

Tropical Timber Market Report

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

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Top story

Slide halted in US tropical sawn hardwood imports

Imports of sawn tropical hardwoods rose for the first time in six months gaining 11% in March after falling steadily for the previous five months.

Imports from Cameroon, Cote d'Ivoire and Congo (Brazzaville) more than doubled their February volumes. Imports from the top trading partner, Brazil, were down 48% in March and in the first quarter were below last year's volume by 52%.

Imports from Indonesia, the other leading trading partner, were down 77% in the first quarter despite a 49% rise in March.

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Central and West Africa

Forecast rise in log production in Gabon

A recent report from the Ministry of Economy in Gabon says log production fell 37% in the last quarter of 2022 compared to the previous quarter. According to the domestic media the Ministry report says the downturn "is linked to the sharp rise in operating costs caused by the increase in the price of fuel and the unavailability of rail wagons".

However, despite the poor performance in the last quarter 2022 log production rose by 16% year-on-year. For the year 2023 the Ministry expects a production of 1.7 million cu.m up from 1.57 million

See: <https://www.lenouveaugabon.com/fr/agro-bois/0505-19708-la-production-des-grumes-recule-de-37-au-4e-trimestre-2022-en-raison-de-la-hausse-des-couts-d-exploitation>

Index has log and sawnwood prices moving higher

In the first quarter 2023 prices for wood products exported by CEMAC countries (Cameroon, Congo, Gabon, Chad, CAR and Equatorial Guinea) increased by just over 4% according to the Composite Commodity Price Index (ICCPB) published by the Bank of Central African States. Most of the improvement was in the price of logs for which average prices rose 7%. Sawnwood prices also rose but by just 3.5%.

See: <https://www.lenouveaugabon.com/fr/agro-bois/2504-19685-bois-a-l-export-le-prix-des-grumes-augmente-plus-que-celui-des-sciages-au-premier-trimestre-2023>

Additional tracking system for Gabon

CSM Tech, an Indian IT software design company, recently signed a contract with Gabon's Ministry of Economy and Recovery for the establishment of a timber traceability solution and an electronic timber trading platform.

The local media comments that this new tracking system will open finished wood products from Gabon to the world market. Questions have been raised on how a new tracking system will fit with the existing system used in the special economic zone (SEZ) of Nkok which traders find is recognised by the authorities in the EU

See: <https://www.gabonreview.com/tracabilite-du-bois-un-contrat-de-plusieurs-millions-de-dollars-au-gabon-pour-lindienne-csm-tech/>

New dry port operational

The new dry port in the Nkok Investment Zone is now operational. This infrastructure, which connects the investment zone (ZIS) of Nkok to the port of Owendo by land will make it possible to decongest the port of Owendo.

See: <https://www.lenouveaugabon.com/fr/transports-logistique/1205-19724-le-port-sec-de-la-zis-de-nkok-d-une-capacite-de-3000-containers-par-mois-est-desormais-operationnel>

Logging and trucking unaffected by rain

It has been reported that some operators in the area of Lastourevilles (or Mandji) in east-central Gabon on the Ogooué River and served by the N3 highway are now trucking logs to the Special Zone as rail wagons are still unavailable. Weather conditions in Cameroon, the RCA and North Congo are currently good for harvesting as it is the dry season until around the end of June.

Heavy rain has been reported in Gabon and Congo but the rain is not disrupting deliveries to the Nkok peeling mills.

Log export prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N" Gollon	265	265	175
Ayous/Obeche/Wawa	250	250	225
Azobe & ekki	275	275	175
Belli	250	250	-
Bibolo/Dibétou	200	200	-
Bilinga	275	275	-
Iroko	300	280	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	205	200	-
Moabi	280	280	250
Movingui	180	180	-
Niove	160	160	-
Okan	210	210	-
Padouk	330	310	240
Sapele	260	260	220
Sipo/Utile	260	260	230
Tali	260	260	-

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	450
Bilinga FAS GMS	580
Okoumé FAS GMS	380
Merchantable KD	400
Std/Btr GMS	420
Sipo FAS GMS	420
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	1,200
FAS scantlings	1,200
Strips	400
Sapele FAS Spanish sizes	460
FAS scantlings	489
Iroko FAS GMS	750
Scantlings	820
Strips	400
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	530
Scantlings	550
Movingui FAS GMS	380

Plywood exports increased

Plywood is one of Ghana's wood product exports and much of this is trucked to ECOWAS regional markets. The total volume of plywood exports in the first two months of this year was 2,365 cu.m, a recorded 175% increase over the same period in 2022.

The following table provides an overview of wood product exports in the first two months of this year.

Exports by Volume, Jan-Feb 2022 and 2023

Product	Jan-Feb 2022	Jan- Feb 2023	YOY % Change
AD sawnwood	21,630	24,584	14.0
KD sawnwood	6,577	5,752	-12.5
Plywood (ECOWAS)	4,351	3,855	-11.4
Mouldings	1,620	2,030	25.4
Billets	5,809	1,748	-69.9
Sliced Veneer	1,179	996	-15.5
Plywood	858	2,365	175.5
Rotary Veneer	1,814	1,600	-11.8
Boules (AD)	271	95	-64.9
Others	128	2,286	
Total	44,237	45,312	2.4

Data source: TIDD

A positive year-on-year growth for plywood shipped by sea along with exports of air-dried sawnwood (+13.65%) and mouldings (+25.37%) contributed to a net export growth of 2.4% for the first two months of 2023 when compared to the same period in year 2022.

Plywood exported by sea and by land accounted for 5.2% of the total export volume (45,312cu.m) for January and February 2023. While exports of plywood by sea increased, overland shipments dropped by 11.4%, from 4,351 cu.m in 2022 to 3,854 cu.m.

Eucalyptus and Ceiba were the two main species used for the manufacture of plywood for export. The international market destinations included India, Egypt, Belgium, Finland and France.

Non-traditional export earnings higher in 2022

The Ghana Export Promotion Authority (GEPA) has reported there was a 6% increase in the country's Non-Traditional Export (NTE) earnings in 2022. The Chief Executive Officer of GEPA, Dr. Afua Asabea Asare, revealed this encouraging growth at a press briefing organised by the Ministry of Information.

The NTEs, encompassing a range of diversified products, recorded earnings amounting to US\$3.53 billion in 2022, compared to US\$3.33 billion in the previous year.

The growth has been attributed to a combination of structural changes within Ghana's NTE ecosystem and the effective implementation of the National Export Development Strategy (NEDS).

With imports of US\$425 million, up 16% from the previous year, Burkina Faso emerged as the top market destination for Ghana's NTEs.

Source: <https://www.gepaghana.org/ghana-records-6-growth-in-2022-nte-statistics-report/>

Ghana's Forest Reserves are protected - Minister

At a press conference on the state of Ghana's Forest Reserves, Samuel A. Jinapor, Minister of Lands and Natural Resources (MLNR) said the Forestry Commission has in place adequate measures to protect the country's forest resources. He added that protecting against deforestation and forest degradation is a process which requires commitment and determination.

Mr. Jinapor disclosed that since 1900 the country has lost some eighty percent (80%) of its forests with 2014 being the worst year when over 35,000 ha. of forest was lost.

The Minister mentioned some initiatives such as the suspension of exploration in forest reserves; the ban on the harvesting of rosewood and the issuance of CITES permits as some of the measures being implemented to protect the existing forests.

Ghana has an estimated 6.6 million ha. of forest comprising 1.2 million ha. of closed forest and 5.4 million ha. of open forest. These forests have come under threat largely from illegal mining and illegal logging.

See: <https://www.myjoyonline.com/we-are-protecting-ghanas-forest-reserves-lands-minister/>

&
<https://www.peacefmonline.com/pages/local/news/202305/487029.php>

Environmental court proposed

Justice Camilus Mensah from 'Hen Mpoano' (Our Coast) a Non-Governmental Organisation has proposed the setting up of an environmental court to deal with environmental issues such as illegal mining in the county's forests.

Mr. Mensah disclosed this at a two-day workshop organised for police prosecutors and other security agencies on forest and environmental laws. He revealed that the development of laws on illegal logging and mining has been sporadic and ineffective and enforcement has failed mainly because of inadequate budgets and poor training of staff.

See: <https://newsghana.com.gh/ngo-advocates-the-creation-of-an-environment-court/>

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	850
Niangon Kiln dry	910

Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	385	441
Chenchen	477	612
Ogea	513	590
Essa	648	722
Ofram	350	435

Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up		
Afrormosia	860	925
Asanfina	465	564
Ceiba	290	311
Dahoma	452	553
Edinam (mixed redwood)	640	721
Emeri	660	779
African mahogany (Ivorenensis)	599	896
Makore	560	885
Niangon	800	855
Odum	570	1,004
Sapele	770	824
Wawa 1C & Select	454	520

Export sliced veneer

Sliced face veneer	FOB
	Euro per cu.m
Asanfina	1,133
Avodire	2,999
Chenchen	1,131
Mahogany	1,762
Makore	1,046
Odum	2,315
Sapele	1,574

Export plywood prices

Plywood, FOB	Euro per cu.m		
	BB/CC	Ceiba	Ofram
4mm	501	580	641
6mm	412	535	604
9mm	320	504	560
12mm	758	476	480
15mm	450	385	430
18mm	460	444	383

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

Malaysia

Surprise move on interest rates

Bank Negara Malaysia's (BNM) decided to increase the Overnight Policy Rate (OPR) by 25 basis points to 3.00%. The BNM said the global economy continues to be weighed down by elevated cost pressures and higher interest rates. While inflation continues to moderate it is above historical averages.

For the Malaysian economy the BNM rise is the latest development pointing to further expansion in economic activity after the strong performance in 2022.

While exports are expected to moderate, growth in 2023 will be driven by domestic demand. The BNM also suggested household spending remained resilient.

See: <https://www.nst.com.my/business/2023/05/905303/bank-negara-raises-opr-30pct-surprise-move>

30% of Sabah land area to be fully protected by 2025

Sabah has 64% of its land mass under forest cover according to Chief Minister, Hajiji Noor. He said the area includes 3.84 million hectares or 52% of State area as gazetted forest reserves and other protected areas. To boost the State's forest management Sabah has gazetted up to 1.9 million hectares or 26.4% as a Totally Protected Area.

In his speech to launch the State-level International Day of Forests 2023 at the Rainforest Discovery Centre he said it is important to achieve the target of 2.2 million hectares or 30% of the State's land area as a Fully Protected Area by 2025.

The Sabah Government has identified a small part of the forest reserve that has been degraded (around 400,000 hectares) which will be utilised for forest plantations as provided for in the 2022-2036 Forest Plantation Development Action Plan.

See:

<https://www.dailyexpress.com.my/news.cfm?NewsID=211880>

Engineered wood products from plantation wood

Industry players are urged to make full use of timber from planted forests to produce high value-added products such as engineered wood panels and furniture. The Sarawak Timber Industry Development Corporation (STIDC) said timber from planted forests can be used to produce veneer, plywood, sawnwood, wood chips, MDF, particleboard and furniture.

In the future STIDC anticipates wood from planted forests will be used to produce engineered wood including laminated veneer lumber (LVL), cross laminated timber (CLT) and glue-laminated timber (glulam) and other panel products such as oriented strand board (OSB).

Under the state's Post Covid-19 Development Strategy 2030, STIDC said the timber industry was identified as an important economic sector to generate RM8 billion in export earnings annually. The STIDC urged the timber industry to embrace transformation from primary to high value-added processing.

STIDC said the Sarawak government is taking proactive steps in meeting the needs of the timber industry by ensuring sustainable and renewable supply of raw materials. To achieve this the government will embark on planted forest establishment through smart partnerships with the private sector.

