

# Tropical Timber Market Report

Volume 30 Number 4 16th – 28th February 2026



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](mailto:ti@itto.int).

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## Top story

### **Tackling business barriers and global housing shortages - supporting overseas expansion by Japanese companies**

The Japan Lumber Report says the government has launched a Council for International Expansion of Housing and Building Industries to act as a central platform supporting the overseas expansion of Japanese housing and construction companies.

The initiative aims to leverage Japan's strengths such as durable wooden construction technologies, high seismic and energy-efficiency performance and highly productive industrialised housing to help address global housing shortages while opening new business opportunities for Japanese firms.

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**2025 African log import data**

China and the EU are the main importers of tropical logs. Shipments of logs from African countries to China accounted for 17% the corresponding figure for the EU was 78%.

	EU	YoY	China	YoY
	000s cu.m	change	000s cu.m	change
CAR	15.2	44%	125	34%
Cameroon	6.0	3%	221	-33%
DRC	5.1	-19%	141	-6%
Rep. Congo	3.6	-21%	351	-14%
Liberia	3.4	345%	nil	
Eq. Guinea	nil		40	-68%

Data sources: ITTO analysis of Eurostat and US Department of Agriculture, Foreign Trade Statistics

**Overview**

Producers report markets are beginning to accept moderate price increases for both logs and sawnwood reflecting tightening supply conditions and rising costs in producing countries. The current pricing environment remains difficult to assess precisely particularly because log shortages in Gabon are constraining mill production and limiting available volumes. Gabon continues to experience heavy and persistent rainfall, significantly delaying the movement of logs from forest concessions to mills. These logistical disruptions are the main factor behind the tightening supply situation currently influencing regional prices.

Rainfall is also affecting operations in Congo, causing some transport delays. However, the impact is less severe than in Gabon due to comparatively better infrastructure and operational capacity, particularly in remote forest regions where experienced companies maintain more reliable logistics.

Cameroon has entered its dry period which is supporting harvesting and transport conditions. However, seasonal Sahara winds are bringing sand, creating additional operational challenges in some areas. Despite improved weather conditions, the market remains cautious, with operators monitoring demand trends closely while awaiting clearer pricing signals.

**Gabon**

Heavy rainfall continues across upcountry regions, and contrary to expectations, no real dry period materialised. As a result, harvesting activity remains at a low level, reflecting both difficult field conditions and subdued market demand. Production continues to focus on the main species, Okoume, Okan, Azobe and redwoods.

The Government announcements continue to highlight large infrastructure ambitions, including a future transport corridor linked to the Mayumba Port and mining projects but progress remains limited due to funding constraints.

The electricity supply remains a critical constraint. Despite repeated official assurances, the situation has worsened, with two to three outages daily lasting three to four hours. The power utility acknowledges that the infrastructure is outdated.

Port operations at Owendo reported as functioning normally and container availability is said to be adequate. Transport to and from the port is generally stable despite weather-related challenges inland.

Demand conditions are mixed. Sawmills report increased interest in Okoume from the Middle East and renewed enquiries from China following the removal of Chinese import duties on African goods. However, overall enquiries remain low in Europe due to high inventories and a seasonal slowdown.

Azobe exports to the Netherlands continue but at reduced monthly volumes of around 1,500 cu.m, mainly a flection of availability. New demand streams are emerging, including interest from China for Azobe reportedly for table-top applications and imports by Bangladesh.

Export duties introduced on 1 January 2026 remain a major factor shaping pricing. The immediate reaction has been price increases of roughly €20 per cu.m for major sawn species. Acceptance appears strongest in Azobe where log shortages are supporting higher price levels.

The Gabonese timber sector enters the next quarter facing persistent operational constraints, higher export costs and fragile demand. Price support is likely to remain strongest for species with tight log supply, particularly Azobe, while broader market recovery will depend on improved logistics, energy reliability and clearer demand signals from Asia and the Middle East.

**Cameroon**

Harvesting activity is increasing as the dry season sets in, with only light seasonal showers, locally described as “mango rains” and occasional Saharan winds bringing dust. Improved weather conditions are allowing operators to repair forest roads and gradually raise production.

Transport and logistics are said to be functioning relatively well. Container availability remains sufficient and both Douala and Kribi Ports are operating normally, although Douala continues to experience vessel delays of up to a week. Kribi Port is increasingly handling containerised exports, including timber from northern Congo.

Despite these improvements, electricity shortages persist in major cities, mirroring challenges seen in neighbouring countries and adding operational uncertainty for mills and exporters. Demand conditions remain cautious, say operators. Order levels are generally steady but unspectacular with no major shifts reported across key export destinations. Chinese demand continues to weigh on market momentum, while other markets remain stable without significant growth signals.

A widely circulating industry rumour suggests Azobe could be proposed for CITES listing. While there is no confirmation, such a development would have major implications for mills and key European end-users, particularly in the Netherlands. The situation is being closely monitored.

Cameroon's timber sector enters the next period with improving operational conditions but limited demand momentum. Production is likely to rise seasonally, yet market growth will depend largely on a recovery in Asian buying and clarity on regulatory developments, particularly any movement on CITES.

### Republic of the Congo

Road transport continues to function with repairs progressing on laterite routes supporting timber movement from production areas to export corridors. Export routing remains centred on Pointe-Noire where container availability is reported as normal and without shortages. Sawmill operations are not reporting major disruption linked to log availability or other production inputs.

No new government policy change have been announced and operators continue to work under established compliance requirements, including CITES obligations for four listed species and continued EUTR-related due diligence expectations for exports.

Demand sentiment remains cautious and unchanged with no clear improvement signalled across the main import regions. Enquiry levels and order activity are best described as stable but subdued.

Congo's production fundamentals remained steady at end of February with logistics improving gradually through road repairs and ports operating normally. The near-term outlook remains driven more by external demand trends and trade-policy positioning than by domestic operational constraints.

### 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)	190↑	190↑	220	
Moabi	260	260	220	
Movingui	180	180	-	
Niove	160	160	-	
Okan	230↑	230↑	-	
Padouk	300↑	280↑	200	
Sapele	230	230	220	
Sipo/Utile	250	250	200	
Tali	260	260	-	

### Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	680
Okoumé FAS GMS	440↑
Merchantable KD	420↑
Std/Btr GMS	420
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	900↑
FAS scantlings	950↑
Strips	420↑
Sapele FAS Spanish sizes	530
FAS scantlings	550
Iroko FAS GMS	870
Scantlings	920
Strips	410
Khaya FAS GMS	420
FAS fixed	440
Moabi FAS GMS	580
Scantlings	610
Movingui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	450

### Through the eyes of industry

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

See: [https://www.itto-ggsc.org/list\\_52/618.html](https://www.itto-ggsc.org/list_52/618.html)

## Ghana

### International Day of Forests – involving the youth

The Ministry of Lands and Natural Resources (MNL) in collaboration with the Forestry Commission (FC) has arranged a debate competition between two of the country's universities as part of activities to mark the International Day of Forests.

The University of Ghana and the University of Professional Studies have been selected to debate on the topic 'The Economic Value of Forests should be measured solely in terms of timber and non-timber products'.

The CEO of the FC, Dr. Hugh Brown, commended representatives of the two institutions for agreeing to be part of the debate and the celebration of Forests Day. He underscored the importance of the debate, saying the debate is targeted at the youth who will be the future front-liners of the various institutions on forest protection.

This year Ghana will celebrate the Tree for Life Reforestation Initiative (T4L) launched by President John Dramani Maham, on 21st March 2025.

See: <https://gna.org.gh/2026/02/forestry-commission-lands-ministry-hold-debate-to-mark-international-day-of-forests/>

### **Piloting treatment of contaminated water from illegal mining operations**

The Environmental Protection Agency (EPA) in collaboration with officials from the Ghana Standards Authority (GSA) and Ghana Water Company Limited (GWCL) has launched a pilot project using Ionic Nano Copper technology to treat heavy metal water contamination a result of illegal mining, popularly known as ‘galamsey’.

The technology, which has been tested in the Birim River in the Eastern Region, binds to toxins allowing them to settle at the riverbed for cleaner surface water. This initiative, estimated to cost US\$200,000 for testing and implementation, targets restoring major rivers like the Ankobra, Pra and Offin to assist the Ghana Water Company Limited (GWCL) in accessing safer water.

According to the Chief Executive Officer of the EPA, Prof. Nana Ama Browne Klutse, the Birim River is currently showing early signs of improvement following a clean-up trial using the Ionic Nano Copper technology.

Prof. Klutse noted that Ionic Nano Copper is used to chemically treat water contaminated with heavy metals efficiently. The project is still ongoing, but early results suggest the technology could play a major role in restoring Ghana’s rivers. Dr. Awal Mohammed of the GSA on his part has also confirmed that water samples from the pilot exercise have been sent to various laboratories for detailed analysis.

While some see this exercise as an innovative step toward environmental restoration, environmentalists and experts have raised concerns on the health implications of the treated water.

Early this year’ Ghana’s Parliament revoked LI 2462 banning mining in the country’s forest reserves which largely contributed to land degradation and the high pollution of water bodies.

See: <https://www.myjoyonline.com/birim-river-shows-improvement-after-epas-nanocopper-technology-trial/> and <https://www.ghanaweb.com/GhanaHomePage/NewsArchive/EPATryouts-ionic-nano-copper-technology-on-polluted-Birim-River-2023079>

### **New stakeholder platform to monitor forest legality compliance**

A new stakeholder platform has been launched in Ghana to bolster tree tenure reforms with funding from the European Union (EU) and is being implemented under a European Forest Institute (EFI) programme.

The initiative, which is in partnership with several non-state organisations, aims to strengthen multi-stakeholder participation in the FLEGT Voluntary Partnership Agreement (VPA) to enhance and empower these actors in policy reforms in Ghana.

The platform will monitor legality compliance and conduct independent timber validation audits, crucial for transparency and accountability.

The Technical Director for Forestry at the Ministry of Lands and Natural Resources, Mr. Joseph Osiakwan, described the launch as a significant moment in Ghana’s forest governance journey. He hailed Ghana becoming the first African and second global nation to issue FLEGT licenses for legal timber exports to the EU in August 2025.

Mr. Osiakwan stressed the importance of such reforms for effective monitoring and problem-solving within the value chain. He emphasised government is addressing insecure tree tenure through transformative reforms, including granting farmers benefit rights to naturally occurring trees.

See: <https://www.businessghana.com/site/news/General/343477/Stakeholder-Platform-Launched-to-Support-Tree-Tenure-Reforms>

### **Ghana enjoyed stable economy in 2025**

The Ministry of Finance has outlined significant improvements in Ghana’s macroeconomic indicators, pointing to declining inflation, lower interest rates and a stronger currency as evidence of a broad-based recovery in 2025.

According to figures detailed in the statement, the country’s real Gross Domestic Product (GDP) growth reached a provisional 6.1% year-on-year in the first three quarters of 2025, largely driven by the services and agriculture sectors.

The statement indicated that inflation, which had remained elevated at the end of 2024, fell steadily for thirteen consecutive months, dropping from 23.5% in January 2025 to 3.8% by January 2026. According to the Ministry, the turnaround reflects coordinated fiscal and monetary policies aimed at stabilising the economy and restoring investor confidence.

Meanwhile, following the signing of the 24-Hour Economy Authority Bill into law and recent legislative reforms the government has reiterated its dedication to expanding Ghana’s economy through the agricultural sector.

See: <https://www.myjoyonline.com/government-pledges-to-boost-agribusiness-with-new-initiatives-eyes-economic-growth/>

### **Boule export prices**

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

### Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm )	FACE (>2mm)
Ceiba	383	472
Chenchen	502	612
Ogea	345	590
Essa	538	583
Ofram	350	435

### Sawnwood export prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up	860	925
Afromosia	465	517
Asanfina	290	465
Ceiba	450	513
Dahoma	640	712
Edinam (mixed redwood)	690	750
Emeri	783	910
African mahogany (Ivorenensis)	647	853
Makore	783	844
Niangon	823	1,084
Odum	695	825
Sapele	455	464
Wawa 1C & Select		

### Plywood export prices

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	315	580	641
6mm	440	536	604
9mm	413	504	560
12mm	350	489	480
15mm	389	332	430
18mm	452	437	383

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

### Sliced veneer export prices

Sliced face veneer	FOB
	Euro per cu.m
Asanfina	1,272
Avodire	1,304
Chenchen	555
Mahogany	1,479
Makore	1,753
Odum	2,083
Sapele	1,887

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## Malaysia

### Strong GDP growth forecast for 2026

The Malaysian economy was one of Southeast Asia's best performers in 2025 driven especially by a surge in investment in its data centre sector. Alongside Singapore and Vietnam, it has also managed to cope with higher US tariffs and global trade disruptions.

Maybank Investment Bank, MBSB Investment Bank and RHB Bank expect Malaysia's gross domestic product growth to exceed the government's 4% to 4.5% forecast for 2026.

The abrupt change on reciprocal tariffs due to the US Supreme Court ruling resulted in exporters to bracing for potentially more volatility.

"Subject to clarity on the Trump administration's new 15% global tariff, Malaysia's exports will benefit from a lower effective tariff compared to 19%," noted Socio-Economic Research Centre's Executive Director, Lee Heng Guie.

See:

<https://ceomorningbrief.theedgemalaysia.com/article/2026/1106/Home/6/793126>

and

<https://www.thestar.com.my/business/business-news/2026/02/25/growth-momentum-intact>

### Proposals to list commercially important timber species under the CITES of concern

The Sabah Timber Industries Association (STIA) has called on industry players to remain resilient and adaptable in the face mounting global and domestic challenges.

STIA president, Tan Peng Juan, said the sector had spent the past year navigating global market volatility, rising operational costs, tighter international regulations and persistent logistical constraints adding the STIA also reaffirms its commitment to strengthening Sabah's position as a global supplier of sustainably managed tropical timber.

"A significant milestone this year was the successful enhancement of the Sabah Timber Legality Assurance System Plus (Sabah TLAS+), developed in collaboration with the Sabah Forestry Department and industry stakeholders. The upgraded TLAS framework strengthens Sabah's legality and sustainability, aligning with evolving global market requirements, particularly the European Union Deforestation Regulation and EU Corporate Sustainability Due Diligence Directive (EU CS3D)," he said.

According to Tan, the industry has also moved towards digitalisation with the implementation of the e-Removal Pass (e-RP) system, replacing manual processes with an online system with digital approvals, QR code tracking and improved reporting to strengthen monitoring and full traceability of timber movement.

Among the priority concerns are developments under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and policies affecting raw material supply, international trade and long-term sustainability. Growing proposals to list commercially important timber species under the CITES Appendices is one of the primary areas where time and energy must be focused.

In related news, Sabah State has expanded its Totally Protected Areas (TPA) following the gazetting of about 216,000 hectares of new forest areas involving commercial forest reserves and State land.

The move increases Sabah's TPA coverage to 2.227 million hectares, equivalent to about 30% of the State's total land area.

See: <https://www.dailyexpress.com.my/news/276152/sabah-timber-industries-association-galloping-forward-amid-2026-challenges/>

### **Rising demand for carbon credits**

Sarawak is well placed to become a key supplier of high-integrity carbon credits in ASEAN as global demand rises, said Malaysia Carbon Market Association president Dr. Renard Siew. Siew added, the State's vast forest resources and renewable energy push give it a strategic edge especially at a time when industries face mounting pressure to secure high quality carbon credits to meet net-zero commitments.

The aviation industry, he added, is already under pressure to stock up on credible credits amid tightening climate requirements. The maritime sector is expected to follow suit after the International Maritime Organisation moved to introduce a carbon levy on large oceangoing ships over 5,000 gross tonnage, which emit 85% of the total CO<sub>2</sub> emissions from international shipping. These measures are set to be enforced in 2027.

See: <http://theborneopost.pressreader.com/article/282230902142597>

### **Upcoming furniture shows**

Export Furniture Exhibition (EFE), 3-6 March 2026.  
The 19th Edition will take place over 4 days at Kuala Lumpur Convention Centre (KLCC). Around 400 exhibitors will be displaying their top quality, modern and contemporary furniture.

