

# Tropical Timber Market Report

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## Top story

### **UK timber imports fall as construction output declines**

Against the background of a slow economy with 2024 GDP growth forecast at between 0.7% - 1.1% and contracting construction output UK timber imports fell in the first half of the year.

According to the latest figures from the UK timber trade body Timber Development UK (TDUK), timber and wood product imports were down 3.6% in volume from January to June compared to the same period in 2023. The sharpest contraction was in wood panel product imports.

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### Production disrupted by heavy rain

Industries in the region are experiencing significant disruptions due to heavy rains, especially in Cameroon, the Central African Republic (CAR) and northern Congo. These adverse weather conditions have led to a serious reduction in timber production with sawmill operations being severely scaled back.

In Gabon and Congo, the rains have exacerbated the deterioration of road infrastructure. In contrast, the Republic of Congo has an advantage with most of its main roads paved with tarmac from north to south facilitating better movement of goods.

Transportation has become increasingly challenging, especially on laterite roads that are still under repair. The persistent rains are expected to continue for the next couple of months further hindering production and logistics in the region.

Coincidentally, the reduction in production comes when demand in major markets is slow. There are reports of large stocks of timber at Zhangjiagang Port as construction activities in China have slowed down. Demand in niche markets in China, such as for Azobe tabletops which were once significant, are slowing down.

In Europe, demand for redwoods like Sapelli and Sipo remains minimal. Sapelli prices are facing stiff competition from lower-priced alternatives making it difficult for exporters to maintain market share.

Exports to the Middle East continue but overall demand is weak. Demand for Okoume in the Philippines appears to have picked up.

Domestic markets in Cameroon, Gabon and the Republic of Congo are currently purchasing Okoume of local quality at around 160,000 FCFA per cubic metre (approximately €243) ex-yard. However, high operational costs are squeezing profit margins.

Gabaon NKOK Free Zone operators involved in the peeling industry are purchasing peeler quality Okoume logs at 65,000 FCFA delivered to the factory. Given the high costs of felling, operations and transportation producers are incurring losses.

Many Chinese mills are now focusing on processing local species such as Okoume, Dabema, and Bilinga. The local timber markets are predominantly controlled by traders from Lebanon and West African countries like Mali.

There is currently little demand for redwoods like Sapelli, Kossipo, Tiama and Sipo, except for specialised projects. Exports of Sipo and Sapelli to Europe are minimal but small shipments continue to the Middle East.

Government authorities in Cameroon and Gabon have intensified checks on illegal logging activities.

Inspections have led to the identification of illegal operations and some companies have been stopped from operating pending payment of heavy fines.

This crackdown aims to regulate the industry and promote sustainable practices. The Republic of Congo is noted as being well organised in this regard with strict enforcement and regulation of the timber industry.

### Gabon Harvesting and Production

Okoume timber maintains stable demand in the local industry with preparations underway for the coming rainy season affecting road conditions and prompting stockpiling efforts.

Some factories in Nkok are operating at 50% capacity due to a lack of customers and competition from Chinese products made from logs sourced from Equatorial Guinea and the Republic of Congo.

Operators in special economic zones, particularly the Nkok zone in Gabon, are facing significant operational challenges due to inconsistent electricity supply. Frequent and unexpected power outages disrupt the functioning of machinery, presses and kiln-drying chambers, leading to production delays and financial losses.

Despite promises from the electricity provider, Société d'Énergie et d'Eau du Gabon (SEEG), to resolve these issues within a week, operators remain frustrated. The unreliability of electricity supply hampers productivity and affects the overall efficiency of timber processing facilities.

### Significant infrastructure projects

Studies are underway for a second railway track from the Bélinga site to Mayumba Port near the Congo border, involving the construction of a new deep-sea port. Chinese funding is expected for these projects following commitments made during the recent China-Africa meeting in Beijing.

A South African/Australian company is studying a rail track from Koulamoutou (southeast Gabon) to Owendo/Libreville, though this remains in the planning phase.

### Cameroon Challenging transportation

Heavy rains have been observed across Cameroon. The main road to Sangmélina, a crucial route for timber transport, is currently under repair by Chinese construction teams. However, progress is being hampered by continuous rains.

Railways are operating without major disruptions providing an alternative means of transport where feasible. In the northern regions of Cameroon severe flooding has been reported, similar to neighboring Chad, resulting in casualties and significant damage to housing and infrastructure.

Sawmills have accumulated sufficient stock to maintain operations until December when the dry season is expected to return. Markets in the Middle East remain stable, with consistent demand for timber products. The Philippines also continues to show strong demand, providing a valuable export destination for Cameroonian timber.

Port activities in Douala and Kribi are functioning normally. Douala handles both imports and exports of general goods while Kribi focuses mainly on container exports, including sawn timber from northern Congo.

Order levels are generally stable to low, varying by species. Demand for redwoods and Ayous is decreasing. Enquiry levels are stable with a lead time of one to two months. Demand from China remains very low reflecting broader market trends and economic conditions. The Middle East market is said to be improving.

The government has implemented strict regulations to ensure legal compliance in the timber industry. Companies are now required to provide complete legal documentation, including forestry and tax certificates for each consignment.

### Congo

#### Rains to continue until December

Harvesting activities in the Republic of Congo continue but are affected by the rainy season. These disruptions are expected to ease by December when the dry season begins, typically lasting six months..

Trucking operations face some disturbances due to ongoing road repairs. Port Access: Northern Congo operations are exporting logs through the Port of Douala in Cameroon although deliveries are falling. There are no issues with container availability or stuffing operations, facilitating smooth export processes.

Enquiries remain stable. The Philippines has resumed purchases of Okoume sawn timber. There are functioning niche markets in China but current prices are not meeting suppliers' expectations.

#### Shift from Kevazingo to Ovangkol and Amazakoué

The Chinese timber industry appears to have shifted its focus from Kevazingo to alternative species such as Ovangkol and Amazakoué. This transition has led to widespread harvesting of these species across the region such that the market is oversupplied causing prices to decline.

There are currently no suitable replacement species for Azobé and Okan which are highly valued for specific applications.

These hardwoods are specialised for large structural components typically measuring 20 x 20 cm with lengths of 5 to 8 metres. Sawmills favor these dimensions for recovery sections due to their efficiency and yield.

Production of smaller, pointed squares in dimensions such as 6 x 6 cm, 7 x 7 cm, and 4 x 4 cm is also limited. Demand for these sizes is seasonal, declining during autumn and winter as outdoor activities like gardening decrease.

Some factories in Gabon and Cameroon have started producing 'damwand' planks, planed timber sections featuring tongue and groove profiles. This product diversification caters to specific market niches and adds value to the timber exported from the region.

### Log export prices

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

### Sawnwood export prices

| West African sawnwood    | FOB Euro per cu.m |
|--------------------------|-------------------|
| Ayous FAS GMS            | 440               |
| Bilinga FAS GMS          | 680               |
| Okoumé FAS GMS           | 450               |
| Merchantable KD          | 410               |
| Std/Btr GMS              | 420               |
| Sipo FAS GMS             | 520               |
| FAS fixed sizes          | -                 |
| FAS scantlings           | 540               |
| Padouk FAS GMS           | 900               |
| FAS scantlings           | 950               |
| Strips                   | 400               |
| Sapele FAS Spanish sizes | 530↓              |
| FAS scantlings           | 530↓              |
| Iroko FAS GMS            | 800               |
| Scantlings               | 840               |
| Strips                   | 400               |
| Khaya FAS GMS            | 420               |
| FAS fixed                | 440               |
| Moabi FAS GMS            | 550               |
| Scantlings               | 550               |
| Movingui FAS GMS         | 460               |
| Okoume Merch             | 380               |
| Assamela FAS GMS         | 1,400             |
| Gheombi                  | 450               |

### Through the eyes of industry

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

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

**Government to stop mining in forest reserves**

The government has presented to Parliament an instrument to revoke the Environmental Protection (Mining in Forest Reserves) Regulations 2023 – LI 2462 which regulated mining in forest reserves..

This was one of organised labour demands when it signaled its intention to strike over the negative impact of ‘galamsey’. The website of Asaaseradio in Accra has published a copy of the government instrument.

In accordance with article 11(7) of the Ghana constitution the Instrument comes into effect after 21 sitting days of Parliament unless the votes of two-thirds of members of parliament annul the instrument.

Following a meeting between organised labour and government on 8 October the President, in a letter dated 9 October addressed to the leadership of organised labour, outlined the various measures to address their concerns on galamsey.

See: <https://www.asaaseradio.com/government-revokes-mining-in-forest-reserves-law-l-i-2462/>

In related news, the Ghana National Association of Small-Scale Miners (GNASSM) has announced a major collaboration with the government to intensify efforts in combating illegal mining and safeguarding the nation’s vital natural resources.

This partnership aims to protect river bodies and forest reserves and marks a new chapter in the fight against environmental degradation caused by illegal mining.

During a press conference the GNASSM revealed that the government has agreed to deploy specially trained wardens and the navy to work alongside the association's task force. These teams will patrol areas classified as "red zones" which are particularly vulnerable to the destructive effects of illegal mining to ensure that Ghana’s forests and water bodies are protected.

See: <https://www.graphic.com.gh/news/general-news/govt-partners-with-small-scale-miners-to-protect-ghanas-rivers-and-forest-reserves.html>  
and  
<https://3news.com/news/government-suspends-enforcement-of-l-i-2462-on-mining-in-forest-reserves/>

**Livelihood support to forest fringe communities**

The Ministry of Lands and Natural Resources, on behalf of the Forestry Commission, has signed a Letter of Intent with the Government of the United Arab Emirates (UAE) for a grant of US\$30 million. The grant will provide additional and alternative livelihood support to forest fringe communities as an incentive for them to engage in enhanced forest protection, forest restoration and reforestation.

This forms part of efforts by the Government of Ghana to achieve the biodiversity and climate objectives under the Resilient Ghana Package launched at COP28 in Dubai last year.

The Minister for Lands and Natural Resources, Samuel Abu Jinapor, who signed on behalf of Ghana, reiterated the government’s commitment to developing strategies to restore habitats, protect endangered species and promote resilient ecosystems.

In 2022, at COP27 in Sharm El Sheikh, Egypt, the Ghana President and the then UK Prime Minister, Rishi Sunak, launched the Forest and Climate Leaders’ Partnership (FCLP) as a new political forum that brings governments and partners to work together to implement solutions that reduce forest loss, increase restoration and support sustainable development.

Subsequently at the COP28 in Dubai, Ghana launched her Resilient Ghana Package for nature, climate and people under the FCLP.

The Resilient Ghana package includes an integrated system-wide suite of interventions to help halt and reverse forest loss while delivering sustainable development and promoting inclusive rural transformation.

See: <https://fcghana.org/ghana-secures-30m-uae-grant-for-forest-conservation/>

**Primary products - largest share of exports**

According to the Timber Industry Development Division (TIDD) of the Forestry Commission (FC), revenue from the export of primary products accounted for more than 57% (Eur41.13 million) of the total wood export trade for the year to July (Eur71.27 million). This was followed by secondary wood products (SWP) and tertiary wood products with 38% and 5% respectively.

Compared to the same period in 2023; primary, secondary and tertiary wood products export receipts accounted for 56%, 38% and 6% as shown in table below;

**2024 Jan-Jul exports**

|           | cu.m    | Euro       | % Share value |
|-----------|---------|------------|---------------|
| Primary   | 105,261 | 41,128,838 | 57%           |
| Secondary | 48,751  | 26,816,724 | 38%           |
| Tertiary  | 3,506   | 3,328,630  | 5%            |
| Total     | 157,518 | 71,274,192 | 100%          |

Data source: TIDD

Primary products comprised billets, air-dried boules, kindling, air-dried sawnwood, kiln-dried sawnwood for the regional market, rollboard and teak logs. These products earned Eur41.128,838 from a volume of 105,261 cu.m of the total export of wood products between January and July 2024.

The figures indicated a decrease of 10% in volume and a decrease of 9% in value respectively when compared to the timber export figures for the same period in 2023.

Secondary wood products, which comprised kiln-dried boules, briquettes, kiln-dried sawnwood, plywood, rotary veneer and sliced veneer, generated Eur26,816,724 from a volume of 48,751 cu.m for the same period. Compared to the figures for the same period last year there was a decrease of 14% in volume and a decrease of 15% in value.

The report also showed that tertiary wood products, mainly mouldings, contributed Eur3,328,630 from the volume of 3,506 cu.m to the total wood products export from January - July 2024. The current year's figures indicated a decrease of 34% in volume and a decrease of 28% in value against those for January - July 2023.

#### Utility tariffs rise

The Public Utilities Regulatory Commission (PURC) has announced an upward adjustment to utility tariffs with electricity prices to rise by 3.02% and water tariffs by 1.86%.

The changes come as part of the regulator's routine quarterly review designed to reflect shifts in key economic indicators, including the US\$/Cedi exchange rate, inflation and natural gas costs.

See: <https://www.graphic.com.gh/news/general-news/purc-announces-3-02-hike-in-electricity-tariffs-1-06-in-water-tariffs-effective-october-1.html>

#### Rate cut for commercial banks

The Monetary Policy Committee (MPC) of the Bank of Ghana (BoG) has cut the rate at which it lends to commercial banks by 200 basis points to 27% from 29%. Dr. Ernest Addison, Governor of the BoG and Chairman of the committee, noted that the action was influenced by a favorable economic outlook.

He further explained that since the first quarter of the year headline inflation has declined for 5 consecutive months. He added that core inflation has also declined.

The Association of Ghana Industries (AGI), which has been engaging government on promoting a conducive business environment for competitive production of goods for both local and the international markets, has not yet commented on these announcements.

See: <https://www.myjoyonline.com/monetary-policy-committee-cuts-lending-rate-significantly-to-27-percent/>

#### Ghana's intra-African exports

In 2023 Ghana ranked the fourth African country with the biggest intra-African exports on the continent, with exports valued at US\$6.02 billion of the total intra-African exports.

South Africa leads with total intra-African exports valued at US\$29.61bil. followed by Cote d'Ivoire and Egypt with intra-African trade exports value of US\$11.38bil. and US\$6.61bil. respectively.

