

Tropical Timber Market Report

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Indonesia and FAO launch 'MERANTI' project

The Ministry of Forestry and FAO have launched a 'Monitoring and Enhancement of Remote Sensing for National Forest Inventory' project to modernise the country's forest monitoring system.

Supported by around US\$5 million in funding from the Norwegian Government, the project aims to improve the accuracy and reliability of forest data while reducing the time required for collection through the National Forest Inventory.

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Unusual and contrasting weather conditions

Central African countries are experiencing unusually contrasting weather conditions as September comes to an end. Gabon and large parts of central and southern Congo continue to experience an exceptionally prolonged dry period. In some areas, meaningful rainfall has been absent for several months, with only occasional light drizzle reported. It is anticipated that these unusually dry conditions could continue until year end.

Conditions are very different in northern Congo and much of Cameroon, where very heavy rainfall is affecting harvesting, trucking and the movement of timber to ports. Further east, towards areas closer to Chad, conditions are again considerably drier, with agricultural production reportedly suffering from the lack of rainfall. The unusually divided weather pattern is having a direct impact on forest operations and regional logistics.

Cameroon

Heavy rainfall continues to disrupt Cameroon's forestry sector. Harvesting is being delayed, forest roads are becoming increasingly difficult to use and trucking times are extending. Port congestion is also contributing to longer shipment schedules, creating delays throughout the supply chain.

Sawmill activity remains cautious

Production slowdowns are being caused partly by rainfall and partly by the weakness of international markets. Mills are avoiding unnecessary stock accumulation and are concentrating more closely on confirmed orders.

Timber export prices remain broadly stable, although some species are experiencing downward pressure from Chinese buyers. This remains a familiar feature of the market whenever purchasing activity from China weakens.

International market conditions

The wider markets for African wood products remain difficult, with China, Europe and the Middle East all showing relatively subdued demand. Middle East demand remains slow particularly for traditional red species such as Iroko, Sapelli and other redwoods.

Cameroonian exporters remain increasingly concerned about the cost and administrative burden of supplying Europe. EUTR requirements continue to demand detailed traceability from the forest through harvesting, transport, sawmilling and export. Producers are also preparing for the forthcoming EUDS framework, which is expected to place further requirements on exporters.

Gabon

Gabon continues to experience unusually dry conditions, good for forest operations but activity in the industry remains slow for most species with Okoumé particularly affected. The Okoumé peeling sector continues to contract due to the collapse of Indian demand and strong competition from Chinese producers.

A significant number of peeling mills remain closed or are operating at reduced capacity.

On a more positive note, an established Chinese operator is reportedly developing a new sawmill in southern Gabon. The project includes approximately 4,000 square metres of solar installation, reflecting the increasing need for industrial operators to secure independent and reliable power supplies.

Infrastructure projects

Several major infrastructure projects continue to face delays as available funding falls short of expectations. Financing has reportedly been lower than originally anticipated and this is creating difficulties for the government as it attempts to progress major road, rail and port projects.

The Tchibanga road project is one example where financing to surface approximately 96 kilometres of road has been delayed. The same also is said to apply to sections of the national road between Tchibanga and Ndendé near the Congolese border. Competing road and port infrastructure developments are placing considerable pressure on public finances.

Port of Owendo

Port operations at Owendo remain generally normal and transport between Libreville and the port is functioning without major difficulty. However, recently vessel congestion has becoming more noticeable, with ships waiting several days before berthing.

Re-introduction of Kevazingo

Several years ago Gabon authorised exports of Kevazingo but the international market for this species remains considerably weaker than in previous years. Earlier export restrictions significantly reduced international trading activity, while demand from the furniture industry has also weakened.

Current market indications suggest that prices for Kevazingo used in furniture applications have fallen by as much as approximately 50% compared with earlier market levels. As a result, the reopening of exports is considered unlikely to generate an immediate return to the volumes or prices previously associated with the species.

Republic of Congo

The Republic of the Congo is experiencing many of the same market difficulties as neighbouring producers. Exports of sawn timber are declining as Chinese and Philippine purchasing remains weak. Sawmills are therefore increasingly attempting to develop alternative markets, including Europe and South America.

Malaysian-operated peeling factories are also reportedly reducing their purchases of Okoumé because of weaker demand in both China and Europe. Fortunately for the country's wider economy, Congo continues to benefit from its oil and mineral resources.

With traditional Asian markets subdued, Congolese sawmills are increasingly looking towards Europe and emerging South American destinations. However, exporters supplying Europe continue to face increasingly demanding EUTR requirements and preparations for the forthcoming EUDR framework. These regulatory requirements are influencing market strategy across the entire region and are encouraging mills to diversify geographically.

Europe and African timber trade

The increasingly complex regulatory environment remains one of the principal concerns for Central African timber producers. European due-diligence requires detailed documentation covering timber from the original forest concession through harvesting, transportation, processing and final export. The updated EUDR has elaborated these requirements further.

Regional producers argue that the additional costs, administrative requirements and compliance risks associated with selling to Europe are making other international markets increasingly attractive.

Sawmill production

Sawmill production remains below potential capacity. The primary constraint is not machinery or labour availability but weak international demand. Mills are therefore carefully controlling output and avoiding unnecessary accumulation of sawn timber stocks.

China, traditionally one of the most important markets for Congolese timber, continues to purchase cautiously. The wider regional market has also seen Chinese buyers putting pressure on export prices, particularly as inventories remain relatively high and purchasing requirements have weakened.

Philippine orders have also declined, particularly for Okoumé, reducing one of the traditional outlets for southern Congolese producers.

Alternative export markets

The weakness of traditional Asian destinations is encouraging producers to diversify. South America is emerging as an increasingly interesting destination for selected African hardwoods. Although volumes remain relatively small compared with traditional Chinese and European markets, these new destinations could become important if Asian purchasing remains subdued and European regulatory requirements continue to increase. This broader diversification strategy is becoming more visible across Congo, Gabon and Cameroon.

Overall market outlook

The West and Central African timber market remains under considerable pressure entering October. Demand in China remains subdued, the Philippines is purchasing cautiously and the Middle East continues to offer limited opportunities. European demand remains available for selected species but is increasingly constrained by freight costs and regulatory requirements.

Producers are therefore continuing to develop alternative markets in South America, Asia and other regions.

Weather will also remain a major factor. Heavy rainfall in Cameroon and northern Congo is restricting harvesting and transport, while the prolonged dry conditions in Gabon and southern Congo continue to provide relatively favourable operational conditions.

Export prices remain broadly stable but underlying market sentiment is weak. The central challenge for producers is increasingly shifting from the ability to harvest timber towards finding reliable, commercially attractive markets capable of absorbing production.

Log export prices

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

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	700
Okoumé FAS GMS	450
Merchantable KD	430
Std/Btr GMS	430
Sipo FAS GMS	540
FAS fixed sizes	-
FAS scantlings	560
Padouk FAS GMS	900
FAS scantlings	1,050
Strips	420
Sapele FAS Spanish sizes	550
FAS scantlings	580
Iroko FAS GMS	870
Scantlings	920
Strips	410
Khaya FAS GMS	420
FAS fixed	440
Moabi FAS GMS	580
Scantlings	620
Movingui FAS GMS	460
Okoume Merch	380
Assamela FAS GMS	1,400
Gheombi	450

Through the eyes of industry

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

See:

https://www.itto.int/direct/topics/topics_pdf_download/topics_id=596778&no=1

Ghana

Sliced veneer exports declined

According to the Timber Industry Development Division (TIDD) of the Forestry Commission, Ghana's wood product exports recorded an overall decline in the first seven months of 2026 compared to the same period in 2025. Total export volume fell by 8% from 126,980 cu.m to 116,355 cu.m, while export earnings dropped by 13% year-on-year.

Rising domestic demand is absorbing an increasing share of available timber in Ghana but it is only one of several factors driving the decline in exports. Decades of deforestation, illegal logging and shrinking forest cover have significantly reduced the overall growing stock and availability of commercial timber species.

While demand in traditional markets has waned due to strict regulatory and legal compliance standards, regional ECOWAS demand has grown and a substantial portion of unrecorded or informal trade moves through overland channels and this is often not captured in global export statistics.

Urbanisation, construction and local manufacturing demands have increased, meaning a larger volume of harvested timber stays within the domestic market instead of being shipped overseas.

See: <https://ndfwestafrica.org/wp-content/uploads/2025/07/Overland-export-of-timber-from-Ghana.pdf>
and
<https://www.fao.org/4/AB567e/ab567e02.htm>

Wood product exports – Jan to Jul.2025/2026

	2026 YoY	2026 YoY
	% change vol.	% change val.
AD sawnwood	-24%	-33%
KD sawnwood	-22%	-18%
Billets	-41%	-51%
Plywood (Overseas)	940%	975%
Plywood (Overland)	48%	49%
Rotary Veneer	-20%	-13%
Mouldings	-7%	-5%
Sliced Veneer	-4%	6%
Boules (KD)	369%	383%
Others (8)	95%	3%
Total	-8%	-13%

Data source: TIDD

The overall decline in the period Jan.-Jul. 2026 was largely driven by reduced shipments of the major products which included billets and sawnwood. Air dry sawnwood remained the main export product, accounting for 49% of the total export volume for the period. But export volumes fell 24% to 56,451 cu.m and by 33% in value. The share of total exports also declined from 58% to 49%.

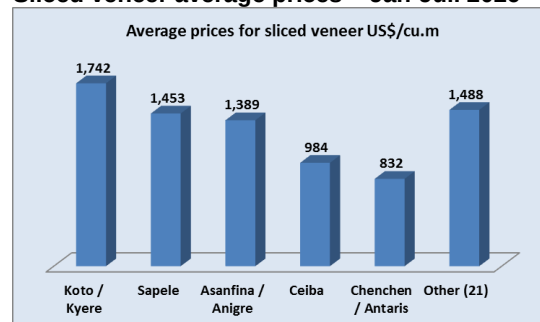
Kiln dry sawnwood exports also dropped by 22% in volume to 14,363 cu.m. Billet exports saw the sharpest decline among traditional products, down 41% in volume and 51% in value. Rotary veneer and moulding exports also contracted by 20% and 7% respectively.

In contrast to the overall downturn, plywood and specialty products recorded strong growth. Plywood exports outside of the region surged to 13,263 cu.m and its share of total export volumes rose from 1% to 11% compared to the same period in 2025. Plywood exports to regional markets increased 48% to 12,623 cu.m. Exports of boules and "Others" also grew significantly, albeit from a low base. Sliced veneer exports had a mixed performance with export volumes dropping 4% but export value rising 6%.

The leading species for sliced veneer export were asanfina/anigre (1216 cu.m), koto/kyere (583 cu.m), sapele (493 cu.m), ceiba (323 cu.m) and chenchen (314 cu.m) which together account for 75% of the total sliced veneer export for the period valued at Eur 4.00 million.

Twenty one (21) other species contributed to the remaining 25% of the export volume. Table shows the average unit price of these species ranging from Eur832/cu.m to Eur1,742/cu.m.

Sliced veneer average prices – Jan-Jul. 2026



Data source: TIDD

Koto/kyere recorded the species with highest average unit price of Eur1,742/cu.m for the period and chenchen the least (Eur832/cu.m). Major market destinations were Italy, Germany, USA and India.

Reserve shrinks by 1.5 months import cover

Ghana's international reserves had fallen to US\$11.1 billion at the end of August 2026, down from US\$14.16 billion in March, reducing import cover to 4.2 months and raising concerns about the country's external position.

Despite recording a US\$8.8 billion trade surplus and a US\$5.1 billion current account surplus in the first half of 2026 the decline in reserves has weakened Ghana's foreign exchange buffer and could pose challenges if demand for foreign currency increases in the final quarter of the year.

In other news, the cedi has come under pressure, depreciating 9.5% against the US dollar during the first nine months of 2026, as well as 9.0% against the pound and 7.3% against the euro.

The Bank of Ghana's Monetary Policy Committee (MPC) kept the policy rate at 14% for a third consecutive meeting, citing a balanced outlook for inflation and growth. This decision followed a rise in inflation from 4.6% in July to 5.0% in August 2026.

On the economic front, AGI President Dr. Kofi Nsiah-Poku praised Finance Minister Dr. Cassiel Ato Forson for the Ministry's efforts to restore economic stability. However, Ghana's public debt increased to GHc733.9 billion in July 2026, rising by GHc13.1 billion over two months and GHc92 billion since December 2025, highlighting ongoing fiscal pressures.

See: <https://www.myjoyonline.com/ghanas-reserve-buffer-shrinks-to-4-2-months-as-bog-flags-fresh-external-risks/> and

<https://www.myjoyonline.com/cedi-depreciation-hits-9-5-as-renewed-fx-pressure-weighs-on-currency/>

Opposition to gravel mining plans for road projects

Environmental advocacy coalition Weto Platform has expressed alarm about gravel mining activities associated with the development of borrow pits along the Akwapim-Togo Mountain Range to supply materials for roads being constructed under the 'Big Push' initiative.

The Government's 'Big Push' initiative, is President Mahama's flagship road infrastructure programme to promote the industrial and economic growth of the economy.

The Coordinator of the Weto Platform, Pascal Benson Atiglah, explained that ongoing excavation activities by contractors and individuals around Anyirawaes in the Ho West District of the Volta Region and Santeokodi in the SALL District of the Oti Region have caused serious environmental damage.

Boule export prices

	Euro per cu.m FOB
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	780
Niangon Kiln dry	820

Sawnwood export prices

Ghana sawnwood, FOB	Euro per cu.m	
	Air-dried	Kiln-dried
FAS 25-100mmx150mm up x 2.4m up		
Afromosia	860	925
Asanfina	465	1,016
Ceiba	425	465
Dahoma	488	558
Edinam (mixed redwood)	640	700
Emeri	690	755
African mahogany (Ivorensis)	783	927
Makore	647	870
Niangon	744	870
Odum	1,024	1,148
Sapele	742	825
Wawa 1C & Select	455	476

Rotary veneer export prices

Rotary Veneer, FOB			Euro per cu.m
	CORE (1-1.9 mm)	FACE (>2mm)	
Ceiba	370	472	
Chenchen	431	612	
Ogea	345	590	
Essa	553	603	
Ofram	350	435	

Plywood export prices

Plywood, FOB		Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina	
4mm	322	580	641	
6mm	392	536	604	
9mm	413	504	560	
12mm	350	489	480	
15mm	389	332	430	
18mm	452	437	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,,218
Avodire	2,412
Chenchen	864
Mahogany	1,762
Makore	929
Odum	1,648
Sapele	1,836

Through the eyes of industry

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

See:

https://www.itto.int/direct/topics/topics_pdf_download/topics_id=596778&no=1

Malaysia

Exports for the first eight months of 2026 grew over 30%

The encouraging export performance demonstrates that Malaysia's strategy to market and product diversification over recent years has started to bear fruit despite the uncertainties in global trade. Malaysia's exports for the first eight months of 2026 grew 31% to RM1.356 trillion, compared with RM1.033 trillion in the same period last year.

Exports to 40 countries, including the United States, France and Ireland, had already surpassed their full-year export values recorded in 2025. Exports to emerging markets also recorded significant growth, led by Namibia with a 430% increase followed by Angola at 215%, Ethiopia at 51%, Tanzania at 50% and Bangladesh at 20%.

See:

<http://theborneopost.pressreader.com/article/282265262340096>

Port Klang Authority proposing further increases in charges

Port Klang, the biggest port in Malaysia and one of the world's top 15 busiest ports has proposed increasing port charges. Port Klang handles between 13 to 14 million TEUs a year.

The Federation of Malaysian Manufacturers (FMM) is urging the Port Klang Authority (PKA) to retain the current RM20 minimum warehouse handling charge for small consignments. The charges were last reviewed in 2015. Under the new proposal the charge for handling LCL cargo (less than container load) at warehouses would rise from RM12 to RM16.50 per tonne. The minimum charge would go up from RM20 to RM30. Other charges such as storage, overtime work, cargo surveys and carpentry services would rise by 30%.

For freight forwarding services, the terminal-handling charge is proposed at RM60 per cubic metre, up from RM55. The declaration charge would rise from RM30 to RM35 for each house bill of lading, while the documentation charge would increase from RM170 to RM227 for each delivery order.

Besides the minimum charge increasing to RM30, the proposed rise in cargo-handling charges at warehouses is 37.5%, so the rate would go up from RM12 to RM16.50 per tonne. FMM is also concerned about a proposal to raise the less-than-container-load (LCL) cargo terminal-handling charge to RM60 per cubic metre. The proposed RM60 rate would be 11% higher than the current rate and 9% higher than the scheduled 2027 rate.

FMM has questioned the need for another revision before the existing phased increase has been fully implemented and its impact assessed, said FMM. FMM said the higher charge would affect manufacturers that bring in small and frequent shipments of raw materials, components, machinery parts and urgent replacement items.

