

# Tropical Timber Market Report

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

## Contents

Central/West Africa	2
Ghana	3
Malaysia	5
Indonesia	6
Myanmar	7
India	8
Vietnam	10
Brazil	11
Peru	13
Japan	14
China	19
UK	23
North America	28
Currencies and Abbreviations	31
Ocean Freight	31
Price Indices	32

## Headlines

	Page
<b>Foreign workers in Cameroon told - get work permits or leave</b>	<b>2</b>
<b>Business Expo leads to MoU with US National Black Chamber of Commerce</b>	<b>4</b>
<b>Indonesian Carbon Exchange launch planned for September</b>	<b>7</b>
<b>Bidding opens for forest concessions in Southern Brazil</b>	<b>11</b>
<b>Tokyo to eliminate areas congested with old wooden houses</b>	<b>15</b>
<b>China reports rise in tropical sawn hardwood imports</b>	<b>21</b>
<b>ETTF issues EUDR guidance for timber exporters</b>	<b>27</b>
<b>US manufacturing contracts for ninth month</b>	<b>30</b>

## Top story

### Indian plywood output back to pre-pandemic levels

Plywood manufacturers in South India, a centre for plywood production, have seen production return to near normal after the crises triggered by de-monetisation, the floods of 2018 and the two years of COVID pandemic. One of the main challenges facing the industry is availability of raw material.

The industry has urged the government to encourage planting of softwood and the replanting of rubber trees. The industry is important in terms of employment generation and it is estimated the plywood industry in Kerala directly employed around 50,000 people.

Page 8

### **Preidential election result cancelled - Coup in Gabon**

It has been widely reported that less than an hour after the Election Center announced the re-election of Ali Bongo Ondimba military officers and police announced the cancellation of the election result and placed the President under house arrest and said they had assumed control of the country.

### **Rain season arrives in Cameroon and Gabon**

The dry season has ended in Gabon and the first heavy rains were observed all over the country. While these first heavy rains weren't disruptive they marked the beginning of the wetter season. Timber transportation is a challenge during the rain season and efforts are underway to repair the roads before the worst of the rain. Repair efforts intensified in some regions in advance of the 26 August presidential election.

Port operations are reported to be functioning well, however, there were some disruptions in mid-August due to Independence Day celebrations and 3 days of holidays due to the presidential election. These off-days affected scheduling of port activities causing temporary delays in the despatch of some shipments.

Overall, the timber industry in Gabon is facing a mix of challenges and trends including stable prices, weak demand in some main markets, local market issues and the influence of holidays and elections on industry activities.

Harvesting activities in Cameroon experienced a slowdown due to heavy, periodic rain which marked the onset of the rainy season but, despite the weather, harvesting and milling continue. As is usual, trucking is impacted by the rain and laterite roads needed time to dry up before trucks can move but rail operations remained relatively unaffected.

### **Noticeable market slowdown – tax relief sought by companies**

In the forestry sector there was a noticeable slowdown in demand for certain species such as okoume and ayous in Asian markets, the Chinese market in particular, due mainly to the ROC's ban on log exports. In July 2023 the main challenges reported by companies in the ROC included erratic availability of fuel, the large number of road tolls and inefficient administrative procedures for exports and imports.

There was also feedback from the ROC on the impact on cash flow and foreign currency earnings as a result of the log export ban. China's imports of okoume, by way of example, in June this year were only 2,614 cubic metres, over 98% down year on year. Enterprises have expressed the hope that the forestry authorities would consider lowering or waiving some taxes.

See: <https://www.itto-ggsc.org/static/upload/file/20230816/1692147989860563.pdf>

In related news, China Customs has reported that in the first quarter of this year imports of timber from Gabon were valued at 277 million yuan, a decrease of 36% compared to the same period in 2022 and a decline of 21% compared to the fourth quarter of 2022.

Companies in Gabon contributing the Global Timber Index (GTI) have reported a decline in international market demand which has impacted sales and pushed up stocks. To address this challenge companies are urging the government to provide concrete support in terms of market diversification, streamlined administrative processes and improved logistic efficiency,

See: <https://www.itto-ggsc.org/static/upload/file/20230816/1692147989860563.pdf>

### **Foreign workers told - get work permits or leave**

Officials in Cameroon suspended the work contracts of several thousand foreign workers, including Africans, Chinese and Europeans and ordered them to obtain work permits and pay taxes within a month or leave the country.

Issa Tchiroma Bakary, Cameroon's Minister of Employment and Vocational Training, said a majority of foreign workers do not pay taxes and it is estimated foreign workers have deprived Cameroon of more than US\$25 million since January this year.

The government suspects several thousand foreign workers in the mining and forest sectors entered the country on tourist visas.

See: <https://www.voanews.com/a/cameroon-suspends-work-contracts-foreign-workers-there-illegally-must-leave/7230670.html>

### **Higher first quarter timber prices in Cemac countries**

According to the Composite Commodity Price Index (ICCPB) published by the Bank of Central African States, a central bank that serves six central African countries which form the Economic and Monetary Community of Central Africa: Cameroon, Central African Republic, Chad, Equatorial Guinea, Gabon and the Republic of the Congo, in the first quarter 2023 prices for timber exported by Cemac countries rose by 4.1% compared to the previous quarter.

This, Beac says, was mainly as a result of higher log prices. Compared to the previous quarter log prices increased by 7.3% to US\$275 per cubic metre while prices for sawnwood increased by 3.5% to US\$582 per cubic metre.

See: <https://www.businessincameroon.com/public-management/2604-13060-cemac-timber-export-prices-up-4-1-goq-in-q1-2023>

### Log export prices

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

### Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	425
Bilinga FAS GMS	580
Okoumé FAS GMS	460
Merchantable KD	400
Std/Btr GMS	390
Sipo FAS GMS	420
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	1,100
FAS scantlings	1,100
Strips	400
Sapele FAS Spanish sizes	460
FAS scantlings	489
Iroko FAS GMS	750
Scantlings	820
Strips	400
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	530
Scantlings	550
Movingui FAS GMS	380

### Through the eyes of industry

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

See: <https://www.itto-ggsc.org/static/upload/file/20230816/1692147989860563.pdf>

## Ghana

### March exports a record

Ghana's wood product export data for the first four months of 2023 reveal that March exports were the highest at 31,467 cu.m representing 31% of the total export volume of 101,997cu.m for the four month period. Last year March exports were 30,615 cu.m and represented 30% of the total for the four month period.

Wood product exports in the first four months of 2023 earned the country Eur14.54 million compared to the Eur10.78 million in 2022. The data show there was a 35% increase in earnings and a 3% increase in shipment volumes.

### Wood product export volumes Jan-Apr.

	2022	2,023	YoY
	cu.m	cu.m	% change
Jan	23,349	21,649	-7.30%
Feb	20,888	23,663	13.30%
Mar	30,615	31,467	2.80%
Apr	27,762	25,219	-9.20%
Total	102,615	101,997	-0.60%

Data source: TIDD

### Wood product export values Jan-Apr.

	2022	2023	YoY
	Eur'000s	Eur'000s	% change
Jan	10,041	9,160	-8.80%
Feb	9,215	10,756	16.70%
Mar	10,783	14,540	34.80%
Apr	13,134	11,017	-16.10%
Total	43,173	45,473	5.30%

Data source: TIDD

According to the Timber Industry Development Division (TIDD) report, in the first four months of this year the leading wood products exported were air and kiln dry sawnwood, billets and plywood.

### Exports earnings from SPWP rise

Of total exports, secondary processed wood products (SPWP) including furniture parts, moulding and flooring earned Eur40.17 million in the first four months of 2023, up 8% from the same period in 2022 while tertiary wood products (TWP) exports earned just Eur2.44 million, up 6% year on year. However, receipts from primary wood products dropped 24% to register Eur2.86 million in 2023.

### Exports by category, Jan-Apr 2022

	2022	2022	% share
	cu.m	Euro	value
Primary	12,346	3,776,805	9%
Secondary	87,304	37,094,313	86%
Tertiary	2,965	2,302,472	5%
Total	102,615	43,173,591	100%

Data source: TIDD

**Exports by category, Jan-Apr 2023**

	2023 cu.m	2023 Euro	% share value
Primary	8,899	2,860,903	6%
Secondary	89,486	40,169,012	88%
Tertiary	3,613	2,443,108	5%
Total	101,998	45,473,023	100%

Data source: TIDD

Air and kiln dry sawnwood accounted for more than half of the total export volume in the first four months of 2023. Compared to 2022, the value of exports of these two products rose 19% and 4% respectively.

The TIDD report also indicated the average unit price for KD sawnwood was Eur662/cu.m, AD sawnwood Eur366/cu.m, plywood (regional market) Eur394/cu.m and billets Eur311/cu.m.

**Business Expo leads to MoU with US National Black Chamber of Commerce**

Trade between Ghana and the US reached an all-time high of US\$3.7 billion in 2022 with a favourable balance of trade to Ghana. The country’s export to the US in 2022 amounted to US\$2.7 billion while imports from the US were US\$1.0 billion. The Minister of Trade and Industry, KT Hammond, made this known to the media at the 2023 US – Ghana Business Expo on the theme “Leveraging U.S. – Ghana Trade Relation for Growth and Prosperity”.

The American Chamber of Commerce website says the Expo will provide an overview of the current trade relations between the United States and Ghana, highlighting success stories, identifying potential areas of growth, and outlining strategies for fostering further collaboration with integrated business-to-business meetings between Ghanaian and U.S. companies.

As part of the Expo, the U.S. Department of Commerce will lead a Global Diversity Export Initiative (GDEI) trade delegation that includes 19 companies and six trade associations, including the National Black Chamber of Commerce, the National Business League, US Black Chambers Inc., Dallas Black Chamber of Commerce, the National Center for American Indian Enterprise Development and the Organization for Women in International Trade.

The Expo aimed at providing a platform that would foster bilateral trade collaborations and economic growth between Ghana and the US. Business Associations from the US, the Black Global and Business Network (BGBN) and the National Black Chamber of Commerce (NBCC) signed Cooperation agreements for business connections and exchanges at the Business Expo.

The President of the Association of Ghana Industries (AGI) Dr. Kwesi Humphrey Ayim Darke and the Chairman of the Accra Regional Branch of AGI, Mr Tsonam Cleanse Akpeloo, met the leaders to discuss the cooperation terms and objectives.

The National Black Chamber of Commerce, said to be the largest Black business association in the world, is dedicated to economically empowering and sustaining African American communities through entrepreneurship and capitalistic activity within the US and the Black and Global Business Network is the largest Network ever convened to solely focus on expanding, connecting and empowering Black International Entrepreneurs.

See: <https://amchamghana.org/event/2023-u-s-ghana-business-expo/> and <https://agighana.org/agi-signs-corporate-agreements-with-the-usa-black-national-chambers-of-commerce-and-black-global-business-network/>

**AGI raises concerns on duplication by Organised Crime Office**

The Association of Ghana Industries (AGI) has become concerned at the frequent visits to some of its members by representatives of the Economic and Organised Crime Office (EOCO).

According to the chairman for the Ashanti, Bono and Bono East Regions AGI, Kwasi Nyamekye, EOCO officials frequent the offices of its members and regularly request for the financial statements and sales records among others which the Ghana Revenue Authority (GRA) also regularly reviews. Nyamekye said EOCO requests for the same information as collected by the GRA is a duplication and companies are becoming concerned.

See: <https://thebftonline.com/2023/08/18/agi-unhappy-over-eocos-non-stop-presence-at-members-premises/>

**IFAD approves US\$52.5 million loan**

The Ghana Government has received approval to arrange a US\$52.5 million loan from the International Fund for Agricultural Development (IFAD) to finance the Promotion of a Rural Opportunities, Sustainable Profits and Environmental Resilience (PROSPER) project.

The PROSPER project is designed to complement ongoing interventions in the agricultural sector such as Planting for Food and Jobs (PFJ) with a concentration on smallholder farmers, the Ghana Agricultural Sector Investment Programme (GASIP), the Savannah Zone Agricultural Productivity Improvement Project (SAPIP) and the Savannah Investment Programme (SIP) among others.

See: <https://webapps.ifad.org/members/eb/134/docs/EB-2021-134-R-45-Rev-1.pdf>

**Boule export prices**

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	760
Niangon Kiln dry	910

### Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	334	441
Chenchen	477	612
Ogea	486	590
Essa	624	722
Ofram	350	435

### Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up	860	925
Afrormosia	465	564
Asanfina	290	311
Ceiba	458	525
Dahoma	640	713
Edinam (mixed redwood)	660	795
Emeri	541	946
African mahogany (Ivorenensis)	560	907
Makore	850	1,000
Niangon	570	875
Odum	800	900
Sapele	513	521
Wawa 1C & Select		

### Export sliced veneer prices

Sliced face veneer	FOB
	Euro per cu.m
Asanfina	980
Avodire	2,999
Chenchen	702
Mahogany	1516
Makore	1,046
Odum	2,315
Sapele	1,325

### Export plywood prices

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	501	580	641
6mm	412	535	604
9mm	327	504	560
12mm	758	512	480
15mm	450	385	430
18mm	460	444	383

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

## Malaysia

### Strengthened law enforcement contributed to decline in deforestation

The Guardian newspaper in the UK reported Global Forest Watch (GFW) Senior Geographic Information System Research Manager, Liz Goldman, as saying Malaysia and Indonesia can be considered examples of success stories in controlling deforestation and the countries have made strides where deforestation was concerned for a number of years

The Guardian also quoted Arief Wijaya, Programme Director for the World Resources Institute in Indonesia as saying strengthened law enforcement, peatland restoration, fire mitigation efforts and farming bans in sensitive areas contributed to the fall in deforestation.

See:

<https://www.theguardian.com/environment/2023/aug/07/progress-on-slowing-deforestation-could-boost-climate-efforts-say-experts-aoe>

### Promoting trade in domestic currencies

Indonesia, Malaysia and Thailand intend to promote the use of local currencies in bilateral transactions. According to a joint statement by Bank Indonesia, Bank Negara Malaysia and the Bank of Thailand MoUs have been signed providing a framework for cooperation to promote bilateral transactions in local currencies. This agreement was concluded on the sidelines of the recent ASEAN Finance Ministers and Central Bank Governors' meeting.

See: <https://www.aa.com.tr/en/asia-pacific/indonesia-malaysia-thailand-sign-deal-to-use-local-currencies-in-bilateral-transactions/2976340>

### Logging to continue as carbon markets developed

At a seminar on Introduction of Forest Carbon Activities in Sarawak, Forest Department Director, Hamden Mohammad, said logging activities in Sarawak will continue along side the new emphasis on forest carbon activities. He said that completely stopping logging and timber processing would adversely impact the livelihood of many people, particularly those involved in downstream activities. Hamden made this clarification after opening a seminar on Introduction of Forest Carbon Activities in Sarawak.

Hamden said since 2018 the pace of logging has slowed from the 8 million cubic metres to 3-4 million cubic metres in 2020 to around 2 million cubic metres in 2022.

