

# 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).

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## Top story

### **UK tropical wood product imports down 45%**

The import value of tropical wood and wooden furniture into the UK in the first four months of this year was US\$314 million, 45% less than the same period last year.

The dip in UK imports of tropical wood and wood furniture products is part of a wider fall in trade. The total value of UK imports of all wood and wooden furniture products from all regions in the first four months of 2023 was 29% less than the same period in 2022.

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## Central and West Africa

### Weakening demand having a downward pressure on prices

Recent observations by operators in the region signal a slowdown in demand in several markets. In Iraq, for example, the pace of new orders has fallen and in China demand is reported as slow. The weakening demand is beginning to have a downward pressure on prices for some species.

Reports suggest prices for Okoume have been showing signs of easing in the Middle East and Chinese markets. The Chinese market has not fully recovered since the Chinese New Year and it is anticipated to remain slow until the year's end.

European markets are reported as slow but stable as there are ample stocks in Portugal, France, Belgium, Germany and the Netherlands to see manufacturers through the summer months.

Belgium reportedly still boasts a healthy stock of padouk and doussie imported from Cameroon, Gabon and Congo in advance of the CITES deadline.

### Conditions for harvesting a challenge

Reports indicate that, currently, Cameroon, the Central African Republic and northern Congo are experiencing the rain season whereas South Congo, Gabon and Equatorial Guinea have entered a dry period expected to last until September under normal conditions.

This dry period provides an opportunity for road repairs, particularly in central Gabon where laterite roads present challenges. To address previous transportation delays investments are being made in railway repairs to ensure smoother operations and minimise disruptions.

### CAR forestry officials examine certification in Gabon

Recently, the Minister of Forestry in the Central African Republic visited Gabon along with forestry officials to study Gabon's organisation of due diligence and certification processes in the forestry sector.

The focus of the study was on control of logging and transportation of timber from sawmills to the port. It is reported that seven timber companies, one of which is a Wagner Group company, requested assistance from Gabon's forestry department on certification and organisation of forest operations to support sustainable forest management.

### Tackling youth unemployment

Gabon has one of the highest youth unemployment rates in sub-Saharan Africa (36%). To help address this the President has announced the creation of two funds intended to support income-generating activities for economically weak Gabonese.

The first fund of 7 billion FCFA is earmarked for entrepreneurs who wish to develop projects and they will benefit from microcredits at very preferential rates. The second fund is intended for an aid programme for income-generating activities individually, in a cooperative or in an association in areas such as trade, crafts, agriculture, fishing, livestock, services, small scale processing .

See: <https://www.lenouveaugabon.com/fr/economie/1206-19801-entrepreneuriat-9-milliards-fcfa-pour-soutenir-les-entrepreneurs-et-les-gabonais-economiquement-faibles>

### 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	380↓
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/20230615/1686792092163403.pdf>

## Ghana

### Exports to ECOWAS dip

Ghana exported thirteen different wood products to international markets during the first 2 months of 2023 valued at Eur19.92 million which was slightly higher compared to the Eur19.26 million for the same period in 2022.

Table below shows the wood product export details with their corresponding values for 2023 and 2022.

#### Wood product export value (Eur)

Product	Jan-Feb.2022	Jan-Feb.2023	Y-O-Y % Change
AD saw nw ood	8,190,170	9,899,815	21
KD saw nw ood	3,723,147	3,516,866	-6
Plyw ood (Overland)	1,737,146	1,404,046	-19
Mouldings	1,119,271	1,048,175	-6
Billets	1,750,977	568,909	-68
Sliced Veneer	1,437,565	1,158,978	-19
Plyw ood	268,460	630,521	135
Rotary Veneer	794,303	853,270	7
Boules (AD)	190,446	77,301	-59
Others (4)	45,018	758,186	1584
<b>Total</b>	<b>19,256,502</b>	<b>19,916,067</b>	<b>3</b>

Data source: TIDD

According to a TIDD report, total wood product exports up to February were 45,312cu.m. This included shipments to the Economic Community of West African States (ECOWAS) that totalled 3,975cu.m valued at Eur1.45 million, a decline of almost 25% in volume and 29% in value compared to the same period in 2022 (5,291cu.m valued at Eur2.02 million).

The data showed that the overall average unit price (AUP) recorded for the ECOWAS market for the first two months of 2023 (Eur364/cu.m) was also lower than that in 2022 (Eur383/cu.m). Niger and Benin recorded Eur410/cu.m and Eur401/cu.m in 2023.

#### Wood product exports to ECOWAS countries

ECOWAS COUNTRIES	Vol. (cu.m)	Value (Eur)	Unit Price
Togo	1,079	404,781	<b>375</b>
Burkina Faso	1,305	400,467	<b>307</b>
Niger	1,186	486,184	<b>410</b>
Benin	247	99,000	<b>401</b>
Mali	-	-	-
Senegal	121	43,758	<b>363</b>
Cape Verde	-	-	-
Nigeria	38	13,613	<b>363</b>
<b>Total</b>	<b>3,975</b>	<b>1,447,805</b>	<b>364</b>

Data source: TIDD

Of total wood product exports, 62% went to Asia, 16% to Europe, 12% to Africa, and the balance went to America and the Middle East.

Of the total wood products exports to African markets the ECOWAS sub-region market recorded the largest share at Eur1.45 million (66%).

### AGI calls on government to create conducive business environment

The Association of Ghana Industries (AGI) has expressed serious concern over the government's stance toward ensuring that the business environment is conducive for manufacturers. According to the AGI the business-operating environment in Ghana is very tough making Ghana the only country in West Africa where industry pays higher electricity tariffs than households.

The Ashanti Regional Chairman for the AGI, Kwasi Nyamekye, lamented that the continuous tariff increases and policies could lead to the closure of some businesses and job losses. He cautioned that if government does not recognise and act on the current challenges local industries may find it difficult to compete favourably with their African competitors in AfCTA.

See: <https://www.gnbcc.net/News/Item/6211>

### Private sector credit growth slows

Data from the Bank of Ghana (BoG) reveals that the rate of private sector credit growth has slowed. Private Sector Credit (PSC) in nominal terms, reached GH¢64.9 billion at the end of April this year, some 20% over the GH¢54.2 billion recorded at the same time in 2022. However, the rate of growth in credit was lower than recorded during same period of the previous year.

The central bank's data further revealed that, in real terms, the PSC has contracted by 15% compared to the 2.4%t growth recorded during the same comparative periods in 2023 and 2022.

See: <https://thebftonline.com/2023/05/29/rate-of-credit-to-private-sector-moderates/>

In related news the Chief Executive Officer (CEO) of the AGI, Mr. Seth Twum Akwaboah, has called on government to reduce duties paid on raw materials by industries in the manufacturing sector.

See: <https://thebftonline.com/2023/06/02/agi-unhappy-with-business-environment/>

### World Bank support for Tree Crop Development Authority

The Deputy Chief Executive Officer (CEO) of Operations at the Tree Crop Development Authority (TCDA) has revealed that the World Bank has granted a US\$100 million facility to support work in the tree crop sectors.

Speaking at the maiden Ghana/Africa Sustainable Commodities Initiative National Platform meeting, Foster Boateng said the facility is a partnership with the Ghana government under a six-year funding initiative known as the Tree Crop Diversification Project.

The funds will be used for research, to tackle environmental issues and build and manage a digitisation platform that enables the Authority to register and track value chain actors to boost regulation and resource mobilisation. Rubberwood plantations are one out of the six tree sectors initiatives under the TCDA.

See: <https://thebftonline.com/2023/05/24/cashew-coconut-and-rubber-get-us100m-financing-boost/> and <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099164502272317433/p18006002ee35203d0ba360957232442199>

#### Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	850
Niangon Kiln dry	910

#### Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	385	441
Chenchen	477	612
Ogea	513	590
Essa	648	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
Afromosia	465	564
Asanfina	290	311
Ceiba	452	553
Dahoma	640	721
Edinam (mixed redwood)	660	779
Emeri	599	896
African mahogany (Ivorenensis)	560	885
Makore	800	855
Niangon	570	1,004
Odum	770	824
Sapele	454	520
Wawa 1C & Select		

#### Export sliced veneer

Sliced face veneer	FOB Euro per cu.m
Asanfina	1,133
Avodire	2,999
Chenchen	1,131
Mahogany	1,762
Makore	1,046
Odum	2,315
Sapele	1,574

#### Export plywood prices

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	501	580	641
6mm	412	535	604
9mm	320	504	560
12mm	758	476	480
15mm	450	385	430
18mm	460	444	383

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

## Malaysia

### MTIB celebrates 50<sup>th</sup> anniversary

Malaysia's production and export of wood product have undergone a transformation during the 50 years since the Malaysian Timber Industry Board (MTIB) was established. The number of wood products exported worldwide has grown to more than 20 last year compared with just four products, mainly logs, in 1973.

The MTIB was established in June 1973 through the Malaysian Timber Industry Board (Incorporation) Act, 1973 (Act 105). This followed the dissolution of MTIB's predecessor, the Malaysian Timber Export Industry Board, which was formed in 1966.

See:

<https://www.thevibes.com/articles/business/94318/malaysia-timber-exports-up-33-fold-to-rm25.2-bil-under-mtibs-leadership>

### Joint Malaysia and Indonesia trade mission to Belgium

Malaysia and Indonesia have urged the European Commission to recognise their work on the environment and deforestation with regard to palm oil production which, they say, is in line with the United Nations' Sustainable Development Goals.

Malaysia and Indonesia mounted a joint trade mission to Belgium under the Council of Palm Oil Producing Countries. This was in response to the implementation of the European Union Deforestation Regulation (EUDR).

Malaysian Palm Oil Board chairman, Mohamad Helmy Othman Basha, is reported as saying "We have done a lot in the last 10 to 15 years in the area of environment and deforestation and we want the EU to recognise this fact. We have improved a lot but we have not seen them reciprocate" he said.

See: <https://www.thestar.com.my/business/business-news/2023/05/29/eu-should-recognise-efforts-by-malaysia-----and-indonesia>

### Plantation Open Day

A two-day Borneo Forestry Cooperative (BFC) Annual Forestry Symposium and Plantation Open Day were held in Kota Marudu, Sabah in mid-May themed "Growing a Productive Plantation Forestry Industry in Borneo".

The Plantation Open Day provided an opportunity for participants to explore and witness first-hand the various aspects of plantation management from species selection to silviculture practices.

Participants also had the opportunity to engage in interactive discussions and network with industry experts.

A guest speaker at the symposium from South Africa, a specialist on species selection and plantation productivity spoke on his experience in plantation forestry and best practices for maximising productivity while ensuring sustainable management of resources.

The BFC was founded in 2009 to innovate and support the scaling up of Sabah's industrial tree plantation industry.

See: <https://www.dailyexpress.com.my/news/212221/meet-to-explore-forestry-s-prospects/>

#### **Policy shift could encourage more investment**

The export value of furniture and parts from Sarawak was RM57.4 million in 2022, a 23% increase in five years but this is still small when compared to the multi-billion ringgit national exports.

Malaysian Furniture Council president said more could be done to expand the sector in both Sabah and Sarawak. The recent Federal government announcement allowing Sabah and Sarawak to approve development projects worth up to RM50 million will make it easier for investors in the furniture industry.

The Sarawak Furniture Industry Association president said the Association would continue to work closely with all government agencies in identifying sustainable alternative raw material for furniture such as acacia, bamboo and paulownia.

See: <http://theborneopost.pressreader.com/article/281857237898041>

#### **Remote sensing**

The Ministry of Science, Technology and Innovation (MOSTI), through the Malaysian Space Agency (MYSA), signed a memorandum of understanding with the Sabah Forestry Department to collaborate on the use of remote sensing for the management of forest resources.

A representative of MOSTI said the scope of the collaboration involves monitoring and mapping forest areas throughout Sabah using space technology which is a new approach to the management of forest resources and digitisation of forestry information.

Through this collaboration several application system packages have also been developed specifically to assist the Sabah Forestry Department in the management of forest resources, namely the iForSABAH application for forest cover management and monitoring and the e-PESISIR system which focuses on monitoring the country's coastal areas.

See: <https://theborneopost.pressreader.com/article/281569475101432>

#### **Malaysian Wood Expo coming 18–20 June**

With a press release, the Malaysian Timber Council (MTC) announced the return of its international wood and woodworking trade show, the Malaysian Wood Expo (MWE) 2023. Jointly organised by MTC and the Pablo Publishing and Exhibition Pte Ltd, MWE 2023 will be held from 18 – 20 June 2023 at the Malaysia International Trade and Exhibition Centre (MITEC).

The Expo will showcase raw materials and wood products such as wooden flooring, mouldings, doors, door frames and windows, panel products, wooden pallets as well as woodworking machinery such as cutting tools, combined machines, dust collection equipment, edge-banding materials and machines, handling equipment, abrasives, adhesives, coatings, timber-related equipment, and furniture production software, among others.

[https://mtc.com.my/images/media/1505/MWE\\_2023\\_Pre-Release.pdf](https://mtc.com.my/images/media/1505/MWE_2023_Pre-Release.pdf)

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

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

See: <https://www.itto-ggsc.org/static/upload/file/20230615/1686792092163403.pdf>

### **Indonesia**

#### **Benchmark price information system**

The Ministry of Environment and Forestry (Directorate of IPHH) is developing a Benchmark Price Information System (SIPATOK) for forest products to generate fair Non-Tax State Revenue (PNBP) for the State.

The SIPATOK is being tested in four provinces: Riau, as a representative for Sumatra, East Java (Java region), East Kalimantan (Kalimantan region) and South Sulawesi (East Indonesia region). One of the reasons for the development of SIPATOK is to optimise Non-Tax Revenue.

