

Tropical Timber Market Report

Volume 29 Number 10 16th – 31st May 2025



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.

Contents

Central/West Africa	2
Ghana	3
Malaysia	5
Indonesia	6
Myanmar	8
India	9
Vietnam	11
Brazil	13
Peru	15
Japan	16
China	22
EU	26
North America	30
Currencies and Abbreviations	33
Ocean Freight	33
Price Indices	34

Headlines

	Page
US importers rush secure furniture as tariffs loom	5
Boosting exports – Indonesia’s mandatory SVLK requirement removed on furniture and crafts	6
Indian residential property market transitioning	9
Vietnam Wood Industry in 2025 - trends, challenges and opportunities	12
US and Japan agree - dollar-yen exchange rate reflects fundamentals	17
Slightly better start to the year for EU imports of tropical panels and joinery products	28
US home sales drop to slowest pace in 16 years	30

Top story

EUDR updated guidance documents

The European Commission (EC) has issued updated versions of the EUDR *Frequently Asked Questions* and the *EUDR Guidance Document*.

The main purpose being to provide “additional simplification measures” including: allowing large companies to reuse existing due diligence statements, allowing an “authorised representative” to submit a due diligence statement, allowing companies to submit due diligence statements annually instead of for every shipment and clarification of ‘ascertaining’ that due diligence has been carried out so that companies downstream in the EU benefit from simplified obligations.

Central and West Africa

Little advantage in lowering prices in a dull market

At the end of May demand for West African timber remained subdued according to producers. There has been an effort to raise buyer interest through lowering FOB prices but producers know, having once reduced prices it is very difficult to raise them especially as demand is likely to remain quiet. A sharp fall in demand for okan has been observed.

Markets in the Philippines and the Middle East countries continue to absorb steady volumes with Philippine buyers being particularly active for okoumé and dabéma and Middle East importers maintain stable orders for iroko and redwoods. Demand in these two markets helps offset the downturn in Chinese and European consumption but it is not enough to halt the rise in sawnwood stocks held by millers in the region.

European demand for tropical timber has stayed muted since early spring and now, as the holiday season arrives some importers are requesting delayed shipment until August to avoid incurring extra port charges if they do not clear imports, a particular problem at Antwerp and Le Havre Ports during the summer lull, they say. With the holiday period approaching across Europe few expect any significant uptick in demand before the autumn.

Cameroon

It is reported that there are no unexpected challenges facing the timber industry as the weak level of demand has become the norm. The rain season is approaching and the first downpours have already been recorded. Producers comment that “except for election talk” the forestry and transport ministries remain quiet.

An article on the [businessincameroon.com](https://www.businessincameroon.com) website says timber production in Cameroon is set to grow in 2025 even though the country has been tightening taxes on wood exports for several years.

The Central Bank of Central African States (BEAC) forecasts a national output of 5.22 million cubic metres for the year, up from 5.19 million in 2024.

This rise in production is expected despite Cameroon’s increasingly strict tax policy on the forestry sector. The government says the goal of these higher taxes is to discourage raw and semi-processed wood exports and to promote value-added processing inside the country. To support this strategy, Cameroon is also offering tax breaks on wood processing equipment, at the same time the government has set aside two industrial zones dedicated to wood processing.

See: <https://www.businessincameroon.com/public-management/0505-14638-cameroon-s-timber-output-projected-to-rise-in-2025-despite-higher-export-taxes>

Gabon

The new government has been active in reviewing logistic issues. Up-country roads continue to deteriorate under persistent rains hampering haulage. Rail services were recently disrupted due to another derailment. It has been reported that SETRAG, the railway operator, plans a multi-year programme to begin using concrete sleepers.

Producers are awaiting the long two-month dry season set to begin in June. Meanwhile, forestry inspectors have stepped up audits of concessions, sawmills and transport corridors in Libreville and around Nkok.

Republic of the Congo

Congo’s timber sector remains quiet with many Chinese and Malaysian sawmills operating on a single shift. Some mills have ceased operations. The government continues to promote tertiary processing. There has been some investment in added value processing but there are challenges meeting the quality and specification requirements in some demanding markets. Some producers are targeting domestic consumption and regional markets for their processed products.

EUDR - export risk ranking of countries

The European Commission has published the ranking of countries according to their assessed level of risk under the EUDR.

See: https://green-forum.ec.europa.eu/deforestation-regulation-implementation/eudr-cooperation-and-partnerships/country-classification-list_en

There has been some early reaction to the rankings and commentaries can be found at:

<https://www.atibt.org/en/news/13641/eudr-commission-publishes-first-country-benchmarking-list>

also

<https://www.nadar.earth/media/eudr-country-benchmarking>

Log export prices

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

Sawnwood export prices

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

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/20250519/1747635226558660.pdf>

Ghana

Primary wood products dominate exports

Ghana's first quarter 2025 wood products statistics published by the Timber Industry Development Division (TIDD) of the Forestry Commission (FC) show that primary, secondary and tertiary products accounted for 71%, 27% and 2% respectively of the total wood exports (57,843 cu.m).

For the same period in the previous year the corresponding figures for these products were primary (65%), secondary (33%) and tertiary (2%) of the total volume of wood products exported (64,701 cu.m).

Comparatively, Ghana exported lower volumes of all these three classes of wood products during the first three-months of 2025 compared to the same period last year. The decline in exports was particularly sharp for air-dried sawnwood (-13%), plywood (-88%), rotary veneer (-11%) and plywood to the regional market (-28%).

The export revenue for the period totalled Eur 27.50 million in 2025 compared to the Eur 29.33 million in 2024, a 10% drop in volume and a nearly 6% decline in value.

Revenue generated from the wood products exports

Product	Q1 2024 Euro 000s	Q1 2025 Euro 000s	% Share	
			2024	2025
Primary	16,536	15,953	56%	58%
Secondary	11,517	10,254	39%	37%
Tertiary	1,275	1,297	4%	5%
Total	29,328	27,504	100%	100%

Data source: TIDD

Primary wood products comprising air-dried sawnwood, billets, teak logs, air-dried boules, kindling, poles and rollboard earned Eur15.95 million from 41,052 cu.m of the total wood products export between January and March 2025. The figures indicated decreases of almost 4% in value and a decrease of 1% in volume, when compared to the primary wood products export figures recorded for January-March 2024.

Secondary wood products which included kiln-dried sawnwood and boules, veneers, plywood and briquettes earned Eur 10.25 million from a total volume of 15,493 cu.m in the first quarter 2025. Compared to the previous year's figures of 21,403 cu.m valued at Eur11.52 million this showed a decrease of 11% in value and a decrease of 28% in volume.

Tertiary Wood Products (TWP) were mainly mouldings and dowels and these earned Eur1.30 million from 1,298 cu.m of the total exports in the January-March 2025 period. Moreover, the figures indicate an increase of 2% in value but a decrease of 5% in volume respectively as compared to the tertiary wood products export of 1,366 cu.m valued at Eur 1.28 million in January to March 2024.

Of the total exports, the respective market shares for Asia, Europe and Africa were 69%, 14% and 9% with the balance going to the United States and Middle East countries.

Neighbouring African countries have been the major consuming markets for Ghana's plywood exports with Togo and Burkina Faso topping the list accounting for 64% of the total plywood exports to African countries.

Ghana to issue first FLEGT license

At a meeting with the European Union Ambassador to Ghana, Irchad Razaaly, the Minister for Lands and Natural Resources, Emmanuel Armah-Kofi Buah, reaffirmed Ghana's commitment to strengthening its longstanding partnership with the European Union particularly in sustainable forest governance.

According to the Minister, Ghana is on track to issue its first Forest Law Enforcement, Governance and Trade (FLEGT) License by 30 June 2025. He noted this milestone will make Ghana the first country in Africa and the second in the world to accomplish this achievement.

The Minister expressed gratitude to the EU for its continued support to Ghana's natural resources and environmental sector and looked forward to a stronger and more fruitful partnership in the years ahead.

He urged the EU to consider assistance in developing large-scale commercial plantations and the Tree for Life Reforestation Initiative and logistical support in the ongoing fight against illegal mining, land reclamation, restoration of polluted water bodies.

As part of its preparation for FLEGT licensing the Forestry Commission convened a meeting with key industry players to discuss and prepare them for implementation of the FLEGT licensing and their role in the timber value chain to ensure smooth transition.

Stakeholders were taken through presentations on the overview of the FLEGT licensing regime; the legal requirements and compliance under the Timber Resource Management and Legality Licensing Regulations, 2017 (LI 2254); guidelines for export permits and license issuance and application.

See: <https://fcghana.org/fc-convenes-meeting-with-industry-players-on-flegt-license-issuance/>

Review of VAT system almost completed

The Acting Commissioner General of the Ghana Revenue Authority, Anthony Kwasi Sarpong, has disclosed that the review process of the country's current Value Added Tax (VAT) regime has progressed steadily and is well far advanced and findings and recommendations will soon be submitted to the Minister of Finance.

Speaking to journalist and IMANI Ghana on "Resetting Ghana's Revenue mobilisation", the Commissioner General expressed optimism that the new system will improve the country's tax-to-Gross Domestic Product (GDP) ratio.

In his 2025 budget statement the Minister of Finance, Dr. Casley Ato Forson, signaled government's intention to conduct a comprehensive review expected to simplify the VAT payment, boost domestic revenue mobilisation and increase the tax-to-GDP ratio for the short to medium term.

See: <https://www.myjoyonline.com/review-of-ghanas-vat-regime-almost-ready-gra/>

Producer Price Index (PPI) drops

The year-on-year producer price inflation (PPI) in ex-factory prices for all goods and services declined to 18.5% in April 2025 from 24.4% in March 2025.

With the recent appreciation of the Ghana Cedi industry players are hopeful this will deliver some macro-economic stability. The Association of Ghana Industries (AGI) has said that the appreciation of the cedi was a positive development because it would impact in the confidence in the economy.

Speaking at the 9th Ghana CEO Summit under the theme, "Leading Ghana's Economic Reset: Transforming Business and Governance for a Sustainable Futuristic Economy".

President Mahama reiterated his government's commitment to fiscal prudence and urged businesses to reflect price adjustments as a necessary complement to Government efforts aimed at consolidating economic recovery.

See: <https://thebftonline.com/2025/05/27/maintaining-fiscal-discipline-remains-top-priority-mahama/> and

<https://www.bog.gov.gh/wp-content/uploads/2025/05/MPC-statement-May-2025.pdf>

Through the eyes of industry

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

See: <https://www.itto-ggsc.org/static/upload/file/20250519/1747635226558660.pdf>

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	650
Niangon Kiln dry	910

Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9mm)	FACE (>2mm)
Ceiba	370	410
Chenchen	472	612
Ogea	384	590
Essa	603	656
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		
Afromosia	860	925
Asanfina	465	947
Ceiba	290	295
Dahoma	519	798
Edinam (mixed redwood)	640	740
Emeri	690	745
African mahogany (Ivorensis)	783	956
Makore	692	800
Niangon	813	852
Odum	930	1.151
Sapele	695	765
Wawa 1C & Select	485	583

Plywood export prices

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	620	580	641
6mm	450	535	604
9mm	409	504	560
12mm	396	489	480
15mm	460	356	430
18mm		415	383

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

Sliced veneer export prices

Sliced face veneer	FOB Euro per cu.m
Asanfina	1,552
Avodire	2,688
Chenchen	795
Mahogany	2,000
Makore	2,964
Odum	3,453
Sapele	1,413

Malaysia

GDP growth forecast 4.4 per cent

MIDF Research considers domestic demand will continue to be the key driver of Malaysia’s economic growth in the first quarter of 2025 underpinned by steady growth in private consumption and a sustained rise in the services sector.

A healthy labour market, employment growth with high labour force participation, increased tourist arrivals (and spending) will be positive fundamentals supporting Malaysian growth.

See: <https://www.thestar.com.my/business/business-news/2025/05/16/gdp-growth-forecast-for-1q25-seen-at-44>

Importers rush secure furniture as tariffs loom

US buyers of Malaysian furniture have asked that the products be sent to them before July in view of the uncertainty over US tariffs according to the Malaysian Furniture Council.

“Our customers in the United States have asked us to ship as much as possible during the 90-day (tariff) suspension window, ideally before July,” said Matthew Law the Council’s Deputy President. He added that currently the US imposes different tariff rates on Malaysia’s main competitors: Vietnam, Cambodia and Indonesia. Amid these upheavals US demand has begun to decline signaling a market slowdown.

According to an Investment, Trade and Industry Ministry report on the first quarter of 2025, Malaysia faces a 24% US tariff, well below Vietnam, Cambodia and Indonesia. It said Malaysia’s furniture industry stands to gain from shifting US trade patterns with lower tariffs making its products more appealing to US importers.

In the furniture sector the government will tighten enforcement to prevent Malaysia from being used as a trans-shipment hub for timber and wood products originating from countries with higher US tariffs.

The president of the Small and Medium Enterprises Association Malaysia, William Ng, said the higher tariffs on furniture imports from Vietnam, Cambodia and Indonesia have opened up a “real and timely opportunity” for Malaysian SMEs to grow their presence in one of the world’s largest furniture markets.

Adding, to fully leverage this we need better marketing support, faster access to trade finance and streamlined logistics to meet increased demand.

Despite the improved competitive position, Ng pointed out that local furniture manufacturers continue to grapple with rising operational costs, including labour, raw materials and energy. He also stressed the need to strengthen upstream integration within the industry, noting that Malaysia still imports significant timber and necessary inputs.

See: <https://www.thestar.com.my/news/nation/2025/05/13/rush-for-furniture-as-tariffs-loom>

Malaysian Wood Expo

The Malaysian Wood Expo (MWE) is back with its 3rd Edition from 10 to 11 November 2025 at the Malaysia International Trade and Exhibition Centre (MITEC).

The Malaysian Wood Expo (MWE) is a wood expo organised by the Malaysian Timber Council (MTC). Since its inception in 2019 the MWE has gained a reputation as a premier platform for global players to connect and create new business opportunities. MWE last year recorded 3,000 trade visitors from 50 countries to its 120 exhibitors.

See: <https://www.malaysianwoodexpo.com.my/> .

Carbon recognised as a forest product

Sarawak continues to strengthen its commitment to climate change mitigation by engaging Native Customary Rights (NCR) landowners as strategic partners in the implementation of sustainable forest carbon activities.

According to a Sarawak Forest Department Director, Datu Hamden Mohamad, community participation is essential for effective forest carbon management, with Native Customary Rights lands serving not only as cultural heritage assets but also as vital sources of livelihood and identity.

“NCR land holds great potential in contributing to global efforts to reduce carbon emissions. “Active involvement from local communities can bring long-term economic returns while preserving the environment,” he said. He added, “Sarawak has taken legislative steps to formalise this strategy by amending the Forests Ordinance 2015 to recognise carbon as a forest product”.

See: <http://theborneopost.pressreader.com/article/281698325660046>

Sarawak (Natural Forests) log production (Q1, cu.m)

	2024 cu.m	2025 cu.m
Hill species	435,604	319,578
Swamp species	12,069	9,005
Total	447,673	328,583

Data source: Forestry Dep. Sarawak

Malaysian wood product exports (RM mil.)

	2023	2024
Builders woodwork	1,284	1,323
Particleboard	230	235
Fibreboard	820	749
Logs	563	498
Mouldings	849	929
Plywood	2,485	2,403
Sawnwood	2,292	2,053
Veneer	81	108
Wooden furniture	9,128	9,894
Other products	4,108	4,723
Total	21,838	22,915

Data source: MTIB

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/20250519/1747635226558660.pdf>

Indonesia

Boosting exports - mandatory SVLK requirement removed on furniture and crafts

The Minister of Trade, Budi Santoso, announced that the government will remove the mandatory requirement for V-Legal documents for furniture and crafts in order to expand export growth. He clarified that the V-Legal requirements, which relate to wood product export licenses, will no longer be mandatory except for certain countries such as European Member States and the United Kingdom.

The Minister emphasised that removing the V-Legal requirement is intended to facilitate the export process for furniture and crafts especially those from small and medium size enterprises thereby relieving them of SVLK costs.

"This change will prevent SMEs from being burdened by extra costs and lengthy processing times. It will enhance our efficiency and competitiveness, allowing us to better compete with countries like Vietnam," he added.

