

# Tropical Timber Market Report

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## Top story

### Malaysia and Viet Nam increase share of the European hardwood plywood market

Imports of plywood faced with tropical hardwood into the EU+UK were 191,400 cu.m in the first five months of 2025, 6% more than the same period in 2024.

There were particularly large year-on-year increases in imports from Malaysia, up 49% to 36,300 cu.m and Viet Nam which rose 120% to 19,500 cu.m. Imports of hardwood plywood also increased from Brazil and Paraguay.

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### Regional update

#### International demand remains muted

The timber sector across the region ended August with prices remaining broadly stable, though international demand is still muted. Political developments are shaping the business climate with presidential elections taking place in Cameroon and Congo and local elections will be held in Gabon.

At the same time unpredictable weather patterns are creating difficulties. Cameroon is experiencing widespread flooding that is affecting communities and transport networks while the Congo has experienced heavy flooding in Brazzaville and across the river in Kinshasa.

#### Gabon

According to the First Quarter 2025 Sectoral Outlook published by the Ministry of Economy and Finance at the end of March the composite index for activities in the timber sector increased by 15% compared to the previous quarter. This increase, as stated in the Sectoral Outlook publication, was driven mainly by demand from China.

See: <https://www.gabonreview.com/industries-du-bois-une-hausse-de-153-au-premier-trimestre-2025-sous-limpulsion-de-la-chine/#respond>

In-country producers report adequate supplies of Azobe logs and sawnwood with European buyers, particularly in the Netherlands which continues to prioritise Azobe for dragline mats. However, demand for Okan has picked up as it is now being used in combination with Azobe for the same application. This has boosted Okan prices which showed some firming towards the end of the month.

The Okoume market remains steady with continued domestic sales from millers in the NKok zone. Milling for the domestic market is continuing at a steady pace but production for export proceeds slowly.

After the extended rainy season repairs to laterite roads are underway across the south including the Okonja–Makoukou road. August and September mark the middle of the dry period with cooler temperatures and improved transport conditions.

Rail transport remains a critical issue. Producers in the south are requesting more wagons but SETRAG gives priority to manganese shipments. Recent intervention at a ministerial level slightly improved allocations for timber. Public and government frustration with SETRAG remains high following repeated delays and poor track maintenance. Although SETRAG has received funds for repairing tracks and bridges protests continue over its performance.

Producers report the availability of containers is adequate and port operations are running normally though some report port charges for timber have increased.

Since January this year every bundle of sawn timber must carry GPS data linked to the logs from which it was milled and this is checked at Owendo Port before shipment. Enforcement has been tightened under a Presidential Directive.

By year-end, all concession holders must submit aerial surveys of their areas carried out by government operators using satellite imagery. Forestry officials are already employing drones to monitor logging activities.

#### Cameroon

Cameroon has been significantly affected by flooding which has disrupted timber movement and caused difficulties for local communities. Despite this, export activity has continued at modest levels.

Azobe supplies remain stable and readily available and Ayous and Sapele are trading at normal volumes. Prices for these species have not shown significant change since early August.

Sawmill activity in Cameroon has reportedly slowed as several Chinese operators have ceased operation. The political uncertainty ahead of the October presidential elections is weighing on sentiment in the sector. Overall, sawmills are operating at reduced capacity and expansion plans are on hold.

Azobe continues to show steady demand, particularly in the Dutch market. However, forestry authorities are imposing limits on available sizes which is said to constrain supply. In contrast, demand for redwoods is reportedly weakening. Operators had built log stock earlier in the season and currently hold about two months of reserves reducing the pressure to ramp up harvesting.

Transportation of timber to port is running normally and container availability is not an issue. Port operations are said to be stable with no significant disruptions reported.

Producers say order levels are stable to low depending on the species. Azobe demand provides some support but weakening interest in redwoods is slowing activity. In general, the industry is now more focused on political developments than on investment or expansion of operations.

#### Republic of Congo

Heavy flooding around Brazzaville and on the opposite side of the river in Kinshasa has strained infrastructure and delayed timber transport. The presidential election is adding to business uncertainty but producers say prices for most species remain stable. Supply is adequate and harvesting continues at moderate levels.

#### Through the eyes of industry

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

See: <https://www.ito-ggsc.org/static/upload/file/20250819/1755566095153001.pdf>

## Log export prices

West African logs	FOB Euro per cu.m		
Asian market	LM	B	BC/C
Acajou/ Khaya/N" Gollon	220	220	175
Ayous/Obeche/Wawa	220	220	200
Azobe & ekki	250	250	175
Belli	220	220	-
Bibolo/Dibétou	200	200	-
Bilinga	230	230	-
Iroko	270	250	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	180	180	220
Moabi	260	260	220
Movingui	180	180	-
Niove	160	160	-
Okan	210	210	-
Padouk	280	250	220
Sapele	230	230	220
Sipo/Utile	250	250	200
Tali	260	260	-

## Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	680
Okoumé FAS GMS	420
Merchantable KD	400
Std/Btr GMS	420
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	850
FAS scantlings	900
Strips	400
Sapele FAS Spanish sizes	530
FAS scantlings	550
Iroko FAS GMS	850
Scantlings	900
Strips	400
Khaya FAS GMS	420
FAS fixed	440
Moabi FAS GMS	550
Scantlings	550
Movingui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	450

## Ghana

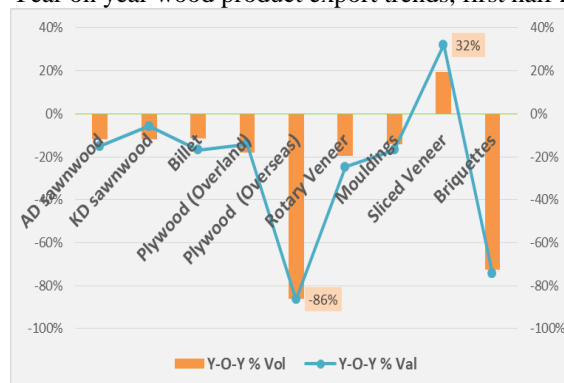
### Sliced veneer exports record year-on-year growth

Available data on wood product exports provided by the Timber Industry Development Division (TIDD) of Ghana's Forestry Commission (FC) for the period January to June 2025 show that sliced veneer exports recorded a 20% rise in volume and 32% rise in value. This resulted from increased demand in every major market.

For the first six months of 2025 the cumulative volume of veneer shipments improved to 3,545 cu.m, from 2,965 cu.m for the same period in 2024.

The country's export earnings also jumped from Eur 3.4 million in 2024 to Eur 4.5 million in 2025.

### Year on year wood product export trends, first half 2025



Data source: TIDD

The TIDD data also revealed that sliced veneer accounted for 2% and 3% of the total export volumes in 2024 and 2025 respectively. Veneer exports accounted for 6% in 2024 and 7% of 2025 of total export earnings.

Sliced veneer is categorised as a Secondary Wood Products (SWP), a category which also includes kiln-dried sawnwood, rotary veneer, plywood, briquettes and kiln-dried boules. These together accounted for 39% of the total export revenue for the first half of 2025, a marginal increase of 1% over that for 2024 for the same period.

However, revenue from the Primary Products export dipped from 57% in 2024 to 56% in 2025, while Tertiary Products maintained 5% of the total export receipts in both years

Species processed to sliced veneer included chenchen, asanfina, koto, sapele, makore, edinam, yaya, ceiba and candollei. The main markets included Morocco, Italy, US, Denmark, UAE, Spain, India and Belgium.

### First shipments of FLEGT licensed timber

Ghana has begun the export of timber under the new European Union (EU) framework, following the successful validation processes of the Voluntary Partnership Agreement (VPA) with the EU.

The Forestry Commission has issued the first six certificates to five Ghanaian companies to export wood products to the EU under the Forest Law Enforcement, Governance and Trade (FLEGT) licensing regime.

The certificates from the Forestry Commission verify that the wood products are derived from legally harvested logs and processed in accordance with national laws. These licenses mark a milestone for Ghana in sustainable forest governance and the trade in legal timber. Dr. Hugh Brown, Acting Chief Executive of the Forestry Commission described the launch of Ghana's FLEGT Licenses as a historic milestone, marking 16 years of reform and collaboration since the signing of the Voluntary Partnership Agreement (VPA) with the EU in 2009.

He highlighted the development of the Timber Legality Assurance System (TLAS) from forest to market. He indicated this system has improved accountability, enabled data-driven decision-making and promoted inclusive governance involving all key stakeholders.

The Minister for Lands and Natural Resources, in a speech read on his behalf, also described the FLEGT License as a major step toward the sustainable management of Ghana's forest reserves.

The Deputy Head of the EU Delegation, Mr. Jonas Claes, praised Ghana's commitment and leadership. He stated that the move reinforces Ghana's role in the legal timber trade, improved forest governance and the fight against illegal logging.

See: <https://fcghana.org/ghana-pioneers-flegt-licensing-in-africa/> and <https://www.myjoyonline.com/ghana-begins-legal-timber-export-under-new-eu-legal-framework/>

### IFC to support Ghana boost agribusinesses

Ghana's Millennium Development Authority (MiDA) is set to collaborate with the International Finance Corporation (IFC) to transform the country's agricultural sector through a major boost in agribusiness investment and development.

This was disclosed during a working visit by Kyle Kelhofer, IFC Senior Manager for Ghana, Liberia and Sierra Leone, to the Chief Executive Officer of MiDA, Mr. Alexander Kofi-Mensah Mould. The meeting was centered on strategic partnerships aimed at unlocking the potential of key agricultural enclaves across the country.

The partnership marks a significant step toward transforming Ghana's agricultural landscape and positioning the country as a key player in regional food production and agribusiness.

See: <https://thebftonline.com/2025/07/14/mida-partners-with-ifc-to-boost-agribusiness/>

### Ghana to review investment Act to attract investors

The President has announced his government will remove the minimum capital requirements for foreign investors under a revised Ghana Investment Promotion Centre (GIPC) Act.

Speaking at the sidelines of the Ghana Presidential Investment Forum on the Ninth Tokyo International Conference on African Development (TICAD-9) in Yokohama, Japan the President said the amendment is aimed at making Ghana's business landscape more attractive to investors of varying sizes.

He mentioned small investors will be able to establish a business in Ghana, this he said would ease entry barriers and open the way for small and medium-scale investors to operate in Ghana.

The announcement is intended to woo investors from the Asia Pacific region to strengthen trade and investment links in industrialisation, agro-processing and exports with Ghana.

Under the existing law, GIPC Act 2013 (Act 865) foreign investors are required to meet a minimum equity contribution ranging from US\$200,000 to US\$1,000,000 before setting up businesses.

Business and economic analysts have cautioned government to advance cautiously, so as not to expose local businesses and enterprises, especially small and medium-scale businesses, to unfair competition.

See: <https://www.graphic.com.gh/news/general-news/mahama-scrap-foreign-investor-minimum-capital-requirement-under-revised-gipc-act.html> and <https://gipc.gov.gh/minimum-equity-requirements/>

### Bank of Ghana policy rate now 25%, down from 28%

The Monetary Policy Committee (MPC) of the Bank of Ghana (BoG) has reduced the policy rate to 25% from 28%. The Governor of the BoG, Dr. Johnson Asiamah made the announcement at a press briefing after majority of the 7-member committee voted to reduce the policy rate.

The year-on-year Inflation in Ghana for July 2025 slowed down to 12% from the 14% recorded in July 2024. This is the seventh consecutive decline this year and the lowest since October 2021 according to data from the Ghana Statistical Service.

In related news, at a meeting with chief executives of banks the Governor indicated the gains made in stabilising the banking system and urged commercial banks to translate this into tangible benefits for the real economy.

See: <https://www.graphic.com.gh/news/general-news/ghana-news-bog-drops-policy-rate-to-25.html> and <https://www.myjoyonline.com/macroeconomic-stability-must-translate-into-growth-bog-governor-tells-banks/>

### Boule export prices

	Euro per cu.m FOB
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	780
Niangon Kiln dry	910

### Rotary veneer export prices

Rotary Veneer, FOB			Euro per cu.m
	CORE (1-1.9 mm)	FACE (>2mm)	
Ceiba	357	410	
Chenchen	502	612	
Ogea	351	590	
Essa	426	656	
Ofram	350	435	

**Sawnwood export prices**

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up		
Afromosia	860	925
Asanфина	465	947
Ceiba	290	465
Dahoma	413	576
Edinam (mixed redwood)	640	672
Emeri	715	736
African mahogany (Ivorenensis)	783	1,020
Makore	692	820
Niangon	814	855
Odum	887	1,182
Sapele	695	812
Wawa 1C & Select	470	481

**Plywood export prices**

Plywood, FOB		Euro per cu.m	
BB/CC	Ceiba	Ofram	Asanфина
4mm	465	580	641
6mm	450	535	604
9mm	409	504	560
12mm	350	489	480
15mm	395	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
Asanфина	1,782
Avodire	2,688
Chenchen	772
Mahogany	1,048
Makore	1,527
Odum	1,333
Sapele	1,275

**Through the eyes of industry**

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See: <https://www.itto-ggsc.org/static/upload/file/20250819/1755566095153001.pdf>

**Malaysia****Exports resilient despite tariffs and slowdown in global demand**

Malaysia's timber exports continue to show resilience achieving a total value of RM9.03 billion in the first five months of this year despite tariffs, a slowdown in the global economy and the challenge of preparing for the EUDR.

