

# 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

### **Vietnam- Over US\$50 million earned from carbon sale**

2023 marked a significant milestone for the forestry sector as Vietnam successfully sold 10.3 million forest carbon credits (10.3 million tonnes of CO<sub>2</sub>) for the first time through the World Bank for US\$51.5 million

The sale was part of the Emission Reductions Payment Agreement (ERPA) covering the North Central Region signed in 2020 between the International Bank for Reconstruction and Development (IBRD) and the Vietnamese Ministry of Agriculture and Rural Development.

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### **An auspicious year for timber sector**

Writing for CNN Maggie Hiufu Wong says this year, the year of the Dragon, combines the heavenly stem "Jia", which represents yang (wood) and the earthly branch "Chen" which represents the Dragon.

That makes 2024 the Year of the Wood Dragon. Chow says industries with a strong wood presence will be more likely to thrive than earth industries such as property development and mining.

See: <https://edition.cnn.com/travel/chinese-zodiac-predictions-2024-intl-hnk/index.html>

## Central and West Africa

### Some positive market signals

Producers report international demand remains subdued. In the first nine months of 2023 the EU27 imported 607,300 cubic metres of tropical sawnwood, 14% less than the same period in 2022. Imports declined from Cameroon (-9%), Gabon (-14%), Ghana (-26%) and DRC (-4%).

In the US, imports of sawnwood in 2023 from Cameroon dropped 43% year on year with declines also recorded for imports from Rep. Congo (-23%) and Cote d'Ivoire (-55%). See page XX

In early February there were signs of an awakening in some markets. In the Middle East demand for okoume and other light coloured species has started to pick up and just before the Chinese New Year there were signs of growing buyer interest in China.

There has been a resurgence in demand in China for okoume although this is not yet reflected in export prices. Prices remain stable for now but there is an expectation that, if demand continues to rise, prices will follow suit.

Buyers in China have started to show renewed interest in ayous sawnwood which may signal a shift in market preferences and opportunities for exporters. However, China's reduced interest in ovankol and bubinga/kevazingo is creating challenges for producers. In Gabon kevazingo stocks are said to be above average.

Demand in the Philippines is said to be quiet but entering a new phase with interest in dabema. Tali exports to Vietnam continue at around the same volumes as towards the end of last year. In 2023 tali imports into Vietnam amounted to 378,200 cu.m, worth US\$154.8 million, down 32% in volume and 32% in value compared to 2022.

### Sawn padouk to India

European operated mills in the region are actively processing padouk. The top grades are shipped mainly to Belgium while lower grades are directed to India. It is reported that Belgium is seeing an accumulation of stock, especially in 25mm boards and scantlings. Lower grade padouk, even with a high percentage of sapwood, is reportedly acceptable in India.

### Mills build up log stocks

Harvesting in Gabon recently slowed as unexpected early rains lead to some disruption of forest operations. Cameroon's timber sector is witnessing increased harvesting activities following a challenging period marked by heavy rainfall. As the country welcomes a dry period lasting until June, log stocks at mills are being replenished as full-scale exploitation resumes.

The dry season in the northern regions of Congo adjacent to Cameroon has facilitated expanded in harvesting activities. However, the southern parts are still experiencing rain.

Okoume harvesting is on the rise, but at a slower pace than late last year and it is anticipated there may be a downward pressure on ovankol prices due to slow demand in the Chinese market.

### Log export prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N <sup>o</sup> Gollon	230	230	175
Ayous/Obeche/Wawa	230	230	225
Azobe & ekki	260	260	175
Belli	250	250	-
Bibolo/Dibétou	200	200	-
Bilinga	275	275	-
Iroko	290	270	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	200	200	-
Moabi	260	260	220
Movingui	180	180	-
Niove	160	160	-
Okan	210	210	-
Padouk	300	270	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	720
Okoumé FAS GMS	480
Merchantable KD	440
Std/Btr GMS	400
Sipo FAS GMS	460
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	900
FAS scantlings	950
Strips	400
Sapele FAS Spanish sizes	480
FAS scantlings	500
Iroko FAS GMS	700↑
Scantlings	750↑
Strips	400
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	530
Scantlings	550
Movingui FAS GMS	420

## Ghana

### Regional markets ranked third for wood product exports

Ghana's wood product exports within Africa accounted for just over 11% of all wood product exports in the first 10-months in 2023 (249,800 cu.m) as against 14% for the same period in 2022 (293,449cu.m) according to the Timber Industry Development Division (TIDD). The TIDD report shows that exports went to six major markets.

### Major Market By Volume ('000 cu.m)

	Jan-Oct 2023	YoY Growth (%)
Asia	158.9	63.65
Europe	39.3	15.73
Africa	28.6	11.47
America	10.6	4.23
Middle East	12.2	4.89
Oceania	0.1	0.03
<b>Total</b>	<b>249.7</b>	<b>100</b>

Data source: TIDD

Wood product exports to Asian, European and African markets took first, second and third positions respectively in terms of export volumes in the first 10 months of 2023 and accounted for more than 90% of total exports in 2023 registering a drop of almost 3%. The volume exported to the three other continents namely N.America, Middle East and Oceania accounted for less than 10% in 2023.

For the period under consideration it was revealing to note that, of the top market destinations, only Africa recorded a revenue growth while the Asian and European markets recorded decreases.

### Regional exports

	Jan - Oct 2023 cu.m
Togo	7,200
Burkina Faso	6,268
Niger	4,311
Senegal	3,360
Mali	807
Benin	458
Cape Verde	238
Sierra Leone	315
Cote D'Ivoire	273
Nigeria	188
<b>Total</b>	<b>23,417</b>

Data source: TIDD

Exports to 10 ECOWAS countries contributed to Eur8.76 million from 23,417cu.m in 2023, a dip from the Eur10.38 million earned from 35,664cu.m in 2022.

However, the overall average unit price improved from Eur291/cu.m during the period January - October 2022 to Eur374/cu.m in the same period in 2023 representing an increase of 28%.

The major products exported during the period reviewed were air-dry sawnwood (58%), kiln-dried sawnwood (13%), plywood (12%), billets (5%), rotary veneer (3%) and mouldings (3%).

Most air-dried sawnwood was exported to India (84.5%) and Vietnam (6.2%). The report also identified teak, ceiba, denya and papao/apa as the leading species shipped.

### Promoting the National Sustainable Forestry System

The Timber Validation Department (TVD) of the Forestry Commission of Ghana held a workshop for government entities to bring them up to date on the 'Broader Market Recognition Coalition' (BMRC) which seeks to ensure good forest governance in tropical timber producing countries by promoting National Sustainable Forestry Systems (NSFS).

The Deputy Chief Executive of the Forestry Commission, Nyadia Sulemana Nelson, who chaired the programme, expressed the importance of ensuring good forest management and promotion of timber products on the international market.

In his presentation the Director TVD, Chris Beeko, revealed that the BMRC has already been introduced to Ghana's civil society organisations and the private sector.

He stated that the formation of the BMRC started at the 26th Conference of Parties (COP 26) in Glasgow. Then at the 27th Conference of Parties (COP 27) a series of meetings and a joint declaration on the need for BMRC was signed by the six participating countries, Indonesia, Guyana, Ghana, Cameroon, Liberia and Congo.

According to Mr. Beeko, this year's Conference of Parties (COP 28) will see the official launch of the BMRC. When operational the BMRC will assist in securing market access by addressing the ever-increasing trend of countries implementing import controls. He further explained that the BMRC promotes sustainable forestry systems, labels and will promote approved products, promote harmonised standards, encourage investment and facilitate collaboration.

See: <https://fcghana.org/tvd-introduces-bmrc-to-government-entities/>

### Ghana Business environment challenging

The UK/Ghana Chamber of Commerce 2023 Ghana Business Environment and Competitiveness Survey has revealed that the number of firms that perceived the country's business environment as lagging behind its peers increased to 73% in 2023 from 47% in 2022. Respondents were of the view that other countries in the sub-region are not struggling as much as Ghana in the aftermath of COVID-19 or in relation to the Russian invasion of Ukraine and its impact on global supply chains. The report also shows that respondents in Ghana suggested reforms, tax cuts and provision of government incentives to promote the ease of doing business in Ghana.

See: <https://www.myjoyonline.com/72-of-firms-perceive-ghanas-business-environment-as-lagging-behind-peers-ukgcc-2023-business-competitiveness-survey/>

**Policy rate drops to 29%**

The Monetary Policy Committee (MPC) of the Bank of Ghana (BoG) cut the policy rate which the Central Bank lends to commercial banks by a 100-basis point from 30% to 29% at its first meeting of the year.

Dr. Ernest Addison, Governor of BoG, announced this to the press after the 116th Monetary Policy Committee (MPC) meeting in Accra. According to the Governor, headline inflation figures declined sharply by more than 30 percentage points from 53.6% in January 2023 to 23% in December 2023.

Dr. Addison further explained that several factors had supported the declining inflation such as the tightening of monetary policy throughout 2023, favourable international crude oil prices which led to stable ex-pump prices and transportation costs and relative stability in the exchange rate.

Prior to the MPC meeting the Ghana National Chamber of Commerce and Industries (GNCCI) had called for a 200% cut on the policy rate to cushion industries from collapsing. Because industries are faced with a multiplicity of taxes the Association of Ghana Industries (AGI) has been calling on government to make the business environment conducive to prevent firms from relocating to neighbouring countries.

See: <https://www.bog.gov.gh/wp-content/uploads/2024/01/MPC-Press-Release-January-2024.pdf>

**Boule export prices**

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	811
Niangon Kiln dry	910

**Export sawnwood prices**

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up		
Afrormosia	860	925
Asanfina	465	500
Ceiba	290	351
Dahoma	494	540
Edinam (mixed redwood)	640	680
Emeri	660	760
African mahogany (Ivorenensis)	846	974
Makore	560	825
Niangon	700	914
Odum	836	1,188
Sapele	800	933
Wawa 1C & Select	513	528

**Export rotary veneer prices**

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	400	441
Chenchen	472	612
Ogea	495	590
Essa	670	711
Ofram	350	435

**Export sliced veneer prices**

Sliced face veneer	FOB
	Euro per cu.m
Asanfina	1,475
Avodire	673
Chenchen	626
Mahogany	1,575
Makore	1,522
Odum	2,067
Sapele	1,301

**Export plywood prices**

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	555	580	641
6mm	412	535	604
9mm	418	504	560
12mm	699	512	480
15mm	390	385	430
18mm	460	415	383

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

**Malaysia**

**Lunar New Year holidays**

The Lunar New Year fell on 10 February. Apart from the official two days national holidays it is customary for mills to take several additional days holiday which results in lower production during the month.

**Freeze on foreign worker applications**

The government is extending the freeze on new applications for recruitment of foreign workers. This is because the existing quota, along with the number of foreign workers to be legalised under a recalibration programme, is considered adequate to satisfy the demand for foreign labour according to the Minister of Home Affairs.

The duration of this quota freeze has not yet been announced. The timber industry, like many other industries, is dependent on foreign workers.

Employers have been given three months until the end of March to complete the legalisation process for their foreign employees. Of the 15 foreign labour source countries three countries are prioritised, Indonesia, Nepal, and Bangladesh which collectively provide 77% of Malaysia’s foreign labour.

See:

<https://ceomorningbrief.theedgemalaysia.com/article/2024/0711/Home/3/699356>

**More on Sarawak/Japan SFM collaboration**

The Sarawak government, represented by Forest Department, has signed an agreement with the National Institute for Environmental Studies (NIES) Japan. The signing was held during a symposium entitled ‘Bilateral Collaboration Research Towards Sustainable Forest Management (SFM) in Sarawak’.

Following an MoU entered and exchanged in Tsukuba, Japan in the December 2023 between the Forest Department Sarawak (FDS) and NIES Japan the FDS headquarters in Kuching received an official visit from NIES researchers.

The MoA is to regulate research activities and obligations of the parties for the purpose of consultancy services on Forest Volume Modelling Using UAV Derived Metrics and Permanent Sample Plot.

See: <http://theborneopost.pressreader.com/article/281603835353017>

### Panel Association visits Sarawak plantations

As reported in the previous Tropical Timber Market Report (Vol.28 No.2), Malaysian Panel-Products Manufacturers Association (MPMA) and the Sarawak Timber Industry Development Corp (STIDC) signed a memorandum to promote collaboration and knowledge exchange on sustainable planted forests management.

As part of that agreement, STIDC hosted a field visit for MPMA delegates to showcase the Licence for Planted Forests (LPF/0043) project's best practices in planted forest management. MPMA chairman Sheikh Othman Rahman expressed his enthusiasm for the LPF/0043 project, calling it MPMA's best option in terms of tropical trees for timber industry product manufacturing.

See: <https://www.theborneopost.com/2024/01/25/stidc-showcases-planted-forest-best-practices-to-panel-manufacturers/>

### Sabah Biomass Industry Policy

The Sabah State Cabinet has approved an Oil Palm Biomass Industry Policy and also decided to impose a State Sales Tax on biomass exports pending the implementation of the policy. The aim of the policy is to control exports of biomass.

The policy will be enforced within two years from the date of its approval (after the palm oil industrial cluster (POIC) Sabah Biomass Collection Platform is fully operational) and under the purview of the State Industrial Development and Entrepreneurship Ministry.

See: <https://www.theborneopost.com/2024/02/07/cabinet-approves-oil-palm-biomass-industry-policy/>

### Furniture fair

MIFF 2024 is set to be larger than before. MIFF has become influential place in Southeast Asia when it comes to sourcing furniture, furniture accessories, fittings, materials and hardware.

Exhibitors and buyers are expected from Australia, Cambodia, China, India, Indonesia, Hong Kong, Japan, South Korea, Taiwan P.o.C, Thailand, Turkey, Vietnam, UAE the EU and the USA. MIFF 2024 promises to bring the best offerings from the furniture market.

For registration details see: <https://miff.com.my/register-now/?cid=edm310124intlexh>

## Indonesia

The following is a list of wood HPE prices effective 1-29 February 2024.

