Tropical Timber Market Report

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ITTO

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Flood of imports disrupt plywood market in Japan

In Osaka inventories of imported plywood have expanded dramatically due to the arrival of imports, the orders for which were placed with suppliers right after the March earthquake.

Traders are reporting that the Japanese plywood market remains severely depressed and that wholesalers and retailers are holding very high inventories.

(more on page 12)

Headlines

Report from Central/West Africa

Latest contracts reflect higher prices

In response to firm demand there were some upward price movements during the second half of July. These changes reflect price levels agreed in contracts placed earlier in the month which are now coming through the system. There are changes for both logs and sawnwood and the market remains quite stable, even at the higher prevailing prices.

However, some exporters have been told by buyers that the upper price limit has been reached and there is some feeling on the part of producers that price weakness could begin to appear towards year end.

Long delivery times of concern to UK importers

Delivery times from West and Central African sawnwood producers are currently between two and three months and, while this appears to be accepted by many buyers, there are UK importers who feel this is too long a period.

Some buyers did voice concern that when Gabon banned log exports there was insufficient sawmilling capacity to meet the rise in demand for sawnwood. This seems to have been correct and it is this lack of milling capacity that has contributed to the current long lead times for sawnwood.

Producers confident of buyers return after vacations

Many producers are confident that current prices will remain firm through into the European winter months. They are aware that stocks in Europe are still on the low side and that buyers may well be forced to return to the market especially when activity in the construction sector resumes once the European vacation season is over.

China and India are still very active buyers especially of logs; however the much tighter restriction on log exports from most of the major African producer countries has seriously reduced availability in the past two years.

Production of boules expands to reduce delivery times

The restrictions on log exports are seen as the most probable triggers for the current increase in production and sales of boules and 'clean sawn' timber. These items can be cut with smaller semi-portable machinery and not necessarily in permanent conventional sawmills.

These alternatives to fully sawn and graded sawnwood are helping to shorten delivery times and are available at prices which are attractive to buyers. For producer countries there is an increase in employment, a reduction of residues and a new source of export revenue.

Log Export Prices

West African logs, FOB	€ per m³		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	205	205	165
Ayous/Obeche/Wawa	200↑	200↑	145
Azobe & Ekki	205	205	122
Belli	215↑	215↑	-
Bibolo/Dibétou	145	130	
Bubinga	790↑	625↑	480↑
Iroko	285	280	215
Okoume (60% CI, 40% CE, 20% CS) (China only)	250	-	-
Moabi	280	280	190
Movingui	185	150	140
Niove	155↑	155↑	-
Okan	320	320	-
Padouk	380	345	235
Sapele	245	235	175↑
Sipo/Utile	275	250	190
Tali	285↑	285↑	-

Sawnwood Export Prices

West African sawnwood, FOB		€ per m³
Ayous	FAS GMS	300
Bilinga	FAS GMS	495↑
Okoumé	FAS GMS	440
	Merchantable	290
	Std/Btr GMS	330
Sipo	FAS GMS	500
	FAS fixed sizes	-
	FAS scantlings	415
Padouk	FAS GMS	815↑
	FAS scantlings	795↑
	Strips	340
Sapele	FAS Spanish sizes	370
	FAS scantlings	430
Iroko	FAS GMS	655↑
	Scantlings	655↑
	Strips	405↓
Khaya	FAS GMS	415
	FAS fixed	430
Moabi	FAS GMS	530
	Scantlings	535↑
Movingui	FAS GMS	420↑

Report from Ghana

Emerging trade partners push African manufactured exports up

African exports of manufactured goods have doubled over the last ten years with the rise in demand for goods by emerging trade partners, says a new report.

According to the African Economic Report the share of trade conducted by the continent with emerging partners has grown from approximately 23 per cent to 39 per cent in the last decade.

The report shows that China replaced the US in 2009 as the main Africa's trading partner. Africa's top five emerging trade partners include China (38 per cent), India (14 per cent), Korea (7.2 per cent), Brazil (7.1 per cent) and Turkey (6.5 per cent).

However, the European Union and the US remain the most important sources of Foreign Direct Investment for African countries, says the report.

Domestic Log Prices

Ghana logs	US$ per m^3	
	Up to 80cm	80cm+
Wawa	140-150	157-170
Odum Grade A	165-170	175-185
Ceiba	115-124	128-143
Chenchen	90-100	105-120
Khaya/Mahogany (Veneer Qual.)	107-120	125-145
Sapele Grade A	145-155	160-185
Makore (Veneer Qual.) Grade A	128-135	140-166

Domestic Sawnwood Prices

		US$ per m^3
Wawa	25x300x4.2m	296
Emeri	25x300x4.2m	310
Ceiba	25x300x4.2m	233
Dahoma	50x150x4.2m	310⬆
Redwood	25x300x4.2m	414
Ofram	25x225x4.2m	332

Export Sawnwood Prices

Ghana Sawnwood, FOB	€ per m^3	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	855	-
Asanfina	500	560
Ceiba	215	269
Dahoma	320	385
Edinam (mixed redwood)	400	450
Emeri	350	430
African mahogany (Ivorensis)	568	685
Makore	530	585
Niangon	515	590
Odum	625	690
Sapele	545	615
Wawa 1C & Select	260	285

Export Veneer Prices

Rotary Veneer, FOB	€ per m^3	
	CORE (1-1.9mm)	FACE (<2mm)
Bombax	315	350
Ofram,	320	355
Ogea & Otie	315	350
Chenchen	315	350
Ceiba	330	353
Mahogany	415	450

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

Export Rotary Veneer Prices

Rotary Veneer, FOB Core Grade 2mm & up	€ per m^3
Ceiba	270
Chenchen	305
Ogea	305
Essa	290
Ofram	310

Export Sliced Veneer Prices

Sliced Veneer, FOB	€ per sq. m	
	Face	Backing
Afrormosia	1.19	1.00
Asanfina	1.50	1.00
Avodire	1.12	0.69
Chenchen	1.10	0.68
Mahogany	1.25	0.99
Makore	1.25	0.63
Odum	1.80	1.40

Export Plywood Prices

Plywood, FOB	€ per m^3		
BB/CC	Ceiba	Ofram	Asanfina
4mm	380	556	597
6mm	367	540	575
9mm	310	384	436
12mm	290	390	397
15mm	285	327	334
18mm	275	320	333

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

Export 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%.

Export Moulding Prices

Mouldings (FOB)	€ 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

African countries to deliver free access to trade-related data

In other trade related news, the African Development Bank (AfDB), the International Trade Centre (ITC), the UN Conference on Trade and Development (UNCTAD) and the World Bank, in cooperation with the UN Statistics Division (UNSD), today launched the Transparency in Trade Initiative (TNT), a global programme that will give more access to influential trade data.

Free access to data will make it easier for exporters and policy-makers to meet relevant standards and requirements and therefore prevent rejection of their exports at destination. The data will also allow for better monitoring and analysis of trade-related projects.

"Increasing transparency in trade will improve the trading environment in Africa and in Africa's export markets; it will facilitate the continent's exports to both regional and international markets," said Donald Kaberuka, President of the African Development Bank. "The launching of the Transparency in Trade Initiative is thus a most welcome development."

For more see:
http://allafrica.com/stories/201107190904.html

Report from Malaysia

Malaysia accounts for the world's largest certified tropical forest says MTCC

The Malaysian Timber Certification Council (MTCC) says that there are 5 million ha. of certified tropical forest in Malaysia, making this the world's largest on record.

Only 10% of the world's commercial forests, that is 375 million ha. have been certified to date. About 53.8% of the certified forests are in North America, 34.4% in EU countries and a mere 2.1% in the Asia-Pacific region.

Malaysia is also one of the leading exporters of certified timber products with monthly exports of up to 7,000 cu.m of certified timber products, mainly in the form of laminated finger-jointed products, plywood, sawnwood and timber mouldings.

Up to March 2011 a total of 463,730 cu.m of certified timber products have been exported to 22 countries.

Procurement policies drive demand for certified wood

The MTCC says that certified timber products earn a premium of between 2% to 4% in the Netherlands, one of Malaysia's main markets for timber products.

The Netherlands and nine other countries, Belgium, Denmark, Finland, France, Germany, Japan, New Zealand, Switzerland and the UK have enforced public procurement policies that encourage the acceptance of certified timber products for publicly funded projects.

Likewise, large DIY store chains such as Home Depot in the US and B&Q in the UK have mandated the procurement of certified timber products in their corporate procurement policies.

In addition, a growing number of green buildings schemes on both sides of the Atlantic are placing a greater emphasis on timber products certified under PEFC (Programme for the Endorsement of Forest Certification) or Forest Stewardship Council (FSC).

There were nine certified forest management units (FMUs) holding valid PEFC schemes certificate for forest management in Malaysia as of July 1, 2011.

PEFC began endorsing the Malaysian Timber Certification Scheme (MTCS) in 2009 and will continue to do so over the next five years.

Appeal against anti-dumping duties on plywood

The Sarawak Timber Industry Development Corporation (STIDC) will assist Malaysian plywood producers in appealing against the anti-dumping duties being applied by the South Korean government on Malaysian plywood. Eight of the nine plywood producers affected by the anti-dumping duties are from Sarawak.

The STIDC will monitor the pricing of plywood until February 2012, after which the appeal would be lodged.

The purpose of the price monitoring is to show that any suggestion of dumping has not existed for 12 months.

STIDC has advised plywood producers affected by the anti-dumping duties that they could file for a review through the Ministry of International Trade and Industry (MITI) after a one year period.

