

# Tropical Timber Market Report

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## Top story

### **40% increase in stumpage fees agreed**

The Ghana Forestry Commission, Chiefs and timber sector representatives recently reviewed Timber Stumpage Fees, the first review in six years.

The Commission proposed a 50% increase in stumpage fees effective 1 September. However, the Ghana Timber Association CEO appealed, suggesting 30%. He noted that the industry is still paying a COVID-19 tax.

A 40% increase, to be effective 15 September 2024, was agreed.

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## Central and West Africa

### Downturn in demand from China continues

Producers comment that markets remain challenging especially as there has been a significant downturn in demand from China.

Demand in China continues to decline, even with prices for sawn okoume KD dropping to Eur400 per cubic metre from Equatorial Guinea. As reported earlier exporters outside of Equatorial Guinea say this cannot be matched as production and transaction costs continue to climb.

In contrast to the China, demand from Philippine importers remains strong driven in part due to reconstruction following severe storms in recent months. The pace of incoming orders from Vietnam is reported as stable with no significant price movement reported.

The issue of high stocks in some Middle East countries is no longer being raised and producers say the market is starting to recover as stocks decline. Buyers in Europe are still in holiday mood so there is currently only a trickle of orders.

### Regional update

#### Cameroon

Heavy rain is affecting operations in the Douala region while around Yaoundé the weather is more favourable and not disrupting log deliveries.

#### Gabon

It has been reported that five mills servicing the Chinese market have closed due to a lack of orders. These mills do not have logging concessions so rely on buying in logs so cash flow is always an issue and some rely heavily on advance payments, a problem as orders fade.

The wood based panel sector in Gabon remains stable with strong (but currently quiet) demand in European markets notably the Netherlands.

It has been reported that to address a vehicle shortage forestry officers have been allocated addition vehicles to conduct monitoring operators.

The World Bank and IMF are said to be exerting pressure on the government to rein in expenditure which has reportedly led to changes in government priorities. It has been reported that the government plans to consolidate ministries into one or two buildings to reduce high building rental charges.

In related news, the Gabon Review has published an article by Adrien Nkoghe Essingone, a former Member of Parliament in Gabon, in which he calls for the lifting of the log export ban.

The article says “since the ban on log exports the processing rate has certainly increased but it has not generated the expected added value in terms of budgetary resources. Contrary to popular belief, local processing does not always create more added value than the export of raw products”.

See: <https://www.gabonreview.com/tribune-pour-un-gabon-forestier-le-pari-de-la-souverainete-economique/>

#### Congo

Some Malaysian mills operating in the Congo have reportedly cut output due to market pressures, especially the downturn in demand from China and are shifting to other markets to sustain operations. However, plywood exports to Europe and Morocco remain stable.

#### Central African Republic

The rain season has returned to the CAR but there are no reports of disruptions. Mills produce primarily for European markets shipping ayous, iroko, some assamela and sipo. The main concerns of producers are the poor road conditions, perceived political instability and the long distance transport to ports.

### Log export prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N" Gollon	230	230	175
Ayous/Obeche/Wawa	230	230	225
Azobe & ekki	250	250	175
Belli	250	250	-
Bibolo/Dibétou	200	200	-
Bilinga	250	250	-
Iroko	290	270	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	200	200	-
Moabi	260	260	220
Movingui	180	180	-
Niove	160	160	-
Okan	210	210	-
Padouk	300	270	240
Sapele	260	260	220
Sipo/Utile	260	260	230
Tali	260	260	-

## Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	425
Bilinga FAS GMS	680
Okoumé FAS GMS	-
Merchantable KD	420
Std/Btr GMS	-
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	850
FAS scantlings	975
Strips	400
Sapele FAS Spanish sizes	550
FAS scantlings	560
Iroko FAS GMS	800
Scantlings	850
Strips	400
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	550
Scantlings	550
Movingui FAS GMS	460

## Ghana

### 40% increase in stumpage fees agreed

The Forestry Commission met on August 11 with chiefs and timber industry players to deliberate and review Timber Stumpage fees. The review became necessary due to the depreciation of the local currency and high inflation rates. The old stumpage fees had not been reviewed in the last six years.

Many present stated that “the review of the stumpage fees is long overdue and has become necessary to be evaluated as things have changed since the last review.”

The Chief Executive of the Forestry Commission, Mr. John Allotey, stated that the revenue expected from the stumpage would be given to the appropriate parties so they get what is due to them according to the laws governing the state.

The Executive Director of the Forest Services Division, Mr. Hugh Brown, presented a Review of Timber Stumpage Fees 2024”. According to him, stumpages are in two parts. 50% is retained by the FC and the other half is paid as royalties to chiefs. He went on to explain how the stumpage fee is calculated.

According to Mr. Brown, one of the key things that has affected the stumpage is the depreciation of the local currency and some of the difficulties the Timber Industry Association has faced in their businesses. This includes the impact of external inflation on the cost of machinery and high and rising operational costs, for example fuel, labour, electricity and forest protection measures.

The Commission proposed a 50% increase in the current stumpage fees to be implemented effective 1st September this year.

The Commission also proposed a thorough stumpage fee review process, which should be undertaken through a multi-stakeholder consultative process in the first or second quarter of 2025. He added that the Commission recommended regular annual reviews to be undertaken to progressively bring stumpage fees charged by the FC in line with the legal provisions under the law.

The CEO of the Ghana Timber Association (GTA), Nana Dwomoh Sarpong, appealed for a reduction of the stumpage fee increment from 50% to 30%. He noted that COVID-19 is still affecting the industry as they are still paying COVID-19 tax.

From the deliberations, thoughts, and considerations, all parties agreed to reduce the proposed 50% increment to 40%, effective 15th September, 2024.

See: <https://fcghana.org/timber-stumpage-fees-reviewed/>

### Certificate course in Natural Resource Management

The Forestry Commission Training Centre (FCTC), which is affiliated to the University of Energy and Natural Resources (UENR) in Sunyani, has introduced an 18-months Certificate in Natural Resource Management (CNRM) Programme.

At its opening ceremony at Ejisu in the Ashanti Region sixty-seven freshmen and women entered the programme. The course is expected to produce mid-level technicians for forestry and wildlife operations.

In his welcoming address, Dr. Andy Osei Okrah, Director of FCTC, indicated that the event was to celebrate the matriculation and unique inauguration ceremony for the Certificate programme.

Mr. John Allotey, Chief Executive of the Forestry Commission, said he was excited to witness the first matriculation of the CNRM programme as the Commission needs a well-trained and prepared workforce for the technical task in the sector.

As part of measures to maintain standards and improve its human resources to address the challenge of limited technical expertise the Wood Industry Training Centre was restructured into FCTC with the new focus to provide training for Forestry Commission (FC) staff and allied institutions in the forestry sector. That initiative was to bring back the training of technical-level professionals for the Commission and the industry.

See: <https://fcghana.org/fctc-holds-maiden-cnrm-matriculation-ceremony/>

### Ghana's billet export volume dips 40%

According to data published by the Timber Industry Development Division (TIDD) of the Forestry Commission, Ghana's billet export volume dropped to 4,385cu.m in the first five months of 2024, from 7,267 cu.m registered in 2023 representing a 40% decline year-on-year.

This also resulted in a corresponding 42% drop in the total receipts for the product for the period under consideration. Cumulative wood export totals for the first five months of January to May 2024 compared to same period in 2023 are tabulated below;

#### Wood product exports Jan-May 2023/24

	2023 cu.m	2024 cu.m	YoY % change
AD Sawnwood	73,391	61,039	-17%
KD sawnwood	17,450	15,203	-13%
Billets	7,267	4,385	-40%
Plywood (Overland)	8,791	7,403	-16%
Plywood	6,541	7,015	7%
Rotary Veneer	3,565	3,954	11%
Teak Logs	4,582	6,087	33%
Mouldings	3,664	2,737	-25%
Sliced Veneer	2,774	2,427	-13%
Briquettes	780	1,125	44%
Others (5)	754	624	-17%
<b>Total</b>	<b>129,559</b>	<b>111,999</b>	<b>-14%</b>

Data source: TIDD

The low billet export volume contributed to the poor performance of total exports for the period, which declined by 14% and 12% respectively. For the period reviewed only one company exported just 16.5 cu.m in May 2024 compared to the total volume of 330 cu.m valued at Eur 106,340 in April.

Billets are a major component of the country's primary product exports which together with boules, kindling, sawnwood), rollboard and teak logs earned Eur 28.54 million from 71,963 cu.m of the total export of wood products between January and May 2024. These figures indicated decreases of 16% and 14% in volume and value respectively compared to the timber export figures between January and May 2023. The major species for billets are gmelina and teak.

India is the main destination for Ghana's billets, which along with sawnwood, sliced veneer and teak logs was the leading Asian importer of Ghana's wood products

#### Targeted support for SMEs to boost value addition

According to the Institute of Statistical, Social and Economic Research (ISSER) at the University of Ghana, Small and Medium-sized Enterprises (SMEs) in key sectors of the country could promote higher value addition to their products and services if they could secure financing.

ISSER recommended targeted financial support for these SMEs in their 2024 Mid-Year Budget Review titled 'A Critical Assessment of the 2024 Mid-Year Budget by ISSER'. By implementing targeted measures, ISSER believes Ghana can significantly enhance the capacity of SMEs to add value, stimulate economic growth and attract investment into vital sectors.

In a bid to support the country's SMEs the government is investing 8.2 billion Ghana cedis through the newly launched SME Growth and Opportunity Programme.

During the launch President Nana Akufo-Addo highlighted the modalities of the programme and indicated it will be coordinated by the Ministry of Finance and the Ministry of Trade and Industry.

There are around 850,000 SMEs in Ghana and they contribute significantly to the economy accounting for an estimated constituting around 70% GDP and providing 80% of private sector employment. Despite their significant contribution to the country's economy the sector battles several challenges, especially access to credit.

See: <https://www.myjoyonline.com/isser-urges-targeted-support-for-smes-to-boost-value-addition-in-key-sectors/>

#### Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	790
Niangon Kiln dry	910

#### Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	400▲	441
Chenchen	472	612
Ogea	368	590
Essa	659▲	711
Ofram	350	435

#### Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
FAS 25-100mmx150mm up x 2.4m up	Air-dried	Kiln-dried
Afromosia	860	925
Asanfina	465	500
Ceiba	290	320▲
Dahoma	511▲	590▲
Edinam (mixed redwood)	640	713
Emeri	700	712▼
African mahogany (Ivorensis)	846	1,029▲
Makore	560	840
Niangon	709▲	800▼
Odum	836	1,058▲
Sapele	656	807▲
Wawa 1C & Select	445	463▼

#### Plywood export prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	414	580	641
6mm	385	535	604
9mm	433	504	560
12mm	324	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	1,531 ↑
Avodire	1,009
Chenchen	749 ↑
Mahogany	1,440 ↑
Makore	1,6655 ↑
Odum	2,500 ↓
Sapele	1,598 ↓

## Malaysia

### Ringgit strengthens against the US dollar

On 5 August the Malaysian ringgit climbed to its strongest against the dollar since April 2023, supported by a solid economy as weak US economic data spurred selling of the dollar. The ringgit had slumped since early this year, dropping in late February to its weakest level since 1971. The rebound came after US jobs data released Friday showed a rise in the unemployment rate.

### Sawn rubberwood shortage

For many years, according to Muar Furniture Association president Steve Ong, furniture makers have been facing a shortage of rubberwood. Speaking to the Star newspaper Ong said the impact was more noticeable recently because of changes in plantation practices and the high level of rubberwood veneer exports.

Ong said about 80% of wooden furniture in Malaysia is produced using rubberwood. He urged the government to intervene by limiting the export of rubberwood and to prioritise local manufacturing.

The Furniture Association was pushing for replanting programmes to salvage the situation hoping that such efforts could be undertaken through a systematic replanting plan to produce logs suitable for sawnwood production. Ong said rubber trees planted for timber can be harvested in seven to eight years as compared to harvesting rubberwood from trees that produce latex which take a period of 20 to 25 years.

See:

<https://www.thestar.com.my/news/nation/2024/07/28/rubber-wood-shortage-hits-furniture-makers>

### Conservation of mangrove ecosystems

A total of 20,000 mangrove trees were planted through a strategic collaboration between Yayasan Hijau Malaysia, Sabah Forestry Department and Wiwynn Technology Service Malaysia in Hutan Simpan Tawau, Sungai Mangkalitan.

Natural Resources and Environmental Sustainability (NRES) Minister, Nik Nazmi Nik Ahmad, said the initiative held in conjunction with the International Day for the Conservation of Mangrove Ecosystem 2024, marks another significant milestone for mangrove conservation in Malaysia.

Nik Nazmi added that since 2005, the government took significant steps to conserve and rehabilitate mangrove areas through the Tree Planting Programme with Mangroves and Suitable Species along National Coastlines, an initiative following the devastating tsunami in December 2004.

