

Tropical Timber Market Report

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Top stories

Indonesia posts double-digit growth in timber exports

Wood product manufacturers achieved 14% growth in exports in the first quarter of 2021. Exports to the US and China in the first quarter of this year jumped over 30%.

Vietnam sees phenomenal first quarter export growth

Wood, forest and wood product export earnings in the first quarter of 2021 reached US\$3.944 billion, an increase of 41% over the same period in 2020 according to the Vietnam Administration of Forestry.

Pages 5 and 7

Questions hang over Cameroon’s forest information management system

On 1 April 2021 the Ministry of Forest and Wildlife in Cameroon launched the second generation Forest Information Management System (SIGIF2). Despite reservations expressed by the European Union, which considers SIGIF2 will not satisfy the EUTR, MINOF is confident the new system will be efficient.

Through the application of SIGIF2 the Ministry expects to gain reliable information on forestry production which will improve tax collection. The Ministry of Finance has reported the outstanding unpaid forest taxes in 2018 topped CFA5.1 billion and in 2019 were around CFA4.8 billion.

See: <https://www.businessincameroon.com/economy/0604-11439-cameroon-new-forest-information-management-system-will-boost-revenues-minof-says> and <https://www.atibt.org/en/news/12967/position-of-european-partners-on-sigif-2-in-cameroon>

Roads washed out and rail track weakened by rain

Continuing heavy rain in Cameroon is disrupting forest production. Rain has washed out roads and weakened the rail track bed which has led to derailments. Rail transport is an option in Cameroon but the track is very old and needs replacing.

The authorities in Cameroon have issued a call for expression of interest for technical studies in the framework of the reconstruction of the Douala-Yaoundé railway line. This reconstruction is part of a regional project aimed at improving the Douala-Ndjamena Rail-Road Corridor.

Container shortage bites

All West African shippers are suffering from a lack of containers for exports. The shipping companies are struggling to meet demand. According to Bloomberg, most shipping containers are made in China and manufacturers there suffered a collapse in orders in early 2020.

The recovery in global trade came so quick that container box makers in China were unable to raise production fast enough and this led to shortages and is part of the reason for soaring freight rates.

The shortage of shipping opportunities in West Africa may improve if the purchase of NileDutch by Hapag-Lloyd goes through. Hapag-Lloyd hopes to capture a larger share of the West African market. NileDutch is one of the leading providers of container services from and to West Africa.

See: <https://www.sdexec.com/transportation/ocean-ports-carriers/news/21331071/hapaglloyd-hapaglloyd-targets-west-africa-market-with-acquisition>

Another lockdown in Gabon

The government in Gabon has announced another 45 day lockdown as there has been a rise in the number of infections. Truck drivers delivering timber to the port have to be tested every 7 days at a cost of CFA30,000 per test. The test and result takes 2 days which now means drivers cannot make two runs every week. One possible solution proposed by drivers is that the limit on night time trucking be eased.

In other news from Gabon, a review of export duties on wood products has been under review since last year. Industry sources say there are proposals for an increase and instead of the amount being determined from the declared export price it could be based on a product price determined by the government.

Industrial action that began with Ministry of Forest staff has now apparently spilled over to the Finance Ministry. This, say exporters, is adding to the delays in export document processing.

Saving Kevazingo

A project which aims to demonstrate the social, ecological and economic importance of Kevazingo has been underway in Gabon for around 8 months and involves capacity building project for the effective involvement of non-state stakeholders. The project is supported by the FAO-EU FLEGT Programme and the NGO Brainforest conducted training in Woleu-Ntem and Ogooué-Ivindo Provinces.

See: <https://www.manandnature.org/les-projets-soutenus/524-cameroun-gabon-soutenu-fr>

log export prices

West African logs	FOB Euro per cu.m		
	Asian market	LM	B BC/C
Acajou/ Khaya/N'Gollon	265	265	175
Ayous/Obeche/Wawa	250	250	225
Azobe & ekki	275	275	175
Belli	270	270	-
Bibolo/Dibétou	215	215	-
Bilinga	275	275	-
Iroko	300	280	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	220	220	220
Moabi	330	330	250
Movingui	180	180	-
Niove	160	160	-
Okan	200	200	-
Padouk	270	240	200
Sapele	260	260	200
Sipo/Utile	260	260	230
Tali	300	300	-

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	540
Okoumé FAS GMS	460
Merchantable	310
Std/Btr GMS	320
Sipo FAS GMS	420
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	900
FAS scantlings	950
Strips	350
Sapele FAS Spanish sizes	420
FAS scantlings	450
Iroko FAS GMS	600
Scantlings	620
Strips	370
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	550
Scantlings	600
Movingui FAS GMS	420

Ghana

Export update for January and February 2021

According to data from the Timber Industry Development Division (TIDD) of the Forestry Commission, year on year, exports of timber and wood products increased to 42,173 cu.m in the first two months of 2021, from 35,508 cu.m in the same period in 2020 representing an increase of 19% in export volumes. There was an almost 30% increase in export earnings over the same period.

Except for sliced and rotary veneer export volumes for sawnwood (AD and KD), billets, plywood (regional sales) and mouldings registered significant increases compared to the same products in 2020.

Export volumes, Jan-Feb (cu.m)

	Jan-Feb 2020	Jan-Feb 2021	% Change
Sawnwood (AD)	19,396	20,658	6.51
Sawnwood (KD)	5,916	6,070	2.60
Billets	2,641	8,254	212.53
Plywood	2,684	2,836	5.66
Mouldings	1,522	1,808	18.79
Sliced Veneer	1,432	1,328	-7.26
Rotary Veneer	1,811	918	-49.31
Others (5)	106	301	183.96
Total	35,508	42,173	18.77

Data source: TIDD

Revenue from wood products increased by close to 260% year-on-year during the first two-months of 2021 against that in 2020 with billets as the main drive of the increase.

Export values, Jan-Feb (000s Euro)

	Jan-Feb 2020	Jan-Feb 2021	% Change
Sawnwood (AD)	8,982	10,587	17.87
Sawnwood (KD)	3,537	4,104	16.03
Billets	960	3,453	259.69
Plywood	902	1,054	16.85
Mouldings	1,142	1,273	11.47
Sliced Veneer	1,377	1,597	15.98
Rotary Veneer	674	490	-27.3
Others (5)	65	136	109.23
Total	17,639	22,694	28.66

Data source: TIDD

Revenue inflows from air-dried lumber, kiln-dried lumber and billet accounted for 47%, 18% and 15% of the total receipts for January and February 2021.

The major markets for Ghana's wood products for the period were Asia (27,262 cu.m, 64% share), Europe (6,125 cu.m), Africa (4,633 cu.m), America (2,309 cu.m) and Middle East (1,843 cu.m). Teak, ceiba, wawa, denya and mahogany were the leading species exported from a total number of 36 species.

Planting 5 million trees in 2021

Ghana plans to plant about 5 millions trees across the country as part of efforts to restore the forest cover under the theme 'Plant a Tree to Green Ghana', to mark this year's International Day of Forests. In the 2021 budget statement the Minister of Finance indicated government's readiness to strengthen forest plantation establishment, restoration of degraded landscapes and implement the National Afforestation Programme.

Under the National Afforestation Programme in 2020, a total area of 11,287 ha. of forest plantations were established with ofram, emire, wawa, kokrodua, teak, cedrela, gmelina, cassia, eucalyptus and mahogany.

Minister to enforce ban on logging

The Minister for the Savannah Region in northern Ghana, Saeed Muhazu Jibril, has vowed to enforce the ban on commercial logging. The Minister announced this when presenting equipment to officials of the Mole National Park, Ghana's largest wildlife refuge. He said he will meet all paramount chiefs in the region to seek their support to enforce the ban. The Savannah Region is noted for its rosewood resources and for commercial charcoal production.

See: <https://www.modernghana.com/news/1073876/ill-enforce-ban-on-logging-savannah-regional.html>

Ghana Agriculture and Agro-processing Awards

One of the 26 companies to receive the Ghana Agriculture and Agro Processing Award was Samartex Timber and Plywood Co. Ltd. which was recognised as the Outstanding Wood Processing Company of the year.

This Award recognises the achievements of individuals and companies that play a significant role in the development of the agribusiness sectors.

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	530
Niangon Kiln dry	622

Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9mm)	FACE (>2mm)
Ceiba	315	441
Chenchen	540	631
Ogea	443	590
Essa	543	705
Ofram	350	435

Export sliced veneer

Sliced face veneer	FOB Euro per cu.m
Asanfina	910↓
Avodire	573
Chenchen	1,073↓
Mahogany	995↓
Makore	933↑
Odum	700

Export plywood prices

Plywood, FOB	Euro per cu.m		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	347	580	641
6mm	412	535	604
9mm	370↓	499	560
12mm	516	476	480
15mm	450	414	430
18mm	450	463	383

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

Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mm x 150mm up x 2.4m up		
Afromosia	860	925
Asanfina	465	564
Ceiba	404	600
Dahoma	482↑	592↓
Edinam (mixed redwood)	520	670
Emeri	540↑	609↑
African mahogany (Ivorenensis)	886	1060↑
Makore	740	755
Niangon	583	680↑
Odum	649	903↓
Sapele	720	742
Wawa 1C & Select	355	459

Malaysia

MTC defence against covid video

In a press release the Malaysian Timber Council (MTC) announced that, in collaboration with the Malaysian Furniture Council and the Malaysian Wood Moulding and Joinery Council, it has produced video highlighting measures that are central to combating the spread of the corona virus.

MTC has urged industry not to have a lax attitude and to continue to make certain that Standard Operating Procedures (SOPs) are adhered to in factories. The timber and furniture sectors in Malaysia have been successful in tackling the pandemic. They were among the few industries that were allowed to operate during the Movement Control Order (MCO) in effect since March last year. Factory operators were proactive in adopting the strict SOPs spelled out by the Malaysian National Security Council to help combat the spread of the virus.

Furniture export shipments held up – too few containers

The Muar Furniture Association (MFA) chairman, Steve Ong Yeou Huan, has stated that furniture manufacturers have been struggling to secure shipping containers for the past months and that this has led to delayed delivery of export orders.

He said exporters usually dispatch around 7,000 containers monthly but that now only about 5,000 containers get shipped. In addition to this problem the sector is facing rising raw material costs and of the 10 main raw materials used by furniture makers six have increased in price recently.

Consultation on the FSC National Forest Stewardship Standard of Malaysia

FSC Malaysia has launched the draft revised FSC National Forest Stewardship Standard (NFSS) of Malaysia for a public consultation, and convened a national consultative group to develop a position paper on the FSC Policy on Conversion. FSC Malaysia began conducting the consultation on the Malaysian NFSS on 1 April.

FSC Malaysia was launched in Kuala Lumpur in November 2014 to lead the development process for a NFSS to promote responsible management of forests in Malaysia. The Malaysian NFSS, based on the FSC Principles and Criteria (P&C) Version 5 was approved in August 2018, and became effective from April 2019 onwards.