### Veneers

Natural forest Veneer	US\$800 /cu.m
Plantation forest veneer	US\$700 /cu.m
Wooden Sheet for Packaging Box	US\$850 /cu.m

### Wood Chips

Woodchips/particles	US\$85 /tonne
Woodchips	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 to 4000 sq. mm (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 (Mixed hardwood)	US\$800 /cu.m
Eboni	US\$3,800 /cu.m
Teak	US\$2,700 /cu.m
Pines and Gmelina	US\$550 /cu.m
Acacia	US\$550 /cu.m
Sengon (Paraserienthes falcataria)	US\$550 /cu.m
Rubber	US\$300 /cu.m
Balsa and Eucalyptus	US\$900 /cu.m
Sungkai (Peronema canescens)	US\$900 /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 4000 to 10000 sq.mm (ex 4407.11.00 to ex 4407.99.90)

Merbau	US\$1,500 /cu.m
Yellow Meranti	US\$500 /cu.m
White Meranti	US\$700 /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 10000 to 15000sq. mm (ex 4407.11.00 to ex 4407.99.90)

Merbau	US\$1,500 /cu.m
Yellow Meranti	US\$500 /cu.m

See: [https://jdih.kemendag.go.id/pdf/Regulasi/2024/141\\_Kepmendag%20HPE%20dan%20HR%20Produk%20Pertanian%20dan%20Kehutanan%20Januari%202024%20+%20lampiran.pdf](https://jdih.kemendag.go.id/pdf/Regulasi/2024/141_Kepmendag%20HPE%20dan%20HR%20Produk%20Pertanian%20dan%20Kehutanan%20Januari%202024%20+%20lampiran.pdf)

### Five strategies to boost the furniture industry

Director General of Agro Industry at the Ministry of Industry, Putu Juli Ardika, said Indonesia still has great opportunities to develop the furniture sector because it is supported by the abundant availability of raw materials.

Among them are various types of wood including meranti, teak, mahogany and acacia. Efforts to downstream or increase the added value to natural resources need to continue to be encouraged to boost national economic growth.

Putu Juli Ardika said the Ministry of Industry is focused on implementing five strategic policies in an effort to develop a furniture industry that can be globally competitive.

These five steps include facilitating the availability of raw materials, facilitating the availability of skilled human resources, facilitating market improvement and strengthening market reference research, facilitating increased productivity, capacity and product quality as well as facilitating a conducive business climate and increasing investment.

See: [https://industri.kontan.co.id/news/kemenperin-ungkap-sejumlah-strategi-mengangkat-kinerja-industri-furnitur#google\\_vignette](https://industri.kontan.co.id/news/kemenperin-ungkap-sejumlah-strategi-mengangkat-kinerja-industri-furnitur#google_vignette)

### **Government incentives for wood processing machines, entrepreneurs seek more**

The Indonesian Furniture and Crafts Industry Association (HIMKI) asked the government to increase the budget ceiling for the machine restructuring programme to enhance their productivity and production capacity. In 2023, the Ministry of Industry distributed almost IDR10 billion for advanced machinery used by 15 domestic companies.

HIMKI General Chair, Abdul Sobur, stated that the programme had been proven to assist furniture industry entrepreneurs in enhancing efficiency, capacity, work productivity and product quality. Sobur added that the budget ceiling for the machine and/or equipment restructuring programme for the wood processing industry in the 2024 fiscal year is IDR7.8 billion.

We urge the government to maintain the programme and increase the budget limit so that more companies can benefit from this assistance, he stated.

See: <https://ekonomi.bisnis.com/read/20240126/257/1735795/pemerintah-beri-insentif-mesin-olahan-kayu-pengusaha-minta-tambah>

### **IFEX 2024 - 68 countries registered**

IFEX (Indonesia International Furniture Expo) will be held 29 February to 3 March 2024 at the JIExpo, Kemayoran in collaboration with Dyandra PromosIndo. Abdul Sobur, General Chairman of HIMKI said this 9th IFEX event enables local producers to connect with buyers from around the world which is a great advantage.

The Fair serves as a platform for local producers to showcase their products to the global market. At this 9th event, IFEX raised the theme R.E.A.L, which stands for Reflection on Culture, Experiencing the Comfort, Adapting to Sustainability and Leading the Innovation.

This upcoming event will feature more than 500 exhibiting companies, including companies that have adapted to sustainability, and showcasing more than 1,000 products from various parts of the world with various raw materials such as wood, rattan, bamboo, leather, fabrics, arts and craft and pottery.

See: <https://www.pantau.com/nasional/195289/ifex-2024-dorong-ekspor-indonesia-melalui-pameran-mebel-dan-kerajinan-berkualitas-internasional>

### **Wood coating from keruing (*Dipterocarpus sp*) oil residue**

The Biomass and Bioproduct Research Center under the National Research and Innovation Agency (BRIN) is researching the potential of keruing tree oil residue for processing into a wood coating resin that is environmentally friendly.

Head of the BRIN Biomass and Bioproduct Research Center Akbar, Hanif Dawam, said the chemical component of keruing oil contains  $\beta$ -bisabolene (C<sub>15</sub>H<sub>24</sub>) which is isolated from *Commiphora guidottii* oil contains compounds from the phthalic acid group.

See: <https://www.antaranews.com/berita/3949278/brin-kembangkan-resin-pelapis-kayu-berbahan-residu-minyak-keruing>

### **Banjarnegara offers excellent opportunities for investors**

Banjarnegara Regency is considered to have a high potential for investment in the wood processing sector. The reason is that there is an albasia community forest area with a five-year timber harvest cycle in the surrounding area.

During a visit to the PT Cebong Albasindo, a wood processing factory on the border of Banjarnegara and Wonosobo Regencies in Central Java, the Chairman of the People's Consultative Assembly (MPR), Bambang Soesatyo (Bamsot), expressed his support for increasing the productivity of the wood processing industry in the region.

According to him, the wood processing industry in Banjarnegara has immense growth potential. Investors, both domestic and foreign, are welcome to explore the opportunities. The Albasia wood produced in Banjarnegara is known for its superior quality and it can be harvested within five years of planting.

See: <https://forestinsights.id/industri-kayu-di-banjarnegara-potensial-peluang-bagi-investor/>

### **Forestry multi-businesses optimise benefits**

At a Forestry Forum organised by the Indonesian Chamber of Commerce and Industry (KADIN) and the Association of Indonesian Forest Concession Holders (APHI), Acting Director General of Sustainable Forest Management, Agus Justianto, said the Ministry of Environment and Forestry is promoting Forestry Multi-businesses (MUK) in Forest Utilisation Business Permits (PBPH) areas.

This is because implementation will provide optimal benefits from technical, production, social and economic aspects.

Agus also said that Forestry multi-business is supporting the achievement of the 2030 FOLU Net Sink target. Meanwhile, the Deputy General Chair of APHI, Dr. Soewarso, explained that to encourage the implementation of Forestry Multi-business, KADIN together with APHI implemented the Regenerative Forest Business Hub platform.

See: <https://agroindonesia.co.id/kadin-aphi-gelar-forestry-forum-dorong-implementasi-multi-usaha-kehutanan/>

### Indonesia/US effort to lower sector emissions

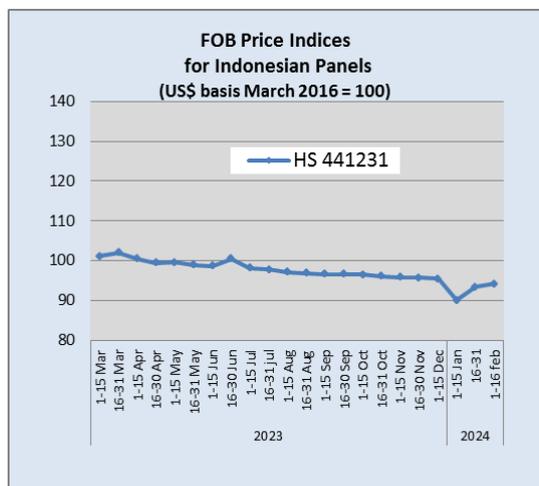
The governments of Indonesia and the United States have agreed to work together to reduce greenhouse gas emissions generated by the forestry sector by supporting Indonesia's Forestry and Other Land Uses (FOLU) Net Sink 2030 plan.

According to the Environment and Forestry (LHK) Ministry, the agreement was marked by the signing of a memorandum of understanding (MoU) between LHK Minister Siti Nurbaya Bakar and Forest Service Chief at the US Department of Agriculture, Randy Moore, in Jakarta on Tuesday.

See: <https://en.antaranews.com/news/303819/indonesia-us-team-up-to-lower-forestry-sector-emissions>

In related news during a working visit to Central Kalimantan the United States Forest Service (USFS) took an interest in Indonesia's community-based forest management practices. USFS Head Randy Moore said he was impressed with what Indonesia is achieving with community and social forestry.

See: <https://www.infopublik.id/kategori/nasional-sosial-budaya/820216/usfs-kagumi-hutan-sosial-dan-penanganan-karhutla-indonesia>



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

## Myanmar

### MTE introduces new grade of teak logs

The Myanma Timber Enterprise (MTE) is currently offering approximately 500 tons of teak logs in Grades SG-5, 6, 7, PTG-1, 2, 3 and PTP (Plantation Teak Pole) in the monthly tenders. While the publication of Tender Results is pending it has been observed that prices are declining with some lots remaining unbid.

As of December 2023 a new grade, MIX Quality, has been introduced primarily encompassing confiscated logs of varying origin. 246 tons of MIX Quality were mentioned in the December 2023 Tender.

The status of products from these logs is unclear as the Ministry issued an order in November 2016 prohibiting the export of confiscated timber. There has been no official statement on whether the MIX Quality logs will be allowed for export.

MTE typically issues Certified Letters for other grades providing essential harvesting details such as the Extraction Agency, Forest Administration District/Township, Forest Type, Extraction Year, Species, Entry Permit to Forest, Revenue Mark and Production Depot.

This document was highly sought after by buyers in the EU and USA prior to the trade suspension imposed during 2021-2022 as a result of sanctions against MTE. It has been observed that the Certified Letter will not be available for the products milled from MIX Quality logs.

### Singapore the top investor

The domestic media (ELEVEN) has reported that Dr. Wa Wa Maung, Deputy Minister in the Ministry of Investment and Foreign Trade Communications, disclosed that in February 2023 the highest inflow of foreign investments into Myanmar originated in Singapore followed by China and Japan.

The industrial and service sectors attracted the largest investments with Singapore leading at US\$346 million, trailed by China at US\$236 million and Japan at US\$99 million.

Over the past three years both trade volumes and foreign investment have declined. A comparison between fiscal year 2019-20, during the civilian government and fiscal year 2022-23, the inaugural full fiscal year under the military junta reveals a significant decrease in foreign investment.

### Conscription announced

The State media has reported mandatory military service for all young men and women. All men aged 18-35 and women aged 18-27 must serve for up to two years while specialists, such as doctors aged up to 45, must serve for three years. The service can be extended to a total of five years in the ongoing state of emergency.

See: [https://www3.nhk.or.jp/nhkworld/en/news/20240211\\_10/](https://www3.nhk.or.jp/nhkworld/en/news/20240211_10/)

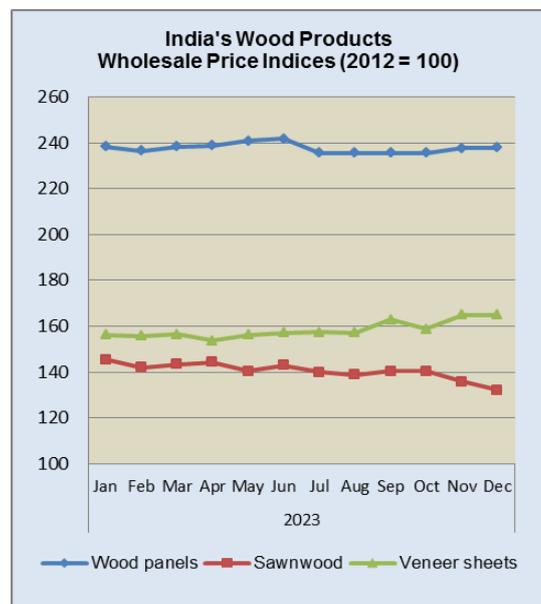
**Veneer and plywood price indices rise**

The annual rate of inflation based on all India Wholesale Price Index was 0.73% in December 2023 (over December 2022). The positive rate of inflation in December 2023 was primarily due to increase in prices of food, machinery and equipment, transport equipment and electronics and optical products.

The index for manufactured products dropped to 140.1 in December 2023 from 140.4 for November. Out of the 22 NIC two-digit groups for manufactured products, 15 groups saw price increases whereas 7 groups witnessed a decrease.

The price index for wood veneers rose in December creating a knock-on effect on panel prices. In December the price index for sawnwood dropped, marking the second month of decline.

See: [https://eaindustry.nic.in/pdf\\_files/cmonthly.pdf](https://eaindustry.nic.in/pdf_files/cmonthly.pdf)



Data source: Ministry of Commerce and Industry, India

**Market overview**

The ITTO correspondent reports markets are quite slow at present as the deadline for meeting the new Standards requirements for imports of semi-finished and finished products is approaching. The new requirements came into force for MDF and particleboard on 9 February whereas the effective date for plywood, decorative plywood and other products is 29 February.

The majority of importers have either frozen or cancelled outstanding orders as there has been no announcement of an extension for applying BIS certification. The new regulations not only impact importers but also the thousands of 'un-organised' manufacturers in India. These are facing considerable difficulties in meeting the new requirements. Also there has been no guidance on how importers, stockists or manufacturers should deal with existing stocks.

The good news from imports is that the exchange rate, ocean freight and other logistics are stable.

**Federation recommends duty reductions for wood raw materials**

The Federation of Indian Plywood and Panel Industry (FIPPI) has made several recommendations to the Finance Ministry and Department of Promotion of Industry and Internal Trade under the Commerce and Industry Ministry which it considers would boost the plywood and panel sectors. The Union Budget presented on 1 February 2024 is viewed by industry as an interim budget with no major policy decisions on revision of customs duty, income-tax etc. It is expected that, after the upcoming elections, a revised budget will be presented.

The FIPPI currently represents around 3,300 small, medium and large manufacturers directly supporting around 1 million households and almost same number indirectly. The wood panel market in India is estimated to be valued at US\$30 billion annually and over the last five years the segment has seen a CAGR of 6-7%.

Almost 92% of the wood raw material used by these industries is sourced from Trees Outside Forest /private Agro-forestry.

An estimated 1 million farmers are engaged in TOF/Agro-forestry plantation production supplying raw material to the plywood, wood based panel and paper industries. To sustain this vital Agro-Forestry production it has been suggested to the government that efforts are needed to integrate log production with wood based industries.

