

Tropical Timber Market Report

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Contents

Central/West Africa	2
Ghana	3
Malaysia	5
Indonesia	7
India	9
Viet Nam	11
Brazil	15
Peru	17
Japan	18
China	23
EU	27
North America	30
Currencies and Abbreviations	32
Ocean Freight	32
Price Indices	33

Headlines

	Page
Ghana - 2025 wood product exports lowest in six years	4
IEU-CEPA Business Council planned	7
Indian furniture sector braces for BIS QCO	10
A new benchmark for Viet Nam's timber exports	13
Structuring Brazilian forest restoration and silviculture with native species	15
Housing starts in Japan at 62-year low	19
Decline in China's sawn tropical hardwood imports	25
Forests at centre of new UK approach with Africa	27

Top story

US wooden furniture imports drop to lowest level since COVID

US imports of wooden furniture fell for a fourth consecutive month in November 2025, hitting their lowest level since the 2020 COVID epidemic.

November imports fell 3% from the previous month to just over US\$1.4 billion which is 23% lower than in November 2024 and is the lowest level of imports since June 2020.

Imports from Mexico (down 21%) and imports from China (down 13%) saw the steepest declines.

Page 30

Contrasting operating conditions

Weather conditions across the region are currently contrasting. The Central African Republic and Cameroon have now entered a dry season that is expected to last until June supporting more stable harvesting and transport conditions. In contrast, Gabon and the Republic of the Congo are experiencing heavy and persistent rainfall, significantly affecting logistics.

Cameroon

No major changes are reported in the timber sector. Operations remain generally stable. The continuation of the African Growth and Opportunity Act (AGOA) for Cameroon by the United States administration is seen as a positive development for the country.

Chinese operators, many of which pause activities during the Chinese New Year period, are expected to resume operations by the end of February. As is customary at the beginning of the year concession contracts will be renegotiated, a process that typically shapes operational capacity for the months ahead.

Harvesting activity in Cameroon is gradually increasing as the country has entered a dry period. The continued weak demand from China is still disturbing operational flows, however, production levels at sawmills are picking up, although the recovery remains uneven.

Road transport conditions are reportedly improving as rainfall has largely ceased allowing operators to move timber more efficiently from forest to mill and onward to ports. No major changes in rail or port access have been reported during this period.

Gabon

Gabon continues to experience heavy rainfall which is delaying the transport of both sawnwood and logs from upcountry to the ports. At the same time, electricity supply remains unreliable with power cuts occurring twice daily. Despite repeated assurances and repair plans, the situation has shown little improvement over the past year.

Despite these constraints, there has been a notable and unexpected development on the demand side. The Chinese government is actively attempting to stimulate consumption and as a result buyers for the Chinese market have returned. This comes as a surprise given the previously weak outlook.

The recent increase in export duties is widely viewed as potentially disastrous for the sector. Exporters are passing on higher prices to the buyers. Producers in Gabon fear this may lead to a shift in demand to Congo and Cameroon where pricing is currently more competitive. Azobe may be an exception as the market seems able absorb higher prices due to extremely limited log supply. Heavy rains and reduced availability within current AACs have significantly constrained Azobe log deliveries to sawmills.

In northern Gabon, around Oyem, the Director of Forestry has reportedly instructed operators to submit declarations related to Kevazingo felling, despite harvesting of this species being strictly prohibited.

The cancellation of the AGOA for Gabon by the United States was a surprise coming only two weeks after a US trade mission visit that did not signal such a decision. While current exports from Gabon to the US are minimal, future exports could have increased with the development of special mineral production.

Road transport remains heavily impacted by rainfall. Movements from the southern and eastern regions are taking two to three days, with some extreme cases reported. One truck equipped with a log loader required four days to reach Okondja in the south.

The government continues to promote its long-term infrastructure plan to rehabilitate 3,000 km of roads over a four-year period, financed by the Islamic Bank and the African Development Bank (BAD). However, this remains largely at the project stage with no significant work observed on the ground to date.

Electricity supply remains a critical issue. Currently, operators are facing two to three power cuts per day, each lasting three to four hours. These outages continue to disrupt industrial operations and add further costs to production.

Port operations are functioning normally and container availability is not an issue. However, road transport costs remain high and some transporters are being forced to send trucks south despite lower earnings simply to maintain activity.

The Middle East market has shown sign of improvement with sawmills reporting increased orders especially for Okoume. Brazilian softwood pine continues to arrive in the Philippines and the Middle East at very competitive prices.

Overall demand sentiment remains fragile and operators are closely monitoring whether markets will absorb higher prices under current conditions.

According to producers, the new duties will push sawnwood prices up by around €20/cu.m. Operators are increasingly nervous about whether international markets will accept price increases.

Last year all operators holding forest rights were required to submit aerial surveys of their concessions. These surveys were carried out by the government agency AGEOS using satellite imagery. Forestry authorities have now expanded controls through the use of drones to monitor forest operations directly on the ground.

Republic of the Congo

There is little trade news to report from Congo at this stage. President Sassou Nguesso is widely expected to secure another term in the upcoming March elections. The AGOA agreement remains in force for Congo.

Rainfall has returned across the Republic of Congo which is affecting harvesting conditions. Production remains at a generally normal level but is reduced due to weak market demand in Asia and Europe.

Transport logistics continue to favour the northern corridor to Douala rather than Pointe-Noire as the distance to Pointe-Noire from northern concessions is approximately 1,400 km. Congo's main commercial species include Sapelli, Ayous, Iroko, Padouk, Azobe and Okoume, with Okoume concentrated mainly in the southern regions.

Harvesting activity remains slow, primarily due to the continued absence of Chinese orders. As a result, sawmills are increasingly targeting European-preferred species which raises the risk of overproduction.

Demand from the Philippines for Okoume remains weak while Vietnam continues to take Tali, Padouk and Niove. The Middle East remains subdued on Okoume sawnwood due to competition from Brazilian pine.

No major milling disruptions have been reported. Spare parts for logging equipment remain available and are not currently a limiting factor for production. Container availability at Pointe-Noire remains adequate, with no reported shortages. Port operations are steady and dispatch activities continue without major disruption.

Log export prices

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

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	680
Okoumé FAS GMS	420
Merchantable KD	400
Std/Btr GMS	420
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	880↑
FAS scantlings	920↑
Strips	420↑
Sapele FAS Spanish sizes	530
FAS scantlings	550
Iroko FAS GMS	870↑
Scantlings	920↑
Strips	410V
Khaya FAS GMS	420
FAS fixed	440
Moabi FAS GMS	580
Scantlings	610
Movingui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	450

Carbon financing

A new note by Alain Karsenty analyses the structural limitations of carbon financing mechanisms. This insight is particularly relevant for stakeholders involved in sustainable tropical forest management.

See: <https://www.cst-foret.org/ressource/note-de-contribution-les-marches-du-carbone-forestier-et-les-pays-en-developpement/>

Ghana

Forest Services Division revised vision statement

At a 2-day retreat the Forest Services Division of Ghana's Forestry Commission reviewed its 2025 performance and set new objectives and outlined its agenda for 2026 focusing on sustainable forest management and protection of the country's forest reserve.

In his opening remarks, the Forestry Commission Chief Executive Officer FC, Dr. Hugh Brown, praised the team's 2025 achievements despite limited resources. He highlighted successes like fighting illegal mining, the Tree for Life Initiative, the division's significant role in contributing to securing the Forest Law Enforcement, Governance and Trade (FLEGT) license.

He presented a revised Vision Statement of the Commission to the management team emphasising five key pillars which include enhancing forest protection and law enforcement, scaling up reforestation and forest restoration, promoting ecotourism and environmental services, biodiversity conservation and supporting multi-stakeholder collaboration and technological innovation.

Dr. Brown emphasised the need for legal backing to protect Ghana's forest estate and called for the transition to a whole military apparatus. Participants were optimistic about the 2026 mandate and committed to excellence in forest governance, with a renewed sense of purpose and collaboration.

The Vice President, Prof. Jane Naana Opoku Agyeman and Mr. Armah Kofi Buah from the Ministry of Lands and Natural Resources also delivered a candid sector briefing outlining the scale of environmental degradation facing the country and the measures underway to reverse this.

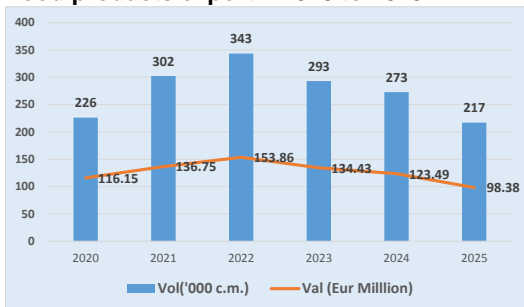
See: <https://www.graphic.com.gh/news/general-news/ghana-news-forest-services-division-sets-sights-on-sustainable-growth.html> and <https://www.ghanaenvironment.com/government-outlines-major-push-to-protect-lands-forests-and-water-resources/>

2025 wood product exports lowest in six years

Ghana recorded the lowest wood product exports in 2025 earning Eur98.38 million from the shipment of 217,000 cu.m. registering year on year decreases of 21% and 20% in value and volume respectively according to data from the Timber Industry Development Division (TIDD) source.

The data showed that an estimated 1.66 million cu.m of wood products were shipped during the period 2020 to 2025 valued at Eur763.07 million shown in figure 1 below.

Wood products export – 2020 to 2025



Data source: TIDD

The country's wood products export performance gradually increased from 226,000 cu.m in 2020 to 343,000 cu.m in 2022. However, the export volume trend dipped by close to 15% (50,000 cu.m) to 293,000 cu.m in 2023 and consistently slowed to the end of 2025.

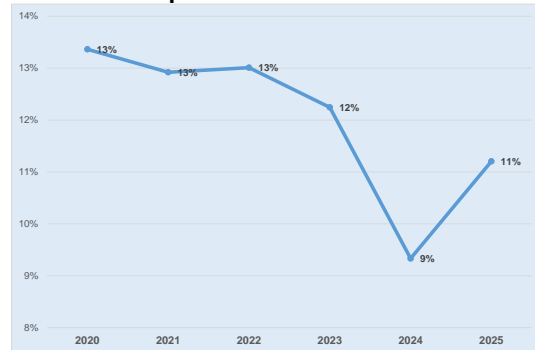
The leading products exported were air-dried sawnwood (55%), kiln-dried sawnwood (14%) and plywood (11%) including trade with the ECOWAS region and billet (10%). These altogether accounted for 89% (1,472,837 cu.m) of the total export volume and 83% (Eur 629.59 million) of the total export value.

The top species in terms of volume were teak, wawa/ayous, eucalyptus, cedrela and gmelina. The export destinations were Asia (63%), Europe (17%), Africa (13%), America (4%) and Middle East (3%).

ECOWAS demand dominated by plywood

The volume of trade to African markets declined from 13% in 2020 to 9% in 2024 with signs of improvement in 2025 at 11%. For the period January to December 2025, the ECOWAS sub-regional market recorded increases of 7% in volume and 1% in value when compared against the same period in 2024.

Percent of exports to ECOWAS countries 2020 to 2025



Data source: TIDD

In 2025 the regional market was dominated by plywood which accounted for 17,791 cu.m (Eur6.79 million), followed by sawnwood 1,668 cu.m (Eur618,147), sliced veneer 170 cu.m (Eur146,758) and poles 142cu.m (Eur12,232). Togo (5,817 cu.m), Burkina Faso (4,308 cu.m) and Gambia (3,036 cu.m) were the leading importers of plywood.

In a related development, President John Dramani Mahama has called on African nations to construct strong regional production value chains across borders arguing that fragmented national markets cannot support competitive manufacturing or drive meaningful industrialisation

The President made the remark in a keynote address to open the 2026 Africa Trade Summit in Accra. The Trade Summit by the African Trade Chamber assembled key African business leaders and policy makers to deliberate on promoting trade integration and value addition on raw materials from the continent.

See: <https://www.newsghana.com.gh/mahama-urges-africa-to-build-regional-production-chains/>

AGI welcomes passage of 24 Hour Economy Authority Bill

The Association of Ghana Industries (AGI) has praised the government for passing the 24-Hour Economy Authority Bill 2025, saying it's a bold step towards boosting Ghana's economic growth. The Bill received over 100 million cedis in the 2026 budget to finance the Authority's activities and operations.

In a statement signed by its president, Pharm Kofi Nsiah Poku, AGI said the new law provides a strong legal and institutional framework to stimulate investment, strengthen supply chains and position Ghana as an export-led economy.

The AGI president he believes this will create jobs, increase productivity and reduce reliance on imports.

Meanwhile, the Association is calling for strong regulatory oversight, investment in infrastructure and incentives like tax rebates and subsidized electricity tariffs to support manufacturing businesses. The AGI is also urging the government to integrate existing industrial initiatives, like the One District, One Factory programme, to maximise impact.

These initiatives reflect AGI's commitment to promoting industrial excellence and economic growth in Ghana.

See: <https://www.newsghana.com.gh/agi-commends-passage-of-24-hour-economy-authority-bill/> and <https://www.newsghana.com.gh/parliament-passes-24-hour-economy-authority-bill/>

Producer inflation ends 2025 at 1.9%

According to the latest update from the Ghana Statistical Service (GSS), December 2025 recorded a year-on-year producer inflation rate of 1.9% compared with 26.1% in December 2024.

On a month-on-month basis, the producer inflation declined by 0.8% between November and December 2025 reflecting a decrease in average producer prices over the period. The overall Producer Price Index stood at 266.0 in December 2025, compared with 268.1 in November 2025 and 261.1 in December 2024.

See: https://thebftonline.com/2026/01/22/producer-inflation-ends-2025-at-1-9-down-from-26-1-in-2024/#google_vignette

Policy rate dropped by 250 basis points

The Bank of Ghana has further eased monetary policy, cutting the Monetary Policy Rate (MPR) by 250 basis points to 15.5% from 18%, citing improved macroeconomic conditions and sustained growth momentum. The move follows the Bank's earlier aggressive easing in late 2025, when the Monetary Policy Committee (MPC) reduced the policy rate by 350 basis points amid declining inflation and improving real sector activity.

Announcing the decision after the MPC meeting, the Bank of Ghana Governor, Dr. Johnson Asiama, said the committee was encouraged by the continued moderation in inflationary pressures and the resilience of economic growth.

See: <https://www.myjoyonline.com/mpc-slashes-policy-rate-to-15-5-amid-stable-inflation-and-economic-growth/>

Boule export prices

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

Rotary veneer export prices

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

Sawnwood export prices

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

Plywood export prices

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

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

Sliced veneer export prices

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

Malaysia

Furniture exporters face a strengthening ringgit

The Malaysian ringgit recently broke the threshold of 4.0 against the US dollar, marking its strongest level in more than seven years as it continues a rally driven by domestic fundamentals and global market shifts.