Since the 2018 publication of the Malaysian NFSS there have been changes to the International Generic Indicators (IGI), Non-Timber Forest Products (NTFPs) and a National High Conservation Value (HCV) Framework which were not included in the earlier Malaysian NFSS.

See: <https://my.fsc.org/en-my/newsroom/id/77>

'Forest Beyond Timber' management concept

At an event to mark the state-level '2021 International Forest Day' in Kota Kinabalu, Sabah Chief Minister, Hajiji Noor, said economic resources from forests such as eco-tourism, payment for ecosystem services, mangrove and fisheries, carbon transactions, herbs and pharmaceuticals need to be studied and developed to ensure the resources are utilised better.

He added "New wealth from the forests must be explored and utilised through research and development based on the 'Forest Beyond Timber' management concept".

Hajiji also reported that over 100,000 hectares of degraded forests have been identified for restoration in Sabah and the State government has budgeted RM26.6 million in the 12th Malaysia Plan for forest rehabilitation and management.

Indonesia

Double-digit growth in timber exports

Indonesia notched up the remarkable feat of achieving double-digit growth from its forestry exports in the first quarter of this year despite the disruption of international demand. Indonesian wood product manufacturers achieved 14% growth in exports in the first quarter of 2021. Siti Nurbaya, the Minister of Environment and Forestry applauded this as an outstanding performance.

The Minister commented that the upstream and downstream forestry sector have benefitted from the easing of tax and non-tax policies and have adapted well to the new trading environment. She explained that Indonesia's forestry exports to the US and China in the first quarter of this year jumped over 30%.

See: <https://foresthints.news/indonesia-hits-double-digit-growth-in-forestry-exports-during-first-quarter>

Encouraging timber exports - First 'Export Chats' webinar

The Ministry of Trade through the Directorate General of National Export Development conducted the first of a series of export chat web seminars on 'Processed Timber Export Procedures'.

The Director General of National Export Development, Kasan, said that this programme is part of the government's response to global economic challenges and aims to motivate businesses to increase exports of added value wood products. The first 'web-chat' focused on procedures, regulations and markets for small and medium enterprises. Kasan said the government has simplified export procedures and accelerated processing of business licenses.

See: <https://www.kemendag.go.id/id/newsroom/trade-news/dorong-ekspor-kayu-olahan-kemendag-gelar-webinar-perdana-ngobrol-ekspor-1>

Chinese furniture association plans visit

Indonesia's Ambassador to China, Djauhari Oratmangun, has been involved in arranging a visit to Indonesia by a furniture association from China. The Ambassador commented that there is the potential for investment in an industrial park for furniture and other manufacturing companies.

See: <https://www.tribunnews.com/bisnis/2021/04/07/april-2021-asosiasi-furniture-china-akan-kunjungi-indonesia-untuk-investasi?page=2>

In related news, according to the Indonesian Minister of Trade, Indonesia and China are looking to triple bilateral trade over the next three years.

To achieve this the two countries plan to review the Bilateral Economic and Trade Cooperation (BETC) agreement of 2011 and restructure it as a Trade and Investment Framework Agreement (TIFA).

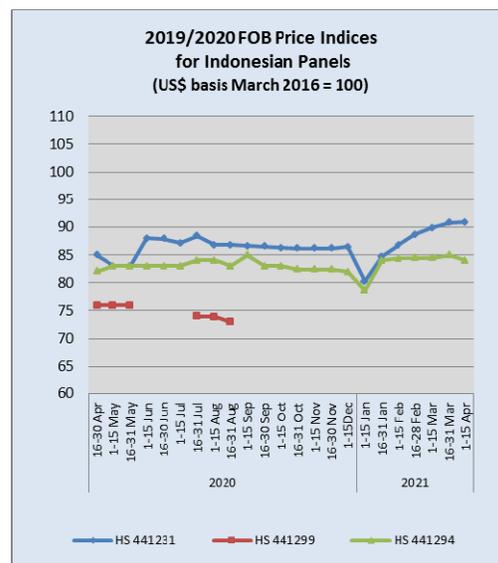
Recovery of SMEs a priority

Micro, small and medium-scale enterprises (MSME) contribute over 60% to national economic growth and absorbed a massive workforce of over 116 million according to Coordinating Economic Affairs Minister, Airlangga Hartarto. Recognising this government, said Hartarto, has focused on recovery of MSMEs and has allocated a budget of Rp699.43 trillion for the national economic recovery programme with around 25% to be channelled for MSMEs.

See: <https://en.vietnamplus.vn/indonesian-govt-accords-priority-to-msme-recovery-for-bolstering-economic-growth/199549.vnp>

New Ikea store to have section for local products

IKEA has opened a new store in Kota Baru Parahyangan on the outskirts of Bandung. Patrik Lindvall, the CEO of PT Rumah Mebel Nusantara which operates IKEA in Indonesia said the planning of the new store was done in cooperation with the West Java Governor and has a dedicated area for quality domestically made products.



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

Myanmar

It has not been possible to obtain news of the timber industry..

Urgent action needed to stop violence

The UN Country Team in Myanmar reiterated its call for an end to violence against civilians. “[We are] following events in Bago with reports of heavy artillery being used against civilians and medical treatment being denied to those injured”, the Country Team (UNCT) said in a Twitter posting. “The violence must cease immediately”, it stressed.

See: <https://news.un.org/en/story/2021/04/1089492>

Myanmar's military has rejected a request by U.N. special envoy, Christine Schraner Burgener, to visit the country. "I regret that Tatmadaw answered me yesterday that they are not ready to receive me," she says on Twitter, referring to the Myanmar military.

"I am ready for dialogue. Violence never leads to peaceful sustainable solutions."

See: <https://asia.nikkei.com/Spotlight/Myanmar-Coup/Myanmar-coup-latest-UN-envoy-remains-ready-to-meet-junta-despite-refusal>

Economic collapse

The Myanmar economy averaged 6% growth over the past 10 years but is now projected by the World Bank to shrink 10% in 2021.

Aaditya Mattoo, the World Bank's chief economist for Asia has been reported as saying “A 10% contraction in growth for a poor country seems to me disaster enough already.” Analysts at Fitch Solutions have projected a “conservative” 20% contraction for the 2020-21 fiscal year.

See: https://www.business-standard.com/article/international/myanmar-economy-likely-to-contract-up-to-20-as-crisis-looms-analysts-121041300053_1.html

India

Strong housing market in Q1

Compared to the final quarter of 2020 housing sales increased 12% in the first quarter of 2021 according to a report by PropTiger.com who noted that measures taken by the Central and State governments to boost buyer confidence have been effective.

The report ‘Real Insight - Q1CY21’ says 66,176 homes were sold in the first quarter of 2021. However, compared to the first quarter of 2020, home sales in the first quarter 2021 were down 5%.

The Group CEO of PropTiger.com, Dhruv Agarwala, pointed out that real estate companies have more confidence as liquidity support is available and buyer sentiment is recovering.

The Inspector General of Registration in Maharashtra reported a three-fold rise in property registrations in March. The reduction in stamp duty rates has lifted sentiment and spurred home buying.

See: <https://www.financialexpress.com/money/home-sales-rise-12-in-jan-march-quarter-amid-stamp-duty-home-loan-rate-cuts-report/2229249/>

Good growth prospects – IMF

The IMF has projected a 12.5% growth rate for India in 2021, the only major economy to have a positive growth rate last year. The annual World Economic Outlook, prepared for the spring meeting with the World Bank, says the Indian economy is expected to grow by 6.9% in 2022. In 2020, India's economy contracted by 8% according to the IMF.

India's exports and imports surged more than 50% from a year earlier in March but this was from a very low base. Data from the Ministry of Commerce shows that exports grew 58% to a record US\$34 billion and imports rose 53% to US\$48 billion in a month when global trade was disrupted by the week long closure of the Suez Canal.

See: <https://indianexpress.com/article/business/economy/imf-projects-indias-growth-rate-to-jump-to-impressive-12-5-per-cent-in-2021/>

New investments in particleboard production

The growing demand for particleboard, driven partly by increased purchases of ready to assemble furniture, is attracting investment in production by major companies. Currently, particleboard production is dominated by small sized producers but now some of the laminate manufacturers see an opportunity in panel production.

The Times of India has reported that the Gujarat Government has approved a proposal from Merino Laminates to establish a particleboard plant at Halol in Panchmahal district. Plyreporter has indicated that other high pressure decorative laminate producers are also considering moving to downstream panel production.

See: <https://timesofindia.indiatimes.com/city/ahmedabad/gujarat-govt-clears-rs-6k-cr-investments/articleshow/81160296.cms> and <http://emagazine.plyreporter.com/ply-reporter-march-2021/>

Red sanders seized

Recently two tonnes of red sanders worth Rs.17 crores (around US\$2 million) was siezed just as the timber was about to depart for Hong Kong via Dubai. Red sanders is in demand especially in China and Japan but it is available only in Seshachalam forests of Andhra Pradesh and is an endangered species.

Plantation teak log cost C&F Indian ports

	US\$/cu.m C&F
Benin	294-439
Brazil	430-511
Colombia	314-374
Ecuador	216-495
Ghana	358-485
Mexico	369-405
Panama	270-383
Tanzania	192-268
Togo	295-445

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,000-4,200
Balau	2,500-2,700
Resak	-
Kapur	-
Kempas	1,550-1,750
Red meranti	1,500-1,650
Radiata pine	850-890
Whitewood	850-890

Price range depends mainly on lengths and cross-sections

Sawn hardwood prices

Sawnwood, (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,750-1,850
Sycamore	1,850-2,000
Red Oak	2,100-2,200
White Oak	2,650-2,800
American Walnut	4,050-4,500
Hemlock STD grade	1,350-1,600
Western Red Cedar	2,350-2,450
Douglas Fir	1,850-2,000

Price range depends mainly on lengths and cross-sections.

Plywood demand set to expand

According to a report 'Indian Plywood Market: Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026' from the IMARC Group a market research company, the Indian plywood market was worth Rs222.5 Billion in 2020 and could expand over 4% annually up to 2026. The Indian plywood market is primarily driven by construction activity and the home furnishing sector. Growth in consumer disposable income levels along with the rising expenditure on home décor will support demand for wood based panels.

See: <https://www.imarcgroup.com/indian-plywood-market/requestsampl>

Plywood prices

The recently raised prices for plywood have been accepted by the market and now, after a long wait, manufacturers can breathe a sigh of relief. The improved prices, while not raising margins, do help compensate for the higher production costs due to rising raw material and labour costs.

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	73.00
6mm	101.00
9mm	120.00
12mm	151.00
15mm	200.00
18mm	220.00

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	48.00	69.00
6mm	69.00	86.00
9mm	86.00	105.00
12mm	105.00	125.00
15mm	125.00	151.00
19mm	147.00	170.00
5mm Flexible ply	93.00	

Vietnam

Phenomenal export growth in first quarter

Wood, forest and wood product export earnings in the first quarter of 2021 reached US\$3.944 billion, an increase of 41% over the same period in 2020 according to the Vietnam Administration of Forestry.

