

Tropical Timber Market Report

Volume 27 Number 4 16th– 28th February 2023



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

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Top story

Rise in China's 2022 imports of sawn tropical hardwoods

In 2022 China's sawn hardwood imports rose 1% to 9.33 million cubic metres, a year on year increase of 1%.

Of total sawn hardwood imports, sawn tropical hardwood imports were 6.35 million cubic metres valued at US\$1.91 billion, a year-on-year increase of 6% in volume and 2% in value and accounted for around 24% of all sawnwood imports, up 3% on 2021.

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Central and West Africa

Production unchanged and contract positions healthy

Producers report there has been no increase in orders for the Chinese market but that demand in the Philippines is stable for okoume and ayous sawnwood. Vietnam is a major buyer of tali but reports suggest tali stocks in Vietnam are still above normal. Overall production levels are unchanged from last month and order positions are healthy with longterm contracts held for supplies to the Middle East and the Philippines.

The enforcement of the EUTR resulting in court cases brought against importers who could not provide adequate verification of legality has made buyers very cautious in their African purchases and playing safe by dealing with certified suppliers.

Operators in Cameroon facing many challenges

In Cameroon producers are under pressure having to deal with tax increases and concession re-negotiations. Operators have prepared details of their stocks as required by the forest authority and these will now be scrutinised and preparations made for the issuance of CITES certificates. Cameroon is known for its shipments of padouk, doussie, ngollon and khaya. The forestry and timber sectors in Cameroon are entering a crucial stage in their future and the challenges to overcome are numerous.

In a press release the ATIBT reports on the launch of a project "Green Pact Cameroon". The press release says "the objective of the project is to contribute to the development of a green economy, creating local jobs resilient to climate change. It aims to improve the performance of forestry companies and also to develop the domestic timber market so as to orient it towards sustainable timber purchases.

See: <https://www.atibt.org/en/news/13295/launch-of-the-project-asp-green-pact-cameroon>

Stocks declared in Gabon - to be vetted before exports allowed

It has been reported that operators in Gabon, in an effort to secure long-term CITES approval, have prepared and submitted felling and stock lists covering operations over the next three years as required by the Agence Nationale des Parcs Nationaux (ANPN).

ANPN has circulated a document "information on meeting the procedures for issuing CITES certificates or permits" this details the actions that operators need to take and specifically mentions "All stocks (cut trees, sawnwood) must be checked to ensure their legal acquisition and traceability; RFID chips could be placed. Stocks must be declared before the entry into force of CITES. After analysis a report will be submitted to the Minister for approval".

Demand for timber for construction will race ahead of availability

In 2020 a Gresham House report forecast an almost three-fold increase in global timber consumption from 2.2 billion cubic metres consumed in 2020 to 5.8 billion in 2050. The rising wealth of consumers in Africa and Asia and their investment in housing will drive up demand for timber for construction which cannot, the report says, be met from their natural forest.

Current forecasts for the long term, sustainable supply of timber between now and 2050 range between 3.7 billion cu.m and 4.7 billion cu.m.

Most commercial timber suitable for construction is sourced from temperate softwood forests in the northern hemisphere (Canada, US, Northern Europe and Russia) and plantations in Oceania (New Zealand and Australia). However, the greatest rise in demand will be concentrated in regions (China, India, Indonesia, Asia and Africa) where there are insufficient resources of mature construction timber.

A recent forecast by the Central African Forest Observatory (OFAC), a specialized unit of the Central African Forest Commission (COMIFAC) reported by the ATIBT, also forecasts a supply/demand imbalance saying demand for wood, particularly in Africa, is forecast to quadruple by 2050.

See: <https://greshamhouse.com/wp-content/uploads/2020/07/GHGTO2020FINAL.pdf> and <https://forestsnews.cifor.org/81133/growth-of-forest-plantations-in-central-africa-lags-over-financing-constraints?fnl>

Log export prices

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

Sawnwood export prices

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

Ghana

Curl veneer price at Eur 7,940/cu.m

The value of Ghana's exports of wood products reached Eur153.86 million in 2022 which corresponded to 13% growth compared to the Eur 36.7 recorded in 2021 according to data from the Timber Industry Development Division (TIDD) of the Forestry Commission.

Air-dried sawnwood recorded the highest export volume of 188,429 cu.m and curl veneers the lowest at 10 cu.m. These products earned in Eur75.30 million and Eur0.08million respectively of the total export receipt for 2022.

Wood export receipts (Eur 000s)

Product	2021	2022	% change
AD saw nw ood	61,121	75,295	49%
KD saw nw ood	24,057	26,504	17%
Billets	15,225	12,343	8%
Plyw ood (Overland)	9,818	9,769	6%
Mouldings	7,512	7,448	5%
Sliced Veneer	12,448	12,735	8%
Plyw ood	1,969	3,632	2%
Rotary Veneer	3,475	4,071	3%
Boules (AD)	721	1,402	1%
Curls		79	
Others (8)	385	584	52%
Total	136,731	153,862	13%

Data source: TIDD

Eighteen wood products were exported during the period. Analysis of the average unit prices of these products showed that curl veneers recorded the highest at Eur7,940/cu.m in 2022 and Eur1,453/cu.m in 2021.

Average Unit Prices, 2021 and 2022

Product	2021	2022	% Change
AD saw nw ood	405	400	-1%
KD saw nw ood	551	596	8%
Billets	344	325	-6%
Plyw ood (Overland)	389	304	-22%
Mouldings	710	766	8%
Sliced Veneer	1,010	1,326	31%
Plyw ood	374	381	2%
Rotary Veneer	435	485	12%
Boules (AD)	1,027	767	-25%
Curls	1,453	7,940	446%
Others (8)	322	425	32%
Total	452	448	-1%

Data source: TIDD

Of the total earnings for 2022, secondary wood products accounted for Eur133.96 million, up 4% from 2021. Primary products accounted for Eur12.34 million in 2022, down 3% from 2021 while the tertiary products accounted for 5% in 2022 and 6% in 2021 of the total export value for the respective years.

The average price for curl veneer, sliced and veneer, KD sawnwood, mouldings and plywood rose by 446%, 31%, 12%, 8%, 8% and 2% respectively. Sawnwood (AD and KD) together accounted for 68% of the total export volume in 2022 against 64% in 2021. The total revenue from export of these products was Eur101.8 million in 2022 and Eur85.2 million in 2021.

The overall average unit price for wood products exported for the period rose from Eur452/cu.m in year 2021 to Eur488/cu.m in 2022.

Ghana ready to reverse global biodiversity losses

At an event held at the Lancaster House in London, Ghana and the United Kingdom renewed their commitment to a biodiversity programme which seeks to halt and reverse biodiversity losses and contributes to objectives of the Convention on Biological Diversity.

Organised by the UK government under the theme, 'Nature Action – Private Sector Mobilisation Event', the programme aimed to catalyse and demonstrate the delivery of the 'Kunming-Montreal Global Biodiversity Framework', a landmark international agreement adopted by the 15th session of the Conference of Parties of the Convention on Biological Diversity (CBD COP15.2) held in Montreal, Canada. In a related development, Ghana's Parliament has approved an amount of US\$7 million for the implementation of the Ghana Forest Investment programme following a lending agreement between the government and the Agricultural Development Bank (ADB).

See:
<https://www.peacefonline.com/pages/politics/parliament/202302/483039.php>

Firms downsizing due to high cost of doing business

According to the Chief Executive Officer of the Association of Ghana Industries (AGI), the high cost of doing business in the country has forced some manufacturing firms to downsize while some are laying off workers,

The CEO of AGI, Seth Twum Akwaboah, attributed this to taxes, access to credit, high utility cost among others which have put a lot of pressure on these firms. He added, the Domestic Debt Exchange Programme (DDEP), the result of Ghana's financial crises, could have an impact on the capital and liquidity of commercial banks in the country. This in turn, would affect industry players if government does not pay special attention to this sector. Twum appealed to the government to take proactive measure and institute favourable policies to save local industries.

See: <https://www.agighana.org/implementation-of-the-domestic-debt-exchange-program-and-its-future-impact-on-industry/>

New Ministers for Trade and Agriculture

The President has appointed E. T. Hammond to replace Alan Kyerematen at the Ministry of Trade and Industry while Bryan Acheampong replaces Afriyie Owusu Akoto at the Ministry of Food and Agriculture. The new appointments will go through Parliamentary vetting prior to their confirmation as required by Ghana's Constitution.

See:

<https://www.ghanaweb.com/GhanaHomePage/NewsArchive/K-T-Hammond-is-new-trade-minister-Bryan-Acheampong-heads-to-agric-ministry-1709738>

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	760
Niangon Kiln dry	810

Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	391	441
Chenchen	477	612
Ogea	513	590
Essa	691	722
Ofram	350	435

Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up		
Afrormosia	860	925
Asanfinia	465	564
Ceiba	290	345
Dahoma	431	572
Edinam (mixed redwood)	640	687
Emeri	655	706
African mahogany (Ivorenensis)	599	1,059
Makore	560	859
Niangon	820	855
Odum	862	1007
Sapele	800	879
Wawa 1C & Select	454	518

Export sliced veneer

Sliced face veneer	FOB Euro per cu.m
Asanfinia	755
Avodire	2,999
Chenchen	1,598
Mahogany	2,176
Makore	1,046
Odum	1,747
Sapele	1,728

Export plywood prices

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfinia
BB/CC			
4mm	501	580	641
6mm	412	535	604
9mm	320	504	560
12mm	583	476	480
15mm	450	385	430
18mm	460	444	383

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

Malaysia

Deputy PM - EUDR will undermine competitiveness of Malaysia's commodity products

The implementation of the European Union Deforestation Regulation (EUDR) is likely to increase production costs for Malaysia's commodity-based products making them less competitive in global markets according to Malaysia's Deputy Prime Minister, Fadillah Yusof.

The Deputy PM said the EU is currently drafting guidelines for the due diligence report implementation mechanism which may be released by the third quarter of this year. Malaysia and 13 other commodity producing countries including Brazil, Ghana and Indonesia have submitted a letter to the EU Commission stressing the need for the Commission to engage with producing countries.

Malaysia held bilateral meetings with Indonesia to discuss the EUDR implementation and it was agreed they will send a joint palm oil mission to Europe to explain to the EU Commission the negative effects this regulation could have especially on smallholders.

See: <https://www.mpic.gov.my/kpk/en/utama-media/speeches/ucapan-2023/speech-by-the-most-honourable-deputy-prime-minister-dato-sri-fadillah-bin-haji-yusof-minister-of-plantation-commodities-malaysia-at-the-engagement-and-luncheon-session-with-palm-oil-industries-9-february-2023-mandarin-oriental-hotel-jakarta>

and <https://www.businesstoday.com.my/2023/02/23/eudr-implementation-will-increase-production-cost-of-commodity-based-products-says-dpm/>

Securing land for workers dormitories the new challenge

Furniture manufacturers and traders in Johor are appealing to the government to legalise their staff dormitories that have been built on land earmarked for agriculture.

They also want the government to provide land near industrial areas for the setting up of such accommodation facilities which are mandated by law. Muar Furniture Association chairman, Steve Ong, said under the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446), employers are required to provide living space for their workers.

However, the furniture industries face a dilemma as there is limited industrial land on which to build such facilities. Because of this most of the accommodation has been built on agricultural land which contravenes the law.

