

# Tropical Timber Market Report

Volume 27 Number 22 16th – 30th November 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](mailto:ti@itto.int).

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## Top story

### India - Mandatory Standards for panels and furniture

The Bureau of Indian Standards (BIS) has issued a mandatory quality control order for plywood, blockboard, doors, MDF, particleboard, shuttering plywood and a range of other products and advised businesses to prepare and secure BIS compatible.

The Order, called the Wood-Based Boards (Quality Control) Order 2023, will come into force six months from the date of publication of the notification.

The order applies to domestic producers and overseas suppliers.

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## Central and West Africa

### Operational delays and transport problems continue

The timber industries in Central and West African countries are facing several challenges with adverse weather conditions and operational difficulties affecting production and trade. Unprecedented rainfall has been observed across the region causing production delays and transport problems as many areas have experienced flooding.

The impact of weather related issues extend from Douala in Cameroon to Libreville and Port Gentil in Gabon and even Pointe Noire in Congo Brazzaville. Landslides, damaged railways and logistical disruptions have become prevalent due to the continuous heavy rain.

Operational challenges are widespread affecting the supply of logs and hindering the movement of fuel and food to remote areas especially in Cameroon and Gabon. Road and rail repair and maintenance are a constant challenge.

Producers report demand for wood products remains subdued and this is reflected in stable prices. The slower demand at present has means mills can adjust output to adapt to disrupted harvesting and transport problems.

### Suspected illegal trafficking of Kevazingo

Recent developments in Gabon have highlight the issue of illegal trafficking in Kevazingo. News is circulating in trade circles that Kevazingo logs and sawnwood were discovered in containers ready for dispatch.

Also in Gabon, the government has expressed the intention to have Gabonese workers constitute 90% of the timber sector workforce with 10% being expatriates. However, implementing this has meant some mills are short of workers and middle management staff which has slowed operations especially in the veneer peeling mills. It is understood the government has formed a working group to prepare suggestions on implementation.

### Increasing capacity in professional organisations

The ATIBT has reported that, beginning in the last quarter of 2023, the professional organisations Artisan au Féminin and ATBO in Cameroon, CMA, Cluster bois and AMC in Congo, FGBSP, Dynamique bois and the PO members of the Chambre Nationale des Métiers de l'Artisanat du Gabon (CNMAG) in Gabon, COPEMECO and ACEFA in the DRC will benefit from capacity building on the operation of an association and on strategies for accessing public contracts or projects.

This effort is being undertaken by the Cameroon Federation of Promoters of Secondary and Tertiary wood processing (FECAPROBOIS) in response to the needs expressed by industry players.

See: <https://www.atibt.org/en/news/13414/with-adefac-8-professional-organizations-in-the-forestry-and-timber-industry-strengthen-their-organizational-capacities>

## Log export prices

West African logs	FOB Euro per cu.m			
	Asian market	LM	B	BC/C
Acajou/ Khaya/N" Gollon	230	230	175	
Ayous/Obeche/Wawa	230	230	225	
Azobe & ekki	260	260	175	
Belli	250	250	-	
Bibolo/Dibétou	200	200	-	
Bilinga	275	275	-	
Iroko	290	270	225	
Okoume (60% CI, 40% CE, 20% CS) (China only)	200	200	-	
Moabi	260	260	220	
Movingui	180	180	-	
Niove	160	160	-	
Okan	210	210	-	
Padouk	300	270	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	425
Bilinga FAS GMS	580
Okoumé FAS GMS	460
Merchantable KD	400
Std/Btr GMS	400↑
Sipo FAS GMS	420
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	800
FAS scantlings	850
Strips	400
Sapele FAS Spanish sizes	460
FAS scantlings	489
Iroko FAS GMS	700
Scantlings	750
Strips	400
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	530
Scantlings	550
Movingui FAS GMS	380

## Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in the Republic of Congo and Gabon.

<https://www.itto-ggsc.org/static/upload/file/20231121/1700552181514582.pdf>

## Ghana

### Marginal growth in exports to Europe

According to the Timber Industry Development Division (TIDD) third quarter 2023 wood export report there were one hundred and fifty one (151) exporters during that period. The total export volume for the period was 68,695 cu.m, compared to 101,882 cu.m for the same period in 2022.

Exports were of air and kiln-dried sawnwood (73%), plywood for all markets (12.5%), veneers (5%), billets (4%), and teak logs (2%), the balance was other wood products.

Of Ghana's market destinations Asia, Europe and Africa accounted for more than 90% of the total export volumes in both 2022 and 2023. North America and Middle East markets accounted for less than 10% of Ghana's total export volumes.

#### Market destinations (Jan-Sep)

	2022 cu.m	2023 cu.m
Asia	68,907	43,722
Europe	14,873	10,566
Africa	12,999	8,112
America	2,731	3,182
Middle East	2,484	3,172
Oceania	-	30
Total	101,994	68,784

Data source: TIDD

The table above shows that, of the three main market blocks only Europe recorded a marginal increase. In contrast, the 2023 trade with Asian and African markets declined year on year. Ghana's exports to the Asia earned Eur17.03 million (56%) from 43,722 cu.m. (64%) of wood products exports during the third quarter of 2023 compared to the 2022 figures of Eur27.78 million (61%) and 68,907 cu.m (68%) considerable declines. India was the primary destination (in terms of value) for Ghana's wood products.

For exports to Europe total receipts were Eur6.13 million from a volume of 10,566 cu.m during the third quarter of 2023. The figures indicated decreases of 35% and 29% in value and volume respectively as compared to Eur9.43 million (21%) obtained from the volume of 14,873cu.m (15%) recorded in the third quarter of 2022.

The data also showed exports of wood products to European markets included products such as air and kiln dried sawnwood, plywood, billets, rotary veneers, mouldings, sliced veneer, teak logs, briquettes and kindling.

Wood products exported to Africa were air and kiln dried sawnwood, plywood, rotary veneer, mouldings and veneers. These were valued at Eur3.12 million from a total volume of 8,112 cu.m during the third quarter of 2023.

These figures showed decreases of 33% and 38% in value and volume respectively when compared to the Eur4.68 million from a volume of 12,999 cu.m recorded in 2022. Egypt, South Africa, Morocco, Tunisia, Algeria and Mauritius were the main destinations for these wood products.

For the period under review a total of ten ECOWAS (Economic Community of West African States) countries within the sub-region accounted for an export volume of 6,959 cu.m valued at Eur2.49 million out of the total African wood products in 2023 against 12,237 cu.m (Eur4.23 million) recorded in the same period last year. This translates to an overall higher average unit price of Eur357/cu.m for the period in 2023 compared to Eur346/cu/m in 2022.

#### Objections raised over proposed mining in forest reserves

Some Civil Society Organizations (CSOs) have been alarmed by the plans prepared by a new mining company, High Street Ghana Limited, to mine in one of Ghana's Recreational Forest Reserves, the Kakum Park. This comes after there were reports suggesting the mining company took over of some parts of the Kakum National Park for mining.

The public have expressed outrage over how part of the country's forest reserves were allocated for mining. This prompted stakeholder organisations in the forestry and environmental fields to call for an immediate review of the Legislative Instrument (L.I 2462) on Environmental Protection (Mining in Forest Reserves).

During a stakeholder engagement on the new Regulation on Mining in Ghana's Forest Reserves (LI 2462) 2022 the Director of Nature and Development Foundation cautioned against the potential widespread destruction of the country's forests if the Legislative Instrument (LI 2462) is not revoked.

According to a stakeholder analysis of L.I. 2462, the new regulations on mining in the forest reserves had no legislative foundation and were not consistent with the country's environmental policies. In response the Chief Executive Officer (CEO) for the Minerals Commission, Martin K. Ayisi, said there is currently no law in Ghana that bans mining in forests.

However, the media report the Minerals Commission has rejected the application from High Street Ghana Limited for a mining license within the Kakum National Park.

The Ghana Institute of Architects (GIA), which also expressed great concern about the attempt to mine within the Kakum National Park, has commended the Commission in refusing the permit.

See: <https://thebftonline.com/2023/11/13/cso-coalition-kicks-against-mining-in-forest-reserves/>  
and

See: <https://www.myjoyonline.com/high-streets-application-to-mine-in-kakum-park-was-rejected-minerals-commission/>

### Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	811
Niangon Kiln dry	910

### Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	416	441
Chenchen	472	612
Ogea	495	590
Essa	601	711
Ofram	350	435

### Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up		
Afrormosia	860	925
Asanfina	465	500
Ceiba	290	351
Dahoma	440	573
Edinam (mixed redwood)	640	716
Emeri	660	760
African mahogany (Ivorenensis)	695	941
Makore	560	1,000
Niangon	700	831
Odum	806	1,058
Sapele	800	886
Wawa 1C & Select	513	528

### Export sliced veneer prices

Sliced face veneer	FOB Euro per cu.m
Asanfina	975
Avodire	673
Chenchen	801
Mahogany	1,415
Makore	812
Odum	2,067
Sapele	1,282

### Export plywood prices

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	555	580	641
6mm	412	535	604
9mm	418	504	560
12mm	699	512	480
15mm	450	385	430
18mm	460	415	383

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

## Malaysia

### Effectiveness of certification policing questioned

A recent report claims there are weaknesses in the Malaysian Timber Certification Scheme (MTCS) which, the report says, casts doubt on the effectiveness of the Malaysian Timber Certification Council (MTCC) and the PEFC in guaranteeing standards and enforcing compliance.

It is claimed in the report that SIRIM, the accrediting and auditing body, does not have a clear limit on how many issues of non-compliance lead to suspension or revocation of certificates.

The Report says “We know that the government of Sarawak is making real and concerted efforts to protect their forests. But the way that MTCS is currently functioning simply cannot guarantee any of the standards they claim to uphold, says the report. The system needs to be reformed.” The report lays out 15 key recommendations for improving the system with a focus on reforming the grievance procedures.

See: <https://www.bmf.ch/en/news/lost-in-certification-new-report-exposes-greenwashing-in-malaysian-timber-industry-241> and

Read more:

<https://www.nst.com.my/news/nation/2023/11/978474/groups-cite-violations-forest-certification-standards-call-review-timber>

### Auditor-General's report highlights forest management issues

According to the 2022 Auditor-General's Report the country's forestry sector contributed RM6.601 billion to GDP or 0.4% of GDP and exports by the timber industry contributed a total of RM22.744 billion in 2021.

The report says “Overall, based on the scope of the audit, forest management in Malaysia has been done sustainably to provide socio-economic benefits and maintain environmental sustainability. However, based on audit samples reviewed in nine states there were cases where the weakness in forest management in development of forest plantations, logging, mining and quarry activities within the Permanent Forest Reserve (HSK) had “posed a negative impact on the environment.”

To ensure that the objective of Sustainable Forest Management is achieved the report recommends that the Ministry of Natural Resources, Environment and Climate Change (NRECC), the Forestry Department of Peninsular Malaysia and the Forest Departments in Sarawak and Sabah create a database on the area of the permanent forest reserve, protected areas and forest land.

See:

<https://www.thestar.com.my/news/nation/2023/11/22/public-can-monitor-issues-highlighted-in-a-g039s-report-via-digital-dashboard>

and

<https://www.malaymail.com/news/money/2023/11/22/a-gs-report-forestry-sector-contributes-rm6601b-to-malaysias-gdp/103533>

### Sarawak enacts climate change law

The Sarawak State Legislative Assembly passed the Environment (Reduction of Greenhouse Gases Emission) Bill making Sarawak the first state in the country to have legislation to address climate change. The Bill aim to safeguard Sarawak's environment by implementing strategies to reduce greenhouse gas emissions and achieve net zero carbon emissions in the State by 2050.

While Malaysia had committed to reduce greenhouse gas emissions by 45% by 2030 and achieve carbon neutrality by 2050 in accordance with the Paris Agreement, the country's Parliament has not yet adopted legislation to achieve these obligations.

The measures provided in the Bill in Sarawak include requiring registered businesses in scheduled economic sectors to submit annual carbon emission reports and the setting carbon emission thresholds. Where any registered business entity is unable or unwilling to bring their carbon emissions down to the emission threshold levels, a carbon levy at a rate to be determined by the State Cabinet will be imposed.

The Bill provides for a robust system for verification and validation by appointed carbon standard administrators to ensure integrity and credibility for carbon credits issued in Sarawak.

See: <https://www.thestar.com.my/news/nation/2023/11/20/sarawak-first-in-the-country-to-enact-anti-climate-change-law>

**Malaysia timber exports (Rm Million)**

	Jan – Sep 2022	Jan – Sep 2023
Builders Joinery, carpentry	1,063	965
Particleboard	223	173
Fibreboard	692	615
Logs	16	434
Mouldings	702	631
Plywood	2,651	1,793
Sawnwood	2,045	1,719
Veneer	71	60
Wooden furniture	8,730	6,511
Other products	2,757	2,920
<b>Total</b>	<b>19,349</b>	<b>15,821</b>

Data source: MTIB

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<https://www.itto-ggsc.org/static/upload/file/20231121/1700552181514582.pdf>

**Indonesia**

**Knock-down furniture exports to Europe decline**

Sapto Daryono, the Chairman of the Regional Committee for the Indonesian Furniture and Crafts Industry Association (Asmindo) said that knock-down furniture exports are still experiencing a decline as global demand falters. The Association had pinned hopes on the domestic market especially as the government encouraged furniture entrepreneurs to produce E-Catalogues.

However, the domestic market is increasingly difficult to penetrate because it is flooded with imported products which are offered at very affordable prices. He added, “people tend to choose cheaper products even though the quality of Asmindo products is higher and the products are unique.

He said he hopes locally made products will be given a chance so that imported goods do not dominate the local market.

In related news, according to ACE Director, Teresa Wibowo, the furniture market in Indonesia is predicted to grow further in the future and this will be good for Indonesian furniture businesses. Moreover, the Indonesian economy is growing and this will have a positive impact on the potential for development of the domestic furniture market.

“I continue to think positively about the future development of the Indonesian furniture business because many foreign investors are arriving to secure business. This year could be the revival of the national furniture industry, said Teresa, as the government is supporting several international exhibitions which could boost trade.”

See: <https://jogja.tribunnews.com/2023/11/16/ekspor-furniture-diy-ke-eropa-turun-kerajinan-masih-bisa-bertahan> and <https://economy.okezone.com/read/2023/11/07/455/2916069/pot-ensi-besar-bisnis-furniture-di-indonesia?page=2>

**Furniture design competition, support for a sustainable furniture industry**

The furniture industry is a very strategic sector for Indonesia’s economic development. There are several criteria that make furniture making a strategic sector and these are because it is an added value sector and Indonesian furniture is globally competitive. An advantage is that Indonesia has abundant natural raw materials and it also has manufacturing and design skills.

To further increase interest in sustainable furniture among the Indonesian people a programme entitled "Indonesian Sustainable Furniture Design Competition" (ISFDC) will be held.

Hartono Prabowo, Technical Director of FSC Indonesia said the ISFDC is an excellent opportunity for professional designers to be able to increase their role in forest sustainability by creating furniture designs that use materials from sustainable sources so that forest managers, including forest farmers in remote villages can benefit.

See: <https://wartaekonomi.co.id/read518853/indonesian-sustainable-furniture-design-competition-dukungan-untuk-industri-furniture-berkelanjutan>

**The Indonesian forestry paradigm**

The Ministry of Environment and Forestry has invited academics and the Dean of the Faculty of Forestry, Gadjah Mada, University (UGM) to offer inputs regarding the re-orientation of Indonesia's sustainable forestry development paradigm. The Minister of Environment and Forestry, Siti Nurbaya, said it was important to formulate a re-orientation of sustainable forestry development and this discussion could be important for future forest management, including strengthening the National Level Forestry Plan (RKTN).

