

Tropical Timber Market Report

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Top story

US construction cost increases moderating

US construction cost increases have returned to the pre-pandemic norm of 2% to 4% according to the Executive Vice President of Skanska USA.

Federal data show the cost of construction materials peaked in May 2022. After a brief jump in February, the past three months have seen steady declines.

The biggest gain for US contractors is greater predictability according to a construction executive.

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Price corrections anticipated

The FOB prices shown below are for pending contracts and the indications are that downward corrections are likely. As of mid-July, producers anticipate a drop in the price for belli and weakening prices for okoume and the redwoods.

Analysts suggest that Chinese mills in Gabon, Cameroon and Congo which supply the Chinese market may switch to milling species for the EU market, especially azobe and fear this could disrupt this steady and quiet market.

In contrast to the market in China, demand remains strong in the Philippines driven by the need for timber in the aftermath of severe typhoons.

Cameroon

Heavy rains have returned but log stocks are reported as adequate for the coming months. The rain season is expected to continue until December. Mills are building up sawn stocks in preparation for the six-month rain period. Roads are in good condition and railways are functioning without major disruptions. Container availability is sufficient with enough empty containers in stock in Cameroon.

Producers in Cameroon say, while demand in Middle East markets remains stable, the slowdown in demand from China has of considerable concern. Inquiry levels are reported as stable.

There are reports the authorities are becoming strict on sawnwood exports with all mills having to produce legal verification papers for each truck of sawnwood heading to Douala or Kribi. The aim, it is suggested, is to foster a change in mentality towards legality.

Producers report slowing demand in Portugal and Spain traditionally good markets for sapelli. In Belgium there is said to be stable demand for iroko, padouk and doussie. Parcels being prepared for shipment in mid-July will arrive towards the end of the European holiday season. In the Netherlands there is a steady demand for azobe.

Gabon

The country is still struggling with electricity power outages which are seriously impacting production and heavily disturbing the plywood companies. The local water and electricity supplier, SEEG, promised improvements by the end of the month but the problem remains unresolved with SEEG citing low water levels in the dam due to insufficient rain.

Adding to the challenges in Gabon is the shortage of skilled local technicians. The government decided to reduce the proportion of expatriates employed in mills and this has led to protests by the industry, particularly those in the Nkok Special Economic Zone where veneer and plywood industries struggle with the lack of experienced local technicians.

The government has set quotas for the employment of foreign labour in Gabon. These are 15% of the workforce for executives, 10% for supervisors and senior technicians and 5% for operational staff. The cumulative maximum level of employment of foreign labour in is 30%.

The Ministerial statement says "This decree has three objectives: to give priority to hiring nationals and to promote the Gabonese workforce; to restrict the use of foreign labour in positions of responsibility; to align the issuance of employment permits with market needs."

The country is in the dry period but harvesting has slowed due to low demand for some species. Work has started in preparation for the coming rainy season and is concentrated on road maintenance and building log stocks. Trucking to the ports has improved due to ongoing road works with all-weather laterite roads under repair. Roads are dry but the Bifoun to Ndjole road, the main route for timber and food trucks from Cameroon, is in poor condition.

The railway operator has increased the allocation of wagons for log transport but obtaining wagons for sawnwood transport is said to be difficult. Negotiations for a second railway track from the Koulamoutou area towards Mayumba on the coast appears to have stalled but it has been reported that a South African/Australian company is now studying a rail track from Koulamoutou (southeast Gabon) to Owendo/Libreville.

Desire-Clttandre Dzonteu, writing for the gabonreview, reports the production index for the timber sector in the first quarter of 2024 was up 10% compared to the last quarter of 2023. This information was provided by the Ministry of Economy and Investments through its latest Sectoral Economic Outlook Note. The gabonreview says the plywood index gained 25% quarter of 2023, the sawmill index 7% and the index for veneers gained 14% quarter-on-quarter.

See: <https://www.gabonreview.com/gabon-embellie-de-10-de-lactivite-des-industries-du-bois-au-1er-trimestre-2024/>

Congo

In North Congo the rains are easing allowing for better transportation to Douala Port which is closer than Pointe Noire in the south but some disruption has been reported as not all the roads to the port are surfaced.

The south of the country is currently dry and harvesting has resumed. With Chinese demand slowing sawmills are forced to seek alternative markets. Despite the initial ban on log exports quotas have been allocated due to the economic situation with old log stocks allowed for export.

Log export prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N" Gollon	230	230	175
Ayous/Obeche/Wawa	230	230	225
Azobe & ekki	250	250	175
Belli	250	250	-
Bibolo/Dibétou	200	200	-
Bilinga	250	250	-
Iroko	290	270	225
Okoume (60% Cl, 40% CE, 20% CS) (China only)	200	200	-
Moabi	260	260	220
Movingui	180	180	-
Niove	160	160	-
Okan	210	210	-
Padouk	300	270	240
Sapele	260	260	220
Sipo/Utile	260	260	230
Tali	260	260	-

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	425
Bilinga FAS GMS	680
Okoumé FAS GMS	-
Merchantable KD	420
Std/Btr GMS	-
Sipo FAS GMS	520
FAS fixed sizes	-
FAS scantlings	540
Padouk FAS GMS	850
FAS scantlings	975
Strips	400
Sapele FAS Spanish sizes	550
FAS scantlings	560
Iroko FAS GMS	800
Scantlings	850
Strips	400
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	550
Scantlings	550
Movingui FAS GMS	460

Ghana

Millers call for investment in plantations

The Ghana Timber Millers Organisation (GTMO) is warning that the remaining 25 member companies are struggling to secure raw materials for production and fear imminent closure.

Chief Executive Officer of the GTMO, Dr. Kwame Asamoah Adam, highlighted these concerns in an interview with Citi Business News saying “now, in terms of the numbers, the medium to large size companies, most of them have ceased operations”.

He added, the materials that are coming in, especially round logs, the volume has fallen from about 1.2 million cu.m about 20 years ago to just around 500,000 cu.m.

In related news, the GTMO has called for new, large-scale commercial plantations to sustain the industry and ensure the continuous flow of logs to the processing mills.

According to the GTMO Executive Officer commercial tree plantations established by industry players would have solved Ghana’s timber supply problem. He said it was now time timber firms to engage in large-scale tree planting to produce raw material for their operations and ensure the sustainability of Ghana’s timber industry.

He expressed these views at the 11th delegates’ conference of the Timber and Woodworkers Union of the Trade Union Congress (TUC) in Kumasi on the theme: “Sustainability of the timber industry in an era of climate change: The role of social partners”.

He emphasised the need to invest to correct the damage to the country’s forest due to climate change. He further explained that most timber companies in the country had collapsed because bushfires had decimated the forests.

Ghana’s government, through the Green Ghana Day Initiative launched in 2021, has enabled the country to make significant strides in forest restoration. Over 42 million trees of various species have been planted across the country to cushion the effects of climate change and to replant degraded forests. However, according to President Nana Akufo-Addo, there is still much work to be done in the area of forest restoration and protection in the country.

See: https://citinewsroom.com/2024/07/wood-shortage-looms-as-75-out-of-100-local-timber-manufacturing-companies-collapse/#google_vignette

and

<https://gna.org.gh/2024/07/commercial-plantation-is-the-future-of-the-timber-industry-dr-asamoah-adam/>

<https://3news.com/news/ghana-has-made-significant-strides-in-forest-restoration-but-much-work-remains-akufo-addo/>

Dip in wood product exports in the first four month of 2024

According to data from the Timber Inspection Development Division (TIDD) of the Forestry Commission (FC), Ghana exported 86,755 cu.m of wood products in the first four months of 2024, 12% down compared to 98,959 cu.m in the same period last year. The export value was EUR39.29 million in the first four months of 2024, 12% less than EUR44.56 million in the same period last year.

Mouldings, plywood to the regional market, billets and sliced veneer all recorded decreases of over 20% in volume terms during the four-month period. Products recording more modest decreases were air and kiln driersawnwood and plywood for international markets.

Wood product exports Jan-Apr 2024 (cu.m)

	cu.m	% change Y-O-Y
AD sawnwood	47,667	-13%
KD sawnwood	11,557	-12%
Billets	4,468	-22%
Plywood (Overland)	5,859	-23%
Plywood	5,366	-4%
Rotary Veneer	2,996	15%
Teak Logs	3,542	13%
Mouldings	2,117	-24%
Sliced Veneer	1,757	-20%
Briquettes	855	43%
Others (5)	571	-8%
Total	86,755	-12%

Data source: TIDD

For the four-month period exports of sawnwood were 59,224 cu.m in 2024 compared to 68,050 cu.m in 2023 while plywood was 11,225 cu.m in 2024 compared to 13,207 cu.m in 2023 and veneer was 4,753 cu.m in 2024 and 4,812 cu.m in 2023.

Wood product exports Jan-Apr 2024 (EUR 000s)

	2024	% change Y-O-Y
AD sawnwood	19,401	-11%
KD sawnwood	7,288	-13%
Billets	1,349	-26%
Plywood (Overland)	2,282	-22%
Plywood	1,961	9%
Rotary Veneer	1,454	8%
Teak Logs	1,143	11%
Mouldings	1,938	-19%
Sliced Veneer	1,894	-27%
Briquettes	168	57%
Others (5)	414	-1%
Total	39,292	-12%

Data source: TIDD

Of the country's major export markets during the period, Asia (54%), Europe (21%) and Africa (10%) accounted for most of the EUR39.29 million total export receipts in the first 4 months of 2024 compared to the EUR44.55 million recorded in 2023.

Forestry Commission trains staff to tackle forest ecosystem destruction

The Forestry Commission (FC) of Ghana has trained seventy staff in the Rapid Response Unit during a three-week rigorous military training exercise at the 64 Infantry Regiment Training School at Asutsuare in the Eastern Region of Ghana.

The training was intended to equip the staff with skills in unarmed combat, patrolling, ambush, obstacle courses, and marksmanship and the ability to accurately handle firearms.

This formed part of tougher measures by the Commission aimed to tackle illegal loggers, gold mining and farming in forest reserves which have become a danger to forest management. The Commission is aware that some illegal operators carry deadly weapons in the forest.

See: <https://fcghana.org/rru-trains-70-staff/>
<https://www.ghanabusinessnews.com/2024/07/03/forestry-commission-calls-for-stiffer-punishment-for-forest-offenders/>

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	790↑
Niangon Kiln dry	910

Rotary veneer export prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	373	441
Chenchen	472	612
Ogea	368↓	590
Essa	621↑	711
Ofram	350	435

Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
FAS 25-100mmx150mm up x 2.4m up	Air-dried	Kiln-dried
Afromosia	860	925
Asanfina	465	500
Ceiba	290	310↓
Dahoma	453↓	502↓
Edinam (mixed redwood)	640	713
Emeri	700↑	720
African mahogany (Ivorenensis)	846	983
Makore	560	840↑
Niangon	700↓	852↑
Odum	836	1,038↓
Sapele	656	750
Wawa 1C & Select	445	466

Plywood export prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	414↓	580	641
6mm	385	535	604
9mm	433	504	560
12mm	324	489	480
15mm	396	385	430
18mm	460	415	383

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

Sliced veneer export prices

Sliced face veneer	FOB Euro per cu.m
Asanfina	1,103↑
Avodire	1,009↑
Chenchen	731↓
Mahogany	1,392↓
Makore	879
Odum	2,549↑
Sapele	1,760↑

Furniture furnishings trading platform

The Malaysian Furniture Furnishings Market (MFFM) is a new trading platform designed to provide an effective, convenient and dynamic experience on furniture and furnishings products for both exhibitors and buyers. It is aligned with the prime furniture trading season in September and visitors are invited to joining MFFM 5 to 7 September 2024 at the World Trade Centre Kuala Lumpur (WTCKL).

Beyond addressing global furniture needs, MFFM is committed to driving industry advancement by establishing itself as a collaborative hub with the objective of accelerating the development of the industry. The MFFM exhibition will focus on furniture, home décor and lifestyle products, finishing materials, hardware and accessories.

See: <https://mffmfurniture.com/>

Sarawak to reduce log harvest

The Sarawak State government, through the Forest Department will, according to Deputy Premier Awang Tengah Ali Hasan, reduce annual log harvests to about two million cubic metres and ensure adherence to forest management certification criteria. In this regard the Premier emphasised the importance of aligning the State’s forest management with international standards which would allow timber products to be marketed competitively globally.

The State government has said it aims to boost income from forest and the Premier called on all parties involved to collaborate towards realising the State’s Sustainable Development Goals (SDGs) and to back the reduction of greenhouse gas emissions by 45% by 2030.

Hasan called on forest license holders in Sarawak to actively engage in forest restoration programmes, particularly in degraded areas. These efforts are crucial for creating economic opportunities in carbon trading, agro-forestry and ecotourism, he said.

See: https://forestry.sarawak.gov.my/web/subpage/webpage_view/1242

Debate on introduction of carbon tax

Experts are divided on Malaysia’s proposed implementation of a carbon tax policy, with some believing that it is a timely initiative, while others deem that the country is not ready to consider such a move.

Universiti Tunku Abdul Rahman economics professor, Wong Chin Yoong, said a carbon tax policy is not timely as the country still has more important reforms to deal with for now.

See: <https://www.thestar.com.my/business/business-news/2024/07/03/mixed-views-on-carbon-tax-introduction>

Export Benchmark Prices of wood products for July 2024

The following prices are applicable 1-31 July, 2024.

