Tropical Timber Market Report

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Contents

Top story

FSC and PEFC suspend certification in Russia and Belarus

FSC and PEFC have announced the suspension of all certificates in Russia and Belarus. This will impact European companies that have become dependent on Russia and Belarus for their supplies of FSC and PEFC certified wood.

The CEI-Bois and EOS stated their support for the decision taken by PEFC to classify Belarus and Russian products as “conflict timber” and therefore ineligible for accredited certification and they "welcome that wood and forest products from Russia and Belarus cannot be used in FSC products or be sold as FSC certified anywhere in the world as long as the armed conflict continues".

Page 19

Headlines

Central and West Africa

Lack of containers still a major issue

The severe lack of shipping containers is still impacting exporters throughout the region but port operations have been reported as normal in Douala, Kribi and Pointe Noire despite dredging operations that continue.

Weather conditions are not impacting forest and mill operations in Gabon and Cameroon but March is likely to bring heavy rain again which inevitably slows trucking. In Congo however, producers report that there has been period of heavy rain which has affected forest operations and trucking.

In Gabon, due to an accident on the Abanga-Alembe bridge, transport from the north of the country was disrupted for 5 days. Exporters in Gabon continue to complain about the time it takes for export documents to be processed.

More on Gabon timber tracking

The domestic media in Gabon has reported on the new Forestry department called ST-MINEF and the timber tracking system which will be based on smart phone data collection. It has been reported that the tracking system will become law in June 2022.

Sandrine Gaingne, writing for The New Gabon, has reported on a ministerial meeting to discuss the direction of the economic Transformation Acceleration Plan aimed to introduce reforms to make the forest/wood sector and agriculture the new pillars of the Gabonese economy.

See: https://www.lenouveaugabon.com/fr/gestion-publique/0403-18134-petrole-agriculture-et-forets-les-bons-points-du-plan-d-acceleration-de-la-transformation

Production sharing project in the Congo

In July 2020 the Congo Forestry Code established the principle of production sharing and recommended implementation be preceded by a study. ATIBT has reported that in early 2021 the European Forest Institute (EFI) conducted consultations in preparation for implementing the new Forest Code.

ATIBT further reports that in January this year the Ministry of Forest Economy organised a workshop for the private sector who asked for copies of the full report of the study in order to make prepare their response.

See: https://www.atibt.org/en/news/13130/production-sharing-project-in-the-republic-of-congo

Log export prices

West African logs	FOB Euro per cu.m		
Asian market	LM	B	BC/C
Acajou/ Khaya/N"Gollon	265	265	175
Ayous/Obeche/Wawa	250	250	225
Azobe & ekki	275	275	175
Belli	300	300	-
Bibolo/Dibétou	215	215	-
Bilinga	275	275	-
Iroko	300	280	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	225	225	220
Moabi	280	280	250
Movingui	180	180	-
Niove	160	160	-
Okan	230	210	-
Padouk	270	240	200
Sapele	260	260	200
Sipo/Utile	260	260	230
Tali	280	280	-

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	430-
Bilinga FAS GMS	540
Okoumé FAS GMS	480
Merchantable KD	420
Std/Btr GMS	370
Sipo FAS GMS	425
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	900
FAS scantlings	1,000
Strips	350
Sapele FAS Spanish sizes	420
FAS scantlings	450
Iroko FAS GMS	600
Scantlings	620
Strips	370
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	530
Scantlings	550
Movingui FAS GMS	380

Ghana

Russia - Ukraine war will impact Ghana's trade

The invasion of Ukraine by Russia will possibly cost Ghana more than GH¢337m (US$50 million) in lost direct export receipts with another GH¢326m (US$48 million) of imports likely to be affected according to data from the Ghana Export Promotion Authority (GEPA).

GEPA indicated that the total value of Ghana's export in 2021 to Russia and Ukraine were GH¢52.5m (US$7.7 million) and GH¢285million (US$41.9 million) respectively. The total value of imports for the period stood at GH¢2.6 billion (US$382.4 million) from Russia and GH¢1.61 billion (US$236.8 million) from Ukraine.

Request to export salvaged rosewood

Kete Krachi Timber Recovery Limited (KKTR), operators of the Volta Lake timber salvage concession, has asked the Ministry of Lands and Natural Resources for dispensation to export rosewood salvaged from Volta Lake. The creation of Lake Volta in 1964 submerged an estimated 14 million cubic metres of hardwood.

See: https://www.businessghana.com/site/news/general/253481/Timber-company-requests-exemption-to-export-salvaged-rosewood

Manufacturers brace for higher energy charges

Energy prices are a major driver of inflation in Ghana and as such the likely increases in global oil prices will drive inflation even higher. According to the Ghana Statistical Service, January 2022 year-on-year inflation rates by major consumption groups show that transportation (17.4%) electricity and gas (28.7%) are the biggest inflation drivers.

See: https://theconversation.com/ukraine-war-how-ghana-is-vulnerable-and-what-can-be-done-178528

Ghana's investment policies

The President of Ghana has called on the international business community to consider Ghana a viable investment destination. Speaking at the "Ghana Day" during the ongoing Dubai Expo 2020 on the theme "Connecting Minds, creating the Future", the President stressed Ghana's favourable business climate coupled with its diverse investment potential was a signal to investors that the country was ready for business.

See: https://www.peacefmonline.com/pages/business/economy/202203/462012.php

Green Ghana day 2022

Ghana's dream of greening the country moved closer when the President launched Green Ghana Day 2022. The president said forests continue to be one of Ghana's most important resources but regrettably there has been a substantial decline of the country's forest cover.

The Green Ghana Initiative seeks to create collective action towards restoration of degraded landscapes in the country, mitigate climate change and inculcate in the youth the values of planting and nurturing trees.

See: https://fcghana.org/?p=3151

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	567
Niangon Kiln dry	659

Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	355	441
Chenchen	375	612
Ogea	469	590
Essa	405	619
Ofram	350	435

Export sliced veneer

Sliced face veneer	FOB Euro per cu.m
Asanfina	916
Avodire	811
Chenchen	869
Mahogany	1,090
Makore	749
Odum	2,083
Sapele	1,330

Export plywood prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	324	580	641
6mm	412	535	604
9mm	370	490	560
12mm	583	476	480
15mm	450	414	430
18mm	460	463	383

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

Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
FAS 25-100mmx150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	925
Asanfina	465	564
Ceiba	290	310
Dahoma	408	464
Edinam (mixed redwood)	520	718
Emeri	560	634
African mahogany (Ivorensis)	1,239	732
Makore	560	820
Niangon	550	586
Odum	491	869
Sapele	800	762
Wawa 1C & Select	422	437

Malaysia

Malaysia to opens its borders

As Malaysia transitions to an endemic phase of the corona virus the government will reduce covid control measures (so-called standard operating procedures, SOP).

See: https://covidprotocol.moh.gov.my/en/.

A total of 15,113,923 individuals or 64.2% of the adult population in the country have received the Covid-19 booster shot, 97.5% of adults have completed their vaccination while 98.7% have received at least one dose of vaccine.

National Forestry Act

Sahabat Alam Malaysia (SAM) President, Meenakshi Raman, in a statement on the SAM website says SAM welcomes the amendments proposed to the National Forestry Act 1984 which have been tabled in Parliament.

He added that he hopes Parliament can adopt these changes quickly so that they become legally effective. This will allow all State Governments to adopt the amendments.

Among the most significant changes proposed which SAM welcomes are:

- the introduction of a new section 11, replacing the old in relation to the excision of land from the status of permanent reserved forests (PRF).

- the amendment to sub-section 10(1) to include 'state park forest' (hutan taman negeri) as an additional category in the classification of what are PRFs.

- the move to increase penalties for offences under the Act. These are vital to ensure that there is sufficient deterrence to stop prospective violators.

See: https://foe-malaysia.org/articles/sam-welcomes-amendments-to-the-national-forestry-act-1984/
and
https://www.thestar.com.my/news/nation/2022/03/04/harsher-penalties-for-forest-criminals

Sarawak furniture designers
The Sarawak Timber Industry Development Corporation (STIDC) continued its talent development programme for young designers in the State by having those who completed the two-year 'Training Programme on Furniture Design' join an 'Incubator Programme'.

This programme, developed by STIDC, aims to provide further exposure to the participants on entrepreneurship skills as a pathway to developing their careers as furniture designers.

Labour shortages
As the economy slowly picks up many sectors, including timber, are experiencing labour shortages brought on by the pandemic. The Malaysian timber sector relies heavily on foreign labour to maintain production.

Malaysia is negotiating with Bangladesh, Pakistan, India, Nepal and Cambodia to attract foreign workers as soon as possible to ease the labour shortage. The labour shortage in Malaysia arose mainly because the arrangement for workers with Indonesia stalled when the signing of a domestic worker memorandum of understanding between the two countries was postponed.

See:
https://www.thestar.com.my/news/nation/2022/02/17/looking-elsewhere-for-labour

New appointment at MTC
The Malaysian Timber Council (MTC) has appointed Puan Noraihan Abdul Rahman as its new Chief Operations Officer (COO). Noraihan takes over from Roger Chin ChewChoy. Noraihan is the first woman to be appointed as the COO since MTC began its operations in 1992.

Noraihan, who holds a B.Sc in Business Administration (Marketing) from the Universityof Arizona, started her career in MTC in July 1995 as an officer in the Market Promotion Division (MPD). She was promoted to the post of Executive in 2000 and Senior Executive in 2004.

See:
https://mtc.com.my/images/media/1029/Press_Release_on_New_COO_-1_March_2022-.pdf

Support for SMEs
The Malaysian Furniture Council (MFC) newsletter for February has an update on the 'Factory Transformation Programme' (FTP) a joint effort by the Malaysian Timber Council together with SIRIM and ICA4.0. The aim of this programme is to assist SMEs in improving manufacturing capabilities. MTC has offered to subsidy 20 MFC members interested in participating in the FTP.

The MFC newsletter says "While the reopening of the economy brought relief to many manufacturers, a new set of challenge emerges. Chief among them are the lack of raw materials, workers and also the need to fulfil overseas orders".

See:
https://www.mfc.my/_files/ugd/fd8b5c_a367214c612f407d940d3b06a7d0f9a0.pdf

Indonesia

Wood product exports to Europe can be increased
The Indonesian Ambassador for Belgium, Luxembourg and the European Union Andri Hadi said there are opportunities to increase wood product exports to the EU as the EU plans to implement a Deforestation-Free Supply Chain (DFSC) policy. Indonesia has a wood legality certificate which has now been reframed into a wood sustainability certificate and with more vigorous promotion Indonesian products can capture a greaetr share of the EU market he said.

Indonesia's export performance for wood products has been continuing to show improvement since the FLEGT VPA was established with the EU and products such as wood parquet, furniture, paper and plywood exports have expanded.

One such product that should be promoted is wood fuel (chips and pellets) as many EU countries want to expand biofuel consumption.

Janauary export earning encouraging
Chairman of the Communication Forum of Indonesian Forestry Society (FKMPI), Indroyono Soesilo, revealed that the performance of the forestry sector was positive in early 2022.

Total exports of wood products in January 2022 amounted to US$1.23 billion, up 28% compared to January 2021. In January 2022 exports of wood products to the EU and the UK recorded an increase of 30%.

SME flooring exports to India

The Ministry of Trade, via the Surabaya Export Center programme facilitated the export of wood flooring products to India from an SME.

Director General of National Export Development at the Ministry of Trade, Didi Sumedi, said this was a good achievement as the SME has only been in operation for three years.

Data from Statistics Indonesia shows that in 2021 Indonesia's exports of wood flooring products (HS 441871-79) amounted to US$117.86 million, an increase of 39% compared to the previous year. Over the past five years the trend of Indonesian wood flooring exports to the world has shown an average decline of 4% annually.

