

Tropical Timber Market Report

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Top story

Philippines, largest export destination for China's plywood

The Philippines became the top destination for China's plywood exports in the first half of 2025. Exports rose 3% to 504,000 cubic metres.

In contrast, China's plywood exports to the UK, Viet Nam and Japan fell in the first half of 2025. Plywood exports to the US dropped in the first half of 2025 and totalled 110,783 cubic metres

In the first half of 2025 China's plywood exports totalled 6.49 million cubic metres valued at US\$2.52 billion.

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Central and West Africa

Regional update

Gabon

Operations remain subdued with market demand still weak and buyers largely absent. GPS-linked log traceability remains strictly enforced in line with EUTR compliance. All sawnwood bundles are being checked for compliance before export.

European buyers have returned from summer holidays but ordering remains slow as stocks in the main markets remain high. Chinese demand is extremely weak while European orders are mostly on a supply-on-demand basis.

It has been reported that demand for Okan has weakened in both China and the Netherlands, said to be due to oversupply and the recent focus of mills to cur Azobe. The local market remains active for Okoume and Bilinga.

Okoume peelable logs are selling in the NKok zone at 80,000 CFA/pcbm, while CS-grade Okoume logs are at 85,000 CFA/pcbm.

Local sawn logs are trading at 60,000 CFA/pcbm and prices for sawn Okoume are steady at 140,000 CFA/pcbm. The GSEZ log park is said to hold about 10,000 cu.m of mostly low-grade Okoume alongside Bosse, Sapelli, Padouk and small volumes of Azobe and Okan.

The rain season has returned but thanks to ongoing work roadtransport has improved on the main forest to port routes, including Okonja–Makoukou–Lastourville–Ovang–Lope–Ndjole to Bifoun. Deliveries to Libreville are moving more steadily as road works progress. The government has launched a plan to repair 3,000 km of roads over four years, with priority given to the most critical sections.

Rail transport remains problematic. The Union des Forestiers et Industriels du Bois du Gabon (UFIGA) continues to pressure the government on the performance of SETRAG. Recurrent derailments and poor maintenance are frustrating travellers and delaying log transport. The government has demanded that SETRAG overhaul its 40-year-old network within a year with funding support from the African Development Bank.

Milling continues to be disrupted by power cuts. The government has pressed SEEG (the national electricity company) to stabilise supply. Two Turkish floating power units are already in place with a third ship expected to raise output to 228,000 kWh. However, installation of this new capacity is resulting in short term power cuts.

Political activity is intensifying as Gabon heads to local elections on 27 September, the first real test for the President's new party, Les Bâtisseurs.

In what is said to be a surprise move the government has also ordered that “low-level jobs” such as taxi services, small shops and manual work be reserved for Gabonese citizens. This directive has created pressure on Beninese workers who currently work in the country. The Benin government has requested negotiations on this issue.

Cameroon

Persistent heavy rains are causing delays in production and driving down output volumes. By the end of September most sawmills are expected to close temporarily due to the upcoming presidential elections. More than half of the Chinese-operated mills remain closed.

Many operators have left the country ahead of the October presidential elections citing both political uncertainty and weak market conditions. They are expected to return at the end of October once the election period has passed. Domestic sawmills are also slowing down, with new contract demand delayed.

Operators had briefly increased production earlier in the dry season by repairing roads but demand is now weak so production has been scaled back. Chinese buyers, in particular, are not showing very much interest and this lack of demand is unsettling operators.

Transport to ports continues without major disruption and container availability is sufficient, with no shortages of empty boxes reported. Port operations remain steady and shipments are dispatched as planned.

Middle Eastern markets are stable, particularly for species such as Iroko, Sapelli, and other redwoods but the low density species are not moving in the Middle East. European orders are being placed and fulfilled quickly as Cameroon can respond efficiently to smaller, short-term contracts.

The looming EUDR is causing concern among operators in both the timber and agricultural sectors as the EUDR applies to many agricultural products. CITES requirements are creating additional difficulties with operators experiencing heavy delays document processing. European importers are also reportedly under pressure as CITES procedures complicate transactions.

The timber industry remains highly sensitive to the political climate. With presidential elections scheduled for 12 October many mills are expected to suspend operations at the end of September although some legal advisors indicate closures will only be necessary during the immediate election period of 10–14 October.

Republic of Congo

Demand in international markets remains relatively quiet. Harvesting continues at normal levels though rains are disturbing operations and creating some challenges on laterite roads. Repair work is ongoing in certain areas so trucking remains functional but slowed by weather. Transport routes to Douala port are operational.

Demand pressures are being felt with Philippine interest in Okoume declining and Middle Eastern demand also weakening. This has left sawmills with few options beyond small contracts to southern Europe, particularly Portugal and Italy. Demand is stable but uneven across markets. Purchases of Okoume sawn timber by the Philippines is declining while Tali shipments to Vietnam continue to support mill activity.

Port operations remain stable with shipments proceeding normally. Container availability is not a present an issue. While some weather-related delays exist, overall export flows are functioning without serious disruption.

Log export prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N" Gollon	220	220	175
Ayous/Obeche/Wawa	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

Measures to end illegal mining in forest reserves

As part of measures to curtail the alarming rate of illegal mining in Ghana's forest reserves which has polluted and destroyed some of the country's water bodies, the government has taken some steps to strengthen environmental protection under the Environmental Protection Agency (EPA).

The Acting Minister for Environment, Science and Technology, Emmanuel Armah-Kofi Buah, has formally written to the Office of the Attorney General for the immediate revocation of Legislative Instrument (L.I.) 2462 and its amended version, L.I. 2501.

The L.I., passed in 2022 under Environmental Protection (Mining in Forest Reserves) Regulation, allowed for mining activities in forest reserves with some exceptions and requirements for environmental management.

In a statement issued by the Director of Communications for the Lands Ministry, Ama Mawusi Mawuenyefia, the Minister assured the public that revoking the L.I. will not create a regulatory vacuum. The statement expressed confidence that the Environmental Protection Agency's (EPA) existing framework will provide robust provisions to govern all mining activities and ensure strict compliance with environmental standards.

He added that this critical step is intended to unify and strengthen the regulatory framework, creating a cohesive front for all stakeholders in the national fight against illegal mining.

In late 2024 government began the process of revoking this law following calls from environmental groups and civil society organisations. Forestry Commission statistics indicate that the country loses about 120,000 hectares of forest cover annually, much of which is linked to agricultural expansion activities and the menace of illegal mining.

See: <https://www.myjoyonline.com/acting-environment-minister-armah-kofi-buah-writes-to-attorney-general-for-immediate-revocation-of-l-i-2462/>

Wood product exports to African market slump while ECOWAS sees growth

Cumulative timber and wood product exports in the first six months of 2025 through Takoradi and Tema Ports as well as overland stood at Eur51.63 million, representing a 15% decrease compared to the Eur60.58 million traded in the same period of 2024 according to data source from the Timber Industry Development Division (TIDD).

In the first half of the year Africa's market share of Ghana's product exports dipped from 13,175cu.m. in 2024 to 10,186cu.m in 2025. These exports generated revenues of Eur4.28 million for the period in 2025 compared to Eur5.42 million, a decline of 21% in value.

Export markets – January to June

	2024		2025	
	000 cu.m	Share	000 cu.m	Share
Asia	85	64%	76	68%
Europe	21	16%	17	15%
Africa	13	10%	10	9%
America	7	5%	6	5%
Middle East	7	5%	3	3%
Total	133	100%	111	100%

Data source: TIDD

The data revealed that overland exports to neighboring ECOWAS countries accounted for Eur3.13 million from 8,069 cu.m of the total African wood products exported from January-June 2025 as compared to Eur3.85 million obtained from 10,277 cu.m during the same period of 2024.

Ghana's wood products export to the regional market for the period included plywood, kiln dried sawnwood, sliced veneer and poles.

Plywood dominated exports accounting for 99% of the regional export volumes for 2024 and 2025. The total value of overland plywood exports during the half year was Eur3.85 million in 2024 compared to Eur3.13million in 2025.

The average unit price registered an increase of 3.5% from Eur375 per cu.m. in January-June 2024 to Eur388 per cu.m. in the same period of 2025.

Plywood exports by sea went to Gambia (35%), South Africa (23%) and Senegal (22%) altogether accounted for 80% of total export volume for the period January to June 2025. The major species used in plywood production included chenchen, ceiba, cedrela, eucalyptus and gmelina.

The major markets for the African trade included Egypt, Morocco and South Africa. While Togo, Burkina Faso, Niger, Gambia, Mali, Benin, Cote D'Ivoire, Nigeria and Senegal were the markets for the ECOWAS.

Strengthening forest governance

The Minister for Lands and Natural Resources, Emmanuel Armah-Kofi Buah, has inaugurated a Timber Validation Committee with a mandate to enhance transparency, accountability and credibility in Ghana's timber industry.

In his inaugural address, the Minister said the committee would play a vital role in safeguarding Ghana's forests while ensuring that all timber products meet both domestic and international standards. He hailed Ghana's recent milestone of issuing its first Forest Law Enforcement, Governance and Trade (FLEGT) license for timber exports to the European Union.

Mr. Armah-Kofi Buah described the step as the country's bold statement of commitment to legality, transparency and sustainability in the global timber trade.

The Minister tasked the Committee with the need to work hard to preserve the country's forests as a national heritage we owe to our children and grandchildren. He pledged government's full support to the committee to help it carry out its work effectively.

The Committee Chairman, Fiifi Buckman, expressed gratitude on behalf of members and assured stakeholders of their professionalism and integrity.

See: https://www.myjoyonline.com/lands-minister-inaugurates-timber-validation-committee-to-strengthen-forest-governance/#google_vignette

VAT to be lowered to 20% in 2026

The final Value Added Tax (VAT) rate that will be paid by businesses is expected to be reduced from 22% to 20 % from 2026. This will be captured in the 2026 Budget, which the Finance Minister Dr. Ato Forson, disclosed could be presented to parliament in October 2025.

When meeting the press, Commissioner General of the Ghana Revenue Authority (GRA), Anthony Sarpong, noted that the government is committed to reducing the tax burden on businesses. He said the new VAT bill should be ready by September this year before the next budget reading.

Meanwhile, in a bid to make the payment of VAT, taxes and filing convenient the GRA has now moved towards a more digitalised economy for taxpayers to file returns and pay taxes online with ease.

The Association of Ghana Industries (AGI) among other manufacturing companies have complained of the complex and double VAT taxation system encouraging the government to review, consolidate and to make payment convenient for taxpayers.

See: <https://www.vatupdate.com/2025/08/16/ghana-reduces-vat-to-20-in-major-tax-reform-to-boost-compliance-and-ease-business-burden/>

Ghana's economy grew 6.3% in the second quarter

According to the Ghana Statistical Service (GSS) provisional data release, Ghana's economy grew by 6.3% in the second quarter of 2025. The data revealed that the real Gross Domestic Product (GDP) increased by 1.4% in second quarter of 2025, from 1.6% in the first quarter of this year.

Meanwhile, according to IC Research a leading market research firm, the Monetary Policy Committee of the Bank of Ghana will likely announce a second successive interest rate cut at the September 2025 meeting.

See: <https://www.graphic.com.gh/business/business-news/ghana-news-economy-grows-6-3-in-2nd-quarter-driven-by-services-industry.html>

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	
FAS 25-100mmx150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	925
Asanfina	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	Asanfina
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
Asanfina	1,782
Avodire	2,688
Chenchen	772
Mahogany	1,048
Makore	1,527
Odum	1,333
Sapele	1,275

Malaysia**Malaysia committed to 50% forest cover**

Malaysia is currently maintaining 54.3% of its land area as forests according to Johari Abdul Ghani who is currently overseeing the Ministry of Natural Resources and Environmental Sustainability.

He said the country remains committed to maintaining at least 50% of its land mass under forest cover in line with the pledge made to the United Nations in 1992.

He added that forest plantations established in forest reserves (HSK) are not categorised as having resulted in deforestation as this involve replanting rather than permanent conversion of forest land to non-forest use.

"As of June 30 this year the total area of forest plantations in Peninsula Malaysia stood at 259,654ha. of which 175,331ha. have been replanted. These plantations are established to ensure a continuous supply of raw material" he told the Malaysian Parliament.

Johari said harvesting within forest reserves is strictly controlled. "States are allowed to harvest no more than 5% of their HSK areas at any one time. After harvesting, the area must be replanted, only then can a further 5% be opened. This way, we ensure biodiversity is protected while maintaining forest cover," he said.

See:

<https://www.nst.com.my/news/nation/2025/08/1265761/malaysia-affirms-50pct-forest-cover-pledge-amid-concerns-over-timber?topicID=1&articleID=1265761>

Minister - furniture industry must prioritise innovation, sustainability and design

The Deputy Plantation and Commodities Minister, Chan Foong Hin, has said Malaysia's furniture industry must prioritise innovation, sustainability and design to remain globally competitive instead of relying solely on price. He noted that Malaysia enjoys a slight tariff advantage over Vietnam in the United States market, 19% compared with Vietnam's 20%. Vietnam is among Malaysia's main competitors in the global furniture market, with both countries vying for market share particularly in the home and office furniture segments.

"We have an advantage but in the long run, I don't think price will be the only factor, innovation is key. Malaysia must move from only manufacturing in Malaysia to manufacturing and designing by Malaysia," he said at the opening of the Malaysia Furniture Furnishings Market 2025 (MFFM).

Chan added that international buyers are increasingly demanding eco-certified products with the Malaysian Timber Certification Council (MTCC) encouraging local manufacturers to obtain certification to strengthen their credibility.

