Tropical Timber Market Report

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Headlines

Top story

Export orders tilt higher as buying for year-end begins

The Vietnamese Department of Forestry reported that forest product exports fell almost 30% in the first six months of this year. However, a survey by the Handicraft and Wood Industry Association of Ho Chi Minh (HCM) City (HAWA) found that export orders began to recover in July ahead of the global year-end furniture shopping season.

Speaking at the Vietnam Wood and Furniture Industry Forum held by HAWA, Phạm Phú Ngọc Trai, chairman of Global Integration Business Consultants, said the current reduction in export orders is temporary and the furniture industry has considerable growth potential for the next five to ten years.

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Central and West Africa

Slowdown in Asian and Middle East markets

Gabon is currently in the dry season with no rain expected until the end of August. This favourable weather supports efficient harvesting activities. Producers report, while the availability of mill workers is not an issue, there have been reports of a shortage of technicians.

Milling operations and the import of spare parts are running without disruptions and there are sufficient log stocks, mainly in Okoume, to meet current demand. Mid-August holidays coincided with independence celebrations along with presidential and community elections in Gabon.

Containers are readily available and stuffing operations are running smoothly but rail transport is slow because priority is given to manganese exports, however, this has not created delays at the ports.

The authorities in Gabon are strictly enforcing truck weight limits which have meant a change in trucking of the heavy species.

Producers in Gabon say order levels are about normal but the slowdown in Asian and Middle East markets is noticeable.

Mills depend on log stocks during rain season

Cameroon is currently in its rain season which has lead to the usual slow-down in harvesting operations. Trucking logs from the forest is disrupted by poor road conditions but these challenges are the same as in every rain season. During the dry season log stocks were built up so mill operations are continuing.

Port operations at Douala port are said to be running normally but there are reports of issues because of expansion work at the Kribi Deep Seaport.

Order books good for the next two months in Congo

Producers in Congo report order levels are stable given that it is a quiet holiday period in the main markets but, because of the holidays, enquiry levels have dropped. Order books are good for the next two months.

Congo is in a dry period at present which favours harvesting. However, heavy rains in the north have caused delays in production and have disrupted transportation especially on the laterite roads.

Transport by rail is generally good with logs are being transported to Pointe Noire first by river to Brazzaville and then by rail to Pointe Noire. Operations in Pointe Noire are said to be normal and shipments are getting away on time.

Export market snapshot

China's demand for light weight timbers and okoume is reported as subdued. However, demand for belli remains stable and Ovangkol is still in high demand.

Demand in the Philippines has softened with buyers focusing on high quality timbers from mills providing quality sawnwood.

Okoume purchases in the Middle East are showing signs of a slowdown but analysts say landed stocks are adequate for now.

Demand in Europe is said to be stable with an encouraging and consistent demand for moabi and douka for the door and furniture industries.

Passenger services remain suspended on Transgabonais railway

Passenger transport on the Transgabonais railway has still not resumed. Passenger transport on the only railway line in the country was suspended by the government in April, following an incident on the Transgabonais route. The passenger rail service halted after a landslide between the stations of Offoué and Booué on 24 December 2022, however, the transport of goods resumed in February this year.

See: https://www.lenouveaugabon.com/fr/transports-logistique/0808-20000-transport-ferroviaire-la-reprise-de-la-circulation-des-trains-voyageurs-toujours-pas-a-l-ordre-du-jour

Electronic VAT invoicing planned in Gabon

The Ministry of the Economy in Gabon wants a solution for controlling electronic invoicing for value added tax (VAT) recovery. A call for expressions of interest has announced with the aim of recruiting a firm to provide the service.

See: https://www.lenouveaugabon.com/fr/banque-finance/0408-19993-impots-le-gabon-veut-mettre-en-place-un-systeme-de-controle-de-facturation-electronique-de-la-tva

Log export prices

West African logs	FOB Euro per cu.m		
Asian market	LM	B	BC/C
Acajou/ Khaya/N"Gollon	265	265	175
Ayous/Obeche/Wawa	250	250	225
Azobe & ekki	275	275	175
Belli	250	250	-
Bibolo/Dibétou	200	200	-
Bilinga	275	275	-
Iroko	300	280	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	200	200	-
Moabi	280	280	250
Movingui	180	180	-
Niove	160	160	-
Okan	210	210	-
Padouk	330	310	240
Sapele	260	260	220
Sipo/Utile	260	260	230
Tali	260	260	-

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	425
Bilinga FAS GMS	580
Okoumé FAS GMS	460
Merchantable KD	400
Std/Btr GMS	390
Sipo FAS GMS	420
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	1,100
FAS scantlings	1,100
Strips	400
Sapele FAS Spanish sizes	460
FAS scantlings	489
Iroko FAS GMS	750
Scantlings	820
Strips	400
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	530
Scantlings	550
Movingui FAS GMS	380

Ghana

Exports to ECOWAS countries fall

Ghana exported a total of 101,997cu.m of wood products during the first four months of 2023 which generated total receipts of Eur45,473 million.

For the same period in 2022 total wood products totalled 102,615cu.m with a revenue of Eur43,174 million. This illustrates that wood products export volumes in 2023 dropped by around 1% but revenue increased by 5% compared to figures for the same period in 2022.

Total air-dried sawnwood exports up to April 2023 were 55,049cu.m which represented close to 54% of the total export volume for the period. This volume, when compared to the same period in 2022, registered a 15% increase. Products that recorded significant decrease in volumes in the period January to April 2023 included kiln-dried sawnwood, plywood (included overland exports), veneers and billets.

During the period under consideration nine ECOWAS countries imported a total of 11,519cu.m which was 34% lower compared to the 17,509cu.m recorded for the same period in 2022.

In spite of the weak export performance the overall average unit price (AUP) of wood products up to April 2023 was Eur384/cu.m, higher than that in the same period in 2022 (Eur227/cu.m).

ECOWAS wood product exports, Jan-Apr (cu.m)

Countries	2022	2023
Togo	9,617	3,099
Burkina Faso	2,983	3,192
Niger	1,743	2,234
Senegal	1,894	2,066
Mali	724	286
Benin	366	378
Others (3)	182	266
Total	17,509	11,521

Data source: TIDD

ECOWAS wood product exports, Jan-Apr (Eur 000s)

	2022	2023	2023 AUP
Countries	Eur 000s	Eur 000s	Eur/cu.m
Togo	1,151	1,262	407
Burkina Faso	1,025	1,142	358
Niger	711	912	408
Senegal	528	755	365
Mali	321	105	367
Benin	161	153	405
Others (3)	85	95	357
Total	3,982	4,424	384

Data source: TIDD

Countries that contributed to the higher AUP in early 2023 over 2022 included Togo, Burkina Faso, Niger and Senegal. Ghana is the headquarters of the Africa Continental Free Trade Area which seeks to promote trade among countries on the continent.

France was the major importer of Ghana’s air-dried boules accounting for 54% or 245cu.m and 53% (Eur186,309) of the total export in early 2023 with Germany, Greece and Italy accounting for the balance.

Ghana parliament passes Wildlife Resources Management Bill

The Deputy Minister for Lands and Natural Resources for Lands and Forestry, Benito Owusu-Bio, on behalf of the Sector Minister, Samuel A Jinapor, moved the motion for the passing of the Wildlife Resources Management (WRM) Bill 2022 after the third reading in Parliament.

The WRM Bill seeks to revise and consolidate all laws relating to wildlife and protected areas and bring them in line with existing policies and emerging trends in the natural resources sector. The new legislation also aims to ensure the effective implementation of the International Conventions on Wildlife of which Ghana is a signatory.

The Bill gives legal backing to local communities in wildlife management through the creation of Community Resource Management Areas (CREMAs). It also introduces higher penalties and sanctions for wildlife offences, a harsh deterrent to protect wildlife resources.

In a statement published on the Ministry's website the Government extended its appreciation and commendation to all its stakeholders and key actors for their inputs and support throughout the review process and final passage of the Bill into a new legislation.

See: https://mlnr.gov.gh/index.php/wildlife-resources-management-bill-2022-passed/

Minister inaugurates 10-member COP 28 committee

The Minister for for Lands and Natural Resources (MLNR), Samuel A. Jinapor, has inaugurated a 10-member committee to plan and facilitate Ghana's effective participation in the 2023 United Nations Climate Change Conference to be in Dubai 30 November to 12 December this year.

In his address the Minister said the government has assumed a leading role in discussions on climate change and there are expectations for the country to contribute immensely to the policy ideas and initiatives on the climate at COP28.

The Chairman of the committee, Hon. Benito Owusu-Bio, who is also the Deputy Minister for MLNR welcomed the challenge and assured that the committee will deliver professionally.

He also promised to provide the necessary leadership for Ghana to have a successful participation and to highlight the importance of COP28 for Ghana's climate action plans. Ghana became the second African country after Mozambique to receive payments for reducing emissions from deforestation and forest degradation (carbon credits) from a World Bank trust fund.

See:
https://www.businessghana.com/site/news/General/291634/Lands-Minister-inaugurates-10-member-COP28-committee

World Bank 'tree crop' support

Ghana has secured a US$200 million loan facility from the World Bank to increase the production of tree crop commodities for export under a programme known as the 'Tree Crop Diversification Project'.

The funding is expected to enable the Tree Crops Development Authority (TCDA) to undertake research and development of different varieties of tree crops including rubber.

The financial support would also go into strengthening institutional value chain governance, improving tree crop adaptation and climate change resilience and support post-harvest management and value addition. The Minister of Food and Agriculture, Dr. Bryan Acheampong, announced this in a speech read on his behalf during the launch of the 2023 International Coconut Festival.

See: https://thebftonline.com/2023/08/11/govt-secures-us200m-world-bank-fund-for-tree-crop-diversification/

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	760↓
Niangon Kiln dry	910

Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	334↑	441
Chenchen	477	612
Ogea	486↓	590
Essa	624↑	722
Ofram	350	435

Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
FAS 25-100mmx150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	925
Asanfina	465	564
Ceiba	290	311
Dahoma	458↓	525↓
Edinam (mixed redwood)	640	713
Emeri	660	795
African mahogany (Ivorensis)	541	946↑
Makore	560	907
Niangon	850↑	1,000↑
Odum	570	875↓
Sapele	800	900↑
Wawa 1C & Select	513	521↑

Export sliced veneer prices

Sliced face veneer	FOB Euro per cu.m
Asanfina	980↓
Avodire	2,999
Chenchen	702↓
Mahogany	1516
Makore	1,046
Odum	2,315
Sapele	1,325↑

Export plywood prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	501	580	641
6mm	412	535	604
9mm	327↓	504	560
12mm	758	512	480
15mm	450	385	430
18mm	460	444	383

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

Malaysia

Aiming for top 30 in 10 years

The recently launched 'Madani Economy Framework' sets out six medium-term benchmarks that will lift the Malaysian economy to be among the world's top 30 in less than 10 years from 37th in 2022.

This will be achieved by focusing on greater regionalisation and competitiveness, prioritising economic complexity and moving up the value chain.The main focus is on economic restructuring towards making Malaysia an economic leader in Asia.

This will involve Malaysia being in the top 12 in the Global Competitiveness Index, employees' compensation to reach 4% cent of the gross domestic product, women's participation in the workforce at 60%, top 25 in the United Nations Human Development Index, top 25 best score in the Corruption Perception Index and fiscal sustainability with the fiscal deficit being 3% or less.

