

# Tropical Timber Market Report

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## Top story

### US home sales slowest since 2010

Sales of previously occupied US homes slowed in September to the weakest annual pace in nearly 14 years even as mortgage rates eased and the supply of properties on the market continued to climb.

Existing home sales fell to a seasonally adjusted annual rate of 3.84 million according to the National Association of Realtors. That was the slowest annual sales pace since October 2010 when the housing market was still in a deep slump following the late-2000s real estate crash.

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### Demand insights

Timber markets in China are said to be oversupplied and storage facilities at major ports like Zhangjiagang are at full capacity. It has been reported that Zhangjiagang Port is only accepting logs that can be transported immediately to the importer.

The slowdown in construction in China has led to decreased demand and while the Chinese government has begun to address the problems in the real estate and construction sectors the measures will take time to have an impact.

Exports of species such as okan, beli and ovangkol are suffering due to the weak demand in China and the market for bubinga/kevazingo, once lucrative market with prices in the thousands, has significantly declined.

In contrast to the downturn in demand in China there is said to be robust demand in Vietnam, especially for tali. The Port of Owendo in Libreville is filled with large sized tali sawnwood with dimensions ranging from 15x15 cm to 20x30 cm and lengths of 200 to 300 cm all destined for Vietnam.

The Philippines maintains its strong demand for species such as okoume and dabema and order levels for Middle East markets are good with orders placed two to three months in advance for redwoods, okoume and andoung.

The European market remains slow overall with no significant changes.

### Regional harvesting and production

In Cameroon heavy rains are leading to transport delays and logistical problems, particularly affecting the movement of timber. Sawmills in Cameroon report having secured orders for the next two months and are tending to mill species preferred in European markets such as moabi, douka/makore, doussie, padouk, sapelli and azobé.

The Central African Republic continues to supply logs and sawn timber to Douala. The main species are sapelli, iroko, sipo and doussie for which prices are good at present.

In Gabon persistent heavy rains are delaying road transport from the Southern and Eastern Regions where not all roads are paved. Transportation on laterite roads in the Central Regions like Lastourville and Makokou are challenging, requiring two to three days for trucks to reach their destinations. Due to weighbridge limitations in Ndjolé trucks cannot exceed a total weight of 32 tonnes further complicating logistics.

As in other countries in the region sawmills in Gabon are also shifting focus to species favoured in Europe and Vietnam such as azobé for the Netherlands and tali for Vietnam.

A derailment in Gabonn mid month caused a four day delay in shipments to the port.

In the Republic of Congo (Brazzaville) the Northern Region has been experiencing heavy rain and flooding causing transport problems from Likouala to Cameroon. The mid and Southern Regions are also facing transport delays due to the rain.

### Production outlook

There is a noticeable shift towards European species across West African countries due to declining demand from China and India. Sustained demand from Vietnam and the Philippines provides some stability with consistent demand for specific species like tali, okoume and dabema.

The anticipated end of the rainy season in December should alleviate some transportation challenges improving the movement of timber to ports and markets. Operators in the region are trying to anticipate the likely impact of the EUDR on their businesses but this is a challenge as nothing has been finalised as yet.

### Launch of the new Bois Congo website

As part of the Support of the Private Sector Congo project the ATIBT has created a website dedicated to the Congo wood industry, [bois-congo.org](https://www.bois-congo.org). This site is platform for all stakeholders involved in the management, processing and trade of sustainable Congolese tropical wood.

See: <https://www.atibt.org/en/news/13554/discover-bois-congo-the-new-internet-portal-dedicated-to-the-republic-of-congo-forestry-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	230	230	-
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	450
Merchantable KD	410
Std/Btr GMS	400↓
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

### Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in the Republic of Congo and Gabon.

See: <https://www.itto-ggsc.org/static/upload/file/20241021/1729482752156998.pdf>

## Ghana

### Kiln dried boule exports register sharp rise

Available data from the Timber Industry Development Division (TIDD) of the Forestry Commission show that total wood product export volumes for the period January to August 2024 stood at 182,542 cu.m, down 10% year-on-year. Nineteen wood products exported in the period earned the country Eur 82.46 mil., down from Eur 92.24 mil.earned in the same period in 2023.

### Wood products exports, Jan-Aug.2024

Product	2024 (cu.m)	Y-O-Y % change Vol	Y-O-Y % change Val
Ad Sawnwood	104,783	-10%	-9%
KD Sawnwood	24,135	-11%	-12%
Billets	11,247	16%	18%
Plywood (Overland)	10,676	-30%	-29%
Plywood	7,466	-26%	-23%
Rotary Veneer	6,311	12%	11%
Teak Logs	6,087	-6%	-5%
Mouldings	4,120	-30%	-23%
Sliced Veneer	4,236	-9%	-14%
Briquettes	1,575	3%	22%
Boules (AD)	1,256	74%	-20%
Boules (KD)	281	430%	415%
Others (7)	1,906	83%	15%
<b>Total</b>	<b>182,542</b>	<b>-10%</b>	<b>-11%</b>

Data source: TIDD

There was a sharp increase in export volumes of kiln-dried boules (281cu.m) against the volume exported in the same period in 2023 (53cu.m) while air-dried boule exports also recorded a 74% growth in volume but a 20% drop in export receipts.

Boule exports comprised niangon (78% by volume) and sapele (22%). These were exported to France, Greece and Italy with Smartex Timber and Plywood Company Limited and Bright Planners Ltd. as the main exporters.

Other products that recorded positive increases in export volumes during the period were billets (16%), rotary veneer (12%) and briquettes (3%). These products also recorded corresponding revenue growth year-on-year ranging from 12% to 22%.

The TIDD report also indicated there were declines exports in most of the major export wood products during the 8-months period in 2024 including sawnwood, plywood and sliced veneer compared to the previous year.

Air and kiln-dried sawnwood continued to be the leading wood product exported from Ghana, contributing 70% and 71% of the total volume of exports in 2023 and 2024 respectively.

### Farmers urged to avoid excessive felling of economic tree species

The Forestry Research Institute of Ghana of the Council for Scientific and Industrial Research (CSIR-FORIG) has cautioned farmers against clearing forests for agricultural production. The research institute has observed that a considerable volume of commercial species were being cut.

According to the Council, preserving forests and enhancing carbon storage was crucial for mitigating climate change, maintaining ecosystem health and ensuring a sustainable future, especially in carbon trading.

Dr. Reginald T. Guuroh, Principal Investigator at the CSIR-FORIG, made this known at the sideline of the opening ceremony of a five-day workshop on greenhouse gas determination in West Africa's agricultural landscape.

See: <https://www.businessghana.com/site/news/General/314706/CSIR-cautions-farmers-against-clearing,-cutting-tree-species-for-agric-production>

### Ghana secures World Bank funding to help address energy sector losses

Ghana has signed a US\$260 million agreement with the World Bank to help solve the US\$1.2 billion energy sector losses and inefficiencies in the sector.

The agreement, under the Energy Sector Recovery Programme, comprises a US\$250 mil. credit metering procurement package and a US\$10 mil. clean cooking grant component in line with the Bank's Programme for Results (PforR) initiative.

In a related development, the Co-chair of the Ghana Extractive Industry Transparency Initiative, Dr. Steve Manteaw, has highlighted a significant revenue increase by the Electricity Company of Ghana (ECG). According to him, the rise in revenue is directly linked to both private sector participation and the full deployment of digital infrastructure, marking a turning point for the energy sector's financial health.

See: <https://citinewsroom.com/2024/10/ghana-inks-us260m-world-bank-deal-to-tackle-energy-sector-inefficiencies/>

### Economy to grow 4.0% in 2024

According to the International Monetary Fund (IMF), Ghana's economy is expected to grow by at least 4% this year up from an earlier 3% projection. Ghana's inflation is also expected to end 2024 at 23% according to the World Bank's October 2024 Africa Pulse Report. Inflation is forecast to fall to 11.5% in 2025.

See: <https://www.myjoyonline.com/imf-revises-ghanas-growth-target-to-4-for-2024/>

### 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	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up	860	925
Afrormosia	465	947
Asanfina	290	320↓
Ceiba	363↓	550↑
Dahoma	640	873
Edinam (mixed redwood)	700↓	750↑
African mahogany (Ivorenensis)	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		
	Ceiba	Ofram	Asanfina
BB/CC			
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↑

### Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in Ghana.

See: <https://www.itto-ggsc.org/static/upload/file/20240929/1727586546173092.pdf>

## Malaysia

### Updated National Climate Change Policy

The Ministry of Natural Resources and Environmental Sustainability has launched the National Climate Change Policy (NCCP) 2.0, an updated policy that introduces a new framework for Malaysia's transition towards a low-carbon economy.

The Minister, Nik Nazmi Nik Ahmad, said the NCCP 2.0 is an umbrella policy that ties together all climate initiatives, provides a clear pathway for governance, low carbon development, adaptation, climate financing and partnerships as well as serves as the backbone for the drafting of Malaysia's very own Climate Change Act, which is expected to be completed early next year.

Nik Nazmi also hinted that driving transboundary collaboration would be Malaysia's priority, as it assumes the chairmanship of ASEAN next year.

See:

<https://ceomorningbrief.theedgemalaysia.com/article/2024/0838/Home/13/728468>

### MTIB incentives for manufacturers

The Malaysian Timber Industry Board Certification Body (MTIB-CB) gave a briefing to explain its role and the incentives available to manufacturers for developing documentation based on MTIB-CB Standard Product requirements. The MTIB-CB provides recognition for the Timber Product Quality Assurance Scheme.

The primary objectives are to assist the local industry in fulfilling quality assurance requirements, ensuring consistent product quality and guaranteeing that the certification process adheres to the developed standards for consumer safety. Currently, MTIB-CB oversees two product standards: the Plywood Certification Standard (MTIB-CB-PS-01), which outlines requirements for various plywood types and the Formaldehyde Emission from Wood-Based Panel Standard (MTIB-CB-PS-02), specifying emission levels for wood-based products.

See: <https://sta.org.my/images/STARReviewSep2024.pdf>

### Technology in the forests

Huawei has developed what is termed the TECH4ALL programme an initiative to protect biodiversity and prevent illegal logging in Sarawak's rainforests. The project enables forest rangers to use tracking devices from Huawei's cloud technology and artificial intelligence.

According to Huawei Public Affairs and Communications Manager, Atiqah Khairudin, one of the domains focused on by Huawei at TECH4ALL in Malaysia is the environment which sees them working closely with partners in Sarawak to ensure that forests are protected using technology.

"Since the implementation of this project in 2021 with the Sarawak Forestry Corporation, Sarawak Multimedia Authority and the Sarawak Forestry Department, 77 sounds of activity have been detected including chain saws and vehicles in real time," he reported.

See:

[https://mtc.com.my/images/media/1762/10\\_Teknologi\\_TECH4ALL\\_Huawei\\_cegah\\_pembalakan\\_haram\\_lindungi\\_hutan\\_Sarawak\\_TV5.pdf](https://mtc.com.my/images/media/1762/10_Teknologi_TECH4ALL_Huawei_cegah_pembalakan_haram_lindungi_hutan_Sarawak_TV5.pdf)

and

<https://www.huawei.com/en/tech4all/environment>

### Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in Malaysia.

See: [https://www.itto-](https://www.itto-ggsc.org/static/upload/file/20241021/1729482752156998.pdf)

[ggsc.org/static/upload/file/20241021/1729482752156998.pdf](https://www.itto-ggsc.org/static/upload/file/20241021/1729482752156998.pdf)

## Indonesia

### Could wood energy boom threaten SE Asian forests and communities?

Research presented at the recent ASEAN Summit has warned of threats to Southeast Asia's tropical forests due to the rapid growth of the wood-to-energy sector. The report, 'Unheeded Warnings: Forest Biomass Threats to Tropical Forests in Indonesia and Southeast Asia', suggests energy policies push a "false climate solution" that could result in significant deforestation.

The report, published by organisations such as Earth Insight, Auriga Nusantara and Forest Watch Indonesia highlights the risk of negative impacts from biomass energy policies.

See: <https://www.bioenergy-news.com/news/new-report-highlights-biomass-threat-to-southeast-asian-forests/>

and

<https://en.tempo.co/read/1926703/report-wood-energy-boom-threatens-southeast-asian-forests-and-communities>

### A guide for smallholders on EUDR

Indonesia, Malaysia and the European Union plan a practical guide to the EUDR for smallholders according to the Council of Palm Oil Producing Countries (CPOPC).

The guide will be for smallholders and small businesses in the palm oil, coffee, rubber, timber and cocoa sectors. CPOPC is an intergovernmental organisation for palm oil producing countries.

Indonesia has said it fears the regulation risks driving smallholders and SMEs out of the global supply chain.

See: <https://op.europa.eu/en/publication-detail/-/publication/13116422-7869-11ee-99ba-01aa75ed71a1>

and

<https://www.reuters.com/world/asia-pacific/indonesia-malaysia-eu-work-guide-smallholders-eu-deforestation-rules-2024-10-11/>

### Shrinking middle class

The national statistics agency has warned Indonesia's economy is suffering from "long COVID" in the form of a shrinking middle class as people struggle with widespread layoffs, rising interest rates and de-industrialisation.

The proportion of middle class Indonesians dropped from 21.4% of the 267 million population in 2019 to 17.1% of the 289 million population in 2024, according to the Central Statistics Agency (BPS), while the proportion of people classified as "aspiring middle class" rose slightly from 48.2% to 49.2%.

Those regarded as vulnerable jumped from 20.6% to 24.2% over the same period. In absolute terms the middle class shrank by 9.5 million people.

See:

<https://www.benarnews.org/english/news/indonesian/indonesias-shrinking-middle-class-alarms-economists-09132024151821.html>

### Forestry Minister - Raja Juli Antoni

The newly appointed Minister Forestry, Raja Juli Antoni, has called on all stakeholders to collaborate in protecting and managing forests for the benefit of the Indonesian people.

The previous Ministry of Environment and Forestry has been eliminated and replaced by a Ministry of Forestry and a Ministry of Environment.

Raja Juli made this statement after receiving the handover of office from the former Minister, Siti Nurbaya Bakar. Raja Juli emphasised that, as Minister, he would not merely change the name of the programme but address challenges in the sector.