Despite global headwinds, Chan said the timber industry remained resilient with exports rising 4.9% to RM22.9 bil in 2024. Wooden furniture contributed RM9.9 bil, up 8.4% and now accounts for more than 40% of Malaysia's total wood product exports to more than 160 countries. Chan attributed this success to strong craftsmanship, design innovation and collaboration with agencies such as the Malaysian Timber Industry Board (MTIB), MTC and MTCC.

Over 370 companies are now certified under the Malaysian Timber Certification Scheme, endorsed by the Programme for the Endorsement of Forest Certification (PEFC) giving Malaysia global recognition as a trusted source of responsibly made furniture.

Looking ahead, Chan identified three megatrends that will shape the industry, sustainability and ESG (environment, social and governance), digital transformation and design innovation. “Compliance with international standards is no longer optional. Industry 4.0 technologies are reshaping the way furniture is designed and manufactured and the government is supporting SMEs with assessments and matching grants,” he said.

See: <https://www.thestar.com.my/news/nation/2025/09/04/innovation-the-key-to-malaysian-furniture-industry039s-future-says-deputy-minister>

Global conservation expertise comes to Sarawak

Sarawak Energy’s climate and biodiversity efforts reached a new milestone with the official handover of the Dataran Seping Carbon Study Permit (CSP) from the Forest Department Sarawak and the signing of a Memorandum of Understanding (MoU) with the International Union for Conservation of Nature (IUCN) bringing global conservation expertise to Sarawak.

Sarawak Energy is an electric power utility company. Both initiatives, unveiled at the Sustainability & Renewable Energy Forum (SAREF 4.0), strengthen Sarawak Energy’s nature-based solutions projects and its pathway towards net zero.

The Carbon Study Permit grants Sarawak Energy the legal approval to commence feasibility studies for its NbS projects within hydropower catchments. These projects are projected to generate more than 250,000 carbon credit units, which will offset emissions from hard-to-abate generation sectors and support the company’s Net Zero Action Plan.

The initiative, guided by the Hydropower Sustainability Standard (HSS), leverages NbS to strengthen water resource resilience, biodiversity protection and long-term community benefits.

See: <https://dayakdaily.com/sarawak-energy-secures-dataran-seping-carbon-study-permit-partners-with-iucn-to-drive-nature-based-climate-solutions/>

Japanese company funding mangrove restoration

The Sabah Government, through the Sabah Forestry Department (SFD), has renewed its commitment to mangrove conservation by signing a Memorandum of Understanding (MoU) with the International Society for Mangrove Ecosystems (ISME). Launched in 2011, the SFD–ISME Mangrove Rehabilitation Project has grown into one of Sabah’s most significant conservation initiatives.

Now entering its fourth phase (2024–2029), the project will continue with the support of Tokio Marine & Nichido Fire Insurance Co. Ltd., Japan, which is providing funds to restore degraded mangroves across the State.

Since its inception, the project has successfully restored 556 hectares of mangrove forests, benefitting coastal ecosystems and local communities. Beyond rehabilitation the collaboration has also advanced scientific research on mangrove ecosystems.

See: <https://www.dailyexpress.com.my/news/265428/sabah-renews-mangrove-rehab-deal/>

3D LiDAR technology to measure forest structure

The Forest Department Sarawak (FDS) has signed a Memorandum of Agreement (MoA) and a Memorandum of Understanding (MoU) with Arbonaut Ltd, a leading international company in forestry and geospatial technology.

Arbonaut Ltd. has been appointed as the consultant for the project ‘Quantifying Stand Structure Dynamics and Productivity in Natural Forest and Planted Forest Stands Using Airborne 3D Ranging Systems’.

According to FDS, the project will utilise 3D LiDAR technology to measure forest structure, growth dynamics and productivity in both natural forests and industrial tree plantations. The technology is expected to improve the accuracy of forest inventory parameters such as tree height, volume, biomass, carbon stocks and forest fire risk assessments.

In addition, FDS signed a five-year MoU with Arbonaut Ltd. outlining collaboration in areas including forest carbon assessment, carbon project development and trading. The MoU also covers joint research in biodiversity, forest products, fire management, soil science and pathology, as well as technical information exchange, knowledge transfer and the use of remote sensing in forest inventory systems, sustainable forest management, forest traceability and forest information systems.

See: <https://www.theborneopost.com/2025/08/27/forest-dept-sarawak-seals-moa-mou-with-finlands-arbonaut-ltd-to-boost-forestry-tech-collaboration/>

Indonesia

Export Benchmark Prices (HPE)

The following is a list of Wood HPE from 1 to 30 September 2025.

Veneers (prices per cu.m)	
Natural forest veneer	US\$621
Plantation forest veneer	US\$768
Wooden sheet for packaging Box	US\$1,065

Wood chips (prices per tonne)	
Woodchips	
chips or particles	US\$90
Woodchips	US\$97

Processed wood (prices per cu.m)

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

Meranti (Shorea sp)	US\$1,371
Merbau (Intsia sp)	US\$841
Rimba Campuran	US\$822
Ebony	US\$1,980
Teak	US\$3,698
Pine and Gmelina	US\$1,072
Acacia	US\$611
Sengon (P. falcata)	US\$1,318
Rubberwood	US\$326
Balsa, Eucalyptus	US\$540
Sungkai (P.canescens)	US\$1,298

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

See: <https://jdih.kemendag.go.id/peraturan/keputusan-menteri-perdagangan-republik-indonesia-nomor-1844-tahun-2025-tentang-harga-patokan-ekspor-dan-harga-referensi-atas-produk-pertanian-dan-kehutanan-yang-dikenakan-bea-keluar>

Calls for a simplification of regulations

A number of forestry and economic experts are urging the Indonesian government to simplify regulations to revitalise the national timber industry and boost its competitiveness. They argue that the current rules are hindering investment, weakening production and reducing the forestry sector's contribution to the economy.

Specifically, Bogor University IPB forestry specialist, Sudarsono Sudomo, believes that the Timber Legality and Sustainability Verification System (SVLK) creates more costs than benefits and that many growers do not know they have to obtain the required certificate. He also refutes the claim that natural forest management is the main cause of deforestation, stating that land conversion is a more frequent cause.

The experts' call for action is supported by data showing a sharp decline in the industry. From 1990 to 2023 the number of active forestry businesses in natural forests has fallen from about 600 to just 250. According to Sudarsono, the industry also has a low capacity for job creation, absorbing only about 1,500 workers for every Rp1 trillion in investment.

Forestry analyst, Petrus Gunarso, highlighted that the issue of timber traceability is often misunderstood, noting that international NGOs often label the conversion of natural forests to timber plantations as deforestation.

See: <https://ekonomi.republika.co.id/berita/t2ax0b522/pemerintah-didorong-permudah-regulasi-industri-kayu-nasional> and

https://investor.id/business/408872/regulasi-industri-kayu-perlu-dipermudah#goog_rewarded and <https://www.liputan6.com/bisnis/read/6154684/bebani-pengusaha-pemerintah-diminta-permudah-regulasi-industri-kayu>

SVLK verified wood pellets

The Indonesian Ministry of Forestry has confirmed that Indonesian wood pellets exported with a V-Legal/FLEGT License meet the Timber Legality and Sustainability Verification System (SVLK). This provides a guarantee that the products originate from legal and sustainable sources that fully comply with Indonesian law.

This clarification was made during a meeting with Japanese industry representatives and was a direct response to accusations from several NGOs that the wood pellet industry was causing deforestation.

According to Tony Rianto, Head of the Sub-Directorate of Forest Product Certification and Marketing at the Ministry of Forestry, the SVLK scheme is comprehensive, covering not only legal aspects but also social, ecological and business factors. Industries that utilise SVLK-certified raw materials are therefore assured of both ecological and economic sustainability. He stated that the SVLK system is the government's way of protecting forests, preventing deforestation and supporting the transition to clean energy by ensuring the pellets come from legal and sustainable sources.

See: <https://industri.kontan.co.id/news/penuhi-svlk-produk-wood-pellet-indonesia-dijamin-legalitas-dan-kelestariannya>

Indonesian furniture and craft at VIFA ASEAN

The Indonesian Furniture and Craft Industry Association (HIMKI) is strengthening the presence of Indonesian products in the global market by participating in the VIFA ASEAN 2025 International Furniture and Home Accessories Fair in Viet Nam. This is the second time HIMKI has participated in the event.

According to Marthunus Fahrizal, HIMKI's Head of International Institutional Relations, this exhibition was a crucial opportunity to gain access to the global market, particularly within the fast-growing Southeast Asian region.

HIMKI attended the Fair with six member companies to showcase the quality and diversity of Indonesian furniture and craft products. This participation aimed to introduce the products to international consumers, investors, designers and other professionals. The Association's involvement in the event was a key part of its commitment to solidify Indonesia's position on the international furniture and craft industry map.

See: <https://investor.id/business/407677/industri-furnitur-perkuat-penetrasi-di-pasar-asean>

In related news, Indonesia participated in the Korea International Furniture and Interior Fair (KOFURN) 2025 in Goyang City, South Korea held from August 28-31. This event is South Korea's largest international furniture and interior exhibition and twelve leading Indonesian furniture companies took part.

The participation was a strategic initiative by Indonesia's Ministry of Trade, the Indonesian Embassy in Seoul, the Indonesian Trade Attaché in Seoul and Indonesia Eximbank in order to promote high-quality Indonesian furniture and strengthen its position in the South Korean market.

The Indonesian Pavilion showcased a variety of products, including wooden furniture, upholstered chairs, home interior furnishings and innovative designs using eco-friendly materials.

In addition to the exhibition, the participating companies also engaged in business-matching sessions to connect with potential buyers from South Korea and other Asian countries. The Deputy Chief of Mission at the Indonesian Embassy in Seoul, Ali Andika Wardhana, said this participation will create more trade opportunities for the Indonesian companies.

See: <https://wartaekonomi.co.id/read580913/ri-perkenalkan-desain-dan-kualitas-produk-furnitur-lokal-ke-korea-selatan>

Impact of US tariffs on Indonesian furniture and handicrafts

According to the Indonesian Furniture and Handicraft Industry Association (HIMKI) the US accounts for 55-60% of Indonesia's total global exports of furniture and handicraft with a value of US\$2.43 billion in 2024. Although details of the US 232 investigation are still unknown, the uncertainty has prompted Indonesian businesses to begin preparations.

The HIMKI is undertaking several mitigation efforts including forming a coalition with the American Home Furnishings Alliance (AHFA) and seeking an exemption in coordination with the Indonesian Embassy in Washington. The Association plans to provide evidence that additional tariffs would ultimately raise furniture prices for American consumers.

For the medium term, HIMKI is considering more significant strategic shifts. This includes the possibility of relocating or establishing new production facilities in countries that have existing free trade agreements (FTAs) with the US such as Jordan. Additionally, the Association is exploring alternative export markets to reduce its dependence on the US including Western Europe, Japan, Australia, the Middle East and ASEAN countries.

See: <https://www.msn.com/id-id/politik/pemerintah/trump-mau-pasang-tarif-impor-furnitur-bagaimana-nasib-mebel-dan-kerajinan-indonesia/ar-AA1L6TVE?ocid=BingNewsVerp> and <https://www.msn.com/id-id/berita/other/as-bakal-terapkan-tarif-tinggi-furnitur-produsen-berharap-prabowo-turun-tangan/ar-AA1L6uBN?ocid=BingNewsVerp>

Improving access to capital and financial services

The Financial Services Authority (OJK) and the Ministry of Forestry have entered into a collaboration aimed at increasing access to capital and financial services for farmers managing social forestry areas. The partnership establishes eight key areas of cooperation, with the primary objective being to encourage banks to provide loans to these forest farmers.

According to Forestry Minister, Raja Juli Antoni, this initiative is crucial for helping communities make their lands more productive, thereby improving their welfare and contributing to economic growth.

The collaboration directly addresses a long-standing issue where forest farmers struggled to obtain capital because their social forestry management submissions were not accepted by financial institutions.

By working with the OJK the government hopes to make these farmers "more bankable," allowing them to secure the financing needed to develop their land. This effort is also expected to boost the economic literacy of the communities involved and ensure that forests remain sustainable.

See: <https://en.antaranews.com/news/376817/ojk-govt-collaborate-to-expand-access-to-capital-for-forest-farmers>
<https://rri.co.id/daerah/1802005/ojk-kemenhut-jalin-kerja-sama-dorong-pembiayaan-perhutanan-sosial>
https://jakartaglobe.id/special-updates/ojk-and-forestry-ministry-strengthen-synergy-between-financial-services-and-forestry-sectors#goog_rewarded

Ministry projects 2026 budget to boost investment

The Ministry of Forestry in Indonesia has projected a proposed 2026 budget of Rp6.039 trillion (approximately US\$367.8 million). Key priorities include protecting forests as the "lungs of the planet," regulating water systems, and managing forest rehabilitation and wildfire control. This budget is also projected to create over 400,000 jobs contribute to the national target of reducing greenhouse gas emissions by 15 percent from the forestry sector.

Furthermore, the Ministry is committed to equitable forest governance by providing community access to forest management and streamlining permit regulations. The budget will also be used to support food and energy security through the development of agroforestry, multi-business forestry and the down-streaming of forest products.

