

Tropical Timber Market Report

Volume 29 Number 8 16th – 30th April 2025



The ITTO *Tropical Timber Market (TTM) Report*, an output of the ITTO Market Information Service (MIS), is published in English every two weeks with the aim of improving transparency in the international tropical timber market. Its contents do not necessarily reflect the views or policies of ITTO. News may be reprinted provided that the ITTO *TTM Report* is credited. A copy of the publication should be sent to ti@itto.int.

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Top story

Challenge to EU manufacturers from products diverted away from the US

The direct impact in Europe of additional tariffs on trade with the US, while significant, may be less of an issue than the impact of tariffs on global supply chains.

A challenge may arise from the diversion of a large proportion of products produced in other parts of the world, previously destined for the US, towards the Europe. Manufacturers in Europe are already struggling under pressure of low consumption and high production costs.

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Central and West Africa

Mounting pressure from CITES paperwork

There has been some upward movement in FOB prices in Gabon, Cameroon and the Republic of Congo.

The main concern expressed by both exporters and some importers is the mounting pressure from CITES paperwork in Europe. Some are saying European authorities are slow to process documents and this is delaying some shipments and causing export stocks to rise.

As global demand is still muted many sawmills in the region have cut production. Okoume veneer producers are also feeling the effect of the decline in demand. Some have switched to single shift operations while others have temporarily closed.

It is reported that sawnwood flows to Asian markets are holdin-up with the Philippines and Vietnam being the active importers. Demand in the Middle East countries is said to be steady but unspectacular. Across Europe trade is subdued in all species except azobé which continues to move consistently into the Dutch and Belgian heavy construction markets.

Regional round up

Gabon

Owendo Port is said to be operating well and the availability of containers is adequate. Vessel turn-around is said to be good. The planned carbon -offset levy on every freight tonne is still under review so shipping lines are not faced with the issue of implementing this as yet.

Exports of padouk, khaya and doussie have dropped sharply say exporters, because authorities in the EU are slow to process CITES documents.

It has been reported the proposed land tax increases are on hold. After missing the 25 March deadline to settle current taxes many concessionaires have asked for staggered payments and extensions are being granted case by case.

General Brice Oligui Nguema has won the presidential election in Gabon. General Nguema won with more than 90% of the votes according to the Interior Ministry.

Cameroon

For the next two months the forecast is for mainly dry weather conditions so most producers expect smooth trucking to Douala and Kribi Ports. Camrail continues to run without major disruption providing a reliable route for sawn timber from the interior.

Operators report Chinese demand for redwoods has faded forcing many mills to reduce production. It is suggested that roughly half of the Chinese owned mills are now idle. Overall, the flow of orders is very slow with importers in Europe buying only for immediate demand so as not to increase stocks.

In Europe, importers complain that processing CITES documents is slow dampening trade in padouk, khaya and doussie. Buyers in the Middle East countries are still interested in Iroko, Sapelli and redwoods.

Congo

No change in output has been reported during the second half of April. Northern concessions are still in the dry window but some plywood and veneer plants, mainly Chinese and Malaysian owned, have moved to single shift operations because of weak demand.

Domestic haulage routes are said to be serviceable. A common problem is fuel rationing which occasionally disrupts transport plans. Log flows to Douala Port (Kribi for some operators) remain sporadic because of tight trucking capacity and high fuel costs.

Pointe Noire is again experiencing congestion with berthing opportunities sliding by up to five days. Container supply is said to be adequate.

Order books have not improved since the previous update. EU buyers are avoiding CITES-listed species until permit processing becomes more efficient. Buyers for the Chinese market are purchasing only limited volumes. The Philippines and Vietnam continue modest purchases chiefly of okoume and tali.

No new forestry directives have been issued but the finance ministry is said to be insisting that land tax arrears be cleared before new harvesting coupes (AAC) are approved.

Log export prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N'Gollon	220	220	175
Ayous/Obeche/Wawa	210↓	210↓	200
Azobe & ekki	260↑	260↑	175
Belli	220	220	-
Bibolo/Dibétou	200	200	-
Bilinga	275↑	275↑	-
Iroko	270	250	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	205↑	205↑	220
Moabi	260	260	220
Movingui	180	180	-
Niove	160	160	-
Okan	210	210	-
Padouk	300↑	270↑	240↑
Sapele	260↑	260↑	230↑
Sipo/Utile	260↑	260↑	230↑
Tali	260	260	-

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	420↓
Bilinga FAS GMS	680
Okoumé FAS GMS	480↑
Merchantable KD	440↑
Std/Btr GMS	440↑
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	850↑
FAS scantlings	1000↑
Strips	400
Sapele FAS Spanish sizes	530
FAS scantlings	550
Iroko FAS GMS	800
Scantlings	840
Strips	400
Khaya FAS GMS	420
FAS fixed	440
Moabi FAS GMS	550
Scantlings	550
Movingui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	400↓

Through the eyes of industry

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

<https://www.itto-ggsc.org/static/upload/file/20250418/1744957176173218.pdf>

Ghana

Volume and value of wood product exports fall

According to the Timber Industry Development Division (TIDD) of the Forestry Commission (FC) Ghana's wood product exports for the first two-months of 2025 recorded decreases of 5% in volume and 4% in value compared to the previous year.

Ghana wood product exports, Jan-Feb 2025

	cu.m	Euro (000s)
AD sawnwood	22,988	9,352
KD sawnwood	4,877	3,292
Billets	4,575	1,430
Plywood (Overland)	2,288	920
Plywood	167	58
Rotary Veneer	1,318	650
Mouldings	699	681
Sliced Veneer	1,181	1,616
Briquettes	270	51
Others (5)	293	101
Total	38,656	18,151

Data source: TIDD

The country earned Eur18.15 million from the export of 38,656 cu.m of wood products for the period in 2025 against figures recorded for the same period in 2024 which were Eur18.83 million from 40,709 cu.m.

The low volume of exports for the period under review compared to the same period in 2024 could be attributed to the poor performance of plywood (-93%), briquettes (-40%), plywood to the regional market (-28%), mouldings (-21%), kiln dried sawnwood (-18%), rotary veneer (-14%) and five other wood products (-38%).

The main exporters of sliced veneer saw a growth of 64% in volume and 87% in value in the first two months of 2025 compared to the same period in 2024. The main destinations for this product were Europe (65%), Asia (18%), Africa (13%) and the US (4%).

The TIDD data also showed the average unit prices of wood products exported during the period. Teak, wawa, denya, ceiba and gmelina were the top species exported. Sliced veneer, which accounted for 3% of the total export volume, registered an increase of 14% in average price while air-dried sawnwood, accounting for 59% of exports, saw a 2% average price decrease for the period under review.

Average export prices (Eur/cu.m, Jan-Feb 2025)

	2024 Eur/cu.m	2025 Eur/cu.m	YOY % change
AD sawnwood	416	407	-2%
KD sawnwood	659	675	2%
Billets	299	313	5%
Plywood (Overland)	402	402	0%
Plywood	361	347	-4%
Rotary Veneer	494	493	0%
Mouldings	964	974	1%
Sliced Veneer	1,198	1,368	14%
Briquettes	178	189	6%
Others (5)	446	345	-23%

Data source: TIDD

Review of Plantation Development Fund

The Minister for Lands and Natural Resources, Emmanuel Armah-Kofi Buah, has engaged the Forest Plantation Development Fund (FPDF) Board to assess their operational activities and discuss ways to enhance their mandate in line with the government's agenda.

At a meeting with management and staff the Minister commended the Fund Board Secretariat for their efforts in promoting forest plantation development. He emphasised the importance of aligning activities with the government's broader environmental objectives to improve the nation's forest cover.

The FPDF provides financial support for private forest plantation development and offers research and technical advice to individuals engaged in commercial plantation forestry.

Briefing the Minister on the Board's operations the Technical Officer within the Secretariat, Jason Nunoo, highlighted pressing issues of the FPDF that require urgent attention and offered recommendations to ensure its sustainability.

Speaking to the media the Deputy Minister for Lands and Natural Resources, Yusif Sulemana, emphasised the concerns raised by the Secretariat. He assured their concerns would be addressed by a new Board once constituted. He also stressed the need to amend the governing Act 623 to review the FPDF Board's mandate and formally establish it as an agency under the Ministry.

Meanwhile, the FPDFB Board currently owes seedling producers GH¢4 million. Payments are to be made after a new Board is reconstituted to look into the details of the arrears.

See: <https://mlnr.gov.gh/strengthening-ghanas-green-future-minister-reviews-forest-plantation-development-fund-operations/>

Businesses assured of efficiency at ports

The Ghana Ports and Harbours Authority (GPHA) and the Ghana Shippers' Authority (GSA) have assured businesses of enhanced efficiency and attractive protocols at Ghana's Ports to reduce their cost of doing business.

The new heads of these institutions made this commitment during their partnership meeting aimed at collaborating with both the local and transit customers to discuss issues of mutual interest while their fostering socio-economic growth in line with the government's economic agenda.

This collaboration forms part of broader efforts to make Ghana's ports more competitive within the sub-region, facilitate trade and contribute to national economic development.

The Chief Executive of GSA, Professor Ransford Gyampo, stressed the importance of identifying operational bottlenecks and implementing sustainable solutions to mitigate delays, noting that inefficiencies often lead to additional costs for importers which are ultimately passed on to consumers.

On his part the Director General of the GPHA, Brigadier General Paul Seidu Tanye-Kulono, reiterated his earlier appeal to the Minister of Transport for the removal of Value Added Tax (VAT) and COVID-19-related taxes on transit and trans-shipped goods.

See: <https://citinewsroom.com/2025/03/gpha-gsa-reaffirm-commitment-to-reduce-port-business-cost/>

Power and water charge raised

The Public Utilities Regulatory Commission (PURC) has announced a 14.75% increase in electricity charges and a 4.02% increase in water tariffs across all customer categories to take effect 3 May 2025.

According to the PURC the revised tariffs form part of its Quarterly Tariff Review Mechanism based on changes in four key variables in the past quarters, namely, the Cedi/US\$ exchange rate, inflation, the electricity generation mix and the cost of fuel (mainly natural gas) used in power production. It stated inflation and exchange rates as the main drivers of tariff increases.

The Commission also cited the need to recover the outstanding GHS976 million in revenue arrears accumulated over the last three quarters of 2024 as a major contributing factor to the increases.

In a statement signed by the new Executive Secretary, Dr. Shafic Suleman, the PURC emphasised that it opted to recover only half of the outstanding arrears now to minimise the impact on consumers. Dr. Suleman described the decision as part of a "careful balancing act" to maintain utility solvency without overburdening consumers given the prevailing economic difficulties.

See: <https://citinewsroom.com/2025/04/electricity-tariff-up-14-75-water-4-02-effective-may-3/>

Inflation fell in March

According to the latest CPI report by the Ghana Statistical Service (GSS), the year-on-year inflation rate for March 2025 eased slightly to 22.4%, down from 23.1 percent recorded in February 2025. However, the recent rise in utility charges will have a direct impact on the Consumer Price Index (CPI).

See: https://statsghana.gov.gh/gssmain/storage/img/marqueeupdater/Bulletin_%20CPI%20March%202025.pdf

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	650
Niangon Kiln dry	910

Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	361▲	410
Chenchen	472	612
Ogea	384▲	590
Essa	555	656
Ofram	350	435

Export sawnwood prices

Ghana sawnwood, FOB FAS 25-100mmx150mm up x 2.4m up	Euro per cu.m	
	Air-dried	Kiln-dried
Afromosia	860	925
Asanfina	465	947
Ceiba	290	295
Dahoma	544▲	609▲
Edinam (mixed redwood)	640	741
Emeri	700	745▼
African mahogany (Ivorenensis)	783	883▲
Makore	692	800
Niangon	800▲	902▼
Odum	930	1.161
Sapele	695	858
Wawa 1C & Select	437	508▲

Plywood export prices

Plywood, FOB		Euro per cu.m	
BB/CC	Ceiba	Ofram	Asanfina
4mm	620	580	641
6mm	450▲	535	604
9mm	433	504	560
12mm	350	489	480
15mm	396	356	430
18mm	460	415	383

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

Sliced veneer export prices

Sliced face veneer	FOB Euro per cu.m
Asanfina	1122
Avodire	2,688▲
Chenchen	834▲
Mahogany	2,000▲
Makore	896▼
Odum	3,453
Sapele	1,605▲

Through the eyes of industry

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

<https://www.itto-ggsc.org/static/upload/file/20250418/1744957176173218.pdf>

Malaysia**ASEAN-Australia-New Zealand Free Trade Area upgrade**

The upgrade of the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) in April strengthens Malaysia's economic resilience in an increasingly competitive regional market which has a combined gross domestic product exceeding US\$5.6 trillion and a population of more than 700 million.

The latest Agreement offers an opportunity to reduce transaction costs, support the digitalisation of trade, strengthen supply chain resilience and trade and investment. The AANZFTA has been a vital part of Malaysia's regional trade strategy since its entry into force in 2010.

See:
<http://theborneopost.pressreader.com/article/282312505925782>

Pivot towards conservation

Sarawak is now shifting its focus from timber extraction to forest conservation and developing environment-based revenue streams, said Sarawak Forestry Department Director, Hamden Mohammad.

He said this shift was crucial as Sarawak moves to transform its forestry sector through more sustainable and technology-driven methods in line with the Post Covid-19 Development Strategy 2030.

"More than 50 years ago timber was the State's main source of income. However, we are now prioritising forest conservation and looking for new ways such as carbon trading and payment for services that do not affect the existing ecosystem," he said.

Training for log scalers and log pond supervisors

A total of 34 participants comprising log scalers, log pond supervisors and timber industry stakeholders participated in a three-day Log Scaling Course in Sibu organised by the Sarawak Forest Department (SFD) and STA Training Sdn Bhd (STAT, a training arm of the Sarawak Timber Association).

The course provided critical aspects of log scaling, covering measurement techniques, log tagging, identifying species, recording log details into log specification form and submitting applications to SFD for royalty assessment, as well as other log movement activities along the Sarawak Timber Chain of Custody in accordance with the Forests Ordinance 2015 and associated requirements.

During the training, the trainers imparted participants with necessary knowledge and skills on log scaling in both classroom settings and valuable on-site hands-on practice. Participants were taught accurate measurement of log dimensions, including volume calculation for various log dimensions such as hollow, bent and other defects. This is critical in commercial trading as well as royalty payments to the government.

See:
<http://theborneopost.pressreader.com/article/281599541356969>

Research on evidence-based forest governance

A technical committee from the Sarawak Forest Department (FDS) recently met at the National Institute for Environmental Studies (NIES) in Tsukuba, Japan. The meeting marked a step forward in the bilateral collaboration between the Department and NIES to advance research for evidence-based forest governance. The committee brought together experts in forestry, geospatial science, environmental legislation, forest engineering and research technology.

The primary objective of the collaboration was to assess research findings and data presented by NIES researchers to guide Sarawak's policy decisions in line with the Sarawak Premier's vision of a green economy. The Japanese researchers presented papers on a wide range of topics, including advanced forest monitoring technologies and sustainable management practices.

In 2024, NIES conducted several capacity-building programmes for Sarawak civil servants and industry stakeholders and these included training on tree DNA analysis and Light Detection and Ranging (LiDAR) technology, a powerful tool for forest mapping and modelling.

