

Tropical Timber Market Report

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Top story

Japan to revise JAS labeling standards for wood products

Use of hand-stamped JAS marks will be prohibited.

The New Business and Food Industry Department of the Minister's Secretariat at the Ministry of Agriculture, Forestry and Fisheries will completely prohibit the use of manually stamped JAS marks.

Triggered by last year's scandal involving unauthorised use of the JAS mark the labeling method will be revised to a system that allows tracking.

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Regional update

Gabon

Power shortages remain a critical issue with daily electricity cut now occurring twice a day. These interruptions are disrupting industrial activity and creating frustration among operators. On 15 September construction work on the Owendo gas-fired thermal power plant began. This constitutes the initial link in an infrastructure project financed by the African Export-Import Bank.

See: <https://www.lenouveaugabon.com/fr/energies/1709-20614-afreximbank-injecte-130-milliards-fcfa-pour-trois-centrales-a-gaz-de-300-mw-au-gabon>

Demand remains weak with European buyers being cautious and Chinese interest being limited. The competitive threat from Brazilian pine is a central concern creating downward pressure on Okoume's market share.

Okoume is facing growing competition from Brazilian pine. News is circulating that a new, large-scale automated sawmill in Brazil is offering sawn pine at Eur210–220/cu.m CIF in Middle East markets. This is under-cutting Okoume in one of its key export destinations and contributing to sluggish sales and the build-up of stocks.

At the GSEZ Park in Nkok it is reported that Okoume stocks have climbed to around 30,000 cu.m. This accumulation reflects both weak demand and high production levels during the dry period.

SETRAG is facing new criticism after a major fire at its log stock park in Lastourville. The blaze, fuelled, it is said, by sawdust and offcuts spread quickly and damaged some Okoume stock. Those affected are demanding compensation.

Regulatory developments

On 9 September the Gabon Forestry Ministry and the Ministry of Economy and Finance hosted an Economic Forest Forum. Operators were reminded that in 2023 the forestry sector contributed 41.9 billion CFA in taxes, equivalent to 3.2% of GDP, a level described by officials as too low given Gabon's forest coverage.

The government is seeking to increase revenue and improve sector governance.

Several initiatives were presented under the new "Fonds Bois Gabon 2030", including:

- reform of the forestry code (previous attempts failed)
- stronger certification requirements
- stricter enforcement of tax payments
- an emphasis on downstream processing including furniture
- geolocation for timber trucks using European style tachograph discs

It is said that currently 172 trucks in the GSEZ are equipped with such a system but the country has a total of 450 trucks requiring installation.

Cameroon

The country is firmly in election mode ahead of the October presidential polls. Political uncertainty is keeping operations on hold with many companies scaling back production until the elections are over. It is suggested that trade missions and investment decisions are likely to resume only in November.

Markets remain mixed across all regions. Demand in the Middle East is reported as stable for redwood species while Ayous is under pressure due to competition from Brazilian pine.

The Philippines market remains very quiet while, in contrast, Vietnam is showing strong demand. Europe demand remains slow with no signs of significant recovery in orders after the holiday period.

Recently Douala Port has been experiencing heavy congestion with ships waiting more than a week to berth. High charges at the port remain an issue with exporters who point out that these cut margins and reduce competitiveness when the costs are passed on. Containers remain available but logistics inefficiencies are weighing on operations.

Republic of Congo

No major disruptions have been reported but operators focused on Okoume are struggling under the current market conditions. Chinese demand has weakened sharply and Okoume exporters are facing increasing competition from Brazilian pine.

Despite this, price levels remain largely unchanged for Europe. Interestingly, some Chinese buyers are showing interest in Belli sawn timber although volumes remain modest. Transport routes to Douala Port are said to be functioning normally.

Demand sentiment is said to be 'cautious'. Europe is receiving more attention from producers as Chinese and Philippine demand softens but sales are yet to pick up. Demand in Viet Nam is providing some stability while the Middle East markets are demonstrating a reduced appetite for Okoume.

Overall, operators remain in a defensive mood, adjusting production to avoid oversupply in weak markets.

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/20250918/1758161706789480.pdf>

Log export prices

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

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	680
Okoumé FAS GMS	420
Merchantable KD	400
Std/Btr GMS	420
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	850
FAS scantlings	900
Strips	400
Sapele FAS Spanish sizes	530
FAS scantlings	550
Iroko FAS GMS	850
Scantlings	900
Strips	400
Khaya FAS GMS	420
FAS fixed	440
Moabi FAS GMS	550
Scantlings	550
Movingui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	450

Ghana

Participation in 5th World Teak Congress

Ghana participated in the 5th World Teak Congress (WTC) which took place in Kochi, India, under the theme, "Sustainable Development of the Global Teak Sector - Adapting to Future Markets and Environments".

The 4-day event was organised by TEAKNET, an international network of institutions and individuals interested in the teak value chain.

The mission of the Organisation is addressing the interests of stakeholders which includes growers, traders, researchers and other groups with an interest in teak. The Conference brought together delegates from 40 countries.

Ghana was represented by a four-member delegation led by the Chief Executive Officer (CEO) of the Ghana Forestry Commission, Dr. Hugu C. A. Brown, who is also the Chairman of the Scientific Organising Committee and Chairman of TEAKNET.

The Chairman of TEAKNET acknowledged the important role the organisation has played in providing a platform for all players in the teak sector to assemble at one place for business and the exchange of ideas.

See: <https://fcghana.org/5th-world-teak-congress-underway-in-kochi-india/>

and https://www.itto.int/top_stories/2025/09/24/5th_world_teak_confrence_experts_highlight_how_itto_project_is_advancing_sustainable_teak_production/

January to July exports

The total volume of wood products exported by Ghana during the period January to July 2025 plummeted by 19% to 126,980 cu.m. compared to the total volume of 157,518 cu.m. recorded for the same period in 2024 according to data from the Timber Industry Development Division (TIDD) of the Forestry Commission (FC).

These exports generated a revenue of Eur58.76 million an 18% decrease in value against the total receipts of Eur71.27 million earned for the same period in 2024.

Export volume, Jan. to July, % change 2024/25

Product	2025 cu.m	Y-O-Y % Vol.	Y-O-Y % Val.
AD sawnwood	74,124	-17%	-20%
KD sawnwood	18,449	-11%	-4%
Billets	11,284	-25%	-26%
Plywood (regional)	8,520	-16%	-14%
Plywood (international)	1,275	-82%	-84%
Rotary Veneer	4,387	-19%	-25%
Mouldings	3,172	-10%	-14%
Sliced Veneer	4,015	11%	22%
Briquettes	405	-73%	-76%
Others (8)	1,349	-19%	-54%
Total	126,980	-19%	-18%

Data source: TIDD

The top three products exported were air and kiln dried sawnwood and billets accounting for 58%, 14% and 9% respectively of the total export volume in 2025. The dominance of air-dried sawnwood as against kiln-dried sawnwood could be attributed to the high cost associated with kiln-drying facilities.

The top destination for exports was the Asia which accounted for 67% (84,951cu.m) of the country's wood products export for the period in January to July 2025, compared to 65% (101,741 cu.m) of the total volume from January to July 2024.

Revenue from wood products export to Asia accounted for more than 50% of the total export receipts in 2024 (55%) and in 2025 (55%), with the balances being from the remaining five continental markets namely Europe, America, Africa, Middle East and Oceania.

According to the data, air-dried sawnwood and billets accounted for 99% of the total primary products exports during the period January to July 2025.

Indian and Vietnamese companies were the major buyers of the wood products with air-dried sawnwood (especially wawa) and teak billets dominated exports to these two countries.

Rivers and forests to be declared security zones

As part of renewed ongoing efforts to fight illegal mining in the country, popularly known as galamsey, the Minister for Lands and Natural Resources, Emmanuel Armah-Kofi Buah, has announced government will soon declare all rivers and forests in Ghana as security zones.

The move to designate rivers and forests as security zones is expected to empower state security agencies to take tougher action against illegal operations, which continue to cause widespread destruction to water bodies and forest reserves across the country.

Democracy Hub, the activist organisation behind Ghana's 'FixTheCountry' movement, launched a major anti-galamsey demonstration in the capital demanding immediate government action against illegal mining operations devastating the country's water bodies and forest reserves.

The demonstration represents the organisation's latest campaign following their successful mobilisation of previous demonstrations aimed at convincing the authorities to end the widespread environmental damage and the socio-economic crisis caused by illegal mining activities.

See: <https://www.myjoyonline.com/rivers-forests-to-become-security-zones-lands-minister-hints-in-intensified-galamsey-fight/>

Electricity tariff up by 1% more increases likely

The Public Utilities Regulatory Commission (PURC) has announced a 1.14% upward adjustment in electricity tariffs for all consumer categories effective 1 October 2025. Water tariffs remain unchanged.

In a statement signed by Acting PURC Executive Secretary, Shafic Suleman, the Commission said the decision follows its Quarterly Tariff Review Mechanism which tracks key economic factors that affect the cost of delivering utility services.

The Electricity Company of Ghana (ECG) is proposing a more than doubling adjustment from the PURC in its Distribution Service Charge (DSC1).

The company attributes the request to the depreciation of the Ghana cedi effectively cutting ECG's revenue in dollar terms.

At a press conference the Director of Communications at the IMF indicated that the IMF fully backs Ghana's efforts aimed at reviewing utility tariffs in the country's energy and power sectors. The increase will also stimulate investments to deal with the problems in the energy sector

See: <https://ecg.com.gh/index.php/en/media-centre/public-notice/ecg-s-proposal-for-review-of-distribution-service-charge-1>

Through the eyes of industry

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<https://www.itto-ggsc.org/static/upload/file/20250918/1758161706789480.pdf>

Boule export prices

	Euro per cu.m FOB
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	780
Niangon Kiln dry	910

Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	357	472▲
Chenchen	502	612
Ogea	339▼	590
Essa	553▲	656
Ofram	350	435

Sawnwood export prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up	860	925
Afromosia	465	947
Asanfina	290	465
Ceiba	396▼	546▼
Dahoma	640	672
Edinam (mixed redwood)	715	732▼
Emeri	783	1,020
African mahogany (Ivorenensis)	692	830▲
Makore	750▼	855
Niangon	887	1,085▼
Odum	695	730▼
Sapele	430▼	456▼
Wawa 1C & Select		

Plywood export prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	465	580	641
6mm	450	436▼	604
9mm	413▲	504	560
12mm	350	489	480
15mm	395	356	430
18mm	460	415	383

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

Sliced veneer export prices

Sliced face veneer	FOB Euro per cu.m
Asanfina	1,221↓
Avodire	2,688
Chenchen	772
Mahogany	1,468↑
Makore	1,818↑
Odum	1,333
Sapele	1,201↑

Malaysia

International Workshop on Indigenous Forestry

The Sarawak Dayak Iban Association (Sadia), an NGO, in collaboration with Forest Stewardship Council (FSC) Malaysia and FSC Indigenous Foundation (FSC-IF) held an 'International Workshop on Indigenous Forestry and FSC Certification in Sarawak'.

Themed 'Rooted in Responsibility: Strengthening Indigenous Forestry Management and FSC Compliance', the three-day programme brought together 25 participants, including representatives of indigenous communities, NGOs and FSC. The workshop combined traditional knowledge sharing and dialogue on indigenous forest governance.

International speakers and participants from Panama, the Philippines, Indonesia and India were present to share with the participants their diverse experiences. The workshop's final day highlighted FSC certification standards through a participatory gap analysis, allowing communities to compare their practices with FSC requirements and identify next steps toward certification readiness.

Sadia president, Sidi Munan, is reported as saying "This seminar shows that indigenous peoples are not only guardians of the forests but also key actors in shaping global sustainability standards".

See: <https://www.theborneopost.com/2025/09/19/sadia-forest-stewardship-council-collaborates-in-workshop-on-indigenous-forestry-global-standards-compliance/>

Ecosystem Restoration

WWF Malaysia has been awarded the Ecosystem Restoration Field Verification Certificate in recognition of habitat restoration efforts within the Mount Wullersdorf-Ulu Kalumpang Forest Reserves, carried out in collaboration with the Sabah Forestry Department.

Developed by Preferred by Nature, this globally-recognised standard evaluates on-the-ground restoration efforts, ensuring compliance with best practices in sustainability and environmental recovery.

Through targeted restoration efforts the site within the Mount Wullersdorf-Ulu Kalumpang Forest Reserves is helping to reconnect fragmented forest areas to rebuild ecological connectivity.

These natural linkages are critical for the movement and survival of endangered wildlife such as orangutans and banteng (a species of wild cattle), allowing them to access food sources, breeding grounds and safe migration routes. Strengthening connectivity also supports broader ecosystem functions, contributing to biodiversity conservation and long-term climate resilience.

See: <https://theborneopost.pressreader.com/article/281715505764244>

Biomass plant

Construction has begun on a RM31 million biomass steam plant in the Gebeng Industrial Estate signaling a major step in Malaysia's renewable energy and de-carbonisation agenda.

The plant will supply up to 30 tonnes per hour (TPH) of biomass-generated steam to Kaneka Malaysia, replacing natural gas-based systems. Kaneka Malaysia is targeting a 70% reduction in greenhouse gas emissions by 2030 aligned with its net zero 2050 goal.

Fuelled by palm-based biomass such as empty fruit bunches, palm kernel shells and woodchips the facility features high thermal efficiency systems automated ash handling and stringent emissions controls.

The project supports the national Renewable Energy Roadmap and National Energy Transition Roadmap by promoting circular economy principles and converting agricultural waste into clean energy.

See: <https://theedgemalaysia.com/node/770192>

Mangrove forest maintenance

Malaysia allocated over RM71 million for the planting and maintenance of mangrove trees and suitable species nationwide from 2006 to date. The Ministry for Natural Resources and Environmental Sustainability said the allocation covers research and development, monitoring activities and public awareness programmes.

As of September this year, 3,820 hectares of coastal and mangrove forest areas have been planted with over nine million mangrove trees and other suitable species along the country's coastline. This work is supported by more than 120 research studies that serve as key references, along with the active involvement of 13 non-government organisations and local communities.

This was revealed during the National Celebration of the International Day for the Conservation of the Mangrove Ecosystem and National Social Forestry Carnival 2025.

See: <https://theborneopost.pressreader.com/article/281621016497736>

Through the eyes of industry

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<https://www.itto-ggsc.org/static/upload/file/20250918/1758161706789480.pdf>

Indonesia

Deregulation team to eliminate export and investment barriers

According to Coordinating Minister for Economic Affairs, Airlangga Hartarto, Indonesia's furniture industry is gaining momentum as a potential key export driver supported by the country's rich natural resources and strong creative design capabilities.

To further enhance its international presence the government is pursuing strategic trade agreements, including the upcoming Comprehensive Economic Partnership Agreement (CEPA) with the European Union which will grant zero-tariff access for up to 80% of Indonesian products, including furniture.

Domestically, the government is implementing a range of supportive policies aimed at boosting production and workforce efficiency. These policies include subsidised investment loans through the People's Business Credit (KUR) scheme, tax relief for low-income workers and fully funded internship programmes for university graduates.

Also, a cross-sector deregulation team will begin work in October 2025 to eliminate export and investment barriers. Through these integrated efforts, the government envisions the furniture industry becoming a cornerstone of Indonesia's economic growth and a strong competitor in global markets.

See: <https://wartaekonomi.co.id/read583133/industri-furnitur-berpotensi-jadi-penopang-utama-ekspor-ri>

Showcasing eco-friendly wooden and rattan furniture

At the Korea International Furniture and Interior Fair (KOFURN) 2025, Indonesian furniture businesses secured potential transactions totaling US\$3.07 million according to Indonesia's Ministry of Trade. Twelve Indonesian exporters participated in the event showcasing eco-friendly wooden and rattan furniture that blends traditional craftsmanship with minimalist aesthetics.