Of the total, the export revenue from wood and wood products stood at US\$3.699 billion, up 41% while the export revenue of other forestry products reached US\$243 million, up 38% over the same period last year.

High export growth in the first quarter of this year was achieved in Vietnam's main export markets such as the US, Japan, China, the Republic of Korea and the EU which account for 90% of Vietnam's forestry export value.

Meanwhile, imports of wood and wood products in the first three months of this year was estimated at US\$696 million, up 31% over the same period last year. The rise in the value of imports was due mainly to increased prices for raw materials.

The Ministry of Agriculture and Rural Development has asked the forestry sector to implement the “dual goals” of preventing the COVID-19 pandemic and promoting the export of products to achieve total export revenue of over US\$14.5 billion for the entirety of 2021.

See: <https://en.nhandan.org.vn/business/item/9754202-export-revenue-of-forestry-products-soars-41-in-first-quarter.html>

China the top investor in Vietnam’s timber industry

According to VNFOREST, over the first 3 months of 2021, there were 10 new wood product plants opened by foreign investors from 6 countries with a total invested capital of US\$112.51 million. China continued topping number of new FDI projects in the wood industry sector of Vietnam.

Out of the 10 new projects, 8 projects were for production of beds, cupboards and seats.

Investors from China accounted for half of the new projects at US\$13.86 million followed by Hong Kong (1 project for pallet production) Singapore (1 project for wood/plastic flooring production), Belize (1 project on indoor/outdoor furniture), South Korea (1 project on plantation establishment) and the British Virgin Islands (1 project on production of dining tables, seats, beds and cupboards).

In addition, in the first 3 months of 2021, there were 2 foreign investors which increased invested capital. One was Chinese which expanded composite flooring production capacity, the other was from Hong Kong which upscaled its kitchen and vanity production factory.

See: [3 tháng đầu năm 2021: Trung Quốc vẫn dẫn đầu về số dự án đầu tư vào Việt Nam trong ngành Gỗ \(goviet.org.vn\)](http://3 tháng đầu năm 2021: Trung Quốc vẫn dẫn đầu về số dự án đầu tư vào Việt Nam trong ngành Gỗ (goviet.org.vn))

Container charges a burden

As of March 2021 the cost container rental for export has more than doubled creating huge challenge for Vietnam’s wood industry. Nguyen Liem, CEO of Lam Viet Company (Binh Duong Province) which is exporting wooden furniture to EU and US, claims that in the past the container charge varied between US\$2,800– 3,000 but now it is between US\$11,000-13,000.

In 2021, with forecast exports worth around US\$14 billion, Vietnam will need 800,000 containers. Many say part of the reason for this container crisis is the herding of containers at Chinese ports (up to 50% of global containers).

See: <https://goviet.org.vn/bai-viet/xuat-nhap-khau-nganh-go-van-oan-vai-vi-cuoc-van-tai-bien-tang-cao-9266>

Vietnam’s Forestry development Strategy

On 4 April 2021 the Prime Minister approved the Vietnam Forestry Development Strategy for the period 2021-2030 with a vision to 2050. The strategy targets that by 2050 the forestry sector will have become a modern, effective and highly competitive sector bringing into full play the potentials and advantages of tropical forest resources with modern and environmentally friendly technology.

The sector will have created a diversified product range with high added value and will be a partner in global value supply chains.

In terms of the contribution to society the forestry sector will make an important contribution to building a safe and prosperous country; a green economy will be associated with forest resources, the traditional cultural identities and living space of ethnic minorities will be preserved and the sector will contribute to national defence and security.

On the environment, attention will be paid to sustainable forest management and long-term conservation of natural resources and biodiversity; ensuring environmental security, water source security, minimising land degradation and negative impacts of natural disasters, proactively responding to climate change and providing forest environment services; and participating in an active and responsible manner and fully implementing the signed international commitments.

See: Vietnam aims to become world leading forest product trading centre - Nhan Dan Online

E-commerce platform to boost trade with EU

The recent launch of a Vietnam/EU e-commerce platform (VEFTA) is expected to boost Vietnam’s exports to the EU market. Nguyen Kim Hung, Head of the Vietnam Institute of Business Administration and Digital Economy, said the platform will serve as a B2B marketplace helping connect Vietnamese firms and international trade partners, especially those from Europe.

Once completed, it will be directly linked with the existing e-commerce platforms of cities, provinces and sectors, he said, noting that the platform will also provide necessary information about trade agreements and policies regarding international trade.

See: <https://en.vietnamplus.vn/e-commerce-platform-a-boost-for-vietnams-exports-to-eu/199753.vnp>

Brazil

Corona surge to impact economy

A second wave of the corona pandemic is sweeping Brazil and is likely to impact economic activity in March, April and even into May says the Central Bank president, Roberto Campos Neto.

Brazilian Economy Minister, Paulo Guedes, said he expects the economy will be back on track in two to three months as the nationwide vaccination programme allows people back to get back to work.

Forestry sector job creation

According to the Brazilian Agriculture and Livestock Confederation (CNA) the agricultural sector created 32,986 new jobs in January this year, double the number created in January 2020.

Among the agricultural activities that contributed to the job creation the forest sector created 1,022 new jobs. This data is in line with private sector analysis which shows that, although the forest sector was hit by an unprecedented global crisis in 2020, it remained resilient.

Amazon task force

The 'Task Force in Defense of the Amazon' in the Attorney General's Office will operate for one more year according to the Brazilian Official Gazette after efforts by the Brazilian Institute for the Environment and Natural Resources and the Chico Mendes Institute for Biodiversity Conservation (ICMBio). The Legal Amazon task force was established in September 2019 to act on demands for the defense of public environmental policies.

To date, the task force has collected R\$3.11 billion from environmental violators to guarantee the recovery of 151,700 hectares in the states of Amazonas, Rondônia, Mato Grosso, Pará, Maranhão and Roraima in the Legal Amazon. Most of the cases involve logging companies and people who illegally transported, stored and traded timber without an environmental license.

Furniture exports grow in February

Brazilian furniture exports continued to rise in February according to data released by the Brazilian Furniture Industry Association (ABIMÓVEL) in partnership with the Brazilian Trade and Investment Promotion Agency.

2021 started well and international sales by the sector in February 2021 were 27% higher year on year. Specifically, exports of wooden furniture grew 29% in February with the United States, the main destination where demand expanded over 40%. The United States continues as the main export market for Brazilian furniture.

Furniture exports to Chile are also growing at a faster pace, more than doubling compared to February 2020. As a result Chile was the second placed destinations for Brazilian furniture exports.

Successful marketing in the Chilean market demonstrates that new opportunities for the national furniture sector can be created. Proximity and bilateral agreements between Brazil and Chile favour business development especially in light of the disruption to global trade and exchange rate issues for the Brazilian currency.

Reducing bureaucracy to support entrepreneurs

Provisional Measure (MP) N° 1.040 of March 29, 2021 published by the Federal government seeks to facilitate foreign trade operations in Brazil.

This complements the Economic Freedom Act (Lei da Liberdade Econômica) a set of measures to reduce bureaucracy and make life easier for entrepreneurs which came into force in September 2019. Flexibility in licensing processes should facilitate the entry of imported goods into Brazil.

The objective of the MP is to reduce the cases in which a license is required. The regulation prohibits Federal agencies from setting limits on the values of goods or services traded. The exceptions are the regulations and procedures for tax or customs under the jurisdiction of the Special Federal Revenue Secretariat of Brazil and the Ministry of Economy.

The government also ended the Integrated System of Foreign Trade Services (Siscoserv). Previously companies needed to use this system to inform the government of their operations abroad. Now, the information on such operations will be passed directly by the Central Bank and then on to the Ministry of Economy eliminating duplication.

It has been estimated the latest MP will help the private sector to save R\$3.5 billion per year by reducing bureaucracy and eliminating barriers to imports.

Domestic log prices

	US\$ per cu.m
Brazilian logs, mill yard, domestic	
Ipê	180
Jatoba	89
Massaranduba	81
Muiracatiara	83
Angelim Vermelho	79
Mixed redwood and white woods	66

Source: STCP Data Bank

Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	750
Jatoba	366
Massaranduba	363
Muiracatiara	323
Angelim Vermelho	323
Mixed red and white	217
Eucalyptus (AD)	164
Pine (AD)	108
Pine (KD)	135

Source: STCP Data Bank

Domestic plywood prices (excl. taxes)

	US\$ per cu.m
Parica	
4mm WBP	390
10mm WBP	343
15mm WBP	285
4mm MR.	330
10mm MR.	253
15mm MR.	225

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

	US\$ per cu.m
Domestic ex-mill prices	
15mm MDParticleboard	168
15mm MDF	207

Source: STCP Data Bank

Export sawnwood prices

	US\$ per cu.m
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	1,580
Jatoba	934
Massaranduba	915
Muiracatiara	919
Pine (KD)	188

Source: STCP Data Bank

Export plywood prices

	US\$ per cu.m
Pine plywood EU market, FOB	
9mm C/CC (WBP)	302
12mm C/CC (WBP)	248
15mm C/CC (WBP)	268
18mm C/CC (WBP)	255

Source: STCP Data Bank

Export prices for added value products

	US\$ per cu.m
FOB Belem/Paranagua ports	
Decking Boards Ipê	3,259
Jatoba	1,576

Source: STCP Data Bank

Peru

Adex: sustainable forest management would help reduce poverty

The president of the Exporters Association (Adex), Erik Fischer, has said one way to end social exclusion and fight extreme poverty is to value the Amazonian forests through sustainable forest management, so that jobs can be generated. He added that supervised forest concessions are a tool that can improve productivity and at the same time allow conservation of resources and generate economically profitable and environmentally sustainable jobs”.

He reiterated that most deforestation is a consequence of the burning of forests for subsistence agriculture and that after two years the areas are abandoned and new more fertile areas cleared. He added that there are more than 13 million hectares of communal lands but this resource has not become a source of development and well-being for these communities.

A report from the CIEN-Adex Global Business and Economy Research Center indicated that in 2020 the stock of direct and indirect jobs generated by the wood product export sector was 21,959, down 23% from 2019.

January export earnings

In January 2021 timber exports were valued at US\$7,227,000, a decline of 21% compared to the same month last year. The top five destinations in January were China (US\$2.31 million), France (US\$1.127 million) Mexico, the United States and Vietnam.

Businessmen - prioritise sustainable development in the Amazon

The president of a leading wood product manufacturing company has pointed out that, in recent years, deforestation has topped 200,000 hectares per year.

This, he said, brought no benefits and there has been no reforestation and claimed it was because there is no coordinated work between regional governments, the central government, entrepreneurs and international organisations. To change this he urges the government to establish priority actions in the Amazon for its sustainable development promoting three economic sectors: forestry, aquaculture and ecotourism.

