Tropical Timber Market Report

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Top Story

Wood-composites to dominate growth in decking market

The Freedonia Group has updated its forecasts for the US decking market ("Wood and Competitive Decking" report). Decking demand is expected to grow by 2.7% annually to 2014. Between 2004 and 2009 demand declined on the average by -0.6% per year.

Wood continues to account for the majority of the volume consumed, but much of the anticipated market growth will be in wood-plastic composites. Wood decking is forecast to grow just 0.5% per year to 2014, while wood-plastic composite decking is expected to grow 12.9% annually. The market share of wood in total decking stood at 86% in 2009 while in 2014 it will be 77%, according to Freedonia's forecasts. Consumers perceive wood-plastic composites as environmentally friendly and hidden fastener systems make the installation of decks easy.

Tropical wood is expected to have higher demand growth than softwood species. Ipe is expected to remain popular and the residential market will provide new growth opportunities for tropical wood decking.

Headlines

Report from Central/West Africa

Timber market remains virtually unchanged

The market situation has remained virtually unchanged from the end of January with producers and exporters occupied with exiting orders. Enquiries from buyers are steady at volumes that are normal for the time of the year, although European demand is still low.

According to an analyst, it is likely that by the end of the first quarter European buyers will begin to look for purchases to build up their stocks for spring and summer. This is expected to help maintain market stability in terms of both prices and demand, especially for sawnwood.

Log prices are stable and unchanged from the previous fortnight. Producers are not planning for any major moves as demand for some species continues at a high level of prices reported in the end January.

For sawnwood, prices for sapele and sipo are still low while those for iroko, bilinga, moabi and padouk are holding at recently increased levels, supported by continuing demand. Order books are reportedly good, with exporters quoting higher prices for forward enquiries on the most popular species.

Plywood exports from the region continue at moderate volume compared to that from Southeast Asia, with regular shipments reportedly being made to European markets.

Gabon allows exports of log cut boules

As reported in the previous report, old logs were being cleared from the ports by sawing these into boules for exports. Gabon allows the exports of log cut boules with at least one sawn edge.

Producers are taking trial orders for species such as padouk which has good demand in China and attracted some interest in India. This additional demand for boules is helping to clear the older logs from the ports.

According to an analyst, the trade in boules is expected to strengthen as log producers and sawmillers are satisfied with the export prices of boules, despite the higher freight costs per cu.m for boules than for squares, which are offset by lower handling costs for importers and end-users.

West Africa Log Prices

West Africa logs, FOB	€ per m^3		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	205	205	153
Ayous/Obeche/Wawa	190	190	145
Azobe & Ekki	205	205	122
Belli	210	210	-
Bibolo/Dibétou	145	130	
Bubinga	720	600	440
Iroko	265	260	195
Okoume (60% CI, 40% CE, 20% CS) (China only)	240	-	-
Moabi	280	280	190
Movingui	180	150	140
Niove	145	145	-
Okan	320	320	-
Padouk	380	345	235
Sapele	245	235	170
Sipo/Utile	275	250	190
Tali	270	270	-

West Africa Sawnwood Prices

West Africa sawnwood, FOB		€ per m^3
Abura	KD	560
Ayous	FAS GMS	300
Bilinga	FAS GMS	430
Okoumé	FAS GMS	380
	FAS. fixed sizes	360
	Std/Btr GMS	300
Sipo	FAS GMS	420
	FAS fixed sizes	-
	FAS scantlings	480
Padouk	FAS GMS	600
	FAS scantlings	620
	Strips	320
Sapele	FAS Spanish sizes	390
	FAS scantlings	435
Iroko	FAS GMS	590
	Scantlings	600
	Strips	380
Khaya	FAS GMS	415
	FAS fixed	400
Moabi	FAS GMS	505
	Scantlings	440
Movingui	FAS GMS	360

Report from Ghana

Timber contracts down in fourth quarter 2010

Data from the Timber Industry Development Division of the Forestry Commission (TIDD) indicates that contracts for a volume of 83,000 cu.m were processed and approved for export during the fourth quarter of 2010, down 26% from the previous quarter.

In the last quarter of 2010, the number of approved export permits for all the major wood products dropped, including for sawnwood (-22.40% compared to the third quarter 2010), plywood (-28.18%), sliced veneer (-18.47%), rotary veneer (-57.70%) poles/billets/logs (-14.81) and mouldings (-17.29%), amounting to 37,504 cu.m, 24,504 cu.m, 9,086 cu.m, 2,281 cu.m, 3,612 cu.m and 2,382 cu.m respectively.

According to an analyst, the drop in export volumes is due to the shortage of log supply and high production costs, which make it difficult for most sawmillers to break-even.

Sawnwood and plywood continued to be the leading wood products exported from Ghana, contributing 45% and 29% of the total volume of exports in the fourth quarter respectively.

The regional offices in Kumasi, Accra and Sunyani and the head office in Takoradi accounted for 35%, 2%, 9.7% and 53% of the total export permits issued in the fourth quarter respectively.

Export prices climb for major species

In the fourth quarter of 2010, export prices for the major species including wawa, odum, sapele, makore and mahogany climbed in the range of Euro 8 - 20 per cu.m, while those for plywood were up by Euro 15 per cu.m.

Prices held steady in the last quarter following fluctuations experienced in the third quarter. Most plywood and sliced veneer contracts were destined for Nigeria, Mali, Burkina Faso and Italy while wawa sawnwood was exported to Germany. The US continued to be the major market for Mahogany in the fourth quarter of 2010.

For the first time, Portal Limited, a company based in Takoradi, concluded an US$12,700 Rubberwood Furniture Parts contract with Blue Star Magdies Limited of Lagos, Nigeria.

Ghana Log Prices

Ghana logs, domestic	US$ per m^3	
	Up to 80cm	80cm+
Wawa	133-145	152-165
Odum Grade A	160-170	175-185
Ceiba	107-114	120-140
Chenchen	90-100	105-120
Khaya/Mahogany (Veneer Qual.)	107-118⬆	125-145⬆
Sapele Grade A	135-150	160-175
Makore (Veneer Qual.) Grade A	128-135⬆	140-166

Ghana Export Sawnwood Prices

Ghana Sawnwood, FOB	€ per m^3	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Abura/Subaha	410	480
Afrormosia	855	-
Asanfina	500	560
Ceiba	215	262
Dahoma	309	385
Edinam (mixed redwood)	400	450
Emeri	350	430
African mahogany (Ivorensis)	568	650
Makore	520	585
Niangon	518	590
Odum	625	690
Sapele	545	600
Wawa 1C & Select	260	285

Ghana sawnwood, domestic		US$ per m^3
Wawa	25x300x4.2m	268
Emeri	25x300x4.2m	307
Ceiba	25x300x4.2m	230
Dahoma	50x150x4.2m	292
Redwood	50x75x4.2m	315
Ofram	25x225x4.2m	313

Ghana Veneer Prices

Rotary Veneer, FOB	€ per m^3	
	CORE (1-1.9mm)	FACE (<2mm)
Bombax	315	350
Ofram, Ogea & Otie	318	355
Chenchen	315	350
Ceiba	320	350
Mahogany	415	450

The above prices are for full sized panels, smaller sizes minus 15%. Thickness below 1mm would attract a 5% premium.

Rotary Veneer, FOB Core Grade 2mm & up	€ per m^3
Ceiba	274
Chenchen	305
Ogea	300
Essa	290
Ofram	310

Sliced Veneer, FOB	€ per sq. m	
	Face	Backing
Afrormosia	1.19	1.00
Asanfina	1.50	1.00
Avodire	1.12	0.60
Chenchen	1.27	0.60
Mahogany	1.25	0.96
Makore	1.20	0.60
Odum	1.80	1.40

Ghana Export Plywood Prices

Plywood, FOB	€ per m^3		
BB/CC	Ceiba	Ofram	Asanfina
4mm	370	546	597
6mm	367	540	575
9mm	307	384	436
12mm	290	381	397
15mm	281	327	334
18mm	270	320	330

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

Ghana Added Value Product Prices

Parquet flooring 1st	FOB € per sq.m		
	10x60mm	10x65-75mm	14x70mm
Apa	12.00	14.47	17.00
Odum	7.80	10.18	11.00
Hyedua	13.67	13.93	17.82
Afrormosia	13.72	18.22	17.82

Grade 2 less 5%, Grade 3 less 10%.

Mouldings (FOB export)	€ per m^3
Dahoma grade 1	492
Denya grade 1	516
Hotrohotro grade 1	580
Wawa grade 1	500
Wawa grade 2	428
Ekki grade 1	475
Wawabimba Laminated grade 1	750

Report from Malaysia

All set for Malaysian International Furniture Fair 2011

The Malaysian International Furniture Fair (MIFF) 2011 will be held simultaneously at the Putra World Trade Centre (PWTC) and the Kuala Lumpur Convention Centre (KLCC) on 1–5 March 2011.

The organiser expects that MIFF 2011 will exceed the sales and number of visitors recorded during MIFF 2010. Many furniture manufacturers seem to have recovered from the global economic crisis since 2010. In addition, worldwide demand for furniture is projected to grow by 8% to 10% in 2011.

MIFF 2010 chalked up sales of US$755 million, compared to US$710 million during MIFF 2009 and US$690 million during MIFF 2008. MIFF 2010 attracted some 20,000 visitors, of which 6,800 were from abroad. As with previous MIFF exhibitions, MIFF 2011 is endorsed by the Ministry of International Trade and Industry, Ministry of Plantation Industries and Commodities, Malaysian Furniture Promotion Council, Malaysian Timber Industry Board, Malaysian Timber Council, Malaysia External Trade Development Corp, Malaysian Tourism Promotion Board and the Forest Research Institute of Malaysia.

India emerges as top importer of Sarawak logs

From January to November 2010, Sarawak produced 9.27 million cu.m of logs compared to 10.4 million cu.m for the whole year of 2009. Log exports from Sarawak amounted to 3.68 million cu.m year-to-date November 2010, worth RM1.82 billion.

India was the largest importer of Sarawak logs with imports of 2.05 million cu.m valued at RM1.08 billion, followed by China with 547,000 cu.m worth RM234 million, and Taiwan PoC with 452,000 cu.m worth RM216 million.