See:

<http://theborneopost.pressreader.com/article/281479280936526>

### Environmental sustainability and social responsibility

During the Malaysian Wood Expo (MWE) 2023 the Malaysian Timber Council (MTC) arranged for a presentation on the growing demands of consumers and investors for corporations to improve their social responsibility. MTC invited the Chairperson of the Ethical Trade Alliance (ETA), Lawrence Christoffelsz, to speak on this topic.

In the presentation "Forced Labour and Sustainability Reporting Requirements in Global Trade" Christoffelsz highlighted the rapid increase in global reporting requirements, including the issue of modern day slavery, carbon reporting, climate change, corporate social responsibility (CSR) and environmental social governance (ESG).

Christoffelsz said "Regulations across the globe are leading to restriction and export and import bans of certain products that don't comply with ESG requirements, amongst others."

He also mentioned the list of countries that were banned in 2022 for forced labour and the European Union's Carbon Border Adjustment Mechanism (CBAM) which targets imports of carbon-intensive products that are in full compliance with international trade rules.

“The entire supply chain must be transparent and accountable,” said Christoffelsz adding that there are opportunities in this area to create new revenue streams as companies become ethical and sustainable across the globe.

See: [https://mtc.com.my/images/publication/253/TM\\_may\\_June\\_23.pdf](https://mtc.com.my/images/publication/253/TM_may_June_23.pdf)

In related news, Sarawak Premier, Abang Johari Tun Openg, has said the operations of Sarawak Timber Industry Development Corporation (STIDC) need to reflect the global shift towards the environmental sustainability agenda.

He explained that global banking institutions are now encouraging companies to comply with environmental, social and governance (ESG) initiatives, and products produced by sustainable practices are preferred. He urged STIDC to adapt Sarawak becomes a recognised positive player for the environment.

See: <https://theborneopost.pressreader.com/article/281565180296521>

#### **Sabah law to control biological resource use**

A Bill was passed in the Sabah State Legislative Assembly to amend the Sabah Biodiversity Enactment 2000 and provide for the control of biological resources to stop anyone from keeping, selling, buying or exporting any protected biological resource without a valid license from the Sabah Biodiversity Centre.

The Sabah Biodiversity Center had identified biological resources that need to be protected and have been listed in the proposed amendment to ensure that the genetic rights of the plants are protected in accordance with international requirements (Nagoya Protocol).

For more details visit: <https://theborneopost.pressreader.com/article/281522230613995>

In related news, Sabah is keen to expand its biomass industry especially now that most countries are transitioning or in the process of adapting green technology or green energy. In realising the advantages of biomass in the production of high value-added products, such as bio-pellets, bio-fuels and bio-based chemicals, the Sabah Industrial Development and Entrepreneurship Ministry is drafting the Sabah Biomass Policy to further develop the sector.

See: <https://theborneopost.pressreader.com/article/281522230613995> and <https://www.nst.com.my/news/nation/2023/08/940722/sabah-expand-biomass-industry-through-policy-regulations>

#### **Through the eyes of industry**

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

See: <https://www.itto-gpsc.org/static/upload/file/20230816/1692147989860563.pdf>

## Indonesia

#### **July exports - paper, pulp and plywood the top three**

Exports of wood products in July 2023 rebounded after falling in June to reach US\$1.23 billion with a volume of 1.4 million tonnes. Between January and July 2023 exports of wood products totalled US\$7.7 billion. In terms of value exports were 46% of 2022 exports of US\$14.21 billion. Exports of paper dominated exports in the first seven months of 2023 at 33% of the total export value.

The second largest contributor to exports was pulp products at 28% followed by plywood at 16% of total exports for the period. The main export destination for Indonesian wood products were Asian markets at 67% of the total followed by North America 14% and the EU at 11%.

See: <https://forestinsights.id/kinerja-ekspor-produk-kayu-juli-2023-kontribusi-plywood-capai-159-persen/>

#### **Trade Minister Hasan to the UK - keep trade policies open**

Trade Minister Zulkifli Hasan urged the United Kingdom not to adopt policies that could hinder Indonesia's exports which he said appears the EUDR will.

In a bilateral meeting with British Minister of State for International Trade, Nigel Huddleston, Hasan reported that the UK's environmental policies were discussed against the background of the EUDR. In addition to environmental policies, Hasan revealed that he and Minister Huddleston discussed the upgrade of their Joint Economic and Trade Committee (JETCO) into a Comprehensive Economic Partnership Agreement (CEPA).

Meanwhile, Deputy Minister of Trade, Jerry Sambuaga, said that Indonesia had sent a clear message regarding the importance of formulating and implementing balanced, egalitarian and fair trade policies.

See: <https://en.antaranews.com/news/291561/trade-minister-hasan-expects-uk-to-not-implement-eudr-like-policies> and <https://finance.detik.com/berita-ekonomi-bisnis/d-6886147/zulhas-harap-kebijakan-lingkungan-inggris-tak-ganggu-ekspor-pertanian-ri>

In a related development, Indonesia stressed the importance of upholding the principles of equality and fairness in trade with the EU during the ASEAN-EU Economic Ministers' Consultative Meeting.

Sambuaga said Indonesia emphasised the importance of ensuring balance and upholding objective principles to incorporate the values of fairness and equality into trade. The Deputy Minister affirmed that related parties should take into account objective principles during the policy formulation process in the hopes of creating a fair trade climate for all.

See: <https://en.antaranews.com/news/291564/indonesia-spotlights-importance-of-trade-equality-fairness-to-the-eu>

### Customary forest disbursement target – 80% achieved

The Ministry of Environment and Forestry (KLHK) is optimistic that the distribution of customary forests will achieve the 2023 target. Based on Presidential Decree No. 28 of 2023 the target is to distribute 380,000 hectares. Currently 308,495 hectares of land have been given customary forest status.

The Director General of Social Forestry and Environmental Partnerships in the Ministry of Environment and Forestry, Bambang Supriyanto, said that political issues will not be allowed to interfere with the process of granting customary forests to communities. Bambang explained that the Ministry of Environment and Forestry would step in to monitor and guide the local governments if they experienced problems in preparing customary forest proposals in order to accelerate the process of granting customary forest status to the community.

See: <https://www.cnnindonesia.com/nasional/20230809180158-20-984029/klhk-kejar-target-beri-hutan-adat-tahun-ini-sudah-80-persen>

### Carbon Exchange launch planned for September

The Chairman of Financial Services Authority (OJK), Mahendra Siregar, has targeted late September for the launch of Indonesia's carbon exchange. Currently, the Ministry of Law and Human Rights is processing the release of OJK regulation on carbon exchange.

Previously, the Chief Executive of Capital Markets, Financial Derivatives and Carbon Exchange Supervisor of OJK, Inamo Djajadi, said that the regulation, PIJK No. 14 of 2023 will provide the legal definition and steps necessary for the conduct of a carbon exchange trade.

See: <https://en.tempo.co/read/1762117/ojk-to-launch-carbon-exchange-in-september>

### Ministries collaborate to help MSMEs go global

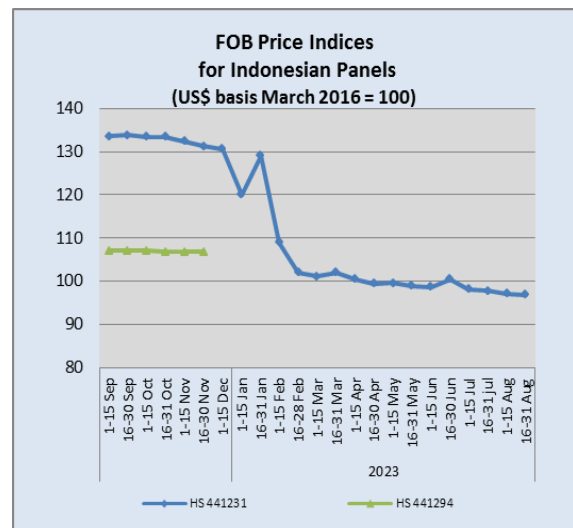
Indonesia's Foreign Affairs and Finance ministries have agreed to collaborate to help micro, small and medium enterprises (MSMEs) enter global markets.

To strengthen cooperation the two ministries signed a Memorandum of Understanding (MoU) on Cooperation in the Field of State Finance and Foreign Relations to Support Economic Diplomacy.

Finance Minister, Sri Mulyani Indrawati, said the government will support MSMEs to enter global markets, adding that she anticipates the collaboration between the two ministries to be implemented immediately in Indonesia's 131 representative offices overseas

In the short term, Marsudi asked a team from the Foreign Affairs and Finance ministries to map out strategies for MSMEs and report on opportunities for Indonesian MSME products.

See: <https://en.antaranews.com/news/291078/foreign-finance-ministries-ink-mou-to-help-msmes-go-global>



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

### Through the eyes of industry

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## Myanmar

### Currency stabilisation task force

The Central Bank of Myanmar (CBM) plans to form a task force comprising officials from the Bureau of Special Investigation (BSI), an intelligence agency, a security service and a department under the Ministry of Home Affairs to try to bring the exchange rate and the price of gold under control.

Myanmar has been hit by soaring inflation and attempts to cool it have not been successful. The latest blow came early this month after the circulation of a new 20,000-kyat banknote and the news of freezing about US\$1 million by a Bangladesh bank. Recently the exchange rate varied from 3600 to 3900 Kyats/US dollar.

The administration has repeated warning to exporters that they must bank all export earnings within 45 days and that recently 78 companies were charged for failing to show bank transaction records for export earnings with the founders of two companies being imprisoned. He added that plans are in the works to charge more than 80 other companies.

The amount of unbanked export earnings is claimed as much as US\$2 billion since 2016. The CBM ordered exporters to convert 60% of export earnings into kyats at a fixed rate but this was recently adjusted to 50%. The CBM has repeatedly claimed that foreign exchange rates and gold prices were rising because certain businesses are manipulating them.

Just after the CBM revealed its plan to organise a task force to scrutinise, investigate and take action against market manipulation the foreign exchange rate dropped from 3900 Kyats to 3600/3650 Kyats per US dollar. The CBM is taking action against speculators in the foreign exchange market and illegal money changers to contain the rising gold prices and dollar exchange rate.

In related news, Sonali Bank, a state-owned Bangladeshi bank that handles most of the bilateral trade with Myanmar has frozen the accounts of two key Myanmar banks on the advice of the US embassy in Dhaka which asked the government to apply to sanctions imposed by the US Treasury. The accounts of the Myanmar Foreign Trade Bank (MFTB) and Myanmar Investment and Commercial Bank (MICB) which reportedly have deposits of over US\$1 million at Sonali Bank have been frozen.

See: <https://www.irrawaddy.com/business/myanmar-junta-to-form-task-force-to-tackle-soaring-exchange-rates-gold-prices.html> and <https://www.mizzima.com/article/dollar-trading-difficult-myanmar-after-central-bank-revokes-money-changer-licenses> and <https://www.asiafinancial.com/key-bangladeshi-bank-freezes-myanmar-regime-accounts>

**US sanctions aviation fuel suppliers**

On 23 August, the US Office of Foreign Assets Control of Treasury Department issued sanction notices against a few individuals that operate in the jet fuel sector. Two individuals and one entity that are involved in the procurement and distribution of jet fuel to the Myanmar army have been identified. The targeted persons and companies are believed to be Singapore-based commercial entities.

See: <https://home.treasury.gov/news/press-releases/jy1701>

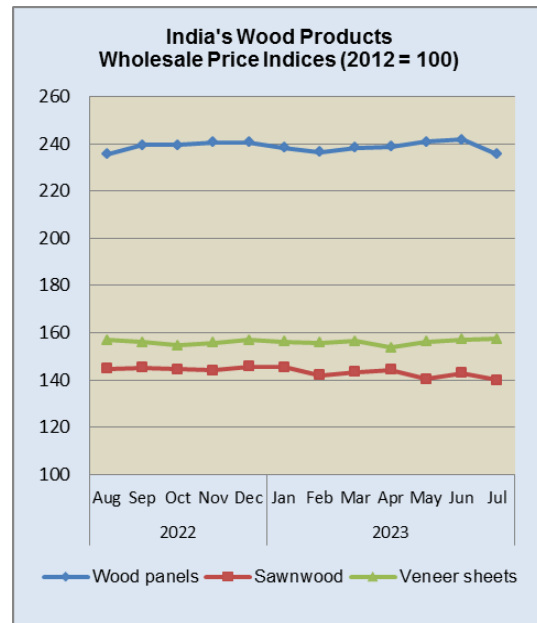
**India**

**Wood product price indices tilt lower**

The annual rate of inflation based on all India Wholesale Price Index (WPI) in July was minus 1.36% compared to minus 4.12% recorded in June 2023. The decline in the rate of inflation in June, 2023 is primarily due to fall in prices of mineral oils, basic metals, chemical and chemical products, textiles and food products.

Out of the 22 NIC two-digit groups for manufactured products, 11 groups saw an increase in prices whereas 10 groups witnessed a decrease. The increase in price was mainly contributed by food products; machinery and equipment; computers, electronic and optical products and other non-metallic mineral products. Some of the groups that have witnessed a decrease in prices in July were basic metals; chemical and chemical products; textiles, paper and paper products, wood panels and sawnwood.

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



Data source: Ministry of Commerce and Industry, India

**Plywood industry output back to pre-pandemic levels**

The nearly 500 plywood manufacturing units in South India such as Kerala and Andhra Pradesh have returned to near normality after a crisis triggered by de-monetisation, the epic floods of 2018 and the two years of COVID pandemic. Industry sources said the plywood industry, however, had its own share of problems caused by the general deceleration in the economy. But it hopes to go full steam with the recovery of the economy.

One of the issues confronting the industry is shortage of raw materials. However, sources said it was a seasonal issue as raw materials fall short of demand when the rainy season sets in.

In the long run, the industry had expressed the view that the government should encourage planting of softwood to enable the sector to have sufficient raw materials. Besides, there is shortage caused by the slowdown in replanting of rubber trees in the State. The industry is important in terms of employment generation and its general contribution to the State's economy. Sources said the plywood industry in Kerala directly employed around 50,000 people.

<https://www.thehindu.com/news/cities/Kochi/plywood-industry-picks-up-pace-after-pandemic/article66980093.ece>

**Economic activity gaining momentum**

India has seen economic activity gaining momentum amid continuing global uncertainties. The last quarter's GDP data was surprising but not completely unexpected. The GDP growth in the fourth quarter has pushed up the full-year GDP growth of FY2022-23 to 7.2%, higher than forecast. The recently released Annual Economic Review for May 2023 highlighted that quarterly trends in consumption and investment exceeded pre-pandemic levels.



Most analysts are bullish about the Indian economy expecting the India economy to grow between 6% and 6.3% in FY2023–24. The significance of these developments and their implications for India are discussed in a review by the IMF. The first-quarter data is driving confidence in the improving health of the Indian economy, inflation has been contained and is at the lowest since the quarter of September 2019.

