

Tropical Timber Market Report

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The ITTO *Tropical Timber Market (TTM) Report*, an output of the ITTO Market Information Service (MIS), is published in English every two weeks with the aim of improving transparency in the international tropical timber market. Its contents do not necessarily reflect the views or policies of ITTO. News may be reprinted provided that the ITTO *TTM Report* is credited. A copy of the publication should be sent to ti@itto.int.

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Top story

Shippers resort to utilising conventional cargo vessels

Shippers in West Africa are resorted to using conventional cargo vessels as containers are unavailable. For shipments to China plastic wrapped sawnwood is being loaded on vessels that carried cement to the region.

Reports presented to the UK Timber Trade Federation in May highlighted that extreme shortages of containers have led to the first breakbulk shipments of Asian meranti and keruing to the UK for nearly 30 years.

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Shippers resorting to utilising conventional cargo vessels

Few price movements have been reported for either the Chinese or European markets. The main concern of shippers in the region continues to be container availability and charges. Drewry’s composite World Container Index increased around 10% or by US\$489 to US\$5,472 per 40ft container, over 270% higher than a year ago.

As containers are in short supply shippers are resorting to utilising conventional cargo vessels. For shipments to China cargoes of plastic wrapped sawnwood are being loaded on vessels that transported cement and other products to the region.

This switch away from container shipment is of concern to the major lines such as Maersk, MSC, CMA and CGM. Across the region the main lines are ramping up efforts to secure containers for timber exporters in order not to lose their share of this trade.

Sawnwood tax idea abandoned

The trade in Congo has reported that the proposed sawnwood export tax will not be applied because the authorities determined that, if applied, it could result in companies pulling out and that such a tax would deter potential investment in the sawmilling industry. Further, it is understood that the quota system will be maintained

Crackdown on false documents

Cameroon’s Minister of Forests and Wildlife, Jules Doret Ndong, has revealed the existence of a network that trades in timbers cut illegally by falsifying administrative documents. In a letter sent to forest authorities in the 10 regions of the country he said some operators use false documents to transport and trade illegally harvested timber with the participation of some officials.

See: <https://www.businessincameroon.com/forest/1903-11397-cameroon-minof-denounces-the-laundering-of-illegal-timber-through-falsification-of-administrative-documents>

In other news from Cameroon a report from the Bank of Central African States says, despite its diverse economy, this year Cameroon’s export performance is set to be lower than most other countries in the CEMAC region.

Cameroon is expected to be the fourth-largest oil producer in the region and the third leading timber producer with an expected production of 2.6 million cubic metres.

This year the Bank forecasts Cameroon’s export revenues could rise by 18.2% but well below that of Chad (+35.7%), Equatorial Guinea (+34.9%), Gabon (+31.1%) and Congo (+18.4%).

See: <https://www.businessincameroon.com/economy/2904-11520-exports-cameroon-s-performance-is-constant-but-still-lags-in-the-cemac-region>

Rumours dismissed in Gabon

Social networks in Gabon have been alive with rumours after Gabon’s Forestry Minister left the country in early May. The rumours, suggesting wrongdoing, were picked up by the local media but quickly dismissed as just rumours after the Minister, in a tweet, reported that he was on a mission as part of the Petersberg Climate Dialogue.

In a colourful comment the Minister is reported to have tweeted “You don’t throw stones at a fruitless mango tree. All this noise (is) because we are moving forward with reforms in the forest-wood sector. Let us move on!”.

See: <https://www.gabonmediatime.com/pr-lee-white-je-suis-en-mission-a-londres/>

log export prices

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

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	540
Okoumé FAS GMS	465
Merchantable	310
Std/Btr GMS	320
Sipo FAS GMS	425▲
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	900
FAS scantlings	950
Strips	350
Sapele FAS Spanish sizes	420
FAS scantlings	4505▲
Iroko FAS GMS	600
Scantlings	620
Strips	370
Khaya FAS GMS	450
FAS fixed	500
Moabi FAS GMS	530
Scantlings	580
Movingui FAS GMS	380

Additional veneer lines for Gabon

Woodbois Ltd has announced it has acquired two additional veneer lines for its Gabon operations to be commissioned in the second and third quarters of 2021. The first veneer line is expected to lift veneer production by around 35 cubic metres per day.

See:

<https://www.proactiveinvestors.co.uk/companies/news/948108/woodbois-acquires-additional-veneer-equipment-to-boost-production-948108.html>

Large scale REDD+ programme for Congo

The Republic of Congo has signed an agreement with the World Bank's Forest Carbon Partnership Facility (FCPF) that will deliver over US\$40 million for reducing emissions from deforestation and forest degradation and increasing carbon sequestration.

The World Bank representative for Congo, Abdoulaye Seck, said results-based payments will incentivise companies, communities and the government involved in an emissions reduction programme and this will be the first in Africa to test REDD+ at such a large scale.

The programme will be implemented in the Sangha and Likouala Departments, an area representing nearly 60 percent of the country's forests.

See: <https://www.worldbank.org/en/news/press-release/2021/05/03/world-bank-and-republic-of-congo-sign-agreement-to-reduce-carbon-emissions-and-preserve-forests>

Updated statistics on the timber sector in Congo Basin

The ATIBT website has an analysis of the forest-wood sector in Central Africa which was developed by the ATIBT Forestry and Industry Commission with contributions from OFAC and COMIFAC. The document offers updated statistics on the timber sector in the Congo Basin.

Information on logging, wood production, the contribution of the forestry sector to the national economy, the situation with regard to certification and the VPA processes as well as on the companies that are active in this sector and their professional organisations is presented.

See: <https://www.atibt.org/en/news/12995/synthetic-presentation-of-the-main-data-of-the-forest-wood-sector-in-central-africa>

Ghana

2021 wood exports outpace 2020

Ghana exported a total of 42,173cu.m of wood products in the first two months of 2021. According to the Timber Industry Development Division (TIDD) report the country's exports shot up by 6,639 cu.m in this period, representing 19% growth over the same period in 2020.

The remarkable export performance could be attributed to the higher export volumes recorded by the five leading export products, air and kiln dry sawnwood, billets, plywood for regional markets and milled sawnwood/mouldings.

Exports for the period totalled Eur22.69 million against Eur17.64 million registered in the same 2 months in 2020. The market share for these products were Asia (64%), Europe (15%), Africa (11%), America (5.5%) and Middle East (4.4%) with teak, ceiba, wawa, denya and mahogany as the leading species.

Businesses unhappy with rise in fuel prices

Businesses have expressed deep concern over the recent increases in fuel as this is having a direct impact on the cost of business operations and profits. Businesses say the increases have come at a time when most industries in the wood processing sector are just recovering from the impact on trade of the global pandemic.

In his 2021 budget statement the Minister of Finance announced an increase of 20 pesewa/litre in the Energy Sector Recovery Levy and this took effect from 1 May 2021. The African Centre for Energy Policy (ACEP) has said the timing of the increase in petroleum levies is unfortunate and may slow post-Covid-19 business recovery.

Source: <https://www.myjoyonline.com/businesses-face-high-operating-costs-due-to-fuel-price-increases-others/>

National Development Bank commences in July

The Minister of Finance, Ken Ofori-Atta, has announced that the National Development Bank is set to commence operations by the end of July of this year. In March 2021 the President of Ghana mentioned the creation of the Bank the aim of which to provide support to local businesses.

Source:

<https://www.businessghana.com/site/news/business/238032/National-Development-Bank-to-commence-operations-by-July-ending-Ofori-Atta>

Cocoa buyers legislation progresses to end deforestation

Major cocoa growers in Ghana and Ivory Coast have adopted plans to end deforestation as they prepare for stricter European Union rules on production standards of chocolate ingredients aimed at eliminating the risk that products sold cause deforestation. Ghana and Ivory Coast together account for over 60% of the world's cocoa annual production.

To end deforestation and restore forest areas the governments of Côte d'Ivoire and Ghana and 35 leading cocoa and chocolate companies have joined together in the Cocoa & Forests Initiative..

See: <https://www.worldcocoaafoundation.org/press-release/ghana-and-cocoa-chocolate-companies-forge-partnership-to-protect-and-restore-forests/>

Boule export prices

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

Export rotary veneer prices

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

Export sliced veneer

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

Export plywood prices

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

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

Export sawnwood prices

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

Malaysia

COVID update

In early May Malaysia reported 26 Covid related deaths bringing the cumulative death toll to 1,683. The health authorities are struggling to control the pandemic through speeding up vaccinations.

No change in interest rates

It came as no real surprise that Bank Negara Malaysia (Malaysia's Central Bank) kept the overnight policy rate unchanged at 1.75% saying this will be the case for several months. The latest economic indicators portrayed an economic performance with industrial production expanding over 9% in March.

Sustainability top priority

The Plantation Industries and Commodities Minister, Dr. Mohd Khairuddin Aman Razali, said government policies have ensured that timber and other strategic commodity industries in the country apply the best sustainable methods so as not to irreversibly impact the forest.

Under the Blueprint Plan for 2021-2030 sustainability is the number one priority for the country in the next 10 years. He commented that, despite being hit by the global pandemic in 2020, Malaysia still recorded RM22.1bil of exports in terms of timber and wood products.

Forest certification

As at 31 March 2021 the total area of forests certified under Malaysian Timber Certification Scheme (MTCS) was 5,272,734 ha. There are 22 Forest Management Units (FMU) covering 5,139,745 ha. Also, there are eight Forest Plantation Management Units (FPMU) covering 132,989 ha. There are 379 holders of PEFC certificates for Chain of Custody.

The Malaysian Timber Certification Council reported on the 2020 export of wood products from areas certified under MTCS:

- The export of wood products certified under the MTCS increased by 8% from 243,366.81 cu.m in 2019 to 263,000.78 cu.m in 2020.
- The Netherlands continued to be the major importing country of the MTCS certified timber and wood products followed by Japan and the United Kingdom, accounting for 28%, 19% and 9% respectively of the total for 2020.
- Bangladesh, Yemen and Fiji were the three latest markets for MTSC products bringing the total number importing countries to 72 since 2001.
- 2020 saw a decline in the share of sawnwood exports as a percent of total exports from 47% in 2019 to 41% in 2020. Exports of moulding also declined. However, the share of plywood exports jumped from 8.8% in 2019 to 24% in 2020.

Automation and digitisation fund announced

In a press release the Malaysian Timber Council (MTC) says it has allocated RM2.8 million from the RM28.3 development fund million to help industries transform their operations toward the use of automation and digitisation. This is to reduce the industry's dependence on foreign labour and open up more employment opportunities for Malaysians.

The timber sector has provided employment for 140,000 people serving in 3,500 wood-based plants nationwide. In addition to the automation fund MTC also runs an Export Assistance Programme with a fund of RM1 million to assist Malaysian exporters of wood products in particular small and medium enterprises (SMEs).

See: <http://www.mtc.com.my/media-PressRelease.php>

SVLK centre for forest farmers, traders and SMEs

The Secretary of the Directorate General of Sustainable Production Forest Management (PHPL) in the Ministry of Environment and Forestry, Misran, has emphasised the importance of ensuring that timber coming onto the market must come from legal sources.

To ensure this the government has strengthened the capacity of the private sector through application of the Timber Legality Verification System (SVLK) and the Community Based Forest Enterprises. This, said Misran, was achieved through the Multi-stakeholder Forestry Programme Phase 4 (MFP4).

To further encourage the growth of legally processed wood the Ministry together with MFP4, Javlec (Java Learning Center / NGO) and industry associations built a SVLK clinic to serve community forest farmers, traders and SMEs needing advice on SVLK implementation and procedures.

See: <https://lenterasultra.com/blog/2021/05/04/indonesia-dorong-penguatan-kapasitas-pelaku-usaha-hutan-melalui-svlk/>

Indonesian teak furniture a favourite in India

The Head of the Indonesian Trade Promotion Center in Chennai, Kumara Jati, has reported that there is demand in India for some products such as household furniture, home décor items and handicraft made by Indonesian SMEs. He added that sales of these products increased over the past year despite the pandemic and the preference was for teak furniture.

See: <https://money.kompas.com/read/2021/05/03/160022426/produk-furnitur-hingga-handycraft-buatan-umkm-indonesia-diminati-di-india>

Indonesian furniture exports up but far behind Vietnam's

The Chairman of the Indonesian Furniture and Craft Industry Association (HIMKI), Abdul Sobur, commented on Indonesia's 5-6% increase in furniture exports during the pandemic helped, he pointed out, by the trade friction between the US and China. But, said Sobur, the 5-6% increase was nothing compared to what was achieved by Vietnam where exports were four times higher than those by Indonesia. According to Sobur, Indonesia has a chance to expand exports especially to the US.

In related news, Sobur said the Association encourages furniture makers to expand sales in the domestic market but admitted that the current export market is much more attractive than the domestic market. However, he urged manufacturers not to underestimate the domestic market and to diversify sales. He reported that in 2020, total furniture imports were in the region of IDR10 trillion indicating the growth potential in the local market.

See: <https://ekbis.sindonews.com/read/414408/34/ekspor-furnitur-ri-naik-5-imbis-perang-dagang-tapi-kalah-jauh-dari-vietnam-1619795094>

Structural reforms to boost economic growth: Finance Minister

The Finance Minister, Sri Mulyani Indrawati, has said the structural reforms being carried out by the government will boost growth of by over 6% in 2025. The reforms cover five strategic policies; human resource development, infrastructure development, bureaucratic reform, simplification of regulations and economic transformation. The main impact will be on expanded investment and exports.

See: <https://www.thejakartapost.com/news/2021/04/29/sri-mulyani-sets-sights-on-6-gdp-growth-by-2023-through-reform.html>

Multi-business forestry model for climate change mitigation

Environmental services in a multi-business forestry model could, according to Siti Nurbaya, Minister of Environment and Forestry, be part of climate change mitigation action by the forestry sector. The contribution to climate change mitigation efforts by enterprises could be through activities that can reduce emissions and/or increase carbon sequestration.

The Minister said the government encourages forestry entrepreneurs to adopt a multi-purpose business model so they can contribute to strengthening and supporting climate change mitigation. This will be the challenge for forestry entrepreneurs in the future.

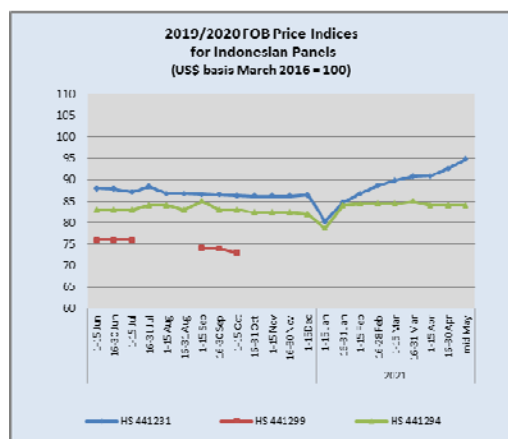
This theme was taken up by the chairman of the Association of Indonesian Forest Concessionaires (APHI), Indroyono Soesilo, who said adaptation and mitigation activities in climate change are important factors in efforts to achieve Indonesia's Nationally Determined Contribution (NDC) target and that businesses and other non-state stakeholders are also an important part of this process.