See: [https://media.afreximbank.com/afrexim/African-Trade-Report\\_2024.pdf](https://media.afreximbank.com/afrexim/African-Trade-Report_2024.pdf)

#### Boule export prices

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

#### Rotary veneer export prices

| Rotary Veneer, FOB | Euro per cu.m   |             |
|--------------------|-----------------|-------------|
|                    | CORE (1-1.9 mm) | FACE (>2mm) |
| Ceiba              | 416             | 441         |
| Chenchen           | 472             | 612         |
| Ogea               | 368             | 590         |
| Essa               | 650             | 711         |
| Ofram              | 350             | 435         |

#### Export sawnwood prices

| Ghana sawnwood, FOB             | Euro per cu.m |            |
|---------------------------------|---------------|------------|
| FAS 25-100mmx150mm up x 2.4m up | Air-dried     | Kiln-dried |
| Afromosia                       | 860           | 925        |
| Asanfina                        | 465           | 947        |
| Ceiba                           | 290           | 335        |
| Dahoma                          | 430           | 539        |
| Edinam (mixed redwood)          | 640           | 873        |
| Emeri                           | 750           | 712        |
| African mahogany (Ivorensis)    | 783           | 988        |
| Makore                          | 692           | 840        |
| Niangon                         | 821           | 1,025      |
| Odum                            | 822           | 1,180      |
| Sapele                          | 656           | 870        |
| Wawa 1C & Select                | 445           | 488        |

#### Plywood export prices

| Plywood, FOB | Euro per cu.m |       |          |
|--------------|---------------|-------|----------|
| BB/CC        | Ceiba         | Ofram | Asanfina |
| 4mm          | 414           | 580   | 641      |
| 6mm          | 385           | 535   | 604      |
| 9mm          | 433           | 504   | 560      |
| 12mm         | 316           | 489   | 480      |
| 15mm         | 396           | 385   | 430      |
| 18mm         | 460           | 415   | 383      |

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

#### Sliced veneer export prices

| Sliced face veneer | FOB<br>Euro per cu.m |
|--------------------|----------------------|
| Asanfina           | 1,193                |
| Avodire            | 1,009                |
| Chenchen           | 728                  |
| Mahogany           | 1,825                |
| Makore             | 1,387                |
| Odum               | 1,191                |
| Sapele             | 1,147                |

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

### EUDR compliant plywood

According to the Sabah Forestry Department the State has exported a 45 cubic metre shipment of what has been called 'EUDR-compliant' plywood to Poland. The raw material was said to be responsibly sourced from Sapulut Forest Development, a Sustainable Forest Management License Agreement licensee under the Sabah State Government's jurisdiction and the oversight of the Sabah Forestry Department.

Frederick Kugan, Chief Conservator of Forests for the Sabah Forestry Department said "through compliance with the EUDR we are not only enhancing the credibility of Sabah's timber products but also contributing to global efforts in combating deforestation and climate change".

"Our success in delivering the first EUDR-compliant shipment to Europe amid ongoing debates over the regulation is a reflection of our dedication to preserving our natural resources and advancing Sabah's forestry sector", he said.

To demonstrate its commitment to sustainability Sabah has developed the Sabah Timber Legality Assurance System (Sabah TLAS), a mandatory third-party audited system that ensures legality and transparency across the entire timber supply chain.

See: <http://theborneopost.pressreader.com/article/281513641586292>

### Borneo Forestry Cooperative

The Borneo Forestry Cooperative (BFC) was founded in 2009 by Sabah Softwoods and Asian Forestry Company (Sabah) in collaboration with Boden and Associates Ltd. The BFC serves as a collaborative platform bringing together industry leaders to drive innovation in plantation management.

From an informal cooperative the BFC has evolved into a Malaysian registered company, BFC Research and Development Sdn Bhd. During a Management Open Day the work at Sapulut Forest Development (SFD) was highlighted.

SFD has planted over two million fast-growing trees, including Laran and Red Mahogany species. At the open day managers from SFD said the Malaysia's timber industry needs innovative approaches to reduce reliance on natural forests.

See: <https://www.dailyexpress.com.my/news/242786/two-million-fast-growing-trees-planted-in-sapulut/>

### World Bank raises growth forecast

The World Bank has upgraded Malaysia's economic growth forecast to 4.9% in 2024 from its initial 4.3% forecast set in April according to Apurva Sanghi, its lead economist for Malaysia.

He said both domestic and external factors back the upgraded growth forecast as the global economy is doing much better than expected six months ago.

On the domestic front, he said the positive economic momentum, political stability and an increasingly conducive policy environment that boosts and mobilises more investments have contributed to the upgraded growth projection.

See: <https://www.thestar.com.my/business/business-news/2024/10/08/world-bank-upgrades-malaysia039s-growth-forecast-to-49-in-2024>

### Kenaf - appealing to smallholders

The kenaf industry needs more government support to accelerate its growth and attract more smallholders to engage in its cultivation which could significantly contribute to the national economy, according to Deputy Plantation and Commodities Minister Chan Foong Hin.

He noted that although kenaf is relatively new compared to other commodities, its unique qualities such as the short three-month cultivation cycle make it appealing to smallholders.

Chan emphasised that government assistance is crucial as the Ministry aims to establish an ecosystem where every industry would have its own upstream, midstream and downstream sectors.

In 2023, the market value of kenaf products reached RM8.88 million, an increase of almost 60% compared to 2022. As of the second quarter of 2024 the market value of kenaf products has reached RM6.28 million, marking a 74% year on year increase.

See: <http://theborneopost.pressreader.com/article/282256670889138>

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

### Export Benchmark Prices for wood products October 2024

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

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

|                          |         |
|--------------------------|---------|
| Natural forest veneer    | US\$766 |
| Plantation forest veneer | US\$701 |
| Wooden Sheet for         |         |
| Packaging Box            | US\$790 |

### Wood chips (prices per tonne)

|                    |        |
|--------------------|--------|
| chips or particles | US\$90 |
| Woodchips          | US\$80 |

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

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

|                       |           |
|-----------------------|-----------|
| Meranti (Shorea sp)   | US\$1,105 |
| Merbau (Intsia sp)    | US\$1,723 |
| Rimba Campuran        | US\$794   |
| Ebony                 | US\$3,000 |
| Teak                  | US\$3,444 |
| Pinus and Gmelina     | US\$658   |
| Acacia                | US\$629   |
| Sengon                |           |
| (P. falcataria)       | US\$451   |
| Rubberwood            | US\$314   |
| Balsa, Eucalyptus     | US\$1,276 |
| Sungkai (P.canescens) | US\$1,500 |

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

See : <https://jdih.kemendag.go.id/peraturan/keputusan-menteri-perdagangan-nomor-1329-tahun-2024-tentang-harga-patokan-ekspor-dan-harga-referensi-atas-prdouk-pertanian-dan-kehutanan-yang-dikenakan-bea-keluar>

### Boosting exports of sustainable forest products

The Ministry of Environment and Forestry is continuing its efforts to increase the export value of responsibly and sustainably produced forest products.

Ristiano Pribadi, Director of Forest Product Processing and Marketing Development in the ministry stated that efforts to boost export value will be accompanied by measures to enhance product value in the domestic market, thereby promoting the downstream processing of forest products.

"The success of sustainable forest management depends on all parties involved in the wood product supply chains until they reach consumers. To this end, it is crucial to improve traceability, efficiency and the preservation of raw material sources," he said.

He explained that modernising equipment in the forest and wood product processing industry can increase the value of the raw materials used and reduce production waste.

He urged the forestry sector to innovate in addressing global challenges, particularly those related to greenhouse gas emissions.

In related news, the Director of Forest Products and Plantation Industry in the Ministry of Industry (Kemenperin), Setia Diarta, revealed that wood processing mills in Indonesia use mostly imported machinery which could create opportunities for local companies to manufacture machinery possibly through joint ventures with overseas manufacturers. She anticipates that through collaboration between Indonesia and China there can be technology transfer.

See: See: <https://www.antaranews.com/berita/4357103/klhk-pameran-manufaktur-furnitur-dukung-modernisasi-hasil-hutan-and>  
<https://www.antaranews.com/berita/4357571/kemenperin-akui-mesin-pengelolaan-kayu-masih-gunakan-mesin-impor>

### Forestry sector under performing

Sudarsono Soedomo, Professor of forestry at the Bogor Agricultural Institute (IPB) pointed out that there has been limited investment in the forestry sector which hinders future prospects. According to him, out of the total domestic Investment between 2020-2022, which amounted to IDR3,256 trillion, the forestry sector only managed to attract investments of IDR28 trillion. Out of the total Foreign Direct Investment of IDR50,267 trillion in 2023 only IDR96 trillion was invested in the forestry sector.

"The small investment is inversely proportional to the vast forestry area. Of the total land area in Indonesia, 2/3 is forest area," said Sudarsono Soedomo in a statement. He added; the natural forest industry is shrinking while the development of plantation forests is progressing very slowly. Forests account for 2/3 of the land but the forestry sector contributes less than 1% to the GDP".

See: <https://www.liputan6.com/bisnis/read/5714923/investasi-sektor-kehutanan-melempem-dalam-2-tahun-pengamat-fakir-investasi?page=3>  
and  
<https://kumparan.com/kumparanbisnis/guru-besar-ipb-soroti-sektor-kehutanan-ri-masih-minim-investasi-23cj79tNSIZ/full>

### Responses to delay in EUDR implementation

The Indonesian government has called for the revision of the European Union Deforestation Regulation (EUDR). Airlangga Hartarto, the Coordinating Minister for Economic Affairs, said that Indonesia has a number of concerns regarding the regulation including the requirement for Indonesia to provide detailed geo-location. In addition, Indonesia has expressed its concern to the EU on the so-called country rating approach.

In related news, Hartarto invited all ASEAN member countries to unite in responding to global sustainability policies which tend to be discriminatory. Airlangga conveyed this at the 24th ASEAN Economic Community Council – AECC Ministerial Meeting.

In the midst of increasing global attention to the impact of the implementation of the EU Deforestation Regulation (EUDR), which has the potential to disrupt manufacturing production and hamper trade in wood, plant and plantation-based products, Indonesia continues to strive to build networks and gather support.

See: <https://en.antaranews.com/news/328251/indonesia-pushes-for-revision-of-eu-deforestation-regulation> and <https://asiatoday.id/read/indonesia-galvanizes-asean-collective-against-eudr-implementation>

The Association of Indonesia Forest Concession Holders (APIH) sees the postponement of the European Union Deforestation Regulation (EUDR) until 2026 as an opportunity to prepare its members for the Regulation.

APIH has urged the government to advocate for SVLK as the primary instrument to address the EUDR and bolster its position in the European Union market. "The government must persist in advocating for SVLK as a recognised tool for the European Union markets in the context of the EUDR," he added.

APIH has urged member companies to engage in extensive consultations with the government to ensure compliance with all EUDR requirements. This consultation is crucial for the Indonesian forestry industry to establish operational standards that align with the regulations set to take effect in 2026.

See: <https://industri.kontan.co.id/news/strategi-aphi-menghadapi-penundaan-kebijakan-eudr>

Abdul Sobur, Chairman of the Indonesian Furniture and Craft Industry Association (HIMKI) also said the postponement of the implementation of the EUDR provides an opportunity for the furniture and craft industry in Indonesia to prepare and that the Indonesian furniture industry is making significant efforts to align its supply chain with the traceability and sustainability standards outlined in the EUDR.

"However, small and medium enterprises (SMEs) face the biggest challenge as they still struggle to access traceability technology and encounter high verification costs," Abdul stated.

See: <https://industri.kontan.co.id/news/menilik-kesiapan-industri-mebel-dan-kerajinan-hadapi-kebijakan-eudr>

**EUDR stalling conclusion of IEU-CEPA**

The Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA) continues to face significant hurdles with the EUDR emerging as a major stumbling block according to Djatmiko Bris Witjaksono, Director General of International Trade Negotiations at the Ministry of Trade.

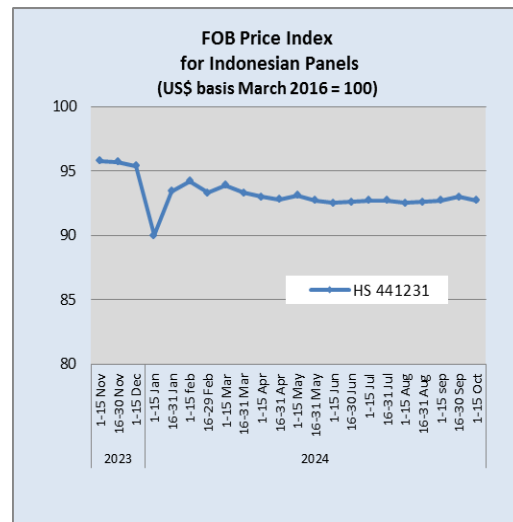
While progress has been made on issues such as tariff reduction, trade facilitation, investment and transparency, policy-related hurdles—especially those stemming from the EUDR—have significantly delayed the negotiation process. Despite 19 rounds of talks over nine years, the previously set September 2024 target for IEU-CEPA completion passed without agreement, Witjaksono said.

See: <https://jakartaglobe.id/business/ongoing-eu-demands-lead-to-ieucepa-delayed-again-says-trade-minister>

In related news, Shinta Kamdani, the chairwoman of the Indonesian Employers Association (Apindo) has said Indonesia will likely lose billions in exports if it cannot close the overdue deal with the European Union. She added that the lack of the trade pact could affect the attractiveness of Indonesian goods in the European market and the US\$1.6 billion export trade with the EU is at risk.

The trade loss would be equivalent to around 12% of Indonesia’s total exports to the EU. In the long run, we might even lose our trade surplus with the EU,” Shinta told reporters in Jakarta on Friday.

See: <https://jakartaglobe.id/business/indonesia-can-lose-16-billion-without-eu-trade-pact>



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

**Social forestry raises income for 1.4 million families**

The government's social forestry programmes have increased the income of families living near forests according to Minister of Environment and Forestry Siti Nurbaya. She stated that the social forestry programmes cover 8 million hectares with around 1.4 million families having access to them. These programmes have increased family monthly incomes to around Rp2.3 million (approximately US\$152).

The Norwegian Ambassador to Indonesia, Rut Kruger Giverin, expressed appreciation for the Indonesian government's efforts to reduce the impact of deforestation and environmental pollution through various initiatives, including social forestry.



She emphasised the importance of developing the social forestry programme in Indonesia, as it is considered to have gained attention at the global level.

See: <https://wartaekonomi.co.id/read545675/klhk-klaim-perhutanan-sosial-tingkatkan-pendapatan-masyarakat-sekitar>

## Myanmar

### Currency appreciation

In foreign currency markets the US dollar was trading at 4,500 kyats per dollar in October. In response to a growing foreign exchange crisis the State Administration Council (SAC) mandated that exporters exchange their foreign exchange earnings at a rate of 2,100 kyats per US dollar. The amount that had to be exchanged was first 35% later adjusted 25% of total export earnings.

