

# Tropical Timber Market Report

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## Top story

### Decline in China's log imports

Log imports in the first quarter of 2024 totalled 8.85 million cubic metres, down 5% compared to the first quarter of 2023. Softwood log imports dropped 8% to 6.20 million cubic metres.

However hardwood log imports rose 4% in the first quarter of 2024 compared to the same period in 2023 to 2.65 million cubic metres and account for 30% of the national total.

Tropical log imports fell 1% to 1.519 million cubic metres in the first quarter of 2024. The top suppliers of tropical logs were Papua New Guinea, Solomon Islands and the Republic of Congo.

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## Central and West Africa

### Rising demand for sawnwood

Reports suggest demand for azobe and bilinga logs has weakened as there are fewer mills processing tropical logs, especially in Europe. However, there has been a notable rise in exports of sawnwood. Prices for sawn azobe and bilinga remain stable following price declines over the past few months. However, doussie sawnwood prices have been rising which, say millers, is a paradox of low demand paired with an even scarcer supply,.

It has been reported that in Belgium prices for adouk sawnwood have slipped as there has been a surge in shipments from Gabon and Cameroon, with Cameroon adouk priced lower than the same species and specifications from Gabon.

### Reconstruction in Dubai - anticipated rise in demand

Prices in Asian markets are reported as generally stable. However, demand for ovangkol is low as landed stocks are higher than usual.

The pace of demand in Middle East markets is said to be slow, as it has been for several months. Exporters in West and Central Africa anticipate a rise in demand as reconstruction begins after the recent disaster in Dubai.

Importers in India are showing interest in the azobe, especially targeting low-quality timber. Producers say this market is not attractive as they prefer to utilise falling grade sawnwood internally for added value processing.

### Extreme heat affecting working conditions

Cameroon is experiencing an unusually hot dry season which is expected to last until June. Operators say supply chains remain stable despite the harsh weather conditions.

In Gabon and Congo it is the rain season with temperatures significantly higher than usual reaching levels that impact the work environment. Millers in Gabon face the additional problem of frequent electricity power cuts which are severely impacting production, especially kilning processes and plywood milling. The disruptions are attributed to outdated infrastructure with promises from the power company to resolve the problem by the end of June.

### Gabon National Convention reported in domestic media

Media coverage in Gabon is predominantly focused on the actions of the new government, especially following the conclusion of the National Convention. This event has led to the formation of special teams aimed at reorganising government functions and this could influence future policy directions impacting various sectors, including forestry.

See: <https://www.lenouveaugabon.com/fr/gestion-publique/0205-20327-le-dialogue-national-inclusif-du-gabon-debouche-sur-1000-resolutions-visant-a-enforcer-la-democratie>

Cheik Fantamady Kanté, World Bank Director of Operations for Gabon commented that the National Dialogue provided an opportunity to learn of the government priorities and to see that these priorities are well aligned with what the World Bank can support in Gabon particularly with regard to providing basic social services and the environment for job creation for young people.

See: <https://www.gabonreview.com/projets-prioritaires-du-ctri-la-banque-mondiale-promet-son-appui/#respond>

### 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	260	260	175
Belli	250	250	-
Bibolo/Dibétou	200	200	-
Bilinga	275	275	-
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	480
Merchantable KD	440
Std/Btr GMS	450
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	850↓
FAS scantlings	900↓
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

### Through the eyes of industry

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

GGSC

<https://www.itto->

[ggsc.org/static/upload/file/20240515/1715738178173723.pdf](https://www.itto-ggsc.org/static/upload/file/20240515/1715738178173723.pdf)

### Forestry Commission issues deadline to its debtors

The Ghana Forestry Commission (FC) has published a list of debtors which include the names of individuals and timber firms which owe the Commission money. The FC website asked the debtors to settle their account by 31st May 2024.

The statement says; “The Forestry Commission wishes to bring to the attention of the following companies and individuals whose names appear below to kindly settle their indebtedness with the Forestry Commission by 31st May, 2024. The Forestry Commission will resort to other means within the law to recover all outstanding debts after the deadline”. The list shows a total 530 individuals and timber firms which own the FC money.

The statement adds “anyone who needs further information or clarification could contact the Commission’s Headquarters in Accra”.

See: <https://fcghana.org/forestry-commission-timber-firms-contractors-indebtedness/>

### Primary products 64% of wood product exports

Ghana’s primary product exports in the first 2-months of 2024 accounted for 64% of the country’s total wood export volume (40,763cu.m), an 8% decline. In the same period in 2023 exports amounted to 44,400cu.m.

Exports of secondary wood products accounted for 34% in 2024 against 33% in 2023.

### Wood product exports – Jan-Feb (cu.m)

	Jan-Feb 2023	Percent of total	Jan-Feb 2024	Percent of total
Primary	28,550	64%	26,103	64%
Secondary	14,596	33%	13,779	34%
Tertiary	1,254	3%	881	2%
Total	44,400		40,763	

Data source: TIDD

The exported primary products were air-dried sawnwood, billets, teak logs, air-dried boules and kindling which totalled 26,103cu.m in 2024 compared to 28,550cu.m in 2023.

According to the data from the Timber Industry Development Division (TIDD) the average unit prices for the secondary and tertiary products recorded increases in early 2024 compared to the same period in 2023. Average prices for primary products fell from Eur393/cu.m in 2023 to Eur384/cu.m in 2024.

The TIDD identifies some of the leading exporters for the period as Samartex Timber and Plywood Company Limited (9%), Miro Forestry Ghana Limited (7%), Multimodal Freight Services Limited (6%), Logs and Awnwood Limited (6%) and John Bitar and Company Limited (6%).

The main species in demand were teak (49%), ceiba (8%), wawa (8%), eucalyptus (8%) and denya (5%).

For the period under consideration India topped the list of export destinations importing around 50% of the total volume of wood products. While Germany (6%), Vietnam (5%), Saudi Arabia (4%), US (4%) and others (31%).

### Investors seek tax relief

Netherlands investors in Ghana, through the Ghana/Netherlands Business and Culture Council (GNBCC), have asked for the tax burden on businesses to be reduced and asked for a streamlining of the government’s regulatory processes to improve efficiency.

They also urged for ‘deepened digitalisation’ in public service to address their exposure to corrupt practices in the sector.

The statement on the GNBCC website says; “High regulatory and compliance cost is identified as one of the key cost components for the firms, and the synchronisation of regulatory and permit processes leads to firms paying extra costs through unofficial channels.

Thus, the government must deepen the existing e-government services to ensure that the services are delivered efficiently and reduce the cost of compliance. This will help to reduce the bureaucratic interference of public agencies in the activities of investors,” they recommended during research sponsored by the GNBCC”.

A report on the findings of research conducted by the IMANI Centre for Policy Education (CPE) was disseminated to members of the GNBCC at the stakeholder dialogue. The report is titled, “Reviewing current economic and investment challenges and opportunities for shared benefits and growth- a focus on the members of the Ghana Netherlands Business and Culture Council (GNBCC).”

According to a Senior Research Associate at IMANI/CPE, Dennis Asare, a review of the existing tax regime was also recommended by the respondents.

The GNBCC urged ‘deepened digitalisation’ in the public service which would go some way to address exposure to corrupt practices facing enterprises. The Council lamented on the high regulatory and compliance cost in public agencies as one of the key cost components for companies. According to the GNBCC, the current macroeconomic challenges have already increased the cost of doing business for firms.

In a related development, the President of the Association of Ghana Industries (AGI), Dr. Humphrey Ayim-Darke, proposed that government should establish local companies to compensate for the departure of multinational corporations due to the high cost of doing business.

In a reaction to these calls from businesses the Minister of Finance, Dr. Mohammed Amin Adam indicated government's efforts to improve the business climate outlining a series of initiatives aimed at making the economy a preferred investment destination.

Businesses in Ghana are struggling with the high cost of their operations, which range from port charges, demurrage, taxes, high policy rate and depreciation of the local currency among others.

See: <https://www.gnbcc.net/News/Item/7684>  
and  
<https://citinewsroom.com/2024/05/deliberately-establish-local-enterprises-to-replace-relocated-companies-agi-to-govt/>

#### Importers suffer high port and handling charges

The Ghana Shippers' Authority (GSA) organised a workshop for importers following numerous complaints from shippers concerning demurrage fees levied by shipping lines and other handling charges from some terminal operators.

Importers have long grappled with the burden of cargo detention, demurrage and other charges stemming from delays at the ports as this results in an unnecessary financial burden.

To try and address these issues the GSA initiated steps to establish Service Level Agreements (SLAs) with Shipping Service Providers on behalf of shippers to promote accountability within the shipping and logistics sector.

These agreements are expected to outline the obligations of shipping service providers to shippers, streamline port clearance processes, clarify time-related shipping costs, offer guidance on cost avoidance strategies and delineate the role of the GSA in this context.

The Chief Executive Officer (CEO) of GSA, Mr. Kwesi Baffour Sarpong, announced these developments in a speech read on his behalf during a workshop on "Avoiding Demurrage and Rent" for Ministries, Departments and Agencies (MDAs) held at the Shippers' House in Accra.

See: <https://thebftonline.com/2024/05/06/shippers-authority-push-for-demurrage-free-port-through-strategic-engagement-with-mdas/>

#### Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	777↓
Niangon Kiln dry	910

#### Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	373↑	441
Chenchen	472	612
Ogea	494	590
Essa	614↑	711
Ofram	350	435

#### Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up	860	925
Afrormosia	465	500
Asanfina	290	360
Ceiba	504↑	524↓
Dahoma	640	723↑
Edinam (mixed redwood)	660	800↑
Emeri	846	866↓
African mahogany (Ivorenensis)	560	825
Makore	725↑	860↓
Niangon	836	1,049↓
Odum	800	868
Sapele	445	466↓
Wawa 1C & Select		

#### Sliced veneer export prices

Sliced face veneer	FOB
	Euro per cu.m
Asanfina	1,095↓
Avodire	673
Chenchen	823↑
Mahogany	2,052
Makore	879
Odum	2,499
Sapele	1,081↓

#### Plywood export prices

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	555	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%.

## Malaysia

#### Inflation moderates

The Statistics Department's latest consumer price index (CPI) reveal that inflation remained at 1.8% in March buoyed by higher prices for housing, water, electricity, gas, services as well as transport.

#### Tightening forest degazetting and replacement processes

Under the Malaysian Constitution, forestry is under State jurisdiction. The National Forestry Act coordinates forestry matters nationally and recently amendments to the Act were passed.

Among the key changes were the tightening of the degazetting and replacement process for permanent forest reserves, the introduction of a public investigation process before the degazetting of any forest reserve and the simultaneous replacement of the degazetted forest.

The Natural Resources and Environmental Sustainability Minister, Nik Nazmi Nik Ahmad, urged State governments to adopt the amendments as, so far, only Perlis and Selangor States have fully adopted the amendments.

See: <https://www.thestar.com.my/news/nation/2024/04/30/more-state-governments-should-adopt-national-forestry-act-amendments-says-nik-nazmi>

**Efforts to bring deforestation levels down recognised**  
Free Malaysia, a news portal with a focus on Malaysian current affairs, published a story in which it reports the EU’s Commissioner for Environment and Fisheries, Virginijus Sinkevičius, commended Malaysia’s efforts to bring deforestation levels down.

It is reported that this comment was made during a virtual conference with the Malaysian Minister of Plantations and Commodities, Johari Ghani. Sinkevičius also reportedly acknowledged Malaysia’s commitment to certified sustainable commodity production.

“The EU and Malaysia will continue to work closely together on the implementation of the forthcoming EUDR and how the MSPO certification provides readiness and assurances for supply chain partners and regulators in the EU,” said a statement.

Johari emphasised the role of the Malaysian Sustainable Palm Oil (MSPO) Certification Scheme in strengthening efforts to meet EUDR requirements on traceability, being deforestation-free and with legitimate land titles and good labour practices.

Sinkevičius is reported as saying the EU is ready to continue working with Malaysia to enhance deforestation-free supply chains.

See: <https://www.freemalaysiatoday.com/category/nation/2024/04/25/eu-hails-malaysias-efforts-to-reduce-deforestation/>

In related news, with the December 2024 implementation of the European Union Deforestation Free Products Regulation (EUDR) in mind the Malaysian Timber Council (MTC) organised a webinar to provide updates to stakeholders and equip them with the knowledge they need to navigate through this regulation as well as facilitate strategic and sustainable business approaches. Efforts by the Government and MTC have been ongoing to aid Malaysian timber exporters in satisfying the EUDR.

See: [https://mtc.com.my/images/publication/260/Timber\\_Malaysia\\_Jan-Mar\\_2024.pdf](https://mtc.com.my/images/publication/260/Timber_Malaysia_Jan-Mar_2024.pdf)

**Sabah forest revenue**

The Sabah Forestry Department collected RM155.3 million in revenue in 2023. Of this RM93.3 was from timber royalties and the proceeds from the collection of inspection fees for exported wood products provided much of the balance.

The revenue from permit fees, licence renewal fees, royalties from agroforestry products, vehicle registration fees and others was RM58.2 million.

See: <https://www.thestar.com.my/news/nation/2024/05/05/seeing-to-the-trees-for-proper-forest-management>

**Sarawak plywood exports Jan - Mar (cu m)**

Destination	2023	2024
Australia	507	180
Brunei	673	601
India	517	1,138
Japan	85,965	106,886
S. Korea	5,774	4,906
New Zealand	21	42
Oman	86	426
PNG	0	16
Philippines	773	1,472
Singapore	0	108
Taiwan P.o.C	7,975	7,643
Thailand	88	88
UAE	355	177
Vietnam	35	174
Turkey	113	270
Yemen	18,125	4,219
<b>Total</b>	<b>122,909</b>	<b>128,344</b>

Source: STIDC

**Through the eyes of industry**

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GGSC  
<https://www.itto-ggsc.org/static/upload/file/20240515/1715738178173723.pdf>

**Indonesia**

**Benchmark export prices for May 2024**

Veneers

Natural Forest Veneer	800 US\$/cu.m
Plantation Forest veneer	600 US\$/cu.m
Wooden Sheet for Packaging Box	900 US\$/cu.m

Wood Chips

Woodchips in chips or particles	90 US\$/tonne
Woodchips	95 US\$/tonne

**Processed Wood**

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 1000 mm2 to 4000 mm2 (ex 4407.11.00 to ex 4407.99.90).