See: <https://www.antaranews.com/berita/4848845/pemerintah-dongkrak-ekspor-furnitur-lewat-dengan-tidak-wajib-v-legal> and <https://www.cnbcindonesia.com/news/20250521181700-4-635122/mendag-pengusaha-sepakat-ekspor-furnitur-kerajinan-tak-wajib-svlk>

Diversification of products for export to Japan

Japan is a major market for Indonesian processed wood products. To strengthen this trade the Indonesian Embassy in Tokyo, along with the Indonesian Forestry Community Communication Forum (FKMPI), organised a Business Forum on Forest Product Trade.

Indroyono Soesilo, Chairman of FKMPI, emphasised the crucial role of the Indonesian Legality and Sustainability Verification System (SVLK) in enhancing Indonesia's standing in the international market for wood products.

Indroyono mentioned that exports to Japan are primarily panel products, paper, furniture, wood chips and wood-working items which earned around US\$300 million in 2024. "There is a need to diversify processed wood products to expand the export market to Japan," he said.

In terms of furniture products, Veronica Rebekka Anggraini, a representative of the Board of Directors of the Indonesian Furniture and Craft Industry Association (HIMKI), views Japan as a promising market for continued growth.

She explained "Japan ranks second among Indonesia's furniture export destinations with a value of US\$24.67 million in 2024". During this forum a Memorandum of Understanding (MOU) was signed between Indonesian businesses actors and their Japanese partners concerning the supply of wood pellet products.

See: <https://forestinsights.id/diversifikasi-produk-kayu-olahan-untuk-perkuat-pasar-ekspor-ke-jepang/#>

EC classifies Indonesia as 'Standard Risk'

The European Commission has published risk categories that will guide EU import requirements under the EU Deforestation Regulation (EUDR). Indonesia has been placed in the Standard Risk Category.

As a result of this classification, Indonesia's exports of commodities such as palm oil, wood products, cocoa and rubber to the European Union will face lighter requirements than some other countries under the EUDR.

On 22 May 2025, the European Commission adopted an Implementing Regulation classifying countries under the EU Deforestation Regulation (EUDR) into three risk categories: low, standard or high risk.

Four countries have been designated as "high risk": Belarus, Myanmar, North Korea and Russia. 140 countries have been classed low risks, including all EU Member States, the UK, the U.S., Canada, China, Japan, Australia and South Africa.

This classification determines whether operators can benefit from simplified due diligence obligations under Article 13 EUDR and the level of annual compliance checks to be conducted by supervisory authorities on imports and exports of EUDR-relevant commodities (cattle, cocoa, coffee, oil palm, rubber, soya and wood) and derived products.

The risk classification system will allow EU Member State Competent Authorities to define and plan their annual compliance checks, namely 1% for low-risk countries, 3% for standard risk countries and 9% for high-risk countries as part of a risk-based approach.

See: https://green-forum.ec.europa.eu/deforestation-regulation-implementation/eudr-cooperation-and-partnerships/country-classification-list_en

and <https://www.msn.com/id-id/ekonomi/peraturan-keuangan/lolos-dari-aturan-super-ketat-uni-eropa-kategorikan-indonesia-berisiko-standar-dalam-eudr/ar-AA1FkbTm?ocid=BingNewsVerp>

See also Page 29

Indonesia introduces its carbon trading potential to Japan

The Indonesian Forestry Entrepreneurs Association (APHI) is intensifying efforts to mitigate the impacts of climate change by introducing Indonesia's huge potential for tropical forest-based carbon trading at this year's World Expo Osaka, Japan.

In a business forum attended by stakeholders from the public and private sectors from both countries, APHI presented the government's flagship programme, the Food and Land Use Coalition (FOLU) Net Sink 2030, which targets the forestry and land use sectors to become net emission absorbers by 2030.

On that occasion, the implementation of the Mutual Recognition Arrangement (MRA) between Indonesia and Japan was also discussed which would allow cross-country recognition of carbon certification. This is intended to create opportunities for Japanese investors in nature-based carbon projects such as peat restoration and mangrove rehabilitation.

See: <https://en.antaranews.com/news/354785/indonesia-introduces-its-carbon-trading-potential-to-japan>

Semarang furniture exports to the US

Furniture products were recently shipped from Semarang, Central Java to the United States according to the website of the Indonesian Ministry of Trade Ministry. An export ceremony was led by the Deputy Minister of Trade, Dyah Roro Esti. She offered her appreciated for these exports which contributed to the increase in Indonesian furniture exports.

The Deputy Minister also remarked that the US has been the main export destination for Indonesian furniture exports over the past decade. This achievement, she added, needed to be maintained considering the global economy being uncertain as well as the challenges of US tariffs.

See: <https://www.rri.co.id/bisnis/1522013/semarang-exports-usd-120k-furniture-to-the-us>

Primary forest loss fell in 2024

Indonesia's primary forest loss declined by 11% in 2024 compared to 2023. This trend differs from the global situation which has seen a record increase in forest loss. According to the World Resources Institute (WRI) Global Forest Watch report, drawing on data from the University of Maryland's Global Land Analysis and Discovery (GLAD), approximately 6.7 million hectares (ha) of primary rainforest were lost worldwide in 2024.

In Indonesia, the total area of primary forest loss in 2024 is estimated at 260,000 ha. a decrease from 290,000 ha in 2023. The WRI report indicates that most of the primary forest loss in Indonesia occurred near logging concessions, oil palm plantations, small-scale agriculture and mining areas.

Some provinces, including Sumatra, specifically Aceh, Bengkulu and South Sumatra as well as Papua experienced minimal increases in their loss rates. Additionally, some primary forest loss was noted in several protected areas such as Kerinci Seblat National Park, Tesso Nilo and the Leuser ecosystem in Aceh.

See: <https://hijau.bisnis.com/read/20250521/651/1878934/hutan-primer-indonesia-yang-hilang-turun-11-pada-2024>.

Ministry of Forestry clarification on forest areas for food

The Ministry of Forestry has emphasised that the plan to open 20.6 million hectares of land for the food security project will be executed in stages. Ruandha Sugardiman, Senior Advisor to Indonesia's FOLU Net Sink 2030 Working Team at the Ministry of Forestry clarified that the areas designated for food land will consist of non-productive forests.

Ruandha assured that primary forests would not be converted for food or energy purposes. He stated that some of the land designated for this project consists of secondary forests. If any new land is to be opened from productive forests, Ruandha noted that the clearing would not exceed 5% of the total productive forests in Indonesia.

The government has confirmed that it will conduct an environmental impact analysis and that it is committed to achieving net zero deforestation. Therefore, when there is forest clearing for agricultural land there will be a corresponding commitment to replanting in other areas.

See: <https://nasional.kontan.co.id/news/kemenhut-rencana-pembukaan-20-juta-ha-hutan-untuk-pangan-dilakukan-secara-bertahap>

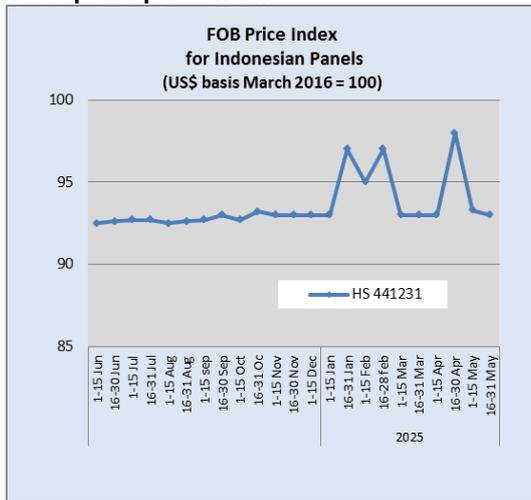
Bracing for forest fires ahead of dry season

With some regions already experiencing wildfires the government is intensifying efforts to mitigate the risk of forest and land fires as the country is expected to shift to the dry season in the coming weeks.

The Meteorology, Climatology and Geophysics Agency (BMKG) recently forecasted that most regions across the country will enter the dry season between April and June, with its peak expected to fall in August, exacerbating the risk of wildfire.

See: https://www.thestar.com.my/aseanplus/aseanplus-news/2025/05/18/indonesia-braces-for-forest-and-land-fires-ahead-of-dry-season#goog_rewarded

Wood panel price index



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

Myanmar

Myanmar targets US\$33 billion in foreign trade

Myanmar's foreign trade is expected to reach US\$33 bil. in the financial year 2024-2025. External trade amounted to over US\$25.79 bil. as of 12 March this year or 78% of the trade target according to the Vice-Chair of the National Export Strategy Public-Private Export Promotion Committee.

On conclusion of the 2020-2025 National Export Strategy period, the Vice Chair asked officials to develop plans to adapted to current situations and amend projects for the next five-year National Export Strategy (2026-2030).

See- https://www.gnlm.com.mm/myanmar-targets-us33b-in-foreign-trade-for-fy2024-2025/?utm_source=chatgpt.com

UN Warns - Deepening economic collapse and humanitarian crisis

The United Nations has issued a stark warning over Myanmar's accelerating economic and humanitarian collapse amid intensifying armed conflict and systemic human rights abuses.

In a new report released by the Office of the UN High Commissioner for Human Rights, Commissioner, Volker Türk, described the situation as an "increasingly catastrophic human rights crisis," marked by widespread violence, atrocities and the breakdown of basic public services.

According to the report more civilians were killed in 2024 than in any previous year since the 2021 military coup. In Rakhine State, the Arakan Army (AA) has gained control over most of the region, displacing tens of thousands. Rohingya civilians remain caught in the crossfire, suffering killings, torture, arbitrary arrests and the destruction of entire villages. Some Rohingya armed groups have reportedly joined the broader conflict.

The violence has had a cascading impact on Myanmar's already fragile economy. The country has lost an estimated US\$93.9 billion since the coup. The GDP is not expected to return to pre-pandemic levels until at least 2028. Key indicators Inflation has soared and the kyat has depreciated by 40%. Over half the population now lives below the poverty line and food insecurity is widespread, with prices for essentials continuing to climb.

Despite targeted international sanctions, the military retains control over state-owned enterprises, the central bank, and major revenue streams in the extractive sector. The junta has used forced currency conversions, import controls and repression of informal money transfers to preserve its financial grip.

As Myanmar's conflict deepens, the UN urges the global community not to look away. Without coordinated humanitarian aid and a path toward accountability, the country risks further descent into entrenched violence, economic ruin and State collapse.

See- <https://news.un.org/en/story/2025/05/1163706>

ASEAN Summit - calls for ceasefire and dialogue

At the recent ASEAN Summit regional leaders pushed for renewed efforts toward peace and stability in Myanmar's ongoing political crisis and humanitarian disaster.

The ASEAN statement says, "We (ASEAN) remain deeply concerned over the escalation of conflicts and the deteriorating humanitarian situation in Myanmar, further compounded by the impact of the 7.7-magnitude earthquake that struck central Myanmar on 28 March 2025. We are committed to assisting Myanmar in finding a peaceful and durable solution to the ongoing crisis. We reiterate that the Five-Point Consensus remains the main reference to address the political crisis in Myanmar, and it should be implemented in its entirety to help the people of Myanmar achieve an inclusive and durable peaceful resolution that is Myanmar-owned and Myanmar led, thus contributing to peace, security and stability in the region".

ASEAN leaders expressed "deep concern" over the escalating violence in Myanmar, urging all parties involved, including Myanmar Government and opposition armed groups, to extend the current temporary ceasefire and initiate inclusive national dialogue.

See: <https://asean.org/wp-content/uploads/2025/05/FINAL-ASEAN-Leaders-Statement-on-an-extended-and-expanded-ceasefire.pdf>

Power crisis solution

Myanmar is signaling interest in reviving the long-stalled Myitson Dam project as the country grapples with worsening electricity shortages. At a recent cabinet meeting Senior General, Min Aung Hlaing, acknowledged that current electricity production covers less than half of national demand.

He attributed the ongoing power crisis to the suspension of large-scale hydropower projects initiated over a decade ago specifically referencing the US\$3.6 billion Myitsone Dam.

See- https://thediplomat.com/2024/05/is-myanmars-junta-about-to-revive-a-controversial-dam-project/?utm_source=chatgpt.com

India

QCO on furniture begins February 2026

Announcing the enforcement of a mandatory BIS-QCO on Furniture, in exercise of the powers conferred by section 16 of the Bureau of Indian Standards Act, 2016 (11 of 2016), the Bureau of Indian Standards has made a dispensation of Statutory order S.O. 801 (E) entitled Furniture Quality Control 2025. This was published on 13 February 2025 and will come in effect after 12-months from the date of publication of the notification.

Goods or articles which shall conform to the corresponding Indian Standards are specified as:

Indian Standard	Title of Standard
17631:2022	Work Chairs
17632:2022	General purpose chairs and stools
17633:2022	Tables and desks
17634:2022	Storage units
17635:2022	Beds
17636:2022	Bunk beds

Source: Furniture Design India

According to PlyReporter, Chintan Parekh, Secretary of the Association of Furniture Manufacturers and Traders (AFMT) asserted, “Although industry is bracing itself for impending QCO on furniture stakeholders are apprehensive about its repercussions on the design quotient because it may limit the viability of certain furniture design in the domestic market”.

See: <https://www.furnituredesignindia.com/articles/90910/govt-announces-mandatory-qco-bis-on-furniture-w-e-f-13th-feb-2026> and <https://www.instagram.com/p/DGGGpwvB4pB/> and <https://plyreporter.com/article/154008/govt-announces-mandatory-qco-bis-on-furniture-wef-13th-feb-2026>

Furniture exports – 60% wooden furniture

In its promotion of IndiaWood scheduled for 26 February - 2 March 2026 at the Bangalore Exhibition Centre there is a focus on the potential for expanded Indian furniture exports.

The promotion text stated “with robust export potential and modernisation of manufacturing, India's woodworking enterprises can strengthen their standing among the world's furniture manufacturers”. Nearly 60% of India's overall furniture export sector is made up of wooden furniture.

The most popular exports from India are statues or complex designs or art pieces. Because the timber sector has a significant export potential updating the technology adopted will aid expansion. In India, domestic demand for furniture is expanding, which is boosting the organised industry.

"International Furniture Park"- strengthening India's export potential

An "International Furniture Park" at Tuticorin is an export oriented initiative aimed at driving the industrial growth of the southern regions of the State.

The Tamil Nadu government has signed memorandums of understanding for 24 projects and is aiming for exports of US\$100 billion by 2030. The Micro, Small and Medium Enterprises Trade and Investment Promotion Bureau (M-TIPB) of the Tamil Nadu government has signed an agreement with Flipkart/Walmart to promote e-commerce among MSMEs in the state through a supplier development programme.

M-TIPB and the Indo-German Chamber of Commerce have signed a Memorandum of Understanding to facilitate engagement between MSMEs in the state and enterprises in Germany. For MSMEs in the state, the MoU will enhance links, interaction, technology partnership programmes and export prospects.

Key factors for the growth of the furniture sector in India could be considered as improved supply management, cost minimisation, brand creation and customisation options.

See: <https://indiawood.com/industryupdate2022.aspx?pressid=pressRe30>

Residential property market transitioning

A report by PropTiger has suggested India's residential property market is transitioning from a phase of rapid post-pandemic growth to a more balanced and sustainable trajectory. While prices continue to rise year-on-year the pace of growth has moderated in recent quarters.

The shift toward moderation became evident from the third quarter 2024. Between the final quarter of 2024 and early 2025 prices in most cities either held steady or posted low single-digit gains. The stabilisation phase can be attributed to multiple factors such as a more discerning buyer base and continued but rationalised investor interest and supply being adjusted to real demand rather than speculative pushes

"With prices plateauing in many cities and rising modestly in others, developers are likely to respond with more calibrated launches. This, in turn, will help maintain momentum while avoiding overheating in the sector," noted the PropTiger report.

See: https://www.business-standard.com/finance/personal-finance/india-s-housing-market-is-not-crashing-but-definitely-cooling-here-is-why-125050700677_1.html

Joint State private sector teak initiative

The Jharkhand State Pollution Control Board (JSPCB) will promote teak plantations in rural Jharkhand in the upcoming monsoon season to promote sustainable development. As part of the initiative, teak saplings will be planted in the backyards of rural households.

This initiative will be taken under JSPCB’s zero carbon emission policy under which industrial units operating in the State will support the households in maintaining the saplings and receive carbon credits.

The JSPCB discussed the initiative with industry stakeholders and the industries will provide financial assistance, saplings and technical guidance to the household for planting and maintaining the teak trees and create a record of the saplings to be planted.