Based on data from the Directorate General of Sustainable Forest Management of the Ministry of Environment and Forestry (KLHK) over the last five years (2018-2022), Non-Tax Revenue from forest utilisation was IDR2.8 - 3.2 trillion per year. This is very small when compared to the potential considering that production forests in Indonesia cover an area of 68.83 million hectares.

A Ministerial Regulation regarding Benchmark Prices will serve as a guide in submitting data and information on forest product prices to ensure the fulfillment of fairness in setting prices reflecting the market prices for forest products.

SIPATOK will simplify the process of collecting data and information on prices of forest products and setting benchmark prices as well as providing access to business actors to directly convey the real selling prices of forest products based on sales documents/invoices and other sales documents.

<https://agroindonesia.co.id/klhk-kembangkan-sistem-informasi-harga-patokan-sipatok-hasil-hutan-untuk-pnbp-yang-berkeadilan/>

### **Minister unwaveringly in rejection of trade discrimination**

Indonesian Coordinating Minister for Economic Affairs, Airlangga Hartarto, recently met with President Joko Widodo to report the results of the Indo-Pacific Economic Framework (IPEF) meeting. Airlangga highlighted several regulations in other countries that are deemed detrimental to Indonesia.

Airlangga reported on trade facilitation which is still under discussion at IPEF which has not been completed, the supply chain discussion was completed as was discussion on the green economy fair economy. Airlangga also informed the President on the European Union Deforestation Regulation (EUDR). He said "within 18 months forest commodities must be verified through due diligence statements and tagging.

Airlangga argued that the EUDR regulation is detrimental to Indonesia because the implementation does not provide time to adjust saying, "if within 18 months Indonesia does not comply with the EUDR then a large part of trade relations with Europe will be disrupted".

Minister Hartarto appears unwaveringly in his rejection of discrimination by trading partner countries through the EUDR and Carbon Border Adjustment Mechanism (CBAM).

CBAM is a policy tool introduced by the EU that requires EU iron and steel importers to be subject to additional obligations to pay carbon tax rates in accordance with the amount of iron and steel imported.

The Minister seems to consider the EUDR policy will hurt and harm several plantation and forestry commodities in Indonesia and Malaysia. In addition, the EUDR undermines Indonesia's commitments to solve problems related to climate change issues and to protect biodiversity.

See: <https://en.antaranews.com/news/284244/minister-hartarto-firmly-rejects-discrimination-in-eudr-cbam-policies> and <https://investor.id/business/331568/ri-tolak-kebijakan-diskriminasi-deforestasi-oleh-uni-eropa>

### **Plans to have the forestry sector offset carbon emissions**

The Environment and Forestry Ministry plans to have the forestry sector offset carbon emissions produced by the energy sector with the target of reaching a net reduction of 140 million tonnes of carbon dioxide equivalent by 2030.

The ministry's Climate Change Control Director General, Laksmi Dhewanthi, stated that the energy sector's emissions are still projected to increase in order to meet the domestic energy demand. "Indonesia, in terms of energy consumption per capita, is still far below that of average middle-income countries," she noted in a statement on Tuesday.

If the energy sector still contributes to emissions in the future, then the forestry sector can already reduce emissions first to achieve a balance between various sectors in Indonesia, Dhewanthi noted.

See: <https://en.antaranews.com/news/284136/ministry-plans-to-have-forestry-sector-offset-carbon-emissions>

### **Stimulating forestry sector green investment**

Agus Justianto, Director General of Sustainable Forest Management, Ministry of Environment and Forestry said the Ministry (KLHK) supports growth in green investment in the forestry sector which promises profits for investors as well as positive impacts on environmental and social management. He said "green investment is not only oriented to get financial returns but also produces social and environmental impacts in a sustainable manner".

One of the efforts to stimulate growth of green investment in the forestry sector is optimising the economic value of carbon (Carbon Pricing). Carbon pricing arrangements in the work area of Forest Utilisation Permits (PBPH) are guided by Presidential Regulation Number 98 of 2021 and Minister of Environment and Forestry Regulation Number 21 of 2022.

See: <https://forestinsights.id/2023/06/02/klhk-rangsang-investasi-hijau-sektor-kehutanan/>

### **Indonesia braces for forest fires amid El Nino**

Indonesia is bracing for the possibility of widespread forest and land fires this year as scientists predict the return of the El Nino weather phenomenon in the second half of 2023.

Indonesian National Disaster Mitigation Agency (BNPB) spokesman, Abdul Muhari, said cases of forest and land fires dropped significantly over the past three years because of the La Nina weather phenomenon which resulted in more rainfall.

The World Meteorological Organisation (WMO) said there are signs that the warm weather phenomenon El Nino will be back this year.

See: <https://www.channelnewsasia.com/asia/indonesia-forest-fires-dry-weather-el-nino-3545281>

### **Social forestry permits benefit 1.2 million families**

Since it was implemented in 2016 the area of Social Forestry Permits as of May 2023 reached 5.5 million hectares comprising over 8,000 units for approximately 1.2 million heads of families.

The Minister of Environment and Forestry, Siti Nurbaya, emphasised that the Social Forestry Programme is one of the national strategic programmes.

She added "By the end of 2025 we aim to have at least 70% of the target of 12.7 million hectares achieved. It is an ideal target that must be completed." Minister Siti said she would continue to innovate in strengthening the social forestry programme, especially on institutional/group aspects, including the application of a GIS shareholding concept which would reinforce the boundaries for each area.

See: <https://forestinsights.id/2023/05/26/luas-izin-perhutanan-sosial-capai-55-juta-hektare-per-mei-2023-libatkan-12-juta-kepala-keluarga/>

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## **Myanmar**

### **Timber exports closed 2022-23 at US\$139 million**

For the 2022-23 fiscal year ending on 31 March 2023 timber export earned US\$139 million including US\$4 million from the border trade according to data released by Ministry of Commerce. In fiscal 2021-22 timber exports were US\$128 million.

After the military took power in 2021 logging was suspended but it is widely anticipated that harvesting will resume this year with a harvesting target lower than the annual allowable cut (AAC). Although there were no freshly harvested logs traded because of the logging suspension exports were maintained as manufacturers used logs stockpiled believing (wrongly) that products from old logs would be exempted from EU and US sanctions.

### **Thailand cut power supply to border town**

According to the Thai Nation newspaper Thailand's Provincial Electricity Authority (PEA) cut the power supply to two small regions of southeastern Myanmar at the request of the military administration. The media claim the primary concern was activities in Shwe Kokko, a notorious gambling hub and centre for online scam operations.

The other region affected by the power cut was Lay Kay Kaw a town in Karen State around 30 minutes drive from the Myawaddy-Mae Sot border. Lay Kay Kaw was developed with the support of Japan's Nippon Foundation in 2015 to house refugees relocated from the series of camps dotted along the Thailand-Myanmar border.

### **Rupee will be applied for the trade with India**

India has urged Myanmar's administration to speed up the process of trade settlements through mutual currencies, a mechanism that was earlier agreed. A delegation of Indian exporters met Myanmar's trade minister U.Aung Naing Oo, who is on a visit to India and raised the issue.

Myanmar, which is facing shortages of foreign exchange reserves, announced last year that it would soon start accepting Indian rupees, along with Thai baht and China's renminbi as official settlement currency to cut its dependence on the U.S. dollar.

See - <https://www.channelnewsasia.com/business/india-asks-myanmar-expedite-trade-through-rupee-exporters-body-3556431>

In related news the Myanmar administration has made it mandatory for exporters and importers to use the Chinese yuan in trade transactions with China. The order, issued on 1 June requires traders to open yuan accounts in local banks if they want permits for cross-border transactions.

Traders applying for import licenses must submit proof that they have Chinese currency in their bank accounts, which they can obtain either from export earnings or by purchase from a local bank. Previously, both US dollars and yuan were permitted for use in border trade with China.

See - <https://www.irrawaddy.com/news/burma/myanmar-junta-bans-dollars-for-border-trade-with-china.html> )

## **India**

### **Indian plywood demand forecast**

According to IMARC Group's latest report, "India Plywood Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast FY 2023 to FY 2028", the India plywood market reached INR208.5 billion in FY 2022-23. IMARC expects the market to reach INR306.5 Billion by FY 2028-29.

The expanding construction industry, the emerging trend of urbanisation and consumer preference for plywood for structural purposes are driving the India plywood market. In addition, the launch of several government policies including the Pradhan Mantri Awas Yojana, DDA Housing Scheme, NTR Housing Scheme, for example, promote the expansion of housing projects and support demand for plywood.

See: <https://www.imarcgroup.com/plywood-market-size-in-india>

### **National policy needed to drive green development**

In a press release CREDAI offered suggestions for a national policy to help create green development in India. CREDAI has put together a policy framework that could help drive both demand for and supply of green development projects in India.

Identifying successful state level policies that have enabled green development CREDAI recommends a standard national policy framework which would include:

- Increase in Floor Space Index (FSI) or Floor Area Ratio (FAR) in urban planning and architecture to measure land use intensity.

Different State policies have allowed for higher FSI/ FAR for developers in the case of Green certified projects. Allowing a higher FSI will incentivize developers which will also lead to higher value creation overall.

- Fast track/ Single Window Environmental Clearance

Facilitating a single window clearance will lead to lower costs and compliances and enhance the turnaround time for building green projects.

- Fee Waivers and Subsidies for MSME Developers

In certain states, there is also a provision to provide subsidies/reimbursements on amount paid to the plant or on fixed capital investment. This should be replicated across the country as it will provide substantial financial benefits which will also have a positive impact on project costs and housing prices.

- Concessional Interest Rates from Financial Institutions

Green building projects should be eligible for financial assistance in the form of concessional rates from all financial institutions, including Banks to provide a more conducive financial system that can enable and incentivise developers.

On the occasion of World Environment Day, CREDAI announced that its developer members had undertaken more than 55 green projects totalling 32 million square feet with the Indian Green Building Council (IGBC) under CREDAI's 'Green Crusaders' Programme. These projects are part of CREDAI's commitment towards developing 4,000 green projects by 2030.

See: <https://www.credai.org/media/view-details/361>

### Monsoon tree planting

The Uttar Pradesh Forest Department will produce 480 million saplings to achieve the target of planting 350 million trees this year in the monsoon season as a part of the state government's annual plantation drive. Over 400 million saplings have been raised already and the rest will be ready before June. The nurseries are managed by government departments and include a few private nurseries.

See: <https://timesofindia.indiatimes.com/city/lucknow/uttar-pradesh-forest-dept-to-raise-48-crore-saplings-for-plantation-in-2023/articleshow/99270128.cms?from=mdr>

### Import update

#### Teak log prices, C&F US\$/Hoppus cu.m May 2023

	Hoppus cu.m	US\$ C&F
Brazil	144	268
Colombia	111	326
Costa Rica	-	-
Ecuador	128	224
Ghana	125	260
Ivory Coast	68	488
Nigeria	151	287
South Sudan	84	360
Tanzania	114	287
Laos	115	288

#### Teak sawnwood prices, C&F US\$/cu.m May 2023

	CU.M	US\$ C&F
Benin	79	629
Brazil	-	-
Colombia	112	327
Costa Rica	80	279
Ecuador	155	513
Ghana	151	342
Ivory Coast	96	410
Nigeria	122	321
South Sudan	101	352
Tanzania	125	339
Togo	103	337
Venezuela	118	419

#### 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

## Vietnam

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

According to the General Department of Customs May 2023 W&WP exports were worth an estimated at US\$1.2 billion, up 10% compared to April 2023 but down 14% compared to May 2022.

WP exports were US\$801 million, up 3% compared to April 2023 but down 16% compared to May 2022. Over the first 5 months of 2023 W&WP exports totalled at US\$5.1 billion, down 27% over the same period in 2022. In particular exports wood products at an estimated at US\$3.4 billion were down 34% over the same period in 2022.

- *Vietnam's imports of logs and sawnwood in May 2023 amounted to 500,900 cu.m, equivalent to US\$180.3 million, up 51% in volume and 50% in value compared to April 2023 but compared to May 2022, down 13% in volume and 22% in value.*

*Over the first 5 months of 2023 imports of wood raw material were recorded at 1.6 million cu.m, worth US\$579.2 million, down 31% in volume and 35% in value over the same period in 2022.*

- *Vietnam's exports of NTFPs have been increasing for the first four months in 2023 reaching US\$70.0 million in May 2023, up 12% compared to April 2023 but down 0.3% compared to May 2022.*
- *W&WP exports to the EU in May 2023 stood at US\$33.6 million, down 39% compared to May 2022. In the first 5 months of 2023 W&WP exports to the EU were estimated at US\$206.6 million, down 34% year-on-year.*
- *W&WP exports to Australia in May 2023 were estimated at US\$10.3 million, down 37% compared to May 2022. In the first 5 months of 2023 exports of wood and wood products to Australia were estimated at US\$46 million, down 43% year-on-year.*

### Exporters of wood products face many difficulties

Vietnam's W&WP trade is not expected to increase unless the global economy regains growth momentum and consumer demand in key markets recovers. In spite of the cloudy situation, Vietnamese wood processors and traders forecast better trends in late 2023 - early 2024 when inflation prevailing in many economies will be controlled and the Russia-Ukraine conflict may end.

Topping export turnover in the first 4 months of 2023 were wooden-frame seats with an export value of US\$831.5 million, down 32% over the same period in 2022, followed by wood chips US\$691.7 million, up 2%; living and dining room furniture US\$644.4 million, down 43%; wood-based and panels and floorings, US\$501.6 million, down 28%; bedroom furniture, US\$478.8 million, down 33%.