See:https://www.jawapos.com/ekonomi/02/03/2022/kemendag-fasilitasi-pengusaha-umkm-ekspor-lantai-kayu-ke-india/

Encouraging furniture and lifestyle products trade

The Ministry of Trade, through the Directorate General of National Export Development, launched the Aku Siap Expor (ASE 2) programme to encourage production and trade in furniture and lifestyle products.

According to the Director General of National Export Development, Didi Sumedi, the first ASE was welcomed by exporters which encouraged the Ministry to launch the second programme, ASE 2. The scope of this programme is expanded and directed at home decoration products, furniture and lifestyle products. The new programme will provide assistance to 50 businesses.

The one year programme will offer workshops, simulation practices, assignments, business meetings, private mentoring, local market orientation missions and participation in domestic and foreign exhibitions.

See: https://voi.id/ekonomi/138531/dukung-produk-furnitur-indonesia-mendunia-kemendag-luncurkan-program-ase-2-0

New Forest's Tropical Asia Forest Fund 2 (TAFF2)

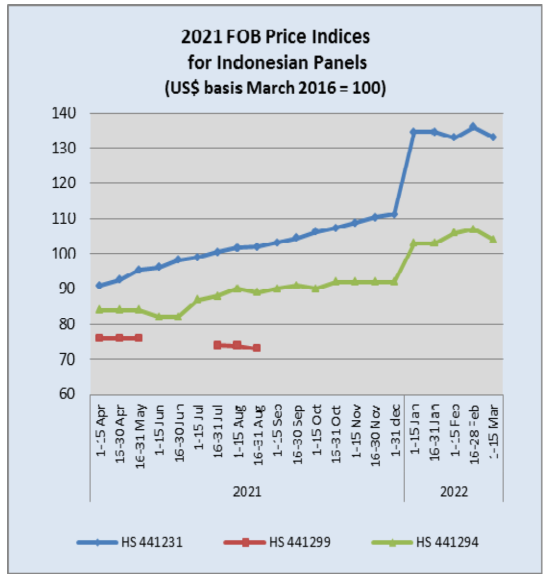
The Asian Development Bank (ADB), in a press release, announced the signing of a US$15 million equity investment in the New Forest's Tropical Asia Forest Fund 2 (TAFF2) L.P. to support sustainable forestry practices in Southeast Asia and reduce logging in natural tropical forests by helping sustainably managed plantation companies to scale up their operations. The investment comprises US$5 million from ADB's ordinary capital resources and US$10 million from the Australian Climate Finance Partnership (ACFP) trust fund.

Opportunities for support will be sought in Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Thailand, and Vietnam.

The press release says "Investment in sustainable forestry is limited in developing countries due to market, political and natural resource risks," according to the ADB Private Sector Investment Funds and Special Initiatives Director, Janette Hall.

She continued, "ADB's investment will enable best practice forestry companies that currently lack access to growth capital to engage in commercial, sustainable forestry.

See: https://www.adb.org/news/adb-invests-tropical-asia-forest-fund-2-promote-sustainable-forestry-enhance-biodiversity



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

Myanmar

Teak exports contine – even to countries with sanctions

In a media release Forest Trends (FT) has said it recently found that timber exports from Myanmar worth more than US$190 million were reported and much of this went to countries whose governments have applied trade sanctions potentially exposing companies importing from Myanmar to penalties.

Forest Trends reports timber exports valued at US$37 million were shipped to countries with sanctions and US$154 million shipped to China, India, Thailand and other countries which have not sanctioned MTE.

FT notes "most markets have decreased their imports of timber from Myanmar since the coup, but others, including countries with sanctions have increased imports relative to 2020.

In the US, where almost all imports were in the form of sawn teak for the luxury yacht market, the number of companies importing from Myanmar dropped by two-thirds to only 5 importers, yet total trade still increased slightly.

Five EU Member States, Austria, Belgium, France, the Netherlands and Poland also showed substantial increases in imports.

China, which has not imposed sanctions on Myanmar, also increased imports by 35%. All findings are likely an underestimate as not all countries have reported trade for the entirety of 2021".

See: https://www.forest-trends.org/pressroom/despite-sanctions-on-myanmar-the-us-uk-and-eu-imported-more-than-36-million-in-timber-since-the-coup-exposing-traders-to-risk-of-prosecution/
and
https://thediplomat.com/2022/03/myanmar-timber-exports-continue-despite-western-sanctions-report/

Can teak purchased before sanctions be exported?

According to Myanmar exporters wishing to ship to the EU they have to process logs for which payment was made to MTE before 21 April 2021 and for the US, before 21 June 2021. Exporters have indicated that buyers in the US and EU are very strict on this condition. Because of this condition the price for teak logs held by private stockists has increased by about 30%.

Myanmar exporters also expressed their understanding that the products from the logs for which the payment had been settled before the respective dates are exempted from the sanctions. Such assumptions were shared with buyers who have been accordingly advised by their legal consultants.

See: https://www.forest-trends.org/pressroom/despite-sanctions-on-myanmar-the-us-uk-and-eu-imported-more-than-36-million-in-timber-since-the-coup-exposing-traders-to-risk-of-prosecution/)

Value of trade falls

The value of Myanmar trade has declined by over US$765 million over the past five months of the current 2021-2022 fiscal year when compared to the same period of the previous year according to the figures released by the Ministry of Commerce.

From 1 October 2021 to 18 February 2022 the total trade value was US$11.958 billion while in the same period in the last fiscal it was US$12.724 billion. Myanmar exports agricultural products, animal products, marine products, mineral products, forest products, finished industrial goods (CMP) and other goods. When it comes to imports the country mainly imports capital goods, raw materials for businesses and consumer products.

See: https://elevenmyanmar.com/news/myanmars-trade-value-falls-over-765m-in-five-months-compared-to-same-period-of-previous-fiscal)

Baht and kyat for direct payment at border

Central Bank (CB) of Myanmar issued notification dated 3 March on the use of Thai baht and Myanmar kyat for direct payment at Myanmar-Thai border. The Central Bank stated that this is an effort to facilitate bilateral trade and to promote the use of the local currency.

According to the objectives of Asean financial integration initiative the Central Bank of Myanmar is allowed the use of Thai baht and Myanmar kyat for direct payment at the Myanmar-Thai border.

In related news, the Bank issued a notification in December 2021 on the use of the Chinese yuan and Myanmar kyat for direct payment at Myanmar-China borde.r

See: https://elevenmyanmar.com/news/central-bank-of-myanmarthe-use-of-thai-baht-and-myanmar-kyat-for-direct-payment-at-myanmar-thai)

Myanmar considers digital currency

A spokesman for the State Administration Council says the government plans to establish a digital currency to support domestic payments and boost the economy within the year and is assessing how to move forward.

See: https://www.mizzima.com/article/myanmar-junta-looking-introduce-digital-currency

India

Life beginning to return to normal

India's daily coronavirus infections rose by less than 10,000 per day in early March, a level last seen in late December 2021 before the rapid spread of the Omicron variant, according to the Union Health Ministry.

Nearly two years after India went into lockdown to slow the spread of COVID-19 students are heading back to school across the vast country, a sign of normal life resuming as infection rates fall. Similar signs of normal are everywhere, roads and trains are packed as people travel to work.

See: https://www.aljazeera.com/gallery/2022/3/2/photos-india-normal-life-two-years-covid-lockdowns

Cost of imports set to rise

India's economy lost momentum in the last quarter of 2021 with growth slowing from previous two quarters and the prospects are bleak as it is likely that energy costs and the cost of other imports will rise because of the global reaction to Russia's invasion of Ukraine.

Gross domestic product rose 5.4% year-on-year in the October-December period and below the 8.5% growth in July-September and 20.3% April-June quarters.

Growing demand for imported particleboard

The Indian trade magazine Plyreporter has said currently there is a huge demand for woodbased particleboard in the Indian market due to firm demand from furniture makers.

To satisfy production requirements manufacturers have turned to imports especially as container freight rates have eased making imports from regional producers viable.

Despite having more than 60 particleboard manufacturing plants in the country quality furniture makers in India are still keen to utilse imported particleboard.

Green affordable housing

Recently, an outreach programme to create awareness for green affordable housing was launched. In 2017 the Indian Prime Minister and the Presidents of the European Council and European Commission adopted a joint declaration on a 'Partnership for Smart and Sustainable Urbanisation'. This partnership supports smart and sustainable cities, promotes investments in sustainable urbanisation, climate action and disaster risk reduction.

See:
https://ec.europa.eu/regional_policy/en/policy/cooperation/international/india/

Prices for recent shipments of teak logs and sawnwood

	US$/cu.m C&F
Benin	359-712
Sawnwood	359-712
Brazil	313-638
Sawnwood	489-777
Cameroon	-
Sawnwood	974
Colombia	245-615
Costa Rica	350-652
Ecuador	246-495
Gabon	370
Ghana	270-559
Sawnwood	485
Guatemala	277-594
Ivory Coast	263-458
Sawnwood	375-752
Mexico	322-439
Sawnwood	373-585
Panama	252-539
PNG	389-595
Sawnwood	492-677
Tanzania	344-930
Sawnwood	471-1,068
Togo	259-532
S. Sudan	367-633
Sawnwood	342-633
Nigeria	290-630
El Salvador	328-520
Nicaragua	-
Sawnwood	328-564
Solomon Is.	248
Surinam	222
Myanmar sawn	791-980

Price range depends mainly on length and girth.

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	3,800-4,200
Balau	2,500-2,700
Resak	-
Kapur	-
Kempas	1,455-1,750
Red meranti	1,500-1,800
Radiata pine	900-1,050
Whitewood	900-1,050

Price range depends mainly on lengths and cross-sections.

Sawn hardwood prices

No price increases have been reported.

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,750-1,850
Sycamore	1,900-2,000
Red Oak	2,100-2,200
White Oak	2,700-3,000
American Walnut	4,500-5,000
Hemlock STD grade	1,350-1,600
Western Red Cedar	2,220-2,450
Douglas Fir	2,000-2,200

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	86.00
6mm	122.00
9mm	144.00
12mm	181.00
15mm	238.00
18mm	260.00

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	57.00	72.00
6mm	81.00	102.00
9mm	103.00	125.00
12mm	125.00	149.00
15mm	149.00	181.00
19mm	176.00	202.00
5mm Flexible ply	110.00	

Vietnam

Trade highlights

In 2021 Vietnam's wood and wood products (W&WP) exports to Russia totaled at US$7.3 million (mostly wooden furniture) and imports were valued at US$55 million (mainly birch and pine sawnwood, veneer and plywood). Vietnam is in need of Russian birch veneer as the face for plywood for furniture manufacturing. As a top wood supplier of the world the Russia – Ukraine conflicts threatens to disrupt the supply of wood raw materials for Vietnamese wood industries.

Exports of W&WPs to the Japanese market in February 2022 were valued at US$109 million, up 31% compared to February 2021. In the first two months of 2022 W&WP exports to Japan reached US$262 million, up 22% over the same period in 2021.

Exports of living and dining-room furniture in February 2022 are estimated at US$230 million, up 13% compared to February 2021. In the first 2 months of 2022 the exports of these two wooden commodities are estimated at US$552 million, showing an increase of 8.8% over the same period in 2021.

Imports of W&WPs in February 2022 reached US$240 million, down 4% in value compared to January 2022 but compared to February 2021 W&WP imports increased by 25% in value.

In February 2022 exports of rattan, bamboo and other NTFPs reached US$70 million, down 35% compared to January 2022 but up 38% compared to February 2021.

Vietnam's import of tali wood in February 2022 has been reported at 47,900 cu.m, worth US$20.3 million, down 4% in volume and 4% in value compared to January 2022. However, compared to February 2021 imports of tali increased by 14.5% in volume and 19% in value.