Bullish prospects for plywood prices

Bad weather conditions and the impoundment of the Bakun hydroelectric dam continue to have an effect on log supply in Sarawak, pushing prices up. Concessionaires affected by this account for 20,000 cu.m to 30,000 cu.m of the log supply per month.

While exporters feel that the shortfall in log supply could push prices up by at least 30%, some analysts are of the opinion that the shortage is only temporal and will not have a long-term effect on prices. However, an analyst says that it is too early to speculate on the log supply situation in the long run.

Meanwhile, the Sarawak Timber Association expects plywood prices to gain 15% in 2011 following a 10% increase in 2010. Due to the log shortage, plywood mills in Sarawak have been forced to operate at 70% – 80% of the full capacity. There are currently 35 plywood mills in Sarawak with the total installed capacity of 4 million cu.m per year.

Exporters upbeat on recovery in traditional plywood markets

Plywood millers in Sarawak believe that the traditional plywood markets in Japan, Taiwan PoC and Republic of Korea are recovering and expect their order books to be full for the rest of the year.

From January to November 2010, wooden panel exports from Sarawak to Japan totalled 1.15 million cu.m valued at RM1.7 billion. The volume of wooden panel exports to Japan account for 50% of the total Sarawak production of 2.51 million cu.m worth RM3.43 billion in the period from January to November 2010.

The Republic of Korea is the second largest market for Sarawak wooden panel exports with imports of 465,000 cu.m valued at RM515 million year-to-date November 2010, while Sarawak wooden panel exports to Taiwan PoC amounted to 73,000 cu.m worth RM341 million.

Chinese Lunar New Year holidays brought business to a halt

Prices of Malaysian timber products remained stable as the Chinese Lunar New Year comes to an end. Most operators in the industry took a week long holiday for the celebration.

Log Prices

Sarawak log, FOB	US$ per m^3
Meranti SQ up	248-273
Small	234-264
Super small	234-255
Keruing SQ up	233-245
Small	221-249
Super small	206-232
Kapur SQ up	224-250
Selangan Batu SQ up	217-251

Pen. Malaysia logs, domestic (SQ ex-log yard)	US$ per m^3
DR Meranti	257-276
Balau	312-341
Merbau	341-373
Rubberwood	90-124
Keruing	233-249

Peninsular Malaysian meranti logs are top grade and are used for scantlings for the EU. Their prices are higher than Sarawak's.

Sawnwood Prices

Malaysia Sawnwood, FOB	US$ per m^3
DR Meranti	402-438
White Meranti A & up	294-324
Seraya Scantlings (75x125 KD)	441-454
Sepetir Boards	263-285
Sesendok 25,50mm	353-371
Kembang Semangkok	315-338

Malaysian Sawnwood, domestic	US$ per m^3
Balau (25&50mm,100mm+)	333-353
Merbau	465-517
Kempas 50mmx(75,100 & 125mm)	270-310
Rubberwood	
25x75x660mm up	226-276
50-75mm Sq.	265-297
>75mm Sq.	287-316

Plywood Prices

Malaysia ply MR BB/CC, FOB	US$ per m^3
2.7mm	426-488⬆
3mm	406-436⬆
9mm & up	354-426⬆

Meranti ply BB/CC, domestic	US$ per m^3
3mm	349-440⬆
12-18mm	332-361⬆

Other Panel Prices

Malaysia, Other Panels, FOB	US$ per m^3
Particleboard	
Export 12mm & up	241-264
Domestic 12mm & up	229-246
MDF	
Export 15-19mm	295-326
Domestic 12-18mm	285-303

Added Value Product Prices

Malaysia, Mouldings, FOB	US$ per m^3
Selagan Batu Decking	554-565
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	569-582
Grade B	523-533

Furniture and Parts Prices

Malaysia, Rubberwood, FOB	US$ per piece
Semi-finished dining table	
solid laminated top 2.5'x4', extension leaf	71-87
As above, Oak Veneer	78-92
Windsor Chair	70-72
Colonial Chair	68-73
Queen Anne Chair (soft seat)	
without arm	69-76
with arm	68-77
Chair Seat 27x430x500mm	56-61

Rubberwood Tabletop	US$ per m^3
22x760x1220mm sanded & edge profiled	
Top Grade	607-637
Standard	588-607

Report from Indonesia

Call for revamp on trade and export of rattan

The Indonesian Supervisory Commission on Business Competition (KPPU) urges the Indonesian federal government to revise the regulation on trade and export of rattan. According to KPPU, the supply of rattan had exceeded demand in the domestic market, thus hurting the livelihood of local rattan suppliers.

The Indonesian Rattan Businessmen Association (APRI) added that domestic consumption of rattan stands at about 40,000 tonnes per year, while production has reached 696,000 tonnes per year. Moreover, rattan processing in the country has declined over the few years, further weakening the demand for rattan.

The Ministry of Trade Indonesia enforced the regulation on trade and export of rattan on 11 August 2009. The regulation outlines the export ban of several species of rattan as well as limits the export volume of semi-processed rattan to 35,000 tonnes. Furthermore, the regulation also requires that rattan producers and suppliers must obtain letters of approval from the local rattan industry declaring that they have met and satisfied the requirements of the local rattan market.

According to the APRI, the exports of rattan in excess of actual domestic production of finished rattan products should be facilitated. In addition, the requirement of a letter of approval is open to abuses and should be issued by governmental authorities instead of local industry bodies, says the APRI.

Indonesia exported a total of US$138 million worth of rattan products in 2010, down 21.5% from US$168 million recorded in 2009. Indonesia accounts for 82% of the world's total rattan production and there are 300 rattan species found across the country.

Housing construction on the rise

The domestic timber industry and building material suppliers are reportedly benefiting from the integration of housing and development projects with economic growth centres in and around Jakarta.

In 2010, the Indonesian construction and housing sector grew 15%–20% from the level in 2009. Demand for housing from the middle-class and upper middle-class grew by 57% as incomes and living standards improved in the urban areas.

According to analysts, the only setback to the growth is the interest rates for housing loans which have to be scaled back in order to further stimulate the economy.

Log Prices (domestic)

Indonesia logs, domestic prices	US$ per m^3
Plywood logs	
Face Logs	207-250
Core logs	189-222
Sawlogs (Meranti)	201-262
Falcata logs	165-199
Rubberwood	81-85
Pine	180-221
Mahoni (plantation mahogany)	489-518

Sawnwood Prices

Indonesia, construction material, domestic	US$ per m^3
Kampar (Ex-mill)	
AD 3x12-15x400cm	194-213
KD	212-246
AD 3x20x400cm	233-256
KD	235-264
Keruing (Ex-mill)	
AD 3x12-15x400cm	247-261
AD 2x20x400cm	235-253
AD 3x30x400cm	217-236

Plywood Prices

Indonesia ply MR BB/CC, FOB	US$ per m^3
2.7mm	414-471⬆
3mm	371-412⬆
6mm	350-392⬆

MR Plywood (Jakarta), domestic	US$ per m^3
9mm	269-280⬆
12mm	261-271⬆
15mm	251-265⬆

Other Panel Prices

Indonesia, Other Panels, FOB		US$ per m^3
Particleboard	Export 9-18mm	230-239
	Domestic 9mm	209-221
	12-15mm	203-214
	18mm	195-207
MDF	Export 12-18mm	263-276
	Domestic 12-18mm	245-257

Added Value Product Prices

Indonesia, Mouldings, FOB	US$ per m^3
Laminated Boards	
Falcata wood	312-325
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	503-537
Grade B	459-481

Report from Myanmar

Fresh logs in demand

The market situation for teak and other hardwoods is reportedly good. With the arrival of fresh pyinkado logs, demand has picked up. The market for kanyin logs remains dull, except for fresh logs.

New government expected to be announced soon

The new government in Myanmar is expected to be announced soon. The Minister for Forestry has been appointed as the Chief Minister of Ayeyarwady Administrative Division. The market is anxiously waiting for the announcement of the appointment of the new Minister for Forestry.

Myanmar log prices (natural forest logs)

Teak Logs, FOB	€ Avg per Hoppus Ton (traded volume)	
Veneer Quality	Dec	Jan
2nd Quality	nil	nil
3rd Quality	nil	6,650 (5 tons)
4th Quality	4,519 (10 tons)	4,727 (10 tons)
Sawing Quality		
Grade 1 (SG-1)	3,129 (34 tons)	3,122 (37 tons)
Grade 2 (SG-2)	2,531 (43 tons)	2,572 (40 tons)
Grade 4 (SG-4)	1,806 (216 tons)	2,100 (208 tons)
Grade 5 (SG-5) Assorted	1,179 (85 tons)	1,323 (130 tons)
Grade 6 (SG-6) Domestic	1,031 (137 tons)	1,136 (101 tons)
Grade 7 (ER-1)	783 (82 tons)	754 (82 tons)

Hoppus ton=1.8m^3; All grades, except SG-3/5/6, are length 8' x girth 5' &up. SG-3/4/6 are girth 4' &up. SG-3 grade is higher than SG-4 but with lower girth and price. Prices differ due to quality or girth at the time of the transaction.

Report from India

Economic growth surpasses initial estimates

The economic growth in India for the fiscal year 2009-2010 has been revised upwards from 7.4% to 8.0%. The revision for the growth of social and personal services was the most significant from 5.8% to 11.8%. Financial assets also grew from 10.8% to 11.8% of GDP while investments held at a steady level.

Auction sales in government depots

Timber auction sales in government depots continued at stable prices. However, due to the shortage of higher quality logs, prices are expected to trend upwards.

Log prices in government depots' auction sales

Logs (Auction sales)	Rs. per ft^3
Teak logs	
Ship-building quality A	2100-2300
Ship-building quality B	1900-2000
Long length sawing quality A	1700-1800
Long length sawing quality B	1500-1700
Sawing quality A	1400-1500
Sawing quality B	1100-1300
Sawing quality lower grades	900- 1000
Other logs	
Haldu (Adina cordifolia)	300-350
Laurel (Terminalia tomentosa)	350-400

Furniture industry relies more on domestic plantation hardwoods

With higher prices of teak and imported hardwoods, the Indian furniture industry is increasing the use of domestic plantation hardwoods. Among the favoured species are acacia (Acacia arabica) and neem (Melia azadirachta), both priced around Rs.250-400 per cu.f. In addition, mango wood (Mangifera indica) and sissoo (Dalbergia sissoo) are also popular, priced at Rs.300-400 per cu.f and Rs.500-700 per cu.f respectively.