Meranti (Shorea sp)	1,000 US\$/cu.m
Merbau (Intsia sp)	1,100 US\$/cu.m
Rimba Campuran (Mixed hardwood)	800 US\$/cu.m
Ebony	4,000 US\$/cu.m
Teak	3,000 US\$/cu.m
Pinus and Gmelina	550 US\$/cu.m
Acacia	600 US\$/cu.m
Sengon (Paraserienthes falcataria)	400 US\$/cu.m.
Rubberwood	300 US\$/cu.m
Balsa (Ochroma sp), Eucalyptust	900 US\$/cu.m
Sungkai (Peronema canescens)	1,000 US\$/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 4,000 mm<sup>2</sup> to 10,000 mm<sup>2</sup> (ex 4407.11.00 to ex 4407.99.90)

Merbau	1,500 US\$/cu,m
Yellow Meranti	500 US\$/cu.m
White Meranti	700 US\$/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 10,000 mm<sup>2</sup> to 15,000 mm<sup>2</sup> (ex 4407.11.00 to ex 4407.99.90)

Merbau	1,500 US\$/cu,m
Yellow Meranti	500 US\$/cu.m
White Meranti	700 US\$/cu.m

See:  
[https://jdih.kemendag.go.id/pdf/Regulasi/2024/575\\_Kepmendag%20HPE%20dan%20HR%20Produk%20Pertanian%20Lampiran.pdf](https://jdih.kemendag.go.id/pdf/Regulasi/2024/575_Kepmendag%20HPE%20dan%20HR%20Produk%20Pertanian%20Lampiran.pdf)  
 and  
<https://forestinsights.id/harga-patokan-ekspor-produk-kayu-mei-2024-ada-kenaikan-untuk-kayu-olahan/>

#### Mission to discuss EU Forest Map data

The government will embark on a mission to discuss the global forest map (GFM) on the European Union Forest Observatory (GFM EUFO) platform which serves as a reference for the European Union's Deforestation-free Regulation (EUDR) implementation.

Scrutiny by Indonesia has revealed accuracy issues with the GFM EUFO. Acting Director General of Sustainable Forest Management at the Ministry of Environment and Forestry, Agus Justianto, explained that Indonesia's mission will be carried out through the Indonesian Embassy in Brussels.

A comparison of the GFM EUFO map with the SIMONTANA (National Forest Monitoring System) reveals differences.

To strengthen Indonesia's position in facing the challenges from EUDR the Ministry of Environment and Forestry has requested all holders of Forest Management Units (PBPH) to overlay the EU's GFM map with their PBPH maps and PBPH Operational maps and check for variations. The results of this analysis and ground check will be used for negotiations with the European Union.

See: <https://forestinsights.id/indonesia-embarks-on-diplomatic-mission-to-rectify-eu-forest-map-reference/> and [https://www.antaraneews.com/berita/4079901/ri-siap-jalankan-misi-diplomasi-koreksi-peta-hutan-acuan-eudr?utm\\_source=antaranews&utm\\_medium=desktop&utm\\_campaign=editor\\_picks](https://www.antaraneews.com/berita/4079901/ri-siap-jalankan-misi-diplomasi-koreksi-peta-hutan-acuan-eudr?utm_source=antaranews&utm_medium=desktop&utm_campaign=editor_picks)

#### Countries seek changes to EUDR

The regulatory initiative developed by the European Union the EU Deforestation-Free Regulation (EUDR) represents a significant challenge for exporters to the EU

While the modalities for implementation are not yet released Indonesia, along with Malaysia and the EU, agreed to establish an Ad Hoc Joint Task Force on the EUDR to address various issues related to the implementation of the EUDR. This task force will identify the best solutions and resolutions regarding the implementation of the EUDR.

A bipartisan group representing the Republican and Democratic parties in the United States has also highlighted challenges and there has been consideration of requesting a delay in implementation or changes to the regulation.

See:  
<https://www.thejakartapost.com/business/2024/04/25/countries-including-us-look-for-changes-to-eu-deforestation-regulation.html>  
 and  
<https://finance.detik.com/berita-ekonomi-bisnis/d-7309525/ri-dapat-dukungan-dari-as-soal-protas-uu-anti-deforestasi-uni-eropa>

#### Indonesia seeks 1% of global furniture market

Indonesian furniture exporters aim to capture 1% percent of the global furniture market following a significant decline in exports last year. In 2023, Indonesia's furniture exports totaled US\$2.1 billion, marking a 23 percent decline from the previous year.

Global furniture sales are estimated to have reached US\$730 billion last year, with a projected increase to US\$766 billion this year according to the Indonesian Furniture and Handicraft Industry Association, Asmino.

The United States remains the largest export destination for Indonesia's furniture, accounting for 55% of exports with almost 70% being of wooden furniture.

In related news, the Chairman of the Indonesian Furniture and Handicraft Industry Association (Himki), Abdul Sobur, said that exporters are welcoming the strengthening of the US dollar Indonesia uses 80-90% domestic raw materials thus avoiding high priced imports.

Sobur said he is optimistic that export earnings from the furniture, furnishings and crafts industries can grow by at least 10% compared to the 2023 performance.

According to Sobur the industry is determined to explore non-traditional markets outside of the European market such as South Korea, China, Japan and ASEAN countries while at the same time building capacity in order to meet the EUDR requirements for exporting to Europe.

See: <https://www.liputan6.com/bisnis/read/5584534/ukm-mebel-indonesia-target-kuasai-1-pasar-perabotan-dunia?page=2> and [https://www.kompas.id/baca/english/2024/05/08/en-industri-mebel-optimis-ekspor-tumbuh-10-persen-tahun-ini?loc=hard\\_paywall](https://www.kompas.id/baca/english/2024/05/08/en-industri-mebel-optimis-ekspor-tumbuh-10-persen-tahun-ini?loc=hard_paywall)

**Singaporean firm invests in Batang Industrial Park**

The Batang Industrial Park recently revealed that it had attracted a US\$25 million investment from Singapore. Kawasan Industri Terpadu (KIT) Batang, also known as Grand Batang City, announced that this investment came from Singapore-based wood pellet producer Sampoerna Kayoe. This also marked the first investment deal that the industrial zone had secured this year. Sampoerna Kayoe is planning to build a wood pellet plant in the Industrial Park.

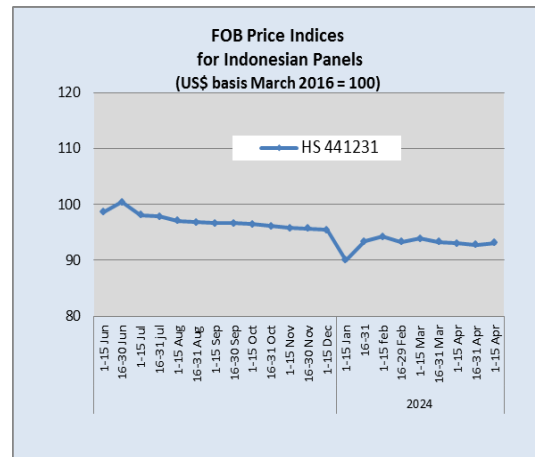
See: <https://jakartaglobe.id/business/singaporean-firm-invests-25m-in-batang-industrial-park>

**Indonesia’s forest-based economy explained**

Indonesia presented its forest management accomplishments at the 19th United Nations Forum on Forest (UNFF) and emphasised its commitment to developing a forest-based economy. Alue Dohong, Deputy Minister of Environment and Forestry reported that Indonesia has successfully surpassed its national target of reducing deforestation rates to below 0.45 million hectares. Additionally, Indonesia has also committed to achieving the target of social forestry allocation, which is set at 12.7 million hectares.

Deputy Minister Alue also mentioned Indonesia's efforts to develop a forest-based economy through community empowerment in the public economic sector. During the meeting the Indonesian Delegation participated in several strategic discussions related to forest policy developments.

See: <https://ppid.menlhk.go.id/berita/siaran-pers/7709/indonesia-tunjukkan-komitmen-hijau-di-forum-hutan-pbb>



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

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GGSC

<https://www.itto-ggsc.org/static/upload/file/20240515/1715738178173723.pdf>

**Myanmar**

**Soaring living costs – construction activity grounded**

Persistent inflation is making life increasingly challenging for people, especially for those with very low incomes. The cost of essential goods continues to rise, primarily driven by escalating fuel prices. Myanmar heavily relies on fuel imports. According to the World Bank, fuel imports accounted for almost 30% of merchandise imports in 2022.

The surge in prices extends beyond fuel, affecting staple items such as rice, meat, edible oils and vegetables which have seen prices double or triple over the past year.

The implementation of the national military service law earlier this year has prompted many young individuals, predominantly males, to seek employment opportunities in neighboring countries and this has led to a labour shortage across various sectors. The construction sector has been severely impacted by rising building material costs and a labour shortage.

Construction materials are in short supply in Myanmar and prices are rising. Many construction materials have to be imported and companies are facing difficulties obtaining the relevant import permits and foreign currency to purchase materials.

The labour shortage is also the result of the conscription law (National Military Service). On 1 May the government suspended passport applications for those between the ages of 23 and 31.

See - <https://myanmar-now.org/en/news/junta-lifts-suspension-of-overseas-work-permits-for-men-but-imposes-age-restrictions/>

### **Informal diplomacy at work**

The Japanese media (Nikkei Asia) has reported that representatives of five ethnic groups, from Myanmar, including the Karen National Union, the Chin National Front and the Karenni National Progressive Party, were granted permission to visit Japan. Nikkei Asia points out that the Japanese government has avoided any official endorsement of this visit.

It is reported the group may have met with representatives of the Nippon Foundation, a philanthropic group headed by Japan's special envoy for Myanmar, Yohei Sasakawa.

See: <https://asia.nikkei.com/Spotlight/Myanmar-Crisis/Thailand-Japan-signal-policy-shifts-on-engaging-Myanmar-s-resistance>

### **Union Taxation Law for 2024-25**

On 29 March 2024, Myanmar's State Administration Council enacted the Union Tax Law for the financial year starting 1 April 2024 and ending 31 March 2025 ("2024 UTL"). The Union Tax Law has been issued annually 2014.

See: <https://www.allenandgedhill.com/perspectives/articles/27910/mmkh-issues-union-tax-law-for-financial-year-2024-2025>

### **New York Times reports on Myanmar**

The New York Times issued a cover article "What's Happening In Myanmar's Civil War?" with comments on the political, social and military situation in the country.

See: <https://www.nytimes.com/interactive/2024/04/20/world/asia/myanmar-civil-war.html>

and <https://www.pbs.org/newshour/world/more-civilians-die-in-myanmars-civil-war-as-military-uses-brutal-tactics-against-resistance-gains>

## **India**

### **Election process impacts businesses**

India's Parliamentary elections have been going on since mid-April. The correspondent reports "production and output in the timber and building sectors have slowed as mill workers, carpenters and builders have taken leave and returned home to cast their vote.

Once again, temperatures have soared across the country and this is also affecting productivity. Because of the extreme heat the risk of forest fires has increased.

Ocean freight charges and shipping opportunities have become an issue for importers so they have reduced imports."

### **Domestic raw material costs rising**

In its latest issue, Plyreporter discusses the increase in poplar log prices. Plywood manufacturers in Northern India, the main plywood manufacturing hub, have reported soaring poplar prices. The industry reported an all-time high in March when poplar timber prices rose to Rs1700 per quintal (100kg) that driven up production costs.

The main reason for the jump in raw material costs, says Plyreporter, is the Red Sea shipping crisis that has pushed up landed prices for imported wood pulp and paper mills have turned to domestic poplar.

See: <https://www.plyreporter.com/article/153833/poplar-timber-prices-touches-new-all-time-high-mark>

### **Wooden furniture gaining in popularity**

India's furniture industry is growing rapidly and almost 65% of Indian furniture is made of wood. The demand for wood raw material in India's furniture manufacturing industry has increased. The interest in wood products in the home has grown over the past few years as home owners, especially young people started to use wood for interior decoration along with increased interest in wooden furniture.

It has been estimated that the domestic Indian furniture market will grow at a compound annual growth rate (CAGR) of 13% between 2020 and 2024. Because of the growing salaried class, the number of metropolitan families and the rise in disposable income demand for furniture is expected to continue to grow.

See: <https://www.indiatoday.in/information/story/what-are-the-future-prospects-in-the-furniture-industry-2508135-2024-02-28>

### **Companies rebalancing their supply chains**

The results of a poll of global business leaders undertaken by Price Waterhouse Cooper says many are looking at India and Southeast Asia as alternative supply chain destinations as trade relations between China and the US remain unsettled.

The poll, commissioned by Eastspring Investments, found that over the next decade in the rank of supply chain importance India will become the third most important link, up from the current fourth and Southeast Asia will also move up one place in the supply chain ranking. In contrast, the poll determined Germany will move down one place and Japan will drop to sixth.

According to the survey, boosting supply chain resilience is a key business priority with most stating that rebalancing their supply chain would cost less than the potential risk by not rebalancing.

See: <https://www.pwc.com/gx/en/about/pwc-asia-pacific/global-supply-chains-the-race-to-rebalance.html>

and <https://www.eastspring.com/assets/awp-23/docs/awp-download-report.pdf>



**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	193	325
Colombia	98	360
Costa Rica	100	375
Nigeria	-	-
Benin	139	525
Tanzania	-	-
Laos	-	-
South Sudan	97	400
Guatemala	149	460
Venezuela	112	340

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

	cu.m	US\$ C&F
Benin	149	640
Brazil	40	390
Colombia	144	370
Costa Rica	97	400
Ecuador	-	-
Ghana	98	440
Ivory Coast	-	-
Nigeria	119	400
South Sudan	186	415
Tanzania	99	380
Togo	178	395
Panama	91	482

**Locally milled sawnwood prices**

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,200 - 4,600
Balau	2,800 - 3,000
Resak	-
Kapur	-
Kempas	1,500 - 1,800
Red meranti	1,500 - 1,800
Radiata pine	950 - 1,150
Whitewood	900 - 1,050

Price range depends mainly on lengths and cross-section

**Sawn hardwood prices**

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,600 - 1,900
Sycamore	2,000 - 2,300
Red Oak	2,500 - 3,000
White Oak	2,800 - 3,300
American Walnut	4,700 - 5,500
Hemlock STD grade	1,350 - 1,600
Western Red Cedar	2,220 - 2,450
Douglas Fir	2,200 - 2,400

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	80.00
6mm	92.00
9mm	109.00
12mm	132.00
15mm	170.00
18mm	187.00

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

Plywood Ex-warehouse	Rs. per sq.ft
4mm	55.00
6mm	70.00
9mm	81.00
12mm	96.00
15mm	129.00
19mm	138.00
5mm Flexible ply	87.00

**Vietnam**

**Wood and wood product trade highlights**

Customs data shows that in April 2024 W&WP exports reached US\$1.3 billion, up 0.2% compared to March 2024 and up 19% compared to April 2023. WP exports accounted for US\$893 million, up 0.7% compared to March 2024 and up 141% compared to April 2023.

