Tropical Timber Market Report

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Contents

Headlines

Top story

Vietnam's tropical timber imports

Vietnam imports around 1.5 million cubic metres (rwe) of tropical timber annually from mainly Africa, Papua New Guinea, Laos and Cambodia.

Over 250 different timbers are imported in log form with almost 100 species coming from Africa.

Data on imported species, local names, volumes and sources derived from Vietnam's General Department of Customs records and analysed by VIFOREST and trade Associations with support from Forest Trends is presented.

Note: The Latin names in the original lists provided by Vietnam have not been checked for spelling.

See pages 10- 15 for the species lists

Central and West Africa

Exporters say redwood prices have eased

Producers report demand is stable but uninspiring with little prospect for any significant pick-up as western country markets head into the Christmas and New Year holiday season. Prices for some of the species popular in Europe have eased, with the redwoods such as khaya and sapelli and even padauk being affected because stocks in Europe of these timbers are adequate.

Demand from Middle East and Asian buyers is said to be stable. Chinese buyers are still looking for Kevazingo/bubinga along with belli, okan, okoume and ayous.

Bar code tracking for kevazingo

It has been reported that in Gabon all timber exports must pass through either the special zone (GSEZ) or from SNBG facilities and only if the shipment has the appropriate bar-code allowing tracking from the forest to the mill and to container stuffing.

No transport of kevazingo is permitted unless the consignment has been inspected and the bar-code verified. On inspection and hammer stamp of the sawnwood the Minister authorisies transportation.

Only further processed kevazingo timber can be exported but there is concern that demand for kevazingo furniture parts or assembled furniture is not strong.

There have been reports of mills producing thick, planed and polished thick kevazingo 3-4 m length slabs and exporting these as desk tops.

Companies are still having large stocks of harvested kevazingo logs in their concession areas which can only be sold to SNBG or mills in the GSEZ.

It has been reported that the Ministry of Forests is planning to issue regulated price for kevazingo.

Comments on Congo Basin certification

ATIBT has released a report dealing with comments received from stakeholders during public consultations on the forest management certification standard of the PAFC Gongo Basin Scheme.

The ATIBT says "The development process of the PAFC CB forest certification standard sparked enthusiasm among forest management stakeholders who provided more than 300 comments. Comments from PC1 mainly focused on definitions, social aspects, logging operations, wildlife management aspects, environmental impact studies aspects, carbon stocks and greenhouse gas emissions."

See: https://www.atibt.org/en/news/12897/comments-received-from-stakeholders-during-public-consultations-on-the-forest-management-certification-standard-of-the-pafc-congo-basin-scheme-pafc-cb

Nigerian rosewood exports attracts wrath of CITES

A press release from CITEs after the Sochi meeting says "The Committee also reviewed compliance issues in the Democratic Republic of the Congo (DRC), where considerable progress had been made since the matter was last discussed late in 2017, in particular to address high levels of illegal trade.

However, the DRC is still having difficulties to put the proper mechanism in place to ensure that authorised exports are sustainable and was requested to strengthen its Scientific Authorities by building capacity and allocating sufficient modern resources for making the necessary scientific studies to determine how much can be traded without threatening the survival of the species in the wild.

On the trade in rosewood from Nigeria the Committee said "Since the beginning of 2018, Nigeria has authorised the export of over 180,000 cu.m of Dalbergia to China and Vietnam without first making sure that these exports will not threaten the survival of the species.

The Committee decided to recommend suspension of commercial trade in this timber until Nigeria has made a non-detriment finding for the species in the country.

See: https://cites.org/eng/news/CITES-annual-meeting-sees-States-stepping-up-action-against-the-over-exploitation-of-precious-timber-and-other-species_05102018

log export prices

West African logs	FOB Euro per cu.m		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	265	265	175
Ayous/Obeche/Wawa	250	250	225
Azobe & ekki	275	275	175
Belli	280	280	-
Bibolo/Dibétou	215	215	-
Bilinga	275	275	-
Iroko	300	280	225
Okoume (60% CI, 40% CE, 20% CS) (China only)	220	220	220
Moabi	350	350	275
Movingui	180	180	-
Niove	160	160	-
Okan	200	200	-
Padouk	250	230	200
Sapele	260	260	200
Sipo/Utile	260	260	230
Tali	300	300	-

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	540
Okoumé FAS GMS	460
Merchantable	310
Std/Btr GMS	320
Sipo FAS GMS	500
FAS fixed sizes	-
FAS scantlings	520
Padouk FAS GMS	640
FAS scantlings	675
Strips	320
Sapele FAS Spanish sizes	450
FAS scantlings	480
Iroko FAS GMS	600
Scantlings	660
Strips	350
Khaya FAS GMS	480
FAS fixed	540
Moabi FAS GMS	620
Scantlings	640
Movingui FAS GMS	420

Ghana

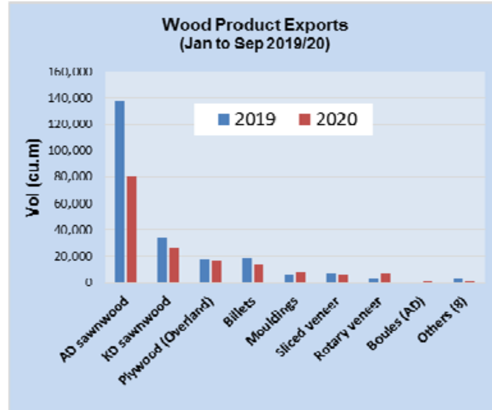
Timber exports drop to 159,000 cu.m in 9-months

Ghana's wood product export volume for the first three quarters of 2020 was well below that of the same period in 2019. The total volume shipped in the first three quarters of the year was 159,432 cu.m, against the 229,239 cu.m recorded for the same period in 2019, a decline of just over 30%.

The Timber Industry Development Division (TIDD) report showed that of the sixteen products exported only three rotary veneer, air-dried boules and mouldings registered significant volume increases in 2020 over the previous year while the others plummeted.

Air-dried sawnwood (80,247cu.m), kiln-dried sawnwood (26,470 cu.m), plywood to regional markets (16,460 cu.m), billets (13,555 cu.m) and mouldings (7,719cu.m) were the leading products which together accounted for 91% of the total export volume (159,432cu.m).

Export revenues dropped to Eur81.39 million in the first three quarters of 2020 from Eur116.08 million in 2019. This was attributed to low demand in those countries which experienced lockdowns. However, while export volumes fell, the overall average unit price for all wood products in the January to September period was up slightly on the previous year.



Data source: TIDD

Promoting LKS exports

Ghana's wood product exports are largely of timbers that are in demand in traditional markets. The range of species exported is small and harvesting of just a few species, along with uncontrolled bush fires, has led to a decline in the country's forest resources and in some cases species have become extinct.

Against this background the Bolsa Verde Do Rio De Janeiro (BVRio) in collaboration the TIDD and other stakeholders organised a training workshop to educate and promote the marketing of Lesser Known Timber Species (LKTS). The objective was to sensitise industry players on some 20 LKTS which have been identified as alternatives to the traditionally demand timbers.

According Dr. Luke Anglaare from the Council for Scientific and industrial Research of the Forest Research Institute of Ghana (CSIR-FORIG), research had shown that some selected LKTS were of superior quality to the traditionally known species and should be promoted to international markets.

See: https://www.myjoyonline.com/news/national/stakeholders-dialogue-to-promote-lesser-known-timber-species/

World Bank to support private tree plantations

Private tree plantation growers from small and medium scale organisations in the country could soon receive financial assistance for reforestation of degraded forest reserves.

Musah Abu Juam, from the Ministry of Lands and Natural Resources (MLNR) said the government is close to securing a US$7 million grant from the World Bank for plantation establishment in degraded forest reserves. The promotion of private sector participation in forest plantation development is included in the 2012 Forest and Wildlife Policy.

See:
https://www.myjoyonline.com/business/agribusiness/government-to-roll-out-7million-small-scale-plantation-fund-to-support-private-tree-growers/

Major push on non-traditional exports

The Ghana Export Promotion Authority (GEPA) is formulating a new National Export Development Strategy (NEDS) to promote non-traditional exports (NTEs). The strategy is aligned to the government's industrialisation agenda.

The Chief Executive Officer of GEPA, Dr. Afua Asabea Asare, has advised businesses to take advantage of the African Continental Free Trade Area (AfCFTA) agreement to expand their markets. According to a 2019 GEPA report articles of wood such as charcoal, wooden cases/boxes and builders wood work are considered non-traditional products export of which would contribute to the GEPA earnings target.

See:
https://www.gepaghana.org/conference-on-implementation-of-afcfta-and-neds-held-in-kumasi-sunyani-damongo-and-techiman/

Boule export prices

	Euro per cu.m
Black Ofram	330
Black Ofram Kiln dry	420
Niangon	555↑
Niangon Kiln dry	650↓

Export rotary veneer prices

Rotary Veneer, FOB	Euro per cu.m	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	325	366↓
Chenchen	540	631
Ogea	443	590
Essa	543	611↓
Ofram	350	435

Export sliced veneer

Sliced face veneer	FOB Euro per cu.m
Asanfina	857
Avodire	573↓
Chenchen	950↓
Mahogany	1,035↑
Makore	871↑
Odum	667

Export plywood prices

Plywood, FOB	Euro per cu.m		
BB/CC	Ceiba	Ofram	Asanfina
4mm	348↑	580	641
6mm	412	535	604
9mm	377	446	560
12mm	516	476	480
15mm	450	338	430
18mm	450	441	383

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

Export sawnwood prices

Ghana sawnwood, FOB	Euro per cu.m	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	925
Asanfina	465	564
Ceiba	404	600
Dahoma	503	545↓
Edinam (mixed redwood)	520	583
Emeri	465↓	590
African mahogany (Ivorensis)	886	1,070↑
Makore	740	910
Niangon	590↓	656
Odum	649	917↓
Sapele	720	873↑
Wawa 1C & Select	426	420↓

Malaysia

The buzz in the business circles is the potential for multilateralism to drive a post Covid recovery. This buzz was the result of two important international gatherings, one hosted in Hanoi and the other in Kuala Lumpur.

37th ASEAN Summit hosted by Vietnam – RCEP signed

A Regional Comprehensive Economic Partnership (RCEP) agreement was signed by trade ministers from 15 participating countries on the side-lines of the 37th ASEAN Summit, hosted virtually by Vietnam. The 15 countries have a combined population of 2.2 billion, or nearly 30% of the world's population and account for almost 30% of global GDP.

The RCEP amalgamates and streamlines the existing ASEAN + 1 FTAs (which includes Japan, South Korea, China, Australia and New Zealand) into an inclusive and comprehensive agreement. ASEAN and the six FTA partners are significant trade and investment partners of Malaysia. A total of 62% of Malaysia's trade is with RCEP countries.

Significantly, 'rules of origin' continue to be an important issue in RCEP negotiations. Currently businesses in the region have to cope with multiple sets of 'rules of origin' to enjoy preferential tariff concessions under various ASEAN +1 FTAs.

APEC Summit hosted by Malaysia

Leaders from the Asia-Pacific Economic Cooperation (APEC) forum recently met virtually during an event hosted by Malaysia.

The negotiators cast aside differences to issue their first joint statement since 2017 pledging to deepen regional integration. They also agreed not to resort to protectionist measures so as to keep markets and borders open. APEC brings together Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russia, Singapore, Taiwan, Thailand and the US.

Sarawak 'Timber Master Plan' in the making

Sarawak's Deputy Chief Minister, Awang Tengah Ali Hasan, has indicated a Timber Industry Master Plan will be released to chart the direction of the timber industry. The Master Plan envisages that timber industries in the State will achieve export earnings of RM8 bil. by 2030. Up to September this year export earnings by the timber sector reached RM2.8 bil, a decline of 19% per cent compared to the same period in 2019.

The Master Plan will focus on planted forests as the main source of raw materials as a driver of new investment in advanced technology and automation for production of high value-added products.

The number of licensed timber mills in Sarawak declined to 382 between January and September this year compared to 406 mills in the same period last year. Total mill capacity dropped from 8.3 million cu.m/yr in January this year to 6.9 million cu.m/yr in September this year.

Plywood mill capacity dropped by 17% from 3.5 million cu. m/year to 2.9 million cu.m/year between January to September this year while sawmill capacity decreased from 3.6 million cu.m/ year to 3.1 million cu.m/year over the same period.

Veneer mill capacity also declined from 1.3 million cu.m/year to 0.8 million cu.m/year in January to September this year.

The number of workers directly employed in the timber industry fell by 18% from 27,532 in January this year to 22,647 in June this year.

Sabah plywood shipments in the first eight months (cubic metres)

	Jan - Aug 2019	Jan - Aug 2020
Rep. of Korea	42,109	38,418
USA	42,776	35,172
Japan	51,534	30,733
Peninsular M'sia	33,964	16,419
Taiwan P.o.C	12,600	10,434
Thailand	23,070	9,991

Indonesia

Encouraging business in 'Lightwood' products

In an effort to boost the domestic lightwood industry the Ministry of Trade held a Lightwood Cooperation Forum.
The Director General of Export Development in the Ministry of Trade said the country needs to change its image as a producer of commodity wood products to one known for innovation and sustainability.

If this can be achieved in parallel with Indonesia's Timber Legality Verification System (SVLK) markets will open around the world as Indonesia will have a competitive advantage over products from other countries.

Marolop Nainggolan, Director of the Export Development Cooperation, said lightwood can be a solution to support the production of sustainable wood products in the country.

See: https://www.validnews.id/Kemendag-Dorong-Ekobisnis-Komoditas-Kayu-Ringan--cIX

Business forum a success

The second Indonesia-Latin America and Caribbean (INA-LAC) Business Forum held in early November generated business deals worth over US$70 million. This was double that achieved last year according to Indonesia's Foreign Minister, Retno Marsudi.

Of the many products promoted the furniture and handicraft manufacturers did well as did those pushing food and beverages and coconut charcoal. The Ministry of Foreign Affairs, in collaboration with other ministries and agencies organises the INA-LAC forum to bring together Indonesian and the Latin American/Caribbean businesses.

See: https://en.antaranews.com/news/161008/ina-lac-business-forum-posts-agreements-worth-us7102-mln

In related news, the Indonesian Ambassador to Kuwait, Tri Tharyat, has urged Indonesian charcoal producers to explore the market for charcoal in Kuwait where people enjoy cooking on charcoal during family gatherings.

Developing economic stability for the forestry sector

In launching the 'APRIL2030' plan built around the 2020-2024 National Medium-Term Development Plan (RPJMN) in the fields of Environment, Disaster Resilience and Climate Change, the Coordinating Minister for Economic Affairs, Airlangga Hartarto, highlighted targets for sustainable forest development.

He explained that there are 3 three main issues that need to be addressed. The first is climate change and stakeholders in the forestry sector are expected to play an active role in climate change adaptation and mitigation, in promoting environmentally friendly industrial development and a focus on low-carbon outputs.

The second issue is environmental protection and preservation. The Minister called for wider adoption of reduced impact logging, biodiversity protection, management of conservation areas, development of environmentally friendly products, certification and forest fire prevention.

The final issue concerns community empowerment which he said can be achieved through community involvement in social forestry programmes.

See: https://www.liputan6.com/bisnis/read/4411187/pemerintah-soroti-3-isu-utama-bangun-ekonomi-berkelanjutan-di-sektor-kehutanan

Food estate programme in protected forests attracts criticism

A regulation from the Ministry of Environment and Forestry that allows forests to be converted to farmland to support the government's food estate programme has attracted negative comments according to the Indonesian Forum for the Environment (Walhi). The ministerial regulation on forest re-designation for food estate development allows forests in both protected and production areas to be converted into farmland.

The Regulation says that protected forest zones can be converted into Forest Zones for Food Security (KHKP) as long as the forest does not entirely function as a protected forest. Ministers, Governors, Heads of State Bodies, Regents and Mayors can request a permit from the Minister to convert both production and protected forests into KHKP.

See: https://www.thejakartapost.com/news/2020/11/16/food-estate-program-in-protected-forests-may-lead-to-massive-deforestation-walhi.html

Use domestic products for government projects to support domestic industries

The President has been urged to limit the use of imported goods for government projects if domestically made items are available.

The Chairman of the Indonesian Furniture and Crafts Industry Association (Himki), Abdul Sobur, has reported that the number of companies failing is still rising and this, along with weak demand, has resulted in jobs being shed. He pointed out that payment of social assistance, while vital for many, cannot replace the advantages from keeping businesses afloat.

Sobur explained that the majority of furniture and craft industry entrepreneurs are labor-intensive SMEs and are scattered across the country and have received little support while it is importers which have benefitted most from government procurement.

He said the government National Economic Recovery (PEN) budget of Rp 695.2 trillion should be used to support the local industry not to benefit importers.

Enny Sri Hartarti, economist at the Institute For Development of Economics and Finance (INDEF) attributed the low absorption of domestic products in government procurement to the Government Procurement Policy Institute (LKPP) which needs to make adjustments to its regulations.

