

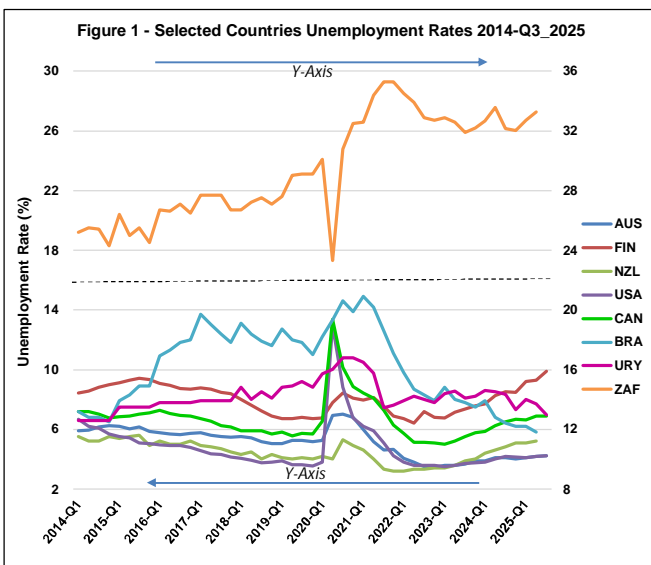
# Forest Sector Outlook

## Global Consulting Alliance

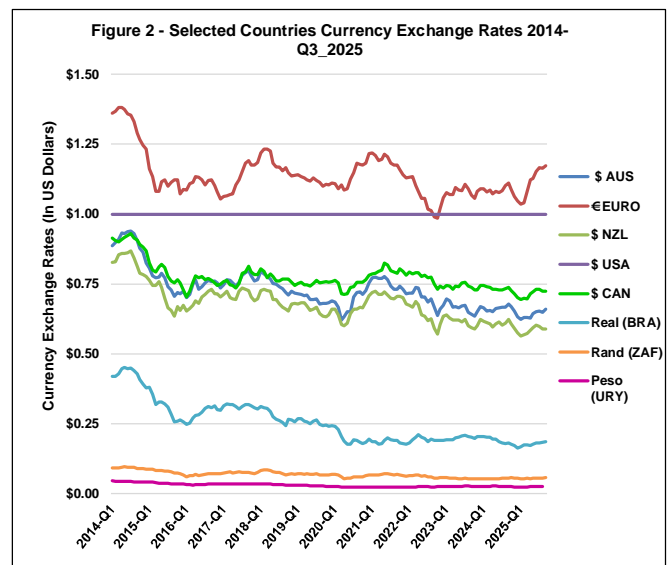
Quarterly Edition 2025-Q3

### ECONOMIC DASHBOARD

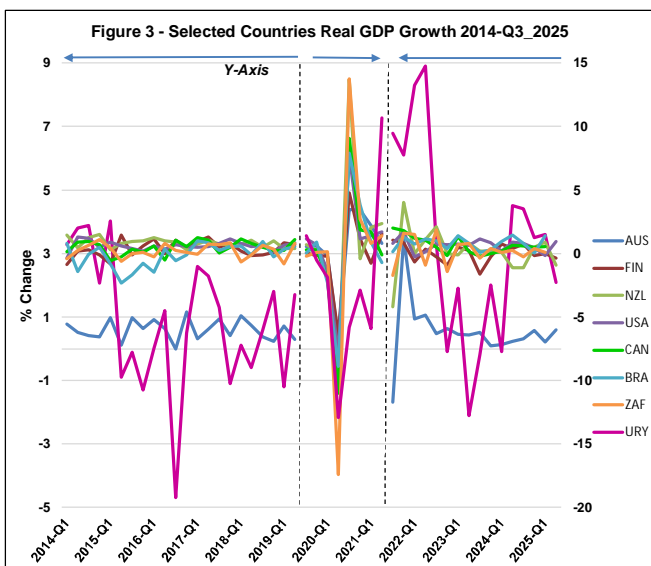
Figures 1 to 4 illustrate four key macroeconomic indicators as observed over the past decade, on a quarterly basis to Q3 2025. These can be useful particularly for monitoring the post-pandemic conditions and the market implications of the ongoing war in Ukraine and US trade arrangements. Figure 4 Interest Rates are nominal.



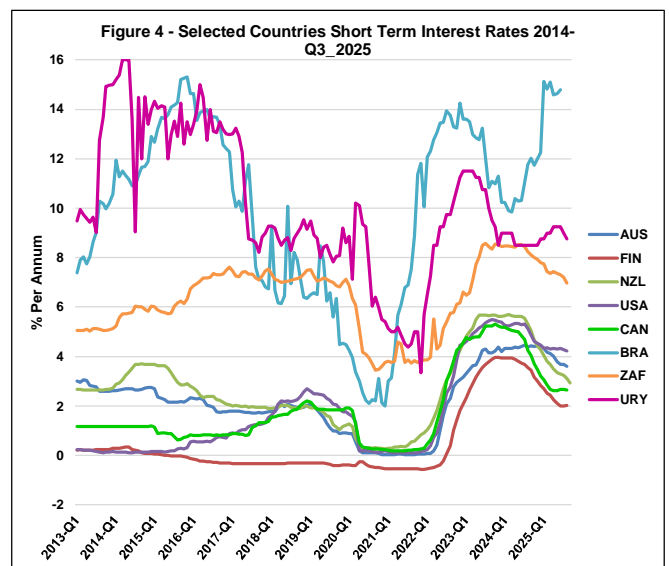
Sources: OEDC, Brazilian Institute of Geography and Statistics, macrotrends.net (World Bank), Statistics South Africa, FRED - St. Louis Fed, Uruguay National Institute of Statistics



Source: Federal Reserve, Uruguay National Institute of Statistics



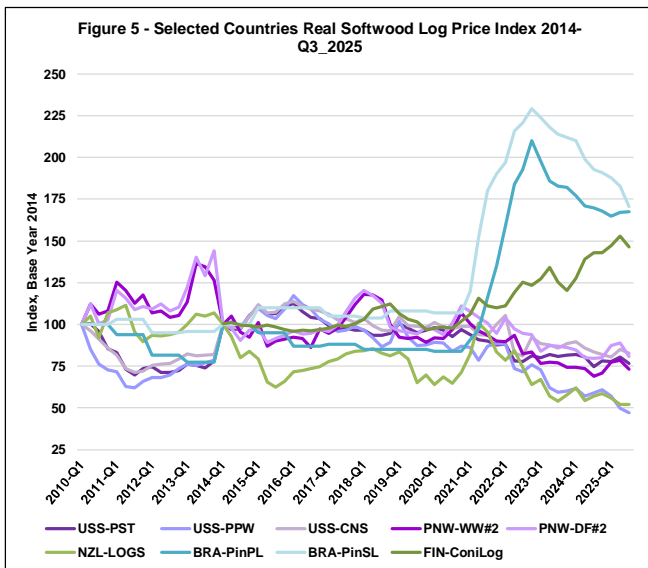
Source: OEDC, Chamber of Commerce and Services of Uruguay, Stats NZ, FRED - St. Louis Fed.