The Minister mentioned that President Prabowo Subianto has repeatedly called for the protection of forests to ensure that they provide benefits and welfare for all Indonesian people.

In related news, Minister Raja Juli Antoni stated that he will focus on resolving several forestry issues including data transparency to address the problem of mis-allocating of palm oil plantations in forest areas.



He specifically mentioned the issue of monitoring palm oil governance in Indonesia, as previously expressed by the Financial and Development Supervisory Agency (BPKP).

See: <https://www.medcom.id/nasional/peristiwa/Wb7Q2ZrK-menteri-raja-juli-antoni-ajak-semua-pihak-kolaborasi-kelola-dan-jaga-hutan>

and

<https://www.antaranews.com/berita/4414433/menhut-raja-juli-fokus-selesaikan-keterlanjuran-sawit-di-kawasan-hutan>

### Indonesia and UNEP establish cooperation on environment and forestry

Before the change of government the former Ministry of Environment and Forestry and the UN Environment Programme (UNEP) agreed on cooperation in the fields of environment and forestry, including the conservation and sustainable use of natural resources.

The cooperation was founded in a memorandum of understanding (MoU) by former Environment and Forestry Minister, Siti Nurbaya and Regional Director of UNEP in Asia and the Pacific, Dechen Tsering.

Dechen said that through this collaboration the UNEP will provide support for priority programmes related to environmental and forestry issues as well as commitments and initiatives at the international, regional, and national levels.

See: <https://en.antaranews.com/news/329058/indonesia-unep-establish-cooperation-in-environment-forestry>

### Trade Minister hoping to wrap up IEU-CEPA talks

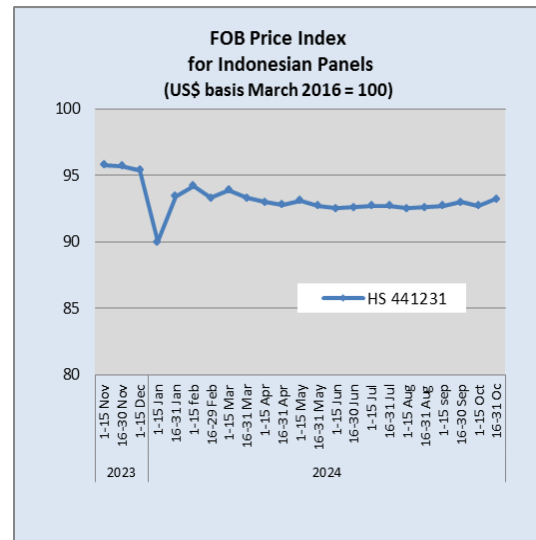
The new Minister of Trade, Budi Santoso, has affirmed that he will pursue the speedy conclusion of negotiations on the Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA).

He noted that the deadline for the completion of the agreement has been pushed back as Indonesia and the EU are not in agreement on several matters and it is necessary to find solution as soon as possible.

Earlier, the Director General of International Trade Negotiations at the Ministry of Trade, Djatmiko Bris Witjaksono, advised that the IEU-CEPA negotiation has stalled due to policy disagreements.

Witjaksono also described the European Union Deforestation Regulation (EUDR) as a major stumbling block that has prevented the two parties from finalising the long-awaited economic agreement.

See: <https://en.antaranews.com/news/330573/trade-minister-santoso-hoping-to-wrap-up-ieu-cepa-talks-quickly>



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

## Myanmar

### Conflict and natural disaster – millions need help

A press statement from the UN says “Amid escalating hostilities in Myanmar that have plunged millions into a deepening humanitarian crisis, UN Secretary-General António Guterres urged the country’s neighbours “to leverage their influence” to bring about peace.

The appeal comes as aid agencies warn that millions of people remain in acute need across Myanmar, particularly in the north, southeast and Rakhine state. Their plight has been made even worse by torrential rainfall and catastrophic flooding amid a lack of humanitarian access and insufficient relief funding.

“The humanitarian situation is spiralling. One-third of the population is in dire need of humanitarian assistance - millions have been forced to flee their homes” Guterres told a meeting of ASEAN.

See: <https://news.un.org/en/story/2024/10/1155596>

### Meeting of the ASEAN Ministers on Agriculture and Forestry

On 24 October the Minister for Agriculture, Forestry, Livestock and Irrigation, U Min Naung, chaired the 45th ASEAN Ministers on Agriculture and Forestry (AMAF) meeting.

On the first day of the meeting representatives from ASEAN countries, Timor-Leste, ASEAN Secretariat and Deputy Secretary-General of ASEAN discussed progress in the implementation of ASEAN food security, agriculture and forestry in 2023-2024 the sustainable agricultural programmes especially ASEAN directives on reducing crop burning and reducing the use of dangerous chemicals, implementation of the blue economy, digitalisation and a joint venture of governments and the private sector.

The ASEAN Ministers reviewed the completed tasks mentioned in the ASEAN food security, agriculture and forestry strategic plan and approved the 16 critical deliverables for ASEAN food security, agriculture and the forestry sector.

They also recorded 11 action plans and added to the ASEAN agriculture, food security and forestry strategic plan (2026-2030).

See: <https://www.moi.gov.mm/moi%3Aeng/news/15853>

#### **Data on border trade shows decline**

Exports were worth US\$3.5 billion and imports were valued at US\$3.27 billion in the first quarter of this financial year 2024-2025 according to the Ministry of Commerce. The data indicated a significant year on year decline in the trade balance. Seaborne trade in the first quarter was US\$5.48 bil., down year on year from US\$5.6 bil.

The border trade value declined to US\$1.32 billion from US\$2.69 billion.

Myanmar exports agricultural products, animal products, minerals, forest products, and finished industrial goods, while it imports capital goods, intermediate goods, raw materials imported by the CMP enterprises and consumer goods.

See: <https://www.gnlm.com.mm/myanmar-foreign-trade-shows-surplus-in-q1/>

#### **Mandatory remittance requirements extended to cover workers in Laos**

The authorities recently extended remittance requirements to Myanmar workers in Laos mandating that 25% of their wages must be sent back to Myanmar through official channels. This policy adds to existing remittance obligations imposed on workers in Thailand.

The new regulation, enforced by Myanmar's Ministry of Labour, requires workers to use approved remittance channels despite concerns over unfavourable exchange rates and high charges. This move has been met with criticism from many sectors.

See: <https://www.rfa.org/english/myanmar/2024/10/24/myanmar-migrant-workers-laos/>

In related news, Myanmar's humanitarian and economic crisis has worsened under mandatory conscription. Targeting working-age men and women this policy has driven thousands to flee the country. The forced enlistment comes on top of economic decline and widespread displacements and a labour shortage is reportedly affecting key sectors like agriculture.

It has been reported the Myanmar authorities aim to draft 5,000 people per month which has caused many young citizens to flee the country.

Myanmar nationals, now among the top foreign property buyers in Thailand but face growing documentation issues due to restrictive passport renewals and forced remittances.

See: [https://eastasiaforum.org/2024/10/26/myanmar-faces-manifold-crises-as-military-conscription-drives-mass-exodus/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=myanmar-faces-manifold-crises-as-military-conscription-drives-mass-exodus](https://eastasiaforum.org/2024/10/26/myanmar-faces-manifold-crises-as-military-conscription-drives-mass-exodus/?utm_source=rss&utm_medium=rss&utm_campaign=myanmar-faces-manifold-crises-as-military-conscription-drives-mass-exodus)

## **India**

#### **Diwali – busy time for many businesses**

The week 21-25 October was the last working week before the festive season of "Diwali" and Hindu New Year holidays which will run until 3 November. Businesses are often at their busiest before major holidays. The upcoming Diwali festival, one of the most important holidays in India, is no exception.

Diwali is one of the most important holidays in the Indian economy, boosting consumer spending on new clothes, gifts, home decorations, food, and beverages. As the most celebrated holiday in the community, Diwali also leads to increased consumer spending.

However, businesses typically close for several days during the holiday, resulting in manufacturing delays and inventory shortages which significantly impact the Indian supply chain.

#### **Shortage of affordable land holding back home construction**

In a press release, the Confederation of Real Estate Developers' Associations of India (CREDAI) has pinpointed two aspects that it believes would help boost both the supply and demand for affordable housing in India.

According to CREDAI the availability of land and the current price cap on land for affordable housing needs to be addressed to ensure sustained growth of the affordable housing segment.

CREDAI asserts that the cost of land, which accounts for nearly 50% of the total cost of any housing project, is a huge financial burden. This is a problem for developers especially in Tier 1 cities, where the cost of land is much higher than other regions of the country. CREDAI believes affordable land costs for affordable housing projects would help and enable developers to build more houses under the segment.

Data from the National Housing Bank reveals a 24% increase in house prices in India since June 2018 underscoring the need for revision of the price cap on affordable house prices.

The real estate industry advocates a re-evaluation that reflects current market realities and ensures adequate availability of affordable housing units. CREDAI believes the definition should be based on the size of the house and not the price.

Boman Irani, President, CREDAI “Affordable Housing has been one of the most important segments of Indian Real Estate in the past few years, which has fulfilled the dreams of millions of Indians to become homeowners. Currently, there is a need to alter some fundamental aspects to get the segment back on a robust growth trajectory that can lead to sustained and sustainable growth”.

See: <https://www.credai.org/media/view-details/492>

In other real estate news, a press release from CREDAI says a recent Colliers-CREDAI Report forecasts the Indian real estate is set for 16% annual growth to propel the market to US\$10 trillion by 2047. The interplay between real estate and India’s economic growth journey over the next few decades is explored in the latest report “Indian Real estate: The Quantum Leap” by Colliers in collaboration with the Confederation of Real Estate Developers' Associations of India (CREDAI).

The report identifies that long-term growth in real estate is underpinned by six salient growth levers which include rapid urbanisation, infrastructure development, digitalisation, demographic shifts, sustainability and investment diversification, all of which will form the foundation for a leap in Indian real estate sector growth.

See: <https://www.credai.org/media/view-details/491>

#### Farmers - poplar and eucalyptus offer best returns

The Indian trade magazine Plyinsight has an article reporting that in Northern India innovative farmers have begun to plant poplar and eucalyptus which, they consider, have potential to yield more profits than traditional agri-crops. The wood panel industry is well-established in the Yamunanagar Region of Haryana State of Northern India and industries there produce about one-third of the country’s panel products so there is a ready market for logs.

To stimulate the promotion of agroforestry, the Punjab government has formulated a plan that includes establishing a consortium of government bodies ensuring fair pricing for farm woods, creating cultivation agreements between farmers and industries, providing annuity payment through soft loans and developing infrastructure.

See: <https://plyinsight.com/september-edition-2024/>

#### 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	156	450
Colombia	219	410
Costa Rica	114	320
Nigeria	-	-
Benin	See note below	-
Tanzania	146	450
Laos	-	-
South Sudan	208	675
Guatemala	120	330
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	258	680
Brazil	97	630
Colombia	-	-
Costa Rica	117	500
Ecuador	-	-
Ghana	177	415
Ivory Coast	207	845
Nigeria	141	405
South Sudan	190	650
Tanzania	113	465
Togo	217	475
Panama	119	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 Vietnam Customs statistic, in September 2024 W&WP exports earned US\$1.25 billion, down 17% compared to August 2024 but up 11% compared to September 2023. The share of WP exports was US\$902.5 million, down 12.5% compared to August 2024 but up 20% compared to September 2023. In the first 9 months of 2024 W&WP exports hit US\$11.7 billion, up 22% over the same period in 2023. Of this WP exports were valued at US\$8.04 billion, up 24% over the same period in 2023.

In the first 9 months of 2024 exports of wood and wood products to the EU earned about US\$378 million, up 25% over the same period in 2023.

Vietnam's office furniture exports in September 2024 reached US\$27.3 million, up 18% compared to September 2023. In the first 9 months of 2024 exports of office furniture were valued at US\$216.9 million, up 11% over the same period in 2023.

In September 2024 W&WP imports cost US\$234.5 million down 13% compared to August 2024 but up 24% compared to September 2023. In the first 9 months of 2024 Vietnam spent US\$2.03 billion on W&WP imports, up 26% over the same period in 2023.

Vietnam's tali imports in September 2024 totalled 36,900 cu.m worth US\$13.0 million, down 2% in volume and down 2% in value compared to August 2024 but compared to September 2023 imports increased by 18% in volume but decreased by 2.5% in value. In the first 9 months of 2024 imports of tali were estimated 240,400 cu.m, worth US\$89.7 million, down 19% in volume and down 28% in value over the same period in 2023.

Vietnam's imports of logs and lumber from the US in September 2024 surged again reaching 65,000 cu.m, with a value of US\$28.0 million, up 11% in volume and 6% in value compared to August 2024 this represented a sharp increase of 54% in volume and 61% in value over the same period in 2023.

In the first 9 months of 2024 imports of logs and sawnwood from the US reached 518,380 cu.m, with a value of US\$222.96 million, up 32% in volume and 33% in value over the same period in 2023.

Exports of wooden upholstered chairs in September 2024 earned US\$255 million, up 11% compared to September 2023. In the first 9 months of 2024 exports of this item earned US\$2.4 billion, up 22% over the same period in 2023.

Vietnam's pine imports in September 2024 were estimated at 96,600 cu.m, worth US\$22.8 million, down 14% in volume and down 13% in value compared to August 2024 but compared to September 2023 imports increased by 12% in volume and 21% in value. In the first 9 months of 2024 imports of pine stood at 712,500 cu.m, worth US\$159.8 million, up 40% in volume and 43% in value over the same period in 2023.

### First 9 months W&WP trade

#### Exports

In the first 9 months of 2024 W&WP exports were valued at US\$11.7 billion, up 25% over the same period in 2023 ranking 7th among Vietnam's export commodity groups. In which, the WP exports shared US\$8 billion, up 24% over the same period last year, accounting for 69% of the total W&WP exports.