Log Export Prices (Sarawak)

Sarawak log, FOB	US$ per m^3
Meranti SQ up	260-287⬆
Small	252-281⬆
Super small	251-274⬆
Keruing SQ up	243-255⬆
Small	234-266⬆
Super small	223-247⬆
Kapur SQ up	235-261⬆
Selangan Batu SQ up	236-269⬆

Domestic log Prices

Pen. Malaysia logs, domestic (SQ ex-log yard)	US$ per m^3
DR Meranti	275-293⬆
Balau	325-355⬆
Merbau	367-398⬆
Rubberwood	105-139⬆
Keruing	245-269⬆

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

Export Sawnwood Prices

Malaysia Sawnwood, FOB	US$ per m^3
DR Meranti	413-449⬆
White Meranti A & up	309-339⬆
Seraya Scantlings (75x125 KD)	451-463⬆
Sepetir Boards	275-304⬆
Sesendok 25,50mm	363-381⬆
Kembang Semangkok	337-364⬆

Domestic Sawnwood Prices

Malaysian Sawnwood, domestic	US$ per m^3
Balau (25&50mm,100mm+)	345-365V
Merbau	480-532⬆
Kempas 50mmx(75,100 & 125mm)	288-328⬆
Rubberwood	
25x75x660mm up	240-290⬆
50-75mm Sq.	278-310⬆
>75mm Sq.	300-330⬆

Export Plywood Prices

Malaysia ply MR BB/CC, FOB	US$ per m^3
2.7mm	444-505⬆
3mm	425-455⬆
9mm & up	376-446⬆

Domestic Plywood Prices

Meranti ply BB/CC, domestic	US$ per m^3
3mm	367-457⬆
12-18mm	350-379⬆

Other Panel Export and Domestic Prices

Malaysia, Other Panels, FOB	US$ per m^3
Particleboard	
Export 12mm & up	259-282⬆
Domestic 12mm & up	250-264⬆
MDF	
Export 15-19mm	311-342⬆
Domestic 12-18mm	302-321⬆

Export Added Value Product Prices

Malaysia, Mouldings, FOB	US$ per m^3
Selagan Batu Decking	573-583↑
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	587-600↑
Grade B	542-552↑

Export Furniture and Parts Prices

Malaysia, Rubberwood, FOB	US$ per piece
Semi-finished dining table	
solid laminated top 2.5'x4', extension leaf	78-94↑
As above, Oak Veneer	85-99↑
Windsor Chair	77-79↑
Colonial Chair	75-80↑
Queen Anne Chair (soft seat)	
without arm	77-86↑
with arm	75-84↑
Chair Seat 27x430x500mm	63-68↑
Rubberwood Tabletop	US$ per m^3
22x760x1220mm sanded & edge profiled	
Top Grade	630-660↑
Standard	613-629↑

Report from Indonesia

EU Markets will close to non-certified products

The Indonesian timber industry could find its wood products being excluded from the European Union markets and severely restricted in the US as well as in Japan if manufacturers do not move quickly to secure timber certification.

The Indonesian government has signed a VPA with the EU and this is likely to be ratified in September this year after which enforcement of the Wood Legality Verification System is set to begin in March 2013.

Markets in Japan at risk too

Apart from the lack of certification, reports suggest that at present only 2 plywood manufacturers out of the 40 in Central Java meet the Japan Agriculture Standard (JAS) for timber and timber products to be used for building materials.

Timber products manufacturers have been advised to acquire the appropriate timber products certification as soon as possible to avoid any loss of market share in the EU, USA and Japan.

Investments for environmentally sustainable green prosperity.

The US State Department has indicated that Indonesia could secure millions in financial aid over the next few years for the development of a sustainable and green economy.

Indonesia stands to gain $600 million over the next five years under the Millennium Challenge Corporation compact for investments in environmentally sustainable green prosperity.

Currently, the two countries are working to complete a second agreement on forest conservation before September 2011. The US State Department will contribute $20 million towards the fulfilment of that agreement.

Specialty furniture market in US remains firm

The demand for Indonesian timber products is growing with timber merchants and manufacturers receiving more orders and enquiries from China, India, Japan and South Korea.

With the coming of the Muslim fasting month, many Middle-Eastern importers are also keen to have contracts concluded before the fasting month begins, triggering one of the sharpest rise in prices for Indonesian timber products in 2011.

Indonesian furniture manufacturers added that while demand in the US market is still weak, orders for specialty furniture and hand-made furniture are growing.

Although the US financial crisis may have hit most consumers in the middle income band, the upper-middle class band of consumers still have money for remodeling during the summer vacation season.

Domestic Log Prices

Indonesia logs, domestic prices	US$ per m^3
Plywood logs	
Face Logs	220-263↑
Core logs	207-236↑
Sawlogs (Meranti)	215-275↑
Falcata logs	185-216↑
Rubberwood	93-97↑
Pine	194-237↑
Mahoni (plantation mahogany)	497-529↑

Domestic Ex-mill Sawnwood Prices

Indonesia, construction material, domestic	US$ per m^3
Kampar (Ex-mill)	
AD 3x12-15x400cm	207-226↑
KD	221-256↑
AD 3x20x400cm	241-264↑
KD	242-271↑
Keruing (Ex-mill)	
AD 3x12-15x400cm	256-270↑
AD 2x20x400cm	246-264↑
AD 3x30x400cm	229-248↑

Export Plywood Prices

Indonesia ply MR BB/CC, export FOB	US$ per m^3
2.7mm	430-486↑
3mm	388-429↑
6mm	367-409↑

Domestic Plywood Prices

MR Plywood (Jakarta), domestic	US$ per m^3
9mm	287-298↑
12mm	278-289↑
15mm	268-283↑

Export and Domestic Other Panel Prices

Indonesia, Other Panels, FOB		US$ per m³
Particleboard	Export 9-18mm	243-252⬆
	Domestic 9mm	223-235⬆
	12-15mm	217-229⬆
	18mm	213-224⬆
MDF	Export 12-18mm	274-289⬆
	Domestic 12-18mm	258-270⬆

Export Added Value Product Prices

Indonesia, Mouldings, FOB	US$ per m³
Laminated Boards	
Falcata wood	325-338⬆
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	519-550⬆
Grade B	476-499⬆

Report from Myanmar

India is the main destination for ocean shipments of hardwoods from Myanmar

During the first quarter of the current fiscal year more than 80 per cent of all shipments of both teak and other hardwoods from ocean ports in Myanmar went to India.

Less than 20 per cent was shipped by sea to China, Thailand, Vietnam, and Bangladesh. Records of the cross border timber trade with China are not available. India is by far the most important market for both teak and hardwoods from Myanmar.

About 70% of non-teak hardwood shipments last year went to India, followed by Bangladesh, China and Vietnam and about 80 % of teak went to India, the remaining 20% was shipped to Thailand, China and Vietnam.

Appreciation of the Kyat wipes out gains from export tax reduction

The government's decision to reduce the export tax by 3 per cent beginning this month (July 2011) has been welcomed by the private sector. However, exporters feel that the reduction should be much more than 3 per cent. Opinions differ concerning how much the reduction should be.

The local timber industry says the export tax on processed added value wood products should be minimal. Some argue that if the government wants to tax timber exports then the levy should be on log exports. They argue that this would reduce sales of logs and help the development of the value added sector in the country.

Despite the reduction of 3 percent the exporters claim they have gained little since the Myanmar Kyat has appreciated about 20 percent against the US dollar within one year.

The state owned newspaper, the Mirror Daily, has reported that during a meeting with the executive committee of the Myanmar Bankers Association the Union Finance Minister reportedly said that arrangements are underway to determine exchange rates for the Myanmar kyat that are stable as well as beneficial for the country.

Until concrete and viable results emerge, the business circle is said to be facing difficulties adjusting to the new exchange rate.

Myanmar Teak Log Auction Prices (natural forest logs)

Teak Logs, FOB	€ Avg per Hoppus Ton (traded volume)	
Veneer Quality	June	July
2nd Quality	nil	nil
3rd Quality	nil	nil
4th Quality	4,412 (10 tons)	4,546 (11 tons)
Sawing Quality Grade 1 (SG-1)	3,128 (37 tons)	3,143 (35 tons)
Grade 2 (SG-2)	2,943 (23 tons)	2,994 (41 tons)
Grade 4 (SG-4)	2,188 (231 tons)	2,092 (213 tons)
Grade 5 (SG-5) Assorted	1,376 (159 tons)	1,473 (153 tons)
Grade 6 (SG-6) Domestic	1,299 (47 tons)	1,284 (116 tons)
Grade 7 (ER-1)	970 (115 tons)	968 (35 tons)

Hoppus ton=1.8m³; 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.

Buyer participation

Hong Kong	134 tons
Singapore	89 tons
Thailand	263 tons
India	117 tons

Hardwood log prices

Hardwood log prices FOB per hoppus ton	Euro per m³
Pyinkado export quality	555
Gurjan export quality	439

Prices are in Euro per hoppus ton FOB (Hoppus ton equivalent to 1.83 cu.m)

Report from India

Inflation fears prompt another interest rate hike

Analysts report that inflation in India is expected to remain high until year end. Annualised inflation grew to over 9 per cent in June largely due to the rising costs of manufactured products and gasoline.

In its latest meeting the Reserve Bank of India raised its key interest rate by half a percent, the 11th rise in less than a year and a half. In a statement the Reserve Bank said that inflation remains the country's main economic concern.

Interest rates have been raised 10 times since March 2010. High inflation is increasing the cost of servicing loans as well putting pressure on companies with regards to raw material costs and wages.

Export performance sustained

Figures released by Ministry of Commerce indicate a rise of 46% in exports during the month of June 2011 to US$29 billion. At the same time imports rose by 42 percent compared to the figures a year ago to reach US$36 billion. This is despite experts doubting the sustainability of such high growth due to uncertainty in global markets.

Imports of hardwood logs (excluding teak) from tropical regions via Kandla Port

	cubic metres
Acacia spp.	3395
Arau	77588
Beli	296
Eucalyptus	1246
Greenheart	102
Gurjan	114849
Keruing	147400
Kapur	247504
Mahogany	162
Meranti	950363
Mersawa	9685
Padouk	109
Resak	272524
Selangan Batu	135468
Sapelli	1210
Wenge	174
Other.species	1349
Total	1963424

Imports of hardwood logs from temperate regions via Kandla Port

	cubic metres
Ash	2506
Beech	27612
Cedar	1263
Cherry	82
Chestnut	72
Hickory	808
Poplar	4483
Maple	2524
Oak (white)	2036
Red Oak	128
Sycamore	484
Walnut	1286
Willow	83
	43367

Log auctions suspended with onset of monsoon

In the last phase of log sales in Western Indian timber depots, approximately 12,200 cubic meters of Teak and other hardwoods were sold.

The monsoon has now arrived in this region and the next series of auctions will start from October when the monsoon should be over. Central Indian depots will have one more round of sales of Teak logs before auctions are also suspended.

Teak and hardwood log prices continue upward trend

Demand was buoyant at the W. Indian depots and the prices achieved above previous levels.

Shipbuilding quality Teak lots have fetched Rs.2200~2400 plus per cubic foot, good quality sawing grade was traded at Rs.2000 per cubic foot, medium quality saw logs fetched Rs.1700~1800 per cubic foot and average quality logs changed hands at around Rs.1500 per cubic foot.