See: https://nasional.kontan.co.id/news/selamatkan-industri-domestik-jokowi-diminta-mengerem-impor-untuk-proyek-pemerintah

Myanmar

Extension of Covid-19 preventive measures

The government has extended the country's COVID-19 preventive measures until December 15 as the number of cases continues to increase. The number of new cases spiked after the general election on 8 November with cases reaching a peak of 1,500 compared to 1,300 before the election. The government requested people to stay-home for two weeks from 21 November to 5 December.

Teak tender sales online

The Myanma Timber Enterprise (MTE) has announced an online tender sale of teak in a bid to maintain log supplies to processing plants. Recently, MTE tested the online bidding system for inn-kanyin logs.

The teak logs to be offered are made up of 715 tons of SG6/SG7 and 5,350 tons of other hardwoods. The online tender will be conducted 4 December 2020.

In other news the MTE announced the harvesting plan for 2020-21 showing the sharp decline on previous years. The plan is for 3,549 teak trees to be harvested (approx.4,000 tons) and 99,814 Trees (approx. 200,000 tons) for other hardwoods from five extraction agencies located in three Regions.

See: http://www.mte.com.mm/index.php/en/annoucements/1372-19-11-2020-2

FLEGT activities continue

In an online commentary U Myo Min, Advisor to the Myanmar Forest Products and Timber Merchants Association, talks about development of the FAO-EU FLEGT work programme. He writes; Since 25 September 2020 MERN has been facilitating Multi-stakeholder groups for development of the FAO-EU FLEGT work programme (2020-2021) by holding visual consultation workshops the whole states and regions of Myanmar.

See: http://mernmyanmar.org/states-and-regions-visual-consultation-workshops-for-development-of-fao-eu-flegt-work-programme-2020-2021/?fbclid=IwAR2yBkczSOwnlqgnKP1Ky2raEbp7jIrfpepxNGjY2U-AO0LPrJ4_Al-SvhU

With support of FAO, a number of key tasks and questions have been posed and priority actions to fulfill short-term and medium-term FLEGT objective have been identified at all state and region consultation workshops.

A national FLEGT workshop was held in November 2019 to reorient FLEGT work in Myanmar towards more concrete and attainable short-term and medium-term FLEGT objectives in support of strengthened forest governance.

It was agreed that FLEGT work should "help promote legal harvest according to the laws of Myanmar, focusing on public access to information on applicable legislation as defined in the EU Timber Regulation (EUTR), as well as other relevant information related to legal timber harvest – which are all necessary to allow to adequately assess the risk of illegally harvested wood or derived products entering the supply chain and to take adequate measures to mitigate these risks."

Investment policy review

With assistance from the Organization for Economic Cooperation and Development (OECD) Myanmar has published its second investment policy review which identifies reforms ranging from means to attract responsible investment, establishing special economic zones, strengthening the implementation of environmental impact assessments and fostering secure and well-defined land rights.

Among the recommendations it suggested the government evaluate the economic costs of the remaining restrictions on foreign participation in the financial, construction and retail distribution sectors. Also, it was suggested that an evaluation be made of the costs and benefits of the remaining restrictions on foreign investment in the manufacturing sector where there is no national defense or security issues.

Among several recommendations for promoting responsible business, it suggested the government boost transparency in Myanmar's extractive industries beginning with state-owned enterprises due to their importance to the economy.

The policy review also urges Myanmar to ensure that environmental considerations are included in early screening of proposed investments by the Ministry of Investment and Foreign Economic Relations (MIFER), the Ministry of Natural Resources and Environmental Conservation (MONREC) and other relevant ministries.

See:
(https://www.irrawaddy.com/news/burma/myanmars-second-investment-policy-review-urges-further-liberalization.html

Trade weakens as COVID-19 control measures bite

Myanmar's trade in the first five weeks of fiscal 2020-21 declined by about US$1.5 billion when compared to the same period of last year as a result of COVID-19. Despite the downward trend, the Ministry of Commerce has raised its trade target for the current fiscal year by US$1 billion to US$34.7 billion with US$16.2 billion in exports and US$18.5 billion in imports expected.

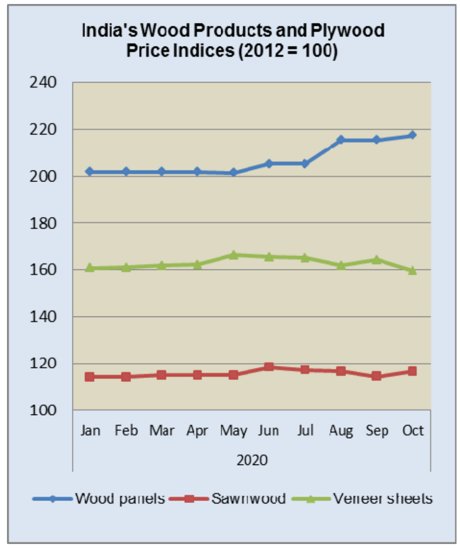
Exports have so far borne the brunt of COVID-19 but agriculture exports are on the rise, which aligns with the government's plan to boost trade this year. Myanmar is planning to invest in raising production of agricultural crops so as to raise exports to offset the decline in demand for garments.

India

Wholesale price indices for wood products

The Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade, has released wholesale price indices in India for the year to October 2020. In the second and third quarter there was a considerable rise in the price index for wood panels but prices for veneers dipped. The sawnwood price index fell slightly throughout the second and third quarter of 2020 but reversed direction in October.

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



Data source: Ministry of Commerce and Industry, India

India continues to seek exemption from rosewood trade ban

The Standing Committee of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) recently concluded its 70th meeting agreeing measures to achieve full compliance with international wildlife trade regulations.

The meeting held in Sochi, Russian Federation, attracted a record number of participants with over 700 representatives from more than 80 States and over 100 intergovernmental and non-governmental organizations.

On the sidelines of the meeting representatives of the Indian government and Indian rosewood importers discussed the ongoing efforts to have sustainably harvested India rosewood exempted from the current trade ban.

Demand for imported logs improves

The recent weakening of the US dollar against major currencies has given importers a boost and there has been a rise in imports of some wood products needed to satisfy the beginnings of recovery in demand in the Indian market.

Plantation teak shipments are now arriving and being distributed to traders and manufacturers as there are few restrictions on transportation now.

Plantation teak logs ex-Brazil

Girth cm	US$ FOB/Cu.m
70-79	341
80-89	372
90-99	415
100-109	450
110-119	484
120-129	553
130-139	570
140-149	614
150+	639

Plantation teak logs ex-Nicaragua

Girth cm	US$ FOB/cu.m
40-49	230
50-59	280
60-69	320
70-79	380
80-89	430
90-99	490
100-109	520
110-119	560
120-129	620
130-139	660
140-149	695
150+	730

Locally milled sawnwood

Demand for imported sawnwood is steady and the weakening of the US dollar has allowed replacement of stocks at favourable prices. Demand in the urban areas is beginning to recover but it is still in the rural areas especially the NE of the country is where demand is strongest.

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,000-4,200
Balau	2,500-2,700
Resak	1,750-1,950↓
Kapur	2,200-2,400↑
Kempas	1,550-1,750
Red meranti	1,450-1,550↓
Radiata pine	850-950↑
Whitewood	850-950

Price range depends mainly on length and cross-section of sawn pieces

Myanmar teak

The current rise in demand has pushed down available stocks which resulted in rising prices. As demand for Myanmar teak is concentrated among high net worth customers the prices increases have been accepted. As of the end of November imports from Myanmar are yet to resume.

Sawnwood (Ex-yard)	Rs. per cu.ft
Teak AD Export Grade F.E.Q.	15,000-22,000
Teak A grade	9,500-11,000
Teak B grade	7,500-9,000↑
Plantation Teak FAS grade	5,500-7,000↑

Price range depends mainly on lengths and cross-sections.

Sawn hardwood prices

There are signs of improvement in demand and importers have been taking advantage of amended export prices for US timbers.

Sawnwood, (Ex-warehouse) (KD 12%)	Rs per cu.ft.
Beech	1,700-1,850
Sycamore	1,800-2,000
Red Oak	2,000-2,200
White Oak	2,600-2,800↑
American Walnut	4,000-5,000↓
Hemlock STD grade	1,300-1,600↓
Western Red Cedar	2,300-2,450
Douglas Fir	1,800-2,000

Price range depends mainly on lengths and cross-sections.

Plywood

Production and sales are improving and mills are keen to raise panel prices as log costs are trending higher. In recent weeks mills with a good market share have secured modest price increases. Traders report demand for wood-plastic products is rising.

Labour issues still plague mills. Workers in factories in the north of the country are back at work but the resumption of work in the south of the country has been slow.

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	63.00
6mm	84.000
9mm	105.00
12mm	130.00
15mm	175.00
18mm	183.00

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	31.50	46.00
6mm	47.00	60.00
9mm	60.00	73.50
12mm	73.50	86.00
15mm	87.00	105.00
19mm	101.50	120.00
5mm Flexible ply	63.00	

2021 Delhi Wood

The 7th International Trade Fair for Furniture Production Technologies, Woodworking Machinery, Tools, Fittings, Accessories, Raw Materials and Products, 'Delhi Wood' will be held 4 - 7 March 2021. The organisers say 'Delhi Wood' is Asia's largest sourcing platform for furniture manufacturers, wood-based handicraft makers, sawmillers, craftsmen, woodworking professionals, builders, architects and interior designers in the region.

Highlights of DELHIWOOD 2019: 600+ Exhibitors, 12 Country pavilions/ Group participations, 40,000 square metres of exhibition space, 300 demos of woodworking machines, seminars and forums for businesses, workshops and interactive platforms for architects, interior designers and builders.

See: www.delhi-wood.com

Vietnam

Vietnam's tropical timber imports

Vietnam imports around 1.5 million cubic metres rwe of tropical timber annually accounting for about 30% of total log and sawnwood imports from all sources. Timbers imported into Vietnam are mainly from Africa, Papua New Guinea, Laos and Cambodia.

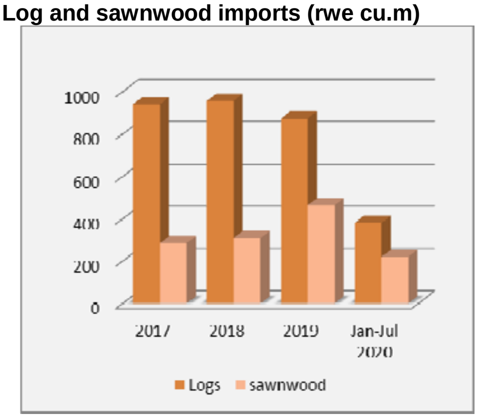
The following analysis has been made possible with data provided by the General Department of Customs, Vietnam and analysed by VIFOREST: Vietnam Timber & Forest Products Association, BIFA: Binh Duong Wood Processing Association, DOWA: Dong Nai Wood Processing Association, FPA BD: Forest Products Association of Binh Dinh Province, HAWA: Handicraft and Wood Association of Ho Chi Minh City, with support from Forest Trends.

At the end of this section are tables listing species and sources for log and sawnwood imports. These original tables have not been checked for spelling. With such a wide variety of species being imported the term Lesser Used Species (LUS) could fast become redundant.

Imports from Africa

Vietnam annually imports 1.3 million cubic metres (rwe) from around 20 African countries. These imports from African countries represent around 25% of total timber imports into Vietnam.

Log and sawnwood imports (rwe cu.m)

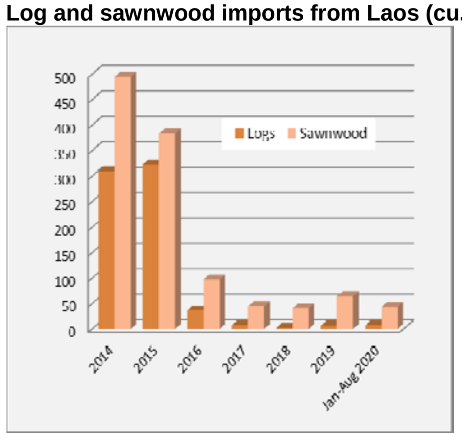


Data source: see note above

Log and sawnwood imports from Laos

Laos was once once a major supplier of tropical logs and sawnwood to Vietnam. Order No.15 issued by the Prime Minister of Laos in May 2016 prohibited the export of primary wood products so Vietnam's timber imports from Laos dropped sharply. On average, Vietnam imports annually just 5 – 6,000 cu.m of logs and 50,000 – 60,000 cu.m of sawnwood from Laos.

Log and sawnwood imports from Laos (cu.m)

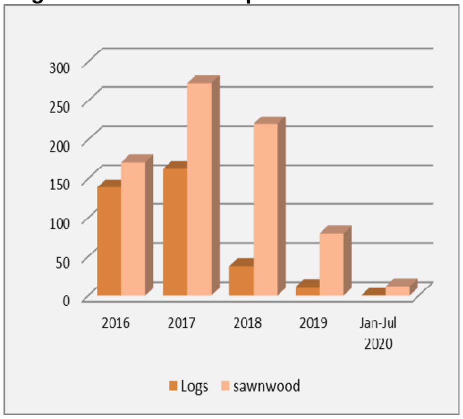


Data source: see note above

Log and sawn imports from Cambodia

Cambodia was once an important supplier of tropical timber to Vietnam. In recent years, however, the supply of timber from Cambodia has become insignificant.

Log and sawnwood imports from Cambodia (cu.m)

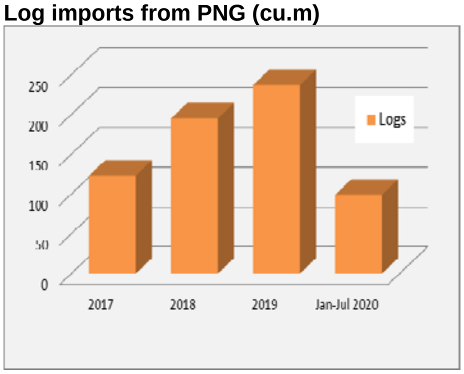


Data source: see note above

Log and sawnwood imports from Papua New Guinea

PNG remains an important supplier of logs for Vietnam and the volume of logs imported from PNG has been increasing. Imports of sawnwood remain negligible.

Log imports from PNG (cu.m)



Data source: see note above

VNTLAS and the import of tropical timber

Among the African countries exporting timber to Vietnam 8 are currently negotiating or have already concluded VPA/FLEGT agreement with the EU namely:

- Cameroon: VPA/FLEGT signed in October 2010, effective from December 2011.
- DRC: VPA/FLEGT negotiations started in October 2010, not signed yet.
- Cote d'Ivoire: Negotiations started in February, 2013, not signed yet.
- Gabon: Negotiations started in September 2010, not signed yet.
- Ghana: Signed in November 2009, effective from December 2009.
- Liberia: Signed in July 2011, effective from December 2013.
- Republic of Congo: Signed in May 2010, effective from March 2013.

See: http://www.euflegt.efi.int/vpa-africa

In September 2020 the Vietnamese Government issued Decree 102 guiding the implementation of VNTLAS, which is central to the VPA/FLEGT Agreement. This Decree contains a specific chapter on the control of illegality risks associated with timbers imported from high risk geographical areas and of controlled species.

The list of high risk geographical areas and species will be announced soon. When the list is available customs-clearance procedures will be applied relevant to the identified risk.