See:
<http://theborneopost.pressreader.com/article/281565181616278>

Reappointed chairman for Malaysian Timber Council

Sarawak Timber Industry Development Corporation (STIDC) General Manager, Zainal Abidin Abdullah, has been reappointed as Malaysian Timber Council (MTC) chairman for 2025/27.

This will be his second term as the Council's chairman, according to a press release. In response to the appointment Zainal Abidin expressed optimism about the future of the timber and wood industry emphasising a renewed focus on strategic leadership to drive sustainable growth and innovation.

"My expectation is to work closely with all stakeholders to enhance industry standards, promote responsible forest management and expand market access both domestically and internationally," he said.

He also stressed the importance of collaboration across the value chain to increase competitiveness and ensure that the industry contributes significantly to the economy while maintaining environmental and social responsibilities.

FRIM committed to spearheading tropical forestry research and innovation

As it approaches its 40th anniversary this October, the Forest Research Institute Malaysia (FRIM) remains committed to spearheading tropical forestry research and innovation based on natural resources.

FRIM Director-General, Datuk D.r Ismail Parlan, said this year's anniversary is not only a celebration of past achievements but also a symbol of FRIM's resolve to move forward with a global vision and aspirations for environmental sustainability. "This 40th anniversary reflects FRIM's legacy and its future direction as a credible, sustainable and internationally recognised institution," he told the press.

He noted that the institute—formerly known as the Forest Research Institute (FRI) established in 1926 and renamed FRIM on Oct 1, 1985—has received various accolades and awards in recognition of its contributions to research, development, commercialisation and innovation.

See:
<http://theborneopost.pressreader.com/article/281917368907778>
and
https://info.frim.gov.my/infocenter/fin/file/MY_899_20250410_N BPK HOME PG10 fe9e90.pdf

Correction: 1-15 April TTMR

Discussions on measures to withstand tariff storm

The text should read "In 2024 Malaysia's exports to the United States were RM 198.65 billion out of total exports of RM 1,508 billion."

Through the eyes of industry

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See: <https://www.itto-ggsc.org/static/upload/file/20250418/1744957176173218.pdf>

Indonesia

Encouraging first quarter exports

According to data from the Ministry of Forestry analysed by the Indonesian Forestry Entrepreneurs Association (APHI), the value of wood products exports in the first quarter 2025 increased 8% compared to the first quarter 2024.

The wood products that contributed most to exports were paper products US\$1.05 billion followed by pulp (US\$890.9 million), wood panels (US\$567 million) and furniture (US\$423.5 million). Indonesian wood product exports to China in the first quarter were recorded at US\$830.4 million, up 9% year on year.

Exports of Indonesian wood products to the US rose 20% while exports to the European Union and the UK were recorded at US\$336.12 million, up 18% year on year. However, exports to Japan were recorded at US\$2\$.3 million, down 24%. A decline in exports to Korea was largely influenced by a decline in demand for wood chips.

See: <https://forestinsights.id/tren-menanjak-kinerja-ekspor-produk-kayu-indonesia-triwulan-pertama-2025-modal-hadapi-perang-tarif/#>

Minister confirms commitment to sustainable forest management

Minister of Forestry, Raja Juli Antoni, has reaffirmed the government's commitment to sustainable forest management which aligns with enhancing community welfare. The Minister stated the Ministry is reviewing regulations to enhance forest management. The goal is to encourage productivity while ensuring the protection of the surrounding environment.

Additionally, the Minister highlighted the Forest Utilisation Business Permit (PBPH) as an example of how productivity can align with efforts to maintain environmental sustainability. The Minister has said that one of the priorities is establishing strong collaboration to expand the potential of forest areas with sustainable use and explained that this potential can be expanded through the implementation of multi-business forestry which is expected to boost the local economy.

He said that a working team has been formed to accelerate the implementation of the multi-business forestry model.

To ensure the programme can run successfully the Ministry requires support from its partners, especially in improving capacity, widening market access, innovation and investment. In addition, the Minister is prioritising acceleration of official recognition of customary forests. "This is an important part of our commitment to social forestry and the rights of customary communities," he said.

He explained, the Multi-Business Forestry (MUK) Task Force aims to promote a more diverse and sustainable forestry business model. Suryo Adiwibowo, a representative of the MUK Task Force, stated that over 600 indigenous communities have received official recognition to date. However, challenges with verification and limited resources continue to pose obstacles.

He proposed the creation of a national database for indigenous peoples and emphasised the need to strengthen indigenous committees at the regional level as a means to accelerate progress.

Additionally, it is important to clarify and enhance the roles and responsibilities of local indigenous committees in order to align the duties of the Director General of Social Forestry within the Ministry of Forestry with those of local governments and NGOs.

See: <https://www.antaranews.com/berita/4777789/menhut-tegaskan-komitmen-pemerintah-dalam-pengelolaan-hutan-lestari> and <https://www.msn.com/id-id/masyarakat-budaya-dan-sejarah/masalah-sosial/menhut-kebut-proses-pengakuan-hutan-adat-di-indonesia/ar-AA1CVkVp?ocid=BingNewsVerp>

Kadin to transform the forestry business model beyond wood

The Indonesian Chamber of Commerce and Industry (Kadin) has reaffirmed its commitment to sustainably and inclusively in transforming forestry businesses. Shinta W. Kamdani, Deputy Chairperson for the Coordinator of Human Development, Culture and Sustainable Development at Kadin, emphasised that Multi-Business Forestry (MUK) represents a crucial shift in the forestry business model which has primarily relied on timber.

"This transformation is not an easy process. For more than 50 years the forestry business has depended solely on wood. Now, we must build a new business model. However, we believe that, through collaboration and innovation, we can meet this challenge," Shinta stated during a Roundtable Dialogue with UK officials at the British Embassy.

In related news, Kadin, through the Regenerative Forest Business Hub (Kadin RFBH) in collaboration with the British Embassy, has introduced and promoted the implementation of the Biodiversity Credit scheme as part of the transformation towards a green economy.

Kamdani said biodiversity conservation must be an integral part of economic development.

The Biodiversity Credit scheme provides businesses with an opportunity to contribute to environmental conservation in a meaningful way. Dominic Jerney, British Ambassador to Indonesia, highlighted that the UK and France initiated the International Advisory Panel on Biodiversity Credit in 2023. He noted that Indonesia's efforts to develop biodiversity credit scheme represent a vital step in the global agenda for nature conservation and the transition to sustainable economic growth.

See: <https://www.idxchannel.com/economics/kadin-siap-tranformasi-bisnis-kehutanan-tak-hanya-fokus-pada-kayu/2> and <https://www.inews.id/finance/bisnis/gandeng-kedubes-inggris-kadin-dukung-implementasi-biodiversity-credit-dan-multi-usaha-kehutanan>

Ban on commercial timber extraction in Mangrove forests

The government has announced that permits will no longer be issued for timber extraction in mangrove ecosystems. Permits will now be prioritised for environmental services.

Ristiano Pribadi, Director of Mangrove Rehabilitation stated that environmental services in mangrove ecosystems could include the utilisation of Non-Timber Forest Products (NTFP) and ecotourism.

Ristiano stated that 84,000 hectares of mangroves have been rehabilitated in the past five years. The government has set a target to rehabilitate 600,000 hectares of mangroves by 2024. Ristiano stated that the forestry sector was a high priority for past the government.

See: <https://www.antaranews.com/berita/4774849/kemenhut-tidak-ada-lagi-izin-penebangan-kayu-di-kawasan-mangrove> and <https://lestari.kompas.com/read/2025/04/16/171500786/kemenhut-84.000-hektare-mangrove-direhabilitasi-selama-5-tahun-terakhir->

Incentives offered to to US companies

It has been reported that the Indonesian government intends to offer facilities and incentives to US companies operating in the country to smooth the ongoing negotiations over the new import tariffs. ". The government plans to form a deregulation team dedicated to simplifying rules and regulations to make business operations easier for investors.

See: <https://en.antaranews.com/news/352169/indonesia-plans-business-incentives-to-advance-us-tariff-talks>

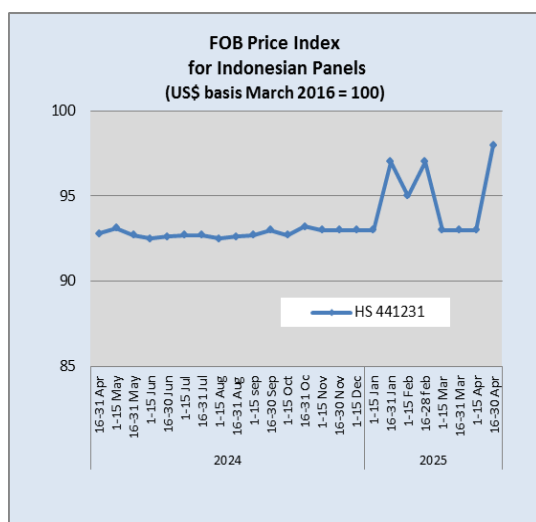
Attempts to fast track Indonesia-European Union (IEU-CEPA) agreement

The government is seeking a quick completion of the Indonesia-European Union Comprehensive Partnership Agreement (IEU-CEPA) to address the impact of US reciprocal tariffs, according to chairperson of the National Economic Council (DEN), Luhut Binsar Pandjaitan.

He said this while receiving a visit from a delegation of the Committee on International Trade (INTA) of the European Parliament led by Bernd Lange. The European Union aims to collaborate more closely with Indonesia, said Lange. He cited the current uncertain and geopolitically complex global situation.

Lange elaborated that the European Union aims to foster sustainable growth to generate more employment opportunities while safeguarding existing jobs within Indonesia. Lange expressed hope that the cooperation between the European Union and Indonesia will soon materialise through a trade agreement.

See: <https://en.tempo.co/read/1998002/eu-and-indonesia-forge-closer-ties-amid-global-instability> and <https://en.antaranews.com/news/351857/ri-pushes-ieu-cepa-talks-completion-amid-us-tariffs>



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

Myanmar

Quake impacts economic and social vulnerabilities

The recent 7.7 magnitude earthquake and the US tariff policy have impacted various sectors of Myanmar's fragile economy. These new pressures are now intertwined further escalating the country's economic and social vulnerabilities.

US import tariffs - limited immediate impact

The US has imposed a 44% tariff on imports from Myanmar but most exports from Myanmar are under sanctions in the US. As Myanmar is still grappling with post-earthquake devastation and civil conflict analysts suggest that the tariff's immediate economic impact will be limited. After decades of exposure to sanctions, Myanmar's economy has developed a form of "sanctions immunity".

See: <https://www.orfonline.org/expert-speak/between-quakes-and-conflicts-china-india-and-myanmar-s-shaky-corridors>

Post-earthquake assessment: rising debt and conflict risks

The 28 March earthquake devastated Myanmar's Sagaing Region near Mandalay, affecting 17 million people across 57 townships and critically impacting 9 million. As of early April, 3,471 deaths and 4,671 injuries were reported, with 214 people missing.

The United States Geological Survey (USGS) estimates that the earthquake caused damages exceeding US\$10 billion, approximately 70% of Myanmar's GDP. Emergency declarations were issued across six regions, and international aid was mobilised with China pledging the largest package of US\$14 million, followed by contributions from India, the UK, the US and Singapore. UN agencies allocated emergency aid.

It has been suggested that the disaster has jeopardised major Chinese investments in Myanmar under the China-Myanmar Economic Corridor (CMEC) including the Letpadaung copper mine, Tagaung nickel project and the oil and gas pipelines. Projects such as the Muse-Mandalay-Kyaukphyu railway and Alpha Cement plant in Madaya also face potential delays.

India's strategic India-Myanmar-Thailand Trilateral Highway (IMT-TH) suffered significant damage with key structures such as the Ava Bridge being destroyed.

Meanwhile, Myanmar's external debt, standing at US\$12.1 billion in 2024, is set to increase as reconstruction needs grow. Rising reconstruction borrowing could deepen the country's financial vulnerabilities.

See: <https://www.orfonline.org/expert-speak/between-quakes-and-conflicts-china-india-and-myanmar-s-shaky-corridors>

UNICEF's dire warning

In a press release UNICEF has issued a stark warning that millions of children are at grave risk following Myanmar's deadliest earthquake in decades. The earthquake and aftershocks caused widespread destruction across central Myanmar Homes, schools, hospitals and infrastructure were heavily damaged across Mandalay, Nay Pyi Taw, Sagaing, Bago and Shan regions.

UNICEF says "Myanmar is one of the most complex humanitarian emergencies globally. Even before the earthquake, over 6.5 million children were in need of assistance, with one in three displaced people a child. Yet, the humanitarian response remains critically underfunded, with less than 10 per cent of the 2025 Humanitarian Action for Children appeal received to date".

UNICEF is calling for urgent funding to scale up the delivery of life-saving support to children and families affected by the earthquake including clean water, medical care, protection, psychosocial support, and emergency education.

See: <https://www.unicef.org/press-releases/millions-children-grave-risk-following-myanmars-deadliest-earthquake-decades>

Imports of panels - almost zero

The correspondent writes “the market is slow but stable. Imports of panel products such as plywood, MDF, particleboard and decorative panels have almost stopped as exporters have not yet been assessed as meeting the recent Quality Control Order (QCO) with only a few mills in Nepal and one in Thailand and one company in Malaysia have secured a licence. Several 100 applications are still pending from overseas manufacturer-suppliers and there is a lot of distress among importers”.

Over the past decade the Central government has mandated higher standards for production and imports of a wide range of products such items. The recent mandatory QCO for wood products is one of the latest.

QCOs, notified by government departments in consultation with the Bureau of Indian Standards (BIS), are compulsory in nature unlike the numerous other standards prescribed by the BIS. Though the government has said QCOs have been imposed to ensure the quality of products, protection of human, animal and plant health, and prevention of deceptive practices, the domestic industry speaks of the burden the measures entail.

The QCO for wood panels applies to both domestic production and imports and has been identified as likely to increase production costs. India's overseas trade partners view the recent QCO as a trade barrier.

QCOs are covered under the Technical Barriers to Trade (TBT) agreement at the WTO which aims to ensure that technical regulations, standards and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade. The TBT Agreement strongly encourages members to base their measures on international standards to create a predictable trading environment.

See: <https://www.rediff.com/business/report/quality-control-orders-what-does-this-mean-for-domestic-industry/20240425.htm>

PlyReporter, the Indian panel sector trade journal, has said the domestic manufacturing industry has largely welcomed the QCO implementation as step forward in standardising made-in-India products to promote export oriented industries. PlyReporter identifies some problems for small-scale plywood manufacturers which are not in a position to upgrade production to meet the new standards despite the grace period granted to small companies

As of April it is reported only around 35% of the small plywood manufacturerers have secured a license. The other 65% of the around 3,300 mills are awaiting processing of their applications. Also, says PlyReporter, there are many particleboard and MDF manufacturers preparing the required documentation.

See: <https://www.plyreporter.com/magazine-March-2025>

Training, capacity building and worker certification in construction and real estate sectors

The Confederation of Real Estate Developers Association of India (CREDAI) recently signed a MoU with the National Skill Development Corporation (NSDC) and the Quality Council of India (QCI) to establish a collaborative framework for skill training, capacity building and worker certification in the construction and real estate sector.

Under the partnership all parties pledge to enhance workforce development in the real estate sector through a structured focus on skill development, capacity building and sustainable employment.