See: <https://asia.nikkei.com/Economy/IMF-upgrades-India-economic-outlook-while-China-s-recovery-loses-steam>  
and  
<https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

### Interest rate hike dampens demand for affordable housing

India Today has reported affordable housing demand has weakened sharply. Consultant firm Knight Frank India has said sales of affordable housing fell due to the Reserve Bank of India's aggressive interest rate hike which significantly increased the cost of housing loans. Demand for affordable housing has declined compared demand in the mid and high-range segments of the market.

In related news it is anticipated that Delhi will see a big surge in housing-unit launches during the forthcoming festive period as many a slew of developers acquired land over the past six months to address the escalating demand for homes. In the first half of this the number of new units available was close to that in the first half of 2019.

See: <https://www.indiatoday.in/business/story/affordable-housing-in-india-takes-a-hit-knight-frank-research-report-2423050-2023-08-18>  
and  
<https://timesofindia.indiatimes.com/business/india-business/delhi-ncr-set-for-record-housing-unit-launches-in-festive-season-luxury-segment-in-focus/articleshow/102835302.cms?from=mdr>

### RBI seems to have acted to support rupee

The Indian rupee has recovered slightly from its recent record low of around 83.5 to the US dollar helped by a reversal in US Treasury yields which also offered support to other Asian currencies. The rupee has been under consistent pressure in recent sessions and observers suggest it has required US dollar sales by the Reserve Bank of India (RBI) to steady the exchange rate.

See: <https://www.reuters.com/markets/currencies/rupee-recovers-record-closing-low-importers-exporters-more-active-2023-08-18/>

### Import prices, June 2023

#### Teak log prices

Teak prices are being updated for inclusion in the next report

### Locally milled sawnwood prices

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

Price range depends mainly on lengths and cross-section

### Sawn hardwood prices

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

Price range depends mainly on lengths and cross-sections

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

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

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

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

### US hardwood exports to India

The value of US hardwood exports to India reached US\$3.247mil. in the first quarter of 2023 according to the latest data released by the United States Department of Agriculture (USDA). Total hardwood sawnwood shipments from the US to India increased by 36% in value to US\$2.142mil., up from US\$1.581mil. for the same time period in 2022 and by 68% in volume to reach 3,796 cu.m.

The USDA data shows direct exports of American hardwood veneers to India were worth US\$77,000, up by 38% and exports of hardwood logs increased by 50% to 2,023 cu.m.

The top five American hardwood species exported to India in the first quarter 2023 were ash, white oak, red oak, maple and hickory.

See: <https://panelsfurnitureasia.com/exports-of-us-hardwoods-to-india-hit-us3-247m-in-q1-2023/>

### Sculpture from ancient teak log

A 700-year-old teak log has been sculptured into an image of Ananta Seshasayana Sri Maha Vishnu reclining on a coiled snake by artists from Myanmar and India commissioned by Anuradha Timbers International.

See: <https://www.thehindu.com/news/cities/Hyderabad/700-year-old-teak-turned-into-a-sculpture-of-vishnu-in-hyderabad/article67022796.ece>

## Vietnam

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

According to statistics from Vietnam General Department of Custom W&WP exports to the US in July 2023 were valued at US\$609.3 million, down 11% compared to July 2022. In the first 7 months of 2023 W&WP exports to the US were recorded at US\$3.9 billion, down 30% over the same period in 2022.

In July 2023 exports of kitchen furniture reached US\$108 million, up 2.8% compared to June 2023, the third consecutive monthly increase. However, when compared to July 2022 the export value decreased by 14%.

In the first 7 months of 2023 the exports of kitchen furniture totalled US\$633.2 million, down 24% over the same period in 2022.

Vietnam's office furniture exports in July 2023 were valued at US\$25 million, down 25% compared to July 2022. In the first 7 months of 2023 office furniture exports totalled US\$148 million, down 34% over the same period in 2022.

Imports of logs and sawnwood from Southeast Asia in July 2023 fell for the second consecutive month reaching 65,000 cu.m, worth US\$19.0 million, down 11% in volume and 5% in value compared to June 2023 and also down 7% in volume and 21% in value compared to July 2022.

In general, in the first 7 months of 2023 imports of wood raw material from Southeast Asia reached 478,600 cu.m, down 8% year on year.

Vietnam's imports of logs and sawnwood from Africa in June 2023 dropped to 43,880 cu.m, worth US\$15.79 million, down 48% in volume and 56% in value compared to May 2023 and also down 61% in volume and 63% in value compared to June 2022.

Overall, in the first 6 months of 2023 total imports of wood raw material was 413,080 cu.m, worth US\$164.72 million, down 28% in volume and 23% in value over the same period in 2022.

### Imports of doussie plummeted

Vietnam's imports of doussie wood in the first 6 months of 2023 amounted to 52,700 cu.m. worth US\$23.6 million, down 59% in volume and 51% in value over the same period in 2022.

According to the Customs Office Vietnam's doussie wood imports in July 2023 amounted to 12,900 cu.m, worth US\$6.1 million, up 16% in volume and 16% in value compared to June 2023. However, compared to July 2022 doussie imports dropped.

In the first 6 months of 2023, doussie log imports totaled at 39,1000 cu.m. worth US\$16.5 million, down 60% in volume and 51% in value over the same period in 2022.

Doussie sawnwood imports in the first half of the year were estimated at 33,100 cu.m, worth US\$16.3 million, down 46% in volume and 43% in value over the same period in 2022.

	Vol. cu.m	US\$ 00s	% change Vol. YoY	% change Value YoY
Log	39,096	16,522	-60	-51
Sawnwood	33,148	16,338	-46	-43

Data source: Vietnam General Department of Customs

### Vietnam's forest cover in 2022

In 2022, Vietnam's forested area was reported at 14,790,075 ha, including 10,134,082 ha of natural forests and 4,655,933 ha of planted forest according to the Ministry of Agriculture and Rural Development. The total area of forests that meet the standards for calculating forest cover was 13,926,043 ha. or 42.02%.

The Ministry assigned the Administration of Forestry to establish a national forest resources database. Provincial-level People's Committees nationwide were asked to assign the People's Committees at lower levels to perform the responsibilities of state management of forestry in accordance with the provisions of the Forestry Law. The Ministry required localities that recorded a reduction in natural forest area in 2022 to investigate the causes of the reduction and undertake measures to restore the forests as well as identifying those responsible for the reduction in forest area.

See: <https://vietnamnet.vn/en/vietnam-s-forest-coverage-remains-at-42-02-agriculture-ministry-2156777.html>

### Wood pellet production and trade highlights

In the first 6 months of 2023 Vietnam's wood pellet exports amounted to 2 million tonnes with the value of nearly US\$325 million being down year-on-year by 12% in volume and 8% in value.

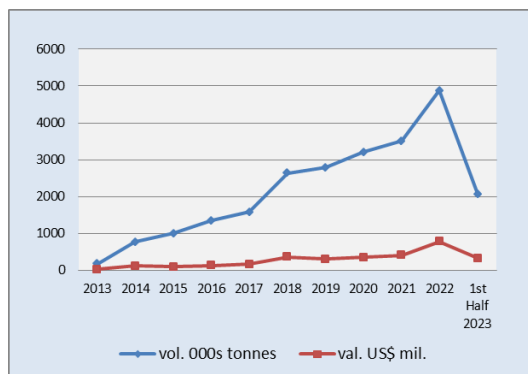
After several months of rising prices in the second half of 2022 in the first 6 months of 2023 the average price for wood pellets exported from Vietnam dropped by 3% to approximately US\$157/tonne.

In June 2023 the export price of wood pellet had fallen below US\$136/tonne, down by nearly 30% compared to the priced recorded over 6 previous months. South Korea and Japan remain the two largest buyers of Vietnamese wood pellets.

In the first 6 months of 2023 Japan imported over 1.16 million tonnes of pellets worth more than US\$195 million, up 6% in volume and 29% in value over the same period in 2022. During the same period, South Korea imported more than 840,000 tonnes worth nearly US\$116 million, down more than 33% in volume and nearly 43% in value compared to the same period in 2022.

The price of exported wood pellets from January 2022 to the end of June 2023 is shown below. After a year of price soaring and peaking at US\$189 per tonne in December 2022 wood pellet prices cooled and started falling from March 2023.

### Wood pellet exports 2013 to first half 2023



Data Source: General Department of Customs,

## Brazil

### IDB and BNDES to invest in small businesses in the Amazon

The Inter-American Development Bank (IDB) and the National Bank for Economic and Social Development (BNDES) signed a letter of intent to implement the PRO-AMAZÔNIA Programme, which aims to finance Micro, Small and Medium-sized Enterprises (MSMEs) in the Brazilian Legal Amazon. MSMEs represent 99% of the number of companies in Brazil and account for 27% of the Gross Domestic Product (GDP) and 46% of jobs, mainly in the service sector.

The programme will focus on modernisation, expansion, procurement, innovation and sustainable practices to create jobs and a balanced economy in the region.

The Amazon is crucial for biodiversity and the global climate, making the programme an opportunity for businesses that combine economic development with sustainability.

Supporting MSMEs in the region will boost sustainable technologies and economic drive. The total R\$ 4.5 billion loan will be implemented by accredited financial institutions, respecting environmental and social policies. The programme is scheduled to start in 2024 and aims to foster sustainable development in the Amazon region and reduce inequalities by supporting small businesses and entrepreneurs.

See: <https://www.madeiratotal.com.br/bid-e-bndes-planejam-investir-r-45-bilhoes-em-pequenos-negocios-na-amazonia/>

### Bidding opens for forest concessions in Southern Brazil

The Federal Official Gazette published a tender notice for sustainable forest management and the utilisation concessions in the Irati National Forest (Floresta Nacional - FLONA) in the state of Paraná, Southern Brazil.

The Irati FLONA was created in 1986, covering 3,800 hectares in the Atlantic Forest biome. The Irati FLONA was included in the Federal Government's Investment Partnership Program (PPI) so can now be commercially utilised with the possibility of replacing exotic species, such as pines, with native species like araucaria.

The sale of pine, which is not native to the region will benefit the region economically, deliver social gains and improve sustainability. The forest concession aims to revitalise the forest through the sale of wood not native to the Atlantic Forest and to promote sustainable management in the Irati National Forest.

See: <https://gmaismoticias.com/governo-federal-abre-licitacao-para-manejo-florestal-sustentavel-na-flona-de-irati>

### Export update

In July 2023, Brazilian exports of wood-based products (except pulp and paper) dropped 36% in value compared to July 2022 from US\$431.4 million to US\$278.0 million.

Pine sawnwood exports decreased 56% in value between July 2022 (US\$90.5 million) and July 2023 (US\$40.1 million). In volume, exports declined 43% over the same period, from 305,800 cu.m to 173,500 cu.m.

Tropical sawnwood exports decreased 42% in volume, from 45,500 cu.m in July 2022 to 26,400 cu.m in July 2023. In value, exports decreased 34% from US\$20.3 million to US\$13.4 million, over the same period.

Pine plywood exports witnessed a 21% decline in value in July 2023 compared to July 2022, from US\$65.3 million to US\$1.6 million.

However, exported volumes increased 2.4% over the same period, from 156,100 cu.m to 159,900 cu.m.

As for tropical plywood, exports decreased in volume by 51% and in value 54%, from 5,900 cu.m and US 3.7 million in July 2022 to 2,900 cu.m and US\$1.7 million in July 2023.

Wooden furniture export values decreased from US\$58.1 million in July 2022 to US\$47.5 million in July 2023, with an 18% fall.

### Strategies for environmental balance debated at Amazon Summit

During the Amazon Summit countries of the Amazon Cooperation Treaty Organization (ACTO) - Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela agreed to protect the largest rainforest that is home to 10% of the world's biodiversity.

Combating deforestation, protecting biodiversity and sustainable development in the forest were emphasised as key strategies to reverse this situation. Sustainable Forest Management (SFM) as advocated by institutions such as AIMEX (Association of Timber Exporting Industries of the State of Pará) is a solution allowing legal timber extraction.

SFM in Federal Public Forests is authorised by Brazilian Institute for Environment and Renewable Natural Resources (IBAMA). Logging is only carried out in authorized forest management units and it can be shown it is possible to produce and preserve at the same time. The entire timber production chain is traced/controlled until products reach the consumer.

See: <http://www.remade.com.br/noticias/19367/cupula-da-amazonia---manejo-florestal-sustentavel-e-uma-das-principais-estrategias-para-o-equilibrio-ambiental-na-amazonia>

### Increase in production but exports revenues fell in Pará

According to the Ministry of Industry, Foreign Trade and Services in the first half of 2023 in the State of Pará there was a 40% decline in revenue from timber exports despite an 8% increase in the volume of timber traded internationally compared to the same period in 2022.

In the first six months of this year the State collected US\$133 million from exports compared to US\$221.9 million in the first half of the previous year, exporting about 150,000 tonnes with the US being the main destination. The US and the EU accounted for more than 75% of the state's total export revenue in the period.

Pará remains Brazil's main exporter of timber from natural forests. The fall in exports is attributed to the weakness in the global economy which led to a decline in wood consumption. The depreciation of the US dollar and the excess stock of timber in the EU also affected prices.

The most exported product during this period was from teak plantation logs in Pará, with 62,000 tonnes exported to India according to AIMEX. In Pará, timber can only be exported in its raw form if it comes from forest plantations. Otherwise it must be processed in the state. One of the main processed products is profiled timber, including flooring, decking and friezes.

See: <https://g1.globo.com/pa/para/noticia/2023/07/28/para-teve-queda-no-faturamento-com-exportacao-de-madeira-mesmo-diante-de-aumento-na-producao.ghtml>

### Through the eyes of industry

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

See: <https://www.itto-gisc.org/static/upload/file/20230816/1692147989860563.pdf>

### Domestic log prices

	US\$ per cu.m
Brazilian logs, mill yard, domestic	
Ipê	624↑
Jatoba	238↑
Massaranduba	217↑
Muiracatiara	209↑
Angelim Vermelho	211↑
Mixed redwood and white woods	164↑

Source: STCP Data Bank

### Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	2,373↑
Jatoba	1,187↑
Massaranduba	1,083↑
Muiracatiara	973↑
Angelim Vermelho	1,030↑
Mixed red and white	650↑
Eucalyptus (AD)	359↑
Pine (AD)	269↑
Pine (KD)	342↑

Source: STCP Data Bank

### Domestic plywood prices (excl. taxes)

	US\$ pe3 cu.m
Parica	
4mm WBP	655↑
10mm WBP	512↑
15mm WBP	466↑
4mm MR.	628↑
10mm MR.	472↑
15mm MR.	416↑

Prices do not include taxes. Source: STCP Data Bank

### Prices for other panel products

<i>Domestic ex-mill prices</i>	US\$ per cu.m
15mm MDPparticleboard	385↑
15mm MDF	425↑

Source: STCP

### Export sawnwood prices

	US\$ per cu.m
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	3,360
Jatoba	1,744
Massaranduba	1,755
Muiracatiara	1,723
Pine (KD)	185

Source: STCP Data Bank

### Export plywood prices

	US\$ per cu.m
Pine plywood EU market, FOB	330
9mm C/CC (WBP)	303
12mm C/CC (WBP)	290
15mm C/CC (WBP)	285
18mm C/CC (WBP)	285

Source: STCP Data Bank

### Export prices for added value products

	US\$ per cu.m
FOB Belem/Paranagua ports	
Decking Boards Ipê	5,339
Jatoba	2,396

Source: STCP Data Bank

## Peru

### Shipments of sawnwood declined

According to the Management of Services and Extractive Industries Division of the Association of Exporters (ADEX,) exports of sawnwood in the first five months of the year earned US\$18.1 million, representing a drop of 21% year on year. The main destination for exported sawnwood was China which accounted for almost 30% of all shipments.