At present, there are 50 active Licences for Planted Forests (LPFs) with an area of approximately 2.89 million hectares throughout the state.

As of December 2022 over 500,000 ha. of plantations had been established. The main species planted are Acacia spp, followed by Batai (Falcataria moluccana), Eucalyptus spp. and Kelampayan (Neolamarckia cadamba).

See: <http://theborneopost.pressreader.com/article/281560885118396>

Incentive to certify

Recently it was announced that logging concessions in Sarawak can be extended for an additional 30 years when they are certified. The domestic press has reported one company, Ta Ann Holdings, secured approval from the Sarawak authorities to renew the licence of all its timber concessions for 30 years until 2053.

See: <https://www.thestar.com.my/business/business-news/2023/05/08/ta-ann-timber-licence--gets-30-year-extension>

Mission to Taiwan P.o.C

The Timber Exporters’ Association of Malaysia (TEAM) organised a business mission to Taiwan P.o.C visiting three cities, namely Taipei, Taichung, and Kaohsiung.

Those participating were said to be interested in the acquisition of advanced processing technologies. The mission included a visit to ‘Wood Taiwan 2023’ at the Nangang Exhibition Centre in Taipei.

In addition to visiting the exhibition, factory visits to top Taiwan P.o.C woodworking machinery industries were arranged. The TEAM delegation met with the National Union of Timber Trade Association along with importers interested to learn more about Malaysian tropical timbers.

See: <http://mrem.bernama.com/viewsm.php?idm=45975>

Indonesia

Export benchmark prices - Merbau sawnwood price increased by US\$300

The Ministry of Trade has published its Timber Export Benchmark Price List (HPE) for timber for the period 1-31 May 2023.

For veneer raw material from plantation forests and processed wood products from mixed forest prices have been lowered by US\$50/cu.m from the previous month. However, veneer products from plantation logs for wooden sheets for packing boxes have increased.

The following is a list of Timber HPE for the period 1-31 May 2023.

<i>Veneers</i>	
Natural Forest Veneer	US\$800/cu.m
Plantation Forest veneer	US\$550/cu.m
Wooden Sheet for Packaging Box	US\$1,000/cu.m

<i>Chipwood</i>	
Chipwood in the form of particles	US\$80/tonne
Chipwood	US\$95/tonne

Processed Wood
Processed wood products which are leveled on all four sides so that the surface becomes even and smooth with the provisions of a cross-sectional area of 1000 mm2 to 4000 mm2 (ex 4407.11.00 to ex 4407.99.90)

Meranti (Shorea sp)	US\$1,000/cu.m
Merbau (Intsia sp)	US\$1,200/cu.m
Mixed Tropical Wood	US\$800/cu.m
Ebony	US\$3,400/cu.m
Teak	US\$1,400/cu.m
Pine and Gmelina	US\$650/cu.m

Acacia	US\$800/cu.m
Sengon (Paraserienthes falcataria)	US\$550/cu.m
Rubberwood	US\$300/cu.m
Balsa, Eucalyptuss.	US\$800/cu.m
Sungkai (Peronema canescens)	US\$650/cu.m

Processed wood product which is leveled on all four sides so that the surface becomes even and smooth from Merbau wood (Intsia sp) with a cross-sectional area of more than 4000 sq.mm to 10000sq. mm (ex 4407.29.91 and ex 4407.29.92): US\$1,500/cu.m

See: <https://forestinsights.id/2023/05/02/kemendag-tetapkan-harga-patokan-ekspor-hpe-kayu-mei-2023-kayu-gergajian-merbau-melonjak-300-dolar-as/>

Risk to timber by US debt default

The wood and furniture industries are vulnerable to being affected by a default in the United States. The Executive Director of the Institute for Development of Economics and Finance (Indef), Tauhid Ahmad, said the wood and wood products, furniture, electricity, footwear, rubber and rubber product industries are strategic export industries and the performance of these industries has contributed to the national economy.

He suggested that if the US debt default situation drags it may result in a recession which would affect Indonesia's economic growth.

See: <https://forestinsights.id/2023/05/08/industri-kayu-dan-furnitur-rawan-terdampak-gagal-bayar-utang-amerika-serikat/>

Could EUDR strengthen competitiveness of wood products from Indonesia?

Timber is one of the products under the European Union's regulation on deforestation-free supply chains (EUDR) and this will have an impact on Indonesian wood product exports to the EU. Muhammad Ichwan, the Executive Director of the Independent Forestry Monitoring Network (JPIK), said that, until now, there has been no detailed technical guidance regarding the EUDR.

However, he suggested the EUDR could strengthen the competitiveness of wood products from Indonesia. He commented “although it (EUDR) regulates the prohibition of products resulting from deforestation from entering the EU this regulation will not hinder the timber trade as long as these wood products do not result in deforestation.”

The domestic media commended that Ichwan believes implementation of EUDR could strengthen Indonesia's Timber Legality Verification System (SVLK) as a more moderate market instrument. However, Ichwan said that the EUDR could also become an additional burden for timber businesses.

See: <https://www.kompas.id/baca/humaniora/2023/05/03/daya-tawar-produk-kayu-asal-indonesia-dapat-diperkuat>

Human resources to boost competitiveness of furniture Industry

The Ministry of Industry has noted the furniture industry is a significant contributor to national economic growth with export earnings of around US\$2.5 billion in 2022. The workforce in the sector is said to be around 145,000 in 1,114 companies. In order to increase the productivity and competitiveness of the furniture industry the Ministry of Industry plays a role in creating skilled human resources.

The Head of the Industrial Human Resources Development Agency (BPSDMI) in the Ministry of Industry, Masrokhan, has pointed out that one of the vocational education units managed by the Ministry of Industry is the Furniture Industry and Wood Processing Polytechnic (Polifurneka) in Kendal, Central Java which has been able to produce competent human resources in the field of furniture and wood processing.

Masrokhan explained "the purpose of establishing this polytechnic is to encourage further investment in the industrial sector through the provision of trained industrial workers in the furniture sector, empowering human resources in the Semarang-Kendal region, as well as a providing a center for innovation for the furniture and wood processing industries".

See: <https://www.viva.co.id/siaran-pers/1597221-kemenperin-sdm-kompeten-pacu-investasi-dan-daya-saing-industri-furnitur>

Encouraging investment in agarwood plantations

The Chairman of the Central Leadership Council of the Indonesian Gaharu Farmers and Entrepreneurs Union (SPPGI), Syamsu Alam, has encouraged the community to increase establishment of agarwood plantations.

He stated that agarwood has been exported to more than 139 countries including Europe, America, the Middle East and Asia where it is used for making perfumes and herbal medicines.

He said natural agarwood from Papua is one of the best because it grows naturally while most agarwood grows in plantations. Naturally grown agarwood commands the best price and is mainly from Papua and Kalimantan. He added “there are not enough farmers who focus on producing and that the SPPGI is ready to provide assistance on growing agarwood.

See: <https://en.antaranews.com/news/280038/sppgi-encourages-increased-production-of-agarwood-plantations>

Foreign entities can buy carbon credits in Jakarta

The government has decided to allow foreign entities to purchase credits in the Indonesian carbon market, paving the way for multinational companies and institutions to tap into the country's large carbon trading potential.

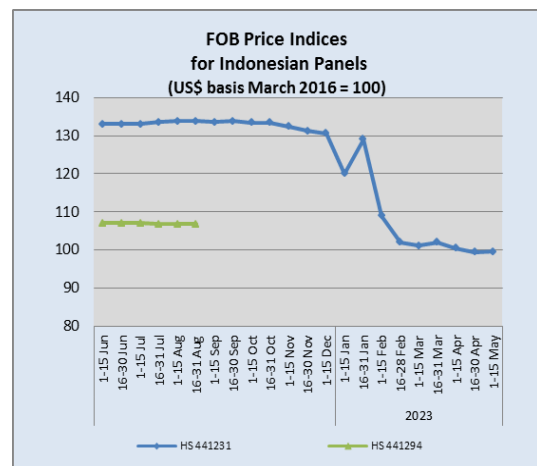
The announcement came after the Minister for Investment, Bahlil Lahadalia, met with the President. The Minister stressed that all entities participating in carbon-trading activities in the country should be registered with the national registry system (SRN) and the transaction process should be through the country's carbon exchange.

See: <https://asianews.network/indonesian-govt-allows-foreign-entities-to-buy-carbon-credits-from-jakarta/>

Indonesia economic growth keeps pace ahead of expected slowdown

In the first quarter of this year Indonesia's economic growth was maintained but a slowdown, triggered by weakening exports and high-interest rates, is likely. Indonesia's economy expanded 5.03% in the first quarter, slightly up from 5.01% in the previous quarter. First quarter growth was driven by household spending, metal and mineral exports and tourism.

See: <https://www.thejakartapost.com/business/2023/05/05/indonesia-economic-growth-keeps-pace-ahead-of-expected-slowdown.html>



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

Myanmar

Timber exports reported

At the end of the financial year 2022-23 (1 Apr. 2022 to 31 Mar. 2023) exports of timber earned US\$140 million according to the Department of Trade. Myanmar exported US\$154 million in 2019-20 and US\$128 million in 2020-2021.

It is widely expected that exports will decline in fiscal 2023-24 since importers in the EU and USA have almost stopped buying Myanmar teak. The Myanmar Timber Enterprise (MTE) sold, by tender, 1,500 tons of teak logs and 1,000 tons of other hardwood logs on 11 May.

See: <http://www.mte.com.mm/index.php/en/27-tenders/export-milling-marketing-dept-tender/teak-logs/1472-tender-announcements-of-11th-may-2023>

Border trade expanding

Myanmar's border trade with the Thailand totalled US\$393 million in April this year surging from US\$329 million in April last year.

The Myanmar/Thai border trade is via Tachilek, Myawady, Kawthoung, Myeik, Hteekhee and Mawtaung border crossings. Among them, the Hteekhee border crossing saw the most traffic worth US\$273 million in April.

Myanmar also conducts border trade with China, Bangladesh and India and exports mainly agricultural products while importing capital goods, intermediate goods, consumer goods and raw materials.

See: <https://www.gnlm.com.mm/myanmar-thailand-border-trade-crosses-us390-mln-in-april-2023-2024/>

ASEAN leaders' statement on the recent attack on aid convoy

In early May a convoy delivering aid to displaced villagers in Myanmar and carrying Indonesian and Singaporean diplomats came under fire by unidentified men armed when travelling in Myanmar's eastern Shan State. A security team with the convoy returned fire and a vehicle was damaged but no one in the convoy was injured. Indonesia, which serves as ASEAN's chair this year, had arranged for the delivery of aid.

A statement from the ASEAN Secretariat reads "We were deeply concerned with ongoing violence in Myanmar and urged the immediate cessation of all forms of violence and the use of force to create a conducive environment for the safe and timely delivery of humanitarian assistance and inclusive national dialogues.

We support the statement of the President of the Republic of Indonesia as the Chair of ASEAN on 8 May 2023 in response to the recent attack on a convoy of the AHA Center and the ASEAN Monitoring Team in Myanmar.

We condemned the attack and underlined that the perpetrators must be held accountable. We supported the efforts of the Chair of ASEAN, including its continued engagements with all stakeholders in Myanmar, to encourage progress in the implementation of the Five-Point Consensus."

See: <https://asean.org/wp-content/uploads/2023/05/STATEMENT-FINAL-RELEASE.pdf>

India

Real Estate sentiment index dips

The January-March 2023 Real Estate Sentiment Index published by the real estate consultant, Knight Frank and the National Real Estate Development Council (NAREDCO) indicates that current sentiment, while remaining positive, has weakened recently.

