Tropical Timber Market Report

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Top story

UK 'Timber Market Briefing' underscores tough trading, but longer term hope

The conclusion of the first 'Timber Market Briefing' from Timber Development UK (TDUK) is that the wider industry is still facing challenging times. The fundamentals remain strong, it says and the prospects for wood as a construction and manufacturing material are positive.

Throughout the Market Briefing, concludes TDUK CEO David Hopkins, the one message comes through consistently from businesses is that "confidence drives investment, investment drives construction and construction drives growth".

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Central and West Africa

International market view

The Central African timber trade is entering mid-September with some changes in international demand and pricing. The most important development is once again coming from buyers for the Chinese market.

Chinese mills in the region had, after the mid-year slowdown, returned to relatively strong production, particularly for sawn Okoumé alongside a range of redwood species. However, Okoumé purchasing is now beginning to weaken. This slowdown in purchasing by China has arrived earlier than anticipated. Operators had expected Chinese buying to remain stronger until the usual slowdown in advance of the Chinese New Year.

With Chinese Okoumé demand beginning to soften, mills and exporters are continuing to look for alternative destinations. There are signs of increasing diversification outside the traditional European and Asian markets.

Trade with South America countries is becoming more noticeable with Guatemala and Bolivia purchasing species including Padou, Limbali and some Azobé. Although these remain relatively small markets compared with the established destinations, they are increasingly relevant as producers seek alternatives for species facing weaker demand elsewhere.

Azobé supply and alternative for Europe

Azobé remains an important species to watch. New demand has been reported from Jeddah for heavy-section Azobé. If this business continues and develops into a regular market, it could further tighten the volumes available to Dutch and Belgian buyers.

European importers may therefore increasingly be considering alternative heavy-duty species, particularly Okan and Dabema. This comes at a time when Azobé availability from traditional West African supply areas is already under pressure.

While Azobé trees remain standing across West and Central Africa, logging companies are facing a sharp drop in the volume of commercially viable timber. The decline is primarily characterised by depleted stocking and an increasingly strict regulatory environment.

Many concessionaires in the region are entering their second harvest cycle (typically 25 to 30 years after the first). In places like eastern Cameroon, the volume of mature Azobé trees left to harvest appears to be lower than during the first cycle.

See: https://www.globalwoodmarketsinfo.com/reasons-declining-european-tropical-wood-consumption/

Middle East markets

The Middle East market is also weakening. Political and economic uncertainty is affecting purchasing confidence, while competition from Brazilian timber products continues to penetrate regional markets.

Demand remains concentrated mainly on red species such as Iroko, andoung and Sapelli, while purchasing of Okoumé is lower.

Higher freight rates to Europe

European demand remains generally subdued. Importers are now facing an additional challenge from sharply higher freight costs, with reported increases of around euro 100 per cubic metre for some routes.

The increases are being linked to wider oil-market pressures and are adding substantial costs to timber exports. This is particularly challenging at a time when European demand is already relatively weak and importers are facing higher regulatory and compliance costs. Higher freight costs are therefore expected to place further pressure on both producers and European importers during the coming months.

These freight increases will inevitably put pressure on landed timber costs and could result in importers increasing prices. This will subsequently feed into construction and manufacturing costs at a time when European tropical hardwood demand is already relatively weak.

Nkok Special Economic Zone – reduction in operating mills

One of the most striking developments has been the reduction in the number of factories operating in Gabon's Nkok Special Economic Zone.

At its peak, approximately 86 factories were reported to be involved in peeling Okoumé. The latest information indicates that only around 21 remain operational. Many Indian-operated facilities have closed as demand in India has weakened and competition from Chinese-produced peeled Okoumé has intensified.

The scale of the contraction is clearly visible within the zone, with a number of large industrial buildings reportedly standing empty and showing little or no activity. This highlights the seriousness of the present market difficulties affecting the Okoumé processing sector and particularly its exposure to Indian demand.

Operations across the entire timber supply chain have faced massive disruptions due to an active government Task Force investigating companies' financial and social obligations. Several major timber processors have had their operations blocked or heavily sanctioned, preventing the movement of logs leading to depleted log stocks at the Gabon Special Economic Zone (GSEZ) log park.

Another contributing factor is that Gabon reduced the tax exemption periods for companies operating within the GSEZ from 10 years down to 5 years. This scaling back of fiscal benefits has cooled down new private investments and public-private cooperation compared to the zone's peak expansion years.

Another issue that could be related to the closure of mills in the Zone concerns tax recovery. On 6 September the Gabonese government announced approximately FCFA 1.7 trillion in outstanding debts owed by companies, private enterprises and other parties. Those concerned have reportedly been given until 7 October to settle their obligations, after which legal action may follow.

This represents a significant government effort to recover outstanding public revenues and could place additional financial pressure on companies already operating in difficult market conditions.

EUTR and EUDR pressure on African timber exports

African timber exporters continue to face increasing regulatory pressure when supplying Europe. EUTR requirements, alongside preparations for the EUDR framework, are influencing both producers and European importers.

Dutch enforcement is reported to be particularly strict, with importers facing detailed scrutiny of documentation and traceability. Even relatively small deficiencies in supporting documents can create significant difficulties. Industry feedback suggests that Dutch authorities are applying particularly strict controls.

Provisional fines of approximately €200,000 have reportedly been presented in some cases where documentation has been considered insufficient. Companies are reportedly being given six months to resolve documentary deficiencies before penalties are implemented.

The cumulative effect of regulatory requirements, higher freight costs and comparatively weak European demand are encouraging African producers to continue developing markets elsewhere. China remains important despite the latest slowdown, while the Middle East, South America, Bangladesh and Pakistan are increasingly relevant as producers attempt to reduce their dependence on the European market.

Specialised industrial zones for eastern Cameroon

To prepare for expanded domestic processing the agency in charge of industrial land, MAGZI (Mission d'Aménagement et de Gestion des Zones Industrielles), a public industrial and commercial enterprise in Cameroon, has allocated 224 hectares across two specialised industrial zones in the Eastern Region for local processing: Doumé-Bonis (104 hectares) and Mandjo Kano (120 hectares).

However, progress on investment has been slow as many local operators do not have the technical and financial resources needed to advance to secondary and tertiary processing of products such as furniture or finished panels.

See: https://www.businessincameroon.com/public-management/2205-16208-cameroon-tightens-log-export-rules-to-boost-local-wood-processing
and
https://business237.org/forestry-sector/opportunities-for-wood-processing-in-cameroon/

Market outlook

Asian demand continues to provide the strongest support, particularly from Viet Nam and the Philippines. China remains active across a relatively broad range of species but there is concern that demand may be weakening again. Vietnamese demand for Tali, Niové and Padouk continues to help maintain sawmill activity.

With mills holding approximately two to three months of log stocks, there is no immediate supply concern. The main issue to monitor will be the return of heavier rains and their effect on harvesting and road transport. Overall production is therefore expected to remain measured, with mills continuing to align output closely with confirmed international orders rather than increasing stocks in a still-cautious global market.

TDUK guides to tropical timber sourcing

A series of guides for buyers sourcing from six tropical-producing countries is being developed by lead UK timber sector body Timber Development UK (TDUK). The first is for Ghana, produced in association with the Ghana Forestry Commission (see page 5). Out soon, it describes the new Ghana Verified Timber (GVT) legality validation programme and the country's EU Forest Law Enforcement Governance and Trade (FLEGT) Licencing framework and integral timber legality assurance system (TLAS) which underpin it.

The other five guides are for Cameroon, Republic of Congo, Liberia, Côte d'Ivoire and Gabon and the series is being supported with funding from the Forest Governance, Markets and Climate (FGMC) programme of the UK Government's Foreign, Commonwealth and Development Office.

The TDUK says "Our aim with the guides is to give timber buyers clear, practical information on the systems behind timber from these producer countries, from legality assurance and traceability to the products and sourcing opportunities they offer. "By making that information more accessible, we want to build buyer confidence, strengthen links between responsible producers and international markets and ultimately encourage greater demand for verified tropical timber."

Four of the countries covered in the guide series, Ghana, Cameroon, Republic of Congo and Liberia, are members of the Broader Market Recognition Coalition (BMRC) along with Indonesia and Guyana.

This commits signatories to develop their National Sustainable Forestry Systems and have them independently validated against internationally accepted forest governance principles and indicators.

See: https://timberdevelopment.uk/,
and
https://forestgovernance.org/,
and
https://fc.gov.gh/ and
and
https://woodcampus.co.uk

Log export prices

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

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	700
Okoumé FAS GMS	450
Merchantable KD	430
Std/Btr GMS	430
Sipo FAS GMS	540
FAS fixed sizes	-
FAS scantlings	560
Padouk FAS GMS	900
FAS scantlings	1,050
Strips	420
Sapele FAS Spanish sizes	550
FAS scantlings	580
Iroko FAS GMS	870
Scantlings	920
Strips	410
Khaya FAS GMS	420
FAS fixed	440
Moabi FAS GMS	580
Scantlings	620
Movingui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	450

Ghana

Middle East trade slides

According to data from the Timber Industry Development Division (TIDD) of the Forestry Commission (FC) the country's overall wood product export volume in the first half of 2026 contracted compared to the first half of 2025.

The total volume shipped in the first half-year dropped by around 12%, from 111,348 cu.m. in 2025 to 98,387 cu.m. in 2026.This contraction was driven by a heavy downturn in specific regional markets (Asia, Middle East and Oceania) despite notable growth across the continents of Europe, Africa and America).

Wood product exports: Jan-Jun 1st half 2025/2026

	2025 Vol'000 cu.m	2026 Vol'000 cu.m	YoY % Change
Asia	75.504	54.67	-28%
Europe	16.564	22.373	35%
Africa	10.186	13.632	34%
America	5.898	6.831	16%
Middle East	3.159	0.881	-72%
Oceania	0.038	-	
Total	111.349	98.387	-12%

Data source: TIDD

Although Asia remains the largest market by a wide margin its dominance is weaning as volumes fell by 28%, from 75,504 cu.m. to 54,670cu.m. which caused its market share to slump from 68% down to 56%. However, the volumes to Europe and the Africa region surged. Europe experienced the largest pace of growth, increasing its volume by 35% and elevating its market share to 23%. Africa followed closely with a 34% volume expansion, securing a 14% market share.

The market share of Europe, Africa and America together rose from 29% in the first 6 months of 2025 to 44% in the same period in 2026.

The Middle East market collapsed significantly, losing 72% of its operational volume and dropping below a 1% market share. Oceania's contribution phased out entirely during this timeframe. Market analysts are hopeful, however, the Middle East economic downturn would be short-lived to avoid negative impact on business and industrial employment.

ECOWAS market performance – Ghana clocks 49% growth

Nine ECOWAS member countries experienced 49% overall growth, driven by significant changes in export volumes and product choices between the first half year of 2025 (8,069 cu.m) and 2026 (11,930 cu.m).

ECOWAS market performance: Jan-Jun.1st half 2025/2026

Country	2025 '000 cu.m	2026 '000 cu.m	YoY % Change
Burkina Faso	1,817	4,874	168%
Benin	339	1,227	262%
Gambia	1,632	2,540	56%
Senegal	312	457	46%
Togo	2,923	2,132	-27%
Mali	616	589	-5%
Nigeria	-	113	-
Niger	389	-	
Cote D'Ivoire	40	-	
Total	8,069	11,930	48%

Data source: TIDD

Plywood was the main trade product in the regional market. The total volume shipped from Ghana climbed from 7,922 cu.m to 11,633 cu.m, capturing 98% of the entire ECOWAS wood export market share in the first half of 2026.

TDUK – Ghana sourcing guide

A series of guides for buyers sourcing from six tropical-producing countries is being developed by lead UK timber sector body Timber Development UK (TDUK), the first is for Ghana. The Ghana guide details the operation of the Ghana Verified Timber (GVT) framework and brand and its value to buyers of Ghanaian timber in markets worldwide who are requiring ever higher levels of legality and sustainability validation.

The guide explains that Ghana's FLEGT licences are accepted as definitive proof of legality under the EU Timber Regulation and exempt EU operators from further EUTR due diligence on imports of Ghanaian Timber. Under the incoming EU Deforestation Regulation (EUDR), EU buyers of Ghanaian timber will additionally have to undertake due diligence that it is not implicated in deforestation.

But FLEGT Licenses are accepted as proof of legality under the EUDR, while geolocation coordinates for timber origin required by the Regulation are provided under the Ghana Timber Legality Assurance System (GhTLAS) via the Ghana Wood Tracking and Decision Support System (GWT-DSS).

It also notes that, post Brexit, UK buyers of Ghanaian timber still must undertake legality due diligence to satisfy the UK Timber Regulation as the two countries have not yet concluded a bilateral FLEGT VPA. However, it says, in 2025 the UK and Ghana signed a Memorandum of Understanding to promote forest governance.

Subsequently the UK Department for Environment said it is reviewing its approach to tackling deforestation linked to trade. It said it will set out its approach to this, including future VPAs with timber suppliers, 'at the earliest opportunity'.

In summary, the guide states that for timber buyers the GVT framework delivers:

- Clear evidence of legality for domestic and export markets, plus compliance with EUTR due diligence requirements and proof of legality under the EU Deforestation Regulation
- Full traceability through digital monitoring systems
- Assurance of ethical and responsible sourcing
- Reduced exposure to illegal or high-risk supply chains
- GPS traceability.

See https://timberdevelopment.uk/
and
https://forestgovernance.org/
and
https://fc.gov.gh/
and
https://woodcampus.co.uk/

Restoring land degraded by illegal mining could cost US$21billion

A former Minister for Environment, Science, Technology and Innovation, Prof. Kwabena Frimpong-Boateng, has hinted Ghana will require an estimated US$21 billion to reclaim and restore lands degraded largely by illegal mining and other destructive activities.

Professor Frimpong-Boateng said this when delivering his keynote address at the Fourth Annual Colloquium organised by the Department of Political Science Education at the University of Education, Winneba, under the theme, "Politics, the Environment and Our Future: Ghana at Crossroads".

He indicated, about 10% of Ghana's land area equivalent to approximately 23,853 square kilometres had been illegally degraded, leaving the country with an enormous environmental restoration bill.

He highlighted the restoration of the Ankobra River alone, which he said had been estimated to cost about US$400 million, excluding the cost of rehabilitating other polluted water bodies, including the Pra, Offin, Birim, Anum, Oda and the Black, White and Red Volta rivers.

Prof. Frimpong-Boateng, once the chairman of the Ghana's Illegal Mining Committee during the 2017-2021 era, described the illegal mining 'galamsey' menace as the largest environmental crime in the history of the country. As a medical expert, he warned of the exposure of chemical residues to communities, farmlands, forests and water bodies.

Galamsey is widespread in the Ashanti, Eastern, Western and Western North Regions with its ripple effects on farmlands, forests and river bodies. He proposed an independent Environmental Restoration Fund, financed by mineral royalties, for remediation and reclamation.

See: https://www.myjoyonline.com/ghana-needs-21bn-to-restore-lands-damaged-by-illegal-mining-frimpong-boateng/?utm_source=vuukle&utm_medium=talk_of_town

Ghanaians encouraged to plant more trees

According to an environmental expert, researcher and lecturer at the University of Environment and Sustainable Development (UESD), Dr. Owusu Fordjour Aidoo, trees play a critical role in protecting the environment.

Speaking to the media, Dr. Fordjour Aidoo, urged individuals and communities to plant, sustain and strengthen their tree-planting efforts to help combat the growing effects of climate change.

He said the continuous loss of forest cover through illegal mining, illegal logging, bushfires among other human activities had contributed to environmental degradation worsening of the effects of climate change on ecosystems.