### W&WP exports in April and the first 4 months of 2023

Products	4/2023 (US\$1,000)	Against 4/2022 (%)	4 months 2023 (US\$1,000)	Year-on-year growth (%)	Shares (%)	
					4 months 2023	4 months 2022
<b>Total</b>	<b>1,088,492</b>	<b>-32.2</b>	<b>3,907,697</b>	<b>-30.6</b>	<b>100.0</b>	<b>100.0</b>
Wooden-frame seats	238,163	-20.2	831,478	-32.2	21.3	21.8
Woodchips	165,421	-24.3	691,700	2.0	17.7	12.0
Guess-room & dining-room furniture	198,185	-34.0	644,421	-42.6	16.5	19.9
Wood panels & floorings	141,788	-29.3	501,617	-28.4	12.8	12.4
Bed-room furniture	148,194	-48.3	478,829	-45.0	12.3	15.5
Kitchen cabinet	89,615	-34.4	302,602	-32.5	7.7	8.0
Wood pellet	34,610	-57.6	212,468	-9.9	5.4	4.2
Office furniture	20,649	-34.3	77,075	-39.0	2.0	2.2
Door	3,620	-24.5	11,663	-25.4	0.3	0.3
Handicraft	2,484	-7.4	7,640	-26.0	0.2	0.2
Mirror frame	196	-70.3	890	-54.5	0.0	0.0

Source: Vietnam General Department of Customs

### W&WP exports in April and the first 4 months of 2023

Except for Japan W&WP exports to key markets experience a sharp turndown in the first four months of 2023. The US market, as the leading market, consumed over US\$2.0 billion, down 40% year-on-year; Japan is the second market with US\$556 million, up 1.8%; China, US\$481.2 million, down 11%; Korea, US\$273.5 million, down 23%; EU, US\$151.6 million, down 42%.

Market	4/2023 (US\$1,000)	Against 4/2022 (%)	4 months 2023 (US\$1,000)	Year-on- year growth (%)	Share (%)	
					4 months 2023	4 months 2022
<b>Total</b>	<b>1,088,492</b>	<b>-32.2</b>	<b>3,907,697</b>	<b>-30.6</b>	<b>100.0</b>	<b>100.0</b>
US	63,483	-32.2	2,020,393	-39.5	51.7	59.3
Japan	126,865	-16.8	556,253	1.8	14.2	9.7
China	109,055	-41.7	481,212	-11.0	12.3	9.6
South Korea	65,954	-39.0	273,524	-23.4	7.0	6.3
EU	30,490	-50.5	151,591	-42.4	3.9	4.7
France	7,258	-38.9	34,909	-30.4	0.9	0.9
Germany	4,359	-66.8	23,826	-56.5	0.6	1.0
Netherlands	3,932	-56.9	23,470	-43.4	0.6	0.7
Belgium	2,996	-52.2	14,097	-48.9	0.4	0.5
Spain	2,898	-35.9	11,765	-21.2	0.3	0.3
Denmark	2,000	-51.6	10,016	-49.7	0.3	0.4
Italy	869	-70.2	6,273	-46.2	0.2	0.2
Sweden	1,289	-53.9	6,337	-47.8	0.2	0.2
Poland	1,483	-31.4	5,847	-39.0	0.1	0.2
Ireland	1,719	-25.3	5,478	-43.3	0.1	0.2
Rumania	211	-74.6	2,294	-16.0	0.1	0.0
Portugal	307	-4.1	1,943	7.2	0.0	0.0
Greece	351	-8.8	1,679	-5.9	0.0	0.0
...						
Canada	18,745	-21.2	60,046	-32.8	1.5	1.6
UK	18,599	-35.3	60,332	-40.1	1.5	1.8
Malaysia	12,651	-18.6	46,175	-5.3	1.2	0.9
Australia	9,333	-49.0	35,786	-44.3	0.9	1.1
Indonesia	10,312	562.6	29,288	284.0	0.7	0.1
Taiwan	7,286	21.6	23,871	-14.0	0.6	0.5
India	6,198	133.0	21,197	171.4	0.5	0.1
Thailand	5,826	-9.3	19,185	-15.4	0.5	0.4
Singapore	2,939	-51.0	12,478	-14.9	0.3	0.3
Arab Saudi	3,975	-5.3	11,210	-10.7	0.3	0.2
Cambodia	2,555	11.4	9,123	13.5	0.2	0.1
Mexico	3,484	17.6	8,736	-8.0	0.2	0.2
Turkey	1,612	193.8	6,080	380.9	0.2	0.0
Philippines	1,411	-2.9	4,806	-14.1	0.1	0.1
New Zealand	1,398	-42.6	4,794	-46.2	0.1	0.2
UAE	1,344	-46.3	4,609	-44.1	0.1	0.1
Chile	1,415	12.7	4,098	-39.6	0.1	0.1
Reunion	32	-36.3	3,765	1767.5	0.1	0.0
Puerto Rico	889	-44.7	2,567	-42.2	0.1	0.1
Israel	817	-34.4	2,399	-15.5	0.1	0.1
Andora	959	-20.5	2,216	-17.3	0.1	0.0
Egypt	388	18.9	1,892	20.4	0.0	0.0
Russia	163	187.7	1,475	-9.6	0.0	0.0
South Africa	415	-56.7	1,162	-55.0	0.0	0.0
Hong Kong	356	-7.4	1,205	-21.7	0.0	0.0
Kuwait	172	-9.5	918	-4.7	0.0	0.0
Switzerland	37	-94.7	897	-72.8	0.0	0.1
Jamaica	524	613.2	774	-1.4	0.0	0.0
Maroco	210	2620.7	769	338.9	0.0	0.0
Norway	306	33.6	713	-31.5	0.0	0.0

Source: Vietnam General Department of Customs

### Vietnamese wood exports declined in first five months

The export of wood and wooden products continued a downward in early 2023 with export values hitting US\$5.1 billion to mark a year-on-year fall of 27%.

According to the Ministry of Industry and Trade, May alone witnessed the nation's export value of wood and wooden products stand at an estimated US\$1.2 billion, up by 10% against April but down by 14% against May 2022.

Most notably, May saw exports of wooden products reach US\$801 million, up 3% on-month but down by 16% on-year. Wooden furniture represented the key export item accounting for 60% of total exports of wood and wood products.

Throughout the January to May period the export value of wooden furniture fell sharply by 38% against the same period from last year due to slowing global demand. High inflation across the world has forced consumers to tighten their spending as they seek to decrease demand for non-essential goods such as wood products.

Those factors have led to Vietnamese export value of wood and wooden products plunging during the reviewed period.

See: <https://wtocenter.vn/tin-tuc/22083-vietnamese-wood-exports-decrease-over-five-month-period>

### Imports falling

In the first 5 months of 2023, the imports of logs and sawnwood amounted to 1.6 million cu.m, worth US\$579.2 million, down 31% in volume and 36% in value over the same period in 2022.

In the first 4 months of 2023 imports of raw wood from major markets, such as the EU, Cambodia, China, the US, Thailand, Laos, Chile, New Zealand and Brazil dropped down against the same period in 2022. At the same time, the imports from some other markets, such as Malaysia, Angola, Indonesia, Canada and Namibia increased.

The raw wood imports from the EU markets amounted to 15% of total imported volume, contributing 190,600 cu.m, worth US\$58.2 million, down 18% in volume and 21% in value over the same period in 2022.

From Cameroon imports decreased year-on-year by 4% in volume and 2% in value and were 169,300 cu.m, worth US\$73.2 million, accounting for 13% of the total imports.

Imports from the China fell by 33% in volume and 40% in value against the same period in 2022, amounted to 157,600 cu.m, worth US\$76 million, a 13% share of total imports.

In addition, the import volume of raw wood from some other markets decreased against the same period in 2022. In particular imports from the US dropped by 5%, Thailand by 25%, Laos by 17%, Chile by 29%, New Zealand by 25%, Brazil by 59% and Congo by 17%.

In contrast, imports of raw wood from Malaysia increased by 68% in volume and 24% in value over the same period in 2022, reaching 27,400 cu.m, worth US\$7.2 million, accounting for 2% of total imports.

In addition, imports of raw wood into Vietnam from some other markets in the first 4 months of 2023 showed an increase compared to the same period in 2022: from Angola increased by 10%; Indonesia by 75%; Canada by 3%, Namibia by 36%, Equatorial Guinea by 45% and Mozambique by 19%.

### Vietnam's log and sawnwood imports by source and species

In the first 4 months of 2023 imports of major species such as pine, tali, poplar, oak, doussi/pachi, padouk and eucalyptus declined year-on-year. Conversely, import volumes of some other species increased, namely ash, rubberwood, mukulungu, walnut, lagerstromia, menghundur and douglas fir.

Pine, as the top species imported, accounted for 11% of total imported raw wood in the first 4 months of 2023, reaching 142,500 cu.m, worth US\$31.7 million, down 51% in volume and 61% in value over the same period in 2022.

Tali/okan imports decreased by 18% in volume and 173% in value over the same period in 2022, reaching 141,900 cu.m, valued at US\$58.6 million and contributing 11% of total imports.

Poplar imports dropped by 16% in volume and 27% in value year-on-year, accounting for 80,500 cu.m, valued at US\$33.4 million.

In addition, imports volume of some other species decreased compared with the same period in 2022, such as doussie by 40%, padouk by 10%, eucalyptus by 72%, teak by 26% and sapele by 17%.

Conversely, imports of ash in the first 4 months of 2023 surged by 5% in volume and 18% in value over the same period in 2022, reaching 127,200 cu.m, worth US\$32.8 million, accounting for 10% of total imported raw wood.

#### Sawnwood and log imports into Vietnam over 4 months of 2023

Lumber/log	4 months of 2023			Year-on-year change (%)		
	Volume (m <sup>3</sup> )	Value (US\$1,000)	Price (US\$/m <sup>3</sup> )	Volume	Value	Price
Lumber	542,129	217,870	401.9	-27.9	-34.2	-8.7
Log	435,616	142,433	327.0	-25.6	-16.5	12.2

Source: Vietnam General Department of Customs

#### Forecast W&WP trade

In the first 5 months of 2023, Vietnam's W&WP exports plummeted by 27% over the same period in 2022 with an export value of US\$5.1 billion. The reason behind the serious downturn in W&WP exports is recession of the global economy leading to the weakened market demand.

There are signs of recovery but the W&WP markets will barely recover. Moreover, increasing concerns on the EUDR will trigger new technical and environmental barriers to the W&WP trade. In addition, China's reopening has also doubled the competition in Vietnam's W&WP export markets. Apparently, in both the short term and long term, these factors will continue impacting the Vietnamese wood industry sector.

Besides the decline of export orders the serious drop of export prices also exposes another factor worsening the export turnover of W&WP made in Vietnam. On the other hand, Vietnam, as a big importer, can hardly maintain the normal level of wood imports with the weakened W&WP demands for both domestic use and export.

#### Law on carbon credit trading in public forests

The law No. 14.590/23, published in the official gazette, changes the rules of public forest management through concessions. The law allows the trade in carbon credits and the exploitation of biodiversity in the granted concession area which until now was prohibited.

According to the law, the public notice of the concession for the utilisation of forests may include the right to commercialise carbon credits and other similar instruments for the mitigation of greenhouse gas emissions.

Non-timber forest products and services may also be the object of forest concession management. The new law also allows the concessionaire of public forests to unify forest management activities in contiguous areas of lands in protected areas.

The new law also provides for:

- The Brazilian Forestry Service (SFB) preparation of the Multi-Year Plan for Forest Granting (PPAOF) with a duration of four years containing the set of public forests to be granted in the period in which it is in force;
- The absolute reserve area (area within the concession that cannot be exploited) may be located around the conservation unit (buffer zone). In this way, the entire concession area is free for the concessionaire's use in accordance with the contract;
- The granting authority may call the remaining bidders for the public forest concession in order of classification when the concession contract is terminated. The new concessionaire must accept the terms of the previous contract;
- The bidding notice for the public forest must provide for civil liability insurance against any damage caused to the environment or to third parties, in addition to a guarantee to cover the default of contractual obligations.

Source: Agência Câmara de Notícias

See: <https://www.camara.leg.br/noticias/965520-lei-autoriza-comercio-de-credito-de-carbono-e-acesso-a-biodiversidade-em-florestas-publicas/>

#### Leaves from Amazon tree could replace mercury in gold recovery

Research conducted by the Brazilian Agricultural Research Corporation (Embrapa) has shown that bio-extraction obtained through use of the leaves of pau-de-balsa (Ochroma pyramidale), a tree native to the Amazon, may be a viable and sustainable alternative to replace mercury in gold recovery.

A new research stage will study which formulations of bio-extractors can be competitive with mercury. The study will be coordinated by Embrapa Forests, in Paraná State in partnership with other research institutions.

The first phase of the research, carried out in 2020, focused on the chemical characterisation of the pau-de-balsa leaves. In 2023 a new stage of the study will begin which will be conducted in partnership with a mine in the Peixoto de Azevedo Region, in Mato Grosso State.

Various bio-extraction formulations will be evaluated for their efficiency in recovering gold from alluvial ore. The bio-extractor that performs best will be adjusted to further improve extraction. The extraction efficiency will be compared to the traditional process through amalgamation with mercury. In addition, toxicity and cytotoxicity analyses will be carried out.

The pau-de-balsa tree is fast growing and contributes to improve the development of secondary forests and can be used in forest restorations. In the case of the adoption of the pau-de-balsa leaves for gold recovery the idea is that it will be associated with the use of the species for the recovery of land affected by mining.