### W&WP exports, 1st 9 months 2024

	US\$	YoY % change
US	6,489,516,562	26
China	1,538,080,581	25
Japan	1,256,061,372	0.1
South Korea	574,638,531	1.5
Canada	175,065,175	-79
UK	162,290,439	17
Malaysia	112,501,121	5
Australia	117,604,806	12
India	119,643,381	55
France	77,573,151	9
Germany	59,948,635	6
Thailand	56,658,580	30
Netherland	50,985,231	12
Taiw an P.o.C	48,047,305	-1.8
Spain	43,323,885	63
Belgium	41,216,091	38
Cambodia	39,247,139	55
Mexico	32,616,045	34
Singapore	26,614,323	-6
UAE	24,961,286	69
Denmark	22,368,874	19
Saudi Arabia	21,689,789	6
Poland	10,519,922	
New Zealand	16,323,271	12
Sw eden	15,088,271	19
Italy	13,562,625	11
Chile	9,172,071	-13
Laos	7,677,709	46
South Africa	6,255,463	21
Russia	3,629,028	48
Kuw ait	2,860,983	4
Portugal	2,667,139	-2
Turkey	2,669,234	-73
Greece	2,427,321	5
Hong Kong	1,996,685	-29
Nor way	1,778,008	-41
Sw itzerland	1,052,405	13
Austria	1,096,167	132
Czech Rep.	850,885	-17
Finland	588,623	1
Total	11,190,868,112	22

Source: Vietnam Customs data analysed by VIFOREST

### W&WP imports from key suppliers, 1st 9 months 2024

Suppliers	US\$	YoY % change
China	785,818,841	46
US	238,248,327	33
Thailand	108,231,364	27
France	81,197,304	1
Laos	71,693,834	-2
Chile	50,835,895	19
Brazil	50,760,303	37
New Zealand	43,439,165	46
Germany	39,222,397	11
Russia	39,324,526	32
Italy	36,102,795	81
Rep.Congo	28,781,938	3
Indonesia	22,199,059	-5
Malaysia	18,783,403	-2
Canada	9,139,581	36
Belgium	7,499,887	-21
Argentina	8,136,643	164
Finland	8,260,382	-3
Cambodia	6,412,996	-4
South Korea	6,596,980	-59
Ghana	5,627,892	51
Sw eden	4,260,852	-30
Australia	4,000,089	-41
Japan	3,265,161	-29
Latvia	2,148,470	101
South Africa	1,998,739	60
Taiw an P.o.C	1,645,124	10
Myanmar	363,304	-61
Total	1,683,995,251	

#### Export markets

In the first 9 months of 2024 W&WP exports to the US and China increased sharply compared to the same period in 2023 by 26% (US\$6.5 billion) and 25% (US\$1.53 billion) respectively. Exports to Japan did not increase over the same period and exports to South Korea decreased slightly.

On the other hand, in the first 9 months of 2024 there was a sharp increase in exports to markets such as India, Spain, Germany and Belgium. W&WP exports to India increased sharply, reaching US\$120 million, up 55%. India is listed in the top 7 consumer of W&WPs exported from Vietnam. Plywood and veneer are the main export products exported to India.

## Imports

In the first 9 months of 2024 W&WP imports amounted to US\$2.02 billion, up 26% over the same period last year.

## Import by foreign (FDI) enterprises

In the first 9 months of 2024 W&WP imports by FDI enterprises topped US\$760 million, up 38% over the same period in 2023 and accounted for 38% of the country's total W&WP imports. The rate for the same period last year was 27%.

## Import sources

In September 2024 W&WP imports from key suppliers decreased. Specifically, imports from China decreased by 13% (US\$81), Thailand by 36% (US\$10 million), Chile dropped by 15% (US\$7 million). In contrast, compared to August 2024, imports from Brazil and the Republic of Congo increased by 11% and 18% respectively.

In the first 9 months of 2024 W&WP imports from key supply markets increased against the same period in 2023. Specifically, imports from China increased by 47% (reaching US\$785 million), the US increased by 33% (US\$238 million), Thailand by 27%.

## Brazil

### Teak included in tax incentive programme

At the 23rd meeting of the Deliberative Council for the Mato Grosso Development Programme (CONDEPRODEMAT) the inclusion of teak among the products eligible for tax benefits in the state was approved.

The State of Mato Grosso, the largest teak producer in South America, has 68,000 hectares of planted forests. According to CONDEPRODEMAT the inclusion of teak in the programme will stimulate the teak sector which stands out in the forest industry as teak products are widely exported to Asia and Europe.

See: <https://forestnews.com.br/conselho-aprova-inclusao-da-teca-como-produto-de-madeira-para-incentivos-fiscais-em-mt/>

### Seeking solutions for exports amid new CITES requirements

Representatives of Mato Grosso's forest sector took part in meetings with the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), the Ministry of Agriculture and Livestock (Mapa) and the National Confederation of Industry (CNI) to find solutions to unblock timber exports.

The focus of the discussions was the new requirements set by CITES on regulating exports of ipê (*Handroanthus*) and cumaru (*Dipteryx odorata*) set to come into force at the end of November. The meeting included participation from the Federation of Industries of Mato Grosso (FIEMT), the Center for Timber Producing and Exporting Industries (CIPEM) and the National Forest-Based Forum (FNBF).

During the meeting with IBAMA the forest sector representatives expressed their concerns on the economic impact of these new regulations.

IBAMA reaffirmed its commitment to applying CITES guidelines without negatively affecting the production sector. FIEMT also highlighted the importance of joint and integrated action between the Federation and the employers' unions to find effective solutions.

With the inclusion of ipê and cumaru under CITES new requirements and procedures for exporting these woods have emerged. The forest sector representatives stressed the impact of these regulations on the economic viability of export operations. CIPEM emphasised the importance of ongoing dialogue between the government and the forest sector, including discussions about logistical difficulties at the ports.

During the meeting with IBAMA's board it was agreed that the Federal Environmental Agency will communicate with the Ministry of Foreign Affairs detailing the procedures for issuing CITES certificates.

IBAMA will undertake informing importing countries about the Brazilian procedures.

See: <https://cipem.org.br/noticias/setor-florestal-de-mato-grosso-busca-em-brasilia-apoio-as-exportacoes>

In related news, the CITES Secretariat has just published an important notification concerning the implementation of the Convention for cumaru green ebony and tabebuia.

For more information, see [CITES Notification N° 2024/116](#) and

See: <https://cites.org/eng/node/141138>

and <https://www.atibt.org/en/news/13556/cites-implementation-for-cumaru-and-green-ebony-in-brazil>

### Partnerships with academic institutions to boost innovative forest management

The Center for Timber Producing and Exporting Industries of Mato Grosso State (CIPEM) has established partnerships with academic institutions to enhance and strengthen native wood production in the State.

Over the past two years 12 initiatives have been implemented including the 1st Meeting of Amazon Native Tree Identifiers which brought together experts to exchange experiences on timber species essential for the sustainable forest management in the region.

Other projects include studies on energy, potential of wood residues, converting sawdust into fertiliser, developing forest management software and creating a system to identify timber species in the Amazon.

Currently, more than 5 million hectares of natural forests are under sustainable management plans in Mato Grosso with the potential to expand this to over 6 million hectares.

According to the Brazilian Institute of Geography and Statistics (IBGE), the state of Mato Grosso is the second largest producer of roundwood from natural forests in Brazil, with a production of 2.1 million cubic metres (R\$498.1 million) in 2023 representing 76 % of the total value of harvesting in the State. Together, Mato Grosso and Pará States account for 63% of harvests in natural forests.

Of the State's trade balance timber is among the ten most traded products adding up to US\$78.2 million in the first 8 months of 2024.

See: <https://cipem.org.br/noticias/pesquisa-parcerias-com-instituicoes-academicas-fortalecem-gestao-florestal>

### Export Update

In September 2024 the total Brazilian exports of wood-based products (except pulp and paper) increased 20% in value compared to September 2023, from US\$260.9 million to US\$ 313.5 million.

Pine sawnwood exports increased almost 10% in value between September 2023 (US\$41.4 million) and September 2024 (US\$45.3 million). In volume, exports increased 5% from 182,000 cu.m (September 2023) to 190,900 cu.m (September 2024).

Tropical sawnwood exports increased 12% in volume, from 23,000 cu.m in September 2023 to 25,700 cu.m in September 2024, however, export earnings decreased 2% from US\$10.2 million to US\$10.0 million over the same period.

Pine plywood exports decreased 40% in value in September 2024 (US\$48.5 million) compared to September 2023 (US\$68.0 million). In volume terms exports increased 32% over the same period, from 153,400 cu.m (September 2023) to 202,900 cu.m. (September 2024).

As for tropical plywood, exports increased 33% in value and 35% in volume, from US\$1.2 million and 2,000 cu.m in September 2023 to US\$1.6 million and 2,700 cu.m in September 2024.

The value of wooden furniture exports increased from US\$47.1 million in September 2023 to US\$51.0 million in September 2024, an increase of 8%.

### SFB Funds Forest Bioeconomy Projects in the Amazon and Caatinga biomes

The Brazilian Forest Service (SFB) held meetings with Civil Society Organizations (CSOs) in early October to present a Public Call for proposals from the National Forest Development Fund (FNDF).

The call, in line with the Regulatory Framework for Civil Society Organizations (MROSC), provides the opportunity for support ranging from R\$350,000 to R\$500,000 for projects in the Amazon and R\$200,000 to R\$400,000 for projects in the Caatinga biome.

Projects should have a three-year duration and focus on themes such as forest management, native vegetation restoration, environmental services and development of Value Chains. The final results of the call for proposals are expected to be released in early November of this year.

The National Forest Development Fund (FNDF), managed by SFB, aims to promote the development of sustainable forest activities in Brazil and foster technological innovation in the forest sector.

See: <https://www.gov.br/florestal/pt-br/assuntos/noticias/2024/setembro/sfb-faz-reuniao-aberta-para-detalhar-edital-de-chamamento-sobre-bioeconomia-florestal>

### Brazil creates global fund for tropical forest preservation

Brazil has launched a billion-dollar fund for tropical forest preservation called the Tropical Forest Finance Facility (TFFF) with operations expected to begin after the UNFCCC COP 30 in 2025 which will be held in Brazil.

The fund aims to raise US\$25 billion to finance the conservation of 1 billion hectares of tropical forests worldwide focusing on key biomes that are essential for the global climate and biodiversity. The initiative will also feature a satellite monitoring system to ensure transparency and effectiveness in forest preservation.

During a meeting of the Finance Track (which addresses strategic macroeconomic issues and is led by finance ministers and Central Bank Governors of G20 member countries) the Brazilian government emphasised the importance of international participation in the project stressing that the fund was designed to attract the engagement of developed countries.

The fund, considered as an innovative tool in climate finance, aims to attract international engagement and boost the market for green, blue (related to water resource conservation) and sustainable bonds, promoting a mechanism of mutual benefits for wealthy countries that preserve their tropical forests.

The TFFF is expected to be officially presented at UNFCCC COP29 in Azerbaijan in November 2024.

See: <https://www.g20.org/pt-br/noticias/brasil-cria-fundo-bilionario-para-preservacao-de-florestas-tropicais>

### Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in Brazil.

See: <https://www.itto-ggsc.org/static/upload/file/20241021/1729482752156998.pdf>



### Domestic log prices

	US\$ per cu.m
Brazilian logs, mill yard, domestic	
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

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	
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

	US\$ per cu.m
Parica ex-mill	
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

	US\$ per cu.m
Domestic ex-mill prices	
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

	US\$ per cu.m
Sawnwood	
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

	US\$ per cu.m
Pine plywood	
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

### Plywood shipments declined in first eight months of the year

Between January and August 2024 plywood exports earned US\$1.80 million which represented a year on year decline of 3.5% as reported by the Services and Extractive Industries Management of the Exporters Association (ADEX).

The main market for veneer and plywood in the first eight months was Mexico, with a share of 84% but down year on year by almost 5%. The second market was Ecuador with a share of 12% up significantly on the same period in 2023.

### Progress in addressing illegal logging

During a bilateral meeting with representatives of the United States to assess the implementation of the Forest Sector Management of the Trade Promotion Agreement between the two countries the Forest and Wildlife Resources Oversight Agency (OSINFOR) presented progress and results from the contribution of this initiative to the governance of the sector and the fight against illegal logging.

OSINFOR highlighted the achievements made in the last decade with the support of the United States. The on-going initiative, supported by academia and international experts, incorporates cutting-edge technology such as high-resolution satellite images, selective logging detection algorithms and the use of drones.

The results are evident from the lower number of forest law infringements from 32% in 2015 to 1% in 2023 while the volume of illegal wood seized dropped. This significant progress has been made possible by the expansion of supervision coverage in forested areas and the optimisation of resources.

In its role as the Technical Secretariat of the Permanent Multisectoral Commission to Combat Illegal Logging (CMLTI), OSINFOR promoted the implementation of a methodology to measure illegal logging which showed a reduction from 37% to 20% in the period 2017-2021. Progress in combating illegal logging was strengthened with the approval in 2021 of the New National Multisectoral Strategy to Combat Illegal Logging.

See: <https://www.gob.pe/institucion/osinfor/noticias/1046700-en-encuentro-peru-estados-unidos-se-presentan-avances-en-la-lucha-contra-la-tala-ilegal>

### Capacity prosecutors strengthened to confront illegal timber trafficking

In order to strengthen the fight against illegal timber trafficking and promote inter-institutional cooperation the Agency for the Supervision of Forest and Wildlife Resources (OSINFOR), with the technical and financial support of the United Nations Office on Drugs and Crime (UNODC) and the Federal Ministry for Economic Cooperation and Development of Germany (BMZ), organised a workshop for justice department professionals.



The event included presentations and roundtables where critical issues such as inter-institutional cooperation and the role of civil society in reporting and preventing timber trafficking were discussed.

This workshop contributed to strengthening the capacities of justice system operators and other entities with related responsibilities.