See: <https://en.antaranews.com/news/378465/forestry-ministry-projects-2026-budget-to-boost-investment> and <https://koran-jakarta.com/2025-09-07/anggaran-kemenhut-2026-disiapkan-untuk-dorong-kebijakan-kehutanan-berkelanjutan>

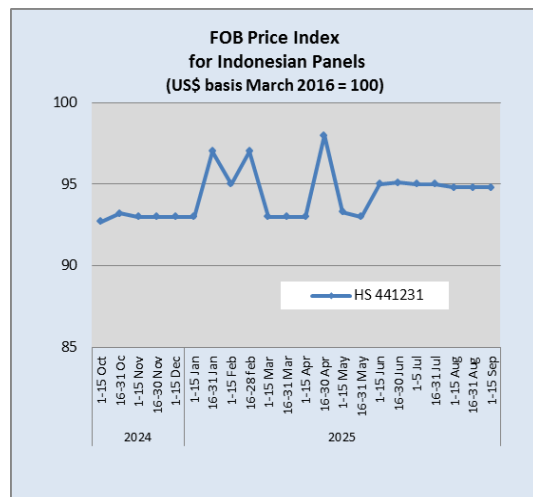
US\$ 1.3 Billion for domestic industry revitalisation

The Indonesian government has allocated up to IDR20 trillion (approximately US\$1.3 billion) to revitalise domestic industries.

The goal of this initiative is to strengthen the industries' global competitiveness and create more employment opportunities.

The funding will be sourced from the government-backed Kredit Usaha Rakyat (KUR), or People's Business Credit, program, which offers a subsidized interest rate of 5%. The programme will specifically target labor-intensive sectors such as the textile and textile products industry, food and beverage industry and furniture industry.

See: <https://rri.co.id/en/business/1815639/indonesia-allocates-usd-1-3-billion-for-domestic-industry-revitalization>



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

Myanmar

Exports of veneer to India and China

Myanmar exports veneer sheets, sheets for plywood and other wood products to India and China. In 2024 Myanmar earned US\$9.61 million from exports to India and US\$19.34 million from exports to China according to the United Nations COMTRADE database on international trade.

China remains a larger buyer of veneers for plywood manufacture from Myanmar, roughly double what India bought in 2024 (US\$19.34 mil. vs. US\$9.61 mil.) The figures are relatively modest. It is to be noted that the trade channel with India is almost all by sea while the trade with China is believed mainly the informal cross-border trade.

See -

<https://tradingeconomics.com/myanmar/exports/india/veneer-sheets-sheets-plywood-wood> and <https://tradingeconomics.com/myanmar/exports/china/veneer-sheets-sheets-plywood-wood>

Acting President Visits China

Acting President Min Aung Hlaing paid a visit to China, attending the Shanghai Cooperation Organization (SCO) Summit in Tianjin and holding a meeting with Chinese President Xi Jinping.

The trip, which took place from 30 August to 1 September 2025 is being widely interpreted as a strategic move to solidify ties with China amid ongoing internal conflict and ahead of a planned general election in Myanmar.

In related news, Min Aung Hlaing stated that the Myitsone Dam project, which has been suspended for more than a decade, would be restarted. Decisions were made on the need to expedite the implementation of several projects between Myanmar and China, including the Kyaukphyu project, the Myitsone project, the oil and gas pipeline projects and the Mandalay-Muse railway project.

See:

https://www.fmprc.gov.cn/eng/xw/zyxw/202508/t20250830_11698908.html?utm_source=chatgpt.com

and

https://www.irrawaddy.com/news/burma/myanmar-junta-chiefs-china-visit-hailed-as-successful-and-fruitful-by-regime.html?utm_source=chatgpt.com

Recovery loans for earthquake hit SMEs

The Central Bank has announced it will provide 700 billion kyats in recovery loans to businesses and people affected by the powerful earthquake on March 28. The funds will be used for a disaster recovery fund to rebuild the areas damaged by the powerful Sagaing earthquake. Of the initial 700 billion kyats, 500 billion will come from the National Natural Disaster Management Fund and 200 billion will come from the Central Bank's Market Stabilisation Fund.

The loans will have terms of three to five years and will cover a variety of needs. These include loans for rebuilding homes and buildings, working capital for small and medium-sized enterprises (SMEs) and funds for machinery, water, electricity and solar investments. Loans will also be available for the repair and operation of large factories, as well as short-term loans for construction companies responsible for rebuilding state-owned infrastructure.

The 7.7 magnitude Sagaing earthquake caused extensive damage to homes, buildings and resulted in a high number of casualties in regions including Naypyidaw, Mandalay, Sagaing, Magway, Bago and northeastern Shan State.

See: <https://burmese.dvb.no/post/722811>

Kyat's Stability

According to Myanmar Economic Monitors from The World Bank, the Myanmar kyat (MMK) has appeared stable over the past three months, with official figures even suggesting a modest appreciation. Analysts caution, however, that this stability reflects government controls rather than underlying economic strength.

The Central Bank of Myanmar (CBM) continues to peg its reference rate at MMK2,100 per US dollar while banks and trade transactions operate closer to MMK3,600 per dollar. In the informal market, rates remain higher still around MMK4,300.

The World Bank's latest Myanmar Economic Monitor notes that parallel market volatility has eased since late 2024, but stabilisation does not equal recovery. Inflation remains high, headline inflation reached 34% year on year to April 2025 and import costs continue to squeeze businesses.

See-

https://documents1.worldbank.org/curated/en/099061125205014652/pdf/P507203-cbcf81b5-0107-4517-8ad7-82b588a6328f.pdf?utm_source=chatgpt.com, https://forex.cbm.gov.mm/index.php/fxrate?utm_source=chatgpt.com and https://www.vdb-loi.com/mm_publications/revisions-to-foreign-exchange-rates-for-taxation-on-imports-and-or-exports-and-personal-income-tax-payments-currency/?utm_source=chatgpt.com

Impact of import-restriction appearing

The restrictions on imports and foreign sourced materials are likely to harm small and medium-sized enterprises (SMEs) in Myanmar. Economic analysts say these import restrictions will significantly impact local SMEs. An import-export expert noted that because Myanmar relies heavily on foreign inputs, the ongoing restrictions could particularly damage the vital garment and agriculture sectors.

The restrictions could also lead to a rise in the black market, forcing businesses to pay exorbitant prices for goods. Myanmar's imports are typically sourced from a variety of countries: consumer goods and food from Thailand, raw materials from China and pharmaceuticals from India. Controlling imports is part of the broader effort to control the exchange rate.

See - <https://burmese.dvb.no/post/723802>

India

Changes to the Goods and Services tax

A press release from the government of India has provided details on changes to the Goods and Services tax. The press release says the Goods and Services Tax (GST), introduced on 1st July 2017, is India's most significant indirect tax reform since Independence.

By bringing together multiple central and state taxes into a single, unified system, GST created a common national market, reduced the cascading of taxes, simplified compliance, and improved transparency. Over eight years, GST has steadily evolved through rate rationalisation and digitalisation, becoming the backbone of India's indirect tax framework.

The 56th meeting of the GST Council, chaired by Union Finance Minister, Smt Nirmala Sitharaman, has now approved Next-Gen GST reforms with focus on improving people's lives and ensuring ease of doing business including small traders and businessmen.

In his Independence Day address, Prime Minister Narendra Modi had announced "The government will bring Next-Generation GST reforms, which will bring down tax burden on the common man".

In line with the PM's vision, the GST Council has recommended a comprehensive reform package that includes rate rationalisation with a simplified two-level structure (5% and 18%) sweeping rate reductions across sectors, with focus on common-man, labour intensive industries, farmers and agriculture, health all key drivers of the economy. These recommendations are based on consensus among all members of the GST Council to make GST simpler, fairer and more growth-oriented.

See:

<https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=155151&ModuleId=3>

In related news, the government of India has formed a high-level committee to examine the difficulties that manufacturing plants encounter in terms of taxes and export clearances.

The action is being taken at a time when exporters are under pressure from high tariffs in foreign markets, especially from the United States and increasing competition that has been weighing on India's trade performance.

The committee will be a forum where the prevailing tax structures on exports, including customs duty and export incentives and also clearance systems that contribute significantly to the competitiveness of the country's manufacturing industry will be evaluated, an official said.

The committee consists of members from some of the most important government and regulatory agencies such as the Finance Ministry, Department for Promotion of Industry and Internal Trade (DPIIT), Department of Commerce, Directorate General of Foreign Trade (DGFT) and the Reserve Bank of India.

Also, industry associations, export promotion councils and consultancy agencies will also be included in the process to ensure policymakers' and industry voices are heard while making recommendations.

Together, this mix is likely to collate policymaking, financial regulatory, trade facilitation and ground-level industrial operations expertise. The main mandate of the committee is to evaluate the challenges exporters are facing in dealing with the existing tax and clearance regimes.

See: https://www.siliconindia.com/finance/news/govt-sets-up-committee-to-review-tax-and-export-issues-in-manufacturing-sector-nid-237640.html#google_vignette

Challenges remain in integrating industry demands with agroforestry production

Agroforestry in India is a significant, expanding practice, covering 8.65% of the country's geography and playing a vital role in wood production, employment and the wood-based industry.

While government policies such as the 2014 National Agroforestry Policy (NAP) promote its growth, with recent initiatives like the National Transit Pass System (NTPS) facilitating timber movement, challenges remain in integrating industry demand with farmer production to ensure market stability and growth.

Key aspects of this dynamic include increased farm-grown timber, diversification of farming system and the creation of extensive value chains. According to the Forest Survey of India the top ten species by number of trees under agroforestry are:

Mangifera indica (mango)
Azadirachta indica (neem)
Prosopis juliflora (mesquite)
Areca catechu (areca palm)
Eucalyptus spp. (safeda)
Tectona grandis (teak)
Cocos nucifera (coconut)
Butea monosperma (dhak)
Acacia nilotica (kikar)
Ziziphus mauritiana (ber)

The increased planting of eucalyptus and teak indicates their rising importance as sources of industrial wood in India.

See: [https://plyinsight.com/dynamics-of-agroforestry-in-india/#:~:text=Over%20the%20past%20decade%20\(2013,fall%20below%20the%20national%20average.](https://plyinsight.com/dynamics-of-agroforestry-in-india/#:~:text=Over%20the%20past%20decade%20(2013,fall%20below%20the%20national%20average.)

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	271	510
Colombia	211	450
Costa Rica	140	355
Nigeria	-	-
Benin	-	-
Tanzania	181	490
Laos	-	-
South Sudan	264	680
Guatemala	188	390
Venezuela	-	-

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

	cu.m	US\$ C&F
Benin	272	690
Brazil	186	640
Colombia	-	-
Costa Rica	239	523
Ecuador	-	-
Ghana	143	435
Ivory Coast	288	825
Nigeria	192	435
South Sudan	278	625
Tanzania	-	-
Togo	220	520
Panama	282	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

▪ According to statistics from the Vietnam Customs Department, Vietnam's W&WP exports to the Dutch market in July 2025 reached US\$13.8 million, more than double that in July 2024. In the first 7 months of 2025 W&WP exports to the Dutch market were recorded at US\$51.1 million, up 14% over the same period in 2024.

▪ Vietnam's W&WP exports to Spain in July 2025 amounted to US\$4.9 million, down 13% compared to July 2024. In the first 7 months of 2025 W&WP exports to the Spanish market totaled US\$7.7 million, up 37% over the same period in 2024.

▪ Vietnam's oak imports in July 2025 amounted to 67,700 cu.m, worth US\$36.6 million, up 4% in volume and 5% in value compared to June 2025 and up 69% in volume and 60% in value compared to July 2024. In the first 7 months of 2025 imports of this wood reached 311,209 cu.m, worth US\$175.7 million, up 49% in volume and 46% in value over the same period in 2024.

▪ Vietnam's raw wood (logs and sawnwood) imports from China in July 2025 totalled 112,000 cu.m, worth about US\$40 million, up 33% in volume and 25% in value over the same period in 2024. Over the first 7 months of 2025 the total import volume of raw wood from China totalled 865,480 cu.m, worth US\$268.44 million, up 71% in volume and 34% in value over the same period in 2024.

▪ Vietnam's W&WP exports in August 2025 were valued at US\$1.52 billion, up 1% compared to August 2024. Of this, WP exports alone, amounted to US\$969.2 million, down 6% compared to August 2024. In the first 8 months of 2025 W&WP exports were US\$11.2 billion, up 7% over the same period in 2024 of which WP exports recorded at US\$7.6 billion, up 6% over the same period in 2024.

▪ Imports of raw wood (log and sawnwood) in August 2025 amounted to 697,800 cu.m, worth US\$223.3 million, up 4% in volume and 5.0% in value compared to July 2025. Compared to August 2024, there was an increase of 20% in volume and 25% in value. In the first 8 months of 2025 raw wood imports stood at 4.62 million cu.m, worth US\$1.47 billion, up 28% in volume and 25% in value over the same period in 2024.

▪ Vietnam's NTFP exports in August 2025 dropped for the 3rd consecutive month, valued at US\$65 million, down 1.5% compared to July 2025 and down 3% over the same period in 2024. NTFP exports in the first 8 months of 2025 fetched US\$572.95 million, up 5% over the same period in 2024.

Vietnam's wood industry sees strong growth

Year on year Vietnam's total trade rose 16% in the first half of 2025, with the wood and wood products sector standing out as a key driver with a 9% growth, underscoring a strong recovery according to the Vietnam Chamber of Commerce and Industry (VCCI).

The remarks were made at the opening ceremony of the Vietnam-ASEAN International Furniture and Handicraft Products Fair (VIFA ASEAN 2025). The VCCI noted that the US remains the primary market for Vietnamese wood products with exports to this market climbing 12% and accounting for more than 55% of total exports in the first half of the year.

However, the organisation cautioned against relying too heavily on a single market, stressing the importance of diversification.

Speaking at the event, Vu Ba Phu, Director of the Trade Promotion Agency under the Ministry of Industry and Trade, said VIFA ASEAN 2025 marks an important step toward building Ho Chi Minh (HCMC) into a regional trade hub.

He added that the ministry will continue supporting the wood industry through digital transformation initiatives, green production practices, and efforts to strengthen Vietnam's national brand.