Exports of sawnwood to China increased around 15% compared to the same period of the previous year. The second largest market was the Dominican Republic which accounted for 26% of exports of sawnwood but here there was a decline of around 45%.

Meanwhile, Mexico the third largest market, increased sawnwood imports from Peru by over 65%. Likewise, Ecuador doubled sawnwood imports from Peru.

### Training to detect and control forest crimes

A total of 24 prosecutors and assistant prosecutors in the Ucayali region successfully completed a course on Sanctioning Administrative Procedure that will contribute to the evaluation of environmental crimes. The Director of OSINFOR's Forestry and Wildlife Sanctioning Procedures said "we have seen a decrease in illegal activities in the forestry sector but it is still not enough. That is why this course was important for strengthening skills to detect crimes and act in a timely manner".

### Inclusion of shihuahuaco and tahuari in CITES

The National Forest and Wildlife Service (SERFOR), together with the National Amazon University of Madre de Dios (UNAMAD), organised a course on species identification focused on the genera Dipteryx and Handroanthus

The course, which is part of the actions of the "Action Plan for the proper implementation of the inclusion of the Shihuahuaco (Dipteryx genus) and Tahuari (Handroanthus genus) in Appendix II of CITES, had the objective of strengthening the capacities of the technicians responsible for carrying out forest censuses and/or population studies in the Departments of Madre de Dios, Loreto, Ucayali and Junín.

The Action Plan aims to provide the foundation for technical and regulatory conditions so that from November 2024 the international trade in the products obtained from these forest species is uninterrupted and the socio-economic benefits of those in the supply chain are maintained.

### Export prices for added value products

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

### Export sawnwood prices

	US\$ per cu.m
Peru sawnwood, FOB Callao Port	
Pumaquiro 25-50mm AD Mexican market	659-671
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	582-602
Grade 2, Mexican market	527-541
Cumarú 4" thick, 6"-11" length KD Central American market	990-1016▲
Asian market	983-1001
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	629-645
Dominican Republic	744-793▲
Marupa 1", 6-11 length KD Grade 1 Asian market	559-574

### Export plywood prices

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

### Export veneer prices

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

**Domestic sawnwood prices**

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

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

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

**Domestic prices for other panel products**

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

**Japan**

**New economic stimulus measures being drafted**

By September the government intends to have drafted new economic stimulus measures aimed at counteracting the downside risks of inflation. It is anticipated the package will include measures to encourage businesses to invest in advanced technologies and boost worker pay to offset the decline in inflation-adjusted wages. The government will also consider ways to plan for supply chain disruptions and expand investment in Japan by foreign companies.

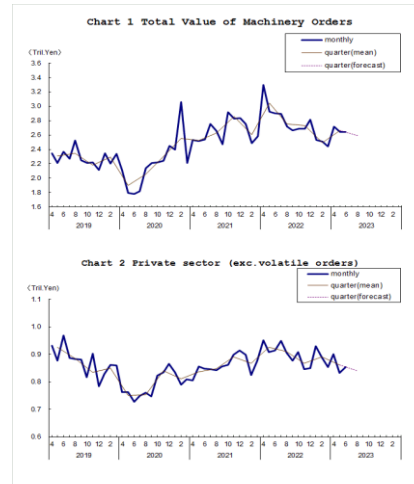
The package will also include more inflation countermeasures following a plan for subsidies to deal with soaring gasoline, electricity and gas prices. The Cabinet Office has used stimulus measures every year since 2019. Previous measures were to deal with weak consumption because of COVID-related restrictions.

See: <https://asia.nikkei.com/Politics/Japan-to-draw-up-stimulus-package-as-soon-as-September>

**Falling machinery orders**

The total value of machinery orders received by major manufacturers operating in Japan increased by 0.2% in June from the previous month. In the April-June period it increased by 7.1% compared with the previous quarter.

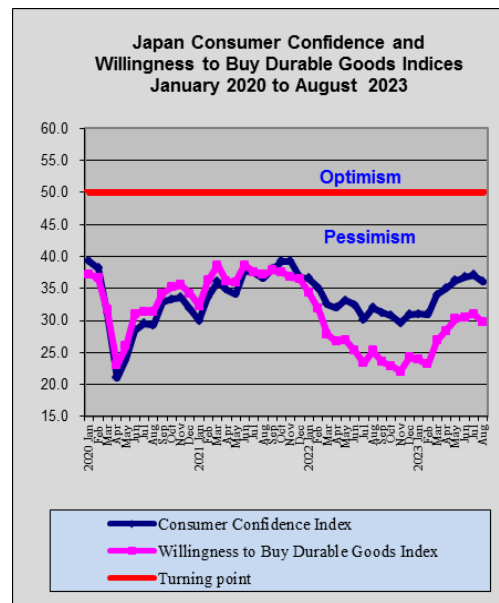
In the July-September period the value of machinery orders has been forecast to decline by almost 3% and private-sector orders, excluding volatile ones, are forecast to also fall by around 3% from the previous quarter.



Source: Cabinet Office, Japan

**Effort to drive growth through wage increases may not deliver as expected**

Private consumption contributes to about 50% of Japan's nominal gross domestic product and around 15% of Japan's GDP is thus attributable to consumption by households headed by pensioners.



Data source: Cabinet Office, Japan

The elderly account for a growing share of personal consumption in Japan and according to Takuya Hoshino, an economist at Dai-ichi Life Research Institute, a third of Japan's total consumption last year was driven by pensioners. Against this background the effort to drive growth through wage increases may not deliver as pay increases do not benefit pensioners who have seen the value of their pensions eroded by inflation. Given Japan's high proportion of retirees encouraging older people to spend will be crucial to lifting GDP.

See: <https://asia.nikkei.com/Spotlight/Datawatch/Pensioners-share-of-spending-hits-nearly-40-of-total-in-Japan>

**Tokyo to eliminate areas congested with old wooden houses**

In 2020 Tokyo authorities estimated the area of congested old wooden houses at around 8,600 hectares, many of which would suffer severe damage in the event of a major quake. In the quake that hit Tokyo 100 years ago thousands were killed largely because of the fires that broke out. The authorities in Tokyo aim to reduce the areas where old wooden houses are concentrated to zero by 2040 in preparation for a major earthquake this forecast to strike the capital.

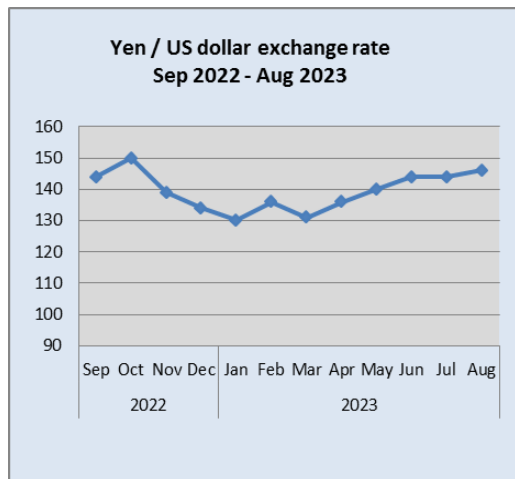
See: <https://www.japantimes.co.jp/news/2023/08/20/japan/society/tokyo-aiming-to-eliminate-areas-congested-with-wooden-houses/>



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

**Negative economic side effects of weak yen starting to show**

Hiromi Yamaji, CEO of the Japan Exchange Group, has been quoted as saying the yen is too weak and its benefits for Japanese stocks are diminishing while negative economic side effects are starting to show. The widening interest rate gap between Japan and the rest of the world and the weak yen are making imports much more expensive.

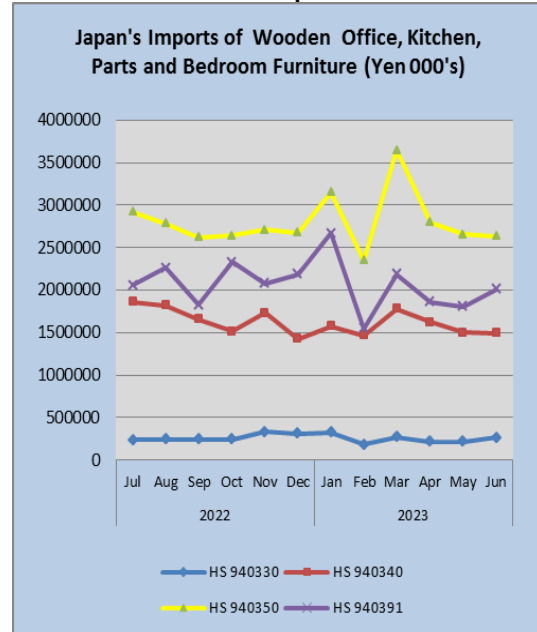


Recently the yen dropped below 145 to the dollar but this did not trigger a response from Japanese policymakers which has been read a signaling the Bank of Japan will carefully consider market intervention as there are still some benefits from a weaker currency.

<https://www.japantimes.co.jp/business/2023/08/24/economy/forex-weak-yen/>

**Import update**

**Yen value of furniture imports**



Data source: Ministry of Finance, Japan

**June wooden office furniture imports (HS 940330)**

June shipments of wooden office furniture from China to Japan accounted for 84% of all wooden office furniture imports, a significant rise over May shipments. The value of Japan's wooden office furniture imports in June this year were around 8% higher than in May and sharply up (24%) on the value of May 2022 imports.

With such a high proportion of wooden office furniture imports coming from China there was little market share left for other suppliers.

Of the other 18 June shippers only Indonesia and the UK stand out at around 3% each of June shipments.

**June imports (HS 940330)**

	Imports Jun 2023 Unit, 000's Yen
S. Korea	-
China	222,935
Taiwan P.o.C	1,097
Hong Kong	-
Vietnam	3,907
Thailand	1,867
Singapore	414
Malaysia	2,659
Indonesia	7,364
Isreal	-
Denmark	-
UK	6,731
Ireland	-
Netherlands	-
Belgium	-
France	1,935
Germany	736
Switzerland	-
Spain	-
Italy	3,357
Poland	4,814
Austria	-
Hungary	2,684
Turkey	902
Lithuania	2,639
Czech Rep.	-
Slovakia	577
Canada	1,014
USA	766
Mexico	-
<b>Total</b>	<b>266,398</b>

Data source: Ministry of Finance, Japan

**June kitchen furniture imports (HS 940340)**

After the surge in imports of wooden kitchen furniture at the end of the first quarter of this year there has been a steady decline and the value of June imports were down 17% year on year and compared to a month earlier June arrivals were flat.

For the year to date, just two shippers, the Philippines and Vietnam, dominated Japan's imports of wooden kitchen furniture. In June shipments from the Philippines accounted for 46% of the value of imports of HS940340 with a further 39% coming from Vietnam. The other shippers of note in June were Italy and Germany but the value of shipments was small.

**June imports (HS 940340)**

	Imports Jun 2023 Unit, 000's Yen
China	93,032
Taiwan P.o.C	-
Vietnam	537,898
Thailand	21,173
Malaysia	8,874
Philippines	695,135
Indonesia	21,075
Denmark	-
UK	2,547
Netherlands	-
Belgium	-
France	-
Germany	37,855
Italy	58,767
Finland	-
Romania	8,095
Canada	8,984
USA	-
<b>Total</b>	<b>1,493,435</b>

Data source: Ministry of Finance, Japan

**June wooden bedroom furniture imports (HS 940350)**

The wide variation in the values of wooden bedroom furniture observed in the first quarter of this year have subsided and the value of monthly imports over the past three months has returned to the average level seen at the end of last year.

However, there is a clear downward trend in the value of imports and the value of June imports was 35% below that in June last year. Compared to a month earlier the value of June imports were little changed but the value of wooden bedroom furniture imports exceeds by far the value of other furniture categories tracked in this report.

The top supplier in June was, once again China, accounting for 64% of June import values followed by Vietnam at 29%. Malaysia and Indonesian shippers are in the top 20 ranking of shippers of wooden bedroom furniture but shipments are small.



**June imports (HS 940350)**

	Imports Jun 2023 Unit, 000's Yen
R. Korea	440
China	1,675,013
Taiwan P.o.C	1,162
Hong kong	250
Vietnam	770,843
Thailand	31,602
Malaysia	83,812
Indonesia	26,479
India	412
Sweden	730
Denmark	896
UK	571
Italy	16,105
Finland	218
Poland	21,665
Austria	-
Greece	-
Romania	1,996
Turkey	-
Latvia	-
Lithuania	440
Bos Herz	-
USA	312
<b>Total</b>	<b>2,632,946</b>

Data source: Ministry of Finance, Japan

**June wooden furniture parts imports (HS 940391)**

As is the case with bedroom furniture, the wide variations monthly imports of wooden furniture parts (HS940391) seen earlier in the year have levelled off and settled back to the trend seen at the end of 2022.

Around 85% of June imports of wooden furniture part were supplied by shippers in just four countries, China (45%), Indonesia (18%), Malaysia (11%) and Vietnam (10%). Other significant shippers in the top twenty suppliers for June were Italy and Poland.

Month on month there was an 11% rise in the value of wooden furniture parts imports in June but compared to the value of June 2022 imports there was little change.

**June imports (HS 940391)**

	Imports Jun 2023 Unit, 000's Yen
S. Korea	22,497
China	904,036
Taiwan P.o.C	30,047
Vietnam	211,941
Thailand	48,852
Malaysia	225,052
Philippines	7,976
Indonesia	368,930
Sweden	2,074
Denmark	4,445
UK	320
Germany	19,367
Switzerland	312
Portugal	807
Spain	-
Italy	87,215
Finland	13,009
Poland	48,616
Austria	329
Hugary	779
Romania	-
Turkey	5,988
Slovakia	4,577
Canada	1,898
USA	3,634
Mexico	-
Morocco	-
S. Africa	201
<b>Total</b>	<b>2,012,902</b>

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://ifpj.jp/japan\\_lumber\\_reports/](https://ifpj.jp/japan_lumber_reports/)

**Total housing starts in first half of 2023**

Total starts during January to June of 2023 are 409,549 units, 2.2% less than January to June, 2022. The starts of owner's and unit built for sale kept decreasing. There is no recovery for the starts of owner's. Total starts in June, 2023 are 71,015 units, 4.8% less than June, 2022 and this is for the first time in two months to not exceed the starts in June, 2022.