A trans-Amazon train and infrastructure development that integrates Peru, Brazil and the Pacific would boost investments in reforestation, forest concessions, aquaculture, ecotourism, agribusiness and responsible exploitation of natural resources.

Currently the competitiveness of forestry businesses is undermined as freight costs to transport wood to the coast are between US\$60 and US\$250 per cubic metre. A trans-Amazon rail line would cut transport costs.

First plantation harvest in 2023

With almost 25,000 hectares of forest plantations in Ucayali Bosques Amazónicos (BAM) is preparing to serve the domestic market taking advantage of the Federico Basadre highway. The company will begin the first harvest in 2023.

With an estimated investment of US\$2 million between 2021 and 2022, the BAM nursery will have a capacity to produce 1.5 million seedlings per year to supply its operations in the Ucayali and Madre de Dios regions, selling the excess to third parties. The main species planted are Marupa, Capirona, Shihuahuaco and teak.

See: <https://gestion.pe/economia/empresas/moodys-bosques-calificacion-primera-cosecha-de-bosques-amazonicos-sera-en-el-2023-noticia/>

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	647-659
Virola 1-2" thick, length 6'-12' KD Grade 1, Mexican market	584-612
Grade 2, Mexican market	498-523
Cumaru 4" thick, 6'-11' length KD Central American market	992-1022
Asian market	1088-1111
Ishpingo (oak) 2" thick, 6'-8' length Spanish market	583-597
Dominican Republic	694-710
Marupa 1", 6-11 length KD Grade 1 Asian market	569-598

Domestic sawnwood prices

Peru sawnwood, domestic	US\$ per cu.m
Mahogany	-
Virola	241-265
Spanish Cedar	340-349↓
Marupa (simarouba)	237-242

Export veneer prices

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

Domestic plywood prices (excl. taxes)

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

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

Export prices for added value products

Peru, FOB strips for parquet	US\$ per cu.m
Cabreuva/estoraque KD12% S4S, Asian market	1327-1398
Cumaru KD, S4S	
Swedish market	986-1119
Asian market	1089-1119
Cumaru decking, AD, S4S E4S, US market	1204-1237
Pumaquiro KD Gr. 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	544-577
2x13x75cm, Asian market	756-822

Japan

Vaccination roll-out for elderly

Japan's vaccination programme began 12 April around four months after the start of inoculations in the United States and the United Kingdom. This delay has generated criticism of the government's handling of vaccine procurement.

Business sentiment tilts positive

Business sentiment among large companies has been improving and the 'Tankan' survey by the Bank of Japan (BoJ) said the index for big manufacturers was positive in March, a considerable improvement over the negative level in the December survey.

The 'tankan' measures corporate sentiment by subtracting the number of companies saying business conditions are negative from those responding they are positive.

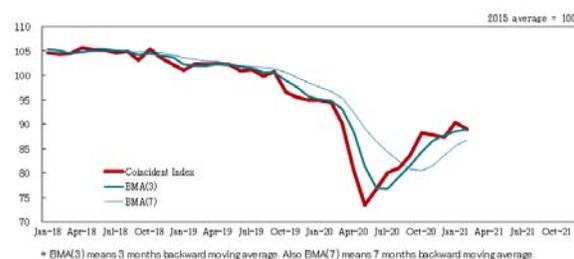
The March survey supports the view of the BoJ that the economy continues to recover "moderately".

Despite the growing optimism among large manufactures, small and medium sized companies are struggling and with less take-home pay and rising uncertainty over the direction of the pandemic retail sales are weak and fell for the third straight month in February.

Against this background the economy looks set to have contracted in the first quarter of 2021.

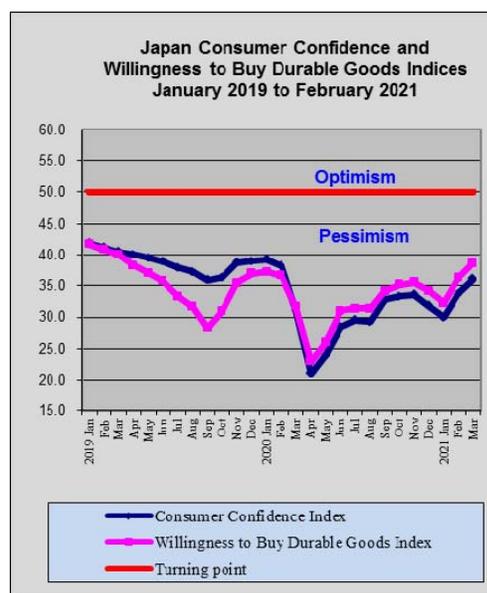
See:

<https://www.fxempire.com/forecasts/article/usd-jpy-fundamental-daily-forecast-data-indicates-japanese-economy-is-contracting-during-current-quarter-714517>



Start of vaccinations boosts consumer sentiment

Since the beginning of 2021 consumer confidence has been improving as has the willingness of consumers to purchase durable goods the purchase of which is the first to decline when times are tough. The rise in sentiment has been put down to the beginning of the corona vaccination programme in the country.

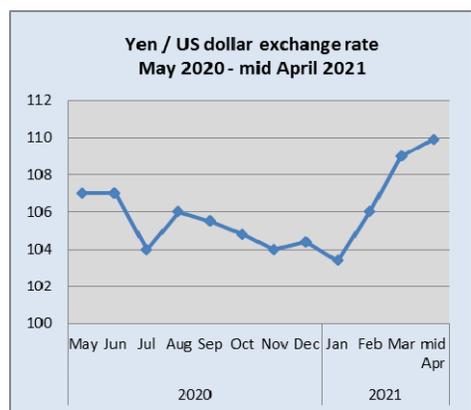


Data source: Ministry of Finance, Japan

Weak yen good news for Bank of Japan

Since the beginning of this year the yen/dollar exchange rate has been in the range 107-109 yen to the dollar. This exchange rate is welcome news for the Bank of Japan as it seeks to revive the export dependent economy.

The down side of the weaker yen is that the cost of imports rises and this could further dampen domestic retail sales which dropped a further 1.5% in February. It is anticipated that Japan's economy contracted in the first quarter partly due to falling consumer spending.



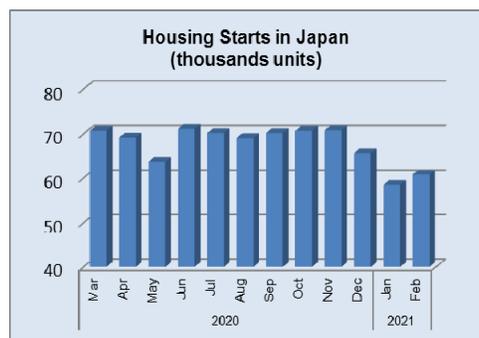
Foreign markets offer hope for house builders

A Japan Lumber Reports survey has found orders placed with the major builders in Japan was down 5% in February. This marks two consecutive monthly declines. In contrast the survey found builders of low cost homes are doing well with order values up by 12% in February marking ten consecutive monthly increases. See page13

With a declining and aging population Japanese house builders are developing strategies to maintain sales, one of which is to nurture overseas projects.

The Japanese house builder Sekisui House has partnered with Homes England and the UK developer Urban Splash to build over 400 modular homes on a site in Northstowe, Cambridgeshire, UK. This will be the first project completed by the three-way partnership.

See: <https://www.insidehousing.co.uk/news/news/japans-biggest-house-builder-delivers-400-modular-homes-in-homes-england-partnership-70046>



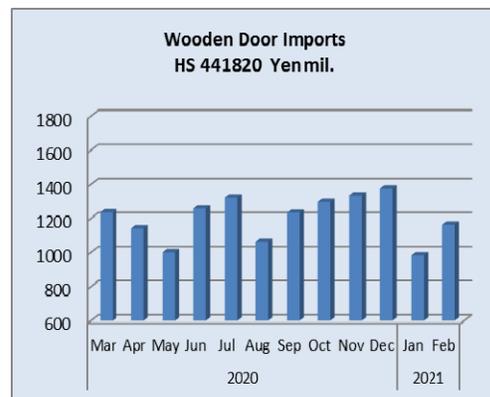
Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Import update

Wooden door Imports

As was the case in January 2021, China and the Philippines dominated Japan's sources of wooden doors (HS441820) but their combined share of total imports slid once more with shippers in SE Asia especially Indonesia and Malaysia grabbing a higher market share.

China accounted for 52% of the value of February imports of wooden doors followed by the Philippines at 29% and Indonesia at 6%. Year on year, February imports of wooden doors were up 38% and month on month February imports were 18% higher.

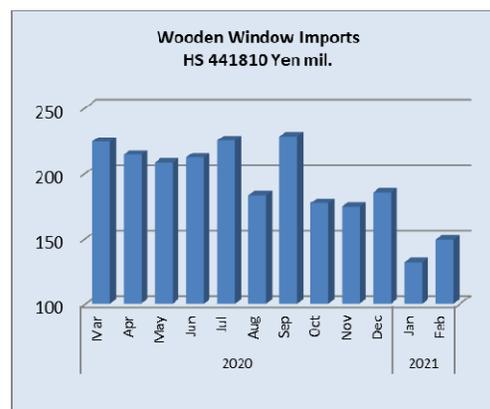


Data source: Ministry of Finance, Japan

Wooden window imports

The value of February 2021 imports of wooden windows (HS441810) was little changed from a year earlier but compared to the value of imports in January there was a 13% increase. Three shippers, China (49%), the US (25%) and the Philippines (23%) accounted for most of Japan's wooden window imports in February and all saw their share of imports rise compared to January.

Year on year February 2021 imports of wooden windows were flat but month on month there was a 13% increase.



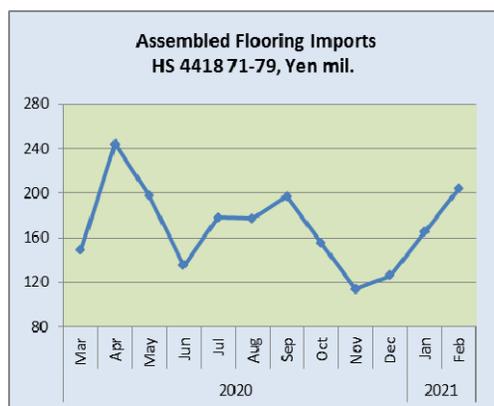
Data source: Ministry of Finance, Japan

Assembled wooden flooring imports

Shipments of assembled wooden flooring (HS441871-79) from China accounted for the largest share (70%) of Japan's imports as they have done for several years.

In February this year shippers in Malaysia captured the number two spot. HS441875 continued to dominate Japan's imports of assembled flooring in February 2021 but, as a proportion of all wooden floor arrivals in Japan, there was a decline in this category with a corresponding rise in imports of HS441879.