The ability to calculate potential emission reduction is crucial for businesses to determine their contribution to adaptation and mitigation and earn Carbon Economic Value (NEK) credits through both Results Based Payment and carbon trading schemes.

He estimates the potential for emission reduction from natural forests, plantation forests and ecosystem restoration would make a huge contribution in fulfilling Indonesia's NDC goals.

He said incentives absorption of carbon emissions in natural forest areas and plantation forests can be obtained through conservation and management of peatlands, the application of Reduced Impact Logging (RIL) and extension of planting and harvesting time in industrial plantations along with reducing the area logged in natural forests.

See: <https://investor.id/business/aphi-pelaku-usaha-harus-terlibat-dalam-penghitungan-potensi-penurunan-emisi>



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

Myanmar

Forest resource policy of military administration

The Forestry Minister, Khin Maung Yi, was quoted by the state-owned newspaper “The New Light of Myanmar” as saying the priority of the administration regarding timber extraction will be forest protection, only the minimum harvest to meet demand will be permitted. He added that the export of logs has been banned since 2014 and logging in Bago Yoma has been suspended for ten years. It was earlier announced that logging during the financial year 2021-2022 will be suspended.

With regard to the development of the wood-based industry in the country the Minister said the focus will be on value-added wood products and the Forest Department and the private sector should work together to achieve this and expand export markets. However, some NGOs are urging a boycott of timber from Myanmar since the income derived from exports will support the military.

Regarding the one-year logging ban for 2021-2022 the website of Myanma Timber Enterprise (MTE) uploaded the official notification from the Ministry dated 27 April 2021. Initially, MTE had targeted to harvest 6,000 tons of teak logs and 220,000 tons of other hardwood logs.

The frequent suspension of monthly log tender sales as result of anti-covid19 preventive measures and the decline in milling has resulted in a build-up of log stocks. According to exporters the suspension of export licenses for sawnwood has not yet been revoked and they are waiting for their licenses.

However, even if the licenses are issued the challenge now for exporters is the availability of containers. The cost of a 20ft container for the route to Europe has surged to around US\$6,000. Last year the cost was just US\$1,800 per container.

See:

<https://www.gnfm.com.mm/coordination-meeting-discusses-environmental-forest-and-mining-sectors/#article-title>

100 days of military administration – the impact

The online Irrawaddy News published a review of the economic impact of the coup and resistance. The following are highlights from the Irrawaddy article:

- Foreign investors suspended more than US\$6 billion (9.4 trillion kyats) worth of projects.
- Work on a US\$1 billion industrial hub backed by the Amata Corporation, Thailand’s largest industrial real estate developer, was suspended.
- A major Japanese car market has delayed opening its US\$52.6 million vehicle plant in the Thilawa Special Economic Zone.
- A Singaporean conglomerate halted plans to develop an industrial park in Yangon’s Hlegu Township.
- The French energy company, Électricité de France, has suspended a hydropower project, worth more than US\$1.5 billion in Shan State.
- Myanmar’s banking system has been paralysed since the coup with branches closed for nearly three months, cash shortages and limited access to social welfare payments and international remittances for hard-pressed families.
- All sea trade has ceased as banks are unable to issue documents needed to import and export goods.
- Companies are struggling to pay salaries as banks are not able to process payrolls.
- Since mid-February businesses have suffered from a cash shortages.
- Most private banks started to reopen in late April amid repeated threats of penalties and orders to blacklist staff who refuse to return to work.
- The kyat has tumbled in value as confidence and trade fell, losing more than 20% since the coup.
- Exports have fallen by around 45% and imports are down by 65%.
- The garment sector has been paralysed as out of fear workers to returned to their hometowns.
- The trade unions said over 300,000 garment workers have lost their jobs.
- The Construction Workers Union said around 300,000 to 400,000 construction jobs have gone as all major infrastructure projects are halted in Yangon.
- Professional jobs are also being lost. Job agencies said hundreds of staff working for foreign companies are losing their jobs.

See: <https://www.irrawaddy.com/news/burma/100-days-since-myanmars-coup-looming-economic-collapse-poverty-and-hunger.html>

Significant risk of economic collapse - UN

A United Nations Development Programme report concludes that Myanmar's economy is facing significant risks of collapse and the level of poverty is as bad as in 2005.

Over the past 10 years, Myanmar's average economic growth has exceeded 6%. However, the World Bank has now projected growth to contract by 10% this year because of the coup, by far the biggest contraction in Asia which is already reeling from the impact of coronavirus.

The United Nations World Food Program (WFP) warned that up to 3.4 million citizens could go hungry this year amid rising food prices and the loss of manufacturing, construction and services jobs. The WFP estimated that food insecurity is rising sharply in Myanmar alongside food prices and joblessness. It said COVID-19 concerns are also accelerating the economic deterioration and humanitarian crisis.

The UNDP estimated that the impact of military rule and the COVID-19 pandemic could force nearly half of Myanmar's population into poverty by 2022.

See: <https://news.un.org/en/story/2021/04/1091002>

India

Domestic demand collapsed due to pandemic

In April production for India's domestic market slowed to an eight-month low as the early signs of the second wave of corona infections dampened consumer sentiment, however, there was an upturn in international orders which, in April, rose again for the eighth consecutive month.

India's exports surged a record to US\$30 billion in April 2021. Exports had contracted by over 60% in April 2020 due to the nationwide lockdown and this led to a halt in the manufacturing sector.

Exports (US\$ millions)

	Apr-Dec 2019	Apr-Dec 2020	% Change
Wooden furniture	465.73	478.9	2.83
Other articles of wood	240.8	228.95	-4.92
Hard board of wood fibre	27.38	25.82	-5.7
Plywood and products	25.06	24.19	-3.47
Veneer	16.3	15.15	-7.06
Parts of Musical Instruments	12.31	12.72	3.33
Sawn timber	2.33	2.55	9.44
Cork products	2.4	2.54	5.83
Sandalwood chips	0.79	0.53	-32.91
Tea chest panel	0	0.06	
Total	793.1	791.41	-0.38

Data source: Customs, India

The latest wood product export data for the period April to December 2020 reveals a slight decline compared to the same period in 2019. From March 2020 exports dropped due to the pandemic and sluggish global demand.

In April the IHS Markit India Manufacturing Purchasing Managers' Index (PMI) rose to 55.5 after falling to a seven-month low in March as new export orders grew the fastest since October.

See: https://www.business-standard.com/article/economy-policy/manufacturing-pmi-up-marginally-growth-of-domestic-orders-production-slow-121050400043_1.html

Second wave a set back to housing market

The economies in many states have now begun to suffer from the consequences of the second and serious wave of corona virus infections and the real estate sector is one that has been affected. The housing market started to recover after the 2020 pandemic but this second wave has come as a shock and home sales have fallen sharply and project launches have been delayed.

Potential homebuyers have become very cautious in view of the current virus situation and a number of transactions have been put on hold as consumers cut back on outlays as they are uncertain how long it will take to overcome the current disaster. A recent Anarock Property Consultants report suggests that the current virus outbreak, along with the expiry of the free stamp duty period, impacted growth in the housing market.

See: <https://www.financialexpress.com/money/a-year-since-the-pandemic-mapping-real-estate-sectors-growth-journey/2241136/>

Printed homes

Part of the solution to India's acute shortage of affordable homes could be in 3-D printed structures. A roughly 60 sq.m home was recently created by Tvasta Manufacturing Solutions in Chennai in collaboration with the NGO Habitat for Humanity's Terwilliger Center for Innovation in Shelter.

The concrete used in this 3D printing is specially formulated for faster drying times, allowing Tvasta to build these homes more quickly and efficiently than traditional construction. Adithya Jain, the Tvata CEO said a home can be built in under a week .

See: <https://www.habitat.org/stories/investing-innovation-india>

Prices for recent shipments of teak logs and sawnwood

	US\$/cu.m C&F
Benin	294-658↑
Brazil	330—511↓
Sawnwood	221-527
Cameroon	639
Colombia	314-374
Costa Rica	314-316
Ecuador	216-495
Ghana	234-485↓
Sawnwood	485
Mexico	369-439
Sawnwood	373-585
Panama	258-405↓
Tanzania	192-268
Sawnwood	747
Togo	295-445

Locally milled sawnwood prices

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

Price range depends mainly on lengths and cross-sections

Sawn hardwood prices

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

Price range depends mainly on lengths and cross-sections

Plywood

The Indian trade magazine Plyreporter has highlighted the current plight of Kerala based plywood mills that now face an acute shortage of workers which is disrupting production.

The problem is that Kerala plywood mills rely heavily on migrant laborers mostly from Assam and West Bengal. These workers, it seems, have returned home to participate in assembly elections and because this is the marriage season in both states.

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	78.00
6mm	110.00
9mm	130.00
12mm	164.00
15mm	216.00
18mm	236.00

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	52.00	75.00
6mm	74.00	92.00
9mm	93.00	113.00
12mm	113.00	135.00
15mm	135.00	164.00
19mm	159.00	183.00
5mm Flexible ply	100.00	

Revising the Forestry Act revisited

On 8 April this year the Ministry of Environment, Forest and Climate Change called for 'Expression of Interest' for shortlisting consultancy companies that could prepare a draft comprehensive amendment to the Indian Forest Act 1927 created in pre-independent India.

The objective of this latest exercise is to prepare a "draft of the comprehensive amendment of Indian Forest Act, 1927" in consultation with state governments and union territories, central government ministries and other stakeholders according to the Ministry.

See: <http://moef.gov.in/wp-content/uploads/2021/04/MoEFCC-inviting-EOI-for-draft-amendments-to-IFA.pdf>
and

<https://science.thewire.in/environment/unbent-indian-government-trying-to-amend-the-indian-forest-act-1927-again/>

Vietnam's import of tropical timber from Africa

Volume and value of tropical timber imported from all sources

Vietnam imports tropical timber from Africa, South America, SE Asia and PNG to meet the demand of local consumers who still prefer the hardness and durability of tropical timber.

In 2020, the volume of tropical timber imported into Vietnam from all tropical areas totalled 2.7 million cubic metres, accounting for 41% of total log and sawnwood imports from all sources.

Volume and share of tropical timber imported into Vietnam 2015-2020

Year	Tropical timber import (cu.m RWE)	Total import of timber (cu.m RWE)	tropical Share (%)
2015	2,638,863	4,854,176	54%
2016	2,098,260	4,519,380	46%
2017	2,576,721	5,352,499	48%
2018	2,667,443	5,720,350	47%
2019	2,654,767	5,998,978	44%
2020	2,315,217	5,646,214	41%

Source: Data provided by VN GDC (Vietnam's General Department of Customs) and analyzed jointly by VIFOREST, FPA BD, HAWA, BIFA and Forest Trends

The share of tropical timber against the total volume of timber imported into Vietnam has been declining. In 2015, tropical log and sawnwood accounted for 54% of total imports from all sources. By 2020, this share dropped down to 41%.

However, this does not mean that the volume of tropical timber has decreased as the total imports have been increasing rapidly. The growth of non-tropical timber import has been much higher than that of timber imported from the tropics.

Tropical timber imported from Africa into Vietnam

African countries are the main suppliers of tropical timber to Vietnam with some 20 countries selling annually about 1.3 cu.m of tropical timber to Vietnam.

The volume of tropical timber imported from Africa into Vietnam accounts for about a quarter of the total log and sawnwood that Vietnam has been importing in recent years (see Table below).

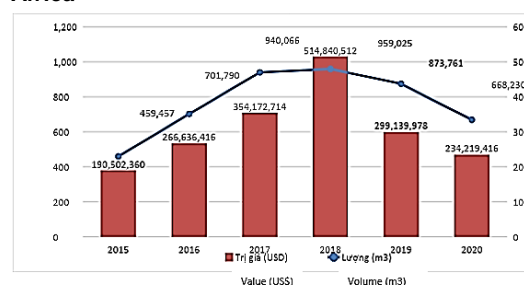
Log and sawnwood imports into Vietnam from Africa (cu.m RWE)

Year	Africa cu.m RWE	All sources cu.m RWE	Share (%)
2015	640,034	4,852,402	13%
2016	938,097	4,517,905	21%
2017	1,344,309	5,350,662	25%
2018	1,399,739	5,718,422	24%
2019	1,535,387	6,003,617	26%
2020	1,200,000	5,650,788	21%

Source: Data provided by VN GDC (Vietnam's General Department of Customs) and analyzed jointly by VIFOREST, FPA BD, HAWA, BIFA and Forest Trends

African countries are the top supplier of tropical logs to Vietnam. Due to Covid-19 pandemic, the African supply of tropical timber has slightly reduced. However, Africa remains the most important supplier of tropical timber for Vietnam.

Volume and value of logs imported into Vietnam from Africa



Source: Data provided by VN GDC (Vietnam's General Department of Customs) and analyzed jointly by VIFOREST, FPA BD, HAWA, BIFA and Forest Trends

Log suppliers

At present, there are some 20 African countries selling logs to Vietnam and contributing 33% of the total volume of logs imported into Vietnam. The top 5 suppliers are Cameroon, Ghana, Democratic Republic of the Congo, Nigeria and Congo. These 5 countries account for 86% of the total volume of tropical logs Vietnam imports from Africa in 2020.

On average, Vietnam annually imports over 400,000 cu.m of logs from Cameroon. This is the largest tropical log supplier contributing nearly 60% of the total log Vietnam imports from Africa and over 21% of the log imported into Vietnam from all sources.

The major woody species are tali/iron-wood (67%), sapele (12%) and mahogany (6%).

Ghana is the second largest supplier of African logs to Vietnam with an annual supply of over 50,000 cu.m, corresponding to over 7% of the total import from Africa. In 2020 imports declined to 31,570 cu.m. Mahogany tops the imports (69%) followed by tali/iron-wood (34%) and padouk (5.5%).

Nigeria is also amongst the major suppliers of tropical logs for the Vietnamese market with shipments of 71,000 cu.m in 2020 accounting for between 6-12% of the total log imports from Africa. In 2018, Nigeria exported to Vietnam 94,210 cu.m of log, while in 2020 the export volume dropped to 71,910 cu.m. Species imported from Nigeria include mahogany (50%), padouk (46%) and tali (2.5%).

In 2015, the DRC shipped 5,150 cu.m of logs to Vietnam equal to 1% of logs imported from Africa. However, in 2020, DRC exported 64,550 cu.m, accounting for 10% of logs Vietnam imported from Africa. The main species imported are tali/iron-wood (35%), sapele (20%) and padouk (10%).

On average, Congo annually supplies over 20,000 cu.m of log to Vietnam, accounting for 2-4% of the total log volumes Vietnam imports from Africa. In 2020, the import from Congo decreased to 18,140 cu.m. The main imported species are tali, padouk, rose-wood and mahogany.