The appreciation reflects a strong performance for the ringgit in 2025 and early 2026 making it one of the best-performing currencies in Asia. But some Malaysian furniture exporters said they remain largely unfazed by the stronger currency, despite unilateral US tariffs sending many export-driven industries into a tailspin last year. American tariffs on Malaysian exports have given them a competitive advantage over Chinese competitors, they noted.

The US imposed a 19% tariff on Malaysia last year, one of the lowest rates among members of the Association of Southeast Asian Nations (ASEAN).

While Malaysia's furniture industry has welcomed the reciprocal tariff agreement for the business certainty it brings the Malaysian government is facing strong opposition over the trade deal signed with the US administration.

It has been reported the Malaysian government will reassess the deal to ensure Malaysia's economic interests are protected. Particular focus will be given to Malaysia's exports to the United States, worth RM233 billion (US\$59 billion) as well as the estimated 648,000 jobs and livelihoods tied to the trade.

See: <https://www.channelnewsasia.com/asia/ringggit-strengthen-us-dollar-malaysia-furniture-exporters-unfazed-tariffs-5893256>

Partnership to market furniture

The Malaysian International Furniture Fair (MIFF) has forged cooperation with the Malaysia External Trade Development Corp (Matrade) to strengthen Malaysia's position as a global furniture export hub. Matrade will work closely with MIFF as its International Trade Partner, combining the trade agency's international reach and expertise with the Fair's globally recognised platform to further promote quality Malaysian furniture on the world stage.

The strategic collaboration builds on MIFF's proven 31-year track record, which aligns closely with the government's mission to stimulate Malaysia's trade and export industries. CEO Matrade Abu Bakar Yusof said MIFF's global standing and commercial impact made it a natural partner for Matrade. "MIFF is not merely a trade exhibition. It is a global benchmark for the industry," he said, adding that the Fair was consistently ranked among the world's top 10 furniture trade shows and was the largest in South-East Asia.

In 2025, MIFF attracted 54% first-time visitors from around the world and generated a record US\$1.31 bil in on-site orders according to Matrade CEO, Abu Bakar Yusof. He pointed out the booming development activity in Saudi Arabia and the rising economy in Africa as lucrative opportunities.

Based on Saudi Arabia's trillion-dollar transformation via the Saudi Vision 2030, he highlighted the Kingdom's economy as one of the most stable and high-growth trade opportunities in the global market for Malaysian exporters.

See: <https://www.thestar.com.my/news/nation/2026/01/30/miff-matrade-forge-strategic-tie-up>

Sabah TLAS+ booklet launched

EU Ambassador to Malaysia, Rafael Daerr, said Malaysia is, in many respects, producing commodities more efficiently and sustainably than many other parts of the world.

He said Sabah's long-standing partnership with the EU dates back to 2006 through initiatives such as the Voluntary Partnership Agreement process under the EU Forest Law Enforcement, Governance and Trade framework, leading to the development of the original TLAS in 2009.

He also highlighted Sabah's role as a like-minded partner in climate and environmental protection through initiatives such as the EU-Sabah REDD+ project, which saw Sabah become the first state in Malaysia to implement a REDD+ strategy and establish an operational task force and technical working groups.

He was speaking at the launch of the Sabah TLAS+ Booklet in Kota Kinabalu. Daerr said the launch of the TLAS+ Booklet reflected the collaborative spirit between Sabah and the EU and encouraged continued feedback to ensure the system remained practical and effective.

See: <https://www.dailyexpress.com.my/news/275381/sabah-first-for-eu-timber-standards/>

Malaysia Forestry Conference proceedings published

The Sabah Forestry Department has published the Proceedings of the 20th Malaysian Forestry Conference (MFC), which was hosted by the Department in Kota Kinabalu in 2024 under the theme "Harmonising Forestry towards Sustainability."

The 566-page publication comprises three keynote addresses, 24 working papers, 13 information papers and 30 poster presentations delivered during the conference.

The conference focused on five key sub-themes relevant to current sustainable forest management challenges — policy and governance framework; international cooperation and partnerships; climate change mitigation and adaptation; biodiversity conservation; forest plantations and beyond; as well as community involvement and stakeholder engagement. The Forest Department Sarawak (FDS) will host the 21st Malaysian Forestry Conference this year.

See: <https://www.pressreader.com/malaysia/the-borneo-post-sabah/20260126/281908779557972>

Bamboo-based biomass development in Sabah

The Sabah Forestry Development Authority (Safoda) will venture into renewable energy by conducting a pilot bamboo planting project in Kota Belud to produce bio-pellets, an environmentally friendly alternative fuel.

Safoda signed a Memorandum of Understanding (MOU) with Nova Glove Consultancy Co Ltd and Greenova Solutions Co Ltd. to explore potential opportunities related to bamboo-based biomass development in Sabah through a trial cultivation of a high density bamboo species from India.

The MOU establishes a preliminary and non-binding framework for the parties to jointly assess the commercial viability and practical considerations of a potential large scale bamboo plantation initiative using “Bambusa Beecheyana” species, a type of high biomass yield bamboo species, including its suitability for biomass pellet production.

The bamboo bio-pellets are seen as a potential replacement for coal in electricity generation, particularly for export markets such as South Korea and Japan, which are increasingly shifting towards greener energy sources. It is said bamboo has a higher calorific and high carbon value compared to wood making it highly suitable for biomass energy production.

See: <https://www.dailyexpress.com.my/news/275135/bamboo-planting-project-for-bio-pellets-in-kota-belud/>

Indonesia

Export benchmark prices (HPE) for wood products, 1-28 February 2026

Please note the prices remain as in January.

Veneers

Natural Forest Veneer	US\$618/cu.m
Plantation Forest veneer	US\$813/cu.m
Wooden Sheet for Packaging Box	US\$1,068/cu.m

Wood Chips

Woodchips in chips or Particles	US\$90/tonne
Woodchips	US\$97/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 sq.mm to 4000 sq.mm (ex 4407.11.00 to ex 4407.99.90)

Meranti (Shorea sp)	US\$1,218/cu.m
Merbau (Intsia sp)	US\$1,151/cu.m
Rimba Campuran (Mix Tropical hardwood)	US\$712/cu.m
Eboni	US\$2,384/cu.m
Teak	US\$3,646/cu.m
Pinue and Gmelina	US\$727/cu.m
Acacia	US\$649/cu.m
Sengon (P. falcataria)	US\$1,349/cu.m
Rubberwood	US\$408/cu m
Balsa (Ochroma sp) and Eucalyptus.	US\$546/cu.m
Sungkai (P. canescens)	US\$1,298/cu.m

Processed wood products which are leveled on all four sides so that the surface becomes even and smooth of Merbau wood with the provisions of a cross-sectional area of 4000 sq.mm to 10000 sq.mm (ex 4407.11.00 to ex 407.99.90) US\$1,500/cu.m

See: <https://jdih.kemendag.go.id/peraturan/keputusan-menteri-perdagangan-republik-indonesia-nomor-2139-tahun-2025-tentang-harga-patokan-ekspor-dan-harga-referensi-atas-produk-pertanian-dan-kehutanan-yang-dikenakan-bea-keluar-dan-tarif-layanan-badan-layanan-umum>

Revocation of permits will impact exports

The Association of Indonesia Forest Concessionaires Holders (APHI) stated that the government’s decision to revoke Forest Utilisation Business Permits (PBPH) for 22 companies across Aceh, North Sumatra and West Sumatra will significantly impact national forest product exports.

According to APHI Secretary General, Purwadi Soeprihanto, the revocations covering more than one million hectares and reportedly linked to responses to hydrometeorological disasters will disrupt the forestry supply chain which depends on domestic timber. Reduced upstream raw material supply is expected to affect downstream industries lowering production output and export performance.

Beyond the impact on industries APHI highlighted the serious socio-economic consequences including an estimated loss of around 19,000 jobs in both upstream and downstream sectors.

The policy is also projected to reduce domestic trade value, non-tax state revenue, export taxes and foreign exchange earnings by about US\$125.29 million annually excluding broader multiplier effects on regional economies.

While APHI supports the government’s efforts to improve forestry governance it suggested that permit evaluations be conducted objectively and gradually with opportunities for guidance and improvement to minimise the negative social and economic impacts while still achieving reform goals.

See: <https://www.antaraneews.com/berita/5371770/aphi-pencabutan-izin-pbph-berdampak-pada-ekspor-hasil-hutan> and <https://www.agrofarm.co.id/2026/01/aphi-dorong-perbaikan-tata-kelola-hutan-minimalkan-dampak-sosial-ekonomi/>

IEU-CEPA Business Council planned

Indonesia’s Ministry of Trade, together with national business stakeholders, will establish the Indonesia–European Union Comprehensive Economic Partnership Agreement (IEU-CEPA) Business Council as part of preparations for implementing the trade agreement.

Trade Minister Budi Santoso said the agreement has entered the legal drafting stage on the European Union side, a process involving all 27 EU member states and expected to be completed by May. While implementation is targeted to begin in January 2027 the ministry, in collaboration with the Indonesian Chamber of Commerce and Industry (Kadin) and the Indonesian Employers Association (Apindo), will form the Business Council as an early preparatory platform.

The IEU-CEPA Business Council will function as a business-to-business forum to facilitate communication between Indonesian and European companies and help them identify potential trading partners ahead of the agreement's entry into force.

See: <https://www.tempo.co/ekonomi/kemendag-dan-pengusaha-akan-bentuk-dewan-bisnis-ieu-cepa-2113140>

Showcasing Indonesia's furniture innovation

IFEX 2026 is being prepared by the Indonesian Furniture and Craft Industry Association (HIMKI) as a strategic platform to strengthen the global promotion and competitiveness of Indonesia's furniture and handicraft industry. Scheduled for March 5–8, 2026, at the Indonesia Convention Exhibition (ICE) BSD in Tangerang, the expo will showcase more than 5,000 premium products from over 500 exhibitors.

The organisers say the exhibition aims to generate substantial cross-border business opportunities while reflecting the industry's transformation toward higher value-added products.

Beyond facilitating transactions, IFEX 2026 is expected to offer insights into future design directions, market trends, and evolving quality benchmarks, reinforcing the integration of aesthetics and economic value in Indonesia's furniture industry.

See: <https://rri.co.id/en/business/2161577/ifex-2026-showcases-indonesia-s-global-furniture-innovation> and <https://money.kompas.com/read/2026/02/05/190510026/ifex-2026-jadi-strategi-pelaku-usaha-bidik-pasar-global>

In related news, during Expo Indonesia (TEI) 2026 the HIMKI is advocating stronger integration of the domestic market alongside export expansion. Beyond export promotion, HIMKI is urging the government to expand the use of locally made furniture and craft products through public procurement mechanisms.

The Association encourages the involvement of state-owned enterprises, central government agencies and regional administrations under the Domestic Component Level (TKDN), increased use of domestic products (P3DN) and business-to-government procurement schemes. This approach is expected to enable export-oriented products to be absorbed by government offices and public infrastructure projects, strengthening domestic demand and building a more resilient national market.

See: <https://rri.co.id/en/business/2132546/himki-pushes-export-and-domestic-integration-at-tei-2026>

Commitment on legal certainty

The Minister of Forestry, Raja Juli Antoni, reaffirmed the government's commitment to strengthening legal certainty in forest control and management by aligning forestry policies with the national spatial planning system.

He emphasised that forest areas are a strategic component of national spatial planning, making the integration of updated forest area maps into provincial and district/city Spatial Planning Plans (RTRW), a top priority to prevent overlapping land use and ensure clearer legal frameworks.

The Minister also outlined measures to resolve land tenure disputes within forest areas through schemes such as Land Tenure Settlement within the Framework of Forest Area Arrangement (PPTPKH/TORA) and regulate forest utilisation and social forestry as a legal access pathway for forest communities.

This approach aims to settle tenure conflicts fairly while prioritising administrative solutions and reinforcing equitable, sustainable and people-oriented forest governance under the One Map Policy.

See: <https://inp.polri.go.id/artikel/forestry-ministry-emphasized-commitment-on-legal-certainty-for-forest-management>

Social forestry plays a strategic role

The Ministry of Forestry is strengthening its collaboration with the Indonesian Farmers' Harmony Association (HKTII) to advance Social Forestry as a strategic tool for supporting national food self-sufficiency and improving the welfare of forest farmers.

This initiative was discussed during the HKTII Forestry Working Program Detailed Meeting for 2025–2030 on 5 February 2026 which emphasised community-based forest management, downstream development of Social Forestry products, institutional strengthening of forest farmer groups, and the development of regional flagship commodities.

Vice Minister of Forestry, Rohmat Marzuki, highlighted that Social Forestry plays a key role in the national development agenda, including Asta Cita and the 2025–2029 National Medium-Term Development Plan.

See: <https://rri.co.id/en/national/2165096/the-government-social-forestry-plays-a-strategic-role>

Early mitigation to address forest fire risks

Indonesia's Ministry of Forestry is strengthening early mitigation measures to address the heightened risk of forest and land fires in 2026 as hotter climate conditions are projected. The ministry is preparing an integrated, data-driven strategy that emphasises early warning systems, field readiness and firm law enforcement.

Key prevention efforts include detailed mapping of fire-prone areas by integrating fire risk data with land-use permits, conservation zones, and records of burned areas, as well as expanding Community Fire Care Groups in vulnerable provinces.

The strategy also combines prevention, rapid response and post-fire recovery, supported by joint patrols in fire-prone villages, enhanced use of the Sipongi Plus early detection system and preparedness for weather modification operations before the peak dry season.

The Ministry has reaffirmed zero tolerance for land and forest burning, requiring concession holders to control fires within their areas.

See: <https://www.metrotvnews.com/read/NOBC1jow-kemenhut-perkuat-mitigasi-dini-hadapi-ancaman-karhutla-2026> and <https://jogja.antaranews.com/berita/800542/kemenhut-siapkan-strategi-terpadu-hadapi-potensi-karhutla?>

Indonesia targets carbon market launch by mid-2026

Indonesia is targeting the full-scale operation of its national carbon market by late June 2026 with large-volume transactions expected to commence in July. The timeline aligns with Presidential Regulation No. 110 of 2025 on Carbon Economic Value Instruments and National Greenhouse Gas Emission Control, according to Hashim Djojohadikusumo, President Prabowo Subianto’s special envoy for climate and energy.

Hashim noted that the government is currently integrating multiple carbon registration systems into a single national framework to enhance efficiency, transparency and accountability. He also highlighted Indonesia’s strong potential to generate economic benefits from carbon trading, driven by increasing global demand for carbon credits, particularly those derived from natural resources.