Demand for Haldu (*Adina cordifolia*) Laurel (*Terminalia tomentosa*) and other hardwood logs has also been firm and prices were in the region of Rs.500~600 per cubic foot for good quality logs, Rs.400 for medium quality and around Rs.300 per cubic foot for average quality logs.

During the monsoon season in India the industry becomes more dependant on imported logs.

Low cost homes from Tata

Media reports say that the Tata group will begin construction of a new style low cost house which can be erected over seven days and will cost only Euro 500.

Prototypes are currently being tested and the homes could be available next year. It is well known that in rural areas millions of homes are needed. The company also has plans for a larger and slightly expensive home.

Imported Plantation Teak Prices (CnF)

	US$ per m^3
Tanzania Teak sawn	450-800
Côte d'Ivoire logs	550-850
PNG logs	500-700
El-Salvador logs	475-550
Guatemala logs	400-500
Nigeria squares	375-475
Ghana logs	350-650
Guyana logs	350-450
Benin logs	500-650
Benin sawn	475-600
Brazil squares	500-600
Burkina Faso logs	350-450
Columbia logs	400-600
Togo logs	350-500
Ecuador squares	450-700
Costa Rica logs	350-600
Panama logs	350-450
Sudan logs	500-800 ⬆
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.

Demand from Europe, USA and Middle East for teak and other hardwoods remains steady.

Domestic Ex-mill Sawnwood Prices for Myanmar Teak

Sawnwood (Ex-mill)	Rs. per ft^3
Myanmar Teak (AD)	
Export Grade F.E.Q.	4000-9500
Plantation Teak A grade	3000-3800
Plantation Teak B grade	2500-2800
Plantation Teak C grade	1800-2000

Domestic Ex-mill Sawnwood Prices for imported timbers

Sawnwood, (Ex-mill) (AD)	Rs. per ft^3
Merbau	1450
Balau	1550
Kapur	1000
Red Meranti	925
Bilinga	750
Radiata Pine (AD)	425-475
Sawnwood, (Ex-warehouse) (KD)	Rs. Per ft^3
Beech	1200
Sycamore	1200
White Oak	1500
American Walnut	2150
Hemlock clear grade	1000
Hemlock AB grade	850
Western Red Cedar	1350
Douglas fir	1000

Domestic demand for plywood is firm.

Domestic Ex-warehouse Prices for Imported Plywood

Plywood, (Ex-warehouse) (MR Quality)	Rs. per sq.ft
4 mm	36.25
6 mm	51.00
12 mm	66.50
15 mm	79.60
18 mm	95.00

Domestic Ex-warehouse Prices for Locally Manufactured Plywood

Locally Manufactured Plywood "Commercial Grade"	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.13.00	Rs.22.50
6mm	Rs.19.00	Rs.32.60
8mm	Rs.24.50⬆	Rs.36.40
12mm	Rs.29.00⬆	Rs.39.00
19mm	RS.40.00⬆	Rs.52.50
5mm Flexible ply	Rs.24.00	

Report from Brazil

Brazilian Real continues to appreciate

Prices for wood products in the domestic market in local currency remain relatively stable and are unchanged over the past month but when prices are converted to US dollars there was an average increase of around 3% due to the appreciation of the Brazilian currency against the U.S. dollar.

Interest rates rise in face of inflation

The official inflation rate measured by the Brazilian National Consumer Price Index (IPCA) decelerated to just 0.15% in June. In May, the IPCA rose 0.47%. Over the past 12 months, however, the accumulated rate amounted to 6.7%, well above the upper limit of 6.5% for 2011set by the Central Bank.

The Monetary Policy Committee (Copom) raised the prime interest rate (Selic) by 0.25 percentage point to a total of 12.50% per year. The next Monetary Policy Committee meeting is scheduled for late August.

"Timber is Legal" programme celebrates two years of operation

The programme "Madeira é Legal" (Timber is Legal) which was launched in 2009 is an initiative that brings together the Union of Construction Industry of Great Structures of State of São Paulo (SindusCon-SP), WWF-Brazil, the Sao Paulo State Government and the Sao Paulo City Hall, as well as 19 public bodies and private companies.

The city of Sao Paulo was the first municipality to join the 'Friends of the Amazon City Program' as early as 2005. Since then, all public construction in the city uses only verified legal timber. The city also pioneered the requirement for verification of the legal origin of timber used in furniture provided to City hall.

The support of the construction sector in Sao Paulo has been essential in encouraging the use of verified legal or certified timber as it is estimated that of the timber used in state construction some 15% is from the Amazon.

Timber identification and monitoring database

The Mato Grosso Institute of Agricultural Economics (IMEA), together with research teams from the Forest Base Data Platform project, coordinated by the Center of Timber Producer and Exporter Industries of Mato Grosso (Cipem), have started forest and timber surveys to collect data for a new database that will strengthen the capacity for overseeing the timber sector in the state.

About 500 companies out of a total of 1,680 in the region as well as regulatory institutions such as the Secretariat of the Environment (SEMA), the Secretariat of Finance (SEFAZ), and the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) will be surveyed.

The methodology to be used in Mato Grosso will be presented for future application in the state of Amazonas and in other states in the North of the country.

Pine sawnwood the only bright spot in Brazil's June export earnings

In June 2011, the value of wood product exports (except pulp and paper) fell 1.4% compared to values in June 2010, from US$ 206.2 million to US$ 203.3 million.

However, pine sawnwood exports increased 19.5% in value in June 2011 compared to levels in June 2010, jumping from US$ 12.8 million to US$ 15.3 million. In terms of volume, exports increased 17.3%, from 55,500 cu.m to 65,100 cu.m over the period.

Double digit declines in earnings from plywood, sawnwood and furniture

Exports of tropical sawnwood fell both in volume and in value, from 38,500 cu.m in June 2010 to 33,900 cu.m in June 2011 and from US$ 17.9 million to US$ 16.7 million, during the same period. This equates to a 7% decline in value and a 12% decline in volume.

Pine plywood exports fell 29% in value in June 2011 compared to June 2010, from US$ 36.5 million to US$ 26.0 million. In volume, the decline was a massive 33% during the same period, from 97,600 cu.m to 65,100 cu.m.

Exports of tropical plywood also fell from 8,700 cu.m in June 2010 to 6,800 cu.m in June 2011 and this represents a 22% decline. In terms of value a 16% drop was observed, from US$ 4.9 million to US$ 4.1 million.

Wooden furniture export dropped from US$ 46.4 million in June 2010 to US$ 38.5 million in June 2011, representing a 17% decline.

Increasing domestic and export demand for legal timber

The United States and European countries require roof of the legal origin of wood products imported. In 2009, North American and Europe accounted for about 70% of the Brazilian wood product exports. Moreover, domestic consumers who consume about 80%of the timber from the Amazon now show signs of increasing awareness about the consumption of legal timber.

These developments have acted as a stimulus for the production of verified legal tropical timber in the country. Companies with forest concessions in publicly owned forest must produce timber in a sustainable manner. Estimates by the Brazilian Forest Service show that 10 million hectares of public forests in National Forests could meet 20% of the worldwide demand for tropical timber.

Fall in furniture exports from Santa Catarina

According to the Santa Catarina Industry Federation (FIESC), furniture exports in the state fell 19.7% in the first half of 2011, compared to the same period of last year.

According to the Construction and Furniture Industry Union of Rio Negrinho (Sindicom), the unfavourable exchange rate has significantly reduced the export competitiveness of companies in foreign markets.

Despite gains in productivity and cost savings the sector lacks competitiveness as result of the continuous appreciation of the Brazilian Real.

Moreover, according to the Union furniture designs are commonly provided to Brazilian manufacturers by buyers in each export market and this trend has limited the design capacity of the Brazilian manufacturer.

Consequently, Brazilian furniture makers have difficulties in reorienting products to different export markets or even to the domestic market.

To overcome this analysts point out that domestic companies need to invest in research and development of new designs and new products.

Domestic Log Prices

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	172↑
Jatoba	124↑
Guariuba	82↑
Mescla (white virola)	89↑

Export Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB		US$ per m^3
Jatoba Green (dressed)		900↓
Cambara KD		524↓
Asian Market (green)	Guariuba	284
	Angelim pedra	687
	Mandioqueira	252↑
Pine (AD)		213↑

Domestic Sawnwood Prices

Brazil sawnwood, domestic (Green)		US$ per m^3
Northern Mills (ex-mill)	Ipé	862↑
	Jatoba	647↑
Southern Mills (ex-mill)	Eucalyptus (AD)	222↑
	Pine (KD) 1st grade	274↑

Export Veneer Prices

Veneer, Export (Belem/Paranagua Ports) FOB	US$ per m^3
White Virola Face 2.5mm	303↓
Pine Veneer (C/D)	210↓

Domestic Veneer Prices

Rotary cut Veneer, domestic	US$ per m^3	
(ex-mill Northern Mill)	Face	Core
White Virola	300↑	248↑

Export Plywood Prices

Plywood, FOB	US$ per m^3
White Virola (US Market)	
5.2mm OV2 (MR)	454↓
15mm BB/CC (MR)	388↓
White Virola (Caribbean market)	
4mm BB/CC (MR)	533
12mm BB/CC (MR)	426

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	293↑
15mm C/CC (WBP)	273↑
18mm C/CC (WBP)	260↑

Domestic Plywood Prices

Plywood, domestic (ex-mill Southern mill)		US$ per m^3
Grade MR (B/BB)	White Virola 4mm	1027↑
	White Virola 15mm	750↑

Domestic prices include taxes and may be subject to discounts.

Export Prices For Other Panel Products

Belem/Paranagua Ports, FOB	US$ per m^3
Blockboard Pine 18mm 5 ply (B/C)	316↓
Domestic Prices, Ex-mill Southern Region	
Blockboard White Virola faced 15mm	653↑
Particleboard 15mm	431↑

Export Prices For Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Edge Glued Pine Panel		
Korean market (1st Grade)		638↑
US Market		502
Decking Boards	Cambara	639↑
	Ipê	1,737↑

Report from Peru

US reaction to new Forestry and Wildlife law

The Peruvian Congress recently passed a new Forestry and Wildlife Law. In response to this the office of US Ambassador Ron Kirk issued the following press release:

"This law sets out key reforms called for under the United States-Peru Trade Promotion Agreement (PTPA) Annex on Forest Sector Governance aimed at combating illegal logging and illegal trade in wildlife.