Malaysian International Furniture Fair (MIFF), 4-7 March 2026. World Trade Center Kuala Lumpur.  
The event venue covers 100,000 sq m for an estimated 700 furniture manufacturers and exporters from Malaysia, Vietnam, South Korea, UAE, Indonesia, Taiwan, India, China, Thailand, Hong Kong and the United States.

See: <https://www.tradeindia.com/tradeshows/132221/efe-export-furniture-exhibition-malaysia-2026.html>  
and  
<https://miff.com.my/fact-sheet/>

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

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

See: [https://www.itto-ggsc.org/list\\_52/618.html](https://www.itto-ggsc.org/list_52/618.html)

## **Indonesia**

### **US-Indonesia MoU signings**

President Prabowo Subianto witnessed the signing of 11 agreements worth US\$38.4 billion between Indonesian and US companies during a business summit at the US Chamber of Commerce in Washington on 19 February. The deals, facilitated during a roundtable hosted by the US-ASEAN Business Council, span key sectors including mining and downstream processing, energy, agribusiness, textiles and garments, furniture manufacturing and advanced technology. Additional agreements cover corn and cotton trade, textile sustainability initiatives and multiple furniture and wood product partnerships between Indonesian industry associations and US counterparts.

In related news, according to the Indonesian Chamber of Commerce and Industry (Kadin), Indonesian enterprises have welcomed the signing of the tariff agreement (ART) between Indonesia and the United States viewing the 19% tariff as competitive and potentially advantageous for national exports.

The chairman of Kadin, Anindya Novyan Bakrie, described the rate as attractive and noted that it could allow for tariff reductions or exemptions on certain products, particularly those incorporating US components.

The agreement has also motivated industry associations to pursue concrete partnerships with American counterparts. The Indonesian Furniture Industry and Craft Association (HIMKI), for example, has expressed interest in importing US raw materials for domestic processing and re-exporting them as higher value-added products. This strategy supports Indonesia's down-streaming agenda.

See: <https://en.antaranews.com/news/405074/prabowo-witnesses-us384-bln-us-indonesia-mou-signings>  
and  
<https://money.kompas.com/read/2026/02/20/133900726/kadin-sebut-tarif-19-persen-ri-as-kompetitif-industri-bidik-peluang-ekspor>.

### **First, a framework for industrial cooperation**

The Indonesian Furniture Industry and Craft Association (HIMKI) views the recent investment and trade agreement between Indonesia and the United States as a major step toward easing export barriers. During the Indonesia-US Business Summit at the U.S. Chamber of Commerce in Washington, D.C., furniture and handicraft entrepreneurs signed a memorandum of understanding (MoU) with the American Hardwood Export Council signaling stronger industrial collaboration.

The MoU outlines cooperation between Indonesian and US businesses in areas such as sustainable raw material supply chains, including the use of US hardwood, joint trade promotion, technology exchange, standardisation and expanded market access for Indonesian furniture.

Serving as a framework for industrial cooperation, it will be followed by specific business-to-business contracts.

See: <https://ekonomi.bisnis.com/read/20260219/257/1954059/ri-as-sepakati-kerja-sama-dagang-pengusaha-mebel-berharap-tarif-sektoral-turun>

### **US tariffs impact furniture exports**

Indonesia's furniture industry has maintained relatively stable performance despite global challenges with the government continuing to support small and medium-sized enterprises (SMEs) to ensure sustainable growth. The Minister of Industry, Agus Gumiwang Kartasmita, pointed to ongoing guidance, assistance programmes and collaboration with stakeholders to strengthen the industry's competitiveness in both domestic and international markets.

However, Indonesia's furniture export performance has been affected by global market dynamics, particularly the tariff policies of the United States. These policies have created uncertainty and highlighted the need for adaptive strategies and export market diversification.

Promising alternative destinations include Eastern Europe, the Middle East, Latin America and Asian countries such as India and Japan aiming to reduce dependence on the U.S. market.

See: <https://emitennews.com/news/tarif-resiprokal-as-berdampak-kepada-kinerja-ekspor-furnitur-indonesia> and <https://id.investing.com/news/economy-news/kemenperin-kawal-industri-furnitur-nasional-lewat-kolaborasi-berkelanjutan-2928609>

### **MFP Phase 5 launched, 'Strengthening global trust in Indonesian forest products'**

The Indonesian and British governments launched Phase 5 of the Multi-stakeholder Forestry Programme (MFP) 9 in February marking a continued commitment to sustainable forest governance and stronger global trust in Indonesian forest products.

Supported by the UK's Foreign, Commonwealth and Development Office (FCDO), the programme builds on a strategic partnership that has existed since 2000. Forestry Minister, Raja Juli Antoni, emphasised that MFP Phase 5 provides a collaborative platform for stakeholders to promote transparent, inclusive and results-oriented forest management balancing economic development with environmental protection.

British Ambassador Dominic Jerney highlighted that the initiative also advances climate and biodiversity goals while creating sustainable economic opportunities, including for MSMEs seeking to compete in international markets.

See: <https://forestinsights.id/mfp-fase-5-diluncurkan-kepercayaan-global-pada-produk-hutan-indonesia-diperkuat/#>

### **Accelerated roadmap for customary forest designation**

The Ministry of Forestry in Indonesia is working to finalise a roadmap aimed at accelerating the designation of customary forests with completion expected by the end of February. Julmansyah, Director of Tenurial Conflicts and Customary Forests (PKTHA), stated that the plan is part of efforts to meet the target set by the Minister of Forestry Raja Juli Antoni to designate 1.4 million hectares of customary forests under the Social Forestry Program.

As of December 2025, official data shows that 366,955 hectares of Customary Forests had been designated throughout Indonesia. The roadmap and associated initiatives are expected to streamline the designation process, providing legal recognition and management authority to Customary Communities while supporting the government's broader environmental and social forestry goals.

See: <https://www.antaraneews.com/berita/5414878/kemenhut-kejar-selesaikan-peta-jalan-percepatan-penetapan-hutan-adat>

### **Go-ahead for recruitment of 70,000 forest rangers**

President Prabowo Subianto has approved a major plan to recruit up to 70,000 additional forest rangers to strengthen the protection of Indonesia's 125 million hectares of national forest. The Minister of Forests, Raja Juli Antoni, met the President twice to discuss improving the personnel-to-area ratio. While the initial proposal aimed to increase the number of rangers to 21,000, President Prabowo pushed for a more ambitious target of one ranger for every 2,000 hectares.

Currently, only about 4,800 rangers are deployed nationwide with each officer responsible for an average of 25,000 hectares. The Minister acknowledged that protecting such a vast forest area is extremely challenging given limited manpower and budget constraints compounded by the fact that many existing officers are nearing retirement.

See: <https://en.antaraneews.com/news/405246/president-prabowo-greenlights-addition-of-70000-forest-rangers>

### **Strengthening mangrove data integration**

The Ministry of Forestry is enhancing the integration of national mangrove data through the Mangrove Data Nusantara (Mandara) platform, aiming to support more sustainable and measurable coastal rehabilitation planning and execution.

Dyah Murtiningsih, Director General of Watershed Management and Forest Rehabilitation, explained that Mandara is designed to collect, verify and integrate mangrove data from various sources into a unified, accurate and up-to-date national reference. This initiative marks the end of fragmented data systems, moving towards an integrated approach to policymaking.

Dyah highlighted that data fragmentation has long hindered optimal mangrove management, as inconsistencies in sources and methods complicate targeted rehabilitation efforts.

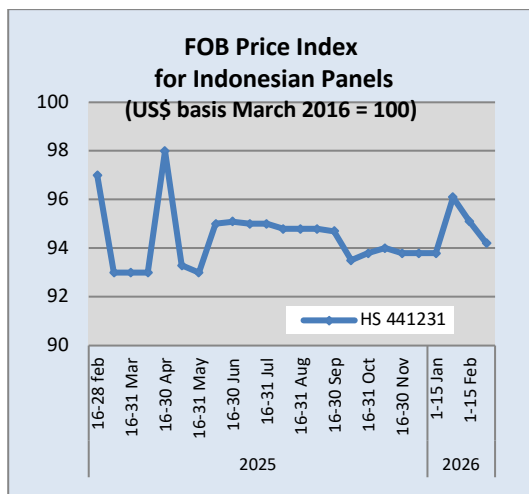
See: <https://esgnow.republika.co.id/berita/tae4lh416/kemenhut-luncurkan-platform-mandara-percepat-rehabilitasi-mangrove>

**Launch of Phase 4 of Community Fund for Environment Services**

Indonesia and Norway have launched the fourth phase of the Community Fund for the Environment with an allocation of Rp7 billion to support initiatives aimed at achieving Indonesia’s 2030 Forestry and Other Land Use (FOLU) Net Sink target.

The Community Fund for the Environment provides financial support to local non-profits, indigenous groups, universities and other community-based organisations. Managed by Indonesia’s Environmental Fund Management Agency (BPDLH), the programme has already distributed Rp19.31 billion across three previous phases benefiting 561 community groups and reaching 31,512 individuals in 36 provinces.

See: <https://en.antaraneews.com/news/404214/ri-norway-launch-phase-4-of-community-fund-for-environment-service>



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

**Through the eyes of industry**

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See: [https://www.itto-ggsc.org/list\\_52/618.html](https://www.itto-ggsc.org/list_52/618.html)

**India**

**Good prospects for the panel sector**

As timber raw material imports continue without hindrance and with the potential for a revival in supply of plantation logs prospects for 2026 are balanced and stable for the panel sector, says Ply reporter in its early January magazine.

The ready availability of raw materials for the panel sector should help stabilise prices for all regions of the country. Supplies are being delivered from the north and new raw material sources are opening in areas such as Bihar, Odisha and West Bengal which have species such as Cashew, new species for wood panel makers.

See: <https://www.plyreporter.com/magazine-January-2026>

**Real estate sector entering 2026 with confidence**

In a press release the Confederation of Real Estate Developers’ Associations of India (CREDAI), in collaboration with real estate data intelligence firm CRE Matrix reports on a CREDAI–CRE Matrix Developer Sentiment Survey providing a comprehensive view of developer expectations and strategies heading into 2026.

Based on responses to 18 focused questions the survey captures sentiment on demand, pricing, launches, inventory, emerging typologies, budget preferences, technology adoption and policy priorities. The findings point to a sector entering 2026 with confidence and calibrated optimism.

In summary:

- Two-thirds of developers expect residential demand to grow over 5% in 2026
- 42% plan to launch more than 1 million sq ft production next year, signaling sustained supply confidence
- 83% expect their own unsold inventory to sell out within the next two years
- 76% of developers expecting prices to rise above 10% are concentrated in the National Capital Region (NCR) and Mumbai Metropolitan Region (MMR)
- 65% report construction cost increases capped below 10% amid GST relief and tech adoption

Overall, the survey suggests that, as India heads into 2026, the residential real estate sector is positioned for steady growth, supported by end-user demand, disciplined launches and improving cost efficiencies. The alignment between developer strategy, buyer preferences and policy expectations points to a market that is maturing while remaining responsive to evolving economic and consumer trends.

See: [https://credai.org/media/view-details/?file\\_no=99](https://credai.org/media/view-details/?file_no=99)

**Sandalwood gene pool launched**

India’s first sandalwood gene pool and germplasm bank has been established in Karnataka. This will ensure that farmers get the best quality saplings for commercial cultivation. While sample collection began three months ago the recent Union Budget announcement promoting the growth of sandalwood along the coast gave the project a boost.

In 2025, Karnataka Forest Department planted partnered with the private sector to plant 1 lakh (10 million) sandalwood saplings annually across the state.

Mysuru, Chamarajanagar and Bandipur Tiger Reserve in Karnataka State and Marayoor in Kerala state are known for the best quality of sandalwood. In Karnataka 713 farmers are growing sandalwood on 4,000 acres. Apart from this, it is naturally found in the State’s forests.

See:  
<https://www.newindianexpress.com/states/karnataka/2026/Feb/03/indias-first-sandalwood-gene-pool-launched-in-karnataka-to-boost-quality-cultivation>

**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	316	520
Colombia	279	465
Costa Rica	240	360
Nigeria	-	-
Benin	-	-
Tanzania	368	488
Laos	-	-
South Sudan	332	690
Guatemala	190	420
Venezuela	-	-

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

	cu.m	US\$ C&F
Benin	388	665
Brazil	291	655
Colombia	-	-
Costa Rica	320	525
Ecuador	-	-
Ghana	250	440
Ivory Coast	374	815
Nigeria	280	450
South Sudan	289	605
Tanzania	-	-
Togo	384	520
Panama	247	495

**Locally milled sawnwood prices**

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,450 - 4,850
Balau	3,050 - 3,350
Resak	-
Kapur	-
Kempas	1,750 - 2,050
Red meranti	1,900 - 2,200
Radiata pine	925 - 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 - 2,300
Sycamore	2,400 - 2,800
Red Oak	2,950 - 3,400
White Oak	3,400 - 3,800
American Walnut	5,450 - 5,950
Hemlock STD grade	1,950 - 2,250
Western Red Cedar	3,000 - 3,400
Douglas Fir	2,450 - 2,650

Price range depends mainly on lengths and cross-section

**Plywood**

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

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

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

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

**Viet Nam**

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

According to Viet Nam Customs Office in 2025, Viet Nam accounted for more than 45% of US imports of wooden furniture, totaling around US\$9,5 billion. This made the US the largest export market for Viet Nameese woodwork, even as overall imports into the US declined.

Viet Nam’s forest product export value reached about US\$1.72 billion in January 2026, up roughly 13% year-on-year. Forest products contributed significantly to the overall 30% jump in agro-forestry exports.

Viet Nam’s Ministry of Agriculture and Environment (MAE) announced a target of US\$19 billion in forest and wood product exports in 2026 as part of a broader goal of US\$73-74 billion for all agro-forestry/fishery exports. High-end processing, market diversification and sustainability are priorities.

Viet Nam’s State President has encouraged a more impactful, sustainable tree-planting movement, emphasising forest protection and ecological benefits. This follows a successful multi-year planting campaign that saw over 108 million trees planted, helping stabilise forest cover and supporting forestry export growth.

To improve competitiveness and access high-end markets Viet Nam is expanding systems for legal and sustainable timber supply and supporting broader adoption of forest management and chain-of-custody certification. These efforts help mitigate trade barriers and align domestic production with international market requirements.

Many Viet Nameese exporters, including those in the wood and forestry sectors, welcomed the US Supreme Court’s decision to declare the previous retaliatory tariff regime invalid seeing it as a short-term reduction in cost pressure on shipments to the US. This decision removes some of the most burdensome duties that had threatened export volumes earlier.

Despite the initial relief on reciprocal tariffs, Viet Nameese wood businesses are cautiously watching the Trump administration’s swift use of Section 122 first introducing a 10 % tariff and then raising it to the maximum 15 % permitted for 150 days because this still represents a new cost increase on US imports.

Industry associations and experts note that a 10-15 % tariff may be more manageable than earlier higher retaliatory duties, especially if companies can adjust prices, optimise supply chains and raise product value.

**Wood product exports exceeded US\$17 billion in 2025**

W&WP exports earned nearly US\$1.7 billion in December 2025 alone, bringing total export value for the year to US\$17 billion, an increase of nearly 6% compared with 2024.

In 2025, exports of timber and wood products to the US totalled US\$9.46 billion, up 4% year on year and accounted for approximately 55% of the industry’s total exports. Viet Nam continued to maintain its position as the largest supplier of wooden furniture to the US market.

Viet Nam’s market share of wooden furniture in the US increased significantly, rising from 41% in the first eight months of 2024 to 45% in the same period of 2025. In contrast, the share of China fell from 16% to 10%.

Meanwhile exports to Japan recorded robust growth of over 23% in 2025 reaching more than US\$2.1 billion. This marked the first time exports to Japan exceeded US\$2 billion. In 2025 Japan became the second-largest market for Viet Nam’s wood industry.

