

# Tropical Timber Market Report

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## Contents

Central/West Africa	2
Ghana	3
Malaysia	4
Indonesia	5
Myanmar	7
India	8
Vietnam	9
Brazil	11
Peru	13
Japan	14
China	19
UK	21
North America	24
Currencies and Abbreviations	27
Ocean Freight	27
Price Indices	28

## Headlines

	Page
<b>Ghana Minister - FLEGT consignments to EU in June 2025</b>	<b>2</b>
<b>Indonesia preparing task force to bolster forest protection</b>	<b>6</b>
<b>India - Pine logs accepted for plywood core veneer production</b>	<b>8</b>
<b>Bank and Forest Service partnership for Amazon restoration</b>	<b>11</b>
<b>Japanese households cut spending again as prices rise</b>	<b>15</b>
<b>Policies in China to encourage consumption and house renovation</b>	<b>20</b>
<b>Hardwood plywood imports – volumes down costs up</b>	<b>24</b>

## Top story

### **EUDR postponement confirmed – new ‘no-risk’ country category introduced**

The European Parliament has confirmed implementation of the EU Deforestation Regulation (EUDR) will be delayed by a year to December 2025

An amendment introducing a “no-risk” country category into the law was approved and criteria for risk assessment for this new category have been included.

This change sparked criticism from environmental groups who say it could undermine the regulation’s effectiveness.

Page 24

## Central and West Africa

### Trade sentiment

Over the past few months there has been little movement on FOB prices across West and Central Africa. Okoume has become more affordable while Iroko prices remain stable in European and Middle East markets. Tali continues to perform well, particularly exports to Vietnam.

The main challenge at the moment is the lack of recovery in demand in China. It has been suggested the volume of existing landed stocks in China may be sufficient for 8-12 months.

The veneer sector in the region has specific problem as exporters are facing weak demand as the major importers, India and China, have shifted to utilising domestic log sources (see page 8).

Shippers to Spain have observed a rise in Sapelli imports. Importers in Portugal still source Sapelli and Tali. In Asian markets imports of Okoume to the Philippines remain stable.

### Gabon

Trade sources report Gabon is considering an increase in the forest land tax from 1,000 CFA per hectare to between 1,300 and 1,500 CFA per hectare. It has been suggested that the increase is in response to declining revenue from the forestry sector as some companies have reduced production.

Operators report forestry regulations are being strictly enforced. Every truck carrying timber is thoroughly checked at the port to ensure compliance with regulations. Companies attempting to circumvent regulations face immediate suspension of their operations.

The main national highway, crucial for the transport of timber from Cameroon has been severely damaged due to heavy rain in up-country regions. The washout has disrupted container haulage.

Power supplies continue to plague manufacturers. After a period without power outages Gabon is now experiencing intermittent electricity cuts every two days for several hours which is affecting industrial operations and production schedules.

Some relief may be on hand as dredging operations are underway in the Port of Owendo to accommodate a Turkish electricity generator vessel. This comes after an agreement between Karpowership and the government of Gabon. The Turkish floating power plant provider continues to attract interest from other African countries in need of quickly deployable on-grid capacity.

An article in Le Nouveau Gabon says in order to further develop the timber sector a plywood plant will be constructed by 2026 in the Special Industrial Zone (ZIS) of Nkok. This project, led by the Indian company Greenply, benefits from funding of 3.2 billion FCFA

provided by the government. This investment is part of the government's efforts to develop the forestry and wood processing sector, the second largest natural resource development sector in the country after oil.

See: <https://www.lenouveaugabon.com/fr/agro-bois/2910-20460-zis-de-nkok-le-gabon-engage-greenply-pour-construire-une-usine-de-contreplaques-de-3-2-milliards-de-fcfa>

### Cameroon

The Ministries of Forestry and Finance are implementing stringent measures to control operations. Enhanced inter-ministerial cooperation aims to reduce corruption and ensure compliance with regulations.

This includes adherence to the Plan d'Aménagement Opérationnel (PAO) and the requirement to follow the Assiette de Coupe which mandates specific areas for harvesting with clear markings on logs and sawn timber. Non-compliance can result in immediate suspension of operations.

The government has launched a campaign to inspect all companies including those in the timber industry. This rigorous scrutiny aims to enforce compliance with financial regulations, tax obligations and laws.

Port operations are also under tighter control, with checks to ensure all forwarding charges and related fees are paid before shipments can proceed.

News is circulating in forestry circles that several companies have been found non-compliant and have been compelled to cease operations. The closures have led to significant job losses within the sector.

### 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	410
Std/Btr GMS	370↓
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	900
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
Movingui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	450

## Ghana

### FLEGT consignments to EU in June 2025

The Minister for Lands and Natural Resources, Samuel A. Jinapor, announced that Ghana will deliver its first consignment of Forest Law Enforcement, Governance and Trade (FLEGT) - licensed and labeled timber to the EU in June 2025.

See: <https://fcghana.org/ghana-set-to-deliver-flegt-licensed-timber-to-the-eu/>

The Minister disclosed this during the 12th session of the Ghana-EU Joint Monitoring and Review Mechanism (JMRM) of the Voluntary Partnership Agreement (VPA).

The FLEGT shipment, he said, would make Ghana the first African country to reach this landmark placing it as the only African nation on track to comply with the European Union Deforestation Regulation (EUDR).

He added that this milestone will make Ghana the second in the world after Indonesia to comply with the EU Forest Law Enforcement Governance and Trade (FLEGT) Regulation on timber and timber products.

The Minister expressed his gratitude to partners in the European Union for their unwavering support and collaboration. He also extended appreciation to all stakeholders, including the Forestry Commission, the Ministry of Lands and Natural Resources, the private sector, civil society organisations and community members acknowledging their invaluable expertise and resources offered navigating the complexities of this process.

The Ambassador of the European Union to Ghana, H.E. Irchad Razaaly, stated that FLEGT licensing in Ghana is ready to go live and the EU is prepared to receive the first shipment in June next year and considered this a historic moment for the EU and Ghana in the partnership that began 15 years ago.

### Five products – over 90% of exports

Ghana's wood product export volume for the first eight months of 2024 dropped by 10% to 182,542 cu.m from 203,133 cu.m in 2023 according to available data from the Timber Industry Development Division (TIDD) of the Forestry Commission.

Of the 182,542 cu.m, the leading products by volume were air-dried sawnwood (104,783 cu.m), kiln-dried sawnwood (24,135 cu.m), plywood (18,142 cu.m), billets (11,247 cu.m) and veneer (10,547 cu.m). Together these products contributed 168,854 cu.m or 92.5% of the total export volume for the period.

The TIDD data shows that, sawnwood and billets were classified as primary products while plywood and veneer were classified as secondary wood products.

### Exports by product categories Jan-Aug.2023/24

	2023 cu.m	2024 cu.m	YoY % Change
Primary	133,018	123,682	-7%
Secondary	64,178	54,740	-15%
Tertiary	5,937	4,120	-31%
Total	203,133	182,542	-10%

Data source: TIDD, Ghana

Primary Products, which included air and kiln-dried sawnwood, billets, boules, kindling, poles, roll board and teak logs earned Eur47.92 million (58%) from 123,682 cu.m of total export earnings between January and August 2024. The figures represent decreases of 7% in volume and 7% in value compared to the same period in 2023.

Secondary wood products comprising briquettes and veneers earned the country Eur30.61 million (37%) from a volume of 54,740 cu.m between January and August 2024. These also recorded year on year decreases of 15% and 14% in volume and value respectively.

Tertiary wood products exports included mouldings and dowels and earned Eur3.94 million (5%) from a volume of 4,120cu.m of the total wood products export earnings between January an August 2024. This represented a drop of 31% in volume and 23% in value against those of last year.

### Ghana obtained US\$800m from carbon credit trading

The domestic media has reported Ghana earned US\$800m from carbon markets after trading with foreign countries which included Sweden and Switzerland. President Akufo-Addo disclosed this during the opening of the 29th Conference of Parties (COP29) in Baku, Azerbaijan.

Ghana is on a target project to reduce its carbon emission by 64 million metric tonnes of carbon dioxide equivalent (MtCO<sub>2</sub>e) by 2030. The country has adopted 13 mitigating actions intended to cut annual greenhouse gas emissions by 43% since 2021.

The President indicated that, despite the financial and technical hurdles, Ghana is determined to reach the Paris Agreement goals in the areas of agriculture, forestry, energy and other sectors and urged his peers the need to take decisive measures to safeguard the environment.

In 2023, Ghana began receiving payments from the World Bank for reducing emissions from deforestation and forest degradation, known as the REDD+. While at COP28, the country signed a US\$50 million emission reduction payment agreement with the Emergent Forest Finance Accelerator Incorporated, a US-based non-profit organisation under the Lowering Emissions by Accelerating Forest Finance (LEAF) Coalition.

See: <https://www.myjoyonline.com/ghana-mobilised-800m-through-carbon-credit-trading-akufo-addo/>

#### Eight percent growth for industry sector possible

According to the Ghana Statistical Service (GSS), the year-on-year change in the Industrial Production Index for the second quarter of 2024 was plus 8.2% signaling positive expansion of industrial production. The growth was driven by several sub-sectors, including mining and quarrying, oil and gas, construction and manufacturing.

To maintain growth, Seth Twum Akwaboah Chief Executive of the Association of Ghana Industries (AGI), called for a conducive business environment for small businesses to thrive. He expressed concern over underutilisation of domestic production capacity and urged stronger enforcement of trade policies to create a level playing field for local manufacturers.

See: <https://www.myjoyonline.com/iip-release-industry-sector-grows-by-8-2-percent-in-q2-of-2024/>

and <https://www.graphic.com.gh/business/business-news/ghana-hosts-first-inclusive-business-forum-in-accra.html>

#### Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	892
Niangon Kiln dry	910

#### Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	363	441
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
Afromosia	860	925
Asanfina	465	947
Ceiba	290	320
Dahoma	363	550
Edinam (mixed redwood)	640	873
Emeri	700	750
African mahogany (Ivorensis)	783	1,020
Makore	692	840
Niangon	833	860
Odum	1,080	1,110
Sapele	656	842
Wawa 1C & Select	445	488

#### 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	1,070
Avodire	2,582
Chenchen	861
Mahogany	1,438
Makore	2,921
Odum	2,500
Sapele	1,242

## Malaysia

#### Removing petrol subsidy could drive up transport costs

Following Bank Negara Malaysia's decision to maintain the overnight policy rate at 3% which marks 18 months of rate pause, economists expect the Bank to leave the benchmark interest rate unchanged throughout 2025..

The continued monetary policy stance is unlike other countries in the region which have started to cut rates in recent weeks. One of the reasons for this is said to be the current strength of Malaysia's economy. The only possible negative impact on growth would be a decision to 'rationalise' petrol subsidies. Analysts at OCBC Global Markets Research estimate that, if implemented, retail prices could rise sharply.

See: <https://theedgemalaysia.com/node/733002>

### Private sector bamboo investment

Pertama Ferroalloys Co Ltd successfully hosted a bamboo planting programme at its facility in Samalaju, Sarawak in collaboration with the Sarawak Timber Industry Development Corporation (STIDC). This initiative is considered by company representatives as an important step towards environmental sustainability within the ferroalloy industry.

Yuki Nakamura, General Manager at Pertama Ferroalloys, highlighted the reliance on materials such as wood charcoal and cork but also acknowledged their efforts to minimise their environmental footprint. Despite producing 220,000 tonnes of ferroalloys annually their commitment to hydroelectric power allowed them to remain among the lowest carbon (CO<sub>2</sub>) emitting ferroalloys producers.

See:

<http://theborneopost.pressreader.com/article/281831469243228>

In related news, the Vice-Chancellor of Universiti Putra Malaysia (UPM), Prof. Dr. Ahmad Farhan Mohd Sadullah, said the Sarawak State government aims to develop 10,000 hectares of commercial bamboo plantations and 2,000 hectares of community bamboo plantation by 2030.

### Huge demand for activated carbon

Zainal Abidin Abdullah the General Manager of the Sarawak Timber Industry Development Corporation (STIDC) has said there is a huge demand for activated carbon derived from biomass. He noted that to benefit from this potential it will be important to develop a strong framework for biomass research and foster collaboration among government, industry and academia to enhance Sarawak's role in the renewable energy market.

He added that collaborative research between STIDC and the Forest Research Institute Malaysia (FRIM) showed that Sarawak's biomass had excellent properties for producing energy pellets. In 2023 Sarawak's export value for wood pellets reached RM44.474 million, almost double that of the previous year mainly due to demand in France, Japan and South Korea.