Log imports from Africa by species and countries, 2019 and first 7 months of 2020 (cu.m)

	Scientific name	Local name	2019	Jan-Jul 2020	Source
1	Oldfiedia Africana	oldfiedia	739		Liberia
2	Combretodendron macroncarpum	abale/essia	167		Cameroon;Liberia
3	Petersianthus macrocarpus	abale/essia	1.936	315	Cameroon;Ghana
4	Desbordesia glaucescens	alep/omang	376		Cameroon
5	Detarium macrocarpum	amouk/mambode	80	167	Cameroon; Congo
6	Monopetalanthus spp	andoung/ekop	44	2.572	Cameroon
7	Ongokea gore	angueuk	7		Congo
8	Aningeria altissima	aniegre	50		Equatorial Guinea
9	Triplochyton Scleroxylon	ayous	1.855	252	Cameroon
10	Eucalyptus spp	bạch đàn	34.962	8.166	Angola; South Africa
11	Bobgunnia fistuloides	cẩm	103	14	Cameroon
12	Guibourtia arnoldian	cẩm	1.974	595	Angola
13	Guibourtia coleosperma	cẩm	47.007	17.288	Angola; Namibia; Nigeria; South Africa
14	Guibourtia demeusei	cẩm	3.538	120	Cameroon
15	Guibourtia ehie	cẩm	60		Ghana
16	Guibourtia tessmannii	cẩm		383	Equatorial Guinea
17	Swartzia fistuloides	cẩm	2.468	1.120	Angola; Cameroon; Congo;Equatorial Guinea;
18	Cynometra Ananta	cynometra	78		Liberia
19	Swetenia mahogani	dái ngựa		45	Congo (Democratic Rep.)
20	Dalium spp	dalium	230		Liberia
21	Santalum Album	đàn hương	24		Mauritius
22	Chlorophora excelsa	dâu	5.729	3.050	Angola; Cameroon; Congo; Congo (Democratic Rep.)
23	Chlorophora Regia	dâu	4		Liberia
24	Milicia excelsa	dâu/moreira	13.838	423	Angola; Cameroon; Congo; Equatorial Guinea; Ghana; Kenya; Nigeria
25	Manilkara letouzei	dầu/bolletrie	95		Cameroon
26	Manilkara spp	dầu/bolletrie	11		Congo
27	Albizia ferruginea	đinh	125	104	Angola;Cameroon; Congo
28	Testulea gabonensis	đinh	41		Equatorial Guinea

29	Tieghemella heckelii	douka	23		Congo
30	Tieghemella africana	douka/Makore/Lifua	783	589	Angola;Congo; Congo (Democratic Rep.)
31	Populus nigra	dương/Poplar	86		South Africa
32	Didelotia brevipaniculata	Ekop zing		56	Cameroon
33	Toubouate brevipaniculata	Ekop zing			Cameroon
34	Copaifera mildbraedii	etimoe	170	52	Cameroon;Congo
35	Pachyelasma tessmannii	eyeck	2.776	7.365	Cameroon;Congo
36	Fribloma oblongum	eyong	416		Cameroon
37	Duboscia macrocarpa	eyoum	172	89	Cameroon
38	Dialium bipindense	Eyoum/ Mpenza	734	66	Cameroon;Equatorial Guinea
39	Dialium pachyphyllum	Eyoum/ Mpenza	87		Angola
40	Pericopsis elata	giá tỵ	6.516	8.385	Cameroon; Congo; Congo (Democratic Rep.); Nigeria
41	Tectona grandis	giá tỵ	233	188	Cameroon; Ghana; Nigeria
42	Distemonanthus benthamianus	giổi	1.449	205	Cameroon; Equatorial Guinea; Liberia
43	Nauclea diderrichii	giổi	25.321	4.481	Angola; Cameroon; Congo; Congo (Democratic Rep.); Gabon; Ghana; Liberia
44	Afzelia africana	gõ	145.003	61.070	Angola;Cameroon ; Congo; Congo (Democratic Rep.);Equatorial Guinea; Gabon; Gambia; Ghana; Kenya; Mozambique;Namibia; Nigeria;Sierra Leone; South Africa; Uganda;Ghana
45	Afzelia bipindensis	gõ	2		Liberia
46	Afzelia pachyloba	gõ	42.644	26.443	Angola;Cameroon ; Congo; Gabon; Ghana;Kenya; Nigeria
47	Afzelia quanzensis	gõ	141		Mozambique
48	Afzelia sp	gõ	120		Ghana
49	Afzelia Xylocarpa	gõ	3.106	2.282	Cote DIvoire (Ivory Coast);Gambia; Ghana; Kenya; Mozambique;Nigeria
50	Martiodendron parviflorum	gõ	127		Cameroon
51	Piptadeniastrum africanum	gõ	4.398	822	Angola; Cameroon; Congo; Equatorial Guinea; Liberia
52	Ceiba pentandra	gòn	28		Ghana
53	Guarea cedrata	gụ	4.188	4.227	Angola; Cameroon; Congo;Congo (Democratic Rep.); Equatorial Guinea; Ghana
54	Hallea Ciliata	hallea	1.070		Liberia
55	Berlinia bracteosa	hương	839	29	Cameroon;Equatorial Guinea
56	Berlinia spp	hương	777	491	Cameroon;Congo; Liberia
57	Brachystegia cynometroides	hương	5.363	1.273	Cameroon;Equatorial Guinea
58	Brachystegia eurycoma	hương	988		Cameroon;Liberia
59	Brachystegia Laurentii	hương	100	1.023	Cameroon;Nigeria
60	Brachystegia leonensis	hương	66		Cameroon
61	Brachystegia mildbraedii	hương	258	18	Cameroon
62	Didelotia Africana	hương	752		Liberia
63	Didelotia sp	hương	21		Liberia
64	Julbernardia pellegriniana	hương	172		Cameroon; Congo (Democratic Rep.)
65	Paraberlinia bifoliolata	hương	11.858	989	Cameroon; Congo; Gabon
66	Pterocarpus erinaceus	hương	5.130	80	Ghana; Guinea-Bissau; Nigeria; Sierra Leone
67	Pterocarpus soyauxii	hương	16.520	8.081	Angola; Cameroon; Congo; Congo (Democratic Rep.); Equatorial Guinea; Gabon; Ghana; Kenya; Nigeria
68	Pterocarpus tinctorius	hương	156		Angola
69	Daniella oliveri	hương vàng	4.014	3.632	Ghana; Kenya; Nigeria
70	Tetraberlinia bifoliolata	hương/ekaba	23	10	Cameroon
71	Heriteria spp	huỳnh	223		Liberia
72	Haplormosia Macrophylla	idewa	31		Liberia
73	Khác	khác	104		Angola; Cameroon
74	Erythrophleum Guineense	lim	104		Liberia
75	Cylicodiscus gabunensis	lim	17.152	8.168	Cameroon;Equatorial Guinea;Gabon; Ghana; Kenya; Nigeria
76	Erythrophleum ivorense	lim	310.999	138.105	Angola;Cameroon ; Congo; Congo (Democratic Rep.); Equatorial Guinea; Gabon; Ghana; Kenya; Liberia; Mozambique; Namibia; Nigeria;
77	Erythrophleum suaveolens	lim	1.109	373	Angola; Congo ; Congo (Democratic Rep.); Nigeria
78	Lophira alata	lim	3.748	231	Angola;Cameroon ; Liberia
79	Gilbertiofendron preussill	limbali/gil	2.447		Liberia
80	Millettia laurentii	muồng	9.125	5.120	Cameroon; Congo (Democratic Rep.);Congo
81	Barchystegia leonensis	naga	196		Liberia
82	Microberlinia brazzavillensis	ngựa vằn	40		Nigeria
83	Juglans sp	óc chó	21		Angola
84	Autranella congolensis	sến	43.973	19.939	Angola;Cameroon ; Congo; Congo (Democratic Rep.)
85	Oxystigma oxiphyllum	Tchitola/ Tola Chinfuta	80		Angola
86	Terrietia Utillis	terrietia	496		Liberia
87	Pinus radiata	thông	1.029	95	South Africa
88	Radiata spp	thông	161	74	South Africa
89	Acacia	tràm/keo			South Africa

	Melanoxylon		1.482	50	
90	Acacia spp	tràm/keo	226		South Africa
91	Lovoa trichilioides	Undianu no preto/ Dibetou	155	182	Angola; Cameroon; Liberia
92	Khaya anthotheca	xà cừ	32		Cameroon
93	Khaya ivorensis	xà cừ/gụ	102		Angola
94	Baillonella toxisperma	xoan	1.434	1.343	Angola;Cameroon ; Congo
95	Entandrophragm a angolensis	xoan	150		Cameroon
96	Entandrophragm a candollei	xoan	3.642	2.324	Angola; Cameroon; Congo; Congo (Democratic Rep.)
97	Entandrophragm a cylindricum	xoan	65.722	34.415	Angola;Cameroon ; Congo (Democratic Rep.); Nigeria
98	Entandrophragm a utile	xoan	7.300	3.060	Angola; Cameroon; Congo; Congo (Democratic Rep.);Equatorial Guinea; Liberia
	Total		**873.453**	**380.040**	

Sawnwooimported from Africa by species and countries, 2019 and first 7 months of 2020 (cu.m)

	Scientific names	Local name	2019	Jan-Jul 2020	Source
1	Combretodendron macroncarpum	abale/essia		144	Angola
2	Petersia africana	abale/essia	76		Ghana
3	Petersianthus macrocarpus	abale/essia	40		Ghana
4	Monopetalanthus spp	andoung/ek op	14	61	Cameroon; Gabon
5	Eucalyptus spp	bạch đàn	754	297	South Africa
6	Lagerstroemia flos-reginae	bằng lăng	2		Reunion
7	Ecandollei spp	cẩm		33	Ghana
8	Guibourtia coleosperma	cẩm	63.145	39.446	Angola; Kenya; Mozambique; Namibia; South Africa;Tanza nia (United Rep.); Uganda; Zambia
9	Guibourtia ehie	cẩm	533	70	Cameroon
10	Guibourtia tessmannii	cẩm	328		Cameroon; Gabon
11	Swartzia fistuloides	cẩm	865	162	Cameroon; Congo; Equatorial Guinea; Gabon
12	Xylia dolabriformis Benth	căm xe	8		Reunion
13	Hevea brasiliensis	cao su	342	41	Nigeria
14	Swetenia mahogani	dái ngựa	95		Cameroon; Gabon
15	Chlorophora excelsa	dâu	8.826	4.820	Angola; Cameroon; Ghana
16	Milicia excelsa	dâu	4.394	1.044	Cameroon; Congo; Gabon; Ghana; Nigeria; Kenya
17	Testulea gabonensis	đinh	268	164	Gabon
18	Tieghemella africana	douka/Mak ore/Lifua	453	310	Angola
19	Pachyelasma tessmannii	eyeck	16	163	Cameroon
20	Duboscia macrocarpa	eyoum	62		Cameroon
21	Dialium bipindense	Eyoum/Mp enza	22		Cameroon
22	Dialium pachyphyllum	Eyoum/Mp enza	92		Gabon
23	Sindoropsis letestui	gheombi	12		Gabon
24	Tectona grandis	giá tỵ	144	272	Benin; Cote DIvoire (Ivory Coast); Ghana; South Africa;Tanza nia (United Rep.)
25	Distemonanthus benthamianus	giổi, xoan đào	1.639	2.204	Cameroon; Gabon
26	Nauclea diderrichii	giổi	11.990	9.293	Angola; Cameroon; Congo; Gabon
27	Nauclea spp	giổi	38		Gabon
28	Staudia kamerunensis	giổi, hương	125	250	Gabon
29	Afzelia africana	gõ	36.686	29.261	Angola; Cameroon; Congo; Cote DIvoire (Ivory Coast); Equatorial Guinea; Gabon; Gambia; Ghana; Guinea; Guinea-Bissau; Kenya; Liberia; Mozambique; Namibia; Nigeria; Sierra Leone; South Africa; Uganda
30	Afzelia bella	gõ	26		Ghana
31	Afzelia bipindensis	gõ	173		Cameroon
32	Afzelia pachyloba	gõ	60.693	27.478	Cameroon; Congo;Cote DIvoire (Ivory Coast);Gabon ; Ghana; Kenya; Nigeria; Sierra Leone
33	Afzelia quanzensis	gõ	4.488	1.565	Mozambique; Tanzania (United Rep.)
34	Afzelia sp	gõ	146		Ghana
35	Afzelia Xylocarpa	gõ	3.471	1.033	Cote DIvoire (Ivory Coast);Gambi a; Ghana; Guinea; Kenya; Mozambique; Nigeria
36	Eangolense spp	gõ		69	Ghana
37	Hymenaca Courbaril	gõ	36		Ghana
38	Piptadeniastrum africanum	gõ	61		Cameroon; Congo; Gabon
39	Sindora cochinchinensis	gõ mật	100		Reunion
40	Guarea cedrata	gụ	304	421	Cameroon; Gabon
41	Berlinia bracteosa	hương	13	19	Cameroon; Gabon

42	Berlinia spp	hương	189	10	Cameroon; Congo; Gabon
43	Brachystegia cynometroides	hương	41	39	Cameroon
44	Brachystegia Laurentii	hương	20	20	Nigeria
45	Julbernardia pellegriniana	hương	995		Gabon
46	Paraberlinia bifoliolata	hương	7.264	750	Cameroon; Gabon
47	Paraberlinia bisucalta	hương		17	Cameroon
48	Pterocapus cambodianus	hương	47		Reunion
49	Pterocarpus angolensis	hương	489		Mozambique; South Africa
50	Pterocarpus erinaceus	hương	420	201	Ghana; Nigeria; Sierra Leone
51	Pterocarpus soyauxii	hương	24.522	10.455	Cameroon; Congo; Gabon; Nigeria
52	Pterocarpus tinctorius	hương	361		Angola
53	Julbernardia pellegriniana	hương/lim	450	43	Cameroon; Gabon
54	Daniella oliveri	hương; hương vàng	1.038	1.397	Ghana;Nigeri a
55	Cylicodiscus gabunensis	lim	35.743	1.161	Cameroon; Congo; Gabon; Ghana; Nigeria
56	Erythrophleum ivorense	lim/eyeck	179.364	73.935	Cameroon; Congo; Congo (Democratic Rep.); Cote DIvoire (Ivory Coast);Equato rial Guinea; Gabon; Ghana; Guinea; Kenya; Liberia; Mozambique; Nigeria
57	Erythrophleum suaveolens	lim	871	246	Congo (Democratic Rep.); Mozambique; Nigeria
58	Lophira alata	lim	464		Cameroon; Gabon
59	Hemenolobium Falvum	maka	19		Ghana
60	Bridelia micrantha	metacha	319		Mozambique
61	Artocarpus heterophyllus	mít	39	93	Tanzania (United Rep.)
62	Dalbergia melanoxylon	mun	2		South Africa
63	Millettia laurentii	muồng	921	248	Congo; Congo (Democratic Rep.); Gabon
64	Millettia Stublmani	muồng	196		Mozambique
65	Grevillea robusta	ngân hoa	74		Angola
66	Microberlinia brazzavillensis	ngựa vằn	56		Nigeria
67	Aucoumea klaineana	okoume	238	354	Equatorial Guinea; Gabon
68	Homalium caryophyllaceum Benth	sao xanh	22		Reunion
69	Autranella congolensis	sến	1.003	412	Angola; Cameroon; Congo; Gabon
70	Quercus alba	sồi			Ghana
			32		
71	Quercus sp	sồi	28		Cote DIvoire (Ivory Coast)
72	Pinus radiata	thông	120		South Africa
73	Combritum Imberbe	trâm bầu	104		Mozambique
74	Lovoa trichilioides	Undianuno preto /Dibetouc	656	61	Cameroon
75	Picea Abies	vân/linh sam	81	46	Gabon; South Africa
76	Khaya anthotheca	xà cừ	2.136	515	Angola;Gabo n
77	Khaya ivorensis	xà cừ/gụ	270		Cameroon; Gabon
78	Baillonella toxisperma	xoan	611	316	Angola; Cameroon
79	Entandrophragma candollei	xoan	68	53	Angola; Cameroon
80	Entandrophragma cylindricum	xoan	2.395	707	Angola; Gabon; Cameroon; Nigeria
81	Entandrophragma spp	xoan	205		Ghana
82	Entandrophragma utile	xoan	761	827	Angola; Cameroon; Gabon
83			20		Ghana
	Total		**463.129**	**220.526**	

Log imports from Laos by species, 2019 and first 7 months of 2020

	Scientific name	Local name	2019 cu.m	Jan-Jul 2020
1	Tectona grandis	giá tỵ	1.146	3.823
2	Pterocarpus macrocarpus	hương	22	2
3	Pterocarpus pecatus	hương	27	
4	Erythrophloeum fordii oliv	lim		12
5	Artocarpus heterophyllus	mít		17
6	Artocarpus integrifolia	mít	16	54
7	Fokiania hodginsi	pơ mu	16	
8	Radiata spp	thông	3	
9	Podocarpus neriifolius	thông tre	24	
10	Acacia Auriculiformis	tràm/keo	4.132	1.775
11	Acacia spp	tràm/keo	292	
	Total		**5.679**	**5.682**

Sawnwood imports from Laos by species, 2019 and first 7 months of 2020 (cu.m)

	Scientific name	Local name	2019 cu.m	Jan-Jul 2020
1	Lagerstroemia flos-reginae	bằng lăng	2.036	2.034
2	Shorea Obtusa Wall	cà chít	244	152
3	Xylia dolabriformis Benth	căm xe	3.996	3.945
4	Hevea brasiliensis	cao su	278	63
5	Shorea vulgaris Pierre	chai		57
6	Terminalia Chebula	chiêu liêu	205	177
7	Terminalia tomentosa	chiêu liêu		12
8	Parashorea Stellata	chò chỉ/chò đen	18	2
9	Dipterocarpus tonkinensis A.Chev	chò nâu		84
10	Chukrasia sp	chua khét		7
11	Callophyllum saigonensis Pierre	cồng	32	14
12	Cinamomum camphora	dạ hương	69	32
13	Pygeum arboreum	dạ hương	11	
14	Swetenia mahogani	dái ngựa		29
15	Dipterocarpus spp	dầu	3.135	348
16	Cochinchinensis Kost	dâu vàng		26
17	Morus alba	dâu vàng	27	
18	Hexaneuro carponbriletii	đinh thối	214	440
19	Tectona grandis	giá tỵ	4.711	220
20	Talauma Gioi A.chev	giổi	2.262	2.315
21	Afzelia Xylocarpa	gõ	75	