Veneers

Natural Forest Veneer	US\$800/cu.m
Plantation Forest Veneer	US\$550/cu.m
Wooden Sheet for Packaging Box	US\$900/cu.m

Wood Chips

Woodchips chips or particles	US\$80/tonne
Woodchips	US\$95/tonne

Processed Wood

Processed wood products which are level on all four sides so that the surface becomes even and smooth with the provisions of a cross-sectional area of 1,000 sq.mm to 4,000 sq.mm (ex 4407.11.00 to ex 4407.99.90)

Meranti (<i>Shorea sp</i>)	US\$1,000/cu.m
Merbau (<i>Intsia sp</i>)	US\$1,000/cu.m
Rimba Campuran (Mixed Trop. hardwood)	US\$800/cu.m
Ebony	US\$4,500/cu.m
Teak	US\$3,500/cu.m
Pine and Gmelina	US\$550/cu.m
Acacia	US\$650/cu.m
Sengon	US\$500/cu.m
Rubberwood	US\$300/cu m
Balsa (<i>Ochroma sp</i>) and Eucalyptus	US\$1,000/cu.m
Sungkai (<i>P. canescens</i>)	US\$1,500/cu.m

Processed wood products which are level on all four sides so that the surface becomes even and smooth with the provisions of a cross-sectional area of 4,000 sq.mm to 10,000 sq.mm (ex 4407.11.00 to ex 4407.99.90)

Merbau	US\$1,500/cu,m
Yellow Meranti	US\$500/cu.m
White Meranti	US\$700/cu.m

Processed wood products which are level on all four sides so that the surface becomes even and smooth with the provisions of a cross-sectional area of 10,000 sq.mm to 15,000 sq.mm (ex 4407.11.00 to ex 4407.99.90)

Merbau	US\$1,500/cu,m
Yellow Meranti	US\$500/cu.m
White Meranti	US\$700/cu.m

See: https://jdih.kemendag.go.id/pdf/Regulasi/2024/802_Kepmendag%20HPE%20dan%20HR%20Produk%20Pertanian%20dan%20Kehutanan%20Juli%202024%20dan%20Lampiran.pdf

Upstream and downstream collaboration could boost sector performance

Krisdianto, the Director of Forest Product Processing and Marketing Development at the Ministry of Environment and Forestry, said collaboration between upstream and downstream businesses could revitalise and strengthen the performance of the timber industry in the country. Adding that integration among industry players will bolster the wood supply chain and support the production of high-quality export products.

At a June meeting in Surabaya Krisdianto mentioned that efforts are needed to address challenges created by the Forest Utilisation License (PBPH) and Forest Product Processing License (PBPHH). A mechanism for cooperation between PBPH and PBPHH holders needs further improvement to ensure a stable supply of raw materials for PBPHH and a market for roundwood for PBPH. Such integration would address the problem some companies have to market roundwood and primary industries will no longer suffer from a shortage of raw material, he said.

Tjipta Purwita, the APhi Management Board member, explained that production from the natural forest in 2023 was 4.7 million cu.m whereas the average over the last 10 years was 5.7 million cu.m. He added that several factors are causing a decline in natural forest wood production. One is the increasing transportation distances and fuel prices, while wood prices remain constant. Additionally, there is a decreasing trend in the demand for wood from natural forests.

Tjipta also suggested that expanding the export market, especially for mixed forest wood, is essential to increase added value as it has not been utilised optimally so far.

See: <https://forestinsights.id/tekad-pelaku-industri-kayu-hulu-hilir-dongkrak-kinerja-pemanfaatan-kayu-rimba-campuran-dipromosikan/>

Processed wood industry plays strategic role in the economy

The processed wood industry is considered to have a strategic role in the national economy and significantly contributes to the Gross Domestic Product (GDP) according to Prof. Mangku Purnomo, the Dean of the Faculty of Agriculture at Brawijaya University.

During a discussion hosted by FPUB as part of an ITTO project, Purnomo communicated the need to develop a comprehensive national strategy to enhance the competitiveness of processed wood products in the domestic market. He said "through the project advantages and challenges in the domestic wood industry will be studied.

Several important issues related to the processed wood industry were discussed. The research findings from this project confirm that the domestic market holds great potential for the national wood industry.

The focus of the discussion was on strategies to enhance the competitiveness of processed wood products in the local market, particularly through product innovation, quality enhancement, and improved production efficiency.

See: <https://www.rri.co.id/bisnis/783536/industri-kayu-olahan-dinilai-berperan-strategis-untuk-perekonomian>

Rattan furniture popular in international markets

Indonesia's high-quality rattan furniture has gained popularity among foreign importers, including those operating in Japan, according to Deputy Minister of Trade Jerry Sambuaga, during a visit to the office of Kimura Rattan in Osaka, Japan

The value of Kimura Rattan's imports from Indonesia has shown a steady increase, rising from US\$2.11 million in the period October 2020 to September 2021 to US\$2.33 million in the most recent recording period. Sambuaga emphasised that Indonesia's Ministry of Trade had committed to supporting and facilitating the exports of high-quality rattan products to Japan. In this regard, he remarked that the ministry's Indonesia Trade Promotion Center (ITPC) in Osaka will always be ready to help promote and enhance products and find solutions to issues that might arise.

See: <https://en.antaranews.com/news/317775/indonesias-rattan-furniture-gains-popularity-says-trade-official>

Need for forest recovery strategy for Java

The Environment and Forestry Ministry has highlighted the need for a strategy and cooperation among stakeholders to accelerate forest and environmental rehabilitation in Java. "The success of forest and land rehabilitation on the island of Java involving the community has made a real contribution to improving the environment and forest functions and local economic welfare," said the Ministry's Secretary General, Bambang Hendroyono.

Hendroyono remarked that forest and land rehabilitation can support the achievement of Indonesia's Forest and Land Use (FOLU) Net Sink 2030. He explained that sustainable restoration of the forest ecosystem in Java must focus on the existing regulations without forgetting the aspects of best practices and effectiveness.

See: <https://en.antaranews.com/news/317106/govt-presses-for-comprehensive-strategy-for-forest-recovery-in-java>

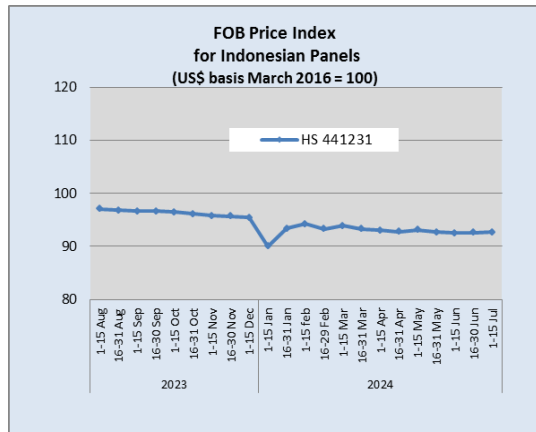
Geo-AI technology can help prevent deforestation

During the 2024 Oslo Tropical Forest Forum (OTFF) meeting, Director General of Environmental Law Enforcement of the Ministry of Environment and Forestry (KLHK), Ratio Ridho Sani, emphasised the importance of legal consistency in the application of Geospatial Artificial Intelligence (GeoAI) science and technology.

"Using accurate data and information is essential in law enforcement. To acquire precise data, a multi-layer, multi-tool analysis must be conducted to monitor and enforce security in forest areas, including fires, encroachments, and environmental pollution," explained Ratio Ridho.

He mentioned that leveraging technology with multi-layer analysis, including the use of GeoAI, has accelerated and enhanced the accuracy of detecting and intervening in activities associated with deforestation and environmental pollution and destruction.

See: <https://investor.id/international/365794/di-pertemuan-oslo-norwegia-klhk-tegaskan-teknologi-geoai-cegah-deforestasi>



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

Concluding the comprehensive economic partnership agreement (CEPA) with the EU

Indonesia is currently trying to close the comprehensive economic partnership agreement (CEPA) with the EU by next month. Negotiations for this trade pact have been ongoing for eight years. The CEPA negotiations and the environmental policies are not the only things that can describe the bilateral relations according to EU Ambassador to Indonesia Denis Chaibi. “Our most significant engagement is in trade. We are doing intensive trade negotiations” Chaibi said, acknowledging that the EU’s environmental regulations were also a pivotal issue in their bilateral interactions.

See: <https://jakartaglobe.id/news/indonesiaeu-relations-much-bigger-than-just-trade-envoy>

Myanmar

Wood industries undermined by payment restrictions

Current international banking restrictions on foreign exchange transactions have severely impacted exporters, with the wood industry being hard hit. After the EU and USA imposed restrictions on Myanmar, citing that trade supports the military government, manufacturers have struggled to receive payments for their exports.

Even exports to non-EU and non-USA destinations are at risk due to the banking restrictions. If this situation remains unchanged the timber industry faces a serious threat of a complete shutdown say local analysts. This year so far timber exports are at the lowest ever recorded.

China’s diplomatic efforts with Myanmar

The local media has reported that China continues to engage with Myanmar’s former generals hoping they can restore stability.

Despite these efforts the Myanmar authorities continue to face internal conflict and international pressure.

It has been reported that the US has also opened limited communication with Myanmar’s military suggesting a potential shift in approach.

See: <https://www.gnlm.com.mm/former-president-u-thein-sein-attends-70th-anniversary-of-five-principle-of-peaceful-coexistence-in-beijing/>

Energy shortages

Myanmar is grappling with acute electricity shortages which are having profound economic repercussions. The power cuts are disrupting all businesses without exception. The unpredictable outages are affecting operations, causing significant revenue losses and forcing irregular working hours on employees.

The broader economic impact of the power crisis is evident across Myanmar. Many businesses report severe challenges due to the unreliable electricity supply compounded by inflation and the devaluation of the local currency. The World Bank’s findings underscore the widespread impact of power outages, with a notable increase in the percentage of companies citing electricity shortages as their primary operational hurdle.

Despite the onset of the rainy season offering temporary relief by reducing electricity demand for air conditioning and replenishing hydropower dams, reports indicate that industrial areas in Yangon still face an erratic electricity supply.

See: <https://www.channelnewsasia.com/business/russian-firms-eye-myanmar-energy-infrastructure-4469846> and <https://www.frontiermyanmar.net/en/power-cuts-bring-myanmars-industry-to-its-knees/>

Banks face administrative action

The authorities in Myanmar announced administrative action against executives from seven private banks for exceeding the Central Bank’s cap on home mortgage lending set in January 2019. These banks will face charges under Section 154 of the Financial Institutions Law which allows the Central Bank to impose fines, restrictions or terminate staff and board members. Officials at the Central Bank will also be punished for inadequate supervision.

The cap restricts banks from lending more than 5% of their total lending portfolio for home loans exceeding three years. This cap was introduced by the previous civilian government.

See: <https://www.irrawaddy.com/business/myanmars-generals-berate-and-scold-bankers-as-financial-crisis-deepens.html> and <https://www.irrawaddy.com/business/myanmar-banks-restrict-cash-withdrawals-as-financial-crisis-intensifies.html>

In related news the Central Bank of Myanmar (CBM) has intervened by injecting millions into the financial market to stabilise the currency but with limited success. The kyat continues to lose value against the US dollar, Thai baht, and the Chinese yuan.

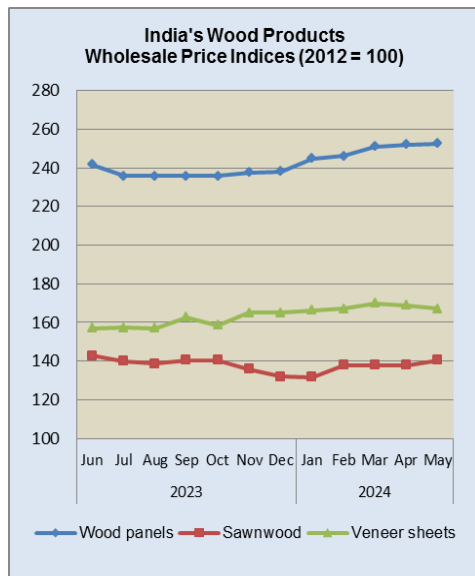
India

The correspondent writes “the monsoon has set well across India and we are looking forward to a good season. The rain came two days sooner than expected bringing relief from the heat wave while boosting prospects for bumper harvests. Monsoon rains are critical to boost economic growth as good harvests of rice, corn, cotton, soybeans and sugarcane brings money into households and lifts their purchasing power”.

Inflation higher in May

The annual rate of inflation based on the India Wholesale Price Index (WPI) was 2.61% in May 2024. The positive rate of inflation was primarily due to increase in prices of food articles, manufacture of food products, crude petroleum and natural gas, mineral oils and other manufacturing. The index for manufacturing increased to 141.7 in May from 140.8 for April.

Out of the 22 NIC two-digit groups for manufactured products, 13 groups saw an increase in prices, for 8 groups there was a decline in prices and for 1 group there was no change.



Data source: Ministry of Commerce and Industry, India

Some of the important groups that showed month-on-month increases in price were basic metals, food products, computer, electronic an optical products, electrical equipment, other manufacturing. Some of the groups that witnessed a decrease in prices were fabricated metal products (except machinery & equipment) other non-metallic mineral products, chemicals and chemical products, tobacco products and other transport equipment.

See: https://eaindustry.nic.in/pdf_files/cmonthly.pdf

Government and private sector join to expand rubber plantations

The Indian Natural Rubber Operations for Assisted Development (INROAD) has converted nearly 70,000 hectares of land into rubber plantations in Northeast India over the past 3 years. INROAD is hosted by the Ministry of Commerce and Industry and brings together the rubber consuming sector and government agencies to fund rubber plantations. The private sector is represented by the Automotive Tyre manufacturers Association (ATMA).

Over 30 million trees have been planted across 93 districts in the North-east Indian states. The project entails socio-economic development of resource poor populations in these States.

The industry has committed Rs.1000 crore towards a new plantation of 2 lakh hectares and another Rs.100 crore towards improvement in quality of Natural Rubber (NR) through best practices and training.

The demand-supply gap for natural rubber in India continues to be high. At present nearly 40% of the natioanal requirement is met through imports.

It is estimated that by 2030 the country would require about 20 lakh tonnes of natural rubber annually and the INROAD project will help meet some of the growing requirements within the country.

See: <https://www.thehindubusinessline.com/economy/agri-business/inroad-project-brings-70000-hectares-under-natural-rubber-in-north-east/article67887224.ece#:~:text=Against%20the%20target%20of%2080%2C000,said%20Anshuman%20Singhania%2C%20Chairman%20ATMA.>

Farmers encouraged to plant sandalwood

The latest budget includes support for boosting sandalwood cultivation which has generated optimism among farmers. Officials say steady demand and better prices are key to lifting sandalwood cultivation.

One suggestion is to transform Forest Department timber depots into sandalwood collection centres allowing individuals to harvest sandalwood trees from private land and sell directly to the Forest department.

A retired forest official residing at Moolamattom is reported as saying “to encourage sandalwood planting the government should train forestry and revenue offices on the relavent laws and regulations as most of the officials are unaware of the cultivation of sandalwood and the reality is that anyone can easily cultivate the tree and earn income.”