Sanctions on Russia to adversely impact timber industries

The Russia's invasion of Ukraine along with the sanctions imposed on Russia by the United States the EU and others will have a big impact on the global wood processing and export industries.

Assessing the risks and identifying solutions relating to mechanisms and policies to help wood enterprises reduce the negative the impact from the conflict took centre stage at an online seminar held in early March by the Vietnam Timber and Forest Product Association (VIETFOREST) in co-ordination with the General Department of Forestry and the Ministry of Agriculture and Rural Development (MARD).

Vo Quang Ha, General Director of Tan Vinh Cuu Joint Stock Company, said,"Birch supplies from Russia must be balanced but we can still have it whether we depend on Chinese sources or buy it directly. He noted prices have started to rise.

Phan Thi Thu Trang, Head of An Lac Wood Import-Export Department, said, "Wood materials from Ukraine in the past year have sharply increased but the war in Ukraine will result in price increases".

According to Vu Hai Bang, Chairman of the Board of Directors of Woodsland Company, the shortage of wood supply from Russia may create new demands for alternative types of imports from Eastern European countries. It is possible that Vietnamese wood sourced from planted forests can become one of the alternative sources of timber therefore it can be viewed as necessary to devise policies aimed at supporting businesses in ensuring this supply.

"Fortunately, Vietnamese businesses that have locally grown wood and relatively stable prices over the years have not had to pay for shipping. Therefore, the MARD should have support policies to help wood processing enterprises maintain the domestic wood supply," emphasised Bang.

Bui Chinh Nghia, Deputy Head of the General Department of Forestry said that it is impossible to predict how long the conflict will last and how serious the ultimate impact of it will be. Due to this it can be viewed as necessary to adopt timely mechanisms and policies aimed at helping timber businesses reduce the negative impacts thereby contributing to the wood industry's sustainable development in the future.

According to Nghia, it remains essential to have a specific assessment and be increasingly proactive to get the best adaptations for the local wood and forest product processing industry.

The General Department of Forestry and the MARD is ready to review all opinions then produce a joint report featuring specific proposals and recommendations regarding adaptation to the emerging supply issues.

See:https://english.vov.vn/en/economy/russia-ukraine-conflict-adversely-impacts-vietnamese-wood-industry-post929346.vov

Rising exports of wood chips to Japan

Exports of W&WPs from Vietnam to Japan in February 2022 reached US$109 million, up 31% compared to January 2021.

W&WP exports to Japan surged due to the increased export of woodchips which is also the main wood product exported from Vietnam to Japan with a 35% share of the total exports to Japan.

In addition to woodchips Vietnam exports wooden furniture to Japan. The export of wooden furniture to the Japanese market dropped in January 2022 as a result of the pandemic.

Japan has become one of the world's largest renewable energy markets and Vietnam's exports of wood pellets to Japan are expected to rise significantly in the coming years.

Imports of tali and alternative such as ironwood
Vietnam's imports of tali and alternatives in February were estimated at 47,900 cu.m worth US$20.3 million, down 4% in volume and 4% in value compared to January.

Imports of tali and alternatives

	cu.m	US$/cu.m
Log	28,314	385.3
Sawnwood	20,963	478.4

Data source: General Custom Vietnam

Tali and alternative wood suppliers, January 2022

Suppliers	cu.m	US$/cu.m
Total	50,006	423.1
Cameroon	34,635	419.9
China	2,955	447.3
Hong Kong	2,778	369.7
Congo	2,274	484.1
Nigeria	1,551	208.6
Laos	1,472	750
Gabon	1,041	328.2
Singapore	991	485
Thailand	729	304
B. Virgin Is.	430	735.7
Angola	286	283.2
Ghana	276	373.1
Cambodia	144	250
EU	101	575.6
Austria	42	634.4
Denmark	38	605
Romania	21	405
Equatorial Guinea	101	220
Mozambique	88	250
Kenya	46	260
Liberia	40	255
Lebanon	36	461
Colombia	35	558.3

Data source: General Custom Vietnam

The wide variation in prices US$255 – 750 per cu.m is explained by market preference. The price of tropical hard wood from Laos can be 3 - 4 times higher than of African timbers. Vietnamese hardwood are even more expensive than that of Laos having a much sought after beautiful texture.

Trees in the tropical forests of Vietnam grow slowly than in Africa and even in mainly because of site conditions (rocky site, severe climate conditions with long dry season - quite cool winter and heavy rainy season).

Brazil

SMEs guarantee legality and traceability
Strong domestic demand for home renovations associated with the price increase in civil construction inputs such as steel and iron caused a rise in prices which carried over to the timber market. According to the Timber Industry Union of Northern Mato Grosso State (Sindusmad) prices for some timbers doubled. Itauba (Mezilaurus itauba) for example increased from R$2,500 per cu.m to R$5,000 per cu.m.

In 2021 the 44 municipalities in the Northern Mato Grosso state which leads the Brazilian timber production from natural forests through sustainable forest management produced 35,400 logs with a volume of approximately 4.2 million cubic metres.

A large part of the expanded domestic market can only be accessed by producers who guarantee the entire product traceability process but this is difficult for SMEs. A study carried out by the Getulio Vargas Foundation pointed out that the difficulties in having a sound tracking system for SMEs could be addressed through a consortium of companies operating a “joint supply system” to meet the demands of buyers.

In related news, there are government programmes to strengthen management in SMEs. One example is the School Furniture Regionalisation Programme (Programa de Regionalização de Mobiliário Escolar - Promove) implemented by the state of Amazonas which provides for the purchase of products from cooperatives and furniture associations that use raw material from companies with sustainable forest management plans.

Forest concession bidding process explained
The Brazilian Forest Service (SFB), the Brazilian Development Bank (BNDES) and the Investment Partnerships Program (Programa de Parcerias de Investimentos - PPI) will, in the first half of March 2022 hold a round of meetings with potential investors for the Concession of the National Forests (Floresta Nacional – FLONA) of the South region: FLONA de Irati, FLONA de Chapecó and Tres Barras’ FLONA de Três Barras.

The meeting with potential investors aimed to clarify doubts about the concessions and the bidding process related to the public notice for concession in the National Forests of the FLONAs. The forest concessions initiative aims to ensure the management of planted forests and the restoration and conservation of FLONAs through public-private partnerships.

The FLONAs are located in the municipalities of Chapeco, Guatambu and Tres Barras in the state of Santa Catarina and in the municipalities of Fernandes Pinheiro and Teixeira Soares in the state of Parana. The new forest concession model allows the commercial use of planted forests and their recovery through silviculture with native timber species or forest restoration with the original vegetation of the Atlantic Forest.

Furniture exports a record in 2021

Brazilian furniture exports grew 51% in 2021 reaching US$1 billion compared to the US$679 million in 2020. Furniture exports from Rio Grande do Sul, one of the largest furniture manufacturing clusters in Brazil, increased by 64% year on year totalling almost US$293 million according to Furniture Industry Association of Rio Grande do Sul (Movergs). This was the best export performance since 1997.

The ten largest buyers of furniture produced in Rio Grande do Sul state were the United States, Chile, Peru, Uruguay, the United Kingdom, Paraguay, Colombia, Bolivia, Panama and Puerto Rico, representing 81% of total exports with one third of the total export going to Chile and the USA.

One of the opportunities for furniture exporting companies wanting to assess new markets are international fairs. The joint FIMMA (International Fair of Suppliers of the Wood and Furniture Production Chain) and Brazil Movelsul (furniture fair in Latin America) is scheduled for mid-March 2022 in Bento Gonçalves.

FIMMA is focused on exhibitors of machinery, production inputs, services and accessories and Brazil Movelsul brings together furniture, design and decoration companies.

Acre - record trade balance

The state of Acre, one of the main producer states of tropical timber in the Amazon, started 2022 with a positive trade balance. According to the Ministry of Economy in January Acre exported US$4.2 million and imported US$77,000. This amount represents a new record for its foreign trade for the month of January. Timber and wood products accounted for 54% of exports along with brazil nuts (27%).

Domestic log prices

Brazilian logs, mill yard, domestic	US$ per cu.m
Ipê	244
Jatoba	109
Massaranduba	99
Miiracatiara	99
Angelim Vermelho	96
Mixed redwood and white woods	76

Source: STCP Data Bank

Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US$ per cu.m
Ipé	1,052
Jatoba	508
Massaranduba	515
Muiracatiara	460
Angelim Vermelho	456
Mixed red and white	303
Eucalyptus (AD)	218
Pine (AD)	155
Pine (KD)	196

Source: STCP Data Bank

Domestic plywood prices (excl. taxes)

Parica	US$ per cu.m
4mm WBP	491
10mm WBP	427
15mm WBP	351
4mm MR.	426
10mm MR.	321
15mm MR.	295

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US$ per cu.m
15mm MDParticleboard	234
15mm MDF	298

Source: STCP Data Bank

Export sawnwood prices

Sawnwood, Belem/Paranagua Ports, FOB	US$ per cu.m
Ipe	2,080
Jatoba	1,108
Massaranduba	1,127
Muiracatiara	1,117
Pine (KD)	288

Source: STCP Data Bank

Export plywood prices

Pine plywood EU market, FOB	US$ per cu.m
9mm C/CC (WBP)	532
12mm C/CC (WBP)	335
15mm C/CC (WBP)	325
18mm C/CC (WBP)	352

Source: STCP Data Bank

Export prices for added value products

FOB Belem/Paranagua ports		US$ per cu.m
Decking Boards	Ipê	4,360
	Jatoba	1,954

Source: STCP Data Bank

Peru

Expand timber sector for job creation

The wood processing industry has the potential to generate around 400,00 formal and decentralised jobs which would benefit regional development, tax collection and fiscal control according to the president of the Association of Exporters (ADEX), Erik Fischer Llanos in a meeting with the executive director of the National Forest and Wildlife Service (SERFOR), Levin Rojas Meléndez. Fischer said wood processing requires a lot of labour and even low skilled workers can be trained.

Regarding foreign trade, he noted that shipments of wood products generate at least 302 jobs for every million new sol exported. Only traditional agriculture (635) and clothing stores (329) surpass it in that ranking.

The forestry sector, he added, promotes the formalisation of the entire production chain as the companies have all their workers on the payroll with social benefits. In addition workers bank their payments. Expanding the forestry and wood processing sectors offers a great opportunity for the country.

To capture the opportunities Fischer considered it essential that the new processes for forest concessions be implemented and concession should be granted only to companies with adequate technical, managerial and financial resources. Fischer noted that under the previous conession arrangement around 7.5 million hectares was allocated but only around 2 million were operational.

He added, the presence of the private timber industries in the forest ensures forest sustainability sticking to management plans, by not allowing a change in land use and guards against illegal felling and mining.

Forest zoning must value forests

A regulation on forest zoning will provide for establishing basic guidelines that allow granting rights for the use of these resources and will ensure their responsible use according to Manager of Services and Extractive Industries in the Association of Exporters (ADEX), Lucía Rodríguez. However, she added, currently there are elements in the regulation that, far from valuing the enormous potential of the Amazon, threaten its sustainability.

This is the case of the categorisation of Category 1 Forests (permanent production forests from which raw material for the wood industry is extracted). The Methodological Guide for Forest Zoning, prepared by Serfor indicates that, to be considered category 1, the average potential timber volume must be greater than or equal to 90 cu.m per hectare which is unrealistic and would affect the productivity of formal companies in the sector.

Faced with this situation organisations such as the National Forestry Confederation of Peru (Conafor), the Association of the Forestry Sector of Loreto (Aseforel) and the Association of Forestry and Wildlife Regents of Loreto (Areffal) issued a statement rejecting the first stage of the Forest Zoning in the Loreto region.