See:
https://theborneopost.pressreader.com/article/282333979404352

Raw material and labour shortages in plywood sector
A Sabah based manufacturer Eksons Corp has exited its loss-making core plywood manufacturing operations. The plywood operations were stopped in January this year due to the constant challenge in the availability of logs and workers.

Prolonged log and foreign labour shortages have forced many timber companies in both Sarawak and Sabah to either shut down their plywood plants or scale down production.

See: https://www.thestar.com.my/business/business-news/2023/07/31/eksons-exits-plywood-manufacturing-ops

Promoting added value bamboo industries
The Sarawak Timber Industry Development Corporation (STIDC) is committed to promoting high income timber and bamboo industries in Sarawak to produce high value-added products.

The Sarawak government is targeting around 10,000 hectares of commercial bamboo plantations and 1,640 hectares of community plantations, said Premier Abang Johari Tun Openg. So far, a total of 2,760 hectares of commercial bamboo plantations and 59 hectares of community plantations have been developed throughout Sarawak.

Amended Forestry Act to protect tigers
The forestry laws in Perak should be amended in accordance with the National Forestry Act to protect the Malayan tiger, says Natural Resources, Environment and Climate Change Minister, Nik Nazmi Nik Ahmad. He said this at the World Tiger Day celebration at Belum Rainforest Resort adding that the Federal Government will continue to work with the Perak State government to amend its laws in accordance with the National Forestry Act.

See:
https://www.thestar.com.my/news/nation/2023/08/04/amend-peraks-forestry-laws-to-safeguard-malayan-tiger

New General Manager for STIDC
Zainal Abidin Abdullah, 54, has taken over as Sarawak Timber Industry Development Corporation General Manager. He is also the Malaysian Timber Council chairman. Zainal, who has over 30 years of experience in the forestry and timber sectors, brings extensive knowledge in strategic planning for the development of the sectors in consonance with national policies.

He started his career as a forest officer for the Sarawak Forest Department in 1992 and was seconded to Sarawak Forestry Corporation. He held several positions at SFC before becoming deputy general manager in June 2018.

See:
https://theborneopost.pressreader.com/article/281633899744964

Indonesia

August export benchmark prices
August Export Benchmark Prices (HPE) as determined by Decree 1303 of 2023 from the Minister of Trade Number have been published.

The new HPE are for veneers packing boxes, wood in chips or particles and sawn timber with a cross-sectional area of 1,000 sq. mm to 4,000 sq. mm of merbau and teak.

The following is a list of Timber HPE for August 2023

Veneers

Natural Forest Veneer	US$800/cu.m
Plantation Forest veneer	US$500/cu.m
Wooden Sheet for Packaging Box	US$1,200/cu.m

Chipwood

Chipwood in the form of particles	US$90/tonne
Chipwood	US$95/tonne

Processed Wood
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 1000 mm2 to 4000 mm2 (ex 4407.11.00 to ex 4407.99.90)

Meranti (Shorea sp)	US$1,000/cu.m
Merbau (Intsia sp)	US$1,200/cu.m
Rimba Campuran (Mix Tropical Wood)	US$850/cu.m
Ebony	US$3,500/cu.m
Teak	US$1,600/cu.m
Pinus and Gmelina	US$650/cu.m
Acacia	US$850/cu.m
Sengon (P. falcataria)	US$600/cu.m
Rubberwood	US$300/cu.m
Balsa (Ochroma sp) plus Euc.	US$1,150/cu.m
Sungkai (P. canescens)	US$650/cu.m

Processed wood which is leveled on all four sides so that the surface becomes even and smooth from Merbau wood (Intsia sp) with a cross-sectional area of more than 4,000 sq.mm to 10,000 sq.mm (ex.4407.29.91 and ex.4407.29.92) US$1,500/cu.m.

See: https://forestinsights.id/harga-patokan-ekspor-hpe-kayu-bulan-agustus-beberapa-jenis-produk-naik/

Acacia dominated log production in 2022

Statistics Indonesia (BPS) has reported that in 2022 Indonesia produced 64.65 million cubic metres of logs and that acacia was the largest contributor to log production in 2022.

The total volume of acacia production was 49% of the total national log production or 31.54 million cubic metres. Second was mixed tropical hardwood at 26.10 million cubic metres (40% of total production). The others were meranti, ebony and other types of wood contributing less than 10% of national log production.

The BPS also stated that log production is distributed across all islands in Indonesia. The island of Sumatra recorded the largest log production at 43.5 million cubic metres, or 67% of total log production, followed by Kalimantan which contributed 17% of log production. Production in Java was just over 18 million cubic metres or around 15% of national production.

See:
https://databoks.katadata.co.id/datapublish/2023/07/31/akasia-mendominasi-produksi-kayu-bulat-indonesia-pada-2022

Indonesia, Malaysia, EU task force on deforestation regulation meets for first time

The first meeting of the Indonesia/Malaysia/EU Ad Hoc Joint Task Force (JTF) on the European Union Deforestation-Free Regulation (EUDR) was convened in early August and was co-chaired by Deputy Minister for Food and Agribusiness at the Coordinating Ministry for Economic Affairs of Indonesia, Musdhalifah Machmud; Secretary General, Ministry of Plantation and Commodities of Malaysia, Dato' Mad Zaidi bin Mohd Karli; and Director for Green Diplomacy and Multilateralism and for the European Commission, Astrid Schomaker.

The co-chairs underscored their aim is to seek common interests between producers and consumers of plantation. The Ad Hoc JTF will establish a dialogue and relevant work streams led by the respective governments to build mutual understanding on the implementation of the regulation.

The meeting also agreed to the terms of reference for the Ad Hoc JTF which includes work on issues such as inclusivity of smallholders in the supply chain, relevant national certification schemes (land legality and cut-off date for deforestation), traceability from producer to end-consumer, scientific data on deforestation and forest degradation and protection of data. The Ad Hoc JTF will conclude its work by the end of 2024, its term could be extended upon mutual agreement.

See: https://www.eeas.europa.eu/delegations/indonesia/kick-meeting-ad-hoc-joint-task-force-between-indonesia-malaysia-and-eu_en
and
https://en.antaranews.com/news/290334/ri-malaysia-eu-create-task-force-on-deforestation-regulation

Minister - Concerns on EUDR country risk categorisation

Indonesia's Trade Minister, Zulkifli Hasan, has said the EUDR will hamper trade and has the potential to be discriminatory. Indonesia has always been the EU's source palm oil, wood, rubber and cattle. In 2022 Indonesia's export to the EU amounted to almost US$7,000,000 from around 8 million small farmers. Concerning the discrimination potential the minister said that the EUDR provides for countries to be categorised based on risks.

Indonesia has conducted efforts to oppose the EUDR mainly through multilateral forums in WTO Committees such as the Committee on Agriculture, Council for Trade in Goods, Committee on Market Access and Committee on Trade on Environment.

See: https://www.kompas.id/baca/ekonomi/2023/08/01/eudr-dinilai-hambat-perdagangan

Small-holder union to help farmers comply with EU deforestation law

Indonesia's smallholder union (SKPS) has established a foundation to help farmers comply with the EUDR. The aim is to support forest conservation and responsible deforestation-free practices that improve the welfare of smallholder farmers and rural communities.

Mansuetus Alsy Hanu, Secretary-General of SKPS said that the launch of the foundation was timely as oil palm smallholders need support to cultivate their crops while protecting forests. Smallholders have expressed concern that they will be unable to meet the requirements of the newly introduced EUDR which requires farmers to provide evidence that their crop was not grown on recentlt deforested land.

The foundation will provide both monetary and non-monetary support to farmers including how to follow deforestation-free and sustainable best practices. These include establishing traceability of products, recognition of customary forests and the processing and marketing of non-timber forest products.

See: https://www.eco-business.com/news/indonesian-smallholders-union-launches-foundation-to-help-farmers-comply-with-eu-deforestation-law/

Minister of Trade meets the EU-ABC delegation

The Minister of Trade, Zulkifli Hasan, received a visit from a Delegation of the European Union-Asean Business Council (EU-ABC). At the meeting the Minister encouraged collaboration between governments and business players from Indonesia and the European Union to enhance trade and investment relations, as well as optimise bilateral economic potential.

The Minister also held discussions with the delegation regarding trade policies such as exports and imports, electronic commerce (e-commerce) and international trade.

In addition, the development of the ongoing Indonesia-EU CEPA (European Union Comprehensive Economic Partnership Agreement) negotiations was also discussed.

See: https://www.kemendag.go.id/berita/foto/mendag-ri-menerima-kunjungan-delegasi-eu-abc
and
https://www.neraca.co.id/article/183744/berkolaborasi-untuk-perkuat-kerja-sama-perdagangan

Indonesia and UK strengthen collaboration

The Indonesian Coordinating Minister for Economic Affairs, Airlangga Hartarto recently met with British Minister for Energy and Net Zero Security, Graham Stuart, to bolster collaboration between producer countries and consumers of plantation commodities through the Forest Agriculture, Commodities and Trade (FACT) Dialogue.

The meeting addressed issues related to trade in agricultural commodities between Indonesia and the UK, small farmers and certification, trade commitments in the agricultural sector and climate change issues.

Hartarto said it is important for the UK to understand and fully acknowledge national sustainability standards to create conditions for improved market access for sustainably produced products in the UK. He also emphasised Indonesia's various commitments in trading agricultural commodities and addressing climate change, including the country's efforts towards sustainable plantation.

The cooperation between the two countries in legally and sustainably managing timber and wood products is demonstrated by the Forest Law Enforcement, Governance and Trade - Voluntary Partnership Agreement (FLEGT - VPA) which has been in effect since December 2018.

See: https://www.medcom.id/ekonomi/makro/GbmMvY4b-ciptakan-akses-pasar-airlangga-minta-inggris-akui-sepenuhnya-standar-keberlanjutan-indonesia

Agreement on carbon trading

The Financial Services Authority (OJK) and the Ministry of Environment and Forestry (KLHK) agreed to expand cooperation regarding carbon trading as mandated by the Financial Sector Development and Strengthening Law (P2SK Law). This increase in cooperation was marked by the signing of a memorandum of understanding (MoU) by the Chairman of the OJK Board of Commissioners, Mahendra Siregar and KLHK Minister Siti Nurbaya Bakar.

"This provides the legal basis for the exchange and use of carbon trading data through the National Registry System for Climate Change". Siregar noted this is an important step and will lead to other collaborations in the field of human resources (HR), information exchange, promotion, outreach and roadshows throughout the country and overseas to inform the public and the market of the existence of Indonesia's carbon stock exchange.

See :https://www.msn.com/id-id/berita/other/siapkan-penyelenggaraan-bursa-karbon-ojk-perkuat-kerja-sama-dengan-klhk/ar-AA1e3QvW

Indonesia's environmental management applauded

Indonesia has received appreciation from a number of countries regarding environmental and forestry management. This appreciation came on the sidelines of the G-20 Meeting in Chennai, India. The first appreciation came from Canada's Minister of Environment and Climate Change, Steven Guilbeault.

In a written statement the Canadian Minister congratulated Indonesia for starting to implement Carbon Economic Values. Furthermore, Guilbeault offered cooperation in the exchange of information and knowledge in the application of carbon emission trading and carbon economic values.