Top suppliers of African logs to Vietnam (cu.m)

Countries	2015	2016	2017	2018	2019	2020
Cameroon	314.646	420.471	507.391	513.861	495.526	393.667
Ghana	28.025	61.870	82.939	71.173	44.557	31.571
Equatorial Guinea	823	32.368	81.441	17.856	3.932	1.008
Angola	8.252	32.442	64.639	42.345	53.171	8.313
DR Congo	5.158	17.843	57.329	63.787	55.025	64.553
Nigeria	47.658	85.489	52.167	94.216	82.923	71.910
Congo	9.963	21.274	35.594	23.420	28.741	18.148
South Africa	21.964	19.260	34.996	55.764	49.259	37.408
Kenya	258	198	9.847	47.707	36.750	19.282
Others	22.710	10.575	13.723	28.896	23.877	22.369

Source: Data provided by Vietnam's General Department of Customs and analyzed jointly by VIFOREST, FPA BD, HAWA, BIFA and Forest Trends

The log source **Nigeria** is being cross-checked and the result will be published.

Log species imported

Vietnam has been importing about 90-100 species in log form from Africa. Among them, 10 species are imported in large volume, including tali/iron-wood, mahogany, sapele, padouk, iroko, eucalyptus, iroko, rose-wood, and dossie. These are the common timber species of Africa. They contribute over 90% of the total supply. The volume and value of top species imported are as follows:

Tali/iron-wood: The average import is about 350,000 cu.m/year, accounting for 47% of the total log import from Africa.

Others include

- Mahogany: 130,000 cu.m/year, 17%
- Padauk: 64,000 cu.m/year, 9%.
- Sapele: 55,000 cu.m/year, 7%.
- Iroko: 40,000 cu.m/year, 5%.

Volume of log imported by from Africa to Vietnam by species (cu.m)

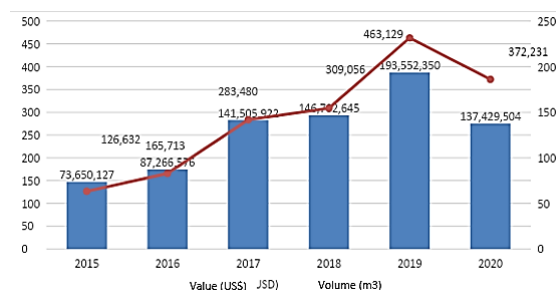
Species	2015	2016	2017	2018	2019	2020
Tali	316,132	363,692	373,670	440,621	333,646	254,209
Mahogany	28,917	73,304	128,777	206,204	196,619	168,854
Sapele	7,273	37,586	104,157	42,092	78,423	64,031
Padauk	57,459	113,361	94,287	50,274	46,613	27,900
Mukulungui	12,814	35,705	43,015	57,301	43,973	40,221
Menghundor	617	7,110	28,627	10,426	24,991	8,551
Eucalyptus	19,805	17,808	27,587	45,088	34,962	27,710
Iroko	94	8,887	23,691	12,504	19,550	4,459
Rose-wood	3,147	8,299	23,057	37,649	55,902	25,198
Doussie	672	1,242	10,895	9,117	4,300	8,750
Others	12,527	34,796	82,303	47,748	34,782	38,349
Total	459,457	701,790	940,066	959,025	873,761	668,230

Source: Data provided by VN GDC (Vietnam's General Department of Customs) and analyzed jointly by VIFOREST, FPA BD, HAWA, BIFA and Forest Trends

Sawnwood imports from Africa

African countries are the main suppliers of tropical sawnwood to Vietnam. The volume of sawnwood imported from African countries in 2020 was reported at 372,000 cu.m corresponding to 15% of the total volume of sawnwood imported from all countries.

Volume and value of sawnwood imported by Vietnam from Africa



Source: Data provided by VN GDC (Vietnam's General Department of Customs) and analyzed jointly by VIFOREST, FPA BD, HAWA, BIFA and Forest Trends

Sawnwood suppliers

Among some 20 countries supplying sawnwood to Vietnam, Gabon, Cameroon, Nigeria, Ghana, Angola and South Africa are the 6 main supply countries accounting for around 90% of the total sawnwood imports from Africa.

Cameroon leads the supply with fast growing export volumes. On average, each year this country supplies over 100,000 cubic metres of sawnwood to Vietnam.

In 2015 sawnwood imported from Cameroon accounted for 27% of the total import from Africa.

This figure increased to 41% by 2020. In 2020 imports declined but still remained at quite a substantial volume (153,630 cu.m).

The main species are tali, mahogany, padauk and sapele with Tali topping imports at 60% of the total volume of sawnwood imported from Cameroon, followed by doussie (22%), padauk (9%) and sapele (1.5%).

Following Cameroon, Gabon is the next supplier of sawn timber, exporting over 70,000 cubic metres per year to Vietnam.

In 2015, Gabon exported 50,980 cu.m, accounting for 40% of the total import from Africa. In 2020, due to the pandemic, imports fell to 50,740 cu.m, equal to 14% of the total import of sawnwood from Africa. The main imported species from Gabon are tali (77%), menghundor (7%), padauk (7%) and rose-wood (4%).

Nigeria supplies nearly 24,000 cubic metres of sawnwood to Vietnam annually accounting for 7-14% of total sawnwood imports from Africa. In 2020, Nigeria provided 36,400 cu.m, showing an increase of 18% compared to 2019. The main timber species imported from Nigeria include Mahogany (51%), padauk (32%) and tali (15%).

Ghana exports over 20,000 cubic metres of sawnwood to Vietnam each year. In 2020, Vietnam imported about 14,900 cu.m of sawnwood from Ghana, a decline of 24% compared to 2019. The imported species are mahogany (58%) and tali (34%).

Angola supplies over 10,000 cubic metres of sawnwood to Vietnam sharing about 3-4% of the total import from Africa. In 2020, 26,410 cu.m were exported to Vietnam. The main export species are rose-wood, padauk and sapele with rose-wood accounting for 63% of the total export, followed by padauk (4.5%) and sapele (4%).

South Africa appears as a more and more important source of sawnwood for Vietnam with rapid growth. In 2016, the import from South Africa was about 1,000 cu.m. In 2020, the import volume increased to nearly 50,000 cu.m, accounting for 13% of the total volume of sawnwood imported from Africa.

The main species of sawnwood imported from South Africa into Vietnam are rose-wood, eucalyptus and doussie, with rose-wood accounting for 95% of total sawnwood imports from this country.

Volume of sawnwood imported into Vietnam from Africa (cu.m)

Country	2015	2016	2017	2018	2019	2020
Gabon	50,988	58,814	105,780	79,846	76,325	50,740
Cameroon	33,741	47,552	85,349	117,379	227,391	153,634
Nigeria	18,082	22,345	14,746	22,521	30,958	36,402
Ghana	12,429	22,092	33,236	28,020	20,034	14,900
Angola	1,309	1,431	6,955	11,293	47,071	26,413
Congo	145	4,753	2,145	5,875	8,321	4,445
Mozambique	1,944	3,966	13,956	9,576	6,603	5,438
South Africa		1,074	1,244	1,406	21,411	49,755
DR Congo	297	968	2,480	2,563	868	1,938
Ivory Coast	1,099	861	2,382	2,018	5,456	16,463
Others	6,598	1,857	15,207	28,559	18,690	12,103
Total	126,632	165,713	283,480	309,056	463,129	372,231

Source: Data provided by VN GDC (Vietnam's General Department of Customs) and analyzed jointly by VIFOREST, FPA BD, HAWA, BIFA and Forest Trends

Volume of sawnwood imported into Vietnam from Africa by species, 2015 -2020 (cu.m)

Species	2015	2016	2017	2018	2019	2020
Tali	79,996	93,525	131,094	157,526	216,309	138,783
Mahogany	15,560	28,063	54,457	80,062	106,407	10,765
Padauk	21,032	31,838	45,508	26,652	35,925	17,203
Rosewood	4,592	5,000	13,315	24,284	65,284	68,962
Sapele	508	1,957	9,995	4,804	4,349	2,695
Menghundor	81		9,877	5,693	13,267	15,148
Iroko		209	3,100	997	13,220	8,726
Mukulungu	502	170	2,198	614	1,003	645
Wenge	104,786	530	1,615	1,939	1,116	248
Eucalyptus		1,692	863	36	754	1,083
Teak		473	830	591	144	533
Others	4,257	2,257	10,630	5,859	5,350	8,441
Total	12,632	165,713	283,480	309,056	463,129	372,231

Source: Data provided by VN GDC (Vietnam's General Department of Customs) and analyzed jointly by VIFOREST, FPA BD, HAWA, BIFA and Forest Trends

Similar to log imports, over 100 species of sawnwood are currently imported from Africa to Vietnam. However, there only 5 species accounting for 90% of the total import, including tali, mahogany, padauk, rose-wood and sapele. Of these 5 species, tali is top with yearly import volumes of over 130,000 cu.m accounting for nearly half of the total timber import of tropical sawnwood from Africa into Vietnam.

VNTLAS with new requirements on timber import

In Vietnam, Decree 102 issued by the Government to operate VNTLAS became effective from 31 October, 2020. Following this Decree, overseas suppliers of timber for Vietnam have been classified into countries of active geographic areas and non-active geographic areas.

With this classification in place out of over 100 countries having timber export to Vietnam, there are 51 countries attributed to active geographical areas. At present, out of all African countries which are exporting tropical timber to Vietnam, South Africa alone is listed as the country of active geographic areas.

To tighten the control over the legality of timber imports Decree 102 also classified import species into risk and low risk groups. Risk species encompass those that are either imported into Vietnam for the first time or listed by CITES or are endangered species.

In addition to currently applicable documents including Sale Contract, Packing List, Bill of Lading, Quarantine Certificate and Certificate of Origin, with the newly issued Decree to operate VNTLAS before clearing customs formalities importers may be asked to provide additional evidence to prove timber legality such as logging license (if applicable in sourcing countries), SFM certificate, timber processing/transportation license etc.

Brazil

Using technology to detect illegal timber

The Federal Police (PF) recently used two technologies that have been found very effective in the fight against illegal logging:

- a new satellite monitoring system, called 'Planet Lab'
- a tool that identifies the DNA of the tree

The technologies were used in two of the largest operations to combat illegal logging, the Archimedes Operation and the Handroanthus GLO Operation. The operation was named Handroanthus GLO because it is the scientific name of golden trumpet tree (ipê) the most targeted tree by smugglers in the Amazon.

Using DNA methods the police can check the exact location from where the timber originated. 'Planet Lab' utilises high resolution satellite images can allow for cross referencing of field harvesting against the forest management plan.

Partnerships in furniture development in Mato Grosso

The Center for Timber Producers and Exporters of Mato Grosso State (CIPEM) recently met with the Federation of Industries of Mato Grosso State (FIEMT), the Union of Timber Industries of Mid-North Region of Mato Grosso (SINDINORTE) and the Furniture Industry Union of Mato Grosso State (SINDIMÓVEL/MT) to discuss the issue of ensuring furniture manufacturers to have access to timber raw material supplies.

One of the concerns discussed was the source of timber used by the furniture sector as the state of Mato Grosso has a range of timber species of excellent quality and suitable for furniture manufacturing.

Representatives of SINDIMÓVEL/ MT stated that its main suppliers are from other states despite there being high quality raw material available within the state. Among the challenges identified to limit the need to use timber from other states was quality, reliability, dimensioning of parts and continuous supplies.

Closer collaboration between the timber industry unions and furniture industry unions will boost confidence between the buyer and seller and together they can address the issue of quality improvement.

It was decided that FIEMT will carry out a study to identify how best to bring the primary producers and furniture industries together so as to strengthen the state economy.

Roundwood among main Brazilian agribusiness exports

Exports of roundwood are among the top agribusiness exports when comparing the percentage of the main commodity exports according to the Secretariat of Foreign Trade (Secex).

In the first four months of 2021 export shipments of roundwood were almost double that of the same period in 2020 totalling US\$ 66 million. By way of comparison soybean exports (17.4 million tonnes) were worth US\$7.2 billion, a record for the country.

Exports in the first quarter 2021

The Brazilian Association for Mechanically Processed Timber (ABIMCI) has reported that in the first quarter of this year timber exports have increased compared to Q1 2020.

Tropical plywood exports increased with the United States being the main market. Tropical sawnwood exports in the first quarter also increased with Vietnam being a major buyer.

Wooden flooring exports increased by around 30% with the US responsible for 64% of the all exports. Exports of wooden doors grew 7% year on year in the first quarter with over 80% being shipped to the US. Exports of pellets declined year on year in the first quarter of 2021 but it has been noticed that pellet exports fluctuate more widely than has been seen for other wood products.

Brazil's exports of pine veneer fell 5% year on year in the first quarter while tropical veneer exports dropped 12% in the same period. Malaysia is a major buyer of both products accounting for a share of around 30% for pine veneer and 50% for tropical veneer.

Domestic log prices

Brazilian logs, mill yard, domestic	US\$ per cu.m
Ipê	171
Jatoba	85
Massaranduba	77
Miiracatiara	79
Angelim Vermelho	76
Mixed redwood and white woods	63

Source: STCP Data Bank

Domestic sawnwood prices

	US\$ per cu.m
Brazil sawnwood, domestic (Green ex-mill)	715
Ipé	349
Jatoba	346
Massaranduba	308
Muiracatiara	308
Angelim Vermelho	207
Mixed red and white	157
Eucalyptus (AD)	103
Pine (AD)	103
Pine (KD)	129

Source: STCP Data Bank

Domestic plywood prices (excl. taxes)

	US\$ per cu.m
Parica	372
4mm WBP	327
10mm WBP	272
15mm WBP	315
4mm MR.	242
10mm MR.	214
15mm MR.	

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

	US\$ per cu.m
Domestic ex-mill prices	
15mm MDParticleboard	160
15mm MDF	197

Source: STCP Data Bank

Export sawnwood prices

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

Source: STCP Data Bank

Export plywood prices

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

Source: STCP Data Bank

Export prices for added value products

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

Source: STCP Data Bank

Peru

Modernising Peru's forestry sector

Andina, the Peruvian news agency has reported the Governments' of Peru and the United States have agreed a Memorandum of Understanding that will enable the development of joint action for the modernisation of the Peruvian forestry sector through sustainable, inclusive, responsible and profitable economic growth.

See: <https://andina.pe/agencia/noticia-peru-us-agree-to-join-efforts-for-modernization-of-forestry-sector-842193.aspx>

Semi-manufactured wood product exports begin to recover

The Exporters Association (ADEX) has reported that exports of semi-manufactured wood products in the first two months of this year were worth US\$10.6 million, up 8% compared to the same period in 2020 (US\$9.8 million).

ADEX says most of the recovery was due to major purchases by French importers who bought wood products valued at US\$3.1 million compared to the US\$1.6 million in the same period in 2020.