See:

<https://www.thestar.com.my/news/nation/2023/02/18/furniture-makers-want-workers-dorms-on-agro-land>

Malaysian export statistics

For most products the value of 2022 exports exceeded those in 2021 but the 2022 value of exports for several products were still below those achieved in 2019. The good performance in wooden furniture exports in 2022 stands out having exceeded that in 2019.

(RM millions)	2019	2021	2022
Builders joinery	1,037	996	1,381
Particleboard	367	255	289
Fibreboard	1,060	687	939
Logs	760	528	535
Mouldings	872	765	929
Plywood	3,404	3,246	3,320
Sawnwood	3,374	2,507	2,664
Veneer	172	91	107
Wooden furniture	9,143	10,422	11,148
Other products	2,306	3,296	3,901
Total	22,495	22,794	25,213

Data source: MTIB

Timber Certification Conference

The Malaysian Timber Certification Council (MTCC) and the Institute for Environment and Development (LESTARI) of Universiti Kebangsaan Malaysia will co-host an International Conference on "Timber Certification: Exploring Future Frontiers" 15-16 March 2023.

The Malaysian Timber Certification Scheme (MTCS) continues to evolve through continual improvement and engagement with all forestry related stakeholders. As of 31 December 2022 there were 37 forest management units covering a total of 5.81 million hectares of forests and 360 chain-of-custody certified companies within the MTCS.

The Conference aims to provide an overview of the implementation of the MTCS in Malaysia and showcase timber certification of other countries.

See: <https://mtcc.com.my/international-conference-on-timber-certification/>

Indonesia

Indonesia ready to boost exports of wood products to the US

The Indonesian government and the business sector will work together to boost exports of wood products to the United States, a market considered to have great prospects. Umar Hadi, Director General for America and Europe in the Ministry of Foreign Affairs said that the existing challenges will be solved together so that the market share of Indonesian wood products in the US continues to increase.

The Indonesian Ambassador to the US, Rosan P. Roeslani, supports the idea of expanding exports to the US saying demand for Indonesian wood products in the US continues to grow supported by furniture products for housing and office needs.

According to the Director General of Sustainable Forest Management at the Ministry of Environment and Forestry (KLHK,) the US is the second largest export destination after China and is worth US\$2.23 billion.

General Chairperson of the Indonesian Forestry Community Communication Forum (FKMPI), Indroyono Soesilo, stated that Indonesia has the opportunity to increase exports to the US as there is an advantage since Chinese made goods face high import duties.

In addition, Indonesia also benefits from the Generalised System of Preferences (GSP) facility. He suggested intensive promotion in the US and the building of a permanent exhibition centre in the US.

See: <https://forestinsights.id/2023/02/16/indonesia-dorong-ekspor-produk-kayu-ke-as/>

and <https://industri.kontan.co.id/news/pemerintah-dan-pelaku-usaha-akan-genjot-ekspor-produk-kayu-ke-amerika-serikat>

Exports of Indonesian furniture and crafts set to increase

The Indonesian Furniture and Craft Industry Association (HIMKI) is optimistic that Indonesia's furniture and craft exports will increase HIMKI estimates that exports could rise over 8% year on year to over US\$3.5 billion.

HIMKI Chairman, Abdul Sobur, commented that, while export prospects have been subdued, the Association is optimistic on prospects for the year adding "Growth in 2023 will be supported by demand in the United States which is expected to rise more than 9%". Abdul said the demand from the European Union and other European countries is expected to increase by around 2% this year compared to 2022.

See: <https://industri.kontan.co.id/news/himki-targetkan-ekspor-furnitur-dan-kerajinan-indonesia-tumbuh-di-atas-8-tahun-ini>

2023 German Ambiente Exhibition a success for Indonesia

At the Ambiente Germany 2023 Exhibition Indonesian exhibitors negotiated transactions worth around Rp151 billion. The Exhibition attracted buyers from the Netherlands, France, Denmark, Italy, the United States, Korea, Egypt, Morocco and India.

Indonesia's Berlin Trade Attache, Bayu Wicaksono, said it was encouraging that all participants in the Indonesian Pavilion exhibited craft and home decoration products made from verified legal timbers. The exhibition featured wood products and household goods.

See:
<https://pressrelease.kontan.co.id/news/gebrak-ambiente-2023-german-72-perusahaan-ri-raup-potensi-transaksi-rp151-miliar>

Pilot project on multi-business forestry

The Indonesian Chamber of Commerce and Industry (Kadin) Regenerative Forest Business Sub Hub (RFBSH) initiated a Multi-business Forestry pilot project to test whether multi-business forestry and agroforestry is viable economically, ecologically and socially.

Kadin's Deputy Chairman for environment and forestry, Silverius Oscar Unggul, said there will be five pilot projects testing the strengthening of the sustainability management in productive natural forests, the development of the potential for sustainable management in non-productive natural forests and the collaboration on conflict resolution towards sustainable multi-business models.

Other projects will be on multi-business model management based on the diversity of forest resources and management for carbon sequestration and storage.

See: <https://en.tempo.co/read/1693711/kadin-initiates-pilot-project-on-multibusiness-forestry>

Indonesia/ WRI collaboration to pursue 2030 FOLU Net Sink targets

Indonesia's Environment and Forestry Ministry and World Resources Institute (WRI) will collaborate to pursue goals of the FOLU Net Sink 2030 such as reducing emissions from the forestry and other land use sectors and carbon absorption.

Siti Nurbaya Bakar, Indonesia's Minister of Environment and Forestry stated that the collaboration will contribute to the global efforts to reduce greenhouse gas emissions by increasingly tapping into the potential of tropical rainforests. The Minister also noted that the collaboration aims to identify techniques, methods and practices in satellite imaging as a means to map lands.

See: <https://en.antaranews.com/news/273021/indonesia-wri-collaborate-to-pursue-2030-folu-net-sink-targets>

In related news, Deputy Minister of Environment and Forestry, Alue Dohong, said the forestry and other land uses (FOLU) result-based payments, including the REDD+ scheme will remain an instrument to support reducing greenhouse gas emissions and achieving Indonesia's NDC target. He added that this scheme could increase the opportunities for carbon trading.

Alue said "principles of good governance need to be properly reflected in cooperation and collaboration with various development partners".

See: <https://www.antaranews.com/berita/3400731/klhk-instrumen-penetapan-harga-karbon-anut-prinsip-good-governance>

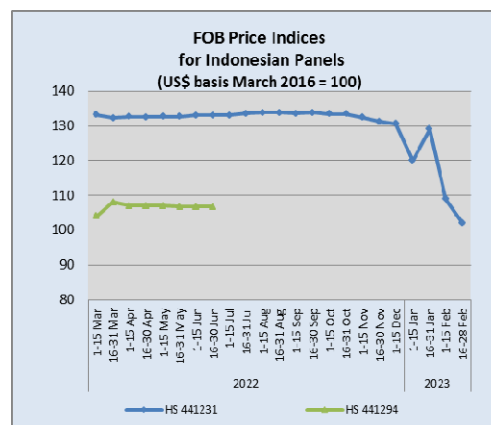
Indonesia's 2022 economic growth among highest in G20: minister

Indonesia's economic growth of 5.3% in 2022 was among the highest in G20 member countries according to Investment Minister, Bahlil Lahadalia.

Of the G20 countries, Saudi Arabia scored the highest economic growth of 8.7% followed by Spain with 5.5% and Indonesia with 5.31% growth. Investment contributed positively to national economic growth the Minister said.

According to the Ministry, investment of Rp1,207.2 trillion (US\$80 billion) was received in 2022 with an additional investment of Rp318 trillion (US\$21 billion) recorded in the micro, small, and medium enterprise (MSME) sector which generated employment for at least 1.3 million people.

See: <https://en.antaranews.com/news/272958/indonesias-2022-economic-growth-among-highest-in-g20-minister> and <https://jakartaglobe.id/business/indonesias-economic-growth-beats-most-g20-countries-minister>



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

Myanmar

February Teak tender sale

The Myanma Timber Enterprise (MTE) sold teak logs and sawnwood through a tender sale in February. For tender were 1,500 tons of teak logs of Sawing Grade 4,5 and 6 plus plantation teak logs of PTG 1, 2 and 3 Grades. In addition some 500 tons of teak sawnwood was on offer. The result of the tender has not been made available.

According to the trade data from Ministry of Commerce timber exports in the period April to December 2022 earned US\$118.836 million, suggesting that total exports in the financial year may exceed the US\$128 million in the previous financial year.

Foreign investment inflows

The media has reported fifteen Singaporean enterprises invested US\$1.157 billion into Myanmar in the past ten months (Apr-Jan) of the current financial year 2022-2023 according to the Directorate of Investment and Company Administration. Hong Kong SAR was second-largest investor followed by China. The Myanmar Investment Commission approved 70 foreign investment projects from eight countries in the past ten months. The media report identifies investments from many other countries.

The Myanmar Administration prioritises job creation and welcomes investment in the manufacture of fertilizer, cement, iron and steel, value-added food products, electric vehicles, pharmaceutical/medical devices, agriculture and livestock farming and its related industries and public transportation services.

In the past, information about companies registered with the Directorate of Investment and Company Administration under the Ministry of Investment and Foreign Economic Relations was published. However, the military council blocked access to the data from September 2022.

See: <https://www.gnlm.com.mm/singapore-top-source-of-fdi-in-myanmar-in-past-ten-months/>

European Union imposes a sixth round of sanctions

In a 20 February press release the Council of the EU announced a sixth round of sanctions against 9 individuals and 7 entities. The press release says two years after the military takeover staged in Myanmar on 1 February 2021 the EU Council has adopted restrictive measures against 9 persons and 7 entities in view of the continuing escalation of violence, grave human rights violations and threats to the peace, security and stability in Myanmar.

The sanctioned individuals include the Minister for Energy, prominent businessmen who have supported the regime's repression with arms. Also sanctioned are high-ranking officers in the Myanmar armed forces that are closely associated with the regime.

The listed entities include departments of the Ministry of Defence and a state-owned enterprise under its jurisdiction as well as private companies supplying fuel, arms and funds to the military. Restrictive measures currently apply to a total of 93 individuals and 18 entities. Those designated are subject to an asset freeze and a travel ban,

The Administration in Myanmar released statement arguing that the international community has chosen to blame the military council for ongoing conflict in Myanmar rather than expose resistance fighters as the real perpetrators of terrorism and violence.

See: <https://www.consilium.europa.eu/en/press/press-releases/2023/02/20/myanmar-burma-eu-imposes-sixth-round-of-sanctions-against-9-individuals-and-7-entities/> and <https://myanmar-now.org/en/news/myanmars-junta-owned-companies-maintain-international-economic-ties-despite-sanctions>)

India

Inflation in check

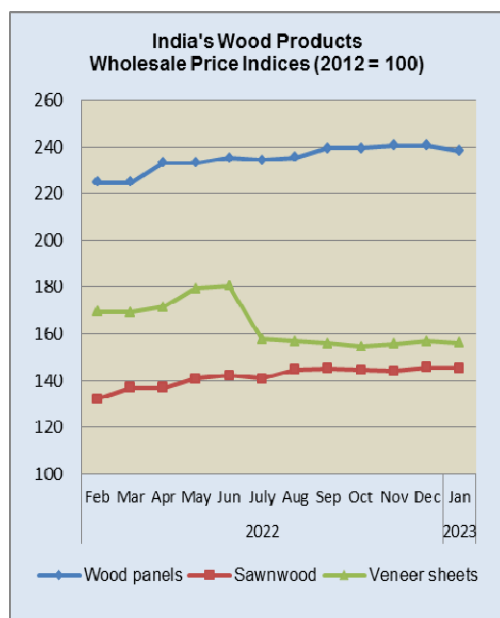
The annual rate of inflation based on the Wholesale Price Index was 4.73% in January 2023 compared to 4.95% in December 2022. The decline in January inflation was primarily contributed by mineral oils, chemicals and chemical products, textiles, crude petroleum and natural gas, textiles and food products

The wholesale price index for manufacturing increased to 141.3 in January, 2023 from 141.1 for December 2022.