Dr Aidoo emphasised that trees are a vital natural solution for curbing climate change by absorbing carbon dioxide. He therefore urged all Ghanaians to view afforestation as a collective civic duty rather than just a government initiative.

In related news, a private sector enterprise has partnered with the Forestry Commission (FC) of Ghana and Rainforest Alliance to restore a degraded section of the Chipa Forest Reserve at Shai Hills, as part of its 30th anniversary and Sustainability Month.

According to the Tema-Ada District Manager, Linda Ansah, the reserve, which was gazetted in the 1960s, requires ongoing restoration and welcomed MTN's support. The planting project was intended to cover two hectares with 1,666 trees of Mahogany, Cassia and Acacia, specially chosen for their adaptability, quick growth and carbon sequestration.

See: https://www.myjoyonline.com/ghanaians-urged-to-intensify-tree-planting-and-forest-protection-to-combat-climate-change/
and
https://gna.org.gh/2026/09/tree-planting-spirit-must-be-rekindled-to-tackle-climate-change-researcher/#google_vignette
and
https://www.businessghana.com/site/news/Business/355023/MTN-Ghana-to-enforce-tree-planting-initiative

Boule export prices

	Euro per cu.m FOB
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	780
Niangon Kiln dry	820

Sawnwood export prices

Ghana sawnwood, FOB	Euro per cu.m	
FAS 25-100mmx150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	925
Asanfina	465	1,016
Ceiba	425	465
Dahoma	488	558
Edinam (mixed redwood)	640	700
Emeri	690	755
African mahogany (Ivorensis)	783	927
Makore	647	870
Niangon	744	870
Odum	1.024	1,148
Sapele	742	825
Wawa 1C & Select	455	476

Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	370	472
Chenchen	431	612
Ogea	345	590
Essa	553	603
Ofram	350	435

Plywood export prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	322	580	641
6mm	392	536	604
9mm	413	504	560
12mm	350	489	480
15mm	389	332	430
18mm	452	437	383

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

Sliced veneer export prices

Sliced face veneer	FOB Euro per cu.m
Asanfina	1,,218
Avodire	2,412
Chenchen	864
Mahogany	1,762
Makore	929
Odum	1,648
Sapele	1,836

Malaysia

15% to 20% of national furniture production is for domestic consumption

Malaysia's domestic furniture retail sector saw a moderate sales expansion of 1.8% in the first half of 2026, while broader manufacturing conditions faced some challenges as production costs continued to rise.

Malaysia's retail industry recorded weaker-than-expected growth of 2.5% year on year in the second quarter of 2026 amid cautious consumer spending according to the latest Malaysia Retail Industry Report. The growth was below the 4.8% forecast by members of the Malaysia Retailers Association (MRA) and Malaysia Retail Chain Association (MRCA) in June, according to the report.

For the third quarter of 2026 the majority members of the two retailers' associations are hopeful of better prospects. They estimate an average growth rate of 4.7% in retail sales for the third quarter. Approximately 80% to 85% of total furniture produced in Malaysia is destined for international markets. Only about 15% to 20% of national furniture production is retained for local domestic consumption.

Strong export gains were noted in alternative markets, led by a 32% increase in sales to India and robust growth in Puerto Rico and New Zealand. Exporters faced tighter margins due to growing operational expenses, compliance mandates and shifting global buyer expectations regarding traceability

Malaysia's logistics infrastructure supports the country’s export success. Penang Port and Port Klang are both major container shipping hubs. Port Klang is consistently ranked among the top 15 busiest container ports in the world by TEU throughput. For furniture exporters specifically, this connectivity translates into competitive freight rates, regular sailing schedules and multiple carrier options.

See:
https://www.nst.com.my/business/corporate/2026/01/1367089/malaysian-furniture-fair-targets-us131bil-site-order
and
https://theedgemalaysia.com/node/817324
and
https://www.hinlim.com/why-malaysia-is-southeast-asia-s-leading-furniture-export-hub

Sarawak's approach to green economic development

The 21st Malaysian Forestry Conference was held in Kuching, bringing together forestry authorities, policymakers, industry representatives, researchers and other stakeholders from across Malaysia. Hosted by the Sarawak Forest Department, the conference was held under the theme "Forests as Catalyst for a Green Economy", highlighting the important role of forests in supporting sustainable development, climate action, biodiversity conservation and economic growth.

Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg, Premier of Sarawak, officiated at the opening. In his address, the Premier emphasised Sarawak's long-term approach to green economic development, stressing that economic progress must go hand in hand with environmental conservation.

He said Sarawak's forests should no longer be viewed solely as a source of timber, but as valuable natural assets with the potential to support research, innovation, pharmaceuticals, sustainable aviation fuel and other high-value sustainable industries.

He also highlighted the use of advanced technologies, including artificial intelligence, to accelerate biodiversity research and unlock new scientific and economic opportunities.

With Sarawak's extensive forest cover serving as a significant carbon sink, he noted Sarawak's strategic potential in carbon trading while underscoring the importance of federal-state cooperation and fair recognition of State rights over forest resources. He also encouraged greater participation by young people in science, technology and research to support Sarawak's green economy agenda.

See:
https://sta.org.my/sta/stareview/2026/07/STAReviewJul2026.pdf
/

Sabah forest cover is maintained at 63%

The Sabah Forestry Department recorded several noteworthy achievements last year, with forest revenue totalling RM164.7 million amid the challenging world economy and trade.

In a 306-page 2025 Annual Report released in Sandakan Chief Conservator of Forests, Zulkifli Suara, said recognition has been given to the Pin Supu Forest Reserve (FR) in Kinabatangan as the first terrestrial International Union for Conservation of Nature (IUCN) addition to the Green List of Protected and Conserved Areas in Malaysia. This recognition by the IUCN is for excellence in conservation and protected area management.

He said the State's forest cover is maintained at 63%, the highest of the three regions in Malaysia, as well as 30% Totally Protected Areas (TPAs) through planned gazetting. The Annual Report can be obtained from the Sabah Forestry Department.

In related news, Deputy Chief Conservator of Forests, Indra Purwandita Herry Sunjoto, has reported Sabah restored about 830,000 hectares of degraded forest under its sustainable forest management efforts.

He added "reduced impact logging has been mandatory in production forest reserves since 2010," claiming that Sabah's Timber Legality Assurance System is the first in the region to align with the European Union Deforestation Regulation and the European Union Corporate Sustainability Due Diligence Directive.

See: https://www.dailyexpress.com.my/news/287716/sabah-forestry-department-s-achievements-last-year/

Indonesia

Export Benchmark Price (HPE) of Wood for September 2026

Veneers

Natural Forest Veneer	US$792/cu.m
Plantation Forest veneer	US$845/cu.m
Wooden Sheet for Packaging Box	US$981/cu.m

Wood Chips

Woodchips in chips or Particles	US$86/tonne
Woodchips	US$97/tonne

Processed Wood

Processed wood products which are leveled on all four sides so that the surface becomes even and smooth with the provisions of a cross-sectional area of 1,000 sq. mm to 4,000 sq.mm (ex 4407.11.00 to ex 4407.99.90)

Meranti (Shorea sp)	US$1,177/cu.m
Merbau (Intsia sp)	US$1,219/cu.m
Rimba Campuran (Mix Tropical hardwood)	US$975/cu.m
Eboni	US$1,847/cu.m
Teak	US$3,457/cu.m
Pine and Gmelina	US$629/cu.m
Acacia	US$655/cu.m
Sengon (P. falcataria)	US$1,387/cu.m
Rubberwood	US$317/cu. m
Balsa (Ochroma sp) and Eucalyptus.	US$820/cu.m
Sungkai (P. canescens)	US$1,298/cu.m

Processed wood products which are leveled on all four sides so that the surface becomes even and smooth of Merbau wood with the provisions of a cross-sectional area of 4,000 sq.mm to 10,000 sq. mm (ex 4407.11.00 to ex 4407.99.90) = US$1,500/cu.m.

See: https://jdih.kemendag.go.id/peraturan/keputusan-menteri-perdagangan-republik-indonesia-nomor-1777-tahun-2026-tentang-harga-patokan-ekspor-dan-harga-referensi-atas-produk-pertanian-dan-kehutanan-yang-dikenakan-bea-keluar-dan-tarif-layanan-badan-layanan-umum

IEU-CEPA to strengthen market access for Indonesian goods

The government says the Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA) will significantly improve market access for Indonesian exports to the EU. The Agreement is expected to benefit major commodities and products, including palm oil, footwear, coffee, furniture, agricultural and fishery products along with telecommunications equipment.

The Minister of Trade, Budi Santoso, anticipates the IEU-CEPA to be formally signed by late October 2026, with implementation targeted for early 2027.

The Indonesian Employers' Association (Apindo) is supportive of the IEU-CEPA but stressed that the deal will not automatically trigger a surge in Indonesian exports to the EU. Apindo Chairwoman, Shinta W. Kamdani, said the Agreement will mainly reduce tariff barriers while companies remain responsible for meeting demanding EU requirements, including the EUDR, CBAM, traceability, environmental and sustainability standards, health regulations and workers' rights.

Despite these challenges, Shinta views IEU-CEPA as a game changer because it will provide Indonesia with more certain access to the EU market and a more level playing field against regional competitors such as Viet Nam and Malaysia.

The Indonesian Furniture Industry and Craft Association (HIMKI) says tariff reductions under the IEU-CEPA alone will not be enough to significantly increase Indonesian furniture exports to the EU as some products already face tariffs of only 0–5.6%.

The industry's key challenges will increasingly involve non-tariff barriers and compliance with European standards, particularly the European Union Deforestation Regulation (EUDR) for wooden furniture.

Exporters will need robust raw-material traceability, including supplier mapping, geolocation data, due diligence documentation and chain-of-custody systems, while also meeting requirements covering chemical safety, formaldehyde emissions, sustainability certifications, REACH, recyclability and carbon-footprint data.

HIMKI also stresses that Indonesian furniture must compete on more than price by strengthening design, craftsmanship, sustainability, cultural identity and production consistency. Ultimately, HIMKI says the Agreement's success should be measured by growth in Indonesia's European market share, added value, number of exporters and the strength of Indonesian brands.

The HIMKI anticipates Indonesian furniture and handicraft exports to the European Union could expand by 10–15% in the first two to three years after the IEU-CEPA takes effect.

See:https://industri.kontan.co.id/news/apindo-ieu-cepa-bukan-jaminan-ekspor-ri-ke-eropa-melonjak.
and
https://www.msn.com/id-id/ekonomi/ekonomi/ieu-cepa-akan-diratifikasi-himki-soroti-hambatan-non-tarif-furnitur-ri-ke-eropa/ar-AA2bjlUH?ocid=BingNewsVerp
and
https://katadata.co.id/berita/industri/6a95685a2cd3f/himki-bidik-ekspor-furnitur-ri-ke-eropa-tumbuh-15-lewat-ieu-cepa

Advancing technology adoption to boost competitiveness

The HIMKI is accelerating technology adoption to increase productivity and strengthen the competitiveness of Indonesia's furniture industry amid global competition. HIMKI chairman, Abdul Sobur, said technological transformation is essential to combine Indonesia's strengths in craftsmanship, skilled artisans, diverse materials, design and cultural creativity with modern precision and production systems.

He added that upgrading technology would help the industry create greater added value and compete more effectively in international markets.

The initiative was demonstrated through a 30-company HIMKI delegation's visit to major furniture exhibitions in Shanghai, China, including WMF 2026, CIFF Shanghai and Furniture China 2026 5-8 September.

The delegation explored advances in woodworking technology, design, materials, manufacturing systems, automation and integrated digital production lines, while also seeking business and technology-transfer opportunities. HIMKI also explored cooperation with the China National Forestry Machinery Association (CNFMA) to expand Indonesian access to machinery, technology, investment and industrial partnerships.

See: https://www.antaranews.com/berita/5729879/himki-perkuat-adopsi-teknologi-pacu-daya-saing-industri-furnitur
and
https://money.kompas.com/read/2026/09/07/214300526/hadapi-persaingan-global-industri-furnitur-ri-dituntut-adopsi-teknologi

Furniture market outreach at KOFURN 2026

Indonesia aimed to expand the market for furniture and interior products in the Korean market by bringing 13 companies to the Korea International Furniture and Interior Fair (KOFURN) 2026.

Organised by the Indonesian Embassy in Seoul in cooperation with the Ministry of Trade, the participation aimed to strengthen Indonesian product branding and connect exporters with Korean buyers and potential business partners.

The Indonesian Pavilion showcases the country's strengths in natural materials, craftsmanship, design and sustainability, featuring furniture made from wood, teak, recycled teak and rattan, as well as interior products using water hyacinth, seagrass, banana leaves, mendong grass and capiz shells.

Indonesia's furniture prospects in Korea are further supported by the Indonesia-Korea Comprehensive Economic Partnership Agreement (IK-CEPA), under which almost all Indonesian furniture products enjoy zero import duties.

The tariff advantage is expected to enhance the competitiveness of Indonesian exporters and encourage greater trade in value-added products. Beyond generating immediate sales, Indonesia hopes KOFURN will foster long-term business partnerships, joint design development and stronger integration between the Indonesian and Korean furniture industries.

See: https://www.metrotvnews.com/read/k8oCQMa3-bidik-pasar-korea-13-perusahaan-furnitur-indonesia-tampil-di-kofurn-2026

Indonesia strengthens early detection to tackle forest fires

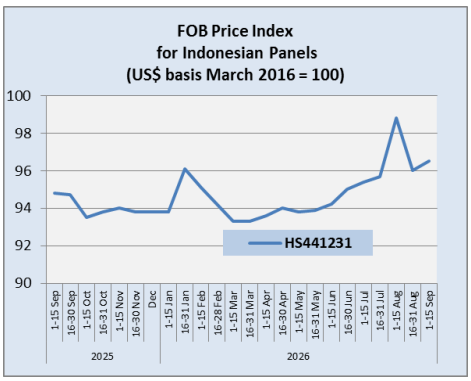
The Ministry of Forestry has emphasised that better early detection and rapid response are essential to containing forest and land fires before they spread and cause wider impacts on communities, public health, the environment, economic activities and transportation.

The ministry is strengthening its control centre through integration with the Jaga Rimba Decision Support System, while also improving the preparedness of Forest Business Utilization Permit (PBPH) holders, maintaining peatland water conditions and conducting compliance monitoring and law enforcement.

In related news, the Indonesian media has reported that Indonesia's defense cooperation with Japan has expanded to include humanitarian assistance for tackling forest and land fires, according to the Minister, of Defence, Sjafrie Sjamsoeddin.

As part of the assistance, Japan is reportedly deploying three CH-47 Chinook heavy-lift helicopters to conduct aerial firefighting and water-bombing operations in affected provinces, with a Japanese advance team already coordinating logistics and deployment with the Indonesian military (TNI) and the national Forest and Land Fire Task Force.

See: https://en.antaranews.com/news/429876/indonesia-strengthens-early-detection-to-tackle-forest-fires
and
https://en.tempo.co/read/2118513/japan-to-send-3-helicopters-to-help-indonesia-battle-wildfires



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

India

Domestic consumer demand demonstrating resilience

It has been reported that Indian consumer demand has demonstrated notable resilience, holding up well as inflation remains contained within the Reserve Bank of India's tolerance band despite the ongoing Middle East conflict. Tax relief and selective GST rate cuts enacted prior to the crisis delivered higher disposable incomes to households , softening the blow of subsequent imported energy inflation.

In other news, while initial fears of a monsoon failure in India have shifted, the season has not ended smoothly and instead turned into a volatile pattern of extreme weather swings. The initial severe deficit from a dry June was heavily countered by intense July rains from Bay of Bengal depressions.

Diwali significantly boosts India's consumption, driving record-breaking economic trade, retail sales and festive spending across the country. High-demand categories include gold, jewelry, electronics, automobiles, apparel, home décor and traditional sweets.