Although exports to China slipped to third place, they still grew modestly, reaching nearly US\$2.1 billion. This was the second consecutive year exports to China exceeded US\$2 billion.

Collectively, the three billion-dollar markets, the US, Japan and China, accounted for nearly 80% of Viet Nam’s total W&WP exports in 2025.

Other markets were considerably smaller in scale, including the South Korea with US\$709 million, Canada with US\$288 million and the UK with US\$244 million.

In terms of products, wooden furniture remained the backbone of the industry’s exports. According to the Agency of Foreign Trade under the Ministry of Industry and Trade, exports of wooden furniture reached US\$9.4 billion in the first 11 months of 2025, accounting for nearly 61% of total export value.

Several other product categories also recorded export values of over US\$1 billion, including wood chips at US\$2.2 billion; wood panels and floorings at US\$2.1 billion; and wood pellets at US\$1.25 billion.

According to the Ministry of Agriculture and Environment, exports of W&WPs plus non-wood forest products reached US\$18.5 billion in 2025, up approximately 7% from 2024.

Looking ahead to 2026, Deputy Minister of Agriculture and Environment, Nguyen Quoc Tri, said that the forestry sector aimed to maintain forest cover at around 42% and achieve forest product exports of about US\$ 18.5 billion. Key priorities include expanding growth of large diameter tree, promoting the application of science and technology, advancing digital transformation and strengthening trade promotion.

See: <https://en.VietNamplus.vn/Viet-Nams-wood-exports-reach-record-17-billion-usd-in-value-post336361.vnp>

#### **Viet Nam to complete forest database by 2026**

Viet Nam aims to complete provincial forest boundary databases and maps before the end of this year in a move seen as critical to helping the timber industry adapt to the European Union's anti-deforestation rules and maintain exports.

The goal is set out in an action plan issued by the Forestry and Forest Protection Department under the Ministry of Agriculture and Environment on adapting to the EU Deforestation Regulation (EUDR), which bans products linked to deforestation or forest degradation from entering the bloc.

A forest database is considered a critical technical foundation for meeting EUDR requirements on traceability and spatial data transparency, while accelerating the digital transformation of forest management in line with international practices, with the overall objective of fully complying with the EUDR, sustaining exports and promoting sustainable forestry development and biodiversity conservation.

Viet Nam will also engage with the EU and its member states on risk assessment methods and monitoring indicators, work with the EU's Joint Research Centre to align forest mapping databases and seek mutual recognition mechanisms for legal timber certification.

In May 2025, the European Commission classified Viet Nam as a low-risk country, meaning only about 1% cent of shipments or exporters are subject to checks. However, officials warned that this status depends on strict compliance and reliable, transparent data systems.

The plan comes as Viet Nam's wood exports show positive signs. In January 2026, total agro-forestry-fishery exports were estimated at US\$6.51 billion, up 29.5 per cent year on year, with wood and forestry products reaching US\$1.72 billion, up 13%, according to ministry statistics.

See: <https://en.VietNamplus.vn/forest-databases-for-eudr-implementation-to-be-completed-in-2026-post337668.vnp>

#### **Up-coming trade shows**

##### **Hawa Expo 2026: Gateway to Viet Nam's Furniture Prowess**

The First and Central Destination of the March 2026 Fair Chain. Theme 2026: Sourcing Smarter. Source Viet Nam.

Where trust, opportunity and smart value meet under one roof. HawaExpo 2026 aims to bring together Viet Nam's top manufacturers known for design-led power, consistent quality, and long-term partnership models.

##### **VietWood/Viet NamWood**

VietWood Exhibition, also known as Viet NamWood, is an event that focuses on the wood processing and machinery industry, including tools and essential wood materials. Unlike HawaExpo which focuses on finished furniture products for export, Viet NamWood is the destination for technology and supply chain solutions.

Focus: Machinery, Woodworking Technology, Accessories. Location: Ho Chi Minh City.

##### **VIETBUILD International Exhibition**

Vietbuild is a construction-focused exhibition organised by the Vietbuild Construction International Exhibition Organization Corp. While it includes interior and exterior decoration, its primary focus is construction, real estate and building materials.

The event is held frequently throughout the year in major cities like Hanoi, Ho Chi Minh City, Da Nang, and Can Tho. It serves as a platform for domestic and international brands to introduce construction solutions.

See: <https://www.hawaexpo.com/biggest-furniture-trade-shows-in-Viet-Nam/>

## **Brazil**

#### **Forest Sector, a cornerstone of Brazilian Agri-business**

The Ministry of Agriculture and Livestock (MAPA) has reported Brazilian agribusiness exports reached US\$169 billion in 2025 maintaining a strong performance despite an adverse macroeconomic environment marked by rising protectionism in international trade, high interest rates and logistical infrastructure constraints.

The forest sector accounted for US\$15 billion in exports in 2025, ranking the fifth most significant segment within agribusinesses. The sector encompasses 10.5 million hectares of planted forests and conserves 7 million hectares of native natural forests. Expansion has occurred primarily on previously anthropised and in many cases, degraded lands currently estimated at around 100 million hectares nationwide.

Based on a forest mosaic model, which integrates planted forests with native vegetation remnants, the sector promotes ecological connectivity, ecosystem services maintenance and biodiversity protection.

Approximately 1.8 million trees are planted daily and their growth cycle enhances carbon capture and storage, strengthening the sector's contribution to the climate agenda and the transition to a low-carbon economy.

The performance of the agribusiness sector reflects sustained investments in research, innovation and human capital, enabling a highly productive and globally competitive tropical forestry model. The forest sector has consolidated its role as a strategic component of Brazilian agribusiness, combining value generation, export diversification, degraded land restoration and environmental conservation.

See: <https://iba.org/comunicacao/o-agronegocio-e-um-horizonte-de-brasil/>

### **Expand planted forests and attract investment**

The Government of the State of Goiás has structured a Forest Sector Development Plan as a strategic instrument of the State's Forest Policy focusing on expanding planted forests, strengthening wood-based value chains and attracting industrial investments.

The initiative is led by the State Secretariat of Agriculture, Livestock and Supply (Seapa), in partnership with the Brazilian Micro and Small Business Support Service (Sebrae), the Agriculture and Livestock Federation of Goiás (Faeg), the Federation of Industries of the State of Goiás (Fieg) and with support from the Brazilian Tree Industry (Ibá).

The objective is to integrate public policies, technical planning and institutional coordination, thereby enhancing regulatory predictability and the competitiveness of the forest-based sector.

In production terms, the State of Goiás has approximately 123,200 hectares of planted forests, which generated R\$782.6 million in 2024. Eucalyptus fuelwood production reached 3.2 million cubic metres (R\$389 million) in the same year. The availability of logs destined for the pulp and paper industry also expanded significantly, with revenue reaching R\$ 211.3 million in 2024.

Forestry activities in Goiás State also include the production of natural rubber latex and charcoal, consolidating a diversified production base. With the implementation of the Plan the State aims to expand supply capacity, add value to industrial value chains and strengthen its competitive positioning considering growing demand, the availability of suitable land and the region's favorable soil and climate conditions.

See: <https://www.maisfloresta.com.br/plano-estadual-fortalece-silvicultura-e-amplia-base-de-florestas-plantadas-em-goias/>

### **Export update**

In January 2026, Brazilian exports of wood-based products (except pulp and paper) decreased 17% in value compared to January 2025, from US\$265.4 million to US\$220.5 million.

Pine sawnwood exports increased 20% in value between January 2025 (US\$49.6 million) and January 2026 (US\$59.4 million). In volume, exports increased 29% over the same period, from 210,700 cu.m to 271,100 cu.m.

Tropical sawnwood exports increased 2% in volume, from 27,700 cu.m in January 2025 to 28,200 cu.m in January 2026. In value, exports increased 15% from US\$11.0 million to US\$12.6 million over the same period.

Pine plywood exports decreased 34% in value in January 2026 compared to January 2025, from US\$62.0 million to US\$40.8 million. In volume, exports decreased 29% over the same period, from 195,600 cu.m to 138,800 cu.m.

Tropical plywood exports increased 22% in volume, from 1,800 cu.m in January 2025 to 2,200 cu.m in January 2026. In value, exports increased 40% from US\$1.0 million to US\$1.4 million over the same period.

As for wooden furniture, exports decreased 20% in value, from US\$34.8 million in January 2025 to US\$27.7 million in January 2026.

### **Brazil and India strengthen bilateral relations**

The Brazilian Furniture Industry Association (ABIMÓVEL) took part a mission to India from 18-21 February 2026, positioning the Brazilian furniture sector within the strategy to strengthen bilateral relations and reshape international trade under the BRICS framework.

As part of the delegation coordinated by the Brazilian Trade and Investment Promotion Agency (ApexBrasil), the Association highlighted the forest-based industry as a driver of value addition, innovation and sustainability.

At the "Brazil/India Business Forum 2026," organised in partnership with the Ministry of Development, Industry, Trade and Services (MDIC) and the Ministry of Foreign Affairs (MRE), priority themes included energy transition, critical minerals and industrial transformation.

From a forest sector perspective the mission underscored opportunities to expand products derived from sustainably managed planted forests, particularly furniture. Rapid urbanisation and the expanding consumer market in India are generating demand for products that combine design, technical performance and regulatory compliance, requirements in which Brazil's forest-based industry has established competitiveness. Although bilateral trade reached US\$15.2 billion in 2025 this figure remains below its potential.

In this context, coordination between government and the private sector is essential to translate institutional alignment into contracts, investments and strategic projects, positioning the forest-furniture value chain as a platform for market diversification and integration into global value chains.

See: <https://abimovel.com/missao-presidencial-abimovel-integra-agenda-brasil-india-e-reforca-papel-da-industria-moveleira-nas-relacoes-bilaterais/>

### Mercosur/EU Agreement - opportunities for Brazil's timber sector

The Agreement between Mercosur and the European Union is viewed by the forest sector as an opportunity to strengthen control and traceability of the origin of Brazilian timber. The Agreement includes environmental targets, such as a 50% reduction in deforestation in the short term and seeks to align productivity with traceability to curb the commercialisation of wood associated with illegal practices.

According to Minas Gerais Forest Industry Association (AMIF) one of the main challenges lies in methodological differences between Brazil and the European Union regarding the definition of deforestation. Although Brazil has a rigorous environmental legal framework, there are cases of legally authorised forest and scrub clearing under national legislation that may be interpreted by the EU as deforestation.

Amid potential shifts in the international market the timber sector is closely monitoring China, an important destination for Brazilian exports. The industry is focusing on market diversification and on the growing role of wood as a strategic input for the bio-economy. According to the Food and Agriculture Organization (FAO) global wood consumption is expected to double by 2050, strengthening the sector's relevance over the medium and long term.

See: <https://www.maisfloresta.com.br/acordo-mercosul-ue-pode-aumentar-o-controle-da-origem-da-madeira-brasileira/>

### 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/list\\_52/618.html](https://www.itto-ggsc.org/list_52/618.html)

### Domestic log prices

Brazilian logs, mill yard, domestic	US\$9per cu.m
Ipê	430↑
Jatoba	194↑
Massaranduba	177↑
Muiracatiara	171↑
Angelim Vermelho	180↑
Mixed redwood and white woods	137↑

Prices do not include taxes. Source STCP Data Bank

### Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	1,976↑
Jatoba	998↑
Massaranduba	876↑
Muiracatiara	941↑
Angelim Vermelho	852↑
Mixed red and white	569↑
Eucalyptus (AD)	327↑
Pine (AD)	316↑
Pine (KD)	

Prices do not include taxes. Source: STCP Data Bank

### Domestic plywood prices

Parica ex-mill	US\$ per cu.m
4mm WBP	598↑
10mm WBP	460↑
15mm WBP	410↑
4mm MR.	572↑
10mm MR.	423↑
15mm MR.	367↑

Prices do not include taxes. Source: STCP Data Bank

### Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDPparticleboard	276↑
15mm MDFibreboard	298↑

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	2,776
Jatoba	1,250
Massaranduba	1,193
Muiracatiara	1,283
Pine (KD)	208

Prices do not include taxes. Source: STCP Data Bank

### Plywood export prices

Pine plywood	US\$ per cu.m
9mm C/CC (WBP)	289
12mm C/CC (WBP)	267
15mm C/CC (WBP)	253
18mm C/CC (WBP)	245

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	4,500
Jatoba	1,825

Prices do not include taxes. Source: STCP Data Bank

## Peru

### Co-financing to modernise small Peruvian mills

The National Forest and Wildlife Service (Serfor) has launched a new call for proposals under the Forestry Incentives Programme (PIF Plantations) which offers non-reimbursable financial incentives to improve small primary wood processing plants.

This is a co-financing scheme where beneficiaries contribute between 10% and 20% of the total amount while Serfor, through its Sustainable Productive Forests Programme (BPS) will finance up to US\$90,000.

The objective of the Programme is to bridge the gap between the plantation and the market, strengthening the sawing, grading and drying capacity for timber from commercial forest plantations. This will generate greater added value, local employment and competitiveness in the forestry sector.

The grants may cover investments in infrastructure, as well as specialised technical services, including verification of the legal origin of raw materials, security, maintenance and other services related to installation, rental and business plan management.

See: <https://www.gob.pe/institucion/serfor/noticias/1356300-serfor-brinda-cofinanciamiento-de-hasta-s-300-mil-para-modernizar-pequenas-plantas-de-transformacion-de-madera>

### Strengthened forest management for indigenous communities

With the goal of empowering Indigenous communities as key players in the sustainable management of their communal forests the Supervisory Agency for Forest Resources and Wildlife (OSINFOR) strengthened the capacities of 343 Indigenous Communities during 2025.

Through workshops, technical assistance and training events OSINFOR reached 332 native communities and 11 peasant communities that hold forestry permits, an enabling title that supports the legal, responsible and sustainable use of forest resources in their communal forests.

Training sessions were held in Ucayali, San Martín, Pasco, Madre de Dios, Loreto, Junín, Cajamarca, Amazonas and Lima allowing for an intervention with a territorial and intercultural approach adapted to the realities and needs of each area.

See: <https://www.gob.pe/institucion/osinfor/noticias/1334110-mas-de-300-comunidades-indigenas-fortalecieron-la-gestion-forestal-de-sus-bosques-en-el-2025>

### Export prices for added value products

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1,418-1,477
Cumaru KD, S4S Swedish market	1,080 -1,156
Asian market	1,189 -1,271
Cumaru decking, AD, S4S E4S, EU market	2,389-2,488
Ipe decking EU market	4,133- 4,466
US	4,299-4,355
Pumaquiro KD Gr. 1, C&B, Mexican market	869-933
Quinilla KD, S4S 2x10x62cm, Asian market	591-627
2x13x75cm, Asian market	774-831

### Export veneer prices

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

### Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	912-968
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	590-609
Grade 2, Mexican market	555-572
Cumaru 4" thick, 6"-11" length KD	
Central American market	1,139-1,198
Asian market	1232-1,281
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	1,188-1,210▲
Dominican Republic	1,144-1,189▲
Marupa 1", 6-11 length KD Grade 1 Asian market	586-602

### 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	294-312
Spanish Cedar	338-349
Marupa (simarouba)	222-245

### Domestic plywood prices (excl. taxes)

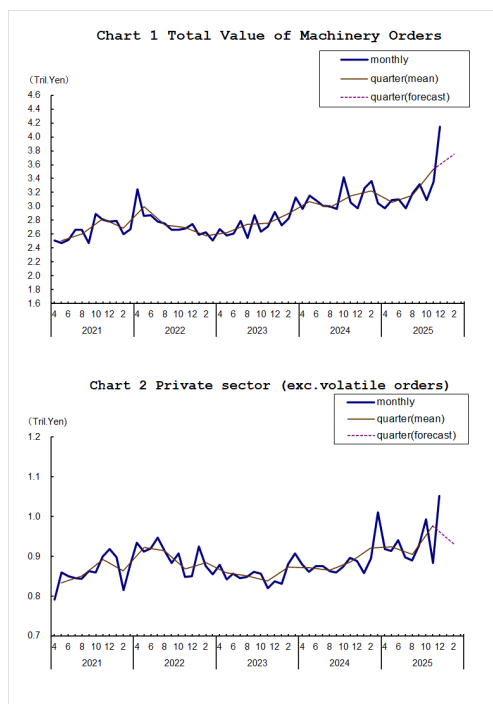
Iquitos mills	US\$ per cu.m
122 x 244 x 4mm	512
122 x 244 x 6mm	519
122 x 244 x 8mm	522
122 x 244 x 12mm	528
Pucallpa mills	
122 x 244 x 4mm	503
122 x 244 x 6mm	511
122 x 244 x 8mm	516
122 x 244 x 8mm	521

**Machinery orders on the rise**

Data providing an indication of business activity has been made available by the Cabinet Office. The latest report says the total value of machinery orders received by 280 surveyed manufacturers operating in Japan increased by 24% in December from the previous month. In the October-December period orders increased by 12% compared with the previous quarter.