Rodríguez added "Technical criteria were not used to differentiate the types of forests in the area but everything was standardised and most of the areas have been declared as fragile or reserve areas. This violates the ancestral rights of indigenous peoples, who have the right to prior consultation, in addition to not allowing any type of use of forest products".

UK to promote agroforestry in native communities

A project "Mitigation of climate change with inclusive sustainable agroforestry businesses that contributes to the development of "Good Living" of the Indigenous Peoples in the Peruvian Amazon" is financed by the UK PACT and implemented by the Peruvian NGO Association for Research and Integral Development (AIDER).

Activities began in January this year and will last for twelve months with the objective of strengthening the capacities of small agroforestry producers in nine native communities of the Shipibo-Conibo and Cacataibo ethnic groups, in Ucayali and the Ese'Eja in Madre de Dios.

The Chamber of Commerce of the Indigenous Peoples of Peru (CCPIP) and the company Bosques Amazónicos SAC (BAM) are associated with this project. CCPIP will design commercial proposals for native communities that promote 'Good Living' so agricultural and forestry products can contribute to the sustainable development of native communities. BAM will prepare investment plans for native communities that incorporate carbon sequestration in their agroforestry plots.

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US$ per cu.m
Pumaquiro 25-50mm AD	
Mexican market	671-685
Virola 1-2" thick, length 6"-12" KD	
Grade 1, Mexican market	589-615
Grade 2, Mexican market	498-523
Cumaru 4" thick, 6"-11" length KD	
Central American market	1024-1043
Asian market	1125-1143 ⬆
Ishpingo (oak) 2" thick, 6"-8" length	
Spanish market	599-629
Dominican Republic	703-719
Marupa 1", 6-11 length KD	
Grade 1 Asian market	575-599

Domestic sawnwood prices

Peru sawnwood, domestic	US$ per cu.m
Mahogany	-
Virola	247-269
Spanish Cedar	340-349
Marupa (simarouba)	239-246

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

Export plywood prices

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

Export veneer prices

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

Domestic 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

Export prices for added value products

Peru, FOB strips for parquet	US$ per cu.m
Cabreuva/estoraque KD12% S4S, Asian market	1327-1398
Cumaru KD, S4S Swedish market	986-1119
Asian market	1089-1119
Cumaru decking, AD, S4S E4S, US market	1204-1237
Pumaquiro KD Gr. 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	582-611
2x13x75cm, Asian market	774-831

Japan

Contingency plans for disruption of supply chains

Following Russia's invasion of Ukraine Japan has moved to impose sanctions together with the United States, European Union members and other nations. Trade statistics from Japan's Ministry of Finance show that in calendar year 2021 the value of imports from Russia rose 35% from 2020 to yen1.5 trillion. This represents close to 2% of Japan's total imports. Imports from Russia were mainly energy resources—including liquefied natural gas, coal, oil and nonferrous metals.

See: https://www.nippon.com/en/japan-data/h01266/

Japan is identifying critical imports from Russia so as to make contingency plans for potential disruptions to supply chains as Russia has banned some exports in retaliation against economic sanctions. In retailiation Russia has named countries to which exports will be halted. Japan is among the countries indentified and Russsia has announced timber exports to Japan will be suspended until 31 December 2022.

Russia is the largest sawnwood exporter and ranks the seventh biggest exporter of wood products. Wood product exports from Russia have increased rapidly in the past five years led by sawn softwood and paper products.

See: https://www.woodbusiness.ca/russias-invasion-of-ukraine-will-likely-halt-planned-forest-industry-investments/

Data source: Ministry of Finance, Japan

Japanese companies in Russia struggle to pay employees

Japanese companies are assessing whether their operations in Russia can be maintained as Japan has joined the US and EU in blocking international financial transactions to and from Russia. A concern is that Japanese companies with operations in Russia may not be able pay employees. The collapse of the rouble has made sourcing cash extremely difficult.

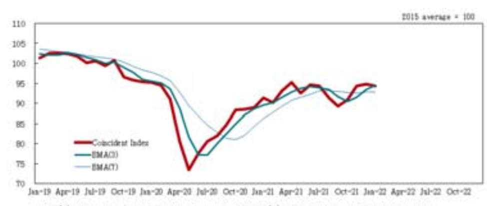
According to a government statement 32 Russian and Belarusian individuals along with 12 entities including military-related companies were added to the list of those facing asset freezes in Japan.

See: https://asia.nikkei.com/Politics/Ukraine-war/Corporate-Japan-gauges-Russia-risk-as-sanctions-deepen
and
https://japantoday.com/category/politics/update1-japan-imposes-more-sanctions-on-russia-belarus-over-ukraine-invasion
also
https://www.mitsui.com/mgssi/en/report/detail/__icsFiles/afieldfile/2016/10/20/160707m_kitade_e.pdf

Business conditions

The Japanese economy in January showed a weakening of prospects for the first time in four months. The January fall came after a slight rise in December 2021. For the fifth straight month the Cabinet Office maintained its assessment that the domestic economy is "weakening".

See:
https://mainichi.jp/english/articles/20220308/p2g/00m/0bu/053000c

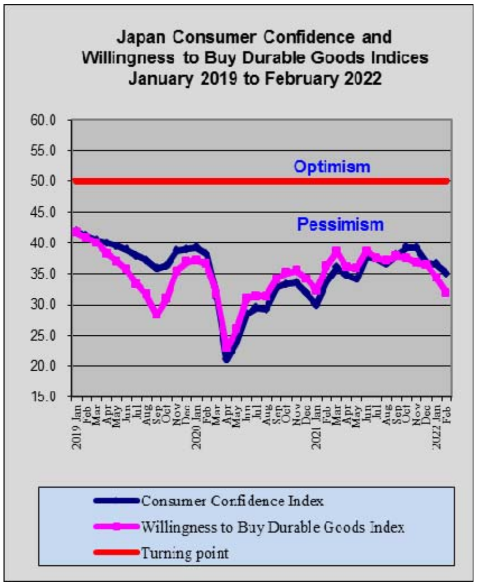


Source: Cabinet Office, Japan

Consumer confidence down once more

Consumer confidence dropped in February for the third consecutive month due mainly to a rise in Omicron infections. The index provides an insight into consumer expectations for the coming six months. An index below 50 indicates that pessimists outnumber optimists.

During the February survey many prefectures were still under a corona semi-lockdown which limited opportunities for consumers. The index for willingness to purchase durable goods fell sharply in February as consumers put off purchases.



Data source: Ministry of Finance, Japan

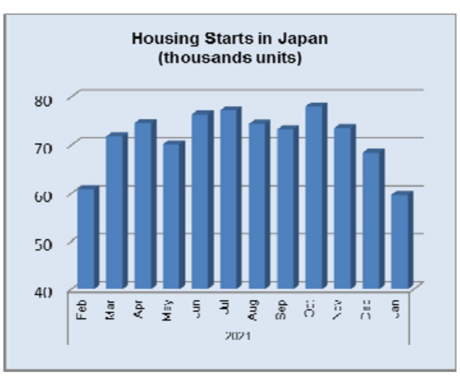
Housing

Municipalities in Japan are providing support to Ukrainians who have fled to Japan. The Immigration Services Agency said evacuees have a 90-day residential visa which can be extended or replaced with a longer-term residential status that would allow them to work in Japan. According to the United Nations High Commissioner for Refugees more than 2 million Ukrainian refugees had fled the country.

Yokohama City has indicated it is ready to support people fleeing from Ukraine. Osaka prefectural government said it is providing Ukrainian evacuees with free accommodation while also offering employment and educational support. Mie and Kanagawa Prefectures are also offering accommodation to those fleeing Ukraine.

In addition to municipalities, Japanese companies are stepping forward. Pan Pacific International Holdings Corp., operator of the Don Quijote discount store chain announced it will offer housing to 100 Ukrainian families as well as jobs.

See:
https://www.japantimes.co.jp/news/2022/03/09/national/municipalities-companies-ukraine-evacuees-support/

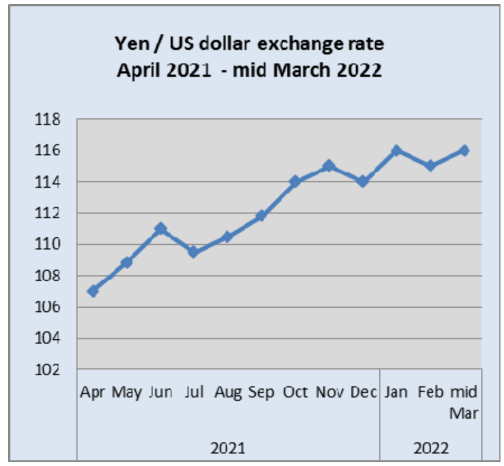


Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Yen purchasing power drops

The Bank for International Settlements publishes real and nominal effective exchange rates for major currencies. The most recent data came as a surprise as it showed that the yen's effective exchange rate (representing purchasing power) is now as low as it was in the early 1970s when the yen was first floated following the collapse of the Bretton Woods and Smithsonian systems of fixed exchange rates.

See:
https://www.bangkokpost.com/opinion/opinion/2276139/how-did-japan-become-so-cheap-



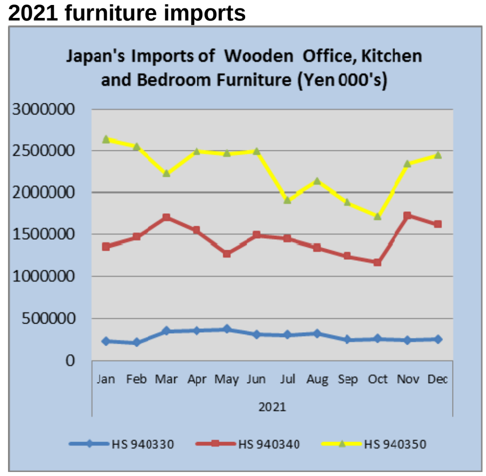
Import update

Furniture imports

The value of Japan's imports of wooden office, kitchen and bedroom furniture all closed 2021 at a higher level than in 2020. Remarkably, 2021 imports of wooden bedroom furniture (HS940350) were higher than in 2019 as well as 2020.

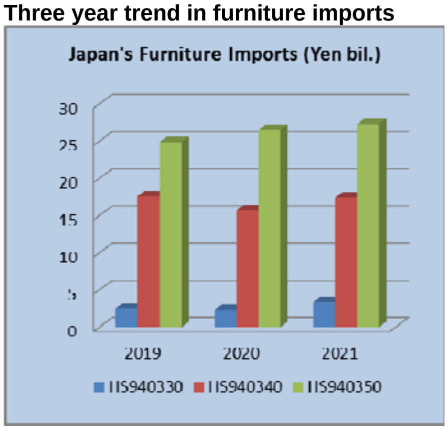
The value of wooden office furniture imports dipped in 2020 but recovered and ended 2021 higher than in 2019. In contrast, imports of wooden kitchen furniture in 2021 had still not recovered to 2019 levels.

2021 furniture imports



Data source: Ministry of Finance, Japan

Three year trend in furniture imports



Data source: Ministry of Finance, Japan

December office furniture imports (HS 940330)

The top shipper of wooden office furniture in December 2021 was China taking a much higher market share at 75% compared to a month earlier. The other main suppliers in December last year were the US (8%), Poland (4%) and Taiwan P.o.C.

Year on year the value of imports of wooden office furniture (HS940330) rose almost 15% in December 2021 building on the steady upward trend seen over the previous few months. Month on month the value of wooden office furniture rose 5%.