The other major markets in the first two months of this year were China (US\$4.2 million, down 6%) followed by Denmark (-34.6%), Belgium (30%), USA (46%), New Zealand (-55%), Netherlands (544%), Germany (11.6%), Australia (22.5%) and Mexico (-70.3%).

The main export items were tropical wood moldings (except ipé) US\$4.3 million, slats and friezes for unassembled parquet (US\$2.4 million) and other profiled (US\$2.1million). These three products accounted for 82% of the total.

Exports of semi-manufactured products topped exports of sawnwood in the first two months of 2021 and overtook exports of construction products, furniture and parts and veneers and plywood.

Forest Account shows contribution to the economy

The National Forest and Wildlife Service (Serfor) and the National Institute of Statistics and Informatics (INEI) presented details of the 'Forest Account for Peru' which show that the forestry sector contributed 1.04% to GDP in 2020.

In 2019, INEI estimates only considered the value of forestry (wood) as a contribution from the forestry sector and concluded a modest 0.15%.

The Forest Account is a key tool for policy decisions in the forestry and wildlife sector as it enhances available statistics and indicators related to the sector and demonstrates the value of the services provided by forests.

During the discussion of the Forest Account the Vice Minister of Agricultural Development and Irrigation stated that "through these indicators it will be shown, in monetary terms, to what extent the forests located on the coast, mountains and jungle of the country are part of the livelihood of the population, industries, tourism, regional economies and our country in general".

New programme for SFM forest production

Through an agreement between the Peruvian and German governments the Ministry of Agrarian Development and Irrigation will implement a programme for 'Promotion and Sustainable Management of Forest Production'. A sum of around US\$138 million will be allocated to benefit 2.7 million rural inhabitants of nine regions of the country over the next five years.

The Minister said this is one of the largest forestry sector investment programmes in the history of the country aimed at reactivating productive forest economic activity through sustainable management.

The programme will directly benefit nine regions: Ancash, Cajamarca, Huánuco, Junín, Loreto, Madre de Dios, Pasco, San Martín and Ucayali. The executing agency will be the National Forest and Wildlife Service (Serfor).

Improving productivity of Amazon forest plantations

The Center for Research in Silviculture and Forest Improvement (CESILMEF) of the National Agrarian University La Molina (UNALM) and the National Institute of Agrarian Innovation (INIA) with the support of the National Fund for Scientific, Technological Development and Technological Innovation have been executing a research project called "Maderas 3".

The project seeks to obtain data on wood quality of eight commercial species from native and exotic forest plantations in the Amazon in order to construct growth and productivity indicators as well as determining their technological properties.

Export sawnwood prices

Peru sawnwood, FOB Callao Port	US\$ per cu.m
Pumaquiro 25-50mm AD Mexican market	647-659
Virola 1-2" thick, length 6"-12" KD Grade 1, Mexican market	584-612
Grade 2, Mexican market	498-523
Cumaru 4" thick, 6"-11" length KD Central American market	997-1029↑
Asian market	1088-1111
Ishpingo (oak) 2" thick, 6"-8" length Spanish market	596-617
Dominican Republic	694-710
Marupa 1", 6-11 length KD Grade 1 Asian market	569-598

Domestic sawnwood prices

Peru sawnwood, domestic	US\$ per cu.m
Mahogany	-
Virola	247-269↑
Spanish Cedar	340-349
Marupa (simarouba)	237-242

Export veneer prices

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

Domestic plywood prices (excl. taxes)

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

Export plywood prices

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

Domestic prices for other panel products

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

Export prices for added value products

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

Japan

Country struggles to contain fourth wave of infections

Japan put in place a third state of emergency in Tokyo and some other areas late last month and has extended the measures until the end of May as the country struggles to contain a fourth wave of infections.

The restrictions on businesses have, once again, hit the service sector hard and in April business confidence in this sector fell at the fastest pace in a year as curbs aimed at containing a resurgence of COVID-19 infections depressed consumer spending.

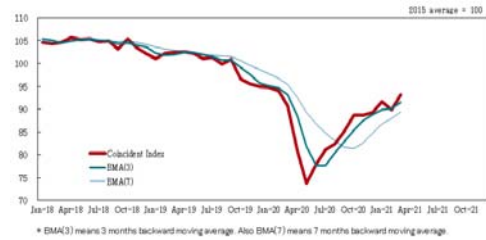
Business analysts are beginning to suspect the changes to businesses and society brought on by the pandemic could be long lasting or possible irreversible. The structure of the business sector in Japan, as elsewhere, is becoming more polarised.

On the one hand digitalisation and work-from-home demand have boosted the performance of some companies on the other hand the transportation, restaurant and tourism sectors have been devastated. There is a growing view that even after the pandemic is controlled structure of industries will alter.

Despite the severe situation the country finds itself in the Cabinet Office insists that Japan's economy is "improving" based primarily on a rebound in exports.

See: https://www3.nhk.or.jp/nhkworld/en/news/20210503_03/

Indices of business conditions, March 2021



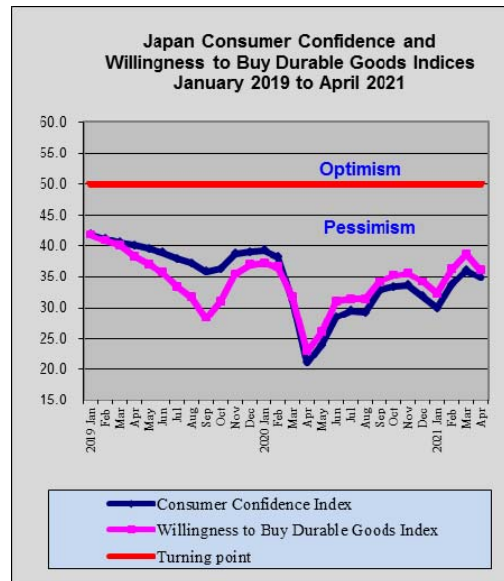
Source: cabinet Office, Japan

Big drop in household spending

The latest government data shows that year on year household spending surged in March marking the biggest single monthly gain in almost 2 years but this was not so startling as it appears as spending in March 2020 tumbled as the extent of the pandemic became known.

Data for April is not yet available but the new state of emergency in the big cities and restrictions elsewhere along with the slow and disorganised vaccination effort is bound to drive spending down again.

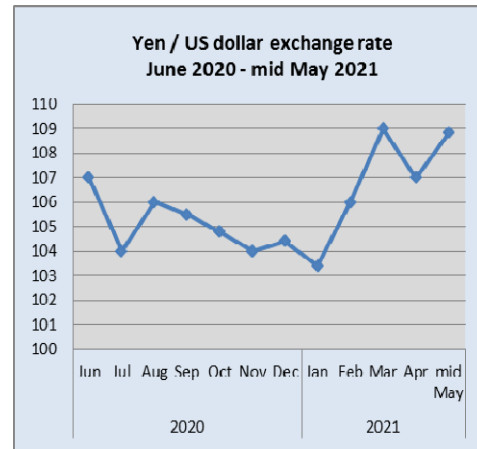
Analysts forecast the Japanese economy will have fallen into negative territory for the January-to-March period as consumer spending, a significant driver of growth, was impacted by the restrictions. Twelve research institutes released projections ahead of the official GDP announcement scheduled for 18 May all estimate negative annualised growth.



Data source: Ministry of Finance, Japan

Early end to US stimulus would impact yen/dollar exchange rate

The US dollar firmed to over yen 109.65 in early May as there were growing concerns over inflation in the US and that this may signal an earlier than expected end to US stimulus spending which was set to be wound down in the final quarter of this year. Analysts now suspect this could happen earlier.



Fast widening income gap impacting housing market

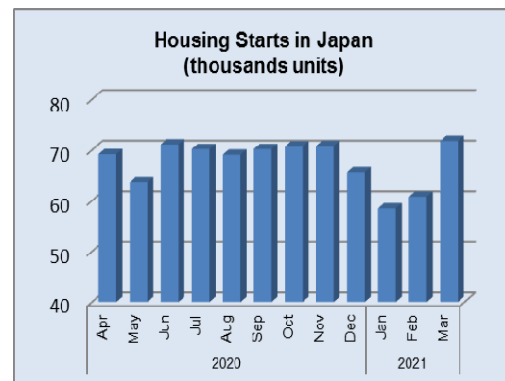
Economists in Japan talk of a K-shaped recovery to explain parts of the economy are improving while others are not and this is illustrated with house prices.

In Japan house and apartment prices in city centres are rising, driven up by high income earners but have been declining in outlying suburbs as middle and low income earners are keeping out of the market or, for those worst affected by the economic impact of the pandemic, even having to sell their homes.

A fast widening income gap is emerging between high-income earners and non-regular employees especially those in the food and service sectors as such workers have been the hardest hit by the loss of jobs and wage cuts. While prices of expensive condominiums in urban centres are rising but prices for inexpensive single-family homes in outlying areas are falling as a result of weak demand.

Nationwide, average home prices over the past 6 months fell 6% from a year earlier and home sales fell 14% reflecting the impact of the pandemic.

See: <https://asia.nikkei.com/Spotlight/Datawatch/Japan-s-K-shaped-recovery-emerges-in-home-prices-amid-COVID-crisis>



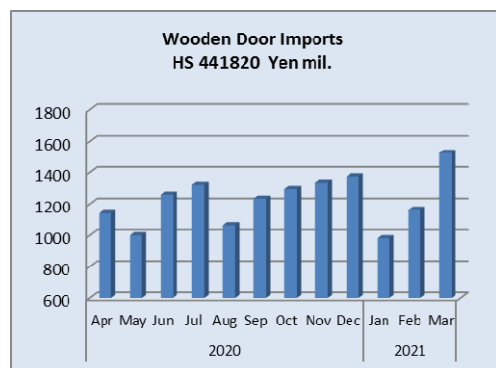
Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Import update

Wooden door Imports

Japan's first quarter 2021 imports of wooden doors (HS441820) were up 5% on the same period in 2020 but are still 20% below the value of first quarter 2019 imports.

In March 2021 manufacturers in China and the Philippines provided most (87%) of Japan's wooden door imports with manufacturers in Indonesia providing a further 5% share of March imports. Shippers in China accounted for 62% of March door imports, up from levels in February. Most of the balance was shipped from Europe and the US. Year on year, March 2021 imports were 23% higher and month on month there was an over 30% increase in the value of wooden door imports.

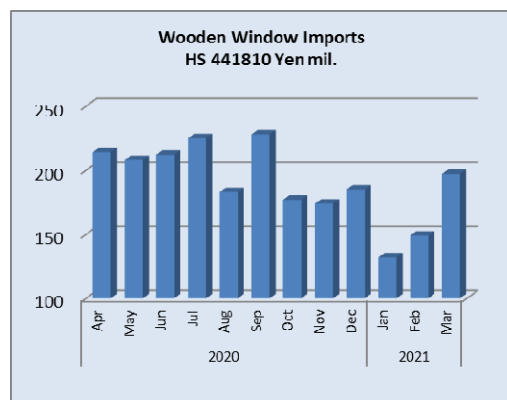


Data source: Ministry of Finance, Japan

Wooden window imports

The value of Japan's wooden window (HS441810) imports in the first quarter of 2021 was down 23% on the same period in 2020 and down a massive 40% on first quarter 2019 import values.

Year on year, March 2021 imports of wooden windows were down 12% but month on month there was a 32% increase in the value of imports. Three shippers, China (46%), the US (24%) and the Philippines (15%) accounted for most of Japan's wooden window imports in March 2021. The other significant shipper in March was Sweden which accounted for around 9% of imports.



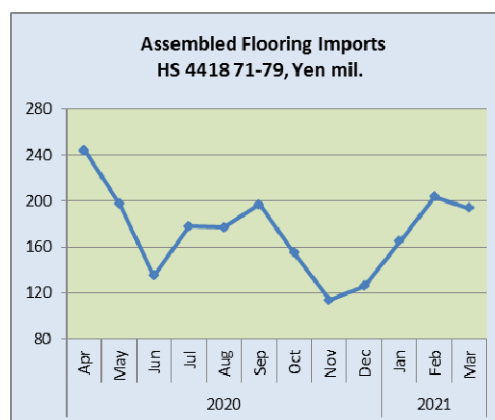
Data source: Ministry of Finance, Japan

Assembled wooden flooring imports

The value of Japan's first quarter 2021 imports of assembled wooden flooring (HS441871-79) was down 7% compared to the same period in 2020 and 2021 imports were 5% below that in the first quarter 2019.

Almost 60% of flooring shipments were of HS441875 with most coming from China and Malaysia. The second largest category of wooden flooring was HS441879 which accounted for just over 30% of all wooden flooring imports. In this case, Indonesia and the US were the main suppliers.

Year on year, the value of Japan's imports of assembled wooden flooring (HS441871-79) fell 7% and month on month there was a similar 7% decline in the value of imports. The March decline in flooring imports ended the 4 months of steady increases in the value of imports.



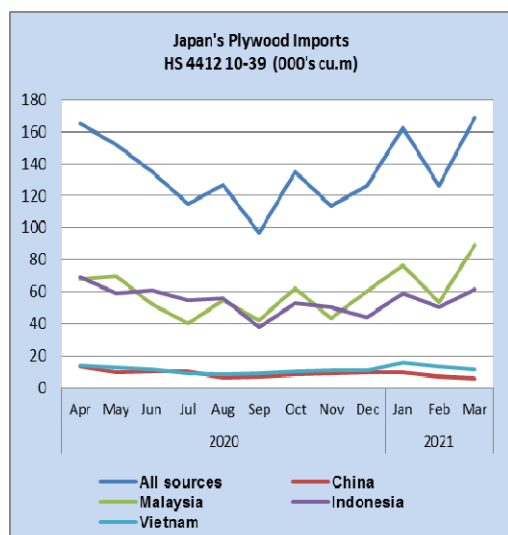
Data source: Ministry of Finance, Japan

Plywood imports

Japan's first quarter 2021 imports of plywood (HS441210-39) were down 8% on the same period in 2020 and were down 11% on the volume of first quarter 2019 imports.

After a sharp drop in the volume of plywood imports in February there was a correction in March which saw the level of imports jump over 30% compared to February with most of the increase being the result of higher shipments from Malaysia, up almost 70% on February shipments. Shipments of plywood from Indonesia, the second largest shipper in March also increased but shipments from Vietnam and China each declined in March compared to levels in February.

Of the various categories of plywood imports HS441231 accounted for 91% of March 2021 imports with HS441234, the second highest category.



