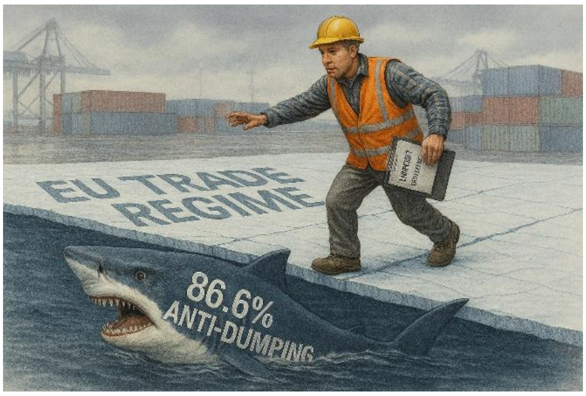
Plywood News:

Treecraft Quarterly | Q1 2026

Before you read on: This update is not designed to please everyone.
As we move into Q2, we want to share how we see the plywood market today — **clearly, directly, and without smoothing the edges**. Some points may challenge assumptions or feel uncomfortable. That is intentional. Markets don't improve through comfort, but through clarity. What follows is Treecraft's view of where things stand and what buyers should realistically take into account

Anti-dumping: clarity over comfort

Several anti-dumping tracks are currently active, and they need to be read separately. Anti-dumping measures on hardwood plywood are established and already **shaping trade flows**. The **softwood investigation remains ongoing** and continues to evolve, keeping that segment under **close scrutiny**.



What stands out is the **absence of action** on the newly created HS code covering pine outlayers with a hardwood core. The expected circumvention investigation on this code has not been initiated. This is surprising — and **potentially dangerous. Silence should not be confused with clearance**. The Commission has the ability to move directly to registration, which would immediately expose imports to **retroactive duties.**

On paper, everything looks calm.
That calm, however, has the uneasy feeling of walking across a **frozen lake that hasn't cracked — *yet*.**

Treecraft's position is clear: **full pine plywood, correctly classified, transparently sourced, and compliant by construction, is a legitimate alternative. Hybrid products designed to sit in regulatory grey zones are not.**

Vietnam versus China: the lead-time reset

One of the biggest adjustments for European buyers shifting volume from China to Vietnam is **not price, but lead time**. For more than two decades, Chinese plywood exports developed within an exceptionally fast and mature supply chain. That level of speed, coordination, and predictability cannot simply be replicated elsewhere overnight.

Vietnam operates differently. Longer production cycles, different logistics rhythms, and less buffer capacity mean that **forward planning is no longer**

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optional. This is particularly relevant for buyers accustomed to the pace and flexibility that China offered in the past.

An additional constraint currently affecting the market is the **shortage of dry acacia veneers, largely driven by seasonal conditions**. **Wet weather does not only slow harvesting, but also extends drying times by roughly 30%,** with a direct impact on availability and scheduling. This is not an anomaly — it is a reality that needs to be factored into purchasing decisions for the months ahead.

Capacity exists, availability decides

Vietnam continues to invest heavily in additional production capacity, particularly in film-faced plywood. New lines are being added and output potential is increasing. On paper, this creates a sense of abundance. In practice, that abundance is largely theoretical. Effective capacity on the ground today remains constrained by raw material availability, production lead times, and the uneven inflow of finished goods into the market.

At the same time, **global trade flows remain highly exposed to sudden shifts.** If India were to reopen meaningfully, or if Vietnam were to strike a new trade arrangement with the United States, volumes that currently appear available to Europe could be redirected quickly. What looks like surplus today can tighten almost overnight when trade lanes change direction.

In this environment, availability matters more than nominal capacity. Buyers working with sufficient buffer stocks create time — time to absorb irregular inflows, time to pivot sourcing if conditions change, and time to avoid reactive decisions when supply tightens unexpectedly. **Inventory is no longer about efficiency alone; it has become a tool to manage uncertainty in a market where supply chains adjust more slowly than demand and regulation.**

Freight stability, cost pressure elsewhere

Recent geopolitical developments have understandably raised concerns across global markets, particularly around sea freight. For routes relevant to China and Vietnam, however, the practical impact has so far remained limited. Shipments continue either directly or via transhipment hubs such as Singapore, **largely bypassing the most sensitive regions.**

That said, cost pressure is surfacing in other parts of the supply chain. Rising crude oil prices are feeding through into higher costs for key inputs such as glue and film paper. These increases tend to move less visibly than freight rates, but they are structural and cumulative.

The result is a **cost environment that tightens gradually rather than abruptly**. While **logistics remain manageable, production costs** are moving upward beneath the surface. This is not a one-off effect, but something that needs to be monitored closely when **planning pricing, contracts, and forward commitments.**

REACH in one paragraph

REACH regulates formaldehyde emissions, not product labels. Under REACH Annex XVII, wood-based panels and articles placed on the EU market must not emit more than 0.062 mg/m³ of formaldehyde when tested under standardized chamber conditions, effective from 6 August 2026.

The term “E0.5” is therefore not a legal definition. It is an industry shorthand referring to roughly half the old E1 limit, but REACH itself does not recognise emission classes. **What matters is the measured emission of the finished product, not the label used to describe the board.** This distinction is often overlooked — and becomes critical when products are assessed at the point they are placed on the EU market.

Supporting compliance where the market falls short

In Vietnam, compliance challenges do not stop at finished products. EUTR-compliant veneers are often not available on the local market, despite veneer material being present. To bridge this gap, Treecraft actively supports selected partners by supplying compliant veneers and reinforcing due-diligence practices at source. This approach goes beyond our own operations.

As a proof that we are being considered solid. **Belgian customs authorities have asked to review and reference Treecraft’s due-diligence system as an example of how qualitative compliance can be implemented in practice. In parallel,** Treecraft has agreed to work with the wood federation in Belgium to support training initiatives for complementary sectors such as flooring and furniture imports, with the aim of sharing knowledge and strengthening legal sourcing across the wider value chain.

Practical support beyond sourcing

In some cases, support extends even further. Treecraft is currently assisting a limited number of customers with **the shipment and testing of plywood bundle turning machines.** These tests are ongoing, but if validated, they may help customers improve handling efficiency and operational consistency.

We mention this not to showcase capability, but to underline a simple point: **if something in your process creates friction or risk, we are open to exploring solutions together. Let us know what you need.**

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Meeting partners in person

Treecraft will be present at **Carrefour International du Bois on 2, 3 and 4 June**, and we look forward to meeting partners and customers there in person. **You will find us at Booth H2-D9**.

Trade fairs remain one of the few moments **where discussions go beyond emails and order books.** They allow for direct exchanges on availability, expectations, and **how the market is evolving on both sides of the supply chain.** In an environment shaped by uncertainty, these conversations matter more than ever.

This will also be an opportunity to **meet a new colleague who has recently joined our team and will strengthen our purchasing activities going forward. With deep roots in the European plywood industry,** this addition supports a broader and more resilient sourcing approach, extending beyond a single region.

Looking ahead

The market remains complex, but it is not directionless. Longer lead times, uneven availability, regulatory uncertainty, and shifting trade flows are now structural features rather than temporary disruptions. **Navigating this environment requires realism, early planning, and partners who communicate clearly when conditions change.**

As we move further into Q2, the ability to anticipate rather than react will make the difference. We remain available to discuss current availability, alternatives, and how best to position for the months ahead — not based on assumptions, but on what is happening on the ground.

Talk to us today.
Let's turn uncertainty into your competitive edge.

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