

# Tropical Timber Market Report

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## Top story

### Set India on a path to become a net exporter of teak

The Economic Advisory Council to the Indian Prime Minister has called for de-regulating timber cultivation to increase teak resources. The authors say “a complex regulatory system that limits the planting, felling and transit of timber, combined with an increased demand for furniture, plywood and timber for construction, has increased India's dependence on imports.”

The policy changes proposed are aimed at setting India on the path to becoming a leading teak exporter.

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See also:

**The ITTO Annual Market Discussion, “Production and trade: rising costs and weakening demand”**  
Page 34

**Statement by the ITTO Trade Advisory Group (TAG)**  
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## Central and West Africa

### Sector faces a complex set of challenges

The West and Central African timber sector faces a complex set of challenges as the year-end approaches. Tighter regulations in Cameroon, infrastructural bottlenecks at key ports, persistent rains and subdued international demand all shape the current market environment.

Chinese operators confirm that demand for African hardwoods in China remains very low, with only limited contracts for Belli, some redwoods and minimal volumes of Okoume. Ample timber stock levels in China and the current economic climate continue to dampen import volumes from Africa.

Timber prices have shown no significant changes in the Middle East or European markets. European construction activity is slowing due to winter weather and the upcoming holiday season. With many players contending with administrative hurdles and logistical delays this seasonal lull places additional pressure on producers.

December typically marks the beginning of a drier period in Gabon and Congo and a longer dry season in Cameroon. However, short daily rains persist complicating both harvesting and transport. These weather patterns add another layer of unpredictability at a time when the industry could benefit from stable conditions to offset subdued market demand and stricter regulatory environments.

Producers are of the opinion that the key to long-term resilience lies in strategic market diversification, compliance with stringent legal frameworks and readiness to capitalise on infrastructure improvements once conditions improve.

### Cameroon

In Cameroon the authorities are strictly enforcing forestry and financial regulations marking a new era for the country's timber industry. Every detail, from production documents to export permits, must be legally sound and correctly presented. Any discrepancy in marking logs, listing producer names or verifying CFAD and AAC references can delay export approvals. While these regulations have long been routine in Gabon, their rigorous application in Cameroon is a significant shift, prompting operators to reassess their operational processes.

Production levels at mills are slowing as operators adapt to muted market signals. Chinese demand for redwoods and related species has plummeted due to an oversupply dampening export opportunities. The Middle East market remains stable and the Philippines and Vietnam continue to show good demand for certain species. Overall, export orders are stable to low with Azobé finding some success in the Netherlands market whereas interest in redwoods and Ayous is declining.

It has been reported that the government has effectively ended log exports and is emphasising sawnwood exports. Some producers say the former special quotas for logs have ended.

The recent heavy rains are gradually easing offering a slight improvement in field conditions. However, ongoing wet weather has hindered many operations leading to disrupted harvesting. Mills are expecting the coming dry season to improve conditions, though quiet market sentiment and weak Chinese demand continue to influence production levels.

Producers report transportation conditions are slowly stabilising. Trucking operations are returning to normal although road blocks on laterite roads still cause interruptions during heavy downpours. The major route to Sangmelima, under repair by Chinese contractors, remains impacted by weather conditions.

Douala Port, the major export hub, currently presents a challenge for shippers. Waiting lists to berth are long with vessels sometimes facing delays of one to two weeks. While the central and southern regions of Cameroon have recently enjoyed a few dry days that might aid timber transport, congestion at the port remains a critical bottleneck.

Forestry and Customs officials thoroughly check every truck and container of sawnwood heading to Douala or Kribi Ports. Without the correct forestry department, tax and origin documentation shipments cannot be unloaded at ports leaving no room for the informal practices of the past. This aims to aligning Cameroon's timber sector with international standards.

Douala port is receiving lower volumes of logs from North Congo and the Central African Republic. Rain-affected supply lines and cuts in production have contributed to reduced log flows.

### Gabon

Harvesting operations remain subdued as rain continues to affect up-country operations though there are signs of easing rainfall. With the holiday season approaching and markets showing limited activity operators are keeping production low.

Okoume demand is stable but low with peeler logs priced at around 65,000 FCFA per cubic metre delivered to factories in the Nkok Special Economic Zone. Premium CS grade Okoume logs fetch up to 70,000 FCFA per cubic metre while sawing-grade Okoume logs have seen a slight price increase to 50,000 FCFA per cubic metre delivered. Okoume prices in the domestic market have reportedly fallen from 160,000 to 140,000 FCFA per cubic metre reflecting continued weak export demand for this species.

It has been reported that several factories in Nkok are operating at approximately 50% capacity due weak demand in India and competition from products sourced from Equatorial Guinea and Congo.

Worker availability in the sector has not been raised as an issue recently but a shortage of skilled local technicians persists. The government is encouraging Gabonese youth to pursue technical education in forestry-related sectors. The recent policy limiting expatriates to only 10% of the workforce putting pressure on companies to either recruit or train local staff.

Producers in Gabon report demand in China has weakened and even in niche end-uses demand is waning. Buyers in the Philippines maintain steady enquiries for Okoume and Dabema and demand for Tali in Vietnam remains strong. The Middle East shows moderate improvement with some inquiries but Europe remains sluggish, influenced by winter conditions and holiday slowdowns.

Road transport remains challenging. Although some repairs are underway, the rains complicate work on laterite roads, especially in areas like Lastourville, Lopé and Makokou. Timber trucking to Owendo port can take two to three days over a mere 650 km due to poor road conditions.

While Gabon's forestry authorities have offered operators more leeway with their Assiette de Coupe (AAC) deadlines these measures may not substantially boost output given the lackluster global market conditions and ongoing logistical issues. The Forestry Minister's new directive extending the AAC deadlines originally set to expire, it is reported, allows completion through December 2025. While industry players welcome this flexibility it may not translate into increased production given current market stagnation. The electricity supply remains erratic across the country.

### Congo

Sawmills are running at reduced capacity holding inventory and waiting for more favorable international demand. The Chinese market, previously a major export destination, is reportedly saturated prompting Congolese mills to focus on species for the European market. Buyers in the Philippines continue to import Okoume and Tali is being imported into Vietnam. China continues buy but with low-volume, low-priced orders.

The heavy rains, previously reported in northern Congo, are gradually easing which will improve harvesting conditions. Despite this, production remains low as operators face subdued demand especially from China and uncertainties about alternative markets.

Some sawmills considered diversifying to European-preferred species but they must be cautious about over production, especially with Padouk.

Long-distance transportation remains challenging. Northern Congo operators often send timber to the Douala Port in Cameroon some 1,400 km. The absence of continuous tarmac roads and persistent disruptions due to rain slows log movements.

Conditions are expected to improve with the onset of the dry season which typically lasts about six months in the north. In the south, transport to Pointe-Noire is facilitated by tarmac roads and, in some cases, river or rail routes. Projects to improve logistics, including repair of rain-damaged laterite roads await better weather and dry conditions.

The Republic of the Congo has suffered a month-long fuel shortage despite being an oil producer. An aging refinery and lack of investment have caused supply disruptions affecting trucking and forestry operations. This situation adds an extra complexity to a sector already navigating low global demand and regulatory changes.

Officially, log exports are banned to encourage value-added production locally, however, the government sometimes allows quota-based exceptions during economic downturns. Currently, this arrangement appears suspended, though some old log stocks remain eligible for export.

### Log export prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N" Gollon	220	220	175
Ayous/Obeche/Wawa	220	220	200
Azobe & ekki	250	250	175
Belli	220	220	-
Bibolo/Dibétou	200	200	-
Bilinga	250	250	-
Iroko	270	250	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	180	180	220
Moabi	260	260	220
Movingui	180	180	-
Niove	160	160	-
Okan	210	210	-
Padouk	300	270	-
Sapele	230	230	220
Sipo/Utile	250	250	200
Tali	260	260	-

## Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	680
Okoumé FAS GMS	420
Merchantable KD	380
Std/Btr GMS	370
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	800
FAS scantlings	875
Strips	400
Sapele FAS Spanish sizes	530
FAS scantlings	550
Iroko FAS GMS	800
Scantlings	840
Strips	400
Khaya FAS GMS	420
FAS fixed	440
Moabi FAS GMS	550
Scantlings	550
Moungui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	450

## Ghana

### President-elect plans to remove nuisance taxes on businesses

Ghana will have a new President for the next 4-years after the 7 December 2024 election. The President-elect, John Mahama, has justified plans to remove some taxes he considers a nuisance. He argued that the proposed expenditure cuts by his government and plans to expand the tax net to help close the revenue gap.

Speaking in an interview with the Global South World News Network he stressed the need for a simplified tax regime for easy computation and compliance. He pledged to simplify the Value Added Tax (VAT) and streamline its collection using Point of Sale Services to promote transparency.

President elect Mahama said his government will also abolish the e-levy and some of the taxes that have become a burden on businesses and households. He indicated that, his administration will implement a comprehensive VAT reform to provide relief for households and businesses.

In a related development, Fitch Solutions the research arm of Fitch Ratings, has signaled the removal of taxes such as the COVID Levy, E-Levy, 10% Levy on bet winnings and the emissions levy amounts to only 3% of total revenue which will have minimal fiscal impact on the Ghanaian economy.

See: <https://www.myjoyonline.com/president-elect-mahama-justifies-plans-to-remove-nuisance-taxes/> and

<https://norvanreports.com/removal-of-e-levy-covid-levy-others-to-have-minimal-fiscal-impact-on-economy/>

### Tullow collaborates with FC in landmark Ghana carbon offset project

Tullow and the Forestry Commission (FC) have completed all the necessary requirements to commence full-scale implementation of a joint nature-based carbon offset project launched earlier this year.

The FC, with support by Tullow, will start the engagement of stakeholders across the country to finalise details of the project which will include a comprehensive environmental and social impact assessment as well as capacity-building programmes to promote sustainable forest management.

According to Tullow the project will support Ghana's Reduced Emissions from Deforestation and Forest Degradation (REDD+) Strategy which is expected to conserve and restore approximately 2 million hectares of land and is designed to generate up to 1 million tonnes of certified carbon offsets annually.

See: <https://citinewsroom.com/2024/11/tullow-finalises-key-step-in-landmark-ghana-carbon-offset-project/>

### Surge in September boules export

Ghana's wood product export volumes slowed to 208,102 cu.m in the period January to September 2024, down from the 226,016 cu.m recorded during the same period in 2023 according to the Timber Industry Development Division (TIDD) data.

Exports generated revenues of Eur102.74 million and Eur93.05 million in the first nine months of 2023 and 2024. The data showed that for the period under consideration, both the overall volume and value for wood products exported dipped by 8% and 9% respectively.

### Wood products export , Jan-Sep. 2023/2024

	2023 cu.m	2024 cu.m
AD sawnwood	130,255	120,188
KD sawnwood	29,588	27,192
Billets	10,732	13,380
Plywood (Overland)	16,923	12,325
Plywood	11,004	7,466
Rotary veneer	6,309	8,472
Teak Logs	6,710	6,087
Mouldings	6,440	4,681
Sliced veneer	5,206	4,553
Briquettes	1,702	1,778
AD boules	721	1,329
KD boules	53	281
Others (8)	1,147	1,980
Total	226,016	208,102

Data source: TIDD

Of the twenty wood products exported, kiln-dried boules volume recorded significant year-on-year growth of 430%. This performance contributed to the total receipts from Secondary Wood Products (SWP) exports for the period which accounted for 38% in 2023 and 37% in 2024 of the total export values for the period. The main species converted to boules were niangon and sapele with Greece and Italy as the major market destinations.

Receipts from Primary Product (PP) exports which comprised air-dried sawnwood, air-dried boules, billets and teak also contributed to export earnings and accounted for the highest revenue inflows of the all exports. Tertiary Wood Products (TWP), which comprised mouldings and dowels accounted for 5.5% of the total receipts in 2023 and 4.86% in 2024.

#### Wood product export earnings, Jan-Sep.2023/24

	2023		2024	
	Eur 000s	%	Eur 000s	%
Primary	58,166	57%	54,543	59%
Secondary	38,921	38%	33,986	37%
Tertiary	5,651	6%	4,518	5%
Total	102,738	100%	93,047	100%

Data source: TIDD

#### Repealing mining law risks unregulated mining in forest reserves

The Director of the Mining Department at the Environmental Protection Agency (EPA), Michael Sandow Ali, has raised concerns over the proposed move to repeal the Environmental Protection (Mining in Forest Reserves) Regulations, 2022 (L.I. 2462).

Mr. Ali cautioned that repealing the regulation without introducing a stronger, more comprehensive law could lead to widespread, unregulated mining activities in forest reserves.

The Environmental Protection (Mining in Forest Reserves) Regulations, 2022 (L.I.2462) was passed by Parliament on the 23rd of June 2022 in the exercise of the powers conferred on the Minister responsible for the Environment by Section 62(1) of the Environmental Protection Agency Act, 1994 (Act 490). The purpose of the L.I. 2462 is to provide for the environmental management mining activities in forest reserves.

See: <https://thebftonline.com/2024/12/10/epa-director-warns-against-repealing-mining-in-forest-reserves-regulation/>

#### Trade surplus in Q3 of 2024 reported

According to the Ghana Statistical Service (GSS) the country recorded a trade surplus of GHS3.9 billion in the third quarter of 2024. This marked a significant improvement with a turnaround of a trade deficit of GHS2.3 billion in Q3 2023. In US dollar terms, total trade amounted to US\$9.6 billion, consisting of US\$4.9 billion in exports and US\$4.7 billion in imports.

Provisional figures released by the GSS also revealed that, Ghana's economy grew by 7.2 % in the third quarter of 2024 compared to the second quarter where the economy grew by 6.9%. The services sector continues to contribute to the Ghanaian economy with a share of 43% of Gross Domestic Product. This is followed by Industry and Agriculture, having recorded a growth rate of 33% and 25% respectively.

See:

<https://statsghana.gov.gh/gssmain/fileUpload/Trade/Quarterly%20Trade%20Newsletter%20Q3%202024.pdf>

and

<https://www.myjoyonline.com/ghanas-economy-expands-by-7-2-in-q3-of-2024/>

#### Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	850
Niangon Kiln dry	910

#### Rotary veneer export prices

Rotary Veneer, FOB			Euro per cu.m
	CORE (1-1.9 mm)	FACE (>2mm)	
Ceiba	363	410	
Chenchen	472	612	
Ogea	366	590	
Essa	649	711	
Ofram	350	435	

#### Export sawnwood prices

Ghana sawnwood, FOB		Euro per cu.m	
FAS 25-100mmx150mm up x 2.4m up		Air-dried	Kiln-dried
Afrormosia		860	925
Asanfina		465	947
Ceiba		290	320
Dahoma		477	578
Edinam (mixed redwood)		640	741
Emeri		700	750
African mahogany (Ivorensis)		783	904
Makore		692	840
Niangon		833	860
Odum		1,080	1,110
Sapele		656	860
Wawa 1C & Select		445	476

#### Plywood export prices

Plywood, FOB		Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina	
4mm	629	580	641	
6mm	414	535	604	
9mm	433	504	560	
12mm	352	489	480	
15mm	396	385	430	
18mm	460	415	383	

Grade AB/BB would attract a premium of 10%, B/BB 5%, C/CC 5% and CC/CC 10%.

#### Sliced veneer export prices

Sliced face veneer	FOB
	Euro per cu.m
Asanfina	1,254
Avodire	2,582
Chenchen	840
Mahogany	1,438
Makore	2,921
Odum	2,500
Sapele	1,527



## Malaysia

### Industrial growth slowed in October

Malaysia's industrial output expanded in October but at a slower pace with gains in factory production and electricity generation offset by continued contraction in mining activity. This performance is aligned with moderate industrial growth trends in regional economies such as China, Singapore, Vietnam and Taiwan P.o.C. Industries focused on the domestic market saw an improvement with growth rising to 3.3% in October from 2.7% in September. Export-oriented industries maintained a 3.3% growth rate.

See: <https://www.intellinews.com/malaysia-s-industrial-growth-slows-in-october-following-mixed-sector-performance-357695/>

### Risks to growth if global demand weakens

The OECD Economic Outlook for Malaysia says the economy is projected to grow steadily with output growing by 5.1% in 2025 and 4.8% in 2026. The report continues "Private consumption is expected to remain robust, with inflation remaining at low levels and favourable labour market conditions. Private investment will be supported by new opportunities in technology-intensive sectors and the expected increases in exports.

Infrastructure projects and investments by public corporations will support public investment. Inflation is projected to rise in 2025 reflecting progress in reducing energy subsidies but the effects should only be temporary. With trade amounting to 147% of GDP, Malaysia faces significant downside risks if global demand is weaker than expected."

See: [https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2\\_d8814e8b-en/full-report/malaysia\\_6a2ff82c.html](https://www.oecd.org/en/publications/oecd-economic-outlook-volume-2024-issue-2_d8814e8b-en/full-report/malaysia_6a2ff82c.html)

### Asean trade and investment opportunities

Asila Jalil, writing for the Malaysian Business Times, has reported on a panel discussion at the Institute of Chartered Accountants of England and Wales/Malaysia (ICAEW) on the 'Malaysia Economic Insight 2024' where Maybank Investment Banking Group (IBG) Head of Equity Research, Anand Pathmakanthan, said Malaysia should leverage the trade and investment opportunities that are present in Asean to maintain growth in the longer term.

He added Malaysia should not be distracted by BRICS and how the incoming US administration could affect Malaysia. He added, the opportunities within Asean integration are massive. He pointed out in terms of intra-Asean foreign direct investment or intra-Asean trade the ratios are half of what they are in the European Union (EU) or the US-Mexico-Canada Agreement.

Bursa Malaysia chairman, Tan Sri Abdul Wahid Omar, agreed that Malaysia's biggest potential lies in Asean but that should not exclude Malaysia's move towards becoming a BRICS member. Malaysia can be a part of many trade agreements.

The consensus was the country should diversify the economy and export markets and diversify the currencies used.