See: <https://www.thehindu.com/news/national/kerala/budget-announcement-to-promote-sandalwood-cultivation-offers-new-hopes-to-farmers/article67818022.ece>

Cost C&F Indian ports in US dollars, Hoppus measure

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

	Hoppus cu.m	US\$ C&F
Brazil	167	425
Colombia	143	380
Costa Rica	190	375
Nigeria	-	-
Benin	172	570
Tanzania	98	448
Laos	-	-
South Sudan	-	-
Guatemala	124	400
Venezuela	-	-

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

	cu.m	US\$ C&F
Benin	151	685
Brazil	123	575
Colombia	-	-
Costa Rica	147	515
Ecuador	-	-
Ghana	93	440
Ivory Coast	124	850
Nigeria	145	450
South Sudan	193	575
Tanzania	119	450
Togo	140	4055
Panama	121	490

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,300 - 4,700
Balau	2,900 - 3,200
Resak	-
Kapur	-
Kempas	1,600 - 1,900
Red meranti	1,700 - 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	1,800 - 2,100
Sycamore	2,300 - 2,600
Red Oak	2,800 - 3,200
White Oak	3,200 - 3,600
American Walnut	5,200 - 5,800
Hemlock STD grade	1,800 - 2,100
Western Red Cedar	2,900 - 3,250
Douglas Fir	2,300 - 2,500

Price range depends mainly on lengths and cross-section

Plywood

Plywood manufacturers have agreed price increases but the new price structures have not been released primarily because panel demand is currently slow and company finances are under stress. Any move by manufacturers to raise prices now could further undermine demand.

The correspondent writes - manufacturers are not in a position to revise the prices yet because if they do so then their orders will decrease. But soon a point has come where without increment their survival will become even more difficult. I expect that by this month end all major players will increase prices.

Domestic ex-warehouse prices for locally manufactured WBP plywood

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

Domestic ex-warehouse prices for locally manufactured MR plywood

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

Vietnam

Wood and wood product (W&WP) trade highlights

Statistics provided by Vietnam Office of Customs reveal that in June 2024 W&WP exports reached US\$1.25 billion, down 1% compared to May 2024 but up 14% compared to June 2023. WP exports alone earned US\$840 million, up 0.6% compared to May 2024 and up 10% compared to June 2023.

In the first 6 months of 2024 W&WP exports earned US\$7.4 billion, up 22% year on year. WP exports contributed US\$5.03 billion, up 21% over the same period in 2023.

The value of Vietnam's W&WP imports in June 2024 was US\$250 million, up 0.9% compared to May 2024 and up 31% compared to June 2023.

Over the the first 6 months of 2024 W&WP imports totalled US\$1.266 billion, up 22% year-on-year.

Logs and sawnwood (raw wood) imports in June 2024 were 510,400 cu.m, worth US\$168.4 million, up 1.5% in volume and 1% in value compared to May 2024. Compared to June 2023 imports increased by 24% in volume and 24% in value.

In the first 6 months of 2024 imports of raw wood totalled 2.5 million cu.m, worth US\$838.4 million, up 18% in volume and 11% in value against the same period in 2023.

Vietnam's NTFP exports in June 2024 brought in about US\$70 million, up 5.5% compared to May 2024 and up 0.8% over the same period in 2023.

In the first half of 2024 NTFP exports were valued at US\$404.54 million, up 13% over the same period in 2023.

W&WP exports to Canada in May 2024 reached US\$16.5 million, up 5% compared to May 2023. In the first 5 months of 2024 W&WP exports to Canada reached US\$94 million, up 24% over the same period in 2023.

W&WP exports to South Africa in May 2024 contributed US\$360,000, down 18% compared to May 2023. In the first 5 months of 2024 W&WP imports from South Africa reached US\$2.4 million, up 48% over the same period in 2023.

Imports of padouk in May 2024 came to 8,300 cu.m, worth US\$3.3 million, up 7.5% in volume and 7.4% in value compared to April 2024.

Compared to May 2023 imports fell by 8% in volume and by 16% in value. In the first 5 months of 2024 imports of padouk reached 47,000 cu.m, worth US\$19.2 million, down 15% in volume and down 9% in value year-on-year.

Raw wood imported from the EU in May 2024 increased for the 3rd consecutive month reaching 73,000 cu.m with a value of US\$23.0 million, up 12% in volume and 11% in value compared to April 2024.

However imports declined by 1.5% in volume and increased by 0.5% in value over the same period in 2023.

In the first 5 months of 2024 imports of raw wood from the EU reached 272,510 cu.m, with a value of US\$87.2 million, up 3% in volume and 8% in value year-on-year.

First half 2024 W&WP exports grew at double digit rate

In the first half of 2024 W&WP exports totalled around US\$7.4 billion, up 22% year-on-year. The high-end/higher value commodity group, dominated at US\$5.03 billion, up 21% over the same period in 2023. Leading these exports were wooden frame seats, living room and dining room furniture (US\$1.0 billion, up 38%), wood-based panels and floorings (US\$814.7 million, up 25%) and bedroom furniture (US\$772.7 million, up 32%).

Data from Vietnam Office of Customs show strong growth of W&WP exports to the US, China and the EU.

In the first 5 months of 2024 the US imported US\$3.3 billion, up 26% over the same period in 2023. The US is the main target market for made-in-Vietnam furniture. China, as the second largest market, imported W&WP valued at US\$887.8 million, up 51% over the same period in 2023.

Exports to the EU were valued at US\$240.3 million, up 33%, Canada US\$94 million, up 24%, UK US\$89.7 million, up 18% and Indonesia US\$77.8 million up 102.3%.

With the gradual recovery of the world economy, especially the 5 top markets namely the US, Japan, China, South Korea and the EU, many Vietnamese businesses have secured orders until the end of 2024. Because of this imports of raw wood have been increasing.

However, in the second half of 2024 there will be still many challenges facing Vietnamese operators such as intense geopolitical conflicts and rising freight rates. In addition, trade protection remedies relating to anti-dumping anti-subsidy and countervailing investigations as well as the environment/forest protection barriers, including EUDR, are all expected to impose further pressure on Vietnam's W&WP exports.

Strengthening enterprise governance, improvement of designing capability, fostering digital transformation, diversifying export destinations by tapping potential markets, such as the Middle East, Africa, Eastern Europe and Northern Europe, along with others, are expected to be tackled by Vietnamese entrepreneurs.

Rising imports of wood raw material

According to Vietnam's Department of Forestry in the first 5 months of 2024 the area of newly planted commercial forests was 98,200 hectares, up 1.3% over the same period last year and the timber harvest amounted to 741,300 cu.m, up 6.6

Shippers of wood raw material

In the first 5 months of 2024, the volume of raw wood imported from major suppliers such as China, the EU, the US, Thailand, Chile, Laos, Brazil and New Zealand increased over the same period in 2023. On the other hand imports from Cameroon, Malaysia, Congo, Suriname and Indonesia declined.

Most raw wood imports were from China and accounted for 17% of the total import volume in the first 5 months of 2024 reaching 348,500 cubic metres worth US\$137.1 million, up 72% in volume and 40% in value over the same period in 2023.

Imports from the EU increased 4% in volume and 9% in value over the same period in 2023 reaching 275,300 cu.m, worth US\$88.6 million and accounted for 14% of total imports.

Imports from the US increased by 18% in volume and 18% in value reaching 255,400 cu.m worth US\$110.1 million and accounted for 13% of total imports.

Imports from other shippers also increased over the same period in 2023 such as from Thailand by 27%; Chile by 88%; Laos by 3.4%; Brazil by 40%; New Zealand by 26%; and Papua New Guinea by 71%.

Import from other sources in the first 5 months of 2024 decreased against the same period in 2023 such as from Cameroon down 36%; Malaysia down 13%; Congo down 33%; Suriname down 28% and Indonesia down 7%.

Import prices

In the first 5 months of 2024, the average import price stood at US\$332.4/cu.m, down 7.4% over the same period in 2023.

The import price of raw wood from China decreased by 19% down to US\$393.4/cu.m; from Cameroon decreased by 3.5% to US\$425.4/cu.m; Chile by 5%, to US\$235.1/cu.m; Laos by 4% to US\$461.8/cu.m; Brazil by 5.5%, to US\$248.1/cu.m.

Vietnam's W&WP exports to S. Africa

According to statistics from Vietnam Office of Customs W&WP exports to South Africa in May 2024 reached US\$360,000, down 18% compared to May 2023. However, in the first 5 months of 2024 W&WP exports to South Africa earned US\$2.4 million, up 48% year-on-year.

Amongst W&WPs exported to South Africa wooden furniture has been dominating at 68% of total exports. Leading exports was living-room and dining-room furniture reaching US\$756,000, up 45% over the same period in 2023 followed by wooden frame chairs US\$243,000, up 7%; bedroom furniture US\$224,000, up 21. In addition, in the first 4 months of 2024, wood-based panels and floorings shipped to South Africa also increased sharply.

According to statistics from the International Trade Center (ITC), South Africa's imports of wooden furniture in the first 3 months of 2024 reached US\$24 million, up 26.5% over the same period in 2023.

China and the EU were the 2 main suppliers. Vietnam was the 4th largest supplier, but the value of imports from Vietnam accounted for only 6% of the total imports.

In the South African market, rapid urbanisation has led to increased demand for furniture.

Vietnamese operators are still facing many challenges while having their wooden products shipped out to the South Africa especially competition with Chinese exporters, and import payment procedures.

Padouk sawnwood and log imports

According to statistics of Vietnam Custom Office, sawn padouk imported into Vietnam in the first 4 months of 2024 volumed at 34,8000 cu.m, worth US\$13.9 million, down 16% in volume and 10% in value over the same period in 2023. Imports of padouk round wood reached 4,400 cu.m, worth US\$2.2 million, down 6% in volume but up 32% in value over the same period in 2023.

Padouk sawnwood/log imports, first 4 months 2024

Sawnwood/ log	4 months 2024			Against 4 months 2023 (%)		
	Volume (cu.m)	Value (US\$ 1,000)	Unit price (US\$/cu.m)	Volume	Value	Unit price
Lumber	34,786	13,947	400.9	-15.6	-9.6	7.1
Log	4,432	2,153	485.8	-6.3	32.3	41.1

Source: Vietnam Office of Customs

The average price of padouk imported into Vietnam in the first 4 months of 2024 stood at US\$410.5/cu.m, up 11% over the same period in 2023. Of this, the price of padouk imports from Africa increased by 0.6% to US\$310.5/cu.m, from China by 2.4%, to US\$286.7/cu.m and Tanzania by 1.4%, to US\$290.5/cu.m.

Padouk suppliers

In the first 4 months of 2024 padouk was imported mainly from Africa with a small volumes from other sources. Import from Africa accounted for 77% of total imports in the first 4 month of 2024, reaching 30,200 cu. m, worth US\$9.4 million, down 24% in volume and down 24% in value over the same period in 2023. Imports from Angola decreased by 68%; Namibia by 54%; and Cameroon by 61%.

Similarly, imports from Laos decreased by 2% in volume and by 8% in value over the same period in 2023, with the import of 3,500 cu.m, worth US\$3.5 million.

In contrast, padouk imports from Thailand increased by 122% in volume and 266% in value over the same period in 2023 reaching 3,500 cu.m, worth US\$2.6 million.

In addition, the import volume of padouk from some other markets increased (Hong Kong increased by 118%, China increased by a huge margin, Papua New Guinea increased by 89.8%). The net contribution from these suppliers was small as the volumes are small.

Padouk imports by source

Thị trường	4 months 2024			Year-on-year growth (%)			Share (%)	
	Volume (cu.m)	Value (US\$ 1,000)	Price (US\$/cu.m)	Volume	Value	Price	4 M/2024	4M/2023
Total	39,219	16,100	410.5	-14,7	-5,7	10,5	100,0	100,0
Africa	30,188	9,372	310.5	-24,3	-23,8	0,6	77,0	86,8
South Africa	16,114	4,669	289.8	-30,2	-30,0	-0,1	41,1	26,9
Angola	4,885	1,433	293.3	-67,8	-67,7	0,4	12,5	33,0
Namibia	2,912	863	296.5	-53,5	-55,8	-5,1	7,4	13,6
Congo	2,138	708	331.3	213,9	99,1	-36,6	5,5	1,5
Zambia	1,593	469	294.1	2,507,6	2,242,3	-10,2	4,1	0,1
Gabon	1,265	759	600.1	34,3	53,9	14,5	3,2	2,0
Cameroon	1,174	442	376.6	-60,9	-59,9	2,4	3,0	6,5
Ghana	88	23	263.6				0,2	0,0
Nigeria	20	6	300.0				0,1	0,0
Thailand	3,477	2,643	760.2	122,3	265,9	64,6	8,9	3,4
Laos	3,469	3,475	1001.8	-1,9	-7,6	-5,9	8,8	7,7
Hong Kong	994	266	267.8	118,0	105,6	-5,7	2,5	1,0
Chiana	306	88	286.7	1,430,0	1,466,5	2,4	0,8	0,0

Source: Vietnam Office of Customs

Brazil

Improving competitiveness of Brazil's timber industries

The Senai Institute of Technology in Wood and Furniture (Instituto Senai de Tecnologia - IST) has completed a project in partnership with the Wood Industries Union (Sindusmadeira).

This initiative, made possible by the FIEP Innovation Programme, brought significant technological advances to the wood industry in Guarapuava Municipality (Southern Brazil) especially in improving production processes. The project included eight companies from Sindusmadeira and ended in May 2024.

IST carried out laboratory tests and technical analyses and implemented actions to improve the quality of wood products. The main objective was to improve the quality of plywood and other wood products using national and international standards as a reference. The project also aimed to reduce losses and costs and to train employees on technical standards, process organisation and quality control.

Participating companies had the opportunity to carry out laboratory tests on their products to collect technical information that is essential for entering new markets. The technological and process improvements implemented strengthened collaboration between IST and the timber industries in Guarapuava Municipality and increased the market competitiveness and quality of products.

See: <https://www.madeiratotal.com.br/instituto-senai-de-tecnologia-em-madeira-e-mobiliario-melhora-a-competitividade-da-industria-madeireira/>

Forestry sector and technological innovation in Brazil

The Brazilian forestry sector has emerged as an essential pillar for agribusiness contributing significantly to the economy, society and the environment. In 2022 the sector registered a contribution to GDP of R\$107.2 billion, representing 4.1% of the national agricultural production. This was in contrast to an almost 2% decline contribution from the overall agricultural sector.

Brazil has been investing heavily in technology to increase efficiency and reduce costs in forestry production. This investment includes the use of drones, remote sensing, geographic information systems, biotechnology and genetic improvement as well as the application of big data and artificial intelligence systems.