Echoing this vision, Nguyen Van Dung, Vice Chairman of the HCMC People's Committee, highlighted the advantages of integrating Binh Duong province into HCMC.

This move, he said, creates a seamless supply chain - from production in Binh Duong's industrial parks to export through HCMC's major seaports.

HCMC, Binh Duong and Ba Ria-Vung Tau, all industrial hubs in southern Vietnam, were recently merged to form the new HCMC.

“With this alignment between the government and businesses, we expect to generate new momentum for sustainable growth in Vietnam’s wood industry and solidify HCMC’s position as an essential destination on the global trade map,” Dung said.

See: <https://theinvestor.vn/vietnams-wood-industry-sees-strong-growth-d16803.html>

Vietnam's export orders rebound despite tariffs

Among seven countries surveyed by S&P Global in July, Vietnam led with a PMI of 52.4, well above the ASEAN average of 50.1. New export orders rose for the fourth straight month reaching their fastest pace since November 2024.

This positive and surprising sign comes amid continued concerns over the reciprocal tariffs from the US, a key export market.

Ngo Sy Hoai, Vice President and General Secretary of the Vietnam Timber and Forest Product Association (VIFORES), noted that despite heavy impacts of the US reciprocal tariffs and trade defense measures, timber and wood product exports had reached US\$9.6 billion by the end of July, up 8% year on year.

The sector is projected to earn over US\$7 billion in the final five months of 2025 bringing the year’s total to around US\$17 billion, he said.

See: <https://en.vietnamplus.vn/vietnams-manufacturing-sector-returned-to-growth-in-july-post323838.vnp>

Boosting imports from US to balance trade

In response to US trade actions Vietnamese timber firms have stepped up imports of American logs and sawnwood. In 2024 Vietnam purchased US\$320 million in US wood products.

During the first seven months of this year, imports had already reached US\$321 million surpassing the previous year’s total.

This shows Vietnam’s goodwill in narrowing the trade surplus and supporting American timber producers, said Hoai. If export conditions remain stable, imports from the US are expected to keep rising, He added.

He said Vietnamese furniture exporters remain hopeful of a fair and suitable tariff framework that avoids market disruption and protects American consumer access to Vietnamese products.

See: <https://en.vietnamplus.vn/vietnams-export-orders-rebound-amid-reciprocal-tariffs-post323993.vnp>

Industry faces mounting challenges amid US tariff pressure

Vietnam’s wood industries face mounting export challenges as US tariffs, rising logistics costs and slowing global demand squeeze profits and cloud the outlook for the rest of 2025.

According to the latest data from the Department of Customs, wood and wood products ranked seventh among Vietnam’s top ten export categories in the first seven months of 2025.

The US remained Vietnam’s largest export market accounting for 56% of the total, up 11% year on year.

Vietnam’s strong position in the US market, now among the top three wood exporters, is due to its cost advantages, including low labour costs and the use of 70% of domestically sourced materials.

However, the US administration announcement in early April of a potential 46% countervailing tariff on Vietnamese goods immediately placed the wood sector among those most at risk.

If implemented, this tariff would significantly erode the price competitiveness of Vietnamese wood products, pushing up costs significantly.

During the tariff negotiation phase with businesses hopeful for a more moderate 20% rate many leading exporters ramped up production to seize a ‘golden window’, resulting in relatively strong short-term growth.

Yet, business results from the second quarter of 2025 suggest that the anticipated recovery did not fully materialise.

Looking ahead to the second half of the year, export prospects appear even more uncertain. Tran Quoc Manh, vice chairman of Vietnam Handicraft Exporters Association, noted that adverse impacts are becoming visible as early as the third quarter, particularly in August and September.

"Most businesses are still operating but largely in a holding pattern," Manh said. "Selling prices are falling, product ranges are narrowing and many customers, despite having placed orders, are delaying delivery ahead of market developments.

Even import partners are uncertain about the situation, which is causing transaction timelines to stretch out."

He added that, while the US market is already facing difficulties, the European market continues to shrink, increasing the pressure on Vietnamese exporters. The situation is expected to deteriorate as orders continue to decline.

Dang Quoc Hung, chairman and CEO of Alliance Handicraft and Wooden Fine Art Corporation, warned that the export wood market will face even greater challenges in the near future.

recent shipments to the US have already encountered tax-related hurdles and this is expected to continue affecting orders in the upcoming months.

As taxes increase companies are forced to raise prices which reduces competitiveness and directly hits sales," Hung explained.

Hung also pointed out a shift in buyer expectations. "Previously, exporters typically absorbed all import taxes for shipments to the US but now there is a push for shared cost responsibility. This forces business to raise prices, impacting customers and partners directly, some of whom have already raised concerns in recent weeks."

Despite growing instability the Vietnam Timber and Forest Products Association remains optimistic that the country can still achieve its 2025 wood and wood product export target of US\$18 billion. However, the industry's heavy dependence on the US market poses significant risks.

Any fluctuation in American consumer demand can immediately affect Vietnam's export revenues. As a result, regulatory bodies are encouraging firms to diversify their markets and tap into new growth areas.

Echoing this sentiment, Manh from the Vietnam Handicraft Exporters Association said "In reality, this is incredibly difficult. No market can replace the US in the short term.

See: <https://en.vietstock.vn/2025/08/wood-industry-faces-mounting-challenges-amid-us-tariff-pressure-974-619810.htm>

Brazil

With AI forestry sector begins a new era

The wood industry is one of the pillars of the Brazilian economy with projected investments exceeding BRL105 billion by 2028 according to the Brazilian Tree Industry Association (IBÁ).

The sector generates 690,000 direct jobs and approximately 2 million indirect jobs. Facing challenges such as monitoring, wildfires, pests, logistics, environmental compliance and climate impacts, digital transformation is essential to ensure efficiency and sustainability in forest management.

In this context, Generative Artificial Intelligence (GenAI) tools are emerging as a strategic support for forestry operations. Intelligent assistants streamline data analysis, while AI agents integrate systems and autonomously execute processes, enhancing operational efficiency and accuracy.

Practical applications include automatic pest detection through drones and sensors, continuous monitoring for wildfire prevention and the use of imagery and historical data to estimate growth, timber volume and forecast harvests thereby reducing costs and replacing manual surveys.

Among national initiatives, the Netflora methodology, developed by Embrapa, stands out. It employs drones and AI to identify species in the Amazon with up to 95% accuracy, expanding forest mapping capacity from 10,000 to 1 million hectares per year thus supporting timber volume estimates, carbon stock assessments and harvest planning.

To achieve such progress in an efficient and secure manner specialised GenAI platforms are required. These platforms combine frameworks and enterprise services to accelerate implementation, ensure data privacy, process large data volumes and allow scalability and continuous updates.

By adopting GenAI the Brazilian forestry sector can strengthen competitiveness and consolidate sustainable practices that are essential for its future, balancing productivity, environmental protection and technological innovation.

See: <https://www.maisfloresta.com.br/inovacao-e-sustentabilidade-a-industria-florestal-entra-numa-nova-era-com-a-genia/>

Paraná Association seeks support to mitigate impact of US tariffs

The timber sector in Brazil has major concerns on the impact of US tariffs. In August 2025, the Paraná Association of Forest-Based Companies (APRE Florestas) held a meeting with the State Secretariat of Finance of Paraná (Sefa) to discuss the impacts of tariffs of up to 50% imposed by the US on forest products.

Between January and June 2025, the State concentrated almost all of its forestry sector exports to the US market with the following products: moldings (98%, US\$102 million), wooden doors (96%, US\$34 million), pine plywood (34%, US\$100 million) and pine sawnwood (33%, US\$26 million).

According to the Federation of Industries of Paraná (FIEP), the crisis threatens more than 38,000 jobs and could affect 67% of the municipalities in the State.

APRE has requested measures such as a state-level public procurement programmes for wood products, expedited reimbursement of the ICMS tax at all stages of the export process and an update of Paraná's Forestry Law aimed at ensuring legal certainty and the sustainability of the sector.

Furthermore, the sector still faces the risk of additional trade barriers in the US due to ongoing investigations under Section 232 of the Trade Expansion Act which will evaluate whether certain imports pose a threat to US national security and may justify the imposition of additional tariffs, as well as Section 301 of the Trade Act, which allows unilateral trade retaliation to pressure market liberalisation.

Given this scenario, APRE is urging stronger coordination from public authorities to defend Paraná's forestry sector, in order to ensure the continuity of operations, safeguard employment and maintain Paraná's relevance in international trade.

See: <https://www.maisfloresta.com.br/apre-e-secretaria-da-fazenda-estudam-medidas-emergenciais-para-conter-crise-no-setor-florestal-do-parana/>

Amazonian countries approve creation of 'Tropical Forests Forever Facility'

The nine Amazonian countries in South America (Brazil, Peru, Colombia, Bolivia, Ecuador, Venezuela, Guyana, French Guiana and Suriname) members of the Amazon Cooperation Treaty Organization (ACTO) have approved the establishment of the Tropical Forests Forever Facility (TFFF), a financial mechanism dedicated to the conservation, restoration and sustainable use of tropical forests, with a particular focus on the Amazon.

The TFFF will be officially launched in Belém during COP 30 (United Nations Framework Convention on Climate Change (UNFCCC)) and will serve as a complementary instrument to existing climate and environmental financing initiatives. It will operate on a results-based payment system, incentivising deforestation reduction, forest cover expansion and the valuation of ecosystem services.

The joint communiqué of the ACTO Member States highlights key points, including the mobilisation of predictable and long-term financial resources from investor countries, multilateral organisations, development banks, climate funds, international cooperation agencies, philanthropy and the private sector with concrete contributions to capitalise the TFFF and ensure its swift operationalisation.

It also emphasises that the TFFF's design incorporates, as a fundamental principle, the recognition of the strategic role of Indigenous Peoples and Local Communities in forest conservation. This is reflected, among other measures, in the appropriate allocation of resources to reward their conservation and sustainable development efforts while acknowledging each country's specific circumstances.

The TFFF is conceived as complementary to other international initiatives, such as the Paris Agreement, the Convention on Biological Diversity (Kunming-Montreal Global Biodiversity Framework) and the 2030 Agenda for Sustainable Development.

It also strengthens regional cooperation under the ACTO, consolidating the leadership of Global South countries in creating innovative financial solutions to mobilise resources for the conservation, restoration and sustainable management of tropical forests.

The TFFF is presented as a pragmatic, transformative and shared-governance mechanism, designed to foster sustainable development and the well-being of present and future generations.

See: <https://omundodiplomatico.com.br/2025/08/28/paises-amazonicos-aprovam-criacao-de-fundo-florestas-tropicais-para-sempre/>

Brazil and Chile at business roundtable

The governments of Brazil and Chile have discussed a business partnership at meetings that brought together government officials and business leaders to strengthen bilateral trade and review progress of the Bioceanic Route, which will connect the state of Mato Grosso do Sul to Chilean ports, thus reducing logistics costs and enhancing regional integration among Chile, Argentina, Paraguay and Brazil.

During the Brazil-Chile Business Panel and Roundtable held in Campo Grande in Mato Grosso do Sul, the Chilean pulp and wood panel company, Arauco, explained its strategic position in Brazil.

The company highlighted the importance of the Sucuriú Project, currently under development in the municipality of Inocência in the state of Mato Grosso do Sul, representing investment in the construction of its first pulp mill in Brazil scheduled to begin operations in 2027. The new facility will account for 40% of Arauco's global production currently split among Chile, Argentina and Uruguay.

Arauco also emphasised Brazil as a strategic global partner, highlighting the project's socioeconomic potential, including job creation, workforce training, investment attraction and promotion of regional development.

See: <https://www.maisfloresta.com.br/arauco-reforca-integracao-entre-brasil-e-chile-em-rodada-de-negocios/>

Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	420
Jatoba	182
Massaranduba	166
Miracatiara	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
Ipé	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

Peru

Grants for commercial plantations in six Peruvian Departments

More than 3,000 hectares of forest plantations will be established over the next two years in six regions of the country thanks to a grant of more than US\$2 million awarded by the National Forest and Wildlife Service (SERFOR) through its Sustainable Productive Forests Programme (BPS).

With this disbursement, 28 rural and indigenous communities, associations and MSMEs will be able to implement Forestry Business Plans agreed under the Forest Incentives Program (PIF). It is expected that this will benefit more than 6,000 families in the regions of Áncash, Cajamarca, Huánuco, the Central Pasco Forest, Junín and San Martín.

See: <https://www.gob.pe/institucion/serfor/noticias/1239195-midagri-serfor-otorga-mas-de-7-millones-de-soles-para-impulsar-plantaciones-forestales-comerciales-en-seis-departamentos-del-peru>

Veneer and plywood exports impressive

According to information provided by the Services and Extractive Industries Department of the Association of Exporters (ADEX), veneer and plywood shipments during the January-June 2025 period reached an FOB export value of US\$1.47 million, a positive 50% plus change compared to the same period in 2024 (US\$955,000).

The main destinations for exports in this subsector in the first half were Mexico, a 49% share and a year on year growth of 7% followed by Ecuador with a 33% share. In third place was Colombia with an 8% share. The Dominican Republic ranked fourth (7% share) and Costa Rica concluded the top five with a 3% share.

Preventing forest fires and restoring Amazon ecosystems

SERFOR has reaffirmed its commitment to the conservation of the country's forests and wildlife through the signing of an inter-institutional cooperation agreement with the regional government of Ucayali, as well as with the Ministry of the Environment (MINAM) through the National Service of Protected Natural Areas (SERNANP).

These agreements aim to prevent forest fires and promote the restoration of affected areas through technical assistance, monitoring, training and investment projects in reforestation with native species.