The Central Bank of Myanmar is actively managing the dollar' exchange rate however, due to ongoing instability in the country, analysts believe the strength of the kyat is unlikely to improve in the long term as the export sector has suffered leading to a decline in foreign earnings.

Last year the dollar was exchanged at between 3,300 and 3,400 kyats, stabilising around 3,500 at the end of the year. However, at the beginning of 2024 the dollar began to strengthen reaching 3,800 kyats. This upward trend continued culminating in a price of 7,000 kyats by August.

See: <https://burmese.dvb.no/post/672194>

### More pressure on Myanmar migrant workers

Myanmar has implemented new restrictions on migrant workers, exacerbating an already difficult situation for those seeking work overseas. Many workers attempted to travel with a tourist visa but were denied departure at Yangon International Airport. The Authorities are now enforcing stringent checks on outbound travelers requiring them to provide return tickets, hotel bookings and proof of sufficient funds targeting those suspected of intending to work abroad.

This crackdown comes as the government seeks to collect taxes from migrant workers and stem the tide of emigration amidst ongoing conflict, economic collapse and a military conscription drive. Between January 2022 and July 2023 it has been estimated some 2 million people have left Myanmar with many more likely crossing borders illegally.

In related news, a Thai member of Parliament said Thailand needs to reform its policies regarding the influx of refugees from Myanmar. He advocates registering the estimated 6 million Myanmar migrants in Thailand to grant them legal status, access to education and the ability to work. This recognition could help improve living conditions for refugees.

See: <https://www.frontiermyanmar.net/en/blocking-the-exits-myanmar-junta-turns-the-screws-on-migrant-workers/>

### New policy approach by ASEAN countries

Prime Minister, Senior General Min Aung Hlaing, expressed the country's desire to reset relations with all ASEAN Member States as they prepare for the 18th ASEAN Navy Chiefs' Meeting. He met ASEAN Navy Chiefs in Myanmar and reiterated Myanmar's commitment to upholding the ASEAN spirit and maintaining constructive ties with member nations.

In related news, Malaysia's Foreign Minister Datuk Seri Mohamad Hasan has been reported as saying the crisis in Myanmar has become a pressing issue for ASEAN with millions displaced and ongoing human rights concerns and stressed the need for implementation of the Five-Point Consensus Plan.

Thailand's foreign ministry spokesperson, Nikorndej Balankura, announced plans for an "informal consultation" among ASEAN members in December to seek solutions, emphasising a desire for political resolution while coordinating efforts within the ASEAN framework.

See - <https://elevenmyanmar.com/news/senior-general-min-aung-hlaing-emphasizes-commitment-to-strengthening-relations-with-asean> and <https://www.msn.com/en-us/news/world/asean-holds-summit-in-laos-as-thailand-floats-new-plan-for-myanmar-crisis/ar-AA1rVPXZ?ocid=BingNewsVerp>

## India

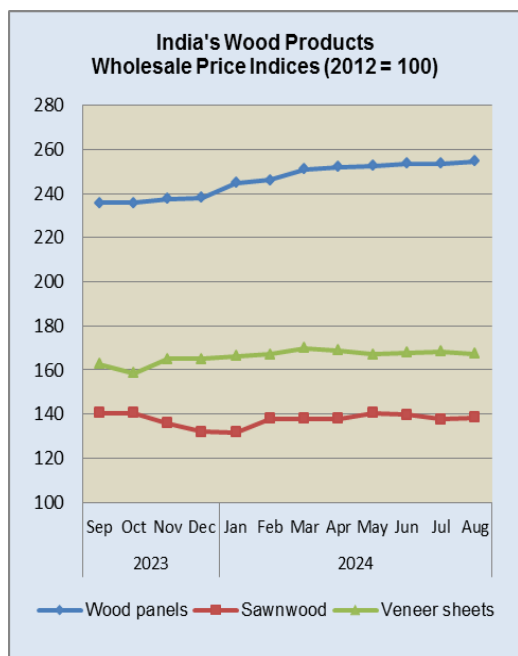
### Wood panel price index tilts higher

The annual rate of inflation based on the India Wholesale Price Index (WPI) was 1.31% for August 2024. The rate of inflation in August was primarily due to increase in prices of food articles, processed food products, other manufacturing, manufacture of textiles and manufacture of machinery & equipment etc.

Out of the 22 NIC two-digit groups for manufactured products, 12 groups saw an increase in prices, 7 a decrease and 3 groups saw no change in prices. Groups for which month on month price increases were reported were manufacture of food products, fabricated metal products except machinery and equipment, motor vehicles, trailers & semi-trailers, machinery and equipment, paper and paper products. The indices for wood panels and sawnwood rose in August.

Some of the groups for which declines were reported were manufacture of basic metals, other manufacturing, other non-metallic mineral products, chemicals and chemical products and textiles. In August the price index for veneers declined.

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



Data source: Ministry of Commerce and Industry, India

### India needs 3 mil. ha. of forest plantations

Several recent reports point to a looming wood shortage in many countries and India is one. At the recently concluded Matecia Exhibition the supply of raw material for the woodbased panel sector was discussed. It was suggested that for the Indian wood panel industry to be raw material self-sufficient over 3 million ha. of plantations would be needed.

The September issue of Ply Reporter provides a commentary on the issue and highlights presentations by panel manufacturers and analysts including Rajesh Jha Regional Manager ITC Limited, Ajay Thakur, Scientist E, Forest Research Institute (FRI) and J.K. Jain Vice-President Greenply Industries.

In related news, Century Plyboards has announced it plans on expanding plywood production capacity by around 30% in the next 12-15 months. The Hindu Businessline says the company currently has an annual production capacity of 339,600 cubic metres adding Century Plyboards has around an 8% of the 'organised' market segment.

The Hindu Businessline quotes an executive from the company as saying "Two-three years ago, the bulk of the raw materials used to come from domestic agro-forests but demand has outstripped supply".

See; <https://www.thehindubusinessline.com/companies/century-plyboards-to-expand-plywood-production-capacity-by-30/article68630958.ece> and [https://www.facebook.com/plyreporter/posts/pfbid02bcaEzwNxEP4TjKgRmNrHA8rafs6azXU8h3aiDWuweXr47m8fbMprsW9FgPMqgwbl?locale=en\\_GB](https://www.facebook.com/plyreporter/posts/pfbid02bcaEzwNxEP4TjKgRmNrHA8rafs6azXU8h3aiDWuweXr47m8fbMprsW9FgPMqgwbl?locale=en_GB)

### Launch of US\$1 bil. affordable housing fund

Nikkei Asia has reported Indian investment company HDFC Capital, a subsidiary of the country's largest private bank and a World Bank Group unit will launch a US\$1 billion fund in early 2025 to promote the building of affordable housing for the middle classes. The World Bank Group's International Finance Corporation (IFC) will offer up to US\$150 million to the fund which will focus on investing in green loans and other instruments issued by Indian developers of green residential housing.

See: [https://asia.nikkei.com/Business/Finance/India-s-HDFC-Capital-to-launch-1bn-affordable-housing-fund?utm\\_campaign=GL\\_asia\\_daily&utm\\_medium=email&utm\\_source=NA\\_newsletter&utm\\_content=article\\_link&del\\_type=1&pub\\_date=20241003193000&seq\\_num=21&si=fe0afe7c-532b-443e-bd57-30a8db100322](https://asia.nikkei.com/Business/Finance/India-s-HDFC-Capital-to-launch-1bn-affordable-housing-fund?utm_campaign=GL_asia_daily&utm_medium=email&utm_source=NA_newsletter&utm_content=article_link&del_type=1&pub_date=20241003193000&seq_num=21&si=fe0afe7c-532b-443e-bd57-30a8db100322)

### 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      | 213            | 450      |
| Colombia    | 193            | 405      |
| Costa Rica  | 138            | 325      |
| Nigeria     | -              | -        |
| Benin       | See note below | -        |
| Tanzania    | 96             | 450      |
| Laos        | -              | -        |
| South Sudan | 176            | 675      |
| Guatemala   | 89             | 330      |
| Venezuela   | -              | -        |

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

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

|             | cu.m | US\$ C&F |
|-------------|------|----------|
| Benin       | 187  | 680      |
| Brazil      | 118  | 625      |
| Colombia    | -    | -        |
| Costa Rica  | 95   | 495      |
| Ecuador     | -    | -        |
| Ghana       | 156  | 415      |
| Ivory Coast | 174  | 845      |
| Nigeria     | 124  | 40       |
| South Sudan | 164  | 650      |
| Tanzania    | 98   | 465      |
| Togo        | 223  | 470      |
| Panama      | 121  | 490      |

### Locally milled sawnwood prices

| Sawnwood Ex-mill | Rs per cu.ft. |
|------------------|---------------|
| Merbau           | 4,300 - 4,700 |
| Balau            | 2,900 - 3,200 |
| Resak            | -             |
| Kapur            | -             |
| Kempas           | 1,600 - 1,900 |
| Red meranti      | 1,700 - 2,000 |
| Radiata pine     | 1,000 - 1,200 |
| Whitewood        | 950 - 1,150   |

Price range depends mainly on lengths and cross-section

### Sawn hardwood prices

| Sawnwood<br>(Ex-warehouse)<br>(KD 12%) | Rs per cu.ft. |
|--|---------------|
| Beech                                  | 1,800 - 2,100 |
| Sycamore                               | 2,300 - 2,600 |
| Red Oak                                | 2,800 - 3,200 |
| White Oak                              | 3,200 - 3,600 |
| American Walnut                        | 5,200 - 5,800 |
| Hemlock STD grade                      | 1,800 - 2,100 |
| Western Red Cedar                      | 2,900 - 3,250 |
| Douglas Fir                            | 2,300 - 2,500 |

Price range depends mainly on lengths and cross-section

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

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

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

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

## Vietnam

### Wood and wood product (W&WP) trade highlights

- Statistics from Vietnam's General Department of Customs reveals that W&WP exports to the US in September 2024 reached US\$712 million, down 17% compared to August 2024 but up 15% compared to September 2023. In the first 9 months of 2024 Vietnam's W&WP exports to the US totalled US\$6.5 billion, up 25% over the same period in 2023.
- In September 2024 bedroom furniture exports fetched US\$162 million, up 23% compared to September 2023. In the first 9 months of 2024 exports of bedroom furniture contributed US\$1.48 billion to export earnings, up 28% over the same period in 2023.
- Vietnam's W&WP imports in September 2024 amounted to US\$265 million, down 2% compared to August 2024 but up 40% compared to September 2023. In the first 9 months of 2024 W&WP imports totalled approximately US\$2.06 billion, up 28% over the same period in 2023.
- Vietnam's NTFP exports in September 2024 decreased for the 3rd consecutive month reaching US\$60 million, down 10% compared to August 2024 but still up 13% over the same period in 2023. In the first 9 months of 2024 NTFP exports contributed US\$605 million, up 12% over the same period in 2023.

### Wood and NTFP exports - double digit growth

According to Department of Forestry (Ministry of Agriculture and Rural Development) with an average export value of wood and non-timber forest products reaching nearly US\$1.4 billion/month exports of wood and forestry products in the first 9 months of 2024 are estimated at US\$12.15 billion, up 17% over the same period in 2023.

Out of which, wood products reached US\$7.84 billion, up 21% over the same period in 2023, raw wood US\$3.533 billion, up 13% over the same period in 2023 and non-timber forest products US\$777 million, up 4% over the same period in 2023.

On other hand, imports of wood and wood products in the first 9 months of the year are estimated at US\$2 billion, up 25 over the same period in 2023. The trade surplus in the first 9 months of 2024 is estimated at US\$10.1 billion. It is expected that export earnings from wood and forest products in 2024 will meet set target.

In the first 9 months of 2024, except for S. Korea and Japan, the other major consumer markets maintained quite strong growth. For example the United States reached US\$5.9 billion, accounting for 54%, up 25% over the same period in 2023 followed by China with US\$1.3 billion and Europe with US\$630 million each increasing by over 20% compared to the same period in 2023.

#### **Major challenges in international markets**

According to Trieu Van Luc, Deputy Director of Department of Forestry, currently some of Vietnam's main wood product export markets (EU, US, Japan, South Korea) still face economic difficulties; product protection policies, strict implementation of regulations on illegal wood exploitation, reduction of greenhouse gas emissions, regulations on deforestation and forest degradation of European Union (EUDR), anti-dumping and anti-subsidy investigations of the US and South Korea.

The world situation continues to face geopolitical risks, complex and unpredictable economic fluctuations, increasing risk and uncertainty factors. In addition the impact of high sea freight rates leading to an increase in prices of imported raw wood (some imported wood increased by 40% compared to 2023), is causing production costs to rise while importers require a reduction in prices.

The refund of value-added tax (VAT) for enterprises producing wood chips and plywood products still faces many difficulties because verification procedures for forest owners takes a lot of time.

In addition, there are difficulties in damage caused by storm No.3. This storm caused severe damage to property, crops, livestock and socio-economic infrastructure, in which forestry production sector also suffered great damage. An area of nearly 170,000 hectares of planted production forests was damaged which will significantly reduce the source of raw materials for the wood processing industry. Many wood and forestry production and export establishments in northern mountainous provinces were damaged and need to be repaired.

In order to achieve the export target for wood and forest products in 2024 of US\$15.2 billion, of which wood and timber products are over US\$14.2 billion an increase of about 6% in exports is required compared to 2023.

Trieu Van Luc said that entire forestry sector is currently focusing on overcoming consequences caused by storm No.3 promptly supporting units and enterprises in forestry production, wood processing and export of damaged forest products to quickly stabilise production.

The Department will deploy solutions according to the direction of the Prime Minister in Official Dispatch No.470 dated May 26, 2023 on continuing to resolutely and effectively implement tasks to remove difficulties for production and business of enterprises and people.

See:

<https://asemconnectvietnam.gov.vn/default.aspx?ZID1=8&ID8=139310&ID1=2>

#### **Need to establish forest carbon standards**

On the morning of 3 October the Department of Forestry, in collaboration with the Association of Agricultural and Rural Development Economics, organised a Workshop “Forest Carbon - Potential to Create New Financial Sources for Forest Protection and Development” with sponsorship from Forest Trends and UK PACT.

The workshop attracted the participation of about 150 direct delegates and nearly 250 online connections nationwide.

In his opening speech, Associate Professor Dr. Tran Quang Bao, Director of the Department of Forestry, said that forestry is currently the only sector with the potential for negative net emissions thanks to the process of forest protection and development and the support of international partners. However, the forest carbon market in Vietnam is still in its early stages, facing many difficulties and challenges.