The collaboration aims to deliver industry-aligned training programs with quality assurance through certification, support Recognition of Prior Learning (RPL) to validate existing skills and drive workforce integration by promoting job placements and modern construction practices including green building techniques.

The MoU was signed at an event introducing Mr. Shekhar G. Patel as the new president of CREDAI for the term 2025-27.

A move to net-zero buildings

During the ceremony CREDAI launched a report prepared in collaboration with Colliers titled ‘Sustainability in Real Estate: Towards a Greener Skyline’. The report highlights India's path to green growth and development and a shift towards net-zero buildings.

According to the report, 66% of India's Grade A office stock is now green certified with cities like Hyderabad leading at 75% penetration. The industrial and logistics sector is also embracing sustainability. The report further underscores a massive retrofitting opportunity for aging office spaces.

With 80% of future office demand expected in green spaces and rising consumer preference for eco-friendly homes, India's real estate sector is poised to drive the nation's 2070 net-zero target through innovation, policy alignment and stakeholder collaboration, said the CREDAI president.

See: <https://www.credai.org/media/view-details/571> and

<https://www.colliers.com/en-in/research/sustainability-in-real-estate-report>

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

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

	Hoppus cu.m	US\$ C&F
Brazil	212	477
Colombia	127	430
Costa Rica	119	335
Nigeria	-	-
Benin	-	-
Tanzania	89	470
Laos	-	-
South Sudan	198	675
Guatemala	91	360
Venezuela	-	-

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

	cu.m	US\$ C&F
Benin	247	700
Brazil	145	650
Colombia	-	-
Costa Rica	136	500
Ecuador	-	-
Ghana	124	425
Ivory Coast	267	820
Nigeria	98	412
South Sudan	213	630
Tanzania	-	-
Togo	189	505
Panama	177	480

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,350 - 4,750
Balau	2,950 - 3,250
Resak	-
Kapur	-
Kempas	1,650 - 1,950
Red meranti	1,750 - 2,000
Radiata pine	1,000 - 1,200
Whitewood	950 - 1,150

Price range depends mainly on lengths and cross-section

Sawn hardwood prices

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

Price range depends mainly on lengths and cross-section

Plywood

The recently announced price increases have now been introduced.

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	85.50
6mm	99.00
9mm	117.50
12mm	140.00
15mm	181.00
18mm	199.00

Domestic ex-warehouse prices for locally manufactured MR plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	58.00
6mm	74.50
9mm	85.50
12mm	101.00
15mm	136.50
19mm	146.00
5mm Flexible ply	91.00

Wood and Wood Product (W&WP) trade highlights

Statistics from the Customs Department show that in March W&WP exports reached US\$1.47 billion, up 44% compared to February 2025 and up 13% compared to March 2024.

WP exports earned US\$1.01 billion, up 52% compared to February 2025 and up 14% compared to March 2024.

In the first 3 months of 2025 W&WP exports earned about US\$3.9 billion, up 11% over the same period in 2024.

In March W&WP exports to the Spain were valued US\$9.3 million, up 80% compared to March 2024. In the first 3 months of 2025 W&WP exports to Spain stood at US\$21.8 million, up 8% over the same period in 2024.

In the first quarter of 2025 exports of kitchen furniture amounted to US\$100 million, down 11% compared to March 2024. In the first 3 months of 2025 exports of kitchen furniture were US\$281 million, down 3% over the same period in 2024.

Raw wood imports from China in March were about 100,000 cu.m, worth US\$30.0 million, up 13% in volume and 7% in value compared to February 2025 bringing the total import of raw wood from China in the first 3 months of 2025 to 314,195 cu.m, worth US\$92.48 million, up 90% in volume and 46% in value over the same period in 2024.

Exports of bedroom and dining room furniture in March fetched US\$250 million, up 12% compared to March 2024. In the first 3 months of 2025 exports of bedroom and dining room furniture were valued at US\$639.2 million, up 7% over the same period in 2024.

Vietnam's W&WP imports in March 2025 reached US\$261.8 million, up 26% compared to February 2025 and up 35% compared to March 2024. In the first 3 months of 2025 imports of W&WP reached US\$667.7 million, up 25% over the same period in 2024.

The imports of raw wood (log and lumber) from the US in March 2025 totalled 75,000 cu.m at a value of US\$30.0 million, an increase of 24% in volume and 20% in value compared to February 2025 and an increase of 10% in volume and 1% in value over the same period in 2024.

In the first quarter of 2025 imports of raw wood from the US reached 197,740 cu.m, with a value of US\$78.67 million, up 39% in volume and 28% in value over the same period in 2024.

Viet Nam's wood industry is setting its sights on reaching an ambitious export target of US\$18 billion in 2025

Setting sights on US\$18 billion exports

Growing international regulations on legally sourced agricultural and forestry products are presenting new challenges.

To stay competitive and mitigate trade risks, Vietnamese exporters are being urged to improve supply chain governance, embrace green production standards and invest in sustainable development.

According to trade analysts policy shifts in major markets such as the US and the EU can reshape the landscape for wood and timber product exports. The US is expected to implement stricter trade protection measures in 2025, adding pressure on Vietnamese exporters who currently send over 50% of their wood-related exports to the American market.

As Vietnam stands as the US's fourth-largest export market in ASEAN and its eighth-largest global trading partner, the stakes are high. Concerns are growing over the risk of punitive tariffs or trade barriers if exporters cannot meet strict traceability requirements.

In the EU the recently extended EU Deforestation Regulation (EUDR) poses a similar challenge. Now scheduled to come into effect at the end of 2025 for large companies and mid-2026 for small and medium-sized enterprises, the regulation aims to eliminate import of products linked to deforestation.

Beyond individual markets the potential for broader trade disputes or disruptions to global supply chains could further impact Vietnam's wood product exports. This makes agility and preparedness a top priority for industry stakeholders.

The Vietnam Timber and Forest Product Association (VIFOREST) has identified both opportunities and challenges ahead. It noted that global trends favour sustainable materials in construction and interior design creating new prospects for Vietnamese wood exporters that can meet eco-conscious demand.

According to Tran Quang Bao, Director General of the Forestry and Forest Protection Department under the Ministry of Agriculture and Rural Development, strengthening raw material areas is key to achieving long-term sustainability.

This includes expanding large timber plantations and forests certified by FSC or PEFC standards. In the short term, pilot programmes to assign traceability codes to forest areas in Northern provinces are underway and expected to be rolled out nationwide.

These traceability codes are seen as a cornerstone for developing a legal timber supply chain that aligns with international requirements.

They also support Vietnam's efforts to quantify carbon sequestration potential, contributing to climate goals. Ngo Sy Hoai, Vice Chairman and Secretary General of VIFOREST, emphasised that competitiveness is vital to survive in the current environment.

He noted that both the government and private sector are stepping up efforts to promote sustainable forest certification and adopt advanced traceability technologies.

Exporters are encouraged to invest in digital supply chain management, improve product design and branding and adopt environmentally compliant production processes. Ensuring legal origins, meeting design preferences and offering competitive pricing will be essential to maintaining and growing market share.

Close cooperation between businesses, industry associations and government agencies is seen as essential to navigating the evolving regulatory landscape. One of the key tools in this regard is the verification of product origin which helps prevent trade fraud and supports compliance with importing countries' rules.

Legal capacity building, risk management improvements and adherence to international environmental standards are also needed to strengthen Vietnam's position in global timber trade.

See: <https://en.vietnamplus.vn/vietnams-forestry-sector-ramps-up-competitiveness-to-meet-export-targets-post313257.vnp>

Vietnam's wood exports surge but face mounting headwinds

Vietnam's wood industry is now bracing for a tariff storm as the United States is set to impose a 46% reciprocal tariff on Vietnamese goods.

The United States remained Vietnam's largest export market for wood and wood products making up 53% of total exports. Japan and China followed, accounting for 13% and 11%, respectively.

Despite this robust performance the wood sector continues to grapple with considerable challenges.

A large proportion of Vietnam's wood businesses are small and medium-sized enterprises (SMEs), many of them family-run operations. These firms are particularly vulnerable to market fluctuations and often struggle with the modernisation of production and processing technologies.

Supply-side constraints also persist. Vietnam lacks a stable domestic supply of large-diameter wood forcing companies to rely heavily on imports. This dependency not only inflates production costs but also diminishes the competitiveness of Vietnamese wood products in global markets.

Additionally, while demand remains steady in core export destinations, Vietnam's wood exports remain overly concentrated in a few key markets posing long-term risks.

US tariffs threaten industry outlook

Ngo Si Hoai, Vice President and Secretary-General of Vietnam Timber and Forest Product Association (Viforest) has recently addressed the mounting challenges and urged businesses to prepare for market headwinds.

Among the most pressing concerns is the US government's decision to impose a 46% reciprocal tariff on Vietnamese imports. This move would directly impact Vietnam's agricultural and wood product exports to the US, Vietnam's most valuable export market for agricultural, forestry and seafood products.

The stakes are especially high for the wood sector which generated the largest trade surplus among Vietnam's agricultural exports to the US. Over the past four years, US imports of Vietnamese wood products have consistently ranged from US\$7–9 billion annually, accounting for over 50% of Vietnam's total wood product exports. In contrast, Vietnam imports (mostly logs and lumbers) were only around US\$300-350 million.

The sudden announcement of a 46% tariff - nearly double the 25% that was previously anticipated - has shocked the industry.

Broader strategy needed beyond the US

One of the key strategies being pursued by Vietnam's agriculture ministry is to prove the complementary, not competitive, nature of US and Vietnamese agricultural products, including wood. This argument is central to ongoing trade negotiations.

At a recent meeting with the US Ambassador, Vietnam's Minister of Agriculture and Environment, Do Duc Duy, emphasised that the two countries' agricultural exports are mutually supportive and should not be seen as adversarial. He also affirmed Vietnam's openness to importing more U.S. agricultural goods.

To that end, Viforest in coordination with local trade associations, exporters and relevant ministries, is preparing to participate in upcoming hearings. Their goal: to demonstrate that Vietnam-U.S. wood trade is mutually beneficial and poses no threat to the U.S. domestic industry.

Still, Hoai cautioned that diplomacy alone may not suffice: "We need to do more than just talk. The key now is for Vietnamese agencies and enterprises to consider increasing imports of U.S. wood products in order to rebalance trade and underscore the benefits of cooperation."

Beyond immediate responses to U.S. tariff threats, Hoai urges businesses to diversify their export markets.

Another critical area is raw material sourcing. To build a strong and competitive wood industry capable of meeting international demand, businesses must invest in sustainable, legal timber supplies with forest management certification. This is essential not only for increasing export orders but also for meeting the country's broader sustainability goals, said Hoai.

See: <https://wtocenter.vn/chuyen-de/27554-vietnams-wood-exports-surge-in-early-2025-but-face-mounting-headwinds>

Increasing imports of US timber to boost processing and re-exports

China's suspension of log and sawn timber imports from the United States valued at around US\$2 billion annually is seen as an opportunity for Viet Nam's wood.

In 2024, Viet Nam imported US\$316.36 million worth of timber from the US, a 33% increase over 2023 representing 11% of the country's total timber import value. The three main products included sawnwood, logs and veneer.

The Vice Chairman and Secretary General of the Vietnam Timber and Forest Products Association (VIFORES) Ngô Sỹ Hoài emphasised that US timber consistently meets legality standards required in major export markets EU.

Viet Nam is the second-largest supplier of wooden furniture to the US accounting for around 40% of total wooden furniture imports.

Currently, domestic timber production cannot meet the industry's needs leaving Viet Nam heavily reliant on imports. Of the country's US\$2.81 billion worth of wood and wood product imports in 2024, raw timber (HS code 44) accounted for 85%. Logs and sawnwood remain the core products

Despite trade uncertainties, many wood businesses remain resilient and hopeful about the Government's ongoing negotiations. It is reported that Viet Nam will waive import duties on timber shipments from the US.

In the long term, VIFORES has proposed that the Government continue supporting businesses through fiscal and monetary policies previously applied during the COVID-19 period including tax deferrals, rent reductions and debt restructuring to help the industry navigate current challenges.

See: <https://vietnamnews.vn/economy/1695612/viet-nam-aims-to-increase-imports-of-us-timber-to-boost-wood-processing-and-re-exports.html>

Brazil

Native timbers - a sustainable solution for civil construction

At the Civil Construction Fair (FEICON) 2025, a leading construction industry trade fair in Latin America the forest sector, Mato Grosso highlighted the potential of native timber species as a sustainable and technically viable alternative for civil construction.

Represented by the Center of Timber Producing and Exporting Industries of the State of Mato Grosso (CIPEM) the sector advocated the repositioning of wood from natural forests as a sustainable material suitable for a wide range of building types, from structural components to finishing which, says CIPEM, would deliver significant benefits for the decarbonising the construction industry.

CIPEM also highlighted the potential for using wood from natural forests in social housing projects, advocating its inclusion in public policies and housing finance mechanisms.

Currently, Caixa Econômica Federal, the main federal financial institution supporting low-income housing in Brazil, does not finance wooden houses. The first step to change this mindset would be legislation.

Backed by sustainable forest management practices, traceability and internationally recognised quality standards, wood from natural forests of Mato Grosso State was presented as a modern, ecological and economically viable solution for the future of civil construction in Brazil.

See: <https://www.remade.com.br/noticias/20637/madeira-nativa-de-mato-grosso-se-destaca-como-solucao-sustentavel-para-a-construcao-civil>

New populations of Brazilwood identified

Recent research has significantly advanced the understanding of *Paubrasilia echinata* (Brazilwood), the iconic species of Brazil. A researcher from the Rio de Janeiro Botanical Garden discovered 12 new populations of the species in natural forests, bringing the total to 17 in the state of Rio de Janeiro alone. It is as if Brazilwood, once considered nearly extinct, has been rediscovery.

Although scientists are still working toward a complete understanding of the species effective strategies for its preservation are already known, the creation of protected areas/conservation units being one such measure.

Previous studies had already identified morphological variations among different Brazilwood populations, grouped into three main lineages known as "arruda", "laranja" and "café" each occurring in specific areas of the Atlantic Forest in the states of Rio de Janeiro, Bahia and Espírito Santo, respectively.

Private and agroforestry projects feature Brazilwood in "cabruca" systems in the state of Bahia and have demonstrated the potential of the species. A study by the Federal University of Espírito Santo focuses on planted Brazilwood trees aiming to identify the most suitable specimens for harvesting.

IBAMA (Brazilian Institute of Environment and Renewable Natural Resources) has stated that it will decide in the coming months whether to propose the inclusion of Brazilwood in Appendix I of CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora).

This would completely ban the international use of Brazilwood and prevent musicians traveling with violin bows or any other musical instruments made from this wood.

Currently, Brazilwood is listed in Appendix II, which allows trade if it can be proven that the wood was legally harvested. Biologist Haroldo Lima, from the Rio de Janeiro Botanical Garden, highlighted the importance of regularising existing stockpiles (as has been done abroad) and providing security for farmers who plant and own plantation of Brazilwood.

See: <https://globo.rural.globo.com/agricultura/noticia/2025/04/pesquisas-ajudam-o-pais-a-redescobrir-o-ameacado-pau-brasil.ghtml> and <https://revistaglobo.rural.pressreader.com/globo-rural/>

Export update

In March 2025 Brazilian exports of wood-based products (except pulp and paper) increased 18% in value compared to March 2024, from US\$286.7 million to US\$339.4 million.