Owner's unit is 110,254 units, 10.5% down from the same month last year. Unit built for sale is 68,944 units, 4.4% less than the same month last year. Rental units in June, 2023 does not exceed June, 2022's result but the total starts of rental unit during January to June, 2023 are 168,810 units, 2.5% more than the same period last year.

The starts of conventional wooden houses are 170,509 units, 6.0% down from the same month last year. The starts of 2 x 4 houses are 42,103 units, 2.0% less than the same month last year. Prefabricated house is 5,026 units, 11.3% up from the same month last year.

Condo is 58,473 units, 5.3% up from the same month last year. Total starts of condo in June, 2022 were 55,525 units, 4.4% more than June, 2021.

A forecast for the starts of owner's at the second half of 2023 is very difficult. The total starts of owner's in June, 2023 are 20,325 units, 12.4% less than June, 2022. This is straight 19 months decreasing.

Rental unit in June, 2023 is 30,112 units, 0.6% down from the same month last year. This is for the first time decreasing since April, 2023. Rental unit in the Greater Tokyo Metropolitan area is 11,241 units, 5.2% up from the same month last year. This is straight four months increasing.

#### **European lumber**

Movement of European lumber in Japan rose slightly in July to August, 2023. One of the reasons is that many constructions of a house framework completed before the Japanese summer holiday in August. A number of constructions is less than last year but this situation is better than the situation in April to June, 2023. Demand of European lumber after the Japanese summer holiday will not increase but not decrease.

The price of laminated lumber keeps falling. However, the price of whitewood stud has been stabilized since May, 2023. It is 69,000- 71,000 yen, delivered per cbm. The price used to be 50,000 – 55,000 yen, delivered per cbm, before the woodshock so it is able to say that the price of whitewood is still high.

However, demand is lower than before. The price of finger jointed cedar stud and KD cedar solid stud are 50,000 – 60,000 yen, delivered per cbm. There is not a shortage of whitewood stud yet even though arrival volume of whitewood stud has been low since last November and also inventory at the ports has been declining.

A number of contracts in August is less than the same month last year. Whitewood stud in Europe was €410-420, C&F per cbm in July and August. It is €30 down from May and June. However, the yen continued to depreciate against the euro so the import cost is 67,000 – 70,000 yen, FOB per cbm. This import cost is unchanged from last time.

#### **Plywood**

The price of domestic softwood plywood is about to reach the bottom because the inventory of domestic softwood plywood has been decreasing and plywood companies did not change the price at the end of July, 2023.

12mm 3 x 6 of structural softwood plywood is 1,600 yen, delivered per sheet. In some area, the price is under 1,600 yen, delivered per sheet, but it does not influence the market price so far. Anticipation of falling prices has been solved and consumers started purchasing structural softwood plywood. Inventory at plywood companies in June, 2023 was 0.7 month of shipment and this is an appropriate level. There is a shortage of several kinds of plywood but it is able to find and purchase lumber at other companies.

Imported plywood in June, 2023 was 142,632 cbms, 38.2% less than June, 2022. Especially, demand and supply of South Sea plywood is very tight. The price of 12 mm 3 x 6 of painted plywood for concrete form is 1,900 yen, delivered to form plywood firms per sheet and this is about 50 yen up, delivered to form plywood firms per sheet, from June. It is 1,950 yen, delivered at wholesalers per sheet. Form plywood and structural plywood are 1,800 yen, delivered to wholesalers per sheet. This is leveled off from last month.

2.5 mm plywood is 780 yen, delivered per sheet. 4 mm plywood is 1,000 yen, delivered per sheet. This is unchanged price from previous month. 5.5 mm plywood is 1,200 yen, delivered per cbm and this is 50 yen higher than the previous month.

2.4 mm 3 x 6 plywood in South Asia is around \$950, C&F per cbm. 3.7plywood is \$880, C&F per cbm. 5.2 mm plywood is \$850, C&F per cbm. 12 mm 3 x 6 painted plywood for concrete form is \$650, C&F per cbm. Form plywood is \$560, C&F per cbm.

Structural plywood is \$560, C&F per cbm. Inventory of painted plywood for concrete form is decreasing. Some shippers in South Asia raised the selling price by \$10 – 20, C&F per cbm, up from the previous time. Consumers in Japan had been cautious about purchasing plywood due to the exchange rate fluctuation but some consumers purchased plywood when the yen appreciated against the dollar in the middle of July.

#### **South Sea logs and products**

An exchange rate fluctuation influences South Sea lumber and Chinese lumber. Japanese buyers purchased lumber when the dollar became 130 yen from 145 yen but they stopped purchasing lumber as the yen depreciate against the dollar. Logistics companies wait and see the right timing to purchase lumber.

Indonesian Merkus pine lumber is \$820 – 850, C&F per cbm. Chinese red pine lumber is \$870 – 890, C&F per cbm. These prices are steadiness.

It is the season of fresh Merkus pine logs in Indonesia and it is not easy to change the prices. Chinese companies narrow down the orders of raw materials and they are not active to produce lumber. They decided to not lower the lumber price for Japan because they know that demand of lumber in Japan is very sluggish.

In Japan, Merkus pine lumber is around 122,000 yen, FOB per cbm. Chinese red pine lumber is around 127,000 yen, FOB per cbm. These prices stabilize from the previous time. There are a few new orders so fluctuation of domestic price is small. Inquiries for South Sea lumber are sluggish due to low demand of deck.

Demand and supply of South Sea log is balanced. Arrival volume during January to June, 2023 is 14,343 cbms, 21.4% less than the same period last year. The arrival volume decreased by over 20% from last year but there are enough South Sea logs for steel manufacturers and shipbuilding companies. South Sea log companies in South Adia will not lower the price because they do not have enough logs.

**Demand and supply of lumber at the 1st half of 2023**

According to The Ministry of Agriculture, Forestry and Fisheries, shipment of lumber during January to June, 2023 does not exceed the result of January to June, 2022. It is 6% less than last year. Inventory is 12% more than the same period last year. Shipment of log during January to June, 2023 is nearly 5% down from the same period last year. Also, shipment of lumber during January to June, 2023 is almost 7% down.

Arrival volume of domestic log at the first half of 2023 is 6,494,000 cbms, 3% down from the first half of 2022. A ratio of domestic log of all logs is about 81.1% and it is 3.6 points increased from last year. Since the starts of wooden house during January to June, 2023 decrease by 4.9% and this result has influenced demand and supply of lumber.

**Damage by torrential rain in Akita Prefecture**

There was a torrential rain on 14th July, 2023 in Akita Prefecture. There have been serious damages at domestic lumber plants. Roads to mountains are closed because of collapse. There are high-performance machines for forestry left at the mountains. It will be able to go to the mountains after the local government finishes checking the safety in August.

The price of logs or lumber will remain low and there will be less logs. Also, there is a possibility of delays for establishing new machines of large diameter logs, which were planned to start an operation in autumn. The total damage by this torrential rain is about 7.7 billion yen for agriculture, forestry and fishery industries.

**Rise in sawnwood imports**

According to data from China Customs, in the first half of 2023 sawnwood imports totalled 14.31 million cubic metres valued at US\$3.659 billion, up 10% year on year in volume but down 5% in value. The average CIF price for imported sawnwood declined 13% to US\$256 per cubic metre over the same period of 2022.

Of total sawnwood imports sawn softwood imports rose 22% to 9.47 million cubic metres, accounting for 66% of the national total and up 3% over the same period of 2022. The average CIF price for sawn softwood imports fell 17% to US\$203 per cubic metre over the same period of 2022.

Sawn hardwood imports grew 2% to 4.84 million cubic metres. The average CIF price for sawn hardwood imports fell 6% to US\$358 per cubic metre over the same period of 2022.

Of total sawn hardwood imports tropical sawn hardwood imports were 3.26 million cubic metres valued at US\$948 million, up 3% in volume but down 1% in value and accounted for about 23% of the national total. The average CIF price for tropical sawn hardwood declined 4% to US\$291 per cubic metre over the same period of 2022.

**China's sawnwood imports, first half 2023 (Volume)**

Volume	First half 2023 (mil. cu.m)	% Change YoY
Total sawnwood imports	14.31	10%
Sawn softwood	9.47	22%
All sawn hardwood	4.84	2%
of which tropical	3.26	3%

Data source: China Customs

**China's sawnwood imports, first half 2023 (Value)**

Value	First half 2023 (mil. US\$)	% Change YoY
Total sawnwood imports	3,659	-5%
Sawn softwood	1,925	2%
All sawn hardwood	1,733	-4%
of which tropical	948	-1%

Data source: China Customs

**Average sawnwood prices, first half 2022**

CIF prices	First half 2022 US\$/ cu.m	% Change YoY
Total sawnwood imports	256	-13%
Sawn softwood	203	-17%
All sawn hardwood	358	-6%
of which tropical	291	-4%

Data source: China Customs

### Rise in sawnwood imports for almost all top suppliers

The total volume of China's sawnwood imports rose 10% because the volumes of imports from Russia and Thailand, the largest and the second largest suppliers, grew 6% and 3% respectively. These two suppliers accounted for nearly 60% of the total sawnwood imports in the first half of 2023.

### Main countries shipping sawnwood to China, first half 2023

Top Supplier	Volume (000s cu.m)	% change Year on year
Total	14,308	10%
Russia	6,509	6%
Thailand	2,071	3%
Canada	767	3%
USA	729	19%
Sweden	524	86%
Germany	520	61%
Finland	516	19%
Belarus	432	84%
Philippines	363	14%
Gabon	258	-14%
Chile	218	44%

Data source: China Customs

### Main countries shipping sawnwood to China, first half 2023

Top suppliers	Value US\$ mil.	% change Year on year
Total	3,659	-5%
Russia	1,366	-5%
Thailand	504	1%
Canada	160	-29%
USA	460	-6%
Sweden	108	39%
Germany	119	22%
Finland	113	-6%
Belarus	87	59%
Philippines	28	-1%
Gabon	99	-20%
Chile	47	-3%

Data source: China Customs

Notably, China's sawnwood imports from Sweden, Germany and Belarus surged 86%, 61% and 84% respectively in the first half of 2023. However, the volume of sawnwood imports from Gabon fell 14% in the first half of 2023.

The following are three main reasons for the increase in China's sawnwood imports in the first half of 2023.

- government policy to revitalize and accelerate the real estate market
- government policies to promote domestic consumption
- increased production supply countries, smooth international shipping and competitive prices

### Decline in sawnwood CIF prices

CIF prices for sawnwood imports from Russia and Thailand, the largest and second largest suppliers, fell 11% and 3% respectively in the first half of this year. Other countries where price declines were observed are shown in the table below.

### CIF prices for sawnwood imports in first half 2023

Suppliers	Av. CIF price (US\$/cu.m)	% change Year on year
Average price	256	-13%
Russia	210	-11%
Thailand	243	-3%
Canada	209	-31%
USA	631	-21%
Sweden	207	-25%
Germany	229	-25%
Finland	220	-21%
Belarus	202	-13%
Philippines	76	-14%
Gabon	385	-8%
Chile	217	-33%

Data source: China Custom

### Surge in sawn softwood imports from Canada

In the first half of 2023 China's sawn softwood imports totalled 9.47 million cubic metres and the reason for the rise in sawnwood imports was increased imports from the top suppliers. Russia was the top sawn softwood supplier to China in the first half of 2023 and 62% of China's sawn softwood was imported from Russia. Year on year sawn softwood imports from Russia rose 7% to 5.9 million cubic metres.

Canada was the second largest sawn softwood supplier to China and the volume of imports in the first half of 2023 surged nearly 200%.

China's sawn softwood imports from Sweden, Germany and Belarus all increased in the first half of 2023.

### Main countries shipping sawn softwood to China, first half 2023

Top Suppliers	Volume (000' cu.m)	% change Year on year
Total	9,469	22%
Russia	5,902	7%
Canada	732	198%
Sweden	524	86%
Finland	516	19%
Germany	472	84%
Belarus	431	84%
Chile	218	45%
Brazil	134	20%
New Zealand	105	120%

Data source: China Customs

### Sawn hardwood imports

#### Main countries shipping sawn hardwood to China, first half of 2023

Top Suppliers	Volume (000' cu.m)	% change Year on year
Total	4,839	2%
Thailand	2,071	3%
USA	649	18%
Russia	607	5%
Philippines	363	14%
Gabon	258	-14%
Myanmar	133	133%
Romania	85	-23%
Cameroon	69	8%
Vietnam	62	104%

Data source: China Customs

#### Rise in tropical sawn hardwood imports

Of total sawn hardwood imports tropical sawn hardwood imports were 3.26 million cubic metres valued at US\$948 million, up 3% in volume but down 1% in value and accounted for about 23% of the national total in the first half of 2023.

Thailand has been the largest supplier of tropical sawn hardwood (predominantly rubberwood) to China for many years.

China's sawnwood imports from Thailand in the first half of 2023 rose 3% to 2.07 million cubic metres valued at US\$504 million, up 1% in volume over the same period of 2022 and accounted for 64% of the national total sawn tropical hardwood imports. The average CIF price for tropical sawnwood from Thailand fell 3% to US\$243 per cubic metre over the same period of 2022.

The Philippines and Gabon were the second and third largest suppliers of tropical sawnwood imports accounting for 11% and 8% of the total tropical sawnwood imports respectively in the first half of 2023.

China's tropical sawn hardwood imports from the Philippines and Gabon in the first half 2023 totalled 363,000 cubic metres (up 14%) and 258,000 cubic metres, (down 14%) over the same period of 2022.

The top 10 countries supplied 96% of China's tropical sawnwood requirements in the first half of 2023, namely Thailand, the Philippines, Gabon, Myanmar, Cameroon, Vietnam, Indonesia, Malaysia, PNG and Laos.

CIF prices for tropical sawn hardwood imports have been but prices for sawn tropical hardwood imports from Myanmar and Indonesia surged 88% and 58% respectively in the first half of 2023.

#### Main countries shipping sawn tropical sawnwood to China, first half of 2023 (Volume)

Top Suppliers	Volume (000' cu.m)	% change Year on year
Total	3,261	3%
Thailand	2,071	3%
Philippines	363	14%
Gabon	258	-14%
Myanmar	133	124%
Cameroon	69	8%
Vietnam	63	98%
Indonesia	50	-5%
Malaysia	43	-36%
PNG	34	46%
Laos	32	-14%

Data source: China Customs

#### Main countries shipping tropical sawnwood to China, first half of 2023 (Value)

Top suppliers	Value US\$ mil.	% change Year on year
Total	948	-1%
Thailand	504	1%
Philippines	28	-1%
Gabon	99	-20%
Myanmar	82	322%
Cameroon	34	-0.04%
Vietnam	28	110%
Indonesia	33	48%
Malaysia	16	-43%
PNG	11	-8%
Laos	34	-16%

Data source: China Customs

**Average CIF prices for sawn tropical hardwoods, first half of 2023**

Suppliers	Av. CIF price (US\$/cu.m)	% change Year on year
<b>Total</b>	291	-4%
Thailand	243	-3%
Philippines	76	-14%
Gabon	385	-8%
Myanmar	615	88%
Cameroon	498	-7%
Vietnam	449	3%
Indonesia	668	58%
Malaysia	369	-10%
PNG	321	-37%
Laos	1,048	-2%

Data source: China Customs

**Signs of recovery in wood products markets**

The GTI report says in July this year the timber and wood products market in China saw some recovery however, the Global Timber Index GTI- China remained at a low level. The number of new orders to Chinese enterprises represented in the GTI increased compared to the previous month but the export order index fell slightly.

