

# Tropical Timber Market Report

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

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## Top story

### Japan, China's second largest log supplier

According to China Customs, China's log imports totalled 16.79 million cubic metres valued at US\$2.695 billion in the first half of 2025, down 11% in volume and 18% in value over the same period of 2024.

Log imports from Japan rose 29% to 897,000 cubic metres in the first half of 2025 lifting Japan to become the second largest log supplier.

The average price for imported softwood logs in the first half declined 6% to US\$123 (CIF) per cubic metre over the same period of 2024.

## Central and West Africa

### Regional update

#### Cameroon

Domestic politics is the main media focus as Cameroon heads to October elections. Enforcement of forestry regulations remains strict as efforts continue to encourage all operators to adapt to certification and meet EU due-diligence requirements but operators say there are times when addressing these issues causes some delays in despatching consignments to the EU.

Severe flooding in the north is another 'drag' on logistics and the local authorities have to deal with an inflow of migrants from Chad.

Adverse weather conditions, challenging logistics and slow international markets have resulted in operators having to adopt a 'wait and see' stance.

Importers have become very selective with Europe importers maintaining modest orders and markets in Asia showing limited activity. Harvesting remains focused on Okoume, Ayous, Sapele, Azobe and Tali.

It is reported that FoB prices for high grade sawnwood remains stable but that prices for some secondary species are seeing downward pressure due to weak demand. The good news is that domestic market is fairly resilient, supported by ongoing infrastructure and housing projects.

The European Parliament voted to end its Forest Law Enforcement Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) with Cameroon. (see page 24)

#### Gabon

Producers report market activity is quiet. The forestry administration is uncompromising in its checks on log diameters and length and on verification of land-tax and community social-tax payments. Production is reported as subdued overall though the Azobé market in the Netherlands and Belgian markets are said to be stable.

Road transport is gradually improving as rains ease and the temperature in and around Libreville has moderated.

Despite the improved weather timber operations remain slow due to slow international demand and persistent transport difficulties. Road conditions between the forest log yards and mills continue to be a major bottleneck. Harvesting activity is concentrated on Okoume, Azobe, Okan and Redwoods. The domestic market shows steady demand for Okoume and Bilinga for local housing projects.

#### Republic of Congo

Production in the Congo is also subdued, say operators. Veneer mills continue to work steadily and sawmills focused on red species for markets in the EU are operating but log supplies to mills in the north is sporadic due to heavy rains which affects trucking.

On the domestic front producers report stable demand for key species, especially in urban construction but export volumes remain below seasonal norms with European buyers hesitant to commit to large contracts. Prices are largely unchanged from early August with minor adjustments for select secondary hardwoods.

### Apologies

We apologise to the Rougier Group for inconvenience caused by incorrect information reported and commend its efforts to promote the availability of certified products that meet the highest environmental standards.

### Clarification from the Rougier Group

"Contrary to what was announced in the ITTO TTM Report Volume 29. No. 14, July 2025 the Rougier Group has not been acquired by a Chinese group but continues to expand its offering of 100% FSC certified wood products through its close collaboration with Star ply Group. This complementary expertise allows Rougier to offer and guarantee a wide range of Okoumé and Ozigo plywood that meets the strictest technical (CTBX, KOMO, etc.) and environmental (FSC) requirements. Since Rougier plywood are made from logs sourced from Rougier Gabon concessions which are 100% FSC certified they complement EUDR import standards thereby meeting the needs of customers demanding certified sustainable management and traceability".

### Log export prices

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

## Sawnwood export prices

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

## Ghana

### Ghana mourns victims of helicopter crash

ITTO is deeply saddened by news of the recent tragic helicopter crash that took the lives of two cabinet ministers and six others who were traveling to a newly, cabinet approved, cooperative mining initiative event with the sole objective to mine responsibly and safeguard the environment.

ITTO stands in mourning with the people of Ghana and extends its condolences to the bereaved families”.

See: <https://fcghana.org/fc-mourns-8-compatriots/>

### 2025 half-year exports lag 2024 volumes

According to data from the Timber Industry Development Division (TIDD) of the Forestry Commission, Ghana’s cumulative wood product exports for the first half year fell to 111,348 cu.m in 2025 from 133,126 cu.m in the same period in 2024, dropping 16% year-on-year amid double digits decline in almost all wood products shipped.

This decline in volume also translated to a 15% drop in the export value from Eur60.58 million in 2024, to Eur 51.63 million in 2025.

## Ghana's wood products export volumes

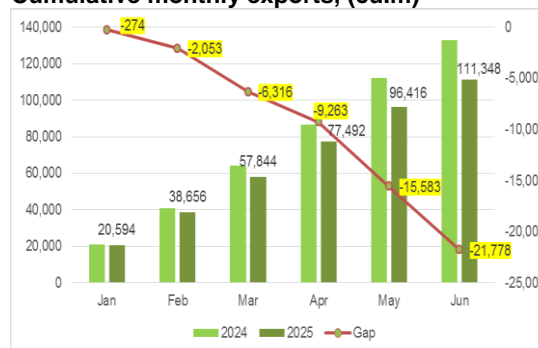
Product	2025 Vol.(cu.m)	Y-O-Y % Vol
AD sawnwood	65,088	-12%
KD sawnwood	15,696	-12%
Billet	11,256	-12%
Plywood (regional)	7,356	-18%
Plywood (International)	995	-86%
Rotary Veneer	3,719	-20%
Mouldings	2,654	-14%
Sliced Veneer	3,545	20%
Briquettes	360	-72%
Others (8)	679	-4%
<b>Total</b>	<b>111,348</b>	<b>-16%</b>

Data source: TIDD

Of the wood products shipped during the period, nine contributed 110,669 cu.m, representing 99% of the total export volume. Eight other wood products contributed 679 cu.m in 2025, against 705 cu.m in the first half of 2024.

Plywood and briquette exports dropped by 86% and 72% respectively. In contrast, sliced veneer shipments improved by 20% to 3,545 cu.m in 2025.

### Cumulative monthly exports, (cu.m)



Data source: TIDD

### Stakeholders agree to stumpage fees adjustment

After a March stakeholder meeting the Forestry Commission reviewed timber stumpage fees to be implemented mid-August 2025. This was in response to a petition by the Ghana Timber Millers’ Organisation (GTMO).

A stakeholder engagement brought together the Executive Management Team of the Forestry Commission, traditional authorities, representatives of the Office of the Administrator of Stool Lands (OASL) and timber industry executives.

At the event the President of the National House of Chiefs, Ogyeahohuo Yaw Gyebi II, highlighted the pressing need to address the financial challenges confronting the timber sector. He noted that the appreciation of the local currency against other major international currencies has led to a decline in export revenue while operational costs have remained high.

The Plantations Investment and Extension Manager of the Forest Services Division, Mr. Kwame Agyei, provided some technical insight into the fee adjustment proposed. He explained the progressive alignment of the fees with the implementation of 30% of the legally mandated fees in 2025 with plans to scale-up to 70% over two years. Participants unanimously agreed that the proposed adjustment was fair and conducive to the sustainable development of the timber industry.

In his remarks, the Acting Chief Executive of the Forestry Commission, Dr. Hugh Brown, reiterated the Commission's commitment to constructive dialogue. Professor Martin Oteng-Ababio, Chairman of the Forestry Commission Board also commended all parties for their constructive participation. He underscored the importance of timely interventions to sustain the industry and reaffirmed the Forestry Commission's full commitment to its growth.

See: <https://fcghana.org/fc-adjusts-stumpage-fees-to-support-timber-industry/>

### GSA has new mandate to regulate commercial shipping

The Ghana Shippers Authority (GSA) is soon to implement a new shipping regulation that will make conducting business at the port easier according to the Minister of Transport, Joseph Bukari Nikpe.

Addressing members of the new GSA board of directors the Minister said a draft legislative instrument has been developed in order to implement the new GSA Act 2024 (Act 1122) which was passed by parliament in July last year.

According to the Minister there is a growing concern about multiple state agencies involved in port procedures and processes which leads to high transaction cost at the ports. He explained that the new law will enable GSA to improve turnaround time at the ports.

In a related development, the GSA says it will crack down on shipping lines that flout the new Bank of Ghana guidelines on foreign exchange rates at the ports. The Chief Executive of GSA, Prof. Ransford Gyampo, said the authority aims to ensure fair pricing in the freight industry.

See: <https://thebftonline.com/2025/07/25/gsa-expects-total-control-with-new-shipping-regulation/> and <https://mot.gov.gh/10/16/1/251/minister-urges-new-shippers-authority-board-to-slash-port-costs-boost-24-hour-economy>

### Tariff on Ghana exports to the US

Ghana's exports to the United States now attract a 15% US import tariff. This will undermine the competitiveness of Ghana's exports in the US. The US accounts for close to 10% of Ghana's wood products exports. Exports to the US include kiln-dried sawnwood, rotary veneer and sliced veneer.

See: <https://www.myjoyonline.com/15-tariff-on-goods-entering-u-s-starts-today-august-7/>

### Boule export prices

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

### Rotary veneer export prices

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

### Sawnwood export prices

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

### Plywood export prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	465	580	641
6mm	450	535	604
9mm	409	504	560
12mm	350	489	480
15mm	395	356	430
18mm	460	415	383

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

### Sliced veneer export prices

Sliced face veneer	FOB Euro per cu.m
Asanfina	1,782↑
Avodire	2,688
Chenchen	772↓
Mahogany	1,048
Makore	1,527↑
Odum	1,333
Sapele	1,275↓

## Malaysia

### Private sector welcomes reduced US tariff

Malaysian industries have welcomed the reduced tariff imposed by the US to 19% down from 25%. The Federation of Malaysian Manufacturers (FMM) president, Soh Thian Lai, said the positive outcome reflects the result of constructive dialogue and engagement between the Malaysian and US governments.

Soh said that, while it is still early to assess the full extent of the impact of the tariff rate cut, the FMM anticipates that export-oriented industries may benefit from improved competitiveness.

Malaysian Furniture Council president, Desmond Ta, said the reduction from 25% to 19% is positive news for the industry as the United States remains Malaysia's number one export destination. The finalisation of an agreement on tariff rates will reduce uncertainty but exporters will still need to adapt to a higher-cost environment, he said.

See:

<https://www.thestar.com.my/news/nation/2025/08/02/malaysian-industries-can-breathe-easier-now>

### **Malaysia challenged EUDR 'Standard Risk' classification**

Recently, representatives from the Malaysian Timber Association (MTA) visited EU industry counterparts, policymakers and competent authorities. Malaysia is classified as "Standard Risk" under the European Union Deforestation Regulation (EUDR) which subjects Malaysian goods to a high level of checks, this was met with dismay by industry groups. The Malaysian Palm Oil Council said this overlooks the efforts taken by Malaysia to address deforestation risks in the oil palm sector.

Despite Malaysia's challenge to the classification of "Standard Risk" this is unlikely to be changed before the reassessment in 2026. The MTA has said it will keep engaging with EU stakeholders and the Malaysian government to ensure products is accepted in the EU market.

Based on their engagements with EU competent authorities that ensure operators and traders comply with the EUDR the MTA representatives said that it determined that not every EU member state is ready to implement the regulation.

See: <https://theedgemalaysia.com/node/763054>

### **Trading forecast to face challenges in second half of 2025**

In an interview with the Star newspaper, Hong Leong Investment Bank Research (HLIB Research) indicated the Bank remains neutral on the wood manufacturing sector as conditions are expected to stay difficult in the second half of this year amid weak demand, margin pressures and currency volatility.

For the second half of 2025 the Bank suggested the operating environment is expected to remain tough, with pressures from a weaker US dollar, tariff risks and rising domestic production costs.

See: <https://www.thestar.com.my/business/business-news/2025/08/08/tricky-conditions-ahead-for-companies-in-wood-sector>

### **Boosting downstream teak manufacturing**

The Forest Research Institute Malaysia (FRIM) and the Perlis Forestry Department (JPNPs) have strengthened collaboration to boost the value of Perlis teak, aiming to support community economic development through downstream production.