In the first 4 months of 2024 W&WP exports earned US\$4.8 billion, up 24% over the same period in 2023. WP exports alone, contributed US\$3.3 billion, up 26% over the same period in 2023.

Vietnam's W&WP imports in April 2024 amounted to US\$265 million, up 37% compared to March 2024 and up 57% compared to April 2023. In the first 4 months of 2024 W&WP imports were valued at US\$801 million, up 26% over the same period in 2023.

Vietnam's imports of logs and sawnwood in April 2024 reached at 498,200 cu.m worth US\$166.9 million, up 38% in volume and 37% in value compared to March 2024. Compared to April 2023 imports of logs and sawnwood rose 50% in volume and 39% in value. The increased log and sawnwood imports in April 2024 resulted from the increased demand from export manufacturers.

In the first 4 months of 2024 imports of logs and sawnwood stood at 1,421 million cu.m worth US\$472.5 million, up 12% in volume and 3% in value over the same period in 2023.

In the first 4 months of 2024, the W&WP exports to Canada totalled US\$74.4 million, up 27% over the same period in 2023.

In April 2024 exports of kitchen furniture brought in about US\$107 million, up 31% compared to April 2023. In the first 4 months of 2024 exports of kitchen furniture totalled US\$397 million, up 34% over the same period in 2023.

Vietnam's poplar imports in April 2024 were at 44,000 cu.m worth US\$14.4 million, up 38% in volume and 37% in value compared to March 2024. Compared to April 2023 imports were up 46% in volume and 14% in value. In the first 4 months of 2024, imports of poplar wood were estimated at 108,800 cu.m, worth US\$39 million, up 35% in volume and 17% in value over the same period in 2023.

Imports of logs and sawnwood from the EU in April 2024 reached 50,000 cu.m at a value of US\$16 million, up 13% in volume and 3% in value compared to March 2024. The total volume of wood materials imported from the EU in the first 4 months of 2024 reached 184,020 cu.m, at a value of US\$59.40 million, down 3.5% in volume but up 2% in value over the same period in 2023.

#### **Vietnam's wood export surged in the first four months**

D.P.Tran, writing for [vneconomy.vn](http://vneconomy.vn), offers a valuable insight into the current situation in the Vietnamese wood processing sector. He writes “the success of Vietnam's wood industry can be attributed to several key factors:

- the country's strategic positioning as a global exporter of wood and wood products which has enabled it to expand its market reach
- Vietnam's forestry development policies, business support initiatives and an extensive network of free trade agreements have provided a conducive environment for the wood industry's growth
- the abundant forest resources coupled with its competitive labour force and access to raw materials has bolstered export competitiveness
- the wood industry has embraced technological advances, digital transformation, investment in product development, process optimisation and productivity enhancements

Despite its recent recovery the industry faces considerable hurdles as Vietnam's primary export markets tighten regulations regarding the origin and legality of wood products”.

He emphasises that enterprises need to comply with environmental regulations and traceability standards and advocates increased investment in design, creativity and product innovation which will create opportunities for diversifying export markets.

See: <https://vneconomy.vn/vietnams-wood-export-surges-23-7-in-first-four-months-of-2024.htm>

#### **Imported raw material sources**

In the first quarter of 2024 the area of newly planted forests nationwide amounted to 37,300 hectares, down 1.4% over the same period last year due to heavy rains badly affecting the progress of afforestation in selected localities.

In the first 3 months of 2024 imports of logs and sawnwood from major suppliers such as China, the US, Thailand, Laos, Chile and Brazil increased against the same period in 2023. In contrast, imports from some other suppliers such as the EU, Cameroon, Malaysia and Congo decreased.

In particular, log and sawnwood imports from China accounted for 16% of total imports in the first 3 months of 2024, reaching 165,200 cu.m, worth US\$63.4 million, up 56% in volume and 23% in value over the same period in 2023.

The imports from the US increased by 37% in volume and 35% in value year-on-year reaching 142,800 cu.m, worth US\$61.4 million equivalent to 13.5% of the total imports.

Imports from Thailand soared by 36% in volume and 45% in value over the same period in 2023 reaching 129,300 cu.m, worth US\$27.0 million, accounting for 12% of total imports.

In addition, imports of logs and sawnwood from some other markets increased compared to the same period in 2023 such as from Laos, up by 12%, from Chile up by 55%, from Brazil up by 103%, from Papua New Guinea up by 141% and from New Zealand up by 8%.

In contrast, log and sawnwood imports from some other sources in the first 3 months of 2024 declined over the same period in 2023 such as from the EU down by 0.2%, Cameroon by 53%, Malaysia by 34%, Congo by 47% and Suriname by 40%.

#### **Imported species**

In the first 3 months of 2024 imports of pine, poplar, oak, eucalyptus and walnut increased against the same period in 2023 while some of the other species, including ash, tali, pachy (white afzelia) padouk, rubberwood and teak declined.

Imports of pine, the main timber imported, accounted for 15% of total log and sawnwood imports in the first three months of 2024 reaching 161,800 cu.m and worth US\$34.4 million, up 60% in volume and 51% in value over the same period in 2023.

Poplar imports surged in the first three months of 2024 by 53% in volume and 38% in value over the same period in 2023 reaching 76,700 cu.m, worth US\$28.5 million equivalent to 7% of total imports.

Oak imports increased by 43% in volume and 48% in value over the same period in 2023, reaching 74,100 cu.m, valued at US\$42.8 million.

In addition, imports of some other species increased against the same period in 2023 such as eucalyptus, up by 207%, sapelli, up by 19%, walnut, up by 50%, beech up by 27% and fir up by 72% etc.

In contrast, imports of ash in the first 3 months of 2024 decreased to 86,200 cu.m, worth US\$22.5 million and , accounted for 8% of total wood raw material imports.

In the first 3 months of 2024, the average import price of logs and sawnwood stood at US\$331.5/cu.m, down 9% over the same period in 2023.

In particular, the price of logs and sawnwood from China fell 22% over the same period in 2023 to US\$383.6/cu.m, from the US prices fell by 1.5% to US\$430.0/cu.m, from Laos prices fell by 7% to US\$459.2/cu.m, from Chile prices fell by 6% to US\$233.8 per cu.m. and from Papua New Guinea prices fell 4%.

### **Outlook of Vietnam's timber imports**

Exports of wood and wood products in the first 4 months of 2024 have shown positive signals thanks to the increase in imports by key markets.

The recovery in the first months of this year has enabled wood enterprises to increase production and given positive expectations for Vietnam's wood industry for 2024. In particular, demand recovery in major markets such as the US, China, Canada, the UK and the EU has brought cheer to Vietnam's wood product manufacturers.

Wood processors have accelerated linkage with farmers along the supply chain, focusing on investment in and development of large timber plantations to secure raw materials. Due to the lack of many species required by customers Vietnam's wood industry still depends on imported wood raw material.

See: <https://english.haiquanonline.com.vn/wood-exports-started-well-29702.html>

### **Woodchip exports and impact on the pulp sector**

Vietnam's exports of eucalyptus and hybrid acacia chips have increased more than 10 times in the last decade. In 2001, the country exported only 400,000 tonnes of wood chips but by 2011 it had increased this to about 5 million tonnes.

The expansion of pulp capacity in China has led to a sharp increase in the number of hardwood plantations and chip making facilities in Vietnam. Chips are mainly exported through the Hai Phong Port area and via ports in Central Vietnam. At many ports in Central of Vietnam such as Ky Ha (Quang Nam), Dung Quat (Quang Ngai), Chan May (Thua Thien Hue), there are regular bulk carriers. The export markets are S. Korea, Japan and China. With limited domestic supply China will continue to rely on neighboring countries to provide chips for pulp production.

A representatives of Dak Lak agroforestry farmers group said that, due to the lack of capital, they had to exploit trees early to cut sawn timber for export instead of planting several years for higher value sawn timber. One ton of wood in the market costs 500,000 VND, while one ton of sawn timber costs four times as much.

The massive export of wood chips does not only affect the demand for wood materials and pulp materials in the future but also affects the wood processing and paper industries.

According to Vu Ngoc Bao, General Secretary of the Vietnam Pulp and Paper Association, paper mills in the country have to import raw materials at high prices while the export price of wood chips in Vietnam to China and Japan is much lower.

Despite the huge amount of wood chips exported the value of exports is only about US\$300 million but the amount spent to import pulp amounts to US\$700 million per year.

Recently, An Hoa Paper Joint Stock Company (An Hoa Paper) proposed to increase the export tax on chips to create conditions for production of pulp from domestic raw material. Bao, leader of Paper & Pulp Association supported the idea from An Hoa Paper.

In response forestry companies and forest planters are opposed to the paper industry suggestion and the Binh Dinh FPA Company has written a petition to the Ministry of Industry and Trade, Ministry of Agriculture and Rural Development, General Department of Forestry and the Wood asking that no changes be made to export duties or chip exports.

See: <https://www.paper-vietnam.com/en/news/vietnam-the-worlds-largest-exporter-of-wood-chips-and-its-impact-on-the-pulp-market-2-99.html>

## **Brazil**

### **Debate on railway logistics for exports**

Representatives from industry and organisations that use the railway to transport goods for export, along with experts in the field, system operators and regulatory agencies recently participated in a meeting organised by the Brazilian Association of Mechanically Processed Timber Industry (ABIMC) to discuss solutions for export logistics focusing on the railway network.

The main objective was to address the need for harmonisation among the various channels involved in export logistics and to seek optimal product flows, taking into account industrial growth and challenges facing the logistic infrastructure.

During the meeting the condition of logistic infrastructure was analysed, especially regarding the railway system, in order to plan effective short, medium and long-term actions to mitigate current bottlenecks.

The meeting featured presentations of studies addressing the volume and movement of cargo in different modalities emphasising the importance of an integrated perspective (loading, arrival at the port and shipment) to understand logistic challenges.

Additionally, the National Railway Transportation Department of the National Land Transportation Agency highlighted the need to bring railways into a more competitive national context by seeking investments from both the public and private sectors to improve railway infrastructure.

See: <https://abimci.com.br/abimci-participa-de-reuniao-para-debater-panorama-do-modal-ferroviario/>

### **Discussions on forest policies between Brazil and Bolivia**

Representatives from the State government of Acre and Bolivian Governors met in April to discuss forest policies for the Amazon Region, including conservation and sustainable development strategies.

The Governors' Climate and Forests Task Force (GCF Task Force) led the meeting which involved local leaders, subnational government communities and project financiers linked to sustainability in order to exchange experiences and explore effective policies.

The government of Acre highlighted successful cases such as environmental regularisation and projects such as the Biotechnology Park, aimed at boosting the local economy based on biodiversity and sustainable production, aligning with the Amazon 2030 agenda and strengthening cooperativism to promote development.

During the meeting innovative approaches on forest management, climate mitigation, combating deforestation and biodiversity preservation were discussed, including the incorporation of indigenous knowledge.

The government of Acre also emphasised its leadership in creating specific programmes, setting goals and incentives to mobilise local and regional resources for climate initiatives. These actions have attracted private investments and strategic partnerships such as the Amazon Fund worth almost R\$100 million and strengthening the regional commitment to sustainability and socio-economic development.

See: <https://forestnews.com.br/acre-bolivia-discutem-politica-florestal/>

### **International Coalition seeks transition period for EUDR implementation**

The international coalition "On Sustainable Timber," made up of various timber-producing countries, including Brazil represented by ABIMCI, sent documents to the European Commission requesting clarification on some legal issues and an acceptable transition period to ensure greater effectiveness in the implementation of the EUDR which will come into effect in December this year.

Additionally, ABIMCI is mobilising representatives from the forest industry and the Ministry of Agriculture, Livestock and Supply (Mapa) to determine how the federal government can address the issue of EUDR implementation.

ABIMCI is also discussing technical issues, conformity assessment, risk assessment and classification in Brazil, system operation and data security, certification of origin, geolocation, inspection and sanctions among others.

The EUDR establishes rigorous due diligence requirements for the importation of products by the European Union. The document sent to the European Commission seeks to clarify key terms in the regulation, such as forest, forest plantation, planted forest, deforestation and forest degradation, which are not yet fully defined.

In addition, coalition members held a meeting to discuss challenges faced by timber-producing countries. The group is considering a possible in-person agenda with the European Commission to present the position of participating countries regarding the EUDR.

The International Coalition has also developed a Timber Coalition website where the documents addressed to the EU are available.

See: [https://www.timbercoalition.org/files/ugd/b764c2\\_028f19e7c2a9452a9c294b1b40cd42e9.pdf](https://www.timbercoalition.org/files/ugd/b764c2_028f19e7c2a9452a9c294b1b40cd42e9.pdf) and <https://bioenergyeurope.org/wp-content/uploads/2024/03/Joint-cross-sector-coalition-letter-on-EUDR-implementation.pdf>

### **France a target market for Brazilian furniture**

The French furniture market stands out as one of the main destinations for Brazilian exports according to the "Study of Opportunities for the Brazilian Furniture and Mattress Exporter - Target Country: France."

With a sophisticated logistics infrastructure and a strategic position in Europe France offers significant opportunities for the Brazilian industry. The study suggests the steady growth of apparent furniture consumption in the country, reaching US\$14.2 billion in 2022 (a 3.4% increase since 2018) highlights the growing dependence on imported products.

French demand for quality furniture, innovative designs and sustainability provides a window of opportunity for the Brazilian furniture industry which has shown signs of recovery and growth in the French market.

With a 42% increase in furniture export to France in 2022 compared to the previous year, Brazil is well-positioned to meet the demands of the French market, especially considering the recent strengthening of diplomatic relations between the two countries.



However, to capture the opportunity in the French market and achieve a projected growth of +33% (US\$37.6 million) in the short-term continuous investment in quality, innovation and sustainability will be crucial.