Recently, Vietnam received US\$51.5 million from the World Bank for successfully capturing 10.3 million tonnes of CO<sub>2</sub> in 6 provinces in the North Central region. Currently the Ministry of Agriculture and Rural Development is completing the dossier to submit to the Prime Minister for consideration and negotiation and signing the Emission Reduction Purchase Agreement for 11 provinces in the Central Highlands and South Central region with the Forestry Finance Enhancement Organisation (Emergent).

"The forest carbon market has the potential to generate large revenues for forestry helping to support forest protection, create jobs, increase income for local people and at the same time protecting and improving environmental quality said Bao, He admitted, however, that financial resources for forestry activities are still insufficient meeting only a small part of actual needs.

The Forestry Department also identified 7 essential tasks to promote market development and commercialisation of forest carbon credits:

(1) Review and update the nationally determined contribution in the forestry sector;

(2) Study the potential and allocate quotas for emission reduction and carbon sequestration from forests to localities;

(3) Perfect the policy and institutional framework on the transfer and financial management of revenue from forest carbon credits;

(4) Develop Vietnam forest carbon standards, methodology for calculating emission reduction results and a system for measuring, reporting and appraising the amount of emission reduction and increased carbon sequestration of forests; guide the development and pilot implementation of several potential projects;

(5) Disseminate and enhance capacity for stakeholders on forest carbon;

(6) Continue to implement the Emission Reduction Payment Agreement with the World Bank; advising on negotiations, signing and implementing the Emission Reduction Trading Agreement for the Central Highlands and South Central regions with the Emergent Organization;

(7) Strengthening cooperation, mobilizing international resources and the private sector.

For localities the Director of the Forestry Department proposed proactively mobilising and integrating legal resources to reduce emissions and increase forestry absorption in the province while calling for the active participation of relevant parties to promote the sustainable development of the forest carbon market.

"The cooperation and commitment of all relevant parties will be the decisive factor for the success of the forestry sector in the new context," Bao said.

See: <https://vietnamagriculture.nongnghiep.vn/urgently-build-forest-carbon-standards-in-vietnam-d402299.html>

## Brazil

### Promoting good practices in wood sample collection

The First Meeting of Tree Identifiers, held in the municipality of Alta Floresta in the state of Mato Grosso, in the Amazon region brought together 40 professionals to strengthen forest management and promote good practices in botanical and wood sample collection.

The event was organised by the Center for the Wood Producers and Exporters Industries of the State of Mato Grosso (CIPEM) and the State Department of Environment (SEMA), in partnership with local universities.

SEMA stressed the importance of ensuring the sustainability of biodiversity and accuracy of forest inventories, guaranteeing security and efficiency in the licensing process as well as preserving and conserving the environment.

The Federal Rural University of the Amazon (UFRA) emphasised the collective benefits for the timber sector and society as it brings together research and educational institutions for those involved in licensing process, accreditation and inspection agencies such as SEMA and entrepreneurs in the timber industry. The National Institute of Amazonian Research (INPA) emphasised that the correct identification of timber species is essential for sustainable forest production.

The meeting was considered a milestone for forest activities and botanical research in the region, promoting interaction among experts and strengthening forest management practices.

See: <https://cipem.org.br/noticias/identificacao-de-arvores-comerciais-da-amazonia-e-fortalecida-em-evento-inedito-em-mato-grosso>

### Paraná wooden house programme

The government of the State of Paraná in southern Brazil signed a protocol to develop a programme for building sustainable wooden houses for families in vulnerable situations in rural areas including low-income families, indigenous communities and quilombola communities.

The initiative, developed in partnership with Águia Florestal and the Paraná Association of Forest-Based Companies (APRE), will use Cross Laminated Timber (CLT) technology.

The project aims to promote social development combined with sustainability by utilising state-managed planted forests to reduce carbon emissions and foster the bio-economy. The houses will be built with wood sourced from reforestation areas managed by the Department of Agriculture which were previously underutilised.

The State of Paraná has 33,000 hectares of planted forests and accounts for 55% of Brazil's pine wood production, leading the country's exports of plywood, wood-based panels and wooden frames. The programme seeks, not only to reduce the housing deficit in rural areas, but also to highlight the importance of sustainable forestry practices in combating climate change and promoting local economic development.

See: <https://apreflorestas.com.br/noticias/parana-lanca-programa-para-construir-casas-sustentaveis-com-madeira-e-atender-pessoas-em-vulnerabilidade/>

### Debate on timber export routes and logistics solutions in Mato Grosso

The State of Mato Grosso is the second largest producer of products from native timber species in Brazil with more than half of its municipalities engaging in forest-related activities for their socio-economic development.

In 2023, 75 of the 142 municipalities in the State produced 2.1 million cubic metres of roundwood, valued at R\$498.1 million according to the Brazilian Institute of Geography and Statistics (IBGE).

Additionally, exports of local forest products generated US\$47.1 million between January and August according to the Ministry of Development, Industry, Commerce and Services (MDIC).

A recent forest sector unions (Associations) meeting discussed options to improve international timber trade including the analysis of new port routes based on a technical and economic feasibility study. Timber industries in the state of Mato Grosso face export challenges due to delays in containers clearance caused by the lack of IBAMA (Brazilian Institute of Environment and Renewable Natural Resources) technicians at maritime ports.

CPEM asserts these port inefficiency continues to affect timber exporting industries even after the end of the national strike by IBAMA employees which lasted 40 days this year, resulting in losses for exporters due to the backlog of halted shipments.

CIPEM also criticised the charging of port fees during the strike period. FIEMT (Federation of Industries of Mato Grosso) representatives said it is essential to diversify transportation logistics to improve and speed-up the flow of products from the State of Mato Grosso as well as to expand export routes.

The study presented by FIEMT suggested using the Dry Port of Cuiabá to shorten the time it takes to obtain approval from regulatory agencies and the time it takes to ship goods, as well as utilising rail transport to the Port of Santos as a logistical solutions.

The forest sector stands out in terms of exports from municipalities in Mato Grosso State. In the Juína municipality exports of sawnwood generated US\$241,000, accounting for 33% of the total municipality’s export earnings in the first eight months of 2024. In Colniza municipality native timber species represents 90% of exports, totaling US\$7.2 million over the same period.

Aripuanã municipality achieved US\$8.91 million in sales of profile wood, representing 12% of the municipality's exports and Juara municipality also exported sawnwood, totaling US\$164,000 in the first eight months of this year.

See: <https://cipem.org.br/noticias/setor-florestal-de-mt-debate-novas-rotas-de-exportacao-e-solucoes-logisticas>

**Strategies in preparation for compliance with the EUDR**

Prior to the announced delay in EUDR implementation ABIMCI (Brazilian Association of Mechanically Processed Timber Industry) participated in a meeting of the Coalition on Sustainable Timber, composed of main timber-producing countries.

The objective was to align strategies regarding the European Union Regulation on Deforestation-Free Products (EUDR)

During the meeting discussions focused on the expectations and challenges related to the new regulation. The European information system (platform) is currently in a testing phase by some European stakeholders. More training sessions are scheduled for October 2024. However, there are significant uncertainties and a lack of clear information from European authorities on the implementation of the EUDR.

The meeting determined that EU member states have different levels of strictness concerning how the EUDR will be enforced and operationalised.

The coalition is preparing a document to be submitted to the European Commission requesting revisions to certain terms.

ABIMCI continues to closely monitor communications from the Commission to ensure proper understanding of the new rules and the operationalisation of the platform.

See: <https://abimci.com.br/>

**Domestic log prices**

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

Prices do not include taxes. Source STCP Data Bank

**Domestic sawnwood prices**

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

Prices do not include taxes. Source: STCP Data Bank

**Domestic plywood prices**

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

Prices do not include taxes. Source: STCP Data Bank

**Prices for other panel products**

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

Prices do not include taxes. Source: STCP Data Bank

### Export prices

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

### Export sawnwood prices

| Sawnwood     | US\$ per cu.m |
|--------------|---------------|
| Ipe          | 2,427         |
| Jatoba       | 1,317         |
| Massaranduba | 1,298         |
| Muiracatiara | 1,319         |
| Pine (KD)    | 193           |

Prices do not include taxes. Source: STCP Data Bank

### Export plywood prices

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

Prices do not include taxes. Source: STCP Data Bank

### Export prices for added value products

| Added value product | US\$ per cu.m |
|---------------------|---------------|
| Decking Boards Ipe  | 3,217         |
| Jatoba              | 1,821         |

Prices do not include taxes. Source: STCP Data Bank

### Through the eyes of industry

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

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

## Peru

### ADEX hosts IX International Forestry Convention

The Association of Exporters (ADEX) held its IX International Forestry Convention in early October at its offices in Lima. The event focused on analysing policies that promote a sustainable forestry industry, sharing successful forest management experiences and identifying investment opportunities. Recent policies and regulations affecting the wood industry were examined and business opportunities at the market and product level were addressed.

In addition, networks and collaboration between government entities, non-governmental entities, international cooperation agencies and the private sector were promoted. During a specialised workshop on requirements for the acceptance of tropical wood under the United States building code was held.

### Sawn tropical hardwood the top export item

ADEX has reported between January and August 2024 Peru's wood product exports reached US\$54.7 million, a drop of 21% compared to the US\$69.3 recorded in the same period of the previous year.

The ADEX report says in the first eight months of this year the most important item was "other sawn tropical wood" worth US\$11.4 million (-32% year on year).

This was followed by "profiled wood except ipé" (US\$11.1), "other sawn or rough-cut wood" (US\$6.3 million), "molded wood of tropical wood" (US\$3.8 million) and "other longitudinally profiled wood" (US\$2.6 million).

The main destinations were France (US\$9.2 mil.), the United States (US\$8.7mil.), Dominican Republic (US\$7.3mil.), China (US\$7.2mil.) and Mexico (US\$6.2mil.). Vietnam, Denmark, Belgium, Chile and Germany completed the top ten export destinations.

### Species with potential for promotion in the US

The president of the Committee of Wood and Wood Industries of ADEX, Erik Fischer Llanos, reported that they are seeking to promote the export of a greater variety of Peruvian wood species to the United States targeting the construction sector.

Fischer Llanos said "This is a new approach. Today there are buildings with 15 or 18 floors made of wood so this material has taken on an important new role. The forest species Aguano Masha, Capirona, Huayruro, Machimango Colorado, Mashonaste, Palisangre and Pumaquiuro have captured the interest of the US Forest Service, he added.

Fisher mentioned that wood is gaining more and more followers in the United States and is an alternative material to cement. Year after year, larger projects appear, one of them is the Ascent tower in Wisconsin, a 25-story, 86 metre construction that houses apartments, a pool, shops and other amenities.

During the ADEX Convention representatives of the US Forest Service-USAID spoke about the requirements for the entry of wood into the United States building code and explained the procedures that companies must comply with.

Fisher Llanos commented that in meetings held with representatives of the US Forest Service-USAID, they referred to the advances, challenges and opportunities generated by the development of the Peruvian national industry with a view to projecting itself to the North American market.

Fischer highlighted Peru's progress in terms of forest governance, with special mention done by the Agency for the Supervision of Forest Resources and Wildlife (Osinfor) on the control and administration of resources.

### Strengthen the fight against illegal logging

The Permanent Multi-sectoral Commission against Illegal Logging (CMLTI) and the Amazon Regional Association (MRA) signed an intergovernmental agreement to strengthen the fight against illegal logging and associated trade in the Amazon. The agreement marks a milestone in the collaboration between national and regional authorities, as it aligns efforts to strengthen forest management.

The Agreement promotes a transparent and sustainable forest market by providing traceability for wood products ensuring that they come from legal sources.

See: <https://www.gob.pe/institucion/osinfor/noticias/1037818-comision-multisectorial-y-mancomunidad-regional-amazonica-firman-un-acuerdo-por-los-bosques-para-fortalecer-la-lucha-contra-la-tala-ilegal>

#### 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                    | 979-1011<br>1079-1098 |
| Cumaru decking, AD, S4S E4S, Central American market          | 1209-1221             |
| Pumaqui KD Gr. 1, C&B, Mexican market                         | 501-561               |
| Quinilla KD, S4S 2x10x62cm, Asian market                      | 591-627               |
| 2x13x75cm, Asian market                                       | 774-831               |

#### Export veneer prices

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

#### Export sawnwood prices

| Peru sawnwood, FOB Callao Port                              | US\$ per cu.m |
|---|---------------|
| Pumaqui KD 25-50mm AD Mexican market                        | 695-716       |
| 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   | 1022-1040↑    |
| Asian market  | 1016-1054↑    |
| Ishpingo (oak) 2" thick, 6"-8" length Spanish market        | 641-654       |
| Dominican Republic  | 765-799       |
| Marupa 1", 6-11 length KD Grade 1 Asian market              | 559-572       |

#### Domestic prices for other panel products

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

#### Export plywood prices

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

#### Domestic sawnwood prices

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

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

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

## Japan

#### Growth-oriented policy to pull Japan out of deflation

Ishiba Shigeru spelt out his economic policies in his first news conference as Prime Minister. He said he will continue with his predecessor Kishida Fumio's growth-oriented policy and aims to pull Japan fully out of deflation. Ishiba emphasised the importance of expanding private consumption. He also said he will take immediate measures against the effects of high prices, including support for low-income households.

#### Real wages fell in August

Inflation-adjusted wages fell in August after two months of increases, the result of summer bonus payments and this drove down household spending undermining the likelihood that the Bank of Japan will raise interest rates any time soon.

Year on year real wages fell 0.6% in August, according to the Ministry of Health, Labor and Welfare. That came after a revised 0.3% rise in July. Separate data showed household spending declining 1.9% year on year raising doubts on the potential for private consumption to drive growth.

See: <https://www.asahi.com/ajw/articles/15457371>



**Labour shortage induced bankruptcies**

Between April and September this year and for the second consecutive year, the number of labour shortage induced bankruptcies hit a new high. Behind the trend lies increased market liquidity amid the momentum for corporate wage hikes. The research firm, Teikoku Databank Ltd. that undertook this survey suggested the number of labour related bankruptcies will remain high in the future, mainly among small-sized businesses.

According to the research firm, the number of labour shortage bankruptcies during the first six months of fiscal 2024 exceeded that for the first half of fiscal 2023 when a previous high of 135 companies went bankrupt. Japan's labour shortage began to surface during and after the coronavirus pandemic and has taken a serious toll on corporate management.