The trees planted under the initiative will be geo-tagged and reported to a designated site of the JSPCB in a specified format for ease of recording and keeping track of the plants and their growth. The sites will be geo-tagged by the industry in collaboration with JSPCB to track and monitor the progress of the project.

See: <https://timesofindia.indiatimes.com/city/ranchi/jspcb-eyes-teak-plantation-to-reduce-carbon-emission/articleshow/118564722.cms#:~:text=Ranchi%3A%20The%20Jharkhand%20State%20Pollution,the%20backyards%20of%20rural%20households.>

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

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

	Hoppus cu.m	US\$ C&F
Brazil	249	480
Colombia	221	440
Costa Rica	188	335
Nigeria	-	-
Benin	-	-
Tanzania	112	475
Laos	-	-
South Sudan	234	672
Guatemala	124	375
Venezuela	-	-

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

	cu.m	US\$ C&F
Benin	236	700
Brazil	172	650
Colombia	-	-
Costa Rica	185	510
Ecuador	-	-
Ghana	156	425
Ivory Coast	286	820
Nigeria	139	415
South Sudan	213	630
Tanzania	-	-
Togo	189	505
Panama	193	480

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,350 - 4,750
Balau	2,950 - 3,250
Resak	-
Kapur	-
Kempas	1,650 - 1,950
Red meranti	1,750 - 2,000
Radiata pine	1,000 - 1,200
Whitewood	950 - 1,150

Price range depends mainly on lengths and cross-section

Sawn hardwood prices

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

Price range depends mainly on lengths and cross-section

Plywood

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	85.50
6mm	99.00
9mm	117.50
12mm	140.00
15mm	181.00
18mm	199.00

Domestic ex-warehouse prices for locally manufactured MR plywood

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

Vietnam

Wood and Wood Product (W&WP) trade highlights

The Vietnam Customs Department has reported W&WP exports in April 2025 earned US\$1.45 billion, down 2% compared to March 2025 but up 5% compared to April 2024. Of the total WP exports accounted for US\$978 million, down 4% compared to March 2025 but up 3% compared to April 2024.

In the first 4 months of 2025 W&WP exports totalled US\$5.4 billion, up 10% over the same period in 2024 of which WP exports fetched US\$3.7 billion, up 9% over the same period in 2024.

Vietnam's W&WP exports to the Japanese market in April 2025 amounted to US\$181.7 million, up 44% compared to April 2024. In the first 4 months of 2025 W&WP exports to the Japanese market totalled US\$690.4 million, up 27% over the same period in 2024.

In April 2025 W&WP imports into Vietnam were valued at US\$247 million, down 6% compared to March 2025 but up 6% compared to April 2024. In the first 4 months of 2025 W&WP imports into Vietnam totalled US\$915.1 million, up 19% over the same period in 2024.

Vietnam's tali wood imports in April 2025 were reported at 23,800 cu.m, worth US\$8.7 million, up 5% in volume and 5% in value compared to March 2025.

However, compared to April 2024, the value of imports decreased by 44% in volume and 44% in value. In the first 4 months of 2025 Vietnam's imports of tali were 117,100 cu.m, worth US\$42.5 million, up 24% in volume and 18% in value compared to 2024.

Imports of raw wood (logs and sawnwood) from the US to Vietnam in March 2025 reached 68,730 cu.m with a value of US\$29.97 million, up 13% in volume and 20% in value compared to February 2025, an increase of 0.5% in volume and an increase of 1% in value over the same period in 2024.

In the first 3 months of 2025 imports of raw wood from the US totalled 191,470 cu.m with a value of US\$78.65 million, up 34% in volume and 28% in value over the same period in 2024.

W&WP exports from Vietnam to the UK market in April 2025 brought in about US\$ 21.8 million, up 11% compared to April 2024. In the first 4 months of 2025, the W&WP exports to the UK market earned US\$81.5 million, up 11% over the same period in 2024.

Vietnam's imports of poplar in April 2025 totalled 26,700 cu.m, worth US\$11.2 million, down 7% in volume and down 6% in value compared to March 2025. Compared to April 2024 imports decreased by 4% in volume and increased by 8% in value.

In the first 4 months of 2025 imports of this item accounted for 99,400 cu.m, worth US\$39.9 million, down 5% in volume and up 2% in value over the same period in 2024.

Imports of raw wood materials from the EU in March 2025 amounted to 67,060 cu.m, with a value of US\$22.63 million, down 13% in volume and 6% in value compared to February 2025 but an increase of 52% in volume and 46% in value over the same period in 2024.

In the first quarter of 2025 imports of raw wood from the EU were 198,260 cu.m with a value of US\$63.95, up 48% in volume and 47% in value over the same period in 2024.

Vietnam classified as a "low risk" for EUDR

On 22 May 2025 the European Commission (EC) announced the country risk classification list under the EUDR.

See: https://green-forum.ec.europa.eu/deforestation-regulation-implementation/eudr-cooperation-and-partnerships/country-classification-list_en

According to the country risk classification list published by the European Commission Vietnam is categorised as a "low risk" country.

Vietnam Wood Industry in 2025 - trends, challenges and opportunities

Vietnam's wood industry has evolved rapidly, becoming one of the most significant players in global wood production and export. The country has built a reputation for producing high-quality timber, furniture and wood products. The Vietnamese wood industry continues to thrive, with new trends, policies and opportunities shaping its future.

A recent article explores the latest developments in Vietnam's wood sector highlighting trends, challenges and the potential for global buyers and investors. Highlights from the article are provided below.

The Vietnam wood industry benefits from robust trade relationships with key global markets. The United States remains one of Vietnam's largest buyers of wood products, contributing significantly to the export value.

Other important markets include the European Union and Japan, where demand for sustainably sourced wood is growing. Vietnam's ability to diversify its export markets, including newer partners in Asia and the Middle East, enhances its position in the global wood industry.

The Vietnam wood industry has also been adapting to changing global trade dynamics. In response to the U.S. tariffs on certain products from Vietnam, many manufacturers are turning to American timber as a means to mitigate the impact of these tariffs. By incorporating American timber into their production processes, these businesses can avoid the higher tariffs and maintain a competitive edge, especially in the U.S. market.

Environmental responsibility is now at the forefront of the Vietnam wood industry. Many manufacturers are shifting to sustainable sourcing practices, prioritising Forest Stewardship Council (FSC)-certified timber. This move not only helps protect forest resources but also aligns with buyer requirements from Europe, the U.S., and other eco-conscious markets.

The adoption of technology is accelerating across the wood manufacturing sector in Vietnam. Automation, CNC machines and digital design tools are being implemented to improve precision, reduce waste and increase production efficiency. This modernisation supports large-scale orders and enhances product customisation.

Vietnamese manufacturers are no longer just fulfilling orders, they are becoming strategic partners in product development. Original Equipment Manufacturing (OEM) and Original Design Manufacturing (ODM) services are expanding rapidly in the Vietnam wood industry allowing international brands to co-develop unique wood products.

The Vietnam wood industry in 2025 is being shaped not only by market trends but also by important shifts in government policies and international trade regulations.

In early 2025, the U.S. government imposed retaliatory tariffs on various Vietnamese exports due to trade imbalances. However, these tariffs specifically target industries that rely heavily on imported raw materials.

Fortunately, the Vietnam wood industry particularly segments that use American timber, has been exempt from these penalties. Manufacturers that source raw wood directly from the U.S. are able to continue exporting with little to no additional duties offering a unique advantage in this complex trade environment.

To support continued growth, the Vietnamese government has introduced favorable policies for the wood processing industry. These include tax incentives for eco-friendly production, reduced import duties for machinery and raw materials and support for enterprises seeking FSC certification. Several provinces, such as Binh Duong and Dong Nai, are offering special investment zones for wood manufacturers with streamlined procedures and land rental incentives. These measures reinforce the government's long-term commitment to boosting the Vietnam wood industry.

Despite strong growth and global recognition the Vietnam wood industry faces several challenges that may affect its long-term competitiveness. Vietnam's domestic forest resources are limited and the country depends heavily on imported raw timber, especially from the U.S., Africa and South America. This reliance exposes the Vietnam wood industry to risks such as price fluctuations, transportation delays and stricter import regulations.

As demand for Vietnamese wood products grows, so does the need for skilled labour. However, the industry is struggling to attract and retain a trained workforce. Rural-urban migration, an aging labour pool and rising wage expectations are placing pressure on wood manufacturers to invest in automation and worker training programmes. For small and medium-sized enterprises the rising labour cost is particularly challenging.

Sustainable manufacturing is no longer optional in the wood export industry in Vietnam. However, meeting environmental standards, carbon neutrality and legal timber sourcing involves significant costs and administrative effort. For small businesses, this can be financially burdensome even though they are increasingly required by major import markets. Failure to comply may limit market access, especially to the EU and North America.

The article concludes "The Vietnam wood industry in 2025 stands at the crossroads of innovation, opportunity, and global competitiveness. With increasing demand for sustainable wood products, strong government support, and advanced manufacturing capabilities, Vietnam has solidified its position as a leading supplier in the global market. While challenges like raw material dependency and regulatory compliance remain, they are outweighed by the immense potential for international buyers, investors and partners.

For businesses seeking reliable, eco-conscious and cost-effective wood sourcing, Vietnam continues to be a top destination worth serious consideration”.

See: <https://thanhtungthinh.com/vietnam-wood-industry-in-2025/>

W&WP import duties on wood products removed

Import duties on several wood products imported from the US were removed as of 31 March ahead of the US government announcement of reciprocal tariffs. The most striking move, however, was the removal of import duties on wood and wood products.

The Vietnam Timber and Forest Products Association (Viforest) and the Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA) had previously recommended revising the import tariffs on US wood products to minimise risk of potential retaliatory tariffs by the US.

The quick response from Vietnam has won approval from industry leaders. A HAWA leader told the Thanh Nien newspaper that the tax cuts were a "swift, positive and timely" move, showcasing Vietnam's goodwill. In reality, the trade relationship between Vietnam and the US in wood and wood products is mutually beneficial, with Vietnam being both a leading supplier of timber and wood products for the US and an important importer of similar items from the US.

According to Viforest in recent years the import value has grown rapidly. In 2024 Vietnam spent US\$316.3 million on US wood imports, a 32% increase in quantity and over a 34% rise in value compared to 2023. Vietnam is now the second-largest consumer of US wood in Asia and the fourth-largest globally.

The Government's decision to reduce import taxes is part of broader efforts to encourage US imports and reduce the trade imbalance between the two countries. Representatives of Vietnam and the US have been engaging in frequent talks to discuss new trade measures and fine-tune policies to mitigate any potential tariff risks.

Alongside these tax cuts, Vietnam has also approved agreements to allow US companies to operate in the country. Notably, US tech giant SpaceX has received approval for the pilot deployment of its Starlink satellite internet service in Vietnam.

See: <https://en.vietnamplus.vn/vietnam-cuts-import-taxes-on-key-goods-ahead-of-us-tariff-announcement-post312690.vnp>

Industry responds flexibly to US tariff threats

While the US has temporarily suspended enforcement of countervailing duties and the Vietnamese Government is pushing for diplomatic negotiations the wood industry in the Southeastern region has devised flexible response plans. Businesses are shifting production strategies and exploring alternative markets in an effort to cushion the impact from the country's primary export destination, the US.

In the neighboring Province of Dong Nai industry players are even more concerned. With the US signaling a tariff rate of 49% companies are bracing for diminished competitiveness and surging costs which are expected to drastically reduce orders.

To adapt, many firms are optimising processes, sourcing alternative materials, transitioning to smart manufacturing models, investing in technology and pivoting to renewable wood products to reduce reliance on the US market.

See: <https://wtocenter.vn/german-market/news/27832-southeastern-regions-wood-industry-responds-flexibly-to-us-tariff-threats>

Brazil

Mato Grosso do Sul State a leader in the 'Green Economy'

The forestry sector has been a key driver of economic development in the State of Mato Grosso do Sul. Between 2010 and 2024 the area of planted forests in the State increased from 341,000 hectares to over 1.6 million hectares.

The region, known as the "Pulp Valley," comprises nine municipalities which account for almost 90% of roundwood production for pulp. Mato Grosso do Sul State is currently the second-largest producer of roundwood for the pulp and paper industry and consumes around 24% of Brazil's pulp production.

The sector contributed 18% to the State's industrial GDP, with exports surpassing US\$1.49 billion in 2023 with China being the main market.

According to the State Secretariat for Environment, Development, Science, Technology and Innovation (Semadec), the state has attracted BRL125 billion in investments since 2015 consolidating the forestry sector as one of the main drivers of growth. The sector has gained new momentum with the announcement of the first soluble pulp mill to be built by Bracell in Bataguassu.

See: <https://www.remade.com.br/noticias/20718/setor-florestal-transforma-mato-grosso-do-sul-em-potencia-verde>

Livestock-Forestry model with *Tectona grandis*

Embrapa Agrossilvipastoril, located in the State of Mato Grosso, has launched what is termed the Bacaeri- BoiTeca (Cattle/Teak) system, an integrated crop-livestock-forestry system (integração lavoura-pecuária-floresta – ILPF) which combines cattle farming with the cultivation of teak.

This model, says Embrapa Agrossilvipastoril, enables the sustainable intensification of agricultural production, diversifies farmers' income and promotes environmental benefits. The system integrates teak planting in alternating rows combined with cattle grazing on pastures.

While the trees grow (for approximately 20 years until harvest), livestock production continues normally ensuring a steady income. During the first 10 to 18 months, when cattle are temporarily removed from the area it is possible to harvest for silage and hay or restore forage.

Forest management includes systematic pruning and thinning to ensure high-quality timber and adequate light penetration for pasture growth. Embrapa's research shows that tree shading improves thermal comfort for the animals leading to greater weight gain, better immunity and improved reproductive performance.

The system has been technically validated in several Technological Reference Units in Mato Grosso, especially at Fazenda Bacaeri which gave the system its name. The average initial investment is R\$3,200.00/ha with partial returns starting in the 8th year from livestock production and teak thinning. The highest revenues are generated from the final harvest of the trees, between the 18th and 25th years.

For the system's success rigorous technical planning is essential including the definition of tree spacing, nutritional and phytosanitary management, weed control and fire prevention. Specialised technical assistance is indispensable to ensure operational efficiency and the quality of forest products throughout the entire production cycle.

In addition to its economic viability, the BoiTeca System offers significant environmental benefits. It contributes to carbon sequestration and reduces methane emissions per unit of meat produced, while also reducing pressure on native forests.

The system is aligned with the guidelines of the National Program for the Conversion of Degraded Pastures into Sustainable Agricultural and Forestry Production Systems and can be associated with environmental certifications such as Carbon-Neutral Beef (CNB) and Low-Carbon Beef (LCB).

See: <https://www.embrapa.br/busca-de-noticias/-/noticia/100314382/novo-sistema-productivo-integra-pecuaria-de-corte-com-plantio-de-teca>

Export update

In April 2025 Brazilian exports of wood-based products (except pulp and paper) increased 4% in value compared to April 2024, from US\$306.5 million to US\$317.7 million.

Pine sawnwood exports increased 19% in value between April 2024 (US\$48.7 million) and April 2025 (US\$58.0 million). In volume, exports increased 13% over the same period, from 219,100 cu.m to 247,600 cu.m.

Tropical sawnwood exports increased 41% in volume, from 23,900 cu.m in April 2024 to 33,700 cu.m in April 2025. In value, exports increased 19% from US\$10.1 million to US\$12.0 million over the same period.

Pine plywood exports increased 22% in value in April 2025 compared to April 2024, from US\$67.9 million to US\$82.8 million. In volume, exports increased 31% over the same period, from 197,700 cu.m to 259,600 cu.m.

As for tropical plywood, exports increased in volume 23% and in value 7%, from 2,600 cu.m and US\$ 1.5 million in April 2024 to 3,200 cu.m and US\$1.6 million in April 2025.

As for wooden furniture, the exported value increased from US\$45.5 million in April 2024 to US\$48.7 million in April 2025, an increase of 7%.

Global maritime freight in 2025

The global maritime transport situation in 2025 has been marked by high volatility, directly affecting logistics costs and the predictability of international trade operations. The imposition of new tariffs by the US resulted in a steep drop in volumes shipped from China to the US.