"SMEs and manufacturers producing specialised or lower-volume products would be more exposed because they have fewer opportunities to consolidate shipments and spread logistics costs across larger cargo volumes," according to FMM.

See: <https://www.thestar.com.my/news/nation/2026/09/22/extra-costs-may-be-passed-on-to-consumer>

and <https://www.thestar.com.my/news/nation/2026/09/22/small-shipments-bigger-charges>

Plywood the top export from Sarawak

The export value of timber and timber-based products from Sarawak is estimated to have reached RM1.16 billion as of June this year, said Sarawak Timber Industry Development Corporation (STIDC) General Manager, Zainal Abidin Abdullah. He said the export value was lower than the RM1.21 billion recorded during the same period last year due to challenges stemming from market prices, product value and changing international market conditions.

"Plywood remained the main contributor, with an export value of more than RM500 million, followed by logs at about RM192 million," he said. Downstream products also contributed to the overall export value, earning RM200 million during the same period.

He noted that the Sarawak government had stopped issuing logging licences since 2014. At the same time, he said, the government issued licences such as industrial tree plantation (ITP) licences for reforestation aimed at maintaining environmental sustainability while ensuring a continuous supply of raw materials for the state's downstream timber industry.

See:

<http://theborneopost.pressreader.com/article/282243787497782>

Agarwood woodchip exports around 95,000kg last year

Malaysia should move beyond exporting raw agarwood and focus on turning the fragrant commodity into higher-value products, says Plantation and Commodities Minister, Dr. Noraini Ahmad. She said Malaysia had a strong foundation to develop the industry with more than two million karas (Aquilaria) trees planted nationwide.

Dr. Noraini said growing demand for agarwood (also known as oud or gaharu) presented opportunities for local entrepreneurs to move up the value chain through products such as agarwood oil, perfumes, personal care products, handicrafts, souvenirs and other lifestyle products. Malaysia's agarwood woodchip exports reached almost 95,000kg worth RM11.4 mil. last year, reflecting the commodity's growing market.

Dr. Noraini also stressed the importance of developing the agarwood and timber industries responsibly with buyers increasingly concerned about the source of products and how they are produced.

She said agarwood traded under the Convention on International Trade in Endangered Species of Wild Fauna and Flora must be accompanied by valid documentation and permits. Karas growers and agarwood processors must also be registered with the Malaysian Timber Industry Board, she added.

See: <https://www.thestar.com.my/news/nation/2026/09/14/time-to-turn-agarwood-exports-into-premium-products>

Harvesting deferred – trade uncertainties and rising costs

Timber companies are reacting to the headwinds caused by the war in Middle East and global trade disruptions. One example is a company in Sabah which has deferred harvesting activities under its Industrial Tree Planting Agreement with a subsidiary of the Yayasan Sabah Group. The company said the decision followed a review of prevailing operating and market conditions, including the increase in diesel prices and overall operating costs.

See: <https://www.thestar.com.my/business/business-news/2026/09/22/focus-lumber-defers-harvest-to-next-year>

Through the eyes of industry

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

See:
https://www.itto.int/direct/topics/topics_pdf_download/topics_id=596778&no=1

Indonesia

Indonesian furniture potential in India

Indonesian furniture products generated potential transactions worth Rp39.7 billion (US\$2.26 million) at the INDEXPLUS 2026 exhibition in New Delhi, India, according to the Ministry of Trade.

Four Indonesian businesses participated in the exhibition presenting furniture that combines contemporary designs, skilled craftsmanship, premium materials and Indonesia's cultural heritage. Indonesian trade representatives in India pledged to support export expansion through business matching and trade facilitation.

Indonesian furniture products are recognised in India for their quality craftsmanship and natural aesthetic appeal. Compliance with legality and sustainability standards through the Timber Legality and Sustainability Verification System (SVLK) certification strengthens buyer confidence and adds value to Indonesian exports.

To improve market competitiveness, Indonesian exporters are encouraged to utilise tariff benefits under the ASEAN-India Free Trade Area (AIFTA).

See: <https://en.antaranews.com/news/430961/indonesian-furniture-recorded-rp397-billion-in-potential-india-sales> and <https://rri.co.id/en/business/2722512/indonesian-furniture-draws-usd-226-million-potential-deals-in-india>

Making furniture and craft industries a key economic driver

The Indonesian Furniture Industry and Craft Association (HIMKI) has launched a Grand Strategy Plan (GSP) to strengthen the competitiveness of Indonesia's furniture and handicraft industry and establish it as a key pillar of the national economy.

Announced as one of the outcomes of HIMKI's fourth National Congress in Bali on 15 September 2026, the GSP was developed in collaboration with the government, industry associations and other stakeholders. It focuses on strengthening the domestic market, increasing exports, promoting design and innovation, developing skilled human resources, expanding access to sustainable raw materials and enhancing Indonesia's position in the global furniture and handicraft value chain.

Through the GSP, HIMKI seeks to coordinate policies and cooperation among government institutions, businesses, designers, artisans, financial institutions, universities, exhibition organizers and international partners. The initiative aims to move Indonesia beyond supplying raw materials and manufactured goods toward becoming a hub for high-value-added furniture and handicraft design, production and trade.

See: <https://m.antaranews.com/amp/berita/5743224/himki-bidik-industri-mebel-kerajinan-jadi-kekuatan-ekonomi-lewat-gsp> and https://surabaya.tribunnews.com/bisnis/1949993/himki-tegaskan-gsp-dorong-ekspor-dan-inovasi-industri-kerajinan#goog_rewarded

Financing challenges in pursuit of US\$6 billion furniture export target

Indonesia's furniture and handicraft industry is targeting export revenues of around US\$6 billion by 2031 but access to financing remains a major challenge. HIMKI Chairman, Abdul Sobur, said adequate working capital is needed for businesses to increase production capacity and fulfill larger export orders. The challenge is particularly significant for small and medium-sized companies which can experience cash flow problems in the absence of financing options.

HIMKI is urging the Indonesia Export Financing Agency (LPEI) to provide faster and more affordable financing based on purchase orders, contracts and export receivables, supported by guarantees and export insurance. Sobur also called for financing to be extended beyond large exporters to small and medium companies through an aggregator scheme, allowing funds to reach material suppliers and manufacturers throughout the export supply chain.

See: <https://ekonomi.bisnis.com/read/20260920/257/2005599/bidik-target-ekspor-us6-miliar-industri-furnitur-terganjal-modal-seret>

Machinery modernisation in forest product sectors

The Ministry of Industry is promoting machinery and equipment modernisation in the forest products and plantation sectors through its 2026 Machinery and/or Equipment Restructuring Programme for the Agro-Industry Sector. Industry Minister, Agus Gumiwang Kartasasmita, said the initiative aims to improve productivity, efficiency, production capacity and competitiveness while strengthening Indonesia's industrial ecosystem from upstream to downstream.

He also emphasised that modernising production equipment should support a stronger national industrial structure, increase added value and build a more resilient industry.

Acting Director General of Agro-Industry, Putu Juli Ardika, highlighted the importance of technological modernisation and product diversification to sustain business operations amid market competition.

Meanwhile, Acting Director of Forest Products and Plantation Industries, R.R. Citra Rapati, said the programme encourages businesses to adopt modern technologies to improve production efficiency, increase capacity and productivity and enhance product quality. These improvements are expected to generate greater added value for the forest products and plantation industries.

See: <https://suarapemerintah.id/2026/09/kemenperin-dorong-modernisasi-mesin-industri-hasil-hutan-dan-perkebunan/>

Carbon and Biodiversity Summit 2026 advances green economy development

The Association of Indonesian Forest Concession Holders (APHI) is supporting the Indonesia Carbon and Biodiversity Summit 2026 in collaboration with the Indonesia Carbon Credit and Biodiversity Alliance (ICBA) to promote the development of Indonesia's carbon and biodiversity economies.

APHI Chairman, Soewarso, said forestry businesses have an important role in realising government policies with implementation on the ground, particularly in carbon management and biodiversity conservation.

APHI's priorities include regulatory and business certainty, carbon market integrity, integrated carbon and biodiversity management, community participation and landscape-based collaboration. He also stressed the importance of reliable data and transparent measurement, reporting and verification throughout carbon projects to strengthen market confidence.

APHI also promotes a multi-business forestry approach that integrates carbon management with biodiversity conservation, environmental services, non-timber forest products, agroforestry and ecotourism, while ensuring communities participate in planning and benefit sharing.

ICBA Chairman, Rob Raffael, said APHI can help connect forest managers with investors, carbon buyers, academics and other partners, while bringing practical forest-management experience to carbon projects.

The cooperation aims to support long-term partnerships and innovative financing for credible carbon projects with measurable environmental benefits and transparent governance, while maintaining forests as a foundation of Indonesia's green economic development.

See: <https://mediaindonesia.com/ekonomi/932158/indonesia-carbon-and-biodiversity-summit-2026-perkuat-dukungan-untuk-ekonomi-hijau> and https://www.jpnn.com/news/aphi-bersama-icba-inisiasi-penguatan-ekonomi-karbon-biodiversitas?page=2#goog_rewarded

Indonesia and FAO launch 'MERANTI' project

Indonesia's Ministry of Forestry and the Food and Agriculture Organization (FAO) have launched a Monitoring and Enhancement of Remote Sensing for National Forest Inventory (MERANTI) project to modernise the country's forest monitoring system.

Supported by around US\$5 million in funding from the Norwegian Government the project aims to improve the accuracy and reliability of forest data while reducing the time required for collection through the National Forest Inventory (IHN) 2.0 system.

The initiative is expected to expand coverage to hard-to-reach areas, including coastal mangroves and community-managed forests and strengthen data-based policymaking, forest management and climate action.

Running from 2026 to 2028, MERANTI will combine field data with satellite imagery to provide more comprehensive information on Indonesia's forest resources.

The FAO will support field data collection across at least 500 National Forest Inventory (IHN / Inventarisasi Hutan Nasional) clusters nationwide, gathering information on forest species composition, biomass, degradation and soil conditions that cannot be fully captured through satellite monitoring alone. The project will also strengthen government capacity in forest inventory implementation, data analysis and quality assurance and control, supporting more transparent and science-based forest management.

See: <https://en.antaranews.com/news/430959/indonesia-fao-launch-meranti-project-to-modernize-forest-monitoring> and <https://www.fao.org/indonesia/news/detail/ministry-of-forestry-and-fao-launch-meranti-project-to-modernize-indonesia-s-forest-monitoring--produce-better-data/en>

Indonesia suspends corporate licenses amid wildfire crackdown

The Minister of Forestry, Raja Juli Antoni, said the ministry has suspended the operating licenses of 26 companies as part of a crackdown on those suspected of creating forest and land fires.

The suspensions are administrative sanctions that may be accompanied by environmental restoration requirements and could lead to criminal prosecution if evidence of wrongdoing is found. Antoni said the ministry is currently handling 46 cases involving both companies and individuals, stressing that enforcement efforts target both parties and that cases containing evidence of criminal violations will be taken to court.

In related news, the Ministry has revoked the business licenses of five companies linked to forest and land fires, their concessions cover a combined 92,464 hectares in West, South and Central Kalimantan. The Minister said the revocations were part of law enforcement against companies that violated their obligations as Forest Utilisation Business License (PBPH) holders, including requirements to protect their concession areas and comply with licensing conditions. The total burned area across the five concessions reached 1,169 hectares.

See: <https://en.antaranews.com/news/431516/indonesia-suspends-26-corporate-licenses-amid-wildfire-crackdown> and <https://hijau.bisnis.com/read/20260922/651/2006073/kemenhut-cabut-izin-5-perusahaan-terkait-karhutla-luas-konsesi-92464-hektare>.

EU leaders to visit Indonesia for IEU-CEPA talks

European Commission President, Ursula von der Leyen, and EU Trade Commissioner Maroš Šefčovič are expected to visit Indonesia in late October or early November 2026 as both sides work to finalise the long-negotiated Indonesia-European Union Comprehensive Economic Partnership Agreement (IEU-CEPA).

Coordinating Minister for Economic Affairs, Airlangga Hartarto, said President Prabowo Subianto has instructed his cabinet to accelerate the agreement's completion, which has entered its final administrative stage. Legal teams are currently finalising the English-language text before it is submitted to the European Parliament for review, followed by ratification by Indonesia's House of Representatives (DPR). Indonesia aims to implement the agreement by early 2027.

The IEU-CEPA is expected to expand market access, increase bilateral investment and strengthen economic relations between Indonesia and the European Union.

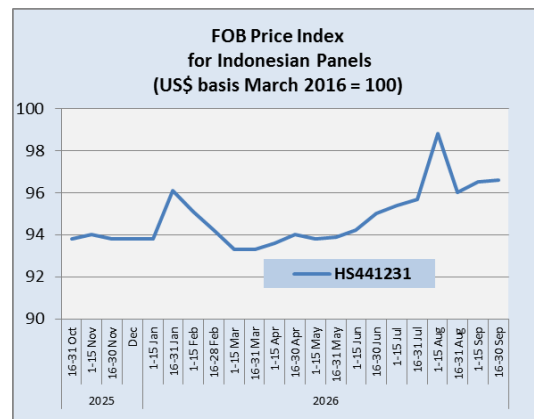
See: <https://en.antaranews.com/amp/news/432348/eu-leaders-to-visit-indonesia-for-ieu-cepa-talks-airlangga>

Work started to extinguish forest fires in western Kalimantan

Japan's Self-Defense Forces has started work to extinguish forest fires in western Kalimantan, Indonesia. CH-47 helicopters started dropping water. According to Japan's Defense Ministry, this is the SDF's first firefighting operation outside of the country. The operation was first delayed due to smoke from the fires reducing visibility.

The fire situation in Kalimantan started to worsen around August, leading Indonesian authorities to seek support from Japan under the two countries' defense cooperation agreement.

See: <https://www.nippon.com/en/news/yjj2026091601112/>



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

Through the eyes of industry

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

See:

https://www.itto.int/direct/topics/topics_pdf_download/topics_id=596778&no=1

Myanmar

Market and governance outlook

Myanmar's forestry and timber sector continues to face weak international demand, high fuel costs, high freight costs, foreign-exchange constraints and disrupted trade routes. Forest Department reports show continuing seizures of illegal teak and hardwoods. These developments indicate continuing efforts on enforcement but seizure data alone cannot establish whether illegal logging is increasing or declining.

Internationally, the August Global Timber Index showed contraction in most participating producer and consumer countries, including several of Myanmar's regional markets.

Recent ASEAN forestry meetings emphasised legal and sustainable supply chains, producer readiness, digital traceability and higher-value products. Although Myanmar's access to EU markets is restricted the approaching EUDR application of geolocation, source-specific legality evidence, deforestation assessment and consignment-level due diligence requires Myanmar's attention.

Myanmar's existing forestry and trade controls provide the technical foundation through the Myanmar Timber Legality Assurance System (MTLAS) and Digitalised Timber Tracking System (DTTS) but their credibility depends on consistent law enforcement, field access, reliable records and independent verification.

Weak enforcement does not make every consignment illegal but it increases uncertainty and raises the level of evidence expected from operators and buyers.

Legality and SFM assurance require reconciliation of forest source, authorised harvest, transport, processing and export records, together with evidence that AAC limits, harvesting cycles, biodiversity safeguards and community rights are observed.

See - https://forestdepartment.gov.mm/news/30306?utm_source and https://www.gnlm.com.mm/mnrec-designates-namsang-as-protected-public-forest/?utm_source

MTE maintains monthly timber tender sales

Myanma Timber Enterprise (MTE) conducted regular monthly open tenders from January through September 2026 for teak and hardwood logs and conversions. Tender notices were issued through its Export Marketing and Milling Department, indicating the continued availability of timber from MTE depots, sawmills and other designated storage locations.

Teak remained the dominant commercial material in both log and conversion categories. Hardwood offerings were considerably smaller and included species such as padauk, pyinkado, inn, thitya and thingan.

The available schedules indicate notable monthly fluctuations in the quantity of timber advertised. In July, the gross advertised volume was approximately 1,094 Hoppus tons. This included about 6441 Hoppus tons of logs, comprising 614 Hoppus tons of teak and 31 Hoppus tons of hardwood. MTE also advertised approximately 398 Hoppus tons of teak and hardwood conversions, together with 50 Hoppus tons of kiln-dried teak conversions under a special tender.

The gross advertised volume declined to approximately 943.51 Hoppus tons in August. However, September recorded a substantial increase to about 2,471 Hoppus tons. The September total comprised approximately 739 Hoppus tons of logs offered under the regular tender, 3875 Hoppus tons of regular conversions, 1,244 Hoppus tons of special log offerings and 99 Hoppus tons of kiln-dried conversions.

This increase was driven principally by a large special teak-log offering, including approximately 1,039.57 Hoppus tons located at Kantbalu. The September volume was therefore more than twice the July offering and approximately 162% higher than the August total.