See: <https://www.gob.pe/institucion/osinfor/noticias/1045478-fiscales-y-operadores-de-justicia-fortalecen-sus-capacidades-para-hacer-frente-al-trafico-ilegal-de-madera-en-loreto>

#### 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 Asian market	979-1011 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

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

#### Export sawnwood prices

	US\$ per cu.m
Peru sawnwood, FOB Callao Port	
Pumaquiro 25-50mm AD Mexican market	698-722↑
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

	US\$ per cu.m
Peru, domestic particleboard 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

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

#### Domestic plywood prices (excl. taxes)

	US\$ per cu.m
Iquitos mills	
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

#### No party secures overall majority

The Liberal Democratic Party and its coalition partner have lost their majority in the Lower House following the 27 October general election. The domestic press suggested voters were harshly critical of candidates involved in the Liberal Democratic Party's financial scandal with many protesting by voting for other candidates.

The loss of its majority would require the Prime Minister to seek a third party to join the coalition to remain in power. The Constitutional Democratic Party of Japan, the largest opposition force, increased its seats. At least one of the two smaller opposition parties that also made gains in the election could now play the role of kingmaker for the ruling coalition.

Immediately after the election results were available the yen exchange rate against the US\$ fell a three-month low as investors concluded that the political landscape would likely slow future interest rate hikes. The downward trend of the yen was heightened by a stronger US dollar. The yen hit its weakest since late July at 153.3 and fell to 165.36 against the euro.

The yen weakened after opposition parties gained a significant extra number of seats following the recent general election which the media say pushes Japan into a period of heightened political uncertainty.

Analysts commented that the pace of interest rate increases could be slowed as opposition parties have more influence in policymaking.

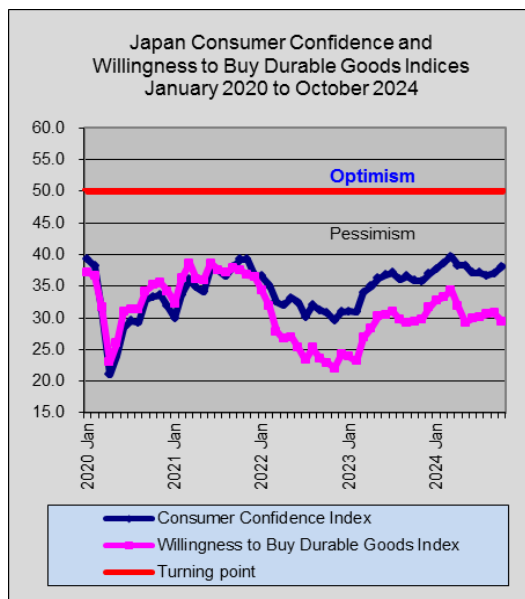
See: <https://www.japantimes.co.jp/news/2024/10/28/japan/politics/lo-wer-house-election-results/>

**SMEs would suffer if minimum wage raised too quickly**  
 In advance of the general election held on 27 October political parties in Japan were promising to raise the minimum wage but analysts were quick to point out such a move would undermine the fragile recovery of small and midsize companies. The wage-hike pledges threaten small businesses which account for two-thirds of jobs and over half of economic output as they are already struggling to manage rising costs.

The political parties did not offer any suggestions on how they would help firms offset the cost of a higher minimum wage prompting Japan’s main business federation to urge caution.

The head of the Federation Masakazu Tokura told a press conference “We must aim for challenging goals as a whole but I feel uneasy about pushing something that is utterly impossible” adding that the pace of wage hikes needed to hit the minimum wage hike goal may be hard for many small companies to adopt.

See: <https://www.asahi.com/ajw/articles/15479621>



Data source: Cabinet Office, Japan

**Economy drivers shifting from external back to domestic demand**

A report from Deloitte ‘Japan Economic Outlook’ of October 2024 points to the driver of Japan’s economy shifting back from external to domestic demand but suggests domestic demand growth will continue but future gains will be modest as inflation limits the benefits of stronger wage growth.

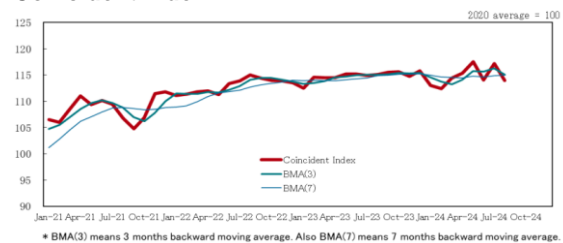
The recent rise in wages has finally given households the confidence they needed to spend more. A stronger yen would also help alleviate some inflationary pressures which will further bolster consumer spending. However, inflation is likely to remain an issue in the near term, says the Deloitte report, which will keep the pace of spending relatively modest.

See: <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/japan-economic-outlook.html>

**Fourth monthly fall in factory activity**

Japan’s factory activity contracted for the fourth straight month in October on subdued demand and weak orders, a private-sector survey showed. The index stayed below the 50.0 threshold separating growth from contraction for a fourth straight month.

**Coincident Index**



The Coincident Index released by the Cabinet Office is a single summary statistic that tracks the current state of the Japanese economy. A rise in the index indicates an expansion of economic activity and a decline in the index indicates a contraction in economic activity.

See: <https://www.japantimes.co.jp/business/2024/10/24/economy/japan-factory-activity-october/>

**Exports weak mid year**

Year on year, Japanese exports fell in the April-September period as the economic downturn in China and stalled automobile demand in the US canceled the advantage of the weak yen. The country recorded a trade deficit of 3.11 trillion yen (US\$20.6 billion) between April-September term marking a seventh straight monthly deficit.

See: [https://www3.nhk.or.jp/nhkworld/en/news/20241017\\_B04/](https://www3.nhk.or.jp/nhkworld/en/news/20241017_B04/)

**Record number of female CEOs**

According to a survey by credit research firm Tokyo Shoko Research, the number of female CEOs in Japan hit a record 649,262 this year, comprising more than 15% of all CEOs for the first time.

The annual survey also showed that the number of female presidents among 4.25 million companies had increased threefold from 2010 when the figure was just above 210,000.

The Research team commented that “support by the central and local governments for women to start businesses as well as efforts to improve working conditions for women are steadily improving”.

See: <https://www.japantimes.co.jp/business/2024/10/25/female-presidents-survey/>

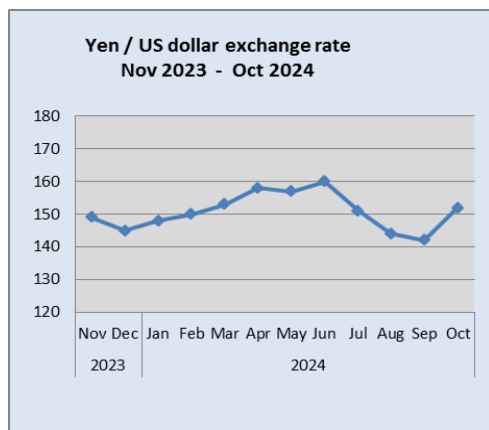
**Weak yen boost to exports but households face rising prices of imports**

Nada Choueiri, the IMF Mission Chief in Japan has said the weak yen is beneficial for Japan's economy as the benefit to the economy from higher exports exceeds the increase in the cost of imports. a view that ignores the negative impact on households from rising prices of imported fuel and food.

Choueiri urged Japan to raise interest rates at a gradual pace and compile supplementary budgets only when a big shock hits the economy.

See: <https://www.channelnewsasia.com/business/imf-sees-weak-yen-beneficial-japans-economy-4703136>

The Bank of Japan concluded its two-day policy meeting on the 31st October maintaining interest rates at 0.25% and continuing to signal its intention to raise rates when the time is right.



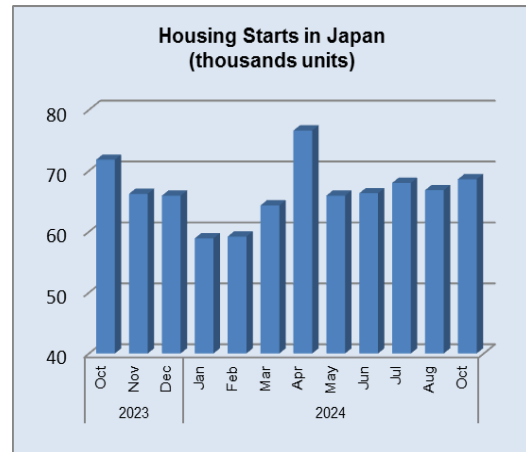
Data source: WSJ

**Household debt outpacing income**

According to a Ministry of Internal Affairs’ ‘Family Income and Expenditure Survey’ Japanese household debt is outpacing income due to surging home prices and this is raising concern about the ability of borrowers to keep up with payments as interest rates are likely to rise.

Liabilities held by households of two or more averaged 6.55 million yen (US\$43,500) in 2023 exceeding the average annual income of 6.42 million yen for the first time since records began in 2002.

See: <https://asia.nikkei.com/Business/Markets/Property/Japan-s-growing-mortgages-lift-household-debt-above-income>



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

**Launch of COP29 Japan Pavilion websites**

In advance of the 29th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29), the Ministry of the Environment (MOE) launched webpages on the showcases and seminars to be held at the Japan Pavilion.

The MOE will exhibit Japan's environmental technologies and climate initiatives at the Japan Pavilion during COP29 in Baku, Republic of Azerbaijan. The virtual showcase site has also been designed to show additional technologies over and above those shown in the on-site pavilion.

See: <https://www.env.go.jp/earth/cop/cop29/pavilion/en/> and <https://jprsi.go.jp/en/cop29/showcase>

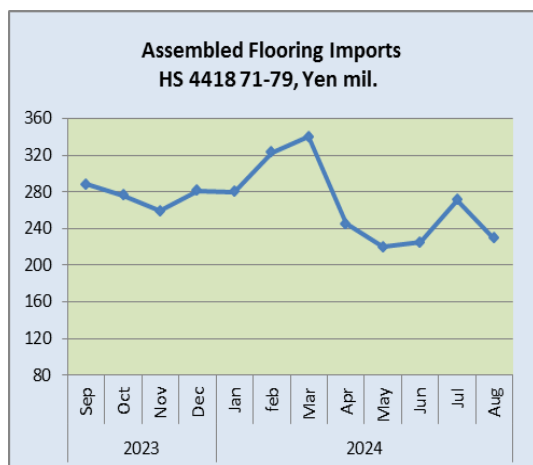
**Import update**

**Assembled wooden flooring imports**

After two consecutive monthly increases the value of assembled wooden flooring (HS441871-79) reversed direction in August, dropping 15% compared to the previous month. This brought the value of August imports down to the level seen in May.

As in previous months the main category of assembled flooring imports was HS441875, accounting for 72% of the total value of assembled flooring imports, slightly up from the previous month. The second largest category in terms of value was HS441879 (8%) followed by HS441874 (4%). Of HS441875 imports 45% was provided by shippers in China, 25% by shippers in Vietnam and 17% from shippers in Italy.

Two other countries shipping assembled flooring (HS441875) to Japan in August were Thailand and Malaysia. The value of August arrivals of assembled wooden flooring was little changed from the value in August 2023.



Data source: Ministry of Finance, Japan

### Assembled flooring imports

		Imports August 2024 Unit, 000's Yen
441873	China	36,036
441874	China	1,102
	Vietnam	831
	Thailand	4,218
	Germany	788
	Italy	2,576
<b>sub total</b>		<b>9,515</b>
441875	China	74,549
	Vietnam	40,985
	Thailand	9,501
	Malaysia	8,815
	Indonesia	723
	Sweden	539
	Italy	27,652
	Austria	2,882
<b>sub total</b>		<b>165,646</b>
441879	China	7,268
	Vietnam	1,750
	Thailand	842
	Indonesia	6,722
	USA	902
<b>sub total</b>		<b>17,484</b>

Data source: Ministry of Finance, Japan

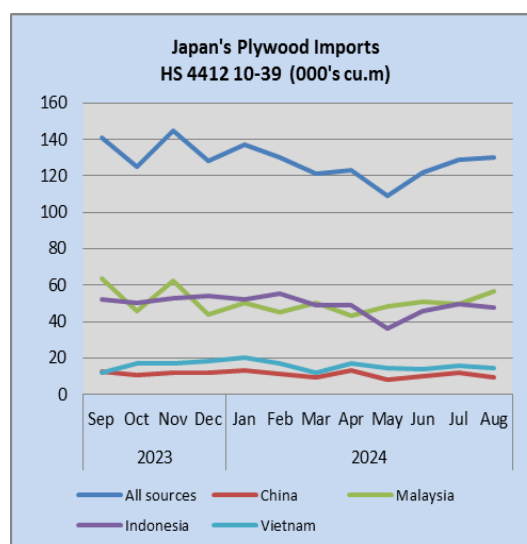
### Plywood imports

The volume of August plywood imports (441210-39) was 129,826 cu.m, this was around the same level imported in July. Year on year the volume of August plywood was down 8% but compared to a month earlier August import volumes were up 20%

In August plywood arrivals from China and Vietnam were down compared to levels in July while arrivals from Malaysia rose month on month. August arrivals from Indonesia were at around the same level as in July.

As in previous months, of the various categories of plywood imported August most was HS441231. Of total shipments from Malaysia and Indonesia, over 90% was HS441231. Shipments from China were more varied with HS441233 and HS441239 accounting for around 40% each of August shipments with HS441231 accounting for most of the balance.

Shippers in Vietnam supplied mainly HS441231 (69%) with HS441234 making up most of the balance. Other shippers appearing in Japan's plywood import statistics in August included Finland and Latvia.