The Ministry of Trade aims to further boost exports by leveraging the Indonesia-Korea Comprehensive Economic Partnership Agreement (CEPA) which offers zero tariffs on furniture products. Officials see strong future potential in the South Korean market due to its high purchasing power and alignment with current design trends.

See: <https://en.antaranews.com/news/379865/indonesias-furniture-exports-to-south-korea-reach-usd307-mln>

Creativity becoming engine of economic growth

The International Furniture and Craft Fair Indonesia (IFFINA+) 2025, held at the Indonesia Convention Exhibition BSD in Tangerang, showcased the country's growing recognition on the global stage for its creative industries, particularly furniture and crafts.

With the theme "Story of Origin," the exhibition highlighted over 150 brands and 25 designers from across Indonesia. It emphasised the nation's commitment to offering unique designs featuring storytelling and functionality that add value. The event acted as a strategic bridge between local creators and international buyers, aiming to expand Indonesia's global presence in the creative economy.

During the opening ceremony, Deputy Minister of Creative Economy, Irene Umar, stressed the importance of cross-sector collaboration in building a strong, sustainable creative ecosystem. She underlined that, on a global scale, creativity is becoming a new engine of economic growth in both the national and international markets. IFFINA+ thus served as a symbol of Indonesia's bold steps towards globalising its creative industry through innovation and cultural identity.

See: <https://rri.co.id/en/business/1841395/iffina-supports-indonesia-s-furniture-going-global>

Timber plantations for renewable energy

The Ministry of Forestry has announced its support for the development of industrial timber plantations as a key strategy to boost renewable energy production, restore degraded ecosystems and strengthen the country's climate change mitigation efforts.

According to Tony Rianto, Head of the Sub-Directorate of Forest Product Certification and Marketing, sustainably managed timber plantations are seen as a vital solution for rehabilitating critical lands, providing biomass energy and achieving Indonesia's 2030 Forestry and Other Land Use (FOLU) Net Sink target, which aims to absorb more carbon emissions than are released.

In addition to environmental goals, the government sees plantation development as an opportunity to drive economic benefits at the local level. These include job creation, increased regional investment, diversification of energy sources and enhanced global competitiveness especially in the wood pellet export market.

Acknowledging concerns from civil society about the biomass industry's potential risks, the ministry has implemented strict regulations and monitoring systems such as mandatory sustainability certification (SVLK), technology-based oversight and law enforcement to ensure plantation development aligns with environmental and social sustainability standards.

See: <https://money.kompas.com/read/2025/09/17/203049426/hutan-tanaman-industri-untuk-biomassa-diklaim-dukung-energi-terbarukan?page=all#page2>

Indonesia to speed up recognition of indigenous forests

Indonesia is taking steps to accelerate the legal recognition of indigenous forests with the government aiming to formalise at least 70,000 hectares by the end of 2025. The Minister of Forestry, Raja Juli Antoni, announced that a newly formed Task Force for the Acceleration of Customary Forest Designation has been created to tackle bureaucratic delays that have hindered progress for years.

Since 2016, around 332,000 hectares have been recognised as customary forests but at least 1.4 million hectares are still awaiting legal status. The government hopes the Task Force will identify obstacles and establish more efficient processes to speed up recognition efforts moving forward.

The Task Force will adopt an inclusive and collaborative approach, involving not only government officials but also academics, environmental activists and civil society organisations.

Experts from Gadjah Mada University, Bandung Institute of Technology and Cenderawasih University are working alongside advocacy groups such as the Indonesian Forum for the Environment (Walhi) and the Indigenous Peoples' Alliance of the Archipelago (AMAN). Minister Antoni emphasised that this joint effort aims to create long-term solutions and ensure that the rights of indigenous communities over their ancestral lands are properly acknowledged and protected.

See: <https://en.antaranews.com/news/380809/indonesia-to-speed-up-recognition-of-indigenous-forests> and <https://www.liputan6.com/news/read/6159625/menhut-bentuk-tim-percepatan-penetapan-hutan-adat-diisi-akademisi-hingga-lsm>

Developing zoning map for mangrove rehabilitation

The Ministry of Environment is developing a detailed zoning map to guide the rehabilitation of 600,000 hectares of mangrove forests by 2029. The initiative aims to strengthen coastal resilience and protect biodiversity by targeting both forest and non-forest areas. This large-scale effort involves collaboration between government agencies, private sector stakeholders and local communities to ensure the long-term sustainability of mangrove ecosystems.

According to Sigit Reliantoro, Deputy for Environment and Sustainable Natural Resources at the Ministry's Environmental Control Agency (BPLH), the zoning map will categorise areas based on their environmental suitability for mangrove planting.

See: <https://rri.co.id/en/national/1843648/indonesia-develops-zoning-map-for-mangrove-rehabilitation>

In related news, Asia Pulp & Paper (APP) Group has reportedly launched a new sustainability initiative called Regenesi, pledging US\$30 million annually for the next decade to restore and conserve one million hectares of Indonesia's rainforests.

This commitment aims to go beyond traditional conservation efforts by actively restoring ecosystems, supporting local communities and driving innovation across the company's operations.

As part of the Regenesi initiative the APP Group also introduced a new Forest Positive Policy which strengthens its 2013 Forest Conservation Policy with a more structured and ambitious sustainability framework.

The policy, says APP, is built on three core pillars: forests, people and value chain. It focuses on achieving positive ecological impact through integrated landscape management, empowering communities through inclusive development strategies and ensuring responsible sourcing and supplier practices to create shared value.

See: <https://www.businesstimes.com.sg/esg/app-group-pledges-us30-million-year-restore-1-million-hectares-indonesias-rainforests>

IEU-CEPA opens trade cooperation opportunities

The Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA), finalised after nine years of negotiation, marks a major milestone in Indonesia's economic diplomacy. According to the Coordinating Ministry for Economic Affairs, this agreement lays the groundwork for a more inclusive, fair and sustainable trade relationship between Indonesia and the EU.

The IEU-CEPA is expected to significantly improve market access, boost foreign investment and strengthen the competitiveness of key sectors in Indonesia. With the EU being Indonesia's fifth-largest trading partner the partnership holds substantial economic potential. In 2024, the trade volume between the two reached US\$30.1 billion with Indonesia enjoying a growing trade surplus rising from US\$2.5 billion in 2023 to US\$4.5 billion in 2024. The agreement is thus seen as a vital step toward deepening economic ties and promoting long-term mutual benefits.

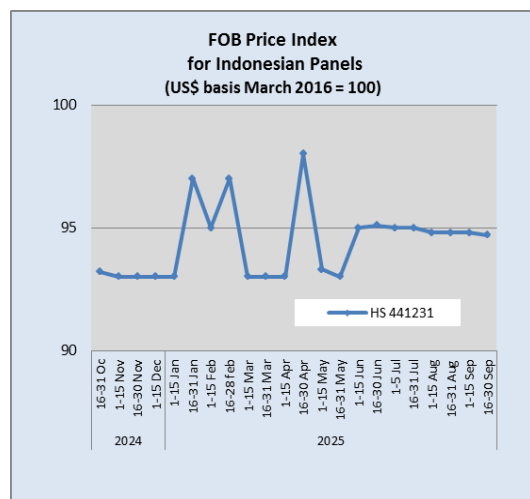
Indonesia and the European Union officially signed the substantial conclusion of the Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA) on September 23, 2025. The agreement, signed by Indonesia's Coordinating Minister for Economic Affairs Airlangga Hartarto and European Commission's Commissioner for Trade and Economic Security Maroš Šefčovič, marks a significant milestone after nearly a decade of negotiations.

See: <https://en.antaranews.com/news/381676/ieu-cepa-opens-up-fair-trade-cooperation-opportunities-ministry> and <https://www.cnbcindonesia.com/news/20250923104236-4-669334/sah-ri-uni-eropa-teken-dokumen-substansial-ieu-cepa>

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<https://www.itto-ggsc.org/static/upload/file/20250918/1758161706789480.pdf>



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

Myanmar

Foreign investment declines sharply

Foreign direct investment (FDI) in Myanmar dropped sharply in the first five months of the 2025–26 fiscal year to just US\$129 million compared with more than US\$200 million in the same period last year.

The bulk of new inflows went into manufacturing (US\$93 million), followed by oil and gas, energy and services. Singapore remained the largest investor at US\$36 million with China at US\$33 million and Thailand at about US\$32 million.

China has become a key target for the Myanmar authority and senior leaders recently met Chinese business executives in Beijing pledging to protect investors and proposing the creation of a Myanmar–China business cooperation association.

See - <https://burmese.dvb.no/post/724546>

Addressing the energy crisis

Myanmar's power sector is in crisis with demand averaging 4,400 megawatts daily against production of less than 2,000 megawatts. More than half the population lacks reliable electricity while industries and major cities face frequent blackouts. The World Bank has warned that the challenges are structural and tied to conflict, political instability and fragile infrastructure.

A World Bank study says Myanmar is endowed with abundant primary energy resources. Its hydropower potential is estimated at more than 100,000 megawatts (MW) in its river systems including four basins of Ayeyarwady, Chindwin, Thanlwin and Sittaung.

The installed hydropower capacity, however, is only 3,262 MW (2023), illustrating the huge potential to be harnessed that could, in the long term, not only meet domestic demand but also become a green energy source for the region.

Myanmar is also a hydrocarbon-rich country; the potential reserves of crude oil, natural gas, and coal are 15,220 million barrels, 93.698 trillion cubic feet, and 711 million metric tons, respectively, according to the official statistics.

Proven oil reserves are estimated at 50 million barrels, and gas reserves at around 10 trillion cubic feet. Conditions for renewable energy are favorable too. Myanmar is in the “sunbelt” with the highest solar potential reaching 6.6 kilowatt-hours per square meter (kWh/m²) per day on a horizontal surface in the dry zone (Mandalay, Sagaing, and Magway regions). Myanmar thus has greater energy generation potential and more options for meeting its needs than most countries in the region.

Myanmar is reportedly seeking to develop a nuclear energy programme in partnership with Russia as it seeks to address chronic electricity shortages.

Reports suggest Myanmar has signed an agreement with the Russian state corporation for nuclear energy (Rosatom) to build a small modular nuclear plant. No site or firm timeline disclosed; financing structure also not disclosed.

See:

<https://documents1.worldbank.org/curated/en/099062324221019838/pdf/P500473-48b24a55-b69d-481b-9ce3-dee0cba378ed.pdf> and <https://www.bernama.com/en/world/news.php?id=2471748>

ASEAN calls for easing border tensions

ASEAN has renewed its call for Myanmar to fully implement the Five-Point Consensus and backed the bloc's Special Envoy to foster dialogue among stakeholders but progress remains stalled as the country's political crisis deepens.

Tensions have sharpened ahead of a planned general election later this year. A diplomatic mission by Foreign Ministers from Malaysia, Thailand, Indonesia and the Philippines intended to assess the post-emergency situation was postponed. ASEAN has urged that peace and stability take precedence over elections.

See - https://www.scmp.com/week-asia/politics/article/3326361/aseans-failure-meet-myanmar-junta-over-election-shows-its-limited-leverage?utm_source=chatgpt.com

India

Sawnwood price index up, veneer index down

The annual rate of inflation based on the all India Wholesale Price Index (WPI) was 0.52% in August. The positive rate of inflation in August 2025 was primarily due to increases in prices of food products, other manufacturing, non-food articles, other non-metallic mineral products and other transport equipment.

The index for manufacturing increased from 144.6 in July to 144.9 in August. Out of the 22 NIC two-digit groups for manufactured products 13 groups witnessed price increases, 5 groups a decrease and 4 groups saw no change.

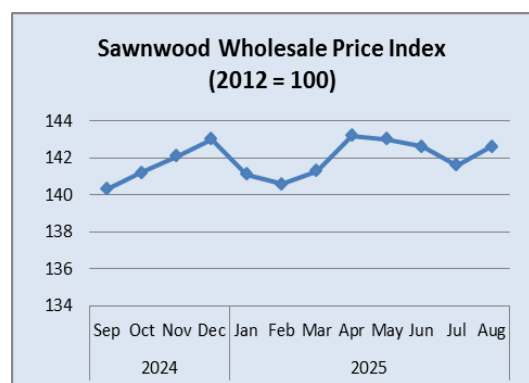
Some of the groups that showed month on month price increases were manufacture of food products, textiles, electrical equipment, other transport equipment and machinery and equipment. Some of the groups that saw a decrease in price were manufacture of basic metals, computers, electronic and optical products, wearing apparel, products of wood and cork along with furniture.

The price index for wood panels in August was unchanged from July. The sawnwood price index recovered in August but there was a downward correction in the index for veneers.

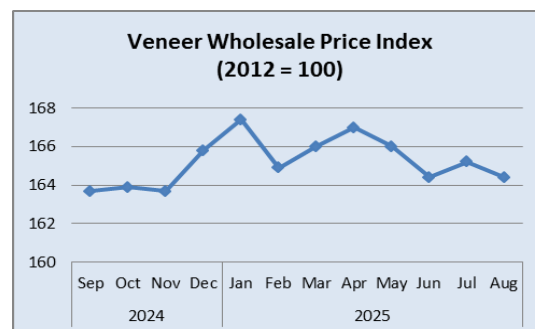
See: <https://eaindustry.nic.in/>



Data source: Ministry of Commerce and Industry, India



Data source: Ministry of Commerce and Industry, India



Data source: Ministry of Commerce and Industry, India

Lower GST will boost the economy

The new dual-slab goods and services tax (GST) structure adopts a next-generation approach to dealing with indirect taxation and will boost the economy significantly according to Union Minister of Finance, Nirmala Sitharaman. The new GST structure that takes effect September 22 will have two rates 5% and 18%. Selected luxury goods will be taxed at 40%.

She added the government is preparing a package for US tariff-affected export sectors and a new wave of policy changes is being worked on as the government realised the need to diversify the economy in view of recent challenges.

India's economy grew by a better-than-expected, five-quarter high of 7.8% in the June quarter but faces headwinds from higher US tariffs.

See:

<https://economictimes.indiatimes.com/news/economy/policy/low-er-gst-will-boost-indias-economy-higher-says-fm-nirmala-sitharaman/articleshow/123728556.cms?from=mdr>

Tripura can be leading plywood producer

As a result of infrastructure developments in Tripura, backed by an Asian Development Bank, the Tripura Industrial Development Corporation (TIDC) has initiated a project to promote the plywood industry in the State.

Nabadal Banik, TIDC Chairman, said currently there are two plywood plants in the State with another seven under development.

The State has around 110,000 hectares of rubber plantation of which approximately 10,000 hectares are ready for replanting. If the plywood development initiative succeeds Tripura will be one of the leading States in plywood manufacturing, asserted Banik.

In addition to industrial development, the emphasis on rubberwood plantations will also serve the State's mission to raise farmers' income through agro-forestry.

See: <https://www.newsonprojects.com/news/adb-approves-975-crore-loan-to-boost-tripuras-industrial-infrastructure>

Cost C&F Indian ports in US\$ Hoppus measure

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

	Hoppus cu.m	US\$ C&F
Brazil	271	510
Colombia	211	450
Costa Rica	140	355
Nigeria	-	-
Benin	-	-
Tanzania	181	490
Laos	-	-
South Sudan	264	680
Guatemala	188	390
Venezuela	-	-

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

	cu.m	US\$ C&F
Benin	272	690
Brazil	186	640
Colombia	-	-
Costa Rica	239	523
Ecuador	-	-
Ghana	143	435
Ivory Coast	288	825
Nigeria	192	435
South Sudan	278	625
Tanzania	-	-
Togo	220	520
Panama	282	485

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,440 - 4,800
Balau	3,000 - 3,300
Resak	-
Kapur	-
Kempas	1,700 - 2,000
Red meranti	1,850 - 2,150
Radiata pine	900 - 1,200
Whitewood	950 - 1,150

Price range depends mainly on lengths and cross-section

Locally sawn hardwood prices

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,950 - 2,250
Sycamore	2,350 - 2,750
Red Oak	2,950 - 3,350
White Oak	3,350 - 3,750
American Walnut	5,400 - 5,900
Hemlock STD grade	1,950 - 2,250
Western Red Cedar	3,000 - 3,400
Douglas Fir	2,400 - 2,600

Price range depends mainly on lengths and cross-section

Plywood

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	85.50
6mm	99.00
9mm	117.50
12mm	140.00
15mm	181.50
18mm	199.50

Domestic ex-warehouse prices for locally manufactured MR plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	58.00
6mm	74.50
9mm	85.50
12mm	101.00
15mm	136.50
19mm	146.00
5mm Flexible ply	91.00

Viet Nam

Wood and Wood Product (W&WP) trade highlights

According to statistics from the Viet Nam Customs Department W&WP exports in August 2025 reached US\$1.46 billion, down 0.5% compared to July 2025 and down 3% compared to August 2024. Of the total WP exports were valued at US\$970 million, down 3.5% compared to July 2025 and down 7% compared to August 2024.