See: <https://www.knightfrank.com/research/report-library/real-estate-sentiment-index-q1-january-march-2023-10154.aspx>

Manufacturers raise plywood prices

Plywood Manufacturers in North India have decided to raise plywood prices citing raw material supply and price issues. These manufacturers also decided to cut production by closing mills for two days a week in an effort to spur demand and drive up prices.

On raw material supply the president of North India Plywood Manufacturers Association said that as there has been active plantation establishment in recent years and he is hopeful the supply issue will be overcome in next 3 to 4 years. However, plymills now have to compete for raw materials with new MDF and particleboard mills.

See: <https://plyinsight.com/curtailing-production-in-the-plywood-sector-will-be-decisive/>
April 2023 issue

MDF production increasing

Plyreporter has said the construction and furniture sectors in India are booming with many new production lines coming on-stream. This has driven up demand for particleboard and MDF.

Plyreporter says demand for MDF is good and is growing at between 35-40% annually. The trade journal also said particleboard production capacity is forecast to rise 20% in 2023. 2022 was excellent for the particleboard industry with rising demand mainly from ready-made furniture manufacturers.

See: <https://www.plyreporter.com/MDF-particle-board/market-buzz>

Import update

Teak log prices, C&F US\$/Hoppus cu.m April 2023

	Hoppus cu.m	US\$ C&F
Brazil	129	280
Colombia	99	341
Costa Rica	-	-
Ecuador	149	215
Ghana	137	225
Ivory Coast	87	479
Nigeria	154	284
South Sudan	69	325
Tanzania	102	275
Laos	161	270

Teak sawnwood prices, C&F US\$/cu.m April 2023

	cu.m	US\$ C&F
Benin	72	643
Brazil	162	517
Colombia	91	346
Costa Rica	85	272
Ecuador	-	-
Ghana	163	331
Ivory Coast	109	403
Nigeria	109	341
South Sudan	96	312
Tanzania	116	349
Togo	108	329
Venezuela	124	429

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,000 - 4,300
Balau	2,700 - 3,000
Resak	-
Kapur	-
Kempas	1,455 - 1,750
Red meranti	1,700 - 2,000
Radiata pine	900 - 1,050
Whitewood	900 - 1,050

Price range depends mainly on lengths and cross-section

Sawn hardwood prices

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

Price range depends mainly on lengths and cross-sections

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	80.00 ↑
6mm	92.00 ↑
9mm	1096.00 ↑
12mm	132.00 ↑
15mm	170.00 ↑
18mm	187.00 ↑

Domestic ex-warehouse prices for locally manufactured MR plywood

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

JICA loan for forestry

On behalf of Japan, JICA signed a loan agreement with the Government of India to provide loans of up to a total of Yen 426,814 million for four projects, one of which is for Forest and Biodiversity Conservation for Climate Change Response in West Bengal.

The object of this forestry project is to mitigate and adapt to climate change, conserve, and restore ecosystems by ecosystem-based climate change measures, biodiversity conservation and restoration, livelihood improvement activities and institutional strengthening thereby contributing to sustainable socio-economic development in West Bengal. The Executing Agency will be the Department of Forests, Government of West Bengal.

See:

https://www.jica.go.jp/english/news/press/2022/20230329_33.html

Vietnam

Wood and Wood Product (W&WP) trade highlights

The Department of Customs has reported W&WP exports to the US market in April 2023 were valued at US\$584 million, down 38% compared to April 2022. In the first 4 months of 2023 W&WP exports to the US market are estimated at US\$1.97 billion, down 41% over the same period in 2022. W&WP exports to Canada in April 2023 were recorded at US\$16.3 million, down 32% compared to April 2022.

In the first 4 months of 2023 W&WP exports to the Canadian market are estimated at US\$57.6 million, down 35.7% over the same period in 2022.

Exports of bedroom and dining room furniture in April 2023 are estimated at US\$184.1 million, down 39% compared to April 2022. In the first 4 months of 2023 exports of bedroom and dining room furniture amounted to US\$623 million, down 44% over the same period in 2022.

Vietnam's imports of oak wood in April 2023 are estimated at 27,300 cu.m, worth US\$14.8 million, up 3.2% in volume and 3.1% in value compared to March 2023.

Compared to April 2022, imports increased by 18% in volume and 15% in value. In the first 4 months of 2023 oak imports are estimated at 79,100 cu.m, worth US\$43.8 million, up 6.4% in volume but down 0.6% in value over the same period in 2022.

Imports of logs and sawnwood (raw wood) from the EU to Vietnam in April 2023 showed a third consecutive month of increase, reaching 58,000 cu.m at a value of US\$18.0 million, up 11% in volume and 13% in value compared to March 2023; but down 14% in volume and 20% in value compared to April 2022. In the first 4 months of 2023, imports of raw wood from the EU was recorded at 192,310 cu.m at a value of US\$58.82 million, down 17% in volume and 20% in value over the same period in 2022.

Exports of office furniture gloomy

Of office furniture, tables and cabinets are the 2 main items topping exports. In the first 3 months of 2023 exports of these 2 items accounts for 77% of the total export value of office furniture.

Vietnam's office furniture exports in April 2023 were valued at US\$23 million, down 27% compared to April 2022. In the first 4 months of 2023 office furniture exports reached US\$86.3 million, down 32% over the same period in 2022.

In the first 4 months of 2023, W&WP imports accounted for US\$665 million, down 30.3% over the same period in 2022.

Leading the exports was tables with an export value of US\$22.3 million, down 36% over the same period in 2022. Table products were exported mainly to the US market in the first 3 months of 2023, reaching US\$12 million, down 42% over the same period in 2022; followed by Japan, China and the EU.

Exports of cabinets in the first 3 months of 2023 reached US\$21.1 million, down 44% over the same period in 2022 and accounted for 38% of total export earnings from office furniture. Cabinet products are exported mostly to the US, Japan and the UK.

In addition, in the first 3 months of 2023 other office furniture export items included desks, bookshelves, chairs, study desks and computer desks. Notably, exports of office chairs recorded a high growth in the first 3 months of 2023, reaching US\$1.6 million, up over 200% over the same period in 2022.

Exports of office furniture Q1 2023

	Q1 2023 000s US\$
Total	56,426
of which	
US	32,755
Japan	,722
UK	2,913
China	2,887
EU	2,234
subtotal	50,511

Data source: Customs, Vietnam

Exports of living and dining room furniture

As the global economy slows demand for living and dining room furniture in the major markets such as the US, EU, UK and Japan has weakened. Accordingly, exports turnover of this WP category continue are set to decline further in the coming months.

Vietnamese manufacturers are being encouraged to expand and diversify export markets, explore new and potential markets, such as India, Africa, the Middle East and Latin America, Eastern Europe. At the same time, they should attempt to promote the effective utilization of free trade agreements Vietnam has concluded to promote this industry in the coming time.

Along with weakening international demand the reopening of China has also created additional competitive pressure on the wood product industry, especially Vietnam's furniture sector as China is still the world's largest exporter of wooden furniture.

The Vietnam Timber and Forest Products Association (Viforest) forecasts that, with the current growth rate exports of wood and wood products in the first half of 2023 will fall by around 30% over the same period last year. However, opportunities are still available if wood businesses seek to expand markets and improve competitiveness, focusing on product price criteria in Vietnam at reasonable levels for consumers, products following tastes, quality products, and good after-sales policy.

Along with that is restructuring and reorganising the production of enterprises, focusing on technological innovation, perfecting the production management system and improving the efficiency and quality of human resources.

The sector has been advised to step up production using domestic raw materials to reduce costs.

Faced with great difficulties in the market due to high global inflation, Vietnam's exports of wood and wood products are falling sharply. Vietnam's wood industry strives to find new markets. The fact shows that in the past time, the Vietnamese wood industry has been trying to find and expand to new and potential markets such as India, and the Middle East.

At the end of April, more than 50 Vietnamese furniture enterprises joined together the webinar "Indian furniture export market: Market size and export potential", organised by the Handicraft and Woodworking Association of Ho Chi Minh City (HAWA).

In 2022 the Indian furniture market was worth US\$23.12 billion and is predicted to grow at a CAGR of 11% from 2023 to 2028. The size and demand of the furniture market are increasing, and India is considered a potential new market for Vietnamese furniture exporters.

See: <https://vietnamagriculture.nongnghiep.vn/vietnams-wood-industry-strives-to-find-new-markets-d350081.html>

Imports of padouk from Africa

Vietnam's imports of padouk from African sources accounted for 89% of total imports of this highly valued timber from all sources in the first 3 months of 2023 reaching 32,800 cu.m, worth US\$10.1 million, up 3.5% in volume and 8.2% in value over the same period in 2022.

Of which imports from Angola increased by 197%; Namibia rose by 5%; Equatorial Guinea increased by 264% and Mozambique by over 2,000% year-on-year.

In contrast, imports from Laos decreased by 59.7% in volume and 63.3% in value over the same period in 2022, reaching 2.4 thousand cu.m, worth US\$2.5 million, accounting for 6.5% of total imports

Padouk sawn wood and log imports

In the first 3 months of 2023 imports of sawn padouk totalled 32,500 cu.m, worth US\$11.8 million, down 8% in volume and 23% in value over the same period in 2022.

At the same time, padouk log imports reached 4,4000 cu.m worth US\$1.5 million, down 8% in volume and 15% in value over the same period in 2022.

Padouk price fluctuations

The average import price for padouk wood in the first 3 months of 2023 stood at US\$362/cu.m, down 16% over the same period in 2022. Imports of padouk from Laos fell 9.0% year on year in the first quarter US\$1,051/cu.m; prices from Thailand fell 17% to US\$475/cu.m; Papua New Guinea down 1% to US\$330.0/cu.m.

Padouk suppliers

In the first 3 months of 2023, the volume of padouk imported into Vietnam from Africa and Thailand increased compared to the same period in 2022 while imports from Laos, Hong Kong, Papua New Guinea, China dropped.

African padouk suppliers in the first quarter 2023

	Q1 2023 cu.m
Total	36,874
Africa	32,752
Angola	13,956
S. Africa	8,925
Namibia	4,159
Cameroon	2,817
Gabon	942
E. Guinea	734
Congo	627
Mozambique	467

Data source: Customs, Vietnam

Brazil

Furniture sector alerted on EUDR

The Brazilian furniture sector has been alerted to the risks to businesses from the recent European Union regulation that prohibits its member countries importing wood products unless it can be shown that the raw material used in manufacture did not come from forests that were deforested or degraded.

When the regulation is implemented exporters need to present certificates proving the origin of the raw material including GPS coordinates and the guarantees of respect for human rights, especially those of indigenous people.

Against this background ABIMÓVEL (Brazilian Association of Furniture Industries) stressed the need for certification of raw materials and production processes in the Brazilian furniture industry. The adoption of certified wood from sustainable forest management is already an obligation within the sector. With more than 20,000 native timber species in natural forests Brazilian tropical timber has an important place in the furniture sector.

See: <https://forestnews.com.br/setor-moveleiro-industrias-lei-uniao-europeia/>

Prospects for the forest-based sector in Rondônia

Representatives of the private sector, public authorities and NGOs recently gathered in Rondônia, to discuss the current and future prospects for production forests in the state. Rondônia is the third largest wood producing state in the Amazon region.

The event "Rondônia's Forest Sector: opportunities for sectoral planning" was organised by the Institute of Forest and Agricultural Management and Certification (Imaflora).

During the meeting, the study "Evolution of the forest-based industry in Rondônia and opportunities for sectoral planning and for the conservation of production forests", published by Imaflora, was launched.

This is a comprehensive study on the development of the forest sector in Rondônia State which seeks to shed light on sector dynamics, identify the main bottlenecks and present perspectives and development opportunities.