December imports (HS 940330)

	Imports Dec 2021 Unit, 000's Yen
S. Korea	-
China	187,020
Taiwan P.o.C	6,820
Vietnam	3,902
Thailand	-
Singapore	-
Malaysia	577
Indonesia	3,255
India	-
Sweden	2,611
Denmark	-
UK	1,525
Netherlands	562
Belgium	-
France	-
Germany	764
Switzerland	-
Portugal	-
Spain	-
Italy	5,695
Finland	-
Poland	9,250
Austria	-
Turkey	-
Lithuania	2,631
Czech Rep.	392
Slovakia	2,928
Canada	-
USA	20,471
Mexico	-
Australia	-
Total	248,403

Data source: Ministry of Finance, Japan

Kitchen furniture imports (HS 940340)

Following a very sharp rise in the value of wooden kitchen furniture in November 2021 there was a 6% downward correction in December. However, year on year December 2021 imports were some 13% higher.

December imports (HS 940340)

	Imports Dec 2021 Unit, 000's Yen
S Korea	-
China	113,503
Taiwan P.o.C	624
Vietnam	508,093
Thailand	86,963
Malaysia	20,739
Philippines	823,154
Indonesia	27,039
India	-
Denmark	-
UK	2,493
Netherlands	1,835
France	-
Germany	23,736
Spain	-
Italy	3,107
Austria	1,962
Romania	-
Bulgaria	271
Canada	1,432
USA	-
Total	1,614,951

Data source: Ministry of Finance, Japan

Around 90% of Japan's December 2021imports of wooden kitchen furniture came from just 3 sources; the Philippines (51%), Vietnam (31%) and China (7%).

Bedroom furniture imports (HS 940350)

The third quarter of 2021 saw a steady increase in the value of Japan's imports of wooden bedroom furniture reversing the downward trend that began mid-year and pulling overall imports for the year up above that for 2020 and even above the value of 2019 imports. The top suppliers in terms of value in December 2021 were China (60%) and Vietnam (28%). Shipments from both countries were impacted by logistic problems.

December imports (HS 940350)

	Imports Dec 2021 Unit, 000's Yen
S. Korea	1,267
China	1,475,523
Taiwan P.o.C	3,722
Vietnam	680,926
Thailand	41,510
Malaysia	153,901
Philippines	-
Indonesia	30,118
India	-
Sweden	4,352
Denmark	901
UK	1,533
Netherlands	910
France	-
Germany	-
Switzerland	-
Portugal	-
Italy	8,152
Finland	686
Poland	25,922
Austria	1177
Greece	-
Romania	5,839
Turkey	-
Latvia	1,727
Lithuania	8,416
Belarus	-
Bosnia and Herzegovina	-
Canada	-
USA	-
Total	2,446,582

Data source: Ministry of Finance, Japan

When the value of imports from Malaysia (6%) and Poland are include with those from the two top shippers then around 95% of Japan's wooden bedroom furniture imports have been accounted for. Year on year, December 2021 imports were 9% higher and month on month December imports were 4% higher

Trade news from the Japan Lumber Reports (JLR)

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

For the JLR report please see:
https://jfpj.jp/japan_lumber_reports/

Confusion by the Russian invasion

After Russia invaded Ukraine there are rising concerns as to trade. One is payment after SWIFT excluded major Russian banks and another is shipping. At this stage, nothing is clear yet as to banking system.

Shipping problem is serious. The European authorities deny transshipping containers for Russian destinations. Large container ships unload for transshipping at European ports like Rotterdam and Hamburg onto smaller vessels for Russia.

There are three major ports in Russia, St. Petersburg on Baltic Sea, Novorossiysk on Black Sea and Vladivostok in the Far East. These three ports receive74% of all container cargoes.

Major container shipping companies have stopped taking orders for Russia. Also marine insurance for the Russian ports is now categorised as war zone so that insurance premium is extremely high so shipping companies are refusing to call Russian ports.

It is expected there will be confusion in the wood products trade as this is totally new experience like COVID-19 epidemic so everyone has to keep watching the changes in the situation. Many wood product manufacturers in Europe rely on raw materials from Russia and Ukraine. If payment system stop the supply of wood stops.

Russian logs and lumber import in 2021

The total volume of softwood logs from Russia is about 32,000 cbms, 35.2% less than 2020.The volume of red pine KD taruki is 505,000 cbms, 7.4% less than last year. There was not only a decrease of volume but also serious problems of delays of arriving to Japan in 2021.

There were three kinds of softwood logs such as larch, red pine and whitewood, which were imported to Japan in 2020 and the volume was under 100,000 cbms. The volume of these three kinds did not exceed in 2021.

The manufacturers, which convert larch or red pine logs to lumber, were getting less in Japan. A ban of exporting logs from Russia in January, 2022 had a big influence.

The exporting logs just before the ban was in December, 2021 and the volume of larch was around 4,000 cbms. It was around 5,600 cbms in December, 2020. The volume of lumber was 600,000 cbms. It is straight two years.

The prices skyrocketed at the beginning of 2021 in Russia. Red pine KD taruki was US$1,000, CIF per cbm, before last summer. Red pine genban was US$ 700, CIF per cbm. The supply did not increase even though the prices were extremely high. One of reasons is that logs were exported to China mostly.

A lack of containers caused delays of arriving to Japan. Another reason is that much demand of wood were in all over the world. The delays have been continuing. The products, which were agreed to a contract in last summer, had just arrived in February, 2022.

Imported lumber inventory at Tokyo

Imported lumber inventory at Tokyo harbor at the end of January was 7.9% more than December with 178,000 cbms. This is three consecutive months increase.

Bulk ship of North American lumber arrived one in December and another in January then delayed shipments of European lumber and Russian lumber arrived one after another.

The inventory at the end of January last year was only 71,000 cbms so now it's 2.5 times more. The arrivals increased in December and January so the inventory jumped up from the bottom of last November's 131,000 cbms.

By source, North America is 54,000 cbms, 2.57 times more than a year ago. Europe is 54,000 cbms, 3.6 times more. Russia is 33,000 cbms, 2.2 times more. China and others are 31,000 cbms, 1.9 times more. Increase of European lumber is conspicuous. However, compared to two years ago, North America increased by 45.9% but European is only 5.9% more and Russian is 3.1% more.

Bulk ships from North America were three in last December and one in January with total volume of 37 M cbms with December arrival of 42,000 cbms so unusually high supply because the supplier took additional orders in fear of log shortage in the first quarter so the first quarter supply will drop.

Problem is that the market in Japan is becoming bearish with heavy inventory but worldwide wood market is recovering and the prices are climbing again. Daily shipment volume in January was 3,610 cbms, 29.9% more than December.

This is the highest since September 2019 so the inventory should decrease speedily. With bearish mood, second quarter contract volume is expected to decrease largely. Inventory shortage may become serious in summer months.

Price hike of softwood plywood

Plywood manufacturers in Japan announced to increase the sales prices of softwood plywood by 100 yen to 1,700 yen per sheet on 12 mm thick 3x6 panel since March 1.Producing cost has been climbing much faster than the manufacturers expected. Cost of cedar log and adhesive is increasing month after month.

Log prices in the North East continue climbing as competition with laminated lumber mills is keen and even plywood mills outside the region are now buying logs in the North East so cedar 4 meter log prices are now15,000 yen per cbm delivered, 1,500 yen up from last month and larch log prices are 22,0000-25,000 yen , 2,000-3,000 yen up from January.

Plywood mills use Russian made larch veneer but deliveries are delayed by rough sea in winter and difficulty of securing ship's space. Adhesive prices also continue climbing as oil and natural gas prices are soaring so adhesive manufacturers are likely to ask price hike further more.

Demand for plywood is active mainly by precutting plants so demand continues more than the production.

Precutting plants buy allocated volume even if they do not need in fear of future supply shortage.24 mm and 28 mm 3x6 panel prices are up by 100 yen at 3,400 yen and 3,950 yen.

Of immediate concern to plywood mills is procurement of material logs. Particularly in the North East, snow fall is much more than normal years and log prices continue climbing. Precutting orders are not increasing while the plants are busy processing orders they have now. Orders are declining in heavy snowed areas. Precutting plants keep buying plywood in an anticipation of demand increase in coming months and keep extra volume in inventory.

For plywood mills not only high cost of logs but other factors are inflating such as oil and natural gas, trucking cost and adhesive cost so overall producing cost continues climbing.

South Sea plywood manufacturers are struggling tight log supply and inflating adhesive cost so they are determined to pass higher cost onto sales prices.

In Japan, it is time to make purchase as the inventory continues declining but offer volume by South East Asian plywood manufacturers is very limited, about a half of normal period so it is hard to buy what they need then the market in Japan is uncertain so importers are hesitant to make future purchase.

China

Decline in 2021 sawnwood imports

According to data from China's Customs 2021 sawnwood imports totalled 28.84 million cubic metres valued at US$7.86 billion, a year on year decrease of 16% in volume but an increase of 3% in value on 2020.

Of total sawnwood imports, sawn softwood imports fell 23% to 19.60 million cubic metres accounting for 68% of the national total. Sawn hardwood imports rose 4% to 9.24 million cubic metres in 2021. China's sawn hardwood imports from the top sources; Thailand, Russia, the Philippines, Romania and Germany rose 6%, 28%, 98%, 18% and 20% respectively in 2021.

Of total sawn hardwood imports tropical sawn hardwood imports were 6 million cubic metres valued at US$1.88 billion, a year on year increase of 2% in volume but a drop 3% in value and accounted for about 21% of total imports, up 2% on 2020.

China's sawnwood imports in 2021 (volume)

Volume	2021 mil. cu.m	% change 2020-21
Total sawwood imports	28.84	-16%
Sawn softwood	19.60	-23%
All sawn hardwood	9.24	4%
of which tropical	6.00	2%

Data source: China Customs

China's sawnwood imports in 2021 (value)

Value	2021 US$ bil.	% change 2020-21
Total sawwood imports	7.86	3%
Sawn softwood	4.34	-1%
All sawn hardwood	3.52	8%
of which tropical	1.88	-3%

Data source: China Customs

Rise in average prices for sawnwood

The average price for imported sawnwood in 2021 was US$272 per cubic metre, a year on year rise of 20%. The average price for imported sawn softwood was US$221 per cubic metre, up 25% year on year. The average price for imported sawn hardwoods was US$381 per cubic metre, a year on year increase of 5%. The average price for imported tropical sawn hardwood was US$314 per cubic metre, up 2% year on year.

Average sawnwood prices, 2021

CIF price	2021 US$/cu.m	%change 2020-21
Average sawnwood price	272	20%
Sawn softwood logs	221	25%
All sawn hardwood logs	381	5%
of which tropical	314	2%

Data source: China Customs

Surge in sawnwood imports from the Philippines

Russia was the main sawnwood supplier to China in 2021 but sawnwood imports from Russia fell 10% to 14.07 million cubic metres and accounted for 49% of the national total.

Main countries shipping sawnwood to China

	2021 imports (thousand cu.m)	%change 2020-21
Russia	14.07	-10%
Thailand	3.77	6%
Canada	1.70	-45%
USA	1.32	-33%
Ukraine	0.93	-12%
Finland	0.66	-32%
Philippines	0.64	98%
Germany	0.64	-41%
Ghabon	0.55	-4%
Brazil	0.54	30%

Data source: China Customs

The Philippines was a sawnwood supplier to China in 2021 and sawnwood imports surged 98% to 640,000 cubic metres. In contrast, sawnwood imports from Thailand and Brazil rose 6% and 30% to 3.77 million cubic metres and 540,000 million cubic metres respectively in 2021.

China's sawnwood imports from Canada, USA, Finland and Germany declined 45%, 33%, 32% and 41% respectively in 2021 which was the main reason for the decline in the total China's sawnwood imports in 2021.

Rise in China's sawn softwood imports from Brazil and New Zealand

According to Customs data sawnwood imports from Russia and Canada, the two main source countries of China's dropped 13% and 45% respectively in 2021. The volume of sawn softwood imports from Russia accounted for 66% of the national total in 2021 which has been the case for 7 consecutive years. The market share of China's sawn softwood imports from Canada has declined steadily since 2014 and was just 8% of total imports in 2021.