Out of the 22 NIC two-digit groups for manufactured products, 12 reported price increases while 10 saw declines. The increases were mainly contributed by basic metals; tobacco products; electrical equipment; computer, electronic and optical products; motor vehicles, trailers & semi-trailers; other transport equipment; printing and reproduction of recorded media.

Some of the groups that saw decreased prices are other manufacturing; textiles; chemical and chemical products; fabricated metal products except machinery and equipment and rubber products. The indices for wood panels, sawnwood and veneer sheets all declined in January 2023 against December 2022.

See: https://eaindustry.nic.in/pdf_files/cmonthly.pdf



Data source: Ministry of Commerce and Industry, India

Record sales in residential housing sector

The residential real estate market in India set a new sales record of 68% year on year growth in 2022. After two years of poor sales due to the pandemic, the best growth was seen in Tier 2 and Tier 3 cities.

According to the government, cities with a population in the range of 50,000 to 100,000 are classified as Tier 2 cities, while those with a population of 20,000 to 50,000 are classified as Tier 3 cities.

Prospects for 2023 are good according to Robin Chhabra, Founder and CEO of Dextrus Workspace. He said the sector anticipates further downward trends in the global economy but that the Indian economy and housing sector will be little affected and there should be a steady rise in GDP, larger disposable incomes and growing urbanisation

See: <https://www.livemint.com/money/personal-finance/future-of-real-estate-market-in-india-in-2023-11676368024008.html>

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

	Hoppus cu.m	US\$ C&F
Brazil	123.4	238.0
Columbia	18.4	26.07
Costa Rica	38.1	401.2
Ecuador	92.3	273.6
Ghana	97.4	256.7
Ivory Coast	-	-
Nigeria	-	-
South Sudan	81.0	312.0
Tanzania	32.4	249.0

Teak sawnwood prices, C&F US\$ cu.m mid February 2023

	cu.m	US\$ C&F
Benin	32.22	584
Brazil	162.4	476
Colombia	24.3	302
Costa Rica	18.4	285
Ecuador	31.1	296
Ghana	88.5	350
Ivory Coast	212.0	419
Nigeria	48.6	394
South Sudan	-	-
Tanzania	64.2	379
Togo	72.1	355
Venezuela	87.6	482

Locally milled sawnwood prices

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

Price range depends mainly on lengths and cross-section

Sawn hardwood prices

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

Price range depends mainly on lengths and cross-sections

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	78.00
6mm	90.00
9mm	106.00
12mm	130.00
15mm	166.00
18mm	184.00

Domestic ex-warehouse prices for locally manufactured MR plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	53.00
6mm	67.00
9mm	79.00
12mm	94.00
15mm	126.00
19mm	135.00
5mm Flexible ply	87.00

Tree cover target missed

The media in India has commented that the country has missed its targets to increase the tree and forest cover set out in the 'Green India Mission' (GIM). This mission is one of the eight 'Missions' under the National Action Plan on Climate Change which aims at protecting, restoring and enhancing India's forest cover and responding to climate change.

See: <https://www.thehindu.com/sci-tech/energy-and-environment/states-come-up-short-in-targets-to-plant-trees-improve-forest-cover/article66436049.ece>

Vietnam

Wood and Wood Products (W&WP) trade highlights

- According to statistics from Customs W&WP exports in January 2023 reached US\$806 million, down 39% compared to December 2022 and down 49% compared to January 2022. Of this WP exports were US\$491.7 million, down 44% compared to December 2022 and down 58% compared to January 2022.
- Vietnam's W&WP exports to South Korea in January 2023 were valued at US\$63.5 million, down 36% compared to December 2022 and down 39% compared to January 2022.

Due to the long Vietnamese Lunar New Year holidays trade was interrupted. In addition, high inflation and rising interest rates in South Korea depressed demand.

- In January 2023 exports of kitchen furniture reached US\$64 million, down 39% compared to December 2022 and down 46% compared to January 2022.
- In January 2023, exports of bedroom furniture stood at US\$103 million, down 38% compared to December 2022, down 54% compared to January 2022.
- Due to the New Year holidays wooden handicraft exports to the EU in January 2023 dropped sharply, earning just US\$18.5 million, down 34% compared to December 2022 and down 52% compared to January 2022.
- Vietnam's imports of wood and wood products in January 2023 were valued at US\$120.5 million, down 42% compared to December 2022 and down 52% compared to January 2022.
- Imports of wood raw materials from China in December 2022 reached 36,890 cu.m at value of US\$17,515 million, down 3.5% in volume but up 2% in value compared to November 2022. Compared to December 2021 imports were down 42% in volume and 45% in value. In 2022 imports of wood raw material from China amounted to 650,340 cu.m with a value of US\$350.65 million, year-on-year, down 35.0% in volume.

Challenges for Vietnam's wood industries in January 2023

There was a decline in W&WP exports to almost all markets in January 2023. Exports to the US, the top market, were valued at US\$367.3 million, down 60% compared to January 2022, followed by the Chinese market (US\$132.9 million, down 1%) and Japan (US\$129.1 million, down 13%).

According to the Import and Export Department under the Ministry of Trade and Industry the US housing sector is expected to remain weak in 2023 so US demand for wooden furniture will slow.

The generally weak demand in international markets notably Japan and South Korea has led to reduced orders and downward price pressure. Although the Chinese market has reopened the Chinese domestic supply chain has not fully recovered which is hampering the recovery in sales.

Under the current conditions the Import and Export Department forecasts that Vietnam's W&WP exports in 2023 are not bright as consumers in target markets are continuing to tighten spending under the pressure of inflation.

However, some markets in Europe, especially non-EU countries remain healthy for living room and dining room furniture, products in which Vietnam is very competitive.

The Ministry of Industry and Trade has been actively coordinating with relevant ministries and industry to implement trade promotion activities to support the exporters build and promote Vietnamese brands through national programmes on trade promotion and programmes to support enterprises improve product design and development capacity.

The Ministry of Industry and Trade has directed overseas trade promotion organisations to regularly support Vietnamese enterprises, help wood industry associations gather market information and help exporters take advantage of existing FTAs to improve market access.

At the same time the Ministry urges relevant agencies to provide early warnings of market risks associated with trade protection measures in various countries.

See: <https://markettimes.vn/kho-khan-bua-vay-nganh-xuat-khau-go-va-san-pham-go-trong-thang-1-2023-17881.html>

Revenue for forest environmental services (PFES)

On February 17, 2023, in Hanoi, the General Department of Forestry and Vietnam Forest Protection and Development Fund organised a national conference to evaluate the implementation of the FPDF (Forest Protection and Development Fund) in 2022 and its planning for 2023.

At the conference discussions were focused on the difficulties that exist in the process of FPDF implementation and solutions to remove obstacles and inadequacies to facilitate FPDF implementation of this payment scheme in 2023.

Specific attention was given to the development of a new type of forest environmental service - forest carbon sequestration and storage service in the context of the Government Decree No. 107/2022/ND-CP dated 28 December 2022 on pilot transfer of emission reduction results and financial management of the North Central Region (ERPA) emission reduction payment agreement.

As of 31 December 2022 the collection of forest environmental service payments nationwide reached over VND 3,700 billion (US\$165 million) exceeding by 23% the target and being up 17% compared to 2021.

Of the VND3,700 billion in 2022, nearly VND3,000 billion has been disbursed to forest environmental service providers mainly through bank accounts or electronic transactions to ensure transparency and efficiency of the PFES scheme.

The distribution of funds has supported the management and protection of 7.3 million hectares of the existing forest which accounts for almost 50% of the total forest estate.

Speaking at the conference, Deputy Minister of Agriculture and Rural Development, Nguyen Quoc Tri, highlighted the positive results of the PFES policy as an important and sustainable financial source for forest resource management and livelihood improvement for a large segment of forest dependent dwellers.

Nguyen Quoc Tri reported that each year State invests around VND900 billion to protect and develop 11 million hectares of forest. The Deputy Minister also emphasised the need to prepare for implementation of forest carbon sequestration and storage service as a new scheme of PFES.

See: <https://tongcuclamnghiep.gov.vn/LamNghiep/Index/dich-vu-moi-truong-rung-dat-muc-tieu-thu-3200-ty-dong-nam-2023-4687>

Brazil

Operação Rotas da Amazônia II seizes illegal timber

The Operation Amazon Routes II (Operação Rotas da Amazônia II) that took place between January and February 2023 aimed at reducing environmental crimes, particularly those related to deforestation in the Legal Amazon.

The operation, carried out by the Brazilian Federal Highway Police (PRF), resulted in the seizures of more than 627 cu.m of illegal timber in the state of Maranhão in the Amazon Region. Additionally, vehicles transporting illegal wood were seized and 26 people were arrested for environmental crimes.

The first phase of this operation took place between October and November 2022 when 460 cu.m of illegal wood was seized in the State of Maranhão.

See: <https://g1.globo.com/ma/maranhao/noticia/2023/02/15/policia-rodoviaria-realiza-operacao-e-apreende-mais-de-627m-de-madeira-illegal-no-ma.ghtml>

Volumetric yield from harvested wood

The Amazon rainforest is one of the main regions producing tropical timber. To better understand the harvesting and production environmental agencies monitor the volumetric yield which is the ratio between the volume of a log and the volume of sawnwood recovered during milling.

Studies suggest the average yield is only 35% of the harvested wood. A case study carried out by the Instituto Nacional Institute of Amazonian Research (INPA) proposes there should be more investment in technology to increase the yield from harvested logs.

In many companies the percentage yield is abnormal which undermines the reliability of the data in the Document of Forest Origin (DOF) system which is used to monitor the origin of timber. A study showed that logs of 19 timber species were selected and the estimated yield was only 24.6% on average. When the 35% yield is not reached the company receives penalties and when these accumulate companies face difficulties in acquiring new logging licenses.

The DOF is a valuable tool but it can be improved. The yields from species will differ and the yield will also be influenced by processing efficiency and the quality of the log. INPA recommends supporting investment in science and technology to improve timber species yields.

See:

<https://umsoplaneta.globo.com/energia/noticia/2023/02/12/empresas-aproveitam-somente-um-terco-da-madeira-explorada-na-amazonia-aponta-estudo.ghtml>

Export update

In January 2023 Brazilian exports of wood-based products (except pulp and paper) declined 32% in value compared to January 2022, from US\$393.9 million to US\$267.3 million.

Pine sawnwood exports fell 10% in value. January 2022, US\$49.7 million and January 2023, US\$ 44.6 million. In volume, exports increased 6.5% over the same period, from 180,600 cu.m to 192,400 cu.m.