22	Pahudia cochinchinensis	gõ đỏ	1.079	288
23	Sindora tonkinensis	gõ lau	17.790	9.082
24	Sindora cochinchinensis	gõ mật	281	
25	Aglaia sp	gội	6	135
26	Darydium pierrei Hickel	hồng tùng	7	
27	Pterocarpus macrocarpus	hương	17.973	6.527
28	Pterocarpus pedatus	hương	2.172	316
29	Pterocarpus spp	hương	547	75
30	Heritiera cochinchinensis Kost	huỳnh	18	
31	khác	khác	77	
32	Symplocos ferruginea	kháo	16	150
33	Hopea pierrei hance	kiền kiền	479	371
34	Chukrasia sp	la khét	4	
35	Chukrasia tabularis A.Juss	la khét	159	52
36	Erythrophloeum fordii oliv	lim	3.508	755
37	Artocarpus heterophyllus	mít		2
38	Artocarpus integrifolia	mít	281	135
39	Diospyros spp	mun	212	21
40	Diospyros mun H.Lec	mun	181	17
41	Zenia insignis chun	muồng	7	
42	Parapentace tonkinensis Gagnep	nghiến	5	2
43	Duabanga sonneratioides Ham	phay	20	392
44	Fokiania hodginsi	pơ mu	112	45
45	Cinamomum albiflorum Nees	re gừng		53
46	Cinnamomum parthenoxylon	re hương		24
47	Litsea annamensis	re hương	2	
48	Cunninghamia konishii Hayata	sa mu	261	98
49	Lagerstroemia tomentosa Presl	săng lẻ	49	66
50	Carallia sp	săng vì	3	2
51	Homalium caryophyllaceum Benth	sao xanh	58	6
52	Cinamomum tonkinensis Pitard	sến	9	
53	Shorea hypochra Hance	sến	19	49
54	Vatica tonkinensis A.chev	táu mật		2
55	Pinus radiata	thông	161	
56	Radiata spp	thông	84	27
57	Podocarpus neriifolius	thông tre	24	
58	Fagraea Fragrans	trai	24	34
59	Nauclea purpurea Roxb	vàng kiêng		7
60	Manglietia fordiana Oliv	vàng tâm		66
61	Anisoptera cochinchinensis Pierre	vên vên	37	
62	Cinnamomum balansae	vù hương	3	5
63	Pygeum arboreum Endl	xoan	306	
64	Toona febrifuga Roen	xoan	54	2
	Totol		**63.285**	**28.761**

Source: Data provided by General department of Customs, Vietnam and analyzed by VIFOREST, BIFA, DOWA, FPA BD, HAWA with support from Forest Trends

Log imports from PNG by species, 2019 and first 7 months of 2020 (cu.m)

	Scientific names	Local name	2019	Jan-Jul 2020
1	Aglala spp	aglala	4	
2	Alstonia spp	alstoni	4	
3	Eucalyptus spp	bạch đàn	33.239	6.058
4	Dysoxylum spp	bằng lăng/Dysox	298	228
5	Vitex Pubescens	bằng lăng/Dysox	2.322	552
6	Hydrochorea corymbosa	bostamarinde	397	
7	Burckella spp	burkella	6.574	1.243
8	Burkella obovata	Burkella	711	179
9	Calophyllum spp	calophyllum/còng/cal	5.469	2.574
10	Camphorwood	Camphorwood	21	
11	Canarium spp	canarium/car	176	163
12	Caradium indicum	canarium/car		226
13	Cendar spp	cep/cendar	291	
14	Manilkara bidentata	dầu/bolletrie	226	
15	Manilkara kansoiensis	dầu/bolletrie		13
16	Dillenia spp	dillenia/dil	11.318	10.038
17	Endiandra spp	endiandra	39	
18	Octomeles sumatrana	erima		14
19	Eugenia spp	Eugenia	39	
20	Euodia bonwickii	euodia		9
21	Flacourtia spp	flacourtia	10	
22	Garo garo spp	garo garo	101	
23	Distemonanthus benthamianus	giổi	1.122	
24	Elmerrillia papuana	giổi	32.070	15.200
25	Nauclea spp	giổi	692	66
26	Malaleuca leucadendron	glochidion		
27	mixed hard	gỗ tạp	1.849	
28	Aglaia cucullata	gội	4.034	914
29	Amoora Cucullata	gội	1.625	378
30	Gordonia Papuana	gordonia	743	
31	Hekakoro spp	hekakoro	981	
32	Carya spp	hồ đào	20	
33	Hopea Forbesii	hopea/hoh/kiền kiền	4.715	2.609
34	Hopea pierrei hance	hopea/hoh/kiền kiền	42.043	15.241
35	Hopea spp	hopea/hoh/kiền kiền	34	
36	Hopea iriana	hopea/hoh/kiền kiền	3.783	14.086
37	Heriteria spp	huỳnh	5.413	648
38	Artocarpus spp	kapiak/kap	73	
39	Xanthostemon spp	Kasi kasi /kak/nghiến	228	55
40	Koompassia grandiflora	kem	27	1.219
41	Kempas spp	kempas	1.376	11
42	NA	khác	5.503	1.183
43	Kingiodendron spp	kingiodendron		13
44	Intsia spp	kwi	713	7
45	Cinnamomum camphora	long não	8	
46	Cinnamomum culilawan	long não		7
47	Lophopetallum spp	lop		11
48	Eucalyptopsis Papuana	mah	686	244
49	Malaha eucalyptopsis	mah	29	
50	Malaha spp	Malaha/mar	27	
51	Homalium Foetidum	malas/mal	17.768	7.593
52	Mangrove spp	mangrove/mar	1.324	80
53	Maniltoa spp	maniltoa	72	34
54	Maranthes corymbosa	Maranthes/plb	3.167	1.048
55	Meraswa spp	mersawa	4.572	773
56	Anisoptera thurifera	mersawa/mer	1.241	275
57	Artocarpus Asperula Gagret	mít		100
58	Juglans sp	óc chó	51	597
59	Palaquim spp	Palaquium	2.720	1.941
60	Planchonella torricellensis	planchonella/plr		26
61	Planchonia papuana	planchonia/pla	2.160	29
62	Schizomeria spp	Schizomeria	154	
63	Sloanea spp	sloanea	6	
64	Quercus sp	sồi	122	
65	Tristania Suaveolens	swamp	429	576
66	Fraxinus spp	tần bì	4	
67	Pometia pinnata	tau/pometia	417	4.322
68	Pometia Sp	tau/pometia	4.057	
69	Aphanamixis Polystach	tau/taun	11.839	5.269
70	Terminalia Brassii	terminalia/ter/chiêu liêu	574	
71	Terminalia spp	terminalia/ter/chiêu liêu	107	420
72	Syzigium sp	trâm	2.447	
73	Syzygium Chanles Tranh	trâm	881	21
74	Sizigium spp	trâm/guw	12.634	2.531
75	Vatica spp	Vatica	376	
76	Dracontomelo dao	wal		77
77	Mangifera minor	xoài	4	
78	Garcinia latissima	xương gà	702	212
	Total		**236.859**	**99.110**

Sawnwood imports from PNG by species, 2019 and first 7 months of 2020 (cu.m)

	Scientific names	Local name	2019	Jan-Jul 2020
1	Ochroma pyramidale	balsa		60
2	Ochroma spp	balsa	163	30
3	Guibourtia coleosperma	cẩm	84	
4	Xylia dolabriformis Benth	căm xe	3	

5	Liriodendron tulipifera	dương		75
6	Sindora tonkinen	gõ lau		57
7	Pterocapus cambodianus	hương	25	
8	Pterocarpus macrocarpus	hương		7
9	Erythrophloeum fordii oliv	lim		9
10	Fokiania hodginsi	pơ mu	201	
11	Quercus sp	sồi	17	
12	Terminalia Chebula	terminalia/ter/chiêu liêu	27	
13	Picea spp	vân/linh sam	46	
	Total		**566**	**238**

Log imports from Cambodia by species, 2019 and first 7 months of 2020 (cu.m)

No	Scientific names	Local name	2019	Jan-Jul 2020
1	Xylia dolabriformis Benth	căm xe	447	31
2	Xylia Xylocarpa	căm xe	44	
3	Hevea brasiliensis	cao su	4,323	
4	Terminalia Chebula	chiêu liêu	19	
5	Tectona grandis	giá tỵ	126	
6	Sindora cochinchinensis	gõ mật	55	
7	Sindora siamensis	gụ mật/gõ mật	40	
8	Pterocapus cambodianus	hương	45	
9	Pterocapus Pedatus	hương	7	
10	Erythrophloeum fordii oliv	lim	4,522	97
11	Samanea saman	me tây	485	315
12	Artocarpus heterophyllus	mít	119	77
13	Acacia spp	tràm/keo	262	37
14	Khaya senegalensis	xà cừ	39	
15	Mangifera indica	xoài	56	116
	Total		**10,589**	**673**

Sawnwood imports from Cambodia by species, 2019 and first 7 months of 2019 (cu.m)

No	Scientific names	Local name	2019	Jan-Jul 2020
1	Lagerstroemia flos-reginae	bằng lăng	10,765	3,646
2	Lagerstroemia angustifolia	bằng lăng cườm		1,095
3	Litsea laucilimba	bời lơi	12	
4	Shorea Obtusa Wall	cà chít	316	
5	Xylia Xylocarpa	căm xe	1,227	
6	Xylia dolabriformis Benth	căm xe	16,987	1,778
7	Hevea brasiliensis	cao su	1,821	1,240
8	Terminalia tomentosa	chiêu liêu		160
9	Terminalia Chebula	chiêu liêu	20,127	68
10	Schima crenata Korth	chò xót	37	
11	Dipterocarpus spp	dầu	200	
12	Anacardium occientale	điều	7,720	4,840
13	Adina sessifolia Hook	gáo vàng	1,157	27
14	Afzelia Xylocarpa	Gõ	16	
15	Sindora siamensis	gõ đen	1,007	
16	Pahudia cochinchinensis	gõ đỏ	1	
17	Sindora cochinchinensis	gõ mật	5,133	192
18	Sindora maritima Pierre	gụ	14	
19	Pterocarpus macrocarpus	hương	1,518	450
20	Pterocapus Pedatus	hương	89	
21	Pterocapus cambodianus	hương	1,354	
22	Hopea pierrei hance	kiền kiền	24	
23	Erythrophloeum fordii oliv	lim	5,284	450
24	Cinnamomum parthenoxylon Meisn	long não	3	
25	Alstonia scholaris R.Br	mò cua	4	
26	Senna Sp	muồng	4	
27	Cinamomum albiflorum Nees	re gừng	20	
28	Hopea Odorata Roxb	sao xanh	3	
29	Homalium caryophyllaceum Benth	sao xanh	4,562	877
30	Millettia Leucantha Kurz	sathon		43
31	Shorea cochinchinensis Pierre	sến mủ	17	
32	Fagraea Fragrans	trai	189	
	Total		**79,610**	**14,865**

Brazil

Bento Gonçalves furniture cluster recovery

The output and earnings of the Bento Gonçalves furniture cluster in Rio Grande do Sul State continues to expand. In the first three quarters of this year earnings topped R$1.5 billion, up about 6% compared to the same period of 2019. This furniture cluster accounts for over 25% of the State revenue. The performance in the 9 months to September has lifted employment and production in the furniture industry to pre-pandemic levels.

Sindmóveis (Furniture Industry Association of Bento Gonçalves) says this performance was due to the gradual resumption of activities after the intense restrictions on production and movement of people, new consumption habits and adaptation of the furniture industry to the new scenario and government emergency measures that helped maintain consumption.

However, there are still concerns says the Association especially in relation to political and economic uncertainties.

Also of concern is the significant increase in costs and delays in the supply of inputs. This is mainly due to the mismatch between supply and demand as sales have recovered faster than production of necessary inputs due to low stocks as well as rising input costs.

Sindmóveis argues that the furniture sector has not yet fully recovered from the 2015-2016 crises and has been struggling to resume levels and then the pandemic spread. 2019 was not a good year either, there was growth in revenues but this did not necessarily represent real growth.

In 2020 the furniture industry has been able to move towards a recovery. The number of jobs created in September meant that the sector surpassed the jobs numbers seen at the beginning of 2020.

Civil construction and export demand boosts sales

The resumption of civil construction and the increase in exports both of which have benefitted from the exchange rate depreciation have contributed to beginning of a recovery in the Brazilian forest-based industry.

The signs of recovery can be seen in timber price movements. Wood consumption fell in some segments between March and May but prices were not affected and from May there was a strong recovery in demand. The wood panel and sawmill sectors which supply furniture and civil construction demand were the ones that suffered the most from the pandemic but the downturn was not strong.

As for the National Forest Activity Costs Index (INCAF), this increased by 1.1% in the third quarter, compared to 1.2% of inflation measured by the IPCA.

In the past 12 months the index registered an increase of 1.8%, compared to 3.1% for the inflation. Fuel, labour costs, interest rates and foreign exchange changes make up the index. In the short term, the evolution of INCAF does not always reflects in the timber prices paid by the industries/manufacturers which depend much more on the relationship between supply and demand and the level of building activity in the United States.

Brazilian wood product prices were competitive before the pandemic so the real depreciation has added to this competitiveness in international markets.

Export update

In October 2020, the value of Brazilian exports of wood-based products (except pulp and paper) increased 32% compared to October 2019, from US$222.6 million to US$293.7 million.

The value of October pine sawnwood exports increased 29% year on year from US$36.6 million in 2019 to US$47.1 million this October. In volume terms exports increased 40.6% over the same period, from 190,600 cu.m to 267,900 cu.m.

On the other hand, tropical sawnwood exports fell 2.4% in volume, from 41,200 cu.m in October 2019 to 40,200 cu.m in October 2020 and in value terms exports declined 4% from US$16.6 million to US$15.9 million, over the same period.

Pine plywood exports achieved a massive 60% boost in October 2020 in comparison with October 2019 rising from US$37.6 million to US$60 million. The volume of exports jumped around 23% from 169,100 cu.m to 207,900 cu.m.

However, the volume of October tropical plywood exports dropped 21% year on year from 8,000 cu.m (US$ 2.9 million) in October 2019 to 6,300 cu.m (US$2.6 million) in October 2020.

The good news is that wooden furniture export earnings increased from US$50.5 million in October 2019 to US$57.2 million in October 2020, a 13% jump.

Argentina revises import procedures – seen as a barrier by Brazilian furniture exporters

An announcement from Argentina on a change in its import system, which is in fact a return to the non-automatic import license procedure for furniture, as well as a reduction of the period of validity from 180 to 90 days and the constant delay in the approval of these licenses has caused astonishment in the Furniture Industry Association of the State of Rio Grande do Sul (Movergs), an entity that represents 2,750 companies that support around 34,000 direct jobs.

According to Movergs, trade in Brazilian furniture, especially from Rio Grande do Sul state, one of the main furniture exporting states, with Argentina has fallen year after year and will be even more affected by these new measures.

In 2010, Argentina was the second largest destination for furniture exports from Rio Grande do Sul and in 2019 shipments to Argentina were worth US$943.9 million, representing the seventh largest market destination for Rio Grande do Sul furniture Between January and September 2020, exports continued to fall leaving Argentina in the eighth position in the ranking of markets.

Movergs has approached the Argentine Embassy and the Brazilian Ministry of Foreign Affairs suggesting reconsideration of the changes. Movergs points out that Brazil, Argentina, Paraguay and Uruguay are the founding members of Mercosur and signatories of the 1991 Treaty of Asunción, which among the objectives are the free internal circulation of goods, services and products, aiming at cooperation and development of the region.

Because of this it would be wise to seek alternatives that expand cooperation between countries and to strengthen trade relationships especially in light of the pandemic.

Big jump in roundwood exports over the past decade

Rough wood exports have grown over 9,500% over the past ten years.

According to the Ministry of Economy Brazil shipped 977,000 tons of round wood in the period January to October 2020. In the same period in 2010 exports were just over 10,000 tons.

It is important to note that even the Covid-19 pandemic exports of roundwood increased. The depreciation of the Brazilian currency against the dollar made the Brazilian wood products more competitive in international markets. Another factor that contributed to the increase in timber exports was the growth in international demand, mainly in Asia.

Accessing international markets is still a challenge for small producers who end up being limited to the local industry and can only access export markets through trading companies.