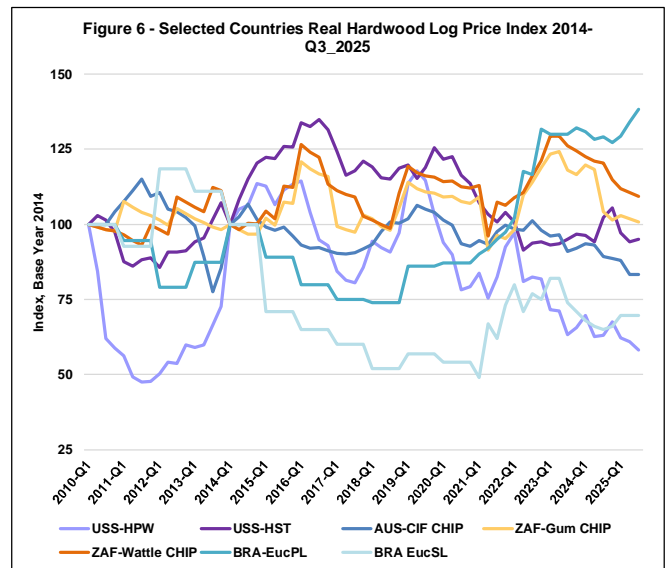
Source: OEDC, FRED - St. Louis Fed, Banco Central Del Uruguay, Reserve Bank of New Zealand

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Figures 5 and 6 show indexed real pricing for select softwoods and hardwoods – with Q1 2014 the base quarter-year.



Source: Timber-Mart South, RISI Log Lines, AgriHQ; USS = US South, PNW = US Pacific Northwest



Source: Timber-Mart South, RISI Log Lines, NCT; USS = US South

## Legend:

USS-PST = US South Pine Sawtimber, USS PPW = US South Pine Pulpwood, USS-CNS = US South Chip n' Saw, PNW-WW#2 = US Pacific Northwest Whitewood #2 Saw Avg. Columbia River, PNW-DF#2 = US Pacific Northwest #2 Saw Avg. Columbia River, NZL-LOGS = New Zealand Softwood Logs Composite, BRA-PinPL = Brazil Pine Pulplogs, BRA-PinSL = Brazil Pine Sawlogs, FIN-ConiLog = Finland Coniferous Logs.

USS-HPW = US South Hardwood Pulpwood, USS-HST = US South Hardwood Sawtimber, AUS-CIF CHIP = Australia Hardwood CIF Chip, ZAF Gum CHIP = South Africa Gum CHIP, ZAF Wattle CHIP = South Africa Wattle Chip, BRA-EucPL = Brazil Eucalyptus Pulplogs, BRA-EucSL = Brazil Eucalyptus Sawlogs.

## ECONOMIC HIGHLIGHTS

### Global

- U.S. Tariff Momentum and Market Responses
  - The delayed “Liberation Day 2.0” tariffs took effect on August 1, though several bilateral partners negotiated partial reductions such as Japan’s agreed 15% rate.
  - The United States continued to adjust tariff levels on other partners. For example, Section 232 duties on steel were raised from 25% to 50% on 3 June 2025, and a 50% tariff on certain copper products came into effect on 1 August 2025. Duties on Indian goods were raised to 50% in August, although exemptions mean the effective tariff rate is around 33% to 36%. In September the administration announced a 100% tariff on patented pharmaceuticals unless the manufacturer builds a plant in the United States. It also introduced Section 301 port fees on foreign-built or Chinese-owned or -operated vessels from 14 October 2025, effectively penalising Chinese shipping and incentivising carriers to redeploy vessels.
  - Despite renewed trade barriers, equity markets performed strongly in Q3, led by sustained gains in the technology and AI sectors, while broader indices also delivered positive returns.
  - Nonetheless, major corporations, especially those in manufacturing and consumer goods, reported rising input costs, suggesting that tariff-related pressures continue to squeeze margins and could temper investor sentiment in coming quarters.

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- Bond and Capital Markets
  - Long-term yields edged lower during Q3, with the U.S. 10-year Treasury declining by roughly 10 basis points to 4.16%.
  - Credit spreads tightened and risk appetite strengthened, fueling gains across both high-yield and investment-grade segments.
  - Emerging-market debt benefited from renewed inflows, supported by a weaker U.S. dollar and narrowing global yield differentials.
- Global Economic Outlook
  - The International Monetary Fund (IMF) revised its 2025 global growth forecast upward to 3.2%, citing easing tariff headwinds, improving financial conditions, and resilient consumer demand.
  - However, the IMF cautioned that downside risks persist, including the potential for renewed tariff escalation and growing debt vulnerabilities in non-bank financial sectors.
  - In a statement to the International Monetary and Financial Committee (IMFC) on 17 October 2025, European Central Bank (ECB) President Christine Lagarde noted that global activity had been “subdued but resilient” owing to front-loading ahead of tariffs. She warned that as front-loading fades, growth will soften further and highlighted the need for a predictable and open international order.
  - The World Trade Organization (WTO) revised its forecasts to reflect front-loading ahead of tariff increases. It now expects global merchandise trade volume to grow 2.4% in 2025, up from the 0.9% forecast earlier. Highlighting that importers accelerated purchases before higher tariffs and trade in AI-related goods surged.
- Industry and Forestry Sector Impacts
  - Moody’s downgraded its outlook for the global forest products industry from stable to negative, attributing the shift to rising trade costs and sluggish demand across major markets.
  - Higher discount rates in a tighter monetary environment continue to undermine timberland’s appeal as a traditional inflation-hedge asset, exerting pressure on valuation models.
  - Evolving supply-chain diversification strategies such as the “China + 1” approach, are reshaping logging, pulp, and wood product trade flows, particularly within the Asia-Pacific corridor.
  - In the United States, sectoral modeling indicates employment declines in pulp and paper and logging, highlighting the economic vulnerability of forest-dependent regions amid structural market adjustments.

## REGIONAL MARKET UPDATES

### Asia Pacific

#### Australia

- The September 2025 edition of Consensus Economics forecasts Australian GDP growth of 1.7% for CY2025. GDP is expected to rise to 2.2% in CY2026.
- CPI is projected at 2.5% for CY2025, within the Reserve Bank of Australia’s (RBA) target band of 2 - 3% per annum. The Reserve Bank of Australia (RBA) cut interest rates by 0.25bps in August but opted to keep the cash rate steady at 3.60% in its September 2025 meeting. Commonwealth Bank economists see a possible further cut in November 2025 to 3.35% as plausible.
- The unemployment rate is expected to remain low, increasing modestly from 4.1% in CY2024 to 4.2% in CY2025, and 4.3% in CY2026. However, recent data show the unemployment rate has risen to about 4.3% in mid-2025, indicating a slight softening of the labour market and potentially strengthening the case for policy easing.
- Housing approvals are projected to reach approximately 192 000 units in CY2025, up from 170 000 in CY2024. Rental rates and house prices remain elevated and are likely to increase further following the rollout of the



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federal government's five percent deposit (home guarantee) scheme and mortgage guarantee on 1 October 2025.