In the first 8 months of 2025 W&WP exports totalled US\$11.1 billion, up 6.5% over the same period in 2024 of which WP exports alone accounted for US\$7.6 billion, up 6% over the same period in 2024.

W&WP exports to the EU market in August 2025 earned US\$51.5 million, up 52% compared to August 2024. In the first 8 months of 2025 W&WP exports to the EU amounted to US\$400 million, up 15% over the same period in 2024.

Office furniture exports in August 2025 contributed US\$33 million to total earnings, up 0.3% compared to August 2024. In the first 8 months of 2025 exports of office furniture brought in about US\$252 million, up 31% over the same period in 2024.

W&WP imports into Viet Nam in August 2025 reached US\$288.5 million, down 7% compared to July 2025, but up 6% compared to August 2024. In the first 8 months of 2025 W&WP imports were valued at US\$2.11 billion, up 17% over the same period in 2024.

Ash wood imports in August 2025 were estimated at 87,100 cu.m, worth US\$23.8 million, down 8% in volume and 7% in value compared to July 2025 but compared to August 2024 imports were up 20% in volume and 37% in value. In the first 8 months of 2025 ash wood imports totalled 560,500 cu.m, worth US\$147.7 million, up 48% in volume and 51% in value over the same period in 2024.

Viet Nam's imports of raw wood (logs and sawnwood) from the US in July 2025 reached 158,390 cu.m, with a value of US\$67.13 million, down 8% in volume and 9% in value compared to June 2025 but up 115% in volume and 118% in value over the same period in 2024. In the first 7 months of 2025 imports of raw wood from the US reached 749,250 cu.m with a value of US\$311.49 million, up 90% in volume and 85% in value over the same period in 2024.

Woodchip exports in August 2025 reached US\$195 million, down 29% compared to August 2024. In the first 8 months of 2025 wood chip exports are estimated at US\$1.6 billion, down 11% over the same period in 2024.

Domestic market a strategic pillar for industry

Vu Ba Phu, Director of the Trade Promotion Agency, Ministry of Industry and Trade, has said besides exports the domestic market of more than 100 million people needs to be considered a strategic pillar to ensure stable and sustainable growth for the wood industry.

Viet Nam's wood industry has made great strides, becoming a leading center for processing and supplying wooden furniture and interiors. In 2024 exports of wood and wood products reached US\$16.28 billion, up 21% over the previous year.

In the first 8 months of 2025 exports reached US\$11.1 billion, up 6% over the same period last year and the whole year is expected to reach US\$18 billion.

These figures show strong resilience but also reflect a large dependence on external markets.

Vu Ba Phu has repeatedly emphasised “The wood and forestry industry has always been considered one of the important industries in Viet Nam, not only contributing greatly to exports but also affirming its position on the global trade map. However, businesses need to pay special attention to exploiting the potential of the domestic market with more than 100 million people, where purchasing power is increasing strongly”.

As expected, the domestic market is the fulcrum for the wood industry to maintain its growth rate in the context of many international fluctuations. The rapid increase in housing demand, urbanisation and green consumption trends have created a large development space for domestic wooden furniture products. If exploited this will be the driving force to help the industry reduce the risk of depending on large markets such as the US or EU.

From an association perspective Ngo Sy Hoai, Vice President and General Director of the Viet Nam Timber and Forest Products Association, also pointed out “Viet Nam's wood industry currently exports to more than 40 markets and imports raw materials from more than 100 markets. However, we cannot only focus on exports. With the characteristics of wood products closely related to the environment and forests the domestic market will be the place to affirm the responsible and sustainable development of the industry.”

Trade promotion - key to exploiting market potential

Trade promotion plays a central role in developing both international and domestic markets. Major fairs such as Hawa Expo, VIFA ASEAN or VIFA Expo are not only places to display and promote Viet Nameese wood products to the world but also an opportunity for businesses to reach domestic consumers.

Vu Ba Phu affirmed “Towards the target of wood and wood products exports reaching over US\$18 billion in 2025 the Ministry of Industry and Trade will continue to closely coordinate with ministries, branches and localities to implement many programmes to support businesses in technology transformation, design improvement, brand development and trade promotion. The domestic market must also be placed at the center of this strategy.”

According to him, in addition to organising fairs the industry needs to expand specialised trade promotion services, researching domestic consumer tastes, organising communication campaigns, training on design, e-commerce and green transformation. This will not only help increase exports but also effectively stimulate domestic purchasing power.

Representing the wood industry business community, Ngo Sy Hoai suggested that foreign and domestic media channels support strong promotion of the wood industry's achievements, spreading the message that Viet Nam is determined to develop a responsible and sustainable wood industry. Linking the Viet Nameese wood brand with the image of green, environmentally friendly production will create a competitive advantage right at home.

In order for the domestic market to truly become a fulcrum experts also recommend solutions that need to be implemented synchronously. In particular, by researching consumer tastes and trends businesses need to:

- grasp changes in design needs, materials and models especially with the young generation who make up a large proportion of the population.
- develop diverse distribution channels, combining traditional stores, furniture supermarkets, and e-commerce platforms.
- apply virtual reality technology and online shopping experiences.
- strengthen domestic trade promotion, promote the organisation of specialised fairs and exhibitions in major cities such as Hanoi, Ho Chi Minh City, Da Nang and expand to localities with high demand for construction and urbanisation.

Viet Nam's wood industry has risen fast thanks to the strength of exports. But to maintain growth momentum and minimise risks the domestic market needs to be seen as a "second pillar" alongside the international one.

With more than 100 million people the domestic market is not only a place for consumption but also a "laboratory" for businesses to test designs, shape trends and build sustainable brands.

As Vu Ba Phu emphasised, the sustainable development of the wood industry cannot rely solely on exports but must also rely on the growth of the domestic market. And as Ngo Sy Hoai affirmed, Viet Nameese wood must follow a responsible path, associated with the environment to thereby affirm its value domestically before reaching out to the world.

See: <https://www.Viet Nam.vn/en/mo-rong-thi-truong-trong-nuoc-cho-nganh-go-viet>

Viet Nam and Germany outline next steps for sustainable timber trade

On September 11-12, the Viet Nam Forestry Administration (VNFOREST) and the German Development Agency (GIZ) hosted a forum titled "Ensuring Timber Legality for Sustainable Forestry Development in Viet Nam". The event served as a crucial platform to strengthen joint efforts on timber traceability and legality, review the country's progress towards implementing the Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade (VPA FLEGT), and promote gender equality within the forestry sector.

At the opening of the forum, Director General Tran Quang Bao remarked, "This forum provides an important opportunity for government agencies, businesses, timber associations, social organisations, local communities and international partners to exchange views, share experiences and propose solutions to ensure the legality of timber in Viet Nam.

We especially appreciate the support of the German people and government through the GIZ, in implementing the VPA FLEGT, a strong example of multistakeholder cooperation and our shared commitment to building a timber industry that is legal, transparent, sustainable, and responsible."

Jens Schmid-Kreye, the First Secretary at the German Embassy said Germany is proud to support Viet Nam in strengthening timber legality and sustainable forestry through our joint technical cooperation to develop enabling policy frameworks, capacity development and knowledge transfer and the development of practical digital tools."

Meanwhile, the EU and Viet Nam share a strong, cooperative relationship, particularly in trade, highlighted by the free trade agreement that entered force in 2020.

See: <https://vir.com.vn/Viet Nam-and-germany-outline-next-steps-for-sustainable-timber-trade-136319.html>

Wood chip exports declined in first 8 months 2025

It is estimated that the exports of woodchips in August 2025 reached US\$195 million, down 29% compared to August 2024. In the first 8 months of 2025, woodchip exports earned US\$1.6 billion, down 11% over the same period in 2024.

The main market was China at US\$891.4 million but down 13% over the same period in 2024. This is a sharp decline, reflecting the slowdown in demand for pulp and paper materials in China.

Exports to Japan, as the next destination, reached US\$349.3 million, up 3% followed by Indonesia (US\$101.1 million, up 3%), South Korea (US\$37.9 million, up 7%).

A decline in key markets such as China and South Korea poses a challenge for Viet Nameese wood chip enterprises and the need to reassess their export strategies.

Of significance is the strengthened cooperation with forest farms and plantations to ensure stable supply, consistent quality and reduced logistics costs. Optimising production processes associated with reducing carbon emissions to meet increasing demand from the buyers, has been emerging as a priority.

Bahia State boosting the production Chain and sustainability

The city of Salvador in the State of Bahia will host the 5th “Sustainable Timber: The Future of the Market”, on 19 November 2025. The event is being organised by the National Forum of Forest-Based Activities (FNBF) in partnership with the Center of Timber Producing and Exporting Industries of the State of Mato Grosso (Cipem) with support from Sebrae Mato Grosso, Sebrae Bahia and the Industrial Federations of Mato Grosso State (Fiemt) and the Bahia State (Fieb).

The conference will bring together public sector representatives, business leaders and experts to discuss opportunities and challenges in the native timber production chain with a focus on legality, sustainability and innovation.

The conference in the Northeast region is strategic considering the concentration of consumer hubs and the increasing demand for sustainable solutions. The event seeks to strengthen the perception of legally sourced timber as a tool for decarbonising the civil construction sector, generating jobs and income and fostering the socio-economic development of forest regions. It seeks to consolidate its position as a platform for business development, sectoral integration and the promotion of the Brazilian forest industry.

See: <https://www.folhamax.com/mobile/economia/madeira-sustentavel-chega-a-salvador/512056>

Mato Grosso's forest sector in crisis

The forest sector in the State of Mato Grosso is facing a severe crisis as a result of tariffs imposed by the United States on Brazilian wood products with the impact being felt in the Ipe flooring and decking sector where the main market is the US.

The tariffs have affected sales which led to reduced shifts, production cuts and mass layoffs affecting companies that had been operating exclusively in this niche market for years. The inability of importers to pass on the costs of the tariffs to consumers coupled with the difficulty of directing production to other markets has led to high stocks levels, falling prices and an erosion of the sector's competitiveness. Together, the tariffs are causing negative economic effects throughout the entire regional supply chain.

In response, associations and federations in the timber sector requested the Federal Government to take strong position in negotiations with the US government. At the same time, companies are exploring mitigation strategies such as diversifying timber species and identifying new consumer markets with the aim of preserving economic viability and minimising the impact on employment and production.

See: <https://nativanews.com.br/economia/setor-florestal-de-mato-grosso-entra-em-crise-apos-tarifas-dos-eua-sobre-madeira-de-ipe/>

Export update

In August 2025 Brazilian exports of wood-based products (except pulp and paper) decreased 18% in value compared to August 2024, from US\$268.4 million to US\$220.5 million.

Pine sawnwood exports decreased 12% in value between August 2024 (US\$48.2 million) and August 2025 (US\$42.6 million). In volume, exports decreased 7% over the same period from 205,700 cu.m to 191,100 cu.m.

In contrast, tropical sawnwood exports in August 2025 increased 26% in volume, from 17,600 cu.m in August 2024 to 22,100 cu.m. In value, exports increased 34% from US\$6.5 million to US\$8.7 million over the same period.

Pine plywood exports decreased 27% in value in August 2025 compared to August 2024 from US\$58.7 million to US\$42.8 million. In volume, exports decreased 21% over the same period, from 173,600 cu.m to 136,700 cu.m.

As for tropical plywood, exports increased in volume by 87% and by 67% in value from 1,500 cu.m and US\$0.9 million in August 2024 to 2,800 cu.m and US\$1.5 million in August 2025.

Wooden furniture exports decreased from US\$48.4 million in August 2024 to US\$44.6 million in August 2025, a decrease of 8%.

US tariff impacts the timber sector

The Brazilian Association of Mechanically Processed Timber Industry (ABIMCI) has reported significant impacts on the Brazilian timber sector from the 50% tariff imposed by the United States.

A survey conducted with its member companies recorded approximately 4,000 layoffs between July and September. In addition 5,500 workers were placed on vacation and 1,100 under temporary layoff arrangements.

If the current tariff scenario remains unchanged it is estimated that as many as 4,500 more jobs will be lost over the next 60 days compromising socio-economic sustainability.

The tariff increase caused an immediate downturn in the market leading to contract cancellations, shipment interruptions and a significant reduction of new business deals. August export data indicates a decline of between 35% and 50% in the volume of wood products shipped to the US.

ABIMCI has sought dialogue with the Ministry of Development, Industry and Trade (MDIC), requesting the initiation of diplomatic negotiations with the US government based on technical and commercial grounds to seek tariff readjustment.

The Association points out that the sector accounts for about 50% of Brazil's export-oriented production (in some segments, with up to 100% dependency on the US market) and emphasised that the timber sector generated US\$1.6 billion in export revenues in 2024.

The Association warns that the continuation of the current tariffs puts at risk around 180,000 formal jobs, disrupts well-established production chains and threatens decades of investments in technology, certification and compliance with international market requirements.

ABIMCI considers the urgent need for the federal government to take immediate action to re-establish bilateral trade and mitigate the economic and social impacts on the sector.

In related news, in early September ABIMCI participated in a high-level business mission to Washington organised by the National Confederation of Industry (CNI) with the participation of sectoral associations and industry federations. The initiative focused discussions with US authorities and institutions on mitigating the impact of tariffs imposed on Brazilian products and to safeguard the competitiveness of bilateral trade.

The mission's agenda included strategic meetings at the Brazilian Embassy, dialogues with the US Chamber of Commerce and legal consultancies specialised in government relations seeking negotiated pathways for the reversal of tariff barriers.

ABIMCI participated in a public hearing convened by the United States Trade Representative (USTR) under Section 301 of the US Trade Act and presented a technical defense of Brazil's processed wood industry.

ABIMCI's formal submission filed on 18 August highlighted the sustainable origin of exported timber products, strict compliance with Brazilian environmental and labour legislation and the absence of forced labour within the sector.

The document emphasised traceability systems, forest certification and the sector's commitment to combating illegal deforestation and this was supported by letters of endorsement from US importers.

This mission consolidated a coordinated, multisectoral action to sustain trade flows and align diplomatic efforts, prioritising technical approaches and defending the international image of the Brazilian forestry sector.