Passage of this law is the result of significant work and extensive consultations with Peru's indigenous and local communities, and represents a milestone in Peru's implementation of its PTPA environmental commitments. We welcome passage of this important law and look forward to continuing to work with the Government of Peru to further implement its PTPA commitments.

The United States has worked closely with Peru over a period of two years while it developed legal provisions to strengthen forest sector governance as called for under the PTPA Annex on Forest Sector Governance.

In addition to passage of the Forestry and Wildlife Law, the Government of Peru has made other unprecedented changes to its legal and regulatory regimes to implement its commitments under the Annex, including amending its Criminal Code to increase penalties for forest, wildlife and environmental crimes and assigning ecological police officers and prosecutors to regions in Peru.

It also created a Ministry of Environment to take the lead on natural protected areas and to assume other important environmental duties.

We look forward to working closely with the Government of Peru as it works to fully implement the Annex on Forest Sector Governance"

The Environment Chapter of the US - Peru Trade Promotion Agreement

The Annex on Forest Sector Governance, part of the Environment Chapter of the United States - Peru Trade Promotion Agreement (PTPA), is the first set of provisions in any U.S. trade agreement that identifies specific action required to address an environmental concern, in this case, the improvement of forest sector governance.

The PTPA is also the first trade agreement in which the environmental obligations are subject to the same state-to-state dispute settlement procedures, remedies, and sanctions as commercial obligations.

The Annex on Forest Sector Governance reflects the commitment of both countries to take concrete measures to combat trade associated with illegal logging as well as illegal trade in wildlife and further promote sustainable management of Peru's natural resources.

The Government of Peru conducted extensive consultations with indigenous and local communities and other stakeholders in Peru in the lead up to passage of the Forestry and Wildlife Law, including three rounds of national consultations in Lima and numerous outreach sessions in affected regions and communities throughout Peru.

The office of the US Trade Representative has indicated it will continue to keep the U.S. Congress and relevant stakeholders apprised of Peru's progress on implementation.

See http://www.ustr.gov/about-us/press-office/press-releases/2011/june/statement-ambassador-ron-kirk-passage-perus-forestry

Export 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	904-923⬆
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	355-394
Grade 2, Mexican market	286-312
Cumaru 4" thick, 6'-11' length KD	
Central American market	834-849⬆
Asian market	798-871
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	564-573⬆
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	352-381
Grade 2, Mexican market	282-299
Grade 3, Mexican market	161-176
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	244-254

Domestic Sawnwood Prices

Peru sawnwood, domestic	US$ per m^3
Mahogany	867-911
Virola	63-80⬆
Spanish Cedar	264-305
Marupa (simarouba)	62-76

Export Veneer Prices

Veneer FOB Callao port	US$ per m^3
Lupuna 3/Btr 2.5mm	198-223
Lupuna 2/Btr 4.2mm	212-222
Lupuna 3/Btr 1.5mm	211-221

Export Plywood Prices

Peru plywood, FOB Callao (Mexican Market)		US$ per m^3
Copaiba, 2 faces sanded, B/C, 15x4x8mm		318-347
Virola, 2 faces sanded, B/C, 5.2x4x8mm		399-406
Cedar fissilis, 2 faces sanded 4x8x5.5mm		738-749
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

Domestic Plywood Prices

Lupuna Plywood BB/CC, domestic	US$ per m^3
(Iquitos mills)	
122 x 244 x 4mm	438
122 x 244 x 6mm	397
122 x 244 x 8mm	415
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

Domestic Prices for Other Panel Products

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

Export Prices for Added Value Products

Peru, FOB strips for parquet		US$ per m^3
Cabreuva/estoraque KD12% S4S, Asian market		1287-1388
Cumaru KD, S4S	Swedish market	797-920
	Asian market	930-979
Cumaru decking, AD, S4S E4S, US market		938-1006
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

Guyana logs continue to attract good prices

During the period under review there were no exports of Greenheart logs.

Purpleheart logs were exported and the standard sawmill quality logs attracted good prices. Prices for fair and small sawmill quality Purpleheart logs only managed to sustain levels achieved over the previous two weeks. Similarly, Mora prices also held firm for all categories of logs (standard, fair and small).

Purpleheart sawnwood prices trend down

Prices for both undressed and dressed sawn lumber were marginally up on earlier levels and this was most noticeable for undressed Greenheart which recorded price gains for all qualities except Prime.

Prices for undressed Greenheart (select) moved up to a high of US$ 1,018. This compares with the previous price of US$ 827 per cubic metre.

Undressed Greenheart (sound) also enjoyed high prices of US$ 954 per cubic metre. Similarly, Undressed Greenheart (sound) prices moved up from US$ 600 to US$ 806 per cubic metre.

In contrast to the positive performance of Greenheart in the market, undressed Purpleheart prices fell in the (select) and (merchantable) sawmill qualities during the period under review.

Undressed Mora prices moved in a narrow range and prices for select and merchantable sawmill qualities continued to be firm.

Dressed Greenheart prices were very favourable increasing from US$ 850 to US$ 890 per cubic metre. Dressed Purpleheart also showed similar price activity with its top-end prices moving positively upwards from US$ 954 to US$ 1,060 per cubic metre.

Plywood exports continue amid easing prices

Plywood exports continue but in recent weeks prices have eased for BB/CC quality dropping from US$ 690 to US$ 600 per cubic metre.

LUS and minor products catching the eye of buyers

The Guyana Forestry Commission (GFC) is reporting that sawnwood from many of Guyana's lesser used species of lumber continues to catch the attention of the overseas markets in Asia, the Caribbean, Europe and North America. These timbers are reportedly used for internal, external and structural end-use applications.

This encouraging development can stimulate the processing of a wider range of timbers and increase the contribution of the value adding and down-streaming processing of logs and lumber within Guyana's forest industry.

The other value added products exported include craft items, doors, non-timber forest products and spindles. All made a noteworthy contribution towards the total export earnings attracting buyers in the main markets of the Caribbean and North America.

Industry capacity building initiative underway

The GFC is working to upgrade the capacity of the wood processing industry through capacity building. Efforts are directed at the development and adoption by industry of a code of practice for wood processing and planning skills development for the wood processing sector.

A draft capacity building plan and guidelines for the implementation of the code of practice have been prepared and will soon be the subject of a stakeholder review.

To provide background data for the GFC initiative recovery studies were conducted to assess the current level of efficiency of operations, profitability and competitiveness in relation to raw material source, quality and species, applied technology and operator experience and skill level. National consultations were conducted to prepare a draft plan and a draft of the code was prepared detailing the "best practices" that were identified for conditions in Guyana.

The GFC says that with the completion of the second review process the draft will be sent for "Peer review" both locally and internationally. After this process work will move to national consultations on training and implementation.

Export Log Prices

Logs, FOB Georgetown	SQ - $ Avg unit value per m³		
	Std	Fair	Small
Greenheart*	-	-	-
Purpleheart	200-290	170-280	150-270
Mora	160⬆	115-150	110-140

*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.

Export Plywood Prices

Plywood, FOB Georgetown Port			$ Avg unit val. per m³
Baromalli	BB/CC	5.5mm	No export
		12mm	490-600⬇
	Utility	5.5mm	"
		12mm	"

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

Export Sawnwood Prices

Sawnwood, FOB Georgetown		$ Avg unit val. per m³	
EU and US markets		Undressed	Dressed
Greenheart	Prime	-	-
	Standard	-	650-890⬆
	Select	575-1,018⬆	
	Sound	742-954⬆	
	Merchantable	500-806⬆	
Purpleheart	Prime	-	-
	Standard	-	742-1,060⬆
	Select	650⬇	
	Sound	600	
	Merchantable	500⬇	
Mora	Prime	-	
	Select	500	
	Sound	-	
	Merchantable	400⬇	

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

Report from Japan

Seihoku plywood production recovering

Seihoku's Ishinomaki plywood plants sustained considerable damage during the March earthquake and tsunami but clearing of debris and repairs to the machinery is progressing well say the Japan Lumber Reports (JLR).

Seihoku plans to dispatch the first structural softwood plywood this month end and the other Seihoku plant will begin production in late August. By late October, both plants will be producing one million sheets a month reports the JLR.

The rotary lathe in the third plant was not badly damaged so veneer production is underway. Drying is carried out in the third plant and gluing, pressing and finish are done at the number one plant.

The company reportedly plans to produce 150,000 sheets this month and the target is to make 400,000 sheets in August and 600,000 sheets in September.

Flood of import disrupts plywood market

In Osaka inventories of imported 12 mm plywood have grown dramatically due to the arrival of imports, orders for which were rushed to suppliers imediately after the March earthquake.

In the port of Senboku, south of Osaka, more than five ships had to wait off-shore as they could not unload. Some of these vessels had been re-directed from the original port of destination as they could not unload as planned due to a lack of warehouse capacity.

Traders are reporting that the plywood market continues to be depressed and that wholesalers and retailers are carrying considerable inventories.

The price of 12mm structural panels dropped by Yen 350 per sheet from the peak of Yen 1,550 to about Yen 1,200 delivered.

Concrete formboard panels (JAS/F4star) prices are Yen 1,150 and coated concrete formboard prices are at Yen 1,250 yen per sheet. Both are down by more than Yen 100 per sheet from levels in June.

June orders for houses builders remain flat

Major house builders are reporting that June demand was about the same as June last year.

Sekisui House, the largest builder in Japan, reported that orders for detached units in June were 15% down from June last year, the first decline in 22 months. However, orders for apartments were up by 22 %, but orders for units built for sale dropped by 8%. Overall, the housing sector business, including renovation works, was 6% up.

Daiwa House reported a modest increase of custom ordered detached units, the first increase in four months but at only plus 1% the figures are barely changed from one year ago. Orders for units built for sale were up by 1% while the overall sales of properties were up by 4%.

Sarawak log producers maintain firm stand on prices

When the rain season arrived in Sarawak logging was curtailed and log prices increased. Further increases were caused but a surge in demand after the March earthquake in Japan.

The news in June this year was that log buyers in both India and China had begun to slow purchases of logs as prices were seen spiralling beyond their capacity to absorb the increases. At the same time plywood mills in Sarawak also reduced purchases of logs after the surge in demand from plywood importers in Japan eased.

The JLR is saying that Japanese log buyers continue to request a reduction in log prices but that the suppliers are ignoring these requests. In particular, prices for regular quality logs remain at peak levels.