The increase should nevertheless be interpreted cautiously. Examination of the tender schedules indicates that repeated or closely similar lots appeared in different months. This may mean that some timber remained unsold, was withdrawn, carried forward or reoffered in subsequent tenders.

The monthly figures should consequently not be added together without lot-level reconciliation as doing so could result in double counting and an overstatement of the quantity newly placed on the market.

The notices record the gross quantity advertised for sale rather than the quantity successfully sold, delivered, processed or exported. They also do not disclose successful prices. Tender announcements alone therefore cannot be used as evidence of MTE's actual sales performance or Myanmar's timber export volume.

A reliable assessment would require comparison of tender results with MTE Delivery Orders, depot-release and removal records, mill-intake and conversion records, Forest Department export approvals, Customs declarations and destination-country import statistics. Such reconciliation would distinguish newly offered timber from reoffered stocks and establish how much of the advertised material progressed from tender to domestic processing, local sale or export shipment.

See- <https://mte.gov.mm/index.php/mm/tenders/export-milling-marketing-dept-tender>

FDI inflows remain weak

Myanmar attracted around US\$1 billion in FDI in 2025, down 2.6% from 2024 while ASEAN attracted US\$243.9 billion, up 9.7%. More recent indicators remain weak. The World Bank reported FDI commitments of US\$224 million in the second half of FY2025/26, down 52% year on year and estimated actual inflows to be 13% lower. ADB reported that commitments as of December 2025 were 90% below the pre-crisis level.

Foreign-exchange controls, import licensing, unreliable electricity, logistics delays, regulatory uncertainty and conflict continue to constrain investors. For forest products, weak FDI limits investment in modern processing, kiln drying, furniture, engineered wood, plantations and digital traceability. Sector-specific constraints include uncertain raw-material supply, sanctions involving MTE, restricted premium-market access and buyer concerns over legality and traceability.

See- https://www.gnlm.com.mm/the-numbers-behind-myanmars-fdi-and-what-they-mean-for-policy/?utm_source and https://www.worldbank.org/en/news/press-release/2026/06/16/myanmar-s-economy-shows-tentative-stabilization-but-fuel-shock-intensifies-pressure?utm_source and https://documents1.worldbank.org/curated/en/099061526075033335/pdf/P507203-a497789a-01dd-4d79-bb47-faaf34d61123.pdf?utm_source and https://www.adb.org/sites/default/files/publication/1135881/mya-ado-april-2026.pdf?utm_source

Garment factory closures signal wider export pressure

Myanmar's garment sector is experiencing renewed closures as orders decline and operating costs rise. The closures illustrate how market restrictions and buyer withdrawal can affect direct suppliers, subcontractors, workers and supporting businesses. The timber sector faces a comparable risk where market access, verification credibility and investment remain weak.

The Minister of Labour, U Khin Maung Soe, said the Ministry had helped connect affected workers with other factories and would ensure that they received their legal entitlements.

The Social Security Board currently provides healthcare to more than one million insured workers in Yangon Region through clinics and mobile medical teams. The Minister added that the Ministry of Labour was continuously monitoring the situation and taking action to maintain workers' employment opportunities and workplace stability.

See- <https://www.irrawaddy.com/business/factories-across-yangons-garment-district-shutting-down.html>, and https://www.ecotextile.com/2026091065507/news/shows-events/hm-myanmar-withdrawal-brings-garment-worker-uncertainty/?utm_source.

India

Stronger than expected economic performance

India's economy has stayed on the growth track despite the energy price shock with real GDP rising 7.8% in the April-June quarter. At a media meeting IMF spokesperson, Julie Kozack, said "India's real GDP in the second quarter grew by 7.8%. That was above our staff's expectations and also the consensus among other observers. This upward surprise was driven by stronger-than-expected activity in the services sector and in exports".

Alongside its positive assessment of India's growth, the IMF also welcomed changes made to the country's GDP estimation system. Kozack said the latest GDP release included a new index of industrial production and a new producer price index series. According to her both should help improve India's GDP estimates.

See: <https://x.com/BJP4India/status/2098287840090345739> and <https://timesofindia.indiatimes.com/business/india-business/key-growth-engine-for-the-world-imf-hails-indias-7-8-growth-backs-gdp-estimate-changes/articleshow/134043605.cms>

Trade and economic links with China are growing

India's economy is becoming more outward-oriented. In this process, deeper trade and economic links with China are growing more important. Indian exports to China rose 52% year-on-year in August with a potential for increases. This potential could provide another source of support for India's outward-oriented growth and add to the resilience of its economy.

During the recently concluded BRICS Summit, China and India reaffirmed the direction of their bilateral relationship. In the months ahead, it will be worth watching how this translates into more concrete areas of economic cooperation.

See: <https://asialink.unimelb.edu.au/diplomacy/insights/indias-new-globalisation-raj/>

Downward pressure on rupee

In September, the Indian rupee dropped to its lowest value against the US dollar since late July falling to as low as 96 rupee to the US dollar. The downward pressure came largely from global markets. Higher oil prices, rising US Treasury yields and expectations of a stronger dollar are all working against the currency.

See: <https://www.globaltimes.cn/page/202609/1370701.shtml>

Real estate sector 7- 8% of GDP

Real estate's contribution to India's GDP is substantial and multi-dimensional, with direct construction and property activity contributing approximately 7-8% of GDP while broader economic linkages through construction materials, professional services, financial services and consumer spending amplify the total impact to an estimated 13-15% of economic activity.

This makes real estate India's second-largest employment sector after agriculture and one of the economy's most significant structural contributors.

Commenting on the latest Reserve Bank of India decision on interest rates, Shekhar Patel, the CREDAI president, said "The RBI's decision to maintain the repo rate at 5.25% provides much-needed stability and reassurance for the real estate sector.

Given the prevailing global uncertainties, maintaining the status quo sends a positive signal of confidence and policy continuity. Real estate is a long-gestation sector and homebuyers make long-term financial commitments. A stable interest-rate environment enables both developers and buyers to plan with greater certainty."

See: https://credai.org/media/view-details/?file_no=109 and <https://www.aurumproptech.in/pulse/faqs/what-percentage-of-india-gdp-does-real-estate-contribute>

Rapid depletion of rubberwood resources

According to Plyreporter the States of Kerala and Karnataka (KK region) are home to more than 1,200 plywood and related industries most of which are small scale enterprises utilising rubberwood, silver oak, neem and some high forest species like vatta, valange, mango and. The Kerala region is heavily dependent on rubberwood with some quantities of silver oak and neem core veneer being brought in from neighbouring Karnataka State and around a 20% to 25% mix of random natural forest species.

Most mills rely on rubberwood for peeling but the expansion of particleboard capacity over the last 5 years is exerting tremendous pressure on rubberwood availability.

In Kerala the average price of peeller logs has increased from around INR6,500 per ton post-Covid19, to the current monsoon levels (at the time of writing this article) of INR12,000 per ton of green wood delivered at the factory gate.

The overall shortage of rubberwood and mixed species is expected to remain in the K&K region. Plyreporter suggests resources in these States cannot supply the requirements of particleboard mill and the expanding plywood manufacturing capacity.

See: <https://www.plyreporter.com/article/154383/timber-prices-rise-in-southern-india-takes-its-toll-on-panel-sector>

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

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

	US\$ C&F
Brazil	558
Colombia	505
Costa Rica	405
Nigeria	-
Benin	-
Tanzania	515
Laos	-
South Sudan	720
Guatemala	430
Venezuela	-

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

	US\$ C&F
Benin	688
Brazil	695
Colombia	-
Costa Rica	575
Ecuador	-
Ghana	460
Ivory Coast	820
Nigeria	470
South Sudan	645
Tanzania	-
Togo	545
Panama	540

Locally milled sawnwood prices

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,550 - 4,950
Balau	3,150 - 3,450
Resak	-
Kapur	-
Kempas	1,850 - 2,150
Red meranti	2,000 - 2,300
Radiata pine	975 - 1,250
Whitewood	1,000 - 1,200

Price range depends mainly on lengths and cross-section

Locally sawn hardwood prices

Sawnwood (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	2,050 - 2,400
Sycamore	2,500 - 2,900
Red Oak	3,050 - 3,500
White Oak	3,500 - 3,900
American Walnut	5,550 - 6,050
Hemlock STD grade	2,050 - 2,350
Western Red Cedar	3,100 - 3,500
Douglas Fir	2,550 - 2,750

Price range depends mainly on lengths and cross-section

Plywood

Domestic ex-warehouse average prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	89.75
6mm	104.00
9mm	123.50
12mm	147.00
15mm	190.50
18mm	210.50

Domestic ex-warehouse prices for locally manufactured MR plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	61.00
6mm	78.25
9mm	90.00
12mm	106.00
15mm	143.50
19mm	153.00
5mm Flexible ply	91.00

Viet Nam

Wood and Wood Product (W&WP) Trade Highlights

According to statistics from Vietnam Customs Department, W&WP exports in August 2026 reached US\$1.58 billion, down 2% compared to July 2026 but up 7% compared to August 2025. WP exports contributed US\$1.03 billion, down 1% compared to July 2026 but up 6% compared to August 2025.

In the first 8 months of 2026, W&WP exports amounted to US\$11.8 billion, up 6% over the same period in 2025 of which the WP exports share was US\$7.6 billion, up only 0.2% over the same period in 2025.

Vietnam's office furniture exports in August 2026 were valued at US\$23.36 million, down 6% compared to August 2025. In the first 8 months of 2026, office furniture exports were estimated at US\$183.7 million, down 25% over the same period in 2025.

W&WP Exports to Japan in August 2026 earned US\$212.39 million, up 2% compared to August 2025. In the first 8 months of 2026, W&WP exports to Japan totalled US\$1.48 billion, up 5% over the same period in 2025.

W&WP imports in August 2026 totalled US\$304.86 million, down 10% compared to July 2026 but up 6% compared to August 2025. In the first 8 months of 2026 the import value of wood and wood products to Vietnam totalled US\$2.46 billion, up 17% over the same period in 2025.

Vietnam's oak imports in August 2026 were 65,000 cu.m, worth US\$39.0 million, up 3% in volume and 5% in value compared to July 2026. Imports rose 25% in volume and 43% in value compared to August 2025. In the first 8 months of 2026 oak imports were estimated at 462,400 cu.m, worth US\$277.4 million, up 30% in volume and 40% in value over the same period in 2025.

W&WP exports to the UK in August 2026 fetched US\$19.66 million, down 4% compared to August 2025. In the first 8 months of 2026, W&WP products to the UK market earned about US\$176.3 million, up 11 % over the same period in 2025.

Wood chip exports in August 2026 earned US\$280 million, down 1% compared to July 2026 but up 33% compared to August 2025. In the first 8 months of 2026 wood chip exports generated US\$2.02 billion, up 25 % over the same period in 2025.

Imports of raw wood (log and lumber) from Africa in August 2026 stood at 80,000 cu.m, worth US\$32.8 million, down 6% in volume and 11% in value compared to July 2026 and down 3% in volume but up 10% in value compared to August 2025.

In the first 8 months of 2026, imports of raw wood from Africa were estimated at 601,400 cu.m, worth US\$246.3 million US\$, up 7% in volume and 23% in value over the same period in 2025.

Forestry planning to protect livelihoods

After five years of implementation the existing plan had produced positive results but new requirements, including the country's goal of sustaining double-digit economic made updates necessary.

Forestry plans must improve the livelihoods of people living in forested areas while balancing economic development, social welfare and environmental protection, according to Deputy Prime Minister, Ho Quoc Dung.

The Deputy PM praised the Ministry of Agriculture and Environment for its consultation process and preparation saying the revised document broadly complied with planning and forestry laws and was ready for consideration and approval.

The plan takes into account climate change, environmental pressures, timber and carbon markets, population growth, migration and technological development, as well as the links between forestry, biodiversity conservation, disaster prevention, national defense and security and national park management.

"Whatever the plan is, the lives of people in forested areas must improve," Dung said, adding that plans must address the livelihoods of those communities.

People living in forested areas play a direct role in protecting forests, land, water resources and nature, he said. The revised plan should therefore balance economic development, social welfare and environmental protection.

According to a report by the ministry's Department of Forestry and Forest Protection, which prepared the revised plan, the adjustment aims to maximise the potential and value of forests and develop forestry into a modern, efficient and sustainable sector.

The revised plan is also intended to support socio-economic development, environmental protection, conservation of natural resources and improvements in people's livelihoods. It aims to keep Việt Nam's forest cover above 42% by 2030, while improving forest quality and generating average annual GDP growth of up to 5.5% for the forestry sector.

Trần Quang Bảo, Director of the Forestry and Forest Protection Department, said the revised plan sets total forest land at about 15.6 million hectares in 2030, around 300,000ha less than under the previously approved plan. Annual timber harvesting from plantations is projected at up to 31 million cubic metres with another roughly 10 million cubic metres coming from scattered trees, rubber plantations and forest gardens.

See: <https://vietnamnews.vn/economy/1799834/deputy-pm-calls-for-forestry-planning-to-protect-livelihoods.html>

Wood exports near US\$12 billion in eight months

According to a September report from the Ministry of Agriculture and Environment (MAE), exports were estimated at US\$1.48 billion in August alone, bringing the eight-month total to US\$11.69 billion. Wood and wood products recorded the highest export value among Vietnam's agricultural commodities during the period.

The United States remained Vietnam's largest export market, accounting for 49.9% of total wood and wood product exports. In effect, nearly US\$1 of every US\$2 earned from the sector came from the US market.

China, meanwhile, has rapidly expanded its purchases. Vietnam's wood and wood product exports to China reached US\$1.54 billion, up 46% year on year, lifting China's share to 15%, 4% percentage points higher than a year earlier. China has overtaken Japan to become Vietnam's second-largest market for wood and wood products.

Vietnam's wood industry has established a strong position in the US, becoming an important supplier as American importers diversify their furniture supply chains. However, the impact of higher trade costs is already becoming visible.

US importers are becoming more cautious about signing long-term contracts, shortening order cycles and seeking greater cost-sharing from suppliers, potentially putting further pressure on exporters' margins.

The bigger risk is that Vietnamese suppliers could gradually lose their position in US supply chains. Once importers shift to alternative sources and establish new inspection, logistics and product-standard systems, regaining market share could become considerably more difficult.

For Vietnamese wood exporters, maintaining customer confidence in the US market is therefore becoming more important than retaining orders at any cost, according to an industry expert.

The MAE is working with wood industry associations to help businesses respond to US anti-dumping and countervailing duty investigations, including the hardwood plywood case, as well as participate in the Section 301 investigation hearings. The ministry is also proposing measures to address VAT-related difficulties in wood exports to provide timely support for businesses.

See: https://vir.com.vn/vietnam-wood-exports-near-117-billion-in-eight-months-160352.html?utm_source=chatgpt.com

Vietnam and Poland strengthen strategic partnership in furniture supply chains

Representatives of leading Polish manufacturers of agricultural and forestry machinery have expressed strong interest in Việt Nam's potential in both furniture manufacturing and mechanical engineering and manufacturing.

As two of the world's top three furniture exporters, Vietnam and Poland have significant potential and opportunities to work together in furniture manufacturing supply chains. Vietnam and Poland have furniture exports of approximately US\$3.7 billion and US\$3 billion, respectively, according to data from the trade data analytics organization OEC.

However, in addition to its furniture manufacturing and export industries, Poland also boasts a significant industry producing machinery and equipment for forestry and wood processing. This creates considerable potential for the two countries to cooperate in developing supply chains for furniture manufacturing.

Although both countries are among the world's leading furniture producers, their furniture industries are not directly competitive due to differences in product categories and end-user markets. More importantly, their respective manufacturing capabilities offer complementary strengths that could help unlock greater cooperation potential.

Polish agricultural and forestry equipment is already used in markets around the world but remains relatively unfamiliar in Southeast Asia. Polish manufacturers hope Vietnam can serve as a gateway for Polish products to access the wider regional market. The effective operation of Polish machinery in Viet Nam, they said, would also serve as a powerful showcase for the quality of Polish equipment across Southeast Asia.

At the same time, with one of Europe's largest areas of planted forests, Poland could potentially serve as a source of raw materials and input components for Viet Nam's furniture industry, the Vietnam Trade Office in Poland said at a sideline forum during the international trade fair on wood and furniture industries in Poland this month.

See: https://vietnamnews.vn/economy/1800057/viet-nam-and-poland-strengthen-strategic-partnership-in-furniture-supply-chains.html?utm_source=chatgpt.com

Repositioning Viet Nam's domestic wood product market as a growth driver for local industries

In a recent article Ngo Sy Hoai, Secretary General, Viet Nam Timber and Forest Products Association (VIFOREST) says "Viet Nam needs a genuine domestic-market programme and he sets out how this could become a driver of investment in the wood products sector." Highlights of the article are provided below and the full article can be obtained from the author at: ngosyhoai89@yahoo.com

With a population of more than 100 million, annual population growth of around 1%, rising incomes and living standards, rapid urbanisation, and expanding demand for housing, furniture, wood-based materials, paper and packaging and biomass energy, Viet Nam's domestic market has the potential to become a major growth driver for the wood industry over the coming decade.