See: <https://www.dailyexpress.com.my/news/239013/undefined/>

### Cooperation to improve upstream and downstream sectors

The Malaysian Timber Council (MTC) aims to strengthen its partnership with the Sarawak Timber Industry Development Corporation (STIDC) and the private sector towards supporting the growth of the nation's woodbased industry. MTC Chief Executive Officer, Noraihan Abdul Rahman, acknowledged that the STIDC has clear plans to improve both the upstream and downstream sectors of Sarawak's wood-based industry. Noraihan also said there are opportunities for collaborative efforts in boosting Malaysia's wood-based and bamboo industries.

STIDC General Manager, Zainal Abidin Abdullah, indicated that the STIDC aims to transform and modernise the timber industry with the goal of increasing export earnings to RM8 billion by 2030. Zainal Abidin pointed out that a Sarawak Bamboo Community Project involved 146 participants and covered more than 63 hectares, while the commercial bamboo plantations had expanded to 3,597 hectares across Sarawak.

See:

<http://theborneopost.pressreader.com/article/281599540773234>

### New Permanent Forest for Sarawak

A total of 31 areas in Sarawak have been proposed as new Permanent Forest Estates (PFE) covering an estimated 814,437 hectares according to Deputy Premier, Awang Tengah Ali Hasan. Currently, Sarawak has 67 Totally Protected Areas (TPA) with a total area of more than 2.1 million hectares which includes over 847,000 hectares of land and 1.2 million hectares of water bodies as well as 118 PFEs with a total area of 3,960,381 hectares.

"I hope that the federal government would provide more funding through the Ecological Fiscal Transfer (EFT) for conservation activities" said the Deputy Premier.

Regarding mangrove forests, Awang Tengah disclosed that Sarawak has so far gazetted 12,950 hectares or 19% of the total mangrove forest area in Sarawak as TPAs. Additionally, 11,084 hectares or 16% of the total mangrove forest area have been designated as PFE.

See: <https://www.theborneopost.com/2024/07/26/31-areas-in-sarawak-proposed-as-new-permanent-forest-estates-says-awg-tengah/>

### First carbon credits auction

Bursa Malaysia announced that its subsidiary Bursa Carbon Exchange (BCX) conducted the first Malaysian Carbon Credit Auction with carbon credits from the Kuamut Rainforest Conservation Project in Sabah. This represented a crucial step in Malaysian nature-based carbon project showcasing Malaysia's capacity to develop its own carbon projects to international standards.

The auction attracted participation from businesses and organisations committed to reduce their environmental impact through several credible pathways, one of them by offsetting hard to abate GHG emissions through carbon credits. The auction of the domestic forest protection and regeneration project was cleared at RM50 (roughly US\$11.30) per contract.

A key factor for this conservation project is that it delivers tangible climate, community and biodiversity co-benefits earning itself a Gold Level for Climate status under the Climate, Community and Biodiversity (CCB) Standard.

See: <https://theborneopost.pressreader.com/article/282175066372199>

## Indonesia

### Export Benchmark Price (HPE) of Wood for August

The following lists benchmark prices 1-31 August.

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

Natural Forest veneer	US\$850
Plantation forest veneer	US\$600
Wooden Sheet for Packaging Box	US\$1,000

#### Wood Chips (prices per tonne)

Woodchips	
chips or particles	US\$85
Woodchips	US\$95

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

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

Meranti (Shorea sp)	US\$1,100
Merbau (Intsia sp)	US\$1,000
Rimba Campuran	US\$750
Ebony	US\$4,500
Teak	US\$3,500
Pinus and Gmelina	US\$600
Acacia	US\$550
Sengon	
(P. falcataria)	US\$600
Rubber	US\$300
Balsa, Eucalyptus	US\$1,000
Sungkai (P.canescens)	US\$1,500

Processed wood products which are leveled on all four sides so that the surface becomes even and smooth with the provisions of a cross-sectional area of 4,000 sq.mm to 10,000 sq. mm (ex 4407.11.00 to ex 4407.99.90)

Merbau	US\$1,500
Yellow Meranti	US\$500
White Meranti	US\$700

Processed wood products which are leveled on all four sides so that the surface becomes even and smooth with the provisions of a cross-sectional area of 10,000 sq.mm to 15,000 sq.mm (ex 4407.11.00 to ex 4407.99.90)

Merbau	US\$1,500
Yellow Meranti	US\$500
White Meranti	US\$700

See: [https://jdih.kemendag.go.id/pdf/Regulasi/2024/964\\_Kepmen\\_dag%20HPE%20dan%20HR%20Produk%20Pertanian%20dan%20Kehutanan%20Agustus%202024%20dan%20Lampiran.pdf](https://jdih.kemendag.go.id/pdf/Regulasi/2024/964_Kepmen_dag%20HPE%20dan%20HR%20Produk%20Pertanian%20dan%20Kehutanan%20Agustus%202024%20dan%20Lampiran.pdf)

### 31 million cubic metres of Acacia logs in 2023

Statistics Indonesia (BPS) data shows that Indonesia produced 68.22 million cubic metres of roundwood in 2023. Acacia was the largest contributor to roundwood production, accounting for 31.11 million cubic metres or 45.61% of the total, followed by the mixed tropical hardwood group with 30.93 million cubic metres (45.3%)

In 2023, Sumatra was the largest roundwood producing region of the country, with a volume reaching 46.10 million cubic metres or 67.57% of total national production. Next came Kalimantan with 12.09 million cubic metre (17.73%) and followed by Java with 8.67 million cubic metres (12.7%).

See: <https://databoks.katadata.co.id/datapublish/2024/07/29/ini-jenis-kayu-yang-banyak-diproduksi-indonesia-pada-2023>

### Indonesia is largest rattan products exporter, says ministry

Indonesia is the world's largest exporter of rattan products, according to the Indonesian Ministry of Industry. The value of Indonesia's rattan exports hit USD158.5 million, accounting for 42.2% of the global rattan product trade of US\$375.6 million.

The ministry's Agro-Industry Director General, Putu Juli Ardika, said Indonesia accounts for 80% of rattan on the global market, noting that a total of 306 rattan species are found in the country. However, only 28 species have been utilised commercially.

According to data released by the ministry last year, the average monthly production volume of the national rattan furniture industry was 284,800 tonnes while that of the national rattan processing industry stood at 17,600 tonnes.

The ministry is actively promoting improvements in the rattan and wood supply chain for the furniture and craft industry.

It is hoped this will have a positive impact on enhancing the overall performance and competitiveness of these sectors.

See: <https://industri.kontan.co.id/news/kemenperin-pacu-optimalisasi-rantai-pasok-industri-rotan> and <https://forestinsights.id/kemenperin-dorong-efisiensi-rantai-pasok-rotan-pacu-daya-saing-industri-furnitur/>

### Indonesia launches SOIFO 2024 report

The Indonesian Minister of Environment and Forestry, Siti Nurbaya, has unveiled the 2024 edition of the 'State of Indonesia's Forests' (SOIFO) report. The publication provides updated data and insights into the condition of Indonesia's forests, addressing current challenges and future opportunities in forest management. The launch event took place during the 27th session of the FAO Committee on Forestry (COFO) at FAO headquarters in Rome.

During the event, Minister Siti introduced the National Forest Monitoring System (SIMONTANA), a platform designed to support sustainable forest management and climate resilience as well as to enhance international collaboration. "SIMONTANA is an integrated monitoring platform featuring remote sensing and terrestrial technologies.

See: <https://nasional.sindonews.com/read/1423391/15/peluncuran-soifo-2024-platform-simontana-pantau-hutan-indonesia-secara-akurat-1721984862> and <https://news.detik.com/berita/d-7450511/klhk-bakal-luncurkan-buku-the-state-of-indonesias-forests-2024-di-roma>

### Field inspections to improve forestry data accuracy

Given the crucial role of the information in policy making, Indonesia's Ministry of Environment and Forestry (KLHK) ensures the country's geospatial forestry-related data is accurate by conducting field checks. During a recent podcast, Hanif Faisol Nurofiq, Director General of Forestry Planning and Environmental Management (PKTL), at the ministry explained that the geospatial technology used in the One Map Indonesia Policy has good accuracy because field inspections ensure conformity between satellite images and facts on the ground.

See: <https://www.antaranews.com/berita/4223839/klhk-perkuat-akurasi-data-kehutanan-dengan-pemeriksaan-lapangan>

### Carbon trading in Indonesia

Indonesia's carbon trading market is still relatively small but the government sees it as key to the country's aim of cutting carbon emissions by 43.2% by 2030. Elen Setiadi, Deputy for Business Development and State-Owned Enterprises Innovation at the Coordinating Ministry for Economic Affairs, reported that Indonesia's carbon trading market has reached a transaction value of Rp 36.7 billion (US\$2.26 million) since its launch in September 2023, to June 2024. The trading volume amounted to 608,000 tons of carbon dioxide (CO<sub>2</sub>) equivalent.

The global market for CO<sub>2</sub> permits reached a record 881 billion euros (US\$948.75 billion) in 2023, marking a 2% increase from the previous year, according to analysts at the London Stock Exchange Group (LSEG) in February.

The EU's emissions trading system (ETS) was worth around €770 billion (US\$829 billion), representing 87% of the global total. The North American markets were valued at a combined €71.4 billion (US\$76.9 billion), and the Chinese market at €2.3 billion (US\$2.5 billion).

"Carbon trading is expected to be a vital instrument in reducing greenhouse gas emissions and achieving decarbonization targets," said Elen during Carbon Trading and Market in Indonesia 2024 webinar in Jakarta recently.

In the first half of 2024, Indonesia recorded a carbon transaction value of Rp 5.9 billion (US\$0.37 million) with a trading volume of 114,500 tons of CO<sub>2</sub> equivalent.

See: <https://jakartaglobe.id/business/carbon-trading-in-indonesia-reaches-226-million-far-behind-global-leaders> and <https://www.antaranews.com/berita/4210875/per-juni-2024-pemerintah-catat-transaksi-bursa-karbon-rp367-miliar>

### Carbon tax rules prepared

Coordinating Minister for Economic Affairs, Airlangga Hartarto, revealed that rules for a carbon tax have been prepared. However, Airlangga has not been able to confirm when the tax will be implemented.

Previously, Deputy for BUMN Business Development, Research and Innovation of the Coordinating Ministry for the Economy, Elen Setiadi, said that the discussion of the Draft Government Regulation (RPP) on the Carbon Tax Roadmap was still ongoing. Elen said that, based on the RPP, the Carbon Tax Roadmap is proposed initially to only regulate application of the tax for power generation sub-sectors or in this case, steam power plants (PLTU). In the second stage it will extend to fossil fuels used in the transportation sector.

See: <https://voi.id/en/economy/401506>

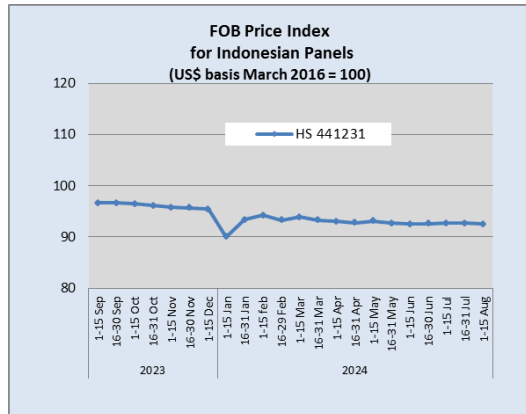
### Over 1 million ha. social forestry concessions for communities

The Indonesian government has set a target of 12.7 million hectares of land being allocated for community forest management access. To date, 1.07 million hectares has been allocated for this purpose under the Social Forestry Decree (SK), and a further 43,000 hectares as Agrarian Reform Objective Land (TORA). Additional lands are being allocated under the decree for people's oil palm land, and through environmental fund service certificates for the community.

During the LIKE 2 Festival in Jakarta, Minister of Environment and Forestry, Siti Nurbaya, announced an additional Social Forestry Decree for customary forests covering 15,879 hectares and a decree for rejuvenation of people's oil palm land covering 37,000 hectares.

"With the submission of the Social Forestry Decree, the realisation of social forestry has now reached 8.018 million hectares for 1.4 million Heads of Families (KK)," stated Siti Nurbaya. She said the indicative area of customary forests has been set at 1.11 million hectares and 265,000 hectares have been determined through a decree. In total, 1.37 million hectares of customary forests have been designated for 138 indigenous community groups. She stated that the Indonesian government will continue this process.

See: <https://www.rri.co.id/nasional/890138/pemerintah-serahkan-sk-hutan-sosial-seluas-jutaan-hektare>



## Myanmar

### Economic instability

The crisis in Myanmar reached a new level of severity after the State Administration Council (SAC) extended its rule for the sixth time in July 2024. This extension came alongside the appointment of General Min Aung Hlaing as the new Acting President.

The economy is in a serious situation. The exchange rate has deteriorated sharply with the kyat plummeting from 1,300 kyats per US dollar in January 2021 to a staggering 6,000+ kyats per dollar in August 2024. This dramatic depreciation has had devastating effects on the economy. The government's inability to stabilise the economy is evident and the economic crisis is exacerbating the overall humanitarian situation in the country according to the regional media.

The SAC has stated that it plans to hold elections in 2025. The dissolution of the National League for Democracy (NLD) under a new military-drafted electoral law has further undermined the credibility of any future elections.