- Australian sawlog prices are expected to increase in nominal terms in line with historical trends but remain flat in real terms. Timber demand remains soft but is showing slight improvement.
- The Australian forest transactions market remains active in 2025. Global Forest Partners are in the process of divesting Australian Bluegum Plantations (ABP). Earlier this year, OneFortyOne acquired the Limestone Coast hardwood asset from New Forests and Manulife acquired the Murray River Forests softwood estate from New Forests.
- The spot price for generic Australian Carbon Credit Units (ACCU) remained relatively steady in Q3 2025, trading between AUD 34.00 and AUD 38.10 per ACCU, with an average of AUD 36.60.
- In their June 2025 pulp market review, Trade Tree Online and Brian McClay & Associates (TTO BMA) noted that market pulp imports into the USA from Brazil and Europe are now subject to tariffs, while a 10% tariff on US exports to China is affecting fluff and southern bleached softwood kraft (SBSK).
- TTO BMA reported in September that China's long-term strategy in paper and paperboard differs from the West. It states that industrial development is shaped by government policy and state-backed financing. With access to low-cost capital and long-term planning Chinese companies can pursue capital intensive projects with a long-term outlook aimed at boosting GDP, employment and resource self-sufficiency. TTO BMO argues that China's recent expansion of domestic pulp capacity reflects this approach. Projects may not be profitable immediately but help to advance the goals.
- TTO BMA indicates that fibre costs in Asia have increased after a series of Typhoons (Typhoon Kajiki and Typhoon Bualoi) disrupted supply chains. A marginal appreciation of the CNY against the USD added further cost pressure on imported wood and has increased domestic producer cost in USD terms. TTO BMO indicates that wood is the largest cash cost in pulp production. These dynamics have tightened margins and help supported pulp price increases in China.
- TTO BMO observed that the growing establishment of energy-intensive AI data centres may present new revenue opportunities for pulp mills with surplus bioenergy or recovery-boiler capacity, particularly where such data centres are located in the same regions as the mills.

## New Zealand

- The Reserve Bank of New Zealand responded to New Zealand's poor economic performance (June-year economic contraction of - 1.1%) by cutting the Official Cash Rate (OCR) by 50 basis points to 2.5% on 8 October, its seventh reduction since July 2024. Early indicators suggest the economy is now regaining momentum, with Consensus Economics forecasting annual growth of 1.0% by year-end and 2.3% in 2026. Unemployment remains elevated, projected at 5.2% for 2025, before improving slightly to 4.9% in 2026.
- New Zealand continues to exhibit a two-speed economy: rural regions are benefitting from strong agricultural commodity prices, while urban centres are contracting. Manufacturing and construction are under severe pressure, highlighted by Carter Holt Harvey's (CHH) recent decision to close its large plywood mill at Kinleith, following the earlier shutdown of its Eve's Valley sawmill. Oji's paper capacity reductions at Kinleith and Winstone's closure of pulp and sawmill operations have added to the sector's difficulties.
- The domestic timber market remains weak, with little sign of recovery in construction starts despite substantial declines in mortgage rates over the past year. Residential building consents remain at the subdued levels seen in 2024. In response, the government has announced plans to invest more than NZD 1 billion (USD 600 million) in large-scale construction projects.
- According to AgriHQ, structural log prices were largely steady in September, with only a minor decline. However, tightening supply of pruned logs has driven strong price gains, with P1 (P40) grades selling between NZD 210 and NZD 217 per tonne.



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- The introduction of 10% tariffs by the US on New Zealand timber exports will affect trade in mouldings and millwork lumber (products largely derived from pruned logs) potentially softening pruned log prices. The US market accounts for roughly 32% of New Zealand's lumber exports by value and 15% by volume.
- AgriHQ reports a modest recovery in China A-grade log prices over the past quarter, rising from USD 110 to USD 116 per JAS m<sup>3</sup> CFR before easing slightly to USD 114 in September. The easing was attributed to difficulties in securing letters of credit rather than underlying market weakness.
- As China moves into the cooler months, construction activity is expected to lift slightly, with log import demand increasing modestly to 55 000 - 60 000 m<sup>3</sup> per day, compared with 50 000 - 60 000 m<sup>3</sup> last quarter.
- In the 12 months to June, log exports totaled 20.7 million m<sup>3</sup>, representing approximately 63% of the national harvest. Export volumes in August were slightly lower at 1.72 million m<sup>3</sup>, helping to reduce Chinese port inventories to 2.5 - 2.7 million m<sup>3</sup>. Overall, export volumes are broadly in line with 2023 levels and significantly ahead of 2024. The softer exchange rate (USD/NZD 0.57 - 0.58) continues to support exporter competitiveness, while shipping rates have remained stable around USD 28 per JAS m<sup>3</sup>.
- Several major forestry transactions reported last quarter remain in progress, suggesting that investor sentiment has become more cautious, particularly in erosion-prone areas subject to new regulatory requirements following Cyclone Gabrielle.
- Smaller forest acquisitions by predominantly European investors and funds continue to receive Overseas Investment Office (OIO) approval, though transaction volumes appear to be moderating. Eleven purchases were approved in the past three months, with buyers including Ingka Investments (IKEA), Kauri Forestry LP (Craigmore Sustainables), MEAG, and Trelinnoe, among others.

### China/Asia

- China's existing home prices declined at an accelerated pace in August 2025, highlighting the need for bigger support even as major cities relax purchase restrictions.
- Resale home values fell 0.58% from July, quickening from a 0.55% decline a month earlier (National Bureau of Statistics). New-home prices in 70 cities, excluding state-subsidized housing, dropped 0.30%, compared with a 0.31% slide a month earlier.
- China's housing slump has dragged on for more than four years, with sales falling further since the second quarter. The prospect of a revival is not in sight, as the broader economy appears to have lost even more traction in the second half of August, according to Bloomberg Economics.
- For the first eight months to August 2025, China imported 15.97 million m<sup>3</sup> of softwood logs, down by -8.4% compared to the same period in 2024. The breakout of the top supplying countries to August 2025 (with August 2024 comparison) are as follows (sourced from Timber-Online):
 

– New Zealand	11.97 million m <sup>3</sup>	+0.12% (75% of total imports)
– Japan	1.15 million m <sup>3</sup>	+15.1%
– Canada	813 000 m <sup>3</sup>	+3.7%
– Latvia	330 000 m <sup>3</sup>	+67.3%
– Australia	327 000 m <sup>3</sup>	-9.6%
– Germany	301 000 m <sup>3</sup>	-59.8%
– Poland	284 000 m <sup>3</sup>	-56.8%
– USA	136 000 m <sup>3</sup>	-83.3%

  - Note that Japan has been the second largest log supplier to China since April 2024.
  - Note: Europe as a whole is lower by 37% to 1.375 million m<sup>3</sup> through August 2025.
- US softwood log exports have dropped to zero since China banned US log exports starting on March 4, 2025. This was implemented due to concerns over quarantine pests like bark beetles and longhorn beetles found in recent shipments. However, the ban is part of a broader trend of trade tensions and retaliatory measures between the two countries.