In July the GTI-China index recorded 53%, an increase compared to that of the previous month and rose above the critical value after 2 months indicating that there was some business expansion.

Chinese enterprises reported difficulty in procuring high-grade oak, increased raw material prices and higher company costs and unpredictable delivery and shipping schedules.

The existing orders index in July registered 42.9%, a decrease from the previous month and was below the critical value for 50 consecutive months indicating that the number of existing orders held by enterprises represented by the GTI-China Index were less than that of the previous month.

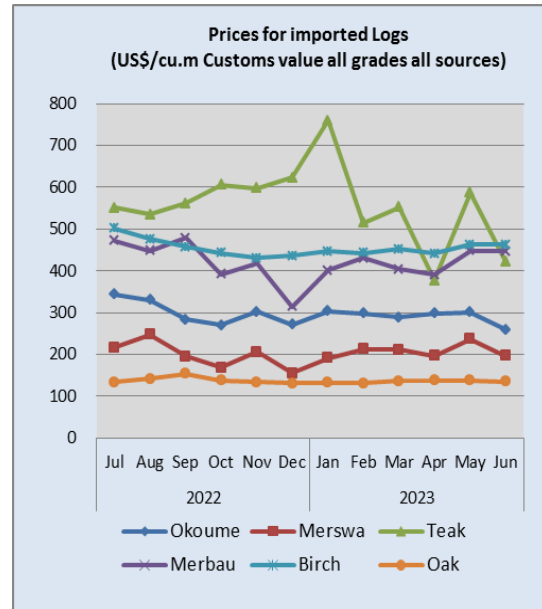
The new orders index registered 57.1%, an increase from the previous month and was above the critical value of 50. On the other hand, the export orders index for July registered 36.4%, the same as the previous month and was below the critical value for 4 consecutive months.

See: <https://www.itto-ggsc.org/static/upload/file/20230816/1692147989860563.pdf>

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

	2023 May	2023 Jun
Okoume	301	260
Merswa	236	196
Teak	587	423
Merbau	448	447
Birch	463	462
Oak	137	135

Data source: Customs, China

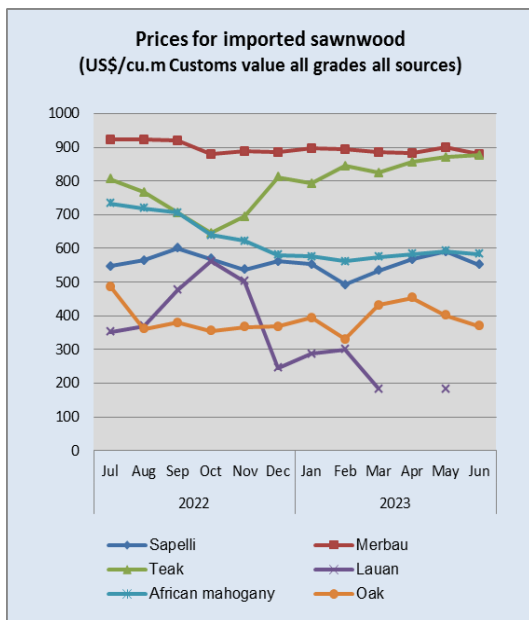


Data source: Customs, China

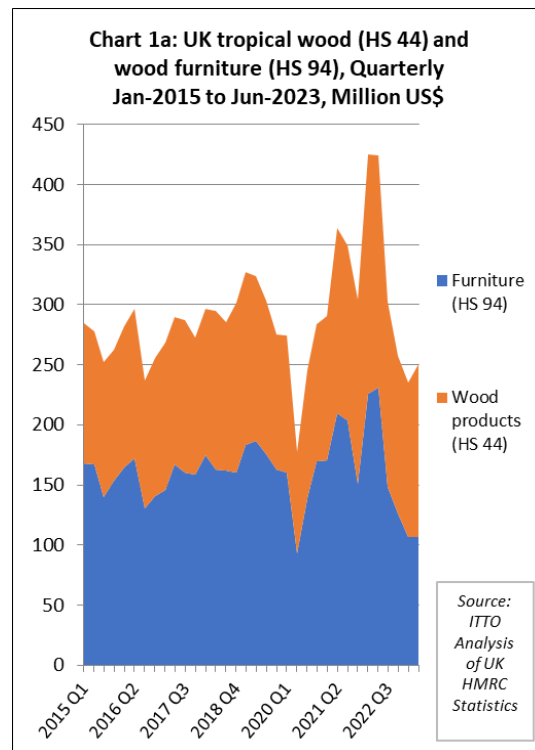
**Average CIF prices, Tropical sawnwood, US\$/cu.m**

	2023 May	2023 Jun
Sapelli	590	551
Merbau	899	879
Teak	870	877
Lauan	184	
African mahogany	592	584
Oak	402	369

Data source: Customs, China



Data source: Customs, China



## UK

### UK import tropical wood import tonnage falls 24% in the first half of 2023

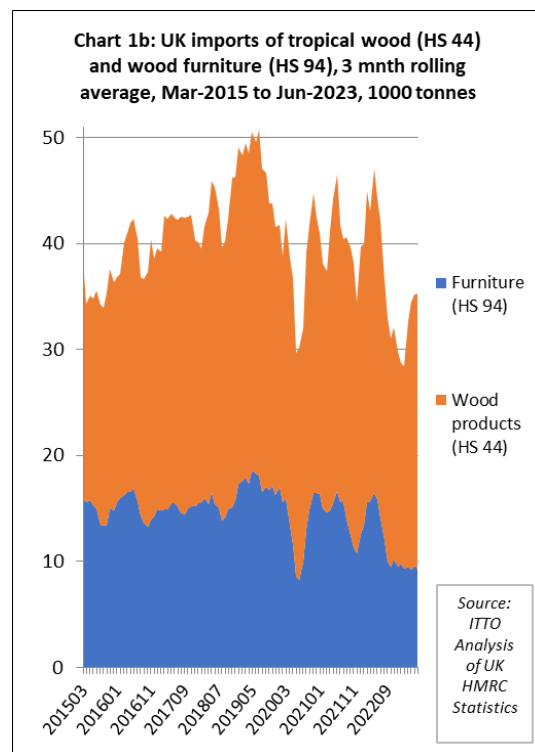
The import value of tropical wood and wood furniture into the UK in the first six months of this year was US\$486 million, 43% less than the same period last year. In quantity terms, the UK imported 203,600 tonnes of tropical wood and wood furniture in the January to June period, 24% less than the same period last year.

The sharp decline was expected as trade in the opening months of last year was at the highest level (in dollar terms) since before the 2008 financial crises and had already slowed markedly since summer 2022.

The UK imported 105,700 tonnes of tropical wood and wood furniture with a value of US\$251 million in Q2 2023, respectively 20% and 41% less than the same period last year.

However, import tonnage and value during the second quarter this year were up 8% and 6% respectively compared to the first quarter.

The quarterly increase in imports was all due to a rise in HS44 wood products. UK imports of tropical wood furniture products remained slow in the second quarter of this year (Charts 1a and 1b).



### 60 percent risk of recession in the UK this year

The latest report from the UK National Institute of Economic and Social Research (NIESR) published on 9 August highlights that the British economy is growing only very slowly, and that this trend is set to continue.

At the end of the first quarter this year, UK GDP was still 0.5 per cent below the level of GDP before the pandemic and NIESR forecast that it will not pass this level until the third quarter of 2024.

According to the NIESR, “Despite continuing to expect the United Kingdom to steer clear of a recession in 2023, GDP is projected to grow barely by 0.4 per cent this year and by 0.3 per cent in 2024, with the outlook remaining highly uncertain. There are, in fact, even chances that GDP growth will contract by the end of 2023 and a roughly 60 per cent risk of a recession at the end of 2024”.

The main reasons for this lost wealth and hit to prosperity, according to the NIESR, are the pandemic, Brexit, and Russia’s war against Ukraine. The monetary tightening necessary to bring inflation down has also played a role.

These commonly cited reasons are often bunched together, and the reality is that the overlap of these events makes it very difficult to pinpoint specific blame.

NIESR's outlook is more pessimistic than the Bank of England's forecasts published a week earlier which came as the Bank raised the base rate for the 14th time in a row. The Bank suggested a recession was unlikely in the coming years but also implied that the economy will effectively flatline all the way through to 2026.

Expectations of a recession in the UK seem to be rising amongst other forecasters. For example, Capital Economics is predicting a recession before the end of the year. The IMF’s most recent updates predict the UK will just about avoid recession, but only on the condition that serious public policy reforms are implemented soon, notably more tax incentives for businesses.

For the hardwood sector, some crumbs of comfort may be derived from sector specific surveys. The latest S&P Global/CIPS UK Construction Purchasing Managers’ Index for July shows an overall return to growth. The index stood at 51.7 in July, up from the previous month’s 48.9 score, and exceeding the 50 mark which indicates positive growth.

Robust increases in commercial building (indexed at 54.4) and civil engineering (53.9) did just enough to offset a continuing steep fall in house building (43.0). Significant growth in refurbishment projects during the month is encouraging for hardwoods as these projects tend to use more hardwoods than the new build sector.

Similarly, the latest State of Trade Survey by the UK Construction Products Association (CPA) covering the second quarter of 2023 showed a split in performance in the construction products manufacturing industry. In this case the divide was between manufacturers of “heavy side” materials, which recorded a fourth consecutive quarterly downturn, and of “light side” materials, which added to a run of quarterly growth that began in the third quarter of 2020.

“Heavy side” materials are typically installed early in the construction process and include structural timber products alongside aggregates, cement, ready-mix concrete, and structural steel.

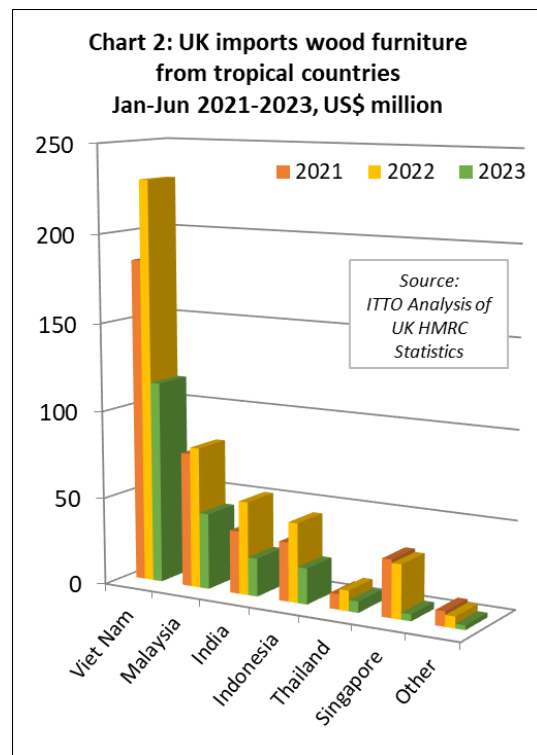
“Light side” products are installed later in the construction process and include internal fittings and services such as doors, windows, and kitchen furniture alongside heating and ventilation systems, plumbing, electrical and lighting and thermal insulation sector

It is encouraging that applications for hardwoods are more prevalent on the expanding “light side” than the declining “heavy side”. According to the CPA, “strong activity in commercial refurbishment, energy efficiency improvements and fit-out work has driven a three-year run of growth for light side product manufacturers, which contrasts with reticence for new project starts (particularly for private housing, and commercial and factory new builds) that continues to hold back heavy side sales”.

**UK import value of tropical wood furniture down more than 50%**

The UK imported US\$213 million of tropical wood furniture products in the first six months of 2023, which is 53% less than the same period last year. In quantity terms, wood furniture imports were 56,100 tonnes during the six-month period, 40% less than the same period last year.

In the first six months of 2023 compared to last year, UK import value of wood furniture from Vietnam was down 50% to US\$115 million, Malaysia was down 46% to US\$43 million, India was down 59% to US\$22 million, Indonesia was down 55% to US\$20 million, Thailand was down 46% to US\$6 million, and Singapore was down 87% to US\$4 million. (Chart 2).

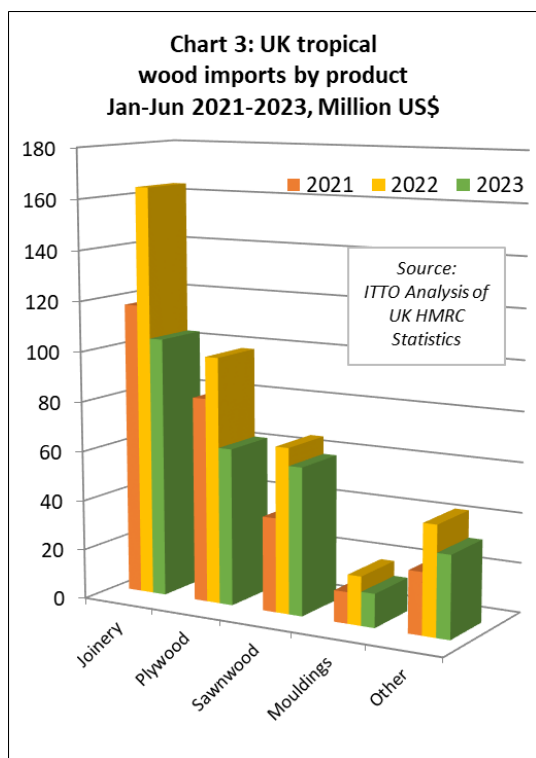




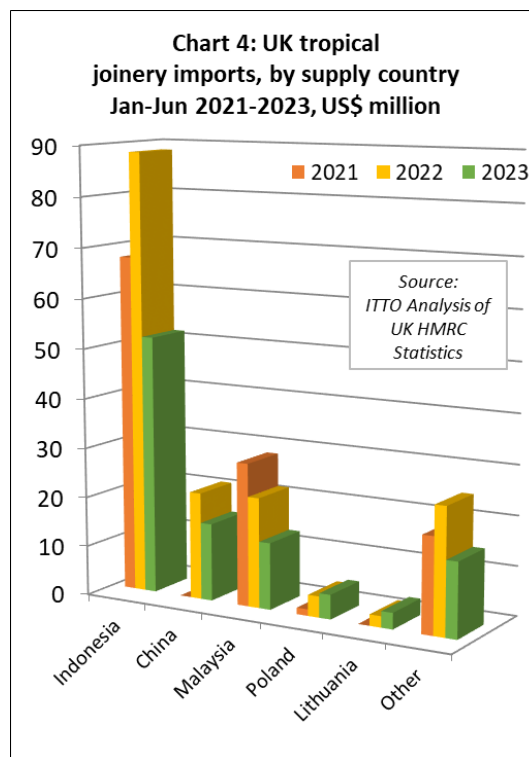
**Across the board decline in UK import value of all tropical wood products**

Total UK import value of all tropical wood products in Chapter 44 of the Harmonised System (HS) of product codes was US\$273 million between January and June this year, 31% less than the same period in 2022.

