Tropical Timber Market Report

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

Contents

Top story

Postponement of EUDR implementation unlikely - EC proposal to adjust the regulation

The EC is no longer considering a delay to EUDR and the implementation date remains 30 December 2025. On 21 October the European Commission (EC) published its proposal to amend the EUDR.

Some adjustments to the timeline for application of the law are proposed alongside several “targeted simplifications” designed to reduce obligations on certain categories of operators.

https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2464

Page 27

Headlines

Central and West Africa

Production levels generally remain low

The African timber sector enters the final months of 2025 under heavy pressure from both domestic financial challenges and weak international demand. Across the region production levels remain low while prices are largely flat due to sluggish export orders

Global demand remains muted, China's continued slowdown, competition from Brazilian softwoods and a flat European market are collectively restricting export growth for African producers.

Producer perceptions of international demand

China remains the most critical weak link in global tropical timber demand. The Chinese government has not announced any new stimulus measures for the housing and construction sectors leaving the market flat. Import volumes of Okoume and Okan remain sharply reduced as the volume of landed stocks is said to be high.

Demand in India is seen as stable with steady imports of peeled veneer and Padouk sawnwood. While demand is consistent prices are under pressure due to competition from lower-cost Southeast Asian suppliers.

Phillipine imports from African suppliers have slowed considerably. It has been suggested that buyers are seeing competitive pressure from Indonesian suppliers offering product at attractive prices.

Middle East markets are under increasing competitive strain from Brazilian kiln-dried sawn pine effectively displacing several West African hardwood species.

The European market remains unchanged and subdued. Demand is limited to niche certified species, with little sign of recovery in the short term. Buyers are operating mainly on replacement-level purchasing, avoiding speculative contracts.

Gabon

Analysts report the situation in Gabon has become increasingly tense and financially strained. The Forestry Ministry and the Presidency are actively addressing unpaid taxes in the forestry sector. Some major operators are reportedly unable to pay the 40% settlement demanded on outstanding arrears of over 5 billion FCFA. This has led to suspension of operations and to layoffs. There is a mood of uncertainty in the timber industry.

Adding to the strain the 2026 Finance Law is expected to introduce further tax increases. These will come at a time when the sector needs relief and liquidity support. Producers are calling the situation a "disaster," and investment confidence is fading rapidly.

A Presidential Task Force has been established to audit and enforce financial compliance across the forestry sector. It has been reported that the first round of inspections revealed large-scale arrears on land taxes, transfer charges and social welfare contributions. Reports indicate that some companies have negotiated releases from shutdowns after partial payments while others are resorting to temporary layoffs, paying only 30% of salaries during suspension periods.

With ongoing rains, forest accessibility remains limited. Harvesting continues at low levels and electricity disruptions persist affecting commercial operations. Export activity is slow and Okoume stocks at Nkok remain high.

The government continues to promote 3rd and 4th level transformation targeting plywood and furniture production initially for domestic consumption. However, operators say it will be difficult to be competitive in furniture manufacturing due to very low priced imports.

Cameroon

October saw heavy rainfall in Cameroon which slowed operational activity as roads become increasingly impassable, however, mill stocks are said to be sufficient. Flooding in northern Cameroon and along the Chad border has caused severe damage to housing and transport infrastructure.

Transport on laterite roads is controlled when the rain pose a risk, traffic is prohibited during rainfall to prevent further deterioration. This continues to delay timber transport from the interior regions. Rail transport remains operational and stable with no major disruptions reported.

Sawmills continue to operate but at reduced levels due to lower demand and challenging logistics. Many operators are limiting milling to satisfy only existing contracts.

Operations in Douala and Kribi Ports are functioning normally, though vessel congestion occasionally delays berthing. Container availability is reported as satisfactory and there are no major logistical issues at the ports.

No major regulatory changes were introduced in October but operators report delays in permit renewals, inspection processing and processing of customs documentation. CITES compliance checks and EUTR-related documentation requests remain strict.

Overall, export prices in Cameroon remain stable but export volumes have declined as buyers avoid long-term contracts.

The recent re-election of President Paul Biya has not yet translated into market confidence with operators and investors largely holding back on new commitments pending clearer signals from the government.

Republic of the Congo

The Congo has for months been preparing for presidential elections in 2026 and the business climate is said to be cautious with operators are holding back on capital investments and expansion plans until after the election.

Unlike Gabon and Cameroon, harvesting in the Congo continues despite seasonal rains. Export volumes are moderate, with operators increasingly focusing on European species as Chinese demand remains weak.

Rail operations are said to be stable but the overall logistics network is under stress due to heavy port congestion.

The Port of Pointe-Noire, Congo’s main timber export hub, is experiencing a severe backlog of vessels. Shipping delays are increasing costs significantly. Authorities have acknowledged that port expansion is urgently required and discussions are ongoing with Chinese partners to finance an extension project. Despite congestion, container availability remains sufficient and exports continue, albeit at slower turnover rates.

Congo’s forestry sector remains one of the most structured and controlled in the region and government agencies are strictly enforcing compliance with CITES and EU regulations.

Log export prices

West African logs	FOB Euro per cu.m		
Asian market	LM	B	BC/C
Acajou/ Khaya/N”Gollon	220	220	175
Ayous/Obeche/Wawa	220	220	200
Azobe & ekki	250	250	175
Belli	260	260	-
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	-

Through the eyes of industry

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

See: https://www.itto-ggsc.org/static/upload/file/20251022/1761099830162631.pdf

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

Small-scale mining licenses revoked

The Minister for Lands and Natural Resources (MLNR), Emmanuel Armah-Kofi Buah, has revoked 278 small-scale mining licenses across the country over regulatory breaches and the expiration of operating permits.

According to Paa Kwesi Schandorf, the Media Relations Officer at the Ministry, the decision forms part of the Ministry’s ongoing efforts to enforce regulations in Ghana’s small-scale mining sector.

The revoked licenses include those belonging to operators who failed to comply with key environmental and safety standards or who continued operations after their permits had expired.

The move underscores the Minister’s commitment to enforcing discipline and accountability in the small-scale mining industry which has been plagued by illegal operations and environmental degradation in recent years.

Since assuming office the Minister has initiated a coordinated multi-pronged approach including the setting up of the Blue Water Guards and National Anti illegal Mining Operations Secretariat (NAIMOS) to combat illegal mining and environmental destruction. He has called for a concerted and shared effort from civil society, the private sector and all Ghanaians to help protect the country’s remaining forest resources and water bodies from further depletion.

Meanwhile, the office of the Attorney-General is currently prosecuting over 1,500 cases of illegal mining, commonly known as galamsey and to expedite these legal processes,.

See: https://www.myjoyonline.com/lands-minister-revokes-278-small-scale-mining-licenses-over-regulatory-breaches/

Strengthen collaboration - advisory board observes operations of the Commission

The Ministerial Advisory Board to the Ministry of Lands and Natural Resources (MLNR) paid a working visit to the Forestry Commission (FC) to familiarise itself with the operations of the Commission and strengthen collaboration between the Ministry and its key implementing agency.

The visiting team comprised members of the Board, the Secretary and support staff. They were received by the Chairman of the FC Board, Professor Martin Oteng-Ababio, along with the Acting Chief Executive, Dr. Hugh C. A. Brown, his deputies and members of the Executive Management Team.

In his welcoming address, Professor Oteng-Ababio appealed to the Advisory Board for logistical support to help the Commission effectively address its operational challenges to deliver on its mandate. These included security threats posed by heavily armed illegal miners, insufficient funding for reclamation and reforestation and the lengthy judicial processes for prosecuting forest offenders.

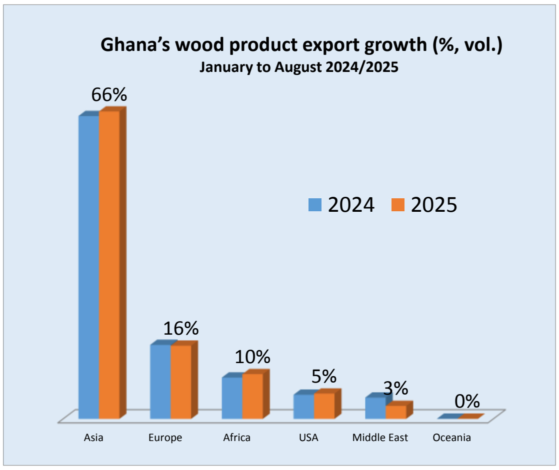
Dr. Brown highlighted some key achievements of the Commission in 2025. This included efforts to restore degraded landscapes, of which 9,707 hectares of plantations had been established so far. The reclamation of nine forest reserves from illegal miners resulted in the seizure of 190 excavators, 16 vehicles and the arrest of 345 suspects.

Responding on behalf of the visiting delegation, Mr. Israel Ackah, Co-Chair of the Advisory Board, explained that the purpose of the visit was to foster meaningful engagement between the Ministry and the agencies under its supervision. He emphasised the Board's commitment to learning about the Commission's work and offering its full cooperation to support the government's broader environmental vision.

See: https://fcghana.org/ministerial-advisory-board-pays-familiarisation-visit-to-fc/

Ghana's wood product market performance – Asia tops

Asia continent continued to maintain its dominance as Ghana's largest market for wood products for the period January to August 2025. Total exports to Asian markets for the 8 month period accounted 66% (95,075 cu.m) valued at Eur36.05 million according to Timber Industry Development Board (TIDD) data source. However, this represented a decrease of 24,131 cu.m in volume and Eur10.08 million in value when compared to the same period in 2024.



Data source: TIDD

Aside from the shipments of wood products to Asia the share of Ghana's remaining wood product exports for the first eight months of this year went to Europe (16%), Africa (10%), America (5%) and Middle East (3%).

Ghana's main importing countries in Europe were Italy, France, Germany, the UK, Belgium, Spain, Ireland and the Netherlands while African market destinations included Egypt, Morocco, and South Africa and the ECOWAS sub-region.

Wood products export to Asian markets included air and kiln dried sawnwood, billets, sliced veneer and mouldings. The species exported included Teak, Denya, Wawa, Koto / Kyere, Papao / Apa, Cedrela, Kaku / Ekki / Azobe, Asanfina / Anigre, Gmelina and Ananta.

Local currency erases losses recorded in Q3 2025

Available data from Commercial Banks showed that the Ghana Cedi depreciated by about 14% in the third quarter of 2025. But the currency sustained a "good run" against the US dollar in the first half of October 2025, which helped erase the local currency's losses posted in the third quarter of the year. The Cedi had earlier recorded appreciation by more than 40% at the end of July 2025 to about 21% by the end of September.

Bank analysts have attributed the recent performance of the Cedi to the Bank of Ghana's new forex market interventions and monetary policy measures that have improved dollar supply and strengthened enforcement of foreign exchange regulations. The CEO of Ghana Association of Banks has described the currency's performance as a policy shift that has enhanced market efficiency.

The stability of the local currency is also a welcome development to local industries, which will now require fewer Cedis to purchase the same amount of foreign currency to secure raw materials and machinery parts for their production.

See: https://www.myjoyonline.com/cedi-erases-q3-losses-recorded-in-2025-posts-37-year-to-date-appreciation-against-dollar/

Informal cross-border trade at GH¢7.4 biln in the final quarter of 2024

According to the Ghana Statistical Service (GSS) survey informal cross-border trade between Ghana and its three neighbouring countries reached GH¢7 bil. in the fourth quarter of 2024 (Q4 2024), representing 4% of the country's total trade for the period.

The report revealed that informal trade continues to dominate the country's commerce with its immediate neighbours, Togo, Burkina Faso and Côte d'Ivoire. The volume of informal trade during the period accounted for 61% of total trade with Togo, 56% with Côte d'Ivoire and 37% with Burkina Faso.

The formal trade still dwarfs informal trade overall with formal trade valued at GH¢165.3 bil. compared to GH¢7.4 bil. in informal trade during the quarter.

See:
https://www.statsghana.gov.gh/headlines.php?slidelocks=ODA0OTM4MzIxNC44MzI1/headlines/05r1nrn496
and
https://thebftonline.com/2025/10/23/informal-cross-border-trade-hits-gh%C2%A27-4bn-in-q4-2024/

Boule export prices

	Euro per cu.m FOB
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	780
Niangon Kiln dry	900

Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	384	472
Chenchen	502	612
Ogea	347	590
Essa	541	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	396	546
Edinam (mixed redwood)	640	672
Emeri	700	745
African mahogany (Ivorensis)	783	1,020
Makore	692	835
Niangon	790	855
Odum	823	1,104
Sapele	695	780
Wawa 1C & Select	430	475

Plywood export prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	465	580	641
6mm	450	536	604
9mm	413	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	1,193
Avodire	2,688
Chenchen	915
Mahogany	1,260
Makore	1,549
Odum	1,333
Sapele	1,326

Through the eyes of industry

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See: https://www.itto-ggsc.org/static/upload/file/20251022/1761099830162631.pdf

Malaysia

Difficult to find alternative markets in the short term

Malaysia's furniture industry cannot easily cushion the impact of the latest US tariffs by selling more to other markets, at least not in the short term, say manufacturers.

Muar Furniture Association (MFA) president, Steve Ong, said no other export market comes close to the United States in terms of market size and demand for Malaysian wooden furniture. (see table) Johor, particularly Muar, produces the bulk of Malaysian wooden furniture. Trying to reduce reliance on the US by growing sales in other countries or finding new markets would need time, along with government support and assistance, he added.

The United States remains the largest market. Singapore, the United Kingdom and Japan are also Malaysia's key export markets but none come close to the scale and consistency of demand seen from the United States, said Ong. From January to August wooden furniture exports dropped by around 3% year on year but shipments to the United States moved in the opposite direction, rising 2% reflecting front loading of exports in the early part of the period.

According to data from the US Census Bureau Malaysia was the fifth largest supplier of wooden furniture to the United States last year behind Vietnam (US$6.27 bil), China (US$1.88 bil), Canada (US$1.5 bil) and Mexico (US$1.06 bil).

The MFA president said the new tariffs were expected to dampen demand with local furniture manufacturers likely to face pressure to absorb part of the cost to maintain competitiveness. "Besides tariffs, we are also dealing with rising domestic costs such as higher Sales and Service Tax (SST), foreign labour EPF (Malaysian provident fund for retirement) contributions and electricity rates, all of which could further weaken our international competitiveness, he added.

Malaysian Furniture Council (MFC) president, Desmond Tan, said he was disappointed with the tariffs as Malaysia and the United States shared a mutually dependent economic relationship. He said investment, Trade and Industry Ministry officials were currently in talks with the United States to seek tariff exemptions for several products, including furniture.

Furniture exports (RM bil.)

	2021	2022	2023	2024	2025 (1-8)
US market	5.85	5.68	4.06	4.51	2.94
Total exports	9.13	9.77	8.08	8.68	5.47
% to US	64.1	58.1	50.2	52	53.8

Data source: Dept of Statistics, Malaysia.