Plantation and Commodities Deputy Minister, Chan Foong Hin, acknowledged the industry's concerns over the EUDR which demands a high level of supply chain transparency and verification. He said that the ministry is working closely with relevant agencies to ensure full compliance throughout the entire timber value chain with a strong focus on traceability, transparency and legality.

Chan also addressed domestic concerns over the expanded Sales and Service Tax (SST) and US trade tariffs which have pushed up costs and eroded competitiveness.

The SST, he said, has increased operational expenses by 8–12% which has pushed up prices across the supply chain and particularly affected small and medium enterprises.

Looking ahead, Chan said the domestic timber industry's future will be shaped by three major trends, sustainability, digital transformation and evolving consumer lifestyles. "Through the National Agri-commodity Policy 2021–2030, we are addressing these challenges via five key thrusts: sustainability, productivity, value creation, market development and inclusivity.

See: <https://thesun.my/business-news/malaysian-timber-exports-resilient-in-face-of-global-headwinds-LF14661864>

**Malaysia's trade hit a record high in July 2025**

Malaysia's international trade hit a record high in July 2025 but analysts cautioned that uncertainties from US tariffs and a cloudy semiconductor outlook could weigh on momentum in the months ahead.

According to the Ministry of Investment, Trade and Industry (MITI), July trade rebounded by almost 4% year on year to RM265.92 billion, the strongest monthly performance on record. Exports rose 7% to RM140.45 billion, the highest since September 2022, while imports rose 0.6% to RM125.47 billion.

The timber industry, especially the furniture sector, is apprehensive of recent news that US President has directed his administration to investigate imports of furniture into United States that may lead to higher tariffs by October.

See: <http://theborneopost.pressreader.com/article/282162182313008>

**Pioneer forest restoration project**

Face the Future, in collaboration with the Sabah Foundation, has been working on restoration and protection of the degraded forest in Sabah since 1992. Face the Future is a NGO based in the Netherlands. Through enrichment planting using indigenous species the project aims to contribute to restoring the natural biodiversity of Sabah's rainforest. The primary species selected for the project include indigenous dipterocarps from the genera Shorea, Parashorea, Dipterocarpus, Vatica, Hopea and Dryobalanops. These species are well-suited as pioneers in open and severely degraded areas.

See: <https://theborneopost.pressreader.com/article/281629606361895> and [https://www.yayasansabahgroup.org.my/conservation\\_management.cfm](https://www.yayasansabahgroup.org.my/conservation_management.cfm)

**Black wooden pellet**

It is reported that a major timber group based in Sarawak has signed a letter of intent (LOI) with Japan's Kobe Steel to develop black wooden pellet biomass, a substitute for coal in power generation and industrial heat production.



Under the LOI, a joint feasibility study will be conducted for a plant capable of producing 300,000 tonnes per year of black pellets.

Black pellets, created through thermal treatment (torrefaction) of white pellets under specific conditions, have the calorific value comparable to coal and are expected to be a low-CO<sub>2</sub> alternative with the potential to be utilised as both a fuel for power generation and a raw material for steelmaking.

See:

<https://ceomorningbrief.theedgemaalaysia.com/article/2025/1013/Home/12/767531>

#### **MTCC invites comments**

Since 1999 the Malaysian Timber Certification Council (MTCC) has been advancing sustainable forest management through the Malaysian Timber Certification Scheme (MTCS). Following the scheme's last re-endorsement in 2021 by the Programme for the Endorsement of Forest Certification (PEFC), MTCS standards are undergoing a review for re-endorsement to align with national and international requirements.

The public statement from MTCC says this is ongoing commitment to strengthen sustainable forest management practices to ensure long-term sustainable environmental, social and economic benefits from our forests in Malaysia.

To ensure a transparent and participatory process as outlined in MTCS ST 1001:2021 – Standards Setting Procedures for Forest Management Certifications, a multi-stakeholder Standard Review Committee (SRC) will be formed. This committee will be a key platform for enhancing the credibility, inclusivity and transparency of the MTCS.

The MTCS ST 1001:2021 document can be found at: <https://mtcc.com.my/wp-content/uploads/2021/10/MTCS-ST-1001-2021-Standard-Setting-Procedures-for-FMC-Standards-30-Sep-2021.pdf>

For more information see:

<https://mtcc.com.my/public-announcement-standard-review-committee-src-endorsement-of-the-malaysian-timber-certification-scheme/>

#### **Through the eyes of industry**

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

See: <https://www.itto-ggsc.org/static/upload/file/20250819/1755566095153001.pdf>

## **Indonesia**

#### **Contribution of manufacturing to economy dips**

The Indonesian Furniture and Handicraft Industry Association (HIMKI) has raised concerns about the declining share of the manufacturing sector in the nation's GDP, as it has fallen from 28% in 2010 to below 19% currently.

The furniture and handicraft sectors, despite their importance to the creative economy are particularly affected by this downturn. The sector faces many challenges, including high production and logistics costs, dependence on imported raw materials, hurdles to access financing and fierce international competition.

The Association emphasised the need for an integrated approach, including developing industrial clusters, prioritising design and utilising international trade fairs for promotion.

Despite the challenges HIMKI sees several growth opportunities, particularly over the next five years. The global trend toward sustainability and eco-friendly products presents a new market for furniture made from materials like bamboo and rattan. Additionally, trade agreements such as the Indonesia–European Union Comprehensive Economic Partnership Agreement (IEU-CEPA) could provide tariff benefits for Indonesian goods.

The Chairman of HIMKI has said a fundamental "mental transformation" is necessary on the part of entrepreneurs. He stressed that the industry's habit of copying designs from buyers or other producers creates an image of 'low-cost factory' rather than a hub of creativity leading to businesses competing mainly on price.

Additionally, a focus on quantity over quality and a lack of collaboration among businesses weaken the industry's international position.

See: <https://www.msn.com/id-id/berita/other/sektor-manufaktur-ri-lesu-sektor-mebel-dan-kerajinan-ikut-tertekan/ar-AA1KH6nF?ocid=BingNewsVerp>

and

<https://koran-jakarta.com/2025-08-21/indonesia-bisa-jadi-pemimpin-industri-kerajinan-dunia-asal-ubah-mentalitas>

#### **To grow, furniture and woodworking industries need the latest technologies**

Erie Sasmito, the General Chairman of the Indonesia Furniture & Craft Promotion Forum (IFPF) is urging enterprises to adopt modern technology to expand business and improve global competitiveness. He said "utilising the latest technology can make the industry more efficient and better equipped to handle tough global competition".

The Secretary-General of the Indonesian Sawmill and Woodworking Association (ISWA), Choiril Muchtar, added that only an estimated 24% of the industry's potential has been exploited.

He noted that new machinery and technology can help reduce raw material costs which typically make up 40-60% of total production costs while simultaneously boosting productivity and product quality.

A key event for assessing technology is IFMAC WOODMAC 2025, an exhibition that will take place from September 24-27 at the Jakarta International Expo (JIExpo) Kemayoran.

See: <https://www.msn.com/id-id/berita/other/industri-furniture-dan-perkayuan-indonesia-perlu-manfaatkan-teknologi-untuk-perbesar-bisnis/ar-AA1KqDX5?ocid=BingNewsVerp>

### Indonesia welcomes foreign support for forest rehabilitation

Indonesia's Forestry Minister, Raja Juli Antoni, announced that the country is open to international collaboration and funding for forest conservation and rehabilitation. Speaking at the initial meeting for the REDD+ GCF Phase II RBP, he stated that Indonesia is committed to protecting its forests and supporting community welfare and welcomes global involvement.

See: <https://en.antaranews.com/news/372969/indonesia-opens-to-foreign-support-for-forest-rehabilitation>

In other news, Minister Raja Juli Antoni is promoting the integration of the forestry sector into Indonesia's carbon trading scheme as part of efforts to rehabilitate degraded land and reduce deforestation.

He emphasised the urgency of revising Presidential Regulation No. 98 of 2021 to facilitate the opening of a voluntary carbon market thus enabling private sector investment. With around 6.5 million hectares of degraded land in need of rehabilitation, the Minister believes that allowing private participation in carbon trading will not only support environmental goals but also generate state revenue through taxes and related mechanisms.

See: <https://www.antaranews.com/berita/5031821/menhut-kejar-implementasi-perdagangan-karbon-sektor-kehutanan>

### Promoting non-timber forest products, a forest rehabilitation market

The Ministry of Forestry organised a Forest and Land Rehabilitation (RHL) market to promote non-timber forest products (NTFPs) from all over the country. This market aims to help communities sell forest products that they have planted to restore critical land. The Directorate General of Watershed Management and Forest Rehabilitation (Ditjen PDASRH) are leading the initiative.

According to Dyah Murtiningsih, the Director General of Watershed Control and Forest Rehabilitation, the RHL market is a practical example of how forest and land rehabilitation can support food security in Indonesia. The Ditjen PDASRH also plans to develop a comprehensive program for natural resource management with a focus on empowering communities.

See:

<https://lestari.kompas.com/read/2025/08/20/152817386/dorong-produk-hasil-hutan-bukan-kayu-kemenhut-gelar-pasar-rehabilitasi-hutan>.

and

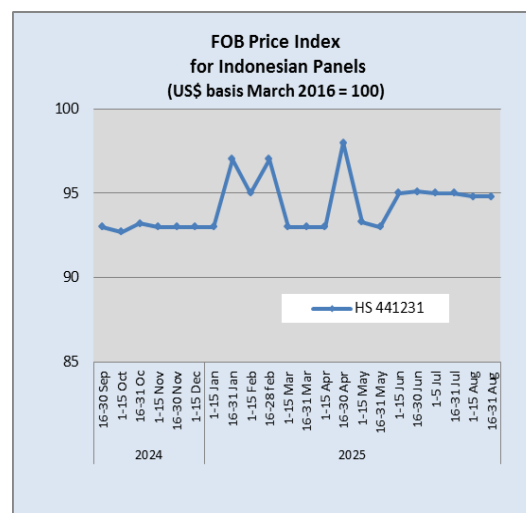
<https://www.jawapos.com/index.php/image/detail/18505/kemenhut-gelar-pasar-pasar-komoditas-rehabilitasi-hutan-dan-lahan>

### 400,000 hectares designated as Customary Forests

The Ministry of Forestry has designated 400,000 hectares of land as Customary Forests to recognise and protect the rights of indigenous communities.

According to the Minister these actions are intended to provide legal certainty and protection for indigenous communities over their ancestral lands which have been managed sustainably for generations. The Minister emphasised that this achievement is a result of strong synergy between national policy, various stakeholders and indigenous communities.

See: <https://esgnow.republika.co.id/berita/t0sama487/menhut-raja-juli-klaim-hampir-400-ribu-hektare-hutan-adat-sudah-diakui>



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

### Through the eyes of industry

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See: <https://www.itto-ggsc.org/static/upload/file/20250819/1755566095153001.pdf>

## Myanmar

### Myanmar to hold first phase of general election in December

Myanmar government has announced the initial phase of a general election will be held on 28 December, the first national polls in nearly five years. The election announcement outlines a phased voting process planned for December and January. However, while 55 political parties have registered for the upcoming polls, with nine planning to compete nationwide, the election is expected to be dominated by candidates backed by the military.

The interim administration has stated its intent to hold voting in over 300 constituencies, including in areas currently experiencing heavy fighting with armed opposition groups.

See: <https://www.channelnewsasia.com/asia/myanmar-junta-new-election-details-5306766>

And

<https://www.straitstimes.com/asia/se-asia/myanmar-to-hold-first-phase-of-general-election-on-dec-28-state-television-reports>

### Timber trade flows have shifted dramatically

According to a Forest Trends study, Myanmar's timber industry has experienced significant upheaval since 2021 due to sanctions, conflict and altered trade dynamics. While timber exports have exceeded US\$1.27 billion since 2021, the markets have shifted dramatically.

By 2024, China and India dominated imports at 88% and about 20% respectively, while exports to Western countries, which constituted 25% of trade in 2022, have dropped to virtually zero. Since 2021, Myanmar has ceased publishing trade data.

See: [https://www.forest-trends.org/wp-content/uploads/2025/02/myanmars-forest-sector-since-the-coup\\_FINAL.pdf](https://www.forest-trends.org/wp-content/uploads/2025/02/myanmars-forest-sector-since-the-coup_FINAL.pdf)

### New measures for currency control

The local and regional press has reported Myanmar's government is undertaking a multi-pronged strategy to exert control over its economy these measures include enforcing strict capital controls on exporters, physically seizing control of the border trade and establishing an alternative financial channels.

Myanmar's Central Bank has mandated the swift repatriation and settlement of all export earnings. Companies must bring their foreign income back into the country within strict deadlines: 30 days for exports to Asian countries and 60 days for those to non-Asian countries. Failure to comply will result in harsh penalties, say the authorities.

### Pivot away from the US dollar

To reduce its dependency on the US dollar, Myanmar has partnered with Russia. The Russian Central Bank announced it will accept the Myanmar Kyat for direct exchange, allowing the two nations to trade using their local currencies, the ruble and the kyat. This enables Myanmar to pay for Russian imports without using scarce US dollar reserves.

See -

<https://burmese.dvb.no/post/719373>, <https://burmese.dvb.no/post/721055>

and

<https://www.thestar.com.my/aseanplus/aseanplus-news/2025/08/19/myanmar-border-closure-cripples-thai-exports-worth-billions>

## India

### Sawnwood and veneer price indices delined in June

The annual rate of inflation based on the all India Wholesale Price Index (WPI) was -0.13% in June. The negative rate of inflation in June 2025 was primarily due to decreases in the price of food articles, mineral oils, manufacture of basic metals and crude petroleum and natural gas.