In quantity terms imports decreased 15% to 147,400 tonnes during the period. Compared to the first six months of 2022, UK import value of tropical joinery products decreased 37% to US\$104 million, import value of tropical plywood decreased 36% to US\$63 million, import value of tropical sawnwood decreased 11% to US\$59 million, and import value of tropical mouldings/decking decreased 31% to US\$13 million (Chart 3).

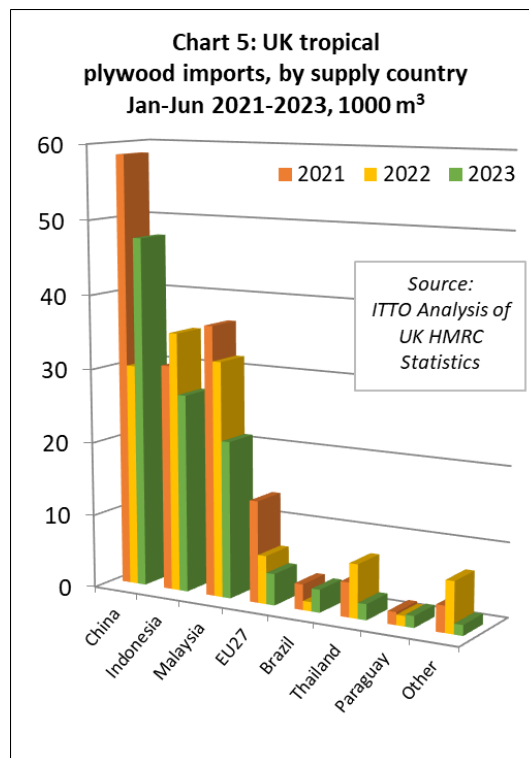


UK import value of joinery products from Indonesia (mainly doors) was US\$52 million in the first six months of 2023, down 52% compared to the same period last year. UK import value of joinery products from Malaysia (mainly laminated products for kitchen and window applications) fell 39% to US\$13 million during the same period. UK import value of Chinese tropical joinery products, nearly all comprising doors, was US\$16 million in the January to June period, 28% less than the same period last year (Chart 4).



**UK direct imports of tropical hardwood plywood offset by rise from China**

In the first six months of 2023, the UK imported 108,100 m<sup>3</sup> of tropical hardwood plywood, 10% less than the same period last year. A significant decline in direct imports of tropical hardwood plywood from tropical countries partly offset by a rise in imports from China (Chart 5).



The UK imported 47,500 m<sup>3</sup> of tropical hardwood plywood from China in the first six months of 2023, 48% more than the same period last year. Last year, UK imports of Chinese products faced with tropical hardwoods fell sharply in favour of Chinese products faced with temperate hardwoods. This trend has been reversed in 2023 with China again shipping a larger proportion of tropical hardwood faced plywood to the UK.

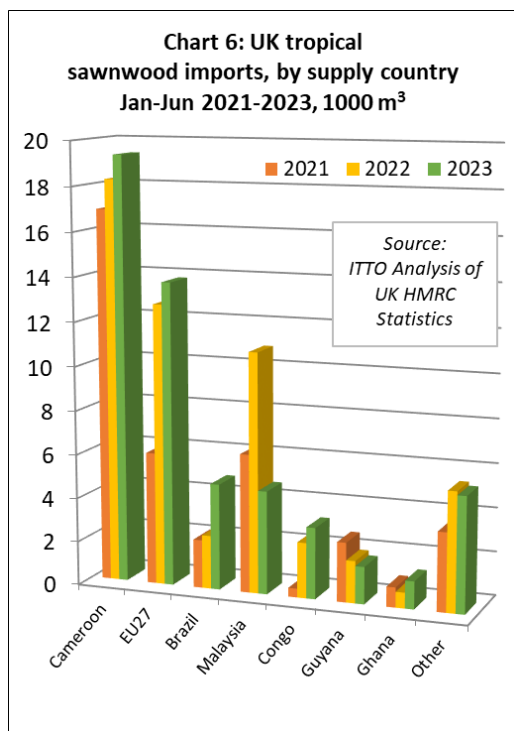
UK imports of Indonesian plywood in the first six months this year were, at 26,900 m<sup>3</sup>, 24% less than the same period last year. The UK imported 21,300 m<sup>3</sup> of plywood from Malaysia in the first six months of 2023, 33% less than the same period last year. UK plywood imports from Thailand were down 70% to 2,100 m<sup>3</sup> in the first six months this year.

However, in the same period there was a large percentage increase from a very small base in tropical hardwood plywood imports from Brazil (+148% to 3,100 m<sup>3</sup>). Imports from Paraguay also increased 13% to 1,600 m<sup>3</sup>.

Meanwhile, the combined effects of Brexit, supply shortages and rising energy and other material costs on the European continent continue to impact on UK imports of tropical hardwood plywood from EU countries which were just 4,300 m<sup>3</sup> in the first six months of this year, 35% less than the same period last year.

**Rising UK imports of tropical sawnwood from the EU this year**

UK imports of tropical sawnwood were 54,000 m<sup>3</sup> in the first six months of this year, 2% less than the same period in 2022. Although UK imports of this commodity appear to have held up reasonably well compared to other tropical products this year, a larger share has been sourced indirectly from the EU and not direct from the tropics (Chart 6).



Furthermore, a large increase in UK imports of tropical hardwood sawnwood (HS 4407) from Brazil this year is also offset by a significant decline in imports of Brazilian tropical hardwood decking/mouldings (HS4409). Therefore, it may be that reported trends for both commodities are distorted by changes in the way products from Brazil are categorized respectively as “sawnwood” and “mouldings”.

UK imports of tropical sawnwood from Cameroon were 19,300 m<sup>3</sup> in the first six months of 2023, 6% less than the relatively high level in the same period in 2022. UK tropical sawnwood imports from Malaysia, which revived to some extent last year after many years of decline, fell by 57% in the first six months of this year to 4,700 m<sup>3</sup>.

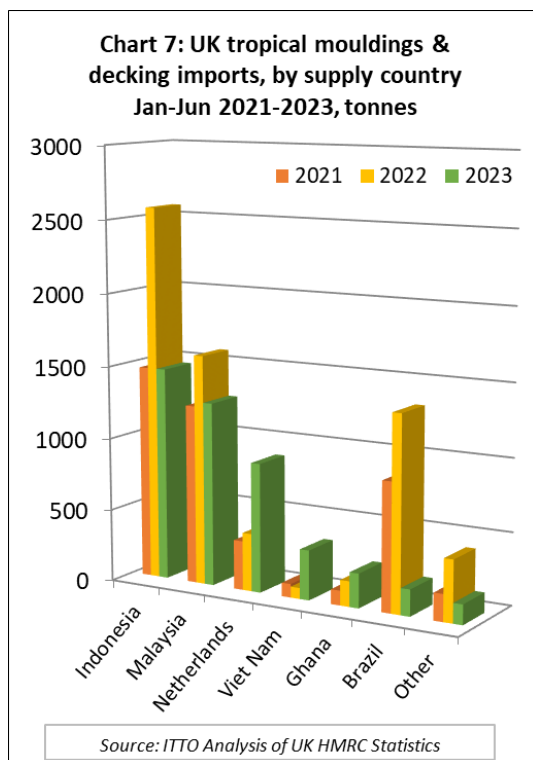
UK imports of tropical sawnwood from Brazil were reported as 4,800 m<sup>3</sup> in the first six months of this year, a gain of 98% compared to the same period in 2022. UK tropical sawnwood imports also increased in the first six months this year from Republic of Congo (+29% to 1,600 m<sup>3</sup>), and Ghana (+78% to 1,300 m<sup>3</sup>). However imports from Guyana fell 12% to 1,700 m<sup>3</sup>.

Indirect UK imports of tropical sawnwood via the EU recovered ground despite the Brexit disruption, increasing 8% to 13,800 m<sup>3</sup> in the first six months of 2023. To some extent, UK’s continuing dependence on indirect imports of tropical sawnwood from the EU is due to a shortage of kiln drying space in African supply countries combined with lack of any hardwood kiln drying capacity in the UK.

UK imports of tropical hardwood mouldings/decking fell 31% in the first six months of 2023 to 4,500 tonnes. This commodity group benefited in the UK market during 2022 from shortages of non-tropical products, particularly since the start of the war in Ukraine and sanctions on Russian decking products that directly compete with tropical decking.

However, with high stocks built up in the UK last year and much reduced consumption, imports of tropical mouldings/decking have fallen away again this year. Imports of 1,500 tonnes from Indonesia were 43% less than the same period in 2022. Imports from Malaysia totalling 1,300 tonnes were down 20% compared to the same period last year.

Imports of this commodity group from Brazil were recorded at less than 200 tonnes in the first six months of this year, 86% less than the same period last year. In contrast, imports increased 123% from the Netherlands to 891 tonnes, while imports from Vietnam increased 3-fold to 350 tonnes from a very small base (Chart 7).



#### ETTF issues EUDR guidance for timber exporters

The European Timber Trade Federation (ETTF) has issued the following information on the EU Deforestation Regulation (EUDR) for suppliers exporting timber and timber products to the EU:

The EU Deforestation Regulation (EUDR) entered into force on 29.06.2023. From 30.12.2024, the EUDR will replace the EU Timber Regulation (EUTR). It obliges all importers of timber or timber products in the EU to apply a due diligence system prior to importing.

Importers must collect information and documentation to prove that their wood and wood products have been legally harvested and are deforestation-free, prior to placing these products on the EU market. Deforestation-free means that the wood comes from plots of land where no deforestation or forest degradation as defined in the Regulation has occurred since 31.12.2020.

The EUDR covers a wide range of timber products, including sawn timber, wood-based materials, paper and furniture.

The text of the regulation is available [here \(https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231461\)](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231461).

The scope of the EUDR, including all products covered, can be found in Annex I at the end of the Regulation. Products covered by CITES or FLEGT licenses are also affected by the EUDR.

In future, you (exporter) will need to provide EU importers (i.e. your customers) with the following information and documentation to enable them to comply with the requirements of the EUDR:

1. Tree species (scientific name)
2. Country of harvest
3. Geo-coordinates of all plots of land where the wood was harvested
4. Date or time range of harvest
5. Evidence that the wood was legally harvested
6. Evidence that the wood is deforestation-free

If the required information and evidence is missing, the goods will not be released for import into the EU by the Customs authorities. There is a risk of storage charges at EU borders until the necessary information is provided or the goods have to be returned. Importers may also face legal consequences.

The EUDR applies to all wood and wood products harvested from 29.06.2023 and placed on the EU market from 30.12.2024. It is therefore important that you start gathering the necessary information now. Without this information you will no longer be able to export wood products to the EU from 30.12.2024.

A special case applies to wood products harvested from 29.06.2023 and delivered to the EU before 30.12.2024. For these products, importers must apply the EUTR and check that the wood was legally harvested. However, if these products (or wood products made from them) are traded in or exported from the EU after 30.12.2024, importers and their customers will need the information and documentation mentioned above.

The ETTF urges “all exporters to inform their timber suppliers of this new regulation and forward this information to them. This is the only way your suppliers can provide you with the necessary information in time”.

The ETTF provides the following additional notes on the information and documentation that importers in the EU will need in the future to comply with the requirements of the EUDR:

1. Tree species (scientific name)
 

The scientific names of all tree species (possibly) contained in the product are required. The genus (e.g. Pinus spp. or Eucalyptus spp.) is not sufficient! Both genus and species must be indicated (e.g. Pinus radiata or Eucalyptus globulus). Please note that the European authorities can verify information on tree species by means of laboratory tests (microscopic analysis, genetic analysis).

## 2. Country of harvest

The name of the country or countries where the wood was harvested is required. If deforestation or legality risks vary within a country, the region must also be indicated.

Please note that the European authorities can verify information on the country of harvest by means of laboratory tests (genetic analysis, isotope analysis).

## 3. Geo-coordinates of all plots of land where the wood was harvested.

Exact geo-coordinates of all plots of land where the wood contained in the product was (possibly) harvested are required. For plots of 4 hectares or less, one point is sufficient; for plots of more than 4 hectares, a sufficient number of points is required to describe the perimeter of the plot. Coordinates consist of a latitude and a longitude value, with a minimum of at least six decimal places.

Please note that importers are required to enter the quantity of imported products as well as the coordinates for each individual import into an EU online portal. Through this portal, the EU can detect unrealistic information, for example if suppliers send the same coordinates to multiple importers, even though the wood comes from other areas.

## 4. Date or time range of harvest Information is required on the date or time range of harvest.

Please note that the European authorities can use satellite imagery to determine whether harvesting took place on the plot land during the specified period.

## 5. Evidence that the wood was legally harvested

The EUDR requires that the timber has been harvested in accordance with the relevant legislation of the country of production. The following legislation is mentioned in the EUDR:

- Land use rights
- Environmental protection
- Forest-related rules, including forest management and biodiversity conservation, where directly related to wood harvesting
- Third parties' rights
- Labour rights
- Human rights protected under international law
- The principle of free, prior and informed consent (FPIC), including as set out in the UN Declaration on the Rights of Indigenous Peoples
- Tax, anti-corruption, trade and customs regulations.

The evidence required in each case will depend on the applicable legislation in the country of harvest and the local legality risks. Depending on the situation, some aspects may not be relevant.

If indigenous peoples are present in or around the logging area, it will be necessary to demonstrate that their rights have not been violated.

If there are legal requirements for logging permits in the country of harvest, these permits must be provided. The same applies to official transport documentation.

If no permit is required for logging on private land, other evidence of legality must be provided. In addition, internationally recognised certification schemes can help to demonstrate legality.

Proof of the supply chain (delivery notes or invoices) is also required to establish the link between the geo-coordinates provided, the proof of legality and the exported timber product. It is important to ensure that the documentation provided matches the timber exported and is plausible in terms of dates and quantities.

Additional risk mitigation measures are required for timber from countries with high levels of illegal logging or corruption.

Timber imported into the EU with a valid FLEGT licence is considered to have been legally harvested under the EUDR and hence only fulfils a part of the requirements. FLEGT-timber is no longer a "green lane" as it used to be in EUTR.

## 6. Evidence that the wood is deforestation-free

Importers must demonstrate that their imported products have not contributed to deforestation or forest degradation. The importer can use e.g. satellite images for this purpose. If there is other evidence that the product is deforestation-free, this should also be provided to the importer.