The application of biotechnology techniques has also supported the development of more resistant and productive forest species adapted to Brazil's climatic and environmental conditions. The forestry sector in Brazil stands out for investing in innovation that combines high technology with sustainable practices. In 2022 the area planted reached 9.94 million hectares and comprised mainly with eucalyptus (7.6 million hectares) and pine (1.9 million hectares), almost double the 5.1 million hectares planted in 2013.

The selection of high-performance seedlings and clones is still carried out manually requiring the human expertise ensuring employment in rural areas. In addition to the economic impact, the forestry sector promotes job creation and income distribution especially in rural areas.

See: <https://agrovevenda.com.br/opinioa/a-importancia-do-setor-florestal-e-a-inovacao-tecnologica-no-brasil/>

Boosting exports of wood products from sustainably managed forests

In June 2024 the "Export More Brazil (Exporta Mais Brasil)" programme, organised by the Brazilian Trade and Investment Promotion Agency (ApexBrasil) was held in Alta Floresta Municipality in the state of Mato Grosso in the Amazon region.

The goal was to boost exports of processed wood products from sustainably managed forests. The event brought together 12 international buyers from seven countries (South Africa, Germany, Belgium, France, Mexico, Poland and Uruguay) for business rounds with 30 Brazilian companies in the sector.

The programme included visits to industries to observe sustainable practices and raise the international perception of Brazilian products in terms of the sustainability, the functioning of the local market and its potential.

The Brazilian Forest sector, which already employs 160,000 people in more than 11,000 companies, stands out for job creation and the adoption of sustainable practices. The state of Mato Grosso, with over 5 million hectares of managed forests, is an example of this as satellite monitoring, the adoption of traceability techniques as well as the control of harvest volumes has been adopted.

According to the Mato Grosso Environment Secretariat (Sema-MT) sustainable forest management in the region contributes an estimated 16% reduction in greenhouse gas emissions. By 2030 the expectation is to achieve 6 million hectares of forest under SFM in Mato Grosso.

ApexBrasil, through the "Export More Brazil" programme, aims to position the country as a world reference in sustainable forest management, promoting economic development with environmental responsibility.

In 2023, with an investment of R\$5 million, the "Export More Brazil" programme completed 13 business events in 13 Brazilian states. The programme generated R\$275 million in business transactions and promoted 3,496 business rounds between 143 international buyers from 41 countries and 487 Brazilian companies. In 2024 the programme will visit the other 14 states in the country.

See: <https://cipem.org.br/noticias/exporta-mais-brasil-chega-em-alta-floresta-mt-para-impulsionar-o-manejo-florestal-sustentavel-nacional>

US announces new contribution to Amazon Fund

The domestic media has reported the United States has announced a new contribution of US\$47 million to Brazil's Amazon Fund reinforcing the collaboration between Brazil and the United States for the protection of the Amazon rainforest. This contribution highlights the priority of environmental issues on the United States' agenda on promoting policies aimed at reducing carbon emissions and combating climate change.

The relationship between Brazil and the United States is essential, particularly considering the Amazon's importance in global climate regulation. Continued support for the Amazon Fund is crucial as maintaining robust environmental policies and funding programmes such as the Amazon Fund are vital for the preservation of the forest and for global efforts to combat climate change.

See: <https://g1.globo.com/politica/blog/valdo-cruz/post/2024/07/05/eua-anunciam-nova-contribuicao-de-us-47-milhoes-para-o-fundo-amazonia.ghtml>

Domestic log prices

	US\$ per cu.m
Brazilian logs, mill yard, domestic	
Ipê	518
Jatoba	219
Massaranduba	194
Muiracatiara	187
Angelim Vermelho	188
Mixed redwood and white woods	143

Source: STCP Data Bank

Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	1,900
Jatoba	1,019
Massaranduba	905
Muiracatiara	901
Angelim Vermelho	894
Mixed red and white	577
Eucalyptus (AD)	324
Pine (AD)	266
Pine (KD)	299

Source: STCP Data Bank

Domestic plywood prices (excl. taxes)

	US\$ per cu.m
Parica	
4mm WBP	653
10mm WBP	516
15mm WBP	445
4mm MR.	601
10mm MR.	437
15mm MR.	392

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

	US\$ per cu.m
Domestic ex-mill prices	
15mm MDParticleboard	320
15mm MDF	327

Source: STCP Data Bank

Export sawnwood prices

	US\$ per cu.m
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	2,645
Jatoba	1,404
Massaranduba	1,319
Muiracatiara	1,417
Pine (KD)	191

Source: STCP Data Bank

Export plywood prices

	US\$ per cu.m
Pine plywood EU market, FOB	
9mm C/CC (WBP)	345
12mm C/CC (WBP)	313
15mm C/CC (WBP)	306
18mm C/CC (WBP)	301

Source: STCP Data Bank

Export prices for added value products

		US\$ per cu.m
FOB Belem/Paranagua ports		
Decking Boards	Ipê	3,120
	Jatoba	1,745

Source: STCP Data Bank

Peru

Furniture imports rose during the first quarter of 2024

During the first four months of 2024 the value of Peruvian imports of wooden furniture was US\$15.3 million, an increase of 8% compared to the same period in 2023 (US\$14.1 million).

Brazil maintained its position as the main supplier of wooden furniture to Peru during the first four months contributing US\$9.8 million, which represented 64% of the country's total wooden furniture imports. After Brazil, China supplied wooden furniture worth US\$1.8 million a decline on the US\$1.9 million imported in the first four months of 2023.

Wood product export earnings down year on year

According to the Management of Services and Extractive Industries in the Association of Exporters (ADEX) shipments of wood products in the first four months of 2024 earned US\$26.6 million, which was 29% less than the same period in 2023 (US\$37.4 million)

This decline is partly explained by the lower purchases by the main buyer, China, which at US\$ 4.1 million, was a 42% drop year on year. On the other hand, the Dominican Republic increased imports from Peru to US\$3.9 million. France, which was ranked third in purchasing Peruvian wood products bought just US\$3.8 million, down by half from the same period in 2023.

According to figures from 'ADEX Data' the Trade Commercial Intelligence System, sawnwood was the top export product in the first four months of 2024 earning US\$10.6 million, despite a 27% drop compared to the previous year. Second were semi-manufactured products that earned US\$9.6 million but this represented a year on year contraction of 42%.

Others export products were furniture and its parts (US\$1.6 million), construction products (US\$1.5 million) and wood energy products (US\$1.4 million).

OSINFOR reports progress in fight against illegal logging

The Forestry and Wildlife Resources Supervision Agency (OSINFOR) announced a notable reduction in the rate of illegal logging in forest units with permitting titles. This information was provided at an event to commemorate the 16 years of OSNFOR establishment

OSINFOR presented the results of a study "Estimating and measuring the legality of wood in Peru in 2021" which offers a standardised and replicable methodology to annually measure illegal logging and trade in illegal wood in the country.

When presenting the results the Director of OSINFOR, Ildelfonso Riquelme, indicated that in 2023, 884,577 hectares of forest were under supervised management and by the end of 2024 it is planned to extend this to 932,694 hectares.

Export prices for added value products

	US\$ per cu.m
Strips for parquet Cabreuva/estoraque KD12% S4S, Asian market	1327-1398
Cumaru KD, S4S Swedish market Asian market	986-1119
Cumaru decking, AD, S4S E4S, Central American market	986-1011
Cumaru decking, AD, S4S E4S, Central American market	994-018
Pumaquiro KD Gr. 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	582-611
2x13x75cm, Asian market	774-831

Export veneer prices

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

Export sawnwood prices

	US\$ per cu.m
Peru sawnwood, FOB Callao Port	
Pumaquiro 25-50mm AD Mexican market	691-710
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	582-602
Grade 2, Mexican market	527-541
Cumaru 4" thick, 6"-11" length KD Central American market	1,009-,029▲
Asian market	999-1032
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	641-654
Dominican Republic	755-799
Marupa 1", 6-11 length KD Grade 1 Asian market	559-572

Domestic prices for other panel products

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

Export plywood prices

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

Domestic sawnwood prices

	US\$ per cu.m
Peru sawnwood, domestic	
Mahogany	-
Virola	222-234
Spanish Cedar	333-344
Marupa (simarouba)	192-227

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

Japan

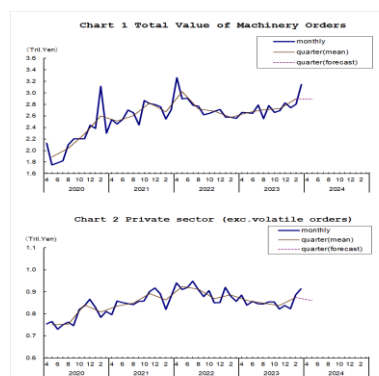
Confidence returns

Confidence among Japan's large manufacturing firms showed a modest recovery for the first time in six months, according to the latest "Tankan" survey from the Bank of Japan marking the first improvement in two quarters.

The index for large non-manufacturing companies stood at 33 points, down two points compared to the first quarter of 2024 and for the first time in 16 quarters, but still close to the maximum values since the bursting of the economic bubble in the nineties.

See: <https://www.agenzianova.com/en/news/Japan-manufacturing-business-confidence-improves-for-the-first-time-in-six-months/>

In related news, the total value of machinery orders received by 280 manufacturers operating in Japan increased by 12% in March from the previous month on a seasonally adjusted basis. In the January-March period it increased by 6.3% compared with the previous quarter.



Source: Cabinet Office, Japan

Private-sector machinery orders, excluding volatile ones for ships and those from electric power companies, increased a seasonally adjusted by 3% in March and rose by 4.4% in the January-March period.

In the April-June period machinery orders were forecast to decrease by 0.1% and private-sector orders, excluding volatile ones, were forecast to fall by 1.6% from the previous quarter.

Weak yen a big problem for SMEs

A recent survey by the Japan Chamber of Commerce and Industry (JCCI) showed the yen’s dramatic decline has become a serious problem for Japan’s small and medium size businesses as they experience surging raw material and energy prices.

According to the survey of 2,008 small enterprises, around half of the respondents said that the weakness of the Japanese currency was a big problem for their operations. Only 2% in the latest survey said that the weakening of the yen positive for their business.

See: <https://www.japantimes.co.jp/business/2024/07/04/companies/nagata-weak-yen-small-business/?utm>

Encouraging corporate investment in emerging economies

The government is encouraging corporate investment in emerging and developing countries by providing guarantees through the Japan International Cooperation Agency (JICA). Guaranteeing loans is not currently among the aims and law governing JICA.

The aim of the government is to set up a mechanism that enables JICA to compensate for losses. The government seeks to deepen relations with those economies by building a support system with the private sector. Foreign Minister Yoko Kamikawa said that she would work with government ministries and agencies to revamp ODA with an eye on amending the JICA law. A panel presented suggestions to the minister on the best ways to combine public and private funds.

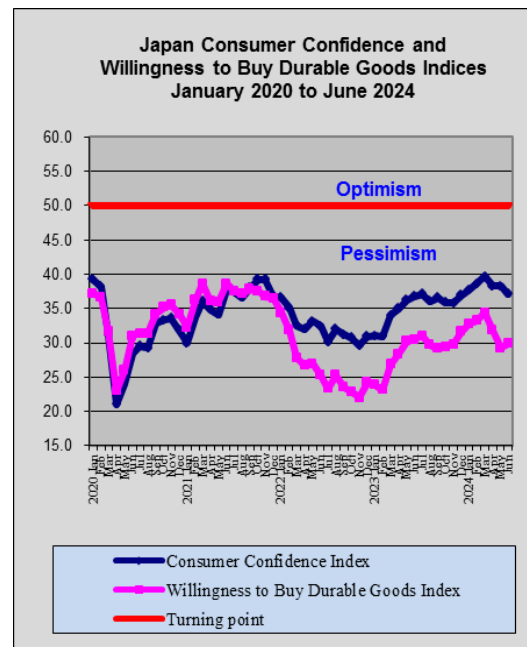
See: https://asia.nikkei.com/Politics/International-relations/Japan-to-offer-guarantees-on-corporate-investments-in-Global-South?utm_campaign=GL_JP_update&utm_medium=email&utm_source=NA_newsletter&utm_content=article_link and https://www.jica.go.jp/activities/issues/private_sec/_icsFiles/afieldfile/2024/05/29/Asia_investment_promotion_en_1.pdf

Consumer confidence up slightly in June

The seasonally adjusted Consumer Confidence Index was up slightly in June according to the Cabinet Office. The income growth indicator rose while the overall livelihood index declined and the employment index dipped month on month. The willingness to buy durable goods index hovers at a multi-month low.

The percentage of respondents who expect prices to increase over the next year was 94%, up from May, while 3% of those surveyed see them unchanged and the balance expect prices to fall.

See: <https://breakingthenews.net/Article/japans-consumer-confidence-improves-in-june/62300247>



Data source: Cabinet Office, Japan

Tax-free investment scheme a factor driving down yen

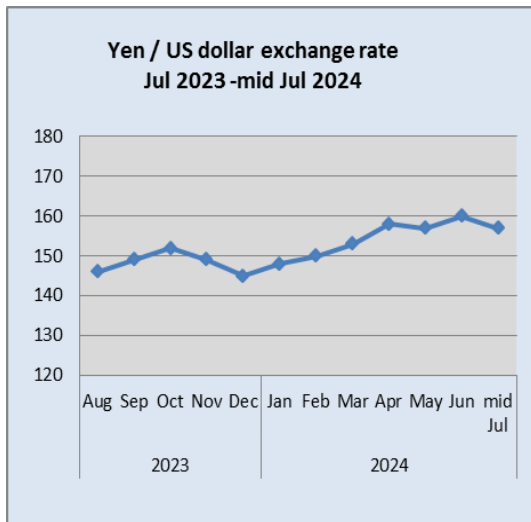
Overseas asset purchases by Japanese individuals through a recently introduced tax-free investment scheme have been identified as a major factor driving down the yen exchange rate. According to data from the Ministry of Finance, Japanese investment trust management companies and asset management firms purchased almost US\$40 billion more offshore equities and investment fund shares than they sold during the first six months of this year.

These offshore investments are possible through a revised Nippon Individual Savings Accounts (NISA) programme. Shifting savings into investments helps beat the effects of inflation. The recent consumer price index stood at 2.1%, above the Bank of Japan's price stabilisation target of 2%. There are few financial products in Japan that generate returns of more than 2%. Japanese government bonds being sold to retail investors this month offered yields below 1%.

