Tropical Timber Market Report

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Contents

Headlines

Top story

Action Framework for legal and sustainable timber supply chains

At the Macao Global Legal and Sustainable Timber Forum (GLSTF) an Action Framework for promoting legal and sustainable timber supply chains was launched.

The Action Framework will enable the identification and implementation of practical action to help build legal and sustainable timber supply chains.

Page 22

Central and West Africa

Authorised exploitation of kevazingo

The transitional government in Gabon has adopted a draft decree authorising the exploitation of kevazingo to "stimulate the development of forest regions," according to an official statement reported by the media. Harvesting of kevazingo was suspended in 2018.

The draft decree aims to establish a stricter regulatory framework for the exploitation of kevazingo. It limits exploitation to sustainably managed concessions, strengthens traceability through a geo-referencing system and requires a CITES permits for finished products.

See:https://www.jeuneafrique.com/1604084/economie-entreprises/a-la-recherche-de-moteurs-de-croissance-le-gabon-relance-lexploitation-dun-bois-precieux/
and
https://www.gabonreview.com/retour-conditionne-du-kevazingo-aubaine-economique-ou-desastre-ecologique-en-devenir/

In other news from Gabon, weather conditions are said to be unpredictable, particularly in up-country areas. Harvest levels are below those of last year due to low demand for some of the redwood species. However, local demand for okoume remains good but orders for okoume from China remain low.

Demand from buyes in the Philippines remains steady and there have been suggestions that demand in Middle East markets may be recovering with increasing inquiries for species such as belli, okan, okoume and movingui.

SEEG under provisional administration

The Société d'énergie et d'eau du Gabon (SEEG), concessionaire for the water and electricity sector in Gabon, was placed under provisional administration on 27 August according to a decision of the Presidency of the Gabonese Republic.

Faced with a production shortfall and aging infrastructure Société d'énergie et d'eau du Gabon (SEEG) is imposing rotating load shedding to stabilise Libreville's power grid.

The drop in production is mainly due to lower water levels at the Kinguélé-Tchimbélé dam, an essential infrastructure for Libreville's electricity supply. The dam, which accounts for almost half of the capital's energy production, has a deficit of 60 megawatts.

See: https://energynews.pro/en/massive-power-cuts-in-gabon-seeg-rations-electricity/

The transitional government in Gabon is focusing on road construction and tackling long-standing issues like the electricity crisis by building a new hydroelectric dam with Chinese support. It has been reported in the domestic press that the Chinese government has pledged investment of 7.2 trillion FCFA for roads, railways and a new port in Mayumba.

Operators in Cameroon - EU markets remain quiet

Heavy rains have returned slowing harvesting activities and some mills report a decline in log stocks. The rains are expected to last until December.

The market in Europe remains dull say operators, while the Middle East and the Philippines market demand remains stable. Enquiries from buyers for the Chinese market are very low but enquiries from Middle East buyers are said to be improving for species such as iroko, sapelli and a range of redwoods.

Cameroon President, Paul Biya, recently visited China where it is reported he secured investment commitments deals totalling 500 billion FCFA for infrastructure development among others.

Key projects for the government include Phase 2 of the Yaoundé-Douala highway, the Edéa-Kribi highway and the Ngaoundéré-Garoua road.

BRICS countries a significant market

In January this year BRICS expanded to include five new countries, Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates (forming BRICS+). According to a report by the Cameroonian Institute of Statistics (INS) this new group is increasingly important to Cameroon's timber trade.

The INS reported that over the past five years BRICS+ countries accounted for 29% of Cameroon's global trade, with wood products a key component.

See: https://www.businessincameroon.com/public-management/0609-14120-cameroon-seeks-more-chinese-funding-for-major-road-projects

Log quota system still in place

Operators in Congo report no harvesting or production disruptions. Order books are said to be stable for the next two months. While log exports are officially banned a quota system is still in place so old log stocks can be cleared.

Enquiries remain stable with the Philippines continuing to demand okoume sawnwood. Chinese orders have slowed and only outstanding contracts are being fulfilled. No changes in government regulations have been reported and the focus of government policy is down-stream added value production.

In the Congo there have been significant investments with support from China in ministry buildings, up-market housing projects and road construction. The highly anticipated Congo River bridge project is another example of a Chinese contribution.

Log export prices

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

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440⬆
Bilinga FAS GMS	680
Okoumé FAS GMS	450
Merchantable KD	410
Std/Btr GMS	400
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	900⬆
FAS scantlings	975
Strips	400
Sapele FAS Spanish sizes	550
FAS scantlings	560
Iroko FAS GMS	800
Scantlings	850
Strips	400
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	550
Scantlings	550
Movingui FAS GMS	460

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/20240822/1724289606498649.pdf

Ghana

Demonstrations planned to stop illegal mining in forest reserves

Organised labour and some Civil Society Organisations in Ghana have threatened a series of demonstrations throughout the country if government does not act to stop all illegal small-scale mining (known as 'galamsey') in forest reserves and along water bodies.

The media has reported that galamsey activities have reached crisis proportions in the country where forests are degraded and water bodies are polluted.

The activists are seeking urgent government intervention and calling for a 'state of emergency' declaration to halt all mining operatives from activities near forest reserves and water bodies.

The call for action is led by organised labour, including the Trades Union Congress (TUC), the Ghana Medical Association (GMA), the University Teachers Association of Ghana (UTAG) and the Ghana Federation of Labour, Other associations include the Peasant Farmers Association of Ghana (PFAG) and the Ghana Bar Association (GBA).

The activist group has called on the government to annul the regulation LI2462, which allows mining in the country's forest and withdraw any licenses for prospecting and mining in forests, protected areas and near water bodies. The Minister for Lands and Natural Resources, Samuel Abu Jinapor, has reportedly described calls for a state of emergency to combat illegal mining as "draconian and far-reaching."

The Ghana President, Nana Akufo-Addo, has set up 5-member ministerial ad-hoc committee to assess how to deal with the illegal galamsey.

See: https://gna.org.gh/2024/09/organised-labour-demands-immediate-declaration-of-galamsey-as-an-emergency/
and
https://www.modernghana.com/news/1340742/galamsey-has-reached-a-crisis-proportion-forest.html
and
https://citinewsroom.com/2024/09/galamsey-declaring-a-state-of-emergency-draconian-and-far-reaching-lands-minister/
and
https://www.myjoyonline.com/akufo-addo-sets-up-5-member-ministerial-ad-hoc-committee-to-assess-galamsey-fight/

Exports continue a slow year on year decline

Total wood and wood products export in July 2024 earned the country Eur10.69 million from a volume of 24,392 cu.m which represented a decrease of 2.6% in value but a 1.5% increase in volume as compared to July 2023 according to Timber Industry Development Division (TIDD) data.

For the first seven months of the year 2024 cumulative exports continued to show a year-on-year dip of 12% in volume and 13% in value against the same period in 2023.

Wood products export: January to July

	2023 cu.m	2024 cu.m	% change vol.	% change val.
AD saw nw ood	101,391	88,805	-12%	-10%
KD saw nw ood	24,199	20,621	-15%	-15%
Billets	9,063	8,931	-1%	0%
Plyw ood (Overland)	12,857	10,147	-21%	-22%
Plyw ood	9,382	7,240	-23%	-19%
Rotary veneer	4,874	5,429	11%	-10%
Teak logs	5,962	6,087	2%	2%
Mouldings	5,291	3,506	-34%	-27%
Sliced Veneer	4,167	3,602	-14%	-20%
Briquettes	1,320	1,485	13%	34%
Boules (KD)	53	226	326%	310%
Others (7)	950	1,665	75%	2%
Total	179,456	157,518	-12%	-13%

Data source: TIDD

Air and kiln-dried sawnwood and plywood for the regional market accounted for 56%, 13% and 6% respectively and accounted for 75% of the total export volume for the first seven months (157,518cu.m) compared to the 179,456 cu.m in the same period in 2023.

Products that made significant export gains were kiln-dried boules, briquettes, rotary veneer and teak logs. These products also recorded positive year-on-year growth in export values except rotary veneer which dipped by 9.5% to Eur 2.71milion from Eur 2.47million in the first half of 2023.

The United States accounted for 35% (1,920 cu.m) of rotary veneer shipments from Ghana's total export volume of 5,429cu.m and this earned Eur 944,099 in total export receipts (Eur 2.7 million).

Canada was the second largest market with rotary veneer import of 1,101cu.m valued at Eur837,788.

Out of seventy-six (76) exporters recorded in July 2024 the top five were Samartex Timber and Plywood Company Limited, Multimodal Freight Services Limited, 3RDI Shipping Agency Limited, Golden Logs Exporters Limited, and John Bitar and Company Limited. These enterprises shipped twelve (12) different wood products including air and kiln-dried sawnwood, billets, plywood for the regional market and rotary veneer to 35 countries.

Forestry sector contribution to Ghana's economy

A two-day National Policy Dialogue (NPD) has been held following a study conducted by the Ghana Statistical Service (GSS) in collaboration with the Forestry Commission (FC) to assess the contribution of forestry to Ghana's economic development.

Participants at the dialogue included stakeholders from the forestry industry, GSS, Food and Agricultural Organization (FAO), the Warnell School of Forestry at the University of Georgia, the Environmental Protection Agency (EPA) and the National Development Planning Commission (NDPC) which deliberated on the theme "Economic Contribution and Sectorial Linkage of the Forest Sector to the National Economy of Ghana".

The GSS identified that the forestry sector contribution has been underestimated as the informal sector contribution is possibly under reported, weak reporting and lack of disaggregated data and linkage between the forest sector and other economic sector's contribution to the national economy.

The GSS report revealed that the country's forestry sector, particularly forest and logging in 2014 contributed GH¢10.83 billion to Gross Domestic Product (GDP), representing 2.0%. The study also revealed that from 2014 to 2023 the economic contribution of the forest sector to Ghana's Gross Domestic Product on the average has been 1.5%.

The Chief Executive of the Forestry Commission, John Allotey, said the forest sector plays a vital role, not only in preserving our rich biodiversity but also contribute significantly to the livelihoods of millions of Ghanaians.

He highlighted on numerous benefits derived from the forest and expressed his optimism that the discussions and recommendations brought forth from the dialogue will shed light on the vital role our forests play as key drivers of economic growth, employment and national development and lead to a successful outcome that will drive the advancement of the forest sector.

See: https://fcghana.org/ce-of-fc-calls-for-collective-commitment-in-advancing-the-forest-sector/

Business confidence index slips

The latest Monetary Policy Report from the Bank of Ghana (BoG) has recent surveys indicated some softening of consumer and business sentiment.

According to the Bank, exchange rate volatilities posed the biggest challenge to businesses. The Business Confidence Index dipped to 88.8 from 92.6 in last survey as businesses expressed concern about the cost implications of the rapid exchange rate depreciation.

Similarly, the report showed that Consumer Confidence Index declined to 81.2 in June 2024 from 87.7 in April 2024 on account of high food prices and uncertainties on future economic conditions.

A statement in the report says "these findings were broadly in line with observed trends in Ghana's Purchasing Managers' Index (PMI) which fell below the 50.0 benchmark to 49.7 in June 2024, from 51.6 in the previous month".

Ghana's inflation rate for August 2024 dropped to 20.4%, down from 20.9% in July marking the sixth consecutive month of decline since March 2024 when it was 25.8%.

See: https://www.myjoyonline.com/business-confidence-dipped-due-to-rapid-exchange-rate-depreciation-in-may-2024-bog-report/

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
Afrormosia	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 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/20240822/1724289606498649.pdf

Malaysia

Positive indicators for the economy

Bank Negara Malaysia (BNM) has maintained the overnight policy rate at 3% to support the country's economic growth. The Bank's decision to hold the benchmark interest rate steady was widely anticipated. BNM said it will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability.

On the Malaysian economy, BNM said the latest indicators point towards sustained strength in economic activity in the second quarter of 2024, driven by resilient domestic expenditure and better export performance. Employment and wage growth, as well as policy measures, will continue to support household spending.

However, analysts at Kenanga Investment Bank have suggested demand and prices for wood products in the local market are likely to remain unchanged in the immediate to medium term due to economic uncertainty and higher borrowing costs that continue to dampen new construction and home building activities.

See: https://www.freemalaysiatoday.com/category/highlight/2024/09/05/bnm-keeps-opr-at-3-to-support-economic-growth-2/

Malaysia Timber Exports (Jan – Jun, RM million)

	2023 Jan-Jun	2024 Jan-Jun
Total	10,034	11,426
Builders joinery	607	621
Particle board	119	108
Fibreboard	408	373
Logs	281	241
Mouldings	427	476
Plywood	1,094	1,239
Sawnwood	1,152	1,090
Veneer	38	50
Wooden Furniture	4,062	4,712
Other products	1,846	2,517

Data source: MTIB

Malaysia's top furniture export markets (RM million)

	2023 Jan-May	2024 Jan-May
Total value	4,372	5,193
USA	1,859	2,398
Singapore	518	476
Australia	289	292
Japan	247	260
UK	171	208
Canada	120	210
India	140	133
Philippines	125	157
UAE	99	122
Saudi Arabia	69	77

Data source: Malaysian Furniture Council

Kenaf industry in Sabah to be expanded
The Deputy Plantation and Commodities Minister, Chan Foong Hin, said that, through the National Kenaf and Tobacco Board (LKTN), his ministry intends to expand the kenaf industry in Sabah through initiatives in partnership with cooperatives and the private sector.

He added that for 2024 the LKTN has identified 125 ha. of land in Sabah in the districts of Beluran, Pitas and Sook with potential for kenaf cultivation. The ministry is confident that this industry will create new job.

International Furniture Fair, MIFF 2025
The Malaysian International Furniture Fair 2025 is scheduled to be held from 1 – 4 March 2025 in Kuala Lumpur. The venues will be at World Trade Centre Kuala Lumpur (WTCKL) and the Malaysia International Trade & Exhibition Centre (MITEC). Free shuttle services between venues will be available.

The organisers say that around 650 furniture manufacturers and exporters will be exhibiting from Australia, Cambodia, China, India, Indonesia, Hong Kong, Japan, South Korea, Taiwan P.o.C, Thailand, Turkey, Vietnam, UAE and the USA.

See:
http://theborneopost.pressreader.com/article/281556591192658

Sabah's untouched forests
A two-week survey is underway in the Imbak Canyon Conservation Area (ICCA) in central Sabah to strengthen conservation efforts in this area of biodiversity. Over 150 researchers, government officials and conservation advocates will visit into the 27,000 ha. fully protected forest reserve to collect data.

The survey follows the expiration of the ICCA Strategic Management Plan last year which was developed by stakeholders under the stewardship of Sabah Foundation and based on findings from a similar survey conducted in 2012.

Sabah Foundation emphasised the importance of acquiring up-to-date data on the site's natural resources and wildlife, crucial for the preservation of the area. Imbak Canyon is one of five conservation areas under Sabah Foundation's purview, including the Maliau Basin Conservation Area and the Danum Valley Conservation Area.

Imbak Canyon is one of Sabah's last substantial unlogged lowland dipterocarp forests in the heart of Borneo. It serves as a critical water catchment area for Sungai Kinabatangan, the longest river in Sabah and functions as a wildlife corridor connecting Danum Valley (43,800 ha) and the Maliau Basin (58,800 ha).

This sanctuary is home to endangered species such as the Bornean pygmy elephant, orangutan and clouded leopard. It also plays a crucial role in forest restoration, acting as a gene bank for regenerating degraded areas.

In addition to conservation, the survey will explore the area's potential for tourism development and identify research questions for future explorations.