Indonesia also received appreciation from the United Nations Environment Programme (UNEP). This appreciation was provided at a bilateral meeting between Minister Siti and the UNEP Executive Director, Inger Andersen. Andersen said UNEP especially appreciates Indonesia's leadership in dealing with environmental issues related to deforestation, lake management, reducing mercury through the Minamata Convention and handling plastic waste.

See: https://www.medcom.id/ekonomi/sustainability/9K5DorRk-kerja-kerja-lingkungan-indonesia-diapresiasi-dunia

Sanctions on exporters violating foreign exchange regulations

The government will impose sanctions on exporters who fail to comply with the regulations concerning foreign exchange from export earning from natural resources. Provisions on the imposition and revocation of administrative sanctions for violating the regulation concerning natural resources have been outlined in the Finance Ministry's Regulation No.73 of 2023.

If Bank Indonesia finds exporters are violating the export earnings regulation then it will send notices to the Directorate General of Customs which will impose administrative sanctions on the exporters. The sanctions will take the form of export services suspension.

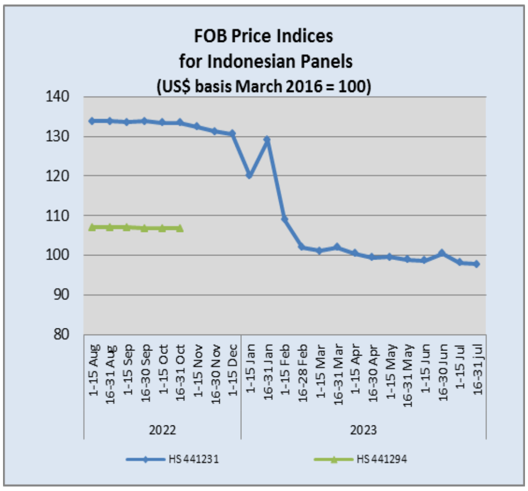
See: https://en.antaranews.com/news/289653/govt-stipulates-sanctions-for-exporters-violating-dhe-regulation

Importance of down-streaming in boosting the economy

President Joko Widodo (Jokowi) has reiterated that down-streaming efforts in various sectors constitute crucial measures to boost the economy, both at the national and regional level.

He added that Indonesia would be able to become a developed country by fulfilling two conditions: optimising its demographic bonus to develop human resource quality and implementing the downstream policy in various industries. The government has been down-streaming nickel which has resulted in an increase in the employment rate in Southeast Sulawesi and North Maluku.

See: https://en.antaranews.com/news/289908/president-highlights-importance-of-downstreaming-in-boosting-economy



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

Myanmar

New Myanmar currency note

After the issuing of a new 20,000 Kyat currency note in the last week of July the exchange rate jumped from 3,000 to 3,250 to the US dollar during the first week of August. Before the new note was issued Myanmar had currency notes in 100, 500, 1,000, 5,000 and 10,000 Kyat. About 18 months ago the government decided not to go ahead with the 20,000 Kyat note but changed direction on this.

Weakening Kyat a challenge in loan repayment

During the second week of August the Kyat weakened to Kyat3400-3500/ US$ and the media suggested this decline is related to the repayment of loan of US$400 Million the Export Import Bank of China and also to the decision of UOB bank of Singapore's suspension of acting with Myanmar bank counterparts, according to Mizzima News.

The ruling State Administration Council and the cooperative societies are reportedly having difficulty in repaying this dollar denominated loan as the dollar exchange rate jumped to 3,400 Kyats against the dollar. The US dollar exchange rate was around 1,000 Kyat when the Cooperative Ministry borrowed this US$400 million.

See: https://www.mizzima.com/article/myanmar-junta-struggles-repay-400-million-chinese-bank-loan-due-jump-dollar-price

UOB cuts ties with counterpart banks in Myanmar

It has been reported that UOB bank of Singapore will end its correspondent bank relationships with banks in Myanmar, a move that could significantly limit Myanmar's access to the global financial system.

It is reported that UOB indicated to the banks in Myanmar that it would restrict all incoming and outgoing payments to and from Myanmar accounts allowing funds to be moved only between accounts held with the bank.

UOB also announced tough new curbs on Visa card and Mastercard transactions for Myanmar individuals and banks which would restrict their dealings only to accounts within UOB.

The new UOB framework will reportedly begin 1 September this year. Financial sector commentators are bracing for similar action by two of Singapore's other big banks , OCBC and DBS

See: https://asia.nikkei.com/Spotlight/Myanmar-Crisis/Key-Singapore-bank-UOB-moves-to-cut-off-Myanmar

Extension of State Emergency

The state television has reported a 31 July meeting of Myanmar's National Defence and Security Council (NDSC) where a decision was taken to extend the state of emergency and the term of the administration for another six months.

The military administration has already extended the state of emergency three times, each for six months, with the latest extension marking the fourth. The military drafted constitution allows only two six-month extensions and it requires the authorities to hold elections within six months of a state of emergency being lifted.

See: https://english.kyodonews.net/news/2023/07/a9eb4913f431-myanmar-junta-to-extend-state-of-emergency-for-4th-time-reports.html

India

Obituary

It is with deep sadness we announce the passing, at the age of 92, of Ramkrishna Tulsidas Somaiya the ITTO correspondent for India for many years. Our deepest condolences are extended to the Somaiya family.

Ramkrisna was once Chairman of the Plywood and Allied Products Panel of Chemicals and Allied Products Export Promotion Council and Vice-Chairman of Capexil for the Western Region.

He was also President of All India Timber Importers Association, Committee Member of the Timber Development Association of India, the All India Wood Products Exporters Association, Member of the Indian Society of Foresters, Indian Academy of Wood Science and the Bombay Timber Merchants Association. He was an active member of the Teaknet steering committee and of the ITTO Trade Advisory Group.

The Teaknet website has an extended obituary at:
https://teaknet.org/download/2023/Obituary.pdf

Vietnam

Wood and wood product (W&WP) trade highlights

In July 2023 Vietnam's W&WP exports are estimated at US$1.1 billion, up 0.9% compared to June 2023 and down 16% compared to July 2022. In particular, WP exports accounted for US$760 million, up 1.3% compared to June 2023, but 10% compared to July 2022. Over the first 7 months of 2023 W&WP exports were recorded at US7.2 billion, down 27% over the same period in 2022.

The WP exports contributed US$4.9 billion, down 30% year-on-year.

Pine imports in June 2023 reached 69,000 cu.m, worth US$15.4 million, up 1.5% in volume and 11% in value compared to May 2023. Compared to June 2022 pine imports decreased by 35% in volume and 49% in value. In the first 6 months of 2023, pine imports amounted to 279,400 cu.m, worth US$61.1 million, down 44% in volume and 57% in value over the same period in 2022.

Vietnam's exports of rattan, bamboo and other non-wood forest products (NTFPs) in June 2023 recorded the highest level over the past 1 year, reaching US$68,135 million, up 10% compared to May 2023 and up 9.5% compared to June 2022. After 9 consecutive months of decline this is the first month that the NTFP exports increased year-on-year. Over the first 6 months of 2023 Vietnam's NTFP exports totalled US358 million, down 25% over the same period in 2022.

Export orders tilt higher as buying for year end begins

The volatility and unpredictability in global markets challenged for many industries including woodworking but offered opportunities to diversify according to experts.

The Department of Forestry reported that forestry product exports amounted to an estimated US$6.42 billion in the first six months of the year, a 29% year-on-year decrease with wood and wood product exports dropping by 29% to US$5.96 billion.

A preliminary survey by the Handicraft and Wood Industry Association of Ho Chi Minh (HCM) City (HAWA) found that export orders fell by around 30% at the start of the year but began to recover in July ahead of the global market year-end furniture shopping season.

Speaking at the Vietnam Wood and Furniture Industry Forum held by HAWA in HCM City, Phạm Phú Ngọc Trai, chairman of Global Integration Business Consultants, said the current reduction in export orders is temporary and the furniture industry has considerable growth potential for the next five to ten years. Compared to global GDP that forecast growth of 3% this year the world furniture industry's compounded growth rate is expected to be 4.5%.

According to Statista Market Insights the world furniture market may reach US$766 billion in 2023 and is estimated to hit approximately US$932 billion by 2027.
Vietnam ranks among the world's five largest wooden furniture exporters underlining its solid internal resources.

Nguyễn Quốc Khanh, Chairman of HAWA shared a similar view stating that woodworking firms showcased their business integration initiative. During market downturns, businesses remained proactive by reorganising production and streamlining operations to reduce costs while also seeking support from trade promotion agencies to explore new markets.

Khanh pointed out a new trend in the woodworking industry, where significant furniture brands from Vietnam are expanding into promising export markets, notably super-rich countries in the Middle East such as Saudi Arabia and Dubai with an eye on supplying products to new up-market real estate projects.

With the industry's internal strength and the return of orders the industry's export target for 2023 is considered attainable, said Khanh.

Experts at the forum emphasised the importance of businesses strengthening their internal resources to be prepared for orders to rebound in a recovering market and embrace green transformation to improve competitiveness.

Trai said Vietnamese businesses will face new demands such as the EU's Carbon Border Adjustment Mechanism (CBAM), effective from October 2023. Goods imported into the European market may incur additional costs if they fail to adopt a lower-emission production model and earn carbon credits.

See: https://www.csis.org/analysis/analyzing-european-unions-carbon-border-adjustment-mechanism

Planted forests

Vietnam has significant reserves of planted forests which offer opportunities for domesic furniture enterprises to capitalise on the carbon credit market, said Trai.

Phạm Thị Ngọc Thủy, Director of the Private Economic Development Research Board, pointed out that challenges related to the European Union Timber Regulation (EUTR) and net-zero goal will push Vietnam's wood and forest product processing industry in a more positive direction, encouraging further outreach and attracting foreign investment.

See: https://vietnamnet.vn/en/wooden-products-begin-to-get-export-orders-again-after-lull-2172636.html

Wood industry will struggle to achieve export target

The Import and Export Department (Ministry of Industry and Trade) quoted statistics from the General Department of Customs saying that in June 2023 the export of wood and wood products reached US$1.1 billion up 4% month on month but down 23% compared to June 2022.

In the first 6 months of 2023 exports of wood and wood products reached US$6.1 billion, down 28% over the same period in 2022. In which, the export of wood products reached US$4.1 billion, down 32% over the same period in 2022.

The recent global economic recession lead to a plummeting of orders. As a result Vietnam's exports of wood and wood products to major markets in the first half of 2023 dropped sharply.

Exports to the US accounted for 54% of the total export value of wood and wood products, reaching US$3.3 billion, down 33% compared to the same period in 2022.

The sharp decline of orders from the US makes the target of US$18 billion sales in 2023 unachievable.

According to the Import-Export Department recovery of the timber industries will depend on many factors including the stability of the global economy, especially the key export markets for wood and wood products such as USA and EU and with promoting export support measures and exploiting market expansion opportunities.

Speaking at a meeting Mr. Ngo Sy Hoai, Vice President and Secretary General of the Vietnam Timber and Forest Products Association (VIFORES) said the wood industry in recent years has recorded high achievements and made a breakthrough to become one of the world's major exporters and wood processing centres. However, in the first half of 2023 exports of wood products dropped sharply.

The decline in exports of wood and wood products resulted from a steep drop in demand in some main markets such as the US due to a drop in consumer purchasing power. In addition the wood industry has faced anti-dumping and anti-subsidy investigations since 2020 but, up to now, after seven reviews the US Department of Commerce has not yet issued a final decision.