The wood based industries depend extensively on these domestic raw material producers and are sustaining support to farmers and other log producers through remunerative prices for their logs. The FIPPI recommendations to the government include the following:

- HS Code: 4403 - reduce the basic import duty on timber imports to 0% from 5%
- HS Code: 4407 - reduce the basic import duty on sawn timber to 0% from 10%
- HS Code: 4408 - reduce the basic import duty to 0% from 10% on face veneers used for manufacturing plywood.
- To increase import the duty by 2.5 to 3 times for finished products such as particleboard, MDF, plywood, fancy plywood and veneered decorative plywood that fall under HS Code 4410 to 4421 from 10% to 25 to 30%

The correspondent concludes saying “the government and manufacturers are trying to fulfil the Prime Minister’s aim of the self-reliance/make in India project so all the new regulations, such as from the Bureau of Indian Standards and recommendations made by the FIPPI to increase import duty on semi-finished and finished products will support the aim of the government.

At the same time the recommended changes will not affect those sectors which are dependent on imported raw material”.

**National certification an alternative to foreign schemes**  
The Indian Forest and Wood Certification Scheme (IFWCS) will offer an alternative to the private foreign certification agencies that have been operating in the Indian market for the last two decades.

The IFWCS intends to offer SFM certification for Trees Outside Forests similar to that for plantations including a chain of custody system to guarantee the traceability of timber along the supply chain. The launch of the certification comes as new Standards for forest management will be mandatory for all forest divisions in the country.

Existing forest working plans have been updated to meet the newly-developed Indian Forest Management Standards that contain eight criteria, 69 indicators and 254 verifiers. These standards will be mandatory for all forest divisions in the country to implement.

See: <https://indianexpress.com/article/india/centre-launches-forest-certification-scheme-to-counter-foreign-agencies-9073713/>

#### 7% GDP growth for next fiscal year

After a three-day Reserve Bank of India meeting Governor Shaktikanta Das said the Bank projects gross domestic product for the coming financial year at 7% as the Indian economy is making progress on a strong, sustained and transformative growth path.

On retail inflation, Das said the forecast is for 4.5% for the coming financial year assuming normal monsoon rains. That would be above the central bank's medium-term target of 4%. Das maintained the 5.4% projection for the current year is within the RBI's tolerance band of 2% to 6%.

See: [https://www.rbi.org.in/Scripts/BS\\_PressReleaseDisplay.aspx?prid=57280](https://www.rbi.org.in/Scripts/BS_PressReleaseDisplay.aspx?prid=57280)

#### IMF and India at odds over management of the rupee

In a recent press release the IMF says India has intervened excessively in the currency market a claim India denies. The IMF annual report on India's economic situation, covering the period from December 2022 to October 2023, analyzed economic and financial conditions.

The report praised India saying, "Growth is expected to remain strong, supported by macroeconomic and financial stability, headline inflation has moderated and the strength of India's economic fundamentals was sound.

Against this background it came as a surprise that the Fund suggested India had shifted from a floating exchange rate regime, in which the rupee's movements had been left to the market, to a managed regime, in which the country controlled the exchange rate.

It also said India had intervened in selling dollars more than it deemed necessary.

In a response the Reserve Bank of India said the IMF's characterisation of India's exchange rate as a "stabilised" rather than floating was incorrect and inconsistent with reality and said it "strongly disagreed with IMF assessment.

See: file:///C:/Users/Owner/Downloads/1INDEA2023001.pdf

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

	Hoppus cu.m	US\$ C&F
Brazil	99	298
Colombia	101	315
Costa Rica	146	225
Ecuador	118	240
Ghana	101	295
Ivory Coast	99	310
Nigeria	196	285
South Sudan	48	310
Tanzania	101	310
Laos	-	-

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

	cu.m	US\$ C&F
Benin	106	610
Brazil	99	355
Colombia	125	345
Costa Rica	98	310
Ecuador	120	545
Ghana	124	370
Ivory Coast	-	-
Nigeria	119	365
South Sudan	174	385
Tanzania	95	355
Togo	100	330
Venezuela	122	420

#### Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,000 - 4,500
Balau	2,700 - 3,000
Resak	-
Kapur	-
Kempas	1,455 - 1,750
Red meranti	1,500 - 1,800
Radiata pine	900 - 1,050
Whitewood	900 - 1,050

Price range depends mainly on lengths and cross-section

### Sawn hardwood prices

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,600 - 1,900
Sycamore	2,000 - 2,300
Red Oak	2,500 - 3,000
White Oak	2,800 - 3,300
American Walnut	4,700 - 5,500
Hemlock STD grade	1,350 - 1,600
Western Red Cedar	2,220 - 2,450
Douglas Fir	2,200 - 2,400

Price range depends mainly on lengths and cross-section

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

Plywood Ex-warehouse	Rs. per sq.ft
4mm	80.00
6mm	92.00
9mm	109.00
12mm	132.00
15mm	170.00
18mm	187.00

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

Plywood Ex-warehouse	Rs. per sq.ft
4mm	55.00
6mm	70.00
9mm	81.00
12mm	96.00
15mm	129.00
19mm	138.00
5mm Flexible ply	87.00

## Vietnam

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

In January 2024 W&WP exports are forecast to be worth US\$1.25 billion, down almost 7% compared to December 2023 but up 55% compared to January 2023. In particular, WP exports contributed US\$889 million, down 7% compared to December 2023 but up 81% compared to January 2023. The high difference of export turnovers in January 2024 against that of January 2023 is explained mainly by the Lunar Year holidays slowing export transactions in January last year.

Imports of logs and sawnwood in December 2023 amounted to 370,800 cu.m, worth US\$121.6 million, down 12% in volume and 12% in value compared to November 2023.

Compared to December 2022 imports decreased by 16% in volume and 23% in value. Overall, in 2023 Vietnam imported 4,440 million cu.m of logs and sawnwood at a value of US\$1.506 billion, down 26% in volume and 34% in value compared to 2022.

It is estimated that in January 2024 exports of wood and wood products will reach US\$1.4 billion, up 5% compared to December 2023 and up 75% compared to January 2023. In particular, the export of wood products is estimated at US\$924 million, down 3% compared to December 2023 but up 87% compared to January 2023.

In January 2024, wooden furniture exports were valued at US\$884 million, up 5% compared to December 2023 and double that in January 2023.

W&WP exports to the EU market in January 2024 earned about US\$63 million, down 6% compared to December 2023 but up 5% compared to January 2023.

W&WP exports to the US in January 2024 earned US\$781 million, up 5% compared to December 2023 and up 15% compared to January 2023.

Pine imports in December 2023 were at 45,900 cu.m worth US\$10.5 million, down 37% in volume and 35% in value compared to November 2023. However, compared to December 2022, imports increased by 21% in volume and 13% in value.

Overall in 2023, pine imports reached 705,400 cu.m, worth US\$155.0 million, down 24% in volume and 39% in value compared to 2022.

Vietnam's imports of poplar wood in December 2023 were recorded at 2,900 cu.m, worth US\$10.3 million, down 0.7% in volume and 10% in value compared to November 2023. Compared to December 2022 imports rose by 39% in volume and 29% in value. Overall, in 2023, poplar imports totalled 323,700 cu.m, worth US\$130.6 million, down 12% in volume and 27% in value compared to 2022.

In 2023 imports of logs and sawnwood from the US reached 522,010 cu.m at a value of US\$223.62 million, down 24% in volume and 32% in value compared to 2022.

Imports of logs and sawnwood from Africa in December 2023 amounted to 45,020 cu.m, at a value of US\$17.47 million, down 30% in both volume and value compared to November 2023 and down 69% in volume and 67% in value compared to December 2022.

Overall, in 2023, imports of raw wood from Africa were 720,060 cu.m, at a value of US\$281.81 million, down 46% in volume and 43% in value compared to 2022.

Vietnam's NTFP exports in December 2023 reached the highest level over the past 20 months at US\$71.35 million, up 9.3% compared to November 2023 and up 6.7% compared to December 2022. In 2023, Vietnam's NTFP exports earned US\$733.26 million, down 10% compared to 2022.

### **Over US\$50 million from first forest carbon sale**

2023 marked a significant milestone for the forestry sector as Vietnam successfully sold 10.3 million forest carbon credits (10.3 million tonnes of CO<sub>2</sub>) for the first time through the World Bank for US\$51.5 million according to the Deputy Minister of Agriculture and Rural Development, Nguyen Quoc Tri.

The sale was part of the Emission Reductions Payment Agreements (ERPA) in the North Central Region signed in 2020 between the International Bank for Reconstruction and Development (IBRD) and the Ministry of Agriculture and Rural Development.

In early August 2023, the World Bank paid the first ERPA instalment of US\$41.2 million, the balance will be paid after the transfer of the carbon credits.

The Vietnam Forest Protection and Development Fund has received and disbursed all of the first payment so that six north central provinces can make payment plans to forest owners.

In addition to the number of credits sold, the Bank has confirmed the emission reduction results of the entire North Central Region for the period January 2018 - December 2019 amounts to 16.21 million tonnes of CO<sub>2</sub> (equivalent to 16.21 million credits).

Deputy Minister Tri said that 2023 was a tough year for the forestry industry because of supply and demand chain disruptions, logistics problems, and bad weather conditions. However, he acknowledged the sector's efforts to overcome difficulties in the past year to achieve remarkable results.

According to the Vietnam Administration of Forestry, the country planted about 250,000 hectares last year, surpassing the yearly plan by 2%. The forest coverage rate was 42.02%, matching the target. The total revenue from all forest environmental services reached more than US\$169 million .

See: [Vietnam earns 51.5 million USD from first forest carbon credit sale \(dangcongsan.vn\)](https://dangcongsan.vn/vietnam-earns-51-5-million-usd-from-first-forest-carbon-credit-sale)

## **Brazil**

### **Amazon Fund secured major investment in 2023**

The Amazon Fund, which resumed activities last year after four years without funding, received R\$726 million in 2023 from partner countries. This was the highest amount since 2009 (R\$1.9 billion).

The main contributions came from the United Kingdom (R\$497 million), Germany (R\$186 million), Switzerland (R\$28 million) and the United States (R\$15 million). In addition, there were R\$3.1 billion in contributions pledged for the coming years, especially from the United States (R\$2.4 billion).

The fund, created in 2008 and administered by the National Bank for Economic and Social Development (BNDES), supports projects to monitor the forest, combat deforestation and sustainable development in the Amazon region.

In its 16 years of existence, it has already invested R\$1.8 billion in more than 100 sustainable production projects benefiting hundreds of thousands of people as well as secured indigenous lands and conservation units.

See: <https://forestnews.com.br/fundo-amazonia-capta-r-726-mi-em-2023/>

### **Sustainability of Mato Grosso's forestry sector**

A consortium of forestry unions in the State of Mato Grosso representing more than 500 companies in around half of the State municipalities is leading efforts to strengthen the forest-based sector.

At a recent gathering possible solutions to strengthen the sector were discussed with emphasis on extending the validity of the logging permit (Autorização de Exploração Florestal - Autex)(from 12 to 24 months and adjustments to the environmental licensing system. The attendance of the Mato Grosso State Environment Secretariat (Sema) at these meetings was crucial to advise on compliance with regulations and provide guidance on licensing and trade in forest products.

See: <https://simenorte.com.br/noticias/cipem-atua-pela-sustentabilidade-do-setor-de-base-florestal-de-mato-grosso/>

### **Pará exports fell in 2023**

The timber sector in the State of Pará, a major timber exporter in the Amazon Region, witnessed a significant drop in exports in 2023 with a 39% reduction in the volume of wood shipped compared to the previous year.

The Association of Timber Exporting Industries of the State of Pará (AIMEX) reports that the drop can be attributed mainly to the decline in wood product prices on the international market and global conflicts that have disrupted supply chains.

Despite the challenges, the United States remained the main market for timber exports from Pará, accounting for 30% of all shipments while the European Union also had a significant share of 45% of all timber shipped by the Pará State, especially for products such as flooring, decking and sawnwood. AIMEX also points out a growth in exports of plantation teak log with India emerging as the main destination.

See: <https://forestnews.com.br/xportacoes-de-madeira-no-para-recuam-39-em-2023/>

### **Brazilian furniture makers do well at Fair**

During the IMM Cologne 2024 International trade fair held in Germany, the companies taking part in the Brazilian Furniture Sector Project achieved a significant milestone by generating a total of US\$35.0 million in closed and projected business deals.

With over 80% of these contracts representing new commercial opportunities the event demonstrated the growing demand for Brazilian products that combine advanced processing technologies, sustainability, innovative design and creative authenticity.

The participation of 26 Brazilian furniture industries, including 13 companies that exhibited their products on exclusive stands, demonstrates the sector's commitment and competence in seeking international business opportunities.

Under the leadership of ABIMÓVEL, in collaboration with ApexBrasil, the Brazilian Furniture Sector Project, continues to strengthen the status and competitiveness of the Brazilian furniture industry in international markets.

See: <https://forestnews.com.br/brazilian-furniture-35-mi-negocios-imm-cologne/>

#### Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	592
Jatoba	245
Massaranduba	215
Muiracatiara	207
Angelim Vermelho	211
Mixed redwood and white woods	161

Source: STCP Data Bank

#### Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	2,276
Jatoba	1,210
Massaranduba	1,036
Muiracatiara	996
Angelim Vermelho	1,049
Mixed red and white	631
Eucalyptus (AD)	344
Pine (AD)	296
Pine (KD)	321

Source: STCP Data Bank

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

Parica	US\$ pe3 cu.m
4mm WBP	651
10mm WBP	519
15mm WBP	453
4mm MR.	643
10mm MR.	454
15mm MR.	399

Prices do not include taxes. Source: STCP Data Bank

#### Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	380
15mm MDF	399

Source: STCP

#### Export sawnwood prices

Sawnwood, Belem/Paranagua Ports, FOB	US\$ per cu.m
Ipê	3,362
Jatoba	1,700
Massaranduba	1,69
Muiracatiara	1,722↓
Pine (KD)	185

Source: STCP Data Bank

#### Export plywood prices

Pine plywood EU market, FOB	US\$ per cu.m
9mm C/CC (WBP)	319
12mm C/CC (WBP)	288
15mm C/CC (WBP)	278
18mm C/CC (WBP)	275

Source: STCP Data Bank

#### Export prices for added value products

FOB Belem/Paranagua ports	US\$ per cu.m
Decking Boards Ipê	3,313
Jatoba	1,911

Source: STCP Data Bank

## Peru

### 2023 exports – China and Mexico imported less

The Extractive Services and Industries Management of the Association of Exporters (ADEX) has reported wood product exports in the first 10 months of 2023 totalled US\$92.6 million, a drop of 22% compared to the same period in 2022.