Year on year, the value of Japan's imports of assembled wooden flooring (HS441871-79) rose 8% and month on month there was a 23% increase building on rises for each month since December 2020.



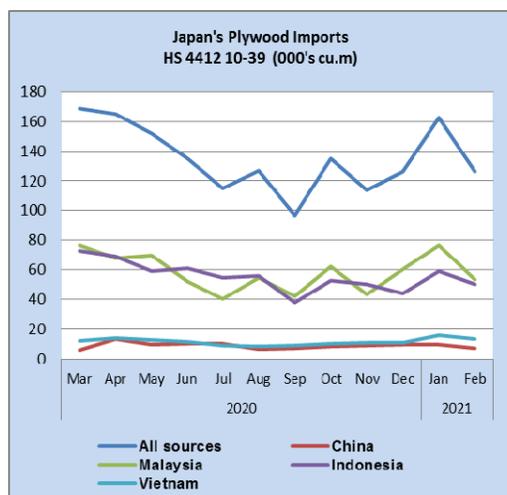
Data source: Ministry of Finance, Japan

Plywood imports

After three consecutive monthly increases in the volume of plywood imports there was a correction in February and each of the main suppliers, Malaysia, Indonesia, Vietnam and China saw export shipments drop.

Malaysia and Indonesia account for most of Japan's imports of plywood but exporters in Vietnam continue to enjoy a sizeable share of plywood import volumes which are now twice the volume shipped to Japan from China.

Of the various categories of plywood imports of HS441231 accounted for 89% of February 2021 imports with HS441234, the second highest category, accounting for just 6%.



Data source: Ministry of Finance, Japan

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

		China	Malaysia	Indonesia	Vietnam
2019	Jan	14	91.2	66.4	11.9
	Feb	11.1	85.3	75	4.2
	Mar	4.4	70.1	61.2	9.8
	Apr	11.4	94.2	65.9	8.5
	May	12.4	61.8	48.9	10.6
	Jun	9.3	59.6	62.8	11.3
	Jul	9.8	65.1	59	12.1
	Aug	12.1	61.8	68.9	11
	Sep	10	53	62	12
	Oct	10.6	66.3	72	12
	Nov	13.1	69.5	68.1	12.6
	Dec	13	74.4	57.4	14
2020	Jan	13.4	61.1	81.6	17
	Feb	6.8	72.2	63.8	9.5
	Mar	5.8	76.5	73	12.2
	Apr	13	68	69	13.6
	May	9.6	69.7	59	12.6
	Jun	10.3	52	61	11.3
	Jul	10.2	40	54.9	8.9
	Aug	6.6	55	56	8.4
	Sep	6.8	42.2	37.8	8.7
	Oct	8.3	62.4	52.7	10.1
	Nov	8.6	43.1	50	10.9
	Dec	9.2	60.5	43.9	10.8
2021	Jan	9.7	76.9	59.3	15.7
	Feb	6.8	53.5	50.1	13

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://jfpj.jp/japan_lumber_reports/

Sales of major house builders in February

Ordered value major eight builders in February is down by 5% and this is two straight months decline. By declaration of the state of emergency since early January, visitors to the house exhibition sites drooped by about 50%, which influenced February orders. Meantime, low cost builders continue active and three builders' order value in February is 12% up and this is ten consecutive months increase over the same month a year earlier.

The demand to live in suburban areas continues and acquisition of necessary properties influences orders of house sales.

Number of visitors to the house exhibition sites was increasing until the declaration of the state of emergency in last January and the orders were recovering but tide changed again since last January.

Buyers' attitude changed. They request brochures by website and after examining brochures at home and focus on target then visit house exhibition site so request for brochures by website continues busy. With this trend, time from visiting the site and concluding the deal becomes shorter than before.

This means declining visitors is not necessarily mean declining sales because visitors are now more serious potential buyers.

Low cost builders and builders of units built for sale enjoy busy market by active demand to live in urban areas so they say if there is property, house can be sold in no time. By eight major builders, ordered value compared to the same month a year earlier in February is 95% while low cost three builders in February is 112%.

Higher prices of European OSB

Market prices of European OSB are climbing. Reasons are increasing demand in Europe, higher freight by container shortage and inflating adhesive cost. Orders to the manufacturers are swelling and it is hard to have production for Japan market.

Delay of shipment by container shortage is getting critical. It is hard to secure containers. Cargoes for shipment are accumulated at shipping ports. January scheduled cargoes still remain at loading port in middle of February without any containers. Containers returning from Asia are not coming back and it needs premium freight like 50% to have containers in tight supply.

Adhesive (MDI) supply started getting tight since last July 2020 and the prices are inflating particularly after Chinese demand came back in last February and at the same time, MDI plant in the U.S.A. suffered slow production by cold waves so worldwide supply of MDI is getting tight.

European OSB manufacturers say that adhesive supply is now based on quota and some manufacturers are down because of shortage of adhesive. Export prices for Japan have started climbing since middle of 2020.

South Sea logs and lumber

Both demand and supply of South Sea logs are low. The demand decreases largely in Japan after last plywood mill stops operation and other mills shift to use other species or veneer so log demand practically died in Japan.

Chinese made laminated free board prices are climbing. Demand in Japan is not so active but dealers continue to purchase to cover dropping inventory. Tropical hardwood lumber demand is recovering for truck body but it is limited demand.

Serious shortage of containers

Container shortage continues worldwide. Export business in China is very active and China looks for containers aggressively. Normally inbound cargoes are loaded and containers are shipped back to China but demand of empty containers is so strong in China that it pays premium to bring containers back without any inbound cargoes and some empty containers bound for Japan from North America abruptly changed to go to China.

In short, China scrapes containers at any cost now. This influences wood products import of Japan. North American and European suppliers are tired of low sales prices for Japan then securing containers is another headache so cargoes for Japan are waiting for containers at every loading ports. This delays shipments so supply shortage in Japan gets worse by not only supply side reason but also shipping problem. The suppliers are reducing offer volume for Japan with reason of container shortage and higher freight.

Trans-shipment of container cargoes is delayed. European cargoes for Japan normally stop at Shanghai, China or Pusan, Korea for transshipment but this takes time because of congestion. Containers with hemlock genban scheduled to arrive in January held for a month in Shanghai for transshipment and finally arrived in late February so the genban users operate hand to mouth by the delay. Future containers with genban are being held in Shanghai so the supply shortage will continue.

European wood products suppliers struggle to secure containers for Japan so shipment of lamina and structural laminated lumber for the first quarter has been delayed.

The suppliers increase sales for European market, where land transportation is possible so the supply for Japan would decline more. Second quarter negotiations for lamina and laminated lumber should start shortly but the container shortage remains as serious problem.

Russian lumber export business has the same problem. Export cargoes are piling up at shipping ports in the Russian Far East so the ports refuse to bring railcars into port. Transshipment at Pusan, Korea for Japan sea side ports takes more than two weeks now by congestion.

Okura developed new type concrete forming panel

Okura Industrial Co., Ltd., (Kagawa prefecture) developed new type of concrete forming panel. Concrete panel has been imported tropical hardwood plywood but what Okura developed is made of water proof particleboard and domestic softwood plywood as base materials. Weight is 10% lighter than tropical hardwood concrete forming plywood.

Particleboard has forest certificate and domestic softwood plywood is sustainable material so the product is environmentally friendly product. Performance of the product is almost same as imported hardwood concrete forming plywood.

Particleboard is 2.7 mm thick made of FSC-COC certified rubber tree wood chip and 9 mm thick domestic cypress plywood. This composite panel is coated with high density polyethylene sheet. Size is 12 mm thick 900x1800 mm. The weight per sheet is about 11 kilogram.

After the supply of concrete forming plywood from South East Asian countries has been getting tight by declining raw materials. This new product can be supplied stably and the price is also stable unlike South Sea plywood, which supply is unstable by weather and the prices fluctuate.

China

Decline in 2020 sawnwood imports

According to data from China's Customs, 2020 sawnwood imports totalled 33.86 million cubic metres valued at US\$7.68 billion, a year on year decrease of 11% both in volume and in value. Of total sawnwood imports, sawn softwood imports fell 13% to 24.82 million cubic metres accounting for 73% of the national total which was 2% less than in 2019.

Sawn hardwood imports fell 5% to 9.04 million cubic metres because China's sawn hardwood imports from the top sources, Russia and Canada, fell 13% and 36% respectively.

Of total sawn hardwood imports, tropical sawnwood imports were 6.59 million cubic metres valued at US\$2.03 billion, a year on year increase of 9% in volume but a drop of 5% in value and accounted for about 19% of the national total.

China's sawnwood imports in 2020 (cu.m mil.)

	2020 mil. cu.m	2019 mil. cu.m	% change 2019-20
Total sawnwood imports	33.86	38.11	-11%
Sawn softwood	24.82	28.62	-13%
All sawn hardwood	9.04	9.50	-5%
of which tropical	6.59	6.05	9%

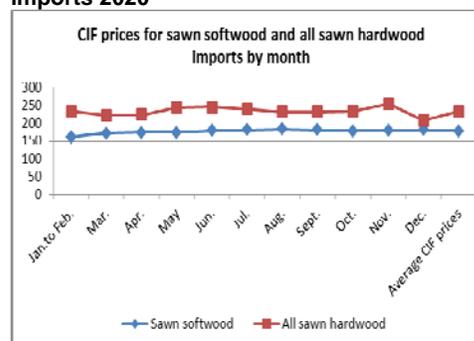
Data source: China Customs

China's sawnwood imports in 2020 (US\$ bil.)

	2020 US\$ bil.	2019 US\$ bil.	% change 2019-20
Total sawnwood imports	7.68	8.591	-11%
Sawn softwood	4.39	4.921	-11%
All sawn hardwood	3.29	3.67	-10%
of which tropical	2.03	2.126	-5%

Data source: China Customs

US\$ CIF prices for sawn softwood and hardwood imports 2020



Data source: China Customs

Slight rise in the average prices for sawnwood

The average price for imported sawnwood in 2020 was US\$227 per cubic metre, a year on year slight rise of 1%. The average price for imported sawn softwood was US\$177 per cubic metre, up 3% year on year.

The average price for imported sawn hardwoods was US\$364 per cubic metre, a year on year decline of 6%. The average price for imported tropical sawnwood was US\$308 per cubic metre, down 12% year on year.

Average sawnwood prices, 2020

	2020 Av. CIF Price US\$/cu.m	2019 Av. CIF Price US\$/cu.m	% change 2019-20
Average sawnwood price	227	225	1
Sawn softwood	177	172	3
All sawn hardwood	364	386	-6
of which tropical	308	352	-12

Data source: China Customs

China's sawnwood imports from Belarus soared

Russia still was the main sawnwood supplier to China in 2020 but China's sawnwood imports from Russia fell 13% to 15.9 million cubic metres and accounted for 54% of the national total, down 6% year on year. Belarus became the fastest growing sawnwood supplier to China and sawnwood imports from Belarus soared 114% to 630,000 cubic metres in 2020.