*Minister Siti conveyed some notes for participants:*

First, on a green manufacturing orientation, Minister Siti said this was something important and this would be the basis for the Ministry. For example, when talking about social forests there is already a Presidential Regulation on Integrated Area Development based on social forests. The government has positioned National Parks as the center or source of regional economic growth. National Parks can also provide examples for appropriate income distribution.

Second, it is necessary to develop a centre of excellence. This is intended for forest landscape management. As a start, The Minister encouraged UGM's Special Purpose Forest Area (KHDTK) to become a centre of excellence in Java. She added, "because we have different landscapes, centres of excellence need to be developed in other locations such as Kalimantan and Sumatra".

Third, Minister Siti said that forest management in Indonesia could be an evolutionary development with forests and other land uses at the centre.

See: [https://www.medcom.id/pendidikan/news-  
pendidikan/4KZMX9wk-klhk-minta-masukan-20-guru-besar-  
ugm-soal-paradigma-kehutanan-indonesia](https://www.medcom.id/pendidikan/news-pendidikan/4KZMX9wk-klhk-minta-masukan-20-guru-besar-ugm-soal-paradigma-kehutanan-indonesia)  
and  
[https://www.tribunnews.com/nasional/2023/11/14/menteri-lhk-  
tekankan-pentingnya-reorientasi-paradigma-pembangunan-  
kehutanan-indonesia-berkelanjutan](https://www.tribunnews.com/nasional/2023/11/14/menteri-lhk-tekankan-pentingnya-reorientasi-paradigma-pembangunan-kehutanan-indonesia-berkelanjutan)  
and  
[https://www.msn.com/id-id/berita/nasional/klhk-bahas-  
pembangunan-kehutanan-indonesia-bersama-20-guru-besar-  
ugm/ar-AA1jV6LK](https://www.msn.com/id-id/berita/nasional/klhk-bahas-pembangunan-kehutanan-indonesia-bersama-20-guru-besar-ugm/ar-AA1jV6LK)

### **Carbon trading scheme for forestry sector**

Indonesia has launched a carbon trading scheme to boost GHG emissions absorption in the forestry and other land use sectors to reach carbon dioxide reduction targets by 2030.

The Chairman of the Indonesian Association of Forest Concessionaires (APHI), Indroyono Soesilo, in a press release, stated that half of the companies holding Forest Utilisation Licenses (PBPH) have been included in the carbon trading scheme, adding there are 600 PBPH holders that have been included.

According to Indroyono, PBPH holders must meet several requirements to enter the carbon credit scheme including drafting a Mitigation Action Plan Document before being included in the National Registration System. Emissions Reduction Certificate (SPN) will be released after a verification and monitoring processes.

See: [https://en.tempo.co/read/1795204/indonesia-releases-  
carbon-trading-scheme-for-the-forestry-sector](https://en.tempo.co/read/1795204/indonesia-releases-carbon-trading-scheme-for-the-forestry-sector)

### **Entrepreneurs encouraged to adopt multi-business forestry**

The Ministry of Environment and Forestry is encouraging companies receiving Forest Utilisation Business Permits (PBPH) to implement Multi-business Forestry plans to support Indonesia's FOLU Net Sink 2030 which is in line with achieving the Global Development Goals.

The Director General of Sustainable Production Forest Management in the Ministry, Agus Justianto, explained that corrective steps are needed to strengthen strategic policies to stimulate the forestry sector, especially in the upstream sector and in addressing climate change. This includes providing support to businesses to implement Multi-Business Forestry.

A change in the forest management paradigm through Multi-business Forestry is expected to encourage the development of various multifunctional forest management models so that the spectrum of types and business options that are implemented become wider.

For the implementation of Multi-business Forestry companies need to apply an appropriate management regime according to local conditions including environmental carrying capacity, land suitability, agro-climate and socio-economic institutions. He emphasised that Multi-business Forestry needs to be interpreted not just as an exploitative business model but must be able to accommodate a variety of local, regional, national and even international interests.

See: [https://forestinsights.id/pengusaha-hutan-didorong-  
implementasikan-multi-usaha-kehutanan/](https://forestinsights.id/pengusaha-hutan-didorong-implementasikan-multi-usaha-kehutanan/)

### **Improving the human resources for the furniture and crafts industry**

The Indonesian Furniture and Crafts Industry Association (Himki) stated that they are committed to improving human resources in the national furniture and crafts industry.

The Chairman of Himki, Abdul Sobur, stated that human resources are an important factor in the furniture and crafts industry and play a central role in determining product value. However, Abdul Sobur admitted that some companies still have difficulty finding experienced and certified workers with skills. He added, the furniture and crafts industry is currently experiencing high competition with other industrial sectors for labour.

The Himki held a meeting with the Head of the Industrial Human Resources Development Agency, Ministry of Industry and conveyed some suggestions including the need to increase the budget for student scholarships at the Furniture and Wood Processing Industry Polytechnic (Polifurnika) as well as providing student scholarships at universities that have majors supporting the furniture and craft industry.

It is necessary to develop Vocational High Schools and universities related to the furniture and craft industry to achieve a link and match with the industry, he said. Also establishing integrated training centres would help upgrade the quality of human resources.

See: [https://www.antaranews.com/berita/3823803/himki-  
berkomitmen-tingkatkan-kualitas-sdm-industri-mebel-dan-  
kerajinan](https://www.antaranews.com/berita/3823803/himki-berkomitmen-tingkatkan-kualitas-sdm-industri-mebel-dan-kerajinan)

### National economy continuing to grow amid global uncertainty

The Indonesian economy is continuing to grow positively despite global uncertainty according to economist and Research Director at the Center of Reform on Economics (CORE) Indonesia, Piter Abdullah. He said this was evident by positive growth in 2022 and this year.

2023 presented risks to the economy but “we have been able to survive and continue to grow positively” he told the media, because Indonesia's economic fundamentals remained solid.

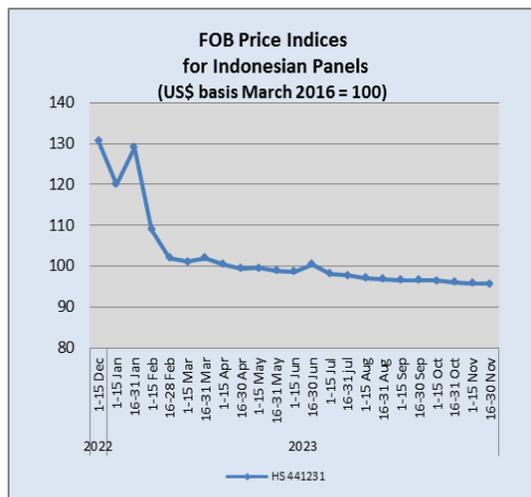
The characteristics of the Indonesian economy, which relies mostly on domestic demand, provides scope for continued positive growth, he argued. Statistics Indonesia reported that, in the third quarter of 2023, the national economy grew by 4.94% year on year. The figure reflected a slight slowdown compared to the previous quarter's growth of 5.17%.

See: <https://en.antaranews.com/news/298848/national-economy-continuing-to-grow-amid-global-uncertainty-expert>

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<https://www.itto-ggsc.org/static/upload/file/20231121/1700552181514582.pdf>



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

### BMRC Webinar ‘Incentivising Good Tropical Forest Governance’

Dr. Krisdianto Sugiyanto, Honorary Chair of the Broader Market Recognition Coalition (BMRC) Interim Secretariat, delivered opening remarks at a BMRC Webinar ‘Incentivising Good Tropical Forest Governance’ the text of which is provided below.

“The BMRC is a platform to endorse, monitor and promote implementation of national sustainable forestry systems and to label and promote trade of forest products that originated from BMRC-endorsed national systems.

The BMRC will also promote internationally harmonised standards for legal and sustainable forest products in trade regulations and public and private sector procurement that give recognition to BMRC labelled products.

Development of the BMRC was initiated since deliberations and discussions in the Indonesian Pavilion during COP 26 and several global fora on forest policy on the need to provide incentives for good forest governance through broader market recognition beyond FLEGT VPA upon qualifying national verification systems.

Producer countries have been developing robust national systems on timber legality assurance system and call for wider recognition by markets beyond the FLEGT VPA partners. In a Policy Forum on Broader Market Recognition in London in September 2022, multi-stakeholders of 6 (six) countries (Indonesia, Ghana, Liberia, Guyana, Cameroon, and the Republic of Congo) agreed to collaborate towards formalisation of a coalition to work towards broader market recognition on national verification systems beyond FLEGT VPA processes. The Forum also drafted a joint statement that subsequently was finalised and signed in the margin of COP 27.

Subsequently, in a meeting in Bali in February/March 2023, the coalition countries agreed to entitle the coalition as Broader Market Recognition Coalition (BMRC) and developed a draft of roadmap and action plan to secure broader market recognition of national sustainable forestry systems.

An interim secretariat of BMRC was also established to facilitate the works of the coalition towards the intended missions.

The Coalition has also developed its logo and website as a platform to disseminate BMRC visions and missions and to accommodate query and inputs and to share and discuss how to reward good governance with recognition and strong market incentives upon BMRC forest products.

As stipulated in the roadmap, the Coalition will further develop institutional arrangement and mechanism for recognition of endorsement of national systems, on-product labelling and promotion of BMRC forest products. Further the coalition will also work towards development of partnership and mutual collaboration towards achievement to provide market incentives upon the national systems as outlined in the joint statements and the roadmap.

The founding countries of BMRC invite other timber-producer countries to join the initiative to foster a broader market recognition of national systems, as well as participation of non-tropical countries. Both producer and consumer countries will mutually be benefiting from such collaboration.

We believe that collectively the BMRC is a strategic measure to drive stronger transformation and a platform to supports efforts to combat illegal logging and associated trade, to promote implementation of sustainable forest management, and to contribute to the global ambition in addressing climate challenges.

In addition to efforts to introduce BMRC in global setting, the BMRC Interim Secretariat and coalition members have carried out outreach and sharing information to respective stakeholders upon the establishment of the Coalition, including in meetings of the Asia Pacific Forestry Committee (APFC) 2023 in Sydney, the 59th International Tropical Timber Council (ITTC) in Pattaya Thailand, and the Global Legal & Sustainable Timber Forum (GLSTF) 2023 in Macau China. This was to provide information regarding the existence, mission, and objectives of this coalition.

Further, the Interim Secretariat of BMRC invites participation of stakeholders to BMRC sessions in the Pavilion of Indonesia and COMIFAC in COP 28 Dubai to share vision, roadmap and recent development of BMRC and the future works and activities to be carried out by the coalition. We believe that wider participation of stakeholders from both producer and consumer countries will help to strengthen the platform and to expand its positive impact to support achievement towards transformations to a better global forest management.”

See: <https://forestgovernance.org/>

## Myanmar

### Emerging role of NTFP and plantation timber

The Myanmar Wood-Based Furniture Association (MWBFA) has taken another step in its business promotion efforts with a visit to Union Minister of Natural Resources and Environmental Conservation (MONREC) to discuss the opportunities from utilising non-timber forest products and plantation species other than teak.

Early this month the MWBFA sponsored the Myanmar Furniture Exhibition (TTM Report Volume 27 Number 21). According to local news outlets the Association members showcased furniture made from non-timber forest products such as rattan, bamboo and from fast growing plantations species such as Acacia.

Because of sanctions on the Myanma Timber Enterprise (MTE) opportunities for wood product exports are impacted. The MTE is the State institution which is solely authorised to extract timber from the natural forest. Commentators in Myanmar are of the opinion that timber from the private plantations and non-timber forest products (NTFP) could be exempted from sanctions since there is no direct or indirect involvement of the MTE.

### Climate vulnerability in Myanmar

In a press release the UN warned that the ongoing conflict in Myanmar has not only caused a human tragedy but is also an environmental catastrophe. The press release continues “It is imperative that world leaders help end the crisis in Myanmar by supporting communities to mitigate climate impacts.

Increasingly isolated from the global economy and strapped for cash, the military junta has accelerated the exploitation of Myanmar’s natural resources, including timber, jade and rare earth minerals to fund its human rights abuses. The press release adds “growing resource extraction, often unregulated and facilitated by the military or other armed groups, is degrading the environment, polluting water sources, ravaging forests and exacerbating climate change risks. Myanmar is ill-prepared to deal with the fast-approaching effects of climate change.”

See - <https://www.ohchr.org/en/press-releases/2023/11/military-coup-has-exacerbated-already-severe-climate-risks-myanmar-un>

### Disruption of border trade at more locations

The domestic media has reported recent armed clashes have had a severe impact on the border trade and businesses are suffering huge losses after the main China border trade zone was closed after an alliance of three ethnic groups launched offensives and took control of all major routes to the border trading towns of Muse, Chin Shwe Haw, Laukkai and Hseni.

The Muse border accounts for about 70% of Myanmar’s cross-border trade with China and with it closed an estimated US\$400,000 in daily tax revenue has been lost. The media report the estimated tax revenue in the first six months of this year at US\$77 million.

During the first five months of the 2023-2024 fiscal year trade between Myanmar and China exceeded US\$3,832 million. China imported over US\$2,510 million worth of goods according to the Ministry of Economy and Commerce.

See- <https://news-eleven.com/article/283189>

and

<https://www.irrawaddy.com/business/myanmar-china-trade-corridor-closed-as-battle-rages-in-northern-shan.html>

## India

### No change in manufacturing price index

The annual rate of inflation based on the all India Wholesale Price Index (WPI) in October, was minus 0.52% in October compared to minus 0.26% recorded in September 2023. The negative rate of inflation in October, 2023 was primarily due to fall in prices of chemicals and chemical products, electricity, textiles, basic metals, food products, paper and paper products as compared to the corresponding month of previous year.

The index for manufacturing remained constant at 140.3 in October 2023 and September 2023. Out of the 22 NIC two-digit groups for manufactured products, 13 groups witnessed an increase in prices, 7 groups witnessed a decrease in prices whereas 2 groups remained unchanged.

See: [https://eaindustry.nic.in/pdf\\_files/cmonthly.pdf](https://eaindustry.nic.in/pdf_files/cmonthly.pdf)



Data source: Ministry of Commerce and Industry, India

**Mandatory Standards for for panels and furniture**

The Bureau of Indian Standards (BIS) has issued mandatory quality control orders for plywood, blockboard, doors, MDF, particleboard, shuttering ply and a range of other products and advised businesses to prepare and secure BIS compatible. The order applies to domestic producers and overseas suppliers.

The Order, called the Wood-Based Boards (Quality Control) Order, 2023 will come into force six months from the date of publication of the notification. The Government order will apply to overseas producers of MDF and Plywood who export materials to India and suppliers have been anxiously contacting importers.

The BIS order is mandatory for all companies and it is understood that plywood manufacturers in India’s unorganised sector will be given up to twelve months to comply. The BIS order will apply to wood products manufactured locally for export and the entry into force will be 6 months for large companies, 9 months for medium sized companies and 12 months for small and micro industries.

Sources at the BIS confirm that overseas panel producers have been approaching the BIS office to be certified but for many there are questions such as “how to get BIS certification and what are the costs for meeting the BIS Standard”

**Products affected**

**Panels**

MDF is being imported to India from Vietnam, Malaysia, and Thailand. Similarly, plywood is being imported from Russia, Vietnam, Nepal, Indonesia, Malaysia and China and others. Particleboard is being imported mainly from Malaysia, Thailand, China and Vietnam.

After the notification of mandatory BIS for these products the importers are insisting that overseas shippers obtain the BIS standard.

The Indian particleboard industry has a very short of time to secure the ISI Mark (a standards-compliance mark for industrial products in India since 1950. The mark certifies that a product conforms to an Indian standard) because the deadline for them is 10 February 2024. According to the BIS approximately 80% of particleboard and pre-lam particleboard producers have not obtained an ISI mark from the BIS.