Domestic log prices

Brazilian logs, mill yard, domestic	US$ per cu.m
Ipê	165⬆
Jatoba	83
Massaranduba	74⬇
Miiracatiara	79⬇
Angelim Vermelho	74
Mixed redwood and white woods	62⬇

Source: STCP Data Bank

Domestic sawnwood prices

Brazil sawnwood, domestic (Green ex-mill)	US$ per cu.m
Ipé	691⬆
Jatoba	337⬆
Massaranduba	334⬆
Muiracatiara	302
Angelim Vermelho	299⬆
Mixed red and white	198⬆
Eucalyptus (AD)	152⬆
Pine (AD)	100
Pine (KD)	125⬆

Source: STCP Data Bank

Domestic plywood prices (excl. taxes)

Parica	US$ per cu.m
4mm WBP	379⬇
10mm WBP	324
15mm WBP	269
4mm MR.	310⬆
10mm MR.	235⬆
15mm MR.	212⬆

Prices do not include taxes. Source: STCP Data Bank

Prices for other panel products

Domestic ex-mill prices	US$ per cu.m
15mm MDParticleboard	153⬇
15mm MDF	188⬆

Source: STCP Data Bank

Export sawnwood prices

Sawnwood, Belem/Paranagua Ports, FOB	US$ per cu.m
Ipe	1,490⬆
Jatoba	872⬆
Massaranduba	853⬆
Muiracatiara	876⬆
Pine (KD)	162⬆

Source: STCP Data Bank

Export plywood prices

Pine plywood EU market, FOB	US$ per cu.m
9mm C/CC (WBP)	257⬆
12mm C/CC (WBP)	252⬆
15mm C/CC (WBP)	228⬆
18mm C/CC (WBP)	217⬆

Source: STCP Data Bank

Export prices for added value products

FOB Belem/Paranagua ports		US$ per cu.m
Decking Boards	Ipê	3,038⬆
	Jatoba	1,450

Source: STCP Data Bank

Peru

Timber industries – a driver of national recovery

Speaking at a recent 'El Cluster Maderero' conference during the Virtual Food Expo 2020, the president of the Ucayali Wood Consortium (CEMU), Roberto Saveri, said the timber industries represent one of the industrial activities that can contribute to economic recovery in the country.

The Amazonian forests are there ready to provide great business opportunities for sustainable, profitable and inclusive management for the benefit of the nation but, he said, the forests of Peru are being lost as people demand land for agriculture and forests are being degraded by illegal activities.

To address deforestation and degradation requires action by the State he said and expansion and strict control of the forest concession system will harness private sector resources to generate growth as well as offer the way forward to conserve these natural resources.

The president of the Ucayali Regional Chamber for the Secondary Transformation of Wood (Cresetmu), Davis Scavino, reported on the participation of four of his associates in 'Expoalimentaria Virtual 2020' and their production of outdoor and home furniture as well as office and kitchen items. He commented that the members are working to achieve greater penetration of the domestic local market.

Decline in export earnings but sawnwood exports less impacted

According to data from the ADEX Commercial Intelligence System, timber shipments between January and August this year totalled US$54.5 million a contraction of 32% compared to the same period in 2019.

Semi-manufactured products (US$32.3 million) were the largest group of products shipped but earnings dropped 41%. Sawnwood exports (US$15.1 million) increased by around 3%; construction product exports (US$2.4 million) were down 46%; furniture and parts exports fell 22% to US$1.9 million while veneer and plywood exports dropped to US$1.6 million, a decline of around 13%.

Looking at just wooden furniture exports in the first nine months of this year the Extractive Industries and Services Management Division of the Association of Exporters (ADEX) says shipments of wooden furniture and parts dropped around 35% compared to the same period in 2019, the lowest figure for the last ten years.

Around 75% of wooden furniture exports in the first nine months of the year was to the US. Other markets were Italy (US$0.3 million) and Chile (US$0.2 million). In addition, wooden furniture was exported to the Cayman Islands, Panama, Bolivia, Greece, the Dominican Republic, Australia and Qatar.

ADEX reported that in the same period there were no exports to Uruguay, Paraguay, Mexico, France, Ecuador, Aruba and South Korea.

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	973-987
Asian market	1048-1074
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	561-582
Dominican Republic	689-699
Marupa 1", 6-11 length KD	
Grade 1 Asian market	569-598

Domestic sawnwood prices

Peru sawnwood, domestic	US$ per cu.m
Mahogany	-
Virola	241-265
Spanish Cedar	342-355
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

Export uptick and government stimulus lifts GDP

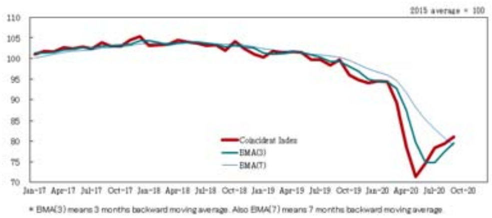
Japan’s GDP rose in the third quarter of 2020 helped by government stimulus that fueled a rise in consumer spending and a strong uptick in exports. Growth in the third quarter was the largest in half a century and beat all expectations however, the government has cautioned that the recovery is likely slow because of measures introduced to try and reduce the rate of spread of the corona virus.

While this is good news it must be remembered that the current expansion only managed to claw back about half of the growth lost since last year. The number of new Covid-19 cases is rising faster than anticipated and the government has reintroduced a range of measures which will discourage people from travelling and eating out.

Businesses less pessimistic but brace for tough months ahead

The November Business Sentiment Survey of Japanese manufacturers as well as service-sector firms found the level of pessimism was not as bad as over the past nine months. This was put down to the fact that the Japanese economy showed signs of breaking out of the pandemic driven recession. But executives in both sectors said they expect conditions will remain negative for many months to come.

In related news, the Bank of Japan (BoJ) lowered its growth and inflation forecasts for the current fiscal year but stood by its view that the recovery outlook is looking better and as such will not consider additional stimulus measures at present. However, the BoJ said the economic outlook was uncertain as the pandemic continues to hit consumer spending and the resurgence of infections in Europe has undermined prospects for major recovery of exports.



Source: Cabinet Office, Japan

'Go-To' travel scheme blamed for spread of infection

As coronavirus infections surge in Japan consumer confidence will take another hit. The popular 'Go-To' subsidised travel programme has been blamed for accelerating the spread of the virus to prefectures which, until the programme began, were spared serious infection rates.

During a recent tele-conference prefectural Governors prepared proposals for the central government including the removal of areas where there has been a spike in infections such as Sapporo and Osaka.

Regional Governors called for the progamme to be halted for a while but the central government was reluctant to halt the scheme entirely saying there have been only 197 infections among the more than 40 million people who have taken part in 'Go-To' scheme. It has been assessed that halting the scheme would dent GDP by almost 0.5% or yen 2 trillion in consumer spending.

In a related news, the Minister of Agriculture said the central government has asked prefectural governments to stop issuing 'Go To Eat' discount coupons which encourage dining out.

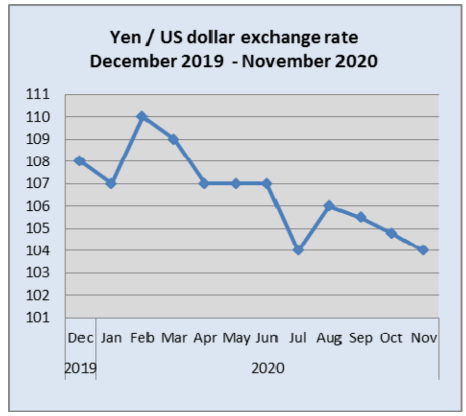
Risk that yen could hit 100 to the US dollar

The yen rose briefly to an 8 month high of 103.59 to the US dollar in the second half of November due to lingering concerns on the transition to the new US administration.

Usually, when the yen strengthens, the Bank of Japan immediately begins to talk-down the rise to secure exports.

The financial media has suggested that the yen could strengthen to 100 to the dollar which would almost certainly trigger action by the BoJ but this could result in a backlash from other countries which are working together to keep exchange rates stable.

The Japanese Prime Minister said the government will coordinate with overseas financial authorities to limit currency movements.



Young people embrace home relocation to rural areas

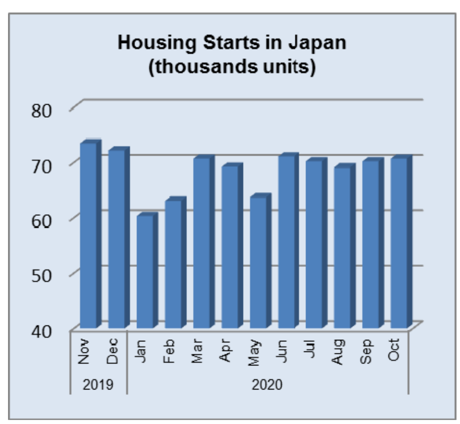
The pandemic has created the new work-from-home style and this in turn is offering people the opportunity to relocate home to take advantage of lower housing/rent costs and a healthier environment compared to that in the cities.

The Ministry of Land, Infrastructure and Transport survey early this year asked people what they thought of the government's plan to offer grants to those wishing to move to the countryside and work remotely. Twenty-three percent of respondents (mostly young people) supported the idea.

Data show that there has been a noticeable exodus of people in their 20s and 30s from Japan's cities. In September over 30.000 people moved out of the capital Tokyo, up 12.5% year-on-year. September marked the third consecutive month when those moving out outnumbered those moving in.

The Japanese Prime Minister has made the revitalisation of Japan's countryside one of the key goals for his premiership and his government is offering Yen 1 million grants to those who relocate to the rural areas but continue to work remotely.

See: https://www.weforum.org/agenda/2020/11/japan-tokyo-cities-city-countryside-pandemic-coronavirus-covid-19/



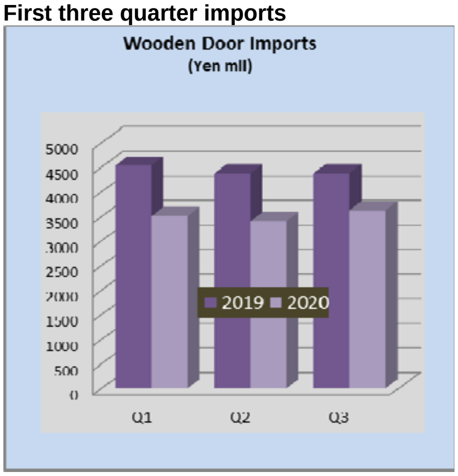
Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Import update

Wooden door imports

For each of the first three quarters of 2020 Japan's imports of wooden doors (HS441820) were consistently below those of 2019. Overall, first three quarter imports were down over 20% compared to the same period in 2019.

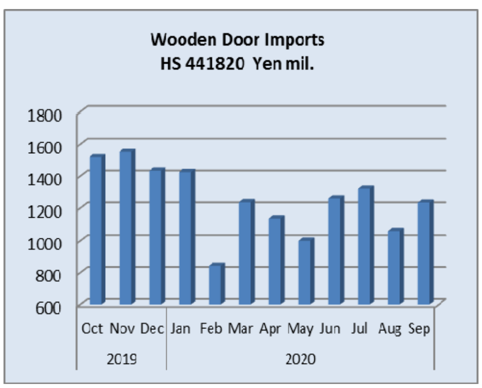
First three quarter imports



Data source: Ministry of Finance, Japan

September imports

In September 2020 two shippers accounted for 85% of Japan's imports of wooden doors, China 60% and the Philippines 25%. Year on year September imports were down 10% while compared to the value of imports in August there was a 16% rise.

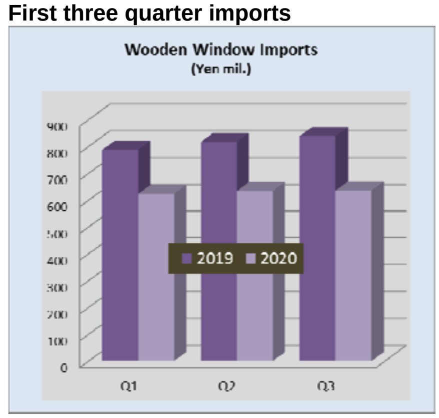


Data source: Ministry of Finance, Japan

Wooden window imports

As was the case with wooden door imports, the value of Japan's wooden window (HS441810) imports fell in each of the three quarters of 2020 compared to 2019. The overall combined decline for the three quarters was 22%.

First three quarter imports

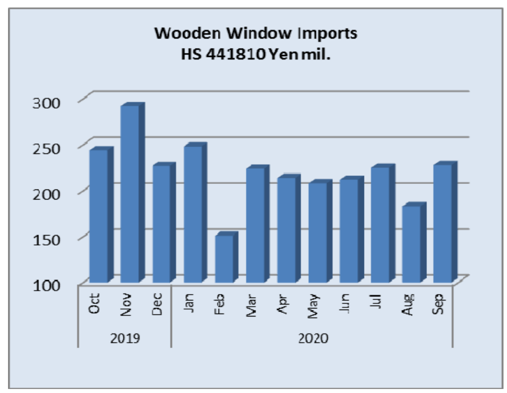


Data source: Ministry of Finance, Japan

September imports

Japan's imports of wooden windows (HS441810) continue to rise and fall such that there is no discernable trend.

The value of wooden window (HS441810) imports was down 9% year on year but up 25% compared to August levels. China, the US and the Philippines accounted for the bulk of September imports with manufacturers in China securing 43% of September imports followed by the US, 20% and the Philippines 18%.

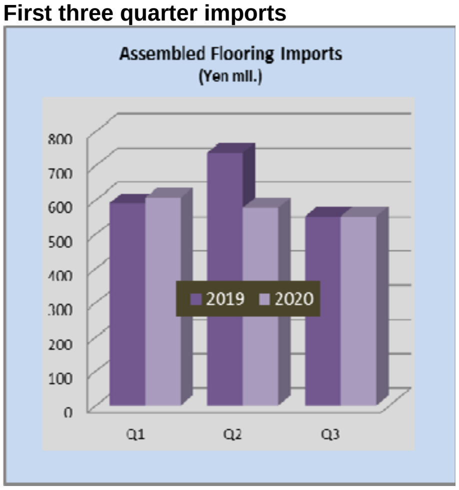


Data source: Ministry of Finance, Japan

Assembled wooden flooring imports

Excluding the unexpected surge in Q2 2019 imports then the value of 2020 assembled flooring imports into Japan were much the same as in the previous year. The total value of assembled flooring imports (HS441871-79) were just 8% below that in the same period of 2019 but there has been a steady downward trend in the value of imports.

First three quarter imports

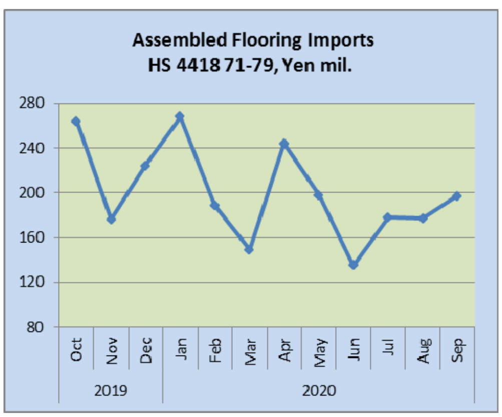


Data source: Ministry of Finance, Japan

September imports

HS441875 continued to dominate Japan's imports of assembled flooring in September 2020 accounting for around 70% of the various categories imported. HS441879 accounted for 18% of the value of September imports.

Year on year September imports were up 8% and there was an 11% increase over the value of August imports. Despite three months of steady increase in the third quarter of this year the value of flooring imports is still well below that of either the first or second quarter of the year.



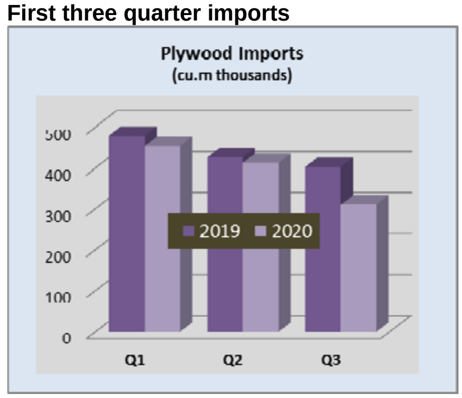
Data source: Ministry of Finance, Japan

Plywood imports

The volume of plywood imports into Japan has been falling for almost a decade and the rate of decline has accelerated in recent years. In the first three quarters of 2020 the volume of plywood imports was 10% below that in the same period in 2019.

Each of the two main suppliers, Indonesia and Malaysia have lost market share to domestically manufactured plywood. Two other suppliers, China and more recently Vietnam, on the other hand, have managed to maintain market share.

First three quarter imports

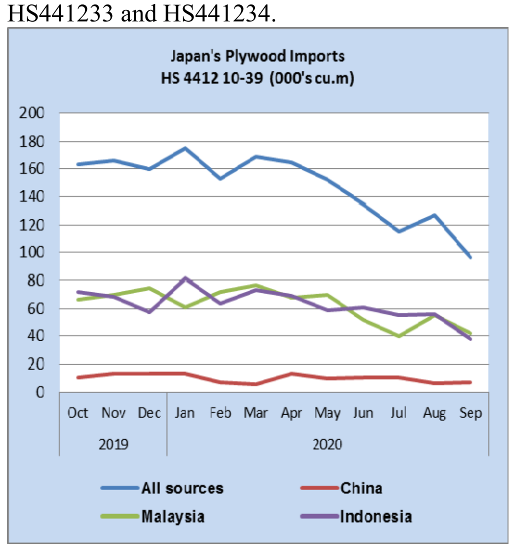


Data source: Ministry of Finance, Japan

September imports

After an encouraging rise in the volume of plywood (HS441210-39) imports in August, September marked the return to the downtrend that has been evident all year. September plywood imports were 30% down compared to September 2019 and were 24% below the volume of August imports. Indonesia saw an almost 40% decline in the volume of September plywood exports to Japan and Malaysia saw a 20% decline.

Of the various categories imported HS441231 accounted for over 70% of imports with a further 5% each being of HS441233 and HS441234.