The latest indications for the JLR is that Sarawak meranti regular prices are US$330-350 per cu.m FOB, just US$5 lower than late June. Small meranti prices are US$300-315 and Super small prices are US$290-305, US$10 down.

In the Sarawak domestic market prices for mixed light hardwoods began to weaken but the plywood mills started to actively purchase these logs to support the prices fearing there would be pressure to reduce plywood prices if log cost were seen to drop.

Prices for Sabah mixed serayah are reportedly steady at about US$350 per cu.m FOB with active local demand.

In Japan, importers are asking 10,000 yen per koku CIF for meranti regular logs but plywood mills are strongly resisting because of depressed plywood market.

Rains in PNG hinder log deliveries to China

The weather in PNG and the Solomon Island is reportedly very bad at present with heavy rain affecting harvesting. The main buyer of logs, especially calophyllum, from these two suppliers is China and importers there have been placing more orders after they decided prices for logs from Sarawak were too high.

New berths at Iwakuni port

Muronoki wharf at the port of Iwakuni (Yamaguchi prefecture), west of Hiroshima, is one of the major log discharge ports in western Japan. Until recently the port had one berth of draft of 10 metres and two berths with a draft of 5.5 metres.

In order to attract larger vessels to the port work was undertaken to extend the length of the wharf and to dredge the port to provide a deeper draft.

One new berth has a 12 metre draft and a wharf of 240 metres and two others have a 7.5 metre draft and a wharf length of 260 meters.

With 12 metres of draft, 30,000 ton class vessel can now be handled. The cargo handling yard has also been expanded to 37,740 square metres.

Imported Log and Sawnwood Prices

Logs for Ply Manufacture, CIF	Yen per Koku
Meranti (Hill, Sarawak)	(Koku=0.278 m^3)
Medium Mixed	9,300
Standard Mixed	9,500
Small Log (SM60%, SSM40%)	9,400
Taun, Calophyllum, others (PNG)	8,000
Mixed light hardwood, G3/4 grade (PNG)	-
Keruing MQ & up (Sarawak)	12,500
Kapur MQ & up (Sarawak)	12,000

Logs for Sawmilling, CIF	Yen per m^3
Melapi (Sarawak) High Select	210,000
Agathis (Sarawak) High Select	-

Lumber, FOB	Yen per m^3
White Seraya (Sabah) 24x150mm, 4m, Grade 1	150,000
Mixed Seraya, Sangi 24x48mm, 1.8-4m, S2S	60,000

Wholesale Plywood Prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	June (¥ per sheet)	July (¥ per sheet)
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	380-410	380-410
3.7mm (med. Thickness, F 4star, type2)	910 X 1820	540-600	540-600
5.2mm (med. Thickness, F 4star, type 2)	910 X 1820	640-720	640-720
12mm for foundation (F 4star, special)	910 X 1820	1300	1250
12mm concrete-form ply (JAS)	900 X 1800	1220	1150
12mm coated concrete-form ply (JAS)	900 X 1800	1300	1250
11.5mm flooring board	945 X 1840	1400	1500
3.6mm baseboard for overlays (OVL)	1220 x 2440	900	980

Report from China

New US Emission standards impact Chinese wood-based panel industry

The US Formaldehyde Standards for Composite Wood Products Act was signed into law on 7 July 2010 and came into effect on 3 January 2011. Basically this adopts standards established by the California Air Resources Board (CARB). This act limits formaldehyde emission to a level far below that of China and many other countries.

Products covered by this act include hardwood plywood, MDF, particleboard and finished goods containing these products; it excludes hardboard, structural plywood, structural panels, structural composite lumber, oriented strandboard, prefabricated wood, glue laminated lumber, finger jointed lumber, wood packaging and composite wood products.

The act clearly defines emission limits of formaldehyde which are apparently lower than Chinese levels.

China is a major exporter of wood-based panel. In 2010, output of wood-based panels amounted to 154 million cubic metres (of which, output of plywood was 71.4 million cubic metres, accounting for 46.5% and fiberboard, 43.5 million cubic metres, amounting to 28.4%).

Of the total plywood output, 10.6% or 7.55 million cubic metres were exported and 5.6% or 1.93 million cubic metres of fiberboard were also exported.

The timber industry in China says this act will have a severe negative effect on China's plywood sector, especially on the medium and small-sized companies.

Manufacturers say that to meet the new emission standards production costs will rise as they will need to invest in training, equipment and technological improvements.

The Secretary General of China's Technical Committee of Wood-based Panel Standardization suggested that since the United States is the largest market for Chinese furniture and plywood (one third of China's furniture and one fourth of its plywood is exported to USA), China should upgrade its plywood enterprises.

Enterprises should be encouraged to adopt new technologies and improve product quality so as to maintain its share of the US panel and wood products market..

Analysts report that at the end of June more than 400 Chinese enterprises had achieved California CARB certification for products destined for the United States.

Policy changes to economise on wood use

The National Development and Reform Commission has just released the latest "Catalogue Guiding Adjustment of Industrial Structure" detailing the scope of wood-saving products and processes which will attract government assistance.

The previous policy document included investments such as development of products from small diameter logs and residues, technical development of composite wood materials, production and integrated utilization of bamboo-based engineering materials and these have been maintained in the latest document.

Some new items have been added such as the technical development of structural wood-based panel, production and integrated utilization of composite wood material, production of plastic and wood composite materials, recycling wood residues and economizing on wood use.

The document identifies some industries which are to be discouraged and these include the production of disposable wood products (including disposable chopsticks) and wood packaging from high value timber as well as wood and bamboo process which are not effectively integrated.

Timber supply from Myanmar to China stops due to armed conflict

According to timber traders, the road on the China-Myanmar border was closed in June due to armed conflict in the area.

Consequently, timber from Myanmar cannot be transported to China so traders are facing rapid depletion of stocks of timbers from Myanmar. Analysts say that the security situation is bad and that it is likely that the road on the China-Myanmar frontier will not be open until October.

Logs imports through Fujian Putian Port

According to Fujian Putian Entry-Exit Inspection and Quarantine Bureau, in the first half of 2011 logs imports through Putian Port were 118 900 cubic metres valued at US$18.52 million, up 58 percent in volume and 64 percent in value from the same period in 2010. Imported logs through the port are mainly from Canada and Australia.

The log and timber import business between Canada and China improved after an agreement on hygiene requirements for Canadian BC Province logs to China was signed since July 2010.

Guangzhou City Imported Timber Wholesale Market

Logs	Yuan per m3
Lauan (50-60cm)	2200-2400
Kapur (up to 79cm)	3100-3500
Merbau 6m, (up to 79cm)	3500-4000
Teak	11000-13000
Wenge	5800-6500
Sawnwood	
Teak sawn grade A (Africa)	9600
US Maple 2" KD	7500-10000
US Cherry 2"	10000-13000
US Walnut 2"	14000-16000
Okoume	4500-5000
Sapele	6000-6400

Shanghai Furen Imported Timber Wholesale Market

Logs	Yuan per m3
Teak (Myanmar, all lengths)	7500-8500
Sawnwood	
Beech KD Grade A	5600-5700
US Cherry, 25mm	9500-10000
US Red Oak, 50mm	6500-7000
Sapele 50mm FAS (Congo)	
KD (FAS)	6500-6800
KD (grade A)	5700-5800

Hangzhou ImportedTimber Wholesale Market

Logs		Yuan per m3
Ash	4m, 30cm diam.	2900-4100
Linden	4m, 26cm diam.	2000-3100
Sawnwood		
Beech Europe		3000-7500
Black walnut North America		12000-17500
Teak Myanmar		9000-18000
Red oak North America		8500-15000
Alder Myanmar		4500-7600
Sapele Africa		5000-6200
Plywood		
Red beech	4x8x3 mm	50-65
Black walnut	4x8x3 mm	50-95
Teak	4x8x3 mm	65-130

Shandong De Zhou Imported Timber Wholesale Market

Logs		Yuan per m3
Larch	6m, 24-28cm diam.	1800
White Pine	6m, 24-28cm diam.	1750
Korean Pine	4m, 30cm diam.	-
	6m, 30cm diam.	-
Mongolian Scots Pine	6m, 30cm diam.	1580

Hebei Shijiangzhuang Imported Timber Wholesale Market

Logs	Yuan per m3
Korean Pine 4m, 38cm+ diam	1800
Mongolian Scots Pine 4m, 30cm diam.	1700
6m, 30cm+ diam.	1750
Sawnwood	
Mongolian Scots Pine 4m, 5-6cm thick	1700
4m,10cm thick	1750

Wenzhou Imported Timber Wholesale Market

Logs	Yuan per m3
Wenge (Africa)	4500-5100
Plantation Teak (Africa)	2100-2500
Merbau	3500-5000
Sapele	3200-3700
Plywood	Yuan per piece

Red beech 4x8x3 mm	40-80
Black walnut 4x8x3 mm	40-85
Teak 4x8x3 mm	45-110

Report from Europe

European domestic hardwood production rebounds

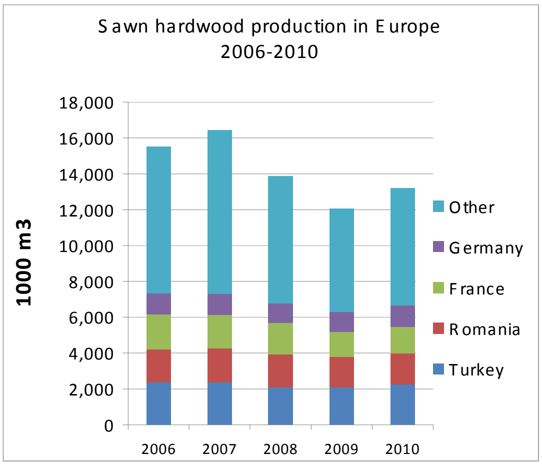
Data from the UNECE Timber Committee indicates that hardwood production across the European sub-region rebounded during 2010 (the UNECE European sub-region includes all countries within the continent of Europe plus Turkey but excluding Russia).

Following an 18% decline in hardwood saw and veneer log production in the region between 2007 and 2009 to 29.7 million cu.m, production rebounded by 12% to 33.2 million cu.m in 2010.

Significant increases in hardwood log production were recorded in Romania, Germany, Turkey, and Latvia during 2010. 26.2 million cu.m (78%) of total European hardwood log production during 2010 was in EU countries.