In Brazil the situation at ports is concerning. Terminals in the South and Southeast regions are facing significant logistical bottlenecks, particularly in the handling and return of empty containers.

Delays at trans-shipment ports in the Caribbean have also affected the schedules of carriers operating through South America.

Against this background companies have been advised intensify their logistics planning through strategic measures such as enhancing logistical planning, diversifying supplier bases, using alternative transport modes, leveraging 'Less than Container Load' shipments (where multiple shippers combine smaller shipments into a single container) and strengthening partnerships with reliable logistics operators.

See: <https://woodflow.com.br/blog/pressao-no-frete-maritimo-global-como-enfrentar-2025>

Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	397↓
Jatoba	173↓
Massaranduba	158↑
Muiracatiara	156↑
Angelim Vermelho	167↓
Mixed redwood and white woods	121

Prices do not include taxes. Source STCP Data Bank

Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	1,711↓
Jatoba	869↑
Massaranduba	771↑
Muiracatiara	803↑
Angelim Vermelho	741↑
Mixed red and white	492↓
Eucalyptus (AD)	284↓
Pine (AD)	238↑
Pine (KD)	283↑

Prices do not include taxes. Source: STCP Data Bank

Domestic plywood prices

	US\$ per cu.m
Parica ex-mill	
4mm WBP	554↓
10mm WBP	444↓
15mm WBP	381↓
4mm MR.	507↓
10mm MR.	391↓
15mm MR.	341↓

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	264↓
15mm MDFibreboard	265↓

Prices do not include taxes. Source: STCP Data Bank

Export prices

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

Export sawnwood prices

Sawnwood	US\$ per cu.m
Ipe	2,278↓
Jatoba	1,293↓
Massaranduba	1,263↓
Muiracatiara	1,305
Pine (KD)	204↓

Prices do not include taxes. Source: STCP Data Bank

Export plywood prices

Pine plywood	US\$ per cu.m
9mm C/CC (WBP)	317↓
12mm C/CC (WBP)	285↑
15mm C/CC (WBP)	270↑
18mm C/CC (WBP)	283↑

Prices do not include taxes. Source: STCP Data Bank

Export prices for added value products

Added value product	US\$ per cu.m
Decking Boards Ipê	3,579↑
Jatoba	1759↓

Prices do not include taxes. Source: STCP Data Bank

Through the eyes of industry

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

See: <https://www.itto-gsgc.org/static/upload/file/20250519/1747635226558660.pdf>

Peru

First quarter export earnings disappoint

The Center for Global Economy and Business Research of the CIEN-ADEX Exporters Association reported the value of shipments of wood products for finishing and construction totalled US\$4.3 million during the first three months of 2025 representing a decrease of 29% compared to the same month in 2024 (US\$20.2 million). According to figures from the ADEX Data Trade Trade Intelligence System products included sawnwoor (US\$6.8 million), semi-manufactured products (US\$2.3 million) firewood and charcoal (US\$2.2 million), furniture and parts (US\$1.2 million) and construction products (US\$1.1 million).

The leading export destination was the Dominican Republic with shipments worth US\$3.9 million, an almost 30% increase compared to the previous year. Vietnam followed with US\$2.3 million, a doubling compared to 2024, Mexico with US\$1.9 million, a decrease of 16%, the United States with US\$1.8 million, a decrease of 36%. Rounding out the top 5 markets was France with sales of US\$988,000, a decrease of 63%.

Five year strategy to boost forestry sector

At the Executive Committee for the Development of the Forestry Sector the Forest and Wildlife Resources Oversight Agency (OSINFOR) and the National Forest and Wildlife Service (SERFOR) presented a strategy for coordinating their efforts with regional forestry and wildlife authorities, with the aim of strengthening state policies and inter-institutional work that promote forest sustainability and the economic and social development.

This strategy was developed within the framework of the Inter-Institutional Cooperation Agreement between OSINFOR and SERFOR which was renewed for the third time in February 2025.

The Executive Board for the Development of the Forestry Sector was created in 2017, through Ministerial Resolution No. 347-2017-EF/10, with the purpose of identifying barriers that limit the growth of the forestry sector and proposing solutions through legal reforms.

See: <https://www.gob.pe/institucion/osinfor/noticias/1166128-osinfor-y-serfor-presentan-estrategia-para-impulsar-el-desarrollo-del-sector-forestal-en-cinco-anos>

To ensure sustainable management of forest and wildlife resources the Regional Government of Loreto is promoting forest zoning with technical assistance from the National Forest and Wildlife Service (SERFOR) through its Sustainable Productive Forests Program (BPS).

Daniel Rivera, Executive Coordinator of SERFOR's Sustainable Productive Forests Program said “we have provided professionals specialised in forest zoning and geographic information systems as well as equipment with workstations, ArcGIS licenses and an interactive display to optimise this process in Loreto”.

See: <https://www.gob.pe/institucion/serfor/noticias/1177614-gore-loreto-y-serfor-avanzan-en-zonificacion-forestal-para-proteger-bosques>

Planting 5 million trees across six regions of Peru

More than 50 forestry organisations have begun planting nearly five million trees as part of an initiative is promoted by the National Forestry and Wildlife Service (SERFOR) through its Sustainable Productive Forests Program (BPS).

The Executive Coordination of the BPS Program reported that 313 hectares of forest plantations have been planted to date and that within three years, the 5,300 hectares committed by the 50 organisations will be achieved.

This initiative involves an investment of US\$12.2 million and will benefit more than 7,700 families in the regions of Ancash, Cajamarca, Huánuco, Junín, Pasco, and San Martín.

See: <https://www.gob.pe/institucion/serfor/noticias/1167053-con-el-apoyo-del-serfor-mas-de-50-organizaciones-siembran-5-millones-de-arboles-y-generan-empleo-en-seis-regiones-del-peru>

Export prices for added value products

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1,327-1,398
Cumaru KD, S4S Swedish market	1,080 -1156↑
Asian market	1,189 -1,271↑
Cumaru decking, AD, S4S E4S, Central American market	1,288-1,319
Pumaquiro KD Gr. 1, C&B, Mexican market	501-561
Quinilla KD, S4S 2x10x62cm, Asian market	591-627
2x13x75cm, Asian market	774-831

Export veneer prices

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

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	703-728
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	588-603↑
Grade 2, Mexican market	527-541
Cumaru 4" thick, 6"-11" length KD	
Central American market	1127-1195
Asian market	1210-1265
Ishpingo (oak) 2" thick, 6"-8" length	
Spanish market	1011-1,042↑
Dominican Republic	1015-1,132↑
Marupa 1", 6-11 length KD	
Grade 1 Asian market	595-602↑

Export plywood prices

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

Domestic prices for other panel products

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

Domestic sawnwood prices

Peru sawnwood	US\$ per cu.m
Mahogany	-
Virola	236-251
Spanish Cedar	333-344
Marupa (simarouba)	208-234

Domestic plywood prices (excl. taxes)

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

Japan

Economy contracted faster than forecast

New economic data shows stagnant consumption and a decline in exports. Japan's economy contracted at a faster pace than expected in the first quarter of 2025 according to date from the Cabinet Office. GDP contracted by 0.2% compared to the previous quarter, the first quarterly drop since the January-March period in 2024. However, compared with the same quarter in the previous year, the economy shrank by 0.7%, much steeper than the forecast 0.2% contraction.

The decline was largely due to a fall in exports which are a significant driver of the Japanese economy. Data shows international demand was waning even before US tariff threats. On 2 April the US declared a 24% tariff on Japanese goods. It also declared an additional 25% levy on cars. The US is the largest market for Japan's auto industry.

The Japanese government is negotiating a trade deal with the US but policymakers are reportedly frustrated as the US statements and proposals keep changing. Analysts point out that the Japanese economy has been vulnerable for some time as an aging population is driving up welfare spending and there is a growing labour shortage.

Reuters news agency has reported a senior economist at a major research institute saying "Japan's economy lacks a driver of growth given weakness in exports and consumption. It's very vulnerable to shocks such as one from US tariffs". He added "the possibility of the economy entering a recession cannot be ruled out."

See: <https://www.dw.com/en/japans-economy-shrinks-more-than-expected/a-72561544>

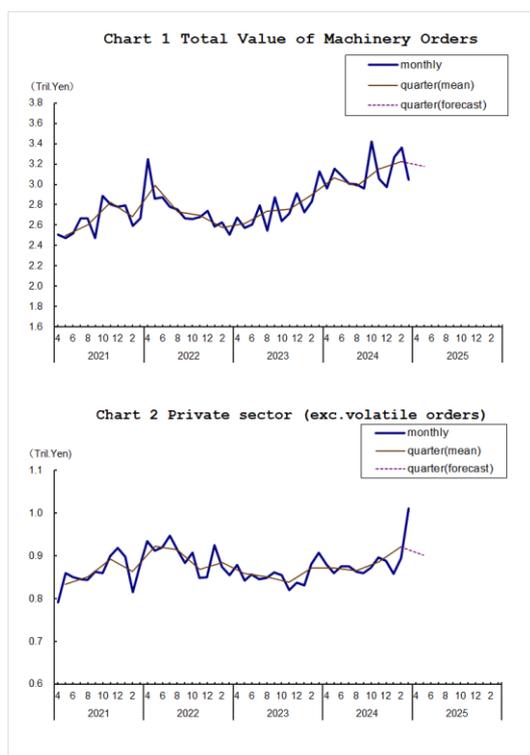
Wage growth not keeping up with price increases

The Chief Economist at Mizuho Research and Technologies is quoted by the Japan Times as saying inflation in Japan might be tougher to tame than expected, putting real wage growth at risk and possibly becoming a drag on much-needed household consumption.

He added, “Japan struggled with deflation for decades and kept interest rates at or near zero for years to get prices rising again. They are now increasing and are becoming an issue for workers who are finding their wages barely growing or actually declining month to month on a real basis”.

See: <https://www.japantimes.co.jp/business/2025/02/07/economy/japan-inflation-risk/>

Machinery orders, a measure of optimism, tilt lower



Source: Cabinet Office, Japan

The total value of machinery orders received by 280 manufacturers operating in Japan decreased by 9.4% in March from the previous month on a seasonally adjusted basis. Machinery orders are an indicator of businesses sentiment. In the first quarter 2025 orders increased by 2.4% compared with the previous quarter.

Private-sector machinery orders, excluding volatile ones for ships and those from electric power companies, increased a seasonally adjusted by 13% in March and rose by 4% in the first quarter. In the April-June period the total amount of machinery orders is expected to decline and private-sector orders, excluding volatile ones, are also expected to fall from the previous quarter respectively.

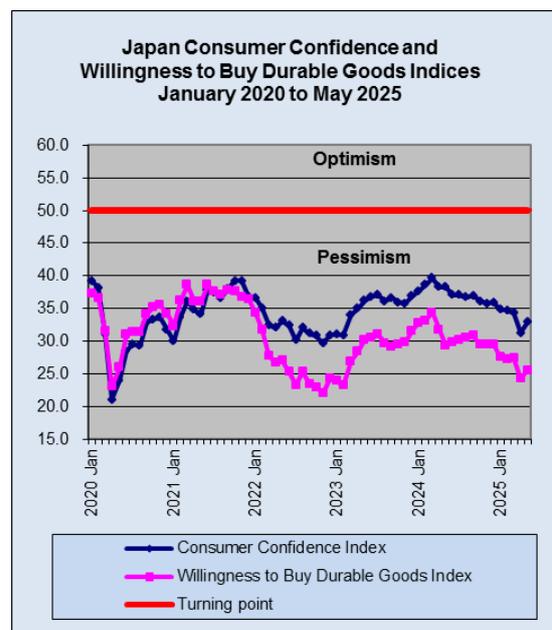
Non-manufacturers' sentiment remains positive

In the most recent Bank of Japan ‘Tankan Survey’ (April 2025) business sentiment among large Japanese manufacturers weakened slightly. On the other hand, non-manufacturers' sentiment remained positive primarily due to robust inbound tourism and progress in passing on rising costs. The manufacturing sector faces challenges.

Subsidies cut – household costs rise

Japan's core consumer prices in April climbed 3.5% year on year, the fastest pace in more than two years. The rise was driven by reduced government utility subsidies and surging rice prices. The April increase in the core consumer price index (which excludes volatile fresh food) followed a 3.2 % rise in March and was the largest since January 2023. Inflation has been well above the Bank of Japan's 2% percent target since April 2022.

See: <https://mainichi.jp/english/articles/20250523/p2g/00m/0bu/012000c>



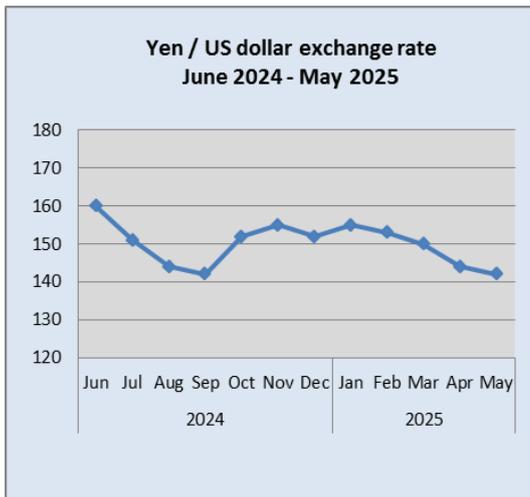
Data source: Cabinet Office, Japan

US and Japan agree - dollar-yen exchange rate reflects fundamentals

The Japanese Minister of Finance, Katsunobu Kato and US Treasury Secretary Scott Bessent, discussed currency issues during the ongoing bilateral tariff negotiations with both sides agreeing that the dollar-yen exchange rate, at present, reflects economic fundamentals and the yen's weakness against the dollar should no longer be an issue in the tariff talks.

It has been reported that during the recent meeting Kato said he expressed concern about the impact on the global economy and financial markets of the uncertainty created by the US administration's tariffs proposals saying using tariffs to deal with trade imbalances is inappropriate.

See: <https://mainichi.jp/english/articles/20250522/p2g/00m/0bu/007000c>



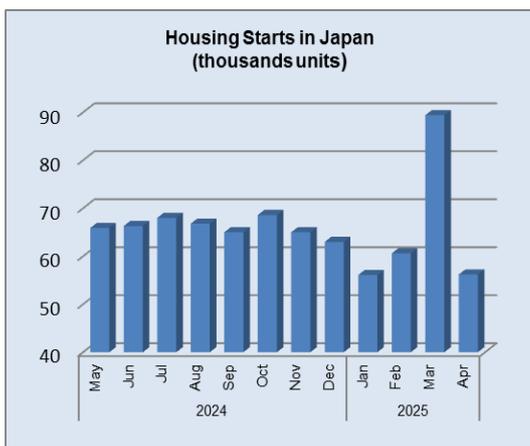
Data source: WSJ

Rental homes becoming more expensive

In March every year many companies relocate their workers and this period sees a surge in activity as both companies and individuals prepare for these moves. This practice is especially common among large corporations, government departments and professionals in industries such as finance, manufacturing and consulting.

Employees moving often receive assistance with relocation costs but the high demand during this period means moving services, rental prices and even temporary accommodation options become more expensive and difficult to book. For those relocating for work, early planning is essential to avoid last-minute price surges and limited housing options.

See: <https://e-housing.jp/post/understanding-japans-moving-season>

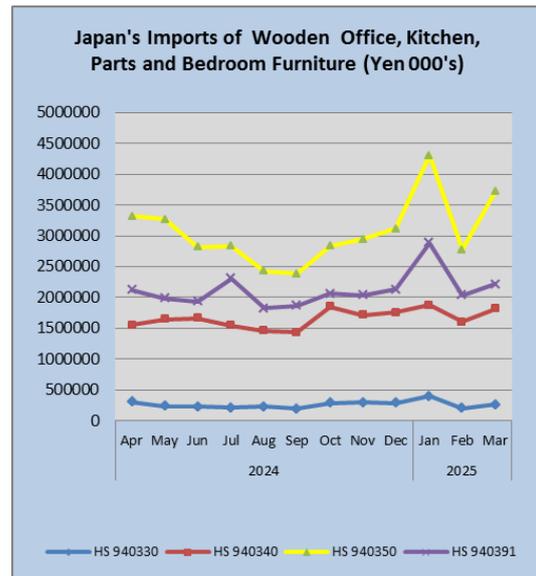


Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Caution, the reason for the March surge has not yet been identified. A reporting error cannot be ruled out.