See: <https://www.theborneopost.com/2024/11/07/sarawak-forestry-corporation-forges-partnership-with-uaes-mubadala-energy-for-environmental-conservation/>

### Plywood exports to India

The Ministry of Commerce and Industry India had several months ago announced that the export of panel products to India is subject to the Mandatory Bureau of Indian Standards (BIS) Certification requirements from 28 February 2025. The Malaysian Timber industry Board (MTIB) has provided information on the Indian Standard.

see:

<https://www.mtib.gov.my/index.php/en/announcement/penangguhan-dan-tarikh-baharu-pelaksanaan-mandatory-indian-standard-oleh-bureau-of-indian-standards-bis-untuk-eksport-produk-panel-ke-india>

### Export update

In the first seven months of 2024 the value of wood product exports rose 11% year on year on the back of increased exports of wooden furniture (+14%). Export earnings from logs, sawnwood and composite panels declined year on year.

### Malaysian exports Jan-Jul 2024, RM mil.

	2023	2024
Builders Joinery	720	739
Chipboard	136	131
Fibreboard	482	443
Logs	335	299
Mouldings	501	549
Plywood	1,294	1,443
Sawnwood	1,359	1,261
Veneer	46	62
Wooden Furniture	4,828	5,489
Other products	2,213	2,885
Total	11,912	13,302

Data source: MTIB

## Indonesia

### Export Benchmark Prices for wood products November 2024

The following is a list of wood prices for 1-30 November, 2024.

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

Natural forest veneer	US\$738
Plantation forest veneer	US\$802
Wooden Sheet for Packaging Box	US\$1,017

#### Wood chips (prices per tonne)

Woodchips	
chips or particles	US\$85
Woodchips	US\$80

#### 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\$1,349
Merbau (Intsia sp)	US\$1,723
Rimba Campuran	US\$788
Ebony	US\$2,500
Teak	US\$3,514
Pinus and Gmelina	US\$714
Acacia	US\$545
Sengon (P. falcata)	US\$541
Rubberwood	US\$297
Balsa, Eucalyptus	US\$1,276
Sungkai (P.canescens)	US\$1,500

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://forestinsights.id/kemendag-tetapkan-hpe-produk-kayu-november-2024-harga-patokan-ekspor-kayu-hutan-tanaman-naik/>

### **Ministry preparing task force to bolster forest protection**

The Minister of Forestry, Raja Juli Antoni, has reported the ministry is in the process of forming a palm oil task force to strengthen the supervision and protection of forest areas.

"Through the task force, we can make an agreement, data reconciliation, (determine) which data is the most valid, the maximum fine for state revenue and everything can be discussed in the task force," he explained. Antoni informed that he and the Head of the Financial and Development Supervisory Agency (BPKP), Muhammad Yusuf Ateh, discussed the plan to form the task force .

In related news, the Minister confirmed his commitment to implementing the forest protection targets set by President Prabowo Subianto's initiative. He emphasised that law enforcement will be a priority.

In a meeting at the Attorney General's Office strengthening law enforcement in forest protection was discussed. The minister emphasised that the government will establish a task force for law enforcement to protect Indonesia's forests. The prosecutor's office will participate in this task force.

Attorney General, Sanitiar Burhanuddin, stated that they openly accepted collaboration as a means of enhancing inter-institutional coordination. The Attorney General's Office has also engaged with various ministries to bolster law enforcement efforts.

The National Police Chief General Listyo Sigit Prabowo stated the police and the Ministry of Forestry will collaborate to ensure the security of Indonesia's forests by exchanging essential information and data.

See: <https://en.antaranews.com/news/332453/ministry-preparing-task-force-to-bolster-forest-supervision>  
and  
<https://www.metrotvnews.com/read/kpLCWdOw-menteri-kehutanan-temui-jaksa-agung-bahas-penguatan-penindakan-perusak-hutan>  
and  
<https://www.antaranews.com/berita/4441905/kapolri-kemenhut-bekerja-sama-jaga-hutan-indonesia>

### **Ministry and Armed Forces – co-operation**

The Ministry of Forestry and the National Armed Forces (TNI) Headquarters are planning to sign a memorandum of understanding which will serve as the basis for cooperation and collaboration between the two agencies.

The MoU will include cooperation in rehabilitating damaged forests including replanting deforested areas. "Considering the limited human resources that we have the success of the Ministry of Forestry in protecting forests is very dependent on cooperation and collaboration with the TNI which has a wide network reaching remote villages," said the Minister.

See: <https://en.antaranews.com/news/332837/minister-antoni-seeks-tni-support-to-protect-forests>

### **Opportunity to increase exports to the United States**

Some wood product manufacturers are of the opinion that with the change of government in the US wood product imports from China may decline presenting an opportunity for Indonesia to boost its exports.

Abdul Sobur, the General Chairperson of the Indonesian Furniture and Crafts Association (Himki), stated that Indonesia has the opportunity to boost its exports to the US under this condition. However, increasing Indonesian furniture and craft exports to the US presents challenges. Indonesia faces competition from countries like Vietnam, Malaysia, Canada and Mexico, all of which have also recognised this market opportunity.

Notably, Vietnam stands out as a significant competitor due to its well-developed infrastructure and proactive export policies. Another challenge has emerged is the "America First" initiative which emphasises domestic products which, said Sobur, may hinder export opportunities particularly if the US enforces stricter import regulations. For this reason, Sobur suggested that Indonesia must take full advantage of export cooperation agreements such as the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA).

See: <https://industri.kontan.co.id/news/pengusaha-mebel-dalam-negeri-wanti-wanti-kebijakan-proteksionisme-donald-trump>

### **Encouraging access to the UKM BISA export programme**

The Minister of Trade, Budi Santoso, stated that the Ministry is working to boost furniture exports and expand into the global market and this is crucial because furniture is a key export product of Indonesia.

Consequently, the Ministry of Trade continually supports the SMEs' Dare to Innovate, Ready to Adapt to Exports' (UMKM BISA Export) programme. The UKM BISA Export programme aims to enhance competitiveness, innovation and adaptability to global market demands.

"To support the UKM BISA Export initiative, the Ministry of Trade is working to enhance market access for Indonesian products in the global market. This effort includes several actions, such as facilitating business participation in international product exhibitions, engaging in trade missions, and leveraging Indonesia's trade agreements with partner countries" said the Minister.

The Minister stated "business representatives can take advantage of over 40 trade representatives from the Ministry of Trade stationed overseas who are responsible for promoting domestic products,"

Specifically for rattan furniture the Ministry of Trade will assist rattan furniture SMEs to increase exports. "Our support will include the creation of unique rattan designs and prototypes to enhance their acceptance in the global market as well as opportunities for exhibitions overseas" said Minister Budi.

See: <https://wartaekonomi.co.id/read548337/tinjau-ukm-furnitur-mendag-ungkap-sejumlah-langkah-dorong-ukm-bisa-ekspor> and [https://www.kemendag-go.id.translate.goog/berita/foto/mendag-pada-forum-dialog-peningkatan-umkm-bisa-ekspor?\\_x\\_tr\\_sl=id&\\_x\\_tr\\_tl=en&\\_x\\_tr\\_hl=en&\\_x\\_tr\\_pto=sc](https://www.kemendag-go.id.translate.goog/berita/foto/mendag-pada-forum-dialog-peningkatan-umkm-bisa-ekspor?_x_tr_sl=id&_x_tr_tl=en&_x_tr_hl=en&_x_tr_pto=sc)

### Social Forestry - calls for multi-stakeholder collaboration

A recent forum urged a better multi-stakeholder collaboration to engage communities in managing local forests aligned with Indonesia's climate goals. According to the Director of the Regional Community Forestry Training Centre for Asia and the Pacific (RECOFTC) Indonesia, Gamma Galudra, communities can still make more use of forest resources to improve their welfare.

He then called for collaboration between social forestry groups and other stakeholders such as companies, non-governmental organisations and academia as this can help pave the way for better management of social forestry programmes especially in terms of improving human capital and institutional capacity as well as developing business aspects.

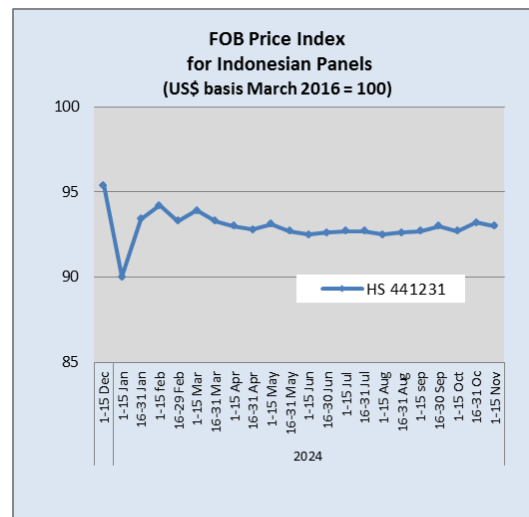
See: <https://jakartaglobe.id/special-updates/social-forestry-calls-for-multistakeholder-collaboration> and <https://investor.id/national/379608/kolaborasi-multipihak-untuk-tata-kelola-perhutanan-sosial>

### Innovative funding to support conservation activities

The Indonesian government is in the process of preparing a regulation that will allow for funding innovations aimed at supporting conservation activities as part of the Law on Conservation of Biological Natural Resources and Ecosystems (KSDAHE). Satyawan Pudyatmoko, the Director General of Natural Resources and Ecosystem Conservation (KSDAE) at the Ministry of Forestry stated that there is a significant funding gap for biodiversity management.

He highlighted that an estimated Rp33.6 trillion is needed annually but the available funds amount to only Rp10.2 trillion, which includes allocations from the State Budget. He mentioned that there is potential funding, including grants from various international sources in line with the global commitments.

See: <https://www.antaranews.com/berita/4444033/kemenhut-siapkan-aturan-inovasi-pendanaan-dukung-kegiatan-konservasi>



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

## Myanmar

### Yangon's population increases – house rents surge

The conflict in Myanmar is driving up housing demand in Yangon. Residential property rents have soared and home prices have risen as people in remote border regions seek the relative safety of the city. The United Nations' refugee agency estimates that some 3 million people have been displaced by fighting.

It has been estimated that Yangon's population has risen from around 5.5 million to as high as 10 million leading to a shortage of housing

See: <https://www.rfa.org/english/news/myanmar/myanmar-yangon-real-estate-price-increase-10182024144056.html>

### Agriculture faces mounting challenges

Agriculture remains a critical pillar for Myanmar's economy providing livelihoods and food security for millions. After a strong recovery in 2023, when agriculture emerged as Myanmar's best-performing economic sector with a 2% growth, the sector is facing new and worsening challenges. These include labor shortages driven by conscription-linked migration, price controls on farm products, suspension of agricultural loans and the fighting. This situation has been made worse by the severe flooding in September.

The UN Development Programme (UNDP) warns that a combination of restricted trade, declining food production and intensified conflict has created a "perfect storm" that threatens to plunge the region into severe food insecurity.

A press release from the UNDP highlights the dwindling human capital saying "the conflict and economic strife are accelerating the degradation of Myanmar's human capital. Essential services like healthcare, education and access to clean water and sanitation are becoming luxuries out of reach for many with nearly 25% of children no longer attending school. The healthcare systems are strained to breaking point".

The UNDP statement continues “a mass exodus of skilled workers is depleting the nation’s productive capacity, exacerbating the long-term effects of this crisis.”

See <https://www.undp.org/asia-pacific/publications/rakhine-a-famine-in-the-making> and <https://news.un.org/en/story/2024/11/1156676>

India

**Wood based panel price increase push up index**  
The annual rate of inflation based on the India Wholesale Price Index (WPI) was 1.84% for September 2024. The positive rate of inflation in September was primarily due to increase in prices of food and food products, other manufacturing, motor vehicles, trailers and semi-trailers and machinery & equipment.

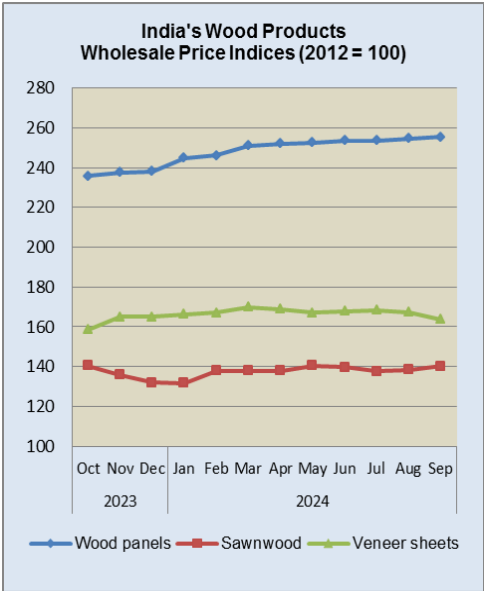
Out of the 22 NIC two-digit groups for manufactured products 10 groups witnessed an increase in prices, 9 groups witnessed a decrease in prices and 3 groups witnessed no change.