See: <https://en.antaranews.com/news/402758/indonesia-targets-full-scale-carbon-market-launch-by-mid-2026>

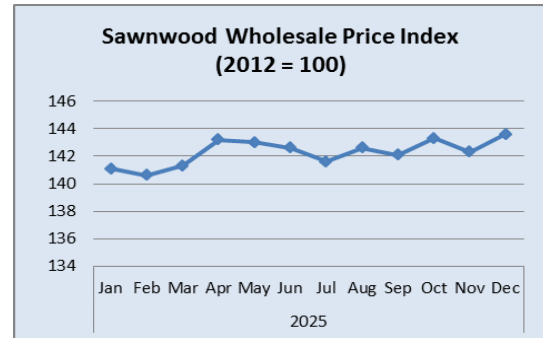
Out of the 22 NIC two-digit groups for manufactured products, 13 groups saw an increase in prices, 8 groups a decrease in prices and 1 group no change in prices. Some of the important groups that showed month on month price increases were other manufacturing; basic metals; chemicals and chemical products; textiles and other non-metallic mineral products.

Some of the groups that witnessed a decrease in prices were manufacture of rubber and plastics products; food products; computer, electronic and optical products; paper and paper products and beverages.

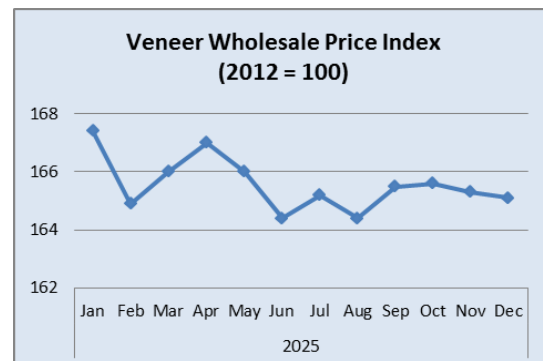
See: <https://eaindstry.nic.in/> and [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://eaindstry.nic.in/pdf_files/cmonthly.pdf](https://efaidnbmnnnibpcajpcglclefindmkaj/https://eaindstry.nic.in/pdf_files/cmonthly.pdf)



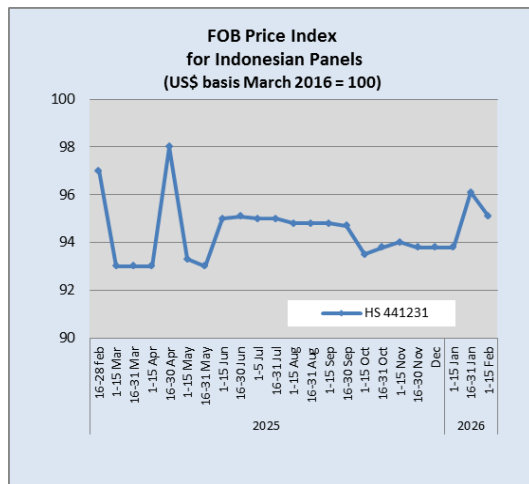
Data source: Ministry of Commerce and Industry, India



Data source: Ministry of Commerce and Industry, India



Data source: Ministry of Commerce and Industry, India



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

India

Inflation tamed

The annual rate of inflation based on the all India Wholesale Price Index (WPI) was 0.83% for December 2025 (-0.32% for November 2025). The positive rate of inflation in December 2025 was primarily due to increased prices of other manufacturing, minerals, manufacture of machinery and equipment, manufacture of food products and textiles. The index for manufacturing increased by 0.41% from 145.0 in November 2025 to 145.6 in December 2025.

Furniture sector braces for BIS QCO

Implementation of the Bureau of Indian Standards (BIS) Quality Control Order (QCO) on the furniture sector will begin this month. Last year on 30 October 2025 the Department for Promotion of Industry and Internal Trade of India (DPIIT) held a meeting under the chairmanship of the Joint Secretary, Shri Sanjiv, where discussions were held on effective implementation of the Furniture Quality Control Order (QCO), 2025.

Earlier this year DPIIT, in exercise of powers conferred by section 16 of the Bureau of Indian Standards Act, 2016 (11 of 2016), after consulting Bureau of Indian Standards, had made a dispensation of statutory order notifying the enforcement of the Furniture Quality Control will come in effect after on 13 February 2026 for large scale manufacturers and all importers. For micro and small manufacturers the implementation date is 12 August 2026.

The BIS QCO on furniture will be applied to furniture consisting of a set of chairs, tables and desks, beds and storage units and all will require compulsory BIS certification. The notification order applies on both imports and domestic industry while exports are exempted.

IMF raises FY 26 growth forecast to 7.3% from 6.6%

The IMF raised India's GDP growth estimates for 2025-26 to 7.3% from the earlier projection of 6.6% due to strong third and fourth quarter expansion. The latest estimate is slightly below the 7.4% growth projected by the country's statistics office for the current fiscal year that ends in March and matches the 7.3% estimated by RBI.

The World Bank has also recently revised upwards its growth estimates for India from 6.3% to 7.2% citing robust demand due to strong consumption on the back of tax cuts and higher rural income.

Growth is projected to moderate to 6.4% in 2026 and 2027 as cyclical and temporary factors wane, the multilateral agency said in its latest report. India retains the fastest growing major economy tag as China's growth has been projected at 5% in 2026 and 4% in 2027. Several agencies, economists and brokerages have raised India's GDP growth forecast for FY26.

<https://timesofindia.indiatimes.com/business/india-business/imf-raises-fy26-growth-forecast-to-7-3-from-6-6/articleshow/126718682.cms>

Take-aways from the Union budget 2026-27

The Union Budget 2026–27 was recently presented and comes after twelve years of policy continuity marked by macroeconomic stability, fiscal discipline and sustained economic growth driven by structural reforms and public investment.

Guided by 'Atmanirbhar Bharat' (Self-reliant India) the Budget emphasises strengthening domestic manufacturing, energy security and reducing import dependence.

It highlights inclusive measures supporting employment, agriculture, household purchasing power and universal services contributing to growth of around 7%. The Budget also recognises global trade disruptions, supply chain risks and rapid technological change shaping the external environment.

Highlights with respect to the forestry and wood processing sectors

- Through the Union Budget 2026-27 and recent policy trends the Indian government is focusing on strengthening the timber and wood-based industry through modernisation, sustainable agroforestry and infrastructure development.
- The 2026-27 Budget proposed establishing Hi-Tech Tool Rooms by Central Public Sector Enterprises (CPSEs) to design, test and manufacture high-precision components which can support the machinery needs of the wood-processing industry.
- Increased capital expenditure on infrastructure and urban development is expected to drive up demand for construction-grade timber, plywood and furniture.
- As natural forest logging is restricted, the government is focusing on promoting agroforestry and Trees Outside Forests (TOF) to meet the raw material demand of the wood-based industry.
- The Budget reveals a continued reliance on importing logs, lumber and wood products with imports rising to US\$2.3 billion.
- Government policies aim to encourage the cultivation of local species to reduce reliance on imported teak and other hardwoods.

The Budget and associated policies are pushing the Indian timber sector to modernise, move towards higher value-added products and secure raw materials through farm-industry partnerships.

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

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

	Hoppus cu.m	US\$ C&F
Brazil	316	520
Colombia	279	465
Costa Rica	240	360
Nigeria	-	-
Benin	-	-
Tanzania	368	488
Laos	-	-
South Sudan	332	690
Guatemala	190	420
Venezuela	-	-

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

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

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,450 - 4,850
Balau	3,050 - 3,350
Resak	-
Kapur	-
Kempas	1,750 - 2,050
Red meranti	1,900 - 2,200
Radiata pine	925 - 1,200
Whitewood	950 - 1,150

Price range depends mainly on lengths and cross-section

Locally sawn hardwood prices

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,950 - 2,300
Sycamore	2,400 - 2,800
Red Oak	2,950 - 3,400
White Oak	3,400 - 3,800
American Walnut	5,450 - 5,950
Hemlock STD grade	1,950 - 2,250
Western Red Cedar	3,000 - 3,400
Douglas Fir	2,450 - 2,650

Price range depends mainly on lengths and cross-section

Domestic ex-warehouse prices for locally manufactured WBP plywood

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

Domestic ex-warehouse prices for locally manufactured MR plywood

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

Viet Nam

Wood and Wood Product (W&WP) trade highlights

According to data provided by the Viet Nam Customs Office W&WP exports in January 2026 reached US\$1.6 billion, down 3.4% compared to December 2025 and up 12% compared to January 2025.

WP exports contributed US\$1.08 billion, up 0.9% compared to December 2025 and up 9% compared to January 2025.

In January 2026 wooden furniture exports earned US\$922 million, up 4.4% compared to January 2025. The export value of wooden furniture, at over of over US\$900 mil. in the first month of the year, signals that businesses have taken the initiative to source raw materials and sign long-term orders until the end of the second quarter of 2026.

W&WP exports to the EU market in January 2026 amounted to US\$84.1 million, down 3.4% compared to December 2025 but up 38% compared to January 2025. Although there is a slight decline compared to December 2025 reflecting the cyclical nature of the market after the peak shopping period at the end of the year, compared to the same period in 2025 exports recorded a breakthrough growth of up to 38%.

W&WP exports to the US in January 2026 were valued at US\$805 million, down 3.4% compared to December 2025, but up 3.2% compared to January 2025.

At the beginning of 2026, Viet Nam's W&WP exports to the US continue to record positive signals, despite the pressures from tariffs.

Viet Nam's W&WP imports in January 2026 amounted to US\$300.0 million, down 6% compared to December 2025, however, compared to January 2025, the value increased by 52%.

Viet Nam's pine imports in December 2025 were recorded at 108,700 cu.m, worth US\$20.9 million, up 7% in volume and 0.4% in value compared to November 2025. Compared to December 2024 imports increased 55% in volume and 40% in value.

In 2025, pine imports reached 1.11 million cu.m, worth US\$220.9 million, up 14% in volume and 1% in value compared to 2024.

Viet Nam's tali wood imports in December 2025 were 38,200 cu.m, worth US\$13.5 million, down 30% in volume and 35% in value compared to November 2025. Compared to December 2024 imports were down 26% in volume and 26% in value. In 2025, tali wood imports amounted to 376,700 cu.m, worth US\$140.2 million, up 19% in volume and 17% in value compared to 2024.

Imports of raw wood (logs and lumbers) from the US in December 2025 were recorded at 160,240 cu.m, with a value of US\$64.79 million, an increase of 34% in volume and 37% in value compared to November 2025

In 2025, raw wood imports from the US were 1,395 million cu.m with a value of US\$577.69 million, an increase of 102% in volume and 93% in value compared to 2024.

Imports of raw wood from Africa in December 2025 were reported at 63,330 cu.m, at a value of US\$22.44 million, down 25% in volume and 28% in value compared to November 2025 and down 25% in volume and 22% in value over the same period in 2024.

In 2025, imports of raw wood from Africa totalled 813,610 cu.m, with a value of US\$290.88 million, up 11% in volume and 8% in value compared to 2024.

Viet Nam's wood producers boost shipments to Europe

The Viet Nam Timber and Forest Products Association said that enterprises are accelerating exports to the European Union as import demand recovers and EU partners increased orders in early 2026.

According to Viet Nam Customs, exports of wood and wood products reached about US\$17.2 billion in 2025, up nearly 6% from the previous year, the highest level on record.

In addition to traditional markets such as the United States, Japan and China exports to the EU have shown positive signs driven by rising demand for added value wood products and high-end furniture.

As EU demand rebounds, Viet Nameese wood enterprises are boosting exports and front-loading shipments ahead of traceability requirements while investing in supply chain digitalisation and raw material sourcing transparency.

See: <https://en.sggp.org.vn/vietnams-wood-producers-boost-shipments-to-european-market-post123776.html>

Viet Nam's wood and furniture export outlook

Viet Nam's wood industry enters 2026 with a positive growth outlook as furniture demand in major markets shows signs of gradual recovery. After a period of global economic volatility improving conditions in housing and retail markets are supporting renewed demand for wood products and furniture.

Within this context, the United States continues to play a pivotal role, while also imposing increasingly stringent requirements on product quality and supply chain reliability.

In 2025, Viet Nam's wood and wood product exports recorded solid growth across most major markets. The United States remained the largest destination, with exports reaching US\$9.4 billion, up 4% compared with the previous year, reaffirming its position as Viet Nam's primary export market.

Japan stood out with an impressive growth rate of 23%, reaching US\$2.15 billion, signaling rapidly expanding demand for Viet Nameese wood products. Among other major markets, exports to China increased by 3.5% to US\$2.08 billion, while exports to Canada and the United Kingdom grew by 14% and 9% respectively, reflecting successful market diversification.

Regional markets such as Malaysia and Australia also maintained growth momentum, with export values of US\$167 million and US\$163 million respectively.

Overall, the data show that Viet Nam's wood industry continues to expand strongly in the US market. Beyond price competitiveness, the US increasingly prioritises sustainability certifications, transparent origin and traceability, while also requiring stable delivery times and flexible order fulfilment capabilities.

Over the past year, Viet Nam's wood industry has faced multiple simultaneous pressures, including weakening demand in certain major markets, volatile logistics costs and increasingly stringent requirements related to legal sourcing and environmental standards. In addition, risks arising from trade defense measures and intensified regional competition have required exporters to adjust their production and export strategies.

Nevertheless, despite these challenges, Viet Nam's wood export value surpassed US\$17 billion for the first time. This achievement highlights the sector's resilience, adaptability and the relatively solid production and supply chain foundations that have been built in recent years.

E-commerce places high demands on supply chain operations

Alongside traditional export channels, e-commerce is emerging as a promising avenue for Viet Nameese wood exporters, particularly in the US market. However, participation in e-commerce channels also places higher demands on supply chain operations, including on-time delivery performance, inventory management at destination markets and flexible order processing. As a result, exporters must not only invest in product development but also build logistics capabilities that are aligned with cross-border e-commerce models.

In this context, integrated logistics solutions covering international transportation, warehousing and domestic distribution in import markets are becoming increasingly important in supporting Viet Nameese wood enterprises as they expand their global sales channels.

Looking ahead to 2026, Viet Nam's wood industry faces significant growth opportunities, with the US continuing to serve as the primary growth driver and e-commerce offering additional development potential. In an environment of increasingly demanding market requirements, effective supply chain management will be a key factor in sustaining competitiveness.

Closer collaboration between Viet Nameese wood manufacturers and experienced logistics service providers can help strengthen export supply chains, creating a solid foundation for Viet Nameese wood products to access the US market in a sustainable and long-term manner.

See: <https://vantage-logistics.com.vn/vietnams-wood-and-furniture-exports-outlook-2026-bv512.htm>

A new benchmark for Viet Nam's timber exports

In terms of direct share, W&WP exports to the European Union (EU) currently account just for about 5% of the total export value of the entire industry.

However, reality shows that this is a 'new benchmark' market, with a significant influence on standards and shaping the sustainable development trend of Viet Nam's forestry industry in the new period.