See:https://www.thestar.com.my/news/nation/2025/10/18/interactive-heres-why-us-tariffs-are-hitting-malaysias-furniture-makers-hard

Aiming to achieve EUDR 'low risk' country ranking

A special committee on Implementation of the European Union Deforestation Regulation (EUDR) has studied strategies and measures that need to be implemented across ministries to try and achieve recognition of Malaysia as a low-risk country under the EUDR framework.

Minister of Plantation and Commodities, Johari Abdul Ghani, said the review covers the assessment of country benchmarking criteria that fall under the responsibilities of various ministries.

"Among the steps are the coordination of forest data reporting and enforcement of forestry-related laws by the Ministry of Natural Resources and Environmental Sustainability, compliance and enforcement of laws protecting human rights, including the rights of indigenous communities, by the Ministry of Rural and Regional Development and the inclusion of sustainability elements in free trade agreement negotiations by the Ministry of Investment, Trade and Industry (MITI)" he reported to parliament.

Johari said the government has established a national traceability system for the palm oil sector as part of compliance with the Malaysian Sustainable Palm Oil (MSPO) certification to ensure that palm oil exports are not limited to large companies only. "Through this system, all geomaps and geo-locations of each smallholder will be recorded.

Meanwhile, more than 1.6 million hectares of forest areas in Sarawak have been certified under the internationally recognised Malaysian Timber Certification Scheme (MTCS), reaffirming the State's strong commitment to sustainable forest management and environmental stewardship.

See:
https://theborneopost.pressreader.com/article/282170772377557
and
https://dayakdaily.com/sarawak-reaffirms-sustainability-drive-with-over-1-6-mln-hectares-of-forest-certified-under-mtcs/

Carbon market policy and climate change Bill coming

Malaysia will be introducing a carbon tax next year starting with the iron, steel and energy sectors, said Prime Minister Anwar Ibrahim.

Anwar said the implementation of the Carbon Tax will be aligned with the forthcoming National Carbon Market Policy and the Climate Change Bill to ensure effective execution.

He also said the Green Technology Financing Scheme, with a total financing value of RM1 billion, will remain available until December 2026 offering government guaranteed incentives of up to 80% for green technology projects in the waste sector and up to 60 per cent for other sectors such as energy, water, transport and manufacturing.

See:
https://theborneopost.pressreader.com/article/281548002093566

In related news, Malaysia has the opportunity to shape the regional carbon economy with the ability to grow, be inclusive and be result-based said Plantation and Commodities Minister, Johari Abdul Ghani,

He said from 2025 to 2050, ASEAN's carbon market could generate US$946 bil to US$3 trillion in cumulative value, while by 2030, mitigation potential is estimated at 220 million tonnes of carbon equivalent. With that, he said regional cooperation must now move from principle to practicality. A memorandum of collaboration (MoC) has been signed between the Malaysia Forest Fund (MFF) and Malaysia Exchange to advance carbon market development and foster synergies.

See: https://www.thestar.com.my/business/business-news/2025/10/16/strengthening-countrys-carbon-economy

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See: https://www.itto-ggsc.org/static/upload/file/20251022/1761099830162631.pdf

Indonesia

Indonesia manufacturers secure half million dollar deals at Paris show

Indonesia's eco-friendly furniture and design products secured potential deals worth approximately US$575,000 at the 2025 Maison & Objet (M&O) exhibition in Paris.

According to Indonesian Trade Attaché, Harry Putranto, the transactions included furniture orders, decorative accessory distribution contracts and plans to enter Europe's high-end souvenir and museum markets. The strong interest from European buyers highlights Indonesia's growing reputation in the eco-friendly design industry.

The event also opened new opportunities for expanding business networks and promoting premium Indonesian products.

See: https://en.antaranews.com/news/385589/indonesias-eco-friendly-furniture-secures-575000-deals-in-paris

HIMKI launches digital marketplace

The Indonesian Furniture and Handicraft Industry Association (HIMKI) has launched Mosaik Nusantara (www.mosaiknusantara.com), a digital marketplace aimed at boosting the global presence of Indonesian furniture and handicraft products.

This platform serves as a direct gateway for local entrepreneurs from regions such as Jepara, Cirebon and Pasuruan to reach international buyers in markets like the United States, Europe and the Middle East. Unlike traditional trade exhibitions which are costly and time-consuming, Mosaik Nusantara simplifies access with a one-click solution. All participating vendors are verified HIMKI members with globally curated products.

By connecting producers directly with international buyers through a B2B model, HIMKI seeks to cut out complex distribution chains, resulting in more competitive pricing and higher returns for local manufacturers. Over 70 HIMKI merchants have already joined the platform, offering more than 160 products, with numbers growing daily.

See:
https://money.kompas.com/read/2025/10/17/144000926/himki-luncurkan-marketplace-bawa-produk-mebel-dan-kerajinan-ri-tembus-pasar.
and
https://www.antaranews.com/berita/5180065/himki-luncurkan-lokapasar-perkuat-ekspor-industri-kerajinan-ri

Indonesia poised to be major global Carbon Credit exporter

According to the Indonesian Chamber of Commerce and Industry (Kadin), Indonesia is positioned to become the world's largest exporter of forestry-based carbon credit with projections indicating up to 13 billion carbon credit units could be generated from 2024 to 2050. This potential is driven by the country's vast tropical forests covering over 90 million hectares and their significant carbon absorption capacity.

Speaking at the 2025 Indonesia Sustainability Forum, Kadin Chairman Anindya Novyan Bakrie emphasised that with proper governance, Indonesia could lead the global carbon credit market while advancing a green economic future. Kadin is also developing the Regenerative Forest Business Hub to ensure transparency and sustainability in forestry-based carbon projects. Anindya noted that building strong national and regional carbon markets will be essential to supporting this green transition.

See:
https://economy.okezone.com/read/2025/10/10/320/3175861/ri-berpotensi-jadi-eksportir-kredit-karbon-terbesar-dunia

Reforesting 10 million hectares to boost carbon market

Indonesia is taking major steps to establish a strong carbon market by focusing on reforesting 10 million hectares of degraded land, according to Minister Raja Juli Antoni. He highlighted the importance of aligning Indonesia's carbon market with international systems and securing institutional investors for nature-based climate solutions.

The country is strengthening governance and regulatory frameworks to increase the economic value of forests as carbon assets. Indonesia supports nature-based solutions not only for reducing emissions but also for removing carbon through afforestation, reforestation and revegetation. The government plans to achieve this through social forestry, conservation and sustainable forest management.

See: https://en.antaranews.com/news/385401/indonesia-aims-to-reforest-10-million-hectares-to-boost-carbon-market

Speeding up approvals of customary forest status

The Ministry of Forestry is increasing the capacity of verifiers responsible for approving customary forest designations in order to accelerate progress toward its five-year target of 1.4 million hectares.

Recent training sessions were held in Lombok, West Nusa Tenggara as part of a broader effort to prepare local governments and ensure they meet technical requirements for customary forest designation.

The ministry plans to hold four rounds of similar training across Indonesia to create a sufficient pool of qualified verifiers. Earlier this year, Forestry Minister Raja Juli Antoni established a Task Force for Accelerating Customary Forest Determination, aiming to finalise 70,688 hectares of customary forest by the end of the year.

See: https://en.antaranews.com/news/385201/govt-boosts-verifier-capacity-to-speed-up-customary-forest-status

Multi-enterprise model to boost forest potential

The Indonesian government, through the Ministry of Forestry, is promoting a multi-enterprise forestry business model to better utilise the forest potential and support sustainable development.

This model emphasises diversifying forest-based businesses, including the use of non-timber forest products, environmental services, ecotourism, carbon trading and agroforestry to enhance food, energy and water security. The government is supporting this transition with incentives such as applying carbon economic value, encouraging investment and developing infrastructure.

This multi-enterprise approach is part of a broader sustainable forest management policy built on three pillars: business model optimisation, forest landscape enhancement and the strengthening of Forest Management Units (FMUs).

Strategies include spatial consolidation to resolve land use overlaps and ensure community access as well as landscape reconfiguration through integrated planning and infrastructure development. The policy also prioritises ecosystem restoration, preservation and long-term forest management, with FMUs playing a key role in managing forests effectively at the local level.

See:https://rri.co.id/en/business/1902222/indonesia-promotes-a-multi-business-forestry-model

Restructuring forest utilisation permits
The Ministry of Forestry, through the Directorate General of Sustainable Forest Management (PHL), has declared that the restructuring of forest utilisation business permits (PBPH) is a strategic priority for improving national forest management.

According to Director General, Laksmi Wijayanti, this initiative aims to enhance the effectiveness and quality of state forest governance while addressing long-standing challenges including land conflicts and community rights issues.

The restructuring process focuses on reducing conflict risks, clarifying land status and promoting more efficient and sustainable use of forest areas. This policy reflects the ministry's broader commitment to achieving social, environmental and economic balance in forest management across Indonesia.

See: https://mediaindonesia.com/humaniora/821625/kemenhut-tegaskan-penataan-pbph-prioritas-strategis-untuk-pengelolaan-hutan

Rattan downstreaming to strengthen industry
The Indonesian government, through the Ministry of Forestry, is actively promoting the downstream processing of rattan to strengthen the national industry and boost the economic impact on forest-based communities. Indra Explotasia, Head of the Forestry Extension and Human Resources Development Agency, highlighted that many Forest Farmer Groups (KTH) remain stuck in early stages of development due to the lack of value-added processing.

Currently, rattan is sold mainly in raw form. Indra emphasised that collaboration between the government, private sector and financial institutions is essential to unlock the full value of forest products, particularly rattan, a key national commodity.

The Ministry is encouraging a shift in forestry extension from a conservation only approach to one that also supports local economic development. By increasing budget allocations and promoting rattan downstreaming the government aims to enhance the global competitiveness of Indonesia's forest product industry. This strategy is expected to strengthen the national supply chain and create new job opportunities, especially in rural areas, thereby ensuring that local communities can benefit more directly from the country's natural resources.

See: https://minews.id/news/pemerintah-dorong-hilirisasi-rotan-untuk-perkuat-industri-nasional

Sharp drop in forest, land fires
Indonesia has reported a sharp decline in forest and land fires in the first half of 2025, with burned areas dropping by 43% compared to the previous year. According to The Minister of Forestry a total of 213,984 hectares were affected this year, down from 376,805 hectares in 2024 and significantly lower than the 1.6 million hectares burned in 2019. Satellite data from NASA also showed a 24% decrease in fire hotspots from January to late September.

The success in reducing wildfires is credited to strong collaboration between government agencies including the Forestry Ministry, Armed Forces (TNI), National Police (Polri), and the Meteorology, Climatology and Geophysics Agency (BMKG).

Support from the National Disaster Mitigation Agency (BNPB), local governments and the public also played a key role.

See: https://rri.co.id/en/national/1898542/indonesia-achieves-major-reduction-in-forest-fire-areas

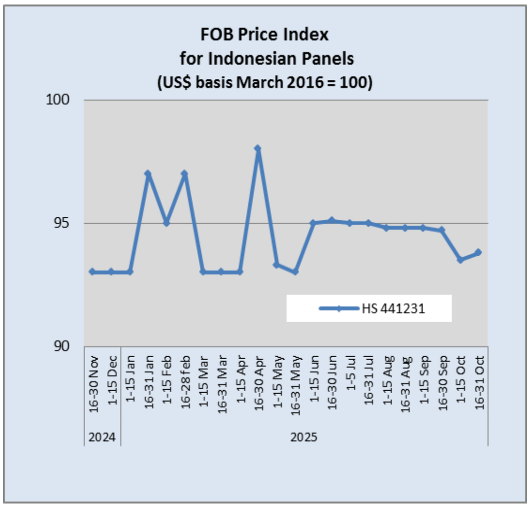
Green investment pledges
During the 2025 Indonesia International Sustainability Forum (ISF) Indonesia's Investment and Downstreaming Ministry announced that the country secured green investment commitments worth Rp278 trillion (US$17.47 bil.)

Deputy for Investment Promotion, Nurul Ichwan, emphasised that the deals reflected strong business interest in supporting Indonesia's sustainable development goals.

Similarly, Kadin's Coordinating Deputy Chair, Shinta Kamdani, highlighted the crucial role of the private sector in leading the green transition.

She noted that green investments not only promote economic growth but also provide new opportunities for micro, small and medium enterprises (MSMEs), generate employment and accelerate industrial transformation toward a more resilient and sustainable economy.

See:https://en.antaranews.com/amp/news/385717/rp278-trillion-green-investment-pledges-signed-at-2025-isf
and
https://rri.co.id/bisnis/1896389/isf-2025-hasilkan-komitmen-investasi-berkelanjutan-rp278-triliun



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

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See: https://www.itto-ggsc.org/static/upload/file/20251022/1761099830162631.pdf

Myanmar

Central Bank moves to curb inflation
Myanmar's Central Bank has announced new measures to withdraw excess liquidity from the banking system in an effort to control inflation and stabilise the kyat.

In a statement the Central Bank of Myanmar (CBM) said it will tighten liquidity through two mechanisms. The first involves increasing the Average Excess Reserve, the funds commercial banks hold at the central bank beyond mandatory reserves. The second is interest paid on these excess reserves will now be adjusted in line with the one-month average market rate, though the exact rate was not disclosed.

The central bank attributed the surge in excess liquidity to the growing use of digital payment systems which has led to higher bank deposits. However, some economists argue that expanded money printing by the regime has also fueled liquidity growth and inflation.

See: https://uniteddaily.my/en/dac7d511-3fc8-413c-9def-12e62bb5d712

Preparation for ASEAN Economic Community
Myanmar has reviewed its progress in implementing the ASEAN Economic Community (AEC) Blueprint 2025, assessing achievements, remaining challenges and preparations for the next phase of regional economic integration under ASEAN Vision 2045.

As the AEC 2025 Blueprint enters its final year discussions focused on Myanmar's overall implementation status, future priorities and the transition toward the AEC Strategic Plan (2026–2030).

The review highlighted that more than 75% of AEC action lines have been completed with the goal of reaching 90% by the end of 2025.

Participants discussed how geopolitical and geoeconomic shifts are shaping ASEAN's economic landscape. To strengthen collective resilience, ASEAN has established the ASEAN Geoeconomics Task Force (AGTF) to provide policy recommendations and reinforce rules-based, multilateral cooperation among member states.

The review also emphasised the importance of ASEAN Vision 2045, which will guide regional cooperation through four strategic pillars, Political-Security, Economic, Socio-Cultural, and Connectivity. Within this framework, the AEC Strategic Plan (2026–2030), endorsed at the 46th ASEAN Summit will serve as the first of four consecutive five-year plans driving economic integration beyond 2025.

Myanmar has kept pace with ASEAN's evolving economic goals by established 22 sectoral committees to oversee AEC implementation each responsible for advancing commitments across trade, investment, industry and other key sectors.

See: https://www.gnlm.com.mm/asean-economic-community-aec-2025-implementation-committees-meeting-held/

ASEAN Summit: Myanmar crisis
Following the recent 47th ASEAN Summit in Malaysia the regional bloc delivered a decisive but familiar message on the Myanmar crisis: The Five-Point Consensus (5PC) remains the only path forward and the planned December 2025 election lacks regional legitimacy. ASEAN leaders adopted a joint decision reaffirming the Five-Point Consensus (5PC) as the "main reference" for resolving the Myanmar crisis.