However, according to Mr. Ngo Sy Hoai, the current difficulties are only temporary and global demand for wood products is still growing so there opportunities.

To limit the decline and maintain growth targets Mr. Ngo Sy Hoai suggested solutions are needed for Vietnamese products to have global brand recognition.

Vietnam has signed many FTAs such as VPA/FLEGT Agreement, also known as the Voluntary Partnership Agreement between the European Union and Vietnam on forest law enforcement, forest governance and trade in forest products.

Also, Vietnam entered into a bilateral agreement with the United States to address the complete removal of illegally harvested timber from the supply chain. At the same time it is effectively implementing the EU regulatioms.

A representative of the Vietnam Timber and Forest Products Association said that, at the national level, the solutions mainly focus on improving the business environment and enhancing the competitiveness of enterprises but more solutions are needed for Vietnamese wood to build their brand name in the global market.

The Vietnamese Government, businesses and the people of Vietnam have shaken hands to promote green growth and green development, contribute to the formation of a responsible wood industry and contribute to a reduction of global deforestation.

According to Mr. Ngo Sy Hoai, because of the order shortage many businesses have reduced the workforce and cut working hours so as to maintain a minimal level of production to wait for demand to recover.

With positive demand signals in the US market businesses must be well prepared to ramp up production.

Brazil

Timber sector in the spotlight in southern Brazil

The timber sector in the State of Rio Grande do Sul, one of Brazil's furniture hubs, is an important generator of jobs, income and taxes for the region and the sate. The timber industry makes a significant 4% contribution to Gross Domestic Product (GDP) in the state.

The Union of Timber, Sawmills, Carpentry, Framing, Joinery, Furniture, Plywood and Veneer, Particleboard and Wood Fiber Sheets Industries SINDIMADEIRA – RS in the State of Rio Grande do Sul has highlighted the economic and social benefits the timber industry brings to the region, adding that it is crucial to find a balance between economic development and promoting sustainable practices to ensure the long-term preservation of natural forests.

The timber sector can attract investments, new businesses and boost research and innovation in the area, benefiting the local economy, workers and entrepreneurs involved.

See:
https://www.sindimadeirars.com.br/noticias_int.php?id=2834

Operations to combat environmental crimes in the Amazon

The State government of Pará is strengthening capacity, equipment and technology in the Public Security System to combat forest destruction and curb environmental crimes.

This initiative includes the mobilisation of security agents in strategic operations on waterways, on land and in the air. This is part of the operations called the "Curupira" and "Amazônia Viva".

In addition, there has been investment in equipping of the Public Security River Group (Grupamento Fluvial de Segurança Pública - Gflu) linked to the Secretariat of Public Security and Social Defense (Secretaria de Segurança Pública e Defesa Social - Segup) with the installation of the Integrated Public Security River Base "Antônio Lemos" in the Marajó island aimed at reducing deforestation and environmental crimes in the State.

Since the beginning of the operations, there have been significant seizures of timber, weapons and machinery and a strengthening of the commitment of the government of Pará to reduce deforestation and, above all, to advance in the preservation of the environment.

See: https://www.agenciapara.com.br/noticia/45866/para-registra-avancos-no-combate-a-crimes-ambientais-com-as-operacoes-curupira-e-amazonia-viva

Global teak study

An international teak timber information network is conducting a global survey to analyse trade relations between teak exporting and importing countries.

Producers from about 80 countries that trade teak are participating in the study which is supported by the Food and Agriculture Organization of the United Nations (FAO) and the International Union of Forest Research Organizations (IUFRO) through its Special Programme for Capacity Development (IUFRO-SPDC).

In Brazil, the coordination is under the responsibility of EMBRAPA Florestas (Brazilian Agricultural Research Corporation). The objective is to compile national level data without disclosing specific information on public entities or private companies. The study is a continuation of work carried out by FAO in 2012 and will update information on global teak resources and markets. The results will be published in 2024.

These results are expected to facilitate a better assessment of the importance of teak resources and the international teak trade providing policy makers and investors with a better understanding of the important role teak is playing today in providing raw material for industries and the contribution to national economies.

See: https://www.embrapa.br/en/busca-de-noticias/-/noticia/82531255/produtores-de-teca-sao-convidados-a-participar-de-estudo-mundial

Expanding the border strip of the legal Amazon

The Brazilian Federal Government is debating the possibility of increasing the border strip between Brazil and its neighboring countries by approximately one hundred kilometers as a measure to protect the Legal Amazon. The Ministry of Justice and Public Security hopes that this expansion will allow the armed forces to work more effectively in the Amazon region.

Recently, the Amazon Plan - Security and Sovereignty (Amas) was launched, which aims to develop public security action in the states of the Legal Amazon (Acre, Amapá, Amazonas, Maranhão, Mato Grosso, Pará, Roraima, Rondônia and Tocantins).
Thirty-four integrated bases will be set up by State and Federal Police. Funding for this plan, an amount of R$2 billion, will come from the National Public Security Fund and the Amazon Fund.

See: https://forestnews.com.br/governo-ampliar-fronteira-amazonia-legal/

Domestic log prices

Brazilian logs, mill yard, domestic	US$ per cu.m
Ipê	591
Jatoba	234
Massaranduba	213
Miiracatiara	205
Angelim Vermelho	207
Mixed redwood and white woods	161

Source: STCP Data Bank

Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US$ per cu.m
Ipé	2,330
Jatoba	1,165
Massaranduba	1,064
Muiracatiara	956
Angelim Vermelho	1,011
Mixed red and white	638
Eucalyptus (AD)	352
Pine (AD)	264
Pine (KD)	336

Source: STCP Data Bank

Domestic plywood prices (excl. taxes)

Parica	US$ pe3 cu.m
4mm WBP	651
10mm WBP	503
15mm WBP	458
4mm MR.	616
10mm MR.	463
15mm MR.	409

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US$ per cu.m
15mm MDParticleboard	378
15mm MDF	417

Source: STCP

Export sawnwood prices

Sawnwood, Belem/Paranagua Ports, FOB	US$ per cu.m
Ipe	3,360
Jatoba	1,744
Massaranduba	1,755
Muiracatiara	1,723
Pine (KD)	185

Source: STCP Data Bank

Export plywood prices

Pine plywood EU market, FOB	US$ per cu.m
9mm C/CC (WBP)	330
12mm C/CC (WBP)	303
15mm C/CC (WBP)	290
18mm C/CC (WBP)	285

Source: STCP Data Bank

Export prices for added value products

FOB Belem/Paranagua ports		US$ per cu.m
Decking Boards	Ipê	5,339
	Jatoba	2,396

Source: STCP Data Bank

Peru

Wood product exports fell in the first five months of 2023

The management of the Services and Extractive Industries section of the Association of Exporters (ADEX) has reported exports of wood products up to May of this year totalled US$46.3 million, considerably below (-30%) the US$66.4 million exported in the same period in 2022.

Of the amount exported, France was the major market accounting for 21% of exports but in the first five months sales dropped 15%. China was the second largest market accounting for 19% of wood product exports, however, in the first five months of this year exports were down almost 40%.

Mexico and the Dominican Republic were the third and fourth placed export destinations accounting for 15% and 11% respectively.

Semi-manufactured products earned US$20.1 million during the first five months of the year, down 30% year on year. The main market was France (48%) but export earnings were down 12% compared to the same period last year. The second most important market for semi-manufactured products was Belgium with a 13% share of the total followed by China with a 12% share.

During the first five months of the year the sawnwood subsector exported US$8.1 million, a decrease of 21% year on year. The three main destinations for sawnwood were China, the Dominican Republic and Mexico.

In the furniture and parts sub-sector, exports amounted to US$1.47 million but this was 23% less than in the same period of 2022. The main destination market was the US accounting for almost 60% of sub-sector sales but some 33% less than a year ago followed by Italy and Spain.

Reactivation of the Loreto wood manufacturing sector

Officials from the Economic Studies and Territorial Competitiveness Unit of the Ministry of Production and the Industry Directorate in the regional offices visited the Loreto region in the second half of July to assess progress in the wood processing centres and their impact.

The visit culminated in a meeting to coordinate action for the benefit of manufacturing businesses in the wood sector in the Loreto and Ucayali regions. Alex Ochoa Landa, Head of the Competitiveness Unit travelled to the native community of San Antonio de Pintuyacu - Alto Nanay where there is manufacturing of utilitarian and decorative items.

The regional specialist also participated in a meeting on the Exchange of Experiences and Identification of Investments for Optimisation, Marginal Expansion, Rehabilitation and Replacement (IOARR) programme related to wooden school furniture.

SERFOR – the shihuahuaco and tahuarí action plan

The National Forestry and Wildlife Service (SERFOR) continues with the implementation of the "Action plan for the proper implementation of the inclusion of the Shihuahuaco (Dipteryx genus) and Tahuarí (Handroanthus genus) in Appendix II of the Convention on International Trade of Endangered Species of Wild Fauna and Flora (CITES)".

For this it presented the Action Planto allied institutions such as the Forest and Wildlife Supervision Agency (OSINFOR), the Ministry of the Environment (MINAM) and the Ministry of Production (PRODUCE) as well as the Forestry Board which is led by the Ministry of Economy and Finance and brings together various public and private stakeholders in the forestry sector.

As a result of the meetings it was agreed that joint work plans with the technical teams of the General Directorate of Biological Diversity of MINAM and the Directorate of Supervision and Forest and Wildlife Inspection of OSINFOR should be prepared. SERFOR has consulted with universities in the design of training courses for the botanical and anatomical identification of both forest species.

Export prices for added value products

	US$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1327-1398
Cumaru KD, S4S Swedish market	986-1119
Asian market	1079-1101
Cumaru decking, AD, S4S E4S, US market	1204-1237
Pumaquiro KD Gr. 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	582-611
2x13x75cm, Asian market	774-831

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US$ per cu.m
Pumaquiro 25-50mm AD Mexican market	659-671
Virola 1-2" thick, length 6”-12” KD	
Grade 1, Mexican market	582-602
Grade 2, Mexican market	527-541
Cumaru 4" thick, 6”-11” length KD	
Central American market	967-1009+⬆
Asian market	983-1001
Ishpingo (oak) 2" thick, 6”-8” length	
Spanish market	629-645
Dominican Republic	724-789+⬆
Marupa 1”, 6-11 length KD	
Grade 1 Asian market	559-574

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

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

Domestic sawnwood prices

Peru sawnwood, domestic	US$ per cu.m
Mahogany	218-236
Virola	225-238
Spanish Cedar	182-218
Marupa (simarouba)	192-227

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

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

Japan

2100 population forecast to be less than half present day level

Early this year Japan's Prime Minister warned the country will face insurmountable economic and social challenges unless it reverses its population decline. Japan's population has been shrinking for years, rural towns are being abandoned and the number of old people requiring care is constantly rising. In many cases, especially in rural areas, schools are closing because there are no children.

In 2020, researchers predicted that Japan's population would decline from the 128 million in 2017 to less than 53 million in 2100. In 1973 2.09 million children were born, in 2022 the number of births was below 800,000.

Options for Japan to address population decline are limited but include opening to migrants and putting conditions in place where by young Japanese couples feel secure to have children.

The Yomiuri Shimbun, one of Japan's leading newspapers wrote "the risk is that if the low birthrate continues the number of future workers will continue to decline and society will lose its vitality".