Tropical sawnwood exports dropped 24% in volume from 38,900 cu.m in January 2022 to 29,500 cu.m in January 2023. In value terms exports decreased 0.6% from US\$15.8 million to US\$15.7 million, over the same period.

Pine plywood exports witnessed a 35% decline in value in January 2023 compared to January 2022, from US\$86.3 million to US\$56.1 million. In volume, exports decreased 15% over the same period, from 222,200 cu.m to 189,250 cu.m.

As for tropical plywood, exports decreased in volume 44% and in by 44% in value, from 3,200 cu.m and US\$6.3 million in January 2022 to 1,800 cu.m and US\$3.5 million in January 2023.

As for wooden furniture, the exported value decreased from US\$52.1 million in January 2022 to US\$34.6 million in January 2023, a 34% fall in the total exports during the period.

Brazil's Timber Index

In 2022, with the support of International Tropical Timber Organization (ITTO) and the Macao Trade and Investment Promotion Institute (IPIM) a Global Timber Index (GTI) is being published by the GTI Secretariat as the implementing agency. In the first year of operation 7 countries in Asia, Africa and Latin America have been selected as pilot countries, including Indonesia, Malaysia, Gabon, Republic of Congo, Brazil, Peru and China.

In January 2023, the Global Timber Index (GTI) report shows that affected by New Year holiday and continuous rainy season, the GTI index of the timber producing countries like Indonesia, Malaysia, Gabon, ROC, Brazil, Mexico was all below the critical level (50%) indicating the business operations of timber companies shrank from December 2022.

The report accompanying the index says the Brazilian government is actively looking for measures to recover the economy such as seeking to sign an agreement between the Southern Common Market (MERCOSUR) and EU by mid-2023.

Brazil's import and export data for 2022 showed a good development trend in January 2023. According to the data released by the Ministry of Development, Industry and Foreign Trade, Brazil's total exports in 2022 were US\$335 billion, an increase of 19.3% over 2021.

The total import volume was US\$ 272.7 billion, an increase of 24.3% over 2021. Brazil's trade surplus rose to US\$ 62.3 billion in 2022, the highest value since 1989 and the rise in international commodity prices was the biggest factor driving the trade surplus in 2022.

In January 2023, because of the domestic political turmoil, there was a decline in demand from timber enterprises. The decline was also due to extended public holidays and for some countries, poor weather.

In January production by Brazil's timber industry continued to slow and timber companies reported problems such as the unstable exchange rate, lower demand in Europe and North America and lower sales prices than costs. Timber companies aimed to reduce internal costs, look for new customers and strengthen product quality control.

See: https://itto-ggsc.org/list_52/

Brazil's African mahogany plantations - soon market debut

African mahogany (khaya Ivorensis) grown in plantations in Brazil is about to change the timber market. African mahogany represents a high investment potential for Brazilian producers and is an alternative for Brazilian mahogany which is listed as an endangered species. In Brazil African mahogany is grown in the states of Roraima, Minas Gerais, São Paulo, Goiás, Espírito Santo and Mato Grosso do Sul. Establishing mahogany plantations presents no insurmountable issues and the trees will be ready for harvest after 20 years.

It is estimated there are about 45,000 hectares of African mahogany plantations in Brazil and it has been reported that establishment costs are around BRL6,500 per hectare.

The expectation is that commercial plantations of this hardwood will contribute a valuable input to domestic production and there will be export opportunities.

The cultivation of African mahogany in Brazil is recent, the first plantations were established only 18 years ago and were on an experimental basis.

See: <https://societificam.com.br/mogno-africano-a-madeira-nobre-cultivada-no-brasil-com-alto-potencial-de-investimento/>

Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	459
Jatoba	199
Massaranduba	176
Muiracatiara	168
Angelim Vermelho	172
Mixed redwood and white woods	130

Source: STCP Data Bank

Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	1,918
Jatoba	941
Massaranduba	944
Muiracatiara	794
Angelim Vermelho	821
Mixed red and white	542
Eucalyptus (AD)	315
Pine (AD)	227
Pine (KD)	301

Source: STCP Data Bank

Domestic plywood prices (excl. taxes)

Parica	US\$ per cu.m
4mm WBP	624
10mm WBP	480
15mm WBP	4359
4mm MR.	602
10mm MR.	452
15mm MR.	395

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	331
15mm MDF	394

Source: STCP Data

Export sawnwood prices

Sawnwood, Belem/Paranagua Ports, FOB	US\$ per cu.m
Ipe	3,165
Jatoba	1,634
Massaranduba	1,679
Muiracatiara	1,671
Pine (KD)	215

Source: STCP Data Bank

Export plywood prices

Pine plywood EU market, FOB	US\$ per cu.m
9mm C/CC (WBP)	345
12mm C/CC (WBP)	327
15mm C/CC (WBP)	314
18mm C/CC (WBP)	306

Source: STCP Data Bank

Export prices for added value products

FOB Belem/Paranagua ports	US\$ per cu.m
Decking Boards	5,151
Ipê Jatoba	2,304

Source: STCP Data Bank

Peru

Forest users in Loreto are recognised for good forest and wildlife management

The Agency for the Supervision of Forest Resources and Wildlife (OSINFOR) recognised the efforts of five operators in the Loreto Region and they were awarded "Certificates of Compliance with Obligations" that credit good performance in their forest management, added value production and external services.

The initiative to issue certificates of compliance is supported by USAID and the U.S. Forest Service, through the FOREST+ Programme.

GORE Ucayali and SERFOR work on the implementation of the 'Productive and Sustainable Forests Programme'

The Regional Government of Ucayali (GOEU) and SERFOR coordinated action to strengthen the sustainable management of the country's forest heritage through the implementation of a 'Productive and Sustainable Forests Programme' (BPS) that will be developed over the next five years in nine departments of the country including Ucayali.

The Executive Director of SERFOR, Alberto Gonzales-Zúñiga, announced that the BPS programme is one of the most important in the forestry sector and that the headquarters will be in Pucallpa. The BPS programme is partially financed by the German government, through the KfW Development Bank and will deliver a total investment of around US\$110 million.

Peru first to ratify FTA with Singapore

The Singapore Ministry of Trade and Industry has expressed gratitude to Peru for being the first Pacific Alliance Member State to ratify an FTA with Singapore.

Once the FTA enters into force for the four Member States (Chile, Colombia, Mexico and Peru) Singapore will be an Associate State of the Alliance. Among the many benefits the Alliance will result in tariff elimination on the many of tariff lines and improved transparency and smoother processing in Customs procedures.

See: <https://andina.pe/ingles/noticia-singaporean-trade-ministry-congratulates-peru-on-fta-ratification-930312.aspx>

Export prices for added value products

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

Export veneer prices

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

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	682-695
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	592-618
Grade 2, Mexican market	533-552▲
Cumaru 4" thick, 6"-11" length KD Central American market	989-1000
Asian market	989-1008
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	622-642
Dominican Republic	712-731
Marupa 1", 6-11 length KD Grade 1 Asian market	595-615

Export plywood prices

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

Domestic sawnwood prices

Peru sawnwood, domestic	US\$ per cu.m
Mahogany	218-236
Virola	225-238
Spanish Cedar	182-218
Marupa (simarouba)	189-224

Domestic plywood prices (excl. taxes)

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

Domestic prices for other panel products

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

Japan**Recession avoided**

Japan's economy rebounded but at a slower pace than expected in the final quarter of 2022 despite the impact on growth from reopening of the country's borders to visitors and a recovery in private consumption. The economy grew just 0.2% in the final quarter of 2022.

The modest growth meant that Japan avoid a technical recession but the rebound was weak highlighting the difficult task for the incoming next BoJ governor as he attempts to unwind the massive stimulus programme without derailing the fragile recovery.

See:

<https://www.japantimes.co.jp/news/2023/02/14/business/economy-business/japan-gdp-fourth-quarter/>

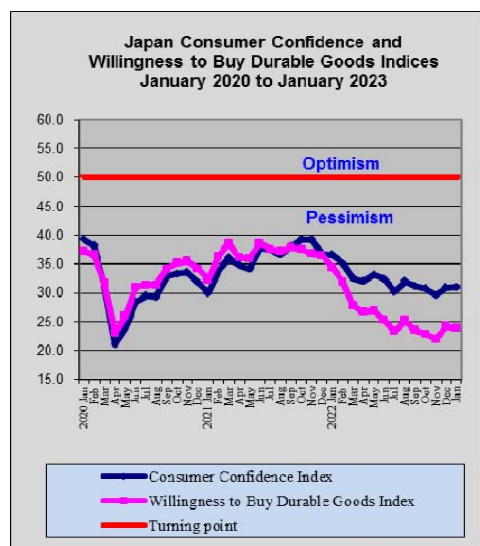
'Now or never' to reverse population decline

Japan has one of the lowest birth rates in the world the Ministry of Health has reported there were fewer than 800,000 births in 2022, the first time since records began in 1899. Japan also has one of the highest life expectancies in the world and these trends have driven a growing demographic crisis with a rapidly aging society, a shrinking workforce and not enough young people.

Japan's Prime Minister recently said the country was "on the brink of not being able to maintain social functions due to the falling birth rate and it is a case of "now or never" to secure the sustainability and inclusiveness of our nation's economy and society'. He added that the government will prioritise child-rearing support for families.

Inflation at 40 year high

With core consumer inflation hitting its highest levels in 41 years, there are signs that wage growth in Japan is about to begin trending upwards. But, where job security is prioritised over pay, there will need to be a long term commitment on the part of companies to lift wages and the issues of structural and demographic reforms have to be addressed to create labour market flexibility.



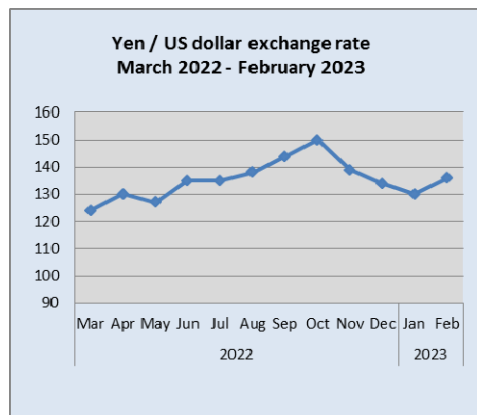
Data source: Cabinet Office, Japan

Plan to attract talent

The government intends to introduce new immigration regulations making it easier for high-income earners and graduates of prestigious overseas universities to invest or find employment in Japan. When speaking to the press an Immigration Services Agency spokesperson said the aim is to simplify the process and add incentives in order to attract top-level talent.

Yen dips again

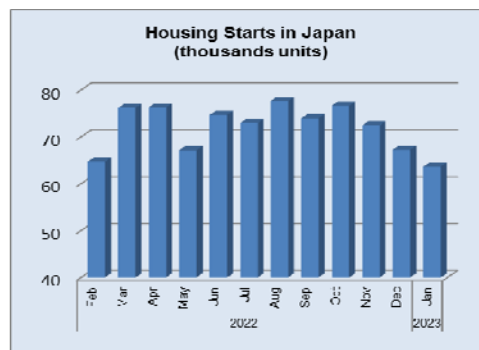
Kazuo Ueda, the next Bank of Japan (BoJ) Governor will face many challenges when he starts work in April this year. Inflation hit 4% in December 2022, the highest level since January 1991. The new governor will have to decide when and by how much, the BoJ needs to start paring back its ultra-loose monetary policy while allowing enough monetary slack to allow the economy to grow.