The index for manufacturing declined by 0.07% to 144.8 in June 2025 from 144.9 for May 2025. Out of the 22 NIC two-digit groups for manufactured products, 11 groups witnessed an increase in prices, 6 groups a decrease and 5 groups witnessed no change in prices.

Some of the important groups that showed month on month increased prices were other manufacturing, machinery and equipment, other transport equipment, pharmaceuticals, medicinal chemical and botanical products, computes, electronic and optical products.

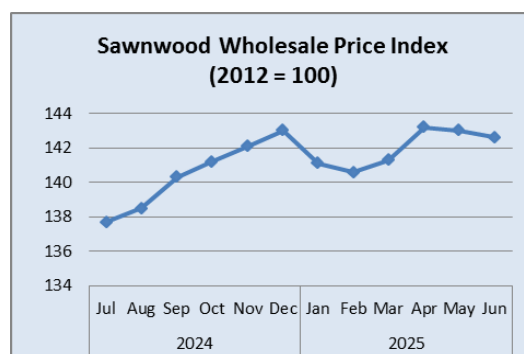
Some of the groups that witnessed a decrease in prices in June were manufacture of basic metals, food products, fabricated metal products (except machinery and equipment), tobacco products, rubber and plastics products.

The price index for wood panels in June was unchanged from May. The sawnwood price index in June was down compared to a month earlier and there was also a decline in the index for veneers.

See: <https://eaindustry.nic.in/>

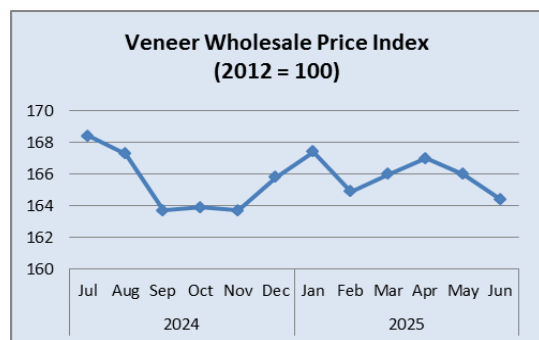


Data source: Ministry of Commerce and Industry, India



Data source: Ministry of Commerce and Industry, India





Data source: Ministry of Commerce and Industry, India

### CREDAI report - remarkable surge in residential real estate market

In a press release, the Confederation of Real Estate Developers' Associations of India (CREDAI) announced that, in collaboration with CRE Matrix, a report, 'India Housing Report July 2025' has been published.

The press release says the report highlights significant regional variations with the National Capital Region (NCR) leading the market with a 26% revenue share, fueled by a 21% increase in sales value and a 32% surge in average prices.

The Mumbai Metropolitan Region (MMR) followed closely with a 23% revenue share, recording a 9% growth in sales value and 75,000 units sold, with a 16% increase in average prices.

In the south, Chennai emerged as a standout performer achieving a 23% increase in sales value with 11,000 units sold and a 12% rise in average prices. New launches in Chennai grew from 14,000 to 19,000 units, though the market share of homes fell.

The decline in new launches across most cities signals a cautious approach by developers amid rising costs says the report. However, the robust growth in transaction values highlights the sector's resilience and the increasing premiums in the market.

Commenting on the report, Shekhar Patel, president of CREDAI, said "we are witnessing a decisive shift in homebuyer preferences across India. The demand is clearly moving towards larger, better-located and more premium homes—reflecting rising aspirations and improved purchasing power. A 21% growth in NCR's housing value, despite lower volumes, is a clear indicator that quality and location are now more important than quantity.

See: [https://credai.org/media/view-details/?file\\_no=93](https://credai.org/media/view-details/?file_no=93)

### Indian furniture brands innovating to meet evolving demands of domestic consumers

Furniture Design & technology (FDT), an Indian trade magazine, has suggested India's furniture industry is poised to become a formidable player in the global market. The sector is projected to be worth US\$34 billion by 2028 as domestic consumers shift to organised retail outlets as opposed to the traditional craft sector.

Indian brands are said to be innovating to meet the evolving demands of consumers. The rise in demand for customised furniture is another trend which, says FDT, is fueled by factors such as urbanisation, increased disposable incomes and a growing preference for quality home furnishing.

See: <https://furnituredesignindia.com/magazine/Current-Issue>

### 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	263	500
Colombia	179	490
Costa Rica	181	350
Nigeria	-	-
Benin	-	-
Tanzania	115	490
Laos	-	-
South Sudan	230	675
Guatemala	259	390
Venezuela	-	-

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

	cu.m	US\$ C&F
Benin	243	690
Brazil	128	650
Colombia	-	-
Costa Rica	213	520
Ecuador	-	-
Ghana	193	430
Ivory Coast	288	825
Nigeria	146	435
South Sudan	244	622
Tanzania	-	-
Togo	182	515
Panama	289	485

**Locally milled sawnwood prices**

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,440 - 4,800
Balau	3,000 - 3,300
Resak	-
Kapur	-
Kempas	1,700 - 2,000
Red meranti	1,850 - 2,150
Radiata pine	900 - 1,200
Whitewood	950 - 1,150

Price range depends mainly on lengths and cross-section

**Locally sawn hardwood prices**

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,950 - 2,250
Sycamore	2,350 - 2,750
Red Oak	2,950 - 3,350
White Oak	3,350 - 3,750
American Walnut	5,400 - 5,900
Hemlock STD grade	1,950 - 2,250
Western Red Cedar	3,000 - 3,400
Douglas Fir	2,400 - 2,600

Price range depends mainly on lengths and cross-section

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

Plywood Ex-warehouse	Rs. per sq.ft
4mm	85.50
6mm	99.00
9mm	117.50
12mm	140.00
15mm	181.50
18mm	199.50

**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

**Viet Nam****Wood and Wood Product (W&WP) trade highlights**

According to the Vietnam Customs Department, in July 2025 W&WP exports reached US\$1.47 billion, up 9% compared to June 2025 and up 6% year-on-year. Of this, WP exports alone fetched US\$ billion, up 9% compared to June 2025 and up 5% year-on-year.

In the first 7 months of 2025 W&WP exports amounted to US\$9.6 billion, up 8% over the same period in 2024 with WP exports contributing US\$6.6 billion, up 8% over the same period in 2024.

W&WP exports to Middle East markets in July 2025 were recorded at US\$9.8 million, up 19% compared to July 2024. In the first 7 months of 2025 W&WP exports to the Middle East markets earned US\$67.7 million, up 38% over the same period in 2024.

In July 2025 bedroom furniture exports were valued at US\$182 million, down 6% compared to July 2024. In the first 7 months of 2025 exports of bedroom furniture brought in about US\$1.2 billion, up 5% over the same period in 2024.

In July 2025 W&WP imports to Vietnam were valued at US\$309.5 million, up 17% compared to July 2024. In the first 7 months of 2025 W&WP imports were valued at US\$1.8 billion, up 19% over the same period in 2024.

Vietnam's poplar imports in July 2025 were 37,600 cu.m, worth US\$17.1 million, up 8% in volume and 9% in value compared to June 2025. Compared to July 2024 the value of imports decreased by 9% in volume but increased by 4% in value.

In the first 7 months of 2025 poplar imports were estimated at 196,900 cu.m, worth US\$84.9 million, down 10% in volume but up 2% in value year-on-year.

Vietnam's imports of raw wood (log and lumber) from the ASEAN region in June 2025 dropped to 65,840 cu.m, with a value of US\$13.43 million, down 29% in volume and 39% in value compared to May 2025.

In the first 6 months of 2025, imports of raw wood from ASEAN amounted to 441,390 cu.m, with a value of US\$114.72 million, down 5% in volume and 9% in value over the same period in 2024.

### **Viet Nam timber enterprises eye US-based manufacturing**

In response to US reciprocal tariffs some Vietnamese wood manufacturers are considering manufacturing in the US, said Ngo Sy Hoai, Vice Chairman and General Secretary of the Vietnam Timber and Forest Products Association (Viforest).

The Ministry of Agriculture and Environment reported that exports of agricultural, forestry and fishery products in the first seven months of 2025 reached US\$39.68 billion, up 15% year-on-year. Of this, wood and wood products earned US\$9.67 billion, an increase of 8% over the same period.

In the period January to July agricultural-forestry-fisheries earned a trade surplus of US\$11.52 billion with wood and wood products making the largest share at US\$7.7 billion, up 4% over the same period in 2024.

The US remains Vietnam's largest market for wood and wood products accounting for 56% of total exports in the first seven months of 2025, followed by Japan and China, with 12% and 11% respectively.

### **Viet Nam's Decree on forest carbon credits**

The Government is formulating a new Decree to provide a legal basis for the commercialisation of forest carbon credits. This move comes after Vietnam's first successful sale of 10.3 million forest carbon credits (equivalent to 10.3 million tonnes CO<sub>2</sub>) at a price of US\$5 per tonne, earning about US\$51.5 million through a World Bank-supported transaction.

That pioneering deal demonstrated the economic potential of forest carbon sequestration and underscored the urgent need for a clear legal framework to scale up the market.

The draft Decree aims to mobilise new financial resources for forest protection and development via a carbon market. The draft Decree clearly defines core concepts and establishes market mechanisms for forest carbon absorption and storage services.

See: [Vietnam's Decree on Forest Carbon Credits: Everything You Want to Know - Thị trường Carbon](#)

### **Manufacturers urged to offer more products to existing markets**

Vietnamese wood companies should introduce more product lines and offer these to avoid "having all eggs in one basket," said Phung Quoc Man, chairman of the Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA).

For example, exports to Japan should not be limited to woodchips and pellets, Man added while speaking on impacts and business responses to US tariffs.

He explained that the industry's first reaction to the new tariffs was "shock," with orders declining however, companies quickly adapted by advancing shipments during the grace period.

Since the tariffs took effect supply chain stability has been maintained by sharing the tax burden among producers, importers and retailers. As a result, wood exports in the first seven months still grew with shipments to the US up around 12%, a sign of the industry's strong resilience. In the long run, solutions include diversifying markets, improving management capacity and cutting costs.

To reduce risks, firms could expand their offerings to existing destinations. He suggested Japan could import more than just woodchips and pellets, South Korea more than just engineered wood and Europe more than just outdoor furniture.

Can Van Luc, a member of the Prime Minister's Economic Advisory Council and chief economist at state-controlled BIDV Bank, pointed out that four out of 10 kitchen products in the US now come from Vietnam.

According to the import-export department under the Ministry of Industry and Trade, steady growth in the US market not only reflects a recovery in consumer demand for furniture but also shows how Vietnamese companies are proactively adapting to tariffs and increasingly strict buyer requirements.

### **Wood industry has certain opportunities after tax**

Vu Kim Hanh, chairwoman of the High-Quality Vietnamese Goods Business Association, highlighted a golden opportunity for Vietnam's wood industry following the US decision to impose a reciprocal tariff on Vietnamese wood products.

In the US market, Vietnam has become the largest supplier after China. But in the year to end-July 2025, Vietnam overtook China to claim the No. 1 spot. Hanh emphasised the importance of enhancing the reputation of Vietnam's wood industry.

While tariffs have risen Vietnam's top competitor has been sidelined creating a natural advantage. "But this is not a time to stand still," Hanh warned. Chinese companies anticipated the trade conflict long ago and have already shifted their trade infrastructure, supply chains and management including marketing and sales, to the US.

See: [Vietnamese wood firms urged to offer more products to existing markets amid tariff concern](#)

### Forestry sector seeks support to mitigate tariff impact

The Federation of Industries of Mato Grosso (FIEMT) in partnership with the Center of Timber Producing and Exporting Industries of Mato Grosso (CIPEM) has assessed the impact of tariff increases imposed by the US on Brazilian forest-based products.

The timber sector in Mato Grosso is highly dependent on the US market which absorbs more than 26% of the State's native timber production. Among the products, solid finished wood flooring stands out as it is exclusively exported to the US with no viable market alternatives due to technical specifications unique to US consumers.

The tariff increases are particularly critical for regions such as Juína, Colniza and Aripuanã municipalities where up to 80% of local jobs are in the timber industry at more than 180 companies.

Currently, the forest sector in Mato Grosso has 1,359 establishments and employs 10,869 direct workers primarily concentrated in sawmills (49% of the companies and 60% of the workforce). Furniture manufacturing accounts for 31% of establishments and 18% of jobs followed by other activities such as wood-based panel production and the manufacturing of various wood products which together sustain thousands of jobs across the State.

Faced with the risk of economic losses, production line shutdowns and rising unemployment, FIEMT proposed a joint letter from industry representatives and workers. The letter will be sent to State and Federal authorities requesting support and mitigation measures. The alliance among unions, associations and federations seeks to safeguard competitiveness, preserve jobs and ensure the continued economic contribution of the forest sector to Mato Grosso State.

See: <https://www.maisfloresta.com.br/fiemt-propoe-carta-conjunta-para-amenizar-impactos-da-tarifa-dos-eua-no-setor-de-base-florestal/>

### ABIMCI - without negotiations the timber industries will remain in crisis

The Brazilian Association of Mechanically Processed Timber Industry (ABIMCI) considers that the package of measures announced by the Brazilian Federal government to mitigate the impacts of the tariffs imposed by the United States on Brazilian wood products needs to be reviewed.

According to the Association the only effective solution lies in direct negotiations aimed at reducing tariff rates and which could restore timber sector competitiveness in the U.S. market.

The tariff increase has already triggered production shutdowns, contract cancellations, collective layoffs and the imminent risk of plant/factory closures affecting approximately 180,000 direct jobs.