According to the Viet Nam Wood and Forest Products Association, since the beginning of 2026, orders from Europe have been recovering positively, especially in the processed wood products, high-end furniture, and environmentally friendly products sectors.

Notably, along with the EVFTA, tariffs on many wood and wood products have been significantly reduced, creating a competitive advantage for Viet Nameese businesses.

However, tariff advantages are only a necessary condition; the sufficient condition to maintain and expand market share in the EU is meeting sustainable development standards and ensuring transparency in the supply chain.

Dr. Truong Tat Do, from the Department of Forestry and Forest Protection (Ministry of Agriculture and Environment), emphasised: "We shouldn't view the EU solely from the perspective of market share. This is a standard setting market. By meeting EU requirements, businesses will have an easier time accessing other high-end markets."

According to him, the EU is not only a place for consuming products but also a "benchmark" for sustainable development, transparency and social responsibility. EU regulations often have a ripple effect, forcing global supply chains to adapt.

Currently, a new and pivotal challenge in the export of certain products, including wood and forestry products, is the EU's Regulation on Deforestation Prevention and Control (EUDR) – a set of standards that are much stricter than before.

According to Dr. Truong Tat Do, the fundamental new feature of EUDR is the shift from controlling paper documents to controlling using spatial data and remote sensing technology. Businesses must provide the precise geographical coordinates of the land plot used for raw material production. For areas of 4 hectares or more, it is mandatory to define the boundaries of a closed polygon.

This data will be compared by the EU with satellite mapping systems as of December 31, 2020, to assess the risk of deforestation. Inaccurate or dishonest declarations will be easily detected when compared against an independent system.

The Viet Nameese timber industry is characterised by a multi-tiered supply chain involving numerous intermediaries, from small-scale forest farmers and traders to primary processing enterprises and export factories. This fragmentation increases the risk of material adulteration, coordinate data discrepancies, or map overlaps if a unified management system is lacking.

According to experts, the fundamental solution is to build an integrated spatial data platform, overlaying forest boundary maps at the December 31, 2020 mark with current raw material area maps, thereby classifying risk areas and controlling input from the outset.

The government issued Resolution 88/ND-CP dated June 8, 2023 and related directives assigning the Ministry of Agriculture and Environment to lead the development of an action plan to adapt to the EUDR. The framework of solutions includes improving mechanisms, providing technical guidance, digitising data, strengthening communication, and mobilising resources to support businesses.

In the context of increasingly public and accurate satellite data, "avoiding" or merely providing false information is no longer feasible. The only way forward is honest declaration, data standardisation, and supply chain management according to international standards.

In the overall picture of timber exports, the EU may only account for about 5% of the direct share, but it carries significant influence in terms of direction. This is a comprehensive "test" of the transparency, legality and environmental responsibility of businesses.

The EU's Forest Protection Regulation (EUDR), with its requirement for traceability down to geographical coordinates, is setting a new standard, forcing businesses to restructure their supply chains towards transparency and sustainability. If Viet Nam's timber industry can overcome this standard hurdle, it will not only meet the demands of a discerning market but also gradually assert its position in the global timber value chain where green development is no longer an option but a mandatory requirement.

See: <https://www.vietnam.vn/en/thuoc-do-moi-cho-xuat-khau-lam-san-viet-nam>

Localities nationwide are required to complete the development and publication of provincial-level forest boundary databases and maps as of December 31, 2020, by the end of this year, as part of Viet Nam's efforts to adapt to the EU Deforestation Regulation (EUDR).

The task is among key targets set out in an action plan on EUDR implementation in the forestry sector, recently issued by the Forestry and Forest Protection Department under the Ministry of Agriculture and Environment. Under the plan, provinces and cities must also identify and announce coffee, rubber and timber raw material production areas at risk of deforestation and forest degradation.

The action plan aims to assess impacts and risk levels and propose solutions for the timber and wood products sector to adapt to the EUDR. Another goal is to update and issue official EUDR compliance guidelines for the timber and wood products industry.

At the same time, the plan focuses on developing and improving institutions and policies to promote sustainable production and trade of agricultural and forestry products that do not cause deforestation or forest degradation. It seeks to strengthen traceability of agro-forestry products, support low-emission, circular and green economic development, and enhance adaptation to climate change.

Along with communication and awareness-raising activities, the Forestry and Forest Protection Department will continue to improve the legal framework related to EUDR implementation. A set of indicators and forest monitoring guidelines meeting EUDR requirements will be developed, enabling sectors to compare, verify and demonstrate that agricultural and forestry production and trade activities in Viet Nam are deforestation-free.

The department will also build and operate an integrated technology platform linking EUDR traceability requirements with data on planting area codes and sustainable forest management certification. Information technology will be applied to strengthen traceability control and geographical indication of agro-forestry products.

In addition, technical handbooks will be developed to support information lookup, traceability and geographical indication of forest products, serving as a basis for controlling the production and processing of timber and wood products that do not cause deforestation or forest degradation. Annual forest status databases and maps will be compiled to provide evidence for verifying EUDR compliance.

Management agencies will focus on issuing official guidance on EUDR compliance for the timber and wood products sector and supporting forest owners, enterprises and supply chain actors in collecting information and fulfilling accountability requirements. EUDR implementation capacity will be assessed in association with improving the effectiveness of the Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade (VPA/FLEGT), the Viet Nam Timber Legality Assurance System, and timber import-export management.

Training courses will be organised, along with guidance documents, for central and local agencies, associations, enterprises, forest owners, farmers and assessment and certification organisations. Viet Nam will also step up cooperation with the EU and its member states, the EU's Joint Research Centre, and regional partners to harmonise data, exchange experience and mobilise technical assistance during the EUDR implementation process./.

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

Rain season harvesting ban in Mato Grosso

The period for restricted timber harvesting in managed forests in the State of Mato Grosso in the Amazon Region is in effect from 1 February to 1 April and is a key regulatory instrument to reduce environmental impacts during the rainy season. Established under Federal and State regulations, this measure aims to protect soil, prevent erosion and ensure the sustainability of forest management in the Amazon Region.

According to the Mato Grosso State Secretariat for the Environment (Sema) and Sindusmad, the temporary suspension of activities is essential to balance environmental, economic and social objectives. In wet soil conditions, operations such as cutting, felling, skidding and log transportation tend to intensify erosion and land degradation which justifies the temporary interruption of activities.

During the restriction period, Sema's systems fully block operations and rely on satellite-based monitoring while the forest sector organises its operations through advance planning, stockpiling and technical guidance to companies. Compliance during the harvesting ban, combined with companies' annual planning and strengthening enforcement and productive reforestation, is considered indispensable to ensuring the continuity and long-term sustainability of forest-based activities.

See: <https://www.sindusmad.com.br/Noticias/Periodo-proibitivo-de-extracao-da-madeira-reforca-compromisso-ambiental-e-exige-planejamento-do-setor-florestal/>

Investment in a forest conservation in the Amazon

The Mejuará Project, developed by the BR Arbo Gestão Florestal in the municipality of Carauari, Amazonas, foresees an investment of approximately US\$50 million in an integrated model combining forest conservation, certified timber management and the generation of carbon credits.

Covering an area of approximately 900,000 hectares and with a 30-year horizon, the initiative aims to keep the forest standing, including a voluntary decision to forego the legally permitted clearing of up to 20% of the area. The project seeks to reconcile economic viability, environmental conservation and job creation. The project is expected to generate approximately 400 direct jobs and up to 2,000 indirect jobs.

The project combines reduced-impact forest management with 30-year cutting cycles scheduled to begin in 2027 and the commercialisation of carbon credits certified under internationally recognised standards. Estimated revenue from carbon credits, in the order of US\$40 million over a 40-year period, are presented as a mechanism to mitigate economic risks, strengthen conservation outcomes and enable social investments in infrastructure, renewable energy, potable water, internet connectivity and non-timber forest product value chains, with the participation of local communities.

Despite its sustainability focus, the Mejuará Project has faced controversy related to free, prior and informed consultation with traditional communities and to land tenure issues. Investigations by the Federal Public Prosecutor's Office (MPF) in Amazonas State identified overlaps between community territories and the project area, leading to recommendations and subsequent institutional revisions that allowed activities to resume.

The debate remains ongoing, reflecting both the project's potential to promote conservation, social inclusion and regional development and the governance challenges, community participation and equitable benefit-sharing challenges associated with carbon initiatives in the Amazon.

See: <https://sustentavel.istoe.com.br/grupo-investe-us-50-milhoes-em-projeto-de-conservacao-na-amazonia>

Structuring forest restoration and silviculture with native species

According to Indústria Brasileira de Árvores (IBÁ), Brazil has strategic conditions to achieve a global green economy by structuring forest restoration and silviculture of native species as a new long-term investment frontier. Productive models already demonstrate the technical feasibility, operational scalability and the potential to generate significant social and environmental impacts, particularly in rural and forested lands.

Studies highlight the scale of this opportunity: ecological restoration in Brazil could mobilise up to US\$26 billion per year and generate approximately 880,000 jobs while the global tropical timber market reached US\$992 billion in 2024 and around US\$1 trillion in 2025.

Brazil's estimated potential of 1.5 million hectares of native timber species silviculture positions the country competitively to meet the growing demand for forest products associated with the transition to a low-carbon economy although access to appropriate financial instruments remains the main challenge.

Unlocking this potential will require tailored financial solutions, including guarantee funds, long-term credit lines, blended finance mechanisms as well as legal certainty, regulatory predictability and integration with international carbon markets.

In the post-COP30 context, forest restoration and native timber species silviculture are key pillars for translating climate commitments into tangible outcomes, strengthening local economies and positioning Brazil as a global reference in nature-based forest solutions.

See: <https://iba.org/comunicacao/a-nova-fronteira-estrategica-da-economia-verde/>

Mato Grosso timber sector in 2025

The timber sector in the State of Mato Grosso generated BRL3.17 billion in 2025, representing a 2.8% increase compared to 2024 (BRL3.09 billion), with total production reaching 16.4 million cu.m. The interstate market was again the largest destination accounting for 46 of the total value traded (BRL1.46 billion) and recording 19 % growth year on year offsetting declines in intrastate markets (-8%) and exports (-11%).

Exports totalled BRL596.9 million (US\$113.01 million) with India (US\$51.2 million and 156,800 tonnes), the United States (US\$15 million and 8,500 tonnes), China (US\$11.1 million and 18,200 tonnes), France (US\$7.1 million and 4,100 tonnes) and Vietnam (US\$5.9 million and 9,500 tonnes) as the main destinations.

According to the Center of Timber-Producing and Exporting Industries of the State of Mato Grosso (CIPEM), the overall decline in exports was mainly attributed to increased regulatory bureaucracy, intensified by the inclusion of Ipê and Cumaru species under CITES appendix II, which raised compliance costs and reduced international competitiveness despite advances in sustainable forest management, traceability systems and the international promotion of timber from Mato Grosso.

In the domestic market the forest-based value chain continued to play relevant economic and social roles as well as playing a strategic role in regional development, with 1,339 establishments, more than 10,300 direct jobs and approximately 30,000 indirect jobs across 89 municipalities in addition to BRL28.5 million in tax revenues collected in 2025 through FETHAB fund.

For the coming years CIPEM identifies regulatory modernisation and reduction of bureaucratic barriers as key priorities including greater integration between State and Federal systems such as the Timber Identification Certificate (CIM) and the need to migrate from Sisflora 2.0 to DOF+ timber control system.

See: <https://cipem.org.br/mercado-da-madeira-movimenta-r-317-bilhoes-em-mato-grosso/>

Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	430
Jatoba	191
Massaranduba	174
Muiracatiara	168
Angelim Vermelho	177
Mixed redwood and white woods	134

Prices do not include taxes. Source STCP Data Bank

Domestic sawnwood prices

Brazilian sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	1,938
Jatoba	979
Massaranduba	859
Muiracatiara	923
Angelim Vermelho	835
Mixed red and white	558
Eucalyptus (AD)	320
Pine (AD)	259
Pine (KD)	310

Prices do not include taxes. Source: STCP Data Bank

Domestic plywood prices

Parica ex-mill	US\$ per cu.m
4mm WBP	587
10mm WBP	451
15mm WBP	402
4mm MR.	561
10mm MR.	415
15mm MR.	360

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	271
15mm MDFibreboard	292

Prices do not include taxes. Source: STCP Data Bank

Export prices

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

Export sawnwood prices

Sawnwood	US\$ per cu.m
Ipe	2,776
Jatoba	1,250
Massaranduba	1,193
Muiracatiara	1,283
Pine (KD)	208

Prices do not include taxes. Source: STCP Data Bank

Plywood export prices

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

Prices do not include taxes. Source: STCP Data Bank

Export prices for added value products

Added value product	US\$ per cu.m
Decking Boards Ipê	4,500
Jatoba	1,825

Prices do not include taxes. Source: STCP Data Bank

Serfor initiative positions Peru among leaders in sustainable forest production

The Forest Incentive Programme (PIF Plantations) of the National Forest and Wildlife Service (Serfor) has been selected as the Official Case Study for the Dialogue on Forests, Agriculture and Commodity Trade (FACT Dialogue), one of the most important international platforms focused on transforming production systems toward sustainable and deforestation-free supply chains.

The FACT Dialogue comprises 28 countries that produce and consume agricultural and forest products. As part of its new focus, based on an evaluation of its first five years of work, this platform promotes sustainable production models that contribute to food security and to the protection of forest ecosystems.

This initiative, presented at a COP30 event in November 2015, has become a successful pilot programme for large-scale investments in forest plantations, demonstrating a high demand for incentives and a strong capacity among local communities to actively participate in sustainable development models.

See: <https://www.gob.pe/institucion/serfor/noticias/1352261-iniciativa-del-serfor-posiciona-al-peru-entre-los-referentes-globales-de-produccion-forestal-sostenible>

Madre de Dios, Ucayali and Loreto lead in FSC certification

The Forest Stewardship Council (FSC) is increasingly expanding its presence in the country approaching one million hectares of certified forests. Currently, it has 93 private initiatives certified by FSC in the timber and paper sectors.

According to information provided by FSC Peru as of 31 December 2025 the country had 970,055 hectares certified. Of the 93 initiatives all are in the private sector and of these, eleven are related to forest management and 82 to chain of custody (CoC).

The regions of the country with the largest certified areas are: Madre de Dios with 539,599 hectares followed by Ucayali with 327,912 hectares, and finally Loreto with 102,543 hectares.

Agreement to reduce forest fires

The National Forest and Wildlife Service (Serfor) and the Cement Producers Association (ASOCEM) signed an Inter-institutional Cooperation Agreement establishing a framework for joint work aimed at preventing forest fires and reducing carbon dioxide emissions in cement production.