See: https://www.mercatornet.com/the-rising-sun-is-setting-japan-faces-demographic-disaster

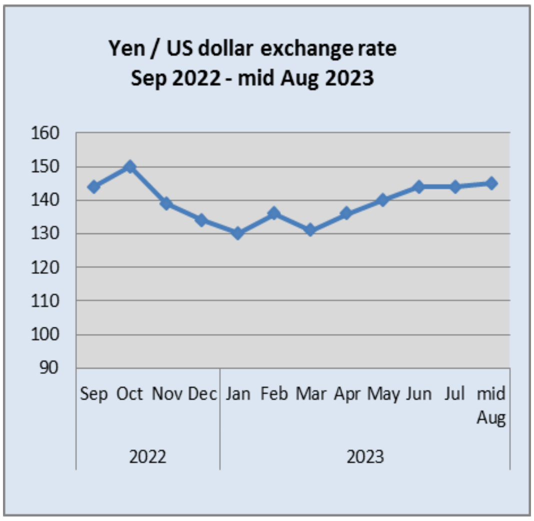
Bank of Japan, current policy needs to be maintained

The Bank of Japan (BoJ) has allowed interest rates to rise reflecting rising inflation and economic growth and this has been interpreted as the beginning of a move away from the decades old policy of monetary stimulus. The move by the BoJ had an immediate impact on currency markets with the yen moving slightly higher (yen 141) against the US dollar.

However, the rise was short lived as the US dollar advanced to the 145-yen mark within a few days as a rise in key US long-term interest rates prompted dollar-buying and yen-selling.

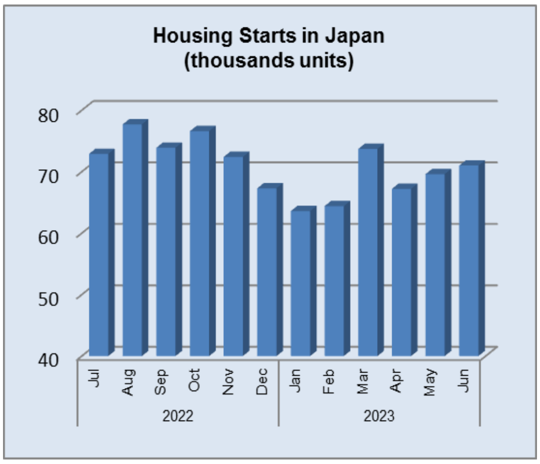
In related news, the IMF has urged the BoJ to begin preparations for future monetary tightening. The International Monetary Fund's chief economist, Pierre-Olivier Gourinchas, said our advice for Japanese authorities is that, for now, monetary policy can remain accommodative but the BoJ needs to prepare for lifting rates. BoJ officials, including Governor, Kazuo Ueda, have stressed the need to maintain the ultra-loose policy until there is evidence 2% sustained inflation is achieved backed by wage growth.

See:
https://www.imf.org/en/Publications/WEO/Issues/2023/07/10/world-economic-outlook-update-july-2023



Continualyear on year decline in housing starts

Compared to the first half of 2022 monthly housing starts in the same period of 2023 were disappointing as there was not one month when starts exceeded those of the same month a year earlier. Falling housing starts have a direct bearing on wood product consumption and this is apparent when examining data for plywood sales and imports and imports of items such as wooden flooring.



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

Dangerous heat levels

Last month was the hottest July in Japan in more than a century. The calculations were based on JMA daily average temperature data since 1898 when modern observation methods came into use. A Japan Meteorological Agency official said "August is the always hottest month of the year in Japan and the temperature is forecast to be higher than in average years".

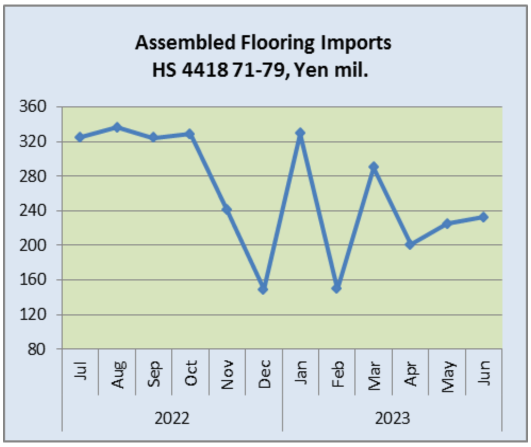
See: https://www.asahi.com/ajw/articles/14972048

Import update

Assembled wooden flooring imports

There was a slight recovery in the value of Japan's imports of assembled wooden flooring (HS441871-79) in May compared to a month earlier, however, this was not enough to bring the import value back to around the monthly average for the year. The second consecutive rise in the value of imports in June went some way to recover the average but it is clear that in the first six months of this year the value of assembled flooring imports has trended lower.

Of the various categories of assembled flooring imports in June, HS441875 was the largest accounting for almost 70% of all assembled flooring imports followed by HS441875 at 22%.



Data source: Ministry of Finance, Japan

Plywood imports

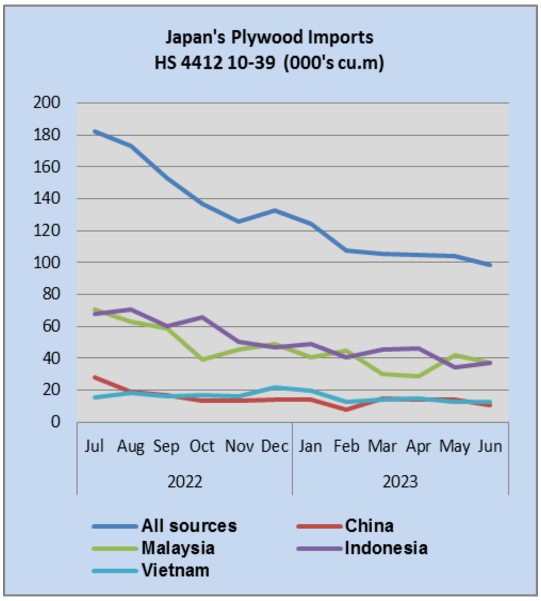
June marked another month of declines in the volume of plywood imports adding to the downward trend which began in mid-2022.

Year on year June 2023 plywood arrivals were almost 45% down with all shippers seeing declines. Falling shipments of plywood from the top suppliers, Malaysia and Indonesia, explain most of the downtrend but in June shipments from suppliers in China also fell.

As pointed out in the latest Japan Lumber report (JLR) Some SE Asian shippers began raising prices in early 2023, driving prices to around US$670 per cu.m which translates to around yen 2,020 FOB per sheet (at an exchange rate of yen 144 yen to the US dollar) and some yen 130 per sheet higher than previously.

In the domestic market plywood prices have been falling so Japanese buyers hesitated to place orders too far in advance.

The JLR reports the inventory of plywood has been declining so Japanese importers must act. Inventories are said to be 40 – 50 % less than the highest volume in October 2022.



Data source: Ministry of Finance, Japan

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

		China	Malaysia	Indonesia	Vietnam
2020	Jan	13.4	61.1	81.6	17.0
	Feb	6.8	72.2	63.8	9.5
	Mar	5.8	76.5	73.0	12.2
	Apr	13.0	68.0	69.0	13.6
	May	9.6	69.7	59.0	12.6
	Jun	10.3	52.0	61.0	11.3
	Jul	10.2	40.0	54.9	8.9
	Aug	6.6	55.0	56.0	8.4
	Sep	6.8	42.2	37.8	8.7
	Oct	8.3	62.4	52.7	10.1
	Nov	8.6	43.1	50.0	10.9
	Dec	9.2	60.5	43.9	10.8
2021	Jan	9.7	76.9	59.3	15.7
	Feb	6.8	53.5	50.1	13.0
	Mar	5.7	89.4	61.5	11.5
	Apr	11.4	65.9	58.2	17.3
	May	10.3	72.0	51.0	13.0
	Jun	10.5	61.9	56.6	15.6
	Jul	11.8	74.1	57.1	16.4
	Aug	12.8	54.7	57.8	17.5
	Sep	16.0	61.8	60.4	21.8
	Oct	12.6	72.8	60.4	22.5
	Nov	14.6	60.6	66.0	21.8

	Dec	13.6	51.2	76.5	21.0
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

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

Our apologies for not being able to report trade news from the Japan Lumber Reports (JLR). Most companies and government offices in Japan close for some days in the second week of August and many workers travel to their hometowns for the religious 'Bon' festival when it is a tradition to visit the tomb of family members. Others take advantage of the company closures to have a holiday.

This year marks the first summer break since the government lifted all coronavirus pandemic restrictions and highways, railways and airports were jammed during the Bon holidays.

Most timber companies close for at least 2 days in mid-August but many close for 5 days. The Japan Lumber Journal has advised that the next report will be published around 25 August.

China

Making property buying easier

Home sales in China continue to fall despite efforts by the government to reverse this trend. The Ministry of Housing and Urban-Rural Development has announced plans to make it easier for people to buy property, a shift away from its crackdown on real estate speculation.

The measures proposed include easing restrictions on second home purchases and reducing down payments for first-time homebuyers. But home prices continue to drop and with prohibitively high interest rates the sector is facing serious challenges.

Two years after Evergrande's default triggered chaos in global markets another developer, Country Garden, appears on the brink of a crisis.

Country Garden, which has developments in almost every province in China, is the latest developer to be struggling against high interest rates falling home prices and government the restrictions that are now under review. It has been reported that Country Garden, the country's biggest private-sector developer by sales, missed interest payments on two US-dollar-denominated bonds.

A Bloomberg analyst, wrote: "any default would impact China's housing market more than Evergrande's collapse as Country Garden has four times as many projects."

See: https://fortune.com/2023/08/09/country-garden-default-china-real-estate-developer-bigger-than-evergrande/
and
https://www.businessinsider.com/country-garden-china-real-estate-problems-explainer-evergrande-2023-8

Another decline in log imports

According to China Customs, log imports totalled 20.31 million cubic metres valued at US$3.566 billion in the first half of 2023, down 9% in volume and 22% in value over the same period of 2022. The average price for imported logs was US$176 (CIF) per cubic metre, down 10% from the same period of 2022.

Of total log imports, softwood log imports fell 2% to 14.87 million cubic metres, accounting for 73% of the national total, up 5% from the same period of 2022. The average price for imported softwood logs declined 10% to US$145 (CIF) per cubic metre over the same period of 2022.

China's log import in the first half of 2023 (vol.)

Volume	1st half 2023 mil. cu.m	% change YoY
Total log imports	20.31	-9%
Softwood logs	14.87	-2%
All hardwood logs	5.43	-25%
Tropical Logs	2.95	-28%

Data source: China Customs

China's log import in the first half of 2023 (value)

Value	1st half 2023 US$ mil.	% change YoY
Total log imports	3566	-22%
Softwood logs	2151	-14%
All hardwood logs	1415	-31%
Tropical Logs	761	-35%

Data source: China Customs

Average log prices, first half 2023

	Average CIF Price US$/cu.m	% change YoY
Total log imports	176	-10%
Softwood logs	145	-10%
All hardwood logs	260	-8%
Tropical Logs	258	-9%

Calculated from China Customs data

Sharp decline in log imports from Russia

China's log imports from Russia fell by 32% to 960,000 cubic metres in the first half of 2023. There are two main reasons for the decline. Firstly, over the past two years the timber trade between China and Russia has been greatly impacted by the coronavirus pandemic and the Russia-Ukraine war.