Data source: Ministry of Finance, Japan

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

		China	Malaysia	Indonesia	Vietnam
2019	Jan	14	91.2	66.4	11.9
	Feb	11.1	85.3	75	4.2
	Mar	4.4	70.1	61.2	9.8
	Apr	11.4	94.2	65.9	8.5
	May	12.4	61.8	48.9	10.6
	Jun	9.3	59.6	62.8	11.3
	Jul	9.8	65.1	59	12.1
	Aug	12.1	61.8	68.9	11
	Sep	10	53	62	12
	Oct	10.6	66.3	72	12
	Nov	13.1	69.5	68.1	12.6
	Dec	13	74.4	57.4	14
2020	Jan	13.4	61.1	81.6	17
	Feb	6.8	72.2	63.8	9.5
	Mar	5.8	76.5	73	12.2
	Apr	13	68	69	13.6
	May	9.6	69.7	59	12.6
	Jun	10.3	52	61	11.3
	Jul	10.2	40	54.9	8.9
	Aug	6.6	55	56	8.4
	Sep	6.8	42.2	37.8	8.7
	Oct	8.3	62.4	52.7	10.1
	Nov	8.6	43.1	50	10.9
	Dec	9.2	60.5	43.9	10.8
2021	Jan	9.7	76.9	59.3	15.7
	Feb	6.8	53.5	50.1	13
	Mar	5.7	89.4	61.5	11.5

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

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

For the JLR report please see:

https://jfpj.jp/japan_lumber_reports/

A third wood shock hits Japan

The first wood shock in early 1990s was triggered by environmental issues and the prices of imported wood products soared. The second wood shock occurred in 2006 when Indonesia restricted timber harvests.

Now Japan is suffering the third wood shock with unprecedented supply shortage and sky-high prices. Reasons are demand expansion of the U.S.A. and China, which push the wood products prices higher. Another reason is shortage of containers, which causes delayed shipments.

The extreme supply shortage dried up inventory in the distribution channels and dealers are desperately looking for substituting materials.

To supplement shortage of imported wood products, demand rushes to domestic wood which market is climbing fast. This is abnormal situation as there is no products available regardless of the prices. One of major precutting plants started reducing taking orders by 10% since April because it realises that necessary building materials are not available.

The Japan Laminated Lumber Manufacturers Association warned that the manufacturers are facing extreme difficulty to obtain lamina with unexperienced high prices so the manufacturers may have to reduce the production by 20% after May. One of major laminated lumber manufacturers, Timberam has already taken curtailment program since April with 25% lower production.

Market of structural laminated lumber peaked in 2018 then it had kept falling. With COVID 19 pandemic, the prices of whitewood laminated post were down to about 1,750 yen per piece and redwood laminated beam prices were about 50,000 yen per cbm delivered but considering high cost of lamina, redwood beam prices should be 80,000 yen and whitewood post should be 2,500 yen per piece.

In the second half of last year, demand recovered steeply in China and the U.S.A. while Japan market remained dormant so purchase power by Japan dropped relatively. As a result, offers for Japan declined.

Container shortage caused delayed shipments. This delayed shipments for the suppliers. Even when the cargoes are ready for shipments they sit at loading ports so for the suppliers are now reluctant to look for containers and ship for Japan.

Even loaded containers hung up at transshipment ports like Shanghai and Pusan so Japan market runs out inventory of imported wood products. Delayed shipments mean order balances of suppliers increases then suppliers reduce new offers.

In 2020, world economy seemed to stagnated by COVID 19 pandemic but China succeeded to contain corona virus spread and the economy recovered steeply in the second half of the year. The U.S.A. record low mortgage interest rate and house quarantine stimulates housing market and the lumber market shot up sky-high.

In short, Japan is left behind from world market. Not only North American and European products but the prices of log and lumber from Russia, New Zealand and Chile soared after January of 2021.

New forestry basic plan

The Forestry Policy Council of the Ministry of Agriculture, Forestry and Fishery discussed new forestry basic plan. In this, total wood demand forecast in 2030 is 87,000,000 cbms, 5,000,000 cbms more than 2019 in which domestic wood demand 42,000,000 cbms, 11,000,000 cbms more than 2019.

Measures to stimulate low reforestation are necessary and to revise registration system of harvest and reforestation.

Present policy was approved by the Diet in May 2016. Revised plan is made by May 2021, aiming approval of the Diet in June after collecting public comments. The plan is base to acquire necessary budget. Use of domestic timber in 2025 of 40,000,000 cbms set by present plan is unchanged then in 2030, the volume further increase by 2,000,000 cbms.

By use, 19,000,000 cbms for lumber, 6,000,000 cbms increase. Judge in from the fact that the increase in five years during 2014 to 2019 was only 1,000,000 cbms, this target seems unrealistic. Total wood demand of 79,000,000 cbms in 2025 by the plan is surpassed actual demand already so target in 2025 increased to 87,000,000 cbms. Increased demand is mainly fuel, which majority is imported materials.

Therefore, percentage of domestic wood in total demand would be 46% in 2025 and 48.3% in 2030. Present plan estimates the percentage in 2025 is 50.6%.

For target of 2030, domestic wood supply is 42,000,000 cbms. Thinning is 450,000 hectares, 80,000 hectares more than 2018. Reforestation is 70,000 hectares, 40,000 hectares more. Estimated number of workers engaged in forestry in 2020 are 43,000.

Assuming the same number of workers is maintained in 2030, increased work load can be digested by improved efficiency but it is doubtful that the same number of workers can do reforestation and underbrush cleaning, which areas are doubled from present base.

Actually, it is estimated that number of forest workers in 2030 would drop down to 38,000 so it is necessary to train workers, who can do both harvest and reforestation.

Heating up of domestic lumber market

In Tokyo market, lumber market prices are abnormally soaring. Supply shortage of everything of imported and domestic wood products stimulate both actual demand and speculative demand and large demand pushes the prices up rapidly.

Particularly in auction market, where actual lumber is available at the spot, bidders are swarming for limited supply and On April 7, cedar post prices surpassed cypress post at 80,000 yen, which is absolutely insane and sawmills are asking buyers to calm down since this is unwilling development. High prices do not increase the supply volume.

In Tokyo market, lumber price increase has started since last March since imported wood products decrease sharply and the prices are soaring then things get hotter in April. KD cedar 3 meter 105 mm post square prices are 65,000 yen and KD cypress 105 mm sill lumber prices are 75,000 yen. They are about 7,000-10,000 yen higher than March and higher prices pop up in auction markets.

In auction market on April 7, auction started with 60,000 yen on 3 meter 105 mm KD cedar post square then bidding shot up to 80,000 yen in short time. Successful bidder's price of 3 meter KD cypress 105post square is 68,000 yen and 76,000 yen on 4 meter cypress 105 mm sill square. Prices on others like green lumber are also climbing largely.

In March, main purchase was speculative since everybody thought purchase now before the prices go sky-high but now purchasers actually need lumber now. Sellers are out of control.

Meantime, precutting plants set the prices quarterly basis for house builders so present prices on KD cedar post are 50,000-55,000 yen and cypress KD sill square are 60,000-65,000 yen. It is certain that the prices jump up in next round.

Log prices are also bullish and further increase is certain toward rainy season.

Sudden increase of orders of plywood

There are increasing orders on domestic softwood plywood in recent weeks despite demand slow season.

The manufacturers' plywood inventory has been very low and in late March one plywood mill suffered fire damage so that the production dropped.

From beginning of the year, demand for cedar logs has kept growing due to short supply of imported wood products so that cedar log prices climbed steeply.

Many plywood mills will stop the operation for about ten days for maintenance of the mill when there are series of holidays in early May.

Plywood manufacturers proposed higher price of 950 yen per sheet delivered on 12 mm 3x6 panel since April 1 because of high cost of cedar logs and tight inventory.

Precutting plants were inattentive to plywood supply in the first quarter since precutting orders were slow despite sharp drop of supply of North American and European wood products in January and February. Plywood manufacturers have been taking production curtailment program to avoid excess supply so the inventory at the end of February was 103,000 cbms, only 0.4 month of normal monthly shipment.

Demand for domestic logs climbed to replace short supplied imported wood products so the demand increased all over Japan and log prices increased by 20% everywhere. In particular, log prices are very firm in the Western Japan, where stock of cedar is relatively low so every users scramble cedar logs. On March 20, one plywood mill in the Eastern Japan had fire accident and the production will be less in April.

Now precutting plants started worrying about possible supply shortage of plywood like imported products so they are hurriedly procure plywood before thing get critical as demand busy season is approaching.

South Sea (tropical) logs

South Sea log market in Japan is quiet. After major user of South Sea logs stopped the operation, log demand sharply declined and other log users are switching to use veneer instead or other planted species. Lumber demand of South Sea species is also stagnating as demand like truck body is not active.

Chinese made laminated free board prices are climbing as prices of raw materials like Russian red pine and New Zealand radiata pine are climbing. Indonesian mercusii pine free board prices are also climbing but the demand in Japan is inactive so once purchase activities slow down, upward move by the suppliers may simmer down.

There is some demand for natural wood decking of South Sea species but the volume is very small.

Price increase of decorative plywood

Base board of decorative plywood is South Sea hardwood thin plywood mainly from Indonesia. The supply of Indonesian plywood has been declining and the prices are soaring. There is no possibility of recovering and the supply shortage may become critical in June.

Daishin Plywood in Niigata stopped the operation and one of Indonesian plywood plants lost JAS qualification. These two make supply situation much worse.

By prolonging supply tightness and continuous climb of prices of thin plywood, base board is switched to MDF and particleboard but 40% of decorative plywood base is thin plywood from Indonesia yet. There are other base board like domestic softwood and planted species but there is strong demand of South Sea plywood for moisture resistance.

However, shortage of South Sea plywood is critical now a days. Price of South Sea plywood base product is almost double of MDF base product. 70% of the cost of decorative plywood is base board. 2.5 mm 3x6 plywood prices are 25% higher than April last year and it would be nearly 40% by May.

Marutama Plywood in Hokkaido raised sales prices of decorative plywood by more than 10% since April 21. Sumitomo Forestry Crest Co., Ltd. (Nagoya) raised the prices by 10-20% since March. Kutok Corporation (Osaka) will increase the prices by 15-20% since May 21. Marufuji Kenzai (Saitama Prefecture) consider higher prices since May.

Loss of Daishin Plywood is big blow for the manufacturers as Daishin used to produce small volume of special size products. There is no other plywood mills doing such custom order manufacturing. Switching to MDF base board will progress more but MDF's cost is also getting higher due to higher import wood chip and adhesive.

Tie-up for utilisation of domestic wood

Three house builders tie-up and formed Japan Wood Housing Association to promote using domestic wood. Sanei Architecture Planning Co., Ltd (Tokyo), Open House Co., Ltd. (Tokyo) and KI-star real estate co., Ltd. (Saitama prefecture) are collaborating to change building materials from imported materials to domestic wood.

Three companies are builders of unit built for sale. Purpose of the Association is supply of high quality house, preservation of forest by using domestic wood and build system to supply domestic wood products stably in volume and price.

Sanei will build about 2,000 units in 2021 and switch all the building materials to domestic wood products since May. Post is cedar laminated, beam is larch laminated, sill is KD cypress, stud and brace are KD cedar and taruki is cedar LVL. KI builds about 4,000 units built for sale and percentage of domestic wood is about 70%. Since April, it plans to build 100-200 flat ordered units with 100% domestic materials.

Open House supplies mainly three stories units, which is difficult to use all domestic wood in terms of strength so it will change to two stories units. It builds about 9,000 units a year and 20-30% will be two stories unit.

Handling of domestic wood differs by the company so each will try to change to domestic wood in possible parts.

The group's annual wood consumption is about 33,000 cbms and it is considering to plant trees in the North East Japan to establish cycle of planting, nursing, harvesting and use of planted wood.

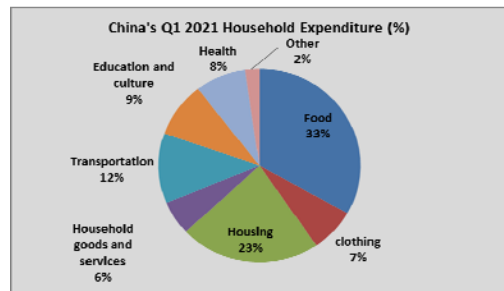
China

Household income and consumption in the first quarter of 2021

China's National Bureau of Statistics has reported that in the first quarter of 2021 the average per capita disposable income was 9,730 yuan, an increase of almost 14% year on year maintaining an upward trend. The per capita disposable income of urban residents was 13,120 yuan, an increase of 12% while that of rural residents was 5,398 yuan, an increase of 16%.

See:
http://www.stats.gov.cn/english/PressRelease/202104/t20210419_1816562.html

In the first quarter 2021 average per capita consumption was 5,978 yuan, up almost 18% year on year. Expenditure on housing accounted for around was 1,345 yuan, an increase of 9% year on year and accounted for 22.5% of Q1 per capita consumption. Expenditure on other goods and services increased of 24% and accounted for 2.3% of all expenditure.



Data source: National Bureau of Statistics, China

Real estate development in the first quarter 2021

In the first quarter 2021 real estate investment increased by 25.6% year on year. First quarter investment in residential properties increased almost 29% year on year and investment in land by real estate development enterprises increased 17% year on year and average prices also increased by the same amount.



Source: National Bureau of Statistics, China

Policies aimed at cooling the housing market appear to be working as price increases have slowed in Shanghai and Beijing. The China daily has commented that there was firm demand in the major cities during the Labour Day holiday, an indication that homebuyers prefer living in the country's top-tier cities.

See:
<http://epaper.chinadaily.com.cn/a/202105/06/WS609333e9a31099a234355e92.html>

Radiata and kauri plywood not sanctioned by US

The US government has announced that radiata pine and kauri plywood products manufactured in China can be exported to the US. Also, China's laminated veneer lumber (LVL) is not subject to US anti-dumping and anti-subsidies policies.

This kind of LVL is defined as: a product with a length of not more than 2450mm, a width of not more than 50mm and a thickness of not more than 50mm used for door stiles and rails.

See: <https://www.chinafloor.cn/news/diban/news-484949.htm>

Rapid growth of furniture industry in Nankang

Furniture manufacturing is a pillar of the economy in Nankang District, Ganzhou City in Jiangxi province and the rapid growth of the sector that began in 2016 continues. The Nankang furniture industry cluster expanded output from RMB100 billion to RMB200 billion in 4 years. It is forecast that the output value will exceed RMB500 billion in three to five years and the cluster will become a significant force in the international market in the near future. In order to achieve the development target of RMB500 billion for furniture industry, the following opinions and suggestions are put forward:

- Leader groups, expert groups and core enterprise development groups will be established to further promote the rapid realisation of the development target.
- Leading furniture enterprises should be strengthened to drive investment in industrial development.
- Policies for intelligent manufacturing should be formulated to promote industrial transformation.
- Raw material inputs and output should be diversified.
- Policy support should be provided to promote the building of the Nankang Furniture Brand Pavilion to improve sales and brand awareness.

Nankang is promoting the establishment of a Nankang Furniture University to create a talent pool to support the sustainable development of the furniture industry.

See: <https://new.qq.com/omn/20210409/20210409A00NVM00.html>

In other news from Nankang, it has been reported that furniture makers in the district are, for the first time embedding smart chips in the vertical furniture surface to facilitate identification in support of blockchain technology. The chip allows customers may know all information on the furniture product such as production and processing, logistics distribution, product sales and raw materials.