See:
https://www.nst.com.my/news/nation/2024/09/1100939/researchers-survey-one-sabahs-last-untouched-forests

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See: https://www.itto-ggsc.org/static/upload/file/20240822/1724289606498649.pdf

Indonesia

Benchmark export prices (HPE) for September 2024

Veneers (prices per cu.m)

Natural forest veneer	US$850
Plantation forest veneer	US$905
Wooden Sheet for Packaging Box	US$1,000

Wood Chips (prices per tonne)

Woodchips chips or particles	US$80
Woodchips	US$90

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

Meranti (Shorea sp)	US$1,100
Merbau (Intsia sp)	US$1,696
Rimba Campuran	US$824
Ebony	US$4,400
Teak	US$5,000
Pinus and Gmelina	US$638
Acacia	US$542
Sengon (P. falcataria)	US$432
Rubber	US$317
Balsa, Eucalyptus	US$1,629
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/pdf/Regulasi/2024/1203_Kepmendag%20dan%20lampiran%20HPE%20dan%20HR%20Produk%20Pertanian%20dan%20Kehutanan%20Sep%202024.pdf

Upgrading machinery and equipment for downstream wood product manufacturers - 2nd programme

The Ministry of Industry is preparing for a second programme of support for upgrading machinery and equipment for downstream wood product manufacturers.

Putu Juli Ardika, Director General of Agro-Industry at the Ministry is reported as saying "this programme has three main objectives: strengthening the value chain in the processed wood and furniture industry through technology optimisation, increasing production efficiency in the sectors and enhancing industrial competitiveness by improving productivity and production quality".

He mentioned that the programme implementation is based on Ministry of Industry Regulation Number 42 of 2022 and Ministry of Industry Regulation Number 31 of 2024. The implementation involves providing discounts or reimbursement for the purchase of machinery and equipment. He noted that, as of 27 August 2024, 13 applications had been received through the National Industrial Information System (SIINas).

The Director of Forestry and Plantation Products Industry, Setia Diarta, mentioned that as of 2022, a total of 24 wood processing and furniture companies had taken part in a programme to upgrade their machinery and equipment.

Based on reports from companies receiving funds this programme has increased company efficiency by 10-30%, product quality by 10-30% and company productivity by 20-30%.

See: https://tubasmedia.com/kemenperin-komit-dukung-pengembangan-industri-kayu-olahan/
and
https://www.tribunnews.com/bisnis/2024/09/02/kemenperin-siapkan-dana-rp333-miliar-untuk-restrukturisasi-mesin-industri-kayu

Revitalising the rattan industry

The Ministry of Environment and Forestry facilitated discussions between raw and semi-finished rattan producers and advanced processing industries to seek ways to strengthen Indonesia's rattan industry.

Discussions focused on strategic issues confronting the rattan processing industry, from raw material sourcing to finished product production. The meeting also explored strategies for market creation and efficient management of the rattan supply chain.

Ristianto Pribadi, Director of Forest Product Processing and Marketing Management, emphasised that rattan is abundant in Indonesia and is a sustainable non-timber forest product. Rattan product exports are a significant for Indonesia, however, exports declined by over 50% between 2021 and 2023.

Pribadi noted that the decline in exports negatively impacted the producers of raw and semi-finished rattan products.

Indonesia's rattan processing industry faces competition from other countries, including China, Vietnam, Malaysia, and the Philippines. Additionally, synthetic rattan products have posed challenges to Indonesia's rattan marketing.

See: https://en.antaranews.com/news/325155/indonesia-seeks-to-revitalize-rattan-industry

Vietnam Furniture Association collaboration with Indonesian businesses

The Vietnam Handicraft and Furniture Association (Ho Chi Minh City Handicraft and Wood Processing Association/HAWA) is seeking to collaborate and cooperate with the Indonesian Furniture and Craft Industry Association (HIMKI).

The Head of the International Inter-Institutional Relations Division of HIMKI, Marthunus Fahrizal, welcomed the suggestion of collaboration from HAWA. He sees this as a first step in efforts to strengthen the furniture and craft industry in both countries. He expressed hope for continued communication efforts so that these aspirations can be realised. The Indonesian Consul General in Ho Chi Minh, Agustaviano Sofjan, offered support for the collaborative efforts between HIMKI and HAWA.

See: https://kumparan.com/kumparanbisnis/asosiasi-furnitur-vietnam-buka-potensi-kolaborasi-dengan-pelaku-usaha-ri-23Qz0XAZicx/full

Export of ironwood from East Kalimantan

A Japanese import company has expressed interest in purchasing finished ironwood products from East Kalimantan Province. This was conveyed by the company representatives during their meeting with the Regional Secretary of East Kalimantan Province, Sri Wahyuni. Sri Wahyuni noted that the company has been supporting the planting of ironwood seedlings in Benua Etam for the past two years.

The Japanese company has shown an interest in buying ironwood products from local wood entrepreneurs in East Kalimantan but Sri Wahyuni emphasised that there are regulations governing its trade.

See: https://kaltim.tribunnews.com/2024/08/22/perusahaan-jepang-berminat-mengekspor-potongan-kayu-ulin-kaltim.

Egyptians interested in Indonesian agarwood

Two Egyptian companies have shown interest in importing agarwood products from Indonesia after the Indonesian Ambassador to Egypt, Lutfi Rauf, hosted a meeting with several Egyptian buyers.

The buyers explained that the demand for agarwood is for Grade I which contains oil and Grade II which does not. When processed the product can meet the requirements of prayer bead manufacturers and suppliers of perfume raw materials in Egypt, said the Ambassador.

See: https://harian.fajar.co.id/2024/09/08/buyer-mesir-minati-kayu-gaharu-indonesia/

Bezos Earth Fund observes social forestry

The Minister of Environment and Forestry Siti Nurbaya and a delegation from the Bezos Earth Fund recently visited the Kinipan Village Customary Forest in Lamandau Regency, Central Kalimantan Province. The purpose was to observe the efforts of indigenous peoples in preserving forests and to discuss potential support from the Bezos Earth Fund for the preservation of customary forests and the promotion of sustainable management of natural resources.

Minister Siti expressed her appreciation for the Kinipan indigenous community's efforts in preserving their ancestral forests. These forests not only protect biodiversity but also uphold the community's cultural traditions.

During the visit, the Bezos Earth Fund delegation reaffirmed their commitment to supporting conservation initiatives in Indonesia's ancestral forests through funding and innovative programmes that prioritise environmental sustainability.

See: https://ppid.menlhk.go.id/berita/infografis/7855/klhk-ajak-bezos-earth-fund-lihat-langsung-kemajuan-hutan-sosial

Energy transition key to economic growth

Finance Minister, Sri Mulyani Indrawati, has emphasised that Indonesia's energy transition efforts are not merely geared toward environmental protection but are also part of a long-term strategy to drive economic growth. During the International Sustainability Forum (ISF) 2024 in Jakarta she stated that fiscal policy will play a vital role in supporting the country's energy transition.

She noted that in recent years Indonesia has issued several fiscal policy instruments, including green bonds and blue bonds in both domestic and global markets. These instruments are designed to secure funding from investors for environmentally friendly projects, such as renewable energy development and sustainable forest management. Indrawati also underscored that Indonesia is one of the pioneers among developing nations in using fiscal instruments to fund green projects.

See: https://en.antaranews.com/news/325063/indonesias-energy-transition-key-to-economic-growth-says-minister

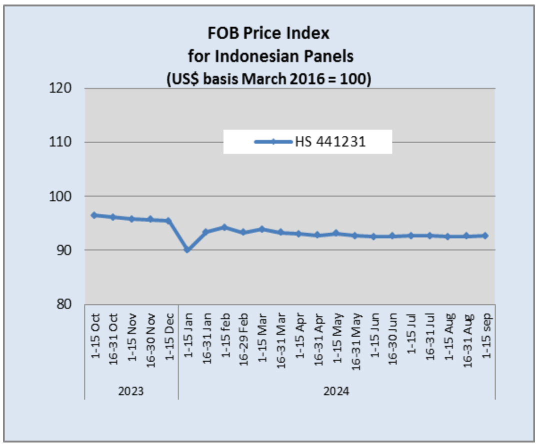
Conclusion of IEU-CEPA negotiations close

Minister of Trade, Zulkifli Hasan, has set a target for concluding the negotiations for the Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA). Discussion have beenon going for nine years.

With the IEU-CEPA in place Indonesian export commodities entering the European Union would be exempt from import duties. The agreement is expected to boost national economic growth. Indonesia has engaged in similar trade agreements with other countries such as China and India.

Another advantage of the IEU-CEPA is that it could help Indonesia avoid the implementation of the European Union Deforestation Regulation (EUDR). National industries that will be affected by the implementation of the EUDR in January 2025 include palm oil, cocoa, coffee, wood and natural rubber.

See: https://setkab.go.id/en/trade-minister-ieu-cepa-progress-reaches-90/



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

Myanmar

Publication of trade data suspended

Unconfirmed reports say the Ministry of Commerce (MoC) has reassigned staff in the section publishing trade data including exports and imports categorised by commodities. The trade data provided by the MoC is the most relevant source for researchers and the media. Currently, there are no other formal sources available online.

It is unclear why the entire section was reassigned rather than simply suspending the monthly updates. In a similar development, the Myanmar Timber Enterprise (MTE) has stopped uploading the annual harvesting plan and tender sale results. From 2010 to 2020 MTE worked to improve transparency and actively participated in the Myanmar Extractive Industries Transparency Initiative (MEITI) which suspended its activities in 2021. MEITI withdraw from Myanmar in 2021.

Although the current government has not conducted any harvesting for the past three years it is understood that MTE planned to carry out limited harvesting in this harvesting season. However, it is learnt that MTE is facing various challenges, particularly security concerns due to the weakening security situation. International pressure on MTE, seen as affecting export revenue, remains a critical challenge.

Punitive measures against MTE have severely impacted the timber industry which relies solely on MTE for log raw materials. Depriving MTE of all sources of income to deny the authorities access to foreign currency is a narrative gaining momentum and pushing the timber industry to the point of collapse.

Thai businesses pulling out

Thai businesses are gradually withdrawing investments from Myanmar due to its prolonged economic decline, exacerbated by the COVID-19 pandemic, the 2021 political development and ongoing conflicts.

Siam Cement Group (SCG) has suspended operations and beverage giant Osotspa has reportedly sold its investments in two Myanmar subsidiaries. Other Thai companies, including TPBI Public Company Limited and event organisers Grand Prix International and Index Creative Village, have also exited Myanmar.

However, the border trade is still active. Thailand's border and cross-border trade saw significant growth, with a 22% year-on-year increase in July 2024 marking four consecutive months of expansion.

See:
https://www.nationthailand.com/business/investment/40041138 and https://www.nationthailand.com/business/trade/40041207

Internal crisis continues

Since the February 2021 the country has been plagued by social, political and ethnic turmoil. The conflict has displaced 3 million people and led to thousands of deaths.

A report by the Special Advisory Council for Myanmar, an independent advisory group of international experts to provide an international platform for the democratic movement in Myanmar, says the government has lost control over 86% of the country's townships.

International efforts to resolve the conflict, including ASEAN's Five-Point Consensus, have largely failed

See: https://specialadvisorycouncil.org/2024/05/briefing-paper-effective-control-in-myanmar-2024-update/

Overland trade – who in control?

The Institute for Strategy and Policy-Myanmar, a Yangon-based think-tank, publishes regular reports on the state of the country with an assessment of the overland trade between Myanmar and its neighbours.

Among the various statistics in a recent report was the conclusion that ethnic armed organiszations (EAOs) opposed to the military are now in control of trade routes responsible for nearly all of the country's overland trade with China.

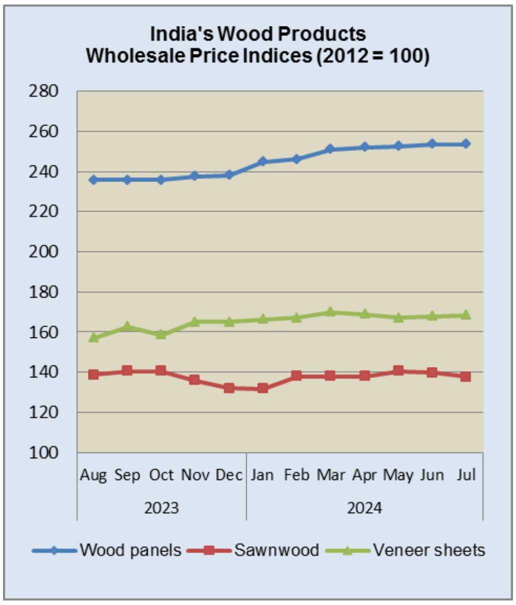
As the report states, "of the 17 official border trade stations between Myanmar and its five neighbours India, China, Thailand, Bangladesh and Laos, resistance groups now control five: three bordering China (Muse, Chinshwehaw, and Lwegel), one bordering Thailand (Mese), and one bordering India (Rihkhawdar).

See: https://thediplomat.com/2024/09/myanmars-border-trade-with-china-and-thailand-has-collapsed/
and
https://ispmyanmar.com/mp-64/

India

Inflation subdued but price index for veneers tilts up

The annual rate of inflation based on the India Wholesale Price Index (WPI) was 2.04% for July 2024. The rate of inflation in July 2024 was primarily due to increases in prices of food, manufactured food products, mineral oils, crude petroleum & natural gas and the group 'other manufacturing'.



Data source: Ministry of Commerce and Industry, India

Out of the 22 NIC two-digit groups for manufactured products, 13 groups saw an increase in prices and 9 groups a decrease. Some of the important groups that showed month on month price increases were chemicals and chemical products, food products, fabricated metal products (except machinery and equipment) textiles and 'other manufacturing'.

Some of the groups that witnessed a decrease in prices compared to June were basic metals, other non-metallic mineral products, computers, electronic and optical products, machinery and equipment and furniture.

The index for wood panels has risen steadily since the beginning of the year. In July veneer prices rose but the sawnwood index showed a decline.

See: https://eaindustry.nic.in/pdf_files/cmonthly.pdf

Indian companies face challenges with EUDR compliance

The EUDR will have significant implications for India's woodworking industry according to local trade media particularly concerning its export markets. India is a supplier of wooden furniture to Europe and the new regulation will necessitate substantial adjustments in how Indian companies source, process and document their wood product flows.

One of the primary challenges for Indian exporters will be compliance with the stringent traceability requirements of the EUDR.

This requirement will be particularly demanding for Indian suppliers who often source wood from domestic small holders where detailed traceability is difficult to establish. Compliance with the EUDR will likely result in increased operational costs for Indian woodworking companies.

The EUDR could also encourage broader adoption of sustainable forestry practices in India. As demand for sustainably sources wood increases there will be a greater incentive for Indian forestry operators to adopt sustainable methods. This shift could have long-term environmental benefits and improve the overall sustainability of India's forestry and woodworking sectors.

Collaboration between the government, industry associations and international bodies could be crucial in helping Indian exporters meet the EUDR requirements. Indian woodworking companies might also look to diversify their markets to reduce reliance on Europe. Such a strategy would require comprehensive market research and development of new trade relationships.

See:
https://woodnews.in/articledetails.php?cat_id=61&scat_id=2006&art_id=3236

Acceptance of a wideer range of species for veneer
PlyReporter has highlighted a recent shift in log raw material sourcing by the plywood sector, particularly for the production of core veneer. The change on the part of plywood manufacturers has seen the arrival of logs for core veneer peeling from Uruguay, Australia, Argentina. There are also reports that import of core veneer from Vietnam, Tanzania and Brazil is helping to ease the extreme difficulty in sourcing logs from domestic resources.