The Indian Festive season extends over three months starting from August and ends with Diwali and Indian new year. During this period consumer demand rises. As noted by the Economic Times, this surge in domestic consumption acts as a vital economic cushion against global trade headwinds and external uncertainties.

Alarming heatwaves – action called for

Recent studies show India has warmed about 1.5 times the global average over the past two decades. The country has witnessed some of its hottest winters over the past few years and has a disproportionately high representation in the list of the world's hottest cities.

The alarming heatwaves India has been experiencing because of the climate crisis need concrete steps, including planting trees to absorb carbon, counter the heat island effect in cities and strengthen ecosystems against climate chaos.

The government recently announced a drive to plant 7 million trees in the national capital. Utter Pradesh's Mega plantation drive aims to plant 35 crore (350 million) saplings even as a record five crore were planted on World Environment Day (June 5). Assam's Amrit Briksha Andolan targeted planting of ten million saplings in one day and the Green Bengalure initiative saw 1.5 million saplings planted on June 27. Ahmedabad's Five Million Trees drive had an eponymous target.

Such initiatives tend to overlook crucial factors, such as species suitability, local microclimatesand, most importantly, post- planting care. As a result, much of the effort remains seasonal (concentrated during the monsoon) and confined to symbolic, one day events. Without long-term care, the ecological benefits of these initiatives will remain largely unrealised.

Mohan Chandra Pargaien Ex-Chief Wildlife Warden and Advisor, SCCL, Hyderabad, Telangana State in an artcle in the Hindustan Timestimes says the scale of such drives hides a survival deficit. The Supreme Court has repeatedly flagged this issue in the context of compensatory afforestation, suggesting the need for meaningful and monitored growth.

Poor site selection is a major factor affecting plantation survival. This is followed by poor post-planting care due to under-funding or post-event indifference. Poor-quality saplings and weak monitoring further aggravate the matter. There is little heed paid to geotagging, survival audits or public reporting. The climate crisis has also emerged as a new threat affecting survival.

Chandra Pargaien concludes that "India's afforestation requires both political restraint and political courage. On the one hand, we must exercise restraint by avoiding over-ambitious drives without pre-allocated budgets for maintenance and care. Funding must follow the tree through years of care, not just stop on the day of planting. Only then can our forests survive the headlines and protect our communities from the worsening heatwaves.

See: https://www.hindustantimes.com/opinion/plantation-drives-matter-only-if-the-trees-survive-101783703956711.html

Phyto-quarantine inspection services at the Darranga border crossing

To facilitate the import of new timber species, India will now deploy phyto-quarantine inspection services at the Darranga Land Port on the Indo-Bhutan border in Assam's Tamulpur district. The Ministry of Agriculture and Famers' Welfare has amended its Plant Quarantine Order to include 16 species of timber from Bhutan.

The amendment entails establishing a specific pest treatment and phytosanitary certification process at a land port. The change resulted from discussions that took place in the last two years at the level of commerce secretaries of the two countries.

Bhutan had continuously requested the inclusion of additional timber species for export to India during these meetings.

A gazette notification issued a few days ago stated that Schedule VI of the Plant Quarantine Order has been amended to create a distinct phytosanitary import pathway for the listed timber species originating in Bhutan.

These phytosanitary measures are meant to ensure that the timber does not carry insects or pathogens, such as stem borer, which can potentially enter the Indian ecosystem and prove detrimental to Indian timber species.

The timber speciesinvolved must undergo prescribed pest treatments, which include methyl bromide fumigation, heat treatment or another approved equivalent. The treatment must be documented on the official phytosanitary certificate.

The 16 timber species included are Alnus nepalensis, Lagerstroemia parviflora, Acacia catechu (Khari), Acrocarpus fraxinifolius, Altingia excelsa, Betula utilis, Beilschmiedia roxburghiana, Castanopsis hystrix, Cupressus cashmeriana, Duabanga grandiflora, Exbucklandia populnea, Engelhardia spicata, Populus ciliate, Schima wallichii, Syzygium cumini, Tetrameles nudiflora and Toona ciliate.

These timber species are intended for use in the construction industry as well as for furniture, plywood and veneer, packaging and interior products. The Toona ciliata species is particularly used to produce high-value wooden items like furniture, cabinets, veneers and musical instruments.

See: https://www.newindianexpress.com/india/2026/Aug/30/nod-to-import-of-16-timber-species-from-bhutan

Federation requests lifting of anti-dumping duty on Melamine

The Federation of Indian Plywood and Panel Industry (FIPPI has written a letter to Ministry of Commerce and Industry requesting the discontinuation of anti-dumping duty on Melamine imported from China.

The FIPPI says the imposition of any anti-dumping duty on critical chemicals like melamine, essential for resins used in plywood and panel production, would severely impact the industry. It would increase production costs, undermine the competitiveness of domestic products in both domestic and export markets and could force the nation to rely more on imports to meet demand as domestically produced products become costlier.

See: https://www.plyreporter.com/article/92043/fippi-ilma-oppose-continuation-of-ad-on-melamine-imports

Cost C&F Indian ports in US$ Hoppus measure

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

	US$ C&F
Brazil	558
Colombia	505
Costa Rica	405
Nigeria	-
Benin	-
Tanzania	515
Laos	-
South Sudan	720
Guatemala	430
Venezuela	-

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

	US$ C&F
Benin	688
Brazil	695
Colombia	-
Costa Rica	575
Ecuador	-
Ghana	460
Ivory Coast	820
Nigeria	470
South Sudan	645
Tanzania	-
Togo	535
Panama	540

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,550 - 4,950
Balau	3,150 - 3,450
Resak	-
Kapur	-
Kempas	1,850 - 2,150
Red meranti	2,000 - 2,300
Radiata pine	975 - 1,250
Whitewood	1,000 - 1,200

Price range depends mainly on lengths and cross-section

Locally sawn hardwood prices

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	2,050 - 2,400
Sycamore	2,500 - 2,900
Red Oak	3,050 - 3,500
White Oak	3,500 - 3,900
American Walnut	5,550 - 6,050
Hemlock STD grade	2,050 - 2,350
Western Red Cedar	3,100 - 3,500
Douglas Fir	2,550 - 2,750

Price range depends mainly on lengths and cross-section

Plywood

Domestic ex-warehouse average prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	89.75
6mm	104.00
9mm	123.50
12mm	147.00
15mm	190.50
18mm	210.50

Domestic ex-warehouse prices for locally manufactured MR plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	61.00
6mm	78.25
9mm	90.00
12mm	106.00
15mm	143.50
19mm	153.00
5mm Flexible ply	91.00

Domestic ex-warehouse prices for locally manufactured MR plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	61.00
6mm	78.25
9mm	90.00
12mm	106.00
15mm	143.50
19mm	153.00
5mm Flexible ply	91.00

Viet Nam

Wood and wood product (W&WP) trade highlights

According to Viet Nam Customs Office, in August 2026 exports of indoor furniture reached US$930 million, up 7% compared to August 2025. In the first 8 months of 2026 exports of wooden furniture totalled US$6.7 billion, down 0.3% over the same period in 2025.

Viet Nam's W&WP exports to Belgium in August 2026 amounted to US$9.5 million, up 121% compared to August 2025. In the first 8 months of 2026 exports of wood and wood products to the Belgian market were valued at US$82.2 million up 110% over the same period in 2025.

Viet Nam's tali imports in August 2026 were 37,500 cu.m, worth US$16.3 million, up 8% in volume and 6% in value compared to July 2026 but compared to August 2025 imports were down 4% in volume but up 7% in value.

In the first 8 months of 2026 tali wood imports to Viet Nam were estimated at 268,5500 cu.m, worth US$116.5 million, up 10% in volume and 29% in value over the same period in 2025.

W&WP exports to the Dutch market in August 2026 earned US$16 million, up 118% compared to August 2025.

In the first 8 months of 2026 exports of wood and wood products to the Dutch market were reported at US$124.5 million, up 110% over the same period in 2025.

In August 2026, imports of raw wood from the US stood at 165,000 cu.m, worth US$65.3 million, down 12% in volume and 13% in value compared to July 2026 but up 22% in volume and 12% in value compared to August 2025.

In the first 8 months of 2026, raw wood imports from the US totalled at 1.35 million cu.m, worth US$538 million, a sharp increase of 54% in volume and 46% in value over the same period in 2025.

Viet Nam wood exports near US$12 billion as China demand surges

Viet Nam's wood exports approach US$12 billion between January - August 2026 as demand from China soared. In August alone, exports were estimated at US$1.48 billion, bringing the eight-month total to US$11.69 billion, up 5% from a year earlier. Wood and wood products were the country's biggest agricultural export earner during the period.

The United States accounted for 50% of Viet Nam's wood and wood product exports through July, with shipments worth US$5.09 billion, down 6% from the same period last year.

Exports to China, meanwhile, jumped 46% to US$1.54 billion in the first seven months. China's share of Viet Nam's wood exports rose to 15%, up 4% from a year earlier making it the country's second largest market, overtaking Japan.

Exports to Japan, Malaysia, the Netherlands, Germany and the United Kingdom also posted solid growth pointing to improving demand in some Asian and European markets and giving Vietnamese exporters more room to diversify their customer base.

The decline in shipments to the United States came as Washington stepped up trade-remedy measures, according to the Import-Export Department under the Ministry of Industry and Trade.

On 16 July the US Department of Commerce issued final determinations in an anti-dumping and countervailing duty investigation into hardwood plywood and decorative plywood from Viet Nam, setting a general anti-dumping duty rate of 84.95%.

While the final rate was well below the preliminary range of 196.14% to 199.69%, it still poses a significant hurdle for Viet Namese exporters, the department said.

The nearly 6% decline in exports to the US is a development worth watching but it does not yet point to a loss of competitiveness for Vietnamese furniture in the market an industry expert said.

Viet Nam's wood industry has already established a strong foothold in the US and has become an important supplier as American importers seek to diversify their furniture supply chains.

But tariff policies are beginning to change buying behavior. Importers are becoming more cautious about signing long-term contracts, placing shorter-term orders and asking suppliers to absorb a larger share of tariff costs. That is likely to put further pressure on exporters' profit margins.

The bigger risk is that Vietnamese suppliers could gradually lose their place in US importers' supply chains. Once buyers switch to alternative suppliers and set up new inspection, logistics and product-compliance systems, winning back market share could become much harder.

See: https://english.vov.vn/en/economy/vietnam-wood-exports-near-us12-billion-as-china-demand-surges-post1330983.vov?utm_source=chatgpt.com

Vietnamese exporters pivot to ease pressure from US tariffs

The new US tariff rates are testing the adaptability of Vietnamese exporters, requiring businesses to look beyond pricing and market adjustments and invest in technology, product quality, branding and compliance to sustain long-term competitiveness.

Pressure from the new US tariff policy is prompting Vietnamese exporters to reassess their strategies. Rather than pursuing volume-driven growth many are shifting towards higher-value orders, tighter cost control, greater productivity and a more balanced allocation of markets to reduce reliance on a single destination.

Forest product exports exceeded US$10 billion in the first seven months, up around 5%. However, successive US trade policies and tariffs have made businesses more cautious and highlighted the need for stronger risk management and proactive market strategies.

Ngô Sỹ Hoài, Vice Chairman and Secretary General of the Viet Nam Timber and Forest Products Association (VIFORES), said many firms were expanding exports to China, Japan and the EU.

Exports to China rose 46%, those to Japan more than 20%, while the EU also recorded positive growth. Expanding these markets is viewed as a means of reducing dependence on the US and limiting exposure to policy changes.

A test of competitiveness

In the short term, the US's additional 12.5 per cent tariff is putting pressure on selling prices and profit margins. In the longer term, however, it could test Vietnamese businesses' ability to adapt. Those capable of upgrading technology, improving quality, developing brands, securing raw materials and diversifying markets will have greater scope to remain competitive.

The challenge extends beyond tariffs. To establish a sustainable presence in the US, Vietnamese businesses must address issues ranging from market research and legal requirements to sales channels, cash-flow management and product development.

According to Trần Lịch, Director of the Viet Nam Impact Startup Incubator and Accelerator (VISIA), around 85% of surveyed businesses are not yet genuinely prepared for the US market. Their major weaknesses lie less in production capacity than in their ability to access and operate in the market.

Specifically, 77% identified market research and understanding US consumers as major challenges, while 76% cited difficulties in developing marketing strategies and sales channels. Legal and compliance requirements were cited by 59%; 56% faced working-capital and cash-flow issues and 53% identified branding, design and market-appropriate R&D as weaknesses.

"Having a good product is not enough to enter the US market," Lich stressed, saying businesses need a comprehensive roadmap covering market research, legal requirements, go-to-market strategy, R&D, capital, logistics, distribution and sales.

Compliance also requires early preparation. Requirements imposed by US regulators such as the FDA, CPSC and USDA, along with intellectual property protection, should be addressed during product and market preparation rather than after orders are secured.

Early preparation can reduce order-disruption risks, shorten negotiations by three to 12 months and limit cash-flow risks.

VISIA and Ready2US have developed the 2026 US Market Readiness Assessment Framework to help businesses assess their preparedness before investing in and expanding into the market.

Experts argue that Vietnamese businesses ultimately need to move beyond the mindset of simply "having goods to sell" and build sustainable competitive capabilities.

The US is therefore be viewed not merely as a market for Vietnamese products but also as a test of quality, transparency, management capacity and the ability to meet increasingly demanding international standards.

See: https://vietnamnews.vn/economy/1799174/vietnamese-exporters-pivot-to-ease-pressure-from-us-tariffs.html?utm_source=chatgpt.com

VIFA ASEAN 2026 boosts regional furniture trade and market links

Nearly 200 domestic and international exhibitors took part in the fourth Viet Nam ASEAN International Furniture & Home Accessories Fair (VIFA ASEAN 2026), which opened on 2 September at the Saigon Exhibition and Convention Centre in HCM City.

Held under the theme "Gathering the Best of Southeast Asian Furniture", the fair ran until 5 September and featured businesses from major Vietnamese production centres, including Hanoi, HCM City, Hưng Yên, Ninh Bình, Khánh Hòa, Tây Ninh and Đồng Nai, as well as exhibitors from the US, Canada, China, India, Japan, South Korea, the Netherlands, Slovakia, Bangladesh, Singapore, Malaysia and Cambodia.

A series of industry seminars was held during the fair to provide market information, discuss emerging trends and strengthen links across design, manufacturing, import-export and e-commerce.

Speaking at the opening ceremony, Dang Quoc Hung, General Director of Lien Minh VIFA Expo Company, one of the fair's organisers said despite the challenges facing the global economy, the participation of nearly 200 businesses, strategic partners and international organisations demonstrates VIFA ASEAN's potential to become a reliable and promising trade hub for businesses in Viet Nam and Southeast Asia.

Vu Ba Phu, general director of the Viet Nam Trade Promotion Agency, said VIFA ASEAN had established itself as a reputable annual trade event for the wood processing, furniture and handicraft industries.

He noted that Vietnamese wood businesses were facing increasingly stringent requirements on quality, traceability and sustainability in major markets, alongside intense international competition, pressure to reduce carbon emissions and changes in tariff policies, including new reciprocal tariffs imposed by the US.

Phu also highlighted the potential of Viet Nam's domestic market of more than 100 million people, saying it could provide an important buffer against volatility in international markets. Businesses should gain a better understanding of consumer preferences, follow design trends, develop products suited to domestic demand and strengthen their brands through both traditional and modern sales channels.

See: https://vietnamnews.vn/economy/1798813/vifa-asean-2026-boosts-regional-furniture-trade-and-market-links.html?utm_source=chatgpt.com

Viet Nam targets digital mapping for 70% of domestic raw materials by 2030

A scheme for 2026-2030 issued by the Ministry of Agriculture and Environment aims to establish raw material areas managed through unified data on acreage, producers, seasons, output, quality, growing area codes and production-consumption linkages.