See: [https://www.nativanews.com.br/meio\\_ambiente/id-1048549/pesquisa\\_estuda\\_folha\\_da\\_amaz\\_nia\\_para\\_substitui\\_o\\_do\\_merc\\_rio\\_na\\_extra\\_o\\_de\\_ouro](https://www.nativanews.com.br/meio_ambiente/id-1048549/pesquisa_estuda_folha_da_amaz_nia_para_substitui_o_do_merc_rio_na_extra_o_de_ouro)

#### Timber export control for Brazilian wood

According to a Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA) Timber Management Analytical Report the most exported species for use in the design and architectural sectors are: ipê (Handroanthus), cumaru (Dipteryx odorata), garapa (Apuleia leiocarpa) and jatobá (Hymenaea courbaril).

According to IBAMA's 2022 report the European Union is the largest buyer of Brazilian wood products taking around 143,000 cu.m worth about R\$1 billion followed by the United States with a purchase of almost 83,000cu.m also worth about R\$1 billion.

The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) regulates the process of exporting and importing fauna and flora. According to IBAMA some of the most exported plant species in Brazil are already listed in CITES Appendix II. These are Dipteryx odorata and Handroanthus serratifolius (yellow ipê). Others are in the MMA Ordinance No. 443/2014 (List of Brazilian flora species threatened with extinction), such as Araucaria augustifolia, Apuleia leiocarpa and Mezilaurus itauba.

To ensure legality the first step is to know the origin of the wood. Although it is difficult to know the true origin of the material, the Brazilian Association of Interior Designers (ABD) advises checking the Forest Stewardship Council (FSC) label, in addition to the Forest Origin Document (DOF) of IBAMA.

According to IBAMA there are a series of norms that regulate the procedures for authorising the export of wood products and by-products from native timber species. Among these are the Normative Instruction IBAMA No. 8/2022 and Normative Instruction No. 17/2021 which aim to control the export of wood from natural forests.

Normative Instruction No. 21/2014, established the National System for the Control of the Origin of Forest Products (SINAFLOR) to control the origin of wood, charcoal and other forest products and by-products. There is also Decree No. 3.607/2000 which deals with the implementation of CITES. There is also Ordinance No. 8/2022, which established the Brazil Single Consent Platform (PAU Brazil) under IBAMA.

Finally, SECEX Ordinance No. 19/2019, which controls export licenses, permits and certificates (LPCO) through the Foreign Trade Single Portal of the Integrated Foreign Trade System (Siscomex).

See: <https://revistacasaejardim.globo.com/um-so-planeta/noticia/2023/05/entenda-como-funciona-a-fiscalizacao-para-o-uso-de-madeira-brasileira.ghtml>

#### Pará state teak exported to India

India is the main importer of teak roundwood (Tectona grandis) produced from reforested areas. These forests help to recover degraded land, create employment, generate foreign exchange and generate income for municipalities and for the State of Pará.

The State of Pará is the main exporter of wood products from native timber species and exports of wood products from reforested areas have been growing.

According to the Association of Timber Exporting Industries of the state of Pará (AIMEX), in the first four months of the year timber exports from reforestation represented the third most valuable product with more than 28,000 tonnes exported worth US\$4.9 million with India as the main destination.

Teak was introduced to Brazil in the 1960s and the first plantations began in the Pará State in the 1990s.

Currently, Brazil has the largest planted area in Latin America with more than 90,000 hectares of teak plantations spread over the States of Mato Grosso, Pará, Rondônia, Acre, Goiás, Minas Gerais, among others. Mato Grosso and Pará States account for more than 90% of the planted teak area in the country.

See: <https://redepara.com.br/Noticia/234247/madeiras-plantadas-no-para-sao-utilizadas-na-india>

#### Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	546
Jatoba	220
Massaranduba	200
Miiracatiara	194
Angelim Vermelho	193
Mixed redwood and white woods	150

Source: STCP Data Bank

### Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	
Ipe	2,182
Jatoba	1,096
Massaranduba	1,018
Muiracatiara	888
Angelim Vermelho	938
Mixed red and white	342
Eucalyptus (AD)	254
Pine (AD)	323
Pine (KD)	

Source: STCP Data Bank

### Domestic plywood prices (excl. taxes)

	US\$ per cu.m
Parica	
4mm WBP	628
10mm WBP	484
15mm WBP	441
4mm MR.	600
10mm MR.	446
15mm MR.	399

Prices do not include taxes. Source: STCP Data Bank

### Prices for other panel products

	US\$ per cu.m
<i>Domestic ex-mill prices</i>	
15mm MDParticleboard	366
15mm MDF	410

Source: STCP

### Export sawnwood prices

	US\$ per cu.m
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	3,334
Jatoba	1,734
Massaranduba	1,732
Muiracatiara	1,716
Pine (KD)	190

Source: STCP Data Bank

### Export plywood prices

	US\$ per cu.m
Pine plywood EU market, FOB	
9mm C/CC (WBP)	330
12mm C/CC (WBP)	303
15mm C/CC (WBP)	290
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	Ipe	5,263
	Jatoba	2,383

Source: STCP Data Bank

### Through the eyes of industry

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

See: <https://www.itto-ggsc.org/static/upload/file/20230615/1686792092163403.pdf>

## Peru

### ADEX requests change to forestry legislation

According to the president of the Timber and Timber Industry Committee of the Association of Exporters (ADEX), Erik Fischer Llanos, while there is a regulatory framework that aims for best forest practices the legislation, in effect, limits the competitiveness of the sector.

Fischer suggested it necessary to open a debate with the Legislative Branch to modify the appropriate laws in support the forestry sector which generated 27,337 jobs during 2022, being the third largest activity that generated the most employment for every million dollars in exports.

One of the modifications would be Article 46 of the Forestry Law which establishes the verification of 100% of the species included in CITES the deadlines for which result in a considerable administrative and financial burden.

Fischer considered necessary the promulgation of laws with a technical basis, taking account of reality and taking into account social needs so as to promote productivity in the sector.

In addition, Fischer indicated the Association was in favor of the Bill whose purpose is to modify the Law for the Promotion of Investment in the Amazon with the aim of specifying that the commercialisation of carbon credits (bonds) generated in Emission Reduction projects derived from the Deforestation and Forest Degradation (REDD+), ecosystem services, must be included in the scope of Law No. 27037.

See: <https://agraria.pe/noticias/urge-adecuar-legislacion-para-impulsar-el-desarrollo-del-sec-31951>

### Indigenous people to manage their own forest resources

In the fight against illegal logging, deforestation and timber trafficking in the Peruvian Amazon several indigenous communities in the Ucayali region strengthened their technical capacity to improve sustainable management of their forest resources.

Through the Intercultural Training Programme for Trainers in Community Forest Management (PIFFMFC) leaders and members of the native communities benefitted from training that will allow them to manage their own forest resources.

This initiative was promoted by the National Forest and Wildlife Service (SERFOR) and was supported by WWF Peru, the Ucayali Wildlife Forest Management (GERFFS-U), the Aidesep Ucayali Regional Organisation (ORAU) and the Union Region of the Indigenous Peoples of the Amazon (URPIA). The results of this training will be assessed with the expectation that the leaders will implement what they have learned and put the necessary systems into practice.

### OSINFOR promotes good practices to improve forest management

Timber concessionaires and holders of forest permits on private land in the Loreto Region strengthened their capacity to carry out sustainable management in their forest areas during a workshop held in Iquitos, Loreto.

A group of OSINFOR trainers explained to 29 attendees including holders of qualifying titles, regents and representatives of timber concessions and forestry permits what are the commitments they accept when the State grants them qualifying titles and obligations they must comply with to avoid falling into forest violations.

During the workshop the relevance of meeting the necessary commitments to obtain a certificate of compliance was discussed. The imposition of penalties for forestry and wildlife violations was also explained.

#### Model to combat corruption in the forestry sector

On May 25, 2023 the National Forestry and Wildlife Service (SERFOR), Ministry of Agrarian Development and Irrigation (MIDAGRI), signed an Act of Commitment for the Implementation of an Integrity Model through a General Management Resolution which approved the SERFOR 2023 Integrity Programme.

This action is part of SERFOR's commitment to promote the integrity of its officials and fight corruption. Advances have been made in the Integrity Model by approving the pertinent instruments to generate greater confidence. Through this it has been possible to address the negative perceptions detailed in the 2022 Integrity Report prepared by the Secretary of Public Integrity of the Presidency of the Council of Ministers.

SERFOR committed to the fight against corruption by creating the Functional Integrity Unit (UFI) that reports to the General Management and is in charge of providing guidance and technical assistance to all the management units.

See:  
[https://www.gob.pe/institucion/serfor/campa%C3%B1as/9443-  
 implementacion-del-modelo-de-integridad-en-el-serfor](https://www.gob.pe/institucion/serfor/campa%C3%B1as/9443-implementacion-del-modelo-de-integridad-en-el-serfor)

#### Export prices for added value products

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

#### Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	682-695
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	587-609↓
Grade 2, Mexican market	533-552
Cumaru 4" thick, 6"-11" length KD Central American market	967-980
Asian market	983-1001
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	629-645
Dominican Republic	712-731
Marupa 1", 6-11 length KD Grade 1 Asian market	569-588↓

#### Export plywood prices

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

#### Export veneer prices

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

#### Domestic sawnwood prices

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

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

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

#### Domestic prices for other panel products

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

**Addressing the demographic crisis**

Japan is currently experiencing one of the most severe demographic crises in the world. According to Japan’s Ministry of Health the number of newborns decreased to 799,728 in 2022, the lowest number since records began to be kept in 1899.

This decline in Japan’s birth rate has significant negative consequences for the economy as a high proportion of GDP growth is dependent on domestic consumption.

The nation’s finances are being drained by the soaring expense of caring for the elderly who make up a large percent of the population. Japan now has the world’s second highest proportion of people aged 65 and over according to World Bank data.

In January this year the Prime Minister warned of the consequences of the country’s population decline, saying the country was “on the brink of not being able to maintain social functions” due to the falling birth rate. This prompted action to stem the falling birth rate details of which have just been announced by the government.

At a press conference in mid-June the Prime Minister outlined a package of measures including financial support aimed at helping young families raise children.

See: [https://www3.nhk.or.jp/nhkworld/en/news/20230614\\_01/](https://www3.nhk.or.jp/nhkworld/en/news/20230614_01/)

**Economy expanded faster than expected**

Cabinet Office data shows that Japan’s economy expanded at a faster pace than initially estimated as businesses increased investments. GDP grew at an annualised 2.7% in the first quarter of 2023 from the previous three months. The revised data also showed that Japan avoided a technical recession at the end of last year. In less positive news, the growth figures gained a boost mainly from increased inventories.

Analysts point out that it will be the trends in inflation and wages that will be key to whether the current recovery will be sustainable and if the BoJ will change its ultra-loose policy.

See: <https://www.japantimes.co.jp/news/2023/06/08/business/economy-business/gdp-beats-forecast-investment/>

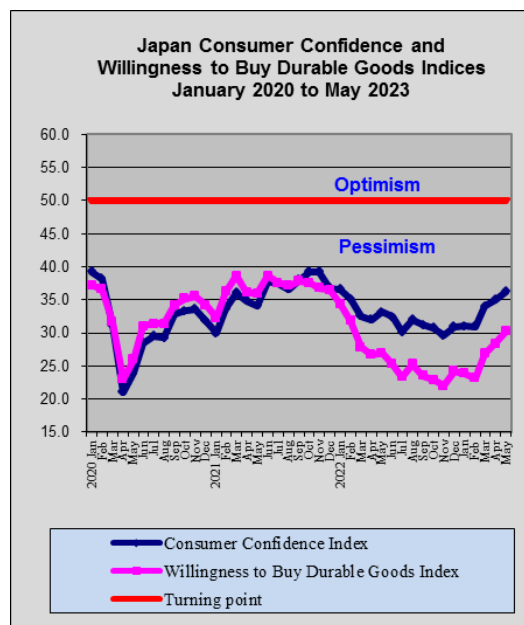
**Near normal times return**

Japanese consumer sentiment improved for the third consecutive month in May thanks to the continued recovery in economic activities after a slump amid the pandemic.

The Cabinet Office maintained its basic assessment, of the economy, saying that consumer sentiment is picking up attributing the improvement in consumer sentiment to the shift from the COVID-19 pandemic to “normal times” and the ongoing effects of the government’s measures to reduce electricity and gas bills.

Japan’s industrial output declined for the first time in four months in May, the result of the global economic slowdown. The weakness in domestic production is a drag on the Japanese economy which has recently shown some signs of recovery, especially in the first quarter.

See: <https://www.japantimes.co.jp/news/2023/05/31/business/factory-output-april-decline/>

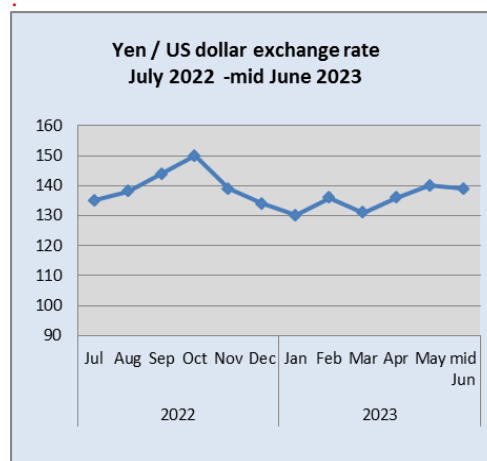


Data source: Cabinet Office, Japan

**Yen at 140 to the US dollar**

The much anticipated policy shift by the Bank of Japan (BoJ) has had currency markets on alert especially since the announcement of a new BoJ Governor earlier this year. Yen strength at the end of last month was largely because market participants still thought a change was coming.