Some of the important groups that showed month on month increase in prices were food products, other manufacturing, other non-metallic mineral products, computers and electronics, optical products and clothes.

The WPI for woodbased panels continued to rise as did the WPI for sawnwood but the price index for veneers declined marking two consecutive monthly drops.

Some of the groups that witnessed a decrease in prices were basic metals, textiles, motor vehicles, trailers and semi-trailers, chemicals and chemical products and fabricated metal products.

See: [https://eaindustry.nic.in/pdf\\_files/cmonthly.pdf](https://eaindustry.nic.in/pdf_files/cmonthly.pdf)



Data source: Ministry of Commerce and Industry, India

Pine logs accepted for plywood core veneer production

The correspondent reports that the switch to pine log peeling for the production of plywood core veneer has emerged as a survivor for this sector. Reports says that after successful trials in Kandla based plywood mills pine logs are now utilised in North India plywood mills.

The Indian plywood industry has been struggling due to the high prices of plantation poplar and eucalyptus where prices reached an all-time high in 2024. The impact of the surge in prices resulted in some mills in North India either reducing production or even closing mills.

It is understood that MDF manufacturing units are also considering the use of the lower priced pine as a raw material option.

In the past plywood sector observers suggested that few mills would utilise pine logs for plywood manufacturing but nowadays pine is being used but unfortunately some people are resisting the change away from the convention of using eucalyptus and poplar but recently pine logs are being sold in greater volumes.

It has been observed that pine logs have started to be used in mills in the Delhi-NCR area and in states of Yamuna Nagar, Uttar Pradesh and Punjab.

Manufacturers welcome the change to pine as this helps check the rising production costs which have been driven up by the high prices of poplar logs which, in part, reflects declining availability. Manufacturers are becoming more confident as the issue of log supplies has eased and pine wood for core veneer is gaining acceptance. There is also an advantage in that plywood with a pine core is lighter weight and the yield of veneers is higher with pine logs.

Plywood from Vietnam

The October Ply-Reporter magazine has an article discussing the rise in orders for plywood placed by Indian imports with manufacturers in Vietnam as reflected in the arrival in India of 1,500 containers of plywood in September. It is reported that as many as 2,500 containers of plywood could be arriving in India before year end.

See: [https://www.facebook.com/plyreporter/photos/welcome-to-the-october-2024-issue-which-contains-lots-of-market-reports-industry/1067838062012350/?\\_rdr](https://www.facebook.com/plyreporter/photos/welcome-to-the-october-2024-issue-which-contains-lots-of-market-reports-industry/1067838062012350/?_rdr)

## 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	189	470
Colombia	144	425
Costa Rica	166	330
Nigeria	-	-
Benin	See note below	-
Tanzania	119	460
Laos	-	-
South Sudan	209	680
Guatemala	89	335
Venezuela	-	-

News is circulating that Benin has banned the export of 'long' logs.

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

	cu.m	US\$ C&F
Benin	214	695
Brazil	138	650
Colombia	-	-
Costa Rica	92	510
Ecuador	-	-
Ghana	182	480
Ivory Coast	94	845
Nigeria	138	415
South Sudan	221	650
Tanzania	88	465
Togo	219	480
Panama	187	480

### 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 the General Department of Customs, W&WP exports in October 2024 reached US\$1.5 billion, up 20% compared to September 2024 and up 17% compared to October 2023. Of the total WP exports fetched US\$1.01 billion, up 12% compared to September 2024 and up 15% compared to October 2023.

In the first 10 months of 2024, the W&WP exports reached US\$13.2 billion, up 21% over the same period in 2023 of which WP exports alone contributed US\$9.05 billion, up 23% over the same period in 2023.

W&WP exports to Japan in October 2024 amounted to US\$148 million, up 20% compared to the previous month and up 10% compared to October 2023. In the first 10 months of 2024 W&WP exports to the Japan were to US\$1.4 billion, up 1% over the same period in 2023.

In October 2024 exports of kitchen furniture were valued at US\$129 million, up 20% compared to the previous month and up 10% compared to October 2023. In the first 10 months of 2024 exports of kitchen furniture reached US\$1.16 billion up 25% over the same period in 2023.

Vietnam's W&WP imports in October 2024 cost US\$250 million, up 7% compared to September 2024 and up 40% compared to October 2023. In the first 10 months of 2024 Vietnam spent US\$2.28 billion for W&WP imports, up 28% over the same period in 2023.

NTPF exports in September 2024 decreased for the 3rd consecutive month, reaching US\$50.44 million, down 25% compared to August 2024 and down 5% over the same period in 2023. In the first 9 months of 2024 NTPF exports accounted for US\$594.80 million, up 10% over the same period in 2023.

#### **Vietnamese wooden furniture in the US**

Vietnamese wooden furniture is bolstering its export value and market share in the US wooden furniture market as imports. According to the US International Trade Commission the importation of wooden furniture into the US during the first eight months of 2024 amounted to US\$13.8 billion, a 5.6% increase from the same period in 2023.

Vietnamese wooden furniture exports to the US were US\$5.6 billion in the first eight months and accounted for around 40% of the total US import value for wooden furniture.

The interest of American consumers in products from Vietnam is indicative of the increase in value and market share of Vietnamese wooden furniture.

As the US housing market recovers it is anticipated that US wooden furniture imports will continue to increase. As the Federal Reserve commences to reduce interest rates it is probable that home loan rates will continue to fall which will stimulate home sales and, as a result, stimulate the demand for wooden furniture.

The Institute for Supply Management (ISM) has reported that US inventory levels are declining at the quickest rate in 2024, indicating that manufacturers are maintaining low inventory levels.

The positive growth trajectory of Vietnam's W&WP exports to the US is anticipated to be bolstered by this favorable supply-demand factor in the final months of 2024.

However, the US imposes trade protection measures on Vietnamese exports. The intensity of domestic competition for US industries is on the rise as a result of the increased imports.

In this context it is probable that US companies will intensify their utilisation of trade instruments in order to mitigate competitive pressures. Consequently, the Vietnamese wood industry must exercise caution and establish close relationships with the Vietnamese Trade Office abroad and the Trade Remedies Authority (Ministry of Industry and Trade) in order to receive early warnings of trade protection investigations. This allows for the implementation of proactive strategies to maintain market share in critical markets.

Vietnam is one of the three largest net exporters to the US according to Mr. Do Ngoc Hung, the Head of the Vietnamese Trade Office in the US. Consequently, Vietnam is perpetually "on the radar" of US trade defense activities.

There is a trend towards increased trade protection activities. In these instances US authorities prioritise the protection of domestic companies.

Mr. Hung recommends that exporters to the US remain prepared to address prospective litigation filed in the US against their export products. This entails striving to achieve the most favorable outcome possible by maintaining close collaboration with the Ministry of Industry and Trade and the Vietnamese Trade Office in the US to provide the investigating authorities with comprehensive and expeditious information.

Vietnam's wood industry sector aims to export US\$15.2 billion worth of its products this year, an increase from US\$14.47 billion last year.

Since the slowdown in 2023 from the beginning of this year W&WP associations and enterprises have been proactive in production and seeking export markets.

A series of market exploration fairs were held attracting customer interest in Vietnamese wood products in key production areas, including Ho Chi Minh City and Binh Dinh and Binh Duong Provinces.

See: <https://vietnamagriculture.nongnghiep.vn/the-market-share-of-vietnamese-wood-furniture-in-the-united-states-expanded-d408363.html>

#### **Vietnam's ambitious forestry master plan**

Decree No. 895/QĐ-TTg of 24 August 2024 presents a master plan for the sustainable development of the forestry sector. Key objectives encompass the conservation, cultivation and enhancement of forest resources and land.

The focus of this planning extends to forested lands as well as those earmarked for afforestation and forestry infrastructure such as plant nurseries, ranger stations and timber transport routes.

Minister of Agriculture and Rural Development, Le Minh Hoan, underscored the pivotal role of this master plan in unlocking the forest's potential to contribute to socio-economic growth, environmental protection and climate change mitigation.

Director Tran Quang Bao of the Forestry Department stated that the 2021-2030 National Forestry Master Plan with a vision to 2050 constitutes a significant stride in the implementation of the Planning Law and the Forestry Law.

Specific objectives of the plan include:

- maintaining a forest cover ranging from 42-43 percent nationwide
- augmenting the quality of natural forests
- achieving a 5-to-5.5 percent annual growth rate in forestry production value

Moreover, the planning sets forth targets to double the income derived from commercial plantations by 2030 compared to 2020 with projected timber and forest product exports reaching US\$20 billion in 2025 and US\$25 billion in 2030.

According to Director Tran Quang Bao, the plan also outlines a target of a 5% annual increase in forest environmental services reaching approximately VND4 trillion (US\$161 million) per annum during the 2026-2030 period.

Key strategies encompass the transfer of advanced forestry technologies, the formulation of sustainable forest management plans and the provision of livelihood support to communities adjacent to special-use forests.

The total estimated investment for the plan through 2030 is approximately VND217.3 trillion (US\$8.7 billion), sourced from both the state budget and other channels.

See: <https://en.sgpp.org.vn/vietnam-unveils-ambitious-forestry-master-planning-post113030.html>

#### **Remove bottlenecks in the wood supply chain**

The legal origin of wood products is one of the most essential requirements for Vietnam's two main export markets, the US and the EU. This is considered a vital factor for export enterprises.

According to a survey by the Forest Trends research group led by To Xuan Phuc, wood raw materials in Vietnam come from: domestically planted wood (acacia, eucalyptus, and rubberwood), wood from domestic farms/gardens, imports of plantation and natural forest species. It is acknowledged that many wood products in the group of bedroom furniture, office furniture, kitchen and wooden furniture parts exported to the EU are processed wood grown on areas that were previously natural forests but converted to rubber plantations.

When using this wood source businesses face challenges in traceability and transparency and accountability especially the requirement to clearly state the names of all types of wood used in exported products. Another factor pointed out by Phuc is evidence related to the legality of raw material sources, including species names and commercial details. Some countries also require other evidence, such as forest product lists, raw wood purchase invoices or logging licenses.

See: <https://vietnamagriculture.nongnghiep.vn/remove-the-bottlenecks-in-the-wood-industry-supply-chain-d406028.html>

## **Brazil**

#### **Bank and Forest Service partnership for Amazon restoration**

The Brazilian Development Bank (BNDES) and the Brazilian Forest Service (SFB) within the Ministry of the Environment and Climate Change recently signed a contract to develop new forest concession projects. The contract covers 11 conservation units with a total area of 6 million hectares.

The aim is to introduce sustainable forest management over 1.4 million hectares and restore 334,000 hectares of degraded forests.

BNDES is leading the financial modeling while the SFB is conducting forest inventory and social studies with the resources provided by the Inter-American Development Bank (IDB). It is estimated that the structuring studies in these 11 conservation units will be conducted in stages enabling the call for concession in 2026.

The forest concession process includes technical modeling, public consultations with local communities and project evaluation to ensure sustainable forest use and respect for social rights is included in the management plan. The contract between BNDES and SFB covers areas across five Amazonian states (Pará, Roraima, Amazonas, Rondônia and Mato Grosso) and involves sustainable forest management projects in several national forests and conservation areas.

See: <https://forestnews.com.br/bndes-e-servico-florestal-estruturam-concessao-de-11-unidades-de-conservacao/>

#### **Traceability - key to verifying sustainability in natural forests**

The 3rd event “Sustainable Timber: the future of the market” held in the State of Minas Gerais organised by the National Forum for Forest-Based Activities (FNBF) and the Center of Timber Producing and Exporting Industry of Mato Grosso (CIPEM-MT) highlighted the sustainable forest sector in the State of Mato Grosso in the Amazon region.

Trade in timber from natural forests in the Minas Gerais State up to October rose around 40% year on year and involved about 100 native timber species.

As of October around 71,944 cu.m of timber from Mato Grosso State were sold to companies in Minas Gerais generating approximately R\$69.6 million, 40% more than in the same period in 2023.

The market event covered topics such as traceability and sustainability in the production chain with the use of the Sisflora 2.0 system which provides monitoring and control throughout the entire production chain. This system enables traceability from the origin to the final point of sale as each log is tracked with precision.