Secondly, Russia increased the export tax rate on logs which has put a lot of pressure on Chinese enterprises resulting in a sharp decline in log imports from Russia. Also, China’s log imports from Germany and PNG dropped 27% and 7% respectively in the first half of this year compared to the same period in 2022.

The decline in log supplies from the three major suppliers, Germany, PNG and directly resulted in the decrease in the total national imports in the first half of 2023. However, China’s log imports from Poland surged over 300% to 670,000 cubic metere in the first half of 2023.

The forests of Poland were affected by severe storms in 2017. Nearly 10 million cubic metres of logs were windblown and much of this has been harvested and exported to China. China’s log imports from Poland have been increasing since 2017. China’s log imports from Poland in 2018 surged over 700%.

Major log suppliers, first half of 2023 (vol.)

Supplier	Volume (mil. cu.m)	% change YoY
Total	20.31	-9%
New Zealand	8.79	8%
Germany	2.33	-27%
PNG	1.24	-7%
USA	1.14	1%
Russia	0.96	-32%
Solomon Is.	0.77	1%
Poland	0.67	312%
Japan	0.64	17%
Canada	0.52	-6%
France	0.51	-26%

Data source: China Customs

Major log suppliers, first half of 2023 (value)

Supplier	Value (mil.US$)	% change YoY
Total	3566	-22%
New Zealand	1147	-11%
Germany	398	-28%
PNG	262	-18%
USA	402	3%
Russia	118	-35%
Solomon	142	-15%
Poland	110	287%
Japan	80	-9%
Canada	113	-12%
France	138	-40%

Data source: China Customs

Main softwood log sources, first half of 2023 (vol.)

Supplier	Volume (000‘cu.m)	%change
Total	14875	-2%
New Zealand	8744	8%
Germany	2157	-27%
USA	721	2%
Poland	658	340%
Japan	635	19%
Canada	490	-8%
France	234	-14%
Czech	200	-54%
Denmark	152	54%
Latvia	152	-31%

Data source: China Customs

Main softwood log sources, first half of 2023 (value)

Supplier	US$ mil.	YoY % change
Total	2151	-14%
New Zealand	1141	-11%
Germany	350	-29%
USA	153	-3%
Poland	106	316%
Japan	79	-8%
Canada	97	-15%
France	39	-13%
Czech	32	-58%
Denmark	23	46%
Latvia	24	-27%

Data source: China Customs

Decline in hardwood log imports in the first half of 2023

Hardwood log imports dropped 25% to 5.43 million cubic metres in the first half of 2023 and accounted for 27% of total log imports. The average price for imported hardwood logs fell 8% to US$260 (CIF) per cubic metre over the same period of 2022.

Of total hardwood log imports, tropical log imports were 2.95 million cubic metres valued at US$761 million CIF, down 28% in volume and 35% in value from the same period of 2022 and accounted for 15% of total first half 2023 log imports, down 2% over the same period of 2022. The average price for imported tropical logs was US$258 CIF per cubic metre, down 9% from the same period of 2022.

Before its log export ban, Myanmar was a major source of tropical logs for China. However, China's log imports from Myanmar have been decreasing for many years. China's log imports from Myanmar fell 38% to 2,267 cubic metres in volume and 44% in value to US$2.47 million in the first half of 2023. The average price for imported logs from Myanmar declined 9% to US$1,090 (CIF) per cubic metre in the first half of 2023.

Imports from Australia resume

Few logs were imported from Australia in the first half of 2023 but China resumed importing Australian timber from 18 May 2023.

China imported just 6,091cubic metres of sawnwood from Australia in the first half of 2023 valued at US$3.99 million, up 39% in volume and 42% in value over the same period of 2023.

China's log imports from Australia virtually stopped because of a ban by the quarantine service which said it detected pests. Since the beginning of 2020 the quarantine service has repeatedly detected live pests such as the long horn beetle, Cerambycidae and jewel beetles, Buprestidae in logs imported from Australia.

Decline in tropical log imports

China's tropical log imports fell 28% to 2.95 million cubic metres in the first half of 2023. China imported tropical logs mainly from Papua New Guinea (42%), Solomon Islands (26%), the Republic of Congo (9%) and Cameroon (7%). Just 4 countries supplied 84% of China's tropical log requirements in the first half of 2023.

The reduction in tropical log imports from the largest supplier, PNG, resulted in the overall decline in tropical log imports in the first half of 2023.

China's tropical log imports from the fourth largest suppliers, Cameroon, fell 7% to 211,000 cubic metres. China's tropical log imports from Honduras surged in the first half of 2023. However, China's tropical log imports from the DRC, Mozambique and Equatorial Guinea declined 50%, 68% and 84% respectively.

Tropical hardwood log sources, first half 2023 (vol.)

Supplier	Volume (000'cu.m)	YoY % change
Total	2948	-28%
PNG	1239	-7%
Solomon Is.	773	1%
Congo Republic	253	8%
Cameroon	211	-7%
Suriname	69	-28%
DRC	66	-50%
Mozambique	49	-68%
Honduras	44	5,000+%
Equatorial Guinea	38	-84%
CAR	34	-23%

Data source: China Customs

Tropical hardwood log sources, first half 2023 (value)

Supplier	US$ mil.	YoY % change
Total	761	-35%
PNG	262	-18%
Solomon Is.	142	-15%
Congo Republic	80	-2%
Cameroon	60	-13%
Suriname	20	-27%
DRC	28	-51%
Mozambique	25	-69%
Honduras	28	5,000+%
Equatorial Guinea	11	-86%
CAR	11	-23%

Data source: China Customs

Invitation - Global Legal and Sustainable Timber Forum 2023

The first Global Legal and Sustainable Timber Forum (GLSTF) will be held in Macau 21–22 November 2023. The Forum aims to increase networking, collaboration and business exchange among timber industry stakeholders, producers, buyers, processors and market players in China and around the world.

The theme of the first GLSTF (2023) is 'Connect, Cooperate and Share to Promote the Recovery of the Global Tropical Timber Market'. The Forum will be co-hosted by ITTO and the Macao Trade and Investment Promotion Institute (IPIM) and is being organised by the Secretariat of the Global Green Supply Chain Initiative (GGSC).

Selected speakers and panelists and a limited number of participants from tropical timber supply countries will be sponsored. The organisers have arranged for simultaneous interpretation in English, French, Spanish, Portuguese and Chinese.

The First Announcement with details, venue and contact points can be found at:
https://www.itto.int/events/2023/11/22/lobal_legal_sustainable_timber_forum_glstf_2023/

Average CIF prices, Tropical logs US$/cu.m

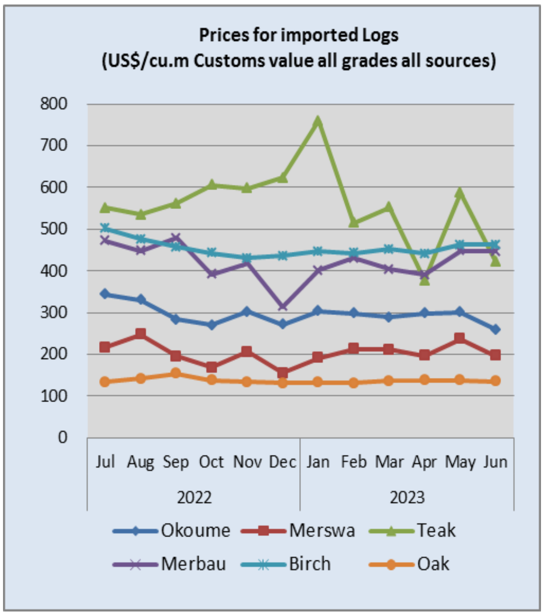
	2023 May	2023 Jun
Okoume	301	260
Merswa	236	196
Teak	587	423
Merbau	448	447
Birch	463	462
Oak	137	135

Data source: Customs, China

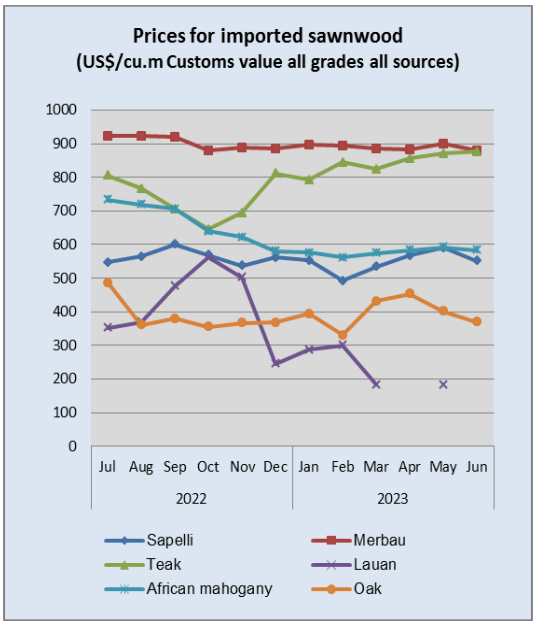
Average CIF prices, Tropical sawnwood, US$/cu.m

	2023 May	2023 Jun
Sapelli	590	551
Merbau	899	879
Teak	870	877
Lauan	184	
African mahogany	592	584
Oak	402	369

Data source: Customs, China



Data source: Customs, China



Data source: Customs, China

EU

EU renews anti-dumping measures on Chinese okoumé plywood

The EU renewed the anti-dumping duties imposed on imports of okoumé plywood manufactured in China on 13 June 2023. These duties were originally introduced by the EU in 2004 and would have lapsed after only five years had not an interested party requested the European Commission (EC) to initiate an expiry review. Since then, the European Panel Federation (EPF) has requested that the EC review the duties every five years, most recently in December 2021.

On each occasion this has led to the announcement of another 5-year extension. The request for review was based on the grounds that the expiry of the measures would be likely to result in recurrence of dumping and injury to the EU industry.

The duties renewed on 13 June are unchanged from those originally imposed in November 2004, requiring payment of between 6.5% and 23.5% by four named Chinese manufacturers and 66.7% by all other Chinese manufacturers. The four manufacturers paying lower duties had co-operated during the original anti-dumping investigation and shown that the “injury-margin” for their products was less than calculated by the EU for other Chinese manufacturers.

Signs of greater resilience in EU okoumé plywood manufacturing sector

The review investigation carried by the EC, which focuses on the years 2018 to 2021, is interesting for the insight it provides into the current extent and status of the EU okoumé plywood manufacturing sector. The previous review published in April 2017 suggested that the EU sector was extremely fragile at that time, suffering from very low profit margins, weak demand and negligible levels of investment.

The latest review suggests that while the EU sector is much reduced from the period prior to 2010 and profitability is still low, its overall position has stabilised and is more resilient.

The product covered by the anti-dumping duties and investigated by the EC is that falling within TARIC code 4412 31 10 10 and defined as “plywood consisting solely of sheets of wood, each ply not exceeding 6 mm thickness, with at least one outer ply of okoumé not coated by a permanent film of other materials”. This definition captures both “full okoumé” plywood with okoumé throughout and combi plywood with at least one outer face of okoumé, the rest being made of other wood.

The product is used for a variety of end-uses in the EU, notably exterior joinery and carpentry applications for boarding, shutter boards, exterior basements and balustrades and riverside panelling, and more decorative purposes particularly in vehicles and yachts, and for furniture and doors.