Turkey was the largest producer of sawn hardwood in Europe

European production of sawn hardwood followed the same general trend. A 26% fall in production between 2007 and 2009 was followed by a robust 9% rebound during 2010 (Chart 2). Significant gains in production were in Turkey (8.8%), Germany (6.6%) and Croatia (5.6%).



Source: UNECE Timber Committee
Note: The UNECE "Europe" region includes all countries in the continent of Europe plus Turkey but excluding Russia.

Turkey was the largest producer of sawn hardwood in Europe in 2010. However most sawn hardwood in Turkey is produced from low-grade domestic timber, as well as small-dimension plantation logs and is destined for the pallet and packaging industry with only a small proportion earmarked for export.

Germany, France and Romania remain by far the dominant producers of higher grades of European sawn hardwood.

The rising log harvest in 2010, combined with an underlying lack of consumption, has meant that there have been no major hardwood log shortages in Europe in recent times. Supplies of beech logs have generally been adequate.

Short-term concerns have occasionally arisen over supplies of oak logs, particularly with rising demand in export markets, notably from China, and following severe winter weather in both 2009 and 2010 which briefly curtailed harvesting levels.

However oak log supply problems had eased greatly by the end of the first quarter of 2011 as weather conditions improved and log exporters were less active at French and German auction sales.

European domestic production more dominant

Within the EU-25 group of countries, apparent consumption of sawn hardwood increased by 9.4% during 2010, from 8.7 to 9.6 million cu.m.

While a significant gain, consumption levels were still well down on levels of over 13 million cu.m which prevailed prior to the economic crises. The overall figure also hides important changes in sources of supply and demand.

EU-25 sawn hardwood balance 2006-2010 (1000 cu.m)

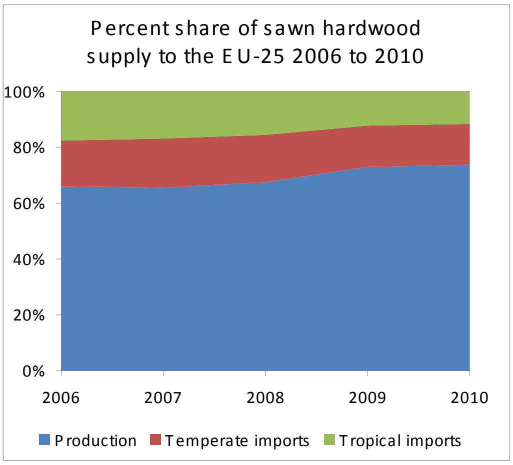
	2006	2007	2008	2009	2010
Domestic Production	9,291	9,253	8,136	6,765	7,559
Imports	4,778	4,870	3,904	2,510	2,688
of which Tropical	2,473	2,375	1,873	1,138	1,201
of which Temperate	2,305	2,495	2,031	1,372	1486
Exports	745	760	634	536	685
Apparent consumption	13,324	13,363	11,406	8,739	9,562

Note: EU-25 includes all members of the EU except Romania and Bulgaria which acceded to the EU in January 2008
Source: Production data derived from UNECE Timber Committee, import and export data from Forest Industries Intelligence Ltd and BTS Ltd

Domestic industry weathered the crisis better than external suppliers.

While all wood suppliers into the EU market suffered severely during the recession, the signs are that the domestic industry weathered the storm better than most external suppliers. During the period 2006 to 2010, the share of domestic hardwood sawn lumber in overall supply to the EU-25 group of countries increased from 66% to 74%.

The share of non-EU temperate hardwood suppliers declined from 16% to 15%. However the major loser in this process has been tropical hardwood which saw share of European sawn hardwood supply fall from 18% to 12% in the four year period.



Source: Forest Industries Intelligence Ltd and BTS Ltd

While all major tropical supply countries experienced some slippage in European market share for sawn hardwood, the trend was particularly pronounced for Brazil (share of EU supply falling from 4.1% to 2.9%) Ivory Coast (share falling from 2% to 1%), and Ghana (share falling from 0.8% to 0.4%).

Major shift in EU sawn hardwood supply

A number of factors have played a role in this major shift in European sawn hardwood supply including:

- increased diversion of global hardwood supply away from Europe to China and emerging markets;
- a move to smaller stock-holdings and just-in-time ordering during the credit crunch which has tended to favour more readily available products with shorter lead times;
- the willingness of European domestic suppliers to deliver to the precise specifications of European manufacturers;
- the willingness of the European state forest sector to continue to harvest hardwood logs during the recession despite relatively low log prices;
- the continuing strong fashion for European oak in the region;
- the development of an expanding range of treatment techniques allowing use of European hardwoods for a much wider range of looks and applications;

and

- environmental concerns which have benefited FSC and PEFC certified hardwoods, the majority of which derive from Europe.

Low hardwood demand from cabinet, furniture and parquet industries

On the demand side, European consumption of sawn hardwood recovered quite strongly in France, Germany, and Sweden during 2010 and early 2011. However consumption has remained at historically low levels in many European markets, notably Spain, Portugal, and Italy due to continuing low demand in the cabinet, furniture and parquet industries.

The strong euro has meant that Europe's important furniture sector is coming under particularly intense pressure from competitors in Asia.

Exports of EU hardwoods recovering

Export markets for European sawn hardwood, particularly oak and ash, in China and Vietnam have also been recovering. Between 2009 and 2010, EU-25 sawn hardwood exports to China increased from 115,000 cu.m to 205,000 cu.m, while exports to Vietnam increased from 21,000 cu.m to 40,000 cu.m.

In contrast, European sawn hardwood exports to the Middle East and North Africa have been declining. Recent political upheaval in this region has resulted in declining demand, particularly for beech in Egypt, Jordan, Syria, and Tunisia.

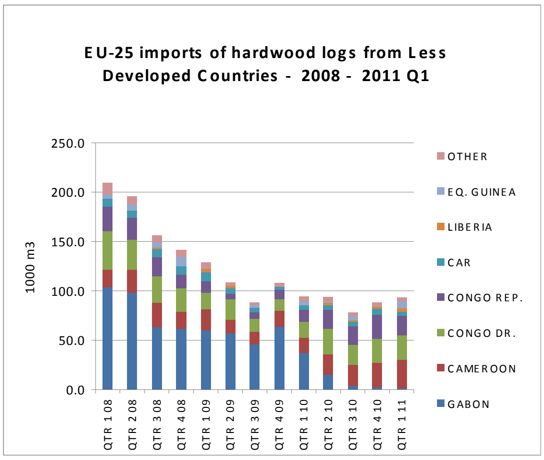
Despite pockets of poor demand, according to the UNECE Timber Committee, reports from the European hardwood sawmilling sector have been generally positive in 2011 and there are expectations that overall sales this year may be 15% to 20% higher than in 2010.

Tropical log imports still close to recession levels

The EU-25 imported 93,400 cu.m of tropical hardwood logs during the first quarter of 2011, a 6% increase on the previous quarter, but 1% down on the same quarter in 2010.

Following the dramatic decline in imports from over 200,000 cu.m in the first quarter of 2008 to a low of 88,000 cu.m in the third quarter of 2009, quarterly imports have stabilised at this lower level.

In addition to the recession, a major factor driving the recent decline in log imports was Gabon's imposition of a log export ban from May 2010 onwards. Rising log imports from Cameroon, Democratic Republic of Congo, Republic of Congo, Equatorial Guinea and Liberia have only partially offset the decline in availability from Gabon.



Source: Forest Industries Intelligence Ltd and BTS Ltd

Rise in EU sawn hardwood imports driven by temperate species

The EU-25 imported 702,000 cu.m of sawn hardwood during the first quarter of 2011, a 5% increase on the previous quarter and a 6% increase on the same quarter in 2010.

However tropical sawn hardwood imports of 293,000 cu.m during the first quarter of 2011 were 1% down on the previous quarter and only 2% up on the same quarter in 2010.

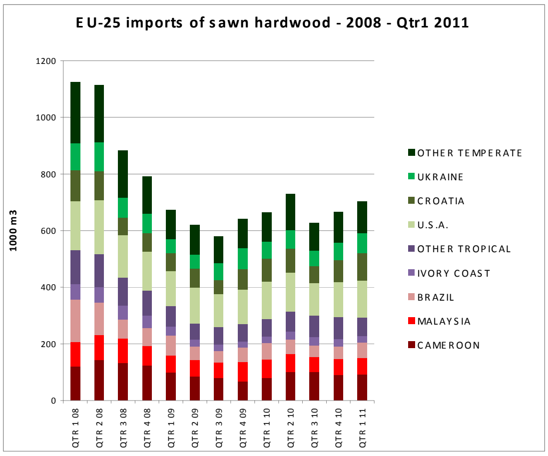
This compares to temperate hardwood sawn imports of 409,000 cu.m during the first quarter of 2011, up 10% on the previous quarter and up 9% on the same quarter in 2011. Most recent gains in EU-25 imports of temperate hardwoods have been made by Croatia and Ukraine.

Recent news is not all bad for tropical hardwoods. Brazilian sawn hardwood has been regaining some of the ground lost in the European market, particularly in France and Belgium.

In the first quarter of 2011, EU-25 imports of sawn hardwood from Brazil were 56,000 cu.m, up 22% on the previous quarter. Meanwhile European imports from Cameroon started 2011 much more strongly than the previous year, with larger volumes arriving in Belgium, Netherlands, UK, Ireland and Italy.

Total EU-25 imports of sawn hardwood from Cameroon reached 92,000 cu.m in the first 3 months of 2011, up 14% on the same period in 2010.

These gains helped offset relatively weak first quarter imports of sawn hardwood from Malaysia (58,000 cu.m) and Ivory Coast (24,000 cu.m).



Source: Forest Industries Intelligence Ltd and BTS Ltd

EU hardwood veneer imports weaken again

The EU-25 imported 118,000 cu.m of hardwood veneer during the first quarter of 2011, an 8% decline on the previous quarter and a 4% decline on the same quarter in 2010 (Chart 6).

Tropical hardwood veneer imports of 69,000 cu.m during the first quarter of 2011 were 10% down on the previous quarter and 4% down on the same quarter in 2010. This compares to temperate hardwood veneer imports of 60,000 cu.m during the first quarter of 2011, down 2% on the previous quarter and 3% on the same quarter in 2011.

The continuing weakness of the European veneer trade is particularly troubling considering the wide range of end-use sectors for hardwood veneers, the resources committed to boosting the share of real wood by large veneer manufacturers, and the decline in Europe's tropical hardwood log imports.

