Tropical Timber Market Report

Volume 16 Number 17, 1st – 15th September 2011

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Top Story

Critical log shortage affecting Indian panel industries

Chronic raw material shortages for Indian wood based panel industries has resulted in many plants having to run well below capacity. Two strategies are being considered to bridge the gap between demand and supply of raw materials.

The first focuses on the development of technologies for more efficient utilization, the second on exploring options for companies to quickly establish plantations of fast growing species.

Options being considered by the composite board sector include greater use of non-wood renewable fibres such as bamboo and agro-residues like such as bagasse, coir, rice husks and jute, wheat and rice straw.

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Report from Central/West Africa

Producers increasing sawnwood output and new mills coming on stream in Gabon

Log and sawnwood prices remain stable and most exporters expect this level will be held through into the fourth quarter some, however, are still of the view that prices could ease towards year end.

Producers in the region are increasing sawnwood output and there is news of new mills coming on stream in Gabon.

Current price levels well embedded in the market and unlikely to correct any time soon

Analysts say that there is an impression in some sectors of the trade that the price levels for several species that rose quickly are bound to fall back at some stage. However, the new price levels have become quite well embedded in the market and are probably unlikely to drop suddenly as has happened in past years; much depends on the economic climate in Europe, the main market for West African timber.

Producers are saying that demand levels are holding up with a moderate flow of orders from Europe. This is despite the rather long delivery times quoted by producers which can extend to two months or more from the time of order to the date of shipment.

Some European importers have commented that Brazil's sawnwood exports to Europe are likely to increase and that this will increase competition and put a downwards pressure on W. African timber prices. However, reports talk of growing demand in Brazil's domestic market and that, because of this, sawnwood exports are unlikely to increase.

Middle East markets active with many enquiries for premium species

Middle East markets are reportedly active, driving up demand for a range of species especially okan and okoume sawnwood lumber. Producers report an unusually high number of enquiries for premium species from Middle East buyers.

In other markets there is firm demand for doussie, bilinga and dabema. The news that dabema from both Cote d'Ivoire and Ghana is being quoted at prices significantly below that being secured by exporters in other producer countries is unusual and difficult to explain.

Supply of export quality logs barely adequate to meet demand from China and India.

Analysts report that the supply of export quality logs remains barely adequate to meet demand from China and India. Some of the demand pressure has been reduced through the export of boules and 'clean sawn' timber. However, there is substantial unfulfilled demand for logs in both India and China and the sources of any substantial extra supply from the region are limited at present.

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

Wood product exports during the first half year of 2011

Wood product exports for the first six months of 2011 amounted to 183,350cu.m, (down 9%) valued at Euro 60 million, down 12% compared to levels in the same period in 2010.

The export of air dry sawnwood, mouldings, and plywood accounted for 26.4%, 33.7% and 17.4% respectively of exports or 77.5% of total wood export for the period.

Exports of air dry sawnwood increased by 21.5% in volume and by 1.4% in value, but this was the exception as exports of moulding and plywood declined in terms of both volume and value.

Export of sawnwood and plywood to neighbouring countries accounted for 53% and 97% respectively of the total volume of wood products exported during the period.

Ghana's export of wood products was largely to Africa, Europe, Asia, and the Middle East. Ceiba, Wawa, plantation Teak, Ofram and Denya were among some of the leading species exported.

The US, Germany, India, Senegal, Belgium, Lebanon, Egypt amongst others were some of the countries that imported wood products from Ghana during first half of the year.

First half 2011 exports (volume and value)

PRODUCT	Vol (cu.m) ('000)	Val (Euro) (million)
Lumber (air dry)	48.49	9.30
Lumber (kiln dry)	31.86	14.47
Sliced Veneer	13.34	11.48
Rotary Veneer	3.39	1.20
Plywood	61.82	21.97
Mouldings	8.81	3.98
Boules (air and kiln dry)	1.68	1.11
Parquet/Flooring	0.48	0.41
Other Wood Products	13.48	4.25
TOTAL	183.35	68.17

Transparency in distribution of royalty income

The Deputy Minister for Lands and Natural Resources has called for greater transparency in the procedures for distributing royalties paid to government for the extraction of natural resources. He said the government is fine-tuning its policy guidelines.

Mr. Kamel, the Deputy Minister is also Member of Parliament for Buem in the Volta Region said government will review the distribution of royalties and intends to publish the decisions to provide transparency.

Currently, royalties are proportioned with 55% per cent going to the Metropolitan Administration and Municipal and District Assemblies, 25% to Stools and 20% to the traditional areas.

Utility costs increased from September

Ghanaian consumers are now paying 7% more for electricity and almost 7% more for water as rates were increased on 1st September.

The latest increases were announced by the Public Utilities Regulatory Commission who said that these changes are in line with the periodic adjustment of tariffs when core factors influencing production costs change.

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	118-130	132-148
Chenchen	90-100	105-120
Khaya/Mahogany (Veneer Qual.)	111-123	125-145
Sapele Grade A	145-155	160-185
Makore (Veneer Qual.) Grade A	128-135	140-166
Ofram	105-114	118-127

Domestic Sawnwood Prices

		US$ per m^3
Wawa	25x300x4.2m	296
Emeri	25x300x4.2m	310
Ceiba	25x300x4.2m	240
Dahoma	50x150x4.2m	320
Redwood	25x300x4.2m	430
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	330	385
Edinam (mixed redwood)	400	450
Emeri	350	430
African mahogany (Ivorensis)	568	685
Makore	530	580
Niangon	515	590
Odum	625	690
Sapele	555⬆	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 2mm and up, FOB	€ per m^3	
	CORE (2mm & up)	FACE (2mm & up)
Ceiba	280	285
Chenchen	305	345
Ogea	305	340
Essa	290	330
Ofram	310	350

Export Sliced Veneer Prices

Sliced Veneer, FOB	€ per sq. m	
	Face	Backing
Afrormosia	1.19	1.00
Asanfina	1.50	.90
Avodire	1.12	0.69
Chenchen	1.10	.54
Mahogany	2.00	1.40
Makore	1.25	0.90
Odum	1.80	1.40

Export Plywood Prices

Plywood, FOB	€ per m³		
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 m³
Dahoma grade 1	492
Denya grade 1	516
Hotrohotro grade 1	580
Wawa grade 1	500
Wawa grade 2	428
Ekki grade 1	550
Wawabimba Laminated grade 1	750

Report from Malaysia

Malaysia participates in Cologne-based garden furniture show

The Malaysian Timber Council (MTC) participated in SPOGA, the Cologne-based garden furniture trade show from September 4 to 6, 2011. The Malaysian stand displayed a range of products that included garden, terrace and balcony furniture and garden decorations. SPOGA is regarded as the largest trade show of its kind in the world.

Exports of furniture and other wood products fall

For the first 5 months of 2011 Malaysia's exports of wooden furniture and other wood products amounted to Euro 201.65, a decline of around 6% compared to the same period in 2010.

The US continues to be an important market for Malaysian wood products, importing wooden furniture and timber products worth Euro 50.46 million in the first 5 months of 2011. This, however, represented a decline of 24% compared to the same period last year.

Other major export destinations for Malaysian wood products are Australia, Canada, France, Germany, Japan, Saudi Arabia, Singapore, UAE and the UK.

German government develops initiative to address illegal harvesting

The German government is working to address the global problem of trade in illegally harvested timber. As part of this initiative German authorities are working with tropical timber exporting countries in an effort to find solutions to this problem.

The German government has reportedly enacted a new law which, in English, translates approximately to 'Timber Trade Safeguard Law'. This is just one step taken by the German government to combat trade in illegal harvested timber globally. Reports indicate that this legislation will come into force in 2013.

Peninsular Malaysia may opt to sign the VPA before Sarawak and Sabah

Malaysia is currently negotiating a Voluntary Partnership Agreement (VPA) with the EU.

Analysts are speculating that the VPA with Malaysia may eventually be covering three separate regions. Peninsular Malaysia may opt to sign the VPA before Sarawak and Sabah. These two states in East Malaysia may then separately sign VPA's with the EU at a later date.

Log Export Prices (Sarawak)

Sarawak log, FOB	US$ per m³
Meranti SQ up	265-292⬆
Small	253-286⬆
Super small	255-279
Keruing SQ up	247-259⬆
Small	238-271⬆
Super small	227-251
Kapur SQ up	239-265⬆
Selangan Batu SQ up	244-278⬆

Domestic log Prices

Pen. Malaysia logs, domestic (SQ ex-log yard)	US$ per m³
DR Meranti	283-302⬆
Balau	326-356
Merbau	378-409⬆
Rubberwood	106-140
Keruing	248-264

Peninsular Malaysian meranti logs are top grade and are used to produce scantlings for the EU. These log prices are higher thanfor the same species in Sarawak's.