The challenge is not simply how to sell more wooden furniture to Vietnamese consumers. More fundamentally, the industry needs to move from the idea of merely "exploiting the domestic market" towards building a domestic ecosystem for sustainable wood use.

This would be one in which timber is legal, fit for purpose, economically valuable, safe for consumers, long-lived and, where possible, reused before eventually becoming an energy source.

Viet Nam now has a population of more than 100 million. Using a conservative estimate of current spending on wood and wood products of about US\$50 per person per year, the domestic market is already worth around US\$ 5 billion.

This demand base is continuing to expand. Population is growing by around 1% per year; the number of urban households is increasing and demand for new housing, refurbishment, renovation and furnishing continues to rise.

At the same time the expanding middle class is changing how it assess products, shifting from a focus on the amount and weight of wood and low prices towards design, functionality, safety, warranties, origin and environmental responsibility.

Under a scenario in which Viet Nam sustains high GDP growth, the domestic wood market could plausibly expand by around 7–9% per year. This would be faster than the roughly 6% annual growth in global wood demand used as a reference assumption in the analysis.

At such growth rates, the domestic market could reach about US\$7.0–7.7 billion by 2030. Under the central scenario of 8% annual growth, the market would be approximately US\$ 7.35 billion.

More importantly, a large and well-organised market can encourage companies to make long-term investments in design, branding, mass production, after-sales service and traceability, all areas that remain comparatively underdeveloped in the domestic market.

The domestic market is far more than wooden tables, chairs, beds and cabinets

A long-standing limitation in thinking is to equate the “domestic wood market” with household furniture. In reality, domestic demand is emerging from at least five major market groups.

- Construction / mass timber: Doors, flooring, structural elements, prefabricated housing, engineered wood
- Interior and exterior furniture: Households, offices, hotels, public buildings
- Paper and packaging: E-commerce, logistics, consumer packaging, plastic substitution
- Biomass energy: Co-firing, industrial boilers, gradual fossil-fuel substitution
- Bio-based materials: Cellulose, composites, new materials, circular-economy applications

Strong demand, but weak ‘market infrastructure’

The biggest weakness of the domestic market is not a lack of demand. Rather, the market still lacks the institutional and commercial “infrastructure” needed to turn demand into sustainable growth.

First, supply remains highly fragmented. Craft villages, household producers and small workshops play a major role in supplying furniture, doors, traditional products and made-to-order items. They benefit from craftsmanship, flexibility and competitive costs, but often face constraints in kiln drying, chemical control, traceability, testing and warranties.

Second, product transparency remains limited. Consumers often cannot easily determine the species used, the origin of the timber, the type of adhesive or coating, formaldehyde emissions, moisture content, expected service life or who is responsible when a product fails.

Third, branding and after-sales services are underdeveloped. In a modern market, companies do not merely sell a table or a cabinet; they also sell design, delivery, installation, warranty, repair and component replacement.

Fourth, technical standards for many product groups have not yet become routine market practice. Requirements on chemical safety, durability, moisture resistance, emissions, fire performance and recyclability need to be further developed and mainstreamed.

Finally, data remain weak. Viet Nam has relatively good foreign-trade statistics, but it is still difficult to measure domestic wood consumption, wood used in buildings, household furniture demand, recovered wood, reuse flows and regional supply-demand balances.

Green public procurement: government should become a lead customer

One of the most effective instruments for developing a formal domestic wood market is green public procurement. Government is a major purchaser for schools, hospitals, offices, cultural facilities, social housing and other public buildings.

If procurement is based only on the lowest price, better and more responsible products have little opportunity to gain a market advantage.

By contrast, if tender documents require legal timber origin, product durability, formaldehyde limits, safe adhesives and coatings, warranty periods, repairability, ease of disassembly and options for take-back and reuse, public procurement can create a large, stable and transparent market.

When the public sector buys according to clear standards, companies have incentives to invest in mass production, testing, traceability and after-sales services. Scale can reduce unit costs and standards first established in public procurement can eventually become normal expectations in the private market. A national programme could be developed around the message “Vietnamese Wood for Vietnamese Buildings”, initially focusing on social housing, schools, hospitals, cultural facilities, public offices and selected tourism and public projects.

Businesses must change as well

Policy is only half of the story. Wood-industry companies themselves need to change the way they approach the domestic market. The old model is typically characterised by one-off product sales, price-based competition, limited consumer data and weak warranty and repair services.

The new model should be a product-and-service ecosystem: design for specific market segments; modular production; multi-channel sales; e-commerce; professional delivery and installation; long-term warranties; repair and component replacement; disclosure of raw-material origin; and transparent information on product quality, chemicals and life cycle.

The domestic market should not be treated as a place to dispose of “left-over orders”. It should become a platform for building Vietnamese brands, Vietnamese design and Vietnamese services.

Viet Nam needs a genuine domestic-market programme

For 2026–2027, the first priority should be data: measure domestic consumption, estimate market size, build a wood material-balance system and assess the capacity of craft villages, mills and major user groups. Sustainable-biomass standards for industrial boilers and co-firing should also be piloted.

During 2028–2029, Viet Nam should expand green public procurement, sustainable-wood product labelling, green craft-village clusters and standards for panels, furniture, construction timber and biomass.

By 2030, the country should reassess the scale and structure of the domestic market, expand the “Vietnamese Wood for Vietnamese Buildings” programme, strengthen circularity in wood and paper, and increase the role of biomass alongside wind and solar in the renewable-energy system.

Final message

- A wood market of more than 100 million people cannot be built on products of uncertain origin and unverified quality.
- If domestic demand is organised well, Viet Nam will not simply sell more wood products; it will use every cubic metre more intelligently, more cleanly and with greater value.

This is the real meaning of repositioning the domestic market as a major future growth driver for Viet Nam’s wood industry.

Brazil

Advancing adoption of latest timber traceability technologies

The Center for Timber Producing and Exporting Industries of the State of Mato Grosso (CIPEM) presented to the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) a project to improve the identification, traceability and control of legally produced timber in the state of Mato Grosso, with a focus on Ipê, Cumaru and Cedro-Rosa species which are listed in Appendix II of CITES.

The initiative proposes the establishment of two advanced facilities equipped with xylotheques for detailed anatomical analyses and the training of professionals in technical species identification.

The project will be coordinated by the Federal Rural University of the Amazon (UFRA) with the participation of the State University of Mato Grosso (UNEMAT). It seeks to meet the requirements of IBAMA Normative Instruction No. 28/2024, reduce the risk of identification errors and enhance legal certainty throughout the timber value chain, particularly in northern Mato Grosso.

With international markets becoming increasingly demanding proof of legal timber origin, more efficient identification and traceability systems can help facilitate exports, reduce trade-related queries and increase buyer confidence.

In recent years, demand for timber with verified origin has grown in international markets, particularly in Europe, North America and Asia. Through more modern traceability tools, Mato Grosso seeks to strengthen its position in sustainable forest management. The proposal is being reviewed by IBAMA to determine the next steps and a possible institutional partnership.

See: <https://maisfloresta.com.br/mato-grosso-aposta-em-tecnologia-para-protger-mercado-bilionario-da-madeira-legal/>

New ABNT Standard for Products from the Amazon Region

The Brazilian Association of Technical Standards (ABNT) has published ABNT NBR 20260:2026, the ‘General Standard for the Amazon Seal Programme’ establishing environmental, social and economic requirements for industrial products and services produced or provided in the Legal Amazon using inputs from the biome.

The Standard provides the Amazon Seal Programme (Programa Selo Amazônia), led by the Ministry of Development, Industry and Foreign Trade (MDIC), with technical parameters to recognise initiatives that combine sustainable production, value generation and conservation of the Amazon. The Seal is one of actions established under the 2025–2026 Action Plan of the National Quality Infrastructure Strategy (ENIQ).

The Standard considers the entire life cycle of products and services. Under the environmental pillar, it establishes requirements related to combating illegal deforestation, biodiversity conservation, reducing greenhouse gas emissions and waste management based on the circular economy. The social pillar addresses decent work, the valorisation of the regional workforce and respect for the rights and knowledge of indigenous peoples and traditional communities.

In terms of economic and governance aspects, it includes strengthening local micro and small enterprises, encouraging innovation, adopting anti-corruption practices and maintaining traceability records for suppliers, batches and the origin of inputs.

Implementation of the Selo Amazonia will include the development of three sector-specific Standards for priority value chains, followed by training for interested companies and audits conducted by Product Certification Bodies (OCPs) for issuance of certificates.

See: <https://www.gov.br/mdic/pt-br/assuntos/noticias/2026-periodo-eleitoral/setembro/nova-norma-da-abnt-fixa-regras-de-sustentabilidade-para-produtos-da-regiao-amazonica>

Export update

In August 2026, Brazilian exports of wood-based products (except pulp and paper) increased 14% in value compared to August 2025, from US\$220.5 million to US\$251.2 million.

Pine sawnwood exports increased 37% in value between August 2025 (US\$42.6 million) and August 2026 (US\$58.4 million). In volume, exports increased 25% over the same period, from 191,100 cu.m to 239,300 cu.m.

Tropical sawnwood exports increased 16% in volume, from 22,100 cu.m in August 2025 to 25,600 cu.m in August 2026. In value, exports increased 48% from US\$8.7 million to US\$12.9 million over the same period.

Pine plywood exports increased 24% in value between August 2025 (US\$42.8) and August 2026 (US\$53.2). In volume, exports increased 21% over the same period, from 136,700 cu.m to 165,000 cu.m.

Tropical plywood exports increased 25% in volume, from 2,800 cu.m in August 2025 to 3,500 cu.m in August 2026. In value, exports increased 40% from US\$1.5 million in August 2025 to US\$2.1 million in August 2026.

As for wooden furniture, exports increased 3% in value, from US\$44.6 million in August 2025 to US\$45.9 million in August 2026.

'Woodtrade Brazil' discussed prospects for the timber industry in the global market

The 6th Woodtrade Brazil brought together more than 500 business owners, executives and representatives of the timber value chain in Curitiba, Paraná, southern Brazil to discuss the prospects for the timber industry in the global market.

The programme addressed the performance of the timber segments, access conditions to international markets, technological transformations and economic and political scenarios, with emphasis on the impacts of international tariffs, logistical constraints and changes in foreign trade flows.

Efficiency gains, innovation, artificial intelligence and professional training were also discussed as factors related to the competitiveness of Brazil's forest sector. A panel on the wood product markets analyzed production, domestic consumption and export data for pellets, sawnwood, plywood, flooring, doors, mouldings, pallets and packaging, as well as the effects of tariff conditions on products destined for the US market and on Brazilian competitiveness in other countries.

The event also highlighted the timber construction market where engineered wood production in Brazil reaching 14,000 cu.m in 2025, compared with an estimated installed capacity of 70,000 cu.m per year. The consolidation of demand and updating municipal building codes remain challenges for the expansion of this market.

The Brazil-US trade relationship was also discussed, including the effects of the tariff environment on companies and the prospects for negotiations between the two countries. The importance of preserving the strategic relationship between Brazil and the US regardless of the governments in power was emphasised.

See: <https://abimci.com.br/com-mais-de-500-participantes-woodtrade-brazil-debate-as-perspectivas-da-industria-madeireira-no-mercado-global/>

US tariffs and the competitiveness of Brazil's timber industry

The tariffs imposed by the United States have increased pressure on Brazil's timber industry and reinforced the need for market diversification, lower logistics costs and increased productivity.

Between January and August 2026, compared with the same period in 2025, exports of pine plywood declined by 14%, while exports of mouldings and wooden doors decreased by 50% and 24% respectively. Pine sawnwood exports, on the other hand, increased by 6% in volume.

During the hearings held in July by the Office of the United States Trade Representative (USTR), the Federation of Industries of Paraná (FIEP) defended Brazilian products, highlighting the importance of Brazilian supply to US production chains, commercial relationships built over decades and the risks of increased costs and supply restrictions in the US market.

One measure specifically targeting Brazil established a 25% tariff on certain products, while another, related to an investigation into measures to combat forced labour in supply chains, imposed an additional 12.5%. These charges may be cumulative when both apply to the same item resulting in a 37.5% additional tariff on certain wood products and furniture.

In this context, the importance of market diversification, continued negotiations and maintaining trade relations with the United States was highlighted. In addition to external restrictions, FIEP highlighted logistical bottlenecks and the need for investments in infrastructure, technology and forest productivity to strengthen the sector's competitiveness.

As an alternative to expanding domestic demand, participants highlighted timber construction and greater value addition to wood products, supported by public policies, training and financing. Expanding the domestic market was identified as a potential pathway in response to the challenges facing foreign trade.

See: <https://www.remade.com.br/noticias/21632/tarifas-dos-eua-pressionam-setor-madeireiro-e-ampliam-debate-sobre-competitividade-no-brasil>

Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	469↓
Jatoba	208↓
Massaranduba	188↑
Muiracatiara	181
Angelim Vermelho	189↑
Mixed redwood and white woods	140↓

Prices do not include taxes. Source: STCP Data Bank

Brazil sawnwood, domestic (Green ex-mill)	US\$ per cu.m
Ipê	2,101↓
Jatoba	1,031↑
Massaranduba	901↑
Muiracatiara	969↓
Angelim Vermelho	936↑
Mixed red and white	613↓
Eucalyptus (AD)	327↓
Pine (AD)	285↑
Pine (KD)	342↑

Prices do not include taxes. Source: STCP Data Bank

Domestic plywood prices

Parica ex-mill	US\$ per cu.m
4mm WBP	643↓
10mm WBP	489↓
15mm WBP	447↓
4mm MR.	589↓
10mm MR.	438↓
15mm MR.	392↓

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US\$ per cu.m
15mm MDParticleboard	290↑
15mm MDFibreboard	338↑

Prices do not include taxes. Source: STCP Data Bank

Export prices

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

Export sawnwood prices

Sawnwood	US\$ per cu.m
Ipe	2,900
Jatoba	1,225
Massaranduba	1,250↓
Muiracatiara	1,300
Pine (KD)	225↑

Prices do not include taxes. Source: STCP Data Bank

Plywood export prices

Pine plywood	US\$ per cu.m
9mm C/CC (WBP)	318↓
12mm C/CC (WBP)	293↓
15mm C/CC (WBP)	278↓
18mm C/CC (WBP)	273↓

Prices do not include taxes. Source: STCP Data Bank

Export prices for added value products

Added value product	US\$ per cu.m
Decking Boards Ipê	4,763↓
Jatoba	1,733↓

Prices do not include taxes. Source: STCP Data Bank

Through the eyes of industry

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

See:

https://www.itto.int/direct/topics/topics_pdf_download/topics_id=596778&no=1

Peru

Exports higher in in July

In July 2026 wood product exports recorded an FOB value of US\$40.8 million, an increase over the US\$37.4 million reached during the same period in 2025. This rise represented a positive change of 9%, according to the Center for Research on Global Economics and Business of the Association of Exporters (CIEN-ADEX).

According to the data the export portfolio included products such as semi-manufactured goods (US\$15.6 million), sawn timber (US\$13.5 million), firewood and charcoal (US\$3.7 million), furniture and parts (US\$2.5 million) and construction products (US\$2.2 million).

France was the leading destination with shipments totalling US\$7.1 million. France was followed by the United States (US\$5.6 million), the Dominican Republic (US\$5.3 million), China (US\$5.2 million) and Viet Nam (US\$4.4 million).

Semi-manufactured products drove exports in July

According to data from the ADEX Services and Extractive Industries Division, exports of semi-manufactured products reached US\$15.6 million (FOB) in July 2026, representing a 34% increase compared to the same month of the previous year. France led imports in this subsector, accounting for 42% of the total exported and recording a 44% increase compared to July 2025.

Denmark took second place with a 16% share and notable growth of 198%. The United States was third placed with a 9% share, although it recorded a 21% decrease compared to the same period the previous year.

Belgium held fourth place with a 8% share and a contraction of 27% year on year. Mexico rounded out the top five destinations, accounting for 5% of exports and showing remarkable growth of 206% compared to July 2025.

These results demonstrate a favorable recovery in foreign trade for Peruvian wood products driven primarily by the dynamism of the semi-manufactured products subsector and strengthening demand in some European markets.

Serfor promotes occupational competency in forest plantations

The National Forest and Wildlife Service (Serfor), in coordination with the Ministry of Labour and Employment Promotion (MTPE), spearheaded the development of the Occupational Competency Standard (ECL) for Forest Plantations. This initiative is part of broader efforts to strengthen the recognition and certification of skills for workers in the forestry sector.

Within this framework, professionals from Serfor's Directorate of Promotion and Competitiveness, along with other forestry experts, participated in the validation process for the Forest Plantations ECL, as well as its assessment tools and equipment list, in the Cajamarca region.