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

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/

JFHO proposes necessary measures to the government

The Japan Federation of Housing Organizations (JFHO) came up with economic measures for 2021 and submit to the government. It figures economic impact in case that housing starts decrease by 150,000-200,000 units. It could be loss of 5.0 to 6.7 trillion yen and employment would decrease by 410,000-550,000.

It uses forecast made by private think tanks. For fiscal year 2020, first half is 414,039 units, 11.3% less than the same period of last year and total year's starts would be 783,380 units, about 100,000 units less than 2019. Forecast by 13 think tanks ranges from 814,000 to 730,000 units. JFHO figures influence to the economy if the starts decrease by150,000-200,000 units.

Average construction cost in 2019 are 16,210,000 yen per unit so in case the starts decrease by 150,000-200,000 units, loss would be 2.4-3.2 trillion yen. Ripple effect by this would be about4.7-6.3 trillion yen. Then loss of durable consumer goods like home appliances and furniture would be 150 to 210 billion yen. This much economic impact influences consumers' mind and employment.

To relieve sharp drop of housing JFHO proposes six measures:
(1) Establishing point system for new life style. New life style means prevention measures of COVID 19, change of work style by increasing remote telework and longer time to spend at home. Subsidy of maximum of two million yen to assist changing life style including purchase of new home or renovation to have an office at home for telework.
(2) Expansion of tax break for housing loan.
(3) Expansion of tax-exempt for donation tax in relation to house purchase.
(4) Relief of space in special tax measure in case of purchase of multi-family units.
(5) Securing budget for zero energy emission house.
(6) Simplify formalities for acquiring long life quality house system.

Orders to housing companies

Average ordered value in October by eight major house builders compared to the same month a year ago is 98%, first decline since last July. April and May were bottom then the orders have kept increasing through September. The reason is that tax break of housing loan for order made units ended at the end of September and visitors to house exhibition sites decreased in September and orders in October started declining.

Orders for other smaller builders have been steady over 100%. Now house builders are worried about raging COVID 19 again, which makes difficult to contact potential buyers.

Visitors to house exhibition sites steadily recovered after the state of emergency was lifted in May for eight major builders (Daiwa House, Sekisui House, Asahi Kasei Homes, Sekisui Chemical, Panasonic Homes, Sumitomo Forestry, Mitsui Home and Misawa Home).

The builders expected that momentum is so steady that it could cover up shortfall during stay-home period of March and April but after tax break deadline came, the orders started sliding. Obviously rush-in orders pushed the orders in September to 113% then October dropped down to 98%.

Housing loan tax break is that 1% of loan balance is deducted from income tax. This applies to unit built for sale through December this year.

This system is introduced when the consumption tax increased to 10% and period of deduction extended to 13 years from 10 years so maximum of 4 million yen is deducted in 13 years so buyers of high priced order made units rushed to use this system. By this change, house builders are afraid that orders would decrease toward December.

Meantime, low cost house builders are enjoying steady sales and visitors to the exhibition sites are unchanged through October. Some builders report that there are more inquiries of information.

Average of major eight for August is 108%, September is 113% then October is 98% and average for seven months from April to October is 89%. Low cost mainly units built for sale builders value is 131% in August, 139% in September and 123% in October. Seven months average is 121%.

Climbing cedar log prices for China

Log export prices for China dropped when corona virus started and economic activities died down in early spring then the prices recovered after business activities returned in China and lockdown in New Zealand.

Softwood log import in the first half of this year is 1,764 M cbms, 16.2% less than the same period of last year. Beetle damaged logs from Europe increased considerably while major supply sources of New Zealand, Russia and U.S.A. decreased.

Export volume from Japan is almost unchanged from 2019. Since last April, monthly export volume has been about 100,000 cbms and total volume through August is 717,193 cbms, 11.8% more than 2019. Obviously Chinese made cedar fence board export to the U.S.A. market was busy and more orders are increasing from China but supply is not easy.

In public log auction market in early October, C class 4 meter 10-13 cm cedar log’s successful bid prices are 7,500 yen. Log exporters’ purchase prices are 8,000-8,500 yen per cbm delivered shipping port in early November, which is about 1,000 yen higher than the bottom prices.

New Zealand radiate pine log export prices for China climbed to US$125, about US$15 higher than the bottom prices. Japanese cedar export prices are more than $120 and large diameter log prices are higher than this level.

Log exporters’ purchase prices are rising in tight supply so the export prices are likely to go up more. Chinese demand seems to stay active at least until Chinese New Year in February. As weather has been favorable in Kyushu, the exporters wonder why log supply is not increasing. They suspect the log suppliers try to control the volume in fear of price drop by over-supply.

South Sea (tropical) logs

Supply and demand of South Sea logs are well balanced. In log producing regions in South East Asian countries, rainy season arrived about two months sooner this year and log production is decreasing but log inventory in Japan was 2.6 months at the end of September. Demand of plywood and lumber is stagnating. One South Sea log plywood manufacturer, which will go out of business in March 2021, procured larger volume so October arrivals are high.

China

Pace of home price increases slows

Data from the National Bureau of Statistics has shown the housing market remained stable in October but month-on-month growth in home prices was slower in major cities. New home prices in four first-tier cities -- Beijing, Shanghai, Guangzhou and Shenzhen rose by 0.3% month on month in October.

Between January and October this year real estate investment was up 6.3% percent year-on-year and residential investment increased 7%. In the same period land purchases by builders fell 3%.

In October, the real estate development climate index (referred to as the "national real estate climate index") was 100.50, almost 1 point higher than in September.

See:
http://www.stats.gov.cn/english/PressRelease/202011/t20201117_1803435.html

Source: National Bureau of Statistics, China

Retail sales of consumer goods inches up

In October, retail sales of consumer goods rose 4.3% year-on-year, 1% faster than in September. Of the various categories assessed it was reported that October furniture sale dropped around 8% month on month.

From January to October, the total retail sales of consumer goods reached 31,190.1 billion yuan, down 5.9 percent year on year. Among them, the retail sales of consumer goods excluding automobiles totaled 28,142.8 billion yuan, down 6.0 percent.

Source: National Bureau of Statistics, China

See:
http://www.stats.gov.cn/english/PressRelease/202011/t20201117_1803442.html

Rise in wood products exports from Linyi City

While China's wood product exports have fallen since the beginning of the pandemic, wood products exports through Linyi City, Shandong Province rose 23% in October and in the first 10 months of this year exports of wooden furniture expanded by 65%.

In order to effectively adapt to the impact of the pandemic Linyi Customs has introduced a range of measures to aid wood product exporters such as simplifying the registration process, switching to completed online document processing and done away with on-site audits. Additional efforts are being made to gather information on foreign market opportunities and import policies on behalf of exporters.

See:
https://new.qq.com/omn/20201116/20201116A063AM00.html

Green Household Industry Development Summit

A '2020 China Green Home furnishing Industry Development Summit' with the theme "Green Home Furnishings Intelligently Makes the Future " was held in Dongbao District, Jingmen City, Hubei Province in November. More than 300 participants from involved in production and sales of wood products, raw materials and auxiliary materials discussed the development of the green household industry.

Production of green building materials and prefabricated construction products are leading industries in Dongbao District. The local government in collaboration with the Science and Technology and Industrialization Development Center under the Ministry of Housing and Urban-Rural Development has created a green building materials and prefabricated building industrial park.

The Dongbao green building materials and prefabricated construction industries are at the core of provincial growth strategies.

It has been reported that during the 14th China Five Year Plan period, Dongbao District will further accelerate investment in the green household industry and could attract 300 enterprises to join green household industry chain.

See:
https://baijiahao.baidu.com/s?id=1683274523427234333&wfr=spider&for=pc

Furniture exports from Harbin City recover

Because of the pandemic furniture exporters have seen many overseas orders cancelled and enterprises in Harbin City, Heilongjiang Province have slowed production. However, the rise in work-from-home in the many countries has created demand for furniture suited to this work style.

Manufacturers in Harbin City were quick to link overseas e-commerce companies to take advantage of this new market and the preference of man consumers to shop on-line.

In the first 10 months of 2020 furniture exports are up rather than down compared with the same period of 2019. In some cases enterprises report rises of 30%.

One company in Harbin City exports 80% of its production worth around RMB200 million annually. Since the resumption of work in February this year the company has seen a gradual increase in orders such that delivery dates now extend to February 2021.

The company in question has focused trade with e-commerce companies such as Amazon, Wayfair, Overstock, Alibaba and other e-commerce companies which are all driving the growth of furniture exports. In the second half of 2020 ready-to-assemble furniture suitable for consumers at home have become popular.

See:
https://k.sina.com.cn/article_1710390641_65f27d7102000q4jd.html?subch=onews

Improving the supply chain in the redwood carvings sector

The government in Dongyang City, Zhejiang Province has vigorously promoted the transformation and upgrading of wood carving redwood industry. As part of this thrust a new focus is on what is called locally the 'whole-chain industrial system'.

In terms of the layout of the industrial chain the government sectors in Dongyang City strive to build the national timber trading center for rosewood carving a cluster zone and trading market.

Through the Dongyang Timber Trading Center, which integrates timber import, trade, processing, bonded, warehousing, logistics and financial services the supply chain can be shortened and made more efficient.

Around 30 new enterprises with annual output value of more than RMB20 million and another 10 enterprises with annual output value of RMB100 million will be established in Dongyang City by 202.5

See: http://www.xinhuanet.com/travel/2020-11/16/c_1126746792.

Average imported log prices US$/cu.m CIF

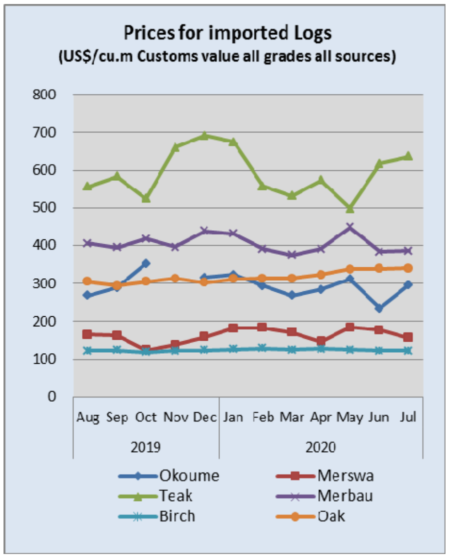
	2020 June	2020 July
Okoume	234	296
Merswa	177	155
Teak	617	635
Merbau	383	385
Birch	122	122
Oak	340	341

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

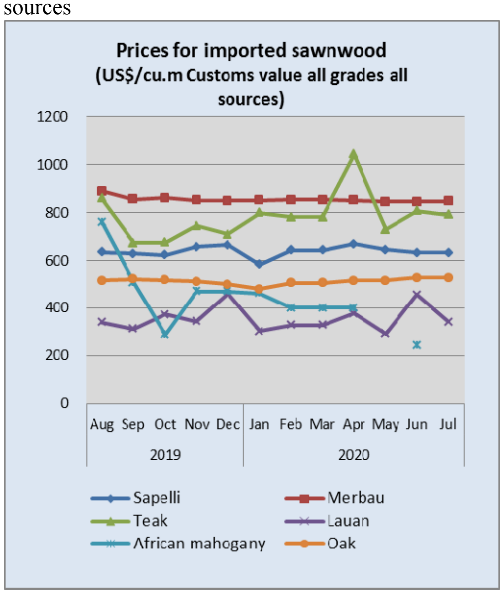
Average imported sawnwood prices US$/cu.m CIF

	2020 June	2020 July
Sapelli	633	633
Merbau	845	847
Teak	807	791
Lauan	457	340
African mahogany	242	
Oak	529	530

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



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



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

Europe

TTJ reports UK hardwood sales improving

The UK hardwood trade may not be back to normal, and there is continuing anxiety about the effect of a second COVID-19 wave, but the sector has seen sales improving since May. This is according to the latest November/December 2020 hardwood market report in the UK Timber Trades Journal: (TTJ - www.ttjonline.com).

"In April we were at 40% of normal turnover, but we hit 60% in May, 80% in June and July was a good month, not on budget, but ahead of last year," said a UK importer-distributor. "It's not business as usual yet, but we're in a better place than anticipated four months ago."

Another importer agreed. "Our recovery to 85-90% of normal sales was remarkably swift," they said. "In September, while growth continued, it did start to plateau. Local Covid lockdowns, and talk of a rise in unemployment as government winds down pandemic support measures are resulting in customer caution. So we expect it will be tougher to claw back that final 10-15% and that we'll be that much below budget for the year. But we're still more positive than we were."

As elsewhere in Europe, the strongest demand for hardwood in the UK currently is coming from home improvement and DIY. "Consumers unable to go on holiday are investing in their houses instead," said a UK importer. "So we're seeing good sales to staircase, kitchen, window and cladding manufacture and landscaping."

In contrast, the shopfitting sector is weak. "More robust stores used lockdown to refurbish, but shopfitting overall has taken some steps backward," said an importer-distributor. In terms of product, another said they'd seen best recovery in modified, engineered and semi-processed items.

While demand generally has been on the increase, however, so too, it seems, have supply issues due to pandemic fallout.

"It's harder to buy wood from a lot of places than to sell it," said an importer. "Sawmills reduced output due to Covid. Importers also reduced or stopped buying for a period. So there's a lot of inventory catch-up to be done, but there isn't one continent where you can simply get your product wish list."

Another importer reported supply gaps. "We haven't got every thickness we need on the ground and don't expect to have for weeks," they said.

African supply to the UK has tightened due to mills taking pandemic precautionary measures, plus, said one importer, the UK's favoured species sapele being 'less abundant in current harvesting cycles'. The UK is 'well-stocked on sapele, but not overstocked'.

UK importers also report continuing disconnect between sapele cost and selling prices. “The cost price is firm, and the pound weakening against the euro has had an inflationary effect, but the market absorbs it,” said one trader. “Clearly some people need to turn stock into cash.”

UK importers are expecting sapele prices to gradually pick up, followed by sipo, which had been weakening. Iroko prices had also been drifting down but are now reported stable. Due to mills’ Covid measures, plus importers earlier asking for orders to be held back, lead times on African generally have extended.

Meanwhile, according to TTJ, the UK remains resistant, compared to the rest of Europe, to secondary African species and to engineered African products.

Asian prices are described as volatile by UK importers, and freight rates from the region have also been rising. “The Malaysian ringgit’s fluctuation against the dollar has made the situation very unpredictable,” said one importer. “Prices are now level with three months ago, but they’ve been up and down several times in the interim.” Meranti supply was described as tight due to lockdown and wet weather impacting harvest.

European sawn hardwood production forecast to fall 25% this year

Speaking to the UK Timber Trade Federation (TTF) Temperate Hardwood Webinar on 18 November, Maria Kiefer-Polz, Vice President for Hardwood at the European Sawmillers Organisation (EOS) suggested that sawn hardwood production in member countries may have declined by up to 25% this year.

After a period of stability between 2016 and 2019, when sawn hardwood production in EOS member countries fluctuated between 5.44 million cu.m and 5.54 million cu.m, EOS forecasts production will fall by up to 25% to around 4.10 million cu.m in 2020, before rising around 20% to 4.79 million cu.m in 2021.

The forecast refers to total production in the 11 European countries in the scope of EOS: Austria, Belgium, Switzerland, Germany, Denmark, Finland, France, Latvia, Norway, Romani and Sweden.

A significant fall in sawn hardwood production is projected in all three of the largest European producing countries which together account for more than three quarters of all EOS production: France where production is expected to fall 15% to 1.24 million cu.m; Germany, where a 20% decline to 950,000 cu.m is forecast; and Romania, with an expected decline of 44% to 900,000 cu.m.

Drawing on reports from national hardwood sawmillers associations, Ms. Kiefer-Polz also informed the TTF Webinar on the market situation for European sawn hardwood in each of the three main producing countries.

In France, hardwood sawmillers report that demand in the domestic and wider European market has slowed since September. Although overall demand in Asia has been low this year, a high proportion of oak logs continue to be shipped to China. In the beech sector, there is weak demand for lower grades. French sawmills are struggling to procure ash logs as increasing quantities are now being shipped to Vietnam.

German sawmillers report that the market has become extremely unpredictable and volatile. As in France, large quantities of German beech and ash logs are being exported to China and Vietnam.

Demand for German sawn hardwood in the European furniture sector has weakened with the decline in manufacturing and sales during lockdown. However, the German joinery sector has been very busy in the second half of the year. Overall profits of German hardwood sawmills are expected to be lower this year as costs have risen. Some German hardwood mills may be forced to close.

In Romania, there is declining demand for sawn hardwood in both China and the Middle East. Romanian sawmillers report that buyers in both export regions are pushing for lower prices. The market situation in Egypt is only slightly better.

During the summer months, the supply of logs in Romania was very tight as half the harvesting companies have closed. In the current situation, sawmills have little incentive to sell and many are waiting on developments and operating at much reduced capacity.

Ms. Kiefer-Polz noted that overall exports of sawn hardwood by EOS countries declined sharply in the first half of 2020, a trend affecting all the main export destinations. Unlike in the softwood sector, European sawn hardwood exports to the US did not experience any increase in demand this year.