FRIM Director-General Dr. Ismail Parlan said these downstream products, derived from teak plantations, contribute directly to environmental sustainability efforts. FRIM continues to enhance the branding of teak based products by building a strong market reputation. Initiatives like the 'Royal Perlis Jati Craft' and the push for Geographical Indication status are expected to increase the value and marketability of Perlis teak products, Dr. Ismail added.

See:

<http://theborneopost.pressreader.com/article/281891599325305>

### **Bamboo plantations for use in metal industry**

The Sarawak Timber Industry Development Corporation (STIDC) has signed a memorandum of understanding (MoU) with Pertama Ferroalloys Sdn Bhd to develop a commercial bamboo plantation within licensed forest areas in the State. The bamboo material is expected to be processed used in the company's manufacturing process.

Under the MoU, STIDC will assist Pertama Ferroalloys in identifying suitable forest plantation areas for bamboo cultivation, supply high-quality bamboo seedlings and provide technical services in bamboo resource management.

See:

<http://theborneopost.pressreader.com/article/281548001966386>

## **Indonesia**

### **August export benchmark prices for August 2025**

#### **Veneers (prices per cu.m)**

Natural forest veneer	US\$644
Plantation forest veneer	US\$635
Wooden sheet for packaging Box	US\$960

#### **Wood chips (prices per tonne)**

Woodchips	
chips or particles	US\$104
Woodchips	US\$97

#### **Processed wood (prices per cu.m)**

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

Meranti (Shorea sp)	US\$1,450
Merbau (Intsia sp)	US\$841
Rimba Campuran	US\$769
Ebony	US\$1,980
Teak	US\$2,506
Pine and Gmelina	US\$808
Acacia	US\$738
Sengon (P. falcataria)	US\$1,103
Rubberwood	US\$337
Balsa, Eucalyptus	US\$653
Sungkai (P.canescens)	US\$1,298



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

See: <https://jdih.kemendag.go.id/peraturan/keputusan-menteri-perdagangan-nomor-1693-tahun-2025-tentang-harga-patokan-ekspor-dan-harga-referensi-atas-produk-pertanian-dan-kehutanan-yang-dikenakan-bea-keluar>

### **Furniture industry - a significant downturn in the second quarter of 2025**

The Indonesian furniture industry experienced a significant downturn in the second quarter of 2025 with its contribution to GDP contracting.

According to the Indonesian Furniture and Craft Industry Association (HIMKI) this deep contraction was due to a combination of factors including global geopolitical uncertainty and high-interest rates that have dampened purchasing power in consumer markets.

These issues have suppressed demand in key export markets like the US and Europe and have made international buyers hesitant to commit to long-term agreements. Domestically, the industry is also struggling with challenges such as high minimum wages and rising logistics costs which are eroding competitiveness, especially for smaller businesses.

In response to these challenges businesses have set a conservative growth target of less than 2% for the entire year, a goal that can only be met if global demand remains stable.

See: <https://www.msn.com/id-id/berita/other/kinerja-industri-mebel-anjlok-pengusaha-masih-waspada-efek-tarif-trump/ar-AA1K0III?ocid=BingNewsVerg>

### **Furniture importers shifting to Viet Nam**

Indonesian furniture exporters are facing a significant challenge following the 19% import tariff by the United States. According to the Indonesian Furniture and Craft Industry Association (HIMKI), this tariff, though lower than a previously threatened 32%, is eroding profit margins and causing US buyers to shift orders to competitors like Viet Nam which has similar tariffs but more established production efficiency.

The tariffs particularly impact medium to premium wooden products which constitute a large portion of Indonesia's US\$1.5 billion annual furniture exports to the US.

The HIMKI is calling for diplomatic efforts to lower the tariff or secure exemptions for labour-intensive industries. They also propose a multi-pronged strategy that includes providing fiscal incentives to exporters, accelerating the diversification of export markets beyond the US and strengthening the industry's production capacity and competitiveness.

Finally, HIMKI stressed the importance of protecting the domestic market from an influx of imported goods from countries like China and Viet Nam.

See: <https://bali.tribunnews.com/2025/08/07/ekspor-furnitur-ke-as-kena-tarif-19-persen-himki-buyer-beralih-ke-vietnam>

### **Business transactions of IDR8.5 billion in South Africa**

Indonesian furniture and home decoration products recorded potential transactions of IDR8.5 billion likely from participation at the Decorex Johannesburg Exhibition in South Africa.

Indonesia's participation, its first in a long time, was a strategic move to explore new markets to mitigate the risks posed by tariffs. According to Efri Yenni, Head of the Indonesian Trade Promotion Center (ITPC) Johannesburg, the strong visitor turnout at the Indonesian pavilion indicates a positive reception and enthusiasm for Indonesian products.

This market holds significant promise for Indonesia as South Africa is not a major wood-producing country giving Indonesian products a competitive edge. However, Indonesian exporters must carefully consider their pricing strategy to overcome the challenges of high logistics and import duties.

The market is also competitive with main rivals including China, Thailand, Poland, Germany and Viet Nam. In 2024, Indonesia's furniture and home decor exports to South Africa were valued at just US\$15.3 million, representing only 2-3% of the total market, highlighting the substantial room for growth.

See: <https://voi.id/ekonomi/503190/produk-dekorasi-rumah-ri-laris-di-afrika-selatan-catatkan-transaksi-potensial-rp8-5-miliar>

### **Carbon trading, a way to create green Innovation**

The Voluntary Carbon Market (VCM) presents significant opportunities for Indonesia, according to Ignatius Wahyu Marjaka of the Ministry of Environment and Forestry.

The VCM can provide innovative climate funding, especially for mitigation and adaptation projects. It also offers diversified revenue streams for landowners and forest managers by monetising ecosystem preservation.

Beyond financial benefits the VCM can accelerate climate action by enabling companies and individuals to offset emissions thereby speeding up the adoption of low-carbon technologies and sustainable practices.

See: <https://m.antaranews.com/amp/berita/4986637/perdagangan-karbon-sukarela-buka-jalan-pendanaan-iklim-inovasi-hijau>

### **Zero tolerance on forest burning - Minister Gunawan**

Coordinating Minister for Political and Security Affairs, Budi Gunawan, announced that the government will take firm action against anyone who knowingly clears forest by burning.

The government has adopted a clear policy of zero tolerance for this practice, said the Minister. While acknowledging that both communities and corporations need land for their businesses, the President is encouraging the use of modern, high-tech and environmentally friendly land clearing methods.

To support this new policy the government will provide communities and companies with access to alternative technologies for land clearing. This programme will include offering heavy machinery, eco-friendly tools and technical assistance. The initiative will be rolled out gradually starting in areas most prone to forest fires, particularly West and Central Kalimantan.

See: <https://en.antaranews.com/news/370965/indonesia-adopts-zero-tolerance-on-forest-burning-minister-gunawan>

### Ministry to invite CSR funds for mangrove rehabilitation

The Ministry of Forestry is developing an investment policy and institutional road map to attract public and private sector funding for mangrove rehabilitation.

According to Ristianto Pribadi, Director of Mangrove Rehabilitation, the initiative includes offering land plots of around 6.25 hectares to the public as part of the strategy.

The road map will support funding through corporate social responsibility (CSR), international cooperation and blended finance models. A public campaign will be launched to promote the initiative and encourage broader participation. Of Indonesia's 3.44 million hectares of mangrove ecosystems, approximately 770,000 hectares are identified as suitable for rehabilitation.

See: <https://koran-jakarta.com/2025-07-25/rehabilitasi-mangrove-kemenhut-libatkan-publik>

### Sustainable forest management by communities

The 'Strengthening of Social Forestry in Indonesia' project (SSF Project) has successfully empowered communities and advanced sustainable forest management. According to Forestry Minister, Raja Juli Antoni, this initiative is part of a national strategic project aimed at ensuring forests benefit a wider population, not just a small elite.

The SSF Project has surpassed its goals, granting legal access rights to 364,274 hectares of forest land to 706 community groups, representing over 86,000 households. The Minister emphasised the importance of continued collaboration among all stakeholders to ensure the project's long-term success and guarantee community welfare.

See: <https://www.tempo.co/info-tempo/proyek-ssf-berhasil-wujudkan-pengelolaan-hutan-lestari-oleh-masyarakat-2050779>

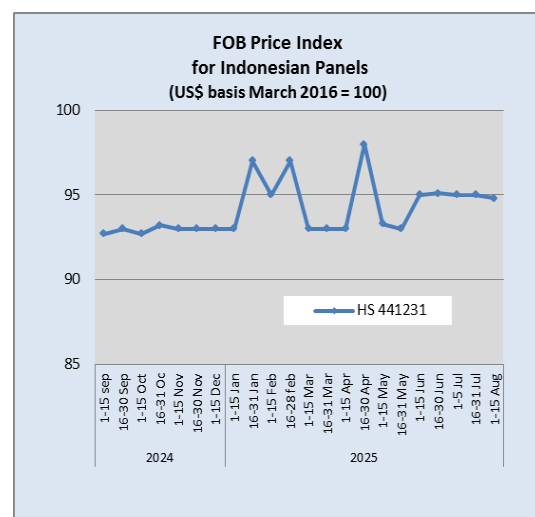
### IEU-CEPA grants zero tariffs to several export commodities

The Ministry of Trade announced that several Indonesian export commodities will benefit from zero tariffs under the Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA).

According to Djatmiko Bris Witjaksono, Director General of International Trade Negotiations, these benefits will take effect on Entry Into Force (EIF) of the Agreement. The IEU-CEPA ensures market access for goods with both Indonesia and the EU agreeing to eliminate tariffs.

Witjaksono added that Indonesian products such as footwear, textiles, fisheries, biodiesel, electronics, agriculture, forest products and steel have a strong competitive advantage and will gain optimal market access under the agreement.

See: <https://en.antaranews.com/news/371041/ieu-cepa-grants-zero-tariffs-to-several-export-commodities>



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

## Myanmar

### Government reshuffled in advance of election

Myanmar's military leadership has dissolved the State Administration Council (SAC), the governing body installed after the 2021 coup and replaced it with a "caretaker government." This has been promoted as a necessary step towards holding a general election.

Senior General Min Aung Hlaing has stepped down as prime minister but has now assumed the role of interim President. He will also chair a newly formed "State Security and Peace Commission" which will oversee the planned election. U Nyo Saw has been appointed as the new Prime Minister.

Malaysia will lead a regional delegation to Myanmar in September according to Malaysian Foreign Minister Datuk Seri Mohamad Hasan. The visit will include the Foreign Ministers of Indonesia, Thailand and the Philippines.

See- <https://thediplomat.com/2025/08/myanmar-military-ends-state-of-emergency-to-prep-for-election-at-years-end/#:~:text=As%20The%20Irrawaddy%20reports%2C%20Min,serve%20as%20the%20interim%20president>  
and  
<https://www.aljazeera.com/news/2025/7/31/myanmar-ends-state-of-emergency-before-planned-elections>  
and  
<https://www.malaymail.com/news/malaysia/2025/08/08/malaysia-to-head-asean-mission-to-assess-myanmars-post-emergency-election-plans/186941>

### **UNDP highlights migration surge and cautious hope among youth**

A recent UNDP report warns that Myanmar's youth are "a generation on the move" driven by economic collapse, armed conflict and political instability.

The report "A Generation on the Move: Youth Migration and Perceptions in Myanmar" reveals high migration intentions that could deepen the country's brain drain but also underscores potential for recovery if conditions improve.

The report estimates that 300,000 to 500,000 youth had migrated abroad since 2021 exacerbating labour shortages in key sectors.

Nearly 40% of surveyed youth said they would leave Myanmar if possible with rates peaking at 60% in conflict-hit Rakhine State and around 50% in Chin and Yangon. Intentions rise sharply with education level with 52% among those with higher education versus 24% with none raising alarms about losing skilled talent.

On peace, 68% believe it's achievable and 66% strongly back ceasefire and reconciliation efforts. Priorities split evenly: 62% see democracy and socio-economic development as equally vital, though migrants lean slightly toward democracy.