The Plywood industries in States like Gujarat, Rajasthan, West Bengal, Maharashtra and Andhra Pradesh have been using imported core veneers and logs. says PlyReporter.

As imported logs become a viable option for core veneer production plywood production has become more secure giving a boost to those secondary manufacturers that utilise plywood as their raw material.

The acceptance of a wide range of species for veneer cores is good for log exporters and has revitalized port-based plywood units in India. Ply Reporter says "There are approximately 160 plywood presses set up in Kandla region, and all are becoming more active now with improving imported timber supply scenario".

Rise in average house prices
In a press release Credai has reported that positive sentiment among prospective home buyers has resulted in lifting average house prices by 10% during the first quarter of 2024.

Each of the top eight cities reported year on year appreciation of average house prices. In Bengaluru, Delhi NCR, Ahmedabad and Pune registered double digit growth was observed.

Although the market appeared the level of unsold inventory also rose. Notably, Pune led with a year on year 10% rise in unsold inventory followed by Delhi NCR and Ahmedabad. As of the end of the first quarter 2024 unsold inventory in the top eight cities stood close to 10 lakh units with Mumbai Metropolitan Region alone having almost a 40% share.

See: https://www.credai.org/media/view-details/465

GAIN report - increased reliance on imported timber
A June GAIN report from the US Agricultural service says " India's annual import of logs, lumber and wood products has increased from US$630 million to US$2.3 billion over the past two decades, with U.S. market share reaching a record high US$84 million in 2023. Limited domestic supplies coupled with booming retail furniture, handicraft and hospitality sectors are driving demand for newer species. Exporters are also increasingly sourcing imported species to meet certification requirements in export markets".

The Gain report continues "India's burgeoning construction, housing, furniture and handicrafts industries are increasingly relying on imported forest products to increase output. Government estimates 51 percent of India's population will be living in urban areas by 2047, leading to a demand surge for furniture products. India's furniture market is valued at US$24 billion in 2023, making it the fifth largest producer and fourth largest consumer globally, with an expected annualised growth rate of 11 percent from 2023-28".

India's construction, housing, furniture and handicrafts industries are increasingly relying on imported forest products. Government estimates 51 percent of India's population will be living in urban areas by 2047, leading to a demand surge for wood products.

See: https://fas.usda.gov/data/india-wood-and-wood-products-update-2024

Cost C&F Indian ports, Teak, Hoppus measure

	Hoppus cu.m	USUS$ 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 USUS$/cu.m

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

Price range depends mainly on lengths and cross-section

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	84.00
6mm	97.00
9mm	115.00
12mm	137.00
15mm	178.00
18mm	195.00

Domestic ex-warehouse prices for locally manufactured MR plywood

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

Vietnam

Wood and wood product (W&WP) trade highlights

- According to Vietnam Customs in August 2024 W&WP exports reached US$1.35 billion, down 2.2% compared to July 2024 but up 4.5% compared to August 2023. Of this, WP exports were US$931 million, down 5% compared to July 2024 but up 10% compared to August 2023. Over the first 8 months of 2024 W&WP exports amounted to US$10.2 billion, up 21% over the same period in 2023 of which WP exports contributed US$7 billion, up 22% over the same period in 2023.

- W&WP exports to Canada in August 2024 were valued at US$19.6 million, up 3.3% compared to August 2023. In the first 8 months of 2024 W&WP exports to Canada were valued atr US$153 million, up 22% over the same period in 2023.

- Vietnam's exports of living and dining room furniture in August 2024 earned US$243 million, up 15% compared to August 2023. In the first 8 months of 2024 exports of living and dining room furniture brought in about US$1.7 billion, up 23% over the same period in 2023.

- Vietnam's W&WP imports in August 2024 stood at US$270 million, up 3% compared to July 2024 and up 46% compared to August 2023. In the first 8 months of 2024 W&WP imports cost US$1.8 billion, up 27% over the same period in 2023.

- In August 2024 NTFP export were estimated at US$70 million, up 2% compared to July 2024 and up 8% over the same period in 2023. In the first 8 months of 2024 NTFP exports amounted to US$547 million, up 13% over the same period in 2023.

W&WP exports expected to grow between 15 – 18% in 2024

According to the Forestry Department (DOF) WP exports (mostly high-end/value-added indoor/outdoor furniture) reached US$5.967 billion, up 22% and other products (woodchip, woodpellet, wood-based panels) earned US$2.785 billion, up 21%.

W&WPs from Vietnam went to the US, US$5.019 billion, up 24%; China, US$1.22 billion, up 38%; Japan, US$949 million, down 2.7%; South Korea, US$472 million, down 1% and the EU US$555 million, up 22%.

Woodchip exports surged by 38% and wooden furniture increased by 20% compared to the same period in 2023. Associations and processing enterprises have made efforts and been proactive in production and market promotion, says the DOF.

Commenting on the export market Nguyen Liem, Chairman of Binh Duong Furniture Association (BIFA) said that high interest rates in many countries are dampening demand.

Current order book positions for many companies are short (just 1–2 months) to fill the reduced inventory rather than that of 6 months or the whole year.

"Small orders, urgent delivery and reduced purchase prices are the common picture of export industries, including the wood industry", said Nguyen Liem.

However, he said that importer inventories are decreasing as global demand for wood products turns up. Following a difficult period of politic, market, interest rate uncertainties signs of improvement and recovery appear. He anticipated Vietnam's W&WP exports will grow by 15-18%, bringing in US$15.5-16 billion this year.

According to expert judgement there have been good signs in the export markets in the first 8 months of 2024 compared to the same period in 2023. However, it is too early to state that the markets will be well maintained throughout the year and be sustainable.

Limited economic growth in major markets, high inflation, high credit interest rates as well as the high production and logistics costs, among others, may hamper Vietnam's W&WP exports. In addition, the geopolitical instability with Russia – Ukraine and the tense in the Middle East may further negatively affect the supply chain.

W&WP imports in the first 8 months of 2024

Tali (and substitute) imports

Vietnam's tali imports in August 2024 amounted to 28,800 cu.m, worth US$11.3 million, up 3% in volume and 3% in value compared to July 2024 and compared to August 2023, imports increased by 45% in volume and 48% in value.

In the first 8 months of 2024 imports of tali are estimated at 193,000 cu.m, worth US$74.2 million, down 27% in volume and 33% in value over the same period in 2023.

Tali (and substitute) log and sawnwood imports

In the first 7 months of 2024 the volume of tali logs imported into Vietnam was 90,700 cu.m, worth US$30.9 million, down 25% in volume and down 30% in value over the same period in 2023. Imports of tali sawnwood stood at 74,300 cu.m, worth US$32.2 million, down 41% in volume and 45% in value over the same period in 2023.

Tali imports Jan-Jul 2024

	cu.m	US$ (000s)	Unit price
Logs	90,693	30,929	341
Saw wood	74,251	32,237	434.2

Data source: Customs Vietnam

Tali suppliers

In the first 7 months of 2024, tali imports from major suppliers decreased against the same period in 2023, while imports from China, Singapore, Cambodia, UAE rose.

In particular, tali imports from Cameroon fell by 36% in volume and 41% in value over the same period in 2023, reaching 109,600 cu.m, worth U$42.7 million and accounting for 67% of total imports.

Imports of this wood from the Congo amounted to 18,500 cu.m, worth US$7.1 million, down 15% in volume and down 29% in value over the same period in 2023.

In addition, tali imports from some other markets decreased year-on-year, such as from Gabon down 33%; from Nigeria by 29%; from Laos by 47%; Ghana by 31%; from Equatorial Guinea by 817%; from Hong Kong by 92%.

In contrast imports of tali from China surged by 242% over the same period in 2023, reaching 8,300 cu.m as well as from Singapore reaching 1,040 cu.m; and from Cambodia reaching 884 cu.m.

Wood industry seizes opportunities to achieve US$15.2 billion export target

Vietnam's W&WP exports are expected to boom in the last months of this year with a growth rate of over 20% amid positive signs of recovery in most markets.

"The export market for timber and wood products is seeing positive recovery signals, particularly in the main export products, including wood chips, which have increased by nearly 38% and timber and wood products, which have risen by over 20% year-on-year," according to the Director of the Forestry.

Vietnam's wood and forestry sector aims to export $15.2 billion this year, an increase from $14.47 billion last year. However, experts believe that to achieve this target the wood industry will face many obstacles.

Since the slowdown in 2023 from the beginning of this year wood and forestry processing associations and enterprises have been proactive in production and seeking export markets.

A series of market exploration fairs were held, attracting customers' interest in Vietnamese wood products.

Lê Minh Thiện, chairman of the Bình Định Timber and Forest Products Association, said if wood industry businesses comply well with the EUDR it will enhance their competitiveness in the EU and the penetration of wood products into this market will increase significantly.

However, if companies fail to meet the EUDR requirements their goods will face difficulty entering the EU market.

Regarding solutions for the Vietnamese wood industry, Chairman of the Việt Nam Timber and Forest Products Association Đỗ Xuân Lập said that businesses need to focus on improving competitiveness based on five main pillars. It includes improving production techniques and using technology, emission reduction, trade promotion and building internal monitoring standards.

Chairman of the Bình Dương Wood Processing Association (BIFA) Nguyễn Liêm assessed that the recent strong growth in wood and wood product exports is a positive outcome for Vietnam's wood industry amid many difficulties.

"However, to grow and develop sustainably wood industry enterprises need to proactively adapt to all conditions and circumstances, thereby making flexible changes in production, business and export processes. The development of technology and the supply chain for products, from raw materials to logistics, is very critical," he added.

See: https://vietnamnews.vn/economy/1662453/wood-industry-seizes-opportunities-to-achieve-15-2-billion-export-target.html

Vietnamese wooden cabinets: US concludes investigation

The Trade Remedies Authority (Ministry of Industry and Trade) of Vietnam announced that the US Department of Commerce (DOC) has finalised its investigation into anti-dumping and anti-circumvention measures on wooden cabinets imported from Vietnam.

The DOC upheld its preliminary findings from September 2023, determining that three types of Vietnamese cabinets with components made in China are subject to existing duties on Chinese products. However, the broader investigation into anti-circumvention duties was canceled.

Vietnamese exporters must use a self-certification mechanism and provide documentation to avoid anti-dumping and countervailing duties.

This documentation must be maintained for five years for potential verification by U.S. authorities.

The DOC will notify U.S. Customs and Border Protection to implement this self-certification regime, which excludes Vietnamese products not falling under the specified categories from duties.

The investigations were initiated by the DOC in May and June 2022, with existing anti-dumping and countervailing duties on Chinese cabinets ranging from 4.37% to 262.18% and 13.33% to 293.45%, respectively.

See: https://vietnamwood.com.vn/u-s-cancels-investigation-vietnam-wooden-cabinets/

Brazil

Biome restoration in the Atlantic Forest

The Brazilian Forest Service (SFB) has signed its first Federal forest concession contract in the Atlantic Forest biome covering over 3,000 hectares in the Irati National Forest in the State of Paraná, southern Brazil.

The project wil undertake restoration by replacing exotic species with native species like araucaria (Araucaria angustifolia), tree fern and imbuia (Ocotea porosa). The contract, signed with the company Ibema Participações S.A., will run for 35 years and includes phases for forest restoration followed by the potential commercial use of the planted forests.

In addition, the forest concession allows the use of carbon credits as supplementary revenue and it is part of the Investment Partnerships Program (PPI) with support from the Ministry of the Environment and Climate Change (MMA), the National Bank for Economic and Social Development (BNDES) and the Chico Mendes Institute for Biodiversity Conservation (ICMBio).

See: https://forestnews.com.br/servico-florestal-assina-1o-contrato-de-concessao-na-mata-atlantica/

Amazon drought disrupts forest regeneration

A study conducted by EMBRAPA (Brazilian Agricultural Research Corporation) has revealed that continuous droughts have delayed the replenishment of timber stocks in managed forests in the Amazon by 20 years, extending the regeneration cycle from 25 to 45 years.

The research, carried out over a 600-hectare in the municipality of Lábrea (Amazonas State) from 2000 to 2022 indicated that climatic events such as El Niño increased tree mortality and negatively affected forest recovery process. Initially it was expected that the forest would recover within 25 years, however, recovery has been slower due to reduced rainfall and extended droughts.

The results of evaluations corroborate findings from previous studies conducted in the forests of Acre State in the Amazon Region and other tropical forests which have shown that tree mortality is associated with climatic events.
The study highlights the need for further investigations into the influence of climate change on forest regeneration and which commercial timber species are most vulnerable.

The information generated by the study will be compiled into a database, currently under construction, which will be made available to research institutions, forestry professionals and other interested parties through Embrapa's Research Data Repository (Repositório de Dados de Pesquisa da EMBRAPA - Redape).

See: https://forestnews.com.br/secas-atrasam-em-20-anos-a-reposicao-de-estoques-de-madeira-em-floresta-manejada/

Woodtrade Brazil – focus on export opportunities

The 5th Woodtrade Brazil 2024 was held 16 September in Curitiba and addressed trends and opportunities in the UK and US markets, underlining Brazil's role as a global timber and timber products supplier.

The event included two foreign organisations, the UK Timber Trade Federation and the US National Wooden Pallet and Container Association (NWPCA). The UK Timber Trade Federation will provided an analysis of current trends as well as perspectives and opportunities for the Brazilian timber industry in the British context. Meanwhile, NWPCA focused on the American pallet and packaging market.

Brazil is a significant global supplier of wood exporting a range of products including plywood, sawnwood, mouldings, pellets, flooring, doors and pallets. Major export markets include the United States, the European Union and the United Kingdom.

Woodtrade Brazil Fair is organised by the Brazilian Association of Mechanically Processed Wood Industries (ABIMCI) in partnership with the Federation of Industries of Paraná (FIEP) and Malinovski and is part of the International Wood Week (SIM). This also includes the Lignum Latin America Fair and other related events which will deliver technical content, innovations, trends and emerging technologies that are shaping the future of the timber industry.

See: https://abimci.com.br/mercados-estrategicos-para-a-exportacao-de-produtos-madeireiros-do-brasil-sao-destaque-no-woodtrade-brazil-2024/

Sustainable production of timber from natural forests

The forest sector in the State of Mato Grosso, a major timber producing state in the Amazon Region, stands out for its sustainable practices in timber production from natural forests.

Forest News reports exporters who invest in sustainable forest management and technologies to minimise ecological impacts are gaining recognition, especially in demanding international markets such as Europe and North America, along with Asian markets. These three main international markets accounted for 54% of Mato Grosso's forest product exports in 2024, generating US$23.5 million in the first seven months of this year according to the Ministry of Agriculture and Livestock (MAPA).

Forest News writes "sustainable practices have added value to wood products and positioned manufacturers in the State as a benchmark for protecting the Amazon and responsible economic development. Forest-based companies have sustained their operations and gained new markets that demand and prioritise products with traceability and environmental responsibility, pillars of the future of the forest sector".