This contraction is explained by lower orders from the two main buyers, China (US\$18.6 million) and Mexico (US\$12.9 million), which declined by 19 and 14%, respectively. Regarding China, the global real estate sector is facing a severe crisis which has undermined demand for wood products.

Other market destinations were France (US\$12.8 million) with a share of 14% of total shipment, the Dominican Republic (US\$10.6 million) also with a share of 14% and the United States (US\$ 8.8 million) with a share of 9.5%.

According to figures from the ADEX Data Trade Commercial Intelligence System, sawnwood was the main product exported in 2023 earning US\$9.1 million despite having contracted by 17% compared to the previous year. Second in the ranking of export products were semi-manufactured goods that reached US\$31.8 million, but this was down 40% year on year. Other products were construction products (US\$5.1 million), firewood and charcoal (US\$4.9 million) and manufactured products (US\$4.1 million).

### Technical assistance to native communities

The National Forestry and Wildlife Service (Serfor) provided technical assistance to around 100 native communities in Loreto, Amazonas and Ucayali on preparation of Management Declarations (DEMA) which are required for the sustainable use of aguaje, pijuayo, shiringa, cat's claw and pali blood all of which will generate economic income for the Amazonian populations.

Thanks to the technical assistance in the communal forests, it was possible to harvest and process more than 8 million board feet of wood as well as more than 3 million kilos of aguaje, 40,000 kilos of pijuayo, 19,000 kilos of cat's claw or uña de gato, 20,000 litres of shiringa/latex and more than 2,000 litres of pali blood wood (Sangre brosimum) which will enter the market legally.

The DEMA are now being evaluated and then will come the visual inspection, the issuance of the resolution that grants the exploitation permits and the creation of the Forestry and Wildlife Surveillance Committee, explained the Director of Sustainable Management of Forest Heritage.

It was reported that after this pilot project it is expected that technical assistance can continue to around 500 communities in the Amazonian and Andean Departments.

#### Empowerment of women in forest management

Under the principle of equality and empowerment, the Forestry and Wildlife Resources Supervision Agency (OSINFOR) led an initiative to promote and make visible the role of women in the forestry sector through three workshops in the regions of Madre de God and Piura.

During the workshops crucial topics were addressed that highlighted the participation of women in productive activities, their irreplaceable contribution to forest conservation and the experiences and fundamental role they play in the conservation of forests was explored.

The focus of the workshops was to raise awareness on the importance of women in the preservation of biodiversity, share inspiring experiences, empower more women in decision-making and encourage the adoption of good practices to promote sustainability in management of natural resources.

See: <https://www.gob.pe/institucion/osinfor/noticias/881674-mujeres-al-frente-osinfor-lidera-talleres-para-el-empoderamiento-femenino-en-la-gestion-forestal>

#### 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 Asian market	986-1119 1079-1101
Cumaru decking, AD, S4S E4S, Central American market	995-1001
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	691-710
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	995-1022
Asian market	1001-1025↓
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	634-649
Dominican Republic	744-793
Marupa 1", 6-11 length KD Grade 1 Asian market	562-578

#### 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

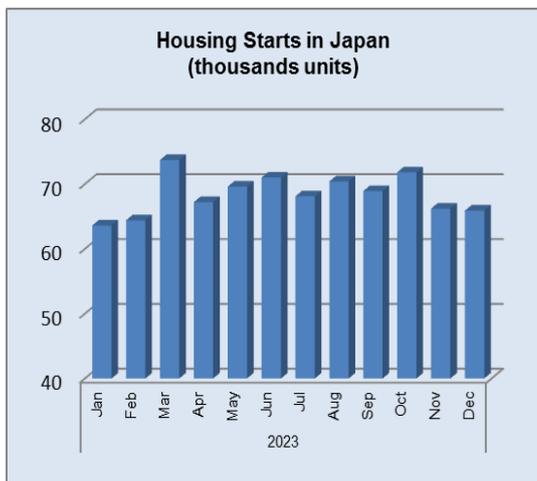
## Japan

#### Investment in real estate at a five-year low

Uncertainty on when interest rates will change is discouraging foreign funds and businesses from investing in the real estate sector such that total investment was at a five-year low in 2023. Foreign investment in Japanese real estate fell around 30% to US\$6.7 billion in 2023.

Investors worry that, once interest rates start rising, borrowing costs will increase and squeeze returns on property investments. With Japan's real estate market seen nearing its peak, investors are now moving to lock in profits.

See: <https://asia.nikkei.com/Business/Markets/Property/Japan-real-estate-loses-shine-with-foreign-investors>



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

### Tokyo Metropolitan Government-sponsored Wood City

Wooden buildings are being built across Tokyo as investment grows in high-tech construction timbers to replace steel and concrete-based mid-rise and high-rise buildings. Examples can be found in the AEAJ Green Terrace, which was awarded the ‘Grand Prize’ in the Tokyo Metropolitan Government-sponsored Wood City Tokyo Model Architecture Awards.

AEAJ Green Terrace was designed by Kengo Kuma who also designed Japan’s 2020 Olympic stadium. The Green Terrace is 3-storey hybrid building.

According to Kuma, the complex timber structure made from cedar and cypress “reflects the very essence of the building’s mission – promoting well-being through the power of aromas”.

See: <https://www.designboom.com/architecture/kengo-kuma-aeaj-green-terrace-tokyo-japan-02-08-2024/>

### Sharp drop in ‘real’ wages

Ministry of Internal Affairs data show household spending in Japan fell in 2023 for the first time in three years. Families cut back on food purchases in the year as inflation drove up prices from 2022.

Japan's real wages dropped 2.5% in 2023, the second straight year of decline as salary increases failed to keep up with inflation. The decrease in real wages, the sharpest since a 2.8% decline in 2014 when the country's consumption tax was raised to 8% from 5%, came despite repeated calls by the Prime Minister for wage increases.

The continued drop in real wages came even after major Japanese companies raised wages by 4% on average last year, the biggest increase in 31 years, indicating the move has not spread to smaller enterprises, which hire nearly 70% of workers.

See: <https://www.investing.com/analysis/japanese-yen-extends-losses-spending-and-income-next-200645799> and [https://www3.nhk.or.jp/nhkworld/en/news/20240206\\_16/](https://www3.nhk.or.jp/nhkworld/en/news/20240206_16/)

### Four straight months of rise in consumer confidence index

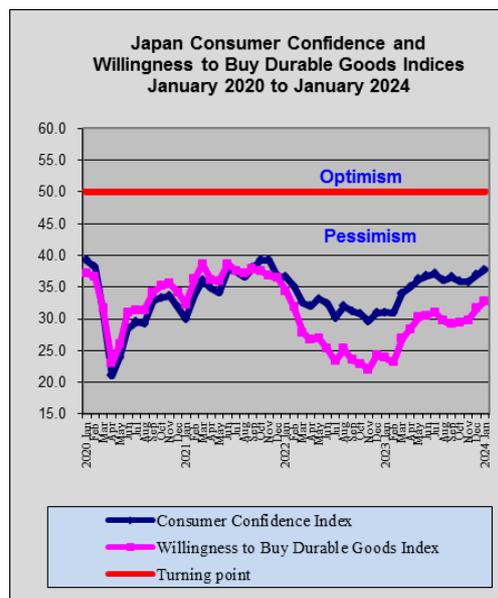
Japan's consumer confidence improved in January for the fourth straight month, hitting its highest level in over two years as high consumer prices began to steadily ease. The index indicates consumers' economic expectations for the next six months with a reading below 50 suggesting that pessimists outnumber optimists.

In light of the trend in consumer confidence the Cabinet Office upgraded its assessment of sentiment saying consumer confidence is "improving. In December, it said it continues “to pick up”.

Among the survey's four components, consumers' assessment of livelihoods grew to 36.5 following a 1.6 point rise in December, while their readiness to buy new durable goods increased 1.4 points to 32.8 from the previous month. However, both indices are below 50.

See:

<https://mainichi.jp/english/articles/20240131/p2g/00m/0bu/046000c>



Data source: Cabinet Office, Japan

### Price increases lift profits for big companies

The domestic press has reported net profits for listed Japanese manufacturers grew more than 20% year on year between April and December last year mainly on the back of price increases and strong auto and machinery sales, especially to the US. Of the 285 listed companies, 52% increased profits, up from 47% in the same period of 2022. Net profits grew at 56% of food makers, 21% in non-ferrous metals and 3% in electrical machinery.

The average exchange rate during the period was about 143 yen to the dollar, a depreciation of around 7 yen, which also contributed to improved yen incomes but price increases were a major factor. On the flip side, companies with significant sales to China are struggling as investment and consumer spending is falling.

See:

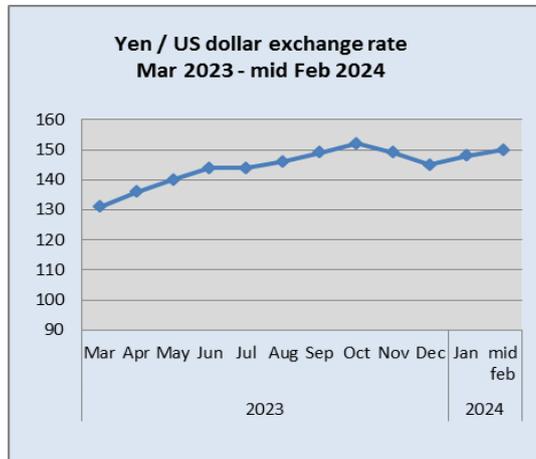
<https://twitter.com/NikkeiAsia/status/1756827754043949099>

**Hints of action to stem fall in yen exchange rate**

Japan's Masato Kanda, Vice Minister of Finance for International Affairs said appropriate action will be taken on the exchange rate if the authorities see the fall in the yen will undermine the economy.

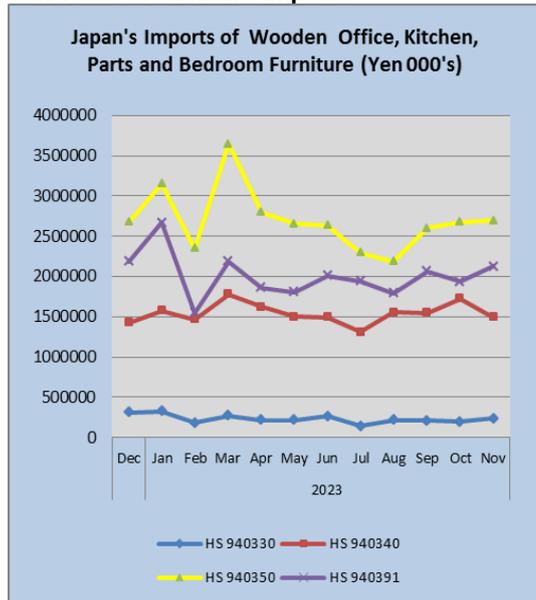
He added "recent currency moves are rapid. The yen has weakened by nearly 10 yen over the period of one month or so and such a rapid move is not good for the economy,".

See: <https://asia.nikkei.com/Business/Markets/Currencies/Japan-will-take-appropriate-actions-on-forex-if-needed-Kanda-says>



**Furniture import update**

**Yen value of furniture imports**



Data source: Ministry of Finance, Japan

**November wooden office furniture imports (HS 940330)**

China remained the top supplier of wooden office furniture in November followed by the US which tilted shipments from Vietnam into third place. The value of shipments from China recovered from the slight drop recorded in October with November shipments accounting for around 78% of all wooden office furniture imports in the month.

Malaysia and Indonesia were the two other main shippers in November and accounted for 2-3% of monthly imports. Year on year, the value of November imports of wooden office furniture was down 28% marking the third straight year on year decline, however, compared to October there was an over 20% rise in the value of November imports.

**November imports (HS 940330)**

	Imports Nov 2023 Unit, 000's Yen
S Korea	858
China	185,896
Vietnam	8,402
Malaysia	7,578
Indonesia	5,746
Sweden	1,061
Denmark	3,494
UK	1,650
Switzerland	1,272
Portugal	437
Spain	4,983
Poland	618
Turkey	1,163
Slovakia	268
Canada	1,511
USA	14,460
<b>Total</b>	<b>239,397</b>

Data source: Ministry of Finance, Japan

**November kitchen furniture imports (HS 940340)**

In November there was a year on year drop of around 14% in the value of wooden kitchen furniture, there was also a similar decline in the value of imports compared to October, the first dip in imports since July.

**November imports (HS 940340)**

	Imports Nov 2023 Unit, 000's Yen
China	128,098
Vietnam	530,720
Thailand	31,890
Malaysia	8,685
Philippines	673,149
Indonesia	17,220
Germany	86,399
Italy	17,109
Finland	1,946
Canada	761
<b>Total</b>	<b>1,495,977</b>

Data source: Ministry of Finance, Japan

As in previous months shippers in the Philippines (45% of total imports) and Vietnam (35% of total imports) together accounted for most of Japan’s imports of wooden kitchen furniture.

In November the top three shippers were the Philippines, Vietnam and China (8% of total imports). Of the other shipper,s Germany and Italy topped the list.

**November wooden bedroom furniture imports (HS 940350)**

After the steady decline in the value of wooden bedroom furniture in the first half of 2023, beginning in September there was a sharp recovery and the upward trend continued with November imports trending slightly higher than in October and around the same level as in November 2022.

In November, China and Vietnam, once again, secured their spot as the first and second ranked shipper in terms of the value of imports. Shipments from China, at 63% of total imports values, were up compared to October but, at 28% of the total value of November arrivals, shipments from Vietnam were down.

**November imports (HS 940350)**

	Imports Nov 2023 Unit, 000's Yen
China	1,707,133
Taiwan PoC	242
Vietnam	753,081
Thailand	31,427
Malaysia	108,534
Philippines	345
Indonesia	19,543
Sweden	2,532
France	13,983
Portugal	324
Spain	3,176
Italy	11,676
Poland	34,059
Austria	289
Serbia	312
Romania	966
USA	796
Australia	6,985
<b>Total</b>	<b>2,695,403</b>

Data source: Ministry of Finance, Japan

**November wooden furniture parts imports (HS 940391)**

The sources of wooden furniture parts are very diverse, more so than with imports of assembled furniture. In November shippers in China accounted for 45% of the value of Japan’s wooden furniture parts imports followed by Indonesia at 20% and Malaysia and Vietnam at around 12% each.