See: <http://abimovel.com/relacoes-bilaterais-fortalecidas-e-alta-demanda-por-importados-fazem-da-franca-mercado-alvo-para-a-industria-brasileira-de-moveis/>

#### Domestic log prices

	US\$ per cu.m
Brazilian logs, mill yard, domestic	
Ipê	582
Jatoba	243
Massaranduba	216
Muiracatiara	208
Angelim Vermelho	209
Mixed redwood and white woods	158

Source: STCP Data Bank

#### Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	1,996
Jatoba	1,085
Massaranduba	949
Muiracatiara	914
Angelim Vermelho	946
Mixed red and white	581
Eucalyptus (AD)	331
Pine (AD)	272
Pine (KD)	305

Source: STCP Data Bank

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

	US\$ per cu.m
Parica	
4mm WBP	663
10mm WBP	510
15mm WBP	447
4mm MR.	632
10mm MR.	436
15mm MR.	396

Prices do not include taxes. Source: STCP Data Bank

#### Prices for other panel products

	US\$ per cu.m
Domestic ex-mill prices	
15mm MDParticleboard	340
15mm MDF	356

Source: STCP

#### Export sawnwood prices

	US\$ per cu.m
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	2,895
Jatoba	1,532
Massaranduba	1,513
Muiracatiara	1,545
Pine (KD)	185

Source: STCP Data Bank

#### Export plywood prices

	US\$ per cu.m
Pine plywood EU market, FOB	
9mm C/CC (WBP)	335
12mm C/CC (WBP)	303
15mm C/CC (WBP)	295
18mm C/CC (WBP)	290

Source: STCP Data Bank

#### Export prices for added value products

		US\$ per cu.m
FOB Belem/Paranagua ports		
Decking Boards	Ipê	3,122
	Jatoba	1,783

Source: STCP Data Bank

#### Through the eyes of industry

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

GGSC

[https://www.itto-](https://www.itto-ggsc.org/static/upload/file/20240515/1715738178173723.pdf)

[ggsc.org/static/upload/file/20240515/1715738178173723.pdf](https://www.itto-ggsc.org/static/upload/file/20240515/1715738178173723.pdf)

## Peru

#### Veneer and plywood exports suffer a decline

The Management of Services and Extractive Industries of the Association of Exporters (ADEX) reported that export shipments of veneers and plywood in the first two months of this year earned US\$107,000, a decline of 10% year on year.

This drop is partly explained by the decline in orders from Mexico, the main buyer. According to figures from the ADEX Data Trade Commercial Intelligence System no other country placed orders for these products in the first two months of this year.

#### Promoting compliance with regulations among forest users

With the aim of promoting compliance with forestry regulations and strengthening the sustainable use of forest resources, the Forest and Wildlife Resources Supervision Agency (OSINFOR) held three workshops in April to explain forestry regulations to Brazil nut (locally termed chestnut) concessionaires in the Provinces of Tambopata and Tahuamanu, in Madre de Dios.

The workshops brought together those involved in sustainable forest management, from Brazil nut concession holders, forest agents, public authorities and representatives of environmental organisations.

With the support of institutions such as the Specialised Prosecutor's Office for Environmental Matters (FEMA), the Association of Forest Regents of Madre de Dios (AREFOMAD) and the Regional Forestry and Wildlife Authority of Madre de Dios, participants had the opportunity to update their knowledge on rights, duties and responsibilities in forestry matters.

See: <https://www.gob.pe/institucion/osinfor/noticias/946858-osinfor-promueve-el-cumplimiento-de-la-normativa-forestal-entre-usuarios-del-bosque-en-madre-de-dios>

#### Meeting of international and national experts at forestry forum

The Sustainable Productive Forests (BPS) programme of the National Forestry and Wildlife Service (SERFOR) and the Regional Government of San Martín recently hosted an International Forestry Forum themed "Favorable environments for innovative and sustainable forestry businesses in Peru". The aim was to exchange experiences on forest plantations for commercial purposes, forest management and forest planning.



The forum brought together national and international experts from Colombia, Ecuador, Brazil, Chile, the Caribbean and the United States who explained the challenges, successes and good practices in forest plantations implemented in their countries. As part of the forum the first invitation for Peru's innovative co-financing mechanism, the Forest Incentives Program (PIF) was opened.

See: <https://www.gob.pe/institucion/serfor/noticias/944414-sanmartin-serfor-reune-a-expertos-internacionales-y-nacionales-en-foro-forestal>

#### 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 Asian market	986-1119 986-1011
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	582-611
2x13x75cm, Asian market	774-831

#### 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	994-1018▲
Asian market	986-1011
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	634-649
Dominican Republic	75-799▲
Marupa 1", 6-11 length KD Grade 1 Asian market	555-566

#### 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 Lupuna plywood	396-419
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

#### 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

#### 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

#### Rapid growth to lift India's GDP beyond Japan's

According to forecasts from the International Monetary Fund, India will overtake Japan in nominal gross domestic product (in dollar terms) in 2025. Japan's nominal GDP in 2025 is forecast to reach US\$4.31 trillion while India's is expected at US\$4.34 trillion. The timing of India's GDP surpassing Japan's is a year earlier than the IMF projected last October, reflecting the yen's steady depreciation.

If the forecast is correct, the Japanese economy will fall to the fifth largest in the world. Behind the rise of India is not only the weaker yen but also India's rapid economic growth driven by huge domestic demand as its population is believed to have surpassed China's in 2023 and the steady inflow of investment.

See: <https://www.japantimes.co.jp/news/2024/04/28/japan/india-japan-economies/>

#### Labour pool continues to shrink

Private sector survey data compiled by Teikoku Databank and published in the Japan Times reveals that over 50% of the companies in the survey consider the labour shortage a serious issue as they are finding it increasingly hard to find enough employees.

As the labour pool continues to shrink companies say labour shortage are one of their biggest concerns. Data compiled by Teikoku Databank showed that out of the over 27,000 companies surveyed in April, labour shortages were most notable in the field of information technology engineering.

See: <https://www.japantimes.co.jp/business/2024/05/06/economy/labour-crunch-continues-in-japan/>

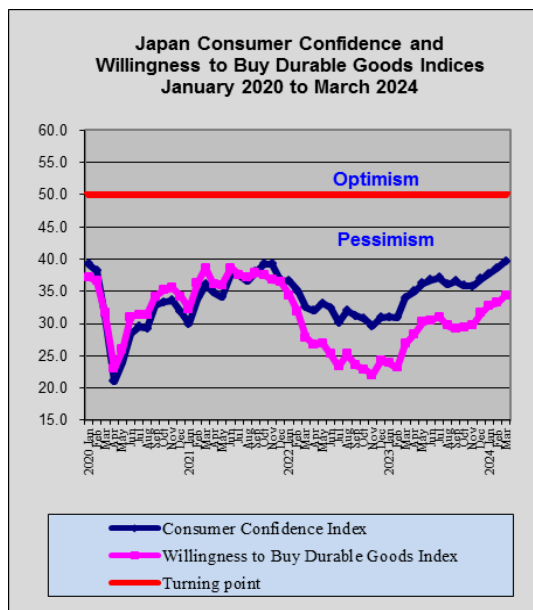
**SMEs struggle to pass on rising labour costs**

Reports in the domestic media say, according to a recent survey, about 70% of companies in Japan will implement pay scale increases in fiscal 2024 but for small and mid-sized firms the number was much lower which is unfortunate as these companies are the main employers in Japan.

The Ministry of Finance survey found half of the small and mid-sized firms said that they had been unable to pass on rising labour costs. In addition, the survey found about 40% of all firms were struggling with labour shortages even after raising wages.

According to the Tankan quarterly business sentiment survey released by the Bank of Japan large manufacturer’s business sentiment in March worsened for the first time in the past four quarters.

See: <https://japannews.yomiuri.co.jp/business/economy/20240423-182000/>



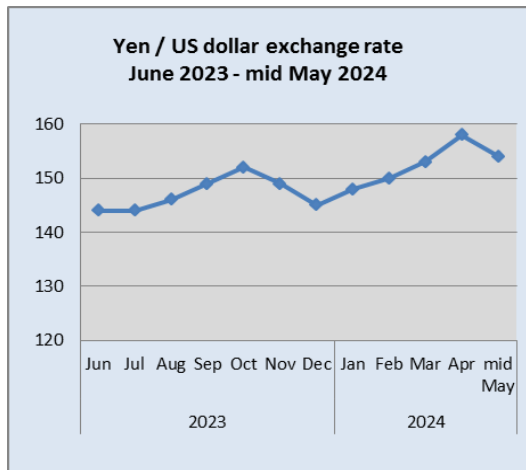
Data source: Cabinet Office, Japan

**Several currency interventions suspected**

The yen strengthened to 153.10 to the dollar at its peak on 8 May after the US Federal Reserve decided to keep interest rates steady. The rally came after the yen was trading close to 158 yen per dollar earlier the same day. Financial data released by the Bank of Japan suggests that the Japanese government possibly injected 3 trillion yen (US\$19 trillion) into currency markets to prop up the yen.

Former US Treasury Secretary, Lawrence Summers, commented that currency interventions are generally ineffective at shifting exchange rates in the long term, even at the large magnitude that Japan has been thought to have deployed recently.

See: <https://asia.nikkei.com/Business/Markets/Currencies/Yen-surge-after-Fed-announcement-stirs-fresh-intervention-talk>



Data source: WSJ

**Vacant homes top 9 million**

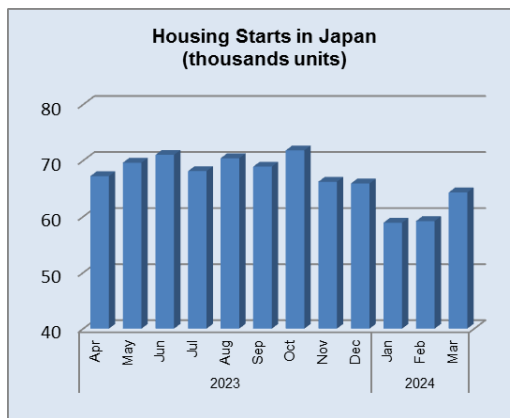
According to the Ministry of Internal Affairs and Communications the number of vacant houses in Japan rose to a fresh record of 9 million in 2023, up 510,000 from the previous 2018 survey and representing 14% of all houses in the country, also a record-high.

The increase in vacant homes, known as 'akiya' in Japanese, can be attributed to cases where properties are left unattended because single elderly dwellers die or enter nursing homes, while individuals who inherited the properties opt to live in more convenient locations, according to the ministry.

The latest figure puts more pressure on central and local governments to take measures to demolish or reuse such uninhabited properties. The disadvantage to those inheriting an old family home and considering demolishing it is that vacant land attracts higher taxes in Japan than land with buildings which adds to the financial burden of knocking down old houses.

However, there is growing interest among foreigners in this glut of empty properties, particularly kominka (traditional) houses as an option for cheap and unusual accommodation, holiday homes or to rent out to tourists.

See: <https://japantoday.com/category/national/Number-of-vacant-homes-in-Japan-tops-record-9-mil>



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

**Enforcement of new law for decarbonised society**

On 16 April, 2024 the Japanese government approved a Cabinet decision that the new law for the decarbonised society will be enforced as of 1 April, 2025.

According to the local media this will include 20 trillion yen (US\$137.4 billion) available for decarbonisation support to encourage companies to participate in the emissions trading system (ETS).

Private sector company participation in the ETS, which began on a trial basis in Japan last year, is still optional but the government will make participation a requirement for companies to receive its financial support for going greener.

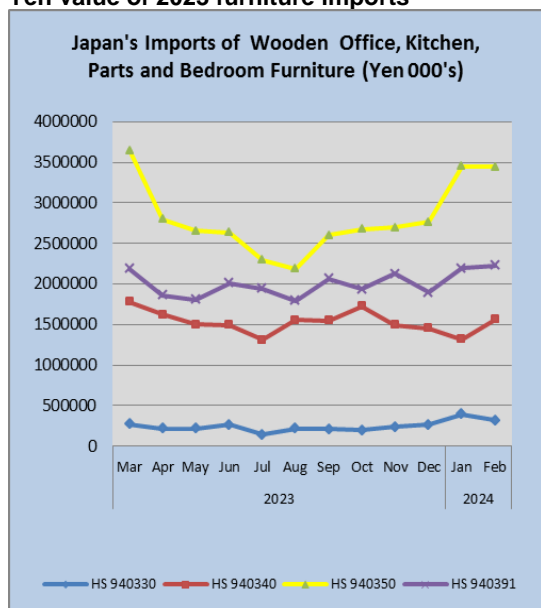
The government will establish industry-specific guidelines for reducing greenhouse gas emissions with a view to setting targets. It will also consider providing guidance and recommendations to companies that fail to meet their targets based on these guidelines from fiscal 2026, when the ETS comes into full effect.

Companies will be able to set their own reduction targets based on ministry guidelines. Whether the targets are appropriate or not will be subject to certification by a third-party organisation. Currently, companies are free to choose whether or not to participate in the ETS and can set reduction targets on a voluntary basis. The Ministry will not mandate participation even after fiscal 2026 but will establish a mechanism to encourage participation in the programme.( See also page 18)

See: <https://asia.nikkei.com/Spotlight/Environment/Climate-Change/Japan-to-encourage-companies-to-participate-in-emissions-trading>

**Import update**

**Yen value of 2023 furniture imports**



Data source: Ministry of Finance, Japan

In February 2024 the yen exchange was 150 against the US dollar. The continued decline in the exchange rate has pushed up the cost of imports such that the rising trend in the value of imports appears entirely the result of the exchange rate.

**February wooden office furniture imports (HS 940330)**

China and Malaysia were the top two shippers of wooden office furniture (HS940330) to Japan, accounting for over 90% of total February arrivals.

**February 2024 imports (HS 940330)**

	Imports Feb 2024 Unit, 000's Yen
S. Korea	4,742
China	269,469
Taiwan P.o.C	1,425
Vietnam	618
Malaysia	12,751
Philippines	9,355
Indonesia	7,400
UK	853
Germany	1,897
portugal	208
Italy	672
Poland	1,798
Czech Rep.	1,425
Canada	885
USA	5,783
<b>Total</b>	<b>319,281</b>

Data source: Ministry of Finance, Japan

The value of exports of HS940330 from China to japan in February declined 14% month on month and shipments from Malaysia fell sharply (-70%) compared to the value of January shipments.

The other significant shipper of HS940330 in February was the Philippines.

Year on year the value of Japan's imports of wooden office furniture almost doubled in February but compared to a month earlier the value of imports dropped slightly.

**February 2024 kitchen furniture imports (HS 940340)**

February marked the reversal of the three month decline in the value of wooden kitchen furniture (HS940340) imports into Japan.

Year on year the value of imports of HS940340 in February rose with all the top shippers, the Philippines, Vietnam and China recording increased shipments. In addition to these three shippers exporters in Germany managed a six fold increase in shipments of wooden kitchen furniture to Japan in February.

Shippers in the Philippines, Vietnam and China accounted for 83% of the value of February arrivals of wooden kitchen furniture and all recorded month on month increases in the value of shipments.

In previous months Thailand was among the top shippers but the surge in imports from Germany pushed Thailand to the 5th ranked supplier in February.