The ASEAN leaders reiterated their "deep concerns" over the "lack of substantial progress" in the 5PC's implementation by the Myanmar authorities nearly four years after its adoption. ASEAN issued a clear demand: the "cessation of violence and inclusive political dialogue must precede elections." In a bid to maintain engagement the summit reinforced existing diplomatic mechanisms: ASEAN leaders pledged continued support for the Troika mechanism (comprising current, past and incoming ASEAN chairs) and are deliberating a proposal for a longer-term Special Envoy to ensure sustained diplomatic engagement.

The leaders reaffirmed the importance of delivering safe and effective humanitarian assistance without discrimination, including through cross-border efforts where necessary, channeled via the ASEAN Coordinating Centre for Humanitarian Assistance (AHA Centre).

See: https://thediplomat.com/2025/10/asean-foreign-ministers-voice-concern-about-ongoing-myanmar-conflict/,
and
https://themalaysianreserve.com/2025/10/28/anwar-aseans-priority-is-to-stop-violence-in-myanmar/#google_vignette

India

Inflation stable

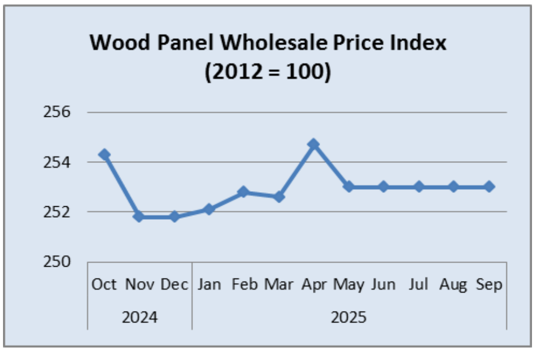
The annual rate of inflation based on the all India Wholesale Price Index (WPI) was 0.13 in September (0.52% in August). The positive rate of inflation in September was primarily due to increase in prices of manufacture of food products, other manufacturing, non-food articles, other transport equipment and textiles.

The index for manufacturing increased from 144.9 for August 2025 to 145.2 in September 2025. Out of the 22 NIC two-digit groups for manufactured products, 10 groups witnessed an increase in prices, 6 groups a decrease and 6 groups saw no change.

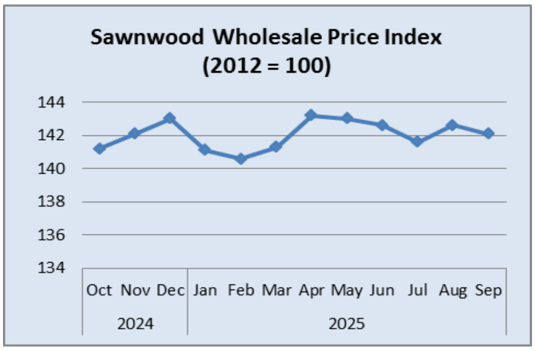
Some of the groups that showed month on month increased in prices in September were; other manufacturing, food products, electrical equipment, textiles and other non-metallic mineral products. Some of the groups that witnessed a decrease in prices were manufacture of rubber and plastics products, motor vehicles, trailers and semi-trailers, pharmaceuticals, medicinal chemical and botanical products, leather and related products and printing and reproduction of recorded media.

The price index for wood panels in September was unchanged from August. The sawnwood price index tilted lower while the index for veneers trended higher.

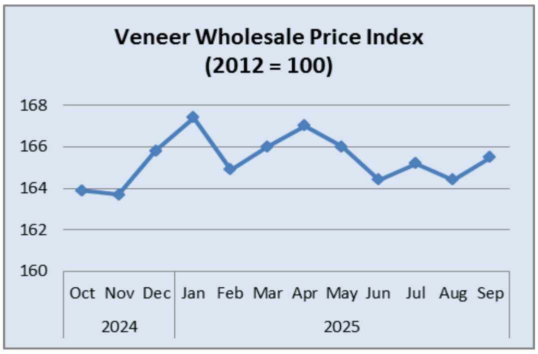
See: https://eaindustry.nic.in/



Data source: Ministry of Commerce and Industry, India



Data source: Ministry of Commerce and Industry, India



Data source: Ministry of Commerce and Industry, India

Tariff reduction – a competitive edge in the US

Indian wood product and furniture exporters will become more competitive in the US market as tariffs on these products will be reduced from 50% to 10-25% according to the policy think tank GTRI (Global Trade Research Initiative, India).

"For India, the change is a major relief" Ajay Srivastva of GTRI said, adding that lower tariffs may make India a cost-effective alternative for US buyers potentially boosting Indian exports.

The GTRI added that the reduction will significantly provide respite as India's exports of affected products totalled US$654.8 million last year, including US$568.3 million in kitchen cabinets, US$83.3 million in upholstered furniture and US$3.2 million in softwood lumber. India's softwood lumber exports worth US$ 3.2 million will now face a reduced tariff of 10% down from 50%.

See: https://gtri.co.in/gtriFlagshipReportsd.asp?ID=110
and
https://economictimes.indiatimes.com/news/economy/foreign-trade/indian-wood-and-furniture-exporters-to-gain-competitive-edge-in-us-after-trumps-10-global-tariff-gtri/articleshow/124247519.cms?from=mdr

New era of BIS compliancein for woodbased panel sector

It has been almost six months since the implementation of new Bureau of Indian Standards (BIS) Standards for the plywood industry. Plywood manufacturers across the country are scrambling to obtain a BIS licence but is has been reported that only 1,000 companies have registered under new BIS Rules. From 28th August all plywood mills came under mandatory BIS compliance rules.

In the situation where industry is transitioning to a new set of regulations there will be major challenges for those companies that do not fully understand what is involved.

The BIS and industry associations are keen on spreading awareness about revision to the Standards, particularly the inclusion of BWP grade in IS:303. The compliance issue poses a paricular challenge for small size manufactures and traders.

After initial resistance the plywood and MDF board industry is now slowly but surely embracing mandatory quality control norms as they have recognised the long term benefits of adhering to high quality standards.

See: https://www.plyreporter.com/article/154244/september-onwards-plywood-panel-industry-is-set-to-witness-new-era-of-bis-compliance

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	312	510
Colombia	188	440
Costa Rica	164	350
Nigeria	-	-
Benin	-	-
Tanzania	209	485
Laos	-	-
South Sudan	280	680
Guatemala	211	395
Venezuela	-	-

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

	cu.m	US$ C&F
Benin	292	670
Brazil	220	645
Colombia	-	-
Costa Rica	270	520
Ecuador	-	-
Ghana	142	430
Ivory Coast	288	825
Nigeria	221	435
South Sudan	286	610
Tanzania	-	-
Togo	289	515
Panama	283	485

Locally milled sawnwood prices

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

Price range depends mainly on lengths and cross-section

Locally sawn hardwood prices

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

Price range depends mainly on lengths and cross-section

Plywood

Domestic ex-warehouse prices for locally manufactured WBP plywood

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

Domestic ex-warehouse prices for locally manufactured MR plywood

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

Viet Nam

Wood and Wood Product (W&P) trade highlights

According to the data from the Viet Nam Customs Office, W&WP exports to Canada in September 2025 reached US$24 million, up 14% compared to September 2024. In the first 9 months of 2025 W&WP exports to the Canadian market were valued at US$209 million, up 19% over the same period in 2024.

Viet Nam's wood pellet exports in September 2025 earned US$117 million, up 166% compared to September 2024. In the first 9 months of 2025 the wood pellet exports earned US$903 million, up 66% over the same period in 2024. This is an impressive growth rate, showing that demand from traditional markets continues to be stable and provides an important contribution to Viet Nam's W&WP exports.

W&WP imports in September 2025 were at valued US$260 million, down 10% compared to August 2025. However, compared to September 2024, imports increased by 11%. In the first 9 months of 2025, W&WP imports totalled US$2.37 billion, up 16% in value over the same period in 2024.

Viet Nam's tali wood imports in September 2025 amounted to US$40,600 cu.m, worth US$16.0 million, up 4% in volume and 5% in value compared to August 2025. However, compared to September 2024, imports increased by 54% in volume and 52% in value. In the first 9 months of 2025, imports of tali were 284,700 cu.m, worth US$106.4 million, up 24% in volume and 22% in value compared to 2024.

Viet Nam's wood industry seeks ways to cope with tariff challenges

The Vietnamese wood industry is facing significant challenges in terms of expenses, earnings and the capacity to sustain exports to important markets as a result of new US import levies.

The US has imposed high taxes on a variety of imported wood and furniture products and is anticipated to rise further in early 2026. In particular, kitchen cabinets, bathroom cabinets and associated goods will be subject to tariffs of up to 50% starting in early 2026 - a significant rise from the initial 25% rate.

A 25% tariff on upholstered furniture (sofas, upholstered chairs, etc.) went into effect in October and might rise to roughly 30% by the start of 2026.

Vietnamese wood prices are less competitive than those of local products in the US and other tax-exempt nations which has a direct impact on the country's wood industry.

Billions of dollars worth of exports to subject to hefty taxes

Following the announcement of the increased tax US clients immediately reduced or canceled orders which had a direct impact on many export enterprises, particularly upholstered furniture producers.

FDI companies with factories in Việt Nam are also concerned about shrinking profit margins as they will have to reduce prices to preserve market share and split tax expenses with partners. Businesses were advised to diversify export markets and cut manufacturing costs while State assistance such as exemptions and reductions in land rent, social insurance and logistical costs are of utmost importance, according to experts.

In the long term, Vietnamese wood product manufactures should consider shifting to new markets, particularly Europe and the Middle East with the latter seeing high demand for furniture products for hotels, resorts and high-end apartments.

Vũ Quang Huy, Director of the Tekcom Joint Stock Company, said substantial duties are currently being applied to various wood products.

Although plywood is not currently subject to the import tariffs, it is still under an ongoing anti-dumping investigation. If duties are imposed, the total rate could reach around 20%. The investigation's results are expected to be announced by the end of 2025.

Meanwhile, Nguyễn Ngọc Thanh, General Director of the Thiên Phát Company, a company that exports kitchen and bathroom cabinets to the US, predicts that the Vietnamese wooden furniture industry will encounter numerous challenges in the future because of the high risk of additional US investigations.

See: https://wtocenter.vn/su-kien/28873-viet-nams-wood-industry-seeks-ways-to-cope-with-tariff-challenges?utm_source=chatgpt.com

HCM City set to become global hub for wooden furniture production and export

HCM City is poised to become one of the world's leading hubs for wood product and furniture production and export as the global market enters a recovery cycle and demand for green, sustainable products continues to rise, according to speakers at a seminar in the city.

The event, titled "HCM City's Wood and Furniture Export Industry – A Global Manufacturing and Export Hub," was jointly organised by the Handicraft and Wood Industry Association of HCM City (HAWA), the Viet Nam Timber and Forest Product Association (Viforest) and the Bình Dương Furniture Association (BIFA).

Speaking at the event, Phùng Quốc Mẫn, Chairman of HAWA, said Viet Nam's wood industry has achieved remarkable progress over the past two decades, growing from less than US$200 million in export value in 1999 to an expected $20 billion by 2025. Viet Nam is now the world's second-largest exporter of wooden furniture, just behind China.

"The industry has built a relatively complete supply chain, from raw materials and production to distribution, creating a strong global competitive advantage," he said.

Following the recent administrative merger of HAWA and BIFA, HCM City now accounts for nearly half of the country's total wood export revenue and has developed an integrated supply chain covering production, processing, logistics and seaports. This forms a solid foundation for the city to position itself as a regional manufacturing hub, Mẫn added.

HAWA and BIFA are merging, expanding HAWA’s membership to nearly 1,000 enterprises, about 70%t of which are producers and exporters.

The new HAWA will work closely with both government and industry to ensure stable production, sustainable growth, and global market expansion, aiming to make HCM City a hub of the world’s wood and furniture industry.

Nguyễn Quốc Khanh, Chairman of AA Corporation and Senior Advisor to HAWA, said: "The industry’s goal is not merely to export but to export profitably and sustainably."

The wood industry must move beyond subcontracting and focus on developing value-added products. To achieve this, businesses need to invest in design, brand development, marketing and sales channels to enhance value,” he noted.

He urged local firms to embrace a’ go-global strategy’ by building their own brands, developing a high-quality workforce, and adopting ESG-based management models.

“With the right direction, by 2035, HCM City could achieve US$15 billion in exports, with 80% of products meeting green standards and forming a smart ecosystem that integrates industrial, trade promotion, and logistic hubs across the southern key economic region,” he said.

Nguyễn Liêm, Vice Chairman of Viforest and Chairman of BIFA, emphasised that the wood industry must pursue dual transformation - green and digital.

“The green transition helps save energy, reduce emissions and encourage the use of legal, eco-friendly materials that meet international standards.

Digital transformation, meanwhile, ensures transparent management, enables production data measurement, optimises supply chains and improves demand forecasting. The two processes are closely linked and go hand in hand,” he said.

He proposed establishing a Green and Digital Transformation Support Centre for the wood sector in HCM city, piloting low-emission factories and green industrial clusters with shared infrastructure to help small businesses ‘go green’ at affordable costs.

Lê Đức Nghĩa, Chairman of An Cường Wood Working JSC, said the company has implemented SAP S/4HANA, a comprehensive digital management platform, which integrates production, finance and supply chain data, boosting productivity by over 20%.

When digital transformation goes hand in hand with green transition, companies not only save costs but also meet international standards for transparency, governance and ESG, all essential for expanding into global markets, he explained.

He also recommended that the government priorities digitalising the national wood industry database, build an open data system, expand access to green finance and energy-efficient technologies and develop training programmes to help enterprises comply with international standards.

Vũ Quang Huy, Chairman of Tekcom, said the industry is facing trade barriers such as countervailing duty investigations, traceability requirements and environmental certification. But these challenges present an opportunity for businesses with strong capacity and high compliance standards.

He suggested that HCM city should take a more proactive role in standardising digital traceability records, establishing a dedicated centre for HS codes and rules of origin and developing an early-warning system to prevent trade fraud.

Thomas Luk, Director of Starwood Furniture of VN Corp, said many Vietnamese exporters face high US tariffs but there are ways to mitigate them.

He called for policies to support the renovation of ageing factories and minimise account receivable risk.

Enterprises at the event further proposed streamlining administrative procedures and developing a large-scale trade fair and exhibition centre in HCM City to strengthen international trade promotion.

In his closing remarks, HCM City People’s Committee Chairman, Nguyễn Văn Được, praised the achievements of Viet Nam’s wood and furniture industry, noting that enterprises are the driving force of economic development.

The city government is committed to listening to and acting on business feedback. It will turn these ideas into practical and feasible policies to create a competitive, transparent and sustainable business environment, he said.

He added that the city would review tax refund procedures, address overlapping regulations affecting both domestic and foreign enterprises and continue investing in road and rail infrastructure to reduce logistics costs.

“With its tradition of dynamism, creativity and pioneering spirit, I believe HCM City’s wood and furniture business community will continue to lead the way in realising the vision of making the city a regional manufacturing and export hub,” he affirmed.

