

# Tropical Timber Market Report

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## Top story

### **US manufacturing expanded for fourth month but wood products sector lagged**

While economic activity in the manufacturing sector expanded in April for the fourth consecutive month the wood products sector continued to fall behind according to the latest ISM Manufacturing PMI Report.

Thirteen of the manufacturing industries surveyed by ISM reported growth in April while only three reported contraction. The Wood Products sector was among the three shrinking industries with reported declines in new orders, production, employment, inventories and imports.

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### Overview

Market conditions across West and Central Africa remain relatively stable, although selective price increases are becoming more visible in both European and Chinese markets. Lower stock levels in Europe are generating renewed purchasing interest for certain tropical hardwood species, supporting firmer pricing in some segments.

In Europe it is reported that inventory levels continue to decline creating some renewed demand. However, overall construction activity remains subdued due to environmental regulations, higher compliance costs and a generally cautious investment climate.

Demand in China has improved for several key species helping support price increases for selected logs and sawnwood species. Demand remains mixed in Middle East markets but generally stable with buyers monitoring regional geopolitical developments before committing to larger purchases.

Carbon-related initiatives and forestry conservation programs are attracting increasing attention throughout the region. With government finances under pressure in several countries, carbon projects are increasingly viewed as a potential source of future revenue and international funding. At the same time, certification and compliance requirements continue to create uncertainty.

Weather patterns remain highly variable. Cameroon, Central African Republic and Northern Congo are expected to return to wetter conditions in the coming weeks. Gabon and much of Rep. of Congo are entering what would normally be the dry season. Coastal areas have experienced several rain-free days, but significant rainfall continues in many inland production zones, affecting transport and harvesting operations.

Overall market conditions remain cautious rather than optimistic. Demand is improving in selected sectors and tighter inventories are supporting some price increases. However, producers continue to face challenges from certification requirements, environmental regulations, infrastructure constraints and uncertain global economic conditions.

For now, most operators are focused on maintaining production, managing costs and positioning themselves for a gradual recovery in demand as inventories normalise across major consuming markets.

### Gabon

Heavy rainfall continues across most inland forest regions. There has effectively been no real dry season upcountry this year but coastal areas remain comparatively drier. Harvesting activity is gradually picking up as market demand begins to improve. The main harvested species continue to be Okoumé, Okan, Azobé and red hardwoods.

Buyers for the Chinese market have returned with renewed demand for Okoumé and selected red hardwood species. European enquiries remain slow, although they have improved compared to that in the winter months as stocks are moving. Some producers have reported that the supply of Azobé is being impacted due to the prolonged rains and poor forest-road conditions. Demand for Okan is said to be strengthening, particularly where Azobé supply from Gabon and Cameroon remains tightly controlled.

Container availability remains sufficient with no reported shortages. Port operations at Owendo remain under normal conditions. Road infrastructure remains difficult due to persistent rain. No major transport disruptions were reported during the period. A new weighbridge has been installed but was still not operational as of 23 May 2026.

Forest authorities continue enforcing payment of the 800 FCFA/cu.m social tax intended for local communities as well as compliance with professional trading and export regulations.

The Gabonese government is positioning forestry as a strategic economic sector and is advancing plans to monetise the country's carbon absorption capacity. With around 88% forest cover and low deforestation, Gabon is studying participation under ART-TREES carbon credit standards with support from international partners.

Earlier this year the Forest Stewardship Council (FSC) signed two cooperation agreements with Gabonese institutions to strengthen conservation through sustainable forestry and certification. The agreements, one with the Agence Nationale des Parcs Nationaux (ANPN), National Parks Authority and another with Université Omar Bongo (UOB) were concluded.

See: <https://africa.fsc.org/en-cd/newsfeed/fsc-signs-twin-accords-in-gabon-to-boost-conservation>

### AGOA Update

African exporters have regained duty-free access to the US market after the African Growth and Opportunity Act (AGOA) was extended through 2026. Gabon has been reinstated as a beneficiary of AGOA after making sufficient progress on governance and eligibility, reversing its 2023 removal.

The programme briefly lapsed at the end of September 2025 after the US Congress failed to renew it, creating uncertainty for African exporters. It was restored in February 2026 when the US President signed the Consolidated Appropriations Act, extending AGOA retroactively to the end of 2026.

See: <https://africa.businessinsider.com/local/markets/african-exporters-regain-duty-free-us-access-as-trump-extends-agoa-framework/nhdhkd>

### Cameroon

Operators in Cameroon continue to enjoy favourable weather with approximately one month of dry season remaining before rains are expected to return.

Weather conditions are supporting increased harvesting and transport activity.

It is reported that production is picking up. Most Chinese operators are now receiving contracts for sawnwood. Observers say this is positive for the sector as China is slowly increasing purchases after a long quiet period.

Demand in the Middle East remains stable for red species. Demand for Ayous remains low in Italy and the Netherlands. The Philippines market remains weak while Vietnam continues to perform strongly. Europe demand remains slow especially for Padouk, largely due to CITES-related complications.

Container availability remains good with sufficient empty containers available. Port operations in both Douala and Kribi are generally normal. No major disruptions have been reported.

The outlook for the timber sector in Cameroon is cautiously positive in operational terms. Harvesting and transport are improving before the return of the rains and Chinese demand is slowly recovering. However, demand remains uneven across markets with Europe still slow and Ayous particularly weak. Compliance checks linked to FSC, EUTR and CITES will be important issues in the coming months.

### **Republic of the Congo**

Harvesting activity remains generally stable, supported by ongoing road maintenance on key laterite forest roads. Transport operations continue to rely heavily on road networks linking production areas to export routes through Douala and Pointe-Noire.

No significant disruptions have been reported within the milling sector. Spare parts remain available particularly for logging and harvesting equipment and no major labour disputes have been noted during the period.

Container availability remains good with no shortages reported at Pointe-Noire. Port operations continue under normal conditions and no major disruptions to loading, vessel movements or exports have been reported. Logistics chains remain stable overall.

Demand conditions remain mixed but generally stable. Demand from the Philippines for sawn Okoumé continues to weaken. In contrast, strong demand for Tali from Vietnam continues to support mill production, alongside selected European hardwood requirements.

China remains active in several key species, including Okoumé, Okan, Ovangkol, Belli and Azobé. This continued Chinese interest is helping to support production and exports despite weaker demand in some traditional markets. No major regulatory changes have been announced during the reporting period. Forestry administration continues to maintain strict oversight of harvesting operations and export activities.

The Congolese forestry sector remains relatively well organised, with compliance controls actively enforced throughout the supply chain.

No significant economic or trade disruptions affecting the timber sector have been reported. Export activity continues under existing regulations and market sentiment remains broadly unchanged compared with previous months.

While no major health-related disruptions to forestry operations or timber trade have been reported during the period, operators continue to monitor regional health developments.

See: <https://www.jeuneafrique.com/1798107/economie-entreprises/ebola-il-y-a-10-pays-africains-a-risque-alerte-lagence-sanitaire-de-lua/>

The 2025 Joint Annual Report of the Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) between the Republic of the Congo and the European Union is now available.

This report highlights both the progress achieved and the persistent challenges facing the FLEGT VPA process in Congo in 2025. It reaffirms the joint commitment of the EU and the Republic of Congo to promoting a forest and timber sector that is legal, sustainable and conducive to economic development.

Indonesia and the Republic of Congo strengthened cooperation on sustainable forest management during a bilateral meeting at the United Nations Headquarters in New York between Forestry Minister, Raja Juli Antoni and Congo's Minister of Forest Economy, Rosalie Matondo. The discussions focused on expanding South-South collaboration in forestry, green economy development and the transition toward more sustainable forest management.

Matondo expressed interest in learning from Indonesia's forestry governance policies, particularly the Timber Legality and Sustainability Verification System (SVLK+), which has helped to improve the credibility of Indonesian forestry products in international markets. The Minister from the Congo also showed interest in Indonesia's environmental financing mechanisms, including the Environmental Fund Management Agency (BPDH), as well as potential knowledge-sharing programmes in tropical forest management.

See: <https://forestinsights.id/indonesia-dan-kongo-perkuat-aliansi-kehutan-berkelanjutan-di-markas-pbb/>

Recent reports of Ebola outbreaks in parts of Central Africa have raised concerns, although no direct impact on timber production, transport or export activities has been observed.

See: [https://capacity4dev.europa.eu/library/rapport-annuel-conjoint-2025-apv-congo\\_en](https://capacity4dev.europa.eu/library/rapport-annuel-conjoint-2025-apv-congo_en)

The Congolese timber sector remains stable, supported by ongoing Chinese demand and strong Vietnamese purchases of Tali. While demand in the Philippine for Okoumé remains weak, overall export activity continues at a sustainable level.

Attention remains focused on forestry conservation initiatives and emerging carbon-credit opportunities which are becoming increasingly important within the broader Congo Basin forestry strategy.

#### Log export prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N <sup>o</sup> Gollon	240▲	240▲	175
Ayous/Obeche/Wawa	240▲	240▲	200
Azobe & ekki	250	250	175
Belli	270▲	270▲	-
Bibolo/Dibétou	200	200	-
Bilinga	230	230	-
Iroko	270	250	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	195▲	195▲	220
Moabi	260	260	220
Movingui	180	180	-
Niove	170▲	170▲	-
Okan	250▲	250▲	-
Padouk	300	280	200
Sapele	250▲	250▲	220
Sipo/Utile	250	250	200
Tali	270▲	270▲	-

#### Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	700
Okoumé FAS GMS	420▼
Merchantable KD	420▼
Std/Btr GMS	420▼
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	850▼
FAS scantlings	900▼
Strips	400▼
Sapele FAS Spanish sizes	530
FAS scantlings	550
Iroko FAS GMS	800▼
Scantlings	900▼
Strips	400▼
Khaya FAS GMS	420
FAS fixed	440
Moabi FAS GMS	550▼
Scantlings	580▼
Movingui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	450

#### Through the eyes of industry

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

See: <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.itto-ggsc.org/static/upload/file/20260515/1778810654194472.pdf>

### Ghana

#### Camps set up to protect forest reserves

The Forestry Commission (FC) has established ten forest protection camps located on reserve fringes areas to serve as permanent bases for armed forest guards. Seven of these camps are in the Ashanti Region at the Offin Shelterbelt, Apapraman and Oda River reserves while three are in the Western Region at Subri River Reserve. The checkpoints are in Buru, Kintampo and Maluwe near Wa.

The forest protection camps have been set up as part of a strategic partnership between the government of the United Kingdom (UK), through its Foreign Commonwealth and Development Office (FCDO) and the Ghana government, through the Forestry Commission. The initiative aims to strengthen forest governance and curb encroachment.

This follows findings that almost 9,000 hectares across 45 reserves and a national park were damaged by illegal mining. There were also severe attacks on guards. 34 Forest Service Division (FSD) officers were injured in the past 5 years and 23 Wildlife Division staff were killed or maimed since 2017.

The protection camps are the Commission's strategy for moving from solitary guards to team-based operations, ensuring rapid response and signaling commitment to ending the widespread illegal mining, illegal logging and other forest crimes.

See: <https://www.graphic.com.gh/news/general-news/ghana-news-forestry-commission-sets-up-camps-to-protect-forest-reserves.html>

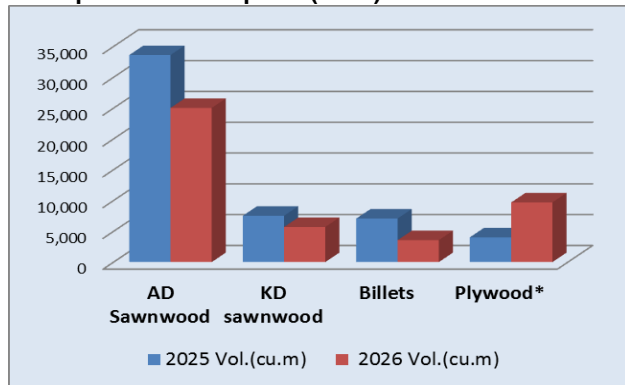
and <https://www.ghanaweb.com/GhanaHomePage/NewsArchive/Ove-r-2-500-guard-shortfall-Forestry-Commission-boss-warns-of-strained-forest-fight-2036142>

#### Plywood accounted for 20% of first quarter exports

According to the Timber Industry Development Division (TIDD) report for January to March 2026 wood export volumes and values dipped by 16% and 20% respectively to register exports at 48,532 cu.m and Eur 21.96 million when compared to figures for the previous year. Ghana earned Eur 27.50 million in 2025.

Of the total eleven wood products exported during the period, air and kiln-dried sawnwood, plywood and billets accounted for over 90% (43,942 cu.m) of the total wood export volume in the first quarter of 2026 compared to 52,165 cu.m recorded for the same period in 2025.

**First quarter 2026 exports (cu.m)**



Data source: TIDD

The above shows the top four wood products shipped during the first quarter of 2026 compared to the same period in 2025. Except for plywood, which witnessed significant increases in volume and value, the export volumes for air and kiln dried sawnwood and billets all recorded decreases of 26%, 24% and 50% in volume respectively for the period under review.

Plywood export volume to regional and overseas markets registered marked improvements of year-on-year while revenue also increased. The regional market accounted for 53% (Eur 1.87 million) of the total plywood export receipts with the overseas market accounting for 47% (Eur 1.63 million).

**First quarter plywood, 2025 and 2026 (Eur 000s)**

	Eur 000s 2025	Eur 000s 2026	YoY % change
Overseas	131	1,633	47%
Regional	1,470	1,865	53%
<b>Total</b>	<b>1,601</b>	<b>3,498</b>	<b>119%</b>

Data source: TIDD

**Ghana’s climate framework to cost US\$53.3 billion**

Ghana needs US \$53.3 billion to implement its updated Nationally Determined Contributions (NDCs) for 2025–2035, a 10-year climate framework to cut greenhouse emissions and boost resilience. The revised NDCs, presented in Accra for validation before submission to the United Nations Framework Convention on Climate Change, cover energy, transport, industry, agriculture, forestry, water and health.

At a stakeholder’s workshop for validation, Ms. Suweibah Adam, the Chief Director of the Ministry of Environment, Science and Technology (MEST) described the revised NDC a shift to a comprehensive national strategy built on five pillars: energy transition, sustainable transport, circular economy, nature-based solutions and climate adaptation.

Plans include 1,000 MW of nuclear power, 1,600+ MW of renewables, green hydrogen, US \$4.5 billion rail expansion, Accra light rail, 1.225 million EVs, recycling, waste-to-energy, and low-carbon industry. Nature-based efforts include expanding Ghana’s Cocoa Forest REDD+ Programme while adaptation includes US\$9.648 billion for water infrastructure and US\$3.155 billion for coastal resilience.

Dr. Peter Dery, Director of Environment, Ministry of Environment, Science and technology (MEST), said Ghana targets 71% emissions cut in 10 years. The UN noted full implementation could prevent 2,900 premature deaths yearly and create one million green jobs.

See: <https://www.ghanabusinessnews.com/2026/05/19/ghana-seeks-53-3b-to-implement-10-year-climate-action-plan/>

**Project to build capacity and boost accountability**

Ghana had 447 active Social Responsibility Agreements (SRAs) in the timber sector worth GHS4.52 million nationwide as of May 2026 according to Bright Owusu Sekyere, Manager of Systems and Data Reconciliation at the Forestry Commission’s Timber Validation Department. He shared the data at the inception workshop for the Agence Française de Développement (AFD)-FC SRA Project aimed at strengthening SRA implementation.

SRAs require timber companies to allocate 5% of stumpage fees to forest fringe communities for development projects, making them the only direct financial benefit from logging for those communities.

The Forestry Commission ensures SRAs are signed before issuing timber licences and companies that fail to comply risk losing their licenses. Legislative Instrument 2254, enacted December 2017 provides legal backing for SRA enforcement. SRAs are part of Ghana’s Timber Legality Assurance System under the FLEGT/VPA framework, making compliance a requirement for FLEGT licenses.

The one-year AFD-FC project, funded with Eur300,000 under the EU FLEGT VPA Programme, involves Civic Response, Rights and Advocacy Initiatives Network (RAIN), DEVNEST Systems and the Forestry Commission.

According to Civic Response’s Head of Programmes, Albert Katako, the project will train FC officials and timber contractors on legal and operational requirements, promote stakeholder collaboration to monitor and resolve grievances and support SRA Committees to improve community engagement, transparency, and accountability in SRA resource use.

See: <https://gna.org.gh/2026/05/ghana-records-447-active-timber-social-responsibility-agreements-worth-ghs4-52-million/>

**Ghana now Africa’s 8th largest economy**

Ghana has become the eighth-largest economy in Africa following a significant expansion in Gross Domestic Product (GDP).

According to the latest April 2026 World Economic Outlook report by the International Monetary Fund (IMF), Ghana's economy grew to an estimated US\$118.29 billion in nominal GDP terms, up from US\$108.1 billion recorded in 2025.

The latest figures lifted Ghana two places higher on the continent's economic ranking, reinforcing the country's growing influence within both the West African sub-region. Ghana's improving economic ranking points derived from the growing diversification of the economy with growth increasingly being supported by a mix of natural resources, services and industrial activity.

Meanwhile, the Bank of Ghana has maintained its Monetary Policy Rate at 14.0%. The decision was announced by the Governor, Dr. Johnson Pandit Asiamah, at the conclusion of the 130th Monetary Policy Committee meeting.