**February 2024 imports (HS 940340)**

	Imports Feb 2024 Unit, 000's Yen
China	137,541
Taiwan P.o.C	2,143
Vietnam	526,162
Thailand	86,299
Malaysia	17,033
Philippines	635,520
Indonesia	16,668
UK	1,575
Germany	109,138
Italy	23,109
Canada	4,685
<b>Total</b>	<b>1,559,873</b>

Data source: Ministry of Finance, Japan

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

After five consecutive monthly increases in the value of wooden bedroom furniture (HS930350) the value of February imports cooled coming in at around the same total value as January imports.

**February 2024 imports (HS 940350)**

	Imports Feb 2024 Unit, 000's Yen
China	1,671,274
Taiwan P.o.C	1,556
Vietnam	1,464,744
Thailand	41,029
Malaysia	192,290
Indonesia	27,047
Denmark	619
UK	5,050
France	5,414
Germany	434
Italy	15,570
Poland	20,007
Austria	708
Romania	241
<b>Total</b>	<b>3,445,983</b>

Data source: Ministry of Finance, Japan

A plausible explanation for the rise in bedroom furniture imports over the past months is demand in the hospitality sector.

The other factor could be the need for households to replace furniture damaged or destroyed in the spate of natural disasters in the country especially the earthquake and tsunami which destroyed thousands of homes in the Noto Peninsula.

Over 95% of the wooden bedroom furniture imported into Japan in February was from China and Vietnam. February arrivals from China were down from levels in January while arrivals from Vietnam rose as did arrivals from Malaysia.

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

There was a further slight up-tick in the value of wooden furniture parts (HS940391) imports into Japan in February.

**February 2024 imports (HS 940391)**

	Imports Feb 2024 Unit, 000's Yen
Rep. Korea	38,108
China	1,003,314
Taiwan P.o.C	35,079
Vietnam	278,779
Thailand	76,491
Malaysia	264,381
Philippines	9,571
Indonesia	355,130
Norway	518
Denmark	1,058
Germany	18,234
Switzerland	2,889
Italy	82,447
Finland	2,420
Poland	11,702
Austria	5,292
Romania	227
Lithuania	705
Croatia	516
Slovenia	285
Slovakia	10,369
Canada	30,383
USA	2,578
<b>Total</b>	<b>2,230,476</b>

Data source: Ministry of Finance, Japan

Asian suppliers topped the list accounting for over 85% of the total value of arrivals. In addition there was a wide range of supply countries especially in Europe with Germany and Italy at the top.

In February China was the main supplier followed by Indonesia but these two top shippers accounted for only around 65% of all shipments and both saw the value of February shipments decline compared to a month earlier. In contrast, shipments from Vietnam were higher in February than in January while shipments from Malaysia were little changed month on month.

Year on year, the value of Japan's imports of wooden furniture parts in February was slightly higher than in January.

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

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

For the JLR report please see:

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

#### **Enforcement of new law for decarbonised society**

On 16th April, 2024, the Japanese government passed a Cabinet decision that the new law for the decarbonised society will be enforced as of 1st April, 2025. The new law for the decarbonised society is that buildings with its floor areas less than 10 square meters is not admitted to the Energy Conservation Standards.

Rules of structures, such as 'Thickness of posts and an amount of walls', will be legislated because the solar panels will be used for wooden structures. Office work of building officers in the 47 prefectures of Japan and municipalities will be revised.

#### **Plywood**

The situation of domestic softwood plywood has been changed because several major plywood manufacturers raised the price of plywood.

The price of structural softwood plywood had been low because there were less orders to pre-cutting plants and the movement of plywood was sluggish in January to February, 2024. However, Nisshin Group, Seihoku Corporation and Hayashi Plywood Industrial Co., Ltd. announced about the price hike of plywood as of April, 2024.

Some reasons for the price hike are the increased distribution costs, labor costs, and subsidiary materials costs. The price of structural plywood would exceed 1,300 yen, delivered per sheet in the future. In the middle of March, several consumers purchased structural softwood plywood and several distributors sold a lot of plywood due to the fiscal year-end in March. The price of 12 mm 3 x 6 structural softwood plywood was 1,250 yen, delivered per sheet at the end of March.

Plywood manufacturers in Indonesia expect to raise the price of plywood to Japanese buyers due to less logs in Indonesia. 2.4 mm 3 x 6 costs around US\$950, C&F per cbm in South Asia.

3.7 mm cost around US\$880, C&F per cbm. 5.2 mm costs around US\$850, C&F per cbm. 12 mm 3 x 6 structural plywood costs US\$560 – 570, C&F per cbm. Coated form plywood costs around US\$580, C&F per cbm. 12 mm 3 x 6 painted plywood for concrete form costs around US\$650, C&F per cbm.

In March, since the yen was continuing to depreciate against the dollar, some major South Asian shippers offered plywood for US\$660 – 670, C&F per cbm. This is US\$10, C&F per cbm lower than the previous month. Once, the yen depreciated to 160 yen against the dollar at the end of April so Japanese buyers hesitated to sign futures contracts.

The market price of South Sea structural plywood, South Sea painted plywood for concrete and South Sea plywood declined at the end of March. However, trading companies announced the price hike of South Sea plywood as of April. Now, the price of 12 mm 3 x 6 South Sea painted plywood for concrete form is 1,950 yen delivered per sheet. Structural plywood is 1,750 yen, delivered per sheet. 2.5 mm plywood is 780 yen, delivered per sheet. 4 mm plywood is 1,000 yen, delivered per sheet. 5.5 mm plywood is 1,170 – 1,200 yen delivered per sheet.

#### **Domestic logs and lumber**

The price of domestic lumber is steady with a downward tendency. Movement of domestic lumber was expected to rise in April but it did not. Imported lumber was in short supply and the price of imported lumber rose. Then, lumber plants controlled production to balance demand and supply.

As a result, there were not enough lumber at the market at the end of March. However, there was not actual demand. Even though, the price of lumber was lowered, consumers would not purchase a lot of lumber so the price of lumber leveled off at the market in many places.

In the southern part of Kanto region, KD cedar post is around 55,000 yen, delivered per cbm. In the northern part of Kanto region, KD cedar post is around 50,000 – 53,000 yen and this is 2,000 – 3,000 yen lower than the previous month.

A cedar log for posts is 15,000 yen, delivered per cbm in the northern part of the Kanto region, Kyushu area and Tokai region. In Akita Prefecture, a cedar log for posts is over 15,000 yen, delivered per cbm because Chugoku

Lumber Co., Ltd.'s plant in Akita Prefecture started an operation and demand for logs expanded. Cypress log for posts in Tokai region is 22,000 yen, delivered per cbm. In Kyushu region, it is 21,000 yen, delivered per cbm.

In Chugoku region, 19,000 yen, delivered per cbm. These prices are higher than the previous year.

Movement of small sized lumber is firm but movement of structural lumber is dull. The selling price of lumber is low so it is hard to get enough profits.



### **Hardwood log market in Hokkaido Prefecture**

A hardwood log market was held in Asahikawa city, Hokkaido Prefecture on 19th April, 2024. Volume of hardwood logs at the market reached a level of 3,000 cbms for the first time in five years.

Many lumber manufacturers and plywood manufacturers did not purchase a lot of softwood logs because they have been reducing products and the plywood price has been falling. However, the price of hardwood logs is high so loggers motivated to cut down a lot of hardwood trees. Moreover, there had been enough space to put hardwood logs at the market because it did not snow much in this winter.

Volume of hardwood logs was 3,028 cbms at the market. Usually, volume of hardwood logs in Hokkaido Prefecture increases from the end of the year to next spring. It is easy to deliver logs in this period because the ground and the roads become hard by cold weather. Also, it is good for logs because the cold weather keeps logs fresh. Many buyers expect to purchase good quality logs at the market during January to March.

There were several kinds of hardwood logs, such as Oak logs and ash logs, at the market and the price of hardwood logs were high. On the other hand, the price of softwood logs such as larch logs, were low. The average unit price at this market was 51,200 yen, per cbm and this is 12,400 yen, per cbm less than March. It was 63,600 yen, per cbm in March. The reason is that qualities of hardwood logs were not good enough.

### **New labeling system for export lumber**

Japan Wood Products Export Association will enforce a Japanese wood products export labeling system within this fiscal year. Japan Wood Products Export Association held information sessions about the new system in Japan and overseas last year. Many Japanese exporters and foreign buyers were interested in the new system very much.

The new system is to prove that lumber is made of Japanese timber and is manufactured in Japan. Moreover, when clients apply for a Japan Wood Products Export Association's logo, quality of lumber and management system of the manufacturer will be checked. By putting a label of 'JAPAN WOOD' on the lumber, it is reliable lumber and it will strengthen Japanese brand. Also, it will be easy for clients in overseas to find Japanese lumber. Japan Wood Products Export Association will manage the label.

It is able to put the label for lumber, veneers, and thin boards, which are made of 100 % Japanese timber. Other products are plywood, laminated lumber, LVL, furniture, and daily use items, which consists 50 % of Japanese timber. Japanese timber must be based on the Clean Wood Act and logs must be cut down legally.

### **Establishment of private organisation in northern Kanto region**

There are ten domestic lumber companies in the northern part of Kanto region and they will jointly receive orders. Since they work together, they will be able to respond several kinds of needs from customers.

The ten domestic lumber companies are Ninomiyamokuzai Co., Ltd. in Tochigi Prefecture, Tochimou Wood Industry Co., Ltd. in Tochigi Prefecture, Miya Seizaisyo LLC. in Tochigi Prefecture, Watanabe Seizaisyo Co., Ltd. in Tochigi Prefecture, Maruhachi LLC. in Tochigi Prefecture, Yagisawa Inc. in Tochigi Prefecture, Morishima Ringyo LLC. in Ibaraki Prefecture, Ltd. Nogami sawmill in Ibaraki Prefecture, Hokota Seizaisyo Co., Ltd. in Ibaraki Prefecture and Minakawa Seizaisho LLC. in Ibaraki Prefecture. They established a private organization.

All those companies are famous lumber companies in Tochigi Prefecture and Ibaraki Prefecture. Each company has its specialty. For example, one of the companies is good at mass production and the other company is good at producing small to large lumber, KD cypress / cedar posts, interior construction materials, decorative laminated sheet, JAS lumber and so on. Total log consumption of the ten lumber companies will be 250,000 cbms annually.

The reason for establishing the private organization is that Ninomiya mokuzai had an increase in orders for KD cedar beams / posts and interior construction materials and the company could not accept the all the orders.

The private organization will also host study groups for young executives and young successors of the companies with architectural design firms and local forestry.

## **China**

### **Production license management for plywood and blockboard**

To ensure the quality and safety of industrial products, strengthen product management and source control, prevent major risks from product quality and ensure the safety of people's lives and property the State Council has adjusted the coverage of production licenses for some industrial products.

The new production license management applies to six products such as cold-rolled ribbed steel bars, bottled liquefied petroleum gas, steel wire rope, plywood, blockboard and safety hats. The provincial industrial product license authority is responsible for implementation and this authority shall not be delegated.

See:

[https://www.gov.cn/zhengce/content/202405/content\\_6950015.htm?source=wechat](https://www.gov.cn/zhengce/content/202405/content_6950015.htm?source=wechat)

### Decline in China's log imports

According to China Customs, log imports in the first quarter of 2024 totalled 8.85 million cubic metres valued at US\$1.503 billion, down 5% in volume and 6% in value compared to the first quarter of 2023. In addition, the average price for imported logs was US\$170 (CIF) per cubic metre, down 2% from the same period of 2023.

Of total log imports, softwood log imports dropped 8% to 6.20 million cubic metres, accounting for 70% of the national total. The average price for imported softwood logs declined 9% to US\$134 (CIF) per cubic metre over the same period of 2023.

### China's log import in the first quarter of 2024 (vol.)

	2024 Q1 mil. cu.m	% change YoY
Total log imports	8.85	-5%
Softwood logs	6.20	-8%
All hardwood logs	2.65	4%
Tropical Logs	1.52	-1.1%

Data source: China Customs

### China's log imports in the first quarter of 2024 (US\$)

	2024 Q1 US\$ mil	% change YoY
Total log imports	1,503	-6%
Softwood logs	827	-16%
All hardwood logs	675	8%
Tropical Logs	391	1.5%

Data source: China Customs

### Average CIF log prices, first quarter of 2024

CIF price	2024 Q1 US\$ per cu.m	% change YoY
Total log imports	170	-2%
Softwood logs	134	-9%
All hardwood logs	254	4%
Tropical Logs	257	3%

Data source: China Customs

Hardwood log imports rose 4% in the first quarter of 2024 compared to the same period in 2023 to 2.65 million cubic metres, accounting for 30% of the national total. The average price for imported hardwood logs rose 4% to US\$254 (CIF) per cubic metre over the same period of 2023.

Of total hardwood log imports, tropical log imports were 1.52 million cubic metres valued at US\$391 million CIF, down slightly in volume (1%) but up 1.5% in value from the same period of 2023. Tropical logs accounted for 17% of the national total log import volume.

The average price for imported tropical logs was US\$257 CIF per cubic metre, up 3% from the same period of 2023.

### Sharp decline in log imports from Germany

China's log imports from Germany dropped 65% to 413,000 cubic metres valued at US\$62 million, both declining by 68% in the first quarter of 2024. The average CIF price for China's log imports from Germany fell 10% to US\$150 per cubic metre.

The dramatic decline in China's log imports from Germany was because the Russia-Ukraine conflict has led to a general rise in energy prices in Europe and the costs of major manufacturing and industrial production in Germany have increased significantly.

Germany has lost its position as the second largest supplier of log to China, ranking just sixth in the first quarter of 2024.

New Zealand still was the largest supplier of logs to China in the first quarter of 2024. China's log imports from New Zealand rose 13% to 4.29 million cubic metres valued at US\$552 million, both up 12% over the same period of 2023. The average CIF price for log imports from New Zealand fell 2% to US\$129 per cubic metre.

The proportion of China's log imports from New Zealand accounted for 48% of the total log imports volume.