See: <https://asia.nikkei.com/Business/Markets/Currencies/Japan-households-offshore-investments-top-trade-deficit-weakening-yen2>

The yen surged against the US\$ mid-month after the release of weaker than expected US inflation data. At the same time it appears that the Japanese government and the Bank of Japan intervened to try and strengthen the yen.

The yen strengthened to 157 after the June US consumer price index showed prices declined from the previous month marking the first monthly drop since May 2020. The yen had plunged as low as 162 in early July, its weakest since December 1986.



Data source: WSJ

Best place to live survey

In a recent national regional survey to rank the ‘desirable place to live’ Tokyo slipped to third place giving way to Yokohama as the best and Omiya area in the city of Saitama second. This marked the first time since the annual survey began in 2009 that Tokyo has fallen below the No. 2 spot while Yokohama kept its No. 1 ranking for the seventh year in a row.

See:

<https://mainichi.jp/english/articles/20240301/p2a/00m/0na/009000c>

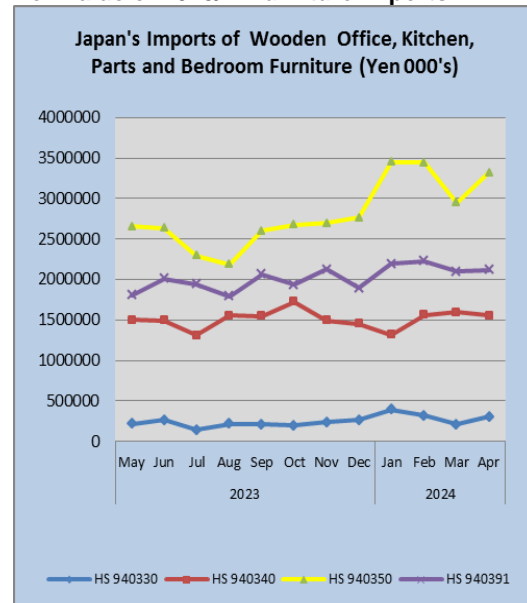


Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Import update

The severe weakness of the Yen against the US dollar continues to drive up the cost of imports and drive down discretionary purchases by Japanese households. The Yen value of some furniture items has risen but it is unclear whether this is the effect of the exchange rate or demand in Japan.

Yen value of 2023/24 furniture imports



Data source: Ministry of Finance, Japan

April 2024 wooden office furniture imports (HS 940330)

In a change of ranking the top shippers of wooden office furniture (HS940330) to Japan were China supplying over 70% of April imports followed by the UK at 15%. Shippers in Malaysia were beaten to third place by the surprising UK imports.

April 2024 imports (HS 940330)

	Imports Apr 2024 Unit, 000's Yen
China	220,682
Taiwan P.o.C	3,368
Vietnam	1,037
Malaysia	16,493
UK	46,991
Spain	2,631
Italy	2,201
Poland	4,770
Hungary	299
Turkey	3,139
Lithuania	276
Canada	625
USA	1,267
Mexico	4,727
Total	308,506

Data source: Ministry of Finance, Japan

The value of exports of HS940330 from China to Japan in April rose from a month earlier. The high value of shipments from the UK was a record since the UK did not appear in the list of March shippers of wooden office furniture. April shipments from Malaysia were around half the value of March shipments.

Year on year, the value of Japan's imports of wooden office furniture in April 2024 increased by over 40% and month on month the value of imports was up by 40%.

April 2024 kitchen furniture imports (HS 940340)

Year on year, the value of imports of wooden kitchen furniture items (HS940340) in April were little changed. The same trend was observed when comparing the value of April imports with that of March.

The top shippers in April were the Philippines, accounting for about 47% of the value of April imports followed by Vietnam at 37% with shippers in Germany driving imports to third place pipping Thailand which was, in previous months in third place. The top three shippers accounted for around 85% of the value of April imports.

After two consecutive monthly increases in the value of imports of wooden kitchen furniture there was only a slight increase in the value of April imports.

April 2024 imports (HS 940340)

	Imports Apr 2024 Unit, 000's Yen
China	136,356
Vietnam	575,644
Thailand	62,527
Malaysia	14,064
Philippines	619,070
Indonesia	19,342
Germany	75,543
Italy	50,423
Canada	775
Total	1,553,744

Data source: Ministry of Finance, Japan

April 2024 wooden bedroom furniture imports (HS 940350)

The steady month on month rise in the value of wooden bedroom furniture (HS930350) imports there was a correction in March but that was short lived as the value of April imports moved higher.

Year on year, the value of April imports was up 19% and there was a 15% month on month increase in the value of imports. China accounted for just over 60% of the value of April imports to Japan followed by Vietnam at 32% and Malaysia at 3%.

The April increase in the value of imports was almost entirely due to the rise in imports from China compared to a month earlier. The top three shippers accounted for over 90% of the value of April wooden bedroom furniture imports.

April 2024 imports (HS 940350)

	Imports Apr 2024 Unit, 000's Yen
Rep. Korea	1,670
China	2,016,629
Vietnam	1,055,770
Thailand	50,119
Malaysia	95,055
Indonesia	33,696
India	239
Sweden	1,976
Denmark	430
UK	2,716
France	6,678
Germany	1,006
Portugal	14,127
Italy	12,185
Poland	11,757
Romania	12,890
USA	1,851
Total	3,318,794

Data source: Ministry of Finance, Japan

April 2024 imports (HS 940391)

	Imports Apr 2024 Unit, 000's Yen
Rep. Korea	35,765
China	907,419
Taiwan P.o.C	40,065
Vietnam	234,224
Thailand	54,741
Malaysia	195,418
Philippines	11,528
Indonesia	359,161
Cambodia	2,271
Sweden	7,406
Denmark	3,400
UK	1,255
France	204
Germany	105,469
Switzerland	1,590
Italy	81,083
Finland	26,103
Poland	21,831
Hungary	762
Romania	1,070
Turkey	23,611
Lithuania	1,105
Croatia	481
Slovakia	2,453
Canada	1,197
Total	2,119,612

Data source: Ministry of Finance, Japan

April 2024 wooden furniture parts imports (HS 940391)

Shippers in just three countries, China, Indonesia and Vietnam accounted for around 70% of the value of April imports of wooden furniture parts. Suppliers in China accounted for around 43% of April arrivals, up slightly from the previous month, followed by Indonesia at 17%. Malaysia was a significant shipper in March but the value of April shipments was down sharply.

Compared to the value of February imports the value of March imports from China were down around 14% and there was a 25% decline in the value of imports from Vietnam while the value of March arrivals from Indonesia and Malaysia were at around the same level as in February.

Year on year the value of April arrivals of wooden furniture parts was up 14% but compared to the value of March imports there was little change.

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/

Demand and supply of lumber at Tokyo port

According to Tokyo Lumber Terminal Co., Ltd., the lumber inventories in June, 2024 have increased for four months continuously. The arrival volume of lumber decreases slightly and the shipment of lumber is low. The arrival volume exceeded the shipment.

European lumber is 19,000 cbms and this is 6,000 cbms less than May, 2024. The vessel had to avoid passing through the Suez Canal to Japan from Europe and there were a lot of lumber arrived to Japan last month. However, the arrival volume of European lumber is settled down in June, 2024. The volume of North American lumber is 12,000 cbms and this is 5,000 cbms less than the previous month.

The arrival volume is also settled down in June, 2024. Russian lumber is 9,500 cbms and this is 800 cbms down from last month. Due to a confusion of logistic circumstance in Russia, there is a big difference in arrival volume of Russian lumber in each month. Even though the arrival volume of several countries' lumber is low, the volume of shipment does not grow due to low demand for lumber in Japan.

The inventory of North American lumber is 47,000 cbms and this is 1,000 cbms more than last month. European lumber is 41,000 cbms and this is 3,000 cbms higher than the previous month. Russian lumber is 16,000 cbms and this is 1,000 cbms up from last month.

Plywood

Movement of domestic softwood plywood June 2024 had consumers buy plywood to fill current needs. The price reached the bottom until May but the price of plywood has been bearish after June. Plywood manufacturers announced to raise the price of plywood because the log and transport cost has increased

Movement of plywood in May was not good then the price started to decrease. The price of 12mm 3x6 domestic structural softwood plywood was 1,270-1,280 yen delivered per sheet, in the beginning of June the price was 1,230 delivered per sheet.

Plywood manufacturers in Indonesia and Malaysia still expect to raise the price because there are not enough logs. 12mm 3x6 painted plywood for concrete form is around US\$650, C&F per cbm. Structural plywood is around US\$570 C&F per cbm. Plywood form is around US\$570 C&F per cbm. 2.4mm 3x6 normal plywood is around US\$950 C&F per cbm. 3.7mm normal plywood is around US\$880 C&F per cbm, 5.2 mm normal plywood is US\$850 C&F per cbm.

In Japan, 2.5 mm normal plywood is 780yen delivered per sheet. 4mm normal plywood is 1,000 yen delivered per sheet. 5.5 mm normal plywood is 1,170-1,200 yen delivered per sheet. Plywood form is 1,750 yen delivered per sheet. 12mm 3x6 painted plywood for concrete form is 1,950 yen delivered per sheet

Orders for house builders

Major housing companies' results in May, 2024 exceed May, 2023. However, it is hard to say that low demand for houses is solved because the results of May, 2023 were very bad. The sales of high-priced houses are good but a number of orders is not enough. The inquiries and document requests to the housing companies have recovered slightly but many clients wait and see to purchase a house or not because they are concerned about the unstable economies.

There is a last-minute increase in demand for unit built for sale due to the heightened expectations of higher interest rates. The orders for apartment buildings and remodeling of a house are firm compared to the orders for detached houses..

China

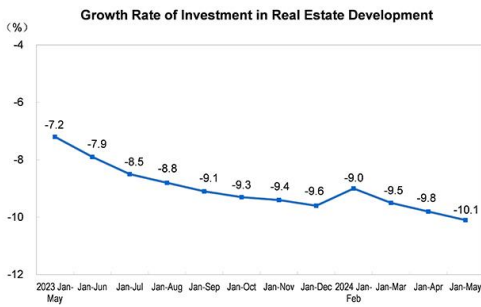
Investment in real estate

Between January and May there was a year-on-year decline of 10% in total investment in real estate and a 10.6% decline in investment in residential buildings. Between January and May the floor space under construction was down by almost 12% year on year and the floor space of residential buildings under construction was down by 12%.

See:

https://www.stats.gov.cn/english/PressRelease/202406/t20240625_1955165.html

Investment in housing



Source: National Bureau of Statistics of China

New formaldehyde emission standard for woodbased panels

A revised "Interior decoration materials wood-based panel and products formaldehyde emission limit" has been drafted. The revision of the national mandatory standard for the industry will usher in a new round of industrial quality improvements. The revised national standard will introduce formaldehyde emission E0 level for the first time.

Production of 'green' wood products

The Nanxun wood industry has stable industrial supply chain and great brand influence and is one of the 100 characteristic industries for quality improvement in Zhejiang Province. At present, there are 68 green product certification enterprises and 99 certified products in the province.

There are 61 enterprises certified as "Made in Zhejiang" and 77 certified products. There are 2 national green factories, 2 provincial and municipal government quality awards and enterprises have participated in the preparation and revision of 5 international standards and more than 160 national and industry standards.

Nanxun District Market Supervision Bureau regards quality improvement and green development of the wood industry as key to success of the industry and has successively issued policy documents to promote the high-quality development of the wood industry. For example it approved the national home decoration product standardisation pilot (wood flooring) project.

Nanxun City took the lead in Zhejiang Province in formulating and releasing the "Green Production of Wood Industry Technical Specification for Raw Material Source Replacement and Waste Gas Treatment with Low Volatile Organic Compounds Content" Standard guiding enterprises to speed up the development of green and high quality products.

See: https://www.wood365.cn/Industry/IndustryInfo_280841.html

Imported rubberwood price increasing

The latest Customs data shows that, in the first five months of 2024, China's imports of rubberwood from Thailand increased by 27% to 2.12 million cubic metres and the value of rubberwood imports also rose 32% to US\$530 million.

However, recent news from the Thai Rubber Association suggests rubberwood shippers have begun to raise prices. It is reported that the export price increase for Thai rubberwood is not merely rumour but has been driven by the following reasons:

- Raw material costs are rising. The arrival of the rain season created challenges for collection and transportation of rubberwood logs resulting in a tight supply.
- Surge in shipping costs. Sharp fluctuations in international shipping rates have increased shipping costs pushing up landed prices.
- Market price is rebounding. The rubberwood market price had been at a low level for a long time (ranging from US\$200-400 per cubic metre) but a rebound in prices has become the market consensus.

Over the past months the price of Thai rubberwood imported by China has shown a clear upward trend. Since February the average unit price (CIF) of Thai rubberwood has shown a month-on-month increasing trend. Compared to the same period in 2023 prices edged up 1% in February then increased by 3% in March and again rose 7% in April.

Given that Thailand is the main source of China's rubberwood import, the sharp increase in prices will have a direct impact on the Chinese demand. It is anticipated that the price of rubberwood arriving in the third quarter of 2024 cost even more.

See: <https://m.163.com/dy/article/J6JCGNK00553QJ4Z.html>

Thailand largest supplier of particleboard imports

According to China Customs in the first quarter of 2024 China's particleboard imports from Thailand amounted to 54,000 tonnes valued at US\$13 million, up 59% in volume and 45% in value over the same period of 2023 making Thailand the top shipper to China.

China's total particleboard imports were 155,000 tonnes valued at US\$60 million in the first quarter of 2024, up 36% in volume and 13% over the same period of 2023.

China's particleboard imports from Brazil, the second largest supplier, rose 56% to 32,000 tonnes in the first quarter of 2024 and this contributed to the rise in total particleboard imports.

In addition, China's particleboard imports from Malaysia, Poland and Vietnam surged more than 100%, 700% and 200% respectively in the first quarter of 2024 resulting in the increase in total of particleboard imports. In contrast, China's particleboard imports from Romania, alone among the top suppliers, fell 49% to 10,000 tonnes in the first quarter of 2024.