The US dollar yen exchange rate has become more volatile since the middle of January as traders try and decide which way Japanese monetary policy against a US dollar will move especially as the dollar has strengthened after the recent strong US employment report driving the yen down to 136 to the dollar

January housing starts higher year on year

January 2023 housing starts were up around 6% year on year. This was partially due to the mild winter which allowed building work to continue longer than usual.



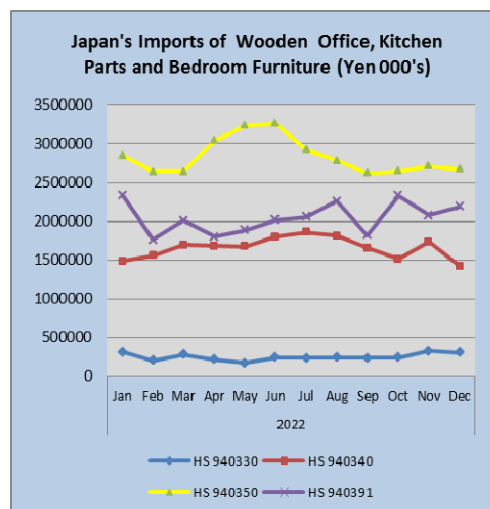
Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Import update

Furniture imports

There was a partial recovery in the value of wooden kitchen and bedroom furniture imports in 2022. The value of 2022 imports of wooden kitchen furniture (HS940340) were up 15% year on year and the value of wooden bedroom furniture rose 25% in 2022 compared to 2021. There was an encouraging rise in imports of both kitchen and bedroom furniture in the first half of 2022 but demand sagged in the second half of the year as households saw costs rising and the yen weakening which pushed up import prices.

In contrast to the year on year rise in imports of wooden kitchen and bedroom furniture, the value of wooden office furniture (HS940330) imports in 2022 was down 10% on 2021.



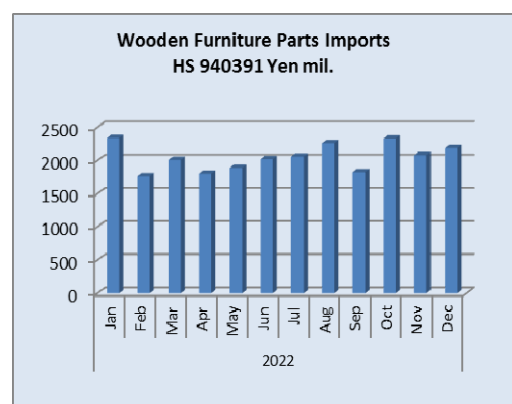
Data source: Ministry of Finance, Japan

Value of 2022 imports, (yen 000s)

	HS 940330	HS 940340	HS 940350
Jan	320,924	1,485,951	2,848,937
Feb	206,241	1,555,380	2,642,261
Mar	283,862	1,695,770	2,640,275
Apr	219,724	1,683,562	3,039,138
May	171,546	1,677,244	3,235,617
Jun	247,200	1,800,517	3,263,446
Jul	237,631	1,861,753	2,923,830
Aug	243,993	1,816,968	2,782,256
Sep	241,873	1,654,415	2,621,351
Oct	243,710	1,513,669	2,645,448
Nov	333,304	1,734,351	2,711,953
Dec	308,942	1,422,866	2,677,062

Data source: Ministry of Finance, Japan

The Ministry of Finance in Japan began reporting the value of wooden furniture parts (HS940391) in 2022. The statistics show that there were 55 supply countries in 2022 and the top 5 accounted for over 85% of the value of imports. Shippers in China topped the list of suppliers of wooden furniture parts in 2022, accounting for 41% of the total value followed by Indonesia (18%), Vietnam (13%) Malaysia (10%) and Thailand (3%). The value of monthly shipments of wooden furniture parts shows little variation with monthly imports averaging around Yen 2,000 mil.



Data source: Ministry of Finance, Japan

Wood pellet imports surge 40%

Japan's imports of wood pellets expanded over 40% year-on-year to 4.4 million tonnes in 2022. The value of imports jumped 60% to almost US\$900 million. Imports from Vietnam jumped to over 50% of Japan's total wood pellets imports in 2022 with Canada, the US and Malaysia as other major suppliers.

See: <https://www.lesprom.com/en/analitics/>

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/

Total volume of imports in 2022

Japan Lumber Importers' Association totalized the volume of imported logs, lumber, plywood, laminated structural lumber, MDF, particleboards and OSB in 2022. The total volume is 1.8% higher than 2021.

2022 imports

		000 cu.m	Yoy % change
South Sea	Logs	46	221.7
	Lumber	353	90.6
	Subtotal	400	97.3
U.S.A.	Logs	1,484	97
	Lumber	133	97.9
	Subtotal	1,617	97
Canada	Logs	732	99.8
	Lumber	947	76.5
	Subtotal	1,680	85.1
North America	Logs	2,217	97.9
	Lumber	1,080	78.6
	Subtotal	3,298	90.6
Russia	Logs	2	7.8
	Lumber	782	91.9
	Subtotal	785	88.8
New Zealand	Logs	264	86.6
	Lumber	69	94
	Subtotal	333	88
Chili	Logs	0	-
	Lumber	252	108.5
	Subtotal	252	108.5
Africa	Logs	2	121.7
	Lumber		
	Subtotal		
Europe	Logs	4	76.5
	Lumber	2,617	118.3
	Subtotal	2,622	118.2
Grand Total	Logs	2,539	96.4
	Lumber	5,156	100.4
	Subtotal	7,695	99
Plywood		2,618	99.7
Laminated lumber		906	109
MDF		624	124.8
PB/OSB		578	123.5
Grand Total		12,423	101.8

The volumes of Russian logs and New Zealand logs decrease 100,000 cbms. North American lumber declines 21% and European lumber rises 18%. Plywood is 1,500 cbms more than European lumber. MDF records high. The third woodshock started in April, 2021 but the prices of domestic / imported softwood products stopped rising within 2021. Moreover, the prices of domestic structural softwood plywood kept rising until June, 2022.

It had been controlled the volume of arrival since the beginning of 2022 because the imported lumber was overstocking but the movement of lumber was slow. Therefore, the volume started to decline in a second half of the year. European lumber increases because the volume of 2021 was very low, which was 2,212,000 cbms.

New Zealand logs are less than before because buyers prefer cedar logs. The prices of cedar logs are lower than New Zealand logs. Chilean lumber is 20,000 cbms higher than the previous year.

Russian logs were banned to export in February, 2022. Additionally, Russia banned to export veneers and chips. Russia faced economic sanctions because Russia invaded in Ukraine on 24Th, February, 2022. Also, Japan banned to import logs from Russia.

Russian lumber falls nearly 8% from 2021. Some reasons are that Japanese buyers hesitated to do business with Russian sellers and there were problems on remitting money to Russia. South Sea log increases 46,000 cbms from the previous year. South Sea plywood remains on the same level. Laminated structural lumber is 9% up. Glulam is 75,000 cbms up. MDF is 124,000 cbms up. Particle boards and OSB are 110,000 cbms up from 2021.

Domestic logs

There are not many domestic logs, especially in Western Japan due to the snow. The snow covered through the nation and the log prices are still high.

The prices of 3m cypress logs for posts are over 20,000 yen, delivered per cbm. 4m cypress logs are around 23,000 yen. Average prices of 3m cedar logs are about 15,000 yen. In southern part of Kyusyu area, the prices are around 20,000 yen and around 17,000 yen in Northern part of Kanto.

A wave of extremely cold weather that used to happen only once every 10 years occurred and there was a heavy snowfall in Western Japan. Therefore, it has been difficult to hold log markets since the middle of January due to a shortage of logs. Cypress logs used to cost around 30,000 yen in 2021, under 20,000 yen in last summer and then the prices increased over 20,000 yen in last autumn. Cedar logs were about 20,000 yen at the end of 2021 and about 15,000 yen in last summer.

The log prices at log markets in Kumamoto Prefecture, Oita Prefecture and Miyazaki Prefecture have been high even after the woodshock ended and the prices of cypress in Kumamoto Prefecture would increase again. 3m cypress logs were around 21,000 yen at the end of January and 4m cypress logs were around 23,000 yen. These are 1,000 yen higher than the previous month. 3m cedar logs were around 21,000 yen and 4m cedar logs were around 19,000 yen.

In Miyazaki Prefecture, 3m and 4m cypress logs were 21,000 yen. 3m cedar logs were 17,000 – 18,000 yen.

There are also not many logs in Okayama Prefecture but the prices of cypress logs are not high. The prices of 4m cypress logs in Northern part of Kanto area are 26,000 yen. 3m cedar logs are 17,000 yen and 4m cedar logs are 17,500 yen.

South Sea logs and Lumber

Demand and supply of South Sea logs are balanced. The volume in 2022 is 46,809 cbms, 121.7% higher than 2021. There were many orders for lumber used as a plat form in Western Japan. Since there was a shortage of workers in South Asia, South Sea lumber was not produced enough. That is why Japanese buyers purchased South Sea logs instead.

A problem is that ships arrive to Japan once in three months. It takes a lot of times. It is able to deliver logs to Japan by container vessels, but it takes a lot of money. Now, it is a rainy season in South Asia and there are not enough logs Japanese buyer concern about how many logs would be there after March. The prices of laminated South Sea /Chinese boards are enjoying temporary lull.

The prices in South Asia and China started declining since a second half of 2022 but there were not enough orders.

Suppliers South Asia and China wish to avoid lowering the prices. Especially, Indonesian suppliers are concerned about the strong Rupiah against dollar.

A trading company worker in Japan says that Chinese suppliers also would stop lowering the prices because there was the Chinese New Year's holiday and was not enough orders.

Export cedar logs to China

Cedar log prices for China are in a bullish trend since the beginning of the year. The Chinese government eased restriction on the zero-Covid policy and the economic is lively again. The prices of radiata pine logs from New Zealand rose due to the torrential rain at the end of January in New Zealand. Japanese exporter says that inquiries for cedar logs in Japan are increasing.

Cedar log prices declined to \$100 from \$110, C&F per cbm at the end of 2022. Now, the cedar log prices are \$115 – 120 in the middle of February, 2023 because the prices of radiata pine logs in New Zealand are higher than before. It takes about 10,000 yen to export logs and the price has not changed since the end of last year. There was a log market held in southern part of Kyusyu area on 6th, February and many exporters bought curved of damaged logs.

Freight is \$40,000 – 45,000 in the middle of February and this is lower than \$60,000 at the end of last year. Freight would rise if there were not only wood products but also a lot of other products. The selling prices depend on each Japanese exporter and if the selling prices are \$115 – 120, there would be a deficit slightly.

China

Decline in 2022 sawnwood imports

According to data from China's Customs, 2022 sawnwood imports totalled 26.66 million cubic metres valued at US\$7.53 billion, a year-on-year decrease of 8% in volume and 4% in value on 2021. The average price for imported sawnwood in 2022 was US\$282 per cubic metre, a year on year rise of 4%.

China's sawnwood imports fell in 2022 because of the impact on manufacturing of the widespread lockdowns, the supply chain disruptions brought on by the Russian invasion of Ukraine and the global shipping disruptions.

Of total sawnwood imports sawn softwood imports fell 12% to 17.33 million cubic metres accounting for 65% of the national total. The proportion of sawnwood imports dropped about 3% year on year. The average price for imported sawn softwood was US\$234 per cubic metre, up 6% year on year.