See:

<https://www.nst.com.my/business/economy/2024/12/1146598/malaysia-must-harness-asean-trade-and-investment-opportunities-long>

### MTC's Factory Transformation Programme

A press release from the Malaysian Timber Council (MTC) reports MTC has received recognition for its transformative efforts in revolutionising the timber industry according to a recent press release and the Ministry of Plantation and Commodities (KPK) officially endorsed MTC's Factory Transformation Programme (FTP) as a key initiative for the industry. This highlights the programme's success in driving automation, enhancing productivity and promoting sustainable practices in the Malaysian timber sector.

Launched in 2021 the FTP was designed to propel wood-based companies towards achieving Industry 4.0 (IR4.0) by promoting automation and Good Manufacturing Practices (GMP). The programme has achieved substantial milestones since its inception, with 58 companies participating and more than 90% benefiting from its implementation.

In 2023 alone, the FTP helped participating factories reduce waste valued at RM3.2 million through the implementation of quality control systems which significantly reduced the need for product rework. The success of FTP was further underscored during a visit today by two companies – Kim Teck Lee Timber Flooring Sdn Bhd and Weng Meng Industries Sdn Bhd, both located in Banting, Selangor.

During company visits the Minister of Plantation and Commodities, Datuk Seri Johari Abdul Ghani, witnessed first-hand the positive impact of the FTP on both the workflow efficiencies and overall productivity of the factories. MTC's Chairman said the FTP aims to foster holistic transformation across all levels of the participating factories. He added that the programme focused on equipping employees with the necessary training and support to improve operations and drive productivity.

He pointed out that the FTP not only leads to substantial cost savings but also strengthens the global competitiveness of Malaysia's timber industry players. MTC's CEO highlighted some of the notable outcomes from the programme, including companies reducing factory space by up to 25%, with the freed-up space being leased to other businesses, further boosting their economic activity.

See

[https://mtc.com.my/images/media/1797/Press\\_Release\\_for\\_Mini-ster-s\\_FTP\\_Visit\\_-\\_3\\_Dec\\_2024\\_-\\_Final.pdf](https://mtc.com.my/images/media/1797/Press_Release_for_Mini-ster-s_FTP_Visit_-_3_Dec_2024_-_Final.pdf)

### Malaysian Wood Expo

In other news from MTC, the Malaysian Wood Expo (MWE) 2025 has been launched. MWE, a premier international trade fair dedicated to the wood and woodworking machinery sector, is one of MTC's flagship programmes. The 2025 edition will mark the third edition of the Expo, following the success of its debut in 2019 and the equally well-received return in 2023. The MWE 2025 is scheduled to take place from 10 to 12 November 2025 at the Malaysia International Trade and Exhibition Centre (MITEC) in Kuala Lumpur, marking another milestone for the region's timber industry.

See:

[https://mtc.com.my/images/media/1779/MTC\\_UNVEILS\\_THIRD\\_EDITION\\_OF\\_THE\\_MALAYSIAN\\_WOOD\\_EXPO\\_-MWE-2025-\\_SET\\_TO\\_ELEVATE\\_GLOBAL\\_TIMBER\\_TRADE.pdf](https://mtc.com.my/images/media/1779/MTC_UNVEILS_THIRD_EDITION_OF_THE_MALAYSIAN_WOOD_EXPO_-MWE-2025-_SET_TO_ELEVATE_GLOBAL_TIMBER_TRADE.pdf)

### 2025 export target can be achieved

Datuk Chan Foong Hin, Deputy Minister at the Ministry of Plantations and Commodities (MPC), said he is confident that the target of RM28 billion in wood and wood products exports by 2025 will be achieved as outlined in the National Agri-Commodity Policy.

He said this confidence is based on strategic initiatives, increasing global demand and close collaboration between the ministry and industry players to enhance the competitiveness of Malaysian wood products through innovation, sustainability certification and market diversification.

Between January and August this year timber exports have shown positive growth, increasing 8.9% to RM15.2 billion compared to RM14.01 billion in the same period in 2023 he said after the launch of the Malaysia Timber Expo (MWE) 2025.

See:

[https://mtc.com.my/images/media/1793/5.\\_KPK\\_yakin\\_sasaran\\_RM28\\_bilion\\_eksport\\_industri\\_kayu\\_dapat\\_dicapai\\_menjelang\\_2025\\_\\_\\_Astro\\_Awani.pdf](https://mtc.com.my/images/media/1793/5._KPK_yakin_sasaran_RM28_bilion_eksport_industri_kayu_dapat_dicapai_menjelang_2025___Astro_Awani.pdf)

### Engineered wood production

Sarawak is targeting one million hectares of land for planted forest to meet the demand in overseas markets for the raw material to produce engineered wood, according to Deputy Minister for Urban Planning, Land Administration, and Environment, Len Talif Salleh.

In highlighting the role of engineered wood in driving Sarawak's economic, environmental and social development, Len Talif said such an investment would create jobs, support local businesses and attract investment. He is reported as saying "Engineered wood provides solutions to many environmental challenges. Unlike concrete and steel, it is a renewable resource with a much lower carbon footprint. It absorbs and stores carbon, helping fight climate change."

See: <https://www.theborneopost.com/2024/11/27/sarawak-targets-1-mln-acres-of-planted-forest-for-sustainable-engineered-wood-production/>

### MIFF 2025

The Malaysian International Furniture Fair (MIFF) will run from 01 to 04 March 2025 in Kuala Lumpur. The MIFF website says "MIFF is the doorway into the thriving ASEAN furniture industry and abroad. With hundreds of international brands flying in to exhibit alongside many outstanding Malaysian companies, MIFF is Southeast Asia's largest B2B furniture trade show and has consistently ranked among the top 10 worldwide."

See: <https://miff.com.my/>

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The MWE 2025 is scheduled to take place from 10 to 12 November 2025 at the Malaysia International Trade and Exhibition Centre (MITEC) in Kuala Lumpur, marking another milestone for the region's timber industry.

See:

[https://mtc.com.my/images/media/1779/MTC\\_UNVEILS\\_THIRD\\_EDITION\\_OF\\_THE\\_MALAYSIAN\\_WOOD\\_EXPO\\_-MWE-2025-\\_SET\\_TO\\_ELEVATE\\_GLOBAL\\_TIMBER\\_TRADE.pdf](https://mtc.com.my/images/media/1779/MTC_UNVEILS_THIRD_EDITION_OF_THE_MALAYSIAN_WOOD_EXPO_-MWE-2025-_SET_TO_ELEVATE_GLOBAL_TIMBER_TRADE.pdf)

## Indonesia

### Export Benchmark Prices (HPE)

The following is a list of wood prices for 1-31 December 2024.

#### Veneers (prices per cu.m)

Natural forest veneer	US\$737
Plantation forest veneer	US\$770
Wooden Sheet for	
Packaging Box	US\$937

#### Wood chips (prices per tonne)

Woodchips	
chips or particles	US\$83
Woodchips	US\$75

#### Processed wood (prices per cu.m)

Processed wood products which are leveled on all four sides so that the surface becomes even and smooth with the provisions of a cross-sectional area of 1,000 sq.mm to 4,000 sq.mm (ex 4407.11.00 to ex 4407.99.90)

Meranti (Shorea sp)	US\$1,262
Merbau (Intsia sp)	US\$1,712
Rimba Campuran	US\$749
Ebony	US\$2,669
Teak	US\$3,514
Pinus and Gmelina	US\$678
Acacia	US\$632

Sengon (P. falcata)	US\$609
Rubberwood	US\$386
Balsa, Eucalyptus	US\$1,211
Sungkai (P. canescens)	US\$1,400

Processed wood products which are leveled on all four sides so that the surface becomes even and smooth of Merbau wood with the provisions of a cross-sectional area of 4,000 sq.mm to 10,000 sq.mm (ex 4407.11.00 to ex 4407.99.90); US\$1,500/cu.m

See: <https://jdih.kemendag.go.id/peraturan/keputusan-menteri-perdagangan-nomor-1616-tahun-2024-tentang-harga-patokan-ekspor-dan-harga-referensi-atas-produk-pertanian-dan-kehutanan-yang-dikenakan-bea-keluar> and <https://forestinsights.id/penetapan-hpe-produk-kayu-desember-2024-ada-kenaikan-harga-patokan-ekspor-kayu-untuk-sejumlah-jenis-kayu/>

### Ministry of Forestry can contribute to 'Asta Cita' mission

The Director General of Sustainable Forest Management of the Ministry of Forestry, Dida Mighfar Ridha, said the Ministry of Forestry is ready to support President Prabowo's 'Asta Cita' mission.

According to him, the achievement of Asta Cita (eight main missions of the government.) will be able to answer global challenges and geopolitical uncertainty especially in national self-resilience and food and energy self-sufficiency which are in line with the multi-forestry business approach.

The chairperson of the Indonesian Forest Entrepreneurs Association (APHI) Prof. Indroyono Soesilo is reported as saying integration of the timber utilisation with non-timber forest products and environmental services is at the core of the multi-forestry business approach and address achievement of the Asta Cita Mission 2 and 5.

See: <https://forestinsights.id/aphi-siap-dukung-target-pertumbuhan-8-persen-prabowo-dengan-multi-usaha-kehutanan/#>

### Reducing dependence on exports to the US

The Indonesian Furniture and Crafts Industry Association (HIMKI) is preparing a strategy to address any impact of additional US import tariffs being proposed by the incoming US administration as these will impact Indonesian furniture and craft exports.

Abdul Sobur, Chairman of the HIMKI, noted that the planned increase in tariffs would undermine the competitiveness of Indonesian furniture products in the US market. The HIMKI is focused on diversifying its export markets targeting India, China and countries in the Middle East.

To address the effects of a rise in US import tariffs HIMKI has been actively communicating with the Indonesian government and proposed measures including negotiating a trade agreement with the US for preferential tariffs.

Other options include offering incentives to exporters through reduced import taxes on raw materials and providing support for upgrading production technology.

See: <https://www.msn.com/id-id/berita/other/hadapi-kebijakan-tarif-baru-trump-himki-fokus-kurangi-ketergantungan-ekspor-ke-as/ar-AA1uIXML?ocid=BingNewsVerp>

### Indonesia, Malaysia efforts to address EUDR

Indonesia's Coordinating Minister for Economic Affairs, Airlangga Hartarto, stated that the Joint Task Force on the EUDR involving Indonesia, Malaysia and the EU will continue its work where Indonesia and Malaysia will continue to fight for recognition of their respective sustainability standards.

Regarding traceability, he noted that Indonesia and Malaysia have adequate mechanisms to address this issue. However, the EU's requirement for specific location data or location sharing will be very difficult, especially for small scale farmers and timber operators.

See: <https://en.antaranews.com/news/336365/indonesia-malaysia-continue-efforts-to-address-eu-deforestation-rule>

In related news, the decision to delay implementation of the EUDR has drawn criticism from environmental groups such as the Indonesian Civil Society Coalition (Koalisi Masyarakat Sipil Indonesia) and the Indonesian Forum for the Environment (Wahana Lingkungan Hidup Indonesia). The Forest and Garden Campaign Manager of the Indonesian Forum for the Environment, Uli Arta Siagian, also regretted the delay in the implementation of the EUDR by the European Union Parliament.

See: <https://www.voaindonesia.com/a/koalisi-masyarakat-sipil-indonesia-sayangkan-penundaan-eudr/7880620.html>

### Forests offer potential for bioeconomy

The National Development Planning Agency (Bappenas) has said Indonesia possesses significant bioeconomic potential which will serve as a foundation for economic transformation by 2045.

With 62% of Indonesia's land area covered by forests the forestry sector is crucial for developing a sustainable bio-based economy. The Multi Forestry Business Policy aims to be an innovative solution that supports Indonesia's economic transformation.

Vivi Yulaswati, Deputy for Maritime Affairs and Natural Resources at the Ministry of National Development Planning/National Development Planning Agency (PPN/Bappenas) stated an initiative is necessary to develop bioeconomic concepts and principles that can be adopted at the national level.



As part of the government's commitment, the bioeconomy concept has been incorporated into the National Long-Term Development Plan (RPJPN) 2025-2045 and the National Medium-Term Development Plan (RPJMN) 2025-2029.

See: <https://www.antaranews.com/berita/4506549/indonesia-bioeconomy-initiative-workshop-dorong-bioekonomi-untuk-masa-depan-berkelanjutan>

#### Private sector involvement in conservation

The Ministry of Forestry has concluded that private sector involvement is essential to support conservation efforts particularly in protecting natural populations outside national park areas. Satyawan Pudyatmoko, Director General of Natural Resources and Ecosystem Conservation at the Ministry of Forestry stated that an effective approach to address funding challenges in conservation is to collaborate with the private sector and local communities.

He added that collaboration is also important for areas outside of protected locations.

See: [https://www.antaranews.com/berita/4514293/kemenhut-peran-swasta-diperlukan-dalam-konservasi-di-luar-kawasan-tn?utm\\_source=antaranews&utm\\_medium=desktop&utm\\_campaign=popular\\_right](https://www.antaranews.com/berita/4514293/kemenhut-peran-swasta-diperlukan-dalam-konservasi-di-luar-kawasan-tn?utm_source=antaranews&utm_medium=desktop&utm_campaign=popular_right)

#### Indonesia-Canada economic partnership agreement

Indonesia and Canada signed a Joint Statement on an Indonesia-Canada Comprehensive Economic Partnership Agreement (ICA-CEPA) which will widen market access for Indonesian products in Canada. Indonesian Minister of Trade, Budi Santoso and Canadian Minister for Export Promotion, International Trade and Economic Development, Mary Ng said after negotiating for more than 2.5 years the agreement was concluded.

Santoso explained that, in addition to the trade of goods, the agreement covers preferential treatment for Indonesian service providers such as telecommunications, construction, tourism and transportation service sectors.

The ICA-CEPA will also facilitate access to investment in the manufacturing, agriculture, fisheries, forestry, mining and quarrying and energy sectors.

See: <https://elshinta.com/news/356051/2024/12/02/penandatanganan-icacepa-buka-akses-pasar-indonesia-di-amerika-utara>

#### Strong economic fundamentals – Indonesia an attractive destination for investment

According to Coordinating Economic Affairs Minister, Airlangga Hartarto, Indonesia's strong economic fundamentals makes the country an attractive destination for US investments. The roundtable hosted by the US-ASEAN Business Council (USABC) in Washington, Airlangga highlighted Indonesia's readiness to enhance economic cooperation with the United States following leadership transitions in both nations.

The Minister briefed US executives on President Prabowo's economic agenda and the government's roadmap for achieving the "Golden Indonesia 2045" vision which aspires to make Indonesia a developed nation by its centennial anniversary.

The new administration targets an ambitious 8% annual economic growth over the next five years. The American business community expressed keen interest in President Prabowo's food security and energy transition strategies.

Marc Mealy, USABC's Chief Policy Officer and Senior Vice President said the roundtable laid the groundwork for the upcoming Indonesia Business Mission during which USABC will bring representatives from 50 companies to explore opportunities for wider collaboration.

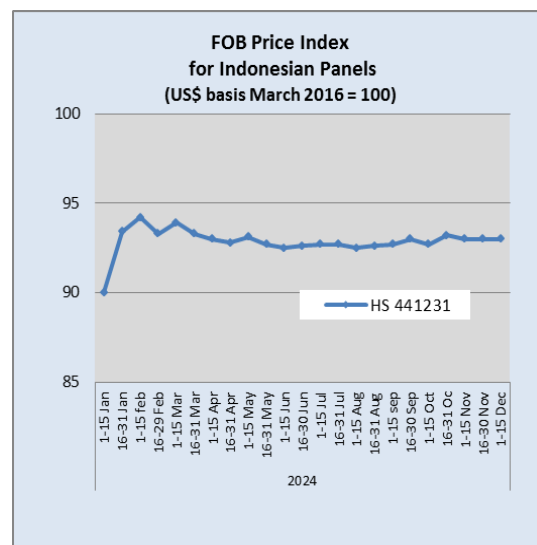
See: <https://jakartaglobe.id/special-updates/indonesia-ready-for-new-us-investments-after-leadership-transitions-in-both-countries-airlangga>

#### Industrialisation in eight key sectors

The Investment Coordinating Board in the Ministry of Investment and Downstream Policy is developing a roadmap for downstream industrialisation in 28 key commodities according to Minister Rosan Roeslani. Rosan explained that the focus will be on eight primary sectors: minerals, coal, oil, natural gas, maritime, fisheries, plantations and forestry.

Rosan acknowledged challenges, especially in technology, human resources and funding. "We will prioritise these 28 commodity sectors on which industries have the largest reserves and offer the best potential, he added.

See: <https://jakartaglobe.id/business/indonesia-to-prioritize-downstream-industrialization-in-eight-key-industries>



Data source: License Information Unit. <http://silk.dephut.go.id/>

### Private forest plantations and wood-based industries

A workshop on the development of private forest plantations and wood-based industries took place on 2 December 2024 at Forest Department, Nay Pyi Taw. Attendees included representatives from government, wood-based associations and private entrepreneurs from the forest plantation, rattan, bamboo, furniture and sawmill sectors.

Officials reported that Myanmar's forest cover was estimated at 42.19% in 2020 and 42.15% in 2023 and that State-owned and private forest plantations are being established to meet the raw material needs of wood-based industries. Entrepreneurs were urged to explore new markets, study regional export/import conditions and work toward expanding the sector.

It was noted that the private sector's foreign income from the wood-based industry exceeded US\$29.4 million in the fiscal year 2023-2024. The potential for increased production and export of finished wood products along with bamboo and rattan products using advanced technology was also emphasised as a means to boost employment and national economic development.

The workshop featured discussions on establishing and managing private forest plantations, production and sales processes and the development of wood, bamboo and rattan products. Participants also addressed issues related to exporting finished non-timber forest products. In addition, group discussions focused on sustainable raw material supply, industry growth and boosting exports.

A similar meeting on the development of Myanmar's timber industry was held in December 2022 but tangible progress remained elusive due to restricted market access. Myanmar had entered into FLEGT VPA negotiations in 2013 to ensure timber legality. However, these negotiations stalled in 2019.