The debut of intelligent chips will further enhance brand influence and added value and strengthen the competitiveness of Nankang furniture products.

See: https://m.thepaper.cn/baijihao_12459216

Rise in China's wooden door production but exports drop

According to the Market Prosperity Index for China's wooden doors in 2020, due to the influence of Chinese New Year factors combined with the COVID-19 epidemic, the index from the first to the second quarter 2020 was trending down. However, in June, with the resumption of production, the gradual recovery of the consumer market and increasing demand for large-scale projects, the index became positive.

The total value of China's wooden door output rose 3% to RMB157 billion in 2020. Among the various categories of doors the share of engineered doors increased significantly. Online sales of wooden doors in 2020 increased 50%.

The value of China's wooden door exports fell 8% year on year to US\$589 million in 2020. The top six provinces with export values of more than US\$30 million were Guangdong (US\$131 mil.), Zhejiang (US\$119 mil.), Liaoning (US\$110 mil.), Shandong (US\$87 mil.), Fujian (US\$62 mil.) and Jiangsu (US\$37 mil.).

There was a 9% rise in exports from Fujian Province and an 18% increase in Jiangsu Province but the value of wooden doors exports in Guangdong, Zhejiang, Liaoning and Shandong fell.

The top 6 export markets for China's wooden doors in 2020 were the US (23%), Japan (14%), Hongkong (13%), UK (7%), Canada (4%) and Romania (4%).

See: <https://house.huanqiu.com/article/42PQAIK7CNt>

Rise in wood product exports in Hulunbuir City

According to Manzhouli Customs, in the first quarter of 2021, the volume of wood product exports from Hulunbuir City was 3,287 tonnes valued at US\$3.937, up 22% in volume and 36% in value. The products were exported to Japan, South Korea and Germany and included mainly wooden disposable chopsticks, wooden doors and window frames and wooden multilayer panels.

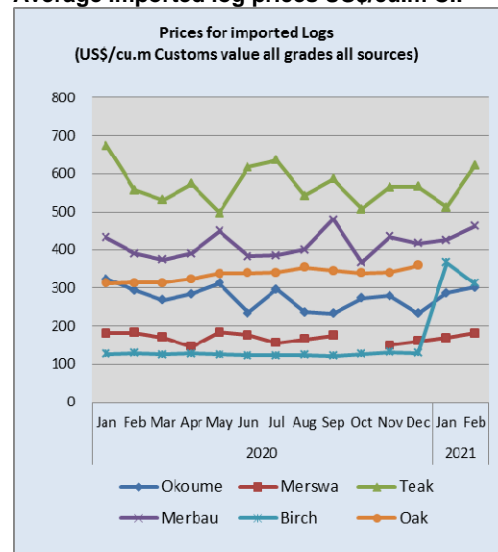
See: https://www.sohu.com/a/463641393_121089594

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

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

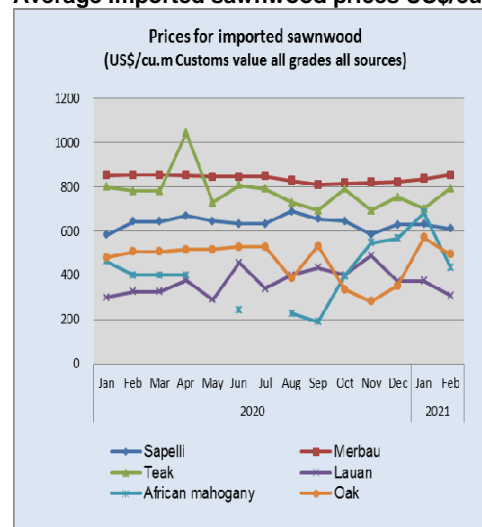
Data source: China Customs. Customs value all grades, all sources

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



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

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



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

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

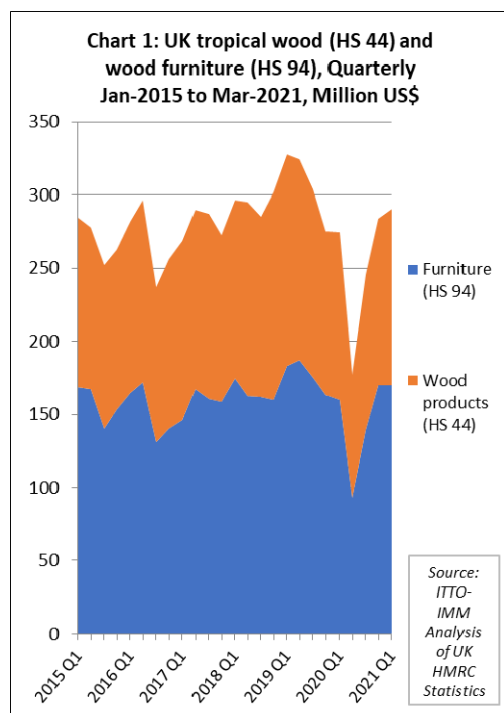
	2021	2021
	Jan	Feb
Sapelli	632	612
Merbau	835	853
Teak	702	794
Lauan	374	308
African mahogany	684	438
Oak	571	496

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

Europe

UK tropical wood imports recover ground despite supply challenges

The UK imported tropical wood and wood furniture products with a total value of US\$290 million in Q1 2021, a 2% increase compared to the previous quarter and 6% up on Q1 2020 (even before the effects of the COVID pandemic were being felt - Chart 1).



The strong performance in the first three months of this year reflect both a robust rise in consumption in the UK, supported by strong government stimulus measures, and the late arrival of delayed shipments from the previous year. The rise occurred despite severe logistical problems that have emerged in shipment of tropical wood products to the UK since the start of the pandemic.

After GDP in the UK fell 10% in 2020, the largest annual decline for around 300 years, the latest economic figures are much more encouraging.

In early May, the Bank of England (BOE) upgraded its 2021 growth outlook for the UK to 7.25%, up from 5% as forecast in February.

The brighter economic forecast comes as the country gradually emerges from lockdown and more people are vaccinated against Covid. It follows a drop in first-quarter UK GDP of 1.5% — shallower than expected at a time when the country was again in lockdown — and as restrictions on economic activity ease and Covid infections in the U.K. continue to decline.

Reflecting on these developments, the BOE said second-quarter GDP in the UK would likely “rise sharply,” while economic output was expected to recover to pre-pandemic levels through the remainder of the year. It had previously said the UK economy would recover to pre-pandemic levels in the first quarter of next year.

The forecast of strong economic recovery is bolstered by a very large fiscal stimulus. On 6 May, the BOE’s Monetary Policy Committee voted to hold interest rates steady at an all-time low of 0.1% and maintain its quantitative easing program at existing high levels (targeting asset purchases of £895 billion, equivalent to US\$1.2 trillion).

The UK construction sector, the leading driver of timber demand in the country, has recovered particularly strongly. According to the IHS Markit/CIPS UK Construction Purchasing Managers Index (PMI), construction activity has expanded in ten of the past eleven months, with January 2021 the only exception.

UK construction companies signalled a strong increase in output volumes in April, with continued recoveries seen in civil engineering activity, commercial work and house building. The PMI posted 61.6 in April, down only fractionally from March’s six-and-a-half year peak of 61.7 (any figure above 50.0 indicates an overall expansion of construction output). Workloads in April were boosted by the fastest rise in overall new construction orders since September 2014.

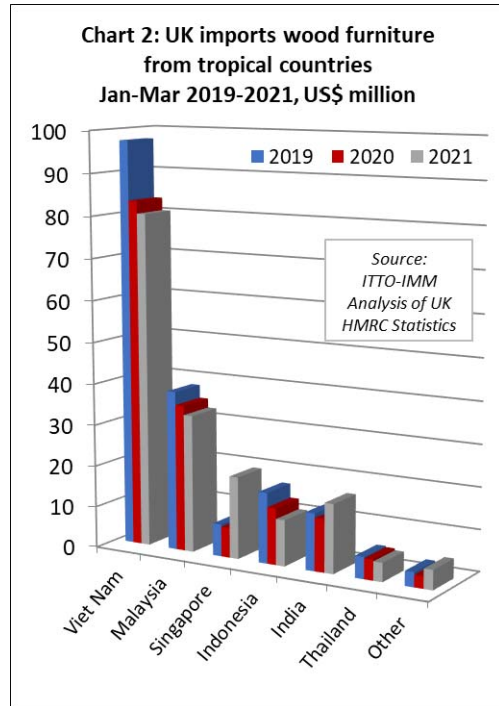
Such is the strength of demand for construction materials in the UK at a time when supply is extremely tight that prices and delivery times are rising rapidly. The PMI shows that the rate of increase in construction sector input costs in April picked up for the seventh month in a row to its highest level since the survey began in 1997.

The latest lengthening of suppliers’ delivery times was also the third-greatest since 1997, exceeded only by those seen during the lockdown in April and May last year. Construction firms mostly cited demand and supply imbalances, but some suggested that Brexit issues had led to delays in material arrivals from the EU.

UK wooden furniture imports from Singapore fill supply gaps

Overall the UK imported USD170 million of tropical wood furniture products in Q1 2021, the same level as the previous quarter but 6% more than Q1 2020.

Compared to Q1 2020, imports were down from all three of the leading tropical supply countries to this market; Vietnam (-4% to USD80 million), Malaysia (-6% to USD33 million) and Indonesia (-19% to USD11 million). In contrast, imports from Singapore, at USD20 million, were over three times larger than the same period last year (Chart 2).



The size and direction of UK imports of tropical wood furniture continue to be heavily influenced by lack of freight space. The rise in imports from Singapore is due to there being more container space available from Singapore than elsewhere in South East Asia.

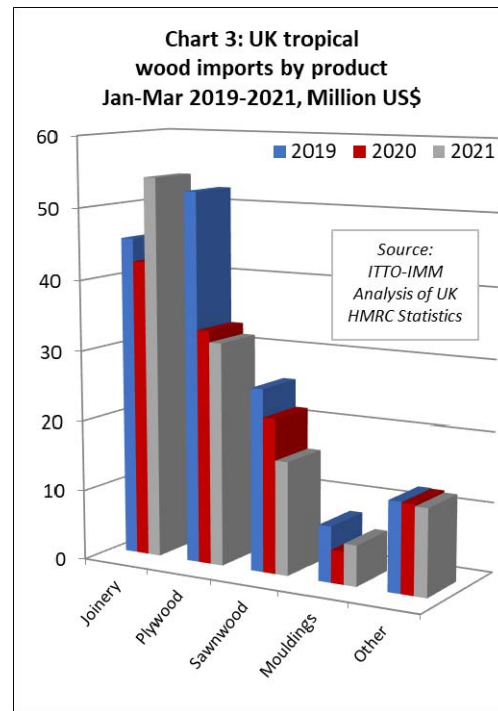
Although all countries worldwide have suffered from lack of access to containers, the problem has been particularly severe in the UK where ports have become severely congested following the country's departure from the EU single market at the start of this year.

The problem is so acute that shipping lines have been trying to drive down demand from British importers by charging a premium for deliveries to the UK or bypassing the country's ports altogether. A recent report by the BBC notes that one shipping line recently offered freight rates of US\$12,050 for a 40ft container from China to Southampton but charged just US\$8,450 for the same container to travel from China to Rotterdam, Hamburg, or Antwerp.

"Most of the carriers just don't want UK cargo because of the issues when the vessels dock, so mainly they're favouring European ports and we are having to truck containers over," said freight forwarder Craig Poole, quoted by the BBC. He said that adds a cost of up to £2,000 per container and takes an extra seven to ten days to reach the delivery point in the UK.

UK tropical wood imports rise 5% in first quarter 2021

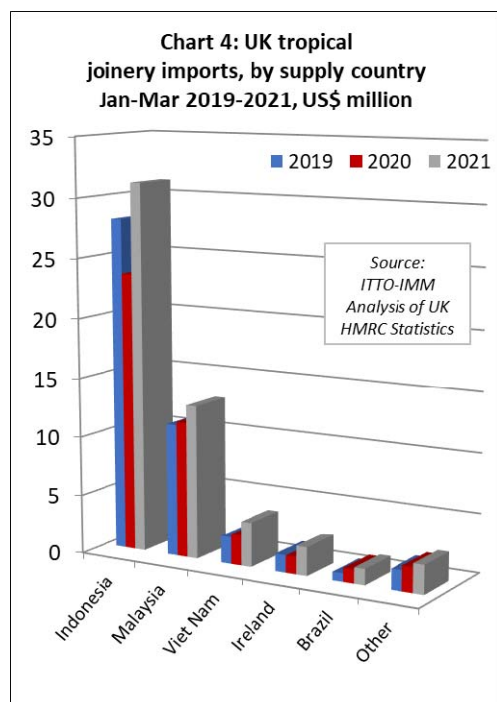
UK imports of all tropical wood products in Chapter 44 of the Harmonised System (HS) of product codes were USD120 million in Q1 2021, 5% more than both the previous quarter and Q1 2020.



Compared to Q1 2020, UK imports of tropical joinery products increased 28% to USD54 million while imports of tropical mouldings/decking increased 24% to USD6 million. These gains offset a 5% decline in tropical plywood imports, to USD32 million, and a 26% decline in tropical sawnwood imports to USD16 million (Chart 3 above).

After the sharp dip in UK imports of tropical joinery products during the first lockdown period in Q2 2020, imports have progressively built momentum. Imports from Indonesia, mainly consisting of doors, were USD31 million in Q1 2021, 20% more than the previous quarter and a 33% gain compared to Q1 2020.

UK imports of joinery products from Malaysia and Vietnam (mainly laminated products for kitchen and window applications) also made strong gains in Q1 2021. Imports from Malaysia were USD13 million in the three month period, 16% more than the previous quarter and 13% up on Q1 2020. Imports of USD4 million from Vietnam were 44% more than the previous quarter and 47% up on Q1 2020 (Chart 4).



In Q1 2021, the UK imported 64,000 cu.m of tropical hardwood plywood, 7% less than the previous quarter but 1% more than the same period in 2020. Imports from the UK's three largest suppliers of tropical hardwood plywood – China, Indonesia and Malaysia – have followed very different trajectories this year (Chart 5).