Sawn hardwood imports rose 1% to 9.33 million cubic metres valued at US\$3.48 billion, a year on year increase 1% in volume but a decrease 1% in value in 2022. The average price for imported sawn hardwoods was US\$373 per cubic metre, a year-on-year decline of 2%.

Of total sawn hardwood imports, tropical sawn hardwood imports were 6.35 million cubic metres valued at US\$1.91 billion, a year-on-year increase of 6% in volume and 2% in value and accounted for about 24% of the national total, up 3% on 2021 levels. The average price for imported tropical sawn hardwood was US\$301 per cubic metre, down 4% year on year.

China's sawnwood imports in 2022

Volume	2022 mil. cu.m	% change 2021-22
Total sawwood imports	26.66	-8%
Sawn softwood	17.33	-12%
All sawn hardwood	9.33	1%
of which tropical	6.35	6%

Data source: China Customs

Value	2022 US\$ bil.	% change 2021-22
Total sawwood imports	7.53	-4%
Sawn softwood	4.05	-7%
All sawn hardwood	3.48	-1%
of which tropical	1.91	2%

Data source: China Customs

Average sawnwood prices, 2022

	2022 CIF Price US\$/cu.m	% change 2021-22
Average sawnwood price	282	4%
Sawn softwood logs	234	6%
All sawn hardwood logs	373	-2%
of which tropical	301	-4%

Russia remains the largest supplier of sawnwood imports

Russia remained the largest supplier of China's sawnwood imports in 2022 but imports from Russia fell 7% to 13.09 million cubic metres, accounting for 49% of the national total. The proportion of China's imports from Russia remained the same level year on year.

China's sawnwood imports from Canada and USA decreased 20% and 14% respectively to 1.36 million cubic metres and 1.13 million cubic metres in 2022. Other suppliers of sawnwood imports in 2022 saw increased business in many cases.

Main countries shipping sawnwood to China in 2022 and % change year on year

Supplier	Vol. (mil. cu.m)	% change
Total	26.66	-8%
Russia	13.09	-7%
Thailand	3.97	5%
Canada	1.36	-20%
USA	1.13	-14%
Finland	0.88	33%
Germany	0.69	9%
Sweden	0.66	66%
Philippines	0.65	1%
Belarus	0.63	34%
Gabon	0.60	11%

Data source: China Customs

Jump in China's sawnwood imports from Sweden

China's sawnwood imports from Sweden surged 66% to 660,000 cubic metres in 2022. This was in contrast to imports from Sweden falling 45% in 2020 and by 57% in 2021 due to the pandemic.

China's sawnwood imports from Sweden began to rise in 2012 and jumped 136% to more than 1 million cubic metres in 2019.

The reason for the increase in China's sawnwood imports from Sweden for many years is that the quality of the sawnwood is high and is suitable for manufacturing furniture and construction.

Sharp drop in sawnwood imports from Ukraine

China's sawnwood imports from Ukraine plummeted 80% to 185,000 cubic metres in 2022. China's sawnwood imports from Ukraine had been increasing since 2013 and reached more than 1 million in 2020 but fell to 2017 levels in 2022.

Decline in Canada's share of sawnwood imports

According to China Customs, Russia and Canada, the two main source countries of China's sawn softwood imports, dropped 8% and 19% in volume respectively in 2022, which was the main reason for the decrease in the total sawnwood imports.

The volume of China's sawn softwood imports from Russia accounted for over 60% of the national total in 2022, up 3% on 2021 levels.

The market share of China's sawn softwood imports from Canada has declined significantly since 2014 and continued to decline year on year (-7%) in 2022. In contrast, most of the other suppliers, Finland, Sweden, Belarus and Germany sawn softwood imports in 2022 rose 33%, 66%, 36% and 20% respectively.

Main sawn softwood sources in 2022 and % change year on year

Supplier	Vol.(mil. cu.m)	% change
Total	17.33	-12%
Russia	11.89	-8%
Canada	1.30	-19%
Finland	0.88	33%
Sweden	0.66	66%
Belarus	0.63	36%
Germany	0.57	20%
Chile	0.28	-39%
Brazil	0.20	-60%
Ukraine	0.17	-81%

Data source: China Customs

Rise in sawn hardwood imports

Sawn hardwood imports rose 1% to 9.33 million cubic metres valued at US\$3.48 billion, a year on year increase 1% in volume but decrease 1% in value in 2022. Thailand, Russia and USA still are the main sources for China's sawn hardwood imports in 2022 and accounted for 42%, 13% and 11% respectively accounting for 66% of the national total in 2022.

China's sawn hardwood imports from Thailand and Russia rose 5% and 4.7% to 3.97 million cubic metres and 1.19 million cubic metres respectively. In contrast, China's sawn hardwood imports from USA declined 9% in 2022.

Main countries shipping sawn hardwood to China in 2022 and % change year on year

Supplier	Vol. (mil. cu.m)	% change
Total	9.33	1%
Thailand	3.97	5%
Russia	1.19	5%
USA	1.03	-9%
Philippines	0.65	1%
Gabon	0.60	11%
Romania	0.19	-23%
Cameroon	0.15	20%
Germany	0.13	-23%
Malaysia	0.12	-14%
Croatia	0.10	11%

Data source: China Customs

Thailand the largest supplier of sawn tropical hardwood imports

Thailand was the largest supplier of sawn tropical hardwood to China in 2022. Sawn tropical hardwood imports from Thailand totalled 3.966 million cubic metres valued at US\$990 million, a year on year increase of 5% in volume but a drop 3% in value in 2022.

Thailand's market share for sawn tropical hardwood exports to China rose to 62% in 2022 making Thailand the number one supplier.

The Philippines and Gabon were the second and third largest supplier of China's sawn tropical hardwood imports in 2022. Sawn tropical hardwood imports from the Philippines and Gabon amounted to 654,000 cubic metres and 603,000 cubic metre, a year on year increase of 1% and 11% respectively in 2022. The top three countries supplied 82% of China's tropical sawn hardwood requirements in 2022, namely Thailand (62%), Philippines (10%) and Gabon (9.5%) in 2022.

The average price for imported tropical sawn hardwood was US\$301 per cubic metre, down 4% year on year. CIF prices for most suppliers of China's sawn tropical hardwood imports fell in 2022.

The CIF prices for the top suppliers of China's tropical sawn hardwood imports, Thailand, Philippines and Gabon declined 7%, 5% and 1% respectively in 2022.

Main countries shipping tropical sawn hardwood to China in 2022 and % change year on year

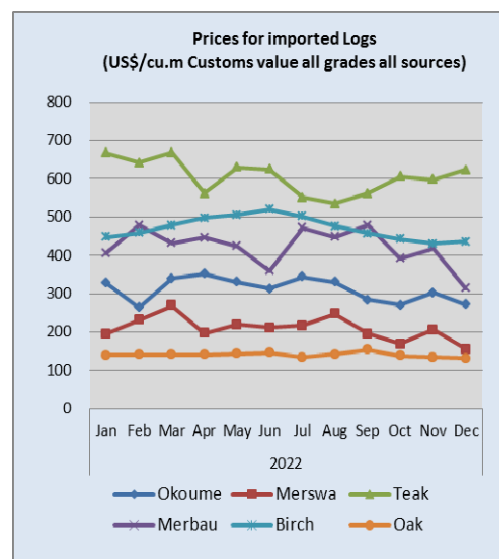
Supplier	Vol.000s cu.m	% change
Total	6345	6%
Thailand	3966	5%
Philippines	654	1%
Gabon	603	11%
Cameroon	154	20%
Malaysia	117	-14%
Indonesia	100	15%
Myanmar	99	7%
Laos	71	20%
Vietnam	67	8%
PNG	57	-4%

Data source: China Customs

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

	2022 Nov	2022 Dec
Okoume	302	272
Merswa	206	155
Teak	598	623
Merbau	419	314
Birch	431	436
Oak	133	131

Data source: Customs, China

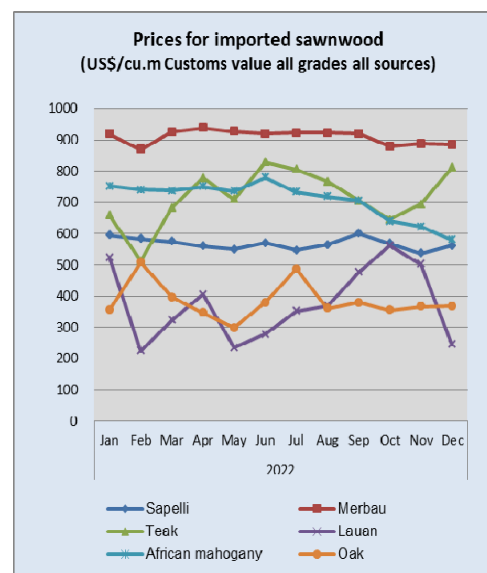


Data source: Customs, China

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

	2022 Nov	2022 Dec
Sapelli	537	562
Merbau	888	885
Teak	694	812
Lauan	502	245
African mahogany	622	580
Oak	367	368

Data source: Customs, China



Data source: Customs, China

UK

UK imports of tropical wood furniture back to pre-Covid level

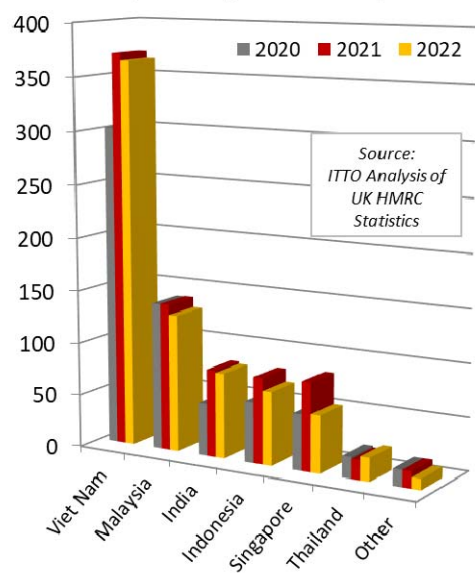
The UK imported US\$731 million of tropical wooden furniture products in 2022, 8% less than the previous year. In quantity terms, wood furniture imports were 153,000 tonnes last year, 9% less than in 2021.

After the market turmoil in the previous two years during the COVID pandemic, UK tropical wood furniture imports in 2022 returned to a level slightly below the annual average between 2015 and 2019 (US\$771 million).

In a sign of deteriorating consumption, UK wooden furniture import value in the last quarter of 2022 was 16% lower than the previous quarter and 15% down on the same period in 2021.

In 2022, UK import value of wooden furniture decreased 2% from Vietnam to US\$365 million, 7% from Malaysia to US\$130 million, 3% from India to US\$80 million, 15% from Indonesia to US\$69 million, 35% from Singapore to US\$54 million. However imports increased 19% from Thailand to US\$22 million (Chart 1).