Since mid 2023 there has been a slight upward trend in the value of wooden parts imports. While year on year the value of imports has not moved compared to a month earlier November imports were up around 10% and this builds on the gains seen in the previous few months.

**November imports (HS 940391)**

	Imports Nov 2023 Unit, 000's Yen
Rep. Korea	33,920
China	984,032
Taiwan P.o.C	32,099
Vietnam	251,785
Thailand	46,305
Malaysia	256,208
Philippines	8,617
Indonesia	425,467
Sweden	244
Denmark	1,358
UK	4,616
Netherlands	481
France	682
Germany	22,090
Switzerland	2,329
Spain	933
Italy	29,149
Finland	467
Poland	9,371
Austria	1,537
Hungary	710
Turkey	7,404
Lithuania	1,049
Slovakia	5,238
Canada	215
USA	247
<b>Total</b>	<b>2,126,553</b>

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

**Volume of composite wood flooring in 2023**

According to Japan Acoustic & Laminated Flooring Manufacturers Association, the product and the sales amount of composite wood flooring in 2023 decrease from 2022. The product is 17,824,000 tsubo, 8.8 % down from the previous year.

Shipment is 18,332,000 tsubo, 5.9 % down from the previous year. For surface dressed lumber, a ratio of sheet is 76 %, 1 point up from last year.

The produce and the sales amount of composite wood flooring decrease as the new starts decrease. Also, the price of a house increased so one-story house was more popular than a house. Monthly product of composite wood flooring does not exceed the result of every month last year. Monthly sales amount of composite wood flooring exceeds only March, 2023.

The product of OEM exceeds the previous year's result. The product of MDF and imported plywood is around the previous year's level. The sales amount of MDF and domestic plywood occupies 40 % of the total sales amount of 2023 but this is 2 points less than 2022.

On the other hand, the sales amount of MDF and imported plywood occupies 26 % of the total sales amount of 2023 and this is 2 points up from 2022. The price of hardwood lumber has been increasing in the world and the weak yen influences the purchase price.

The sales amount of soundproof floor LL45 occupies 80 % of the total sales amount of 2023. The sales amount of soundproof floor LL40 is 95,000 tsubo, 3.6 % down from the previous year. LL45 is 1,967,000 tsubo, 2.1 % up from the previous year. LL50 is 17,000 tsubo, 10.3 % more than the previous year. Soundproof floor for non-housing buildings is 76,000 tsubo, 28.6 % less than 2022

#### **100 % cypress plywood**

Japan Kenzai Co., Ltd. in Tokyo Prefecture and Nisshin Co., Ltd. in Tottori Prefecture had developed 4 mm cypress plywood together. All layers of this 4 mm cypress plywood are cypress layers. They started selling this new cypress plywood at 98 business offices in Japan as of February, 2024.

The new cypress plywood is able to be used for interiors and foundations. The size cypress plywood is 4 mm 3 x 6. The cypress plywood has 3 layers. The quality of 4 mm cypress plywood is as same quality as imported plywood. The new plywood is able to be used for padded floors.

The companies accept small lot orders. Usually, the 4 mm imported plywood is sold by 350 sheets as a pack but the companies sell 140 sheets as a pack.

Japan Kenzai and Nisshin had developed 5.5 mm plywood together in 2021 and there had been a lot of demand for 4.4 mm plywood so they started developing 4.4 mm plywood. The new cypress plywood is an eco-friendly product. Also, carbon stocks will be printed on bills.

The companies will promote on using more domestic lumber and will expect to contribute circular forest and regions. Since the foreign exchange is unstable, it is hard to estimate the costs. Purchasing domestic plywood instead of imported plywood will reduce risks of costs.

#### **Orders for house builders**

New orders for house builders in December, 2023 exceed December 2022's result. Their reasons are that the selling price of houses had increased and there is more orders for non-housing buildings than houses. A number of custom-built houses is low. Orders for unit built for sale, apartment buildings and renovation of a house are firm.

Some house builders feel that the orders for houses are not recovered yet. On the other hand, another house builder had good results because they held housing events in last autumn. Also, the house builders explained to customers that the Japanese government increased the budget of 2024 for purchasing houses. However, the customers still hesitate to purchase houses. There is a possibility that the custom-built housing market will be a tough situation in 2024.

The results of unit built for sale at many house builders exceed custom-built houses in December, 2023 and the results in December, 2022. Many house builders will keep strengthen their unit built for sale business.

The house builders promote saving energy and high-performance of apartment buildings and the price of apartment buildings has raised.

Energy-efficiency renovations, which reduce utility expenses, are popular than renovations of exteriors. However, there will be a support for renovations of exteriors from the Japanese government so major house builders will strengthen in recommending renovations of exteriors to the customers.

#### **Projection wood product of imports**

The Japan Lumber Importers Association disclosed projection of imported wood products for the first half of 2024. Volume of logs will decrease as same as the first half of 2023. Volume of lumber will rise.

Total volume of logs and lumber will be 10 % more than the first half of 2023. However, volume of logs will decrease by 6 % and volume of lumber will rise by nearly 20 %.

Volume of North American logs and NZ logs will occupy 97 % of the total volume.

Consumption of Douglas fir logs at Chugoku Lumber Co., Ltd. will be 30 % lower than before due to the fire occurred at one of Chugoku Lumber's plants in August, 2023. This situation would influence the volume of Douglas fir logs in the first half of 2024.

Japanese lumber companies would use cedar logs instead of NZ logs because the price of NZ logs for China had increased and then also the price had increased for Japan.

Volume of South Sea logs will be limited because supply environment in South Asia is not good and also consumption of South Sea logs in Japan is small.

Volume of lumber will increase because it was very small volume in the first half of 2023. The reason is that Japanese importers did not purchase a lot of imported lumber due to the end of the woodshock. European lumber will be 35 % up.

Projection of imported wood products of the 1st half of the year

	2022	2023	Jan-Jun 2024
Logs South Sea	49	33 (66.9)	23 (151.0)
North America	2,218	1,793 (80.8)	850 (93.2)
Russia	3	-	-
New Zealand	265	219 (82.8)	113 (88.0)
Europe	5	5 (105.2)	3 (-)
Total logs	2,539	2,050 (80.7)	989 (93.4)
Lumber South Sea	354	299 (84.5)	147 (97.2)
North America	1,080	850 (78.)	500 (125.2)
Russia	783	486 (62.1)	260 (108.9)
Chile/NZ	322	264 (82.0)	115 (100.2)
Europe	2,617	1,680 (64.2)	1,060 (134.5)
Glulam	906	556 (61.3)	279 (99.3)
Total lumber	6,062	4,135 (68.2)	2,361 (119.7)
Grand total	8,602	6,185 (71.9)	3,350 (110.5)

Source: JLR

Unit : 1,000 cu.m. YoY comparison ( % )

## China

### Decline in log imports in 2023

China Customs data shows log imports in 2023 totalled 38.03 million cubic metres valued at US\$6.383 billion, a decline of 13% in volume and 25% in value year on year. The average price for imported logs was US\$168 (CIF) per cubic metre, down 14% on 2022 levels.

Of total log imports in 2023, softwood log imports fell 10% to 28.1 million cubic metres, accounting for 74% of the national total, up 3% percentage points from 2022. The average price for imported softwood logs was US\$134 (CIF) per cubic metre, down 16% on 2022.

Hardwood log imports in 2023 declined 20% to 9.93 million cubic metres (26% of the national total log imports). The average price for imported hardwood logs in 2023 was US\$264 (CIF) per cubic metre, down 7% on 2022.

Of total hardwood log imports, tropical log imports were 5.71 million cubic metres valued at US\$1.516 billion, down 8% in volume and down 19% in value from 2022 and accounted for 15% of the national total import volume in 2023. The average price for tropical logs imports in 2023 was US\$265 (CIF) per cubic metre, down 12% on 2022 level.

### China's log import in 2023 (volume)

Volume	2023 mil. cu.m	% change 2022-23
Total log imports	38.03	-13%
Softwood logs	28.10	-10%
All hardwood logs	9.93	-20%
Of which tropical logs	5.71	-8%

Data source: China Customs

### China's log import in 2023 (value)

Value	2023 US\$ mil CIF	% change 2022-23
Total log imports	6383	-25%
Softwood logs	3764	-25%
All hardwood logs	2619	-26%
Of which tropical logs	1516	-19%

Data source: China Customs

### Average CIF prices 2023

	US\$/cu.m	% change 2022-23
All log imports	168	-14%
Softwood logs	134	-16%
Hardwood logs	264	-7%
Tropical logs	265	-12%

Data source: China Customs

### Large decline in log imports from Germany and Russia

The volume of log imports from Germany and Russia in 2023 declined sharply, dropping 40% and 27% year on year to 3.59 million cubic metres and 1.61 million cubic metres respectively. These declines were the main reason for the overall decline in log imports in 2023.

New Zealand was, once again, the top supplier of logs to China in 2023 accounting for 47% of the national total, up 6 percentage points from 2022. China's log imports from New Zealand reached almost 18 million cubic metres valued at US\$2.209 billion, up 2% in volume but down 18% in value, year on year. The average price for imported logs from New Zealand was US\$123 (CIF) per cubic metre, down 19% on 2022 levels.

### Main countries shipping logs to China, 2023

Supplier	mil. cu.m	YoY % change
<b>Total</b>	38.03	-13%
New Zealand	18.03	2%
Germany	3.59	-40%
PNG	2.27	-3%
USA	2.03	-1%
Russia	1.61	-27%
Solomon Is.	1.48	3%
Japan	1.41	25%
Poland	1.11	101%

Data source: China Customs

Germany ranked second for log imports to China in 2023 making up 9% of the national total, down 5 percentage points from 2022. China's log imports from Germany reached 3.3 million cubic metres valued at US\$576 million, down 40% in volume and 44% in value, year on year. The average price for imported logs from Germany was US\$160 (CIF) per cubic metre, down 7% on 2022 level.

### Main softwood log sources in 2023

Supplier	mil. cu.m	YoY % change
<b>Total</b>	28.1	<b>-10%</b>
New Zealand	17.97	2%
Germany	3.30	-41%
Japan	1.41	26%
USA	1.25	3%
Poland	1.10	106%
Canada	0.93	2%
France	0.30	-44%
Czech. Rep.	0.28	-68%
Denmark	0.27	15%
Latvia	0.23	-62%
South Africa	0.20	-1%

Data source: China Customs

### Increase in softwood log imports from Japan and Poland

China's log imports from Japan and Poland rose respectively 26% and 106% year on year to 1.41 million cubic metres and 1.11 million cubic metres in 2023. The average price for imported logs from Japan and Poland was US\$120 (CIF) per cubic metre and US\$151 (CIF) per cubic metre, down 20% and 10% on 2022 levels. Nearly 100% of China's log imports from Japan and Poland in 2023 were softwood logs.

Japan's log exports to China are on the rise and one enduse for some of these imported logs is the manufacture coffins. China's Cao County in Shandong Province has a virtual monopoly in the production of coffins from milled Japanese logs. Coffins produced in Cao County account for around 90% the coffins shipped to Japan.

The wood processing industry in Caoxian County has a good future and the annual output from wood processing reached around RMB50 billion in 2023.

Log exports from Poland began after the decision of the Polish State Forest Service in 2017 to lift the log export controls. After severer storms in Poland in 2017 the Polish authorities were unable to properly dispose of nearly 10 million cubic metres of wind blown forests so sought export markets.

### Steep drop in hardwood log imports

Hardwood log imports in 2023 fell 20% to 9.926 million cubic metres (26% of the national total log imports). PNG was the largest supplier of hardwood logs to China in 2023. China's hardwood log imports from PNG fell 3% to 2.268 million cubic metres valued at US\$483 million, down 12% year on year. The average CIF price for hardwood log imports from PNG in 2023 fell 9% compared to levels in on 2022.

China's hardwood log imports from Russia were 1.613 million cubic metres valued at US\$197 million, down 24% in both volume and in value in 2023. The average CIF price for hardwood logs from Russia fell 1%.

Over 60% of the national total log imports are from four countries, namely PNG (23%), Russia (16%), Solomon Is. (15%) and USA (8%).

China's hardwood log imports from the US declined by 7% year on year in 2023 to 781,000 cubic metres valued at US\$444 million, down 4% on 2022. China's hardwood log imports from Brazil, France and Germany dropped 50%, 40% and 16% respectively.

### Main hardwood log sources, 2023

Supplier	cu.m 000s	YoY % change
<b>Total</b>	9,926	-20%
PNG	2,268	-3%
Russia	1,613	-24%
Solomon Is.	1,473	3%
USA	781	-7%
Brazil	444	-50%
Cameroon	439	4%
Rep. Congo	430	1%
France	425	-40%
Germany	282	-16%

Data source: China Customs

**Decline in tropical log imports in 2023**

Of total hardwood log imports, tropical log imports were 5.713 million cubic metres valued at US\$1.516 billion, down 8% in volume and 19% in value from 2022, accounting for 15% of the national total import volume in 2023. The average price for imported tropical logs was US\$265 CIF per cubic metre, down 12% on the 2022 average.

PNG and Solomon Is. were the main suppliers of tropical logs to China accounting for around 66% of all tropical log imports in 2023. China’s tropical hardwood log imports from PNG fell 3% but from Solomon rose 3% in 2023.

**Tropical hardwood log sources, 2023**

Supplier	cu.m 000s	YoY % change
Total	5,713	-8%
PNG	2,268	-3%
Solomon Is	1,475	3%
Cameroon	439	4%
Rep. Congo	430	1%
DRC	145	-36%
Suriname	144	16%
Mozambique	112	-52%
Equatorial Guinea	112	-70%

Data source: China Customs

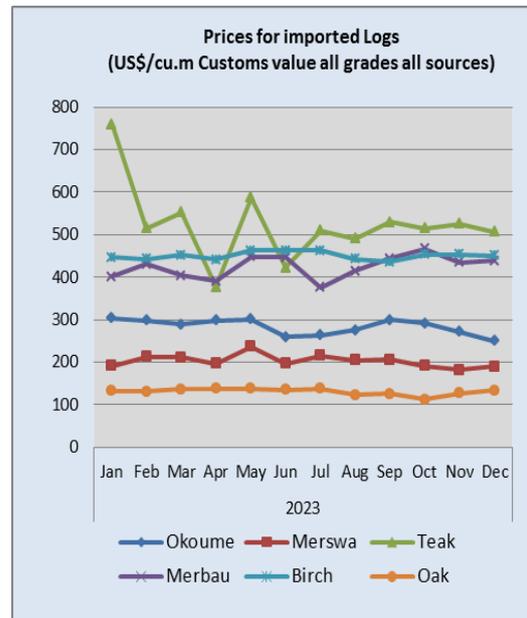
**Decline in China’s log imports from Myanmar**

Myanmar was a major source of tropical logs for China but log imports from Myanmar have been declining for many years. China’s log imports from Myanmar fell to 3,371 cubic metres valued at US\$3.75 million in 2023.