More than 70% of supported agricultural, forestry and fishery raw material areas are expected to complete digital mapping and basic data standardisation by 2030 under a scheme for 2026-2030 issued by the Ministry of Agriculture and Environment.

Digital transformation is identified as a key pillar, alongside infrastructure investment and production organisation. The scheme aims to establish raw material areas managed through unified data on acreage, producers, seasons, output, quality, growing area codes and production-consumption linkages.

The scheme stresses that digitalisation is not simply about putting production information online but changing how raw material areas are managed. Data must be standardised, regularly updated and connected to shared platforms, avoiding fragmented systems developed independently by local authorities, businesses or cooperatives.

The system is expected to help cooperatives, businesses and management agencies improve production planning, quality control and procurement. Updated data will help balance supply and demand and organise harvesting, collection, processing and distribution, while meeting traceability and supply-chain transparency requirements. The scheme requires raw material development to be linked from the outset with data, standards and traceability.

More than 80% of cooperatives and cooperative groups participating in supported areas are to receive training in governance, production planning, quality management, contracts and data management.

Around 70% of supported areas must involve cooperatives in organising production and have at least one enterprise or processing, collection, distribution or consumption organisation with a valid linkage contract or cooperation agreement.

Cooperatives will organise producers and manage raw material areas, data and quality, while businesses will lead markets, set standards, invest in processing and boost sale and exports.

The scheme also seeks to improve infrastructure and value-chain linkages. The State will prioritise public infrastructure connecting raw material areas with collection, processing and storage facilities and markets. By 2030, transport costs are targeted to fall by at least 10%, collection time by 10-15% and post-harvest losses by 8-10%.

Material area selection will be based on market demand, processing capacity and consumption potential rather than acreage alone. Some 250-300 potential areas nationwide will be reviewed based on planning, market demand, production organisation, infrastructure, investment, digital readiness and sustainability.

The scheme targets at least 60% of output being sold under contracts, while cooperative revenues and producer incomes are expected to rise by at least 10%.

The targets build on a 2022-2025 pilot implemented in five areas across 11 provinces. By the end of 2025, these areas covered about 169,800ha, up 20%, while enterprise-linked acreage reached nearly 121,000ha, or 71%, up from about 17,000ha. More than 123 cooperatives were established or strengthened, bringing the total to 393, while over 5,500 managers and members received training. More than 90 linkage chains were formed./.

See: https://en.vietnamplus.vn/vietnam-targets-digital-mapping-for-70-of-raw-material-areas-by-2030-post351516.vnp?utm_source=chatgpt.com

Large sized log development to be accelerated

Forestry exports reached US$18.3 billion in 2025, up 5.6 per cent from a year earlier and totalled US$10.8 billion in the first seven months of 2026, up 5% from the same period in the previous year.

Efforts are being stepped up to expand plantations for large timber production to secure a stable domestic supply of legally sourced raw materials as the country's forestry exports continue to grow, the Ministry of Agriculture and Environment said.

To sustain growth and contribute to the country's economic growth targets in a new phase of development, securing a domestic supply of legally sourced, high-quality timber from plantations managed for large-diameter trees is an urgent priority, the ministry said.

In 2024, the former Ministry of Agriculture and Rural Development, now the Ministry of Agriculture and Environment, issued Decision 31/QĐ-BNN-LN approving a plan to develop plantations for large sized timber production. The plan aims to bring the country's total area of production plantations of large diameter Logs to about 1 million hectares by 2030.

Deputy Minister of Agriculture and Environment Nguyen Quoc Trị said the area of production plantations for large timber had reached about 625,000 hectares nationwide after more than three years of implementation, equivalent to 62.5 per cent of the target.

Many localities have made progress but a number have yet to give sufficient attention to implementing the plan, with results falling short of their potential, he said.
To meet the 2030 target, the ministry has asked provincial and municipal people's committees to focus on a range of key tasks. First, they should set clear annual and 2030 targets for large-timber plantations and regularly monitor and assess implementation progress.

Local authorities should review available forestry land and existing production plantations to identify areas suitable for new planting and replanting of large-timber forests, as well as small-timber plantations that can be converted to large-timber production, the ministry said.

"Priority should be given to developing concentrated and stable large-timber raw-material areas linked to processing facilities, transport networks and market demand," Deputy Minister Trị said.

The ministry also called for greater use of science and technology in forestry production and the use of officially recognised forestry planting materials with clear origins, high productivity and quality, resistance to pests and diseasesand adaptability to climate change.

Local authorities should strengthen quality controls covering the production, distribution and use of planting materials, while selecting tree species and varieties suited to local ecological conditions and market demand.

They should also apply intensive-forestry techniques in a coordinated manner, including vegetation clearance, soil preparation, fertilisation, adjustment of planting density, tending, stand management, thinning, pest and disease control and forest fire prevention and suppression.

The aim is to improve the productivity and quality of large timber and investment efficiency.

Local authorities were also encouraged to study and propose appropriate support mechanisms to promote the development of plantations for large-timber production.

Local authorities should also strengthen oversight of the purchase, preliminary processing and processing of plantation timber. They also need to inspect processing facilities to ensure compliance with regulations on investment, land use, environmental protection, fire prevention and firefighting and the legal origin of forestry products.

See: https://vietnamnews.vn/economy/1798083/large-timber-development-accelerated-as-forestry-exports-grow.html?utm_source=chatgpt.com

Brazil

Minas Gerais Association members have 1.3 mil. ha. conserved

According to the Minas Gerais Association of the Forest Industry (AMIF) the sector encompasses the largest area of privately owned preserved native species vegetation among Brazil's economic activities.

In Minas Gerais State, companies affiliated with the Association maintain approximately 1.3 million hectares for conservation and have, on average, a 67% surplus of Legal Reserve, exceeding the minimum level required by law.

The forest plantation sector in Minas Gerais supplies raw material for many sectors and there is an opportunity to expand forest production over approximately 40 million hectares of degraded land suitable for productive restoration. This potential would allow the country to increase the supply of renewable wood without converting natural vegetation thus simultaneously helping to reduce pressure on the natural forests.

According to AMIF, advances in technology, research, genetic improvement and monitoring have contributed to increased productivity and the consolidation of a forest management model that has gained international recognition.

AMIF has determined the combination of forest production, natural vegetation conservation, degraded-land restoration and technological innovation places the planted forest sector among the leading examples of the integration of economic development and environmental protection.

See: https://maisfloresta.com.br/florestas-plantadas-lideram-preservacao-de-vegetacao-nativa-em-mg/

Converting stored carbon into marketable assets is the challenge

Brazil's forest sector has potential to generate value from the carbon market, particularly through the regulation of the Brazilian Emissions Trading System (SBCE). According to estimates from specialists, areas targeted for restoration in Brazil could retain approximately 9.6 million tonnes of carbon per year, with the potential to generate up to R$1.5 billion in tradable carbon credits.

However, converting stored carbon into marketable assets depends on criteria such as additionality, measurement, verification and permanence. The assets may include planted forests, conserved natural forests, regenerated areas and jurisdictional credits, each involving different mechanisms for credit generation. In addition to forestry-based credits, companies across the forest value chain may generate value through industrial emissions reductions and biochar production, with estimated potential values of R$3.6 billion and R$1 billion, respectively.

The regulation and operationalisation of the SBCE will be essential for establishing criteria for measurement, verification, eligibility, registration, trading and enforcement.

According to the Minas Gerais Association of the Forest Industry (AMIF), more than 40 million hectares are suitable for agricultural or forestry projects, of which approximately 11 million hectares could be planted with forests.

Turning this potential into a competitive advantage, depends on a regulatory environment that provides legal certainty, robust measurement, certification, traceability and mechanisms for trading carbon credits, including in international markets. Carbon storage in long-lived wood products, particularly in the construction sector, also expands the role of wood in the low-carbon economy.

In this context, agroforestry systems can combine agricultural production, restoration, conservation and carbon retention. Brazil currently has 10.52 million hectares of planted forests and approximately 7 million hectares conserved by the sector. The consolidation of a regulated carbon market could therefore introduce a new economic variable into investment decisions, increasing the value of forests not only for timber production but also for their capacity to remove and store carbon.

See: https://maisfloresta.com.br/setor-florestal-pode-transformar-potencial-do-mercado-de-carbono-no-brasil/

ACTO Members seek integration in monitoring forest degradation

Representatives of the eight Member Countries of the Amazon Cooperation Treaty Organization (ACTO), experts and technical partners met in Brasília in late August 2026 to advance the development of a regional approach to understanding and monitoring forest degradation in the Amazon.

Organised by ACTO under the framework of the Amazonian Network of Forest Authorities (RAFO), the meeting aimed to bring together concepts, methodologies and experiences developed by the countries and to identify common elements that could strengthen monitoring and support decision-making and public policies across the region.

The initiative is aligned with the RAFO Work Plan 2025–2027, which prioritises strengthening national capacities for monitoring deforestation and forest degradation, as well as regional coordination. Unlike deforestation, which is characterised by the removal of forest cover, degradation involves changes in the structure and functioning of forests that can be more difficult to identify, measure and compare.

Conceptual and methodological differences among countries make the development of a regional perspective both a technical challenge and a priority for Amazonian cooperation.

During the meeting member countries presented their respective experiences enabling comparisons of methodologies, progress, gaps and challenges, with contributions from scientific institutions, civil society organisations, Indigenous Peoples and local communities.

Regional integration is intended to identify areas of convergence, understand existing differences and improve data comparability while preserving each country's specific characteristics and capacities. The exchange also seeks to assess how different data sources and tools can be integrated to improve the understanding of forest degradation at the Amazon-wide scale.

See: https://maisfloresta.com.br/paises-amazonicos-buscam-padronizar-metodologia-para-monitorar-saude-da-floresta/

The timber export process in Brazil

Timber exports from Brazil require the integration of traceability, product classification, documentary compliance, logistics and conformity with the requirements of the markets.

The operation must be structured according to the species, origin, degree of processing and exported product, taking into account the correct tariff classification under the Mercosur Common Nomenclature (NCM), applicable restrictions and evidence of the legal origin of the timber.

The exporting company must also be authorised to operate in the Integrated Foreign Trade System (Siscomex), maintain up-to-date tax registrations, consistent inventory controls and properly define contracts, specifications, payment terms and Incoterms.

The documentation must cover commercial, tax, environmental and customs records, as well as, where applicable, phytosanitary, origin and fumigation certificates and specific authorisations.

It is essential to ensure consistency among declared volumes, species, units of measurement and other information. Solid wood products and packaging may also be required to comply with the International Standard for Phytosanitary Measures No. 15 (ISPM 15).

In terms of logistics, factors such as dimensions, weight, moisture content, packaging and mode of transport directly affect costs and cargo integrity. Pricing should take into account packaging, storage, handling, customs clearance, port fees, insurance, freight, commissions, financing costs and foreign exchange exposure.

Traceability and proof of timber legality are also becoming increasingly important for accessing markets that require information on origin, forest management, suppliers, certifications and due diligence procedures.

Therefore, export compliance depends on effective coordination among the forestry, industrial, commercial, financial, logistics and compliance functions. It is consequently recommended to validate all procedures and documentation in advance, prior to shipment.
See: https://maisfloresta.com.br/guia-para-exportacao-de-madeira/

Domestic log prices

Brazilian logs, mill yard, domestic	US$ per cu.m
Ipê	476
Jatoba	209
Massaranduba	186
Miiracatiara	181
Angelim Vermelho	188
Mixed redwood and white woods	142

Prices do not include taxes. Source STCP Data Bank

Brazil sawnwood, domestic (Green ex-mill)	US$ per cu.m
Ipé	2,103
Jatoba	1,024
Massaranduba	897
Muiracatiara	970
Angelim Vermelho	931
Mixed red and white	618
Eucalyptus (AD)	329
Pine (AD)	283
Pine (KD)	339

Prices do not include taxes. Source: STCP Data Bank

Domestic plywood prices

Parica ex-mill	US$ per cu.m
4mm WBP	648
10mm WBP	491
15mm WBP	448
4mm MR.	592
10mm MR.	447
15mm MR.	393

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US$ per cu.m
15mm MDParticleboard	289
15mm MDFibreboard	333

Prices do not include taxes. Source: STCP Data Bank

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

Export sawnwood prices

Sawnwood	US$ per cu.m
Ipe	2,900
Jatoba	1,225
Massaranduba	1,255
Muiracatiara	1,300
Pine (KD)	222

Prices do not include taxes. Source: STCP Data Bank

Plywood export prices

Pine plywood	US$ per cu.m
9mm C/CC (WBP)	321
12mm C/CC (WBP)	300
15mm C/CC (WBP)	286
18mm C/CC (WBP)	285

Prices do not include taxes. Source: STCP Data Bank

Export prices for added value products

Added value product		US$ per cu.m
Decking Boards	Ipê	4,910
	Jatoba	1,779

Prices do not include taxes. Source: STCP Data Bank

Peru

Partnership to promote sustainable forest management
The National Forest and Wildlife Service (Serfor) has strengthened its role as a partner in the Biodiversity Landscapes Fund (BLF) Andes-Amazon project. This UK-funded initiative, led by the organisation 'Practical Action', promotes forest conservation and sustainable development in the region.

In Peru, the project carries out activities in the Povinces of Jaén and San Ignacio (Cajamarca department), Bagua and Condorcanqui (Amazonas) and Datem del Marañón (Loreto), coordinating efforts across sustainable value chains, biodiversity conservation, restoration and agroforestry.

The BLF Andes-Amazon project aims to contribute to biodiversity conservation in these territories by strengthening indigenous organisations and improving the income of families in Peru and Ecuador.

See: https://www.gob.pe/institucion/serfor/noticias/1439391-serfor-y-proyecto-financiado-por-reino-unido-impulsan-gestion-sostenible-de-bosques

CITEforestal Pucallpa secures unique INACAL accreditation for wood testing
CITEforestal Pucallpa, part of the ITP CITE network, has secured accreditation from the National Quality Institute (INACAL) for two tests of particular importance to the forestry and timber value chain: the macroscopic identification of timber species and the determination of wood moisture content.

This recognition strengthens the technical and laboratory capabilities available to the sector, helping to improve the quality, traceability and reliability of timber products.

Of the two tests, the "Macroscopic Identification of Timber Species" stands out. Its accreditation marks a significant milestone for the forestry sector, positioning the CITEforestal Pucallpa laboratory as the only one in Peru accredited to perform this type of analysis.

The implementation of this certified test represents a strategic advancement for the Peruvian forestry industry on multiple fronts as a tool against illegality and in terms of commercial value and global competitiveness.

See: https://www.gob.pe/institucion/itp/noticias/1437598-produce-citeforestal-pucallpa-logra-acreditacion-de-inacal-unica-en-latinoamerica-para-ensayos-de-madera

Training on primary wood processing in Ucayali

More than 130 entrepreneurs, professionals, technicians and workers from the forestry sector participated in a training programme designed to strengthen their knowledge and help improve sawmill production.

The initiative was driven by CITEforestal Pucallpa, part of the Institute of Production Technology (ITP), in coordination with the Sustainable Productive Forests (BPS) Programme. Participants enhanced their knowledge in areas critical to the industry, such as the maintenance and sharpening of bandsaws, sawing techniques, wood drying, inventory management and quality control at primary processing centres.

These centres play a vital role in the forestry supply chain by carrying out processes such as log registration, volume measurement, sawing, grading, drying and conditioning wood for domestic and international markets.