See: <https://www.citineewsroom.com/2026/05/ghana-rises-to-africas-8th-largest-economy-as-gdp-expands-to-118bn/> and <https://www.imf.org/en/publications/weo/issues/2026/04/14/world-economic-outlook-april-2026>

#### Boule export prices

	Euro per cu.m FOB
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	780
Niangon Kiln dry	820↓

#### Sawnwood export prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up		
Afromosia	860	925
Asanfina	465	1,016
Ceiba	381	465
Dahoma	484↑	580
Edinam (mixed redwood)	640	704↑
Emeri	690	739↓
African mahogany (Ivorenensis)	783	889
Makore	647	900
Niangon	744↓	920↑
Odum	1,024	1,127↑
Sapele	742↑	825
Wawa 1C & Select	455	476↑

#### Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9mm)	FACE (>2mm)
Ceiba	375	472
Chenchen	431↓	612
Ogea	345	590
Essa	553↑	603
Ofram	350	435

#### Plywood export prices

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	322	580	641
6mm	392↓	536	604
9mm	413	504	560
12mm	350	489	480
15mm	389	332	430
18mm	452	437	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	1,187↓
Avodire	1,304
Chenchen	997
Mahogany	1,443↑
Makore	1,141↑
Odum	2,083
Sapele	1,629↑

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See: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.itto-gpsc.org/static/upload/file/20260515/1778810654194472.pdf](https://chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.itto-gpsc.org/static/upload/file/20260515/1778810654194472.pdf)

## Malaysia

#### Staggering trade surplus growth

Malaysia's export trade rose 15% year-on-year to RM1.127 trillion in the January-April period driven by surging demand for high-growth, high-value products and the success in market diversification. This resulted in a trade surplus of RM91.92 billion, a staggering 99% surge. Malaysia has demonstrated extraordinary external sector resilience even amid heightened geopolitical uncertainty in West Asia

See:

<http://theborneopost.pressreader.com/article/282308211750756>

#### Sarawak Forestry Department advancing digital technologies

The Sarawak timber industry recorded a decline of 10% in export value in the first quarter of 2026 according to Amar Awang Tengah Ali Hasan, the Deputy Premier. He said this decline is closely related to reduced global market demand which has affected the industry's export performance.

"Japan remained the main importer at RM298 million followed by India at RM106 million, Middle Eastern countries at RM70 million and the Philippines at RM23 million. The products exported included mainly plywood, logs, fibreboard, sawnwood, wood chips and wood pellets.

To support the forestry sector, Sarawak is advancing digital technologies including electronic timber tracking, drone assisted restoration and Light Detection and Ranging (LiDAR) based forest assessment to improve transparency, efficiency and sustainable forest management. Awang Tengah Ali Hasan said the Sarawak Forest Department is intensifying the digitalisation of forestry operations to enhance overall forest management, with the Electronic Removal Pass system strengthening digital and transparent traceability in the timber supply chain.

The Forestry Department is adopting technology-driven approaches in forest restoration through the Drone Seeding Ecosystem Restoration System in collaboration with Universiti Putra Malaysia Sarawak. The innovation in the implementation of the Drone Seeding Ecosystem Restoration System has successfully increased the seed germination rate and reduced operational costs by up to 60%.

Sarawak has exceeded the four million hectares of permanent forest reserves target and is nearing its target for Totally Protected Areas (TPAs) as part of its long term commitment to sustainable forest management, said Deputy Premier Awang Tengah.

“Out of Sarawak’s total land area of 12.4 million hectares, more than 62% remains forested through sustainable forest management practices” he said during the State-level International Forests Day 2026 celebration. He said, Sarawak remained committed to combating illegal logging through stricter monitoring, modern technology and coordinated enforcement involving multiple agencies.

Awang Tengah stressed that protecting forests required collective responsibility, urging local communities and leaders to immediately report encroachment or illegal logging activities to the Forest Department.

See:

<http://theborneopost.pressreader.com/article/281638196850266>  
and  
<http://theborneopost.pressreader.com/article/281638196850266>  
and  
<http://theborneopost.pressreader.com/article/281608132087129>

### **Sabah 25 year forest development plan**

Sabah is drafting a 25-year State-wide Forest Master Plan to balance socio-economic development with environmental conservation, said Chief Minister, Hajiji Noor. He said the Master Plan, being developed by the Sabah Forestry Department, would serve as a guide for managing the State’s forest resources while supporting sustainable land use. He reaffirmed Sabah’s commitment to maintaining at least 50% forest cover in line with the Sabah Forest Policy 2018.

“To strengthen forest management and protect biodiversity treasures, Sabah is also committed to maintaining 2.2 million ha. or 30% of the State’s total land area, as Totally Protected Areas,” he said.

Hajiji said the State government has identified about 400,000 ha. of degraded forest reserve for forest plantation development under the Forest Plantation Development Action Plan 2022-2036.

As part of efforts to balance development and conservation, Hajiji said the Sabah government, in collaboration with the United Nations Development Programme and the Global Environment Facility, would spearhead the ‘Food Systems, Land Use and Restoration Impact Programme’.

The programme, which involves integrated landscape management covering about 2.1 million hectares, aims to coordinate land-use planning and management to minimise the environmental impact of palm oil production while preserving High Conservation Value Forests. This programme will be implemented in 12 districts in Sabah and is expected to benefit around 56,000 rural residents.

See: <https://www.thestar.com.my/news/nation/2026/05/24/sabah-mapping-out-25-year-forest-development-master-plan>

### **Smallest FMU, large harvest**

Despite being the most recent (established during 2016-18 and the smallest 11,043ha. Forest Management Unit in Sabah), Jawala Plantations Industries undertook its first commercial-scale harvest in late March 2026. Jawala reportedly planted 1.6 million laran (*Neolamarckia cadamba*) also known as the Kadam or Bur-flower tree) and albizia, both fast growing hardwoods.

Rahman Khan, Executive Director of Jawala reported: “Prior to the commercial harvest in late March this year we conducted a trial harvest in October 2025. At that time the albizia and laran were about seven years old. We achieved a yield of 245 cubic metres per hectare for the albizia and 209 cubic metres per hectare for the laran.” The logs were processed in plywood factories and sawmills.

See: <https://www.dailyexpress.com.my/read/6607/smallest-youngest-fmu-reaps-large-scale-harvest/?shem=dsdf,sharefoc,agadiscoverd1,,sh/x/discover/m1/4>

### **New MTCC ‘Complaints Handling and Dispute Resolution Mechanism’**

The Malaysian Timber Certification Council (MTCC) has announced publication of MTCS GD 3003:2026 – Complaints Handling and Dispute Resolution Mechanism – Guide for Stakeholders, effective 1 May 2026. The Guideline and the improvements on the mechanism were approved by the MTCC Board of Trustees at its 110th Meeting in April 2026 and supersedes MTCS GD 3003:2023 – Complaint Handling and Dispute Resolution Procedure.

The Guideline sets out the improved Complaints Handling and Dispute Resolution Mechanism on how MTCC receives, manages, escalates and resolves complaints and disputes arising from the implementation and operation of the MTCS.

The Guideline also informs stakeholders of their rights and the process available to them. It is aligned with PEFC GD 1004:2009, Administration of PEFC Scheme, as MTCC is endorsed by PEFC. The new guidelines are available at: <https://mtcc.com.my/mtcc-launches-new-complaints-handling-and-dispute-resolution-guideline/>

See: <https://mtcc.com.my/mtcc-launches-new-complaints-handling-and-dispute-resolution-guideline/>

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## Indonesia

### Expanding forest product exports to the US

Indonesia is intensifying efforts to expand forestry product exports to the United States by promoting the legality, sustainability and traceability of its wood products. During an international forum hosted by Indonesia's Ministry of Forestry, the Indonesian Embassy in Washington D.C. and the Indonesian Forest Concession Holders Association officials highlighted Indonesia's long-standing trade relationship with the U.S. and its commitment to sustainable forest governance.

Forestry Minister Raja Juli Antoni stated that the government is seeking to diversify exports into non-dipterocarp products for construction, furniture and recreational vehicles.

Indonesia is also strengthening its global competitiveness by improving compliance with international regulations such as the US Lacey Act and the European Union Deforestation Regulation (EUDR).

Director General, Laksmi Wijayanti, said the upgraded SVLK+ system now incorporates legality, sustainability, traceability and independent verification supported by digital monitoring, satellite surveillance, geolocation tools and QR-code tracking.

The Association of Indonesia Forest Concession Holders (APHI) chairman, Soewarso, noted that the US remains one of Indonesia's key export markets with processed wood exports reaching around US\$1.94 billion in 2025, accounting for 15% of the country's total processed wood exports globally.

See: [https://hijau.bisnis.com/read/20260516/653/1974047/perkuat-ekspor-produk-hutan-ke-as-indonesia-genjot-kayu-legal-dan-berkelanjutan#goog\\_rewarded](https://hijau.bisnis.com/read/20260516/653/1974047/perkuat-ekspor-produk-hutan-ke-as-indonesia-genjot-kayu-legal-dan-berkelanjutan#goog_rewarded).

### Furniture industry hit by rupiah weakness

Indonesia's furniture and handicraft industry is facing mounting pressure from the weakening rupiah which has increased the cost of imported production inputs such as hardware, finishing chemicals, machinery, spare parts, accessories and other supporting materials.

Indonesian Furniture Industry and Craft Association (HIMKI) said that, while exporters may benefit from higher conversion values due to the weaker currency, industries that still rely heavily on imported components are experiencing rising production costs and tighter profit margins.

HIMKI Chairman, Abdul Sobur, said exporters with strong local-content supply chains are better positioned to benefit from the rupiah's depreciation but stressed that exchange rates are not the only factor determining competitiveness. He emphasised the importance of maintaining productivity, product quality, timely delivery and cost efficiency, adding that operational efficiency and stable production are essential for the industry to remain competitive amid global uncertainty and currency volatility.

See: <https://www.msn.com/id-id/ekonomi/ekonomi/industri-mebel-kena-imbas-rupiah-biaya-hardware-hingga-sparepart-naik/ar-AA23DW5Z?ocid=BingNewsVerp>

### Showcasing furniture designs in Milan

Indonesia is strengthening efforts to expand furniture exports to Europe by showcasing its design innovation and sustainable products in Italy. Through the Ministry of Trade and the Indonesia Trade Promotion Center, Indonesia partnered with the Italian Chamber of Commerce for South East Asia to organise a post-event networking session following the country's participation in Salone del Mobile 2026 and Salone Satellite 2026.

The initiative was aimed at maintaining business momentum after the exhibitions and transforming buyer interest into long-term export transactions. Trade Ministry Director General, Fajarini Puntodewi, said the event serves as an important gateway for Indonesian furniture products to expand into the European market.

See: <https://rri.co.id/en/national/2410852/indonesia-showcases-furniture-design-in-milan-to-expand-europe-exports>

### Indonesia reaffirmed sustainable forest management pledge

Indonesia reaffirmed its commitment to sustainable forest management at the 21st session of the United Nations Forum on Forests in New York, emphasising that forest governance is a key pillar of the country's climate action, biodiversity conservation, economic resilience and sustainable development agenda.

The Minister of Forestry, Raja Juli Antoni, stated that under President Prabowo Subianto, Indonesia is strengthening forest governance as part of its national development strategy and contribution to global climate mitigation efforts.

Speaking at the May UN forum Indonesia highlighted its efforts to balance forest conservation with improving the welfare of communities living in and around forest areas. The country also reiterated its long-standing position that sustainable forest governance should support both environmental protection and economic development, while strengthening international cooperation on global forest management.

See: <https://en.antaranews.com/amp/news/415471/indonesia-reaffirms-forest-pledge-at-un-forum-in-new-york>

### **Indonesia urges global mangrove action at UN Forum on Forests**

Indonesia used the 21st Session of the United Nations Forum on Forests in New York to reaffirm its commitment to global mangrove conservation and promote its World Mangrove Center initiative.

The Minister, Raja Juli Antoni, said Indonesia, which is home to 23% of the world's mangroves, is determined to protect and restore these vital coastal ecosystems while encouraging stronger international cooperation on sustainability efforts.

The Minister said the World Mangrove Center is intended to strengthen global partnerships, expand research and innovation and support concrete action for sustainable mangrove management worldwide.

See: <https://en.antaranews.com/news/415553/indonesia-urges-global-mangrove-action-at-un-forum-on-forests> and <https://ri.co.id/en/international/2408594/indonesia-promotes-global-mangrove-partnership-at-un-forest-forum>

### **Forestry and land use sectors to contribute to emissions reduction**

Indonesia's forestry and land-use sector is projected to contribute 60% of the country's greenhouse gas emission reduction target by 2030 under the Forestry and Other Land Use (FOLU) Net Sink programme.

The Ministry of forestry FOLU NC 2 & 3 Project Manager, Arga Paradita Sutyono, said Indonesia's emissions could rise to 2.8 billion tonnes of CO<sub>2</sub> equivalent by 2030 without mitigation measures. Through FOLU Net Sink initiatives, the government aims to reduce emissions to 1.2 billion tonnes of CO<sub>2</sub> equivalent, cutting a total of 1.6 billion tonnes, with the forestry sector expected to provide part of the reductions.

To achieve the target, the government is focusing on tree planting to increase carbon storage, conserving protected forests and national parks as carbon sinks and protecting peatlands.

Sutyono noted that funding remains a major challenge as the estimated Rp204 trillion (US\$12.71 billion) needed to meet the 2030 target is far above the ministry's annual budget.

He stressed the importance of domestic and international funding collaboration to strengthen forest fire prevention, social forestry and other climate mitigation programs.

See: <https://en.antaranews.com/news/415461/forestry-sector-to-contribute-60-pct-to-indonesias-emissions-cut> and <https://www.metrotvnews.com/read/kBVCMLBI-indonesia-optimistic-in-achieving-target-of-reduction-in-deforestation>

### **Indonesia/FAO cooperation on forestry and carbon governance**

Indonesia is strengthening cooperation with the Food and Agriculture Organisation (FAO) to advance sustainable forestry, carbon governance and the development of its national forest monitoring system.

During a bilateral meeting in New York, Minister Raja Juli Antoni and FAO Forestry Division Director Zhimin Wu discussed expanding collaboration on forest-based climate solutions, REDD+ and transparent, high-integrity forestry carbon governance. FAO recognised Indonesia as one of the world's most strategic forestry partners due to its achievements in tropical forest management and carbon policy development.

FAO also praised Indonesia's efforts to strengthen the forestry carbon market and develop a forest carbon credit roadmap, describing it as a potential model for global carbon governance.

The Minister of Forestry said Indonesia aims to deepen international cooperation to support sustainable forest management while ensuring the forestry sector contributes to long-term food and energy security. He also highlighted the potential of social forestry and forest-based food and energy commodities as part of Indonesia's broader green economic development strategy.

In related news, Indonesia is accelerating the development of integrated forestry carbon trading following the issuance of Ministerial Regulation P.6/2026, which provides a clearer framework for greenhouse gas offset schemes and carbon-credit trading in the forestry sector.

Indonesia is deepening cooperation with Verra, a leading global carbon standards agency, as many Indonesian forestry companies are interested in adopting its carbon-credit methodologies.

The Association of Indonesia Forest Concession Holders (APHI) Chairman, Soewarso, said 16 APHI member projects are being accelerated for carbon-credit trading under Verra's scheme with collaboration focused on methodology development, workforce training and high-integrity forestry carbon projects.

Verra Senior Director, Sinclair Vincent, described Regulation P.6/2026 as a milestone for expanding voluntary carbon projects in Indonesia and said the organisation is speeding up verification, validation and carbon-credit certification processes while complying with Indonesia's latest regulations.

See: <https://forestinsights.id/indonesia-dan-fao-perkuat-kerja-sama-hutan-berkelanjutan-dan-tata-kelola-karbon/> and <https://mediaindonesia.com/humaniora/890089/fao-sebut-indonesia-mitra-kehutanan-paling-strategis-di-dunia> and <https://lestari.kompas.com/read/2026/05/19/210225986/sektor-kehutanan-ri-dan-lembaga-verra-percepat-perdagangan-karbon>

**APHI supports development of carbon initiatives**

Association of Indonesia Concession Holders (APHI) has reaffirmed its support for the development of high-quality carbon initiatives to help Indonesia achieve its Nationally Determined Contribution (NDC) targets. APHI Chairman Soewarso said Forestry Minister Regulation No. 6 of 2026 is an important milestone for accelerating the growth of Indonesia’s forestry carbon market and providing greater certainty for businesses developing high-integrity carbon projects.

APHI Secretary General, Purwadi Soeprihanto, highlighted the vast potential of Indonesia’s forestry concession areas for carbon project development, including 48 million hectares suitable for emission reduction projects and around 3.5 million hectares for carbon removal initiatives.

See: <https://www.antaranews.com/berita/5565048/aphi-dukung-pengembangan-inisiatif-karbon-berkualitas>

**Indonesia and Congo strengthen sustainable forestry alliance**

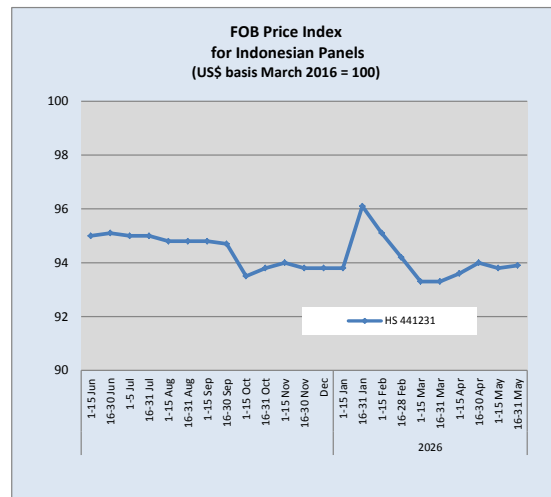
Indonesia and the Republic of Congo strengthened cooperation on sustainable forest management during a bilateral meeting at the United Nations Headquarters in New York between Forestry Minister, Raja Juli Antoni and Congo’s Minister of Forest Economy, Rosalie Matondo. The discussions focused on expanding South-South collaboration in forestry, green economy development and the transition toward more sustainable forest management.