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- Softwood lumber imports into China were lower by -16.1% (to 9.79 million m<sup>3</sup>) for the first eight months of 2025 as compared to the same period in 2024. The top supplying countries were (from Timber-Online):
  - Russian Fed.           6.93 million m<sup>3</sup>           -11.1% (66.9% of total imports)
  - Belarus                710 000 m<sup>3</sup>               -11.6%
  - Canada                 694 000 m<sup>3</sup>               -20.7%
  - Sweden                255 000 m<sup>3</sup>               -17.7%
  - Finland                248 000 m<sup>3</sup>               -46.0%
  - New Zealand         163 000 m<sup>3</sup>               +28.4%
  - Brazil                 140 000 m<sup>3</sup>               -10.1%
  - Chile                 134 000 m<sup>3</sup>               -27.8%
  - USA                    97 000 m<sup>3</sup>                -32.6%
  - Germany             95 000 m<sup>3</sup>                -74.0%
  - Note that Belarus became the second largest lumber supplier to China starting in April 2025.
- In Japan, sugi and hinoki species are widely used as building material. The American Lumber Standard Committee’s Board of Review has approved the design values of 2x4 dimension lumber for sugi (*Cryptomeria japonica*, or Japanese cedar). This follows approval granted in April 2024 for hinoki (*Chamaecyparis obtusa*, or Japanese cypress). The U.S. recognition of its design strength is a significant step because it provides numerical evidence that Japanese cedar is suitable for structural and architectural use.
- In the first six months of 2025, log exports from Japan went to the following countries:
  - China                   942 000 m<sup>3</sup>               +25.1%
  - South Korea           59 000 m<sup>3</sup>                +107%
  - Taiwan                 29 000 m<sup>3</sup>                +78.6%
  - Other                   6 413 m<sup>3</sup>
  - Total                   1 023 587 m<sup>3</sup>             +23.0 %
  - Total Cedar           930 962 m<sup>3</sup>,             +25.0 %
  - Total Cypress         92 625 m<sup>3</sup>               +11.8 %
- In the first six months of 2025, lumber exports from Japan went to the following countries:
  - China                   34 000 m<sup>3</sup>                +15.9%
  - U.S.                    29 000 m<sup>3</sup>                +144%
  - Philippines           15 000 m<sup>3</sup>                +225%
  - Taiwan                 11 000 m<sup>3</sup>                +142%
  - South Korea           4 000 m<sup>3</sup>                 +121%
  - Other                   5 000 m<sup>3</sup>
  - Total                   98 000 m<sup>3</sup>                +137.4%

## Europe

- European sawmills have faced an unusual combination of high raw-material costs and soft demand since August 2025. According to the European Timber Trade Federation and German Federal Statistical Office, spruce sawlogs in Central Europe have traded in the range of EUR 110 to EUR 120/m<sup>3</sup>, close to historic highs, largely driven by limited harvesting windows, transport bottlenecks and energy costs affecting logging operations. At the same time, construction activity in several large markets, including Germany, France and Italy has not fully recovered to pre-2023 output levels, suppressing demand for structural timber. According to industry news from EUWiD, Fordaq and Global Wood Markets sawmills are reporting narrowed profit margins, with some facilities in Austria and Sweden temporarily reducing shifts to manage inventories. Nordic exporters have also noted growing competition from Canadian and Baltic producers in key destinations such as the United Kingdom and the Netherlands.



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- According to the European Panel Federation and Eurostat, the European wood-based panels sector has shown moderate recovery from 2023 across particleboard, MDF and OSB segments. Preliminary 2024 data released in late 2025 indicate that total output reached roughly 58.1 million m<sup>3</sup>, a 2.7% year-on-year increase. Demand from furniture and interior-fitout manufacturers has picked up in Spain, Poland and Turkey, although higher fibre and resin prices have constrained profit margins for panel producers. Some producers have also reported difficulty securing recycled wood streams due to stricter waste-sorting rules.
- Following the end of September update on the current wildfire situation in Europe by the European Commission's Joint Research Centre (JRC)<sup>1</sup>, many were alarmed by the scale of the damage and the political responses. The JRC and Copernicus satellite data show that by the end of August more than one million hectares of European Union forest had burned and more than 2 100 fires had been recorded, far above the nineteen-year average. Despite strengthened emergency resources deployed by the whole EU, and the promise by Brussels of a new fleet of 12 planes and 5 helicopters to be permanently stationed in Mediterranean member states between 2026 and 2029, critics say that prevention is being sidelined. The European Court of Auditors recently noted that some wildfire management decisions rely on decades-old data, and an action plan launched in 2022 has been undermined by cuts to rural development and forestry adaptation budgets. At the same time, the European Commission has delayed implementation of its anti-deforestation regulation and some groups are voting against the proposed forest monitoring law at Parliament.
- In September 2025, Environment Commissioner, Jessika Roswall, told the European Parliament and Council that the EU executive intends to further delay the implementation of EU Deforestation Regulations (EUDR), which was already delayed in 2024 to December 2025. The Commission argues that the information-technology system underpinning the regulation cannot currently manage the volume of data and has proposed delaying the application to 30 December 2026. This follows reports that implementation has been entangled with trade politics. As such, in July 2025 the EU and United States issued a joint statement pledging to address concerns from US exporters. The US, currently classified as "low risk" is arguing for its classification as a "no-risk" category that would exempt its producers from due-diligence checks. Moreover, Mercosur governments argue that the rebalancing clause should allow them to challenge the regulation. The postponement still requires approval by Parliament and the Council and observers note that continued postponements and special-risk categories could erode one of the EU Green Deal's flagship policies.
- Civil organisations, Green and Social-Democrat legislators, and many companies oppose another delay. A joint letter signed by Rainforest Alliance, Ferrero, Mars Wrigley, Nestlé, Tony's Chocolonely and others warns that further postponement would create uncertainty, raise compliance costs and accelerate climate impacts. They note that supplier due diligence and traceability are standard business practices and suggest that any technical problems should be treated as force majeure with a short grace period so that fines are suspended while systems are fixed. Environmental NGOs remind the Commission that the IT platform was supposed to be ready by the end of 2024 and claim that another postponement would reward laggards and undermine the EU's credibility.<sup>2</sup>
- Recently, the European Commission advanced proposals for the use of credits from high-quality carbon removal projects to be incorporated into the EU Emissions Trading System (EU ETS). Currently, the approval, monitoring rules, and permanence safeguards are still being debated. However, several member states, especially in Scandinavia, have urged clearer treatment of harvested-wood products to ensure reliable accounting. In the UK, public consultation outcomes released in summer 2025<sup>3</sup> indicated broad support for including engineered carbon removals in the UK ETS, with forestry offsets seen as a near-term instrument,

<sup>1</sup> [https://joint-research-centre.ec.europa.eu/projects-and-activities/natural-and-man-made-hazards/fires/current-wildfire-situation-europe\\_en](https://joint-research-centre.ec.europa.eu/projects-and-activities/natural-and-man-made-hazards/fires/current-wildfire-situation-europe_en)

<sup>2</sup> The official letter is hosted on WWF Europe:  
<https://wwfeu.awsassets.panda.org/downloads/letter-eudr-ngos-7oct25.pdf>

<sup>3</sup> <https://assets.publishing.service.gov.uk/media/689cda8487bf475940723f5b/uk-ets-ggrs-main-response.pdf>

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provided verification standards remain stringent. However, stakeholders from industry and environmental organisations remain divided on the risk of double counting and land-use competition.