Traceability and chain of custody were also emphasised as mechanisms to ensure transparency and environmental control meeting the standards required in both national and international markets while promoting the preservation of the Amazon forest.

See: <https://www.cenariomt.com.br/mato-grosso/rastreabilidade-na-producao-sustentavel-de-madeira-nativa-em-mato-grosso-e-abordada-em-evento-nacional/>

#### **Brazil renews partnership with BM Certification**

ABIMCI (Brazilian Association of Mechanically Processed Timber Industry) has renewed its partnership with BM Certification (a certification body) ensuring the continuity of the CE Marking and UKCA Marking (UK Conformity Assessment) for the Brazilian plywood sector.

This certification verifies that a company maintains standardisation in its products, production processes and quality allowing certified wood products to be marketed in 27 European Union countries (CE Marking) and in the United Kingdom (UKCA).

In addition to international certifications, ABIMCI offers its members technical support and Sectoral Quality Programs (PSQ) focused on the domestic market, such as the PSQ-PME for Wooden Doors and the PSQ for Film-faced Plywood and it plans to launch a new quality and certification programme for pallets.

To further strengthen these technical initiatives ABIMCI offers the National Timber Quality Program (PNQM) a quality management tool that provides a framework for standardisation and quality control throughout the production process. The Tool also contributes to optimise production, reducing costs and facilitate the attainment of both national and international certification. ABIMCI also coordinates the Brazilian Timber Committee (CB-031) of the Brazilian Association of Technical Standards (ABNT) which defines standards for wood products in Brazil.

See: <https://abimci.com.br/abimci-renova-parceria-com-bm-certification-para-certificacoes-internacionais-ce-e-ukca/>

#### **Importance of certification and sustainable trade**

The Institute of Agricultural and Forest Management and Certification (Imaflora) participated in the FSC 'Amazon Business Meeting' in Belém which focused on the sustainable timber trade and analysing the role of forest management and certification in building a responsible value chain.

The event covered topics such as the potential impact of the EUDR which requires strict traceability for forest products and the adaptations by FSC to ensure compliance with the new requirements.

Imaflora emphasised the role of FSC certification in verifying supply chains. The Brazilian Trade and Investment Promotion Agency (ApexBrasil) presented a market analysis of tropical timber, highlighting that in 2023 the sector generated around US\$310 million.

Brazilian exporters face trade barriers that hinder their competitiveness. International demand for tropical timber, especially from the United States and Europe is high, but environmental requirements pose compliance challenges.

The event emphasised the need to modernise the forest sector, promote responsible practices and increase demand for certified timber which, in addition to being environmentally friendly, should be promoted as the top choice for consumers. To ensure forest sustainability collaboration among producers, certifiers and regulatory bodies was highlighted as essential.

See: <https://www.imaflora.org/noticia/imaflora-participa-de-discussao-sobre-comercio-sustentavel-e-certificacao-no-fsc-amazon-business-encounter>

#### **Domestic log prices**

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	454
Jatoba	194
Massaranduba	173
Muiracatiara	169
Angelim Vermelho	171
Mixed redwood and white woods	126

Prices do not include taxes. Source STCP Data Bank

#### **Domestic sawnwood prices**

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	1,744
Jatoba	933
Massaranduba	812
Muiracatiara	816
Angelim Vermelho	770
Mixed red and white	518
Eucalyptus (AD)	297
Pine (AD)	245
Pine (KD)	285

Prices do not include taxes. Source: STCP Data Bank

#### **Domestic plywood prices**

Parica ex-mill	US\$ per cu.m
4mm WBP	616
10mm WBP	482
15mm WBP	417
4mm MR.	568
10mm MR.	420
15mm MR.	368

Prices do not include taxes. Source: STCP Data Bank

#### **Prices for other panel products**

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	288
15mm MDFibreboard	296

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
Ipe	2,427
Jatoba	1,317
Massaranduba	1,298
Muiracatiara	1,319
Pine (KD)	193

Prices do not include taxes. Source: STCP Data Bank

### Export plywood prices

Pine plywood	US\$ per cu.m
9mm C/CC (WBP)	330
12mm C/CC (WBP)	305
15mm C/CC (WBP)	293
18mm C/CC (WBP)	288

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	3,217
Jatoba	1,821

Prices do not include taxes. Source: STCP Data Bank

## Peru

### Tools to identify forest species in the Peruvian Amazon

The National Forest and Wildlife Service (SERFOR), in coordination with the Center for Productive Innovation and Technology Transfer of Wood (CITEMADERA), held an event to present “Tools for the identification of forest species and their contribution to the sustainable management of forest resources” and the second edition of the “Manual for the anatomical identification of wood from forest species in the Peruvian Amazon” was presented.

At the same time, manuals for the botanical identification of forest species in the Peruvian Amazon Vol. I and Vol 2, and the booklet for identification of Dipteryx (shihuahuaco) and Handroanthus (tahuari) in the Peruvian Amazon were introduced.

Recently developed applications were presented:

- IDmaderas

[https://x.com/UNODC\\_ENV/status/1763235428801601737](https://x.com/UNODC_ENV/status/1763235428801601737)

- MaderApp

<https://envol-vert.org/en/fd/envol-vert-and-maderapp-as-part-of-research-to-protect-amazonian-forests/> and

- IDÁrbol

<https://conexionambiental.pe/id-arbol-nueva-plataforma-que-permitira-reconocer-especies-forestales-maderables-de-nuestros-bosques/>

Experts pointed out that the information and application presented will help in the identification of what type of wood is being sold and obtain evidence that can support the work of the Attorney General's Office when it is required to intervene in relation to the illegal trade of forest products.

Sylvia Reategui García, Senior Advisor to ProAmbiente stated that “there are almost 240 species that have been listed in the manuals (for botanical identification of forest species in the Peruvian Amazon) which includes joint work between academia and various actors to promote legal management of wood, hand in hand with a market that demands legality”.

Gino Catturini Ruiz, Director of CITEMADERA Lima, stated that “the manual (for the anatomical identification of wood from forest species in the Peruvian Amazon) can be used by all users of the forest to take advantage of the potential we have in the country and continue promoting scientific research in the country”.

See: <https://www.gob.pe/institucion/serfor/noticias/1054119-serfor-y-citemadera-lima-presentaron-herramientas-para-identificar-especies-forestales-de-la-amazonia-peruana>

### International Forum on ‘Commercial Forest Plantations’

The National Forest and Wildlife Service and its Sustainable Productive Forests Programme hosted an International Forum on Commercial Forest Plantations within the framework of the National Forest Week 2024 which brought together leading specialists from Peru, Chile, Brazil, Argentina and Costa Rica.

One of the goals of the forum was to promote the exchange of knowledge, experiences and best practices in the sustainable management of commercial forest plantations.

The head of the Plantations Project in SERFOR’s Sustainable Productive Forests Programme said that in the Cajamarca Region there are approximately 60,000 hectares established which will supply wood for the domestic market.

See: <https://www.gob.pe/institucion/serfor/noticias/1054384-cajamarca-serfor-realiza-foro-internacional-de-plantaciones-forestales-comerciales>

### Native communities trained

With the aim of promoting the sustainable use of forest resources in native communities in the Peruvian Amazon the Agency for the Supervision of Forest and Wildlife Resources (OSINFOR) trained 34 members of native communities in Ucayali on their rights and obligations as holders of enabling forest titles. The attendees strengthened their knowledge about the obligations of holding forest titles, wood cubing (measurement) and completing registrations in the Book of Operations.

The training included measurement of standing and round timber, essential techniques for keeping a precise control of the resources used, respecting the management plans approved by the Administraciones Técnicas Forestal y de Fauna Silvestre (ARFFS) and technically supported by SERFOR.

In field work the participants applied what they had learned in an exercise measuring standing trees, the data of which will be used to update the forest censuses of their management plans. In addition, they carried out the measurement of round timber, an essential practice to complete the record in the Operations Book.

See: <https://www.gob.pe/institucion/osinfor/noticias/1056289-el-osinfor-capacita-a-comunidades-nativas-en-ucayali-sobre-los-titulos-habilitantes-y-la-cubicacion-de-madera>

#### Export prices for added value products

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1327-1398
Cumarú KD, S4S Swedish market	979-1011
Asian market	1079-1098
Cumarú 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
Cumarú 4" thick, 6"-11" length KD Central American market	1029-1044
Asian market	1016-1054
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	641-654
Dominican Republic	765-799
Marupa 1", 6-11 length KD Grade 1 Asian market	559-572

#### 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

#### Rising raw material costs driving inflation

Wholesale inflation accelerated in October as renewed yen weakness drove up import costs. Bank of Japan data showed the corporate goods price index (CGPI), which measures the price that companies charge each other for goods and services, rose 3.4% in October from a year earlier, above market forecasts for a 3.0% rise.

An increase in the price of rice, coupled with the increasing cost of nonferrous metals, food and oil, pushed up overall wholesale inflation, a sign companies remained under pressure from rising raw material costs.

The Bank of Japan has signaled readiness to raise interest rates further if inflation becomes driven more by robust domestic demand and higher wages, rather than rising raw material costs.

See: <https://www.msn.com/en-ph/news/money/japan-s-wholesale-inflation-jumps-in-oct/ar-AA1u1sQG>

#### Retail sales up only 0.5% from a year ago

Factory output rose slightly in September as the economy continued its modest recovery. The Ministry of Economy, Trade and Industry reported that industrial production gained 1.4% from August, led by cars and chemical product-makers.

That beat estimates for a 0.8% increase, but output was still down 2.8% from a year ago.

For the third quarter 2024 production slipped 0.4% from the previous period. The ministry also reported retail sales fell 2.3% in September from August, leaving them up only 0.5% from a year ago.

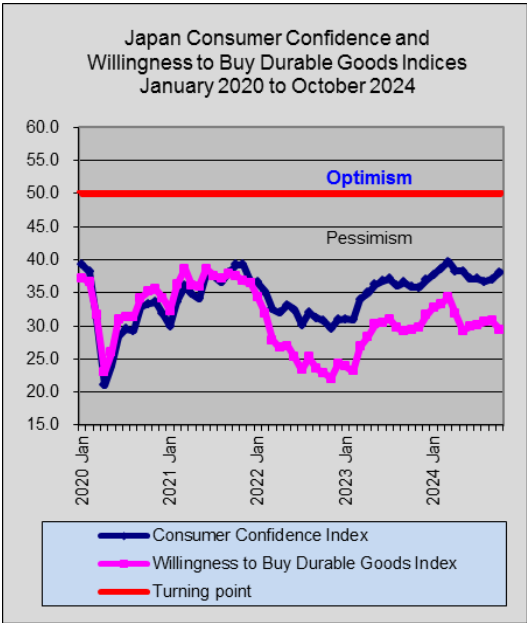
Manufacturing was held back by stagnation in employment levels, a renewed fall in purchasing activity. Manufacturers report input costs continue to rise but at a slower rate than recently. Despite this, manufacturers have raised their selling prices to the greatest extent in three months.

See:  
<https://www.japantimes.co.jp/business/2024/10/31/economy/japan-factory-output-sept/>  
and  
<https://www.pmi.spglobal.com/Public/Home/PressRelease/a02e5829aad74c0296ea350e883007c2>

**Households cut spending again as prices rise**

According to a report from the Ministry of Internal Affairs and Communications households in Japan cut spending for a second month as rising prices continue to deter consumption.

Spending by households dropped 1.1% from a year earlier in September after dropping almost 2% in the previous month. An increase in spending has only been recorded twice in the past 12 months and this trend is a signal to the Bank of Japan to take a cautious approach to interest rate hikes.



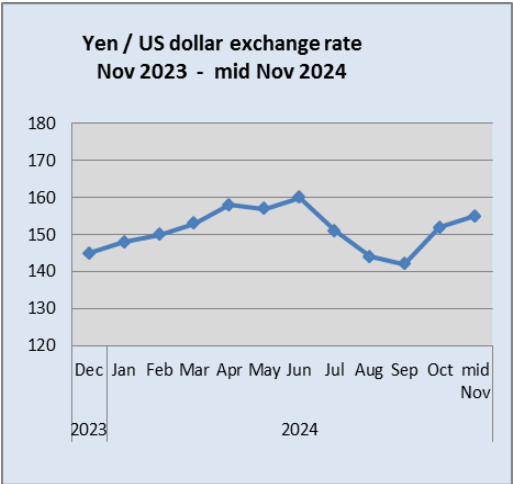
Data source: Cabinet Office, Japan

**Dollar strength drove the yen to a three-month low**

The Republican Party’s victory in the US presidential election resulted in a strengthening of the US dollar as expectations of tax cuts and tariffs on imports drove optimism about economic growth, at the same time raising concerns on inflation rates. The dollar strength drove the yen to a three-month low of 155.