Matondo expressed interest in learning from Indonesia’s forestry governance policies, particularly the Timber Legality and Sustainability Verification System (SVLK+), which has helped improve the credibility of Indonesian forestry products in international markets.

The Minister from the Congo also showed interest in Indonesia’s environmental financing mechanisms, including the Environmental Fund Management Agency (BPD LH), as well as potential knowledge-sharing programmes in tropical forest management.

The Congolese Minister praised Indonesia’s success in shifting its forestry sector from only timber exploitation toward more sustainable environmental services and non-timber forest products that provide greater economic value for communities.

See: <https://forestinsights.id/indonesia-dan-kongo-perkuat-aliansi-kehutanan-berkelanjutan-di-markas-pbb/>



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

**India**

**Rising inflation**

The month on month annual inflation based on the April WPI stood at 8.3%. The positive rate of inflation in April 2026 was primarily due to increased prices of mineral oils, crude petroleum and natural gas, basic metals, other manufacturing and non-food items.

The index for the Manufactured Group increased by 1.40% to 151.6 in April 2026 from 149.5 in March 2026. Out of the 22 NIC two-digit groups for Manufactured Products, 21 groups witnessed increased prices and 1 group witnessed a decrease in prices.

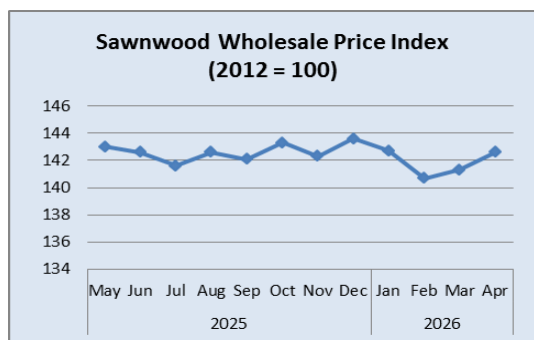
Some of the important groups that showed month on month price increases were manufacture of basic metals, chemicals and chemical products, textiles, food products and machinery and equipment. The group that witnessed a decrease in price in April 2026 was Other Manufacturing.

There was a sharp rise in the indices for sawnwood and veneers in April but the index for wood panels was unchanged.

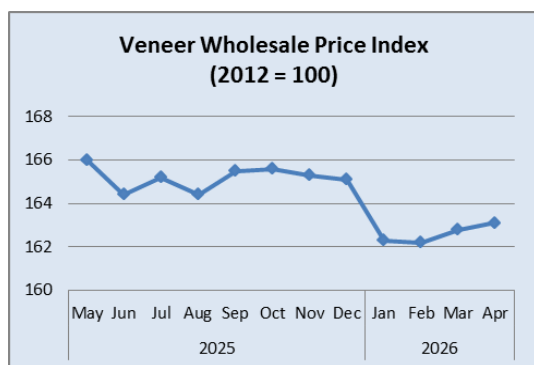
See: <https://eaindustry.nic.in/> and [chrome-extension://eaidnbnmnnibpcajpgclclefindmkaj/https://eaindustry.nic.in/pdf\\_files/cmonthly.pdf](https://eaidnbnmnnibpcajpgclclefindmkaj/https://eaindustry.nic.in/pdf_files/cmonthly.pdf)



Data source: Office of the Economic Adviser, India



Data source: Office of the Economic Adviser, India



Data source: Office of the Economic Adviser, India

### Supply of inputs for plywood manufacturing disrupted

The plywood industry of Yamunanagar, Northern India is grappling with rising raw material costs. Imports of essential chemicals from Middle East have slowed and the supply of essential inputs for plywood manufacturing have been disrupted. Products such as formalin, phenol and melamine have been severely affected.

The shortages are driving up prices of chemicals and other key inputs including poplar logs. Yamunanagar district, widely known as a hub of the plywood industry in India, is home to about 350 plywood factories along with nearly 400 peeling units.

Anil Garg, Senior Executive Member of the Haryana Plywood Manufacturers Association has said “the price of the formalin is Rs33 per kg, up from Rs 18 before the outbreak of conflict between Iran and the United States. Phenol, which was previously available at Rs85 per kg, has now reached to Rs160 per kg and the price of melamine is Rs115 per kg, however, it was Rs80 per kg before the conflict”.

The shortage of chemicals and rising costs are affecting the livelihoods of thousands of worker families directly and indirectly. Workers, transporters and small traders are among those hit the hardest. The plywood industry provides a livelihood to thousands of people.

See: <https://www.tribuneindia.com/news/haryana/iran-us-tensions-hit-yamunanagars-plywood-industry/>

In related news, delining inventories and delayed deliveries from manufacturing units have created a shortage of plywood in Madhya Pradesh, with traders reporting sales falling over 20% as the Middle East conflict disrupts raw material supply chains and pushes up prices.

Narendra Bafna, of the All Bharat Plywood and Laminate Trade Vyapari Association, said “stocks in the market are moving fast and it is impossible to replenish these because shipments from manufacturers and suppliers have dried up”.

See: <https://timesofindia.indiatimes.com/city/indore/west-asia-conflict-hits-plywood-supply-mp-sales-drop-over-20/articleshow/129785885.cms>

### Forest fires across 12 States - Madhya Pradesh hit the hardest

According to Forest Survey of India (FSI) data large fires have burnt huge tracts of forest cover in more than 12 Indian states from Uttarakhand in the north, Gujarat in the west to Andhra Pradesh in the south. Madhya Pradesh in Central India is the worst-affected State according to the government.

More than 634 “large fire“ events have been detected in Madhya Pradesh, 465 each in Maharashtra and Chhattisgarh and over 400 in Andhra Pradesh. In the Northeast India, where forests are most fire-prone, 190 fires were reported in Assam, followed by 128 in Manipur.

See: [https://www.google.com/search?q=FSI+data%2C+at+least+10+forest+fires+were+detected+burning&rlz=1C1GGRV\\_enJP741JP741&oq=FSI+data%2C+at+least+10+forest+fires+were+detected+burning+&aqs=chrome..69i57j33i160.827j0j15&sourceid=chrome&ie=UTF-8](https://www.google.com/search?q=FSI+data%2C+at+least+10+forest+fires+were+detected+burning&rlz=1C1GGRV_enJP741JP741&oq=FSI+data%2C+at+least+10+forest+fires+were+detected+burning+&aqs=chrome..69i57j33i160.827j0j15&sourceid=chrome&ie=UTF-8)

### Cost C&F Indian ports in US\$ Hoppus measure

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

	US\$ C&F
Brazil	540
Colombia	485
Costa Rica	380
Nigeria	-
Benin	-
Tanzania	500
Laos	-
South Sudan	705
Guatemala	420
Venezuela	-

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

	US\$ C&F
Benin	680
Brazil	670
Colombia	-
Costa Rica	540
Ecuador	-
Ghana	455
Ivory Coast	820
Nigeria	465
South Sudan	620
Tanzania	-
Togo	535
Panama	620

**Locally milled sawnwood prices**

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,550 – 4,950
Balau	3,150 - 3,450
Resak	-
Kapur	-
Kempas	1,850 - 2,150
Red meranti	2,000 - 2,300
Radiata pine	925 - 1,250
Whitewood	1,000 - 1,200

Price range depends mainly on lengths and cross-section

**Locally sawn hardwood prices**

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	2,050 - 2,400
Sycamore	2,500 - 2,900
Red Oak	3,050 - 3,500
White Oak	3,500 - 3,900
American Walnut	5,550 - 6,050
Hemlock STD grade	2,050 - 2,350
Western Red Cedar	3,100 - 3,500
Douglas Fir	2,550 - 2,750

Price range depends mainly on lengths and cross-section

**Plywood**

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

Plywood Ex-warehouse	Rs. per sq.ft
4mm	89.75
6mm	104.00
9mm	123.50
12mm	147.00
15mm	190.50
18mm	210.50

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

Plywood Ex-warehouse	Rs. per sq.ft
4mm	61.00
6mm	78.25
9mm	90.00
12mm	106.00
15mm	143.50
19mm	153.00
5mm Flexible ply	91.00

**Viet Nam**

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

According to statistics from the Viet Nam Customs Department, Viet Nam’s W&WP exports in April 2026 reached US\$1.58 billion, up 12% compared to March 2026 and 8% year-on-year. Of this total WP exports accounted for US\$1.0 billion, increasing by 11% month-on-month and 2% year-on-year.

Overall, in the first four months of 2026, Viet Nam’s W&WP exports totalled US\$5.57 billion, up 3% compared to the same period in 2025. WP exports contributed US\$3.57 billion, down 3% year-on-year.

Viet Nam’s office furniture exports in April 2026 were valued at US\$24.7 million, up 13% from March 2026 but down 31% compared to April 2025. In the first four months of 2026, office furniture exports reached US\$90.2 million, representing a decline of 26% year-on-year.

W&WP exports to the United Kingdom in April 2026 reached US\$26.8 million, up 23% compared to April 2025. Cumulatively, in the first four months of 2026, exports to the UK totalled US\$94.3 million, an increase of 16% over the same period in 2025.

Viet Nam's W&WP imports in April 2026 were estimated at US\$323.2 million, up 31% compared to March 2026 and 13% compared to April 2025. Overall, in the first four months of 2026, W&WP imports reached US\$1.1 billion, up 22% year-on-year.

Viet Nam's poplar wood imports in April 2026 amounted to 63,000 cu.m, valued at US\$23.7 million, down 3% in volume and 8% in value compared to March 2026. However, compared to April 2025, imports surged by 130% in volume and 93% in value. In the first four months of 2026, total poplar imports reached 192,900 cu.m, worth US\$72.8 million, up 96% in volume and 81% in value over the same period in 2025.

W&WP exports to Canada in April 2026 reached US\$23.5 million, down 10% compared to April 2025. Nevertheless, in the first four months of 2026, exports to the Canadian market totalled approximately US\$95 million, up 2% year-on-year. Despite this growth, Viet Nam's WP exports to Canada are facing significant challenges due to a trade protection investigation initiated in early May 2026.

Viet Nam's oak wood imports in April 2026 totalled 45,000 cu.m, valued at US\$25.4 million, down 24% in volume and 30% in value compared to March 2026. However, compared to April 2025, imports increased by 40% in volume and 29% in value. In the first four months of 2026, oak wood imports reached 204,700 cu.m, worth US\$115.5 million, up 55% in volume and 45% in value year-on-year. The notable increase in oak imports reflects rising demand for oak raw materials used in the production of wooden furniture for both export and domestic markets.

#### **Exports steady even as trade defense pressures intensify**

Viet Nam's wood product industry is navigating significant legal and trade defense challenges in key markets but the sector remains resilient as it has had success with market diversification.

The United States remains Viet Nam's largest export market but exporters are expanding into Japan, China, South Korea, the EU and Middle East countries. Around 45 new markets are being targeted as a buffer against US tariffs.

Japan has shown particularly strong growth, becoming Viet Nam's second-largest export destination with exports increasing by more than 23% over the past year. China remains the third-largest market, driven by rising demand for Vietnamese wood chips, with exports to China increasing by around 3.5% this year. In addition exports to Spain rose 63%, while Canada has become an important market, especially for bedroom furniture.

Viet Nam's hardwood and decorative plywood exports to the United States are under severe pressure following preliminary anti-dumping and countervailing duties the exceeding 190% announced in March 2026.

The US Department of Commerce issued preliminary antidumping duty rates of 196.14% on hardwood and decorative plywood imports from Viet Nam. Chinese hardwood plywood faces a 187.27% rate while Indonesian exporters face rates ranging from 19.98% to 84.94%.

These duties are in addition to countervailing duties announced in January: 4.37% to 26.75% for Viet Nam, 2.40% to 128.66% for Indonesia and a country-wide 81.34% rate for China.

The investigation scope covered hardwood and decorative plywood, including veneered panels, furniture-grade sheets and decorative laminates used in cabinetry, flooring underlayment and interior fit-out. Structural plywood products, including film-faced formwork plywood, construction sheathing and marine-grade structural panels are not covered under these specific orders.

To maintain timber exports to Europe, Viet Nam is accelerating the completion of provincial forest boundary databases and forest mapping systems to support EUDR compliance before the end of 2026. The country is also deploying AI, big data and cloud computing to monitor forest changes through satellite imagery and strengthen traceability systems.

See:

[https://www.fordaq.com/news/Vietnam\\_wood\\_exports\\_hold\\_firm\\_119003.html](https://www.fordaq.com/news/Vietnam_wood_exports_hold_firm_119003.html)

#### **Impressive export growth**

Over the past decades, Viet Nam has successfully built an image as a reliable furniture "manufacturing hub" for the world. According to Vu Ba Phu, Director of the Trade Promotion Department (Ministry of Industry and Trade), by 2025, the wood industry had become one of Viet Nam's key export sectors.

Enterprises in Ho Chi Minh City alone exported over US\$9 billion worth of furniture and related products. Overall, the wood export sector is maintaining an upward trend, rising from US\$14.8 billion in 2021 to US\$17.2 billion in 2025 and targeting US\$19 billion in 2026.

The 5.7% increase in 2025 and the US\$19 billion target for 2026 reflects high expectations for the international market, especially for high-value-added processed wood products.

Currently, Viet Nam ranks second in the world for furniture exports (after China), with products exported to 166 countries and territories. The US continued to be the main market at US\$9.4 billion in 2025.

However, the wood industry is also facing many challenges. These include stringent standards on quality, traceability and sustainable development from major markets. Furthermore, there is pressure to accelerate the transition to green production and reduce emissions to adapt to the global trend of sustainable trade.

Fluctuations in tariff policies, especially in the US are directly impacting competitiveness and increased geopolitical risks are destabilising supply chains and driving up logistics costs.

Vietnamese wood processing enterprises have been proactively innovating and optimising production and business processes; investing in advanced machinery and technology; managing the supply chain of legally sourced wood more strictly and promoting digital transformation in management and trade promotion.

From September 3-5, 2026, the Viet Nam International Sourcing 2026 (VIS) will be held at the Saigon Exhibition and Convention Center (SECC), 799 Nguyen Van Linh Street, Tan Phu Ward, District 7, Ho Chi Minh City, Viet Nam.

The Fair will bring together over 600 Vietnamese manufacturers/exporters showcasing 12,000 export-eligible products. This is an annual fair is organised under the direction of the Ministry of Industry and Trade (Department of Foreign Market Development) and implemented by a professional trade exhibition organiser in Viet Nam.

See: <https://vntradesg.org/en/vietnamese-wood-and-furniture-exports-explode-with-impressive-growth/>

#### **Wood chip groups expanding activities**

Viet Nam's wood chip industry sees opportunities in China's recovering demand and in developing opportunities in Indonesia as a new market. Thang Van Hoa, chairman of the Viet Nam Wood Chips Branch under the Viet Nam Timber and Forest Product Association, said that recent declines in wood chip prices had adversely affected businesses, rural raw material suppliers and traders.

The woodchip processing and exporting industry has become an essential component of Viet Nam's wood industry. The annual export volume is about 12 million tonnes, equivalent to 24 million cu.m of raw input logs.

Currently, chip prices have been easing, to an average of US\$162.90 per tonne. According to an August report released by the Research Group of Wood Associations and Forest Trends, the export price of Viet Nam's wood chips remained stable in the 2013-2021 period and the FOB export price averaged about US\$130-140 per tonne. In 2022, the price surged 40% to an average of US\$176 per tonne due to rising global demand, especially in China.

It is projected that China is likely to be the key export market for Viet Nam's wood chip industry in the future. The report indicates that China accounts for at least 60% of Viet Nam's wood chip exports. Viet Nam's wood chip exported to China are rebounding in terms of quantity and export value.

There are signs of a strong demand for wood chips in China as input materials for papermaking. This presents a great opportunity for Viet Nam's wood chip enterprises, according to Kim Anh, a Senior Analyst at Forest Trends.

Enterprises are not only focus on the traditional markets but are also venturing into new ones, with Viet Nam recording a surge in wood chip exports to Indonesia. At the same time, Taiwan P.o.C also imported a large amount of wood chips from Viet Nam.

The Research Group of Wood Associations and Forest Trends suggests competition will become fiercer for log raw material used in wood chip production. The competition is not only between wood chip enterprises but also between wood chip enterprises and enterprises using the same input materials. The report authors recommend detailed study of the competing demands in order to balance and stabilise the source of input materials

See: <https://fwpa.com.au/news/asia-region-hardwood-woodchip-trade-update/>

## **Brazil**

#### **New regulation provides increased efficiency and security**

The new law, No. 843/2026, is said to modernise the legislation applicable to the forest-based sector providing opportunities for greater efficiency, legal security and transparency in the processes of inspection, control and commercialisation of forest products in the State of Mato Grosso.

The Regulation establishes clearer and more objective criteria for the inspection of forest products, particularly in interstate transportation, which includes random inspection based on risk analysis and enforcement intelligence. This approach allows inspection efforts to be primarily directed toward operations showing indications of irregularities.