Increasing interest in certification

Buyers of sawnwood and furniture are increasingly looking for certified wood and products. As a result, there has been an increasing interest among exporters to obtain certification for their products.

According to an analyst, since locally produced and imported logs are subject to strict rules by the Forestry Department, it will not be difficult to conform to certification requirements.

However, the general feeling in the trade is that certification will benefit producers in developed countries as it blocks imports of cheaper products from developing countries and thereby creates demand for domestic timbers in developed countries.

ITC Ltd expands paper production capacity

ITC Ltd, India's largest paper and paperboard producer with a 22% share of the total domestic production, announced the setting up of a new mill in Andhra Pradesh. The total investment is Rs.30 billion and the annual production capacity is around 300,000 tonnes of paper. Upon completion, the paper mill will be the largest in India.

ITC Ltd is also expanding the production capacity of the existing mill in Bhadrachalam from 45,000 tonnes to 55,000 tonnes of paper per year.

ITC's owns 112,400 hectares of plantations forests out of which 10,000 hectares are harvested annually to supply raw material for pulp production. The plantation area is sufficiently large for sustainable timber production with adequate rotation and re-planting

India's annual paper market including writing papers is estimated at 10 million tonnes, worth Rs.300 billion. The Indian Government is promoting the expansion of raw material supply for the paper industry by relaxing rules for foreign direct investments in joint projects with Indian companies to restore degraded forests and convert idle land to plantation forests.

Shortfall in supply of Myanmar teak

The teak market remains good with prices varying based on quality of different batches. Prices are trending upwards due to the shortfall in the supply of teak from Myanmar.

CNF Plantation Teak

	US$ per m^3
Tanzania Teak sawn	450-775
Côte d'Ivoire logs	550-700↑
PNG logs	500-550
El-Salvador logs	475-550↑
Guatemala logs	400-500
Nigeria squares	375-450↑
Ghana logs	350-600↑
Guyana logs	350-450
Benin logs	500-650↑
Benin sawn	475-600
Brazil squares	500-600↑
Burkina Faso logs	350-450
Columbia logs	365-600
Togo logs	350-500
Ecuador logs	350-400
Costa Rica logs	350-500
Panama logs	315-400
Sudan logs	500-600
Venezuela logs	460-500

Variations exist based on lengths and average girths of logs in a parcel. Prices also vary with measurement allowances given for bark and sap in different countries of origin.

India Sawnwood Prices (domestic) Myanmar Teak (imports)

Sawnwood (Ex-mill)	Rs. per ft^3
Myanmar Teak (AD)	
Export Grade F.E.Q.	5500-8000↑
Plantation Teak A grade	3000-3800
Plantation Teak B grade	2500-2800
Plantation Teak C grade	1800-2000

India Sawnwood Prices (imports)

Sawnwood, (Ex-mill) (AD)	Rs. per ft^3
Merbau	1350↑
Balau	1350↑
Kapur	900
Red Meranti	750↑
Bilinga	650
Radiata Pine (AD)	390-400↑
Sawnwood, (Ex-warehouse) (KD)	**Rs. Per ft^3**
Beech	1100
Sycamore	1200↓
Oak wood	1400
American Walnut	1750↓
Hemlock clear grade	1000
Hemlock AB grade	850
Western Red Cedar	1350

India Plywood Prices

Plywood, (Ex-warehouse) (MR Quality)	Rs. per sq.ft
4 mm	32.0↑
6 mm	45.0↑
12 mm	58.6
15 mm	70.0
18 mm	84.4

Locally Manufactured Plywood "Commercial Grade"	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.11.00	Rs.18.00
6mm	Rs.16.00	Rs.26.30
8mm	Rs.20.00	Rs.29.40
12mm	Rs.24.00	Rs.31.60
19mm	RS.31.50	Rs.42.50
5mm Flexible ply	Rs.19.50	Rs.23.50

Report from Brazil

Furniture industry upbeat on growth prospects in 2011

The furniture industry in the state of Mato Grosso do Sul is optimistic about the 2011 market prospects, forecasting a 10% growth. According to Sindimad / MS (Union of Furniture, Carpentry, Sawmills, Forest Products of Mato Grosso do Sul), the year 2010 was very difficult for the furniture industry, but this did not affect the projections for 2011.

Sindimad suggests that in 2011 the furniture sector should focus on new innovations in production such as medium density particleboard (MDP).

The furniture industry in Mato Grosso do Sul comprises 666 companies employing 2,800 workers.

Alta Floresta timber exports on the mend

Alta Floresta is one of the main tropical timber producing municipalities in the Northern Mato Grosso. The exports of timber were valued at US$14.8 million in 2010, up 65% compared to 2009, according to the Ministry of Development, Industry and Foreign Trade.

In December 2010, exports of timber totalled US$1.6 million, 10.6% higher than in December 2009 at US$1.4 million. In November 2010, exports of timber totalled US$2.3 million, a 177% jump over the same month in 2009.

The US was the main buyer of timber worth US$8.5 million, followed by Canada (US$2.8 million), and Iraq (US$2 million).

Bento Gonçalves chalks up gains in furniture exports in 2010

The furniture industry in Bento Gonçalves of Rio Grande do Sul recorded a strong performance in the domestic and export markets in 2010. According to the Department of Finance of Rio Grande do Sul, the total turnover of the furniture sector was BRL2.05 billion, a 17% increase compared to 2009.

The value of exports by the Bento Gonçalves furniture industry rose 10.5% over 2009, while the statewide growth in Rio Grande do Sul was 5.5%. For 2011, the forecast is for continuing growth of 10% to 15%.

According to the Union of Bento Gonçalves Furniture Industries (Sindmóveis), the challenge of the furniture sector in 2011 is in design. The Union aims at increasing recognition of Bento Gonçalves furniture in the domestic and international markets.

Deforestation on the rise in the Amazon

The National Institute for Space Research (INPE) announced that the rate of deforestation in the Amazon is rising again. From August to December 2010, a 10% increase in deforestation rate was observed compared to the same period in 2009. The data was based on satellite images of the DETER system, which captures real time deforestation. It is the first time since late 2007 that the DETER data indicates an increase in the deforestation rate. During the period, 1,236 square kilometres of forests were cleared compared to 1,145 square kilometres in the previous period.

The exceptionally dry year has facilitated monitoring of deforestation. However, the ongoing rainy season in the Amazon results in only 28% of the region being free of clouds and suitable for satellite monitoring. A new frontier of deforestation is the triangle formed in Southern Amazon, by the BR-319 highway, the North region of state of Rondonia and the East region of State of Acre.

Brazil Log Prices (domestic)

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	158
Jatoba	114
Guariuba	74
Mescla (white virola)	81

Brazil Export Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB		US$ per m^3
Jatoba Green (dressed)		867
Cambara KD		509
Asian Market (green)	Guariuba	276
	Angelim pedra	662
	Mandioqueira	244
Pine (AD)		201

Brazil sawnwood, domestic (Green)		US$ per m^3
Northern Mills (ex-mill)	Ipé	766
	Jatoba	588
Southern Mills (ex-mill)	Eucalyptus (AD)	201
	Pine (KD) 1st grade	258

Brazil Veneer Prices

Veneer, Export (Belem/Paranagua Ports) FOB	US$ per m^3
White Virola Face 2.5mm	298
Pine Veneer (C/D)	209

Rotary cut Veneer, domestic	US$ per m^3	
(ex-mill Northern Mill)	Face	Core
White Virola	273	225

Brazil Plywood Prices

Plywood, FOB	US$ per m^3
White Virola (US Market)	
5.2mm OV2 (MR)	452
15mm BB/CC (MR)	392
White Virola (Caribbean market)	
4mm BB/CC (MR)	523
12mm BB/CC (MR)	420

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	280
15mm C/CC (WBP)	260
18mm C/CC (WBP)	248

Plywood, domestic (ex-mill Southern mill)		US$ per m^3
Grade MR (B/BB)	White Virola 4mm	962
	White Virola 15mm	699

Domestic prices include taxes and may be subject to discounts.

Other Brazil Panel Prices

Belem/Paranagua Ports, FOB	US$ per m^3
Blockboard Pine 18mm 5 ply (B/C)	312
Domestic Prices, Ex-mill Southern Region	
Blockboard White Virola faced 15mm	588
Particleboard 15mm	382

Brazil Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Edge Glued Pine Panel		
Korean market (1st Grade)		625
US Market		494
Decking Boards	Cambara	622
	Ipê	1,646

Report from Peru

Timber exports plunged in November 2010

The Export Association of Peru (ADEX) has reported that the value of wood product exports in November 2010 was US$12.2 million, down 29% from US$17.3 million recorded in November 2009. However, wood product exports from January to November 2010 totalled US$154.1 million compared to US$135.7 million in the same period of 2009, an increase of 13.2%.

In November 2010, the three biggest importers were China, Mexico and the US which together accounted for 89% of the total export value. Columbia increased its imports of sawnwood and plywood while Puerto Rico imported more plywood compared to the previous year. In contrast, Spain and Italy reduced their wood product imports sharply from the previous year, by 72% and 57% respectively.

Export performance by product categories

The main exported items in November 2010 were semi-manufactured products with a 46% share of the total export volume. The accumulated exports from the beginning of 2010 totalled US$69.8 million, a hefty 22% jump from exports during the same period in 2009.

Semi-manufactured products were exported mainly to China which accounted for 78% of the total accumulated exports from the beginning of 2010. Sweden and Israel substantially increased their imports for semi-manufactured products in November 2010.

Sawnwood exports made up 34% of the total exports. The accumulated sawnwood exports from the beginning of 2010 totalled US$52.6 million, up 7% over the same period in the previous year. The main destination was China with a 35% share of the total sawnwood exports. Sawnwood exports have reportedly declined towards the end of the year 2010.

Accumulated veneer and plywood exports from the beginning of 2010 were valued at US$14.5 million in November 2010, an increase of 5% over the same period in the previous year. Veneer and plywood are exported mainly to Mexico which accounted for 94% of total exports.

In contrast, from the beginning of 2010 there has been a 11% drop in furniture exports compared to the same period in the previous year. The total value of furniture and furniture parts exports for the period was US$6.1 million. The US is the main market for furniture and its parts accounting for 54% of the total exports. The US and Chile have reduced imports by 55% and 23% respectively from the beginning of 2010.