European plywood manufacturers might reasonably have been expected to have offset the decline in availability of okoume logs by importing more rotary veneer from Gabon.

However European imports of this commodity have remained low as manufacturers have been struggling in the face of tight margins and rising competition from a range of lower-priced panels. European imports of thicker rotary veneer for flooring are also depressed as European flooring output is low due to weak construction growth and competition from artificial surfaces.

The weak construction sector has also hit mainstream markets for sliced veneer, including doors, panels and furniture. The latter sector is struggling in the face of stiff competition from Chinese manufacturers.

At the same time, real wood veneer has continued to lose out to artificial surfaces. As demand for sliced veneer has been increasingly marginalised in mainstream markets, demand is now focusing more on higher value niche markets -including high end interior fittings, yachts, and the car industry - which generate more value but absorb lower volumes.

Netherlands Imported Sawnwood Prices

FOB (Rotterdam)	US$ per m³
Sapele KD	943↓
Iroko KD	1220↑
Sipo KD	1144↑
DRM Bukit KD	968
DRM Seraya KD	975
DRM Meranti KD Seraya MTCC cert.	996
Merbau KD	1257
Sapupira (non FSC) KD	989
Sapupira (FSC) KD	1624
Anti-slip decking AD C&F Rotterdam	
Selangan batu	1681

UK Imported Log Prices

FOB plus commission		€ per m³
N'Gollon (khaya)	70cm+ LM-C	350-380
Ayous (wawa)	80cm+ LM-C	250-270
Sapele	80cm+ LM-C	350-380
Iroko	80cm+ LM-C	410-480
African Walnut	80cm+ LM-C	340-370

UK Imported Sawnwood Prices

FOB plus Commission		GB Pounds per m³
Framire	FAS 25mm	470-495↓
Sipo	FAS 25mm	680-710↓
Sapele	FAS 25mm	560-575↓
Iroko	FAS 25mm	720-745↓
Wawa	FAS25mm	275-295
CIF plus Commission		
Tulipwood FAS 25mm		250-270↓
Meranti Tembaga Sel/Btr (KD 2"boards)		590-600↓
Balau/Bangkirai Decking		1050-1100
White Oak		480-500↓

UK Imported Plywood and MDF Prices

Plywood Panels 8x4", CIF	US$ per m³
Brazilian WBP BB/CC 6mm	600-620
Malaysian WBP BB/CC 6mm	660-685
MALAYSIA MTCS/PEFC trop hard face, pine core* 18mm	520-580
China (hardwood face, eucalyptus core) 18mm	395-410
China (tropical hardwood face, poplar core) 18mm	375-395

* MTCS/PEFC certified plywood is now becoming more widely available than equivalent FSC certified product from Malaysia

Report from North America

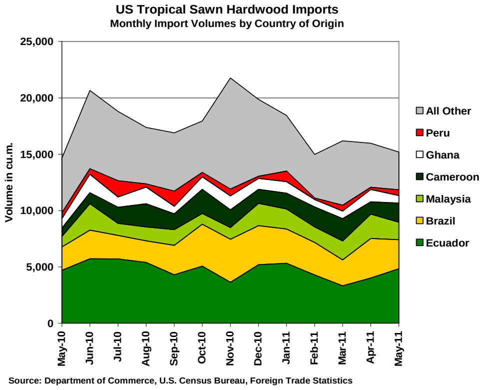
Year-to-date tropical sawnwood imports are up 13%

US imports of sawn tropical hardwood continue to decline from the higher levels seen at the end of last year. The latest data is for May and these show that imports were 15,197 cu.m., down 5% from April, but on a year-to-date basis imports are still up 13% from 2010 levels.

Imports of balsa were 4,808 cu.m. (-10% year-to-date), ipe 1,756 cu.m. (+37% year-to-date), keruing 1,044 cu.m. (+157% year-to-date), acajou d'Afrique 1,159 cu.m. (-10% year-to-date), mahogany 601 cu.m. (-15% year-to-date), and virola 387 cu.m. (+105% year-to-date).

Imports from Ecuador, the largest source of imported tropical sawnwood, rose by 20% to 4,843 cu.m. in May. Balsa accounts for almost all of Ecuador's sawnwood exports to the US. Imports from Brazil were 2,563 cu.m., with ipe accounting for 1,610 cu.m.

Imports from Malaysia declined from the previous month to 1,560 cu.m. because keruing imports fell 44% to 999 cu.m.

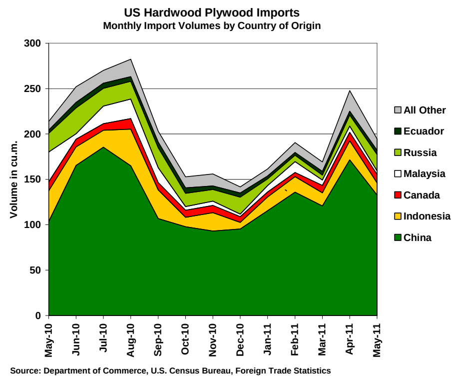


Sawnwood imports from Cameroon jumped by 55% from April to 1,697 cu.m. in May due to higher sapelli imports. Monthly import volumes of key imported species by country of origin are shown in the chart below.

Drop in US hardwood plywood imports

US hardwood plywood imports dropped by 22% in May after a brief surge in April. The US imported 194,525 cu.m. of hardwood plywood in May 2011, up 13% compared to year-to-date May 2010.

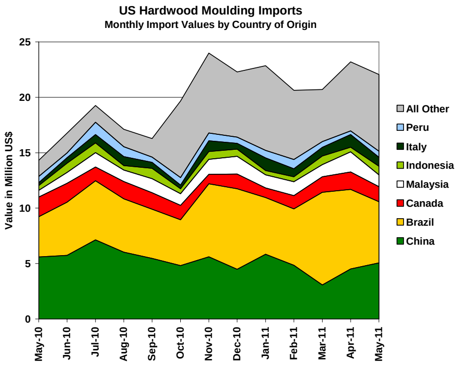
China, Indonesia and Malaysia all exported less to the US in May, while Ecuador increased exports to 4,533 cu.m. (-2% year-to-date). Imports from China were 132,686 cu.m. (+47% year-to-date), from Indonesia 13,356 cu.m. (-25% year-to-date), and from Malaysia 3,798 cu.m. (-59% year-to-date).



Hardwood moulding imports from China rise again

US hardwood moulding imports declined by 9% to US$17.0 million in May, ending the period of growth that started in February. However, moulding imports are still up 22% on a year-to-date basis.

Indonesia saw the largest increase in May, while Brazil remained the largest supplier to the US market at US$5.5 million (+59% year-to-date). China is catching up to Brazil, with imports from China reaching US$5.1 million in May (+3% year-to-date).



Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

The smaller moulding suppliers Mexico, Paraguay, Taiwan P.o.C and Bolivia have increased their share in the US market since late 2010. Hardwood moulding imports from Malaysia were US$1.1 million (+54% year-to-date).

Malaysia largest supplier of hardwood flooring in May

Flooring imports continued to recover in May despite the poor condition of the US housing market. The US imported US$1.9 million worth of hardwood flooring in May, up just 2% from April but up 74% compared to year-to-date 2010.

In May Malaysia surpassed China as the US' largest source of hardwood flooring imports. Malaysia shipped US$432,000 in May (+121% year-to-date), while China exported US$387,000 (+62%).

Imports from Brazil were US$265,000 (+39% year-to-date) and from Indonesia US$59,000 (+168% year-to-date).

US GDP growth worse than previously projected

The US Department of Commerce released revisions of past economic figures that revealed the US economy performed even more poorly than previously thought.

Economic growth in the first quarter of 2011 had initially been estimated at 1.9%, but it was revised down to just 0.4%. Spending cuts of state and local governments contributed negatively to growth, more than offsetting the federal stimulus.

GDP growth figures from 2007 to 2010 were also revised and revealed that the recession was worse than economists had thought. The US economy shrank by 3.5% in 2009 instead of the previously stated 2.6%.

The worse than expected economic performance over the past four years helps explain the persistently high unemployment figures. Federal policies to boost the economy have underestimated the extent of the recession.

Current plans to slash federal spending to reach a deal to raise the US government's debt limit may further slow the country's poor recovery from the recession.

Imported flooring set to expand market share in US

US demand for hard surface flooring is expected to increase by 5.6% annually to 2015 according to the latest Freedonia market study on flooring (Hard Surface Flooring to 2015, published July 2011). US consumers continue to favour hard surface floors over carpets.

Laminate flooring in residential buildings will see the strongest growth, followed by wood and tile flooring. Vinyl flooring currently accounts for the majority of the hard surface floors sold in the US, but market growth is forecast to be below that of laminates and wood.

Freedonia expects imports to capture a growing share of the US market, led by vinyl and tile flooring made in China and Brazil, but also because of growing demand for tropical wood, bamboo and cork flooring.

Salvaged tropical logs held up by Canadian Food Inspection Agency

A shipment of logs salvaged from a river in Belize cannot be released because the Canadian Food Inspection Agency requires fumigation with methyl bromide according to Postmedia News.

The owner of the logs, Canadian company WaterForest, is unable to carry out the treatment because Canada prohibits the manufacture and import of methyl bromide.

Methyl bromide is ozone-depleting and was supposed to be phased out by 2005 in developed countries WaterForest fumigated the logs with another pesticide which would be an acceptable treatment for shipments to the US.

It is unclear whether the logs will be destroyed or shipped back to Belize or to the US if the fumigation with methyl bromide is not carried out in Canada. The 4,300 cu.m. shipment includes species that are now protected by Convention on International Trade in Endangered Species.

US Imported Timber prices

	May-11 US$ per cu.m	June-11 US$ per cu.m
Ipe (Brazil) Decking Premium Grade AD, 1x6, FOB Belem	2800	2800
Ipe (Brazil) Decking Premium Grade AD, 5/4x6, FOB Belem	2900	2970
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	775	-
Khaya (Ghana) FAS KD, FOB Takoradi	875	875
Sapele (Cameroon) FAS AD, FOB Douala	740	740
Sapele (Cameroon) 4/4 to 8/4 FAS KD, FOB Douala	910	910

Disclaimer: Though efforts have been made to keep prices near to accurate, these are published as a guide only. ITTO does not take responsibility for the accuracy of this information

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.