The weak yen boosts exports and in a bonus for tourism but it forces up the cost of fuel and food import costs.

See: <https://www.reuters.com/markets/asia/trump-victory-heightens-risks-boj-yen-renews-slide-2024-11-07/>



Data source: WSJ

**Residential property price index up from a year earlier**

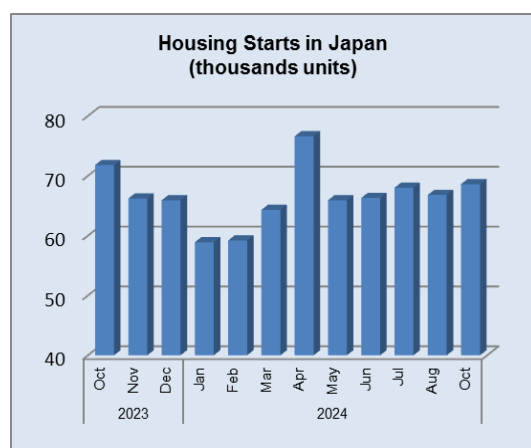
The latest Global Property Guide (GPG) ‘Japan Residential Real Estate Market Analysis 2024’, quoting Land Institute of Japan data, says residential property prices in Japan continue to increase modestly despite slowing demand, weakening construction activity as well as the disappointing economic performance.

In the first quarter of 2024, the nationwide residential property price index rose by 2.65% from a year earlier, following year-on-year increases of 1.96% in the final quarter of 2023 2.54% in the third quarter, 4.78% in the second and 4.12% in the first. However, adjusted for inflation, prices were more or less steady over the same period.

The GPG report says residential construction activity is falling. In the first five months of 2024 the total number of housing starts in Japan dropped 3.8% to 323,445 units as compared to a year earlier following a decline of 4.5% in the full year of 2023 and increases of 0.5% in 2022 and 5% in 2021, according to the Ministry of Land Infrastructure and Tourism.

In six major cities residential land prices rose by almost 1% in the year to September from a year earlier. For the rest of the country residential land prices were up 0.7% for the year

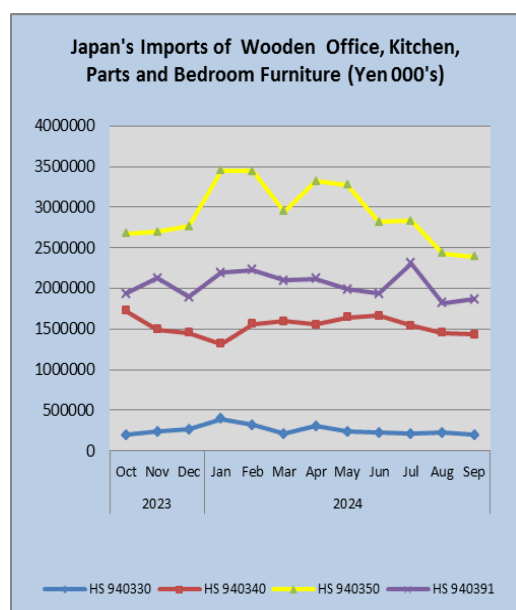
See: <https://www.globalpropertyguide.com/asia/japan/price-history>



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

## Import update

### Yen value of 2023/24 furniture imports



Data source: Ministry of Finance, Japan

### Furniture retailer success in Southeast Asia

One of Japan's largest furniture retailers has been doing well with sales at its outlets in the Philippines and this is encouraging the company to widen investment in retail stores in other markets. The furniture chain, which has outlets around Japan, started its first store in the Philippines earlier this year as it drives for growth beyond its domestic business where retail growth has slowed.

See: <https://asia.nikkei.com/Business/Retail/Japan-s-Nitori-says-racking-up-bigger-than-expected-Philippine-sales>

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

Year on year, the value of Japan's imports of wooden office furniture in September was down 10% and compared to a month earlier the value of imports dropped around 14% in September.

China accounted for most of wooden office furniture imports to Japan in September at around 69% of the total value of imports of HS940330. The other main shipments in September were Malaysia and Taiwan P.o.C. In August the value of shipments from Italy were second after China but in September the value of shipments was sharply down.

Arrivals of wooden office furniture from Malaysia increased in September rising 80% compared to the value of August shipments.

### September 2024 imports (HS 940330)

	Imports September 2024 Unit, 000's Yen
China	136,162
Taiwan P.o.C	6,561
Vietnam	2,477
Thailand	1,527
Malaysia	35,991
Indonesia	1,630
Sweden	3,213
Denmark	459
UK	689
Germany	1,305
Italy	1,684
Poland	2,326
Slovakia	244
USA	848
Total	195,116

Data source: Ministry of Finance, Japan

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

The value of arrivals of wooden kitchen furniture (HS940340) in September declined month on month but the pace of decline seen in previous months slowed in September. Year on year, the value of imports of wooden kitchen furniture items (HS940340) in September were marginally down on the level seen in August.

The top shipper in September was the Philippines and the share of the Philippines in the total value of arrivals rose to 53% from the 44% in August reflecting the 23% month on month surge in shipments. Shippers in China secured the third place ranking in terms of the value of shipments and saw a 20% plus rise in their value of shipments to Japan.

In August Italy featured as major shippers of wooden kitchen furniture but the value of shipments from Italy was down sharply in September as many manufacturing plants in Europe were still closed for the summer holidays.

**September 2024 imports (HS 940340)**

	Imports September 2024 Unit, 000's Yen
China	139,563
Vietnam	406,918
Thailand	25,823
Malaysia	14,321
Philippines	757,594
Indonesia	28,245
Denmark	585
UK	994
Germany	23,952
Spain	517
Italy	29,972
Canada	1,756
USA	2,758
<b>Total</b>	<b>1,432,998</b>

Data source: Ministry of Finance, Japan

**September 2024 wooden bedroom furniture imports (HS 940350)**

From mid-2024 there has been a steady decline in the value of Japan's imports of wooden bedroom furniture (HS940350) and this drop in the value of imports continued into September. The most plausible explanation for the long down trend is the end of the boom in establishing accommodation for the wave of tourist arrivals this year.

The top shippers of wooden bedroom furniture to Japan in September were China (64% share of September import values) Vietnam (28%) and Malaysia (4%). Italy and Poland were significant shippers in August but this was not the case in September. Month on month the value of September arrivals of wooden bedroom furniture was little changed from the value of August arrivals up year on year the value of September 2024 arrivals were down 8%.

**September 2024 imports (HS 940350)**

	Imports September 2024 Unit, 000's Yen
S. Korea	406
China	1,518,083
Vietnam	678,657
Thailand	27,084
Malaysia	101,456
Indonesia	22,455
UK	1,249
France	824
Italy	19,154
Poland	16,104
Austria	1,436
Romania	275
Turkey	2,307
<b>Total</b>	<b>2,389,490</b>

Data source: Ministry of Finance, Japan

**September 2024 wooden furniture parts imports (HS 940391)**

Japan imports wooden furniture parts from a large number of suppliers and while suppliers in Asia account for a large proportion of imports there are significant imports from European member states.

The top four shippers in September were China (46% of total HS940391 imports) Indonesia (17%), Vietnam (10%) and Malaysia (10%). September arrivals from China were up 8% month on month but arrivals from Indonesia were down 6%. Arrivals from both Vietnam and Malaysia were down month on month but shippers in Germany, Italy and Thailand did well in September.

Year on year, the value of September imports of wooden furniture parts into Japan was down 9% but, compared to August arrivals in September were almost unchanged.

**September 2024 imports (HS 940391)**

	Imports September 2024 Unit, 000's Yen
S.Korea	24,914
China	860,686
Taiwan P.o.C	24,743
Vietnam	218,891
Thailand	31,175
Malaysia	200,152
Philippines	1,376
Indonesia	324,137
Sweden	2,208
Denmark	1,719
Netherlands	246
France	240
Germany	63,268
Switzerland	653
Spain	1,110
Italy	66,574
Finland	14,244
Poland	19,038
Hungary	429
Romania	316
Turkey	1,278
Estonia	394
Lithuania	752
Croatia	729
Czech. Rep	342
Slovakia	5,086
USA	3,723
<b>Total</b>	<b>1,868,423</b>

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://jfpj.jp/japan\\_lumber\\_reports/](https://jfpj.jp/japan_lumber_reports/)

### Restart operation to produce domestic lamina and wooden chip

Kawai Ringyou Co., Ltd. in Iwate Prefecture has completed renewal work on production lines for domestic lamina and wooden chips at its one of plants, Shizukuishi plant, and started an operation.

The plant will be able to consume 1,200 – 1,300 cbms of logs by one shift in a day. Monthly consumption of logs will be about 30,000 cbms and annual consumption will be 360,000 cbms.

To respond Work Style Reform and to solve labor shortage, the company decided to renew the equipment at the plant. The company will manufacture large diameter cedar logs for Wooty Kawai Co., Ltd.'s domestic laminated structural lumber to expand supply. Wooty Kawai is one of Kawai Ringyou's related companies in Iwate Prefecture.

The former Shizukuishi plant used to consume about 200,000 cbms of logs annually and it had been fifteen years in an operation. The company decided to remove all equipment at the plant and built a new plant on site adjacent to the former plant. Then, the company installed cutting edge production lines. The new equipment is able to consume about 1,000 cbms of logs by one shift in a day. 3.65 m or 4 m length and 14 – 50 cm diameter of logs are put into the new equipment.

As for manufacturing large diameter logs, about 250 cbms of logs will be consumed by one shift in a day. The length of logs will be 2 m, 3.65 m and 4 m. The diameter of logs will be 20 – 80 cm. There are 36 employees including office staff at the plant and the company did not increase or decrease the employees. All edged tools at the plant are polished by the company. Now, 4 m log occupies 95 % of all products and large diameter log occupies 20 – 30 %. 95 % of cedar log is used and 5 % of larch is used at the company. However, the company will expand consuming more Japanese red pine and Larix.

Production of domestic structural lumber of Wooty Kawai in 2023 is about 90,000 cbms and it will be 108,000 cbms in 2024.

### Plywood

Inquiries to domestic plywood for recutting recovered in September and October 2024 and shipment was increasing. Workdays in October are more than September so and the actual demand increased. Movement of domestic plywood recovers but the price of domestic softwood plywood is in a bearish tone and has not bottomed out.

Prices for 12mm 3 x 6 domestic structural softwood plywood decreased to 1,030 – 1,050 yen delivered per sheet in the middle of October 2024 in the Tokyo metropolitan area.

The price in some local areas was 1,000 yen, delivered per sheet. One of reasons for, the decrease is that there had been competitions between precutting plants to get orders. Also, there were battles over market share of plywood between plywood manufacturers due to the less new starts.

The price of 12 mm painted plywood for concrete form from Malaysia was US\$20, C&F per cbm high in August and September, 2024.

Some thin plywood made of natural wood from Indonesia is US\$50, C&F per cbm, high and medium thickness plywood is US\$20, C&F per cbm high.

A ringgit and a rupiah are strong against the U.S. dollar in October, 2024 and manufacturers in Malaysia and Indonesia have less profits. They expect to raise the selling price of plywood strongly.

12 mm 3 x 6 painted plywood for concrete form is US\$600 – 620, C&F per cbm. Plywood form is US\$510 – 530, C&F per cbm. Structural plywood is US\$520 – 540, C&F per cbm. These prices are stabilized from last time.

### Domestic logs and lumber

Movement of domestic lumber is also sluggish in October, 2024. In northern part of Kanto, there are still logs which are damage from insects.

Production of raw logs is low and the inventories of cedar and cypress logs are decreasing. Some lumber plants are in a precarious day-to-day situation due to less logs.

However, there are fresh logs and the log market has been rising. Cypress sills and posts are in short supply. KD 105 mm cypress sill is 70,000 yen, delivered per cbm. KD 105 mm cypress post is around 67,000 yen.

The log price in the northern part of Kanto is skyrocketing. The inquiries do not increase even though the lumber market is low due to less logs.

Cedar log for a post is 15,000 yen, delivered per cbm in Tochigi Prefecture. Medium sized cedar log is 16,800 yen, delivered per cbm and this is 2,000 yen more than last month.

Cypress log for a post is 18,000 yen, delivered per cbm and for a sill is 20,800 yen, delivered per cbm. This is 1,000 yen higher than the previous month.

Medium sized cypress log is 25,000 yen, delivered per cbm and this is 5,000 yen higher than last month.