See: https://forestnews.com.br/exportadores-de-madeira-nativa-em-mato-grosso-se-destacam-por-producao-sustentavel/

Domestic log prices

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

Prices do not include taxes. Source STCP Data Bank

Domestic sawnwood prices

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

Prices do not include taxes. Source: STCP Data Bank

Domestic plywood prices

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

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

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

Prices do not include taxes. Source: STCP Data Bank

Export prices

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

Export sawnwood prices

Sawnwood	US$ per cu.m
Ipe	2,528
Jatoba	1,349
Massaranduba	1,331
Muiracatiara	1,354
Pine (KD)	193

Prices do not include taxes. Source: STCP Data Bank

Export plywood prices

Pine plywood	US$ per cu.m
9mm C/CC (WBP)	367
12mm C/CC (WBP)	320
15mm C/CC (WBP)	303
18mm C/CC (WBP)	301

Prices do not include taxes. Source: STCP Data Bank

Export prices for added value products

Added value product		US$ per cu.m
Decking Boards	Ipê	3,205
	Jatoba	1,810

Prices do not include taxes. Source: STCP Data Bank

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/20240822/1724289606498649.pdf

Peru

Ucayali - more than 800 forest fires
The Forest and Wildlife Service (SERFOR) has reported that in Ucayal,i so far this year, around 840 forest fires have been reported. During the first and second week of September, every dawn the city wakes to a haze of smoke due to nearby forest fires.

The departmental commander of the Ucayali Fire Service reported that in August alone 46 emergencies were attended mainly in the districts of Campo Verde and Nueva Requena, areas prone to fires due to high temperatures and dry vegetation.

This increase in fires coincides with the alert issued by the National Meteorological and Hydrological Service of Peru which warned of an increase in hot spots in the Amazon region.

The commander of the Ucayali fire Service explained that the main cause was the uncontrolled burning of fields, a common practice among local farmers to prepare their land. "The fire easily gets out of control due to the strong winds and dry vegetation.

According to the Director of monitoring and evaluation of natural resources at SERFOR an alarming 98% of forest fires in Peru are caused by human action. "The country has recorded more than 2,500 forest fires so far this year, affecting not only people's lives, but also the essential ecosystem services that nature provides, he said.

OSINFOR cooperation with Honduras
The Forest and Wildlife Resources Oversight Agency (OSINFOR) uses a technology that alerts the authorities when cases are identified that affect the sustainable use of forest resources. Within the framework of the South-South and Triangular Cooperation Project OSINFOR is transferring this technology, called Forest Alerts, to Honduras to be adopted in the country.

This initiative is an important step in consolidating the efforts of both countries to conserve their natural resources and combat illegal activities that threaten their forests and reaffirms the commitment of Peru and Honduras in the fight against environmental crimes.

See: https://www.gob.pe/institucion/osinfor/noticias/1017547-el-osinfor-transfiere-a-honduras-mecanismo-de-alertas-para-combatir-delitos-forestales-y-fortalecer-la-gestion-de-los-bosques

In related news, within the framework of the work plan established with regional governments OSINFOR transferred a national methodology for the study of the index and percentage of illegal logging and timber trade to Loreto with the aim of replicating it in this Amazon Region. This will allow the regional forestry authority to make more effective decisions in the fight against illegal logging.

OSINFOR will provide technical assistance throughout the process comprising representatives from the eight Provinces of Loreto with the support of the National University of the Peruvian Amazon (UNAP), the National Forest and Wildlife Service (SERFOR) and the technical and financial support of the USAID FOREST+ program and the United States Forest Service.

See: https://www.gob.pe/institucion/osinfor/noticias/1021037-el-osinfor-transfiere-a-loreto-metodologia-para-medir-y-hacer-frente-a-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	979-1011
Asian market	1079-1098
Cumaru decking, AD, S4S E4S, Central American market	994-018
Pumaquiro KD Gr. 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	591-627
2x13x75cm, Asian market	774-831

Export veneer prices

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

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US$ per cu.m
Pumaquiro 25-50mm AD	
Mexican market	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	1,119-1,031⬆
Asian market	1.004-1,047
Ishpingo (oak) 2" thick, 6"-8" length	
Spanish market	641-654
Dominican Republic	755-799
Marupa 1", 6-11 length KD	
Grade 1 Asian market	559-572

Domestic prices for other panel products

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, domestic	US$ per cu.m
Mahogany	-
Virola	222-234
Spanish Cedar	333-344
Marupa (simarouba)	192-227

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

No clear path forward for Bank of Japan

The Cabinet Office has reported the economy grew at an annual rate of 2.9%, slower than the earlier report of a 3.1% growth in the April-June quarter. The lower rate suggests that risks remain, especially because trends in US economic growth affect export-reliant Japan.

Political uncertainty in Japan is another risk as the ruling political party picks a new leader. Nine candidates are seeking to succeed Fumio Kishida as head of the Liberal Democratic Party and automatically becomes Prime Minister.

See: https://japantoday.com/category/business/japan's-economy-is-growing-but-political-uncertainty-is-among-the-risks

Household spending signals cautious consumers

Household spending rose less than expected in July as consumers remain cautious in the face of rising prices for every day goods, including food. The sentiment could complicate any decision by the Bank of Japan on raising interest rates again.

On a brighter note, Japan's inflation-adjusted take home pay rose for the second consecutive month in July. Base pay increased at the fastest pace in over 30 years in July. Despite this consumer willingness to purchase durable goods has remained subdued since the beginning of the year.

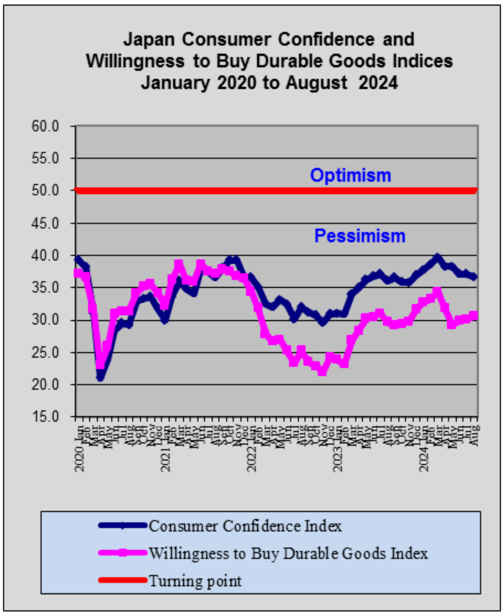
See: https://www.reuters.com/markets/asia/japan-july-household-spending-edges-up-01-yy-2024-09-05/

Pace of 'real' wage growth slows

Real wages rose for a second consecutive month in July according to the Ministry of Health Labour and Welfare which is viewed as supporting another interest rate increase by the Bank of Japan (BoJ). It is reported that 'real' earnings for workers climbed 0.4% in July from a year earlier. While the pace of gains slowed from the previous month the result beat the consensus projection for a decline.

The ministry attributed the continued rise in real wages to more companies paying bonuses compared with a year earlier.

See: https://mainichi.jp/english/articles/20240905/p2g/00m/0bu/017000c

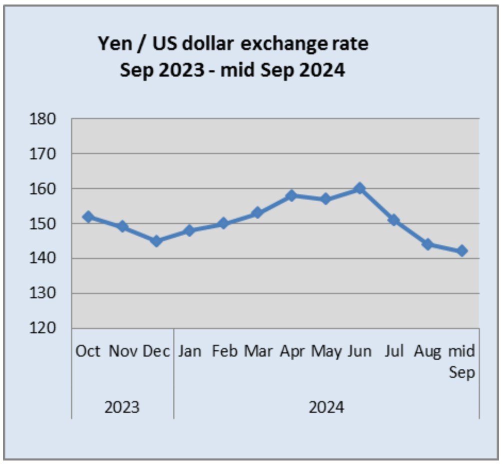


Data source: Cabinet Office, Japan

Decision on interest rates hinges on yen movement

The Bank of Japan might find it difficult to raise rates again this year if the risk of a strengthening yen makes it imprudent to stick to the plan. An economist at the Dai-Ichi Life Research Institute has pointed out that the BoJ's monetary policy management is increasingly influenced by foreign-exchange rates.Many anticipate the BoJ aims to raise rates in December but if the yen retains it stronger position the need for another rate increase will diminish which would mean the next rate rise will be in March or April.

See: https://www.japantimes.co.jp/business/2024/09/02/economy/boj-rate-hike-yen-strength/



Data source: WSJ

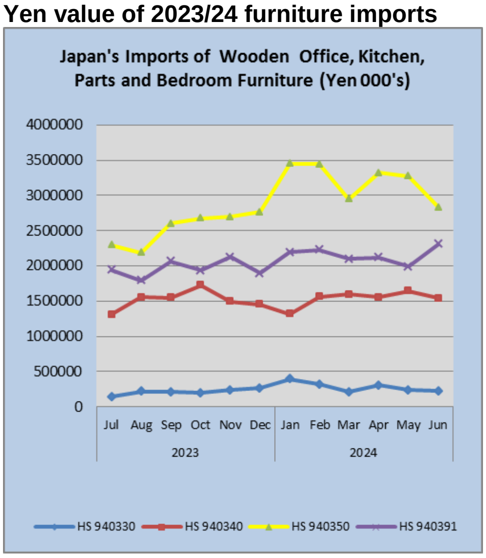
Cashing out real estate holdings

A trend has been observed where Japanese companies with large real estate asset are cashing out if the land is no longer central to their business thus freeing up capital to invest in digital infrastructure and other opportunities. Some of this momentum stems from investors from around the world putting pressure on companies to manage assets more effectively.

See: https://asia.nikkei.com/Spotlight/The-Big-Story/Japan-Inc.-s-25-trillion-yen-opportunity-cashing-in-on-real-estate

Import update

Yen value of 2023/24 furniture imports



Data source: Ministry of Finance, Japan

June 2024 wooden office furniture imports (HS 940330)

Year on year, the value of Japan's imports of wooden office furniture in June fell 15% and there was a 5% decline compared to the value of May imports.

June 2024 imports (HS 940330)

	Imports June 2024 Unit, 000's Yen
China	163,044
Taiwan P.o.C	262
Vietnam	1,288
Malaysia	20,632
Indonesia	2,965
Sweden	5,802
UK	3,100
France	288
Germany	271
Italy	11,227
Poland	5,985
Turkey	5,375
Bosnia Hertz.	226
Czech Rep.	1,174
Slovakia	204
USA	2,742
Total	224,585

Data source: Ministry of Finance, Japan

As in previous months, shippers in China accounted for the bulk of wooden office furniture imports at just over 70%. The other main shipments in June were from Malaysia (9% of June imports) down from a month earlier and Italy (5%) for which there was a rise in the value of arrivals. In May there were substantial shipments from Vietnam but this was not the case in June.

June 2024 kitchen furniture imports (HS 940340)

Between February and April this year the value of wooden kitchen furniture imports were around the same level. In May, however, there was an uptick in the value of imports even as the yen strengthened against the US dollar but the upward movement was not maintained into June as there was a6% decline in the value of imports compared to a month earlier.

Year on year, the value of imports of wooden kitchen furniture items (HS940340) in June little changed, however, but there were some changes in the shipments from the main suppliers.

Shippers in the Philippines accounted for around 50% of June arrivals and did particularly well seeing the value of shipments to Japan rise. On the other hand, shipments from the other main shipper, Vietnam, which accounted for 32% of June arrivals in Japan, saw the value of shipments drop.

June 2024 imports (HS 940340)

	Imports June 2024 Unit, 000's Yen
China	107,535
Taiwan P.o.C	4,604
Vietnam	490,245
Thailand	68,146
Malaysia	22,006
Philippines	762,566
Indonesia	34,171
Denmark	340
France	3,431
Germany	34,583
Italy	9,458
Canada	3,702
Total	1,540,787

Data source: Ministry of Finance, Japan

June 2024 wooden bedroom furniture imports (HS 940350)

After the steady increase in the value of imports of wooden bedroom furniture seen in 2023 things have hanged.

In the first two months of this year the upward momentum in the value of imports continued only to stall in March when there was a sharp downturn followed by an upward correction which was not sustained into June when there was a 13% decline in the month on month value of imports.

June 2024 imports (HS 940350)

	Imports June 2024 Unit, 000's Yen
China	1,638,485
Taiwan P.o.C	1,703
Vietnam	994,831
Thailand	48,235
Malaysia	92,557
Indonesia	24,666
Denmark	874
UK	1,211
Switzerland	2,418
Italy	12,406
Poland	11,191
Austria	757
Romania	738
Turkey	1,025
Lithuania	236
USA	245
Total	2,831,578

Data source: Ministry of Finance, Japan

Despite the downturn at the end of the second quarter year on year, the value of arrivals of wooden bedroom furniture was up 8%.

Shippers in China and Vietnam accounted for over 90% of the value of Japan's wooden bedroom furniture imports in June with 58% coming from China and a further 35% from Vietnam.

Shipments from Malaysia and Thailand combined accounted for just 6% of the value of June imports

June 2024 wooden furniture parts imports (HS 940391)

Over the past 12 months there appears to have been a modest and discernable upward trend in the value of Japan's imports of wooden furniture parts. Year on year, the value of June imports was up 15% and month on month there was a 16% increase.

Arrivals of wooden furniture parts in June were from a large number of suppliers particularly those in SE Asia. However, shippers in Poland and Italy also feature as significant suppliers. Shippers in China, Indonesia, Vietnam and Malaysia supplied around 90% of June arrivals with China topping the list at 46%, Indonesia 20%, Vietnam 12% and Malaysia 10%.

In June the value of shipments of HS940391 to Japan from China were up sharply as they were also from the other top shippers with the exception of Vietnam where the June increase in shipments was more modest.

June 2024 imports (HS 940391)

	Imports June 2024 Unit, 000's Yen
Rep. Korea	26,975
China	1,061,345
Taiwan P.o.C	32,531
Vietnam	267,377
Thailand	52,451
Malaysia	234,199
Philippines	3,412
Indonesia	456,139
India	269
Sweden	4,421
Denmark	5,959
UK	3,113
Netherlands	325
Germany	76,041
Switzerland	1,974
Italy	34,089
Finland	10,437
Poland	10,994
Austria	7,318
Hungary	339
Turkey	6,007
Lithuania	2,317
Slovakia	2,811
USA	5,854
Mexico	799
Total	2,307,496

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

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

For the JLR report please see:
https://jfpj.jp/japan_lumber_reports/

Housing starts for first half of 2024

Total starts during January to June, 2024 are 391,089 units, 4.5 % less than January to June, 2023. Floor areas of starts decrease to 300,008,000 square meters, 7.2 % less than the same period last year as the stats decrease. There is a possibility that the annual starts would be below 800,000 units this year. The decrease in the starts and the floor areas influence demand for lumber, building materials and processing precutting lumber.

Owner's during January to June, 2024 is 102,066 units, 7.4 % less than the same period last year. Rental during January to June, 2024 is 167,842 units, 0.6 % down. Unit built for sale is 60,386 units, 12.4 % down.

Total units of wooden frame construction method for the first half of 2024 are 162,459 units, 4.7 % less than the first half of 2023. Prefabricated house is 4,810 units, 4.3 % less than the same period last year. On the other hand, total units of 2 4 construction method are 45,874 units, 9.0 % more than the first half of 2023. Owner's of 2 x 4 construction method is 13,574 units, 0.8 % up and rental of 2 x 4 construction method is 28,069 units, 20.6 % up from the first half of 2023.

Starts of wooden house are 213,143 units, 2.1 % less than during January to June, 2023. Rental wooden house is 62,568 units, 18.1 % more than the same period last year. Total floor areas of wooden house are 18,990 square meters, 6.2 % less than the same period last year. Thus, the ratio of wooden house during January to June, 2024 is 54.5 %, 1.4 % more than the same period last year.

Total starts in June, 2024 are 66,285 units, 6.7 % less than June, 2023 and this is straight 2 months for not exceeding the results of June, 2023. Owner's is 19,181 units, 5.6 % less than the same month last year and this is 31 months decreasing continuously.