Peru wood product exports in November 2009 and 2010

Product	Nov-09	Nov-10	Change (%)
Semi-manufactured products	57.00	69.80	22.5%
Sawnwood	49.10	52.60	7.1%
Veneer and plywood	13.80	14.50	5.1%
Furniture	6.80	6.10	-10.3%
Total	135.70	154.10	13.6%

Source: The Export Association of Peru

Peru Sawnwood Prices

Peru Sawnwood, FOB Callao Port		US$ per m^3
Mahogany S&B KD 16%, 1-2" random lengths (US market)		1655-1702
Spanish Cedar KD select		
North American market		918-922
Mexican market		897-921
Pumaquiro 25-50mm AD	Mexican market	532-586

Peru Sawnwood, FOB Callao Port (cont.)	US$ per m^3
Virola 1-2" thick, length 6'-12' KD	
Grade 1, Mexican market	329-374↑
Grade 2, Mexican market	269-283↑
Cumaru 4" thick, 6'-11' length KD	
Central American market	831-855
Asian market	798-871↑
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	558-569
Marupa (simarouba) 1", 6-11 length Asian market	359-382

Peru Sawnwood, FOB Iquitos	US$ per m^3
Spanish Cedar AD Select Mexican market	887-909
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	328-349↑
Grade 2, Mexican market	265-278↑
Grade 3, Mexican market	143-158↑
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	222-242↑

Peru sawnwood, domestic	US$ per m^3
Mahogany	879-911
Virola	55-74↑
Spanish Cedar	266-320↑
Marupa (simarouba)	59-72

Peru Veneer Prices

Veneer FOB	US$ per m^3
Lupuna 3/Btr 2.5mm	191-212
Lupuna 2/Btr 4.2mm	203-217
Lupuna 3/Btr 1.5mm	211-221

Peru Plywood Prices

Peru plywood, FOB (Mexican Market)		US$ per m^3
Copaiba, 2 faces sanded, B/C, 15x4x8mm		318-347
Virola, 2 faces sanded, B/C, 5.2x4x8mm		396-402
Cedar fissilis, 2 faces sanded 4x8x5.5mm		733-744
Lupuna, treated, 2 faces sanded, 5.2x4x8mm		363-385
Lupuna plywood	B/C 15x4x8mm	358-375↑
	B/C 9x4x8mm	345-350
	B/C 12x4x8mm	350-360
	B/C 8x4x15mm	396-408
	C/C 4x8x4mm	384-396↑
Lupuna plywood B/C 8x4x4mm Central Am.		368-388

Lupuna Plywood BB/CC, domestic	US$ per m^3
(Iquitos mills)	
122 x 244 x 4mm	433
122 x 244 x 6mm	397
122 x 244 x 8mm	409
122 x 244 x 12mm	399
(Pucallpa mills)	
122 x 244 x 4mm	458
122 x 244 x 6mm	439
122 x 244 x 8mm	430
122 x 244 x 12mm	429

Other Peru Panel Prices

Peru, Domestic Particleboard	US$ per m^3
1.83m x 2.44m x 4mm	282
1.83m x 2.44m x 6mm	230
1.83m x 2.44m x 12mm	204

Peru Added Value Product Prices

Peru, FOB strips for parquet		US$ per m^3
Cabreuva/estoraque KD12% S4S, Asian market		1277-1376
Cumaru KD, S4S	Swedish market	797-920
	Asian market	933-998
Cumaru decking, AD, S4S E4S, US market		949-1098
Pumaquiro KD # 1, C&B, Mexican market		423-511
Quinilla KD, S4S 2x10x62cm, Asian market		477-503
	2x13x75cm, Asian market	708-768

Report from Guyana

Slight improvement in log export prices

During the period under review, there were no exports of greenheart logs which was one of the main species used in domestic value-added production. Prices of purpleheart logs remained stable while mora log prices gained marginally during this fortnight period.

For sawnwood, undressed greenheart prices advanced to US$742–US$806 per cu.m in select quality. There were some exports of undressed purpleheart at favourable prices during the period under review. Undressed mora prices hit US$573 per cu.m in select quality while prices in sound and merchantable qualities held steady. Prices for dressed greenheart were slightly down from the previous fortnight while dressed purpleheart prices increased to US$784–US$848 per cu.m. Guyana's Washiba (Ipe) continues to be in demand in the international markets, attracting a high average price of US$US1,950 per cu.m for this fortnight period. There is no export of baromalli plywood due to the recent closure of the major plywood mill in Guyana.

Splitwood (Wallaba shingles) prices remained favourable at US$875 per cu.m. Greenheart pile prices fetched US$403 per cu.m, with Europe being the major destination.

For the period under review, exports of value-added products made a significant contribution to the total export earnings. These products made of both Guyana's commercialised and lesser-used-species were mainly exported to the Caribbean market.

Surging log exports prop up earnings in 2010

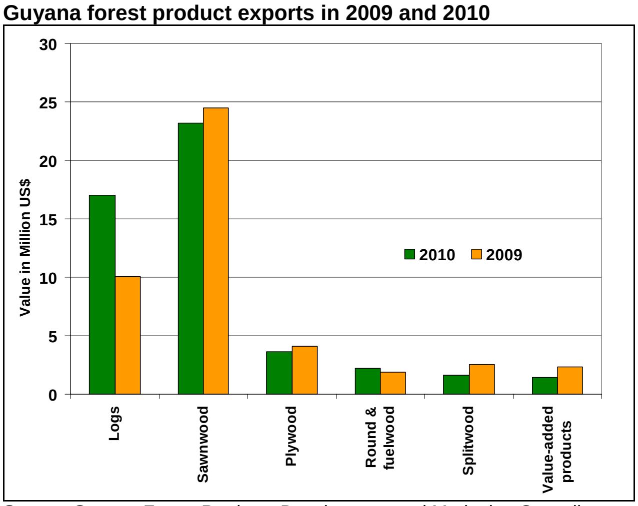
The total exports of forest products from Guyana in 2010 were valued at US$49 million, up 7.89% compared to 2009. However, only exports of logs showed a sharp increase of 68.6%, from US$10 million recorded in 2009 to US$17 million in 2010. The total export volume of logs also soared 78.3% compared to 2009.

Sawnwood made the largest contribution to the total export earnings in 2010 with US$24.5 million, down 5.4% from US$23.1 million in 2009. In terms of volume, the drop was 12.7%.

The value of plywood exports in 2010 was US$3.7 million, down 10.9% compared to 2009, while exports of round and fuelwood were US$2 million (+6.0%), splitwood US$1.6 million (-36.3%), and value-added products US$1.4 million (-39.7%).

According to the Guyana Forest Products Development and Marketing Council, the drop in sawnwood exports was due to increased demand of sawnwood in the domestic market. The Government of Guyana is supporting housing for small and middle income families by developing several new housing areas which has resulted in a housing boom in Guyana that is expected to continue in 2011.

Guyana forest product exports in 2009 and 2010



Source: Guyana Forest Products Development and Marketing Council

Guyana Log Export Prices

Logs, FOB Georgetown	SQ - $ Avg unit value per m^3		
	Std	Fair	Small
Greenheart*	-	-	-
Purpleheart	200	-	150
Mora	-	120	115

*Small SQ is used for piling in the USA and EU. Price depends on length. In the case of no price indication, there is no reported export during the period under review.

Guyana Sawnwood Export Prices

Sawnwood, FOB Georgetown		$ Avg unit val. per m^3	
EU and US markets		Undressed	Dressed
Greenheart	Prime	-	-
	Standard	-	649-784
	Select	575-806	
	Sound	-	
	Merchantable	500-530	
Purpleheart	Prime	-	-
	Standard	-	700-848
	Select	650	
	Sound	594-615	
	Merchantable	550	
Mora	Prime	-	
	Select	500-573	
	Sound	450	
	Merchantable	400	

In the case of no price indication, there is no reported export during the period under review.

Guyana Plywood Export Prices

Plywood, FOB Georgetown Port			$ Avg unit val. per m^3
Baromalli	BB/CC	5.5mm	-
		12mm	-
	Utility	5.5mm	-
		12mm	-

In the case of no price indication, there is no reported export during the period under review.

Report from Japan

Bullish demand for tropical logs

According to the Japan Lumber Reports (JLR), log export prices in Sabah and Sarak remain firm on the back of some aggressive purchasing by China and India. As log supply remains tight, there are no prospects for prices to ease.

At Tanjung Manis port in Sarawak, meranti regular log export prices breached US$255 per cu.m FOB and inched towards US$260 per cu.m, while small meranti log prices gained US$5 per cu.m from December 2010 to US$240 per cu.m FOB. Prices at Bintulu port are getting closer to those at Tanjung Manis port. In Sabah, log prices are soaring for all species and grades. Log export prices at Tawau port for mix serayah logs are at US$245 per cu.m FOB and small serayah logs fetched US$230 per cu.m FOB. Kapur and keruin prices also gained US$5 per cu.m from December 2010, to US$285 and US$260-265 per cu.m FOB respectively.

Log supply continues to be tight as a result of harvesting limitations and delays in transportation to the ports. JLR says that even some local plywood mills in Sarawak have been forced to shut down temporarily due to the log shortage. As a result of the delays, demurrage and total shipping costs are now higher. Following hikes in November 2010 and January 2011, the revised freight costs are now at US$47-48 per cu.m.

Log shortage pushes plywood prices up

The market for imported plywood is very firm following a considerable increase in prices set by the largest plywood supplier in Malaysia in January 2011. The bullish stance on pricing is due to the shortage of logs which pushes prices up. Importers have accepted the higher prices in the face of the continuing tight supply and possible further price hikes, although the higher prices may eventually result in increased supply.

Prices for imported 3x6 concrete formboard are now Yen 930-940 per sheet delivered, up Yen 30 from January 2011. Prices for 3x6 coated concrete formboard are also up Yen 30-40 at Yen 1,070 per sheet delivered.

12mm (F 4star, special) panel for foundations fetched Yen 970-980 per sheet delivered, up Yen 40 from January 2011. According to wholesalers, prices for 12mm panel are shortly expected to exceed Yen 1,000 per sheet delivered.

The JLR reports that thin and medium panels are tight in supply with delayed arrivals. Wholesale prices for 2.4mm thin plywood (F 4star, type 2) are now at Yen 320-330 per sheet delivered and for 3.7mm medium plywood (F 4star, type 2) at Yen 450-460 per sheet delivered.