Among the main recommendations was creating a territorial plan for Rondônia State as a solution to further development of responsible forest management in large production forests located in public land areas through forest concessions and community forest management. The event was successful in that it brought together the main relevant players in the timber sector in the state for a discussion on the challenges that are posed to the sustainability of the forest-based industry in the long term.

See: <https://www.imaflora.org/noticia/rondonia-o-terceiro-maior-produtor-de-madeira-da-regiao-amazonica-recebeu-evento-para-debater-o-cenario-atual-e-perspectivas-para-o-setor-de-base-florestal>

Teak wood shipped from Port of Outeiro

The Atlântica Matapi Group, a company specialised in logistics in the Amazon, made its first shipment of teak (*Tectona grandis*) logs produced in forest plantations. A total of 11,500 tonnes of wood were shipped to India. The teak shipped is from plantations, which can take 25 to 30 years to reach the ideal age of harvesting, is widely used in Asia.

The shipment departed the Port of Outeiro, Belém Municipality, in the state of Pará one of the main tropical timber producing states in the Amazon Region. According to Matapi, the advantages of this port are quick vessel turn round and competitive costs.

The partnership between Matapi and a major teak producing company in the region gained strength in 2023. In the coming months fifteen export shipments are planned which may total about 200,000 tonnes of teak..

See: <https://www.portosenavios.com.br/noticias/portos-e-logistica/matapi-embarca-teca-de-madeira-no-porto-de-outeiro>

Timber exports drop in the first quarter of the year

Timber exports from the State of Pará, in the Amazon Region ended the first quarter of this year lower than in the same period last year. In total, export sales were worth US\$57.3 million in the first quarter, down 47% year on year despite a 2% increase in the volume shipped.

See: <https://www.portalsantarem.com.br/noticias/conteudo/exportacoes-de-madeira-fecham-1-trimestre-em-queda/135219>

Overall export prices suffered a strong retraction and closed March with an average of US\$804 per tonne, which represented a 36% drop in relation to the previous month according to AIMEX (Association of Timber Exporting Industries in the State of Pará).

Domestic log prices

	US\$ per cu.m
Brazilian logs, mill yard, domestic	505
Ipê	214
Jatoba	192
Massaranduba	184
Muiracatiara	190
Angelim Vermelho	141
Mixed redwood and white woods	

Source: STCP Data Bank

Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	2,051
Ipê	1,034
Jatoba	990
Massaranduba	850
Muiracatiara	887
Angelim Vermelho	582
Mixed red and white	335
Eucalyptus (AD)	241
Pine (AD)	316
Pine (KD)	

Source: STCP Data Bank

Domestic plywood prices (excl. taxes)

	US\$ per cu.m
Parica	630
4mm WBP	484
10mm WBP	439
15mm WBP	608
4mm MR.	455
10mm MR.	399
15mm MR.	

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

	US\$ per cu.m
<i>Domestic ex-mill prices</i>	
15mm MDP Particleboard	351
15mm MDF	400

Source: STCP

Export sawnwood prices

	US\$ per cu.m
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	3,3005
Jatoba	1,725
Massaranduba	1,720
Muiracatiara	1,70
Pine (KD)	186

Source: STCP Data Bank

Export plywood prices

	US\$ per cu.m
Pine plywood EU market, FOB	
9mm C/CC (WBP)	343
12mm C/CC (WBP)	321
15mm C/CC (WBP)	308
18mm C/CC (WBP)	305

Source: STCP Data Bank

Export prices for added value products

	US\$ per cu.m
FOB Belem/Paranagua ports	
Decking Boards	
Ipê	5,207
Jatoba	2,374

Source: STCP Data Bank

Peru

Timber fair in Pucallpa City

The company, Tropical Forest, in cooperation with the Regional Government of Ucayali, the Regional Directorate of Production of Ucayali and the National University of Ucayali will hold a timber fair 'Tecno Forestal Ucayali' for the forestry and forest industry sectors.

This fair had been held in the past and now the organisers are relaunching it for September 14 and 15, 2023 and hope to present a wide range of processing machinery for the first and second transformation of wood.

Communities coached on negotiating fair harvesting agreements

It has been reported by the Agency for the Supervision of Forest Resources and Wildlife (OSINFOR) that leaders and representatives of 38 native communities in the regions of Ucayali, Pasco and Loreto strengthened their capacity to achieve fair treatment, within the framework of the law, with third parties in order to ensure they can take advantage of sustainable harvesting in forests under their care.

The trainers traveled to the provinces of Coronel Portillo (Ucayali), Oxapampa (Pasco) and Mariscal Ramón Castilla (Loreto) to conduct three face-to-face workshops with the communities.

The first workshops were held in April in Pucallpa and Puerto Bermúdez, Oxapampa. The final workshop was held in the town of Pebas, Loreto. The topics discussed were community forest management and negotiation and agreements with third parties.

Exchanging data on the forestry sector

In order to optimise the exchange of data between forest sector stakeholders the Organismo de Supervisión de los Recursos Forestales y de Fauna Silvestre (OSINFOR) provided technical assistance to forestry professionals from Ucayali on the use of the SIADO Region, a system that allows to regional authorities to share data on management plans facilitating decision-making and supervision planning.

Use of the system allowed Ucayali, Loreto and Madre de Dios to meet the deadline date for submission of management plans.

Export prices for added value products

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

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	682-695
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	592-618
Grade 2, Mexican market	533-552
Cumaru 4" thick, 6"-11" length KD Central American market	967-980↓
Asian market	983-1001
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	629-645
Dominican Republic	712-731
Marupa 1", 6-11 length KD Grade 1 Asian market	579-605↓

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 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 sawnwood prices

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

Domestic plywood prices (excl. taxes)

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

Domestic prices for other panel products

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

Corona reclassified to same level as seasonal influenza

As of 8 May the Japanese government categorised the corona virus at the same risk level as seasonal influenza. This means the government will no longer restrict people’s movements and everyone will be free to make decisions on protection. Under the new category, Covid-19 vaccinations will continue to be free through this fiscal year as infections could continue spreading.

See: https://www3.nhk.or.jp/nhkworld/en/news/20230507_13/

Wage increases made to hold onto staff

A Finance Ministry survey showed over 60% of companies in Japan have raised or plan to raise base pay in fiscal 2023 as they struggle to find and keep skilled workers. Most of the companies saying they will raise wages were in the manufacturing sector with almost 70% saying they have, or will, raise wages this year compared to 52% last year.

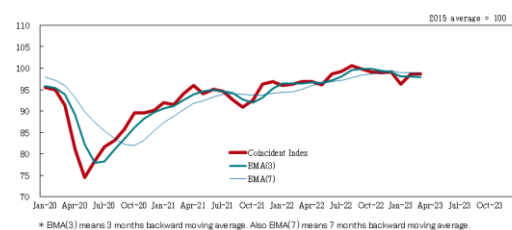
The survey asked the reasons for raising wages and over 80% said this is to motivate employees, improve their labour conditions and encourage them to stay with the company. Other respondents said they did so “to respond to rising prices”.

See: <https://english.kyodonews.net/news/2023/05/e40b323fe662-62-of-japan-firms-raise-base-pay-in-fy-2023-amid-inflation.html>

Business sentiment at lowest level in two years

A Bank of Japan survey showed that in the first quarter of this year business sentiment dropped to the lowest level in more than two years as weak global growth was viewed as a risk to the export-reliant economy.

The sentiment index for big manufacturers fell in the first quarter, the fifth straight quarter of decline and the worst since December 2020. In contrast, mood in the service sector recovered in the first quarter as border controls were eased and the easing of covid restrictions opened the way for a rebound in tourism and personal consumption.



Source: Cabinet Office, Japan

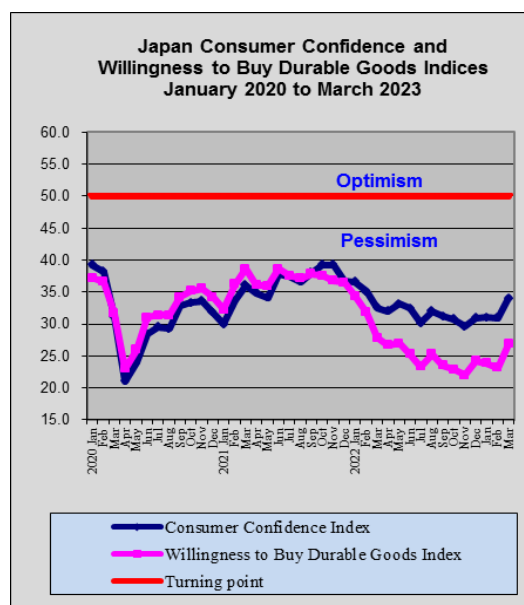
Modest recovery in consumer sentiment

The modest recovery in consumer sentiment since January this year continued in April with household’s expectations of inflation coming down slightly. The positive consumption data has been considered as a possible trigger for the Bank of Japan to adopt a more normal monetary policy.

Behind the more positive sentiment was the wage increases agreed at the start of the year, but inflation and price increases for basics have whittled away most of the wage hike gains.

The government kept its assessment of consumer confidence unchanged as the improvement in April was small. The rising cost of living could result in a slowdown in consumer spending later this year as the Bank of Japan has said consumers will continue to face more inflationary pressures.

See: <https://www.japantimes.co.jp/news/2022/05/02/business/april-consumer-confidence-index-up/>



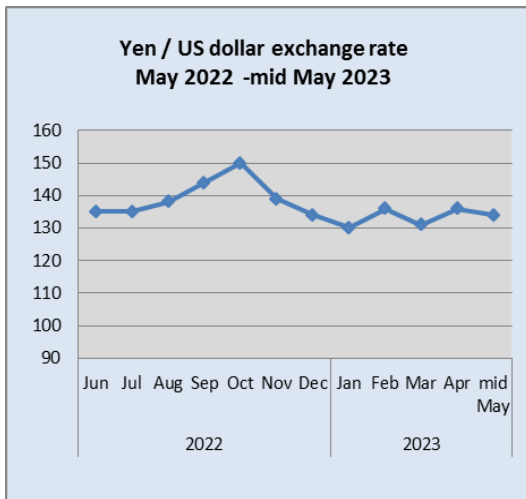
Data source: Cabinet Office, Japan

Address economic fundamentals to stabilise yen

Late last year the domestic newspaper The Mainichi published an editorial on the yen exchange rate and the sentiment expressed back in October 2022 is just as valid today. The Mainichi said the yen’s rapid depreciation is not just the result of the US dollar rising but also suggests currency traders are “selling off Japan” as the economy weakens. The Mainichi warns action is needed.

The yen's depreciation stands out in comparison to other major currencies which seem to signal a need to address some economic fundamentals. As a resource poor country Japan depends on imported energy and much of its food needs and the weak yen has created a record trade deficit.

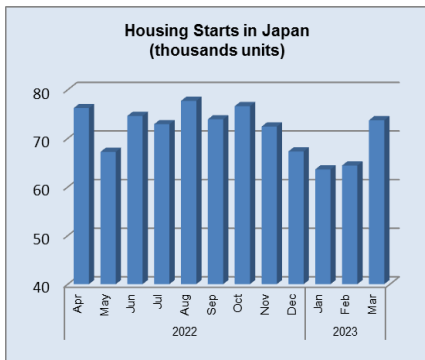
See: <https://mainichi.jp/english/articles/20221022/p2a/00m/0op/011000c>



Concept of 'workation' promoted

Seven prefectural and 58 municipal governments in rural Japan have come together to promote the concept of "workation" or telecommuting from resorts and other vacation spots thus combining work and vacation. The new group aims to build a business model that involves more than sightseeing but less than permanent migration.

Getting urbanites to appreciate rural life is expected to lead to migration growth in these areas and help rural authorities solve problems stemming from a shrinking population.