Unit built for sale is 10,007 units, 13.8 % less than the same month last year and this is declining for straight 20 months. Rental is 28,233 units, 6.2 % down and this is straight 2 months decreasing. SAAR (Seasonally Adjusted Annual Rate) of unit is 765,000 units, 5.9 % less than May, 2024.

Orders for house builders

Many housing companies and house builders exceed the last July's results. It is hard to say that the demand for houses had recovered because the orders for houses in July, 2023 were very low. According to housing companies, consumers started to purchase houses during June to July, 2024.

Consumers still take a long time to sign a contract for a house but a number of contracts is increasing from spring. There are some consumers, who are in their 40s and worried about payment period of housing loan, bought houses. However, it is hard to predict that whether the housing market would recover fully or not.

There are many orders for apartment buildings and unit built for sale at the major housing companies. The orders for apartment buildings are more than unit built for sale. The price of an apartment building is high due to its high value-added. The orders for unit built for sale at the major housing companies are firm and the price of unit built for sale is still high. The companies have good results in renovations.

Also, there are many orders from people, who have already bought houses in the past, and there is a subsidy for renovations from the government.

Import of North American logs and lumber for 1st half of 2024

The volume of North American logs at the first half of 2024 was 13.5 % less and North American lumber is 31.7 % more than the first half of 2023. One of reasons for a decrease in North American logs is the fire occurred at Chugoku Lumber Co., Ltd.'s plant last August. Then, the inquiries for imported lumber for wooden framework construction method rose. Other reasons for the decrease in Douglas fir logs are low demand, not enough old Canadian Douglas fir logs and low demand for Canadian Douglas fir logs for plywood due to a reduction of producing plywood at Japanese plywood manufacturers.

Some Japanese distributors purchased imported lumber instead of Chugoku Lumber's products because the company had stopped an operation due to the fire. Then, the volume of Douglas fir lumber was 67.8 % more than the same period last year. Western hemlock lumber also increased by 30.1 % from the same period last year. However, volume of Douglas fir lumber did not decline as consumers expected due to low demand so small sized Douglas fir lumber is overstocking.

SPF lumber for wooden framework construction method is 29.8 % more than the same period last year because demand for rental unit is firm. Also, there had been a shortage of some kinds of SPF lumber and consumers purchased a certain number of SPF lumber.

The volume of hardwood logs and lumber decrease around 30% from the first half of 2023. There are enough inventory of hardwood logs and lumber at manufacturers and they shy away from high-priced products. As a result, they started to purchase domestic hardwood lumber.

Domestic lumber and logs

Demand and supply for domestic lumber are different at the lumber auction market and the precutting market. Operations at some precutting plants increased in August, 2024.

Therefore, the orders increased for cedar pillar angles at lumber plants or wholesalers in Kanto region. However, as the lumber auction market was not lively, many lumber plants in Tohoku region and Kyushu region control production.

In the Kanto region, there are not enough cedar pillar angles due to less supply of logs from Tochigi Prefecture but the lumber auction market is dull so there is no problem. The price of KD 105cedar post is around 50,000 – 55,000 yen, delivered per cbm and this is leveled off.

KD 3 m x 105 mm cedar stud is around 58,000 – 60,000 yen, delivered per cbm. The log price fell before the summer holiday in Easter Japan because there would be insect damages on logs and consumers reduced purchasing the logs. The log price in Western Japan is high due to a lack and a shortage of logs.

The price of cypress log in the northern part of Kanto region is high. The price of cedar log in Tohoku region and the northern part of Kanto region kept falling and the price was under 13,000 yen at the end of August, 2024. The medium sized larch log for lumber was 18,500 yen, delivered per cbm.

In Western Japan, a cypress log for a post is around 22,000 yen in Chugoku region and for a sill is around 22,000 yen, delivered per cbm in Chugoku region, Shikoku region and Kansai region.

The cypress log for a post and a sill is 20,000 – 20,500 yen, delivered per cbm in Kyushu region. The cedar log for a post is 14,000 – 15,000 yen, delivered per cbm.

The log price in Eastern Japan did not increase like last year and the log price in Western Japan is almost flat from last year. However, the lumber price declined widely from previous year and there is less profits at the lumber plants.The log price in Western and Eastern Japan at the end of this year will become the focus whether up-turn or not.

Plywood

Sluggish movement of domestic softwood plywood continues in September, 2024. The price of 12 mm 3 x 6 domestic structural softwood plywood dropped to around 1,180 yen at the end of July, 2024.

As plywood manufacturers or distribution companies announced to raise the price and the price was about to reach the bottom. However, low demand for houses, requests for lowering the price from precutting plants and the mid-term settlement at the distribution companies have influenced the price. Consumers do not buy plywood.

Movement of imported plywood is also sluggish in September. The yen appreciated to 145 yen from 160 yen at the end of August to September. Malaysian and Indonesian plywood manufacturers expect to raise the price and they showed the price by US$20 – 30, C&F per cbm higher than before.

In South East Asia, 12 mm 3 x 6 painted plywood for concrete form is US$600, C&F per cbm. Plywood form is US$510, C&F per cbm and structural plywood is US$520, C&F per cbm. 2.4 mm 3 x 6 plywood is US$950, C&F per cbm. 3.7 plywood is US$880, C&F per cbm. 5.2 mm plywood is US$850, C&F per cbm.

In Japan, 2.5 mm plywood is 780 yen, delivered per sheet, in Tokyo metropolitan area. 4 mm is 1,000 yen, delivered per sheet and 5.5 mm is 1,170 – 1,200 yen, delivered per cbm.

12 mm 3 x 6 painted plywood for concrete form is 1,950 yen, delivered per sheet but some other wholesalers sell it under 1,900 yen, delivered per sheet.Form plywood is 1,700 – 1,750 yen, delivered per sheet. Structural plywood is 1,650 yen, delivered per sheet.

China

Surge in plywood exports to Taiwan P.o.C

According to China Customs, plywood exports to Taiwan P.o.C surged over 200% to 578,000 cubic metres in the first half of 2024, overtaking exports to the Philippines. In the first half of 2024 China’s plywood exports totalled 6.35 million cubic metres valued at US$2.46 billion, up 24% and 4% respectively.

The destinations for China’s plywood exports are numerous and the proportion of China’s plywood exports to the top 12 destinations accounted for 57% of the national total in the first half of 2024.

China’s plywood exports to most markets have been rising at different rates and to each of the top 12 destinations volumes exceeded 200,000 cubic metres in the first half of 2024.

The Philippines, UK and Saudi Arabia were ranked after Taiwan P.o.C in the first half of 2024. China’s plywood exports to the Philippines and UK and Saudi Arabia grew 10%, 11% and 36% respectively which contributed to the increase in the total volume of China’s plywood exports in the first half of 2024.

In addition, China’s plywood exports to Vietnam, Iraq and Malaysia also rose sharply by 94%, 96% and 70% respectively in the first half of 2024. In contrast, China’s plywood exports to Japan and Nigeria fell 3% and 28% respectively in the first half of 2024.

China’s plywood exports to the USA rose in the first half of 2024 and totalled 150,000 cubic metres valued at US$88 million, up 5% in volume but down 15% in price. The CIF price for China’s plywood exports to the USA dropped 19% over the same period of 2023.

Top destinations for China's plywood exports, 1st half 2024 (vol.)

Destination	000' cu.m	YoY % change
Total	6,355	24%
Taiwan P.o.C	578	281%
Philippines	489	10%
UK	382	11%
Saudi Arabia	286	36%
UAE	278	1%
Vietnam	267	94%
Japan	257	-3%
Australia	228	27%
Iraq	218	96%
Nigeria	209	-28%
Malaysia	205	70%
Mexico	204	6%

Data source: China Customs

Top destinations for China's plywood exports, 1st half 2024 (value)

Destination	US$ mils.	YoY % change
Total	2,460	4%
Taiwan P.o.C	58	5%
Philippines	174	5%
UK	155	1%
Saudi Arabia	90	24%
UAE	93	-1%
Vietnam	92	56%
Japan	120	-12%
Australia	158	16%
Iraq	79	97%
Nigeria	65	-32%
Malaysia	77	14%
Mexico	80	-7%

Data source: China Customs

Decline in plywood FOB prices in all main markets

In almost all markets FOB prices for China's plywood exports declined in the first half of 2024. The average FOB price for China's plywood exports fell 16% over the same period of 2023.

The rate of price decline for plywood exports to Taiwan P.o.C was the largest at over 70% compared to the same period in 2023 and it was one of the main reasons for the surging of plywood exports to Taiwan P.o.C in the first half of 2024.

In addition, the rate of FOB prices declines for China's plywood exports to Vietnam, Malaysia and Mexico were large dropping 19%, 33% and 12% respectively over the same period of 2023.

In contrast, the FOB price for China's plywood exports to Iraq alone rose 1% in the first half of 2024.

Plywood FOB prices to top destinations, 1st half 2024

Destination	FOB price US$/cu.m	YoY % change
Average	387	-16%
Taiwan P.o.C	100	-73%
Philippines	356	-5%
UK	406	-9%
Saudi Arabia	315	-9%
UAE	334	-2%
Vietnam	343	-19%
Japan	465	-9%
Australia	693	-8%
Iraq	364	1%
Nigeria	309	-6%
Malaysia	376	-33%
Mexico	390	-12%

Data source: China Customs

Russia largest supplier of plywood imports

According to China Customs, in the first half of 2024 China's plywood imports rose almost 80% to 196,000 cubic metres valued at US$108 million, up 28% over the same period of 2023.

In the first half of this year Russia was the largest supplier of plywood imports and the volume of China's plywood imports from Russia surged over 100% to 173,000 cubic metres, accounting for 88% of the national total plywood imports.

China's plywood imports from Indonesia and Malaysia, as second and third largest suppliers, fell 7% and 31% in the first half of 2024. Indonesia and Malaysia were the top two suppliers for China's plywood imports in the past. But Russia is the largest supplier now.

China's plywood imports from Vietnam surged in the first half of 2024. Plywood imported from Vietnam to China mainly included pine, eucalyptus and rubberwood plywood. China also imports birch, walnut and maple plywood from Vietnam. This imported plywood from Vietnam is considered locally as being of good quality, high strength and having long service life for a wide range of applications such as architectural decoration, furniture manufacturing and packaging industries.

Rise in wooden furniture exports

According to China Customs the value of China's wooden furniture exports rose 10% to US$12.37 billion in the first half of 2024.

The markets for China's wooden furniture exports are scattered and China's wooden furniture is exported to over 200 countries. The proportion of China's wooden furniture exports to the top 10 destination countries was 66% in the first half of 2024.

The USA still is the largest market for China's wooden furniture exports. Some 28% of China's wooden furniture was exported to USA in the first half of 2024 and the value of China's wooden furniture exports to USA rose 6% to US$3.47 billion over the same period of 2023.

The value of China's wooden furniture exports to Singapore surged and to Australia, UK, Canada, Germany and France also rose at faster rates in the first half of 2024.

In contrast, in the first half of 2024, China's wooden furniture exports to Japan and Saudi Arabia fell 5% and 1% over the same period of 2023.

Top destinations for China's wooden furniture exports, 1st half 2024

Destination	Value (US$ mils)	YoY % change
Total	12,371	10%
USA	3,466	6%
Australia	792	21%
UK	740	12%
Japan	673	-5%
S.Korea	663	2%
Canada	432	21%
Singapore	406	151%
Germany	368	30%
France	332	16%
Saudi Arabia	299	-1%

Data source: China Customs

Decline in wooden furniture imports

According to China Customs, in the first half of 2024 the value of China's wooden furniture imports fell 18% to US$320 million over the same period of 2023.

Wooden furniture imports from the top 4 suppliers, Italy, Germany, Vietnam and Poland dropped 13%, 28%, 12% and 25% to US$155 million, US$45 million, US$30 million and US$14 million respectively in the first half of 2024. This directly resulted in the decline in the national total value.

USA - largest market for bamboo furniture

According to China Customs, the value of China's bamboo furniture exports rose 19% to US$113 million in the first half of 2024.

There are multiple markets for China's bamboo furniture exports and bamboo furniture is being shipped to over 140 countries. The proportion of China's bamboo furniture exports to the top 11 destination countries was 75% in the first half of 2024. The USA is the largest market for China's bamboo furniture exports. 30% of China's bamboo furniture was exported to USA in the first half of 2024 and the value of China's bamboo furniture exports to USA rose 28% to US$34 million over the same period.

Germany was the second largest market for China's bamboo furniture with around 10% of China's bamboo furniture going to this market in the first half of 2024. The value of China's bamboo furniture exports to Germany rose 13% to US$11 million in the first half of this year over the same period of 2023.

The value of China's bamboo furniture exports to Netherland, Poland and Italy also rose in the first half of 2024. In contrast, in the first half of 2024, China's bamboo furniture exports to France, Australia and Spain fell 8%, 17% and 9% over the same period of 2023.

Top destinations for China's bamboo furniture exports, 1st half 2024

Destination	US$ mils.	YoY % change
Total	113	19%
USA	34	28%
Germany	11	13%
France	6.3	-8%
Netherlands	6.2	60%
Japan	5.3	7%
Australia	4.63	-17%
UK	4.56	4%
Poland	3.4	66%
Spain	3.34	-9%
Italy	3.3	78%
Thailand	3.2	23%

Data source: China Customs

Rise in bamboo furniture imports

According to China Customs, in the first half of 2024 the value of China's bamboo furniture imports rose 35% to US$1.268 million over the same period of 2023.

China's bamboo furniture imports from the top 3 supplier, Indonesia, Vietnam and Italy, grew dramatically 33%, 204% and 93% to US$566,000, US$280,000 and US$120,000 respectively in the first half of 2024. This directly resulted in the increase of China's bamboo furniture imports.

Action Framework for legal and sustainable timber supply chains

The Global Legal and Sustainable Timber Forum (GLSTF) has launched the Action Framework for Promoting Legal and Sustainable Timber Supply Chains to strengthen international collaboration among stakeholders in timber supply chains, promote the sustainable development of the timber industry and contribute to the Sustainable Development Goals and combating climate change. The GLSTF is a collaborative platform of timber industry stakeholders designed to strengthen networking and business exchanges among timber industry stakeholders to facilitate sustainable forest management and the legal and sustainable use and trade of timber and wood products.

The Action Framework sets out eight action areas—(1) partnership networking; (2) information-sharing; (3) market access facilitation; (4) certification and traceability innovation; (5) innovative technologies and technology transfer; (6) ways and means for sustainable finance and investment; (7) industrial clusters and parks development; and (8) capacity building and training.

One major challenge identified during discussions was the lack of consumer awareness of the positive role that the tropical timber industry is playing in helping to maintain tropical forests and the contribution it makes to rural livelihoods.

It was pointed out that there is little awareness outside the forestry sector of the strong level of commitment to development of national legal and sustainable forestry systems and to the evolution of highly transparent supply chains."