China's particleboard imports, first quarter 2024 (top suppliers)

Supplier	000'tonne	YoY % change
Total	155	36%
Thailand	54	59%
Brazil	32	56%
Germany	12	1%
Russia	12	41%
Romania	10	-49%
Beralus	9	47%
Malaysia	8	105%
Poland	5	773%
Vietnam	4	212%
Italy	3.3	19%
Austria	2.6	22%
Indonesia	1.2	61%

Data source: China Customs

Surge in fibreboard exports to Saudi Arabia

According to China Customs, fibreboard exports to Saudi Arabia surged 159% to 93,000 tonnes in the first quarter of 2024. In the first quarter of 2024 China's fibreboard exports totalled 608,000 tonnes valued at US\$312 million, up 33% in volume and 24% in value from the same period of 2023.

China's fibreboard exports to Mexico, Vietnam, USA, Canada, Algeria and Australia increased at different rates in the first quarter of 2024. But fibreboard exports to Nigeria, UAE and Russia fell.

Main markets for China's fibreboard exports, first quarter 2024

Destination	000s tonnes	YoY % change
Total	608	33%
Saudi Arabia	93	159%
Mexico	74	69%
Vietnam	64	56%
Nigeria	49	-6%
USA	32	30%
Canada	28	83%
UAE	25	-3%
Algeria	25	35%
UK	15	7%
Australia	14	32%
Uzbekistan	10	4%
Russia	10	-18%

Data source: China Customs

Decline in fibreboard imports from Thailand

China's fibreboard imports from Thailand dropped 39% to 1,300 tonnes and imports from Indonesia fell 8% in the first quarter of 2024. In contrast, fibreboard imports from all top destination countries rose with imports from Belgium, Spain, Russia, Switzerland and Netherlands rising sharply.

In the first quarter of 2024 China's fibreboard imports grew 9% to 92,000 tonnes due to surge in imports from most countries compared to the same period in 2023.

Main suppliers of China's fibreboard imports, first quarter 2024

Supplier	000'tonnes	YoY % change
Total	9.2	9%
New Zealand	2.6	2%
Germany	1.5	8%
Thailand	1.3	-39%
Belgium	0.9	120%
Spain	0.5	209%
Romania	0.4	2%
Russia	0.3	1529%
Switzerland	0.3	1290%
Netherlands	0.2	1780%
Indonesia	0.2	-8%

Data source: China Customs

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

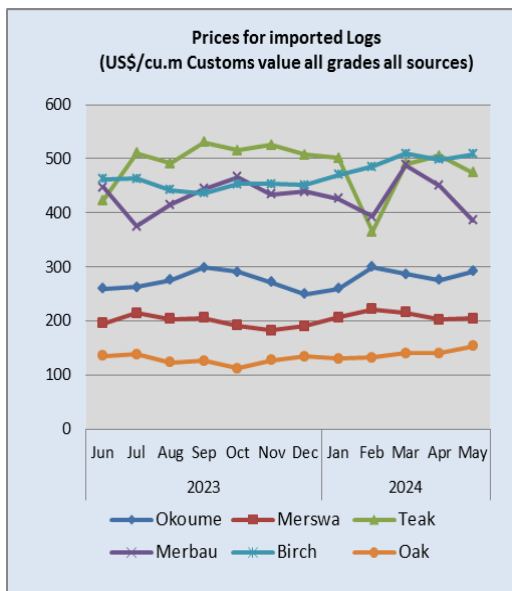
	2024 Apr	2024 May
Okoume	276	292
Merswa	203	205
Teak	505	474
Merbau	450	386
Birch	498	508
Oak	140	153

Data source: Customs, China

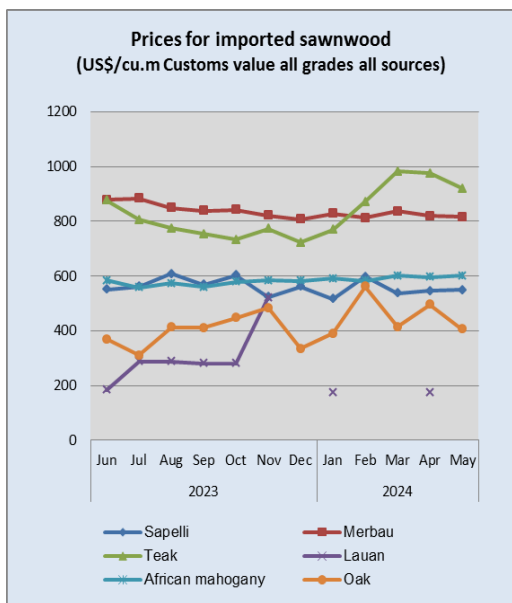
Average CIF prices, sawnwood, US\$/cu.m

	2024 Apr	2024 May
Sapelli	546	549
Merbau	819	816
Teak	976	920
Lauan	175	
African mahogany	596	602
Oak	496	406

Data source: Customs, China



Data source: Customs, China



Data source: Customs, China

EU and UK

Rethinking strategy for Europe’s furniture sector

Europe continues to perform a key role in the global furniture trade and industry, but that role is shifting as European operators seek to reduce risk by shortening supply chains and with introduction of new environmental regulations. For wooden furniture, the EU Deforestation Regulation (EUDR) is likely to play a particularly significant role in future procurement practices.

In global terms Europe has lost ground to emerging markets in furniture production and consumption in recent years. However, it remains the world’s third-largest market after Asia Pacific and North America. With more than 230 million households, a relatively high level of per capita consumption, and annual retail furniture sales of EUR 165 billion, Europe accounts for over a quarter of the global world furniture market.

This is according to the latest edition of the World Furniture Magazine published by CSIL, the Italian furniture industry research organisation.

See: <https://www.worldfurnitureonline.com/magazine/>

A key feature of the European furniture sector, according to CSIL, is that it is characterised by an exceptionally high level of business-to-business trade concentration and integration: as much as three quarters of cross-border furniture trade worldwide occurs between European countries where there is a robust intra-regional trade network. And unlike in the U.S. where a large share of furniture production has been relocated to China, Southeast Asia and Mexico, 80% of current demand in Europe continues to be met by European manufacturers.

As elsewhere in the world, Europe’s furniture market exhibited robust growth during the pandemic in 2021 as consumers spent heavily to improve their home environment, establish home offices, and improve outside space. Economic support measures in the immediate aftermath of the pandemic continued to fuel the boom into 2022, but the market decelerated rapidly in 2023. According to the latest figures from CSIL, the overall value of furniture consumption in Europe contracted by 3.5% last year.

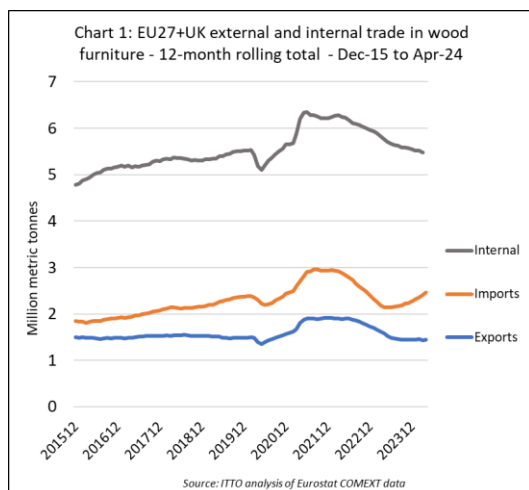
CSIL note that the European furniture sector has faced a multitude of challenges since the pandemic outbreak with disruptions along the entire value chain. Since 2023, the rising cost of living has intensified pressure on consumer spending, particularly for big-ticket items such as furniture. At the same time, major logistical challenges, volatility in transport costs, and other supply problems forced furniture manufacturers and retailers to rethink their business strategies.

Most furniture companies surveyed by CSIL in 2023 said they are actively working to shorten supply chains and increase dependence on local production to reduce risk and shorten time to market. Within Europe, Portugal, Italy, and Spain have particularly benefited from this trend.

Chinese wooden furniture recovers ground in Europe

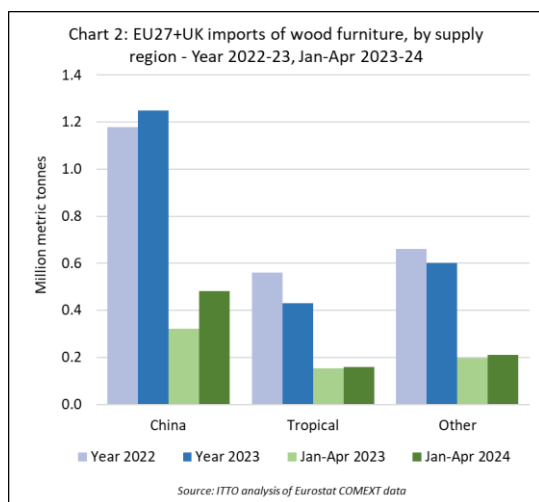
However, the latest Eurostat and UK trade data appears, at first sight, to partially contradict this analysis. The data shows that internal European trade in wooden furniture has been slowing continuously since the start of 2023, very much in line with the wider decline in consumption.

It also shows that European exports of wooden furniture to countries outside the region, after falling rapidly in 2022, have remained flat since the second quarter of 2023. But it also shows that European imports from other parts of the world have been increasing since the middle of last year (Chart 1).



Closer analysis of the data reveals that the recent growth in wooden furniture imports into the EU27+UK has been driven by China. Imports into Europe from China increased by 6% to 1.25 million tonnes in 2023 and were up by more than 50% at 480,000 tonnes in the first four months of this year.

In contrast imports from tropical countries fell by 23% to 430,000 tonnes in 2023 and were up only 4% in the first four months of this year. Imports from all other countries (mainly non-EU European countries and Turkey) decreased 9% to 600,000 tonnes in 2023 and increased by 7% to 210,000 tonnes in the January to April period this year (Chart 2).



Wooden furniture imports from China have increased both into the UK, the largest single wooden furniture importing country in Europe, and into the EU. UK imports from China increased 13% to 417,000 tonnes in 2023 and were up another 34% to 152,000 tonnes in the first four months of this year.

EU imports from China were up only 3% in 2023 to 833,000 tonnes but increased 59% to 331,000 tonnes in the first four months this year. Imports of wooden furniture from China have increased very sharply into all the main EU markets this year including France, Germany, and the Netherlands.

EUDR to significantly impact Europe's wooden furniture market

The sharp rise in wooden furniture imports from China by European countries since the start of 2023 is partly explained by the fact that it follows a big decline in 2022 when Chinese exports were seriously impacted by rigorous lockdowns during the pandemic. The accelerating rise in imports from China this year may be partly related to EUDR as European importers build stock before enforcement of that law is due to begin on 30 December.

Recent news reports suggest that China's government has told the EU that it is not prepared to allow geolocation coordinates of harvest sites of regulated products (which include all wooden furniture), as required by the EUDR, to be supplied with products exported from China, citing security concerns (see <https://woodcentral.com.au/china-rejects-key-eudr-rules-impasse-leaves-eu-in-crisis>).

The EU has responded that imports without geolocation coordinates will not be possible once EUDR is enforced and that there will be no exceptions for any country, including China.

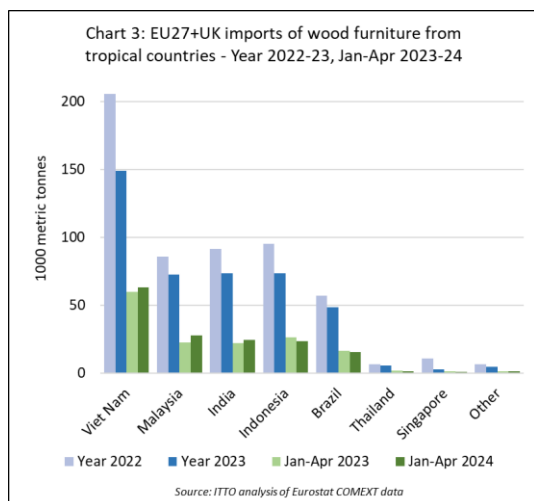
How this standoff plays out, and the wider challenges of providing geolocation coordinates of harvest sites for a composite product like wooden furniture, particularly when the wood is derived from smallholders or imported from third countries, is expected to have a very significant impact on European market access for wooden furniture starting next year.

The impact will be greatest for exports to EU countries, less so for exports to the UK where legal obligations remain tied to the UK Timber Regulation (mirroring the EU Timber Regulation). However, large UK retailers are calling for the UK to align more closely with EUDR and - under a newly-elected Labour government ambitious to lead on environmental issues and to be closer to the EU - it may be that exports to the UK will, in time, be subject to an equivalent standard.

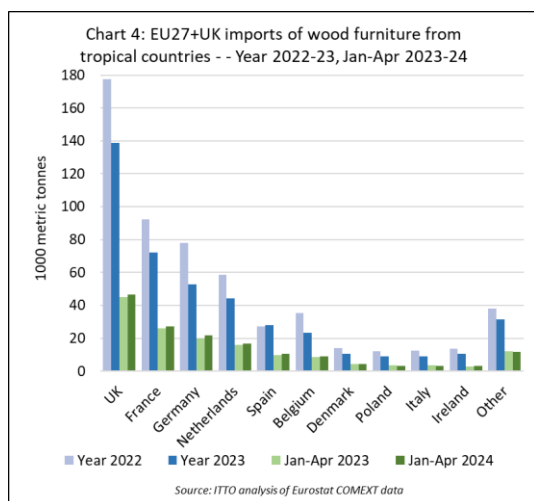
European imports of tropical wooden furniture remain low

For now, European imports of wooden furniture from tropical countries remain low and show little sign of recovery. In the first four months of this year, imports from Vietnam were 280,000 tonnes, unchanged from the same period last year.

Imports were down 20% from Indonesia at 122,000 tonnes, down 8% from Brazil at 37,000 tonnes, and down 30% from Thailand at 8,000 tonnes, during the same period. However, imports from India increased 10% to 95,000 tonnes and 22% from Malaysia to 65,000 tonnes (Chart 3).



Considering European destinations for tropical wooden furniture, after most recorded a large downturn last year, there was slow recovery in all the main markets in the first four months of this year including UK (+3% to 46,400 tonnes), France (+6% to 27,400 tonnes), Germany (+11% to 21,900 tonnes), Netherlands (+5% to 16,900 tonnes), Spain (+8% to 10,500 tonnes), Belgium (+6% to 9,100 tonnes), and Denmark (+1% to 4,500 tonnes) (Chart 4).



Transformation of Europe's outdoor furniture sector

The outdoor furniture sector has gone through one of the most dynamic transformations among the sub-segments of the European furniture industry and its evolution was highly conditioned by the COVID-19 pandemic. This is according to the latest report on the European outdoor furniture sector by CSIL, the Italian furniture industry market research organization.