The Agreement seeks to coordinate efforts between the public and private sectors to implement strategic actions that will allow for the management of vegetative residues to combat forest fires.

Plant waste left by forestry or agricultural activities, if not managed, becomes combustible material that increases the risk of fires. Cement production uses kilns that can utilise certain highly combustible plant residues. This action contributes to reducing CO2 emissions from traditional cement production,” stated the CEO of ASOCEM.

See: <https://www.gob.pe/institucion/serfor/noticias/1342544-serfor-y-asocem-suscriben-convenio-para-prevenir-incendios-forestales-y-reducir-emisiones-de-co>

Export prices for added value products

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

Export veneer prices

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

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	912-968
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	590-609▼
Grade 2, Mexican market	555-572▲
Cumaru 4" thick, 6"-11" length KD	
Central American market	1,139-1,198
Asian market	1232-1,281
Ishpingo (oak) 2" thick, 6"-8" length	
Spanish market	1,175-1,206▲
Dominican Republic	1,144-1,189▲
Marupa 1", 6-11 length KD	
Grade 1 Asian market	586-602

Export plywood prices

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

Domestic prices for other panel products

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

Domestic sawnwood prices

Peru sawnwood	US\$ per cu.m
Mahogany	-
Virola	294-312
Spanish Cedar	338-349
Marupa (simarouba)	222-245

Domestic plywood prices (excl. taxes)

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

Japan

Businesses prioritise stability

The business community in Japan has welcomed the ruling Liberal Democratic Party's victory in the House of Representatives election where it regained a majority. Yoshinobu Tsutsui, chairman of the Japan Business Federation (Keidanren) said, the organisation hopes that the administration of Prime Minister Sanae Takaichi, also LDP Leader, "will steadily implement important policies under strong leadership backed by the huge public trust.

The Liberal Democratic Party secured a victory in the recent Lower House election. This will essentially allow the LDP-led coalition to override challenges that emerge as a result of its lack of a majority in the Upper House. In the event key bills and budgets are voted down in the Upper House, they can be overridden in the Lower House with a two-thirds majority.

Japanese businesses prioritise stability driven by concerns over geopolitical tensions, fluctuating costs, a weakening yen and the need for predictable interest rate policy from the Bank of Japan (BoJ).

Firms seek to maintain a stable political environment, specifically, financial market stability rather than drastic, rapid changes in monetary policy.

In related news, the Japan Federation of Basic Industry Workers' Unions decided Wednesday to demand a monthly pay scale increase of 15,000 yen in this year's spring wage negotiations. The unified demand is at the same level as the previous year which was a record high.

See:

<https://www.japantimes.co.jp/news/2026/02/09/japan/politics/japan-2026-lower-house-election/>

See:

https://www.nippon.com/en/news/yjj2026020400879/?cx_recs_click=true

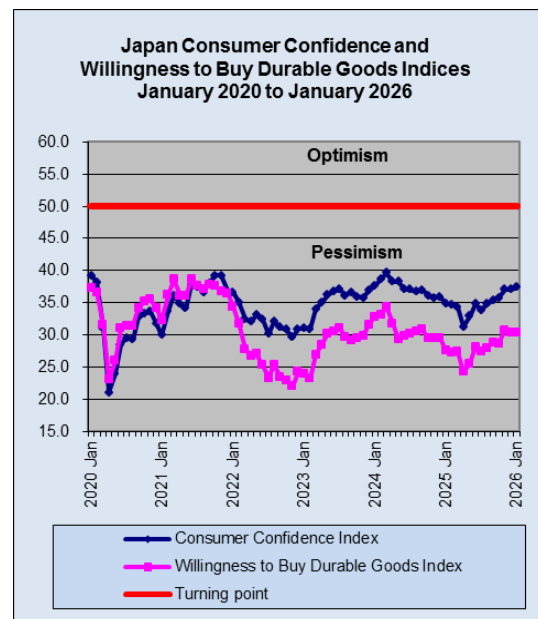
Slow pace of household spending

A report from the Cabinet Office says Japanese household spending increased at a slower pace than income over the past five years indicating that people saved more amid inflation.

According to the fiscal 2025 report on the country's economic conditions, disposable income rose across all age and income groups from 2019 to 2024 but consumption growth was sluggish, with spending falling in some groups. The savings rate increased for all groups except those in their 20s.

Lower-income households were more affected by inflation, as rising food costs accounted for a larger share of their spending.

See: <https://www.nippon.com/en/news/yjj2026021000904/>

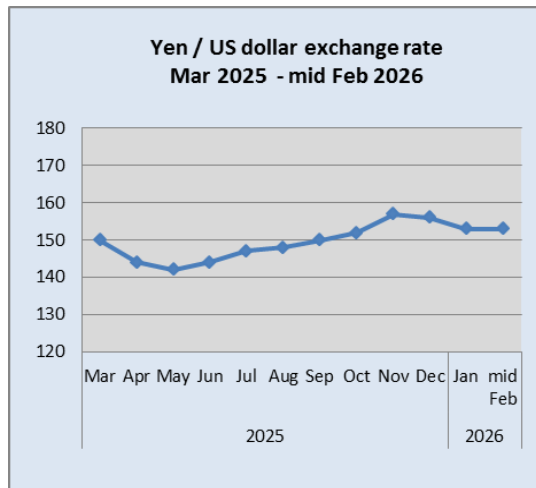


Data source: Cabinet Office, Japan

New norm of yen volatility

The volatility and depreciation of the Japanese yen, which hit multi-decade lows in 2024/5 and remained unstable into early 2026, has created a difficult environment for Japanese importers.

The past two years have seen record-breaking swings, with the yen occasionally falling to 160 per dollar prompting massive intervention from the Ministry of Finance to defend the currency. As of early 2026, the yen remained highly volatile due to uncertainty surrounding Japan's tentative exit from ultra-easy policy and inflationary pressures.



Data source: WSJ

Housing starts at 62-year low

Housing starts in Japan fell 6.5% from the previous year to 740,667 units in 2025, down for the third straight year and hitting a 62-year low. The drop reflected deterioration in consumer sentiment amid rising prices as well as falling demand due to the country's shrinking population.

Of the total, owner-occupied houses dropped 8% to 201,285 units, down for the fourth consecutive year. Housing for rent fell 5% to 324,991 units, down for the third year in a row. Condominiums and houses for sale decreased 8% to 208,169 units, down for the third consecutive year. Part of the slowdown could be because of a revision to regulations on homes with energy-saving features which has increased construction time and pushed up prices.

See: <https://www.nippon.com/en/news/yjj2026013001015/>

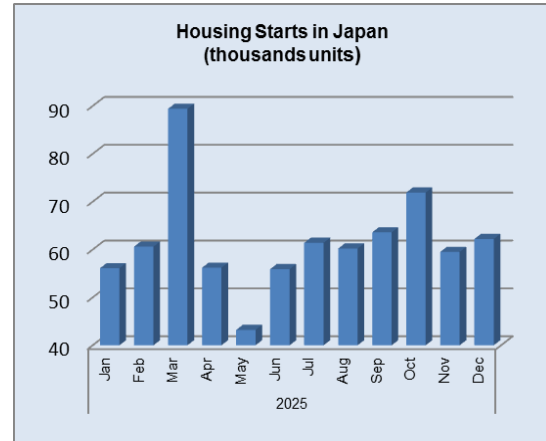
Contrasting response of home buyers

Inflation is impacting the housing market in contrasting ways. A Bloomberg Intelligence survey suggests potential homebuyers are divided on their property purchasing plans as surging living costs add to affordability concerns. Some are delaying purchases while others are wary of missing out on opportunities posed by rising home prices.

People who prefer to wait cited personal circumstances and the rising cost of living as their main reasons while those who were bringing forward plans to buy said they were afraid of prices climbing even more.

See:

<https://www.japantimes.co.jp/business/2025/10/17/economy/toky-o-homebuyers-purchase-plans/>



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

Mortgage rates increased

Five major banks have increased base rate for a 10-year fixed-rate mortgage. This decision is linked to the recent increase in benchmark interest rates of long-term government bonds. The rates of MUFG Bank, Sumitomo Mitsui Banking Corp., Mizuho Bank and Sumitomo Mitsui Trust Bank are set at the highest since their establishment.

The new rates are subject to loans filed this month. Loans that have already been taken out will not be affected. The five banks did not change variable rate home loans, which account for about 80% of housing loans that have been taken out.

See:

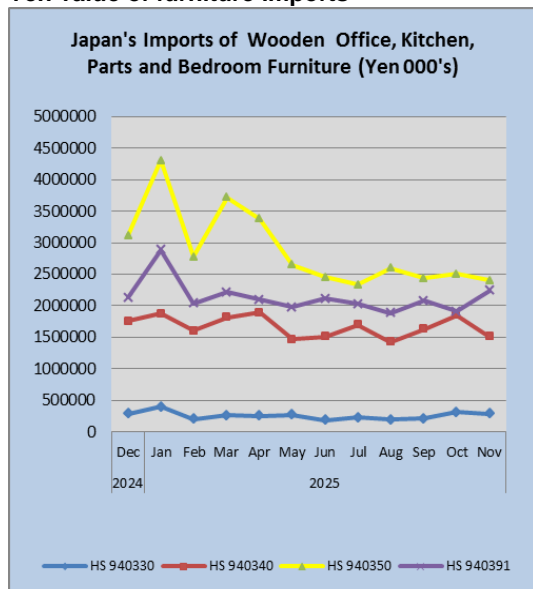
<https://japannews.yomiuri.co.jp/business/companies/20260201-308306/>

Import update

Wooden furniture imports

Consumer confidence is a primary driver of furniture purchases as such items are considered discretionary. When consumer confidence is high households are more likely to invest in home improvements and durable goods. The willingness of Japanese consumers to buy durable goods has been steadily increasing since early 2025 but is still below pre-pandemic levels.

Yen value of furniture imports



Data source: Ministry of Finance, Japan

November 2025 wooden office furniture imports (HS940330)

In November 2025 China accounted for 85% of the value of wooden office furniture imports followed by Spain (6% sharply up compared to previous months) and Viet Nam, Malaysia and Indonesia at around 2.5% each. November shipments from China were down 10% compared to October and also down by 3% year on year. The other significant source of wooden office furniture in November was Germany.

Year on year the value of Japan's imports of wooden office furniture (HS940330) in November fell 3%. Compared to the value of October arrivals there was a 10% decline in the value of imports.

October 2025 wooden office furniture imports (HS940330)

	Imports Nov 2025 Unit, 000's Yen
S. Korea	3,034
China	242,233
Viet Nam	4,470
Malaysia	3,093
Indonesia	3,829
Germany	5,647
Spain	16,207
Italy	4,082
Poland	225
Canada	217
USA	1,706
Total	284,743

Data source: Ministry of Finance, Japan

November 2025 wooden kitchen furniture imports (HS940340)

November imports of wooden kitchen furniture (HS940340) were dominated by shippers in the Philippines (49% compared to 55% in October) and Viet Nam (30% of imports). The value of November imports from both the Philippines and Viet Nam declined month on month with shipments from the Philippines dropping 27% and shipments from Viet Nam dropping 16%. The third ranked shipper in terms of value in November was China with the value of imports accounting for around 9% of all HS940340 arrivals.

The top three shippers accounted for nearly 90% of November arrivals with the other shippers being Thailand and Italy, where there was a sharp rise in the value of imports compared to a month earlier. Year on year the value of November wooden kitchen furniture imports were down 12%.

November 2025 wooden kitchen furniture imports (HS940340)

	Imports Nov 2025 Unit, 000's Yen
China	135,188
Taiwan P.o.C	2,548
Viet Nam	448,210
Thailand	68,313
Malaysia	11,513
Philippines	745,375
Indonesia	18,230
UK	1,486
France	323
Germany	25,338
Italy	52,678
Total	1,509,202

Data source: Ministry of Finance, Japan

November 2025 wooden bedroom furniture imports (HS940350)

Since mid-2025 the value of wooden bedroom furniture imports has been remarkably steady compared to the volatile trend in the early part of 2025. From June 2025 the value of arrivals has been in a narrow range.

In November over 90% of the value of shipments of wooden bedroom furniture was shipped from China (59% of the total) and Viet Nam (34%). Of the other shippers in November Malaysia was at the top accounting for about 3% of the value of arrivals with November shipments around three times more than in the previous month..

Year on year there was a 19% decline in the value of November and a 4% decline in total imports of HS940350 imports.

November 2025 wooden bedroom furniture imports (HS940350)

	Imports Nov 2025 Unit, 000's Yen
China	1,414,331
Taiwan P.o.C	2,072
Viet Nam	820,483
Thailand	34,561
Malaysia	69,162
Indonesia	24,604
India	218
Sweden	1,503
Denmark	1,093
UK	389
Italy	10,478
Poland	11,493
Austria	763
Romania	5,626
Turkey	3,936
Lithuania	233
Total	2,400,945

Data source: Ministry of Finance, Japan

November 2025 wooden furniture parts imports (HS940391)

Year on year, the value of November imports of HS940391 was down around 10% but there was a 17% increase in the value of imports compared to October.

The main shippers of wooden furniture parts to Japan in November were China at 52% of the total (49% in October) and Indonesia 20%, around the same level as in October. November shipments from China were up 24% month on month and there was a 21% increase in month on month shipments from Indonesia.

In November the other main shippers of HS940391 were Viet Nam (13% of imports) and Malaysia, 6% being some 20% higher than in the previous month.

November 2025 wooden furniture parts imports (HS 940391)

	Imports Nov 2025 Unit, 000's Yen
S.Korea	27,794
China	1,158,026
Taiwan P.o.C	47,152
Viet Nam	285,622
Thailand	23,196
Malaysia	138,691
Philippines	9,727
Indonesia	439,191
Cambodia	1,211
India	230
Lebanon	1,284
Sweden	237
Denmark	10,085
France	1,816
Germany	12,710
Switzerland	6,013
Spain	45,074
Italy	18,167
Finland	9,774
Poland	360
Austria	299
Hungary	1,150
Turkey	532
Latvia	530
Lithuania	204
Slovakia	2,323
USA	341
Mexico	233
Total	2,241,972

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/

Projection of import wood products

The Japan Lumber Importers Association disclosed projection of imported wood products for 2025 and the first half of 2026.

Projection of imported wood products

		2025		1 st half of 2026	
Logs	South Sea	30	-82.9	15	-98.5
	North America	1,500	-101.6	800	-97.5
	New Zealand	200	-83.8	115	-112.2
	Europe	4	-99.7	2	-86.7
	Total logs	1,734	-98.8	932	-99.1
Lumber	South Sea	270	-92.9	130	-95.7
	North America	835	-88.9	370	-87.3
	Russia	596	-114.4	300	-99.6
	NZ / Chile	217	-88.3	110 (102.0)	
	Europe	2,077	-94.6	980	-94.5
	Glulam	515	-78.9	210	-84
Total lumber		4,510	-92.8	2,100	-84
Grand total		6,244	-94.4	3,032	-94.9

Unit : 1,000 cbms Comparison : %

*European logs are softwood logs. South Sea logs include African logs. *Glulam is laminated structural softwood lumber and does not include interior finish materials.