See: https://www.gob.pe/institucion/itp/noticias/1432598-ucayali-capacitaran-a-mas-de-130-actores-de-los-centros-de-transformacion-primaria-de-la-madera

Japan

Exchange rate reshaping the corporate landscape

The Japanese yen's recent rapid appreciation to around ¥154 against the U.S. dollar is fundamentally reshaping the corporate landscape in Japan according to the domestic media.

For companies dependent on foreign inputs, the yen's upswing serves as a critical financial lifeline. Domestic sectors like consumer goods, food distribution and energy are finally seeing relief from import inflation that triggered a multi-year wave of bankruptcies when the yen neared historical lows of 164 to the US dollar.

The retail sector, which has been struggling to pass on high import costs to price-sensitive Japanese consumers, is reporting expanding margins.

Every incremental gain in the yen directly protects domestic purchasing power. Conversely, for Japan's exporters the rapid currency correction is completely upending financial projections. For years, a historic weak yen boosted the profits of Japan's heavy exporters. The sudden and rapid reversal is eroded the competitive advantage.

Market strategists note that, while semiconductor and AI-related equipment manufacturers have enough structural global demand to endure currency fluctuations, the broader manufacturing sector faces a a challenge. If the yen gets stronger than ¥150 per dollar, overall corporate earnings growth are expected to fall sharply.

While the suddenness of the yen's upswing has caught some manufacturers off guard, it corrects a deep economic imbalance. The transition could shift market direction away from pure export-reliance and toward sustainable, domestic-led growth supported by higher purchasing power and steady policy normalisation.

See: https://asia.nikkei.com/business/markets/currencies/yen-s-recent-upswing-catches-japan-manufacturers-off-guard

Wide gap in business sentiment – small companies suffering

The latest Cabinet Office '2026 Business Outlook Survey' showed the business sentiment index for large corporations across all industries at +5.3, turning positive for the first time in two quarters. Manufacturers posted +7.6, driven by strong demand for semiconductor manufacturing equipment and other production machinery amid expanding AI and data center investment.

However, sentiment in small and medium enterprises remained in negative territory for the 50th consecutive quarter, underscoring a persistent gap in sentiment by company size.

See:
https://www.mof.go.jp/english/pri/reference/bos/e1c202602.htm
and
https://finance.biggo.com/news/5c627e4b-5daa-4990-8250-ff2591e9443e

BoJ rate increase widely anticipated

The US Treasury Secretary recently met with Bank of Japan (BoJ) Governor, Kazuo Ueda and a Treasury Department statement says the Treasury Secretary "expressed strong support for Japan's decisive market and monetary steps to address the substantial undervaluation of the yen." In mid-September the yen rallied, with the currency strengthening to breaking ¥154 to the dollar for the first time in months.

At the 17 and 18 September BoJ Policy Board meeting it is widely expected that a rate increase will be announced. In late July, Japan and the United States intervened to support the yen, with Japan alone spending about US$100 billion in the operation. The efforts took the yen from about ¥164 to the dollar to around ¥155 but much of the gain was erased in just a month.

Some analysts argue that the recent strengthening is probably not the result of intervention, as the currency is not appreciating fast enough to suggest official buying.

They said that the rebound, which began on 2 September might be due to a sense that Japan might act with more resolve to stop the currency from weakening after encouragement from the US to do something.

See:
https://www.japantimes.co.jp/business/2026/09/03/markets/yen-market-rally/

Middle class losing spending power

Estimates suggest real take-home pay in July slid 10% post-COVID because stubborn inflation and tax burdens outpace nominal wage gains. Household spending figures continue to trend downward as gloomy consumer sentiment causes self-preservation spending habits.

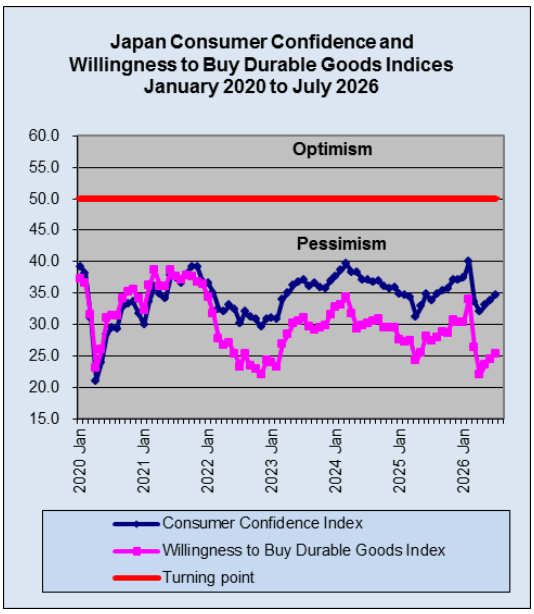
Japan's gloomy consumer sentiment is primarily driven by "cost-push" inflation squeezing household budgets after decades of flat prices. While corporate earnings and nominal wages have technically gone up, the spike in the cost of daily necessities has far outpaced actual purchasing power. This has left consumers feeling poorer and deeply anxious about the future.

For over thirty years, Japan experienced stagnation or deflation. Consumers grew accustomed to stable, flat prices. The recent wave of inflation, driven by a severely weakened yen making imports expensive and disruptions in global supply chains, has fundamentally shocked consumers.

A breakdown of how these components tend to behave during recent economic shocks illustrates why the mood is so low. Japan measures consumer confidence across four main lenses. Overall Livelihood, Willingness to Buy Durable Goods, Employment Outlook and Income Growth:

- The livelihood index Income tuned lower during energy and oil price spikes due to a direct correlation with immediate out-of-pocket costs.
- Consumers are deferring major, non-essential purchases such as household items) to preserve cash for food and utilities.
- While the baseline unemployment rate remains low, the erosion of secure, lifetime career paths lowers long-term confidence.
- Even if bonuses or base pay tick up marginally, these will be eroded by the decline in the yen's purchasing power.

See: https://asia.nikkei.com/economy/japan-middle-class-loses-spending-power-despite-years-of-pay-raises
and
https://japannews.yomiuri.co.jp/business/economy/20260818-344135/



Data source: Cabinet Office, Japan

Outlook for economic activity

According to a Bank of Japan (BoJ) assessment Japan's economy is expected to continue growing moderately, albeit at a decelerated rate, in fiscal 2026. This will be because, although the rise in crude oil prices since early spring, the economy is likely to be underpinned by factors such as the government's measures and accommodative financial conditions, in addition to an increase in global AI-related demand.

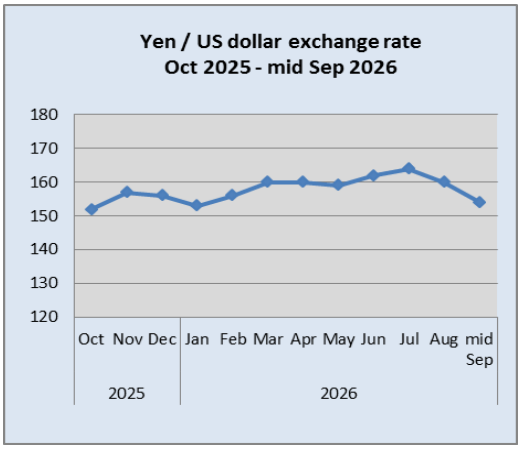
Japan's economic growth rate is likely to rise moderately from fiscal 2027 onward, since it is projected that the adverse effects of high crude oil prices will wane and that a virtuous cycle from income to spending will gradually intensify.

The year-on-year rate of increase in the consumer price index (CPI, all items less fresh food) is likely to accelerate to a level above 2% from the second half of fiscal 2026. This is because a rise in crude oil prices is expected to push up prices, especially energy. Thereafter, with the waning of the effects of high crude oil prices, the rate of increase is expected to decline toward around 2% in the second half of the financial year.

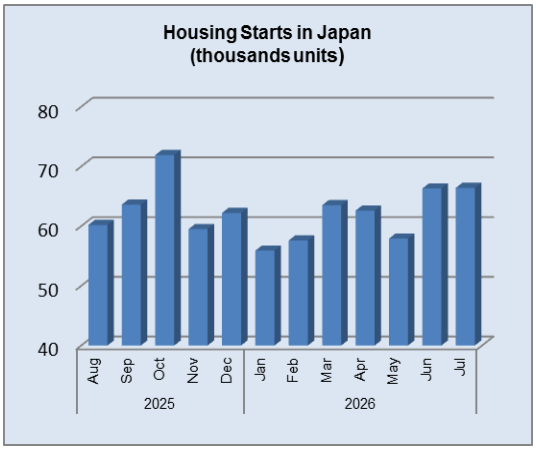
Against this background, the Cabinet Office assessment is that underlying CPI inflation is expected to increase gradually, coming to a level that is generally consistent with the price stability target between the second half of fiscal 2026 and fiscal 2027 and remaining at around that level thereafter.

According to the Cabinet Office the preliminary July 2026 Coincident Index of Business Conditions rose by 1.7 points month-on-month to 120.6, maintaining a baseline assessment of "showing improvement".

See: https://www.boj.or.jp/en/mopo/outlook/gor2607b.pdf
and
https://www.esri.cao.go.jp/en/stat/di/di-e.html



Data source: WSJ



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

Construction among the sectors suffering acute labour shortage

The work force in Japan's construction sector is ageing faster than it can be replaced. The demographic crisis, declining birth rates, rapid ageing and a shrinking workforce has been developing for decades.

Construction is among the sectors suffering most acutely. Research from the IMF's 2025 Article IV report found that population ageing is contributing directly to severe labour shortages in Japanese firms, with construction identified as one of the three most affected sectors alongside information technology and medical services.

Japan's construction cost inflation is driven by persistent labour shortages, material cost volatility and ongoing capacity constraints. That pace of escalation is expected to remain elevated through 2027.

The job-to-applicant ratio in Japan, a measure of how many positions exist relative to job seekers, is at 1.24 across the economy, meaning there are 124 job openings for every 100 people looking for work. In construction, the ratio is significantly more strained. Companies have been forced to increase wages and draw on senior workers well past conventional retirement ages.

In related news, declining housing starts have forced Japanese construction and homebuilding companies to pivot toward overseas markets, shift focus to home renovations and consolidate operations amid a severe domestic labour shortage.

Nomura Research Institute forecast Japan's new housing starts will decline to 800,000 units in fiscal 2030 and 610,000 units in fiscal 2040, extending the country's long-term downtrend in home construction. The renovation market is expected to reach 9.2 trillion yen in 2040, up from about 8.3 trillion yen in fiscal 2024.

See: https://thegoodbuilder.com.au/japans-construction-time-bomb-who-builds-a-country-when-the-builders-are-too-old/
and
https://www.nri.com/en/service/industry/housing_construction_estate/resi.htm

Import update – wooden furniture and parts

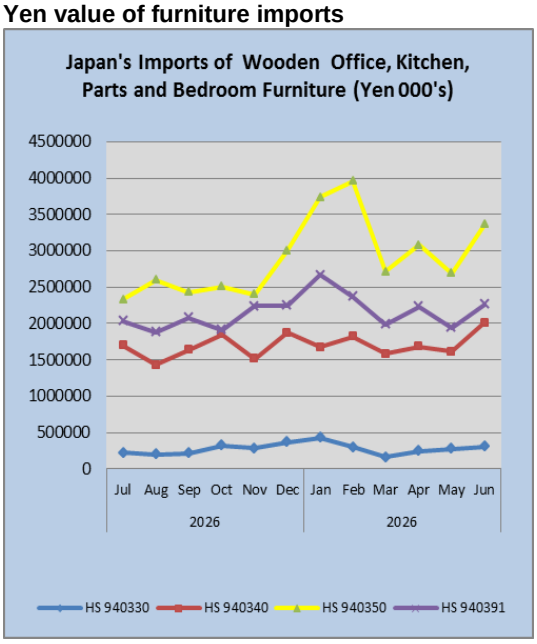
Japan's wooden furniture imports rose by 9.5% year-on-year in June 2026 due to a combination of corporate office refurbishments, active housing and living-space demand and inventory adjustments by major retailers ahead of anticipated logistics cost pressures.

Steady expansion in home and office furniture sectors, driven by compact living trends and corporate shifts toward flexible office layouts, bolstered inbound orders.

The average price for office, kitchen and bedroom furniture from major Asian shippers has contracted by around 5% since the beginning of the year encouraging bulk importing and replenishments from key Asian manufacturers. Importers front-loaded shipments in June to secure supply chains amidst broader concerns over rising global maritime freight volatility

See:
https://www.lesprom.com/en/analytics/Japan_s_imports_of_wood_furniture_grow_10_in_June_2026_9428/
and
https://www.mordorintelligence.com/industry-reports/japan-home-furniture-market

Yen value of furniture imports



Data source: Ministry of Finance, Japan

June 2026 wooden office furniture imports (HS940330)

The value of June imports of wooden office furniture imports from the top shipper, China, was up 11% compared to May, building on the 39% increase seen in May. As in May China accounted for over 90% of Japan's June imports of wooden office furniture. A further 2% of the total value of imports was from Poland (a doubling off the value of May imports). Indonesia and Malaysia each contributed around 1.5% of the value of June imports.

Year on year, the value of wooden furniture imports in June 2026 jumped 60% and there was a 60% month on month increase in the value of imports.

June 2026 wooden office furniture imports (HS940330)

	Imports June 2026 Unit, 000's Yen
China	278,818
Taiwan PoC	3,763
Viet Nam	1,154
Malaysia	323
Indonesia	4,564
UK	4,166
France	256
Spain	927
Italy	1,085
Poland	5,394
Hungary	1,872
Lithuania	293
Mexico	306
Total	302,921

Data source: Ministry of Finance, Japan

June 2026 wooden kitchen furniture imports (HS940340)

In June shipments from the Philippines accounted for 53% (54% in May) of total wooden kitchen furniture imports and a further 25% (39% in May) was sourced in Viet Nam. Many exporters operating in the Philippines are subsidiaries or partners of international networks that have streamlined logistics directly into major East Asian consumer markets like Japan

China was the third ranked source accounting for around 11% of June arrivals. The other significant shipper in June was Italy which saw the value of shipments to japan more than quadruple compared to the value of May arrivals.

Year on year the value of June 2026 wooden kitchen furniture imports was up 18% compared to the value of May imports while month on month there was a 25% increase

The value of imports from the Philippines in June was up 23% month on month while the value of shipments from Viet Nam was at around the same level as in May. Shipments from China increased 15% compared to May shipments.

Many exporters operating in the Philippines are subsidiaries or partners of international networks that have streamlined logistics directly into major East Asian consumer markets like Japan

June 2026 wooden kitchen furniture imports (HS940340)

	Imports June 2026 Unit, 000's Yen
China	214,886
Viet Nam	501,244
Thailand	26,351
Malaysia	27,300
Philippines	1,058,182
Indonesia	39,231
Denmark	750
Netherlands	232
France	520
Germany	15,939
Italy	115,727
Romania	5,057
Canada	790
Total	2,006,209

Data source: Ministry of Finance, Japan

June 2026 wooden bedroom furniture imports (HS940350)

Two countries accounted for 93% of the value of HS940350 imports in June; China, 59% (64% in May) and Viet Nam 34% (29% in May) The other significant suppliers of wooden bedroom furniture to Japan in June were Malaysia, Thailand and Indonesia with a combined value equivalent to around 5% of all June imports.

The total value of arrivals of wooden bedroom furniture in June 2026 were up around 44% compared to June 2025 and compared to May levels there was a 25% rise.

The value of imports from China in June 2026 was up 15% month on month, from Viet Nam, up 550% month on month. For the other main suppliers Malaysia down 21%, Thailand up 6% and Indonesia up 15%.

Most of Japan's imports of utility bedroom furniture from China and Viet Nam, while higher-value and often crafted furniture come from Indonesia. China supplies the largest share of Japan's basic and flat-pack wooden bedroom furniture. Buyers source from Indonesia for unique designs and durable tropical hardwoods rather than mass volume.