BIS Officials confirm that the BIS Quality Control Order is final and for the benefit of consumers and that the industry should come forward and secure certification. It has been reported that India has 90 pre-lam board producers but as of October this year only 18 have ISI certificates.

**Furniture**

The government also proposes bringing furniture under BIS marks but this has been resisted by local manufacturers and importers saying quality standardisation will be very difficult to meet.

The Bureau of Indian Standard (BIS) wants beds, wooden tables and chairs to be able to take a load of 110 kgs and 60 kgs respectively and meet stability, strength and durability tests.

The industry says that the Quality Control Order (QCO), which applies to imported and domestically produced beds and chairs, is putting excessive burdens on them as the Standards are tough to comply with.

The private sector and industry bodies have sought a review of the Standards arguing that they should be aligned with international standards. They also want a phased implementation plan instead of rolling out the Standards at one time. The government proposed bringing wooden furniture under the Quality Control Order from 2025.

**Plywood**

It is understood that the main plywood manufacturing companies have requested BIS to reconsider the quality standards as for B Grade plywood/inferior quality plywood there is no specific standards for which certification from BIS can be secured. They argue that the standards were made several years ago and needs to be updated taking account of the reality in the market.

Also, there are over 1,000 small and micro manufacturers (unorganised sector) which are producing plywood and for them buying new machinery, laboratory equipment and implementing quality control procedures will be expensive and they asked for more time and a waiver on marking fees.

#### MDF

Medium Density Fibreboard (MDF) is another industry in India which is relatively young having been operating for around 15-20 years and the sector is dominated by big corporations and is well organised.

As of October 70-80% of MDF manufacturers were certified companies hence BIS will hardly affect the domestic MDF manufacturers. However, importers of MDF will face some hurdles as the overseas suppliers will require BIS certification.

#### Decorative plywood

Decorative Plywood is heavily dependent on imported base panels coming from Malaysia, Indonesia and China. As of November BIS Certifications have not been issued to any overseas manufacturers/suppliers of plywood for the manufacture of veneered decorative plywood.

Industry sources say it may take companies 3-6 months to secure BIS certification and there is considerable concern among manufacturers and importers.

*The above was compiled from reports in the media, from PlyReporter and from discussions with various industries and importers.*

See: <https://www.plyreporter.com/article/143714/imported-wood-panels-to-be-bis-marked-proposed>

and

<https://www.plyreporter.com/article/143759/overseas-panel-producers-seek-bis-standard-certification>

#### Sandalwood plantation owners cheer

In what could help sandalwood plantation owners earn more through exports the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) has removed India from its Review of Significant Trade (RST) for Red Sanders Sandalwood.

The RST listing is the result of instances of species smuggling. This decision was taken at the 77th meeting of the Standing of CITES.

Red sanders (*Pterocarpus santalinus*) is a high value tree endemic to few districts in Andhra Pradesh. The species has been listed in Appendix II under CITES since 1994. However, red sanders sourced from plantations comprise a major part of the legal export.

[https://www.business-standard.com/industry/agriculture/red-sanders-removed-from-cites-review-of-significant-trade-bhupendra-yadav-123111300597\\_1.html](https://www.business-standard.com/industry/agriculture/red-sanders-removed-from-cites-review-of-significant-trade-bhupendra-yadav-123111300597_1.html)

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

	Hoppus cu.m	US\$ C&F
Brazil	99	285
Colombia	100	320
Costa Rica	147	225
Ecuador	185	230
Ghana	101	293
Ivory Coast	102	475
Nigeria	124	274
South Sudan	72	306
Tanzania	52	310
Laos	-	-

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

	cu.m	US\$ C&F
Benin	91	610
Brazil	146	360
Colombia	149	345
Costa Rica	90	305
Ecuador	101	550
Ghana	120	365
Ivory Coast	-	-
Nigeria	97	358
South Sudan	107	360
Tanzania	98	355
Togo	120	320
Venezuela	119	415

#### Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,000 - 4,500
Balau	2,700 - 3,000
Resak	-
Kapur	-
Kempas	1,455 - 1,750
Red meranti	1,500 - 1,800
Radiata pine	900 - 1,050
Whitewood	900 - 1,050

Price range depends mainly on lengths and cross-section

#### Sawn hardwood prices

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,600 - 1,900
Sycamore	2,000 - 2,300
Red Oak	2,500 - 3,000
White Oak	2,800 - 3,300
American Walnut	4,700 - 5,500
Hemlock STD grade	1,350 - 1,600
Western Red Cedar	2,220 - 2,450
Douglas Fir	2,200 - 2,400

Price range depends mainly on lengths and cross-sections

### Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	80.00
6mm	92.00
9mm	109.00
12mm	132.00
15mm	170.00
18mm	187.00

### Domestic ex-warehouse prices for locally manufactured MR plywood

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

## Vietnam

### Wood and wood product (W&WP) trade highlights

W&WP exports to Canada in October 2023 were worth US\$19.8 million, up 22% compared to October 2022. In the first 10 months of 2023 W&WP exports to Canada reached US\$62 million, down 22% over the same period in 2022. The rate of decline has tended to narrow thanks to consecutive increases in export turnover in recent months.

W&WP exports to the UK in October 2023 were valued at US\$18.7 million, up 25% compared to October 2022. This is the second consecutive month that exports to the UK increased year on year. This growth contributed to slowing the gradual decline in exports in the first 10 months of 2023.

In October 2023 exports of kitchen furniture reached US\$112.7 million, up 23% compared to October 2022. In the first 10 months of 2023 exports of kitchen furniture reached US\$947.1 million, down 16% over the same period in 2022.

In October 2023 tali wood imported into Vietnam stood at 29,400 cu.m worth US\$12.5 million, down 6% in volume and 6% in value compared to September 2023. Compared to October 2022, it decreased by 44% in volume and 41% in value.

In the first 10 months of 2023 tali wood imports were 328,500 cu.m, worth US\$137.5 million, down 26% in volume and 24% in value over the same period in 2022.

Imports of raw wood (logs and sawnwood) from the US in October 2023 increased again reaching 45,000 cu.m at a value of US\$18.5 million, up 6% in both volume and value compared to September 2023.

The total volume of raw wood imported from the US in the first 10 months of 2023 was 436,880 cu.m, worth US\$185.77 million, down 26% in volume and 34% in value over the same period in 2022.

### Wood and forest product exports

Vietnam earned US\$11.65 billion from exporting wood and forest products in the first ten months of this year, a 19% decline year-on-year according to the Vietnam Timber and Forest Product Association. Export revenue was US\$1.28 billion in October, down 0.2% cent year-on-year, of which wood and wood product exports earned US\$1.2 billion.

The decline in demand was put down to inflation and tightened monetary policies in major wood product markets and this has resulted in a decline in export earnings since the beginning of the year, according to the Association. However, many wood enterprises have begun to receive more orders to satisfy year-end festive season demand in global markets. The export of wood and forest products for 2023 is estimated to reach US\$15 billion according to the Association.

### Timbers from Laos and Cambodia - import ban extended

Five years ago Vietnam's Ministry of Industry and Trade issued Circular No. 44/2018/TT-BCT regulating the temporary suspension of import and re-export of round wood and sawnwood from natural forests from Laos and Cambodia. This Circular is effective until December 31, 2023.

After 5 years of implementation the Ministry of Industry and Trade has conducted a review and assessment of the implementation of Circular No. 44/2018/TT-BCT. Based on the results of the summary and assessment and to avoid legal gaps when Circular No. 44/2018/TT-BCT expires, the Ministry issued Circular No. 21/2023/TT-BCT dated November 14, 2023 extending the suspension of import and re-export of roundwood and sawnwood from natural forests in Laos and Cambodia.

Vietnam is committed to implement policy mechanisms and measures to improve the effectiveness of forest management and forest product management to ensure compliance with international norms and regulations. Vietnam has participated in a Voluntary Partnership Agreement between Vietnam and the EU on forest law enforcement, forest governance and forest product trade (VPA/PLET), the Convention on International Trade in Endangered Species of Wild Flora and Fauna (Cites) and is active in strengthen measures to protect the environment and to combat climate change.

See: <https://vietnamagriculture.nongnghiep.vn/laos-and-cambodias-natural-forest-wood-import-and-re-export-ban-d368639.html>

### Certification of 1 million hectares

It has been determined that sustainable forest certification for one million hectares of large-sized timber forests can be a passport for Vietnam's wood processing industry to increase export earnings and diversify markets. Moreover, achieving sustainable forest certification for one million hectares of large-sized timber forests will help reduce dependence on imported raw materials.

According to statistics from the Department of Forestry, the country's current total forest area is about 14.74 million hectares. Of this planted forests account for 31%. In 2022 Vietnam earned US\$15.67 billion from exporting forest and wood products. The country aims to achieve US\$18- 20 billion from exports by 2025 and US\$23-25 billion by 2030.

According to Vu Thanh Nam, Head of the Forest Department's Forest Utilisation Division, the country currently has about 4 million hectares of production forests providing about 20 million cubic metres of wood and this is planted mainly with acacia, eucalyptus, cinnamon and pine.

However, forestry experts advised that Vietnam should switch to investing in large-sized timber forests to further increase export value.

Of the 4 million hectares of production forests the plantation area of large sized timber (over 10 year old) is currently about 440,000 hectares. The State has a policy to support forest planting at VND8 million per hectare and the Ministry of Agriculture and Rural Development has submitted to the Government proposals to promulgate a policy for forest planters to borrow capital to produce large sized logs.

The Ministry of Agriculture and Rural Development is developing a project to create plantations to produce large sized logs including mechanisms and policies on cooperation and association with the aim to have 1 million hectares of large-sized timber forests by the end of 2030. In addition, local groups and communities will be encouraged to plant for long rotations to produce large logs.

According to Tran Lam Dong, Deputy Director of the Vietnam Academy of Forest Sciences, it is necessary to expand cultivating trees in areas with sustainable tree-planting certification to produce raw material for manufacturers.

Vietnam has two types of forest certification including the national forest certification system (VFCS) from the Office of Sustainable Forest Management Certification and FSC forest management certification from the International Forest Stewardship Council. As of September 2023 Vietnam's total forest area that has achieved both VFCS and FSC certification is nearly 500,000 hectares.

See: <https://en.sggp.org.vn/vietnam-strives-to-have-1-million-hectares-of-large-wood-with-certifications-post106573.html>

### Drop in timber exports from Acre in 2023

Timber exports from the state of Acre in the Amazon Region fell sharply from US\$16.3 billion between January and October 2022 to US\$4.7 billion in the same period this year, a drop of 71% according to the Ministry of Industry, Foreign Trade and Services Comex statistics. In October 2023 wood product exports accounted for 22% (US\$400,000) of the total value of exports.

A recovery of timber exports is expected to improve the state's economy. Its potential and importance in logging and industrial production generate many jobs and economic dividends throughout the production chain, including services. It is hoped that an understanding between the environmental agencies and the agents involved in timber production can restore normal export levels.

See: <https://www.remade.com.br/noticias/19580/queda-nas-exportacoes-de-madeira-faz-comercio-exterior-do-acre-perder-quase-10-milhoes-de-dolares-em-2023>

### Reforestation is not just about eucalyptus and pine

During a meeting with various forest-based sectors the Ministry of Agriculture, Livestock and Supply (MAPA) presented a Sustainable Forest + Plan which aims to identify forest production chains, increase the area of planted forests for commercial purposes and set up a network that will connect project-holding institutions and investors.

The Plan is due to be launched nationally by MAPA along with a call for projects targeted at investors who want to help with sustainable forest management. The Plan will also focus on forest seed production, forest nurseries for seedling production, agroforestry systems, research and development, conservation of endangered species and carbon value chains.

In particular, MAPA wants to demystify the idea that reforestation is just about eucalyptus and pine. There are many alternative species suitable to support the sustainable use of wood from forest plantations or natural forests according to the Secretariat for Innovation, Sustainable Development, Irrigation and Cooperatives.

See: <https://forestnews.com.br/mapa-projeto-incentivar-a-producao-florestal/>

### Export update

In October 2023 Brazilian exports of wood-based products (except pulp and paper) decreased 31% in value compared to October 2022, from US\$317.1 million to US\$219.7 million.

Pine sawnwood exports dropped 43% in value between October 2022 (US\$50.4 million) and October 2023 (US\$28.6 million). In volume terms exports decreased 34% over the same period, from 192,700 cu.m to 127,900 cu.m.

Tropical sawnwood exports decreased 43% in volume, from 36,200 cu.m in October 2022 to 20,600 cu.m in October 2023. In value terms, exports decreased 50% from US\$18.2 million to US\$9.1 million over the same period.

Pine plywood exports also declined 29% in value in October 2023 compared to October 2022, from US\$61.6 million to US\$43.5 million. In volume, exports dropped 18% over the same period, from 171,800 cu.m to 140,600 cu.m.

As for tropical plywood, exports decreased in volume 23% and in value by 19%, from 2,200 cu.m and US\$1.6 million in October 2022 to 1,700 cu.m and US\$1.3 million in October 2023.

The value of wooden furniture exports decreased from US\$52.9 million in October 2022 to US\$ 46.3 million in October 2023, an almost 13% fall.

### Logs from Brazil arrive at Indian port

For the first time in 10 years a shipment of logs from Brazil arrived at the Indian port of Cochin. Cochin Port or Kochi Port is a major port on the Arabian Sea in the State of Kerala and is one of the largest ports in India. The vessel, MV Chintana Naree, anchored with 15,000 tonnes of logs mainly eucalyptus destined for plywood manufacturers in Kerala, said R. Dileep, Director of Aaron Logistics the handling agent for the ship.

Cochin Port offers incentives and ensured discount on vessel related charges and storage rent to reduce handling costs. The trade unions have also extended support to reduce handling cost so as to get regular arrivals.

See: <https://www.thehindubusinessline.com/economy/logistics/after-a-decade-cochin-port-receives-timber-log-shipments-from-brazil/article67528335.ece>

### Export of wooden houses to DRC

The State of Santa Catarina in southern Brazil hopes to export 1,500 prefabricated houses to the Democratic Republic of Congo (DRC) over the next few years. Negotiations began in 2022 involving the country's government and the Amurel Cooperative, a consortium made up of five timber companies located in Jaguaruna and Tubarão, in the State of Santa Catarina.

According to the Amurel Cooperative and FIESC Litoral Sul, initially 50 prefabricated houses will be shipped as a trial. If everything goes according to the plan then over the next 10 years the sale of the 1,500 structures will be negotiated.

The funds for the purchase of the houses will come from a UN fund earmarked for the purchase of affordable housing in countries with a high level of social vulnerability as determined by the United Nations.

See: <https://forestnews.com.br/santa-catarina-negocia-exportacao-de-casas-de-madeircom-republica-do-congo/>

### Domestic log prices

	US\$ per cu.m
Brazilian logs, mill yard, domestic	
Ipê	600↑
Jatoba	251↑
Massaranduba	219↑
Muiracatiara	210↑
Angelim Vermelho	214↑
Mixed redwood and white woods	160↑

Source: STCP Data Bank

### Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	2,323↑
Jatoba	1,184↑
Massaranduba	1,050↑
Muiracatiara	971↑
Angelim Vermelho	1,024↑
Mixed red and white	643
Eucalyptus (AD)	348↓
Pine (AD)	265
Pine (KD)	327↓

Source: STCP Data Bank

### Domestic plywood prices (excl. taxes)

	US\$ pe3 cu.m
Parica	
4mm WBP	637
10mm WBP	501↑
15mm WBP	438↑
4mm MR.	611↑
10mm MR.	453
15mm MR.	396↑

Prices do not include taxes. Source: STCP Data Bank

### Prices for other panel products

	US\$ per cu.m
<i>Domestic ex-mill prices</i>	
15mm MDP Particleboard	375↓
15mm MDF	404↓

Source: STCP

### Export sawnwood prices

	US\$ per cu.m
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	3,3428↑
Jatoba	1,742-↑
Massaranduba	1,753↑
Muiracatiara	1,730↑
Pine (KD)	189↑

Source: STCP Data Bank

### Export plywood prices

	US\$ per cu.m
Pine plywood EU market, FOB	
9mm C/CC (WBP)	312↑
12mm C/CC (WBP)	295↑
15mm C/CC (WBP)	283↑
18mm C/CC (WBP)	279↑

Source: STCP Data Bank

### Export prices for added value products

	US\$ per cu.m
FOB Belem/Paranagua ports	
Decking Boards	
Ipê	5,500
Jatoba	2,508↑

Source: STCP Data Bank

### Through the eyes of industry

The latest GTI report lists the challenges identified by the private sector in Brazil.