## Finland

- Finnish roundwood prices finally peaked in June 2025, and declined by approximately 15% thereafter. On stump coniferous logs are about EUR 78/m<sup>3</sup> now, pulpwood at EUR 27/m<sup>3</sup>. Given the listed integrate players' stock prices have trended downwards, the price adjustment was no surprise, rather an overdue event.
- The swift price decline has forced a stand still amongst operators and harvesters due to significantly lower harvesting volume than usual, which is an unusual sight in Finland. Multiple companies have announced change negotiations to fight against decreasing topline revenues.
- Albeit the wood price environment is still high, sawmillers are more profitable than 12 months ago. Sawmill investments of Junnikkala, Kuhmo, and Pölkky in Oulu, Kuhmo, and Kajaani respectively are now completed and ramping up in production.
- Forestland market could experience a slowdown as markets will likely adapt to the swift price drop in wood prices.
- The chemical forest industry is under more pressure. In conjunction with the high wood prices, UPM decided to shut down its paperline in Kaukas integrate site. Similarly, Sappi will close a paperline in Kirkiniemi, but retain two other machines in operation. UPM also announced it will evaluate its plywood business as part of its strategy.
- Versowood and UPM completed a historical deal, in which Korkeakoski sawmill returns to Versowood ownership, having sold it some twenty years ago to UPM. Both parties also inked a deal to secure side stream and small diameter roundwood flows for synergies. The sawmill has output of approximately 350 000 m<sup>3</sup>/a.
- PTT forecasts 3 - 4% increase in cartonboard and pulp exports for 2026 with no pricing upside, and sawnwood exports to pick up by 2 - 3% with modest price increase.
- US trade policies present mixed messages to the forest industry, but the latest lift of softwood pulp tariffs to the US will alleviate some concerns of Finnish exporters.
- Predicting weather is a tricky business, but statistics show that the first snow is overdue by approximately 3 weeks. Late winter snow could complicate winter harvesting. On the other hand, plenty of district heating plants have stocks from previous winter and are well prepared for the winter.

## Sweden

- Stora Enso continues to evaluate a possible spinoff of the remaining Swedish forest assets to a listed forest vehicle. The remaining value of the Swedish forest assets is around EUR 5.6 billion.
- Swedish roundwood prices has started to falter during Q3 and multiple buyers have announced decreases in prices (Danske Bank). Previously, spruce timber markets in Sweden south were limited but buyers are currently describing it as balanced.
- Besides Vida AB and Mellanskog, Södra has announced it will decrease list prices for pulp and energywood as the pulp trade is less busy than usual.
- The weak Swedish krona has boosted exports, but recent rapid currency shifts (especially USD and EUR) have negatively impacted profits of forest product companies. Companies like Rottneros, Södra, and SCA are highly exposed to currency fluctuations, especially the USD.
- Södra announced in early October that it has completed the divestment of its Baltic forest assets to Ingka Investments at an undisclosed price. The landmark deal spun 154 000 hectares of forestland across Estonia and Latvia.
- SCA is debating if it will halt certifying its forests under FSC due to cumulative tightening of harvesting restrictions over a decade of rules change. SCA manages large forest areas in the northern part of the country with overlapping interest of native Sami people.

## Baltics

- Sawlog prices have held their momentum in the Baltics over the past quarter and been relatively stable. Pulpwood prices have clearly decreased, mimicking the challenges of chemical forest industry of Nordics.
- Some sawmills in Estonia have taken downtime to accommodate to weaker market conditions.
- Rettenmeiers Incukalns sawmill saw its inauguration in September. The sawmill is the largest in the Baltics and among the most efficient in Europe following a EUR 120 million capex program.
- European Commission announced increase of anti-dump duties on Chinese plywood to 90%, an increase from ~70 %. Given Baltic countries are highly exposed to plywood production the increase was welcomed.

## Russia

- A strengthening ruble and collapsing global demand could trigger industry-wide closures in Russia.
- Some groups warn that the timber and forest industry “is going through one of the most tense periods in (it’s) modern history,” with total volumes of timber harvesting down 13% in 2024 compared to 2021 (before Ukraine sanctions), with pulping (down 3%), sawn timber (down 11%) and plywood (down 23%) amongst the most brutal hit.
- Russia’s largest timber conglomerate, Segezha Group, is cutting staff at its largest mills, as softening Asian demand is starting to take its toll. Segezha is planning to axe 350 of the 1 000 positions at its Novoeniseysky Wood-Chemical Complex in Lesosibirsk, in Krasnoyarsk Krai, the latest in a series of sweeping cost-cutting measures.
- Sveza group halted operations at its Tyumen plywood plant and laid off 323 workers after sustained output declines and mounting losses.
- A slowdown in China is squeezing out Russia’s timber trade, with the country increasingly reliant on its largest trading partner to survive amid wartime sanctions.
- There are reports of chronic bottlenecks on Russia’s rail network that have delayed timber shipments even as exporters chase new markets in Southeast Asia. At the same time, weakened demand from China and fierce competition from other suppliers have eroded profit margins across the sector.
- According to Rosstat data: The volume of production of timber products between January and June 2025 compared to the same period in 2024 were mainly negative (courtesy of WhatWood; \*adjusted by WW):
  - Russian timber harvest -8.7 million m<sup>3</sup> (-5.4%)
  - Softwood & hardwood sawn timber: to 20.0 million m<sup>3</sup> (-3.0%)
  - Plywood\*: to 1.7 million m<sup>3</sup> (+1.2%)\*
  - OSB: to 993 000 m<sup>3</sup> (-5.2%)
  - Particleboard: to 5.6 million conventional m<sup>3</sup> (-12.4%) \*WhatWood: to 3.7 million m<sup>3</sup> (-3.2%)
  - Wood pulp: -2.4%
  - Paper and paper board: 0%

## North America

- Privately-owned housing starts in August 2025 were at a seasonally adjusted annual rate of 1 307 000. This is 8.5% below the revised July estimate of 1 429 000 and is 6.0% below the August 2024 rate of 1 391 000. Single-family housing starts in August were at a rate of 890 000; this is 7.0% below the revised July figure of 957 000. The August rate for units in buildings with five units or more was 403 000 (US Census).
- Privately-owned housing units authorized by building permits in August were at a seasonally adjusted annual rate of 1 312 000. This is 3.7% below the revised July rate of 1 362 000 and is 11.1% below the August 2024

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rate of 1 476 000. Single-family authorizations in August were at a rate of 856 000; this is 2.2% below the revised July figure of 875 000. Authorizations of units in buildings with five units or more were at a rate of 403 000 in August (US Census).