3.65 m cedar log is 12,000 yen, delivered per cbm in Akita Prefecture. 3 m cedar log for a post is 14,000 yen, delivered per cbm in Kyushu region and this is leveled off from last month. 4 m cedar log is 14,500 yen, delivered per cbm and this is 500 yen less than last month.

3 m cypress log for a post is 19,000 yen, delivered per cbm in Chugoku region and this is 1,000 yen down. 4m cypress log for a sill is 20,000 yen, delivered per cbm and this is 500 yen down.

#### **Slight rebound in PKS price**

The price of PKS, which is imported fuel and consumed at woody biomass power plants or thermal power plants, increased slightly in South Asia.

The spot price of Indonesian certified PKS in August, 2024 was US\$80, FOB per ton. However, the spot price increased to US\$85-90, FOB per ton in September and increased to US\$90-95, FOB per ton in October, 2024. Some South Asian shippers offered US\$100, FOB per ton.

The spot price of Vietnamese wooden pellet is US\$128-130, FOB per ton in Vietnam and this is US\$3-5 more than the previous month.

The reason for the price hike is that production of PKS decreased because heavy rain occurred in Indonesia and Malaysia. It was the best time for harvesting palm trees. Palm oil plants and South Asian shippers raised the spot price. The futures price of PKS is US\$120-128, FOB per ton in South Asia.

The inventory of imported fuels such as PKS or wooden pellets in Japan was once over-stocking but the inventory is proper volume. There are inquiries for imported fuels to trading companies. However, the fire occurred at a large wood biomass power plant and the operation was stopped so demand for imported fuels has not fully recovered yet. Also, there were failures at other wood biomass power plants and it is unable to start an operation.

On the other hand, the spot price of Vietnamese wooden pellet is gradually rising due to a typhoon, which influenced the production, in September, 2024. Also, demand for wooden pellets in Europe has increased.

## **China**

#### **Vietnam launches anti-dumping probe on Chinese fibreboard**

In September the Ministry of Industry and Trade in Vietnam issued Notice (No. 2549/QD-BCT) stating that, in response to the application submitted by five Vietnamese producers, an anti-dumping probe was initiated on wood fibreboard originating in China and Thailand.

The Vietnamese tax codes of the products involved are 4411.12.00, 4411.13.00, 4411.14.00, 4411.92.00, 4411.93.00 and 4411.94.00.

The Vietnam Wood Composite Panel Manufacturers Union has claimed wood fibreboard products from China and Thailand are being dumped into the Vietnamese market at very low prices causing serious damage to local manufacturers.

See: <http://cacs.mofcom.gov.cn/article/ajycs/ckys/202409/181921.html> and [https://www.wood365.cn/Industry/IndustryInfo\\_281388.html](https://www.wood365.cn/Industry/IndustryInfo_281388.html)

#### **English versions of national standards on wood-based panels released**

It has been reported that English versions of two National Standards on the Formaldehyde Emission Classification for Wood-Based Panels and Products and Indoor Load Limit Guide for Wood-based Panels have been released.

These two Standards are important guidelines in formaldehyde emission limits and indoor load limits for wood-based panels.

The National Standard on the Formaldehyde Emission Classification for Wood-Based Panels and its Products is a refinement and supplements the mandatory national standard GB 18580-2017 Formaldehyde Emission Limits in Wood-Based Panels and Its Products for Interior Decoration Materials.

These changes are aimed at promoting the production of wood-based panels in order to meet consumer demand for 'green wood-based panels' and to promote the 'green' development and transformation and upgrading of the wood-based panel industry.

The National Standard on 'Indoor Load Limit Guide for Wood-based Panels' based on the limit for formaldehyde emission provides guidance for the use of a number of wood-based panels in interior decoration which is of significance for protecting consumer health, eliminating indoor environmental pollution and promoting the healthy development of the wood-based panel industry.

See: [https://www.wood365.cn/Industry/IndustryInfo\\_281406.html](https://www.wood365.cn/Industry/IndustryInfo_281406.html)

#### **Listed trading of log futures and options**

In late October the Dalian Commodity Exchange (DCE) released notices on the listing and trading of log futures and options. The subject of the transaction is coniferous logs and provides a risk management tool for the timber industry.

Log futures will be listed on 18 November 2024 followed by log options on 19 November 2024. Currently there is no night trading session for log futures and options.

After the listing of log futures and options Dalian Commodity Exchange will ensure the smooth operation of the market and create a joint force with all parties to continuously enhance timber industry participation.

They will also continue to enhance the influence of log futures prices in domestic and foreign market and enhance

the ability to serve the high-quality development of China's timber industry.

See: <http://news.10jqka.com.cn/20241108/c663324743.shtml>  
and  
<https://baijiahao.baidu.com/s?id=1814162366801433839&wfr=sider&for=pc>  
and  
[http://m.dce.com.cn/DCEENMO/Media\\_Center44/Exchange\\_News/8620708/index.html](http://m.dce.com.cn/DCEENMO/Media_Center44/Exchange_News/8620708/index.html)

**Policies to encourage consumption and house renovation**

China introduced preferential policies to encourage consumption of interior decoration items and to promote housing renovation.

Since the release of the ‘Action Plan to Promote the Replacement of Old Consumer Goods with New Ones’ in China all parts of the country have responded to this national call to carry out the renewals by replacing old household items.

In terms of promoting the "refresh" home improvement for kitchens and bathrooms subsidies have been provided to encourage decoration consumption and promote housing transformation in the provinces of Anhui, Shandong, Guangdong, Zhejiang, Guangxi Zhuang Autonomous Region, Jiangsu, He’nan, Fujian and Liaoning.

The maximum subsidy per house is not more than RMB20,000 for the purchase of furniture and decorative materials. Furthermore, the use of subsidies for purchasing green building materials and home improvement products, smart homes and house improvement suitable for the elderly living will be encouraged.

In order to accurately implement the subsidies the authorities will adapt implementation on the basis of local realities and the details of subsidies may be changed. In the home market many home furnishing companies have begun to increase corporate subsidies on the basis of government subsidies, launch new home furnishing packages targeted to cater to the market.

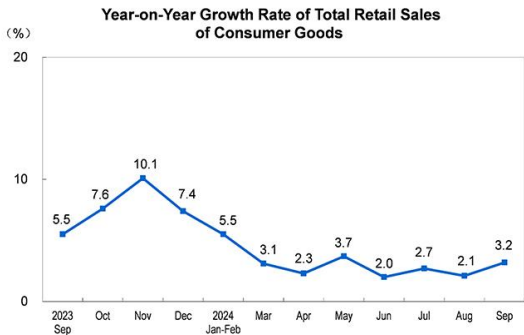
As much of home decoration is of wood products the wood-based panel sector benefits from this initiative. The subsidy policy is a gradual process and it is believed that under the continuous implementation of local policies consumption will be stimulated. Local observers comment that wood-based panel enterprises should also be prepared to actively cooperate with the implementation of local policies, introduce relevant marketing measures and link dealers around the country to revive their own development.

See: [https://www.wood365.cn/Industry/IndustryInfo\\_281457.html](https://www.wood365.cn/Industry/IndustryInfo_281457.html)

**Retail sales of consumer goods**

In a press release the National Bureau of Statistics has reported in September retail sales of consumer goods increased by 3.2% year on year. Between January and

September online retail sales nationwide reached 10,892.8 billion yuan, up by 8.6% year on year.



Source: National Bureau of Statistics, China

See: [https://www.stats.gov.cn/english/PressRelease/202410/t20241025\\_1957147.html](https://www.stats.gov.cn/english/PressRelease/202410/t20241025_1957147.html)

**Rise in log imports from US**

According to China Customs between January and September this year China’s log imports from the US rose 4% to 1.66 million cubic metres. However, China's total log imports fell 4% to 27.52 million cubic metres in the same period. The decrease mainly resulted from a decline in log imports from the top suppliers, PNG, Germany and Russia. China's log imports from Germany fell the most (as much as 60%). China’s log imports from PNG and Russia dropped 11% and 12% respectively over the same period.

**Top log suppliers January to September 2024**

Supplier	cu.m mil.	Yoy % change
Total	27.52	-4%
New Zealand	13.47	4%
USA	1.66	4%
PNG	1.55	-11%
Solomon	1.21	8%
Germany	1.18	-60%
Japan	1.15	12%
Russia	1.13	-12%

Data source: Customs, China

**Slight rise in tropical log imports**

According to China Customs, tropical log imports rose 0.7% to 4.243 million cubic metres between January and September 2024. China’s tropical log imports from PNG, the largest supplier, fell 11% year on year to 1.55 million cubic metres between January and September 2024 and tropical log imports from the Republic of Congo and Cameroon dropped 15% and 17% respectively year on year.

In contrast, China’s tropical log imports from Equatorial Guinea more than doubled to 122,000 cubic metres

between January and September 2024 compared to the same period in 2023.

China's tropical log imports from Solomon Islands, Suriname, DRC and Mozambique rose 8%, 9%, 25% and 25% respectively over the same period.

#### Top suppliers of tropical log imports, January to September 2024

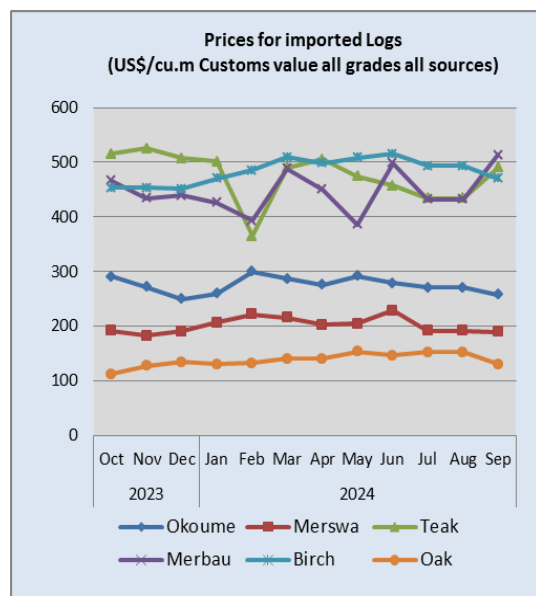
Supplier	cu.m 000s	YoY % change
Total	4,243	0.70%
PNG	1,546	-11%
Solomon Is.	1,209	8%
Rep. Congo	290	-15%
Cameroon	267	-17%
Suriname	131	9%
Eq. Guinea	122	106%
DRC	118	25%
Mozambique	102	42%

Data source: Customs, China

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

	2024 Aug	2024 Sep
Okoume	271	258
Merswa	191	189
Teak	434	490
Merbau	432	513
Birch	493	470
Oak	152	130

Data source: Customs, China

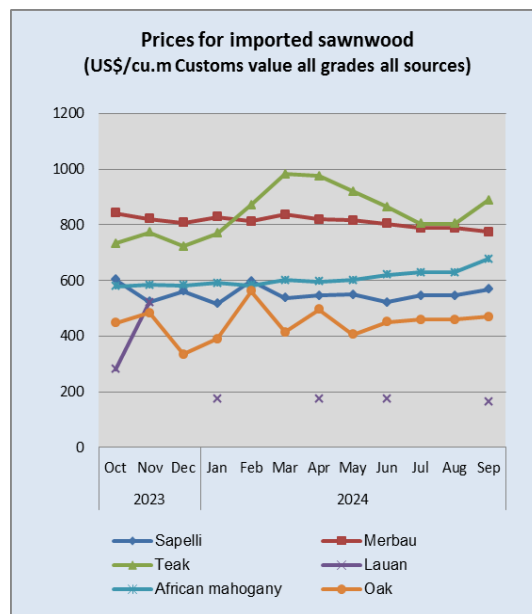


Data source: Customs, China

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

	2024 Aug	2024 Sep
Sapelli	545	569
Merbau	788	755
Teak	804	888
Lauan		164
African mahogany	629	678
Oak	459	469

Data source: Customs, China



Data source: Customs, China

## UK

### Government urged to back low carbon homes

The UK timber industry trade body, Timber Development UK (TDUK), has urged the country's government to give more support to low carbon home building. TDUK Chief Executive issued the plea after the new Labour government's Chancellor of the Exchequer, Rachel Reeves, unveiled her budget in October, laying out tax and spending plans for the year ahead.

The government announced further investment in affordable housing and building energy efficiency and reforms to planning as part of the strategy to boost UK house building to 370,000 properties a year.

On the latter target, Hopkins said the 'devil will be in the delivery' and that the government would be wise tie in more house building with mechanisms and funding to support low carbon construction given that building and buildings in use account for 25% of UK greenhouse gas emissions. He suggested there should be backing, in particular, for low energy offsite construction, where houses are prefabricated in factories. It's an approach which favours timber as the core material.