The EC’s analysis shows that EU consumption of okoumé plywood increased from 171,300 cu.m in 2018 to 192,300 cu.m in 2021 (a short-term dip to 171,700 cu.m is explained by the pandemic).

Although a positive recent trend, consumption is still a long way behind an annual level of around 290,000 cu.m during an earlier EU review in 2008-2009. China’s share of the market was negligible between 2018 and 2021, as it was during the previous review covering the 2012-2015 period.

EU production of okoumé plywood was 164,600 cu.m in 2018 rising to 174,000 cu.m in 2021. Capacity utilisation was between 56% and 60% during this period.

This compares to production of around 146,000 cu.m per year with capacity utilisation of 80% during the previous 2012-2015 review period. This indicates a solid recovery in both production volume and capacity between 2015 and 2021. However, capacity is still well below a level closer to 600,000 cu.m in the 2008-2009 period.

Summary data from the EC’s review analysis on EU production and trade in okoumé plywood between the years 2018 and 2021 is shown on the right.

	2018	2019	2020	2021
Total EU okoumé plywood consumption (cu.m)	171309	187104	171737	192264
EU production of okoumé plywood				
Production volume (cu.m)	164635	179457	164383	174048
Production capacity (cu.m)	286965	299163	288272	306816
Capacity utilisation (%)	57.4	60	57	56.7
Sales volume to unrelated customers (cu.m)	145909	156770	143287	155460
Market share (%)	85.2	83.8	83.4	80.9
Closing stocks (cu.m)	5805	3762	4793	4245
Average sales price (EUR/cu.m)	956	959	987	1033
Unit cost of production (EUR/cu.m)	939	922	978	1011
Number of employees	678	664	661	663
Profitability of sales to unrelated customers (% of sales turnover)	2.5	3.9	3.3	6.9
Cashflow (EUR)	913814	209034	1037362	-1179393
Investments (EUR)	1572178	5030991	1551446	2021386
Return on investments (%)	3.6	6.9	6.9	18.2
EU imports of okoumé plywood from China				
Volume (cu.m)	100	0	43	74
Market share (%)	0.06	0	0.03	0.04
Average import price (EUR/cu.m)	370	0	481	619
EU imports of okoumé plywood from Gabon				
Volume (cu.m)	18603	19919	18238	24322
Market share (%)	10.9	10.6	10.6	12.6
Average import price (EUR/cu.m)	761	745	755	769
EU imports of okoumé plywood from Morocco				
Volume (cu.m)	6231	8493	8332	9917
Market share (%)	3.6	4.5	4.8	5.2
Average import price (EUR/cu.m)	852	833	846	870
EU imports of okoumé plywood from other third countries				
Volume (cu.m)	466	1922	1837	2490
Market share (%)	0.3	1	1.1	1.3
Average import price (EUR/cu.m)	526	867	710	938

EU manufacturers share of the EU market for okoumé plywood decreased from 85% in 2018 to 81% in 2021. Share was lost primarily to imports from Gabon and Morocco. However, in this instance the longer-term trend is more positive for EU manufacturers whose share of the market was only around 70% during the 2012-2015 period. Employment in the EU okoumé plywood manufacturing industry remained stable at around 670 people between 2018 and 2021, but this was a significant rise from less than 500 in 2015.

Sales prices of okoumé plywood manufactured in the EU increased from 956 EUR/cu.m in 2018 to 1033 EUR/cu.m in 2021. These prices are considerably higher than the 2012-2015 review period when they were around 770 EUR/cu.m. Over the long term though, they represent only moderate gains – and a significant decline in real terms when account is taken of inflation - compared to around 900 EUR/cu.m during the 2008-2009 period.

Furthermore, the prices achieved between 2018 and 2021 are only just sufficient to cover the unit costs of production which increased from 939 EUR/cu.m in 2018 to 1011 EUR/cu.m in 2021. Profitability on sales is therefore still low, though it did increase from 2.5% of turnover in 2018 to 6.9% in 2021.

Loss of EU manufacturers' share of the market between 2018 and 2021 was at least partly due to higher prices compared to competitors in Gabon and Morocco. Average prices for EU imports of okoumé plywood from Gabon were relatively stable at around 760 EUR/cu.m between 2018 and 2021, while prices from Morocco increased from 850 EUR/cu.m to 870 EUR/cu.m during the same period.

The EC compared EU sales prices of domestic, Gabon and Moroccan manufacturers during the review period with commercial offers solicited from Chinese manufacturers by email for delivery to the EU and other third countries (in the Middle East, Türkiye, and the United Kingdom).

These prices were, at CIF level, 686 EUR/cu.m for full okoumé and 458 EUR/cu.m for faced okoumé for the EU market, and 371 EUR/cu.m for faced okoumé for third countries.

The EC concluded that prices offered by Chinese manufacturers for okoumé plywood were substantially less than both EU manufacturers and manufacturers in other third countries. Chinese okoumé plywood would switch to EU market without anti-dumping measures says EC

The EC was unable to accurately assess the level of China's okoumé plywood production during the review period and therefore only examined the situation of the whole Chinese plywood industry regardless of the type of wood species used. On this basis, according to the EC, "significant production capacity potentially available in China is indicated by the production volumes of all types of plywood, which, based on the latest available FAO statistics, accounted for 76.4 million cu.m in 2021".

The EC also estimated total plywood production capacity in China at 270 million cu.m per year at the end of 2021.

The EC concluded that "Given the large production capacities in the PRC, that dwarfed the EU demand of 192,000 cu.m in the review investigation period (2021) regardless of the figure taken and that only a change from other types of wood to okoumé is needed to produce okoumé plywood, there is a high likelihood that Chinese producers would use their large production capacity to shift their production from other types of plywood towards the more lucrative okoumé plywood for export to the Union if the measures expire".

The EC also suggested that the EU market would be "attractive" to plywood manufacturers in China since, during the review period, "Chinese exports prices of okoumé plywood to the Union market were higher than the Chinese export prices to all other third markets for which commercial offers were available. Namely the export price offers at CIF level to the Union market were, on average, 23% higher than export prices to third countries at CIF level".

The EC also note that other consuming countries are implementing "trade defence measures" on imports of Chinese plywood, including: the Republic of Korea (anti-dumping measures on plywood with at least one outer ply of tropical wood: of a thickness less than 3,2 mm); Morocco (anti-dumping measures on all plywood); USA (anti-dumping and countervailing measures on hardwood plywood); and Türkiye (anti-dumping measures on certain types of plywood).

According to the EC "These measures contribute to export limitations for Chinese plywood producers and to the existence of sustained significant spare capacity of plywood in China and render the Union market more attractive for Chinese plywood imports".

The EC concluded that "there is a strong likelihood that dumping would recur if the current measures were allowed to lapse. In particular, the level of the normal value established in the PRC, the level of Chinese export prices to third country markets and the Union, the attractiveness of the Union market and the availability of significant production capacity in the PRC all point to a strong likelihood of recurrence of dumping in case the current measures would be allowed to lapse".

Details of the EU's decision to the anti-dumping measures, including the full investigation, are available at:
https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R1159

European wood-based panel production fell in 2022

Total European wood-based panel production reduced by 7.8% in 2022, according to a report by the UK Timber Trades Journal (TTJ), drawing on figures just released by the European Panel Federation (EPF).

The output, relating specifically to EPF member countries, totalled 59.8 million cu.m. Consumption of wood-based panels followed a similar pattern, with a reduction of 7% (60.8 million cu.m) compared to 2021.

The TTJ derived the figures – which are contained in the newly-published EPF Annual Report 2022-2032 – from comments made by Clive Pinnington, EPF managing director, to the EPF AGM and conference in Santiago de Compostela in Spain on 23 June which was attended by about 200 representatives from the global wood-based panels industry.

According to the TTJ, Mr Pinnington also told delegates that essentially 2022 H1 had an "OK" performance, but H2 was "not quite a catastrophe, but nearly", with the furniture industry in particular suffering in H2 with a 5% reverse.

The EPF figures quoted by the TTJ show that European particleboard production reduced 6.9% in 2022 to 32.1 million cu.m. However, European particleboard production capacity increased by 1% in 2022 and is expected to rise by another 3.3% this year. MDF suffered a more severe production output decline in 2022 with a 9.3% dip to 12.5 million cu.m, though TTJ note that the comparison year (2021) had seen a sharp rise in output of 7.7%. The OSB sector saw a 10.7% decline in production to 6.4 million cu.m, while softboard (predominantly wood fibre board insulation) suffered an 8.9% reverse to 5.1 million cu.m. European plywood production was down by 2.5% in 2022 to 3.1 million cu.m.

According to TTJ, again quoting the EPF, consumption of wood-based panels in the key furniture industry declined by 1% in 2022. The furniture industry consumed 48% of all wood-based panels last year, down from 49% in 2021.

North America

US and Canadian sawn tropical hardwood imports rebound

US imports of sawn tropical hardwood were at their highest of the year so far in June as imports rose 14% from the previous month. The 17,832 cubic metres imported in June was down 25% from June 2022 volume, but that was an improvement over most months so far this year.

Imports from Malaysia more than doubled in June and are ahead of last year by 9% over the first half of the year. Imports from all other major supplying countries were down this year, however June gains in imports from Congo/Brazzaville (up 64%), Cameroon (up 60%), Ecuador (up 44%) and Ghana (up 37%) all helped reduce their deficits.

Imports of Keruing remain strong, growing 91% in June and up 24% over last year through the first half of the year. However, imports of Ipe remain weak, falling 38% in June and down 60% over the first half of the year. Overall imports are down 39% versus last year through June.

Canada saw an even stronger surge as imports of sawn tropical hardwood grew by 78% in June following two months of decline. While imports from Brazil, Cameroon, Ghana and Indonesia all rose sharply for the month, June imports still lagged June 2022 totals by 29%. Through the first half of 2023, total imports are down 18% versus last year.

Hardwood plywood imports gain volume, because of Spain

The volume of US imports of hardwood plywood rose for a fourth consecutive month in June but declined in value. The 257,480 cubic metres of plywood imported last month was 18% higher than May, but more than 100,000 cubic metres of that plywood came from Spain. Otherwise, imports were mixed with imports from top-supplier (Vietnam) up 34%, while imports from Indonesia were down 19% and imports from Russia fell 38%. Total imports through the first half of 2023 were down in volume by 52% versus 2022 through the first half of the year.

Veneer imports plunge

US imports of tropical hardwood veneer fell sharply in June, declining 48% from the previous month and 48% from that of a year ago. Imports from Cameroon, which had been strong all year, fell by 57% in June, while imports from India and Italy both fell more than 90%.

Strong gains in imports from Cote d'Ivoire (up 99%) and Ghana (up 82%) made up some of the loss. Despite the weak month, imports of tropical hardwood veneer remain ahead of 2023 imports by 6% through the first half of the year.

See; https://apps.fas.usda.gov/gats/default.aspx

Hardwood flooring imports off 3%

US imports of hardwood flooring fell 15% in June, declining for a second consecutive month. Imports in June were 3.5% lower than those of last June. Imports from Brazil fell sharply again, dropping 60% in June to their lowest level since March 2020.

For the year to June imports from Brazil are down 59% versus last year. Imports from China are also down more than 50% this year after falling 15% in June. However, imports from Indonesia remain strong—growing 15% in June and more than doubling last year's total through the first half of the year. Total imports of hardwood flooring are ahead of last year by 6% through June.