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

	2023 Nov	2023 Dec
Okoume	272	250
Merswa	182	190
Teak	525	507
Merbau	434	439
Birch	453	451
Oak	127	134

Data source: Customs, China

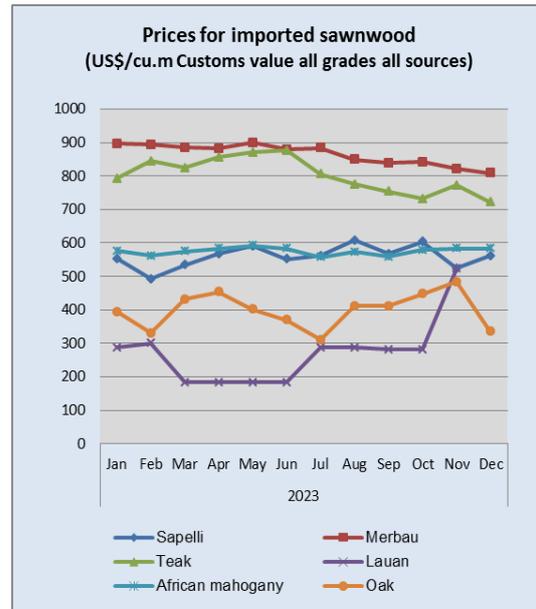


Data source: Customs, China

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

	2023 Nov	2023 Dec
Sapelli	524	562
Merbau	821	808
Teak	772	722
Lauan	522	
African mahogany	584	583
Oak	484	335

Data source: Customs, China



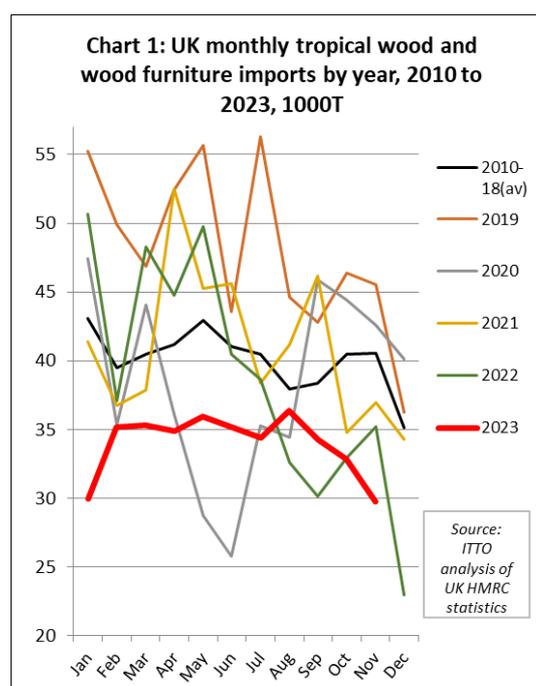
Data source: Customs, China

### UK tropical wood and wooden furniture imports 30% below long-term average

The trajectory of UK imports of tropical wood products continues sharply downwards. In fact, the latest trade data shows that imports in the closing months of 2023 were heading towards an all-time low. In the January to November period last year, the UK imported tropical wood and wooden furniture products with total value of US\$874 million, 35% less than the same period the previous year. In quantity terms, the UK imported 374,200 tonnes of these products during the eleven-month period, 15% less than the same period in 2022.

These are very low figures, in tonnage terms the lowest level of UK tropical wood products imports for an eleven-month period ever recorded, or at least since the 1980s and probably well before then. It is 7% below the previous record low which came in the first eleven months of 2013 at the end of one of the longest periods of economic stagnation on record in the UK. It is 10% less than recorded in the first eleven months of 2020 when the country came briefly to a complete standstill at the start of the COVID pandemic.

The latest monthly data shows that the total tonnage of UK imports of tropical wood and wooden furniture fell to an extreme low of only 22,000 tonnes in December 2022 before crawling back to 36,000 tonnes in August 2023. Imports then began to slide again, falling below 30,000 tonnes in November last year. That is around one third less than the long-term average for that time of year (Chart 1).



The backdrop to these historically low import levels is a continuing slow-moving economy and weak consumer confidence. The UK economy fared better than forecast in 2023, with KPMG estimating GDP increased 0.5% rather than contracting the 1% forecast earlier.

KPMG now predicts UK growth in 2024 will hover around the same figure and only reach 1% in 2025.

The GfK Consumer Confidence indicator for the UK, after hitting an all-time low of nearly -50 in the second half of 2022, did rise last year but remains in negative territory which means that most respondents are still pessimistic about the economy. The index was at -19 in January this year, up from -22 in December and the third consecutive month-on-month increase.

The persistent gloomy mood is linked to the Bank of England maintaining interest rates at 5.25% for longer than hoped in response to stubbornly high inflation. Predictions are that the first 2024 interest rate cut of 0.25% won't be until August, with a second to 4.75% in November.

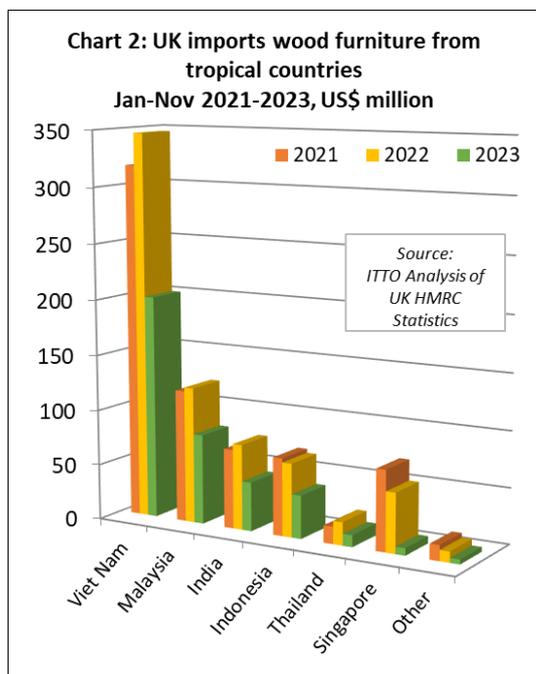
Key for the hardwood and wider timber sector, of course, are forecasts for the impacts of a sluggish economy on construction. In its Winter Forecast, published January, the Construction Products Association predicts the industry's output will contract 2.1% this year due to falls in private housing new build and repair, maintenance, and improvement – the largest construction sectors.

One hardwood importer interviewed by the ITTO Correspondent earlier this month observed that “in the current economic environment, customers are cautious. They're taking more time over finalising projects, or delaying them, and an upcoming election creates more uncertainty.”

### UK import value of tropical wooden furniture down 45%

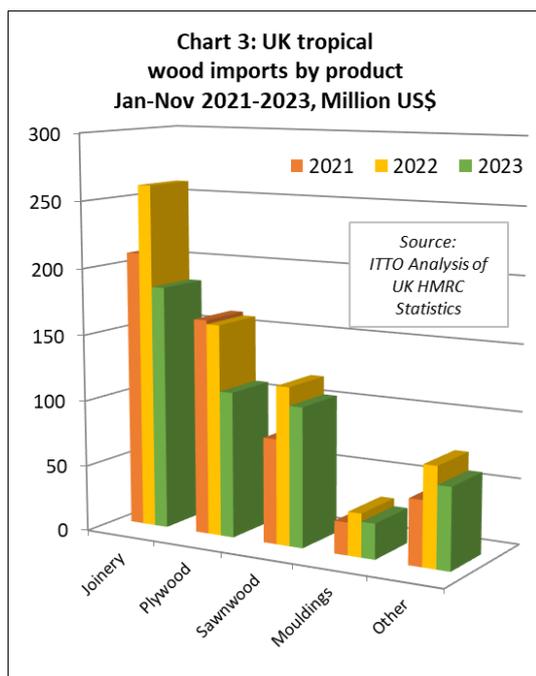
Of all wood products imported into the UK from the tropics, wooden furniture declined the most last year. The UK imported US\$386 million of tropical wooden furniture products in the first eleven months of 2023, which is 45% less than the same period in 2022. In quantity terms, wooden furniture imports were 106,200 tonnes during the eleven-month period, 26% less than the same period in 2022.

In the first eleven months of 2023 compared to the same period in 2022, UK import value of wooden furniture from Vietnam was down 42% to US\$201 million, Malaysia was down 34% to US\$81 million, India was down 43% to US\$44 million, Indonesia was down 41% to US\$39 million, Thailand was down 49% to US\$11 million, and Singapore was down 88% to US\$6.5 million (Chart 2).



**Across the board decline in value of all tropical wood product imports**

Total UK import value of all tropical wood products in Chapter 44 of the Harmonised System (HS) of product codes was US\$488 million between January and November last year, 25% less than the same period in 2022. In quantity terms imports decreased 10% to 268,000 tonnes during the period.



Compared to the first eleven months of 2022, UK import value of tropical joinery products decreased 29% to US\$184 million, import value of tropical plywood decreased 31% to US\$110 million, import value of tropical sawnwood decreased 12% to US\$105 million, and import value of tropical mouldings/decking decreased 18% to US\$27 million (Chart 3 above).

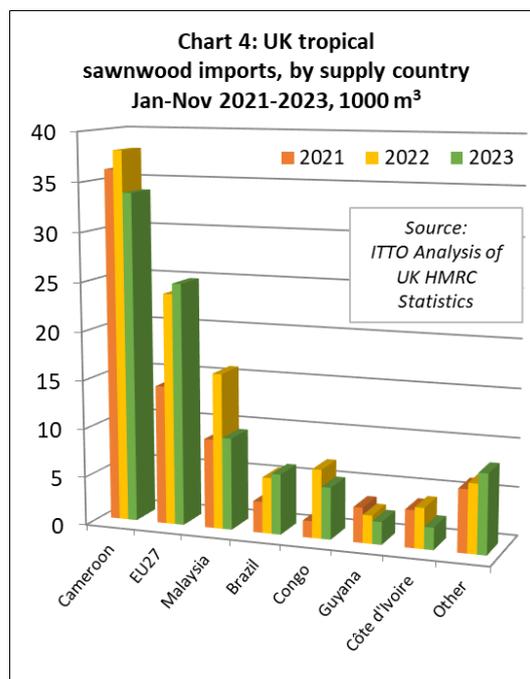
**UK switches to indirect imports of tropical sawnwood**

UK imports of tropical sawnwood were 92,346 cu.m in the first eleven months of last year, 12% less than the same period in 2022. Although UK imports of this commodity held up reasonably well compared to other tropical products in 2023, a larger share was sourced indirectly from the EU rather than direct from the tropics (Chart 4).

The large majority of sawnwood sourced directly from the tropics by UK importers now comes from Cameroon. UK imports of tropical sawnwood from Cameroon were 33,800 cu.m in the first eleven months of 2023, 11% less than the relatively high level in the same period in 2022.

UK tropical sawnwood imports from Malaysia, which revived to some extent in 2022 after many years of decline, fell by 41% in the first eleven months of 2023 to just 9,500 cu.m. UK imports of tropical sawnwood from Brazil were 6,200 cu.m in the first eleven months of 2023, a gain of 8% compared to the same period in 2022. Imports from all other leading tropical supply countries declined including Republic of Congo (-25% to 5,300 cu.m), Guyana (-19% to 2,300 cu.m), and Cote d'Ivoire (-45% to 2,300 cu.m).

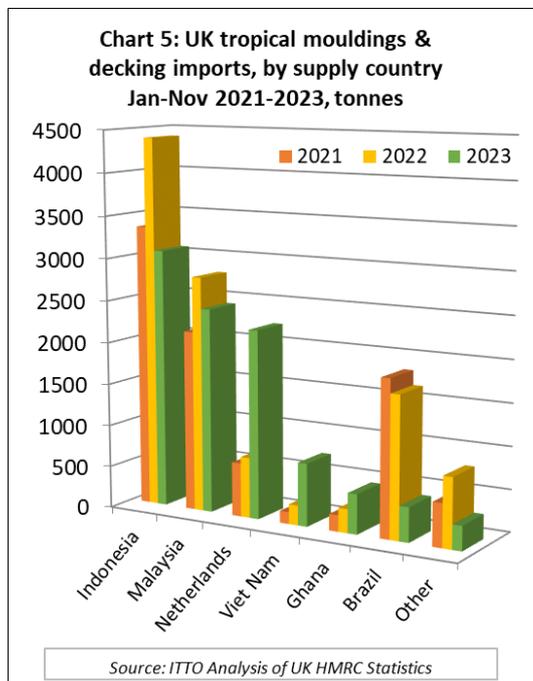
Indirect UK imports of tropical sawnwood via the EU were up last year despite the economic slowdown and Brexit disruption, increasing 5% to 24,900 cu.m in the first eleven months. To some extent, UK's continuing dependence on indirect imports of tropical sawnwood from the EU is due to a shortage of kiln drying space in African supply countries combined with lack of any hardwood kiln drying capacity in the UK.



UK imports of tropical hardwood mouldings/decking fell 12% in the first eleven months of 2023 to 9,670 tonnes.

Imports of 3,100 tonnes from Indonesia were 30% less than the same period in 2022.

Imports from Malaysia totalling 2,400 tonnes were down 13% during the same period. Imports of this commodity group from Brazil were recorded just over 400 tonnes in the first eleven months of 2023, 76% less than the same period the previous year. In contrast, imports of decking/mouldings increased three-fold from both the Netherlands (to 2,200 tonnes) and Vietnam (to 750 tonnes) (Chart 5).



### Hardwood traders comment on “limp” UK market

Interviews with sawn hardwood traders in the UK by the ITTO Correspondent sum up the prevailing market mood as one of uncertainty and caution. One UK hardwood importer-distributor described the market going into 2024 as ‘limp’. Another commented that there is plenty of stock on the ground and no significant shortages. Sales volumes were consequently down and margins ‘a bit squeezed’.