The legislation also provides for the issuance of technical reports in cases involving significant discrepancies and establishes specific administrative procedures for the verification of divergences related to forest species thereby reinforcing the technical rigor of inspection activities.

According to the Center of Timber Producing and Exporting Industries of the State of Mato Grosso (CIPEM), the new regulation represents a balanced approach between environmental control and sustainable development with greater predictability and security for companies operating in compliance with the law.

CIPEM also emphasised that updating the legislation was an important effort to make procedures more efficient, more technical and better aligned with operational reality of forest-based industries.

Currently, the forest-based sector is one of the main industrial sectors in Mato Grosso bringing together more than 1,300 establishments, generating over 10,000 direct jobs and contributing to the maintenance of more than 5 million hectares of natural forest under sustainable forest management.

See: <https://cipem.org.br/lei-complementar-traz-mais-eficiencia-e-seguranca-para-o-setor-de-base-florestal/>

### **Eucalyptus cultivation – a challenge in Mato Grosso**

The State of Mato Grosso has potential for reforestation and for reducing pressure on its native forests. Although crop land and pastures predominate, commercial tree plantations have been expanding gradually.

Eucalyptus cultivation, once limited by low demand has become promising with the installation of corn ethanol plants that use eucalyptus as biomass. Projections indicate that the State could achieve up to 500,000 hectares of planted eucalyptus over the next ten years which could also strengthen integrated crop-livestock-forestry – ICLF (integração lavoura-pecuária-floresta - ILPF) systems aimed at biomass production.

Despite the sector's expansion, producers face challenges related to cultivation on sandy soils and in areas with water constraints which reduces the productivity of commercial clones currently used.

In response, Embrapa and the Mato Grosso State Reforestation Association (AREFLORESTA) are undertaking research on clones adapted to the State's conditions. The research project plans to undertake clonal tests (Testes Clonais Ampliados - TCA's) in seven regions of Mato Grosso.

The objective is to identify genetic materials that are more productive and suitable for energy use. In addition to supporting the expansion of commercial reforestation and meeting growing agro-industrial demand the initiative seeks to strengthen genetic improvement programmes, offer technical capacity building and the establishment of a forest research programme in Mato Grosso.

See: <https://maisfloresta.com.br/plantio-e-validacao-de-clone-favorecem-sistemas-de-integracao-lavoura-pecuaria-floresta/>

### **Export up-date**

In April 2026 exports of wood-based products (except pulp and paper) decreased 1.8% in value compared to April 2025 from US\$318.0 million to US\$312.3 million.

Pine sawnwood exports increased 28% in value between April 2025 (US\$58.0 million) and April 2026 (US\$74.0 million). In volume, exports increased 30% over the same period, from 247,600 cu.m to 320,600 cu.m.

Tropical sawnwood exports decreased 12% in volume, from 33,700 cu.m in April 2025 to 29,600 cu.m in April 2026. In value, exports increased 11% from US\$12.0 million to US\$13.3 million over the same period.

Pine plywood exports decreased 17% in value in April 2026 compared to April 2025, from US\$83.0 million to US\$69.2 million. In volume, exports decreased 11% over the same period, from 259,600 cu.m to 231,600 cu.m.

Tropical plywood exports increased 59% in volume, from 3,200 cu.m in April 2025 to 5,100 cu.m in April 2026. In value, exports increased 71% from US\$1.7 million in April 2025 to US\$2.9 million in April 2026.

As for wooden furniture, exports increased 1.8% in value, from US\$48.7 million in April 2025 to US\$49.6 million in April 2026.

### **Expanding sustainable forest management**

The United Nations' Global Forest Goals Report 2026 shows the world's forest area declined by more than 40 million hectares between 2015 and 2025 highlighting continued pressure on forest ecosystems. Although some countries are strengthening forest protection policies, financing for sustainable forest management remains far below estimated needs.

In contrast, Brazil showed significant expansion in sustainable forest management. Between 2020 and 2025 the country increased areas under federal forest concessions from 1.05 million to 1.59 million hectares and expanded the area of forests under long-term management plans. This advance resulted in the production of more than 2.15 million cubic metres of traceable timber, generating over US\$41.6 million in revenues.

The initiative, coordinated by the Brazilian Forest Service in partnership with the Chico Mendes Institute for Biodiversity Conservation, seeks to reconcile sustainable use of natural resources, biodiversity conservation and benefits to local communities.

The report also highlights the Tropical Forests Forever Fund (TFF) proposed by the government of Brazil, with the potential to mobilise US\$125 billion to finance tropical forest protection in more than 70 countries.

See: <https://news.un.org/pt/story/2026/05/1853099>

### **Woodflow debate – globalisation increases exposure of companies to external forces**

Brazilian exports of timber products fell by approximately 30% in the first four months of 2026 totalling around US\$770 million compared to roughly US\$1 billion in the same period of 2025. The data from ComexStat and compiled by STCP reflects an unstable external environment marked by tariff changes in the United States, geopolitical tensions, rising logistics costs and fluctuations in global demand.

Despite the accumulated decline for the year to April there were signs of recovery in some segments in April especially pine sawnwood and plywood which recorded more significant increases in both exported volume and value compared with March.

Nevertheless, the sector remains in an adjustment phase, influenced by inventory buildup in the US market ahead of new tariffs, rising production costs and the slowdown in the US construction sector.

During a debate promoted by “WoodFlow”, specialists emphasised that globalisation expands the timber sector’s access to international markets but also increases exposure of companies to external economic and geopolitical forces. Participants noted that strengthened protectionist policies in the United States tend to generate greater instability for exporters and requires constant monitoring of economic, political and geopolitical developments that directly affect international trade.

At the end of the debate, speakers stressed that uncertainty is unlikely to dissipate in the short term, reinforcing the importance of diversifying market and products as a strategy to reduce vulnerabilities and maintain the international competitiveness of the Brazil’s timber sector.

See: <https://www.woodflow.com.br/blog/comercio-global-exige-estrategia-do-setor-madeireiro>

#### Domestic log prices

	US\$9per cu.m
Brazilian logs, mill yard, domestic	
Ipê	458↑
Jatoba	204↑
Massaranduba	184↑
Muiracatiara	180↑
Angelim Vermelho	186↑
Mixed redwood and white woods	141

Prices do not include taxes. Source STCP Data Bank

#### Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	2,078↑
Jatoba	1,054↑
Massaranduba	911↑
Muiracatiara	988↑
Angelim Vermelho	894↑
Mixed red and white	602↑
Eucalyptus (AD)	326↓
Pine (AD)	278↑
Pine (KD)	334↑

Prices do not include taxes. Source: STCP Data Bank

#### Domestic plywood prices

	US\$ per cu.m
Parica ex-mill	
4mm WBP	633↑
10mm WBP	480↑
15mm WBP	423↑
4mm MR.	588↑
10mm MR.	442↑
15mm MR.	382↑

Prices do not include taxes. Source: STCP Data Bank

#### Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	286↑
15mm MDFibreboard	321↑

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	3.000
Jatoba	1,258↑
Massaranduba	1,255↑
Muiracatiara	1,283
Pine (KD)	217↑

Prices do not include taxes. Source: STCP Data Bank

#### Plywood export prices

Pine plywood	US\$ per cu.m
9mm C/CC (WBP)	316↑
12mm C/CC (WBP)	289↑
15mm C/CC (WBP)	276↑
18mm C/CC (WBP)	274↑

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	5,000↑
Jatoba	1,861

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: chrome-extension://efaidnbmnnpicajpgclefindmkaj/https://www.itto-ggsc.org/static/upload/file/20260515/1778810654194472.pdf

## Peru

#### Increase in March exports

March 2026 timber exports reached a FOB value of US\$17.4 million, an increase compared to the US\$14.2 million achieved in the same period of 2025. This increase represented a positive rise of almost 23% as reported by the Center for Research on Global Economics and Business of the Association of Exporters (CIEN-ADEX).

The products exported were semi-finished goods (US\$7.5 million), sawnwood (US\$5.9 million), furniture and furniture parts (US\$1.2 million), fuelwood and charcoal (US\$1.0 million) and construction materials (US\$735,000).

The leading destination was France, with exports totalling US\$3.6 million. The United States followed with US\$2.5 million, then the Dominican Republic with US\$2.3 million, then China with US\$2.2 million and finally Vietnam with US\$1.3 million completing the top five markets.

#### Exports of semi-manufactured products increased

According to information provided by the Services and Extractive Industries Management of the Association of Exporters (ADEX), in March 2026 exports of semi-manufactured products reached a value of US\$7.5 million FOB, representing a year on year of over 200%.

France was the main importer, accounting for 44% of exports and the value of March exports were about 3 times higher compared to the same period in 2025. Denmark ranked second with a 12% share.

Belgium was the third largest market destination with an 11% share and a year on year doubling of the value of exports. The United States occupied fourth position with an 9% share and Mexico accounted for a 4% share of exports of semi-manufactured products.

### SERFOR strengthens forestry competitiveness in Madre de Dios

The National Forestry and Wildlife Service (SERFOR) held a working meeting with the Supervisory Agency for Forest Resources and Wildlife (OSINFOR) where they agreed to promote a strategic agenda to strengthen governance, traceability and legal security in the forestry sector in coordination with the Regional Forestry and Wildlife Management Office (GERFOR) of Madre de Dios.

In this context, they agreed to promote the Forest Concessions 2.0 model through the updating and approval of the Tahuamanu Forestry Master Plan, as well as to consolidate the management of forest concessions, the geospatial traceability of permits and the coordinated monitoring of renewal processes and registration with the National Superintendency of Public Registries (SUNARP).

Likewise, priority will be given to actions related to the status of Forest Concessions as well as to strengthening territorial information, contributing to providing greater predictability, stability and operational continuity to sustainable forest management.

### Export prices for added value products

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1,418-1,477
Cumaru KD, S4S Swedish market	1,080 -1,156
Asian market	1,189 -1,271
Cumaru decking, AD, S4S E4S, EU market	2,389-2,488
Ipe decking	
EU and US market	4,133 - 4,466 4,299 - 4,355
Pumaquiro KD Gr. 1, C&B, Mexican market	869-933
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	912-968
<b>Mexican market</b>	
Virola 1-2" thick, length 6"-12" KD	
Grade 1, Mexican market	590-610
Grade 2, Mexican market	555-572
Cumaru 4" thick, 6"-11" length KD	
<b>Central American market</b>	1,139-1,198
<b>Asian market</b>	1,232-1,281
Ishpingo (oak) 2" thick, 6"-8" length	
Spanish market	1,188-1,210
Dominican Republic	1,144-1,189
Marupa 1", 6-11 length KD	
Grade 1 Asian market	586-602
<b>Viet Nam market</b>	
Mashonaste	548-560
Balsamo	739-746
Jatoba	571-580

### Domestic sawnwood prices

Peru sawnwood	US\$ per cu.m
Mahogany	-
Virola	308-321
Spanish Cedar	338-349
Marupa (simarouba)	235-251 ↑

## Japan

### Solid GDP growth – supports interest rate rise

Japan's economy grew much faster than expected at the start of the year though the outlook remains highly uncertain due to the Middle East conflict.

Real gross domestic product (GDP) expanded 2.1% on an annualised basis in the first quarter, according to the Cabinet Office, exceeding economists' forecast for a 1.7% expansion and was a marked acceleration from a downwardly revised growth pace of 0.8% in the previous quarter. Stronger-than-expected private consumption and trade helped power the acceleration in growth.

The expansion may give policymakers encouragement to raise interest rates as the Bank of Japan (BoJ) moves to continue its 'normalisation' policy and address inflation. Despite the positive growth figures the yen has weakened against the dollar.

Private consumption, which accounts for more than 50% of Japan's GDP, increased 0.3% on a non-annualised basis, exceeding a 0.1% forecast. That was likely the result of government utility subsidies and wage growth which appears to be finally outpacing inflation. But, consumer confidence has dropped.

With no end to the conflict in sight the BoJ has lowered its growth forecast for the current fiscal year to 0.5%, while raising its inflation forecast to 2.7%.

In related news, the government is preparing a budget to help households hit by rising energy costs due to the situation in the Middle East. The aim is to keep electricity and gas bills lower than last summer.

A plan to allocate about 500 billion yen for the measures is being discussed and if agreed this will require compilation of a supplementary budget for this year.

See:  
<https://www.japantimes.co.jp/business/2026/05/19/economy/gdp-rise-first-quarter/>  
 and  
[https://www3.nhk.or.jp/nhkworld/en/news/20260521\\_B2/](https://www3.nhk.or.jp/nhkworld/en/news/20260521_B2/)

**Downward pressure on private consumption forecast**  
 The Daiichi Life Research Institute has suggested, on a calendar-year basis, growth is projected at +0.5% in 2026 (previously +0.7%) and +0.8% in 2027 (previously +1.1%). The FY2026 growth forecast has been revised downward, reflecting persistently high crude oil prices amid escalating tensions surrounding Iran, the partial materialisation of adverse effects from supply constraints and sourcing difficulties in petroleum-related products and expected downward pressure on private consumption through higher energy and food prices.

Real GDP growth in the first quarter 2026 was +2.1% on a quarter-on-quarter annualised basis, marking the second consecutive quarter of positive growth. Private consumption and business investment continued to increase, while exports also posted strong growth.

The data suggest that, prior to the full impact of escalating Iran-related tensions, Japan’s economy had maintained a moderate recovery trend.

Looking ahead, however, the Daiichi Life Research Institute says downward pressure on the economy is likely to intensify as the effects of worsening geopolitical tensions involving Iran become more pronounced. The primary concern is the adverse impact of supply constraints and sourcing difficulties.

See: [https://www.dlri.co.jp/english/report\\_en/202605YS.html](https://www.dlri.co.jp/english/report_en/202605YS.html)

**OECD - concern over plan to cut tax on food**  
 The Secretary-General of the OECD, Mathias Cormann, has expressed concern over the government’s plan to temporarily lower the consumption tax on food items to zero, saying this will not be cost-effective. While acknowledging the pressure that rising food prices place on households, particularly those with lower incomes, Cormann that “a zero rate on food is a blunt and costly response.”

The government plans to reduce the consumption tax on food items to zero for two years to help address the impact of inflation on households.

Amid rising crude oil prices due to the escalating situation surrounding Iran, prices for a wide range of daily necessities, including household goods and food are rising.

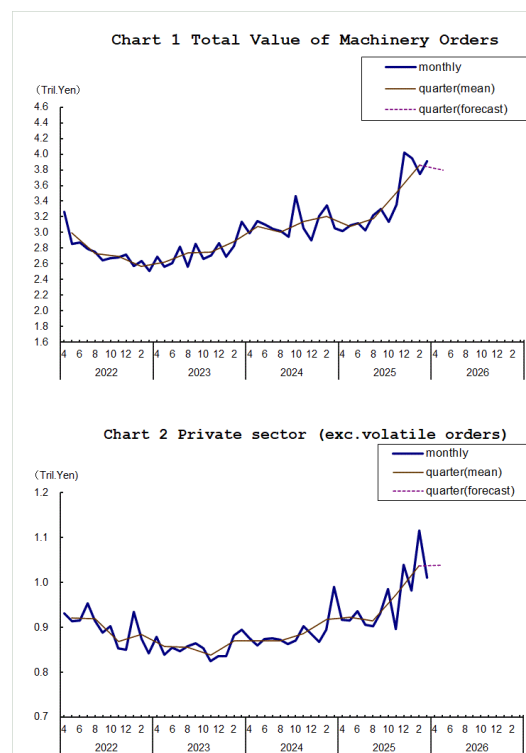
Cormann, is of the opinion that, “It (a lowering) erodes the revenue base Japan urgently needs and it actually disproportionately benefits higher-income households who spend more in absolute terms.” “The better approach is well-targeted fiscal support to the households that actually need that support,” he said.

See:  
<https://www.japantimes.co.jp/business/2026/05/13/economy/oecd-chief-consumption-tax-cut/>

**Machinery orders in March 2026 and forecast**  
 The total value of machinery orders received by 280 manufacturers operating in Japan increased by 4.3% in March from the previous month. In the January-March period it increased by 10.3% compared with the previous quarter.

The Cabinet Office has forecast that in the April-June period the total amount of machinery orders is expected to decrease by around 2% and private-sector orders, excluding volatile ones, are forecast to increase by 0.3% from the previous quarter.

See: <https://www.esri.cao.go.jp/en/stat/juchu/2026/2603juchue.html>



**Japan's inflation eases to four-year low**

Japan's key inflation gauge rose at the slowest pace in four years as government continued to help ease the cost of living, creating difficult optics for the Bank of Japan to raise interest rates soon.

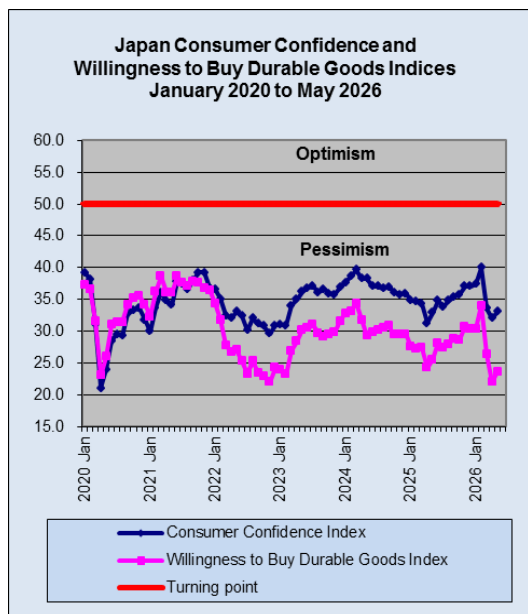
Japan's core consumer price index, which excludes fresh food, rose 1.4% in April from a year earlier, according to the Ministry of Internal Affairs. That was lower than all estimates in a survey of economists.