Some Brazilian State governments have adopted support measures such as tax incentives and expanded credit lines but such actions, while helpful, cannot replace the urgent need for Federal-level negotiations with the US government says ABIMCI.

See: <https://abimci.com.br/sem-negociacao-com-os-eua-medidas-governamentais-nao-resolverao-a-crise-no-setor-madeireiro/>

### Advancing Atlantic forest restoration

Minas Gerais has achieved 74% of its target for Atlantic Forest restoration with the planting of 5.1 million native species seedlings out of the 7 million goal set to be planted by December 2026.

This initiative is part of the Atlantic Forest Treaty signed in 2023 by the South and Southeast Integration Consortium (Cosud) which sets a collective goal of planting 100 million seedlings and restore 90,000 hectares by 2026 across states of Minas Gerais, Espírito Santo, São Paulo, Rio de Janeiro, Paraná, Santa Catarina and Rio Grande do Sul.

This progress is the result of integrated management led by the State Secretariat for Environment and Sustainable Development (Semad) which coordinates monitoring, accounting and planning with different governmental agencies and partner institutions.

In addition to meeting legal and environmental commitments the State's efforts foster the creation of ecological corridors which contribute to biodiversity conservation, facilitate wildlife movement and strengthen ecosystem services.

Minas Gerais State holds the largest area of Atlantic Forest in Brazil consolidating its role as a national leader in ecological restoration and climate change mitigation, strengthening the alignment between sustainable development and environmental conservation.

See: <https://www.remade.com.br/noticias/20869/minas-avanca-no-reflorestamento-e-ultrapassa-70-por-cento-da-meta-de-restauracao-da-mata-atlantica>

### Export update

In July 2025 Brazilian exports of wood-based products (except pulp and paper) increased 1.5% in value compared to July 2024, from US\$301.4 million to US\$305.9 million.

Pine sawnwood exports increased 16% in value between July 2024 (US\$53.6 million) and July 2025 (US\$62.3 million). In volume, exports increased 16% over the same period, from 228,600 cu.m to 265,200 cu.m.

Tropical sawnwood exports increased 15% in volume, from 25,000 cu.m in July 2024 to 28,800 cu.m in July 2025. In value, exports increased 2.6% from US\$11.4 million to US\$11.7 million over the same period.

Pine plywood exports increased 3.5% in value in July 2025 compared to July 2024, from US\$59.2 million to US\$61.3 million. In volume, exports increased 14% over the same period, from 170,800 cu.m to 194,700 cu.m.

As for tropical plywood, exports increased in volume 47% and 64% in value, from 1,900 cu.m and US\$1.1 million in July 2024 to 2,800 cu.m and US\$1.8 million in July 2025, respectively.

The value of wooden furniture exports increased from US\$48.6 million in July 2024 to US\$54.2 million in July 2025 an increase of 11.5%.

### Amazonian countries to protect the Amazon

Studies conducted by the Scientific Panel for the Amazon (SPA), the Amazon Waters Alliance (AAA), the Northern Amazon Alliance (ANA) and the Amazon Network of Georeferenced Socio-Environmental Information (RAISG) warn that the loss of biological connectivity threatens vital functions of the biome, including moisture transport, rainfall regulation, carbon storage and biodiversity. This directly affects the health, food and water security, livelihoods and traditional knowledge of more than 47 million inhabitants of the region.

According to ANA and RAISG data, by 2022 about 23% of the Amazon biome (193 million hectares) had already completely lost its ecological connectivity while 13% (108 million hectares) showed significant degradation.

The four socio-environmental networks delivered a strategic document to the governments of Amazonian countries and to the Amazon Cooperation Treaty Organization (ACTO) with recommendations to protect the ecological, hydroclimatic and sociocultural connectivity of the Amazon.

The initiative is in the context of the Amazon Dialogues, preparatory to the Amazon Presidents' Summit and the UNFCCC COP30, highlighting the importance of joint action for conservation and climate mitigation.

The networks propose establishing a technical-scientific working group to develop a methodology for monitoring and implementing programmes to protect and restore connectivity in the Amazon.

See: <https://www.socioambiental.org/noticias-socioambientais/governos-amazonicos-sao-convocados-liderar-um-pacto-pela-conectividade-do>

### Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	420▲
Jatoba	182▲
Massaranduba	166▲
Muiracatiara	163▲
Angelim Vermelho	175▲
Mixed redwood and white woods	127▲

Prices do not include taxes. Source STCP Data Bank

### Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	1,814▲
Jatoba	931▲
Massaranduba	834▲
Muiracatiara	868▲
Angelim Vermelho	785▲
Mixed red and white	545▲
Eucalyptus (AD)	299▲
Pine (AD)	257▲
Pine (KD)	306▲

Prices do not include taxes. Source: STCP Data Bank

### Domestic plywood prices

Parica ex-mill	US\$ per cu.m
4mm WBP	568▲
10mm WBP	452▲
15mm WBP	399▲
4mm MR.	534▲
10mm MR.	404▲
15mm MR.	357▲

Prices do not include taxes. Source: STCP Data Bank

### Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	277▲
15mm MDFibreboard	289▲

Prices do not include taxes. Source: STCP Data Bank

### Export prices

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

### Export sawnwood prices

Sawnwood	US\$ per cu.m
Ipe	2,278
Jatoba	1,293
Massaranduba	1,263
Muiracatiara	1,312
Pine (KD)	204

Prices do not include taxes. Source: STCP Data Bank

### Plywood export prices

Pine plywood	US\$ per cu.m
9mm C/CC (WBP)	317
12mm C/CC (WBP)	285
15mm C/CC (WBP)	270
18mm C/CC (WBP)	268

Prices do not include taxes. Source: STCP Data Bank

### Export prices for added value products

Added value product	US\$ per cu.m
Decking Boards Ipê	3,579
Jatoba	1759

Prices do not include taxes. Source: STCP Data Bank

### Through the eyes of industry

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

See: <https://www.ito-ggsc.org/static/upload/file/20250819/1755566095153001.pdf>



### Wood product exports weakened yet again

Shipments of wood products totalled US\$32.48 million during the first five months of 2025 representing a year on year decrease of 20% according to the Center for Global Economy and Business Research of the CIEN-ADEX Exporters Association.

According to figures from the ADEX Trade Intelligence System exports included sawnwood (US\$12.7 million), semi-manufactured products (US\$9.5 million), firewood and charcoal (US\$3.5 million), furniture and parts (US\$2.3 million) and construction products (US\$1.9 million).

The leading destination was the Dominican Republic with shipments abroad totalling US\$6.4 million a 20% increase compared to the previous year. The United States followed with US\$4.8 million, a decrease of 25% compared to 2024, France with US\$3.9 million, a decrease of 40%, Mexico with US\$3.6 million, a decrease of 16% and rounding out the top 5 is Vietnam with sales of US\$3.4 million, an increase of 52%.

### Veneer and plywood exports continue to grow

According to information provided by the Services and Extractive Industries Department of the Association of Exporters (ADEX), veneer and plywood shipments during the period January-June 2025 reached an FOB value of US\$1.5 million, a positive change (+56%) compared to the same period in 2024.

The main market for this sub-sector was Mexico which accounted for a 41% share and a positive change of 7% compared to the same period in 2024, followed by Ecuador with a 33% share. In third place was Colombia with an 8% share then the Dominican Republic with a 7% share and rounding out the Top Five was Costa Rica with a 3% share.

### SERFOR and ANIN agreement on restoration projects

The National Forestry and Wildlife Service (SERFOR) and the National Infrastructure Authority (ANIN) signed an inter-institutional cooperation agreement to implement joint actions aimed at restoring degraded forest ecosystems and promoting natural infrastructure interventions.

This agreement marks a milestone in disaster management and the promotion of climate-smart investment contributing to the implementation and sustainability of projects, investment programmes and natural infrastructure interventions led by ANIN helping to close the gap in the area of degraded forest ecosystems.

The Executive Director of SERFOR is quoted as saying "Conserving our ecosystems is not only an environmental issue, but also an effective strategy to protect our communities. Today we are talking about 14 viable restoration projects in 17 watersheds exposed to the El Niño phenomenon.

This represents more than 60,000 hectares of land under restoration, which translates into local employment, sustainable production chains, the use of native species and, above all, more opportunities for investors, companies and communities to work together to build a more resilient country".

### Forest Management with participation of indigenous groups

The Ucayali Regional Government, in coordination with the National Forest and Wildlife Service (SERFOR), held the first Forest Management (FM) awareness workshop in the Amazonian Department with the participation of 12 leaders of indigenous organisations.

The president of the Ucayali Regional Organization of Amazonian Nationalities (ORNAU) emphasised: "It is important to understand the forest management process as it will allow us to know when we can develop our forestry activities and how to continue conserving our forests within our territories."

Ucayali is the second department to begin establishing Forest Management Units (FMUs), geographic areas that serve as a basis for organising, planning and managing the use of forests and wildlife. Each FMU clearly defines what activities can be carried out in communal territories, such as forest harvesting, conservation or the development of forest plantations.

See: <https://www.gob.pe/institucion/serfor/noticias/1231011-ucayali-impulsa-el-ordenamiento-forestal-con-participacion-de-organizaciones-indigenas>

### Export prices for added value products

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1,418-1,477
Cumaru KD, S4S Swedish market	1,080 -1,156
Asian market	1,189 -1,271
Cumaru decking, AD, S4S E4S, American market	1,648-1,692
Pumaquiro KD Gr. 1, C&B, Mexican market	869-933
Quinilla KD, S4S 2x10x62cm, Asian market	591-627
2x13x75cm, Asian market	774-831

### Export veneer prices

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

## Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	912-968
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market Grade 2, Mexican market	598-619 537-551
Cumaru 4" thick, 6"-11" length KD Central American market Asian market	1139-1198▲ 1210-1265
Ishpingo (oak) 2" thick, 6"-8" length Spanish market Dominican Republic	1011-1,042 1015-1,132
Marupa 1", 6-11 length KD Grade 1 Asian market	586-602

## 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 Lupuna plywood B/C 15mm	396-419 449-495
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	255-287
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

### Prefectures go their own way on minimum wage

The Japan Times has reported most Japanese prefectures that have prepared their minimum wage plans for this year and are breaking with a Ministry of Labour panel on the level of increase. Most are opting for larger increases as inflation is causing a decline in real incomes. A minimum wage recommendation (plus 6%) was established by a ministry panel for implementation by each of Japan's 47 prefectures in the autumn

As of August, 28 prefectures determined their minimum wage increases for this year and of those, 21 went above the target. Minimum wage increases are a major economic agenda item for the government which stresses the importance of higher wages to support household finances.

When the ministry released the 6% increase target, Ken Kobayashi, Head of the Japan Chamber of Commerce and Industry (JCCI) which represents small and midsize companies, said reaching that target would be "extremely difficult" for smaller enterprises.

According to a survey in March this year by the JCCI, around 20% of small businesses said it would be "impossible" to make the increases needed to achieve the governments minimum wage target, while 55% said it would be "difficult."

See:

<https://www.japantimes.co.jp/business/2025/08/25/economy/minimum-wage-prefectures/>

### Inflation slows but still above BoJ target

Core consumer inflation (measured in Tokyo) slowed in August but stayed above the Bank of Japan's (BoJ) 2% target which analysts forecast could trigger an interest rate increase.

The Tokyo core consumer price index (CPI), which excludes volatile fresh food but includes fuel costs, rose 2.5% in August from a year earlier. It slowed from a 2.9% rise in July due largely to government fuel subsidies that pushed down utility bills. While consumer inflation has been above 2% for well over three years BoJ Governor, Kazuo Ueda, has stressed the need to move cautiously while assessing the impact to the economy from U.S. tariffs.

See:

<https://www.japantimes.co.jp/business/2025/08/29/economy/tokyo-cpi-august/>

### Tight labour market expected to drive wage growth

Speaking at an event in the US, BoJ Governor, Kazuo Ueda, indicated that Japan's tight labour market is expected to continue driving wage growth. Wage increases are spreading from large corporations to small and medium-sized enterprises, he said.

He added, Japan faces demographic challenges with a declining population and an aging workforce. Foreign workers, while only 3% of the labour force, accounted for over half of the labour force growth.

Ueda's remarks are likely to support growing market speculation of another interest rate increase this year although he didn't directly discuss monetary policy at the event.

See: <https://scanx.trade/stock-market-news/global/boj-governor-ueda-signals-persistent-wage-growth-amid-tight-labor-market/17562481>

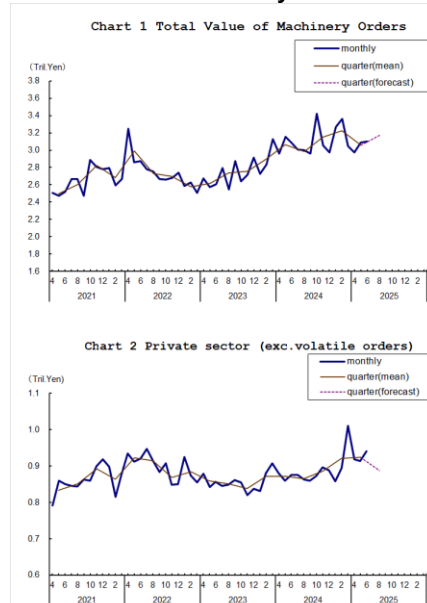
### Rise in machinery orders a positive sign

In June the value of machinery orders received by a sample 280 manufacturers operating in Japan increased by 0.3% from the previous month. In the April-June period however, order values decreased by 5.3% compared with the previous quarter. Private-sector machinery orders, excluding volatile ones for ships and those from electric power companies, increased by 3.0% in June and rose by 0.4% in April-June period.