See: https://vietnamnews.vn/economy/1727961/hcm-city-set-to-become-global-hub-for-wood-furniture-production-and-export.html?utm_source=chatgpt.com

Wood industries under growing strain as US tariffs reshape export dynamics

Ngo Si Hoai, Vice Chairman and Secretary General of the Viet Nam Timber and Forest Products Association, says the US decision on tariffs will significantly affect Vietnamese wood product exports, leaving companies little room to adjust in the short term.

He notes that, with the US accounting for more than half of Viet Nam's total wood product export value, many enterprises may have to reconsider their strategies if tariffs rise further.

Nguyen Phuong, Vice Chairman of the Dong Nai Wood and Handicrafts Association, warns that export performance may decline in the final months of 2025 depending on tariff developments. He calls for greater government support through market intelligence, risk assessment and more proactive trade policy responses to help firms adapt to external shocks.

In addition, Nguyen Chanh Phuong, Vice Chairman of the Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA), said that the sector's long-term sustainability depends on improving production autonomy, developing skilled labour and ensuring legal raw material sources.

He stressed that Vietnamese businesses should move beyond contract manufacturing and focus on brand building and professional design to strengthen their global position.

See: https://the-shiv.com/wood-industry-in-vietnam-under-growing-strain-as-new-us-tariffs-reshape-export-dynamics/#utm_source=chatgpt.com

Brazil

BNDES initiative on native timber species

The Brazilian Development Bank (BNDES) has launched the BNDES Forest Innovation Programme (Floresta Inovação programs) aiming to position Brazil as a leader in the international tropical timber market. The programme was launched with an investment of R$24.9 million in a project focused on innovation in the silviculture of planted native timber species

The project, approved by BNDES, was proposed by the Steering Committee of the Research and Development Program on the Silviculture of Native Species (PPD&SEN, created by the Brazilian Coalition on Climate, Forests and Agriculture in 2021. Its goal is to develop and disseminate technological innovations to expand the silviculture of native species following the successful example of eucalyptus cultivation.

According to BNDES, tropical timber production in Brazil currently comes mainly from natural forests and expanding native species silviculture could complement sustainable management in forest concessions.

The innovative project in silviculture covers five research areas, seed and seedlings, genetic improvement, vegetative propagation, forest management and wood technology encompassing 30 native species from the Amazon and Atlantic Forest biomes. It includes 20 research sites, totalling around 160 hectares of new plantations along with six existing areas that will serve as reference hubs.

With five-year duration, the project marks the first phase of the programme that could extend to up to 30 years aiming to develop improved clones, germination protocols, optimised regional production systems and new technological applications.

The Federal University of São Carlos (UFSCar) will coordinate activities in the Atlantic Forest, while Embrapa Amazônia Oriental and Embrapa Forestry will lead efforts in the Amazon. The initiative is part of the BNDES Florestas program which supports bioeconomy and productive ecological restoration with the goal of restoring 6 million hectares by 2030 and 24 million hectares by 2050 transforming the current "Deforestation Arc" into a corridor for restoration and sustainable forest production.

See:
https://agenciadenoticias.bndes.gov.br/socioambiental/BNDES-lanca-iniciativa-para-impulsionar-mercado-de-floresta-tropical-com-apoio-a-silvicultura-de-especies-nativas

Innovation and development in the Amazon

A feasibility study for the implementation of Innovation Hubs in the Pan-Amazon Region, coordinated by the Amazonia 4.0 Institute, identified significant economic and socio-environmental potential in the Amazon region with the capacity to generate up to R$8.3 billion per year in added value and around 620,000 'green' jobs by 2035.

The initiative aims to make the Amazon bioeconomy into a strategic driver of sustainable development, adding value to biodiversity products and promoting the inclusion of local communities.

The study proposes solutions such as an Intelligent River Logistics Platform, expected to cut logistics costs by up to 40%, reduced post-harvest losses by 25%, and decarbonising 1.8 million tonnes of CO_2 annually through sustainable transport modes.

It also highlights structural bottlenecks in the states of Amazonas, Pará and Amapá, including low value addition to natural products, limited R&D infrastructure, concentration of innovation in capitals and lack of integrated governance among government, academia and industry.

The proposed model envisions innovation hubs organised into three integrated centres: (i) technological, focused on research, development and prototyping; (ii) entrepreneurial, with incubators, accelerators and coworking spaces; and (iii) community-based, for training and social integration of riverside, Indigenous and extractivist communities.

The priority locations include Macapá, Santana, Santarém, Marajó, Manacapuru, Tefé, Marabá, and Xinguara in the Amazon region.

The initiative aligns with the National Bioeconomy Plan and World Bank targets to triple Amazon's GDP by 2035 to around R$700 billion per year. It establishes a strategic framework for strengthening the Amazon bioeconomy, combining technological innovation, environmental sustainability and inclusive territorial development, while paving the way for new energy and biomass studies as levers for sustainable growth in the region.

See: https://www.maisfloresta.com.br/hubs-de-inovacao-na-amazonia-podem-gerar-mais-de-r-8-bi-por-ano/

Export update

In September 2025, Brazilian exports of wood-based products (except pulp and paper) decreased 31% in value compared to September 2024, from US$313.7 million to US$217.8 million.

Pine sawnwood exports increased 0.2% in value between September 2024 (US$45.3 million) and September 2025 (US$45.4 million). In volume, exports increased 9% over the same period, from 191,000 cu.m to 207,700 cu.m.

Tropical sawnwood exports increased 11% in volume, from 25,700 cu.m in September 2024 to 28,600 cu.m in September 2025. In value, exports increased 21% from US$10.0 million to US$12.1 million, over the same period.

Pine plywood exports decreased 40% in value in September 2025 compared to September 2024, from US$68.2 million to US$41.0 million. In volume, exports decreased 36% over the same period, from 202,900 cu.m to 130,700 cu.m.

As for tropical plywood, exports increased in volume (4%) and in value (6%) from 2,700 cu.m and US$1.6 million in September 2024 to 1,700 cu.m and US$2.8 million in September 2025, respectively.

The value of wooden furniture exports decreased from US$51.0 million in September 2024 to US$47.1 million in September 2025, a decrease of 8%%.

State of Pará registers highest annual timber exports

The timber sector of the State of Pará recorded its best export performance of the year in September 2025 reaching US$28.9 million and 25,000 tonnes of wood products and by-products according to the Association of Wood Exporting Industries of the State of Pará (Aimex). Compared to August, exports grew 98% in value and 44% in volume, with the highest average price of the year (US$ 1,125.44/tonne).

Between January to September 2025 exports totalled US$163.9 million and 203,600 tonnes, up 0.43% in value and 7% in volume compared to the same period in 2024.

The main exported products, flooring, decking, parquet, moldings and sawnwood, accounted for 82% of total exports keeping Pará as Brazil´s fourth-largest wood exporter in Brazil, behind only Santa Catarina, Paraná, and Rio Grande do Sul.

The United States remained the top destination, importing US$67 million driven by the housing market following the recent interest rate cut in the US.

Despite the positive results, Aimex pointed out operational bottlenecks, notably the lack of integration between Pará's control system and IBAMA´s National System for the Control of the Origin of Forest Products (Sinaflor).

The association Aimex emphasised the sector´s resilience amid bureaucratic barriers, exchange rate volatility and growing international demand, highlighting the need to improve environmental control and export clearance mechanisms to balance sustainability and competitiveness.

See: https://www.diarioro.com.br/2025/10/20/exportacoes-de-madeira-do-para-crescem-em-setembro-e-alcancam-melhor-desempenho-do-ano-aponta-aimex

Domestic log prices

Brazilian logs, mill yard, domestic	US$ per cu.m
Ipê	430⬆
Jatoba	189⬆
Massaranduba	173⬆
Miiracatiara	167⬆
Angelim Vermelho	180⬆
Mixed redwood and white woods	135⬆

Prices do not include taxes. Source STCP Data Bank

Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US$ per cu.m
Ipé	1,904⬆
Jatoba	965⬆
Massaranduba	871⬆
Muiracatiara	915⬆
Angelim Vermelho	828⬆
Mixed red and white	570⬆
Eucalyptus (AD)	315⬆
Pine (AD)	267⬆
Pine (KD)	320⬆

Prices do not include taxes. Source: STCP Data Bank

Domestic plywood prices

Parica ex-mill	US$ per cu.m
4mm WBP	588⬆
10mm WBP	459⬆
15mm WBP	412⬆
4mm MR.	557⬆
10mm MR.	420⬆
15mm MR.	360⬆

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US$ per cu.m
15mm MDParticleboard	285⬆
15mm MDFibreboard	301⬆

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	2,404
Jatoba	1,254
Massaranduba	1,204
Muiracatiara	1,242
Pine (KD)	207

Prices do not include taxes. Source: STCP Data Bank

Plywood export prices

Pine plywood	US$ per cu.m
9mm C/CC (WBP)	307
12mm C/CC (WBP)	287
15mm C/CC (WBP)	283
18mm C/CC (WBP)	275

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	3,857
	Jatoba	1,625

Prices do not include taxes. Source: STCP Data Bank

Through the eyes of industry

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

See: https://www.itto-ggsc.org/static/upload/file/20251022/1761099830162631.pdf

Peru

A disappointing first 8 months, exports down more than 20%

Shipments of wood products totalled US$42.7 million during the first eight months of 2025, a decrease of over 20% compared to the same month in 2024 according to the Center for Global Economy and Business Research of the CIEN-ADEX Exporters Association.

According to figures from the ADEX Data Trade Intelligence System, exports included sawnwood (US$16.2 million), semi-manufactured products (US$14.2 million), firewood and charcoal (US$4.1 million), furniture and parts (US$2.8 million) and construction products (US$2.6 million).

The leading destination was the Dominican Republic, with shipments totalling US$7.8 million, an increase of about 8% compared to the previous year. The United States followed with US$6.2 million, (-28% compared to the same period in 2024), France (US$6.1 million a drop of 34%), China (US$4.5 million, a decrease of 38%) and rounding out the Top 5 destinations was Mexico with sales of US$4.1 million, a decrease of 34% year on year.

Veneer and plywood exports declined January to August 2025

According to information provided by the Services and Extractive Industries Department of the Association of Exporters (ADEX), veneer and plywood shipments during the January-August 2025 period reached an FOB export value of US$1.7 million, down around 7% year on year.

The main export market for these products was Mexico which accounted for a 43% share but over the period in question there was a 52% decline compared to the same period in 2024. Ecuador followed with a 32% share and in third place was Colombia with 12% share followed by the Dominican Republic 9% and Costa Rica 4%.

International consults to assess prospects for commercial forest plantations

The National Forest and Wildlife Service (SERFOR) received representative of the consulting firm UNIQUE Land Use GmbH to exchange information and deepen technical and financial analysis related to the development of commercial forest plantations.

The meeting provided an opportunity to exchange of knowledge, the presentation of international experiences and the development of a framework for a roadmap aimed at more efficient and sustainable management of the country's forest resources.

Leif Nutto, senior consultant at UNIQUE, highlighted the need to work together to ensure that producers, investors and public sector representatives can exchange ideas, needs and opportunities to strengthen the forest value chain.

See: https://www.gob.pe/institucion/serfor/noticias/1271155-midagri-serfor-recibio-a-consultora-internacional-del-banco-mundial-para-promover-plantaciones-forestales-comerciales

Training on investment mechanisms available for the forestry sector

More than 200 authorities and public officials were trained in collaborative investment mechanisms so they can access the more than US$12 billion in competitive funds offered by the Peruvian government for the forestry sector and other development projects.

The event was organised by the National Forestry and Wildlife Service (SEFOR) under its Sustainable Productive Forests Programme (BPS). "Sustainable forest development begins in the regions. That's why we strengthen the capacities of regional and local governments," said the BPS executive coordinator.

See: https://www.gob.pe/institucion/serfor/noticias/1264796-serfor-capacita-a-mas-de-200-autoridades-en-mecanismos-de-inversion-disponibles-en-el-sector-forestal

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	338-349
Marupa (simarouba)	211-238⬆

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

Fight against inflation the top priority

Prime Minister Sanae Takaichi devoted her first policy speech on her suggestions for boosting Japan's economy and tackling inflation along with her plans to make Japan more assertive on security. More than half of the 20-page speech was dedicated to economic policies. Takaichi made the case for fiscal expansion to create a strong economy, describing the fight against inflation as the top priority of her administration. "In order to build a strong economy, we will implement strategic fiscal spending under the approach of responsible and proactive fiscal policy," Takaichi said in parliament.

See:
https://www.japantimes.co.jp/news/2025/10/24/japan/politics/takaichi-first-policy-speech/

Bank of Japan - interest rate unchanged

The Bank of Japan (BoJ) Policy Board met in late October at a time when consumer prices, excluding fresh food, rose 2.9% from a year earlier in September, up from 2.7% in August and accelerating for the first time in four months, according to the Ministry of Internal Affairs. Despite this the BoJ left its benchmark interest rate unchanged.

The pace of inflation would appear to have support an interest rate increase by the BoJ. The Consumer Price Index, the main inflation related data, has hovered around the BoJ's 2% target for three and a half years.

However, Taro Saito, Head of Economic Research at NLI Research Institute, suggested that the main driver of core inflation was the impact from last year's bigger energy subsidies and this was not enough justification for a BoJ rate increase.

Utility subsidies have been implemented to help households cope with the hottest summer on record from July to September. But its impact on inflation figures generally has a lag of a month and the scale of this year's electricity subsidies was about 40% smaller than last year's.

BoJ Govenor, Kazuo Ueda, highlighted food inflation as one of three factors to watch in deciding the timing of the bank's next rate increase along with the US economy and the impact of US tariffs.

Signs of recovery in private consumption

Japanese household spending rose at a faster pace than expected in August government data showed, with consumers feeling relatively optimistic, a promising sign for the recovery in private consumption. Consumer spending rose 2.3% from a year earlier, up for the fourth consecutive month.

An increase in travel and transportation expenditure, partly a reflection of pent-up demand from the same month last year, contributed to the rise in spending.

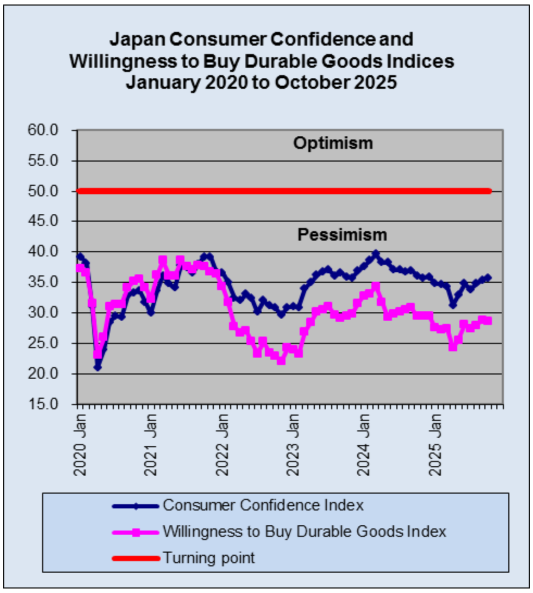
Consumption and wage trends are also among key factors the BoJ is monitoring to determine the timing of the next rate hike.