Data source: Ministry of Finance, Japan

### Main sources of Japan's plywood imports (000's cu.m)

		China	Malaysia	Indonesia	Vietnam
2021	Jan	9.7	76.9	59.3	15.7
	Feb	6.8	53.5	50.1	13.0
	Mar	5.7	89.4	61.5	11.5
	Apr	11.4	65.9	58.2	17.3
	May	10.3	72.0	51.0	13.0
	Jun	10.5	61.9	56.6	15.6
	Jul	11.8	74.1	57.1	16.4
	Aug	12.8	54.7	57.8	17.5
	Sep	16.0	61.8	60.4	21.8
	Oct	12.6	72.8	60.4	22.5
	Nov	14.6	60.6	66.0	21.8
	Dec	13.6	51.2	76.5	21.0

2022	Jan	15.9	78.6	73.9	16.8
	Feb	14.7	61.0	56.8	11.4
	Mar	13.7	71.0	76.9	8.8
	Apr	25.0	79.3	72.0	13.1
	May	32.2	67.6	68.2	12.9
	Jun	37.5	61.4	52.4	18.4
	Jul	27.7	70.6	67.8	15.2
	Aug	19.0	63.0	70.8	18.5
	Sep	16.5	58.4	60.4	16.2
	Oct	13.4	39.2	65.5	17.1
	Nov	13.1	45.1	50.1	15.9
	Dec	13.9	49.2	47.1	21.6
2023	Jan	13.7	40.3	49.2	19.4
	Feb	7.8	44.9	40.6	12.9
	Mar	14.9	29.8	45.3	14.3
	Apr	13.8	28.7	46.3	14.6
	May	14.0	47.7	34.2	12.6
	Jun	10.7	36.9	37.2	12.7
	Jul	10.6	38.8	43.1	12.9
	Aug	10.6	49.6	38.1	15.7
	Sep	12.3	63.4	52.4	12.0
	Sep	10.5	46.1	50.3	17.2
	Nov	11.9	63.6	53.0	16.8
	Dec	12.1	43.5	54.0	17.7
2024	Jan	13.3	50.2	52.3	20.5
	Feb	11.5	45.4	55.3	17.1
	Mar	9.4	50.1	48.8	12.2
	Apr	13.2	43.2	49.0	17.0
	May	8.4	48.3	36.5	14.3
	Jun	10.1	51	46.1	13.7
	Jul	12.1	49.8	49.7	15.8
	Aug	9.3	56.8	47.9	14.7

Data source: Ministry of Finance, Japan

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

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

For the JLR report please see:

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

### Orders for house builders

Orders for major housing companies and house builders in August, 2024 exceed the result of August, 2023. A number of buildings is low but the price for per building is high. However, it is hard to say that the house market is lively.

Demand for a high-priced building is stable. Wealthy people think that buying a house is not going to be influenced by the real wages, which is difficult to grow.

The competition to get customers among housing companies is getting fierce.

The companies struggle with selling a level of thirty million yen house. However, there are inquiries for lumber of one-story house and they help the sales. Orders for rental houses are firm.

Many housing companies have good results in unit built for sale. Orders for remodeling are very good. Many housing companies strengthen in building eco-friendly houses because demand for eco-friendly products will keep increasing in the future.

### South Sea logs and products

6,833 cbms of South Sea logs have been delivered to Japan from Sabah and Sarawak in August. Also South Sea Logs from Papua New Guinea in July 2024 so there is a shortage so far.

Lumber manufacturers in Japan have orders for blocks from steel or shipbuilding companies stably and demand and supply are balanced in Japan.

There are constant inquiries to South Sea or Chinese lumber. Lumber for decks are popular for condominiums or second houses. There are enough lumber for truck bodies so inquiries settled down.

The price of laminated boards is raised slightly in South Asia due to the strong yen. Japanese buyers accept the price hike

### Demand and supply for lumber in 2023

Demand for lumber in 2023 was 79,853,000 cbms, 6.1 % less than 2022. This is for the first time in three years to be below 80,000,000 cbms.

Demand for wooden fuels increases but demand for lumber, plywood, pulp, and chips decrease by two-digit numbers. Domestic and imported lumber do not exceed the 2022's result but volume of imported lumber dropped widely so the self-sufficiency rate of wood rises to 42.9 %, 2.2 points up from the previous year. This is for the first time in fifty-one years to become the standard.

The domestic lumber is 34,259,000 cbms, 1 % less and the imported lumber is 45,594,000 cbms, 9.7 % less than the previous year.

The new starts and the floor areas decrease so the consumption of lumber is influenced by these facts. Especially, the imported structural lumber is 13,088,000 cbms, 28.2 % down from the previous year.

There are several reasons for the decrease and they are low demand for lumber and high procurement cost due to the weak yen. Japanese purchasing power has been weakening and Japanese buyers could not negotiate about the price of lumber with suppliers in overseas.



Demand for lumber is 21,790,000 cbms, 17.0 % down. Demand for plywood is 7,474,000 cbms, 23.9 % down and for pulp / chip is 27,797,000 cbms, 5.9 % down from 2022.

On the other hand, pulp / chip made in Japan increases nearly 5 % from the previous year. Paper and paperboard are needed for packing products on online-shopping. Also, it is needed for sanitary goods for the elderly or inbound tourists.

However, demand and supply for pulp / chip is balanced contraction and several plants reorganize or close operations. Demand and supply for wooden pellet increase in domestic and imported wooden pellet. Many wood biomass power plants had started operations after FIT (Feed - in Tariffs) was enforced.

Especially, demand for wooden pellet at coal fired power plants has increased. Imported wooden pellet is 9,156,000 cbms, 28.5 % up. 1 ton is converted into 1.282 cbms.

Exports of lumber is 3,395,000 cbms, 11.6 % up and of logs is 1,595,000 cbms, 20.5 % up from last year. Exports of pulp/chips is 1,371,000 cbms, 14.5 % increased.

The self-sufficiency rate of lumber is 38.6 %, 2.8 points more than 2022. The total self-sufficiency rate of wood is 42.9 %, 2.2 points up from the previous year. It is about 24 points up from 2020, when year-on-year comparison was 18.8 %.

**China**

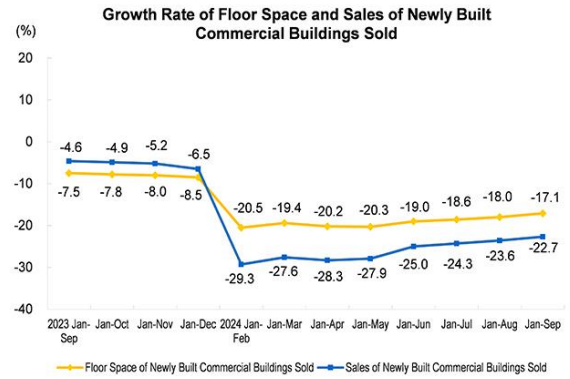
**Investment in real estate development**

A press release from the National Bureau of Statistics points to a year-on-year decline of 10% in real estate investment between January and September 2024, of which the investment in residential buildings was down by 10.5%.



Between January and September the floor space of newly built commercial buildings sold was, down by 17% year on year, of which the floor space of residential buildings sold decreased by 19%.

Sales of newly built commercial buildings dropped 23%, of which sales of residential buildings decreased by 24%.



See: [https://www.stats.gov.cn/english/PressRelease/202410/t20241025\\_1957149.html](https://www.stats.gov.cn/english/PressRelease/202410/t20241025_1957149.html)

In an effort to support the ailing real estate sector that has dragged down overall growth the government will extend over US\$500 billion in financing to property developers through banks by the end of the year. In related news, China's Ministry of Finance has outlined plans to step up fiscal support to local governments, state-owned banks and consumers but did not announce the size of a stimulus package.

In a news conference, Finance Minister Lan Fo'an introduced four policies: increasing support for local governments to ease their debt burden; issuing special treasury bonds to increase the capital of state-owned banks; using local government funding to stop the downturn in the real estate market and providing assistance to students to encourage spending.

See: <https://asia.nikkei.com/Economy/China-s-finance-minister-says-there-is-large-room-for-fiscal-stimulus>

**Anti-dumping investigation of Chinese hardwood plywood**

In October the European Commission launched an anti-dumping investigation into hardwood plywood imported into the EU from China. The investigation was initiated at the request of the nine European plywood producers. It is claimed that China's exports of hardwood plywood are unfairly priced and use of Russian timber banned by the EU and this trade threatens the financial viability of many European companies and jobs.

The product under investigation is currently classified under the HS codes ex 4412 31, ex 4412 33 and ex 4412 34 (CN and TARIC codes 4412 31 10 80, 4412 31 90 00, 4412 33 10 12, 4412 33 10 22, 4412 33 10 82, 4412 33 20 10, 4412 33 30 10, 4412 33 90 10, and 4412 34 00 10).

Several other countries, including the United States, Morocco, Turkey and South Korea have already taken action to protect their own industries from similar unfair trade practices.

EU will adopt new rules for the first time to register all imports of Chinese plywood and if it decides to impose tariffs in the future, there will be a retrospective period to prevent companies from hoarding goods to evade tariffs.

According to Eurostat data, the EU imported about 750,000 cubic metres of hardwood plywood from China in 2023 worth €327 million, accounting for more than half of imports and 30% of the total EU market.

See: <https://www.tjonline.com/news/ec-investigation-into-chinese-hardwood-plywood-imports-gets-underway/> and <https://sklejkapaged.pl/en/european-commission-launches-new-anti-dumping-investigation-against-china/>

**Wood flooring sells well in the ‘Belt and Road’ countries**

It has been reported that wood flooring from Huzhou City in Zhejiang Province has been selling well in the ‘Belt and Road’ countries.

Between January and September this year the value of Huzhou wood flooring exports to ‘Belt and Road’ countries was about RMB230 million, an increase of 6% year on year. The wood flooring products in Huzhou City are exported to more than 10 ‘Belt and Road’ countries such as Thailand, Malaysia and Vietnam.

In Nanxun District of Huzhou City there are many wood flooring manufacturers which have successfully created green wood industry clusters. The output value of the cluster reached RMB11.33 billion in 2023 and its output of wood flooring accounted for about 35% of the national total. Solid wood flooring and multilayer laminate flooring are exported.

Huzhou wood flooring industry has seized the opportunity to expand its market share in the ‘Belt and Road’ countries in recent years mainly due to the rising demand for wood flooring in Malaysia and Singapore.

In order to promote wood Huzhou Customs took the initiative to help enterprises to expand overseas sales, strengthen communication with enterprises, understand their export plans and needs in advance and provide personalised customs clearance services.

Huzhou Customs also strengthened policy guidance and training for enterprises, interpreted the preferential policies in RCEP, China-ASEAN and other trade agreements in detail and publicised customs supervision requirements so that enterprises can effectively enjoy the benefits of policy decisions.

See: <https://baijiahao.baidu.com/s?id=1813341730522799320&wfr=spider&for=pc>

Wood product imports and exports between China and Belt and Road countries have developed rapidly in recent years.

According to China Customs, the value of China’s wood product imports from the Belt and Road countries rose 2% to US\$14.4 billion between January and September 2024.

Russia, Indonesia, Vietnam and Thailand are the top four countries with import values for wood products exceeding US\$1 billion. Nearly 80% of China’s wood products imports from the Belt & Road countries are from these top four countries.

The value of China’s wood product imports from Vietnam and Thailand rose 12% and 9% respectively between January and September 2024 contributing to the growth of the national total wood products imports value from the Belt and Road countries.

In contrast, the value of China’s wood products imports from Russia and Indonesia, as the largest and second largest supplier, fell 3% and 8% respectively over the same period.

**Wood product imports from the Belt and Road countries, January to September 2024**

Supplier	Value US\$ Bil.	YoY % change
Total	14.4	2%
Russia	4.0	-3%
Indonesia	3.3	-8%
Vietnam	2.0	12%
Thailand	1.9	9%

Data source: China Customs

The value of China’s wood products imports from Malaysia, Poland, Belarus and Myanmar grew 30%, 9%, 40% and 7% to US\$970 million, US\$238 million, US\$213 million and US\$206 million respectively boosting the growth of China’s wood product imports from the Belt and Road countries.

According to China Custom, the value of China’s wood products exports to the Belt and Road countries rose 5% to US\$17.8 billion between January and September 2024.

Over 60% of China’s wood products export value to the Belt and Road countries to the top eight countries with the export value of wood products exceeding more than US\$1 billion.

The value of China’s wood products exports to almost all top the Belt and Road countries rose generally from January to September 2024. However, the value of China’s wood products exports to Philippines fell 3% to US\$1.21 billion between January and September 2024.

**Wood product exports to 'Belt and Road' countries, January to September 2024**

	Value US\$ bil.	Yoy %change
Total	17.8	5%
Vietnam	2.0	12%
Malaysia	1.7	5%
Thailand	1.4	2%
UAE	1.3	13%
Singapore	1.22	24%
Philippines	1.21	-3%
Saudi Arabia	1.20	1%
India	1.1	3%

Data source: China Customs

China exported mainly paperboard and paper products, wood products, wooden furniture and seats to 'Belt and Road' countries and the value of these products represented around 95% of the national total.

The value of China's wood product, wooden furniture and seats grew 6% and 8% to US\$35.7 billion and US\$35 billion respectively, making up 20% and 19.6% of the national total for the period January to September 2024.

**Wood product trade with Vietnam**

According to China Customs, the value of China's wood product imports from Vietnam rose 12% to US\$2 billion between January and September 2024. China imported wood products, paperboard and paper products, wooden furniture and seats.

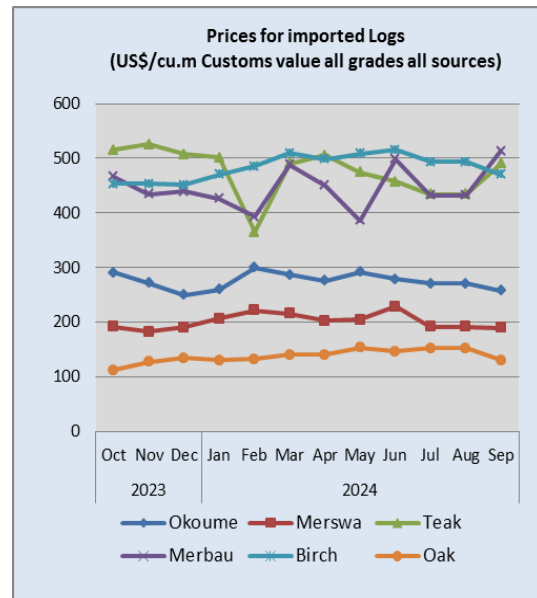
The value of China's wood products exports to Vietnam rose 12% between January and September 2024 and comprised mainly paperboard and paper products, timber and timber products and printed products.

The value of China's paperboard and paper products, timber and timber products, printed products exports rose 11%, 23% and 31% to US\$1.224 billion, US\$517 million and US\$126 million respectively from January to September 2024.