See: <https://www.frontiermyanmar.net/en/myanmar-junta-extends-state-of-emergency-by-six-months/>  
and  
<https://www.frontiermyanmar.net/en/united-wa-state-army-moves-into-strategic-town-in-northern-shan-state/>

### Efforts to restore peace

The Japanese media has reported Chinese Foreign Minister Wang Yi was to visit Myanmar mid-August saying there are growing suggestions from China for the SAC to restore peace.

Wang's visit to Myanmar comes after his special envoy for Asian affairs, Deng Xijun, held talks with Myanmar leader Min Aung Hlaing in early August

See: <https://asia.nikkei.com/Politics/International-relations/China-s-top-envoy-to-meet-military-regime-officials-in-Myanmar>

### Floods – an additional burden to farmers

The recent decrease in the reference price for rice has added to the burden on farmers which have recently seen floods damage much of the rice crop. In addition, price controls have disrupted supply chains for essential such as fertilisers and fuel. Flooding in the Irrawaddy Region is anticipated to reduce rice yields by up to two-thirds.

### Price control on imported items

The media has reported the government is set to introduce reference prices for imported goods. The Ministry of Economy and Commerce has required that import licenses and declarations comply with these reference prices.

It is reported that an Import Value Verification Team has reviewed 373 HS Code lines and confirmed reference prices for 3,279 product types. To combat the surge in commodity prices reference prices have been set for essential items such as rice, oil, fuel, and agricultural inputs. However, economic observers argue that these measures and the imposition of fixed prices are not sustainable long-term solutions.

See: <https://burmese.dvb.no/post/663829>  
and  
<https://burmese.dvb.no/post/663626>

### Power supply shut down due to civil unrest

Regional and international media outlets have reported Sembcorp Industries has suspended operations at its Myingyan Independent Power Plant in Mandalay. The decision came in response to escalating civil unrest in the region, including in the Myingyan township, where its 225 megawatt (MW) gas-fired power plant Sembcorp Myingyan is located.

The Singapore-based company said in a statement that it will resume operations at the plant as soon as reasonably practicable once conditions are safe.

See: <https://www.bangkokpost.com/world/2845821/myanmar-power-plant-shut-down-amid-escalating-unrest>



## India

### Wood panel price index climbs

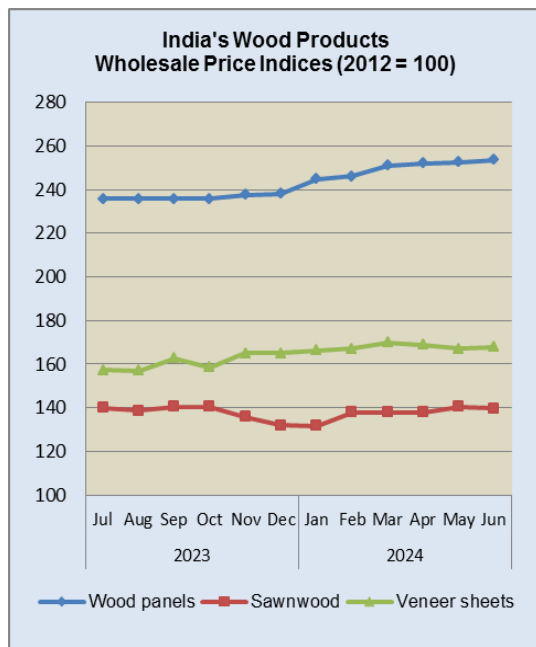
The annual rate of inflation based on the India Wholesale Price Index (WPI) was 3.36% in June 2024. The positive rate of inflation was primarily due to increase in prices of food, manufactured food products, crude petroleum and natural gas, mineral oils and other manufacturing. The index increased to 141.9 in June 2024 up from 141.7 for May, 2024.

Out of the 22 NIC two-digit groups for manufactured products, 8 groups witnessed an increase in prices, 10 groups witnessed a decrease in prices and 4 groups witnessed no change in prices.

The price index for wood panels continued to climb in June on the back of firm demand. The price index for wood veneers moved a little higher while the index for sawnwood fell slightly.

Some of the groups that recorded decreases in prices were basic metals, other non-metallic mineral products, fabricated metal products, pharmaceuticals, medicinal chemical and botanical products, machinery and equipment.

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



Data source: Ministry of Commerce and Industry, India

### Imported panel prices rising – difficulties with shipments

Ply reporter has an article discussing how disrupted sea freight and logistic issues are seriously impacting the panel markets with shipments from Vietnam especially being affected as container freight rates surge again. In addition, rising adhesive costs are another factor pushing up FOB prices for imported panels

Rising prices for imported panels has brought some relief for domestic manufacturers who have recently increased panel prices.

See: Plyreporter.com June issue and

<https://www.plyreporter.com/article/153952/sudden-container-crunch-may-take-its-toll-on-core-veneer-imports-from-vietnam-and-tanzania>

### Economy highly dependent on nature

A recent statement from the World Economic Forum Centre for Nature and Climate highlights how India's economy is highly dependent on nature and extremely vulnerable to climate risks. The statement says "third of its GDP comes from sectors greatly reliant on nature. Research has found that the climate crisis could cost the country from 6.4% to more than 10% of its national income by 2100, taking 50 million more people back into poverty.

Against this background, a new survey of India's largest companies by the World Economic Forum shows that they have made strong commitments to sustainability and natural climate solutions (NCS), which aim to protect, conserve, restore and sustainably manage terrestrial, freshwater, coastal and marine ecosystems".

See: <https://www.weforum.org/agenda/2024/08/india-economy-natural-climate-solutions/>

### 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	167	425
Colombia	143	380
Costa Rica	190	375
Nigeria	-	-
Benin	172	570
Tanzania	98	448
Laos	-	-
South Sudan	-	-
Guatemala	124	400
Venezuela	-	-

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

	cu.m	US\$ C&F
Benin	151	685
Brazil	123	575
Colombia	-	-
Costa Rica	147	515
Ecuador	-	-
Ghana	93	440
Ivory Coast	124	850
Nigeria	145	450
South Sudan	193	575
Tanzania	119	450
Togo	140	455
Panama	121	490

### Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,300 - 4,700
Balau	2,900 - 3,200
Resak	-
Kapur	-
Kempas	1,600 - 1,900
Red meranti	1,700 - 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	1,800 - 2,100
Sycamore	2,300 - 2,600
Red Oak	2,800 - 3,200
White Oak	3,200 - 3,600
American Walnut	5,200 - 5,800
Hemlock STD grade	1,800 - 2,100
Western Red Cedar	2,900 - 3,250
Douglas Fir	2,300 - 2,500

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	84.00
6mm	97.00
9mm	115.00
12mm	137.00
15mm	178.00
18mm	195.00

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

Plywood Ex-warehouse	Rs. per sq.ft
4mm	57.00
6mm	73.00
9mm	84.00
12mm	99.00
15mm	134.00
19mm	143.00
5mm Flexible ply	89.00

## Vietnam

### Wood and Wood Product (W&WP) trade highlights

According to Vietnam Customs W&WP exports in July 2024 reached US\$1.3 billion, up 4% compared to June 2024 and up 16% compared to July 2023.

Of this WP exports, alone contributed US\$915 million, up 7% compared to June 2024 and up 21.6% compared to July 2023.

In the first 7 months of 2024 W&WP exports were estimated at US\$8.8 billion, up 22% over the same period in 2023. Of this, WP exports are estimated at US\$5.98 billion, up 22% over the same period in 2023.

W&WP exports to the US in July 2024 earned US\$743 million, up 4% compared to June 2024 and up 22% compared to July 2023. In the first 7 months of 2024 WP exports totalled US\$4.8 billion, up 21% over the same period in 2023.

Exports of living-room and dining-room furniture in July 2024 reached US\$215 million, up 15% compared to July 2023. In the first 7 months of 2024 exports of living and dining-room furniture brought in about US\$1.25 billion, up 23% over the same period in 2023.

Vietnam's W&WP imports in July 2024 were valued at US\$260 million, up 12% compared to June 2024 and up 37% compared to July 2023. In the first 7 months of 2024 W&WP imports cost US\$1.5 billion, up 23% over the same period in 2023.

According to statistics from the General Department of Customs imports of raw wood (log and sawnwood in June 2024 reached 461,600 cu.m, worth US\$151.8 million, down 8% in volume and 9% in value compared to May 2024. Compared to June 2023, imports increased by 12% in volume and 12% in value. In the first 6 months of 2024 imports of raw wood totalled 2.48 million cu.m worth US\$821.8 million, up 16% in volume and 9% in value over the same period in 2023.

NTPF exports in June 2024 reached US\$70.18 million, up 6% compared to May 2024 and up 1% over the same period in 2023. In the first half of 2024 NTPF exports earned US\$408.26 million, up 14% over the same period in 2023.

According to preliminary statistics exports of wood and wood products to the EU market in July 2024 contributed US\$36.6 million, up 39% compared to July 2023. In the first 7 months of 2024 W&WP exports to the EU came to US\$313.6 million, up 33% over the same period in 2023.

Vietnam's office furniture exports in July 2024 reached US\$29 million, up 23% compared to July 2023. Generally, in the first 7 months of 2024, office furniture exports earned US\$172 million, up 12% over the same period in 2023.

Vietnam's poplar imports in July 2024 amounted to 39,200 cu.m, worth US\$15.3 million, up 12% in volume and 12% in value compared to June 2024.

However, compared to July 2023 poplar imports increased by 40% in volume and 30% in value. In the first 7 months of 2024, imports of raw wood accounted for 211.9 million cu.m, worth US\$80.8 million, up 21% in volume and 8% in value over the same period in 2023.

Vietnam's imports of raw wood from Africa in July 2024 decreased slightly, amounting to 70,000 cu.m, with a value of US\$17 million, down 5% in volume and value compared to June 2024. This brought the total amount of raw wood imported from Africa in the first 7 months of 2024 to 533,460 cu.m

Imports had a value of US\$142.76 million, up 111% in volume but down 3% in value over the same period in 2023.

#### **Most earnings from carbon credits distributed to localities**

Vietnam has received a US\$51.5 million payment from the World Bank for verified emissions reductions (carbon credits) said Tran Quang Bao, Director of the Department of Forestry.

Around 80% of this sum has been distributed to six north central provinces and the remaining 20% will be distributed to the localities.

Regarding benefit sharing, which refers to how the value created from the sale of carbon credits is distributed, Bao said that the Government issued a decree on piloting the transfer of emission reduction results and financial management of greenhouse gas emission reduction payment agreements in the North Central Region.

Accordingly, only 0.5% will be used to coordinate the general agreements and 3% to perform measurement, control, supervision, training and technical guidance. The balance is to be allocated to targeted localities.

Based on the contracted forest area the localities will allocate funds to people and communities that signed contracts to protect and manage the forests.

Presently, the Ministry of Agriculture has issued a benefit-sharing plan and is organising training on how to distribute benefits to localities. The main beneficiaries are communities, ethnic minorities and forest keepers.

According to the Forestry Department, the Emission Reductions Payment Agreement (ERPA) in the North Central Region was signed on October 22, 2020, between the agriculture ministry and the International Bank for Reconstruction and Development (IBRD) under the World Bank Group as the Trustee of the Forest Carbon Partnership Facility (FCPF).

The ERPA aims at transferring reduced emissions of 10.3 million tonnes of CO<sub>2</sub> in the northern part of the central region in 2018-2024 to the FCPF via the World Bank, with the unit price of US\$5 per tonne of CO<sub>2</sub>, worth US\$51.5 million in total.

About 95% of the transferred results will be returned to Việt Nam to contribute to the national commitment to greenhouse gas emissions to obtain the goals of the Paris Agreement on climate change approved at COP21.

According to the Forestry Department, Việt Nam has not had a mandatory market for carbon credits. The transfer of emission reduction results is carried out through bilateral agreements between relevant parties.

Regarding the forest carbon credit market, the Prime Minister has assigned the agriculture ministry to implement two agreements to transfer emissions reduction results including the ERPA in the north central region and another ERPA in the south central and Central Highlands regions.

In the ERPA in the south central and Central Highlands regions, Việt Nam transfers to LEAF/Emergent 5.15 million tonnes of CO<sub>2</sub> to reduce emissions from forests in the regions in the 2022-2026 period.

LEAF/Emergent will pay for this service at a minimum price of US\$10 per ton of CO<sub>2</sub> with a total value of US\$51.5 million. The area of commercial and service forests registered to reduce emissions is 4.26 million ha, including 3.24 million ha of natural forests and 1.02 million ha of planted forests.

See: <https://vietnamnews.vn/environment/1653145/most-revenues-from-carbon-credits-distributed-to-localities-official.html>

#### **Dual benefits for the Vietnamese wood industry from creating carbon credits**

During the period 2010-2020 the average annual net emissions in Vietnam's forestry is about negative 40 million tonnes of CO<sub>2</sub> equivalent.

If converted into monetary value, reducing 40 million tonnes of CO<sub>2</sub> is equivalent to about VND3,500 billion with the assumption that the cost of reducing emissions of 1 tonne of CO<sub>2</sub> is equivalent to US\$5.