UNDP urges immediate interventions to retain and empower youth through:

- Boosting the economy: Expand entrepreneurship, skills training, digital jobs and finance access.
- Rebuilding education: Invest in remote learning, vocational program, and scholarships with return incentives.
- Fostering peace: Engage youth in community reconciliation.
- Enabling safe migration: Negotiate labour pacts and protect migrants.

"Without targeted action, Myanmar risks losing its most skilled generation", the report concludes.

See - [https://www.undp.org/sites/g/files/zskgke326/files/2025-08/a\\_generation\\_on\\_the\\_move\\_undp-myanmar\\_0.pdf](https://www.undp.org/sites/g/files/zskgke326/files/2025-08/a_generation_on_the_move_undp-myanmar_0.pdf)

## **India**

### **Depressed domestic panel demand challenges panel manufacturers**

The correspondent reports Indian panel product manufacturers continue to face unprecedented challenges despite the halt to imports that began on Feb 28, 2025 due to implementation of the new Standard requirements. Domestic demand remains sluggish with no significant increase in sales. This stagnation is alarming given the loss of approximately 700 containers per month of imported panel products.

An article in Ply Insights offers suggestions on the key issues facing the panel industry.

- rising raw material cost vs. falling sales.
- price of essential raw material has been steadily increasing.
- sales volumes have dropped putting immense pressure on margins.
- small and micro manufacturing units are the worst hit, with production down by nearly 30%.
- market credit availability is worsening.
- increased credit cycle is leading to liquidity crunches for manufacturing and dealers.
- delayed payments are causing further operational difficulties.
- regularly Pressure from the BIS regulation

It is reported that BIS compliance has resulted in a 6-7% increase in costs which will be passed on to end users.

Despite the government's restriction on imports, domestic industries are still struggling to capture more market share and meet demand effectively. This, says Ply Insights, suggests systemic issues that cannot be resolved by import restrictions alone.

Ply Insight reports an industry wide call for Government support and industry unity saying to safeguard the future of the Indian plywood and related industries it is imperative that there is dialogue with government. The industries are also requesting immediate relaxation on import of logs core veneer and face veneer as these inputs are essential for the sustainability and growth of the wood panel sector in the country.

See: <https://plyinsight.com/current-situation-of-the-plywood-industry-in-india/>

### **High US tariff undermines competitiveness**

Indian businesses expect a dramatic decline in export orders as tariffs of 50% on Indian exports to the US destroy competitiveness. For exporters the hope is that there will be a breakthrough in negotiations.



The reciprocal tariff creates a competitive disadvantage compared to peers from countries with lower tariffs and some exporters report US orders have already been put on hold as buyers reassess sourcing decisions. For a large number of SME led sectors trying to absorb the tariff is simply not viable according to the Federation of Indian Exporters Organisation (FIEO) president S.C.Ralhan.

Mithileshwar Thakur, Secretary General of the Apparel Export Promotion Council (AEPC), said it remains to be seen how negotiations progress when the US team visits India for the sixth round of talks.

Amid the rush to seek government support some people suggested a focus on market diversification, said FIEO Director-General Ajai Sahey. Some of India's trade agreements (EU and UK) are going to come into effect soon but the impact will not be felt for some time.

See: <https://timesofindia.indiatimes.com/business/india-business/trump-tariffs-exporters-on-edge-fear-losing-orders/articleshow/123149915.cms>

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

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

	Hoppus cu.m	US\$ C&F
Brazil	263	500
Colombia	179	490
Costa Rica	181	350
Nigeria	-	-
Benin	-	-
Tanzania	115	490
Laos	-	-
South Sudan	230	675
Guatemala	259	390
Venezuela	-	-

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

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

### Locally milled sawnwood prices

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

Price range depends mainly on lengths and cross-section

### Locally sawn hardwood prices

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

Price range depends mainly on lengths and cross-section

### Plywood

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

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

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

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

### Wood and wood product (W&WP) trade highlights

The Viet Nam Customs Office has reported W&WP exports in July 2025 reached US\$1.45 billion, up 5% compared to July 2024. The WP export was shared US\$1 billion, up 2% compared to July 2024.

For the first seven months of 2025 W&WP exports totalled US\$9.6 billion, up 8% compared to the same period in 2024 of which WP exports alone contributed US\$6.6 billion, up 8% compared to the same period in 2024.

Viet Nam's import of raw wood (logs and sawnwood) in June 2025 reached 626,100 cu.m, worth US\$213.9 million, down 7% in volume but up 1% in value compared to May 2025. Compared to June 2024 imports were up 36% in volume and up 41% in value.

In total, for the first six months of 2025, raw wood imports were 3.28 million cu.m, worth US\$1.04 billion, up 33% in volume and up 27% in value compared to the same period in 2024.

NTPF exports in July 2025 decreased for the second consecutive month earning US\$66 million, down 11% compared to June 2025 and down 4% compared to the same period in 2024.

The total export value of these products in the first seven months of 2025 was estimated at US\$507.97 million, up 6% compared to the same period in 2024.

W&WP exports to Japan in July 2025 brought in about US\$166 million, up 1% compared to July 2024. In the first seven months of 2025 W&WP exports to Japan were valued at US\$1.18 billion, up 23% compared to the same period in 2024.

Living and dining room furniture exports in July 2025 amounted to US\$215 million, down 11% compared to July 2024. In the first seven months of 2025 exports of living and dining room furniture totalled US\$1.5 billion, up 1% compared to the same period in 2024.

### Surging wood pellet exports to Japan

Japan remains one of Viet Nam's fastest-growing and most significant markets for wood-based exports with multiple product categories showing strong growth.

#### Exports to Japan, first half 2025

- Wood pellets: US\$405.8 million (+96% YoY) the leading product accounting for 40% of total exports.
- Woodchips: US\$302.3 million (+6 YoY).
- Wooden furniture: US\$188.6 million (-6% YoY).
- Wood-based panels and floorings: US\$82.2 million (+4% YoY).

Wood pellets and woodchips jointly represent 70% of total wood and wood product exports to Japan underlining their strategic role in the trade relationship.

According to Japan Customs, in the first half of 2025 total imports under HS code 4401 (wood pellets and chips) reached 9.6 million tonnes valued at JPY272.3 billion, up 17% in volume and 13% in value YoY. Imports from Viet Nam surged to 4.9 million tons worth JPY130.4 billion up 42% in volume and 42% in value YoY.

In the first half of this year Viet Nam held a 50% market share in this category, far ahead of Australia, the U.S., Canada, South Africa and Thailand.

Imported wood pellets are primarily for biomass power generation while imported wood chips and domestic chips are mainly for paper making.

Viet Nam's wood pellet exports to Japan are experiencing record growth driven by Japan's aggressive biomass energy expansion. While the furniture segment faces structural challenges, targeted adaptation in design, sustainability and pricing can help Viet Nam maintain a strong foothold in the Japanese market.

To Xuan Phuc, a Senior Policy Analyst at Forest recommended that businesses on Viet Nam should invest in developing dedicated raw material zones to reduce reliance on secondary supply sources so as to comply with legality and sustainability standards, said an expert.

Average export prices reached US\$144.3 per tonne for Japan and US\$109.2 per tonne for South Korea. Since September 2024 prices to South Korea have risen.

It has been pointed out that heavy reliance on two markets, while offering advantages in terms of geographic proximity and biomass energy incentive policies there are risks as demand may fluctuate in response to policy shifts or global energy trends.

Another challenge is quality, said Phuc. Nguyen Thanh Phong, Head of the Viet Nam Wood Pellet Sub-Association under Viforest further explained that that removing bark can help meet quality standards, particularly in Japan but would significantly raise production costs.

He added, the absence of industry coordination and a cohesive development strategy remains an issue to be addressed. The pellet sector is highly fragmented with large players accounting for 70% of exports while smaller producers operate in isolation.

Phuc suggested that cooperative ecosystem among businesses that share sustainable raw material sources across multiple product lines offers a viable path forward.

At the macro level, there needs to be supportive policies such as planning the wood pellet sector within the broader wood ecosystem, providing incentives for biomass energy and controlling unfair competition.

These measures would help create a sustainable development environment and enable businesses to compete effectively both domestically and internationally, he said.

Improving quality, building brand identity and diversifying markets beyond Japan and South Korea - such as expanding into the EU - are strategic steps for the wood pellet industry to assert its position, Phuc added.

See: <https://theinvestor.vn/Viet-Nams-wood-pellet-industry-needs-production-standardization-to-meet-global-demand-experts-d16312.html>

### **Viet Nam's BIFA WOOD 2025 highlighted automation in furniture manufacturing**

This year BIFA WOOD 2025, held 6 August in Ho Chi Minh City, focused on "Smart Furniture Solutions" as the central theme. The exhibition highlighted advanced manufacturing solutions including process optimisation and digital technologies, positioning the fair as a platform for connecting policymakers and businesses and fostering sustainable production-consumption partnerships in the wood sector.

The event was organised by the Viet Nam Wood Industry Fair JSC, in support of the goal to accelerate digital transformation and automation in wood processing. The event featured over 1,000 booths, gathering companies from Viet Nam, the US, Europe, Japan, China and Taiwan P.O.C.

In addition to showcasing high-quality machinery and materials, the fair included B2B networking events, market trend seminars and the signing of strategic cooperation agreements between local and international enterprises.

According to Ha Van Ut, Deputy Director of Ho Chi Minh City's Department of Industry and Trade, the fair not only introduces cutting-edge technologies but also reflected the robust development of Viet Nam's wood processing industry.

Ut emphasised HCM City's pivotal role as Viet Nam's most dynamic economic hub following the recent administrative merger. The city is instrumental in expanding and diversifying both export and domestic markets.

See: <https://en.VietNamplus.vn/Viet-Nams-bifa-wood-2025-highlights-automation-in-furniture-manufacturing-post324104.vnp>

## **Brazil**

### **Impact of US tariff on the Brazilian forestry sector**

The tariff announced by the United States on products from Brazil is already having an impact on Brazil's forest sector exports including cancellation of orders. Companies in the South, Southeast and Amazon Regions, including those operating with timber sourced from natural forests, are facing operational shutdowns and growing uncertainty regarding exports.

The US market is critical, especially for manufacturers of flooring, panels and mouldings whose products are often custom designed for the US construction industry.

Under the new tariff companies say maintaining exports not feasible as the 50% tariff cannot be absorbed. Industry leaders, such as the National Forum of Forest-Based Activities (Fórum Nacional das Atividades de Base Florestal - FNBF) and the Brazilian Association of Mechanically Processed Timber Industry (Abimci) are warning of the lack of alternative markets capable of absorbing the current export volumes and are urging the Brazilian government to take immediate action.

The suggestions include diplomatic negotiations with the US and seek to postpone the tariff's implementation date and establishing commercial conditions similar to those granted to competing countries such as Vietnam, Indonesia and Chile.

Abimci has released a preliminary statement on the new US Executive Order (dated July 30) which imposes an additional 40% tariff on imported products including those from Brazil.

According to the initial analysis, most wood products, especially those sourced from planted forests, were not included in the list of exemptions (Annex I) and will therefore be subject to the new surcharge.

Abimci highlighted specific concerns that require further technical analysis within the measure's text regarding the exemption of products under investigation in Section 232 of the Trade Expansion Act, listed in Annex II of the previous order (April 2).

Although these products appear to be exempt, there are fears they will also be affected by the new tariff with the possibility that they may also be subjected to the additional rate.

Only products listed in Annex I of the new measure, such as NCM 44.07.29.02 (tropical sawnwood), appear exempt from the new tax.

See: <https://agro.estadao.com.br/economia/tarifaco-afeta-setor-florestal-madeira-parada-contratos-cancelados-e-fabricas-fechadas> and <https://abimci.com.br/cautela-deve-nortear-estrategias-da-industria-de-madeira-do-brasil/>

### **Strengthening support for small forestry businesses**

A partnership agreement between the Center for Timber Producing and Exporting Industries of the State of Mato Grosso (CIPEM), the Federation of Industries of the State of Mato Grosso (Fiemt) and Sebrae MT has been renewed until December 2026.