However, a statement by BoJ Deputy Governor, Masazumi Wakatabe, along the lines of “don’t expect a change from BoJ any time soon” rules out any change in the BoJ monetary policy. In mid-June the yen was at 139 plus to the US dollar.

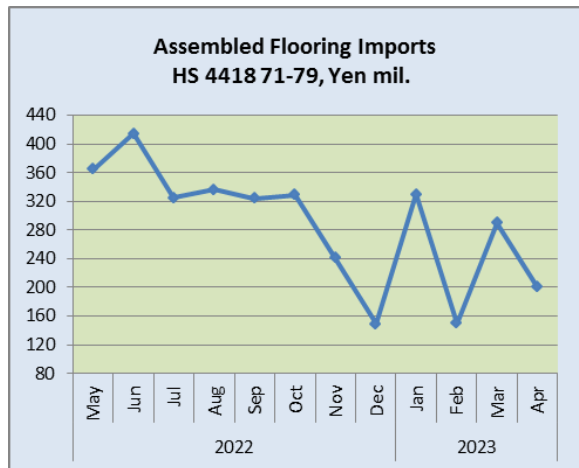


## Import update

### Assembled wooden flooring imports

The value of Japan's imports of assembled wooden flooring (HS441871-79) in April was little changed from April 2022 but compared to the value of March imports there was a drop of over 30% in April. As in previous months the main shippers of assembled flooring in April were China, Vietnam, Malaysia and Indonesia.

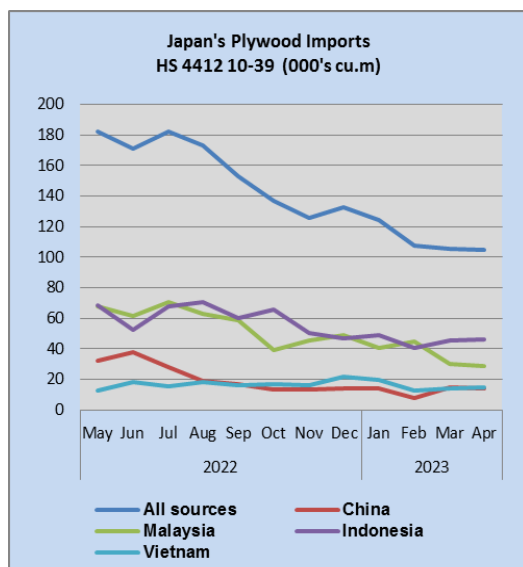
HS441875 comprised the bulk of Japan's April imports at around 85% of all categories of assembled flooring of which almost 60% was from China.



Data source: Ministry of Finance, Japan

### Plywood imports

The downward trend in the volume of Japan's plywood imports extended into April. April shipments from the four suppliers were down year on year and little changed from the volumes shipped in March.



Data source: Ministry of Finance, Japan

## Main sources of Japan's plywood imports (000's cu.m)

		China	Malaysia	Indonesia	Vietnam
2020	Jan	13.4	61.1	81.6	17.0
	Feb	6.8	72.2	63.8	9.5
	Mar	5.8	76.5	73.0	12.2
	Apr	13.0	68.0	69.0	13.6
	May	9.6	69.7	59.0	12.6
	Jun	10.3	52.0	61.0	11.3
	Jul	10.2	40.0	54.9	8.9
	Aug	6.6	55.0	56.0	8.4
	Sep	6.8	42.2	37.8	8.7
	Oct	8.3	62.4	52.7	10.1
	Nov	8.6	43.1	50.0	10.9
	Dec	9.2	60.5	43.9	10.8
2021	Jan	9.7	76.9	59.3	15.7
	Feb	6.8	53.5	50.1	13.0
	Mar	5.7	89.4	61.5	11.5
	Apr	11.4	65.9	58.2	17.3
	May	10.3	72.0	51.0	13.0
	Jun	10.5	61.9	56.6	15.6
	Jul	11.8	74.1	57.1	16.4
	Aug	12.8	54.7	57.8	17.5
	Sep	16.0	61.8	60.4	21.8
	Oct	12.6	72.8	60.4	22.5
	Nov	14.6	60.6	66.0	21.8
	Dec	13.6	51.2	76.5	21.0
2022	Jan	15.9	78.6	73.9	16.8
	Feb	14.7	61.0	56.8	11.4
	Mar	13.7	71.0	76.9	8.8
	Apr	25.0	79.3	72.0	13.1
	May	32.2	67.6	68.2	12.9
	Jun	37.5	61.4	52.4	18.4
	Jul	27.7	70.6	67.8	15.2
	Aug	19.0	63.0	70.8	18.5
	Sep	16.5	58.4	60.4	16.2
	Oct	13.4	39.2	65.5	17.1
	Nov	13.1	45.1	50.1	15.9
	Dec	13.9	49.2	47.1	21.6
2023	Jan	13.7	40.3	49.2	19.4
	Feb	7.8	44.9	40.6	12.9
	Mar	14.9	29.8	45.3	14.3
	Apr	13.8	28.7	46.3	14.6

Data source: Ministry of Finance, Japan

There has been a significant decline in the volume of plywood shipments to Japan from both of the main suppliers, Indonesia and Malaysia. For both Indonesia and Malaysia the volumes of April 2023 shipments were around half that in April 2022.



### April plywood imports (cu.m 000s)

	Apr-22	Apr-23
Total	190	104.6
China	25	13.8
Malaysia	79	28.7
Indonesia	72	46.3
Vietnam	13	14.6

Data source: Ministry of Finance, Japan

### Trade news from the Japan Lumber Reports (JLR)

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

For the JLR report please see:

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

### New glue for MDF

Daiken Corporation in Osaka Prefecture announced that the company succeeded producing MDF by using new glue made of bark-based ingredient.

The company had been studying about the new glue and now the company is able to prepare selling the MDF. Also, the company confirmed that the MDF made of the new glue has the same quality as its other MDF products. Daiken's MDF, which are already on sale, consists of 85% natural materials such as wood scraps and 15% glue or a water-repellent made of fossil fuel-derived.

Since the company succeeded to produce MDF by using bark-based glue, the new MDF consists 98% of natural materials. Moreover, it does not take a lot of cost. The company has been developing on producing eco-friendly MDF since 2019. The company started using barks of Acacia.

A goal of the company for producing and selling new MDF is by 2025. In the future, the company develops more deeply to produce and sell MDF made of 100% natural materials.

### Revised the Clean Wood Act

Revised The Act on Promotion of Use and Distribution of Legally-Harvested Wood and Wood Products called 'the Clean Wood Act' for short became law on 26th April 2023 and it was promulgated on 8th May 2023. It will be enforced within two years.

The objective of the Clean Wood Act is to achieve sustainable and sound development of the wood products industry by encouraging the Wood-related Business Entities to take measures to ensure the use of Legally-harvested Wood and Wood Products and thereby to contribute to the conservation of the regional / global environment.

About 40% of Wood-related companies were confirmed inconformity with the revised law. Another 40% of Wood-related companies were confirmed by other legal conditions.

### Nisshin restarted operations

Nisshin Co., Ltd. restarted operations at its plywood plants, which produces long plywood, for the first time in eleven months. There was a fire at the plywood plant on 19th June, 2022. The plywood plants have the ability to produce 8,400 cbms in a month but it will produce 6,000 cbms plywood for a while.

### Plywood

The price of domestic softwood plywood kept falling in May. Inquiries to precutting plants and wholesalers began to increase but the shipment was not good after the big holiday ended in May. The price of 12mm 3 x 6 structural softwood plywood is 1,700 yen, delivered per sheet and this is 100 yen down from last month. 24mm 3 x 6 structural softwood plywood is 3,400 yen, delivered per sheet and this is 200 yen down from last month. In some areas, the price of structural softwood plywood for the precutting plants is lower than those prices.

Since demand of houses is low, the housing companies request the precutting plants to lower the price strongly and the precutting plants had to accept the housing companies' requests. Plywood companies also lower the price if there were a large number of orders. However, if the precutting plants lower the price before the plywood companies do, there would be anticipation of falling prices from buyers. This is the reason for a slow movement of domestic softwood plywood and the price keeps falling.

The price of imported South Sea plywood recovers to increase from April, 2023. Volume of Malaysian and Indonesian plywood has been decreasing and there is no need to lower the price to sell anymore.

12mm 3 x 6 painted plywood for concrete form is 2,000 yen, delivered per sheet. Form plywood is 1,800 yen, delivered per sheet. Structural plywood is 1,700 yen, delivered per sheet. 2.5 mm plywood is 780 yen, delivered per sheet. 4mm plywood is 950 yen, delivered per sheet. 5.5 mm plywood is 1,150 yen, delivered per sheet.

### Domestic logs and lumber

There is an atmosphere of a stop for the price falling on domestic lumber in the middle of May. The price of laminated whitewood post or laminated cedar post, which are rivals of KD cedar posts, reaches the bottom price and the inventory of imported lumber is controlled.

Demand and supply of domestic lumber has been linked to demand and supply of imported lumber since the wood shock in 2021's spring. Therefore, demand and supply of domestic lumber would be tight as the inventory of imported lumber decreases.

Actually, there is a shortage of whitewood studs with low quality and also production of cedar studs is not able to keep up with the demand. The price of 3m 20 x 105/ 45 x 105 mm cedar KD studs is around 70,000 yen, delivered per cbm. However, the price of cedar squares at some markets was lower than 70,000 yen so some sellers are still worried about anticipation of lower prices. It is difficult for lumber companies to lower the price so the price leveled off in May.

The log prices kept falling May as the lumber prices fell. Especially, the price of cedar logs for lumber or plywood was weak from Northeastern Japan to Kyushu area. In Eastern Japan, the price of cedar logs has been decreasing since February, 2023. The price of cedar logs in Western Japan started decreasing in April, 2023 so the price of cedar logs in Eastern Japan and Western Japan is different.

The price of 4m cedar logs for lumber plants, laminated lumber plants and plywood plants is around 11,000 - 12,000 yen in Eastern Japan. This is about 1,000 yen lower than the previous month. The price of 3m cedar logs is around 12,000 yen in Kanto region and it is around 14,000 - 17,000 yen in Kyushu area

## China

### Anti-dumping and countervailing duties to remain

As a result of the determinations by the US Department of Commerce and the US International Trade Commission in their five-year sunset reviews that revocation of the anti-dumping duty and countervailing duty orders on certain hardwood plywood products from China would likely lead to the continuation or recurrence of dumping and subsidies creating material injury to industries in the United States.

As a result of the ITC's decision existing tariffs on imports of hardwood plywood from China will remain in effect. The move falls under the five-year (sunset) review process required in the Uruguay Round Agreements Act. U.S. Customs and Border Protection will continue to collect AD and CVD cash deposits at the rates in effect at the time of entry for all imports of subject merchandise.

The effective date of the continuation of the Orders was May 25, 2023. Pursuant to section 751(c)(2) of the Act and 19 CFR 351.218(c)(2) Commerce intends to initiate the next five-year reviews of the Orders not later than 30 days prior to the fifth anniversary of the effective date of continuation.

See: <https://jiaju.sina.cn/zixun/20230526/7067746870692741626.shtml>  
and  
<https://www.federalregister.gov/documents/2023/06/06/2023-12028/certain-hardwood-plywood-products-from-the-peoples-republic-of-china-continuation-of-the-anti-dumping>

The current tariffs on plywood from China, many of which exceed 200%, will remain in place for at least another five years.

### US to impose a tax on plywood from Vietnam containing Chinese core panels

According to the Trade Remedy Bureau of the Ministry of Industry and Trade of Vietnam, the US Department of Commerce (DOC) continues to extend the time for the final conclusion of the anti-tax evasion and anti-dumping investigation on plywood using hardwood material imported from Vietnam.

The US Department of Commerce will issue its final conclusions on July 14, 2023. This is the eighth time the Commerce Department has delayed issuing its final conclusion.

Previously, the US Department of Commerce announced the preliminary conclusion of the case in July 2022, saying that if the wood panel inside the Vietnamese hardwood plywood was imported from China it will impose anti-dumping and countervailing duties on the plywood.

According to the Trade Remedy Administration of Vietnam the temporary tax rate could be as high as 378.26%. However, the US Commerce Department allowed Vietnamese companies cooperating with the investigation to self-certify that they do not use Chinese materials to avoid being subject to the measures.

Statistics show that the exports of enterprises participating in self-certification accounted for about 80% of Vietnam's exports during the survey period.

See: <https://www.linxinbao.com/news/detail/4315.html?classId=100102>

### Resumption of imports of Australian timber

It has been reported that China has resumed imports of Australian timber. Australia's timber trade with China was halted in late 2020 after China said it had found pests in timber coming from several Australian ports.

Data show that in 2022 Australia's timber exports to China were worth RMB42.32 million compared with RMB4.13 billion in 2019 before the ban was implemented.

In an effort to get back into the Chinese market Australian officials petitioned China to resume trade and presented evidence of pesticide spraying on logs to Chinese Customs authorities. But China did not respond. The ban showed no sign of easing until 2023.

In March 2023 Chinese Customs sent Australian agriculture officials a list of technical rules that must be met to resume timber imports. In May the Australian Trade Minister, Stephen Farrel, arrived in Beijing for a three-day visit. During the talks the two sides agreed to restart economic and trade dialogue mechanisms such as the Joint Committee on Free Trade Agreement and the High-level Trade Remedy Dialogue. In May China announced the resumption of timber imports from Australia.