Both logs and lumber/products are expected to decrease by around 5% compared to the same period last year. It is considered to be the result of multiple factors, including a decline in demand for housing-related materials, the weaker yen and higher interest rates, as well as the substitution of wood products made from domestic timber.

In 2025, the supply–demand and price disruptions caused by the third “wood shock,” which continued through 2024, began to settle down. As a result, issues related to supply–demand adjustments for imports became less prominent, while the stronger dollar and weaker yen in the latter half of the year led to higher import costs.

The supply of U.S. log timber is influenced by the operating conditions of Chugoku Lumber Co., Ltd., a company based in Hiroshima. One factor behind this is the start-up of the Kashima plant in 2025, which added an additional 150,000 cubic meters of capacity. For New Zealand timber, higher log prices have pushed up sawn timber prices, leading to increased use of domestic cedar for packaging materials. As a result, the decline in import volumes has become more pronounced.

For South Sea logs, supply has been centered on deliveries to Sattsuru Plywood Co., Ltd., which has limited demand in areas such as Nagoya and Hiroshima. The roughly 5% year-on-year decline in European timber is considered to be almost within the normal range. If the yen continues to weaken further, a decline in competitiveness will be unavoidable going forward.

The decline in U.S. and Canadian timber is substantial, and the fact that it is expected to fall by more than 10% in the first half of 2026 is a cause for concern. Russian timber was the only category to increase, rising by 14%. The decline in New Zealand and Chilean timber is due to shipping schedule arrangements.

The nearly 20% year-on-year decline in glulam clearly indicates a downturn in domestic demand for housing construction materials

North American logs

Harvesting of Douglas-fir logs in Washington and Oregon is progressing smoothly, and stable output is expected through February and March. Meanwhile, log inventories within the United States are declining, keeping export prices on a firm trend.

In contrast, Canadian supply has not increased due to rising stumpage fees on public forests and U.S. import tariffs. However, shipments to Japan remain stable because they rely mainly on logs from private forests. January shipments of Douglas-fir sawlogs were unchanged from December: IS grade at \$970 (FAS, 1,000 BM, Scribner scale), SS grade at \$1,000, and SLC grade at \$890. Logs for plywood were also flat at \$220–221

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Plywood

Domestic softwood structural plywood saw improved movement toward the end of last year due to pre-holiday stocking, but activity has slowed somewhat in January. Precut-plant demand remains relatively steady, while the building-materials route continues to lack momentum.

Amid these conditions, domestic softwood structural plywood (12 mm, 3×6) has been weakening, especially in the Tokyo area since December. January prices in the region are centered around ¥1,060–1,070 per sheet (wholesaler delivery), about ¥20–30 lower than the previous month.

Imported tropical plywood is seeing gradual price increases for some Indonesian standard panels, while Malaysian 12-mm products remain mostly flat. In Japan, demand—especially for coated formwork panels—has been sluggish, domestic prices have barely risen, and the weak yen has pushed up forward costs. These factors have kept orders to producing regions from gaining momentum.

Producing-region prices for Indonesian standard plywood are around \$970 per cbm (C&F) for 2.4-mm 3×6 panels, \$880 for 3.7-mm, and \$850 for 5.2-mm. Malaysian products remain flat from the previous month, with coated formwork plywood (12 mm, 3×6) at \$600–610, formwork plywood at \$500–510, and structural plywood at \$510–520 (all C&F, per cbm).

Coated formwork plywood (12 mm, 3×6) varies by manufacturer, but prices are around ¥1,840–1,900 per sheet (wholesaler delivery). Formwork plywood is priced around ¥1,600 per sheet (wholesaler delivery), and structural plywood is at a similar level. Indonesian standard plywood is roughly ¥780 for 2.5-mm panels, ¥930 for 4-mm, and ¥1,100 for 5.5-mm (all per sheet, wholesaler delivery).

South Sea logs and products

Tropical and China-made wood products continue to face weak sales, but producing regions remain firm due to rising costs. In Indonesia, reduced log supply is pushing up prices for keruing, selangan-batu, and Merkus pine products. Tropical log arrivals from Malaysia and PNG have largely completed for FY2025 H2, and despite some delays from Thailand, overall supply–demand conditions are stable.

China

Decline in 2025 sawnwood imports

According to data from China’s Customs, 2025 sawnwood imports totalled 24.18 million cubic metres valued at US\$6.40 billion, a year on year decrease of 10% in volume and 7% in value on 2024. The average price for imported sawnwood in 2025 was US\$265 per cubic metre, a year on year increase of 3%.

Of total sawnwood imports, sawn softwood imports fell 12% to 14.66 million cubic metres accounting for 61% of the national total. The proportion of sawnwood imports reduced about 1 percentage points year on year. The average price for imported sawn softwood was US\$205 per cubic metre in 2025, up 1% year on year.

Sawn hardwood imports totalled 9.52 million cubic metres valued at US\$3.40 billion, a year on year decrease 6% in volume and 2% in value on 2024. The average price for imported sawn hardwoods was US\$357 per cubic metre, a year on year increase of 4% year on year.

Of total sawn hardwood imports, tropical sawn hardwood imports were 6.88 million cubic metres valued at US\$2.05 billion, a year on year decrease of 8% in volume and 4% in value and accounted for about 28% of the national total. The average price for imported tropical sawn hardwood was US\$298 per cubic metre, up 4% year on year.

China’s sawnwood imports in 2025 (vol.)

Volume	2025 mil. cu.m	%change 2024-25
Total sawnwood	24.18	-10%
Sawn softwood	14.66	-12%
All sawn hardwood	9.52	-6%
of which tropical	6.88	-8%

Data source: China Customs

China’s sawnwood imports in 2025 (val.)

Value	2025 US\$ mil.	%change 2024-25
Total sawnwood	6.4	-7%
Sawn softwood	3	-11%
All sawn hardwood	3.4	-2%
of which tropical	2.05	-4%

Data source: China Customs

Average sawnwood prices, 2025

	2025 Average CIF Price US\$/cu.m	% change 2024-25
Average price	265	3%
Sawn softwood	205	1%
All sawn hardwood	357	4%
of which tropical	298	4%

Data source: China Customs

The main reason for the decline in sawnwood imports was the reduction in domestic demand. As the main driving force for the import of sawnwood, the deep adjustment of the domestic real estate market was the primary factor.

Currently, the new housing construction area has plummeted by 64% compared to the average level over the past decade, directly leading to a contraction in the demand for construction materials including sawnwood. Market data confirms the severe situation.

The proportion of new home sales in total transactions has sharply declined from over half in 2022 to 26% in 2024 and the downward trend continued in 2025. The real estate market in China remained sluggish which slowed construction and manufacturing industries leading to a decline in demand for sawnwood.

The real estate industry is the main downstream sector for wood consumption. The number of new housing starts in 2025 decreased and the transaction volume of second-hand houses declined resulting in a significant cooling of demand for sawnwood from developers, decoration companies and furniture factories. This contraction on the demand side is the most direct reason for the decline in sawnwood imports. The industry generally believes that this trend is unlikely to be reversed in the short term. Other key factors affecting imports were inventory backlogs and cautious purchasing.

Due to the high domestic sawnwood inventory, traders and processing enterprises generally adopted the "sales-driven purchasing" strategy, reducing their willingness to replenish stocks which further suppressed sawnwood demand.

Another reason was supply chain cost increases. Fluctuations in global shipping fees, rising raw material costs and policy adjustments in some sawnwood exporting countries have increased import costs and squeezed the profit margins of enterprises.

Sudden halt of China-US timber trade. Beginning June 2025 China suspended imports of American logs (due to quarantine issues) resulting in a significant decline in the arrival of American sawnwood. Although it was not the main reason for the decrease in the total import volume of sawnwood, this move exacerbated the fluctuations in the import pattern. The last reason for the decline was that the price for imported sawnwood rose.

In conclusion, the significant reduction in sawnwood imports in 2025 was the result of the combined effects of demand contraction and cost pressure and the industry as a whole is currently in a period of deep adjustment.

Decline in sawnwood imports from Russia

According to data from China Customs, Russia was the largest supplier of China’s sawnwood imports in 2025 but sawnwood imports from Russia fell 8% to 11.25 million cubic metres, accounting for 47% of the national total at a value of US\$2.383 billion, down 5% on 2024. The average price for imported sawnwood from Russia in 2025 was US\$212 per cubic metre, a year on year decline of 0.5%.

China's imports of sawnwood from Russia decreased both in volume and value in 2025. Meanwhile, the increase in transportation costs and the restricted logistics channels have further intensified the pressure on the industry. Although the trial operation of the Russian-Chinese Arctic shipping route is expected to reduce transportation costs by 28% and shorten delivery time by 14 days, it has not yet established a large-scale transportation capacity.

Furthermore, the adjustment of the Chinese construction and real estate market has led to a decrease in the demand for sawnwood. Coupled with the increasingly strict environmental policies, this has also prompted Chinese timber merchants to accelerate the diversification of their supply chains, thereby reducing their purchases of Russian sawnwood to some extent.

China's sawnwood imports from the Philippines and Vietnam increased significantly by 18% and 134% in 2025. China’s sawnwood imports from Thailand dropped to 4.22 million cubic metres valued at US\$1.103 million, down 14% in volume and 12% in value on 2024 levels. The average price for imported sawnwood from Thailand in 2025 was US\$262 per cubic metre, a year on year increase of 3%.

Main countries shipping sawnwood to China, 2025

Supplier	cu.m mil	YoY % change
Total	24.18	-10%
Russia	11.25	-8%
Thailand	4.22	-14%
Canada	1.28	-2%
Belarus	1.12	-3%
USA	0.96	-19%
Philippines	0.75	18%
Gabon	0.55	-29%
Finland	0.45	-28%
Vietnam	0.43	134%
Sweden	0.38	-10%

Data source: China Customs

Rise in sawn softwood imports from New Zealand

China’s sawn softwood imports from New Zealand, alone among the top suppliers, rose 17% to 280,000 cubic meters in 2025. The volume of sawnwood imported by China from New Zealand increased in 2025. The main reasons can be summarised as follows.

Changes in the domestic timber supply structure in China. The country has continuously implemented a ban on commercial logging of domestic natural forests resulting in a significant reduction in large diameter log resources. Sawmills have increased their reliance on imported raw materials, especially for a stable supply of sawn softwood.

The market competitiveness of New Zealand timber. New Zealand's timber is mainly composed of radiata pine. It is stable and of uniform specifications. Moreover, due to the upgrade of the China-New Zealand Free Trade Agreement, China has abolished tariffs on 12 related tax items of wood and paper products imported from New Zealand. Approximately 99% of the wood and paper enjoy tax-free treatment, thereby reducing the import cost of sawn softwood.

Substitution effect and supply chain diversification. Due to the impact of international circumstances the import volume of timber from traditional supply countries such as the United States and Germany has significantly decreased. Chinese enterprises have accelerated the diversification of their supply chains. As a stable and reliable supply country New Zealand's exports of sawnwood to China have increased.

In conclusion, the increase in China's imports of sawnwood from New Zealand in 2025 was the result of the combined effects of domestic resource constraints, policy benefits, supply chain adjustments and changes in the international situation.

Main countries shipping sawn softwood to China, 2025

Supplier	cu.m mil	YoY % change
Total	14.66	-12%
Russia	10.15	-10%
Canada	1.17	-7%
Belarus	1.12	-3%
Finland	0.45	-28%
Sweden	0.38	-10%
New Zealand	0.28	17%
Chile	0.22	-6%
Brazil	0.18	-4%
USA	0.13	-40%
Germany	0.12	-73%
Uruguay	0.12	-3%

Data source: China Customs

Drop in sawn hardwood imports from Thailand

China's sawn hardwood imports from Thailand, as the largest supplier, dropped 14% to 4.22 million cubic metres in 2025, accounting for 49% of the national total.

China's sawn hardwood imports from Thailand are mainly rubberwood and fell in 2025 although China's imports of sawn rubberwood have continued to grow in recent years.

Overall, the contraction of domestic demand and the shortage of rubberwood raw materials as well as the rising acquisition costs in Thailand affected the import performance of Thai rubberwood in the Chinese market in 2025. The specific conditions are as follows:

The adjustment of some downstream industries in China has weakened the willingness and ability to purchase raw materials. Especially during the traditional consumption peak season the impact of demand boosting policies was less than expected which further led to a decline in the rubberwood import volume.

The instability in the acquisition of rubberwood raw materials within Thailand has become increasingly prominent. On the one hand, uncertainty in the price trend of rubberwood in recent years has affected the pace of logging resulting in unstable rubberwood raw material supply. On the other hand, adverse weather conditions such as heavy rains have continuously driven up the costs of rubberwood and processing. As a result, Thai exporters have had to raise prices which, in turn, has led to an increase in the annual import unit price.

China's sawn hardwood imports from USA, Gabon, Myanmar, Romania and Malaysia fell 15%, 29%, 16%, 11% and 13% respectively in 2025.

In contrast, China's sawn hardwood imports in 2025 from Vietnam and PNG surged 140% and 221% respectively.

Main countries shipping sawn hardwood to China, 2025

Supplier	cu.m mil	YoY % change
Total	9.52	-6%
Thailand	4.22	-14%
Russia	1.1	12%
USA	0.83	-15%
Philippines	0.75	18%
Gabon	0.55	-29%
Vietnam	0.43	140%
PNG	0.21	221%
Myanmar	0.18	-16%
Romania	0.15	-11%
Canada	0.11	86%
Malaysia	0.11	-13%
Germany	0.1	7%

Data source: China Customs

Decline in sawn tropical hardwood imports

China's sawn tropical hardwood imports in 2025 were 6.88 million cubic metres valued at US\$2.052 billion, a year on year decrease of 8% in volume and 4% in value and accounted for about 28% of the national total.

Thailand still was the largest supplier of sawn tropical hardwood imports and 2025 sawn tropical hardwood imports from Thailand totalled 4.22 million cubic metres valued at US\$1.103 billion, a year on year decrease of 14% in volume and 12% in value, accounting for 61% of the national total.

China's imports of tropical sawn hardwood from the Philippines have increased significantly, jumping from the third largest supplier to the second largest supplier, replacing Gabon.

The Philippines was the second largest supplier of China's sawn tropical hardwood imports in 2025 and China's tropical sawn hardwood imports from the Philippines rose 18% to 750,000 cubic metres, but imports from Gabon dropped 29% year on year to 550,000 cu.m.