Import update

Yen value of furniture imports



Data source: Ministry of Finance, Japan

March wooden office furniture imports (HS 940330)

In March shippers in China accounted for 84% of Japan's imports of wooden office furniture (HS 940330), up 30% on February. The other main source in March was Austria which accounted for 6% of total HS 940330 imports, a record high for Austria. The value of arrivals of wooden office furniture from Malaysia in March were little changed from the previous month while the value of arrivals from Indonesia cashed 65%.

Year on year, the value of Japan's imports of wooden office furniture in March was little changed while, compared to a month earlier there was a 29% rise in the value of imports.

March 2025 imports (HS 940330)

	Imports Mar 2025 Unit, 000's Yen
S. Korea	206
China	220,893
Taiwan P.o.C	763
Vietnam	1,023
Malaysia	9,571
Indonesia	3,271
Denmark	324
UK	436
Spain	4,173
Italy	389
Austria	14,942
Turkey	369
Canada	4,924
USA	2,682
Total	263,966

Data source: Ministry of Finance, Japan

March wooden kitchen furniture imports (HS 940340)

In March 2025 the combined value of shipments of wooden kitchen furniture (HS 940340) from the Philippines and Vietnam accounted for over 80% of Japan's imports of HS 940340. Shippers in the Philippines accounted for around 51% of total imports of wooden kitchen furniture in March with Viet Nam accounting for a further 32%, up 43% from February. T

he other shippers of note in March were China and Thailand which together accounted for around 11% of the value of HS940340 imports. March arrivals from China were almost 80% higher than in February and arrivals from Thailand were up 45% month on month.

Compared to a year earlier the value of March 2025 imports was little changed year on year however, the value of March imports was up 14% compared to February.

March kitchen wooden furniture imports (HS 940340)

	Imports Mar 2025 Unit, 000's Yen
S. Korea	2,479
China	114,229
Vietnam	611,791
Thailand	94,044
Malaysia	25,320
Philippines	935,786
Indonesia	14,743
UAE	1,295
Germany	6,637
Italy	9,908
Finland	793
Canada	3,305
Total	1,820,330

Data source: Ministry of Finance, Japan

March wooden furniture parts imports (HS 940391)

Shippers in China, Indonesia and Viet Nam accounted for most of Japan's imports of wooden furniture parts (HS 940391) in March 2025. Of the total value of HS 940391 imports 48% was delivered from China (up 24% mom) 17% from Indonesia and; 11% from Viet Nam.

The value of imports of HS 940391 from Italy, a major supplier in February, dropped 42% in March 2025 compared to a moth earlier.

The value of March 2025 imports was almost the same as in March 2024 but compared to a month earlier March 2025 imports rose 9%.

March wooden furniture parts imports (HS 940391)

	Imports Mar 2025 Unit, 000's Yen
S.Korea	60,022.0
China	1,084,643.0
Taiwan P.o.C	34,682.0
Vietnam	252,493.0
Thailand	78,566.0
Singapore	344.0
Malaysia	148,435.0
Philippines	7,131.0
Indonesia	370,994.0
Cambodia	2,974.0
Denmark	3,830.0
UK	7,351.0
Netherlands	2,332.0
France	215.0
Germany	9,960.0
Switzerland	299.0
Portugal	3,963.0
Spain	2,348.0
Italy	87,815.0
Finland	3,998.0
Poland	10,187.0
Austria	1,738.0
Hungary	1,727.0
Romania	8,077.0
Turkey	21,426.0
Czech Rep.	705.0
Slovakia	5,076.0
Canada	1,914.0
USA	2,377.0
Mexico	340.0
Total	2,215,962.0

Data source: Ministry of Finance, Japan

March wooden bedroom furniture imports (HS 940350)

The top two shippers of wooden bedroom furniture (HS 940350) to Japan in March 2025 were China (54%) and Vietnam (39%). Malaysia was the other shippers of note in March securing a 4% share of the value of imports.

March arrivals from China increased month on month by 40% with increase of over 40% from both Vietnam and Malaysia.

Compared to March 2024 there was little change in the value of imports in March 2025, however, there was a major correction as March 2025 import values surged compared to a month earlier bring the average import value for February and March in line with the upward trend seen in previous months.

March wooden bedroom furniture imports (HS 940350)

	Imports Mar 2025 Unit, 000's Yen
China	2,000,636
Vietnam	1,445,200
Thailand	42,364
Malaysia	153,681
Indonesia	33,696
Denmark	1,731
France	9,893
Italy	4,806
Poland	21,967
Austria	751
Romania	1,030
Turkey	431
Lithuania	764
USA	505
Total	3,717,455

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/

Orders for house builders

The orders at many major housing companies and house builders in March, 2025 exceed the orders of March, 2024. One of reasons of exceeding the last year's results is that the price for per house is higher than last year. Also, the companies ran promotions at the beginning of this year and it appears that early sales activities, conducted with an eye on the legal system reforms starting in April 2025, may have contributed to securing orders.

The housing market is shrinking and it is difficult to interpret the recovery of major companies' orders as a market trend.

The orders for apartment buildings at some companies are strong. Depending on the project, some negotiations that were delayed from February to March due to winter weather factors appear to have been finalized. As for detached houses, market outlook differs between companies.

Some companies have successfully driven sales through proactive marketing efforts. The orders for renovations are still firm. The application process for renovations of existing homes under the Housing Energy Efficiency 2025 Campaign began on March 31, 2025. Moving forward, renovation proposals utilizing subsidy programs are expected to become increasingly active.

Cedar logs for China

The export price of Japanese cedar logs to China is weakening. For Japanese cedar logs of 8 cm bigger, the price is around \$113, C&F per cbm, approximately \$7 lower than at the end of last year. The background of Trump administration in the U.S. imposing an additional 10% tariff on China on February 4 and another 10% on March 4, caused a significant slowdown in purchasing after the Lunar New Year.

Due to the ongoing appreciation of the yen, exporters have fallen into unprofitability, and the export volume is highly likely to shift towards a decline in the future.

The log price remains unchanged at around 12,000 yen, delivered to export port per cbm. The freight rate for a small vessel with a capacity of 2,800 cbms is around US\$50,000 per ship. The price has fallen from the year-end level of US\$60,000, but with the yen appreciating from around 153 yen per dollar at the end of the year to approximately 143 yen per dollar, export costs remain just under US \$120, leading to a deficit equal to the price decline.

The port inventory of Japanese cedar logs at Taicang Port, Jiangsu Province, China reportedly decreased from around 170,000 cbms in mid-March to below 140,000 cbms, which is believed to have led to a decline in exports from Japan.

1630,000 cbms of logs were exported to China from Japan last year and it was 15.6 % more than 2023. The export volume reached a record high. The export volume in January to February, 2025 is 278,559 cbms and it is 35.8% more than the same period last year.

Domestic lumber and logs

Domestic lumber continues to be in a tight supply-demand balance. Kanto region, inventory of small sized whitewood lumber at Tokyo port has been declining. Most of studs braces have been purchased precutting plants. As a result, prices have risen further enhancing the price advantage of cedar. Inquiries to cedar studs are still strong.

The price of cedar stud for precutting plants is 60,000–63,000 delivered per cbm. There is not enough cypress lumber delivered from Kyusyu region to Kanto region. The price of cypress sill for precutting plants is increasing slightly. At the same time, demand for B-grade cedar posts, foundation, and cedar studs with price advantages has been increasing month by month. A-grade lumber remains at high price levels as they need to align with the lower price range of imported materials.

The price of cypress log in the northern part of Kanto region and Chugoku region continued declining. Cedar logs for a post is 13,600 yen, delivered per cm in the northern part of Kanto region. This is 2,000 yen less than last month. In Kyushu region, it costs 16,000 yen, delivered per cbm and it costs 14,5000 yen, delivered per cbm in Tohoku region.

Cypress log for a post in Chugoku region is 25,000 yen, delivered per cbm and for a sill is 23,000 yen, delivered per cbm. This is 1,000 – 2,000 yen more than the previous month. Cypress log for a sill in the northern part of Kanto regions is 24,000 yen and it is 23,800 yen in Shikoku region. The price of a cypress log is 6,000 yen more than last year. The price of a cedar log in the northern part of Kanto region is around 1,000 yen less than last year.

Special feature

In 2024, the total value of U.S. lumber imports was approximately 3.5 trillion yen, with 49% of the imports coming from Canada. Following Canada, China accounted for 8% of U.S. lumber imports in 2024, while Brazil, Chile, and Vietnam each accounted for 7%. Japan's lumber exports to the U.S. totaled 5.1 billion yen in 2024, accounting for only 0.2% of total U.S. imports. Additionally, a certain amount of processed wood products destined for the U.S. are included in exports via China.

The U.S. has designated certain exclusion items, including pharmaceuticals, semiconductors, and timber such as logs, lumber, plywood and wooden boards. For highly processed wooden products like wooden fixtures, specific exemptions apply, while other less-processed timber products remain subject to the current tariff rates. Given the relatively small trade volume, the direct impact on forestry product transactions between Japan and the U.S. is expected to be limited.

However, what kind of repercussions will Japan face due to trade friction between the U.S. and Canada, and how will the intensification of trade friction between the U.S. and China impact the global economy? There are concerns about how China's suspension of U.S. log imports, which effectively serves as a retaliatory measure, will impact major timber-producing countries such as New Zealand.

In 2024, the total U.S. trade deficit amounted to \$1.2117 trillion, with China accounting for over 20% (approximately US\$245.4 billion). Mexico and Vietnam followed as major contributors to the deficit."

In the timber and wood products sector, China imported US\$1.628 billion worth of goods from the U.S., while its exports to the U.S. amounted to US\$2.944 billion. As a result, the U.S. recorded a trade deficit of US\$1.316 billion. It cannot be simply determined from the data of both countries, but the proportion of timber-related trade in the U.S.-China trade deficit is only 0.5%.

However, on March 4, China announced a ban on imported logs from the U.S., citing concerns over insect damages. It is a retaliatory measure against the high tariffs imposed by the United States.

The top imported timber in China consists of radiata pine logs from New Zealand, which make up 49.6% of total log imports, and sawn timber from Russia, accounting for 45.8% of total sawn timber imports.

Both categories together represent nearly half of China's total timber imports. Imports from the United States rank second for logs and fourth for sawn timber.

China has stopped importing logs from the United States, leaving the key question of where to source alternative timber. radiata pine from N Z and Australia, where friendly relations have been restored, are viable alternatives. It will be interesting to see how much Japan's softwood log exports can grow in the timber import market. China's domestic timber demand, its role as an export hub for the United States, and currency exchange rate trends are all key factors to watch.

For China, securing hardwood is likely a bigger challenge than sourcing softwood. China exports a range of wood-based products to the United States, including furniture, parquet flooring, fixtures, home equipment, and picture frames. These wood-based exports make up 85% of the total export value.

China has become one of the world's largest plywood exporters. In 2024, China's plywood exports totaled cbms, which is 2.8 times Japan's total domestic and imported supply. China exported 308,000 cbms plywood to China and this is 2.4 % of all plywood exports. China exported plywood to the U.K. the most and it was 784,000 cbms but it is still 6.1 % of all plywood exports.

Japanese logs

The impact of Trump-era tariffs on log exports primarily affects local manufacturers in China who process Japanese cedar logs and export them to the United States. Recent log export performance remains strong, with total exports in January–February 2025 reaching 302,000 cbms, marking a 31% increase year-over-year.

Notably, 90% of these exports are destined for China. However, some Chinese manufacturers have reportedly put their orders for Japanese cedar logs on hold.

China's halt on log imports from the U.S. has heightened expectations for NZ radiata pine, which remains a major source of imported logs. As a result, Japanese cedar logs have also seen increased interest from buyers looking for alternative supplies.

The tariff on wood exports from China to the United States has increased from 25% to 45% as of March. However, cedar fencing materials have been granted an exemption from reciprocal tariffs. Additionally, highly processed wooden products such as wooden fixtures are subject to reciprocal tariffs. If these wood exports from China to the U.S. decline, there is a possibility that Japan's log exports to China could also slow down.

China

Decline in China's sawnwood imports

According to China Customs, sawnwood imports in the first quarter of 2025 totalled 5.84 million cubic metres valued at US\$1.504 billion, down 13% in volume and 10% in value compared to the first quarter of 2024. The average price for imported sawnwood was US\$258 (CIF) per cubic metre, up 4% over the same period of 2024.

Of total sawnwood imports, sawn softwood imports dropped 18% to 3.55 million cubic metres and accounted for 61% of the national total. The average price for imported sawn softwood rose 3% to US\$206 (CIF) per cubic metre over the same period of 2024.

Sawn hardwood imports dropped 4% to 2.28 million cubic metres, accounting for 39% of the national total. The average price for imported sawn hardwood increased 1.3% to US\$337 (CIF) per cubic metre over the same period of 2024.

Of total sawn hardwood imports, tropical sawnwood imports were 1.69 million cubic metres valued at US\$459 million CIF, down 8% in volume and 10% in value from the same period of 2024 and accounted for 29% of total sawnwood import volumes. The average price for imported tropical sawnwood was US\$272 CIF per cubic metre, down 3% from the same period of 2024.

China's sawnwood import in the first quarter of 2025

Volume	2025 Q1	% change
	mil. cu.m	YoY
Total sawnwood imports	5.84	-13%
Sawn softwood	3.55	-18%
All sawn hardwood	2.28	-4%
Of which tropical	1.69	-8%

Data source: China Customs

Value of China's sawnwood imports in the first quarter of 2025

Value	2025 Q1	% change
	US\$ mil	YoY
Total sawnwood imports	1504	-10%
Sawn softwood	733	-16%
All sawn hardwood	771	-2%
Of which tropical	459	-10%

Data source: China Customs

Average sawnwood CIF prices, in the first quarter of 2025

CIF price	2025 Q1	% change
	US\$ per cu.m	YoY
Total sawnwood imports	258	4%
Sawn softwood	206	3%
All sawn hardwood	337	1.3%
Of which tropical	272	-3%

Data source: China Customs

Decline in sawnwood imports from top suppliers

Russia was the largest supplier of China's sawnwood imports in the first quarter of 2025. The proportion of China's sawnwood imports from Russia accounted for 46% of the total sawnwood import volume.

Thailand was the second largest supplier of China's sawnwood imports in the first quarter of 2025. The proportion of China's sawnwood imports from Thailand accounted for 19% of the total sawnwood imports volume.

China's sawnwood imports from the two top countries, Russia and Thailand, accounted for 65% of the national total in the first quarter of 2025.

China's sawnwood imports from Russia and Thailand fell 7% and 9% respectively in the first quarter of 2025. In addition, China's sawnwood imports from the top suppliers, such as Canada, Belarus, Gabon and Sweden reduced 39%, 18%, 15% and 30% respectively in the first quarter of 2025.

All of the above-mentioned declines directly resulted in the large decline of the total sawnwood imports over the same period of 2024. Although China's sawnwood imports from the United States and the Philippines have increased (4% and 2% respectively) this failed to reverse the downward trend of China's sawnwood imports in the first quarter of 2025.

The reasons for the significant decline in China's sawnwood imports are numerous such as the tariff friction between China and the United States, the introduction of stricter production standards by the European Union, the impact of the adjustment of the origin policy in Southeast Asia along the supply chain.

Also sharp fluctuations in international transportation costs have led to an increase in sawnwood prices internationally and raised the costs of China's sawnwood imports.

Due to the weakness of China's real estate market the willingness for development and investment is sluggish and as a result the domestic demand for sawnwood is weak. In the first quarter of 2025 the newly started construction area of houses in China decreased by 24% year-on-year.

The investment and demand in major sawnwood consumption sectors such as construction and furniture manufacturing decreased, resulting in a significant reduction in China's sawnwood imports.

Major sawnwood suppliers in the first quarter of 2025 (vol.)

Supplier	000' cu.m	YoY % change
Total	5,839	-13%
Russia	2,715	-7%
Thailand	1,115	-9%
USA	277	4%
Canada	233	-39%
Belarus	218	-18%
Philippines	192	2%
Gabon	137	-15%
Sweden	130	-30%

Data source: China Customs

Major log suppliers in the first quarter of 2025 (value)

Supplier	US\$ mil.	YoY % change
Total	1,504	-10%
Russia	579	-7%
Thailand	289	-5%
USA	181	9%
Canada	53	-25%
Belarus	43	-12%
Philippines	14	-0.4%
Gabon	46	-24%
Sweden	28	-24%

Data source: China Customs

Main sawn softwood sources, first quarter of 2025

China's sawn softwood imports from all of the top suppliers fell at fast rates in the first quarter of 2025 which resulted in the larger decline of the total sawn softwood imports over the same period of 2024. China's sawn softwood imports fell 18% largely in the first quarter of 2025.