June 2026 wooden bedroom furniture imports (HS940350)

	Imports June 2026 Unit, 000's Yen
S. Korea	4,414
China	1,993,491
Taiwan P.o.C	2,992
Viet Nam	1,152,771
Thailand	54,135
Malaysia	73,630
Indonesia	50,828
Denmark	465
Switzerland	924
Portugal	14,348
Italy	8,245
Poland	9,575
Total	3,365,818

Data source: Ministry of Finance, Japan

June 2026 wooden furniture parts imports (HS940391)

From the beginning of 2026 there has been a general downward trend in the value of imports of wooden furniture parts but June imports reversed the trend rising 11 year on year and by 17% month on month.

As in previous month's shippers in China and three SE Asian countries, Indonesia Viet Nam and Malaysia accounted for 87% (89% in May) of Japan's imports of wooden furniture parts (HS940391) in June 2026.

The main shipper of wooden furniture parts to Japan in June was China at 51% (49% in Mayl) followed by Indonesia at 20% (20% in May), Viet Nam 10% (12% in May) and Malaysia 6% (4% in May).

The value of imports from China in June 2026 was up month on month by 20%, imports from Indonesia were up 19% compared to May, imports from Viet Nam were down 6% the second monthly decline 23%. The big winner in June was Malaysia where the value of shipments to Japan rose 72%.

Exporters in major manufacturing hubs are reducing prices to target alternative destinations like Japan, mitigating risks from shifting international trade policies and tariffs in Western markets. Buyers in Japan are securing more competitive procurement costs for wooden furnishings, easing cost pressures from the yen exchange rate fluctuations.

June 2026 wooden furniture parts imports (HS 940391)

	Imports June 2026 Unit, 000's Yen
S.Korea	29,668
China	1,146,106
Taiwan P.o.C	30,202
Viet Nam	219,169
Thailand	45,997
SNGAPOR	1,025
Malaysia	146,199
Philippines	29,559
Indonesia	452,235
Cambodia	714
Sweden	348
Denmark	5,599
UK	724
Germany	19,355
Switzerland	644
Italy	80,799
Finland	30,840
Poland	7,528
Hungary	752
Romania	718
Croatia	3,675
Slovakia	6,013
USA	4,566
Total	2,262,435

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 exports during the first half of 2026

Japan's wood exports reached ¥32.044 billion in the January–June period, up 4.1% from a year earlier and marking a new record high.

Log exports totalled ¥16.985 billion, up 3.9% from a year earlier, while lumber exports reached ¥5.136 billion, a 6.2% increase. Although logs made up the larger share of overall export value, growth in lumber shipments, driven mainly by demand from the United States, was particularly strong.

In volume terms, log exports totalled 1,003,407 cbms, down 2.9% from a year earlier, while lumber exports came to 97,822 cbm, a 0.4% decline.

By destination, log exports totalled 910,252 cbms to China, 62,562 cbms to South Korea, 27,305 cbms to Taiwan, and 3,037 cbms to Vietnam. Meanwhile, shipments to South Korea and Vietnam increased, but exports to China—the main market—fell 3.5% from a year earlier, and volumes to Taiwan also declined.

China remained the largest market, with export value reaching ¥15.36 billion. Despite a decline in shipment volume, the sheer scale of exports meant that the weaker yen pushed the figure 3.6% higher from a year earlier.

Lumber export volumes totalled 29,125 cbms to China, 5,203 cbms to South Korea, 8,410 cbms to Taiwan, 33,840 cbms to the United States, 10,704 cbms to the Philippines, and 10,540 cbms to other destinations. In value terms, exports to the United States rose 20.1% from a year earlier to ¥2.351 billion, while shipments to South Korea and other destinations also increased.

Plywood

Domestic softwood plywood continued to move steadily in direct-demand channels such as major precut factories and house builders, while the lumber-yard route remained sluggish due to lingering inventories from April and May. Manufacturers held August prices at ¥1,450 per cbm, a level increasingly accepted by direct-demand buyers, though lumber-yard distributors have yet to fully adjust, keeping the central market at ¥1,420– 1,430 per cbm. For September, manufacturers aim to maintain prices amid high production and transportation costs, preparing for potential increases from October, even as some distributors suggest stabilizing prices may be appropriate.

Imported tropical plywood from Malaysia and Indonesia continues to show strong supplier pricing driven by rising costs for adhesives, raw logs, and fuel. Wildfires in Sumatra and Borneo have not affected production, but Malaysian coated formwork plywood faces coating-material shortages that may reduce arrivals. Production delays at mills in both countries have begun to improve, and some Indonesian producers are shifting ordinary plywood from the U.S. market to Japan due to tariff factors, though prices remain high. Supplier prices strengthened further across major specifications.

In Japan, imported plywood movement in July was notably slow, leaving port inventories full. Even so, expectations are emerging that coated formwork plywood may begin to move around September. Market prices remain stable across coated and ordinary plywood categories.

Domestic lumber and logs

Domestic softwood lumber continues to move steadily in direct-demand channels such as precut factories and builders, while city lumber exchanges have remained sluggish since April. Sawmills relying on these exchanges are struggling, with nuki dōburi, a type of Japanese furring strip used in traditional post-and-beam construction, particularly weak in Kanto—sales at some mills are about 20% below normal, prompting a shift toward KD studs.

Nuki dōburi remains around ¥50,000 per cbm, while Tohoku mills supplying direct-demand buyers in Kanto continue to see stable movement. Northern Kanto sawmills are also busy, with pillar-specialized mills carrying backlogs equal to two months of production. In city markets, 105 mm KD special-grade cedar pillars remain around ¥60,000 per cbm, though some mills quote ¥62,000–65,000.

KD special-grade cedar studs also show firmness, trading at ¥65,000 per cbm, while direct-demand buyers purchase at ¥62,000–63,000.

Plywood supply in first half of 2026

The supply of plywood in the first half of 2026 reached 2,356,264 cbms, edging up 0.8% from a year earlier and marking a slight increase. Domestic plywood production fell to 1,264,530 cbms, down3.1% from the same period a year earlier.

The decline is attributed to disruptions in adhesive materials, as plywood manufacturers faced difficulties procuring adhesives from late March through May amid heightened tensions in the Middle East, limiting their ability to maintain planned output.

Imports of plywood totalled 1,091,734 cbms, up 5.8% from a year earlier, exceeding the level seen in the same period last year. End-June inventories stood at 133,186 cbms, down 7.2% from the previous month and marking a fourth consecutive monthly decline.

Production of softwood structural plywood in June rose 14.4% from the previous month, with output increasing across all thickness categories. June's output is also believed to include volumes that had been delayed during April and May. Shipments of softwood structural plywood in the first half of the year were nearly flat, slipping 0.5% from a year earlier. Imports of plywood in the first half of the year rose 5.8% from a year earlier.

By source, shipments from Malaysia fell 8.8% year-on-year, while those from Indonesia increased 7.3%. Both Malaysian and Indonesian producers are experiencing delays in fulfilling contracted volumes due to a combination of log shortages and rising production costs. Imports from China also increased, rising 13.3% from a year earlier.

North American Log Imports in First Half of 2026

Imports of U.S. softwood logs in the first half of 2026 January–June) totalled 656,107 cbms, a 20.9% decline from the same period a year earlier.

Although this marks the first decrease in two years, volumes were still 16.8% lower than in the first half of 2024 and are believed to be the lowest since the peak period for U.S. log imports. Both supplying countries saw declines, with the United States shipping 485,847 cbms, down 13.4% year on year, and Canada delivering 170,260 cbms, a 36.6% drop. The contraction was particularly pronounced for Canadian shipments.

Shipments of Douglas fir, the main species,fell to 632,607 cbms, a 21.2% year-on-year decline, while hardwood logs also decreased to 11,137 cbms, down 16.9% from a year earlier.

China

Slight decline in wooden furniture exports

According to China Customs, the value of China's wooden furniture exports dropped 1% to US$11.175 billion in the first half of 2026.

The US was the main destination for China's wooden furniture exports in the first half of 2026 accounting for 26% of wooden furniture exports. In the first half of 2026 the value of China's wooden furniture exports to US rose 1% to US$2.875 billion over the same period of 2025.

China's wooden furniture is shipped to over 200 countries. The proportion of China's wooden furniture exports to the top 10 destination countries was just 65% in the first half of 2026.

In the first half of 2065, China's wooden furniture exports to UK, Australia, Germany, France, Netherland and Spain rose 12%, 8%, 26%, 10%, 17% and 25% respectively over the same period of 2025. In contrast, the value of China's wooden furniture exports to South Korea and Canada dropped 4% and 6% respectively.

Top destinations for China's wooden furniture exports, first half 2026

Destination	US$ mil.	YoY % change
Total	11,175	-1%
USA	2,875	1%
UK	884	12%
Australia	759	8%
Japan	590	-8%
Germany	467	26%
South Korea	416	-4%
Canada	399	-6%
France	361	10%
Netherlands	346	17%
Spain	221	25%

Data source: China Customs

Decline in wooden furniture imports

According to China Customs, in the first half of 2026 the value of China's wooden furniture imports fell 6% to US$276 million over the same period of 2025. Italy and Germany were the first and second largest suppliers of China's wooden furniture imports in the first half of 2026.

The value of China's wooden furniture imports from Italy and Thailand rose 5% and 13% respectively in the first half of 2026. In the first half of 2026 China's wooden furniture imports from Germany and Poland declined.

Top suppliers of wooden furniture, first half 2026

Shipper	US$ mil.	YoY % change
Total	276	-6%
Italy	139	5%
Germany	35	-18%
Viet Nam	18	-14%
Thailand	11	13%
Poland	10	-41%

Data source: China Customs

Decline in wooden furniture imports from tropical countries

China Customs data shows that, in the first half of 2026, the value of China's wooden furniture imports from tropical countries fell 5% to US$37.47 million over the same period of 2025.

Wooden furniture imports from the top three tropical countries, Viet Nam, Thailand and Indonesia accounted for over 90% of the national total from tropical countries in the first half of 2026.

China's wooden furniture imports from Viet Nam, the largest tropical countries supplier, fell 14% to US$17.512 million in the first half of 2026. Wooden furniture imports from Thailand and Indonesia, the second and third largest tropical countries suppliers, rose 13% and 1% respectively in the first half of 2026.

It is worth noting that China's wooden furniture imports from Saudi Arabia and Singapore surged in the first half of 2026. In contrast, China's wooden furniture imports from Malaysia, Laos, Myanmar and Mozambique dropped 21%, 56%, 44% and 89% respectively in the first half of 2026.

Top tropical suppliers of China's wooden furniture imports, first half 2026

Supplier	US$ 000s	YOY % change
Total	37,470	-5%
Viet Nam	17,512	-14%
Thailand	10,924	13%
Indonesia	5,614	1%
India	1,564	41%
Malaysia	1,192	-21%
Laos	222	-56%
Singapore	155	149%
Saudi Arabia	69	9321%
Myanmar	55	-44%
Mozambique	38	-89%

Data source: China Customs

The main reasons for the decrease in China's imports of wooden furniture from tropical countries in the first half of 2026 were as follows.

The Chinese domestic demand for real estate and home decoration is weak. Furniture factories in tropical countries prioritise exports their wooden furniture to Europe and the United States. The cost of raw materials for tropical furniture has risen and there has been substitution by domestic furniture.

In addition, the compliance threshold for wood traceability has increased. These factors led to a decline in China's imports of finished wooden furniture from tropical countries in the first half of 2026.

The shrinking domestic demand is the most crucial factor among the demand-side factors. Domestic residential construction and new home decoration demand are weak in China. Consumers' willingness to purchase imported solid wooden furniture has declined. The overall market for imported finished furniture has contracted.

The domestic furniture manufacturing sector is well-equipped. Domestic panel and solid wooden furniture production capacity is sufficient and has a higher cost-performance ratio. A large number of enterprises have substituted mid-to-low-end finished wooden furniture imported from tropical countries.

The core target markets of furniture factories in the tropical regions of Southeast Asia (Viet Nam, Indonesia and Malaysia) are the US and the EU. Most of the production capacity is dedicated to supplying customers in Europe and the United States and the priority for supplying to the Chinese market is low.

The cost of wooden furniture raw materials in tropical countries has risen leading to a decline in the competitiveness of finished wooden furniture prices.

The rain season in the main rubberwood-producing areas of Thailand has persisted, causing difficulties in logging and transportation within the forest areas. This has led to a reduction in rubberwood production and an increase in prices, thereby raising the production costs of furniture in the local market.

Tropical countries in Africa (such as Gabon) have raised export tariffs on logs and primary wood and have also tightened the quotas for logging. As a result, the supply of tropical hardwood has become tight and the prices have risen.

The costs of labour and energy have continued to increase pushing up the prices of finished furniture in tropical countries.

Compared with domestically produced furniture, exporters have lost the price advantage and China’s domestic consumers have reduced their purchases.

There are increased legal, quarantine and environmental compliance standards for wood products. China’s Customs have strengthened plant quarantine and pest inspection for imported wooden furniture. Tropical wood is prone to carrying pests and the inspection requirements have become stricter. The risk of cargo being detained or returned at the port has increased, leading to a decrease in orders placed by importers.

Requirements for wood traceability and legal logging certificates have been raised. Some tropical countries have imperfect forestry traceability systems, making it difficult to provide complete and legal logging documents, which then fail to meet domestic entry requirements resulting in a reduction in orders. Some tropical hardwoods are subject to CITES control and the cost and duration of document processing are high.

Domestic enterprises in China no longer import large quantities of finished wooden furniture from tropical countries. Instead, they directly import tropical logs, sawnwood and rubberwood blanks and then processed them into furniture in domestic factories.

As a result, the import volume of finished wooden furniture decreased but the import of tropical raw material has been maintained.

Rise in fibreboard exports

China Customs reports that in the first half of 2026 China’s fibreboard exports totalled 1.864 million tonnes valued at US$818 million, up 9% over the same period of 2025.

Viet Nam was the largest destination country for China’s fibreboard exports in the first half of 2026 but exports to Viet Nam fell 33% to 243,000 tonnes, accounting for 13% of the national total in the first half of 2026.

China’s fibreboard exports to Mexico and Saudi Arabia, as the second and third largest destination, grew 28% but dropped to 174,000 tonnes and 132,000 tonnes respectively over the same period of 2025.

China’s fibreboard exports to Algeria, Uzbekistan and South Korea surged 274%, 115% and 98% respectively in the first half of 2026. In contrast, fibreboard exports to UAE, Canada, USA and Nigeria fell 3%, 1%, 11% and 43% respectively in the first half of 2026.

Top destinations for China's fibreboard exports, 1st half 2026 (vol.)

Supplier	000s tonne	YoY % change
Total	1,864	9%
Viet Nam	243	-33%
Mexico	174	28%
Saudi Arabia	132	-40%
Algeria	92	274%
UAE	80	-3%
Canada	70	-1%
Uzbekistan	67	115%
USA	61	-11%
Nigeria	53	-43%
South Korea	53	98%

Data source: China Customs

Top destinations for China's fibreboard exports, 1st half 2026

Supplier	US$ mil.	%YoY change
Total	818	9%
Viet Nam	69	-23%
Mexico	55	22%
Saudi Arabia	38	-40%
Algeria	26	267%
UAE	27	-3%
Canada	46	-2%
Uzbekistan	26	88%
USA	56	-14%
Nigeria	21	-37%
South Korea	18	74%

Data source: China Customs

In January 2026 Viet Nam implemented anti-dumping duties on Chinese fibreboard which led to a significant decline in China's exports to Viet Nam. However, the growth of Chinese fiberboard exports in the first half of 2026 was not a simple expansion of a single market in the world but the result of market diversification and substitution. It relied on explosive increments in international markets such as the Middle East, North Africa, Latin America and some European markets to compensate for the decline in traditional markets.