**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

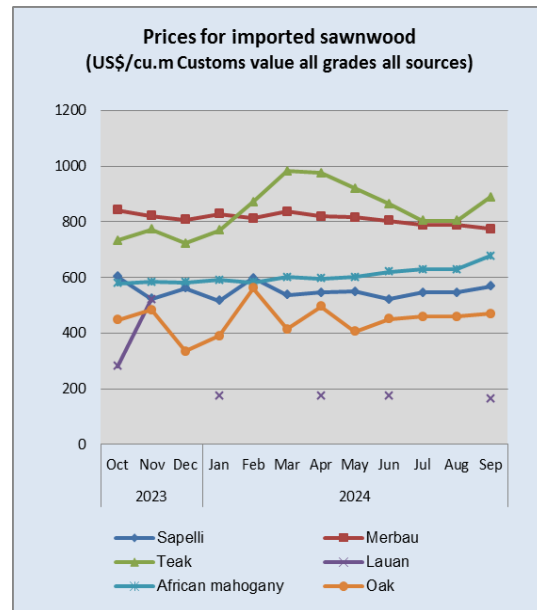


Data source: Customs, China

**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

**Through the eyes of industry**

The latest GTI report lists the challenges identified by the private sector in the Republic of China.

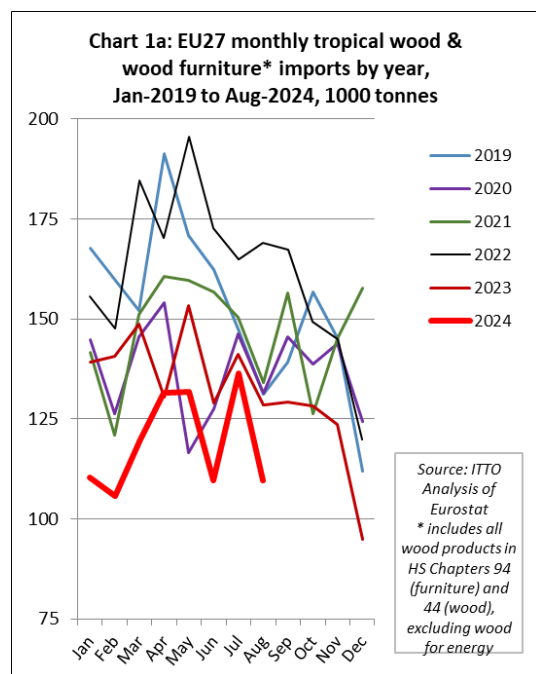
See: <https://www.itto-ggsc.org/static/upload/file/20241021/1729482752156998.pdf>

**No end in sight to slump in EU tropical wood imports**

Total EU27 imports of tropical wood and wood furniture of 954,200 tonnes in the first eight months of 2024 were 14% less than during the same period in 2023.

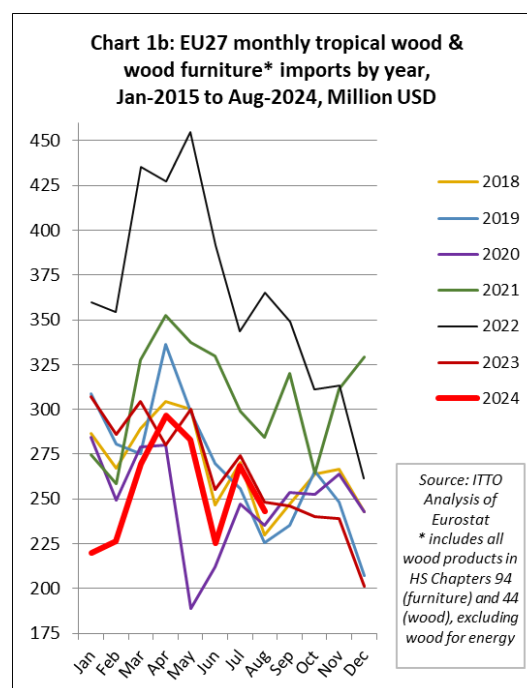
After imports fell to just under 110,000 tonnes in June, the third lowest monthly total ever recorded, they briefly recovered to 136,000 tonnes in July before falling again to 110,000 tonnes in August (Chart 1a).

EU tropical wood and wood furniture import quantity this year remains on course to be at the lowest level since the EU was first formed (as the EEC) in 1957.



The trade figures look a little healthier when considered in value terms. In the first eight months of 2024, the EU27 imported tropical wood and wood furniture with total value of US\$2033 million, 10% less than the same period in 2023.

More positively, monthly import value of US\$255 million in June, US\$268 million in July, and US\$243 million in August were not far short (at least in nominal terms) of the import value for these same months in 2018 and 2019, before the pandemic (Chart 1b).



**IMF foresee only modest medium-term economic growth in Europe**

The historically slow pace of tropical wood product imports into the EU is occurring against the background of subdued and uncertain economic conditions in the region. The IMF, in presenting their latest European Economic Outlook report on 24 October, suggested that Europe's recovery is falling short of its full potential and the medium-term outlook is no better.

The IMF foresee only a modest increase in growth for 2024 and 2025. IMF project that the eurozone will grow by just 0.8% in 2024, a 0.1% decrease compared to July's outlook. For 2025, the euro area's growth is expected to pick up slightly to 1.2%, but the forecast has been reduced by 0.3%.

Among Europe's largest economies, Germany and Italy are projected by the IMF to significantly underperform. Germany's economy is forecast to contract by 0.3% in 2024, with growth flatlining at 0% in 2025. Italy is expected to grow by 0.7% in 2024, unchanged from July's estimates, with a slight decline to 0.6% in 2025. While Italy is expected to benefit from the EU-financed National Recovery and Resilience Plan, Germany faces the combined pressures of fiscal consolidation and a sharp decline in property prices, both of which are expected to dampen its economic performance.

In contrast, Spain stands out as a top performer with its IMF growth forecast for 2024 revised up by 0.5% to 2.7%, and a steady 2.9% growth anticipated in 2025. France is projected to maintain stable growth of 1.1% in both 2024 and 2025, although IMF's forecast for 2025 has been slightly downgraded by 0.2%.



On inflation, IMF expect the European Central Bank to sustainably reach its 2% rate target by mid-2025. For most Central and Southern European (CESEE) countries, IMF expect that target rates will not be reached before 2026.

The IMF is recommending that central banks pursue a smooth loosening path in advanced European economies and that they be more careful and ease more cautiously in several CESEE countries, as real wages may outpace productivity growth there. IMF also recommend tightening the fiscal stance across most of Europe. While IMF is expecting a recovery, it suggests that deficits are too large to stabilize public debt.

According to IMF, the good news is that the EU has agreed on a fiscal rules' framework addressing sustainability concerns while allowing for investment in green transitions and infrastructure. IMF also note that a key reason why Europe is seeing moderate recovery this year is that it is coming out of the large energy price shock that followed on from Russia's invasion of Ukraine in February 2022.

Germany has been particularly affected by this shock because of its energy intensive manufacturing. Continuing uncertainty created by Russia's war in Ukraine is an important factor leading IMF to moderate their expectations for European growth next year.

However, IMF also suggest there are other longer-term structural issues impeding Europe's economic performance. IMF observe that compared to the U.S., income per capita in Europe is now 30% lower and the gap has remained unchanged for two decades. At the turn of the century that gap did not exist.

IMF identifies three factors holding Europe back. First, Europe markets are too fragmented to provide the needed scale for firms to grow. Second, Europe has no shortage of savings, but its capital markets fail to provide to boost young and productive firms. In addition, Europe is missing skilled labor where it is needed.

The IMF suggest a deeper, more integrated Single Market can resolve most of these issues. This means removing the barriers that still prevent goods, services, capital, and labor to flow freely between countries.

**New construction in Europe orders continue to fall steeply**

The weakness of the EU construction sector continues to be a significant concern for the EU's timber industry. Forward-looking indices show that EU construction activity has remained weak and that new orders continue to fall steeply. The HCOB Eurozone Construction PMI Total Activity Index — a seasonally adjusted index tracking monthly changes in total industry activity — rose from 41.4 in August to 42.9 in September, indicating a softer but still large contraction in activity across the euro area construction sector.

The latest downturn extended the current sequence of falling construction activity to 29 months.

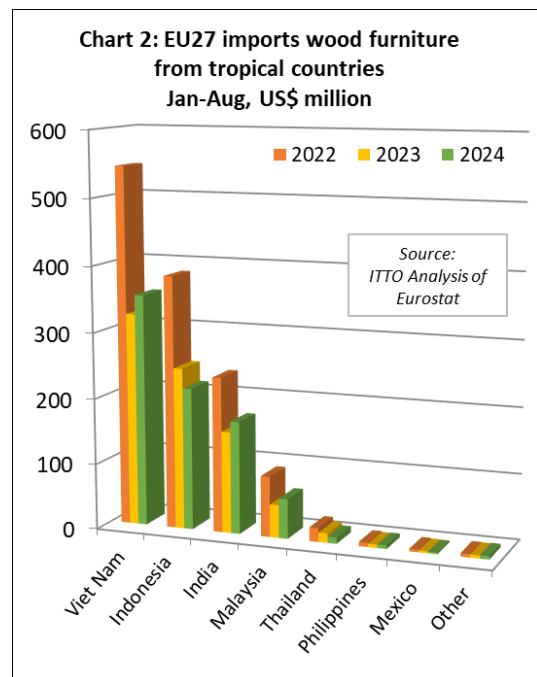
According to the HCOB report, negative output trends reflected further declines across the three largest eurozone economies in September. French construction activity saw the steepest reduction, and at the fastest pace since May 2020.

German and Italian firms also saw activity decrease, although the rate of decline was slightly slower than in previous months. Lower output was also broad-based in nature across the three monitored sectors covered by the report. Housing activity saw the most pronounced decrease, though falls in commercial and civil engineering activity were also relatively strong.

**EU27 tropical wood furniture imports make up for earlier decline**

After a very slow start to the year, EU wood furniture imports from tropical countries continued to make up lost ground in during the summer months. In the first eight months of the year, the EU27 imported 351,600 tonnes of wood furniture from tropical countries with a total value of US\$822 million. Import quantity and import value were up 7% and 3% respectively compared to the same period in 2023.

In the first eight months of this year compared to the same period in 2023, EU27 import value of wood furniture increased from Vietnam (+9% to US\$353.1 million), India (+11% to US\$170.8 million), Malaysia (+21% to US\$60.3 million), and the Philippines (+7% to US\$5.6 million). However, import value fell from Indonesia (-12% to US\$215.5 million), Thailand (-34% to US\$9.4 million), and Mexico (-15% to US\$2.4 million). EU27 wood furniture imports from all other tropical countries were negligible during the period (Chart 2).



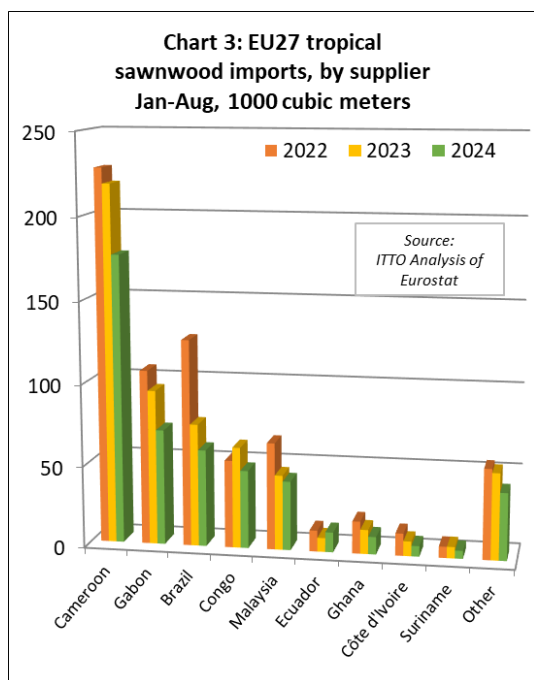


**EU27 imports of tropical sawnwood down 19% in the first eight months of 2024**

The EU27 imported 371,600 cu.m of tropical sawnwood in the first eight months of this year, 19% less than the same period in 2023. Import value of this commodity was US\$435.8 million in the January to August period this year, 20% less than the same period in 2023.

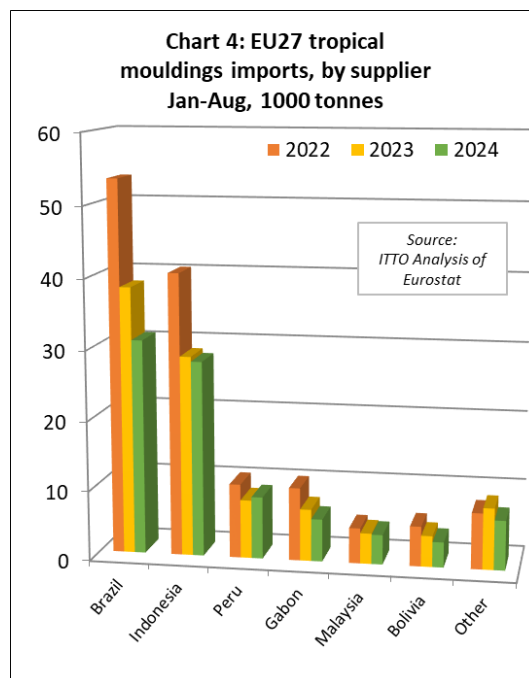
Imports declined from nearly all leading supply countries during the period including Cameroon (-19% to 176,400 cu.m), Gabon (-25% to 70,600 cu.m), Brazil (-21% to 59,300 cu.m), Republic of Congo (-23% to 47,700 cu.m), Malaysia (-8% to 42,300 cu.m), Ghana (-28% to 10,700 cu.m), Côte d'Ivoire (-29% to 6,400 cu.m), Suriname (-30% to 4,900 cu.m) and the Central African Republic (-53% to 4,100 cu.m).

Sawnwood imports from Ecuador bucked the overall downward trend in the first half of this year, at 12,200 cu.m, up 43% compared to the same period in 2023 (Chart 3).