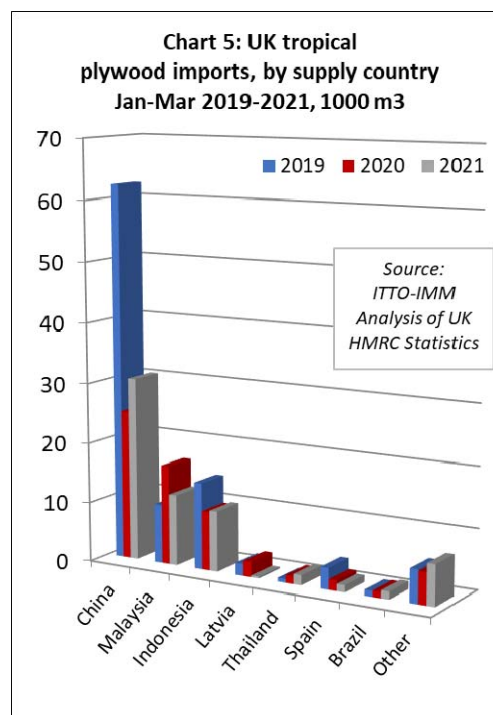
The UK imported 31,000 cu.m of tropical hardwood faced plywood from China in Q1 2021, down 2% compared to Q4 2020 but a gain of 23% compared to Q1 2020. Imports from Indonesia also made gains in Q1 2021, rising 27% against the previous quarter and 3% against the same quarter in 2020 to 10,100 cu.m.

In contrast, imports of 11,800 cu.m from Malaysia in Q1 2021 were 27% down on Q4 2020 and 29% less than Q1 2020.

As with other hardwood product groups, UK demand for tropical hardwood plywood has been strong this year, driven by high levels of construction activity and shortages of competing materials, and the main market challenges have been on the supply side.

While Chinese hardwood plywood suppliers are reported to have generally returned to pre-pandemic production levels, some manufacturers in Indonesia and Malaysia are reported to be still struggling.

“One of our leading Malaysian suppliers is still only at 50% of normal production due to safe distance work practices and so many staff being in isolation,” said an importer. The severe difficulties of obtaining freight space and increased competition for supplies from buyers in the US, where demand is also extremely strong, is adding to UK supply difficulties out of Asia.

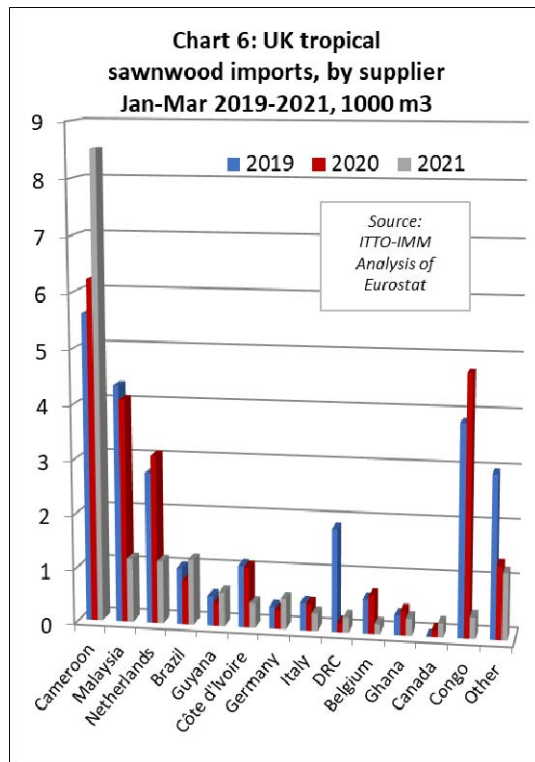


After falling sharply in May and June last year, UK imports of tropical sawnwood strengthened between July and December but the momentum slowed in the first quarter of 2021. UK imports were 16,600 cu.m in Q1 2021, 31% less than the same period in 2020 and 20% less than Q4 2020.

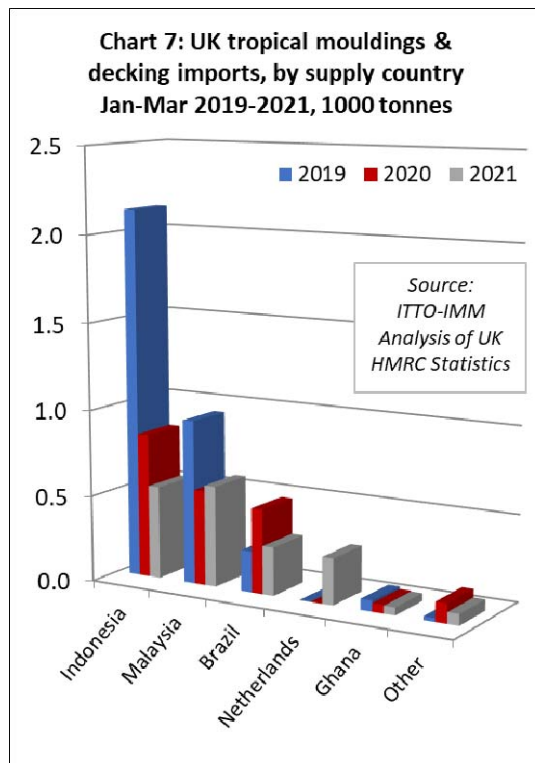
Imports from Cameroon continued to rise in Q1 2021, at 8,500 cu.m 3% more than Q4 2020 and 37% more than Q1 2020. Imports from Brazil were 1,200 cu.m in the first quarter this year, 21% more than the previous quarter and 47% up on Q1 2020.

However, these gains were insufficient to offset a big decline in UK imports of tropical sawnwood from elsewhere. Imports from Malaysia were 1,200 cu.m in Q1 2021, 70% less than Q4 2020 and 71% less than Q1 2020. Imports from Côte d'Ivoire were no more than 500 cu.m in the first quarter of this year, 60% less than the same period in 2020 and 33% down on the last quarter of 2020 (Chart 6).

Indirect UK imports of tropical sawnwood from other EU countries also fell dramatically in the opening months of this year, a sign of the immediate detrimental effects of the UK's departure from the EU single market on 1st January. Total UK imports from EU countries were 2,800 cu.m in Q1 2021, 47% less than Q1 2020 and 40% down on Q4 2020.



UK imports of tropical hardwood mouldings/decking performed only marginally better than tropical sawnwood in Q1 2021. Total imports of 1,800 tonnes were 7% up on the previous quarter but 13% less than Q1 2020. Imports of 500 cu.m from Indonesia were 36% less than Q1 2020 and 44% down on Q4 2020.



Imports of 300 cu.m from Brazil were 41% up on Q4 2020 but 43% down on Q1 2020. However these losses were offset by a rise in imports from Malaysia which, at 600 cu.m were 46% more than Q4 2020 and 6% up on Q1 2020 (Chart 7 above).

Upward correction in African prices may be here to stay

Market reports presented to the National Hardwood Division of the UK Timber Trade Federation (TTF) on 12 May suggest that recent price increases for African sawn hardwood may represent the “correction that has been expected for some time” and be here to stay.

The reports also highlighted that extreme shortages of container space have led to the first breakbulk shipments of Asian meranti and keruing lumber into the UK for nearly 30 years, while the UK is also experiencing a “massive shortage” in supply of Indonesian bangkirai decking which has led to rising interest in Brazilian hardwood alternatives.

The TTF report on the African hardwood trade noted that relative to rapid and large price hikes for hardwoods sourced from the US, the Far East and Europe since the start of the pandemic, “Africa, as is often the case, had been slow to catch on and had not been subject to the same levels of market volatility”.

The report goes on to note that “lead times between contracting and shipping product from this region is one reason for this. Contracts placed back in 2020 are still shipping and consequently the full reality of new price levels are not yet being felt in the market place and may not be for some time. But rest assured they are coming!”

The report highlights that global demand for species such as Sapele, Sipo and Iroko, accompanied by production delays and logistical difficulties, have been such that many African mills placed a moratorium on taking new orders in late March and throughout April this year.

“Placing new business now that will ship in 2021 is a challenge and late shipments are leading to shortages in some product in the market. The few mills with capacity to take orders which can be produced and shipped relatively quickly are taking advantage with high premiums being requested”, according to the TTF report.

While African processors have been slower to respond than elsewhere, “over the course of the last couple of months Africa is now starting to catch up. 10% increases in shipping dry Sapele and Iroko have been felt within the space of this period, which considering the previous 12 months saw a cumulative increase of roughly 5%, is a steep jump. Sipo and other redwoods such as Khaya and Tiama are replicating this trend”.

On other African species, the TTF report notes that “Framire is proving increasingly challenging to source due to a lack of raw material in the forest while even species such as Ayous and Okoume are limited in supply.

This is in part due to the fact that consumer markets are seeking new alternatives to their customary products such as Poplar because of lack of supply”.

The TTF report stressed the severe impact of the pandemic on hardwood production costs and volumes in Africa: “it is always a challenge in the region to maintain machinery and obtain spare parts but with the logistical issues and travel restrictions resulting from the Covid Pandemic, this challenge has been exacerbated many times over.

Mills that have had breakdowns in key production facilities such as kilns, head saws and boilers have simply not been able to get the replacement parts or the technicians to install them. The result of this is that many mills are not running at anything like full capacity, and this is unlikely to change for some time”.

The TTF report on Africa concludes by suggesting that “while the global timber market is likely to see price corrections in product from other source areas, the recent increases in Africa may well be the correction that has been in the making for some time. Less availability of primary species in the forest, fewer producers to buy from, increased costs and a growing global demand mean that the price increases we have recently seen, and will continue to see this year, are very likely here to stay”.

The TTF report on South East Asian hardwoods highlighted that in the past 5-6 months there was a 4-5 fold increase in container freights from the region which at one stage (during Dec/Jan) virtually halted shipments of South East Asian hardwood products to the UK.

Since Chinese New Year, with rates unchanged but relatively stable, many buyers re-negotiated contracts with their South East Asian suppliers to allow goods to be shipped at the new freight rates.

The TTF report also notes that UK buyers of West Malaysian meranti and keruing lumber and some finished hardwood products recently took advantage of the first breakbulk vessel to load hardwood for the UK in almost 30 years: “that vessel is about 2 weeks off and we will see how well [the UK port of] Tilbury handle what will be a challenging range of timber products packaged in a form the dock workers are not used to”. A second breakbulk vessel destined for the UK is expected to be loaded in Malaysia during June.

According to the TTF report, freight costs of the breakbulk shipments from Malaysia to the UK are about USD150/170 per cu.m compared to container rates currently anywhere between USD280/cu.m and USD 460/cu.m depending on where the goods are loading and what volume can be loaded in a container.

The TTF report notes that “many buyers are buying Meranti and Keruing Lumber on a forward basis and we have seen FOB prices rising, but nothing like the increases we have seen from other supplying regions. It is very likely that DRM [dark red meranti] and keruing volumes will (during 2021) be the same or less than last year.

This is in part due to Covid but also due to the Federal Government placing volume extraction restrictions, so time will tell if there is sufficient lumber coming onto the market in the summer”.

The TTF report also highlights the severe lack of bangkirai decking in the UK market which was “initially due to the freight hikes at the beginning of the year but, it seems, in the past 3 months or so, due to suppliers selling UK bound stocks to other markets at a time when the availability of (replacement) logs and lumber suddenly dried up”.

The number of Indonesian mills offering bangkirai for sale to UK importers is now very restricted and the few offers being made are “at prices about 50% higher than where they were back in December which has led to significant interest in cheaper Brazilian Decking species”, according to the TTF report.

TTF ramps up communication on benefits of tropical timber

The UK TTF is ramping up a communications campaign which aims to enhance customer and specifiers awareness to the benefits of FLEGT-licensed tropical timber as a safe, legal, and responsible method of timber use ahead of the rescheduled COP26 UN Climate Change Conference now due to be held in the UK in November.

It has launched “Conversations about Climate Change”, a design competition, exhibition, and event series, showcasing thought-provoking designs using responsibly sourced tropical timber.

The virtual exhibition can be accessed online at: (https://www.buildingcentre.co.uk/whats_on/conversations-about-climate-change-the-virtual-exhibition).

According to the TTF, their FLEGT project “works to tackle stereotypes around tropical timber, educating audiences on the benefits of specifying and including FLEGT in procurement policies as a holistic approach to responsible, sustainable timber”.

The TTF notes that engaging with designers, architects, and craftspeople on the benefits of FLEGT-licensing has been really well received. “When it comes to communicating complex conversations, we took the approach that the best mechanism is to start designing with it – to showcase the beauty and unique properties of tropical hardwoods, the encompassing benefits to countries engaging in FLEGT, and to trace the story back from there”.

With further Foreign Commonwealth & Development Office (FCDO) government funding, the TTF FLEGT Project is planning a further design initiative, with an exhibition to coincide with COP26 in November, promoting FLEGT and highlighting the environmental significance of forests and timber.

The TTF has also begun plans for the construction of a timber pavilion at COP26 and the creation of a wider communication programme with other FCDO grantees and

is seeking to “bring together all willing VPA FLEGT countries to develop a joint tropical timber manifesto and agenda”. This will focus on “FLEGT and tropical hardwoods and will include advocacy of zero tariffs for FLEGT-licensed products”.

TTF aims to continue FLEGT communications after COP26 to “ensure changes initiated remain on the climate agenda, with enhanced promotion of FLEGT to specifiers in Europe and the UK. Further educational work includes additional e-learning modules for national associations on FLEGT, sustainable forest management and timber legality/sustainability”.

To find out more email: lbedry@tff.co.uk

North America

US tropical hardwood imports soar

After two months of declining volumes, imports of sawn tropical hardwood rose by 79% in March withal most every type of wood showing gains. Because of newly implemented US Department of Agriculture categorisations beginning this year that no longer count ipe and jatoba imports toward these totals, imports from most countries appear to have dropped sharply from last year.

However, a closer look at the data suggests imports are actually well ahead of last year. For example in March, imports from Brazil rose 750%, imports from Cameroon nearly quadrupled and imports from Ghana and the Republic of the Congo each doubled.

While officially the USDA totals for the tropical imports category show year-to-date imports down 40% from last year, the data on the imports of various types support the notion that imports are actually up in 2021.

Imports of sapelli more than doubled from February to a level 31% higher than last March. Imports of acajou d’afrique more than tripled to a level 24% higher than March 2020. And imports of ipe and jatoba also rose sharply and are 61% and 81% higher, respectively, than last March. If ilpe and jatoba are counted, imports are actually up 60% in March and are ahead of 2020 by 13% year to date.

In Canada, imports of sawn tropical hardwood rose 8% in March, but are down 25% year-to-date. Canada’s imports from the United State, while gaining in March, are down sharply so far this year.

Hardwood plywood imports are flat in March

US imports of hardwood plywood were flat in March, declining by less than 1%. The volume coming in from Ecuador, Cambodia, China, and Russia all rose while imports from Indonesia and Malaysia contracted.

Despite the March decline, imports from Indonesia are up 62% year-to date over 2020. Imports for the year so far are up 19% from this point last year.

Veneer imports stumble

After an encouraging gain in February, US imports of tropical hardwood veneer fell back to the weak level seen in January. Imports fell 38% in March to a level 45% below that of the previous March. Year-to-date imports are down 27% through March. Imports from Italy, which lately have been extremely uneven from month to month, were almost non-existent in March and are down over 50% for the year so far.

A rise of nearly 200% in March imports from Cameroon and a gain in imports from India of more than 300%, helped mitigate some of the loss. Even with the March gains, imports from both India and Cameroon are down 37% year to date.