## North America

### Housing starts advanced in July on single-family construction

New US home construction rose in July on the back of strength in single-family projects amid limited supply in the resale market. Residential starts increased 3.9% last month to a 1.45 million annualised rate according to US Census Bureau data. Single-family homebuilding rose 6.7%.

Applications to build, a proxy for future construction, ticked up 0.1% to an annualised pace of 1.44 million units. Permits to build one-family homes rose to the highest in more than a year.

"Despite the recent appetite for new homes, a potential higher-for-longer Federal Reserve posture on interest rates, tightening credit conditions and a slowing labour market could signal residential investment will likely continue to constrain economic growth according to Elisa Winger, an economist for Bloomberg Economics.

Mortgage rates are back on the rise as it becomes clearer the Federal Reserve is planning to keep interest rates higher for longer to ensure inflation returns to its 2% target. That contributed to the first decline in homebuilder sentiment this year.

Multifamily construction fell 1.7%, to the lowest level since September 2021. Applications for those projects also declined. On a regional basis, starts in the West rose to the highest level since April 2022. They also increased in the Northeast and the Midwest, while the South saw a decline.

Canadian housing starts slipped by 10% in July compared with the previous month, which had produced the strongest figures in 10 years. The seasonally adjusted annualised rate of housing starts fell to 254,966 units in July from a revised 283,498 units in June, the Canadian Mortgage and Housing Corporation (CMHC) said.

See: <https://www.census.gov/construction/nrc/current/index.html> and <https://finance.yahoo.com/news/us-housing-starts-advanced-july-125320286.html>

### **Home sales wane as rate hikes bite**

Existing home sales in the US market dropped month-on-month in July by 2.2% and are more than 16% below levels from this time last year as higher lending rates take their toll the National Association of Realtors has reported. Some 4.07 million single-family homes were sold last month, down from 4.9 million over the same period last year.

There were 1.1 million units on the market last month, down 14.6% from a year ago. The interest rate on a 30-year, fixed-rate mortgage averaged 7.09% mid August, up nearly 2 percentage points from the same time last year.

Existing-home sales in the Northeast fell 5.9% from June to an annual rate of 480,000 in July, down 248% from July 2022. In the Midwest, existing-home sales decreased by 3% from the prior month to an annual rate of 960,000 in July, dropping 20% from the previous year.

Existing-home sales in the South retracted 2.6% from June to an annual rate of 1.86 million in July, a decrease of 14.3% from one year ago. In the West, existing-home sales increased 2.7% from the previous month to an annual rate of 770,000 in July, down 12.5% from the prior year.

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

### **GDP beats expectations in second quarter**

The US economy gained strength in the second quarter despite punishing interest rate hikes and high inflation.

Gross domestic product, the broadest measure of economic output, grew at an annualised, seasonally adjusted 2.4% rate in the April-through-June period.

That was a faster pace than in the first three months of the year and was also above economists' expectations for a 1.8% rate, according to Refinitiv. GDP is also adjusted for inflation.

Economic growth in the second quarter was driven by business investment, government purchases, inventory investment and consumer spending, though at a much weaker pace than in the first quarter.

Consumer spending, which accounts for about two-thirds of economic output, grew at just a 1.6% rate in the second quarter, down sharply from a 4.2% rate in the first three months of the year. That was driven by a sharp pullback in spending on durable goods.

Nonresidential business investment rose sharply to a 7.7% growth rate in the second quarter, up from a 0.6% rate in the beginning of the year. That uptick was mostly thanks to spending on equipment, which jumped to 10.8% from -8.9%.

The slowdown in consumer spending reflects cooling demand, which the Federal Reserve has been trying to achieve through a series of aggressive rate increases. After hiking its benchmark lending rate by a quarter point in late July, the Fed will likely view the GDP report in a positive light.

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

### **US job market continues to cool, but still adding jobs**

The US job market has returned to pre-pandemic form. Employers added 187,000 jobs in July, slightly above the monthly average seen in the decade before the pandemic, according to data released by the US Bureau of Labor Statistics. Economists were expecting a net gain of 200,000 jobs last month. June's job growth was revised down to 185,000 jobs from 209,000.

July's headline number and the downward revisions to the monthly job total for May and June (down 25,000 jobs and 24,000 jobs, respectively), are further indications that the nation's labour market is gradually cooling off. Moreover, it further fuels the notion that the Federal Reserve can achieve a "soft landing" of reining in inflation without massive layoffs.

The bulk of the job gains came in the health care and social assistance fields. Employment in other fields such as manufacturing and retail trade showed little change, while construction saw a gain of 19,000 jobs.

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

**US consumer sentiment tilts lower**

US consumer sentiment dipped in August but Americans expect inflation to edge lower over the next year and beyond, a survey showed on Friday. The University of Michigan's preliminary reading on the overall index of consumer sentiment came in at 71.2 this month compared to 71.6 in July. Economists polled by Reuters had forecast a an even lower figure.

"Consumers perceived few material differences in the economic environment from last month but they saw substantial improvements relative to just three months ago" said Joanne Hsu, the survey's director.

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

<https://www.msn.com/en-us/money/markets/us-consumer-sentiment-dips-in-august-inflation-expectations-improve/ar-AA1f9bAa>

**Manufacturing contracts for ninth month**

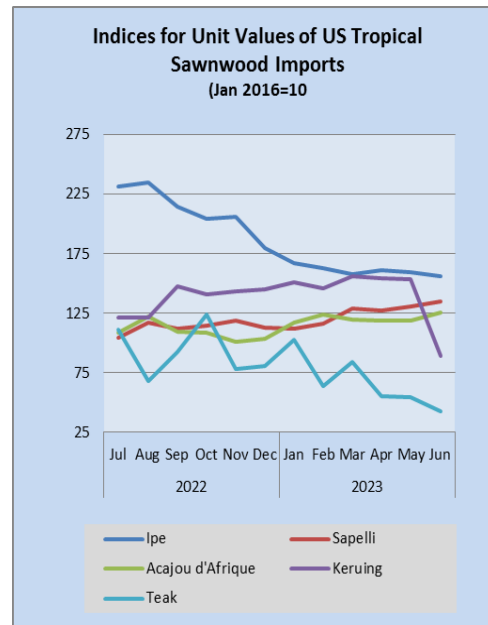
Economic activity in the manufacturing sector contracted in July for the ninth consecutive month according to the nation's supply executives in the latest Manufacturing ISM Report on Business. The ISM's manufacturing PMI rose slightly in July but remained at depressed levels indicating little improvement in the industrial side of the economy.

Timothy R. Fiore, chair of the ISM Manufacturing Business Survey Committee said "the US manufacturing sector shrank again, but the uptick in the PMI indicates a marginally slower rate of contraction and the July composite index reading reflects companies face new order softness".

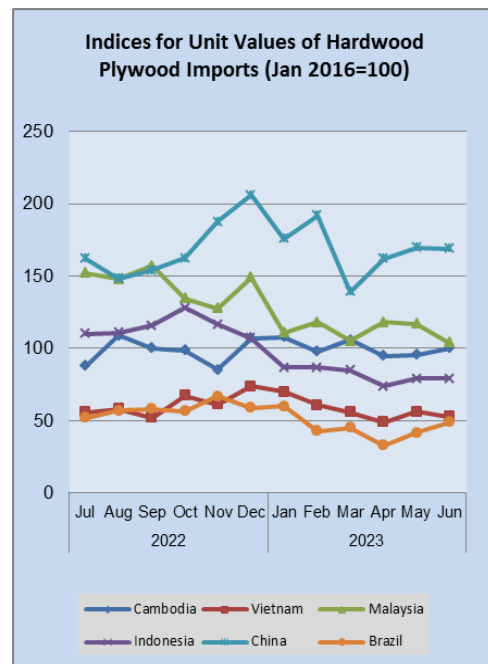
The Furniture and Related Products sector was one of only two sectors reporting growth in July. The 16 other sectors surveyed all reported contraction for the month. The Furniture & Related products sector also led all sectors in new order growth for the month.

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

<https://www.msn.com/en-us/money/markets/us-manufacturers-remain-mired-in-a-slump-ism-finds/ar-AA1eDAT2>



Data source: US Census Bureau, Foreign Trade Statistics



Data source: US Census Bureau, Foreign Trade Statistics

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

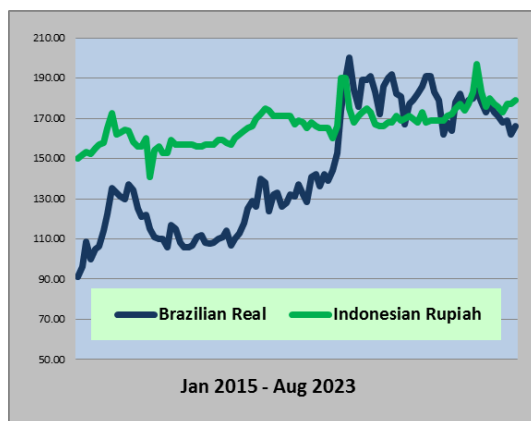
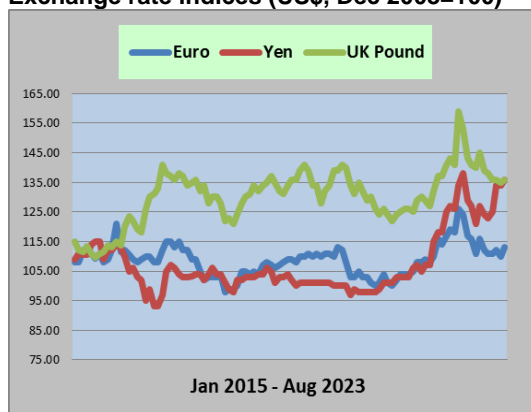
**The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO**

## Dollar Exchange Rates

As of 25 August 2023

Brazil	Real	4.88
CFA countries	CFA Franc	605.13
China	Yuan	7.28
Euro area	Euro	0.93
India	Rupee	82.58
Indonesia	Rupiah	15,246
Japan	Yen	144.80
Malaysia	Ringgit	4.65
Peru	Sol	3.73
UK	Pound	0.79
South Korea	Won	1,328.34

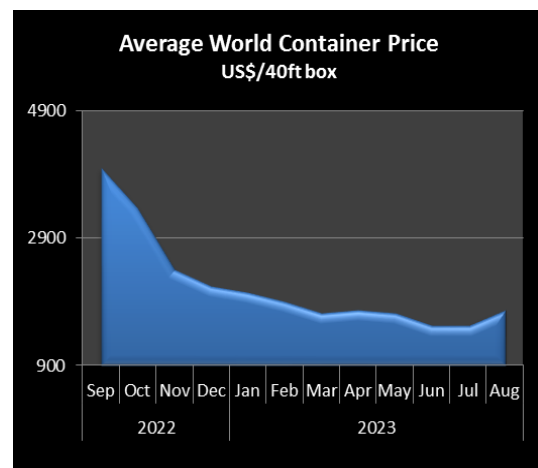
Exchange rate indices (US\$, Dec 2003=100)



## Abbreviations and Equivalences

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

## Ocean Container Freight Index

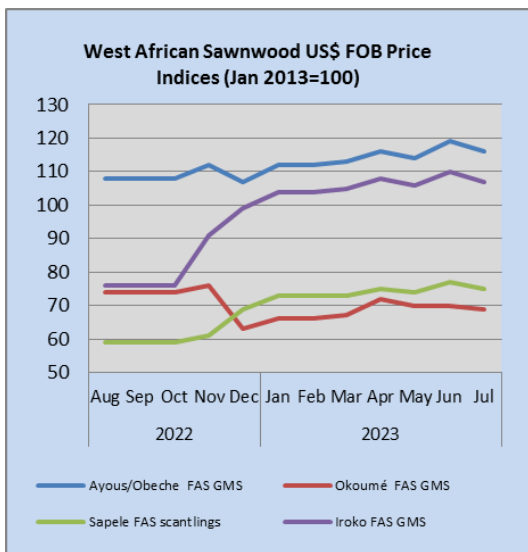
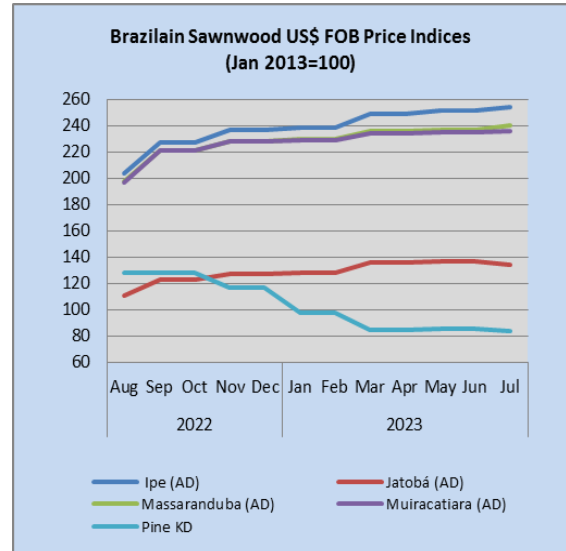
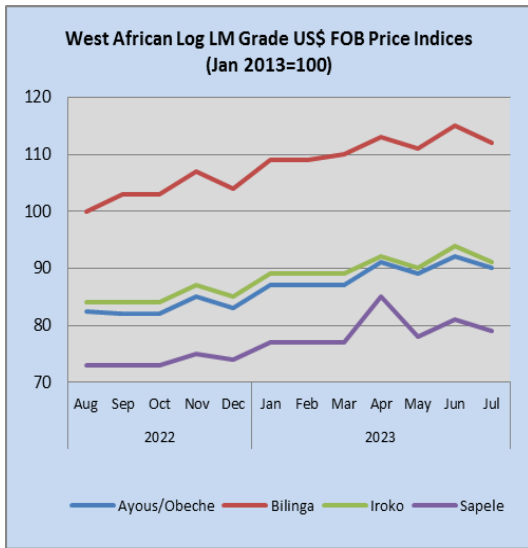


Data source: Drewry World Container Index

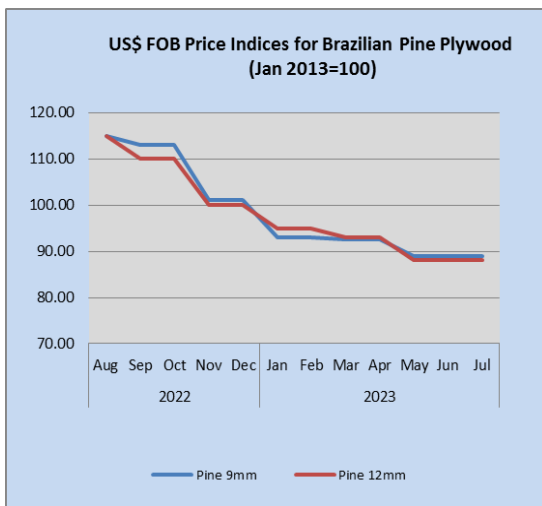
See: <https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry>

**Price indices for selected products**

The following indices are based on US dollar FOB prices



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



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