See: <https://bit.ly/PosicionamentoAbimciTaxaçãoEUA> and <https://abimci.com.br/abimci-participa-de-missao-empresarial-a-washington/> and <https://abimci.com.br/abimci-estara-em-audiencia-publica-no-istr-dia-3-09-sobre-a-investigacao-da-secao-301/>

Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	421↑
Jatoba	184↑
Massaranduba	170↑
Muiracatiara	164↑
Angelim Vermelho	176↑
Mixed redwood and white woods	132↑

Prices do not include taxes. Source STCP Data Bank

Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	1,863↑
Jatoba	944↑
Massaranduba	853↑
Muiracatiara	868↑
Angelim Vermelho	895↑
Mixed red and white	558↑
Eucalyptus (AD)	309↑
Pine (AD)	261↑
Pine (KD)	313↑

Prices do not include taxes. Source: STCP Data Bank

Domestic plywood prices

Parica ex-mill	US\$ per cu.m
4mm WBP	575↑
10mm WBP	449↑
15mm WBP	403↑
4mm MR.	545↑
10mm MR.	411↑
15mm MR.	353-

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	279↑
15mm MDFibreboard	295↑

Prices do not include taxes. Source: STCP Data Bank

Export prices

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

Export sawnwood prices

Sawnwood	US\$ per cu.m
Ipe	2,408↑
Jatoba	1,254↓
Massaranduba	1,204↓
Muiracatiara	1,242↓
Pine (KD)	207↑

Prices do not include taxes. Source: STCP Data Bank

Plywood export prices

Pine plywood	US\$ per cu.m
9mm C/CC (WBP)	307↓
12mm C/CC (WBP)	287↓
15mm C/CC (WBP)	283↓
18mm C/CC (WBP)	275↓

Prices do not include taxes. Source: STCP Data Bank

Export prices for added value products

Added value product	US\$ per cu.m
Decking Boards Ipê	3,857↑
Jatoba	1,625↓

Prices do not include taxes. 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.ito-ggsc.org/static/upload/file/20250918/1758161706789480.pdf>

Peru

Export update - July

Shipments of wood products totalled US\$37.4 million during the first five months of 2025 representing a decrease of 21% compared to the same month in 2024 (US\$47.4 million) according to the Center for Global Economy and Business Research of the CIEN-ADEX Exporters Association.

According to figures from the ADEX Data Trade Trade Intelligence System exports included sawnwood (US\$14.3 million), semi-manufactured products (US\$11.7 million), firewood and charcoal (US\$3.8 million), furniture and parts (US\$2.5 million) and construction products (US\$2.3 million).

The leading destination was the Dominican Republic with shipments totalling US\$7.3 million, an increase of 13% compared to the previous year. The US followed with US\$5.6 million, a massive decline compared to 2024, France with US\$4.8 million, a decrease of 37%, Mexico with US\$3.8 million, a decrease of 27% and rounding out the top 5 markets was Viet Nam with exports at US\$3.7 million, an increase of 32%.

Veneer and plywood exports continue to grow

According to information provided by the Extractive Industries and Services Department of the Association of Exporters (ADEX) veneer and plywood shipments during the January-July 2025 period reached an FOB export value of US\$1.5 million growing by 7%, a positive change compared to the same period in 2024 (US\$1.4 million),

The main market for exports in this subsector was Mexico which represented a 47% share but this was much lower than in the same period in 2024. Ecuador had a 32% share and Colombia at an 11% share followed by the Dominican Republic (6% share) and Costa Rica with a 3% share.

SERFOR and Germany alliance to promote SFM

The National Forestry and Wildlife Service (SERFOR) and the German Development Bank (KfW) have successfully completed a mission on the Sustainable Productive Forests Programme (BPS). Following the visit key agreements to further strengthen forest development, sustainable management and the fight against deforestation were made.

During the mission, conducted between September 2 and 9 in Lima and Madre de Dios, both institutions highlighted the progress of the Sustainable Productive Forests Programme (BPS) and agreed on new actions to accelerate its implementation.

Among the main agreements reached was a decision to expand access to financing to support investments in plantations, natural forest management and forest planning and to evaluate the expansion of the Forest Incentives Programme.

See: <https://www.gob.pe/institucion/serfor/noticias/1246936-serfor-y-gobierno-aleman-fortalecen-alianza-para-impulsar-la-gestion-forestal-sostenible-en-peru>

Export prices for added value products

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1,418-1,477
Cumaru KD, S4S Swedish market	1,080 -1,156
Asian market	1,189 -1,271
Cumaru decking, AD, S4S E4S, American market	1,648-1,692
Pumaquiro KD Gr. 1, C&B, Mexican market	869-933
Quinilla KD, S4S 2x10x62cm, Asian market	591-627
2x13x75cm, Asian market	774-831

Export veneer prices

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

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	912-968
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	598-619
Grade 2, Mexican market	537-551
Cumaru 4" thick, 6"-11" length KD Central American market	1139-1198
Asian market	1210-1265
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	1062-1,096
Dominican Republic	1015-1,132
Marupa 1", 6-11 length KD Grade 1 Asian market	586-602

Export plywood prices

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

Domestic 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

Domestic sawnwood prices

Peru sawnwood	US\$ per cu.m
Mahogany	-
Virola	255-287
Spanish Cedar	338-349▲
Marupa (simarouba)	208-234

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

Japan

BoJ policy rate unchanged

On 19 September the Bank of Japan (BoJ) policy board voted unanimously to start selling a tranche of exchange-traded funds (ETF) and Japan real estate investment trusts causing a dip in the stock index and a strengthening of the yen.

The BoJ started purchasing ETFs in 2010 as part of its aggressive monetary easing programme to fight deflation. The Bank decided in March 2023 to end new purchases and has since been examining how to conduct the disposal. In related news, the BoJ kept its key policy rate unchanged at 0.5% amid uncertainty related to tariffs and domestic politics.

Consumer inflation in August was 2.7%, down from 3.1% in July and below expectations. Core consumer inflation was also 2.7%, the first time below 3% in nine months but still above the BoJ's 2% target. Inflation, excluding fresh food and energy seen by the BoJ as better reflecting the underlying inflation trends, was 3.3%.

See:

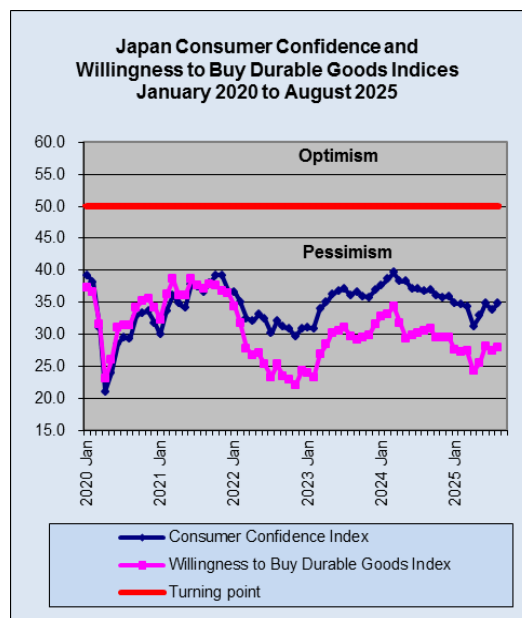
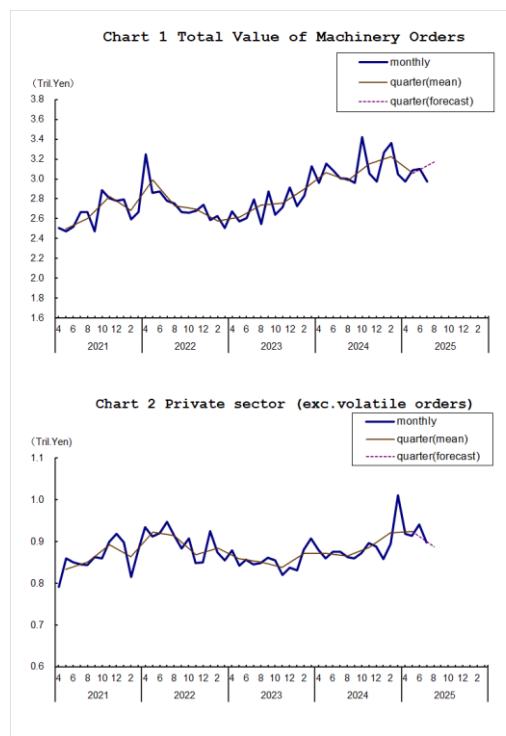
https://www.japantimes.co.jp/business/2025/09/19/economy/bank-of-japan-september-rates/?utm_source=pianodnu&utm_medium=email&utm_campaign=72&tpcc=dnu&pnespid=8pkfj4el4qwxovi8oql2r.dn9b4o.taqh qckak04veevywrzchcaiqakxkilxbbwiro_bq

Machinery order sentiment indicator slides

The total value of machinery orders received by 280 manufacturers operating in Japan decreased by 4% in July from the previous month on a seasonally adjusted basis signaling these companies view on business prospects dimmed.

Private-sector machinery orders, excluding volatile ones for ships and those from electric power companies, decreased a seasonally adjusted by almost 5% in July.

See: <https://www.esri.cao.go.jp/en/stat/juchu/juchu-e.html>



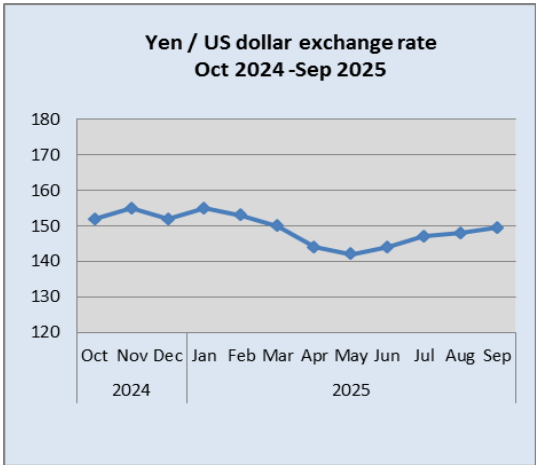
Data source: Cabinet Office, Japan

Yen dipped to 2-month low against dollar

The Japanese yen weakened against other major currencies in late September following the release of lower than expected overall inflation.

Data from the Ministry of Internal Affairs and Communications showed that overall inflation (in the Tokyo region, the inflation yardstick) was up 2.5% year on year in September. That was below of expectations for an annual increase of 2.6%. The BoJ basis for additional interest rate increases has been made more difficult by the fall in inflation.

See: <https://asia.nikkei.com/business/markets/currencies/yen-dips-to-2-month-low-against-dollar-as-investors-bet-on-longer-boj-pause>



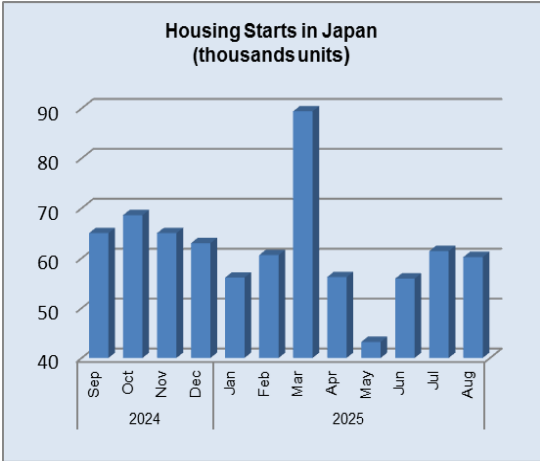
Data source: WSJ

Home construction costs up 30% over past five years

House prices in Japan are soaring. The cost of constructing homes is rising and the Ministry of Land, Infrastructure, Transport and Tourism reported that, as of July, land prices had risen for the fourth consecutive year which is pushing up real estate prices.

A government survey has shown construction costs have increased by about 30% over the past five years. Low-interest rates and the weak yen have spurred real estate transactions by affluent individuals and foreign investors which has exacerbated the supply-demand balance. While the population declines and vacant homes increase prices of homes continue to rise.

See: <https://mainichi.jp/english/articles/20250922/p2a/00m/0op/007000c>



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

Foreign trainee programme overhaul

The Japanese government has decided to replace the controversial foreign trainee programme in 2027 with a new system aimed at improving rights protections, offering increased flexibility for job changes and implementing tougher oversight.

Under the new legislation, foreign workers will be allowed to change workplaces within the same industry under certain conditions, marking a turnaround from the existing programme that prohibited job transfers. Under the new programme for training and securing labour Japan will accept foreign workers in 17 industries, including construction and farming which face severe labour shortages.

See: <https://mainichi.jp/english/articles/20250926/p2g/00m/0na/047000c>

Furniture import update

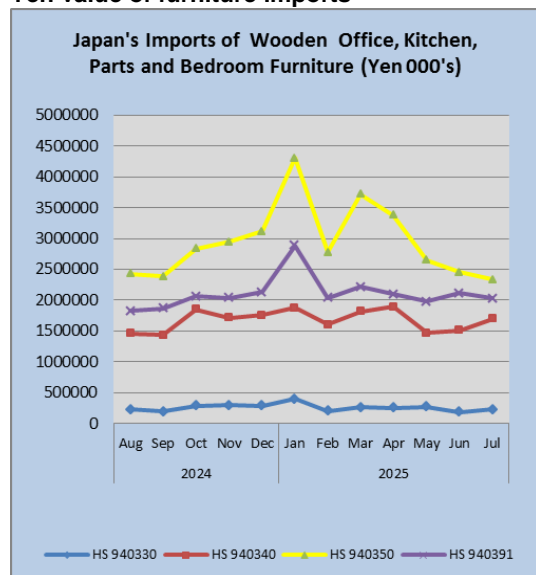
The furniture market in Japan was valued at around US\$23 million in 2024 and is projected to reach US\$26.32 million by 2032. The Japanese furniture market is a mature and sophisticated sector influenced by the country's unique cultural heritage, urban living conditions and a strong emphasis on quality and design.

Japan's aging population is a significant driver of furniture market trends, particularly for products that cater to the needs of older adults. Ergonomic and functional furniture designed to support mobility and comfort is in high demand. The high level of urbanisation in Japan has led to an increase in smaller living spaces. This drives the demand for space-saving, multifunctional and compact furniture.

Home furniture accounts for the largest market share driven by rising disposable incomes and focus on home interiors. Office furniture demand is growing steadily due to increasing demand for ergonomic and functional workstations. Hospitality furniture is expected to expand with the growing tourism industry.

See: <https://www.datainsightsmarket.com/reports/japan-furniture-market-6703#summary>
and
<https://www.renub.com/japan-furniture-market-p.php>

Yen value of furniture imports



Data source: Ministry of Finance, Japan

Wooden office furniture imports (HS940330)

Three shippers accounted for over 92% of July arrivals of wooden office furniture (HS940330). The other main source of wooden office furniture imports was EU member countries along with Canada and the US.

In July, shippers in China accounted for 79% (90% in June) of Japan's imports of wooden office furniture the other significant sources were Malaysia (9%) and Turkey (4%). The value of July imports from Indonesia and the US were significantly higher than in June and imports from Italy in July were around the same level as in June while the value of July imports from Viet Nam was at around the same level as in June.

July 2025 wooden office furniture imports (HS940330)

	Imports Jul 2025 Unit, 000's Yen
China	177,647
Taiwan P.o.C	646
Viet Nam	2,343
Malaysia	19,848
Indonesia	4,223
Denmark	1,244
UK	1,843
Italy	1,164
Poland	729
Hungary	439
Turkey	9,700
USA	4,774
Total	224,600

Data source: Ministry of Finance, Japan

Year on year, the value of Japan's imports of wooden office furniture in July was around the same level but compared to a month earlier the value of imports rose.

Wooden kitchen furniture imports (HS940340)

As in previous months July imports of wooden kitchen furniture (HS940340) were dominated by shippers in the Philippines (53% of HS940340 imports) and Viet Nam (25% of HS940340 imports). July arrivals from the Philippines and Viet Nam were up month on month. The value of July arrivals from China was below the value reported for June. There was a decline in imports from Italy in July after the substantial June arrivals.

Year on year there was a 10% rise in the value of wooden kitchen furniture and there was a significant rise in the value of July imports compared to a month earlier.

July wooden kitchen furniture imports (HS940340)

	Imports Jul 2025 Unit, 000's Yen
China	131,016
Viet Nam	419,509
Thailand	53,033
Malaysia	27,199
Philippines	907,076
Indonesia	27,545
Denmark	1,250
UK	239
France	363
Germany	72,780
Italy	51,862
Romania	3,254
Canada	1,532
Total	1,696,658

Data source: Ministry of Finance, Japan

Wooden bedroom furniture imports (HS940350)

The downward trend in the value of wooden bedroom furniture imports into Japan continued in July. The value of July 2025 imports was 5% below that reported for June and over 16% below the peak of imports in February.