In the July-September period the total value of machinery orders is forecast to increase by 3.7% and private-sector orders, excluding volatile ones, to decrease from the previous quarter.

See: <https://www.esri.cao.go.jp/en/stat/juchu/2025/2506juchu-e.html>

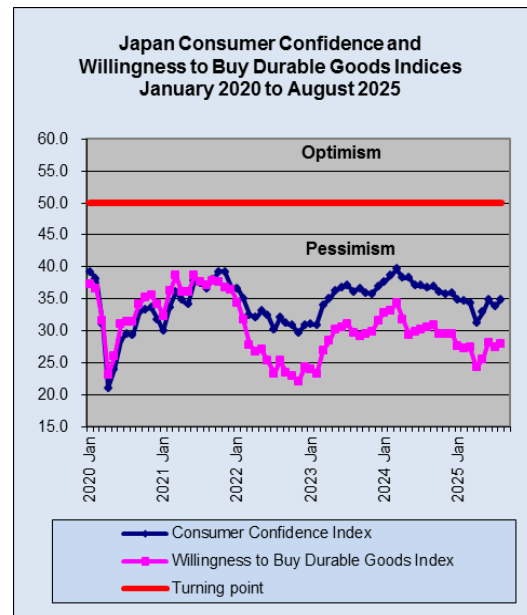
### June value of machinery orders



See: <https://www.esri.cao.go.jp/en/stat/juchu/2025/2506juchu-e.html>

### Consumer confidence ticks higher

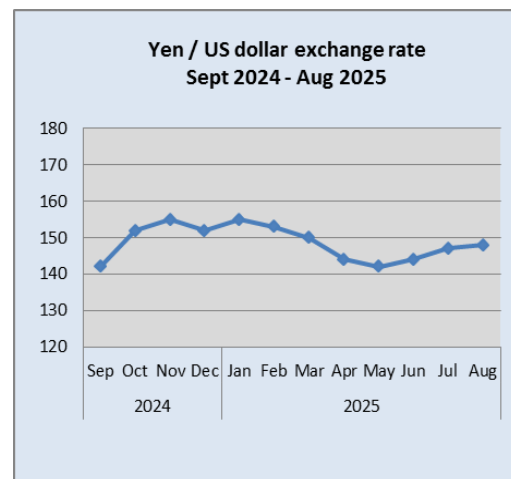
Japan consumer confidence improved in August but inflation expectations remain. The index for willingness to purchase durable goods, which is included in the overall index, also rose in August



Data source: Cabinet Office, Japan

### Struggling yen – weakness persists

At the end of August the Japanese yen was down against a basket of major and minor currencies continuing its losses for the past three months.



Data source: WSJ

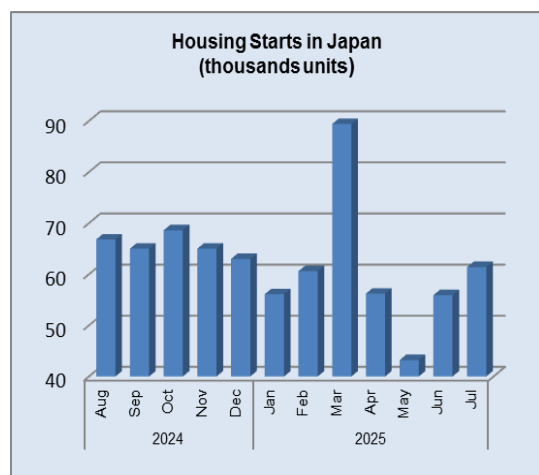
### Foreigners investing heavily in real estate

CBRE Japan, a commercial real estate services and investments company, has reported real estate purchases in Japan by foreigners came to 1.14 trillion yen (US\$7.76 billion) between January-June, the highest for a first half year going back to 2005. Office buildings accounted for more than 40%. The growth is due partly to the expectation of higher rents and greater profitability than in Europe and the US.

See: <https://asia.nikkei.com/business/markets/property/japan-real-estate-purchases-by-foreign-investors-hit-record-high>

## July housing starts

July housing starts were down 10% year on year but compared to June there was a 10% rise in starts.



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

## TICAD 9 - catalysing Japanese private sector investment in Africa

The latest of the three-yearly gathering of Japanese and African leaders (TICAD 9) was held in Yokohama in August. African Business has reported the summit produced few headlines instead, the summit featured a greater focus on solutions involving the private sector.

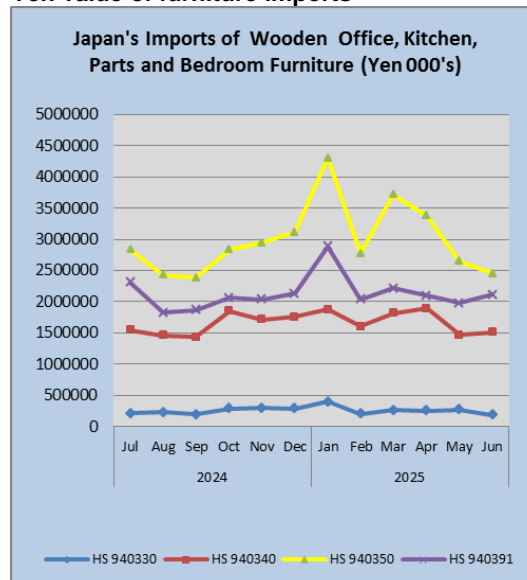
Xu Haoliang, Acting Administrator of the UN Development Programme, said TICAD 9 featured discussions “more serious than in the past” around catalysing Japanese private sector investment in Africa.

Ankit Khandelwal, Mitsubishi UFJ Financial Group’s Head of Africa development and blended finance said the two key themes of this year’s TICAD were “to support the private sector to drive growth and to support regional connectivity in support of trade.”

See: <https://african.business/2025/08/trade-investment/ticad-9-japan-shifts-from-aid-to-trade-as-private-sector-prioritised> and <https://www.mofa.go.jp/files/100893431.pdf>

## Import update

### Yen value of furniture imports



Data source: Ministry of Finance, Japan

### Wooden office furniture imports (HS940330)

Four shippers accounted for over 95% of June arrivals of wooden office furniture (HS940330). The other main source of wooden office furniture imports was EU member countries.

In June shippers in China accounted for 90% (86% in May) of Japan’s imports of wooden office furniture the other significant sources were Italy (2.5%), Malaysia (2.0%) and Vietnam (1.5%). The value of imports from Italy in June was around the same level as in May while the value of June imports from both Malaysia and Vietnam was down compared to May

Year on year, the value of Japan’s imports of wooden office furniture in June declined 16% and compared to a month earlier the value of imports was down 30%.

### June 2025 wooden office furniture imports (HS940330)

	Imports Jun 2025 Unit, 000's Yen
China	170,215
Vietnam	2,882
Malaysia	4,204
France	2,544
Spain	278
Italy	4,709
Finland	313
Poland	558
Turkey	399
Canada	1,782
USA	1,291
Total	189,175

Data source: Ministry of Finance, Japan

**Wooden kitchen furniture imports (HS940340)**

As in previous months imports of wooden kitchen furniture (HS940340) were dominated by shippers in the Philippines (56% of HS940340 imports) and Vietnam (24% of HS940340 imports).

June arrivals from the Philippines were up month on month while the value of imports from Viet Nam was below May values. The value of June arrivals from China was below the value reported for May. Of note was the sharp rise in the value of wooden kitchen furniture from Italy.

Year on year there was a further decline in wooden furniture imports (9%) but compared to a month earlier there was a 3% increase in the value of imports.

**June wooden kitchen furniture imports (HS 940340)**

	Imports Jun 2025 Unit, 000's Yen
China	109,226
Vietnam	374,820
Thailand	26,660
Malaysia	23,640
Philippines	893,324
Indonesia	19,141
Germany	51,572
Italy	88,278
Finland	608
Turkey	715
Canada	2,303
USA	281
<b>Total</b>	<b>1,590,568</b>

Data source: Ministry of Finance, Japan

**Wooden bedroom furniture imports (HS 940350)**

June 2025 marked the fifth month on month decline in the value of wooden bedroom furniture imports into Japan. The value of June 2025 imports was over 40% below that reported at the beginning of this year.

The top two shippers of HS 940350 to Japan in June were China, 61% of the total but this was down month on month and Viet Nam, 24%, also down month on month. Malaysia maintained a share of imports at 4% with both Thailand and Indonesia having a 2% share of the value of June imports.

Year on year there was a 13% decline in the value of wooden bedroom furniture in June and compared to May arrivals in June were down 7%.

**June wooden bedroom furniture imports (HS 940350)**

	Imports Jun 2025 Unit, 000's Yen
China	1,496,454
Taiwan P.o.C	2,309
Vietnam	717,629
Thailand	36,092
Malaysia	98,345
Indonesia	40,404
Denmark	908
France	21,835
Portugal	345
Italy	22,588
Finland	526
Poland	8,962
Romania	5,958
Turkey	1,108
USA	272
Australia	806
<b>Total</b>	<b>2,454,541</b>

Data source: Ministry of Finance, Japan

**Wooden furniture parts imports (HS 940391)**

Apart from the spike in the value of wooden furniture parts (HS940391) imports in January, the monthly value of imports remained steady during the first half of 2025.

**June wooden furniture parts imports (HS 940391)**

	Imports Jun 2025 Unit, 000's Yen
S.Korea	23,735
China	867,649
Taiwan P.o.C	44,171
Vietnam	236,118
Thailand	40,733
Malaysia	124,481
Philippines	3,547
Indonesia	404,266
Cambodia	487
Denmark	1,356
Germany	35,866
Switzerland	1,118
SPAIN	2,344
Italy	151,379
Finland	16,213
Poland	10,781
Austria	417
Hungary	131,026
Romania	1,978
Turkey	631
Slovakia	4,703
USA	7,060
<b>Total</b>	<b>2,110,059</b>

Data source: Ministry of Finance, Japan



The value of June 2025 imports was slightly higher (7%) than reported in May and compared to June 2024 there was a 9% rise in the value of imports. Shippers in China, Indonesia, Viet Nam and Malaysia accounted for most (77%) HS940391 imports in June 2025. The value of imports from the top two shippers, China and Viet Nam was below that reported for May 2025.

Of the total value of HS940391 imports, 41% was delivered from China (47% in May) 19% from Indonesia (19% in May), 11% from Viet Nam (12% in May) and Malaysia which secured a 6% share of June imports. The value of imports of HS940391 from Italy and Germany rose in June.

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

The Japan Lumber Reports (JLR) was not published in mid-August as the country celebrated the Obon (Bon) festival. Obon or Bon is the Japanese festival celebrated to honour the dead and spirits of their ancestors.

See: <https://www.jrailpass.com/blog/obon-festival-in-japan>

Highlights from the JLR will resume in September.

### China

#### Decline in first half 2025 sawnwood imports

According to data from China Customs in the first half of 2025 sawnwood imports totalled 12.15 million cubic metres valued at US\$3.117 billion, down 13% in both volume and value. The average CIF price for sawnwood imports fell to US\$256 per cubic metre over the same period of 2024.

Of total sawnwood imports, sawn softwood imports fell 17% to 7.39 million cubic metres and accounted for 61% of the national total, down 3 percentage points over the same period of 2024. The average CIF prices for sawn softwood imports dropped 0.9% year on year to US\$203 per cubic metre over the same period of 2024.

Sawn hardwood imports declined 6% to 4.77 million cubic metres in the first half of 2025. The average CIF price for sawn hardwood imports dropped 3% to US\$339 per cubic metre over the same period of 2024.

Of total sawn hardwood imports, tropical sawnwood imports were 3.42 million cubic metres valued at US\$951 million, down 7% in volume and 12% in value and accounted for about 28% of the national total. The average CIF prices for tropical sawnwood fell 5% to US\$278 per cubic metre over the same period of 2024.

#### Sawnwood imports, first half 2025 (Volume)

	(mil. cu.m)	% change YoY
Total sawnwood imports	12.15	-13%
Sawn softwood	7.39	-17%
All sawn hardwood	4.77	-6%
of which tropical	3.42	-7%

Data source: China Customs

#### Sawnwood imports, first half 2025 (Value)

	US\$ bil.	% Change YoY
Total sawnwood imports	3.117	-13%
Sawn softwood	1.501	-17%
All sawn hardwood	1.615	-9%
of which tropical	0.951	-12%

Data source: China Customs

#### Average sawnwood prices, first half 2025

CIF prices	First half 2025	% Change YoY
Total sawnwood imports	256	-0.20%
Sawn softwood	203	-0.90%
All sawn hardwood	339	-3%
of which tropical	278	-5%

Data source: China Customs

The decline in China's sawnwood imports was attributed mainly to the slump in activity in the real estate and construction sectors. A seasonal slowdown caused by the rain season in many provinces of China also slowed overall demand for timber. China's sawnwood imports from most of top suppliers, especially from the largest supplying country, Russia, fell in the first half of 2025.

#### Rise in sawnwood imports from the Philippines

China Customs has reported that in the first half of 2025 China's sawnwood imports from the Philippines, alone among the top suppliers, rose 21% over the same period of 2024.

Russia still was the largest supplier of sawnwood imports in the first half of 2025 but the proportion of China's sawnwood imports from Russia declined to 47% in the first half of 2025 from 65% in the first half of 2024.

Thailand was the second largest supplier of China's sawnwood imports in the first half of 2025 accounting for 18% of the national sawnwood imports total.