Pine sawnwood exports increased 45% in value between March 2024 (US\$43.7 million) and March 2025 (US\$63.4 million). In volume, exports increased 40% over the same period, from 188,400 cu.m to 263,100 cu.m.

Tropical sawnwood exports increased 44% in volume, from 16,500 cu.m in March 2024 to 23,700 cu.m in March 2025. In value, exports increased 25% from US\$7.6 million to US\$9.5 million over the same period.

Pine plywood exports increased 35% in value in March 2025 compared to March 2024 from US\$68.9 million to US\$93.0 million. In volume, exports increased 43% over the same period from 208,800 cu.m to 298,700 cu.m.

As for tropical plywood, exports increased in volume 42% and in value 25% from 1,900 cu.m and US\$1.2 million in March 2024 to 2,700 cu.m and US\$1.5 million in March 2025 respectively.

As for wooden furniture the exported value increased from US\$45.5 million in March 2024 to US\$54.4 million in March 2025, an increase of 20%.

Climate Fund supports degraded Amazon restoration

The Brazilian Development Bank (BNDES) has approved the first reforestation initiative under the National Climate Change Fund (New Climate Fund) aimed at forest restoration with a total value of R\$100 million.

Of this total, R\$80 million is from the Climate Fund with another R\$20 million from the BNDES Finem credit line. The funds will be allocated to Mombak, a startup specialised in carbon removal which will invest to reforest degraded areas in the Amazon. The project focuses on biodiversity recovery and large-scale carbon sequestration.

The initiative aims to generate high-integrity carbon credits and foster the local economy by generating jobs and boosting the reforestation value chain.

The targeted area includes part of the Restoration Arc, a region considered priority for forest restoration efforts and will contribute to Brazil's goal of restoring 6 million hectares by 2030. The Climate Fund, a key instrument of Brazil's National Climate Change Policy and was restructured by the federal government and is linked to the Ministry of the Environment and Climate Change (MMA).

See: <https://forestnews.com.br/bndes-fundo-clima-desembolsa-r-100-milhoes-para-restauracao-florestal-com-mombak/>

Through the eyes of industry

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

<https://www.itto-ggsc.org/static/upload/file/20250418/1744957176173218.pdf>

Domestic log prices

	US\$ per cu.m
Brazilian logs, mill yard, domestic	
Ipê	405▲
Jatoba	177▲
Massaranduba	157▲
Muiracatiara	155▲
Angelim Vermelho	174▲
Mixed redwood and white woods	121▲

Prices do not include taxes. Source: STCP Data Bank

Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	1,718▲
Jatoba	866▲
Massaranduba	768▲
Muiracatiara	799▲
Angelim Vermelho	720▲
Mixed red and white	495▲
Eucalyptus (AD)	286▲
Pine (AD)	237▲
Pine (KD)	281▲

Prices do not include taxes. Source: STCP Data Bank

Domestic plywood prices

	US\$ per cu.m
Parica ex-mill	
4mm WBP	564▲
10mm WBP	456▲
15mm WBP	391▲
4mm MR.	522▲
10mm MR.	398▲
15mm MR.	348▲

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

	US\$ per cu.m
Domestic ex-mill prices	
15mm MDParticleboard	267▲
15mm MDFibreboard	267▲

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

	US\$ per cu.m
Sawnwood	
Ipe	2,376
Jatoba	1,303
Massaranduba	1,277
Muiracatiara	1,305
Pine (KD)	207

Prices do not include taxes. Source: STCP Data Bank

Export plywood prices

	US\$ per cu.m
Pine plywood	328
9mm C/CC (WBP)	283
12mm C/CC (WBP)	265
15mm C/CC (WBP)	263

Prices do not include taxes. Source: STCP Data Bank

Export prices for added value products

Added value product	US\$ per cu.m
Decking Boards	3,219
Ipê Jatoba	1,821

Prices do not include taxes. Source: STCP Data Bank

Peru

Exports exceeded US\$8.5 million but crashed 31%

The Center for Global Economy and Business Research of CIEN-ADEX Exporters Association has reported export shipments of wood products totalled US\$8.5 million in the first two months of 2025 representing a decrease of 31% compared to the same month in 2024 (US\$12.4 million).

According to the ADEX Data Trade Trade Intelligence System the products were sawnwood (US\$4.1 million), firewood and charcoal (US\$1.7 million), semi-manufactured products (US\$1.1 million), construction products (US\$626,000) and furniture and parts (US\$483,000).

The main destination was the Dominican Republic with shipments totalling US\$2.0 million, a 32% increase compared to the previous year. Vietnam followed with US\$1.8 million, an increase of 118% compared to 2024, Mexico with US\$1.4 million, an increase of 10%, the United States with US\$1.1 million, a decrease of 20% and China at US\$455,000, a decrease of 78%.

Tools to measure illegal logging - a study led by OSINFOR

With the aim of strengthening the fight against illegal logging and providing key data to combat illegal logging the Presidency of the Council of Ministers (PCM) commissioned the Forest and Wildlife Resources Supervisory Agency (OSINFOR) to conduct a study "Estimating and Improving the Legality of Timber in Peru" to measure the rate of illegal logging in the country.

This year, this work will be carried out in coordination with the National Forest and Wildlife Service (SERFOR) and regional forestry authorities.

During the launch ceremony Mabel Gálvez, representative of the Secretariat of Decentralisation of the PCM, highlighted the importance of this study. "It is essential that OSINFOR continue this work as results will allow us to understand the impact of illegal logging, design new strategies and boost the supply of legal forest products thus increasing the competitiveness of the sector", she stated.

For his part, the Head of OSINFOR, Williams Arellano Olano, emphasised the value of this new approach saying "it allows us to precisely identify the areas where illegality is increasing or decreasing. This information is key to making better decisions and confronting this scourge more effectively."

Arellano also highlighted the coordinated work with ten regional governments, SERFOR and other entities such as the Superintendency of Banking and Insurance and the Pension Fund Administrators (SBS) which are contributing to the study.

See: <https://www.gob.pe/institucion/osinfor/noticias/1146395-peru-afina-herramientas-para-medir-la-tala-ilegal-de-madera-con-estudio-liderado-por-el-osinfor>

OSINFOR and the Army seek to work together for forests

In a joint effort to contribute to the conservation of forests and mitigate the effects of climate change the Forest and Wildlife Resources Oversight Agency (OSINFOR) and the Environmental Management Sub-directorate of the Peruvian Army are promoting an inter-institutional agreement to intensify surveillance in hard-to-reach areas and develop capacities to promote the sustainable use of natural resources.

During an initial meeting the Head of OSINFOR, Williams Arellano Olano and the Deputy Director of Environmental Management Support, Lieutenant Colonel, E.P. Nelson Yvan Meza Romero, recognised the need to sign an agreement to strengthen surveillance and control of Peruvian forests located in OSINFOR and Army intervention zones as well as to conduct joint operations to combat illegal activities that affect forest and wildlife resources which put at risk the benefits forests provide to communities and the environment.

See: <https://www.gob.pe/institucion/osinfor/noticias/1158445-osinfor-y-el-ejercito-buscan-trabajar-juntos-por-los-bosques>

Export prices for added value products

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1327-1398
Cumarú KD, S4S Swedish market	989 -1022
Asian market	1189-1271 ▲
Cumarú decking, AD, S4S E4S, Central American market	1029-1044
Pumaquiro KD Gr. 1, C&B, Mexican market	501-561
Quinilla KD, S4S 2x10x62cm, Asian market	591-627
2x13x75cm, Asian market	774-831

Export veneer prices

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

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	703-728
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market Grade 2, Mexican market	582-602 527-541
Cumaru 4" thick, 6"-11" length KD Central American market Asian market	1127-1195 1210-1265
Ishpingo (oak) 2" thick, 6"-8" length Spanish market Dominican Republic	918-983 952-1091
Marupa 1", 6-11 length KD Grade 1 Asian market	564-576

Export plywood prices

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

Domestic prices for other panel products

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

Domestic sawnwood prices

Peru sawnwood	US\$ per cu.m
Mahogany	-
Virola	236-251
Spanish Cedar	333-344
Marupa (simarouba)	208-234

Domestic plywood prices (excl. taxes)

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

Japan**Preliminary Japan/US trade deal could soon be signed**

The tariffs proposed by the US have raised concerns for Japan's export-reliant economy especially as the US proposes high import duties on cars, steel and aluminum.

A baseline 10% levy remains in place despite a 90-day reprieve for "reciprocal" tariffs. The US is determined to reduce the trade deficit with Japan and has targeted cars and agricultural products.

Economic Revitalisation Minister, Akazawa Ryosei, was appointed Minister in charge of trade talks. In the last week of April Japan added 10 new members to its task force for tariff negotiations drawing people from the transport, agricultural and other ministries.

According to press reports in the US, a preliminary trade deal could soon be signed with Japan although this could be more like an outline for further negotiation rather than a finalised agreement. The media report the two sides remain far apart on some issues and it could take time for an agreement.

Prime Minister Ishiba said that Japan has emphasised the importance of free trade in bilateral tariff negotiations with the United States while also highlighting Japanese company investments in the United States.

There was serious concern that the US may demand action to strengthen the yen but the US Treasury Secretary is reported as saying the US has no currency targets in mind when negotiating with Japan. However, he indirectly discouraged Japan from foreign exchange interventions to weaken the currency.

The yen remains low, an advantage for exporters, but the currency has appreciated for three consecutive weeks against the dollar as the uncertainty surrounding the global trade war bolsters safe haven assets.

See: <https://asia.nikkei.com/Economy/Trade-war/Trump-tariffs/Bessent-US-will-not-pursue-currency-target-in-Japan-trade-talks>
and
<https://www.japantimes.co.jp/business/2025/04/21/japan-bullish-against-dollar/>
and
<https://mainichi.jp/english/articles/20250423/p2g/00m/0na/044000c>

Government considering measures to boost domestic spending

Japan is urgently discussing economic stimulus measures to address the potential fallout from US tariffs. The government is considering measures to boost domestic spending and shore up corporate balance sheets. Five areas of focus were outlined in the emergency stimulus package: strengthening the consultation framework for affected businesses, assisting companies with their cash flows, ensuring employment retention, stimulating consumption and enhancing industrial competitiveness.

In a ministerial meeting on tariff responses Prime Minister Shigeru Ishiba instructed ministers to get ahead of potential problems and ensure effective implementation of the policies.

See:

https://www.japantimes.co.jp/business/2025/04/25/economy/tariff-stimulus-upped/?utm_source=pianodnu&utm_medium=email&utm_campaign=72&tpcc=dnu&pnespid=6.dikpue6paw.6iz9qajoug5hwor3nthbush0qhuxkv9s6zyx.qsgsh0p3jhiwbjb.w5q

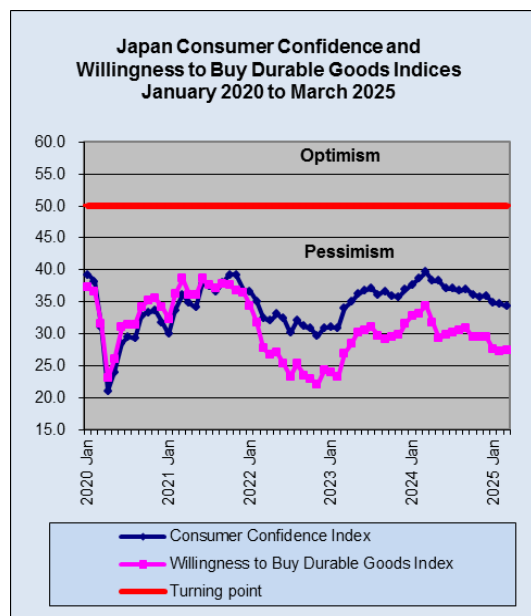
Opposition party wants consumption tax on food suspended

The largest opposition party in Japan announced it wants the consumption tax rate on food items to be scrapped for a year. This comes ahead of a crucial parliamentary election this summer.

The country is bracing for the prospect of persistent inflation and a hit from higher US tariffs driving debate on how best to help households with the surging inflation. Prime Minister Shigeru Ishiba, however, has so far ruled out changing the consumption tax rate.

"People today are struggling. We need to face reality," Constitutional Democratic Party of Japan chief Yoshihiko Noda said at a press conference. "We should be prepared for what the Prime Minister has described as a 'national crisis,' said Noda. Japan's consumption tax was raised from 8 percent in 2019, but the rate on food and drinks is still 8 percent.

See: <https://www.asahi.com/ajw/articles/15726120>



Data source: Cabinet Office, Japan

Buying yen as a safe alternative

US policy announcements have caused investors to sell US dollars and buy yen as a safer alternative. This strengthened the yen to 140 to the dollar briefly at the end of April.

The US has claimed that Japan's currency is undervalued with some in the US administration calling for a Plaza Accord 2.0, a reference to the 1985 Plaza Accord, an agreement between the US and a number of other countries that led to a dramatic strengthening of the yen.

Japan insists that the value of the currency should be decided by the markets and that governments should not interfere.

Japan-US tariff talks avoid currency issues

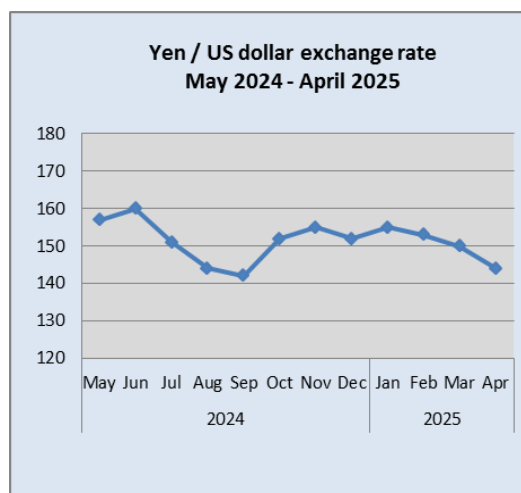
After rising to its strongest level in months the yen weakened against the US dollar in the second half of April after Japan-US tariff talks avoided currency issues but traders remain on guard for pressure from Washington.

The Japanese currency appreciated to 140 yen against the dollar but retreated when Ryosei Akazawa, Japan's Minister for Economic and Fiscal Policy, said afterward that currencies had not been discussed.

After lifting borrowing costs three times since March of last year the BoJ now faces unprecedented US tariff measures which pose a threat to Japan's economy.

See:

<https://www.japantimes.co.jp/business/2025/04/28/economy/boj-to-pause-on-rate-hike/>



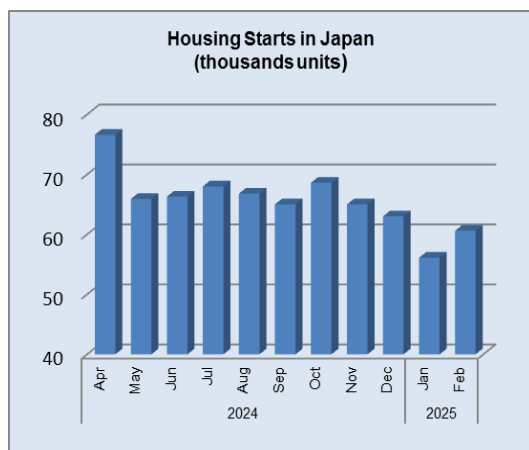
Data source: WSJ

Average price of a new condominium at four year high

The average price of a new condominium exceeded yen 100 million (US\$709,000) for the second straight year in fiscal 2024 according to the Real Estate Economic Institute. That was up 11% from the previous year hitting a record high for the fourth consecutive year. The continual increases were put down to increases in land prices, construction materials and labour expenses.