2010 housing starts higher than in previous year

Total housing starts in Japan in 2010 were 813,126, up 3.1% from the record low in 2009, reports JLR. However, housing starts in 2010 notably remained at the same low levels as in 1964 and 1965.

Owner's units and units built for sale showed some improvement, but housing starts for rental units continue to fall to below 300,000 units as in 1962 and 1963.

Wood frame units increased by 7% over 2009 accounting for about 57% of the total housing starts, up 2 percentage points from 2009.

The recovery in housing starts is concentred in populated areas like the Tokyo metropolitan area where housing starts jumped 30% over the previous year. The government has undertaken various measures to stimulate the housing sector in the country.

2010 housing starts

	2010	% Change to 2009
Total	813,126	3.1
Owner's units	305,221	7.2
Rental units	298,014	-7.3
Built for sale	201,888	19.6
Wood frame units	460,134	7.0
Prefabricated units	126,671	0.6
2x4 units	96,104	4.8

Source: JLR

Wood use in public buildings improves sales of domestic interior sawnwood

Ikemi Forestry Industrial Inc. specialises in producing solid wood interior sawnwood made of domestic species such as cedar and cypress.

Since the law promoting wood use in public buildings in Japan came into effect on 1 October 2010, Ikemi's interior sawnwood orders have jumped. The company is now planning to increase its production capacity by 20%.

Log and Sawnwood Prices in Japan

Logs for Ply Manufacture, CIF	Yen per Koku
Meranti (Hill, Sarawak)	(Koku=0.278 m^3)
Medium Mixed	7,300⬆
Standard Mixed	7,500⬆
Small Log (SM60%, SSM40%)	7,300⬆
Taun, Calophyllum, others (PNG)	8,000
Mixed light hardwood, G3/4 grade (PNG)	-
Keruing MQ & up (Sarawak)	10,500
Kapur MQ & up (Sarawak)	9,600

Logs for Sawmilling, CIF	Yen per Koku
Melapi (Sarawak) High Select	11,500
Agathis (Sarawak) High Select	-

Lumber, FOB	Yen per m^3
White Seraya (Sabah) 24x150mm, 4m, Grade 1	135,000
Mixed Seraya, Sangi 24x48mm, 1.8-4m, S2S	53,000

Wholesale Prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	Jan (¥ per sheet)	Feb
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	320	330
3.7mm (med. Thickness, F 4star, type2)	910 X 1820	450	460
5.2mm (med. Thickness, F 4star, type 2)	910 X 1820	560	570
11.5mm for sheathing (F 4star, type 2)	910 X 1820	910	940
12mm for foundation (F 4star, special)	910 X 1820	940	970
12mm concrete-form ply (JAS)	900 X 1800	900	930
12mm coated concrete-form ply (JAS)	900 X 1800	1040	1070
11.5mm flooring board	945 X 1840	1280	1280
3.6mm baseboard for overlays (OVL)	1230 X 2440	740	740
OSB (North American)			
12mm foundation of roof (JAS)	910 X 1820	-	-
9mm foundation for 2 by 4 (JAS)	910 X 2440	-	-
9mm conventional foundation (JAS)	910 X 2730	-	-
9mm conventional foundation (JAS)	910 X 3030	-	-

Report from China

Total forest industry output surpasses RMB 2,000 billion in 2010

According to the National Bureau of Statistics, the total value of forest industry output in 2010 in China is estimated to have reached RMB 2,090 billion, up 20% over 2009.

Of the total output value, 37.8% or RMB790.1 billion is estimated to have come from primary forest industry (mainly non-wood forest products). The secondary forest industry (mainly SPWPs and bamboo products) accounts for 53.2% of the total output value at RMB1,112.3 billion. Tertiary forest industry (mainly tourism and recreation) accounts for 9.0% of the total with RMB188.9 billion. Compared to 2009, the production of wood processing industry (enterprises with annual sales over RMB 5 million) in 2010 surged 22.2%, while those of furniture industry and the paper and paper products industry increased by 19.5% and 16.2% respectively.

According to the estimates, the production of roundwood in 2010 is expected to reach 72.84 million cu.m, up 3.1% compared to 2009. The output of bamboo is estimated at 1.33 billion pieces, almost the same as in 2009. The production of wood-based panels is expected to reach 138.74 million cu.m, 20.2% higher than in 2009.

According to the National Bureau of Statistics, the accumulated output of wooden furniture from January to November amounted to 234 million pieces, up 28.1% over the same period in 2009, while the output of solid wood flooring was 112 million square metres (+21.4%), multi-layer flooring 318 million square metres (+14.5%), decorative panel 233 million square metres (+22.3%).

China's output of major forest products in 2009 and 2010

Product	2009	2010	Change (%)
Roundwood (1000 cu.m)[1]	70,683	72,845	3.1
Bamboo (billion pieces)[1]	1.36	1.33	-1.7
Wood-based panel (1000 cu.m)[1]	115,466	138,743	20.2
Wooden furniture (1000 pieces)[2]	182,831	234,207	28.1
Solid wood flooring (1000 sq.m)[2]	92,512	112,309	21.4
Multi-layer flooring (1000 sq.m)[2]	277,725	317,995	14.5
Decorative panel (1000 sq.m)[2]	191,000	233,000	22.3

[1] Estimates for 2010.
[2] Recorded values for the period from January to November 2009 and 2010.
Source: National Bureau of Statistics.

China's wooden furniture trade soars

China is the largest wooden furniture producing and exporting country, with the main export destinations being Europe, the US and Japan. Due to the global economic crisis, China's exports of wooden furniture declined in 2008 but recovered in 2009. According to the statistics, the period from January to November 2010 showed robust growth in China's wooden furniture trade.

The value of wooden furniture imports in China totalled US$244 million from January to November 2010, a significant jump of 17% compared to the same period in 2009. Even so, China exported much more wooden furniture (excluding wooden framed seats) valued at US$9,447 million year-to-date November 2010, 42% higher than in the same period in 2009.

China wooden furniture imports year-to-date, November 2009 and 2010

	Volume (1,000 pieces)			Value (US$ million)		
	2009	2010	Change (%)	2009	2010	Change (%)
Total	2,470.4	3,232.5	30.9	208.0	243.8	17.2
Office	38.3	54.1	41.3	6.6	7.6	15.7
Kitchen	296.1	264.3	-10.8	53.9	54.9	2
Bedroom	351.0	390.2	11.2	43.2	47.7	12.5
Others	1,785.0	2,569.3	43.9	104.4	133.6	28

China wooden furniture exports year-to-date, November 2009 and 2010

	Volume (million pieces)			Value (US$ million)		
	2009	2010	Change (%)	2009	2010	Change (%)
Total	152.8	185.2	22	6,669.4	9,447.0	41.6
Office	12.4	15.7	27	467.0	633.8	35.7
Kitchen	14.5	17.1	17.9	556.4	679.4	22.1
Bedroom	24.6	28.3	15.1	1,850.4	2,336.6	26.3
Others	99.4	124.1	24.8	3,795.7	5,796.7	52.7

Rapid development of the eucalyptus industry in China

Due to increasing demand for timber, the eucalyptus plantation industry has undergone rapid development in China in recent years. The area of eucalyptus plantations has increased from 1.7 million hectares in 2006 to 3.13 million hectares in 2010.

The rapid expansion of eucalyptus plantations has contributed to the development of the pulp and paper industry in China. A large number of wood pulp mills have been established in recent years. The technologies to produce pulp from eucalyptus have improved and at the same time the prices of eucalyptus have almost doubled. The eucalyptus industry has thus played an important role in poverty reduction in rural areas of China.

SFA sets forestry sector development goals by 2015

The Twelfth Five Year Plan for the Forestry developed by the State Forest Administration (SFA), defines the development goals of forestry in China by 2015 as follows:

- Expanding the forest cover by 21.66%;
- Expanding the forestry land area to 309 million hectares;
- Increasing the growing stock of forests to 14,300 million cu.m;
- Increasing the forest carbon stock to 8,400 million tonnes;
- Increasing the total output value of forestry to RMB 3,500 billion by 2015.

In addition, the Five Year Plan is to educate people's awareness of ecological protection.

Reduced harvests in Daxinganling Forest Area

It is reported that the total harvest volume in Daxinganling Forest Area of Heilongjiang Province in 2010 was 650,000 cu.m less compared to 2009. From 2006 to 2009, the total reduction in harvests amounted to 2.68 million cu.m.

The Daxinganling Forest Management Bureau has formed 9 inspection teams which were able to detect 19 cases of illegal logging and 19 cases of deforestation in the area. In addition, 4.5 hectares have been illegally converted into agriculture.

Guangzhou City Imported Timber Market

Logs	Yuan per m^3
Lauan (50-60cm)	1900-2100
Kapur (up to 79cm)	2000-2100
Merbau 6m, (up to 79cm)	3500-4000
Teak	11000-13000
Wenge	5000-5200
Sawnwood	
Teak sawn grade A (Africa)	9500
US Maple 2" KD	7500-10000
US Cherry 2"	10000-13000
US Walnut 2"	14000-16000
Lauan	4000-4200
Okoume	4000-4500
Sapele	6000-6400

Shanghai Furen Wholesale Market

Logs		Yuan per m^3
Teak (Myanmar, all lengths)		7500-8500
Sawnwood		
Beech KD Grade A		4800-5000
US Cherry, 1 inch		9500-10000
US Red Oak, 50mm		6500-7000
Sapele 50mm FAS (Congo)		
	KD (2", FAS)	6300-6500
	KD (2",grade A)	5700-5800

Shandong De Zhou Timber market

Logs		Yuan per m^3
Larch	6m, 24-28cm diam.	1200
White Pine	6m, 24-28cm diam.	1350
Korean Pine	4m, 30cm diam.	1350
	6m, 30cm diam.	1450
Mongolian Scots Pine	6m, 30cm diam.	1480

Hebei Shijiangzhuang Wholesale Market

Logs		Yuan per m^3
Korean Pine 4m, 38cm+ diam		1700
Mongolian Scots Pine	4m, 30cm diam.	1700
	6m, 30cm+ diam.	1750
Sawnwood		
Mongolian Scots Pine	4m, 5-6cm thick	1700
	4m,10cm thick	1750

Zhejiang Jiashan Kaihua International Timber Market

Logs	Yuan per m^3
Okoume 80cm+	2900-3400
Sapele 80cm+	6000-6600
Wenge 80cm+	13000-14500
Sawnwood	
Doussie	3600-4000
European beech boules	3200-3400
Radiata	800-1200
Plywood	
US Black Walnut 4x8x3 mm	6000-8000
Beech 4x8x3 mm	6000-8000
Teak 4x8x3 mm	6000-8000
Poplar (4x8x3-5 mm)	3000-4000

For more information on China's forestry see: www.forestry.ac.cn

Report from Europe

European wood window market stabilised in 2010

After a major downturn in 2009, the European window market stabilised at a low level in 2010. Wood's share of the overall market continues to increase. These trends are expected to continue in 2011 due to continuing refurbishment of windows to improve energy efficiency across the EU. These are the results of a study carried out by the Fenster + Fassade trade association (VFF) with the support of Professor Dirk Hass of the KünzelsauerInstitutfür Marketing (KIM), which was presented at BAU 2011 in Munich.