Hopkins added. "If we are to generate systemic change, we need to encourage and recognise investment into offsite manufacturing, skills for the future and low-carbon construction solutions. The timber industry has been a critical driver for the UK across all three of these areas as a proven business solution which offers quicker build times, higher quality homes, and carbon capture and storage".

He added, there needs to be a move away from energy-intensive, non-regenerative resource and greater priority given to using low-carbon materials. Such a strategy is laid out in the Timber in Construction Manifesto 2024 produced by the UK timber industry umbrella body, the Confederation of Timber Industries.

See: <https://timberdevelopment.uk/wp-content/uploads/2023/07/Timber-in-Construction-Manifesto-2024.pdf> and <https://timberdevelopment.uk/>

### **UK hardwood trade hoping for better times in 2025**

'Average' is how one trader summed up the current UK hardwood market, echoing the sentiment of others in the business. "Through the year it's just been pretty flat," said an importer. "We set our budget and we've hit our numbers each month but we're only just getting over the line. We've had busy weeks, then quiet ones. There's been no pattern to it."

The state of the market was mainly attributed to the slow-moving UK economy. The latest British Chambers of Commerce outlook forecasts a slight improvement from its previous analysis, but predicts 2024 GDP growth of just 1.1%, with government spending the main driver. It expects household consumption to increase in 2025 as the effect feeds through of lower inflation and interest rates (cut by the Bank of England on November 7 to 4.75%), but it sees GDP growth only hovering around 1%, before rising to 1.1% in 2026.

One hardwood importer said after a slow summer they had seen 'some improvement in volumes in September. "But margins remain under pressure," Another importer agreed June to August was particularly quiet, more so than the usual summer vacation lull. But they too reported some improvement in September into October.

"We've had an increase in merchant activity and seem to be heading back to where we want to be," they said. "Whether the budget reinforces the improvement or slams the brakes back on remains to be seen."

"We won't see the outcomes until the medium to longer term and budget commentary in the media and financial sector is very varied," said an importer.

"The hospitality sector is saying the increase in their employee National Insurance payments will hit their ability to not only recruit people, but to invest in refurbishment.

However, the government is devoting an extra £1.4 billion to school rebuilds and the hike in the minimum wage, fuel duty freeze and pension triple lock, in combination with lower interest and inflation rates, to underpin higher consumer spending."

Government promises of measures to increase house building to over 300,000 homes were expected by an importer to boost the market as early as next year, reinforcing the positive effect of lower interest rates.

"We expect the government's pledge to help improve industry and consumer confidence, lifting house building and repair maintenance and improvement work after some pretty depressed times," they said. "Although it will take longer to feed through to second fix work in house interiors where most hardwood is used."

This view tallies with forecasts from the Construction Products Association (CPA) in its Autumn report ([www.constructionproducts.org.uk](http://www.constructionproducts.org.uk)). After an 'extremely challenging 18 months' for the sector, it predicts UK construction output, to be 2.9% lower this year, before growing 2.5% next year and 3.8% in 2026.

Private house building is predicted to be down 9% this year, but then to grow 8% and 7% in 2025 and 2026 respectively. Repair, maintenance and improvement work (RMI) is forecast to be 4% lower this year, but to pick up from Q2 2025 due to 'the wider house construction recovery, increased consumer confidence and sustained real wage growth', says the CPA. It predicts overall growth in RMI of 3% next year and 4% in 2026.

The brighter spots in the hardwood market more recently, said suppliers canvassed, include some areas of joinery. "Demand from staircase and window makers has picked up recently," said an importer. "Hopefully that's a sign of recovery in home improvement which contracted sharply after the boom times of the pandemic."

Another importer distributor reported more activity in the door sector. "It seems to be driven by commercial and hospital builds," they said. "From framing to door blanks, we've been getting busier."

Another point of general agreement in the sector is that there is plenty of hardwood in the market. "Against the background of generally flat trade for 18 months, there's a lot of wood on the ground," said an importer. "And we expect that to be accentuated by the closure of a Manchester importer. Overall, high stock levels are keeping margins tight."

Looking at sources of supply, industrial relations at US ports are causing concern. "The dockers strike in September may have been called off, but it's a temporary agreement and it's back to the negotiating table in January so the American hardwood supply chain remains fragile," said one importer.

“The implications of another strike are obviously serious,” said an importer distributor. “Besides the impacts on immediate deliveries, there are knock-ons in terms of container distribution. There is now an element of suppliers using the dispute to drive the market.

Against the backdrop of continuing robust US domestic hardwood demand importers say it’s also a seller’s market.

“Getting what you want in terms of grade, dimension and so on is challenging,” said an importer. “You have to be proactive and hunt it down and you’ll still probably have to buy half a container of what you don’t want to get the half you do.”

On European hardwood, oak and beech supply are reported to be stable, prices likewise. “Availability is there,” said an importer-distributor. “On oak, if I need to buy ten loads, I know I can and the stronger pound has helped us on price.”

As far as African hardwoods are concerned, an EU-based supplier to the UK reports shorter delivery times, except on iroko, doussie and zebrano.

Sapele prices were reported down marginally at the start of the year but have been stable since. An importer said there is also enough African hardwood in the system. However, one importer said they had struggled to sell sapele over the last year due to an increase in uncertified timber coming into the market at prices they couldn’t compete with.

“But we’re taking a strong stance. We decided 18 months ago to buy the majority of our sapele from one FSC-certified shipper supplying a quality product. We won’t sell anything less than verified legal and preferably FSC-certified.”

But another importer reported a contrasting experience, saying the ‘benefits in the market of offering FSC-certified African hardwood are more tangible than before’. “Maybe it’s because it has become better known, with more major African shippers now offering it,” they said, adding that their premium on FSC sapele was 10%.

UK importers report iroko being increasingly difficult to find in sufficient quantities. Prices were also pushed up by lack of drying capacity, said an importer, although have now plateaued.

Lesser-known African species, despite the environmental arguments for using them, are still reported to be making only limited headway. “It’s partly because UK hardwood users are inherently conservative, but also the need for more technical information” said an importer distributor. “Density is a particular issue. Some lesser-known species are extremely variable and wood machinists do not want to take a risk. We do see better prospects for them used to make engineered components for doors and windows, where we can sell product on end-use rather than species. But progress is not going to come rapidly.”

Certified South American red grandis is reported to be a good solid business. But trade with Asia, notably in Meranti, is said to have been slow.

Perspectives on the engineered hardwood market vary. One importer said business was buoyant in engineered E. grandis and sapele and that they had started buying from one of West Africa’s largest producers. Another said their engineered sales, mainly in oak, red grandis and pine had dipped in the weak wider market. “But we’re still marketing it strongly and believe demand will return in 2025”.

There’s positivity about prospects for modified wood. While the expansion work at Accsys’ Accoya plant in Arnhem caused a hiatus in supply, now that is complete, and production has started at the new US Accoya factory the market is expected to pick up.

Interest in Abodo, like Accoya based on New Zealand radiata pine but in thermo-treated rather than acetylated form, is also said to be gaining momentum in solid and engineered form.

One thing importers were agreed on was that the deferment of the introduction of the EU Deforestation Regulation (EUDR) by 12 months is a positive.

“Inevitably the UK will be impacted by the Regulation. Most UK timber imports are from the EU and not only will timber and wood products placed on the EU market have to be compliant, but also its exports,” said an importer.

“Also, many of our customers sell their finished wood products in the EU. All shippers will have to satisfy the EUDR’s requirements for due diligence. It’s a complex task and the EU has now accepted it needs to provide more guidance and clarity”.

A leading international trader and distributor said they would take the opportunity of the EUDR postponement to work with suppliers to ensure they can provide the compliance information required.

“The online platform for uploading EUDR due diligence and geolocation information also goes live in November which will enable us to act to suppliers as if the Regulation is in place,” they said. “Together we can make this work.”

Looking forward to the hardwood trade in 2025 the view of one UK importer reflected the consensus of the sector. “Success will be down to maintaining customer service, while strictly managing timber inflows”.

A press release from the European Parliament has confirmed implementation of the EU Deforestation Regulation (EUDR) will be delayed by a year to December 2025 “so that companies can comply with the law that ensures products sold in the EU are not sourced from deforested land”.

The press release says:

“In response to concerns raised by EU member states, non-EU countries, traders and operators that they would not be able to fully comply with the rules if applied as of end of 2024 the Commission proposed postponing the application date of the deforestation regulation by one year. The European parliament agreed to this postponement as well as other amendments with 371 votes to 240 and 30 abstentions”.

See: <https://www.europarl.europa.eu/news/en/press-room/20241111IPR25340/eu-deforestation-law-parliament-wants-to-give-companies-one-more-year-to-comply>

An amendment, introducing a “no-risk” country category into the law was approved and the criteria for risk assessment included. The press release says “no risk” is defined as “countries with stable or increasing forest area development” and such countries “would face significantly less stringent requirements”.

This change has sparked criticism from environmental groups for undermining the regulation’s effectiveness. Critics warn that the “no risk” category could open the way for resource laundering, where products from high-risk countries could be routed through no-risk nations,

See: <https://www.euractiv.com/section/agriculture-food/news/eudr-parliament-backs-no-risk-group-trade-partners-accuse-eu-of-protectionism/>

As of 15 November no formal statements from the main timber trade associations or groups have been seen. Environmental groups were quick to express disappointment at the delay in implementation and of the introduction of the no-risk category of countries.

For an early comments on the EUDR postponement and key amendments see:

<https://www.resourcewise.com/forest-products-blog/eudr-delay-will-the-us-be-exempt-as-a-no-risk-country> and

<https://www.reuters.com/business/environment/european-parliament-approves-one-year-delay-eu-anti-deforestation-law-2024-11-14/>

### Sawn tropical hardwood imports drop further

US imports of sawn tropical hardwood fell by more than 10% for the second straight month in September. Imports fell by 19% in September after a 14% decline in August. The 12,198 cubic metres of tropical hardwood imported in September was 32% less than that imported in September 2023 and was the lowest volume imported in any month so far this year.

Imports from top trading partners Brazil and Indonesia were down 11% and 13%, respectively, while imports from Malaysia sank 63% and imports from Cameroon fell 29%. Imports of Ipe (down 31%) and Sapelli (down 24%) both fell sharply for the second consecutive month. Total US imports of sawn tropical hardwood are down 10% versus last year through September.

Canada’s imports of sawn tropical hardwood tell a similar story, falling 19% in September after falling 13% in August. Despite the drop, the month’s imports were 23% above those of last September.

Imports from Cameroon rose 72% in September and were up 81% for the year so far. Imports from most other trading partners fell sharply for the month but remain ahead of last year’s pace through September. Total Canadian imports of tropical hardwood were up 43% versus 2023 for the year through September.

### US sawn tropical hardwood imports

	Jan-Sep 2024 cu.m	YoY % change
Total	136,428	-10%
Ecuador	4,043	-26%
Brazil	37,909	2%
Cameroon	16,610	8%
Malaysia	12,161	-42%
Rep. Congo	12,482	5%
Peru	950	15%
Indonesia	20,400	-4%
Ghana	5,097	-2%
Cote d'Ivoire	1,666	-4%
Other	25,110	-19%

Data source: US Department of Agriculture, Foreign Trade Statistics

### Hardwood plywood imports – volumes down costs up

US imports of hardwood plywood dipped 4% in volume for the second consecutive month in September. The 201,955 cubic metres of plywood imported was, however, 11% more than the volume imported in September 2023 as imports didn’t decline as steeply as they do historically in early autumn.

Despite the loss of volume, the dollar value of imports rose 4% over the previous month. Imports from China fell 41% in September and are down 22% for the year while imports from most other top trading partners are up sharply for the year.

Total volume of hardwood plywood imports for the year is up 8% over last year through September.

#### US hardwood plywood imports

	Jan-Sep 2024 cu.m	YoY % change
Total	2,030,942	8%
China	27,943	-22%
Russia	136,765	1%
Indonesia	486,715	29%
Malaysia	66,985	67%
Cambodia	102,967	25%
Vietnam	545,311	71%
Ecuador	97,533	-6%
Other	566,723	-28%

Data source: US Department of Agriculture, Foreign Trade Statistics

#### Veneer imports fall in September, but not as much as in other years

A 29% decline in September in US imports of tropical hardwood veneer is hardly good news, but it is not as bad as it may appear. September is usually a slow month for these imports. Over the past five years imports for September have plunged to only half to a third of what they've been in August, so a loss of only 29% is minor.