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

Start-Up offers forest management to private owners

Much of the private forests in Japan are in poor condition but harvesting and reforestation are beginning to attract attention. A start-up company in Tanabe, Wakayama Prefecture has begun offering forest management services to private forest owners and is promoting reforestation of unused land.

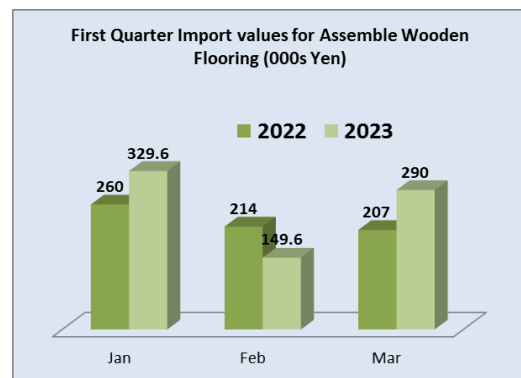
The company claims reforestation is attractive to young people from urban areas as they can work in a natural environment. The company adopted a flexible work style allowing employees to decide their own shifts and have second jobs. The company has said the domestic timber industry has long been in a slump because of low priced timber imports and an increasing area of forests has been left untended or abandoned after logging.

According to the Forestry Agency only around 30-40% of land logged each year is replanted. In the five years through fiscal 2018 the cumulative total of unplanted land was around 2,560 square kilometres. In 2016, the government designated forestry as a "growth industry" and will introduce a tax of yen 1,000 per taxpayer from fiscal 2024 for subsidies. The government is already expanding subsidies to forest owners to encourage them to grow trees. A forest management law of April 2019 allowed municipalities to entrust forest management to private companies on behalf of owners.

Import update

Assembled wooden flooring imports

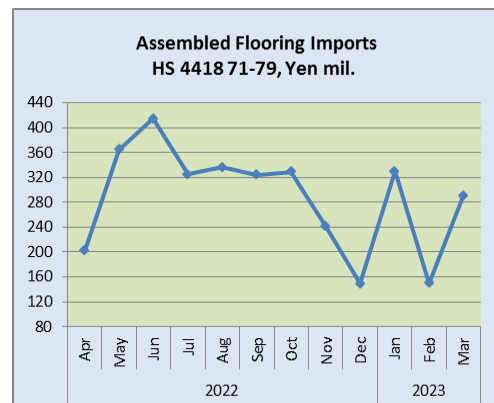
Over the past 5 years there has not been such an erratic swing in the monthly values of assembled flooring imports. Clearly the trading pattern changed in the first quarter of this year.



Data source: Ministry of Finance, Japan

The value of Japan's imports of assembled wooden flooring (HS441871-79) in March was up 40% year on year and month on month there was a massive 90% rise in the value of imports. The monthly rise in imports stems from a sharp increase in imports from both China and Vietnam as in each country full production and export deliveries recovered after the Spring Festivals.

Three shippers accounted for over 70% of Japan's imports of assembled flooring in March, China 50%, up on February and Vietnam 16%. There were no shipments from Vietnam in February. Other significant shippers in March were Malaysia contributing 7% to the total value of imports and Thailand accounting for 5.5%.



Data source: Ministry of Finance, Japan

Plywood imports

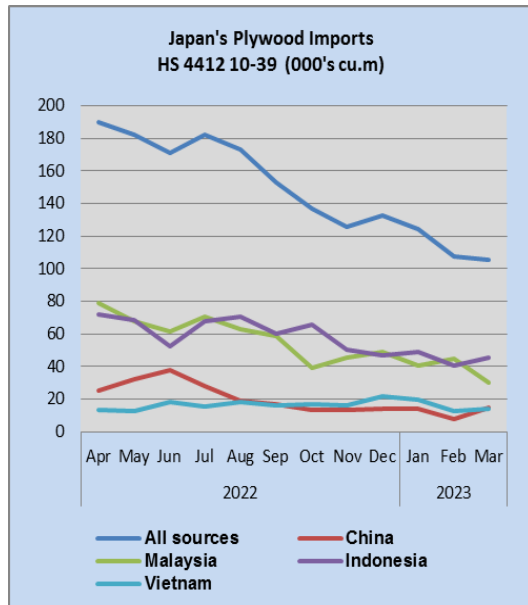
First quarter 2023 plywood imports were down over 30% compared to the first quarter of 2022.

First quarter plywood imports, 000s cu.m

	Jan	Feb	Mar	Total
2022	187	145	171	503
2023	124	108	105	337

Data source: Ministry of Finance, Japan

The downward trend in Japan’s plywood imports continued in March 2023 with both of the main shippers, Malaysia and Indonesia seeing volumes drop. On the other hand shippers in China and Vietnam have seen volumes holding steady over the past 12 months.



Data source: Ministry of Finance, Japan

In March this year shipments of plywood from Malaysia were down around 35% compared to a month earlier with shippers in Indonesia seeing a slight rise in volumes shipped to Japan.

Plywood shipments to Japan from China picked up in March (doubling compared to February) bringing shipments back to the average for the past 12 months.

March shipments of plywood from Vietnam rose slightly after the downturn seen in February.

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

		China	Malaysia	Indonesia	Vietnam
2020	Jan	13.4	61.1	81.6	17.0
	Feb	6.8	72.2	63.8	9.5
	Mar	5.8	76.5	73.0	12.2
	Apr	13.0	68.0	69.0	13.6
	May	9.6	69.7	59.0	12.6
	Jun	10.3	52.0	61.0	11.3
	Jul	10.2	40.0	54.9	8.9
	Aug	6.6	55.0	56.0	8.4
	Sep	6.8	42.2	37.8	8.7
	Oct	8.3	62.4	52.7	10.1
	Nov	8.6	43.1	50.0	10.9
	Dec	9.2	60.5	43.9	10.8
2021	Jan	9.7	76.9	59.3	15.7
	Feb	6.8	53.5	50.1	13.0
	Mar	5.7	89.4	61.5	11.5
	Apr	11.4	65.9	58.2	17.3
	May	10.3	72.0	51.0	13.0
	Jun	10.5	61.9	56.6	15.6
	Jul	11.8	74.1	57.1	16.4
	Aug	12.8	54.7	57.8	17.5
	Sep	16.0	61.8	60.4	21.8
	Oct	12.6	72.8	60.4	22.5
	Nov	14.6	60.6	66.0	21.8
	Dec	13.6	51.2	76.5	21.0
2022	Jan	15.9	78.6	73.9	16.8
	Feb	14.7	61.0	56.8	11.4
	Mar	13.7	71.0	76.9	8.8
	Apr	25.0	79.3	72.0	13.1
	May	32.2	67.6	68.2	12.9
	Jun	37.5	61.4	52.4	18.4
	Jul	27.7	70.6	67.8	15.2
	Aug	19.0	63.0	70.8	18.5
	Sep	16.5	58.4	60.4	16.2
	Oct	13.4	39.2	65.5	17.1
	Nov	13.1	45.1	50.1	15.9
	Dec	13.9	49.2	47.1	21.6
2023	Jan	13.7	40.3	49.2	19.4
	Feb	7.8	44.9	40.6	12.9
	Mar	14.9	29.8	45.3	14.3

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

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

For the JLR report please see:

https://jfpj.jp/japan_lumber_reports/

Wood use promotion

There was an announcement about a result of using wood for buildings of 2022 from The Ministry of Agriculture, Forestry and Fisheries and other departments. Agreements of using wood for buildings were concluded with Japanese government for 10 cases and with local government for 60 cases. 15,100 cbms of lumber were used for buildings during October, 2021 to March, 2023. It was 732 cases.

Plywood

Buyers purchase domestic softwood plywood only for the present use. The prices of 12mm, 3 x 6 structural softwood plywood are 1,800 – 1,850 yen, delivered per sheet. This is around 50 yen down from last month. At some precutting plants, the prices are lower than 1,800 yen.

Plywood companies started reducing production since last October. Total production during October, 2022 to March, 2023 is 23.6% down from the same periods last year. Shipment had been sluggish and the inventory increased until February. However, the shipment exceeded production in March.

Plywood companies in Eastern Japan continue reducing production in May and the companies took the holiday longer than usual holiday at the beginning of May. The prices of 12mm 3 x 6 painted plywood for concrete form are 2,000 yen, delivered per sheet. However, a purchase price was around 2,300 yen so it is hard to get profits.

Some of the reasons are that the future price of painted plywood for concrete form in overseas decreased to \$750, C&F per cbm from \$850, C&F per cbm last year. Also, the import cost decreased around 2,000 yen, C&F per cbm.

145,716 cbms, of imported plywood were received in February, 2023 and this was 22.9% less than the same month last year. This is nearly 40% down from the peak in last year. A small amount of imported plywood will be received until May and the inventory will decline.

Domestic logs and lumber

The prices of domestic lumber and logs have been adjusted. The log market is getting weak as the prices of domestic lumber fall through the nation. The prices of domestic lumber in Kanto region had been low until February and then the prices of domestic lumber in Western Japan also started to fall in March.

The price competition between laminated whitewood post, laminated cedar post and solid KD cedar post became intense.

Since there were too much laminated whitewood posts and laminated cedar posts, the prices were declined for major precutting plants.

The log market in Tohoku region started falling since last autumn. The log market in Northern Kanto region declined in February, 2023 and in Kyushu area and Western Japan declined at the end of March through April.

Plywood companies in Tohoku region reduced producing plywood since last autumn and log demand decreased rapidly. Log demand for plywood companies is over 30% less than the previous year. Moreover, the production of lumber and laminated lumber decreased and the log market fell.

In Northern Kanto region, the prices of cedar log plunged to around 12,000 yen from 18,000 yen, delivered per cbm in February to March. The prices of cedar log stopped declining in April.

In Kyushu region, the prices of cedar and cypress are now around 17,000 yen in April. The prices had been over 20,000 yen until February.

Production of CLT will rise at Cypress Sunadaya

Cypress Sunadaya Co., Ltd. in Ehime Prefecture estimates that the product of CLT will be 9,000 cbms in a year. It is doubled volume of the previous year's result. The company is the largest cedar lumber and laminated lumber company in Japan. 30,000 cbms of logs are consumed in a month.

The CLT production in 2022 was 4,500 cbms. A reason for an increase of production is that the company does business for World Expo 2025 in Osaka Kansai. Also, the company introduces a new special machine for producing large CLT panels in this October.

The production of laminated structural lumber will be 60,000 cbms in a year and it is 3% up from the previous year's result. 50,000 cbms of 60,000 cbms logs will be cypress lumber such as posts, foundations and beams. Consumption of logs will be 300,000 cbms in a year.

The production of cedar dimensional lumber will be 1,000 cbms from 700 cbms in a month. The prices of SPF decreased after the woodshock but cedar dimensional lumber is more popular than SPF. The company purchased four new dryers and special automatic cutting machines to expand production.

China

Decline in China's log imports

According to China Customs, log imports in the first quarter of 2023 totalled 9.27 million cubic metres valued at US\$1.606 billion, down 7% in volume and 18% in value compared to the first quarter 2022. In addition, the average price for imported logs was US\$173 (CIF) per cubic metre, down 12% from the same period of 2022.

Of total log imports, softwood log imports rose slightly by 1% to 6.72 million cubic metres, accounting for 72% of the national total. However, the average price for imported softwood logs fell 16% to US\$146 (CIF) per cubic metre over the same period of 2022.

Hardwood log imports dropped by 24% to 2.55 million cubic metres, accounting for 28% of the national total. The average price for imported hardwood logs fell 12% to US\$245 (CIF) per cubic metre over the same period of 2022.