See: https://www.reuters.com/world/asia-pacific/japan-august-household-spending-rises-23-yearyear-2025-10-06/

Consumer confidence indices all positive

Japan's consumer confidence index rose to 35.8 in October 2025 from 35.3 in September, surpassing market forecasts. All components improved: overall livelihood (34.3 vs 33.2 in September), income growth (40.0 vs 39.4), employment outlook (40.1 vs 39.9) and willingness to buy durable goods (28.9 vs 28.8)

See: https://tradingeconomics.com/japan/consumer-confidence/news/496964



Data source: Cabinet Office, Japan

Union to demand minimum 5% wage increase

The Japan Trade Union Confederation, also known as Rengo, has announced its decision to demand a wage increase of at least 5% in the 2026 spring annual labour-management negotiations, maintaining the same target as this year to sustain momentum amid persistent inflation.

In its basic policy for the 2026 "shunto" wage talks Rengo said it aims for a real wage increase of 1%. Rengo also said it will seek a minimum hourly wage of 1,300 yen or higher, up from this year's negotiations.

In the 2025 negotiations, Japanese firms agreed to raise wages by an average of 5.25% marking the second consecutive year that exceeded 5%.

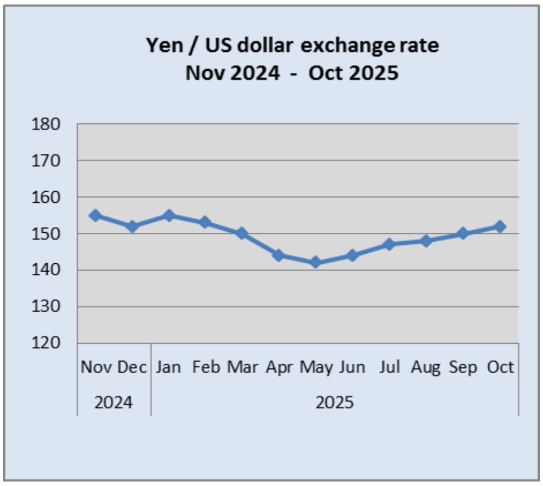
See:
https://mainichi.jp/english/articles/20251024/p2g/00m/0bu/014000c

Weak yen a headache for policymakers

Japan's new Economic Revitalisation Minister, Minoru Kiuchi, said a weak yen benefits the economy and its demerits could be addressed by swiftly compiling a package of steps to ease the pain from rising living costs.

He also said the new administration's priority would be to accelerate economic growth so that the benefits of recovery can be delivered to the broader population. These remarks highlight the focus of the new administration on reflating the economy through expansionary fiscal policies.

The weak yen has become a political headache for policymakers in Japan as it pushes up import costs and broader inflation. The BoJ's exit from a decade-long, massive stimulus in 2024 and two interest rate hikes came amid political calls for action to combat sharp exchange rate declines.

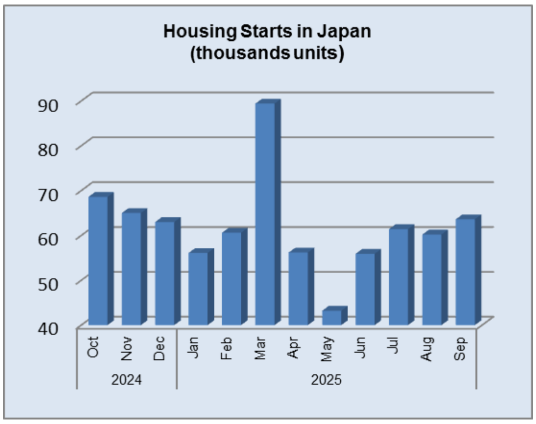


Data source: WSJ

Rural and urban house price disconnect

Key issues in Japan's housing sector include a shrinking and aging population leading to a rise in the number of vacant homes, particularly in rural areas. At the same time there is currently a boom in prices in urban centres due to limited supply and investment from wealthy individuals and foreign buyers.

Other major challenges are the increasing cost of construction due to material and labour price hikes and potential government intervention to control the market.



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

Housing complex for foreign workers in Niseko

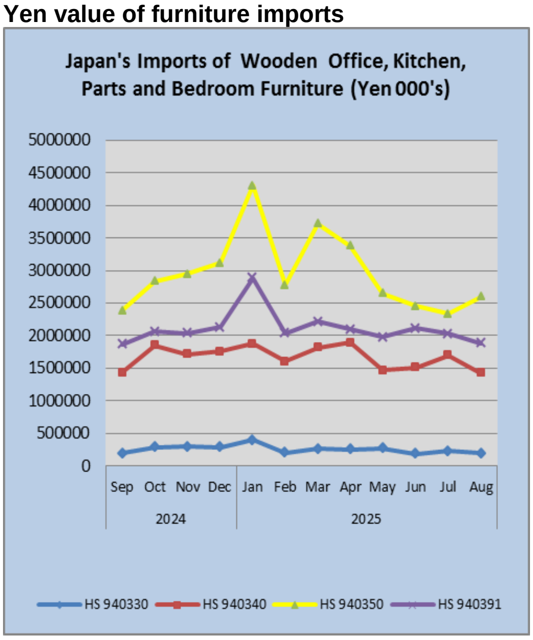
Hokkaido authorities have approved converting farmland in Kutchan Town to construct a large shared housing complex for around 1,200 foreign workers in the Niseko resort area. Niseko is one of the world's top ski destinations.

The prefectural government said the developer's plan met legal and environmental standards, with minimal impact on nearby farmland. The town expects the complex to accommodate up to 1,200 foreign workers employed at local resorts during the winter season. That number is equivalent to nearly 10% of Kutchan's population of about 14,000 as of August.

https://japan-forward.com/hokkaido-approves-massive-foreign-worker-housing-project-despite-concerns/

Wooden furniture imports

Yen value of furniture imports



Data source: Ministry of Finance, Japan

Wooden office furniture imports (HS940330)

In August two shippers, China and the UK accounted for 91% of Japan's imports of wooden office furniture (HS940330). August marked the first time the UK appeared in Customs data as a major shipper. The other main shipper in August was Germany. In August, shippers in China accounted for 84% (79% in July) of Japan's imports of wooden office furniture. Year on year, the value of Japan's imports of wooden office furniture in August declined as it did month on month.

August 2025 wooden office furniture imports (HS940330)

	Imports Aug 2025 Unit, 000's Yen
China	166,054
Taiwan P.o.C	1,283
Viet Nam	4,089
Malaysia	1,449
Indonesia	3,456
India	345
UK	13,139
Germany	4,210
Poland	220
Hungary	961
Turkey	812
Canada	713
USA	1,109
Total	197,840

Data source: Ministry of Finance, Japan

Wooden kitchen furniture imports (HS940340)

Year on year the value of wooden kitchen furniture imports was at around the same level as in August 2024 but compared to a month earlier the value of imports declined after two months of increase.

August wooden kitchen furniture imports (HS940340)

	Imports Aug 2025 Unit, 000's Yen
China	101,182
Taiwan P.o.C	1,223
Viet Nam	383,134
Thailand	54,968
Malaysia	10,672
Philippines	769,442
Indonesia	33,909
UK	2,279
France	264
Germany	37,936
Italy	29,321
Finland	942
Romania	3,987
Canada	715
Total	1,429,974

Data source: Ministry of Finance, Japan

As in previous months August imports of wooden kitchen furniture (HS940340) were dominated by shippers in the Philippines (54% of HS940340 imports) and Viet Nam (27% of HS940340 imports). August arrivals from both the Philippines and Viet Nam declined compared to a month earlier. The value of August arrivals from China (7% of the total) was below that reported in July.

In August there were significant shipments originating in Thailand, Germany, Indonesia and Italy.

Wooden bedroom furniture imports (HS940350)

After the four consecutive months of decline the value of wooden kitchen furniture imports rose 11% in August back to the same level as seen in the first quarter of the year but still well below the average for the past eight months.

The top two shippers of HS940350 to Japan in August were China, 59% (64% in July) and Viet Nam 29% (29% in July). Shippers in Malaysia improved their market share to 4% of imports compared to 2.5% in July. The other top sources of August imports were Thailand, Indonesia, Poland and Italy.

Year on year there was an 7% increase in the value of August imports and an 11% increase compared to a month earlier.

July wooden bedroom furniture imports (HS940350)

	Imports Aug 2025 Unit, 000's Yen
China	1,537,032
Taiwan P.o.C	2,334
Viet Nam	870,381
Thailand	40,718
Malaysia	64,172
Indonesia	37,349
UK	2,723
Netherlands	3,223
France	588
Germany	589
Switzerland	285
Italy	11,384
Poland	24,640
Austria	640
USA	600
Total	2,596,658

Data source: Ministry of Finance, Japan

Wooden furniture parts imports (HS940391)

Apart from the spike in the value of wooden furniture parts (HS940391) imports in January the monthly value of imports of wooden furniture parts remained steady up to June but thereafter there has been a slight decline.

The value of August 2025 imports was slightly lower (7%) than reported in July but compared to August 2024 there little change.

Shippers in China and Viet Nam accounted for most (61%) HS940391 imports in August 2025. The value of imports from China dropped compared to July while the value of imports values from Viet Nam remained at around the same level as in July.

Of the total value of HS940391 imports, 47% was delivered from China (46% in July), 20% from Indonesia (18% in July), 14% from Viet Nam (12% in July). Malaysia, which secured an 7% share of July imports, was the fourth ranked source in terms of value. Imports of HS940391 from Germany Italy and Hungary declined in August mainly because of EU factory closures for holidays.

August wooden furniture parts imports (HS 940391)

	Imports Aug 2025 Unit, 000's Yen
S.Korea	25,701
China	889,530
Taiwan P.o.C	42,210
Viet Nam	265,925
Thailand	42,448
Malaysia	124,435
Philippines	570
Indonesia	373,173
Cambodia	662
Denmark	3,872
UK	3,261
Netherlands	319
Germany	32,638
Switzerland	3,276
Italy	16,000
Finland	15,918
Poland	21,570
Hungary	464
Romania	1,002
Turkey	3,140
Croatia	5,548
Slovakia	1,928
Canada	7,530
Total	1,881,120

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

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

Japan's forestry budget targets timber growth

The Forestry Agency has requested ¥345.762 billion for fiscal 2026, a 12.7% increase from the previous year's initial budget.

The proposal emphasizes achieving net-zero emissions by 2050, addressing pollen-related health concerns, and advancing the “Forest Nation, Wood City” vision. The allocations include ¥231.7 billion for public works such as forest maintenance and erosion control, and ¥114.012 billion for non-public projects, maintaining a 2:1 funding ratio.

The budget highlights four priority areas: green growth in forestry and wood industries, forest conservation, erosion control, and rural revitalization. Notable increases include ¥18.2 billion for green growth initiatives and ¥148.5 billion for carbon sink enhancement and wildfire prevention.

It also includes ¥1.1 billion for pollen-related measures and requests tax revisions to support forest management and fuel cost relief.

Acquisition of shares in French plywood manufacturer

Nankai Plywood Co., Ltd. in Kagawa Prefecture announced its full acquisition of shares in a French company engaged in plywood manufacturing. As part of the deal, the company and its four subsidiaries will become consolidated subsidiaries, while one equity-method affiliate will be added to Nankai’s equity-method affiliates.

The Joubert Group, whose shares are being acquired in this transaction, is the second-largest plywood manufacturing group in France. The group includes two subsidiaries engaged in plywood manufacturing and sales, one subsidiary involved in veneer production, one equity-method affiliate, and one subsidiary dedicated to afforestation.

The company's strength lies in the high quality of its manufactured plywood, which is primarily made from okoume and poplar wood species. For the fiscal year ending December 2024, consolidated net sales amounted to ¥12.708 billion, based on an exchange rate of ¥170 per euro. The company also aims to utilize the acquisition as a sales channel for construction materials such as LVL, which are scheduled to be produced by its Indonesian subsidiary, thereby enhancing profitability.

Plywood

Since September, domestic softwood plywood has seen some improvement in distribution activity, but real demand remains sluggish due to stagnation in new housing starts.

Major plywood manufacturers continued to strengthen their intention to raise prices in September for domestically produced structural softwood plywood (12 mm thick, 3×6 size). However, amid weak demand, some plywood manufacturers have taken a cautious stance, resulting in a lack of alignment across the industry.

In the Tokyo metropolitan area, the prevailing price is around ¥1,100 per sheet (delivered to wholesalers), up approximately ¥10 from the previous month.

Shipments of imported South Sea plywood have also generally been sluggish. Due to weak demand, price increases have not been progressing.

Domestic prices are as follows: painted formwork plywood (12 mm thick, 3×6 size) is ¥1,800–1,850 per sheet (delivered to wholesalers); standard formwork plywood is around ¥1,550 per sheet; and structural plywood is also approximately ¥1,550 per sheet.

Standard plywood is priced approximately as follows: ¥780 per sheet for 2.5 mm thickness, ¥930 for 4 mm, and ¥1,100 for 5.5 mm (all delivered to wholesalers).

Major plywood manufacturers in Sarawak, Malaysia appear to have reached a plateau in their price hikes around September.

Meanwhile, standard plywood, all-natural varieties, producers have increasingly firm in their stance. The original prices remain flat compared to the previous month: painted formwork plywood (12 mm thick, 3×6 size) is priced at US$600–610 per cbm (C&F), standard formwork plywood at US$500–510, and structural US$510–520. In contrast, standard plywood showing an upward trend, with 2.4 mm thick (3×6 size) at around US$970, 3.7 mm at approximately US$880, and 5.2 mm at about US$850 (all C&F).

China

Wood-based panel Industry during "15th Five-Year Plan"

The output of wood-based panels in China was 349 million cubic metres representing a year-on-year growth of 4% in 2024. The consumption of wood-based panel products was approximately 330 million cubic metres, increasing by 3.5% year-on-year.

The output value of China's wood-based panel products has generally shown an increasing trend over the past 10 years with an average annual growth rate of 3%. China has become one of the world's largest producers, consumers and traders of wood and bamboo processing products.

The period of the 15th Five-Year Plan is a crucial time for laying a solid foundation and making all-out efforts to basically achieve modernisation. It is also an important window for the wood-based panel industry to shape new drivers of development and form new competitive advantages.

The development of China's wood-based panel industry is confronted with both opportunities and challenges but the favorable conditions outweigh the unfavorable ones. The general trend of high-quality development in wood-based panel industry has not changed and the "timing" and "trend" of development still creates an advantage.

Focusing on the ecological board industry, promoting the optimisation of varieties, consolidating the foundation of quality, enhancing brand influence and driving the transformation and upgrading of wood-based panel industry towards high-value, intelligent, green and functional directions are key in achieving high-quality development.

At present, the output of wood-based panel products in China generally shows a phenomenon of oversupply. Especially in the particleboard industry there is a situation of overheated investment.