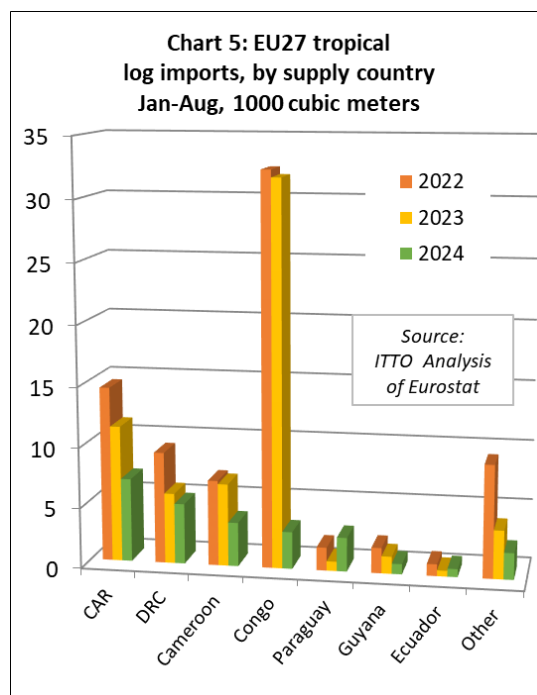
The EU27 imported 88,600 tonnes of tropical mouldings/decking in the first eight months of this year, 12% less than in the same period in 2023. Import value of this commodity was down 20% to US\$154.7 million in the same period.

During the first eight months, imports increased year-on-year from Peru (+6% to 8,900 tonnes) but fell from all other leading supply countries including Brazil (-20% to 30,800 tonnes), Indonesia (-2% to 28,000 tonnes), Gabon (-18% to 6,100 tonnes), Malaysia (-3% to 4,200 tonnes), and Bolivia (-18% to 3,600 tonnes) (Chart 4).



The EU27 imported 25,100 cu.m of tropical logs with a total value of US\$15.3 million in the first eight months of this year, respectively 60% and 62% less than in the same period last year. The decline was driven mainly by an 90% decline in imports from the Republic of Congo to 3,100 cu.m.

This follows the ban on exports of most logs from the country since 1<sup>st</sup> January 2023. EU27 imports of logs in the first eight months of this year were also down compared to the same period last year from the Central African Republic (-39% to 6,900 cu.m), the Democratic Republic of Congo (-14% to 5,000 cu.m), Cameroon (-47% to 3,600 cu.m), and Guyana (-40% to 800 cu.m).

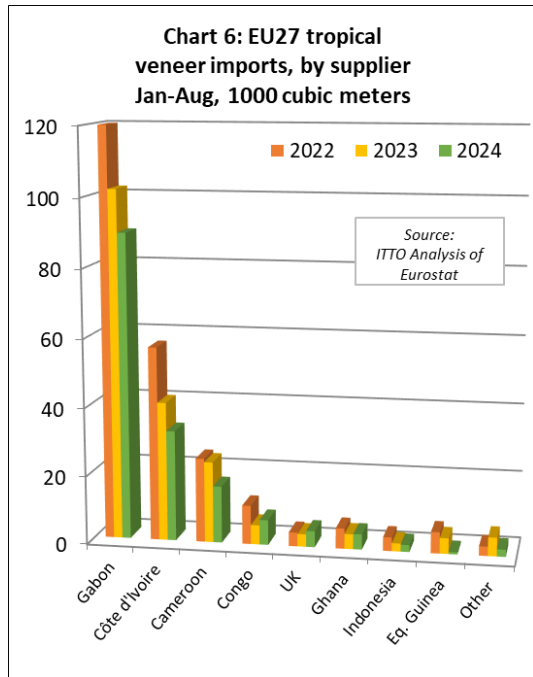


However, EU27 log imports increased from Paraguay (+259% to 2,800 cu.m), and Ecuador (+38% to 700 cu.m) during the eight-month period (Chart 5 above).

**EU27 imports of tropical hardwood veneer, plywood and joinery down sharply**

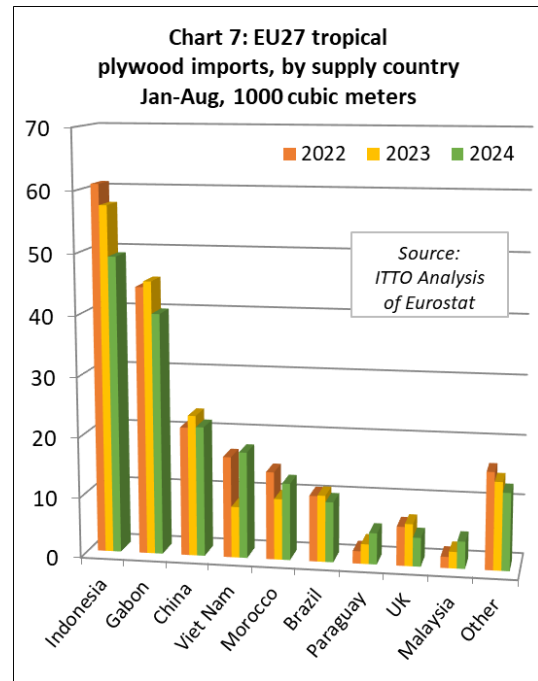
The EU27 imported 159,800 cu.m of tropical veneer with a total value of US\$108.5 million in the first eight months of this year, down 17% and 18% respectively compared to the same period last year. Imports of tropical veneer from Gabon, by far the largest supplier to the EU27, were 89,500 cu.m in the first eight months of this year, 12% less than the same period in 2023.

EU27 imports of this commodity also decreased during the period from Côte d'Ivoire (-20% to 32,400 cu.m), Cameroon (-30% to 16,600 cu.m), Indonesia (-14% to 2,000 cu.m), and Equatorial Guinea (-87% to 600 cu.m). Veneer imports into the EU27 increased during the eight-month period from the Republic of Congo (+29% to 7,300 cu.m), the UK (+28% to 4,700 cu.m), and Ghana (+2% to 4,500 cu.m). (Chart 6).



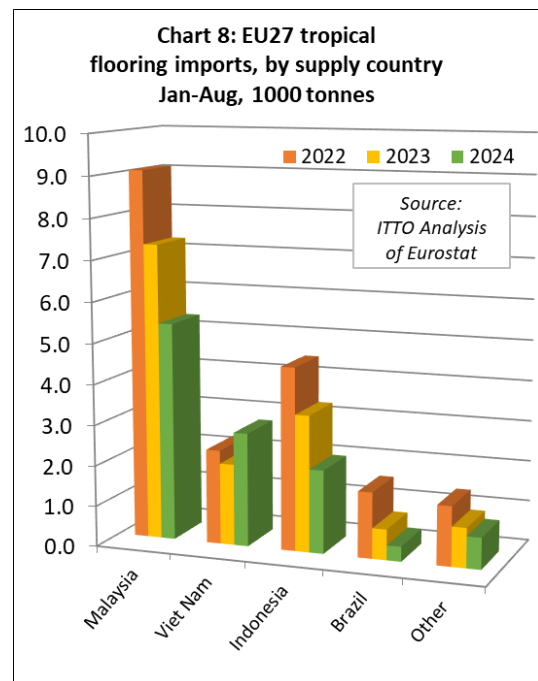
The EU27 imported 178,600 cu.m of tropical plywood with a total value of US\$129.0 million in the first eight months of this year, respectively 3% and 5% less than the same period last year. Imports fell from the three leading supply countries during the period including Indonesia (-14% to 49,200 cu.m), Gabon (-12% to 40,000 cu.m), and China (-8% to 21,600 cu.m).

Imports from Brazil were also down, by 9% to 10,000 cu.m, while indirect imports via the UK fell 32% to 4,800 cu.m. However, these losses during the eight-month period were partly offset by rising imports from Vietnam (+108% to 17,700 cu.m), Morocco (+26% to 12,800 cu.m), Paraguay (+58% to 5,200 cu.m), and Malaysia (+65% to 4,500 cu.m) (Chart 7).



The EU27 imported 11,400 tonnes of tropical wood flooring with a total value of US\$29.7 million in the first eight months of this year, down 21% and 29% respectively compared to the same period in 2023. Imports of 5,400 tonnes from Malaysia in the eight-month period this year were 26% less than the same period in 2023.

Flooring imports also fell from Indonesia (-39% to 2,100 tonnes) and Brazil (-41% to 400 tonnes). However, imports increased from Vietnam (+40% to 2,800 tonnes) (Chart 8).

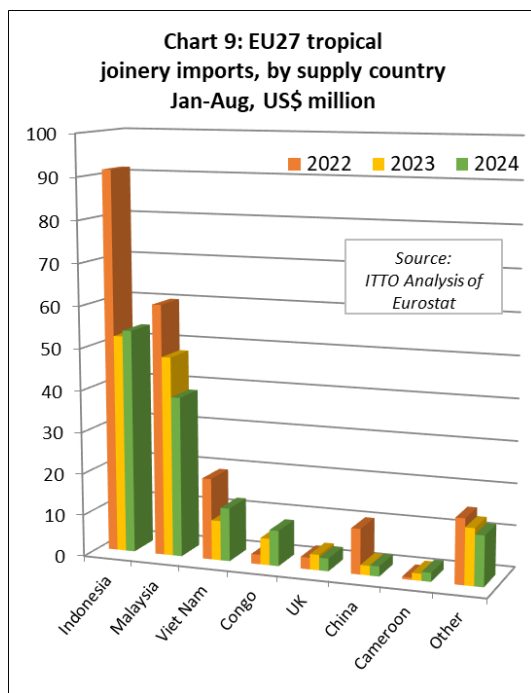


The value of EU27 imports of other joinery products from tropical countries - which mainly comprise laminated window scantlings, kitchen tops and wood doors was US\$132.7 million in the first eight months of this year.

This was down 3% compared to the same period in 2023. Import quantity was also down 3% to 58,100 tonnes during the same period.

Between January and August this year, EU27 import value of other tropical joinery products was down 20% to US\$38.4 million from Malaysia. Indirect imports from the UK also fell, by 18% to US\$3.0 million.

However, import value increased 3% to US\$53.6 million from Indonesia and was up 34% to US\$12.7 million from Vietnam. In a potentially significant longer-term development, given efforts in central Africa to shift up the value chain as log exports are banned, EU import value of laminated joinery products in the first eight months of 2024 was up 33% to US\$8.5 million from the Republic of Congo and up 26% to US\$2.1 million from Cameroon (Chart 9).



### Proposal to delay EUDR and new EUDR Guidance Documents

On 2 October, the European Commission (EC) published a proposal to delay application of the provisions of the EU Deforestation Regulation (EUDR) for a period of 12 months to give concerned parties additional time to prepare.

The proposal to delay was approved by the European Council on 16 October. If the European Parliament now approves the proposal in a vote scheduled for 14 November, EUDR would become applicable on 30 December 2025 for large companies and 30 June 2026 for micro- and small enterprises.

If the European Parliament does not approve the proposal, the start dates contained in the existing legal text – 30 December 2024 for large companies and 30 June 2025 for micro- and small enterprises – would still apply.

The proposal to amend the start date does not affect the substance of the already existing rules, which is to minimise the EU’s contribution to deforestation and forest degradation worldwide, by only allowing placing on the EU market, or exporting from the EU, deforestation-free products. Deforestation-free products are products that have been produced on land not subject to deforestation or forest degradation after 31 December 2020.

The EC proposal to amend the start date was published alongside additional guidance documents and a stronger international cooperation framework to support global stakeholders, Member States and third countries in their preparations for the implementation of the EUDR.

See: [https://ec.europa.eu/commission/presscorner/detail/en/ip\\_24\\_500\\_9](https://ec.europa.eu/commission/presscorner/detail/en/ip_24_500_9)  
<https://www.consilium.europa.eu/en/press/press-releases/2024/10/16/eu-deforestation-law-council-agrees-to-extend-application-timeline/>

## North America

### September home sales slowest since 2010

Sales of previously occupied US homes slowed in September to the weakest annual pace in nearly 14 years even as mortgage rates eased and the supply of properties on the market continued to climb.

Existing home sales fell 1% last month, from August, to a seasonally adjusted annual rate of 3.84 million, the National Association of Realtors reported. That’s the slowest annual sales pace since October 2010 when the housing market was still in a deep slump following the late-2000s real estate crash.

Sales fell 3.5% compared with September last year. The latest home sales were short of the 3.9 million pace economists were expecting, according to FactSet. The US housing market has been in a sales slump dating back to 2022, when mortgage rates began to climb from pandemic-era lows.

“Home sales have been essentially stuck at around a four-million-unit pace for the past 12 months, but factors usually associated with higher home sales are developing,” said Lawrence Yun, the NAR’s chief economist.

Existing-home sales in the Northeast in September fell 4.2% from August to an annual rate of 460,000, down 6.1% from September 2023. In the Midwest, existing-home sales slipped 2.2% in September to an annual rate of 900,000, down 5.3% from the prior year. Existing-home sales in the South decreased 1.7% from August to an annual rate of 1.72 million in September, down 5.5% from one year before. In the West, existing-home sales rose 4.1% in September to an annual rate of 760,000, up 5.6% from a year ago.

See: <https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>

### **Housing starts pull back but multi-family starts continue to plunge**

After reporting a sharp increase in new residential construction in the US in the previous month the Commerce Department's latest housing report showed a modest decline in housing starts in September.

The Commerce Department said housing starts fell by 0.5% to an annual rate of 1.354 million in September after spiking by 7.8% to a revised rate of 1.361 million in August.

The modest pullback by housing starts came as another steep drop by multi-family starts more than offset a jump by single-family starts. Multi-family starts plunged by 9.4% to a rate of 327,000 in September after plummeting by 10% to a rate of 361,000 in August.

Meanwhile, single-family starts shot up by 2.7% to a rate of 1.027 million in September after declining by 16.1 % to a rate of 1.000 million in August.

The report also showed a sharp pullback by building permits, which tumbled by 2.9% to an annual rate of 1.428 million in September after surging by 4.6% to a revised rate of 1.470 million in August.

Experts say the lack of new multifamily development is partly due to the large amount of multi-family construction already in the pipeline as well as the current difficulty in financing large new apartment complexes.