- The average rate on a 30-year fixed mortgage backed by Freddie Mac decreased by 4 basis points from the previous week to 6.30% in the week ending October 9, 2025. This rate is 0.12% higher than one year ago. In October, mortgage rates have settled in at their lowest level in about a year. There is growing evidence that homebuyers are digesting these lower rates and gradually are willing to move forward with buying a home, which is boosting purchase activity.
- Existing home sales dipped in August as elevated mortgage rates and higher home prices continued to sideline buyers, according to the National Association of Realtors (NAR). August sales reflected deals closed in June and July, when mortgage rates remained above 6.5%.
- Sales of newly built single-family homes jumped 20.5% higher in August, to a seasonally adjusted annual rate of 800 000 units from an upwardly revised reading in July, according to newly released data from the U.S. Department of Housing and Urban Development and the U.S. Census Bureau. The pace of new home sales is up 15.4% from a year earlier. The three-month moving average of new home sales was 713 000, an increase from 656 000 in July. However, the Census Bureau's estimate of new home sales is often volatile from month to month and is subject to significant revisions.
- US softwood lumber production for the first six months of 2025 was higher by +0.5% (to 18.65 billion BF; 29.7 million m<sup>3</sup>, net) as compared to the same six months in 2024. US West lumber production was lower by -0.8%, southern yellow pine (SYP) production was higher by +1.2%, and the rest of the US was higher by +0.5%.
- US softwood lumber imports were lower by -4.3% in the first six months of 2025 to 7.5 billion BF. Imports from Canada decreased by -7.8% to 5.7 billion BF and imports from Europe increased by +5.6%. The leading European importers were Germany, Sweden and Austria and they represented over 85% of European shipments to the US.
- Canada's lumber output for the first six months of 2025 was lower by -5.8% to 10.12 billion BF (16.1 million m<sup>3</sup>, net) as compared to the same six months in 2024 (COFI Connect). BC production was lower by -7.1% to 3.2 billion BF (5.1 million m<sup>3</sup>), while the rest of Canada was lower by -5.2%.
- In the first eight months, total exports were lower by -8.6%.
  - Canadian lumber exports to the US were 5.7 billion BF, or -7.8% lower as compared to the previous year. In the first eight months, US exports were lower by -9.3%.
  - Exports to Japan were -16.1% lower at 195 million BF and were -26.9% lower (to 217 million BF) to China.
- The White House Section 232 investigation confirmed 10% tariffs on softwood logs and lumber imports to the US from all countries effective October 14, 2025.
- As part of the US Department of Commerce's sixth Administrative Review, countervailing and anti-dumping duties on Canadian lumber shipments to the US rose in mid-August from the previous 14.40% to a combined 35.16%. For Canadian exports to the US, total duties and tariffs are 45.16%.
- North American lumber prices were generally high in 2025 partly accounting for potential tariffs on Canadian lumber that kept getting postponed in the US trade war development. In mid-August, following the higher duties imposed on Canadian lumber imports, US lumber prices collapsed by 10 - 20%, depending on the species. This was in part due to softening demand and also from surplus Canadian production shipped to customers and reloads in the US, resulting in excessive lumber inventories.
- Using W-SPF 2x4 #2&Better R/L (FOB mill) as the benchmark, lumber prices bottomed out in early May 2025 at USD 437/Mbf and then peaked in mid-August at USD 542/Mbf (+24%) following the 21% increase in US countervailing and anti-dumping duties. Almost immediately after this, prices slumped badly and bottomed out at USD 418/Mbf (-23%) in mid-September and had risen to USD 477/Mbf (+14%) in mid-October.
- US West lumber prices (FOB mill) have maintained price premiums over 2x4 W-SPF – over USD 100/Mbf in September but in October closer to USD 50/Mbf. Alternatively, US South (West) 2x4 (FOB) pine lumber sold at a USD 30/MBF premium to W-SPF in early May but plunged to a hefty discount to W-SPF (FOB mill) of over

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USD 150/Mbf in mid-July where it remains in October. This means that W-SPF is selling at a whopping premium of over USD 200/Mbf (~+50%) delivered to the US South over SYP lumber.

- With too much supply chasing very flat demand in fourth quarter, it is expected that considerable sawmill curtailments will need to occur in the high-cost regions of BC, Quebec and possibly the US South to allow further increases in lumber prices (and that are closer to Canadian mills' breakeven costs).
- US pulpwood prices vary by region and season. In the Lake States region, Q3 hardwood and softwood roundwood prices were flat compared to last quarter and year-over-year. In the South Central region, hardwood roundwood prices were flat compared to last quarter and up 3% year-over-year. Softwood roundwood prices in South Central were flat quarter-over-quarter, while softwood roundwood prices were down 3% year-over-year. The South Atlantic region's hardwood roundwood prices were flat quarter-over-quarter in Q3 and down 3% year-over-year. South Atlantic softwood roundwood prices went down USD 1 per green ton in Q3 relative to last quarter, and were down 11% year-over-year. Northeast region Q3 prices for hardwood roundwood were flat compared to last quarter and down 4% year-over-year. Northeast region Q3 prices for softwood roundwood were down USD 1 per green ton from last quarter, and were 2% lower year-over-year. Lastly, Pacific Northwest softwood roundwood prices were stable from last quarter and were up 3% year-over-year.
- Pacific Northwest Douglas-fir (DF) 2 Saw and 3 Saw average nominal log prices were lower in Q3 2025 through August YTD. 2 Saw average nominal prices decreased in the Puget Sound Region 5.9%, in the Columbia River Region 5.9%, and the Willamette Valley region 10.0%, quarter-over-quarter through August. 3 Saw prices decreased in the Puget Sound Region 7.3%, in the Columbia River Region 6.1%, and the Willamette Valley region 12.1%, quarter-over-quarter through August. Whitewood average nominal log prices were down quarter-over-quarter through August. Puget Sound average 2 Saw whitewood log prices decreased 6.7% in Q3 2025 quarter-over-quarter through August YTD, with Columbia River prices down 8.0%, and Willamette Valley prices down 11.3%.
- US Q3 2025 large timberland transactions were more active, with several public and private, B grade and saleable packages offered, and a few more closing or pending. Industry experts have differing opinions about whether timberland values are between historic peaks or that fundamentals suggest that values need to become more realistic. Investors seem optimistic about the uptick in available land, but some are cautiously watching wood processing mills close at an astonishing rate and billions of dollars of log and wood demand evaporate. Non-timber revenues and uses of the land are likely a factor, such as HBU sales, solar, and carbon capture and credits, as well as the desire to hold US timberland as a long-term investment strategy.
  - Weyerhaeuser was offering 28 200 acres in two parts of grade B Douglas fir land in southwestern Oregon, named Project Looking Glass. Bids were due August 6.
  - FIA's sale of 7 500 acres in Virginia, part of the Two Colonies Project known also as Lunenburg, to Von Schulenburg for USD 22 million or USD 3 000 per acre. The remaining part of Two Colonies was pending, sold to an unknown buyer, around 4 000 acres of land expected to have sold for less.
  - Roseburg's sale of 117-thousand acres in North Carolina and Virginia to Weyerhaeuser for USD 375 million or USD 3 250 per acre is still expected to close in Q3.
  - Grief's (Soterra) sale of 173.1-thousand acres in Mississippi, Louisiana and Alabama, project Encore, to Molpus for USD 462 million or USD 2 670 per acre is expected to close in Q4.
  - Rice University's sale of 50-thousand acres in Louisiana to Manulife, Project Owl package, closed in Q3 for USD 94 million or 1 880 per acre.
  - Manulife/Landvest's sale of 22-thousand acres in Florida to IKEA, the Madison package, closed in Q3 for USD 26 million or 1 180 per acre.
  - FIA/Landvest's sale of 8.1-thousand acres in South Carolina, the Carvers Bay Package, closed in Q3 for USD 33 million or 4 075 per acre.
- US hardwood lumber demand was historically low for 2025 YTD through July with prices remaining stable as domestic demand was fair, exports fell to historic lows in July as shippers avoided impending tariffs, and log supply was limited by widespread wet weather and a shortage of loggers. US hardwood lumber export volumes in 2025 YTD through July were down 11.2% and export values were down by 7.6%. The biggest species gain in

export volume was in White Oak (+6.8%) and the biggest species loss in export volume was in Yellow Poplar (-27.7%). By trading partner, hardwood lumber exports for 2025 YTD through July to China (-17.7%), Canada (-18.8%) and Vietnam (-10.2%) decreased with higher tariffs taking effect. Other trading partners such as Japan (+39.5%), Indonesia (+14.4%), Malaysia (+38.4%), Portugal (+27.9%), Ireland (+30.9%), India (+58%) and other small volume countries increased trade after negotiating terms with the US or floating on temporary extensions. Additional tariffs of 25% on imports of upholstered wood furniture and wood cabinets and vanities into the US went into effect on October 14 and will rise on January 1, 2026 to 30% on the upholstered wood furniture and to 50% on the wood cabinets and vanities. Japan, the UK and the EU will be exempt from the full tariff rates due to their trade deals with the US. The UK will have no additional tariff besides the 10% which applies to all goods imported to the US from the UK, while Japan and the EU will have rates limited to 15% for wood products imported to the US.