This renewal ensures the continuation of the "Empreenda Mais Indústria (Mores Entrepreneurship in Industry)" Programme which aims to strengthen small industrial businesses. The agreement was formalised during a Fiemt board meeting attended by key representatives.

The collaboration between CIPEM and Sebrae has led to significant initiatives such as the Business Roundtable held during the Sustainable Wood event which brought the production sector closer to the market. The institutions involved highlighted the importance of this partnership for regional development, strengthening the forest-based sector and creating new opportunities for small producers.

As a next step, an additional Sustainable Wood event is planned to take place in the Northeastern region of Brazil. This event will focus on promoting forest products and generating business opportunities. Sebrae reaffirmed its commitment to supporting business owners and encouraging greater participation in the program.

See: <https://cipem.org.br/renovacao-de-parceria-entre-cipem-fiemt-e-sebrae-fortalece-apoio-as-pequenas-industrias/>

### Timber exports stable in first half of 2025

The Brazilian Association of Mechanically Processed Timber Industry (ABIMCI) reported that Brazilian exports of wood products remained stable during the first half of 2025, despite a challenging global scenario.

The sector faced tariff barriers imposed by the United States and protectionist measures in the European Union (EU) which have impacted trade routes and increased logistics costs.

According to ABIMCI, even amidst a complex scenario, including the opening of investigations that generate uncertainty and impact the purchasing decisions of international clients, such as the U.S. Trade Expansion Act Section 232 investigation assessing whether wood imports threaten US national security, as well as anti-dumping and injury cases filed by the EU against Brazilian pine plywood, some segments managed to post growth or maintain stable volumes.

In the first half of the year pine sawnwood exports recorded an increase of approximately 6% in volume compared to the same period in 2024. Pine plywood saw a slight decline of 4%, while the mouldings segment remained virtually unchanged. Exports of wood pellets also grew during the period.

From a logistics standpoint, there was an improvement in the flow of goods through ports in southern Brazil. The resumption of operations at the Port of Itajaí, the expansion of the back area at the Port of Itapoá and the creation of new operational zones in Navegantes all located in the state of Santa Catarina, helped reduce cargo backlogs and booking transfers, factors that had previously negatively affected exporting companies.

According to ABIMCI, the sector should remain alert to market dynamics, which may change depending on competition for logistics space with other industrial segments at Brazilian ports.

If progress is made in tariff negotiations during the second half of the year there could be greater business predictability, encouraging consumer markets to rebuild inventories and helping normalise trade flows.

See: <https://abimci.com.br/setor-madeireiro-registra-estabilidade-nas-exportacoes-no-primeiro-semester-de-2025/>

### Brazil prepares strategy to attract investment sustainable development projects

The State of Amapá is arranging to showcase the bio-economy and low-carbon economy markets at the 2025 United Nations Climate Change Conference (COP30) to be held in November in the State of Pará in the Amazon, Brazil.

With 97% of its native forest preserved and 73.5% of its territory under protected areas, Amapá will participate in COP30 committed to attracting investments and contributing to debates on climate change and the protection of traditional peoples.

In partnership with French Guiana the state of Pará will present the “International Amazon at the Border” and “Black Amazon” initiatives, the latter including Suriname and the Republic of Guyana.

To this end, the State government has established a Technical and Executive Committee, which developed the “Amapá at COP Plan” to be officially launched in early August with the presence of the COP30 President and Ambassador to Brazil. The aim is to leverage Amapá’s significant environmental assets to sustainable development projects.

The plan is built on three strategic pillars: the first focuses on forests, emphasising biodiversity, the bio-economy and the sustainable use of Amazonian natural resources; the second addresses energy, covering energy matrices and the transition to renewable sources; and the third encompasses the mining and oil sectors, regarded as legitimate sources of financing for sustainable projects and for boosting the bioeconomy.

See: <https://chicoterra.com/2025/08/05/100-dias-para-a-cop30-com-97-de-sua-floresta-nativa-preservada-amapa-se-prepara-para-atrair-investidores-no-mercado-de-bioeconomia/>

### Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	397
Jatoba	173
Massaranduba	158
Miiracatiara	156
Angelim Vermelho	167
Mixed redwood and white woods	121

Prices do not include taxes. Source STCP Data Bank



### Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipé	1,711
Jatoba	869
Massaranduba	771
Muiracatiara	802
Angelim Vermelho	741
Mixed red and white	492
Eucalyptus (AD)	284
Pine (AD)	238
Pine (KD)	283

Prices do not include taxes. Source: STCP Data Bank

### Domestic plywood prices

Parica ex-mill	US\$ per cu.m
4mm WBP	554
10mm WBP	444
15mm WBP	381
4mm MR.	507
10mm MR.	391
15mm MR.	341

Prices do not include taxes. Source: STCP Data Bank

### Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	264
15mm MDFibreboard	265

Prices do not include taxes. Source: STCP Data Bank

### Export prices

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

### Export sawnwood prices

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

Prices do not include taxes. Source: STCP Data Bank

### Plywood export prices

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

Prices do not include taxes. Source: STCP Data Bank

### Export prices for added value products

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

Prices do not include taxes. Source: STCP Data Bank

## Peru

### Challenging markets – exports decline

Shipments of wood products totalled US\$26.8 million during the first five months of 2025 representing a decrease of 23% compared to the same month in 2024 (US\$34.9 million), according to the Center for Global Economy and Business Research of the CIEN-ADEX Exporters Association.

According to figures from the ADEX Data Trade Intelligence System, exports included sawnwood (US\$11.6 million), semi-manufactured products (US\$6.6 million), firewood and charcoal (US\$3.3 million), furniture and parts (US\$1.9 million) and construction products (US\$1.6 million).

The leading destination was the Dominican Republic with shipments totalling US\$6.2 million, a 16.5% increase compared to the previous year. The United States followed at US\$3.4 million, a decrease of 38%, Mexico at US\$3.3 million, a decrease of 15%, Viet Nam at US\$3.3 million, a growth of 70% and rounding out the Top Five market destinations was France with sales of US\$2.5 million, a decrease of 55%.

### Veneer and plywood exports encouraging

ADEX has also reported veneer and plywood shipments during the January-May 2025 reached a FOB export value of US\$1.2 million, up 64% compared to the same period in 2024.

The main market was Mexico which accounted for 51% of exports (but down 2% YoY) followed by Ecuador with a 26% share of total exports. In third place was the Dominican Republic with an 8% share and Costa Rica completed the top five markets with a 3.5% share.

### Promoting commercial forest plantations will generate jobs

The National Forest and Wildlife Service (SERFOR) is promoting a national strategy for the development of large-scale Commercial Forest Plantations (CFPs) with the goal of transforming rural economies, attracting sustainable investment and generating employment throughout the country. This initiative envisages 2 million hectares of commercial forest plantations on rural community land and public areas over a period of 20 years.

The scheme is projected to generate more than 1.6 million direct jobs and 4.2 million indirect jobs, particularly benefiting vulnerable areas and contributing significantly to the reduction of rural poverty. These opportunities will be linked to the management and harvesting as well as addressing industrial processing and development of related services.

In addition to its social impact, this initiative is expected to attract US\$4.6 billion in private investment and contribute US\$53.2 billion in taxes over two decades. If successful Peru could go from being a net importer of wood products to becoming a key player in the global market

See: <https://www.gob.pe/institucion/serfor/noticias/1226657-serfor-peru-impulsa-plantaciones-forestales-comerciales-que-generaran-mas-de-5-8-millones-de-empleos>

In related news, SERFOR is promoting commercial forest plantations of screwwood (Shihuahuaco) and balsa.



In order to share exchange experiences and disseminate research conducted on these species a virtual event was held entitled "Production Chain of Commercial Forest Plantations of Screwwood and Balsa".

The webinar featured participation from national and international speakers such as the general manager of Ecu America Teak from Ecuador who presented some experiences and challenges with balsa wood. Ecuador is one of the world's leading exporters of balsa.

The Director General of Forest and Wildlife Knowledge Management at SERFOR stated that "screwwood is a species that adapts very well to plantations. The wood is of medium density and is recommended for structures, carpentry, shipbuilding and cabinetmaking. The success of screwwood plantations requires long-term planning based on rigorous scientific information," he said.

See: <https://www.gob.pe/institucion/serfor/noticias/1219301-midagri-serfor-promueve-la-cadena-productiva-de-plantaciones-forestales-comerciales-de-madera-tornillo-y-balsa>

#### Export prices for added value products

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

#### Export veneer prices

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

#### Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	912-968
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	598-619▲
Grade 2, Mexican market	537-551▲
Cumaru 4" thick, 6"-11" length KD Central American market	1127-1195
Asian market	1210-1265
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	1011-1,042
Dominican Republic	1015-1,132
Marupa 1", 6-11 length KD Grade 1 Asian market	586-602

#### Export plywood prices

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

#### Domestic prices for other panel products

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

#### Domestic sawnwood prices

Peru sawnwood	US\$ per cu.m
Mahogany	-
Virola	255-287
Spanish Cedar	333-344
Marupa (simarouba)	208-234

#### Domestic plywood prices (excl. taxes)

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

## Japan

#### US tariffs are expected to dampen exports and capital spending

Japan's economy is projected to grow a real 0.7% in the current fiscal year revised down from an earlier estimate of 1.2% as US tariffs are expected to dampen exports and capital spending, according to the Cabinet Office.

In its midyear report the government revised down its fiscal 2025 export growth projection to 1.2% from 3.6% in January taking into account the impact of tariffs on key auto and other industries.

Business investment is now projected to rise 1.8%, downgraded from the previous estimate of 3% as companies become cautious on expanding production capacity amid weaker export prospects. Private consumption, which accounts for more than half of Japan's economy, is projected to rise 1% compared with an earlier forecast of 1.3% as inflation erodes consumer sentiment.

See: <https://mainichi.jp/english/articles/20250807/p2g/00m/0bu/043000c>

### **Economist - strengthen cooperation with Asian and European countries**

A former International Monetary Fund Chief Economist has urged Japan to strengthen its cooperation with Asian and European countries given disruptions to the global economic and financial order caused by US policies.

In a recent interview with Jiji Press, the economist expressed concern that US policy measures including high tariffs and tax laws expand the federal debt and creates uncertainty. He also said such actions are driving trade partners to deepen integration with countries other than the United States.

See: <https://sp.m.jiji.com/english/show/41950>

### **Africa conference explores partnerships with Japanese companies**

The 9th Tokyo International Conference on African Development (TICAD 9) will be held in Yokohama from August 20 to 22, 2025. TICAD 9 will feature discussions on a wide range of development themes in Africa.

Discussions on “Driving Japanese Investment in Africa Through World Bank Group Guarantees” is expected to draw considerable interest among Japanese companies looking to diversify. This event will explore how this initiative, along with strategic partnerships with Japanese companies, can contribute to promoting private investment in Africa.

Since last year the World Bank Group has launched and been accelerating the development of a new platform that consolidates all guarantee products and related experts from across its institutions under the Multilateral Investment Guarantee Agency (MIGA).

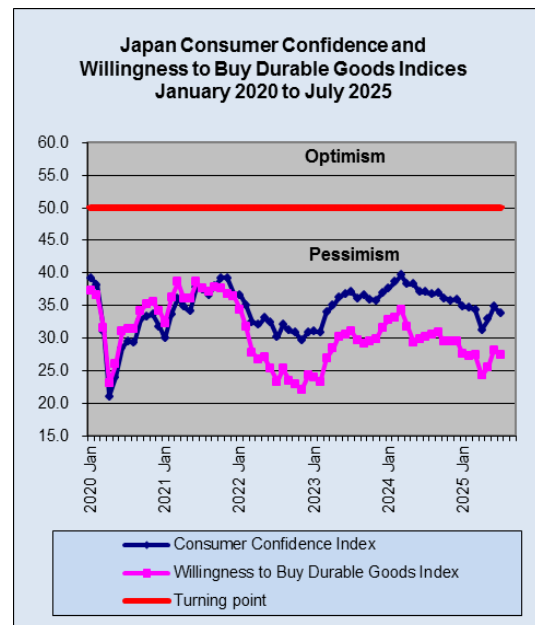
See: <https://www.mofa.go.jp/files/100886477.pdf>  
and  
<https://www.mofa.go.jp/region/africa/ticad/ticad9/index.html>

### **Weak yen eroding household purchasing power**

A recent government report has said the weak yen is hurting Japanese households' sentiment and eroding their purchasing power a signal of the government's concern over the negative economic impact of the exchange rate.