An importer-distributor said it’s been more a case of managing the market rather than developing it. Forward ordering is down and, freight rates are back on the rise. “Generally, there’s no great consideration being given to forward price in a quiet and nervous market,” they said.

They thought high mortgage rates were less an issue in the hardwood market, given it is less dependent on new build. “But customer confidence is an issue generally, with people holding back on spending more widely, leading to this slowdown.”

An importer felt that where continuing relatively high interest rates were also impacting businesses was in managing day-to-day trading. “We’re in a strong cash position, but companies borrowing to buy stock must be finding business more painful,” they said. They added that their prime customer sector, joinery, had slowed. “Joinery

businesses are reporting volumes down and staircase producers, in particular, are cooler due to projects being delayed,” they said. African prices are reported to be generally stable, although with iroko in tight supply and firming and sapele, of which one importer remarked there was plenty available, ‘tending towards softening’.

In TTJ’s recent tropical wood focus, one large tropical supply company with operations in Africa and Latin America said that in the slower global hardwood market, they had cut back on African secondary tropical species. A UK importer reported the same, although another said lesser-known species still weren’t figuring highly in the UK in any market conditions. “Despite environmental arguments for using them, to take supply stress off more widely used species and make sustainable forest management more economically viable, they’re not part of the customer conversation,” they said.

A project supported by the ATIBT is undertaking life cycle assessment of tropical timber value added goods to develop environmental product declarations (EPDs). Called Dryades, the aim is to increase their appeal in increasingly environmentally focused consumer markets.

And a UK importer said more of their African suppliers were now providing EPDs. “It’s suppliers of lumber, including sapele and utile, as well as engineered wood products,” they said. “For most customers it’s probably a nice to have rather than a must. But larger buyers like it for corporate social responsibility reasons.”

The key topic raised with regards Asian hardwoods is freight rate resurgence. The latest Drewry World Container Index of \$3,786 per 40ft container compares to a low of \$1,342 in October last year. While the index is still well below the record of \$10,377 set in September 2021 during the pandemic, it is 167% more than the average 2019 (pre-pandemic) rates of \$1,420. “And with the Suez situation, plus some opportunism on the part of shipping countries, rates are expected to increase further,” said an importer-distributor.

Looking at North American hardwood supply, an importer-distributor said that they had seen prices recently ‘firming modestly across the board’. The outlier was white oak, which had jumped 10-15% in the last three months. Some feel upward price pressure on the species may continue.

Demand from the US barrel stave industry remains robust, and, while Deloitte predicts just a modest rise in house building, the Dodge Construction Network is forecasting an overall increase in US construction starts of 7% in 2024. At the same time the US Federal Buy Clean Initiative, says Deloitte, should underpin specification of lower carbon construction materials, including timber.

Also expected to keep US hardwood prices firm, said an importer, is ‘a lack of available logs going through the system’.

“There are predictions of further consolidation among US mills too, which could push up prices,” said an importer-distributor. They attributed this continuing concentration of the sector in part to generational issues. “It seems to be small to medium size mills not having succession plans or exit strategies,” they said. “The market was very turbulent for the last 18 months, so it’s not easy to enter with confidence.”

European oak prices and supply, say hardwood traders, do not seem to have been significantly affected by European embargoes on Russian and Belarusian imports, or supply cutbacks from Ukraine due to the war. “There have been no impacts that we’ve seen,” said an importer-distributor. “If our [European oak] suppliers have, they’re not saying.”

“The European oak business remains generally stable,” said another importer. “And we’ve heard rumours that there is also still pre-conflict Russian timber on the market. Where the war has had greatest impact is on larch, but rather than increasing demand for more expensive hardwoods and clears, customers are opting instead for [treated] white wood.”

Demand for both temperate and tropical engineered wood products is said to be increasing in the UK. One importer distributor described their performance as positive, although they still required ‘persistence, [more] product knowledge and market identity.

Another said they were seeing engineered growth across species, including in US white oak, European oak, Uruguayan grandis and sapele. In the latter, however, they felt African producers were over pricing. “We’re buying our engineered sapele from Malaysian suppliers. They’re still competitive despite shipping the lumber across the world,” they said.

Modified wood is also in the ascendant again, thanks largely to improvement in Accoya supply after expansion work at the Arnhem production facility reduced output. “We’re not back to previous peaks, but we’ve doubled monthly sales compared to the low point during the expansion,” said an importer-distributor.

On the UK hardwood sector’s radar too, of course, is the EU Deforestation Regulation, which comes in for large EU businesses at the end of this year and six months later for SMEs. It covers all timber placed on the EU market and EU exports, stipulating that operators and larger traders undertake due diligence to ensure no goods are implicated in deforestation and forest degradation. That includes providing geolocation coordinates for the individual “real estate properties” from which wood may have been derived.

The general view is that there are still a lot of unknowns about the EUDR and how it will impact on the UK. One importer commented: “It will be interesting to see how the UK navigates the volume of West African hardwood which enters the market via trade kilns in the EU.”

Another raised the issue of Northern Ireland, which remains in the EU single market, and whether timber shipped there from Great Britain and not destined for transshipment to the Irish Republic would need EUDR conformance information.

Importers are also following developments in the US. While the UK is now the largest European export market for American hardwood, large volumes are also destined for the EU, particularly to Italy, Germany, and Spain. However, at least 70% of US hardwood supply derives from private non-industrial forest owners, of which there are over nine million with average holding size of no more than 9 hectares.

A typical hardwood mill will purchase logs from several hundred non-industrial owners each year and a completely different set of small owners in the following, each supplying a varied mix of species and grades in very small quantities. This wood must pass through several stages of aggregation, sorting, mixing, and processing to build consignments of specific species, size, and grade to the EU market. This makes provision of geolocation coordinates for the origin of their timber particularly challenging.

Consequently, the American Hardwood Export Council (AHEC) is working on a new procedure linking comprehensive legality risk assessment with regular AI-based analysis of satellite images and a chain of custody standard to verify that US hardwood derives from deforestation-free geolocations.

At present AHEC is only saying this is ‘potentially’ a solution for EUDR conformance, given that EU regulators will have to accept the approach. But, adds AHEC, it will also enable US hardwood suppliers to make a ‘global legality and deforestation-free claim’.

The general view of the UK hardwood sector is that 2024 will be challenging, with multiple significant issues to keep tabs on. “Interest rates are still 5.25%, household budgets are stretched, and government spend is down across the board,” said one importer-distributor, “so we need to be careful with inventory. Speculation can wait for another day.”

Another agreed, saying the number of unknowns ahead made forecasting tough, but with the high cost of money and tight margins, smaller companies particularly could find life challenging.

“We’ve done our budgets for 2024/2025 and see key strategies for the year ahead as, of course, as maintaining service levels, but also nipping at competitors’ market share,” they said.

“We won’t be jumping out the window but nor putting out the bunting.”

### **German forest industry takes issue with EUDR**

In an open letter to the German Federal Government, the German forestry and wood products sector argue that the “the impending bureaucratic hurdles and high technical requirements” of the EU Deforestation Regulation (EUDR) “will prevent all market participants from maintaining free access to the markets and small private forest owners will be left behind”. They also complain that “the documentation, digitisation and administrative effort for large and medium-sized companies in the forestry and wood industry will be disproportionately high in relation to the benefit of the regulation”.

The challenge to the EUDR came in an open letter issued by the Plattform Forst und Holz (PFH - Forest & Wood Platform) on 26 January to the German Federal Government “regarding the implementation of the EU Deforestation Regulation” calling for “an unbureaucratic and practical implementation of the Regulatory Framework in German State, Private, and Municipal Forests, as well as in the Wood Industry Operations”.

PFH is collaboration between the German Forestry Council (DFWR) and the German Wood Industry Council (DHWR) which represents the “common interests of the Forest and Wood cluster as a wood industry chain from the forest to the end product”. The letter notes that “with an annual total turnover of €181 billion, 128,000 companies, and 1.1 million employees, wood-based value creation plays a significant role in the economic strength and employment in Germany, particularly in rural areas”.

The letter was addressed to three Ministers of the German Federal government, respectively: Cem Özdemir, Minister for Food and Agriculture; Steffi Lemke, Minister for Environment, Nature Conservation and Nuclear Safety; and Robert Habeck, Minister for Economic Cooperation and Development. It was copied to all Members of the Federal Government, Members of the German Bundestag, and German Members of the European Parliament.

While welcoming in principle the EU's efforts to reduce global deforestation to preserve biodiversity and achieve climate goals, the PFH notes that “the practical implementation of the EU regulation against deforestation, especially the implementation and compliance with due diligence, and the preparation of due diligence declarations, will incur significant bureaucratic and economic expenses.

This is particularly true for small private forests, forestry associations, and the wood industry, as many of the required pieces of information are not currently collected and/or not available in digitized form”.

On the question of EUDR's “proportionality”, the PFH observes that “a comprehensive implementation of the EUDR in member states with low deforestation risks will not improve the global deforestation situation, as the problem of illegal deforestation does not exist in these member states”.

PFH goes on to suggest that “To maintain proportionality, a differentiated implementation of the regulation should be pursued, taking into account the deforestation risk of each member state. An undifferentiated implementation of the regulation leads to significant additional bureaucratic overhead, unnecessary and avoidable concerning wood production due to existing forest laws, widespread functioning forestry administrations, and a high level of voluntary certification in Germany”.

PFH suggest that “based on the current knowledge, a rather bureaucratic and impractical implementation of the regulation at the national level is emerging” and goes on to formulate various of “points of criticism”. The first is that in Germany the “protection of forests against damage and illegal logging is already fully covered by established control mechanisms”.

The second is that “compliance with the EUDR will fail due to the lack of IT capabilities of smaller companies and individual forest owners, thus excluding them from the market”. PFH comment that “There are numerous forest owners, especially in small private forests, and affected wood companies that cannot currently implement the requirements of the EUDR due to a lack of IT capabilities. As a result, they will lose market access at the end of the transition period. This will lead to the discontinuation of the management of these forest areas”.

A third “point of criticism” is that “Contrary to the efforts of the German government to reduce bureaucracy, the national implementation of the EUDR will result in an enormous bureaucratic burden. This affects not only forest owners but also the federal states and the federal government itself.

The effort required for data collection and entry, the necessary human resources for documentation and control, as well as the overall effort for the implementation of the regulation, are not necessary in Germany and other member states with a low deforestation risk. Additional measures in these countries do not improve the global deforestation situation”.

Another “point of criticism” is that the “trial run of companies using the EU Information System (IS) reveals significant deficiencies in technical implementation. Several companies in the forestry and wood industry participating in the test phase of the EU Information System (IS) sent a clear signal: the technical implementation as envisaged will not be feasible. The system has major deficiencies in data input, processing capacity and clarity.

The EUDR will lead to a large number of different raw material sources in Germany resulting in a significant number of initial declarations and reference numbers. Only a fully automatic interface will be able to handle the expected workload, especially for large companies”.

The PFH conclude “We urgently call on the Federal Ministry of Food and Agriculture to advocate for a differentiated implementation of the EUDR, avoiding additional bureaucracy, ensuring that no forest owner loses market access and is overwhelmed and preventing additional control efforts for the forestry authorities of the federal states. The practicality of the regulation is currently not given. In this regard, we refer to similar statements from other EU member states”.

“A country demonstrating no objections in the last 10 years regarding the main objective of the EUDR, namely preventing illegal deforestation, should be exempted from implementing the corresponding processes. In our view, this ensures the necessary WTO conformity while avoiding unnecessary bureaucracy and associated costs”, according to PFH.

To support their proposal, PFH observe that “Germany, with 11.4 million hectares, is one-third forested and the wood stock in the country’s forests is larger than in any other European Union (EU) country. For decades, the forest area in Germany has been steadily increasing, secured by proven sustainable forest management, existing federal and state forest laws, and various certification systems (80% of the forest area is certified).

Normative, legal, and voluntary restrictions exist, ensuring effective sustainable forestry without deforestation and forest damage in Germany, thus securing the provision of ecosystem services in the long term”.

## North America

### Imports of tropical hardwood products weak in 2023

US imports of tropical hardwoods and related products declined in 2023, particularly sawnwood and plywood. The Department of Agriculture totals for 2023 show sawn tropical hardwood imports were down 29% from the previous year and hardwood plywood imports fell 25%.

Imports of wooden furniture fell by 22%, from more than US\$25 billion in 2022 to less than US\$20 billion in 2023. Also falling were imports of wood veneers, down 4% and hardwood moulding, down 28%.

In contrast imports of wooden flooring rose 11% in 2023 but imports of assembled flooring panels fell by 28%. December figures, however, were encouraging as most categories showed imports on the rise.

### Imports of sawn tropical hardwood rise in December

US imports of sawn tropical hardwood rose 10% in December, bouncing back in volume from a two-year low in November. Despite the rise, the 13,269 cubic metres imported in December was 26% less than in December of 2022. Imports from top suppliers Brazil and Cameroon both rebounded sharply.

For the year, imports of sawn tropical hardwood fell from nearly 275,000 cu.m in 2022 to less than 194,000 cu.m in 2023, a decline of 29%. Imports of Sapelli and Ipe, which were both over 41,000 cu.m in 2022, fell 22% and 47%, respectively in 2023.

Imports of Acajou d’Afrique, Virola, Meranti, Jatoba, Teak, Iroko, and Paduak were all down more than 40% in 2023. The top supplying country for tropical hardwoods remained Brazil, despite imports from the country falling 36% for the year.

Canadian imports jumped 98% in December to reach their highest level since 2014. The nearly US\$2.7 million in imports recorded in December was the highest since imports topped US\$3 million in August 2014. The strong month provides some optimism for the New Year after a 2023 which saw imports decline by 12% versus 2022.

### US imports of sawn tropical hardwood

	2023 cu.m	YoY % change
Total	193,567	-29%
Ecuador	6,656	9%
Brazil	43,851	-36%
Cameroon	19,975	-43%
Malaysia	26,442	-11%
Rep. Congo	16,554	-23%
Peru	943	-57%
Indonesia	29,834	-51%
Ghana	7,274	4%
Cote d'Ivoire	1,944	-55%
Other	40,094	2%

Data source: US Department of Agriculture, Foreign Trade Statistics

### US hardwood plywood imports flatten

US imports of hardwood plywood rose less than 1% as imports stabilized at a level well above last winter’s volume. The 277,333 cu.m of plywood imported in December was 81% higher than the volume of wood imported in December 2022. Imports from Indonesia rose 57% to their highest level of the year.

