

## Treecraft Quarterly | Q2 2026

There was no single event that defined the second quarter. Instead, several developments started to overlap. We take a closer look at what is changing and, more importantly, how it impacts European plywood buyers in the months ahead.

### Freight Rates: Have We Passed the Peak?

Despite some assumptions, the sharp increase in rates at the end of June and the beginning of July was not driven by fuel prices or direct disruption around the Strait of Hormuz, but rather by a shortage of container space.

Shipments from China and Vietnam to Europe usually travel directly or via Asian transshipment hubs such as Singapore, so they largely avoid the Middle East.

The first signs now look more encouraging. We have not seen any further increases from the recent peak, and lower spot rates are already appearing in some of our latest bookings. Provided that available space does not tighten again, rates could continue to ease in early August.



**The Bottom Line:** Freight rates and available space should still be confirmed when an order is placed.

### Circumvention: The Investigation Is Now Official!

The long-awaited move by the European Commission to start a circumvention investigation into pine outer layers / pine layers under the film and a hardwood core from China is now in place.

This does not mean that additional duties already apply, but it allows duties to be collected at a later stage if the investigation concludes that circumvention has taken place, which, in Treecraft's view, is highly likely and poses a huge financial risk for all importers still doing business with that kind of product.

It is important not to confuse this case with the wider debate around Vietnamese plywood.

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**Something to Keep an Eye On:** There is a strong debate in the market and among some market experts, which interpret the following sentence from the EU regulation published on 24 July 2026 as a possible indication that full-pine plywood from China could also be brought within the scope of the investigation:

"Should circumvention practices (...) other than those mentioned above (...) be identified, the investigation may also cover those practices."

If this interpretation proves correct, a product that has become well established in the market could face additional trade measures, requiring buyers to identify suitable alternatives. It is our understanding that the full pine product is not a "slight modification" and can't be incorporated into a circumvention investigation that easily. Based on this assumption, a new full-scale investigation would be needed.

### Vietnam: The Reality Behind Vietnamese Plywood...

We already covered in our last newsletter some of the major differences between the Chinese and Vietnamese supply chains and how buyers should be careful not to view Vietnam as one uniform sourcing market or as having the same well-developed plywood export infrastructure as China.



Vietnamese manufacturers are investing heavily in additional capacity to mitigate risks and decrease price fluctuations, as we saw again this month, in July 2026. Here, we were once again confronted with higher raw-material prices due to the rainy season, which makes acacia harvesting more difficult and results in longer drying cycles.

In addition to that, increased costs for film and glue products as a consequence of the Hormuz crisis increased the price pressure.

Most likely, you are confronted with the above points on a daily basis, but while we are in the middle of the holiday season, the increase in Vietnamese hardwood plywood imports has attracted the attention of the European Panel Federation.

The concerns raised revolve around the fact that part of this growth may involve circumvention of the anti-dumping measures imposed on Chinese hardwood plywood.

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This issue deserves serious scrutiny and requires a deep analysis rather than relying solely on import statistics.

**What This Means for Buyers:** Country of origin is only the starting point. Factory history, genuine production, raw-material sourcing and reliable traceability are what determine the real level of supply-chain risk. Who owns and operates the factory? Where do the veneers come from, and which production steps genuinely take place there?

## 6 August: Is Your Stock Ready?

The new EU restriction on formaldehyde emissions becomes applicable on 6 August 2026. Businesses should not assume that products can continue to be sold after the deadline simply because they were manufactured or imported beforehand. Slow-moving, non-compliant stock could therefore become a considerable commercial risk.

It remains unclear how national authorities will conduct enforcement in practice and what evidence they will expect during inspections.

**Key Lesson:** Review existing inventory and supporting test reports now. A general supplier declaration may not be enough if the underlying evidence does not cover the actual product being sold.

## 12 August: Another Regulation, Another Deadline!



The new European Packaging Regulation (PPWR) enters into force on 12 August. It requires manufacturers/producers and importers to document the quality, quantity and characteristics of packaging via a technical data sheet and to declare its conformity to the EU. There are no reporting obligations to the EU Commission.

**To meet the requirements:** For the technical data sheet, manufacturers/producers and importers must obtain timely information from their suppliers regarding the specific nature of the packaging.

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### Peter Joins Treecraft as Head of Procurement:

For us, our booth at this year's Carrefour du Bois in Nantes was the optimal opportunity to present Peter as the Head of our Procurement team to our customers, industry friends and potential future partners. He will continue to lead our team in China and be responsible for strategic decisions and selecting the right manufacturing partners.

Since joining Treecraft, his nearly 30 years of experience in sourcing, procurement and product development have already helped drive two major developments:

- **Scaling up acacia film-faced plywood production:** Despite the challenges associated with the Vietnamese supply chain, we have significantly increased our production capacity for acacia film-faced plywood.
- **Developing a European birch plywood range:** To diversify our product portfolio and shorten lead times, we will soon be able to offer birch plywood from European production. The range will include standard dimensions of 2,500 × 1,250 mm, with long-grain natural birch faces in B/BB and lower grades, as well as film-faced and film/wiremesh options.

### Looking Ahead:

Every change in the market raises new questions. Which supply chains are reliable? Which risks are temporary, and which require a longer-term response? And how can buyers remain flexible without compromising on quality, compliance or continuity?

These are the questions we work on every day at Treecraft. By combining market knowledge, direct supplier relationships and practical sourcing experience, we aim to give our customers more than a product.

Thank you for taking the time to read our Q2 update. If you have any questions that were not covered in this edition, please get in touch.

Best regards,

The Treecraft Team