See: <https://3w.huanqiu.com/a/c36dc8/4CwjVdGziKk>

**Encouraging water-saving in wood products enterprises**

China is working on a national standard for water-saving in wood processing enterprises. The preparation group for "Water-saving Enterprises in Wood Processing and Its Products Industry" was established and the first working meeting was held recently.

The project implementation period is from March 2023 to September 2024. A draft of standard has been completed, the work plan has been formulated and the implementation period has been clarified. After the meeting industry trials will be carried out and the participating units will be recruited to further improve the technical content of the standard.

The national standard "Water-saving Enterprises in Wood Processing and Its Products Industry" provides the terms and definitions, evaluation index system and requirements of the evaluation of water-saving enterprises in the wood processing and products industry and the standard is applicable to the evaluation of water-saving enterprises in the wood processing and products industry.

The list of products includes wood processing (sawnwood, veneer, wood chips, wood-based panel manufacturing (plywood, fiberboard, particleboard, veneer, etc.), wood products (wood doors and windows, wooden stairs, wooden floors, wooden containers, wood building materials and cork products).

See: [https://www.sohu.com/a/676309930\\_121654749](https://www.sohu.com/a/676309930_121654749)

**National standards on wood products officially implemented**

Seven national standards on wood products have been formally implemented since May 1, 2023. All release dates for 7 national standards is on 12 October 2022. These standards are as below.

	Standard number	Standard name
1	GB/T41715-2022	OSB
2	GB/T26899-2022	Structural glued laminated timber
3	GB/T24312-2022	Cement-bonded particleboard
4	GB/T23825-2022	Determination of formaldehyde release for wood-based panels and finishing products—Gas analysis method
5	GB/T8146-2022	Test methods for rosin
6	GB/T20446-2022	Wood mouldings
7	GB/T41713-2022	Wood dust or scrap and wood pellets

See: [https://wood365.cn/Industry/IndustryInfo\\_277454.html](https://wood365.cn/Industry/IndustryInfo_277454.html)

**Wooden door enterprises turn to whole-house customisation**

Jiangshan City in Guangdong Province is the distribution centre for China’s wooden doors and is known as the home of custom made wood products, a quality and safety demonstration zone and an intelligent manufacturing pilot demonstration facility

At present, Jiangshan City has more than 1,000 door enterprises (whole house customisation) and supporting enterprises of which 125 enterprises create more than RMB20 million annual income, 17 enterprises above RMB100 million, 18 national level high-tech enterprises, several large scale door enterprises (whole house customisation) creating more than RMB10 billion annual income.

In recent years, due to the impact of the pandemic and the economic downturn in the real estate market the wooden door industry across the country has suffered. Jiangshan City has taken the initiative to promote 'a door' to 'a room' and 'a suite'.

See: <https://new.qq.com/rain/a/20230531A04G5X00>

**GTI Index Report (May 2023)**

Weak international demand led to a decline in prices for some raw materials. In May 2023, under the influence of shrinking domestic and international demand, the upward Global Timber Index GTI- China Index trend in the number of orders for GTI-China enterprises, which had lasted for three months, reversed.

In May the GTI-China enterprises experienced a slight decrease in orders compared to the previous month and there was an increase in inventories of main raw materials and finished products while the purchase prices of raw materials has continued to decline for 3 consecutive months.

The GTI-China enterprises reported challenges such as a long waiting period for raw material deliveries and unstable sources of supply. In May the GTI-China index recorded 35.3%, a decrease compared to that of the previous month and it was the first time in the past three months that the GTI-China index fell below the critical value (50%), indicating that the business prosperity of the timber enterprises represented by the GTI-China index had shrunk from April.

GGSC enterprises in China reported the following for May:

- **Products in Short Supply:** Mahogany, Oak, High-Grade European Oak.
- **Commodities with Price Increase in this Period:** Solid Wood, Engineered Wood, Particle Board, Melamine Impregnated Paper, Paraffin, Formaldehyde-Free Adhesive, Waterproofing Agent, Adhesives, Leather.
- **Commodities with Price Decrease in this Period:** South American Timber, European Timber, Russian Timber, Poplar, Base Materials of Joinery Board, Flooring Blank, Mixed Wood, Fir Wood Lath, Urea, Melamine, Methanol, Formaldehyde, Metals, Paint, Paper Board, Glue, Kraft Paper.

- **Main Challenges Reported by GTI-China Enterprises:** Long procurement period, unstable sources of supply and scarcity of oak materials.

See: <https://www.itto-ggsc.org/static/upload/file/20230615/1686792092163403.pdf>

**Average CIF prices**

**Tropical logs US\$/cu.m**

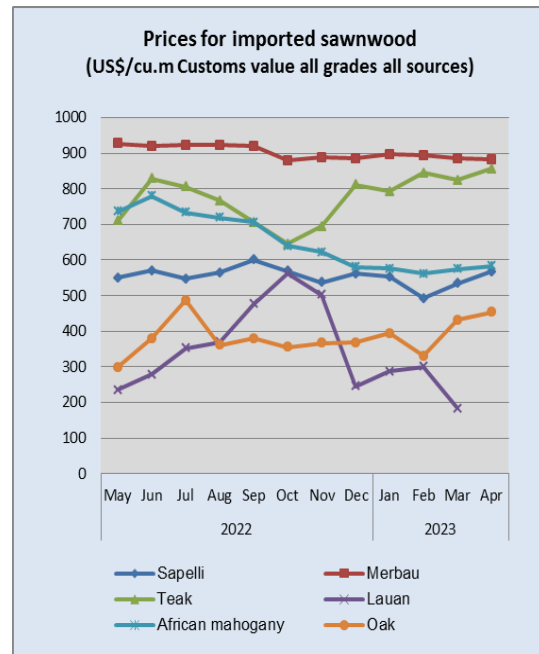
	2023 Mar	2023 Apr
Okoume	289	289
Merswa	211	197
Teak	552	377
Merbau	404	391
Birch	452	441
Oak	136	128

Data source: Customs, China

**Tropical sawnwood, US\$/cu.m**

	2023 Mar	2023 Apr
Sapelli	534	568
Merbau	885	882
Teak	825	856
Lauan	183	
African mahogany	574	584
Oak	431	454

Data source: Customs, China

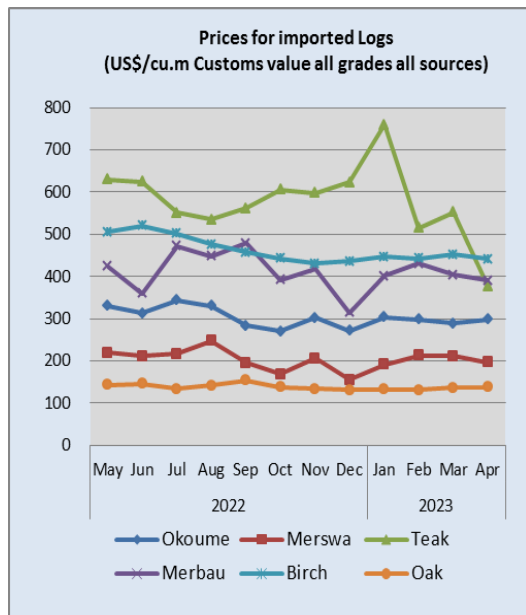


Data source: Customs, China

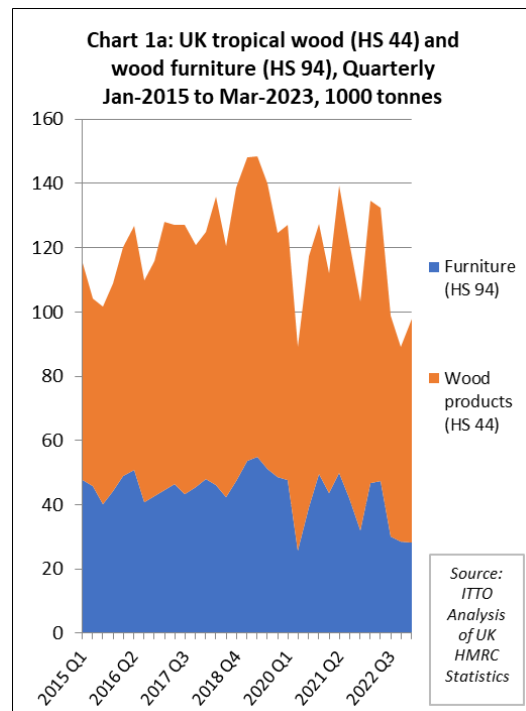
**UK**

**UK tropical wood product imports down 45%**

The import value of tropical wood and wooden furniture into the UK in the first four months of this year was US\$314 million, 45% less than the same period last year. In quantity terms, the UK imported 132,000 tonnes of tropical wood and wood furniture in the January to April period, 26% 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.



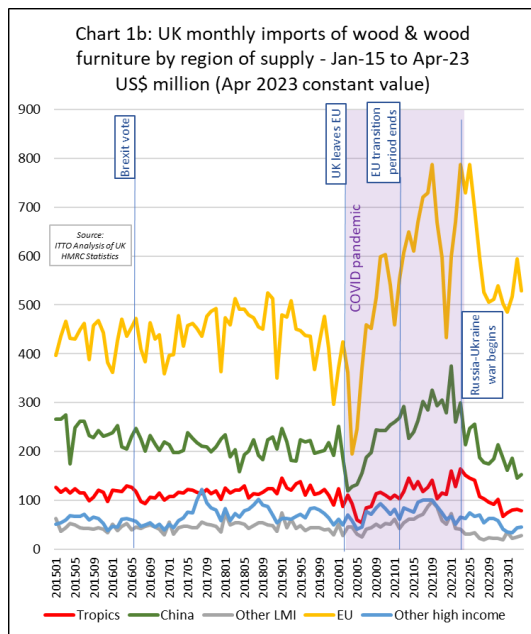
Data source: Customs, China



Considering the quarterly trend, the UK imported 98,000 tonnes of tropical wood and wooden furniture in the first quarter of 2023. Although a 10% gain compared to the previous quarter, it was the third lowest quarterly import quantity since before the 2008 financial crises. In the last decade, trade has only once dipped below the current level, in the second quarter of 2020 during the first COVID lockdown (Chart 1a above).

The dip in UK imports of tropical wood and wood furniture products since the middle of last year is part of a wider fall in trade. The total value of UK imports of all wood and wood furniture products from all regions was US\$3.34 billion in the first four months of 2023, 29% less than the same period in 2022.

Despite the recent sharp fall in UK trade in wood and wood furniture products and the added obstacles to UK transactions with EU countries since Brexit, the value of UK trade with the EU so far this year remains higher than before the COVID pandemic. However, imports from all other regions have been significantly lower than before the pandemic (Chart 1b).



**UK hardwood market slow in the face of consumer “hangover”**

The UK hardwood market this year is considerably slower than the last two years, now that the COVID home improvement boom is well and truly over. British consumers are suffering from a “hangover” with annual inflation still close to 8% and the bank base rate having been pushed up to 4.5% following 12 consecutive increases since December 2021.

High stocks of hardwood products were built up in the first half of last year when prices were higher and have only been selling slowly, often at a loss to maintain cash flow.

Nevertheless, there are emerging signs of market stabilisation, with some gaps beginning to open in UK stocks and some more positive economic signals. The UK consumer confidence index, while still negative, has risen from record lows recorded at the end of last year.

Inflation is now widely forecast to fall sharply, for example PwC expect it to level out around 3% to 4% before the end of this year.

The S&P Global/CIPS UK Construction Purchasing Managers’ Index (PMI) registered 51.6 in May, up from 51.1 in April and above the neutral 50.0 mark for the fourth successive month. Although indicative of only modest growth, the latest reading pointed to “the strongest upturn in total construction activity since February.” Commercial building (index at 54.2) was the best-performing segment, with output rising at a “robust and accelerated pace.”

However, worries about the impact of higher interest rates and subdued market conditions continued to dampen housing activity in May. Work on residential building projects decreased for the sixth month running and at the steepest pace since May 2020. Aside from the pandemic-related downturn, the latest reading for this category of construction activity (42.7) was reported by S&P Global/CIPS as being “the lowest for just over 14 years.”

At a macro-economic level, in May the IMF updated their forecast for UK GDP growth this year to 0.4%, whereas in April it forecast the economy would contract by 0.3% in 2023. According to IMF, growth would be helped by "resilient demand", easing concerns about Brexit, and falling energy prices.

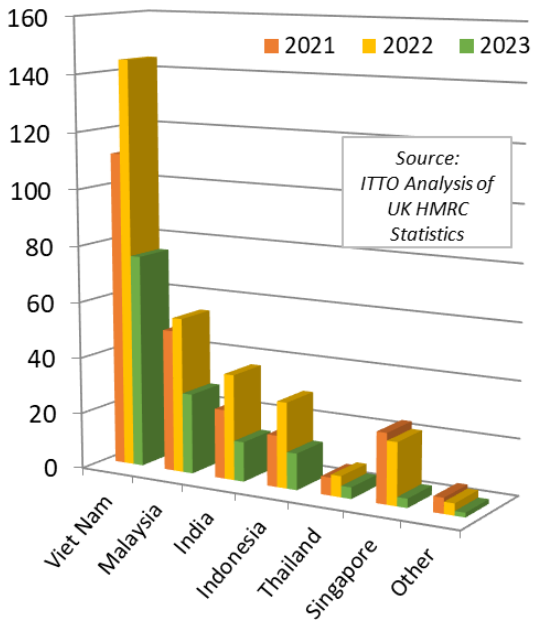
The IMF said faster-than-usual pay growth and global supply chains returning to normal after the pandemic had also contributed to its growth upgrade. However, the IMF also noted that the outlook for UK growth "remains subdued" and forecast the economy will grow by only 1% in 2024, rising to 2% in 2025 and 2026.