A decade ago expectations that inflation was rising helped improve household spending but today the prospect of price inflation against the back drop of the weak yen, which has pushed up prices for imports, has undermined householder confidence.

See:  
<https://www.japantimes.co.jp/business/2024/08/02/economy/japanese-economy-weak-yen/>



Data source: Cabinet Office, Japan

### **Panel proposes record minimum wage increase**

Last year the government announced plans to raise the average minimum wage to yen 1,500 per hour by the end of the decade.

The Kyodo News Agency reported that to advance this aim the Ministry of Labour's Central Minimum Wages Council recommend an increase of about 6% in the national average minimum wage for this fiscal year, the biggest increase since 2002. Raising the legally binding minimum wage would boost households' purchasing power but would be a major challenge for small companies.

See:  
<https://www.japantimes.co.jp/news/2025/08/01/japan/minimum-wage-hike-plan/>

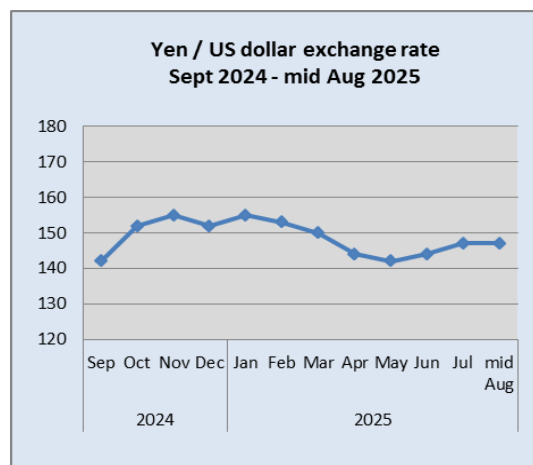
### **Concerns on speculation in currency market**

Japan's Finance Minister indicated the government is concerned about trends in the currency market including speculative movements. These comments came after the yen briefly weakened to the 150 level against the US dollar following a Bank of Japan decision to leave interest rates unchanged.

Strategists have cautioned of the risk that the yen could depreciate further raising the risk of authorities stepping into the market to support the yen.

In other news, the Finance Minister said that recent trade agreements with the EU and the US have helped reduce uncertainty surrounding trade policy.

See:  
<https://www.japantimes.co.jp/business/2025/08/01/economy/kato-concern-yen-weak/>

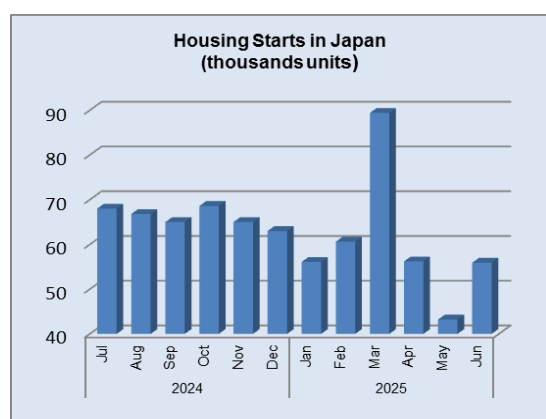


Data source: WSJ

### Land price up for fourth year

The National Tax Agency has reported the average price of land in Japan rose 2.7% in the first half of 2025, the fourth straight year it has risen and the fastest pace of increase since the calculation method was changed in 2010. It has been suggested the booming tourist sector has pushed up values.

See: <https://asia.nikkei.com/business/markets/property/price-of-land-in-japan-rises-2.7-as-tourism-drives-values>



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

### Extreme heat

Temperatures in Japan are rising and August temperatures reached 41 degrees Celsius in central Japan. Officials are urging the public to take thorough measures against heatstroke.

The Japan Meteorological Agency says recently the mercury reached 41.4 degrees Celsius in Shizuoka marking 7 days with a temperature over 40 degrees in Japan tying the record set in 2018. Heatstroke alerts were issued for areas from Tohoku in the northeast to Okinawa in the southwest.

### Import update

#### Assembled wooden flooring imports

The main category of assembled flooring imports in June 2025 was HS441875, accounting for 61% (58% in May) of the total value of assembled flooring imports. Of HS441875 imports, 91% was provided by shippers in China, Viet Nam and in Malaysia. The other main sources of assembled flooring (HS441875) in June were Indonesia and Thailand.

The second largest category in terms of value in June 2025 was HS441873 18% (21% in May) all of which was shipped from China. The third and fourth largest categories in value terms were HS441879 (9%) and HS441874 (5%).

#### Assembled flooring imports

	2025 Jun 000s Yen
<b>HS441873</b>	
China	56,878
<b>Total</b>	<b>56,878</b>
<b>HS441874</b>	
China	6,575
Thailand	11,832
<b>Total</b>	<b>18,407</b>
<b>HS441875</b>	
China	117,900
Viet Nam	43,387
Thailand	9,184
Malaysia	32,384
Indonesia	9,837
France	575
<b>Total</b>	<b>213,267</b>
<b>HS441879</b>	
China	18,979
Indonesia	6,537
Italy	1,053
<b>Total</b>	<b>26,569</b>

Data source: Ministry of Finance, Japan

### 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

Data source: Ministry of Finance, Japan

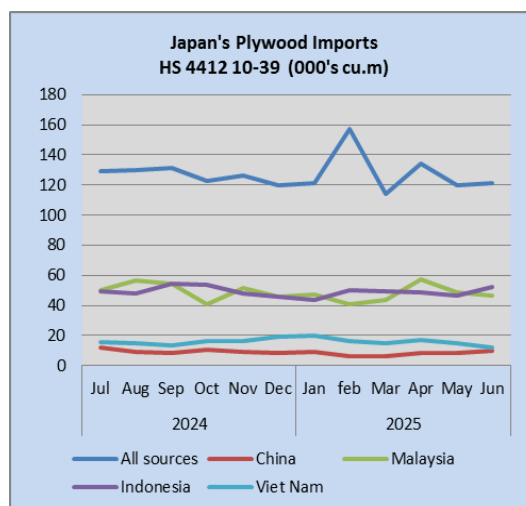
In June 2025 arrivals of HS441210-39 were reported at 121,000 cu.m and this was at the same level as reported in May 2024 (120,000 cu.m ).

### Plywood imports

Malaysia and Indonesia were the top suppliers of plywood to Japan in June as in previous months. The volume of June imports from Malaysia continued the downward trend seen in May and the volume recorded from Vietnam was also down compared to a month earlier. Only Indonesia say a rise in June plywood arrivals.

The housing sector is a major consumer of plywood and June housing starts in Japan were significantly higher than in May but still below the average for the past 12 months

As in previous months, of the various categories of plywood imported in May 2025 HS441231 was the largest (86% of total imports) followed by HS441233 (6%) and HS441234 (5%). The balance was of HS441239. In June over 95% of the plywood shipped to Japan from Indonesia and Malaysia was HS441231. Viet Nam was the main supplier of HS441234 in June.



Data source: Ministry of Finance, Japan

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

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

For the JLR report please see:

[https://jfpj.jp/japan\\_lumber\\_reports/](https://jfpj.jp/japan_lumber_reports/)

### Exporting logs to Thailand

Since 2024, the Yamagata Prefectural Federation of Forest Cooperatives has been promoting export initiatives to develop new sales channels for locally sourced timber and to address restrictions on supply caused by the declining demand for Japanese cedar.

The export of Japanese cedar logs to Thailand is gaining attention nationwide as an exceptionally rare initiative. This export initiative is based out of Sakata Port, with the Yamagata Prefectural Federation of Forest Cooperatives taking the lead in collecting the timber, and is being carried out through the National Federation of Forest Cooperatives.

For the 2024-bound exports to China, bulk carriers were used, and by June 2025, five vessels had transported a total of approximately 17,000 cbms of Japanese cedar logs. The export to China played a significant role in facilitating the successful trade negotiations for the export to Thailand.

The Japanese cedar logs bound for Thailand— each measuring 3.65 metres in length will be exported using containers, with the initial shipment planned at approximately 200 cubic metres.

**Sharing fire-resistant timber construction technologies**  
Shelter Co., Ltd. has reached an agreement to provide its timber construction and fire-resistant wood building technologies to Haring, a major European laminated timber company based in Switzerland with a history spanning over 140 years.

By licensing Shelter's timber earthquake-resistant construction method and fire-resistant wood components to Haring, the initiative aims to promote the spread of safe wooden buildings in Europe and expand the market. In overseas timber construction, there is generally no concept of fire-resistant architecture involving the covering of wooden structural frames with fireproof materials such as gypsum board.

In urban areas of Japan, it is essential to construct fire-resistant wooden buildings that can withstand fires without firefighting intervention, in anticipation of scenarios where fire trucks cannot promptly reach the affected site during a major earthquake, an event often accompanied by numerous fires.

#### **South Sea logs and lumber**

Shipment movement for South Sea lumber also continues to show strong signs of stagnation.

Even at the source regions, factors such as worsening economic sentiment in countries other than Japan and growing uncertainty caused by U.S. tariff measures have contributed to the cautious market outlook.

However, given the high production costs across all sourcing regions, it remains difficult for suppliers to make price reductions easily.

Overall shipment movement for South Sea wood and Chinese product remains sluggish. While certain items, such as decking materials, are seeing moderate interest, weak demand continues to dominate the broader market. However, due to low inventory levels in distribution channels, domestic distributors tend to secure only the physical stock needed to meet immediate job requirements.

South Sea logs, including those imported from Papua New Guinea between late April and early May, 2025 have been well distributed.

Additionally, consistent shipments from Sabah and Sarawak States in Malaysia have helped maintain a stable supply-demand balance without noticeable shortages or surpluses.

#### **U.S. Tariff Measures**

On July 7, 2025, U.S. President Donald Trump announced new tariff rates for 14 trading partner countries, including Japan and South Korea. The measure stipulates that a 25% tariff will be imposed on imports from Japan starting August 1, 2025. Currently, the United States imposes a flat 10% tariff on imports from Japan. However, the additional 14% reciprocal tariff had been temporarily suspended until July 9, 2025.

Previously set at a total of 24%, the new tariff has been slightly increased to 25%. It was also decided to extend the suspension period for reciprocal tariffs, originally set to expire on July 9, 2025 until August 1, 2025.

The recent announcement did not specifically mention Japanese wood products imported into the United States. However, relatively high-value processed items are expected to be subject to an additional 25% on top of the WTO tariff rate. Other wood-related products are expected to remain exempt. An agreement was reached at 15 % as of the 22nd.

On July 10, 2025, the U.S. President announced via his social media account that a 35% tariff will be imposed on Canadian imports starting August 1, 2025.

The specific items subject to the measure are unclear. Currently, the Trump administration has imposed a standard 25% tariff on Canadian imports, citing issues such as the influx of illegal drugs.

However, products covered under the United States-Mexico-Canada Agreement are exempt from this measure.

#### **Survey of construction companies**

The National Federation of Construction Worker's Unions conducted a survey on the impact of soaring prices for housing materials and equipment and has released the results. While the delivery delays that had been a problem until around 2023 appear to have been largely resolved, the rising costs of construction work continue.

The response to the legal revision in April 2025 has raised concerns, particularly about increased financial burdens for large-scale renovation projects. The survey was conducted from April 9 to May 30, 2025 with responses collected from 1,196 companies.

Q1. Regarding the delivery time for equipment and building materials

92.0 %, 1.9 point up from last time - No delivery delays.

8.0 %, 1.9 point up from last time - Taking longer than usual to be delivered

Q2. Regarding the impact of construction cost

26.1 %, 1.6 point down from last time - It has increased significantly.