### Major log suppliers in the first quarter of 2024

Supplier	(000'cu.m)	YoY % change
Total	8,852	-5%
New Zealand	4,288	13%
PNG	551	-21%
Russia	506	10%
Solomon Is.	505	21%
USA	414	-12%
Germany	413	-65%
Japan	303	36%
Canada	302	31%
Poland	222	-33%
Australia	172	
France	149	-37%
Congo Republic	102	-32%
Latvia	100	-24%

Data source: China Customs

### Major log suppliers in the first quarter of 2024 (by value)

Supplier	Value (mil.US\$)	YoY % change
Total	1,503	-6%
New Zealand	552	12%
PNG	120	-19%
Russia	63	12%
Solomon	89	21%
USA	152	1%
Germany	62	-68%
Japan	36	35%
Canada	55	17%
Poland	31	-43%
Australia	23	
France	41	-30%
Congo Republic	31	-35%
Latvia	14	-39%

Data source: China Customs

### Main softwood log sources in the first quarter of 2024

Supplier	(000'cu.m)	YoY % change
Total	6,197	-8%
New Zealand	4,268	13%
Germany	362	-68%
Japan	301	35%
Canada	295	34%
USA	241	-22%
Poland	218	-33%
Australia	135	

Data source: China Customs

### Slight decline in tropical log imports

China's tropical log imports fell 1% to 1.519 million cubic metres in the first quarter of 2024. The top three suppliers of tropical logs to China in the first quarter 2024 were Papua New Guinea (36%), Solomon Islands (33%) and the Republic of Congo (7%). 76% of China's tropical log imports were from these three countries in the first quarter of 2024.

China's tropical log imports from Solomon Is. rose 21% but from PNG and the Republic of Congo shipped volumes fell 21% and 32% respectively in the first quarter of 2024 and this was the main reason for the decrease in the total tropical log imports. Notably, China's imports of logs from Mozambique and Bolivia rose sharply in the first quarter of 2024. After a period of downturn African logs are experiencing a strong appeal in the Chinese market once again.

China's log imports from African countries rose 3% to 387,000 cubic metres in the first quarter of 2024.

### Tropical hardwood log sources, 2024 Q1

Supplier	(000'cu.m)	YoY % change
Total	1,519	-1.1%
PNG	551	-21%
Solomon Is.	505	21%
Congo Republic	102	-32%
Cameroon	82	12%
Mozambique	47	104%
Suriname	40	11%
DR Congo	32	87%
Bolivia	28	228%
Eq. Guinea	27	13%
Honduras	18	21%
Ecuador	17	23%

Data source: China Customs

### Rise in CIF prices for tropical log imports

The average CIF price for China's tropical log imports rose 3% to US\$257 per cubic metre in the first quarter of 2024. The average CIF prices for China's tropical log imports from PNG and Mozambique grew 2% and 3% respectively.

In contrast, the CIF prices for China's tropical log imports from the other top suppliers declined.

It is worth noting that the CIF price for China's tropical log imports from the Democratic Republic of Congo fell 45%, in addition, CIF prices for logs from Bolivia and Honduras declined 16% and 12% respectively.

### CIF prices for China's tropical log imports first quarter 2024

Supplier	Av. CIF prices US\$/cu.m	YoY % change
Total	257	3%
PNG	217	2%
Solomon Is.	177	-0.3%
Rep. Congo	298	-4%
Cameroon	282	-1%
Mozambique	526	3%
Suriname	289	-0.04%
DR Congo	360	-45%
Bolivia	515	-16%
Eq. Guinea	279	-0.9%
Honduras	604	-12%
Ecuador	197	-2%

**Global Green Supply Chain (GGSC) report for April**

In April the GTI-China index registered 52.3%, a decrease of 14.5 percentage points from the previous month and has been above the critical value (50%) for 2 consecutive months indicating that the business prosperity of the enterprises represented in the GTI-China index expanded.

However, due to the decline in international demand for wood products the expansion slowed. Feedback from a sample of enterprises says some home furnishing companies in China are actively seeking to strengthen investment cooperation with developing countries where market demand is stronger.

As for the 11 sub-indices, three, export orders, existing orders and inventory of main raw materials were below the critical value of 50% and the remaining 8 indices were all above the critical value. Compared to the previous month the indices for purchase price, inventory of main raw materials and delivery time increased while the remaining 8 indices declined by 3.5-24.6 percentage points.

**Challenges reported by repondents for April**

It was difficult to recruit workers, demand from the downstream markets declined, there was an imbalance between production and sales, with production exceeding the sales, it was difficult to procure raw materials such as European oak veneer, the overall economy of the country contracted and there was overcapacity in the sector.

For some enterprises the business performance was poor and cash flow pressures existed, in particular the woodpanel industry experienced fierce competition and the market was saturated.

The following suggestions were made:

Increase financing efforts, implement macro-regulations and controls, relax loan policies for enterprises, increase the proportion of exports and shift marketing to Southeast Asia, stabilise the supply of raw materials and the woodpanel markets.

It was suggested that the government conduct coordination within and outside the country to improve the business environment through diversifying foreign markets and implement promotion at home and abroad. To succeed the sector needs to improve product quality, develop new products and explore new enduses.

**Through the eyes of industry**

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

GGSC

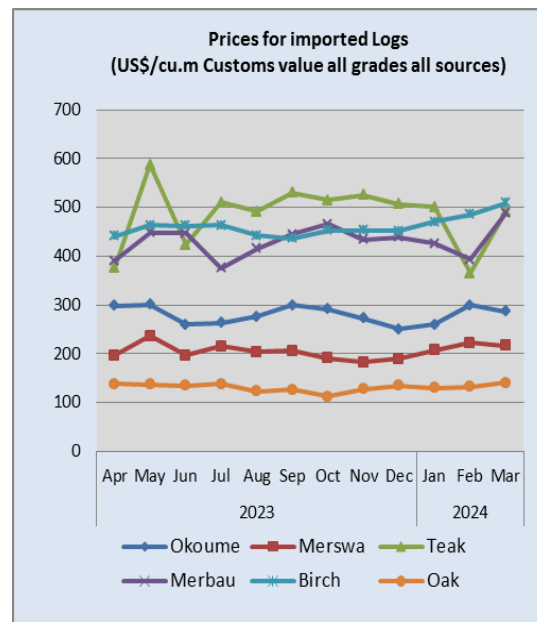
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[ggsc.org/static/upload/file/20240418/1713424567120852.pdf](https://www.itto-ggsc.org/static/upload/file/20240418/1713424567120852.pdf)

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

	2024 Feb	2024 Mar
Okoume	300	87
Merswa	222	216
Teak	365	490
Merbau	393	488
Birch	485	509
Oak	132	140

Data source: Customs, China

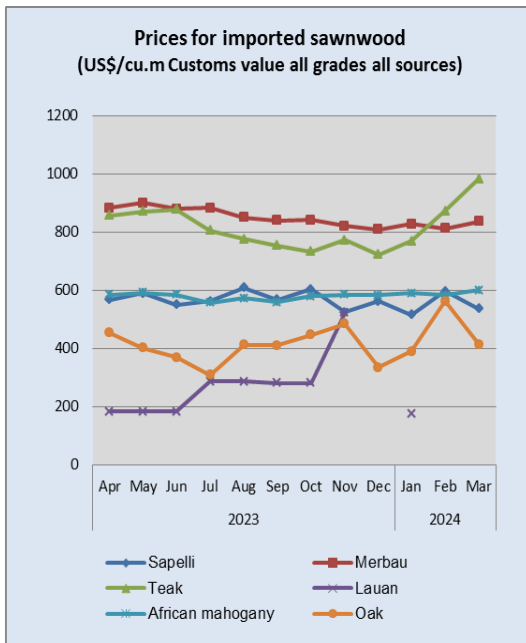


Data source: Customs, China

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

	2024 Feb	2024 Mar
Sapelli	597	537
Merbau	812	836
Teak	872	983
Lauan		
African mahogany	583	601
Oak	562	414

Data source: Customs, China



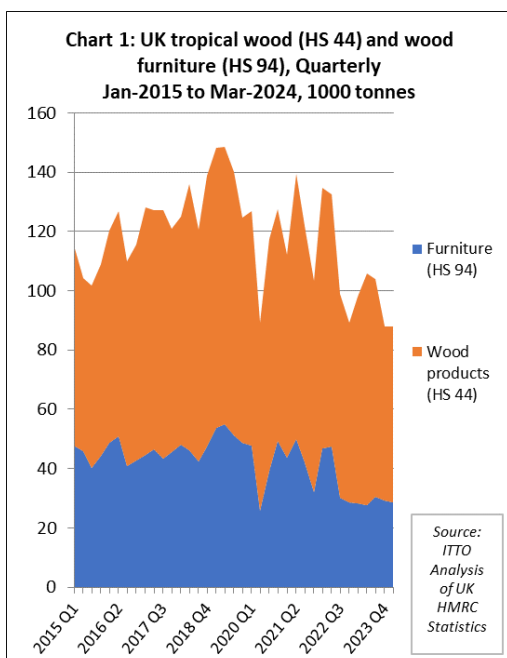
Data source: Customs, China

## UK

### Weak start to the year for UK imports but economic outlook is improving

After hitting an all-time low in 2023, UK imports of tropical wood products remained very weak in the first quarter this year. However, the outlook is improving as the UK economy grew at the fastest rate in nearly three years between January and March 2024, ending the shallow recession it entered in the second half of last year.

The UK imported 87,970 tonnes of tropical wood and wood furniture products with a total value of \$223 million in Q1 2024. In tonnage terms, this was 10% less than Q1 2023 and just 0.2% more than the record low recorded in the last quarter of 2023 (Chart 1).



Import value in Q1 2024 was down 5% compared to Q1 2023 but 3% higher than the previous quarter.

The good news is that, according to the UK Office for National Statistics, national GDP expanded by 0.6% in the first quarter this year, the strongest growth since the fourth quarter of 2021 when it rose by 1.5%. The first-quarter growth exceeded all forecasts in a Reuters poll of 39 economists which had pointed to a 0.4% expansion of GDP in the January-to-March period, after GDP shrank by 0.3% in the final quarter of 2023.

The improved GDP figures reinforce more positive news from the construction sector. UK construction activity beat expectations in April, growing at its fastest pace for more than a year as a brighter economic outlook boosted commercial and civil engineering sectors.

The S&P Global UK Construction Purchasing Managers' Index rose to 53 in April, up from 50.2 in March and the highest reading since February 2023. The figure surpassed the 50.2 forecast by economists polled by Reuters and stood above the 50 mark, which indicates rising output.

The Bank of England's Monetary Policy Committee (MPC), which held interest rates at a 16-year high of 5.25% at their meeting on 8 May, had forecast quarterly growth of 0.4% for the first quarter and a smaller 0.2% rise for the second quarter, and a weak expansion of just 0.5% for 2024 as a whole. MPC officials had signalled the central bank could shift to cutting rates as early as June.

However, some economists now believe that stronger GDP growth could stoke inflation and that the MPC may have to maintain higher rates for longer. The UK economic data is rather less encouraging when viewed on a per capita basis.

Although UK GDP per head rose for the first time in two years in the first quarter, up 0.4%, it was still 0.7% lower than a year earlier, highlighting the ongoing squeeze on living standards and Britain's struggle to boost productivity.

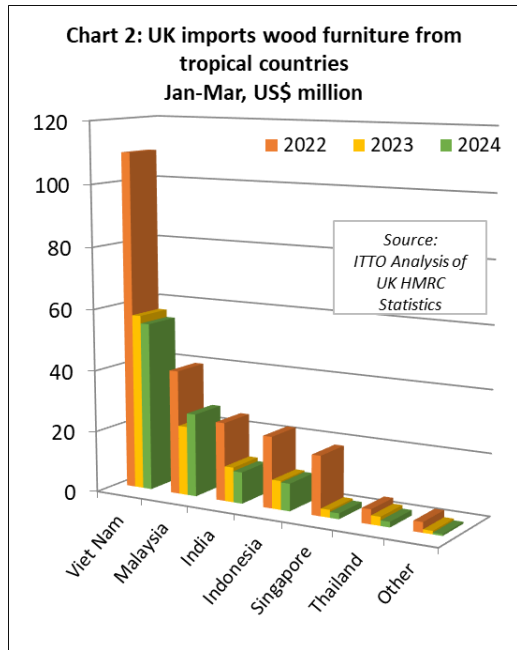
The economic news is better but the UK economy remains fragile and prospects are still uncertain. "Despite the better near-term outlook, the improvement in GDP growth looks likely to be constrained by the ongoing weakness in productivity growth as well as reduced scope to increase employment levels," Yael Selfin, chief economist at KPMG UK, said.

### UK imports of tropical wood furniture down from all countries except Malaysia

UK imports of wood furniture products from tropical countries remained weak in the first quarter this year. The UK imported USD105 million of these products during the January to March period this year, 2% less than the same period in 2023. In quantity terms, wood furniture imports were 28,600 tonnes in the first quarter of 2024, 1% more than the same period in 2023.

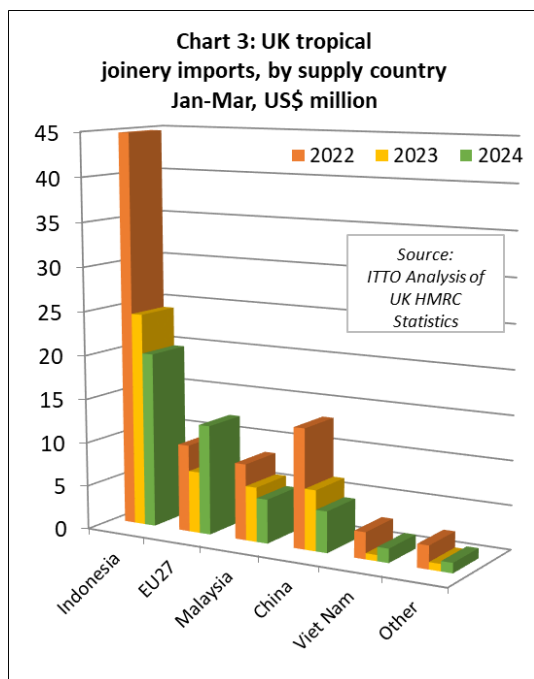


In Q1 2024 compared to Q1 2023, UK wood furniture import value increased from Malaysia (+20% to USD26.9 million), but decreased for all other leading supply countries including Vietnam (-4% to USD54.7 million), India (-10% to USD26.9 million), Indonesia (-5% to USD8.9 million), Singapore (-26% to USD1.9 million), and Thailand (-39% to USD1.8 million) (Chart 2).



**Rising UK imports of tropical hardwood joinery products from EU countries**

In the first quarter this year, the UK imported 14,900 tonnes of tropical joinery products with value of USD44.8 million, respectively 12% and 2% less than the same period in 2023.