The study reports that the overall European window market grew by 0.4% to 125.8 million window units in 2010 (one window unit equates to 1.69 square metres). This follows a dramatic decline of 22.4% in 2009. Of the 125.8 million window units produced in Europe during 2010, 75 million (59.6%) were in the 27 EU member countries, 19.8 million (15.7%) in Norway, Switzerland and Turkey, and 31 million (24.7%) in Russia and the Ukraine.

The 0.4% increase in the European market in 2010 is largely attributed to the market recovery in Russia and Ukraine. After a collapse of 49.4% in 2009, the total market in these countries grew by 21.4% last year. In contrast, the market across the 27 EU states decreased by 6.6% in 2010 following a 10.9% decrease in 2009.

The overall decline in the EU market masks considerable national variations. The German market has been the most dynamic over the last two years seeing demand rise by 3.3% in 2009 and by 4.9% in 2010. This is largely due to government support for installation of energy efficient windows as part of Federal Government measures to stimulate the national economy. However, government support will be significantly lower in 2011 and the growth in German window demand is expected to slow. With 12.6 million window units installed last year, Germany was the largest single window market in Europe during 2010 accounting for 16.8% of the EU market and 10% of the wider European market.

Other than Germany, Poland was the only growth market for windows amongst the nine largest European countries. A total of 6.36 million window units were installed in Poland last year compared to 6.23 million in 2009. The Polish market is expected to continue to grow in 2011.

Of all European countries, Spain suffered the largest decline in demand for windows last year. The market fell by 35% to only 5.15 million units in 2010. This follows a 18.4% decline in 2008 and 34% decline in 2009. This a direct response to the collapse of Spain's construction sector in 2008-2009.

Overall the VFF report suggests that the window market across Europe will stabilise in 2011. Demand in Germany, the Ukraine and Russia is expected to remain steady at last year's higher levels. Demand in France – where government support for energy-efficient refurbishment is also planned – is expected to reach at least the same level as last year. A return to growth is expected – albeit rather slow – in Italy and the UK after three poor years. Demand in Turkey is also expected to increase in 2011.

Market share of wood rises in the European window sector

The VFF report includes the latest available data (year 2009) for market share of different materials. This contains some positive news for wood. In 2009, timber windows accounted for 18% of the total window market across Europe compared to 17% the previous year. The share of timber-aluminium combination products also increased from 3% to 4% over the same period. Although PVC lost ground compared to wood in 2009, PVC still retains a dominant position in the overall European window market accounting for 56% in 2009 compared to 58% in 2008. Aluminium maintained its position with 22% market share in both 2008 and 2009.

The share of timber in window usage is heavily influenced by cultural preferences and building styles in Europe. Timber is particularly dominant in the Scandinavian countries, with a share of over 70% in Norway, Sweden and Finland. However, strong energy efficiency credentials combined with improved quality and consistency of factory finished units has meant that market share is gradually improving outside this area.

Across much of the rest of western, central and eastern Europe, PVC is very dominant, benefiting from cheap prices, consistent products and a huge marketing and distribution network. The PVC sector has also engaged in constant innovation to improve thermal insulation, aesthetics and improve recycling. These factors have contributed to PVC taking the bulk of market share in the "emerging markets" of Europe. PVC's share is over 70% in Russia, Poland and Turkey.

Aluminium is not strongly favoured in residential construction and tends to do well where commercial and public building activity is relatively important. Aluminium has an unusually high market share in Italy (37%), especially in the south of the country, and in Spain (70%). Timber–aluminium's share is particularly strong in Switzerland (27%).

A full copy of the VFF report (229 pages) is available for €3500 from VFF at vff@window.de, Tel: +49(0)699550540.

Tropical wood in the European window market

Unfortunately, advance summary information made publicly available from the VFF report provides no details of the relative importance of different wood types in the European window frame market. This market has been traditionally very important for tropical hardwoods. The main application for meranti in north-western Europe has been window frames – in solid form and often painted in the Netherlands and UK, and increasingly as engineered wood in central Europe, particularly Germany. Alongside other uses such as doors and staircases, sapele is also used widely for window frames in the UK, Netherlands, Belgium and Spain. A few other tropical species are in the same European market niche. Some, such as Brazilian and African mahogany and Brazilian cedar, were formerly major players but have fallen away dramatically as commercial availability has declined. A few other species are still used under specific circumstances, for example African sipo, where there is willingness to pay slightly more for better quality, and Brazilian sapupira/angelimpedra when it can be obtained at competitive prices or FSC certified. However volumes involved are significantly lower than for either meranti or sapele.

Anecdotal reports from European joinery companies suggest that meranti and sapele continue to be favoured for their aesthetic and technical attributes at the high end of the window market. These two species are also commonly held in stock by large European importers and are therefore relatively easy to source by European manufacturers.

On the other hand, there are also obstacles in the way of the tropical species fully benefiting from the recent increase in market share for wood. The environmental issue has been a constant drag on marketing, although this is gradually being resolved through progress on tropical forest certification and constant lobbying and marketing efforts, notably by the Malaysian Timber Council. Meanwhile other challenges have emerged. Through innovation and new product development, some alternative wood products are already moving ahead of tropical wood in the window sector with respect to specific technical qualities. For example, thermally-treated wood may conform to durability class 1 and is now regularly offered with significantly longer life guarantees than either sapele or meranti. This is becoming more of a problem for tropical hardwoods now with recent expansion of thermal treatment capacity in Europe (recently estimated by EUWID at around 330,000 cu.m per year).

The shift to quality-controlled factory-finished window units has also gone hand in hand with a growing preference for engineered wood products. Tropical wood's earlier competitiveness built heavily on ease and adaptability of on-site use is being gradually eroded. Malaysian and Indonesian manufacturers have adapted to this trend through development and supply of laminated products, which is helping to maintain position in the market (although recent price trends have not been particularly favourable). Lack of production capacity for similar engineered wood products is an increasing source of competitive disadvantage for African suppliers in the European wood window sector. For a species like sapele which is quite technical to machine, expanding market share in this sector is likely to require greater availability of semi-finished products in standard dimensions, either glue-lamed or in solid blocks.

Conference on climate protection with new windows

EuroWindoor is hosting a conference in Brussels on 23 March 2011 on the topic of "Climate Protection with new Windows". EuroWindoor is a joint European lobbying group bringing together joinery industry associations from the timber (FEMIB), plastic (EPW), metal (FAECF) and glass (UEMV) sectors. EuroWindoor notes that "buildings are responsible for more than 40% of energy consumption in Europe and thus offer great potential for energy savings. The conference will provide in this context figures and information on current European developments in technical, legal and normative aspects." The 1-day event will take place at the offices of the North Rhine-Westphalia state representative to the European Union, Rue Montoyer 47 in the European quarter of Brussels. A complete programme and registration form with rates and conditions is available at www.eurowindoor.org or send an email to eurowindoor-gs@eurowindoor.org. Lectures will be held in English.

European parquet flooring market stabilises at low level

Provisional estimates issued at the Domotex 2011 trade fair in Hannover, Germany, by the European Parquet Federation (FEP) indicate that parquet consumption across the EU and European Free Trade Area (EFTA) reached around 95 million square metres in 2010, the same level as the previous year. These figures compare to 120 million square metres in 2007 and 112 million square metres in 2008. FEP report positive trends in Germany and France last year, but suggest that the Spanish market remains weak. Figures on species utilisation for 2010 are not yet available, but in 2009 tropical wood accounted for 10.2% of production in a sector very heavily dominated by oak (62% of production in 2009).

UK buyers anticipate rising plywood prices

The UK TTJ reports that talk of price rises dominates the UK plywood market. Only a minority of traders now believe that flat demand will take the edge off prices in the UK as plywood exporters are pushing hard to raise FOB rates. The pressure for higher FOB prices has been particularly pronounced amongst Malaysian shippers keen to cover rising log and raw material costs. Higher energy and glue costs and labour issues are also expected to feed through into rising hardwood plywood prices in China after the New Year vacation.

In recent months, China has been taking an increasing share of the UK hardwood plywood market which has become ever more price conscious in the face of weak consumption. According to TTJ, some importers now believe that Malaysian products may follow in the footsteps of Indonesian plywood and become increasingly restricted to a small niche market. Longer term, this trend may be countered by Malaysia's superior ability to offer CE-marked and environmentally certified products, particularly once the European Illegal Timber Law (ITL) is fully implemented from March 2013 (see below). However, for the time-being many smaller independent importing companies continue to buy plywood on price with little apparent concern for either technical or environmental standards.

Meanwhile only very small volumes of Brazilian hardwood plywood are now entering the UK, mainly only in larger sizes, and prices to UK buyers have risen around 10% in the last six months.

Prices for birch plywood continue to rise in the UK and wider European market due to limited log supply and as many traders are now carrying only low stocks. Lead times for supply of birch plywood have been increasing. This implies continuing opportunities for tropical hardwood products to take a greater share of the European market for specialist grades of film-faced plywood.

EU firmly committed to eradicating illegal wood imports

This year, the European Union is focusing heavily on implementing and expanding the range of Voluntary Partnership Agreements (VPAs) in support of legal logging in major wood supplying countries. It is also engaged in a consultation exercise to finalise implementation regulations for the Illegal Timber Law (ITL) which was passed into law by the EU in November last year. These were the main messages from the presentation by Janez Potočnik, the European Commissioner for Environment, at the Chatham House Illegal Logging Update meeting held in London at the end of January.