World production of furniture is worth about US$ 385 billion. Key features of the last decade furniture scenario were a vast increase of imports penetration in all major markets, large amounts of furniture imports particularly in the US, Germany, France and the UK, and the very fast growth of exports from China. According to CSIL estimates world trade of furniture would be likely to grow in 2011 and in 2012, getting close to the pre-recession level in 2011 and exceeding it in 2012.
http://www.csilmilano.com/Market_Research.html

China has taken over from the US as the largest consumer of wood from British Columbia in Canada, according to Forestry Research Associates (FRA). During May, the US bought 835,000 cubic meters of British Columbia timber, which was the largest amount, in terms of volume. However, in terms of value, China bought $122 million worth of timber from the region, despite the volume only totalling 746,000 cubic meters.
http://www.sbwire.com/press-releases/sbwire-101247.htm

China's government officials this month have focused on the construction of affordable housing, underscoring the urgency to address the dire living needs of city dwellers amid rocketing property prices and high rental fees. China's affordable housing program includes government-subsidized low-rent housing for the most financially challenged residents, public rental houses for those middle-income earners who cannot purchase a house in cities, and upgrades of urban slums.
http://news.xinhuanet.com/english2010/china/2011-07/22/c_131001004.htm

India will set up an environment regulator to bring in a "complete change" in the process of granting land clearances for industries. PM Manmohan Singh said the regulator would also ensure the compliance of "green norms" by industry. India's environment ministry has been often embroiled in controversy over how to balance development with the preservation of the environment. This has led to the delay of a number of projects across the country.
http://www.bbc.co.uk/news/world-south-asia-14271439

Italy will sponsor a program worth US$4.3 million to develop Vietnam's garment, leather shoes and wood industries, the United Nations Industrial Development Organization (UNIDO) said recently. Businesses in the three fields will be supported with investments in design technologies, product promotion, marketing campaigns and cost management systems.
http://www.thanhniennews.com/2010/Pages/20110723153112.aspx

US new-home construction popped to a five-month high in June, surprising economists and fueling hope that the long-struggling U.S. housing market could at last begin to add strength to the economic recovery. Work started on 629,000 houses in June, an increase of 15 percent from May and nearly 17 percent from the corresponding period last year, according to data released by the Commerce Department. Economists had predicted 575,000 housing starts for the month. All regions of the country — Northeast, Midwest, South and West — saw increases in home-building activity, according to the data, and both single-family and multi-family homes posted monthly increases in each region.
http://www.washingtonpost.com/business/economy/housing-starts-surge-in-june/2011/07/19/gIQAvediOI_story.html

Timber's ability to fight global warming through its role in construction and design has been dealt a blow in the Australian federal government's proposed carbon tax, according to a coalition of more than 80 forest scientists and timber company representatives. The coalition, in a letter to the Climate Commission, referred to "flaws, omissions and lost opportunities" in looking at the best way to use forests to reduce greenhouse gas emissions.
http://www.smh.com.au/business/property/warning-of-pain-in-lumber-region-20110719-1hmys.html

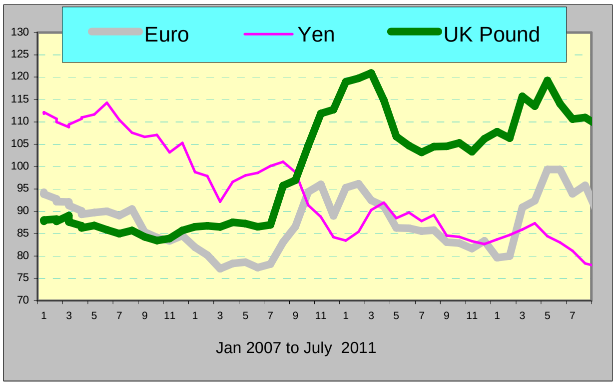
Strong Chinese demand for logs has pushed the value of New Zealand's forestry exports to $4.4 billion for the year ending March 31 - up $800 million on the previous year. China imported 1.7 million cu m of New Zealand logs in the March quarter, up 44.5 per cent on the same time the previous year. Doube said India was also emerging as a major destination, with its demand now approaching that of Korea - New Zealand's second-largest log export market.
http://www.nzherald.co.nz/markets/news/article.cfm?c_id=62&objectid=10738063

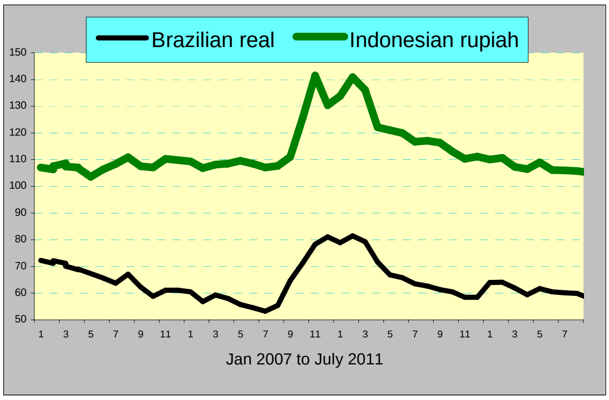
Main US Dollar Exchange Rates

As of 29th July 2011

Brazil	Real	1.56
CFA countries	CFA Franc	460
China	Yuan	6.444
EU	Euro	0.6946
India	Rupee	44.035
Indonesia	Rupiah	8502
Japan	Yen	76.77
Malaysia	Ringgit	2.943
Peru	New Sol	2.7395
UK	Pound	0.6089
South Korea	Won	1053.55

Exchange rates index (Dec 2003=100)





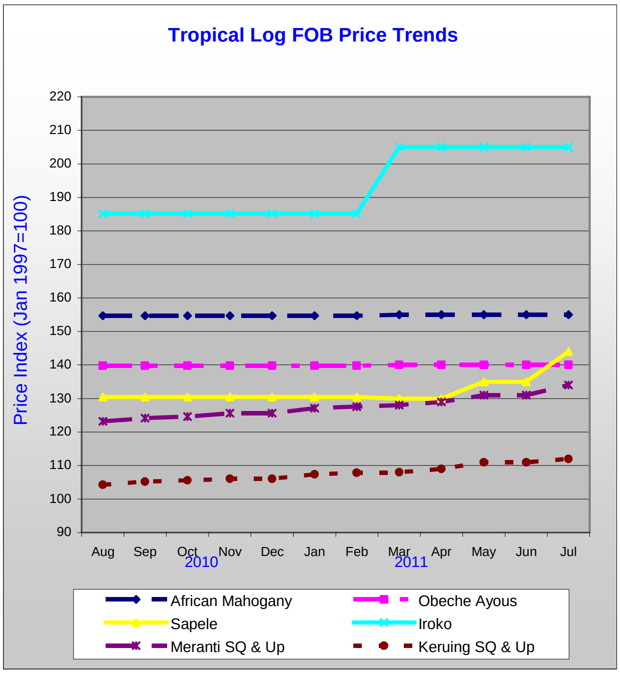
Abbreviations and Equivalences

LM	Loyale Merchant, a grade of log parcel
QS	Qualite Superieure
CI, CE, CS	Supplimentaire
FOB	Free-on-Board
CIF; CNF	freight
KD; AD	Kiln Dry; Air Dry
Boule	boards from one log are bundled
BB/CC, etc.	indicate face veneer, on the right backing
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	Saw mill Quality; Select Saw mill Quality
FAS	Saw nw ood 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
Arrows	Price has moved up or down
Clean sawn	square edged boule

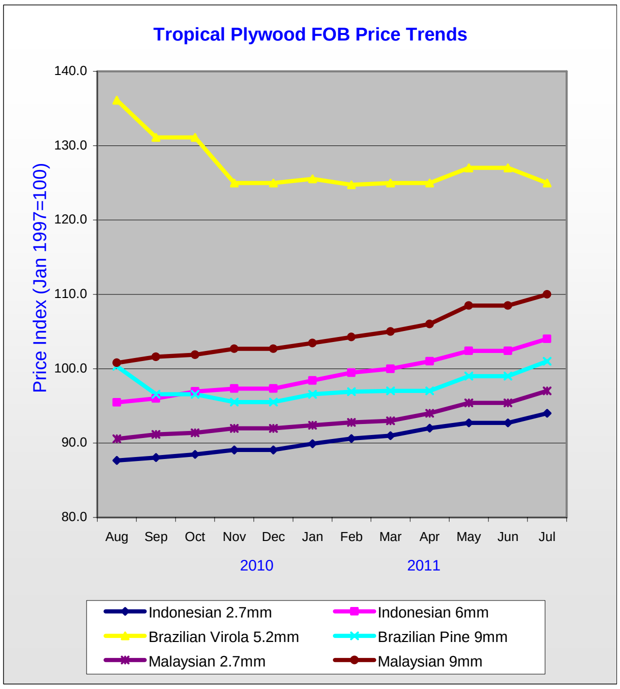
Ocean Freight Index

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.

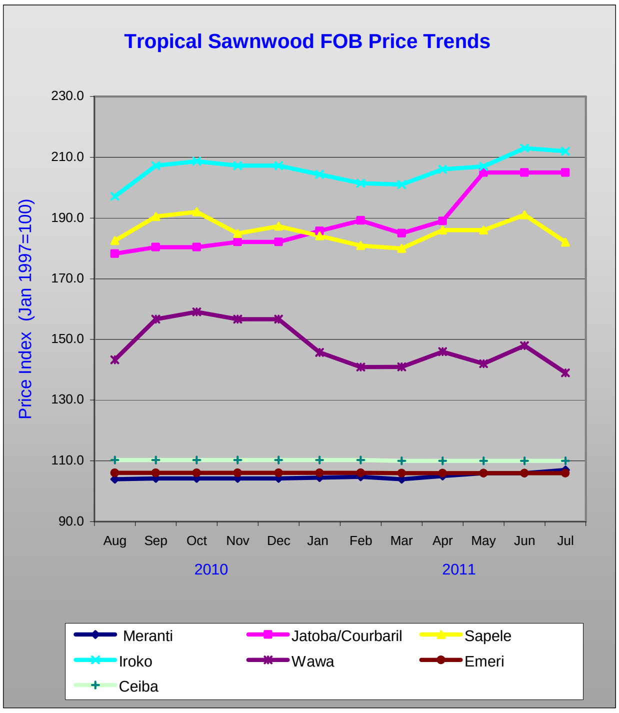
Tropical Log Price Trends



Tropical Plywood Price Trends



Tropical Sawnwood Price Trends



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

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