviewed for this policy brief (PD 922/21 Rev.1 (I) "Promotion of Sustainable Domestic Wood Consumption in Vietnam"; PD 926/22 Rev.1 (I) "Promotion of Sustainable Domestic Consumption of Wood Products in Thailand"; and PD 928/22 Rev.1 (I)) "Development of Sustainable Domestic Market for Wood Products (Indonesia)") will be available through the Project Search feature on ITTO's website as the projects are completed in 2024–25. The full report on which this policy brief is based (Sustainable Wood Use in Selected Countries of Southeast Asia Region—PP-A/53-323H) will also be available on the ITTO website. ITTO with continuing support from the Government of Japan is in the process of extending the lessons learned in the three countries to others, with new sustainable wood utilization projects under development in Malaysia and India in early 2024.



<http://www.youtube.com/user/ittosfm>



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