See:https://www.itto.int/news/2024/09/12/global_timber_forum_launches_action_framework_for_legal_and_sustainable_timber_supply_chains/

Average CIF prices, logs US$/cu.m

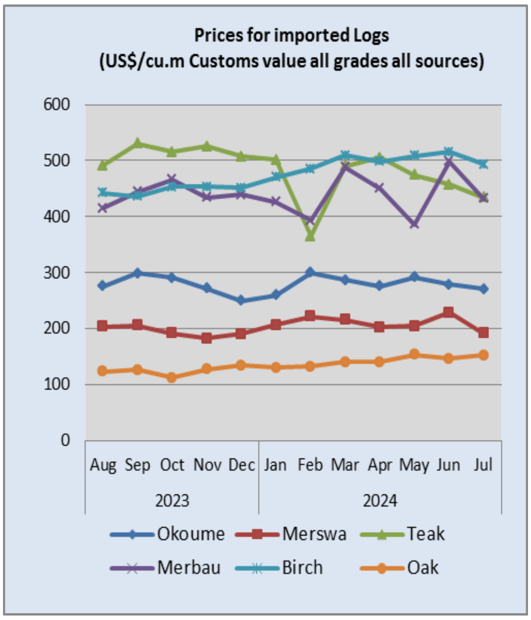
	2024 Jun	2024 Jul
Okoume	279	271
Merswa	229	191
Teak	457	434
Merbau	498	432
Birch	515	493
Oak	146	152

Data source: Customs, China

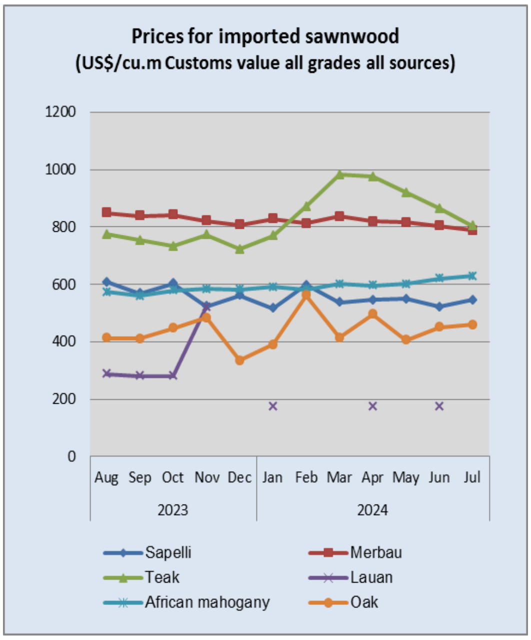
Average CIF prices, sawnwood, US$/cu.m

	2024 Jun	2024 Jul
Sapelli	521	545
Merbau	804	788
Teak	864	804
Lauan	175	-
African mahogany	621	629
Oak	450	459

Data source: Customs, China



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 China.

See: https://www.itto-ggsc.org/static/upload/file/20240822/1724289606498649.pdf

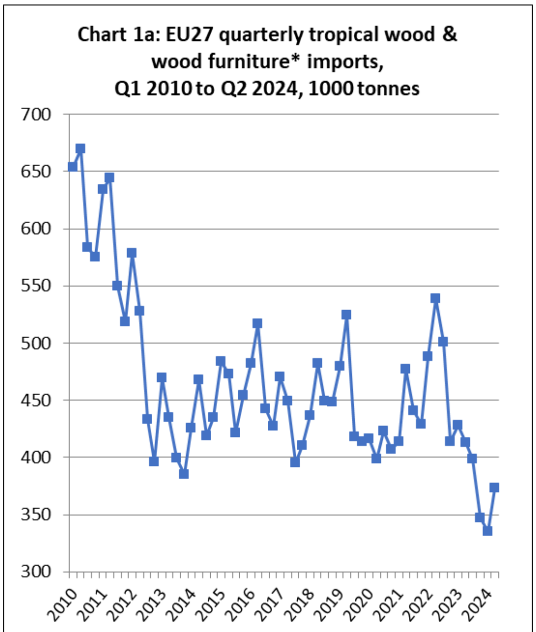
EU

EU tropical wood import quantity heading for an historic low

Total EU27 imports of tropical wood and wood furniture of 373,500 tonnes in the second quarter of this year were up 11% compared to the previous quarter but 10% less than in the same quarter last year.

Although an improvement on the previous two quarters, the second quarter figures remained well below the long-term average (Chart 1a). In the first six months of 2024, the EU27 imported 708,700 tonnes of tropical wood and wood furniture, 16% less than the same period in 2023.

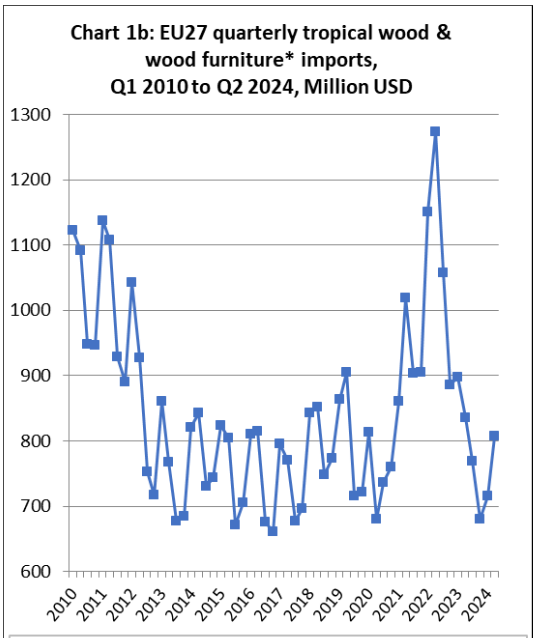
There are ominous signs that, in quantity terms, EU imports of tropical wood and wood furniture products this year may hit the lowest annual level ever recorded since the EU was first formed (as the EEC) in 1957.



*Source: ITTO Analysis of Eurostat. * includes all wood products in HS Chapters 94 (furniture) and 44 (wood), excluding wood for energy*

The trade figures look healthier when considered in value terms. EU27 import value of tropical wood and wood furniture in the second quarter this year was US$807 million, 13% more than the previous quarter and just 3% down on the same quarter last year.

In value terms, EU27 tropical wood product imports are similar to the low but stable level prevailing between 2013 and 2019 (Chart 1b). In the first six months of 2024, the EU27 imported tropical wood and wood furniture with total value of US$1523 million, 16% less than the same period in 2023.



*Source: ITTO Analysis of Eurostat. * includes all wood products in HS Chapters 94 (furniture) and 44 (wood), excluding wood for energy*

Soft landing for EU economy overall but construction sector is very slow

The slow pace of tropical wood product imports into the EU is occurring against the background of subdued and uncertain economic conditions in the region. At first sight, the EU seems to have managed a soft landing this year after the COVID-driven boom and bust cycle that characterised the previous three years.

The latest data from Eurostat indicates that seasonally adjusted GDP in the EU in the second quarter of 2024 was up 0.3% compared to the previous quarter. This followed an equivalent 0.3% increase in the first quarter of the year. Two consecutive quarters of solid, if unexciting, growth is a relief after more than a year of stagnation.

GDP increased in the 2nd quarter of 2024 in seventeen EU countries, remained stable in one and decreased in four (2nd quarter data are not available for 5 countries at the time of writing). Poland (up 1.5%) and Ireland (up 1.2%) recorded the largest GDP increases.

There is also good news on employment, which is growing, albeit more slowly than before. Wage growth is outpacing inflation, too, leading to rising living standards. Notwithstanding continuing concerns around inflation, the European Central Bank felt confident enough to cut interest rates in June and is expected to do so again in September.

However, other aspects of the EU economy are more problematic. A recent article in the Economist notes that growth in incomes is not boosting consumption as much as expected, noting that “households are mostly putting the additional money from higher pay into their savings accounts”, a sign of low consumer confidence. Eurostat data confirms this. Following a dramatic fall in summer 2022, economic sentiment in the EU has been flatlining for the last two years.

Following heavy expenditure on COVID recovery measures between 2020 and 2023, European Governments now have little room to support demand with extra spending of their own. They are now more inclined to cut expenditure to balance the books and meet EC requirements to reduce deficits. According to the Economist "fiscal policy will be a drag on EU growth in the years to come".

Much concern around the EU economy is now focused on one country, Germany, traditionally the region's industrial powerhouse. Germany's GDP declined by 0.1% in the second quarter this year after achieving only 0.2% growth in the first quarter. In fact, the German economy has barely grown since 2019. Industrial production in the EU was sliding in May and June, with Germany the principal source of weakness.

Germany's exports fell by 4.4% in June, compared with a year earlier, and surveys indicate that worse is to come. Germany's car industry, globally dominant for so long, is now coming under pressure as low-cost electric vehicles (EVs) pour out of China's factories. This is creating trade tensions as China prepares to sue the EU at the World Trade Organisation for raising tariffs on EVs.

The weakness of the EU construction sector is a particular concern for the EU's timber industry. Although Eurostat data shows that the seasonally adjusted value of construction activity in the EU increased by 1.1% in June, this followed a long decline. Construction activity in May was at the lowest level since December 2022.

Forward-looking indices suggest that EU construction activity has continued to weaken. In August, the HCOB Eurozone Construction PMI Total Activity Index - a seasonally adjusted index tracking monthly changes in total industry activity - was unchanged from July's six-month low of 41.4, signalling a steep reduction in total construction activity across the euro area. According to this index, activity has now fallen in each of the last 28 months.

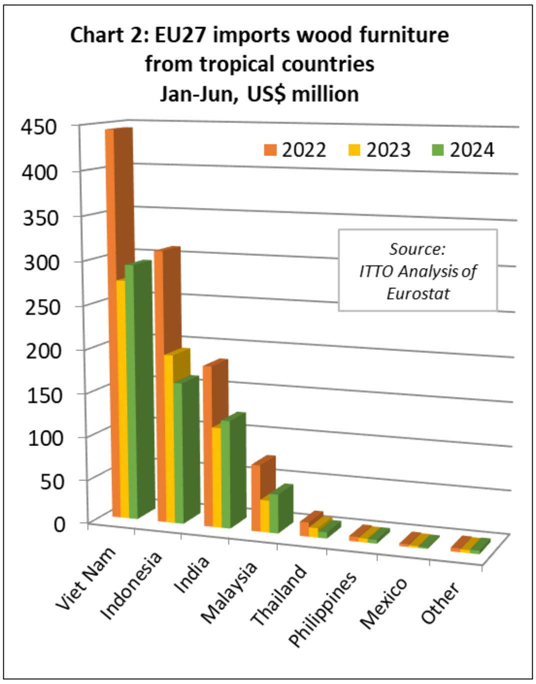
According to the HCOB PMI, the overall reduction in construction activity in August reflected declines across the three largest eurozone economies during the month. Activity in Germany decreased at the sharpest rate in three months, while there were slightly softer contractions in France and Italy. The contraction was also broad based across the three monitored segments of construction - housing, commercial, and civil engineering – although it was more pronounced in housing than the other sectors.

EU27 tropical wooden furniture imports make up for some lost ground in Q2 2024

After a very slow start to the year, EU wooden furniture imports from tropical countries made up for some lost ground in the second quarter. In the first six months of the year, the EU27 imported 153,200 tonnes of wooden furniture from tropical countries with a total value of US$641 million.

Import quantity was down 7% but import value was unchanged compared to the same period in 2023. In the first six months of this year compared to the same period in 2023, EU27 import value of wood furniture increased from Vietnam (+7% to US$293.3 million), India (+8% to US$123.7 million), and Malaysia (+22% to US$44.6 million).

However, import value fell from Indonesia (-16% to US$162.5 million), Thailand (-34% to US$7.1 million), the Philippines (-1% to US$4.4 million), and Mexico (-20% to US$1.7 million). EU27 wood furniture imports from all other tropical countries were negligible during the period (Chart 2).



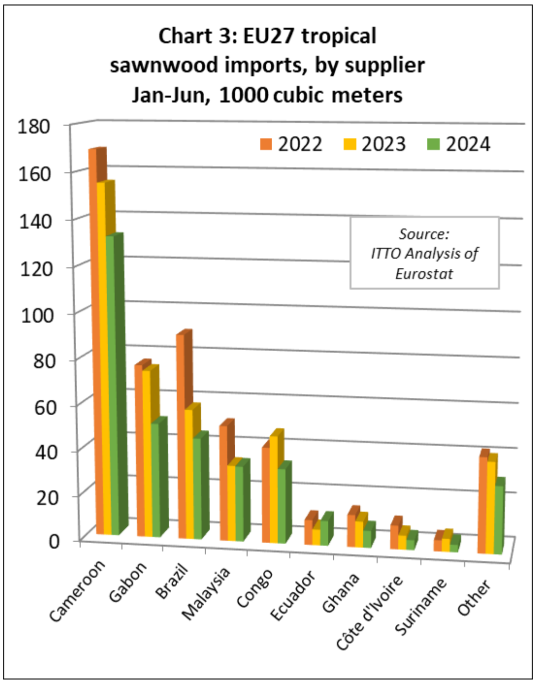
EU27 imports of tropical sawnwood down 20% in the first half of 2024

The EU27 imported 350,500 cu.m of tropical sawnwood in the first six months of this year, 20% less than the same period in 2023.

Import value of this commodity was US$322.5 million in the January to June period this year, 21% less than the same period in 2023.

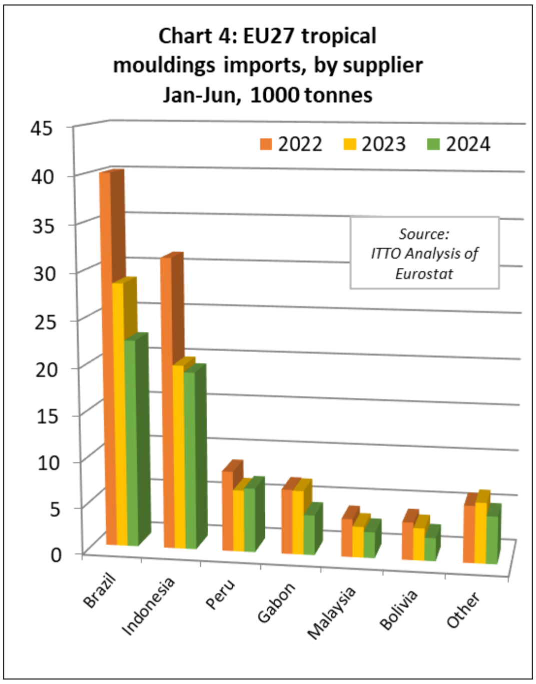
Imports declined from nearly all leading supply countries during the period including Cameroon (-15% to 132,100 cu.m), Gabon (-31% to 50,800 cu.m), Brazil (-22% to 45,000 cu.m), Malaysia (-1% to 33,400 cu.m), Republic of Congo (-30% to 33,100 cu.m), Ghana (-34% to 7,600 cu.m), Côte d'Ivoire (-30% to 4,400 cu.m), Suriname (-43% to 3,300 cu.m) and the Central African Republic (-54% to 3,100 cu.m).

Sawnwood imports from Ecuador bucked the overall downward trend in the first half of this year, at 11,000 cu.m, up 57% compared to the same period in 2023 (Chart 3).



The EU27 imported 63,300 tonnes of tropical mouldings/decking in the first six months of this year, 16% less than in the same period in 2023.

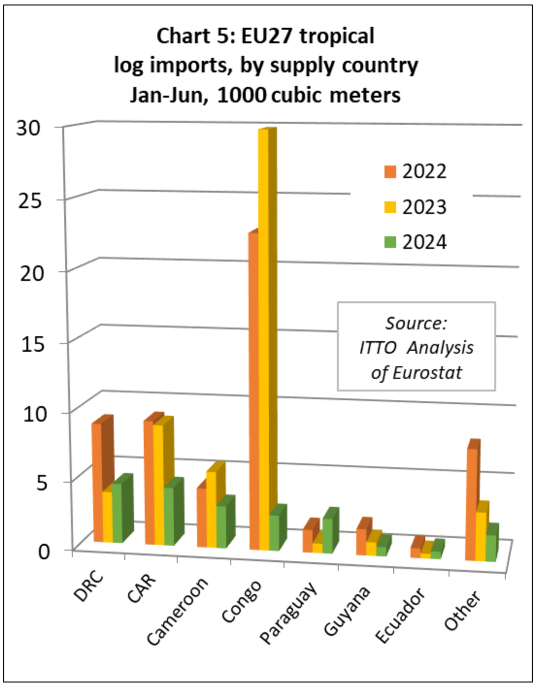
Import value of this commodity was down 24% to US$110.6 million in the same period. During the first six months, imports increased year-on-year from Peru (+4% to 6,900 tonnes) but fell from all other leading supply countries including Brazil (-21% to 22,400 tonnes), Indonesia (-4% to 19,200 tonnes), Gabon (-37% to 4,300 tonnes), Malaysia (-16% to 2,800 tonnes), and Bolivia (-28% to 2,500 tonnes) (Chart 4).