The growth of fiberboard exports in the first half of 2026 was driven by market diversification substitution, overseas furniture industry chain demand, product green upgrading and optimisation of domestic supply structure.

A large proportion of wood panel furniture production capacity has been captured by Viet Nam and Malaysia. These factories mainly purchase Chinese fibreboards, process them into furniture and flooring and then export to Europe and the United States.

Although Viet Nam imposed anti-dumping duties on Chinese fibreboards starting from January 2026 which led to a significant decline in exports to Viet Nam, enterprises quickly shifted to new markets such as Mexico, the United Arab Emirates, Egypt, Algeria and the United Kingdom. These countries saw extremely high import growth in the first half of 2026 becoming the main sources of expansion.

Demand in the infrastructure and residential decoration sectors in the Middle East, Latin America and North Africa are recovering. Countries such as the United Arab Emirates, Saudi Arabia, Egypt and Algeria have increased projects for affordable housing, commercial decoration and prefabricated buildings.

The demand for medium-density fiberboard (MDF) for door panels, cabinets and interior wall materials has risen recently. Mexico, as an alternative base for the North American supply chain, has expanded its furniture manufacturing and the demand for imported fibreboards has continued to grow in the first half of 2026.

Global green panel standards bring structural benefits. European and American brands have mandatory requirements for ENF-level panels. Chinese domestic enterprises have completed CARB and ENF environmental certifications and can therefore secure orders under the global shortage of compliant panels supply under the EU's low-carbon and traceability rules, the competitiveness of renewable raw material fibreboard has improved and qualified Chinese fibreboard have seized the production capacity gaps in other countries.

Rise in fibreboard imports

Although China's fibreboard imports are not large they increased significantly in the first half of the year. China's fibreboard imports totalled 30,000 tonnes valued at US$21 million, up 11% in volume and 12% in value over the same period of 2025. Fibreboard imports from most top suppliers rose at faster rates in the first half of 2026.

Imports from New Zealand, as the first largest supplier, rose 9% to 13,000 tonnes in the first half of 2026. It is particularly worth noting that China's fibreboard imports from Australia surged 395% over the same period of 2025.

In addition, China's fibreboard imports from Thailand, Romania and Belgium grew 21%, 61% and 32% respectively in the first half of 2026. In contrast, China's fibreboard imports from Germany alone among top suppliers dropped 30% over the same period of 2025.

The main reason for the significant increase in China's imports of fiberboard from Australia in the first half of 2026 was the substitution of import sources by different countries. The traditional high-end fibreboard supplier, New Zealand, reduced their exports of high-level fiberboard to China. Domestic, export-oriented, furniture enterprises in China still have a strong demand for high-end MDF/HDF that meets international environmental protection certification regulations.

Domestic purchasers have shifted some of their high-end panel orders to Australia relying on the advantages of the China-Australia Free Trade Agreement and the zero-tariff policy of RCEP, combined with the stable supply of Australian radiata pine raw materials, complete product certifications and smooth maritime Customs clearance, thereby increasing the import volume of Australian fibreboards.

Top suppliers of China's fibreboard imports, 1st half 2026 (vol.)

Supplier	000s tonne	%YoY change
Total	30	11%
New Zealand	13	9%
Thailand	4.7	21%
Australia	3.2	395%
Germany	2.1	-30%
Romania	1.6	61%
Belgium	1.4	32%

Data source: China Customs

Top suppliers of China's fibreboard imports, 1st half 2026 (val.)

Supplier	US$ mil.	%YoY change
Total	21.0	12%
New Zealand	6.0	5%
Thailand	2.0	15%
Australia	1.0	287%
Germany	4.0	15%
Romania	1.0	73%
Belgium	2.0	30%

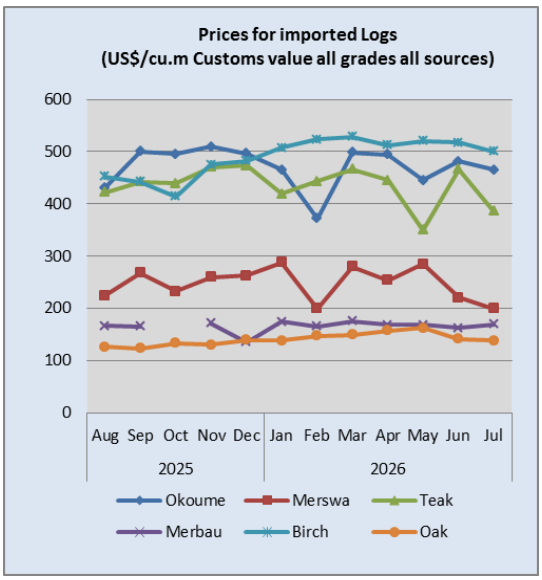
Data source: China Customs

Price trends

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

	2026 Jun	2026 Jul
Okoume	481	465
Merswa	221	200
Teak	466	386
Merbau	162	169
Birch	517	500
Oak	141	138

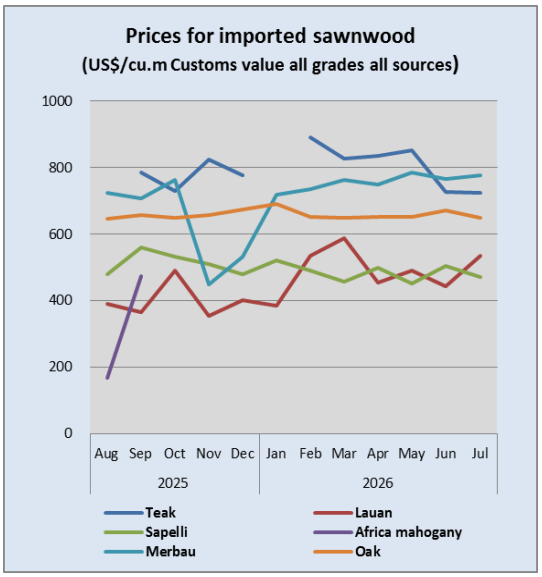
Data source: Customs, China



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

	2026 Jun	2026 Jul
Teak	726	724
Lauan	442	534
Sapelli	503	472
African mahogany		1.978
Merbau	767	776
Oak	672	672

Data source: Customs, China



UK

UK Timber Market Briefing underscores tough trading, but longer term hope

The conclusion of the first Timber Market Briefing from Timber Development UK (TDUK), the leading representative body of the country's timber sector, is that the wider industry is still facing challenging times. The fundamentals remain strong, it says and the prospects for wood as a construction and manufacturing material are positive given its combination of environmental and technical performance. In fact, given the trading environment, it has shown 'notable resilience'. However, the current slow UK economy and particularly the building industry slump, are restraining progress.

The Market Briefing is based on the views of decision makers across the timber production, trade, processing and end-use sectors.

"To better understand how current conditions are affecting different parts of the supply chain, Timber Development UK canvassed a range of our members representing sawmills, timber product manufacturers, timber engineering businesses, timber merchants and suppliers," states the Briefing introduction. 'While these businesses operate in different sectors and serve different customer groups, their responses reveal a remarkable degree of consistency regarding the challenges currently facing the sector."

Besides economic uncertainty, subdued consumer confidence and weak housing activity, geopolitical instability also weighs on the UK timber industry, it says.

"While many businesses entered 2026 expecting conditions to improve gradually, the year has instead become a continuation of the difficult market conditions experienced across much of the previous three years" states the executive summary. "Customers remain cautious, investment decisions are being delayed and forecasting future demand has become increasingly difficult."

The UK government has set a target to facilitate construction of 1.5 million new homes over its five-year term. Currently, however, that goal looks difficult to attain.

"Housebuilding activity continues to fall short of government ambitions, while confidence among developers, investors and consumers remains fragile," said the TDUK. "Many businesses across the timber supply chain report that the underlying need for housing and construction remains strong, but that uncertainty and low confidence is preventing demand from being translated into projects and orders."

It adds that conflict in the Middle East has 'added another layer of complexity to an already difficult market'.

"Rising oil prices, supply chain disruption and renewed inflationary concerns have all contributed to weakening confidence across the construction supply chain," it says. It cites the latest forecasts from the Construction Products Association.

"Having forecast construction output growth of 1.7% for 2026 a few months ago, the CPA now expects output to decline by 2.5%," it says. "The forecast for 2027 has also been reduced from 2.8% growth to 1.2%. Housing remains the sectors greatest concern. Private housing output is forecast to decline by 7% during 2026, while private housing repair, maintenance and improvement (RMI) is expected to fall 8%/" Meanwhile, economic indicators provide only limited encouragement.

TDUK members report that the economic climate is impacting customer purchasing decisions. "Customers are purchasing timber closer to requirement, reducing stockholding where possible and delaying decisions until projects become more certain," it says. "[This creates] additional challenges for forecasting, inventory management and production planning."

Those canvassed for the Briefing also raise the issue of mounting fuel and other costs.

"The difficulty facing businesses is that it is often difficult to recover these costs elsewhere in the supply chain, or to pass every cost increase on to consumers while demand for products remains weak," it says. Absorbing a proportion of those costs may be necessary short-term, it adds, but highlights the pressure that prolonged market weakness is placing on profitability.

While addressing the significant challenges facing the UK timber trade, the Market Briefing also provides evidence of longer-term confidence in the industry, notably in the role the timber sector will play in helping deliver lower-carbon construction. At the same time the government/industry Timber in Construction Roadmap provides a framework for increasing use of wood in the built environment.

Throughout the Market Briefing, concludes TDUK CEO David Hopkins, one message comes through consistently from businesses is that 'confidence drives investment, investment drives construction, and construction drives growth'. "The fundamentals of our sector remain strong, with timber playing an increasingly important role in delivering sustainable, high-quality buildings," he said. "The challenge is to create the conditions that allow that stalled potential to be realised. If we can, the timber industry is well placed to help deliver the homes, jobs and economic growth the UK so badly needs."

See:- https://timberdevelopment.uk/resources/tduk-market-briefing-q2-2026/
and
https://www.gov.uk/government/publications/timber-in-construction-roadmap-2025/timber-in-construction-roadmap-2025

Challenging times in UK hardwood market

The consensus among traders canvassed for an article by the UK Timber Trades Journal (TTJ) is that the country's hardwood market is tough and unpredictable. A slow economy, with the British Chambers of Commerce on 1 September predicting 2026 GDP growth of just 1%, rising to 1.3% in 2027 and the ongoing travails of UK construction, with housebuilding in 2026 forecast to contract 10% by the Construction Products Association, are making business challenging.

Hardwood traders told TTJ that the more promising start to the year they experienced, has not persisted. Where companies are making progress, it's largely through their own initiatives. Some have also been helped by picking up business and, in some cases, the personnel of competitors that have closed or downsized.

"It is so volatile and difficult to forecast," said an importer. "We recently listed customers doing more business with us this year but had an equal and opposite list of those doing less."

That said, they added, sales were up on last year. On African supply, UK hardwood traders reported that engineered products, notably, but not exclusively sapele scantlings, are gaining ground.

"The big African hardwood suppliers in particular are focused on adding value and sapele scantlings are now a player in the market along with tali and okan decking." Another importer saw tali decking competing particularly with ipe in the upper end of the market, but also to an extent with bangkirai due to the latter's supply issues and rising price. On availability, they said, there were certain gaps at individual African suppliers.

UK buyers say that fuel costs are a key issue for their African suppliers, with their dependence on diesel for kilning and in some cases power generally, plus of course its impact on freight. However, prices are reported as stable. Longer term, the view is that African species diversification will happen.

"The forests are reported to just not be regenerating enough of current main species, notably sapele and iroko, but with other faster growing types like frake and ayous".

European hardwood suppliers to the UK are said to be suffering from the slowdown in Chinese demand for lower grades. Oak availability is reported as good, although log quality say some continues to decline. Despite this, prices remain firm.

As for the EU Deforestation Regulation (EUDR) which comes in on December 30 for large EU operators and June 2027 for small and micro primary operators, hardwood traders say it poses challenges. But most maintain they're ready for it. UK timber traders' customers exporting to the EU must comply, as will EU exporters to the UK.

"It's going to be complex to administer as it covers so many agricultural commodities, besides timber, but we believe in the principle behind it," said an importer-distributor. "We support it and are doing what we can to be ready."

The outlook is that the UK hardwood market will continue to be testing and that companies' destiny will remain in their own hands. "We're buying what we need and not speculating," said an importer. "And we're keeping close to customers and suppliers. Things change so quickly, so you must have the market intelligence in place to be ready."

See: https://www.britishchambers.org.uk/news/2026/09/bcc-economic-forecast-weak-business-investment-hits-growth-outlook/
and
https://www.ttjonline.com/

Timber sector applauds government housing investment

The UK timber industry has welcomed the government's announcement of the release of nearly £10 billion to 'kickstart social and affordable housebuilding across the country'.

It has also applauded the government focus in its latest policy paper on modern methods of construction (MMC), where house assemblies are prefabricated in factories for rapid erection on site. In the UK, timber is seen as a prime material for this construction approach due to its ease of processing and strength to weight, with many of the leading housing developers having built of acquired timber-frame production plants.

Increasing affordable and particularly government-subsidised, low-cost 'social rent' housing is a key ambition for new UK Prime Minister Andy Burnham. On assuming office, he promised the 'biggest council house building programme since the post (Second World) War period.

Commenting on the UK's low-cost housing shortage he said: "No child should be raised in a hostel room, and no family should wait ten years for a front door of their own." Another target of the initiative is to grow and improve construction training provision in particular in modern methods of construction.

"We have been driving innovative training programmes, including directly in the housebuilding sector, through skills development in MMC," said the government. "We will continue to explore how we can build on this progress to support young people into employment and address skills shortages and training."

It said the new funding package would 'deliver tens of thousands of social and affordable homes across the country in coming years'.

"This news comes as a welcome relief for the market. The housing sector, and the supply chains that feed it, cannot wait any longer for investment to flow," said TDUK CEO David Hopkins. "It is high time the government allocated the capital – to let the industry get on with doing what it does best."

See –
https://www.gov.uk/government/publications/the-social-and-affordable-homes-programme-and-the-reinvigoration-of-council-housebuilding/the-social-and-affordable-homes-programme-and-the-reinvigoration-of-council-housebuilding#supporting-job-creation-through-
and
https://timberdevelopment.uk/government-sahp-funding/

North America

Sawn tropical hardwood imports soared in July

US imports of sawn tropical hardwood jumped 25% in July, rising to their highest volume month of 2026. At 18,135 cubic metres, July imports were 12% higher than in July 2025. A 61% gain in imports from top-supplier Brazil fueled much of the rise, while imports from Ecuador, Peru, Ghana and Cote d'Ivoire also made substantial monthly gains.

Despite the rise, total imports of sawn tropical hardwood for 2026 still trail 2025 by 2% through the first seven months of the year.

	cu.m	MoM % change	1st half YoY % change
Total	18,135	25%	-2%
Ecuador	701	42%	-16%
Brazil	5,747	61%	46%
Cameroon	1,280	-51%	-12%
Malaysia	2,529	7%	5%
Rep. Congo	325	-27%	-52%
Peru	113	151%	66%
Indonesia	1,107	1%	-58%
Ghana	386	69%	-40%
Cote d'Ivoire	36	57%	-78%
Others	5,911	61%	26%

Data source: US Department of Agriculture, Foreign Trade Statistics

It was the opposite story in Canada, where imports of sawn tropical hardwood fell 23% in July to their lowest level of the year.
At just under US$1.2 million, July imports were down 32% from the previous July. For the year so far, Canada's imports of sawn tropical hardwood trail last year's by 21%.