Russia is still the largest supplier for China's sawn softwood imports. 70% of China's sawn softwood is from Russia but sawn softwood imports from Russia fell 8% to 2.505 million cubic metres in the first quarter of 2025.

China's sawn softwood imports from Canada, Belarus, Sweden, Finland, Brazil, Chile and Germany decreased 41%, 18%, 30%, 59%, 10%, 26% and 72% respectively in the first quarter of 2025.

Main sawn softwood sources, 2025 Q1

Supplier	000s cu.m	YoY % change
Total	3,554	-18%
Russia	2,505	-8%
Canada	218	-41%
Belarus	218	-18%
Sweden	130	-30%
Finland	92	-59%
Brazil	60	-10%
Chile	54	-26%
Germany	51	-72%

Data source: China Customs

Surge in sawn hardwood imports from PNG

Thailand is the largest supplier of China's sawn hardwood imports. Nearly 50% of China's sawn hardwood imports are from Thailand but China's sawn hardwood imports from Thailand dropped 9%, which directly resulted in the decline of the total sawn hardwood imports in the first quarter of 2025. In addition, China's sawn hardwood imports from Gabon and Myanmar dropped 15% and 29% respectively in the first quarter of 2025.

In contrast, China's sawn hardwood imports from the USA, Russia, the Philippines and Vietnam grew 3%, 5%, 2% and 23% respectively in the first quarter of 2025. It is worth noting that the volume of sawn hardwood imports from Papua New Guinea surged nearly 400% in the first quarter of 2025.

Main sawn hardwood sources, 2025 Q1

Supplier	000s cu.m	YoY % change
Total	2,285	-4%
Thailand	1,115	-9%
USA	234	3%
Russia	210	5%
Philippines	192	2%
Gabon	137	-15%
Myanmar	41	-29%
Vietnam	41	23%
PNG	35	397%

Data source: China Customs

Decline in tropical sawnwood imports

China's tropical sawnwood imports fell 8% to 1.689 million cubic meters in the first quarter of 2025. The top three suppliers for China's tropical sawnwood imports were Thailand (66%), the Philippines (11%) and Gabon (8%). 86% of China's tropical sawnwood imports were from these three countries in the first quarter of 2025.

China's tropical sawnwood imports from Thailand, the largest supplier, fell 9% in the first quarter of 2025, which directly resulted in the decrease of the national total tropical sawnwood imports in the first quarter of 2025. In addition, China's tropical sawnwood imports from Gabon, Myanmar, Malaysia, Cameroon and Indonesia dropped 15%, 29%, 17%, 40% and 55% respectively in the first quarter of 2025.

In contrast, China's tropical sawnwood imports from the Philippines, Vietnam and the Republic of Congo grew 2%, 8% and 25% respectively in the first quarter of 2025.

The volume of China's tropical sawnwood imports has not increased despite the reduction in prices in the first quarter of 2025.

The export volume from Thailand, as a traditional tropical sawnwood supplier, declined while emerging suppliers such as the Philippines, Vietnam and PNG have shown growth. This reflects that China's sources of tropical sawnwood are gradually diversifying.

Tropical sawnwood imports sources, 2025 Q1

Supplier	000s cu.m	YoY % change
Total	1,689	-8%
Thailand	1,115	-9%
Philippines	192	2%
Gabon	137	-15%
Myanmar	41	-29%
Vietnam	41	8%
PNG	35	397%
Malaysia	23	-17%
Cameroon	19	-40%
Rep. of Congo	16	25%
Indonesia	10	-55%

Data source: Customs, China

Decline in average CIF price for tropical sawnwood imports

The average CIF price for China's tropical sawnwood imports in the first quarter of 2025 declined by 3% to US\$272 per cubic metres over the same period of 2024.

The CIF price for China's tropical sawnwood imports from Thailand in the first quarter of 2025 rose 4% which is one of the main reasons for the decrease in the volume of tropical sawnwood imports from Thailand over the same period of 2024.

The CIF price for China's tropical sawnwood imports from the Philippines fell 3% which is one of the main reasons for the increase of China's tropical sawnwood imports from the Philippines in the first quarter of 2025.

The CIF price for China's tropical sawnwood imports from Gabon, Cameroon, the Republic of Congo and Indonesia dropped 10%, 11%, 20% and 23% respectively in the first quarter of 2025. In contrast, the CIF price for China's tropical sawnwood imports from Vietnam and Malaysia rose 7% and 3% respectively in the first quarter of 2025.

Average tropical sawnwood CIF prices, in the first quarter of 2025

Supplier	US\$ CIF	YoY % change
Average	272	-3%
Thailand	259	4%
Philippines	73	-3%
Gabon	332	-10%
Myanmar	608	-2%
Vietnam	441	7%
PNG	287	-0.10%
Malaysia	361	3%
Cameroon	449	-11%
Rep. of Congo	380	-20%
Indonesia	479	-23%

Data source: Customs, China

Frequent changes in US tariffs increase uncertainty

According to a press conference held by the China Council for the Promotion of International Trade (CCPIT) a recent survey conducted by the CCPIT among over 1,100 foreign trade enterprises nationwide revealed that the frequent changes in US tariff policies had significantly increased uncertainty, making it difficult for businesses to make long-term plans.

As a result, nearly 50% of the enterprises indicated that they would reduce their business with the US.

Meanwhile, 75% of the enterprises planned to expand into emerging markets to compensate for the decreased exports to the US.

China's wood production rises in first quarter

At a press conference held by China's Ministry of Natural Resources it was reported that in the first quarter of 2025 China's wood production reached 25.1741 million cubic metres marking an increase of 8% year-on-year.

According to customs data, from January to March 2025 China's cumulative import volume of logs and sawnwood was 13.906 million cubic metres, down by 11% compared to the same period last year and the import value was approximately 20.5 billion yuan, a decrease of 9% year-on-year.

During the same period, China's export value of furniture and parts earned 114.46 billion yuan marking a decline of 7% compared to the same period in 2024.

April GTI-China index

In April 2025 the GTI-China index registered 54%, a decrease of 4.0 percentage points from the previous month and has been above the critical value (50%) for 2 consecutive months indicating that the business prosperity of timber enterprises represented by the GTI-China index expanded from the previous month.

In April China's timber market was at the traditional peak season and the timber sector was generally on an upward trend with production volume and both domestic and international orders continued to rise.

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

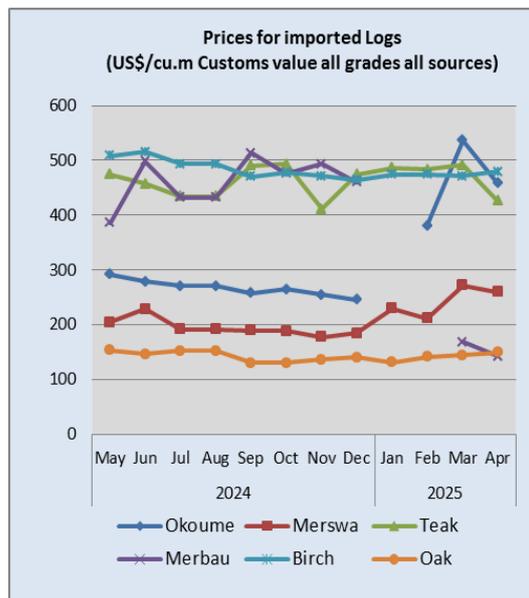
Compared to the previous month the indices for export orders, inventory of finished products and delivery time increased and the indices for production, new orders, existing orders, purchase quantity, purchase price, imports, inventory of main raw materials, employees and market expectation declined.

See: <https://www.itto-ggsc.org/static/upload/file/20250519/1747635226558660.pdf>

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

	2025 Mar	2025 Apr
Okoume	536	458
Merswa	272	260
Teak	491	426
Merbau	168	142
Birch	471	479
Oak	144	149

Data source: Customs, China

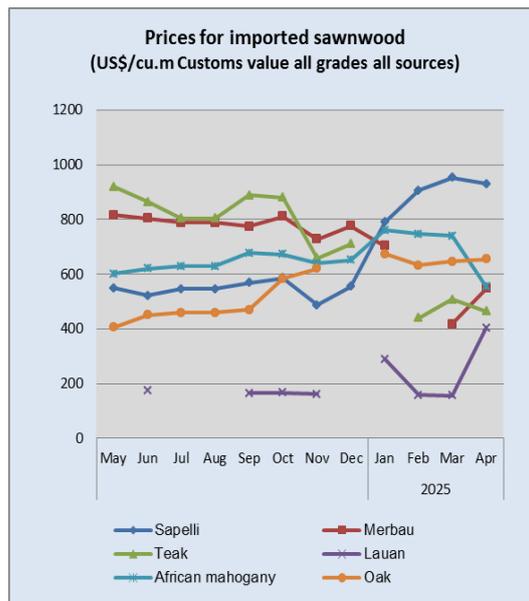


Data source: Customs, China

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

	2025 Mar	2025 Apr
Sapelli	953	930
Merbau	417	548
Teak	507	464
Lauan	156	403
African mahogany	739	554
Oak	547	655

Data source: Customs, China



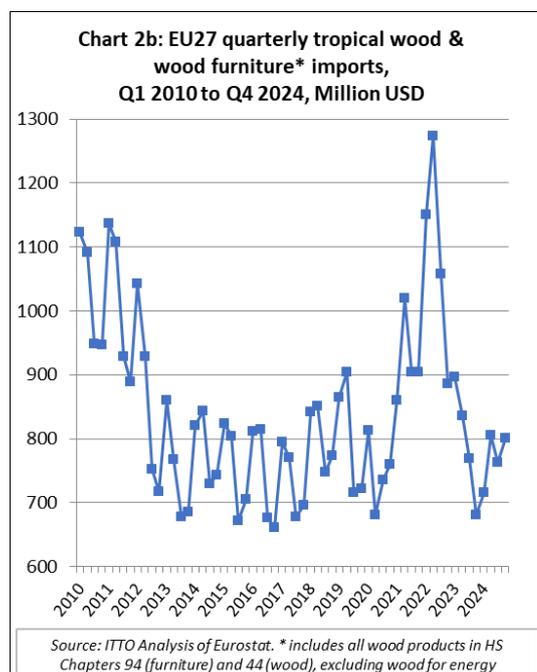
Data source: Customs, China

EU tropical wood imports at a low ebb in the first quarter of 2025

The EU27 imported 373,200 tonnes of tropical wood and wooden furniture in the first quarter of 2025, 11% more than the same quarter in 2024. This gain seems less impressive when it is considered that EU imports were at an all-time low at the start of 2024.

Imports in the first three months of this year were also down 5% compared to the fourth quarter of 2024. Import tonnage during the first three months of this year remained well below quarterly trade figures typical during the pre-pandemic 2013-2019 period.

EU27 import value of tropical wood and wooden furniture in the first quarter of 2025 was USD809 million, 1% more than the previous quarter and 13% up on the same quarter in 2024. In value terms, imports during the first quarter of 2025 were more closely aligned with those of the pre-pandemic 2013-2019 period (Chart 2b).



Some slight signs of warming in the European economy

The slow pace of EU tropical wood and wooden furniture imports in the first quarter of 2025 is disappointing after such a long period of low trade and at a time when there were emerging signs of economic recovery in the region.

The European Commission Spring Forecast published on 19 May reveals that the EU economy grew by 0.4% in the fourth quarter of last year, slightly surpassing the EC's autumn projections. For the whole of 2024, GDP growth in the EU reached 1.0%.

The volume of government consumption expanded vigorously and provided a larger-than-expected contribution to EU growth at the end of last year, mainly through employment growth in the government sector.

Growth in private consumption also exceeded expectations towards the end of the year, driven by solid increases in disposable income as the economy added over 1.7 million jobs, and nominal wages recovered the purchasing power lost to surging inflation. Net exports also bolstered EU growth, buoyed by a robust rise in services exports. The EU's economic expansion continued in the first quarter of this year, with real GDP growth increasing by 0.3%.

The EC's expectations for GDP growth in the EU during the rest of this year are now tempered by the impact of increased tariffs and the heightened uncertainty caused by the recent abrupt changes in US trade policy and the unpredictability of the tariffs' final configuration. GDP growth in the EU in 2025 is currently projected at 1.1%, only a marginal gain compared to 2024 and representing a considerable downgrade compared to the Autumn 2024 Forecast.

This forecast assumes that the high tariffs announced on 2 April will not be reinstated and that US tariffs on imports from the EU and nearly all other countries will stay at 10% (the level generally applied on 9 April), except for higher tariffs on steel, aluminium, and cars (25%), and exemptions on some products like pharmaceuticals and microprocessors.

There is a much uncertainty around these assumptions at time of writing in the last week of May. There is a huge amount at stake in on-going trade negotiations between the US and EU which, if not successfully concluded by the 8 July deadline mutually agreed by the parties, could lead to the imposition of tariffs as high as 50% for a large proportion of bilateral EU-US goods trade.

Even more far-reaching and mutually destructive restrictions could potentially be imposed on bilateral trade in services. Given that total EU-US trade in goods and services was valued at €1.6 trillion in 2023, the impact of a breakdown in these on-going negotiations for the wider global economy would be considerable.

Slow eurozone construction puts the brakes on wood consumption

The weakness of the EU construction sector continues to be a particularly significant drag on EU demand for all timber products. Forward-looking indices show that EU construction activity continues to decline. The HCOB Eurozone Construction PMI Total Activity Index, a seasonally adjusted index tracking monthly changes in total industry activity, posted 44.8 in March and 46.0 in April, both well below the boundary line (at 50) separating growth from contraction.

The latest downturn extends the current sequence of falling activity to 36 months. The only good news is that the decline in April 2025 was the softest since February 2023. The slower decline largely reflected a softer reduction in Germany, while the contraction in France strengthened slightly. Meanwhile, activity in Italy broadly stalled over the month.

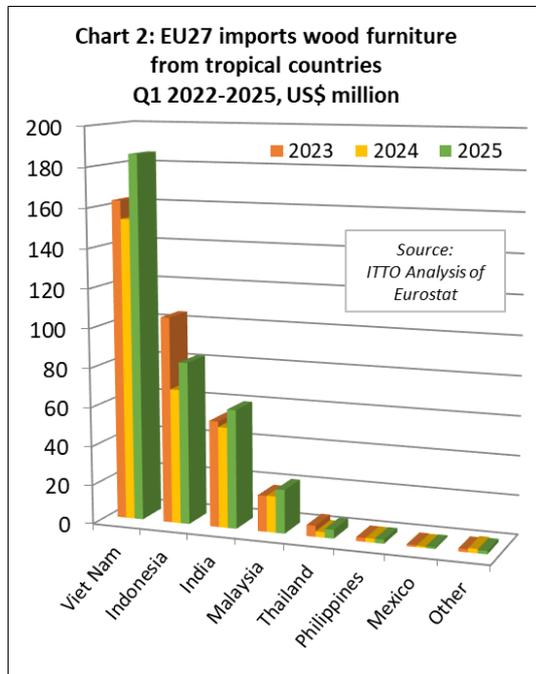
Lower output was broad-based in nature across the three monitored sectors covered by the report. Housing once again posted the sharpest decline, though the latest reduction was the softest in 26 months. Commercial and civil engineering activity also saw softer contractions over the month, though both remained solid overall.

Increase in EU27 tropical wooden furniture imports in Q1 2025

The EU27 imported 84,000 tonnes of wooden furniture from tropical countries with a total value of USD361 million in the first quarter of 2025. Import quantity and value were up 18% and 20% respectively compared to the same period in 2024.

In the first quarter of 2025, EU27 import value of wooden furniture increased from all major supply countries including Vietnam (+21% to USD185.8 million), Indonesia (+20% to USD82.8 million), India (+18% to USD60.7 million), Malaysia (+20% to USD22.3 million), Thailand (+59% to USD4.5 million), the Philippines (+2% to USD2.1 million), and Mexico (+18% to USD0.9 million).

EU27 wooden furniture imports from all other tropical countries were negligible during the quarter (Chart 2).