The survey revealed that, 55 companies in the construction sector failed during April-September 2024, up four cases from the same period last year while 19 firms went out of business in the logistics industry during the same period. These two industries alone accounted for nearly half of understaffing bankruptcy cases among all industries during the first six months of 2024.

See: <https://mainichi.jp/english/articles/20241007/p2a/00m/0bu/022000c>

**Large manufacturers assess economy continues to recover**

The Bank of Japan's Tankan survey showed business sentiment among large manufacturers was steady in the third quarter 2024 which has been interpreted that the Japanese economy continues to recover despite weakness in global growth.

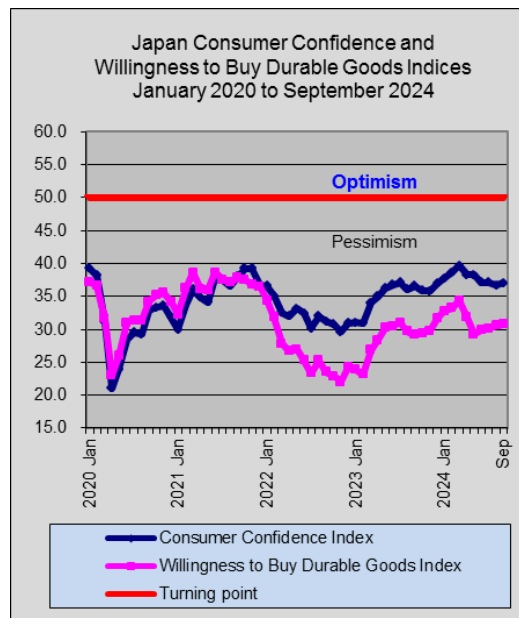
The Tankan results will be among key factors the BoJ will scrutinise in setting monetary policy and releasing fresh growth and inflation forecasts at its next meeting set to be held late October.

See: <https://www.boj.or.jp/en/statistics/tk/gaiyo/2021/tka2409.pdf>

**Durable goods purchase index up in September**

The consumer confidence index fell short of expectations in September reaching 36.9, according to a report from the Cabinet Office.

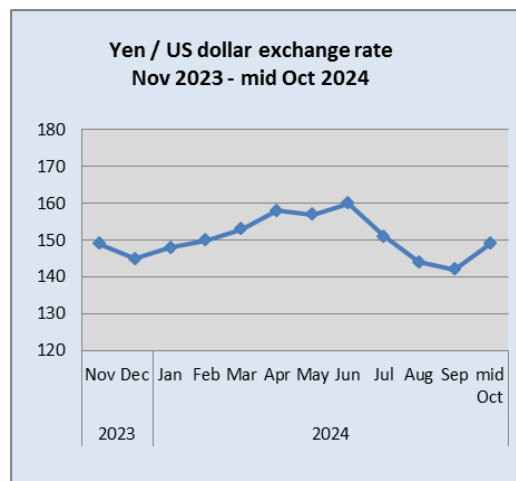
This decline reflects a decrease in consumer sentiment as the overall livelihood index fell to 34.4. However, the income growth indicator showed some improvement, rising to 40.1. Additionally, the employment index increased ending at 42.2, while the willingness to purchase durable goods rose slightly.



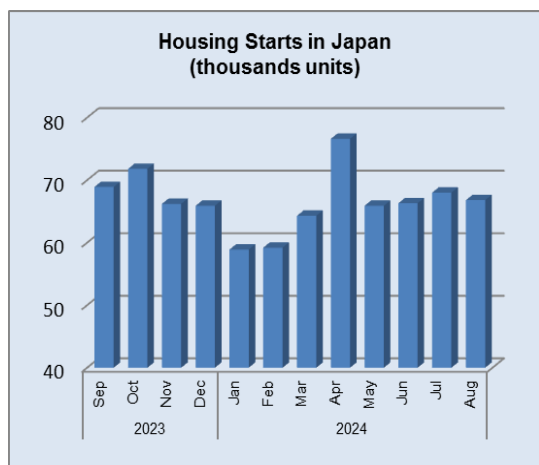
Data source: Cabinet Office, Japan

**Yen down on comments economy is not ready for more interest rate increases**

In early October the yen/dollar exchange rate fluctuated with the yen sinking to the lower-147 range against the dollar, its lowest point in a month. The steep drop was the markets reaction to Prime Minister Shigeru Ishiba's comments that the economy is not ready for more interest rate increases and to the stronger than expected September US employment data.



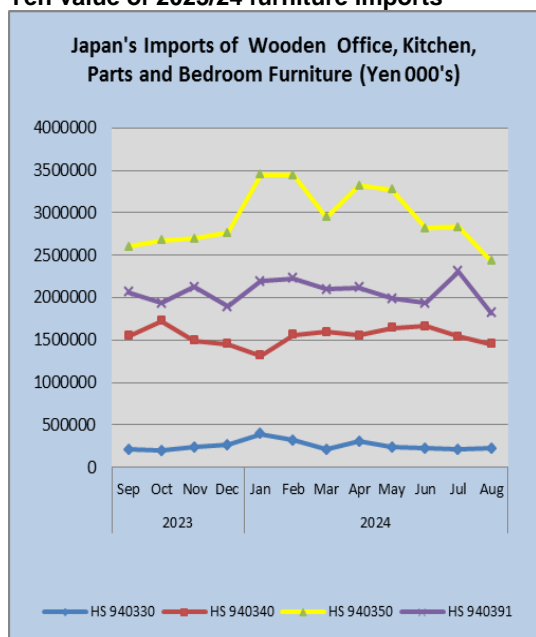
Data source: WSJ



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

### Import update

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



Data source: Ministry of Finance, Japan

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

In August shippers in China accounted for most of wooden office furniture imports to Japan at around 67% of the total value of imports of HS940330. The other main shipments in August were from Italy (16% of August imports and a major increase from the average over the past months). August arrivals from Italy added to the month on month rise seen in July.

The other significant shipper in August was Malaysia accounting for 9% of the value of imports but down sharply from a month earlier.

Year on year, the value of Japan's imports of wooden office furniture in August were at around the same level as in the previous month.

#### August 2024 imports (HS 940330)

|           | Imports August 2024<br>Unit, 000's Yen |
|-----------|--|
| China     | 152,553                                |
| Vietnam   | 1,404                                  |
| Malaysia  | 20,144                                 |
| Indonesia | 2,958                                  |
| Denmark   | 1,077                                  |
| UK        | 598                                    |
| Spain     | 5,367                                  |
| Italy     | 34,986                                 |
| Poland    | 2,809                                  |
| Turkey    | 3,704                                  |
| USA       | 918                                    |
| Total     | 226,518                                |

Data source: Ministry of Finance, Japan

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

August marked the second month on month decline in the value of arrivals of wooden kitchen furniture. Up to June this year there was a steady increase in the value of HS940340 imports mainly reflecting the weakness of the yen against the US\$ but from July and into August there was a downward correction.

Year on year, the value of imports of wooden kitchen furniture items (HS940340) in August fell 6% and month on month there was a 14% decline.

The top shippers in August were the Philippines, 44% of the total value of August arrivals in Japan but this was a sharp downturn from the previous month. August import values from shippers in Vietnam, China and Poland were all higher than in the previous month. Vietnam accounted for 35% of August imports of HS940340, China 8% and Poland just over 1% (not shown in table).

#### August 2024 imports (HS 940340)

|             | Imports August 2024<br>Unit, 000's Yen |
|-------------|--|
| China       | 113,813                                |
| Vietnam     | 512,747                                |
| Thailand    | 32,064                                 |
| Malaysia    | 11,949                                 |
| Philippines | 641,187                                |
| Indonesia   | 26,445                                 |
| UK          | 1,993                                  |
| Netherlands | 253                                    |
| France      | 3,543                                  |
| Germany     | 31,349                                 |
| Spain       | 768                                    |
| Italy       | 77,498                                 |
| Canada      | 2,929                                  |
| Total       | 1,456,538                              |

Data source: Ministry of Finance, Japan

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

From mid-year there has been a steady decline in the value of Japan’s imports of wooden bedroom furniture (HS940350). This may reflect the slowdown in creation of new hotel accommodation as tourist arrivals surged on the back of the weak yen.

Shippers in China and Vietnam accounted for over 90% of the value of Japan’s wooden bedroom furniture imports in August with 58% coming from China and a further 35% from Vietnam. Shipments from Malaysia and Thailand combined accounted for around 5% of the value of August imports

Year on year the value of August arrivals of wooden bedroom furniture were up 11% but month on month there was a 14% decline.

**August 2024 imports (HS 940350)**

|              | Imports August 2024<br>Unit, 000's Yen |
|--------------|--|
| China        | 1,404,265                              |
| Taiwan P.o.C | 1,791                                  |
| Vietnam      | 853,653                                |
| Thailand     | 31,389                                 |
| Malaysia     | 83,584                                 |
| Indonesia    | 18,429                                 |
| Denmark      | 533                                    |
| France       | 537                                    |
| Germany      | 673                                    |
| Italy        | 6,499                                  |
| Poland       | 22,227                                 |
| Romania      | 6,019                                  |
| Lithuania    | 223                                    |
| USA          | 1,764                                  |
| <b>Total</b> | <b>2,431,586</b>                       |

Data source: Ministry of Finance, Japan

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

Arrivals of wooden furniture parts (HS940391) in August were from a large number of suppliers, particularly those in SE Asia supplying over 80% of the value of imports. The top four shippers in August were China (43% of total HS940391 imports) Indonesia (18%) Vietnam 13%) and Malaysia (11%). August arrivals from China and Indonesia were down sharply and the value of arrivals from Vietnam and Malaysia were also below the value of July arrivals.

Of all the shippers outside of Asia those in Germany, Italy and Poland stand out as supplying wooden furniture parts to Japan together accounting for just over 7% of the value of August imports.

Year on year, the value of August imports of wooden furniture parts was little changed but compared to a month earlier the value of August arrivals was down 21%

**August 2024 imports (HS 940391)**

|              | Imports August 2024<br>Unit, 000's Yen |
|--------------|--|
| Rep. Korea   | 20,075                                 |
| China        | 779,268                                |
| Taiwan P.o.C | 19,395                                 |
| Vietnam      | 238,195                                |
| Thailand     | 69,820                                 |
| Singapore    | 246                                    |
| Malaysia     | 194,061                                |
| Philippines  | 2,356                                  |
| Indonesia    | 344,580                                |
| India        | 301                                    |
| Norway       | 381                                    |
| Sweden       | 5,657                                  |
| Denmark      | 2,658                                  |
| France       | 2,319                                  |
| Germany      | 38,953                                 |
| Switzerland  | 1,631                                  |
| Italy        | 54,158                                 |
| Finland      | 4,713                                  |
| Poland       | 16,604                                 |
| Austria      | 206                                    |
| Hungary      | 566                                    |
| Turkey       | 348                                    |
| Croatia      | 436                                    |
| Slovakia     | 7,848                                  |
| Canada       | 4,054                                  |
| USA          | 14,100                                 |
| <b>Total</b> | <b>1,822,929</b>                       |

Data source: Ministry of Finance, Japan

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

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

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

**Export logs and lumber**

Volume of exporting logs during January to June, 2024 is 849,000 cbms, 12.3 % more than January to June, 2023. The amount is 13.3 billion yen, 19.5 % more than the same period last year. The volume and the amount of exporting logs increase for consecutive two years.

## Exported wood products

|                | Volume<br>cu.m | YoY<br>% change |
|----------------|----------------|-----------------|
| Logs           | 849            | -112.3          |
| Cedar logs     | 744            | -113.3          |
| Cypress logs   | 82             | -97.9           |
| China          | 753            | -113.6          |
| South Korea    | 55             | -119            |
| Taiwan P.o.C   | 37             | -95.7           |
| Vietnam        | 2              | -65.8           |
| Lumber         | 71             | -110.4          |
| Cedar lumber   | 47             | -119            |
| Cypress lumber | 12             | -97.8           |
| China          | 29             | -112.5          |
| U.S.A.         | 20             | -124            |
| Taiwan P.o.C   | 8              | -93.7           |
| Philippines    | 6              | -113            |

Unit : 1,000 cbms, 1million yen

( ) = compared to the previous year by %

Volume of exporting lumber had kept decreasing since 2022 but it increases in 2024 and it is 71,000 cbms, 10.4 % more than the same period last year. The amount of exporting lumber is 3.4 billion yen, 12.3 % more than the same period last year.

Especially for logs, the high-priced logs and the weak yen are double effects for rising amount. The forecast for the second half of this year would be positive as same as the first half of this year.

The volume of exporting logs in 2024 would reach 1,700,000 cbms for the first time ever and the volume of lumber would be more than 2023 for the first time in three years. Cedar log is 744,000 cbms, 13.3 % more and cedar lumber is 47,000 cbms, 19.0 % more than the first half of 2023. Exporting cedar logs to China is 671,000 cbms, 14.9 % up from the same period last year and it occupies 79 % of total exporting logs. The exporting cedar lumber to China declines but to the U.S.A. recovers.

On the other hand, exporting cypress log is 82,000 cbms, 2.1 % less than the first half of 2023. Cypress lumber is 12,000 cbms, 2.2 % down from the same period last year. Exporting cypress log has been declining since 2022 and exporting cypress lumber has been declining since 2021.

Cypress logs for South Korea, Taiwan P.o.C and Vietnam decrease. Cypress lumber for South Korea decreases by 31.4 % declined. The reason is that the price of cypress lumber has been high after the wood shock in 2021.

Logs for China is 753,000 cbms, 13.6 % increased and lumber for China is 29,000 cbms, 12.5 % increased from the same period last year.

Demand for building materials is low but demand for crating is still firm and there are inquiries to cedar logs due to lower price than cypress's price.

The price of 4 m cedar logs to China during January to June, 2024 is US\$115 – 119, C&F per cbm. The price was around US\$105 – 120, C&F per cbm during January to June, 2023. A purchase price in this year is 11,000 yen, at the port per cbm, and this is 500 – 1,000 yen up from the same period last year. Lumber for the U.S.A. is 20,000 cbms, 24.0 % more than the same period last year. However, the volume does not reach 36,000 cbms, which was the peak at the first half of 2021, even though it is a historical weak yen.

One of reasons is that there were not enough containers to export lumber to the U.S.A. in June, 2024. Also, the inquiries for lumber started to rise in spring this year. 55,000 cbms of logs are exported to South Korea and this is 11.9 % increase. 3,000 cbms of lumber are exported to South Korea and this is 5.3 % up from the same period last year. Lumber for Philippines is 6,000 cbms, 13.0 % more than the first half of 2023.