China's sawnwood imports from Ukraine and Germany rose 22% and 21% to 1.06 million cubic metres and 1.08 million cubic metres respectively. China's sawnwood imports from the USA and Gabon also increased 1% and 4% to 1.64 million cubic metres and 570,000 cubic metres respectively in 2020.

Main countries shipping sawnwood to China (000s cu.m)

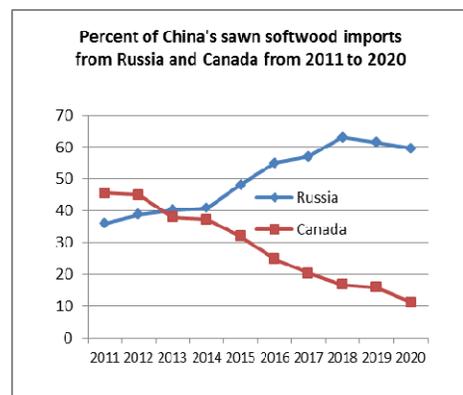
	2020 imports (000s cu.m)	% change 2019-2020
Russia	15.90	-13
Thailand	3.55	-1
Canada	2.90	-36
USA	1.64	1
Germany	1.08	21
Ukraine	1.06	22
Finland	0.97	-22
Sweden	0.91	-45
Belarus	0.63	114
Gabon	0.57	4

Data source: China Customs

Decline in sawn softwood imports from Russia and Canada

According to China Customs sawn softwood imports from Russia and Canada, the two main sources of China's sawn softwood imports, fell sharply in 2020 dropping 13% and 37% respectively.

However, the volume of China's sawn softwood imports from Russia still accounts for 60% of the national total, which has been the case for 6 consecutive years. The market share of China's sawn softwood imports from Canada has declined steadily since 2014.



Data source: China Customs

Main sawn softwood sources in 2020 (cu.m mil.)

Supplier	2020 Volume (mil. cu.m)	% Change 2019-20
Total	24.82	-10%
Russia	14.79	-13%
Canada	2.77	-37%
Ukraine	1.03	23%
Finland	0.97	-22%
Germany	0.95	37%
Sweden	0.91	26%
Belarus	0.71	140%
Chile	0.56	-14%
USA	0.31	-3%

Data source: China Customs

Slight rise in sawn hardwood imports from the US

China's 2020 sawn hardwood imports from most of the main sources declined in 2020 with imports from Romania and Malaysia falling 32% and 30% respectively. However, China's sawn hardwood imports from the US and Gabon rose slightly, 2% and 4% to 1.34 million cubic metres and 570,000 cubic metres in 2020 respectively.

Main countries shipping sawn hardwood to China (cu.m mil.)

Supplier	2020 Volume (mil. cu.m)	%Change 2019-20
Thailand	3.55	-1
USA	1.34	2
Russia	1.10	-16
Gabon	0.57	4
Vietnam	0.32	-15
Philippines	0.20	-15
Indonesia	0.17	-7
Malaysia	0.145	-30
Romania	0.137	-32
Germany	0.11	-15

Data source: China Customs

Rise in China's tropical sawnwood imports

Tropical sawnwood imports in 2020 were 6.59 million cubic metres valued at US\$2.03 billion, a year on year increase of 9% in volume but drop of 4% in value and accounted for about 19% of the national total.

Thailand still is the main source of tropical sawnwood for China and 2020 tropical sawnwood imports from Thailand totalled 3.55 million cubic metres, a year on year decline in volume of 1%. Thailand's market share of tropical sawnwood imports to China was 54% but this was down 5% year on year.

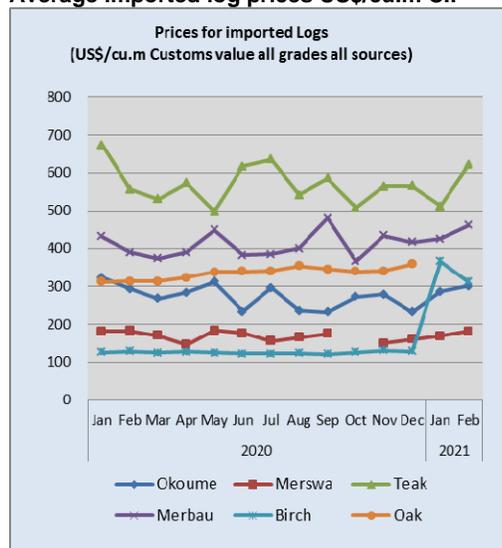
Main countries shipping tropical sawnwood to China (cu.m 000s)

	2020 imports 000s cu.m	% Change 2019-2020
Total	6,590	9
Thailand	3,549	-1%
Gabon	571	4%
Brazil	432	44%
Philippines	322	-15%
Indonesia	175	-7%
Cameroon	151	4%
Malaysia	145	-30%
Myanmar	133	70%
Vietnam	113	-14%

Data source: China Customs

Nine countries supplied 85% of China's tropical sawnwood requirements in 2020, namely Thailand (54%), Gabon (8.7%), Brazil (6.5%), Philippines (4.9%), Indonesia (2.6%), Cameroon (2.3%), Malaysia (2.2%), Myanmar (2.0%) and Vietnam (1.7%). Tropical sawnwood imports from Myanmar and Brazil rose 70% and 44% year on year respectively but imports from Malaysia, Philippines and Vietnam fell 30%, 15% and 14% year on year respectively.

Average imported log prices US\$/cu.m CIF



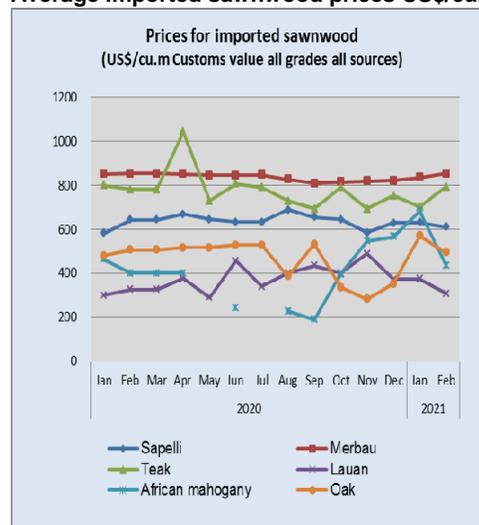
Data source: China Customs. Customs value all grades, all sources

Average imported log prices US\$/cu.m CIF

	2021 Jan	2021 Dec
Okoume	286	301
Merswa	169	182
Teak	514	621
Merbau	461	426
Birch	367	312
Oak		

Data source: China Customs. Customs value all grades, all sources

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



Data source: China Customs. Customs value all grades, all sources

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

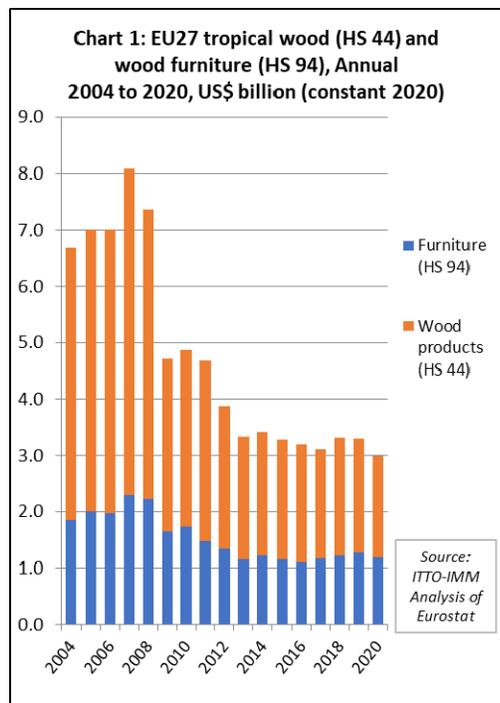
	2021 Jan	2021 Feb
Sapelli	632	612
Merbau	835	853
Teak	702	794
Lauan	374	308
African mahogany	684	438
Oak	571	496

Data source: China Customs. Customs value all grades, all sources

Record low EU27 tropical timber imports in 2020

Total EU27 (i.e. excluding the UK) import value of tropical wood and wood furniture products was US\$2.99 billion in 2020, 9% less than the previous year.

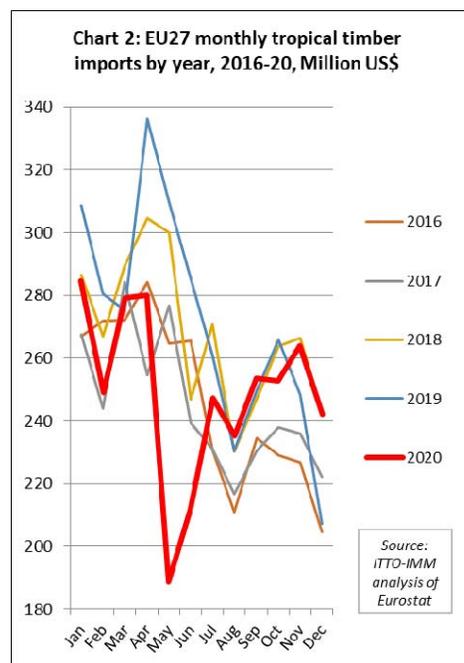
This is a significantly higher level of import than forecast when the first waves of the COVID-19 pandemic hit the continent early in 2020. It was, however, the lowest level in recent decades and represented a further decline in a market which has been severely restricted ever since the financial crises (Chart 1).



Total EU27 tropical wood and wood furniture import value in December 2020 was US\$242 million, an 8% fall compared to the previous month. However imports during December were relatively high for that month, being 17% more than the same month in 2019, as products continued to arrive after delays earlier in the year (Chart 2).

Consumption was holding up much better than expected across many sectors, from construction and DIY to merchants and furniture makers.

In fact material supply has been more of an issue than demand, particularly due to lack of container space and soaring freight rates. With global container distribution disrupted by the pandemic, shippers out of Asia have been naming their price. Importers report five- and six-fold rises in container rates since mid-2020.



Decline in EU27 imports recorded for all tropical wood product groups

Unsurprisingly, EU27 imports of all the main tropical wood products fell in 2020, but in each case the decline was less dramatic than expected earlier in the year when the scale of the pandemic and associated lockdown measures was just becoming apparent. Further analysis of EU imports will be provided in the end April report.

Discussion on possible merger of EUTR with EU deforestation-free regulations

The EU is considering introduction of new forest and climate policy measures which would reshape timber trade relations with tropical countries. In some ways, the proposed measures build on the existing policy framework contained in the FLEGT Action Plan. However, they also raise questions about the future of existing instruments such as the EU Timber Regulation (EUTR) and FLEGT licensing systems.

The potential far-reaching implications of the on-going policy discussions were highlighted in a presentation by Hugo Schally of the European Commission’s Environmental Directorate (EC DG ENV) to a webinar hosted by FERN, the Brussels based environmental NGO, on 17 March 2021 which brought together a range of policy makers and civil society stakeholders for presentations and discussions on the theme “Enforcing Due Diligence regulation for forest risk commodities.