The EU27 imported 20,000 cu.m of tropical logs with a total value of US$18.3 million in the first six months of this year, respectively 63% and 65% less than in the same period last year. The decline was driven mainly by an 91% decline in imports from the Republic of Congo to 2,600 cu.m. This follows the ban on exports of most logs from the country since 1st January 2023.

EU27 imports of logs in the first quarter of this year were also down compared to the same period last year from the Central African Republic (-52% to 4,300 cu.m), Cameroon (-45% to 3,100 cu.m), and Guyana (-32% to 700 cu.m).

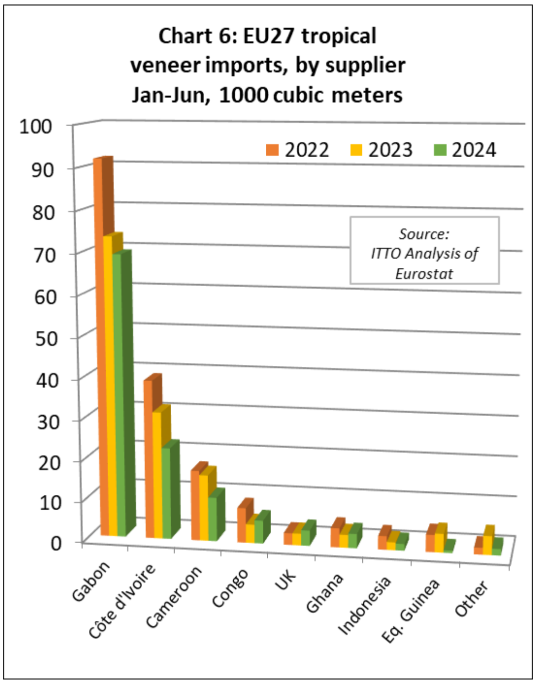
However, EU27 log imports increased from the Democratic Republic of Congo (+17% to 4,400 cu.m), Paraguay (+267% to 2,500 cu.m), and Ecuador (+54% to 500 cu.m) during the six-month period (Chart 5).



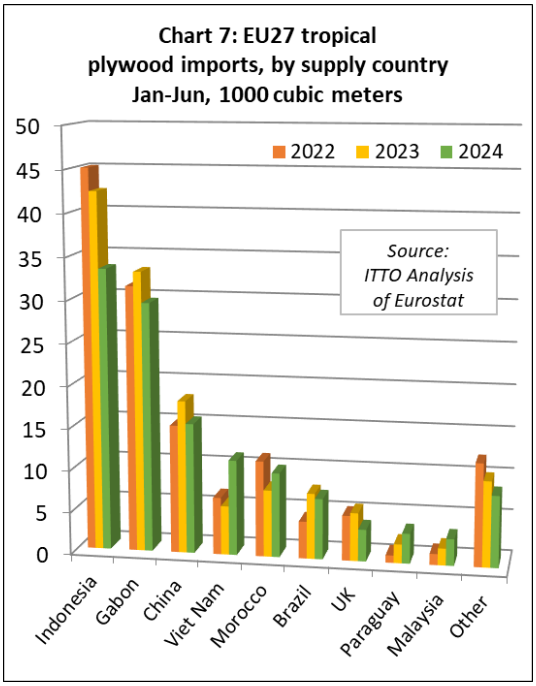
EU27 imports of tropical hardwood veneer, plywood and joinery decline sharply

The EU27 imported 119,400 cu.m of tropical veneer with a total value of US$80.5 million in the first six months of this year, down 16% and 18% respectively compared to the same period last year. Imports of tropical veneer from Gabon, by far the largest supplier to the EU27, were 69,300 cu.m in the first six months of this year, 6% less than the same period in 2023.

EU27 imports of this commodity also decreased during the period from Côte d'Ivoire (-28% to 22,500 cu.m), Cameroon (-34% to 10,800 cu.m), Indonesia (-15% to 1,600 cu.m), and Equatorial Guinea (-87% to 600 cu.m). Veneer imports into the EU27 increased during the six-month period from the Republic of Congo (+24% to 5,700 cu.m), the UK (+30% to 3,800 cu.m), and Ghana (+11% to 3,500 cu.m). (Chart 6).



The EU27 imported 126,000 cu.m of tropical plywood with a total value of US$91.5 million in the first six-months of this year, respectively 7% and 10% less than the same period last year.



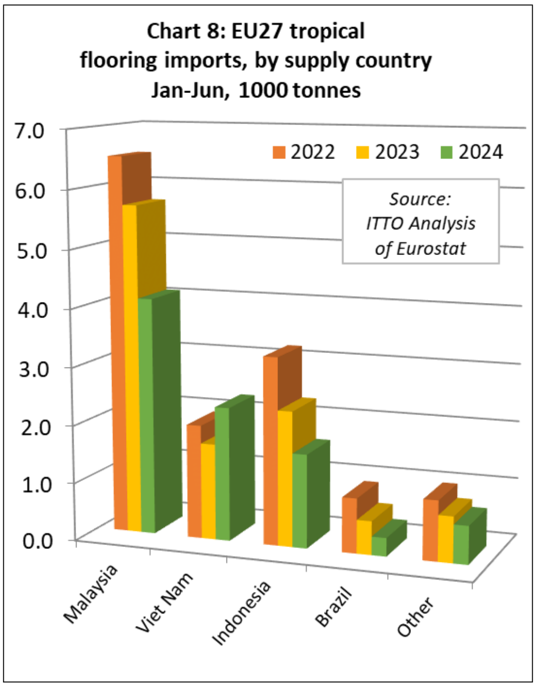
Imports fell from the three leading supply countries during the period including Indonesia (-21% to 33,400 cu.m), Gabon (-11% to 29,600 cu.m), and China (-15% to 15,500 cu.m).

Imports from Brazil were also down, by 7% to 7,200 cu.m, while indirect imports via the UK fell 34% to 3,800 cu.m.

However, these losses during the six-month period were partly offset by rising imports from Vietnam (+95% to 11,300 cu.m), Morocco (+26% to 10,000 cu.m), Paraguay (+59% to 3,600 cu.m), and Malaysia (+58% to 3,200 cu.m) (Chart 7 left).

The EU27 imported 9,000 tonnes of tropical wood flooring with a total value of US$23.1 million in the first six months of this year, down 19% and 27% respectively compared to the same period in 2023.

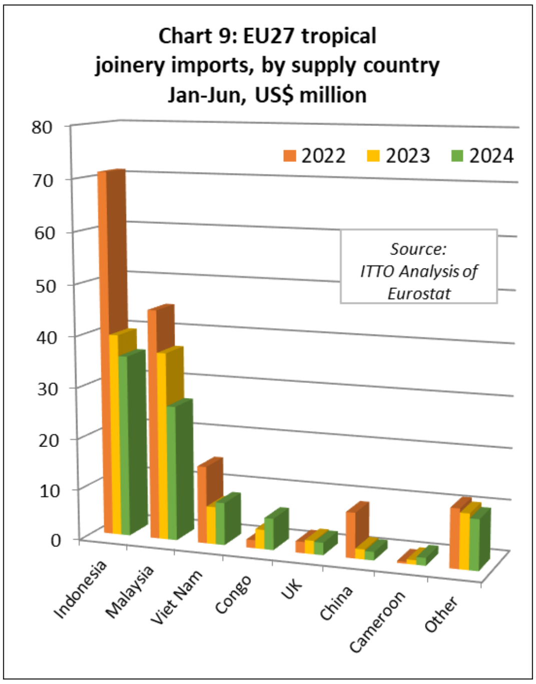
Imports of 4,100 tonnes from Malaysia in the first six-months of this year were 28% less than the same period last year. Flooring imports also fell from Indonesia (-39% to 2,300 tonnes) and Brazil (-45% to 300 tonnes). However, imports increased from Vietnam (+39% to 2,300 tonnes) (Chart 8).



The value of EU27 imports of other joinery products from tropical countries - which mainly comprise laminated window scantlings, kitchen tops and wood doors – was US$91.8 million in the first six-months of this year, down 11% compared to the same period in 2023. Import quantity fell 2% to 40,700 tonnes during the same period.
Between January and June this year, EU27 import value of other joinery products was down 10% to US$35.6 million from Indonesia and down 28% to US$26.4 million from Malaysia.

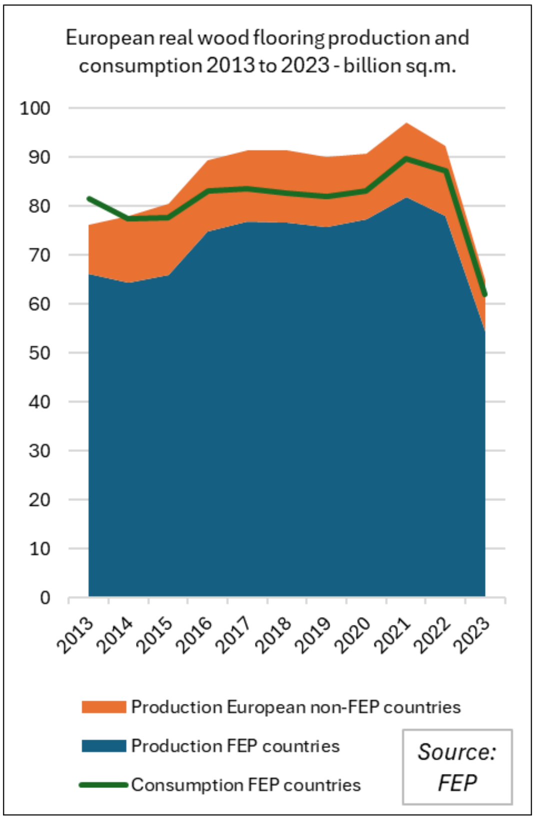
However, import value from Vietnam increased 13% to US$8.3 million during the six-month period. In a potentially significant longer-term development, given efforts in central Africa to shift up the value chain as log exports are banned.

EU import value of laminated joinery products in the first six months of 2024 was up 62% to US$6.1 million from the Republic of Congo and up 74% to US$1.5 million from Cameroon (Chart 9).



European parquet market hits bottom last year

According to data released by the European Parquet Flooring Federation (FEP), after a good year in 2022 which consolidated the level reached during the boom in 2021, the European market for real wood flooring experienced a significant 30.5% fall in 2023.



Decreases were observed in all European markets, reflecting the decline in construction activity, high interest rates, and lack of consumer confidence.

In 2023, real wood flooring production in FEP countries fell by 30.5% in 2023 to 54.4 million square metres, while consumption also fell by over 30% to 62 million sq.m. FEP countries include Austria, Belgium, Croatia, Czechia, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Portugal, Romania, Slovenia, Spain, Sweden, and Switzerland.

Real wood flooring production in European countries that are not members of FEP is estimated to have reached 10.4 million sq.m. in 2023. This implies that total European real wood flooring production fell nearly 30% to 64.74 million sq.m. last year.

In 2023, the proportion of real wood flooring production in FEP countries by product type was largely unchanged from that reported ever since 2010. Multilayer dominates with 84% (compared to 83% in 2022), followed by solid at 14% (compared to 15% in 2022) and mosaic with a stable 2% of total production.

Oak is hugely dominant, with 83% of all real wood flooring manufactured in FEP countries faced with this species in 2023, up from 82% in 2022. 2% of real wood flooring manufactured in the region comprised tropical wood, although the category "other" at 3.2% may, partly, be comprised of tropical wood. Ash and beech were two other most common species, contributing 4.5% and 2.7% respectively.

Poland remained the largest producer country, contributing 18% of total production in FEP countries, followed by Austria (14%), and Sweden (12%).

Despite a decline in consumption last year, amongst FEP countries Germany was the largest single market for real wood flooring, accounting for 17% of total sales in the region in 2023. The next largest markets were Italy (13%) , Sweden (11%), and France (10%).

In terms of per capita real wood flooring consumption, Austria, Switzerland, Estonia, Croatia, and Sweden are the leading markets. Consumption per inhabitant fell significantly in FEP member countries, from 0.20 sq.m. in 2022 to 0.14 sq.m. in 2023.

According to their mid-year forecast, FEP expect that the year 2024 will be stable overall but at a low level of consumption. The sector seems to have reached bottom but may remain at this level for some time. Stocks are now much lower and well balanced with demand, which is very slow.

Delivery times in the European parquet industry have returned to pre-Covid level. In general, the situation remains difficult as interest rates are high and construction activity is subdued. On 4 April this year, FEP lodged a formal complaint with the EC on behalf of the EU multilayered wood flooring industry alleging that EU imports of this product originating in the People's Republic of China, are being dumped and "thereby causing injury to the Union industry".

The EC is investigating the complaint, the subject of which is assembled flooring panels, multilayer, of wood, currently falling under CN code 44187500. Panels of bamboo or with at least the top layer (wear layer) of bamboo, and panels for mosaic floors are excluded from the complaint and the investigation.

See: https://www.parquet.net/2024/06/european-parquet-market-bottom-2023.html
and
https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ%3AC_202403186

North America

Sawn tropical hardwood imports continued to rebound in July

US imports of sawn tropical hardwood improved for the second straight month in July, rising 12% over June's figures. The 17,555 cubic metres of hardwood imported for the month was 6% less than that imported in July 2023. Imports from Cameroon and Indonesia both rose more than 40% in July while imports from Congo (Brazzaville) were up 36%. Imports from Brazil lagged, falling 23% in July.

Imports of Sapelli, Mahogany, and Ipe all rose in July to their highest levels of the year. Total US imports of sawn tropical hardwood lumber remain down 4% versus 2023 through July.

Canada's imports of sawn tropical hardwood also rallied in July, gaining 11% over the previous month to a level 80% higher than a year ago. Imports from Brazil, Ghana, the US, and Congo (Brazzaville) all rose sharply. Total Canadian imports are up 44% over last year for the first seven months of the year.

	Jan-Jul 2024 cu.m	Yoy % change
Total	109,124	-4%
Ecuador	3,312	-5%
Brazil	31,583	5%
Cameroon	13,802	27%
Malaysia	9,483	-45%
Rep. Congo	10,024	24%
Peru	756	32%
Indonesia	15,367	14%
Ghana	4,280	5%
Cote d'Ivoire	1,382	-14%
Other	19,135	-21%

Data source: US Department of Agriculture, Foreign Trade Statistics

Hardwood plywood imports down from a year earlier

US imports of hardwood plywood rose 9% in July as imports from its top trading partner surged. Imports from Vietnam rose by 25% in July and are 95% ahead of last year for the year so far. Imports from Cambodia and Russia also gained while imports from Malaysia and Indonesia saw declines.

While the import volume of 218,817 cubic metres for July was an improvement over June, it came in 38% below the volume seen in the previous July. As a result, total US imports of hardwood plywood, which were outpacing 2023 totals by 32% just a month ago, are now ahead just 14% over last year through July.