Since 2013 the Myanmar Forest Certification Committee (MFCC) has been developing the Myanmar Timber Legality Assurance System (MTLAS), further strengthened by PEFC and ITTO-supported projects. Despite these efforts major international markets have questioned Myanmar's timber legality citing concerns linked to the country's low Corruption Perceptions Index and weak law enforcement along supply chains.

Compounding these challenges, the Myanmar Timber Enterprise (MTE), the sole legal entity for delivering round and squared logs continues to face sanctions. In Myanmar, timber processed and exported must originate from MTE sources to be considered legal, leaving the sector heavily reliant on a sanctioned institution. The current government has maintained a logging ban while promoting the use of plantation-sourced logs.

The MFCC is working toward the certification of Myanmar's first plantation forest under the Myanmar Forest Certification Scheme aiming to ensure both legal and sustainable timber production.

See - <https://www.monrec.gov.mm/news/2160> and

<https://www.myanmaritv.com/news/workshop-private-forest-plantations-monrec-um-delivered-opening-speech>

### Illegal trade undermines economic growth - NASC Deputy Leader

According to the Deputy Head of the National Anti-Smuggling Committee (NASC), illegal trade is significantly undermining Myanmar's economic growth by reducing tax revenues and contributing to a decline in gross domestic product (GDP). Speaking at a coordination meeting of the Steering Committee for Combating Illegal Trade officials highlighted the multifaceted damage caused by illicit activities.

Illegal trade not only deprives the country of substantial tax income but also harms economic development by introducing substandard and counterfeit materials into the domestic market.

The Chairman of the NASC warned that illegal trade disrupts the country's income flow and exacerbates inflation by creating an imbalance between income and expenditure. The Steering Committee, along with its specialised groups, was urged to intensify efforts to combat illicit trade through arrests and enforcement actions.

Over the nearly three-year period from January 2022 to November 2024 authorities seized illegal goods valued at approximately 380 billion kyats. Mandalay Region, Kayin State, and Kachin State recorded the highest number of seizures with industrial raw materials and vehicles being the most commonly confiscated items.

The Steering Committee reaffirmed its commitment to tackling illegal trade, emphasising the need for sustained efforts to safeguard the economy and promote lawful commerce.

See- [https://m.facebook.com/story.php?story\\_fbid=pfbid0qgLa8Z9JujfUyUZsfk3627q5ieK8wJ6Lf6Xf3igxsB4df7ftgzV7CiBzYYHkp eVql&id=100069603656407&mibextid=WC7FNe](https://m.facebook.com/story.php?story_fbid=pfbid0qgLa8Z9JujfUyUZsfk3627q5ieK8wJ6Lf6Xf3igxsB4df7ftgzV7CiBzYYHkp eVql&id=100069603656407&mibextid=WC7FNe)

### World Bank Country Director – “urgent and critical to support recovery”

A report from the World Bank (Myanmar Economic Monitor) delivers a disturbing analysis of the situation in Myanmar saying “natural disasters, ongoing conflict and widespread shortages of basic commodities have hit Myanmar's economy hard, while the economic outlook remains bleak. Myanmar's GDP is expected to contract by 1 percent in the fiscal year ending March 2025, a downward revision from the previous projection of modest growth.

The agriculture, manufacturing and services sectors are projected to contract, with production constrained by ongoing shortages of raw materials, inadequate electricity supply and weakness in domestic demand.

Over half of Myanmar’s townships are experiencing active conflict which continues to disrupt supply chains and border trade. Macroeconomic volatility has persisted over the past six months. Adding to these compounding crises, recent Typhoon Yagi and heavy monsoon rains have caused severe flooding across Myanmar, affecting 2.4 million people in 192 townships.

Floods damaged infrastructure and disrupted production, with over a third of all firms and more than half of agricultural firms reporting adverse impacts. Food insecurity has increased because of these shocks, with food prices continuing to increase rapidly.

Melinda Good, World Bank Country Director for Thailand and Myanmar said “it is urgent and critical to support recovery efforts to help the most vulnerable populations rebuild their lives and livelihoods.”

Kim Edwards, Senior Economist and Program Leader for Myanmar and Thailand said migration has served as a crucial coping mechanism in Myanmar, while also triggering domestic shortages of labour and human capital. Recent migration flows highlight the precarious state of Myanmar’s economy, as well as the pressures associated with conflict and conscription.”

“Much of the recent out-migration has occurred under duress and via informal channels, reducing the gains from migration and increasing its costs. More can be done to facilitate migration through regular channels: this will ultimately benefit receiving countries as well as Myanmar workers and their families” said the World Bank.

See: <https://www.worldbank.org/en/news/press-release/2024/12/11/compounding-crises-hit-myanmar-s-economy-and-its-people>

India

Focus should be on producing high-quality products

Piyush Goyal, Minister of Commerce and Industry has urged the manufacturing sector to focus on production high-quality products to tap global markets as export competitiveness cannot come from government subsidies or support. He added, export competitiveness is not going to come from closing the doors to the rest of the world.

The government is expanding the range of products covered by Quality Control Orders (QCO) to boost manufacturing in the country. As of 2014 only 14 QCOs covering 106 products were issued but in the last 10 years the government has issued as many as 174 orders covering 732 products aimed at curbing imports of sub-standard products, preventing unfair trade practices and ensuring the safety of consumers as well as the environment.

The Economic Times of India has reported the Minister said “India will have to aspire to become a manufacturer of high-quality goods and services and it should be recognised globally,”

See: <https://economictimes.indiatimes.com/news/india/focus-on-quality-export-competitiveness-wont-come-from-govt-subsidies-piyush-goyal-to-industry/articleshow/114273176.cms?from=mdr>

The latest schedule for the QCO’s for wood products is said to be as follows:

14 January 2025 Indian Standard Product  
IS 3513 Resin Treated Compressed Wood

<b>11 February 2025 Indian Standard Product</b>	
IS1659	Blockboard
IS12823	Prelam Particleboard
IS3087	Particleboard
IS124406	MDF
IS3097	Veneered Particleboard

<b>28 February 2025 Indian Standard Product</b>	
IS303	Plywood
IS20202	Flush Doors
IS10	Marine Ply
IS5509	Fire Retardant Ply
IS1328	Decorative Ply
IS4990	Shuttering Ply

The ITTO correspondent spoke with several importers and summarised these interactions saying “Since the extension was granted last year till now only a handful of foreign manufacturers have received letters from Indian Standards about visiting their factories for inspection and drawing samples.

To the best of my knowledge there has not been any visit and no license has been issued so far, also, the percentage of licenses issued in last 10 years is negligible.

Unfortunately there is some panic amongst importers and local furniture manufacturers who are dependent on imports of panel products for their manufacturing in India. Importers will likely face difficulty in the coming year.”

Make quality a default setting in product manufacturing

A government press release provides more on the concept “Make quality a centre stage of industry, a default setting in product manufacturing’ suggested by Shri Piyush Goyal.

The press release reads “Union Minister of Commerce & Industry, Shri Piyush Goyal during his valedictory speech at the Indian Foundation for Quality Management (IFQM) Symposium today in New Delhi urged the industry captains and stakeholders in attendance to make quality the centre stage of the industry. He further urged the participants to make quality a default setting in product manufacturing and not an option for the customers.

Shri Goyal praised IFQM for taking the industry-led initiative on quality and said that changing mindset is the largest impediment to India's adoption of quality. Shri Goyal noted that Prime Minister Shri Narendra Modi has always put quality at the core of the Government's efforts in building the nation. He added that the PM's vision of 'Zero Defect and Zero Effect' has been at the forefront of his governance for the past two terms to make India a developed nation.

He stressed that the sustainable manufacturing practices moving towards a green economy will be the defining catalyst towards the journey of becoming a Viksit Bharat (Developed India). On the Rs 1 lakh crore Anusandhan National Research Foundation (ANRF), he said that through this fund the Government will be supporting innovation for the industry to make it a prerequisite alongside quality for a Viksit Bharat.

Shri Goyal mentioned that till 2014 there were only 14 Quality Control Orders (QCOs) covering 106 products, while in the last decade the Government has expanded to 174 QCOs covering 732 products. Emphasising on the effect quality can have on toy manufacturing, the Minister stated that introducing quality control has led to an increase in exports.

He also said that for India to be recognised as a brand at the world stage, quality has to be given foremost importance. If it is coming from India it has to have an imprint of quality, that should be our aspirational goal.

The Union Minister invited industry leaders to partner with the Government and take quality to the MSME sector through the QCO ecosystem. He further urged the industry captains to share their best practices and persuade companies with technical manpower for aiding the Government's technical standards committees to align quality with global standards.

He also called for a government, industry and academia partnership with the quality control regulators working to solve difficulties manufacturers have in adopting good quality standards. Shri Goyal asked the participants to develop a sense of duty towards Viksit Bharat and said that the country's export competitiveness will not come from subsidies rather an Atmanirbhar Bharat will come from a self-reliant India. Quality is not our job, it is our duty, he said.

See: <https://pib.gov.in/PressReleasePage.aspx?PRID=2065319>

### Set India on a path to become a net exporter of teak

In a working paper (EAC-PM/WP/32/2024) the Economic Advisory Council to the Prime Minister (EAC-PM) calls for de-regulating timber cultivation in order to make India a net timber exporter.

See <https://eacpm.gov.in/wp-content/uploads/2024/09/Working-Pap-r-on-Agroforestry.pdf>

The authors say "a complex regulatory system that limits the felling and transit of high-value native species combined with an increased demand for furniture, plywood, and timber for construction has increased India's dependence on imports of these species from high-risk sources. The policy change proposed below will put India on the path to going from a teak importer to a leading exporter, enhancing farmers' income and improving the carbon content of the soil.

In India, tracking of log and processed wood products is regulated under the Forest Produce Transit Rules, which were developed to support the 1927 Forest Act.

The Transit Rules deal with the storage, movement and import or export of a broad range of materials defined in the Act as "forest produce", which incidentally include wildflowers and fruits. An elaborate system of passes, licenses, hammer marks and permits is laid down requiring multiple inspections and the decisions of higher officers before a pass can be issued.

The procedures are essentially the same for privately owned timber as for government timber. Passes authorising the transport of the material are required at each stage of transactions."

See also:

<https://economictimes.indiatimes.com/news/economy/foreign-trade/eac-pm-suggests-deregulating-timber-cultivation-proposes-measures-to-make-india-a-net-exporter/articleshow/113734393.cms?from=mdr>

### Cost C&F Indian ports in US dollars, Hoppus measure

#### Teak log prices, C&F US\$/Hoppus cu.m

	Hoppus cu.m	US\$ C&F
Brazil	177	478
Colombia	163	430
Costa Rica	186	330
Nigeria	-	-
Benin	-	-
Tanzania	137	460
Laos	-	-
South Sudan	239	685
Guatemala	113	340
Venezuela	-	-



**Teak sawnwood prices, C&F US\$/cu.m**

	cu.m	US\$ C&F
Benin	240	700
Brazil	120	650
Colombia	-	-
Costa Rica	142	510
Ecuador	-	-
Ghana	202	425
Ivory Coast	108	845
Nigeria	94	415
South Sudan	237	640
Tanzania	97	465
Togo	175	485
Panama	214	485

**Locally milled sawnwood prices**

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,350 - 4,750
Balau	2,950 - 3,250
Resak	-
Kapur	-
Kempas	1,650 - 1,950
Red meranti	1,750 - 2,000
Radiata pine	1,000 - 1,200
Whitewood	950 - 1,150

Price range depends mainly on lengths and cross-section

**Sawn hardwood prices**

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,900 - 2,200
Sycamore	2,300 - 2,700
Red Oak	2,900 - 3,300
White Oak	3,300 - 3,700
American Walnut	5,300 - 5,900
Hemlock STD grade	1,900 - 2,200
Western Red Cedar	3,000 - 3,350
Douglas Fir	2,400 - 2,600

Price range depends mainly on lengths and cross-section

**Domestic ex-warehouse prices for locally manufactured WBP plywood**

Plywood Ex-warehouse	Rs. per sq.ft
4mm	84
6mm	97
9mm	115
12mm	137
15mm	178
18mm	195

**Domestic ex-warehouse prices for locally manufactured MR plywood**

Plywood Ex-warehouse	Rs. per sq.ft
4mm	57
6mm	73
9mm	84
12mm	99
15mm	134
19mm	143
5mm Flexible ply	89

**Vietnam**
**Wood and wood product (W&WP) trade highlights**

- According to Vietnam Office of Customs, in November 2024, Vietnam's W&WP exports reached US\$1.55 billion, up 27% compared to November 2023 of which WP exports accounted for US\$1 billion, up 15% compared to November 2023. In the first 11 months of 2024 W&WP exports were valued at US\$14.8 billion, up 22% over the same period in 2023; WP exports contributed US\$10.1 billion, up 23% over the same period in 2023.
- Imports of raw wood in November 2024 were 532,800 cu.m, worth US\$165.2 million, up 5% in volume and 5% in value compared to October 2024. Compared to November 2023 imports increased by 27% in volume and 19% in value. In the first 11 months of 2024 imports of raw wood were 5.18 million cu.m, worth US\$1.65 billion, up 26% in volume and 19% in value over the same period in 2023.
- Following 3 consecutive months of decline NTFP exports in October 2024 recovered reaching US\$61.09 million, up 21% compared to September 2024 and up 6% over the same period in 2023.

In the first 10 months of 2024 NTFP exports were valued at US\$656.06 million, up 10% over the same period in 2023.

- W&WP exports to the EU in November 2024 amounted to US\$55 million, up 15% compared to November 2023. In the first 11 months of 2024 exports of wood and wood products to the EU earned US\$492.4 million, up 25% over the same period in 2023.
- In November 2024 bedroom furniture exports brought in about US\$191.5 million, up 29% compared to November 2023. In the first 11 months of 2024 the exports of bedroom furniture earned US\$1.9 billion, up 29% over the same period in 2023.

#### **Wood exporters could leverage trade deal with UK**

The UK-Vietnam Free Trade Agreement (UVFTA) is one of the key drivers boosting the growth of Vietnam's timber and wood product exports to the UK, industry experts have said.

According to the Vietnam Timber and Forest Products Association (VIFORES), exports to the UK are expected to be worth 230 million USD this year, up from 195 million USD last year. In the first 10 months this year, they were worth 182.1 million USD.

The association said the trade deal, which took effect in 2021, has positively impacted the wood industry due to preferential tax rates that will move towards zero% in five years for all wood products. Vietnam's timber and wood products hold a competitive advantage over those from other countries exported to the UK, it said.

Ngo Sy Hoai, VIFORES' Vice President and Secretary General, said while exports to the UK are modest compared to overall exports (estimated at US\$16 billion this year) the UK is an important export market of Vietnam's wooden products accounting for 40% of the country's exports to the EU27.

"We view the UK market as a gateway to Europe. If we can export extensively to the UK we can confidently enter other markets as the UK has stringent requirements regarding quality, design, and environmental standards.

"Vietnamese businesses have met these requirements successfully, with no safety warnings from this market."

The department underscored that globally, the UK ranks among the top five importers of wooden furniture. However, Vietnamese furniture products have a very small share of that market, meaning considerable opportunities remain for Vietnamese exporters.

The UK's accession to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) in 2024 would pave the way for even more opportunities, it said.

Despite these opportunities, the department and Hoai caution about challenges when exporting to the market since it has strict environmental and quality requirements. To overcome them and seize opportunities arising due to the UKVFTA, the department said Vietnamese wood exporters should adopt appropriate strategies and understand the UK market.

They should focus on quality and design and on improving production technologies to meet the stringent requirements there.

According to Hoai, to further leverage the trade deal, Vietnamese businesses need to focus on product design and developing their brands.

Exports of wooden products with proprietary designs account for less than 10%, he said.

The EU Deforestation Regulation is expected to be enforced similarly in the UK. Businesses must prepare to meet traceability and accountability requirements to ensure their products do not cause deforestation or forest degradation, he said.

At a recent seminar, Vu Viet Thanh of the Ministry of Industry and Trade's European-American market department advised Vietnamese businesses exporting to the UK to thoroughly research market information and their potential partners to avoid fraud and scams.

Thanh said, to help Vietnamese businesses effectively leverage free trade agreements, the European-American market department would strengthen dissemination of information and training to raise awareness among the business community of sustainable development, green production and brand building.

The department would persuade trade partners to remove barriers to market access, provide support and guidance to businesses for adapting quickly and effectively to changes in market requirements and standards and intensify trade promotion, particularly by leveraging distribution channels, to take Vietnamese goods to sourcing groups worldwide./.

See: <https://vietnamnet.vn/en/vietnam-business-news-december-2-2024-2347835.html>

## **Brazil**

### **Conservation and production of Brazilwood**

Brazilwood (*Paubrasilia echinata*) is a species native to the Atlantic Forest, a forest belt that stretches from the State of Rio Grande do Norte to Rio de Janeiro. Brazilwood has for decades been harvested and the timber is now primarily used in the production of high-end violin bows. Since 2007 it has been listed under Appendix II of CITES.

There are still many scientific and technological challenges needed to ensure not only the conservation of the species but also its continued use in bow making for musical instruments.

The scientific challenges encompass four major areas:

- the ecology of the species and its morphotypes;
- genetic conservation and the maintenance and restoration of habitats for natural Brazilwood populations;
- cultivation of Brazilwood in forest plantations aimed at the sustainable production of timber, the only future source to meet the demands of the music industry;
- technologies for identifying the origin and traceability of wood from planted forests, as well as the evaluating quality of wood from plantations for bow production.

To share the state-of-the-art research on Brazilwood a National Symposium on the Ecology, Conservation and Sustainable Production of Brazilwood was held in Ilhéus, Bahia State.

Musicians consider Brazilwood bows irreplaceable due to their ideal combination of flexibility, stiffness, strength and durability. Traditional craftsmen complement the selection of wood with scientific tools (acoustics measurements and calculations of elasticity modulus) to optimise the design of bows. A device has been developed to measure the flexibility and deflection of bows under load.