Export Sawnwood Prices

Malaysia Sawnwood, FOB	US$ per m³
DR Meranti	415-451⬆
White Meranti A & up	310-340
Seraya Scantlings (75x125 KD)	454-466
Sepetir Boards	277-306
Sesendok 25,50mm	365-383
Kembang Semangkok	344-373⬆

Domestic Sawnwood Prices

Malaysian Sawnwood, domestic	US$ per m³
Balau (25&50mm,100mm+)	346-366
Merbau	486-538⬆
Kempas 50mmx(75,100 & 125mm)	290-330⬆
Rubberwood	
25x75x660mm up	241-291
50-75mm Sq.	279-311
>75mm Sq.	301-331

Export Plywood Prices

Malaysia ply MR BB/CC, FOB	US$ per m³
2.7mm	448-509
3mm	429-459
9mm & up	380-450

Domestic Plywood Prices

Meranti ply BB/CC, domestic	US$ per m³
3mm	372-462
12-18mm	355-384

Other Panel Export and Domestic Prices

Malaysia, Other Panels, FOB	US$ per m^3
Particleboard	
Export 12mm & up	263-286
Domestic 12mm & up	254-268
MDF	
Export 15-19mm	315-347
Domestic 12-18mm	306-325

Export Added Value Product Prices

Malaysia, Mouldings, FOB	US$ per m^3
Selagan Batu Decking	576-586
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	590-603
Grade B	545-555

Export Furniture and Parts Prices

Malaysia, Rubberwood, FOB	US$ per piece
Semi-finished dining table	
solid laminated top 2.5'x4', extension leaf	79-95
As above, Oak Veneer	86-100
Windsor Chair	78-80
Colonial Chair	76-81
Queen Anne Chair (soft seat)	
without arm	75-87
with arm	78-88
Chair Seat 27x430x500mm	64-69
Rubberwood Tabletop	US$ per m^3
22x760x1220mm sanded & edge profiled	
Top Grade	634-664
Standard	617-633

Report from Indonesia

Indonesian wooden furniture moving upmarket in Australia

Indonesian wooden furniture is moving upmarket in Australia with the opening of the Discount House Direct (DHD) in the central business district of Lismore, New South Wales.

The new store will feature a wide range of hand-made Balinese wooden furniture from dinning tables to display cases and living room furniture. DHD will be opening its store at end September 2011.

Indonesian company exhibited at the International Casual Furniture and Accessories Market, Chicago

Marie Albert Furniture, which owns and manages wooden furniture manufacturing plants in Indonesia, will be exhibiting its wooden furniture for the first time at the International Casual Furniture and Accessories Market.

The International Casual Furniture and Accessories Market was running from 12th September in Chicago USA.

This show attracted furniture and furnishings retailers, interior designers, interior decorators, architects and product specifiers, The 2011 market featured more than 500 manufacturers, wholesalers and designers exhibiting in a 35,000 square metre exhibition venue.

Marie Albert Furniture exhibited a wide range of all-weather rattan and teak outdoor patio furniture from Indonesia.

Indonesian wooden furniture reaches the shores of Jamaica

Indonesian wooden furniture is on display in Jamaica thanks to the efforts of Living Spaces, a specialist furniture boutique. The company offers furniture and furnishings from Indonesia and other countries, including India, Italy, the US and from domestic manufacturers. Living Spaces began business about 10 years ago and has attracted a very varied customer base.

IFFINA sets March 14 2012 for opening of Craft Fair

The International Furniture and Craft Fair Indonesia (IFFINA) has announced that its next fair will be held from March 11 to March 14, 2012 at the Jakarta International Expo (JIE) Kemayoran, Jakarta.

IFFINA 2012 is organized by Radyatama (an exhibition organizer) and the Indonesia Furniture Industry and Handicraft Association (Asmindo). The website for IFFINA 2012 is: http://www.iffina-indonesia.com/2012/content.php?mid=2

Domestic Log Prices

Indonesia logs, domestic prices	US$ per m^3
Plywood logs	
Face Logs	222-265
Core logs	210-239
Sawlogs (Meranti)	219-279
Falcata logs	187-218
Rubberwood	95-99
Pine	196-239
Mahoni (plantation mahogany)	505-536

Domestic Ex-mill Sawnwood Prices

Indonesia, construction material, domestic	US$ per m^3
Kampar (Ex-mill)	
AD 3x12-15x400cm	209-228⬆
KD	223-258⬆
AD 3x20x400cm	243-266⬆
KD	244-273⬆
Keruing (Ex-mill)	
AD 3x12-15x400cm	258-272⬆
AD 2x20x400cm	248-266⬆
AD 3x30x400cm	231-250⬆

Export Plywood Prices

Indonesia ply MR BB/CC, export FOB	US$ per m^3
2.7mm	434-490
3mm	392-433
6mm	371-413

Domestic Plywood Prices

MR Plywood (Jakarta), domestic	US$ per m^3
9mm	292-303
12mm	283-294
15mm	273-288

Export and Domestic Other Panel Prices

Indonesia, Other Panels, FOB		US$ per m^3
Particleboard	Export 9-18mm	246-255
	Domestic 9mm	226-238
	12-15mm	221-233
	18mm	217-228
MDF	Export 12-18mm	278-293
	Domestic 12-18mm	261-273

Export Added Value Product Prices

Indonesia, Mouldings, FOB	US$ per m^3
Laminated Boards	
Falcata wood	328-341
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	522-553
Grade B	480-502

Report from Myanmar

Tax reduction for value-added wood and forest products

The Myanmar government has now included added value wood, bamboo and rattan products to the list of products to which reduced taxes apply. This change in tax levels for wood, bamboo and rattan products came into effect as of the 1 September 2011 and will continue until to 14 February 2012.

Upcountry sale of un-graded Teak logs

On the 5th of September 2011 the Myanma Timber Enterprise(MTE) held a Special Open Tender for Un-graded Teak logs in Yangon.

Out of the total quantity of 1670 hoppus tons available, 288 h.tons were sold to buyers in Thailand, 47 h.tons to Singapore and 1,335 h.tons to domestic buyers. The logs on sale were the stock remaining from previous tender sales.

The average price received was Euro 557 per h.ton FOB Yangon (approx US$802). Prices for SG-8 and SG-9 were US$871 and US$800 per h.ton FOB Yangon respectively.

Participation by foreign buyers was not very enthusiastic as these logs were stored in the various depots of the West Katha Extraction and Mandalay Rafting Agency of the MTE, far from Yangon.

The successful bidders are responsible for transporting the logs to Yangon for shipment initially at their own expense. The costs incurred by the buyer in bringing the logs to Yangon will be reimbursed later by MTE at prescribed rates.

Raw material for the local industry

There are reports that MTE may provide logs to the local timber industry through open tenders. These logs would have to be processed inside the country and should not be exported. Through this the MTE hopes to reinvigorate the industry which is currently struggling to remain competitive.

Market Outlook

There were some changes in market sentiment over the past two weeks. Demand for Teak has slowed somewhat, say analysts. This commonly happens during the holiday period in Europe.

High quality high-end teak products, unlike other wood products from Myanmar are mainly for consumers in Europe and USA. Analysts say that demand for teak often experiences these ups and downs but that the product is just too good for demand to permanently weaken.

Pyinkado demand is still weak but the demand for Kanyin (Gurjan) is firm.

Expanded role for the newly created Ministry of Environmental Conservation and Forestry

The Voice Weekly, a privately published vernacular journal in Myanmar, has reported the comments of various forest and conservation experts welcoming the enhanced role of the newly created Ministry of Environmental Conservation and Forestry.

Various NGO's active in forestry and environmental matters in Myanmar, commented that including environmental affairs at a ministerial level was long over due.

The journal also mentioned that the functions of the new ministry would necessarily involve other ministries such as the Ministry of Irrigation and the Ministry of Mining and that this would require coordination between the various government departments.

Most people directly or indirectly involved in the timber sector in the country feel that the new mandate of the ministry to address Myanmar's commitment to the environment and in recognising the importance of its forests is a positive change.

Analysts note the daunting task ahead for the newly formed ministry because of diverse interests in the sector. Most challenging will be how to balance meeting the domestic timber requirements for an ever increasing population and meeting targets for increased timber exports.

FREDA laments depletion of teak and pyinkado in Myanmar's forests

During the past twenty years Myanmar's forests have been depleted of high value timbers significantly according to the Vice Chairman of FREDA.

This, says FREDA, is apparent as the availability of high value timbers has dropped and average log grades have became lower.

According to 1990 estimates, the availability of teak was 241.91 million cubic metres and that this comprised around 8% of the forest stock. During 2000 and 2010 the statistics showed a decline to 149 million cubic metres or only 5% of the standing stock.

Studies on Pyinkado quoted by FREDA suggest that in 1990 the availability was 285 million cubic metres or 10% of the forest stock. In 2010 this had fallen to 47 million cubic metres and the stock had fallen to 1.6%.