The top three countries supplied 80% of China's tropical sawn hardwood requirements in 2025, namely Thailand (61%), the Philippines (11%) and Gabon (8%) in 2025.

The main reasons for the decrease in China's sawn tropical hardwood imports in 2025 was as follows.

The sluggish domestic real estate market has led to a decrease in demand for tropical timber. Additionally, sawn tropical hardwood industry is facing the following challenges, including frequent fluctuations in log prices, continuous increases in labour costs, the sluggish construction market and the impact of US tariffs and anti-dumping policies.

Moreover, reduced enterprise orders, rising freight costs have further constrained local enterprises and enterprises lack the motivation to import sawn tropical hardwood.

Main countries shipping tropical sawn hardwood to China, 2025 (vol.)

Supplier	cu.m mil	YoY % change
Total	6.88	-8%
Thailand	4.22	-14%
Philippines	0.75	18%
Gabon	0.55	-29%
Vietnam	0.43	134%
PNG	0.21	221%
Myanmar	0.18	-16%
Malaysia	0.11	-13%
Cameroon	0.07	-42%
Rep. Congo	0.06	-4%
Indonesia	0.06	-21%

Data source: China Customs

Main countries shipping tropical sawn hardwood to China, 2025 (value)

Supplier	US\$ mil.	YoY % change
Total	2,052	-4%
Thailand	1,103	-12%
Philippines	55	20%
Gabon	204	-25%
Vietnam	274	229%
PNG	66	267%
Myanmar	100	-27%
Malaysia	42	-8%
Cameroon	37	-42%
Congo Republic	22	-18%
Indonesia	26	-33%

Data source: China Customs

Price trends

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

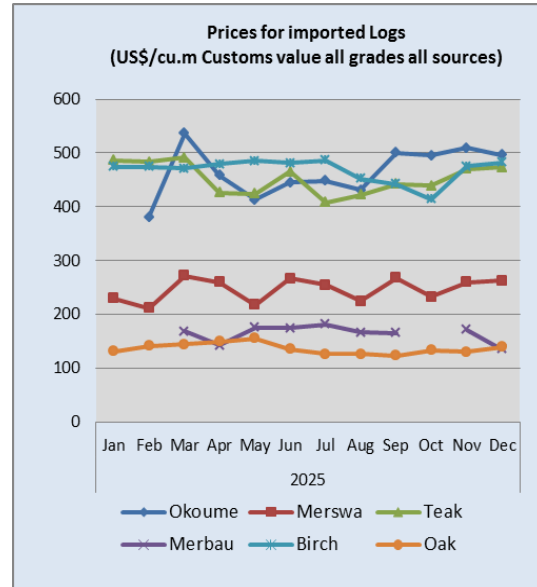
	2025 Nov	2025 Dec
Okoume	509	496
Merswa	260	263
Teak	470	473
Merbau	171	135
Birch	475	475
Oak	139	130

Data source: Customs, China

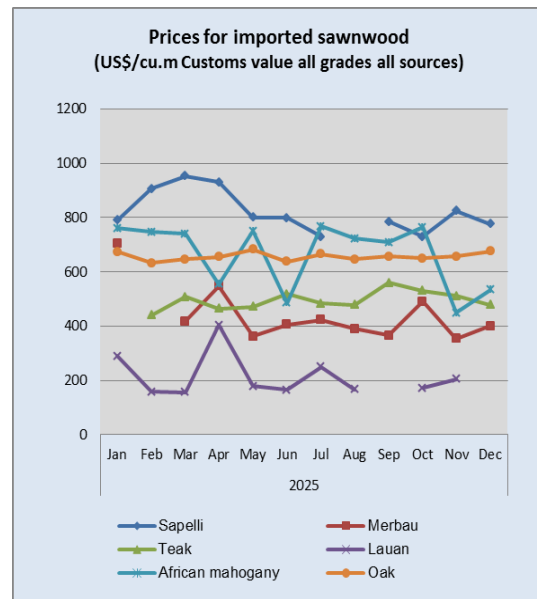
Average CIF prices, sawnwood, US\$/cu.m

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

Data source: Customs, China



Data source: Customs, China



Data source: Customs, China

Forests at centre of new UK approach with Africa

Investment in protection for Congo Basin forests is among the focuses of the UK's 'New Approach to Africa', the details of which were published in December 2025. The goal of the New Approach, the summary document says, is to further UK partnerships with African States for 'mutual long-term benefits'.

Announcing the new policy direction, the Minister for Africa, Baroness Chapman, said that the UK would be a "partner, investor and most of all "reformer" and that "African leadership" will be at the New Approach's "very centre".

Speaking to African Ambassadors and High Commissioners to the UK, she said: "It's about unlocking new growth opportunities, leading climate action, driving innovation and pushing for reform of the international system. It is an approach shaped by African leadership, by African ideas and by African energy, bringing this together with UK strengths across seven distinct principles to advance shared interests."

The seven priorities, she added, include reorientating the UK's aid relationship with African countries from 'donor to investor', collaboration on migration and climate change, supporting peace and stability, investing in health, promoting African voices in global forums and cultural partnerships.

"We want to champion trade for growth, whether by supporting the African Continental Free Trade Area, or strengthening UK-Africa trade through the Developing Countries Trading Scheme and our network of Economic Partnership Agreements," said Baroness Chapman. "The UK's investment vehicles – from British International Investment to FSD Africa Investments and UK Export Finance - will continue to drive this innovative agenda."

Specifically, it focuses on 'protecting the world's largest forest carbon stores in the Congo Basin through collaboration between UK and African scientists and mobilising finance through the Belem Call to Action made at COP30 in Brazil.

"Under the Call to Action donors have pledged to raise more than US\$2.5 billion over the next five years to protect the Congo basin and Central African States will mobilise domestic resources as well," says the New framework summary.

See: <https://commonslibrary.parliament.uk/research-briefings/cbp-10444/>
and
https://www.gov.uk/government/speeches/launch-of-the-uks-africa-approach-baroness-chapmans-speech?utm_medium=email&utm_campaign=govuk-notifications-topic&utm_source=dca08900-65bc-4ff1-afb2-f944642045de&utm_content=daily
and
https://iati.fcdo.gov.uk/iati_documents/S30132115.odt

UK economic outlook low and slow

Predictions vary for UK GDP growth in 2026 but the consensus is that it will be lower than the 1.5% predicted for 2025 by the country's official independent economic and fiscal watchdog the Office for Budget Responsibility (OBR).

Forecasting group EY Item predicts just 0.8% growth, while auditor RSM and auditors and analysts PwC forecast 1.2%. Goldman Sachs, the National Institute of Economic and Social Research, the OBR itself and other bodies are predicting a faster rate of expansion of 1.4%.

Even this higher figure, is described by commentators as 'subdued', with economic performance adversely impacted by persistent global uncertainty.

Goldman Sachs predicts that the labour market will keep weakening, with the unemployment rate rising to 5.3% in March 2026. But the rate is expected to stabilize as growth picks up and will also be offset by 'significant cooling of inflation and further rate cuts from the Bank of England'.

"Private sector investment is expected to contract this year, keeping UK growth subdued," it says. "However, a further reduction in interest rates should bring down the cost of finance and support a rebound in business spending next year. In the meantime, businesses will be looking to policymakers to further embed stability into the UK economy to support longer term planning and investment decisions."

The OBR predicted in November 2026 that UK GDP growth would be 1.5% per annum over the next five years. This is a downgrade of 0.3 percentage points on its prediction for the period made in March 2025.

See - <https://www.goldmansachs.com/insights/articles/uk-gdp-is-expected-to-grow-1-point-4-percent-this-year-despite-weaker-employment>
and
https://www.ey.com/en_uk/newsroom/2026/02/uk-economy-set-for-modest-gdp-growth-in-2026
and
https://view.rsmuk.com/real-economy/uk-2026-economic-outlook/?utm_source=rsmuk&utm_medium=website&utm_campaign=uk-economic-outlook
and
<https://niesr.ac.uk/reports/economic-outlook-winter-2026>

Multiple issues slow UK housebuilding

According to Euroconstruct, UK housebuilding is some way off the government's target of building 1.5 million new homes in its current five-year term.

The organisation's latest report says the UK construction sector, which accounts for over 70% of the country's timber consumption, is facing weak property market activity, rising operational costs and subdued buyer demand. The result is 'one of the most challenging environments for housebuilders in over a decade'.

“At the current pace, the wider 2025-26 net additional dwellings are unlikely to surpass the 2023–24 level of 221,000, well below the government’s implied 300,000 home benchmark toward its overall target,” states Euroconstruct.

It also reports that the government’s budget in November, when it laid out spending and tax plans, delivered little support to the house building sector. In particular, the sector reports little progress in government plans to ease the planning process.

“Without decisive government intervention, streamlined planning, meaningful fiscal incentives, and stronger support for first-time buyers, the sector will struggle to break out of stagnation,” concludes Euroconstruct. “For now, the 1.5 million homes target looks less like a roadmap and more like a distant aspiration.”

See: <https://www.euroconstruct.org/news/uk-housebuilding-hits-a-wall/>

Countdown to new EU wood formaldehyde restrictions

Suppliers of wood-based articles and furniture to the EU market have until August to meet strict new rules on formaldehyde emissions.

These products were brought under the remit of the REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals), the central pillar of EU Chemicals legislation, in 2023 under Regulation (EU) 2023/1464. Enforcement of the new rules starts on August 6, 2026, for wood-based article and furniture makers, while vehicle interiors product suppliers have until August 6, 2027.

The new limit is 0.062 mg/m³ for these product categories. That is exactly half the value of 0.124 mg/m³ as recommended by the World Health Organisation, on which the established European E1 classification is based. Although it is stressed that the new rules do not apply to formaldehyde-containing products or materials, notably virgin wood, that release the substance into the atmosphere naturally.

According to international testing services provider Mesurlabs, a range of other goods and items are also exempt. These include second-hand articles, products used exclusively outdoors and products for exclusively industrial or professional use.

To support compliance, the European Commission Chemicals Agency (ECHA) in November 2025 published guidelines on appropriate emission testing methods under the new rules. This clarifies reference conditions in Appendix 14 of the REACH Regulation and explains how to handle results obtained from tests under different conditions.

See: <https://catas.com/en/news/webinar-ready-for-change-everything-you-need-to-know-about-the-formaldehyde-restriction-in-2026/>
and

<https://measurlabs.com/blog/formaldehyde-testing-and-regulations-in-the-eu/>
and
<https://www.fedustria.be/en>
and
https://echa.europa.eu/documents/10162/17233/rest_formaldehyd_e_guideline_en.pdf/35000cf2-5c37-e96e-52f7-367b41172915?t=1747203191545
and
<https://measurlabs.com/products/en-717-1-formaldehyde-emissions-from-construction-materials/>
and
<https://www.geomechanics.io/news/article/eu-mdf-formaldehyde-limits-postbrexit-key-compliance-notes-for-specifiers?category=policy>

Amsterdam makes landmark pledge to timber building

Amsterdam authorities and businesses have jointly committed to building of at least 20% of the metropolitan area’s new housing in timber and bio-based materials.

More than 100 public bodies and private sector enterprises made this pledge on November 20, 2025, by signing the Timber Construction Pact (Houtbouw Pact 2026-2030). Signatories included representatives of municipal authorities, developers, housing associations, investors, contractors, banks, and architects.

According to the Amsterdam Institute for Advanced Metropolitan Solutions (AMS), the development is inspired by a ‘bold vision cementing the city’s commitment to innovating the construction industry’.

According to the Amsterdam Metropolitan Region (MRA) the pact is a response to societal challenges that require a ‘structural transition’ in the construction sector.

“The pact focuses on combating climate change, addressing the housing shortage, and alleviating the shortage of raw materials,” it says. “use of timber construction and other biobased building methods reduces CO₂ emissions and even sequesters it. Industrial timber construction enables faster, cleaner, and more labour-efficient construction. Furthermore, the use of renewable materials contributes to a circular economy.”

The background to the pact is that, to meet housing need, Amsterdam must build 30,000 new homes a year, while it is committed to achieving carbon neutrality by 2050.

The Timber Construction Pact has five ‘workstreams’

- Designating sites for timber construction
- Knowledge development and sharing
- Making timber economically competitive
- Adapting building codes to facilitate timber innovation
- Building public understanding and support.

See - <https://www.metropoolregioamsterdam.nl/nieuws/meerdan-100-handtekeningen-onder-houtbouw-pact-mra/>
<https://www.ams-institute.org/news/how-the-dutch-capital-is-building-a-carbon-neutral-future-with-mass-timber/>
and
<https://www.vvnh.nl/>

Success of Dutch civil engineering tropical timber ‘accelerator’

Given its success so far, it’s been decided to continue the role of a knowledge accelerator to promote use of tropical wood in Dutch civil engineering.

Deployment of a knowledge accelerator has been an integral part of the Action Plan Wood in civil engineering and infrastructure projects (GWW) . A number of Netherlands Timber Trade Association (NTTA) members are involved in the initiative aimed encouraging use of timber from sustainably managed tropical forests.

Brydis Perdijk of Kern Hout has taken the role since 2024. Her work has included running lunch meetings for engineering consultancies, municipalities and contracting authorities.

“These activities have led to a more positive attitude to use of wood and, in some cases, to project specifications being revised in favour of timber,” said the NTTA. “In light of these results, it has been decided to extend the role of Knowledge Accelerator Wood in GWW.”

See - www.houtindegww.nl
and
<https://www.vvnh.nl/>

Global Gateway Investment Hub - opportunities for forestry and tropical timber private sector financing

The Global Gateway Investment Hub is an initiative designed to streamline and amplify private sector involvement in the EU’s Global Gateway investment strategy. This new platform aims to facilitate investment projects by EU companies across partner countries in Sub-Saharan Africa, Asia and the Pacific, and Latin America and the Caribbean, covering key sectors including climate and energy, digital, education and research, health, and transport.

Commissioner for International Partnerships Jozef Síkela said: “One of the key priorities of my mandate is to enhance the involvement of the private sector in Global Gateway projects, as their expertise, innovation, and investment are crucial to our success.

The launch of the Global Gateway Investment Hub marks a major step forward in making EU support more accessible and effective for companies eager to engage in sustainable and strategic investments globally.

By providing a clear and coordinated pathway for private sector participation, we are creating win-win partnerships that advance global development while opening new markets and opportunities for European businesses.”

The Global Gateway Investment Hub will provide a central framework for receiving and assessing EU private sector investment projects and connecting them with a broad array of financial and non-financial EU support, including funding from the European Commission, European Investment Bank (EIB), development financial institutions (DFIs), export-credit agencies, and national governments.

By offering a clear, coordinated, and agile entry point for investment proposals, the Hub will foster impactful projects that promote sustainable development abroad while opening new opportunities for EU businesses.