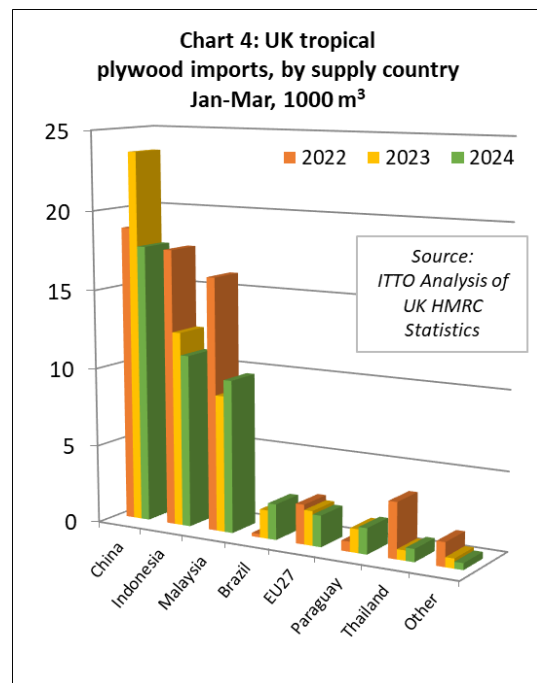


A large rise in imports of joinery products made with tropical wood from the EU (+78% to USD12.5 million) and a recovery in imports from Vietnam (+132% to USD1.6 million) offset falling imports from Indonesia (down 18% to USD19.9 million), Malaysia (down 19% to USD5.0 million) and China (down 32% to USD4.7 million) (Chart 3).

**UK imports of tropical hardwood plywood down 12% in the first quarter**

In the first quarter of 2024, the UK imported 45,500 m3 of tropical hardwood plywood, 12% less than the same period last year. Import value declined 10% to USD27.2 million. UK imports of plywood with a tropical hardwood face veneer from China were 17,700 m3 in the first quarter this year, 25% less than the same period in 2023.

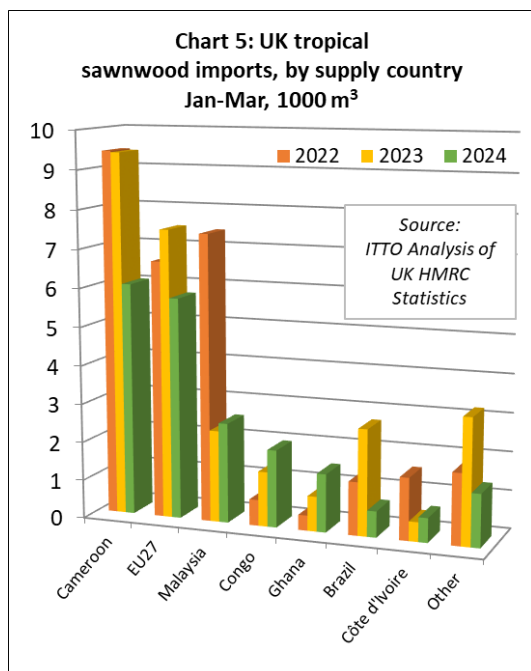
Tropical hardwood plywood imports from Indonesia fell 11% to 11,000 m3 in the first quarter, while indirect imports from the EU were down 10% to 2,000 m3. However, hardwood plywood imports increased from Malaysia (+12% to 9,700 m3), Brazil (+26% to 2,300 m3), Paraguay (+10% to 1,600 m3) and Thailand (+28% to 800 m3) during the period (Chart 4).



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

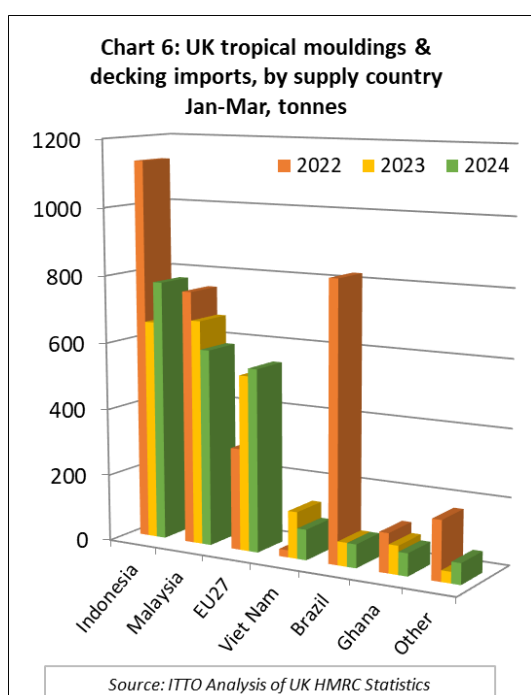
UK imports of tropical sawnwood were 20,600 m3 in the first quarter of 2024, 27% less than the first quarter of 2023. Import value was USD25.4 million in the first three months this year, 14% less than the same period in 2023. Imports from Cameroon were down 36% to 6,000 m3, while indirect imports from the EU fell 23% to 5,700 m3. Imports from Brazil also fell sharply, by 75% to 700 m3.

However, there were gains in UK imports of sawnwood from Malaysia (+9% to 2,600 m3), Republic of Congo (+41% to 2,000 m3), Ghana (+ 67% to 1,500 m3), and Cote d'Ivoire (+26% to 600 m3) (Chart 5).



The UK imported 2200 tonnes of tropical hardwood mouldings/decking with a total value of USD6.3 million in the first quarter of 2024, a 1% gain in tonnage terms but a 3% decline in value 12% compared to the same period in 2023.

UK imports of tropical hardwood mouldings/decking recovered ground from Indonesia in the first quarter this year (+18% to 776 tonnes) and indirect imports from the EU were also up 4% to 546 tonnes. However, imports were down from Malaysia (-13% to 587 tonnes), Vietnam (-35% to 91 tonnes), Brazil (-1% to 70 tonnes) and Ghana (-21% to 67 tonnes) (Chart 6).



### Further calls for delay to EU Deforestation Regulation

According to the Euractiv news agency, Austria's agriculture and economy ministers have urged European Commission President Ursula von der Leyen to postpone implementation of the new EU anti-deforestation regulation (EUDR), scheduled for January 2025.

See report at:

[\(https://www.euractiv.com/section/agriculture-food/news/austrias-farming-economy-ministers-urge-von-der-leyen-to-delay-eu-anti-deforestation-law/\)](https://www.euractiv.com/section/agriculture-food/news/austrias-farming-economy-ministers-urge-von-der-leyen-to-delay-eu-anti-deforestation-law/),

Euractiv say the call for a delay came in a letter dated 27 April signed by Austria's minister of agriculture, Norbert Totschnig, and economy minister Martin Kocher, addressed to von der Leyen and EU Commissioners Maroš Šefčovič, Janusz Wojciechowski, and Virginijus Sinkevičius.

Euractiv report that the Austrian officials claimed that the looming implementation of the EUDR presents "insurmountable challenges" for the responsible Austrian authorities and affected businesses.

They attributed these difficulties to "unnecessary bureaucratic hurdles" that EU countries would face if the rules were enforced without classifying countries or regions into three different categories (high, standard and low) based on the risk of deforestation.

Under the new rules, shipments coming from higher-risk countries will be subject to stricter checks, while requirements for buyers sourcing products from low-risk regions will be simplified. However, the Austrian officials noted that in 2025 all countries — including EU member states — may fall under the standard risk category since the Commission has hinted at postponing the initial classification until next year.

According to Euractiv, the Austrian representatives wrote: "The lack of classification by the EC [European Commission] for low-risk countries means disproportionately higher control efforts and increased due diligence obligations for all market participants."

The Austrian officials claimed that their proposal received backing from 22 EU countries, including Finland, Italy, Poland, Slovakia, Slovenia, and Sweden, during a Council meeting in March.

Euractiv go on to note that several farming ministers, including representatives from Germany and Latvia, echoed the calls during meeting of the EU Agriculture and Fisheries (AGRIFISH) Council on 29 April.

The president of the EU AGRIFISH Council, Belgian minister David Clarinval, told Euractiv that over a dozen member states had voiced support for delaying the implementation of the EUDR.

Meanwhile, EU Agriculture Commissioner Janusz Wojciechowski stated that he would advocate for postponing the implementation of the rules for an additional year within the Commission. “I presented into the internal work of the Commission support for this proposal, and I think it is needed,” Wojciechowski told Euractiv.

As previously noted in the ITTO Tropical Timber Market Report (ITTO TTMR: 28:6 16–31 March 2024), while these calls are being made for a delay to EUDR implementation, there are significant legal and political obstacles to these being acted upon. Since the EUDR has already been enacted (on 31 May 2023) and published in the Official Journal of the EU, any postponement will require a new legislative procedure involving the Parliament, Commission and Council.

The responsible European Commission agency (DG ENV) has not indicated any intention to delay implementation. Environmental non-governmental organisations are also very actively lobbying in Brussels against any moves to delay or amend the law.

#### **Science and AI join in battle against illegal trade**

Latest research and the investigation into a consignment of Russian birch plywood shipped into Belgium point to science-based traceability methods becoming increasingly important tools in combating illegal timber trade, according to a New York Times (NYT) report.

The NYT article in April reviewed a paper in Nature Plants on development by science-based tree and plant traceability specialist World Forest ID (WFID) of a model to establish plant origin across wide areas in the fight against illegal logging and in enforcement of sanctions.

The project, using stable isotope ratio analysis (SIRA) and trace element analysis (TEA), was tailored to identify timber from Russia and Belarus. The EU imposed a trade embargo on this following the invasion of Ukraine, but it is still suspected of entering the market via intermediary countries.

NYT report that Turkey’s imports of Russian plywood increased 240% in 2022, and by a further 595% in the first half of 2023, compared to the same period the previous year. The Russian imports of the UAE, Singapore, Hong Kong, and Georgia also increased significantly in this period.

At the same time, EU imports from these third countries have seen dramatic hikes. They supplied the EU27 with more than 1 million kg of plywood in the first six months of 2023, an increase of 100% on the same period in 2022. Most notable was the 5,000% increase in plywood imports from Kazakhstan and 137% increase from Turkey.

According to the NYT, the science-based timber traceability project involved teams of researchers from certification body and sustainable business and land management non-profit consultancy Preferred by Nature under the direction of WFID Chief Scientist Victor Deklerck.

They collected thousands of ‘ground-truthed’ samples of the seven most highly traded timber species across 11 countries in Central and Eastern Europe, including birch. The aim was that these could be used to compare with and identify the origin of timber in the marketplace.

A combination of SIRA and TEA were used on the samples effectively to provide a ‘chemical fingerprint’ for each one. This can be used to identify origin as the local environment and soil composition where timber grows shapes their ‘fingerprint’.

“SIRA and TEA are often represented as alternative or competing techniques for establishing product origin,” said WFID in a briefing note on the Nature Plant paper. “However, by comparing and combining reference data from both, the study demonstrates that optimal results are achieved by fusing multiple data types into a single reference model.”

To expand the scope and value of this approach, the next step was to develop a system that could extrapolate the species identification to areas where samples had not been collected. This meant assessing the probability of timber from these having a similar fingerprint to samples taken elsewhere.

To do this, Jakub Truszkowski, an expert in machine learning (an application of AI) at the University of Gothenburg devised a special model using the samples collected by PbN. “Powerful computer clusters allowed Dr Truszkowski to extrapolate chemical profiles for vast expanses of forest across Eastern Europe from which no samples had been taken,” says the NYT report.

The Nature Plant paper says that the AI process was applied using 22 ‘ground-truthed’ chemical values from 929 of the geolocated samples, extracted from standing trees across the commercial range of the species. Combining its proof of provenance model with AI, stated WFID, made science-based timber analysis both more practical and affordable.

“While geolocated physical samples are the foundation of our approach, sampling the number of locations necessary to achieve comprehensive spatial results is resource intensive,” it says. “In addition, ideal collection coordinates can correspond with areas that are in political conflict or otherwise unsafe for sample collectors.

The [AI] approach captures spatial variability by employing precise GPS data for reference locations, creating a landscape-reflective ‘origin model’, allowing it to effectively infer chemical profiles in unsampled areas. In this way, it transcends traditional statistical models and arbitrary political boundaries. Enriched with a wealth of freely available environmental and climatic datasets, it can significantly increase the scope and range of reference data, at reduced marginal cost.”

The approach is seen as readily applicable by national and regional authorities in enforcing anti-illegal and unsustainable timber and plant market regulations, including the EU Deforestation Regulation (EUDR).

“There is an extensive body of evidence showing that the effectiveness of global timber trade controls has been undermined by ‘laundering’ of illegal products, using documents purporting to show harvest in legal and/or certified sustainable areas,” states WFID. “Mainstreaming accurate scientific testing for geolocation verification will be critical to ensure that the effectiveness of the EUDR, and similar potential regulations in other markets, is not compromised in the same way.”

According to the NYT report, overall the research project caught 60% of the samples that had been intentionally labelled with the wrong country of origin. “It could also narrow the wood’s origin to a roughly 125-mile radius, a remarkable feat in a continent that’s roughly 40 percent covered by forest,” it said.

The WFID model’s capability to pinpoint a wood sample’s origin differed from country to country. “It managed to flag 82% of wood originating in Russia (and disguised as originating elsewhere), but only 47% of samples from Belarus,” reported the NYT. Dr Truskowski said the success rate would improve as more wood samples were collected.

In a separate development, use of isotope testing on 261 tonnes of birch plywood seized by the Belgian Federal Environmental Service (FSP) earlier this year, showed it was from Russia. Belgian newspaper De Tijd reported early March that the plywood was tested at the Royal Museum for Central Africa (KMMA) in Tervuren.

The NYT concluded that the WFID project is “a kind of proof of concept for the researchers, showing that it was possible for science to respond to real-world needs, and to do so in a timely manner”.

#### **Clarification**

In response to the text captioned "Certification schemes lay out EUDR compliance support" in the 16-30 April Market Report an executive from PEFC offered the following clarifications and a correction.

#### **First clarification relating to alignment of PEFC standards with EUDR**

A PEFC Sustainable Forest Management Working Group has worked on identifying and validating gaps between the PEFC SFM standards and EUDR requirements. The updated SFM benchmark standard designed to close these gaps is due to go out for consultation in May for 60 days.

A PEFC Chain of Custody Working Group (CoC WG) has also been working to create a modular alignment solution by analysing the EUDR requirements and carrying out gap analysis. The updated CoC standard was out for consultation until 7 May.

#### **Second clarification on provision of geolocation data in line with EUDR requirements**

PEFC are looking to collaborate with commercial software providers to allow owners/managers to upload geolocation coordinates into the software company EUDR solutions. Operators will have the responsibility to upload Due Diligence Statements (DDS) and geolocation data to the EU Information centre where they will receive a reference number. DDS information, geolocation data and EU reference numbers will be able to be shared appropriately using commercial software company solutions. PEFC will release details of partnerships in due course.