August hardwood log prices

Hardwood log prices FOB per hoppus ton	Euro per m^3
Pyinkado export quality	547
Gurjan export quality	436

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

Myanmar Teak Log Auction Prices (natural forest logs)
Purchases were made by competitive bidding on the 26 August 2011.

Teak Logs, FOB	€ Avg per Hoppus Ton (traded volume)	
Veneer Quality	July	Aug
2nd Quality	nil	nil
3rd Quality	nil	nil
4th Quality	4,546 (11 tons)	4,520 (11 tons)
Sawing Quality Grade 1 (SG-1)	3,143 (35 tons)	3,108 (36 tons)
Grade 2 (SG-2)	2,994 (41 tons)	2,699 (42 tons)
Grade 4 (SG-4)	2,092 (213 tons)	2,092 (213 tons)
Grade 5 (SG-5) Assorted	1,473 (153 tons)	1,493 (188 tons)
Grade 6 (SG-6) Domestic	1,284 (116 tons)	1,325 (79 tons)
Grade 7 (ER-1)	968 (35 tons)	1090 (34 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

Critical log shortage affecting panel industries

A chronic problem of raw material shortages for wood based panel industries has resulted in many plants having to run well below capacity. A two pronged strategy is being proposed to bridge the gap between demand and supply of industrial raw material.

The first focuses on the development of appropriate technologies for more efficient utilization of available resources and the second on exploring the options for companies to quickly establish plantations of fast growing species suitable for use in the wood-based panel industry.

Options being considered by the composite board sector include greater use of non-wood renewable fibres in the manufacturing process such as bamboo and agro-residues like such as bagasse, coir, rice husks and jute, wheat and rice straw.

Level of teak imports being maintained

Shipments of teak logs arriving at ports in India are reportedly satisfactory and are at levels which match demand in the markets for teak, particularly in and around Mumbai and Kandla.

Mining sector expansion held up by disputes with forestry authorities and forest communities

The recent decline in India's GDP is, in part, the result of a slowing in expansion of the mining sector say analysts.

For some time now disputes have continued between the Ministry of Environment and Forests and the Ministries of Industries and Mining over the opening of new mines.

Several steel and aluminium plant projects have not come on stream because the mine areas are heavily forested and the forest communities in these areas are strongly opposed to large scale mining activity. Resolving these multiple conflicts presents a challenge and ways to reach an amicable solution are being pursued.

Indian builders search for new business model in face of falling sales

Indian builders across the country are beginning to cooperate with each other in order to stay in business. Falling home sales, increasing housing stocks (reportedly over 36 months in some areas) and rising interest rates have prompted builders to begin cooperate to lower overheads and cope with slow sales.

Some are working on joint projects, even to the extent that they share marketing skills as well as on-site skills and, in other cases, land and capital. Cooperation between landowners and builders is a recent innovation in the Indian building sector because large areas of suitable building land are difficult to find.

Rupee drops on dollar purchases by importers

India's rupee dropped to the lowest level against the US dollar this year as commodity and gold importers increased dollar purchases. The rupee fell over four days recently after oil prices rose to almost US$90 a barrel.

Analysts anticipate that, as usually happens, the domestic market for gold jewellery will rise during period of Diwali (festival of light) which falls in October.

Imported Plantation Teak Prices (C&F)

	US$ per m^3
Tanzania Teak sawn	450-800
Côte d'Ivoire logs	450-850
PNG logs	500-700
El-Salvador logs	400-550
Guatemala logs	400-500
Nigeria squares	300-475
Ghana logs	350-650
Guyana logs	300-450
Benin logs	425-650
Benin sawn	475-600
Brazil squares	400-600
Burkina Faso logs	350-450
Columbia logs	400-600
Togo logs	350-500
Ecuador squares	350-700
Costa Rica logs	350-600
Panama logs	350-450
Sudan logs	350-800

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	1200-1450
Balau	1200-1550
Kapur	850-1000
Red Meranti	650-925
Radiata Pine (AD)	425-475
Sawnwood, (Ex-warehouse) (KD)	**Rs. Per ft^3**
Beech	900-1200
Sycamore	900-1200
White Oak	1100-1500
American Walnut	1800-2150
Hemlock clear grade	800-1000
Hemlock AB grade	650-850
Western Red Cedar	1000-1350
Douglas fir	800-1000

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.13.70⬆	Rs.23.50⬆
6mm	Rs.20.00⬆	Rs.34.20⬆
8mm	Rs.27.70⬆	Rs.38.20⬆
12mm	Rs.31.00⬆	Rs.41.00⬆
19mm	RS.42.00⬆	Rs.55.00⬆
5mm Flexible ply	Rs.26.00⬆	

Report from Brazil

Mato Grosso reinforces staff to assess and approve SFM plans

The Environment Secretary of Mato Grosso has decided to allocate additional professionals to analyze and approve sustainable forest management (SFM) plans submitted by industry in the state.

This decision, say analysts, was taken to overcome the disruption caused by a strike by SEMA employees and to guarantee that the management plans that have been submitted by industry are promptly assessed.

However, media reports claim that forest product companies in Mato Grosso believe that it will take time for the new task force to become fully operational.

The industry says the prompt assessment of management plans is essential if companies are to harvest sufficient logs to get them through the rain season which is about to begin. Many mills are facing log shortages and production and sales over the next few months are expected to fall.

Analysts report that the local industry estimates that the strike and the subsequent delay in approval of management plans has negatively affected regional production and the opportunity to conclude up to BRL 57 million in sales.

Timber and furniture industries to profit from 2014 events in Brazil

The football World Cup, which will be held in Brazil in 2014, is expected to create significant opportunities in the domestic market for small sized wood and furniture companies.

This was the conclusion of a recent report 'Opportunities for Micro and Small Businesses in the World Cup Host Cities".

This report was based on a survey carried out by SEBRAE (Brazilian Service to Support Micro and Small Enterprises) in partnership with the Getulio Vargas Foundation (FGV).

The survey and report are just two of the activities undertaken in the ‘2014 SEBRAE Program’ which will involve expenditure of around US$80 million for all its activities up until the end of 2013. These funds will be committed to services in consulting, industry innovation and market access programmes.

According to the recent report, job opportunities in the small and medium sized wood and furniture companies will increase.

The SEBRAE programme will also offer support in consulting and technology related to production processes, streamlining production, operational training and quality control.

2011 Brazil Furniture Fair delivers positive results

Organisers of the 2011 Brazil Furniture Fair reached say it reached its objective of bringing together the national furniture sector, encouraging business development and promoting exports.

The 2011 fair attracted 128 exhibitors from various furniture producing areas in the country and over 20,000, mainly professional, visitors from all over Brazil. In addition, visitors from 28 different countries also attended the event.

In two days of arranged business meetings through the 'Buyer Project - 2011 Brazil Furniture', furniture manufacturers estimate that up 60-70% of the 150 meetings that took place will likely generate business deals.

The Buyer Project was introduced by the organizers of the fair with support of the Brazilian Export and Investment Promotion Agency (APEX-Brazil).

Para timber exports falling due to appreciating Real and delays in management plan approvals

Exports of tropical plywood from the northern Amazonian state of Para fell significantly between January and August this year compared to the same period of last year.

In volume terms the decline was 61%, while the reduction in terms of value reached 56%, from 17,900 cu.m in 2010 to 6,900 cu.m in 2011 and from US$ 10.4 million to US$ 4.6 million.

For tropical sawnwood the decline in exports was not as marked as for plywood. In the first eight months of 2011 the drop in export volumes was in the region of 17% (from 154,500 cu.m to 127,600 cu.m) while the decline in export earnings fell 7% (US$75.5 million to US$70.5 million).

The timber industries in Para have suffered from delays in the approval of forest management plans. Furthermore, the continuous appreciation of the Brazilian currency against the US dollar has also negatively impacted wood product exports.

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

Poor export performance prompts policy development to promote the timber sector

News is circulating suggesting the government will adopt new policies to promote the timber industry given the poor export performance of the sector.

Timber exports in the first half of the year were down 15% to US$ 71.2 million compared to US$83.6 million in the same period in 2010.

The National Director of Industries in the Ministry of Production, Ernesto Lopez, said the timber industry has an enormous potential for growth and investment could generate job opportunities in rural and remote areas of the country.

Forest development supports social inclusion

For progress to be achieved in the forestry sector there must be social inclusiveness and attention to the environmental integrity of the natural forest as well as incentives for the private sector to invest, according to the president of the Association of Exporters (ADEX).

This, says the association, requires the coordinated action of the government and private enterprises to add value to the permanent production forests and reverse the decline in output and exports of wood products.

In 2010 timber exports totalled US$ 171.8 million, 11% higher than in 2009 but 22% lower than the figure for 2008.