Main sawn softwood sources in 2021

Supplier	2021 imports (mil. cu.m)	%change 2020-21
Russia	12.93	-13%
Canada	1.61	-45%
Ukraine	0.90	-13%
Finland	0.66	-32%
Brazil	0.49	34%
Germany	0.47	-50%
Chile	0.47	-17%
Belarus	0.46	-27%
Sweden	0.40	-57%
New Zealand	0.36	19%
USA	0.19	-72%
Romania	0.10	-33%

Data source: China Customs

Decline in sawn hardwood imports from USA

Thailand, Russia and USA still are the main sources for China's sawn hardwood imports in 2021 accounting for 41%, 12.3% and 12.2% respectively in 2021.

China's sawn hardwood imports from Thailand and Russia rose 6% and 28% to 3.77 million cubic metres and 1.14 million cubic metres respectively. However, sawn hardwood imports from USA declined 13% in 2021.

In addition, China's sawn hardwood log imports from the Philippines, Romania and Germany grew 98%, 18% and 20% respectively.

Main countries shipping sawn hardwood to China

Supplier	2021 imports	%change
	(mil. cu.m)	2020-21
Thailand	3.77	6%
Russia	1.14	28%
USA	1.13	-13%
Philippines	0.64	98%
Gabon	0.55	-4%
Romania	0.24	18%
Germany	0.16	20%
Malaysia	0.14	-5%
Cameroon	0.13	-15%

Data source: China Customs

Main countries shipping tropical sawn hardwood to China

Supplier	2021 imports	%change
	(000s cu.m)	2020-21
Thailand	3,773	6%
Philippines	644	98%
Gabon	545	-4%
Malaysia	136	-5%
Cameroon	129	-15%
Myanmar	93	-29%
Indonesia	86	-50%
Congo Rep.	60	-21%
PNG	60	-13%
Laos	59	61%
Vietnam	58	-43%

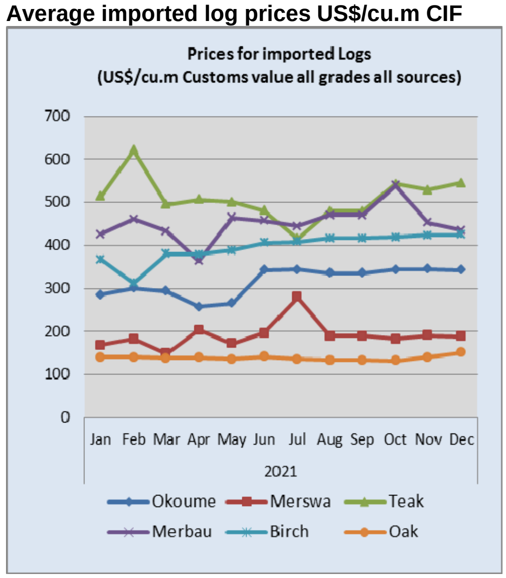
Data source: China Customs

China's tropical sawn hardwood imports

China's tropical sawn hardwood imports in 2021 were 6 million cubic metres valued at US$1.88 billion, a year on year increase of 2% in volume but drop 3% in value and accounted for about 21% of the national total, up 2% on 2020 levels. Thailand still is the main source of tropical sawn hardwood for China and 2021 tropical sawn hardwood imports from Thailand totalled 3.773 million cubic metres valued at US$1.017 billion, a year on year increase of 6% in volume and 7% in value in 2021.

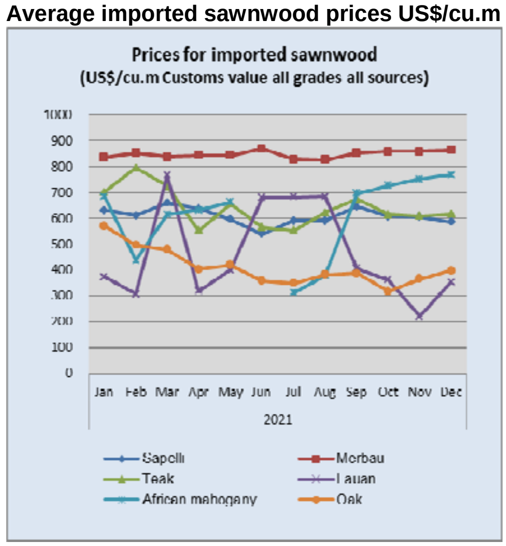
Thailand's share of tropical sawn hardwood imports by China rose to 63% in 2021 from 54% in 2020. The increase in China's tropical sawn hardwood imports from Thailand contributed to the growth in total 2021 imports.

Average imported log prices US$/cu.m CIF



Data source: China Customs. Customs value all grades, all sources

Average imported sawnwood prices US$/cu.m CIF



Data source: China Customs. Customs value all grades, all sources

Average imported log prices US$/cu.m CIF

	2021	2021
	Nov	Dec
Okoume	345	343
Merswa	191	188
Teak	529	545
Merbau	453	435
Birch	423	425
Oak	140	151

Data source: China Customs. Customs value all grades, all sources

Average imported sawnwood prices US$/cu.m CIF

	2021 Nov	2021 Dec
Sapelli	606	587
Merbau	858	863
Teak	609	617
Lauan	220	354
African mahogany	751	768
Oak	366	398

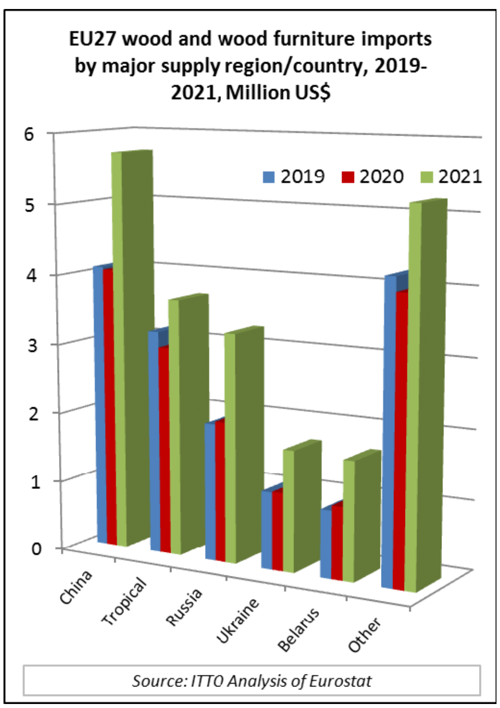
Data source: China Customs. Customs value all grades, all sources

Europe

Severe wood shortage expected in wake of Russian invasion of Ukraine

The 2021 trade figures highlight the extent to which recent tragic events in Ukraine will impact on future wood supply in the EU. In 2021, the EU27 imported wood and wooden furniture with a total value of US$6.71 billion from Russia, Belarus and Ukraine, nearly one third of total import value of these products.

Total EU27 import value of wood and wooden furniture products from all countries, both tropical and non-tropical (excluding intra-EU trade), in 2021 was US$21.34 billion, 40% more than the previous year. Imports were up by 42% from China to US$5.72 billion, by 63% from Russia to US$3.28 billion, by 63% from Belarus to US$1.70 billion, and by 55% from Ukraine to US$1.74 billion (Chart below).



Since the majority of wood product importers from Russia, Belarus and Ukraine are of relatively lower value primary products (particularly softwood and lighter hardwood logs, sawnwood, and plywood), their significance is even greater in terms of the sheer quantity of wood fibre.

In 2021, of total EU27 import quantity of 26.4 million tonnes of wood and wooden furniture products, 14.1 million tonnes (53%) derived from just these three countries.

Given the current situation in Ukraine, there is every chance that the large majority of EU27 trade in wood products with Russia, Belarus and Ukraine will cease during 2021. On 2 March, the EU imposed trade sanctions on Belarus covering timber alongside multiple other commodities.

EU sanctions on wood imports from Russia have yet to be announced, but on 10 March Russia's Industry and Trade Ministry said that a ban on all wood and timber-related exports to "unfriendly countries", including the EU, UK and US, would be introduced, to remain in place at least until the end of this year.

At the same time, the exclusion of selected Russian banks from Swift, the financial messaging system that enables most international bank payments, has already effectively shut out a lot of Russian firms from international trade. EU companies are also announcing voluntary withdrawal from the trade with Russia and Belarus.

A particularly notable example is IKEA, for which Russia is the second largest supplier of wood products, after Poland.

FSC and PEFC suspend certification in Russia and Belarus

Many European companies have become heavily dependent on Russia and Belarus for their supplies of FSC and PEFC certified wood. Both FSC and PEFC have announced the suspension of all certificates in Russia and Belarus.

Of total FSC global forest area of 237 million hectares, 63 million hectares (27%) is in Russia and 15 million hectares (6%) in Belarus. Of PEFC certified area worldwide of 328 million hectares, 32 million hectares (10%) is in Russia and 9 million hectares (3%) is in Belarus. Nearly a third of all FSC certified area globally and 13% of all PEFC certified forests has been effectively removed from these certification networks.

In a joint statement by CEI-Bois (the European Confederation of Woodworking Industries) and EOS (the European Organisation of the Sawmill Industry) following a meeting on 9 March noted that "European sanctions against trading with Russia and Belarus are expected to produce a shock in the wood product value chain. The war in Ukraine is already impacting transport and supply chains in several countries".

The two organisations stated their support for the decision taken by PEFC to classify Belarus and Russian products as “conflict timber” and therefore ineligible for accredited certification and that they "welcome that wood and forest products from Russia and Belarus cannot be used in FSC products or be sold as FSC certified anywhere in the world as long as the armed conflict continues".

CEI Bois and EOS stated that they now expect wood shortages in Europe and that "many wood-based construction materials, such as birch plywood and sawn timber, will be very hard hit, which in turn could hamper the EU’s Green Deal push to decarbonise the built environment".

The two organisations announced that they are "now working closely with the EU institutions and national European Governments to identify sustainable and efficient mitigating measures that could increase self-reliance, help reduce critical shortages, increase harvesting rate, ensure security of logs supply and seek to mobilise existing wood resources to fill the supply gap created by these necessary trade sanctions".

Commenting, Silvia Melegari Secretary General of CEI-Bois and EOS said: “Beyond the human tragedy that this conflict is causing, the European Timber Industry will be negatively affected by a shortage of wood products. Although companies are already working in order to cope with the current situation, it is undeniable that our sector will need immediate interventions by national governments and European institutions on how to prevent a critical logs shortage. The European wood industry hopes for a rapid and peaceful resolution to the ongoing conflict in Ukraine.”

EU economic recovery threatened by invasion of Ukraine

The conflict in Ukraine comes at a time when the EU economy continues to be strongly influenced by the pandemic and is likely to strengthen some existing trends - including logistics and supply bottlenecks, energy price rises, and considerable inflationary pressures – which are all acting as a drag on growth.

The latest EU Winter 2022 Economic Forecast, issued on 10 February before the start of hostilities in Ukraine, estimated that the EU economy expanded by 5.3% in 2021 and that GDP for the region as a whole had reached its pre-pandemic level in the third quarter of 2021.

But after the robust rebound in economic activity that started in spring last year and continued unabated through early autumn, the growth momentum in the EU is estimated to have slowed to 0.4% in the last quarter of 2021, from 2.2% in the previous quarter. While a slowdown was already expected in the Autumn 2021 Economic Forecast, after the EU economy closed the gap with its pre-pandemic output level in 2021-Q3, it was sharper than projected as headwinds to growth intensified: notably, a surge in COVID-19 infections, high energy prices and continued supply-side disruptions.