Use of wooden chips in 2023 the Ministry of Agriculture, Forestry and Fisheries announced the result about the use of wooden biomass energy in 2023. Wooden chips for wood biomass power plants in 2023 are 11,497,906 BD tons, and this is 4 % more than 2022.

The survey was held for 1,489 companies, which have biomass power plants or boilers, and this is 53 companies less than the previous year. 1,410 companies, 17 companies less than last year, had answered the survey. 1,349 out of 1,410 companies were effective responses and the ratio of effective responses is 90.6 %. These results do not include imported pellets nor PKS.

Thinned wood and forest scrap in 2023 are 4,924,398 BD tons, 9.0 % more than 2022. This is 405,887 BD tons up. The operations or new operations at medium or small wood biomass power plants, which consume unused woody materials, were stable. Scraps of lumber are 1,734,806 BD tons, 0.2 % up. Since the new starts are low, there are a lot of wood offcuts of lumber and plywood, from plants. Wastes of building material is 3,913,336 BD tons, 0.7 % down from the previous year. This is also due to less new starts.

Imported wooden chips and logs manufactured in Japan is 539,756 BD tons, 25.8 % more than 2022. Some companies supplement domestic wooden chips in several places. Pruned branches and others are 385,612 BD tons, 12.0 % less than last year. The reasons are that labor costs and overhead expenses skyrocketed so there were less opportunities to prune branches.

### Joint meeting for plywood

There were five organisations, which are Japan Lumber Importers' Association, Japan Plywood Manufacturer's Association, APKINDO, Sarawak Timber Association, and Sabah Timber Industries Association had a 24th joint meeting for exports and imports of plywood on September 17, 2024. The joint meeting was held in Japan for the first time in six years.

Representatives from each organisation reported its market and economic conditions. Some suppliers of South Sea plywood requested Japanese buyers' cooperation to protect the resource. There were several softwood plywood manufacturers, trading companies and wholesalers in Japan attended the joint meeting.

The chairman of Japan Plywood Manufacturer's Association said that it is important to cooperate for competing against wooden panels such as OSB or MDG.

There was an opinion about the high export cost from the chairman of APKINDO and the foresters in South Asia have been struggling with loss.

A report of the market from Indonesia was to preserve the forest resources by afforestation. This is one of Indonesia's measures. As for plywood, the price kept dropping after COVID-19 but the production cost kept rising. As a result, the added value of plywood is not good.

They will raise awareness of using natural wood material such as lauan wood and measure the quality of products. Moreover, they will advocate the value of products instead of the price.

A Malaysian representative proposed other countries to cover the cost because the cost has been increasing.

### Budget request for 2025

The budget request was made by The Ministry of Forestry and Fisheries. 347.8 billion yen was requested and this was 15.8 % more than it was planned at first. The budget will be used for carbon neutrality, and a solution of hay fever in wood, forestry and lumber industries. The budget request for 2025 is 2 % less than 2024.

The details of the budget request are 233.4 billion yen for public projects such as forest management and afforestation projects, 17.8 % more than the first budget request and 114.3 billion yen, 12 % more than the first budget request, for non-public projects.

As for Green Growth Strategy Through Achieving Carbon Neutrality 2050, 15.6 billion yen, 8.3 % more than first budget request, was requested. A policy objective is to supply and use 42,000,000 cbms domestic lumber in 2030. This is 20 % more than 2022's policy objective and this is 9.2 % more than the first budget request. 300 million yen is for comprehensive package of digital innovation.

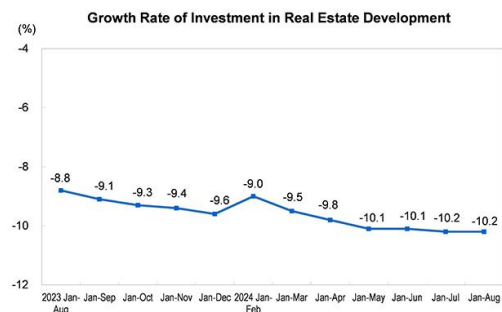
However it is and this is 25 % less than the first budget request. 1.2 billion yen is to strengthen in supplying and using more structural lumber and it is 20 % more than the first budget request. About hey fever measures, about 20 % of cedar artificial forest will be reduced.

The supplementary budget in last year was 6 billion yen but the budget request for next year is 3.5 billion yen. The details of 3.5 million yen are 700 million yen for cutting down the cedar artificial forest and replanting, 1.5 billion yen for expanding use of cedar lumber and 700 million yen for expanding production of seedlings with less pollen. The budget request for the forest management is 148.9 billion yen, 18.7 % more than the first budget request.

## China

### Investment in real estate development

The national Bureau of Statistics released details of real estate investment between January and August indicating there was year-on-year decrease of 10.2% in investment, of which the investment in residential buildings was down by 10.5%.



See:

[https://www.stats.gov.cn/english/PressRelease/202409/t20240924\\_1956651.html](https://www.stats.gov.cn/english/PressRelease/202409/t20240924_1956651.html)

### China to 'significantly increase' debt to revive growth

The Chinese economy faces strong deflationary pressures due to a sharp real estate market downturn and frail consumer confidence. A wide range of economic data in recent months has missed forecasts, raising concerns that the government's 4-5% growth target for this year may not be achieved.

See: <https://www.channelnewsasia.com/east-asia/china-says-it-will-significantly-increase-debt-revive-economic-growth-4674346>

In early October the government announced it will "significantly increase" debt to revive the economy but is yet to provide details of the package. At a press conference the Finance Minister, Lan Foan, said the central government will help local governments tackle their debt problems, offer subsidies to people with low incomes, support the property market and replenish state banks' capital, among other measures.

A wide range of economic data in recent months has missed forecasts, raising concerns that a longer-term structural slowdown could emerge.

See: <https://www.reuters.com/world/china/china-says-will-significantly-increase-debt-revive-economic-growth-2024-10-12/> and <https://www.channelnewsasia.com/east-asia/china-says-it-will-significantly-increase-debt-revive-economic-growth-4674346>

**Revised national standards**

14 national standards related wood products have been released recently in China. These standards are:

- GB/T 44689-2024: Odor classification and evaluation method for Wood-based panel and products
- GB/T 44690-2024 Volatile organic compound release classification for wood-based panels and products
- GB/T 23472-2024 Impregnated film paper veneer straw board
- GB/T 30364-2024 Reconstituted bamboo flooring
- GB/T 44290-2024 Method for calculating biochar content in wood and wood products
- GB/T 17664-2024 Charcoal
- GB/T 44346-2024 Wood activated carbon identification method

See: [https://www.wood365.cn/Industry/IndustryInfo\\_281312.html](https://www.wood365.cn/Industry/IndustryInfo_281312.html)

**Increased log imports from US**

According to China Customs, log imports from US rose 4% to 1.5 million cubic metres between January and August 2024, surging 60% in July 2024.

North American hardwoods, Douglas fir and oak log imports from the US rose 30%, nearly 400% and 41% respectively in July 2024.

The main reason for increase was that China extended tariff exemptions on hardwood logs and sawnwood imported from US from 1 August 2024 to the end of February 2025.

This policy update means that until the end of February 2025 US timber suppliers will not be subject to the tariffs imposed by China. By extending the tariff exclusion period the import cost of related wood is expected to remain unchanged which is conducive to stabilising market expectations, providing a stable market environment for North American wood importers in today's complex and changeable international trade environment and greatly promoting the rapid development of Sino-US wood trade.

See: [http://news.sohu.com/a/795481085\\_120504278](http://news.sohu.com/a/795481085_120504278)

**Surge in sapelli imports**

According to China Customs, between January and July 2024 China's sapelli imports surged over 140% to 56,000 cubic metres valued at US\$31 million, jumping over 140% over the same period of 2023.

Monthly data on China's sapelli imports were affected by seasonal factors and China's Spring Festival holiday, China's sapelli sawnwood imports suffered a brief trough, down 14% in the following months.

In March 2024 import volumes of sapelli sawnwood increased 260% year-on-year which became a turning point in the growth of imports up to July 2024. In May, sapelli sawnwood imports reached a peak, up to 12,600 cubic metres, an increase of nearly 200% year on year. However, after June the growth rate of imports fell sharply but it was still 57% higher than the same period last year.

**China's sapelli imports from January to July 2024**

| 2024 Month | 000s cu.m | YoY % change |
|------------|-----------|--------------|
| Jan        | 3         | -14%         |
| Feb        | 9         | 175%         |
| Mar        | 10        | 260%         |
| Apr        | 9         | 164%         |
| May        | 13        | 198%         |
| Jun        | 4         | 57%          |
| Jul        | 6         | 170%         |
| Total      | 56        | 143%         |

Data source: China Customs

Cameroon and the Republic of Congo were the largest and the second largest suppliers of China's sapelli imports. 93% of China's sapelli imports were shipped from the two countries between January and July 2024.

China's sapelli imports from Cameroon and the Republic of Congo amounted to nearly 31,000 cubic metres and 21,000 cubic metres, surging over 150% and 120% year on year and accounted for 55% and 37% of the national total.

The strong performance of sapelli sawnwood in China's domestic market recently benefited from a combination of factors. Sapelli wood is widely used in furniture, architecture and musical Instruments. It is currently favored by Chinese consumers. The steady growth of the market demand for sapelli wood has promoted a significant increase in its imports.

In addition, reduced export prices and a significant increase in the output by exporting countries have jointly promoted the rapid growth of China's sapelli sawnwood imports.

### **Growth of wood-based panel industry**

The development of China's wood-based panel industry in 2023 was generally stable. According to a 2023 statistical report on China's wood-based panel industry total production capacity of the wood-based panel sector was about 335 million cubic metres, up 2.2% year on year. The output value of wood-based panel products was about RMB764 billion, an increase of 15% year on year. The consumption of wood-based panel products was about 318 million cubic metres, an increase of 10% year on year.

In addition to Beijing, Tianjin, Shanghai, Tibet, Qinghai, Ningxia, the remaining 25 provinces had wood-based panel production in 2023. Eight provinces had a production of more than 10 million cubic metres. Production growth in Central and South China regions was noted with Guangxi exceeding Shandong to become China's largest wood-based panel production province.

At the end of 2023 there were more than 10,100 wood-based panel manufacturers in China, down 17% year-on-year.

Through the continuous promotion of supply-side structural reform the structure of China's wood-based panel industry has accelerated its adjustment, low production capacity has been eliminated and enterprises that have lost competitiveness have ceased operation. Although the number of wood-based panel enterprises has decreased, the average production capacity of enterprises is steadily improving and new production lines were mostly large-scale and technologically advanced.

In order to enhance market share and drive the development of wood-based panel enterprises the scale of top enterprises continued to expand. By the end of 2023 there are nearly 235 large-scale wood-based panel production enterprises and enterprise groups. As of August 2024 there were 12 wood-based panel manufacturers with a total production capacity of more than 1 million cubic metres, of which 5 enterprises have a production capacity of more than 2 million cubic metres per year.

The total import and export volume of China's wood-based panels was 15.75 million cubic metres in 2023, an increase of 1.2%; The total value of imports and exports was US\$6.761 billion, down 15% year-on-year.

China still is the major supplier of wood-based panels but in the context of the overall global trade China's wood-based panel industry needs to overcome many challenges.

See:

[https://www.wood365.cn/Industry/IndustryInfo\\_281263.html](https://www.wood365.cn/Industry/IndustryInfo_281263.html)

### **Rise in wood product imports through Lanshan Port**

It has been reported that up to July this year 6.678 million cubic metres of wood was imported through Lanshan Port, up 19% (log imports 6.566 million cu.m., sawnwood imports 112,000 cubic metres), accounting for 17.5% of China's wood imports.

The wood industry in Lanshan District, Rizhao City, Shandong Province has become the largest integrated industrial base for log imports, processing and distribution.

Lanshan Port imported 9.656 million cubic metres of wood (9.306 million cubic metres of logs, 350,000 cubic metres of sawnwood), accounting for 15% of the national total wood imports, accounting for 25% of the national total log imports.

At present, there are more than 400 wood trade and processing enterprises in Lanshan District (87 timber enterprises with more than RMB20 million of an annual main business incomes), with RMB12 billion of an annual trade and processing output value and 7 large-scale centralised processing zones with an annual wood processing capacity of 6 million cubic metres, directly supporting around 20,000 employees.

See:

[https://www.wood365.cn/Industry/IndustryInfo\\_281220.html](https://www.wood365.cn/Industry/IndustryInfo_281220.html)

### **GGSC – China report**

In August the People's Bank of China held a conference seeking a more vigorous push for financial support to facilitate large-scale equipment upgrades and the trade-ins of bulk durable consumer goods.

In addition, the conference emphasised the prevention and resolution of financial risks in the real estate sector and the effective implementation of a 300-billion-yuan (about US\$42 billion) relending facility to support government subsidised housing.

Also in August the National Bureau of Statistics released data on the total retail sales of consumer goods which showed that from January to July China's furniture retail sales totalled 85.1 billion yuan (about US\$12 billion), representing a year-on-year increase of 2%.

August is generally a dull month for sales by China's timber sector and in the south of the country the duration and volume of rainfall exceeded that of previous years which further impacted wood processing and domestic sales.

In August the GTI-China index registered 43.1%, a decrease of 0.4 percentage point from the previous month and was below the critical value (50%) for 4 consecutive months

As for the eleven sub-indices, two indices (inventory of main raw materials and delivery time) were above the critical value of 50% while the remaining nine indices (production, export orders, new orders, existing orders, inventory of finished products, purchase quantity, purchase price, import and employees) were all below the critical value.

Compared to the previous month, the indices for existing orders, purchase quantity, purchase price and inventory of main raw materials increased by 0.5-4.7 percentage points.