However, China's sawnwood imports both from Russia and Thailand fell 8% and 11% to 5.746 million cubic metres and 2.216 million cubic metres respectively and it was this downturn that impacted the overall decline in the sawnwood imports.

China's sawnwood imports from almost all of top suppliers declined in the first half of 2025 as can be seen in the table below.

#### Main countries shipping sawnwood to China, first half 2025 (Volume)

Supplier	000s cu.m	YoY % change
<b>Total</b>	<b>12,155</b>	<b>-13%</b>
Russia	5,746	-8%
Thailand	2,216	-11%
Canada	557	-21%
Belarus	538	-13%
USA	502	-16%
Philippines	375	21%
Gabon	280	-31%
Sweden	224	-23%
Finland	183	-51%

Data source: China Customs

#### Main countries shipping sawnwood to China, first half 2025 (Value)

Supplier	US\$ mil.	YoY % change
<b>Total</b>	<b>3,117</b>	<b>-13%</b>
Russia	1,212	-10%
Thailand	571	-10%
Canada	126	-11%
Belarus	101	-14%
USA	337	-7%
Philippines	27	19%
Gabon	98	-34%
Sweden	49	-20%
Finland	43	-49%

Data source: China Customs

#### Rise in sawn softwood imports from New Zealand

In the first half of 2025 China's sawn softwood imports from New Zealand, alone among the top suppliers, rose 41% over the same period of 2024. China's sawn softwood imports from almost all of top suppliers declined year on year in the first half of 2025. (see below)

#### Main countries shipping sawn softwood to China, first half 2025 (Volume)

Supplier	000s cu.m	YoY % change
<b>Total</b>	<b>7,389</b>	<b>-17%</b>
Russia	5,174	-10%
Belarus	538	-13%
Canada	511	-25%
Sweden	224	-23%
Finland	183	-51%
Brazil	125	-1%
New Zealand	110	41%
Chile	105	-29%
Germany	85	-73%
USA	75	-32%

Data source: China Customs

#### Sawn hardwood imports

#### Main shippers of sawn hardwood to China, first half of 2025 (Volume)

Supplier	000s cu.m	YoY % change
<b>Total</b>	<b>4,766</b>	<b>-6%</b>
Thailand	2,216	-11%
Russia	572	19%
USA	426	-12%
Philippines	375	21%
Gabon	280	-31%
Vietnam	119	63%
Myanmar	94	-36%
PNG	84	344%
Romania	77	3%

Data source: China Customs

#### Main shippers of sawn hardwood to China, first half 2025 (Value)

Supplier	US\$ mil.	YoY % change
<b>Total</b>	<b>1,615</b>	<b>-9%</b>
Thailand	571	-10%
Russia	150	9%
USA	326	-5%
Philippines	27	19%
Gabon	98	-34%
Vietnam	58	76%
Myanmar	54	-46%
PNG	25	396%
Romania	38	6%

Data source: China Customs

#### Decline in tropical sawnwood imports

China's tropical sawnwood imports were 3.421 million cubic metres valued at US\$951 million, down 7% in volume and 12% in value and accounted for about 28% of the national total in the first half of 2025.

Thailand has been the largest supplier shipping tropical sawnwood to China for many years. However, China's tropical sawnwood imports from Thailand in the first half of 2025 dropped 11% to 2.216 million cubic metres valued at US\$571 million, down 10% over the same period of 2024 and accounted for 65% of the national total down 3 percentage points over the same period of 2024.

China's tropical sawnwood imports from Gabon, Myanmar, Malaysia, Cameroon and Indonesia fell 31%, 36%, 26%, 50% and 42% respectively in the first half of 2025.

In contrast, China's tropical sawnwood imports from the Philippines, Vietnam and the Republic of Congo rose 21%, 52% and 9% respectively in the first half of 2025.

#### Main shippers of tropical sawnwood to China, first half of 2025 (Volume)

Supplier	000s cu.m	YoY % change
<b>Total</b>	3,421	-7%
Thailand	2,216	-11%
Philippines	375	21%
Gabon	280	-31%
Vietnam	119	52%
Myanmar	94	-36%
PNG	84	343%
Malaysia	48	-26%
Cameroon	35	-50%
Rep. Congo	32	9%
Indonesia	24	-42%

Data source: China Customs

#### Main shippers of tropical sawnwood to China, first half of 2025 (Value)

Supplier	US\$ mil.	YoY % change
<b>Total</b>	951	-12%
Thailand	571	-10%
Philippines	27	19%
Gabon	98	-34%
Vietnam	58	71%
Myanmar	54	-46%
PNG	25	396%
Malaysia	18	-21%
Cameroon	16	-52%
Rep. Congo	12	-9%
Indonesia	12	-53%

Data source: China Customs

It is worth noting that China's tropical sawnwood imports from PNG surged over 300% in the first half of 2025.

#### Global Timber Index – July 2025

Customs data showed that in the first half of this year China's timber imports totalled US\$5.811 billion, marking a year-on-year decline of 14%. Breakdowns revealed that log imports amounted to US\$2.695 billion, down 18% year-on-year, while sawnwood imports stood at US\$3.117 billion, a drop of 13%. The sharp decline in timber imports reflected, to some extent, the downturn in the real estate market.

Currently, China's timber demand shows a mixed trend with walnut and golden teak prices rising and that of some other species remaining relatively stable. Since July timber demand entered a period of adjustment due to high temperatures and heavy rains. Construction activity slowed and the output of furniture manufacturers also declined compared to early this year.

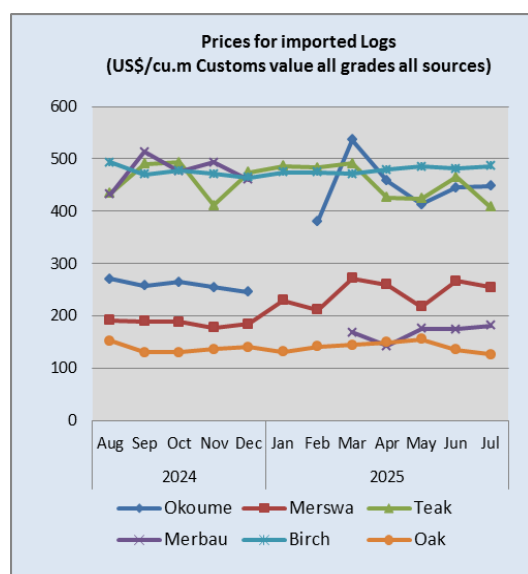
Amidst the challenges the industry is hoping for a rebound in demand during the traditional peak season of September and October.

In July 2025 the GTI-China index registered 48.7%, a decrease of 8.8 percentage point from the previous month and fell below the critical value (50%) after 4 months indicating that the business prosperity of the timber enterprises represented by the GTI-China index shrank from the previous month.

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

Compared to the previous month, the indices for 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 declined.

See: <https://www.itto-ggsc.org/static/upload/file/20250819/1755566095153001.pdf>

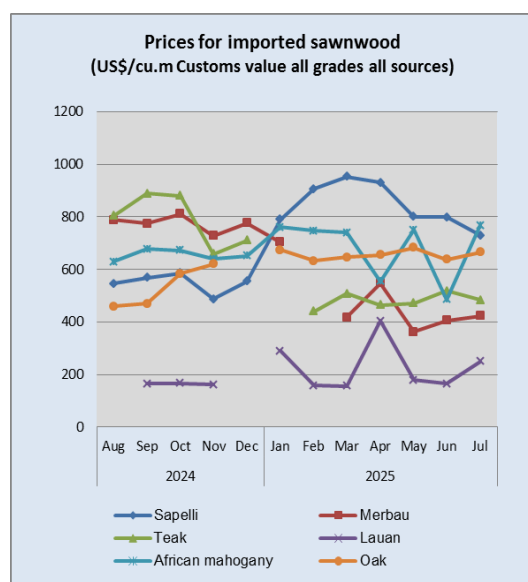


Data source: Customs, China

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

	2025 Jun	2025 Jul
Okoume	445	448
Merswa	267	255
Teak	465	408
Merbau	174	181
Birch	481	486
Oak	135	126

Data source: Customs, China



Data source: Customs, China

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

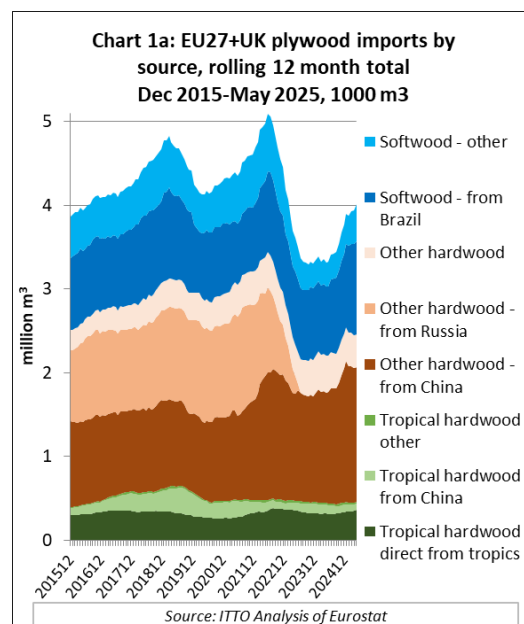
	2025 Jun	2025 Jul
Sapelli	789	730
Merbau	406	422
Teak	518	483
Lauan	165	250
African mahogany	486	768
Oak	638	666

Data source: Customs, China

## EU

### Anti-dumping investigation drove rise in European plywood imports

Total EU+UK imports of plywood from outside the region in the first five months of 2025 were 1.83 million cu.m, up 15% compared to the same period in 2025. Import value increased by 14% to US\$829 mil. in the first five months year-on-year. While the rebound is significant, import quantity in the 12 months to May 2025, at around 4 million cu.m, is still some way below the annual average import of 4.25 million cu.m in the years immediately before the covid pandemic (Chart 1a).

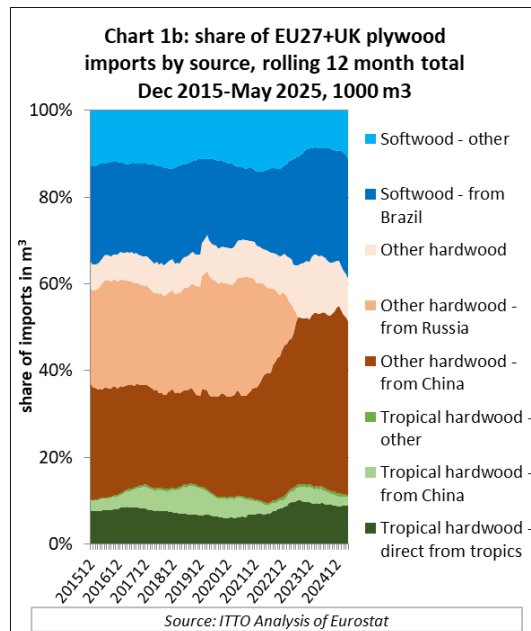


European plywood imports in the first five months of this year were likely boosted by on-going anti-dumping investigations in the EU which may have encouraged stock piling of the affected products in advance of anticipated levy increases.

These include Chinese hardwood plywood for which the EU introduced provisional duties of up to 62.4% from 11 June and Brazilian softwood plywood for which EU anti-dumping investigations are still on-going.

In terms of share of total plywood imports in the EU+UK region, Brazilian softwood plywood has experienced the biggest gain this year, accounting for 37% of imports in the first five months compared to 33% in the same period last year. The share of Chinese temperate hardwood plywood in total plywood imports fell from 36% in the first five months of 2024 to 31% in the same period this year.

Nevertheless, Chinese hardwood plywood still retained a large part of the gains in the European market made following the imposition of EU and UK sanctions on Russian plywood in 2022 (Chart 1b).



### EU Commission determines dumping by Chinese hardwood plywood manufacturers

EU domestic plywood manufacturers called for an anti-dumping investigation of Chinese hardwood plywood imports. The complaint against China was made last year on behalf of the EU hardwood plywood manufacturing sector by the Greenwood Consortium, which, according to evidence collected by the Commission, was supported by producers accounting for more than 25% of hardwood plywood production in the EU.

Details of the EU Commission's investigation which led to the subsequent imposition of the preliminary duties on hardwood plywood from China from 11 June this year are contained in Implementing Regulation (EU) 2025/1139 of 6 June 2025.

The EU Commission investigation concluded that EU production of hardwood plywood fell 11% from 1,872,902 cu.m in 2021 to 1,664,963 cu.m during the period 1 July 2023 to 30 June 2024. It determined that the "Union industry was unable to benefit from the exclusion of Russian and Belarusian hardwood plywood on the Union market. To the contrary, it was forced to reduce its production starting in the year 2022 because of the increase of Chinese imports (+32% in 2022, +10% in 2023 and + 16% in the investigation period) sold at dumped prices."

The EU Commission investigation further concludes that "[T]he development of [EU hardwood plywood] production capacity, which increased by 2% during the period considered following investments made by the Union industry, bears witness to the efforts of the Union industry to replace the Russian and Belarusian hardwood plywood excluded by the sanctions from the Union market.

Capacity utilisation at 75% was already low in 2021 when COVID negatively affected demand. In 2022, the Union industry managed to maintain this level, only to see it fall by 10% in 2023 and 13% in the IP, when compared to the 2021 level".

The EU Commission goes on to state that "Sales quantity on the EU market by the Union industry followed a downward trend between 2021 and 2023 before slightly picking up in the investigation period. Throughout the period considered, the total Union industry's sales quantity decreased significantly by 12%".