Of total hardwood log imports, tropical log imports were 1.54 million cubic metres valued at US\$385 million CIF, down 14% in volume and 32% in value from the same period of 2022, accounting for 17% of the national total import volume.

The average price for imported tropical logs was US\$251 CIF per cubic metre, down 20% from the same period of 2022.

After abandoning its COVID policy in December last year the economy has been recovering but at a rate much slower than expected. China's imports contracted sharply in April (-8%) while exports grew at a slower pace of 8.5% compared to 14.8% in March.

China's log import in the first quarter of 2023

Volume	2023 Q1 mil. cu.m	YoY % change
Total log imports	9.27	-7%
Softwood logs	6.72	1%
All hardwood logs	2.55	-24%
Tropical Logs	1.54	-14%

Data source: China Customs

Value of China's log imports in the first quarter of 2023

Value	2023 Q1 US\$ mil	YoY % change
Total log imports	1,606	-18%
Softwood logs	981	-5%
All hardwood logs	625	-33%
Tropical Logs	385	-32%

Data source: China Customs

Major log suppliers

New Zealand and Germany were the largest and the second largest suppliers of log imports to China in the first quarter of 2023. The proportion of China's log imports from these two suppliers accounted for over 50% of the total log import volume. China's log imports from New Zealand rose 13% to 3.78 million cubic metres but from Germany fell 24% to 1.17 million cubic metres.

China's imports of Russian logs have fallen sharply, largely due to the conflict between Russia and Ukraine. China's log imports from Russia fell 38% to 460,000 cubic metres in the first quarter of 2023.

Major log suppliers, first quarter of 2023 (by vol.)

Supplier	Volume (mil.cu.m)	YoY
	2023 Q1	%change
Total	9.27	-7%
New Zealand	3.78	13%
Germany	1.17	-24%
PNG	0.69	2%
USA	0.47	-16%
Russia	0.46	-38%
Solomon Is.	0.42	3%
Poland	0.33	2021%
France	0.24	-19%
Canada	0.23	-18%
Japan	0.22	-11%

Data source: China Customs

Major log suppliers, first quarter of 2023 (by value)

Supplier	Value (mil.US\$)	YoY %
	2023 Q1	change
Total	1,606	-18%
New Zealand	495	3%
Germany	196	-24%
PNG	147	-12%
USA	151	-8%
Russia	57	-41%
Solomon Is.	74	-18%
Poland	55	1953%
France	59	-33%
Canada	47	-15%
Japan	27	-31%

Data source: China Customs

Surge in log imports from Poland

China's log imports from Poland surged to 330,000 cubic metres in the first quarter of 2023. The forests of Poland were hit by severe storms in 2017. Nearly 10 million cubic metres of logs were blown down. A large volume of fallen logs have been harvested and exported to China. China's log imports from Poland have been increasing since 2017. China's log imports from Poland in 2018 surged over 700%.

Decline in CIF prices for log imports

CIF prices for softwood logs, hardwood logs and tropical log imports fell 12%, 16%, 12% and 20% in the first quarter of 2023.

Imports of softwood logs were relatively stable in the first quarter of 2023 while imports of hardwood logs declined significantly and log prices fell. With the gradual recovery of logistics, ports and roads across the country the accumulated stocks in the country are now being delivered. Analysts suggest second quarter log prices will remain steady.

After the partial reduction of import tariffs in 2022 the overall cost of logs is expected to decline and become stable which will further reduce the cost pressure on manufacturers.

Average log CIF prices, in the first quarter of 2023

CIF price	2023 Q1	YoY % change
	US\$ per cu.m	
Total log imports	173	-12%
Softwood logs	146	-16%
All hardwood logs	245	-12%
Tropical Logs	251	-20%

Data source: China Customs.

Decline in tropical log imports

China's tropical log imports fell 14% to 1.537 million cubic metres in the first quarter of 2023.

Tropical hardwood log sources, 2023 Q1

	2023 Q1 (000'cu.m)	YoY % change
Total	1,537	-14%
PNG	693	2%
Solomon Is.	416	3%
Congo Republic	152	88%
Cameroon	73	-48%
Suriname	36	-10%
Equatorial Guinea	23	-81%
Mozambique	23	-67%
DRC	17	-75%
Honduras	15	-4593%
CAR	14	-39%
Ecuador	14	-60%

Data source: China Customs.

The top three suppliers of tropical logs to China were Papua New Guinea (45%), Solomon Islands (27%) and the Republic of Congo (10%). 82% of China's tropical log imports were from these three countries in the first quarter of 2023.

China's tropical log imports from PNG, Solomon Is. and the Republic of Congo grew 2%, 3% and 88% to 693,000 cubic metres, 416,000 cubic metres and 152,000 cubic metres respectively in the first quarter of 2023.

Increase in CIF price for tropical log imports from DRC

While tropical log import prices generally declined the CIF price of China's tropical log imports from DRC increased 42% in the first quarter of 2023. In addition, CIF prices for China's tropical log imports from Suriname rose 8%.

The largest decline in log CIF prices was the 20% drop for log imports from the Republic of Congo.

Average log price, (US\$/cu.m Customs value, all grades, all sources)

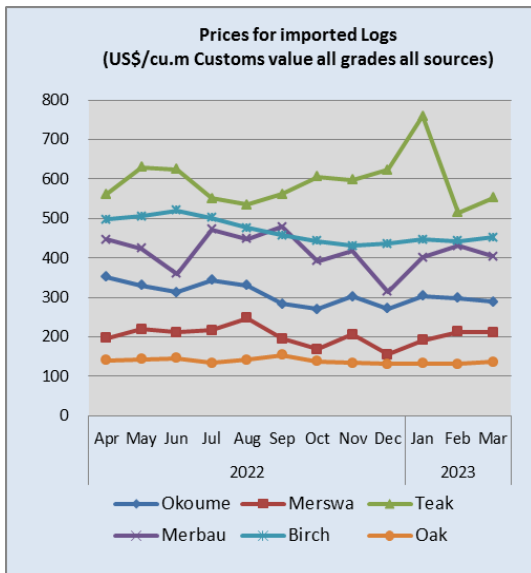
	2022	2023
	Feb	Mar
Okoume	298	289
Merswa	212	211
Teak	515	552
Merbau	430	404
Birch	443	452
Oak	131	136

Data source: Customs, China

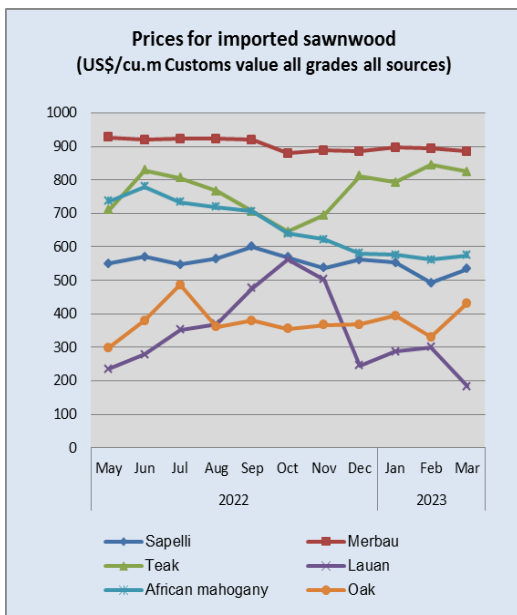
Average sawnwood price, (US\$/cu.m Customs value, all grades, all sources)

	2022	2023
	Feb	Mar
Sapelli	493	534
Merbau	894	885
Teak	844	825
Lauan	681	183
African mahogany	561	574
Oak	331	431

Data source: Customs, China



Data source: Customs, China



Data source: Customs, China

EU

Subdued mood amongst hardwood traders at Interzum

The general mood of hardwood traders attending the Interzum 2023 show in Cologne 9 to 12 May was that the overall market, having slowed dramatically in the second half of 2022, has remained very subdued this year.

There were many references to economic uncertainty owing to the Ukraine war, extremely high energy costs, rising inflation leading in turn to higher interest rates, and consumers becoming increasingly cautious after two years of high spending immediately after lockdowns.

The boom in home improvement, that started in the pandemic and helped drive hardwood sales in Europe and which was encouraged by government stimulus measures, is now well and truly over.

This informal view chimes with the formal economic analysis of organisations like the IMF whose latest Regional Economic Outlook report for Europe published in April notes that “Europe faces the difficult task of simultaneously bringing down inflation, sustaining economic growth and preserving financial stability as it grapples with the fallout of the energy crisis triggered by Russia’s invasion of Ukraine and the aftermath of the COVID-19 pandemic. While declining, inflation remains very high and growth has tumbled since the middle of last year as inflation lowered households’ real incomes”.

Many hardwood importers in Europe were caught out by the sharp fall in prices for some hardwood products, including from South East Asia and North America and for lower grades of European hardwood, starting from the summer of last year.

The price drop was driven by the sharp fall in global demand last year as all the major economies, including the US, China and Europe, suffered a downturn.

The global freight rate index (as reported by Statista) fell from a high of US\$10,361 for a 40 ft container in September 2021 to US\$2,119 in December 2022. On some routes the fall was even greater, for example one UK importer of Asian plywood said the fall from South East Asia into the UK fell from a high of US\$18,000 to just US\$1,800 during this period.

As prices fell on global markets, hardwood importers in Europe that had bought heavily in the first half of 2022 found that they were now carrying a lot of overpriced stock that was increasingly difficult to sell. Over the last six months, importers have been slowly offloading that stock, frequently at a loss, to maintain cashflow.

While that is the general picture, the situation has varied widely throughout the hardwood trade in Europe and dependent on the species and end-sectors involved. The problems of high stocks of overvalued products particularly apply, in the case of tropical hardwoods, to Indonesian products including bangkirai decking and laminated window scantlings and in the case of temperate woods, to American hardwood and flooring grades of European oak.

In the case of African sawn hardwood, although prices for existing landed stock in Europe have been falling as large volumes arrived last year and consumption has been slow, availability for forward orders from African sawmills in the second half of this year is restricted and prices are firm and expected to remain so. This reflects rising overheads for African producers, driven by fuel and energy inflation, which is resulting in falling output.

An increase in Cameroon’s export tax from 10 to 15% on the FOB value of sawn timber has also contributed to firmer prices for forward orders.

After all the work carried out on garden improvement during the pandemic, the European market for tropical hardwood decking has now slowed to a crawl. European importers are carrying heavy stocks bought at high prices last year and are not in the market for new supplies.

With demand so weak, exporters in Malaysia and Indonesian have struggled in their efforts to push for higher FOB prices in response to lower harvesting and production volumes.

The volatility in prices for American hardwoods in the last two years months has impacted on demand for those tropical species where there is direct competition. The most obvious overlap is in the market for tropical species like ayous, okoume and abura/bahia which compete directly with American tulipwood for interior joinery and furniture applications.

Prices for American tulipwood rose sharply between 2020 and early 2022, but then fell sharply from the middle of last year. Ready availability of the American species at low prices is now acting as a further drag on demand for the tropical timbers in Europe.

The extent to which applications for American hardwoods and tropical hardwoods overlap in the European market is increasing as production volumes of thermally modified American hardwoods suitable for external applications continue to rise. Ash was formerly preferred for thermal modification, but with production volumes of that species declining sharply due to the Emerald Ash Borer infestation in the U.S., attention has now switched to red oak and tulipwood.

According to reports from traders at Interzum, the European market for wood furniture and flooring is particularly slow. There were some positive reports of reasonable activity in the windows and doors sectors in parts of the continent.

Overall anxiety about future prospects seems particularly pronounced in Germany and in some central European countries most directly affected by the war in Ukraine. Some more positive reports came from traders operating in Italy, Spain, France, the Netherlands, and Ireland. Reports from the UK were very mixed, the overall impression being of a very slow start to the year but with rising optimism that the worst of the downturn is already over. Gaps are beginning to appear in UK stocks and more importers are taking steps to fill these. This mirrors wider economic data.