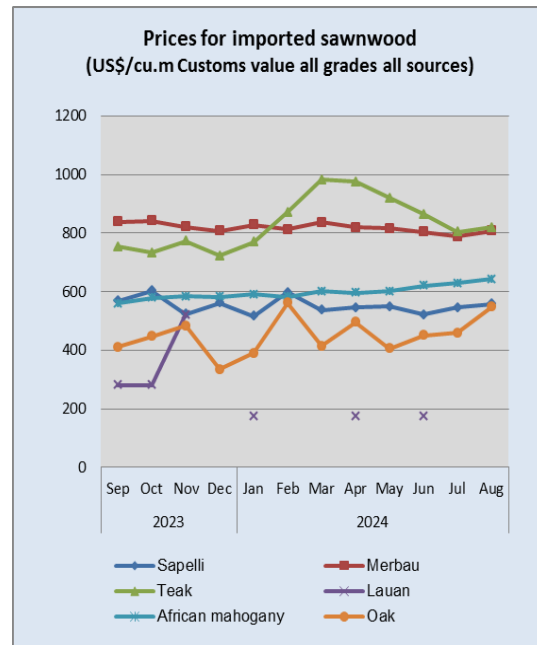
The index for new orders was unchanged from the previous month and the indices for production, export orders, inventory of finished products, import, employees, and delivery time declined by 0.4-5.7 percentage points

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

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

|        | 2024<br>Jul | 2024<br>Aug |
|--------|-------------|-------------|
| Okoume | 271         | 267         |
| Merswa | 191         | 238         |
| Teak   | 434         | 502         |
| Merbau | 432         | 473         |
| Birch  | 493         | 495         |
| Oak    | 152         | 141         |

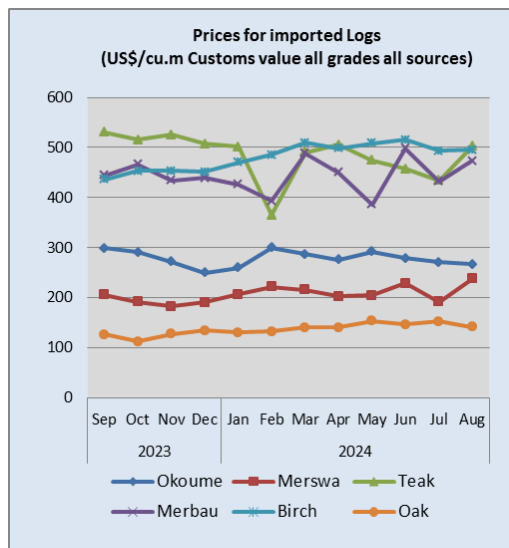
Data source: Customs, China



Data source: Customs, China

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

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



Data source: Customs, China

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

|                  | 2024<br>Jul | 2024<br>Aug |
|------------------|-------------|-------------|
| Sapelli          | 545         | 558         |
| Merbau           | 788         | 808         |
| Teak             | 804         | 819         |
| Lauan            |             |             |
| African mahogany | 629         | 642         |
| Oak              | 459         | 547         |

Data source: Customs, China

**UK**

**UK timber imports fall as construction output declines**  
Against the background of a slow economy, with 2024 GDP growth forecast at just 0.7%-1.1% and particularly contracting construction output, UK timber imports fell in the first half of the year.

According to the latest figures from the UK timber trade body Timber Development UK (TDUK), timber and wood products imports overall were down 3.6% in volume from January to June compared to the same period in 2023, to 4.9 million cu.m.

The sharpest contraction came in wood panel products, with volumes 6.1% lower over the six months. Solid wood imports (hardwood and softwood combined) were down 1.2%.

The TDUK said that in most months during the period, overall import figures ‘closely matched the volumes of 2023’, however there was a significant fall in March.

More positively, imports in June 2024 rose 0.5% on the same month in 2023, helping keep the year-on-year deficit for the first six months overall at 3.6%. That compared with a 4.3% volume fall for January to May on that period last year.



Temperate and tropical hardwood imports altogether in the first half of 2024 were 7% lower in volume than the first half in 2023 at 225,000 cu.m and 6.2% lower in value at £174 million. A 10,000 cu.m fall in imports from Latvia was the main factor

Tropical hardwood imports were 2.7% lower in volume at 44,000 cu.m, and 3% in price at £41 million.

The Republic of the Congo increased its sales to the UK in the first half of 2024 by 24%, giving it a 30% share of the UK's total tropical imports. This put it ahead of Cameroon, which supplied 4% less giving it a total UK tropical import market share in the six months of 28%.

The UK's tropical timber imports from the Democratic of Congo and Malaysia also both fell in the first six months, by 30% and 22% respectively.

Poland's sales of tropical timber to the UK rose to give it an import market share of 6%. That compared to 1% in the first half of 2023. The main species it re-exported were virola, imbuia and balsa, but TDUK did not have access to details on the countries of origin.

UK temperate hardwood imports in the first half of 2024 compared to the same period in 2023 were 3.3% lower in volume at 133,000 cu.m and 3.1% in value at £112 million. Besides Latvia, import volumes from the US, Germany and Croatia were all down.

The volume from France rose 1% to give it a 22% share of UK temperate hardwood imports. That put it ahead of the US, with its share falling from 22% in the first half of 2023, to 21% in the period this year.

The UK's imports from Romania increased in volume by 23%, taking its share of the country's total first half temperate hardwood imports up from 9% in 2023 to 11% this year. UK first half mixed hardwood imports declined by 20.2% in volume from 2023 to 2024 to 48,000 cu.m and by 24.1% in value to £21 million.

Total UK plywood imports in the first six months fell 3.7% by volume to 646,000 cu.m. However, this was accounted for by contraction in softwood plywood imports. Imports of hardwood plywood were up 4.1% on the same period in 2023 to 459,000 cu.m.

Biggest growth came in imports from China. These were up by 7%, equating to an increase of about 21,000 cu.m. That was around 3,000 cu.m more than the total increase in imports from all other countries.

The rise increased China's share of the UK hardwood plywood import total in the first six months to 72%. Indonesia came next, but with its share down from 6% to 5%, while Malaysia and Latvia's share was stable at 5% and 4% respectively.

While volumes were up, however, the value of UK hardwood plywood imports in the first six months was down 7% due to an 11% fall in average price.

In June, the UK imported around 5,500 cu.m more hardwood plywood than in the same month in 2023. Again, this increase was accounted for by a rise in imports from China, up by over 6,500 cu.m on June 2023. That pushed its share of UK imports for the month up to 76%, compared with 73% in June last year.

UK softwood imports in the first half of 2024 were 2.6% on the same time last year at 3.04 million cu.m. The major drag on trade, said TDUK, was a 6% fall in imports from Sweden and a 9% reduction from Finland. This offset a rise of 9% in imports from its other top three softwood supplier, Latvia.

The value of softwood imports in the first half was down 4% due to the volume decline combined with a 1.3% fall in the value of the UK's basket of imports.

Softwood plywood imports into the UK in the first six months totalled 187,000 cu.m, a decrease of 18.6% on first half in 2023. Volume from Brazil was 28,000 cu.m lower, while imports from the UK's other lead suppliers, Finland, China and Chile all fell between 3,000cu.m and 5,000 cu.m.

The value of softwood plywood imports in the first six months of 2024 was down 23% due to the combination of the decline in volumes and a 5% drop in average price.

Brazil accounted for the biggest share of UK softwood plywood imports in the period, up 1% from 2023 to 68%. Finland and China's share was stable at 10% and 9% respectively, while Chile's was pegged back 2% at 3%.

UK imports of particleboard in the first six months of this year were 3.8% lower at 300,000 cu.m. Imports of OSB were down 7% at 217,000 cu.m and MDF 5.9% at 385,000 cu.m.

Turning to engineered wood products, UK imports of laminated veneer lumber were 21.4% lower in the period and cross laminated timber 15.3% at 14,000 cu.m. But imports of glulam rose 12.2% to 23,000 cu.m.

The timber trade attribute the virtually across the board fall in UK timber imports chiefly to the continuing slowdown in construction and consequently in the building products market.

The Builders Merchants Building Index (BMBI), produced by the UK Builders Merchants Federation, showed merchants' sales increase in the second quarter of 2024 on the first quarter.

However, on a like for like basis, they were down 8.8% on the second quarter of 2023. Sales of builders' merchants' two biggest product categories, timber and joinery products and heavy building materials (such as bricks and blocks) were down 7.4% and 8.4% respectively.

Simon Woods, the BMBI's wood panel expert and European sales, marketing and logistics director of forest products giant West Fraser, said that the commitment of the UK's new Labour Party government to deliver 1.5 million additional new homes in the next five years was potentially 'great news' for the construction products sector.

Quoted in the UK Timber Trades Journal, however, he raised a question mark over the target.

"If we are to build 300,000 homes per year, starting now, we need considerable change," he said. "2023-2024 saw fewer than 150,000 house completions, so we are looking at a 100% increase in a very short period."

The last time we built 300,000 homes a year was 50 years ago, and local authorities provided approximately half of them. That means either private developers will need to flood the market, or local authorities will need to step back into building social housing – which is unlikely given the state of UK public finances."

But Mr Woods said that if the government only achieved half its building target it would still herald 'better times for all involved in the construction industry'.

"For timber-related markets, the ramp up could be more focused than other sectors, as offsite or modern methods of construction [which favour use of timber] could be the route to higher housing volumes without the stress of finding skilled labour," he said.

"Many of the major housebuilders have [or are building] timber frame housing facilities and it could well be these that are able to grow output most quickly."

According to latest industry forecast from the UK Construction Products Association (CPA), UK construction output is set to fall by 2.9% in 2024. That is a steeper decline than the 2.2% predicted in its previous report three months before.

"This is primarily due to recovery in the two largest construction sectors, private housing new build, and repair, maintenance and improvement being pushed back until the Bank of England cut interest rates and consumer confidence strengthens," stated the CPA.

It said the construction sector's recovery is not now forecast to be until 2025, with 2% growth predicted, followed by 3.6% in 2026.

Commenting on the CPA forecast, its head of construction research Rebecca Larkin said: "There have been clear signs of intent from the new [Labour] government, particularly around planning policy to improve housing and infrastructure delivery. However, with little detail at this stage, it is difficult to see any near-term construction uplift."

But better news for the medium to longer term for construction is now coming from the Bank of England. It finally cut interest rates, for the first time in four years, in August from 5.25% to 5%, with the eventual outcome of this set to be a boost to house-buyer confidence due to lower mortgage rates.

The Bank has also hinted that, dependent on inflation remaining low, borrowing costs would continue to fall. With inflation currently close to the Bank's target of 2%, UK media attention has focused on how many more interest rate cuts will follow in coming months. The Bank has two more meetings left this year to decide on rates, in November and December.

See: <https://timberdevelopment.uk/>  
<https://www.tjonline.com/>

<https://www.constructionproducts.org.uk/>

<https://bmbi.co.uk/>

### **Invitation to European timber companies – mission to Selva Maya forest operators**

Businesses interested in sustainable tropical timber sourcing have the opportunity to explore timber species and meet key suppliers in Selva Maya a tropical forest region extending over Belize, northern Guatemala and southeastern Mexico. The Selva Maya is the most extensive tropical rainforest of Mesoamerica

The European trade mission to the Selva Maya forest in Central America is aimed at developing business to business contacts and timber exports from the region. The initiative is being organised by the Rainforest Alliance, FSC and Probos.

The mission is taking place from November 17 to 24 and is open to timber importers, traders and distributors. Urban and other local authority procurement personnel, specifiers and end-users are also invited to join the trip.

Participants will visit Selva Maya community forest operations in Guatemala and in the Yucatan Peninsula in Mexico. All are FSC-certified or in the process of achieving certification.

The objective of the mission is to assist these forest operators to break into the international market and for those already exporting, to broaden their overseas customer base for their timber and non-timber forest products.

The organisers of the mission say the Selva Maya community timber and forestry enterprises primarily trade in mahogany and cedar but have access to over 100 lesser-known species. Many of these, they maintain, are commercially viable, can be sourced sustainably and should be brought to market to support industry development. They include Chicozapote, Tzalam, Pucté and Manchiche.

The trade mission, in bringing together demand-side companies with the community forest operators, is billed as a step towards helping overcome these obstacles. And possibilities for commercialising these lesser-known timber species will be another focus of the mission programme.

For details contact Carlos Estrada from Rainforest Alliance ([cestrada@ra.org](mailto:cestrada@ra.org)) or Mark van Benthem from Probos ([mark.vanbenthem@probos.nl](mailto:mark.vanbenthem@probos.nl)).

and  
See: <https://www.probos.nl/evenementen/3777-selva-maya-tropical-timber-trade-mission-november-2024>

## North America

### Tropical hardwood product imports fell in August

US imports of tropical hardwood and tropical hardwood products slowed in August with nearly all categories seeing a decrease from the previous month.

August imports of sawn tropical hardwood lumber fell 14% from the previous month and 22% below that of August 2023; imports of hardwood plywood dropped by 4% for the month to a level 24% below the previous August and imports of tropical hardwood veneer retreated 22%, falling 52% short of the August 2023 total.

Imports of hardwood flooring declined 20% in August—down 26% from the previous August—while imports of assembled flooring panels fell only 1% from the previous month and maintained a level 34% higher than that of August 2024.

Imports of hardwood moulding also fell only marginally, losing 2% but remaining a healthy 34% higher than August of last year. Imports of wooden furniture slid 5% but held 2% higher August 2023 totals.

### Sawn tropical hardwood imports

US imports of sawn tropical hardwood fell 14% in August. The 15,106 cubic metres of hardwood imported was 22% less than that imported last August as imports for many types of hardwoods sank by about 25%. Imports of Balsa, Sapelli, Ipe, Mahogany, Virola, Cedro and Paduak all fell between 20-30% from the previous month.

Imports of Keruing rose 54% percent but were still 34% below that of the previous August and are down 47% year to date. Imports from Brazil, the top trading nation, were down 23%, falling sharply for the second straight month. Total US imports of sawn tropical hardwood are down 7% so far this year versus last year.

Canada's imports of sawn tropical hardwood also fell in August, losing 13% from the previous month. Despite the drop, the month's imports were a healthy 51% above that of August 2023 while imports from Brazil, Cameroon, and Bolivia are more than 80% higher than last year for the year so far. Total Canadian imports of tropical hardwood are up 45% versus 2023 for the year through August.

### Jan-Aug 2024 Sawn tropical hardwood imports (cu.m)

|                     | Jan-Aug 2024 | YoY % change |
|---------------------|--------------|--------------|
| Total               | 124,230      | -7%          |
| Ecuador             | 3,526        | -24%         |
| Brazil              | 34,926       | 2%           |
| Cameroon            | 15,441       | 22%          |
| Malaysia            | 11,433       | -42%         |
| Congo (Brazzaville) | 10,943       | 13%          |
| Peru                | 836          | 6%           |
| Indonesia           | 18,063       | 7%           |
| Ghana               | 4,752        | 1%           |
| Cote d'Ivoire       | 1,492        | -8%          |
| Other               | 22,818       | -19%         |

Data source: US Department of Agriculture, Foreign Trade Statistics

### Hardwood plywood imports slip

US imports of hardwood plywood dipped 4% in August on declines from its three top trading partners. Imports from Russia fell 31% in August while imports slipped 14% from Indonesia and 7% from Vietnam. The 209,888 cubic metres of plywood imported in August was 24% less than what was imported the previous August.