Private-sector machinery orders, excluding volatile ones for ships and those from electric power companies, increased by 19% in December. In the January-March period the total amount of machinery orders is forecast to increase by 6% and private-sector orders, excluding volatile ones, were forecast to decrease by 5% from the previous quarter.

See: <https://www.esri.cao.go.jp/en/stat/juchu/2025/2512juchu-e.html>



Source: Cabinet Office, Japan

**Prioritising domestic investment**

Japan’s Prime Minister has sought to reassure markets after her spending plans unsettled investors. She argued that the government will adopt a “responsible and proactive” fiscal policy that balances capital investment and fiscal restraint. When campaigning for the recent general election the PM pledged to suspend the 8% consumption tax on food for two years without issuing deficit bonds.

The Prime Minister has pledged to prioritise domestic investment. Despite the weak yen, "the movement of companies to invest in Japan again is still slow due to doubts about growth potential," said Daiju Aoki, Chief Japan Economist for UBS SuMi Trust Wealth Management.

Low interest rates are a prerequisite for managing the economy but the current interest rate hike cycle threatens to undermine that. "Small companies with a high reliance on debt are more susceptible to the impact of interest rate hikes," said Naoki Hattori, Senior Japan Economist at Mizuho Research & Technologies.

See: <https://asia.nikkei.com/economy/japanese-companies-reluctant-to-invest-at-home-despite-weak-yen2>

**Efforts to reassure investors and stabilise the yen/dollar exchange rate**

During a recent meeting with the media the Prime Minister sought to explain what she called a “responsible and proactive” fiscal policy that balances capital investment and fiscal restraint hoping this would reassure investors and stabilise the yen /dollar exchange rate. Despite this statement Japanese government bond (JGB) yields rose to record highs as investors feared the government may sell more debt to fund the expansionary programme.

With prices and wages rising the Bank of Japan (BoJ) is working to normalise monetary policy but an increase in interest rates will add to household problems.

**Will wage increases be large enough to lift real wages**

Rising prices are putting increasing pressure on household finances and the Labour Unions have demanded substantial worker pay increases at the spring wage negotiations. Large corporations are expected to present their responses to the Union requests in mid-March. The focus will be on whether the firms will raise wages at a scale that would lead to real wage growth amid the country’s persistent inflation. Real wages in Japan must rise after remaining in negative territory for all of 2025.

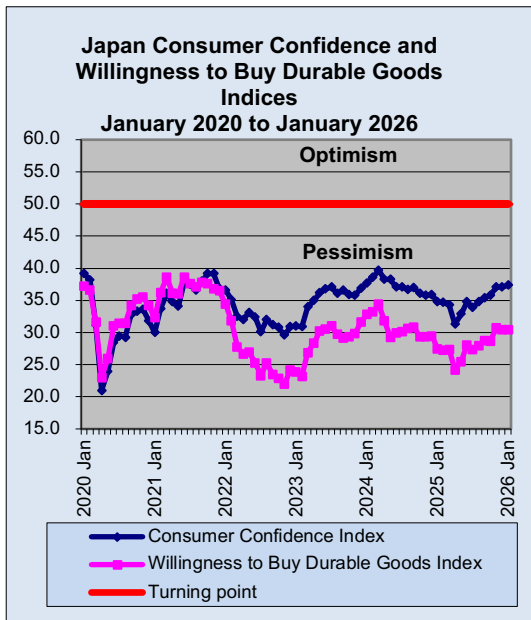
In January, the consumer price index, excluding fresh food, rose by just 2% year on year, its lowest level since January 2024 according to government data. That rate of increase is in line with the Bank of Japan's target for price stability.

Government measures against high prices appear to be working. Gasoline prices were brought down significantly by a reduction in taxes on the fuel, and eliminating tuition for public high schools has also contributed to the drop.

Last month, the government also began subsidising electricity and gas bills These measures may have put real wages, which declined every month last year, within sight of positive growth.

Real wages, adjusted for inflation, decreased by 1.3% in 2025 compared to the previous year, according to the Ministry of Health, Labor and Welfare. Real wages were down year on year for every month in 2025, never once entering positive territory.

See: <https://asia.nikkei.com/economy/japan-s-real-wages-poised-to-grow-after-a-year-of-decline> and <https://www.nippon.com/en/japan-data/h02698/>

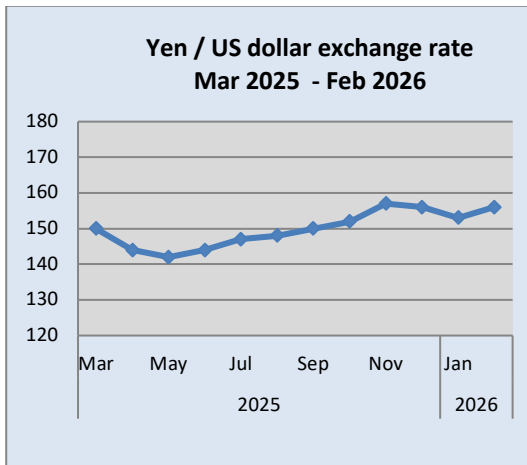


Data source: Cabinet Office, Japan

**Yen exchange rate impacts households**

In February the yen/dollar exchange rate hit a 53-year low, falling to a third of its 1995 peak. This has a major impact on household purchasing power.

According to the Bank for International Settlements the Japanese currency's real effective exchange rate as of January 2026 was 67.73, the lowest level since the country's transition to a floating exchange rate in 1973. The yen's real effective exchange rate peaked in April 1995 at 193.95 and has since fallen to roughly a third of that level.



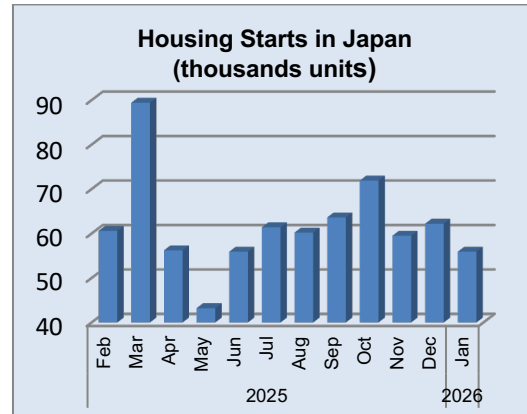
Data source: WSJ

**Japanese house builders expanding presence in the US**

Why are Japanese builders expanding their presence in the US market through acquisitions? The main reasons are demographic and structural. Japan's domestic population is shrinking and aging, limiting long-term housing growth and risking a sharp downturn in business for Japanese homebuilding firms.

The United States, by contrast, continues to experience population growth and household formation particularly in the Sun Belt. The Sun Belt is the region in the United States that stretches across the southern and southwestern portions of the country from Florida to California. Major U.S cities within the Sun Belt include Atlanta, Dallas, Houston, Las Vegas, Los Angeles, Miami, New Orleans, Orlando, and Phoenix.

It is here that many big US homebuilders operate. For Japanese firms seeking stable, long-duration growth, US homebuilding offers scale and growth prospects.



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

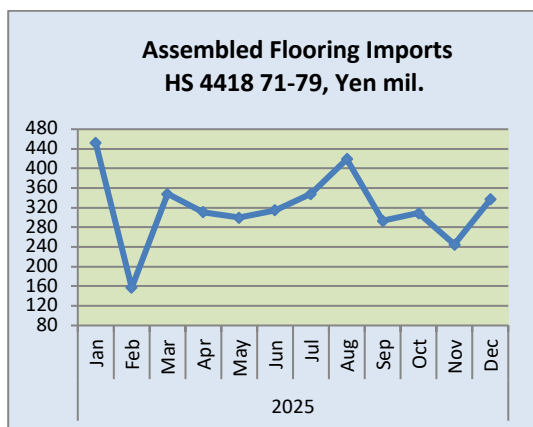
**Import update**

**Assembled wooden flooring - Import update**

In 2025 Japan imported almost 20% more assembled flooring panels (HS441871-79) than in 2024. As anticipated there was an uptick in the value of imports in December. Year on year the value of December 2025 imports rose around 20% compared to the level in November.

Of the various categories of assembled flooring imports in November, 75% was of HS4418-75 (62% in November) with China, France, Malaysia and Vietnam being the top shippers. The December value of shipments from France and Malaysia were much higher than in the previous month and this drove up the overall value of HS4412-75 arrivals.

All imports of HS4418-73 originated in China and accounted for 14% of December arrivals, down slightly from a month earlier. For the other categories HS4418-79 accounted for 10% in December (24% in November) followed by HS4418-74.



Data source: Ministry of Finance, Japan

### Assembled flooring imports

	2025 Dec 000s Yen
<b>HS441873</b>	
China	46,757
Total	46,757
<b>HS441874</b>	
China	315
Viet Nam	3,890
Total	4,205
<b>HS441875</b>	
China	118,291
Viet Nam	28,377
Thailand	9,941
Malaysia	33,991
France	58,261
Italy	4,623
Total	253,484
<b>HS441879</b>	
China	17,563
Indonesia	5,717
Denmark	7,364
Italy	2,571
Total	33,215

Data source: Ministry of Finance, Japan

### Plywood imports

The volume of plywood imports in 2025 was just 6,000 cu.m more than in 2024. Indonesia and Malaysia continue as the top suppliers of plywood to Japan but the volume of imports from both countries has fallen significantly as Japan's overall imports of plywood have been scaled back.

In December, the combined volume of shipments from Malaysia and Indonesia accounted for 74% of Japan's plywood imports (73% in November). The other top shippers being Viet Nam and China. December arrivals from Indonesia were up 14% month on month, up 15% from Malaysia, up 27% from China and up 39% from Viet Nam.

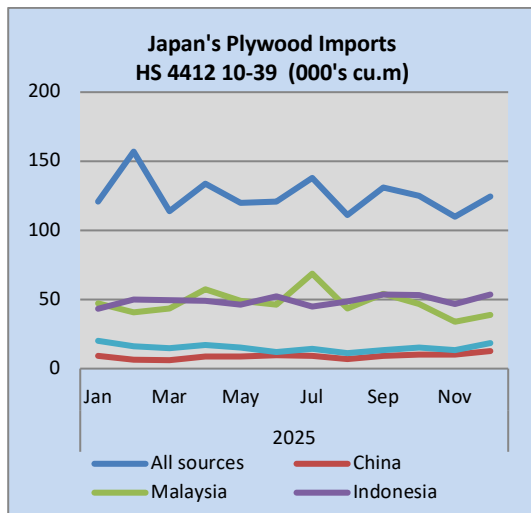
### Main sources of Japan's plywood imports (000's cu.m)

		China	Malaysia	Indonesia	Viet Nam
2022	Jan	15.9	78.6	73.9	16.8
	Feb	14.7	61.0	56.8	11.4
	Mar	13.7	71.0	76.9	8.8
	Apr	25.0	79.3	72.0	13.1
	May	32.2	67.6	68.2	12.9
	Jun	37.5	61.4	52.4	18.4
	Jul	27.7	70.6	67.8	15.2
	Aug	19.0	63.0	70.8	18.5
	Sep	16.5	58.4	60.4	16.2
	Oct	13.4	39.2	65.5	17.1
	Nov	13.1	45.1	50.1	15.9
	Dec	13.9	49.2	47.1	21.6
2023	Jan	13.7	40.3	49.2	19.4
	Feb	7.8	44.9	40.6	12.9
	Mar	14.9	29.8	45.3	14.3
	Apr	13.8	28.7	46.3	14.6
	May	14.0	47.7	34.2	12.6
	Jun	10.7	36.9	37.2	12.7
	Jul	10.6	38.8	43.1	12.9
	Aug	10.6	49.6	38.1	15.7
	Sep	12.3	63.4	52.4	12.0
	Oct	10.5	46.1	50.3	17.2
	Nov	11.9	63.6	53.0	16.8
	Dec	12.1	43.5	54.0	17.7
2024	Jan	13.3	50.2	52.3	20.5
	Feb	11.5	45.4	55.3	17.1
	Mar	9.4	50.1	48.8	12.2
	Apr	13.2	43.2	49.0	17.0
	May	8.4	48.3	36.5	14.3
	Jun	10.1	51.0	46.1	13.7
	Jul	12.1	49.8	49.7	15.8
	Aug	9.3	56.8	47.9	14.7
	Sep	8.1	54.5	54.2	13.1
	Oct	10.3	40.9	54.0	16.4
	Nov	9.1	51.5	48.2	16.1
	Dec	8.1	46.0	45.6	19.2
2025	Jan	9.2	47.2	43.3	20.1
	Feb	11.5	45.4	55.3	17.1
	Mar	6.1	43.3	49.4	14.8
	Apr	8.7	57.6	49.0	17.0
	May	8.6	49.1	46.3	15.1
	Jun	9.8	46.2	52.3	11.8
	Jul	9.2	68.7	44.7	14.4
	Aug	7.2	43.4	48.7	11.2
	Sep	9.0	54.2	53.6	13.6
	Oct	10.0	46.6	53.1	15.3
	Nov	9.99	33.9	46.9	13.4
	Dec	12.7	39.0	53.6	18.7

Data source: Ministry of Finance, Japan

In December 2025 arrivals of HS441210-39 were reported at 124,460cu.m (109,850cu.m in November).

As in previous months, of the various categories of plywood imported in December 2025, HS441231 accounted for most (85%) followed by HS441233 and HS441234 at 6% each with the balance being HS441239 and HS441210. .



Data source: Ministry of Finance, Japan

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

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

**Plywood**

Domestic softwood structural plywood has been experiencing sluggish movement. The distribution channel, in particular, has seen sluggish movement at dealers and local builders, partly due to delays in building-permit reviews since last year.

For softwood structural plywood (12 mm, 3x6 panel), the central market price in the Tokyo metropolitan area is ¥1,060–1,070 per sheet (delivered to wholesalers), with even lower prices beginning to emerge.

The downward pressure on plywood prices appears to be eroding profitability for plywood manufacturers. A major plywood manufacturer in eastern Japan has announced that it will raise prices starting with March shipments.

Imported tropical plywood has also been seeing weak movement, including coated formwork panels. Importers are facing negative margins on coated formwork plywood due to the weak yen, and although they aim to raise domestic prices, progress has been slow because the market remains stagnant.

Domestic prices for imported tropical plywood are as follows: coated formwork plywood (12 mm, 3x6) is ¥1,840–1,900 per sheet (delivered to wholesalers); standard formwork plywood is around ¥1,600; and structural plywood is likewise around ¥1,600.

Indonesian general-purpose plywood is trading at roughly ¥780 for 2.5 mm thickness, ¥930 for 4 mm, and ¥1,100 for 5.5 mm. Producer prices show the following trends. For Malaysian plywood, coated formwork panels (12 mm, 3x6) are at US\$600–610 per cubic meter (C&F), standard formwork panels at US\$ 500–510, and structural plywood at US\$510–520.

While unchanged from the previous month, the market carries a slightly weaker undertone. Indonesian general-purpose plywood is trading at around US\$ 970 for 2.4 mm (3x6), US\$880 for 3.7 mm, and US\$850 for 5.2 mm.