The extremely rapid growth of particleboard production capacity has led to an overcapacity in a short period of time. Resolving the temporary imbalance between supply and demand in production capacity is the top priority. It is suggested that more attention should be paid to green and low-carbon development of wood-based panel industry and it is believed that this will be a new track for the transformation and upgrading of panel enterprises.

Experts suggest that wood-based panel production should be determined by sales to bring prices back to rationality. The importance of product quality and development of high-value products along with serious analysis of markets could lead to expanded applications of wood-based panel. Through the dual efforts of policy innovation and resource integration enterprises could promote the transformation of industries to the advanced form of processing and diversified integration.

See:
https://www.forestry.gov.cn/lyj/1/lcdt/20251022/646008.html

Large timber market planned for Qiandongnan Prefecture

The administration in Qiandongnan Prefecture plans to invest RMB1 billion to launch the Qiandongnan Timber Market Construction Project further promoting the transformation of the prefecture's forest resource advantages into industrial advantages through extending the industrial chain and increasing the added value of products.

It has been reported that the project covers an area of more than 33 hectares and is planned to build three core sections: a wood processing zone, a trade logistics centre, and a science and technology innovation centre. The facility will create a modern wood industry cluster integrating production, processing, sales and research & development and help Qiandongnan Prefecture become an important wood industry cluster in the southwest region of China.

Data shows that the total volume of timber harvested in the entire Prefecture reached 3.51 million cubic metres and wood processing enterprises consumed 1.39 million cubic metres of logs in 2024.

By the end of 2024 there were a total of 333 wood processing enterprises in normal production and operation throughout the prefecture.

The industrial output value of large-scale wood processing enterprises in the entire Prefecture reached RMB1.685 billion in 2024, becoming an important support for local economic development.

After the completion of the Qiandongnan Timber Market Construction Project it is expected that the annual wood processing capacity will reach 1 million cubic metres, the annual transaction value will exceed RMB5 billion and it will directly create more than 3,000 jobs.

Through the development of enterprises in the upstream and downstream secors an integrated pattern of raw material supply, production and processing, trade circulation, scientific research & development and display and sales will be formed promoting the transformation of Qiandongnan Prefecture from a "major timber resource prefecture" to a "strong timber industry prefecture".

The project will also drive the development of supporting service industries such as logistics, finance, e-commerce and packaging in the surrounding areas becoming a new engine for regional economic growth and an important support for rural revitalisation.

Qiandongnan Miao and Dong Autonomous Prefecture (referred to as Qiandongnan Prefecture) is an autonomous prefecture under the jurisdiction of Guizhou Province. It is located in the southeast of Guizhou Province. It has a total area of 30,282 square kilometres and governs 1 county-level city and 15 counties. By the end of 2023, its permanent resident population was 3.76 million, with ethnic minorities accounting for 82%, mainly the Miao and Dong ethnic groups.

In 2024, the regional GDP reached RMB143 billion, growing by 6%. It is a national-level ethnic cultural and ecological reserve, renowned as the "Prefecture of Songs and Dances" and the "Hometown of a Hundred Festivals" and boasts abundant natural and cultural landscapes.

See:
https://baijiahao.baidu.com/s?id=1845843184462435055&wfr=spider&for=pc

Home furnishing industry still has structural growth opportunities

Regarding the future development prospects of the home furnishing industry the market for home furnishs is huge but the contribution of leading brands is not high. There are still structural growth opportunities and enterprises are full of confidence in the development prospects of the furniture industry and are optimistic about the long-term development opportunities of the industry.

In terms of overseas market development, the US tariff policy will have a negative impact on the foreign trade in the short term. However, companies are increasing efficiency and capacity expansion of its bases in Vietnam, Mexico and also in the United States.

The impact of the national subsidy policy on boosting consumption has also drawn much attention.

Since the implementation of the national subsidy policy in 2024 it has played a significant role in stimulating home furnishing consumption. However, since the second quarter of 2025 the impact of the national subsidy has slowed.

The main drivers of profit growth in the sector will depend on enterprises actively promoting internal 'lean' production and cost-effectiveness to enhance internal operational efficiency. On the other hand, efforts will be made to intensify technological innovation.

See:
https://baijiahao.baidu.com/s?id=1845874201051486513&wfr=spider&for=pc

China - September Global Timber Index

Data from China's General Administration of Customs showed that China's cumulative imports of logs and sawnwood between January to August 2025 reached 37.50 million cubic metres, representing a year-on-year decrease of 13%. The total import value amounted to 54.54 billion yuan, down 16%.

In September six authorities, including China's Ministry of Industry and Information Technology jointly issued the "Work Plan for Stabilising Growth in the Building Materials Industry (2025-2026)", which proposes demand-side measures such as promoting the use of green building materials in rural areas and matching the "Good Housing" initiative to stimulate the domestic market.

The Plan seeks to integrate the building materials industry into green building development and the national dual-carbon goals and sets a target to generate over 300 billion yuan in revenue from green building materials by 2026.

In other news, a report on the economic performance of China's furniture industry in the first eight months released by the China National Furniture Association showed that, driven by a series of government policies, the domestic consumer market remained active with positive growth. While the furniture exports continued to decline year-on-year, the overall performance still remained higher than the level seen during the same period in 2023.

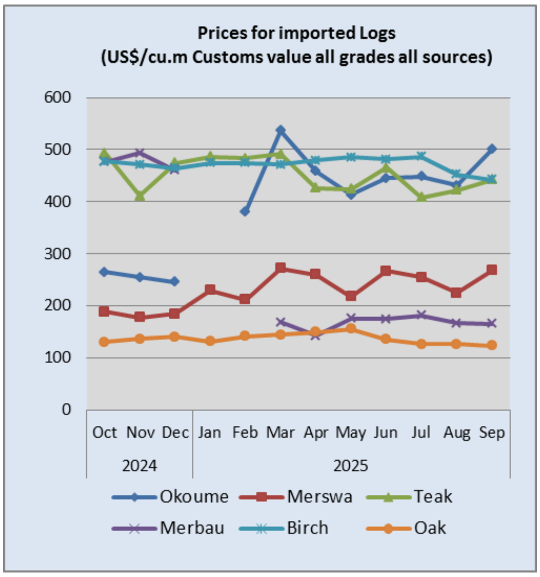
In September 2025 the GTI-China index registered 51.7%, an increase of 0.9 percentage point from the previous month and was above the critical value (50%) for 2 consecutive months indicating that the business prosperity of the timber enterprises represented by the GTI-China index expanded from the previous month.

In September both production volume and new orders (domestic and international) in China's timber sector showed slight growth compared to the previous month.

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

Compared to the previous month the indices for new orders, export orders, purchase quantity, purchase price, import, employees and market expectation increased by 0.8-5.9 percentage point(s) and the indices for production, existing orders, inventory of finished products, inventory of raw materials and delivery time declined.

See: https://www.itto-ggsc.org/static/upload/file/20251022/1761099830162631.pdf

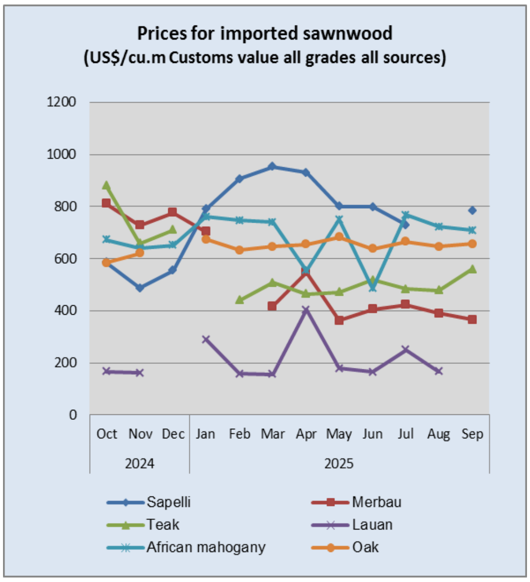


Data source: Customs, China

Average CIF prices, logs US$/cu.m

	2025 Aug	2025 Sep
Okoume	431	500
Merswa	225	268
Teak	422	442
Merbau	166	165
Birch	452	442
Oak	126	123

Data source: Customs, China



Data source: Customs, China

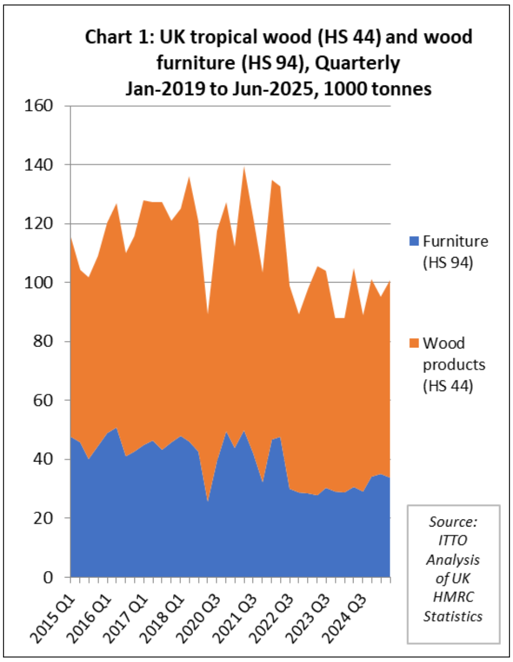
Average CIF prices, sawnwood, US$/cu.m

	2025 Aug	2025 Sep
Sapelli		784
Merbau	390	365
Teak	478	560
Lauan	167	
African mahogany	723	709
Oak	646	657

Data source: Customs, China

UK

UK tropical wood and wooden furniture imports remain static at a low level



In the first eight months of this year, the UK imported 255,700 tonnes of tropical wood and wooden furniture products, 1% more than same period in 2024. Import value in the first eight months this year was US$686 million, 5% more in nominal terms but only 2% more in real terms (i.e. taking account of inflation) than the same period in 2024. Imports were slow in the first quarter this year, down 6% in quantity terms compared to the final quarter of 2024 but rebounded by 6% in the second quarter (Chart 1).

UK imports of tropical wood products this year have essentially continued at the low level maintained since the end of the COVID pandemic in 2022 and remain around 15% below the pre-pandemic level. While the quantity of tropical wooden furniture imported into the UK has increased 13% this year, plywood is down 12% and joinery, sawnwood and mouldings/decking products have made only marginal gains of less than 3% against historically low levels last year.

Tropical products underperformed in UK market this year

The UK market for tropical wood and wooden furniture this year has been slower than the wider UK market for these products. UK import value of wood and wooden furniture from all supply regions was US$7.56 billion between January and August this year, 6% more in real terms compared to the same period in 2024.

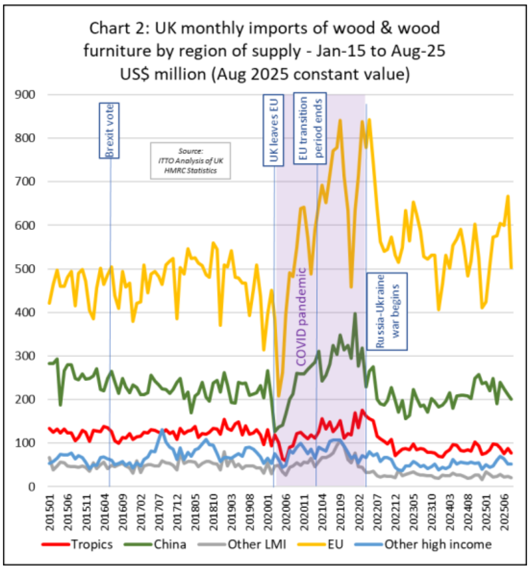
The share of tropical wood and wooden furniture products in total UK imports declined slightly from 9.4% in the first eight months of 2024 to 9.1% during the same period this year. This share is now well down on the 11.4% share achieved in 2022 and the close to 14% share typical before the COVID pandemic.

Considering the value of UK imports of all wood and wooden furniture products in the first eight months of this year, imports from China were, at US$1.77 billion, 10% more than the same period in 2024. China's share of total UK import value was 24% in the first eight months this year, up from 23% in the same period last year. Nevertheless, wood and wooden furniture imports from the EU continue to dominate in the UK market, rising 5% in the first eight months of this year to US$4.46 billion. Imports from the EU accounted for 59% of all UK import value of wood and wooden furniture in the first eight months of 2025, marginally down on the 59% share in the same period last year.

The most notable recent trend in the UK market for wood and wooden furniture was a step change during the COVID pandemic as the country became generally more reliant on regional suppliers inside the EU. Following the UK's departure from the EU in 2020, this trend ran contrary to expectations.

UK imports from China are only now just beginning to recover from a downturn in the immediate aftermath of the pandemic and to once again eat away at the dominant EU market position.

However, imports from the tropics have remained broadly flat at a lower level during the last three years (Chart 2).



Some small positive signs in gloomy UK economy

The economic picture in the UK remains very patchy. Statistics for the third quarter of the year were quite gloomy, notably so in construction, a key driver of UK timber demand, but some forward looking business indicators showed signs of improvement in October as some positive news on inflation raised expectations of an interest rate cut before the end of the year.

Official figures revealed that the UK economy grew by 0.1% in August 2025, up marginally from a revised contraction of -0.1% in July. Manufacturing was the main driver of economic growth, which grew by 0.7%. In contrast, the services sector saw no growth in August, amid weaker transport and storage activity and retail output. Construction output fell by 0.3%, partly reflecting lower repairs and maintenance activity.

The UK Institute of Chartered Accountant's Business Confidence Monitor for Q3 2025 stood at -7.3 on the index, down from -4.2 in the previous quarter. On this measure, confidence is now at its weakest level since Q4 2022, having fallen for five consecutive quarters. Record-high tax concerns are the likely cause, squeezing profit growth, recruitment and investment activity. Muted domestic sales growth also weighed on sentiment, as firms were lowering their expectations for the year ahead. Particularly worrying for the timber sector, sentiment was most negative among property businesses (-23.2), amid a challenging housing market and weak commercial demand.

Data from CoStar, a firm that monitors Real Estate data in the UK, shows that construction of offices, shops and warehouses in the country has now fallen to the lowest level in more than a decade amid rising build costs and general uncertainty. All commercial sectors have been hit, with construction across office, retail and industrial sectors down by 21% to 5.85m sq metres (63m sq ft) in the third quarter compared with a year earlier.

This data is particularly concerning at a time UK housebuilding is also slowing. This year is on course to be the weakest for construction starts so far this century.