Tadashi Matsuda, a Senior Researcher, warned that concerns about possible economic stagnation in light of US tariff policy could affect consumer sentiment. The average unit price of new condos in Kanagawa, Saitama and Chiba grew 7.5%, also a record high.

See: https://www3.nhk.or.jp/nhkworld/en/news/20250421_20/



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

Likely pause in BoJ policy of 'normalisation'

The Bank of Japan (BoJ) is widely expected to pause its policy normalisation when it meets 1-2 May without shifting its stance on gradually raising interest rates when the outlook clears.

The BoJ is expected to keep the benchmark rate at 0.5% according to all 54 economists surveyed. BoJ watchers will scrutinise policymakers' quarterly economic projections for any hint on the extent of the pause.

Import update

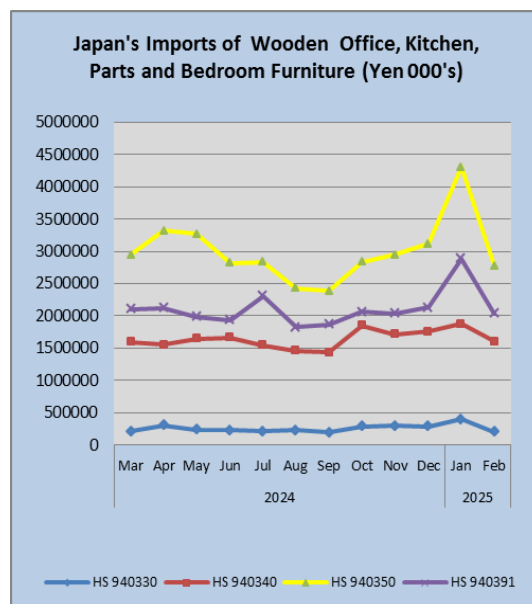
Yen value of furniture imports

January saw the value of imports of each of the four categories of wooden furniture tracked rise to year on year highs but in February there was a major correction with the value of all four categories falling.

In February the yen exchange rate against the US dollar was around 150/US dollar suggesting the correction was not the result of any appreciation of the yen which is now being observed.

As could be expected there was a sharp reduction of wooden furniture arrivals from China as factories there close for the New Year celebrations. The decline in arrivals from Vietnam was also influenced by factory closures for the Tet holiday.

Because China and Vietnam account for a large part of Japan's wooden furniture imports the decline in their shipments drove down overall import values.



Data source: Ministry of Finance, Japan

February wooden office furniture imports (HS 940330)

In February shippers in China accounted for 81% of Japan's imports of wooden office furniture (HS940330), down from the 93% in January. The other main shippers in February were Indonesia (5%) and the US (4%). Arrivals of wooden office furniture from Malaysia in February were down month on month.

Year on year, the value of Japan's imports of wooden office furniture in February down and compared to January there was a sharp reduction.

February 2025 imports (HS 940330)

	Imports Feb 2025 Unit, 000's Yen
China	165,557
Taiwan P.o.C	1,935
Vietnam	3,740
Malaysia	4,125
Indonesia	9,546
UK	506
Netherlands	280
France	-
Spain	1,455
Italy	3,701
Poland	779
Austria	478
Turkey	1,944
Czech Rep.	760
Canada	-
USA	9,194
Mexico	694
Total	204,694

Data source: Ministry of Finance, Japan

February wooden kitchen furniture imports (HS 940340)

The year on year value of Japan's wooden kitchen furniture imports was slightly higher in February but compared to January the value of imports fell around 15%. In February 2025 the combined value of shipments of wooden kitchen furniture (HS940340) from the Philippines and Vietnam accounted for over 77% of Japan's imports of HS940340.

February kitchen wooden furniture imports (HS 940340)

	Imports Feb 2025 Unit, 000's Yen
China	64,406
Taiwan P.o.C	1,113
Vietnam	427,642
Thailand	62,523
Malaysia	11,911
Philippines	799,701
Indonesia	39,134
Sweden	235
Denmark	-
UK	1,903
Germany	124,623
Italy	65,744
Finland	1,551
Hungary	-
Canada	-
USA	2,133
Total	1,602,619

Data source: Ministry of Finance, Japan

Shippers in the Philippines accounted for around 49% of total imports of wooden kitchen furniture in February but shipments from Vietnam dropped to just 28% of total imports of HS940340. The other shippers of note in February were Germany and Italy.

February wooden bedroom furniture imports (HS940350)

The top two shippers of wooden bedroom furniture (HS940350) to Japan in February were China (51%) and Vietnam (36%). Malaysia and Thailand were the other shippers of note in January with Malaysia, seeing a 5% share of February imports, about the same level as in January.

Compared to February 2024 there was an almost 20% decline in the value of imports in February this year and a massive 36% downward correction compared to the value reported for January this year. Over the past four months there was a steady upward trend in the value of wooden bedroom furniture imports to Japan but this trend ended in February but with shipments from China and Vietnam being impacted by New Year celebrations, March may see a reversal.

February wooden bedroom furniture imports (HS 940350)

	Imports Feb 2025 Unit, 000's Yen
S. Korea	-
China	1,425,060
Taiwan P.o.C	271
Mongolia	500
Vietnam	998,578
Thailand	81,595
Malaysia	154,435
Indonesia	32,607
Sweden	2,808
Denmark	-
UK	2,017
France	2,321
Germany	3,947
Switzerland	427
Portugal	-
Italy	33,707
Finland	-
Poland	39,005
Austria	-
Romania	1,648
Lithuania	714
Total	2,779,640

Data source: Ministry of Finance, Japan

February wooden furniture parts imports (HS 940391)

Shippers in China, Indonesia, Vietnam and Malaysia, as in previous months, accounted for most of Japan's imports of wooden furniture parts (HS940391) in February but the total value of imports from these shippers was down compared to a month earlier.

Of the total value of imports 43% was delivered from China, down from January; 19% from Indonesia, unchanged from a month earlier; 11% from Vietnam and 10% from Malaysia, a significant increase. Compared to the value of February 2024 imports there was decline of 9% in the value of February 2025 imports and a 29% decline compared to January.

February wooden furniture parts imports (HS 940391)

	Imports Feb 2025 Unit, 000's Yen
S.Korea	22,498
China	871,155
Taiwan P.o.C	22,126
Vietnam	231,441
Thailand	58,114
Malaysia	207,893
Philippines	2,424
Indonesia	389,381
Cambodia	1,152
Sweden	417
Denmark	908
UK	1,173
France	-
Germany	15,821
Switzerland	3,511
Portugal	3,700
Spain	265
Italy	152,946
Finland	11,610
Poland	20,818
Austria	-
Hungary	1,972
Romania	6,028
Lithuania	1,116
Croatia	341
Czech Rep.	-
Slovakia	6,847
Canada	898
USA	1,209
Mexico	234
Total	2,035,998

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/

No tariffs on wood products

The US President announced reciprocal tariffs on April 2nd, 2025. However, the reciprocal tariff is not on wood products.

President Trump gave the order of tariffs for improve the status of the United States and protect workers. He also will impose a basic tariff of 10 % on all countries and will add tax rates by countries or regions.

Japan's tariff is 24. Vietnam's tariff is 46 %. China's tariff is 34 %. India's tariff is 26 %. South Korea's tariff is 25 %. EU's tariff is 20 %. However, wood products are not subject to tariffs.

Additional tariff rates for China are raised to 20 % from 10 % to avoid the flow of illegal drugs on March 3rd, 2025. Then, China stopped importing American logs on March 4th, 2025. Timber trade tensions are brewing between the U.S. and China.

Oji established corporate forest fund with New Forests

Oji Holdings Corporation in Tokyo, Japan established a corporate forest investment fund, the "Future Forest Innovation Fund" with New Forests Pty Limited in New South Wales, Australia on 26th March, 2025.

The company aims to expand overseas forest plantation areas to achieve the Oji Group's environmental goals for 2030. Oji's stake in Future Forest Innovation Fund is 99 % and New Forests' stake is 1 %.

The company aims to acquire approximately 70,000 hectares of forest plantation areas in South Asia, North America, Central and South America and Africa through this fund, with the goal of net absorption of 1.5 million tons of CO2 in a year by 2030.

By leveraging New Forests' sustainable forest management expertise developed over the past 20 years, advanced information analysis systems and sophisticated use of geospatial data, the company aims to enhance the productivity of the acquired plantations and conserve the biodiversity of surrounding natural forests, thereby improving the sustainable added value of the forests.

The fund will focus on investment activities and forestry management activities, which Oji's policy and intension of forestry management. The fund's forest assets would be Oji's business results.

Severe disaster

Japanese government announced that the Cabinet decided to designate the forest fire in Ofunato city, Iwate Prefecture as a severe disaster on 25th March, 2025. The forest fire occurred on 19th February, 2025.

Related ordinances were also passed at a cabinet meeting on the same day. The government will support Forest Disaster Recovery Project to cut down and remove damaged trees and afforest the areas.

The government published and implement about this at the end of March, 2025.

Since the Act on Special Measures for Disaster Relief against Severe Disasters came into effect, there have been three forest fires that have been the subject of the law, making this the fourth.

Domestic plywood

Plywood manufacturers keep raising the price. 12 mm 3 x 6 structural softwood plywood is 1,030 – 1,050 yen, delivered per sheet in March, 2025. is 30 – 50 yen more than February 2025 Movement of domestic plywood in March, 2025 was worse than the movement in February, 2025.

Some plywood manufacturers could not raise the price by 1,100 yen, delivered per sheet, which they were going to raise the price in March, 2025. Major plywood manufacturers in Japan will raise the price by 50 yen in April, 2025. The price would be 1,150 yen, delivered per sheet.

The price has been raised for four months in a row. The reasons are that the manufactures did not have enough profits and the costs of logs, adhesives, and labors rose.

In Sarawak, Malaysia, there are not enough logs due to the influence of a heavy rain in February 2025. Some plywood plants in Sarawak which manufacture structural plywood and painted plywood for concrete form had a decrease in production in March. The delivery to Japan is delayed.

Movement of South Sea plywood in Japan is sluggish but the inventory is very low due to less arrival volume. Therefore, the price did not decrease even though the trading companies had a financial closing period in March. Rather, the Japanese importers tried to raise the plywood price.

Structural plywood is around 1,550 yen, delivered per sheet. 2.5 mm plywood is around 780 yen, delivered per sheet and this is 30 yen more than last month. 4 mm plywood is around 930 yen, delivered per sheet. 5.5 mm Plywood is around 1,100 yen, delivered per sheet. In South East Asia, 12 mm 3 x 6 painted plywood for concrete form is US\$590 - 600, C&F per cbm. Form plywood is US\$500 - 510, C&F per cbm.

Structural plywood is US\$510 - 520, C&F per cbm. 2.4 mm 3 x 6 plywood is US\$970, C&F per cbm. 3.7 mm 3 x 6 plywood is US\$880, C&F per cbm. 5.2 mm 3 x 6 plywood is US\$850, C&F per cbm.

Increased use of domestic lumber

There is an increase in using domestic lumber for 2 x 4 construction method. According to the survey of demand and supply of domestic lumber in 2023, production of structural lumber for 2 x 4 construction method at JAS certificated plants is 89,435 cbms, 7.4 5 more than 2022. A growth rate in 2023 became dull compared to the growth rate in 2022. It was 9.2 % increased in 2022.

The survey was held to 63 housing companies, 26 component companies and 23 lumber companies. The production of domestic lumber increased for 3 years continuously. The estimated production of 2024 would be 100,200 cbms. The housing companies, which had answered to the survey, would have more new starts in 2024 than 2023.

80 % of production is cedar lumber but cypress lumber in 2023 increased by 6.1 %, 4.3 points more than the previous year. 4 x 4 or 4 x 6 cypress lumber is 6.7 %, 4.9 points more than last year. It is presumed that cypress lumber as sills has increased. Production of Sakhalin fir lumber dropped in 2023 but Sakhalin fir lumber would increase in 2024. Production of 2 x 6 lumber is 23.4 %, 0.9 point more than last year. It would also rise in 2024. 2 x 6 lumber is used at outer walls as high thermal insulation products. A ratio of using finger joints is 30 % and it would be important to use more finger joints for improving the yield.

The results of estimated CO2 emissions from the use of domestic timber were also compiled. It was calculated and compared emissions when using imported and domestic timber for a housing model with the same design.

As a result, the use of domestic timber is approximately 0.64 tons less than that of North American timber and 1.60 tons less than European lumber. However, domestic lumber's CO2 emissions are a lot during the manufacturing process.

The reason is that renewable energy, such as biomass power generation, are consumed at lumber plants in Europe and North America. It would be important to reduce CO2 emissions at the manufacturing process and to contribute decarbonization.

China

Subsidy rules for kitchens and bathroom renovations

The 2025 subsidy rules for home kitchens and bathroom renovations have been released. The rules specify all localities should focus on: green, smart and elderly-friendly improvements, support individual consumers in purchasing items and materials for renovation of old houses, partial renovations of kitchens and bathrooms.

The subsidy includes five major categories, decoration materials, sanitary ware, furniture and lighting, smart home products and home elderly-friendly renovation products. Each Province and City has been given the authority to determine the specific categories based on local industrial characteristics, household consumption habits and the needs of the elderly.

The subsidy shall not exceed 15% of the actual purchase price and 20% for products with energy efficiency or water efficiency features and 30% for elderly-friendly home renovation products. Each region can independently determine the number of subsidised items per person and per type of product, the maximum subsidy amount for a single commodity or household and the cumulative maximum subsidy per household.

The subsidy method should be based on Provincial administrative divisions and in accordance with the principle of territorial implementation.

The participants in the subsidy policy should be determined in a fair and open manner and the subsidy qualification should be determined in a transparent manner.

Currently, subsidy implementation policies have been released in cities such as Shandong, Sichuan and Shaanxi Provinces.

See:

https://www.gov.cn/lianbo/bumen/202501/content_7001500.htm

and

<http://www.linyi.gov.cn/info/2003/396002.htm>

Global furniture supply chain facing shock

The recent announcement of reciprocal tariff policy by the US will target several major sources of American furniture imports and is expected to have a significant impact on the global furniture supply chain.

Data shows that Viet Nam currently accounts for 37% of the total furniture imports by the US and has been subject to a 46% tariff, China faces a tariff rate of 34%. This, combined with the existing 20% tariff rate, brings the actual tariff rate on Chinese furniture to 54%. At present, China and Viet Nam account for 60% of the total furniture imports by the US.

In addition, other major furniture suppliers to the US, such as Mexico, Canada, Italy, Malaysia, Indonesia and Thailand have all been subject to double-digit tariffs rates. The emerging supplier, Cambodia is facing a tariff rate of 49%, even higher than that of Viet Nam.

The tariff rates of EU countries including Poland, Italy, Turkey and Portugal are 20%. However, considering the high manufacturing costs of these countries, they will find it difficult to gain any significant advantage from this tariff adjustment.

As early as 2004, after the US imposed anti-dumping duties on China's bedroom furniture, Viet Nam began to make its mark in the global furniture supply chain.