**Domestic logs and lumber**

Domestic wood products are moving mainly in direct-to-site demand, with activity centered on small sized lumber materials. As January progressed, overall market activity began to calm, yet a number of sawmills remained busy as buyers shifted away from imported lumber.

Cedar post and beam lumber has grown noticeably tight in the spot market, with prices firming to ¥55,000–58,000 per cbm (market delivery). Demand for cedar studs is strong, but an increase in lower-grade material is holding A-grade prices down, prompting mills to seek modest price hikes.

Cypress sill plates, meanwhile, continue to see weak movement, with prices slightly softening around the ¥75,000 level. Domestic log prices have passed their peak, and a softer tone has spread, but in regions where prices fell early, signs of bottoming out and a modest rebound are emerging.

Cedar log prices are flat compared with the previous month: medium-diameter logs in Akita are at ¥16,500 per cbm (log market delivery), while pillar-grade logs in Kyushu are ¥16,000 and medium-diameter logs ¥14,500. In Tochigi, pillar-grade logs, which fell last month, have now stabilized at ¥15,500.

For cypress logs, pillar-grade logs in the Chugoku region, which fell last month, have leveled off at ¥23,000 per cbm (log market delivery), while sill-grade logs have rebounded by ¥1,000 to ¥21,000.

In Kyushu, pillar-grade logs are down ¥500 to ¥20,000, but sill-grade logs, which declined last month, are now steady at ¥21,000. In Tochigi, sill-grade log

**Plan for dedicated birch plywood plant revealed**

Marutama Plywood Co., Ltd. plans to decide around September this year whether to proceed with building a dedicated birch plywood factory (its third plywood factory). By using birch and other hardwood from Hokkaido for the face and back veneers of flooring base panels, the product can serve as an alternative material to tropical hardwood plywood. The birch plywood production line attached to the second plywood plant will mark one year of operation in November 2025, and floor manufacturing at the Maizuru plant in Kyoto has become more stable.

The company will continue improving the precision of its birch plywood and, after determining whether demand will increase, make a final decision on whether to launch the factory construction project.

**Formulating wood procurement guidelines**

Nomura Real Estate Holdings has formulated the “Nomura Real Estate Wood Procurement Guidelines.” It applies to timber and wood products procured within the group’s supply chain.

It aims to achieve 100% use of sustainably sourced timber and 100% traceability to the place of origin by fiscal 2030. It will also assess risks of deforestation, land-use conversion, and human rights issues in the supply chain, and work to reduce these risks in stages through measures such as the use of certification schemes.

The guidelines were prepared under the supervision of WWF Japan and set out goals based on environmental conservation expertise and global sustainability trends

**Tackling business barriers and global housing shortages - supporting overseas expansion by Japanese companies**

Japan’s Ministry of Land, Infrastructure, Transport and Tourism has launched the Council for International Expansion of Housing and Building Industries (J-HAB) to act as a central platform supporting the overseas expansion of Japanese housing and construction companies.

The initiative aims to leverage Japan’s strengths—durable wooden construction technologies, high seismic and energy-efficiency performance, and highly productive industrialized housing—to help address global housing shortages while opening new business opportunities for Japanese firms.

J-HAB will analyze the specific challenges and needs companies face in each target region, develop action plans, and coordinate strategies to support international business development. Its membership includes the ministry (as secretariat), the Japan Housing Finance Agency, the Urban Renaissance Agency, and major industry associations.

The council also seeks to strengthen Japan’s housing industry, contribute to economic growth, and enhance Japan’s international presence through expanded overseas engagement. Initial target markets are the United States, Australia, Indonesia, and India, with the possibility of adding more countries as the initiative evolves.

Activities will begin in fiscal 2025, focusing on information sharing, networking, and identifying barriers to overseas expansion. From fiscal 2026 onward, J-HAB will implement action plans that link these identified challenges with practical solutions.

**Toward a new basic plan for forests and forestry**

Japan will revise the Basic Plan for Forests and Forestry for the first time in about five years. The plan, last approved in 2021, guides national forest and forestry policy.

The new version will emphasize mechanisms that promote shared value and mutual prosperity across the wood supply chain, aiming to strengthen the cyclical use of forest resources.

While the current plan focuses on “Green Growth” and achieving carbon neutrality by 2050 through sustainable forest management and development of the forestry and wood industries, the revised plan places greater weight on transparency around sustainability and cost structures. It seeks to build cooperative relationships among forest owners, log producers, distributors, and processors by sharing the value of wood as a renewable resource.

For the first time, the plan will also address the price structure of wood, highlighting that current price levels do not cover reforestation costs for forest owners - an issue directly contributing to stalled reforestation efforts.

**China**

**Rise in plywood exports**

China has exported plywood to more than 200 countries and destinations but the market share of the top 10 markets for China’s plywood exports in 2025 accounted for 50% of the national total.

According to the data from China Customs, plywood exports totalled 13.578 million cubic metres valued at US\$5.17 billion in 2025, up 2% in volume but down 2% in value year on year.

Most of the destinations for China's plywood exports have seen significant growth. Plywood exports to UAE, Saudi Arabia, Nigeria, Mexico, Australia and Malaysia rose 26%, 21%, 41%, 39%, 22% and 14% on 2024 levels. This market diversification was the main reasons for the rise in the plywood export volumes in 2025.

**China’s plywood exports, main countries in 2025 (vol.)**

Destination	000'cu.m	YoY % change
Total	13,578	2%
Philippines	998	-1%
UAE	937	26%
UK	759	-3%
Saudi Arabia	750	21%
Nigeria	666	41%
Mexico	612	39%
Australia	601	22%
Vietnam	567	1%
Japan	480	-6%
Malaysia	411	14%

Data source: China Customs

The average CIF price for plywood exports fell 4% to US\$381 per cubic metre in 2025 from US\$397 per cubic metre in 2024 as exporters cut costs and margins.

In contrast, China's plywood export volumes to the Philippines, UK and Japan in 2025 fell year on year, 1%, 3% and 6% respectively.

**China's plywood exports, main countries in 2025 (val.)**

Destination	mil. US\$	YoY % change
Total	5,170	-2%
Philippines	332	-5%
UAE	281	18%
UK	302	-6%
Saudi Arabia	231	19%
Nigeria	205	40%
Mexico	204	24%
Australia	387	13%
Vietnam	202	2%
Japan	223	-6%
Malaysia	229	44%

Data source: China Customs

**Decline in plywood imports**

Data from China Customs shows plywood imports in 2025 totalled 334,000 cubic metres valued at US\$198 million, down 58% in volume and 11% in value over 2024.

Russia was the largest supplier of China's plywood imports in 2025 but plywood imports from Russia fell 62% to 286,000 cubic metres, accounting for 86% of the national total.

As the import of birch (the raw material for plywood) from Russia increased, the import of plywood from Russia decreased significantly.

It is worth noting that the imports of plywood from Chile and Cambodia increased in 2025. China's plywood imports from Japan and Italy also rose 25% and 18% respectively in 2025.

In contrast, China's plywood imports from Indonesia, Malaysia, Vietnam and Romania in 2025 fell 22%, 17%, 34% and 20% year on year.

**China's plywood imports, main suppliers in 2025 (vol.)**

Supplier	000'cu.m	YoY % change
Total	334	-58%
Russia	286	-62%
Indonesia	15	-22%
Japan	7.1	25%
Malaysia	5.5	-17%
Chile	4.5	plus
Cambodia	3.3	plus plus
Vietnam	2.3	-34%
Romania	2.2	-20%
Italy	2.2	18%

Data source: China Customs

**China's plywood imports, main suppliers in 2025 (val.)**

Supplier	mil. US\$	YoY % change
Total	198	-11%
Russia	154	-12%
Indonesia	6.2	-27%
Japan	3.7	17%
Malaysia	4.8	-17%
Chile	0.7	257%
Cambodia	3.4	pus plus
Vietnam	0.9	-7%
Romania	2.1	-26%
Italy	7.7	-12%

Data source: China Customs

**Sharp rise in particleboard exports**

According to China Customs, particleboard exports in 2025 totalled 945,000 tonnes valued at US\$378 million, up 79% in volume and 28% in value on 2024 level. China's particleboard exports to Taiwan P.o.C alone fell 6% but exports to other top destinations rose. In 2025 South Korea became the main destination for China's particleboard exports surging over 600% year on year.

The main reasons for the large growth in China's particleboard exports to South Korea were because on 5 December 2025 South Korea imposed an anti-dumping duty of up to 15.18% on particleboard originating in Thailand. This move directly increased the import costs of Thai products.

Previously, Thailand was one of China's main competitors in the South Korean particleboard market. The implementation of the anti-dumping duty caused Korean importers to shift to other competitive sources especially China. This trade policy change was the direct trigger for the significant increase in China's exports to South Korea in 2025.

Other reasons for the increase:

China's capacity expansion and significant cost advantage. The capacity of China's particleboard industry has expanded in recent years. By 2024, the annual production capacity had reached 641 million cubic metres, an increase of 22% compared to 2023. Against the backdrop of intensified competition in the domestic market, enterprises are actively exploring overseas markets.

China, with its large-scale production, complete industrial chain and relatively low manufacturing cost could supply the South Korean market at competitive prices especially for standard particleboard and oriented particleboard. Since its implementation in 2022 the Regional Comprehensive Economic Partnership Agreement (RCEP) has continuously reduced tariff barriers between China and South Korea. Under the RCEP framework, exports of Chinese particleboard to South Korea enjoys favorable tariff treatment reducing trade costs and enhancing the price competitiveness of the products in the South Korean market.

Particleboard quality exported from China has been continuously improved especially with regard to environmental performance (such as ENF grade formaldehyde-free boards) meeting the growing demand in South Korea for 'green and healthy' building materials. At the same time, technological advancements in surface processing and dimensional accuracy by Chinese enterprises have made the products more in line with the high standards required by South Korean custom furniture and prefabricated building enterprises.

In summary, the sudden increase in China's particleboard exports to South Korea was the result of a combination of factors including trade policy changes (Thailand anti-dumping duties), China's production capacity and cost advantages, the recovery of demand in South Korea, the benefits of the RCEP Agreement and product quality upgradings in China

China has also exported particleboard to Asia, Africa and Latin America and recently demand in these regions has increased.

**China's particleboard exports main destinations in 2025 (vol.)**

Destination	000' tonne	% change
Total	945	79%
South Korea	194	1325%
Taiwan PoC	117	-6%
Vietnam	83	183%
Mongolia	64	24%
Chile	61	77%
Peru	57	190%
Nigeria	50	10%
Saudi Arabia	33	42%
UAE	33	26%
Malaysia	23	61%

Data source: China Customs

**China's particleboard exports main destinations in 2025 (val.)**

Destination	mil. US\$	Yoy % change
Total	378	28%
South Korea	40	643%
Taiwan P.o.C	39	-9%
Vietnam	30	23%
Mongolia	21	2%
Chile	19	61%
Peru	18	164%
Nigeria	15	13%
Saudi Arabia	14	30%
UAE	13	12%
Malaysia	15	28%

Data source: China Customs

**Reduction in particleboard imports**

China Customs has reported particleboard imports totalled 595,000 tonnes valued at US\$293 million in 2025, a decline of 22% in volume and 16% in value year on year.

Nearly 70% of China's particleboard in 2025 was imported from four countries, Brazil, Thailand, Romania and Poland.

Brazil was the largest supplier of China's particleboard imports in 2025. China's particleboard imports from Brazil fell 7% and this was the main reason why particleboard imports did not increase in 2025.

China's particleboard imports from Italy alone rose among the top suppliers in 2025. It has been reported that China-Europe freight train has become a strong bond for China-Europe trade cooperation, which has provided convenient transportation for Italy.

**China's particleboard imports, top suppliers in 2025 (vol.)**

Supplier	000' tonne	YoY % change
Total	595	-22%
Brazil	133	-7%
Thailand	116	-49%
Romania	72	-2%
Poland	71	-13%
Germany	47	-5%
Italy	31	38%
Malaysia	28	-6%
Austria	22	-21%
Vietnam	22	-10%
Belarus	22	-36%
Russia	15	-45%

Data source: China Customs

**China's particleboard imports, top suppliers in 2025 (val.)**

Supplier	mil. US\$	YoY % change
Total	293	-16%
Brazil	50	-6%
Thailand	26	-52%
Romania	48	-8%
Poland	55	-11%
Germany	29	-1%
Italy	26	30%
Malaysia	8	-6%
Austria	21	-20%
Vietnam	7	-13%
Belarus	8	-38%
Russia	6	-39%

Data source: China Customs

**Global Timber Index (GTI) report for January 2026**

In 2025, impacted by cyclical adjustments in the real estate market, China's cumulative imports of logs and sawnwood fell to around 55.45 million cubic metres, down 12% year-on-year, marking a notable decline in volume.

Throughout 2025, total sales in China's building materials and home furnishings market amounted to around

1,441.15 billion yuan, a decrease of 3% from the previous year.

According to the Industry Research Department of the China Building Materials Circulation Association, demand for renovation of existing homes has become a key factor supporting the resilience of the building materials and home furnishings market and structural opportunities in “well-developed cities plus quality housing” will continue to exist, guiding demand for building materials and home furnishings toward core cities and improvement-oriented segments.

In January 2026, the GTI-China index registered 45.0%, a decrease of 4.9 percentage points from the previous month and below the critical value (50%) for the fourth consecutive month indicating that the business prosperity of the timber enterprises represented by the GTI-China index shrank from the previous month.

As for the twelve sub-indexes, two indices (purchase quantity and purchase price) were above the 50% critical value, while the remaining ten indices were all below the critical value. Compared to the previous month, the indices for inventory of finished products, purchase price, inventory of raw materials and market expectation increased by 0.5-11.9 percentage point(s); the index for employees was unchanged from the previous month and the indices for production, new orders, export orders, existing orders, purchase quantity, import and delivery time declined by 0.8-12.2 percentage point(s).