Peru is making progress in the implementation of the National Strategy for the Restoration of Degraded Ecosystems and Forest Lands (ProREST) 2021-2030 and is strengthening its collaborative work with regions and local communities, promoting sustainable productive alternatives and reducing the practice of burning that endangers life and the environment.

See: <https://www.gob.pe/institucion/serfor/noticias/1239561-serfor-refuerza-acciones-para-prevenir-incendios-forestales-y-recuperar-ecosistemas-afectados-en-la-amazonia>

In related news, SERFOR and the Technological Institute of Production (ITP CITE Network) of the Ministry of Production signed an agreement to promote the development of the forestry sector in seven Peruvian departments.

The agreement will be implemented through the ITP-CITE Forestry Wood Network which brings together specialised agencies in Ucayali, Loreto, Madre de Dios and Lima.

The initiative covers timber and non-timber product processing and marketing with the goal of promoting sustainable management that provides greater benefits to families living in forests.

A training programme on reduced-impact logging operations in natural forests will be held. Additionally, studies on the properties of wood are planned, as well as the promotion of training programs in low-impact techniques.

See: <https://www.gob.pe/institucion/serfor/noticias/1239981-serfor-e-ntp-firman-convenio-para-fortalecer-sector-forestal-en-siete-departamentos>

Peru, Brazil and Colombia - cooperation to combat illegal logging

Illegal logging and illicit timber trafficking know no borders and is a risk in the forests and communities of the border areas between Peru, Brazil and Colombia.

Faced with this challenge more than 60 authorities and specialists from the three countries participated in the Regional Operational Cooperation Forum: Cross-Border Coordination in Forest Crime Cases organised by the United Nations Office on Drugs and Crime (UNODC) in coordination with the Forest and Wildlife Resources Oversight Agency (OSINFOR) and the International Criminal Police Organization (INTERPOL).

Police officers, prosecutors and representatives from ministries, environmental agencies and international organisations met in Iquitos to strengthen cross-border cooperation aimed at preventing, detecting and investigating forest crimes.

The forum became a historic event where key information on illegal routes and modus operandi was shared, field simulations were conducted using investigative techniques and technological innovations such as the use of satellite imagery and artificial intelligence-based selective logging detection algorithms were presented.

The delegations identified areas where activities affecting the Amazon, such as illegal mining, illicit cropping, deforestation and illegal logging are occurring, as well as cross-border passageways for these illegal activities.

They established a framework for cooperation based on intelligence gathering and analysis, early detection through new technologies and the planning of joint investigations and coordinated operations in shared territory. Communication channels between agencies were also strengthened, with a commitment to streamline data exchange and coordinate joint actions in the most critical areas.

See: <https://www.gob.pe/institucion/osinfor/noticias/1239173-peru-brasil-y-colombia-refuerzan-la-cooperacion-para-enfrentar-la-tala-ilegal-en-el-trapecio-amazonico>

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	598-619
Grade 2, Mexican market	537-551
Cumaru 4" thick, 6"-11" length KD	
Central American market	1139-1198
Asian market	1210-1265
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	1062-1,096▲
Dominican Republic	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	396-419
Lupuna plywood	
B/C 15mm	449-495
B/C 9mm	379-399
B/C 12mm	350-360
B/C 8mm	466-487
C/C 4mm	389-425
Lupuna plywood B/C 4mm Central Am.	391-407

Domestic prices for other panel products

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

Domestic sawnwood prices

Peru sawnwood	US\$ per cu.m
Mahogany	-
Virola	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

Is timing for an interest rate hike approaching?

Japan's economy expanded in the second quarter the government confirmed in a revised report as data for private consumption were revised higher. Gross domestic product grew at an annualised pace of 2.2% the Cabinet Office reported. The economy has now grown for five consecutive quarters.

The consumption report confirms that consumer spending gained momentum and capital investment remained positive despite. Takeshi Minami, Chief Economist at the Norinchukin Research Institute said "this outcome reflects a positive cycle of wage increases and rising prices as the Bank of Japan (BoJ) anticipated and I believe the timing for an interest rate hike is approaching."

Japan's economy is struggling amid high inflation and a global slowdown. The main drags to growth came from the public sector and exports.

Wage growth announcements at this year's shunto (wage negotiations held in spring between employers and unions) were quite strong and this fueled speculation that consumer spending would strengthen, driving stronger underlying inflation and higher wage growth. Despite the announcements of such strong wage increases, total wage growth in Japan remains relatively weak.

One of the most uncertain aspects of the Cabinet outlook revolves around international trade. Evidence of a slowdown in trade is already showing up in the data. Japanese goods exports had surged in the first quarter of 2025 ahead of tariffs but had fallen by 1.7% in May on a year on year basis. Unsurprisingly, goods exports to the United States were notably weak, falling 11% over the same period.

See:
<https://www.japantimes.co.jp/business/2025/09/08/economy/gross-domestic-product-grew-22-last-quarter/>

Japan business sentiment

Japan's Business Survey Index (BSI) for large manufacturing firms unexpectedly rose to 3.8% in the third quarter of 2025, up from -4.8% in the previous quarter, the lowest reading since early 2024.

The BSI, based on a survey of large Japanese manufacturers, serves as a key gauge of economic health in a country heavily reliant on industrial output. Manufacturers remain optimistic about the months ahead, projecting a further rise to 3.9% in final quarter of 2025 followed by a slight decline to 3.3% in the first quarter of 2026.

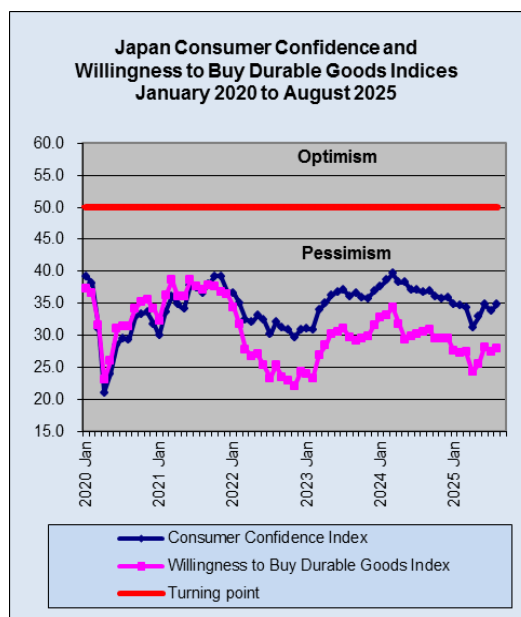
See: <https://www.cao.go.jp/index.html>

Retirement crisis facing workers of the 'Lost Decades'

The term "employment ice age" has been coined to describe the first decade of corporate retrenchment (mid-1990s through early 2000s) following the collapse of Japan's 1980s asset-price bubble. Young people who entered the work force during those years had a hard time securing "regular" corporate jobs and those struggles have had a lasting impact on their average income, savings and cumulative pension contributions.

Now in their forties or early fifties, many members of the "ice-age generation" (here, comprising all those who completed their school education between 1993 and 2004) are facing the prospect of a retirement crisis and policymakers have begun searching for a solution. In June a ministerial council dedicated to this issue submitted a "basic framework for new programmes to support the 'employment ice age' generation and others.

See: <https://www.nippon.com/en/in-depth/d01155/>



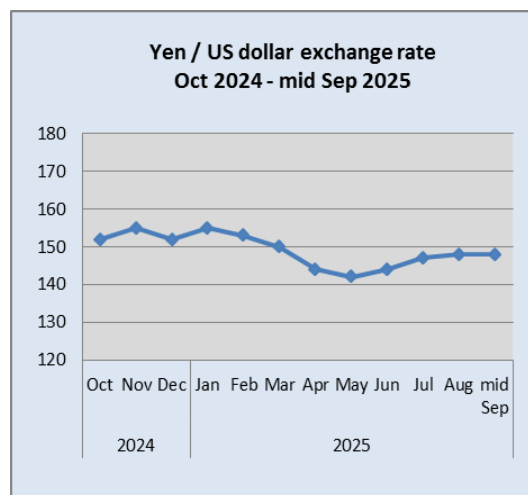
Data source: Cabinet Office, Japan

Yen exchange rate temporarily tilted by Prime Minister's comments

The yen has been weakening once again. The Japanese currency traded at the 147 level against the dollar in early September but at one point the yen fell below 149 against the dollar. Expectations that the US Federal Reserve could announce a major interest rate cut at its next meeting in November have moderated and many are now anticipating that US interest rates will continue to remain high for some time.

Another reason cited for the short-term yen decline was that the Prime Minister told reporters he personally thinks Japan is not ready for an additional interest rates hike. The market reacted sharply to his remarks.

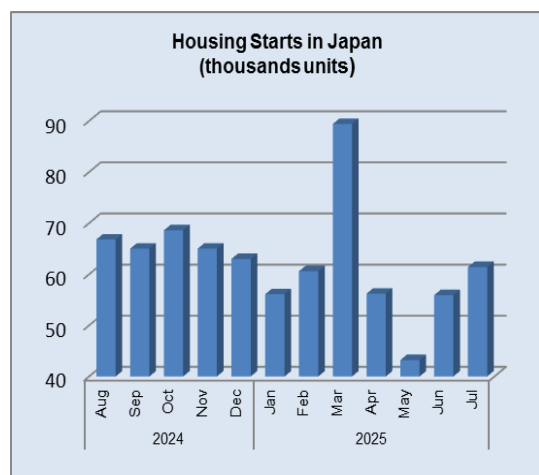
See: <https://www3.nhk.or.jp/nhkworld/en/news/backstories/3594/>



Data source: WSJ

High rents dampening personal consumption

Tokyo rents have soared reaching their highest rate of increase in 30 years and now account for over 30% of household income which is squeezing family finances and potentially dampening personal consumption.



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

This surge, driven by increased demand for urban centre apartments and rising construction costs signifies the inflation cycle impacting Japan's housing market and could lead to further Bank of Japan interest rate hikes, says a Nikkei Real Estate Market report.

See: <https://asia.nikkei.com/business/markets/property/tokyo-rents-soar-past-30-of-household-income-squeezing-families>

Import update

Assembled flooring imports

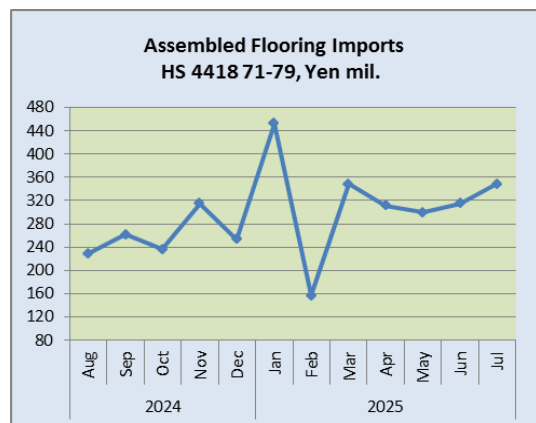
	2025 Jul 000s Yen
HS441873	
China	34,116
Total	34,116
HS441874	
China	21,795
Viet Nam	4,384
Thailand	1,057
Indonesia	480
Italy	10,275
Total	37,991
HS441875	
China	89,532
Viet Nam	48,121
Thailand	36,507
Malaysia	9,351
Indonesia	11,103
Denmark	3,112
Italy	8,180
Lithuania	10,017
Total	215,923
HS441879	
China	45,443
Viet Nam	2,141
Thailand	4,364
Indonseia	6,870
Sweden	620
Belgium	231
Total	59,669

Data source: Ministry of Finance, Japan

Assembled wooden flooring imports

In the first half of 2025 assembled flooring imports were 15% higher than in the same period in 2024. The main category of assembled flooring imports in July 2025 was HS441875, accounting for 62% (61% in June) of the total value of assembled flooring imports. Of HS441875 imports, 80% was provided by shippers in China, Viet Nam and Thailand. The other main sources of assembled flooring (HS441875) in July were Indonesia and Lithuania, a new supplier.

The second largest category in terms of value in July 2025 was HS441879, 75% of which was shipped from China. A further 18% was shipped from Indonesia and Thailand.



Data source: Ministry of Finance, Japan

Plywood imports

In the first half of 2025 there was a modest 3% year on year rise in the volume of plywood imports into Japan. Shipments in the first half of 2025 from China dropped 25% year on year while import volumes from the other three main shippers; Malaysia, Indonesia and Viet Nam were at almost the same level and in the first half of 2024.

In July, Malaysia and Indonesia were the top suppliers of plywood to Japan, as in previous months. The volume of July 2025 imports from Malaysia was almost 50% above the volume reported for July 2024 and year on year there was a 37% increase. July imports from Indonesia were down slightly month on month and little changed from the volume reported for July 2024.

Imports of plywood from China in July were at around the same level as in June but year on year there was a 25% decline in arrivals.

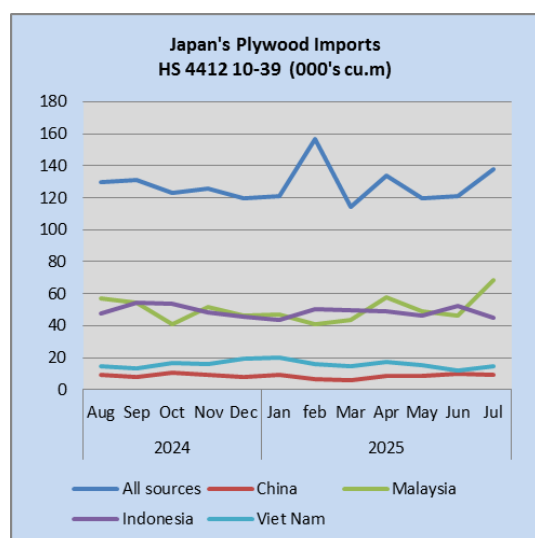
In July 2025 arrivals of HS441210-39 were reported at 137,732 cu.m (121,000 cu.m in June) up 7% year on year and up 14% compared to June.