During the China-US trade friction in 2019 many furniture manufacturers moved their production lines from China to Viet Nam, enabling it to rise from second place to the top exporter of US furniture. This tariff policy may change this pattern again.

Regarding the policy's goal of bringing manufacturing back to the US industry experts point out that labour shortages are one of the main challenges, especially when many industries affected by tariffs are seeking to localise production and this issue may become even more prominent.

This extensive tariff adjustment is expected to affect all furniture imports entering the US and the global furniture purchasing pattern may undergo fundamental changes as a result.

See: <https://c.m.163.com/news/a/JSSJO26505533NHR.html>

Tariff impact on China's furniture industries

Some foreign furniture enterprises have introduced short working time. For example Yihe Furniture located in Huizhou, Guangdong Province issued a notice stating that the introduction of the new US tariff policy has severely impacted the company's business and closed operations for a short time.

The unprecedented tariff barrier will not only reshape the global furniture trade pattern but also push many furniture exporters to the brink of collapse. The furniture industry is one of the pillars of China's exports to the US and the sector has relied on demand in the US market for a long time.

According to customs data the total value of China's furniture, bedding and lighting fixtures exports to the US were approximately RMB224.7 billion in 2024. However, the US tariff rate of 170% will eliminate the US market for Chinese furniture.

Writers in China say what is more worrying is that the effect of tariffs is destroying the profit margins of enterprises. The furniture industry has always been characterised by low profit margins but high sales volumes. The net profit margins of most enterprises are only between 5% and 10%.

The case of Yihe Furniture is not an isolated one. Since the tariffs gradually rose in early 2025 more than 20% of small and medium-sized furniture export enterprises have been facing serious challenges.

The three main problems currently faced by China's furniture industry are:

- The tariffs rates will significantly reduce the competitiveness of Chinese furniture in the US market.
- High tariffs rates have led to the cancellation or postponement of some orders forcing enterprises to confront a large amount of inventory overstock. Overstocking undermines the cash flow of enterprises.
- The furniture industry has a long production cycle due to tight capital chains. It usually takes 3 to 6 months from raw material procurement to finished product shipment. Under the circumstances of reduced orders and overstocked inventory, the collection cycle of enterprises has been prolonged and the risk of a broken capital chain has risen sharply.

The impact of tariffs is not limited to export enterprises but has also spread throughout the entire furniture industry chain. Upstream and downstream enterprises such as raw material suppliers, logistics companies and design companies have also been deeply affected.

Under the name of "reciprocal tariffs", the US attempts to promote a revival of domestic manufacturing in the US.

Meanwhile, American consumers are bearing the cost of the increased tariffs. Due to supply chain shifts and rising production costs furniture prices in the US market have generally increased, with the retail prices of some mid-to-low-end furniture rising by more than 20%.

High tariffs rates may force China's furniture industry to accelerate its transformation and upgrading in the long term. Chinese furniture won by "low cost and high output" in the past. However, against the background of the rise of trade protectionism technological innovation, brand building and market diversification will become the keys for the furniture industry success.

See: https://www.wood365.cn/Industry/IndustryInfo_282161.html
and
https://www.wood365.cn/Industry/IndustryInfo_282215.html

Timber shipments via the China-Europe freight train

Since the first return trip of the China-Europe freight train from Linyi to Moscow in March 2018 a total of 207 special timber trains have transported goods valued at RMB730 million.

Linyi is known as the "Capital of China's Wood Panels". Linyi is strategic node for the China-Europe freight trains in Shandong Province and companies have utilised the rail service to help Linyi build itself as a timber import distribution centre and the largest international timber trading market in Shandong Province. The policy of "one declaration, one inspection and one release" for imported goods has proven to raise competitiveness.

Linyi has opened six China-Europe freight train lines, providing a smooth logistics channel for importing wood from Europe. To facilitate enterprises, enhance customs clearance efficiency and reduce the accumulation of goods at ports Customs has implemented a "two-stage access" supervision system in Linyi city.

The first stage determines "whether the goods are allowed to enter the country" at the port and the second stage determines "whether the goods are allowed to enter the domestic market for sale or use" at the final destination. Under this pattern, imported goods can be released from the port in advance and inspected at the destination which helps solve the problem of high storage costs at the port. Through the China-Europe freight train imported timber has brought great business opportunities to enterprises in Linyi City of Shandong province.

See: <https://baijiahao.baidu.com/s?id=1830370258842832228&wfr=spider&for=pc>

March GGSC report

In March China's National Afforestation Commission released a communique on China's land greening status in 2024 highlighting progress made over the past year. In 2024, China completed afforestation of 4.446 million hectares with the forest coverage rate surpassing 25% and the forest stock volume exceeding 20 billion cubic metres.

The latest data from the General Administration of Customs indicated that the overall performance of China's exports was positive in January and February this year. Exports reached 3.88 trillion yuan, setting a new high for the period and representing a 3.4% increase year-on-year.

However, the home furnishing and building materials industry encountered a downturn during this period, with the exports of furniture and parts (71.78 billion yuan) seeing a decrease of 14.5%.

In March China's timber market demand began to enter its traditional peak season. However, domestic port inventories and import costs remained high, leading to significant financial and inventory pressures for timber traders.

Recently, the Chinese government announced efforts to reverse the property market downturn and stabilise the sector and to intensify the implementation of urban village and old housing renovations.

In addition, in terms of urbanisation, efforts will be made to include eligible rural migrants in the housing security system. These measures are expected to enhance and consolidate the demand for wood and wood products.

GTI-China index

In March 2025 the GTI-China index registered 58.1%, an increase of 14.0 percentage points from the previous month and was above the critical value (50%) after 4 months indicating that the business prosperity of the timber enterprises represented by the GTI-China index expanded from the previous month.

With the arrival of the traditional peak season for China's timber market all circulation links in its timber sector showed upward trend and both production volume and domestic new orders saw a significant increase in March.

As for the sub-indexes, all the twelve indexes were above the critical value of 50%. Compared to the previous month, the twelve indexes (production, new orders, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, import, inventory of main raw materials, employees, delivery time and market expectation) increased.

See: <https://www.itto-ggsc.org/static/upload/file/20250418/1744957176173218.pdf>

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

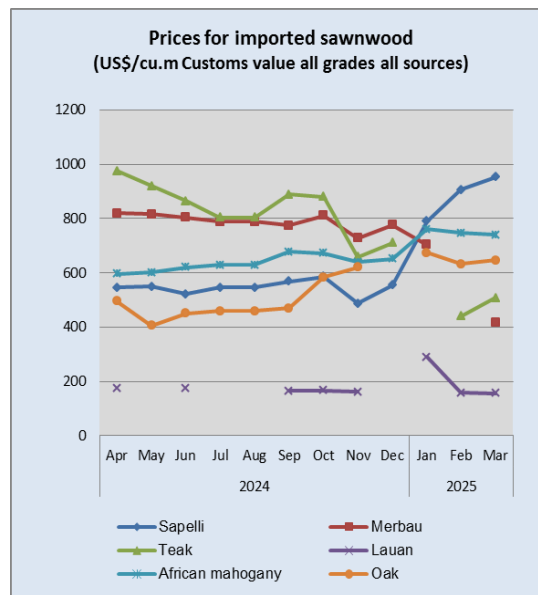
	2025 Feb	2025 Mar
Okoume	381	536
Merswa	212	272
Teak	483	491
Merbau	169	168
Birch	474	471
Oak	141	144

Data source: Customs, China

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

	2025 Feb	2025 Mar
Sapelli	906	953
Merbau		417
Teak	440	507
Lauan	157	156
African mahogany	746	739
Oak	632	547

Data source: Customs, China



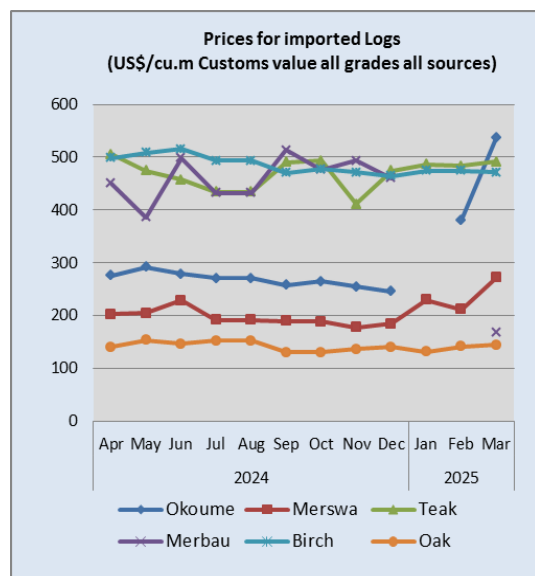
Data source: Customs, China

EU

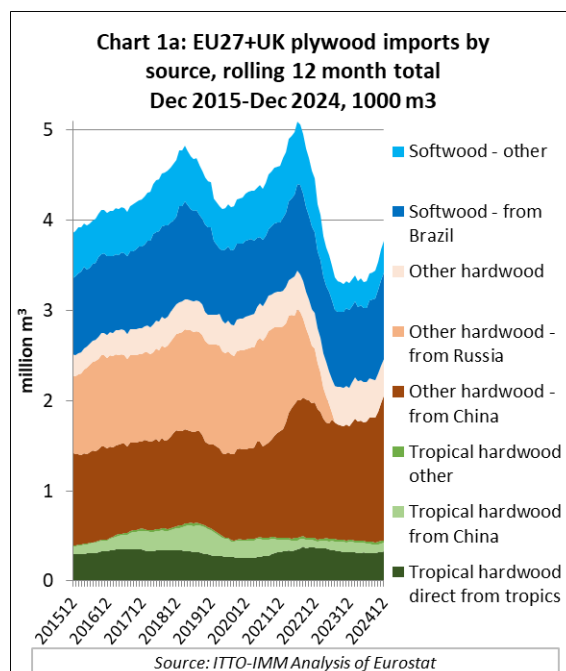
European plywood imports rebound 14% in 2024

Total EU+UK imports of plywood from outside the region in 2024 were 3.77 million cu.m, up 14% compared to the previous year when imports were at the lowest level for 15 years. Import value increased by 8% to US\$1.82b last year.

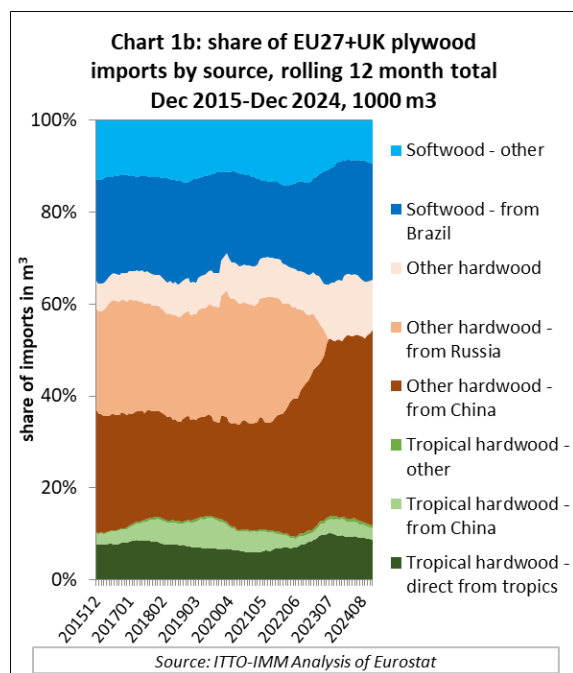
While the rebound was significant, import quantity in 2024 was still the second lowest in a decade and well below annual average imports of 4.25 million cu.m in the years immediately before the covid pandemic. The rise in 2024 owed much to a sharp increase in imports during the last quarter of the year, particularly in temperate hardwood plywood from China (Chart 1a).



Data source: Customs, China



In terms of import market share in the EU+UK region, the biggest shift last year was an increase in the share of plywood faced with temperate hardwood from China, largely at the expense of tropical hardwood plywood, both direct from the tropics and from China (Chart 1b).



Sharp rise in European market share for Chinese hardwood plywood

The share of temperate hardwood plywood from China in total EU+UK import quantity increased from 38.1% in 2023 to 42.6% in 2024.

The import share of temperate hardwood plywood from other countries fell from 13.2% in 2023 to 10.9% in 2024, continuing a sharp declining trend which began in 2022 with the progressive tightening of European sanctions against wood products originating in Russia and Belorussia.

The share of tropical hardwood plywood in total EU+UK imports fell from 13.7% in 2023 to 11.8% in 2024, with the share of direct imports from the tropics down from 9.6% to 8.8% and import share from China down from 3.6% to 2.4%. The share of softwood plywood in total EU+UK imports fell slightly from 34.9% to 34.6% with Brazil maintaining its dominance of this market.

EU domestic plywood manufacturers have been unable to significantly increase production in response to the supply gap that opened following the sanctions on Russian and Belorussian products.

Data from the European Panels Federation (EPF) indicates that total EU plywood production fell 15% to 2.6 million cu.m in 2023, the lowest ever recorded and only about half the volume of nearly 5 million cu.m per annum prevailing before the COVID pandemic.

EU plywood production figures for 2024 are not yet available, but EPF projected last year that it was unlikely to increase by more than 2%.

Weak construction sector leads to low plywood consumption in Europe

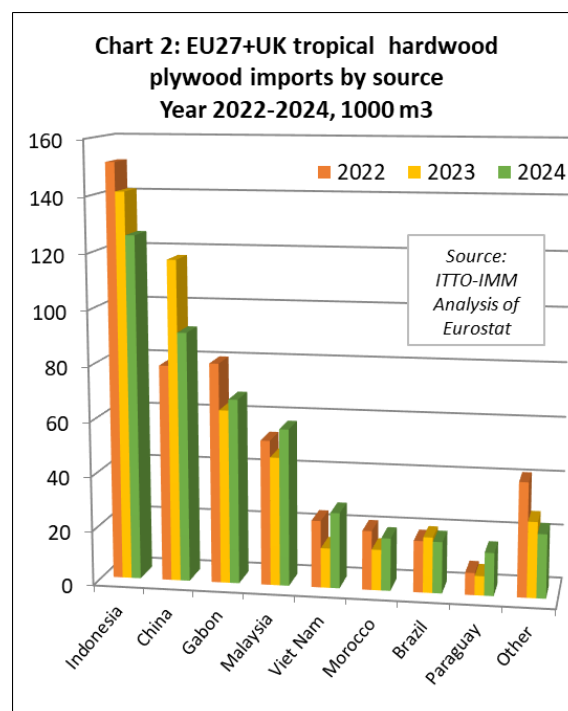
On the import side, European importers were reporting no significant problems in obtaining sufficient volume to meet demand in 2024. Rather the historically low level of imports during the year was driven by continuing slow consumption. The Eurostat construction production index fell by 1.3% between January and September last year, although it did recover all the lost ground in the last quarter.

Another factor impeding plywood imports last year was a sharp hike in freight rates from Asia to Europe during the middle of the year. This was partly attributed to attacks on shipping in the Red Sea, leading to vessels having to avoid the Suez Canal and take the long route around the tip of Africa.

On the Shanghai to Rotterdam route, rates for 40-ft contained increased from around \$3000 at the start of May to peak at over \$8250 at the end of July, before falling back to around US\$4000 by the end of October. This year they have fallen further and now stand at around US\$2300.

