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BUSINESS

Wood product makers told to take actions to optimize US market

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Vietnam has enjoyed a surge in timber and wood product exports to the US this year, but businesses need to choose the right items to focus on in order to tap into this major market, insiders said.



Vietnam exports 8.38 billion USD worth of timber and [wood products](#) in the first nine months of

2020, up 11.2 percent year on year (Photo: VNA)

Hanoi (VNA) – Vietnam has enjoyed a surge in timber and wood product exports to the US this year, but businesses need to choose the right items to focus on in order to tap into this major market, insiders said.

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The export of timber and forest products brought home some 8.97 billion USD in the first nine months of 2020, up 12 percent year on year. The revenue includes 8.38 billion USD worth of timber and wood products, rising 11.2 percent, according to the Vietnam Administration of Forestry under the Ministry of Agriculture and Rural Development.

Growth has been recorded in timber and wood product exports to most large markets like the US, China, the Republic of Korea, Canada, and Australia.

Notably, shipments to the US surpassed 4.19 billion USD in the first eight months, up 27.4 percent from a year earlier. This market accounted for 55.1 percent of total timber and wood product exports, representing a year-on-year increase of 7.2 percentage points, statistics show.

The Vietnam Timber and Forest Product Association (Vifores) pointed out that so far this year, while office and bedroom furniture exports have dropped compared to the same period last year, overseas shipments of kitchen and bathroom furniture have been on the rise.

Vifores Chairman Do Xuan Lap explained that items with strong export growth benefit from the US anti-dumping and anti-subsidy duties on the Chinese ones, which have encouraged US firms to switch to Vietnam to partly make up for supply shortages.

Nguyen Liem, Chairman of the Lam Viet JSC's Board of Directors, said COVID-19 has given a boost to the [wood industry](#), especially kitchen cupboard and bathroom cabinet sales as people spend more time staying at home amidst the pandemic and thus, have more demand for house repairs and furniture.

The wood industry of Vietnam now has a number of advantages in the US market, but risks are also relatively high since this is a big market with stringent actions against tax evasion and trade fraud, he said.

Timber and wood product exports are predicted to hit 12.5 billion USD this year thanks to the sharp rise in sales to the US and the peak export season that falls in the final months of the year.

Lap said kitchen cupboards and bathroom cabinets are the sector's strategic products for the time ahead. They generated nearly 1 billion USD in export turnover between January and September, shooting up over 80 percent year on year.

The supply chains of these items were not disrupted during the peak of the COVID-19 outbreak, he added.

However, the Vifores Chairman held that businesses' moves have yet to match one another's, suggesting them fine-tune strategies and improve competitiveness to join in supply chains so as to export more to the US.

Instead of manufacturing many products at a time, they should focus on certain items in demand, Lap recommended.



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Vifores is set to establish a sub-association for kitchen cupboards, bathroom cabinets and decorative planks in November with a view to forming a widespread network of producers of strategic commodities so supply for strategic markets.

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Richard P. Vlosky, Ph.D.

Crosby Land & Resources Endowed Professor of Forest Sector Business Development

Director, Louisiana Forest Products Development Center

Room 227, School of Renewable Natural Resources

Louisiana State University, Baton Rouge, LA 70803

Phone (office): (225) 578-4527; Mobile Phone: (225) 223-1931

Web Site: www.LFPDC.lsu.edu