The figure was eased because of prices of processed food which grew at a much slower pace than in March and energy costs fell but at a slower rate than in the previous month.

See: <https://www.japantimes.co.jp/business/2026/05/22/economy/cpi-april-rise/>

**Consumer confidence index tilts higher**

Japan's Consumer Confidence Index rose to 33.6 in May 2026, up 1.4 points from 32.2 in April, according to the Cabinet Office. This marked the first improvement in three months and exceeded market expectations of around 32.0.



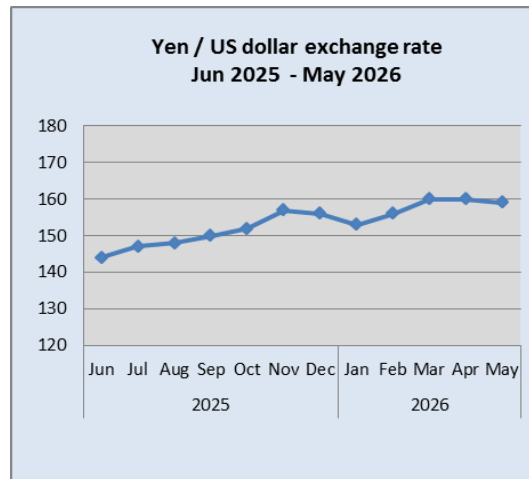
Data source: Cabinet Office, Japan

**Yen remains under pressure**

The yen remains under pressure even after the authorities are assumed to have conducted a series of interventions to support the currency since late last month.

The Japanese Minister of Finance, Satsuki Katayama, pledged to “take bold action as needed” on the yen after meeting with a Group of Seven officials in Paris. The yen gained against the dollar following her remarks, after it dropped to around 160 to the US dollar.

See: <https://www.japantimes.co.jp/business/2026/05/20/companies/morgan-stanley-boj-hike-key/>



Data source: WSJ

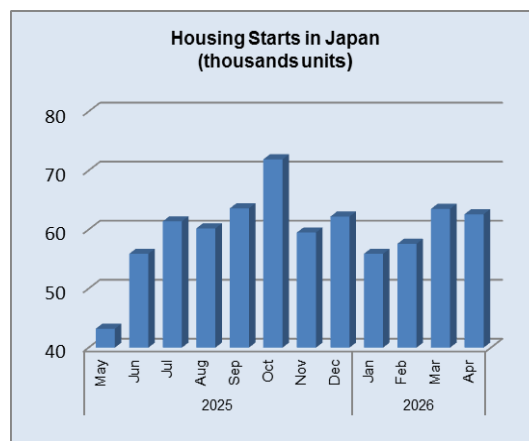
**Real estate loans at record high**

Loans within the real estate sector remain at a record high, driven by rising property prices especially in urban areas, prompting not only major banks but also regional lenders to expand their loan portfolios.

According to the Bank of Japan, new lending to the sector in 2025 climbed 15% from the previous year to ¥17.8 trillion (US\$112.6 billion). The annual total is about 70% higher than the peak recorded during the bubble economy in 1989 when such lending totalled ¥10.4 trillion.

Amid concerns that a sharp decline in real estate prices could leave banks with bad loans, financial authorities are closely monitoring market developments.

See: <https://www.japantimes.co.jp/business/2026/05/18/companies/bank-lending-real-estate/>



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

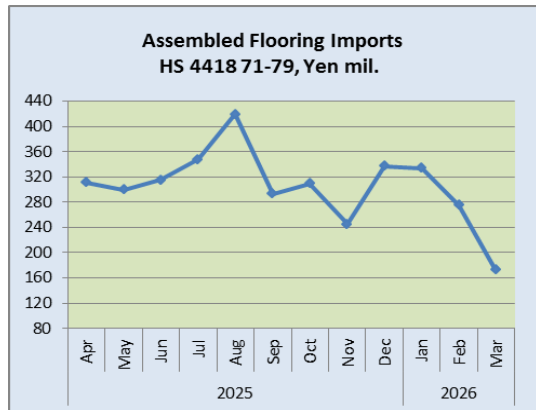
**Import update**

**Assembled wooden flooring**

Imports of assembled wooden flooring (HS441871-79) dropped sharply in February and the downtrend continued into March. Year on year, the value of March 2026 imports were down 42% and compared to the value in February there was a 37% decline.

Shippers in China account for most of Japan’s imports of assembled flooring and shipments. All imports of HS4418-73 and HS4418-74 originated in China. China was the main shipper of HS4418-75 followed by Viet Nam and Thailand. For HS4418-79 the main suppliers in March were Indonesia, Germany and China.

Of the various categories of assembled flooring imports in March around 63% was of HS4418-75, a sharp drop compared to February (75% in February), 23% was of HS4418-73, a modest rise month on month, 13% of HS4418-7, a significant increase compared to February with the balance being HS4418-73.



Data source: Ministry of Finance, Japan

**Assembled flooring imports**

	2026 Mar 000s Yen
HS4418-73	
China	41,021
Total	41,021
HS4418-74	
China	1,293
Total	1,293
HS4418-75	
China	55,717
Viet Nam	22,009
Thailand	22,833
Philippines	415
Indonesia	7,862
France	238
Total	109,074
HS4418-79	
China	4,941
Viet Nam	855
Indonesia	8,626
Germany	6,476
Estonia	1,083
Total	21,981

Data source: Ministry of Finance, Japan

**Plywood imports**

In March 2026 Indonesia and Malaysia continued as the top suppliers of plywood to Japan with the combined volume of shipments from the two main shippers accounting for 84% of March arrivals (74% in February). March 2026 shipments from Malaysia were at around the same level as in February 2026 whereas shipments from Indonesia were up just over 25%.

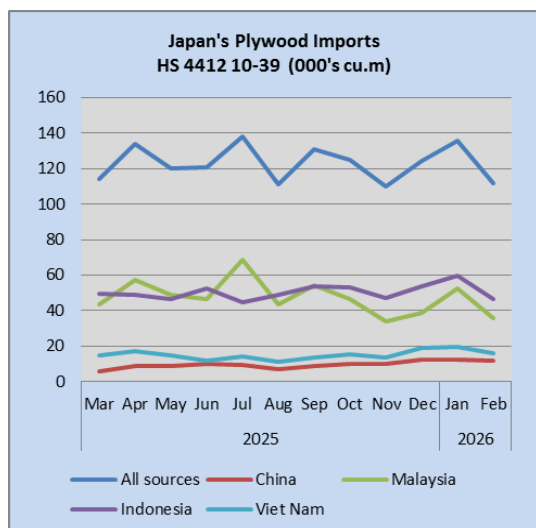
The other main shippers of plywood to Japan in March were Viet Nam and China. March arrivals from Viet Nam were down around 35% from the previous month and arrivals from China were also down compared to the volume recorded in February.

In March 2026 arrivals of HS441210-39 were reported at 123,896 cu.m (111,600 cu.m in February). As in previous months, of the various categories of plywood imported in January 2026, HS4412-31 accounted for most (87%) followed by HS4412-33(7%), HS4412-34 (4%) with the balance being HS4412-39 and HS4412-10.

**Main sources of Japan’s plywood imports (000’s cu.m)**

		China	Malaysia	Indonesia	Viet Nam
2024	Jan	13.3	50.2	52.3	20.5
	Feb	11.5	45.4	55.3	17.1
	Mar	9.4	50.1	48.8	12.2
	Apr	13.2	43.2	49.0	17.0
	May	8.4	48.3	36.5	14.3
	Jun	10.1	51.0	46.1	13.7
	Jul	12.1	49.8	49.7	15.8
	Aug	9.3	56.8	47.9	14.7
	Sep	8.1	54.5	54.2	13.1
	Oct	10.3	40.9	54.0	16.4
	Nov	9.1	51.5	48.2	16.1
	Dec	8.1	46.0	45.6	19.2
2025	Jan	9.2	47.2	43.3	20.1
	Feb	11.5	45.4	55.3	17.1
	Mar	6.1	43.3	49.4	14.8
	Apr	8.7	57.6	49.0	17.0
	May	8.6	49.1	46.3	15.1
	Jun	9.8	46.2	52.3	11.8
	Jul	9.2	68.7	44.7	14.4
	Aug	7.2	43.4	48.7	11.2
	Sep	9.0	54.2	53.6	13.6
	Oct	10.0	46.6	53.1	15.3
	Nov	9.99	33.9	46.9	13.4
	Dec	12.7	39.0	53.6	18.7
2026	Jan	12.2	52.3	59.9	19.7
	Feb	11.7	36.0	46.5	16.3
	Mar	8.4	47.1	57.0	10.5

Data source: Ministry of Finance, Japan



Data source: Ministry of Finance, Japan

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

*The Japan Lumber Reports (JLR), a subscription trade journal published every two weeks in English, is generously allowing the ITTO Tropical Timber Market Report to reproduce news on the Japanese market precisely as it appears in the JLR. For the JLR report please see: [https://ifpi.jp/japan\\_lumber\\_reports/](https://ifpi.jp/japan_lumber_reports/)*

### Orders for house builders

Order values for major housing manufacturers and builders for March 2026 showed divergent trends across companies. For some housing companies, the slight year-on-year decline reflects a reaction to the surge in orders seen in March 2025 ahead of revisions to the Building Standards Act.

Overall, however, March orders appear to have been relatively solid.

As the fiscal year drew to a close, companies stepped up their sales efforts, and with a continued shift toward higher valued products, the average price per unit also increased. As a result, March performance appears to have been generally strong.

While visitor traffic to model homes remains sluggish, some companies are seeing growth in corporate-driven referrals, which is helping to support individual customer acquisition. Some companies also reported an increase in orders for multi-unit housing in March.

### Japan unveils new CLT roadmap

On 31 March the government convened the Inter-Ministerial Meeting on Promoting CLT Utilization and released the fourth five-year roadmap for expanding the use of CLT, beginning in fiscal 2026. The annual production target of 500,000 cubic meters was maintained, but no deadline was set, with the goal instead positioned as a medium- to long-term objective. Japan's domestic CLT production capacity stands at roughly 100,000 cubic meters, but actual output in 2024 reached only about 21,000 cubic metres.

The new roadmap adds three initiatives: developing design manuals for hybrid structures combining CLT with steel and other materials; promoting visualization of CLT's environmental performance through LCCO<sub>2</sub> assessments; and advancing exports of domestically produced CLT.

The Ministry of Land, Infrastructure, Transport and Tourism also indicated that it will consider cutting CLT panels into linear members for use as columns and beams.

### Plywood

Demand for domestic softwood structural plywood including speculative e buying remained firm through April, allowing manufacturers' price hikes to stick. Producers raised 12-mm structural plywood (3×6) to ¥1,100–1,150 per sheet (delivered to wholesalers), with ¥1,100 widely accepted in the Tokyo area and some deals concluded above that level. For May, major mills are seeking effective prices above ¥1,300 as adhesive shortages linked to the Strait of Hormuz disruption force production cuts and push manufacturing costs higher.

Imported tropical plywood is facing similar cost pressures. Indonesian producers have issued large price-increase proposals or halted new offers, while major Sarawak mills raised Japan-bound 12-mm plywood prices by US\$20–30 per cubic metre (C&F) in April.

Export prices remain firm. Indonesian standard plywood is around US\$970/cu.m for 2.4-mm sheets, US\$880 for 3.7-mm and US\$850 for 5.2-mm. For 12-mm products, coated formwork plywood is US\$600–610, formwork plywood US\$500–510, and structural plywood US\$510–520.

Domestic spot prices in Tokyo also continue to rise. Coated formwork plywood (12 mm, 3×6) is trading around ¥1,900 per sheet, formwork plywood around ¥1,620 and structural plywood around ¥1,650–1,700. Indonesian standard plywood is roughly ¥780 for 2.5 mm, ¥930 for 4mm, and ¥1,150 for 5.5 mm.

### Domestic lumber and logs

Domestic cedar products continued to rise through April as imported competing materials became both scarce and more expensive, prompting builders to increase pre-cut orders. This shift strengthened demand for cedar across regions, with the Kanto area seeing particularly tight supply for square posts, studs, and 90-mm squares. Prices for temporary braces (4 m × 30 × 105 mm) and 4-metre 105-mm beams firmed, and lots below ¥65,000 have essentially disappeared.

While hinoki sill plates remained weak at ¥72,000–74,000 per m<sup>3</sup>, hinoki studs around ¥70,000 began to move as cedar studs (~¥65,000 became harder to secure and whitewood studs stayed near ¥75,000, prompting some buyers to shift toward hinoki as a mid-priced alternative. Hinoki log prices continued to decline across western Japan due to high output and weakening demand.

In the Chugoku region, post-grade and sill-grade logs were ¥17,000 per m<sup>3</sup> and medium-diameter logs ¥16,000, with monthly drops of ¥1,000. Kyushu saw post-grade logs fall ¥2,000 to ¥17,00 and sill-grade logs fall ¥1,500 to ¥17,500. Shikoku recorded ¥16,500 for both post-grade and sill-grade logs, down ¥1,000–3,000. These declines reflect an unusually loose supply–demand balance, with abundant log availability and limited downstream movement.

Cedar logs, by contrast, remained comparatively stable despite similarly high output. Medium-diameter logs were ¥15,000 in Akita and ¥14,500 in Tochigi (down ¥500), while post-grade logs held at ¥16,000 in Kyushu and ¥15,500 in Tochigi.

Steady movement of KD cedar posts and studs continues to support cedar log demand, preventing the kind of price erosion seen in hinoki. Overall, the market is characterized by firm cedar demand driven by substitution from imports, contrasted with weakening hinoki demand and falling log prices.

#### **Japan tightens energy-efficiency rules for buildings**

The Cabinet approved on 27 March a bill to amend the Act on the Improvement of Energy Consumption Performance of Buildings. The amendment designates the responsibilities of building owners, architects, contractors and building-material manufacturers regarding life-cycle carbon (LCC) assessment as non-binding obligations. The amendment also stipulates that the national government will formulate guidelines for life-cycle carbon (LCC) assessment of buildings.

The amendment further stipulates that, when constructing a building, project owners will be expected to make good-faith efforts to conduct life-cycle carbon (LCC) assessments. Architects commissioned for design work will also be required to cooperate by explaining the necessary assessment items to the project owner.

The government will establish a new system requiring building owners to notify the Minister of Land, Infrastructure, Transport and Tourism of the results of Life Cycle Cost (LCC) assessments at least 14 days prior to the commencement of construction for certain large-scale buildings intended for specified uses.

In addition, the LCC evaluation framework stipulates that when carbon emission intensity factors related to the manufacturing of building materials and other components are calculated in accordance with government-defined rules, such materials may be labeled to indicate compliance with those rules.

Another key element of the bill is a ministerial certification programme that evaluates advanced energy-saving technologies.

The bill also establishes a certification system under which buildings employing special structural methods or equipment may be officially recognized by the Minister of Land, Infrastructure, Transport and Tourism as having performance equivalent to the government’s guidance standards. Such buildings will be made eligible for certification under the Building Energy Efficiency Improvement Plan, allowing them to receive benefits such as floor-area ratio exemptions.

Such buildings will be made eligible for certification under the Building Energy Efficiency Improvement Plan, allowing them to receive benefits such as floor-area ratio exemptions.

The bill also designates major housing suppliers that hold a leading share of the market as “Top Runner” companies. These designated companies will be required to formulate medium-to long-term plans, including specific targets, for supplying energy-efficient housing and to report their progress to the Minister of Land, Infrastructure, Transport and Tourism on an annual basis.

#### **Japan pushes timber use in construction**

The government’s Headquarters for Promoting Wood Use compiled and released the fiscal 2025 implementation status of measures based on the “Basic Policy for Promoting the Use of Wood in Buildings.” The Headquarters for Promoting Wood Use—an organisation headed by the Minister of Agriculture, Forestry and Fisheries and composed of relevant cabinet ministers—oversees comprehensive efforts to expand the use of wood in the construction sector.

According to the report, the number of inquiries received by the “Concierge for Supporting the Use of Wood in Buildings,” which assists users in utilizing subsidy programs and other schemes related to wooden and wood-based construction, totaled 103 during fiscal 2025.

The number of agreements concluded under the “Wood Use Promotion Agreement System” between the government and organizations or companies stood at 28 as of the end of last year. As a result, the organisations and companies involved completed a total of 1,133 wooden or wood-based buildings, with wood use reaching 44,054 cubic meters in total.

As for agreements with local governments, 192 had been concluded as of the end of last year. Based on these agreements, a total of 3,869 wooden or wood-based buildings were completed, with wood use amounting to 92,284 cubic meters. An additional 25 agreements had been concluded as of March 16.

The government intends to continue promoting the use of locally sourced timber and expanding wood utilization in the construction sector through these agreement frameworks and support programmes.

## China

### Decline in China's sawnwood imports

According to China Customs, China's sawnwood imports in the first quarter of 2026 totalled 5.02 million cubic metres valued at US\$1.42 billion, down 14% in volume and 6% in value compared to the first quarter of 2025.

The average price for imported sawnwood was US\$283 CIF per cubic metre, up 10% over the same period of 2025.

Of total sawnwood imports, sawn softwood imports dropped 23% to 2.73 million cubic metres and accounted for 54% of the national total. The average price for imported sawn softwood rose 3% to US\$213 CIF per cubic metre over the same period of 2025.