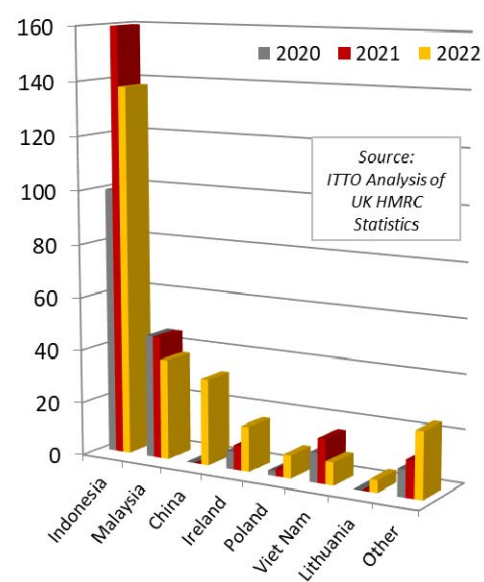
Chart 1: UK imports wood furniture from tropical countries, 2020-2022, US\$ million (constant 2022)



UK tropical joinery imports slow dramatically in last quarter of 2022

UK import value of tropical joinery products was US\$271 million in 2022, 9% more than the previous year. However, as for wooden furniture, all the gains were made in the first half of the year and imports slowed dramatically in the last quarter.

Chart 2: UK tropical joinery imports, by supply country 2020-2022, million US\$ (constant 2022)



Import value and quantity in the fourth quarter were down around 30% compared to both the previous quarter and the same quarter in 2021. In 2022, UK imported tropical joinery products from Indonesia (in this case mainly doors) with total value of US\$138 million, 14% less than the previous year (Chart 2). In quantity terms, UK joinery imports from Indonesia were also down 14% to 45,000 tonnes in 2021.

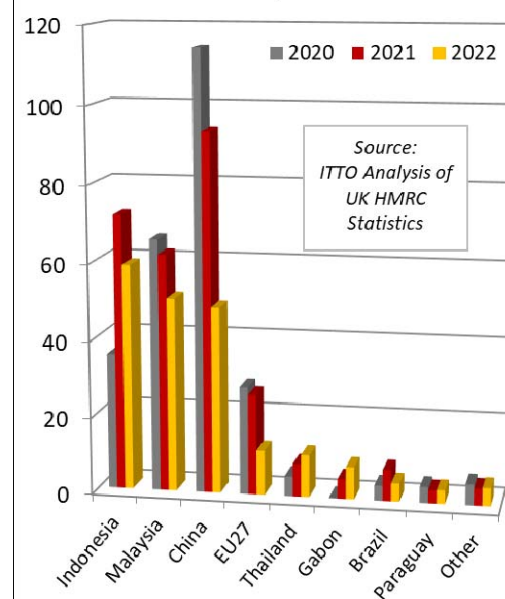
UK imports of joinery products from Malaysia and Vietnam (mainly laminated products for kitchen and window applications) were slow throughout last year. In 2022 import value from Malaysia fell 18% to US\$38 million and quantity fell 24% to 12,200 tonnes. Import value from Vietnam fell 49% to US\$9 million and the quantity fell 44% to 2,300 tonnes.

UK imports of tropical joinery products from a variety of non-tropical countries – including China, Ireland, Poland, and Lithuania - apparently increased sharply last year. However these increases were due to introduction from 1st January 2022 of new product codes which identify wood doors and windows manufactured using a wider range of tropical wood species in UK and EU trade statistics.

Sharp decline in UK tropical hardwood plywood imports in 2022

The UK imported 202,300 cu.m of tropical hardwood plywood in 2022, 29% less than the previous year, with a significant decline in imports from all the main traditional supply sources including Indonesia, Malaysia, and China (Chart 3). After a strong start to 2022, trade weakened sharply during and after the summer months. UK imports of tropical hardwood plywood were 34% lower in the second half of 2022 than in the first six months.

Chart 3: UK tropical plywood imports, by supply country 2020-2022, 1000 m3



Indonesia overtook China as the UK's largest supplier of tropical hardwood plywood in 2022. However, imports of 59,000 cu.m from Indonesia were still down 18% compared to the previous year. Imports from Malaysia also declined 18% to 50,500 cu.m.

In contrast, there were large percentage gains in imports of tropical hardwood plywood from two smaller suppliers to the UK; imports from Thailand increased 30% to 11,100 cu.m last year, while imports from Gabon rose 65% to 8,500 cu.m.

The UK imported 48,600 cu.m of tropical hardwood plywood from China in 2022, 48% less than the previous year. Probably the biggest shift in the UK hardwood plywood trade in the last two years has been a rapid decline in imports of Chinese products faced with tropical hardwoods in favour of temperate hardwood products.

UK imports of Chinese plywood faced with temperate hardwood – primarily birch and poplar – increased 10% to just over 600,000 cu.m last year, the highest level ever recorded (exceeding the previous record of 575,000 cu.m in 2015).

Chinese temperate hardwood plywood has been the largest beneficiary of UK sanctions against all trade in Russian wood products since the start of the Ukraine conflict. UK imports of hardwood plywood from Russia were just 14,900 cu.m, down 80% from 84,000 cu.m the previous year.

Meanwhile, the combined effects of Brexit, supply shortages and rising energy and other material costs on the European continent is impacting on UK imports of tropical hardwood plywood from EU countries which were just 11,700 cu.m in 2022 compared to over 25,000 cu.m in the previous two years.

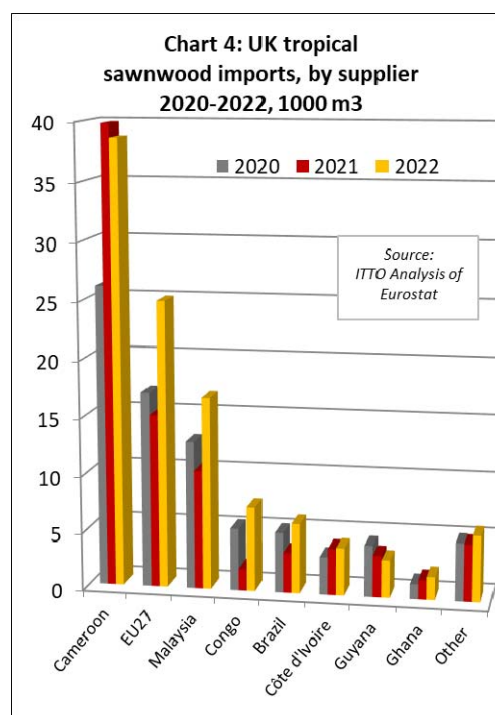
Robust UK imports of tropical sawnwood in 2022

Unlike tropical hardwood plywood, UK imports of tropical sawnwood were robust last year. Total UK imports of tropical sawnwood were 108,900 cu.m in 2022, 34% more than the same period in 2021 and the highest level since 2016.

In addition to making gains overall, there were some significant changes in the countries supplying tropical sawnwood to the UK last year (Chart 4).

UK imports of tropical sawnwood from Cameroon were 38,600 cu.m in 2022, 3% less than the relatively high level in 2021. UK imports of tropical sawnwood from the Republic of Congo recovered lost ground last year, with imports of 7,400 cu.m being nearly a three-fold increase compared to the previous year.

UK imports from Côte d'Ivoire were 4,100 cu.m last year, a 3% rise compared to 2021.



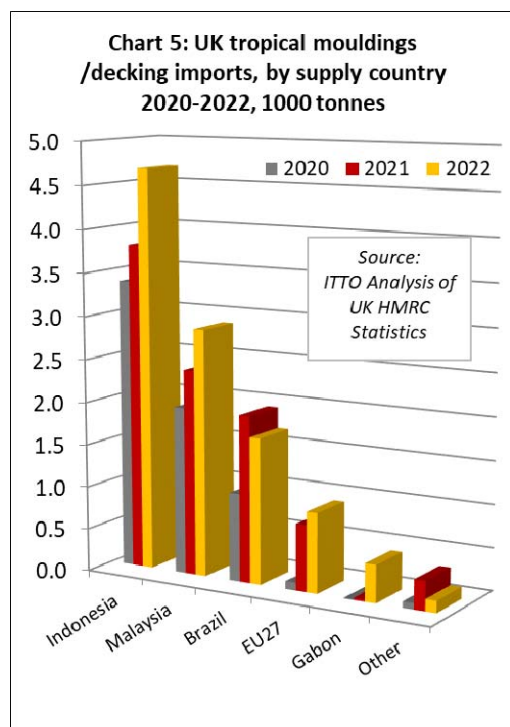
UK imports of sawnwood from Malaysia, which had fallen to little more than a trickle in previous years, were 16,700 cu.m in 2022, 62% more than in 2021. UK imports of tropical sawnwood from Brazil were 6,100 cu.m last year, 74% more than in 2021.

However UK imports from Guyana declined 10% to 3,300 cu.m in 2022. Indirect UK imports of tropical sawnwood via the EU recovered ground last year despite the Brexit disruption, increasing 66% to 25,000 cu.m in 2022.

UK imports of tropical hardwood mouldings/decking were high in 2022, at 11,500 tonnes, 18% more than the previous year. Imports of 4,700 tonnes from Indonesia were 23% more than in 2021. Imports of 2,900 tonnes from Malaysia were 20% up compared to 2021. However mouldings/decking imports from Brazil of 1,700 tonnes were 13% less than in 2021 (Chart 5).

The UK market for tropical decking benefitted last year from shortages of non-tropical products, particularly since the start of the war in Ukraine and sanctions on Russian wood products. UK direct imports of Russian decking products – which mainly comprise larch – were just 630 tonnes last year, down from nearly 2000 tonnes the previous year. COVID lockdowns in China were another factor reducing availability of supply.

UK imports of mouldings and decking products from China fell from 9,200 tonnes in 2021 to 7,400 tonnes last year.



North America

Housing starts continue decline in US and Canada

US Census Bureau data show home building fell again in January, marking five straight months of declines, even as mortgage rates moderated and inflation cooled. Housing starts, a measure of new home construction, fell by 4.5% in January from December. That's down 21.4% from a year ago, according to data released by the Census Bureau. Starts in January fell to a seasonally adjusted annual rate of 1.31 million, down from the revised December estimate of 1.37 million.

Housing starts had big drops in May and July last year when spiking mortgage rates pushed many prospective home buyers to the sidelines. Starts bounced back slightly in August but have been falling since then. The home building market slowed again last month with fewer new construction projects as mortgage rates were nearly double what they had been a year before, said Robert Frick, corporate economist at Navy Federal Credit Union.

But home builders report a slight improvement in confidence in the new construction market. Two consecutive months of improved confidence by builders in a survey from the National Association of Home Builders has indicated there is some improvement in building activity, and provides some positive signs for the housing market heading into 2023.

In Canada, seasonally adjusted annualized figures show starts declined 13% to 215,365 units from December's pace of 248,296 units. The six-month trend in starts also declined for the month, off 4% from December.

The decline comes amid growing concern that a chronic housing supply shortage has driven up real estate prices and rents to unaffordable levels in recent years.

See: <https://vancouver.sun.com/real-estate/housing-starts-rate-lowest-since-2020/wcm/32450cad-23ee-49c4-9721-c6596dbf3608>

Existing home sales fell in January

Existing-home sales waned for the 12th consecutive month to a seasonally adjusted annual rate of 4.00 million. Sales slipped 0.7% from December 2022 and 36.9% from the previous year.

"Home sales are bottoming out," said National Association of Realtors Chief Economist Lawrence Yun. "Prices vary depending on a market's affordability, with lower-priced regions witnessing modest growth and more expensive regions experiencing declines."

Existing-home sales in the Northeast retracted 3.8% from December to an annual rate of 500,000 in January, down 35.9% from January 2022. In the Midwest, existing-home sales slid 5.0% from the previous month to an annual rate of 960,000 in January, declining 33.3% from one year ago.