**UK imports of tropical wooden furniture fall sharply**

The UK imported US\$140 million of tropical wood furniture products in the first four months of 2023, which is 54% less than the same period last year. In quantity terms, wood furniture imports were 37,100 tonnes during the four- month period, 40% less than the same period last year.

In the first four months of 2023 compared to last year, UK import value of wood furniture from Vietnam was down 48% to US\$76 million, Malaysia was down 48% to US\$28 million, India was down 62% to US\$14 million, Indonesia was down 57% to US\$13 million, Thailand was down 46% to US\$4 million, and Singapore was down 85% to US\$3 million. (Chart 2).

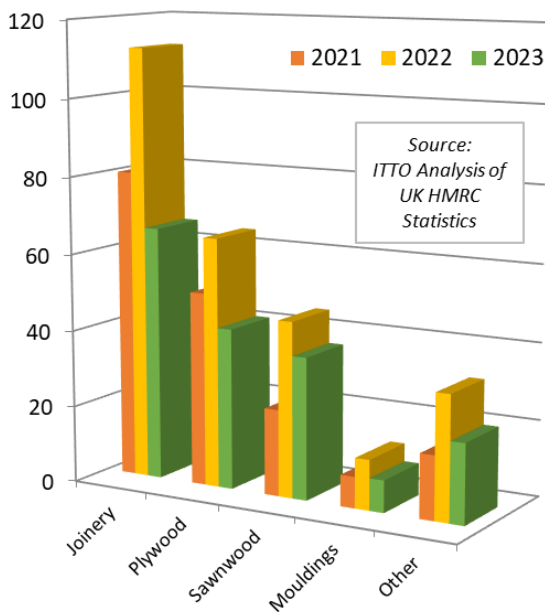
**Chart 2: UK imports wood furniture from tropical countries**  
Jan-Apr 2021-2023, US\$ million



**UK imports down for 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\$314 million between January and April this year, 45% less than the same period in 2022. In quantity terms imports decreased 18% to 95,200 tonnes during the period.

**Chart 3: UK tropical wood imports by product**  
Jan-Apr 2021-2023, Million US\$



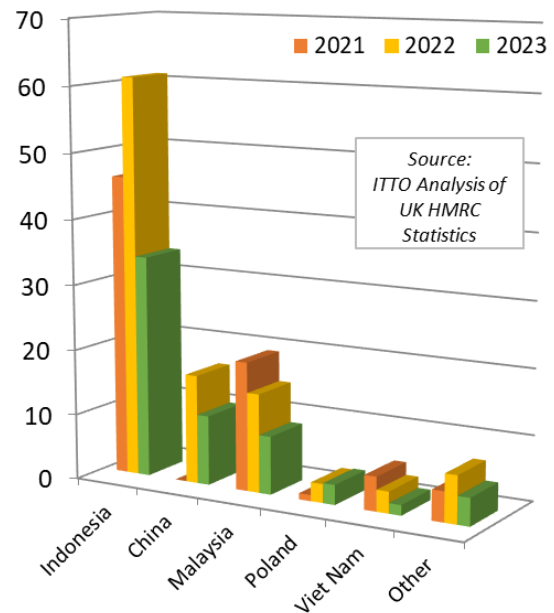
Compared to the first four months of 2022, UK import value of tropical joinery products decreased 41% to US\$66 million, import value of tropical plywood decreased 36% to US\$42 million, import value of tropical sawnwood decreased 19% to US\$37 million, and import value of tropical mouldings/decking decreased 36% to US\$8 million (Chart 3 above).

UK import value of joinery products from Indonesia (mainly doors) was US\$34 million in the first four months of 2023, down 44% compared to the same period last year.

UK import value of joinery products from Malaysia and Vietnam (mainly laminated products for kitchen and window applications) fell respectively 41% to US\$9 million and 52% to US\$2 million during the same period.

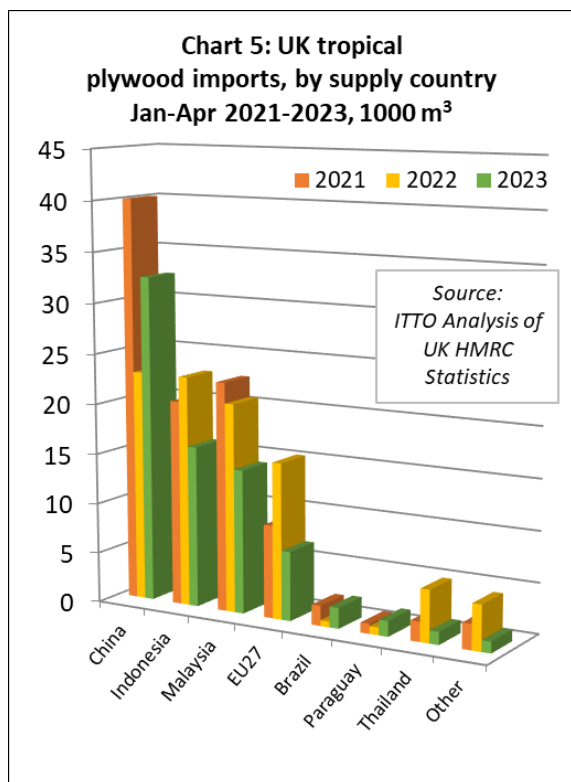
UK import value of Chinese tropical joinery products, nearly all comprising doors, was US\$11 million in the January to April period, 36% less than the same period last year.

**Chart 4: UK tropical joinery imports, by supply country**  
Jan-Apr 2021-2023, US\$ million



**Direct imports of tropical hardwood plywood offset by rise from China**

In the first four months of 2023, the UK imported 75,600 cu.m of tropical hardwood plywood, 9% less than the same period last year, with a significant decline in direct imports from tropical countries partly offset by a rise in imports from China (Chart 5).



The UK imported 32,400 cu.m of tropical hardwood plywood from China in the first four months of 2023, 42% 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 four months this year were, at 16,000 cu.m, 30% less than the same period last year. The UK imported 14,300 cu.m of plywood from Malaysia in the first four months of 2023, 31% less than the same period last year.

UK plywood imports from Thailand were down 76% to 1,300 cu.m in the first four months this year. However, in the same period there were large percentage increases from a very small base in tropical hardwood plywood imports from Brazil (+257% to 2,100 cu.m) and Paraguay (+101% to 1,500 cu.m).

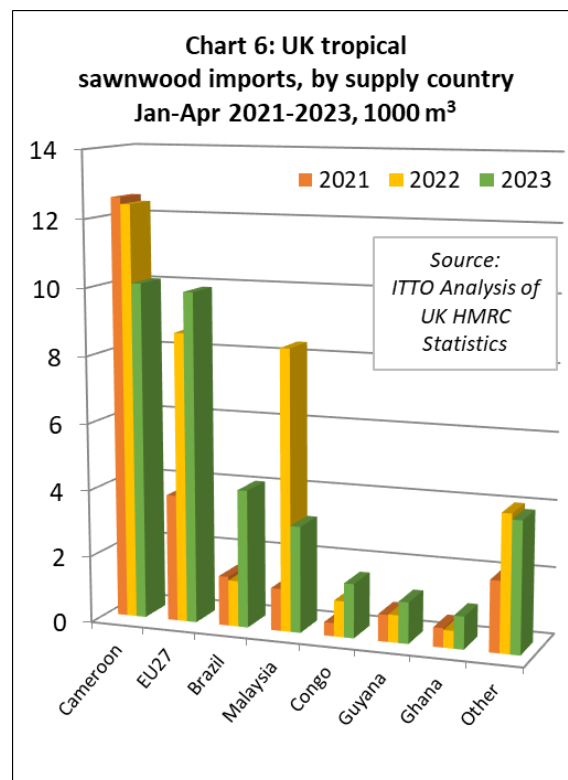
Meanwhile, the combined effects of Brexit, supply shortages and rising energy and other material costs on the European continent continue to impact on UK imports of tropical hardwood plywood from EU countries which were just 6,900 cu.m in the first four months of this year, 56% less than the same period last year.

**UK tropical sawnwood importers more reliant on cross-trading this year**

UK imports of tropical sawnwood were 35,000 cu.m in the first four months of this year, 6% 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 being categorised respectively as “sawnwood” and “mouldings”.



UK imports of tropical sawnwood from Cameroon were 10,000 cu.m in the first four months of 2023, 19% 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 62% in the first four months of this year to 3,200 cu.m.

UK imports of tropical sawnwood from Brazil were reported as 4,100 cu.m in the first four months of this year, a gain of 199% compared to the same period in 2022. UK tropical sawnwood imports also increased in the first four months this year from Republic of Congo (+50% to 1,600 cu.m), Guyana (+50% to 1,200 cu.m), and Ghana (+90% to 1,000 cu.m)

Indirect UK imports of tropical sawnwood via the EU recovered more ground despite the Brexit disruption, increasing 14% to 10,000 cu.m in the first four months of 2023.

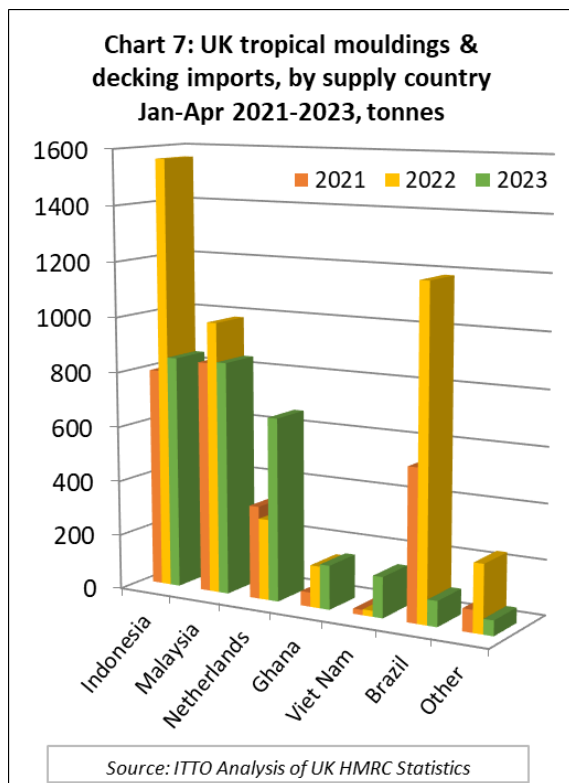
To some extent, UK’s continuing dependence on indirect imports of tropical sawnwood from the EU is due to a shortage of kiln drying space in African supply countries combined with lack of any hardwood kiln drying capacity in the UK.

And with future market conditions now uncertain, reports of sufficient landed stocks of sapele, the UK’s preferred tropical wood, on hand in Europe, and in the face of long and uncertain timelines for shipping from the main tropical supply countries, UK importers are choosing to fill gaps in stocks as they arise by cross-trading with other importers.

**Tropical hardwood mouldings/decking imports**

UK imports of tropical hardwood mouldings/decking fell 37% in the first four months of 2023 to 2,800 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 850 tonnes from Indonesia were 46% less than the same period in 2022. Imports from Malaysia also totalled 850 tonnes, in this case down 14% compared to the same period last year.



Imports of this commodity group from Brazil were recorded at less than 100 tonnes in the first four months of this year, 92% less than the same period last year.

In contrast, imports increased 126% from the Netherlands to 126 tonnes, while imports from Vietnam increased 6-fold to 150 tonnes from a very small base (Chart 7).

**North America**

**April brings more relief to US imports**

US imports of tropical hardwood and related products showed gains for a second month in April but still remain far below last year’s levels. Imports of tropical hardwood, hardwood plywood, wooden furniture and tropical hardwood veneer all rose in the 9%-15% range in April. But through the first four months of the year, these imports are considerably behind 2022 year-to-date numbers. Numbers are trending in the right direction, but there is still plenty of ground to make up.

**Sawn tropical hardwood imports halt slide**

US imports of sawn tropical hardwood rose 13% in April, gaining for a second consecutive month to continue a recovery from several months of decline. The 16,377 cubic metres imported in April was 37% below the volume from April 2022.

A rise of 97% in imports from Brazil accounted for most of the gain, although imports from Ecuador, Indonesia, and Ghana also showed significant growth. Even with the monthly gains, imports from all major trading partners are lagging behind 2022 totals through the first four months of the year—with the two biggest traders, Brazil and Indonesia, down 46% and 76%, respectively.

Imports of Balsa tripled in April, but that barely brought the monthly volume to 1% above that of last April. Imports of Ipe and Sapelli also gained while imports of Mahogany, Teak and Acajou d’Afrique declined in April. Imports of Mahogany, Cedro and Keruing remain ahead of last year’s totals through March, while imports of all other tropical hardwoods are behind, many by significant margins. Imports of Ipe, for example, are off by 66%.

Overall, US sawn tropical hardwood imports are down 41% from last year through April.

**Sawn tropical hardwood imports (cu.m)**

	2023 Mar	2023 Apr	MOM % change
Total	14,525	16,377	13%
Ecuador	169	500	196%
Brazil	2,212	4,351	97%
Cameroon	2,207	1,532	-31%
Malaysia	2,472	2,122	-14%
Congo (Brazza)	1,085	1,134	5%
Peru	24	43	79%
Indonesia	1,864	2,391	28%
Ghana	535	725	36%
Cote d'Ivoire	410	282	-31%
Other	3,547	3,297	-7%

Data source: US Census Bureau, Foreign Trade Statistics



Canada’s imports of sawn tropical hardwood fell 28% in April, reversing their gains from the previous month. Imports were 19% lower than the previous April, as imports of Sapelli, Virola, Imbuia and Balsa all fell by about a third from the previous month. Year-to-year imports, which were ahead of 2022 by 10% last month, are now only up 2%.