The top two shippers of HS940350 to Japan in July were China, 64% of the total but this was down month on month and Viet Nam 29%, a slight increase month on month. Malaysia maintained a share of imports at 2.5% (down from 4% in June). The other main sources of July imports were Indonesia, Italy and Poland.

Year on year there was an 18% decline in the value of wooden bedroom furniture in July and compared to June there was also a decline.

July wooden bedroom furniture imports (HS940350)

	Imports Jul 2025 Unit, 000's Yen
China	1,483,038
Taiwan P.o.C	13,740
Viet Nam	676,672
Thailand	43,663
Malaysia	55,977
Philippines	913
Indonesia	19,693
UAE	236
Denmark	1,112
France	9,655
Switzerland	2,461
Italy	16,225
Poland	3,835
Austria	588
Turkey	3,387
Total	2,331,195

Data source: Ministry of Finance, Japan

Wooden furniture parts imports (HS940391)

Apart from the spike in the value of wooden furniture parts (HS940391) imports in January the monthly value of imports remained steady during the first seven months of 2025.

The value of July 2025 imports was slightly lower (4%) than reported in June and compared to July 2024 there was a 12% decline in the value of imports. Shippers in China, Indonesia and Viet Nam accounted for most (76%) HS940391 imports in July 2025. The value of imports from China rose month on month while import values from Viet Nam dropped compared to June.

Of the total value of HS940391 imports, 46% was delivered from China (41% in June) 18% from Indonesia (19% in June), 12% from Viet Nam (11% in June). Malaysia, which secured an 11% share of July imports, was the forth ranked source in terms of the values. Imports of HS940391 from Italy, Germany and Hungary rose in July but for Taiwan P.o.C and South Korea there was a decline in the value of imports.

July wooden furniture parts imports (HS 940391)

	Imports Jul 2025 Unit, 000's Yen
S.Korea	26,699
China	922,598
Taiwan P.o.C	40,125
Viet Nam	246,492
Thailand	64,140
Malaysia	147,192
Philippines	2,732
Indonesia	367,259
Cambodia	960
Norway	382
Sweden	303
Denmark	1,640
Netherlands	444
Belgium	380
France	7,252
Germany	76,407
Switzerland	2,004
Spain	506
Italy	42,081
Finland	12,515
Poland	12,476
Austria	476
Hungary	35,886
Romania	1,903
Turkey	8,993
Croatia	448
Slovakia	5,850
Canada	928
USA	608
Mexico	520
Total	2,030,199

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

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

For the JLR report please see:

https://ifpi.jp/japan_lumber_reports/

Wood exports during the first half of 2025

Volume of exported logs during January to June, 2025 is 1,033,781 cbms, 21.7 % more than January to June, 2024. Volume of exporting lumber during January to June, 2025 is 98,179 cbms, 37.4 % more than the same period last year. The increase has continued for three consecutive years in logs, and for two consecutive years in lumber. Despite the impact of the U.S. tariff policy against China and tighter domestic supply and demand conditions, log exports increased at a pace surpassing the previous year.

Log exports to China totaled 942,854 cbms, up 25.1% from the same period last year. Exports to South Korea reached 59,038 cbms, an increase of 6.9%, while exports to Taiwan were 29,646 cbms, down 21.4% year-on-year.

Total volume of cedar is 930,962 cbms, 25.0 % increased and of cypress is 92,625 cbms, 11.8 % increased from the same period last year.

The total volume of lumber exported to China was 34,704 cbms, an increase of 15.9% compared to the same period last year. Exports to the U.S. reached 29,172 cbms, up 43.8%. Shipments to the Philippines totaled 15,436 cbms, a sharp rise of 125.4%. Exports to Taiwan were 11,692 cbms, up 41.5%, and to South Korea, 4,672 cbms, an increase of 21.0%.

Exported wood products

Logs	Total	1,033 (121.7)
	China	942 (125.1)
	South Korea	59 (106.9)
	Taiwan PoC	29 (78.6)
Lumber	Total	98 (137.4)
	China	34 (115.9)
	U.S.	29 (143.8)
	Philippines	15 (225.4)
	Taiwan PoC	11 (141.5)
	South Korea	4 (121.1)

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

Japan's log exports to China in June

Log export to China in June, 2025 is 177,413 cbms and this is 20.0 % more than June, 2024.

However, when looking at individual ports, shipments from Shibushi Port in Kagoshima Prefecture—which had previously been a major export hub—have slowed down. Exports of raw logs to China from the port dropped from around 44,000 cbms in April and May, 2025 to 33,827 cbms in June, 2025, marking a decrease of approximately 10,000 cbms.

Due to the impact of US tariffs exports of cedar lumber from China to the United States appear to have been affected. This supports observations by raw log exporters in Kyushu, who report a decline in inquiries from Chinese manufacturers.

Although demand from Chinese manufacturers exporting cedar lumber to the United States has weakened, inquiries from domestic manufacturers supplying construction and civil engineering materials within China remain steady.

Prices of Japanese cedar logs exported to China softened at the beginning of the year due to concerns over Trump-era tariffs, but have since remained stable. Domestic prices for cedar logs intended for export have remained generally stable. In Kyushu, where demand has stagnated, reduced inquiries from China have enabled exporters to meet their log requirements through direct shipments from forest owners to ports.

Consequently, the need to procure supplementary volumes from local log markets has declined, exerting downward pressure on prices for lower-grade timber in the region. Currently, the price of 4-meter cedar logs for export remains slightly above ¥10,000 delivered to port, per cbm, only ¥500 to ¥1,000 lower than this spring.

In regions such as Tohoku, port-delivered prices have remained flat. Amid rising truck transportation costs, raw material producers are increasingly prioritizing shipments to nearby ports over deliveries to large, distant mills.

Japan to revise JAS labeling standards for wood products

The New Business and Food Industry Department of the Minister's Secretariat at the Ministry of Agriculture, Forestry and Fisheries will completely prohibit the use of manually stamped JAS marks.

Triggered by last year's scandal involving unauthorised use of the JAS mark, the labeling method will be revised to a system that allows usage tracking through inkjet printing or stickers. Stricter regulations on the application of the JAS mark are scheduled to be discussed at this summer's JAS Standards Committee, with implementation expected as early as around next summer.

For nine product categories—lumber, glued laminated timber, CLT, LVL, structural panels, plywood, flooring, 2x4 lumber, and wood pellet fuel—the authorities have called for clearer labeling of business operator information on JAS-certified products, as well as harmonisation of standards across different specifications. In cases where the business entity displayed on a JAS-certified product is not a certified operator, such as an importer, it will be mandatory to include the certification number of the relevant certified operator associated with the product.

The labeling of business operator information will be revised, and the methods for indicating grades and other specifications will also be clarified and standardised.

As part of this revision, the use of hand-stamped JAS marks will be prohibited, and labeling methods will be replaced with systems that allow usage tracking, such as inkjet printing, laser marking, or stickers with quantity control.

Under the revised labeling rules for forest products, all items except raw materials such as plywood and lumber will be subject to the changes. Since glued laminated timber, plywood, and lumber have already adopted inkjet printing, trackable roller stamps, or sticker-based labeling, they are considered relatively well-prepared for the transition.

At this stage, the items of concern include lumber not classified under mechanical grading and single-layer flooring, which are generally produced by small-scale businesses. These operators often face difficulties in securing funds for new equipment investments such as inkjet labeling systems.

However, since last summer, the Ministry of Agriculture, Forestry and Fisheries has been explaining the basic policy for label revisions to domestic and international registered certification bodies. It also appears to have provided technical briefings during a liaison meeting held this January. Between last December and this January, industry associations related to JAS-certified products were also briefed on the labeling revisions.

The Ministry considers that awareness of the changes has been steadily progressing. According to the Ministry of Agriculture, Forestry and Fisheries, it will formally request that registered certification bodies either take responsibility for collecting previously used hand-stamped JAS marks or obtain a certificate of disposal.

U.S. tariffs

The Forestry Agency has released information regarding the status of wood-related issues under U.S. tariff policy. It was confirmed that the reciprocal tariffs implemented from August 7 do not apply to certain items, including wood products (such as logs, lumber and plywood), pharmaceuticals, and semiconductors.

Japan's tariff rate has been set at 15%, but the list of exempted items will generally follow the provisions of the presidential order issued on April 2. In the case of wood-related products, items such as logs, lumber, and plywood are excluded from the tariffs.

On the other hand, new reciprocal tariffs will apply from August 7 to items such as wooden fittings, other wood products (including bamboo), and wooden tableware. In 2024, exports to the United States included ¥800 million worth of “other fittings,” such as wooden fittings, ¥300 million of “other wood products” including bamboo items, and ¥300 million of wooden tableware. These items, which are relatively highly processed, are subject to tariffs under the current policy.

It remains unclear at this point whether the 15% tariff will be added on top of existing duties for items subject to reciprocal tariffs, or whether it is included within the 15%.

Plywood

Domestic softwood plywood saw particularly sluggish movement toward the end of August. Although manufacturers continued to push for price increases in July and August to improve profitability, actual demand remained weak, resulting in flat price trends. Therefore, the price of 12 mm 3 x 6 domestic structural softwood plywood is 1,090 – 1,100 yen, delivered per sheet. Meanwhile, major plywood manufacturers have announced further price increases for September, indicating that they are unwilling to sell below ¥1,100.

The movement of imported South Sea plywood has been somewhat sluggish. Despite expectations of rising domestic prices driven by higher source-country prices for mainly 12mm thick products and the weaker yen buyers continue to make purchases only as needed.

The price of 12 mm 3 x 6 coated formwork plywood is 1,800 – 1,850 yen, delivered per sheet. Standard formwork plywood is around 1,550 yen, delivered per sheet. Structural plywood is around 1,550 yen, delivered per sheet. 2.5 mm plywood is around 780 yen, delivered per sheet. 4 mm plywood is around 930 yen, delivered per sheet. 5.5 mm plywood is 1,100 yen, delivered per sheet.

Price increases have been observed at the production sources for 12mm thick plywood from Malaysia and Falcata combination plywood from Indonesia. At the point of origin, 12 mm 3 x 6 coated formwork plywood is US\$600 – 610, C&F per cbm. Standard formwork plywood is US\$500 – 510, C&F per cbm. Structural plywood is US\$510 – 520, C&F per cbm.

In Indonesia, 2.4 mm 3 x 6 plywood is US\$970, C&F per cbm. 3.7 mm 3 x 6 plywood is US\$880, C&F per cbm. 5.2 3 x 6 plywood is US\$850, C&F per cbm.

Cedar logs for China

Export prices of Japanese cedar logs to China are on a downward trend. The easing of domestic log supply and demand in China is behind the trend.

Currently priced at US\$102–103, C&F per cbm, the rate is USD 13–15 lower than at the beginning of the year, causing many exporters to face negative margins. The cumulative volume of log exports to China—primarily Japanese cedar—reached 942,854 cbms by the end of June 2025, marking a 25.1% increase compared to the same period last year and significantly surpassing the previous record high. However, the export environment is not necessarily favorable. Amid oversupply and sluggish market conditions, the key question is how long the first-half performance can be sustained.

Log prices of 8 cm and above are currently around ¥11,500, delivered per cbm, roughly ¥500 lower than at the beginning of the year. Freight costs for small vessels carrying approximately 3,000 cbms have dropped significantly—from around US\$60,000 per ship at the start of the year to about US\$ 40,000. However, the yen has appreciated from ¥156 to the dollar in January to ¥144 in June, resulting in negative margins of roughly US\$ 10 per shipment for exporters.

Following the confirmation of U.S. President Donald Trump's election in November last year, there was a surge in last-minute demand for log exports to China. However, subsequent tariff disputes led to periods of stagnation in purchasing activity.

Nevertheless, Japan's log exports did not decline; in fact, the export volume in June reached 177,413 cbms, marking a 20.2% increase compared to the same month the previous year—the highest monthly figure since the beginning of the year.

Due in part to the suspension of log imports from the United States, China's total log imports in the first half of the year declined by 10% compared to the same period last year, potentially expanding the demand base for Japanese cedar logs.

China

Viet Nam's anti-dumping duties on Chinese fibreboard had little impact

Recently, the Ministry of Industry and Trade in Viet Nam issued Decision No. 2491/QD-BCT announcing the imposition of provisional anti-dumping duties on certain fibreboard products originating from China with the duty rate range set at 2.59% to 39.88%.

The Vietnamese Ministry pointed out in its initial investigation that fibreboard products from China were being dumped and posed a significant and substantial threat of damage to the domestic fibreboard industry in Viet Nam. However, the anti-dumping duty had little impact as import volumes in the first half of 2025 increased by more than 52% compared with the same period a year earlier.

The Ministry of Industry and Trade of Viet Nam is considering an additional rate increase to curb the rapid increase of dumped fibreboard. The ministry emphasised that the any increase will be temporary and it will continue to communicate with all stakeholders to collect and verify information before making a final decision.

See: https://www.wood365.cn/Industry/IndustryInfo_283019.html

Decline in wooden furniture exports to US

The US was the largest market for China's wooden furniture exports in the first half of 2025. Around 25% of China's wooden furniture is exported to the US. In the first half of 2025 the value of China's wooden furniture exports to the US fell 18% to US\$2.857 billion year on year. This was the main reason for the decrease in the total value of China's wooden furniture exports in the first half of 2025.

According to China Customs, the value of China's wooden furniture exports dropped 9% to US\$11.263 billion in the first half of 2025.

China's wooden furniture is exported to over 200 countries. The proportion of China's wooden furniture exports to the top 10 destination countries was 65% in the first half of 2025.

The value of China's wooden furniture exports to Australia and South Korea declined 11% and 35% respectively in the first half of 2025. In contrast, in the first half of 2025 China's wooden furniture exports to the UK and Malaysia rose 7% and 21% respectively over the same period of 2024.

Top destinations for China's wooden furniture exports, first half 2025 (value)

Destination	US\$ mil.	YoY % change
Total	11,263	-9%
USA	2,857	-18%
UK	792	7%
Australia	705	-11%
Japan	640	-5%
South Korea	432	-35%
Canada	423	-2%
Singapore	380	-6%
Germany	371	1%
Malaysia	343	21%
France	328	-1%

Data source: China Customs

Decline in wooden furniture imports

According to China Customs, in the first half of 2025 the value of China's wooden furniture imports fell 8% to US\$295 million over the same period of 2024.

Italy and Germany were the main suppliers but the value of China's wooden furniture imports from the two countries dropped 15% and 4% respectively and accounted for 60% of the national total. The drop directly resulted in the decrease of the national total.

In addition, China's wooden furniture imports from Viet Nam, France and Indonesia fell 32%, 10% and 13% respectively in the first half of 2025.

In contrast, helped by the China-Europe Freight train China's wooden furniture imports from Poland, Thailand, Slovakia and Romania grew 24%, 13%, 63%, 25% respectively in the first half of 2025 .

Top suppliers of China's wooden furniture imports, first half 2025 (value)

Supplier	US\$ mil.	YoY % change
Total	295	-8%
Italy	133	-15%
Germany	43	-4%
Viet Nam	20	-32%
Poland	17	24%
Thailand	10	13%
France	7.9	-10%
Slovakia	7	63%
Romania	5.6	25%
Indonesia	5.5	-13%
Japan	4.4	11%

Data source: China Customs

Drop in bamboo furniture exports to the US

According to China Customs, in the first half of 2025 the value of China's bamboo furniture exports to the US dropped 10% to US\$30 million over the same period of 2024. The US is the largest market for China's bamboo furniture exports with 27% of China's bamboo furniture being exported to the US. The total value of China's bamboo furniture exports fell 1% to US\$111 million in the first half of 2025.

The markets for China's bamboo furniture export are scattered and China's bamboo furniture is exported to over 140 countries. The proportion of China's bamboo furniture exports to the top 10 destination countries was 70% in the first half of 2025.