63.5 %, 5.7 points up from last time - It increased.

10.4 %, 4.0 points down from last time - Flat



Q3. Regarding the impact to the customers  
34.0 %, 4.5 points down from last time – A significant impact has been observed.

57.8 %, 4.2 points up from last time - There has been a slight impact

8.2 %, 0.3 point up from last time – No impact

Q4. Covering the cost increase

68.9 %, 4.4 points up from last time – Customers

26.7 %, 2.3 points down from last time - Partially borne by the company

4.4 %, 2.1 points down from last time - Fully borne by the company

Q5. Utilisation of the housing energy efficiency campaign subsidy programme

46.0 % - Utilized

54.0 % - Didn't utilize

Q6. Concerns Regarding Compliance with the Revised Building Standards Act and the Building Energy Efficiency Act.

52.7 % - There are concerns

1.3 % - There is no concerns

36.0 % - It remains uncertain. There is ambiguity regarding the outcome.

Q7. Utilisation of domestic wood.

4.6 % - All domestic wood

49.7 % - Use domestic timber as much as possible

4.8 % - Domestic wood is seldom used

40.9 % - The source of the materials is not considered

Q8. Utilisation of locally produced wood

9.2 % - Yes

60.8 % - No

## China

### Household income

In a press release, the National Bureau of Statistics says in the first half of 2025 nationwide per capita disposable income increased 5.3% over the previous year and a real increase of 5.4% after deducting price factors.

In terms of urban and rural areas, the per capita disposable income of urban residents was 28,844 yuan, an increase of 4.7% and the per capita disposable income of rural residents was 11,936 yuan, an increase of 5.9%.

See:

[https://www.stats.gov.cn/english/PressRelease/202507/t20250730\\_1960541.html](https://www.stats.gov.cn/english/PressRelease/202507/t20250730_1960541.html)

### Investment in Real Estate Development

The National Bureau of Statistics also reports between January to June 2025 investment in real estate development decreased 11.2% year on year. Investment in residential buildings was down by 10.4%.



See:

[https://www.stats.gov.cn/english/PressRelease/202508/t20250805\\_1960597.html](https://www.stats.gov.cn/english/PressRelease/202508/t20250805_1960597.html)

### Decline in log imports

According to China Customs, China's log imports totalled 16.79 million cubic metres valued at US\$2.695 billion in the first half of 2025, down 11% in volume and 18% in value over the same period of 2024. The average price for imported logs was US\$160 (CIF) per cubic metre, down 8% from the same period of 2024.

Of total log imports, softwood log imports fell 7% to 12.34 million cubic metres, accounting for 73% of the national total and up 3 percentage points from the same period of 2024. The average price for imported softwood logs declined 6% to US\$123 (CIF) per cubic metre over the same period of 2024.

Hardwood log imports dropped 20% to 4.45 million cubic metres, accounting for 27% of the national total. The average price for imported hardwood logs fell 5% to US\$263 (CIF) per cubic metre over the same period of 2024.

Of total hardwood log imports, tropical log imports were 2.31 million cubic metres valued at US\$552 million CIF, down 22% in volume and 28% in value from the same period of 2024, accounting for 14% of the national total import volume and were down 2 percentage points over the same period of 2024.

### Log import in the first half of 2025 (vol.)

Volume	mil. cu.m	YoY % change
Total log imports	16.79	-11%
Softwood logs	12.34	-7%
All hardwood logs	4.45	-20%
(Tropical Logs)	2.31	-22%

Data source: China Customs

**Log import in the first half of 2025 (value)**

Value	US\$ mil. CIF	YoY % change
Total log imports	2,695	-18%
Softwood logs	1,523	-12%
All hardwood logs (Tropical Logs)	1,172 552	-24% -28%

Data source: China Customs

**Average log prices, first half of 2025**

Value	US\$ mil. CIF	YoY % change
Total log imports	2,695	-18%
Softwood logs	1,523	-12%
All hardwood logs (Tropical Logs)	1,172 552	-24% -28%

Data source: China Customs

**Sharp decline in log imports from US**

In the first half of 2025 China's log imports from the United States plunged 63% to 411,000 cubic metres valued at US\$194 million, down 55% in value from the same period of 2024 and this drove down overall log imports.

The main reason for the sharp drop in China's imports of logs from the United States was China's suspension of log imports from the United States that started in March 2025.

To make up for the short fall caused by China's suspension of log imports from the United States Chinese enterprises have turned to importing logs from Canada and Latvia, resulting in an increase of 4% and 47% in China's log imports from the two countries in the first half of 2025.

In contrast, China's log imports from PNG, Russia, Solomon Is., Germany and France fell in the first half of 2025.

**Major log suppliers, first half of 2025 (vol.)**

Supplier	000'cu.m	YoY % change
Total	16791	-11%
New Zealand	9,281	0.80%
Japan	897	29%
PNG	880	-18%
Russia	787	-17%
Solomon Is.	644	-30%
Canada	623	4%
Germany	499	-41%
USA	411	-63%
France	328	-11%
Latvia	291	47%

Data source: China Customs

**Major log suppliers, first half of 2025 (value)**

Supplier	US\$ mil.	YoY % change
Total	2,695	-18%
New Zealand	1,107	-3%
Japan	112	32%
PNG	190	-18%
Russia	106	-13%
Solomon Is.	106	-37%
Canada	116	2%
Germany	104	-29%
USA	194	-55%
France	100	-6%
Latvia	38	38%

Data source: China Customs

**Japan, the second largest log supplier**

China's log imports from Japan rose 29% to 897,000 cubic metres in the first half of 2025 and Japan became the second largest log supplier. Almost all species of China's imported logs from Japan are softwoods.

**Main softwood log sources, first half of 2025 (vol.)**

Supplier	000'cu.m	YoY % change
Total	12336	-7%
New Zealand	9,249	1%
Japan	896	30%
Canada	606	4%
Germany	251	-59%
Latvia	247	60%
Australia	243	-14%
Poland	227	-51%
USA	136	-79%
South Africa	130	-30%

Data source: China Customs

Helped by the short transportation distance between China and Japan, high-quality, large-diameter and competitively priced softwood logs from Japan are appreciated by Chinese manufacturers. China's log imports from Japan have been increasing since 2016.

**Main softwood log sources, first half 2025 (value)**

Supplier	US\$ mil.	YoY % change
Total	1,523	-12%
New Zealand	1,104	-3%
Japan	111	33%
Canada	102	-1%
Germany	34	-59%
Latvia	30	52%
Australia	28	-18%
Poland	29	-54%
USA	24	-81%
South Africa	15	-31%

Data source: China Customs

### Rise in log imports from European countries

As a result of the opening of the China-Europe Freight Railway China's imports of logs from European countries have increased in recent years. China's log imports from France and Germany rose 2% and 7% respectively in the first half of 2025. It is worth noting that China's log imports from Slovakia surged over 100%.

### Main hardwood log sources, (volume)

Supplier	000'cu.m	YoY % change
<b>Total</b>	<b>4,455</b>	<b>-20%</b>
PNG	880	-18%
Russia	787	-17%
Solomon Is.	641	-29%
USA	275	-42%
France	248	2%
Germany	248	7%
Brazil	195	11%
Cameroon	130	-22%
Rep. Congo	125	-32%
Slovakia	108	123%

Data source: China Customs

### Sharp decline in tropical log imports

China's tropical log imports dropped 22% to 2.311 million cubic metres in the first half of 2025. China imported tropical logs mainly from Papua New Guinea (38%), Solomon Islands (28%), South Africa (7%), Cameroon (6%) and the Republic of Congo (5%). Just 5 countries supplied 84% of China's tropical log requirements in the first half of 2025.

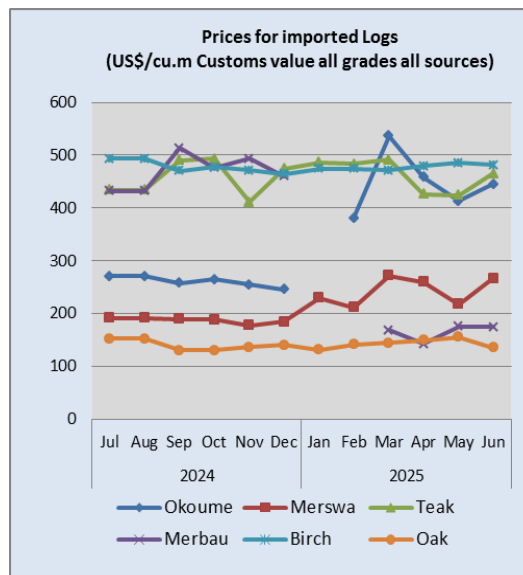
China's tropical log imports from the top five countries, Papua New Guinea, Solomon Islands, South Africa, Cameroon and the Republic of Congo fell 18%, 30%, 35%, 22% and 32% respectively in the first half of 2025.

In contrast, China's tropical hardwood log imports from the Central Africa Rep. and Ecuador rose 49% and 5% respectively in the first half of 2025.

### Tropical hardwood log sources, 2025 half (volume)

Supplier	000'cu.m	YoY % change
<b>Total</b>	<b>2,311</b>	<b>-22%</b>
PNG	880	-18%
Solomon Is.	644	-30%
South Africa	152	-35%
Cameroon	130	-22%
Rep. Congo	125	-32%
Suriname	68	-18%
DRC	65	-11%
CAR	62	49%
Bolivia	35	-41%
Ecuador	29	5%

Data source: China Customs

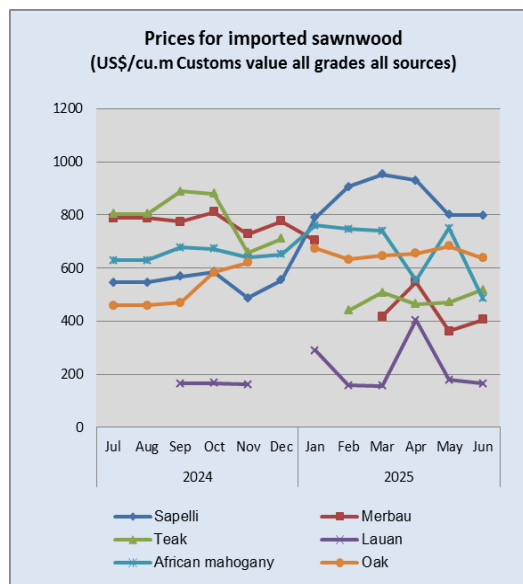


Data source: Customs, China

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

	2025 May	2025 Jun
Okoume	413	445
Merswa	218	267
Teak	424	465
Merbau	175	174
Birch	485	481
Oak	155	135

Data source: Customs, China



Data source: Customs, China

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

	2025 May	2025 Jun
Sapelli	801	789
Merbau	362	406
Teak	471	518
Lauan	170	165
African mahogany	750	486
Oak	683	638

Data source: Customs, China

**EU****Euroconstruct predicts slow European construction growth**

The view from the Euroconstruct conference in Warsaw, Poland held in early June was that European construction from 2025 to 2027 will see a return to growth, albeit modest. This despite continued political and economic uncertainty due to the war in Ukraine and changes in US tariffs.

Meanwhile, the latest outlook, released June 23, for construction in Eastern Europe from the Eastern European Construction Forecasting Association (EECFA) forecasts continued stability in the southeast of the region but less optimism in the eastern area. After contraction in the 19 country Euroconstruct area in 2023 construction output across its 19 member countries fell a further 2.1% in 2024.

Participants at the Euroconstruct Conference, however, heard that the inflationary shock caused by the outbreak of war in Ukraine is gradually subsiding and the overall economic outlook is positive. Falling inflation and lower interest rates have also improved construction financing conditions

Euroconstruct's summer forecast predicts an increase in housing demand and infrastructure investments despite the rising costs of construction activities.

"In 2025 the downward trend will be broken and production in the Euroconstruct area will increase by 0.3% and in the following years 2026-2027 will increase around 2%" it says.

Euroconstruct predicts that value of the construction market across member countries in 2027 will still be 1.4% lower than the level of 2021 but 3.5% higher than 2024. It forecasts that the downward trend in residential construction will continue through 2025 but from 2026 to 2027, growth will return.