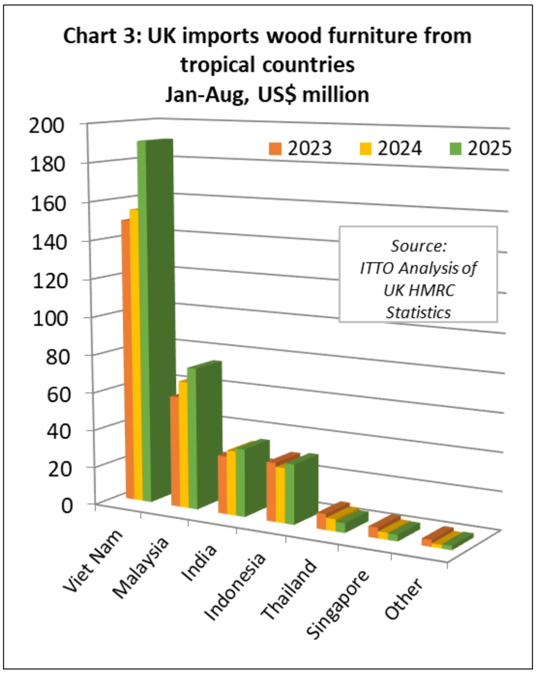
Somewhat more positive is data from the UK Office of National Statistics which shows that total construction output increased by 0.3% in the three months to August 2025. While new work fell by 0.4% in the three month period, repair and maintenance grew by 1.3%. The closely watched purchasing managers' index (PMI) for the construction sector gave a reading of 46.2 for September, still below the 50-mark separating growth from contraction, but up from 45.5 in August.

In October, the UK's overall PMI - published by S&P Global Market Intelligence - also rose unexpectedly to 51.1, up from 50.1 in September, raising hopes that the economy may have reached a turning point, particularly as inflation seems on track to hit the Bank of England's 2 per cent target. Manufacturing PMI climbed to 49.6 in October from 46.2 in September, the highest level in a year. The services PMI, which measures output in a sector that generates about 80 per cent of UK GDP, rose to 51.1 from 50.8 over the same period.

According to Chris Williamson, chief business economist at S&P Global Market Intelligence, the rise in the overall PMI in October implies that "September was a low point for the economy from which business conditions are starting to improve".

Sharp rise in UK imports of tropical wooden furniture from Viet Nam this year

In the first eight months of this year UK imports of wooden furniture from tropical countries increased 16% to US$343 million while import quantity increased 13% to 89,800 tonnes.



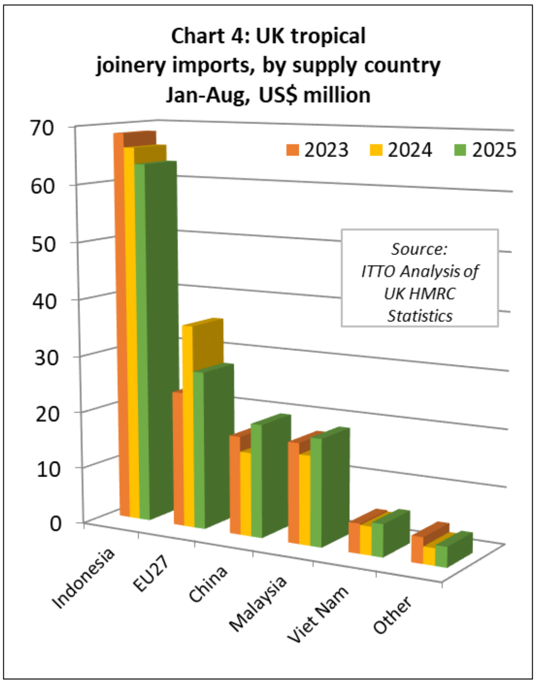
Wooden furniture imports in the eight-month period increased particularly sharply from Viet Nam (+23% to US$191 million) and Malaysia (+12% to US$75 million), building on the momentum that built up in the second half of last year.

Imports increased at a slightly slower pace from India (+5% to US$36 million), and Indonesia (+9% to US$32 million). However, imports declined from Thailand (-20% to US$5.1 million), and Singapore (-7% to US$3.3 million). UK wooden furniture imports were negligible from all other tropical countries during the first eight months of this year (Chart 3).

UK imports of wood joinery products from the EU and Indonesia fell this year

Total UK import value of tropical joinery products decreased 1% to US$139 million in the first eight months of 2025, although import quantity increased 3% to 49,100 tonnes. Following a big increase in 2024, imports of these products from the EU fell 22% to US$28 million in the first eight months of this year. Imports from Indonesia, mainly comprising doors, were US$63 million during the eight-month period, 4% less than the same period last year.

These declines were partly offset by rising imports of tropical hardwood joinery products from China (+35% to US$20 million), Malaysia (+20% to US$19 million), and Viet Nam (+15% to US$5.7 million) (Chart 4).

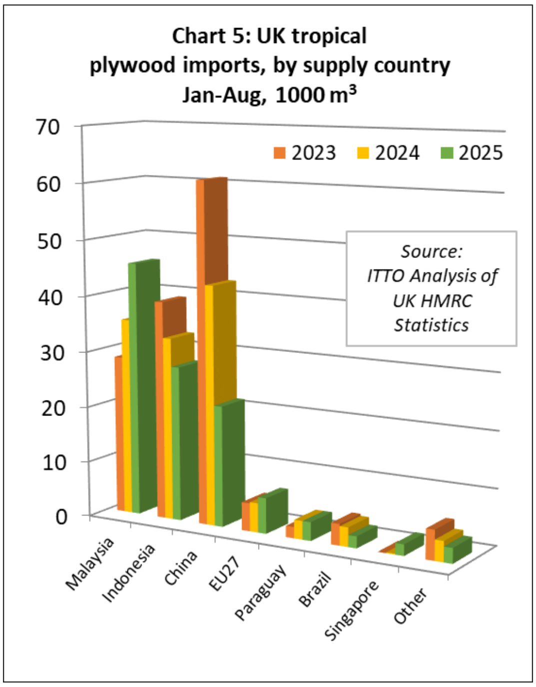


UK imports of plywood shifted from China to Malaysia this year

In the first eight months of this year, the UK imported 111,500 cu.m of tropical hardwood plywood, 12% less than the same period last year. Import value fell more sharply, by 14% to US$67 million.

However, this was mainly due to a decline in imports from China. Direct UK imports of hardwood plywood from tropical countries increased 6% to 83,500 cu.m in the eight-month period. Imports were up 29% to 45,600 cu.m from Malaysia and increased from zero to 2,000 cu.m from Singapore. These gains offset declines of 15% to 27,700 cu.m from Indonesia and of 39% to 2,100 cu.m from Brazil.

Imports from Paraguay were unchanged from last year at 3,300 cu.m. The UK imported 21,700 cu.m of plywood with an outer layer of tropical hardwood from China in the first eight months of this year, 49% less than in the same period last year. However, UK imports of tropical hardwood plywood from EU countries increased, by 21% to 6,400 cu.m during this period. (Chart 5).

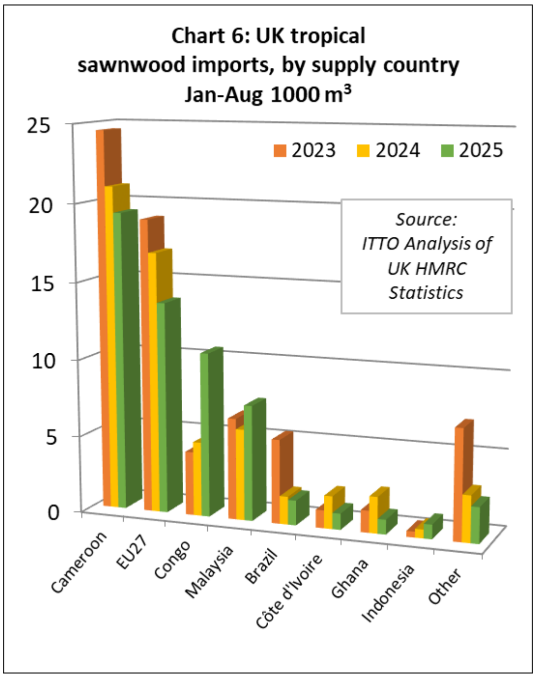


Republic of Congo expands share of UK tropical sawnwood market

UK imports of tropical sawnwood were 58,000 cu.m in the first eight months of this year, marginally less than the 58,400 cu.m imported in the same period last year. Import value was also very close to the same level as last year, at US$71.2 million, a gain of just 0.2%.

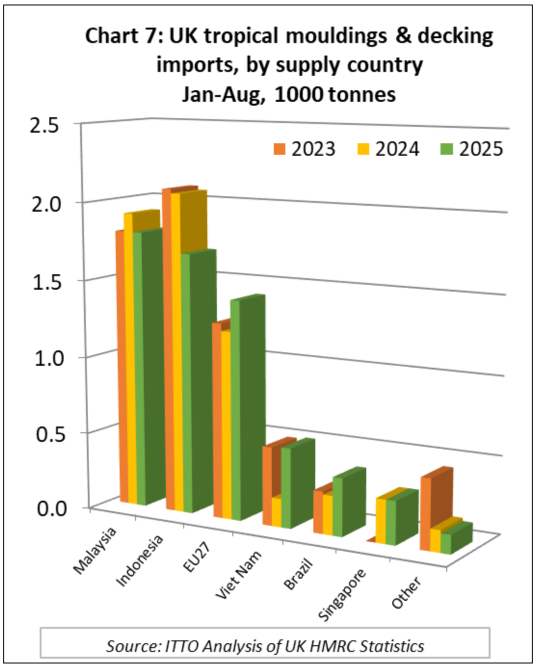
The most notable trend this year has been a sharp rise in imports from the Republic of Congo which increased 121% to 10,600 cu.m in the first eight months of this year. A significant increase was also recorded in UK imports from Malaysia (+27% to 7,500 cu.m).

These gains offset declining imports from Cameroon (-8% to 19,300 cu.m), Brazil (-11% to 1,600 cu.m), Côte d'Ivoire (-50% to 1,000 cu.m), and Ghana (-60% to 900 cu.m). Indirect imports from the EU also fell, by 19% to 13,700 cu.m. (Chart 5 above).



The introduction of the log export ban and shift towards more kiln dried production by some leading exporters in the Republic of Congo has been particularly critical to expansion of the UK market which has no hardwood processing capacity of its own.

This trend also partly explains the decline in UK imports of tropical sawnwood from the EU this year as more kiln dried product is being imported direct from the Republic of Congo instead of being shipped first to the EU for drying.



UK imports of tropical hardwood mouldings/decking increased 2% to 6,200 tonnes in the first eight months of this year. However, import value fell 0.5% to US$16.7 million.

Import quantity declined from the two largest suppliers, Malaysia (-6% to 1,800 tonnes) and Indonesia (-18% to 1,700 tonnes). However, imports increased from Viet Nam (+180% to 500 tonnes) and Brazil (+48% to 400 tonnes). Imports of tropical mouldings/decking imports from the EU also increased, by 17% to 1,400 tonnes (Chart 7).

Postponement of EUDR implementation unlikely - EC publishes proposal to amend regulation

On 21 October, the European Commission (EC) published its proposal to amend the EU Deforestation Regulation (COM(2025)652). The EC is no longer proposing a delay to EUDR and the implementation date remains 30 December 2025.

However, some other specific adjustments to the timeline for application of the law are proposed, alongside several "targeted simplifications" designed to reduce obligations on certain categories of EU operator. The proposal still needs to be approved by both the European Parliament and the Council before it can enter into force. The relevant documents may be accessed here:

See:
https://ec.europa.eu/commission/presscorner/detail/en/ip_25_2464

Two specific adjustments to the timeline are proposed by the EC:

- "Micro and small" EU operators would have until 30 December 2026 to comply. This concession would apply only to EU operators with net turnover of up to EUR 10 million and average 50 employees. It would not apply to medium or large sized operators above these thresholds.
- EU Member States will only begin checks on operators and applying enforcement measures after 30 June 2026. In the interim, regulators may issue warnings to operators, accompanied by recommendations to achieve compliance, where they "become or are made aware of non-compliance", but they wouldn't apply sanctions.

Overall, the changes now proposed by the EC, even if passed, fall short of expectations raised in some quarters following the EC's suggestion in September that EUDR would have to be delayed for another year and that the law may be amended.

The proposed 12 month delay for "micro and small" EU operators is probably only of limited relevance to exporters of tropical hardwood products since most importing companies in the EU are above the size threshold. Therefore, even with the change they would still be obliged to collect and enter their due diligence data onto the EU Information System from 30 December this year.

The six month delay to enforcement is probably more significant for the tropical wood industry as it gives more time for EU importers and their suppliers to finalise and refine their own data management systems and procedures without risk of falling foul of the regulation in the first six months of application.

Other changes proposed to the legislation are designed almost exclusively to simplify application inside the EU. The EC is proposing to remove the requirement for so-called "micro and small primary operators" to submit a due diligence statement in the information system with each harvest and instead to submit a "one-time simplified declaration". This one-off document would include the "geolocation or the postal address of all plots of land where the relevant commodities are produced".

The EC press statement accompanying the EC proposal suggests that this "simplification" applies to "micro and small primary operators in low risk countries worldwide".

However, its relevance to producers outside the EU is greatly constrained by the fact that it would only apply to products which "they (i.e. the forest owners) themselves produce". Therefore, logs exported directly by small forest operators in a "low risk" country might conceivably meet the requirement, but no product that is processed, manufactured, or traded by any intermediary outside the EU.

The change in requirement would therefore, almost exclusively, be of benefit only to small forest operators and farmers inside the EU. In fact, EC press release states that this new category of operator covers "close to 100% of farmers and foresters in the EU".

The other major "simplification" proposed, this being entirely restricted to the internal EU market, is the introduction of a new sub-category of operator called a "downstream operator".

Downstream operators would no longer need to undertake any due diligence or, if a SME, to enter any data on the EUDR Information System. Their obligation would extend only to passing on the reference numbers of due diligence statements or declarations received from their suppliers on to their customers.

The new "downstream operator" category would capture a large proportion of existing EU operators under EUDR, being defined as those which "place on the market or export relevant products made using relevant products, all of which are covered by a due diligence statement or by a simplified declaration".

Instead of requiring due diligence statements to be prepared at every point of transformation inside the EU (that is by mills/manufacturers of all types of lumber, pulp, paper, joinery, furniture etc), as previously required, this proposed change would reduce the burden on the EU wood product manufacturing sector.

The EU's existing non-legally binding guidance was already heading in this direction, but the introduction of a new category of 'downstream operator' would make explicit the shift away from requiring transfer of geolocation data and mandatory due diligence throughout the supply chain for EU-produced and traded goods.

The next plenary of the European Parliament is 12–13 November 2025 in Brussels and it is likely that the proposal will be voted on then.

North America

US government shutdown continues

Crrently, the US federal government is providing only "essential" services until a budget deal is finalised. To-date, little progress has been made toward forging a bipartisan agreement since the shutdown began on 1 October. Trade and other economic data reports are not being produced by US government agencies until the shutdown is ended.

Home sales accelerated in September as mortgage rates eased

Sales of previously occupied US homes accelerated in September as declining mortgage rates and a pickup in available properties on the market encouraged buyers.

Existing home sales rose 1.5% last month from August to a seasonally adjusted annual rate of 4.06 million units the National Association of Realtors reported. That's the fastest sales pace since February. Sales jumped 4.1% compared with September last year. The latest sales figure came in slightly below the roughly 4.07 million pace economists were expecting.

The US housing market has been in a sales slump since 2022, when mortgage rates began climbing from historic lows. Sales of previously occupied US homes sank last year to their lowest level in nearly 30 years. Mortgage rates started declining in July in the lead-up to the Federal Reserve's decision last month to cut its main interest rate for the first time in a year amid growing concern over the US job market.