Mr. Potočnik reported that the EU has concluded VPA negotiations with four African countries: Ghana, Cameroon, Congo Brazzaville and the Central African Republic. The EU is now negotiating agreements with six other countries: Indonesia, Vietnam, Malaysia, Liberia, the Democratic Republic of Congo, and Gabon. The EU also continues to receive requests for information about the VPA process from many other countries and expects to intensify bilateral discussions with China, Russia and Brazil. The EU is committed to finishing VPA negotiations with at least two more partner countries in 2011. Indonesia is likely to be among them and would be the first to conclude a VPA in Asia.

Mr. Potočnik said that the EC will act 'without pity' in its efforts to ensure implementation of the ITL. From the moment the law becomes fully operational on 3 March 2013, it will be prohibited to place illegally harvested timber on the EU market. It will also be a legal obligation for timber traders in the EU to undertake due diligence before placing timber on the market for the first time. They will have to keep records of their suppliers and customers, and make their products traceable (at least to the extent necessary to demonstrate a negligible risk of illegal supply). The regulation applies both to imported and domestically harvested timber.

According to Mr. Potočnik, the regulation will have the following consequences. Firstly, legality will become a minimum requirement for selling timber in the EU. Secondly, there will be a shift from high to low-risk sources, which will favour timber from verified legal and certified sustainable sources. Thirdly, genuine traders will not be undercut on prices.

Svetla Atanasova, a legal expert from EC Environment Directorate, explained that between now and March 2013, Member States will have to develop systems for enforcement of the ITL at national level, including designation of competent authorities and laying down penalties. The European Commission must also draft supporting regulations for implementation. By 3 March 2012, the EC must finalise the product scope of the legislation and the rules for recognition of Monitoring Organisations. The latter are organisations like European timber importers' associations that will be responsible for developing and ensuring implementation by their members of due diligence procedures in accordance with the ITL. By 3 June 2012, the EC must finalise detailed rules for risk assessment and risk mitigation measures, and for the frequency and nature of checks on Monitoring Organisations.

In support of this process, the EC has commissioned an external study (being undertaken by the European Forestry Institute) to consider existing best practice for due diligence and risk assessment. A wider stakeholder consultation exercise is also underway and inputs from all interested parties are now welcome. Those interested are advised to contact:

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Website:
http://ec.europa.eu/environment/forests/illegal_logging.htm

Further details of the Chatham House meeting, including copies of all presentations, are available at:
http://illegal-logging.info/item_single.php?it_id=206&it=event

The Netherlands Sawnwood Prices

FOB (Rotterdam)	US$ per m^3
Sapele KD	891↓
Iroko KD	1100↓
Sipo KD	1081↓
DRM Bukit KD	918
DRM Seraya KD	925
DRM Meranti KD Seraya MTCC cert.	939
Merbau KD	1208
Sapupira (non FSC) KD	946
Sapupira (FSC) KD	1483
Anti-slip decking AD C&F Rotterdam	
Selangan batu	1497

UK Log Prices

FOB plus commission		€ per m^3
N'Gollon (khaya)	70cm+ LM-C	350-380
Ayous (wawa)	80cm+ LM-C	250-270
Sapele	80cm+ LM-C	320-340
Iroko	80cm+ LM-C	410-450
African Walnut	80cm+ LM-C	340-370

UK Sawnwood Prices

FOB plus Commission		GB Pounds per m^3
Framire	FAS 25mm	485-500↓
Sipo	FAS 25mm	680-710↓
Sapele	FAS 25mm	560-580↓
Iroko	FAS 25mm	685-705↓
Wawa	FAS25mm	275-305↓
CIF plus Commission		
Tulipwood FAS 25mm		300-325↓
Meranti Tembaga Sel/Btr (KD 2"boards)		565-585
Balau/Bangkirai Decking		920-960↓
White Oak		540-560↓

UK Plywood and MDF Prices

Plywood Panels 8x4", CIF	US$ per m^3
Brazilian WBP BB/CC 6mm	580-600↑
Malaysian WBP BB/CC 6mm	565-585↑
China (hardwood face, eucalyptus core) 18mm	375-388↑
China (tropical hardwood face, poplar core) 18mm	355-370↑

Report from North America

Promotion programme for US hardwoods proposed

A group of US hardwood companies announced in early February that they will seek to establish a so-called commodity research and promotion programme for hardwood sawnwood and plywood. This type of programme is commonly used in the US for promoting agricultural products where commodity producers jointly fund marketing efforts. If the hardwood promotion programme is approved, the following hardwood producers would pay a fee to fund the marketing of US hardwoods: green hardwood sawnwood and kiln-dried hardwood producers with sales over US$2 million; hardwood plywood manufacturers who produce over 10 million sq.ft annually. The US Department of Agriculture would help oversee that the money collected is only used for approved research and promotion activities.

The first-ever promotion programme for forest products under the authority of the US Department of Agriculture was announced in October 2010. Softwood sawnwood companies will have to pay US$0.35 per thousand board feet produced or imported into the US, excluding volumes below 15 million board feet. The projected income would be US$12-19 million per year, depending on shipment levels. The softwood industry is expected to vote on the proposed programme this spring.

The hardwood promotion programme has the potential to affect markets for tropical wood products. US hardwoods may gain a higher market share at the expense of other wood species. On the other hand, both tropical and temperate hardwoods face competition from non-wood materials, and a hardwood promotion programme may have a positive effect for tropical sawnwood producers, depending on how the programme is implemented.

Wood-composites to dominate growth in decking market

The Freedonia Group has updated its forecasts for the US decking market ("Wood and Competitive Decking" report). Decking demand is expected to grow by 2.7% annually to 2014. Between 2004 and 2009 demand declined on the average by -0.6% per year.

Wood continues to account for the majority of the volume consumed, but much of the anticipated market growth will be in wood-plastic composites. Wood decking is forecast to grow just 0.5% per year to 2014, while wood-plastic composite decking is expected to grow 12.9% annually. The market share of wood in total decking stood at 86% in 2009 while in 2014 it will be 77%, according to Freedonia's forecasts. Consumers perceive wood-plastic composites as environmentally friendly and hidden fastener systems make the installation of decks easy.

Tropical wood is expected to have higher demand growth than softwood species. Ipe is expected to remain popular and the residential market will provide new growth opportunities for tropical wood decking.

Furniture orders, shipments and retail market eased in last quarter

The US market for residential furniture weakened in the last quarter of 2010. The Furniture Buying Index went up by one point in January 2011 to 73, which is a good sign for post-Christmas spending, but the index remains below the benchmark of 80. The Furniture Buying Index is compiled each month by America's Research Group from interviews with 5,000-8,000 consumers across the country.

Furniture/Today projects US furniture and bedding sales to grow 4.8% in 2011 to US$86.5 billion. This compares with a 2.9% gain in 2010 and an 8.1% decline in 2009. The recovery from the recession is expected to remain slow, and it will be a while before market demand returns to the high levels seen last time in 2007.

New orders for residential furniture increased by 3% from October 2010 to November 2010, according to the Smith Leonard survey of manufacturers and distributors. Compared to November 2009, new orders declined by 5% in November 2010. The year-to-date gain in new orders was 4% above 2009. November 2010 furniture exports were up by 1% compared to October and 7% above year-to-date 2009. The increase in exports may be related to imported products rather than US-manufactured furniture. Furniture inventories remained higher than in November 2009 year (+18%), but they dropped by 3% from the previous month. This indicates that companies are readjusting after retail sales tapered off in late summer.

Market trends in dining furniture

Dining furniture accounted for 12% of total furniture industry sales in the US in 2010, according to Furniture/Today Market Research. Americans spent an estimated US$9.6 billion on dining furniture, up by 2% from 2009. Formal dining sets accounted for US$5.6 billion and casual dining for US$4 billion. A typical dining furniture set is a table and six chairs. The preferred styles are contemporary, except at high price points (US$5,000 or more for a set) where most consumers prefer traditional styles, according to the Furniture/Today Case Goods Style Survey 2010. The survey also found that consumers prefer cleaner styles and solid wood table extensions.

US Timber prices

	Nov-10 US$ per cu.m	Nov-10 US$ per cu.m
Ipe (Brazil) Decking Premium Grade AD, 1x6, FOB Belem	2450	2550
Ipe (Brazil) Decking Premium Grade AD, 5/4x6, FOB Belem	2475	2600
Jatoba (Brazil) No.1 Common & Better AD, FOB Belem	-	-
Jatoba (Brazil) No.1 Common & Better KD, FOB Belem	-	-
Khaya (Côte d'Ivoire) FAS KD, FOB Abidjan	790	790
Khaya (Ghana) FAS KD, FOB Takoradi	850	850
Sapele (Cameroon) FAS AD, FOB Douala	770	770
Sapele (Cameroon) 4/4 to 8/4 FAS KD, FOB Douala	870	870

Internet News

Below are web links to news items published by the press. These items do not necessarily reflect the views and policies of ITTO.