In 2023, Indonesia supplanted Vietnam as the top supplier of hardwood plywood to the US, despite a 37% drop in volume. Imports from Vietnam fell 49% for the year. Total imports were down by 25% in 2023 versus the previous year with imports from Malaysia, China, and Russia all falling more than 50%.

### US hardwood plywood imports

	2023 cu.m	YoY % change
Total	2,748,430	-25%
China	45,984	-53%
Russia	188,947	-50%
Indonesia	584,579	-37%
Malaysia	64,658	-69%
Cambodia	125,981	-18%
Vietnam	505,570	-49%
Ecuador	138,479	-4%
Other	1,094,232	43%

Data source: US Department of Agriculture, Foreign Trade Statistics

### Veneer imports surge in December

US imports of tropical hardwood veneer rose 24% in December. The surge placed December imports 2% ahead of December 2022 levels. Gains in imports from Italy (up 79%) and Cameroon (up 14%) more than made up for declines in imports from China and India.

For 2023, imports of tropical hardwood veneer fell by 4% as imports from 2022 top-supplier Italy plunged by 75%. The US switched to imports from Cameroon, which rose 310% in 2023. Imports from Ghana rose 54% in 2023 as the US increasingly turned to Africa for veneer. Imports from India, the #2 supplier in 2022, fell 25% last year.

### US veneer imports

	2023 US\$	YoY % change
Total	32,821,925	-4%
Italy	2,679,487	-75%
China	2,402,041	27%
Ghana	2,097,469	-5%
Cote d'Ivoire	2,745,001	54%
Cameroon	10,621,927	310%
India	3,307,728	-25%
Others	8,968,272	-16%

Data source: US Department of Agriculture, Foreign Trade Statistics

### Hardwood flooring imports rose in 2023

While most hardwood imports declined last year, US imports of hardwood flooring rose in 2023. Imports ticked upward 11% over 2022 despite a disappointing December report. Robust imports from Indonesia fueled the gains as a 93% rise for the year placed Indonesia as the leading supplier for the US by a large margin.

Imports from the previous leader, Brazil, fell by 55% in 2023. For December, imports were down 11% from November's numbers and 8% below that of December 2022. Imports of assembled flooring panels, however, showed a marked decline in 2023, falling 26% from 2022 totals.

The result was also fueled by imports from Indonesia, which in this case fell by 41%, as well as by declining imports from China (down 56%) and Thailand (down 51%). Yet, the December report pointed in a positive direction. In December US imports of assembled flooring panels rose 12% to a level 40% higher than December 2022 numbers.

### US assembled hardwood flooring imports

	2023 US\$	YoY % change
Total	258,939,309	-26%
China	9,102,330	-56%
Canada	51,799,670	-2%
Indonesia	23,216,720	-41%
Vietnam	47,936,044	-13%
Thailand	26,159,658	-51%
Brazil	1,165,077	0%
Other	99,559,810	-20%

Data source: US Department of Agriculture, Foreign Trade Statistics

### Moulding imports down 28% in 2023

US imports of hardwood moulding fell 28% in 2023. Imports from Canada, by far the top supplying nation, fell by 11% for the year as imports fell more steeply from China (down 62%), Brazil (down 49%), and Malaysia (down 31%).

Imports for December rose 2% from November but were still 10% below that of the previous December. Imports from China more than doubled in December to reach their highest level since May.

### US moulding imports

	2023 US\$	YoY % change
Total	126,353,261	-28%
Brazil	6,961,873	-49%
China	6,452,062	-62%
Malaysia	12,016,752	-31%
Canada	41,614,743	-12%
Others	59,307,831	-26%

Data source: US Department of Agriculture, Foreign Trade Statistics

### US wooden furniture imports down more than \$5 billion in 2023

US imports of wooden furniture declined by more than US\$5 billion in 2023 as imports slowed by more than one fifth. Imports fell 22% last year from more than US\$25.3 billion in 2022 to US\$19.8 billion in 2023. Imports from the top suppliers, Vietnam and China, were down 21% and 28%, respectively.

Imports from most other countries saw similar declines, although imports from Canada only saw a drop of less than 1%.

December saw a gain of 1% over the previous month which was also 1% above the total for December 2022.

	2023 US\$	YoY % change
Total	19,824,164,177	-22%
China	3,266,128,950	-28%
Vietnam	7,338,255,460	-21%
Canada	1,646,379,931	0%
Malaysia	1,014,998,324	-36%
Mexico	1,687,415,593	-20%
Indonesia	825,430,319	-32%
India	439,008,674	-21%
Other	4,045,555,600	-19%

Data source: US Department of Agriculture, Foreign Trade Statistics

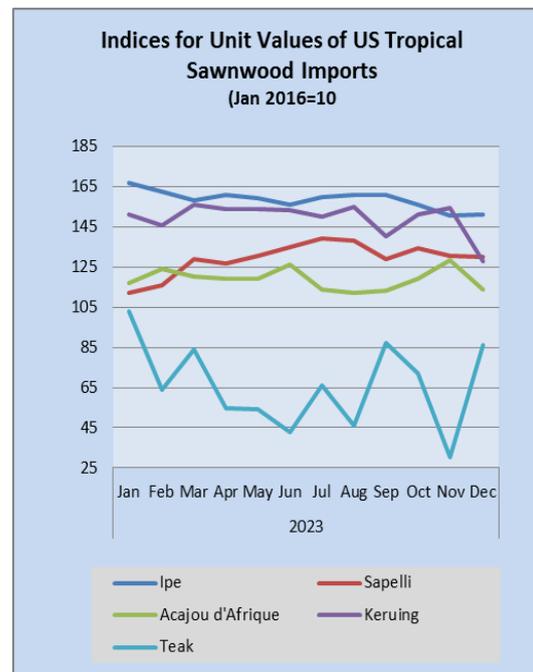
**Furniture market shows signs of normalising as residential orders continue to rise**

New orders for residential furniture rose 26% in November compared to 2022 figures, marking seven straight months of double-digit percentage growth in the year-over-year comparison, according to the latest issue of *Furniture Insights*. Roughly two-thirds of the participants reported increased orders in November 2023 compared to a year ago.

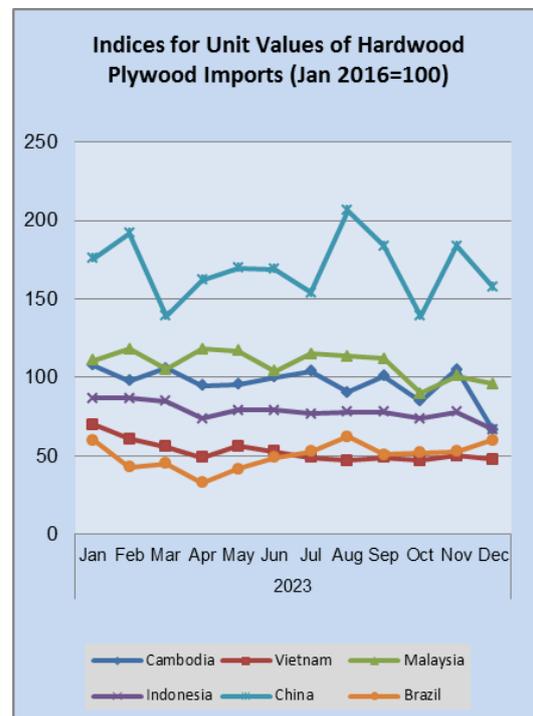
"While there is considerable 'noise' behind these numbers (including the impact of general inflation and container rate fluctuations to name just two), this does mark the 7th straight month orders have grown double-digit percentages over the prior year, so there does appear to be some traction," said Mark Laferriere, assurance partner at Smith Leonard, which produces the monthly report.

Year to date, new orders were up 4% over the same period of 2022, although 2022-to-date orders were down 34% over the same period of 2021, Laferriere noted. "As we've stated previously, comparisons to prior years have been difficult due to the unprecedented circumstances impacting the industry since mid-2020, but that does seem to be normalizing, even if still not at the levels we'd prefer."

See:  
<https://www.woodworkingnetwork.com/furniture/residential-furniture-orders-continue-double-digit-rise-year-over-year>  
 and  
<https://hfbusiness.com/CurrentIssue/CurrentIssueModule/ArticleId/24881/statistically-speaking-us-furniture-manufacturers-feeling-the-slowdown>



Data source: US Census Bureau, Foreign Trade Statistics



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.**

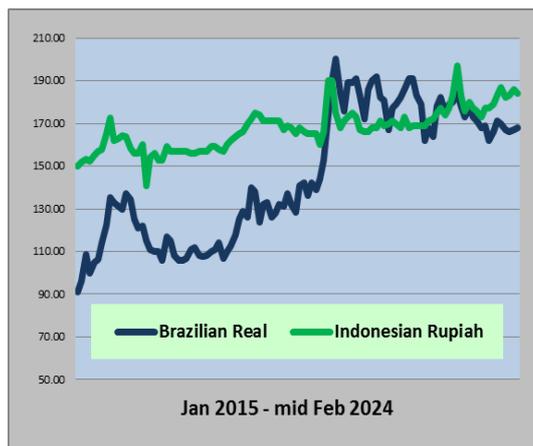
**The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO**

## US Dollar Exchange Rates

As of 10 February 2024

Brazil	Real	4.95
CFA countries	CFA Franc	608.95
China	Yuan	7.18
Euro area	Euro	0.93
India	Rupee	83.01
Indonesia	Rupiah	15,6116
Japan	Yen	149.18
Malaysia	Ringgit	4.77
Peru	Sol	3.73
UK	Pound	0.79
South Korea	Won	1,331.52

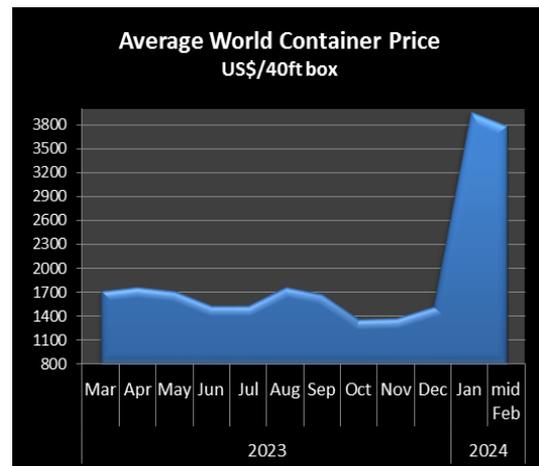
Exchange rate indices (US\$, Dec 2003=100)



## 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

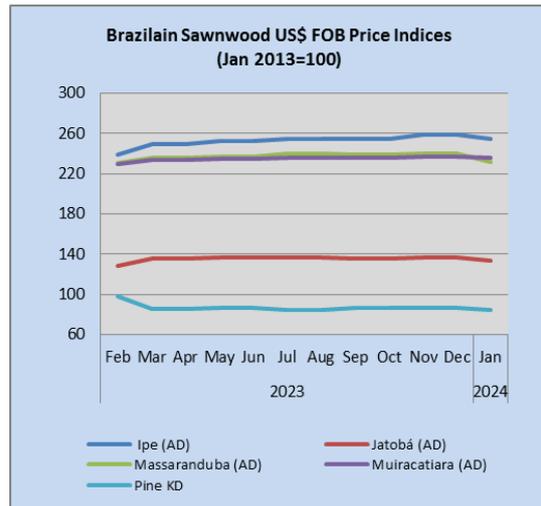
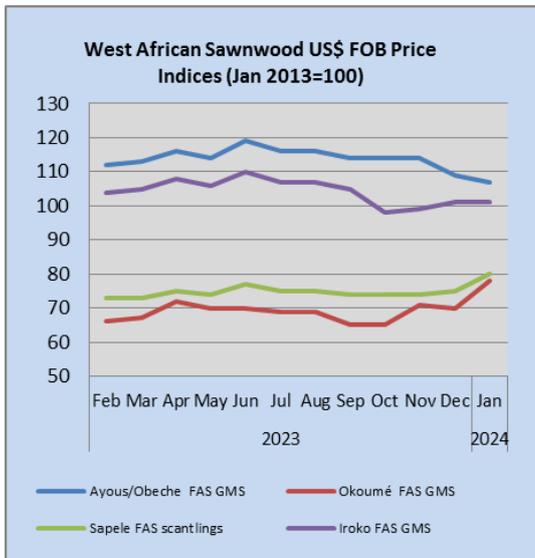
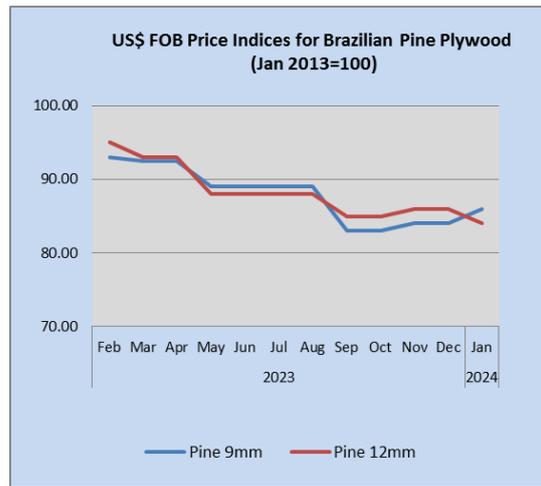
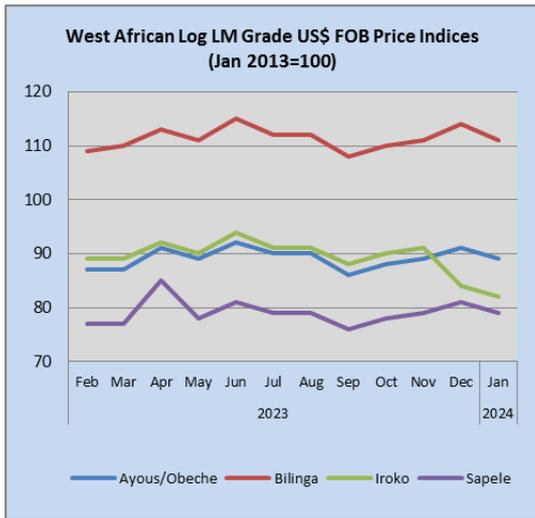


Data source: Drewry World Container Index

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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