<https://www.itto-ggsc.org/static/upload/file/20231121/1700552181514582.pdf>

### SERFOR approves granting of benefits for good forestry practices

The National Forestry and Wildlife Service (SERFOR) approved the criteria and procedures for the evaluation and granting of incentives and/or benefits for voluntary forestry certification and for carrying out other good forestry practices that will favor the competitiveness of the sector.

With these guidelines SERFOR seeks to promote the adoption of good practices by forestry and wildlife companies and producers that contribute to the sustainability of forestry and wildlife management as well as competitiveness and social inclusion.

In Peru there are 9.3 million hectares of natural forests under forest management of which 1.38 million hectares have forest certification to international standard, over 80 initiatives under 40 FSC certificates at different points in the wood supply chain and 1.9 million hectares with carbon certification among other types of certificates. SERFOR seeks to reward these initiatives and encourage other holders of forest titles which include permits granted to native and peasant communities.

See: <https://www.gob.pe/institucion/serfor/normas-legales/4810954-d000244-2023-midagri-serfor-de>

### Proposals to improve and promote forest plantations

Within the framework of the National Forestry Week and the Sustainable Productive Forests (BPS) programme, representatives of SERFOR were present at two events held in Cajamarca and Lima through the participation of the management of the Forestry Project 'Investment in Commercial Forest Plantations'.

A presentation was given on the scope of the project in seven regions in the country.

The School of Forest Engineering at the National University of Cajamarca organised a forum 'Forest plantations in Cajamarca, perspectives in a climate change scenario' an event that brought together leading experts from the university, the state and civil society to discuss solutions to strengthen the department in relation to forestry investment.

This event was held at the facilities of the regional branch of the College of Engineers of Peru. In addition, it was promoted within the framework of the National Forest Week 2023 in coordination with the National University of Cajamarca, SERFOR and FONCREAGRO.

See: <https://www.gob.pe/institucion/serfor/noticias/866599-serfor-participo-en-eventos-sobre-propuestas-para-mejorar-e-impulsar-las-plantaciones-forestales>

### OSINFOR records promote competitiveness in the forestry sector

During the first half of November the Forestry and Wildlife Resources Supervision Agency (OSINFOR) delivered Certificates of Compliance to 22 holders of enabling titles in Ucayali. This document that recognises good forestry practices and contributes to strengthening the legality of forest products and their competitiveness in national and international markets.

The head of OSINFOR, Lucetty Ullilen, said "we want to give this recognition to those who are doing their job well and who, in addition, serve as an incentive for discounts in the payment of rights for forestry use". She added that the Compliance Certificates are part of OSINFOR's promotional approach which seeks to encourage those who are fulfilling their obligations in forest management.

See: <https://www.gob.pe/institucion/osinfor/noticias/861586-constancias-de-cumplimiento-del-osinfor-promueven-la-competitividad-del-sector-forestal>

In related news, OSINFOR has developed and successfully implemented optimised supervision which uses a selective logging detection algorithm to improve monitoring efficiency to ensure the sustainability of forests and their services.

See: <https://www.gob.pe/institucion/osinfor/noticias/862656-osinfor-optimiza-las-supervisiones-con-tecnologia-de-vanguardia-e-innovacion-para-hacer-frente-a-la-tala-illegal>

### 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	986-1119
Asian market	1079-1101
Cumaru decking, AD, S4S E4S, US market	1204-1237
Pumaquiro KD Gr. 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	582-611
2x13x75cm, Asian market	774-831

### Export sawnwood prices

	US\$ per cu.m
Peru sawnwood, FOB Callao Port	
Pumaquiro 25-50mm AD Mexican market	687-706
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	582-602
Grade 2, Mexican market	527-541
Cumaru 4" thick, 6"-11" length KD Central American market	992-1022↑
Asian market	1006-1031
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	629-645
Dominican Republic	744-793
Marupa 1", 6-11 length KD Grade 1 Asian market	564-581

**Export plywood prices**

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

**Export veneer prices**

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

**Domestic sawnwood prices**

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

**Domestic plywood prices (excl. taxes)**

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

**Domestic prices for other panel products**

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

## Japan

**Economy contracts - a challenge for government and Bank of Japan**

Japan's economy contracted in the third quarter of 2023 ending two quarters of expansion. A dip in exports, especially to China and weak domestic consumption because inflation has undermined household spending. The latest data underscores the policy challenges faced by the government and the Bank of Japan.

Provisional GDP was forecast to have fallen by over 2% in the third quarter compared to a year earlier after expanding 4.8% in April-June quarter. The economy contracted 0.5% in the third quarter from the previous quarter after expanding 1.2% in the second quarter. The third quarter contraction was larger than expected.

The disappointing GDP figure was partly driven down by weaker than expected domestic capital expenditure which contracted 0.6% in the third quarter from the second quarter.

Private consumption in Japan was flat in the third quarter and it is likely that, because real household incomes will continue to slide until the middle of next year, consumer spending will not support growth.

Against this background the government downgraded its assessment of economic prospects for the first time in 10 months, saying the economy is recovering moderately but "appears to be pausing in part" on weak domestic demand. Among the key economic indicators the Cabinet Office cut its view on capital spending for the first time in nearly two years.

See: <https://english.kyodonews.net/news/2023/11/523ff7a4f770-japan-cuts-economic-view-1st-in-10-months-on-weak-domestic-demand.html>

**Improved rights protection for foreign workers**

Changes are planned for Japan's controversial trainee programme for foreign nationals. A panel has recommended improved rights protection with increased flexibility for workplace changes and more rigorous monitoring. It is anticipated that the final report will form the basis of a Bill to be submitted to parliament next year. If approved, this will end the current Technical Intern Training Programme which has been in place since 1993.

Originally designed to transfer skills to developing countries, the programme has been abused by firms bringing in inexpensive labour. There have been cases when trainees ran away due to unjust treatment and with cases of abuse within the programme, including unpaid wages and harassment.

See: <https://www.japantimes.co.jp/news/2023/11/25/japan/technical-intern-final-report/>

See also page 19

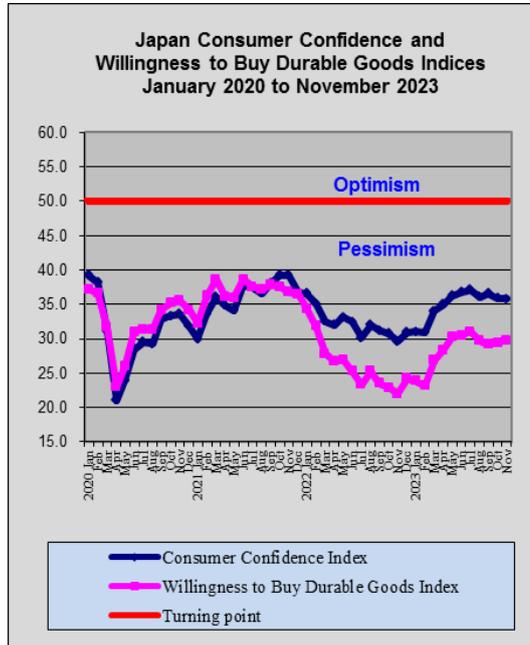
**Osaka Expo to have world's largest wooden structure**

The Japanese company, Sou Fujimoto Architects has created the centre piece for the 2025 Osaka Expo, it is a large circular 3-story building using cross-laminated timber combining traditional and modern timber building technology

The huge structure almost 2 km in diameter is made of local made of wood and is being built on an artificial island in Osaka Bay. The structure will encircle the island. The design is a purposeful nod to Japanese tradition as timber construction is commonly used for temples. Once completed the structure will become the world's largest wooden buildings. However, the high construction cost and recent cost overruns have drawn criticism.

Expo Osaka 2025 will run between 13 April and 13 October 2025 under the theme ‘Designing Future Society for Our Lives’ which advocates for a place where cutting-edge technology will be used to create new ideas and alleviate global challenges currently plaguing humankind.

See: <https://mymodernmet.com/expo-2025-sou-fujimoto-construction/>



Data source: Cabinet Office, Japan

**Discounts on mortgages for families**

A Japanese government-related financial institution is going to offer special discounts on new mortgages for child-rearing families. The Japan Housing Finance Agency offers fixed-rate loans of up to 35 years in collaboration with private financial institutions.



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

Under the plan, households with children aged under 18 at the time of application would be eligible for reduced annual interest rates. The discounts would be valid for the first five years. Their size would depend on the number of children per family.

The plan is in the government's supplementary Budget Bill. The discounts could go into effect as early as

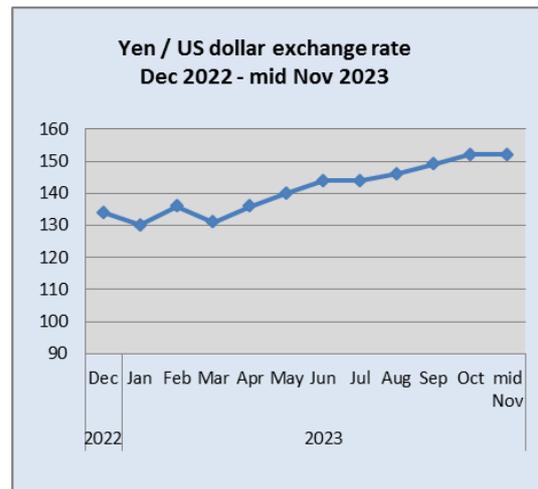
February 2024 if the Diet approves the Bill during its current session which ends soon.

See: [https://www3.nhk.or.jp/nhkworld/en/news/20231124\\_25/](https://www3.nhk.or.jp/nhkworld/en/news/20231124_25/)

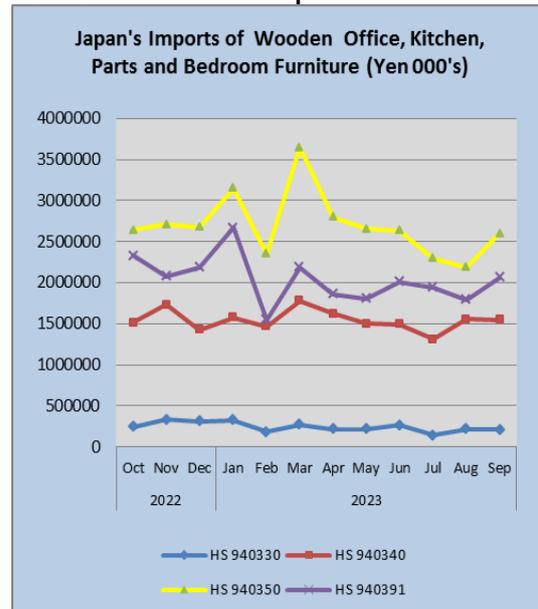
**Yen/US dollar up from recent lows**

The yen was trading just over 150 against the US dollar in late November slightly above the low of 151 seen recently. The weak yen and its impact on import costs underscores the fragility of the Japanese economy and the complexities for the Bank of Japan. It also strengthens the case for the government’s new economic package aimed at curbing rising living costs which is expected to include subsidies and payouts to low-income households.

See <https://www.cnbc.com/2023/11/15/japan-q3-economy-shrinks-far-more-than-expected.html>



**Yen value of furniture imports**



Data source: Ministry of Finance, Japan

### September wooden office furniture imports (HS940330)

In September, shippers in China and Malaysia once again were the main shippers of wooden office furniture (HS940330) to Japan respectively accounting for 77% and 19% of the total value of imports. Shippers in China, Malaysia and Germany accounted for around 90% of the value of imports of wooden office furniture in September.

The value of September arrivals from China were up compared to August and arrivals from Malaysia were sharply higher compared to a month earlier.

Year on year, the value of September 2023 imports of wooden office furniture was down 12% and there was also a decline in the value of imports compared to the level reported for August.

In August there was a marked increase in the number of countries shipping wooden office furniture to Japan but in September the number had fallen significantly.

### September imports (HS 940330)

	Imports Sep 2023 Unit, 000's Yen
Rep. Korea	750
China	163,739
Vietnam	1,606
Malaysia	18,648
Indonesia	1,283
Germany	8,492
Spain	3,594
Italy	6,471
Poland	2,724
Turkey	1,800
Slovakia	822
USA	1,563
Total	211,492

Data source: Ministry of Finance, Japan

### September kitchen furniture imports (HS 940340)

As in previous months, shippers in the Philippines and Vietnam together accounted for the bulk of Japan's imports of wooden kitchen furniture.

In September the top four shippers were the Philippines, Vietnam, China and Thailand but in September arrivals from the Philippines, Vietnam and China were all down compared to levels in August.

Year on year the value of wooden kitchen furniture imports in September dropped 6% following the first signs of a recovery that emerged in August.

### September imports (HS 940340)

	Imports Sep 2023 Unit, 000's Yen
Rep. Korea	1,577
China	126,761
Taiwan P.o.C	463
Vietnam	553,954
Thailand	67,169
Malaysia	24,041
Philippines	642,444
Indonesia	22,487
Denmark	312
UK	322
France	2,359
Germany	55,387
Italy	31,877
Romania	14,870
Lithuania	1,244
Canada	5,174
Total	1,550,441

Data source: Ministry of Finance, Japan

### September wooden bedroom furniture imports (HS940350)

Since April this year there was a steady decline in the value of Japan's imports of wooden bedroom furniture (HS940350) but this downward trend was reversed in September when the value of imports jumped 19%.

### September imports (HS 940350)

	Imports Sep 2023 Unit, 000's Yen
Rep. Korea	308
China	1,498,088
Taiwan P.o.C	505
Vietnam	872,207
Thailand	31,330
Malaysia	71,794
Philippines	6,414
Indonesia	49,650
India	797
Sweden	340
Denmark	467
UK	518
Germany	975
Switzerland	4,800
Portugal	14,153
Italy	16,714
Finland	330
Poland	10,227
Romania	11,454
Lithuania	892
USA	2,451
Total	2,594,414

Data source: Ministry of Finance, Japan

The steady weakening of the yen against the US dollar which is the trading currency makes it difficult to assess the precise causes behind the September jump in the value of imports especially as consumer sentiment in Japan has taken a hit from the impact of rising prices.

China and Vietnam were the main suppliers of wooden bedroom furniture in September, together accounting for over 90% of the value of imports. The value of September imports from China was up month on month as they were for Vietnam, Malaysia and Indonesia, the top four shippers in September.

#### September imports (HS 940391)

	Imports Sep 2023 Unit, 000's Yen
Rep. Korea	32,798
China	928,224
Taiwan P.o.C	29,622
Vietnam	224,874
Thailand	41,921
Malaysia	242,274
Philippines	5,702
Indonesia	411,189
Israel	3,872
Sweden	3,846
Denmark	1,780
UK	1,588
France	451
Germany	44,154
Switzerland	410
Spain	215
Italy	36,917
Finland	1,603
Poland	16,485
Austria	5,334
Hungary	1,966
Romania	1,827
Turkey	6,850
Lithuania	233
Czech Rep.	2,096
Slovakia	1,937
Canada	528
USA	12,500
S. Africa	201
New Zealand	293
Total	2,061,690

Data source: Ministry of Finance, Japan

#### September wooden furniture parts imports (HS 940391)

After declines in July and August the value of Japan's imports of wooden furniture parts (HS940391) rose 15% in September compared to a month earlier and compared to September 2022 there was a 13% increase.