As in previous months, of the various categories of plywood imported in July 2025, HS441231 was the largest followed by HS441233 and HS441234 (5%). The balance was of HS441239.

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

		China	Malaysia	Indonesia	Viet Nam
2022	Jan	15.9	78.6	73.9	16.8
	Feb	14.7	61.0	56.8	11.4
	Mar	13.7	71.0	76.9	8.8
	Apr	25.0	79.3	72.0	13.1
	May	32.2	67.6	68.2	12.9
	Jun	37.5	61.4	52.4	18.4
	Jul	27.7	70.6	67.8	15.2
	Aug	19.0	63.0	70.8	18.5
	Sep	16.5	58.4	60.4	16.2
	Oct	13.4	39.2	65.5	17.1
	Nov	13.1	45.1	50.1	15.9
	Dec	13.9	49.2	47.1	21.6
2023	Jan	13.7	40.3	49.2	19.4
	Feb	7.8	44.9	40.6	12.9
	Mar	14.9	29.8	45.3	14.3
	Apr	13.8	28.7	46.3	14.6
	May	14.0	47.7	34.2	12.6
	Jun	10.7	36.9	37.2	12.7
	Jul	10.6	38.8	43.1	12.9
	Aug	10.6	49.6	38.1	15.7
	Sep	12.3	63.4	52.4	12.0
	Oct	10.5	46.1	50.3	17.2
	Nov	11.9	63.6	53.0	16.8
	Dec	12.1	43.5	54.0	17.7
2024	Jan	13.3	50.2	52.3	20.5
	Feb	11.5	45.4	55.3	17.1
	Mar	9.4	50.1	48.8	12.2
	Apr	13.2	43.2	49.0	17.0
	May	8.4	48.3	36.5	14.3
	Jun	10.1	51.0	46.1	13.7
	Jul	12.1	49.8	49.7	15.8
	Aug	9.3	56.8	47.9	14.7
	Sep	8.1	54.5	54.2	13.1
	Oct	10.3	40.9	54.0	16.4
	Nov	9.1	51.5	48.2	16.1
	Dec	8.1	46.0	45.6	19.2
2025	Jan	9.2	47.2	43.3	20.1
	Feb	11.5	45.4	55.3	17.1
	Mar	6.1	43.3	49.4	14.8
	Apr	8.7	57.6	49.0	17.0
	May	8.6	49.1	46.3	15.1
	Jun	9.8	46.2	52.3	11.8
	Jul	9.2	68.7	44.7	14.4

Data source: Ministry of Finance, Japan



Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

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

For the JLR report please see:

https://jfpi.jp/japan_lumber_reports/

North American logs

Log demand in Japan remains sluggish due to a shift toward domestic cedar and cypress, as well as weak overall market activity. Production adjustments may be necessary in the future. Prices for U.S. Douglas fir logs for Japan, IS grade, FAS, MBM, Scribner scale, remain flat at around US\$1,020 compared to July shipments. Domestic supply and demand levels are still low.

Canadian Douglas fir logs for plywood exports to Japan are also stable at US\$220–US\$221, CIF per cbm, following a July price increase. At an exchange rate of ¥147/USD, the landed cost is estimated at around ¥34,100.

KD Douglas fir lumber prices remain flat, ¥68,000–¥71,000/m³ for 105×150–270mm beams, around ¥80,000/m³ for square beams, and ¥85,000–¥88,000/m³ for 60×45 mm small-cut lumber (delivered to precut factories).

Weak demand and the lower cost of domestic wood make price increases difficult. Precutting plants operating rates have yet to recover, and August saw limited activity due to extreme heat and fewer working days. A recovery in demand is hoped for in the fall.

A recent fire at a major imported lumber manufacturer has had no impact so far, and Douglas fir lumber remains sufficiently supplied. Companies handling U.S. and Canadian wood are closely monitoring potential supply disruptions and network restructuring from September onward.

Plywood

Demand for domestic softwood plywood remains weak, largely due to sluggish new housing starts. However, shipments improved from late July to early August as buyers stocked up ahead of the Obon holiday. With manufacturers maintaining a firm stance on price hikes, some buyers moved to secure inventory, anticipating price stability. As of late August, though, shipment activity has slowed again.

Major plywood manufacturers aimed to raise prices in August for 12 mm 3 x 6 domestic structural softwood plywood to ¥1,150–¥1,200 per sheet, delivered. However, due to weak demand, prices remained mostly flat, with central Tokyo rates holding at ¥1,090–¥1,100.

Prices for imported tropical plywood from Indonesia and Malaysia are trending firm, driven by reduced log supply from inland areas and rising raw material costs. In Sarawak, Malaysia, a major supplier raised prices by about US\$10, C&F per cbm, in July. As a result, prices for 12 mm coated formwork plywood are US\$600–US\$610 per cbm, standard formwork plywood US\$500–US\$510 per cbm, and structural plywood US\$510–US\$520 per cbm.

The Malaysian ringgit has strengthened against the dollar since early April, keeping production costs high. Indonesian standard plywood is priced at around US\$970 per cbm for 2.4 thickness, US\$880 per cbm for 3.7 mm, and US\$850 per cbm for 5.2 mm. Both natural tropical wood plywood and falcata combo plywood face rising production costs, prompting firm pricing from suppliers.

Domestic prices are as follows: 12 mm 3 x 6 coated formwork plywood for construction use is ¥1,800–¥1,850 per sheet, standard formwork and structural plywood are around ¥1,550, and standard plywood is ¥780 for 2.5 mm, ¥930 for 4 mm, and ¥1,100 for 5.5 mm thickness.

Domestic logs and lumber

Domestic softwood lumber showed mixed trends in July and early August. Market activity remained sluggish, and demand varied among trading companies supplying builders.

Supply and demand eased slightly, causing modest price drops for top-grade items like cedar posts and cypress foundation timbers, especially in northern Kanto. Cedar 105 mm KD premium posts fell to ¥55,000–58,000 per cbm, and cypress equivalents to ¥75,000–78,000 per cbm—both down about ¥3,000.

Unlike last year's nationwide decline, cedar log prices stayed high, especially in producing regions. In Kyushu, 3 m cedar logs in Miyazaki reached ¥16,000 per cbm and 4 m logs in Oita ¥14,500 per cbm—both up ¥2,000 year-on-year. In northern Kanto, Tochigi logs rose to ¥15,500 per cbm and Akita logs to ¥15,000 per cbm.

Cypress prices climbed in western Japan. In Shikoku, 3 m and 4 m logs for posts and foundations rose to ¥25,000–25,600 per cbm—up ¥ 2,000 from last month and over ¥5,000 year-on-year. In Okayama, logs fell ¥1,500 to ¥24,000 per cbm but remained up compared to last year. Prices in Kyushu and northern Kanto also stayed high relative to 2024 levels.

South Sea log and products

Shipments of Southeast Asian and Chinese wood products remain slow. While commercial-use materials like decking see steady orders, residential demand continues to stagnate. Domestic distributors are buying only what's needed for immediate projects, as housing starts stay weak.

Despite low demand from Japan, Southeast Asian producers are hesitant to cut prices due to inflation and rising costs. With the yen still falling, import prices remain high. Japanese buyers are limiting purchases to short-term needs.

Some distributors report growing interest in alternative materials for furniture and interior/exterior use, driven by rising import costs and global trade uncertainty, including U.S. tariffs. No Southeast Asian logs arrived in June, but existing inventory has reached end users, and shortages are not expected

Plywood supply in first half of 2025

Total plywood supply during January to June, 2025 is 2,336,000 cbms, 3.1 % more than January to June 2024. The reason is that production of domestic plywood 1,304,000 cbms, 6.2 % more than the same period last year.

The new starts during January to June, 2025 is 7.5 % less than the same period last year. Due to the price increases by plywood manufacturers starting in January, demand-side purchasing interest in softwood structural plywood appears to have improved compared to last year's prolonged downturn. Imported plywood is 1,032,000 cbms, 0.6 % less than the same period last year.

Production of domestic structural softwood plywood in the first half of this year is 6.7 % more than the same period last year. Shipment is 8.9 % more than the same period last year. Although market activity was sluggish in June, the monthly performance was the lowest of the first half of the year—yet still reached the 180,000 cbms range. Considering that the monthly average in the first half of last year was approximately 178,000 cbms, the overall situation has recovered.

There was an increase in Indonesian plywood by 0.9 % from the same period last year. Malaysian plywood is 1.6 % less than the same period last year. Due to developments surrounding the Trump tariffs, exchange rates remained volatile, and importers continued to focus on procuring only the necessary designated sources.

In Malaysia's Sarawak State, heavy rains and flooding occurred in early February. As a result, delays in log transportation and localized inundation caused a slowdown in production at local plywood factories. As a result, domestic inventory shortages were anticipated around March to May. However, local manufacturers continued production using work-in-progress stock, and shipments arrived despite some delays, limiting the shortage to certain items such as South Sea structural plywood.

Chinese plywood during January to June, 2025 is 9.3 % less than the same period last year. Vietnamese plywood is 11.0 % increased.

Solid-wood surface flooring hits Japanese market

Hokuyo Trading has begun domestic sales in Japan of three-layer flooring with a solid wood surface, manufactured by the German flooring company PARADOR. It is rare for parquet flooring that meets European standards to be compatible with low-profile floor heating systems. Delivery is scheduled to begin in October, with a target of selling 4,000 cbms in the first year.

The product is designed to offer the same appearance and texture as solid wood flooring, with a top layer made of approximately 2.5 mm thick solid oak.

By combining a high-quality substrate layer, approximately 9 mm thick and made of SPF wood, beneath the surface, the flooring is designed to minimize the natural tendencies of solid wood such as expansion, warping, and cracking, thereby ensuring excellent dimensional stability.

China

Philippines, largest export destination for plywood

According to China Customs data the Philippines has become the largest market for China's plywood exports and in the first half of 2025 exports rose 3% to 504,000 cubic metres. In the first half of 2025 China's plywood exports totalled 6.49 million cubic metres valued at US\$2.52 billion, up 2% and 3% respectively over the same period of 2024.

The destinations for China's plywood exports are numerous and plywood exports to the top 10 destinations accounted for nearly 50% of the national total in the first half of 2025.

China's plywood exports to the main destinations rose year on year at a faster pace in the first half of 2025. Plywood exports to Saudi Arabia, UAE, Nigeria, Australia and Mexico rose 48%, 49%, 50%, 21% and 22% respectively over the same period of 2024, which contributed to the increase in the total volume of plywood exports in the first half of 2025. In addition, China's plywood exports to Canada rose 6% in the first half of 2025.

In contrast, China's plywood exports to UK, Viet Nam and Japan fell 8%, 9% and 7% respectively in the first half of 2025.

China's plywood exports to US dropped in the first half of 2025 and came to 110,783 cubic metres valued at US\$65 million, down 26% in both volume and value over the same period of 2024.

Top markets for China's plywood exports 1st half 2025 (volume)

Destination	Volume (000' cu.m)	YoY % change
Total	6,489	2%
Philippines	504	3%
Saudi Arabia	424	48%
UAE	413	49%
UK	351	-8%
Nigeria	313	50%
Australia	275	21%
Mexico	249	22%
Viet Nam	243	-9%
Japan	240	-7%
Canada	196	6%

Data source: China Customs

Top markets for China's plywood exports, 1st half 2025 (value)

Destination	Value (mil.US\$)	YoY % change
Total	2,521	3%
Philippines	170	-2%
Saudi Arabia	132	47%
UAE	126	36%
UK	145	-6%
Nigeria	91	41%
Australia	180	14%
Mexico	86	8%
Viet Nam	94	3%
Japan	111	-8%
Canada	142	6%

Data source: China Customs

Decline in plywood imports

In the first half of 2025 China's plywood imports fell 3% to 190,000 cubic metres valued at US\$105 million, down 3% over the same period of 2024. Russia was the largest supplier of plywood imports but the volume of China's plywood imports from Russia dropped 5% to 164,000 cubic metres, accounting for 87% of the national total plywood imports in the first half of 2025.

In addition, China's plywood from Malaysia, Viet Nam and Italy fell 20%, 32% and 28% respectively in the first half of 2025. Customs data shows plywood imports from Chile rose sharply in the first half of 2025. In contrast, China's plywood imports from Indonesia and Japan grew 27% and 44% largely respectively in the first half of 2025.

Top suppliers of China's plywood, 1st half 2025 (vol.)

Supplier	Volume (000' cu.m)	YoY % change
Total	190	-3%
Russia	164	-5%
Indonesia	8.9	27%
Chile	4.5	+++
Japan	3.5	44%
Malaysia	2.7	-20%
Viet Nam	1.4	-32%
Italy	1.1	-28%

Data source: China Customs

Rise in particleboard exports

In the first half of 2025 China's particleboard exports rose 62% to 365,000 tonnes over the same period of 2024. For all of the main destinations exports rose at faster rate year on year than in the first half of 2024. China's particleboard exports to Viet Nam, Chile, Peru and Saudi Arabia rose 110%, 207%, 324% and 158% respectively and there was a huge increase in exports to South Korea.

In contrast, in the first half of 2025 China's particleboard exports to Taiwan P.o.C, alone as the main importer dropped 4% over the same period of 2024.