From an investor's perspective, according to Mr. Nguyen Ngoc Tung, Director of VinaCarbon Climate Impact Fund, the wood industry has great potential in creating carbon credits to compensate for other industries and help Vietnam reach net zero emissions by 2050. Vietnam has more than 14 million hectares of forests, of which nearly half are production forests.

According to Mr. Tung, if wood industry enterprises are aware that investing in sustainable development and reducing emissions is an inevitable and necessary trend that must be implemented, their revenue will not only come from wood processing activities and forest products but also from carbon credits.

At the same time, investing in reducing emissions for the wood industry also means that businesses comply with international regulations on sustainable forest management and exploitation, thus, it will increase competitiveness and the ability to penetrate markets like the EU, bringing higher value to businesses' exports.

Vu Tan Phuong, Director of the Vietnam Forest Certification Office (VFCO), also said that the results of the national greenhouse gas inventory and calculation of gas emissions in forestry show that the forestry sector is the only sector with negative net emissions, i.e. the amount of carbon absorbed by forests is greater than the amount of carbon emitted.

During the period 2010-2020 the average annual net emissions in forestry was about negative 40 million tonnes of CO2 equivalent.

In addition to the benefits that forests are bringing to production activities, the implementation of measures to reduce greenhouse gas emissions in forestry will make an important contribution to implementing Vietnam's emission reduction goals and creating additional financial resources from carbon credit purchasing, exchange and trading activities in domestic and international carbon markets.

Currently, the Government is building a domestic carbon market and when it comes into operation, it will open up opportunities to buy, sell, exchange and trade carbon credits between businesses, promoting investment to reduce greenhouse gas emissions and increase carbon absorption in forestry activities.

### **Need to proactively and actively "go green"**

Vietnam has policies which will eventually create a sustainable forestry sector that meets market requirements.

The major policy directions for forestry development by 2030 are to achieve the goal of 1 million hectares of forest certified for sustainable forest management, 100% of wood and wood products for export and domestic consumption will be harvested from legal and sustainable sources.

To achieve the stated goals the National Forest Certification System (VFCS) was established under the Decision No. 1288/QD-TTg dated 1 October 2018 and recognised by the PEFC and managed and operated by the Office of Sustainable Forest Management Certification.

Since officially operating in 2020 the Vietnam Forest Certification system has made an important contributions in implementing sustainable forestry development goals, meeting market requirements, enhancing the Vietnamese wood brand, and promoting trade in forest products and improve the capacity of relevant parties.

From the perspective of a consulting unit, Mr. Tran Duc Tri Quang, Data Director of FPT IS shared the view that the process of creating carbon credits has three main steps, including baseline emissions assessment of three years before project implementation; emission reduction assessment and credit estimation from the second year; assess feasibility, complete registration, independent assessment. In particular, the required starting point is the baseline emission value of three years before project implementation.

When businesses consider setting up emission reduction projects, it is necessary to conduct a greenhouse gas inventory and accumulate data for three years as a basis for calculating the ability to reduce emissions.

In order to attract investment and take advantage of capital from investment funds, Mr. Quang said that wood industry enterprises need to be proactive in the "greening" process, since the leadership must recognise aware of the importance of sustainable development, establishing specialised departments and being ready to change approach and management to suit a carbon credit generating project.

In addition, businesses also need to improve their competitiveness, apply scientific and technological advances to improve labour productivity and digitally transform to reduce production costs, strengthen brand promotion and product quality and build large-scale industrial parks for processing.

See: <https://wtocenter.vn/su-kien/24267-dual-benefits-for-the-wood-industry-from-creating-carbon-credits>

## **Brazil**

### **IBAMA strike over - timber sector counting the cost**

The strike by the employees at the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) which began early this year caused disruption and losses to the timber and other sectors that depend on the functioning of the agency.

The Union of Timber Industries of Northern Mato Grosso has confirmed the strike prevented the processing of documentation essential for the continuity of operations, export contract dealines could not be met and credibility in international markets suffered.

See: <https://www.cnnbrasil.com.br/blogs/caio-junqueira/politica/governo-e-ibama-assinam-acordo-para-encerrar-greve/>

It has been reported by the Brazilian Ministry of Planning, Budget and Management that the government and IBAMA employees signed an agreement on 12 August that puts an end to this strike.

#### Authorised harvesting for those with sustainable management plans

The government of the State of Amapá in the Amazon Region recently approved 32 requests for Forest Harvesting Authorisations (Autex) from producers who will engage in sustainable forest management. These licenses have revitalised 16 timber companies in the region adding around 800 direct jobs in just six months with the potential to create up to 4,000 indirect jobs over the next eight months.

This approval will strengthen the timber sector and the economy of the State of Amapá with the issuance of over 60 authorisations in just a year and a half.

The State Government of Amapá ensures transparency of the process by requiring a forest management plan that identifies each tree, and requires low impact logging. These approvals allow land owners in the region to legalise their activities and expand agricultural production providing sustainable economic development and job creation.

See: <https://www.remade.com.br/noticias/20114/governo-do-amapa-concede-autorizacoes-para-manejo-florestal-sustentavel>

#### Lacey Act Declarations required for wood products from Brazil

Beginning December 2024 Brazilian exporters of wood products will need to provide detailed information on their production chain to meet the new requirements of Phase 7 of the Lacey Act. This phase mandates that US importers submit a "Lacey Act declaration" for an additional series of products, including furniture.

This will require Brazilian companies to be prepared to provide complete information on the production chain of the products such as the scientific name of the species, country of origin, product value and quantity, Harmonized Tariff Schedule (HTSUS) code, Manufacturer Identification Code (MID) among other information.

The US market is the main destination for Brazilian furniture and companies will have to adapt to these new requirements to ensure the continuity of imports.

See: <https://www.remade.com.br/noticias/20115/eua-passarao-a-exigir-declaracao-lacey-act-para-produtos-de-madeira-e-de-origem-vegetal:-moveis-estao-na-lista>

#### Sustainable use of natural forests crucial for Brazilian forest sector

The sustainable use of natural forests is crucial for the Brazilian forest sector especially in the Amazon. The practice of sustainable forest management (SFM) allows for the preservation of forests while promoting economic growth.

The international tropical wood market is worth around US\$25 billion per year in which Brazil participates with around US\$1 million with the potential to increase its share through sustainable practices.

Brazil already has efficient tools for tracking and controlling the logging in natural forest. However, it still needs to advance in promoting more SFM initiatives to gain a larger share of the market.

With 50% of Brazil's land still covered by natural forest, the country has a unique opportunity to expand in this market through policies that encourage SFM. Encouraging the consumption of wood from these practices can not only strengthen the economy but also curb deforestation and promote forest conservation.

See: <https://gazetarural.com/uso-sustentavel-da-floresta-nativa-contribui-para-sua-preservacao/>

#### Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	492
Jatoba	208
Massaranduba	184
Muiracatiara	178
Angelim Vermelho	180
Mixed redwood and white woods	137

Prices do not include taxes. Source: STCP Data Bank

#### Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	1,864
Jatoba	970
Massaranduba	844
Muiracatiara	872
Angelim Vermelho	842
Mixed red and white	561
Eucalyptus (AD)	316
Pine (AD)	258
Pine (KD)	299

Prices do not include taxes. Source: STCP Data Bank

#### Domestic plywood prices

Parica ex-mill	US\$ per cu.m
4mm WBP	644
10mm WBP	513
15mm WBP	441
4mm MR.	598
10mm MR.	435
15mm MR.	389

Prices do not include taxes. Source: STCP Data Bank

#### Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	304
15mm MDFibreboard	312

Prices do not include taxes. Source: STCP Data Bank

#### Export prices

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

#### Export sawnwood prices

Sawnwood	US\$ per cu.m
Ipe	2,528
Jatoba	1,349
Massaranduba	1,331
Muiracatiara	1,354
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)	367
12mm C/CC (WBP)	320
15mm C/CC (WBP)	303
18mm C/CC (WBP)	301

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	3,205
Jatoba	1,810

Prices do not include taxes. Source: STCP Data Bank

## Peru

### Wooden furniture shipments recover

Between January and May 2024 wooden furniture exports were valued at US\$0.95 million, an increase of 32% compared to the same period of the previous year (US\$0.73 million) according to the Services and Extractive Industries Management unit of the Exporters Association (ADEX). This amount was the second highest over the past five years (January-May) since in 2022 when the figure was just over US\$1.1 million.

During the first five months of 2024 furniture exports were shipped to 15 destinations with 65% to the US followed by Guatemala which replaced Bermuda for second place.

Other markets were Spain (US\$62,741), Italy (US\$47,691), Bermuda (US\$41,308), Chile (US\$40,801), France (US\$27,324), Puerto Rico (US\$15,400), Dominican Republic (US\$3,943) and Panama (US\$3,761). Of the countries mentioned, Bermuda and Panama experienced the highest growth rates. In contrast exports to Italy and Chile fell.

### Forestry Convention in Pucallpa

The Association of Forestry Producers of Ucayali (APROFU), the Chamber of Commerce of Ucayali and the company Tropical Forest will host the first National Convention of Timber Industrialists to be held in the city of Pucallpa 21-22 August this year.

This event will bring together public, private, political, union, academic and professional actors linked to the forestry sector and the wood forestry products industry in order to reach agreements and commitments on unifying proposals to be presented to the government.

During the convention the Forestry Agreement will be signed between state institutions, private companies and other stakeholders.

### Particleboard imports decreased during the first half of 2024

In the first half of 2024 there was a notable decrease in particleboard/MDP imports with total import values falling 17% compared to the same period in 2023. The import value fell from US\$79.5 million in the first half of 2023 to US\$66.1 million in 2024.

Ecuador was the main supplier country but experienced a 13% decline with export values falling to US\$32.9 million in the first half of 2024 from the US\$38.0 million in the same period in 2023. Imports from Spain also declined, dropping 25%.

Brazil was one of the few countries that experienced an increase in its exports to Peru with an increase of 151%, reaching a total of US\$11.1 million in the first half. Imports from Chile faced a significant drop of 38%.

### Justice operators trained in OSINFOR technological tools to combat timber trafficking

In a joint effort to strengthen the fight against illegal timber trafficking the Forest and Wildlife Resources Monitoring Agency (OSINFOR) and the Environmental Team of the United Nations Office on Drugs and Crime (UNODC) organised a workshop to strengthen the technical capacities of justice operators in Ucayali for the interpretation and use of information derived from supervisions with technological and remote sensing tools.

The objective was to strengthen the coordination of justice system operators regarding the legal framework applicable to the sustainable use of forest resources and the use of information tools that contribute to the investigation of environmental crimes.

Case studies and practical field simulations were presented allowing participants to apply knowledge in real situations, including the use of drones and operations against the trafficking of forest resources.

See: <https://www.gob.pe/institucion/osinfor/noticias/963166-operadores-de-justicia-en-ucayali-se-capacitan-en-el-uso-de-herramientas-tecnologicas-del-osinfor-para-enfrentar-el-trafico-de-madera>

### SERFOR requires declaration of shihuahuaco and tahuari stocks

With the entry into force of the inclusion of the shihuahuaco (Genus Dipteryx) and tahuari (Genus Handroanthus) in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) the National Forest and Wildlife Service (SERFOR) requires companies to declare before 24 November the stocks held of these species.

The provision of CITES allows the export of these after 25 November provided stocks have been declared. SERFOR will carry out the verifications to confirm the authenticity of the stock information.

The Director of Sustainable Management of Forest Heritage in SERFOR reported that there are around 113 processing centres that have stocks of these timbers in the Departments of Ucayali, Madre de Dios, Loreto, Pasco, Junín, Huánuco and Cusco.

See: <https://www.gob.pe/institucion/serfor/noticias/999750-serfor-solicita-declarar-stocks-de-shihuahuaco-y-tahuari-hasta-el-24-de-noviembre>

**Export prices for added value products**

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1327-1398
Cumaru KD, S4S Swedish market	979-1011↓
Asian market	1079-1098↑
Cumaru decking, AD, S4S E4S, Central American market	994-018
Pumaquiro KD Gr. 1, C&B, Mexican market	479-554
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	691-710
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	582-602
Grade 2, Mexican market	527-541
Cumaru 4" thick, 6"-11" length KD Central American market	1,009-1,029↑
Asian market	1,004-1,047↑
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	641-654
Dominican Republic	755-799
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**

	US\$ per cu.m
Peru plywood, FOB Callao (Mexican market)	
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, domestic	
Mahogany	-
Virola	222-234
Spanish Cedar	333-344
Marupa (simarouba)	192-227

**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****Mega-quake advisory**

A mega-quake advisory by Japan's Meteorological Agency remained in place five days after it was issued on 8 August. Agency officials report they have not observed any changes in the earth's crust where the jolt is expected to occur. The agency put out the advisory after a magnitude-7.1 earthquake struck off Miyazaki Prefecture in southern Japan.

Officials say the probability of a massive earthquake is higher than usual along the Nankai Trough which runs from Shizuoka Prefecture west of Tokyo to the southern tip of Kyushu.

See: [https://www3.nhk.or.jp/nhkworld/en/news/20240813\\_01/](https://www3.nhk.or.jp/nhkworld/en/news/20240813_01/)

**First quarter disappointment**

According to an estimate released by the Japan Center for Economic Research (JCER), Japan's the economy shrank month on month by an annualised 0.3% in June pushed down by increased imports. Private consumption, which accounts for more than half of Japan's GDP, picked up in June after a decline in May. The rise in June was the result of the higher bonuses and the consequent increase in real disposable income said the research centre.