The president of ADEX projected that, for 2011, export shipments would be close to 20% more than last year but still well below the level in 2008.

Export Sawnwood Prices

Peru Sawnwood, FOB Callao Port		US$ per m³
Mahogany S&B KD 16%, 1-2" random lengths (US market)		1655-1702
Spanish Cedar KD select		
North American market		958-977⬆
Mexican market		946-965⬆
Pumaquiro 25-50mm AD	Mexican market	532-586

Peru Sawnwood, FOB Callao Port (cont.)	US$ per m³
Virola 1-2" thick, length 6'-12' KD	
Grade 1, Mexican market	385-401⬆
Grade 2, Mexican market	301-328⬆
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	365-389⬆

Peru Sawnwood, FOB Iquitos	US$ per m³
Spanish Cedar AD Select Mexican market	887-909
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	378-396⬆
Grade 2, Mexican market	291-318⬆
Grade 3, Mexican market	161-176
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	258-283

Domestic Sawnwood Prices

Peru sawnwood, domestic	US$ per m³
Mahogany	867-911
Virola	63-80
Spanish Cedar	264-305
Marupa (simarouba)	62-76

Export Veneer Prices

Veneer FOB Callao port	US$ per m³
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 m³
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		750-761
Lupuna, treated, 2 faces sanded, 5.2x4x8mm		363-385
Lupuna plywood	B/C 15x4x8mm	366-382
	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.		370-393

Domestic Plywood Prices

Lupuna Plywood BB/CC, domestic	US$ per m³
(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 m³
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 m³
Cabreuva/estoraque KD12% S4S, Asian market		1287-1388
Cumaru KD, S4S	Swedish market	830-940⬆
	Asian market	940-1000⬆
Cumaru decking, AD, S4S E4S, US market		934-996
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

Greenheart and Purpleheart log export performance

During the two weeks under review there were no exports of Greenheart logs. Purpleheart logs were exported and price levels were essentially unchanged.

Standard sawmill quality Purpleheart log prices maintained the levels that were achieved during the last shipments. However, prices for Purpleheart fair and standard sawmill quality logs were higher.

Mora logs prices remained stable and the minimum price received was the same as previously reported.

Undressed sawnwood attracts improved prices but not dressed sawnwood

Only two qualities of Undressed Greenheart sawnwood were exported in the period under review namely; select and merchantable.

Undressed Greenheart (select) prices increased at the top end of the range from US$806 to US$827 per cubic metre. Merchantable quality Undressed Greenheart attracted a price of US$530 per cubic metre on the export market.

Undressed Purpleheart (Select) recorded a significant increase in top-end price for this period moving from US$1,018 to US$1,548 per cubic metre, making this one of the highest prices ever received for Purpleheart sawnwood of this quality.

Undressed Purpleheart (Sound quality) also attracted better prices and was traded at US$575 per cubic metre.

Prices for Undressed Mora (select and merchantable) remain firm at levels reported in the previous report.

Prices for Dressed Greenheart experienced a dip in its upper end price from US$975 to US$933 per cubic metre during the period under review.

On the other hand, Dressed Purpleheart sawnwood enjoyed favourable prices on the export market reaching a high of US$1,200 per cubic metre in comparison to price levels in the previous period of US$890 per cubic metre.

Guyana's Washiba (Ipe) continues to attract very favourable prices

Roundwood export prices for Piles and Posts for the two week period under review increased trend for all product categories. Similarly, Splitwood received attractive prices on the export market, reaching as high as US$ 1,254 per cubic metre.

Washiba (Ipe) one of Guyana's highly demanded species continues to attract favourable prices on the export market, the latest price was US$2,500 per cubic metre.

Mechanism for dialogue between loggers, sawmillers and end-users established

The Forest Products Development and Marketing Council of Guyana Inc. (FPDMC), the Guyana Forestry Commission (GFC) and Government of Guyana recently organised a workshop, the main purpose of which was to get stakeholders to interact and share ideas and concerns on the potential impact of the unavailability of sawnwood in the local market and on greater utilization of lesser used species (LUS).

In addressing the stakeholders forum the Hon. Minister Robert Persaud spoke about challenges faced by the forest industry with respect to evaluating domestic demand so concessionaires can plan production. It was noted that it is now becoming more difficult to meet demand for the main commercial species and that there is need to utilise more LUS.

Efforts needed to raise public awareness of the LUS and to develop building codes

The stakeholder session concluded that, in order to increase the use of the LUS, efforts should be directed to raising public awareness of the LUS through comprehensive media advertising and education programmes as well as training for stakeholders.

Further, the meeting suggested that the public awareness activities should be linked with efforts by the government to promote and provide practical demonstrations of the uses of the LUS.

It was also strongly recommended that there is a need for a building code. Such a code should incorporate safety standards and other legal requirements as well as addressing the issue of standardisation of dimensions of sawnwood.

Another key issue highlighted at this workshop was that there should be more training within the industry so as to improve the efficiency of forest operations.

Guyana log export policy currently being reviewed

The Guyana Forestry Commission on behalf of the Government of Guyana has indicated that the National log export policy is currently being reviewed for implementation in 2012. This, says the GFC, will necessitate a national consultation process to discuss limits on log exports and the ways to encourage more down-stream processing.

Export Log Prices

Logs, FOB Georgetown	SQ - $ Avg unit value per m³		
	Std	Fair	Small
Greenheart*	-	-	-
Purpleheart	290⬆	280⬆	270⬆
Mora	120-	115	110

*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	"
	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	-	615-933⬇
	Select	575-827⬆	
	Sound	-	
	Merchantable	530	
Purpleheart	Prime	-	-
	Standard	-	742-1200⬆
	Select	650-1548⬆	
	Sound	575	
	Merchantable	-	
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

July housing starts surge on last minute buying to earn eco-points

July housing starts in Japan totalled 83,398 units, 21% more than the same month last year reports the Japan Lumber Reports (JLR).

On an annual basis housing starts would exceed 955,000 units, around 17% more than when using June data to make annual projections. The level of annual housing starts has not exceeded 900,000 units in two and a half years.

Japan's housing starts stagnated after the March East Japan earthquake but then recovered as home buyers rushed to take advantage of the government sponsored housing eco point system, a government incentive plan for house buyers which has now ended.

Despite this surge in starts the medium to long term prospects for builders are bleak with most having low levels of orders.

In the July starts, owner units stood at 32,382, the highest in almost three years says the JLR. Units built for rent totalled 30,464 units, the highest in two and a half years.

The largest overall increase was in condominium unit starts which increased by 80% compared to July last year.

July 2011 Housing Starts

July starts	Number of units
Owners unit	32,382
Rental units	30,464
Units built for sale	20,244
Total starts	83,090
of which:	
Wood based units	48,160
including:	
2x4 units	11,399
Prefabricated units	14,980

source JLR

Sharp correction in Sarawak log prices but onset of rains could signal a reversal

The JLR is reporting that Meranti FOB log prices in Sarawak and wholesale prices in Japan are softening. In Sarawak, Meranti log prices have dropped sharply from levels in late August. Currently, Meranti regular log quality prices are US$270-300 per cu.m FOB, US$30-40 down from July.

The trade is saying that, at the moment, prices are varying depending on the supplier so it is difficult to be confident about the average price.

Meranti small log prices are in the range of US$240-270 per cu.m and super small log prices are US$220-260 per cu.m, generally around US$30 down from levels in July.

This rather sharp correction in price is not very surprising as prices rose steeply in the first and second quarter of the year and were due for a correction.

Prices for mixed Serayah logs from Sabah have been dragged down by the drop in Sarawak log prices says the JLR.
However, the drop in Sabah log prices is more moderate than in Sarawak as they did not climb so steeply earlier in the year.

In contrast, kapur and keruing log prices remain firm and unchanged. Sabah Kapur prices are about US$380 per cu.m FOB and Keruing prices are at US$350-360 per cu.m.

In Malaysia, the weather influences harvesting so log prices can vary depending on supply from the forest. The JLR points out that no one can predict if the falling log prices are here to stay or whether this is a short term change. Much depends on log production levels and how active are other log importing countries such as India and China.

The rain season in Sarawak and Sabah begins in November and log importers in Japan will be closely watching log price movements from now until the onset of the rains.

Tropical hardwood log wholesale prices experience a sharp correction in Japan

The log market in Japan is weak according to the JLR. Wholesale log prices in Japan during July were the highest for many months due to rising FOB prices. In the space of just a few weeks the market has witnessed a sharp correction with prices easing due to lower FOB prices and due to the stronger Yen.

Wholesale prices for regular quality Meranti logs arriving in August were Yen 9,500 per koku CIF, Yen 300-400 per koku lower than in July. However, prices for regular Kapur logs from Sabah are unchanged at Yen 11,500 per koku.

Increasing number of Japanese sawmills cutting domestic species

Results from a survey by the Japan Forest Products Journal show a marked change in the number of mills processing domestic species.