In September import data published by the Ministry of Finance in Japan shows there were 28 shippers of wooden furniture parts in September, the highest number recorded this year.

The top suppliers of wooden furniture parts in September were China (45%), Indonesia (29%), Malaysia 12% and Vietnam 11% and each of the top shippers saw the value of their imports by Japan rise, especially Malaysia where in September there was an almost 25% increase month on month.

#### 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/](https://jfpj.jp/japan_lumber_reports/)

#### Export trends of logs and lumber

Volume of exported logs during January to September, 2023 was 1,174,000 cbms, 19.4 % more than January to September, 2022. The total log exports are 17 billion yen, 10.4 % more than the same period last year. On the other hand, volume of exporting lumber during January to September, 2023 are 99,000 cbms, 28.6 % less than the same period last year.

The total lumber exports are 4.6 billion yen, 37.6 % less than the same period last year. It seems that the weak yen has not influenced the exporting business. A forecast for October to December will be would be the same situation from now. There is a possibility that exporting logs in 2023 will recover and exporting lumber in 2023 will decrease two years continuously.

Exporting domestic logs and lumber started to rise since 2013 and it stopped rising in 2019. Then, it started to rise again in 2020 and in 2021, exporting logs and lumber recorded the highest volume and amount. The yen started to depreciate against the US dollar in 2022 and total wooden product exports were 50 billion yen. It was necessary to pay close attention to export trends of logs and lumber in 2023.

Exporting cedar logs during January to September, 2023 are 1,042,000 cbms, 30.7 % higher than the same period last year. Cedar logs for China are 1,038,000 cbms, 26.0 % higher than the same period last year. Cedar logs for South Korea, Taiwan and Vietnam decline slightly.

Exporting cedar lumber is 63,000 cbms, 34.5 % down from the same period last year. Cedar lumber for the U.S.A. is 24,000 cbms, 25.7 % down from the same period last year. Cedar lumber for China is 41,000 cbms, 11.9 % less than the same period last year. A decrease in cedar lumber for the U.S.A. is because the lumber market is low in the U.S.A.

Exporting logs to China is very active in Kyushu region and the latest price of log is slightly below \$110, C&F per cbm. Since the economy in China is low, inquiries for cedar and cypress are not a lot.

Japanese exporters deliver logs to ports by 10,000 – 11,000 yen, per cbm. However, the price of logs for biomass power fuel and papermaking has been rising in Japan so Japanese exporters focus on selling the logs in Japan.

	Volume	Amount
Logs	1,174 (119.4)	17,087 (110.4)
Cedar logs	1,042 (130.7)	14,646 (127.2)
Cypress logs	116 (65.7)	1,991 (53.5)
China	1,038 (126.0)	14,733 (118.4)
South Korea	76 (82.6)	1,267 (76.8)
Taiwan	56 (94.2)	958 (83.4)
Vietnam	4 (48.9)	95 (44.0)
Lumber	99 (71.4)	4,679 (62.4)
Cedar lumber	63 (65.5)	2,839 (54.6)
Cypress lumber	18 (90.8)	967 (81.1)
U.S.A.	24 (74.3)	1,625 (67.4)
China	41 (88.1)	1,058 (88.0)
Philippines	11 (27.8)	647 (25.9)
Taiwan	14 (123.9)	516 (106.9)

Unit : 1,000 cbms, 1million yen ( ) = compared to the previous year by %

#### Sample building materials (delivered to architects and interior designers)

Design Future Japan Co., Ltd. started a service called ‘Material Bank Japan’. The service is about delivering several companies’ building materials as samples to licensed architects and interior designers. The company had been conducting a demonstration experiment for the service since January 2023 and the company received a good rating from the licensed architects and interior designers. About 200 building materials companies participate in this service.

On 18 October a webinar was held for licensed architects and interior designers. Everyone is able to register the service and is able to use the service with no charge. Consumers are able to choose the sample building materials from about 50,000 kinds. Also, it is able to send e-mails to the building material company’s staff through the service. It is able to save what you have ordered before.

The company has a system which reports about CO2 reduction or reduction in delivery cost when you use the service.

The service of ‘Material Bank’ began in the U.S.A. and about 110,000 architectural designers and about 90 % of major design companies use the service today.

The president of Design Future Japan says that it is important to raise the clients’ and building material companies’ satisfaction.

The service in the U.S.A. has 500 building material companies so the service in Japan also aims to have 500 building material companies.

#### South Sea logs and lumber

Movement of hardwood lumber would depend on an exchange rate fluctuation. The price of hardwood lumber in South Asia won’t decrease so Japanese buyers watch the foreign exchange carefully to reduce the import cost. New starts are still low so as a number of stores and there are not many orders for interior finishing work of stores. One of the reasons is that high prices of commodities influenced the selling price of stores. Therefore, Japanese buyers hesitate to procure a lot of lumber. South Asian shippers understand the circumstances in Japan so they do not sell the product actively. Some Indonesian or Chinese manufacturers lowered the price of laminated boards but the price of laminated boards in Japan decreased just a little bit due to the weak yen.

The price of South Sea lumber are still high. There are many inquiries for truck body materials. There is a certain number of orders for deck materials when the yen depreciates against the US dollar.

#### Review the Technical Intern Training Programme

The Japanese government held a meeting for reviewing the Technical Intern Training Program on 18th October, 2023. The government will set up a new system for securing employees and training employees.

The new system shows that it is able to change the company if the employees work at a company for a year. The current system of the Technical Intern Training Program is about international contribution by training employees. There are 88 kinds of jobs and it is able to live in Japan for maximum 5 years. However, it is unable to transfer to other companies. If the working conditions were not good, then a foreign worker would disappear from the company. This situation is actually happening in Japan and it is becoming a serious problem. To avoid the disappearance, the new systems shows that a period of residence in Japan will be maximum 3 years.

If the foreign workers passed the test of skills and Japanese-Language Proficiency Test and then worked at a company for a year, the foreign workers would be able to transfer to another company but it has to be in the same business areas.

There had been a difference between Technical Intern Training and Specified skills visa but it changed to be simple. If the foreign workers passed the high level tests, the foreign workers are able to extend their stay for maximum 5 years. Even if the foreign workers failed the high level tests, the foreign workers are able to extend the stay for one more year.

However, there is a concern that the foreign workers might transfer to companies, which are located in the cities with good salaries, from countryside where a shortage of workers occurring.

**Signs of recovery are mixed**

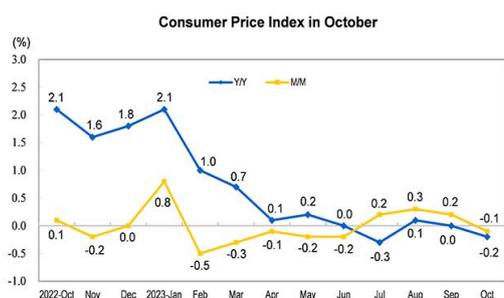
Consumer prices fell in October after briefly leveling out, a sign that consumers remain cautious despite the government stimulus measures. Also, producer prices fell for a 13th consecutive month, dropping 2.6% year on year, against a 2.7% decline forecast by economists and following a 2.5% contraction in September.

China’s economy has shown mixed signs of recovery in recent months leading economists to debate whether it will hit the government’s GDP growth target this year of 5%, the lowest in decades. Prices fell into negative territory in July before edging back into growth in the months that followed.

The IMF has upgraded its forecast for China’s GDP growth to 5.4% citing stronger support from policymakers who have been easing monetary policy and easing restrictions on property purchases and mortgages to try to stabilise the real estate market.

**Consumer Price Index for October 2023**

The National Bureau of Statistics released the October consumer price indices which show the national consumer price index (CPI) decreased by 0.2% year on year. Prices in urban areas decreased by 0.1% and prices in rural areas decreased by 0.5%. The price of food decreased by 4% and prices for consumer goods dropped by 1.1%.



Source: National Bureau of Statistics

**Group standard on carbon footprint accounting**

Eleven departments, including the Standardisation Administration of China, the National Development and Reform Commission and the Ministry of Industry and Information Technology jointly issued the Guidelines for the Construction of a Carbon Peak and Carbon Neutral Standard. The Carbon Peak and Carbon Neutral Standard system was structured around basic universal standards as well as the development needs for carbon reduction, carbon removal and carbon market development.

A Technological Specification for Carbon Footprint Accounting for Timber Products was recently published with aim of responding to national policies and promote systematic construction of carbon peak and carbon neutral standard system. The Standard number is T/TSNR002-2023. This Standard is China's first carbon footprint accounting standard for timber product.

The release of this standard makes up for the gap in the field of carbon footprint accounting for wood products and improves the transparency and consistency of the evaluation and notification of carbon footprint accounting for wood products to help enterprises better understand the carbon footprint of their wood products to achieve targeted carbon reductions.

See: [https://www.wood365.cn/Industry/IndustryInfo\\_278814.html](https://www.wood365.cn/Industry/IndustryInfo_278814.html)

**Promoting bamboo as a substitute for plastic**

It has been reported that a three-year Action Plan to accelerate the development of "Bamboo as a Substitute for Plastic" has been released by the National Development and Reform Commission (NDRC) to provide direction, specific measures and support policies for the development of "replacing plastic with bamboo" in various industries and is a guide for achieving green and sustainable development of the industry.

The Action Plan proposes that players in the upper, middle and downstream industrial chain for "raw materials, processing and marketing are encouraged to expand in major bamboo producing areas and commercial and trade enterprises are encouraged to cooperate with bamboo product enterprises in production and marketing and supply and demand matchmaking.

The furniture sector should speed up the formulation and improvement of bamboo furniture standards and open up the boundaries of the industry, cooperate with household appliance makers and building materials and decoration industries to build an ecological standard system for bamboo products.

It is necessary to strengthen the two-way cultivation of production and consumption and encourage enterprises to develop more practical and environmentally friendly furniture products such as bamboo desks and chairs, bamboo shoe racks, bamboo lamps and lanterns and guide consumers to choose more high-quality and low-carbon bamboo furniture and household goods.

It is necessary to explore the construction of furniture "old for new" and recycling systems with relevant national and local departments, reduce the cost of furniture product renewal and increase the proportion of bamboo furniture products.

The furniture industry is encouraged to focus on leading enterprises and areas with rich bamboo resources and build world-class bamboo furniture production enterprises and bamboo furniture industry bases.

See: <https://new.qq.com/rain/a/20231106A060PT00/> and [https://www.ndrc.gov.cn/xxgk/zcfb/tz/202311/t20231102\\_1361715\\_ext.html](https://www.ndrc.gov.cn/xxgk/zcfb/tz/202311/t20231102_1361715_ext.html)

### **Surge in sawnwood and log imports from Sweden**

According to data from China Customs, wood product imports from Sweden totalled over 905,000 tonnes in the first half of 2023. China's imports from Sweden were wood pulp (41%), timber products (35%) and paperboard and paper products (23%).

China's wood pulp, timber products, paperboard and paper products imports were about 375,000 tonnes, 320,000 tonnes and 210,000 tonnes valued at US\$333 million, US\$123 million and US\$219 million respectively.

Most of the solid wood products imported from Sweden were sawnwood (83%) and logs (16%) valued at US\$108 million and US\$10 million, surging 86% and 240% year on year in volume in the first half of 2023.

### **Decline in China's plywood exports to Sweden**

According to China Customs, China's wood product exports to Sweden totalled over 23,000 tonnes in the first half of 2023. About 92% of China's exports to Sweden are wood products (50%), paperboard and paper products (34%) and furniture seats (9%). China's paperboard and paper products, furniture and seats exports to Sweden were about 12,000 tonnes, 8,000 tonnes and 2,000 tonnes valued at US\$25 million, US\$27 million and US\$45 million respectively.

China's furniture and seats exports to Sweden rose 5% but China's wood products, paperboard and paper products exports to Sweden fell 26% and 27% respectively in the first half of 2023.

China's plywood exports to Sweden fell 26% to 12,000 cubic metres valued at US\$6.93 million, down 27% in the first half of 2023.

Other wood product exported to Sweden include clothes hangers, disposable wood sticks (HS code 4421, 20%), wooden tableware, kitchen utensils (HS code 4419, 9%), wooden frames for drawing, picture or mirror (HS code 4414, 7%), down 21%, 37% and 17% respectively.

### **Inner Mongolia's "made in Ulanqab" furniture exported to Russia**

Finished furniture made in Ulanqab City, Inner Mongolia Autonomous Region are being exported to Russia on the China-Europe train for the first time, the destination is Russia's Yekaterinburg. 24 categories of furniture were shipped such as sofas, beds, dining tables and chairs which were customised according to the needs of Russian customers.

Chinese enterprises imported timber from Russia to Ulanqab through the China-Europe freight train for processing into furniture products and then re-exported these items to Russia and other countries. Chinese enterprises have a large number of customers in Russia.

Chinese enterprises will rely on the China-Europe freight train and Ulanqab's geographical and resource advantages, strengthened industrial advantages and extended industrial chain to provide impetus for cross-border, cross-regional and cross-field industrial cooperation in the future.

More local products from Ulanqab will be exported to create new patterns of foreign trade in Ulanqab City.

Since the first China-Europe freight train was launched in Ulanqab city in 2016 the development of the train service has been continuously improved. Since the beginning of 2023 the total number of China-Europe freight trains from Ulanqab City was 114 trains with 4,690 carriages, up 200% year-on-year with a total cargo value of US\$203 million and a total cargo weight of 63,200 tonnes. This has provided a solid foundation for Ulanqab City to actively participate in the construction of the China-Mongolian-Russia Economic Corridor.

See:

<http://www.nmg.xinhuanet.com/20231118/ff1326a2ab314023aa0bdd29881e5ddc/c.html>

### **Global Legal and Sustainable Timber Forum**

As part of the implementation of the Legal and Sustainable Timber Forum (LSSC) Programme and in response to demands from the global timber industry, ITTO and the Macao Trade and Investment Promotion Institute (IPIM) entered a Collaborative Framework Agreement to co-host the Global Legal and Sustainable Timber Forum to accelerate building Legal and Sustainable Forest Products Supply Chains to promote legal and sustainable ("green") forest products supply chains and increase the trade in legally and sustainably produced forest products.

The Forum was held 21-22 November 2023. After two days of extremely interesting presentations and discussions, consensus emerged among participants on key strategies to promote the legal and sustainable development of the global timber industry and accelerate its recovery. These included nine key actions.

### **Forum statement**

Timber is a crucial material for a sustainable future according to 700 participants from governments, enterprises, international organizations and research institutions at the inaugural Global Legal and Sustainable Timber Forum (GLSTF) which issued a set of nine actions to ensure the stability of the timber sector's future based on legal and sustainable forest management and supply chains.

The aim of the Forum, which was convened jointly by ITTO and the Global Green Supply Chain Initiative and the Macao Trade and Investment Promotion Institute was held in Macao SAR, China, 21–22 November 2023 and brought together key players in the global timber sector and mapped a course for the sector's future sustainable development.

"Timber is an environmentally-friendly, renewable, carbon-storing, recyclable material and thus a pillar of sustainability when produced, processed, traded and used legally and sustainably," said ITTO Executive Director Sheam Satkuru during the Forum. "We believe in the benefit of bringing all stakeholders in the sector together because forests and timber are vital for the planet's future."

The world is facing many challenges, such as economic volatility stemming from the aftermath of the COVID-19 pandemic, global conflicts, trade wars, rising energy prices, climate change, biodiversity loss and resource pressure. But Forum participants agreed that such challenges present opportunities for timber to become a cornerstone of circular bio-economies.