The validation sessions, also attended by personnel from Serfor's Technical Forestry and Wildlife Administration (ATFFS) in Cajamarca, were supported by the Technical Unit of CITE Madera Cajamarca which contributes to the technical activities planned for this process.

The participation of these specialists made it possible to gather technical input and insights to strengthen the criteria, procedures and conditions required for assessing the occupational competencies associated with the establishment and management of forest plantations.

See: <https://www.gob.pe/institucion/serfor/noticias/1449122-serfor-impulsa-la-certificacion-de-competencias-laborales-en-plantaciones-forestales>

Domestic logs	US\$/cu.m, mill gate
Cumaru	109-220
Ipe	196-218
Grapa	152-161
Virola	92-101
Jequitiba	135-143
Cerjeira	166-179
Mashonaste	104-119
Balsamo	202-2155
Azucar huayo	128-143

Domestic sawnwood (green, exmill)	US\$/cu.m
Cumaru	1,000-1,100
Ipe	1,320-1,400
Grapa	800-900
Jequitiba	580-600
Mashonaste	480-500

Export sawnwood	US\$/cu.m FOB
Cumaru KD	1,980-2,350
Virola KD	640-890
Jequitiba KD	755-780
Cerjeira KD	1,280-1,345
Mashonaste block AD	559-590
Esoraque block AD	810-845
Azucar huayo block AD	580-620

Japan

Interest rate up again - shortest interval since 2024

In response to rising costs due to crude oil prices and the weakening yen, the Bank of Japan raised its policy rate to 1.25%, just three months after raising its rate to 1.0% at its monetary policy meeting in June. This marks the shortest interval since the end of large-scale monetary easing measures in March 2024.

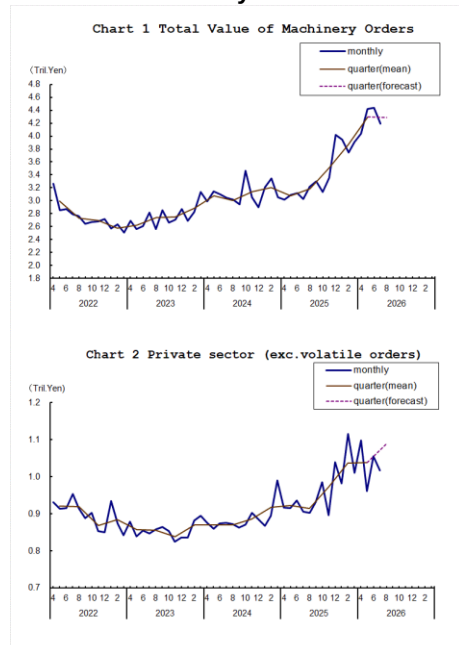
The Bank of Japan Governor, Kazuo Ueda, announced after the latest policy board meeting that conditions for its policy management had changed. On the underlying inflation of the consumer price index (CPI), which excludes temporary volatile factors, Ueda said there is a risk that it will move upward beyond the price stability target of 2%.

He went on to say that trying to stabilise the underlying CPI inflation at around 2% is important to prevent the economy from being adversely affected in the future.

See:

<https://japannews.yomiuri.co.jp/business/economy/20260919-349618/>

Decline in machinery orders



The total value of machinery orders (an indicator of economic prospects) received by 280 manufacturers operating in Japan decreased by 5.5% in July from the previous month on a seasonally adjusted basis. Private-sector machinery orders, excluding volatile ones for ships and those from electric power companies, decreased a seasonally adjusted by 3.7% in July.

See: <https://www.esri.cao.go.jp/en/stat/juchu/2026/2607juchu-e.html>

Price increases outpacing wage gains, - shrinking household disposable income

Japan's consumer confidence index consistently stays below the neutral 50-point mark because persistent inflation, historically sluggish wage growth and deep-seated deflationary mindsets create chronic pessimism among households. Decades of economic stagnation (known as the "Lost Decades") fostered a deeply ingrained cautious mindset regarding future economic security, employment stability and national prosperity.

Recent price increases for imported energy, food and daily necessities have begun to outpace wage gains, directly shrinking household disposable income and depressing views on overall livelihood.

Consumer sentiment has a direct impact on household furniture purchases. Furniture is classified as a durable good in Japan's consumer confidence index. When consumer sentiment is weak, households instinctively delay purchases of high priced items. This dynamic continues to drive trends in the furniture industry.

When consumers lack confidence in future income growth they treat furniture as a non-essential item. Very often instead of buying new pieces for aesthetic reasons households hold onto their current furniture significantly longer, reducing aggregate sales volumes.

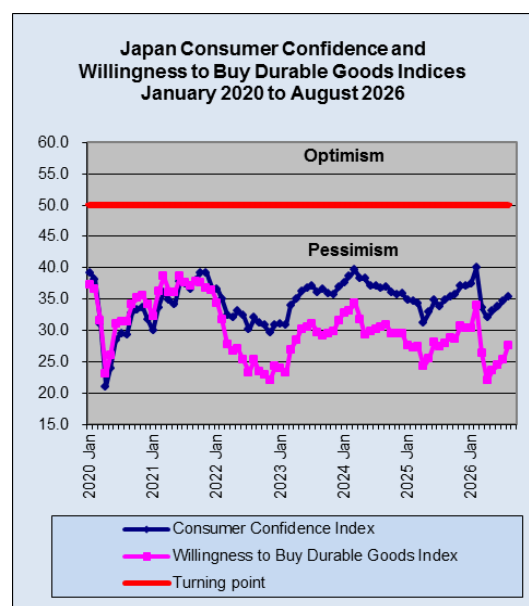
Prolonged and low consumer confidence has polarised the market. Traditional, premium craftsman manufacturers have struggled as shoppers heavily favour budget-friendly, value-driven alternatives. Economy-scale retailers have captured major market shares by offering functional, minimalist pieces at competitive prices.

Trends in furniture purchases are also compounded by structural issues. Japan's low birth rate and aging population mean fewer young families are moving into new homes, which is the traditional catalyst for massive furniture spending. Elderly households rarely replace large furniture items unless absolutely necessary.

Despite depressed overall consumer confidence the Japanese furniture market has not collapsed, instead, it has adapted via three major trends:

- Remote work and home improvement: The normalisation of hybrid work has sustained baseline demand for ergonomic office chairs and compact home desks.
- E-Commerce shift: Traditional brick-and-mortar furniture stores face lower visitors but online furniture sales are scaling up due to the convenience and price-comparison capabilities of digital platforms.
- Sustainability focus: Consumers who do buy furniture increasingly favor eco-friendly or high-durability items made from local timber, viewing it as a safer, lifetime investment rather than disposable décor.

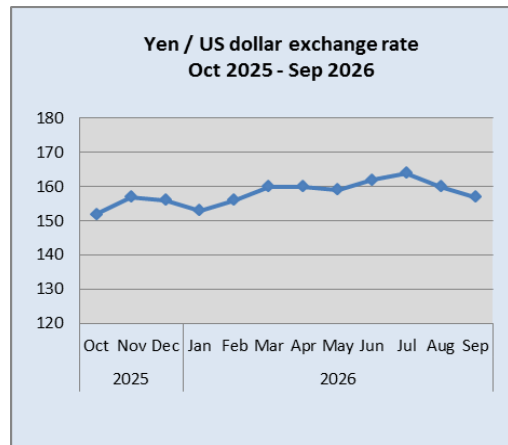
See: <https://www.esri.cao.go.jp/en/stat/shouhi/shouhi-e.html>



Data source: Cabinet Office, Japan

Some anticipate recovery to 150 to the US dollar

In late September the USD/JPY exchange rate was around 157. With the yen showing signs of recovery, analysts are starting to anticipate the next target level. Some see ¥152 to the dollar and even ¥150 such as Goldman Sachs who have revising their year-ahead target toward 150 as potential pension fund inflows and shifting Japanese monetary policies support the yen.



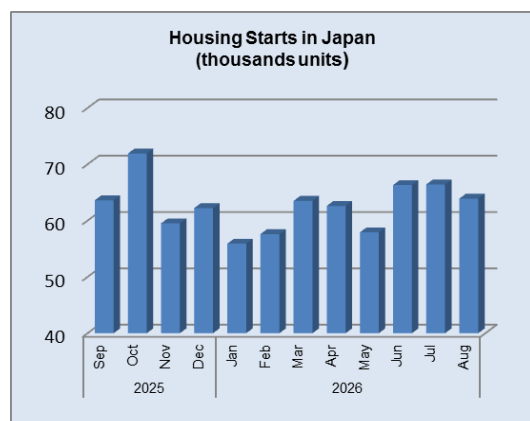
Data source: WSJ

Ultra-long mortgages driving home buying by young Japanes

Rising interest rates and record-high property prices have not stopped young Japanese from buying a home, instead, they are taking advantage of ultra-long mortgages of up to 40 and 50 years. While higher borrowing costs create financial pressures, homeownership rates among young households have actually reached record highs. The homeownership rate for households headed by someone under 30 reached over 40%.

Japan's Financial Services Agency (FSA) has stepped up scrutiny on 50-year loans, examining whether banks are properly assessing borrower income prospects and the long-term repayment risks if interest rates rise or incomes fall.

See: <https://japan-forward.com/young-homebuyers-rising-rates-ultra-long-mortgages/>
and
<https://www.japantimes.co.jp/business/2026/09/15/fsa-real-estate-lending/>



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

Import update –assembled wooden flooring and plywood

Activity in the real estate and construction sectors is the primary driver of Japan's imports of wooden flooring and plywood. The construction sector accounts for over 40% of Japan's total wood market.

Single-family detached houses in Japan traditionally utilise the "post & beam" (or Western "2x4") platform-frame systems. Plywood is heavily consumed in these projects as structural underlay for walls, roofing and subflooring. Beyond new builds, the shifting preferences in Japan's real estate market toward Western-style interiors have fuelled a transition away from traditional tatami mats toward assembled (multi-layer or engineered) wooden flooring.

Assembled flooring imports

	2026 Jul 000s yen
HS441873	
China	101,372
Total	101,372
HS441874	
China	2,922
Viet Nam	4,521
Total	7,443
HS441875	
China	177,333
Viet Nam	28,200
Thailand	24,372
Malaysia	6,206
Total	236,111
HS441879	
China	10,164
Viet Nam	574
Thailand	4,332
Indonesia	13,634
Total	28,704

Data source: Ministry of Finance, Japan

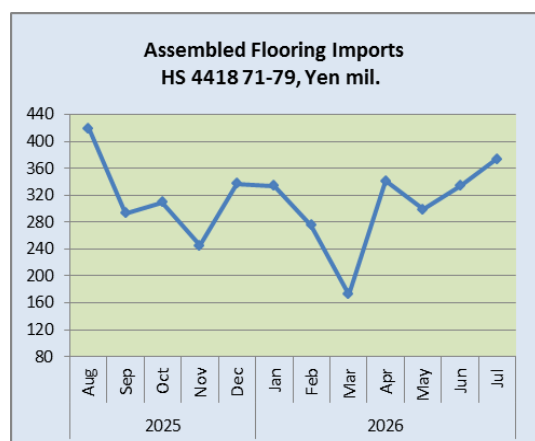
Assembled wooden flooring

In July 2026, shippers in China accounted for all of HS4418-73 imports the value of which was 40% higher than in June. The value of July imports of HS4418-73 accounted for 27% of total assembled flooring imports (21.5% in June). The value of HS441874 imports in July 2026 was down 13% from a month earlier extending the decline seen in June. China and Viet Nam were the main shippers but arrivals from shippers in China were down compared to a month earlier.

Of the various categories of assembled flooring imports, HS441875 was the largest accounting for 63% of all assembled flooring imports (72% in June). In July, arrivals were only from shippers in China and SE Asia whereas in June there were shipments from Europe. July is the holiday period in Europe and most companies stop production and exports.

HS441879 accounted for 8% of total imports in July (4% in June) and were more than double the value of June arrivals with shippers in China and Indonesia seeing significant increases.

Year on year, July 2026 imports of assembled flooring (HS441871-79) were up 7% and compared to a month earlier.



Data source: Ministry of Finance, Japan

Plywood imports

Over the past few years Japan's plywood sector has shifted to increased domestic log utilisation for plywood manufacturing at a time when supply from traditional SE Asian exporters has declined. Japan's plan for the forestry sector prioritise domestic roundwood, targeting an increase in deliveries to processing and plywood mills (aiming for 21 million cubic metres by 2030).

In the first half of 2026 SE Asian producers have raised export prices to offset rising production costs. Malaysia and Indonesia remain principal hardwood plywood suppliers however Japanese importers now practice tighter inventory management.

In July, as has been the case for many years, the top suppliers, Indonesia and Malaysia accounted for most of Japan's plywood imports (over 70% in July) but shippers I China are taking a larger market share.

The volume of plywood imports in July 2026 was down 55% year on year and there was a 5% decline compared to the volume of June imports. Month on month, there was a 16% decline in the volume of arrivals from Indonesia, with import volumes from Malaysia staying at around the same level as in June.

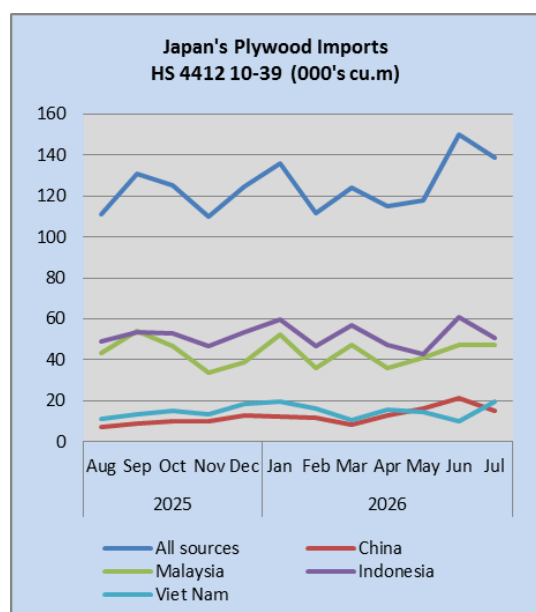
July import volumes from China were down 29% after the 31% increase in June and import volumes from shippers in Viet Nam more than doubled.

In July 2026 arrivals of HS441210-39 were reported at 138.681 cu.m (149,950 cu.m in June). As in previous months, of the various categories of plywood imported in July 2026, HS4412-31 accounted for 80% (79% in June) followed by HS4412-39, 7% (7% in June), HS4412-34 6% (6% in June) with the balance being HS4412-10 and HS4412-33.

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

		China	Malaysia	Indonesia	Viet Nam
2024	Jan	13.3	50.2	52.3	20.5
	Feb	11.5	45.4	55.3	17.1
	Mar	9.4	50.1	48.8	12.2
	Apr	13.2	43.2	49.0	17.0
	May	8.4	48.3	36.5	14.3
	Jun	10.1	51.0	46.1	13.7
	Jul	12.1	49.8	49.7	15.8
	Aug	9.3	56.8	47.9	14.7
	Sep	8.1	54.5	54.2	13.1
	Oct	10.3	40.9	54.0	16.4
	Nov	9.1	51.5	48.2	16.1
	Dec	8.1	46.0	45.6	19.2
2025	Jan	9.2	47.2	43.3	20.1
	Feb	11.5	45.4	55.3	17.1
	Mar	6.1	43.3	49.4	14.8
	Apr	8.7	57.6	49.0	17.0
	May	8.6	49.1	46.3	15.1
	Jun	9.8	46.2	52.3	11.8
	Jul	9.2	68.7	44.7	14.4
	Aug	7.2	43.4	48.7	11.2
	Sep	9.0	54.2	53.6	13.6
	Oct	10.0	46.6	53.1	15.3
	Nov	9.99	33.9	46.9	13.4
	Dec	12.7	39.0	53.6	18.7
2026	Jan	12.2	52.3	59.9	19.7
	Feb	11.7	36.0	46.5	16.3
	Mar	8.4	47.1	57.0	10.5
	Apr	13.1	35.9	47.2	15.5
	May	16.1	41.0	43.0	14.3
	Jun	21.1	47.1	61.1	10.0
	Jul	15.3	47.2	50.7	19.4

Data source: Ministry of Finance, Japan



Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

The Japan Lumber Reports (JLR), a subscription trade journal published every two weeks in English, is generously allowing the ITTO Tropical Timber Market Report to reproduce news on the Japanese market precisely as it appears in the JLR. For the JLR report please see: https://ifpj.jp/japan_lumber_reports/

Volume of North American lumber in the first half of 2026

North American lumber arrivals in the first half of 2026 totaled 352,973 cbms, down 16.3% year-on-year and the lowest level since U.S. lumber imports peaked.

All major species declined—SPF, Douglas fir and hardwood—reflecting sluggish housing starts and the persistently weak yen. Canada supplied 328,579 cbms (down 12.9%), while U.S. shipments dropped sharply to 24,394 cbms, a 45.0% fall that stood out despite the small absolute volume.