Ten years ago a similar survey was conducted which revealed that only four mills were cutting more than 50,000 cu.m of domestic species every year.

The recent survey shows that this has increased to 31 reports the JLR. In terms of volume, the top ten sawmills using domestic species consumed 1,386,100 cu.m per year compared to just 416,760 cu.m in 2001.

The biggest consumer of domestic species is Tohsen in Tochigi Prefecture, north of Tokyo. This company has 22 mills with annual domestic log consumption of 280,000 cu.m in 2010 compared to 54,000 cu.m in 2001.

The second largest consumers of domestic logs are Kyowa Mokuzai and Kawai Ringyo both of which consumed 180,000 cu.m in 2010.

The supply of kiln dried domestic species sawnwood has been increasing. and the top ten millers produced around 32% of the total kiln dried sawnwood production in 2010.

The production of kiln dry sawnwood by the 31 mills consuming more than 50,000 cu.m of domestic logs a year was found to be 815,000 cu.m in 2010, 20 times more than 2001.

This volume of kiln dry sawnwood from domestic species was around 32% of the total kiln dry sawnwood production in 2010. As the JLR points out, higher production of kiln dry sawnwood from domestic species will encourage large house builders and pre-cutting plants to use more domestic timber for housing.

Imported Log and Sawnwood Prices

Logs for Ply Manufacture, CIF	Yen per Koku
Meranti (Hill, Sarawak)	(Koku=0.278 m^3)
Medium Mixed	9,500↓
Standard Mixed	9,700↓
Small Log (SM60%, SSM40%)	9,600↓
Taun, Calophyllum, others (PNG)	8,000
Mixed light hardwood, G3/4 grade (PNG)	-
Keruing MQ & up (Sarawak)	12,500
Kapur MQ & up (Sarawak)	12,700

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	148,000
Mixed Seraya, Sangi 24x48mm, 1.8-4m, S2S	58,000↓

Wholesale Plywood Prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	Aug (¥ per sheet)	Mid Sept
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	380-400	390
3.7mm (med. Thickness, F 4star, type2)	910 X 1820	540-570	550
5.2mm (med. Thickness, F 4star, type 2)	910 X 1820	640-680	650
12mm for foundation (F 4star, special)	910 X 1820	1180	1130
12mm concrete-form ply (JAS)	900 X 1800	1100	1050
12mm coated concrete-form ply (JAS)	900 X 1800	1200	1170
11.5mm flooring board	945 X 1840	1530	1530
3.6mm baseboard for overlays (OVL)	1220 x 2440	1000	1000

Report from China

Value of China's International Trade in wood products balanced in the first half of 2011

According to statistics from China's customs, the total value of the country's international trade in wood products was US$39.27 billion in first half of 2011, up 25% over the same period of 2010.

Of the total, imports were valued at US$19.64 billion, up 36% while exports totalled US$ 19.63 billion, a rise of 16%. China's major wood product imports are pulp, logs, recycled paper, sawnwood and paper and paper product.

China's imports of wood products January to June 2011 (and % change on 1st half 2010)

Commodity	Unit	Quantity	Change (%)	Value (US$ mil)	Change (%)
Pulp	1000 t	7 193.3	26	6 073	45
Log	1000 m3	20 750.6	25	3 919	35
Recovered paper	1000 t	13 250.2	6	3 360	25
Sawnwood	1000 m3	10 035.8	53	2 636	57
Paper product	1000 t	1 775.2	-5	2 508	10
Total				19 638	36

China's exports of wood products January to June 2011 (and % change on 1st half 2010)

Commodity	Unit	Volume	Change (%)	Value (US$ mil)	Change (%)
Wooden furniture	1000 pcs	138 325.6	-2	8 040	9
Paper products	1000 t	3 626.9	16	5 469	28
Plywood	1000 cu.m	4 592.3	30	2 039	29
Other wood products	1000 t			1 961	10
Fibreboard	1000 t	1 097	12	634	12
Total				19 629	16

Note: Other wood products include door sets, form, container, handicraft, table ware and tool handle, etc.

China's major trade partners for wood products

China's main trading partners for wood products remain ASEAN, the USA, EU and Japan.

China's imports and exports of forest products from main trading partners in first half 2011 (and % change on 1st half 2010)

Imports

Trade partner	Imports (US$ mil)	Change (%)
ASEAN	11 210	40
US	3 960	43
EU	3 770	46
Japan	990	3

Exports

Trade partner	Export value ($ mil)	Change (%)
ASEAN	3 550	22
US	5 520	8
EU	4 510	10
Japan	2 740	5

The tables above include the value of both wood and non wood products. Of the total import value for forest products in first half of 2011, wood products accounted for 64%; non wood products accounted for 36%. In terms of export value, wood products accounted for 74% and non wood products 26%.

The trade with ASEAN comprised mainly of imports of natural rubber and palm oil (classified as forest products in China) accounting for 23% of the value of China's total imports of forest products.

Furniture industry issues a plan for the period of the government's 12th five year plan

The Chinese Furniture Association recently released its plan for the period of the Twelfth Five-year Plan. The plan notes that during the period of Eleventh Five-year Plan, the furniture industry in China developed rapidly and that output and profitability rose significantly:

- output value reached RMB 870 billion in 2010, up 138% from 2009.
- furniture exports amounted to US$13.7 billion in 2005, US$26 billion in 2009 and US$33.7 billion in 2010. Exports rose 146% from 2005 to 2010. Of the total furniture exports approximately half was of wooden furniture.
- China's competitiveness in international markets improved and the number of exporting enterprises increased
- the average price of furniture exports rose
- China tops the list of world furniture exporters.
- furniture clusters and specialization in production in various regions of China has promoted development of the industry.

The Furniture Association's new plan states that during the next five years the global demand for furniture will continue to grow and that the trend to relocate furniture production to emerging economies with low labour rates will continue. It further states that the market share of Chinese furniture in developed markets will be maintained.

On the domestic front the plan notes that due to rapid urbanisation there will be expansion of the real estate stock and growing demand in the rural areas, China's furniture industry will continue to grow to meet demand. However, the plan warns that with the increasing costs of raw materials, labour, energy and transport in China, competition in all markets will become fiercer.

Based on its analysis of the domestic and international markets the Association developed the following objectives for the furniture industry:

- during the period of the plan output of the furniture sector will grow by 15% annually.
- furniture exports will continue to rise at annual rate of 12%.
- further specialisation will improve productivity and profitability.
- management will be upgraded, production costs will be reduced, quality will be improved and product diversification will accelerate.

The plan envisages the construction of addition furniture sector centres across the country.

Background on the China National Furniture Association

Founded on June 22 1988, the China National Furniture Association (CNFA) is a nationwide non-profit organisation formed jointly and voluntarily by enterprises, institutions, organizations and individuals from the Chinese furniture and other related industries.

CNFA is supervised by the State-owned Assets Supervision and Administration Commission and guided by the China National Light Industry Commission. The Secretariat of CNFA takes care of the routine work of the association.

CNFA represents the interest of the furniture industry, reflects the wills and requests of member enterprises, provides services.

The CNFA serves as a bridge between government and enterprises, CNFA promotes the healthy, sustainable, harmonious and comprehensive development of Chinese furniture industry.

China's exports of wooden furniture in the first half of 2011

From January to June this year furniture exports were valued at US$ 8,029.6 million, up 9% in value from the same period last year. Of the total exports, other furniture (94036010-94036099) accounted for 40.5% and seats with wooden frames (94016110-94016900) accounted for 33%.

China's exports of wooden furniture were mainly to the US, Europe and Japan.

Major importers of China's wooden furniture from January to June 2011

Country	(US$mil)	% change year on year	Proportion (%)
Total exports	8 030	8.75	100
USA	2 581	0.79	32.14
Japan	477	5.94	5.94
UK	433	-7.03	5.39
Singapore	384	-13.64	4.78
Australia	321	21.14	4
Canada	297	-3.02	3.7
Brunei	242	1 388.7	3.01
France	227	14.35	2.83
Germany	215	10.41	2.68
S.Korea	190	22.06	2.37

Prospect for cooperation in forest products trade and production between China and ASEAN

Since the China-ASEAN Forestry Cooperation (Nanning) Initiative was adopted by forest sector authorities during the 4th Sino-ASEAN Expo in 2007, the value of trade in forest products between ASEAN and China has gradually increased and stood at US$23 450 million in 2010.

Professionals believe that exhibitions of forest products from ASEAN and China will benefit both ASEAN and Chinese manufacturers.

Sino-ASEAN Expos have been held successfully seven times. The next Expo of forest products will be held from November 18-21, 2011 at the Nanning International Exhibition Center in the Guangxi Region

This exhibition centre covers an area of 30,000 sq.m. For the upcoming expo exhibits will include wooden doors, wood flooring, wooden furniture, bamboo and rattan products and wood processing machinery.