European imports of tropical hardwood plywood down 2% in 2024

Imports of plywood faced with tropical hardwood into the EU+UK region last year totaled 446,900 cu.m in 2024, 2% less than the previous year. In value terms imports increased 3% to US\$293m last year. Last year EU+UK imports of tropical hardwood plywood direct from tropical countries held up better than imports of tropical hardwood plywood from China (Chart 2).



EU+UK imports of tropical hardwood faced plywood from China, mainly destined for the UK, decreased 22% to 91,300 cu.m in 2024. However, EU+UK plywood imports direct from tropical countries in 2024 were 330,400 cu.m, 4% more than the previous year.

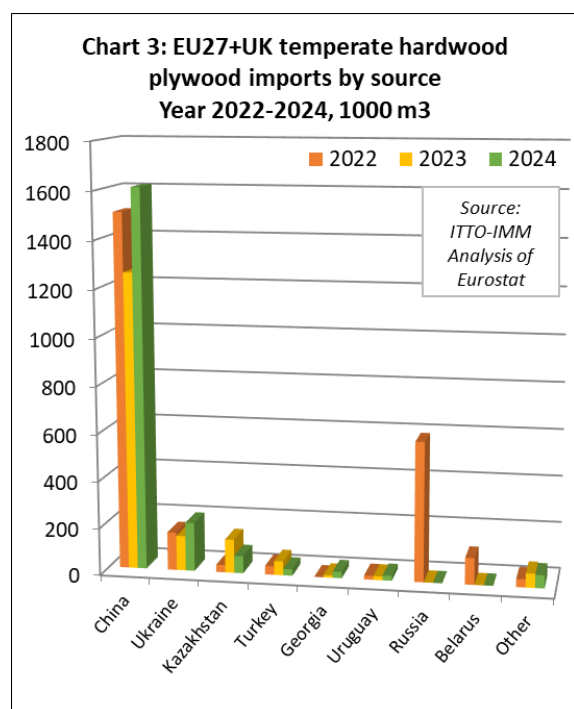
There was a 6% increase in imports from Gabon to 67,600 cu.m, a strong 22% rebound in imports from Malaysia to 57,500 cu.m, and a 91% increase in imports from Vietnam to 27,700 cu.m. Imports of okoume plywood from Morocco were also up 29% to 19,300 cu.m, and eucalyptus plywood imports from Paraguay increased by 122% to 15,700 cu.m.

These gains were partly offset by an 11% fall in tropical hardwood plywood imports from Indonesia to 125,700 cu.m and a 7% decline from Brazil to 18,800 cu.m.

European imports of temperate hardwood plywood increase 19% in 2024

EU+UK plywood imports of temperate hardwood plywood increased 19% to 2,019,600 cu.m in 2024. Imports of temperate hardwood plywood increased 10% in value terms, to US\$1.03b.

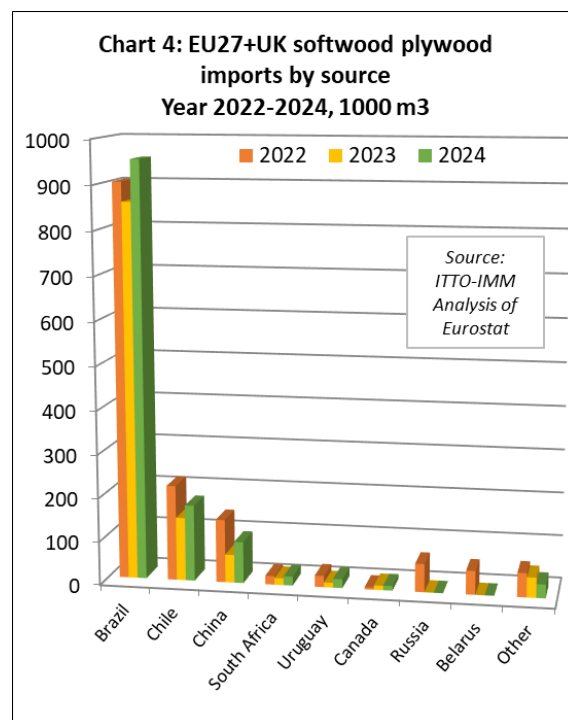
The gains were mainly due to imports from China and Ukraine, which were 1,609,000 cu.m and 206,400 cu.m in 2024, respectively 28% and 39% more than in the previous year. Imports of temperate hardwood plywood from Kazakhstan were down 49% to 73,000 cu.m last year, while those from Turkey fell 53% to 27,800 cu.m. However, imports from Georgia increased 172% to 26,800 cu.m (Chart 3).



Rising European imports of softwood plywood from all leading supply countries

The EU+UK region imported 1,306,900 cu.m of softwood plywood in 2024, 13% more than the previous year. Import value increased 9% to US\$494m during the year.

Import quantity increased from all the main supply countries including Brazil (+11% to 935,500 cu.m), Chile (+20% to 174,900 cu.m), China (+47% to 95,200 cu.m), South Africa (+33% to 20,800 cu.m), and Uruguay (+88% to 20,600 cu.m).



EU anti-dumping measures targeting plywood imports

The decline in European imports of temperate hardwood plywood from Kazakhstan and Turkey in 2024 followed on from the extension of EU anti-dumping measures on imports of birch plywood, previously applied to Russian products, to imports from the two countries.

The European Commission announced the extension in May last year following their investigation which concluded that EU anti-dumping duties on imports of birch plywood from Russia were being circumvented by imports transshipped from Russia to Kazakhstan and Turkey, or sent for final completion to these countries, preceding shipment of the finished product to the EU.

In October 2024, the European Commission initiated an additional anti-dumping investigation, this time concerning imports of hardwood plywood from China. That investigation is still on-going. As part of this procedure, in December 2024 the EU introduced a law requiring registration of all hardwood plywood imports from China.

The measure is designed to ensure that all such imports entering the EU are meticulously recorded by national customs authorities. According to the law, the purpose of registration is “to ensure that, if the investigation results in findings leading to the imposition of anti-dumping duties, those duties can, if the necessary conditions are fulfilled, be levied retroactively on the registered imports”.

In March this year, the European Commission launched an anti-dumping investigation into allegations by a consortium of large European plywood producers that Brazilian softwood plywood imports in the EU are being sold at unfairly low prices.

As part of the probe, all Brazilian softwood plywood imports must now be registered at EU borders to allow customs authorities to retroactively impose additional duties if the investigation confirms dumping practices.

US-EU face-off on tariffs

Following the US administration's announcement to impose US tariffs of 25% on all aluminium and steel imports the EU launched a consultation in March on possible retaliatory tariffs. A very large range of US forest products were included in the initial list of products pencilled in for retaliatory EU tariffs. Several EU forest products trade and industry groups provided input into the EU consultation asking that these products be removed from the list to discourage any imminent trade war between the US and EU from spilling over into the forest products sector.

On 2 April, the US President issued an Executive Order that imposed, starting 9 April, an additional ad valorem duty on all US imports from all trading partners, with some specific exceptions.

For the forest products sector, a notable exception is everything up to and including 4413 in HS Chapter 44 - that is biomass, chips, poles, logs, lumber, sleepers, mouldings, veneer, plywood and densified wood.

These wood products are exempt from the 2 April Executive Order because they are subject to an on-going investigation under the terms of another Presidential Executive Order issued on 1 March targeting lumber products that may lead to alternative sector-specific tariffs in the future.

The additional US duty on products not subject to an exception was slated to start at 10% for all trade partners with additional duties above this level imposed on trading partners determined largely by the size of their trade surplus in goods with the U.S. The duty on goods imports from the EU was slated at 20%, while the UK would be subject to the baseline 10% tariff.

The EU voted on 9 April on the first tranche of US products to be subject to 25% retaliatory tariffs in response to the earlier U.S. tariffs on steel and aluminium products. While some U.S. hardwood products have been targeted by the EU, the list is much reduced from the original proposal sent out for consultation in March.

According to unofficial analysis by the American Hardwood Export Council, products targeted for EU retaliatory tariffs account for around 10% of the total value of US hardwood primary products imports (logs, lumber, veneer, plywood, mouldings) into the EU.

The EU retaliatory list excluded some of the largest U.S. hardwood export items, notably all hardwood logs, all oak lumber, lumber of "other" hardwood species (which covers species such as walnut, tulipwood, and hickory), and thin veneers. The products included were generally less prominent in U.S. exports to the EU, such as ash, cherry, and maple lumber.

Following the 9 April announcement of a 90-day delay to the imposition of all US tariffs above the 10% baseline to allow time for negotiations, the EU responded by announcing that their package of retaliatory tariffs would also be delayed. The EU tariffs on US hardwood products are now scheduled to be imposed from 16 July.

Overall, the fact that both the US and EU have so far refrained from imposing additional tariffs on their bilateral trade in primary wood products has been seen by the wood industry in the EU as a partial win in their efforts to avoid the forest products sector being dragged into the wider trade war.

It is only a partial win because a large proportion of secondary and tertiary processed wood products, including all wood furniture products, are still slated for retaliatory tariffs by both the US and EU, respectively of 20% and 25%, in their bilateral trade. If no agreement can be reached in on-going negotiations these tariffs will be imposed in July.

Challenge to EU manufacturers from products diverted away from the US

For the European forests products sector the direct impact of additional tariffs on bilateral trade with the US, while significant, may be less of an issue than the impact of the new US tariffs on global supply chains and the wider economy.

Total EU exports of forest products to the US, which averaged US\$9.37 bil. each year between 2022 and 2024, accounted for 14% of the US\$65 bil. total EU annual exports of forest products outside the region during that period.

A large proportion of EU products exports to the US include added-value products such as wood furniture, finished joinery, engineered wood and specialist paper products that will be subject to the US 20% import tax if no agreement is reached between the US and EU before July. This would be a significant hit to overall EU forest products exports but not an overwhelming challenge for most manufacturers which are oriented more towards supplying the large domestic market.

A bigger challenge may arise from the diversion of a large proportion of products produced in other parts of the world, previously destined for the US, towards the European market. Last year, the US imported US\$66 bil. of forest products including US\$22 bil. of wood (HS44), US\$22 bil. of wood furniture (HS94), US\$18 bil. of paper (HS48) and US\$4 bil. of pulp (HS47).

Switching even a relatively small proportion of this volume towards European markets could quickly overwhelm domestic manufacturers already struggling under pressure of relatively low consumption and high costs of production.

This risk of diversion to Europe is heightened by US plans, announced on 18 April, to impose port fees on Chinese ships arriving at US ports. From mid-October, Chinese ship-owners and operators will be charged US\$50 per tonne of cargo with the fees increasing by US\$30 a tonne each year for the next three years.

This may increase the likelihood of the EU launching further anti-subsidy and anti-dumping investigations and implementing other policy measures to protect domestic manufacturers in the forest products and other sectors in the future.

On the other hand, as noted in a recent article on the Politico website, “now that the United States...is convulsing global markets and trade networks with its barrage of duties - the European Union is being quick to step up and cast itself as the heavyweight liberal trade bloc that is open for business”. Swedish Trade Minister Benjamin Dousa told Politico on the margins of a recent meeting of EU trade ministers in Luxembourg that “there is a sense of urgency among member states that we have to open new trade routes, we have to sign new free trade agreements.”

According to Politico, “Since being confirmed in December, von der Leyen’s European Commission II, which handles trade policy on behalf of the bloc’s 27 members, has been on a deal-making roll. Brussels has concluded decades-long talks with the Mercosur bloc, as well as with Mexico and Switzerland. It has also relaunched negotiations with Malaysia and opened discussions with the United Arab Emirates. Von der Leyen has pledged to wrap up a hard-to-get FTA with India this year and is eager to explore ‘closer cooperation’ with the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)”.

These agreements are for the future, but for now some early signs of trade diversion away from the US to the European market are already emerging. An article by the British Broadcasting Corporation (BBC) quotes Marco Forgiione, Director General of the Chartered Institute of Export & International Trade, as suggesting that the tariffs have already caused “significant build ups” of ships, especially in the European Union, but also “significant congestion” at UK ports.

“We’ve seen a lot of diversion of ships from China that were due to head to the US, diverting and coming to the UK and into the EU,” Mr. Forgiione is reported to have said. In support of this, the BBC notes that in the first three months of 2025 Chinese imports into the UK have increased by about 15% and into the EU by about 12%.

The BBC article also refers to comments by Sea-Intelligence, an independent analyst, that there may be an “all-time high deployment of ocean shipping capacity on the Asia to North Europe route

Other analysts note that tariffs are only one factor contributing to current congestion at European ports. The BBC quotes Sanne Manders, president of logistics firm Flexport, as saying that strikes at ports in the Netherlands, Germany and Belgium in the first three months of the year are also playing a role. He also observed that while shippers are looking for new markets, there may be well be a surge of goods to the US to try to take advantage of the 90-day window for goods from some countries.

Impact of tariffs on European economy may be small

The potential impact of the tariffs on the wider European economy has been analysed by Bruegel, an independent European thinktank. Bruegel note that the hit for the European economy will depend on the actual tariff rate the US settles on and on the EU’s response, both of which are still uncertain. However, Bruegel also suggests that the overall shock is small compared to other recent shocks such as the covid pandemic and the energy crises that followed Russia’s invasion of Ukraine.

Bruegel summarises the findings from five studies that estimate the long-term impacts on Europe of various tariff scenarios – including a trade deal with the US, unilateral US tariffs and US tariffs plus retaliation. The average assessed impact across all studies and scenarios is a 0.3% contraction in EU-wide GDP. All scenarios bar one calculated a drop between zero and 0.5 percent of GDP for the EU.

The overall shock is constrained because of the relatively limited exposure of the EU economy to trade with the US. While 21% of total extra-EU exports go to the US, the EU value added embedded in them represented only about 2.9% of EU GDP in 2021. However, some EU countries are more exposed than others. The German economy could be particularly severely affected if no agreement with the US is reached, with an average estimated GDP contraction of 0.4%.

See: <https://www.bbc.co.uk/news/articles/cly517p1zgqo> and <https://www.bruegel.org/analysis/economic-impact-trumps-tariffs-europe-initial-assessment> and <https://www.politico.eu/article/us-donald-trump-tariff-war-empowering-eu-europe-free-trade-commission/>

Builder earnings signal soft new home market

Housing starts, a measure of home construction, dropped to an annual rate of 1.324 million units in March, a 11.4% decline from February according to new Census Bureau data. That marked the steepest plunge in a year.

Home-building giant D.R. Horton signaled that the market for new homes is shaping up worse than anticipated. The company has missed earnings expectations and cut its full-year guidance, citing a slower selling season than it had hoped for.

Stubbornly high home prices and high mortgage rates have kept home buyers on the sidelines for months forcing many builders to offer incentives and discounts to close their contracts.

Threats of tariffs threaten to hobble the market for new homes further. Economists say that the trade war is increasing the likelihood of an economic recession. Americans tend to postpone big purchases when they are concerned about a slumping economy, fearing that their jobs may be at risk, or worry about stock-market losses.

Home builders are also vulnerable to higher costs for steel, glass and other imported materials. About 7% of the goods used in residential construction are imported, primarily from Canada, Mexico and China, which are among the countries targeted by tariff actions. The administration's deportation of workers without permanent legal status is another blow to an industry that relies, to some extent, on these labourers.