Canadian housing starts rose 5% in September compared with the previous month as groundbreaking increased on multi-unit and single-family-detached urban homes, according to data from the national housing agency. The seasonally adjusted annualized rate of housing starts rose to 223,808 units from a revised 213,012 units in August, the Canadian Mortgage and Housing Corporation said. Economists had expected starts to rise to 237,500 units.

See: <https://www.census.gov/construction/nrc/current/index.html> and <https://markets.businessinsider.com/news/interestrates/u-s-housing-starts-pull-back-modestly-as-multi-family-starts-extend-plunge-1033859117>

### **Jobs report blows past expectations**

US hiring surged in September, blowing past economist expectations and rebuking concern about weakness in the labor market. The fresh report marks one of the last major pieces of economic data before the presidential election.

Employers hired 254,000 workers last month, far exceeding economist expectations of 150,000 jobs added, US Bureau of Labor Statistics data showed. The unemployment rate ticked down to 4.1%. Weaker-than-expected jobs data in both July and August has stoked worry among some economists about the nation's economic outlook.

Employment showed little change over the month for manufacturing and other major industries while construction employment continued to trend up in September (+25,000), similar to the average monthly gain over the prior 12 months (+19,000).

Despite an overall slowdown this year, the job market has proven resilient. Hiring has continued at a solid pace; meanwhile, the unemployment rate has climbed but remains near a 50-year low.

The new data arrived two weeks after the Federal Reserve cut its benchmark interest rate by half of a percentage point. The landmark decision dialed back a years-long fight against inflation and offered relief for borrowers saddled with high costs. Inflation has slowed dramatically from a peak of about 9% in 2022, though it remains slightly higher than the Fed's target of 2%.

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

### **Consumer sentiment slipped in October on frustration over high prices**

Americans' outlook on the economy soured a bit this month after two months of small gains, according to the University of Michigan's consumer sentiment index. The index slipped to 68.9 in October from 70.1 in September, which had been its highest reading since May. "Consumers continue to express frustration over high prices," said Joanne Hsu, Director of Consumer Surveys at University of Michigan.

Many consumers appear to be reserving judgement about the economy while they wait for the presidential campaign to finish, Hsu added.

Economists noted that the decline occurred after the Federal Reserve cut its benchmark interest rate in September, while gas prices have steadily fallen and overall inflation has cooled, trends that should boost sentiment. Yet Hurricane Helene and Middle East turmoil could have pushed sentiment lower, Bradley Saunders, an economist at Capital Economics, noted. And after falling in anticipation of the Fed's rate cut, mortgage rates have climbed in the past two weeks.

Still, consumers have kept spending despite their gloomy responses to economic confidence surveys, buoying the economy. Growth likely reached 3.2% in the July-September quarter, a healthy pace, according to the Federal Reserve Bank of Atlanta.

See: <http://www.sca.isr.umich.edu/>

### **Further slump in US manufacturing**

Economic activity in the manufacturing sector contracted in September for the sixth consecutive month and the 22nd time in the last 23 months, say the nation's supply executives in the latest Manufacturing ISM Report On Business. ISM's Manufacturing PMI registered 47.2 percent in September, matching the figure recorded in August. A figure below 50 denotes contraction.



“Demand remains subdued, as companies showed an unwillingness to invest in capital and inventory due to federal monetary policy which the US Federal Reserve addressed by the time of this report and election uncertainty,” wrote ISM Chair Timothy Fiore.

Of the 18 industries surveyed by ISM, five reported growth in September including the Furniture and Related Products sector. The Wood Products sector was among the 13 industries reporting contraction in September.

One Furniture & Related Products executive was dismissive about the sector’s September growth, reporting, “Business is flat. Waiting for interest rates to drop and the election outcome in November before we confirm our 2025 plans. Currently planning on a flat 2025.”

See: <https://www.ismworld.org/supply-management-news-and-reports/reports/ism-report-on-business/pmi/october/>

**Cabinet sales dip year on year**

Manufacturers reported a drop in overall cabinet sales for August, down 1.2% compared to the year prior, with stock cabinet sales accounting for the decline. In a month-over-month comparison however, August’s overall cabinet sales rose 3.3% compared to July figures, with all three segments showing gains, according to the Kitchen Cabinet Manufacturers Association’s August Trend of Business report.

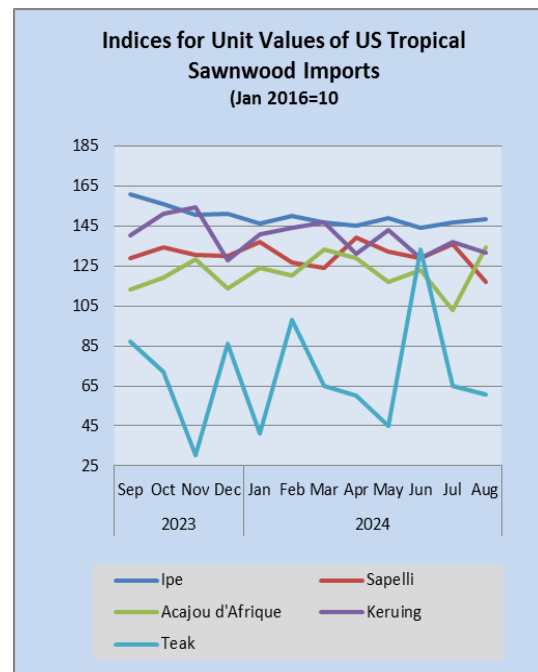
Survey respondents reported overall sales of US\$237.5 million for August. In the year-over-year comparison, custom sales were up 1.2% to US\$64.1 million, semi-custom rose 0.1% to \$133.3 million however stock sales dropped 9.9%, to US\$40.2 million. Cabinet quantity for the month by those reporting was 596,557 units, a decrease of 12.7% compared to August 2023 figures.

For the month-over-month sales comparison, survey respondents reported increases in all three segments. Custom sales rose 5.0%, semi-custom sales increased 1.4% and stock sales were up 7.0%. There was a 3.5% rise in cabinet quantity compared to July figures.

However, all three segments dropped in the year-to-date, year-over-year comparison. Custom sales dropped 5.7%, semi-custom declined 1.5% and stock dipped 0.2%; overall sales by responding companies for the year to date was US\$1.89 billion, a 2.4% decrease compared to the same period last year. Cabinet quantity for the year to date was 5.131 million units, a decrease of 4.2% over the same time period last year.

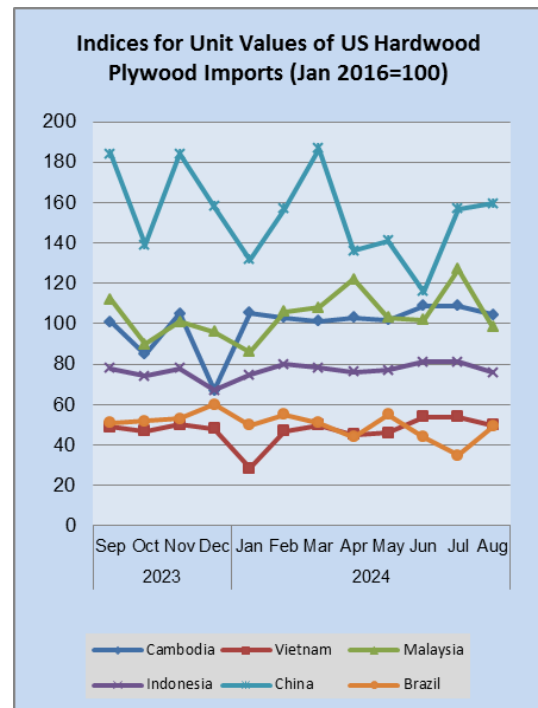
Estimated overall market sales for August were \$1.02 billion and estimated sales for the year to date for the overall market were \$8.96 billion.

See: <https://kcma.org/insights/august-trend-business-report-and>  
<https://www.woodworkingnetwork.com/cabinets/august-cabinet-sales-dip-yoy-july-kcma-report>



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**

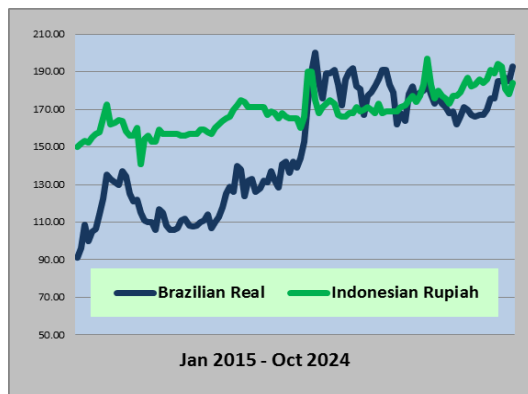
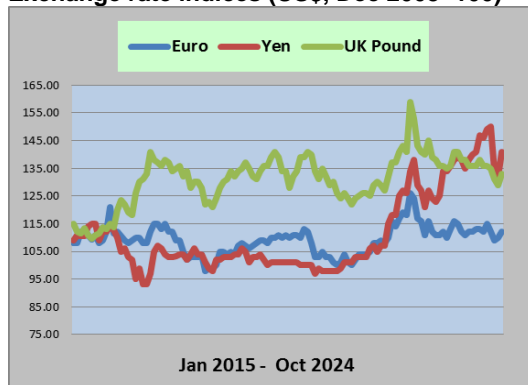


## US Dollar Exchange Rates

As of 25 October 2024

Brazil	Real	5.66
CFA countries	CFA Franc	607.31
China	Yuan	7.12
Euro area	Euro	0.92
India	Rupee	84.07
Indonesia	Rupiah	15,613
Japan	Yen	151.84
Malaysia	Ringgit	4.35
Peru	Sol	3.74
UK	Pound	0.77
South Korea	Won	1,379.33

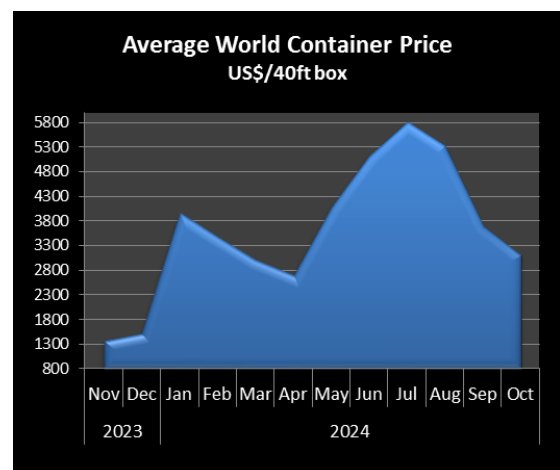
Exchange rate indices (US\$, Dec 2003=100)



## 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

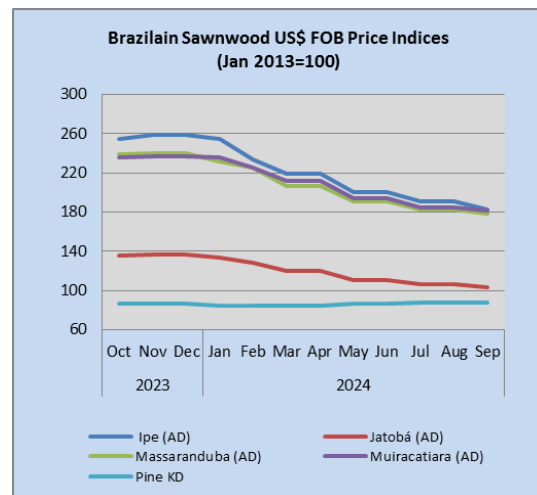
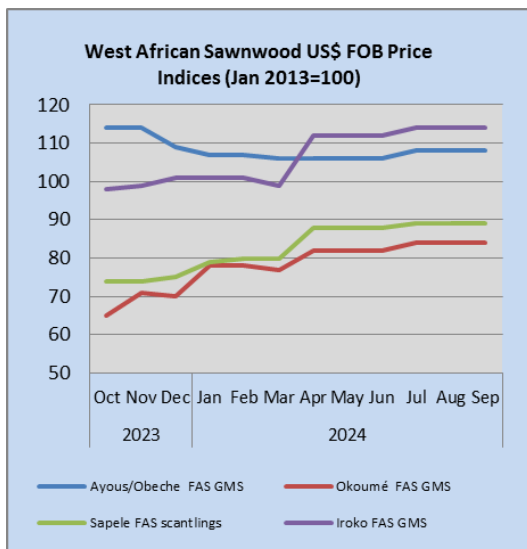
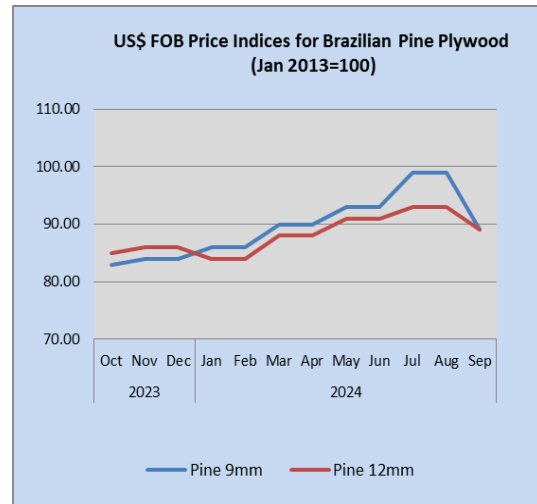
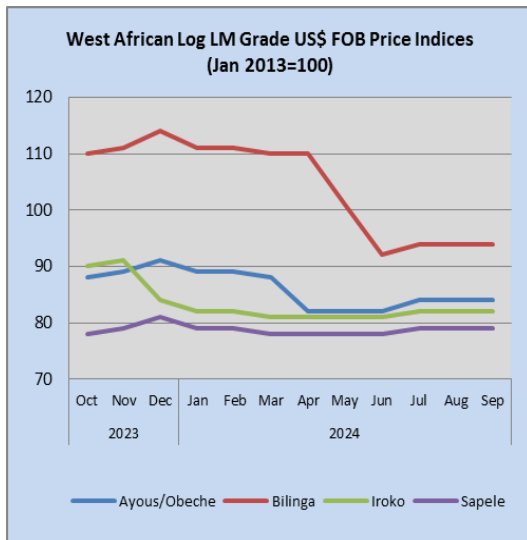


Data source: Drewry World Container Index

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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