In fact, it says the cumulative growth of 4.6% in Euroconstruct countries from 2025 to 2027 will be 'driven above all by construction of residential buildings'.

It says sluggish domestic demand and weak public sector finances are likely to continue to hinder non-residential construction growth in most European countries while civil engineering construction will see low growth.

**Prospects vary**

Looking at individual Euroconstruct countries, from 2025 to 2027 Poland is forecast to see 16.5% growth in construction output, Sweden 15.8%, Ireland 15.2%, Spain 10.5%, UK 10.3% and France 3.7%. In Italy output is expected to contract 5.8% while Germany, Austria and Belgium see stagnation.

The new 2025 to 2027 forecast from the EECFA predicts that in its Southeast region building output will remain on a level with 2024. But since the area has experienced some strong years recently 'these markets could hold on to their high level of output'.

Total construction output in Bulgaria is anticipated to grow by 3% on average for 2025-2027 with stronger growth in the middle of the period when the absorption of operational programmes and the implementation of a recovery and resilience plan is expected to gain momentum. Non-residential construction and civil engineering are expected to perform better than residential construction.

Croatia's construction sector as a whole is reported to be 'vibrant' due to the 'combination of a continuing transitioning-economy catch-up growth and large inflows of EU money. Civil engineering continues to profit particularly from EU funding. Government policies affecting construction will be Croatia's new National Housing Policy Plan which is intended to drive affordable house building and a new tax on real estate.

Romania's large government deficit is forecast to make it harder to finance public works and could negatively impact civil engineering. Its construction sector outlook overall remains negative.

However, inflation and interest rates are heading down, and employment indicators remain strong, so says the EECFA, private consumption could boost demand for residential and non-residential construction.

Serbia's construction continues to progress. Non-residential construction is doing well, particularly commercial, office and hotel segments, while residential construction is maintaining 'historically high volumes'. Overall performance in civil engineering is also still strong

Total construction output in Slovenia is expected to decrease in 2024 through 2025 from the historic high of EUR €5.5 billion reached in 2023, but is forecast to remain above €5 billion annually in both years. A return to growth is forecast in 2026 and 2027, 'mostly on the back of a healthy growth in residential construction buoyed by decreasing mortgage rates'. However, civil engineering is expected to shrink.

As for the EECFA's eastern region, Russian construction is forecast to remain under pressure due to the high key borrowing rate. Tight monetary policy and reduced mortgage availability will slow house construction, and a cooling economy will reduce investment in non-residential building. But civil engineering will be underpinned by government infrastructure and energy projects.

Turkey saw big declines in building starts and completions in Q1 2025, but there is growth in home sales through equity financing where mortgages are unavailable. Government funding is also diverted into the rebuilding of the 870,000 houses damaged in the 2023 earthquake, which will cost an estimated €100 billion.

This year, in spite of the continuing war and economic instability, the EECFA reports Ukraine's construction industry is seeing signs of recovery and growth 'on the back of successful programs financing both the construction of new facilities and the reconstruction and restoration of infrastructure'.

See: <https://www.euroconstruct.org/news/99th-euroconstruct-conference/#:~:text=On%20this%20basis%2C%20EUROCONS,TRUCT%20predicts,amount%20to%20only%20around%202%25.>

and

<https://www.euroconstruct.org/news/eecfa-summer-2025-forecasts-released/>

### European business confidence rises

European business confidence is increasing, according to the July 2025 European Commission (EC) Economic Sentiment Indicator (ESI). In July, the ESI picked up in both the EU, rising 1 point to 95.3% and the Euro area, where it was up 1.6 points to 97.5%.

The EC report on the ESI says that the upturn was driven by higher confidence in industry, services and retail trade. There was also a marginal increase in consumer confidence. On the downside there was a slight decrease in construction confidence.

Of the larger EU economies, the ESI in France rose 2.4 points, Spain 2.2, Germany 1.2 and Italy 0.4. It was stable with June in the Netherlands, but down 2.1 points in Poland.

Industry confidence in July was up 0.9 points, according to the ESI. This was driven by managers' 'brighter expectations and slightly improved assessments of the current level of overall order books', said the EC. Managers' assessment of stocks of finished products was broadly stable and assessment of export order books edged up. Confidence in the service sector improved 0.7 points, with a significant increase in managers' demand expectations.

Retail trade confidence improved by 0.8 points, with retailers reporting sharply higher expectations for the future business situation and an improved evaluation of stock volume.

Construction confidence declined by 0.6 points in July due to a decrease in builders' employment expectations. Their assessment of order book levels was unchanged. The percentage of construction managers citing insufficient demand as a business limiting factor rose slightly to 31.4%. The percentage indicating material and equipment shortages and financial constraints as limiting factors rose respectively to 5.5% and 8.7%.

Consumer confidence, according to the ESI, was up 0.3 points in July. Consumer's perception of their financial situation improved and their intentions to make major purchases were stronger. However, their expectations for the economic situation in their countries worsened.

Selling price expectations picked up strongly in industry and rose to a lesser extent in services, retail trade and construction.

The Economic Uncertainty Indicator increased 1 point to 17.3%. Industry and service sector managers reported a marked increase in uncertainty about the future business situation, but uncertainty decreased in retail trade and construction. Consumer uncertainty about their future financial situation declined too.

According to the July EU quarterly economic situation survey, the industry estimated rate of capacity utilisation was up 0.1 points compared to April at 77.9%. Managers' assessment of their competitive position in non-EU markets improved 0.2 points and their evaluation of order developments over the past three months rose 1.3 points. In services since April, EU capacity utilisation was up 0.5 points to 90.2%.

In the Euro area the estimated rate of capacity utilisation in industry was unchanged at 77.8%. In services it was up 1.1 points to 90.4%.

See: [https://economy-finance.ec.europa.eu/document/download/8a03467f-3e8e-483f-9452-6704999e48f9\\_en?filename=bcs\\_2025\\_07\\_en.pdf](https://economy-finance.ec.europa.eu/document/download/8a03467f-3e8e-483f-9452-6704999e48f9_en?filename=bcs_2025_07_en.pdf)

### French timber imports declined in 2024

According to a report from French timber trade association Le Commerce du Bois (LCB), imports of sawn timber, both softwood and tropical hardwood, continued their 'structural decline in volume' in 2024.

"In a global context marked by economic instability, tightening regulations, and persistent logistical constraints, the sector is reaching a fragile equilibrium point," says the LCB. "The softwood sawn timber market appears to be entering a phase of stabilisation at a low level, after several years of decline. Domestic demand remains hampered by the slowdown in new construction and renovation.

Tropical sawn timber imports continued to contract more markedly under the cumulative effect of regulatory pressure (notably CITES and the upcoming EUDR) and persistently weak demand.



Volumes are reaching a historic low. Imports of tropical logs almost completely collapsed.”

French tropical sawnwood imports fell to a historic low of 94,759 cu.m in 2024, down 22% year-on-year. This is the sharpest fall in over ten years. Africa remained the leading supplier shipping 56,900 cu.m to France but French import volumes from the continent fell by 28% over 2023.

Imports from the Republic of Congo fell 7% to 14,100 cu.m with the decline limited by ‘better logistical organisation and a more transparent regulatory framework’. Imports from Gabon were 12,500 cu.m, adversely affected, says LCB, by the CITES listing of padouk and transport issues..

“This sudden drop illustrates the strategy adopted by the countries of the CEMAC zone and the DRC, which intend to completely ban export of logs by 2028 in order to develop local processing industries,” says LCB.

French imports of softwood sawn timber in 2024 were 2.29 million cu.m, down 1% on 2023. LCB reports that imports have fallen 30% compared to the record levels of 2021, but now seem to be stabilising at this lower level. Softwood sales have been hit by the downturn in French house building.

LCB concludes that 2024 could mark a transitional period in French timber imports. Faced with continued low demand and stricter regulations, it says, most French importers are striving to secure more traceable, more consistent, and more resilient supply chains. “Northern Europe suppliers are thus doing well by consolidating their positions thanks to the reliability of its sawmills and the quality of its certifications,” it says.

“The future of tropical woods on the French market will probably see a move upmarket, the promotion of certified species, establishment of local partnerships to better control the supply chain and much will depend on adaptation to the requirements of the EUDR.”

See:

<https://www.lecommercedubois.org/actualites/1343/bilan-des-importations-2024-vers-un-equilibre-fragile-marque-par-le-poids-des-reglementations>

#### **EU ends Cameroon FLEGT VPA**

The European Parliament voted on 17 June to end its Forest Law Enforcement Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) with Cameroon which entered it into in 2011. At the same time the EU pledged to continue to work with Cameroon on timber legality.

Ending the VPA was first proposed by the European Commission late 2024 and according to a report from French Timber Trade Association Le Commerce du Bois (LCB) was based on ‘the observation of a lack of concrete progress in the implementation of the Agreement’.

More than ten years after the VPA’s adoption, said LCB, Cameroon had still not issued FLEGT licenses for timber exports to the EU and commitments regarding legality, transparency and forest governance had not been sufficient. The Commission and Parliament also highlight the reduction of engagement with civil society and local communities, which are at the heart of the FLEGT system.

The official European Parliament bulletin highlighted that forest loss in Cameroon had continued through the duration of its VPA, with a further 900,000 ha, or 5% of the country’s total forest cover, lost between 2011-2022. LCB reports that the termination was a unilateral decision by the EU and that Cameroon is yet to accept it.

The LCB concludes that the end of the VPA with Cameroon “should not lead to a loss of its achievements in terms of traceability and governance. On the contrary, it marks a shift towards stronger requirements under the EUDR. Importers must prepare for these obligations by securing their supply chains and relying on robust certification processes”.

See: <https://www.lecommercedubois.org/actualites/1351/apv-ue-cameroun-fin-de-l-accord-mais-volonte-de-maintien-du-dialogue-annonce> and [https://www.europarl.europa.eu/doceo/document/TA-10-2025-0119\\_EN.html](https://www.europarl.europa.eu/doceo/document/TA-10-2025-0119_EN.html)

## **North America**

### **Tropical hardwood imports dipped in June while neither tariff promises nor fears materialised**

US imports of tropical hardwood products decreased in June as the US Administration continued to roll out an ever-evolving policy of trade tariffs.

While neither the biggest fears nor promises about the tariffs materialised, larger month-on-month swings in import volumes occurred in the first half of the year.

In June the swing was definitely downward. Imports of sawn tropical hardwood plunged 21%, imports of hardwood plywood decreased by 13%, imports of tropical hardwood veneer fell 20%, imports of hardwood moulding were off by 7%, imports of hardwood flooring dropped 15% and imports of assembled flooring fell for the third consecutive month in June, shedding 13%.

US imports of wooden furniture managed to rise 1% in June but that was preceded by a sharp drop in May. Despite the poor June numbers imports for tropical hardwood and most related products are ahead of last year through the first half of 2025 which reflect an overall early year spike in US imports in anticipation of tariffs.

### **Imports of sawn tropical hardwood retreat**

US imports of sawn tropical hardwood fell 21% in June, retreating after a May surge in volume. At 15,277 cubic metres, import volumes were down 3% versus June of last year.

Imports from Indonesia fell by 40% and imports from Malaysia fell 8% while imports from the top-trader, Brazil, fell only 3%.

Sharp decreases in imports of Mahogany (down 74%), Balsa (down 45%), Ipe (down 28%) and Sapelli (down 18%) accounted for most of the lost in volume.

Despite the downturn, total imports of sawn tropical hardwood remain ahead of last year's pace, up 1% from 2024 through the first half of the year.

#### US imports of sawn tropical hardwood (cu.m)

	2025 Jun	MoM % change
Total	15,277	-21%
Ecuador	820	9%
Brazil	4,187	-3%
Cameroon	2,074	17%
Malaysia	2,577	-8%
Rep. Congo	1,509	-16%
Peru	68	-26%
Indonesia	1,432	-40%
Ghana	672	22%
Cote d'Ivoire	38	-42%
Other	1,900	-60%

Data source: US Department of Agriculture, Foreign Trade Statistics)

#### Hardwood plywood imports cool

Imports of hardwood plywood also cooled off after a strong May falling 13% in June from the previous month. Despite the pullback, at 281,988 cubic metres, June imports were 40% higher than in June 2024.