Sawn hardwood imports rose just 0.2% to 2.29 million cubic metres and accounted for 46% of the national total. The average price for imported sawn hardwood increased 9% to US\$367 CIF per cubic metre over the same period of 2025.

Of total sawn hardwood imports, imports of sawnwood from tropical countries were 1.81 million cubic metres valued at US\$583 million CIF, up 7% in volume and 27% in value from the same period of 2025 and accounted for 36% of the national total import volume. The average price for imported tropical sawnwood was US\$322 CIF per cubic metre, up 18% from the same period of 2025.

### China's sawnwood imports, first quarter of 2026 (vol.)

	2026 Q1 mil. cu.m	% change YoY
Total sawnwood imports	5.02	-14%
Sawn softwood	2.73	-23%
All sawn hardwood	2.29	0.2%
Of which tropical	1.81	7%

Data source: China Customs

### China's sawnwood imports, first quarter of 2026 (val.)

Value	2026 Q1 US\$ mil	% change YoY
Total sawnwood imports	1,420	-6%
Sawn softwood	580	-21%
All sawn hardwood	840	9%
Of which tropical	583	27%

Data source: China Customs

### Average sawnwood CIF prices, first quarter of 2026

CIF price	2026 Q1 US\$ per cu.m	% change YoY
All sawnwood imports	283	10%
Sawn softwood	213	3%
All sawn hardwood	367	9%
Of which tropical	322	18%

Data source: China Customs

China's imports of sawnwood decreased by 14% year-on-year to 5.02 million cubic metres in the first quarter of 2026. The main reasons for the decline were the continued sluggishness in new housing construction which suppressed the demand for construction-grade sawn softwood coupled with the contraction of Russian as well as a short-term decline due to the Spring Festival holidays.

### Weak demand for real estate

The import volume of construction sawnwood, especially sawn softwoods like fir, spruce and scots pine which account for nearly 50% of the total imports, dropped significantly dragging down total import volumes.

### Russian supply contraction

Russian imports have dropped by almost 30% year-on-year, with the share of total imports decreasing from 47% to 39%. Russian exports to China have been affected by the geopolitical strategy shift to Central Asia/Middle East and the cautious purchasing approach in China.

### Spring Festival and seasonal factors:

The volume of China's sawnwood imports in February 2026 dropped by 25% year-on-year. Although it partially recovered after the Spring Festival with the decline narrowing to 16% in March 2026, the overall quarterly volume still contracted significantly.

### Optimisation of import structure

High value-added sawn hardwood species such as ash and North American hardwoods have experienced some growth but their share was insufficient to offset the declining overall trend of sawnwood imports. At the same time, some sawnwood originally sourced from the United States and Canada is arriving in China via Viet Nam reflecting a supply chain restructuring rather than a decline.

### Decline in sawnwood imports from Russia

China's sawnwood imports from Russia and Thailand fell 29% and 6% to 1.935 million cubic metres and 1.048 million cubic metres respectively in the first quarter of 2026. The decrease in sawnwood imports from the two top countries directly resulted in the significant decline of the total sawnwood imports in the first quarter of 2026.

Russia still was the largest suppliers of China's sawnwood imports in the first quarter of 2026. The proportion of China's sawnwood imports from Russia accounted for 39% of the total sawnwood imports volume, down 7 percentage points over the same period of 2025.

Thailand was the second largest supplier of China's sawnwood imports in the first quarter of 2026. The proportion of China's sawnwood imports from Thailand accounted for 21% of the total sawnwood imports volume, up 2 percentage points over the same period of 2025.

China's sawnwood imports from the two top countries, Russia and Thailand, accounted for 60% of the national total in the first quarter of 2026.

China's imported sawnwood species from Russia were spruce and fir, Korean pine and Mongolian scots pine, birch, oak, ash, poplar and maple dropped 32%, 29%, 17%, 26%, 24, 59% and 3% respectively in the first quarter of 2026.

It is worth noting that China's sawnwood imports from Viet Nam and Myanmar increased by 295% and 165% respectively in the first quarter of 2026.

#### Main sawnwood suppliers, first quarter of 2026 (vol.)

Supplier	000'cu.m	YoY% change
<b>Total</b>	<b>5,017</b>	<b>-14%</b>
Russia	1,935	-29%
Thailand	1,048	-6%
Canada	295	26%
Belarus	239	10%
Philippines	189	-1%
USA	188	-32%
Viet Nam	160	295%
Gabon	125	-9%
Sweden	112	-14%
Myanmar	109	165%

Data source: China Customs

#### Main sawnwood suppliers, first quarter of 2026 (val.)

Supplier	US\$ mil.	YoY % change
<b>Total</b>	<b>1,420</b>	<b>-6%</b>
Russia	430	-26%
Thailand	297	3%
Canada	73	38%
Belarus	47	9%
Philippines	15	8%
USA	132	-27%
Viet Nam	109	508%
Gabon	52	15%
Sweden	24	-15%
Myanmar	34	37%

Data source: China Customs

#### Main sawn softwood sources, first quarter of 2026

Russia was the largest supplier for China's sawn softwood imports. 65% of China's sawn softwood is imported from Russia but imports from Russia fell 30% to 1.765 million cubic metres in the first quarter of 2026.

In addition, China's sawn softwood imports from Sweden, Chile, Brazil and USA decreased 28%, 60% and 52% respectively in the first quarter of 2026.

In contrast, China's sawn softwood imports from Canada, Belarus, Finland, New Zealand and Uruguay rose 26%, 10%, 4%, 5% and 10% respectively in the first quarter of 2026.

#### Main sawn softwood sources, first quarter of 2026 (vol.)

Supplier	000 cu.m	YoY% change
<b>Total</b>	<b>2,729</b>	<b>-23%</b>
Russia	1,765	-30%
Canada	275	26%
Belarus	239	10%
Sweden	112	-14%
Finland	96	4%
New Zealand	47	5%
Chile	39	-28%
Uruguay	35	10%
Brazil	24	-60%
USA	21	-52%

Data source: China Customs

#### Main sawn softwood sources, first quarter of 2026 (val.)

Supplier	US\$ mil.	YoY% change
<b>Total</b>	<b>580</b>	<b>-21%</b>
Russia	380	-27%
Canada	57	36%
Belarus	47	9%
Sweden	24	-15%
Finland	22	0%
New Zealand	11	4%
Chile	9	-35%
Uruguay	7	1%
Brazil	4	-62%
USA	3	-47%

Data source: China Customs

#### Surge in sawn hardwood imports from Viet Nam

According to China Customs, China's sawn hardwood imports from Viet Nam surged 295% to 160,000 cubic metres in the first quarter of 2026. In addition, China's sawn hardwood imports from Myanmar surged 165% to 109,000 cubic metres in the first quarter of 2026.

Thailand was the largest supplier of China's sawn hardwood imports. 46% of China's sawn hardwood imports are imported from Thailand. China's sawn hardwood imports from Thailand fell 6% to 1.048 million cubic metres in the first quarter of 2026.

In addition, China's sawn hardwood imports from the Philippines, Russia, USA, Gabon, Romania and Malaysia dropped 1%, 19%, 29%, 9%, 6% and 1% respectively in the first quarter of 2026.

In contrast, China's sawn hardwood imports from PNG grew 68% in the first quarter of 2026.

### Main sawn hardwood sources, first quarter 2026 (vol.)

Supplier	000 cu.m	YoY % change
Total	2,288.3	0.2%
Thailand	1,048.4	-6%
Philippines	189	-1%
Russia	170	-19%
USA	167	-29%
Viet Nam	160	295%
Gabon	125	-9%
Myanmar	109	165%
PNG	58	68%
Romania	32	-6%
Malaysia	23	-1%

Data source: China Customs

### Main sawn hardwood sources, first quarter 2026 (val.)

Supplier	US\$ mil.	YoY % change
Total	840	9%
Thailand	297	3%
Philippines	15	8%
Russia	50	-18%
USA	129	-26%
Viet Nam	109	507%
Gabon	52	15%
Myanmar	34	37%
PNG	20	103%
Romania	16	-6%
Malaysia	9	11%

Data source: China Customs

### Rise in sawnwood imports from tropical countries

China's sawnwood imports from tropical countries rose 7% to 1.813 million cubic metres in the first quarter of 2026. The top three tropical suppliers of China's hardwood sawnwood imports were Thailand (58%), the Philippines (10%) and Viet Nam (15%). 84% of China's tropical sawnwood imports were from these three countries in the first quarter of 2026.

China's sawnwood imports from Viet Nam surged 295% in the first quarter of 2026, which directly resulted in the increase of the national total tropical sawnwood imports in the first quarter of 2026.

China imported ash, oak and other North America hardwoods from Viet Nam. China also imported some cherry, Chinese redwood, maple, poplar and beech sawnwood for the first time in the first quarter of 2026.

It worth noting that China's tropical sawnwood imports from Myanmar, PNG and Indonesia also rose 165%, 68% and 67% respectively in the first quarter of 2026.

The main reason for the significant increase in China's imports of tropical sawnwood from Myanmar was the large volume of imported teak sawnwood. In contrast, China's tropical sawnwood imports from Thailand, the Philippines, Gabon, Malaysia, Cameroon and the Republic of Congo dropped 6%, 1%, 9%, 1%, 7% and 14% respectively in the first quarter of 2026.

### Sawnwood imports from tropical countries (vol.)

Supplier	000 cu.m	YoY % change
Total	1,813	7%
Thailand	1,048	-6%
Philippines	189	-1%
Viet Nam	160	295%
Gabon	125	-9%
Myanmar	109	165%
PNG	58	68%
Malaysia	23	-1%
Indonesia	17	67%
Cameroon	17	-7%
Rep. Congo	14	-14%

Data source: China Customs

### Sawnwood imports from tropical countries (val.)

Supplier	000 cu.m	YoY % change
Total	1,813	7%
Thailand	1,048	-6%
Philippines	189	-1%
Viet Nam	160	295%
Gabon	125	-9%
Myanmar	109	165%
PNG	58	68%
Malaysia	23	-1%
Indonesia	17	67%
Cameroon	17	-7%
Rep. Congo	14	-14%

Data source: China Customs

### April GGSC report

Customs data show that in the first quarter of 2026, China's total log imports reached 7.164 million cubic metres, down 11% year-on-year, while the average import price edged down 3% from the same period last year. Sawnwood imports totaled 5.017 million cubic metres, a decrease of 14% year-on-year, though the average price rose almost 10%.

Entering the second quarter, infrastructure and housing construction projects across various regions had resumed intensive work and coupled with the execution of previously accumulated orders the timber market was showing signs of a pickup.

Recently, many Chinese provinces released their lists of key provincial-level projects for 2026, with the number of timber industry-related projects reaching an all-time high which may inject new momentum into the industry.

Looking ahead to the full year, a report jointly released on April 29 by the Chinese Academy of Social Sciences and the Social Sciences Academic Press projects that China's national land greening targets will be largely met in 2026. The report also forecasts that the country's forest product exports may see stability, while wood product prices are expected to rise.

In April 2026, the GTI-China index registered 53.5%, a decrease of 7.6 percentage points from the previous month and above the critical value (50%) for two consecutive months, indicating that the business prosperity of the timber enterprises represented by the GTI-China index expanded from the previous month.

Regarding the twelve sub-indexes, ten indices (production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, employees, delivery time and market expectation) were above the 50% critical value while the remaining two indices (imports and inventory of main raw materials) were below the critical value. Compared to the previous month, all the 12 sub-indices decreased with declines ranging from 2.2 to 11.0 percentage points.

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**Price trends**

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

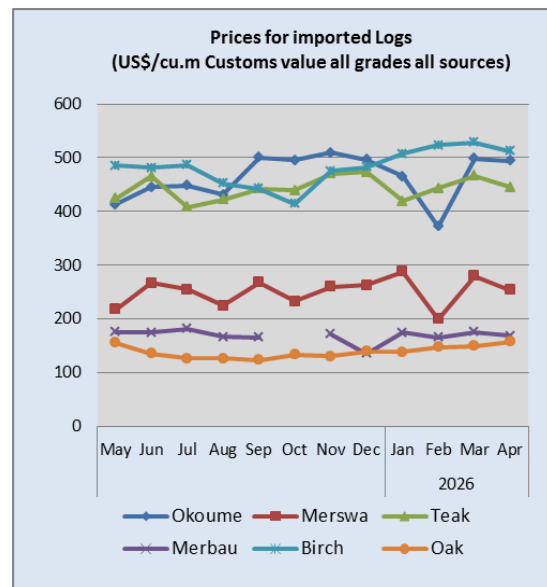
	2026 Mar	2026 Apr
Okoume	498	494
Merswa	280	254
Teak	466	445
Merbau	175	168
Birch	528	512
Oak	149	157

Data source: Customs, China

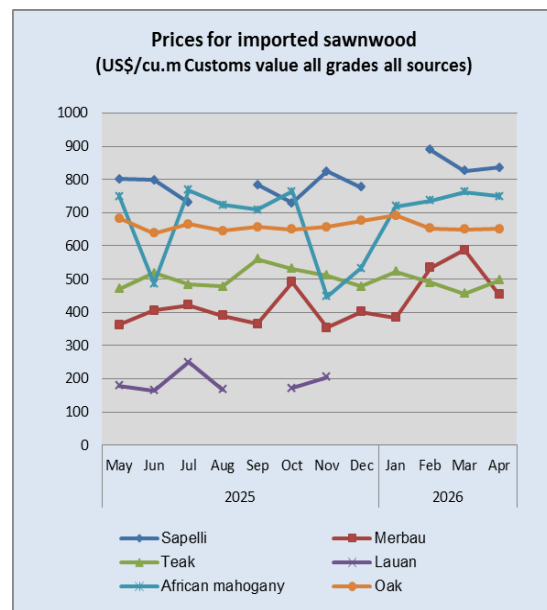
**Average CIF prices, sawnwood, US\$/cu.m**

	2026 Mar	2026 Apr
Sapelli	826	836
Merbau	587	4554
Teak	456	497
Lauan		
African mahogany	762	7550
Oak	649	651

Data source: Customs, China



Data source: Customs, China



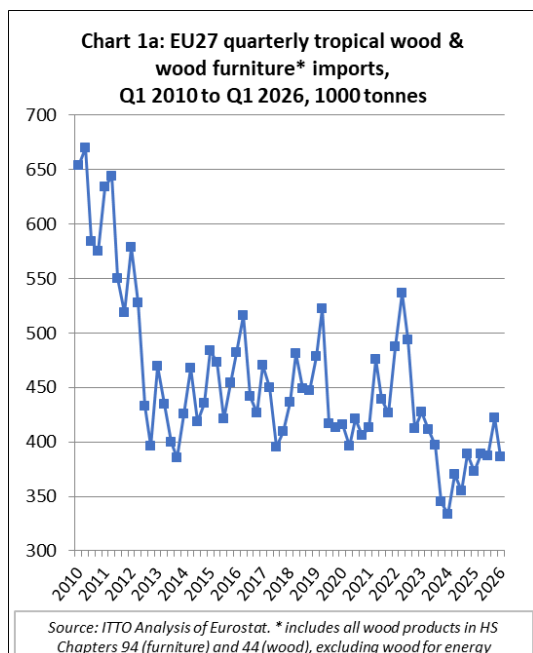
Data source: Customs, China

**EU**

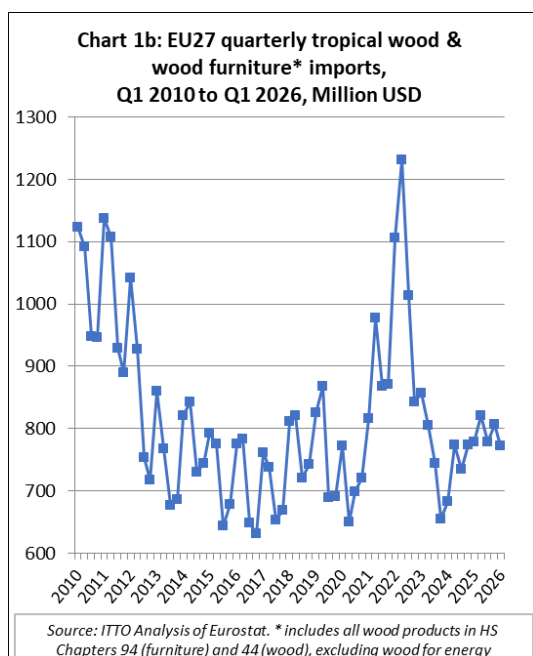
**EU tropical wood imports at a low ebb in the first quarter of 2026**

At a time when global supply conditions for tropical hardwood products are very tight and the economic outlook extremely uncertain, EU27 import volume during the opening months of 2026 remained very low by long-term historical standards.

Imports of 386,000 tonnes of tropical wood and wood furniture in the first quarter of 2026, while 4% more than the same quarter in 2025, were down nearly 9% compared to the previous quarter. (Chart 1a).



Total EU27 tropical wood and wood furniture import value in the first quarter of 2026 was US\$772 million, 1% less than the same period last year and 4% down on the previous quarter. In nominal terms (not accounting for inflation), import value in the first quarter of 2026 was more closely aligned with the pre-pandemic 2013-2019 period (Chart 1b). However, when inflation and exchange rate changes are accounted for, the real value of EU imports now is down around 30% compared to 2019.



### Subdued European economy dampens demand

The wider European economic environment remained subdued during the opening months of 2026. While inflation continued to ease and household purchasing power improved modestly, economic growth across the eurozone slowed significantly amid weaker global trade, persistent geopolitical tensions, and higher energy costs.