Imports of assembled flooring panels grew 12% in June, rising for the third consecutive month. Imports from top suppliers Canada and Vietnam both grew by nearly one third, while imports from Indonesia and Thailand were down 47% and 29%, respectively. Total imports of assembled flooring panels are down 40% versus last year through the first half of the year.

See: https://apps.fas.usda.gov/gats/default.aspx

Moulding imports disappoint

US imports of hardwood mouldings followed their strongest month of 2023 with their worst month so far in June. Imports fell 38% in June to a level less than half that of June 2022. Imports from Brazil and China both dropped more than 50%, while imports from Canada fell 19%. Total imports through the first half of the year are down 34% versus last year.

See: https://apps.fas.usda.gov/gats/default.aspx

Wooden furniture imports edge down

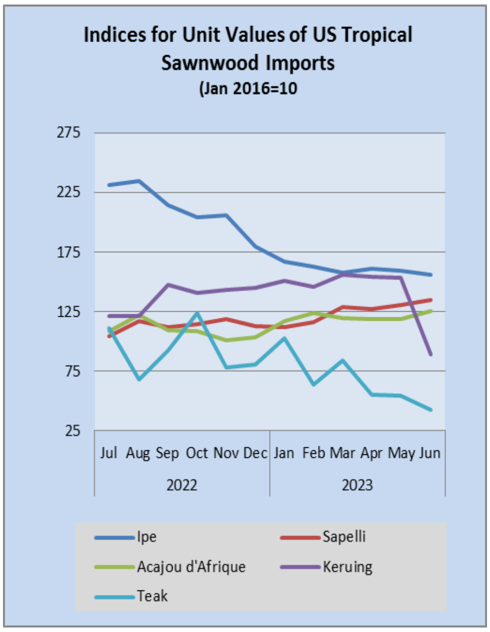
US imports of wooden furniture fell 3% in June as imports from most countries remained relatively flat. Imports from Indonesia were the exception, falling 30% for the month, while imports from Mexico fell 8%. Furniture imports for the year continue to trail the record numbers of last year. June imports were 28% less than those of the previous June while totals through the first half of this year are down 29% versus last year.

Cabinet sales rise

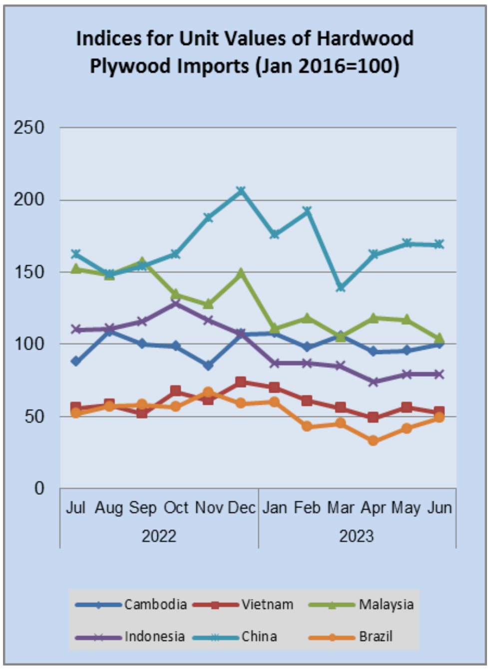
According to the Kitchen Cabinet Manufacturer's Association's (KCMA) monthly Trend of Business Survey, participating cabinet manufacturers reported an increase in sales of 4.5% in June. Sales were down by 3% for June 2023 compared to the same month in 2022.

The survey reported that compared with the previous month custom sales were up 6.6%, semi-custom sales were up 4.9% and stock sales were down 0.2%. Compared with June 2022, custom sales were up 5.2%, semi-custom sales were down 0.1% and stock sales were down 21.1%.

See: https://kcma.org/insights



Data source: US Census Bureau, Foreign Trade Statistics
The sharp drop in the Keruing index may be a data error. The July Keruing index will shed light on this.



Data source: US Census Bureau, Foreign Trade Statistics

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.

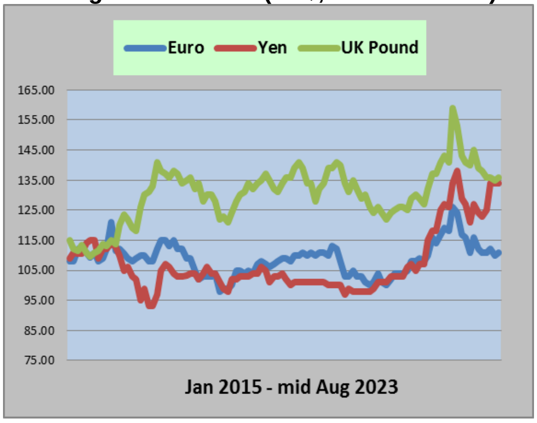
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

Dollar Exchange Rates

As of 10 August 2023

Brazil	Real	4.91
CFA countries	CFA Franc	596.11
China	Yuan	7.24
Euro area	Euro	0.91
India	Rupee	83.0
Indonesia	Rupiah	15,344
Japan	Yen	144.0
Malaysia	Ringgit	4.59
Peru	Sol	3.73
UK	Pound	0.79
South Korea	Won	1,330.90

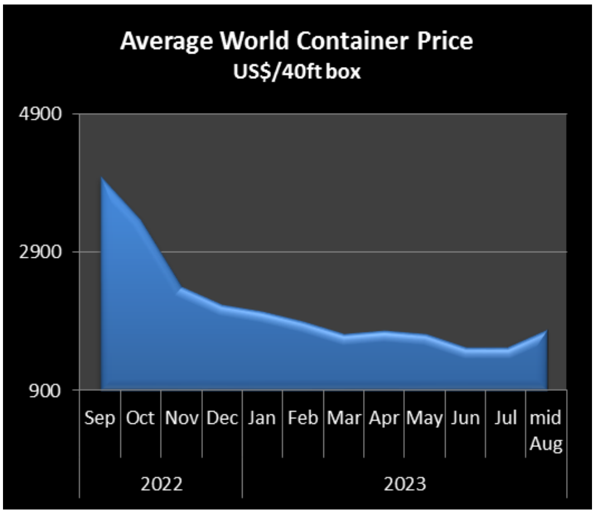
Exchange rate indices (US$, Dec 2003=100)



Abbreviations and Equivalences

Arrows ⬇⬆	Price has moved up or down
BB/CC etc	quality of face and back veneer
BF, MBF	Board foot, 1000 board foot
Boule	bundled boards from a single log
TEU	20 foot container equivalent
CIF	Cost insurance and freight
C&F CNF	Cost and freight
cu.m cbm	cubic metre
FAS	First and second grade of sawnwood
FOB	Free-on board
Genban	Sawnwood for structural use in house building
GMS	General Market Specification
GSP	Guiding Selling Price
Hoppus ton	1.8 cubic metre
KD, AD	Kiln dried, air dried
Koku	0.28 cubic metre or 120 BF
LM	Loyale Merchant, a grade of log parcel
MR.., WBP	Moisture resistant, Weather and boil proof
MT	Metric tonne
OSB	Oriented Strand Board
PHND	Pin hole no defect
QS	Qualite Superieure
SQ,SSQ	Sawmill Quality, Select Sawmill Quality

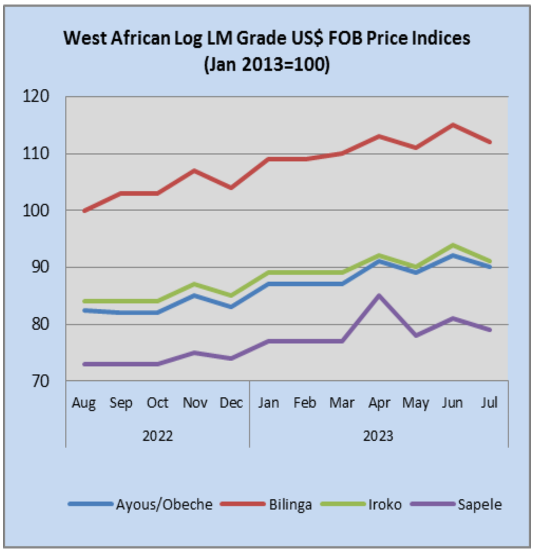
Ocean Container Freight Index

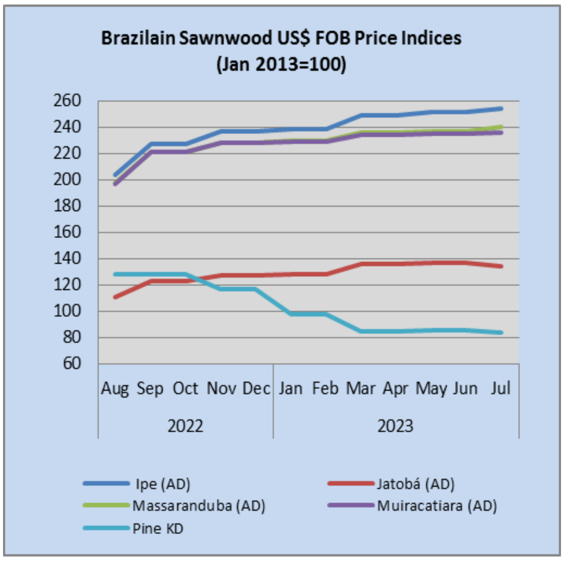


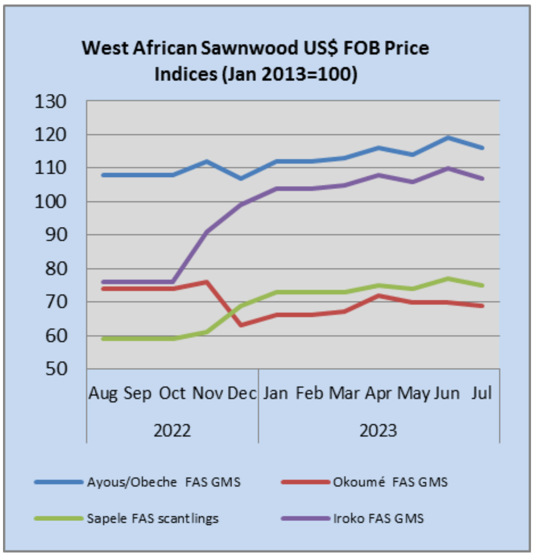
Data source: Drewry World Container Index

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

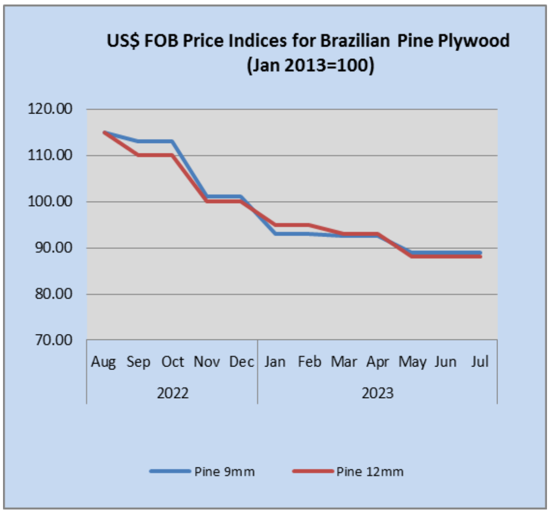
Price indices for selected products
The following indices are based on US dollar FOB prices







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



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