## South America

### Brazil

#### Brazilian Economy

- According to the Focus Bulletin of the Central Bank of Brazil, published on October 3<sup>rd</sup>, 2025 market expectations for the Brazilian economy, compared to those of early January, showed a slight improvement in relation to annual inflation (4.80% versus 4.99%), GDP growth (2.16% versus 2.02%), and the exchange rate (R\$ 5.45/USD versus R\$ 6.00/USD). On the other hand, there was a significant deterioration in the projections for the trade balance (USD 64.4 billion versus USD 74.2 billion). The expectation for the basic interest rate (Selic) in December 2025 remained stable at 15%.
- These projections indicate that, so far, the tariffs imposed by the United States have not significantly affected the leading indicators of the Brazilian economy. However, indirect effects might still emerge over the coming months.

#### Brazilian Forest Industry – Context and Trend

- The Brazilian solid wood industry is facing a severe market crisis due to import tariffs imposed by the United States government starting in April 2025.
- Before presenting the context and trends of this crisis, herewith a brief overview of the tariffs imposed:
  - April 2025: an additional 10% tariff on reconstituted panels, plywood, mouldings, pulp, industrial paper, lumber, and other manufactured products.
  - September 2025: hardwood pulp is removed from the tariff list after pressure from American industrial sectors.
  - July 2025: an additional 40% tariff, raising the total tariff to 50% on products already taxed, excluding pulp and pig iron. This measure was seen as a geopolitical pressure tool in response to Brazil's alignment with BRICS and internal political issues.
  - October 2025: the tariff on lumber was reduced from 50% to 10%, citing national security concerns (Section 232). An executive order plans for a tariff increase from January 2026, potentially reaching up to 50% if no trade agreement is reached.
- As a result of these tariffs, the wood industry, especially the pine sector in southern Brazil, is operating at between 20% and 50% of its installed capacity. The most affected segments are moulding, lumber, and plywood, which heavily depend on the US market, representing 98%, 58%, and 43% of their exports in 2024, respectively. This crisis has already resulted in the layoff of over 4 000 workers, along with the implementation of collective vacations and the temporary suspension of employment contracts (layoffs).
- In October, after a long silence, the Brazilian and US governments reopened dialogue on tariffs. However, uncertainty remains high. The industry is considering scenarios from a 10% tariff to halting operations.

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- The industrial downturn impacts the entire pine value chain: forestry companies face declining harvests and falling sawlog prices; meanwhile, the softwood pulp industry struggles with decreased pulplong and chip supplies, driving pulplong prices upward.
- Even with eventual tariff normalization, the moulding, lumber, and plywood industries will need to reposition themselves strategically. Dependence on the American market should be reduced, with a focus on new products, new markets, industrial consolidation (M&A), and the possible transfer of some operations to neighboring countries or the United States itself.
- Besides the tariffs from the United States, the Brazilian industry faces a challenging economic environment. The slowdown in the US housing market, worsened by high interest rates and falling consumer confidence, has sharply decreased demand for wood products. The typical seasonal decline in the fourth quarter, due to winter in the US, makes this worse. Additionally, inventory buildup by American importers has led to order delays and canceled contracts, directly reducing Brazilian exports in the short term.
- Globally, concern is increasing about the disruption of rules and agreements that have traditionally supported international trade. Geopolitical tensions involving groups like BRICS, trade conflicts among major economies, and the use of tariffs as diplomatic tools have caused instability in trade flows. This uncertain environment, along with exchange rate fluctuations and high logistics costs, weakens the predictability of Brazilian exports and calls for a strategic repositioning by companies.

## Eucalyptus Industry – Exports

- The export performance of Eucalyptus-derived products in the third quarter, compared to the same quarter in 2024, was not directly affected by tariffs, as the U.S is not the primary destination, except for charcoal, which is exported indirectly through green pig iron and faces a 10% tariff.
  - Pulp: +21% in QTY<sup>4</sup>, -23% in USD (U.S ≈ 16% of exports).<sup>5</sup>
  - Wood chips<sup>6</sup>: -64% in QTY, -60% in USD (U.S ≈ 0% of exports).
  - Charcoal: +13% in QTY, +2.4% in USD (U.S ≈ 16% of green pig iron exports)
  - Eucalyptus logs: -43% in QTY, -47% in USD (U.S ≈ 0% of exports).

## Pine Industry – Exports

- The third-quarter, year-over-year, analysis reveals the initial effects of the 50% US tariff increase on exports:
  - Mouldings: -50% in QTY, -54% in USD, (U.S ≈ 98% of exports)
  - Plywood: -16% in QTY, -24% in USD (USA ≈ 43% of exports)
  - Lumber: +6% in QTY, -1% in USD (U.S ≈ 98% of exports)
  - Pulp: +14% in volume, +8% in revenue (U.S ≈ 7% of exports, tariffs ≈ 10%).

## Reconstituted Pine and Eucalyptus Panels – Exports

- The year-over-year analysis for the third quarter indicates quantity growth (+5% QTY), but with a slight drop in revenue (-3% USD), despite the United States accounting for 50% of export destinations.

## Corrugated Cardboard

- Cardboard production grew 1.9% in the cumulative index of the last 12 months (August/24 to September/25), compared to the same previous interval (LTM), changing from 4.14 to 4.22 million tons, signaling a slight improvement in the sector's performance.

<sup>4</sup> Mainly due to the start-up of Suzano's new plant in Mato Grosso do Sul.

<sup>5</sup> The American share of exports refers to the year 2024.

<sup>6</sup> Eucalyptus + Acacia.

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## Producer Price Index (PPI)

- Between January and August 2025, the industrial sectors experienced a rise in the Producer Price Index (PPI) compared to the same period in 2024:
  - Pulp and Paper: +2.0%
  - Metallurgy: +11.7%
  - Wood: +6.3%
  - Furniture: +6.4%
- During the same period, the official consumer inflation index (IPCA) accumulated 3.15%, while the General Market Price Index (IGP-M), which reflects wholesale price trends, declined by -1.35%.
- This contrast shows that, despite moderate consumer inflation and falling wholesale prices, industrial prices increased due to specific pressures in the production chain.