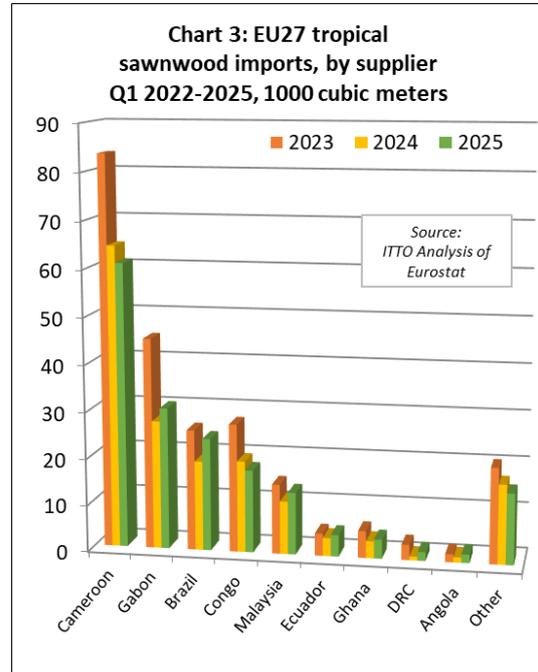


EU27 imports of tropical sawnwood just surpass last year's record low

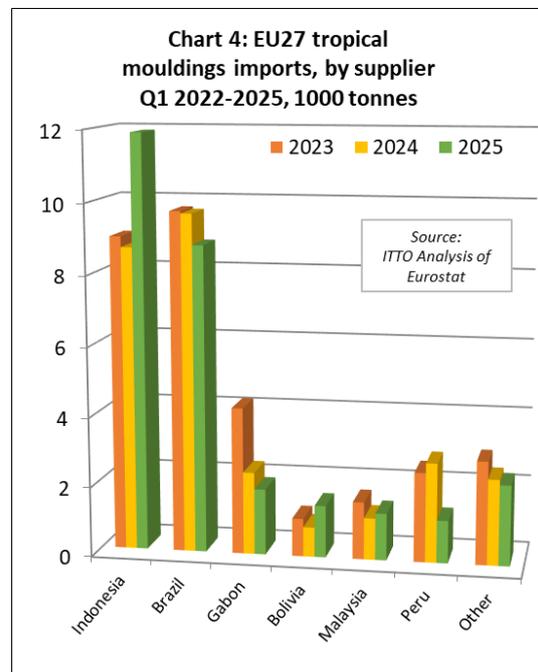
The EU27 imported 174,000 cu.m of tropical sawnwood with a total value of USD158.3 million in the first quarter of 2025, respectively 3% and 5% more than the same period in 2024.

Tropical sawnwood imports were down in the first three months of 2025 compared to the same period last year from Cameroon (-6% to 60,900 cu.m), the Republic of Congo (-10% to 17,700 cu.m), and Côte d'Ivoire (-43% to 1,400 cu.m).

However imports were up from all other major supply countries including Gabon (+10% to 30,300 cu.m), Brazil (+26% to 24,100 cu.m), Malaysia (+17% to 13,300 cu.m), Ecuador (+19% to 4,600 cu.m), Ghana (+12% to 4,100 cu.m), the Democratic Republic of Congo (+126% to 1,900 cu.m), and Angola (+59% to 1,800 cu.m) (Chart 3).



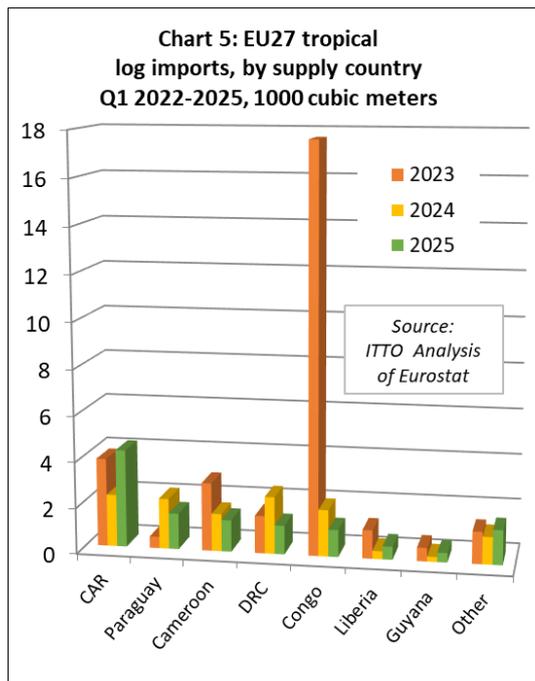
The EU27 imported 28,900 tonnes of tropical mouldings/decking with a total value of USD51 million in the first quarter of 2025, respectively 3% and 4% more than the same period last year. The increase was driven by a rise in imports from Indonesia (+37% to 11,900 tonnes), Bolivia (+76% to 1,500 tonnes), and Malaysia (+13% to 1,300 tonnes). Imports declined from Brazil (-9% to 8,800 tonnes), Gabon (-203% to 1,900 tonnes), and Peru (-57% to 1,200 tonnes) (Chart 4).



The EU27 imported 12,100 cu.m of tropical logs with a total value of USD6.2 million in the first quarter of 2025, respectively 2% and 14% less than the same period in 2024.

The decline in trade partly reflects progressively tightening measures to curtail log exports from Central Africa. In the first quarter of 2025, EU27 log imports fell from Cameroon (-15% to 1,400 cu.m), the Democratic Republic of Congo (-49% to 1,300 cu.m), and the Republic of Congo (-42% to 1,200 cu.m).

Logs imports were also down from Paraguay, by 29% to 1,600 cu.m. However, these losses were partly offset by increases from the Central African Republic (+88% to 4,300 cu.m), Liberia (+63% to 600 cu.m), and Guyana (+88% to 400 cu.m) (Chart 5).

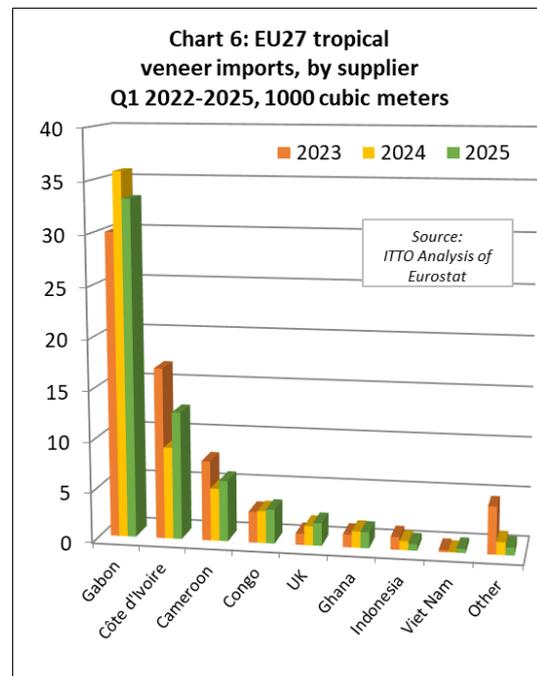


Slightly better start to the year for EU imports of tropical panels and joinery products

The EU27 imported 60,800 cu.m of tropical veneer with a total value of USD40.9 million in the first quarter of 2025, respectively up 3% and 1% compared to the same period last year.

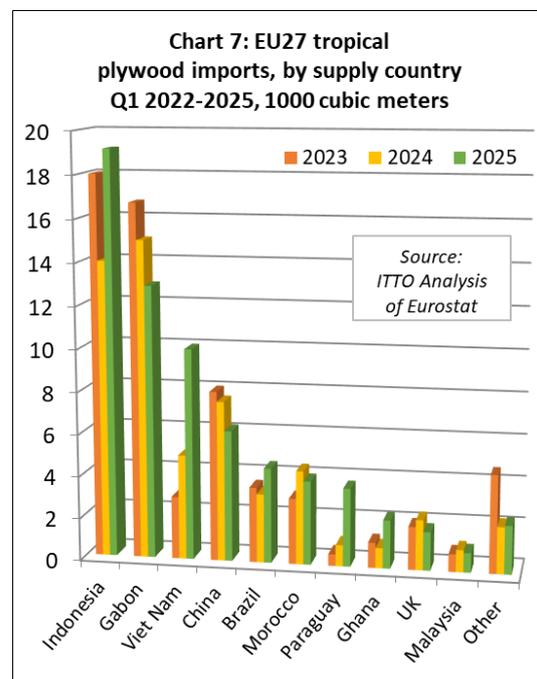
Imports of tropical veneer decreased 7% to 33,200 cu.m from Gabon, the largest supplier, during the three month period. They were also down from Ghana (-2% to 1,600 cu.m) and Indonesia (-28% to 600 cu.m) during the period.

However, EU27 imports increased in the first quarter of 2025 from Côte d'Ivoire (+39% to 12,600 cu.m), Cameroon (+15% to 6,000 cu.m), the Republic of Congo (+6% to 3,400 cu.m), the UK (+17% to 2,200 cu.m), and Vietnam (+523% to 400 cu.m) (Chart 6).



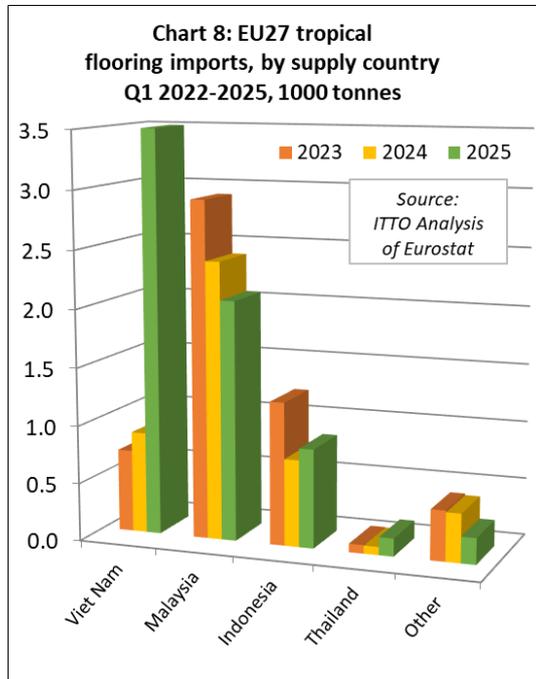
The EU27 imported 67,800 cu.m of tropical plywood with a total value of USD47.4 million in the first quarter of 2025, up 19% and 11% respectively compared to the same period in 2024. Imports increased during the three-month period from Indonesia (+37% to 19,200 cu.m), Vietnam (+101% to 10,000 cu.m), Brazil (+38% to 4,500 cu.m), Paraguay (+267% to 3,700 cu.m), and Ghana (+139% to 2,300 cu.m).

However, these gains were partly offset in the first quarter by declining imports from Gabon (-14% to 12,900 cu.m), China (-18% to 6,200 cu.m), Morocco (-10% to 4,000 cu.m), the UK (-23% to 1,800 cu.m), and Malaysia (-12% to 900 cu.m) (Chart 7).



The EU27 imported 6,800 tonnes of tropical wood flooring with a total value of USD15.5 million in the first quarter of 2025, up 51% and 29% respectively compared to the same period in 2024. Imports of 3,500 tonnes from Vietnam in the first quarter this year were nearly 300% more than the same period last year.

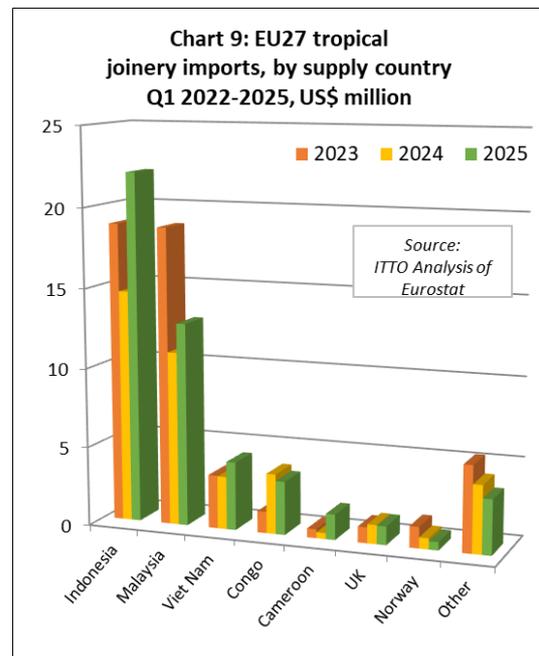
Imports also increased from Indonesia (+14% to 900 tonnes) and Thailand (+121% to 200 tonnes), but were down from Malaysia (-14% to 2,100 tonnes) (Chart 9).



EU27 import value of other joinery products from tropical countries - mainly laminated window scantlings, kitchen tops and wood doors – was USD49.3 million in the first quarter of 2025, 26% more than the same period last year. Import quantity was up 31% to 21,800 tonnes in the same period.

Import values increased from Indonesia (+51% to USD22.1 million), Malaysia (+17% to USD12.8 million), and Vietnam (+29% to USD4.3 million).

EU import value of laminated joinery products increased from Cameroon in the first quarter this year, rising 324% to USD1.6 million. However, imports from the Republic of Congo began this year more slowly than last, being down 11% at USD1.6 million. Indirect imports from the UK also fell, by 2% to USD1.2 million (Chart 9).



EUDR updated guidance documents

On 15 April, the European Commission (EC) issued an updated versions of the EUDR Frequently Asked Questions (FAQ) and EUDR Guidance Document which supersede the previous versions issued in October 2024. The EC state that the main purpose of the latest guidance is to provide “additional simplification measures” including:

- Allowing large companies to reuse existing due diligence statements when goods, previously on the EU market, are reimported.
- Allowing an “authorised representative” to submit a due diligence statement on behalf of members of company group.
- Allowing companies to submit due diligence statements annually instead of for every shipment or batch placed on the EU market.
- Clarification of ‘ascertaining’ that due diligence has been carried out, so that large companies downstream in the EU benefit from simplified obligations.

The latest FAQ document and updated Guidance document are available respectively at:

- <https://circabc.europa.eu/ui/group/34861680-e799-4d7c-bbad-da83c45da458/library/e126f816-844b-41a9-89ef-cb2a33b6aa56/details>
- https://environment.ec.europa.eu/document/5dc7aa19-e58f-42a3-bbbe-f0eb2e5a1d3a_en

Results of EUDR country benchmarking released

On 22 May, the EU announced its classification of countries into low, standard and high risk for purposes of implementing EUDR ahead of its application at the end of 2025. According to the European Commission:

- The benchmarking system classifies countries according to the level of risk of producing commodities covered by the scope of EUDR that are not deforestation-free.

- All countries have been assessed based on quantitative criteria set out in Article 29(3) of the EUDR and using the latest available data from the Global Forest Resources Assessment dataset of the Food and Agriculture Organization of the United Nations (FAO FRA)
- The benchmarking will facilitate EU operators' due diligence processes and enable EU competent authorities to effectively monitor and enforce compliance. Additionally, it will incentivise countries to improve the sustainability of their agricultural production systems and minimise their deforestation impact.
- The risk classification defines the extent of compliance checks that Member States' competent authorities foresee among operators sourcing from different countries (1% for 'low risk', 3% for 'standard risk' and 9% for 'high risk').
- Sourcing from low-risk countries entails simplified due diligence obligations for operators and traders. This means that they need to collect information for due diligence purposes but not assess and mitigate risks.
- The benchmarking process will be dynamic, with a first review scheduled for 2026. This review is intended to take account of the updated FAO FRA data, expected to be published in October 2025.

The classification has been adopted through an implementing act, accompanied by a Staff Working Document outlining the benchmarking methodology. All these documents, including the annex summarising the risk rating of individual countries are available at:

See: https://environment.ec.europa.eu/publications/commission-implementing-regulation-laying-down-rules-application-deforestation-regulation_en

and

https://green-forum.ec.europa.eu/deforestation-regulation-implementation/eudr-cooperation-and-partnerships/country-classification-list_en

Selva Maya Tropical Timber Trade Mission 2024 – Final report

In the early February ITTO Market Report the Selva Maya mission was reported. The final report of the mission is now available. The Selva Maya Tropical Timber Trade Mission 2024 aimed to promote the international trade of sustainably sourced tropical timber from forest communities in the Selva Maya region spanning Petén, Guatemala and the Yucatán Peninsula, Mexico, while fostering strategic alliances and knowledge exchange along the tropical timber value chain.