This is reflected in the fact that the month's imports were 6% above those of September 2023. Imports from China were especially robust, rising to their highest level since last October. Total veneer imports for the year are 13% below that of 2023 through September.

#### Hardwood flooring imports recover

After falling to a three-year low in August, imports of hardwood flooring rose by 17% in September. Even with the gain, imports for the month came in 8% lower than for September 2023. A 26% increase in imports from Indonesia helped fuel the gain while imports from China, Malaysia, Vietnam and Brazil all trended downward. Total imports of hardwood flooring are down 13% versus last year for the year so far.

#### US assembled flooring imports

	Jan-Sep 2024 US\$	YoY % change
Total	247,824,349	36%
China	7,963,102	29%
Canada	52,658,805	39%
Indonesia	13,305,320	-26%
Vietnam	51,668,581	53%
Thailand	34,482,867	218%
Brazil	721,399	-19%
Other	87,024,275	16%

Data source: US Department of Agriculture, Foreign Trade Statistics

US imports of assembled flooring panels rose again in September, gaining 7% over the previous month. The increase is the fifth gain in the last six months. Imports from top-supplier Canada grew by 50% while imports from Indonesia jumped by 92%. Total imports continue to strongly outdo last year, up 36% over 2023 figures through September.

#### Moulding imports rise to highest level in two years

US imports of hardwood moulding rose 16% in September to hit their highest level since September of 2022. At over US\$16 million, the total for the month was 33% better than that of a year ago. The gain was fueled by a 22% rise in imports from top-supplier Canada and a 93% leap in imports from Brazil.

Despite the rally, imports from Brazil are still down 45% versus last year as Canada continues to gain market share. Total US imports of hardwood molding are up 27% versus 2023 through September.

#### US wooden furniture imports also hit a two-year high

US imports of wooden furniture moved higher in September, rising 6% over the previous month. The gain pushed imports to their highest level since September 2022, which was the last time monthly imports were above US\$2 billion.

The US\$1.85 billion of wooden furniture imported in September, while not quite back to 2022 levels, was an impressive 19% better than September of last year. Imports from Vietnam and Canada were both up 14%, while imports from India and Indonesia both rose more than 25%. Total imports of wooden furniture for 2024 so far are up 7% over 2023.

On a seasonally adjusted basis, sales at furniture and home furnishings stores were down 1.4% in September from the previous month, and down 2.2% from September 2023, according to the latest survey by Smith Leonard. Sales were also down 5.1% for year-to-date September 2024 compared to the same period for 2023 on an unadjusted basis.

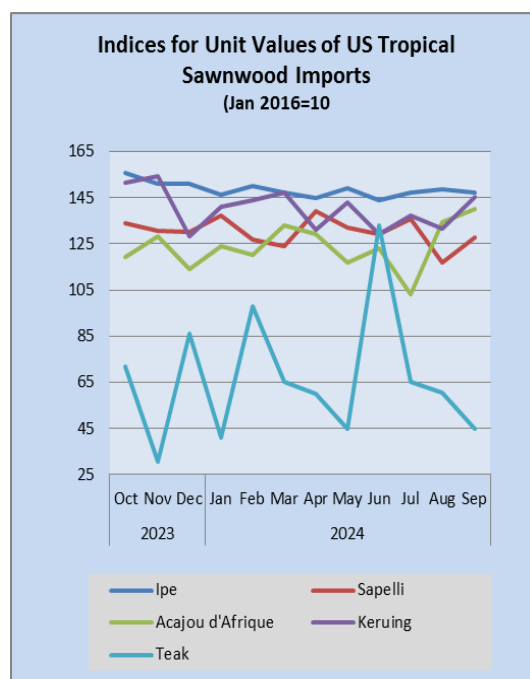
New orders for residential furniture dropped 7% in August compared to 2023 figures, continuing the trend of year-over-year declines in growth, according to the October issue of Furniture Insights. Approximately 40% of the survey participants reported increased orders in August compared to a year ago.

New orders were up 12% compared to July figures, and are up 1% for the year-to-date, "though that spread has continued to narrow with the last four months' declines," said Mark Laferriere, assurance partner at Smith Leonard. Laferriere added that the mood of the market seemed to be largely positive, though the US elections and potential for tariffs were also on many people's minds.

## US wooden furniture imports

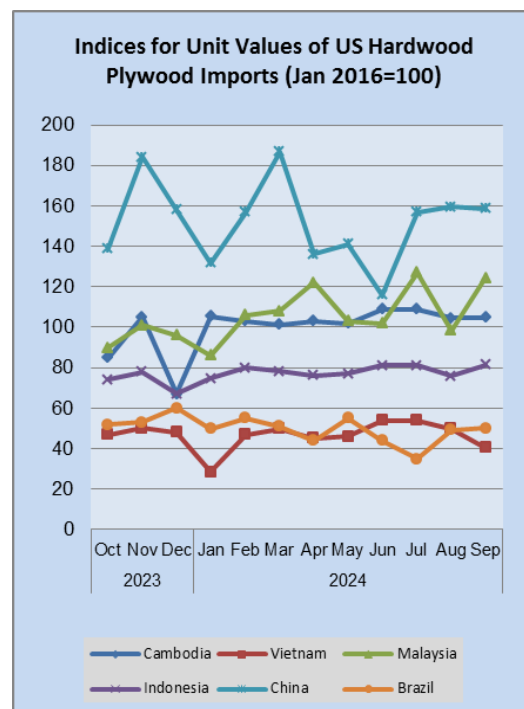
	Jan-Sep 2024 US\$	YoY % change
Total	15,669,512,145	7%
China	2,426,616,204	3%
Vietnam	6,424,748,212	21%
Canada	1,193,476,620	-4%
Malaysia	787,129,849	6%
Mexico	1,205,425,876	-7%
Indonesia	619,950,831	-3%
India	319,167,988	-4%
Other	3,012,164,553	-1%

Data source: US Department of Agriculture, Foreign Trade Statistics



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.

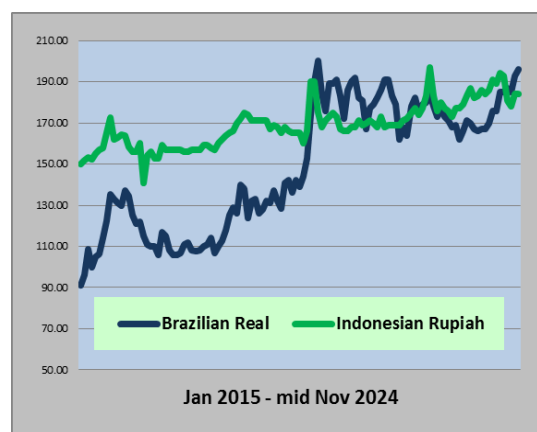
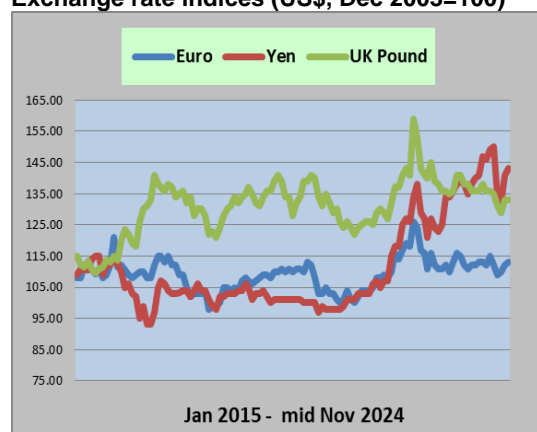
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

## US Dollar Exchange Rates

As of 10 November 2024

Brazil	Real	5.74
CFA countries	CFA Franc	608.95
China	Yuan	7.18
Euro area	Euro	0.32
India	Rupee	84.40
Indonesia	Rupiah	15,649
Japan	Yen	154.63
Malaysia	Ringgit	4.38
Peru	Sol	3.73
UK	Pound	0.77
South Korea	Won	1,398.13

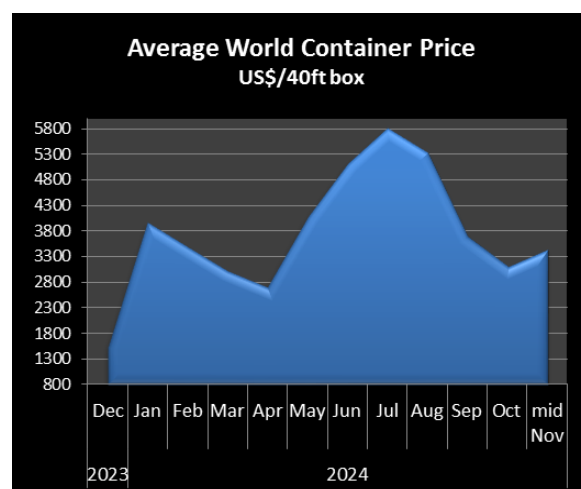
Exchange rate indices (US\$, Dec 2003=100)



## 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

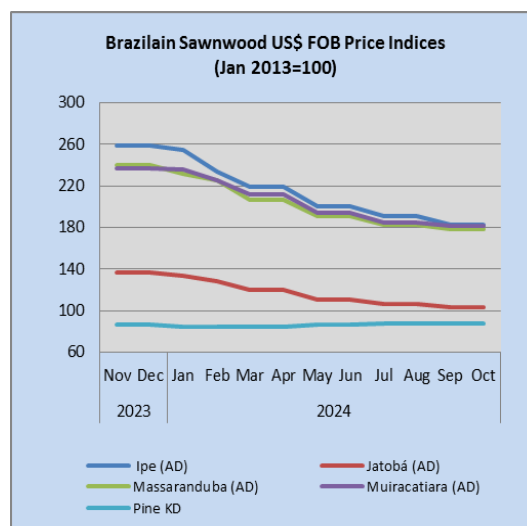
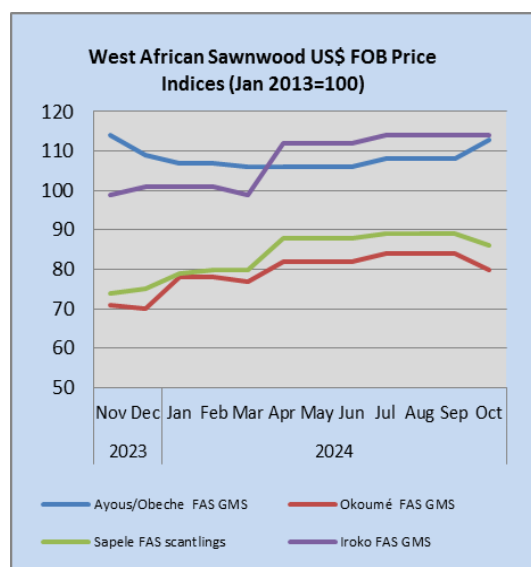
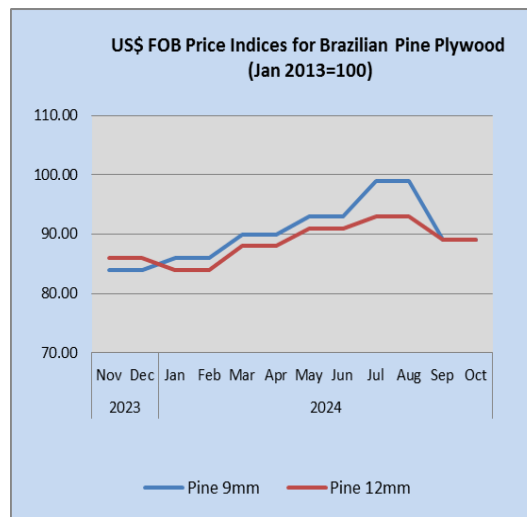
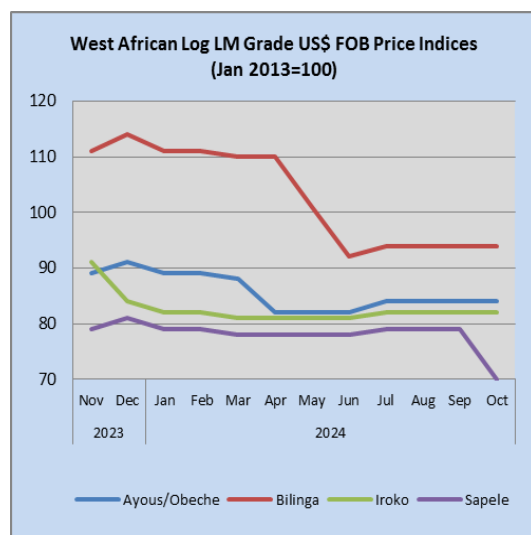


Data source: Drewry World Container Index

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.

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