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**Price trends**

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

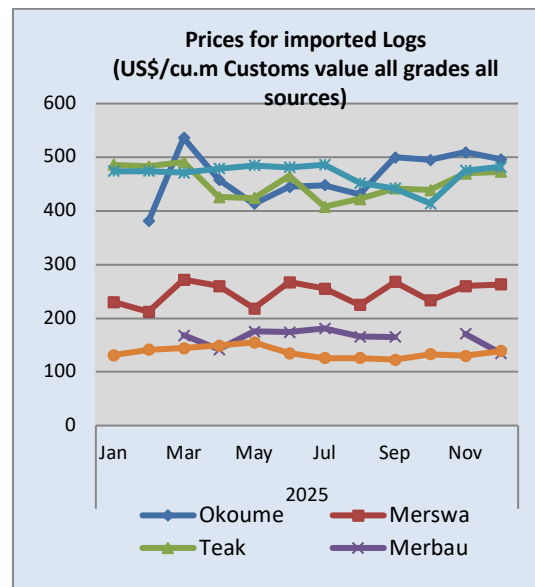
	2025 Nov	2025 Dec
Okoume	509	496
Merswa	260	263
Teak	470	473
Merbau	171	135
Birch	475	475
Oak	139	130

Data source: Customs, China

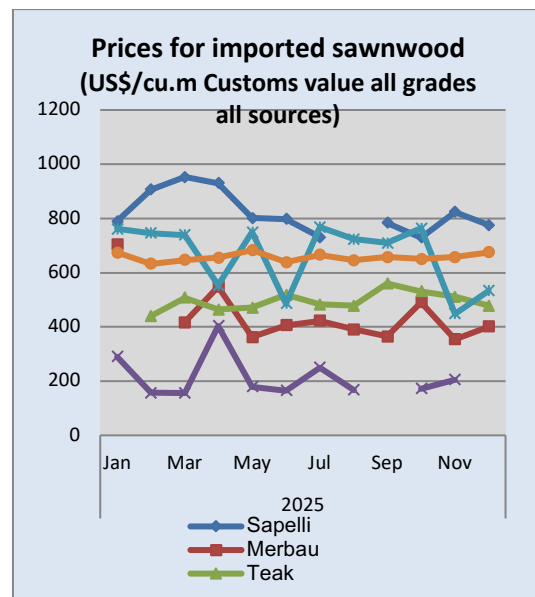
**Average CIF prices, sawnwood, US\$/cu.m**

	2025 Nov	2025 Dec
Sapelli	824	776
Merbau	3554	401
Teak	511	478
Lauan	205	
African mahogany	448	533
Oak	657	675

Data source: Customs, China



Data source: Customs, China



Data source: Customs, China

**EU**

**EU tropical wood product imports increased in 2025 but remained at historically low levels**

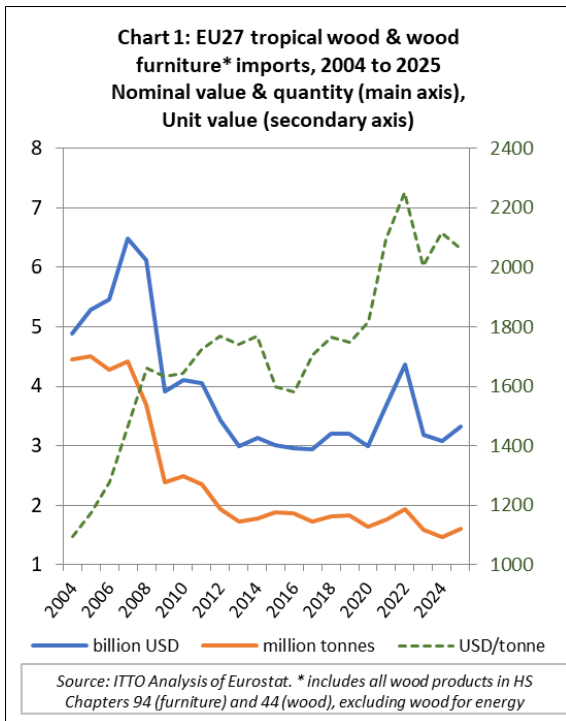
The EU imported 1,608,800 tonnes of tropical wood and wood furniture in 2025, 10% more than in 2024. Import value was up 7% to US\$3.32 billion in 2025 (Chart 1).

Although a positive trend, the reality is that the gains last year only just raised EU import quantity above the all-time low recorded in 2024, while the 7% increase in the nominal dollar value of imports is less impressive when set against EU annual inflation of 2.4% in 2025 and 2.7% the previous year.

Taking account of inflation, the real value of imports last year was significantly less than during the static trading years between 2012 and 2019.

It is also very uncertain whether the gains will be sustained into 2026 as they may be more indicative of efforts to build stocks in advance of EUDR enforcement, which was due to start on 30 December 2025 only for the EU to agree another 12 month delay on 18 December.

There was a significant surge in imports in the weeks immediately before that announcement, much of it focused on plywood and wood furniture from Vietnam. The EU's decision to impose anti-dumping duties on hardwood plywood from China in the second half of last year was another factor driving increased imports of plywood from tropical countries, again most notably from Vietnam, in the second half of 2025.



Nominal unit prices (not adjusted for inflation) for tropical wood and wood furniture imported into the EU decreased from US\$2116 per tonne in 2024 to US\$2026 in 2025. As such they now sit in the middle of the range between the peak of the post-COVID boom in 2022 and the bust in 2023.

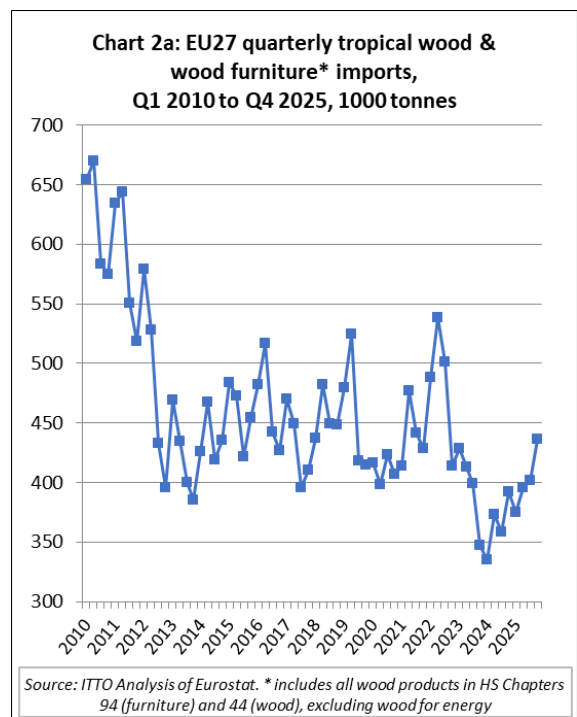
Average unit prices of tropical wood product imports into the EU are now much higher than before the COVID pandemic when they never exceeded US\$1800 per tonne. This was partly owing to inflation and partly to a structural shift in the tropical wood product groups imported into the EU with a higher proportion now comprising higher value finished furniture and joinery products rather than sawnwood, mouldings and logs.

The increase in EU imports of higher value tropical composite wood products has been one of the few bright spots for the tropical wood industry in the EU market in recent years. It remains to be seen if this shift will be maintained when EUDR is eventually implemented, now scheduled for 30 December 2026.

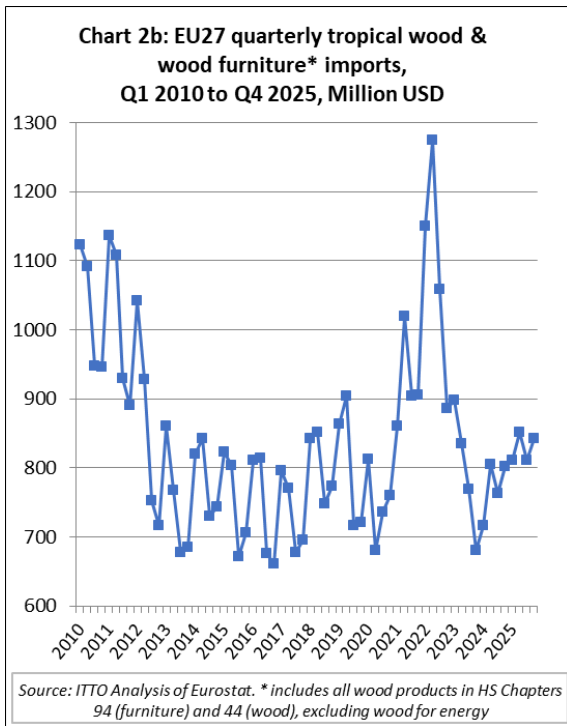
The geolocation requirements of EUDR are particularly challenging for more complex products such as furniture for which wood is necessarily aggregated from a wide variety of different sources, including secondary processed waste streams. Many wood furniture manufacturing companies in Southeast Asia are SMEs and often dependent on wood supplies from smallholders, complicating supply chains even further. They will likely need significant technical and marketing support to ensure their conformance to EUDR.

**Rise in EU tropical wood imports in last quarter boosts 2025 figures**

EU import quantity of tropical wood and wood furniture in the fourth quarter of 2025 was 436,600 tonnes, 9% more than the previous quarter and 11% more than the same quarter the previous year. The surge in trade at the end of last year took import tonnage during the fourth quarter of 2025 to close the long-term quarterly average of around 450,000 tonnes since 2013 (Chart 2a).



EU import value of tropical wood and wood furniture in the fourth quarter of 2025 was US\$843 million, 4% more than the previous quarter and 5% more than in the same quarter in 2024. In nominal US\$ value terms (i.e. not accounting for inflation), import value during the last quarter of 2025 was well above the pre-pandemic 2013-2019 quarterly average of around US\$750 million (Chart 1b).



**EU forecast of continued slow economic growth**

In the fourth quarter of 2025, seasonally adjusted GDP increased by 0.3% in both the euro area and the EU, compared with the previous quarter, according to a preliminary flash estimate published by Eurostat, the statistical office of the European Union. In the third quarter of 2025, GDP had increased by 0.3% in the euro area and by 0.4% in the EU. Eurostat preliminary estimate for the whole of 2025, based on quarterly seasonally and calendar adjusted data, is that GDP increased by 1.5% in the euro area and by 1.6% in the EU.

Economic performance varied widely between member states. Among those for which data are available for the fourth quarter of 2025, Lithuania (+1.7%) recorded the highest increase compared to the previous quarter, followed by Spain and Portugal (both +0.8%). Growth in other large EU economies was slow in the second half of last year: Germany posted 0.3% in the last quarter of 2025 after 0% growth the previous quarter; growth in France was 0.2% in the last quarter after 0.6% the previous quarter; in Italy, growth was 0.3% in Q4 after 0.2% in Q3. However, Ireland (-0.6%) was the only Member State that recorded a decrease in the last quarter of 2025 compared to the previous quarter. The year-on-year growth rate was positive for 14 countries and stable for one country.

According to KPMG’s latest European Economic Outlook published in February, economic growth across Europe is expected to remain modest over the next two years, with euro area GDP forecast to grow by 1.1% in 2026 and 1.5% in 2027. The KPMG forecast for 2026 is lower than the EC estimate of 1.4% issued in November. KPMG expect domestic demand to be the main driver of growth as Europe navigates a more uncertain global trading environment and continues to realign its trade relationships.

With external headwinds intensifying, Europe’s growth outlook increasingly depends on household consumption. While savings rates remain elevated and consumer confidence subdued, resilient labour markets and strong nominal wage growth are expected to support real disposable incomes and sustain modest consumption growth through 2026. However, a sharp acceleration in spending appears unlikely, with households expected to remain cautious amid lingering economic uncertainty. Consumer prudence could persist into the second half of 2026, with savings rates remaining elevated.

Although recent trade agreements with India and Mercosur are important strategic steps for the EU after many years of talks, they won’t have an immediate significant economic impact. The amount of trade between countries is still relatively small and it will take time for existing tariffs to be removed. As a result, any real boost to economic growth is likely to happen slowly and over a longer period.

See:  
<https://kpmg.com/uk/en/media/press-releases/2026/02/eurozone-gdp-forecast-to-grow.html>  
 and  
<https://ec.europa.eu/eurostat/web/products-euro-indicators/w/2-30012026-ap>

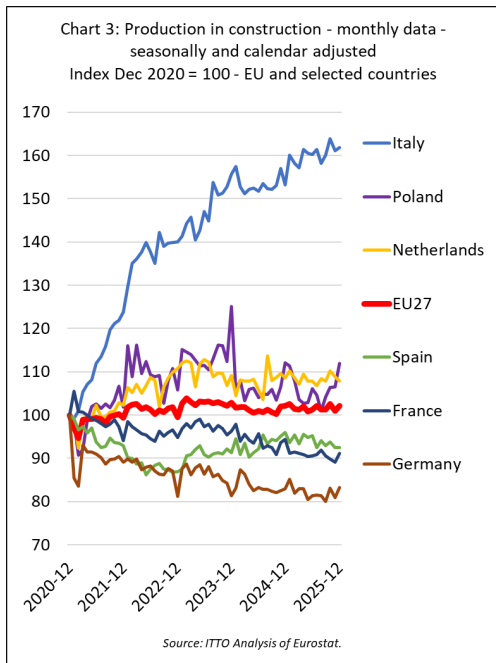
**Flat EU construction sector shows some signs of life**

Latest Eurostat data for EU construction production shows that region-wide activity has remained broadly flat over the last four years, although performance varied widely between EU countries and the latest signals suggest there may be some improvement ahead (Chart 3).

In the immediate post-COVID period, there was very strong growth in construction activity in Italy, driven by generous government incentives for renovation and energy efficiency upgrades, but the pace slowed in 2024 and 2025 as these were removed. It should be said that the growth in Italian construction activity after 2020 followed many years of very slow activity so there was much ground to make up. Italian construction activity is now growing more slowly but the core of the industry remains robust, particularly in infrastructure, industrial construction, and the fast-growing digital economy.

Construction sector activity in France and Germany was sliding throughout most of 2024 and 2025. This trend is widely expected to continue in France but there are more positive signs emerging in Germany. The confidence indicator for the construction sector in France remains low and is not improving. The issuance of housing permits improved slightly at the beginning of 2025 in France but has shown signs of decline since August.

According to ING, the Dutch financial services corporation, the German construction industry is projected to return to growth in 2026. German construction activity contracted by more than 10% between 2020 and 2025, but is expected to grow by 2.5% in 2026, driven by a gradual recovery in the new residential market and increased infrastructure investment.



Spain is also showing positive developments. The Spanish construction sector faced a significant decline between 2019 and 2022, losing more than 25% of its volume. However, the Spanish market has been recovering since 2023. ING forecast 2.5% growth in 2026. In recent years, the number of building permits issued in Spain has surged. Additionally, contractor confidence in Spain is strong, and the construction industry is benefiting from robust GDP growth.

The Netherlands has been one of the more buoyant European construction markets in recent years, but ING now expect Dutch building volumes to increase by just 0.5% in both 2025 and 2026. Housing construction is particularly weak. ING highlight several structural bottlenecks including a shortage of building land, lengthy and complex permitting requirements, objection procedures and grid congestion.

Source: <https://think.ing.com/articles/2026-outlook-growth-returns-to-the-european-construction-sector/>

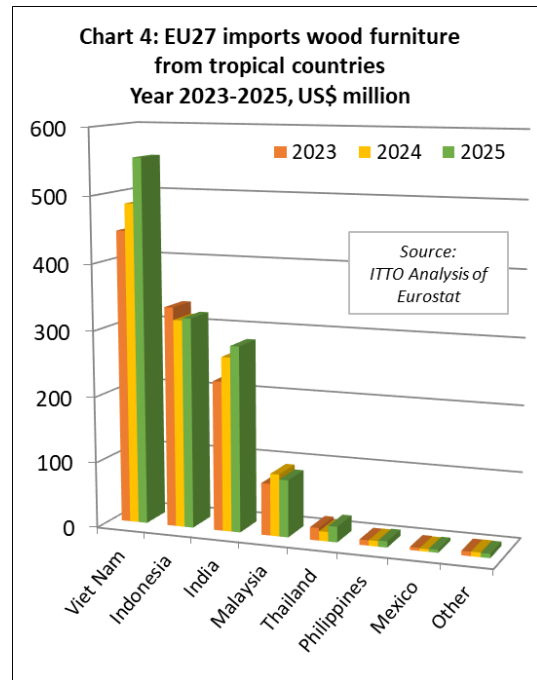
### Vietnam leads growth in EU tropical wood furniture imports in 2025

The EU imported 306,200 tonnes of wood furniture from tropical countries with a total value of US\$1286 million in 2025. Import quantity and value were up 7% and 8% respectively compared to 2024.

Last year, EU import value of wood furniture increased from the three largest supply countries: Vietnam (+14% to US\$554.2 million), Indonesia (+1% to US\$319.1 million), and India (+7% to US\$281.8 million).

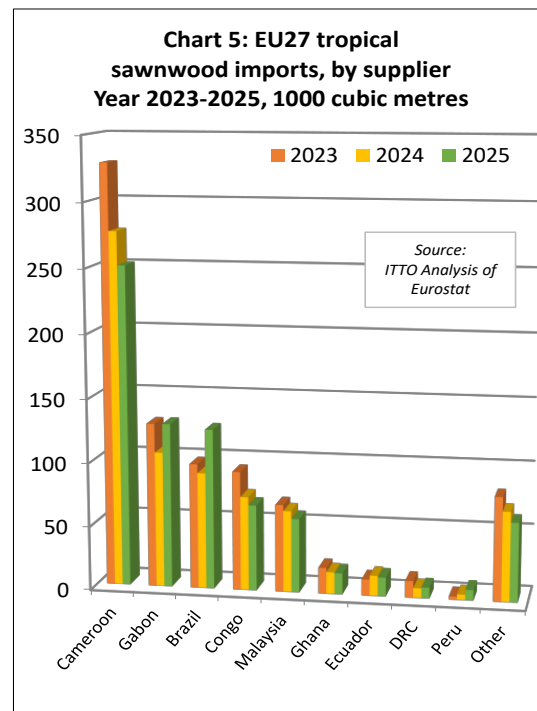
There were also large percentage gains in imports from several smaller suppliers including Thailand (+65% to US\$23.7 million), the Philippines (+12% to US\$9.3 million), and Mexico (+21% to US\$4.7 million).