Germany was the second largest destination for China's bamboo furniture exports. 11% of China's bamboo furniture was exported to Germany. In the first half of 2025 the value of China's bamboo furniture exports to Germany rose 9% to US\$11 million over the same period of 2024. The value of China's bamboo furniture exports to Japan fell 35% in the first half of 2025. In the first half of 2025 China's bamboo furniture exports to Australia and Thailand rose 13% and 8% over the same period of 2024.

The top destination countries for China's bamboo furniture exports, first half 2025 (value)

Destination	US\$ mil.	YoY % change
Total	111	-1%
USA	30	-10%
Germany	12	9%
Netherland	6.3	3%
France	6.1	-3%
Australia	5.2	13%
UK	4.7	3%
Poland	3.5	5%
Japan	3.5	-35%
Thailand	3.4	8%
Spain	3.1	-6%

Data source: China Customs

Decline in bamboo furniture imports

According to China Customs, in the first half of 2025 the total value of China's bamboo furniture imports dropped 30% to US\$890 million over the same period of 2024.

Indonesia, Viet Nam and Italy are the top three suppliers of China's bamboo furniture imports and nearly 90% of China's bamboo furniture was imported from these three countries in the first half of 2025.

China's bamboo furniture imports from the top 2 suppliers, Indonesia and Viet Nam fell 5% and 50% respectively but from Italy imports rose 1% over the same period of 2024.

The main reason for the decrease in the total value of China's bamboo furniture imports is that domestic bamboo furniture industry has developed rapidly in recent years with the output of bamboo furniture constantly increasing and the demand for imports gradually decreasing.

Top suppliers of China's wooden furniture imports, first half 2025 (value)

Supplier	US\$ mil.	YoY % change
Total	890	-30%
Indonesia	535	-5%
Viet Nam	139	-50%
Italy	121	1%

Data source: China Customs

China Global Timber Index

Data from China's General Administration of Customs revealed that from January to July the country's imports of logs and sawnwood totaled 33.479 million cubic metres, a decrease of 12% compared to the same period in 2024 and the total import value reached 48.67 billion yuan, down 14.5%.

The China Furniture Industry Import & Export Report released by the China National Furniture Association showed that in the first half of this year the total export value of China's furniture industry stood at US\$34.915 billion, a year-on-year decrease of 7%, although export volume increased by 6%.

Influenced by tariff-related factors, the export value declined noticeably in April and May reaching US\$6.133 billion and US\$5.983 billion respectively, representing year-on-year drops of 7% and 9%.

On 29 August the People's Bank of China, the National Financial Regulatory Administration and the National Forestry and Grassland Administration jointly issued a 'Notice on Financial Support for High-Quality Development of Forestry Industry' outlining 15 specific measures across five key areas:

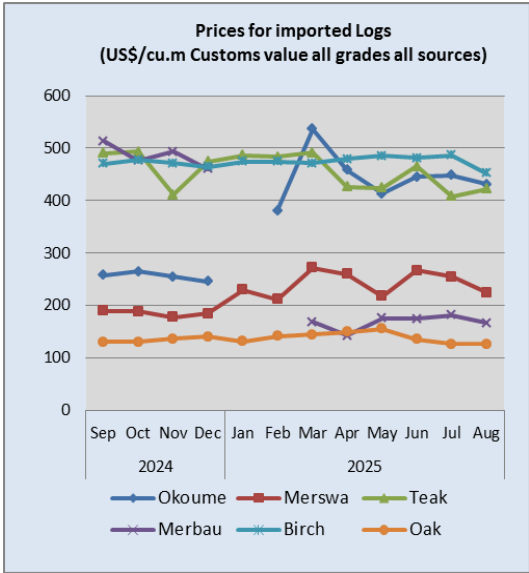
- enhancing financial services for the reform of the collective forest tenure system
- strengthening financial safeguards for major forestry strategies
- increasing financial input for high-quality development of the forestry industry
- establishing mechanisms for financial support to realise the value of ecological products
- improving supporting policies and safeguard mechanisms.

In August 2025, the GTI-China index registered 51%, an increase of 2 percentage points from the previous month and above the critical value (50%) after one month, indicating that the business prosperity of the timber enterprises represented by the GTI-China index expanded from the previous month.

Although the domestic market in China contracted during this month both production volume and export orders showed slight growth over the previous month.

As for the twelve sub-indices, nine (production, export orders, existing orders, inventory of finished products, purchase quantity, purchase price, inventory of main raw materials, delivery time and market expectation) were above the critical value of 50% while the remaining three (new orders, import and employees) were below the critical value.

See: <https://www.ito-ggsc.org/static/upload/file/20250918/1758161706789480.pdf>

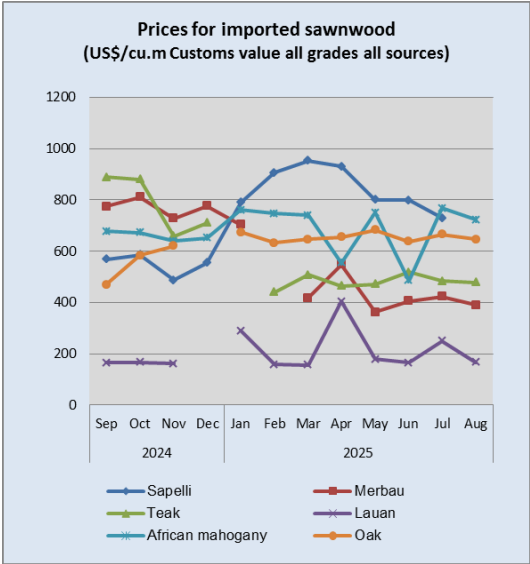


Data source: Customs, China

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

	2025 Jul	2025 Aug
Okoume	448	431
Merswa	255	225
Teak	408	422
Merbau	181	166
Birch	486	452
Oak	126	126

Data source: Customs, China



Data source: Customs, China

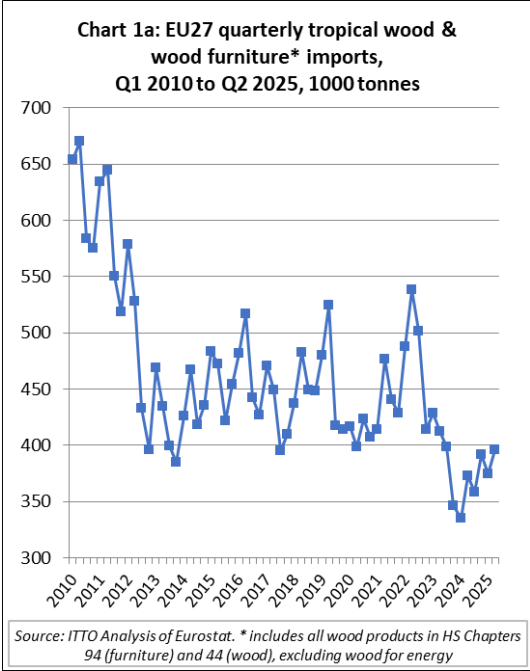
Average CIF prices, sawnwood, US\$/cu.m

	2025 Jul	2025 Aug
Sapelli	730	
Merbau	422	390
Teak	483	478
Lauan	250	167
African mahogany	768	723
Oak	666	646

Data source: Customs, China

EU

Early signs of recovery in EU tropical wood imports



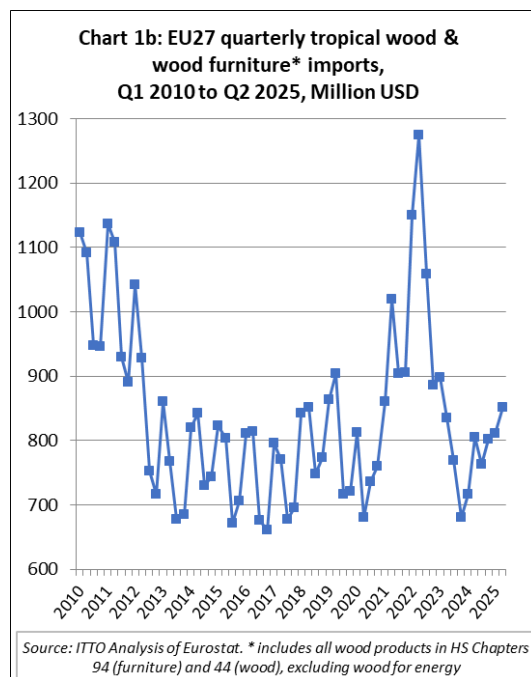
Source: ITTO Analysis of Eurostat. * includes all wood products in HS Chapters 94 (furniture) and 44 (wood), excluding wood for energy

The EU27 imported 770,800 tonnes of tropical wood and wooden furniture in the first six months of 2025, 9% more than the same period in 2024 when imports were at an all-time low. Imports in the second quarter of this year were 396,000 tonnes, 6% more than the previous quarter and 6% more than the same quarter the previous year.

Import tonnage during the second quarter of this year was still well below the long-term quarterly average of around 450,000 tonnes in the last decade (Chart 1a above).

EU27 import value of tropical wood and wooden furniture in the first six months of 2025 was US\$1663 million, 9% more than the same period in 2024. Import value in the second quarter this year was US\$852 million, 5% more than the previous quarter and 6% more than in the same quarter in 2024.

In nominal US\$ value terms (i.e. not accounting for inflation), import value during the second quarter of 2025 was well above the pre-pandemic 2013-2019 quarterly average of around US\$750 million (Chart 1b).



Fragile recovery in EU economy despite political volatility in France

The faint signs of recovery in EU imports of tropical wood products align closely with trends in the wider EU economy.

The economy of the eurozone is growing but, according to the IMF, only at a forecast 1.0% for 2025 and 1.2% for 2026. The forecast average rate of growth in the zone's three largest economies – Germany, France, and Italy – is just 0.4%.

The economic recovery is fragile and there are continuing political challenges.

A recent article in the Economist, the UK-based journal, notes that “on September 8th the French government fell, owing to disputes about how to close the country's outsize budget deficit, prompting its benchmark bond yields to rise to the level of Italy's for the first time since the creation of the euro in 1999.

But there are also positive signals and underlying strengths to the EU economy. The Economist observes that “the purchasing managers' index for European manufacturing, a widely watched measure, reached a multi-year high in August. Similarly, Germany's main sentiment indicator, the Ifo index, showed business expectations at their highest since the start of the war in Ukraine.

For its part, Spain's economy is going from strength to strength, growing in both manufacturing and services, according to surveys, helped by high immigration from Latin America”.

A key reason for the recovery, however fragile, is that inflation has been almost beaten, at 2.1% in the year to August, which have allowed interest rates to be reduced. Consumers have yet to respond with a significant increase in consumption, but their savings have improved, holding out the prospect of better times ahead.

The EU private sector is now faring much better than a decade ago when the bloc was in the throes of the euro area crisis. Outside of France, private sector debt has fallen from a peak of 110% of GDP to 95%, the lowest level in 17 years. Households and corporations are flush with cash, and debt servicing ratios are healthy across Europe except in France.

Similarly, European banks have now greatly rebuilt their balance sheets. Non-performing loans are no longer a threat, capital and liquidity ratios are robust and profitability has improved. Germany's new government under Chancellor Friedrich Merz has lifted the country's debt brake and is embarking on a \$1.2 trillion spending spree focused on defence and infrastructure that is expected to boost the broader EU economy.

It would be wrong to suggest that these positive trends for the EU economy yet outweigh the negative impulses. France's political crisis may worsen. Export markets are becoming more challenging in the face of increased tariffs, slower global economic growth and vigorous competitors. Structural reforms to the EU economy, seen by policy makers and economists as essential to boost productivity growth and the EU's international competitiveness, are being rolled only very slowly.

Mario Draghi, the Former Italian PM frustrated with ‘inaction’ a year after preparing an in-depth report for the European Commission on how to improve Europe's competitiveness, told a news conference in September that “one year on, Europe is ... in a harder place”. Ursula von der Leyen, the Commission's president, who asked Draghi to write the report, admitted that the EU lacked “urgency” in advancing the competitiveness agenda.

That may be about to change. In addition to measures designed to improve the functioning of the EU's single market, "simplification" has become a watchword of Ursula von der Leyen's second term as European Commission president.

Laws on the environment, agriculture, defence, financial services, chemicals, artificial intelligence and transport are all up for "simplification". Much of it will be done through so-called omnibus legislation that opens existing EU laws and strips out anything deemed overly burdensome.

An omnibus bill, first unveiled in February, is now passing through the EU's legislative procedures. Right now, the "simplification" agenda seems to have the upper hand in the EU, but it is controversial, and the outcome remains uncertain.

US-EU framework trade agreement promises to diffuse trade tensions

Another boost to the EU economy may come from the announcement on 21 August 2025 of the "Joint Statement on a United States-European Union framework on an agreement on reciprocal, fair and balanced trade" which seems, for the time-being, to have diffused trade tensions.

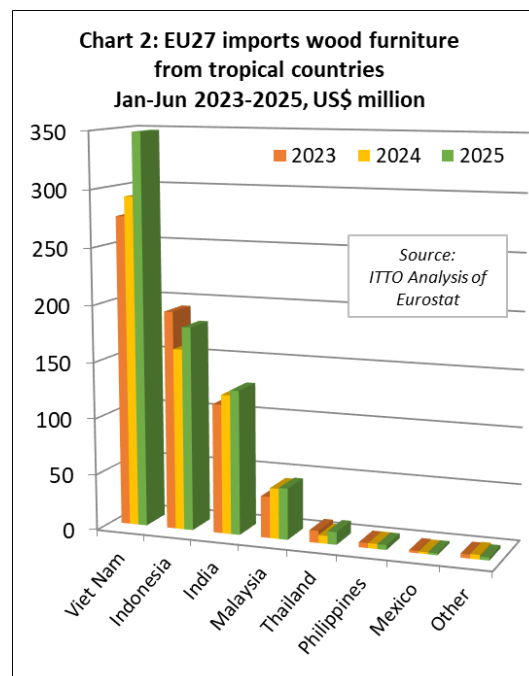
The US agreed to cap the blanket "reciprocal" tariffs on most EU products at 15% in return for a commitment by the EU to apply 0% tariff on all US industrial goods. There is also a joint US-EU commitment to "work together to reduce or eliminate non-tariff barriers" and to "enhance opportunities for technical cooperation" on standards development.

Of particular significance to the forest products sector, the US-EU framework agreement states with respect to the EU Deforestation Regulation that the EU "commits to work to address the concerns of US producers and exporters... with a view to avoiding undue impact on US-EU trade".

Viet Nam and Indonesia drive rise in EU27 tropical wooden furniture imports this year

The EU27 imported 168,900 tonnes of wooden furniture from tropical countries with a total value of US\$723 million in the first six months of 2025. Import quantity and value were up 11% and 13% respectively compared to the same period in 2024.

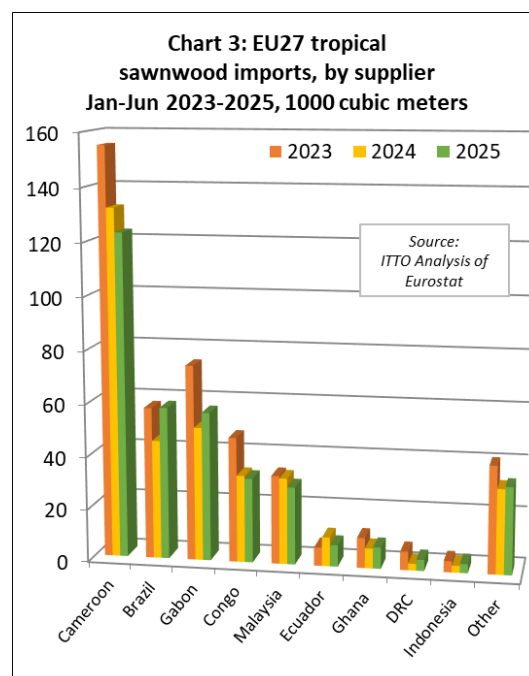
In the first six months of 2025, EU27 import value of wooden furniture increased from all major supply countries including Viet Nam (+19% to US\$348.2 million), Indonesia (+12% to US\$180.9 million), India (+4% to US\$128.2 million), Malaysia (+2% to US\$45.6 million), Thailand (+58% to US\$11.3 million), and Mexico (+7% to US\$1.8 million). EU27 wooden furniture imports from the Philippines were down 1% to US\$4.3 million. EU27 wooden furniture imports from all other tropical countries were negligible during the quarter (Chart 2).