SPF arrivals improved in June to 53,436 cbms, returning above the 50,000-cbm mark, though shipments remained subdued through the first four months and only modestly recovered in May.

Starts for 2×4 homes rose 1.5% to 43,817 units in January–June, leaving the sharp decline in imports difficult to explain given steady construction activity. Among U.S. species, yellow cedar posted a slight 2.9% increase to 1,931 cbms, while Sitka spruce plunged 54.5% to 1,030 cbms.

Volume of North American logs in the first half of 2026

U.S. log imports in January–June 2026 fell 20.9% to 656,107 cbms, the lowest level since past peaks, with both U.S. and Canadian shipments declining—particularly Canada. Douglas fir dropped 21.2%, hardwood logs also fell and plywood-grade Douglas fir showed notably weak demand.

Import costs rose sharply as freight rates surged after Middle East tensions, domestic sawmills raised prices and U.S. production-region log prices climbed, adding over ¥4,000 per cbm. Higher U.S. duties on Canadian softwood lumber further tightened supply and pushed West Coast Douglas fir prices up.

Although Canadian plywood-grade logs remained stable at origin, freight costs and the weak yen lifted import costs to around ¥34,000 per cbm. Yen appreciation after joint intervention reduced costs by less than ¥1,000 per cbm and trading firms note that competitiveness will not return unless costs fall below ¥30,000 per cbm.

South Sea logs and lumber

Prices for imported hardwood products remain elevated. Although coordinated currency intervention by Japan and the United States pushed the yen into the ¥150 range in late July, the appreciation has not been sufficient to significantly reduce import costs.

The sudden swing in exchange rates has also made some domestic buyers more cautious about placing new orders. Supply of tropical hardwoods has tightened as log harvesting volumes decline at the origin, making it difficult for manufacturers to secure logs for Japan bound production. While log procurement for Japan requires additional time, a sizable shipment from Papua New Guinea is expected toward year-end.

Other producing regions continue to ship sawlogs via container transport.

Domestic tropical hardwood sawmills report that they have secured adequate log inventories and supply–demand conditions remain balanced. Prices for tropical hardwood and China-made products at the origin remain high due to log shortages and rising costs at local sawmills. Domestic buyers, meanwhile, have become increasingly cautious, as the combination of high origin prices and the yen’s appreciation in late July has made procurement decisions more difficult.

Double-digit growth in wood-pellet imports

Imports of wood-based fuel in the first half of 2026 (January–June) totaled 8.133 million tonnes, up 7.7% from the same period a year earlier, combining wood pellets and PKS. The increase is believed to reflect rising demand as large biomass power plants that came online in 2024 and 2025 began full-scale procurement of fuel.

Large biomass plants that have come online in recent years rely heavily on wood pellets as their primary fuel, resulting in pellet growth outpacing that of PKS. Wood pellets offer relatively uniform quality and are easier to handle in terms of transport, storage and combustion control.

PKS also saw increased procurement, both as a complementary fuel alongside pellets and because prices in Indonesia—its main production region—temporarily declined, making it a cost-effective option.

Imports of wood pellets in the first half of 2026 totaled 4.524 million tonnes, up 10.3% from a year earlier. By major origins, Viet Nam—accounting for more than half of total imports—supplied 2.951 million tonnes, an 11.1% increase year on year. Canada followed with 597,000 tonnes (down 5.7%), Malaysia with 319,000 tonnes (up 28.3%), the United States with 280,000 tonnes (down 1.4%) and Indonesia with 250,000 tonnes (up 16.4%).

Imports of PKS in the first half of 2026 totaled 3.609 million tonnes, up 4.7% from a year earlier. By origin, Indonesia supplied 2.802 million tonnes (a 7.4% increase), Malaysia 764,000 tonnes (down 4.8%) and Thailand 42,000 tonnes (up 19.3%).

China

Circumvention investigation into Chinese hardwood plywood

In July, the European Commission officially released the implementing regulations initiating the launch of a possible circumvention investigation into the hardwood plywood that originated from China and underwent surface simple modification treatment.

At the same time, import registration supervision measures were implemented for the involved products. This investigation was initiated in response to the application submitted by the European Wood Industry Alliance in June 2026 and reportedly involves over 300 plywood export enterprises in China.

The Applicant believes that since November 2025 when the EU imposed a maximum 86.8% anti-dumping duty on Chinese hardwood plywood, some enterprises have adopted a minor physical modification method by adding thin (less than 2.5 millimetres) coniferous veneers, bamboo bark finishes or artificial thin wood containing coniferous and bamboo materials to the surface of the hardwood plywood, to classify their products under other tariff codes for export and thereby avoid the anti-dumping duty.

The investigation target includes plywood with all outer layers being coniferous or bamboo materials and each outer layer having a thickness less than 2.5 millimetres, as well as plywood with tropical wood or non-coniferous tree species veneers as the core material and artificial thin wood as the outer layer.

The European Commission believes that the Applicant has provided sufficient evidence to show that after the implementation of anti-dumping measures against China, the trade flow of Chinese exports to the EU has changed. The original restricted products have been largely replaced by slightly modified products, which has weakened the effectiveness of the current anti-dumping measures and there is evidence of exporting to the EU market at dumping prices.

See:

http://www.cnfpia.org/sf_C9E4DEB433D64DE78475B24D07A3720F_297_9E5BA0FB363.html

and

file:///C:/Users/hp/AppData/Local/Temp/OJ_L_202601840_EN_TXT.pdf

Rise in bamboo furniture exports

According to China Customs, the total value of China's bamboo furniture exports rose 8% to US\$120 million in the first half of 2026. The value of China's bamboo furniture exports to the US, the largest destination country, grew 33% to US\$40 million over the same period of 2025. 34% of China's bamboo furniture is exported to the US. This increase directly resulted in the rise in the total value of China's bamboo furniture exports in the first half of 2026.

The destinations for China's bamboo furniture exports are numerous and China's bamboo furniture is exported to over 140 destination countries. The proportion of China's bamboo furniture exports to the top 10 destination countries was 73% in the first half of 2026.

Germany was the second largest destination for China's bamboo furniture exports. 10% of China's bamboo furniture was exported to Germany. In the first half of 2026, the value of China's bamboo furniture exports to Germany rose 2% to US\$12 million over the same period of 2025.

In addition, China's bamboo furniture exports to Japan, Spain and Canada increased by 23%, 12% and 38% respectively in the first half of 2026. In contrast, the value of China's bamboo furniture exports to France, Netherlands, Australia, UK and Poland fell 3%, 14%, 4%, 9% and 4% in the first half of 2026.

Main destinations for China's bamboo furniture exports, first half 2026 (value)

Destination	mil.US\$	YoY % change
Total	120	8%
USA	40	33%
Germany	12	2%
France	6	-3%
Netherlands	5	-14%
Australia	5	-4%
UK	4	-9%
Japan	4	23%
Spain	3	12%
Poland	3	-4%
Canada	3	38%

Data source: China Customs

In the first half of 2026, the export of Chinese bamboo furniture saw an increase. The main factors were the following:

- Exemption from the EU EUDR regulations. Bamboo furniture does not have to bear the complex zero-deforestation traceability costs associated with solid wood furniture, making it the preferred choice for overseas buyers as an alternative to wooden furniture.
- Coupled with the global trend of green and low-carbon consumption, the fast growth rate, low-carbon and environmentally friendly characteristics of bamboo have gained favor in the European and American markets.
- The domestic industry has a complete bamboo processing chain with stable raw materials and mature techniques and high product cost-effectiveness.
- Additionally, the expansion of channels such as cross-border e-commerce and Canton Fair has led to an increase in overseas demand for outdoor furniture, with concentrated orders being released, jointly boosting the export of bamboo furniture.

Rise in bamboo furniture imports

According to China Customs, in the first half of 2026 the total value of China's bamboo furniture imports rose 2% to US\$905,000 over the same period of 2025.

Indonesia and Viet Nam are the top two suppliers for China's bamboo furniture imports and 67% of China's bamboo furniture are imported from the above-mentioned two countries in the first half of 2026.

In the first half of 2026 China's bamboo furniture imports from Indonesia fell 13%, but from Viet Nam rose 5% over the same period of 2025. It is worth noting that China's bamboo furniture imports from Poland and Myanmar surged over 1000% in the first half of 2026.

Main suppliers of China's wood furniture imports, first half 2026 (value)

Supplier	000s US\$	YoY % change
Total	905	2%
Indonesia	464	-13%
Viet Nam	145	5%
Italy	56	-54%
France	37	24%
Poland	28	1409%
Lithuania	18	19%
Belgium	15	
Nepal	12	49%
Myanmar	9	1193%
Denmark	5	310%

Data source: China Customs

The main reasons for the increase in the value of China's bamboo furniture imports were:

- The demand for differentiated and original bamboo furniture in commercial spaces such as high-end homes and guesthouse hotels in China had risen.
- The domestic bamboo industry mainly focuses on standardised mass-produced products, while imported bamboo furniture mostly comes from Southeast Asia, Italy, and Japan. It mainly consists of handcrafted products made of rattan and bamboo, as well as overseas original design products. These are in contrast and complement each other with domestic products.
- Coupled with the tariff benefits of ASEAN and the expansion of processing capacity for bamboo and rattan in Southeast Asia import procurement costs has decreased.
- At the same time, the green home consumption in China has risen and designers tend to choose low-carbon bamboo products to replace some solid wood furniture. The expansion of cross-border home channels has further driven orders, pushing up the scale of bamboo furniture imports.

Production capacity of wood-based panel remained relatively stable

The industrial monitoring data from the Industry Development Planning Institute of the National Forestry and Grassland Administration shows that in the first half of 2026 the plywood and fibreboard industries in China witnessed a slight decrease in the number of enterprises and a basically stable production capacity. The particleboard industry showed a slight decrease in the number of enterprises and a slowdown in the growth of production capacity.

Plywood

As of the end of June 2026 there were over 4,980 plywood manufacturing enterprises across 26 provinces (municipalities and autonomous regions), approximately 30 fewer than at the end of 2025. The total production capacity was about 247 million cubic metres per year, an increase of 0.4% compared to the end of 2025. The plywood industry presented a situation of a slight decrease in the number of enterprises and a basically stable total production capacity.

Fibreboard

In the first half of 2026, 2 fibreboard production lines were completed and put into operation in China, adding a production capacity of 430,000 cubic metre per year.

As of the end of June there were 216 fibreboard manufacturing enterprises in China, with 239 fibreboard production lines, distributed in 21 provinces (municipalities and autonomous regions), with a total production capacity of 40.54 million cubic metres per year and a net increase in production capacity of 1.7 million cubic metres per year.

Of the total, there were 118 continuous flat-press lines with a combined production capacity reaching 26.39 million cubic metres per year, accounting for 65% of the total production capacity.

Overall, the fibreboard industry showed a trend of further decline in the number of enterprises and production lines, while the total production capacity remained basically stable. Currently, there is one fiberboard production line under construction nationwide, with a production capacity of 300,000 cubic metres per year.

Particleboard

In the first half of 2026 3 particleboard production lines (including 3 continuous flat-press lines) were completed and put into operation, adding a production capacity of 900,000 cubic metres per year.

As of the end of June 2026 there were 286 particleboard manufacturing enterprises in China, with 308 particleboard production lines, distributed in 21 provinces (municipalities and autonomous regions). The total production capacity reached 66.19 million cubic metres per year, with an additional production capacity of 660,000 cubic metres per year, increasing by 1.0% compared to the end of 2025.

Of the total, there were 152 continuous flat-press lines with a total production capacity of 50.59 million cubic metres per year, accounting for a further increase in the proportion of 76% of the total production capacity.

The particleboard industry showed a trend of stable enterprise numbers and production line quantities with the total production capacity growth slowing down. Currently, there are 15 ongoing particleboard production lines in China, with a combined production capacity of 3.85 million cubic metres per year and the phased investment risks in the particleboard industry still exist.

See: https://www.greentimes.com/greentimepaper/html/2026-08/26/content_3399316.htm

Steady growth in forestry machinery trade

According to China Customs and statistics from the China Forestry Machinery Association, in the first half of 2026 the total value of major forestry machinery products trade in China reached US\$10.655 billion, with a year-on-year growth of 4.6%. Of the total, the import value was US\$309 million, a year-on-year decrease of 13%, the export value was US\$10.346 billion, a year-on-year increase of 5%.

Overall, in the first half of 2026, the trade of major forest machinery products in China maintained an upward trend and exports remained the main driving force for the industry's foreign trade growth.

See: https://www.wood365.cn/Industry/IndustryInfo_284860.html

GTI report - August

From January to July this year China's log imports registered a year-on-year decline yet the total import value remained largely flat compared with the same period last year suggesting an overall uptick in average import prices. During the same period, China's exports of furniture and parts reached approximately US\$39.19 billion, up 8.5% year on year, signaling a shift from the downward trend seen last year to a growth territory.

Analysts point out that Chinese furniture exports are gradually moving away from their previously concentrated market structure toward a more diversified geographical footprint, with a number of manufacturers accelerating their push into markets such as the Middle East, Southeast Asia and Latin America to reduce reliance on any single market.

Entering August, extreme weather conditions across the country began to subside and with the traditional "Golden September and Silver October" peak-season stocking window drawing closer industry insiders maintained a cautiously optimistic outlook on the near-term performance of the domestic building materials and home furnishing market.

In August 2026 the GTI-China index registered 41.7%, a decrease of 1.3 percentage points from the previous month and below the critical value (50%) for four consecutive months indicating that the business prosperity of the timber enterprises represented by the GTI-China index shrank from the previous month.

Regarding the twelve sub-indexes, three indices (inventory of finished products, import, and market expectation) were above the 50% critical value, one index (export orders) was at the value, while the remaining eight indices (production, new orders, existing orders, purchase quantity, purchase price, inventory of main raw materials, employees and delivery time) were below the critical value.

Compared to the previous month, the indices for export orders, inventory of finished products, purchase quantity, purchase price, import, inventory of main raw materials and delivery time increased by 2.1 to 13.9 percentage points, whereas the indexes for production, new orders, existing orders, employees and market expectation declined.

The main challenges reported by GTI-China enterprises for August were: insufficient orders, rising costs of raw materials, weak demand and intense competition in international and domestic markets.

Overall demand for wood in China has declined due to slowing economic growth. In particular, the slowdown in the real estate market has both directly reduced new construction and led to a negative wealth effect, where Chinese consumers (whose savings are heavily concentrated in real estate) are spending less on consumer goods. This trend has affected both softwoods and hardwoods.

Changing trade patterns have also had an effect. Exports of finished wood products from China have decreased due to weaker global economic conditions in key export markets, global trade disputes and changes in buyer preferences. In addition, some countries have introduced stricter import and environmental rules, making it harder for China to export certain wood products. For hardwoods, this has impacted both furniture and flooring exports from China.

In the furniture industry, hardwood used in solid wood furniture is facing increasing competition from composite wood products. The use of solid wood has declined not only because it is more expensive, but also because younger people are more likely to rent homes and prefer furniture that is less costly and easier to move when they relocate.

However, families with children often prefer solid wood furniture as it is widely believed to be more environmentally friendly and healthier for children. Solid wood furniture is marketed as containing fewer chemical substances compared to composite or engineered wood products making it a popular choice among parents concerned about indoor air quality and the well-being of their families.