See:

https://docs.google.com/document/d/1cTqSJMtR6cJeC4fBh86d0gFgF4q_toDfRcJnn_Zaw9Q/edit?tab=t.0

North America

Housing starts tick up but single-family starts lag

US home building rebounded a little in April regaining some of the ground lost in March, as the Trump administration's trade tariffs and their effect on building materials hit the construction sector. Housing starts, a gauge of new residential construction, rose 1.6% in April to 1.36 million, according to the Commerce Department.

Single-family housing starts, which account for the bulk of home building, dropped 2% to a seasonally adjusted annual rate of 927,000 units in April, the lowest level since July 2024. The Commerce Department also reported that permits for future home construction fell sharply last month. Permits for future construction of single-family housing declined 5.1% to a rate of 922,000 units in April.

"Builders are hitting the brakes this year in response to high uncertainty for costs and future demand," said Ben Ayers, a senior economist at Nationwide. "In addition to still-elevated mortgage rates, the building inventory within the existing home market may weigh on homebuyer interest in new builds."

This environment makes it risky for home builders to start new projects, especially for time-consuming multi-family structures. We expect starts to fade further over the summer as conditions remain challenging for builder profitability."

A National Association of Home Builders survey showed sentiment among single-family home builders plunged to a 1-1/2-year low in May, with 78% of builders reporting "difficulties pricing their homes recently due to uncertainty around material prices."

Though the US and China have de-escalated their trade war uncertainty remains over what happens after the 90-day truce they agreed on. There is also no clarity on the fate of country-specific duties which were delayed until July.

In Canada, the annual pace of housing starts in April rose 30% compared with March. The Canadian national housing agency says the seasonally adjusted annual rate of housing starts for April was 278,606 units, up from 214,205 in March. That pace is 16% higher than that of April 2024.

See: <https://www.census.gov/construction/nrc/current/index.html> and <https://www.wsj.com/articles/u-s-housing-starts-ticked-up-in-april-f37aea8c>

Home sales drop to slowest April pace in 16 years

The spring housing market continues to struggle amid high interest rates and low consumer confidence. Sales of previously owned homes in April fell 0.5% from March to a seasonally adjusted, annualised rate of 4 million units, according to the National Association of Realtors.

That is the slowest April pace since 2009. Sales were down 2% from April of last year. Housing economists were expecting a gain of 2.7%.

"Home sales have been at 75% of normal or pre-pandemic activity for the past three years, even with seven million jobs added to the economy," said Lawrence Yun, NAR's chief economist. "Pent-up housing demand continues to grow, though not realised. Any meaningful decline in mortgage rates will help release this demand."

Inventory jumped 9% month to month to a 4.4-month supply and is now at its highest level in five years. But that is still below the six-month supply which is considered a balanced market.

In April, existing-home sales in the Northeast fell 2.0% from March to an annual rate of 480,000, identical to April 2024.

In the Midwest, existing-home sales improved 2.1% in April to an annual rate of 970,000, down 1.0% from the prior year.

Existing-home sales in the South were unchanged from March at an annual rate of 1.81 million in April, down 3.2% from one year before. And, in the West, existing-home sales contracted 3.9% in April to an annual rate of 740,000, down 1.3% from a year ago.

See: <https://www.nar.realtor/newsroom/existing-home-sales-edged-lower-by-0-5-in-april>

US economy contracted in Q1, first GDP pullback in 3 years

The US economy contracted for the first time in three years to start 2025 as a surge in imports dragged down GDP and prices increased more than forecast.

The Bureau of Economic Analysis' advance estimate of first quarter US gross domestic product (GDP) showed economic growth contracted at an annualized rate of 0.3% during the year's first three months, more than the 0.2% decline expected by economists surveyed by Bloomberg. The reading came in significantly lower than the 2.4% rate of growth seen in the fourth quarter of 2024. This marked the first quarter of negative GDP growth since the first quarter of 2022.

The decline was driven by a large surge in imports, which are a subtraction in the calculation of GDP. Imports surged at an annualized rate of 41.3% in the first quarter as companies front-loaded orders ahead of anticipated tariffs from the Trump administration.

"Trade was a huge influence," PNC Financial Services Group chief economist Gus Faucher said. "We saw companies bringing in a lot of imports to try to get ahead of tariffs. We saw a huge build in inventories. But when you look at underlying demand consumer spending growth, that was still pretty solid."

See: <https://www.bea.gov/news/2025/gross-domestic-product-1st-quarter-2025-advance-estimate>

US job market stays strong

US hiring remained sturdy in April as the economy added 177,000 jobs despite jitters over import tariffs and widening federal government layoffs.

But payroll gains for February and March were revised down sharply, at least partly offsetting the big jump last month. So far this year, monthly job gains are averaging 143,000, down from 168,000 in 2024 but a solid figure considering heightened uncertainty over the Trump administration's economic policies and stock market turmoil. Federal employment declined by 9,000 in a sign that sweeping cuts by the Department of Government Efficiency (DOGE) are starting to crimp the jobs numbers. The manufacturing sector lost 1,000 jobs in April while construction showed little or no change for the month.

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

<https://www.msn.com/en-us/money/markets/april-jobs-report-employers-added-robust-177000-jobs-as-trumps-tariffs-kicked-in/ar-AA1E2WnI?ocid=BingNewsVerp>

Consumer confidence slumps as inflation worries rise

US consumer sentiment deteriorated further in May with one-year inflation expectations soaring to levels last seen in late 1981 amid escalating fears over the economic impact of the President's trade policy. The University of Michigan's consumer sentiment index dropped to 50.8 this month, the lowest level since June 2022, from a final reading of 52.2 in April.

The survey showed a significant decline in morale among Republicans, suggesting that even Trump's base was becoming concerned with the president's sweeping tariffs which led retail giant Walmart to warn that it would start raising prices at the end of month because of increased costs from import duties.

It was the first time that sentiment dropped among Republicans since the November election. The continued slump in overall sentiment and jump in inflation expectations suggested a retrenchment in consumer spending was probably underway that could temper economists' expectations for a rebound in economic growth this quarter.

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

US manufacturing slows - furniture and wood products see largest decline

Economic activity in the US manufacturing sector contracted for a second consecutive month in April, according to the latest Manufacturing ISM Report on Business by the Institute for Supply Management. The Manufacturing Purchasing Managers' Index (PMI) registered 48.7%, down from 49% in March.

A reading below 50% indicates contraction. The April figure reflects weakening demand, declining production, and continued employment cutbacks across much of the sector.

The Wood Products industry and the Furniture & Related Products industry were cited as the two categories reporting the largest contraction in April. Six of the 18 manufacturing industries surveyed by ISM reported contraction in April while 11 industries, led by Apparel, reported growth.

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

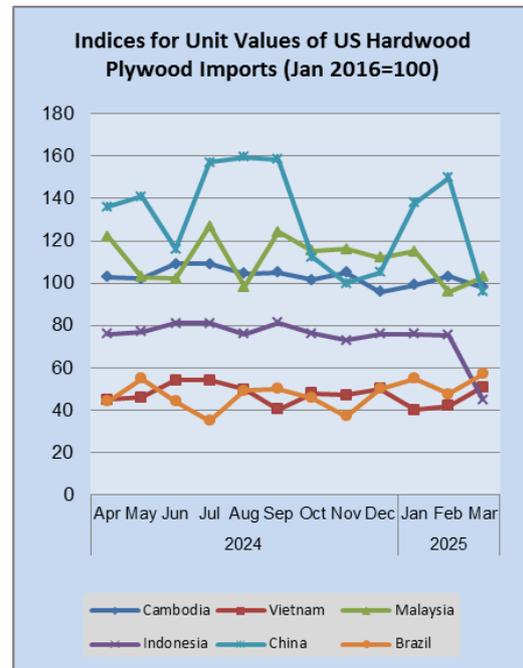
Cabinet sales fell

Manufacturers reported an almost 5% drop in overall cabinet sales for the first quarter of 2025 according to the Kitchen Cabinet Manufacturers Association's March Trend of Business report.

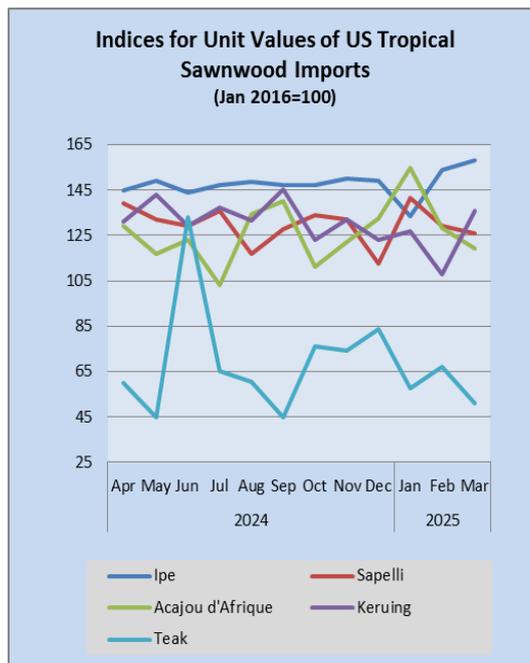
Sales totaled nearly US\$580 million in January-March, down from nearly US\$610 million in sales for the same period in 2024. Unit volume was down 14.5% for the quarter, falling from 1.78 million units in Q1 2024 to 1.53 million units this year.

In March, total sales rose 12.5% from February's sales but were 4.0% short of sales for last March. Stock sales were particularly slow, down 2.0% from the previous month and 21% from March 2024.

See: https://kcma.org/sites/default/files/styles/max_1300x1300/public/2025-05/trend%20of%20business%20-%20newsletter.jpg?itok=tMC4r_53



Data source: US Census Bureau, Foreign Trade Statistics



Data source: US Census Bureau, Foreign Trade Statistics

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

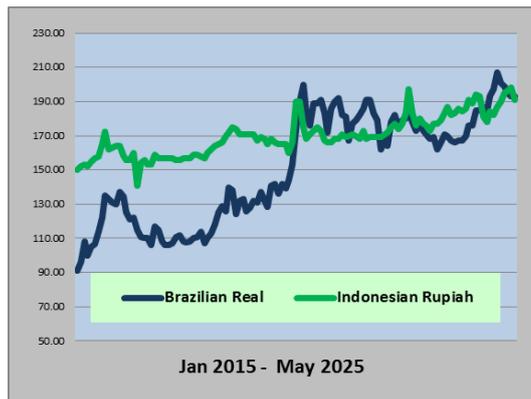
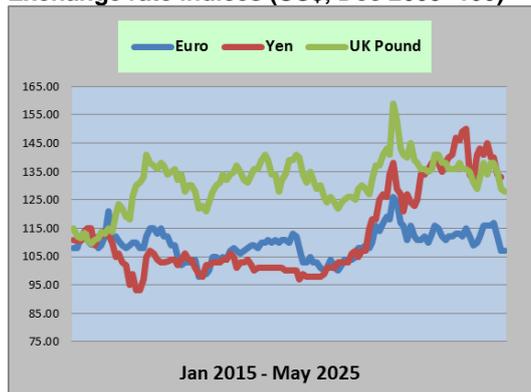
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

US Dollar Exchange Rates

As of 25 May 2025

Brazil	Real	5.67
CFA countries	CFA Franc	50.447
China	Yuan	7.19
Euro area	Euro	0.889
India	Rupee	85.12
Indonesia	Rupiah	16,257
Japan	Yen	142.85
Malaysia	Ringgit	4.22
Peru	Sol	3.51
UK	Pound	0.74
South Korea	Won	1,369.44

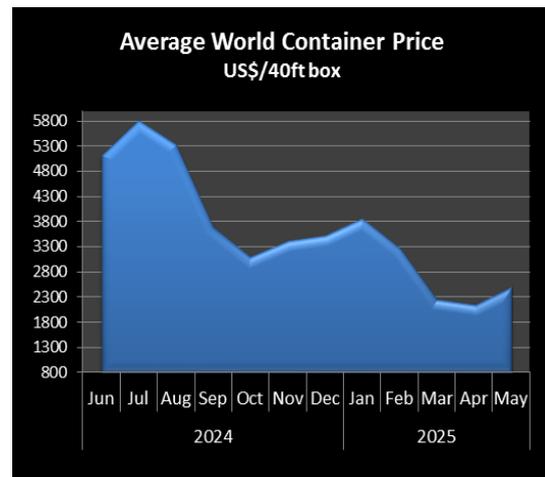
Exchange rate indices (US\$, Dec 2003=100)



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

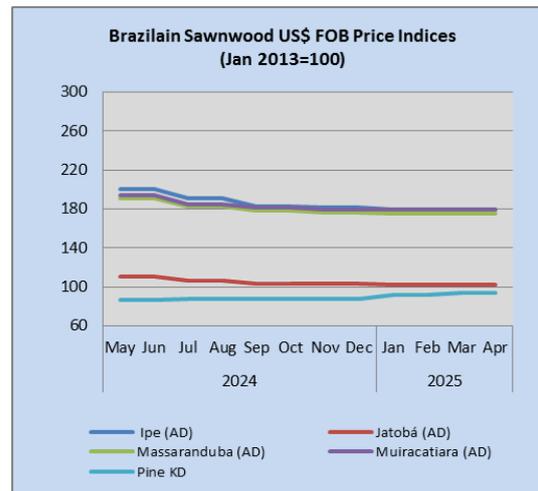
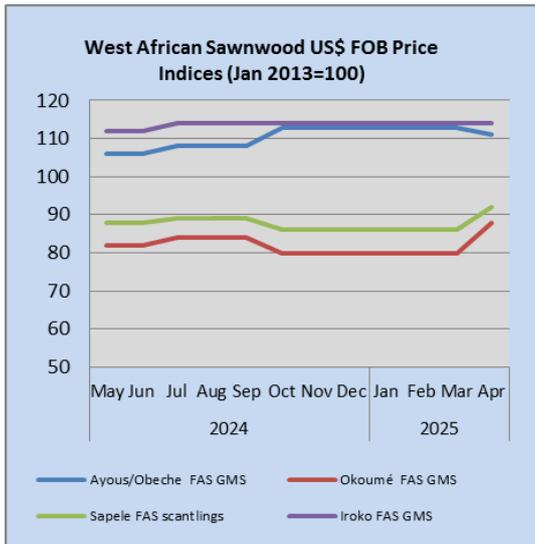
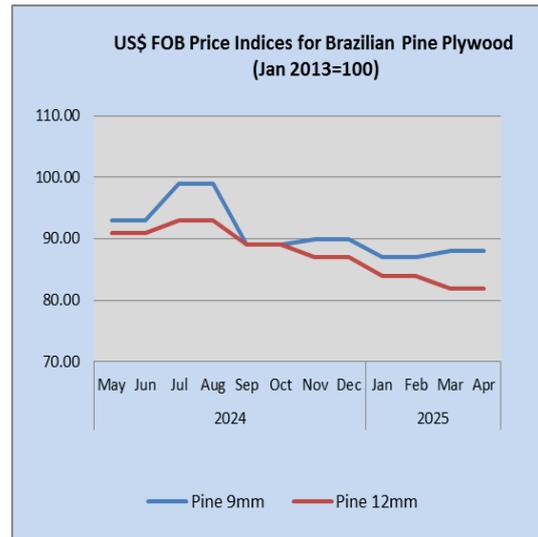
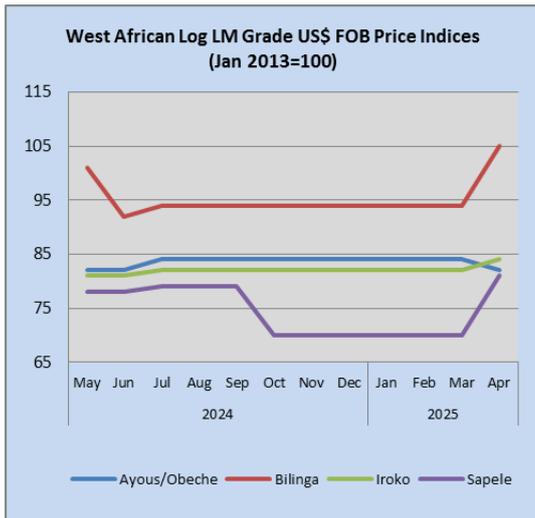


Data source: Drewry World Container Index

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.

To have a free copy of this twice-monthly ITTO Market Information Service bulletin emailed to you on the day of production, please register at:

http://www.itto.int/en/mis_registration