Top destinations for China's particleboard exports, 1st half 2025 (tonnes)

Destination	000' tonnes	YoY % change
Total	365	62%
Taiwan P.o.C	57	-4%
South Korea	46	1,226%
Viet Nam	32	110%
Chile	31	207%
Mongolia	28	33%
Peru	22	324%
Nigeria	21	7%
Saudi Arabia	18	158%
UAE	13	44%

Data source: China Customs

Decline in particleboard imports

In the first half of 2025 China's particleboard imports totalled 316,000 tonnes valued at US\$144 million, down 13% and 3% respectively over the same period of 2024.

This decrease resulted from lower imports from Thailand, however, imports from Brazil, as the first largest supplier, rose 9% over the same period of 2024.

China's particleboard imports from the other top suppliers; Germany, Romania, Poland, Russia, Italy and Viet Nam rose 9%, 17%, 7%, 14%, 53% and 2% respectively in the first half of 2025.

In contrast, China's particleboard imports from Belarus and Malaysia dropped 10% and 8% to 14,000 tonnes and 12,000 tonnes respectively over the same period of 2024.

Top suppliers of China's particleboard imports, 1st half 2025 (tonnes)

Supplier	000' tonnes	YoY % change
Total	316	-13%
Brazil	78	9%
Thailand	64	-50%
Germany	33	9%
Romania	30	17%
Poland	27	7%
Russia	15	14%
Belarus	14	-10%
Italy	14	53%
Malaysia	12	-8%
Viet Nam	11	2%

Data source: China Customs

Fibreboard exports to Viet Nam

According to China Customs, in the first half of 2025 China's fibreboard exports totalled 1,718 million tonnes, up 33% over the same period of 2024 resulting from the large growth in the top 3 destination countries.

Viet Nam was the largest destination for China's fibreboard exports in the first half of 2025 and fibreboard exports to Viet Nam surged 145% to 363,000 tonnes, accounting for 21% of the national total in the first half of 2025.

China's fibreboard exports to Saudi Arabia and Mexico, as the second and third largest destination, grew 44% and 5% to 221,000 tonnes and 136,000 tonnes respectively over the same period of 2024.

In addition, China's fibreboard exports to UAE, Canada, Egypt, Uzbekistan and Jordan rose 38%, 20%, 106%, 41% and 29% largely respectively in the first half of 2025.

In contrast, China's fibreboard exports to Nigeria and USA fell 20% and 14% respectively in the first half of 2025.

Top destinations for China's fibreboard exports, 1st half 2025 (tonnes)

Destination	000' tonnes	YoY % change
Total	1,718	33%
Viet Nam	363	145%
Saudi Arabia	221	44%
Mexico	136	5%
Nigeria	94	-20%
UAE	82	38%
Canada	71	20%
USA	68	-14%
Egypt	38	106%
Uzbekistan	31	41%
Jordan	31	29%

Data source: China Customs

Rise in fibreboard imports

Although China's fibreboard imports are not large they increased significantly in the first half of the year to 27,000 tonnes, up 10% over the same period of 2024. China's fibreboard imports from most suppliers rose year on year at a faster pace in the first half of 2025.

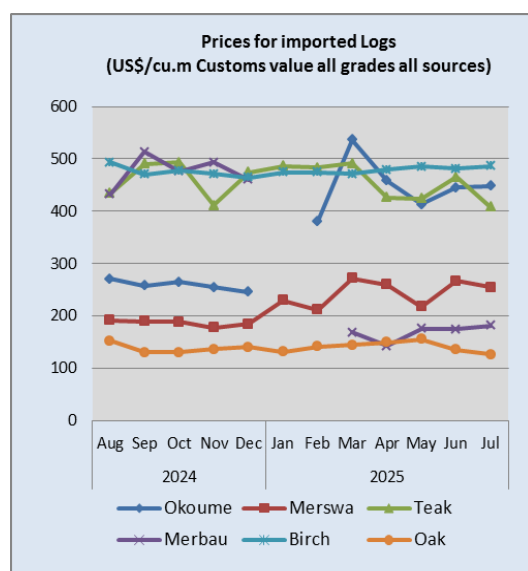
Fibreboard imports from New Zealand, as the first largest supplier, rose 83% to 12,000 tonnes in the first half of 2025. It is worth noting that China's fibreboard imports from Malaysia surged nearly 1,500% over the same period of 2024. In addition, China's fibreboard imports from Switzerland and Poland grew 22% and 18% respectively in the first half of 2025.

In contrast, China's fibreboard imports from Thailand, Germany, Belgium, Romania, Australia and Spain dropped 12%, 19%, 48%, 46%, 31% and 28% over the same period of 2024.

Top suppliers of China's fibreboard imports, 1st half 2024 (tonnes)

Supplier	000' tonnes	YoY % change
Total	27	10%
New Zealand	12	83%
Thailand	3.9	-12%
Germany	2.9	-19%
Malaysia	1.4	1,496%
Belgium	1.0	-48%
Romania	1.0	-46%
Switzerland	0.7	22%
Australia	0.6	-31%
Poland	0.6	18%
Spain	0.5	-28%

Data source: China Customs

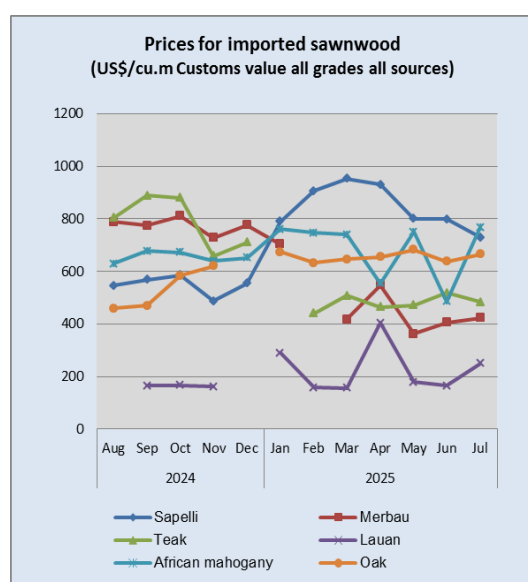


Data source: Customs, China

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

UK tropical timber imports slip in second quarter

A decline in the UK's tropical timber trade in Q2 2025 contributed to an overall fall in the country's timber imports for the first half of the year compared to the same period in 2024. This is according to latest statistics from the country's trade association Timber Development UK (TDUK).

The overall import figure for the first six months was 4.76 million cu.m. That was down 2.9% on H1 last year. Most the decline, said TDUK, was 'driven by weaker demand in the second quarter of the year. After contracting year on year by 16,000m3 in Q1, imports shrunk 159,000 cu.m in Q2.

See <https://timberdevelopment.uk/supply/market-data/>

Rising risk for UK building output

According to the Summer Forecasts from leading UK building sector analyst and commentator the Construction Products Association (CPA), downside risks in the country's construction sector have increased. Published at the end of July, the Summer Forecasts predict growth in the sector's total output of 1.9% this year, and 3.7% in 2026.

This is similar to the level the CPA predicted in its Spring Forecasts. The growth will be led by the three principal sectors in UK construction; private housing new build, private housing repair, maintenance and improvement (RMI) and infrastructure. However, risks to growth have become more apparent, with the government facing an increased challenge to meet a shortfall between what it needs to spend to maintain public services and its expected tax revenues.

Consequently, taxes are widely expected to increase in the government's autumn budget, potentially in conjunction with cost-cutting measures. The NIESR said that a rise of 5 pence in the pound would be needed to plug the budget gap, without recourse to public spending cuts.

The CPA said that the three main elements of the construction sector are consequently vulnerable to delays in starting new projects and a decline in homeowner and consumer confidence to spend.

The strongest component of the construction industry currently is private housing. Here, says the CPA, output is forecast to rise 4% in 2025 and 7% in 2026. It reports that the major housebuilders continue for the time being to see a gradual recovery in completions, albeit from a low base. Overall private housing completions are predicted to climb 7% to 144,000 this year, to rise 6% in 2026 and a further 5% in 2027.

Smaller housebuilders report improving demand too, but also constraints in the form of rising costs, including those imposed by government.

In the build to rent and high-rise building sector project completions are being held up by long delays in processing projects by the Building Safety Regulator, which was established following the Grenfell tower disaster, a major fatal tower block fire in 2017.

According to the CPA, another factor is UK construction wage inflation, which in the year to April was 5.1%. This is underpinned by continuing shortage of labour. In Q1 2025 UK construction employed 2.14 million workers, over 270,000 workers than in 2019. The government's response is to invest £625 million to train up 60,000 more skilled employees.

CPA Head of Construction Research, Rebecca Larkin, concluded that 'everything continues to point towards the gradual growth in construction activity gathering pace over the rest of this year and in 2026'. However, levels of uncertainty in the economy have increased, with tax rises and government spending cuts threatening to put the brakes on the sector. Private housing new build, RMI and public construction expenditure could all be impacted, she said.

See <https://www.constructionproducts.org.uk/news-media-events/news/2025/july/cpa-releases-summer-forecasts-2025/> and <https://www.theguardian.com/politics/2025/aug/06/tax-rises-budget-deficit-rachel-reeves-niesr>

European construction may have peaked, says Euroconstruct

With Europe's population shrinking its construction market may have peaked, according to a briefing from construction market forecasting network Euroconstruct.

In recent years, says the report, there has been a sharp decline in new building construction across Europe, with both residential and non-residential construction performing weakly.

"Short-term forecasts from the Euroconstruct network suggest that an improvement is expected starting this year, with a gradual recovery in new building construction from this low level over the next few years," it says. "

Reconstruction in Ukraine may for a time counter the downturn in European building as a whole but, says the briefing, will comprise largely replacement of destroyed buildings not an increase in overall building stock.

It also says that construction investment will be increasingly focused on adaptation of existing buildings to climate change and transition to renewable energy. "Existing buildings will also need to be used longer than today due to goals of a more circular economy and given the high emissions and waste associated with both new construction and demolition," says the briefing. "Therefore, renovation and remodelling should increase going forward at the expense of new construction, both to adapt the building stock to changing needs and to meet higher requirements for energy efficiency and resilience to extreme weather."

Demographic changes will also reduce demand for new construction, it says. A declining population, combined with significant ageing, will mean less additional floor space is needed.

Demand for new office space is also expected to decline due to productivity gains from accelerated use of artificial intelligence in office professions, while retail building requirements will contract as e-commerce continues to gradually replace physical stores. Healthcare and social buildings may be the only building types that require expansion, the briefing concludes.

See

<https://www.euroconstruct.org/news/long-term-forecasts-indicate-that-new-building-construction-in-europe-may-have-peaked-already/>

and

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population_projections_in_the_EU

European wildfires hit nearly 1 million ha.

Forests across Europe have been hit by some of the most extensive wildfires recorded, with the total area of the continent hit from January to September approaching 1 million ha.

According to latest data from the European Forest Fires Information system on 9 September, the wildfire affected area in the period was 994,363 ha. That compared with 238,574 ha in the same eight months in 2024.

A key contributory factor in the severity of outbreaks, says the European Commission, has been exceptionally dry and hot weather, with the Copernicus Climate Service reporting that Europe has experienced its warmest summer on record. The heatwave affected the continent as a whole, from the Iberian to the Fennoscandinavian peninsulas.

Spain and Portugal were particularly badly affected, with 500,000 ha of land burnt by mid-August. Cyprus, Germany, and Slovakia also reached their highest value of burnt areas ever recorded by mid-August.

The EU Civil Protection Association, which coordinates pan-European assistance, was activated 18 times to deal with fire outbreaks from January to September.

To enhance its capabilities, the EC is investing in further firefighting planes and helicopters to be situated across the continent.

See https://joint-research-centre.ec.europa.eu/projects-and-activities/natural-and-man-made-hazards/fires/current-wildfire-situation-europe_en

North America

US hardwood plywood imports - trend remains unpredictable

US imports of hardwood plywood rebounded soundly in July, continuing the monthly up-and-down pattern of the last few months. At 320,803 cubic metres, July imports were up 14% from the previous month and a robust 47% from July 2024.

Imports from Russia rose 63% in July while imports from Malaysia and Cambodia both jumped 72%. Imports from the largest suppliers showed more modest gains.

Imports from Indonesia increased by 23% while imports from Vietnam edged up 6%. Through July, total import volume of hardwood plywood into the US is up 24% over last year.

Imports of hardwood plywood

	Jul-25 cu.m	MoM % change
Total	320,803	14%
China	1,595	19%
Russia	28,832	63%
Indonesia	98,605	23%
Malaysia	12,137	72%
Cambodia	14,782	72%
Viet Nam	98,663	6%
Ecuador	11,355	10%
Other	54,834	-13%

Data source: US Department of Agriculture, Foreign Trade Statistics

Imports of sawn tropical hardwood also unpredictable

After plunging 21% in June, US imports of sawn tropical hardwood rose 6% in July, as this market goes through the same monthly gyrations as plywood imports. But unlike hardwood plywood imports, the average for the year isn't outperforming last year.

At 16,220 cubic metres, import volume for July 2025 was 8% less than in July of last year. Rising imports from Brazil (up 18%), Ecuador (up 22%) and Cameroon (up 13%) more than made up for declines in imports from Malaysia, Ghana, Indonesia, Peru and Congo (Brazzaville). Imports of Cedro, Jatoba, Mahogany and Ipe all rebounded sharply after falling in June. Year to date, total imports of sawn tropical hardwood are about the same as last year, up less than 1% through July.

In Canada, imports of sawn tropical hardwood rose 3% in July over the previous month but were 35% lower than the previous July.

Imports from top-supplier Cameroon rebounded sharply in July, rising 55% while imports from Congo (Brazzaville) surged to their highest level in nearly six years.