Existing-home sales in the South rose 1.1% in January from December to an annual rate of 1.82 million, a 36.6% decrease from the prior year. And, in the West, existing-home sales rose 2.9% in January to an annual rate of 720,000, down 42.4% from the previous year.

"Inventory remains low, but buyers are beginning to have better negotiating power," Yun added. "Homes sitting on the market for more than 60 days can be purchased for around 10% less than the original list price."

See: <https://www.nar.realtor/newsroom/existing-home-sales-descended-0-7-in-january>

Consumers kept US out of recession

Defying high inflation and sharp interest rate hikes, Americans keep spending, a trend that, if sustained, could keep the economy humming just enough to help avoid a much-predicted recession.

Real gross domestic product (GDP) increased at an annual rate of 2.9% in the fourth quarter of 2022 according to the "advance" estimate released by the U.S. Department of Commerce. This follows a 3.2% real GDP increase in the third quarter.

The increase in real GDP reflected increases in private inventory investment, consumer spending, federal government spending, state and local government spending, and nonresidential fixed investment that were partly offset by decreases in residential fixed investment and exports. Imports, which are a subtraction in the calculation of GDP, decreased.

"If you look at the GDP data it does seem like we left 2022 with a little bit more momentum than people had thought and with consumption we're also in a pretty good spot," said Sameer Samana, Senior Global Market Strategist at the Wells Fargo Investment Institute.

Nearly three years after the pandemic caused a brief but brutal recession and then a powerful rebound, the economy appears to have entered a phase in which growth might not be so forceful as to fuel high inflation. One reason is that consumers are continuing to spend — just not at breakneck speed.

See: <https://www.bea.gov/data/gdp/gross-domestic-product>

Consumer sentiment at 13month high

Easing inflation and a strong labor market are helping consumers feel better about the economy, according to a closely watched survey by the University of Michigan. The preliminary consumer sentiment index for February increased to 66.4 from 64.9 in January, the university reported February 10. That's the best reading since January 2021, when the index read 67.2. Sentiment has been buoyed by the recent cooldown in inflation and continued strong economic data — especially the job market, said Joanna Hsu, director of the university's Surveys of Consumers.

"As long as consumers still believe that their incomes are going to remain strong, I think that will continue to lift consumer sentiment and their willingness to spend," Hsu said.

See: <http://www.sca.isr.umich.edu/>

Unexpected hiring boom in January

Employers added a booming 517,000 jobs in January as hiring unexpectedly surged despite high inflation, rising interest rates and the prospect of a weakening economy. Economists surveyed by Bloomberg had forecast 185,000 job gains.

The U.S. unemployment rate fell from 3.5% to 3.4%—the lowest since 1969—as widespread job growth was led by gains in leisure and hospitality, professional and business services, and health care. Construction added 25,000 jobs in January, reflecting an employment gain in specialty trade contractors (+22,000). Employment in the construction industry grew by an average of 22,000 per month in 2022. Manufacturing employment also continued to trend up in January (+19,000).

In 2022, manufacturing added an average of 33,000 jobs per month. Job growth in the fall was also stronger than initially believed. Employment gains for November and December were revised upward by a total of 71,000.

See: <https://www.bls.gov/news.release/empsit.nr0.htm>

Manufacturing shrinks - wood products hit hard

Economic activity in the US manufacturing sector contracted in January for the third consecutive month following a 28-month period of growth, say the nation's supply executives in the latest Manufacturing ISM Report On Business.

Of the 18 manufacturing categories surveyed by ISM, 15 reported contraction, with the Wood Products industry reporting the highest level of contraction.

See: <https://www.ismworld.org/supply-management-news-and-reports/reports/ism-report-on-business/>

North American furniture market projected to hit US\$400 Billion by 2030

According to a new report the North American furniture market is projected to grow this decade from \$249.4 billion in 2020 to \$400.07 billion by 2030, registering a compound annual growth rate (CAGR) of 4.9% from 2021 to 2030.

The Allied Market Research report, titled "North America furniture Market by Type and Distribution Channel: Opportunity Analysis and Industry Forecast, 2021–2030," projects the residential segment in the furniture market to have the highest market share during the forecast period. However, the report states the commercial segment is expected to grow comparatively faster than other types, witnessing a CAGR of 5.1%.

According to the report, the furniture market is driven by various factors such as a rise in disposable incomes, growth of real estate and hospitality industries, and demand for luxury and premium furniture from certain consumer sections. Furthermore, increased government investments in infrastructure development are projected to improve furniture demand in the residential and commercial sectors in the near future.

See: <https://www.alliedmarketresearch.com/north-america-furniture-market-A14565>

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

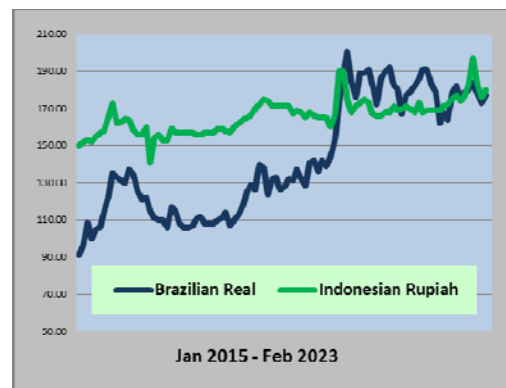
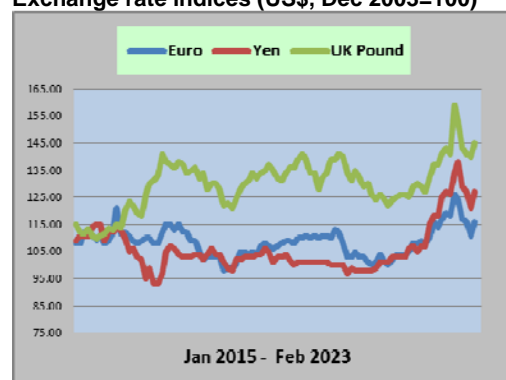
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

Dollar Exchange Rates

As of 25 February 2023

Brazil	Real	5.21
CFA countries	CFA Franc	620.58
China	Yuan	6.96
Euro area	Euro	0.95
India	Rupee	82.93
Indonesia	Rupiah	15,265
Japan	Yen	136.40
Malaysia	Ringgit	4.44
Peru	Sol	3.85
UK	Pound	0.84
South Korea	Won	1,314.81

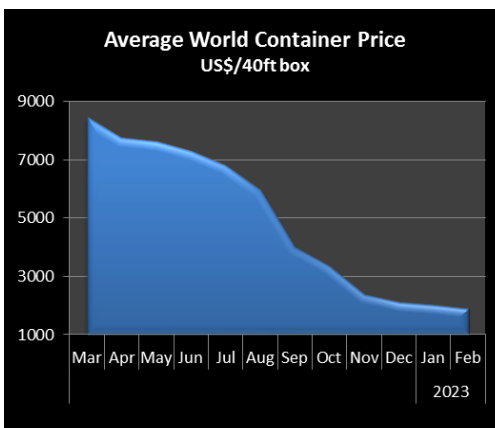
Exchange rate indices (US\$, Dec 2003=100)



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

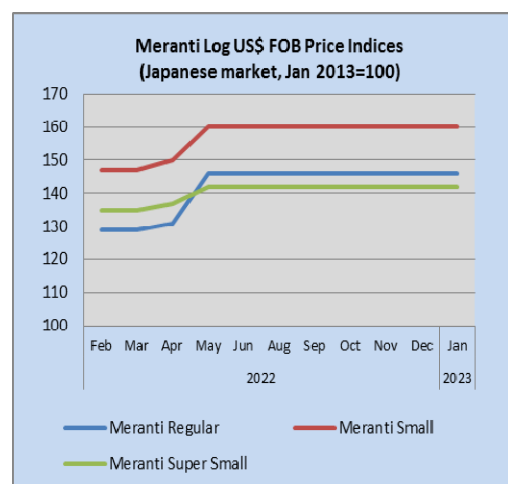
Ocean Container Freight Index



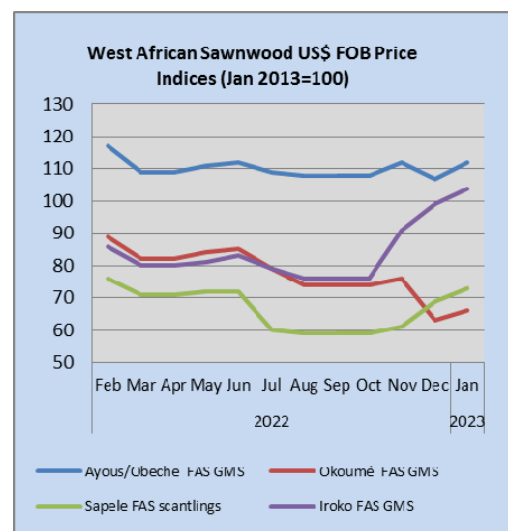
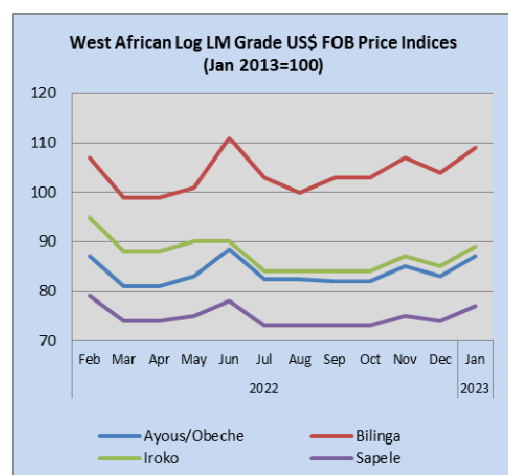
Data source: Drewry World Container Index

Price indices for selected products

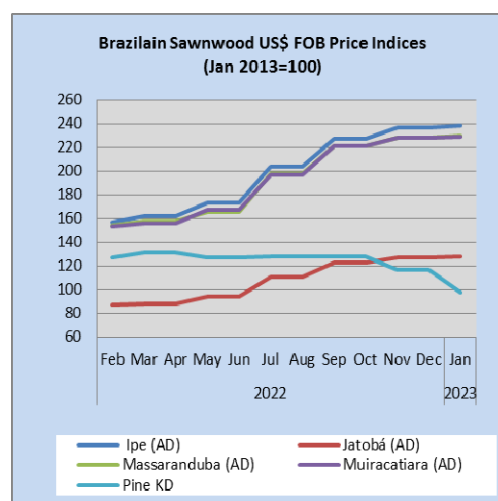
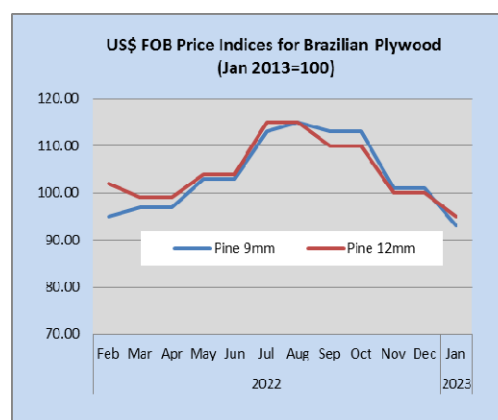
The following indices are based on US dollar FOB prices



Note: Sarawak logs for the Japanese market



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



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