The Young's modulus and wood density checks enable precise performance assessment of a bow before it is manufactured thus improving material selection, reducing waste and enhancing sound quality.

Research on bows made from plantation wood using this system was discussed at the symposium. The technology was tested and the physical properties of a violin bow made from plantation wood were analysed proving its suitability for high-quality bows.

Moreover, DNA tracking methods, near-infrared spectroscopy (NIRS) combined with chemometrics and mass spectrometry-based chemotyping techniques will make it possible to trace the exact of the wood.

See: Proceedings of the National Symposium on the Ecology, Conservation and Sustainable Production of Pau-Brasil

See: [https://www.gov.br/florestal/pt-br/acao-a-informacao/auditorias/relatorio-de-gestao/relatorios-de-gestao-de-florestas-publicas/copy\\_of\\_Relatorio\\_Gestao\\_Florestas\\_Publicas\\_2021.pdf](https://www.gov.br/florestal/pt-br/acao-a-informacao/auditorias/relatorio-de-gestao/relatorios-de-gestao-de-florestas-publicas/copy_of_Relatorio_Gestao_Florestas_Publicas_2021.pdf)

## Forests of Brazil, data and statistics 2024

The Brazilian Forest Service (SFB) launched an interactive digital publication "Forests of Brazil: Data and Statistics 2024" which brings together up-to-date information on the Brazil's forestry sector from 2018 to 2023.

Produced by the National Forest Information System (SNIF), the publication covers topics such as conservation, sustainable management, education, research and forest management in Brazil as well as SFB's main areas of activity. The new edition features a digital format that allows detailed access through links, downloading of visual materials (maps, figures, and data) and offline use via app installation.

At the launch the SFB emphasised that, with approximately 60% of Brazil's territory covered by forests, making available reliable data is crucial for the country's sustainable development.

The publication was supported by the "Forest Information" Project, carried out in partnership with the Inter-American Institute for Cooperation on Agriculture (IICA), the Food and Agriculture Organization (FAO), the Inter-American Development Bank (IDB) and the Forest Investment Program (FIP) of the Climate Investment Funds (CIF).

See: <https://www.gov.br/florestal/pt-br/assuntos/noticias/2024/novembro/sfb-lanca-publicacao-201cflorestas-do-brasil-dados-e-estatisticas201d#:~:text=O%20E%2080%9CFlorestas%20do%20Brasil%3A%20dados,florestal%20brasileira%2C%20bem%20como%20as>

## Exports of timber products remain stable

Brazilian exports of timber products had reached US\$2.8 billion by October 2024 showing a modest increase of 1% compared to the previous October. Products such as pine plywood grew by 13% but logistical challenges and uncertainties in shipments continue to impact competitiveness in the international market.

To address the slowdown in external demand companies have adopted strategies splitting marketing between domestic and foreign markets. Approximately 8.2 million cubic metres of pine sawnwood are produced annually in Brazil. Of this, 5.6 million cubic metres are allocated to the domestic market while 2.6 million cubic metres are exported. It is noteworthy that of the domestic consumption much is used for the manufacture of furniture and mouldings etc. and much of this is exported.

The future of sawmills in Brazil is closely tied to technological modernisation and the pursuit of higher added value. National industries have been investing in automated equipment and processes and are meeting the strict standards of markets such as the United States and Europe.

See: <https://www.remade.com.br/noticias/20390/exportacoes-de-produtos-madeireiros-permanecem-estaveis-em-2024>

### Sustainable timber production showcased in Portugal

The Center of Timber Producing and Exporting Industries of the State of Mato Grosso (CIPEM) participated in the 8th edition of the ISCHP 2024 (International Scientific Conference on Hardwood Processing) held in Portugal, one of the main global events in the hardwood sector.

During the event, Casacerta, a company from the state of Mato Grosso showcased its sustainable production, emphasising the innovative use of timber from natural forests in architecture.

The company also highlighted projects such as "Terraço Amazônia" (2019) where they recreated a natural environment that highlights the diversity of textures and colors of the Amazonian forests and the "Wood Office" project (2021), which emphasised the richness and diversity of Amazonian timbers.

In addition, in 2024, at the Carrefour International du Bois Fair in France, Casacerta presented a booth built with more than 20 tree species demonstrating the variety of density and color of Amazonian wood. The exhibit marked a milestone in promoting Mato Grosso's timber at international events.

CIPEM's participation in ISCHP strengthens Mato Grosso's commitment to sustainability and innovation, advancing the responsible use of Amazonian timber in the global market.

See: <https://cipem.org.br/noticias/madeira-mato-grossense-em-destaque-na-europa>

### Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	446
Jatoba	191
Massaranduba	170
Muiracatiara	167
Angelim Vermelho	170
Mixed redwood and white woods	125

Prices do not include taxes. Source: STCP Data Bank

### Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	1,724
Jatoba	922
Massaranduba	801
Muiracatiara	812
Angelim Vermelho	759
Mixed red and white	514
Eucalyptus (AD)	296
Pine (AD)	246
Pine (KD)	288

Prices do not include taxes. Source: STCP Data Bank

### Domestic plywood prices

Parica ex-mill	US\$ per cu.m
4mm WBP	586
10mm WBP	478
15mm WBP	415
4mm MR.	551
10mm MR.	426
15mm MR.	365

Prices do not include taxes. Source: STCP Data Bank

### Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	279
15mm MDFibreboard	282

Prices do not include taxes. Source: STCP Data Bank

### Export prices

Average FOB prices Belém/PA, Paranaguá/PR, Navegantes/SC and Itajaí/SC Ports.

### Export sawnwood prices

Sawnwood	US\$ per cu.m
Ipê	2,385
Jatoba	1,308
Massaranduba	1,281
Muiracatiara	1,308
Pine (KD)	196

Prices do not include taxes. Source: STCP Data Bank

### Export plywood prices

Pine plywood	US\$ per cu.m
9mm C/CC (WBP)	335
12mm C/CC (WBP)	300
15mm C/CC (WBP)	288
18mm C/CC (WBP)	286

Prices do not include taxes. Source: STCP Data Bank

### Export prices for added value products

Added value product	US\$ per cu.m
Decking Boards Ipê	3,259
Jatoba	1,840

Prices do not include taxes. Source: STCP Data Bank

## Peru

### Plywood shipments increase

Between January and September 2024 plywood exports earned US\$2.76 million, a year on year increase of 38% according to the Services and Extractive Industries Management of the Exporters Association (ADEX).

The main destinations for veneer and plywood were Mexico, with a share of 84%, but exports to Mexico dropped 34% year on year. The second destination was Ecuador with a share of 12% and the Dominican Republic ranked third in the first nine months with a share of 2% but exports were down over 70% year on year.

### OSINFOR and GERFOR face the challenges of illegal logging

The Forest and Wildlife Resources Oversight Agency (OSINFOR) and the Regional Forest and Wildlife Development Management (GERFOR) in Loreto presented the results of their joint work to eliminate illegal logging.

Although there was an increase in unauthorised extraction both institutions highlighted the improvements achieved to combat the problem such as 100% submission of information on management plans and the reduction of false information in these documents to only 2%.



During the meeting it was highlighted that the quality of management plans in Loreto has improved significantly. While in 2015, 50% of the plans contained false information, in 2023 this indicator was reduced to 2%. This progress has been possible thanks to the commitment of various actors from GERFOR for its rigor in approving management plans and the specialists who prepare them with the support provided by OSINFOR.

See: <https://www.gob.pe/institucion/osinfor/noticias/1073593-el-osinfor-y-gerfor-de-loreto-refuerzan-la-gestion-forestal-y-enfrentan-los-desafios-de-la-tala-ilegal>

### Ucayali progress in the fight against illegal logging

In a meeting between the Forest and Wildlife Resources Oversight Agency (OSINFOR) and the Regional Government of Ucayali (GOREU) the region's performance in sustainable forest management and compliance with forest regulations was highlighted. It was reported that Ucayali has the lowest rate of unauthorised extraction of wood in enabling titles.

This result was described by the head of OSINFOR, Williams Arellano, as a milestone that positions Ucayali as an example for other Amazonian Regions in the responsible management of forests.

"This achievement reflects a joint commitment between the authorities and the holders of enabling titles, and demonstrates that, with planning, strategic supervision and coordinated work, the legality and sustainability of the forestry sector can be strengthened", he said.

See: <https://www.gob.pe/institucion/osinfor/noticias/1069586-el-osinfor-y-el-gobierno-regional-de-ucayali-destacan-avances-en-la-lucha-contra-la-tala-ilegal-y-la-gestion-forestal-sostenible>

### Peru to host the XVI World Forestry Congress

Within the framework of the 176th Council of the Food and Agriculture Organization of the United Nations it was officially announced that Peru will be the host country of the XVI World Forestry Congress to be held in 2027.

See: <https://www.gob.pe/institucion/serfor/noticias/1070683-serfor-peru-sera-sede-del-xvi-congreso-forestal-mundial-2027>

### Export prices for added value products

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1327-1398
Cumaru KD, S4S Swedish market	979-1011
Asian market	1079-1098
Cumaru decking, AD, S4S E4S, Central American market	1209-1221
Pumaquiro KD Gr. 1, C&B, Mexican market	501-561
Quinilla KD, S4S 2x10x62cm, Asian market	591-627
2x13x75cm, Asian market	774-831

### Export veneer prices

Veneer FOB Callao port	US\$ per Cu.m
Lupuna 3/Btr 2.5mm	221-249
Lupuna 2/Btr 4.2mm	234-266
Lupuna 3/Btr 1.5mm	219-228

### Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	703-728
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	582-602
Grade 2, Mexican market	527-541
Cumaru 4" thick, 6"-11" length KD	
Central American market	1029-1044
Asian market	1016-1054
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	649-658▲
Dominican Republic	765-799
Marupa 1", 6-11 length KD Grade 1 Asian market	5649-576

### Domestic prices for other panel products

Peru, domestic particleboard	US\$ per cu.m
1.83m x 2.44m x 4mm	282
1.83m x 2.44m x 6mm	230
1.83m x 2.44m x 12mm	204

### Export plywood prices

Peru plywood, FOB Callao (Mexican market)	US\$ per cu.m
Copaiba, 2 faces sanded, B/C, 8mm	349-379
Virola, 2 faces sanded, B/C, 5.2mm	487-511
Cedar fissilis, 2 faces sanded, 5.5mm	766-783
Lupuna, treated, 2 faces sanded, 5.2mm	396-419
Lupuna plywood B/C 15mm	449-495
B/C 9mm	379-399
B/C 12mm	350-360
B/C 8mm	466-487
C/C 4mm	389-425
Lupuna plywood B/C 4mm Central Am.	391-407

### Domestic sawnwood prices

Peru sawnwood	US\$ per cu.m
Mahogany	-
Virola	227-237
Spanish Cedar	333-344
Marupa (simarouba)	199-229

### Domestic plywood prices (excl. taxes)

Iquitos mills	US\$ per cu.m
122 x 244 x 4mm	512
122 x 244 x 6mm	519
122 x 244 x 8mm	522
122 x 244 x 12mm	528
Pucallpa mills	
122 x 244 x 4mm	503
122 x 244 x 6mm	511
122 x 244 x 8mm	516
122 x 244 x 8mm	521

## Japan

### Positive business sentiment supports rate increase by BoJ

The Bank of Japan (BoJ) Governor has a raft of data to review before making a decision to adjust interest rates this month. If the Bank goes ahead with an increase this would be the first tightening of policy three times in a calendar year since the peak of Japan's asset bubble in 1989.

The Bank's 'tankan' corporate survey, details of which have just been released, appears to support a rise in rates. The governor is on record as saying the timing for an increase is "nearing" inflation is holding steady, businesses are planning to invest and wages are rising.

The tankan survey on business sentiment in Japan showed an improvement among major manufacturers for the first time in two quarters. The BoJ survey put the overall index at plus 14, one point better than the previous poll. A positive number indicates that more companies are optimistic about recent business conditions than those feeling pessimistic.

Much of the positive sentiment came from the auto sector, which is seeing a recovery in production. Robust corporate capital investment lifted sentiment in the production-machinery industry.

The index for large non-manufacturers came in at plus 33, a drop of one point from before and the first decrease in two quarters. Sentiment declined most among consumption-related industries including retail, accommodation and restaurant services. Some businesses are struggling with a worker shortage and rising labour costs.

See: [https://www3.nhk.or.jp/nhkworld/en/news/20241213\\_B01/](https://www3.nhk.or.jp/nhkworld/en/news/20241213_B01/) and

See: [https://www.japantimes.co.jp/business/2024/12/03/economy/boj-december-rate-hike-likely/?utm\\_source=pianodnu&utm\\_medium=email&utm\\_campaign=72&tpcc=dnu&pnespid=\\_fcsnyoi57xu96ftvut1ooji\\_hqevczknbq0fvlov0evxlnwewpzmzl9yavpyvqbkt9s3vw](https://www.japantimes.co.jp/business/2024/12/03/economy/boj-december-rate-hike-likely/?utm_source=pianodnu&utm_medium=email&utm_campaign=72&tpcc=dnu&pnespid=_fcsnyoi57xu96ftvut1ooji_hqevczknbq0fvlov0evxlnwewpzmzl9yavpyvqbkt9s3vw)

### Business Federation launches 'Future Design 2040'

The Japan Business Federation, (Keidanren) suggested in a policy proposals called "Future Design 2040" a series of actions to address the declining birth rate and inadequate energy resources.

The Federation has urged the government to raise taxes on the wealthy to achieve a "virtuous cycle of growth and distribution."

The 'Future Design 2040' plan outlines what is perceived as "the country's ideal society in 2040", the time when Japan's elderly population is expected to peak.

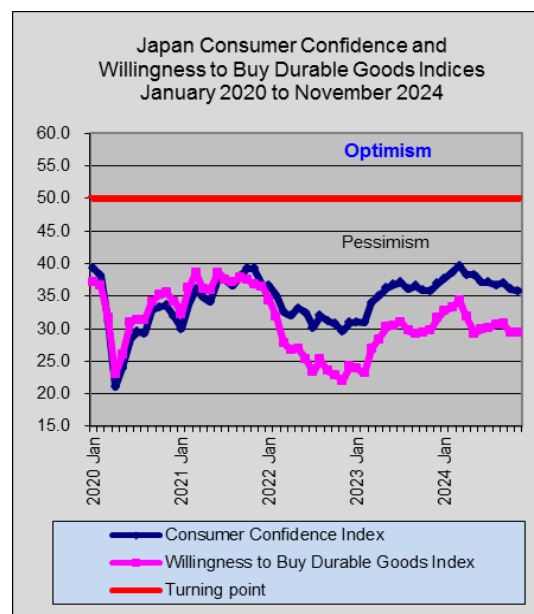
The Cabinet Office says the economy has grown at a faster pace than initially estimated. GDP grew at an annualised pace of 1.2% in the three months up to September compared to the previous quarter. The result beat a preliminary estimate of 0.9%. Economists had forecast an upward revision to 1%. The stronger growth data will feature in the up-coming decision from the BoJ on interest rates

See: <https://www.keidanren.or.jp/policy/2024/082.html> and

[https://www.japantimes.co.jp/business/2024/12/10/economy/keidanren-proposal-1-quadrillion-gdp/?utm\\_source=pianodnu&utm\\_medium=email&utm\\_campaign=72&tpcc=dnu&pnespid=6.kdwohf..hl7bmttb33tqstqfgpjerlg0sexo5u0uvjxg5ych.gjukhem\\_bogozfaxgw](https://www.japantimes.co.jp/business/2024/12/10/economy/keidanren-proposal-1-quadrillion-gdp/?utm_source=pianodnu&utm_medium=email&utm_campaign=72&tpcc=dnu&pnespid=6.kdwohf..hl7bmttb33tqstqfgpjerlg0sexo5u0uvjxg5ych.gjukhem_bogozfaxgw)

### Bankruptcies to hit record high

Bankruptcy filings this year are set to surpass 10,000 and will likely exceed 2013 record according to Tokyo Shoko Research. In November, 841 Japanese companies went bankrupt bringing the January-November total to 9,164, already above 2023 figures.

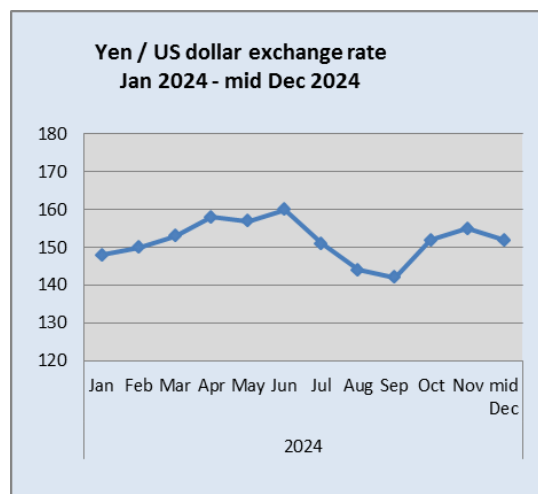


Data source: Cabinet Office, Japan

### Decisions by US and Japan to impact yen strength

The final weeks of 2024 will see the US Federal Reserve and Bank of Japan make decisions on interest rates which, in the short term, will drive exchange rate movements and possibly set the trend for 2025. US rates are expected to drop which will drive US\$/JPY movements and possibly create some volatility in exchange rates. It is anticipated that an increase in rates in the US would weaken the yen.

See: <https://www.forex.com/en-ca/news-and-analysis/usd-jpy-forecast-fed-and-boj-decisions-to-ignite-fx-market-volatility/>



Data source: WSJ

### Beyond deflation

In the October “World Economic Outlook” (WEO) report, the International Monetary Fund notes the dramatic turnaround for Japan’s long-time deflationary economy from the 1990s onwards, adding that accelerating prices now represent one of the biggest headwinds for the country’s ongoing economic outlook.