However, imports from Malaysia decreased 8% to US\$86.7 million. EU wood furniture imports from all other tropical countries were negligible last year (Chart 4).



### EU imports of tropical sawnwood last year barely above 2024 record low

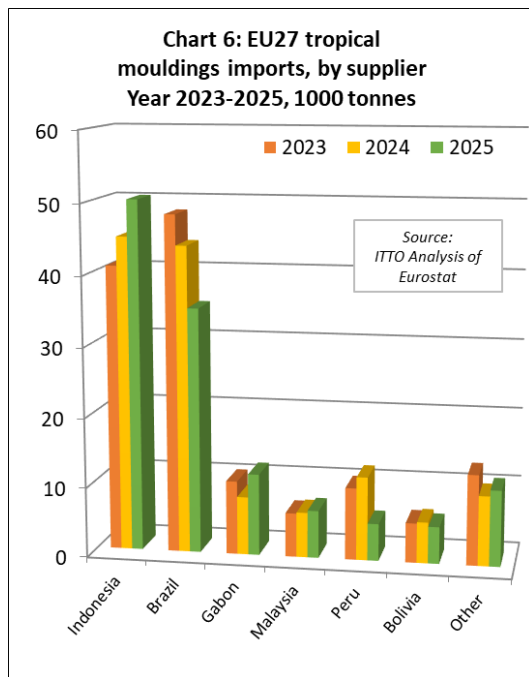
The EU imported 741,500 cu.m of tropical sawnwood with a total value of US\$679.6 million in 2025. Quantity was up 2% while value was unchanged compared to the record low recorded in 2024.



Tropical sawnwood imports were down in 2025 from Cameroon (-9% to 250,800 cu.m), the Republic of Congo (-9% to 67,500 cu.m), Malaysia (-9% to 58,200 cu.m), Ghana (-3% to 16,700 cu.m), Ecuador (-17% to 10,400 cu.m), and Surinam (-25% to 5,400 cu.m).

However, these declines were offset by rising imports from Gabon (+21% to 128,900 cu.m), Brazil (+38% to 125,600 cu.m), the Democratic Republic of Congo (+11% to 8,500 cu.m), Peru (+91% to 8,300 cu.m), Indonesia (+10% to 6,900 cu.m), and the Central African Republic (+19% to 6,600 cu.m), (Chart 5).

The EU imported 125,200 tonnes of tropical mouldings/decking with a total value of US\$215 million in 2025, respectively 5% and 7% less than in the previous year. The decrease in imports was mainly due to a steep decline from Brazil (-20% to 35,100 tonnes), and Peru (-56% to 5,300 tonnes). Imports were also down 10% from Bolivia to 5,300 tonnes. However, imports increased from Indonesia (+12% to 50,200 tonnes), Gabon (+40% to 11,700 tonnes), and Malaysia (+5% to 6,800 tonnes) during the year (Chart 6).

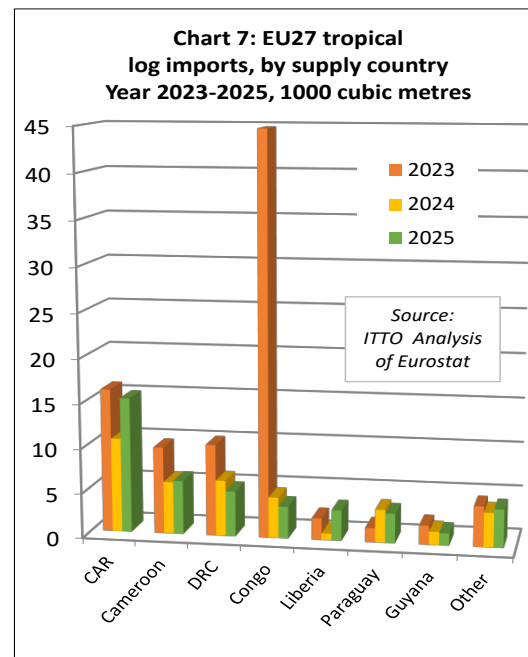


**Rising EU imports of tropical logs from CAR and Liberia in 2025**

The EU imported 42,200 cu.m of tropical logs with a total value of US\$24.7 million in 2025, respectively 14% and 12% more in 2024.

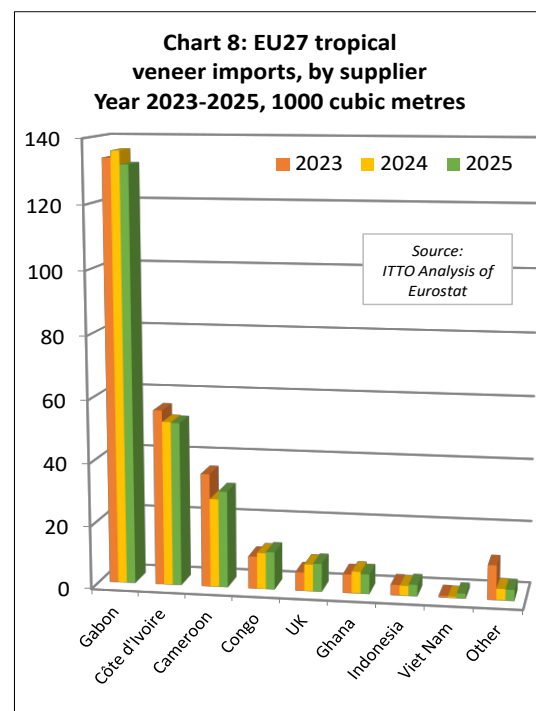
The rise in trade quantity was particularly driven by sharp percentage increases from the Central African Republic (+44% to 15,200 cu.m) and Liberia (+355% to 3,400 cu.m), concentrated in the second quarter of the year. Imports from Cameroon were also up 3% to 6,000 cu.m, gaining pace in the third quarter after a slow start to the year.

However, log imports declined from both the Democratic Republic of Congo (-19% to 5,100 cu.m) and the Republic of Congo (-21% to 3,600 cu.m) in 2025, responding to tighter controls on log exports. EU log imports also fell from Paraguay, by 10% to 3,300 cu.m, and from Guyana, by 8% to 1,400 cu.m during year (Chart 7).



**EU tropical veneer imports stable in 2025**

The EU imported 250,300 cu.m of tropical veneer with a total value of US\$181 million in 2025. Import quantity was the same as the previous year but value increased 6%.



EU imports of tropical veneer decreased during the year from Gabon (-3% to 131,800 cu.m), Côte d'Ivoire (-0.5% to 52,000 cu.m), and Ghana (-10% to 6,200 cu.m).

However, imports increased from Cameroon (+9% to 21,900 cu.m), the Republic of Congo (+4% to 12,000 cu.m), the UK (+4% to 8,900 cu.m), Indonesia (+15% to 3,600 cu.m), and Vietnam (+276% to 1,600 cu.m) (Chart 8 above).

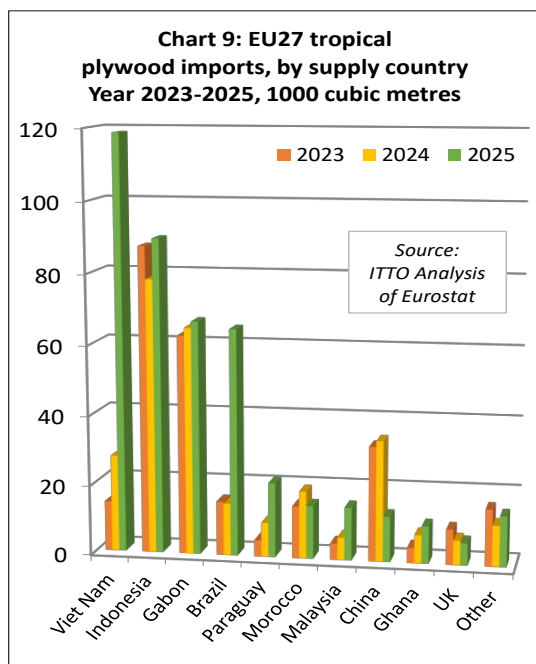
**EU plywood imports impacted by anti-dumping duties on Chinese products**

The EU imported 435,900 cu.m of tropical plywood with a total value of US\$272.3 million in 2025, up 54% and 32% respectively compared to the previous year. The imposition of EU anti-dumping duties on Chinese hardwood plywood in 2025, with a provisional rate of 62.4% imposed from 11 June followed by a definitive rate of 86.8% from 21 November, had a dramatic effect on EU plywood imports in 2025.

The policy contributed to a very rapid increase in hardwood plywood imports from several tropical countries. Imports increased particularly dramatically from Vietnam last year, by 328% to 118,600 cu.m, thereby overtaking Indonesia as the largest single supplier of tropical plywood to the EU.

Hardwood plywood imports also increased sharply last year from Brazil (+333% to 64,800 cu.m), Paraguay (+117% to 21,300 cu.m), and Malaysia (+135% to 15,200 cu.m).

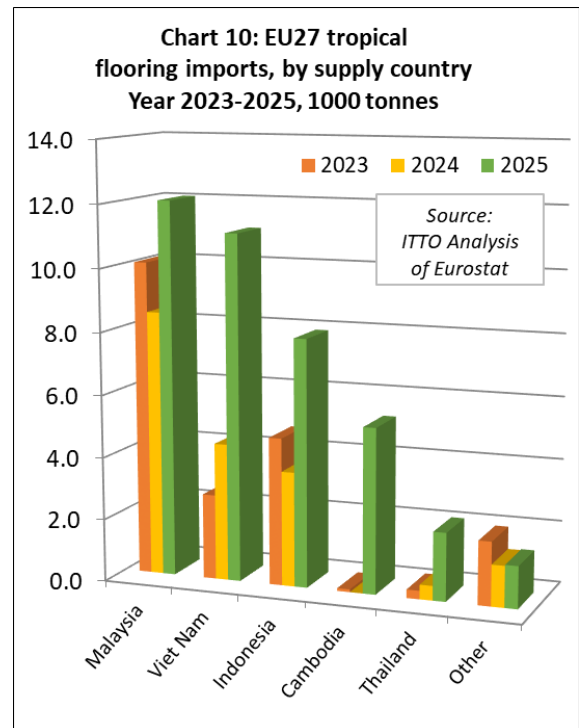
Imports increased at a slower rate from Indonesia (+15% to 89,600 cu.m), Gabon (+3% to 66,700 cu.m), and Ghana (+33% to 10,700 cu.m). These gains were only partly offset last year by declining imports of tropical hardwood plywood from China (-62% to 13,000 cu.m), Morocco (-21% to 15,200 cu.m), and the UK (-10% to 6,300 cu.m) (Chart 9).



**EU imports of tropical flooring up over 100% in 2025**

The EU imported 39,900 tonnes of tropical wood flooring with a total value of US\$112.5 million in 2025, up 117% and 132% respectively compared to the previous year. Imports increased by 42% from Malaysia to 12,100 tonnes.

Imports of 11,100 tonnes from Vietnam were 152% more than the previous year. EU imports of this commodity also increased sharply in percentage terms from Indonesia (+116% to 7,900 tonnes), and Thailand (+368% to 2,200 tonnes). The EU imported 5,300 tonnes of wood flooring from Cambodia in 2025, up from near zero in 2024 (Chart 10).

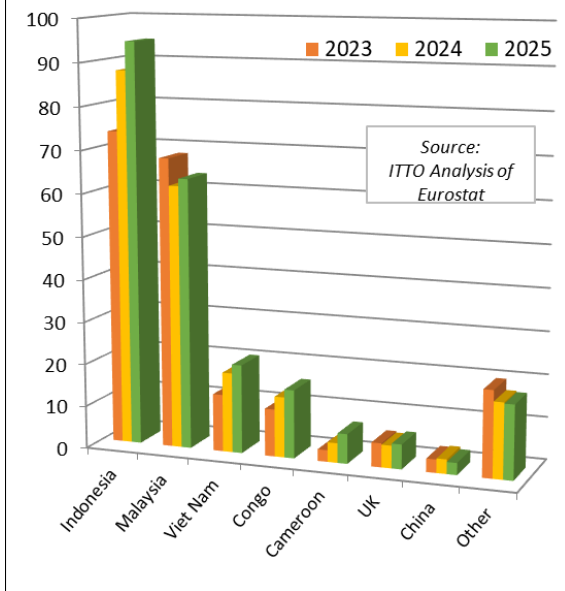


EU import value of other joinery products from tropical countries - mainly laminated window scantlings, kitchen tops and wood doors – was US\$227.9 million in 2025, 7% more than in 2024.

Import quantity increased 13% to 103,200 tonnes last year. Import value increased from Indonesia (+8% to US\$94.6 million), Malaysia (+3% to US\$63.5 million), Vietnam (+11% to US\$20.8 million), the Republic of Congo (+13% to US\$16.1 million), Cameroon (+51% to US\$7.0 million), and the UK (+10% to US\$5.8 million).

However, EU import value of joinery products made from tropical wood was down 17% to US\$2.8 million from China in 2025 (Chart 11).

**Chart 11: EU27 tropical joinery imports, by supply country  
Year 2023-2025, US\$ million**



## North America

### Supreme Court strikes down Trump tariffs

The US Supreme Court has struck down most of Donald Trump’s sweeping “reciprocal” tariffs, a ruling that deals a major blow to his signature economic policy and represents a stinging political setback.

In a 6-3 decision issued 20 February the justices ruled the President did not have the authority under a 1977 emergency economic powers law to impose a vast array of import levies on goods from nearly all of the nation’s trading partners. The decision is expected to reverberate widely, affecting global trade, consumers, companies and US inflation.

As part of its ruling striking down most of the President’s tariffs, the Supreme Court’s majority did not make clear whether the Trump administration will have to refund billions in tariffs already collected by the Federal government.

The federal government received nearly US\$134 billion in levies up to December last year and more than 1,000 firms have filed lawsuits seeking tariffs refunds. In response, Trump announced that he will impose a global 10% tariff under a statute that limits such a move to 150 days without congressional approval on the 22 February the rate was increased to 15%.

See: <https://www.whitehouse.gov/fact-sheets/2026/02/fact-sheet-president-donald-j-trump-imposes-a-temporary-import-duty-to-address-fundamental-international-payment-problems/>

### Woodworking industry sees negative impact from tariffs

Recent actions on tariffs are having largely negative effects on the woodworking industry, according to a new survey conducted by the Woodworking Network to its subscriber base for FDMC magazine and Closets & Organized Storage magazine.

Nearly 58% of respondents said tariffs are raising the cost and/or availability of supplies and equipment. That has led 50% to raise prices or curtail business. More than 37% said the tariffs “have cost us significant revenue and profits already.”

But not all responses were negative. About one quarter of respondents (25.3%) said the tariffs really aren’t affecting their businesses. And slightly more than 14% supported the tariffs, saying they are “potentially protecting my business from foreign competition.”

See:

<https://www.woodworkingnetwork.com/news/woodworking-industry-news/woodworking-industry-sees-negative-impact-tariffs>

### US housing starts rose in November, December

Housing starts rose in both November and December as some of the headwinds in the home-building sector subsided toward the end of 2025. Data from both months were released by the US Department of Commerce on 18 February 18 after reports were delayed by last year’s shutdown of the federal government.

Housing starts, a gauge of new residential construction, rose 6.2% in December to 1.404 million according to the report. That was above the 1.31 million starts expected by a consensus of economists polled by The Wall Street Journal. Starts were down 7.3% in December from the same month of 2024. For November, housing starts were up 3.9% to 1.322 million, from 1.272 million in October.

Regionally, December housing starts were up 37.4% in the West, 5.6% in the Northeast, and 2.3% in the Midwest. Housing starts fell by 2.8% in the South.