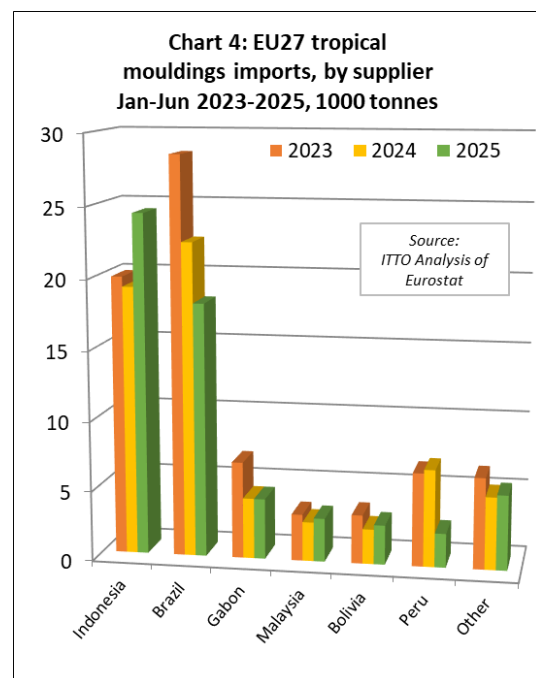
EU27 imports of tropical sawnwood just surpass last year's record low

The EU27 imported 356,100 cu.m of tropical sawnwood with a total value of US\$327.2 million in the first six months of 2025, respectively 2% and 1% more than the same period in 2024. Tropical sawnwood imports were down in the first six months of 2025 compared to the same period last year from Cameroon (-7% to 123,100 cu.m), the Republic of Congo (-3% to 32,100 cu.m), Malaysia (-10% to 29,500 cu.m), and Ecuador (-26% to 8,200 cu.m).

However, these declines were offset by rising imports from Brazil (+28% to 57,800 cu.m), Gabon (+11% to 56,500 cu.m), Ghana (+7% to 8,100 cu.m), the Democratic Republic of Congo (+65% to 4,200 cu.m), and Indonesia (+33% to 3,400 cu.m) (Chart 3).



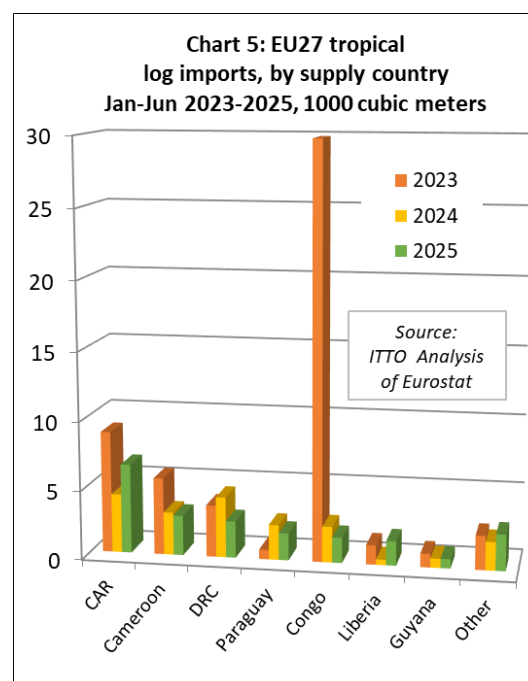
The EU27 imported 60,500 tonnes of tropical mouldings/decking with a total value of US\$103.7 million in the first six months of 2025, respectively 4% and 6% less than the same period last year. The decrease in imports was mainly due to a steep decline from Brazil (-19% to 18,100 tonnes), and Peru (-65% to 2,400 tonnes). Imports increased from Indonesia (+27% to 24,400 tonnes), Malaysia (+11% to 3,100 tonnes), and Bolivia (+13% to 2,800 tonnes). Imports from Gabon were unchanged compared to last year at 4,300 tonnes (Chart 4).



Second quarter rise in EU27 imports of tropical logs from CAR and Liberia

The EU27 imported 20,900 cu.m of tropical logs with a total value of US\$11.7 million in the first six months of 2025, respectively 5% more and 3% less than the same period in 2024. The rise in trade quantity was driven by sharp percentage increases from the Central African Republic (+52% to 6,500 cu.m) and Liberia (+348% to 1,800 cu.m), concentrated in the second quarter of the year.

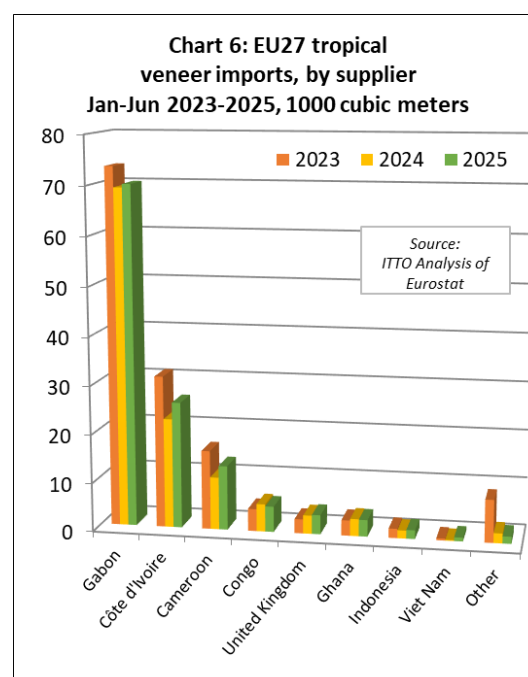
Imports from other African countries continued to fall in the first half of 2025, responding to tighter controls on log exports. In the first six months of 2025, EU27 log imports were down from Cameroon (-7% to 2,900 cu.m), the Democratic Republic of Congo (-39% to 2,700 cu.m), and the Republic of Congo (-29% to 1,800 cu.m). Logs imports also fell from Paraguay, by 22% to 2,000 cu.m, but were stable from Guyana at 700 cu.m (Chart 5).



Signs of recovery in EU imports of tropical veneer and plywood this year

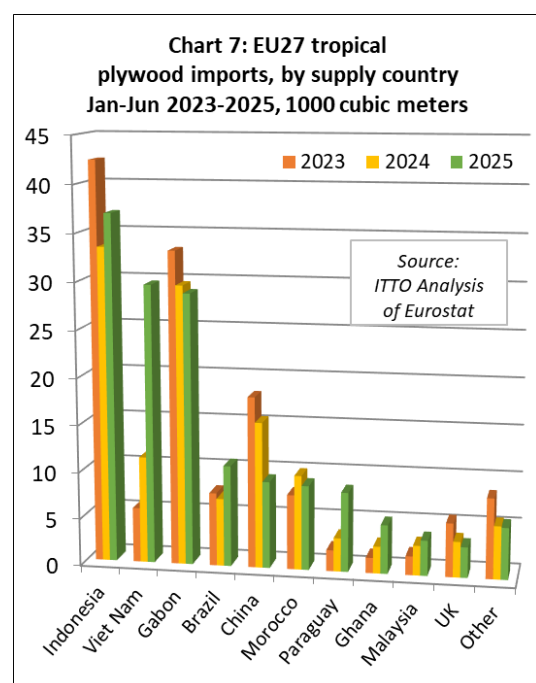
The EU27 imported 125,900 cu.m of tropical veneer with a total value of US\$87.9 million in the first six months of 2025, respectively up 5% and 9% compared to the same period last year. EU27 imports of tropical veneer increased during the six month period from Gabon (+1% to 70,000 cu.m), Côte d'Ivoire (+15% to 26,000 cu.m), Cameroon (+23% to 13,200 cu.m), the UK (+5% to 4,000 cu.m), Indonesia (+10% to 1,800 cu.m), and Viet Nam (+347% to 800 cu.m).

However, imports of tropical veneer decreased from the Republic of Congo (-7% to 5,300 cu.m) and Ghana (-3% to 3,400 cu.m) during the period (Chart 6).



The EU27 imported 150,400 cu.m of tropical plywood with a total value of US\$103.6 million in the first six months of 2025, up 19% and 13% respectively compared to the same period in 2024. Imports increased during the six-month period from Indonesia (+11% to 36,900 cu.m), Viet Nam (+162% to 29,600 cu.m), Brazil (+49% to 10,700 cu.m), Paraguay (+137% to 8,400 cu.m), Ghana (+81% to 5,200 cu.m), and Malaysia (+19% to 3,800 cu.m).

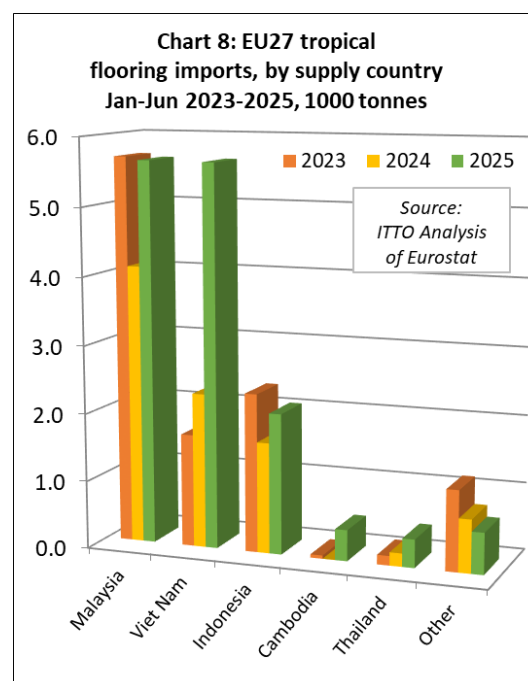
However, these gains were partly offset in the first six months of 2025 by declining imports from Gabon (-3% to 28,800 cu.m), China (-40% to 9,200 cu.m), Morocco (-10% to 9,000 cu.m), and the UK (-14% to 3,200 cu.m) (Chart 7).



Rebound in EU imports of tropical joinery products

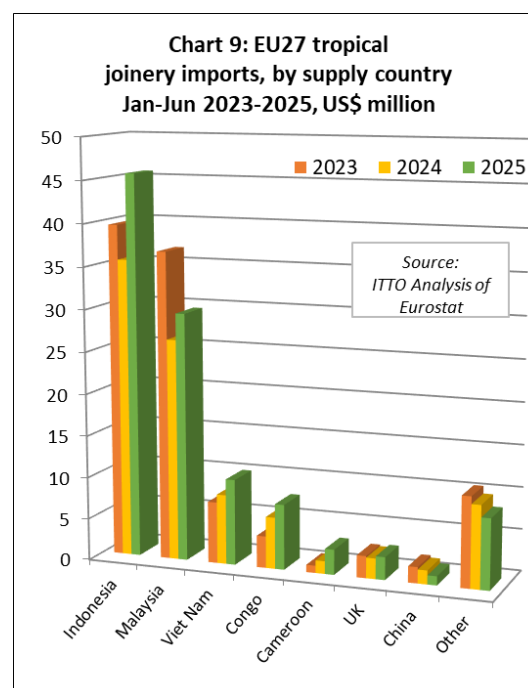
The EU27 imported 14,800 tonnes of tropical wood flooring with a total value of US\$37.5 million in the first six months of 2025, up 65% and 62% respectively compared to the same period in 2024. Imports of 5,600 tonnes from Viet Nam in the first six months this year were nearly 150% more than the same period last year. Imports also increased by 38% from Malaysia to 5,600 tonnes, recovering in the second quarter after a very slow start to the year.

EU tropical wood flooring imports have also risen sharply in percentage terms this year from Indonesia (+27% to 2,100 tonnes), and Thailand (+113% to 400 tonnes). Imports of tropical wood flooring from Cambodia, near zero in the first six months of last year, were 500 tonnes in the same period this year (Chart 9).



EU27 import value of other joinery products from tropical countries - mainly laminated window scantlings, kitchen tops and wood doors – was US\$108.4 million in the first six months of 2025, 18% more than the same period last year. Import quantity was up 20% to 48,700 tonnes in the same period. Import value increased from Indonesia (+28% to US\$45.7 million), Malaysia (+12% to US\$29.5 million), Viet Nam (+23% to US\$10.2 million), the Republic of Congo (+27% to US\$7.8 million), and Cameroon (+98% to US\$3.0 million).

However, EU27 import value of joinery products made from tropical wood was down 11% to US\$2.7 million from the UK, and down 34% to US\$1.1 million from China (Chart 9).



EC proposal to delay EUDR for 12 months

With just over three months until EU Deforestation Regulation (EUDR) compliance is scheduled to start on 30 December 2025 the European Commission announced it is considering another one-year delay. On 23 September, Jessika Roswall, Commissioner for Environment, Water Resilience and a Competitive Circular Economy, sent letters to the Parliament and Council indicating that the Commission's information system for transactions covered by the EUDR currently is not expected to be able to adequately handle all such transactions.

According to Commissioner Roswall's letter "Based on the available information, the Commission's assessment is that this will very likely lead to the system slowing down to unacceptable levels or even to repeated and long-lasting disruptions which would negatively impact companies and their possibilities to comply with the EUDR.

Operators would be unable to register as economic operators, introduce their Due Diligence Statements, retrieve the necessary information from the IT system, or provide the necessary information for Customs purposes where relevant. This would severely impact the achievement of the objectives of EUDR, but also potentially affect trade flows in the areas covered by the legislation."

The letter goes on to suggest that "Despite efforts to address the issues in time for the entry into application of the EUDR, it is not possible to have sufficient guarantees that the IT system will be able to sustain the level of the expected load."

The one-year postponement is intended to allow time to remedy the identified risks. With EUDR compliance looming the Commission is now expected to quickly release a "stop the clock" proposal.

To secure quick approval by the Council and it is likely that the proposal will be limited to timing and will not seek to address other issues.

See: <https://www.euractiv.com/news/eu-set-to-propose-new-delay-to-anti-deforestation-rules/>

North America

US housing market weakened further in August

The pace of new construction continued to slow in August even as falling mortgage rates offer a glimpse of hope for the moribund housing market.

The US Department of Commerce reported that single-family homebuilding plunged to a near 2-1/2-year low in August amid a glut of unsold new houses, suggesting the housing market could remain an economic headwind this quarter. Permits for future single-family home construction also dropped last month to the lowest level in more than two years. Some economists said the decline was necessary to manage new housing inventory, currently near levels last seen in late 2007.

"Builders have been plagued with excessive new home inventories for going on about 18 months now," said Stephen Stanley, Chief US economist at Santander US Capital Markets. "They have made a few half-hearted and ineffective stabs at slowing construction activity, but persistent hopes that homebuyer demand would perk up have been repeatedly dashed. It is past time that builders bite the bullet and cut back on the number of homes they are starting to get inventories under control."

Single-family housing starts, which account for the bulk of homebuilding, fell 7.0% to a seasonally adjusted annual rate of 890,000 units last month. That was the lowest level since April 2023.

Groundbreaking for single-family housing projects tumbled 17.0% in the densely populated South, where economists said most of the over-building had occurred amid a labor market boom. But the region has experienced a significant decline in job openings this year. Homebuilding rose in the Northeast, Midwest and West.

Starts for housing projects with five units or more decreased 11.0% to a rate of 403,000 units. Overall housing starts dropped 8.5% to a rate of 1.307 million units.

A National Association of Home Builders survey showed sentiment among homebuilders remained subdued in September, though expectations for higher sales over the next six months improved. Builders are increasingly cutting prices and offering other incentives to reduce the inventory bloat.

One hope for a better market is falling interest rates. At its September meeting, the US central bank cut its benchmark overnight interest rate and projected a steady pace of reductions for the rest of 2025 to help the struggling labor market. The rate on the popular 30-year mortgage has dropped to an 11-month low of 6.35% from around 7.04% in mid-January, data from mortgage finance agency Freddie Mac showed.