Nonetheless, the IMF indicated it did expect Japan’s economy to stage a modest uptick in growth in 2025 due to stronger real-wage growth which will drive private consumption. Deloitte also specified stronger wage growth as instrumental to the improved consumer outlook stating in its Japan Economic Outlook “a rapid rise in wages has finally given households the purchasing power they need to spend more.”

The BoJ has forecasted the annual rate of increase in the consumer price index (CPI, all items less fresh food) at around 2.5 percent for fiscal 2024 (April 1 2024 to March 31 2025) before declining to around 2 percent for fiscal 2025 and 2026.

Through fiscal 2025 the BoJ predicts that the impacts of the government’s measures to stem inflation would dissipate which should also support higher inflation. However, declining prices in crude oil and other resources could somewhat offset this.

See: <https://internationalbanker.com/brokerage/japans-economic-outlook-a-steady-recovery-in-the-offing/>

### Housing support for the middle class

The Tokyo Metropolitan Government is considering a fund for housing support for the middle class as condominium prices in central Tokyo soar. A survey by the Real Estate Economic Research Institute showed that the average price of newly built condominiums in Tokyo exceeds ¥100 million.

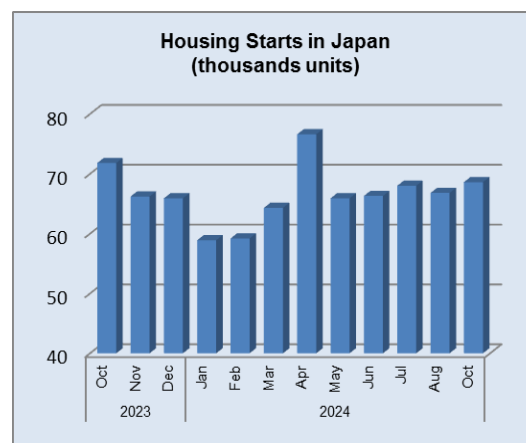
Tokyo Governor, Yuriko Koike, said this situation makes it difficult for the child-rearing generation to secure homes in Tokyo which results in couples with children to move out of the capital.

It has been reported consideration is being given to an affordable housing policy to make it easier for middle-income earners to secure a place to live in Tokyo.

The planned fund will provide necessary financial aid for private businesses to develop affordable housing. The metropolitan government hopes to take the lead in establishing a fund procurement system to support the development of affordable housing.

See:

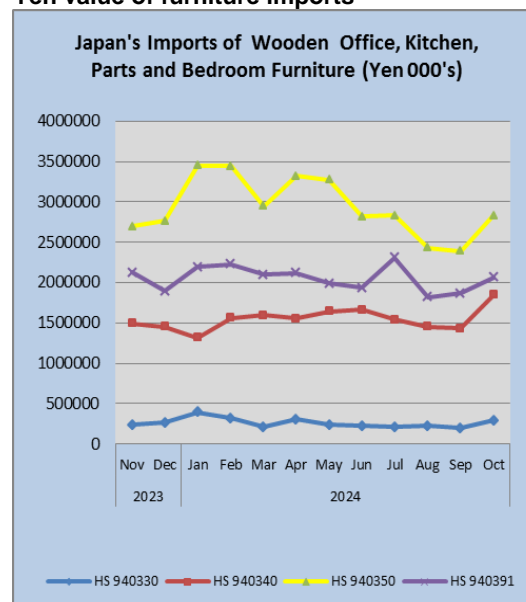
<https://www.japantimes.co.jp/news/2024/12/07/japan/society/tokyo-fund-housing-support/>



Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

### Import update

#### Yen value of furniture imports



Data source: Ministry of Finance, Japan

#### October 2024 wooden office furniture imports (HS 940330)

China accounted for most of wooden office furniture imports to Japan in October at around 89%, sharply up from the 69% of the total value of imports of HS940330 in September.

The other main shipper in October was Malaysia (5%). Around 1% of all HS940330 came from each of South Korea, Italy and Latvia. The values of shipments from Latvia were small in the past. Arrivals of wooden office furniture from Malaysia in October were only half that recorded in September

Year on year, the value of Japan's imports of wooden office furniture in October was up significantly (21%) and compared to a month earlier the value of imports also surged 20%.

#### October 2024 imports (HS 940330)

	Imports Oct 2024 Unit, 000's Yen
S Korea	2,896
China	258,007
Virtnam	1,798
Malaysia	15,049
Indonesia	1,504
Spain	1,202
Italy	2,889
Poland	2,028
Latvia	2,250
Czech Rep.	719
USA	1,451
Total	289,793

Data source: Ministry of Finance, Japan

#### October 2024 kitchen furniture imports (HS 940340)

The year on year value of Japan's wooden kitchen furniture imports rose 7% in October, however, compared to a month earlier the value of October imports jumped 29%, the first time over the past 10 months there has been such a surge. Behind the increase in import values in October were increased imports from both the Philippines, the top shippe, and Vietnam.

#### October 2024 imports (HS 940340)

	Imports Oct 2024 Unit, 000's Yen
S. Korea	1,249
China	119,223
Vietnam	597,594
Thailand	76,469
Malaysia	8,114
Philippines	934,359
Indonesia	12,397
Germany	54,077
Italy	37,095
USA	6,569
Total	1,847,146

Data source: Ministry of Finance, Japan

The value of shipments from the Philippines accounted for over 50% of the total value of HS940340 imports whild imports from Vietnam accounted for a further 32% in October. October arrivals from China accounted for 6% of imports but this was down from the previous month. The third ranked shipper in terms of the value of shipments was Thailand.

#### October 2024 wooden bedroom furniture imports (HS 940350)

October marked the reversal of the steady downward trend in the value of Japan's imports of wooden bedroom furniture. Compared to a month earlier the value of October imports of HS940350 rose almost 20% and compared to the value in October 2023 there was a 6% increase.

The top shippers of wooden bedroom furniture to Japan in October were China (61% share of October import values), Vietnam (32%), Malaysia (4%) and Thailand (2%).

#### October 2024 imports (HS 940350)

	Imports Oct 2024 Unit, 000's Yen
China	1,713,052
Taiw an P.o,C	5,268
Vietnam	917,916
Thailand	51,492
Singapore	386
Malaysia	80,416
Indonesia	16,004
India	323
Denmark	550
UK	1,161
France	16,548
Sw itzerland	3,003
Portugal	2,852
Italy	8,494
Poland	10,351
Austria	1,212
USA	4,199
Total	2,833,227

Data source: Ministry of Finance, Japan

#### October 2024 wooden furniture parts imports (HS 940391)

The value of Japan's wooden furniture parts imports in October increased compared to a month earlier building on the upturn seen in September, however, the value of import in October was slightly below the average for the previous nine months. Year on year, the value of October imports of wooden furniture parts into Japan was up 6%.

The rise in the value of October imports was largely due to higher arrivals from China and Vietnam, the top shippers of HS940391.



China accounted for 47% of October imports, Indonesia 18%, Vietnam 12% and Malaysia 9%. The value of arrivals from Vietnam and Malaysia in October was around the same level as in September. Twelve shippers in Europe accounted for just 8% of the value of October arrivals.

#### October 2024 imports (HS 940391)

	Imports Oct 2024 Unit, 000's Yen
S.Korea	31,729
China	961,652
Taiwan P.O.C	41,380
Vietnam	251,349
Thailand	59,770
Malaysia	181,740
Philippines	3,260
Indonesia	360,864
Sweden	247
Denmark	4,153
France	436
Germany	46,601
Switzerland	1,788
Portugal	972
Spain	210
Italy	84,372
Finland	5,583
Poland	14,073
Austria	847
Hungary	637
Turkey	4,960
Slovakia	4,741
Canada	663
S. Africa	1,255
Total	2,063,282

Data source: Ministry of Finance, Japan

#### Trade news from the Japan Lumber Reports (JLR)

*The Japan Lumber Reports (JLR), a subscription trade journal published every two weeks in English, is generously allowing the ITTO Tropical Timber Market Report to reproduce news on the Japanese market precisely as it appears in the JLR.*

For the JLR report please see:  
[https://ifpi.jp/japan\\_lumber\\_reports/](https://ifpi.jp/japan_lumber_reports/)

#### Supply of cedar crating

Next Corporation in Oita Prefecture started producing and selling cedar crating. The company is famous for dried cedar small lumber for houses and structures and is able to supply any sizes of lumber and grades which clients request.

Since the yen has been depreciating, the export of machines are firm. The company produces a lot of 85 mm cedar squares at the mass production line, high ability of drying timber and quality management system.

The company saws up cedar logs at Asakura Plant, which is one of its plants and used to saw up small diameter Douglas fir logs in Fukuoka Prefecture, and dries cedar timber. The cedar timber will be finished manufacturing at the head plant in Oita Prefecture and the cedar timber will be shipped from the head plant.

The consumption of timber is 100 % cedar and the annual consumption of cedar logs is around 80,000 cbms. In recent years, the company installed moulder and two dryers and the total capacity is 1,100 cbms.

Demand for houses are low this year and the production dropped from the previous term but, now, the orders started to recover. There are a lot of inquiries for KD 30 x 45 mm, 45 mm square and 45 x 60 mm joist and taruki. Also, there are inquiries for KD 3 m studs. Consumers purchase the company's products instead of imported lumber. The electric bill, fuel cost, and transportation cost increased and it is hard to get profits but the company will respond consumers' requests for crating or crosspieces as much as possible.

In the future, the company expects to export 2 x 4 lumber and lamina to Asia so the company considers to saw large diameter cedar logs.

#### Domestic lumber and logs

Supply of domestic lumber has been decreasing since September, 2024 due to a log shortage. Especially, cypress lumber is in a tight supply. The price of KD 105 mm cypress post rose to around 70,000 yen, delivered per cbm. KD 105 mm cypress sill costs around 70,000 – 75,000 yen. 90 mm cypress square is also in a tight supply.

KD 4 m cypress lumber is around 75,000 yen and this is 5,000 yen more than the previous month. KD 105 mm cedar post is around 53,000 yen but the price is rising to 55,000 yen due to a shortage of cedar post. KD 3 m x 105 mm cedar stud is around 57,000 – 60,000 yen.

As for domestic logs, the price of cedar and cypress logs increase in the northern part of Kanto region and the southern part of Tohoku region. The price of cypress log increases in Western Japan.

In northern part of Kanto region, 3 m cedar log is 17,000 – 18,000 yen, delivered per cbm and this is 2,000 – 3,000 yen more than last month. 4 m cedar log is 17,000 – 18,000 yen, delivered per cbm and this is 1,000 yen more than last month. 3 m cypress log is 20,000 yen, delivered per cbm and this is 2,000 yen up from previous month. 4 m cypress log for sill is 22,000 and this is 1,000 yen up.

In Chugoku region, 3 m cypress log is 22,000 yen, delivered per cbm. 4 m cypress log is 21,000 yen, delivered per cbm and this is 2,000 yen up from last month. In Kyushu region, 3 m cypress log is 22,500 yen, and 4 m cypress log is 23,500 yen. These are 2,000 yen higher than last month.

Cypress log for post is 15,000 yen, delivered per cbm in Kyushu region and it is 1,000 yen more than last month. 4 m cedar log is 15,000 yen and this is 500 yen more than last month. In Chugoku region, cedar log for plywood is 15,000 yen, delivered per cbm and this is 500 yen more than last month.

### Plywood

Shipment of domestic plywood in October and November, 2024 increased at plywood manufacturers, trading companies and wholesalers. Shipment of domestic softwood structural plywood in October, 2024 was 204,000 cbms, 10.3 % more than last month. This is the highest shipment in this year.

The plywood price kept declining until the middle of November, 2024 and 12 mm 3 x 6 softwood structural plywood was around 970 yen, delivered per sheet in the metropolitan areas. However, major plywood manufacturers in Eastern Japan announced that they would stop lowering the plywood price in December, 2024. The reasons are that the shipment of plywood increased in autumn, the inventory of plywood at plywood manufacturers decreased, and it will take time to deliver.

The price of 12 mm painted plywood for concrete form / normal plywood in South Asia is leveled off. However, suppliers in Malaysia and Indonesia expect to raise the price strongly because their local currencies are stronger than the US dollar. The exchange rate of yen was 140 yen against the US dollar during August to September, 2024 and the yen appreciated to 150 yen in October and November, 2024. Therefore, the futures price is higher than the spot price in Japan. As a result, Japanese consumers hesitate to purchase imported plywood and South Asian suppliers did not raise the price this time.

12 mm 3 x 6 painted plywood for concrete formboard in South Asia is \$580 – 600, C&F per cbm. Form plywood is US\$490 – 510, C&F per cbm. Structural plywood is US\$500 – 520, C&F per cbm. 2.4 mm 3 x 6 plywood is around US\$970.

7 mm 3 x 6 plywood is around US\$880, C&F per cbm. 5.2 mm 3 x 6 plywood is around US\$850, C&F per cbm.

In Japan, 12 mm 3 x 6 painted plywood for concrete form is around 1,850 yen, delivered per sheet. Form plywood is 1,550 yen, delivered per sheet. Structural plywood is 1,550 yen, delivered per sheet. 2.5 mm plywood is 750 yen, delivered per cbm. 4 mm plywood is 930 yen, delivered per cbm. 5.5 mm plywood is 1,100 yen, delivered per cbm.

### Prospects and market demand for rubberwood

The "2024 Rubberwood Global Industry Chain Innovation and Development Matchmaking Conference" was held in Nanning, Guangxi Zhuang Autonomous Region and the "2024 Annual Meeting of the National Innovation Alliance of Rubberwood and Products under the National Forestry and Grassland Administration" was held at the same time.

China is one of the world's largest rubberwood consumers but domestic rubberwood production cannot meet market demand so a large volume is imported. Thailand is one of the main sources of China's rubberwood imports and the value of trade in rubberwood and products between China and Thailand has stabilised at about US\$2 billion over the past five years. China also imports some rubberwood from Indonesia and Malaysia.

China's rubberwood imports have steadily increased in recent years and it has become the largest single category of imported sawn hardwood accounting for nearly 50%. From January to September 2024 China imported 3.83 million cubic metres of sawn rubberwood, an increase of 16% over the same period of 2023. Imports of rubberwood veneer was about 128,000 tonnes, a year on year increase of 85%.

The following innovations have been developed in the rubberwood industry in China. These new materials, new technologies and new equipment have greatly improved the utilisation rate and added value of rubberwood.

Innovations in processing technology such as CNC engraving and laser cutting are widely used in the production of rubberwood products leading to improved production efficiency and offering opportunities for unique designs. In addition, the surface of rubberwood veneer has been enhanced through the use of coatings and UV isobaric paste processes.

Today rubberwood can be made more durable with technology that is more environmentally friendly and safer. Heat treatment technology, resin impregnation technology, compaction technology and modification technology of rubberwood have improved product performance and expand possible applications.

In order to develop the rubberwood industry, China established the Rubber Wood and Products Innovation Alliance in 2023. The alliance currently has more than 100 enterprise members and released the "Rubberwood Industry Chain Development Report 2024". Experts predict that consumption and demand of China's rubberwood will continue to grow.

See:

[https://www.wood365.cn/Industry/IndustryInfo\\_281546.html](https://www.wood365.cn/Industry/IndustryInfo_281546.html)  
and

<https://www.chinairm.com/scfx/20241028/171012928.shtml>

### Canada Wood strengthens cooperation with China

Given the growing potential for Canadian Wood products to play a significant role in China's construction market, Canada Wood has a strategic focus promoting mass timber and hybrid construction in China with the signing of three pivotal memoranda of understanding (MoUs) with key stakeholders recently.

These agreements are with Treezo Group, East China Architectural Design & Research Institute (ECADI) and the National Center for Technology Innovation-Green Building (NCTI-GB).

The National Center for Technology Innovation-Green Building (NCTI-GB), endorsed by the Ministry of Housing and Urban-Rural Development (MOHURD) and the Ministry of Science and Technology (MOST) is a national platform focused on decarbonising construction and promoting green building technologies.

A MOU between Canada Wood and the NCTI-GB underscores a commitment to joint efforts in resource sharing, technical exchange, and the development of standards and demonstration projects. This collaboration is poised to drive advancements in mass timber construction, with a shared goal of establishing wood as a key component in China's green building agenda.

According to MoU the two entities will carry out cooperation in the exploration of hidden carbon in buildings, the promotion of modern wood structure technology, the promotion of demonstration projects and information support, jointly promote the development of bamboo and wood construction industry and make positive contributions to global green and low-carbon development.

See: <https://canadawood.org/canada-wood-strengthens-strategic-partnerships-with-three-key-mous-in-china/>  
and  
<https://www.treezogroup.com/News/Detail/1189991185763198/2427272030348936>  
and  
[https://www.wood365.cn/Industry/IndustryInfo\\_281532.html](https://www.wood365.cn/Industry/IndustryInfo_281532.html)  
and  
[https://www.wood365.cn/Industry/IndustryInfo\\_281526.html](https://www.wood365.cn/Industry/IndustryInfo_281526.html)

### Booming wood products trade between China and Canada

#### Imports

China's imports of wood products from Canada have mostly increased between January and October 2024. China's log imports from Canada rose 26% to 1.02 million, sawnwood imports from Canada grew 1% to 1.11 million cubic metres between January and October 2024.

China's plywood imports from Canada surged 556% to 577 cubic metres over the same period of 2023. China's particle board imports from Canada soared 53% to 102 tonnes over the same period of 2023.

In contrast, China's fibreboard imports from Canada dropped 98% sharply just to 0.8 tonnes between January and October 2024 and China's furniture imports from Canada plummeted 66% to US\$102,000 between January to October 2024.

#### Exports

China's exports of wood products to Canada expanded between January and October 2024. China's plywood exports to Canada rose 26% to 312,000 cubic metres over the same period of 2023.

China's particleboard exports from Canada grew 9% to 2,900 tonnes over the same period of 2023 and China's fibreboard exports to Canada increased 26% to 97,800 tonnes between January to October 2024.

China's furniture exports to Canada rose 10% to US\$690 million between January and October 2024. In contrast, China's sawnwood exports to Canada fell 33% to 1,041 cubic metres over the same period of 2023.