	Jan-Jul 2024 cu.m	YoY % change
Total	1,619,099	14%
China	22,643	-24%
Russia	105,444	12%
Indonesia	392,185	47%
Malaysia	54,040	94%
Cambodia	76,210	24%
Vietnam	436,085	95%
Ecuador	77,568	-8%
Other	454,924	-28%

Data source: US Department of Agriculture, Foreign Trade Statistics

Veneer imports from India and China gained more than 60%

US imports of tropical hardwood veneer rebounded in July, rising 27% over a disappointing June figure. Imports from India and China both gained more than 60% for the month while imports from Italy returned to a more customary level after two months of poor numbers.

Despite the bounce back, imports from Italy are down 76% so far this year versus last year. Imports from Cameroon fell 15% from the previous month and were 27% lower than that of last July. Year to date, total imports of tropical hardwood veneer trail 2023 figures by 4% through the end of July.

Fourth straight month rise for assembled flooring imports

US imports of assembled flooring panels rose for a fourth consecutive month in July, rising 10% over the previous month to a level 31% better than last July. Imports from Thailand rose 61% to climb to their highest level of the year. That gain was enough to more than offset declines in imports from China, Indonesia, Vietnam, and Brazil. Through July, total imports continue to outpace those of 2023 by 32%.

Imports of hardwood flooring dropped for the second straight month, falling 11% in July. While imports from Malaysia and China both more than doubled their June totals, imports from Vietnam fell to zero for the month while imports from Brazil fell by 20%. Imports from Indonesia, the leading US trade partner for flooring panels, held even with the month before. Total imports of hardwood flooring are behind last year's pace by 12% through July.

Moulding imports cool

Imports of hardwood moulding dipped in July after reaching their highest level in nearly two years in June. At over US$14.1 million, July imports were down 10% from the June high but still 22% higher than a year ago.

A 44% decline in imports from Malaysia triggered the loss, despite healthy gains in imports from Brazil and China. Total imports for the year remain up 25% over last year through the end of July.

US wooden furniture imports rise to highest level in nearly two years

Imports of wooden furniture saw a 7% boost in July, rising to their highest level in nearly two years. The US$1.84 billion imported in July was the most since October 2022 and was 10% higher than that of July 2023.

Imports from Indonesia rebounded with a 41% increase in July after falling about the same amount in June, while imports from Vietnam and China both saw gains of about 10%. Imports from Canada fell by 7%. For the year so far, total imports of wooden furniture are ahead of last year by 6%.

	Jan-Jul 2024 US$	YoY % change
Total	12,077,320,002	6%
China	1,925,103,740	4%
Vietnam	4,874,139,252	19%
Canada	919,629,698	-5%
Malaysia	627,696,571	9%
Mexico	937,119,269	-8%
Indonesia	475,345,275	-6%
India	250,117,304	-2%
Other	2,318,286,197	-2%

Data source: US Department of Agriculture, Foreign Trade Statistics

Residential furniture orders shrank for second consecutive month in June

New orders for residential furniture in the US were down 6% in June 2024 compared to June 2023, which follows the 3% year-over-year decline last month, according to the latest issue of *Furniture Insights*.

New orders were also down 8% compared to the prior month of May 2024. However, year to date through June 2024, new orders are still up 3% compared to 2023, though that spread has narrowed significantly with the last two months' declines.

June 2024 shipments were down 8% from June 2023, but relatively flat with May 2024. Year to date through June 2024, shipments are down 9% compared to 2023. Inventories and employee levels are again materially in line with recent months, but down from 2023, indicating that companies have aligned levels to match current operations.

According to said Mark Laferriere, assurance partner at Smith Leonard, which produces the monthly report, June 2024 marked the second straight month in which both new orders and shipments declined over the comparable prior year month for the companies in our survey.

See:
https://www.woodworkingnetwork.com/furniture/residential-furniture-orders-down-june

Nonresidential construction employment rises in August

The construction industry added 34,000 jobs on net in August, according to an Associated Builders and Contractors analysis of data released by the US Bureau of Labour Statistics. On a year-over-year basis, industry employment grew by 228,000 jobs, an increase of 2.8%.

Nonresidential construction employment increased by 28,300 positions on net, with growth in all three subcategories. Nonresidential specialty trade added the most jobs on net, increasing by 14,000 positions. Heavy and civil engineering and nonresidential building added 13,500 and 800 jobs, respectively.

The construction unemployment rate fell to 3.2% in August. Unemployment across all industries declined from 4.3% in July to 4.2% last month.

"August's employment report is perfectly consistent with the notion of a soft landing," said ABC Chief Economist Anirban Basu. "Unemployment fell both economywide and in the nation's construction sector. Job growth in nonresidential construction was both brisk and broad-based. Moreover, Federal Reserve officials continue to indicate that they are ready to reduce interest rates, which is expected within the next two weeks.

"And yet, the level of concern has been rising among contractors," said Basu. "According to both ABC's Construction Confidence Index and Construction Backlog Indicator, the outlook among contractors is dimming gradually. Many projects have been postponed recently in the context of still-elevated borrowing costs and tighter lending conditions."

See: https://www.bls.gov/news.release/empsit.nr0.htm
and
https://www.woodworkingnetwork.com/news/woodworking-industry-news/nonresidential-construction-employment-rises-august

Union disputes threaten disruption of US ports and Canadian railways

Labour disputes this summer led to halted traffic on two critical Canada railroads and are threatening a possible strike by workers at US East Coast and Gulf Coast ports in October.Lockouts of workers briefly stopped traffic in Canada on the railroads in August and halted shipments to and from the United States, cutting off delivery of raw materials, along with shipping of finished products from factories and to retail shelves.

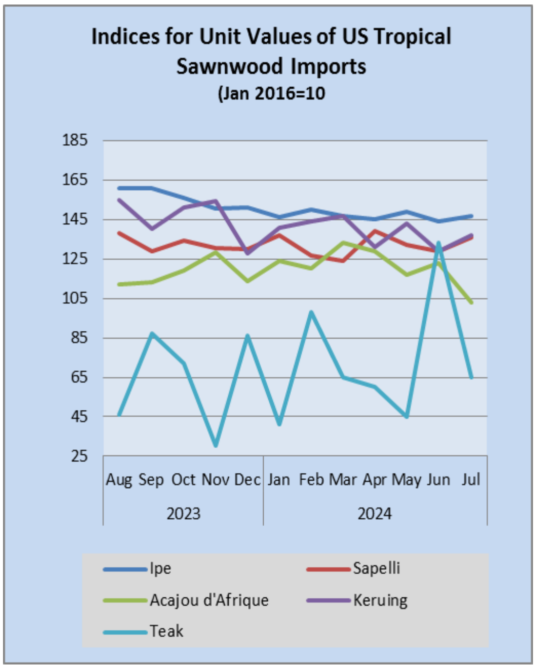
They lasted a little over a day at CN and four days at CPKC. Canada's Labour Minister Steven MacKinnon ordered CN and CPKC into arbitration with the Teamsters Canada Rail Conference to end the lockout.

In the US, critical talks between the labour union representing workers, the International Longshoremen's Association (ILA), and ports management broke down over the summer with automation being a key sticking point.

Although talks have not resumed and will not until the union concludes its internal meeting at least one positive development has risen in recent weeks. Both the ILA and the US Maritime Alliance (which represents the employers) contacted the Federal Mediation & Conciliation Service (FMCS) in late August with the intention of getting a mediator involved in the talks.

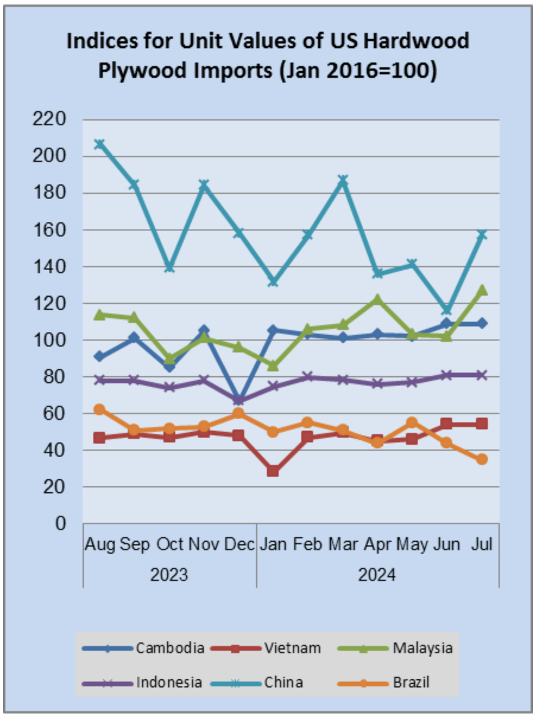
US East Coast and Gulf Coast ports handle 43% of all US imports and billions of dollars in trade monthly but companies have been moving shipping containers to the West Coast over strike fears.

See: https://www.yahoo.com/news/east-coast-port-workers-reportedly-160943478.html



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.

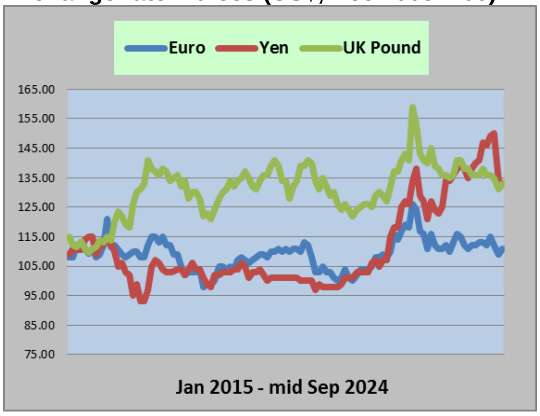
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

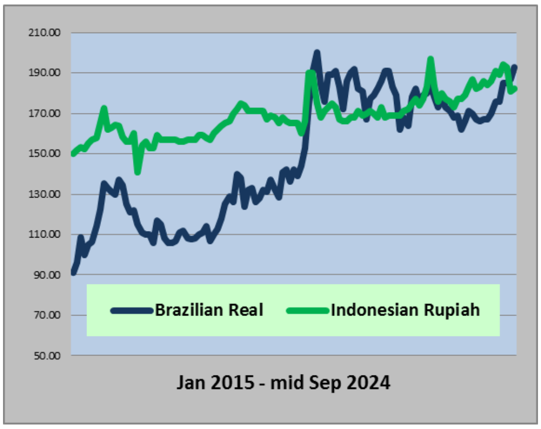
US Dollar Exchange Rates

As of 10 Sept. 2024

Brazil	Real	5.49
CFA countries	CFA Franc	589.84
China	Yuan	7.12
Euro area	Euro	0.89
India	Rupee	83.81
Indonesia	Rupiah	15,401
Japan	Yen	144.37
Malaysia	Ringgit	4.37
Peru	Sol	3.73
UK	Pound	0.76
South Korea	Won	1,324.66

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

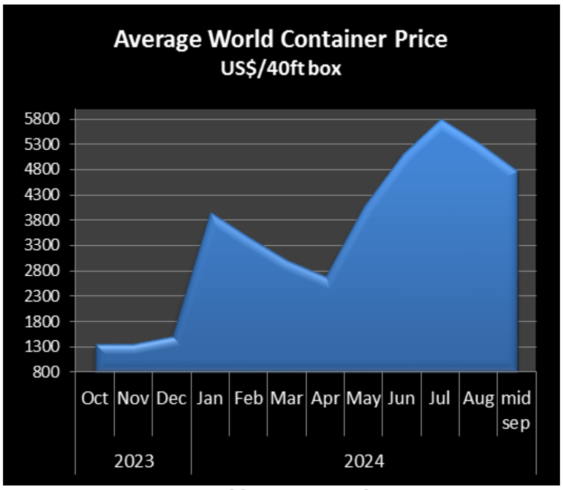




Abbreviations and Equivalences

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

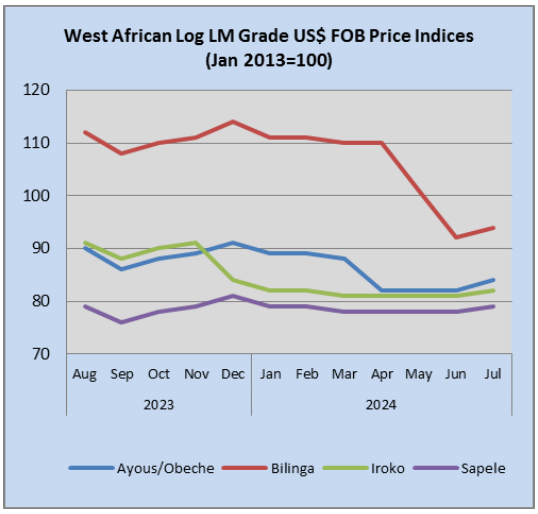
Ocean Container Freight Index

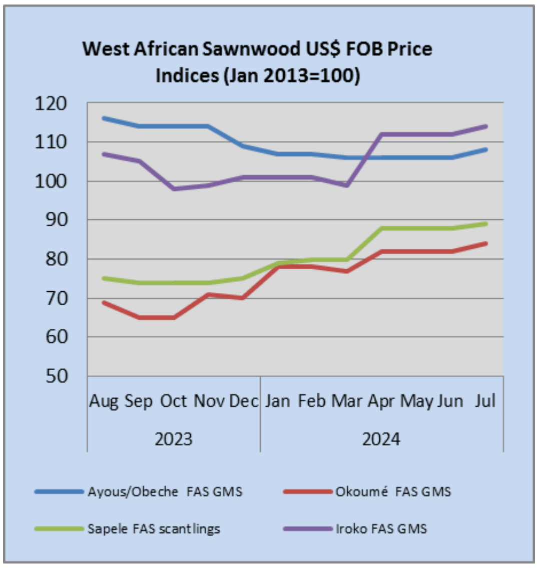


Data source: Drewry World Container Index

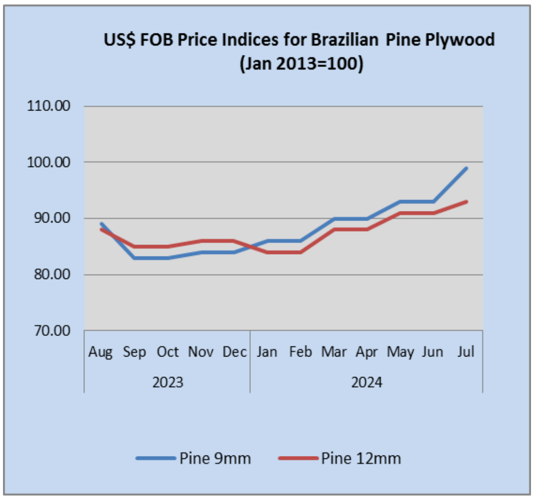
See: https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry

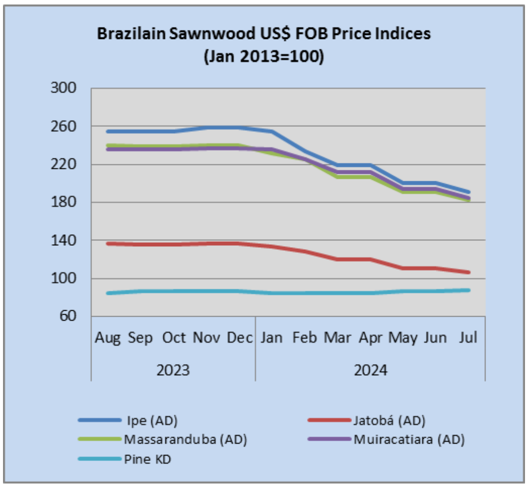
Price indices for selected products
The following indices are based on US dollar FOB prices





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





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