During the exhibition, several forums, such as the China-ASEAN Sustainable Development of Eucalypt in China and the International Timber Culture Exchange will be organized.

Guangzhou City Imported Timber Wholesale Market

Logs	Yuan per m3
Lauan (50-60cm)	2000-2100
Kapur (up to 79cm)	3100-3500
Merbau 6m, (up to 79cm)	3500-4000
Teak	11000-13000
Wenge	6200-7100
Sawnwood	
Teak sawn grade A (Africa)	9600
US Maple 2" KD	7500-9500↓
US Cherry 2"	10000-13000
US Walnut 2"	14000-16000
Okoume	4500-5000
Sapele	5900-6100↓

Shanghai Furen Imported Timber Wholesale Market

Logs	Yuan per m3
Teak (Myanmar, all lengths)	7500-8500
Sawnwood	
Beech KD Grade A	4800-5000
US Cherry, 25mm	9000-10000
US Red Oak, 50mm	9500-9800
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.	2900-4300↑
Linden	4m, 26cm diam.	2000-3200↑
Sawnwood		
Beech Europe		3500-7500
Black walnut North America		12000-17500
Teak Myanmar		9000-18000↓
Red oak North America		8500-15000
Alder Myanmar		4600-7600
Sapele Africa		5000-6500
Plywood		
Red beech	4x8x3 mm	50-65
Black walnut	4x8x3 mm	50-95
Teak	4x8x3 mm	75-150↑

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

Correction

The previous report carried a story from China incorrectly mentioning certification, the story was captioned:

National Forest Certification Standard to be launched in 2013 This should have read:

China to launch a timber legality verification scheme by 2013

According to the 4th Annual International Conference on Sustainable forest and market development held recently in Shanghai, China will launch a Timber Legality Verification System in 2013.

Diversification in Europe's wood product imports

There is a tendency when analysing markets for tropical wood in Europe to focus heavily on demand for the main primary wood products –tropical hardwood logs, sawn, veneers and plywood.

However globalisation trends, particularly the strong growth of China as a wood processing hub, combined with efforts by tropical producing countries to move up the value chain, has meant that these products have become relatively less important in the European market.

Tropical and other developing countries are supplying a very wide range of secondary and tertiary processed products into the European market.

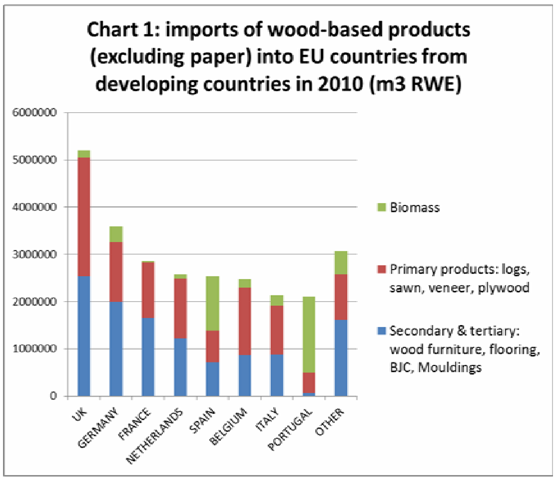
At the same time, European subsidies to promote renewable energy sources – which have contributed to shortages and rising prices for wood fibre supplied to both the European energy and wood panels sectors - is now driving a trend towards rising imports of wood chips and other forms of biomass from developing countries.

An analysis of Eurostat data indicates that last year out of a total of 26.6 million cu.m (Roundwood Equivalent – RWE) of wood products imported into EU from developing countries, 10.8 million cu.m (41%) comprised primary processed products, 11.5 million cu.m (43%) comprised secondary and tertiary products, and 4.3 million cu.m (16%) comprised wood chips and other biomass.

UK heavily dependant on imports of plywood and furniture from China

Chart 1 shows that of all European countries, the UK was by far the largest importer of wood products from developing countries, importing 5.2 million cu.m (RWE) in 2010, followed by Germany (3.6 million cu.m), France (2.9 million cu.m), Netherlands (2.6 million cu.m), and Spain (2.5 million cu.m). The high volume of imports into the UK is largely explained by dependence on wood furniture and plywood imports from China.

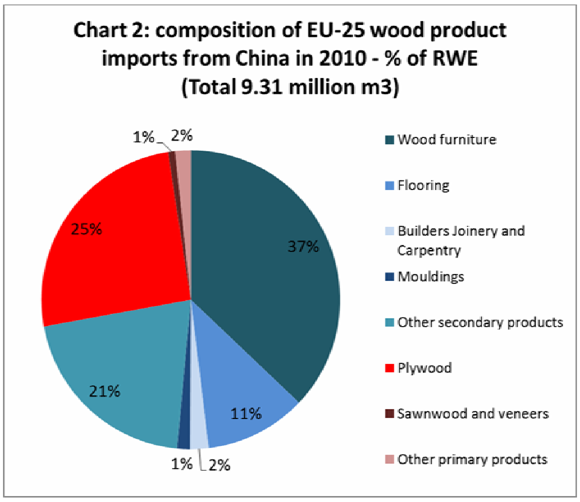
Chart 1 also reveals that very large volumes of biomass are now being imported from developing countries by Spain and Portugal, with smaller volumes destined for Germany, Italy and Belgium.



Over recent years China has emerged as a huge supplier of a wide range of secondary and tertiary processed wood products to the EU. Of the 9.3 million cu.m (RWE) of wood products supplied to the EU from China in 2010, around 6.7 million cu.m comprised further processed products – mainly wood furniture and flooring (Chart 2).

Unfortunately, trade data is insufficiently detailed to allow differentiation between further-processed products derived respectively from tropical hardwoods and other wood types.

The majority of wood volume sourced from China is likely to be made up of softwood and derived products (such as composite panels) and temperate hardwoods (notably Chinese poplar and Russian birch). But the sheer scale of trade suggests that significant volumes of tropical hardwood may also be involved.

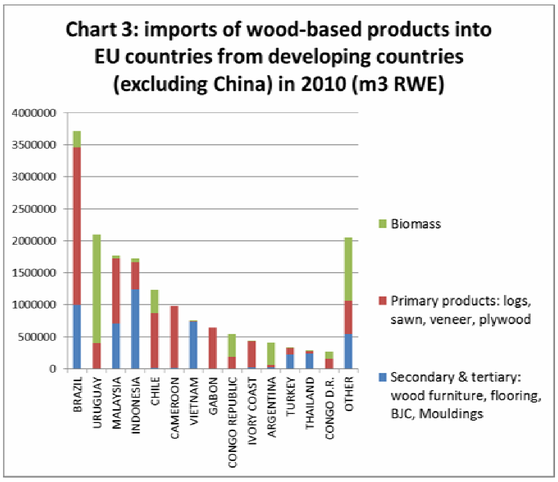


Range of wood products imported from developing countries expanding

The range of products imported into the EU from developing countries is also expanding.

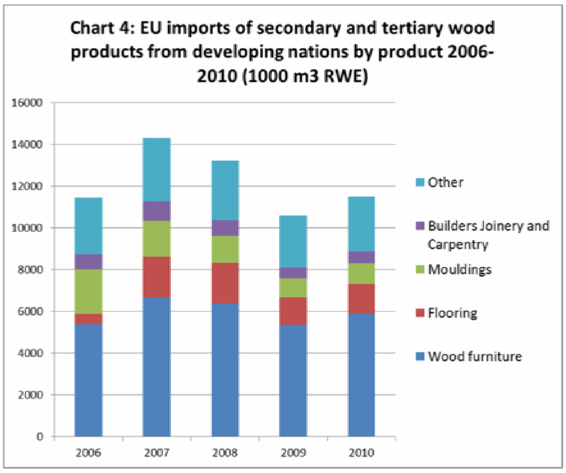
Chart 3 highlights that secondary and tertiary products such as furniture, flooring and mouldings, now make up a very significant proportion of European wood product imports from Vietnam (99%), Indonesia (72%), Malaysia (40%), and Brazil (27%).

Uruguay, Argentina and Chile are particularly important sources of biomass into the EU. However primary wood products - particularly sawn lumber - continue to dominate European imports from the key African supply countries (Cameroon, Gabon and the Ivory Coast).



Recent trends in European imports of secondary and tertiary wood products from developing countries are shown in Charts 4 and 5. The credit crunch led to a significant downturn in European imports of these products during 2008 and 2009, but there was a return to import growth last year.