#### Surge in plywood imports from Russia

According to China Customs, plywood imports from Russia, the largest supplier, surged nearly 260% between January and October 2024. The value of plywood imports from Russia also rose 32% to US\$148 million over the same period of 2023.

94% of China's plywood were imported from Russia between January to October 2024 and China's plywood imports from Russia have risen sharply leading to an overall rise in total plywood imports.

China's plywood imports totalled 735,000 cubic metres, surging over 700% between January and October 2024. Plywood imports from Vietnam and Sweden surged nearly 4,700% and 350% respectively between January and October 2024. China's plywood imports from Indonesia also rose 30% largely.

#### Top Plywood suppliers, January to October 2024

Supplier	000s cu.m	YoY % change
Total	735	208%
Russia	691	259%
Indonesia	16	30%
Malaysia	6	-7%
Japan	4.3	-31%
Vietnam	3.1	4700%
Romania	2.6	4%
Philippines	1.6	
Italy	1.6	-24%
Sweden	1.6	349%

Data source: China Customs

### Rise in plywood exports

According to China Customs, plywood exports totalled 10.776 million cubic metres, up 23% between January and October 2024. The biggest increase was in plywood exports to Taiwan P.o.C, up nearly 170% over the same period of 2023.

China's plywood exports to the Philippines, the top market destination, rose 3% to 815,000 cubic metres. In contrast, China's plywood exports to Japan and Nigeria decreased 3% and 11% respectively between January and October 2024.

### Diversified plywood exports, January to October 2024

Destination	000s cu.m	YoY % change
Total	10,776	23%
Philippines	815	3%
Taiwan P.o.C	680	166%
UAE	615	36%
UK	613	14%
Saudi Arabia	491	42%
Vietnam	445	73%
Japan	427	-3%
Australia	398	21%
Mexico	377	12%
Nigeria	350	-11%

Data source: China Customs

### Plywood exports pivot to Asian countries

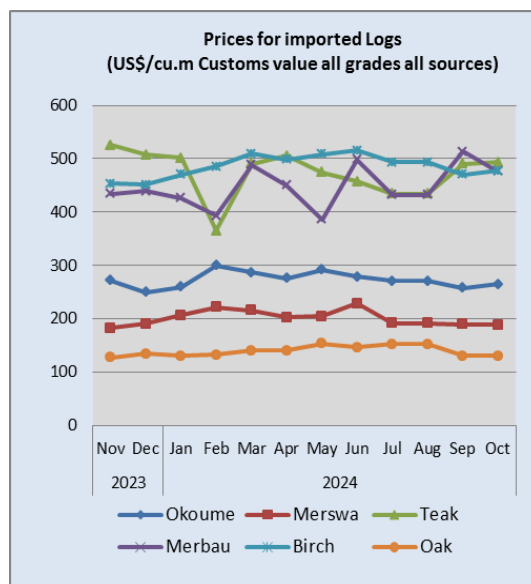
The US was the main international market for China's plywood in the past. Since the US imposed tariffs on Chinese plywood export-oriented plywood enterprises have diversified marketing.

According to China Customs, between January and October 2024 50% of China's plywood was exported to Asia a year on year increase of 19% to 4.99 million cubic metres. Asia was the second largest plywood export market.

### Average CIF prices, logs US\$/cu.m

	2024 Sep	2024 Oct
Okoume	258	265
Merswa	189	188
Teak	490	493
Merbau	513	476
Birch	470	477
Oak	130	130

Data source: Customs, China

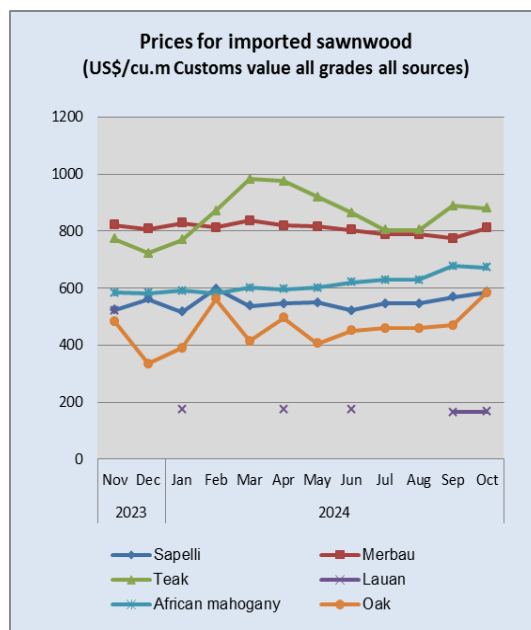


Data source: Customs, China

### Average CIF prices, sawnwood, US\$/cu.m

	2024 Sep	2024 Oct
Sapelli	569	586
Merbau	755	811
Teak	888	880
Lauan	164	167
African mahogany	678	673
Oak	469	584

Data source: Customs, China



Data source: Customs, China

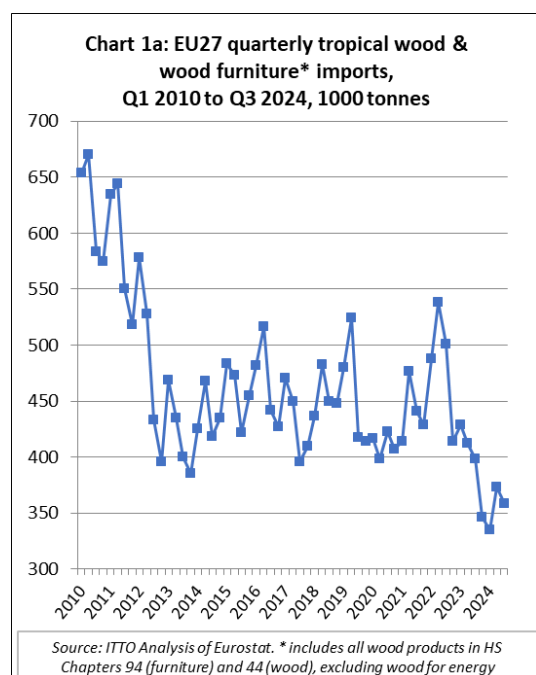


### EU tropical wood import quantity heading for an historic low

Total EU27 imports of tropical wood and wood furniture of 358,100 tonnes in the third quarter of this year were down 4% compared to the previous quarter and 10% less than in the same quarter last year.

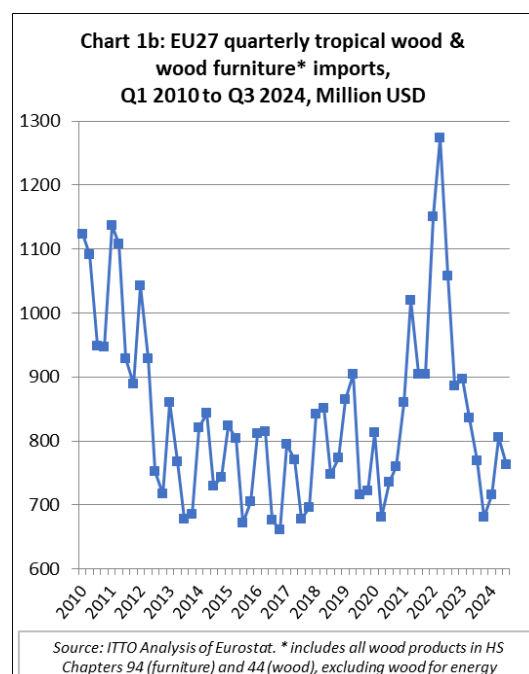
The latest figures mean that imports in the last four quarters, averaging around 350,000 tonnes, have been well below the long-term average of closer to 450,000 tonnes (Chart 1a). In the first nine months of 2024, the EU27 imported 1,066,400 tonnes of tropical wood and wood furniture, 14% less than the same period in 2023. In quantity terms,

EU imports of tropical wood and wood furniture products this year look set to be at the lowest annual level ever recorded since the EU was first formed (as the EEC) in 1957.



The trade figures look healthier when considered in value terms. EU27 import value of tropical wood and wood furniture in the third quarter this year was US\$763 million, 5% less than the previous quarter and just 0.7% down on the same quarter last year.

In value terms, EU27 tropical wood product imports are at the same low, but broadly stable, level prevailing between 2013 and 2019 (Chart 1b). In the first nine months of 2024, the EU27 imported tropical wood and wood furniture with total value of US\$2284 million, 9% less than the same period in 2023.



### OECD forecasts slow growth in Europe

The latest edition of the OECD Economic Outlook published on 4 December forecasts growth of 0.8% in the eurozone in 2024, up from 0.5% last year and then rising to 1.3% in 2026 and 1.6% in 2028. Although the forecast recovery is some cause for optimism, both the current rate of growth and the speed of recovery is slower than in all other major economies except the UK and Japan. The forecast was also prepared before recent political events in France further dampened growth prospects in the eurozone's second largest economy.

OECD note that while consumer confidence has been rising again in the EU and the housing market is beginning to show signs of recovery in a few countries such as Spain and France, industrial production and real business investment are still largely stagnant across the region.

Amongst EU economies, Spain and the Netherlands are highlighted as having experienced relatively robust growth. In Germany, OECD note that while quarterly output rose slightly in the three months to September 2024, weak sentiment continues to weigh on investment activity. Germany's economy is projected to stagnate in 2024 and grow by 0.7% in 2025 and 1.2% in 2026.

On prospects for the eurozone economy, OECD suggest that lower interest rates and ongoing spending of the Recovery and Resilient Facility funds will support investment, while private consumption growth will benefit from tight labour markets and further disinflation.

However, moves towards a more restrictive fiscal stance - necessary to reduce historically high budget deficits - will dampen growth in some member states. OECD project that core inflation in the eurozone will fall from 2.9% in 2024 to 2.4% in 2025 and 2.0% in 2026. This will provide space for the European Central Bank to reduce interest rates to boost growth.

The OECD forecast of eurozone growth takes account of political uncertainty in Germany after the failure to conclude negotiations on the 2025 budget and the fall of the coalition government in November. However, the forecast came before the collapse of the French government on 4 December after Prime Minister Michel Barnier was ousted in a no-confidence vote.

As things stand therefore, neither France nor Germany, the EU's two largest economies which together account for over 40% of the bloc's GDP, has a sitting government. Germany is expected to hold a Federal election on 23 February 2025, but in France there can be no new assembly elections until at least twelve months after the snap election held in July this year.

This political vacuum at the heart of the EU may hamper efforts to address Europe's burgeoning deficits and falling competitiveness. The recent collapse of governments in both countries was driven by deep political divisions over fiscal policy. With the political landscape increasingly polarised, whoever forms the new government in each country will likely face difficulties pushing necessary tax and spending proposals through.

Even before the ink was dry on the OECD's forecast of 0.9% GDP growth in France next year, and 1% in 2026, forecasters were revising down their numbers in response to the political crisis. According to an article in the Times of London, "the French economy is unlikely to collapse but will have to pull out the stops to grow by 0.5% next year".

#### **Steep decrease in new construction orders in the eurozone**

The weakness of the EU construction sector remains a significant concern for the EU's timber industry. Forward-looking indices show that EU construction activity continues to decline. The HCOB Eurozone Construction PMI Total Activity Index — a seasonally adjusted index tracking monthly changes in total industry activity — posted 42.7 in November, down slightly from 43.0 in October. The latest data was indicative of a steep decrease in total output in the penultimate month of 2024.

According to HCOB, the rate of decrease in eurozone construction activity quickened in November amid a contraction in new orders, which fell at the strongest rate since September 2023. The decline in activity was driven by broad-based contractions across the three monitored economies, led by the strongest fall in Germany since April. French firms recorded a strong decrease that was nonetheless the softest for a year, while firms in Italy saw the least pronounced decline since May.

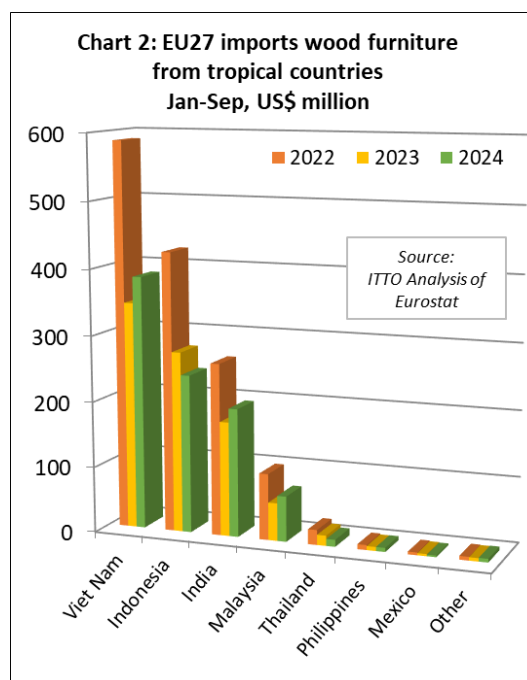
The housing sector continued to weigh heavily on total output and was the worst-performing sector, though the robust decline was nonetheless the softest for 14 months. Civil engineering activity saw the softest fall since August. However, commercial building firms recorded the strongest contraction for three months.

#### **Continuing slow recovery in EU27 tropical wood furniture imports in Q3**

After a very slow start to the year, EU wood furniture imports from tropical countries continued to make up lost ground in the third quarter. In the first nine months of the year, the EU27 imported 217,300 tonnes of wood furniture from tropical countries with a total value of US\$914 million.

Import quantity and import value were up 7% and 4% respectively compared to the same period in 2023. In the first nine months of this year compared to the same period in 2023, EU27 import value of wood furniture increased from Vietnam (+12% to US\$385.1 million), India (+12% to US\$195.0 million), Malaysia (+20% to US\$68.9 million), and the Philippines (+2% to US\$6.2 million).

However, import value fell from Indonesia (-12% to US\$240.5 million), Thailand (-32% to US\$10.6 million), and Mexico (-20% to US\$2.6 million). EU27 wood furniture imports from all other tropical countries were negligible during the period (Chart 2).

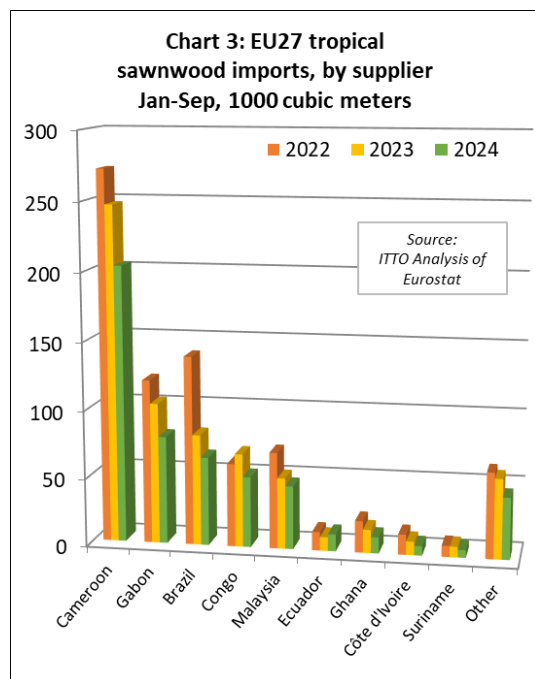


#### **EU27 imports of tropical sawnwood down 20% in the first nine months of 2024**

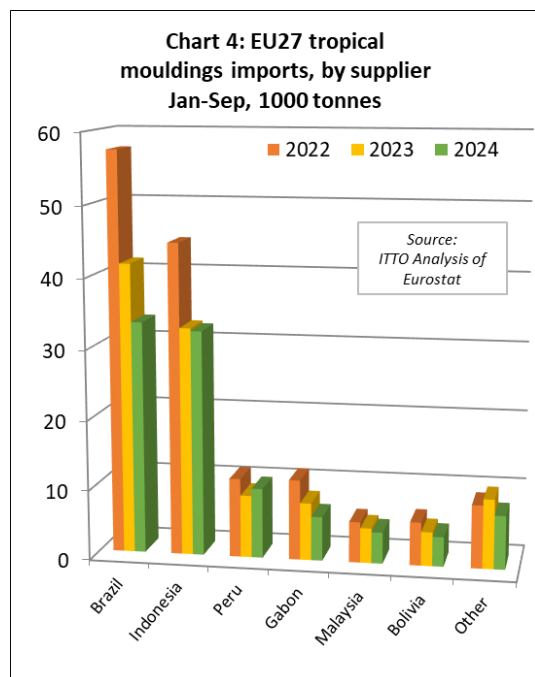
The EU27 imported 527,600 cu.m of tropical sawnwood in the first nine months of this year, 20% less than the same period in 2023. Import value of this commodity was US\$487.1 million in the January to September period this year, also 20% less than the same period in 2023.

Imports declined from nearly all leading supply countries during the period including Cameroon (-18% to 203,100 cu.m), Gabon (-23% to 79,000 cu.m), Brazil (-20% to 64,900 cu.m), Republic of Congo (-24% to 51,900 cu.m), Malaysia (-11% to 46,500 cu.m), Ghana (-30% to 11,900 cu.m), Côte d'Ivoire (-30% to 7,000 cu.m), Suriname (-8% to 5,600 cu.m), the Democratic Republic of Congo (-54% to 4,800 cu.m), and the Central African Republic (-57% to 4,400 cu.m).

Sawnwood imports from Ecuador bucked the overall downward trend in the first nine months of this year, at 12,500 cu.m, up 25% compared to the same period in 2023. Imports from Vietnam also increased, by 46% to 4,800 cu.m (Chart 3).



The EU27 imported 98,200 tonnes of tropical mouldings/decking in the first nine months of this year, 12% less than in the same period in 2023. Import value of this commodity was down 19% to US\$172.4 million in the same period.