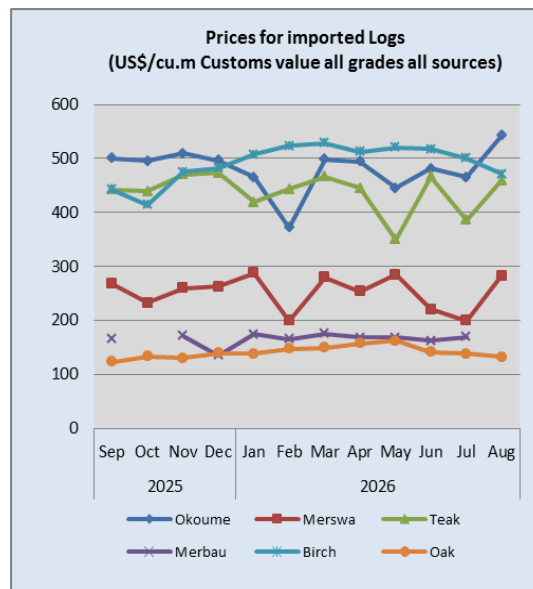
See: https://www.fas.usda.gov/data/gain-report/2026/04/Hardwood%20Market%20Update%202026_Shanghai%20ATO_China%20-%20People%27s%20Republic%20of_CH2026-0055.pdf

Price trends

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

	2026 Jul	2026 Aug
Okoume	465	452
Merswa	200	283
Teak	386	459
Merbau	169	
Birch	500	471
Oak	138	132

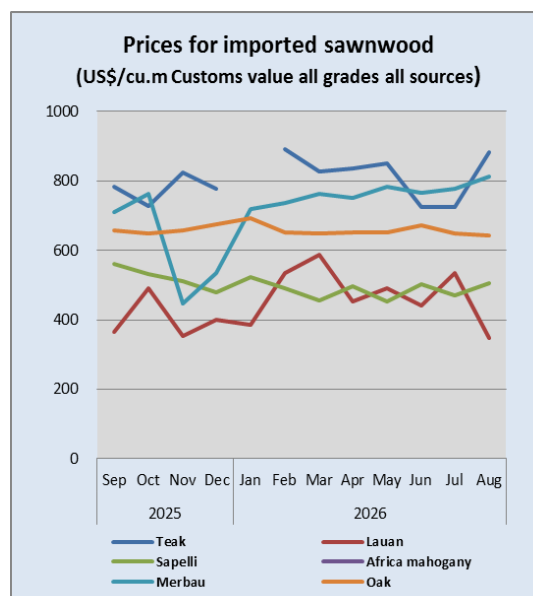
Data source: Customs, China



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

	2026 Jul	2026 Aug
Teak	724	883
Lauan	534	348
Sapelli	472	505
African mahogany		
Merbau	776	812
Oak	672	642

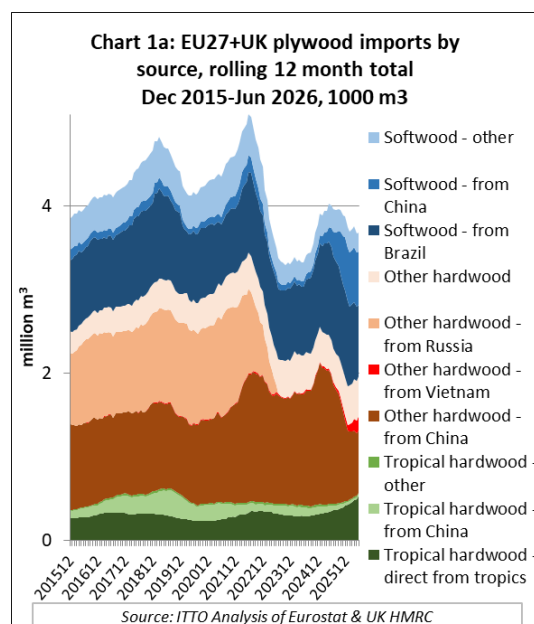
Data source: Customs, China



European plywood imports stabilise as anti-dumping measures reshape supply

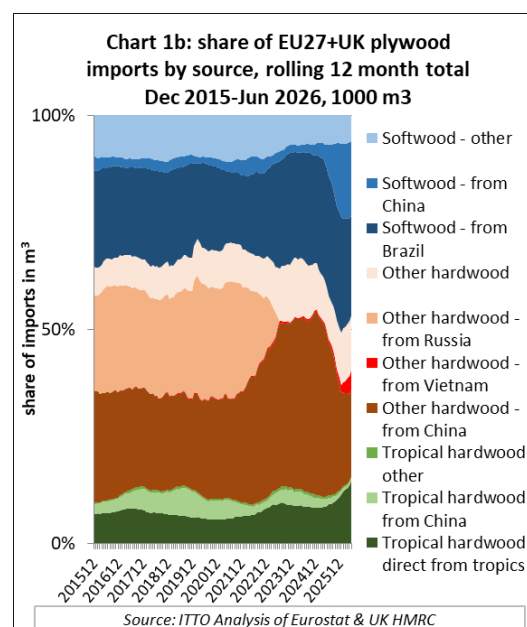
EU+UK plywood imports from outside the region totalled 1.96 million cu.m in the first half of 2026, 9% less than in the same period last year. Import value fell 8% to US\$909 million. As Chart 1a shows, the latest decline follows a much larger adjustment from the peak of just over 5 million cu.m in the rolling 12 months to June 2022.

Imports on the same basis stood at 3.68 million cu.m in June 2026. The decline this year was concentrated in the first quarter, when volume was 14% below a year earlier. Second-quarter volume was down only 4%, and June imports were marginally higher than in June 2025.



The longer term change is also one of supply sources. Chart 1b shows the disappearance of Russian plywood from EU+UK imports after 2022, followed more recently by a sharp fall in China's share of hardwood plywood supplies and gains for other sources.

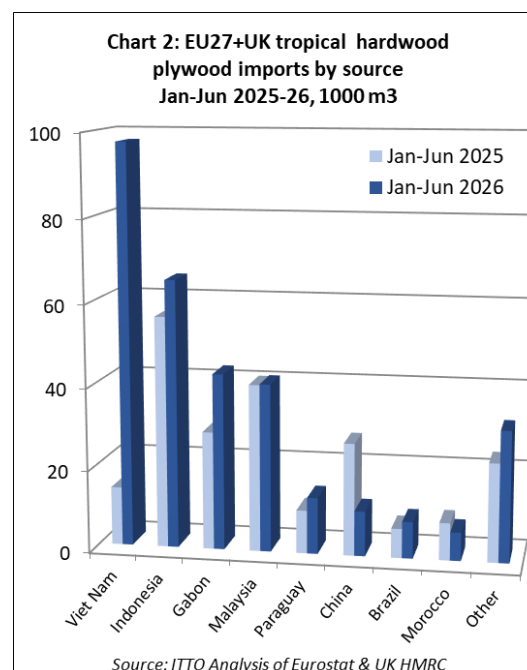
EU anti-dumping duties on Chinese hardwood plywood have encouraged buyers to seek alternative hardwood suppliers, most notably in Viet Nam. Duties on Brazilian softwood plywood have added pressure on that source of supply. The UK has not applied the same anti-dumping measures, so the forces reshaping EU and UK imports differ to some extent.



Tropical hardwood plywood imports rose sharply

EU+UK imports of plywood faced with tropical hardwood reached 318,600 cu.m in the first half of 2026, up 46% from a year earlier. Direct imports from tropical countries rose 66% to 298,700 cu.m. Shipments from Viet Nam classified as tropical hardwood plywood increased from 14,200 cu.m to 97,500 cu.m.

Imports from Indonesia rose 16% to 65,200 cu.m, while those from Gabon increased 49% to 42,900 cu.m. Malaysian shipments were little changed at 40,800 cu.m. By contrast, imports of tropical hardwood plywood from China fell 60% to 10,900 cu.m (Chart 2).

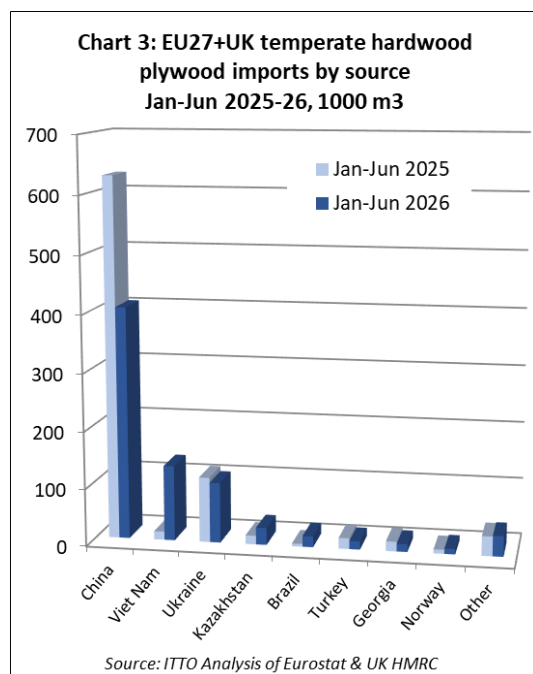


These figures are consistent with buyers replacing some Chinese hardwood panels with direct imports from other suppliers. The extent to which particular products are interchangeable depends on their construction, performance and price. Indonesian suppliers have reported increased European orders for film-faced and combi plywood, but their ability to expand production has been constrained by log availability and rising costs.

Viet Nam's growth also requires careful interpretation. The classification used here distinguishes Viet Nameese plywood with a reported tropical hardwood face veneer from other Viet Nameese hardwood plywood. Viet Nam processes imported timber, including temperate species, and the exact proportion of plywood manufactured using tropical and non-tropical hardwoods cannot be reliably determined from available trade data.

Viet Nam takes a larger share of temperate hardwood supply

Total EU+UK imports of temperate hardwood plywood from outside the region fell 11% to 763,000 cu.m in the first half of 2026. Imports from China were down 36% to 405,400 cu.m. The reduction was steepest in the first quarter, at 44%; in the second quarter Chinese shipments were 24% below a year earlier. China nevertheless remained by far the largest individual supplier in this product category (Chart 3).



Viet Nam recorded the largest offsetting gain. EU+UK imports of temperate hardwood plywood from the country increased from 14,500 cu.m to 131,400 cu.m in the second month period.

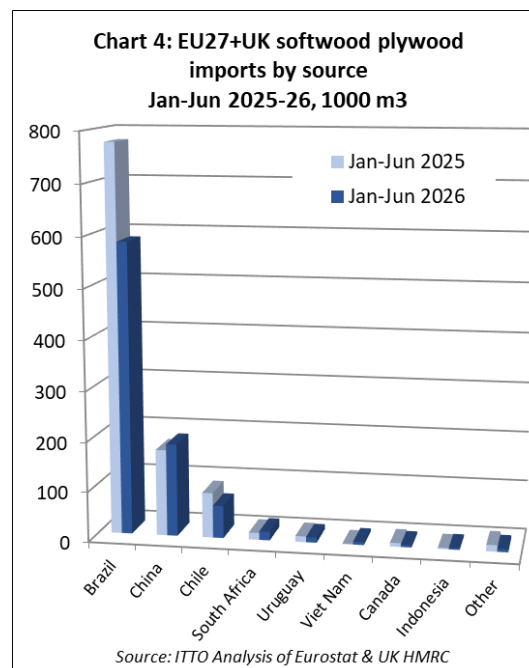
Combined with panels classified as tropical hardwood plywood, imports from Viet Nam approached 229,000 cu.m in the first half, compared with fewer than 29,000 cu.m a year earlier.

US trade measures affecting Viet Nameese hardwood and decorative plywood have given exporters a reason to develop other destinations, including Europe. The EU's duties on Chinese hardwood plywood provide a more immediate reason for European buyers to consider Viet Nameese supply.

EU+UK imports of non-tropical hardwood plywood from Brazil rose to 18,900 cu.m in the first half of 2026, almost four times the volume in the same period last year. Imports from Kazakhstan nearly doubled to 29,500 cu.m, whereas those from Ukraine fell 8% to 105,000 cu.m.

Brazilian softwood plywood imports decline

EU+UK imports of softwood plywood from outside the region fell 19% to 881,100 cu.m in the first half of this year. Shipments from Brazil, still the largest supplier, declined 25% to 583,900 cu.m (Chart 4). The fall from Brazil deepened from 21% in the first quarter to 29% in the second. The EU's definitive anti-dumping duty of 5.4% on most Brazilian softwood plywood imports took effect in April, following provisional measures imposed in November 2025.



EU+UK imports of Chinese softwood plywood rose 7% to 185,400 cu.m in the first half of 2026, following exceptionally rapid growth during 2025. Some substitution towards this product remains evident, but its earlier growth rate has slowed: second-quarter imports were 2% below the corresponding period last year.

Classification of Chinese plywood is also becoming a trade-enforcement issue. In July, the European Commission opened an investigation into whether certain panels with thin coniferous or bamboo outer plies and hardwood cores circumvent the duties on Chinese hardwood plywood.

Is EU production being boosted by anti-dumping measures?

There is some evidence that European hardwood plywood production is benefiting from the anti-dumping duties. Finnish industry figures show that Finland produced approximately 0.4 million cu.m of plywood in the first half of 2026, 5.2% more than a year earlier.

Plywood machinery supplier Raute reports that European hardwood plywood demand has picked up and that exports from Nordic and Baltic producers approached some of their highest levels in recent years. Finnish producer Koskisen describes demand for its birch plywood as good, with slightly higher selling prices in the second quarter.

In contrast to hardwood, the EU softwood plywood sector seems to be struggling. Raute describes European softwood plywood demand as notably weaker, and Finnish producer Metsä Group ceased production at its Suolahti softwood plywood mill at the end of May. Koskisen reports continuing pressure on European plywood producers from rising raw material, freight and production costs.

See: https://news.cision.com/raute-oyj/r/raute-s-half-year-financial-report-january-june-2026--strong-operational-performance-supported-profi%2Cc4382269?utm_source=chatgpt.com and https://koskisen.fi/en/releases/koskisens-revenue-increased-high-raw-material-costs-and-lower-by-product-prices-weighed-on-profitability/?utm_source=chatgpt.com

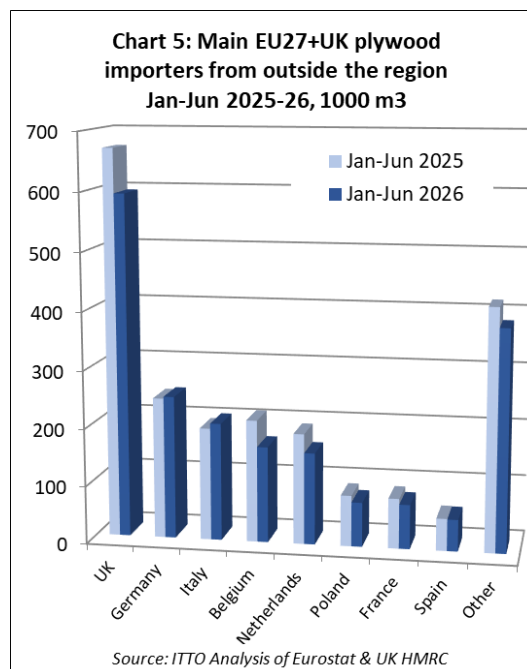
Weak construction limits the outlook

The modest improvement in second-quarter imports should be considered alongside mixed demand indicators. EU GDP grew 0.7% between the first and second quarters of 2026, with household consumption making a positive contribution. Construction was less encouraging. Revised Eurostat figures show EU construction output falling 1.3% in June compared with May; by July it was 1.8% below a year earlier, with construction of buildings down 5.6%.

In the UK, GDP and household consumption rose 0.4% and 0.3% respectively in the second quarter. Construction output increased slightly from the first quarter but remained 2.0% below its level a year earlier, while new construction orders fell 11.8% quarter on quarter.

UK imports of plywood from outside the EU and UK region totalled 593,600 cu.m in the first half, down 11%. The UK continued to account for around 30% of all EU and UK plywood imports from outside the region. Imports into Germany and Italy rose slightly, while those into Belgium and the Netherlands declined.

Differences between destinations may also reflect stockholding and distribution, as well as final consumption (Chart 5).



Policy measures set to further impact on supply

Overall, the first-half data suggest that the sharp contraction in EU+UK plywood imports was easing by mid-year. There is clearer evidence of significant shifts in sourcing than of any change in underlying demand. EU anti-dumping duties have substantially altered the commercial position of Chinese hardwood and Brazilian softwood plywood in this market. Viet Nam and direct tropical suppliers have gained share, and there are early indications of improved conditions for some European hardwood plywood mills.

Construction weakness, production costs, the availability of suitable alternative panels and other emerging policy issues will determine whether those gains develop into a broader sustained recovery for European and tropical plywood manufacturers in the market.

Of other policy issues, the potential impact of the EU Deforestation Regulation once enforcement begins on 30 December 2026 is uncertain and may be far reaching. Some key exporters to the EU see it offering potential advantages for their well-established timber-tracking systems; others report that compliance costs, together with weak European demand, are encouraging producers to develop alternative destinations.

There is also a new EU restriction on formaldehyde emissions from wood-based articles which took effect on 6 August 2026. The limit of 0.062 mg/cu.m under specified test conditions applies to plywood placed on the EU market, subject to exemptions including certain construction products used exclusively outside the building shell and vapour barrier. The requirement may favour suppliers able to document low-emission panels.

Looking further ahead, wood-based panels are included in the EU's 2026–29 programme to update harmonised construction-product standards.

Although existing CE-marking arrangements under EN 13986 continue during the transition, the review is expected to bring further changes to performance and environmental declarations for plywood used in buildings, including structural applications in the next few years.

North America

Housing starts fall on pullback in apartment and condo construction

Housing starts, a gauge of new residential construction, fell 2.6% in August to 1.275 million. Economists polled by *The Wall Street Journal* expected a reading of 1.3 million and for starts to rise 4.9% over the month.

Starts were down 1.2% in August from the same month of 2025. Within this overall number, single-family starts increased 7.6% to a seasonally adjusted annual rate of 918,000 units and were up 5.2% from August 2025. The multifamily sector, which includes apartment buildings and condos, decreased 21.7% to an annualised 357,000 pace and was down 14.6% from a year earlier.

Regionally, on a year-to-date basis, combined single-family and multifamily starts were 10% higher in the Northeast, 0.4% lower in the Midwest, 2.4% lower in the South, and 3% lower in the West.

Housing completions also continued to soften. Single-family completions fell to an annual rate of 816,000 units, down 22.9% from a year earlier. Multifamily completions for buildings with five or more units declined 35.7% year over year to a 302,000-unit pace.