Exports of European sawn hardwood to the key Asian markets, led by China and Vietnam, have been subdued this year, particularly impacting on sales of lower grades of oak. Sales to the North Africa and the Middle East have also been weak, undermining demand for beech.

In addition to the COVID crises, European sawn hardwood exports this year are impaired by the relative strength of the euro against the dollar and other currencies.

Nevertheless, European sawmills continue to complain about the high quantities of higher value hardwood logs being exported to China (with volume of oak, ash and beech in excess of 2 million cu.m in 2019).

According to Ms. Kiefer-Polz, log supply problems for European hardwood mills are being made worse due to severe drought in parts of central Europe which has particularly damaged the beech resource, combined with the impact of oak lace bug infestation and ash dieback.

European domestic markets for sawn hardwood are also under pressure. Ms. Kiefer-Polz noted that "the value of EU27+UK wood furniture production was €42.5 billion in 2019, 1.4% less than the previous year".

Furthermore, "in retrospect, it seems the rebound in EU wood furniture production following the 2008 economic rises peaked as early as 2017, as 2019 was the second straight year of decline. Last year, EU wood furniture production was still 20% down, in real terms adjusted for inflation, compared to the years just prior to the 2008 crises".

The COVID-19 pandemic has damaged market prospects further in 2020 with many furniture retailers closed for long periods during the crisis.

The situation in the parquet industry is not quite so negative, but mixed, according to Ms. Kiefer-Polz. Drawing from the most recent official statement by FEP (European Parquet Federation), overall stable consumption is forecast this year, helped by the continuing strength of the housing market and renovation activities.

However, the recent upsurge in the pandemic which has led to new lockdown measures throughout large parts of Europe, is creating more uncertainty. There is also concern about the long-term economic effects with the significant build-up of government debt and rising levels of unemployment across the continent.

Vandecasteele emphasise value of business model built on resilience and sustainability

The need to build a resilient business model in uncertain times was the theme of a presentation by Isabelle Polfiet and Genevieve Standaert of Vandecastele Houtimport, a leading European wood importer and distributor based in Belgium, to the Sustainable Tropical Timber Coalition webinar on 19 November.

The two speakers emphasised that while the effects of the COVID-19 pandemic on the economy and wider society have been devastating, there can be a silver lining for companies that have focused on resilience and sustainability in their business planning.

For the hardwood sector, they highlighted that the COVID lockdown measures contributed to booming demand in the European DIY sector as people, closely confined to their own homes, have been encouraged to adapt and improve their living environment.

On the other hand, the supply side has become very challenging and prices for new stock have been rising. A lot of tropical suppliers are struggling to deal with a backlog of delayed orders, with containers regularly held up at the ports.

Supplies from Brazil have been hit particularly hard, with numerous cancelled contracts as logging operations were curtailed earlier in the year and have now halted during the rainy season.

They also suggested that "Malaysia has been in continuous lockdown since March and prices [for Malaysian sawn wood] are expected to rise further".

However, the market situation has been beneficial for those companies in Europe, like Vandecasteele, that carry stock, particularly if they have already invested in digital product handling and sales.

According to the Vandecasteele representatives, the company has built a stock holding of 120,000 cu.m of timber, including over 81 species of tropical hardwoods. Whereas 15 years ago, all buyers would physically inspect consignments of timber before procurement, following a large investment in IT systems at the company, all transactions can now be carried out on-line.

At the same, Vandecasteele has made a policy commitment to exceed environmental legislation and support the UN Sustainable Development Goals (SDG) in its business activities, a commitment for which it was recently awarded UN "SDG Pioneer Certificate".

It was emphasised that if "sustainability means anything, it surely means resilience – shock resistance – in the face of threats such as to COVID. It also means that business needs to be generation neutral, leaving the environment in better shape for the next generation. This in turn requires loyalty, to customers, suppliers, and staff".

As part of their commitment, Vandecasteele aim to trade only in "certified sustainable" timber by 2025.

It was noted that "EUTR was a wake-up call for us, putting us under a lot of pressure and helping us push forward with this transition" and suggested that "we must all be ambassadors for certified timber".

However, it was also acknowledged that certification "needs investment" and that Vandecasteele "does not drop suppliers", preferring to "work with them to find solutions". Vandecasteele's approach is to employ consultants to identify gaps in certification capacity and to work out solutions with their suppliers.

It was also noted that current shortages on the supply side could be "turned into an opportunity to promote certified lesser used species…While it takes a lot of time and effort to encourage buying of lesser used species, using more will improve livelihoods and reduce pressure on better known commercial species."

African timber industry support for healthcare infrastructure

Recent reports have highlighted the key role that African timber companies are playing to support the development and maintenance of essential healthcare infrastructure during the pandemic.

Tullia Baldassarri of INTERHOLCO AG, which is headquartered in Switzerland and whose subsidiary IFO manages 1.159 million ha of certified forest in Ngombé in the Republic of Congo (RoC), presented details of the company's response to the COVID pandemic to the STTC webinar on 19 November.

INTERHOLCO have invested in medical facilities and equipment against increased incidence of the disease in RoC. With strategies aimed at both prevention and treatment, the focus has also been on health education and sharing knowledge and best practice. It was noted that there are over ,1200 workers at te IFO site in the northern part of RoC, which is 800km from the capital Brazzaville. The Ngombé concession area also supports a much larger population of 16,000.

Healthcare infrastructure in this region is limited, so INTERHOLCO has developed a joint plan with the state for prevention and mitigation of the COVID pandemic. INTERHOLCO spent over €200,000 (FCFA francs 130 million) on pandemic measures, while the German Development Corporation-backed Programme for the Promotion of Certified Forest Management (PPECF) contributed €70,000.

"We raised further amounts through an international crowd funding initiative," said Ms. Baldassarri. "Contributors included customers, NGOs and business partners and we also had donations of PPE."

Healthcare awareness raising and training was another aspect of INTERHOLCO's strategy and, to ensure continuity of supply, it set up a local tailors' cooperative to make face masks.

INTERHOLCO said the exchange of information between companies on tackling the crisis in the region has proved invaluable. "Also helpful were pandemic webinars organised by IDH-the Sustainable Trade Initiative," said Ms. Baldassarri. "Input from companies in Liberia was particularly useful, given their Ebola experience."
So far, incidence of Covid-19 in northern RoC has not been high.

One reason for the relatively low impact of Covid-19 in the area is thought to be demographics, with just 3% of the population in Central Africa being over 65 compared to 20% in UK or France. But INTERHOLCO believes the measures they've taken, in association with other companies and local authorities, have contributed to curbing disease spread. Given the unpredictable course of the pandemic, they know too that efforts must be ongoing.

According to a report by Mike Jeffree for the STTC and Fair&Precious program, CIB-Olam has also been very proactive in responding the pandemic in RoC, both in support of its own workforce and the wider community. The company has a direct and indirect workforce of 2000, while the population of Pokola and surrounding region, where it has its main facilities is 20,000. Local communities around its other sites are home to a further 40,000 people.

CIB-Olam's hospital in Pokola undertakes over 40,000 consultations every year, serving employees and local populations, and its clinics at other operations, although mainly for the workforce, also treat local people in serious cases.

CIB-Olam says its spend to date on COVID response measures has been €450,000 (CFA francs 300 million). "We received €60,000 from the PPECF, and paid the rest ourselves," said Mr Istace. "And we estimate we'll spend around a further €100,000 this year."

Elsewhere, Rougier in Gabon has set up hand-washing and temperature check points, issued PPE and undertaken a comprehensive health awareness programme. It's pandemic strategy has also included setting up quarantine zones at forest sites and liaison with the national Covid-19 steering committee.

Pallisco-CIFM in Cameroon has worked with subcontractors and local communities to raise awareness on social distancing and other preventative measures. It has bought medical equipment and PPE and increased medicine stocks at medical facilities near its sites.

Steps taken by Precious Woods, also in Gabon, have included distribution of hygiene equipment, establishment of temperature check points, investment in medical equipment, introduction of social distancing measures and compulsory wearing of facemasks on its vehicles.

Renewed interest in further processing in Central Africa

An article by trade journalist and commentator Mike Jeffree for the STTC and Fair&Precious highlights renewed interest in further processing of tropical timber in Central Africa prior to export.

Jeffree notes the "growing government commitment in a number of African countries to help their timber industries transition from being primary material producers, to become further processing, value added manufacturers".

This was underlined at the September meeting of CEMAC, the Economic Community of Central Africa, where a proposal to ban log exports from the entire Congo Basin on January 1, 2022 was approved by ministers from the Republic of the Congo, the Democratic Republic of Congo, Central African Republic, Cameroon, Gabon and Chad.

Central African governments also backed establishment of economic zones for primary, secondary and third-stage timber transformation and to set up the CRIB, the Regional Committee for Sustainable industrial Development of the Timber Industry.

Jeffree suggests that "at the outset there was scepticism about prospects for developing value-added tropical timber production in Africa". However, according to Jeffree, "companies in the field say they're proving the doubters wrong.

It's still a work in progress, but further processing operations are establishing a solid base and the resulting products, made using latest machinery, are demonstrating their technical credentials, cost and environmental benefits".

To drive the message home, Jeffree interviewed Christophe Janssen, production manager and VP of sales and production at INTERHOLCO which started making FSC-certified finger-jointed laminated scantlings at its IFO facility in Ngombe in the RoC in 2012.

Mr Janssen acknowledges that initially it wasn't an easy sell: "Established customers for logs and sawn timber from our production were conservative and didn't want to take a risk with these new products," he said. "People said you couldn't do value added production in Africa, even though it was established elsewhere in the tropics, in Asia and South America. They assumed there would be glue problems with scantlings, and they'd cause machining difficulties.

The key from the start was to focus on consistent quality and performance. Some early engineered products from other African producers, Mr Janssen acknowledged, had not been the best. Some mixed species and used lesser quality material for the central layer of laminated scantlings, obviously a critical issue for window makers.

According to INTERHOLCO, European customers are now reporting the benefits of African laminated scantlings. "One Belgian window manufacturer couldn't compete in plastic or aluminium with the big producers and was struggling with tropical hardwood lumber because he couldn't accurately calculate yield or costs," said Mr. Janssen.

"That changed with our laminated scantlings. They cut waste and enabled the business to budget more effectively, as well as produce a window that could take on the man-made material competition in terms of consistent quality and performance. He said it helped save the company." Utilising the range of species, says INTERHOLCO, contributes to sustainable use of the forest and, it maintains, these other varieties are cost competitive.

Expanding opportunities for lesser used certified hardwoods in Europe

Responding to the overall decline in availability of the commercially most popular tropical species, particularly if certified, and the objective of improving returns to sustainable tropical forest operations, tropical wood marketing activities in Europe led by the STTC and the ATIBT Fair&Precious campaigns are focusing heavily on promoting lesser used species (LUS).

These activities combine testing of the technical properties of LUS with close monitoring of market developments to identify emerging niche applications for which these species are well adapted and to allow targeted communication campaigns.

This approach is well illustrated by a civil engineering application testing program of a range of tropical certified LUS at a marina facility in the Netherlands, on-going now for 10 years which will soon come to fruition with publication of a full set results on the STTC website in the coming weeks (http://www.europeansttc.com/).

Funding for the testing program is from FSC Netherlands and the Dutch Ministry of Infrastructure and Water, with financial contributions from Van Swaay Harlingen BV, GWW Houtimport BV and Precious Woods Europe BV who also provided part of the timber in 2009.

The assessment was undertaken by the Stichting Hout Research (SHR, a testing and knowledge institute for o.a. timber) at the Houtexpo duurzame waterbouw site (Sustainable wood for waterways expo) in Akkrum. The latter was established in 2009 and forms part of a working marina, so the material is effectively tested in real life situations.

Some of the timber has been evaluated in water contact, with a view to use in such applications as pile planking, with other types tested in different forms, such as decking and beams. A particular focus was to test the various hardwoods in applications where they are currently not generally used.

Among the more than 20 species involved in the project, which also included some temperate varieties, are Muiracatiara, Sapupira, Angelim da Campina, Fava Amargoza, Acariquar, Gindya udu (Tanimbuca) and Manbarklak.

SHR undertook field evaluation of the timber in situ at the Houtexpo, comprising visual inspection and strength and resistance testing, followed by testing of samples at its laboratory.

At the recent STTC webinar, it was highlighted that additional new opportunities for tropical LUS in the European market may arise from a forthcoming EU ban on creosote for wood treatment.

John Williams, a Principal Consultant at the structural engineering group, RSK, noted that it is highly likely that the EU will ban creosote in 2021. He also mentioned that the UK alone uses 10,000 cu.m of creosoted softwood each year.

In response to the anticipated ban, end users are now looking at cast concrete, steel or plastics as alternatives. According to Mr Williams "there may also be an opportunity for tropical hardwood, but it will need investment, determination and momentum".

Mr Williams went on to say that "this may be too much for an individual private sector exporter, but possibly an area that would benefit from government/forest department funding. The industry already uses azobe/ekki, but there are many candidates out there.

One alternative highlighted by Mr Williams was okan/denya which, he said, "has excellent strength and durability and could be seen as a substitute for ekki/azobe for many structural applications: bridge, rail and smaller costal engineering projects".

"We managed to prove D40 (BDS EN1912) strength properties (bending strength as actually 49 N/mm2) which is just short D50" and suggested that "with a bit more work it shouldn't be too difficult to get okan over the D 50 mark.

Gombé is another African hardwood identified for further market development in an article by Mike Jeffree prepared for STTC and Fair&Precious. Drawing on an interview with Emmanuel Groutel, head of sales development, marketing and communication at Port Gentil-based Compagnie des Bois du Gabon (CBG), the article highlights just how wide ranging is the species, both in terms of geography and potential applications.

CBG began its gombé development programme seven years ago, seeing significant commercial opportunities for the timber, given its abundance and versatility.

"It's most common in Gabon, Cameroon and the Central African Republic, but occurs across all West African rainforest, from Liberia and Sierra Leone to the Republic of the Congo," said Mr Groutel. "Greater quantities could be exported with no adverse effect on sustainability."

The company bills the species as an alternative to sapele, African mahogany and dark red meranti and says it is suited to make a wide variety of end products. The extensive list on its website (www.cbg-wood.com) ranges from plywood and veneers, through interior and exterior (in 'temperate' areas) joinery, to mouldings, staircases, coffins and vehicle and container flooring.

"Gombé has good machining and finishing properties, it poses no particular kilning issues, gives good screw and nail retention, and it's suited to all the most commonly used glues," said Dr Groutel. "It can also be peeled and used to make finger-jointed and laminated components."

Gombé trees can grow over 50m high, and the trunk is practically cylindrical for 20-25m from its short, thick buttresses, resulting in well-shaped logs with diameters up to 1.2m. "The sapwood is whiteish to yellowish and the heartwood salmon pink, sometimes with a few greenish-brown veins," said Dr Groutel. "The grain is mostly straight, with some occasional slight interlocking."

CBG has been developing its production facilities so that a significant proportion of its sawn timber output (in gombé and okoumé) is now kiln-dried and it is currently upgrading drying facilities further. It has also overhauled its dust extraction system and installed two new edge trimmers.

CBG describes the market response to gombé as positive, with many customers placing regular repeat orders after trialing the material. Main markets are currently China, Italy, Spain, Pakistan, France and UAE. CBG says there is potential to double production in response to demand.

Responding to EU demand for Environmental Product Declarations

The ATIBT, in association with member companies, has initiated a project to develop Environmental Product Declarations (EPDs) and Environmental and Health Declaration Sheets (FDES) for construction products in African tropical timber.

Called Dryades and backed by private and public sectors, the aim is to improve products' commercial prospects in an international market increasingly focused on environmental impact and performance.

The initiative is being funded by the PPECF-COMIFAC programme, which backs forest certification in the Congo Basin, and ATIBT members Pallisco, Precious Woods, CIB-Olam, IFO-Interholco and French timber trade federation Le Commerce du Bois.

ATIBT General Manager Benoît Jobbé-Duval said Dryades had been prompted by growing government requirement across Europe for evidence of construction products' environmental credentials.

"In the particular case of France, when building product marketing includes environmental performance communication, manufacturers are required to issue an EPD. This gives the product's complete environmental profile, based principally on life cycle analysis (LCA)," said Mr Jobbé-Duval.

He added that, under France's new environmental regulation RE2020, part of its strategy to 'decarbonize construction', the sector will also have to detail the environmental impact of new buildings throughout their life and present the data in FDESs.

"Likewise, at European level, as part of the strengthening of the Construction Products Regulation (CPR), the European Commission has drawn up a draft delegated act to make environmental declarations compulsory within the framework of the CE (European quality assurance) marking of construction products," said Mr Jobbé-Duval.

The aim of Dryades is to help suppliers in Cameroon, Gabon and Republic of the Congo put a range of construction products through LCA, including flooring, windows, doors and other joinery, leading to generation of EPDs and FDESs.

The arrangement is yet to be finalised, but it is hoped that it will also be able to draw on the tropical timber LCA expertise and experience of Netherlands timber market development operation Centrum Hout – a potential collaboration discussed at the 2019 STTC annual conference.