Preliminary Eurostat data shows that euro area GDP increased by only 0.1% in the first quarter of 2026 compared to the previous quarter, down from 0.2% growth in the final quarter of 2025.

Recent forecasts from major international institutions have become increasingly cautious regarding the eurozone outlook for 2026. The ECB's latest macroeconomic projections published in March 2026 reduced expected euro area GDP growth in 2026 to 0.9%, while the OECD lowered its 2026 euro area growth forecast to 0.8%.

### Slow eurozone construction puts the brakes on wood consumption

The weakness of the European construction sector continues to be a particularly significant drag on demand for timber and wood products. Forward-looking indicators suggest that eurozone construction activity deteriorated further during the first quarter and early second quarter of 2026. The S&P Global Eurozone Construction PMI fell from 44.6 in March to 41.7 in April 2026, signalling the sharpest contraction in construction activity since August 2024 and extending the current downturn in the sector to four years. Any reading below 50 indicates contraction in activity.

According to the latest survey data, the downturn was broad-based across the eurozone construction sector, with particularly weak performance in France and Germany. Commercial construction activity recorded the steepest decline, while residential construction and civil engineering activity also remained firmly in contraction territory. New orders weakened further amid elevated financing costs, weak housing investment, rising energy prices, and continuing economic uncertainty.

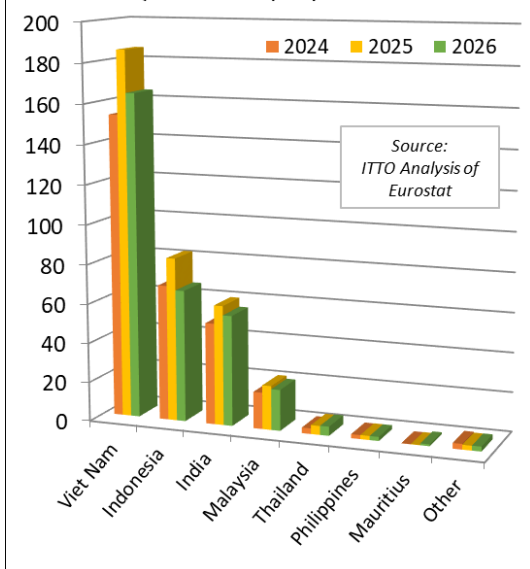
These conditions continue to weigh heavily on European demand for tropical wood products, particularly higher-value interior and construction-related product groups such as furniture, joinery products, mouldings, and decking. While imports of plywood and flooring products increased strongly during the first quarter of 2026, overall market conditions for tropical timber products in the EU remained fragile.

### 10% decrease in EU27 wooden furniture imports from tropical countries in Q1 2026

The EU27 imported 76,000 tonnes of wooden furniture from tropical countries with a total value of US\$318 million in the first quarter of 2026. Import quantity and value were down 10% and 12% respectively compared to the same period in 2025.

In the first quarter of 2026, EU27 import value of wooden furniture decreased from all major supply countries including Vietnam (-11% to US\$164.6 million), Indonesia (-19% to US\$66.9 million), India (-8% to US\$56.1 million), and Malaysia (-7% to US\$20.8 million). However, there was a small 2% increase in imports from Thailand to US\$4.6 million (Chart 2).

**Chart 2: EU27 imports wood furniture from tropical countries Q1 2024-2026, US\$ million**

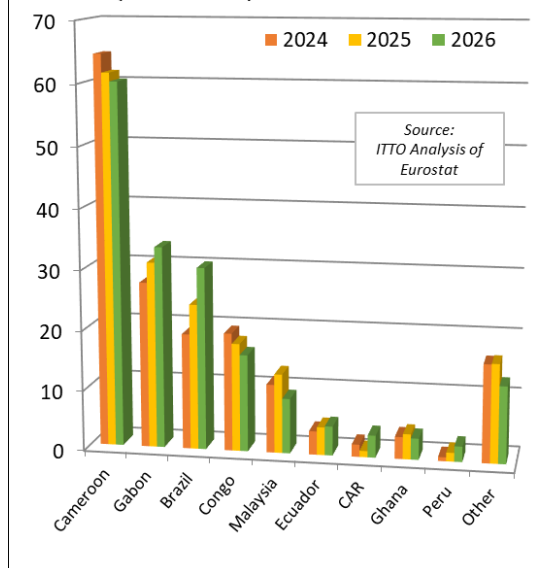


**EU27 imports of tropical sawnwood just surpassed record lows**

The EU27 imported 176,000 cu.m of tropical sawnwood with a total value of US\$167.7 million in the first quarter of 2026, respectively 1% and 5% more than the same period in 2025 when imports were close to record lows.

Tropical sawnwood imports increased from Gabon (+8% to 33,400 cu.m), Brazil (+25% to 30,200 cu.m), Peru (+76% to 2,600 cu.m), and the Central African Republic (+255% to 3,700 cu.m). However, imports declined from the Republic of Congo (-10% to 16,100 cu.m), Malaysia (-31% to 9,100 cu.m), Cameroon (-2% to 60,100 cu.m), Ghana (-16% to 3,500 cu.m) and the Democratic Republic of Congo (-35% to 1,200 cu.m) (Chart 3).

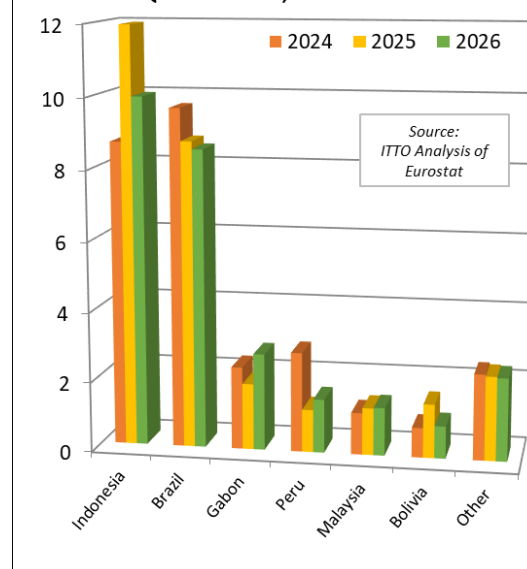
**Chart 3: EU27 tropical sawnwood imports, by supplier Q1 2024-2026, 1000 cubic meters**



The EU27 imported 27,400 tonnes of tropical mouldings and decking products with a total value of US\$49.4 million in the first quarter of 2026, respectively 6% and 3% less than the same period in 2025. Imports declined from Indonesia (-17% to 10,000 tonnes), Bolivia (-40% to 900 tonnes), and Brazil (-3% to 8,500 tonnes).

However, imports increased from Gabon (+46% to 2,800 tonnes), Peru (+26% to 1,500 tonnes), and Malaysia (+2% to 1,400 tonnes) during the period (Chart 4).

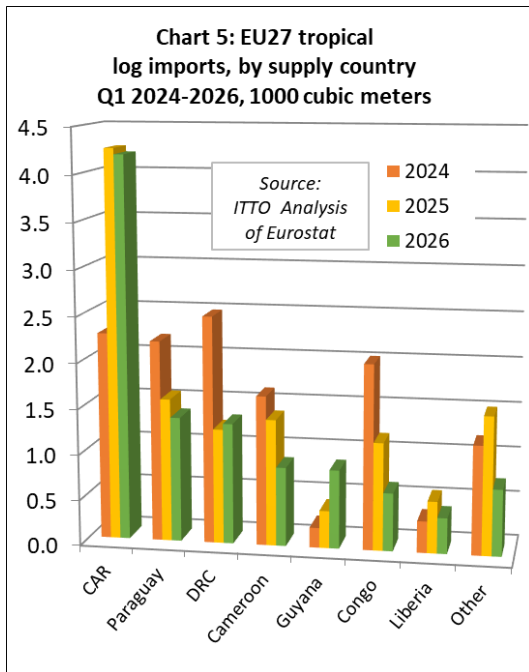
**Chart 4: EU27 tropical mouldings imports, by supplier Q1 2024-2026, 1000 tonnes**



The EU27 imported 10,400 tonnes of tropical logs in the first quarter of 2026, 15% less than the same period in 2025. Import value was stable at US\$6.2 million.

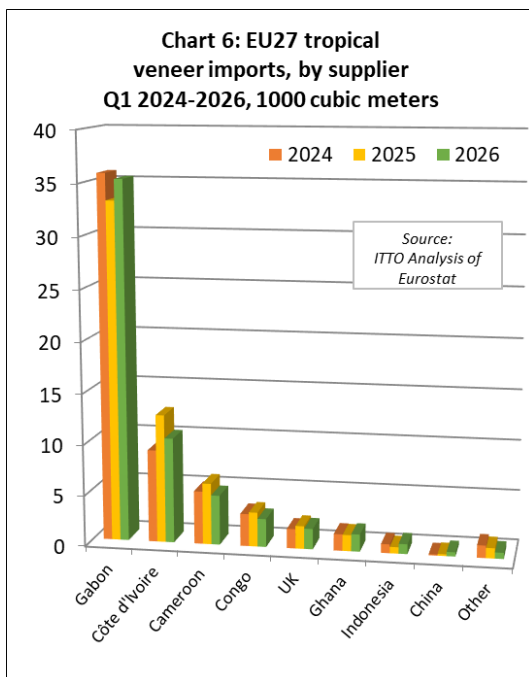
Imports declined from Cameroon (-38% to 900 tonnes), the Republic of Congo (-46% to 600 tonnes), Paraguay (-13% to 1,400 tonnes), and Liberia (-31% to 400 tonnes). However, imports increased from Guyana (+110% to 900 tonnes) and the Democratic Republic of Congo (+5% to 1,300 tonnes).

Imports from the Central African Republic, the largest supplier during the quarter, were broadly stable at 4,200 tonnes (Chart 5).



The EU27 imported 58,900 cu.m of tropical veneer in the first quarter of 2026, 3% less than the same period in 2025. However, import value was up 7% to US\$43.7 million.

Import quantity increased from Gabon (+6% to 35,300 cu.m), Indonesia (+53% to 1,000 cu.m), Ghana (+7% to 1,700 cu.m), and China (+140% to 400 cu.m). However, import quantity declined from Côte d'Ivoire (-18% to 10,300 cu.m), Cameroon (-19% to 4,900 cu.m), the Republic of Congo (-18% to 2,800 cu.m), and the UK (-10% to 2,000 cu.m) (Chart 6).



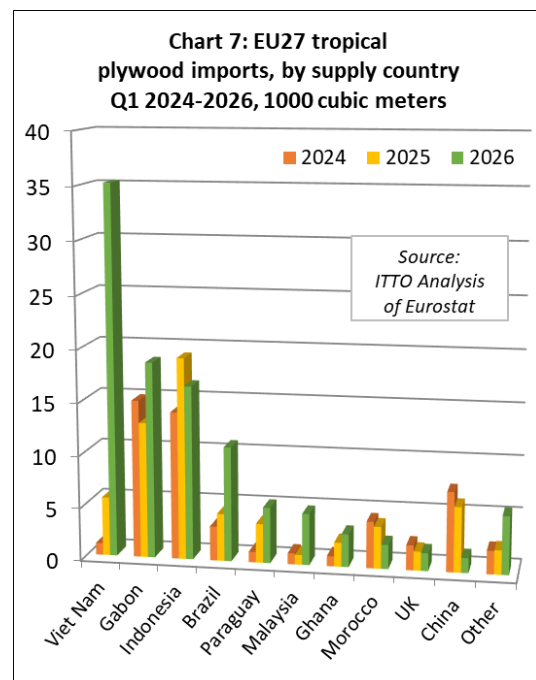
**Sharply rising imports of tropical hardwood plywood in response to anti-dumping measures**

The EU27 imported 105,500 cu.m of tropical plywood with a total value of US\$67 million in the first quarter of 2026, up 67% and 48% respectively compared to the same period in 2025.

This leap is driven primarily by Vietnam, from which imports in the first quarter of this year, at 35,200 cu.m, were up 528% compared to the same period in 2025. This figure is all the more remarkable because it excludes an additional 44,200 cu.m of plywood faced with non-tropical hardwood species imported by the EU from Vietnam in the same period, a rise from just 3,800 cu.m in the first quarter of last year.

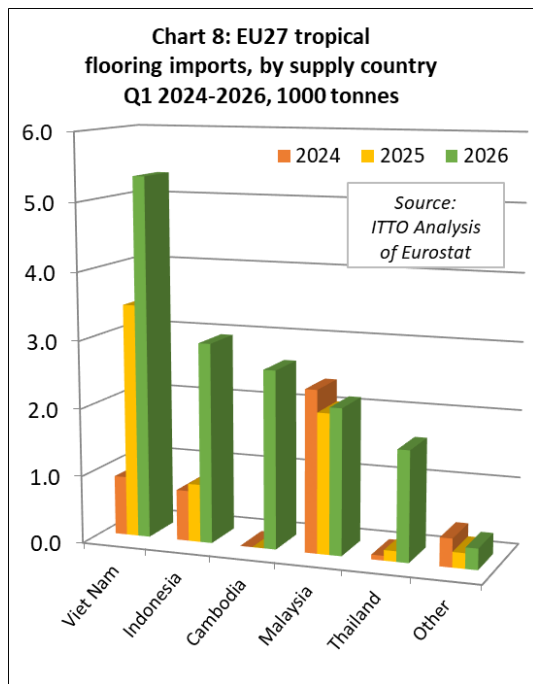
This is readily explained by the EU anti-dumping duties on imports of hardwood plywood from China, set since 19 November 2025 at 86.8% for all products except those from one company that provided additional information during the EC investigation (set at 43.4% duty).

There were also significant gains in EU27 first quarter imports of tropical hardwood plywood from Brazil (+142% to 10,900 cu.m), Malaysia (+428% to 4,900 cu.m), Paraguay (+43% to 5,300 cu.m), Ghana (+37% to 3,100 cu.m), and Gabon (+45% to 18,600 cu.m). However, imports declined from China (-77% to 1,400 cu.m), Morocco (-42% to 2,300 cu.m), Indonesia (-14% to 16,500 cu.m), and the UK (-7% to 1,700 cu.m) (Chart 7).



The EU27 imported 15,000 tonnes of tropical wood flooring with a total value of US\$40.3 million in the first quarter of 2026, up 122% and 160% respectively compared to the same period in 2025.

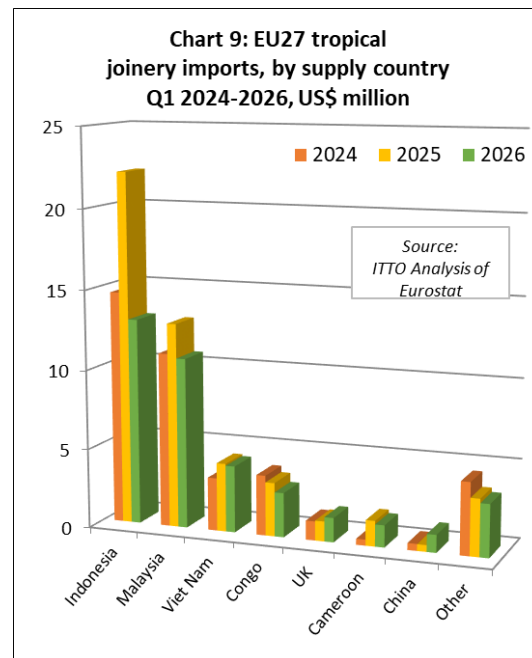
Imports increased from all major supply countries including Indonesia (+244% to 3,000 tonnes), Vietnam (+54% to 5,300 tonnes), Thailand (+951% to 1,600 tonnes), Malaysia (+4% to 2,200 tonnes), and Cambodia which supplied 2,600 tonnes compared to negligible imports during the same period in 2025 (Chart 8).



EU27 import value of other joinery products from tropical countries - mainly laminated window scantlings, kitchen tops and wood doors – was US\$49.3 million in the first quarter of 2025, 26% more than the same period last year.

Import quantity was up 31% to 21,800 tonnes in the same period. Import value increased from Indonesia (+51% to US\$22.1 million), Malaysia (+17% to US\$12.8 million), and Vietnam (+29% to US\$4.3 million).

EU import value of laminated joinery products increased from Cameroon in the first quarter this year, rising 324% to US\$1.6 million. However, imports from the Republic of Congo began this year more slowly than last, being down 11% at US\$1.6 million. Indirect imports from the UK also fell, by 2% to US\$1.2 million (Chart 9).



**Outlook for 2026**

The first quarter trade figures suggest that the EU tropical wood market remains fragile despite modest improvement in some sectors. Gains in plywood and flooring imports were offset by weaker demand for furniture and higher-value secondary processed products. Much will depend on whether the wider European economy and construction sector recover more decisively during the remainder of 2026.

For now, the map of European growth in 2026 is being redrawn around the southern and eastern periphery rather than around the bloc's traditional industrial heartland. Among the four largest eurozone economies, Spain is once again the clear outperformer, with GDP growing 0.6% quarter-on-quarter and 2.7% year-on-year in the first quarter of 2026, slightly accelerating from 2.6% in the fourth quarter of 2025.

The contrast with the rest of the eurozone heavyweights is striking. Germany expanded just 0.3% year-on-year over the same period, France 1.1%, and Italy 0.7%. Spain alone is matching the United States on the annual measure.

Some countries in Eastern Europe are also performing reasonably well economically this year, including Poland, Bulgaria and Hungary, although it has to be said none are traditionally significant markets for tropical wood.