See: <https://www.youtube.com/watch?v=zuaEQggFXCE>
Mr. Schally starts speaking at around 1hr 15 minutes into the webinar

Mr. Schally's presentation provides an insight into the EC's latest thinking on international forestry-related issues at a time when the EU has committed - referenced in three separate policy instruments; the European Green Deal, the EU Biodiversity Strategy for 2030 and the Farm to Fork Strategy - to present, in 2021, a legislative proposal to avoid or minimize the placing of products associated with deforestation or forest degradation on the EU market.

This commitment follows the 2019 EU Communication on "Stepping up EU Action to Protect and Restore the World's Forests". It was also reinforced in October last year when the European Parliament adopted MEP Delara Burckhardt's report, 'An EU legal framework to halt and reverse EU-driven global deforestation'.

Burckhardt's report calls on the Commission to ensure companies are obligated to conduct due diligence on deforestation and human rights before placing "forest risk" goods on the EU market. It also suggests financial institutions conduct due diligence before providing money to companies that harvest, extract, produce, process or trade forest- and ecosystem-risk commodities and derived products. It further calls for traceability obligations to be placed on EU market traders of these products.

The European Parliament's decision pre-empted the EC's on-going impact assessment of regulatory options to "decrease the risk of imported deforestation and forest degradation". The impact assessment, the results of which have yet to be published, is being undertaken by EC DG ENV drawing on insights from a public consultation held in the last quarter of 2020.

This impact assessment will also take account of the results of the on-going Fitness Check, also led by EC DG ENV, of the FLEGT and EUTR regulations, the two key legal instruments of the EU FLEGT Action Plan. Supported by a public consultation undertaken early last year and an external study (not yet published), the fitness check is looking at the effectiveness, efficiency, coherence, relevance and EU added value of both regulations in contributing to the fight against illegal logging globally.

Presenting to the FERN webinar under the heading "EU Action on Deforestation: State of Play", Mr. Schally began by explaining some of the EU thinking behind a new regulatory approach focused on agricultural commodities in addition to timber products, implying this gave greater market leverage.

"[The FLEGT and EUTR regulations] have to be seen in the policy context of the early 2000s...and the way the problem was seen at that point in time, namely that the major driver and the main problem was identified as commercial logging, and therefore the focus was on timber trade".

"And, of course, when we did the impact assessment on the new timber regulation, it was clear that international trade in timber and derived products, was when you look

at overall sizes of the markets and of the economies, was a fairly marginal issue economically.... when you talk about the proposal that is in the making [for due diligence regulation], this is radically different, it deals with a broad range of agricultural commodities, I think we go into a different ballpark figure".

As background to this new regulation, Mr. Schally mentioned some of the EC's preliminary conclusions from their on-going Fitness Check of the EUTR, noting both positive results and continuing challenges, particularly for smaller operators.

"Now I think that we all agree that when the results of the fitness test will be handed out that there has been a positive result with regard to incentivizing companies to keeping supply chains clear, however, we have come across a number of major challenges which is that infractions under the EUTR are difficult to prove and substantiate in court, which undermines its dissuasive power".

"And I think that one main complaint that the member states' competent authorities have is we're dealing with complex supply chains with a lot of small and medium sized enterprises, which leads to high costs for companies, perhaps too high in that regard (we're still checking on that), that when you look at the situation over the years, the imports of timber from some high risk countries where we can be fairly sure that there is a good proportion of illegal timber involved has actually increased.

Mr. Schally also elaborated on some specific challenges of legal interpretation that makes prosecution difficult in the EUTR, "The term negligible or non-negligible risk is subjective. The legal system in the member states, very often have no clear understanding and no long standing tradition in dealing with the concept of due diligence.....We have seen some member states where this has almost paralysed prosecution and enforcement and made it really hard to apply any sanctions to governments in question".

Moving on to FLEGT regulation, Mr. Schally questioned the value of the legality licensing approach which has been a core component of the VPA process to date.

"Now, on the FLEGT regulation, I think that we need to make the distinction of what has worked and what hasn't worked, and I think that the positive story of the FLEGT VPAs, is that where we have VPA processes we see positive results in terms of enhanced stakeholder participation in policymaking and the national level improvements in forest governance and administration and some enforcement.

"However, when we look at it - and I think it's not surprising because we're dealing with illegal logging - there is no hard evidence that VPAs have contributed to reducing illegal logging in partner countries, or the consumption of illegally harvested wood in the EU.

“That’s partially due to the fact that since 2005 when we started with that regulation, only one country out of the 15 with whom we have engaged has an operating licencing system in place. And when you look at the overall trade pattern, only one VPA country is among the top 10 EU trading partners, which is Indonesia again.

“So I think that from our perspective, the part where we are not confident has made its proof is the licencing system, and the timber legality assurance system in partner countries”.

While questioning the specific role of legality licensing, Mr. Schally did, however, emphasise the continuing value of partnership agreements: “But I think that one thing that we absolutely need under all costs to be maintained, is the support mechanism to enable partner countries to comply with requirements without the elements that do not work.”

But he also stressed that the EU’s intent will be to change the scope and focus of these agreements, to include a wider range of forest-risk commodities, mentioning beef, palm oil, soy, rubber, cereals, cocoa, and coffee alongside wood. He suggested that “it’s very clear we’re moving from legality to sustainability” and that “there would not be added value in a dual system for legality on the one hand and sustainability on the other hand”.

Rather than focusing on illegal logging, Mr. Schally said “it is clear that we need to deal with agricultural production and agricultural expansion, and we actually need to move from a system that rewards effort and announcement to a system that rewards performance and effect.”

Moving on to consider the legislative instrument to be introduced in the EU, Mr. Schally noted four specific objectives:

- “to minimise the risk of placing on the EU market commodities associated with deforestation and forest degradation;
- to make sure EU consumers and citizens are aware of the impact; thereby,
- to promote the demand for and consumption of commodities and products that are not associated with deforestation and forest degradation; and
- to incentivise investment and financial interest in sustainable production systems”.

Mr. Schally identified “one of the cornerstones” of the new initiative as the “deforestation free criteria, including forest degradation”, which he said “needs to be based on solid science”. He referenced various relevant sources including the FAO definition of deforestation, the UNFCCC and REDD+, and High Carbon Stock Approach.

He suggested that under the new proposed legislation products from plantations would still be allowed to be placed on the EU market, but this may be subject to a cut-off date for conversion yet to be determined, mentioning that the European Parliament report said this should be no later than 2015.

In relation to the specific obligations placed on wood and agricultural commodity traders, and despite having highlighted some of the challenges of the EUTR due diligence approach, Mr. Schally noted that “in the end, a variety of due diligence is what works best because with all stakeholders, we can actually build on experiences that they have had with implementing due diligence requirements”.

However, he also suggested mechanisms be introduced to ensure due diligence does not overburden competent authorities and economic operators. “We really feel that [due diligence] needs to be complemented by some benchmarking country assessments, possibly also by a system by which public certification systems in third countries and EU member states would be recognised.

“That would mean we would arrive at a tiered system of due diligence with more requirements for some and less requirements for others, depending on the fact whether there is mandatory public certification or benchmarking”.

Mr. Schally suggested, however, that a specific “deforestation free requirement” for forest-risk commodities placed on the EU market would be a “nuclear option” and likely very challenging to implement “because that’s a very linear application of the EUTR system to trade in agricultural commodities”. He concluded, “we’re still assessing [the deforestation-free requirement] but I think that probably whatever we do an element of due diligence will be important”.

While Mr. Schally’s comments are preliminary and views may alter before any official EU policy is announced, some of the observations relating to the perceived lack of effectiveness of the EUTR and FLEGT licensing system in removing illegal wood from EU trade imply that the EC is considering a significant change in policy direction.

At this stage it is impossible to foresee the impacts of such a change in policy direction; however it is possible that EUTR may be rolled into the broader regulation covering all “forest risk” commodities and including deforestation free requirements. As for the VPAs, after a period of 15 years when the EU has been actively encouraging tropical countries to adopt FLEGT licensing systems for timber products through these legally binding trade agreements, the focus of future negotiations may change significantly.

The objective may be to finalise agreements covering all “forest risk” commodities, as defined in the new EU regulation, and to develop procedures for “benchmarking country assessments” and “public certification” to demonstrate that their trade does not contribute to deforestation or forest degradation.

There may also be a greater emphasis in the agreements on monitoring the impacts of agricultural commodity trade on forest carbon stocks.

This would align with another anticipated EC policy measure, to introduce a border carbon levy for which a detailed proposal is expected in June. This levy is expected to help finance NextGenerationEU, the €750 billion (\$888 billion) economic recovery instrument now being rolled out across the EU while also contributing to the EU target of cutting emissions by 55% compared to 1990 levels by 2030 on the way to making the EU climate neutral by 2050.

Mr. Schally's comments on the limitations of EUTR and FLEGT licensing raise immediate questions about the future of the EU's existing FLEGT VPAs ratified with seven tropical timber producing countries – Cameroon, Central African Republic, Republic of Congo, Ghana, Indonesia, Liberia, and Viet Nam – plus the two agreements still awaiting ratification with Guyana and Honduras.

The stakes are particularly high for Indonesia which has been issuing FLEGT licenses now for nearly five years and has successfully applied its timber legality assurance system (TLAS) and SVLK certification to all wood product exports and is looking to the EU to follow up on specific commitments made in the VPA “to promote a favourable position in the Union market” for FLEGT licensed products, including specific “efforts to support: (a) public and private procurement policies that recognise a supply of and ensure a market for legally harvested timber products; and (b) a more favourable perception of FLEGT-licensed products on the Union market”.

This implies continued commitment to the “green lane” for FLEGT licensed products in the EUTR, which at least before the onset of the COVID-19 pandemic was beginning to pay dividends in terms of rising market share for Indonesian wood products in the EU. It also implies further efforts to communicate the benefits of FLEGT licensing, of the sort described in the 2020 report by the Center for International Forestry Research (CIFOR) “Collecting Evidence of FLEGT-VPA Impacts for Improved FLEGT Communication”.

The CIFOR report, which draws on research in Cameroon, Ghana and Indonesia, concludes that “globally, the VPA process has contributed positively towards a decrease in illegal logging rates particularly illegal industrial timber in export markets, notably derived from production forests being mandated to have management plans.

“At the country-level this held true across Cameroon, Ghana, and Indonesia as the share of legal timber in export markets had gone up with direct attribution to VPAs. In Indonesia, the share of national timber production exploited with a legally obtained permit has also gone up. Further, across each country, the ultimate goal of SFM was being better achieved through more thorough implementation of forest management plans”.

CIFOR stressed that “the VPA process has contributed positively to a more coherent legal and regulatory framework with sanctions being more regularly enforced and more credible due to the VPA, and to greater transparency in the forestry sector”.