The EU Commission's report of the investigation refers to numerous submissions by Chinese plywood industry and EU plywood importing representatives, the latter led by the Plywood Trade Interest Alliance (PTIA), arguing against the call for antidumping duties. These focused on the specific characteristics of Chinese hardwood plywood sold in the EU which they implied satisfies a different market segments from EU production.

The various arguments against duties were rejected by the EU Commission mainly on grounds that both the Chinese and EU plywood industries "can and do produce the full range of hardwood plywood products present in the Union market" and that the "purported differences between Chinese and Union industry hardwood plywood are in quality only; their basic physical, technical and chemical characteristics remain the same".

See: [https://eur-lex.europa.eu/eli/reg\\_impl/2025/1139/oj/eng](https://eur-lex.europa.eu/eli/reg_impl/2025/1139/oj/eng)

### Declining availability of supply and consumption of plywood

The combined effects of EU and UK sanctions on Russian plywood and EU anti-dumping duties on Chinese hardwood plywood and potentially also Brazilian softwood plywood, will impact plywood availability in the EU market. This comes at a time when the level of plywood consumption in Europe is facing significant headwinds.

Construction industry buyers reported another decline in construction activity in the Eurozone, with the pace accelerating in July. The latest HCOB Eurozone Construction Purchasing Managers' Index (PMI) showed the steepest decline in new orders since February.

The seasonally adjusted Total Activity Index dropped to 44.7, from 45.2 in June, marking the 39th consecutive month below the 50.0 threshold separating growth from contraction.



Housing remained the worst-performing segment, although its rate of decline eased slightly, while civil engineering and commercial work also contracted.

France recorded the sharpest fall in output among the bloc's three largest economies. By contrast, German construction companies reported a rate of decline that, while still sharp, was the weakest for two and a half years and suggested signs of a recovery.

Italy posted its first decline in five months as weak demand led to the fastest reduction in purchasing activity since December 2024. Sentiment remained negative, with only Italian firms forecasting growth. "The outlook for European construction companies remains weak," said HCOB economist Norman Liebke.

Construction industry buyers in the UK recorded the steepest fall in activity in more than five years in July, with the latest S&P Global UK Construction Purchasing Managers' Index (PMI) showing sharp declines across all main sectors.

The headline PMI dropped to 44.3, from 48.8 in June, signaling a marked downturn driven by a fresh contraction in residential building and a steep fall in civil engineering activity. Commercial construction also fell, albeit at a softer rate. New orders declined for a seventh consecutive month, with firms citing fewer tender opportunities, site delays and weaker customer confidence.

One of the few bright spots for the European plywood trade is that freight rates are currently quite low and there are indications that the recent volatility in the shipping sector may be easing. According to the Drewry's World Container Index, at this time last year rates on the Shanghai to Rotterdam route for a 40-ft container stood at over \$8250 but these had fallen to US\$4774 by the end of last year and hit a new low of just above US\$2000 in early May this year.

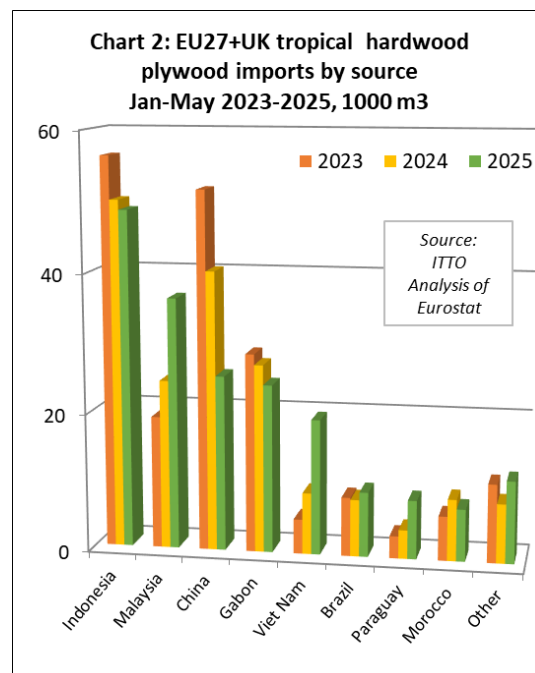
Drewry expects spot rates to remain less volatile in coming weeks. Drewry's Container Forecaster expects the supply-demand balance to weaken again in the second half of this year, which will cause spot rates to contract. However the volatility and timing of rate changes will depend to some extent on future US tariffs and on capacity changes related to the introduction of US penalties on Chinese ships, which are uncertain.

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

#### Malaysia and Viet Nam increase share of European hardwood plywood market

Imports of plywood faced with tropical hardwood into the EU+UK region were 191,400 cu.m in the first five months of 2025, 6% more than the same period in 2024. In value, imports increased 5% to US\$121m in 2024.

This year EU+UK imports of tropical hardwood plywood direct from tropical countries are performing much 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, were 25,300 cu.m in the first five months of this year, 37% less than the same period last year. However, EU+UK plywood imports direct from tropical countries in the first five months of 2025 were 157,300 cu.m, 22% more than the same period last year.

There were particularly large year-on-year increases in imports from Malaysia, up 49% to 36,300 cu.m, and Viet Nam which rose 120% to 19,500 cu.m. Imports of hardwood plywood also increased 14% year-on-year from Brazil, to 9,300 cu.m, while eucalyptus plywood imports from Paraguay increased 105% to 8,500 cu.m.

In contrast, imports from Indonesia were down 3% year-on-year to 48,700 cu.m in the first five months of 2025, while imports from Gabon were down 11% to 24,300 cu.m, and imports of okoume plywood from Morocco were down 15% to 7,500 cu.m.

The share of imports of hardwood plywood direct from tropical countries in total EU+UK imports of plywood in the first five months of this year was 8.6%, up slightly from 8.1% in the same period last year. A bigger rise was not recorded only because of the surge in Brazilian softwood plywood imports in the early months of this year.

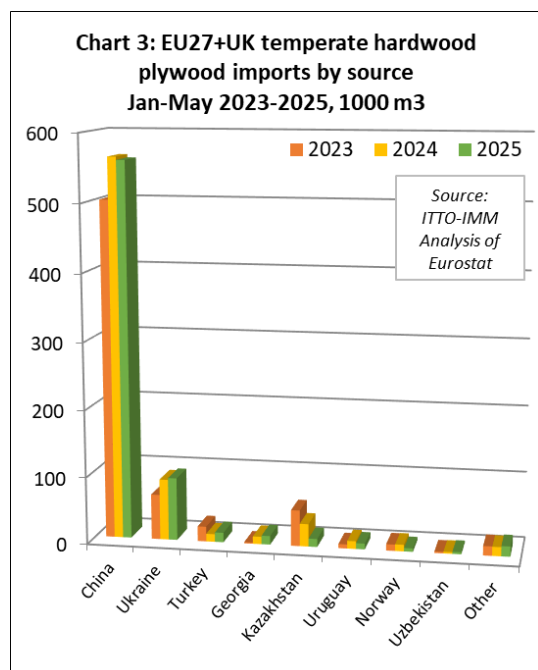
The opportunity for tropical counties to increase their share of the European market in the future seems clear given the sanctions on Russian product and anti-dumping measures already targeting Chinese product and threatened for Brazilian softwood plywood.

## European imports of temperate hardwood plywood declined

The quantity of EU+UK imports of temperate hardwood plywood decreased 3% year-on-year to 724,600 cu.m in the first five months of 2025. Import value fell 2% to US\$375. A big part of the decline was due to a 64% fall in imports from Kazakhstan, a result of EU taking steps to prevent circumvention of the sanctions on Russian plywood by supplying through the country.

There were also large percentage falls in EU+UK imports during the first five months of this year from Uruguay (-24% to 8,700 cu.m), and Norway (-48% to 5,100 cu.m).

Imports of temperate hardwood plywood from China were 559,500 cu.m in the first five months of this year, 1% less than the same period in 2024. These losses were partly offset by rising year-on-year imports from Ukraine (+3% to 93,600 cu.m), Turkey (+24% to 14,300 cu.m), and Georgia (+16% to 12,900 cu.m) (Chart 3).

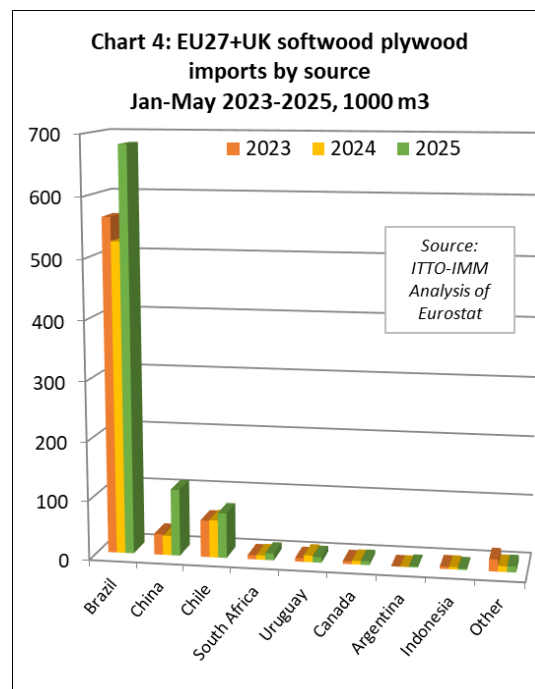


## Rising pace of European softwood plywood imports

The EU+UK region imported 912,000 cu.m of softwood plywood in the first five months of 2025, 38% more than the same period in 2024. Imports were up 30% year-on-year from Brazil at 681,900 cu.m, while imports from China increased 241% to 112,800 cu.m.

Imports also increased 20% to 76,100 m3 from Chile and 47% to 11,300 cu.m from South Africa. Imports from elsewhere were negligible.

The duty-free quota for coniferous plywood imports, set at 201,000 cu.m for the UK and 448,500 cu.m for the EU, was used up very rapidly this year (Chart 4).



## North America

### US housing starts moved upward in July, led by apartment construction

Groundbreaking for new US single-family homes and permits for future construction moved higher in July even as high mortgage rates and economic uncertainty continued to hamper home purchases. Overall residential construction was buoyed by a surge in new apartment projects.

Single-family housing starts, which account for the bulk of homebuilding, increased 2.8% to a seasonally adjusted annual rate of 939,000 units in July the Census Bureau reported. Permits for future single-family homebuilding edged up 0.5% to a rate of 870,000 units, snapping a four-month skid.

Residential construction starts jumped 5.2% to a rate of 1.428 million units on the back of a second month of double-digit increases in apartment projects. Groundbreaking for multi-family projects of five or more units rose 11.6% to an annual rate of 470,000 units, the highest level since May 2023. New apartment construction, which had been in a protracted downtrend after peaking in 2022, has jumped more than 50% in the last two months.

How long that resurgence continues remains in question though as total permit issuance, a guide for future activity, fell 2.8% to a five-year low of 1.354 million units, led by a nearly 10% drop in multi-family project permits. "The data suggests that we're in for a softer patch," said Macrina Wilkins, a senior research analyst at the Associated General Contractors of America. "Builders are cautious about any future demand or the financial conditions that would impact consumers and their inclination to buy."

In Canada, the annual pace of housing starts in July rose 4% compared with June, according to the Canada Mortgage and Housing Corporation. The agency says the seasonally adjusted annual rate of housing starts was 294,085 units for July, up from 283,523 in June.

See: <https://www.census.gov/construction/nrc/current/index.html> and <https://www.msn.com/en-ca/money/topstories/cmhc-reports-annual-pace-of-housing-starts-in-july-up-four-per-cent-from-june/ar-AA1KJwU9?ocid=BingNewsVerp>

### **Home sales also up in July**

Sales of previously owned US homes also rose in July, but the pace of sales remains sluggish amid affordability issues for buyers thanks to high house prices and interest rates on mortgages.

Home sales rose 2.0% in July to a seasonally adjusted annual rate of 4.01 million units from 3.93 million in June according to the National Association of Realtors. Economists polled by Reuters had forecast home resales would be essentially unchanged from June at 3.92 million units. Sales edged up 0.8% on a year-over-year basis.

NAR Chief Economist, Lawrence Yun, saw the data as suggesting that some relief in the factors that have weighed on home sales, high borrowing costs and prices and limited inventory, may have eased. The sales pace over the last two years has averaged around 4 million units a month, a weaker rate than seen even during the 2007-2009 recession that was triggered by a collapse in the housing market.

“The ever-so-slight improvement in housing affordability is inching up home sales,” Yun said. “Wage growth is now comfortably outpacing home price growth and buyers have more choices.”

Home sales saw the biggest rise in the Northeast with an 8.7% increase in sales month on month to an annual rate of 500,000, up 2% year-over-year. The South notched a 2.2% increase in sales month on month to an annual rate of 1.85 million, up 2.2% year-over-year.

In the Midwest, sales decreased 1.1% from the previous month to an annual rate of 940,000, up 1.1% from last July and in the West, sales increased 1.4% over June to an annual rate of 720,000, down 4.0% from last July.

See: <https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>

### **Disappointing July job numbers**

US employers added a disappointing 73,000 jobs in July as payroll growth slowed and the unemployment rate rose from 4.1% to 4.2% the Bureau of Labor Statistics (BLS) reported. Even more concerning, job gains for May and June were revised down by a whopping 258,000, portraying a much weaker labour market than believed in late spring and early summer and raising the odds the Federal Reserve will cut interest rates.

Before the report was released, economists had estimated that 105,000 jobs were added in July.