Elsewhere, a lot is being pinned on expectations of a strong recovery in Germany this year now that a massive €500 billion infrastructure and climate package and €100 billion defence fund are being deployed. Real wage growth and falling inflation are also expected to boost household spending in Germany this year.

### April drop in construction of single-family homes

US housing starts declined in April as construction of single-family homes dropped by the most in nearly a year, suggesting builders are growing cautious amid higher mortgage rates. New residential construction decreased 2.8% last month to an annualised rate of 1.47 million homes, according to figures from the U.S. Department of Commerce. The decrease followed a 12% surge to 1.507 million units in March.

Starts of single-family homes declined 9%, the most since August, to an annualised 930,000 pace. Multifamily housing starts, however, rose more than 10% to the highest level since May 2023.

The report also showed single-family permits, a leading indicator of future construction, fell 2.6% to the lowest level since August.

The figures suggest homebuilders remain focused on working off a still-elevated inventory of new properties. While sales have increased in recent months, most were homes that were already under construction or finished. Numerous challenges remain for a sustained pickup in homebuilding, including rising mortgage rates, flagging consumer confidence and stretched household budgets.

“Affordability challenges will keep homeownership out of reach for the median household and will keep builders focused on bringing smaller and more affordable units to market,” said Stuart Paul from Bloomberg Economics.

New construction fell in the South but rose in the other three US regions on increases in multifamily projects. Single-family starts dropped in all four regions.

In Canada, after a surprise decline in March, April housing activity showed a much-needed rise. Housing starts across Canada came in at a seasonally adjusted annualized rate of 279,317 units, a 17% gain from the month before, the Canada Mortgage and Housing Corp. reported. This was slightly stronger than the 245,000 residential housing project starts the market had forecast, according to economists at TD Securities.

See: <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/monthly-housing-starts-construction-data-tables> and <https://www.census.gov/construction/nrc/index.html> and <https://www.marketwatch.com/story/canada-housing-starts-jump-17-in-april-ae5c7f04>

### Lackluster spring home buying season

Sales of previously occupied US homes were essentially flat in April, another lackluster showing for the housing market during what is traditionally its busiest time of the year.

Existing home sales edged up 0.2% last month from March to a seasonally adjusted annual rate of 4.02 million units, the National Association of Realtors reported. Sales were unchanged compared to April last year. The latest sales figure fell short of the roughly 4.12 million pace economists were expecting, according to FactSet.

Sales have been hovering close to a 4-million annual pace now going back to 2023, far short of the historic norm that is closer to 5.2 million. The US housing market has been in a slump since 2022, when mortgage rates began to climb from pandemic-era lows.

Sales of previously occupied US homes were essentially flat last year, stuck at a 30-year low. They have remained sluggish so far this year, declining from a year earlier through the first three months of this year.

“This spring homebuying season, so far all the way through April, we can say we are not predicting any increase compared to one year ago,” said Lawrence Yun, NAR’s chief economist.

Regionally, sales in the Northeast were unchanged month-over-month at an annual rate of 450,000, down 8.2% year-over-year. Sales in the Midwest rose 2.2% in April to an annual rate of 950,000, down 1.0% year-over-year. The South saw a 0.5% increase in sales month-over-month to an annual rate of 1.87 million, up 2.7% over last April. And in the West, sales decreased 2.6% in April to an annual rate of 750,000, unchanged from last year.

See: <https://www.nar.realtor/newsroom/nar-existing-home-sales-report-shows-0-2-increase-in-april>

### GDP grew 2.0% in first quarter of 2026

US economic growth rebounded in the first quarter of 2026, boosted in part by a recovery following the previous quarter’s government shutdown.

Gross domestic product increased at a 2% annualized rate, according to the Commerce Department’s advance estimate released on April 30. The department will revise it, like all GDP estimates, as more data becomes available.

The reading was stronger than the department’s latest estimate of 0.5% GDP growth in the fourth quarter of 2025 and came in much stronger than the first quarter of 2025, when GDP contracted by 0.5%.

The 2% expansion in the first quarter of this year “reflected upturns in government spending and exports, and an acceleration in investment that were partly offset by a deceleration in consumer spending,” the Commerce Department said. Imports, which are a subtraction in the calculation of GDP, also increased, it added.

The day before the report’s release, Federal Reserve Chair Jerome Powell said the economy has been “quite resilient” despite inflationary shocks tied to the Iran war.

“As long as the economy continues to grow and companies are able to grow earnings, we can see higher stock prices even in the face of higher energy prices and inflation, however, the longer the war drags on, the more investors will grow nervous and we could see some pullbacks as fears ebb and flow,” Chief Investment Officer for Northlight Asset Management Chris Zaccarelli said.

See: <https://www.bea.gov/news/2026/gdp-advance-estimate-1st-quarter-2026>  
and  
<https://www.msn.com/en-us/money/markets/us-economic-growth-rebounds-in-first-quarter-of-2026/ar-AA225HVC?ocid=BingNewsVerp>

**Despite war, US job market showed more gains in April**  
Job creation remained solid in April, as businesses shrugged off uncertainty brought on by the war in Iran and higher gas prices.

US employers added 115,000 jobs last month, surpassing expectations. The unemployment rate remained at 4.3 percent. The jobs tally was taken in mid-April, as employers were still evaluating the impact of the war in Iran. If higher gas prices persist and consumers pull back more broadly to compensate, economists anticipate that could dampen job creation and lift the unemployment rate.

April was the second consecutive month of strong job growth, suggesting that the labor market could be breaking out of its monthslong low-hire, low-fire stasis.

The March numbers were revised up modestly, to 185,000. But the overall picture is not quite as chipper, and it is not clear whether robust recent hiring will translate into sustained momentum. The last three months have averaged 48,000 jobs added, a relatively glacial pace.

The labor market has become increasingly dependent on health care, which has powered job creation for months. Employment showed little change over the month in other major industries, including construction and manufacturing.

See: [https://www.bls.gov/news.release/archives/empsit\\_03062026.htm](https://www.bls.gov/news.release/archives/empsit_03062026.htm)  
and  
<https://www.nytimes.com/live/2026/05/08/business/jobs-report-economy>

### **Consumer sentiment falls to a fresh low**

Surging gas prices due to the Iran war sent consumer sentiment to a new low in the early part of May, according to a University of Michigan survey. The university's closely watched Survey of Consumers posted a 48.2 preliminary reading, down 3.2% from April's prior record swoon and off 7.7% from a year ago.

Economists surveyed by Dow Jones had been looking for 49.7. Inflation fears were the primary driver of the continued trend lower in consumer attitudes.

The trend, which also saw the current conditions index tumble 9%, is “owing to a surge in concerns about high prices both for personal finances as well as buying conditions for major purchases,” the survey's director, Joanne Hsu, said.

One-third of respondents mentioned gas prices as the biggest cause of concern. However, another one-third also cited tariffs.

“Taken together, consumers continue to feel buffeted by cost pressures, led by soaring prices at the pump,” Hsu said. “Middle East developments are unlikely to meaningfully boost sentiment until supply disruptions have been fully resolved and energy prices fall.”

See: <https://www.sca.isr.umich.edu/>  
and  
<https://www.cNBC.com/2026/05/08/consumer-sentiment-falls-to-fresh-record-low-in-may-as-surging-gas-prices-hit-outlook.html>

### **US manufacturing expanded for fourth month but wood products sector lagged**

While economic activity in the manufacturing sector expanded in April for the fourth consecutive month, the wood products sector continues to fall behind, say the nation's supply executives in the latest ISM Manufacturing PMI Report. The Manufacturing PMI registered 52.7 percent in April, the same reading as March. A reading of over 50 indicates expansion.

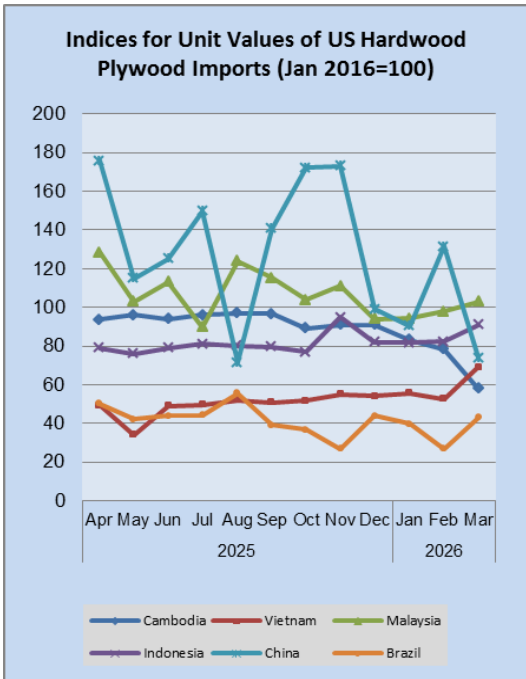
Thirteen of the manufacturing industries surveyed by ISM reported growth in April while only three reported contracting over the month. The Wood Products sector was among the three shrinking industries with reported declines in new orders, production, employment, inventories and imports. The Furniture & Related Products sector was among the industries reporting growth in April, but it ranked last among the 13 in its growth.

See: <https://www.ismworld.org/supply-management-news-and-reports/reports/ism-pmi-reports/pmi/december/>  
and  
<https://www.woodworkingnetwork.com/news/woodworking-industry-news/manufacturing-pmi-527-wood-industry-dips-while-furniture-gains>

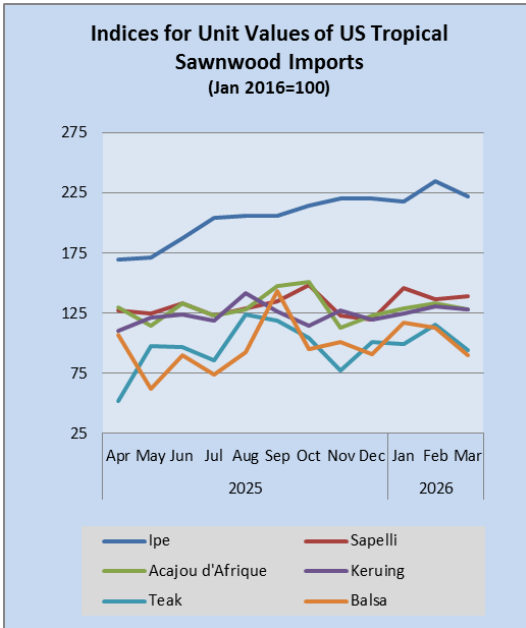
### **Cabinet sales fell 9.4% in first quarter**

US cabinet manufacturers reported sales of US\$512.2 million in the first quarter of 2026, a figure 9.4% lower than that from the first quarter of last year, according to figures from the Kitchen Cabinet Manufacturers Association. Custom sales were down 10.5%, Semi-custom sales fell 8.3%, and Stock sales fell 11.7% for the quarter. March sales rose 13.9% over the previous month to reach US\$189.9 million but were still 7.7% lower than in March 2025. Sales volume for the first quarter was down 10.9% versus the first quarter of last year.

See: <https://kcma.org/insights/february-2026-trend-business-report>



Data source: US Census Bureau, Foreign Trade Statistics



Data source: US Census Bureau, Foreign Trade Statistics

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

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

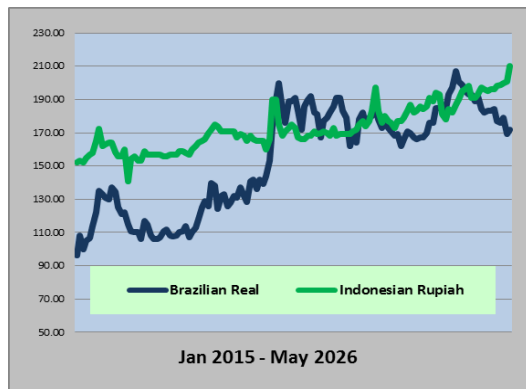
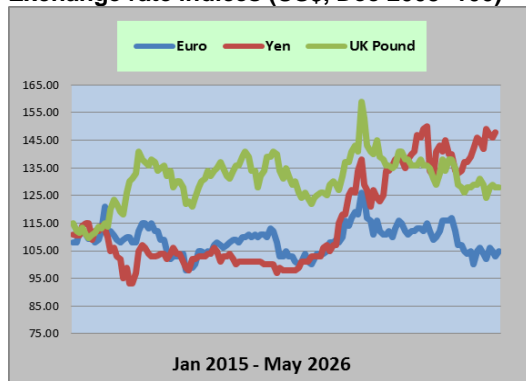
## US Dollar Exchange Rates

As of 25 May 2026

Brazil	Real	5.06
CFA countries	CFA Franc	563.34
China	Yuan	6.77
Euro area	Euro	0.86
India	Rupee	95.00
Indonesia	Rupiah	17,824
Japan	Yen	159.28
Malaysia	Ringgit	3.97
Peru	Sol	3.46
UK	Pound	0.74
South Korea	Won	1,507.48
Viet Nam	Dong	26,313

Data source: WSJ

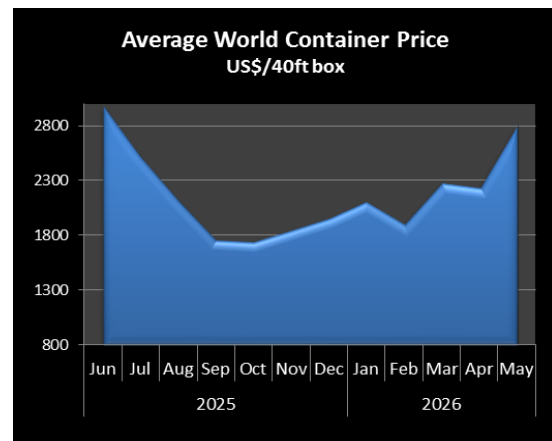
### Exchange rate indices (US\$, Dec 2003=100)



## Abbreviations and Equivalences

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

## Ocean Container Freight Index

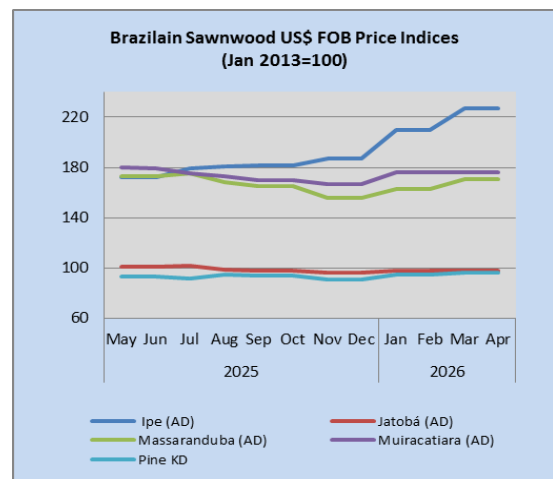
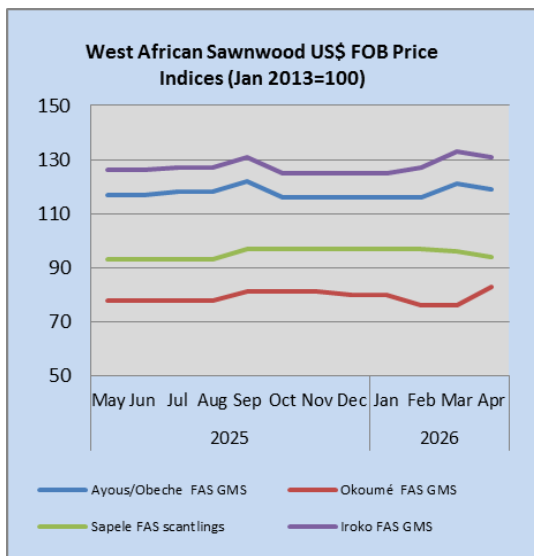
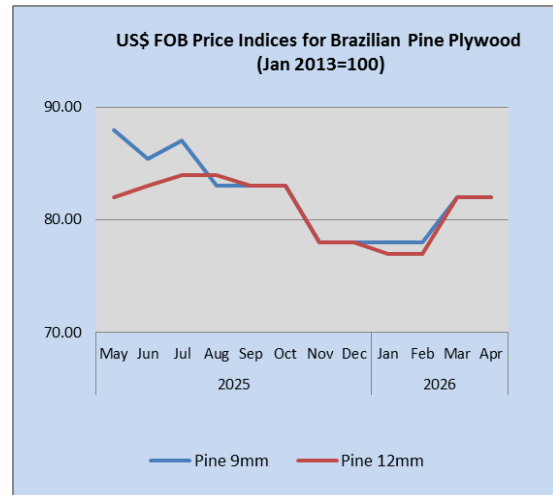
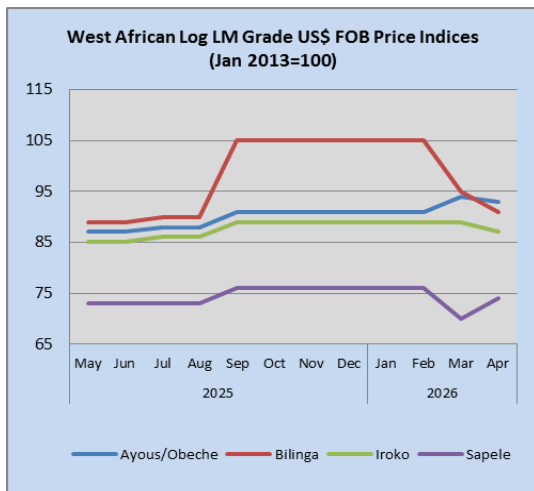


Data source: Drewry World Container Index

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

**Price indices for selected products**

The following indices are based on US dollar FOB prices



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

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