Hardwood plywood imports fell 9% in July

US imports of hardwood plywood continue to stay well below 2025 levels as the volume of July's imports fell 9% from the previous month. However, imports based on value actually rose 2% in July as spending reached $157.3 million, the highest level since January.

At 223,974 cubic metres, July volume was 30% less than in July 2025. Imports from Russia fell 28% for the month while imports from Viet Nam fell 26%. Through July, total imports of hardwood plywood are down 31% in volume versus last year while spending is down 20%.

Import volume from the two top trading partners, Indonesia and Viet Nam, both remain down by more than 50% for the year.

	cu.m	MoM % change	1st half YoY % change
Total	223,974	-9%	-31%
China	953	39%	-63%
Russia	21,376	-28%	5%
Indonesia	63,781	-6%	-56%
Malaysia	22,106	-13%	140%
Cambodia	26,351	3%	102%
Vietnam	23,664	-26%	-62%
Ecuador	9,162	-12%	-4%
Other	56,581	2%	-11%

Data source: US Department of Agriculture, Foreign Trade Statistics

Veneer imports flat in July

Imports of tropical hardwood veneer stayed level from June to July, rising by less than 1% in July from the previous month. At just under US$3.55 million, imports for the month were 14% higher than in July 2025.

Imports from Cameroon remain strong, rising 21% month over month and up 39% for the year to date. Imports from Italy are also improving, up 112% for the year through July. Total imports of tropical hardwood veneer are up 19% versus last year through the first seven months of the year.

Hardwood flooring panel imports dropped in July

US imports of assembled flooring panels fell by 22% in July, dropping to their lowest level since February. Imports from Thailand, which have been strong through most of the year, fell 48% in July to their slowest month of 2026.

Imports from Canada also tumbled, declining 31% month to month. Despite the slowdown, at US$22.7 million, imports for July outpaced those of the previous July by 11%. For the year to date, total imports of assembled flooring panels are down 3% versus last year.

Imports of hardwood flooring increased 5% over the previous month. However, July's import total of US$3.97 million was more than 45% lower than for July 2025.

Stronger imports from Malaysia and Indonesia more than offset drops of more than 50% in imports from Viet Nam and China. Imports from Brazil, normally a top supplier, fell to 0 in July and are down 79% versus last year through July. Year to date, total US imports of hardwood flooring are down 26% versus 2025.

US moulding imports see modest July gain

US imports of hardwood mouldings rose 3% in July, lifting activity to its highest level of the year. At just over US$14 million, imports were 7% below those of July 2025, despite the gain. Imports from Brazil more than doubled from the previous month, rising to their best strongest month since last July.

However, sharp drops in imports from China and Malaysia offset most of the gain. Through July, year-to-date imports are down 14% versus last year.

Wooden furniture imports fell 3%

Imports of wooden furniture fell 3% in July as orders remain at a level well below last year. At US$1.33 billion, the month's imports were 21% less than those of the previous July. Imports from Malaysia and India both fell more than 10% from the previous month while imports from India rose 16%. For the year to date, imports remain down 23% versus last year.

For the whole of the US furniture market the latest Smith Leonard report noted that new orders for June were down 5% compared to the month of May (which had been up 13% over April), but up 11% compared to June 2025.

Year to date, new orders are up 4% over 2025. June 2026 shipments were up 2% compared to May 2026 and up 3% from June 2025. However, year to date, shipments remain even with 2025 levels.

See: https://www.smith-leonard.com/2026/09/04/aug-2026-furniture-insights-2/

	US$	MoM % change	1st half YoY % change
Total	1,331,987,438	-3%	-23%
China	116,440,926	4%	-41%
Viet Nam	641,503,563	-3%	-19%
Canada	99,409,234	-5%	-15%
Malaysia	56,484,606	-11%	-34%
Mexico	74,329,944	-3%	-32%
Indonesia	50,926,819	-15%	-16%
India	26,553,058	16%	-27%
Other	292,892,346	-2%	-19%

Data source: US Department of Agriculture, Foreign Trade Statistics

Canada imposes new tariffs on US goods

New Canadian tariffs targeting roughly US$20 billion in US imports officially snapped into place on 8 September, the latest escalation in an increasingly costly trade war that has ensnarled two longtime allies.

The duties apply to a variety of US goods, including wood products, clothing, cheese and metal parts. The approach is meant to mimic the taxes that President Trump imposed on Canada after trade talks between the two neighbors collapsed in acrimony last month.

For now, the economic effects of the tit-for-tat may be limited because the tariffs encompass only a small portion of the annual trade between the United States and Canada. The more pressing concern is a potential cycle of retaliation, one that results in even higher and more exhaustive duties that harm families and businesses on both sides of the border.

In Canada, Prime Minister Mark Carney has sought to position himself as a bulwark against President Trump's trade aggression, describing his nation as "at war." Canadian officials generally have pledged to respond "dollar for dollar" to any US duties.

Further inflaming tensions, Trump has even threatened to block all trade involving countries that export more to the United States than they import from it. Currently, the United States has a yawning trade deficit in goods and services involving dozens of trading partners, including many in Europe and Asia.

See: https://www.canada.ca/en/department-finance/news/2026/08/list-of-products-from-the-united-states-subject-to-counter-tariffs-effective-september-8-2026.html#wb-auto-4
and
https://www.nytimes.com/2026/09/08/business/canada-tariffs-trump.html?campaign_id=60&emc=edit_na_20260908&instance_id=181580&nl=breaking-news&regi_id=245015031&segment_id=226163&user_id=258ded1699bcd9dffdef624af674317b

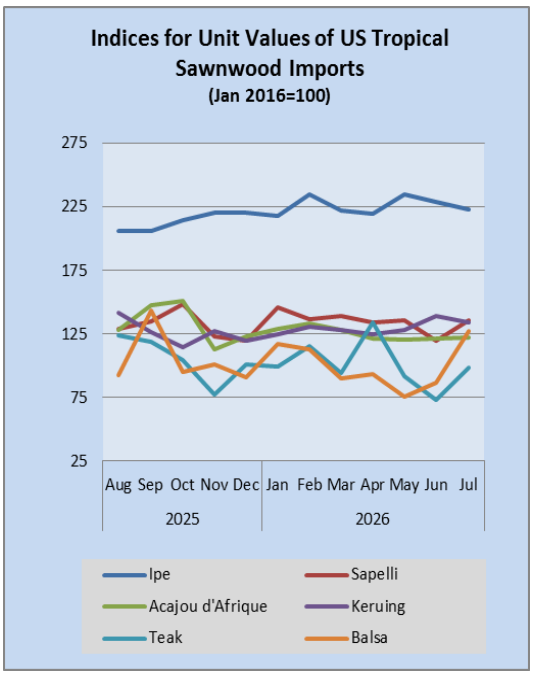
Kitchen cabinet market size to reach US$154 bil. by 2033

The global kitchen cabinets market is likely to be US$102.5 billion in 2026 and is projected to reach US$154.2 billion by 2033, growing at a CAGR of 6.0% between 2026 and 2033, according to a recent report by Persistence Market Research.

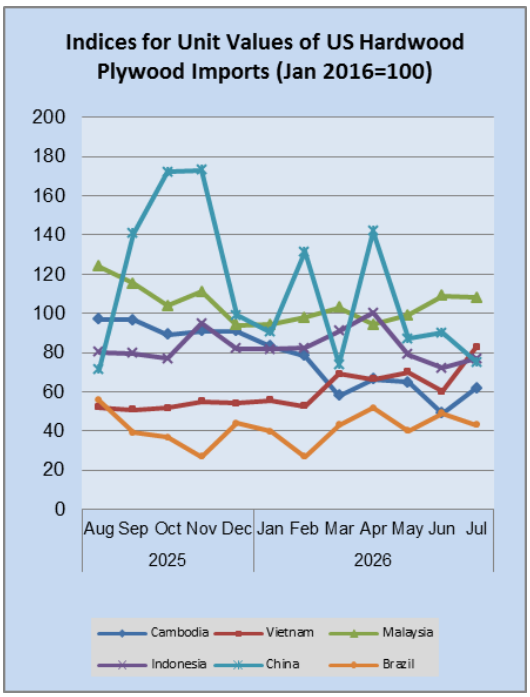
According to the report, the global kitchen cabinets market is projected to expand steadily through 2033, supported by residential renovation and modernization trends. North America remains a prominent market because of strong remodeling activity and consumer interest in upgraded kitchen interiors.

Other key highlights from the report include that Increasing consumer emphasis on kitchen organization is strengthening demand for cabinets with efficient storage features and that a growing demand for customized and modular kitchen solutions is encouraging manufacturers to expand design and product choices.

See: https://www.woodworkingnetwork.com/cabinets/kitchen-cabinets-market-size-reach-154b-2033-reports-persistence-market-research



Data source: US Department of Agriculture, Foreign Trade Statistics



Data source: US Department of Agriculture, Foreign Trade Statistics

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

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

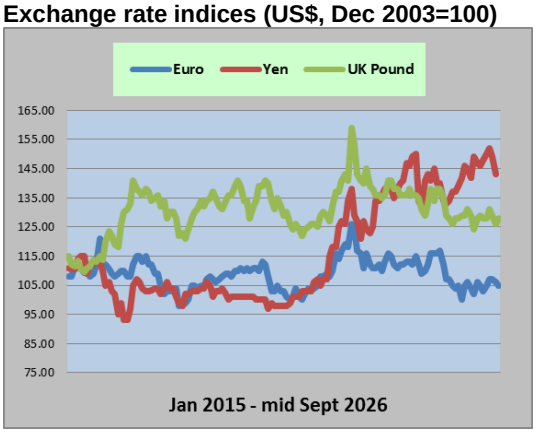
S Dollar Exchange Rates

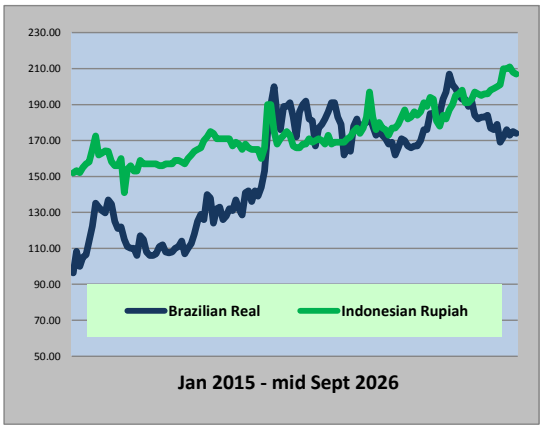
As of 10 Sep 2026

Brazil	Real	5.11
CFA countries	CFA Franc	5669.70
China	Yuan	6.71
Euro area	Euro	0.86
India	Rupee	95.69
Indonesia	Rupiah	17,596
Japan	Yen	154.43
Malaysia	Ringgit	4.07
Peru	Sol	3.35
UK	Pound	0.74
South Korea	Won	1,350.00
Viet Nam	Dong	25.918

Data source: WSJ

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

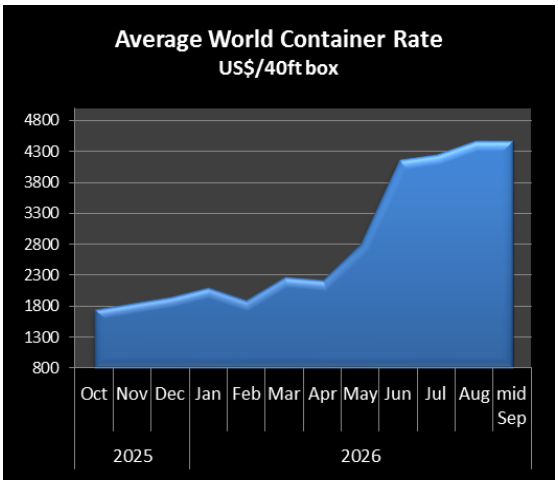




Abbreviations and Equivalences

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

Ocean Container Freight Index

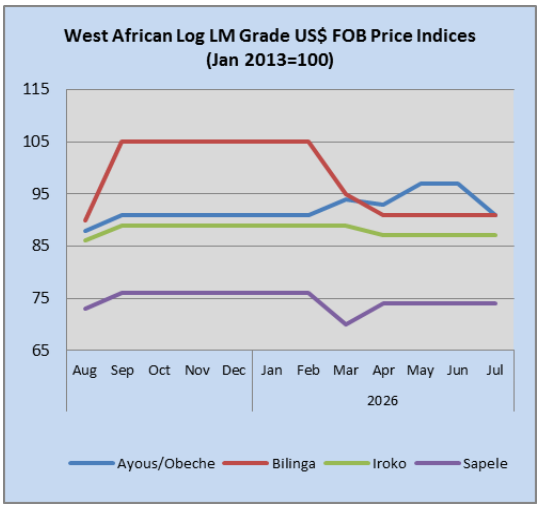


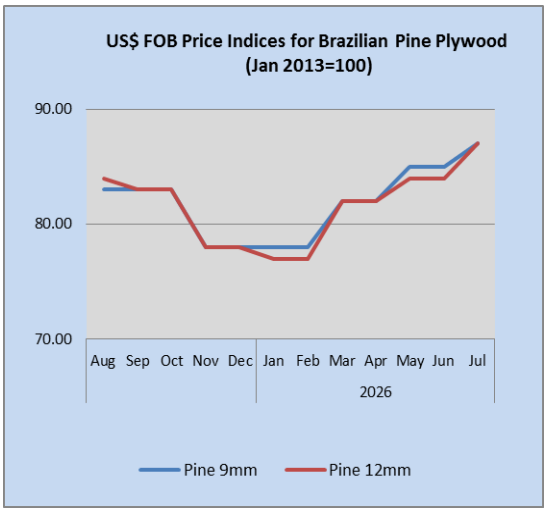
Data source: Drewry World Container Index

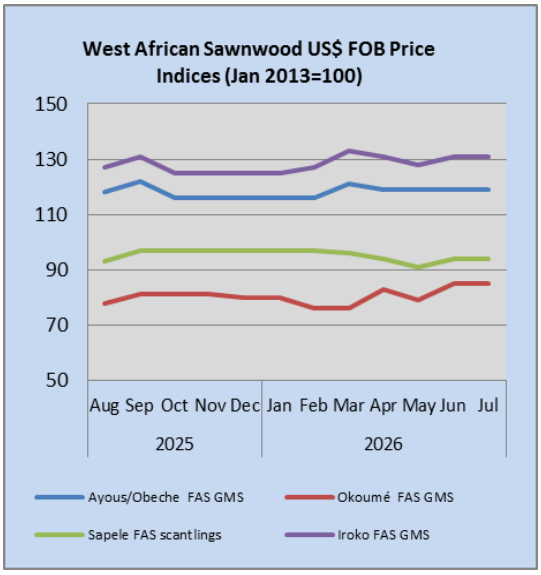
See: https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry

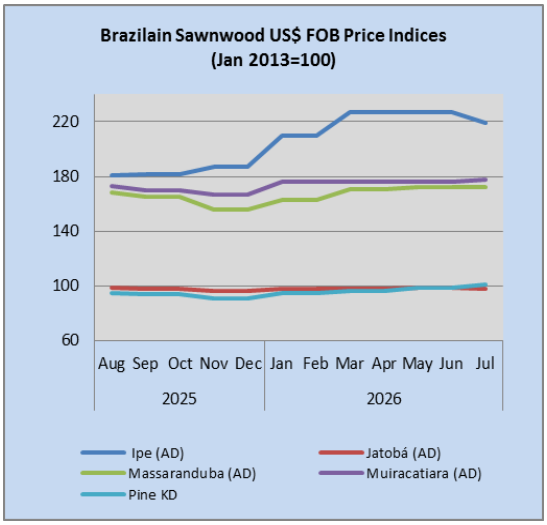
Price indices for selected products

The following indices are based on US dollar FOB prices









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

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