Single-family-home construction led the housing-starts slowdown with a 14.2% decline from February and a 9.7% drop from the year before. The price of new homes has eased from the peak as builders offer mortgage-rate buydowns and other incentives to clear inventory but inventory levels of newly built homes remain at their highest in 16 years.

There were some bright spots. Housing starts in the Midwest were 76% higher than in February and permits for new housing units, a metric of future construction, ticked up slightly with a 2% increase from February.

Canadian housing starts fell in March to their lowest level in seven months missing market expectations by a wide margin. Housing starts across Canada came in at a seasonally adjusted annualised rate of 214,155 units, a 3% drop from the month before, Canada Mortgage and Housing Corp. said.

The drop in March was the second straight month that housing starts weakened and comes at a time of heightened economic uncertainty due to US trade policy.

Builder confidence indicate slow start for spring housing season

Growing economic uncertainty stemming from tariff concerns and elevated building material costs kept builder sentiment in negative territory in April, despite a modest bump in confidence likely due to a slight retreat in mortgage interest rates in recent weeks.

Builder confidence in the market for newly built single-family homes was at 40 in April, edging up one point from March, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI).

"The recent dip in mortgage rates may have encouraged some buyers in March helping builders with sales activity," said NAHB Chairman Buddy Hughes. "At the same time, builders have expressed growing uncertainty over market conditions as tariffs have increased price volatility for building materials at a time when the industry continues to grapple with labor shortages and a lack of buildable lots."

"Policy uncertainty is having a negative impact on home builders, making it difficult for them to accurately price homes and make critical business decisions," said NAHB Chief Economist Robert Dietz.

When asked about the impact of tariffs on their business, 60% of builders reported their suppliers have already increased or announced increases of material prices due to tariffs. On average, suppliers have increased their prices by 6.3% in response to announced, enacted, or expected tariffs. This means builders estimate a typical cost effect from recent tariff actions at \$10,900 per home.

The latest HMI survey also revealed that 29% of builders cut home prices in April, unchanged from March. Meanwhile, the average price reduction was 5% in April, the same rate as the previous month. The use of sales incentives was 61% in April, up from 59% in March.

April jobs report shows healthy economy despite tariff concerns

Hiring in the US surged in March blowing past economists' expectations and accelerating job growth from the previous month according to the latest report from the Labor Department. The US added 228,000 jobs in March. That figure amounted to robust hiring and marked a major increase from the 151,000 jobs added in the previous month. The unemployment rate ticked up slightly to 4.2%, but it remains historically low.

The uptick in hiring last month came despite staff cuts imposed by the federal government amid cost-cutting efforts undertaken by the Department of Government Efficiency. Federal government employment declined by 4,000 jobs in March, following a drop of 11,000 jobs the previous month.

Despite escalating trade tensions and market turbulence since the new administration took over in January the economy remains in solid shape by several key measures.

The unemployment rate stands at a historically low level. Meanwhile, inflation sits well below a peak seen in 2022 though price increases registered nearly a percentage point higher than the Fed's goal of 2%.

Job gains came primarily in health care, transportation and warehousing. Employment showed little change over the month in other major industries, including construction and manufacturing.

See: <https://www.bls.gov/news.release/empstat.nr0.htm>

Consumer confidence continues to slide

Consumer sentiment soured even worse than expected in April as the expected inflation level hit its highest since 1981 according to the University of Michigan survey. The survey's mid-month reading on consumer sentiment fell to 50.8, down from 57.0 in March and below the Dow Jones consensus estimate for 54.6.

The move represented a 11% monthly change and was 34% lower than a year ago. It was the lowest reading since June 2022 and the second lowest in the survey's history going back to 1952.

Respondents' expectations for inflation a year from now leaped to 6.7%, the highest level since November 1981 and up from 5% in March.

Sentiment declines came across all demographics, including age, income and political affiliation, according to Joanne Hsu, the survey's director. "Consumers report multiple warning signs that raise the risk of recession: expectations for business conditions, personal finances, incomes, inflation and labour markets all continued to deteriorate this month," Hsu said.

See: <http://www.sca.isr.umich.edu/>

March contraction in manufacturing

US manufacturing activity declined in March reversing two months of modest growth as new orders, production, and employment all contracted according to the Institute for Supply Management (ISM).

The ISM Manufacturing Purchasing Managers' Index (PMI) fell to 49%, down from 50.3% in February. A PMI below 50 indicates contraction in the manufacturing sector. While overall economic activity continued to expand for the 59th straight month the manufacturing downturn signals growing strain from tariffs, supply chain uncertainty and global tensions.

Seven of the 16 industries surveyed by ISM reported contraction in March with the Wood Products industry reporting the largest decline. The Furniture & Related Products industry also reported a decline in March.

See: <https://www.ismworld.org/supply-management-news-and-reports/reports/ism-report-on-business/>

Tariffs on Canadian lumber could double

Tariffs on Canadian lumber entering the US are anticipated to more than double by September, according to the US National Association of Home Builders (NAHB).

The US Department of Commerce has made a preliminary determination to significantly increase tariffs on Canadian lumber imports. The current combined countervailing and anti-dumping duties of 14.5% may rise to 34.5% following the annual review. The higher tariffs, resulting from a longstanding trade dispute, are expected to come into effect after a final review in August or September.

This move is separate from the global reciprocal tariffs announced by the US government which has maintained exemptions for Canadian lumber under the new tariffs. NAHB has expressed concern that tariffs could exceed 34.5% later in the year.

The association has filed a comment letter with the Department of Commerce arguing that housing is a critical component of national security and opposing further tariffs. The worst-case scenario would be an additional tariff on top of the proposed increase.

See: <https://www.msn.com/en-us/money/markets/tariffs-on-canadian-lumber-expected-to-double-by-september/ar-AA1CCSjJ?ocid=HPCDHP>

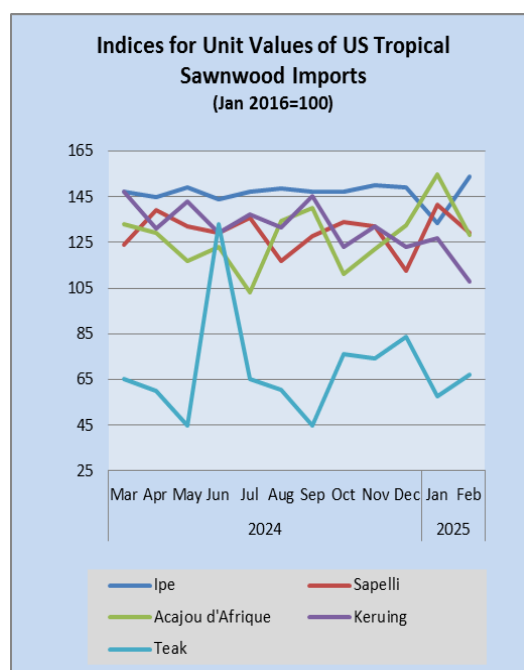
While other tariffs are delayed, US/China face-off escalates

The US government has paused additional tariffs for most countries in the world, keeping the minimum 10% across the board reciprocal tariffs announced earlier in April. However tariffs on goods from China were increased sharply.

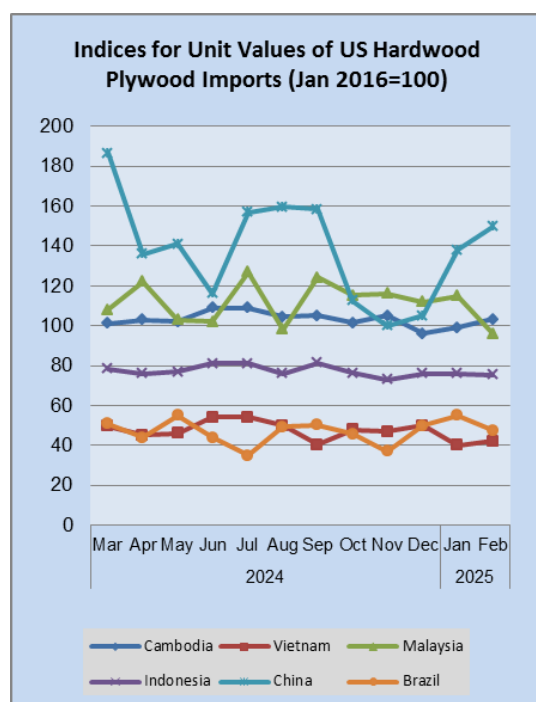
The HFA, a North American trade association dedicated to supporting and advancing the interests of home furnishings retailers, warned its members that these tariffs would mean higher sourcing costs, potential inventory shortages and a 15% drop in furniture imports for 2025. The association urged its members to reevaluate supply chains, communicate pricing adjustments and why and prepare for possible freight and logistics delays.

According to the National Hardwood Lumber Association exports to China have virtually stopped and the existing ban on US logs remains in place. Even higher tariffs are unlikely but access to the Chinese market will stay severely restricted. This applies to shipments after April 10 arriving in China after May 13.

See: <https://www.woodworkingnetwork.com/news/woodworking-industry-news/tit-tat-tariff-spat-continues-between-us-and-china>



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.

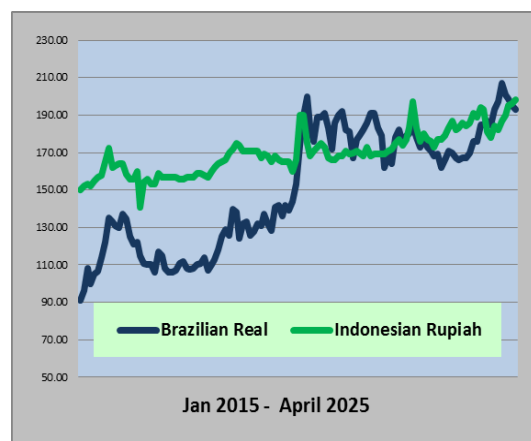
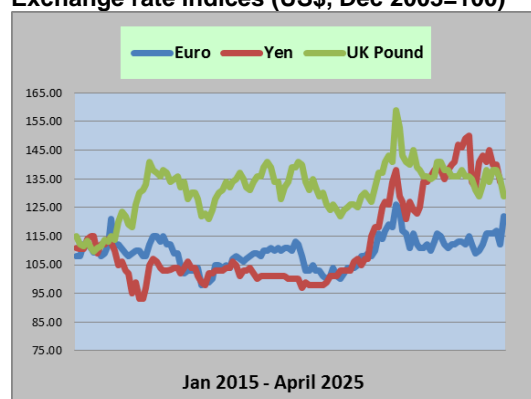
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

US Dollar Exchange Rates

As of 25 April 2025

Brazil	Real	5.68
CFA countries	CFA Franc	577.58
China	Yuan	7.29
Euro area	Euro	0.88
India	Rupee	85.39
Indonesia	Rupiah	16,804
Japan	Yen	144.22
Malaysia	Ringgit	4.37
Peru	Sol	3.56
UK	Pound	0.75
South Korea	Won	1,438.36

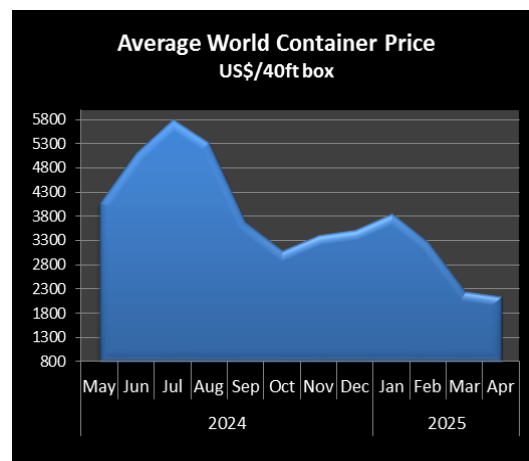
Exchange rate indices (US\$, Dec 2003=100)



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

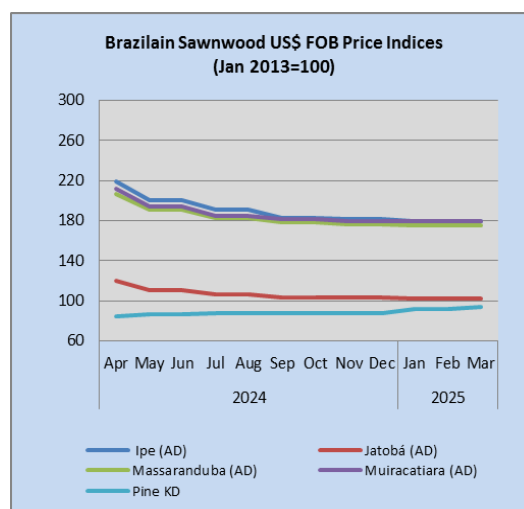
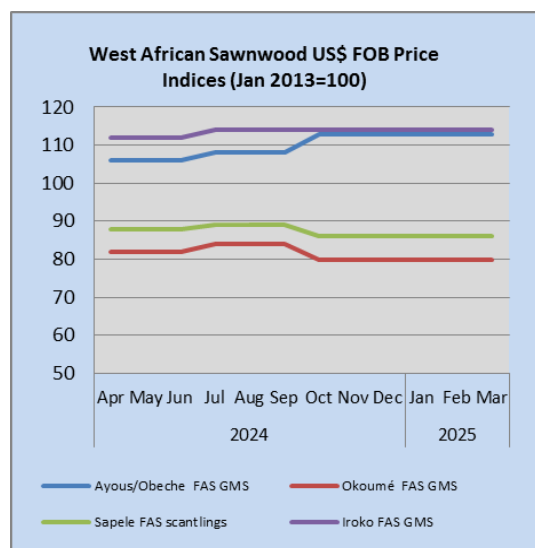
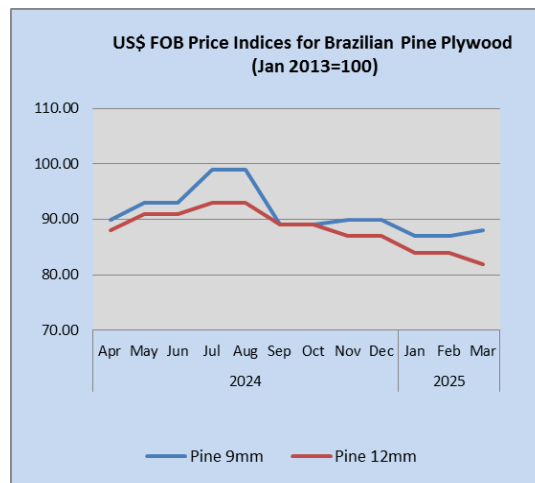
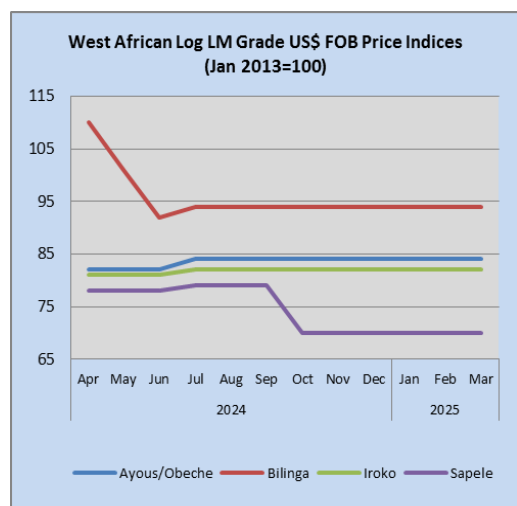


Data source: Drewry World Container Index

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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