The National Association of Home Builders reported builder sentiment fell to its lowest level in a year, suggesting further weakness could be ahead in September's housing starts. "The big picture remains that elevated and rising borrowing costs are holding developers back, supporting our view that the downward trend in housing starts has further to run," a note from Capital Economics says.

In Canada, housing starts edged lower in August. The Canada Mortgage and Housing Corporation reported that the seasonally adjusted annual rate of housing starts came in at 229,046 units for August, down from 229,360 in July. CMHC deputy chief economist Kevin Hughes says housing starts continued to trend slightly down in August, as modest gains in Quebec and Alberta only partially offset the decline in other provinces, most notably, Ontario.

See: <https://www.census.gov/construction/nrc/current/index.html> and <https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/housing-market-data/monthly-housing-starts-construction-data-tables> and <https://eyeonhousing.org/2026/09/single-family-starts-rebound-but-market-challenges-persist/>

Home sales fell in August despite the highest supply in over a decade

US homebuyers continue to struggle amid higher mortgage rates and lofty home prices. Sales of previously owned homes fell 2% in August from July to 3.98 million units on a seasonally adjusted annualized basis, according to the National Association of Realtors. The sales activity marked the slowest pace since June 2025 and was felt hardest in the Northeast and Midwest. Sales were down 1.2% year over year.

"Mortgage rates and home sales move in opposite directions, so it's not surprising to see a mild dip in home buying activity due to high mortgage rates," said Lawrence Yun, NAR chief economist. "Still, home prices are rising, and existing home sales are actually up 1.6% year-to-date through the first eight months of the year."

Housing supply totaled 1.62 million homes for sale at the end of August, up 3.2% from July and up 5.9% from the year before. At the current sales pace, that represents a 4.9-month supply — the highest level in more than a decade, according to NAR.

Regionally, the Northeast saw a 4.0% decrease in sales month-over-month to an annual rate of 480,000—down 2.0% from August 2025. There was a 3.1% decrease in month-over-month sales in the Midwest to an annual rate of 940,000, which was 2.1% less than last August.

In the South, month-over-month sales fell 1.6% to an annual rate of 1.84 million, which was unchanged versus August 2025. Sales were unchanged month-over-month in the West at an annual rate of 720,000, but down 2.7% year over year.

See: <https://www.nar.realtor/newsroom/nar-existing-home-sales-report-shows-2-0-decrease-in-august>

Strong job growth in August

The US economy added a surprising 162,000 jobs in August, the US Department of Labor reported, even as economists said a "low-hire, low-fire" dynamic made it difficult for unemployed Americans to find work.

The 162,000 estimate for August far surpassed forecasters' expectations and marked a rebound after US employers added a now-revised 21,000 jobs in July. The department previously estimated US employers shed 23,000 jobs in July. Payroll gains for June were also revised higher, reflecting a stronger summer job market than previously thought. The unemployment rate stayed put at 4.1% in August after falling in June and July when hundreds of thousands of Americans stopped looking for work.

"There are always areas of concern in the labor market. For example, among recent graduates," Federal Reserve Chair Kevin Warsh said. "In general, though, people who want to work, by and large, are holding or finding jobs."

They may well be concerned about future labour disruptions, but as of now, I believe the labor markets are broadly consistent with full employment.” Job growth occurred in both manufacturing and construction in August. The construction sector added 22,000 roles and the manufacturing industry gained 16,000 jobs.

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

US consumer sentiment slides on inflation fears

More consumers are feeling negative about the US economy. The preliminary September reading for the University of Michigan Consumer Sentiment Index came in at 47.8. This marks a 7.5% (3.9 points) decrease from August. Consumer sentiment sits 13.2% below where it was a year ago

“Democrats and Republicans alike posted sizable declines, while independents were little changed from August,” noted Joanne HSU, the survey’s director. “With a resurgence in fuel prices and trade tensions, consumers anticipate greater pressures on their pocketbooks to come. Year-ahead expectations for both personal finances and business conditions plunged.”

However, economists on Wall Street, where the economy is humming along, have offered a different take on such low confidence. Goldman Sachs economist Joseph Briggs told clients that the downward pressure may stem from broader pessimism in society. Briggs pointed to data from the University of Chicago's General Social Survey illustrating how happiness never fully recovered from a drop during the pandemic.

To be sure, Briggs said inflationary pressures are likely also hurting confidence. But he said "lower happiness" at large can partially explain the continued disconnect between sentiment and other measures of the economy's performance, such as gross domestic product growth or stock market performance, that offer rosier views.

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

US manufacturing growth slowed in August

Economic activity in the manufacturing sector expanded in August for the eighth consecutive month, say the nation’s supply executives in the latest ISM Manufacturing PMI Report. The Manufacturing PMI registered 54.6 percent in August, down one percentage point from July. A reading above 50 percent indicates expansion in the manufacturing sector.

“In August, US manufacturing activity remained in expansion territory, though it has lost ground in a number of key measures—namely, the New Orders, Backlog and Imports indexes,” said Susan Spence, chair of the ISM survey committee. “In August, 42% of the comments were positive and 58% negative. Pricing volatility was mentioned in 57% of negative comments, the Iran war 30%, increasing lead times 46% and tariffs 29%.”

The Furniture & Related Products industry was among the 15 of 18 manufacturing industries surveyed by ISM that reported growth in August. The Wood Products industry reported contraction in August.

See: <https://www.ismworld.org/supply-management-news-and-reports/reports/ism-pmi-reports/pmi/august/>

US building material suppliers call for trade stability

The National Lumber and Building Material Dealers Association (NLBMDA) is urging congressional leaders and the Administration to address growing cost and supply pressures stemming from recently implemented Section 338 tariffs on Canadian building materials.

In a 14 September letter to House and Senate leadership, NLBMDA urged Congress and the Administration to provide targeted relief for essential building materials where domestic production is insufficient to meet US demand. NLBMDA also called for greater stability and predictability in the US-Canada trade relationship, citing the highly integrated nature of the North American building materials supply chain.

NLBMDA’s outreach to Congress is informed by recent feedback from members on the effects of the new tariffs. In a recent member survey, 80% of respondents reported sourcing or availability impacts, while nearly 87% reported higher supplier prices. Dealers also cited reduced shipments from Canadian suppliers, longer lead times and difficulty identifying domestic alternatives that can readily meet demand.

The Administration’s action under Section 338 of the Tariff Act of 1930 imposes a 50 percent additional duty on a range of Canadian imports, including certain plywood and laminated wood products, medium-density fiberboard, particleboard, wood doors and other materials used throughout residential and commercial construction.

NLBMDA represents over 6,000 member locations operating single or multiple lumber yards and component plants serving homebuilders, subcontractors, general contractors, and consumers in the new construction, repair and remodeling of residential and light commercial structures.

See:

<https://www.woodworkingnetwork.com/news/woodworking-industry-news/nlbmda-calls-trade-stability>

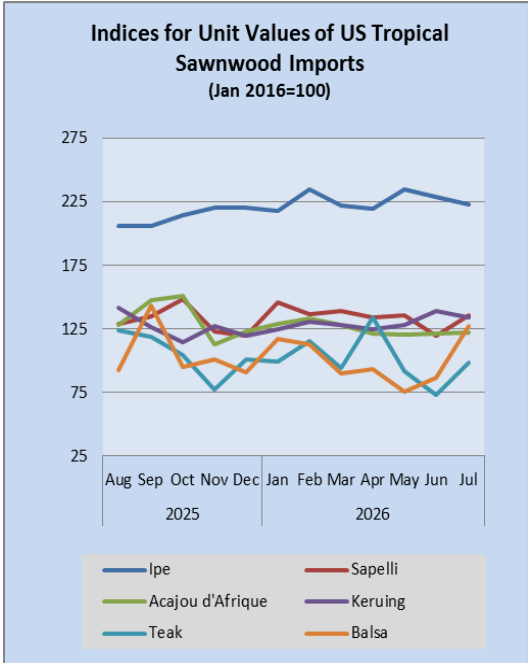
Data centre projects bolster US construction industry

Associated Builders and Contractors reported that its Construction Backlog Indicator rebounded to 8.5 months in August, according to an ABC member survey conducted 20 August to 4 September. The reading is up 0.5 months from July and unchanged on a year-ago basis. This survey also reported that 1 in 6 ABC members are working on data center projects.

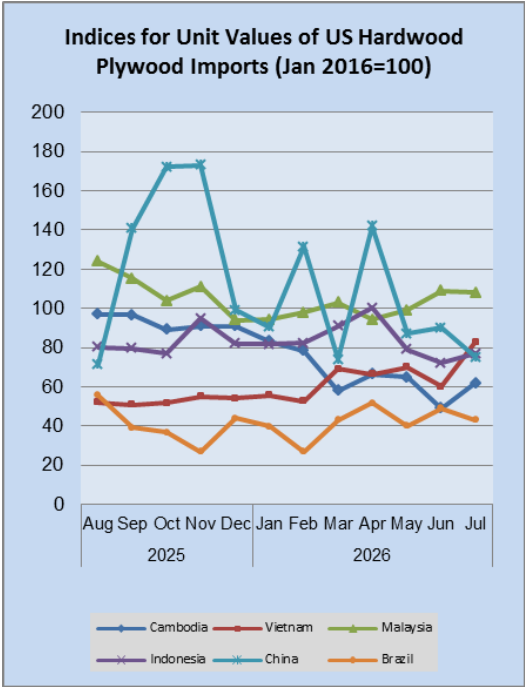
“Backlog rebounded from July’s cyclical low but remains below the prevailing level from the last several months,” said ABC Chief Economist Anirban Basu. “Data centers continue to keep contractors busy even as activity softens in other segments.

Although the backlog gap between contractors with and without data center work narrowed in August (9.9 vs. 8.3 months, respectively), that appears to reflect more contractors securing work in the data center segment rather than a broader structural trend. Roughly 1 in 6 ABC members is currently under contract to work on a data center, the highest proportion on record.”

See: <https://www.enr.com/articles/63658-data-centers-lift-contractor-backlog-as-labor-pressures-reemerge> and <https://www.woodworkingnetwork.com/news/woodworking-industry-news/1-6-projects-are-data-centers-construction-backlog-survey-finds>



Data source: US Department of Agriculture, Foreign Trade Statistics



Data source: US Department of Agriculture, Foreign Trade Statistics

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

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

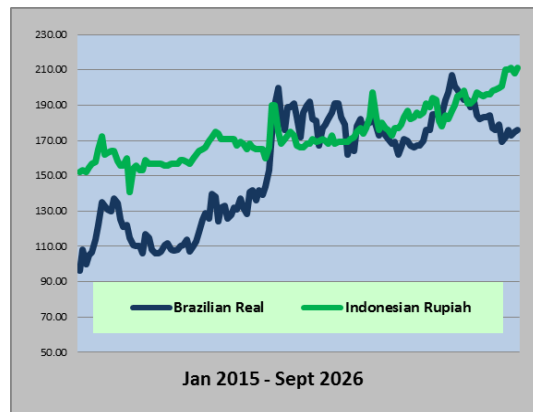
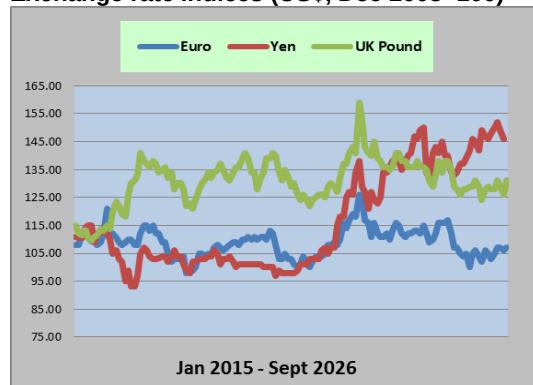
S Dollar Exchange Rates

As of 25 Sep 2026

Brazil	Real	5.18
CFA countries	CFA Franc	575.25
China	Yuan	6.71
Euro area	Euro	0.88
India	Rupee	95.82
Indonesia	Rupiah	17,957
Japan	Yen	157.28
Malaysia	Ringgit	4.07
Peru	Sol	3.35
UK	Pound	0.76
South Korea	Won	1,335.35
Viet Nam	Dong	25,976.00

Data source: WSJ

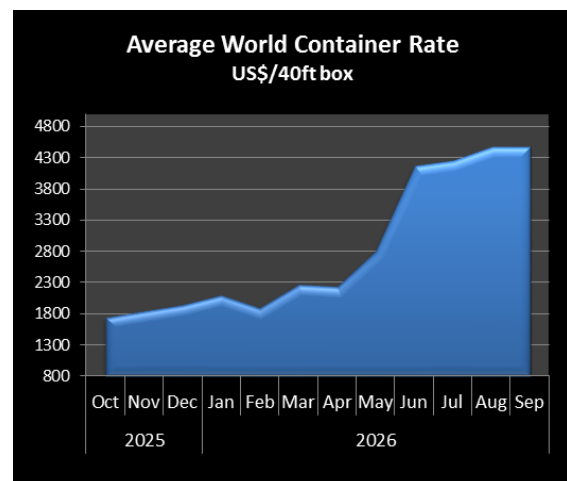
Exchange rate indices (US\$, Dec 2003=100)



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

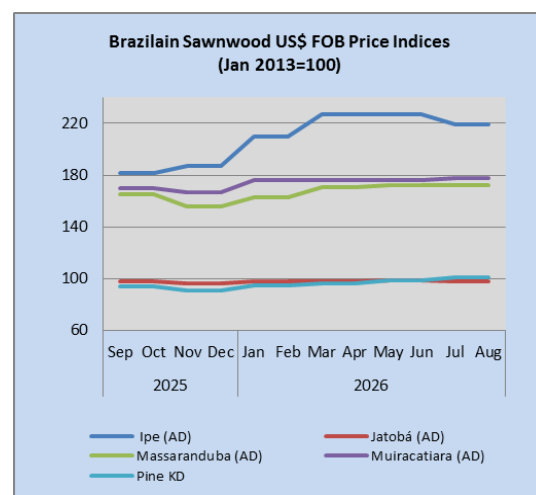
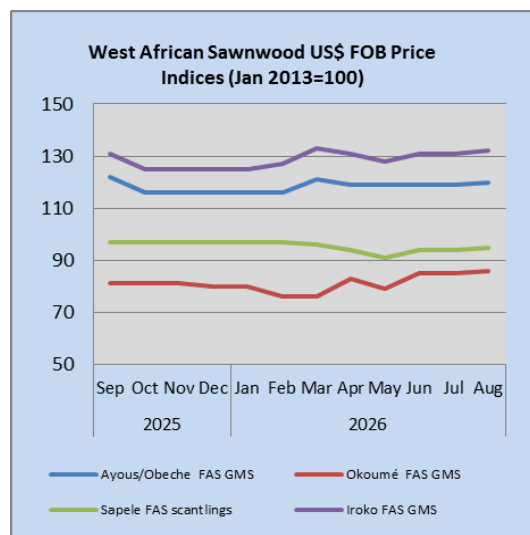
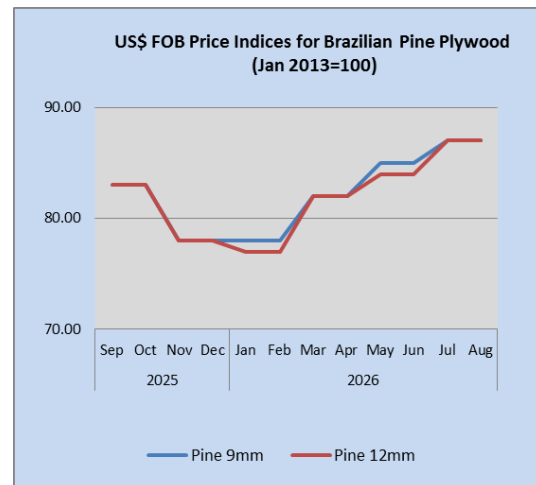
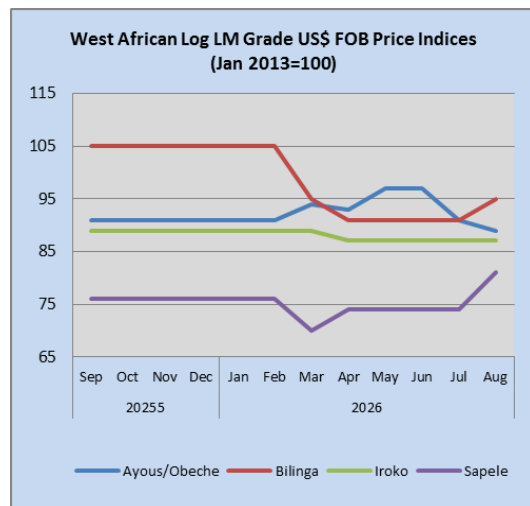


Data source: Drewry World Container Index

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 prices are recalculated from Euro to US dollar terms.

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