See: https://global-gateway-forum.ec.europa.eu/news/launch-global-gateway-investment-hub-empowering-eu-private-sector-engagement-worldwide-2025-10-08_en
and
https://international-partnerships.ec.europa.eu/investment-hub_en

European wood floor market stabilises

The European Parquet Federation (FEP) says that the European wood flooring market stabilised in 2025 after reaching its lowest point in 2024

“After a sharp drop in consumption in 2023, the parquet market bottomed out in 2024, showing only a slight additional decrease,” says FEP. “In 2025, it appeared to stabilise, though at a low level. The year started relatively well, but activity slowed after the summer. Certain costs – such as timber and energy – remain elevated.”

The positive effects for the European timber flooring business of the definitive anti-dumping measures on multilayer wood flooring from China, introduced mid-July 2025, – are expected by FEP.

“However, market developments such as lower prices of Chinese imports compared to the [dumping] pre-investigation period and a growing influx of parquet products from a number of other countries that until recently supplied only small volumes to the EU suggest a weakening of these protective measures.

We are closely monitoring the situation and considering raising the issue with the European Commission to request further assessment of these import developments through new investigations” said the FEP.

See: <https://www.parquet.net/2026/02/european-parquet-market-2025-stable.html>

Imports of sawn tropical hardwood dipped in November

After surging 25% in October, US imports of sawn tropical hardwood dipped slightly in November, falling 4% from the October high. Despite the dip, the volume of 18,321 cubic metres imported was well above average for the year and 8% over that of November 2024.

A 12% rise in imports from top-supplier Brazil and a doubling of imports from Cameroon mitigated declines of more than 20% from most of the other leading trade partners.

Keruing imports fell 78% and imports of Ipe fell 38% while imports of Sapelli rose 29%. Total imports of sawn tropical hardwood are up 6% over the previous year through November.

Hardwood plywood imports tumbled 18% in November

US imports of hardwood plywood fell for a second consecutive month in November, declining 18% from the previous month. At 232,877 cubic metres, November imports were 9% less than in November 2024. The decline was driven by a 64% drop in imports from Indonesia, which fell to their lowest level since June 2023.

Also showing sharp declines were Imports from Vietnam, down 32%, and from Russia, down 35%. Through November, imports of hardwood plywood for 2025 outpace 2024 by 23%.

Veneer imports were strong in November

Imports of tropical hardwood veneer surged for a second straight month in November, rising another 19% from the previous month after a 95% gain in October. At more than US\$3.3 million, imports for the months were 125% higher than in November 2024.

Imports from Cameroon soared 85% and accounted for more than half of the imports for the month. Imports from Cote d'Ivoire also rose sharply, up 180% from the previous month. Total imports of tropical hardwood veneer are up 20% over the previous year through November.

	2025 Nov US\$	MoM % change
Total	3,319,116	19%
Italy	329,596	-31%
China	91,192	-5%
Ghana	59,611	-11%
Cote d'Ivoire	231,243	180
Cameroon	1,724,636	85
India	214,352	-60%
Other	668,486	10%

Data source: US Department of Agriculture, Foreign Trade Statistics

Moulding imports rebound

After three months of decreases, US imports of hardwood moulding rebounded somewhat in November, rising 10% from October's totals. At US\$14.5 million, imports for the month were 4% higher than in November 2024.

Strong gains in imports from Brazil, Malaysia and Canada more than offset a 34% decline in imports from China which have fallen to their lowest level since March 2023. Year to date, total imports of hardwood moulding are up 10% versus 2024.

Hardwood flooring imports lag previous year

Through November, imports of both hardwood flooring and assembled flooring panels trail 2024 imports by significant margins. US imports of hardwood flooring slid 6% in November. At US\$5.7 million, imports trailed the November 2024 total by 21%.

Imports from China fell 72% in November and are down 46% for the year heading into December. Imports from Brazil are down 51% for the year so far despite a 40% monthly gain in November. It is likely that total imports of hardwood flooring will end 2025 down from the previous year as year-to-date imports are 6% behind 2024 through November.

Imports of assembled flooring panels were down 12% versus 2024 through November, despite a 24% surge in November imports over the previous month. Even with the gain, November imports were 27% lower than in the previous November.

As with hardwood flooring imports, panel imports from China tumbled 53% for the month and were down 45% for the year. Imports from Thailand resumed in November after four months of no reported activity, as imports for the year from that country are down 60%.

US wooden furniture imports drop to lowest level since COVID

US imports of wooden furniture fell for a fourth consecutive month in November, hitting their lowest level since the 2020 COVID epidemic. November imports fell 3% from the previous month to just over US\$1.4 billion, which is 23% lower than in November 2024 and is the lowest level of imports since June 2020. Imports from Mexico (down 21%) and imports from China (down 13%) saw the steepest declines. Total US imports of wooden furniture are down 8% versus 2024 through November.

Meanwhile, the whole of the US furniture market remains flat, according to tracking by Smith Leonard. New orders were down 8% in October compared to the prior month of September 2025 (following the 15% increase from August 2025). New orders were also down 1% in October 2025 compared to October 2024. However, year to date through October 2025, new orders remain flat compared to 2024.

See: <https://usatrade.census.gov/index.php?do=login> and <https://www.smith-leonard.com/2025/12/30/december-2025-furniture-insights/>

	2025 Nov US\$	MOM % change
Total	1,400,023,725	-3%
China	104,319,952	-13%
Vietnam	673,823,148	1%
Canada	113,106,023	-5%
Malaysia	72,372,910	-7%
Mexico	91,046,193	-21%
Indonesia	52,988,055	0%
India	29,005,402	23%
Other	292,367,444	2%

Data source: US Department of Agriculture, Foreign Trade Statistics

US furniture market projected to nearly double by 2035

The US furniture market, valued at US\$178.9 billion in 2025 is forecast to reach US\$345.5 billion by 2035, growing at a compound annual growth rate (CAGR) of 6.8%, according to Astute Analytica. Residential furniture dominates, accounting for 61% of sales, with wood products making up 39% and seating furniture representing 34% of the market.

The industry is supported by ongoing home renovations, remote work trends, and technological advances in production that lower costs and allow for greater product customization. E-commerce and direct-to-consumer channels are also driving growth.

Employment and manufacturing remain strong, with 269,177 workers across 5,649 establishments as of March 2025. The home furnishings sector is set to expand from \$217.53 billion in 2024 to \$286.39 billion by 2029, buoyed by projected home sales growth of 9% in 2025 and 13% in 2026.

Consumer behavior is evolving, with many delaying purchases but planning to buy in predictable cycles. Forty percent of sofa and sectional buyers who postponed purchases intend to buy in the first half of 2025, while bedroom and outdoor furniture see staggered buying patterns. Challenges include intensifying omnichannel competition, potential housing market slowdowns, and supply chain disruptions from tariffs and geopolitical tensions.

See: <https://finance.yahoo.com/news/united-states-furniture-market-set-120000635.html?guccounter=1>

Tariffs drove construction materials prices up 2.8% in 2025

Construction input prices decreased 0.6% in December compared to the previous month, according to an Associated Builders and Contractors analysis of US Bureau of Labor Statistics' Producer Price Index data. Nonresidential construction input prices decreased 0.7% for the month.

Overall construction input prices are 2.8% higher than a year ago, while nonresidential construction input prices are 3.2% higher.

Prices increased in two of three energy categories in December. Natural gas and unprocessed energy materials prices were up 34.8% and 5.5%, respectively, while crude petroleum prices were down 2.7% in December.

“Construction materials prices posted a welcome decline in December, yet key inputs are still experiencing rapid escalation,” said ABC Chief Economist Anirban Basu. “This is especially true for materials most exposed to tariffs.

“Prices for commodities less exposed to tariffs, like asphalt or crushed stone, will likely remain tame in the coming months due to soft demand for construction services,” said Basu. “While that may limit increases in overall materials prices, trade policy will continue to put upward pressure on certain materials. This has not significantly dimmed contractor optimism; 7 in 10 ABC members expect their profit margins to remain stable or grow over the next two quarters, according to ABC’s Construction Confidence Index.”

See: <https://www.bls.gov/ppi/>

and

<https://www.abc.org/News-Media/News-Releases/abc-tariffs-drive-construction-materials-prices-up-28-in-2025>

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.

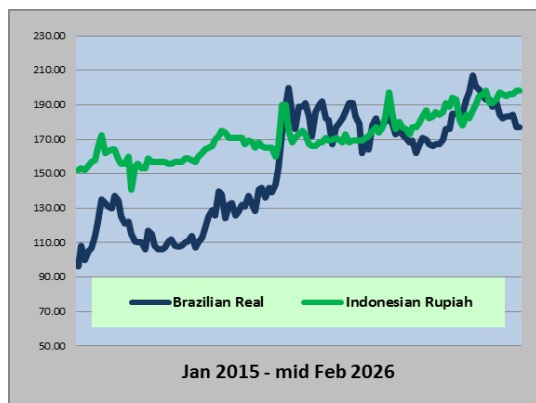
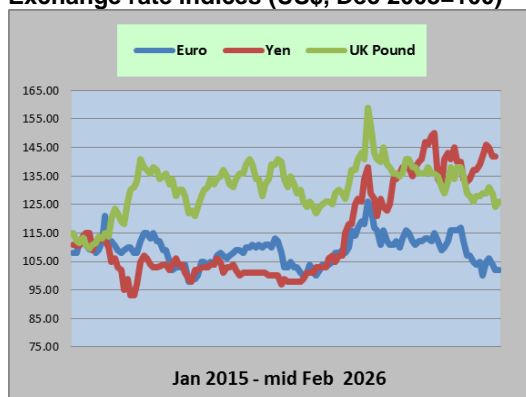
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

US\$ Dollar Exchange Rates

As of 10th February 2026

Brazil	Real	5.19
CFA countries	CFA Franc	555.22
China	Yuan	6.91
Euro area	Euro	0.84
India	Rupee	90.74
Indonesia	Rupiah	16,797
Japan	Yen	153.27
Malaysia	Ringgit	3.92
Peru	Sol	3.35
UK	Pound	0.73
South Korea	Won	1,446.16

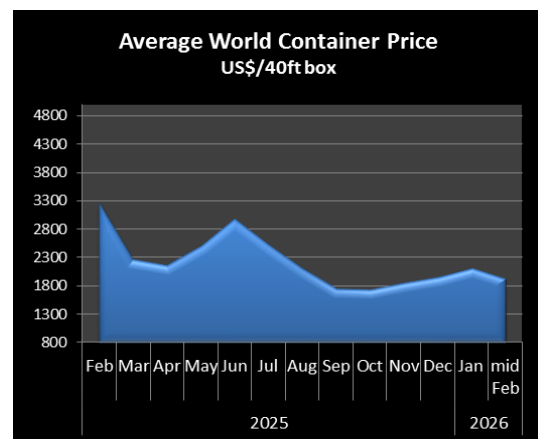
Exchange rate indices (US\$, Dec 2003=100)



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

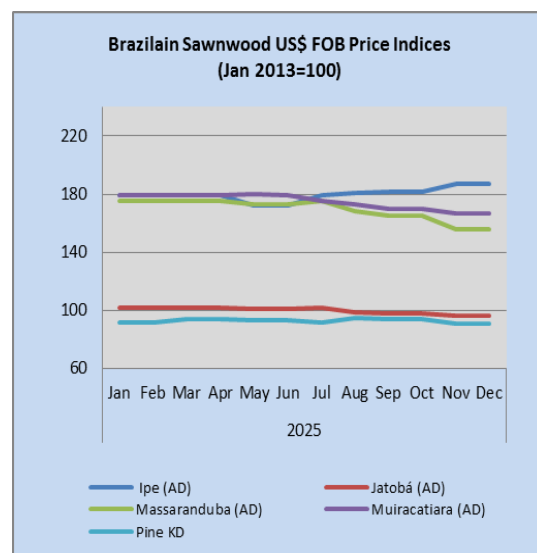
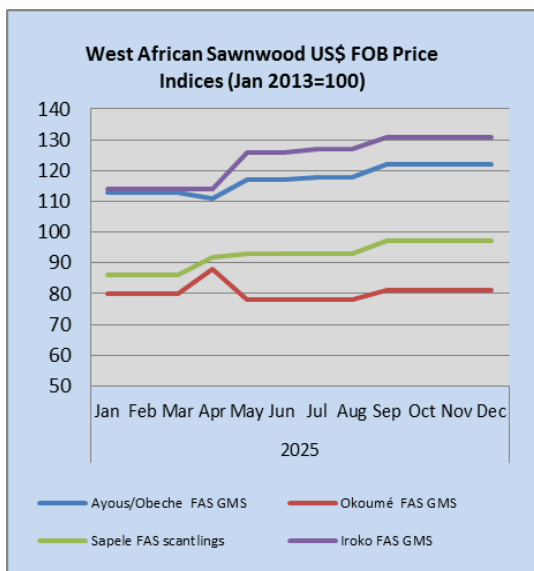
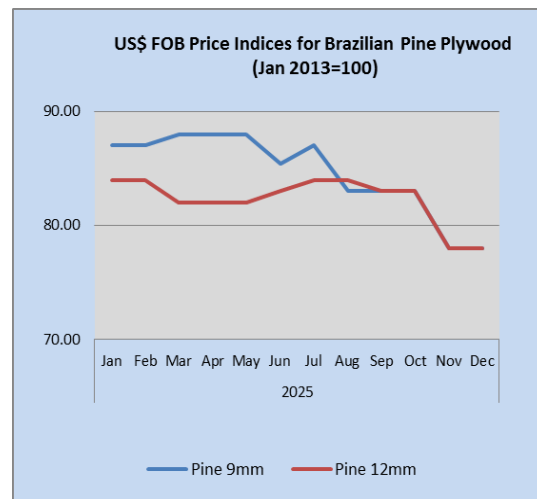
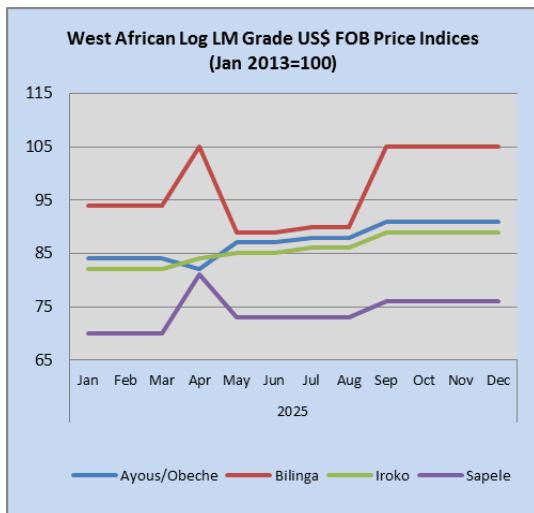


Data source: Drewry World Container Index

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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