On a positive note, the IMF Regional Economic Outlook report notes that an all-out recession was avoided in Europe this winter thanks to sharply lower energy prices and government relief measures.

The expectation is that the continent's economy will continue to grow at the slow pace of 0.7% this year, rising to 1.4% in 2024 due to "gradually easing headwinds" with lower energy prices, easing supply bottlenecks, improving household purchasing power, and "some unwinding of the tightening of financial conditions later next year".

This year GDP is forecast to grow by 1.5% in Spain, by 1% in the Netherlands, by 0.7% in Italy and France, and by 5.6% in Ireland. However, GDP in Germany and the UK is expected to decline this year, by 0.1% and 0.3% respectively.

Construction sector data indicates weak prospects in Germany

Latest data from the construction sector suggests that prospects in Germany are particularly weak at present. The HCOB Purchasing Managers Index (PMI) for German construction stood at only 42.0 in April, down from 42.9 in March and well into sub-50 contraction territory, registering the deepest downturn since February 2012.

France is also weak on this measure, the HCOB PMI posting 46.0 in April, which at least was marginally up on 45.3 in March. More positively, Italy posted 49.0 in April, up from 47.4 in March and now close to neutral.

In the UK, the construction sector is performing better than the wider economy. At 51.1 in April, the S&P Global/CIPS UK PMI was up slightly from 50.7 in March and above the neutral 50.0 value for the third month in a row.

New build residential activity is very slow in the UK but this is being offset by a reasonable level of commercial building work which is creating continuing demand for hardwood for joinery applications.

German woodworking trade fairs underway

Interzum and LIGNA, Europe's two biggest woodworking shows, are now being held in Germany. Running back-to-back, Interzum was held between 9th and 12th May in Cologne and LIGNA is on between 15th and 19th May in Hanover. Koelnmesse, the organisers of Interzum, reported that there were just under 1,600 exhibitors at this year's show, down from around 1,800 when the show was last held in 2019 but a good turnout given current uncertainties in the furniture and joinery market.

Interzum is a truly international fair with around 80% of exhibitors based outside Germany. A huge range of wood materials suppliers and manufacturers exhibit at the show, covering the full range from lumber and veneer through furniture and flooring component manufacturers to finished furniture products.

The central importance of wood to the European furniture and interiors sector was celebrated in Interzum's prepublicity which highlighted that wood materials play a "special role in current interior design trends because of their natural appearance.

The structures, shapes and colours found in natural wood define many new collections of decorative finishes and surfaces”.

It went on to observe that “this natural building material can also address issues such as CO2 emissions in the residential sector, the lack of living space and the desire for individual and healthy furnishings. As a renewable, carbon-neutral material, wood plays a major role especially in lightweight design and furniture construction.”

While the wider wood sector was a dominant presence at the show, tropical hardwoods were not prominent. This is partly a reflection of the relative lack of resources devoted to communication and R&D in the tropical wood sector, and partly to the existing position of tropical wood in the European market, where it is essentially seen as a niche material for a narrow range of applications.

However, there was a presence in the shape of tropical plywood producers such as Rougier and Joubert and several larger European importers of sawn hardwood and veneer manufacturers that offered tropical wood in their product ranges.

Indonesia hosted a stand to promote the SVLK certification system and featuring a range of lightweight timber products for the wood flooring and furniture sector.

The Ambassador of Indonesia to Germany, H.E. Arif Havas Oegroseno, delivered a presentation explaining the role of SVLK at the Indonesia stand on 10 May.

Indonesia’s presence at Interzum was arranged through a collaboration between Indonesia’s Directorate General for National Export Development, the Indonesia Trade Attache in Berlin, the Indonesia Trade Promotion Center (ITPC) in Hamburg, and LPEI Indonesia Eximbank. It was supported by Germany’s Import Promotion Desk (IPD) and the Swiss Import Promotion Programme (SIPPO).

Another positive outcome of Interzum 2023 for the tropical wood sector was the powerful case made for the social and environmental benefits of using tropical hardwood in high value applications in Europe and the wider global market at a well-attended event on the “Trend Stage” by Axel Groh of Schorn & Groh, a high-end German veneer manufacturer.

Mr. Groh emphasized the benefits of selection harvesting of high value timber in the tropics to maximize value and reduce incentives for forest conversion.

He said that certification programs like FSC and PEFC combined with legal frameworks such as EUTR and the forthcoming EU Deforestation Regulation provide robust assurances that tropical wood sold into the European market is legal and sustainable.

Referencing increasingly widespread problems of pest and drought damage afflicting monocultural plantations in Germany and other European countries, Mr Groh also argued convincingly in favor of a shift towards low intensity forest operations favoring high value hardwood products from more diverse forests.

The strong environmental focus of Mr Groh’s presentation and Indonesia’s presence at Interzum aligned with the wider theme of Interzum this year.

According to the organisers “with its new global lead theme ‘neo-ecology’ Interzum 2023 is promoting dialogue aimed at increasing more resource conservation and climate protection”. Aspects such as resource efficiency, smart materials, renewable energies and recycling and upcycling were key to many of the exhibitors’ innovations.

Since tropical wood products already exhibit many of these strong environmental features, for tropical suppliers the key challenge at Interzum 2023, and in the wider European market, is to more effectively communicate high levels of technical and environmental performance.

The approach adopted by Rougier, for example, was to feature three innovative branded plywood products at Interzum, okougreen, ozigreen, and andougreen respectively manufactured from 100% okoume, 100% ozigo, and 100% andoung each supported by a technical sheet detailing performance and conformance to relevant quality and environmental standards.

For other sectors the show highlighted the strong focus on development of new materials and processes that will contribute to the development of a functioning circular economy.

Interzum’s “Sustainability Matters” exhibit featured a wide range of innovations designed to deliver against this objective, some involving new ways to use wood fibre, but many others involving novel use of faster growing plants and upcycling of agricultural and post-consumer waste products.

North America

Imports show signs of rebounding in March

While still nowhere near as strong as a few months ago imports of tropical hardwood and related products showed some strength in March, fueling hopes of a rebound or, at least, finding a bottom after several months of decline.

While imports of sawn tropical hardwood, hardwood plywood and assembled flooring panels all saw gains of more than 10% in March they remain well behind March 2022 levels. Meanwhile imports of hardwood mouldings and wooden furniture continue to slide.

Sawn tropical hardwood imports halt slide

Imports of sawn tropical hardwoods rose for the first time in six months, gaining 11% in March after falling steadily for the previous five months. The 14,525 cubic metres imported in March was only a little more than half that imported in February.

Imports from Cameroon, Cote d'Ivoire and Congo (Brazzaville) all more than doubled their February volumes. Imports from the top trading partner, Brazil, were down 48% in March and are off last year's volume by 52% through the first quarter of the year.

Imports from Indonesia, the other leading trading partner, are down 77% through the first quarter despite a 49% rise in March.

Imports of sapelli rebounded in March, more than tripling February volume, yet they are still down 7% from last year through the first quarter. Imports of meranti and cedro also rebounded.

Imports of ipe and balsa have lagged, both dropping more than 30% in March and both down more than 60% through the first quarter. Mahogany imports are the only ones showing strength so far this year, up 19% in March and ahead of last year by 61% in the first quarter. Overall US sawn tropical hardwood imports are down 42% from last year through the first quarter.

Canada's imports of sawn tropical hardwood saw a 29% jump in March to its best volume of the year, nearly 18% higher than last March. Increased imports from Indonesia, Malaysia and the United States fueled the gain. Total imports are ahead of last year by 10% through the first quarter.

Sawn tropical hardwood imports

	Q1 2023 cu.m	YOY % change
Balsa	609	-60%
Sapelli	6,776	-7%
Acajou d'Afrique	2,539	-39%
Keruing	7,403	-5%
Ipe	5,504	-67%
Mahogany	2,860	61%
Virola	270	-84%
Meranti	1,509	-45%
Cedro	1,432	2%
Jatoba	190	-53%
Teak	827	-37%
Iroko	323	-30%
Padauk	290	-35%
Aningre	0	-100%
Other tropical	14,572	-51%
Total	45,104	-42%

Data source: US Census Bureau, Foreign Trade Statistics,

Hardwood plywood imports steady with a 14% gain

Imports of hardwood plywood also broke out from a downward trend, posting a rise of 14% by volume in March. The gain was chiefly due to a healthy 20% rise in imports from Indonesia. Despite the gains, overall imports continue to look dismal versus last year.

Total imports were off by 64% in the first quarter with imports from the two largest trading partners, Indonesia and Vietnam, down by 64% and 80%, respectively, through March.

Veneer imports up 7%

US imports of tropical hardwood veneer grew 7% in value in March as imports from Italy, China and India all rose sharply. Imports from Ghana and Cameroon fell in March while imports from Cote d'Ivoire remained steady. Imports from Cote d'Ivoire are up 462% over 2022 through the first quarter of the year.

Total imports for March were slightly more than 1% above those of March 2022 while first quarter totals were up 17%.

Hardwood flooring imports surge

US imports of hardwood flooring moved upward in March, rising 26% by value over the previous month. Imports from Malaysia rose 72% while imports from Vietnam grew ten-fold over their February total. Declines in imports from China and Brazil tempered the gains.

Total imports for March were within 1% of March 2022 totals while imports were up 7% through the first quarter. Imports from Indonesia have been especially strong—up 18% in March and up nearly 300% through the first quarter.

Imports of assembled flooring panels also made a strong advance. Imports rose 33% in March after having fallen for five consecutive months. Imports from Canada rose 55% for the month to fuel the gain.

Despite the uptick, the March total was still lower than that of March 2022 by more than one third while imports lag behind last year's by 43% through the first quarter.

Assembled hardwood flooring imports

	Q1 2023 US\$	YoY % change
Total	54,847,458	-43%
China	1,813,413	-71%
Canada	11,038,195	-16%
Indonesia	7,155,317	-36%
Vietnam	7,274,032	-56%
Thailand	3,053,633	-86%
Brazil	283,630	19%
Other	24,229,238	-11%

Data source: US Census Bureau, Foreign Trade Statistics,

Moulding imports continue down

Imports of hardwood mouldings fell for a sixth consecutive month in March, dropping 9% by value from the previous month. A rise in imports from Canada helped offset an even sharper decline in imports from China and Brazil.

Imports for the month were only slightly more than half of what they were in March 2022. Imports for the first quarter are down sharply from nearly all trading partners, with the exception of Brazil, where they are up by less than 1%. Total imports are down 32% through the first quarter of the year.

Moulding imports

	Q1 2023 US\$	Yoy % change
Total	29,618,465	-32%
Brazil	2,371,159	0%
China	1,926,471	-65%
Malaysia	2,682,079	-38%
Canada	8,868,542	-19%
Other	13,770,214	-33%

Data source: US Census Bureau, Foreign Trade Statistics,

Wooden furniture imports fall for third month

Imports of wooden furniture fell slightly in March as imports from China slowed even further. The US\$1.402 billion in March imports was 42% less than that of March 2022. Imports from the top two trading partners, China and Vietnam, both fell by more than 20%.

Imports from China have been particularly weak so far this year, down by 50% through the first quarter of the year. With the exception of Canada, imports from all major trade partners are down more than 10% in the first quarter as total wooden furniture imports are down 28%.