“The cracks in the labour market have widened substantially and add further pressure on the Federal Reserve to lower interest rates, Nationwide chief economist, Kathy Bostjancic, wrote in a note to clients.

Health care once again accounted for the largest gains in employment while federal government employment continued to decline. Employment showed little change over the month in other major industries, including mining, oil and gas extraction, construction, and manufacturing.

See: <https://www.usatoday.com/story/money/2025/08/01/jobs-report-july-2025-data/85467514007/> and <https://www.bls.gov/news.release/empsit.nr0.htm>

### **Consumer sentiment dips on inflation worries**

The index of consumer sentiment for August from the University of Michigan fell for the first time in four months as Americans worried about inflation.

The overall index declined by 5% to 58.6 from 61.7 but the measure of current conditions dropped by 10.4%. Inflation expectations for a year from now increased to an annual rate of 4.9% from 4.5% in July.

According to the consumer price index, inflation is currently running at a 2.7% pace, but many items have been rising at a rate higher than that.

Some economists say that US import tariffs will lead to higher inflation, although so far that effect has been limited. But prices for necessities such as housing, groceries and medical care continue to go up.

“Overall, consumers are no longer bracing for the worst-case scenario for the economy feared in April when reciprocal tariffs were announced and then paused,” Joanne Hsu, survey director, wrote in an analysis. “However, consumers continue to expect both inflation and unemployment to deteriorate in the future.”

The increase in inflation expectations “was seen across multiple demographic groups and all three political affiliations,” Hsu said.

Earlier this month, twin reports on consumer and wholesale inflation painted a mixed picture, with the former coming in a little below expectations and the latter running higher than forecast. This does suggest that companies may be shouldering some of the burden of tariffs for now but that they may begin to pass those higher input costs onto consumers in the coming months.

See: [sca.isr.umich.edu](https://sca.isr.umich.edu)

### **US factory activity contracted for 5th straight month in July**

Economic activity in the manufacturing sector contracted in July for the fifth consecutive month, say the nation's supply executives in the latest Manufacturing ISM Report On Business.

The Manufacturing PMI registered 48% in July, a small decrease from the 49% recorded in June. Economists surveyed by the Wall Street Journal had forecast the index to inch higher to 49.5%. In the ISM index, a reading below 50 indicates contraction.

More than two-thirds of manufacturers experienced contraction in their output in July, the highest level since December 2024.

"The dominant theme remains tariffs," said Thomas Derry, the ISM's Chief Executive Officer. "Manufacturers are questioning their sourcing strategies and are starting to think about passing the higher costs from tariffs to their customers."

The wood products sector was one of 10 manufacturing industries reporting contraction in July while the Furniture and Related Products sector was one of seven industries that reported growth.

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

### **Cabinet sales fall 6.5% through first half of 2025**

Cabinet manufacturers reported that sales had fallen 6.5% up to June 2025 versus last year through the first half of the year, according to the Kitchen Cabinet Manufacturers Association's June Trend of Business report.

Sales for the first half of the year came in at US\$1.185 billion versus the more than US\$1.267 from January-June 2024 as cabinet sales volume declined by 14.5%. KCMA reports that Custom Sales fell 5.7%, Semi-Custom Sales dropped by 4.0% and Stock Sales plunged 15.7%.

June cabinet sales were down 2.3% from the previous month and down 7.4% versus June 2024.

See: <https://kcma.org/sites/default/files/2025-08/June%20TOB.jpg>

### **China tariff hike delayed**

The US has extended the suspension of higher tariffs on Chinese imports until 10 November, keeping the US levy at 30%, while China agreed to keep its rate at 10%.

In mid-August the tariffs were set to snap back to April levels, when the US levied 145% duties on Chinese goods and China retaliated with 125% on US exports.

The extension follows the latest round of US-China trade talks where both nations first agreed to scale back tariffs in May after meeting in Geneva with US duties dropping to 30% and China's to 10%.

The decision underscores the unpredictability of the US tariff strategy which has left businesses, particularly importers and exporters, having to adapt to sudden changes in rates and timelines, creating uncertainty in supply chains and pricing strategies.

Meanwhile, new data from the Labour Department shows that the tariffs already in place are starting to ripple through some consumer prices. Furniture prices rose 0.9% from June, one of the sharpest monthly increases among tracked categories. Video and audio products climbed 0.8%, while apparel was up just 0.1% and toys rose 0.2%.

See: <https://www.furnituretoday.com/international/trump-delays-china-tariff-hike-as-inflation-ticks-higher/>

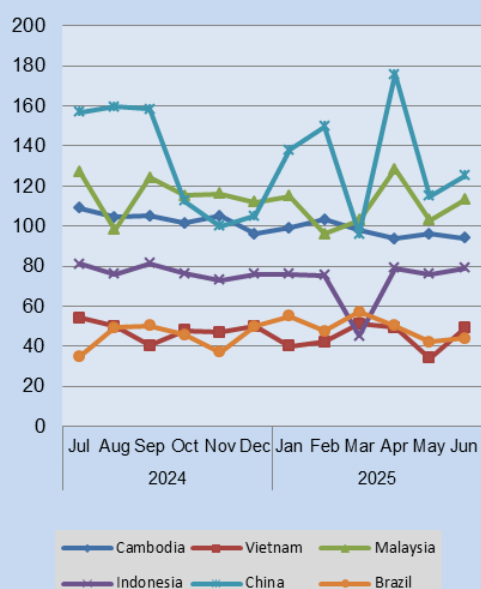
### **US Raises Duties on Canadian Softwood Lumber to 35.19%**

The US Department of Commerce says it has made a final decision to more than double countervailing duties on Canadian softwood sawnwood imports, a move business groups in British Columbia say will harm communities on both sides of the border.

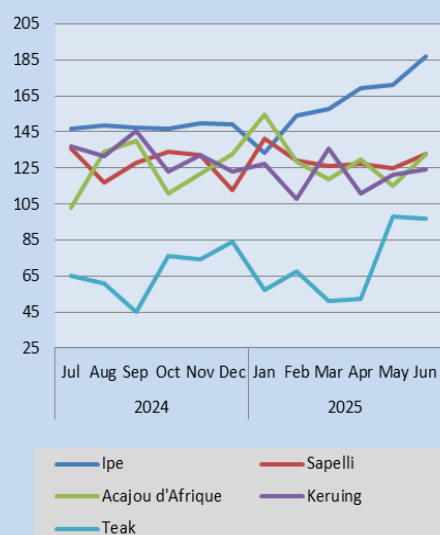
A statement from the American Department says the duty for most Canadian companies is being increased to 14.63%, up from 6.74%, after it determined softwood sawnwood from Canada was being unfairly subsidised. The increase is on top of a recent jump in anti-dumping duties to 20.56%, bringing the total duty level for Canadian softwood to 35.19% according to the US Lumber Coalition.

See: <https://www.woodworkingnetwork.com/news/woodworking-industry-news/us-raises-anti-dumping-duties-canadian-softwood-lumber>

**Indices for Unit Values of US Hardwood Plywood Imports (Jan 2016=100)**



**Indices for Unit Values of US Tropical Sawnwood Imports (Jan 2016=100)**



**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

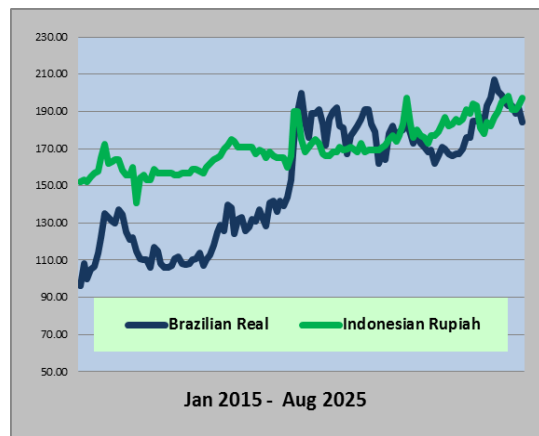
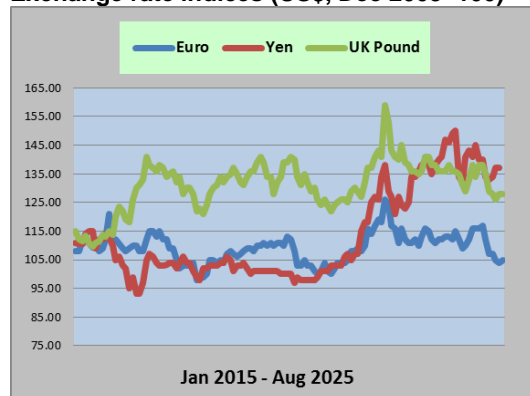


## S Dollar Exchange Rates

As of 25 August 2025

Brazil	Real	5.41
CFA countries	CFA Franc	560..79
China	Yuan	7.15
Euro area	Euro	0.85
India	Rupee	87.61
Indonesia	Rupiah	16,274
Japan	Yen	147.77
Malaysia	Ringgit	4.21
Peru	Sol	3.623
UK	Pound	0.74
South Korea	Won	1,390.57

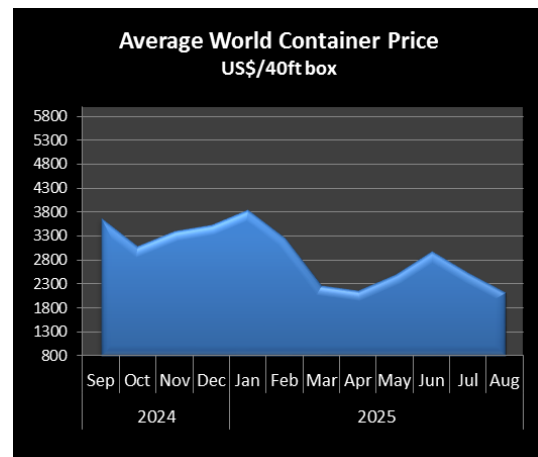
Exchange rate indices (US\$, Dec 2003=100)



## 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

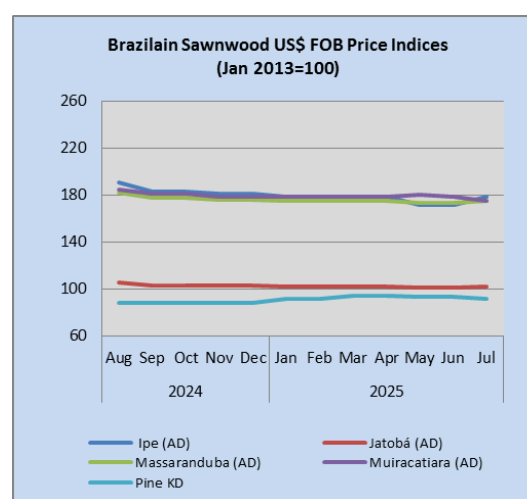
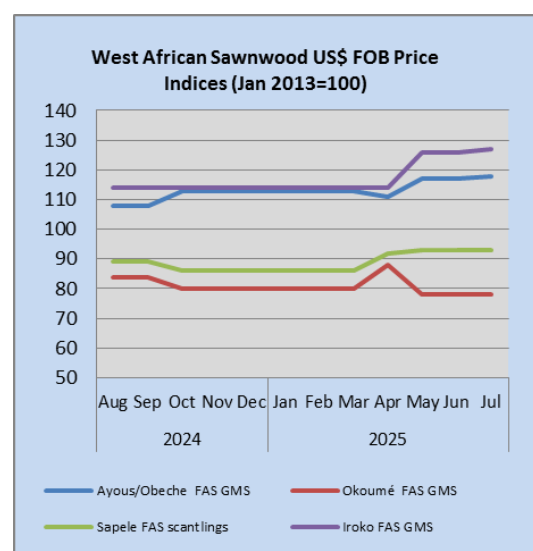
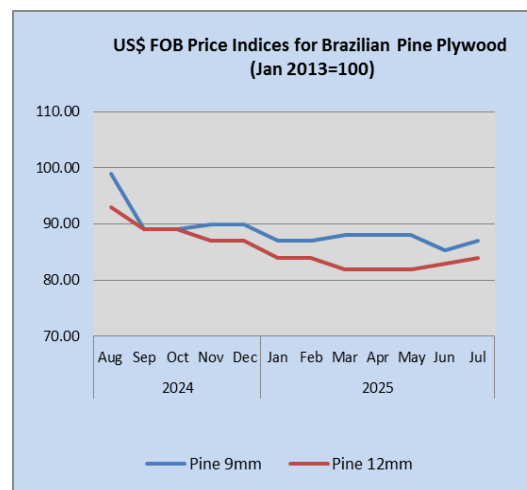
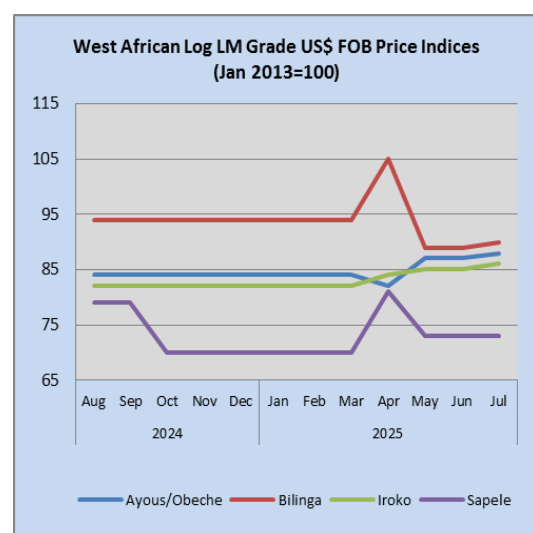


Data source: Drewry World Container Index

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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