#### **Correction relating to PEFC cut-of date**

PEFC has not revised its deforestation/forest land conversion cut-off date as we previously stated. PEFC is putting out its international benchmark standard for public consultation with the existing cut-off date and is inviting comments.

Note that PEFC's existing standard does not allow certification of a plantation established on land converted from forest after 31 December 2010 (other than in certain "justified circumstances" set out in the PEFC standard). The EUDR requires that production of the regulated commodity has not caused deforestation or forest degradation since December 31, 2020.

More details of PEFC in relation to EUDR are available at <https://pefc.org/eudr>

## **North America**

#### **First quarter US hardwood plywood imports up 68% over last year**

US imports of hardwood plywood gained 18% in March as volume continues to greatly outpace last year’s totals. The 230,993 cubic meters imported in March was 56% more than was imported last March. Imports from Russia, which had been down sharply early this year, bounced back to their highest level since October and imports from Indonesia gained 27%.

Despite falling 4% in March, imports from Vietnam remain strong and are up over 200% in volume through the first quarter. Total imports of hardwood plywood are up 68% versus last year through the first quarter of 2024.



### **Sawn tropical hardwood imports down 14% in March**

US imports of sawn tropical hardwood fell 14% from the previous month in March. At 14,026 cubic meters, imports for the month were 3.4% lower than last January's level. Imports from Brazil, which have been strong of late, dropped 25% in March while imports from Cameroon and Ghana both fell by 39%. Imports from Ecuador and Peru both made sharp gains and imports from Malaysia rose 29%.

Among the hardwoods with the most volume, imports of Sapelli fell 35% in March while imports of Mahogany were down 75% and imports of Ipe fell 14%. On the upside, imports of Keruing rose 10% while imports of Balsa and Teak more than tripled. Through the first quarter of 2024 total imports of sawn tropical hardwood are up 3% so far versus last year.

Canada's imports of sawn tropical hardwood bounced back nicely in March, rising 70% from the previous month. Through the first quarter, total imports are ahead of last year's pace by 13% with imports from most major trade partners up by a much higher percentage. Imports from the US, however, are down by 71% while imports from Malaysia are down 96%.

### **US veneer imports recover**

US imports of tropical hardwood veneer recovered somewhat in March, rising 50% from a very poor February. Even with the gain, the month's imports were 20% below those of the previous March.

Imports from Cameroon continue to impress, gaining 41% in March and up over 300% for the first quarter. For the quarter, imports from Cameroon were more than twice that from any other single country and represent nearly a third of all imports. Meanwhile, despite large gains in March, imports from Italy and China are down for the quarter by 89% and 42%, respectively. Total imports of tropical hardwood veneer are down 18% from last year through the first quarter of the year.

### **Flooring imports move upward**

US imports of hardwood flooring rose 15% in March from the previous month as imports from Vietnam climbed to their highest level in at least 10 years. Despite the gain, total imports for March were down 17% from last March and are behind last year's numbers by 17% for the entire first quarter. While imports from Vietnam are surging, imports from Malaysia and Indonesia are far behind last year through the first quarter.

Imports from Indonesia rose 7% in March but are down 49% for the quarter while Imports from Malaysia fell to zero for March and are off 72% through the first three months of the year. Edging out Indonesia for the top trading partner for the first quarter was Brazil. Imports from Brazil gained 5% in March and were up 14% over 2023 in the first quarter. Imports of assembled flooring panels fell in March by 6% from the previous month but were 13% above imports from March 2023.

Imports from Indonesia have been weak to begin the year—down 17% in March and off by nearly half versus last year through the first quarter.

March imports from most other trading partners were lower than the previous month but are well ahead of a year ago. Imports from Vietnam are more than double last year for the quarter and imports from Thailand are more than triple. Imports from Canada, the top trade partner, were up 15% in March and have risen each month this year. Total imports of assembled flooring panels are up 32% over last year through the first quarter of the year.

### **Moulding imports rise 13%**

US imports of hardwood moulding gained more than 10% for the second straight month, climbing 12% in March to their highest level since last May. The March total was 44% higher than in March of 2023. Imports from leading-supplier Canada rose 16% while imports from China jumped 69%. Imports from Brazil, however, slid 21% for the month and are down 60% versus last year for the first quarter. Total imports are ahead of last year by 16% through the first quarter of the year.

### **US wooden furniture imports slip**

US imports of wooden furniture fell 4% in March, slipping to their lowest level since September. However, the US\$1.67 billion in imports was 19% better than the previous March total. Imports from China and Vietnam, which have been strong of late, both fell by more than 10% in March.

Despite the setback, imports from China ended the first quarter 18% higher than last year while imports from Vietnam were up 28%. Imports from Mexico rose less than 1% in March and are down 15% through the first quarter. Total imports of wooden furniture are ahead of last year, up 10% through the first quarter.

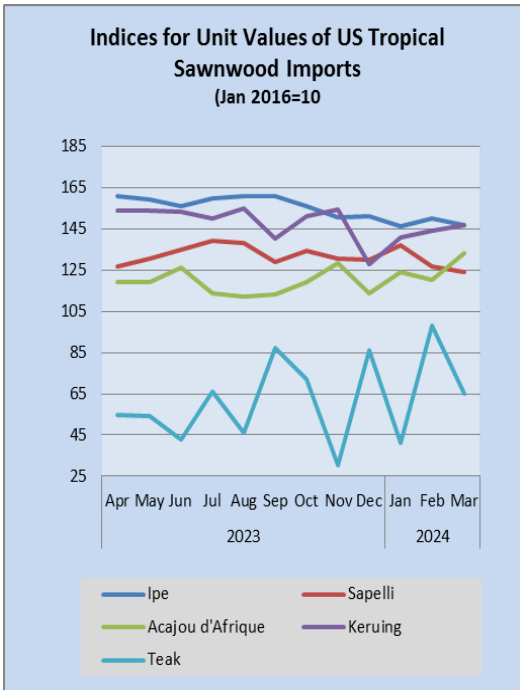
### **US economy grew by 1.6% in the first quarter, a much slower pace than expected**

The US economy cooled more than expected in the first quarter of the year but remained healthy by historical standards. Economic growth has slowed steadily over the past 12 months, which bodes well for lower interest rates, but the Federal Reserve has made it clear it's in no rush to cut rates.

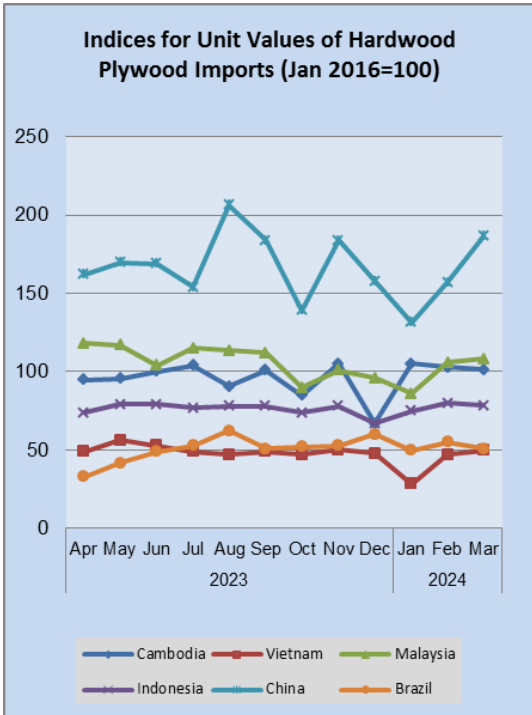
Gross domestic product, which measures all the services and goods produced in the economy, rose at an annualized rate of 1.6% in the first quarter, the Commerce Department reported. It was the weakest pace of growth since the second quarter of 2022 when the economy contracted.

That's a steep slowdown from the fourth quarter's 3.4% rate and below the 2.2% rate economists projected. The figures are adjusted for seasonal swings and inflation. A sharp increase in imports—which subtracts from GDP—contributed to the slowdown in growth from the fourth quarter, shaving off nearly an entire percentage point. Spending on imports jumped to a 7.2% rate from 2.2% in the fourth quarter.





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.**

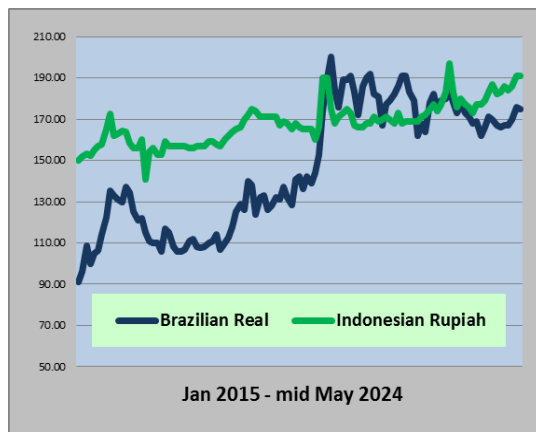
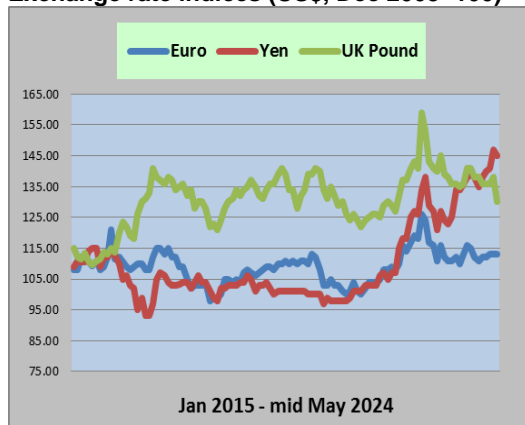
**The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO**

## US Dollar Exchange Rates

As of 10 May 2024

Brazil	Real	5.15
CFA countries	CFA Franc	607.85
China	Yuan	7.27
Euro area	Euro	0.93
India	Rupee	83.51
Indonesia	Rupiah	16,113
Japan	Yen	156.22
Malaysia	Ringgit	4.73
Peru	Sol	3.73
UK	Pound	0.80
South Korea	Won	1,366.85

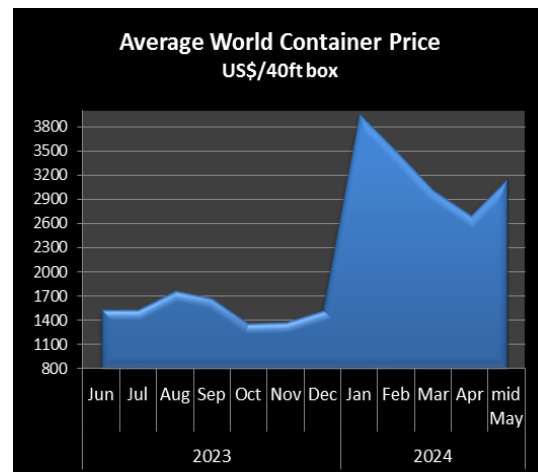
Exchange rate indices (US\$, Dec 2003=100)



## Abbreviations and Equivalences

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

## Ocean Container Freight Index

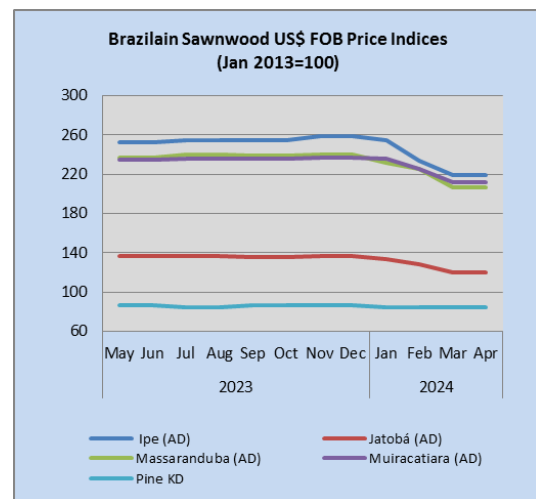
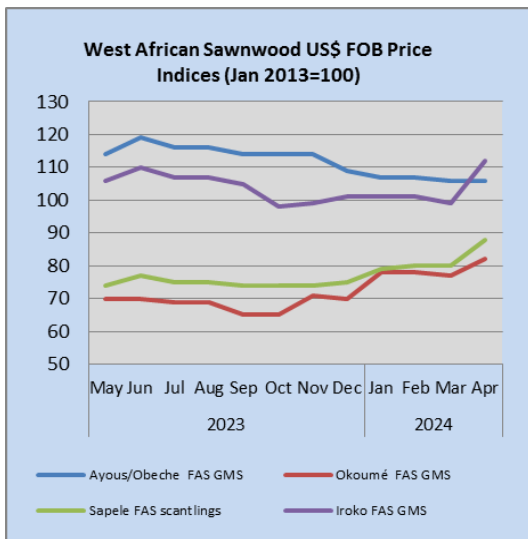
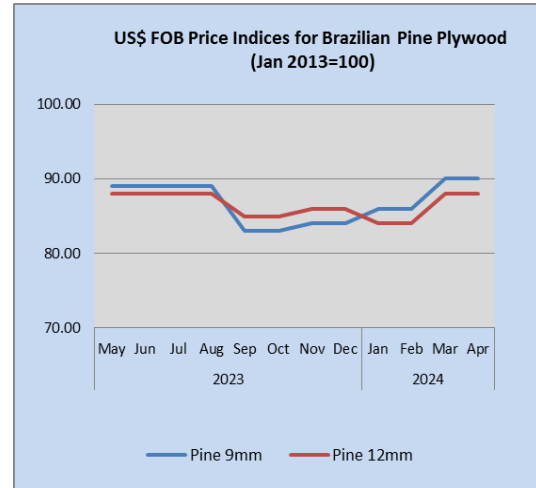
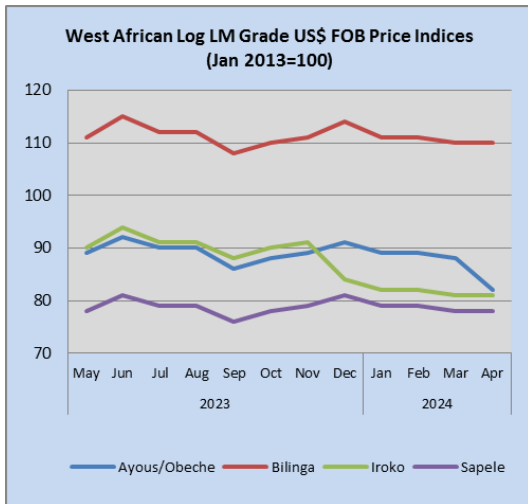


Data source: Drewry World Container Index

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

**Price indices for selected products**

The following indices are based on US dollar FOB prices



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

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