A sustainable and resilient timber industry, it was asserted, would not only contribute to wealth creation but also support healthy lifestyles and reduce the risk of climate change. The sustainable use of timber can also help safeguard other forest services, such as conserving biodiversity, soil and water, storing carbon, preventing land degradation, and reducing the risk of disasters.

After two days of extremely interesting presentations and discussions consensus emerged among participants about key strategies to promote the legal and sustainable development of the global timber industry and accelerate its recovery. These include the following nine key actions:

- 1) Strong networks and partnerships: there is an urgent need for strong networks and partnerships built on mutual respect and trust to support legal and sustainable forest management and timber supply chains.
- 2) Nature-based solutions: building and improving legal and sustainable timber supply chains should be recognized as key nature-based solutions from local-to-global challenges.
- 3) Trade promotion: the trade of legal and sustainable timber products should be promoted to facilitate a stable, fair, transparent and predictable environment for the recovery and growth of the global timber industry.
- 4) Global Legal and Sustainable Timber Forum: the Forum is a necessary platform for scaling up cooperation and information exchange between the public and private sectors and should be held annually.
- 5) The Global Timber Index: this initiative, which has been piloted for about a year and was officially launched at the forum, improves the quality and regularity of timber market information, encouraging greater information exchange in the private sector, and enhancing the efficiency of policy formulation. It should be continued and scaled up.
- 6) Advanced technology and traceability: the use of new technologies, tools and methodologies should be encouraged to help ensure the legitimacy and sustainability of timber resources, including the implementation of sustainable forest management and digital timber traceability.
- 7) Financial mechanisms: innovative financial mechanisms, such as payments for ecosystem services, should be further developed and used to increase investment in support of sustainable forest management and sustainable supply chains.

8) Timber industrial parks: legal and sustainable timber industrial parks should be established to incubate enterprises as models for the wider industry, thereby accelerating the adoption of best practices and advanced technologies.

9) Support: the global timber industry requires more support for adopting advanced technologies as a means for accelerating its sustainable development.

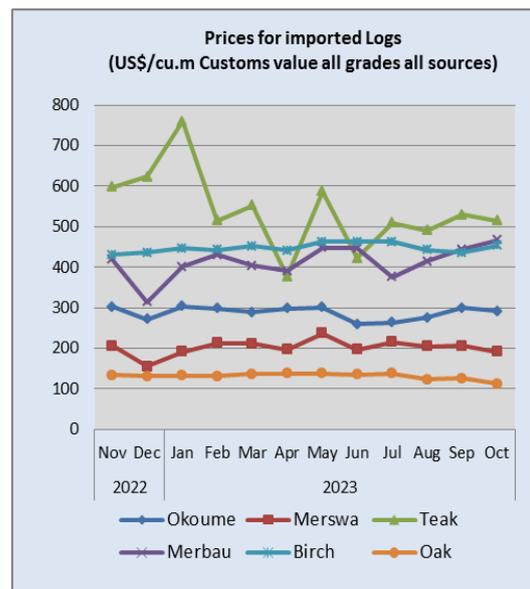
At its conclusion the Forum urged participants to continue working together by connecting, cooperating and sharing knowledge. The inaugural GLSTF, planned as an annual event, has emerged as a cornerstone for building this global network.

See: [https://www.itto.int/news/2023/11/24/global\\_forum\\_calls\\_for\\_action\\_to\\_sustainably\\_develop\\_timber\\_sector/](https://www.itto.int/news/2023/11/24/global_forum_calls_for_action_to_sustainably_develop_timber_sector/)

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

	2023 Sep	2023 Oct
Okoume	299	291
Merswa	206	191
Teak	530	515
Merbau	444	466
Birch	436	453
Oak	126	112

Data source: Customs, China

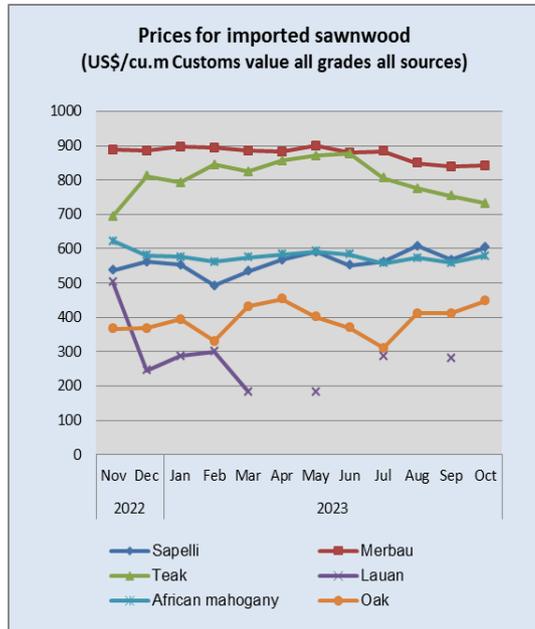


Data source: Customs, China

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

	2023 Sep	2023 Oct
Sapelli	568	603
Merbau	839	842
Teak	753	732
Lauan	281	
African mahogany	559	579
Oak	411	477

Data source: Customs, China



Data source: Customs, China

**Through the eyes of industry**

The latest GTI report lists the challenges identified by the private sector in China

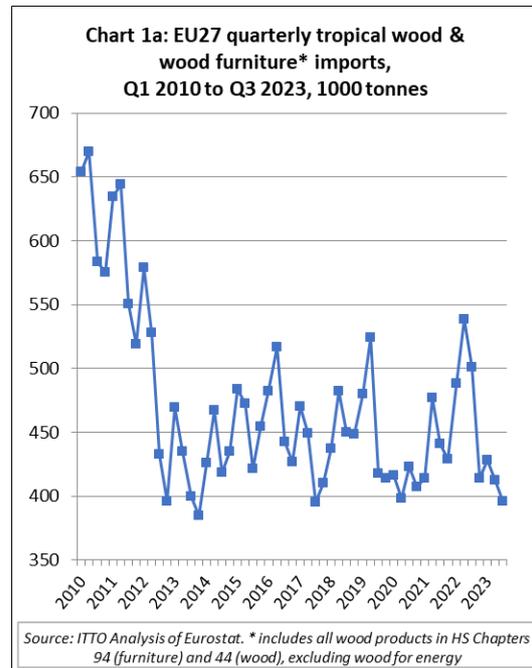
See: <https://www.itto-ggsc.org/static/upload/file/20231121/1700552181514582.pdf>

**EU**

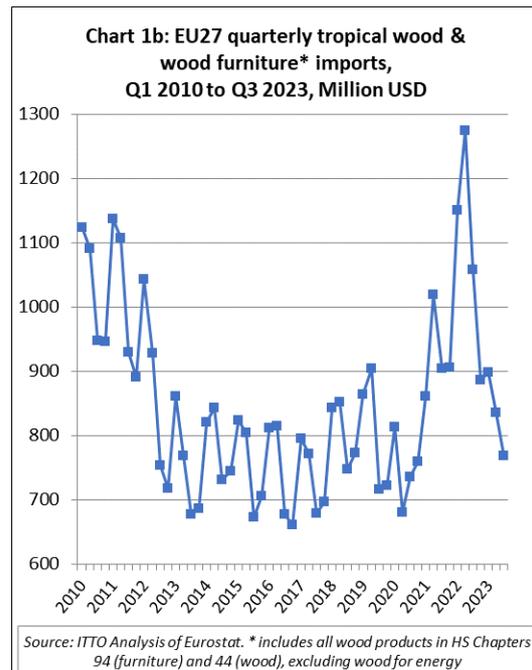
**Tropical wood product imports down 19%**

In the first nine months of this year, the EU27 imported 1,237,500 tonnes of tropical wood and wood furniture products with a total value of US\$2.50b, respectively 19% and 28% less than the same period in 2022. The scale of the decline in trade in the first nine months of this year is partly due to imports being at historically high levels in the first half of 2022, particularly when considered in value terms.

In quantity terms, EU27 imports of tropical wood and wood furniture totalled 396,000 tonnes in the third quarter of this year, 4% less than the previous quarter and 21% down on the same quarter in 2022. The quantity of EU27 imports in the third quarter this year was well below the long-term average of around 450,000 tonnes per quarter during the 2012 to 2019 period. (Chart 1a).



The total value of EU27 imports of tropical wood and wood furniture was US\$768m in the third quarter of this year, 8% less than the previous quarter and 27% below the same quarter last year. Despite the steep fall this year, import value in the third quarter was at around the long-term quarterly average between 2012 and 2019, the period of relatively stagnant market conditions for tropical products that prevailed in Europe before the COVID crises (Chart 1b).



Overall, the trade data highlights that import prices for tropical wood and wood furniture products in the EU27 market have remained relatively high this year despite sharp falls in freight rates and declining consumption. This is in line with broader inflationary trends impacting on the EU market, particularly driven by high energy costs.

Another downward revision to EU economic forecasts, recession looming

The European Commission’s Autumn Economic Forecast published on 15 November shows that the EU economy has lost momentum following the robust post-pandemic expansion in 2021 and 2022. GDP in the EU contracted very mildly in the fourth quarter of 2022 and barely grew in the first three quarters of this year. The high cost of living took a heavier toll than expected. On the external side, global trade provided little support. Meanwhile, the response of monetary policy to high inflation is working its way through the economy, and fiscal support is partly being phased out.

The EC projects GDP growth in 2023 at 0.6% in both the EU and the euro area. This is 0.2 percentage points lower than projected in the summer and an even larger downward revision compared to the Spring Forecast, by 0.4 percentage points. Going forward, the EC expects growth to rebound mildly as consumption recovers with rising real wages, investment remains supportive and external demand picks up.

EU GDP growth is forecast to improve to 1.3% in 2024, still below potential and a downward revision of 0.1 percentage points compared to the Summer Forecast. The EC forecasts that 10 EU countries — including Germany — will see their economies shrink this year. All except Sweden are expected to grow in 2024.

Headline inflation in the EU is forecast by the EC to decrease from 6.5% in 2023 to 3.5% in 2024 and 2.4% in 2025. The European Central Bank last hiked its policy interest rates in September, by 25 bps. Interest rates are thought to have peaked and are expected to ease gradually now that inflation seems to be under control.

The loss of growth momentum so far this year reflects the lack of any solid growth drivers in the economy. Domestic consumption and investment in both the private and public sectors are weak, and export trade is also down. Wage growth has lagged behind inflation and retail sales are still declining.

Spending on services has held up a little better partly due to further recovery in tourist arrivals to the EU. Manufacturing output in the EU has been held back by weak demand and high energy costs. Similarly, high input and financing costs, as well as labour shortages, are dragging down construction activity, particularly in housing.

According to the Financial Times, independent economists are even more gloomy than the EC about prospects in the EU. Carsten Brzeski, an economist at Dutch bank ING, told the FT that “The commission’s forecasts still fall into the category ‘unbeatable optimism’”. He forecast that eurozone growth would reach just 0.2 per cent next year when “we will still see the negative impact from higher interest rates on growth”.

The HCOB Eurozone Construction PMI dropped from 43.6 in September to 42.7 in October, well below the 50-mark which is the threshold for stable conditions and signalling the fastest monthly decline in eurozone construction activity since December 2022.

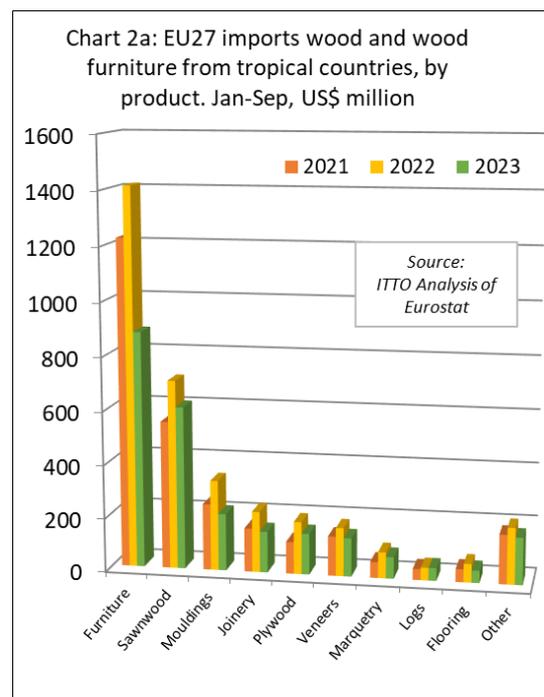
In line with the trend seen for over a year, the housing sector remained a particular point of weakness. Firms in Germany and France registered a particularly significant decrease in output. German construction firms recorded the sharpest fall in activity since April 2020.

Italy was alone in signalling growth in construction output. Driving the downturn in output was a marked decline in new orders, as demand conditions deteriorated. Meanwhile, construction business confidence in the eurozone worsened, with expectations at their joint-lowest since last December.

**Across the board decline in EU import value of tropical wood products**

There was a year-on-year decline in EU27 import value for all tropical wood product groups except logs between January and September this year (Chart 2a).

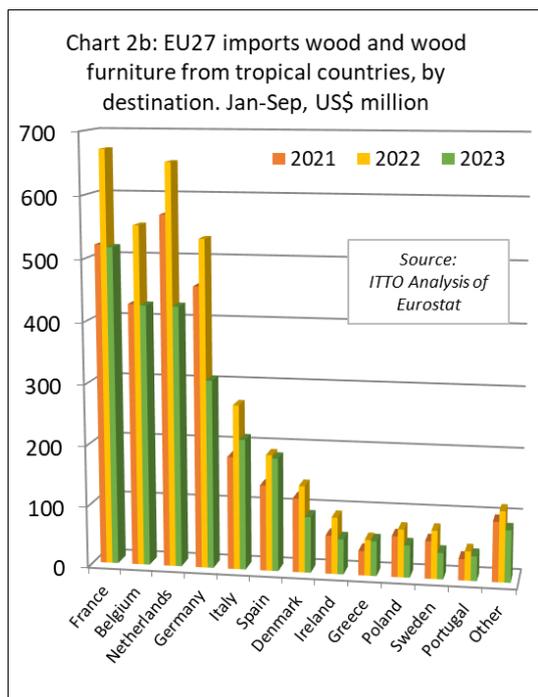
During the nine-month period, there were large declines in EU27 import value for: wood furniture from tropical countries (-38% to US\$881m); tropical mouldings/decking (-37% to US\$213m); tropical joinery products (-33% to US\$153m); tropical-hardwood-faced plywood (-22% to US\$153m); tropical veneer (-20% to US\$144m); tropical marquetry (-18% to US\$80m); and tropical flooring (-34% to US\$46m).



A more moderate decline was recorded in EU27 import value of tropical sawnwood, by 14% to US\$607m. EU27 import value of tropical logs increased 0.4% to US\$47m during the nine-month period.

In terms of EU destinations, import value of tropical wood and wood furniture in the first nine months this year was down year-on-year in all the main markets. There were relatively minor declines in Spain (-3% to US\$185m) and Greece (-3% to US\$57m).

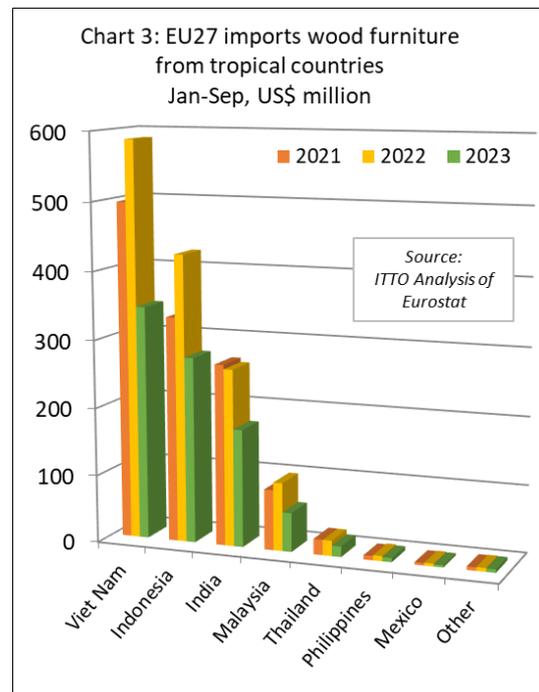
However, much larger falls were recorded in France (-23% to US\$517m), Belgium (-23% to US\$425m), the Netherlands (-35% to US\$425m), Germany (-42% to US\$307m), Italy (-21% to US\$213m), Denmark (-35% to US\$92m), Ireland (-40% to US\$58m), Poland (-32% to US\$53m), Sweden (-45% to US\$43m), and Portugal (-15% to US\$40m) (Chart 2b).