Following on from Mr. Schally's comments, and a similar presentation delivered by the EC on 25 February to the “Multi-stakeholder platform with a focus on Deforestation and Degradation”, an invitation-only group of mainly European trade associations and NGOs, a joint response was issued by Indonesia's Civil Society Organization (CSO) Coalition working in monitoring the implementation of TLAS-SVLK.

Slides of the presentations of this meeting are available at : https://ec.europa.eu/transparency/regexpert/index.cfm?do=group_Detail_groupMeeting&meetingId=23741

The Indonesian CSOs state that “Without clearly understanding the research method applied to obtain the data, whether the data source has been validated and to what extent the partner countries were consulted, the stakeholders felt that the European Commission was too early in concluding that the VPAs have not contributed to reducing illegal logging in partner countries and did not capture other detailed information related to the impact of FLEGT VPA”.

The statement highlights that “since the implementation of SVLK, the number of illegal logging cases declined from nearly 1800 cases in 2006 to 80 cases in 2020” and “since the implementation of FLEGT licence in 2016, Indonesia's timber product export value increased from USD 9.84 billion in 2016 to USD 11.05 billion in 2020. Meanwhile, furniture export in 2019 rose 14.5% and in 2020 (during the Covid-19 pandemic) continued to increase by 12.2% (USD 2.18 billion)”.

“Furthermore that during VPA implementation, legal timber and timber products administrative system (logging, distribution, processing, trade) in Indonesia experienced an improvement, which reduced the space for illegal logging and timber distribution. In the wood chip processing industry, SVLK implementation had a positive impact on reducing indications of illegal timber entering the supply chain”.

Finally the Indonesian CSO statement “underlined the issue of market uptake, in which the EU has not fully support[ed] and promote[d] FLEGT-licensed timber from Indonesia, as mandated in the VPA text.”

Tropical hardwood imports fall again

The volume of sawn tropical hardwood imported by the US fell again in February, as the US Census Bureau reported only 5,387 cubic metres of wood imported, which is a 30% decline from January.

Imports from Ecuador, Brazil, and Cameroon all fell more than 50%. Year-to-date totals for 2021 are hard to compare with 2020 since newly implemented USDA categorisations are no longer counting Ipe and Jatoba imports toward these totals as they have in previous years. If Ipe and Jatoba were counted, the decline in February would be only 14% from January, with a February total 11% higher than February of 2020.

US import volumes of Balsa, Sapelli, Acajou d'Afrique, Mahogany, and Meranti all fell sharply in February, while Keruing, Cedro, and Jatoba imports all grew by more than 30%.

Canadian imports of sawn tropical hardwood were down 3% in February and trail last year's imports by 28% through the first two months of the year.

Hardwood plywood imports jump

US imports of hardwood plywood jumped 18% in February, bouncing back from a weak January total. The volume of imports from Indonesia nearly doubled and imports from Malaysia more than tripled as total imports rose 55% above February 2020 levels.

Imports from Vietnam fell 19% and are down 2% through the first two months of the year, while imports from Russia fell 20% and are down 5% through February.

Veneer imports briefly rebound

Imports of tropical hardwood veneer also rebounded from a poor January, gaining 58% over the previous month. Despite imports for February being 39% higher than the previous February, year-to-date imports are still down 16% through the first two month of the year.

Imports from Italy, which were reported to be zero in January, rose enough to now be 13% ahead of January and February 2020, while imports from Ghana rose ten-fold in February and are up 68% year-to-date. Imports from China, Cameroon, and India were all down sharply and all trail 2020 year-to-date totals by more than 35%.

Hardwood flooring imports cool

Imports of hardwood flooring cooled down after a strong January, falling 15% in February. Imports remain 21% ahead of 2020 imports year-to-date as imports from Brazil rose 21% in February and are more than double last year through the first two months of the year.

Imports from Indonesia were down 65% in February and are down about the same year-to-date. Imports from Malaysia and China are also down sharply year-to-date, although imports from Malaysia rebounded somewhat in February.

Imports of assembled flooring panels also fell in February, decreasing by 20%. Imports dropped by more than 10% from every one of the top US trading partners, with imports from Thailand down 93% for the months. Despite this, year-to-date totals are up 33% due to a very strong January.

US moulding imports hold firm

Imports of hardwood moulding stayed relatively flat in February, falling 1%. Because moulding imports fell sharply last February, this February's imports were 16% higher than the previous February and year-to-year imports now surpass the same period last year by 3%.

Imports from Malaysia rose 38% in February and are ahead 10% year-to-date. Imports from China were up 12% in February but are down 38% year-to-date through the first two months of the year.

US wooden furniture imports end growth streak

After eight straight months of growth US imports of wooden furniture fell by 18% in February. While still totalling more than US\$1.7 billion for the month, imports from China, Vietnam, Malaysia, Indonesia, and India all fell in the 20% range. However, comparing the value of imports in February 2020, before the world realised a pandemic was imminent and February 2021 the strength of recovery in the US furniture market has been remarkable.

Despite the slump, year-to-date imports from each of these countries is up more than 10% for the first two months of the year. Conversely, imports from Canada were up 3% in February, but are down 8% year to year.

Cabinet sales rebounded in February

In a press release the Kitchen Cabinet Manufacturers Association reports cabinet sales rebounded in February with overall sales up 5.9% from January.

Custom sales were up 12.2%, semi-custom sales up 6.5%, and stock sales increased 4.2%. Participating cabinet manufacturers reported an increase in overall cabinet sales of 5.7% for February 2021 compared to the same month in 2020. Custom sales are up 9.4%, semi-custom increased 9.9%, and stock sales increased 2.2%.

See: https://www.kcma.org/news/press-releases/january_2021_trend_of_busines_press_release

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

Dollar Exchange Rates

As of 10 April 2021

Brazil	Real	5.6817
CFA countries	CFA Franc	551.78
China	Yuan	6.5530
Euro area	Euro	0.8402
India	Rupee	74.73
Indonesia	Rupiah	14225
Japan	Yen	109.67
Malaysia	Ringgit	4.1350
Peru	Sol	3.63
UK	Pound	0.7297
South Korea	Won	1121.12

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

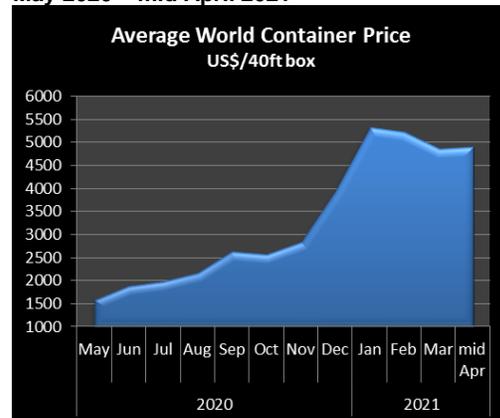


Abbreviations and Equivalences

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

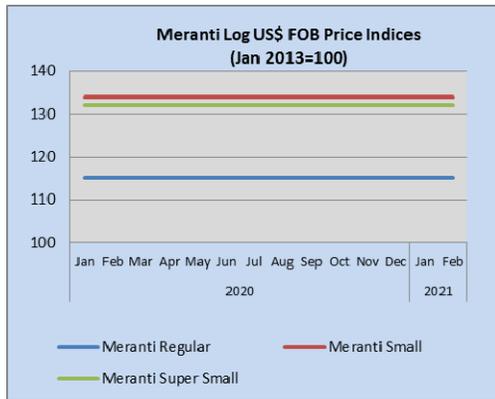
May 2020 – mid April 2021



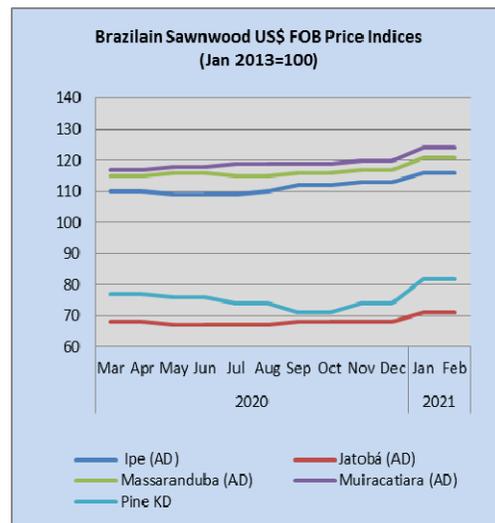
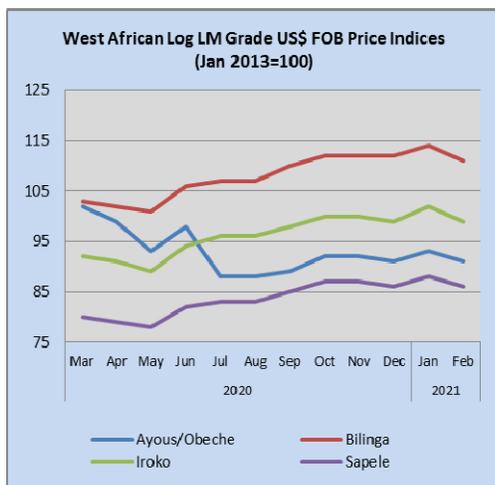
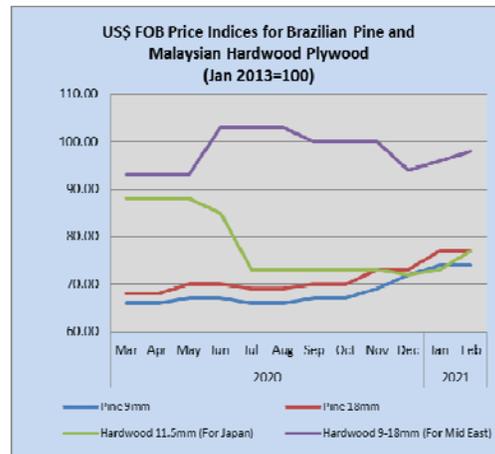
Data source: Drewry World Container Index

Price indices for selected products

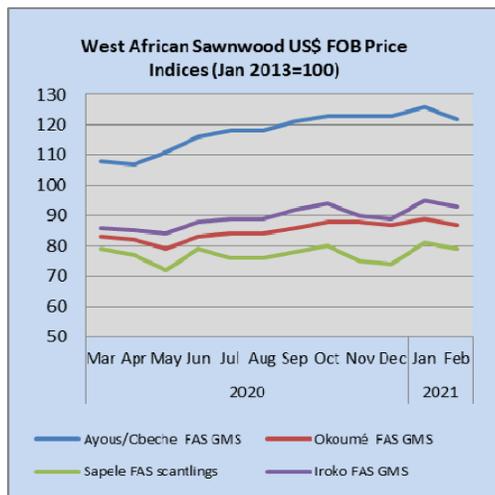
The following indices are based on US dollar FOB prices



Note: Sarawak logs for the Japanese market



Note: Jatobá is mainly for the Chinese market.



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