In contrast, the JCER estimated corporate investment fell 2.8% in June and imports increased by 2.1%, exceeding the small increase in exports. The JCER now estimates the Japanese economy grew 2.8% in the April-June quarter from the previous quarter on an annualised basis.

In related news, in a rare unscheduled revision to gross domestic product (GDP) the government said the economy shrank more than initially reported in the first quarter, darkening prospects for a fragile recovery.

The downward revision is likely to lead to a cut to the Bank of Japan's growth forecasts in further quarterly projections and could affect the timing of its next interest rate rise.

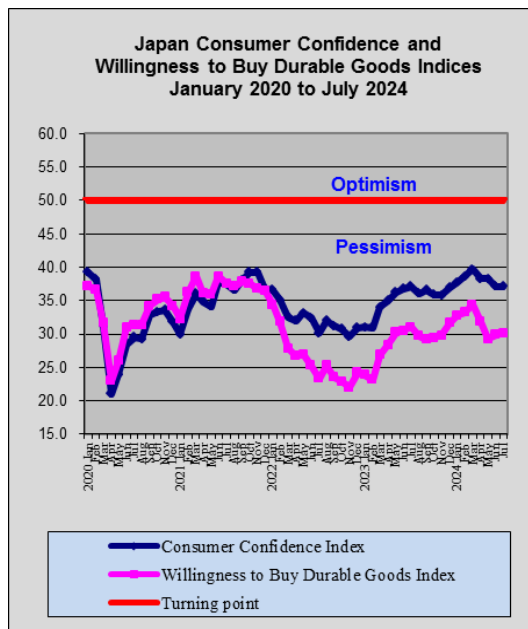
See: <https://www.jcer.or.jp/en/economic-forecast/monthly-gdp> and <https://www.asahi.com/ajw/articles/15327146>

**Weak yen and inflation undermining household confidence**

A recent government report has said the weak yen is hurting Japanese households' sentiment and eroding their purchasing power, a signal of the government's concern over the negative economic impact of the exchange rate.

In 2013 expectations that inflation was rising helped improve household spending but now the prospect of price inflation against the backdrop of the weak yen which has pushed up prices for imports has undermined household confidence.

See: <https://www.japantimes.co.jp/business/2024/08/02/economy/japanese-economy-weak-yen/>



Data source: Cabinet Office, Japan

**Strengthening yen could dent exports**

The Finance Ministry announced that Japan spent over yen 5.5 billion on foreign exchange market interventions between June 27 and 5 August. This lifted the yen to below 150 to the dollar. The sharp move up in the yen was helped by the release of the US consumer price index for June and the US producer price index both of which were interpreted as signaling a cooling of the US economy.

In early August stock markets around the world lost considerable valuations with the Japanese market dropping around 12% in a day, the worst ever seen.

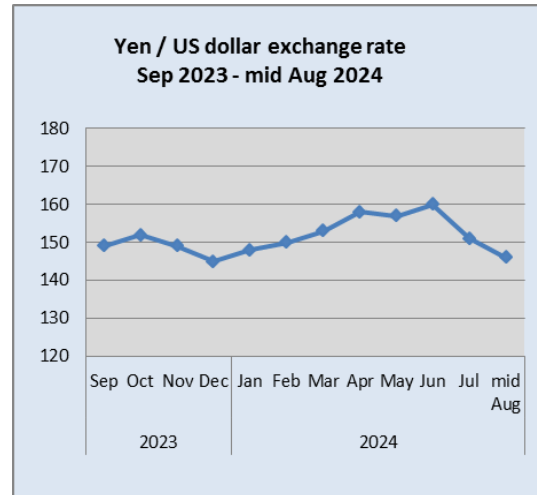
For Japan there are two main issues, the strengthening yen could dent exports and the fear that the US economy is not as strong as previously believed.

See: <https://japannews.yomiuri.co.jp/business/economy/20240801-202239/>

**Yen at 140 to the US dollar at year end - forecast**

A media survey of currency strategists reveals that many are predicting the yen to end the year in the mid-140 range to the dollar stronger than initially expected. As of mid-August the yen has gained around 10% against the dollar with the rate around 147.5. In July the rate was close to 160 to the US dollar.

See: <https://asia.nikkei.com/Business/Markets/Currencies/Currency-strategists-see-yen-closing-out-the-year-in-the-mid-140s>



Data source: WSJ

**The lost generation - difficult to find stable employment**

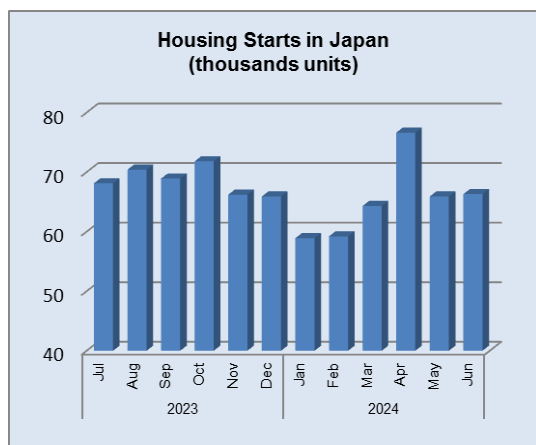
Japanese in their 40s or early 50s, representing the so-called lost generation, are struggling to secure pay growth and career advancement, an issue more commonly seen the older and younger age groups.

The lost generation graduated when Japan was suffering the worst of the economic downturn after the bubble economy years with many finding it difficult to find stable employment. While Japan's overall wage level has started to pick up data shows that there are still noticeable disparities among different age groups.

A government survey shows that the average monthly pay for full-time employees in their 20s and 30s increased by more than yen 10,000 over the decade through 2023 while workers in their late 40s experienced a rise of just over yen 1,000 and those in their early 50s saw a decline.

See: <https://asia.nikkei.com/Spotlight/Datawatch/Japan-s-lost-generation-faces-slow-pay-growth-lack-of-promotion#:~:text=But%20another%20survey%20by%20the,early%2050s%20saw%20a%20decline.>

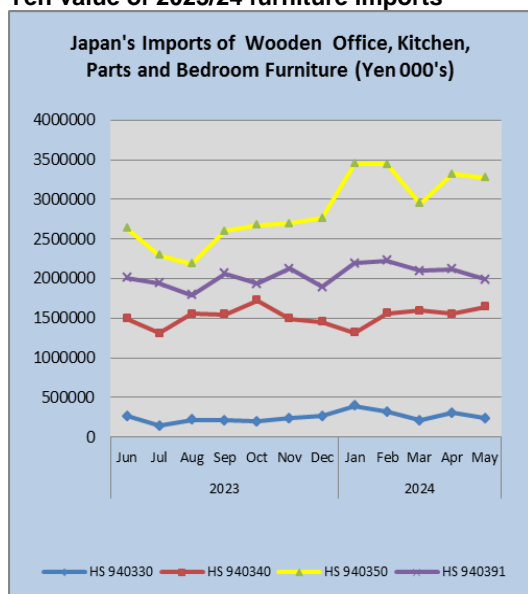




Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

### Import update

#### Yen value of 2023/24 furniture imports



Data source: Ministry of Finance, Japan

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

The value of HS940330 exports from China to Japan in May were slightly down from a month earlier. In April shippers in China accounted for around 70% of Japan's imports of wooden office furniture but this dropped to 65% in May but the second largest shipper, Malaysia, almost doubled the value of shipments in May compared to April.

The other main suppliers in May were South Korea and Vietnam at around 4% each of total May imports.

Year on year, the value of Japan's imports of wooden office furniture in May 2024 increased by over 50% but the value of month on month imports was down over 20%.

#### April 2024 imports (HS 940330)

	Imports May 2024 Unit, 000's Yen
S. Korea	10,440
China	153,579
Taiwan P.o.C	409
Vietnam	10,374
Malaysia	27,036
Indonesia	3,186
UK	237
France	2,182
Germany	262
Switzerland	1,206
Spain	1,143
Italy	9,134
Finland	623
Poland	9,227
Latvia	3,780
Slovenia	2,838
Slovakia	366
Canada	626
USA	1,495
<b>Total</b>	<b>238,143</b>

Data source: Ministry of Finance, Japan

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

Year on year, the value of imports of wooden kitchen furniture items (HS940340) in May was up 10% and compared to April there was a 6% increase in the value of May imports.

The top shippers in May were the Philippines, accounting for about 42% of the value of May imports followed by Vietnam at 34% with shippers in Germany contributing another 5% of the value of imports.

In the first five months of 2024 there have been month on month increases in the value of wooden kitchen furniture except for the slight dip in April.

#### May 2024 imports (HS 940340)

	Imports May 2024 Unit, 000's Yen
China	136,633
Taiwan P.o.C	609
Vietnam	560,849
Thailand	129,325
Malaysia	8,721
Philippines	700,725
Indonesia	10,543
UK	852
Germany	78,456
Italy	15,297
Finland	1,185
Canada	1,989
<b>Total</b>	<b>1,645,184</b>

Data source: Ministry of Finance, Japan

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

Over the twelve months since June 2023 there has been a remarkable upward trend in the value of wooden bedroom furniture imports. While some of the increase in the value of imports can be attributed to the weakening of the yen of the period that does not explain the trend. Residential housing starts have not increased enough to account for the rise in wooden bedroom furniture which suggests much of the demand was from the hospitality sector.

Shippers in China and Vietnam continue to account for over 90% of the value of Japan's wooden bedroom furniture imports with 63% coming from China in May and a further 31% from Vietnam. Shipments from Malaysia and Thailand combined accounted for just 45 of the value of May imports

Year on year, the value of May imports was up 23% and there was a 6% month on month increase in the value of imports.

### May 2024 imports (HS 940350)

	Imports May 2024 Unit, 000's Yen
China	2,067,648
Vietnam	1,013,669
Thailand	66,335
Malaysia	69,800
Indonesia	21,840
India	700
Denmark	955
UK	7,155
France	355
Switzerland	466
Italy	7,112
Poland	11,516
Austria	789
Greece	380
Romania	1,593
Bosnia Herz.	322
USA	617
<b>Total</b>	<b>3,271,252</b>

Data source: Ministry of Finance, Japan

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

Japan imports wooden furniture parts from a wide range of countries. Shippers in China, Indonesia, Malaysia and Vietnam supplied most with only around 7-8% of the value of May shipments originating in Europe and N. America.

In May the value of arrivals of HS940391 to Japan from the top four shippers accounted for over 80% of the total value. May arrivals from China were down from a month earlier, the value of imports from both Indonesia and Vietnam were around the same level as in April with only Malaysia posting gains in May.

Year on year the value of May arrivals of wooden furniture parts was up 10% but compared to the value of April imports there was a 6% decline.

### May 2024 imports (HS 940391)

	Imports May 2024 Unit, 000's Yen
Rep. Korea	62,535
China	876,723
Taiwan P.o.C	34,070
Vietnam	224,419
Thailand	63,032
Malaysia	239,824
Philippines	4,860
Indonesia	337,809
Cambodia	2,033
Sweden	2,770
Denmark	2,349
Netherlands	860
France	825
Germany	46,674
Switzerland	1,118
Spain	812
Italy	29,706
Finland	8,567
Poland	17,811
Austria	13,150
Turkey	414
Lithuania	1,825
Slovakia	1,301
Canada	8,272
USA	6,639
<b>Total</b>	<b>1,988,398</b>

Data source: Ministry of Finance, Japan

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

The Japan Lumber Reports (JLR) closed its office in early August so staff could participate in the Obon festival (also known as Bon festival). This is an annual unofficial holiday that commemorates deceased ancestors. It is believed that their spirits return at this time so people visit family tombs.

These days many people take advantage of the long break to travel and enjoy a holiday.

News from the JLR will resume at the end of August.

For more see: <https://japantoday.com/category/national/People-start-to-return-home-for-Obon-holidays-amid-megaquake-advisory>

## China

### Decline in log imports

According to China Customs log imports totalled 18.82 million cubic metres valued at US\$3.268 billion in the first half of 2024, down 7% in volume and 8% in value over the same period of 2023. The average price for imported logs was US\$174 (CIF) per cubic metre, down 1% from the same period of 2023.

Of total log imports, softwood log imports fell 11% to 13.26 million cubic metres and accounted for 70% of the national total, down 3 percentage points from the same period of 2023. The average price for imported softwood logs declined 10% to US\$131 (CIF) per cubic metre over the same period of 2023. Hardwood log imports rose 2% to 5.55 million cubic metres, accounting for 30% of the national total. The average price for imported hardwood logs rose 6% to US\$276 (CIF) per cubic metre over the same period of 2023.

Of total hardwood log imports, tropical log imports were 2.96 million cubic metres valued at US\$772 million CIF, up 0.3% in volume and 1.4% in value from the same period of 2023 and accounted for 16% of the national total log import volume, up 1 percentage points over the same period of 2023.