**EU27 wood furniture imports from tropical countries decline by 29%**

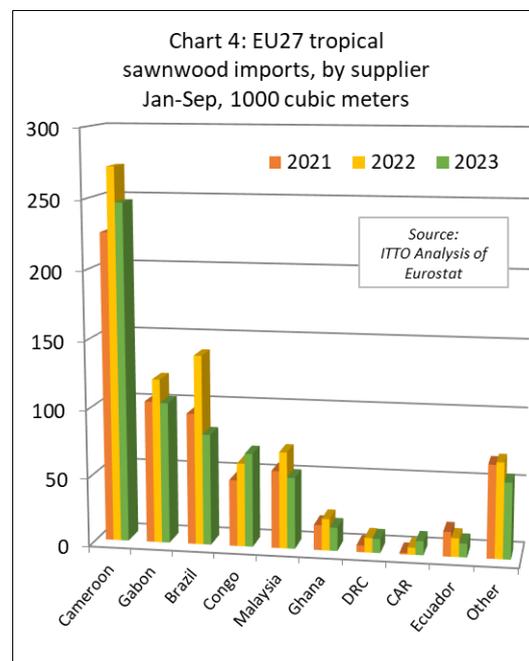
In the first nine months of 2023, the EU27 imported 201,000 tonnes of wood furniture from tropical countries with a total value of US\$881m, down 29% and 38% respectively compared to the same period in 2022.

Import value decreased 41% to US\$345m from Vietnam, 35% to US\$275m from Indonesia, 33% to US\$174m from India, 43% to US\$57m from Malaysia, and 31% to US\$16m from Thailand. EU27 wood furniture imports from all other tropical countries were negligible during the nine-month period (Chart 3).

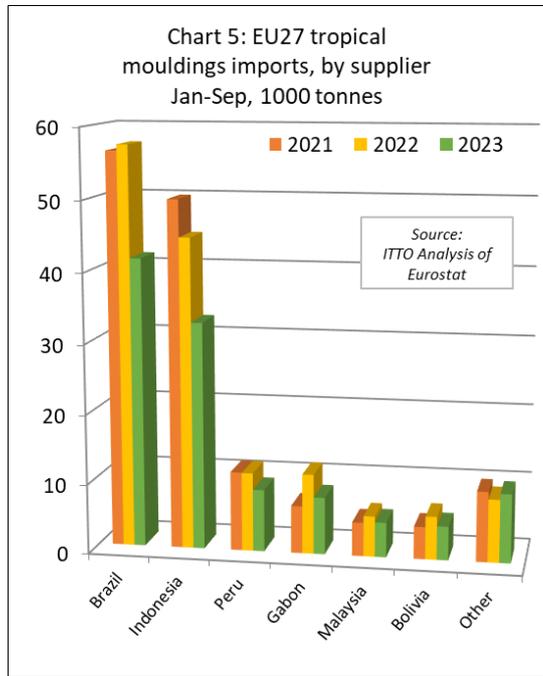


EU27 imports of tropical sawnwood down 14% this year  
The EU27 imported 607,300 cubic metres of tropical sawnwood in the first nine months of 2023, 14% less than the same period in 2022.

Imports increased from Congo (+12% to 68,500 cubic metres) and CAR (+98% to 10,300 cubic metres). However, these gains were offset by declining imports from Cameroon (-9% to 246,800 cubic metres), Gabon (-14% to 103,300 cubic metres), Brazil (-41% to 81,300 cubic metres), Malaysia (-26% to 52,200 cubic metres), Ghana (-26% to 17,100 cubic metres), DRC (-4% to 10,400 cubic metres), and Ecuador (-27% to 10,000 cubic metres) (Chart 4).



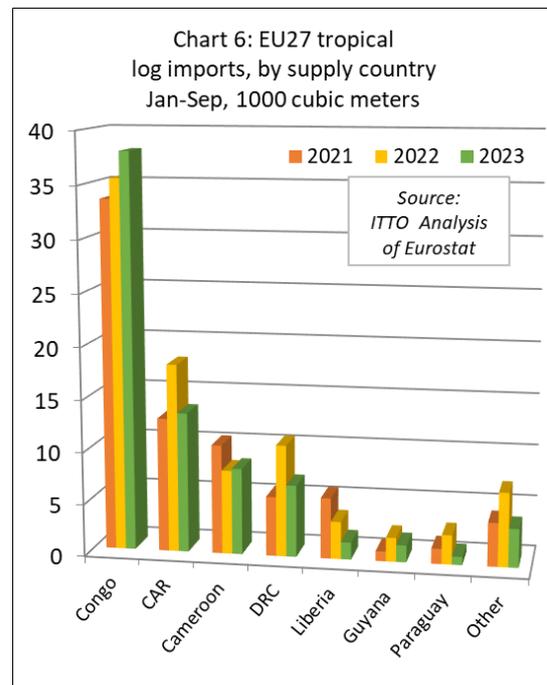
The EU27 imported 111,000 tonnes of mouldings/decking in the first nine months of 2023, 24% less than the same period last year. Imports fell sharply from all the leading supply countries including Brazil (-28% to 41,500 tonnes), Indonesia (-27% to 32,600 tonnes), Peru (-21% to 8,900 tonnes), Gabon (-29% to 8,200 tonnes), Malaysia (-14% to 5,000 tonnes), and Bolivia (-22% to 4,900 tonnes). (Chart 5).



In the first nine months of 2023, the EU27 imported 74,400 cubic metres of tropical logs, 16% less than the same period in 2022. A notable trend during the period was a 7% rise in EU27 log imports from Congo to 38,000 cubic metres.

This rise in European arrivals – which was concentrated in the first quarter of this year - reflects a last-minute effort to ship logs in advance of the log export ban imposed by the Republic of Congo from 1st January 2023. EU27 imports of logs also increased slightly from Cameroon during the nine-month period, up 3% to 8,300 cubic metres. These logs may well be sourced from neighbouring Congo or Central African Republic.

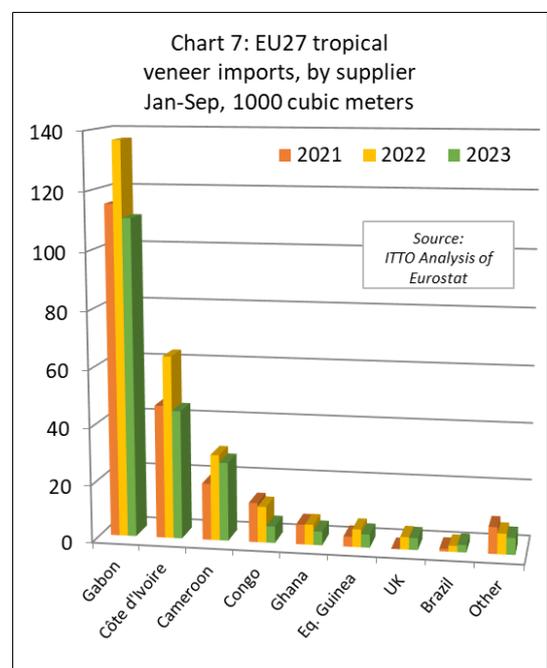
EU27 imports of tropical logs from all other supply countries declined during the period including Central African Republic (-26% to 13,400 cubic metres), Democratic Republic of Congo (-36% to 6,900 cubic metres), Liberia (-54% to 1,600 cubic metres), Guyana (-29% to 1,600 cubic metres) and Paraguay (-72% to 780 cubic metres) (Chart 6).



**EU27 imports of tropical veneer down 22% and tropical plywood down 10%**

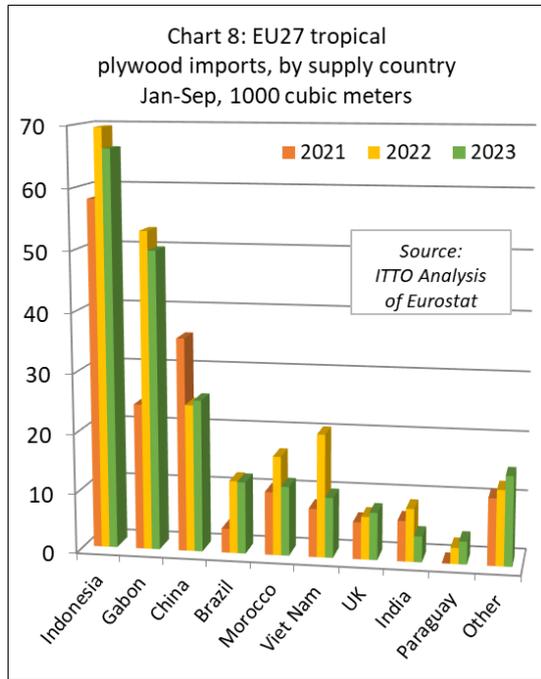
In the first nine months of 2023, the EU27 imported 210,600 cubic metres of tropical veneer, down 22% compared to the same period last year. Imports of tropical veneer from Gabon, by far the largest supplier to the EU27, decreased 19% to 110,500 cubic metres after rising sharply last year.

EU27 veneer imports in the first nine months of this year also declined from Côte d'Ivoire (-30% to 44,800 cubic metres), Cameroon (-9% to 27,400 cubic metres), Congo (-54% to 5,800 cubic metres), Ghana (-32% to 4,800 cubic metres), and Equatorial Guinea (-26% to 4,600 cubic metres). However, imports from Brazil were up 23% to 2,600 cubic metres during the nine-month period (Chart 7).



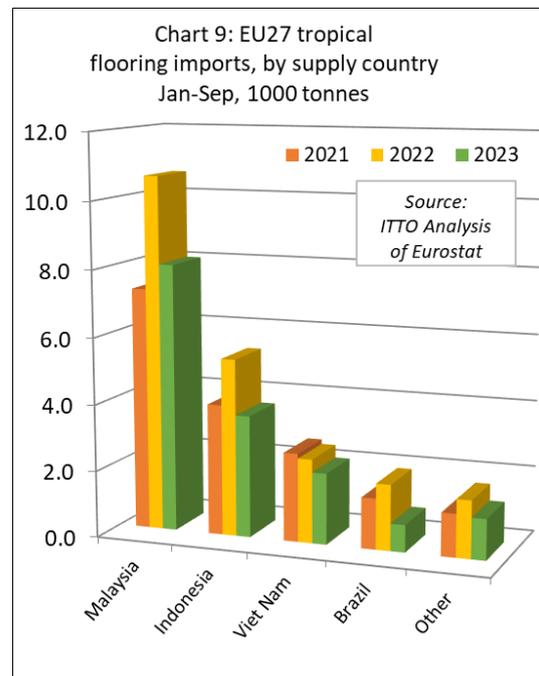
In the first nine months of 2023, EU27 tropical plywood imports were 206,200 cubic metres, 10% less than in the same period last year. Imports increased from China (+3% to 25,400 cubic metres) and Paraguay (+42% to 3,800 cubic metres), while indirect imports via the UK were also up 10% to 7,900 cubic metres.

However, imports from all the leading tropical supply countries declined including Indonesia (-5% to 66,200 cubic metres), Gabon (-6% to 49,900 cubic metres), Brazil (-1% to 12,000 cubic metres), Morocco (-30% to 11,600 cubic metres), Vietnam (-51% to 10,100 cubic metres), and India (-51% to 4,300 cubic metres). (Chart 8).



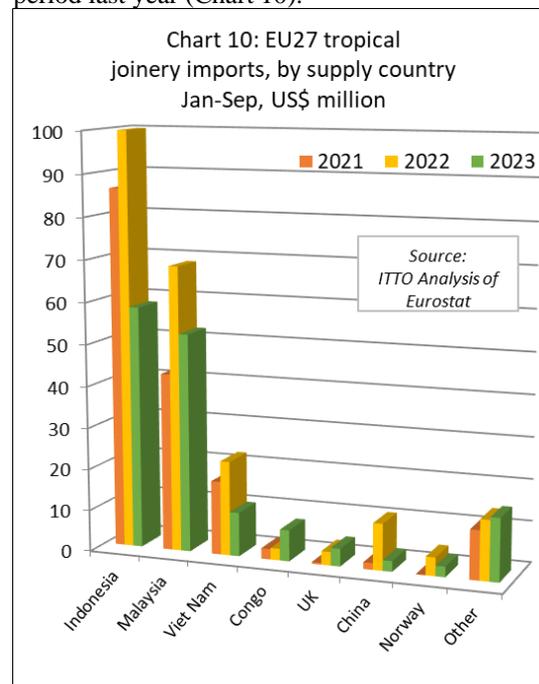
EU27 imports of tropical laminated products decline from all countries except Congo

In the first nine months of 2023, the EU27 imported 15,900 tonnes of tropical wood flooring, down 28% compared to the same period last year. The consistent rise in EU27 wood flooring imports from Malaysia, that began in 2020, has stalled this year. Imports of 8,000 tonnes from Malaysia in the first nine months of 2023 were 25% less than the same period in 2022. Imports also fell from Indonesia (-31% to 3,700 tonnes), Vietnam (-15% to 2,100 tonnes), and Brazil (-59% to 820 tonnes) (Chart 9).



The value of EU27 imports of other joinery products from tropical countries - which mainly comprise laminated window scantlings, kitchen tops and wood doors – declined 33% to US\$153m in the first nine months of 2023. Imports were down 42% to US\$58m from Indonesia, down 23% to US\$52m from Malaysia, down 54% to US\$11m from Vietnam, and down 77% to less than US\$3m from China.

In a potentially significant longer-term development, given efforts in the country to shift up the value chain as log exports are banned, EU imports of laminated joinery products from Congo were valued at US\$7.5m in the first nine months of this year, 170% more than during the same period last year (Chart 10).



### US housing starts rise unexpectedly

Construction of new homes rose 1.9% in October, as builders amped up new projects. The pace of construction increased as builders saw a pressing need for more housing units, with the resale market continuing to deal with a shortage.

Housing starts rose to a 1.37 million annual pace from 1.35 million in October. That's how many houses would be built over an entire year if construction took place at the same pace every month as it did in October. The government data exceeded expectations on Wall Street, where the expected rate was 1.35 million.

"Broadly, while the demand for homes has weakened in line over the past year to 18 months with the ascent of mortgage rates and home prices, builders are generally looking beyond the near-term and are well aware that there is a structural shortage of housing in the US," Stephen Stanley, chief US economist at Santander US Capital Markets, wrote in a note.

With rates falling, buyer demand is likely to bounce back. And given that builders are among the few who are adding new housing stock, they may ramp up starts in the months to come, barring any major weather events. Home builders ramped up construction of single-family homes in the Midwest and West, with starts rising by 12% in each of those regions. Housing starts fell the most in the Northeast, by 14.5%.

The pace of housing starts for October also ticked up in Canada. The Canadian Mortgage and Housing Corporation reported that the seasonally adjusted annual rate of housing starts in October came in at 274,681, up 1% from 270,669 in September. The increase came as the pace of urban housing starts rose two per cent to 257,357 units, with multi-unit urban starts up 1% at 209,887 and single-detached urban starts up 9% at 47,470.