Nevertheless, the Winter Forecast assumed that the strain on the economy caused by the current wave of covid infections would be short lived. It suggested that economic activity "is set to regain traction as supply conditions normalise and inflationary pressures moderate".
It also refers to the "strong fundamentals" including "a continuously improving labour market, high household savings, still favourable financing conditions, and the full deployment of the Recovery and Resilience Facility (RRF)". The Winter Economic Forecast concluded that the EU economy would grow by 4.0% in 2022 and 2.8% in 2023.

However, these economic projections are now widely expected to be downgraded due to the spill-over effects of the situation in Ukraine, particularly the additional pressures on energy supply. Russia is the EU’s main supplier of oil (27% of imports, 2019 data), coal (47%) and gas (41%).

Already the conflict has created another round of supply-chain disruptions inside Europe and transportation costs are increasing again. There is market volatility and financial losses may be large in certain European sectors - including banking, energy companies, and wood manufacturing. Inflation in the euro area, already at a record rate of 4.6% in the fourth quarter of last year, may continue to rise.

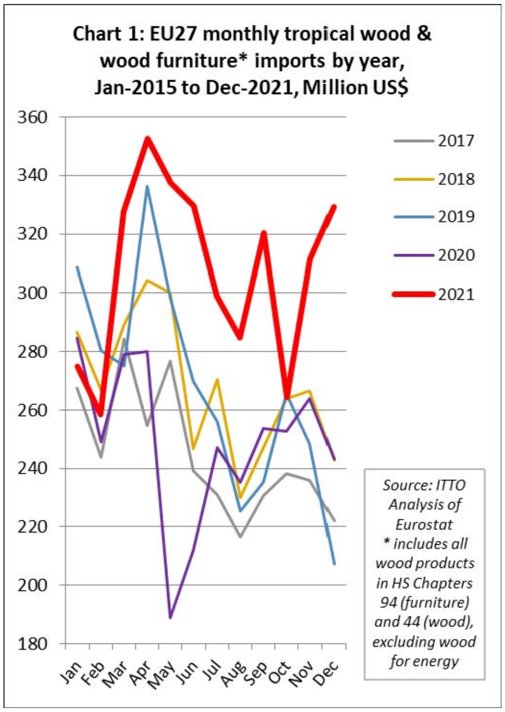
More positively, activity in the construction sector in the EU, a key driver of timber demand in the region, was growing more strongly in the opening months of 2022. The IHS Markit Eurozone Construction Index increased from 52.9 in December last year to 56.6 in January before easing to 56.3 in February. During February, growth of both commercial and civil engineering activity accelerated to the quickest since January 2018, while house building remained the strongest sub-sector in the eurozone, despite posting a slower rate of expansion.

February data pointed to a series record upturn in Italian construction activity, while German firms highlighted a second successive rise. Activity in France however, stagnated midway through the first quarter. Eurozone construction companies signalled solid optimism regarding the year-ahead outlook for activity in February, though confidence eased from that seen in January.

However, IHS also cautioned that "severe price pressures and material shortages remain key headwinds for the eurozone construction sector. Notably, delays in sourcing and receiving raw materials intensified, adding to price pressures".

EU27 tropical wood imports up 23% in 2021

EU27 import value of wood and wooden furniture products from tropical countries was US$3.69 billion in 2021, a gain of 23% compared to the previous year and 15% more than the pre-pandemic level in 2019. Imports finished the year strongly, the US dollar value of trade in November and December being at the highest level recorded for these two months for over a decade (Chart 1).



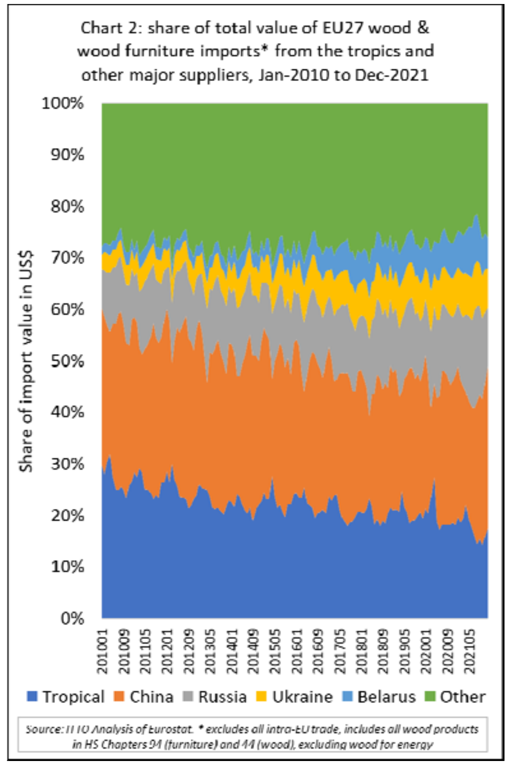
The 23% increase in EU27 import value from the tropics in 2021 was not mirrored by an equivalent increase in import quantity. In quantity terms, imports from tropical countries period were 1.76 million tonnes in 2021, only 7% more than in 2020 and still 4% down compared to 2019.

A large part of the gain in the value of imports of tropical products was due to a significant rise in CIF prices, partly driven by rising freight rates which were at unprecedented levels in 2021. The Drewry World Container Index shows that global rates for a 40 foot container peaked at US$10,400 in the middle of September 2021 compared to US$2,000 in the same month in 2020.

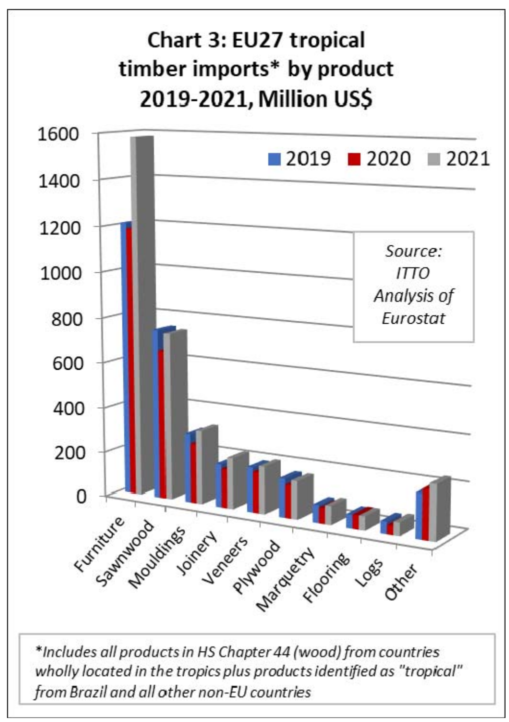
The index fell to $92,00 by the beginning of November 2021 but has remained static at this higher level for the last four months.

FOB prices for tropical wood products were also driven up during 2021 in response to the sharp increase in global demand at a time when supplies were scarce and tropical producers continued to operate under extremely challenging conditions during the pandemic. This in turn encouraged European importers to buy larger quantities from more accessible suppliers in the European neighbourhood and a continued loss of market share for tropical suppliers in the EU market.

In 2021, tropical wood and wooden furniture products accounted for 17.3% of all imports of these products by value into the EU27, down from 19.6% the previous year and 20.6% in 2019. *Logistical problems on the supply side during the pandemic accelerated the long term trend away from tropical countries in 2020 and 2021* (Chart 2).



The 2021 increase in the value of EU27 imports from tropical countries was heavily concentrated on wooden furniture products (Chart 3). For these products, import value of US$1.58 billion in 2021 was 33% more than the previous year and 31% higher than in 2019 before the pandemic.

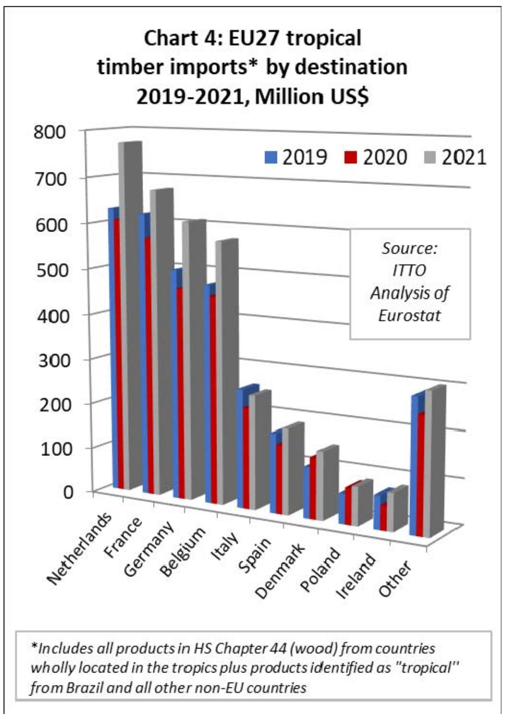


For tropical sawnwood, import value of US$739 million was 12% up on the previous year, but still 1% less than in 2019.

The value of imports of tropical mouldings/decking was US$327 million last year, a gain of 24% compared to 2020 and 7% more than in 2019. Imports of tropical joinery products (mainly doors and laminated window scantlings and kitchen tops) were worth US$225 million last year, 31% more than the previous year and 18% up on 2019.

Import value of tropical veneer was US$208 million, 16% more than in 2020 and 6% up on 2019. Import value of tropical plywood was US$166 million, 16% more than in 2020 but 1% down compared to 2019.

Import value into the four largest EU27 destinations for tropical wood and wooden furniture products was significantly higher in 2021 than in the previous year, and also made big gains compared to 2019 (Chart 4).



Import value in the Netherlands was US$772 million in 2021, 27% and 23% up on 2020 and 2019 respectively.

For France, import value of US$674 million in 2021 was a gain of 18% on 2020 and 9% on 2019.

In Germany, import value of US$610 million was a gain of 31% compared to 2020 and 21% compared to 2019. Similarly, in Belgium import value of US$573 million was 26% up compared to 2020 and 20% more than in 2019.

More moderate gains were made in import value of tropical wood and wooden furniture products in Italy and Spain last year. Import value in Italy was US$250 million in 2021, 13% more than in 2020 and 4% less than in 2019.

Import value in Spain was US$188 million in 2021, 25% more than in 2020 and an 8% gain compared to 2019.

Denmark and Poland are notable for being the only EU countries to record a significant rise in import value of tropical wood and wooden furniture products in the first year of the pandemic in 2020. The rising trend continued in both countries last year. Import value in Denmark was US$149 million in 2021, 11% more than in 2020 and 33% more than in 2019. Import value in Poland was US$86 million last year, 7% more than the previous year and 30% up on 2019.

North America

Russian hardwood plywood – sanctions will impact trade

The US has announced it will downgrade its trade relations with Russia in response to its invasion of Ukraine.

The broad trade shift, which revokes the “most favored nation” status for Russia, is being taken in coordination with the European Union and Group of Seven countries.Although many goods will be unaffected because of earlier sanctions, import taxes will rise for plywood and many other products.

In 2021, the US imported 558,526 cubic metres of hardwood plywood from Russia, a 30% increase from 2019. TimberCheck, a website covering the US timber industry, estimates that 10% of its hardwood plywood in the United States originates directly from Russia.

In 2019, about 54.4% of the hardwood plywood consumed by manufacturers in the United States was imported, according to Marc Barany of TimberCheck. Barany added that the other leading hardwood plywood suppliers – Vietnam and Indonesia – ship large amounts of Russian Birch hardwood plywood, so the amount of hardwood plywood in the US originating from Russian forests is probably much higher than 10%.

See:https://timbercheck.blog/2022/02/26/russia-supplies-roughly-10-of-hardwood-plywood-in-the-u-s-market/
and
https://www.woodworkingnetwork.com/news/woodworking-industry-news/russia-supplies-roughly-10-hardwood-plywood-us

Ipe and Jatoba imports added back into US statistics

Imports of sawn tropical hardwood appeared to soar in January, but the actual rise is difficult to tell as US officials again reclassified its categories for counting some wood types.