## Uruguay

- UPM1, UPM2 and the Montes del Plata (MdP) pulp mills are consuming eucalypt log from all forest regions of Uruguay. As of Q3 2025, MdP “imported” 4.80 million m<sup>3</sup>, UPM1 3.90 million m<sup>3</sup> of logs and UPM2 5.22 million m<sup>3</sup>. By the third quarter of 2025, the three pulp mills have already consumed nearly 13.9 million m<sup>3</sup>, with an average monthly volume of 1.55 million m<sup>3</sup>. The total volume consumed by the three plants in the first nine months of 2025 is 11% higher than the volume consumed in the same period of the previous year.
- Pulplog average delivered prices observed in the last nine months are close to 3% lower than the average price observed during 2024.
- As of Q3 2025, eucalyptus woodchip exports were close to 284 000 BDMT (495 000 m<sup>3</sup>) 5% higher than the volume exported during the same period of 2024. These exports showed a decrease in FOB price close to USD 2/BDMT compared with 2024, reaching FOB values between USD 158/BDMT and USD 160/BDMT. During 2025, Uruguay’s *Eucalyptus globulus* woodchips exports will increase compared to 2024, mainly because Portugal will buy a higher volume, and with China buying again during the second half of 2025 (China already exported one vessel during July 2025).
- Pine log exports continued at a slower pace during Q3 2025, with a total exported volume of 0.567 million JAS m<sup>3</sup>, representing 16 vessels (95% to India and 5% to Argelia). This volume is 13% lower than that exported during the same period of year 2024. Average FOB price for Q3 2025 is around USD 74/JAS m<sup>3</sup>, which is almost two dollars less than in 2024.
- Uruguay’s Q3 2025 eucalypt sawlog exports continued at a good pace and with similar volume than in the same period of 2024. The average FOB price for Q3 2025 is around USD 160/m<sup>3</sup> for logs 30+ SED, showing values slightly lower than in the same period of 2024. Top quality eucalyptus pruned logs with diameters SED 40+ reached values in excess of USD 200 – USD 250/m<sup>3</sup> FOB. The main destination for Eucalyptus saw logs during the first nine months of 2025 has been Vietnam (36%), India (26%, with shipments of lower quality logs), China (21%), and Malaysia (14%).
- Only one plywood company in Uruguay is still operational, with a two lines mill in the North Region of Uruguay. As of Q3 2025, exported volume is close to 182 000 m<sup>3</sup>, 12% lower than the volume exported during Q3 2024. Average prices for Q3 2025 are around USD 330/m<sup>3</sup>, 2.5% lower than during 2024.
- Lumin (BTG Pactual) is working on the construction of its third plywood manufacturing mill, a milestone not only for Lumin, but for Uruguay’s forestry industry as a whole. As of July, Lin informed that they have completed 30% of the mechanical installation of the production machinery and completing the installation of both the log infeed system and the green veneer peeling line.
- Forest asset valuations carried out by Pike&Co. during 2025 have detected an increase in the price of forest land of between 3% - 3.5% between 2024 and Q3 2025. The supply of land suitable for forestry is very low, and there is high demand from new players intending to invest in Uruguay.

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- Carbon credits from Uruguay's forest projects had high demand during the last 3 months. For young credits (young vintages), prices reached values ranging between USD 5/CCBvcu and USD 9/CCBvcu (CCBvcu= Climate, Community & Biodiversity Verified Carbon Unit). During the last six months, Carbosur (<https://www.linkedin.com/company/80192402/admin/dashboard/>), sold more than 500 000 vcu's from ARR projects located in Uruguay, reaching a total volumen sold of more than 13.6 million vcu's in the last 5 years.

## Paraguay

### Updated Paracel Pulp Mill Information

- Paracel consists of three companies: the Zapag Group, Heinzel Holding GmbH and Girindus Investments. In addition to the priority shareholders, Paracel has a network of shareholders in Paraguay.
- The 2024 Sustainability Report is available on the Paracel website ([www.paracel.com.py](http://www.paracel.com.py)). It reports a total planted area of 67 884 hectares on company-owned land (since 2019) and a total of 15 051 hectares leased.

## Argentina

### Celulosa Argentina's Situation

- Celulosa Argentina, one of the leading companies in the country's paper sector, has completely shut down its plants due to a severe financial crisis, facing a debt of approximately USD 128 million and seeking to restructure its economic situation.
- Celulosa Argentina, has decided to halt production at its plants in Capitán Bermúdez (Santa Fe) and Zárate (Buenos Aires) due to a significant deterioration in its working capital. The company has been in default since May, unable to meet its financial obligations, which has led to a bankruptcy petition by a supplier.
- Currently, the plants are inactive, performing only minor maintenance tasks with staff who have not taken vacation time.
- The company is looking for a partner or investor who can contribute capital and help restructure its debt, which amounts to USD 128 million.
- The company presented a plan to restructure its debt, which includes deferring payments and reducing interest rates, but has not obtained the necessary support from its creditors.
- The crisis has led to a 30% drop in domestic sales, which has severely affected the company's operational capacity. Although exports have increased, they have not been enough to offset losses in the domestic market. The situation has also begun to impact salary payments, further exacerbating the crisis.

### Pulplogs Exports to Uruguay

- Argentina is exporting Eucalyptus logs to Uruguay (UPM) by truck. During 2024, total log exports to Uruguay reached close to 80 000 tonnes (around 100 000 m<sup>3</sup>). As of Q3 2025, 70 000 tonnes were already exported, expecting to reach, for total year 2025, a similar volume as of 2024. During Q3 2025, the price has risen from the usual USD 55/ton to USD 62/ton.

## Africa

- According to the October 2025 edition of the World Bank's Africa's Pulse report, Sub-Saharan Africa's economy continues to strengthen, with growth projected to rise from 3.5% in 2024 to 3.8% in 2025, and to average 4.4% during 2026 to 2027, while inflation is expected to stabilize around 4%. However, most new jobs remain in low-productivity informal sectors, underscoring the need for a growth model driven by medium and large enterprises to create better employment opportunities.
- The October 2025 edition of the IMF's Regional Economic Outlook for Sub-Saharan Africa warns that rising domestic borrowing by regional governments is fueling financial risks by crowding out private sector credit

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and increasing banks' exposure to sovereign debt. The IMF urges stronger fiscal discipline, improved revenue mobilization, and comprehensive debt management reforms to avert macroeconomic instability.

- In September 2025, China signed a USD 1.4 billion agreement with Zambia and Tanzania to refurbish the Tanzania–Zambia (TAZARA) Railway, a vital route for shipping copper from Zambia to Dar es Salaam. The line passes through Tanzania's Southern Highlands forestry areas, presenting potential opportunities for timber exports to Zambia or to Asian markets via the Port of Dar es Salaam.
- Ghana will begin issuing Forest Law Enforcement, Governance and Trade (FLEGT) licenses on October 8, 2025, enabling timber exports to the EU under verified legality, a landmark step in forest governance. As of July 2025, Ghana had ratified 131 Timber Utilisation Contracts and implemented a national timber tracking system.
- In September 2025, Uganda validated its National Strategy on Integrated Forest Landscape Restoration (IFLR) 2025–2050, which aims to restore degraded forests and landscapes through afforestation, agroforestry, and sustainable land-use initiatives. The strategy seeks to enhance climate resilience, conserve biodiversity, and improve the livelihoods of forest-dependent communities.
- New Forests, through its African Forestry Impact Platform, announced an investment in Rance Timber in South Africa's Eastern Cape Province. Rance Timber manages more than 14 000 ha of pine plantations in the Amathole region around Stutterheim. This investment complements New Forests' existing stake in Green Resources AS in East Africa.
- Normandien Farms, a privately owned South African sawmilling and forestry company with operations in KwaZulu-Natal and Mpumalanga, has acquired Sappi's Lomati Sawmill in Barberton, which has a production capacity of 86 000 m<sup>3</sup> per annum.
- From January to August 2025, South Africa's total woodchip exports through Richards Bay and Durban ports reached approximately 1.4 million Mt, up from 1.2 million Mt during the same period in 2024. Pulp exports for the same period totaled around 750 000 ADt, compared to 665 000ADt in 2024.

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