Imports of sawn tropical hardwood

	Jul-25 cu.m	MoM % change
Total	16,220	6%
Ecuador	1,001	22%
Brazil	4,938	18%
Cameroon	2,337	13%
Malaysia	2,036	-21%
Rep. Congo	1,047	-31%
Peru	35	-49%
Indonesia	1,278	-11%
Ghana	591	-12%
Cote d'Ivoire	211	455%
Others	2,746	45%

Data source: US Department of Agriculture, Foreign Trade Statistics

Veneer imports bounce back sharply

US imports of tropical hardwood veneer rose 29% in July, rebounding from a 20% drop in June. At US\$3.1 million, the monthly total was 8% higher than for July 2024.

A 51% increase in imports from top-supplier Cameroon and an 80% jump in imports from Cote d'Ivoire fueled the rise, despite declines from other major suppliers and the continuing month-to-month volatility in imports from Italy (down 95% in July).

Through July, total imports of tropical hardwood veneer are up 5% from the previous year.

Moulding imports fall

US imports of hardwood mouldings fell 3% in July, retreating for a second straight month after reaching a 3-year high in May. At US\$15.1 million, July imports were 7% higher than last July despite the dip.

An 18% rise in imports from China helped avoid a sharper monthly decline as imports from top-supplier Canada fell 10% in July and imports from Malaysia dropped 25%.

For the year so far, total imports of hardwood mouldings are up 19% over last year.

Hardwood flooring imports surged in July

US imports of hardwood flooring, which have lagged for most of the year, jumped 71% in July as imports from Malaysia surged. At US\$7.3 million, July imports were their highest in 14 months and 18% higher than in July 2024.

Imports from Malaysia more than tripled, rising to their highest level of the past 10 years. Imports from Brazil, which have been down sharply all year, rallied in July to the level we are more used to seeing.

Despite the solid month, year-to-year imports from Brazil are still down 42% versus last year and overall US imports of hardwood flooring are down 11% through July.

US imports of assembled flooring also rose in July after three months of declines. However, the rise was only 4%, imports from top-supplying countries were all down, and the monthly total remained well below that of the previous year.

At US\$20.4 million, July imports were 34% less than in July 2024. A 159% gain in imports in China drove the monthly rise as imports from top-traders Canada, Indonesia, and Vietnam all fell. Total imports for the year, which this spring were well ahead of last year, were up only 5% over last year through July.

US wooden furniture imports rise

US imports of wooden furniture rose 4% in July, moving upward for the second consecutive month. At US\$1.69 billion, imports for the month were 8% below those of July 2024. Imports from China rose 74%, rebounding after a couple of very slow months, while imports from India and Mexico both showed solid gains. Imports from Canada and Malaysia both declined by 2%.

Through July, total imports of wooden furniture were down 2% versus last year.

In June, the US furniture market trended downward, according to the latest *Furniture Insights* published by Smith Leonard. new orders for June were down 9% compared with May but up 3% versus June 2024. For the first half of the year, new furniture orders for 2025 were down 2% from last year.

Imports of wooden furniture

	Jul-25 US\$	MoM % change
Total	1,688,936,697	4%
China	157,613,442	74%
Vie Nam	755,859,904	-2%
Canada	123,202,051	-2%
Malaysia	89,109,037	2%
Mexico	123,434,560	10%
Indonesia	61,200,579	-3%
India	34,011,617	16%
Other	378,517,124	3%

Data source: US Department of Agriculture, Foreign Trade Statistics

See: <https://www.smith-leonard.com/2025/09/02/august-2025-furniture-insights/>

US Tariff Update

An appeals court ruled that most of the recent US tariffs are illegal. The ruling from the US Court of Appeals for the Federal Circuit focused on the "reciprocal" tariffs imposed in April, as well as separate tariffs on China, Canada and Mexico that the administration put in place citing emergency powers granted under a 1970s-era law.

The court's decision does not impact other tariffs, authorised under different authorities, such as taxes on imported steel and aluminum.

The appeals court ruled that the president had overstepped his authority in invoking the International Emergency Economic Powers Act (IEEPA) to impose most of the tariffs. The act from the 1970s gives the president the power to respond to "unusual and extraordinary" threats at times of national emergencies.

The divided appeals court, which split 7 to 4, said the IEEPA does not give a president the power to impose such sweeping tariffs. The court's ruling keeps tariffs in place until at least October 14, with analysts expecting the Supreme Court to hear the administration's appeal. Barring an expedited hearing, a decision is unlikely before November and possibly not until mid-2026. .

White House offers exemptions

On September 5, President Trump signed an executive order offering some tariff exemptions to trading partners who strike deals on industrial exports such as nickel, gold and other metals, as well as pharmaceutical compounds and chemicals and some wood products that don't grow in the US.

His latest order identifies more than 45 categories for zero import tariffs from "aligned partners" who clinch framework pacts to cut Trump's "reciprocal" tariffs and duties imposed under the Section 232 national security statute.

The order brings US tariffs in line with its commitments in existing framework deals, including those with allies such as Japan and the European Union. A White House official said it also creates new carve outs for some agricultural products, aircraft and parts, and non-patented articles for use in pharmaceuticals.

In situations where a country has struck a "reciprocal" trade deal with the United States, this will allow the US Trade Representative, the Commerce Department and customs to waive tariffs on covered imports without a new executive order from Trump, the official said.

Steep tariffs on India take effect

Steep US tariffs on a range of products from India took effect on August 27, threatening a serious blow to India's overseas trade in its largest export market. Trump had initially announced a 25% tariff on Indian goods.

But in August he signed an executive order imposing an additional 25% tariff due to India's purchases of Russian oil, bringing the combined tariffs imposed by the US on its ally to 50%.

The Indian government estimates the tariffs will impact US\$48.2 billion worth of exports. Officials have warned the new duties could make shipments to the US commercially unviable, triggering job losses and slower economic growth. The tariffs will not impact all sectors uniformly, pharmaceuticals, energy products and electronics remain exempt.

See: <https://www.msn.com/en-us/money/markets/trumps-50-tariffs-on-india-over-russian-oil-purchases-take-effect/ar-AA1Li6e9?ocid=BingNewsVerp>
and
<https://www.msn.com/en-in/money/topstories/us-tariffs-on-india-from-august-27-exports-worth-48-bn-to-be-hit-says-commerce-ministry-here-s-a-list-of-affected-sectors/ar-AA1LeZFG?ocid=BingNewsVerp>
and
<https://www.msn.com/en-us/money/news/trump-signs-order-offering-some-tariff-exemptions-to-countries-with-us-trade-deals/ar-AA1LZmrH?ocid=BingNewsVerp>
and
<https://www.whitehouse.gov/fact-sheets/2025/09/fact-sheet-president-donald-j-trump-modifies-the-scope-of-reciprocal-tariffs-and-establishes-procedures-for-implementing-trade-deals/>

Interfor curtails production across all North American regions

Interfor, a forest products company specialising in the production and sale of various lumber and wood products based in Canada, has announced a reduction in its North American lumber production by approximately 145 million board feet between September and December of 2025, representing approximately 12% of its normal operating capacity.

The temporary curtailments will be through a combination of reduced operating hours, prolonged holiday breaks, reconfigured shifting schedules and extended maintenance shut-downs.

The curtailments are expected to impact all of Interfor's operating regions, with both the Canadian and U.S. operations expected to reduce their production levels by approximately 12% each.

The curtailments are in response to persistently weak market conditions and ongoing economic uncertainty. The company states it will continue to monitor market conditions across all of its operations and adjust its production plans accordingly.

See: <https://www.woodworkingnetwork.com/news/canadian-news/interfor-curtails-production-across-all-north-american-regions>

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

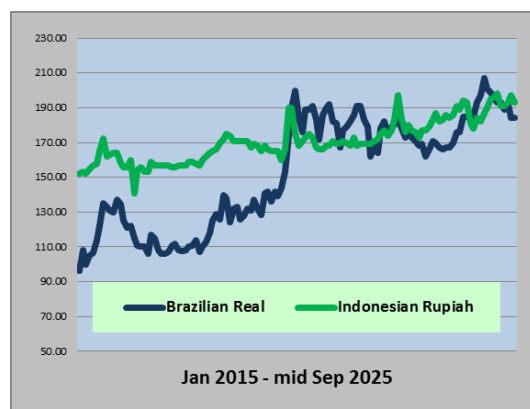
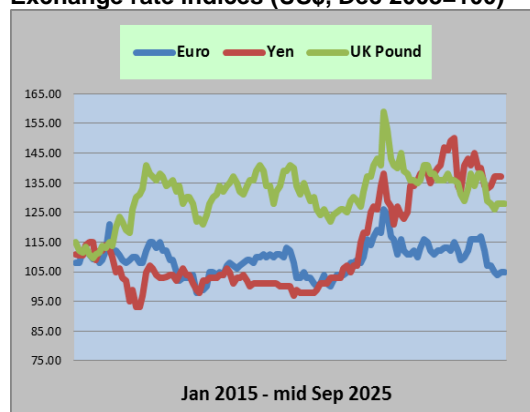
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

US\$ Dollar Exchange Rates

As of 10 September 2025

Brazil	Real	5.42
CFA countries	CFA Franc	559.31
China	Yuan	7.13
Euro area	Euro	0.85
India	Rupee	87.99
Indonesia	Rupiah	16,391
Japan	Yen	147.52
Malaysia	Ringgit	4.22
Peru	Sol	3.48
UK	Pound	0.74
South Korea	Won	1,385.74

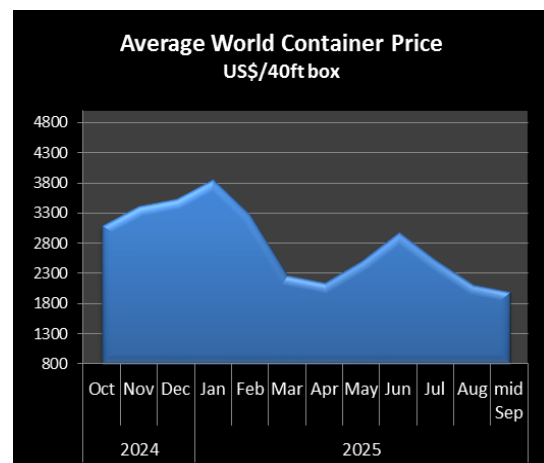
Exchange rate indices (US\$, Dec 2003=100)



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

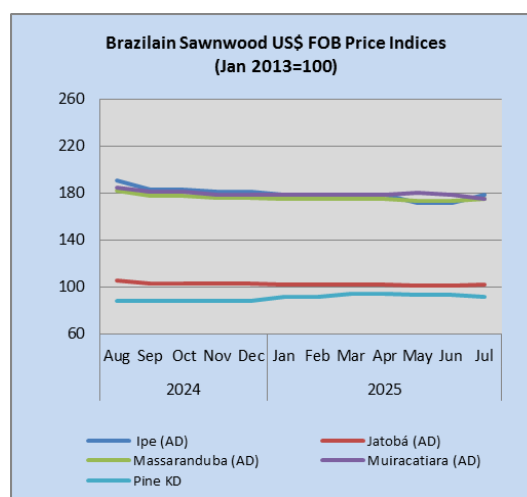
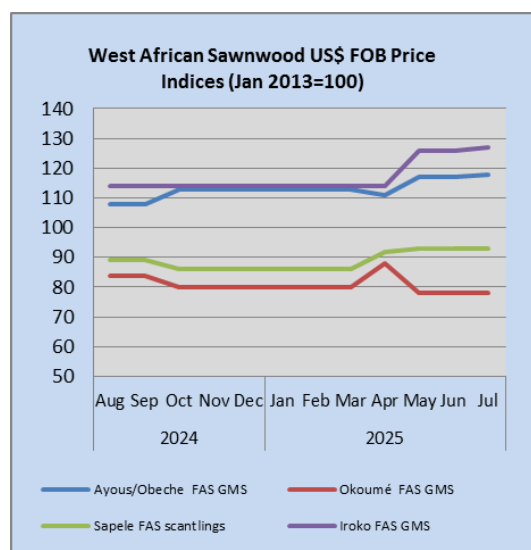
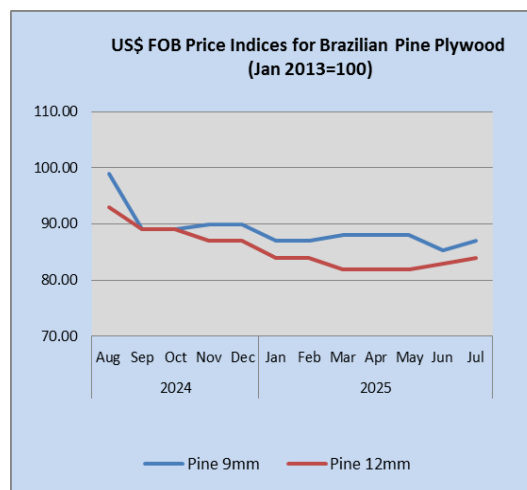
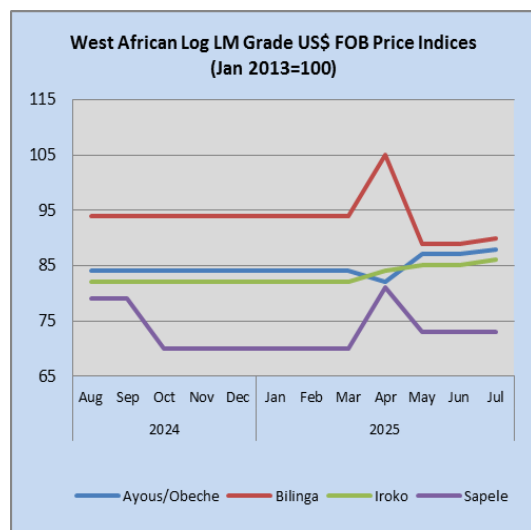


Data source: Drewry World Container Index

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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