### China's log import in the first half of 2024 (cu.m)

	First half 2024	YoY
	mil. cu.m	% change
Total log imports	18.82	-7%
Softwood logs	13.26	-11%
All hardwood logs	5.55	2%
Tropical Logs	2.96	0.30%

Data source: China Customs

### China's log import in the first half of 2024 (value)

	First half 2024	YoY
	US\$ mil CIF	% change
Total log imports	3,268	-8%
Softwood logs	1,734	-19%
All hardwood logs	1,534	8%
Tropical Logs	772	1.40%

Data source: China Customs

### Average log prices, in the first half of 2024

	Av. CIF Price	% change
	US\$/cu.m	YoY
Total log imports	174	-1%
Softwood logs	131	-10%
All hardwood logs	276	6%
Tropical Logs	261	1%

Data source: China Customs

### Sharp decline in log imports from EU

In the first half of 2024 China's log imports from European Union came to 2.418 million cubic metres valued at US\$481 million, down 47% in volume and 44% in value from the same period of 2023 and it was this trend that impacted the decline in the total log imports.

China's log imports from Germany, Poland and France as the top three suppliers among the European Union, fell 64%, 29% and 27% to 842,000 cubic metres, 477,000 cubic metres and 369,000 cubic metres respectively in the first half of 2024.

In terms of species the largest decline was large diameter fir and spruce logs (minimum section size 15 cm and above), which fell by 63% to 1.28 million cubic metres in the first half of 2024. Fir and spruce imports from Germany, Poland and France fell 73%, 46% and 40% respectively over the same period of 2023.

### Germany out of top three suppliers for imported logs

China's log imports from Germany fell 64% to 840,000 cubic metres in the first half of 2024. Germany has dropped out of the top three suppliers of logs to China and was ranked sixth in the first half of 2024.

China's spruce and fir (44032300), Korean pine and Scots pine (44032110), Douglas fir (44032520) log imports from Germany reduced 73%, 61% and 26% respectively. Furthermore, the average CIF prices for spruce and fir, Korean pine, Scots pine and Douglas fir logs fell 16%, 15% and 1% to US\$137, US\$132 and US\$177 per cubic metre respectively.

It has been reported that German log prices declined in the first half of 2024 and this with the recent increases in freight rates and local transport costs it has become unprofitable to export.

### Major log suppliers in the first half of 2024 (cu.m)

Supplier	mil. cu.m	% change YoY
Total	18.82	-7%
New Zealand	9.21	5%
USA	1.12	-2%
PNG	1.07	-14%
Russia	0.94	-1%
Solomon Is.	0.91	18%
Germany	0.84	-64%
Japan	0.69	9%
Canada	0.6	16%
Poland	0.48	-29%
France	0.37	-27%
Australia	0.33	

Data source: China Customs

### Major log suppliers in the first half of 2024 (US\$ CIF)

Supplier	mil US\$	% change YoY
Total	3,268	-8%
New Zealand	1,139	-1%
USA	435	8%
PNG	233	-11%
Russia	123	4%
Solomon Is.	168	18%
Germany	147	-63%
Japan	84	6%
Canada	114	1%
Poland	69	-37%
France	106	-23%
Australia	45	

Data source: China Customs

### Rise in log imports from Australia

China's log imports from Australia fell to zero in 2022 because of a ban on imports as the quarantine service in China detected pests in log shipments. However, in the first half of 2023 China has resumed importing Australian timber .

China's log imports from Australia in the first half of 2024 surged more than 400% to 330,000 cubic metres over the same period of 2021 ranking 11th among the top suppliers.

### Main softwood log sources, 2024 half (000s cu.m)

Supplier	000s 'cu.m	% change YoY
Total	13,262	-11%
New Zealand	9,165	5%
Japan	689	8%
USA	646	-10%
Germany	612	-72%
Canada	583	19%
Poland	463	-30%
Australia	284	
South Africa	185	118%
Latvia	155	2%
France	126	-46%

Data source: China Customs

### Main softwood log sources, 2024 half (value)

Supplier	Mil. US\$	% change YoY
Total	1,734	-19%
New Zealand	1,135	-1%
Japan	83	6%
USA	122	-20%
Germany	84	-76%
Canada	104	7%
Poland	64	-40%
Australia	34	
South Africa	21	94%
Latvia	20	-15%
France	18	-55%

Data source: China Customs

### Slight rise in tropical log imports

China's tropical log imports rose 0.3% to 2.958 million cubic metres in the first half of 2024. China imported tropical logs mainly from Papua New Guinea (36%), Solomon Islands (31%), the Republic of Congo (6%) and Cameroon (6%). Just 4 countries supplied nearly 80% of China's tropical log requirements in the first half of 2024.

China's tropical log imports from PNG, the Republic of Congo and Cameroon fell 14%, 28% and 21% respectively in the first half of 2024. In contrast, China's log imports from the other top suppliers grew at different rates. China's tropical log imports from Bolivia surged in the first half of 2024.

### Tropical hardwood log sources, 2024 half (000s cu.m)

Supplier	000'cu.m	% change YoY
Total	2,958	0.30%
PNG	1,071	-14%
Solomon Is.	915	18%
Rep. Congo	183	-28%
Cameroon	167	-21%
Suriname	83	20%
Mozambique	82	68%
DRC	73	11%
Eq. Guinea	70	81%
Bolivia	59	163%
South Africa	42	21%

Data source: China Customs

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

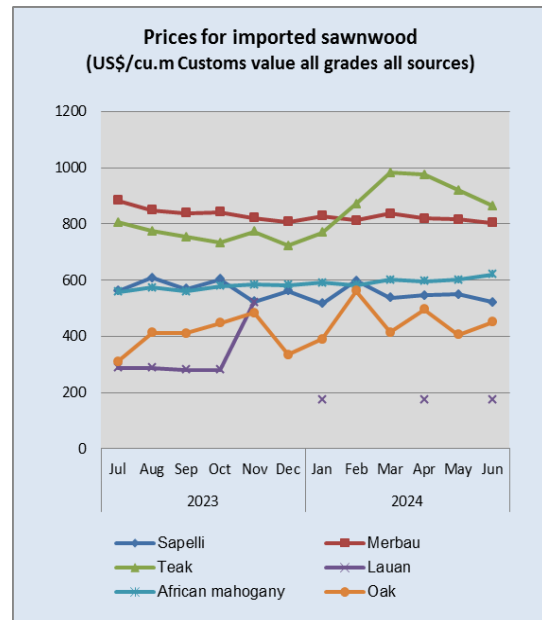
	2024 May	2024 Jun
Okoume	292	279
Merswa	205	229
Teak	474	457
Merbau	386	498
Birch	508	515
Oak	153	146

Data source: Customs, China

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

	2024 May	2024 Jun
Sapelli	549	521
Merbau	816	804
Teak	920	864
Lauan		175
African mahogany	602	621
Oak	406	450

Data source: Customs, China

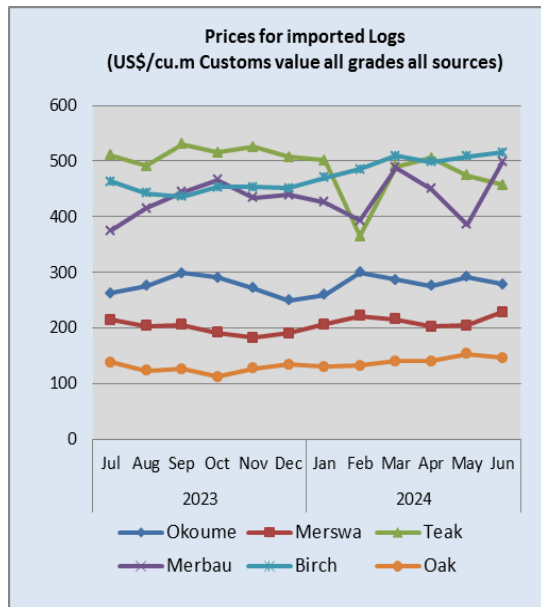


Data source: Customs, China

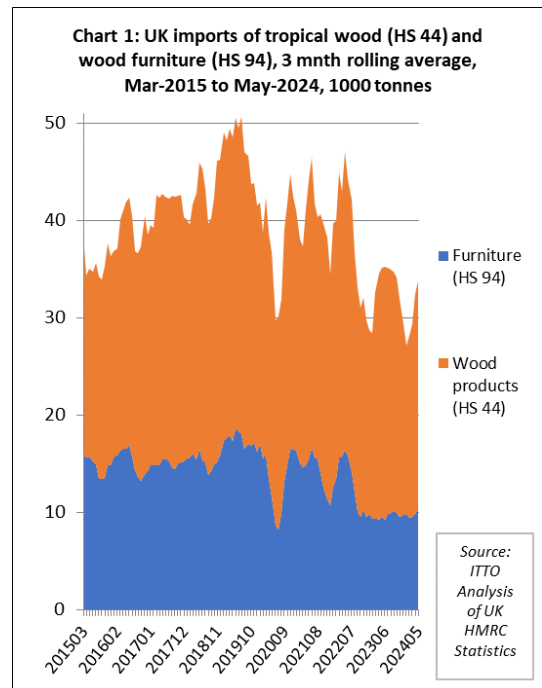
**UK**

**Weak start to the year for UK tropical wood imports but outlook improving**

After hitting an all-time low in 2023 and starting this year very slowly, UK imports of tropical wood products showed some early signs of recovery in April and May. This mirrors trends in the UK construction sector and in the wider economy which have gained a little momentum this year.



Data source: Customs, China



The UK imported 159,600 tonnes of tropical wood and wood furniture products with a total value of US\$408 million in the first five months of this year.

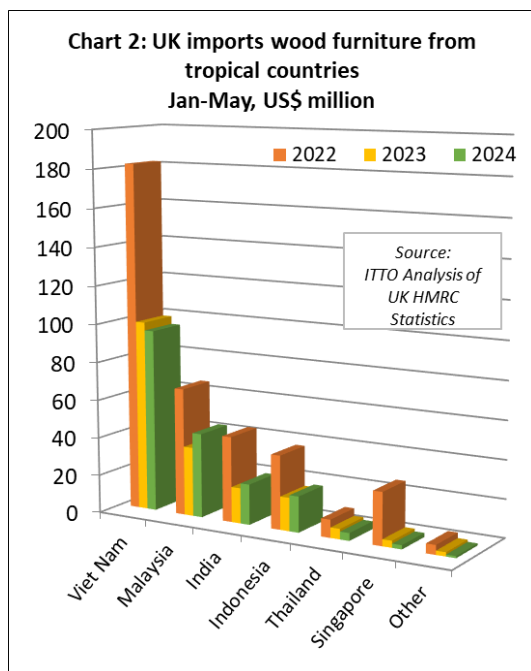
In tonnage terms, this was 5% less than the same period last year, but gains were made in March and April after imports fell to an all-time low in the previous three month period (Chart 1 above). Import value in the first five months of 2024 was marginally up - by 0.4% - compared to the same period in 2023.

**UK imports of tropical wood furniture rise from the depths of last year**

UK imports of wood furniture products from tropical countries in the first 5 months of 2024 were a marginal improvement on the same period in 2023. The UK imported US\$187 million of these products between January and May this year, 2% more than the same period in 2023. In quantity terms, wood furniture imports were 49,700 tonnes in the first five months of 2024, 4% more than the same period in 2023.

In the five months this year compared to the same period in 2023, UK wood furniture import value increased from Malaysia (+22% to US\$44.2 million), India (+14% to US\$21.2 million), and Indonesia (+8% to US\$18.8 million).

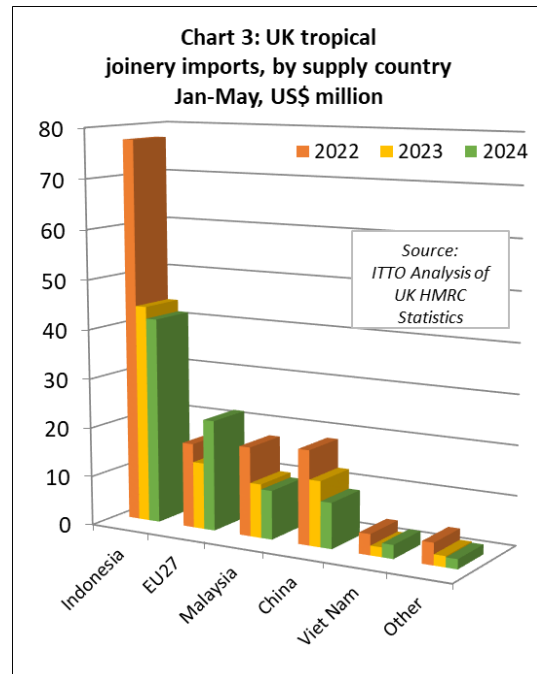
However, imports were down from the largest supplier Vietnam (-4% to US\$95.6 million), as well as from Thailand (-25% to US\$4 million), and Singapore (-40% to US\$2.1 million). UK wood furniture imports were negligible from all other tropical countries during the period (Chart 2).



**UK imports more tropical hardwood joinery from the EU**

In the first five months this year, the UK imported 29,700 tonnes of tropical joinery products with value of US\$87.9 million. Compared to the same period in 2023, import quantity was 3% less while import value increased by 3%.