"As anticipated, falling mortgage rates are lifting home sales," said NAR Chief Economist Dr. Lawrence Yun. "Improving housing affordability is also contributing to the increase in sales."

"Inventory is matching a five-year high, though it remains below pre-COVID levels," Yun added. "Many homeowners are financially comfortable, resulting in very few distressed properties and forced sales. Home prices continue to rise in most parts of the country, further contributing to overall household wealth."

Regionally, the Northeast saw a 2.1% increase in sales month-over-month to an annual rate of 490,000, up 4.3% year-over-year. In the Midwest, there was a 2.1% decrease in sales month-over-month to an annual rate of 940,000, up 2.2% year-over-year.

The South gained 1.6% in sales month-over-month to an annual rate of 1.86 million, up 6.9% year-over-year. And in the West, sales increased 5.5% month-over-month to an annual rate of 770,000, with no change year-over-year.

See: https://www.nar.realtor/newsroom/nar-existing-home-sales-report-shows-1-5-increase-in-september
and
https://www.msn.com/en-us/news/other/us-home-sales-accelerated-in-september-to-their-fastest-pace-since-february-as-mortgage-rates-eased/ar-AA1P2WM1?ocid=BingNewsVerp

Builder confidence rose in October

Builder confidence index in the US for newly built single-family homes was 37 in October, up five points from September and the highest reading since April according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI).

Even as builders continue to grapple with market and macroeconomic uncertainty, sentiment levels posted a solid gain in October as future sales expectations surpassed the 50-point breakeven mark for the first time since last January.

“While recent declines in mortgage rates are an encouraging sign for affordability conditions, the market remains challenging,” said NAHB chairman Buddy Hughes. “The housing market has some areas with firm demand, including smaller builders shifting to remodeling and ongoing solid conditions for the luxury market. However, most home buyers are still on the sidelines, waiting for mortgage rates to move lower.”

“The HMI gain in October is a positive signal for 2026 as our forecast is for single-family housing starts to gain ground next year,” said NAHB chief economist Robert Dietz.

See: https://www.nahb.org/news-and-economics/housing-economics/indices/housing-market-index
and
https://www.nahb.org/

Canadian housing starts jumped 14% in September

Canadian housing starts jumped in September driven by a surge in construction kicking off in Toronto and Montreal despite softness in the broader housing market.

Housing starts across Canada came in at a seasonally adjusted annualised rate of 279,234 units, representing a 14% rise from the month before according to the Canada Mortgage and Housing Corporation. The market was expecting roughly 260,000 residential housing projects to have started for the month.

The increase followed a pullback in starts in August and helped lift the trend to a rise of 4.1% to 277,147 units last month, Canada's national housing agency said.

In the country's three largest cities, starts in Montreal and Toronto more than doubled year on year thanks to a rise in multi-family units such as condominiums and row houses, while Vancouver, British Columbia, recorded about a 1% drop in starts for the month.

Used home sales dropped 1.7% from the month before, snapping a string of rising sales that began in April, data released Thursday by the Canadian Real Estate Association showed. The association anticipates home sales will slide 1.1% this year as weakness in British Columbia, Alberta and Ontario markets offset gains elsewhere in the country. However, it forecasts a rebound next year, with an expected 7.7% rise in sales for what would be the highest level of activity since 2021.

See: https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/monthly-housing-starts-construction-data-tables

US consumer sentiment steady in October but labour market worries persist

US consumer sentiment held steady in October though Americans' concerns about the labor market and inflation persisted as the government shutdown began.

The University of Michigan's preliminary consumer sentiment survey for October was little changed from last month, coming in at 55 as economists polled by LSEG estimated a more significant decline to 54.2, after the index had a 55.1 reading for September.

Michigan's Surveys of Consumers said that "wallet issues like high prices and weakening job prospects remain at the forefront of consumers' minds," adding that interviews with respondents showed little evidence the shutdown "has moved consumers' views of the economy thus far."

Consumers were pessimistic about future personal finances and their views on current buying conditions for long-lasting manufactured goods were unfavorable. Consumers’ five-year outlooks for their household finances fell to the lowest in over a decade in October.

“It is very clear consumers don’t feel like they’re thriving,” said Joanne Hsu, the survey’s Director. While consumers indicate that the prospect of a major financial calamity remains low, “they expect to continue to not thrive,” she said. Government funding lapsed on 30 September. Sentiment declined during previous shutdowns, and economists expect the consumer sentiment data to be downgraded when the final data is published.

See: https://www.sca.isr.umich.edu/
and
https://www.msn.com/en-us/money/markets/consumer-outlook-for-household-finances-falls-to-lowest-in-over-a-decade-survey/ar-AA1OeZxL?ocid=BingNewsVerp

Manufacturing contracts slow in September

Economic activity in the manufacturing sector contracted in September for the seventh consecutive month following a two-month expansion preceded by 26 straight months of contraction, say the nation's supply executives in the latest ISM® Manufacturing PMI® Report.

The Manufacturing PMI® registered 49.1 % in September, a 0.4-percentage point increase compared to the reading in August. A rating below 50% indicates contraction while a rating over 50% indicates growth.

The five manufacturing industries reporting growth in September are: Petroleum and Coal Products; Primary Metals; Textile Mills; Fabricated Metal Products and Miscellaneous Manufacturing.

The 11 industries reporting contraction in September -in the following order -are: Wood Products; Apparel, Leather and Allied Products; Plastics and Rubber Products; Paper Products; Furniture and Related Products; Chemical Products; Electrical Equipment, Appliances and Components; Transportation Equipment; Nonmetallic Mineral Products; Machinery and Computer and Electronic Products.

Survey comments from most sectors continue to focus on the costs, disruptions and uncertainty brought about by tariffs over the past several months.

See: https://www.ismworld.org/supply-management-news-and-reports/reports/ism-pmi-reports/
and
https://www.prnewswire.com/news-releases/manufacturing-pmi-at-49-1-september-2025-ism-manufacturing-pmi-report-302571530.html

Tariffs have domestic furniture industry on high alert

The government wants to revive the US furniture manufacturing sector through a series of tariffs on imports that took effect 14 October. There is now a 10% tariff on softwood sawnwood and a 25% tariff on kitchen cabinets, bathroom vanities and upholstered furniture. On 1 January 2026 the tariffs will increase to 50% on cabinets and 30% on upholstered furniture.

As recently as 1999 North Carolina laid claim to about 80,000 furniture manufacturing jobs. But most of those jobs have since vanished. North Carolina had just 28,000 furniture jobs as of August, the most recent month federal data was available. Apart from the pandemic era, furniture employment is at its lowest level since at least 1990.

North Carolina’s High Point Market, the largest home furniture trade show in the world, brings together US and global furniture designers twice a year. CNN and Inc. Magazine interviewed trade show attendees about their hopes and fears about the tariffs.

They found that furniture executives worry that this action by the federal government will do more harm than good to an industry grappling with notoriously thin profit margins, a shortage of skilled workers and the impact of tariffs in other sectors.

Alex Shuford, CEO of 78-year-old Rock House Farm Furniture, would, in theory, benefit from these levies. But like others in the industry, Shuford has mixed feelings about the tariffs. He appreciates the “admirable” desire to revitalise North Carolina manufacturing but warns of collateral damage in the interconnected global furniture ecosystem.

“We’ve got to be really careful that the effort to save us doesn’t do more damage than good,” Shuford told CNN.

Rock House runs 11 factories that make furniture domestically, but some of its brands also import furniture from overseas. Roughly 80% of its sales are from furniture made in North Carolina, with the rest imported. Shuford says his company’s tariff bill in 2024 was US$300,000, but that this year’s will be well over US$3 million. “Next year, if this continues, we’ll be pushing US$6 or US$7 million,” he said.

John Hart, who runs Lewisville, Texas-based design company Arteriors and imports 97% of the furniture he sells has been looking to move his operations out of Southeast Asia. The region has been hit hard by US reciprocal tariffs and he says he’s looked at other regions that have more favorable trade relationships with the US. But navigating that switch to other countries means dealing with a new set of rules and regulations.

Even among the furniture executives who believe US tariffs could help restore some jobs, they’re skeptical about a significantc revival.

“We’re not going back to the heyday of the 1990s. But we will get more expensive furniture,” said David Johnston, vice president of the Furniture Manufacturers Credit Association.

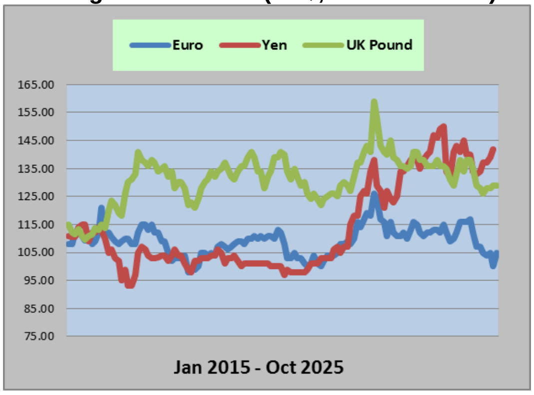
See:https://edition.cnn.com/2025/10/14/business/jobs-furniture-prices-north-carolina-trump
and
https://www.msn.com/en-us/money/smallbusiness/furniture-tariffs-why-business-owners-in-north-carolina-are-bracing-for-a-rough-ride/ar-AA1OFcIM?ocid=BingNewsVerp

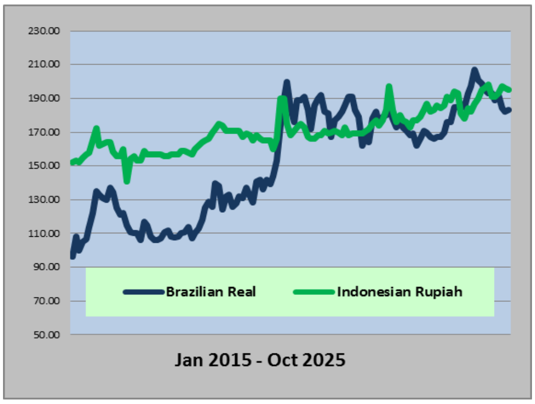
US$ Dollar Exchange Rates

As of 25th October 2025

Brazil	Real	5.38
CFA countries	CFA Franc	564.90
China	Yuan	7.12
Euro area	Euro	0.86
India	Rupee	87.82
Indonesia	Rupiah	16,608
Japan	Yen	152.87
Malaysia	Ringgit	4.22
Peru	Sol	3.44
UK	Pound	0.75
South Korea	Won	1,439.02

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

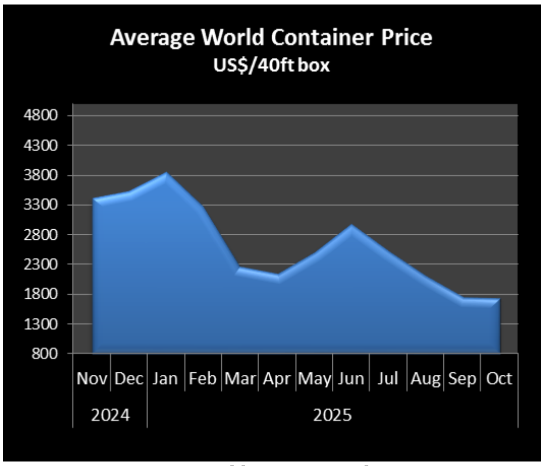




Abbreviations and Equivalences

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

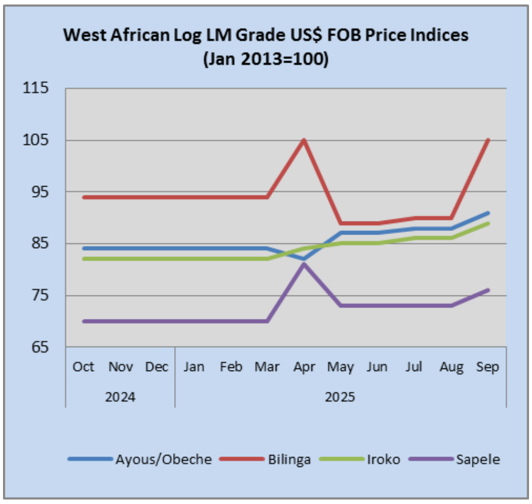


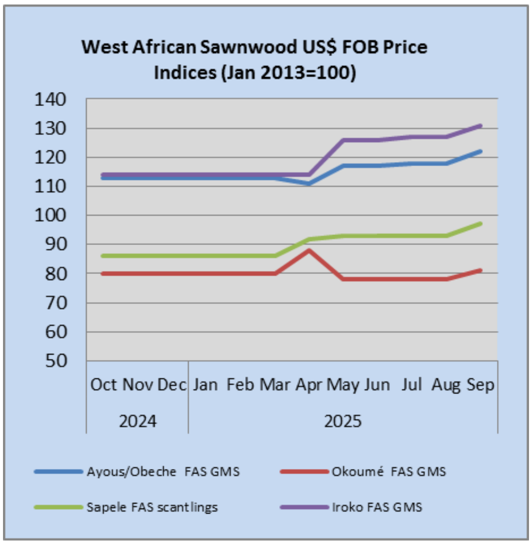
Data source: Drewry World Container Index

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

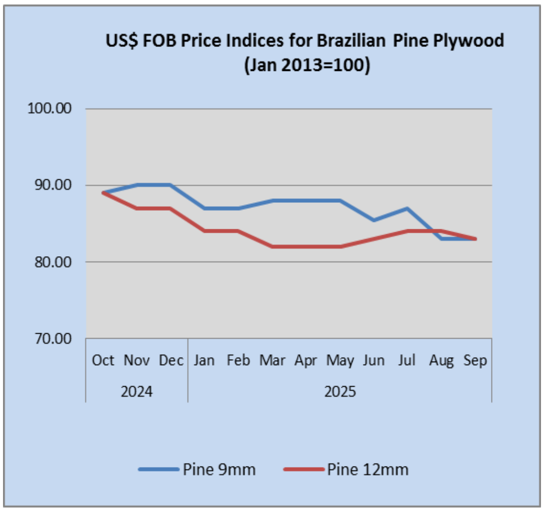
Price indices for selected products

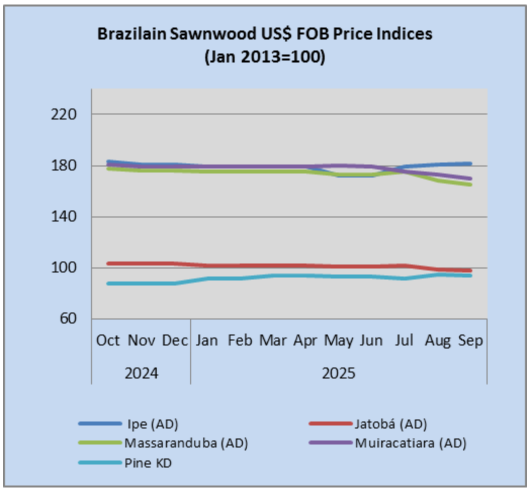
The following indices are based on US dollar FOB prices





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





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