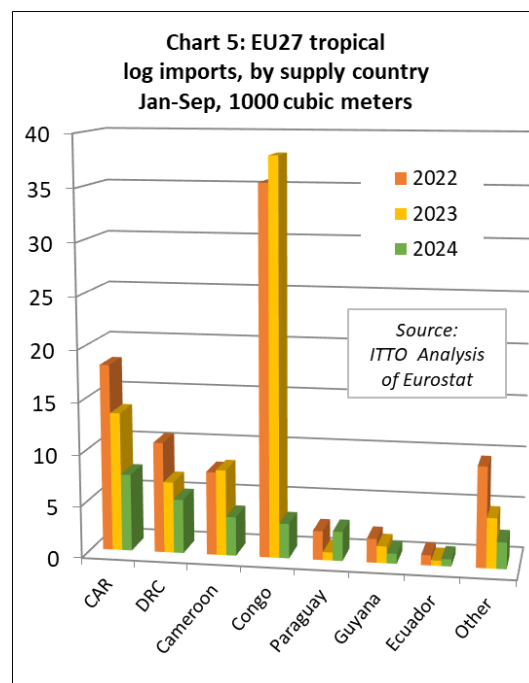


During the first nine months, imports increased year-on-year from Peru (+12% to 10,000 tonnes) but fell from all other leading supply countries including Brazil (-20% to 33,300 tonnes), Indonesia (-1% to 32,200 tonnes), Gabon (-23% to 6,300 tonnes), Malaysia (-10% to 4,500 tonnes), and Bolivia (-13% to 4,200 tonnes) (Chart 4 left).

The EU27 imported 26,900 cu.m of tropical logs with a total value of US\$16.6 million in the first nine months of this year, respectively 64% and 65% less than in the same period last year. The decline was driven mainly by an 91% decline in imports from the Republic of Congo to 3,400 cu.m.

This follows the ban on exports of most logs from the country since 1<sup>st</sup> January 2023. EU27 imports of logs in the first nine months of this year were also down compared to the same period last year from the Central African Republic (-44% to 7,500 cu.m), the Democratic Republic of Congo (-24% to 5,200 cu.m), Cameroon (-54% to 3,800 cu.m), and Guyana (-41% to 1,000 cu.m).

However, EU27 log imports increased from Paraguay (+263% to 2,800 cu.m), and Ecuador (+37% to 700 cu.m) during the nine-month period (Chart 5).



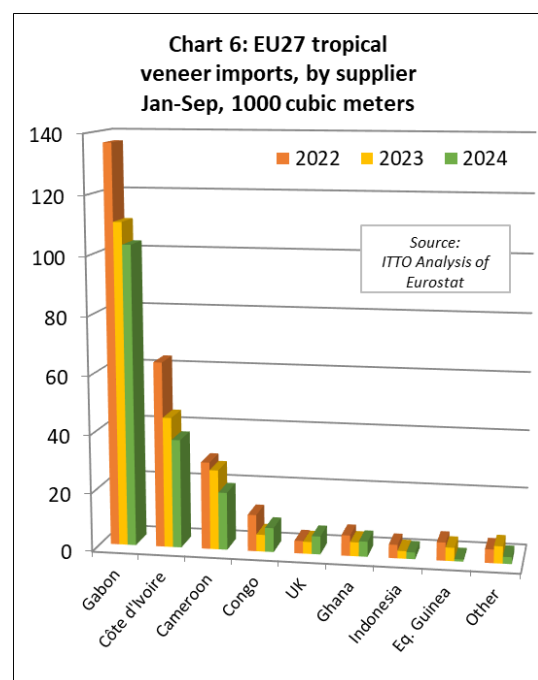
#### EU27 imports of tropical hardwood veneer, plywood and joinery sliding this year

The EU27 imported 185,200 cu.m of tropical veneer with a total value of US\$125.6 million in the first nine months of this year, down 12% and 13% respectively compared to the same period last year.

Imports of tropical veneer from Gabon, by far the largest supplier to the EU27, were 103,000 cu.m in the first nine months of this year, 7% less than the same period in 2023.

EU27 imports of this commodity also decreased during the period from Côte d'Ivoire (-17% to 37,300 cu.m), Cameroon (-28% to 19,800 cu.m), Indonesia (-11% to 2,300 cu.m), and Equatorial Guinea (-84% to 800 cu.m).

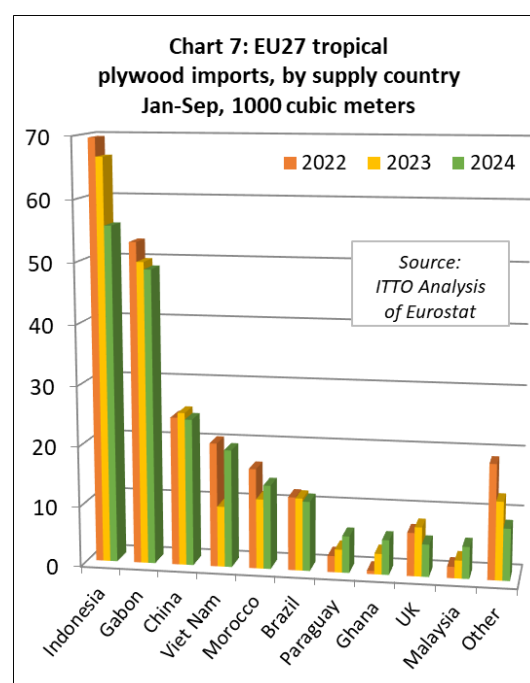
Veneer imports into the EU27 increased during the nine-month period from the Republic of Congo (+43% to 8,300 cu.m), the UK (+49% to 6,200 cu.m), and Ghana (+8% to 5,200 cu.m). (Chart 6).



The EU27 imported 204,700 cu.m of tropical plywood with a total value of US\$149.0 million in the first nine-months of this year, respectively 1% and 2% less than the same period last year.

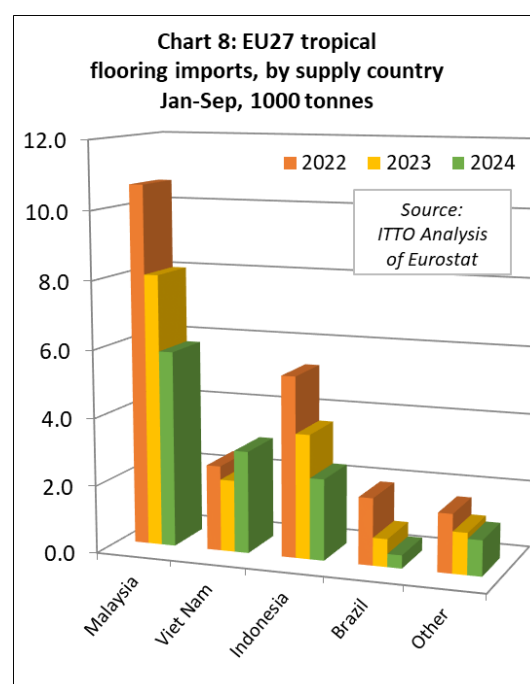
Imports fell from the three leading supply countries during the period including Indonesia (-16% to 55,600 cu.m), Gabon (-2% to 48,700 cu.m), and China (-4% to 24,300 cu.m). Imports from Brazil were also down, by 4% to 11,500 cu.m, while indirect imports via the UK fell 34% to 5,400 cu.m.

However, these losses during the nine-month period were partly offset by rising imports from Vietnam (+94% to 19,500 cu.m), Morocco (+20% to 13,900 cu.m), Paraguay (+59% to 6,100 cu.m), and Malaysia (+78% to 5,300 cu.m) (Chart 7).



The EU27 imported 12,700 tonnes of tropical wood flooring with a total value of US\$33.1 million in the first nine months of this year, down 20% and 28% respectively compared to the same period in 2023.

Imports of 5,800 tonnes from Malaysia in the nine-month period this year were 28% less than the same period in 2023. Flooring imports also fell from Indonesia (-35% to 2,400 tonnes) and Brazil (-53% to 400 tonnes). However, imports increased from Vietnam (+42% to 3,000 tonnes) (Chart 8).



The value of EU27 imports of other joinery products from tropical countries, which mainly comprise laminated window scantlings, kitchen tops and wood doors, was US\$152.9 million in the first nine months of this year.

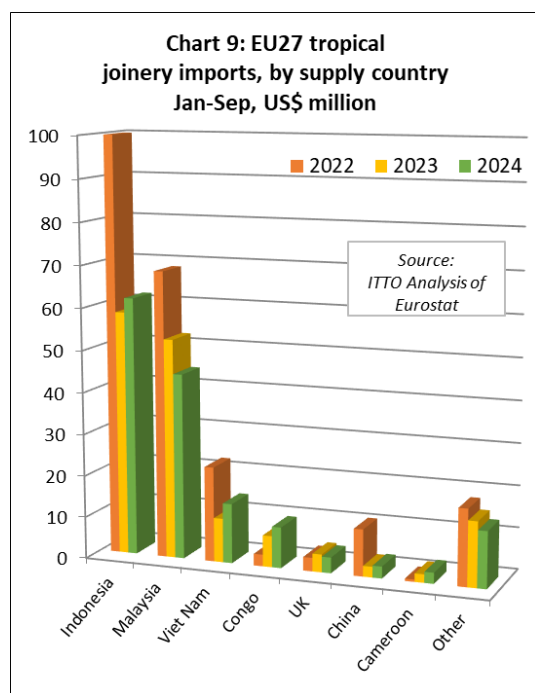


Tere was little change compared to the same period in 2023. Import quantity was up 7% to 66,000 tonnes during the same period.

Between January and September this year, EU27 import value of other tropical joinery products was down 15% to US\$44.4 million from Malaysia.

Indirect imports from the UK also fell, by 12% to US\$3.8 million. However, import value increased 6% to US\$61.8 million from Indonesia and was up 35% to US\$14.3 million from Vietnam.

In a potentially significant longer-term development, given efforts in central Africa to shift up the value chain as log exports are banned, EU import value of laminated joinery products in the first nine months of 2024 was up 31% to US\$9.8 million from the Republic of Congo and up 30% to US\$2.6 million from Cameroon (Chart 9).



## North America

### Slight recovery sawn tropical hardwood imports

After two months of sharp declines US imports of sawn tropical hardwood recovered slightly in October, rising 12% from the previous month. At 12,198 cubic metres, the volume of tropical sawn hardwood imported in October was 21% less than was imported in October 2022. A 38% increase in imports from Indonesia and a 60% increase in imports from Malaysia accounted for much of the gain.

Imports from Malaysia have been particularly weak this year and are behind 2023 year-to-date by 43%. Imports from Brazil are also trending badly, down 45% in October versus the previous month and falling for the fourth straight month. Total US imports of sawn tropical hardwood are down 11% versus last year through October.

Canadian imports of sawn tropical hardwood held steady in October rising less than 1% from the previous month. At US\$1.9 million, imports were 14% higher than those of October 2023. Imports from most top trading partners showed healthy gains while imports from Congo (both Zaire and Brazzaville), Indonesia, and Bolivia all resumed after reports of no imports last month.

Most of that gain was offset by a 39% drop in imports from top trade partner Cameroon. Total imports by Canadian of sawn tropical hardwood are up 39% for the year so far.

	2024 Jan-Oct cu.m	YoY % change
Total	150,083	-11%
Ecuador	4,190	-31%
Brazil	39,546	-2%
Cameroon	17,698	-1%
Malaysia	13,328	-43%
Rep. Congo	13,938	3%
Peru	992	9%
Indonesia	23,630	-8%
Ghana	5,406	-3%
Cote d'Ivoire	1,814	2%
Other	29,541	-11%

Data source: US Department of Agriculture, Foreign Trade Statistics

### US hardwood plywood imports gain but lag last years'

Imports of hardwood plywood rose 5% in October as the volume remained steady throughout summer and early autumn. Unfortunately, this October there was not the spike in imports as seen last year. The 211,224 cubic metres of plywood imported in October was 34% less than that of October 2023 and the difference wiped out most of the improvement 2024 was holding over the previous year to date.

Imports from Indonesia rose 34% in October and fueled most of the gain. Imports from Indonesia are up 22% over last year through October. The total volume of hardwood plywood imports for 2024 is now just 2% ahead of last year to date after leading by well over 10% only a couple of months ago.

	2024 Jan-Oct cu.m	Yoy % change
Total	2,242,166	2%
China	30,779	-23%
Russia	150,309	-9%
Indonesia	549,081	22%
Malaysia	72,207	43%
Cambodia	114,631	16%
Vietnam	596,946	57%
Ecuador	108,224	-5%
Other	619,989	-31%

Data source: US Department of Agriculture, Foreign Trade Statistics

### Veneer imports show mild rebound

Imports of tropical hardwood veneer rose 14% over the previous month in October but that is a much smaller gain than normally seen as September is usually a very slow month for veneer imports. The weak gain from September to October this year was made evident by the fact that October imports were 46% below those of October 2023 after they outpaced the previous year in September.

Imports from Cote d'Ivoire soared 85% in October and are ahead of 2023 by 13% so far this year. Cote d'Ivoire is the only major trade partner that is ahead in veneer imports so far this year. Total US imports of tropical hardwood veneer are down 16% versus last year through October.

### Hardwood flooring imports hold steady

Imports of hardwood flooring in October were nearly identical to the previous month, falling by less than 1%. Imports from Brazil surged 96% in October. Imports from Brazil are up 84% for the year so far and the gain in October pushed Brazil into the lead as the top US trading partner for the year.

Imports from Indonesia fell 22% in October and are off by 35% for the year so far. Total imports of hardwood flooring for October were 20% less than October 2023 and are down 14% year to date versus last year.

US imports of assembled flooring panels also held fairly steady, falling 2% in October. At over US\$32.3 million, October imports were 37% higher than in October 2023. Imports from Thailand rose 34% in October and are up 168% over last year to date. Imports from China also rose more than 30% in October and are up 30% for the year so far. Total imports remain up 36% over last year.

### Moulding imports cool

After reaching a two-year high in September, US imports of hardwood moulding fell 8% in October. Despite the fall, imports were 32% higher than those of October 2023.

Imports from all the top trading partners cooled with imports from Brazil diving 69% and imports from China falling 41%. Total US imports of hardwood moulding are up 28% versus 2023 through October.

### US wooden furniture imports continue to climb

US imports of wooden furniture rose 3% in October continuing their climb back toward the all-time highs of two years ago. Imports rose above US\$1.9 billion in October for the first time since 2022 as the month's imports held 9% higher than the previous October.

Imports from Malaysia climbed 25% in October, breaking US\$100 million for the first time in two years. Imports from Malaysia are up 7% over last year through October. Total imports of wooden furniture are also up 7% versus 2023 so far this year. As for the overall US furniture market, new furniture orders fell 9% in September from last year, continuing a steady decline that began in May, according to Smith Leonard in its latest Furniture Insights report. After a strong start to the year orders are now even with 2023.

On the positive side, orders were 5% up over the previous month of August, which in turn saw a 12% boost from July. September orders were down for 63% of survey participants compared with last year. Shipments for the month were down 7% from last year and also down 7% from last month. Year-to-date shipments are down 8% from 2023.

	2024 Jan-Oct US\$ mil.	Yoy % change
Total	17,570,283,238	7%
China	2,681,180,677	0%
Vietnam	7,270,659,087	22%
Canada	1,337,201,363	-4%
Malaysia	895,228,094	7%
Mexico	1,346,514,911	-6%
Indonesia	700,941,449	0%
India	357,847,366	-3%
Other	3,338,557,657	-2%

Data source: US Department of Agriculture, Foreign Trade Statistics

According to press release from Research and Markets the US office furniture market size could reach US\$22.24 billion by 2030. The forecast also projects a compound annual growth rate (CAGR) of 5% over the next five years.

The press release says various factors, such as rising disposable incomes, the real estate industry's growth, the growth of businesses, and consumer demand for luxury & premium furnishings, are driving the market growth. Furthermore, the growing hybrid working culture and the expansion of ed-tech platforms are driving industry growth. Work-from-home (WFH) has become the norm and is expected to continue for the foreseeable future, driving the need for comfortable home office furniture.

See: [https://www.researchandmarkets.com/reports/4514485/u-s-office-furniture-market-size-share-and?utm\\_source=GNE&utm\\_medium=PressRelease&utm\\_code=f3cldg&utm\\_campaign=2016773+-+U.S.+Office+Furniture+Market+Size%2c+Share+%26+Trends+Analysis+Report+2025-2030%2c+with+Coverage+of+Leading+and+Emerging+Market+Players&utm\\_exec=carimspi](https://www.researchandmarkets.com/reports/4514485/u-s-office-furniture-market-size-share-and?utm_source=GNE&utm_medium=PressRelease&utm_code=f3cldg&utm_campaign=2016773+-+U.S.+Office+Furniture+Market+Size%2c+Share+%26+Trends+Analysis+Report+2025-2030%2c+with+Coverage+of+Leading+and+Emerging+Market+Players&utm_exec=carimspi)

### US employment surged in November

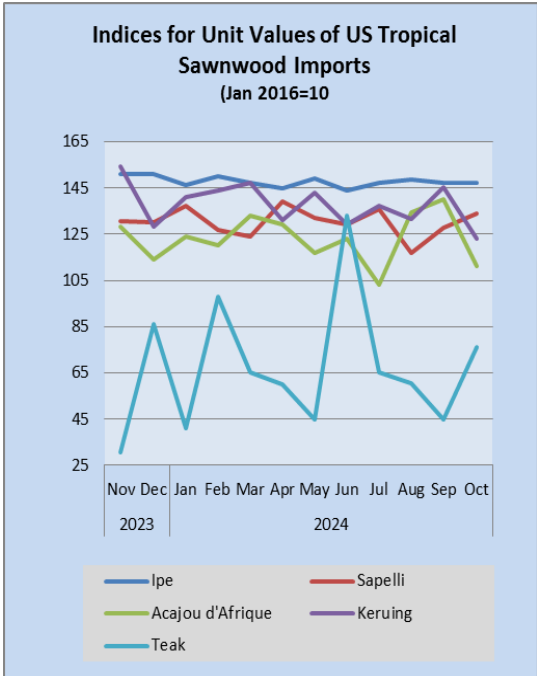
US hiring surged in November, bouncing back from a dismal performance the previous month and returning to strong growth. Employers added 227,000 workers in November exceeding economist expectations of 214,000 additional jobs. The unemployment rate ticked up to 4.2%, which remains historically low.