As a result, 2024 imports that were earlier greatly outpacing the previous year, are now only ahead of 2023 by 8% for the year so far. However, imports from Vietnam and Malaysia remain strong and are up around 80% over last year's totals through August.

### Imports of hardwood plywood (cu.m)

|           | Jan-Aug 2024 | YoY % change |
|-----------|--------------|--------------|
| Total     | 1,828,987    | 8%           |
| China     | 25,971       | -22%         |
| Russia    | 119,758      | -2%          |
| Indonesia | 440,233      | 38%          |
| Malaysia  | 60,707       | 77%          |
| Cambodia  | 88,167       | 20%          |
| Vietnam   | 490,082      | 80%          |
| Ecuador   | 85,569       | -8%          |
| Other     | 518,500      | -30%         |

Data source: US Department of Agriculture, Foreign Trade Statistics

### Veneer imports weaken

July's surge in US imports of tropical hardwood veneer appears to be a one-month blip as August figures sank back to their weak June level. An upsurge in imports from India could not make up for sharp declines in imports from Italy, China, Ghana, and Cote d'Ivoire.

Imports from Italy remain down by nearly three quarters for the year so far while total veneer imports fell to 14% below that of 2023 year to date.

**Hardwood flooring imports fall to lowest level since 2021**

In August, monthly imports of hardwood flooring fell below US\$5 million for the first time since February 2021. Imports fell for the third straight month, dropping 20% from the previous month to a level 26% below that of August 2023. The decline came even though imports from top trade partner Indonesia rose 18% and other top trade partners also saw gains. Total imports of hardwood flooring are down 14% versus last year through August.

US imports of assembled flooring panels took a pause in August after rising in each of the previous four months. Imports fell by 1% in August but remained 34% higher than in August 2023.

Imports from Indonesia more than doubled from the previous month while imports from China gained 83%. Total imports continue to outpace those of 2023 by 32% through August.

**Imports of assembled flooring panels (US\$)**

|           | Jan-Aug<br>2024 | YoY<br>% change |
|-----------|-----------------|-----------------|
| Total     | 214,841,083     | 32%             |
| China     | 6,842,383       | 22%             |
| Canada    | 45,495,857      | 36%             |
| Indonesia | 10,347,749      | -36%            |
| Vietnam   | 44,587,433      | 48%             |
| Thailand  | 30,273,207      | 256%            |
| Brazil    | 671,719         | 1%              |
| Other     | 76,622,735      | 13%             |

Data source: US Department of Agriculture, Foreign Trade Statistics

**Moulding imports slacken**

US imports of hardwood moulding took a slight hit for a second straight month but continue to stay at a level well above that of last year. Moulding imports fell 2% in August but remained 34% higher than that of August 2023. Imports from Brazil continue to disappoint, falling 35% in August and down more than 50% for the year so far. Imports from Malaysia rallied 60% in August but are still down 7% for the year to date. Total US imports of hardwood moulding are up 26% versus 2023 through August.

**Wooden furniture imports fall**

US imports of wooden furniture fell 5% in August as imports from nearly all trade partners slipped. Imports from Malaysia, China and India all fell more than 10%. Imports from Mexico saw the only gain but rose less than 1% over the previous month.

The US\$1.74 billion imported in August was 2% higher than that of August 2023. For the year so far, total imports of wooden furniture remain ahead of last year by 6%.

See: <https://usatrade.census.gov/index.php?do=login>

**Hurricane strikes traditional US furniture and wood product regions**

Hurricane Helene and its aftermath have devastated communities throughout Western North Carolina and communities in other Southern states.

Latest estimates have the death toll at more than 160 men and women — a number sure to rise as hundreds are reported missing. The furniture, lumber, and cabinet industries are not immune to these effects.

Woodworking Network has reached out to more than a dozen small and mid-sized shops throughout communities such as Asheville, Black Mountain, Canton, Hiddenite, and other area towns — particularly hard-hit areas — but as power, internet and cell service is out or limited at best, few of these local companies have answered their phones or returned phone calls. Those that have responded have reported outages, minor damage, and even supply shortages.

The greatest impact has been on transportation. Hundreds of roads remain closed, according to the US Department of Transportation. "Road conditions are becoming clearer in the affected area, however, travel between western North Carolina and Tennessee is extremely limited, especially for trucks. Interstate 40 and I-26 are closed at the Tennessee/North Carolina line. The estimated repair time for I-40 is unknown at this time," according to the DOT's website.

The hurricane's effect has been with companies throughout the region and companies are in the early stages of gathering information and figuring out what will be needed to resume normal operations.

See:

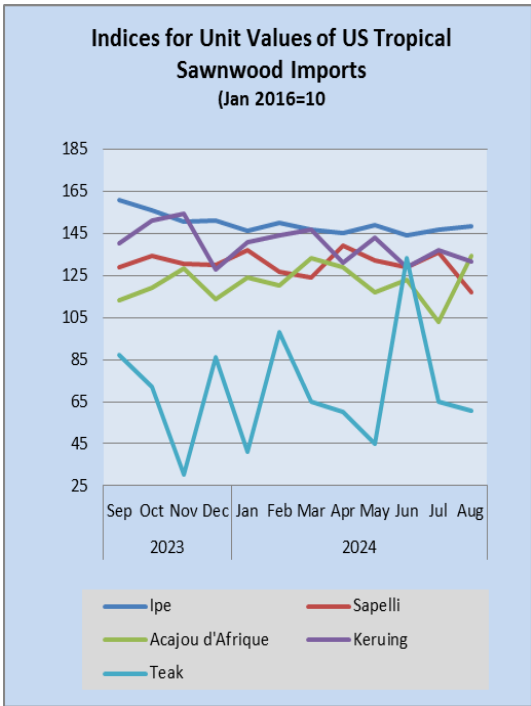
<https://www.woodworkingnetwork.com/news/woodworking-industry-news/hundreds-hurricane-damaged-roads-still-closed-or-affected>

**Negotiations continue as US dockworkers return to work**

Striking dockworkers along the US's East and Gulf Coasts agreed to go back to work 3 October after reaching a tentative agreement with port operators for a 62% wage increase that extends the current contract providing more time to bargain over remaining issues. The tentative agreement to suspend the International Longshoremen's Association strike may have consumers and businesses breathing a sigh of relief. Still, the deal is far from done, according to logistics experts.

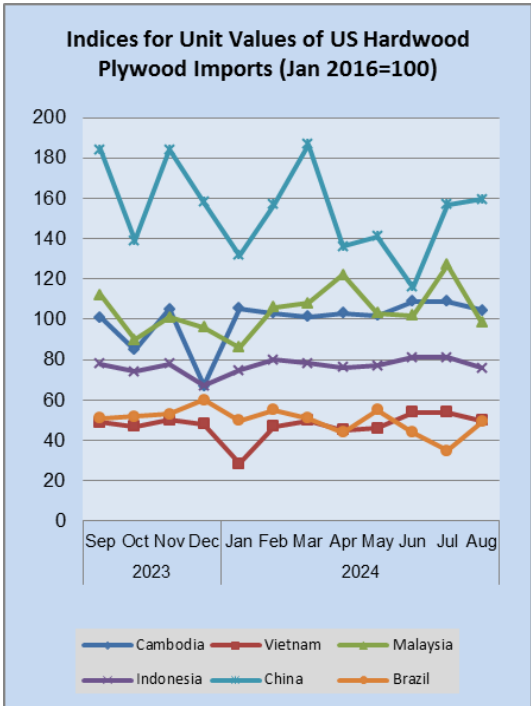
The US ports strike suspension, with the International Longshoremen's Association union and USMX ownership group reaching a deal on wage increases, still leaves the contentious issue of port automation to resolve by the 15 January deadline. Many US ports remain laggards on automation compared to the rest of the world and the union has used aggressive rhetoric in discussing this.

See: <https://www.nbcnews.com/business/business-news/dockworkers-union-reach-tentative-agreement-wages-suspend-strike-talks-rcna173963>



Data source: US Census Bureau, Foreign Trade Statistics

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



Data source: US Census Bureau, Foreign Trade Statistics

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

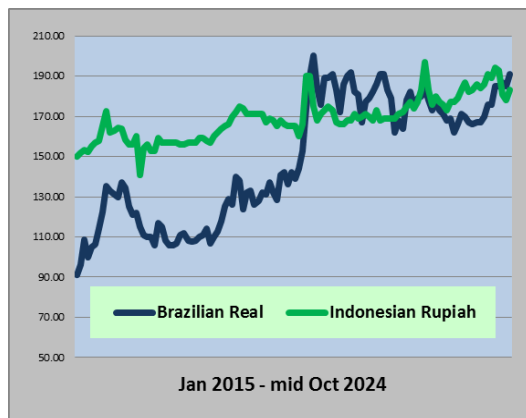
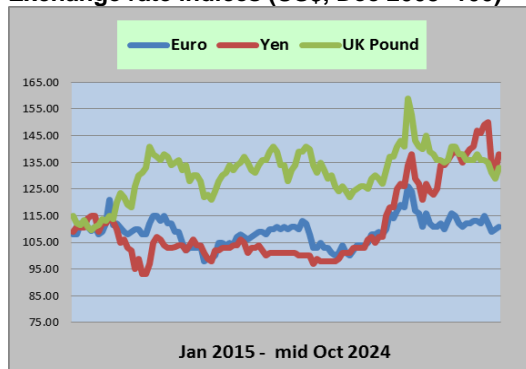
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

## US Dollar Exchange Rates

As of 10 October 2024

|               |           |          |
|---------------|-----------|----------|
| Brazil        | Real      | 5.61     |
| CFA countries | CFA Franc | 599.71   |
| China         | Yuan      | 7.06     |
| Euro area     | Euro      | 0.91     |
| India         | Rupee     | 84.11    |
| Indonesia     | Rupiah    | 15,569   |
| Japan         | Yen       | 149.00   |
| Malaysia      | Ringgit   | 4.29     |
| Peru          | Sol       | 3.74     |
| UK            | Pound     | 0.77     |
| South Korea   | Won       | 1,349.32 |

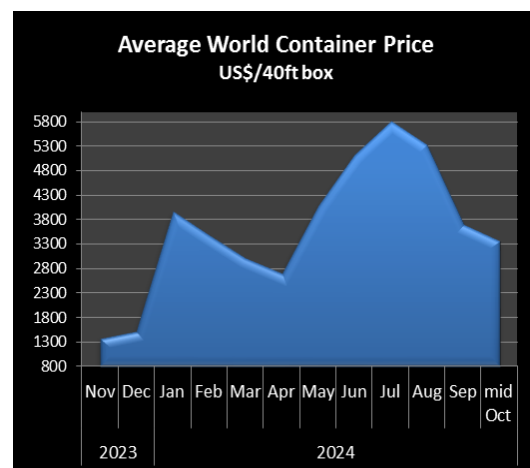
Exchange rate indices (US\$, Dec 2003=100)



## 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

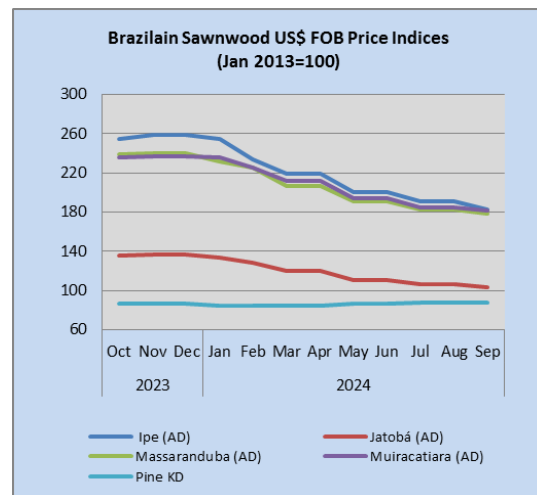
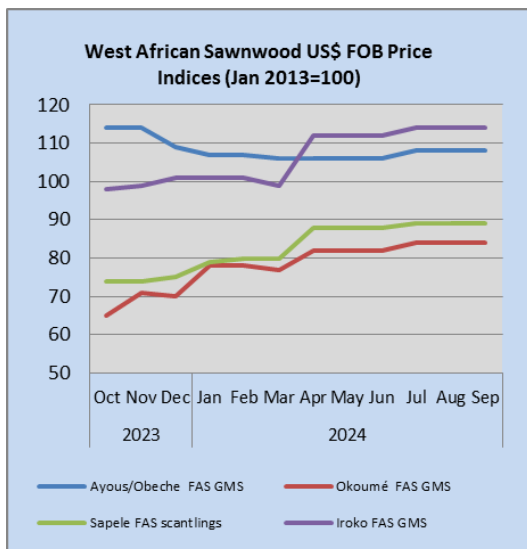
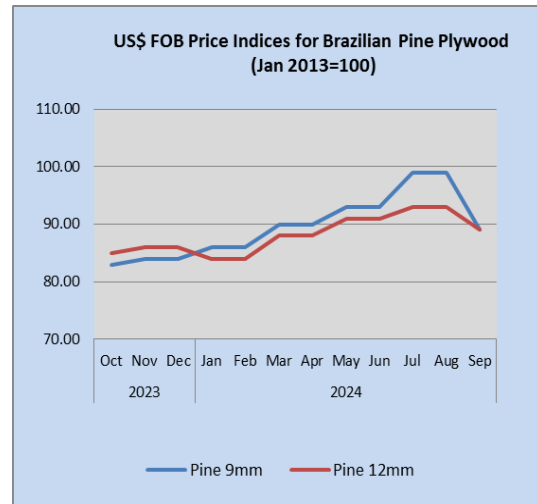
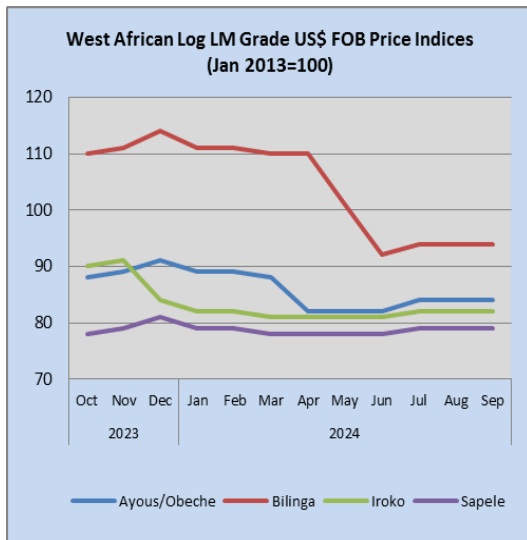


Data source: Drewry World Container Index

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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