See: <https://www.census.gov/construction/nrc/current/index.html> and

<https://www.msn.com/en-ca/money/topstories/cmhc-says-annual-pace-of-housing-starts-in-october-up-1-from-september/ar-AA1k28Zg>

### US builder confidence low, but improvements are in sight

High mortgage rates in the US that approached 8% earlier in November continue to hammer builder confidence, but recent economic data suggest housing conditions may improve in the coming months.

Builder confidence in the market for newly built single-family homes in November fell six points to 34 in November, according to the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI). This is the fourth consecutive monthly drop in builder confidence, as sentiment levels have declined 22 points since July and are at their lowest level since December 2022.

Despite this, NAHB is forecasting approximately a 5% increase for single-family starts in 2024 as financial conditions ease with improving inflation data in the months ahead.

"While builder sentiment was down again in November, recent macroeconomic data point to improving conditions for home construction in the coming months," said NAHB Chief Economist Robert Dietz.

See:

[https://www.globalwood.org/news/2023/news\\_20231117.htm](https://www.globalwood.org/news/2023/news_20231117.htm)

### US home sales continue to fall, hit 13-year low

US Home sales fell in October to a fresh 13-year low as high interest rates and home prices continued to pummel the housing market.

Existing home sales, which make up most of the housing market, decreased 4.1% in October from the prior month to a seasonally adjusted annual rate of 3.79 million, the lowest rate since August 2010, the National Association of Realtors (NAR) said. October sales fell 14.6% from a year earlier. Sales have been near 2010 levels in recent months.

Even as home-buying demand has slumped, the inventory of homes for sale has stayed low. High rates are making homeowners unwilling to sell and move, because they don't want to give up their existing low interest rates. The limited supply is a major reason that home prices are rising in much of the U.S.

"Lack of inventory along with higher mortgage rates are really hindering home sales," said Lawrence Yun, NAR's chief economist.

Existing-home sales in the Northeast dipped 4.0% from September to an annual rate of 480,000 in October, down 15.8% from October 2022. At an annual rate of 930,000 in October, existing-home sales in the Midwest were unchanged from the prior month but down 13.9% from one year ago. Existing-home sales in the South retracted 7.1% from September to an annual rate of 1.69 million in October, a decline of 14.6% from the previous year. In the West, existing-home sales decreased 1.4% from the prior month to an annual rate of 690,000 in October, down 14.8% from one year ago.

See: <https://www.nar.realtor/research-and-statistics/housing-statistics/existing-home-sales>

### October's jobs report shows the labour market is cooling

The US economy added an estimated 150,000 jobs in October, and the unemployment rate changed little at 3.9%, the US Bureau of Labor Statistics reported. Job gains occurred in health care, government, and social assistance. Employment declined in manufacturing due to strike activity.

The October jobs report showed a lower-than-expected monthly total, a higher unemployment rate, a slower pace of job gains and cooler wage growth, which is exactly what the central bank is looking for.

The report suggests that the job market has finally started to cool down, said Seema Shah, chief global strategist at Principal Asset Management. The strong September total was but "a momentary upward blip in the jobs numbers," she said, and the labor market is now back on track, continuing its previous downward trend.

In October, construction employment continued to trend up (+23,000 persons), about in line with the average monthly gain of 18,000 over the prior 12 months. Employment in manufacturing decreased by 35,000 in October, reflecting a decline of 33,000 in motor vehicles and parts that was largely due to strike activity. The United Auto Workers has struck tentative deals with Ford, General Motors and Chrysler-parent Stellantis after a six-week campaign of workers walking off the job.

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

### **US GDP up 4.9% in third quarter**

The gross domestic product (GDP) of the US expanded at an annualized rate of 4.9% in the third quarter, the US Bureau of Economic Analysis' (BEA) first estimate showed. The US economy grew at the fastest pace in nearly two years, buoyed by a strong consumer in spite of higher interest rates, ongoing inflation pressures, and a variety of other domestic and global headwinds. The US GDP reading followed the 2.1% growth recorded in the second quarter and surpassed Wall Street expectations of 4.2%.

"The increase in real GDP reflected increases in consumer spending, private inventory investment, exports, state and local government spending, federal government spending, and residential fixed investment that were partly offset by a decrease in nonresidential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased," the BEA explained in its press release.

Consumer spending in the US, as measured by personal consumption expenditures, increased 4% for the quarter after rising just 0.8% in the second quarter. The gross private domestic investment surged 8.4% and government spending and investment jumped 4.6%.

The data reflects the lift from a strong US labor market. Traders added to bets the Federal Reserve will keep policy on hold through this year and will begin interest rate cuts in mid-2024, despite the US economy growing at its fastest pace since late-2021.

See: <https://www.bea.gov/news/2023/gross-domestic-product-third-quarter-2023-advance-estimate>

### **US consumer sentiment sags to 6-month low**

Consumer sentiment in the US fell in November for the fourth month in a row due to worries about higher interest rates as well as war in the Middle East. The preliminary reading of the sentiment survey declined to 60.4 from 63.8 in October, the University of Michigan said. It's the weakest reading since May.

"The consumer is feeling stretched between the twin pains of inflation and higher interest rates, making them less optimistic about their current and future economic prospects," said Damian McIntyre, head of Multi Asset Solutions at Federated Hermes.

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

<https://www.msn.com/en-us/money/markets/consumer-sentiment-falls-to-6-month-low-on-worries-over-higher-interest-rates-and-mideast-war/ar-AA1jIrE4>

### **US manufacturing disappoints in October**

The US manufacturing sector contracted at a faster pace last month as the October ISM Manufacturing PMI fell to 46.7, trailing the 49.0 consensus and decelerating from 49.0 in September. Any number below 50 reflects shrinking activity. October signaled the 12th consecutive month of contraction following a 28-month period of growth.

Of the 18 industries surveyed by ISM, 13 industries reported contraction in October including the Wood Products sector and the Furniture and Related Products sector.

The decline in new orders was a main concern, said Timothy Fiore, chair of the ISM's factory survey committee. The backlog of orders is also extremely weak. "New orders are not there. That's a concern," Fiore said.

Manufacturing had reached a floor of 46 in June and was starting to rebound, but higher interest rates caused firms to pull back capital spending plans, economists said. In addition, the United Auto Workers strike might have had some impact on the data.

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

### **U.S. hardwood lumber exports fall sharply in 2023**

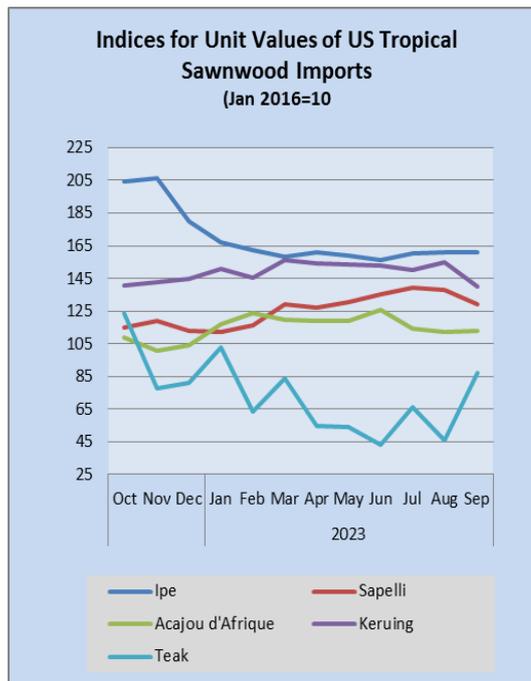
Fastmarkets.com has reported US foreign trade of hardwood lumber declined sharply in 2023. Exporters have struggled to compete on price against alternative species in most offshore markets this year. Meanwhile, fading demand in the US has impeded imports, traders say.

US hardwood lumber exports to offshore destinations fell to 1.56 million cubic metres through August, down 21% from the first eight months of 2022. At the current pace, exports will decline to the lowest volume since 2011, according to statistics from the US Foreign Agricultural Service.

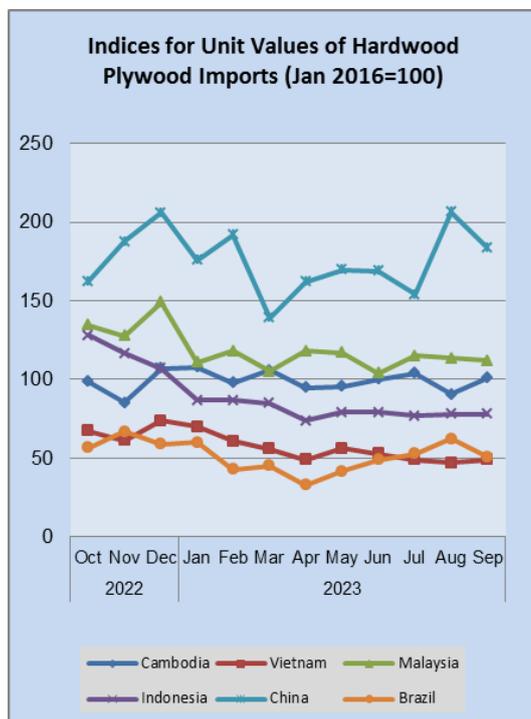
Exports to China, by far the largest overseas market for US hardwoods, slipped to 696,063 cubic metres through August, trailing the year-ago eight-month volume by 10%. Shipments to China are on pace to decline for a third consecutive year after peaking in 2020 at 1.25 million cubic metres.

Sales to other Pacific Rim destinations fell at a steeper rate compared to the decline in China. Shipments to Vietnam decreased 23% to 224,743 cubic metres. Exports to smaller markets in the region such as Indonesia, Thailand, South Korea, and Malaysia plunged between 44% and 54%.

See:  
[https://www.globalwood.org/news/2023/news\\_20231121.htm](https://www.globalwood.org/news/2023/news_20231121.htm)  
 and  
<https://www.fastmarkets.com/insights/us-struggles-with-foreign-trade-of-hardwood-lumber-in-2023/#:~:text=Hardwood%20lumber%20exports%20to%20offshore,the%20US%20Foreign%20Agricultural%20Service.>



Data source: US Census Bureau, Foreign Trade Statistics



Data source: US Census Bureau, 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.

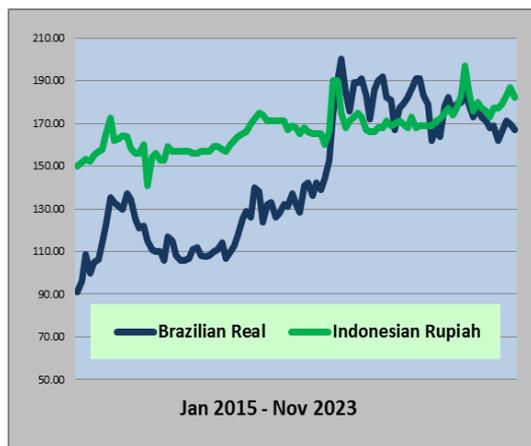
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

## US Dollar Exchange Rates

As of 25 November 2023

Brazil	Real	4.90
CFA countries	CFA Franc	601.19
China	Yuan	7.15
Euro area	Euro	0.92
India	Rupee	83.32
Indonesia	Rupiah	15,498
Japan	Yen	149.00
Malaysia	Ringgit	4.69
Peru	Sol	3.78
UK	Pound	0.79
South Korea	Won	1,305.33

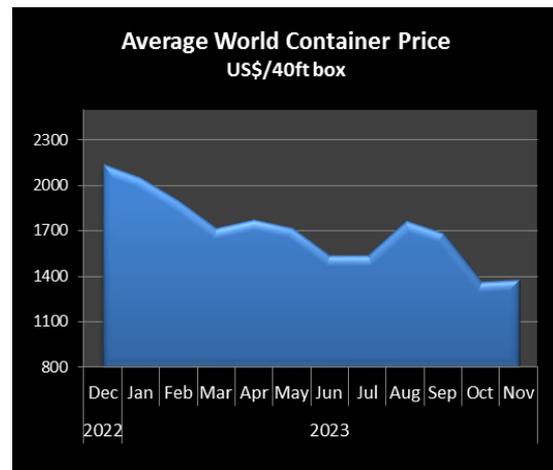
Exchange rate indices (US\$, Dec 2003=100)



## 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

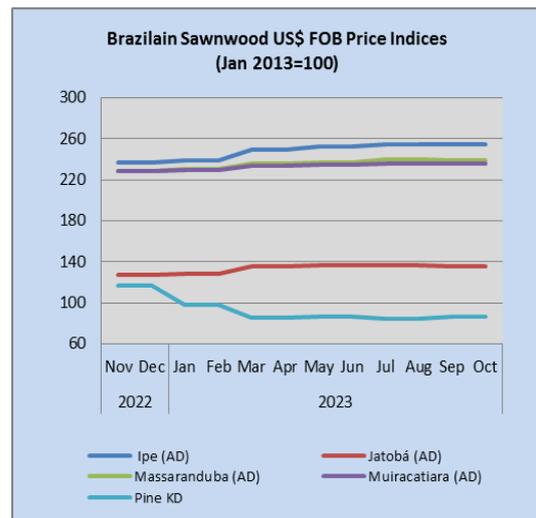
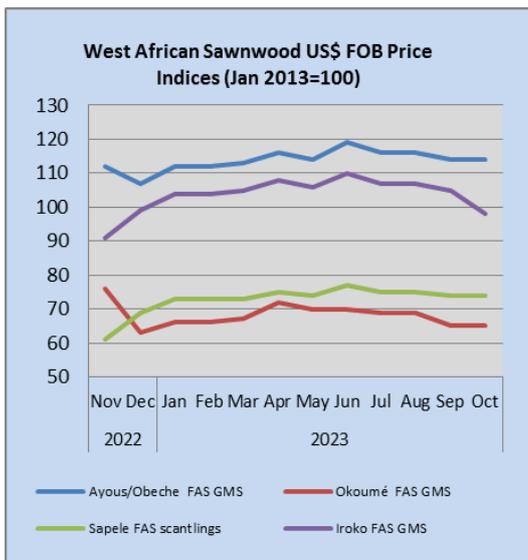
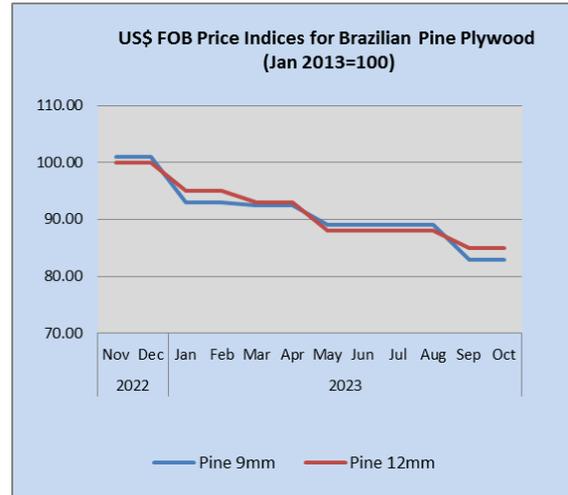
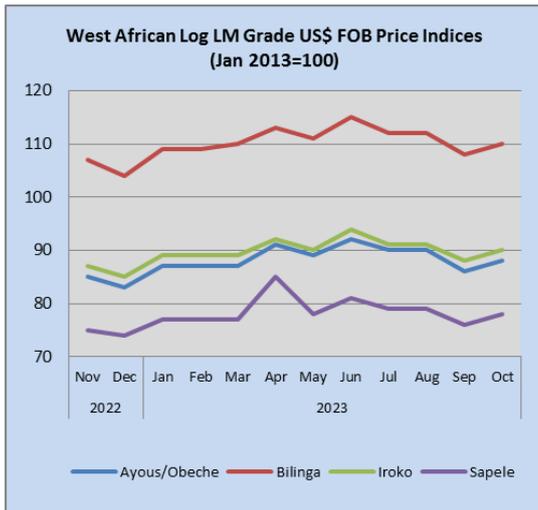


Data source: Drewry World Container Index

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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