The manufacturing sector added 22,000 jobs, although that entire gain can be attributed to the return of transportation equipment manufacturers who were on strike in September. Employment in the construction sector showed little or no change over the month.

The fresh data offered a key clue about the health of the economy as the nation hurtles toward end-of-the-year holidays and the inauguration of a new president. The findings could also help determine whether the Federal Reserve cuts interest rates when officials meet later this month.

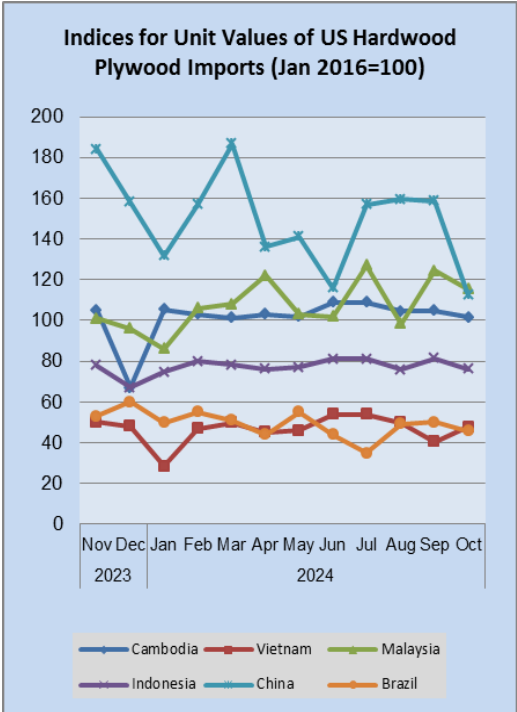
US hiring has defied doomsayers for years. Stubborn inflation, high interest rates and a contentious presidential campaigns have proven no match for a resilient labour market. Despite an overall slowdown this year, the labour market has continued to grow. Hiring has persisted at a solid pace; meanwhile, the unemployment rate has climbed but remains near a 50-year low.

See: <https://www.bls.gov/news.release/empsit.nr0.htm>



Data source: US Census Bureau, Foreign Trade Statistics

Note: the doubling of the unit value for teak may be a statistical error. Use with caution.



Data source: US Census Bureau, Foreign Trade Statistics

**Disclaimer:** Though efforts have been made to ensure prices are accurate, these are published as a guide only. ITTO does not take responsibility for the accuracy of this information.

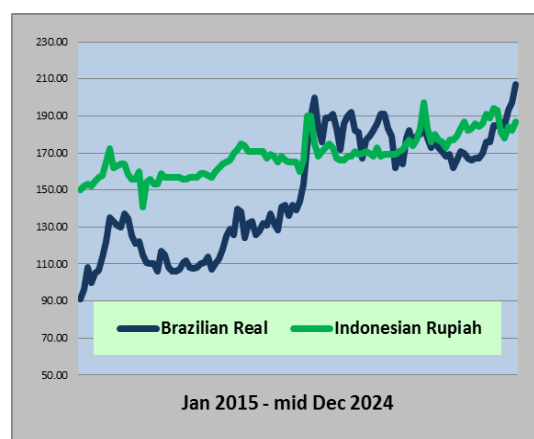
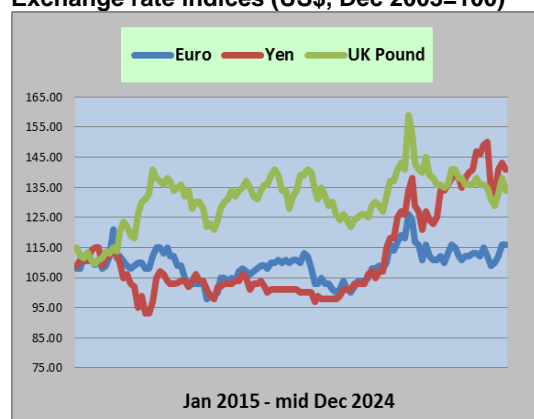
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

## US Dollar Exchange Rates

As of 10 December 2024

Brazil	Real	6.08
CFA countries	CFA Franc	623.12
China	Yuan	7.25
Euro area	Euro	0.95
India	Rupee	84.89
Indonesia	Rupiah	15,902
Japan	Yen	151.97
Malaysia	Ringgit	4.43
Peru	Sol	3.73
UK	Pound	0.78
South Korea	Won	1,436.38

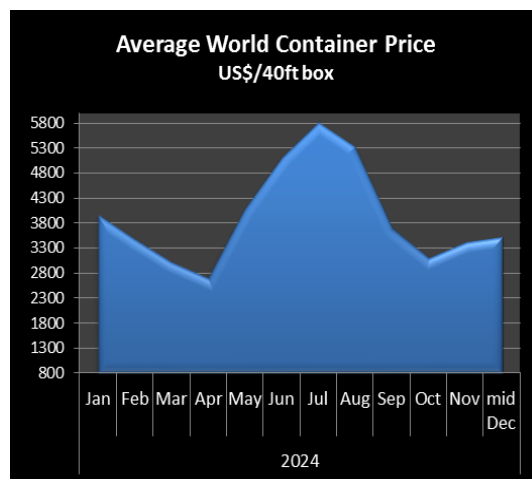
Exchange rate indices (US\$, Dec 2003=100)



## Abbreviations and Equivalences

Arrows ↓↑	Price has moved up or down
BB/CC etc	quality of face and back veneer
BF, MBF	Board foot, 1000 board foot
Boule	bundled boards from a single log
TEU	20 foot container equivalent
CIF	Cost insurance and freight
C&F CNF	Cost and freight
cu.m cbm	cubic metre
FAS	First and second grade of sawnwood
FOB	Free-on board
Genban	Sawnwood for structural use in house building
GMS	General Market Specification
GSP	Guiding Selling Price
Hoppus ton	1.8 cubic metre
KD, AD	Kiln dried, air dried
Koku	0.28 cubic metre or 120 BF
LM	Loyale Merchant, a grade of log parcel
MR., WBP	Moisture resistant, Weather and boil proof
MT	Metric tonne
OSB	Oriented Strand Board
PHND	Pin hole no defect
QS	Qualite Superieure
SQ,SSQ	Sawmill Quality, Select Sawmill Quality

## Ocean Container Freight Index



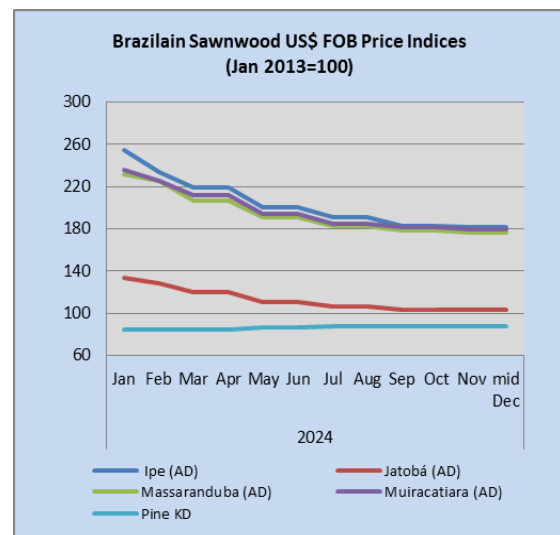
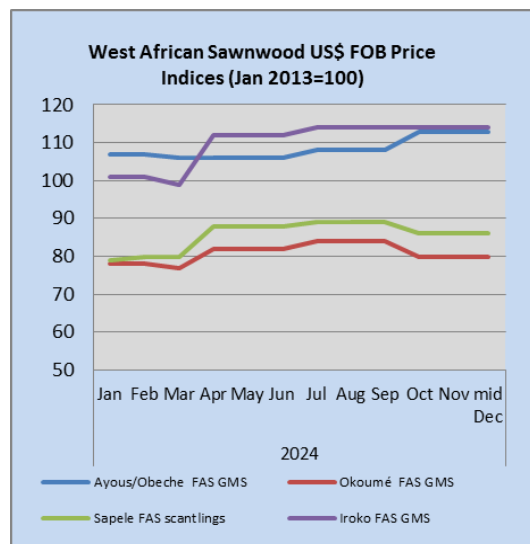
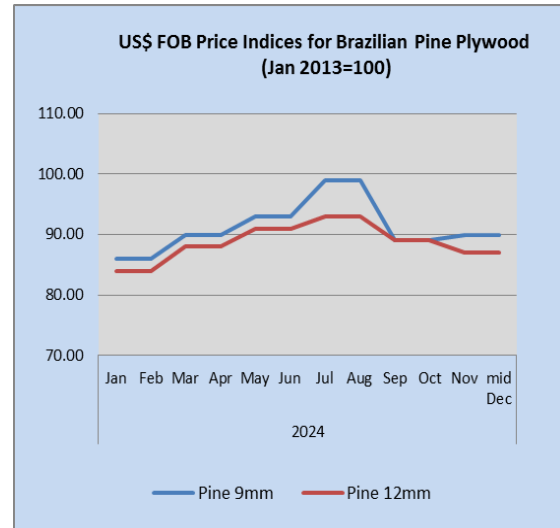
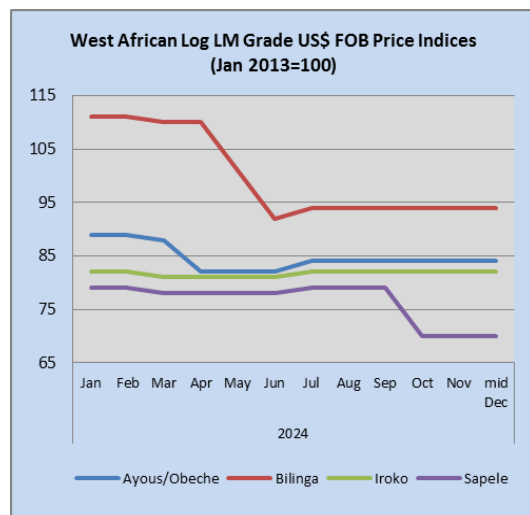
Data source: Drewry World Container Index

See: <https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry>



## Price indices for selected products

The following indices are based on US dollar FOB prices



Note: Indices for W. African logs and sawnwood are recalculated from Euro to US dollar terms.

To have a free copy of this twice-monthly ITTO Market Information Service bulletin emailed to you on the day of production, please register at:

[http://www.itto.int/en/mis\\_registration](http://www.itto.int/en/mis_registration)

## ITTO Trade and Markets Day

### Annual Market Discussion

**Theme : “Production and trade: rising costs and weakening demand”**

See:

[https://www.itto.int/events/2024/12/03/2024\\_annual\\_market\\_discussion\\_production\\_and\\_trade\\_rising\\_costs\\_and\\_weakening\\_demand/](https://www.itto.int/events/2024/12/03/2024_annual_market_discussion_production_and_trade_rising_costs_and_weakening_demand/)

Recording at: <https://www.youtube.com/watch?v=cJdyXHIdnUg>

#### Speakers

Ivan Tomaselli, from STCP in Brazil, posed the question, “Has ITTO failed in fulfilling its objective to promote the sustainable management and legal harvesting of tropical forests and the expansion and diversification of international trade in tropical wood products?” He concluded that, in one sense, ITTO is not failing because great progress had been made in the sustainable management of tropical forests, and sustainability now guides the actions of the tropical timber sector. In another sense, however, it is failing because tropical timber is losing market share. Dr Tomaselli proposed focusing more on plantations and improving communication on the progress being made towards sustainability.

Jean Marie Ntoutoume, from l’Union des Forestiers et Industriels du Bois in Gabon, outlined the history of forest production in Gabon, which is a major earner of foreign exchange and accounts for about 17 000 direct and indirect jobs in the country’s private sector. Following a log-export ban in 2021, all logs are processed locally, but the country needs to increase its competitiveness by reducing production costs and order response times.

Alfonso Hernández Ángel, from the National Association of Importers and Exporters of Forest Products in Mexico, said almost 12 million people in his country live in or are dependent on forest ecosystems. Deforestation is a serious problem, caused mainly by conversion for livestock grazing, annual crop production, and infrastructure and real estate development. He called for more forest education and investment in the forest sector, and avoidance of over-regulation.

Ngo Sy Hoai, from the Viet Nam Timber and Forest Product Association, provided data illustrating the success of the forest sector and wood-processing industries and outlined the policy settings that have enabled this. He said acacia is crucial for the sector, providing 80% of raw materials; smallholders supply 70–80% of the acacia logs used by the sector. Mr Ngo referred to several challenges and called on ITTO to, among other things, advocate for fair trade and the development of a sustainable wood industry.

Braden Jenkin, from Sylva Systems Australia, talked about the use of timber obtained from plantation-grown trees and the differences in wood properties between these and the same species grown in natural forests. The differences require a “mind re-set” so that product and market development is based on the characteristics of the new raw material. Plantations offer an opportunity to produce new products, both in their own right and in combination with natural-forest-sourced wood.

Luo XinJian from the Global Green Supply Chains Initiative, an international platform for advancing timber industry sustainability. She provided an overview of this initiative and also spoke about the Global Legal & Sustainable Timber Forum held in China, Macau SAR, in 2024 and some of the achievements reported there, including implementation of the Global Timber Index Platform and collaboration on Central Africa–China timber industrial clusters and parks.

See: [https://www.itto.int/direct/topics/topics\\_pdf\\_download/topics\\_id=8111&no=7&disp=inline](https://www.itto.int/direct/topics/topics_pdf_download/topics_id=8111&no=7&disp=inline)

and

[https://www.itto.int/news/2024/12/03/tropical\\_timber\\_trade\\_group\\_wants\\_itto\\_to\\_do\\_more\\_to\\_champion\\_tropical\\_timber/](https://www.itto.int/news/2024/12/03/tropical_timber_trade_group_wants_itto_to_do_more_to_champion_tropical_timber/)

and

[https://www.itto.int/direct/topics/topics\\_pdf\\_download/topics\\_id=8111&no=7&disp=inline](https://www.itto.int/direct/topics/topics_pdf_download/topics_id=8111&no=7&disp=inline)

### **Statement from the ITTO Trade Advisory Group (TAG)\***

The TAG welcomes the proposal from the European Commission to delay the EUDR application date by 12 months to 30 December 2025 which will allow more preparation time for the timber industry to comply. However, the industry is concerned over the uncertainty of the delay as well as new 11th hour amendments, which are problematic for multiple reasons.

While we acknowledge that ITTO is not able to impact either the delay or the regulation, we would be remiss if we did not highlight this issue, given the seismic impacts the EUDR has and will have on the global forestry policy and trade. We urge the Commission to work with both Consumers and Producers to ensure a smooth implementation of the EUDR.

The tropical timber markets are very unsteady at present and there are a lot of unknowns ahead. The World Bank's latest Global Economic Prospects report highlighted the struggles and slow recovery of global trade in 2023 marking one of the weakest performances in 50 years outside of global recessions.

Today, wood product manufacturers everywhere are reeling from skyrocketing shipping costs and irregular shipping schedules due to, firstly, the drought in Panama severely curtailing ship passages through the Canal; and secondly, the ongoing conflicts in the Red Sea region.

The complaints about the logistics in exporting timber products are loudest from Vietnam, China, Indonesia, Brazil, and Malaysia. Exporters in many producer countries are not happy that shipping companies are using the continuing fallout from the Covid pandemic and geo-political conflicts as reasons to increase marine freight and other logistics costs.

Prior to these recent increases, freight charges from Southeast Asia to the US or EU were around US\$ 2,000 per 40 foot container. In the post-Covid pandemic, freight charges soared between US\$ 18,000 - 20,000, and now, because of the war in Ukraine and the Red Sea chaos, freight charges are varying between US\$ 8,000 - 10,000 to the US and EU markets. Ultimately, these costs will not only depress trade but be passed along to the consumer, at a time when price consciousness is an increasing barrier to the use of wood.

So, in the midst of all these global uncertainties, what can ITTO do to help the timber industry? The Global Legal and Sustainable Timber Forum (GLSTF) was created in 2023 by ITTO and Macao's Commerce and Investment Promotion Institute, and the inaugural Forum was convened in 2023.

In September 2024, the GLSTF launched the Action Framework for Promoting Legal and Sustainable Timber Supply Chains to strengthen international collaboration among stakeholders in timber supply chains, promote the sustainable development of the timber industry, contribute to the Sustainable Development Goals, and combat climate change. In her opening address at GLSTF 2024, ITTO Executive Director Sheam Satkuru asserted that the GLSTF is a collaborative platform of timber industry stakeholders designed to strengthen networking and business exchanges among timber industry stakeholders to facilitate sustainable forest management and the legal and sustainable use and trade of timber and wood products.

During that GLSTF meeting in Macau and subsequent discussions among TAG members globally it was established that the buyers of tropical timber in our traditional markets are not receiving information about the progress tropical timber producers have made and are continuing to make towards SFM.

There is a need for a mechanism to communicate, educate, promote, market, and publicise the tremendous progress tropical timber producers have made and are continuing to make since the Rio Earth Summit in 1992 on traceability, legality, and sustainability. It seems a natural fit now for ITTO and GLSTF to work together on addressing the negative perceptions in the market.

Firstly, a Working Group of stakeholders could be formed to define what and how to communicate to the buyers of our products. The information of what the producers have been doing towards SFM could be collated to be used in a campaign to address consumer negative perceptions. TAG proposes that resources and finances could be set aside to employ a dedicated person to handle this important task. There is a need for a person, working without distractions, to undertake the task with help from all ITTO Members. This 100% focus on rebuilding demand for tropical timber trade is what TAG seeks from ITTC today. Together, we can create a narrative that demonstrates what we all know – that wood is sustainable, that trade benefits forests, and that together, we can protect tropical forests for the future.

\***ITTO TAG** see: [https://www.ito.int/council\\_advisory\\_bodies\\_groups/detail/id=6735](https://www.ito.int/council_advisory_bodies_groups/detail/id=6735)