The project is set to get underway later this year and to deliver its first EPDs and FDESs by June 2021. “Even if it starts for the French market and there are small differences between European regulations, we’d ultimately like Dryades to cover the needs of construction at European level,” said Mr Jobbé-Duval. “Beyond LCB, a contribution from European federations is possible to extend the benefits of the project to other countries.”
ATIBT urges EU to step up efforts to tackle rise in illegal wood imports

The ATIBT is urging government and trade in Europe to step up efforts to tackle an increase in illegal timber imports. Currently, it maintains, the EU Competent Authorities (CAs) with responsibility for monitoring and policing imports are under-resourced and lack knowledge of the trade.

In its call to action, ATIBT takes a new stand against the illegal timber trade, the organisation says that ‘import of illegal wood into Europe is suddenly making a comeback’.

“This is causing serious damage to an industry that has been striving for two decades to make progress towards sustainable management and promotion of legal and certified timber,” it says. “We need to be careful, because we’re witnessing a step backwards that is endangering our sector.”

The ATIBT maintains that those involved in the illegal trade are widely known and said that its marketing commission highlighted the need for a crackdown two years ago in 2019. “But to date, there is nothing to indicate that measures are being taken at the European authority level to stop the actions of companies that we all know,” it says. “In particular we need to work more closely with customs and ports and raise their awareness regarding this menace.”

The EU Timber Regulation (EUTR) is described as a key tool in the fight against the illegal trade. But the ATIBT maintains that enforcement is not sufficient to ‘counter the excesses of some of these players, which operate illegally with impunity’.

“The EUTR monitoring system does not work due to lack of resources and knowledge about our sector,” states ATIBT. The illegal trade, it adds, causes deforestation and forest degradation and constitutes unfair competition for certified logging companies. It also damages the market image of the trade as a whole.

The ATIBT says that it and timber trade federations ‘cannot act beyond our prerogatives’ and create a ‘black list’ of those involved in the illegal trade. It constitutes large-scale organised crime and is thus the responsibility of the EU and Interpol. However, it says that the legitimate trade can play a role by expressing its views on the issue and only buying legally and/or sustainably certified timber.

“It is through certification systems that imports will be 100% reliable and ensure the future of our profession,” states ATIBT.

ATIBT calls on European CAs to strengthen monitoring and to target known illegal timber importers. “We all know the fight against illegality is an effective way to reduce deforestation,” it states. “Even if this trade affects only a small share of imports, it needs to be eradicated.”

North America

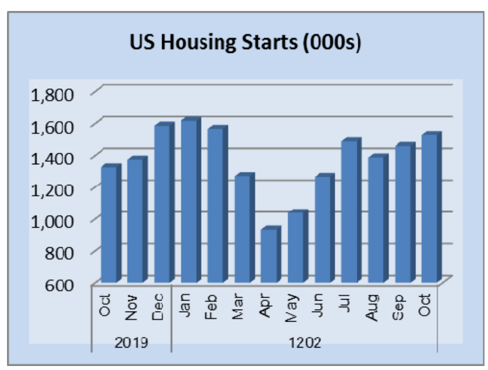
Home construction continues to show strength
U.S. homebuilding increased more than expected in October as the housing market continues to be driven by record low mortgage rates, but momentum could slow amid a resurgence in new COVID-19 infections that is putting strain on the economic recovery.

Housing starts rose 4.9% to a seasonally adjusted annual rate of 1.530 million units last month. That lifted homebuilding closer to its pre-COVID-19 pace of 1.567 million units in February. Economists polled by Reuters had forecast starts would rise to a rate of 1.460 million units in October. Homebuilding has surged 14.2% on a year-on-year basis.

Permits for future homebuilding were unchanged at a rate of 1.545 million units in October, the highest since March 2007.

Housing starts in the densely populated South region rose by 12.9% as the region accounted for 56.1% of homebuilding last month. Groundbreaking activity also rose in the West and Midwest but tumbled in the Northeast.

Single-family homebuilding, the largest share of the housing market, raced 6.4% to a seasonally adjusted annual rate of 1.179 million units last month, the highest level since April 2007. Single-family starts have increased for six straight months.



Data source: US Census Bureau

Existing home sales continue to soar

Sales of existing homes in October soared well past expectations, rising 4.3% compared with September and up 26.6% annually to a seasonally adjusted annualized rate of 6.85 million units, according to the National Association of Realtors.

The NAR's chief economist, Lawrence Yun, called the annual increase a spectacular gain. "The surge in sales in recent months has now offset the spring market losses," Yun said.

The annualized sales rate is the highest since February 2006. The highest pace ever was in 2005 at 7.1 million units. Sales could likely have been stronger if there was simply more inventory available for sale. There were 1.42 million existing homes on the market at the end of October, a 19.8% drop compared with October 2019. At the current sales pace, that represents a 2.5-month supply, the lowest on record.

The extreme shortage of homes for sale is adding more fuel to the fire under home prices. The median price of an existing home sold in October was US$313,000, up 15.5% annually. That is the highest median price on record and reflects the far stronger sales on the higher end of the market.Regionally, month-to-month sales in the Northeast rose 4.7%. In the Midwest they increased 8.6%. In the South they were up 3.2%. In the West, they rose 1.4%.

See: https://www.nar.realtor/newsroom/existing-home-sales-jump-4-3-to-6-85-million-in-october

Builder confidence reaches a 35-year high

The National Association of Home Builders and Wells Fargo Housing Market Index, a measure of builder confidence, rose five points to 90 in November – the highest score the series has ever recorded since its inception 35 years ago and the third month in its history the score broke 80.

Based on a scale from zero to 100, the index gauges builder perceptions of current single-family home sales and sales expectations for the coming six months.

In November, all indices, including current sales conditions, sales expectations, and traffic of prospective buyers, posted their highest readings ever. In fact, current sales conditions jumped all the way to 96 – a nearly perfect score.

Regionally, the West showed the greatest promise, with builder confidence in the three-month moving averages jumping up four points to 96. The South also climbed four points to 86, while the Northeast gained two points to 83. The Midwest increased six points to 75.

According to National Association of Realtors Chief Economist Lawrence Yun, median home prices are rising "much too fast." Yun suggests transforming raw land into developable lots to boost supply is clearly needed to help tame the home price growth.

But it is not just availability of land that's causing all of the upward pressure. An October report from the National Association of Home Builders (NAHB) revealed that lumber prices have soared 120% since mid-April, but are down 20% since mid-September. The U.S. Bureau of Labor Statistics estimates roughly $16,000 has been added to the price of a typical new single-family home because of the lumber price increase.

On Oct. 20, the NAHB, along with 100 members of Congress, sent a letter to President Donald Trump that asked the administration "to bring all stakeholders to the table and work to find a solution to address lumber scarcity and subsequent price spikes that ensures everyone's needs are met."

See: http://eyeonhousing.org/2020/10/builder-confidence-continues-record-climb/

Unemployment drops on back of job growth

Employment growth in the U.S. was better than expected in October and the unemployment rate fell sharply even as the U.S. faces the challenge of surging coronavirus cases and the impact they could have on the nascent economic recovery. Total nonfarm payroll employment rose by 638,000 in October, and the unemployment rate declined to 6.9%, the U.S. Department of Labor reported.

While the biggest job gains came in the recovering leisure and hospitality sectors, construction posted a healthy gain, up 84,000, while transportation and warehousing increased by 63,000 and manufacturing was up by 83,000, even though the sector remains well below its pre-pandemic level.

However, there are signs of concern as the U.S. has since surpassed 250,000 dead from coronavirus and new cases have surged past the 100,000-a-day barrier in recent weeks. A retightening of restrictions to public activities has begun in many areas across the U.S.

COVID-19 worries may have led to an uptick in unemployment so far in November. The Labor Department listed 742,000 new unemployment claims for the week ending Nov. 14, an increase of 31,000 from the previous week.

The Department said there are almost 6.4 million continuing claims, which lag initial claims by a week.

Consumer confidence surveys suggests Americans are worried about their future

Consumer sentiment fell in early November as U.S. consumers judged future economic prospects less favorably, while their assessments of current economic conditions remained largely unchanged, according to the University of Michigan's consumer sentiment index.

The outcome of the presidential election as well as the resurgence in COVID-19 infections and deaths were responsible for the early November decline. Interviews conducted following the election recorded a substantial negative shift in the Expectations Index among Republicans but recorded no gain among Democrats.

It is likely that Democrats' fears about the COVID-19 resurgence offset gains in economic expectations.

Manufacturers report growth in October

Economic activity in the U.S. manufacturing sector grew in October, with the overall economy notching a sixth consecutive month of growth, say the nation's supply executives in the latest Manufacturing ISM' Report On Business'.

Survey Committee members reported that their companies and suppliers continue to operate in reconfigured factories; with every month, they are becoming more proficient at expanding output. Panel sentiment was optimistic (two positive comments for every cautious comment), a slight decrease compared to September.

Demand expanded, with the (1) New Orders Index growing at strong levels, supported by the New Export Orders Index expanding moderately, and (2) Customers' Inventories Index at its lowest figure since June 2010.

Of the 18 manufacturing industries, 15 reported growth in October. After leading in growth over each of the past four months, the Wood Products and Furniture & Related Products industries were among the middle of the pack among the growing industries for the month.

Likely that US-China trade rivalry will continue under Biden

President Donald Trump spent much of his term setting up Beijing as Washington's greatest political and economic adversary. Do not expect drastic changes when Joe Biden takes the helm, even if he eschews the bluster and unpredictability of his predecessor.

Economists and trade experts believe that the United States and China will move further apart on trade and technology as Washington continues to scrutinize virtually every aspect of its relationship with the world's second-largest economy.

Washington has become increasingly wary of Chinese-made technology and whether it could be used to spy on Americans. That fear has caused lawmakers — Republican and Democrat — to view China as a major threat to U.S. national security.

"Biden has been pretty clear about how he wants to proceed, and there has been bipartisan support for a tough line," said William Reinsch, a trade expert at the Center for Strategic and International Studies who served for 15 years as president of the National Foreign Trade Council. He added that the president-elect "will be under constant critical pressure from Republican China hawks in the Congress to be more aggressive."

Foreign policy and trade experts do say that Biden will bring a softer, more diplomatic tone, and will be more likely to follow long-established procedures before pursuing any new tariffs or sanctions.

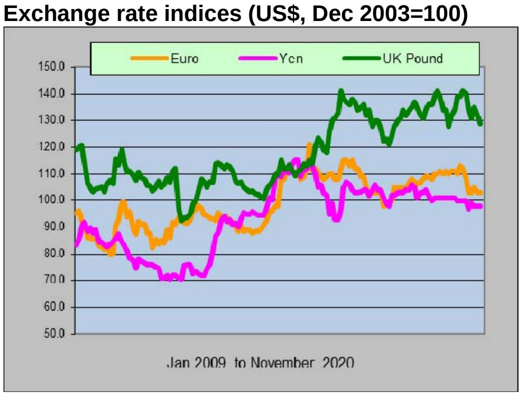
There is also agreement the two countries will both continue the trend of disentangling their economies, particularly in the technology sector.

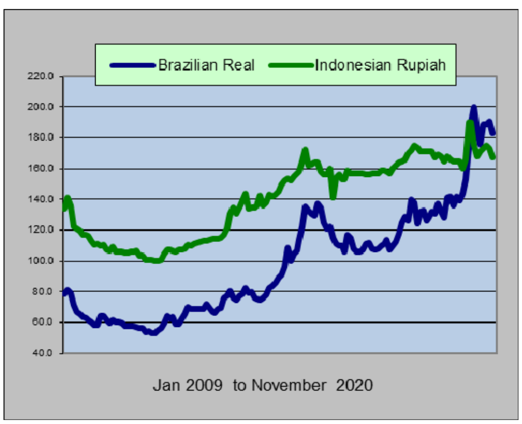
Dollar Exchange Rates

As of 25 November 2020

Brazil	Real	5.374
CFA countries	CFA Franc	552.85
China	Yuan	6.5919
Euro area	Euro	0.8408
India	Rupee	74.08
Indonesia	Rupiah	14155
Japan	Yen	104.44
Malaysia	Ringgit	4.0875
Peru	New Sol	3.50
UK	Pound	0.7483
South Korea	Won	1110.64

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



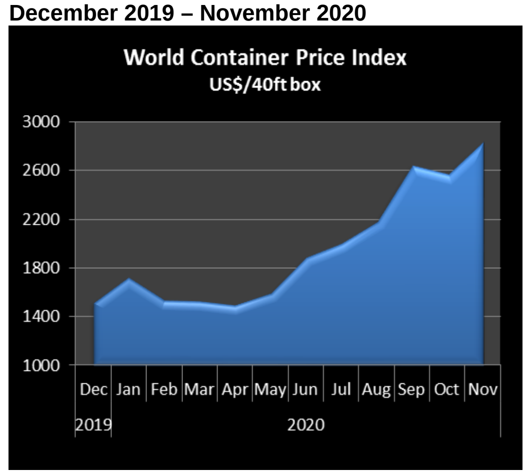


Abbreviations and Equivalences

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

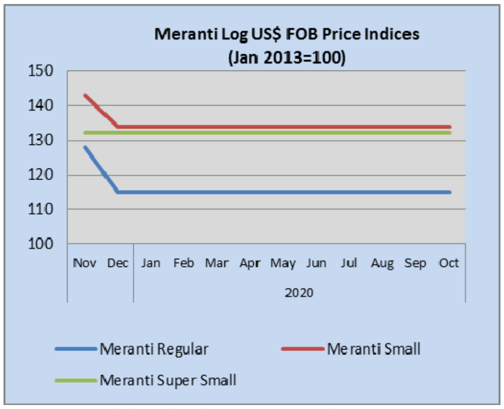
December 2019 – November 2020



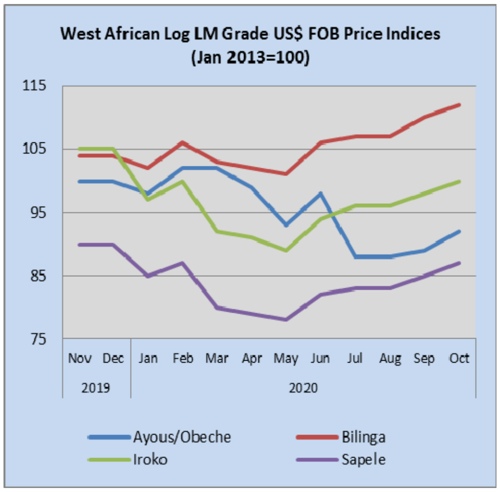
Data source: Drewry World Container Index

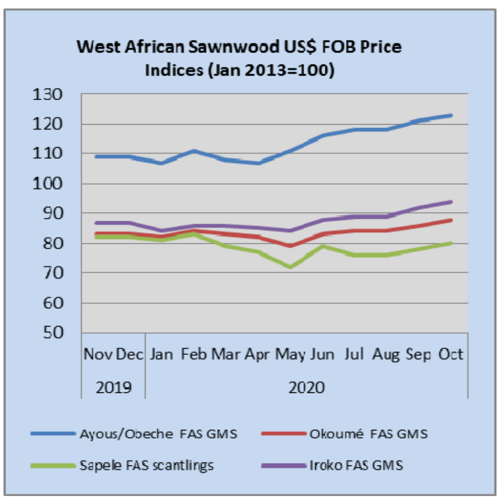
Price indices for selected products

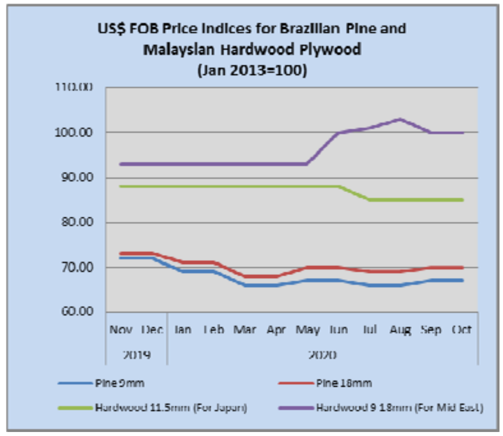
The following indices are based on US dollar FOB prices

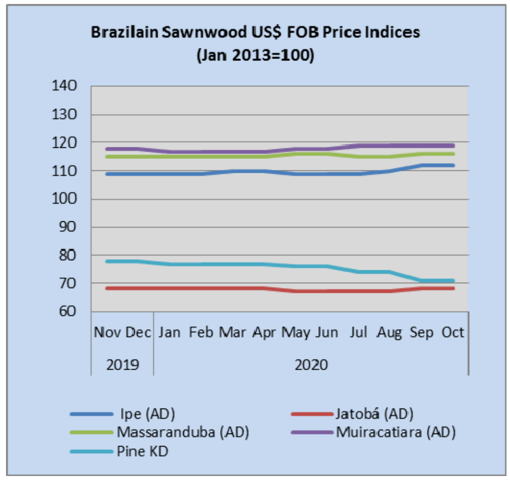


Note: Sarawak logs for the Japanese market









Note: Jatobá is mainly for the Chinese market.

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