August housing starts also fell sharply in Canada, dipping to a level below the six-month trend line--a sign that construction could slow in the coming months. Housing starts across Canada came in at a seasonally adjusted annualized rate of 245,791 units, a 16% drop from the month before, the Canada Mortgage and Housing Corporation reported. Second-quarter data collected by the Canadian Home Builders Association indicated a "decidedly pessimistic" outlook for sales among its members.

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

Federal Reserve cuts interest rates, signals further cuts

The US Federal Reserve cut interest rates by a quarter of a percentage point in September and indicated it will steadily lower borrowing costs for the rest of this year, as policymakers responded to concerns about weakness in the job market.

The rate cut, along with projections showing that two more quarter-percentage-point reductions are anticipated at the remaining two policy meetings this year, indicates Fed officials have begun to downplay the risk that the administration's volatile trade policies will stoke persistent inflation, and are now more concerned about weakening growth and the likelihood of rising unemployment.

The cut, the first move by the policy-setting Federal Open Market Committee since December, lowered the policy rate to the 4.00%-4.25% range.

See:

<https://www.federalreserve.gov/newsevents/pressreleases/monetary20250917a.htm>

US economy grew faster in the second quarter than estimated

The US economy expanded faster between April and June than previously estimated as growth bounced back after slumping in the first quarter.

The US Department of Commerce said that the country's gross domestic product, the nation's output of goods and services, grew at a 3.3% annual pace in the second quarter after shrinking 0.5% in the first three months of 2025. The agency had initially estimated second-quarter growth at 3%. "There was an upward revision to business investment in structures, equipment and intellectual property, as well as consumer spending," said Ryan Sweet, Chief US economist at Oxford Economics.

"Investment related to AI is helping mask some of the weakness elsewhere in the economy, but the good news is that there is little sign that this support is set to fade anytime soon."

The first-quarter GDP drop, the first retreat of the US economy in three years, was mainly caused by a surge in imports, which are subtracted from GDP as businesses scrambled to bring in foreign goods ahead of new US tariffs taking effect. That trend reversed as expected in the second quarter. Imports fell at a 29.8% pace, boosting April-June growth by more than 5 percentage points.

According to the Atlanta Federal Reserve Bank's GDPNow forecasting tool, the economy is growing at 2.2% clip this year.

See: <https://www.bea.gov/news/2025/gross-domestic-product-2nd-quarter-2025-second-estimate-and-corporate-profits-preliminary>

US job growth weakens

US hiring slowed further in August as employers added a disappointing 22,000 jobs and the unemployment rate rose from 4.2% to 4.3%, the highest level since October 2021 reported the Bureau of Labor Statistics. Also worrisome: payroll gains for June and July were revised down by a total 21,000 and now reveal the economy shed 13,000 jobs in June, - the first job losses since the depths of the pandemic in December 2020.

"August's employment report confirmed that the labour market has headed off a cliff-edge," economist Bradley Saunders of Capital Economics wrote in a note to clients. Ahead of the report, economists surveyed by Bloomberg estimated that 75,000 jobs were added last month.

Healthcare, a reliable jobs engine the past couple of years, again drove the payroll gains with 31,000 and leisure and hospitality, which includes restaurants and bars, added 28,000. But manufacturing, which has been buffeted by the tariffs, lost 12,000 and is down 78,000 jobs this year.

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

Consumer sentiment falls again on inflation fears

US consumer sentiment fell for a second straight month in September as consumers saw rising risks to business conditions, the labor market, and inflation.

The University of Michigan's Surveys of Consumers said its Consumer Sentiment Index fell to 55.4 this month, the lowest since May, from a final reading of 58.2 in August. Economists polled by Reuters had been expecting a reading of 58.0, little changed from the month before.

"Consumers continue to note multiple vulnerabilities in the economy, with rising risks to business conditions, labor markets, and inflation," Joanne Hsu, the director of the Surveys of Consumers, said. "Trade policy remains highly salient to consumers, with about 60% of consumers providing unprompted comments about tariffs during interviews, little changed from last month."

Households have generally been downbeat about the economy over the course of 2025 on concerns that President Donald Trump's aggressive tariff measures will cause goods prices to rise and eat into their purchasing power.

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

US manufacturing continues to slide

Economic activity in the manufacturing sector contracted in August for the sixth consecutive month, say the nation's supply executives in the latest ISM Manufacturing PMI Report. ISM's "Manufacturing PMI" registered 48.7% in August, a 0.7-percentage point increase compared to the 48% recorded in July. A rating below 50% indicates contraction while a rating over 50% indicates growth.

Both the Wood Products sector and the Furniture & Related Products sector reported contraction in August. Among the sectors surveyed by ISM, seven reported growth in August while 10 reported contraction.

Among comments gathered from ISM survey respondents, one wood products executive called the current domestic market "very tentative, with home building and remodeling not very active at all. Inflation, among other factors, is starting to impact consumer buying power, leading to negative signs for our order files. International markets are upended due to the unpredictability of on-again, off-again tariff activity."

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

Cabinet sales continue to fall

US cabinet sales continue to decrease, says the Kitchen Cabinet Manufacturers Association in its July Trend of Business report. July sales were down 6.0% from the previous month and down 5.2% from July 2024 numbers. Custom sales were up 1.1% from last month but down 0.7% from a year ago.

Semi-custom sales fell 7.5% from June to July and were off 5.9% from July 2024. Stock sales plunged 14.3% for the month and were 13.8% under July 2024 totals. For the year so far, cabinet sales are down 6.3% versus last year.

See: <https://kcma.org/sites/default/files/2025-08/July%202025%20TOB.jpg>

Canada drops two lumber-trade complaints against US

Canada has withdrawn two legal complaints against Washington related to US duties on softwood lumber as Prime Minister Mark Carney tries to reach a truce with the Trump administration on the decades-long trade row focused on forest products.

This marks another step back from the Carney-led government in terms of confronting the US on its protectionist trade policy.

A spokeswoman for Canada's foreign department said officials made the decision after consulting with the domestic lumber industry and regional governments, "and it reflects a strategic choice to maximize long-term interests and prospects for a negotiated resolution with the United States."

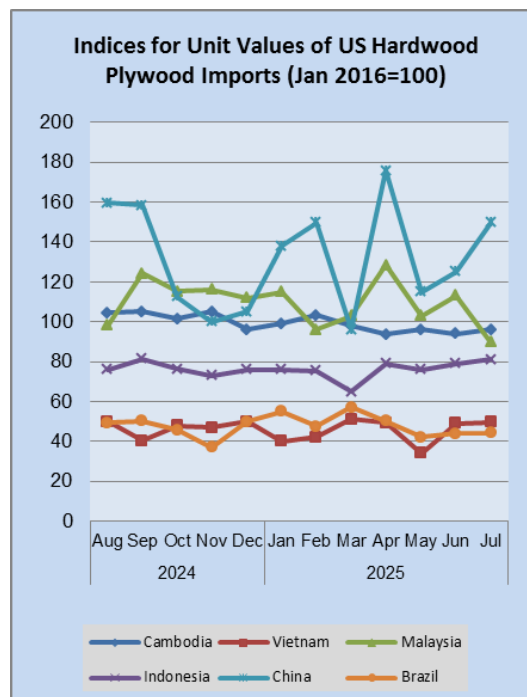
At present, Canadian officials say talks with the US over tariffs are focused on seeking relief for specific key sectors, such as lumber, aluminum, steel and automobiles. Canada is the lone member of the Group of Seven economies that does not have a broad deal with the US over tariffs. This summer, Carney unveiled a \$900 million support package for the lumber sector, due to the pressure from US duties.

The softwood-lumber complaints, which date back to last decade, deal with duties the US slaps on Canadian softwood lumber.

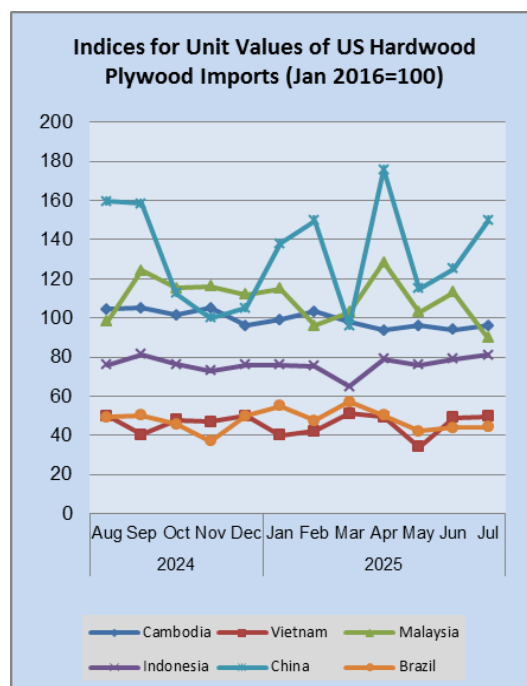
The US decided in August to nearly triple the current anti-dumping levies on Canadian softwood lumber to more than 20%.

The US has repeatedly said tariffs on Canadian lumber are necessary because Canadian governments were subsidising the domestic forest-products industry and that the Canadian sector was dumping or selling goods into the US at a lower-than-normal priced lumber into the US market.

See: <https://www.marketwatch.com/story/canada-drops-two-lumber-trade-complaints-against-u-s-744d082a>



Data source: US Census Bureau, Foreign Trade Statistics



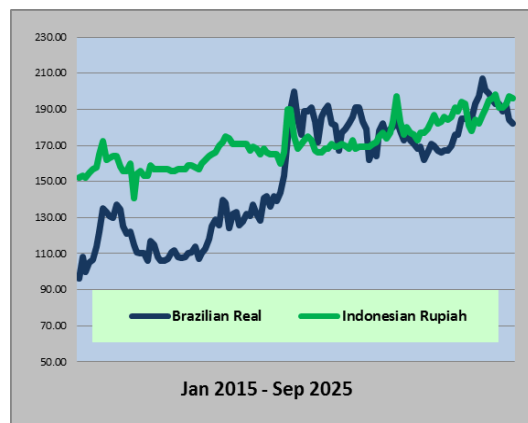
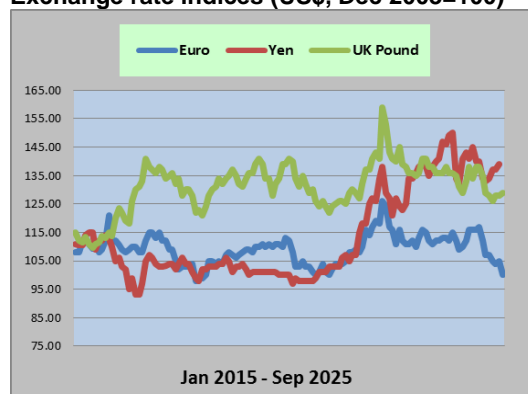
Data source: US Census Bureau, Foreign Trade Statistics

US\$ Dollar Exchange Rates

As of 25th September 2025

Brazil	Real	5342
CFA countries	CFA Franc	561.99
China	Yuan	7.10
Euro area	Euro	0.85
India	Rupee	88.68
Indonesia	Rupiah	16,687
Japan	Yen	149.51
Malaysia	Ringgit	4.22
Peru	Sol	3.48
UK	Pound	0.75
South Korea	Won	1,409.68

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



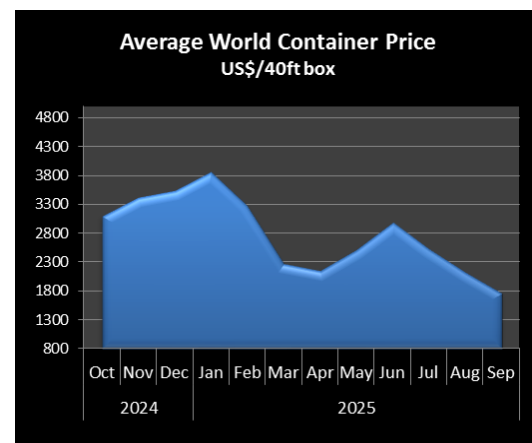
Disclaimer: Though efforts have been made to ensure prices are accurate, these are published as a guide only. ITTO does not take responsibility for the accuracy of this information.

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

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

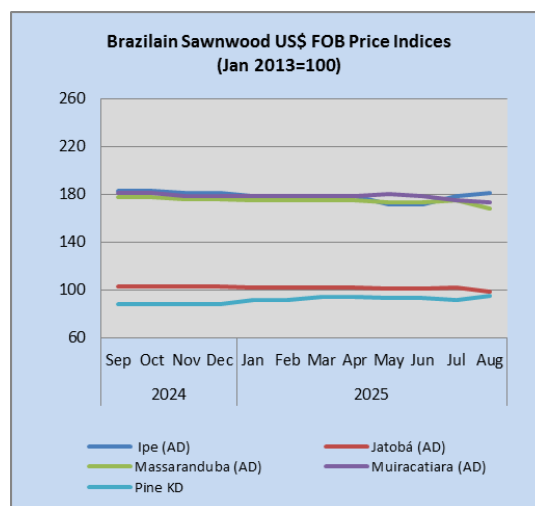
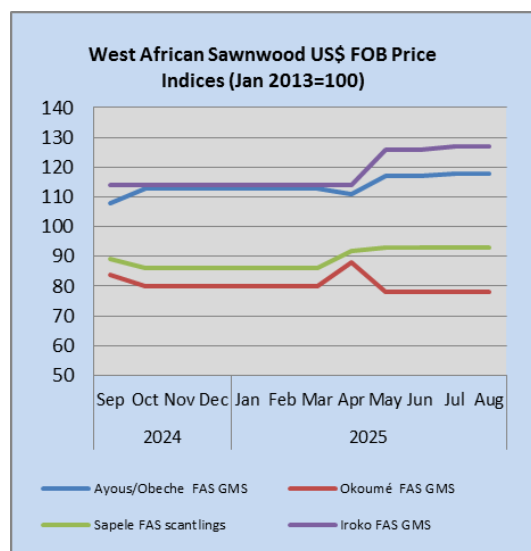
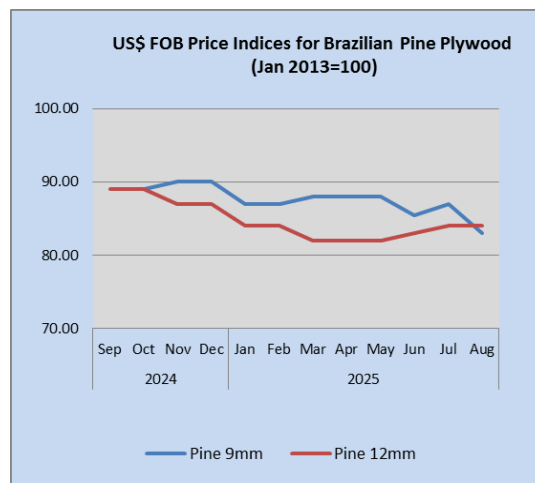
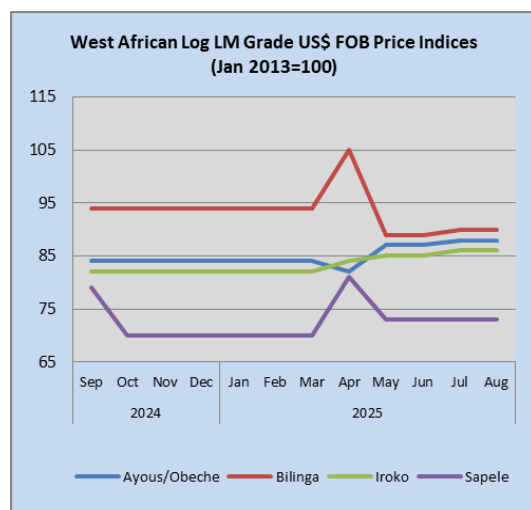


Data source: Drewry World Container Index

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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