The market for outdoor furniture in Europe was valued by CSIL at around EUR 3.5 billion in 2023. In 2021 and 2022 the outdoor furniture sector performed even better than the wider European furniture market, but in 2023 performance fell back to the industry average. The largest markets for outdoor furniture in Europe are Germany, the United Kingdom, Italy, and France, which together account for 60% of the total market.

Production of outdoor furniture in Europe was valued by CSIL at around EUR 2.5 billion in 2023, 5% less than in 2022. Despite the recent downturn, average growth in European outdoor furniture output was 5% per year between 2018 and 2023. The major manufacturing countries are Italy, Germany, France, and the United Kingdom, which together provide around 60% of total European production.

According to CSIL, “in 2023, Europe grappled with elevated uncertainty, sluggish economic performance, and a pronounced deceleration in the construction industry. This strained the demand for outdoor furniture among European consumers, especially in the lower and middle-price segments. This stems from a higher cost of living due to inflation, rising interest rates, and increased prices for commodities and energy”.

While European production of outdoor furniture has increased, imports still satisfy a relatively larger share of consumption compared to other sections of the furniture market. This reflects the internationalization strategy operated by European manufacturers locating plants where raw materials are sourced (teak wood, rattan, etc.) and the cost of labor is lower. Leading European outdoor furniture brands continue to rely heavily on imports from Asian countries despite recent supply chain challenges. However, some European companies have increased imports from neighboring countries (Baltics, Poland, Romania) to minimize transport costs and reduce delivery times.

A notable feature of the outdoor furniture sector in Europe is the role of the contract segment. In the first year of the pandemic, a sharp decline in the contract segment of the outdoor furniture market was offset by good performance in the retail channel, particularly by e-commerce. However, starting in 2021, most manufacturers experienced a rebound also in contract projects. In the last two years, the contract segment has buffered many companies from decreasing revenues in the retail sector. Specific sub-segments such as hospitality, restaurants, education, and the boat segment have helped sustain demand. Although the retail sector remains dominant, in the past 2 years the share of contract project sales has increased for many suppliers.

Product trends in Europe's outdoor furniture sector

A key trend in Europe's outdoor furniture sector is that consumers increasingly see outdoor space as an extension of their home's indoor environment. They expect to use outdoor areas such as gardens and balconies all year round, even in winter. The pandemic reinforced this trend.

Upholstered furniture and seating now tend to take center stage and many new collections have profiles and coverings that are suitable for both indoor and outdoor use. One rapidly expanding niche is for outdoor kitchens. Although this segment is still quite small overall, demand is still more than supply and there are opportunities for new players with new ideas.

CSIL closely monitors the performance of the outdoor furniture market in Europe through the comprehensive Reports: 'The Outdoor Furniture Market in Europe' and 'The Contract Furniture and Furnishings Market in Europe'. These studies delve into statistics and indicators, demand drivers, country analysis, competitive landscapes, and product categories. More details are available at www.worldfurnitureonline.com.

UK conference sets timber building sights high

With its rising population and shifting demographics, the UK urgently needs more homes. The Centre for Cities (www.centreforcities) estimates that the current housing backlog is around 4.3 million individual dwellings. At the same time UK construction and buildings in use account for 30% of the country's carbon emissions. So new home building, and renovation need to use more bio-based materials, notably wood, if the country is to meet its 2050 net zero targets.

This was the clear message of the first ever UK Timber Design Conference (UKTDC). Held in London in June, the event was hosted by the Timber Development UK (TDUK) trade body, Swedish Wood and not-for-profit sustainable construction facilitator Built by Nature.

The conference looked at latest developments in timber-based building in the country and how growth of the sector can be driven faster and further. The audience of over 200 comprised timber suppliers, architects, engineers, contractors, developers, designers and other specifiers. They included leaders in their fields, and many were members of TDUK.

The latter was formed three years ago from the merger of the Timber Trade Federation (TTF) and the Timber Research and Development Association (TRADA). This gives it a membership across the timber and wood products supply chain (including tropical timber importers and traders) and also the specifier and end-use sectors, notably construction. Its mission is to grow and develop timber consumption and widen its application, with a core emphasis on how this can reduce emissions and support development of a low carbon, circular economy. TDUK maintains the tie-up of the two bodies in one organisation gives the industry a stronger, more united voice to decision and policy makers. A particular focus is on highlighting the environmental and technical potential of timber in construction, hence the launch of the UKTDC, which TDUK Chief Executive David Hopkins said will now be an annual event.

Putting sustainability at construction's heart

First on the UKTDC stage was keynote speaker Richard Walker, Chairman of Bywater Properties, a developer which places sustainability and low environmental impact high on its agenda. The result is a strong focus on use of wood, and notably engineered or mass timber in its building developments. "Clearly, we're not a charity", said Mr Walker, "We need to make a profit to keep on doing what we're doing."

But building in timber also has a commercial aspect in terms of demonstrating our USP. Our approach also builds customer respect, which further adds to our commercial edge."

Underlining Bywater's focus on low carbon timber building, in 2023 it concluded a joint venture agreement with Sumitomo Forestry, the Japanese forestry and timber giant. Bywater SFC is described as an 'end-to-end' timber construction specialist with a goal of achieving over £1 billion of assets, focusing on decarbonised construction in the form of mass timber real estate developments across the UK and Europe.

One of the first outcomes of the partnership is Paradise, mass timber-based six-storey office block in London boasting a wood content that locks away 60-years' of the building's operational emissions.

Bywater sees opportunities for mass timber not just in whole new build projects, but also in refurbishment and renovation. This includes extending buildings vertically to use their so-called 'air space'.

With building energy efficiency and use of renewables now at an increasingly advanced stage, the key to further reducing construction's environmental footprint is to tackle embodied carbon. That is the sum total of the emissions resulting from the production, transport and erection of the particular building materials. Bywater sees mass timber as a prime solution; with wood not only sequestering carbon while growing and storing it for its lifespan, but also being low energy to produce and process compared to energy intensive materials such as steel and concrete.

"The embodied carbon in build is where the big emissions are and where they can be saved," said fellow Bywater founding partner Theo Michell. "Mass timber is not the golden bullet to tackle embodied carbon, but it is an important part of the tool kit."

Mr Walker also stressed that government support was needed to drive more timber building. 'Sclerotic' planning rules needed reform and restrictions on the height of building in wood needed a rethink.

Building in harmony with nature

Chairing a panel discussion on the investment and bureaucratic hurdles faced by the timber building sector, Joe Giddings of Built by Nature highlighted its grant-making activities targeted at achieving its objective of a 'built environment in harmony with nature'.

In terms of carbon performance, he said, timber's attraction is centred on the 'three S's'; its sequestration of carbon from the atmosphere, its carbon storage and its capacity to substitute higher environmental impact construction materials.

Built by Nature is currently supporting around £1.3 billion of building developments. With leading developers, it has also supported production of the Commercial Timber Buildings Guidebook, a good practice and risk mitigation handbook for mass timber office building in the UK.

A further challenge to UK timber building has been securing insurance. Consequently, Built by Nature has also backed production of the Mass Timber Insurance Playbook, a guide on how to secure cover published by the Alliance of Sustainable Building Products and written by insurance professionals.

In the session on ‘Drivers of Timber Construction’ at the conference, Russell Tame of UK property developer Human Nature said part of his company’s role is to help drive investment in timber building by “increasing the understanding of less informed groups” about its merits. “Some investors and clients are enlightened, others still ask ‘doesn’t it catch fire and can we get insurance’.”

The company’s Head of Sustainable Construction Andy Tugby added that “This is no time for business as usual in construction, we have to develop climate friendly solutions and commit to exponential sustainability. This isn’t just a case of using more timber, but using it better and most efficiently, to get the maximum benefit from the resource”.

Exploring timber hybrid options

In the same session, Sam Tame of developer Related Argent highlighted timber’s capacity to work with other building products.

“Of three of our recent projects, one is a 148,000 sq ft full timber-frame office, but the other two are concrete frame with cross laminated timber (CLT deck),” he said. “It’s important to look at other materials to get the right solution for the project, particularly as their producers are now looking to catch up with timber in terms of environmental impact. In a fourth project we’re also evaluating the option of eco-concrete and steel.”

The consensus was that commercial timber developments were 3-5% more costly than the equivalent in concrete and steel. However, developers said this was increasingly offset by speed of build and tenants’ positive view of timber building, which led to faster occupancy rates and a quicker return on investment.

In the conference session on ‘Building Confidence in Timber Construction’, Judith Schulz of engineers Arup highlighted the still greater need to demonstrate the fire performance of timber building since the fatal Grenfell Tower fire in London in 2017. Although the latter was a conventional concrete and steel building, timber was caught up in the subsequent review of UK building regulations, with a ban on use of combustible materials in walls of residential and other categories of buildings over 18m.

The route to fire safety

As part of the proof of performance effort, Arup has produced the guidebook ‘Fire Safe Design of Mass Timber Buildings’.

“This looks at the layers of building safety taking a risk-based methodology, ranging from evacuation strategy, to the extent of exposed timber and types of adhesives used in mass timber,” said Ms Schulz. “We hope to support greater uptake of mass timber building, which has been held back by a lack of [technical guidance]. We should also use leverage of the approaches taken by authorities in other jurisdictions to develop market confidence.”

Architect Andrew Waugh of UK mass timber building pioneers Waugh Thistleton Architects said the objective of the practice’s New Model Building guidebook was also to plug the knowledge gap and increase confidence in timber building in the post Grenfell context. This effectively provides a template for constructing regulatory compliant mass timber buildings under 18m.

“It provides 30 generic details for any residential building under this height, each with three choices of product. It’s effectively a check list for contractors, covering everything from fire safety to moisture management,” said Mr Waugh. “If these are adhered to, developers can be sure of receiving approval from the UK [provider of warranty and insurance] National House Building Council.”

Mr Hopkins highlighted one of TDUK’s contributions to the understanding of and trust in timber-based construction, the publication Timber Typologies. Written with Waugh Thistleton, this addresses the performance of various types of timber building, from lightweight timber frame, to mass timber, and the projects to which they’re best suited.

Extending upwards with wood

Increasing capacity of existing buildings with roof top extensions, as mentioned by Mr Walker of Bywater, was the focus of another conference session. Speakers said it was particularly appropriate for urban development, helping towns and cities grow without extending their boundaries – and timber was the ideal material for such projects. Its strength to weight meant that the height of the building could be increased without having to reinforce the existing structure.

It’s becoming such an area of interest that the Dutch have a word for it, ‘optoppen’, or top up building. UK timber building specialist engineer Whitby Wood, with a consortium of European partners led by Built by Nature, has now launched the optoppen website on the topic.

Director Kelly Harrison said the objective of the open-source, interactive site was to ‘enable city planners and asset owners to quickly understand the vertical extension potential of their buildings’ using timber and other bio-material construction solutions.

Newly elected Labour Party pledge to build 1.5 million homes

The UKTDC conference took place two weeks ahead of the UK election and, in the final panel discussion, construction professionals were asked what they'd like to see from the new government in terms of building regulation and support. The Labour party, which in the event won by a landslide as widely predicted, has pledged to build 1.5 million new dwellings in five years.

Speakers said they would like to see fiscal measures to encourage retrofit construction, and greater investment in building materials and products research and development. Perhaps the strongest support came for regulation to drive down embodied carbon in construction, with increased timber building seen as one of the prime routes to achieve this.

North America

Sawn tropical hardwood imports dip in US, jump in Canada

US imports of sawn tropical hardwood tumbled 15% in May, falling to their lowest level of the year. The 13,474 cubic metres imported was the lowest volume since December and was 14% less than in May 2023.

Imports from Brazil and Cameroon both fell by more than one-third while imports from Ghana dropped by more than half. Imports from Indonesia remained strong and steady, rising 5% for the month.

Imports of Keruing grew 45% in May but are still well below last year's levels while imports of Ipe, Meranti, and Acajou d'Afrique all fell by more than 30%. Total imports versus last year are down 2% through May.

Canada's imports of sawn tropical hardwood leapt 30% in May. Imports for the month were well over twice the level of the previous May. Imports from Cameroon rose 27% and for the year so far are nearly double that of last year, while imports from Bolivia have also enjoyed sharp growth. Canada's imports from the US, however, continue to ebb, falling 79% in May and down 57% for the year so far versus last year. Canada's total imports of sawn tropical hardwood are ahead of last year to date by 38%.

US imports of sawn tropical hardwood, Jan-May, cu.m

	2023	2024	% change
Total	77,162	75,891	-2%
Ecuador	1,719	2,398	39%
Brazil	20,046	21,643	8%
Cameroon	8,212	9,120	11%
Malaysia	11,439	7,086	-38%
Congo (Brazzaville)	5,555	7,643	38%
Peru	408	620	52%
Indonesia	9,139	10,669	17%
Ghana	2,818	3,220	14%
Cote d'Ivoire	1,129	1,119	-1%
Other	16,697	12,373	-26%

Data source: US Department of Agriculture, Foreign Trade Statistics

US hardwood plywood imports remain elevated

While US imports of hardwood plywood rose by only 1% in May, volume continues to greatly outpace imports from last year. The 242,285 cubic metres imported in May was 11% higher than last May, keeping total imports through the first five months of the year up nearly 50% over 2023.

Imports from Russia increased more than five-fold in May to their strongest month since October 2022. Imports from Malaysia and Vietnam both continued to move up in May as imports from each country are up more than 140% over the first five months of the year.

US imports of hardwood plywood, Jan-May, cu.m

	2023	2024	% change
Total	805,215	1,198,650	49%
China	18,784	14,907	-21%
Russia	68,174	66,863	-2%
Indonesia	183,936	277,601	51%
Malaysia	17,305	42,474	145%
Cambodia	42,990	57,300	33%
Vietnam	139,307	335,509	141%
Ecuador	63,332	62,337	-2%
Other	271,387	341,659	26%

Data source: US Department of Agriculture, Foreign Trade Statistics

US imports of tropical hardwood veneer gained 40% in May

US imports of tropical hardwood veneer rose for the third consecutive month in May, rising a healthy 40% by value in May over the previous month.

Imports for the month were 10% better than the previous May—the first time this year monthly imports outperformed 2023. The gain came despite another poor month of imports from Italy. Imports from Italy were nearly non-existent in May leaving year-to-date imports from Italy down 84%.