A very large rise in the value of imports of joinery products made with tropical wood from the EU (+66% to US\$22.4 million) and a recovery in imports from Vietnam (+43% to US\$2.8 million) offset falling imports from Indonesia (down 5% to US\$41.7 million), Malaysia (down 9% to US\$9.9 million) and China (down 30% to US\$9.2 million) (Chart 3).

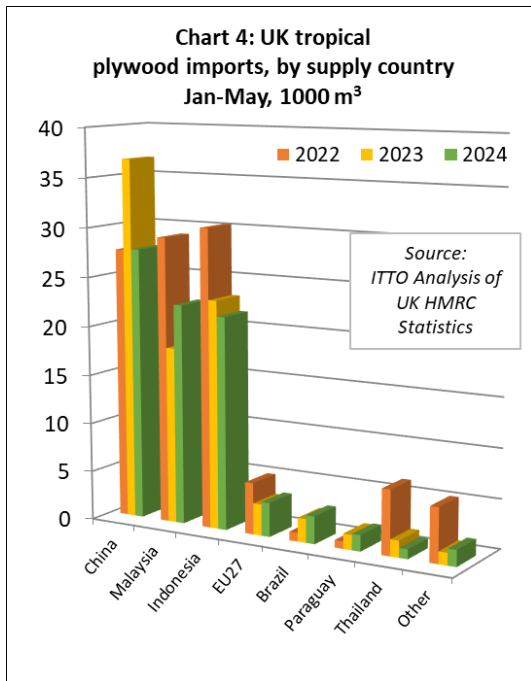


**UK imports of tropical plywood shift from China and Indonesia to Malaysia**

In the first five months of 2024, the UK imported 82,300 cu.m. of tropical hardwood plywood, 7% less than the same period last year. Import value also declined 7% to US\$49.2 million.

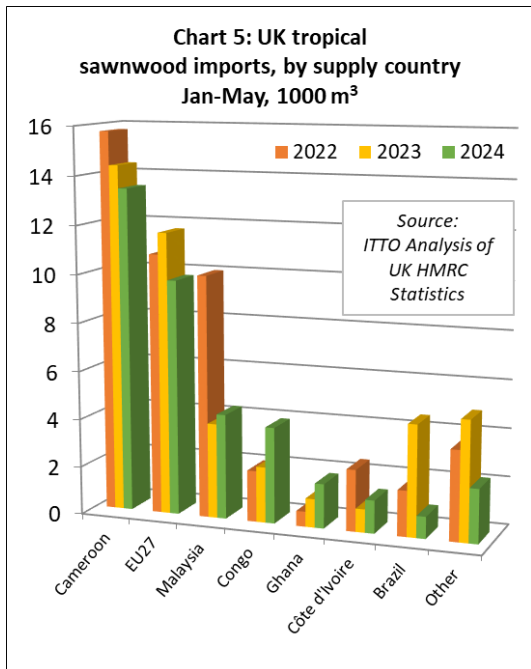
UK imports of plywood with a tropical hardwood face veneer from China were 27,700 cu.m. in the first five months of this year, 25% less than the same period in 2023.

Tropical hardwood plywood imports fell by 7% from Indonesia to 21,600 cu.m. and by 43% from Thailand to 1,000 cu.m. during the five-month period. However, hardwood plywood imports increased from Malaysia (+25% to 22,400 cu.m.), Brazil (+16% to 2,800 cu.m.), and Paraguay (+7% to 1,600 cu.m.) between January and May this year. Indirect imports from the EU also increased, by 8% to 3,500 cu.m. during the five-month period (Chart 4).



**Sharp drop in UK imports of tropical sawnwood from Cameroon and the EU**

UK imports of tropical sawnwood were 37,900 cu.m. in the first five months of 2024, 14% less than the same period last year. Import value was US\$46.5 million in the January to May period, 2% less than the same period in 2023. However, the pace of imports did pick up pace in the April and May after a very slow start to the year.

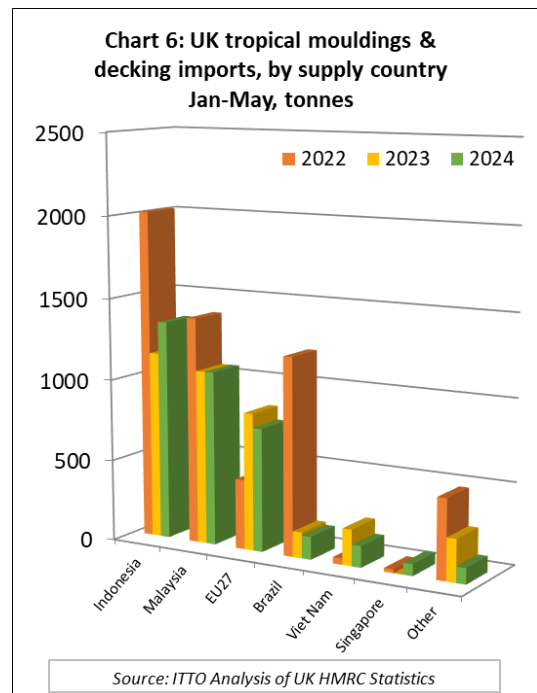


In the first five months of this year compared to the same period in 2023, UK sawnwood imports from Cameroon were down 7% to 13,400 cu.m, while indirect imports from the EU fell 17% to 9,800 cu.m. Imports from Brazil also fell sharply, by 80% to 900 cu.m.

However, there were gains in UK imports of sawnwood from Malaysia (+11% to 4,400 cu.m.), Republic of Congo (+73% to 4,000 cu.m.), Ghana (+56% to 1,800 cu.m.), and Cote d'Ivoire (+42% to 1,400 cu.m.) (Chart 5).

The UK imported 3,600 tonnes of tropical hardwood mouldings/decking with a total value of US\$10 million in the first five months of 2024, respectively 2% and 9% less than in the same period last year. Imports of this commodity recovered ground from Indonesia, the UK's largest supplier, in the first five months of this year (+17% to 1,345 tonnes).

However, imports were down from the EU (-10% to 756 tonnes), Brazil (-12% to 140 tonnes), and Vietnam (-41% to 130 tonnes). Imports from Malaysia were unchanged at 1,100 tonnes during the five-month period (Chart 6).



**Hints of UK construction recovery, but true turnaround not expected until 2025**

The Glenigan Construction Index for August 2024 provides an analysis of UK construction activity for the three months ending in July 2024, focusing on projects valued at £100m (USD\$128 million) or less. The report offers insights into the construction sector's performance over the past year, with findings seasonally adjusted.

The construction sector has seen a modest improvement despite being down 11% compared to 2023. There was a 2% increase in starts for the three months ending July 2024, marking the first industry-wide uptick in months. This improvement is largely driven by private housebuilding growth.

The report notes that increased private housing starts reflect growing market confidence. However, social housing and non-residential sectors remain subdued due to political changes and government reviews of major programmes.

Overall, residential construction increased by 12% during the three months to July 2024, despite being 17% lower than a year ago. Private housing starts rose by 25%, reflecting improved market sentiment, although they remain 12% below last year's levels. Social housing starts fell by 23% from the previous three months and 32% from last year.

Civil construction rose by 9% over the last three months and 14% year-on-year, driven by a 21% increase in infrastructure project starts. The utilities sector fell by 8% from the previous three months and 16% from last year. The industrial sector decreased by 10% in the past three months and 34% year-on-year.

The UK Construction Products Association's (CPA) latest state of the market report takes a more downbeat perspective. Its summer forecast published end of July downgrades the building sector's near-term growth prospects. Output is forecast to fall by 2.9% this year, steeper than the 2.2% contraction forecast three months ago.

"This is primarily due to recovery in the two largest construction sectors, private housing new build and repair, maintenance and improvement (rm&i), being pushed back until the Bank of England begins cutting interest rate cuts and consumer confidence strengthens," says the CPA. "In addition, increasing concerns about the potential impact of uncertainty around responsibilities throughout the whole construction supply chain from the Building Safety Act may also delay delivery of some larger, high-rise projects.

The sector's recovery, it states, is now forecast to be in 2025, with growth of 2.0% and a further rise of 3.6% in 2026 as the lagged impacts of lower interest rates combine with sustained real wage growth, improving consumer and business confidence, as well as greater economic and political certainty as the new government develops its spending plans.

After last year's double-digit fall, the CPA forecasts UK private housing output will fall by a further 7.0% in 2024, followed by a rise of 6.0% in 2025.

Private housing repair, maintenance and improvement is forecast to fall by 6.0% this year, with 2.0% growth in 2025. However, energy-efficiency retrofit, and solar photovoltaic work has continued to remain strong, whilst building safety activity continues to provide a steady pipeline of activity.

Despite the overall construction decline forecast for 2024, the outlook for construction sectors outside of housing remains similar to three months ago, with many firms operating in commercial refurbishment and fit-out or working on major infrastructure projects continuing to experience robust activity.

Commenting on the Summer Forecasts, CPA Head of Construction Research, Rebecca Larkin said it was still too early to say what the impact of the recent election of a Labour government on construction would be or when its commitment to new house building will start to impact the market.

"Off the back of the election there have been clear signs of intent from the new government, particularly around potential changes to planning policy to improve housing and infrastructure delivery," said Ms Larkin. "However, with little detail at this stage, it is difficult to see any near-term uplift, whilst long-running concerns over skills shortages and the loss of construction workers, which has worsened dramatically in recent years, present the biggest risk to longer-term growth."

See: <https://www.glenigan.com/market-analysis/industry-news/>  
and  
<https://www.constructionproducts.org.uk/news-media-events/news/2024/july/cpa-summer-forecasts/>

### **New government commits to housing drive**

The King's Speech to parliament, laying out the new Labour government's policy plans, included the pledge to increase social and affordable housing, with a target of 1.5 million new dwellings in five years.

Promising "the biggest increase in social and affordable housebuilding in a generation," the government pledges to:

- Immediately update the National Policy Planning Framework restoring mandatory housing targets
- Ensure that planning authorities have up-to-date Local Plans and reform and strengthen the presumption in favour of sustainable development
- Take a "brownfield" first approach, prioritising the development of previously used land wherever possible, and fast-tracking approval of urban brownfield sites
- Prioritise the release of lower quality 'grey belt' land, as well as introducing 'golden rules' to ensure greenbelt development benefits communities and nature
- Creating several new towns, as previously announced in late May
- Further reform compulsory purchase compensation rules to speed up delivery
- Strengthen planning obligations to ensure new developments provide more affordable homes and prioritise the building of new social rented homes

Source <https://www.pbctoday.co.uk/news/planning-construction-news/kings-speech-signals-next-wave-construction/142733/>



## North America

### Hardwood plywood imports up 32% in first half of year

US imports of hardwood plywood fell 17% in June, a slow finish to a relatively strong first half of the year. The 201,632 cubic metres imported in June was 21% lower than last June's volume. Imports from Russia, Malaysia, and Ecuador all fell by more than a third while imports from the US's top trading partner, Vietnam, decreased by 18% for the month.

Despite the drop, for the first half of the year, imports from Vietnam and Malaysia are more than double that of last year while imports from Indonesia are up 55%. Total US imports of hardwood plywood for 2024 are outpacing 2023 by 32% through the first half of the year.

	2023 Jan-Jun	2024 Jan-Jun	Yoy % change
Total	1,062,695	1,400,282	32%
China	23,715	19,296	-19%
Russia	82,134	84,600	3%
Indonesia	217,422	336,227	55%
Malaysia	22,733	48,606	114%
Cambodia	51,266	65,468	28%
Vietnam	175,807	380,204	116%
Ecuador	74,153	70,429	-5%
Other	415,465	395,452	-5%

Data source: Department of Agriculture, Foreign Trade Statistics

### Sawn tropical hardwood imports rebounded in June

Imports of sawn tropical hardwood rose 16% in June, recovering from a May which saw the lowest volume of the year. Despite the gain, the 15,678 cubic metres imported in June was 12% less than the amount imported in June 2023.

### Sawn tropical hardwood imports

	2023 Jan-Jun	2024 Jan-Jun	YoY % change
Total	94,994	91,569	-4%
Ecuador	2,398	2,833	18%
Brazil	23,835	27,248	14%
Cameroon	9,795	11,053	13%
Malaysia	15,452	8,187	-47%
Rep. Congo	7,028	8,651	23%
Peru	430	696	62%
Indonesia	10,839	12,628	17%
Ghana	3,523	3,854	9%
Cote d'Ivoire	1,424	1,325	-7%
Other	20,270	15,094	-26%

Data source: Department of Agriculture, Foreign Trade Statistics

Imports from top-supplier Brazil rose 64% in June and were up 14% over 2023 for the first half of the year. Imports from Malaysia, however, were down 47% so far versus 2023. Imports of virola are more than triple last year so far and imports of iroko, mahogany, balsa and ipe are also outpacing last year through the first half of the year.

Imports of both teak and keruing are off by nearly 50% so far this year while imports of padauk are off by 82%. Overall imports of sawn tropical hardwood are down 4% versus 2023 through the first half of the year.

### Imports of tropical hardwood veneer fell 5% in first half of 2024

While US imports of tropical hardwood veneer fell 26% in June, the monthly total was still 57% higher than that of June 2023.