**Hardwood plywood imports gain**

US imports of hardwood plywood rose for a second straight month, gaining 9% in April. While the trend is encouraging, the 160,545 cubic metres of plywood imported last month is nearly 60% less than the over 396,000 cubic metres imported in April 2022.

Imports from Vietnam, China, Indonesia, and Malaysia all showed significant improvement, but a further drop of imports from Russia tempered those gains. Total imports for the first four months of the year are down 63% versus 2022, with imports from most major supplying countries down in the 60% to 80% range.

**Plywood imports (cu.m)**

	2023 Mar	2023 Apr	M.o.M % change
Total	147,873	160,545	9%
China	1,954	3,478	78%
Russia	20,494	2,671	-87%
Indonesia	34,205	42,775	25%
Malaysia	3,048	3,688	21%
Cambodia	7,732	7,698	0%
Vietnam	15,388	33,796	120%
Ecuador	12,564	10,540	-16%
Other	52,488	55,899	6%

Data source: US Census Bureau, Foreign Trade Statistics

**Veneer imports up 9% in April**

US imports of tropical hardwood veneer grew 9% by value in April on a spike in imports from Cameroon. Imports from Cameroon rose more than 4,000% and accounted for more than a third of all veneer imports in April. Imports from India, which have been down considerably this year, more than doubled in April.

Imports from Cote d’Ivoire rose 44% in April and are outperforming 2022 by 347% so far this year. Imports from Italy remain volatile from month to month, falling sharply in April. Total imports are up 25% year to year through April.

**Hardwood flooring edges up**

US imports of hardwood flooring edged up 2% by value in April. Nearly 42% higher than imports from April 2022, hardwood flooring is one of the few areas of consistent growth in 2023. Imports from China and Brazil, which have been lagging so far this year, showed the biggest growth in April, while imports from Indonesia and Malaysia continued to show steady growth. Imports from Indonesia are up over 300% so far this year. Total imports of hardwood flooring are up 15% over last year through April.

Imports of assembled flooring panels fell 10% in April, despite gains from most major trading partners. While imports from the biggest supplying nations all rose—imports from Vietnam up 72%, Indonesia up 18%, and Thailand up 15%—they are all still well below imports from last April and far behind year-to-year imports versus 2022.

A dive into the numbers shows that the April downtick was due to a 35% drop in imports from smaller supplying countries around the world such as Italy and Austria. Total imports of assembled flooring panels remain behind 2022 by 43%.

**Moulding imports end slide, gain 11%**

US imports of hardwood moulding saw an 11% value gain in April, ending a six-month slide. Imports from Malaysia and Canada both gained more than 10% for the month. Imports from China, which fell sharply in March, quadrupled in April to recover, while imports from Brazil continued downward, dropping by nearly 50% for a second month in a row. Total imports are down 33% so far this year versus last year.

**Wooden furniture imports gain on surge from China and Vietnam**

US imports of wooden furniture ended their skid in April on stronger numbers from China and Vietnam. While the US\$1.604 billion in April imports was 30% less than April 2022 totals, it was 14% above that of the previous month. Imports from China rose 48% in April and imports from Vietnam rose 41%.

However, even with the gain, imports from the two countries are far behind their April 2022 levels and their 2022 totals through the first four months of the year. Total wooden furniture imports are down 29% so far this year versus 2022.

**Wooden furniture imports (US\$ millions)**

	2023 Mar	2023 Apr	MOM % change
Total	1,401	1,604	14%
China	179	265	48%
Vietnam	406	572	41%
Canada	144	142	-1%
Malaysia	86	78	-9%
Mexico	161	134	-16%
Indonesia	82	77	-7%
India	25	37	3%
Other	343	336	-2%

Data source: US Census Bureau, Foreign Trade Statistics

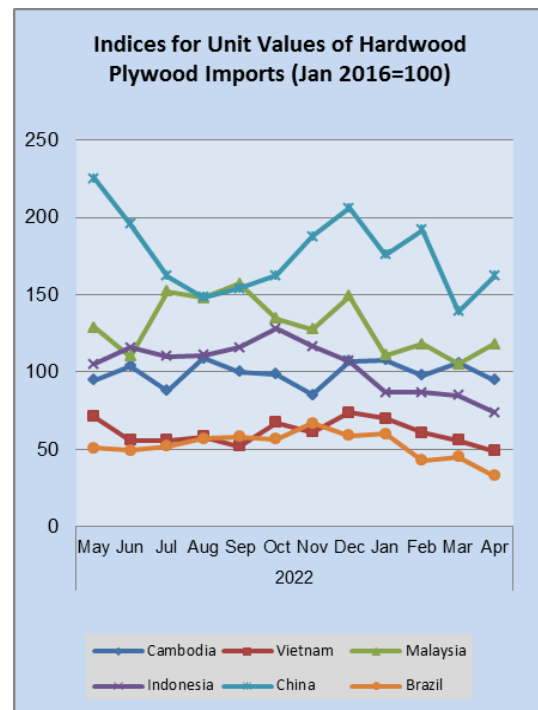
**US cabinet sales down 3.5% in April**

According to the Kitchen Cabinet Manufacturer's Association's (KCMA) monthly Trend of Business Survey, participating cabinet manufacturers reported a decrease in sales of 3.5% in April. Sales were up by 8.6% for April 2023 compared to the same month in 2022.

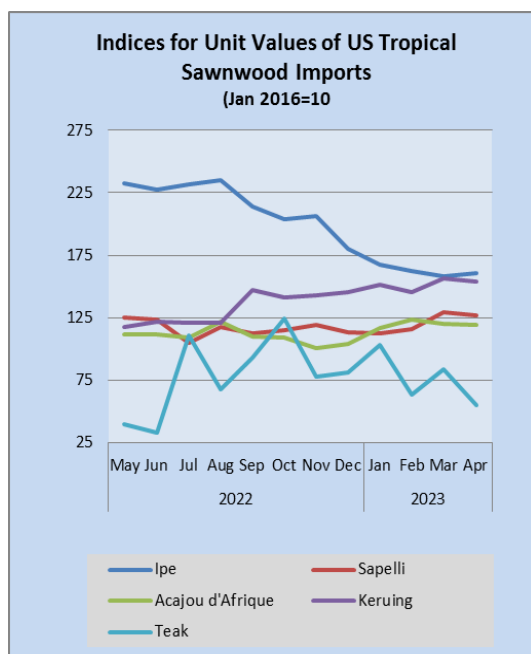
The survey reported that compared with the previous month custom sales were down 23%, semi-custom sales were up 8.2% and stock sales were down 7.1%. Compared with April 2022 custom sales were up 2.5%, semi-custom sales were up 20.4% and stock sales were down 17.2%

In an analysis by Woodworking Network, economic concerns combined with ongoing labor and supply chain issues are leaving cabinet manufacturers with a cautious outlook for 2023 of flat or small gains compared to the year prior.

See: <https://kcma.org/insights/february-trend-business-report> and <https://www.woodworkingnetwork.com/cabinets/kcma-sales-year-over-year-down-month-over-month>



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.

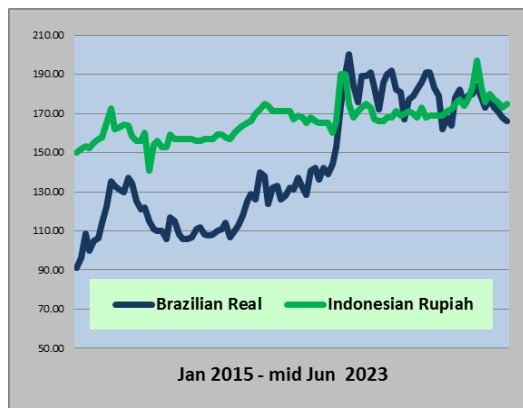
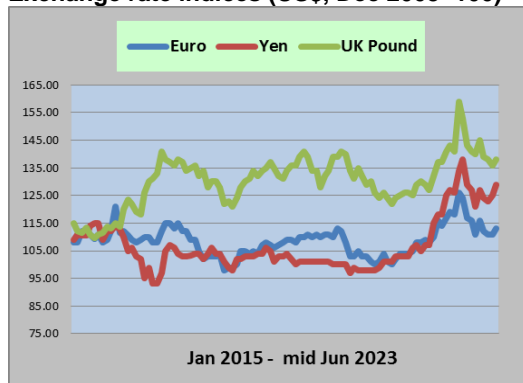
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

## Dollar Exchange Rates

As of 10 June 2023

Brazil	Real	4.88
CFA countries	CFA Franc	609.34
China	Yuan	7.1455
Euro area	Euro	0.9295
India	Rupee	82.38
Indonesia	Rupiah	14,873
Japan	Yen	139.20
Malaysia	Ringgit	4.62
Peru	Sol	3.75
UK	Pound	0.7991
South Korea	Won	1,284.86

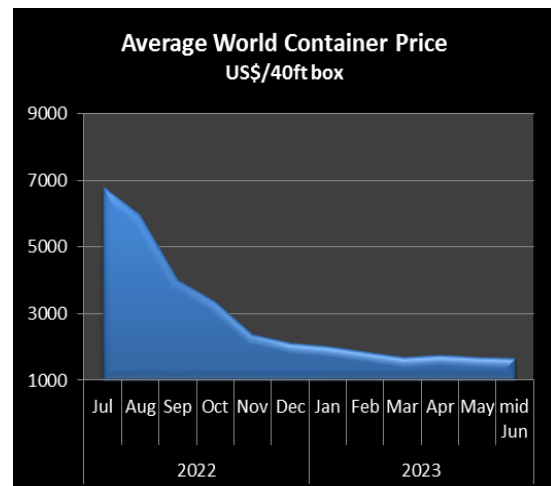
Exchange rate indices (US\$, Dec 2003=100)



## 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

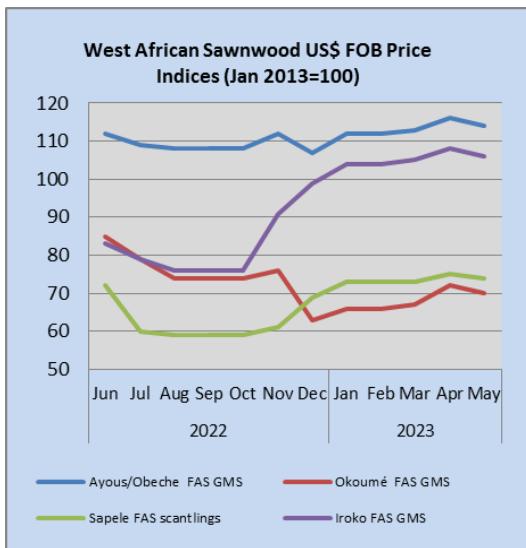
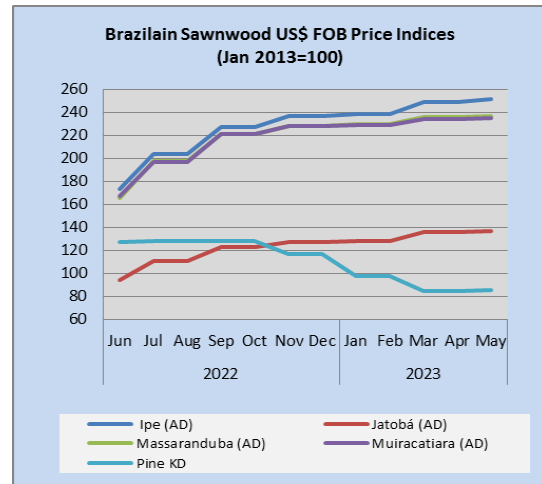
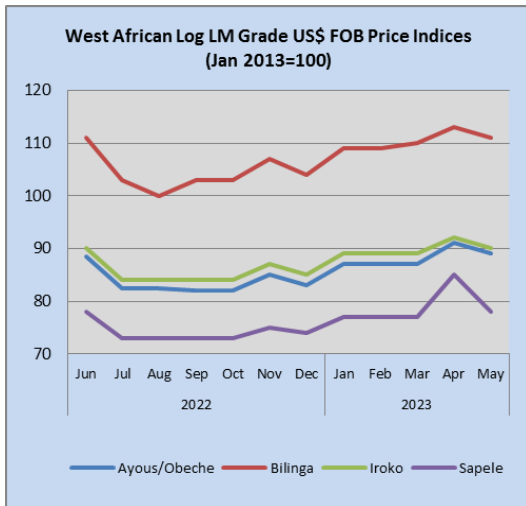


Data source: Drewry World Container Index

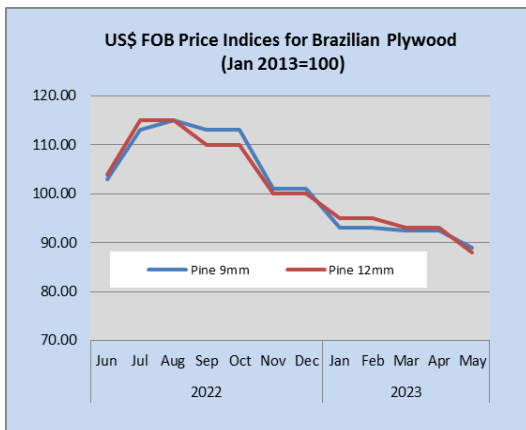
See: <https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry>

**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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