Optimism from the gains is tempered by a decline in permits for future construction which points to underlying weakness amid higher mortgage rates and material costs. Permits for future single-family homebuilding slipped 1.7% to a rate of 881,000 units in December. They rose to a pace of 896,000 units in November from a 878,000-unit rate in October.

In Canada, data for January is already available and the national housing agency says Canadian housing starts fell more than expected, dropping 15% from December.

The seasonally adjusted annualized rate of housing starts declined to 238,049 units from a revised 280,668 units in December, the Canada Mortgage and Housing Corporation (CMHC) said. Economists had expected starts to fall to 257,500.

See; <https://www.census.gov/construction/nrc/current/index.html> and <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/monthly-housing-starts-construction-data-tables> and <https://www.wsj.com/economy/housing/u-s-housing-starts-rose-in-november-december-4f05e69a>

### **Home sales decrease 8.4% in January amid foul weather**

The pace of existing home sales in the US slowed down dramatically in January as much of the nation experienced frigid temperatures and faced historic snowfall, according to data released by the National Association of Realtors (NAR). In January, the pace of existing home sales dropped to a seasonally adjusted annual rate of 3.91 million homes, down 8.4% month-over-month and 4.4% annually.

“The decrease in sales is disappointing. The below-normal temperatures and above-normal precipitation this January make it harder than usual to assess the underlying driver of the decrease and determine if this month’s numbers are an aberration,” Lawrence Yun, the NAR’s chief economist, said.

While she acknowledged the weather’s role in the January data, Lisa Sturtevant, the chief economist at Bright MLS, attributed some of the slowdown to a decrease in pending home sales in December.

“Many buyers stayed on the sidelines, waiting not just for lower rates but also rate stability,” Sturtevant said. “Therefore, the January closed sales numbers are really reflecting conditions buyers encountered during December.”

All regions saw sales decline. In the Northeast, there was 5.9% decrease in sales month over month to an annual rate of 480,000, down 4.0% year over year. The Midwest saw a 7.1% decrease in sales month over month to an annual rate of 920,000, down 7.1% year over year. In the South, there was a 9.0% decrease in sales month over month to an annual rate of 1.81 million, down 1.6% year over year. And in the West, sales decreased 10.3% month over month for an annual rate of 700,000, down 7.9% year over year.

See: <https://www.nar.realtor/newsroom/nar-existing-home-sales-report-shows-8-4-decrease-in-january>

### **Economic growth slowed sharply at end of 2025, dragging down the year**

The US economy cooled sharply at the end of 2025, with growth slowing to an annual rate of 1.4%, as tariffs and a long government shutdown sapped its earlier momentum.

Overall, the economy expanded by 2.2% last year, lower than the 2.8% growth the year before according to new data from the Bureau of Economic Analysis.

The latest gross domestic product report, which sums up the goods and services produced in the United States, reflects rising imports and a widening trade gap despite President Donald Trump’s effort to revive US manufacturing. Federal spending also fell sharply, in part, because of the longest government shutdown in history, which began in October and lasted 43 days.

Still, those subtractions were largely offset by steady spending by American households that have been paying more for housing, utilities, health care and other services. Notably, spending on big-ticket items like cars and appliances slowed last year, as new tariffs and sluggish wage growth chipped away at families’ finances.

See: <https://www.bea.gov/news/2026/gdp-advance-estimate-4th-quarter-and-year-2025>

### **January job gains beat expectations**

US job growth was stronger than expected to start 2026, providing some relief to concerns about the state of the US labor market.

Non-farm payrolls increased by 130,000 for January, above the Dow Jones consensus estimate for 55,000, according to seasonally adjusted figures from the Bureau of Labor Statistics. The total also was an improvement over December, which saw a gain of 48,000 after a slight downward revision.

The report, delayed nearly a week by the partial government shutdown that ended February 3, held consistent with a labor market in a low-growth mode, though with only scattered signs of increasing layoffs. January was the best month for payroll growth since December 2024, following a year in which job creation averaged just 15,000 a month.

It was a January job surge,” said Heather Long, chief economist at Navy Federal Credit Union. “The surprisingly strong job gains in January were driven mainly by health care and social assistance. That’s an encouraging sign to start the year, especially after the hiring recession in 2025.”

Construction saw a gain of 33,000 jobs in January following a year in which the sector saw little increase. Manufacturing was among several industries that saw little or no change over the month.

Along with the good January report came bad news about previous data. Annual revisions to the jobs count benchmarked against Census data showed that for the April 2024-March 2025 period, payrolls growth was 898,000 lower than initially stated.

Moreover, November's previous estimate fell by 15,000 and December was off 2,000. For the final six months of 2025, the economy lost a net 1,000 jobs.

See: <https://www.bls.gov/news.release/empsit.nr0.htm> and <https://www.businessinsider.com/jobs-report-january-data-live-updates-2026-2#january-marks-a-bright-spot-after-a-dour-year-for-job-seekers>

### **US consumer sentiment rose to six-month high in early February**

The University of Michigan Consumer Sentiment Index was revised down to 56.6 in February 2026 from a preliminary 57.3, little changed from January's 56.4. Still, it marked the highest reading since August 2025, following historically weak levels in recent months.

The third straight monthly improvement in sentiment reported by the University of Michigan's Survey of Consumers was mostly driven by consumers with the largest stock portfolio holdings, confirming a so-called K-shaped economy, where higher-income households are doing well but lower-income consumers are struggling.

"We may have seen the trough in consumer sentiment as positive fundamentals should support attitudes in 2026, as long as the recent stock market selloff doesn't continue," said Oren Klachkin, financial markets economist at Nationwide. "That said, we aren't optimistic for a sharp rebound in consumer sentiment."

All major components showed minimal movement, suggesting consumers see little change in economic conditions from the prior month. About 46% of respondents cited high prices as a strain on personal finances, with that share remaining above 40% for seven consecutive months.

Perceptions varied notably across groups: sentiment improved among large stockholders but declined among households without equities. Similarly, higher-income and college-educated consumers reported gains, while lower-income and less-educated respondents did not.

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

### **US manufacturing shows growth for the first time in a year**

US factory activity grew for the first time in 12 months in January as businesses placed new orders after the holiday season but the improvement was likely temporary with manufacturers still complaining about the uncertainty wrought by a fluid trade policy.

Respondents in the Institute for Supply Management survey were markedly more downbeat than optimistic. Some survey respondents noted the emergence of what they called an anti-American buyer sentiment while others said the Trump administration's policies had made it difficult to plan ahead.

President Donald Trump last month threatened additional tariffs on European allies for rebuffing his demands for the US to buy Greenland, before abruptly backing down. The US Supreme Court is due to rule on the legality of Trump's sweeping tariffs, adding another layer of uncertainty.

"Tariffs and further tariff threats are still freezing small businesses that cannot afford to risk betting on the president's tariff negotiation tactics paying off without the need to implement them," said Mark Streiber, economic analyst at FHN Financial. "Look for a decline in the index in February."

Despite the overall growth in manufacturing, both the Wood Products sector and the Furniture & Related Products sector were among the eight industries reporting contraction in January.

See: <https://www.ismworld.org/supply-management-news-and-reports/reports/ism-pmi-reports/pmi/december/>

### **Cabinet sales trend downward again**

Cabinet manufacturers reported overall cabinet sales fell 4.4% in December and were down 0.7% compared to the same month in 2024, according to the Kitchen Cabinet Manufacturers Association's December Trend of Business report.

The 51 responding companies in the survey reported overall sales of US\$159.4 million for December 2025. In the year on year comparison, December custom sales were up 7.1% at US\$46.8 million, semi-custom dropped 1.9% to US\$87.8 million, and stock sales fell 9.5%, to US\$24.8 million. Respondents reported cabinet quantity for the month fell 8.7% compared to December 2024 figures.

For the month-over-month sales comparison, survey respondents reported decreases in custom, semi-custom, and stock sales. Custom sales dropped 5.3%, semi-custom fell 3.2%, and stock sales decreased 6.6% in December versus November figures. Cabinet quantity dropped 3.1% from the previous month.

See: <https://kcma.org/insights/november-2025-trend-business-report>

### **North American wood product market predicted to remain flat in 2026**

North American demand for wood products will stabilise in 2026 supported by falling interest rates and renewed home improvement activity according to the market intelligence firm Fastmarkets.

"While downside risk to the outlook exists, Fastmarkets believes the significant losses from last year should pause again in 2026 as the wood products market transitions to a reacceleration phase later in the year that sets up solid growth in 2027," their 2026 North American lumber market outlook says.

The outlook predicts residential construction, which accounts for about 70-80% of wood products demand in North America, should see some modest, albeit unspectacular, improvements while home improvement activity, which has shown signs of reacceleration, should continue to gain momentum.

“Demand will vary by product, but we expect wood products consumption in the US to remain flat in 2026, with structural panel markets performing the strongest, while nonstructural panels will experience greater weakness as those products are still feeling the downshift in home completions and domestic furniture and cabinet production,” stated the Fastmarkets outlook.

The outlook also calls for softwood lumber capacity to decline by over 1.3 billion board feet (BBF) due to ongoing mill closures in British Columbia and the US South. In addition, market trends suggest that lumber duties may fall to 15%-20%, while reduced Brazilian panel imports and continued tariffs are likely to drive modest price increases across most wood product categories.

See: <https://www.fastmarkets.com/insights/five-predictions-for-the-2026-north-american-wood-products-market/>

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

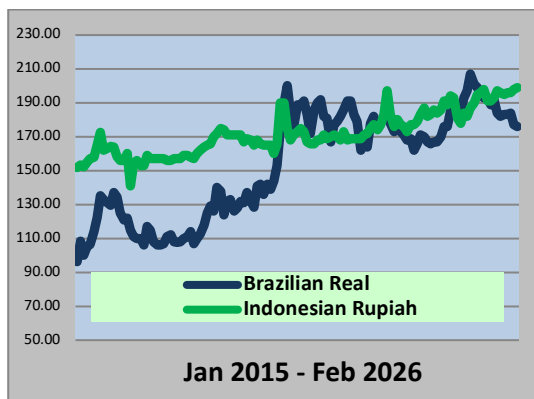
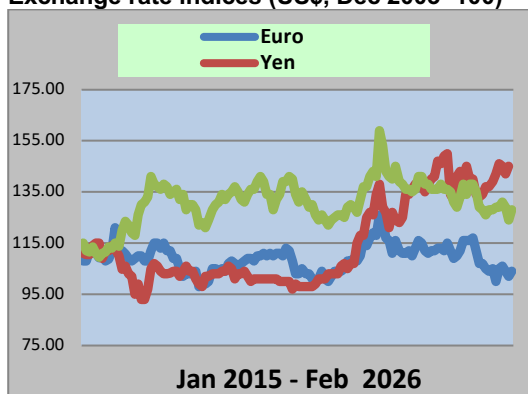
**The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO**

## US\$ Dollar Exchange Rates

As of 28th February 2026

Brazil	Real	5.20
CFA countries	CFA Franc	555.66
China	Yuan	6.85
Euro area	Euro	0.85
India	Rupee	90.09
Indonesia	Rupiah	16,802
Japan	Yen	156.06
Malaysia	Ringgit	3.89
Peru	Sol	3.34
UK	Pound	0.743
South Korea	Won	1,439.90

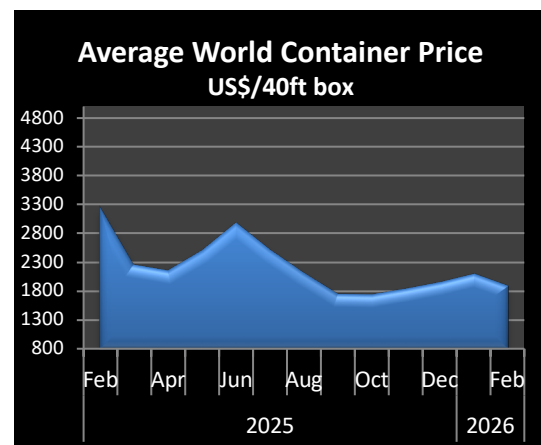
Exchange rate indices (US\$, Dec 2003=100)



## 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

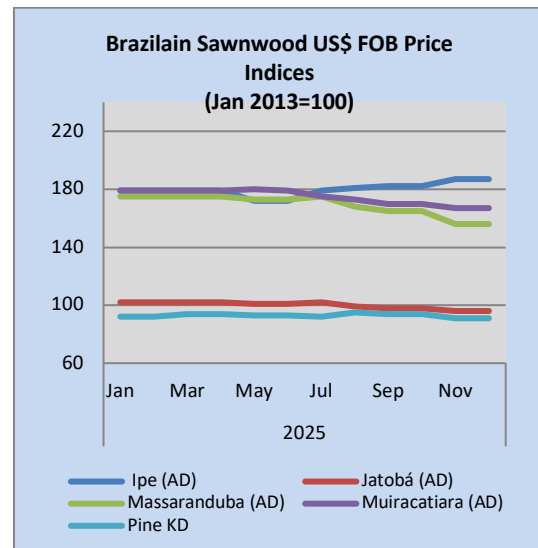
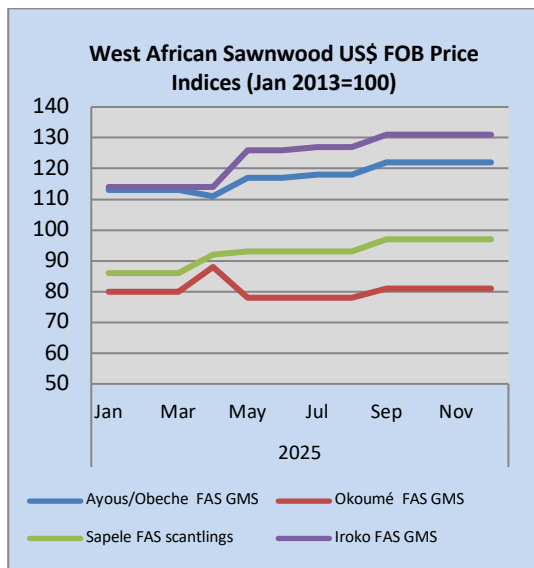
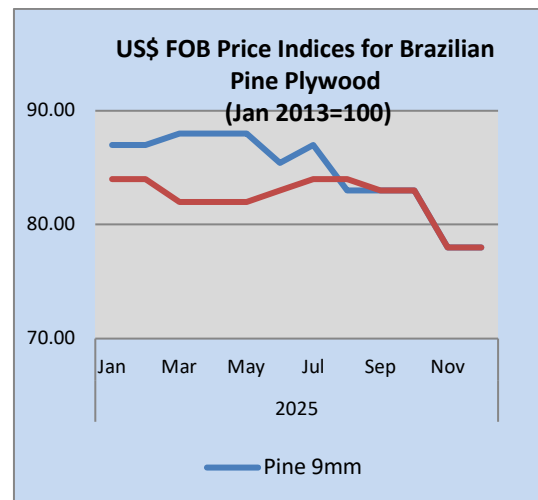
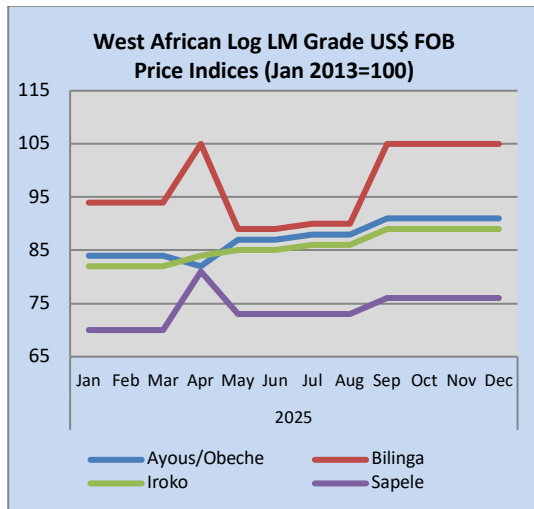


Data source: Drewry World Container Index

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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