After falling well behind last year's monthly totals early in the year, imports advanced steadily in recent months to end the first half of the year down only 5% versus 2023.

Imports from Cameroon continue to drive gains, rising 5% in June and up 55% for the first half of the year. Imports from India and Cote d'Ivoire are also ahead of 2023 for the first half, while imports are down sharply from Italy (-83%) and China (-43%).

### Assembled flooring panel imports remain strong

US imports of assembled flooring panels rose for a third straight month in June, topping US\$28 million for the first time since September 2022. The 3% gain over the previous month was chiefly due to a 20% rise in imports from Vietnam and a 46% rise in imports from China. Imports from Vietnam, Thailand, and Canada are all well ahead of last year through the first half of the year.

Imports from China are also ahead of last year, up 13% while imports from Indonesia are lagging (-34% for the year and down 6% in June). Total imports of assembled flooring panels are up 32% over last year through the first half of the year.

Imports of hardwood flooring fell 7% in June as imports from Malaysia plunged 90% to about one-fifth of what they were the previous June. Imports from Malaysia ended the first half of the year down 48% versus last year.

Imports from Indonesia are also weak, falling 41% in June and down 39% through the first half of the year. Conversely, imports from Vietnam rose 49% in June and are up fivefold for the year so far. Imports from Brazil have also been strong, gaining 15% in June and up 63% so far this year. Total imports of hardwood flooring are down 13% versus 2023 through the first half of the year.

### Moulding imports up 25% in first half of 2024

US imports of hardwood moulding rose to their highest level since September 2022, increasing 13% in June to nearly US\$15.7 million. That total is 94% higher than that of June 2023. Imports from Canada, the top US trading partner, rose 14% in June. Imports from Canada for the year to date are up 8%. Total imports for the first half of the year are up a robust 25% over 2023.

However, imports from several traditional trading partners are lagging. Imports from Brazil are down 57%, imports from China are down 15% and imports from Malaysia are down 10% through the first half of the year.

Much of the 2024 increase in hardwood moulding imports is coming from a variety of suppliers including Thailand and Vietnam.

**Wooden furniture imports US\$10 billion in first half of 2024**

The US imported more than US\$10.2 billion of wooden furniture in the first half of 2024, a 6% increase over the amount imported in the first six months of 2023. Furniture imports for June were down 4% from May but at US\$1.72 billion were 2% higher than the previous June.

Increased imports from Vietnam (up 18%) and Malaysia (up 9%) have driven the gains for the year so far, although both were down about 8% from May to June. Imports from Mexico and Indonesia fell 3% and 30% in June, respectively, and are both down for the year so far by more than 5%. After sliding 11% in June, imports from India are less than 1% ahead of 2023 for the year through June.

**Home sales fell in June to slowest pace since December**

The US housing slump deepened in June as sales of previously occupied homes slowed to their slowest pace since December, hampered by elevated mortgage rates and record-high prices.

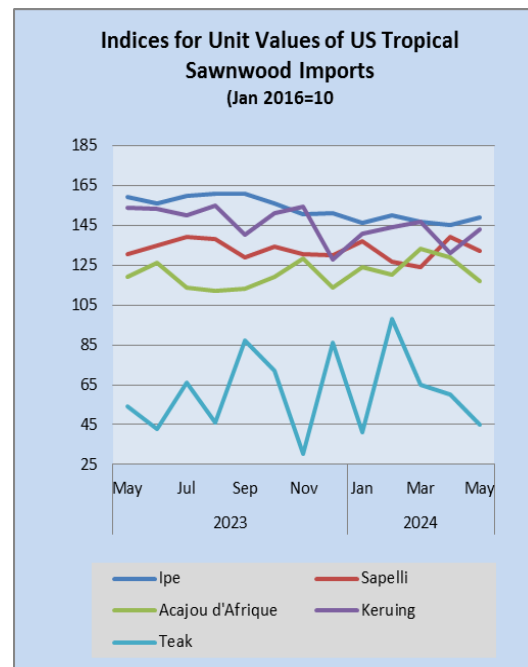
Sales of previously occupied US homes fell 5.4% last month from May to a seasonally adjusted annual rate of 3.89 million, the fourth consecutive month of declines, the National Association of Realtors said. Existing home sales were also down 5.4% compared with June of last year.

“Right now, we’re seeing increased inventory, but we’re not seeing increased sales yet,” said Lawrence Yun, the NAR’s chief economist. “The latest data is implying that maybe we’re seeing a slow shift away from what had been a sellers’ market and slowly moving into a buyers’ market.”

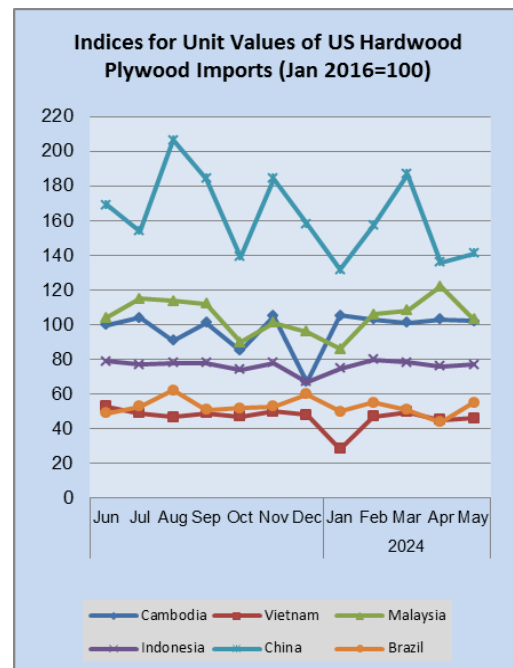
Existing-home sales in the Northeast in June withdrew 2.1% from May to an annual rate of 470,000, a decline of 6% from June 2023. In the Midwest, existing-home sales decreased 8% from one month ago to an annual rate of 920,000 in June, down 6.1% from the prior year.

Existing-home sales in the South slid 5.9% from May to an annual rate of 1.76 million in June, down 6.9% from one year before. In the West, existing-home sales declined 2.6% in June to an annual rate of 740,000, identical to a year ago.

See: <https://www.nar.realtor/newsroom/existing-home-sales-slipped-5-4-in-june-median-sales-price-jumps-to-record-high-of-426900>



Data source: US Census Bureau, Foreign Trade Statistics



Data source: US Census Bureau, Foreign Trade Statistics

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

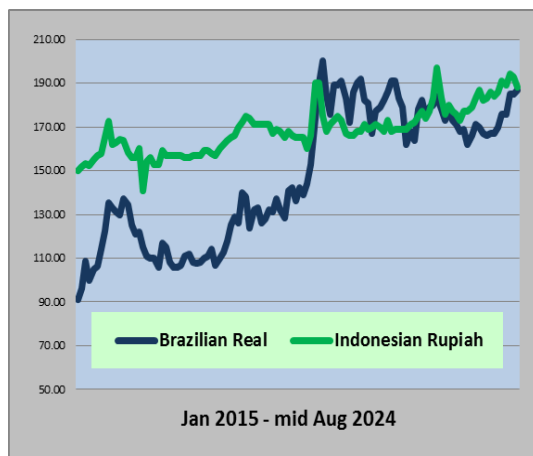
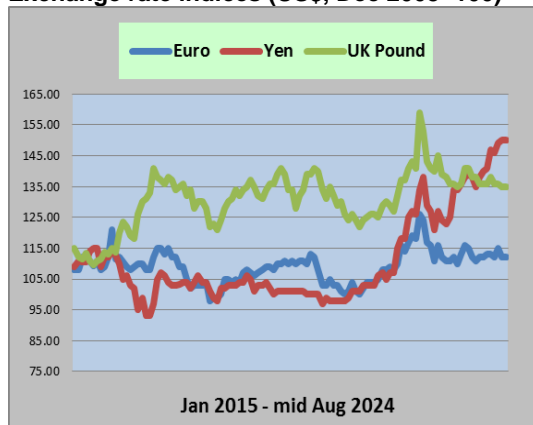
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

## US Dollar Exchange Rates

As of 10 August 2024

Brazil	Real	5.50
CFA countries	CFA Franc	605.12
China	Yuan	7.17
Euro area	Euro	0.92
India	Rupee	83.95
Indonesia	Rupiah	16,284
Japan	Yen	146.20
Malaysia	Ringgit	4.42
Peru	Sol	3.75
UK	Pound	0.78
South Korea	Won	1365.29

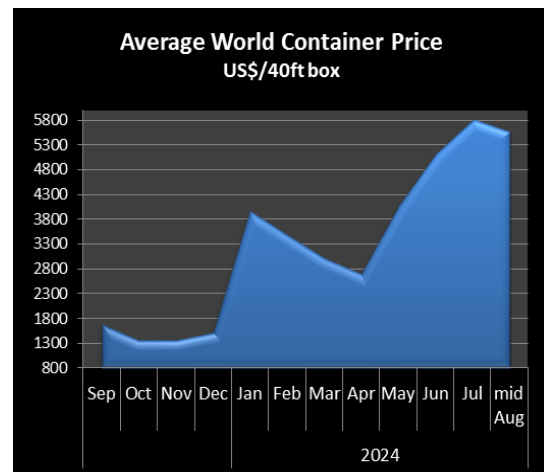
Exchange rate indices (US\$, Dec 2003=100)



## Abbreviations and Equivalences

Arrows ↓↑	Price moved up or down from month earlier
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

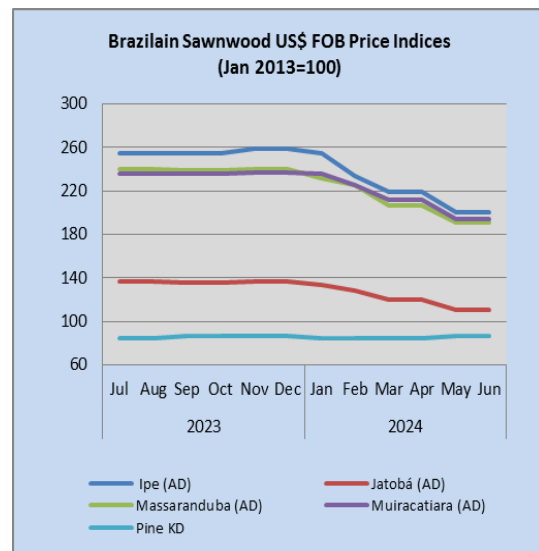
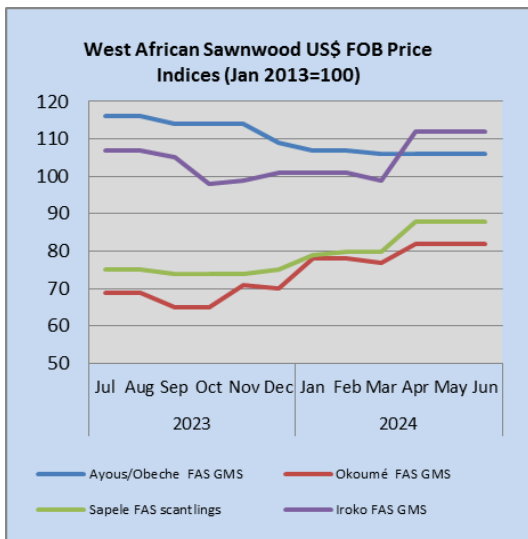
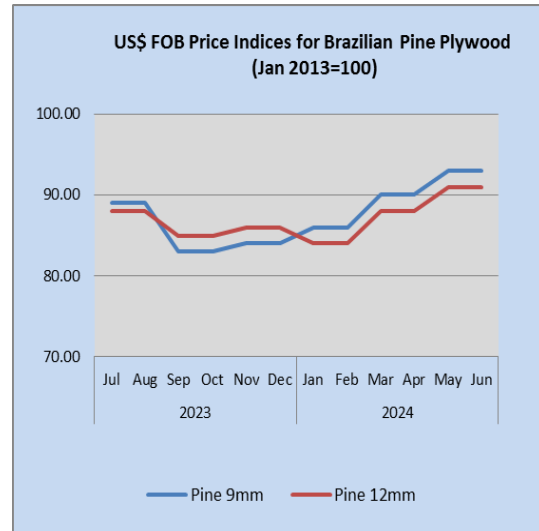
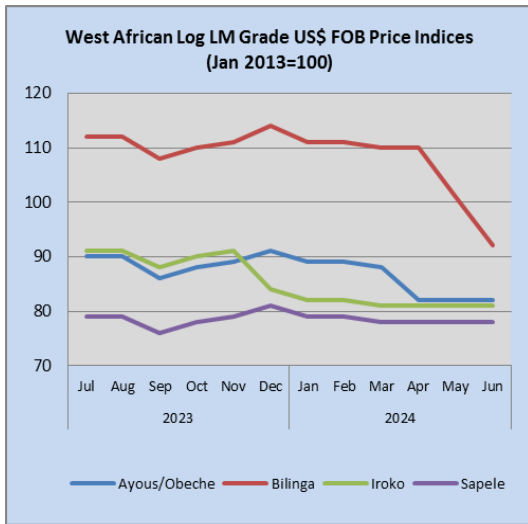


Data source: Drewry World Container Index

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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