Sharply rising imports from India and Cameroon more than made up the loss, while imports from Cameroon continue their solid growth. While May's numbers narrowed the gap, total imports for the year so far are still down 12% from 2023.

Hardwood flooring imports surge

The value of US imports of hardwood flooring rebounded in May, surging 38% over the previous month. Despite the gain, imports for the month were still short of May 2023 by 2%. The surge in May was fueled by a 292% increase in imports from Malaysia and a doubling of imports from Brazil.

Imports from China and Indonesia also showed sizable gains. Year-to-date imports of hardwood flooring are down 17% versus the same period for 2023.

The value of imports of assembled flooring panels also rose in May, gaining 10% over the previous month. The May total was 38% above that of last May. Imports from Thailand, Vietnam, and Canada all continued to outperform the previous year by solid margins.

Imports from Brazil fell sharply in May and are now behind last year's pace, while imports from Indonesia slid 4% for the month and are now down 40% for the year so far. Total imports of assembled flooring panels are up 33% over last year through the first five months of the year.

US imports of assembled flooring Jan-May US\$

	2023	2024	% change
Total	93,283,167	124,524,007	33%
China	3,377,071	3,747,619	11%
Canada	19,624,996	28,583,933	46%
Indonesia	11,345,317	6,815,077	-40%
Vietnam	14,360,688	24,210,471	69%
Thailand	5,068,454	16,930,350	234%
Brazil	500,158	466,319	-7%
Other	39,006,483	43,770,238	12%

Data source: US Department of Agriculture, Foreign Trade Statistics

Moulding imports gain 19%

US imports of hardwood mouldings rose 19% by value in May as imports from top trading partners moved closer to their 2023 averages. Imports from Malaysia surged 52% while imports from Brazil and China both gained by more than a third in May.

Imports from all three countries have been well below their pace from last year. Imports from Canada slipped 3% but remain ahead of last year by 4% through the first five months of the year. Total imports for May were 8% better than that in May 2023 and imports are up 14% over 2023 year to date.

US wooden furniture imports hit 17-month high

US imports of wooden furniture grew by 15% in May, rising to their highest level since December 2022. The US\$1.8 billion in imports for the month was 3% higher than that of the previous May.

Imports from Vietnam jumped 32% to their highest level since July 2022, while imports from China rose 23%. Imports from Indonesia slipped 15% in May and are down 7% for the year so far. Total imports are up 6% over last year through the first five months of the year.

As for the overall furniture market, Smith Leonard reports that new orders were up 22% in April 2024 compared to April 2023 (which was down 19% from April 2022), continuing a streak of 10 out of the last 11 months with overall order growth over the prior year.

While the elevated percentage would appear to be a bit of an outlier compared to recent months, year to date through April 2024, new orders are up 8% compared to 2023. However, new orders were flat compared to the prior month of March 2024.

Shipments appear to have begun normalizing compared to last year, with April 2024 up 2% from April 2023, but down 1% from March 2024. Year to date through April 2024, shipments are down 9% compared to 2023.

Year on Year % change in value of US imports of wooden furniture, Jan-May 2024

	YoY % change
Total	6%
China	6%
Vietnam	20%
Canada	-9%
Malaysia	9%
Mexico	-11%
Indonesia	-7%
India	1%
Other	0%

Data source: US Department of Agriculture, Foreign Trade Statistics

See: <https://www.smith-leonard.com/2024/06/03/may-2024-furniture-insights/> and

<https://www.woodworkingnetwork.com/furniture/residential-furniture-streak-continues-april-orders-rise-smith-leonard>

Cabinet sales improved in May

US sales of cabinets in May rose 3.2% over the previous month, according to the Kitchen Cabinet Makers Association (KCMA). The US\$253 million in May sales from KCMA survey participants came in at 5.6% higher than May of 2023.

Custom sales were up 7.2% over last May and 3.7% over April's figures. Semi-custom sales rose 6% over last May and 4.7% over April. Stock sales were better than last May by 2.5%, but down 1.9% from April. Year-to-date cabinet sales are down 4.4% from last year through May.

See: <https://kcma.org/insights/march-trend-business-report-0>

Construction-cost increases moderate

US construction cost increases have returned to normal, a multi-national construction company executive stated in a quarterly trends report.

"Annual escalation trends have returned to the pre-pandemic norm of 2% to 4%," Steve Stouthamer, executive vice president for Skanska USA, wrote in the company's report. "As we approach summer, it is a welcome relief to share that we expect this trend to continue."

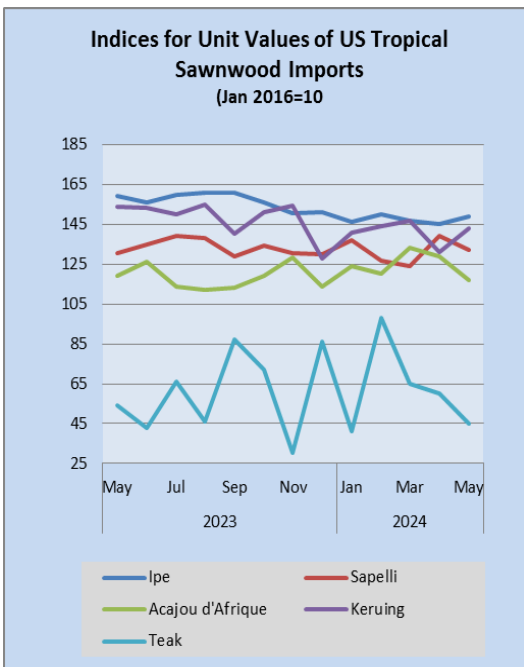
Costs of construction materials peaked in May 2022, according to federal data. After a brief jump in February, the past three months have seen steady declines. The biggest change for contractors is greater predictability, said Brandon Huff, vice president and division manager for general construction at Deacon Construction in Portland.

"I would say material pricing is holding," Huff said in an interview. "I don't necessarily see it dropping too much. It's more consistent." He added that during pandemic disruptions, prices from subcontractors could change on a near-daily basis, a practice which, thankfully, he no longer sees happening.

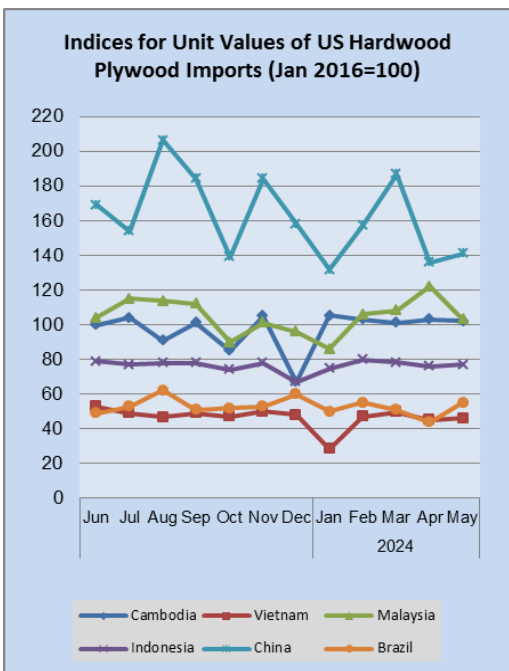
“Declines in commercial office and privately financed development projects are being offset by public infrastructure projects, technology/data center projects, continued primary and secondary educational spending and health care project investments,” Stouthamer stated.

The cost of concrete is up 22.1% over the past 12 months, and by 4.9% in the past three months. The cost of drywall is up 16% for the year. Wall insulation has dropped 15%. Lumber cost “continues to bounce around at the bottom of the market,” due to oversupply and a slow housing market, Skanska stated in its quarterly report.

See: <https://dailyreporter.com/2024/06/24/report-construction-cost-increases-moderate-to-pre-pandemic-levels/>



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.

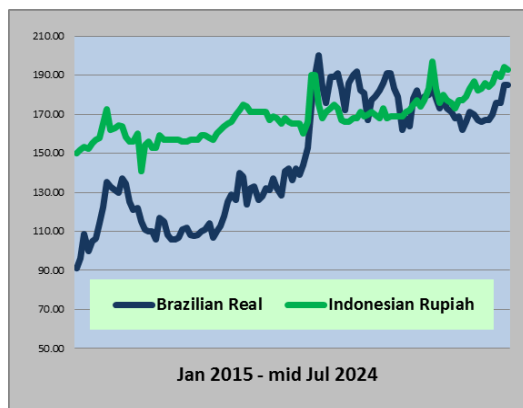
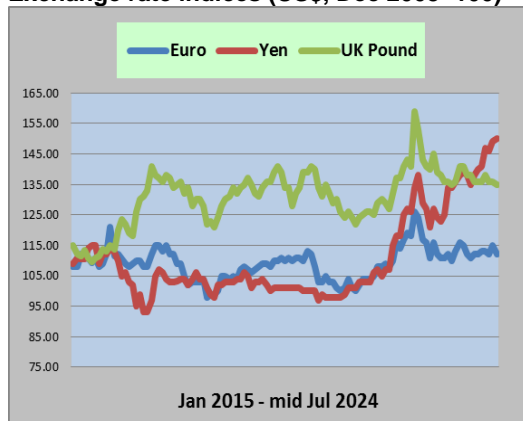
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US Dollar Exchange Rates

As of 10 July 2024

Brazil	Real	5.42
CFA countries	CFA Franc	605.12
China	Yuan	7.28
Euro area	Euro	0.92
India	Rupee	83.51
Indonesia	Rupiah	16,205
Japan	Yen	161.70
Malaysia	Ringgit	4.70
Peru	Sol	3.76
UK	Pound	0.78
South Korea	Won	1383.96

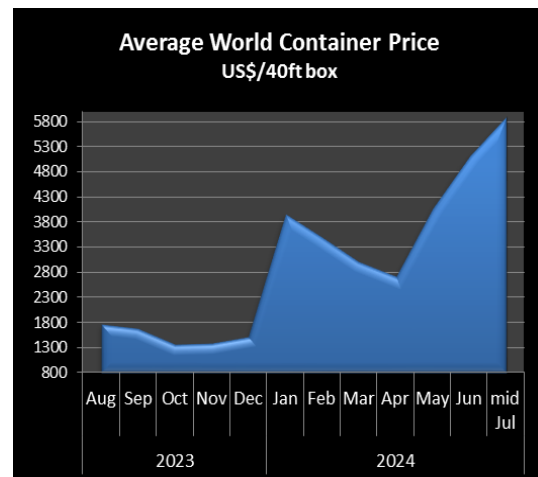
Exchange rate indices (US\$, Dec 2003=100)



Abbreviations and Equivalences

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

Ocean Container Freight Index

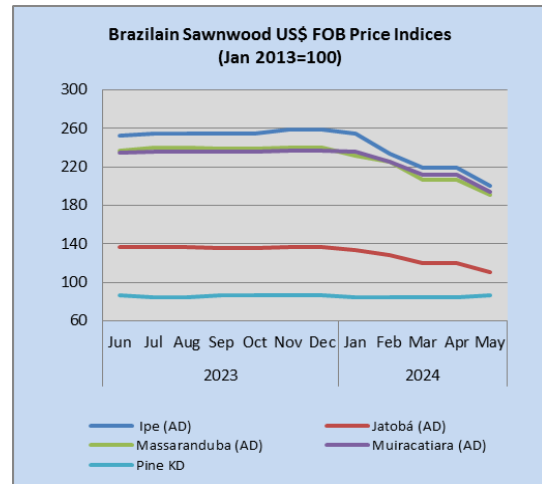
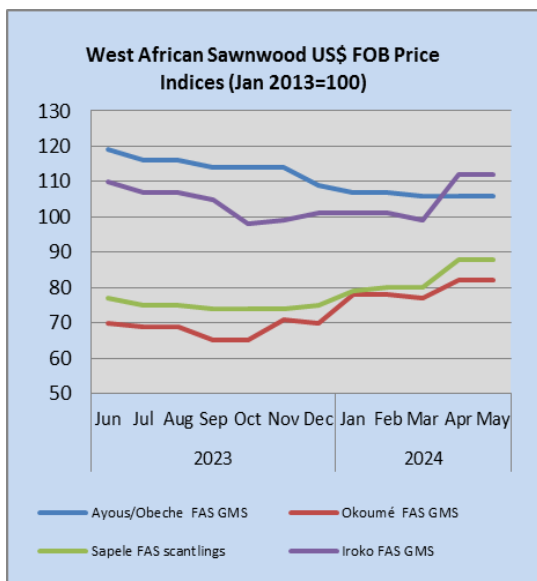
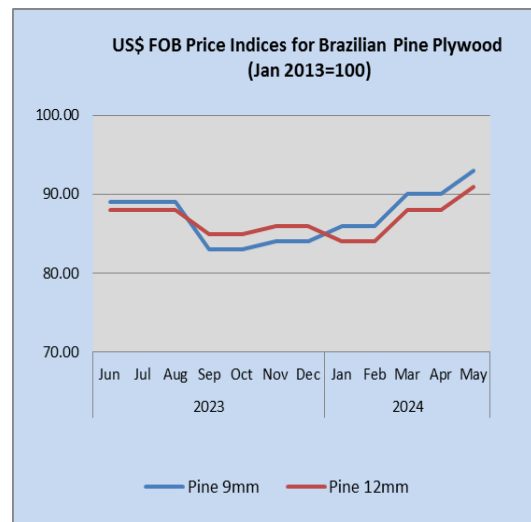
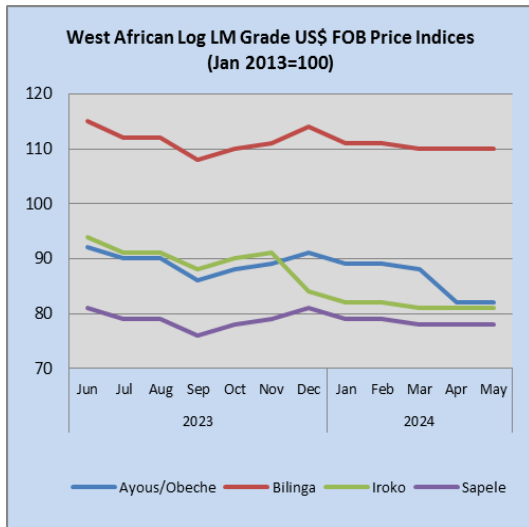


Data source: Drewry World Container Index

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

Price indices for selected products

The following indices are based on US dollar FOB prices



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

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