While imports from most major trading partners fell in June, year-to-date figures for the top traders are well ahead of last year. Imports from Indonesia, the leading supplier, were up 60% from last year through June while imports from the number 2 supplier Vietnam were 36% ahead of last year's pace.

Through the first half of the year total import volumes of hardwood plywood are up 20% over 2024.

#### US hardwood plywood imports (cu.m)

	2025 Jun	Yoy % change
Total	281,988	-13%
China	1,338	-44%
Russia	17,702	4%
Indonesia	80,059	-18%
Malaysia	7,076	-17%
Cambodia	8,619	-32%
Vietnam	93,489	-26%
Ecuador	10,314	-15%
Other	63,391	34%

Data source: US Department of Agriculture, Foreign Trade Statistics)

#### Veneer imports fall

Imports of tropical hardwood veneer fell 20% in June with imports from most trading countries falling sharply. A 46% increase in imports from top-trading partner, Cameroon, helped to mitigate losses in imports from Ghana (down 50%), Cote d'Ivoire (down 49%), India (down 38%) and China (no imports at all in June).

Even with the declines total June imports were up 3% over the previous June. Year-to-date tropical hardwood veneer imports are up 5% over last year through the first half of the year, due almost exclusively to imports from Italy more than tripling.

#### Moulding imports down 7%

Imports of hardwood moulding fell 7% in June, cooling from a 3-year high in May. At US\$15.5 million, June imports were 1% lower than for June 2024. While imports from most nations slid in June, imports from the top two trading partners surged.

Imports from trade leader, Canada, rose 15% and accounted for more than one-third of all monthly imports, while imports from Malaysia soared 73% in June. Through the first half of the year imports of hardwood molding were up 21% while imports from Canada, Malaysia, China and Brazil have all grown by more than 40% over last year.

#### Imports of assembled flooring panels follow the downtrend

Imports of assembled flooring fell for the third consecutive month in June, shedding 13% from the previous month. At US\$19.5 million, imports were 31% below that of the previous June and were at the lowest level since April 2023.

While steep drops in imports from Thailand and Brazil highlighted a nearly across-the-board slump, a 37% gain in imports from Indonesia stemmed some of the loss. While imports are trending downward, year-to-date imports remain ahead of 2024 by 13% through June.

US imports of hardwood flooring had similar results in June, falling 15% from the previous month. June imports were down 38% from June 2024 totals. Hardwood flooring imports have lagged all year with the sole bright spot being imports from Malaysia which gained 75% in June and are up 40% for the year so far.

Imports from Indonesia, the top trading partner, were up 42% in June but are down 11% for the year to date while imports from Brazil also collapsed (down 86% in June and down 56% for the year to date). Over the first half of the year, total imports of hardwood flooring are down 16% versus last year.

### US Imports of assembled flooring (US\$)

	2025 Jun	MoM % change
Total	19,538,867	-13%
China	166,469	-44%
Canada	6,101,270	-6%
Indonesia	2,623,758	37%
Vietnam	2,456,829	-16%
Thailand	280,890	-75%
Brazil	4,168	-94%
Other	7,905,483	-17%

Data source: US Department of Agriculture, Foreign Trade Statistics)

### Wooden furniture imports stabilise

Imports of wooden furniture rose 1% in June, stabilising after a 6% plunge in May. At US\$1.62 billion, imports for the month were 6% below those of June 2024. Imports from China continue to fall, down 24% in June and off 32% for the first half of the year.

Imports from Vietnam, the top supplier, gained 3% in June and are up 12% year to date. Imports from Canada were down 11% year to date, but moved upward in June, gaining 15% over the previous month. Through the first half of the year total imports of wooden furniture were somewhat flat, down less than 1% versus last year.

### US imports of wooden furniture (US\$)

	2025 Jun	MoM % change
Total	1,621,608,806	1%
China	90,659,449	-24%
Vietnam	773,727,197	3%
Canada	126,180,206	15%
Malaysia	87,623,735	2%
Mexico	112,713,625	3%
Indonesia	63,098,407	7%
India	29,444,404	-19%
Other	367,606,187	-1%

Data source: US Department of Agriculture, Foreign Trade Statistics)

As for the overall furniture market, new furniture orders were up 11% in May versus April but down 1% versus the previous May according to the latest Furniture Insights published by Smith Leonard. The report states that new orders were down 3% through the first five months of the year versus 2024 figures.

### Plywood traders say tariffs are having an impact on orders

Tariffs are a hot topic in the hardwoods market, especially for plywood and paneling. While prices are relatively stable, customers are worried about an increase which is having an impact on order volume and purchase timelines according to suppliers interviewed by Woodshop News.

“We’re seeing a lot of anxiety because every vendor right now is throwing a tariff notice on their products stating tariff prices could spike at any point and a tariff charge could be charged at any time during the buying process. Everybody is on edge. They’re expecting at least a 10% across the board increase on everything, even if it’s domestic,” said one trader.

The other thing noticed by traders is that products are getting tied up in containers and people need to buy something local to keep things rolling. A trader said “we got a load of hardwood about a month and a half ago and the paperwork on the tariffs that came with it was like a book. So, there’s a lot of paperwork that can slow things down as well.”

See: <https://www.woodshopnews.com/plywood-sellers-deal-with-tariff-implications>

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

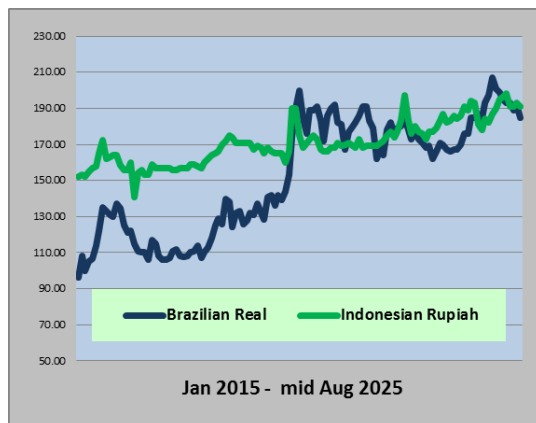
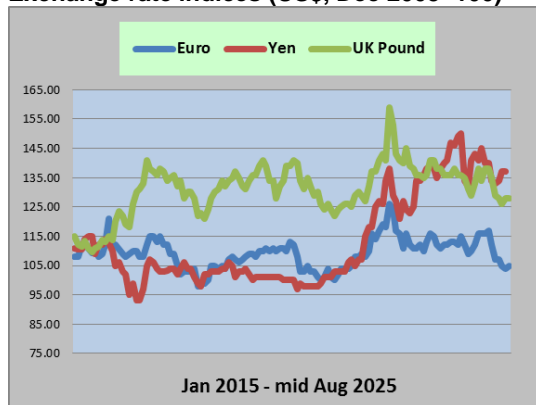
**The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO**

## S Dollar Exchange Rates

As of 10 August 2025

Brazil	Real	5.43
CFA countries	CFA Franc	563.15
China	Yuan	7.18
Euro area	Euro	0.86
India	Rupee	87.58
Indonesia	Rupiah	16,256
Japan	Yen	147.73
Malaysia	Ringgit	4.24
Peru	Sol	3.63
UK	Pound	0.74
South Korea	Won	1,388.70

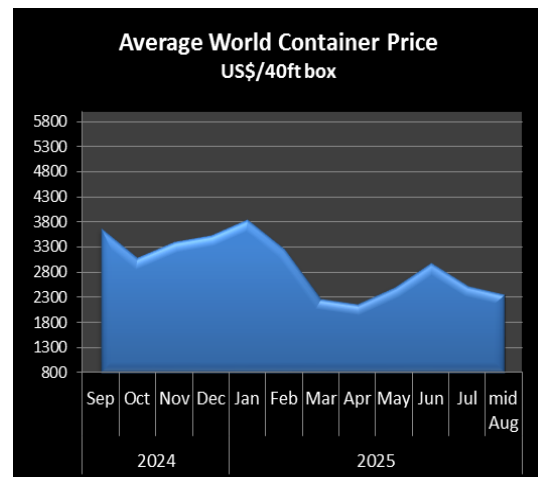
Exchange rate indices (US\$, Dec 2003=100)



## 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

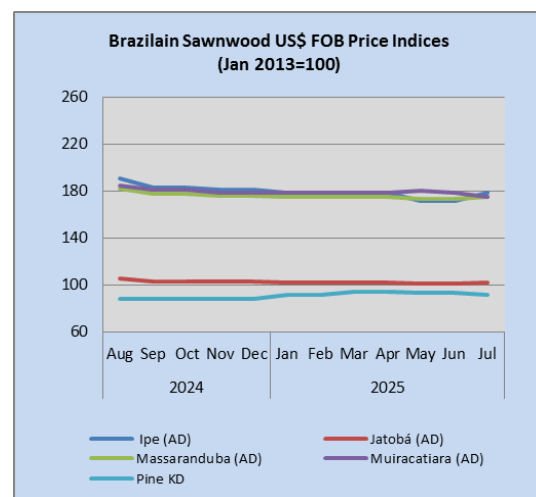
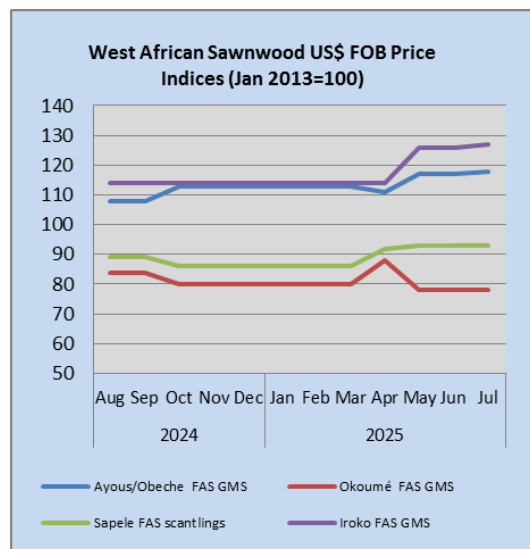
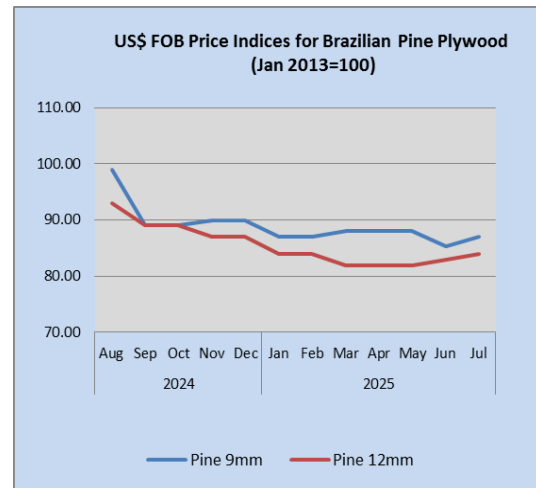
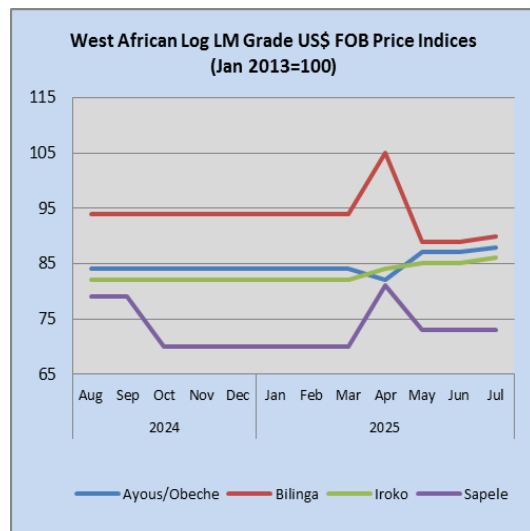


Data source: Drewry World Container Index

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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