Wooden furniture imports

	Q1 2023 US\$	YoY % change
Total	4,668,678,942	-28%
China	712,148,973	-50%
Vietnam	1,618,614,843	-27%
Canada	412,160,229	5%
Malaysia	260,464,026	-41%
Mexico	462,810,501	-14%
Indonesia	244,553,734	-26%
India	107,032,990	-28%
Other	957,926,636	-18%

Data source: US Census Bureau, Foreign Trade Statistics,

Cabinet sales up 3.4% in March

According to the Kitchen Cabinet Manufacturers Association's monthly Trend of Business Survey, participating cabinet manufacturers reported an increase in overall cabinet sales of 3.4% for March 2023 compared to the same month in 2022.

Custom and semi-custom cabinet sales increased year over year as well. Custom sales, year over year, were up more than 24% while semi-custom sales were up just over 1%. Stock sales, however, were down 17.6%.

See: <https://kcma.org/insights/february-trend-business-report>

Younger consumers unlikely to purchase furniture the way their parents did

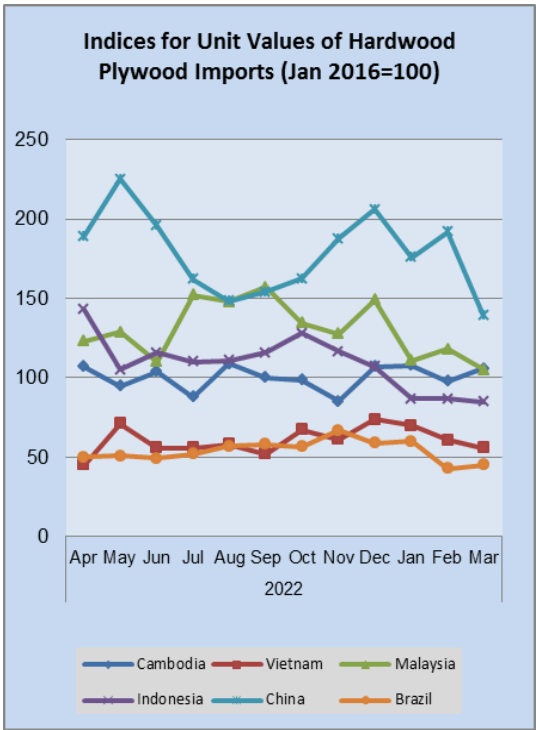
Furniture Today Editor, Cindy Hodnett, wrote that a CEO of one of the furniture industry's largest manufacturers told her we are on the cusp of a transformative generational shift, one likely to be a slow, painful transition for the industry.

Over the next 10 years or so as Generation Z (born between the mid-to-late 1990s and the early 2010s) moves into adulthood and homeownership they will bring new purchasing habits into the market.

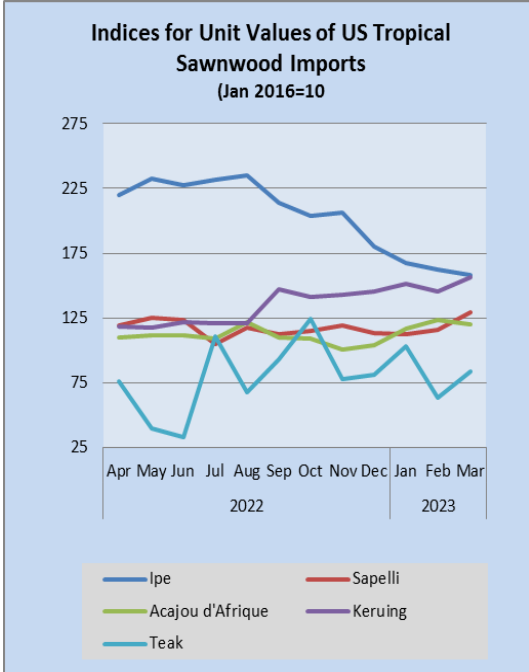
The editor wrote that future buyers won't be like those in the past who saved for years on end in the 1960s, '70s and '80s to be able to purchase their starter furniture "suite," followed by family-with-kids next-level up pieces, and then their aspirational living and dining room furniture collection.

Hodnett posited the question, "What will it mean for the industry if the next critical mass of buyers says 'no' to fast furniture and what they don't like and 'yes' to saving for quality pieces designed to their taste and preference?"

See: <https://www.furnituretoday.com/furniture-retailing/is-gen-z-going-to-buy-furniture-like-their-grandparents-did-cindy-w-hodnett/>



Data source: US Census Bureau, Foreign Trade Statistics,



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

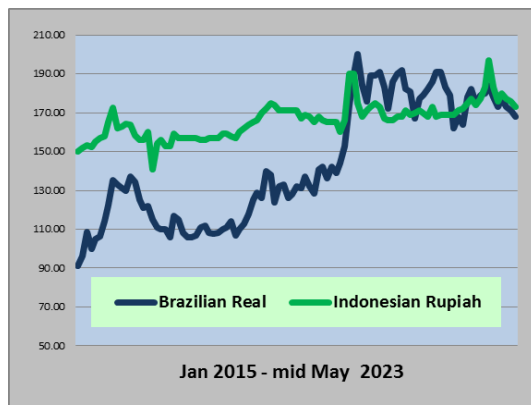
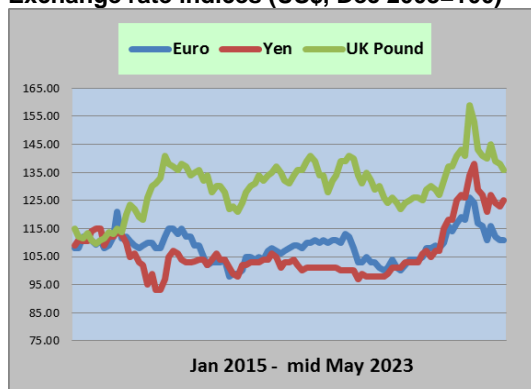
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

Dollar Exchange Rates

As of 10 May 2023

Brazil	Real	4.94
CFA countries	CFA Franc	599.05
China	Yuan	6.93
Euro area	Euro	0.91
India	Rupee	81.86
Indonesia	Rupiah	14,934
Japan	Yen	134.40
Malaysia	Ringgit	4.4585
Peru	Sol	3.76
UK	Pound	0.79
South Korea	Won	1,318.10

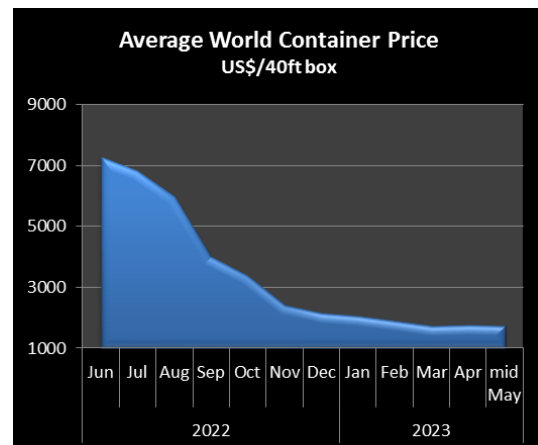
Exchange rate indices (US\$, Dec 2003=100)



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

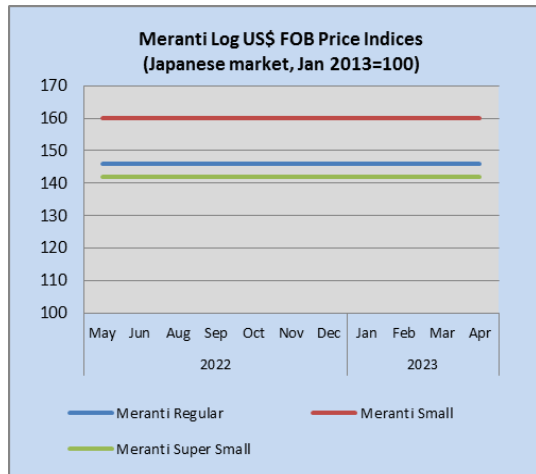


Data source: Drewry World Container Index

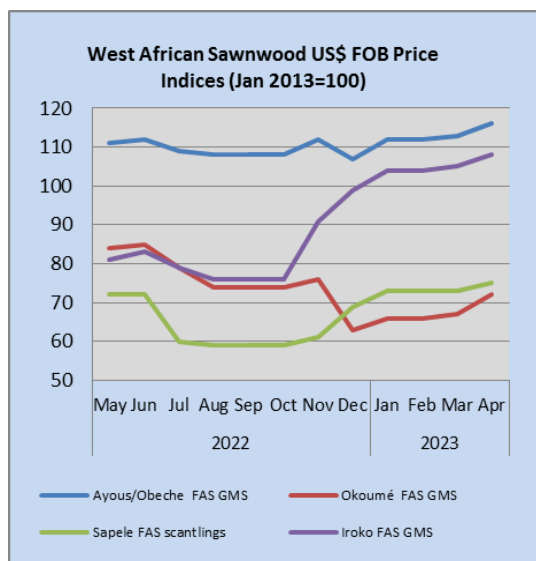
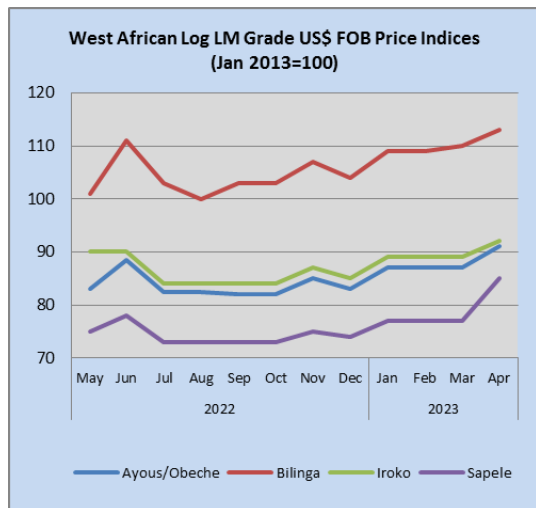
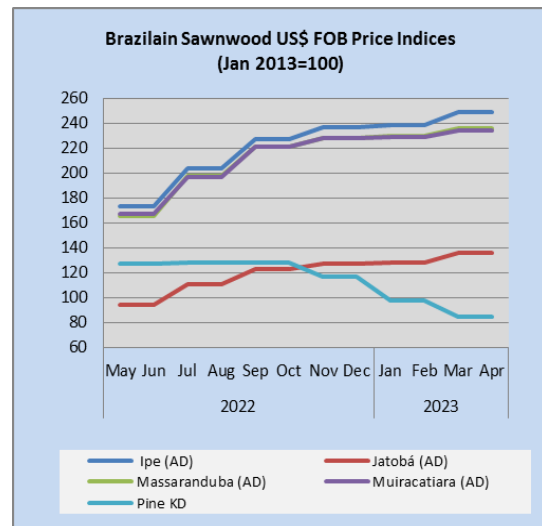
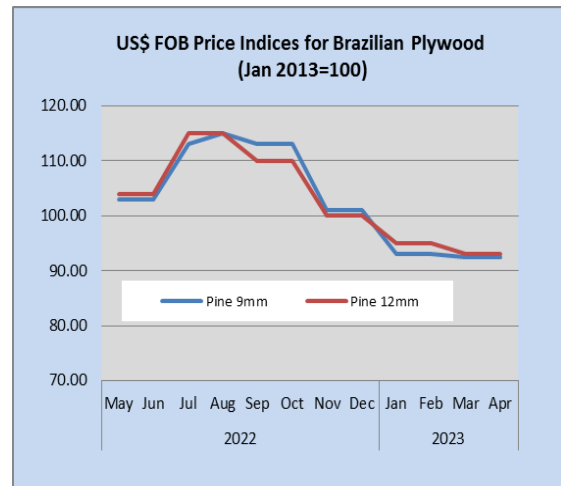
See: <https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry>

Price indices for selected products

The following indices are based on US dollar FOB prices



Note: Sarawak logs for the Japanese market



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

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