The official count from the US Departments of Agriculture and Commerce shows import volumes up 216% in January over December and 241% over January of last year. This number is inflated because the sawn tropical hardwood category changed in 2021 to omit imports of Ipe and Jatoba.

Beginning this month, Ipe and Jatoba imports have returned to the category, but may not count the woods the same as they have previously. This seems most likely the case in regarding Jatoba imports, where totals fell by 98% versus last month, for the lowest volume of the last 10 years.

Additionally, a category of "other tropical" woods has been eliminated from counting toward the total. Despite the changes, it is clear that there was a definite spike in overall imports as imports of Keruing more than quadrupled, imports of Virola more than doubled, and imports of Mahogany rose by 73%. Imports of Cedro and Balsa both fell in January by more than 30%.

Perhaps because of the changes in accounting, official tallies show huge gains in imports from Brazil, Indonesia and Malaysia. Total volume rose to 26,160 cubic metres for the month, the highest volume since May 2019.

Canada saw its imports of sawn tropical hardwood fall by 18% in January. However, the volume was 15% higher than that of January 2021. Imports from Ghana were especially strong in January, up 411% from the previous January, while imports from Brazil and the US, though both better than last month, were sharply behind January 2021 levels.

Hardwood plywood imports at 10-year high

US imports of hardwood plywood rose 4% in January as volume hit its highest level in the past 10 years. The January import volume of 394,184 cubic metres was 83% higher than that of last January on strong gains in imports from Vietnam and Indonesia.

Imports from Vietnam set a record monthly high and accounted for more than one third of all imports for the month. Imports from Indonesia nearly doubled last month's total and were up 31% over last January. Imports from Russia were also up sharply but will be watched closely in upcoming months as the US tightens its trade policy with Russia.

Veneer imports climb

Imports of tropical hardwood veneer are off to a promising start in 2022 as January totals rose 63% over the previous month and were more than double that of January 2021. The rise was led by imports from Italy, which nearly quadrupled in January, and imports from Ghana and Cote d'Ivoire that were decidedly higher that last January. Imports from India, while up sharply from December, were still 40% short of their January 2021 level. Overall imports were valued above US$2.7 million, the highest level since June 2021.

Hardwood flooring imports flatten

US imports of hardwood flooring suffered a small decline in January, falling by 2% to a level nearly unchanged from that of the previous January. Advances in imports from Brazil and Malaysia were offset by decreases in imports from Vietnam and Indonesia.

Imports from China rose for the fourth straight month, up 4% over last month and 23% higher than last January. Imports of assembled flooring panels pushed higher in January, posting a solid 26% gain over the previous month and a healthy 83% increase over last January. The rise was fueled by a record month in imports from Thailand, which more than doubled last month's total and was up 476% over January 2021. Imports from Canada and Vietnam also made gains.

Moulding imports dip

US imports of hardwood moulding fell 3% in January, but still remain well above last year's levels. The monthly decline was due to a 36% fall in imports from Brazil, as imports from most other trade partners improved. Despite the decline, imports from Brazil were 68% higher last month than in January 2021. Imports from China, Malaysia, and Canada were all up in January and were well ahead of last January's totals.

US wooden furniture imports rebound

US imports of wooden furniture rose 10% in January to break the $2 billion mark for the first time since August. The US$2.14 billion imported last month was less than 1% higher than that of January 2021. Imports from Vietnam, while rising 37% from last month, were down 21% from the previous January. Imports from China rose 2% in January and were 12% higher than in January 2021, while imports from Canada were up 3% versus last month and up 23% over last January.

Cabinet sales

According to the Kitchen Cabinet Manufacturers Association's (KCMA) monthly Trend of Business Survey, participating cabinet manufacturers reported an increase in overall cabinet sales of 11.7% for January 2022 compared to the same month in 2021. January 2022 sales of all types of cabinets showed increases over January 2021 totals, with custom sales up 19.7%, semi-custom sales up 0.9%; and stock sales up by 17.6%

The survey did reveal that the estimated cabinet quantity decreased 3.0%, reflecting a rise in prices. December capped a very strong 2021 for sales, with overall cabinet sales in 2021 up 14.6% when compared with 2020. Custom sales were up 19.5%, semi-custom sales were up 10.7%, and stock sales increased 16.4% compared with the previous year.

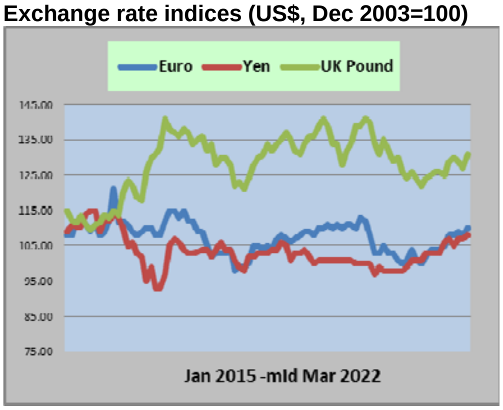
See:
https://www.woodworkingnetwork.com/news/woodworking-industry-news/2022-cabinet-sales-robust-start

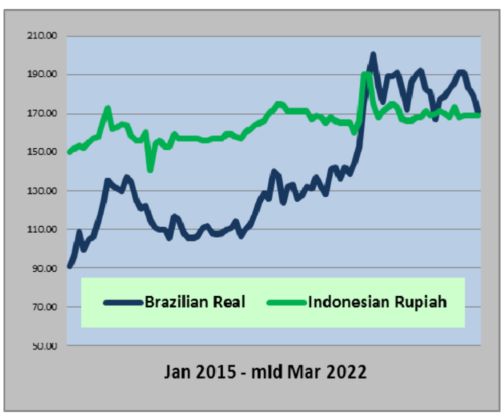
Dollar Exchange Rates

As of 10 March 2022

Brazil	Real	5.0128
CFA countries	CFA Franc	596.71
China	Yuan	6.3177
Euro area	Euro	0.9029
India	Rupee	76.176
Indonesia	Rupiah	14348
Japan	Yen	116.0
Malaysia	Ringgit	4.1870
Peru	Sol	3.93
UK	Pound	0.7484
South Korea	Won	1223.25

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



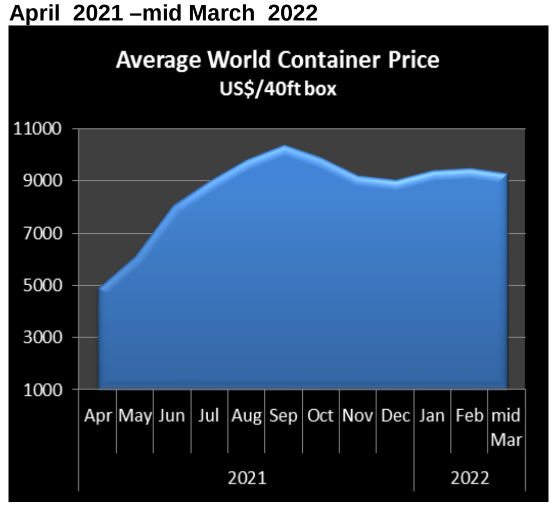


Abbreviations and Equivalences

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

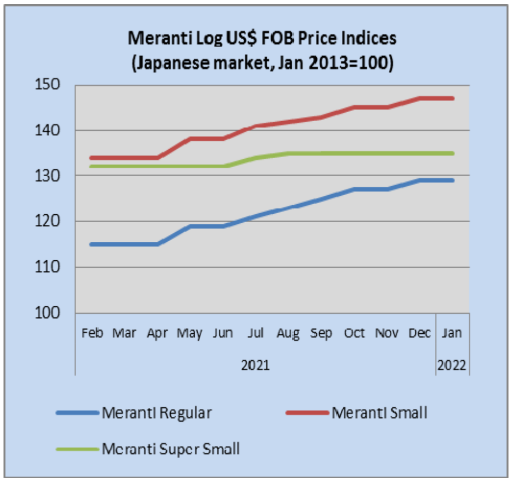
April 2021 –mid March 2022



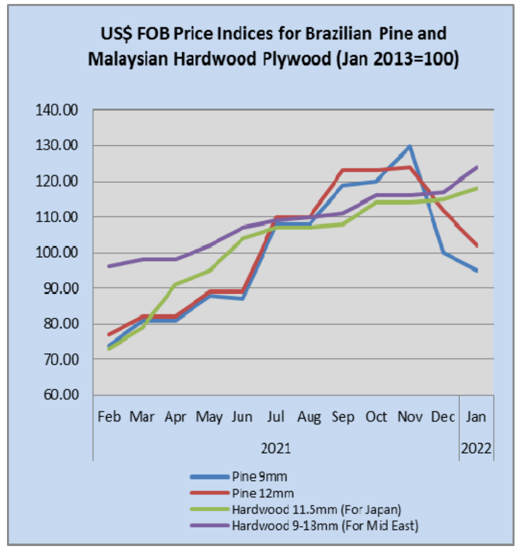
Data source: Drewry World Container Index

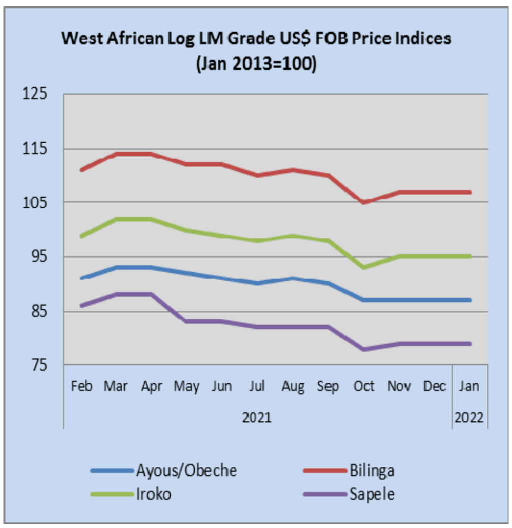
Price indices for selected products

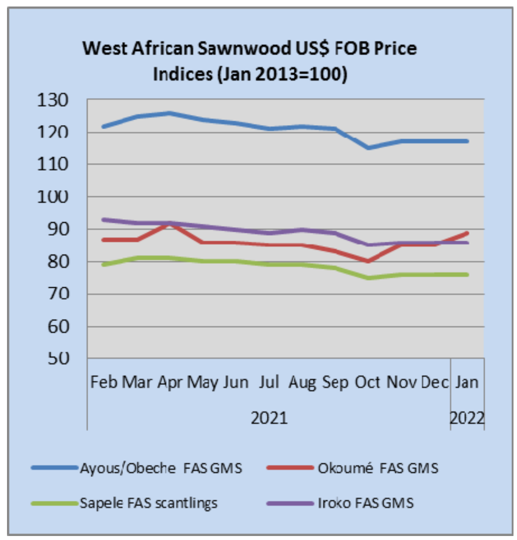
The following indices are based on US dollar FOB prices

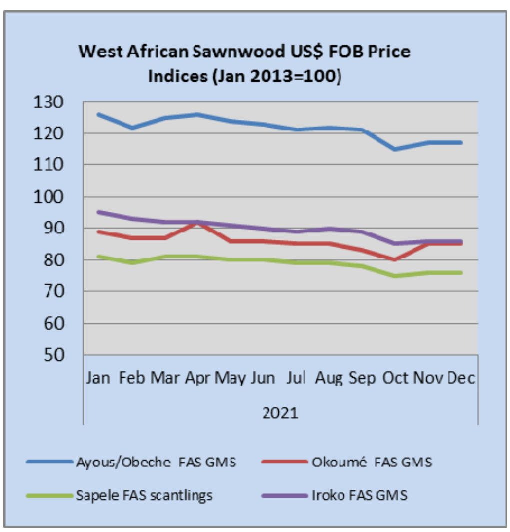


Note: Sarawak logs for the Japanese market









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