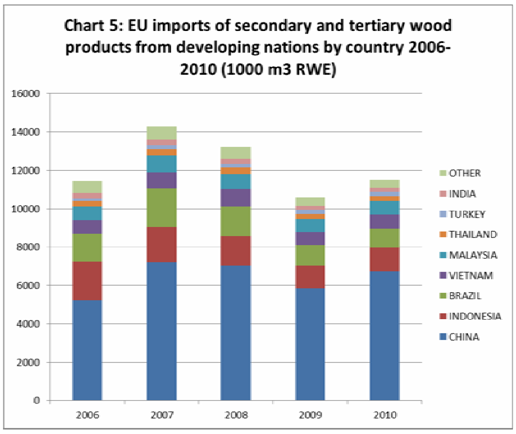
Chart 4 indicates that imports of wood furniture, flooring and mouldings all rebounded last year. Chart 5 shows that China accounted for much of the increase in EU imports of these products between 2009 and 2010. Imports of secondary and tertiary wood products from other leading supply countries, including Indonesia, Brazil, Vietnam, and Malaysia, were stable between 2009 and 2010.



The growing share of finished and semi-finished wood products from China and other developing countries in the European market raises obvious questions over likely long-term impact on overall levels of consumption of the primary products of tropical hardwoods in Europe.

It also has important implications for policy measures such as the FLEGT VPA process and the European Timber Regulation, which will increasingly have to accommodate legality verification procedures in more complex global supply chains for value-added products.

This analysis highlights both the critical importance of engagement with suppliers in China to ensure effective implementation of these policy measures, and also the importance of ensuring that the legality and sustainability of biomass supply to the energy sector is subject to the same level of scrutiny as the timber sector.



European corporations report second quarter gains in tropical hardwood business

The latest financial reports from Rougier and DLH, two of Europe's leading tropical hardwood corporations, indicate continuing gains in trade during the second quarter of the year.

Rougier announced €74.1 million in revenues for the first half of 2011, up 9.3% in relation to last year. Building on quarterly gains made in the first quarter of 2011, business remained strong over the second quarter, with revenues coming in at €39.6 million, 5.9% higher than the second quarter of 2010.

The Rougier Africa International division recorded €55.6 million in half-year revenues, up 10.8% compared with the first half of 2010. The second quarter of 2011 showed a strong rate of growth(+7.9%) confirming positive trends in demand and sales prices in both the main Western countries, particularly Northern Europe, and certain emerging countries.

Rougier noted that their commercial performance has been accompanied by the development of certified sales, which accounted for around 33% of log equivalent volumes for Rougier Africa International's timber production over the first half of 2011. Rougier Africa International's revenue growth is based on the good level of activities in Cameroon and Congo, with business in Gabon partially affected by shipping delays at Libreville Port.

Rougier's France Import-Distribution segment recorded €23.1 million in revenues, an increase of 8.0% in relation to the first half of 2010. During the second quarter of 2011, sales remained at a sustained level, even if the period is compared with a high benchmark figure for 2010.

Driven by on-going adaptations to the product ranges, the business has benefited from an improvement on the French construction market, as well as the particularly dynamic renovation market.

Rougier reports a continuing shift away from logs towards more value-added in their product mix. Processed products represented 75.8% of sales for the first half of 2011.

Growing demand for sawn timber in Asia and certified sawn timber in mature markets allowed Rougier to consolidate the increase in sales prices for the primary African hardwood species compared with the first half of 2010.

However plywood and veneer sales were down 11.9% in the first half of 2011 compared with the same period of 2010. This change primarily reflects longer shipping and delivery times from Gabon.

Overall, Rougier comment that "*tropical woods from the Congo Basin significantly improved their competitiveness on the world markets during the first half of 2011. Boosted by the development of certification, Rougier's business has benefited from growing demand on Northern European and North American markets, which are sensitive to environmental issues. Growth is also being encouraged by the highly dynamic development seen in certain emerging markets, particularly in Asia (China, India, Vietnam, etc.), where revenue growth (19.9%) reflects the increase in primary-processed product sales*".

DLH's financial report for the first six months of 2011 is similarly upbeat, noting that the "*results show both absolute and relative improvements to largely all our financial ratios despite an unchanged turnover level on the year*".

In the second quarter of 2011, DLH recorded a net turnover of DKK 849 million against DKK 895 million for the same period last year. DLH note that lower sales in the second quarter were expected because Easter, which traditionally means lower activity levels, fell in April this year.

Total turnover for the first half of the year was DKK 1,630 million which is on a par with last year. However, the Group's overall profitability improved over the half-year. Earnings before interest and tax were DKK 42 million against DKK 39 million last year.

DLH turnover growth was particularly strong in the Nordic countries, up 7.6% in the first half of 2011 compared to the equivalent period in 2010. Turnover and earnings in Western Europe (Netherlands, Belgium, and France) and in Poland for the second quarter were consistent with last year.

DLH is currently implementing a strategy to strengthen its long term financial position and focusing on core business areas.
The strategy includes amalgamation of a number of inventory and sales functions in Scandinavia and the expansion of DLH's Asian activities in Hong Kong.

Despite greater economic uncertainty in the second half of 2011, DLH said it expected its initial forecasts for a turnover of DKK 3.3 billion and an EBIT of around DKK 60 million in 2011 to be achieved.

Timber Expo - UK's first dedicated timber industry show

The inaugural Timber Expo designed to bring the UK's timber trade and industry together for the first time under one roof will take place at the Ricoh Arena in Coventry on the 27 and 28 September 2011.

Timber Expo aims to reveal the widest and most comprehensive display of applications for timber within the built environment. It will be the UK's only dedicated event for the timber industry.

Timber Expo is designed by the timber industry and delivered by the timber industry. It will give everyone involved an opportunity to see and hear about the strengths of timber and understand how it can deliver an effective, more attractive and sustainable built environment

TRADA's flagship conference 'In Touch with Timber' will run across both days of Timber Expo and will inform about the latest developments across key industry areas. The 2011 sessions will feature several high-calibre speakers discussing why timber is one of the most exciting, flexible and sustainable building materials available.

The Expo also features a series of Timber Talks on responsible timber sourcing and certification, engineering with timber, low carbon timber solutions and solid wood solutions.

Of particular relevance to the hardwood sector are presentations to be made by Rupert Oliver on Life Cycle Assessment in the hardwood industry and by Dave Smedley on the first hardwood glulam structure in Malaysia.
More details at http://www.timber-expo.co.uk/

Netherlands Imported Sawnwood Prices

FOB (Rotterdam)	US$ per m^3
Sapele KD	916 ⬇
Iroko KD	1185 ⬇
Sipo KD	1110 ⬇
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 m^3
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	400-480
African Walnut	80cm+ LM-C	340-370

UK Imported Sawnwood Prices

FOB plus Commission		GB Pounds per m^3
Framire	FAS 25mm	470-485⬇
Sipo	FAS 25mm	665-705⬇
Sapele	FAS 25mm	555-565⬇
Iroko	FAS 25mm	710-735⬇
Wawa	FAS25mm	270-290⬇
CIF plus Commission		
Tulipwood FAS 25mm		245-265⬇
Meranti Tembaga Sel/Btr (KD 2"boards)		600-610⬆
Balau/Bangkirai Decking		1050-1095⬆
White Oak		460-480⬇

UK Imported Plywood and MDF Prices

Plywood Panels 8x4", CIF	US$ per m^3
Brazilian WBP BB/CC 6mm	600-620
Malaysian WBP BB/CC 6mm	650-675
MALAYSIA MTCS/PEFC trop hard face, pine core* 18mm	520-580
China (hardwood face, eucalyptus core) 18mm	380-400
China (tropical hardwood face, poplar core) 18mm	365-375

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

Report from North America

OECD reduces US economic growth forecast

The recent fiscal debate in the US has negatively affected consumer confidence and the confidence of the financial markets in the government's ability to reduce federal debt while improving the country's economy. The Organization for Economic Cooperation and Development (OECD) has revised the US growth forecast for this year from 2.6% to 1.4% in its latest world economic outlook.

To reduce unemployment and boost the economy, President Obama unveiled a package of US$450 billion in tax cuts and new spending. This includes social security and payroll tax reductions if passed by the US Congress. The package would be financed by reducing the federal deficit and increasing taxes for the wealthy.

US Unemployment has not declined significantly since the recession ended, and the August unemployment rate was 9.1%, unchanged from July, according to the US Department of Labor.

The combined rate of unemployed and underemployed Americans is estimated at 16% of the working-age population. The usual rate of unemployment before the recession was around 6%. Reducing unemployment is key for the US economy where consumer spending accounts for about 70% of the country's GDP.

Little change in US housing market

US housing starts increased in June and July compared to levels earlier this year, but the outlook for new home construction has not changed significantly in recent months; the number of foreclosed homes on the market is high and home prices are low.

Housing (un)-affordability remained at its highest level in the second quarter of 2011 since measurements of the National Association of Home Builders/Wells Fargo Housing Opportunity Index started more than twenty years ago.

In July, 604,000 (seasonally adjusted annual rate) new homes were started according to the US Department of Commerce figures. While this is down from June, housing starts remained above the 600,000 mark.