An indefinite nationwide logging ban in the Philippines has been ordered by President Benigno S. C. Aquino III, following recent floods and landslides in the country. Executive Order (EO) 23 signed on 1 February will take effect immediately after its publication in a newspaper. "A moratorium on the cutting and harvesting of timber in the natural and residual forests of the entire country is hereby declared unless lifted after the enforcement of this EO," the directive states.
http://www.bworldonline.com/content.php?title=Aquino%20orders%20logging%20ban&id=25770

Many skilled Indonesians living in urban areas like Jakarta are likely to move abroad, temporarily or permanently, in order to avoid the effects of climate change, a study says. A study by the Asian Development Bank (ADB) titled "Climate Change and Migration in Asia and the Pacific" found that moving on a temporary or permanent basis due to environmental disasters such as flooding had a long history in Indonesia, and would continue to affect the country.
http://www.intellasia.net/news/articles/society/111315291.shtml

Much of the US$30 billion US timber industry is still depressed because of weakness in the housing market, but some companies have found relief in a non-traditional customer, China. US timber exports to China are suddenly surging, especially from mills around the Pacific Northwest, giving a boost to companies like Weyerhaeuser Co. and Plum Creek Timber Co.
http://online.wsj.com/article/SB10001424052748703507804576130464080584434.html

The Australian International Furniture Fair showcases the latest furniture and furnishings design in the Sydney Exhibition Centre on 2-4 February 2011. Over 200 Australian and international exhibitors will be participating in the annual event.
http://www.aiff.net.au/media/pr/AIFF_Exhibitor_Release_2011_Final.pdf

Political leaders have committed to ramping up restoration of the world's forests and tackling poverty in forest communities as part of pledges made at the ninth session Forum on Forests, which wrapped up at the United Nations headquarters in New York. Rwanda, in central eastern Africa, led the way with promises to launch a 25-year plan to tackle ecosystem degradation and improve rural livelihoods, a move hailed by environmental groups including the International Union for Conservation of Nature (IUCN).
http://ipsnews.net/news.asp?idnews=54393

Bangladesh's log imports soared over 27% in 2010 as demand from the country's growing furniture industry, boat making and other commercial uses surged, according to Chitagong Customs House. Local log importers purchased nearly 206,000 tonnes last year against 163,000 tonnes in 2009. Bangladeshi log importers mainly procure timber from neighbouring Myanmar through Chittagong port and Teknaf land port.
http://www.thefinancialexpress-bd.com/more.php?news_id=124430&date=2011-01-30

Furniture manufacturers and exporters in Pakistan urged the government to set up a wood bank to ensure the supply of Sheesham (rosewood). The proposed wood bank would help promote the furniture industry, curb the role of middlemen, and discourage illegal timber trade, which was leading to deforestation, according to furniture exporters.
http://www.thenews.com.pk/TodaysPrintDetail.aspx?ID=28129&Cat=3&dt=1/28/2011

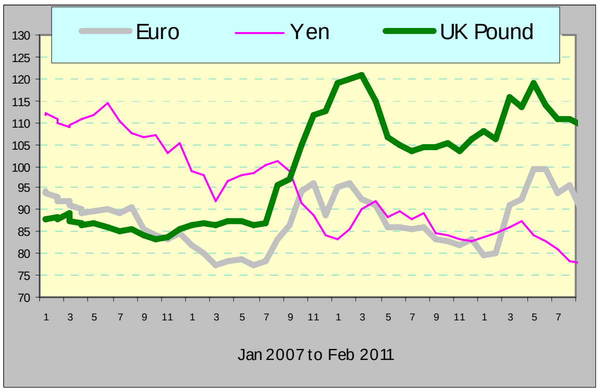
Vietnam hopes to earn $4 billion this year from wooden furniture exports. However, producers are worried because the raw material prices keep increasing. 2011 is forecast to be a busy year for wooden furniture producers as foreign partners have returned after the economic crisis and placed orders for 2011. A lot of enterprises said they have enough orders to bring jobs until the second quarter of the year. The wooden furniture industry witnessed an impressive growth rate in 2010 with export turnover reaching US$3.4 billion, an increase of 31% in comparison to 2009. Businesses say that despite the number of orders is still far from reaching the level seen in the pre-crisis period, the export turnover was satisfactory.
http://english.vietnamnet.vn/en/business/3942/wooden-furniture-manufacturers-don-t-fear-order-shortage--fear-higher-costs.html

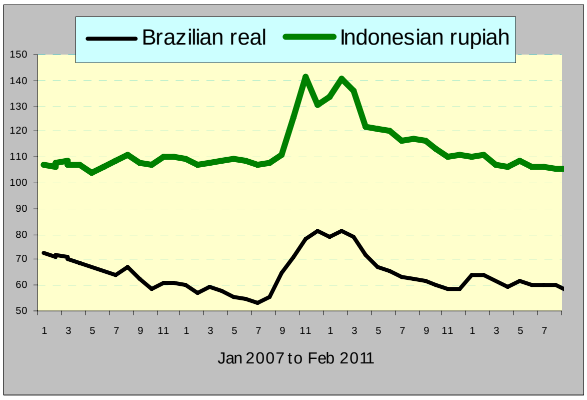
Main US Dollar Exchange Rates

As of 15th February 2011

Brazil	Real	1.6692
CFA countries	CFA Franc	486
China	Yuan	6.5892
EU	Euro	0.7417
India	Rupee	45.4959
Indonesia	Rupiah	8913
Japan	Yen	83.82
Malaysia	Ringgit	3.0534
Peru	New Sol	2.7701
UK	Pound	0.6202

Exchange rates index (Dec 2003=100)

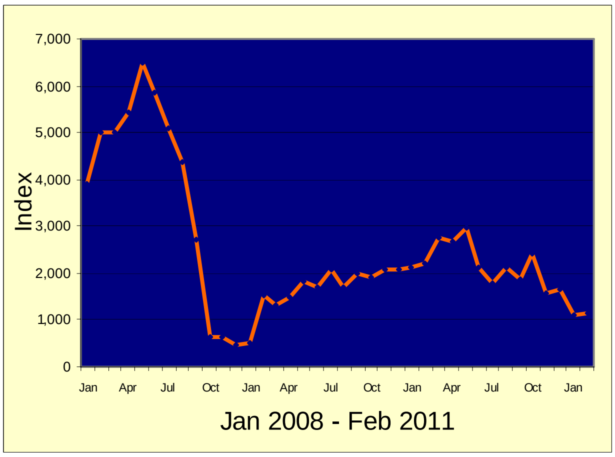




Abbreviations and Equivalences

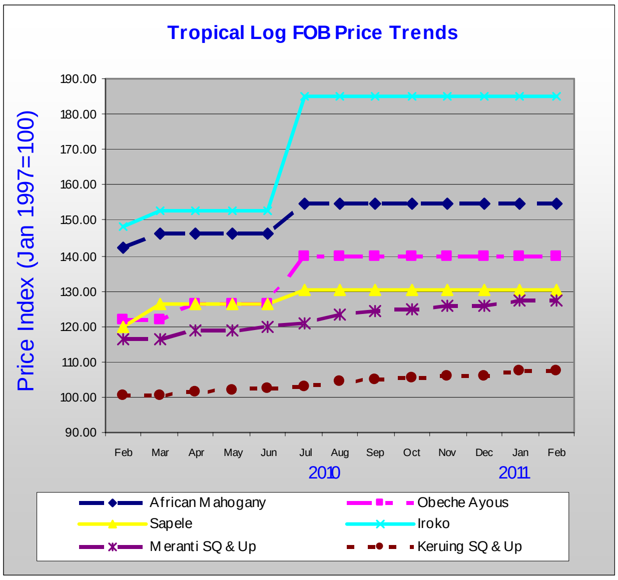
LM	Loyale Merchant, a grade of log parcel
QS	Qualite Superieure
CI, CE, CS	Choix Industriel, Economique or Supplimentaire
FOB	Free-on-Board
CIF; CNF	Cost, insurance and freight; Cost and freight
KD; AD	Kiln Dry; Air Dry
Boule	A log sawn through and through, the boards from one log are bundled together.
BB/CC, etc.	Log/plywood grades. Letter(s) on the left indicate face veneer(s), on the right backing veneer(s). Grade decreases in order B, BB, C, CC, etc.
BF; MBF	Board Foot; 1000 Board Feet
TEU	Twenty-foot equivalent unit
Hoppus ton	1.8 m^3
Koku	0.278 m^3 or 120 BF
SQ; SSQ	Sawmill Quality; Select Sawmill Quality
FAS	Sawnwood Grade First and Second
GMS	General Market Specifications
GSP	Guiding Selling Price
MR; WBP	Moisture Resistant; Water and Boil Proof
OSB	Oriented strand board
MDF	Medium Density Fibreboard
PHND	Pin hole no defect grade
$; ⬆⬇	US dollar; Price has moved up or down

Ocean Freight Index

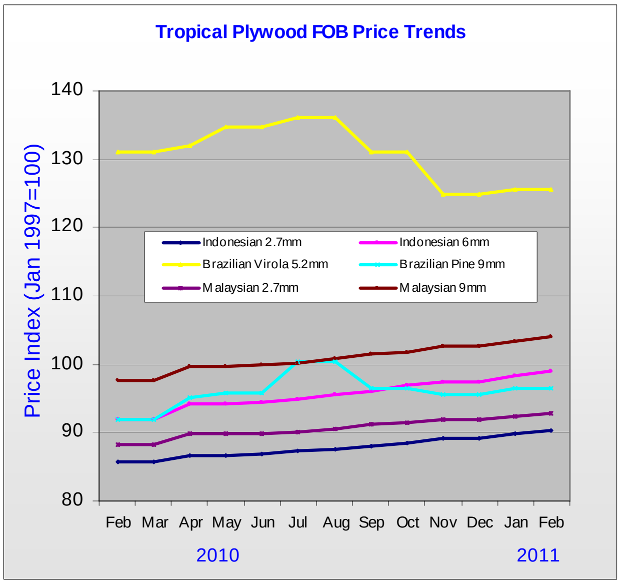


The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes. It is based on a 52,454 mt bulk carrier carrying commodities such as timber.

Tropical Log Price Trends

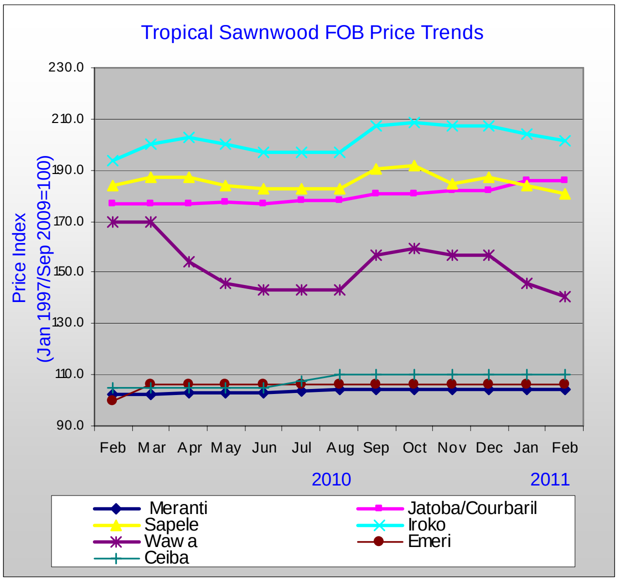


Tropical Plywood Price Trends



More price trends in Appendix 4, ITTO's Annual Review http://www.itto.or.jp/live/PageDisplayHandler?pageId=199

Tropical Sawnwood Price Trends



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