Q1 2021 veneer imports (% change year on year)

Total	-27%
Italy	-51%
China	-20%
Ghana	58%
Cote d’Ivoire	150%
Cameroon	-37%
India	-37%
Other	-7%

Data source: US Census Bureau, Foreign Trade Statistics)

Hardwood flooring imports reach highest level in nearly two years

US imports of hardwood flooring soared 32% in March to its highest level since May 2019. Imports from Malaysia more than tripled in March while imports from Indonesia more than doubled. Imports from Brazil also remain strong. Through March, year-to-date imports from Brazil are up 222%, taking market share away from China and Indonesia.

Imports of assembled flooring panels also rose markedly in March, up 23%. Imports from Indonesia and Vietnam were both up by more than 60% and are both about double last year’s dollar amount through the first quarter of the year. Imports from Thailand were up by more than 400% in March but are still 11% behind 2020 year to date. Imports from China, which had been doing well so far this year, dropped by 49% in March, but were still ahead 64% year-to-date. Overall imports are up 38% over last year through the first quarter.

Q1 2021 assembled flooring imports (% change year on year)

Total	38%
China	64%
Canada	3%
Indonesia	96%
Vietnam	105%
Thailand	-11%
Brazil	-100%
Other	25%

Data source: US Census Bureau, Foreign Trade Statistics)

US moulding imports edge up

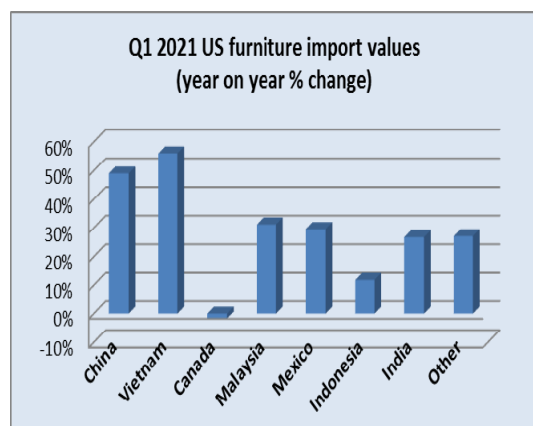
US imports of hardwood moulding rose 5% in March due to increases in imports from Brazil and Canada. Imports from Brazil gained 40% in March but were still less than that of March 2020. Imports from Canada were up 19% and are ahead 12% through the first quarter.

Meanwhile, imports from China and Malaysia were both down sharply. Imports from China were down 38% in March and are down about the same through the first quarter. Although imports from Malaysia fell 26% in March, they remain ahead 15% year-to-date through March. Overall imports are up 8% year-to-date.

US wooden furniture imports back to over US\$2 billion

After a long run of gains was broken in February, US imports of wooden furniture picked up again in March, gaining 18%. Imports climbed back above the US\$2 billion mark for the month reaching US\$2.05 billion.

Imports are up 39% over 2020 year to date through the first quarter. Except for China, which only saw 2% growth, imports from all major supplying countries rose by more than 10% in March. Imports from Vietnam were up 20% in March and are ahead by 56% year to date versus 2020.



Data source: US Census Bureau, Foreign Trade Statistics)

Meanwhile, the overall US furniture market continues to deal with supply backlog concerns. New orders in February were up 34% over February 2020, marking the 9th straight month of large double-digit percentage increases, according to the latest Smith-Leonard survey of residential furniture manufacturers and distributors.

New orders were up for 94% of survey participants. While shipments were up 18% over February 2020 and are now up 13% year-to-date, new orders again exceeded shipments. This led to more growth in backlogs, up 5% over January and a whopping 184% over February 2020.

Cabinet Sales Surge

Cabinet sales were up 25.2% in March 2021 compared to February, according to the Kitchen Cabinet Manufacturers Association's (KCMA) monthly Trend of Business Survey. Custom sales were up 21.5%, semi-custom sales up 20.3%, and stock sales increased 29.6%.

Participating cabinet manufacturers reported continued surges with overall cabinet sales up 17.9% for March 2021 compared to the same month in 2020. Custom sales are up 19.1%, semi-custom increased 20.3%, and stock sales increased 16.1%.

See: https://www.kcma.org/news/press-releases/march_2021_trend_of_business_press_release

US switches gears, removes Vietnam from list of currency manipulators

The US Department of Treasury has removed Vietnam from its list of currency manipulators, which could indicate that under President Biden the US might not apply tariffs or other restrictions on the country's imports due to currency concerns.

In October under the Trump Administration, the Office of the US Trade Representative (USTR) initiated a Section 301 trade investigation onto Vietnam, believing the country might be importing illegally harvested or traded timber. The USTR also investigated whether the country was intentionally undervaluing its currency.

The investigation concluded last month, with the USTR finding that Vietnam was devaluing its currency and that US commerce was being harmed as a result. The Treasury Department also had claimed the country was intentionally devaluing its currency. But now, for the four quarters ending in 2020, the Treasury said it could not find evidence that Vietnam manipulated its exchange rate.

See: <https://e.vnexpress.net/news/business/economy/us-removes-vietnam-from-currency-manipulator-list-4264278.html>

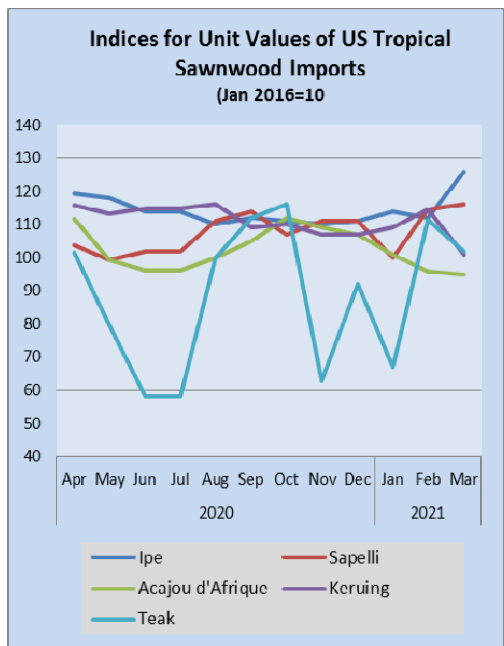
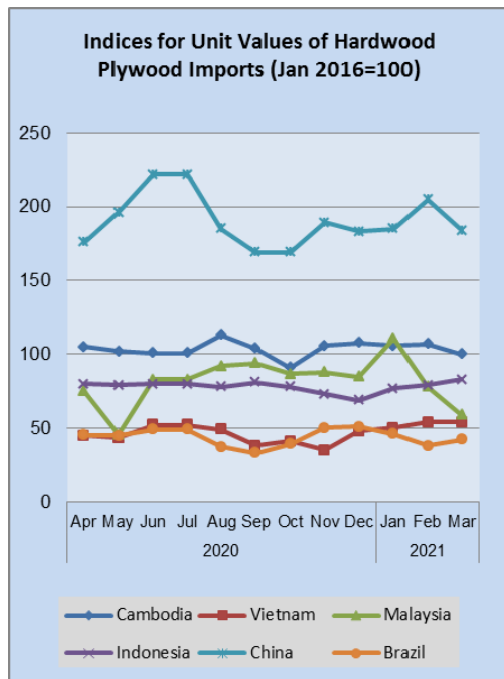
Home builders call for removal of tariff to ease US lumber shortage

Among widespread reports of soaring lumber prices forcing up the price of housing in the US, the National Association of Home Builders (NAHB) is calling on the Biden administration for some relief. NAHB Chairman Chuck Fowke has urged the White House to "temporarily remove" the current 9% tariff on Canadian lumber "to ease price volatility."

Fowke also asked the White House to "bring together interested stakeholders to hold a summit on lumber and building material supply chain issues to identify the causes and solutions for high prices and supply constraints."

In one of the first shots fired during the Trump trade wars, the previous administration hit Canada in April 2017 with tariffs of up to 24% on lumber. Late last year, the Trump administration slashed those tariffs to 9%. An NAHB analysis states that surging lumber prices alone have pushed the price of an average new single-family home US\$35,872 higher.

See: <https://nahbnow.com/2021/05/lawmakers-urge-action-on-lumber-u-s-trade-rep-to-push-for-solutions-to-the-lumber-pricing-issues/>



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

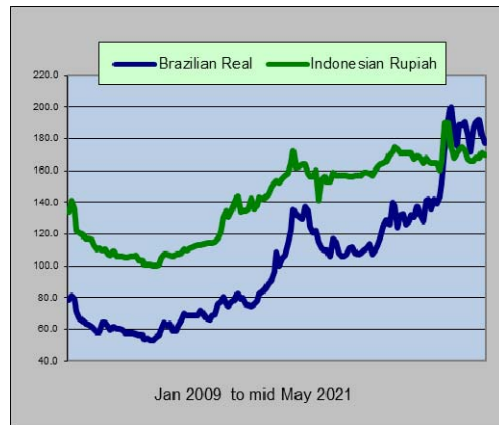
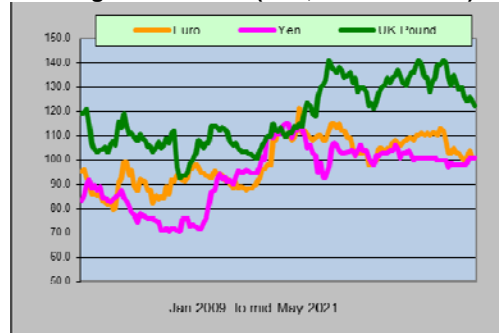
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO

Dollar Exchange Rates

As of 10 May 2021

Brazil	Real	5.2247
CFA countries	CFA Franc	539.04
China	Yuan	6.4166
Euro area	Euro	0.8244
India	Rupee	73.466
Indonesia	Rupiah	14198
Japan	Yen	108.84
Malaysia	Ringgit	4.1075
Peru	Sol	3.62
UK	Pound	0.7084
South Korea	Won	1116.83

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

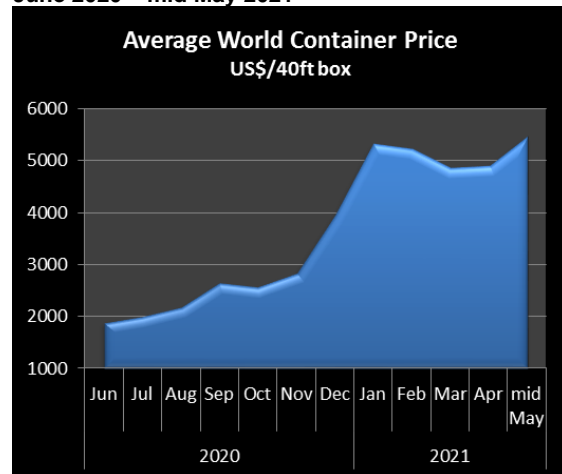


Abbreviations and Equivalences

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

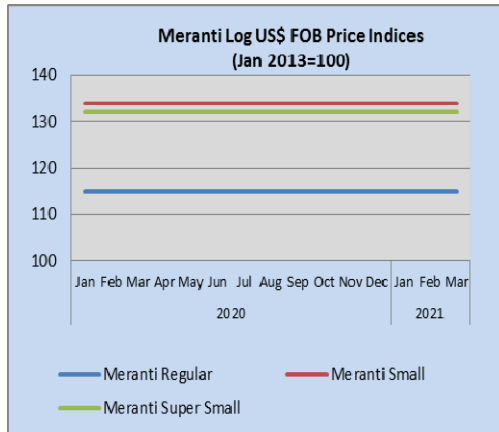
June 2020 – mid May 2021



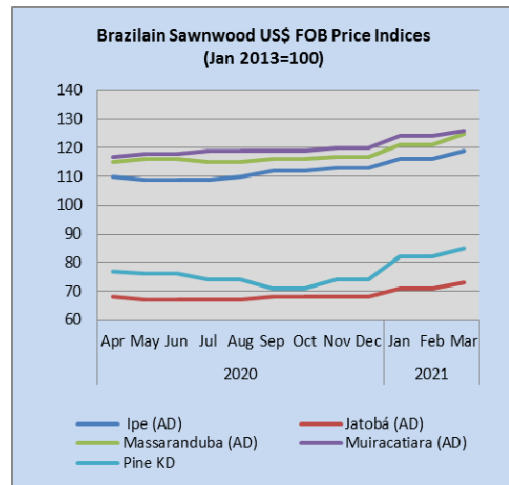
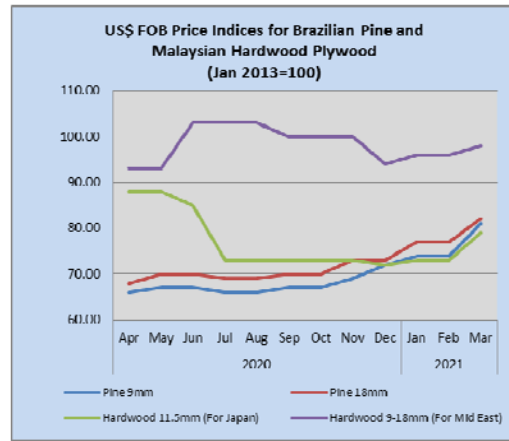
Data source: Drewry World Container Index

Price indices for selected products

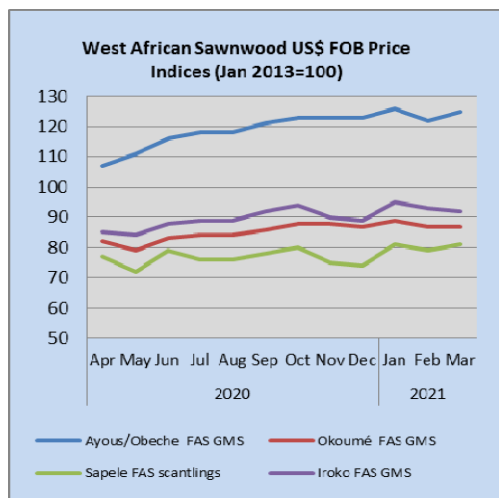
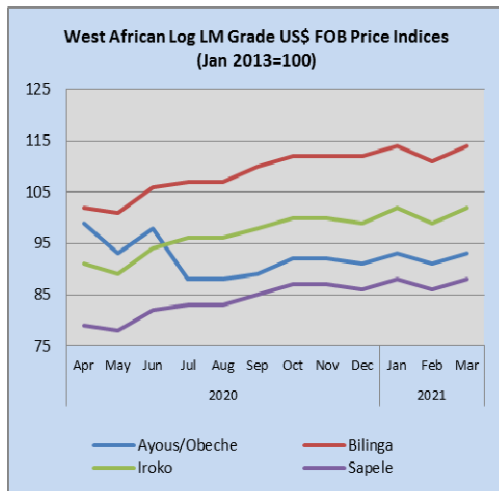
The following indices are based on US dollar FOB prices



Note: Sarawak logs for the Japanese market



Note: Jatobá is mainly for the Chinese market.



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