Housing starts are almost 10% above starts in July last year. Single-family home starts declined (-4.9%) while multi-family housing construction continued increasing (+7.8%) because of strong demand for rental housing.

There was little change in sales of new single-family homes in July. Sales of single-family homes declined by less than 1% from the previous month. The National Association of Home Builders expects only marginal improvements in sales of new homes in 2011 because of subdued economic growth.

Building permits for new homes fell by 3.2% to a seasonally adjusted annual rate of 597,000 units in July.

The number of permits issued can be an indicator of future building activity. Builders' confidence in the market for new single-family homes was low but unchanged in August, according the National Association of Home Builders/Wells Fargo Housing Market Index.

Canadian housing starts in 2011 higher than expected

In Canada, housing starts decreased by 9.7% to 184.700 in August (seasonally adjusted annual rate) after several month-on-month increases earlier this year according to the Canada Mortgage and Housing Corporation (CMHC). Overall, housing starts have been higher this year than the agency expected, but residential construction activity is forecast to moderate in the coming months.

The majority of Canadian housing starts are multi-family buildings in the larger urban centres, unlike in the US where single-family home construction drives wood demand. Single-family home starts in Canada's urban areas were almost steady at 64,400 units in August, while urban multi-family starts declined by 16% to 101,400 units (seasonally adjusted annual rate).

The value of permits for commercial building construction remained unchanged in July after declining by 16% in June, according to Statistics Canada.

Canada's unemployment rate changed little over the summer and stood at 7.3% in August. The central bank announced in September that it maintains its key interest rate at 1%. Mortgage rates are expected to remain at historically low levels.

Net migration into Canada is forecast to remain steady at 245,900 in 2011, but is forecast to increase to 263,250 in

2012. Migration is a significant driver of housing demand in Canada.

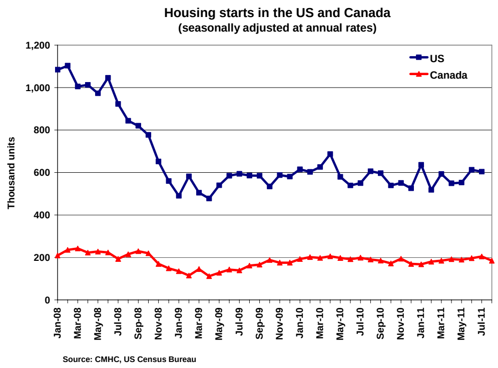
Expected slowdown in Canadian housing market will affect the demand for wood

CMHC revised its annual forecast up to a total of 183,200 housing starts for 2011, which is only slightly below 2010 starts. While interest rates remain relatively low, the government introduced measures last year to prevent a housing market boom.

Despite this, housing prices have increased in 2011 and housing affordability has declined, mainly because of home price increases in Vancouver without corresponding growth in the economy and income.

CMHC forecasts a slowdown in terms of home prices and new housing starts, but a housing market crash similar to the US appears unlikely. While mortgage debt has increased significantly (currently at 65%), Canada's housing market is not boosted by mortgage-backed securities and sub-prime lending as the US market was prior to the crash.

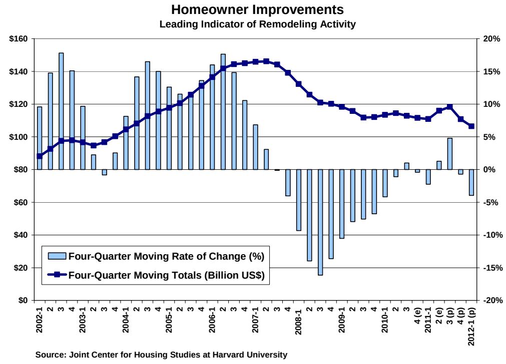
The expected slowdown in new construction in the next two years will remove a source of wood demand at a time when the US housing market is still at historically low levels. It will also negatively affect Canada's economic growth by reducing employment in construction.



Americans spending less on home improvements

Spending on home repair and remodelling has weakened in the first half of 2011 according to the US Census Bureau. The Harvard Joint Center for Housing Studies had forecast growing expenditures for this year, but after an upturn earlier this year, spending is expected to weaken again.

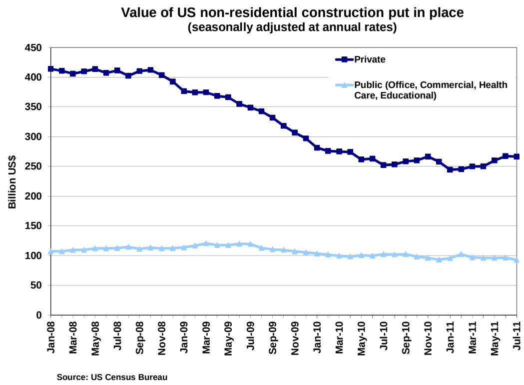
The recent slowdown in the US economy and the weak housing market are the main reasons for homeowners to postpone repair and remodelling projects. Compared to the slump in new home construction, however, spending on improvement remains much stronger and it is at levels last seen in 2004.



No recovery in US non-residential building construction

Non-residential construction declined by 1.3% from June to July after a period of growth in May and June. This is mainly due to lower public spending on health care and education building construction. The value of public construction put in place fell by 3.8% from June to July, while private construction declined by 0.4%.

Business conditions in non-residential construction worsened for the fourth month in a row according to the American Institute of Architects. Design firms in both commercial/industrial and institutional sectors have seen a decline in activity after conditions improved last fall and winter.



Impacts from the Lacey Act

The Wall Street Journal reported in early September on the effects of the Lacey Act on US companies.

The Lacey Act requires importers and users of imported wood in the US to ensure that the wood is legally sourced. Although the newspaper article's evidence is anecdotal, the Lacey Act appears to have three main effects in the US market: where species substitution is feasible, companies have reduced the volume of imported tropical wood and rely instead more often on domestic species (the weak US dollar may play role in this development as well).

Where substitution is difficult, for example in musical instrument manufacturing, US companies have to spend more resources on sourcing of wood and on obtaining the required documentation.

Thirdly, countries that enforce laws against illegal logging and that can provide full documentation benefit from the Lacey Act, while supplier countries where reliable documentation is difficult to obtain appear to lose market share among US buyers.

Even relatively large companies, such as Gibson Guitar, have had their manufacturing facilities raided by US Fish and Wildlife Service agents. The latest raid was in late August 2011 over Gibson Guitar's ebony imports from India.

In other cases timber shipments have been seized if the documentation was incomplete or faulty. The federal agency and the US Justice Department have made it clear that they intend to enforce the Lacey Act.

US Imported Timber prices

	July-11 US$ per cu.m	Aug-11 US$ per cu.m
Ipe (Brazil) Decking Premium Grade AD, 1x6, FOB Belem	2825	2750
Ipe (Brazil) Decking Premium Grade AD, 5/4x6, FOB Belem	2975	2925
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	-	-
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

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.

In 2010, Egypt's furniture exports totalled $260 million. Two years earlier, the country's furniture exports hit LE1.7 billion ($285 million), according to the Ministry of Industry. There are 45,000 furniture factories and workshops in Damietta, according to the State-run Central Agency for Public Mobilisation and Statistics (CAPMAS). Rising timber costs may force half of these production units to shut down, analysts say. As production rates have already fallen by 50 per cent due to protests after the January 25 revolution, any further blow would be damaging.
http://213.158.162.45/~egyptian/index.php?action=news&id=20702&title=China%20is%20furnishing%20Egypt

Changing consumer tastes have afforded Vietnamese timber furniture exporters with several advantages despite challenging economic conditions, according to the chairman of the Viet Nam Timber and Forest Product Association, Nguyen Ton Quyen. "Before 2009, large markets such as those in the EU and America preferred furniture made from naturally grown timber while recently, trends have shifted to planted-timber due to cheaper prices and environmental concerns" Quyen said. Quyen added that thanks to new market advantages, high-end furniture exports had managed to reach around US$1 billion annually, exporters having found many new markets such as China and Japan.
http://vietnamnews.vnagency.com.vn/Economy/215119/Wood-products-shift-with-the-times-.html

New Zealand's timber exports in the middle of the year were down 22 per cent on May and June last year in the biggest and sharpest drop on record, the Timber Industry Federation says. For the first half of the year, processed timber exports were down about 10 per cent on the same period last year, with the industry also facing a stagnant local market with extremely low levels of home building consents.
http://www.stuff.co.nz/business/industries/5583934/Timber-industry-struggles-as-exports-fall-sharply

The prices of furniture in Uganda have gone up as a result of the absence of forests in the region, the National Forest Authority (NFA) Acholi sub region manager, Mr Aidous Obedmoth, has said. "Due to the civil war in the region, forests were cleared for camp settlement and creation of army detachment for protection of people's lives," he added. At the moment, the region depends on timber from Kagadi and Kibaale in western Uganda. A sofa set in those areas costs Shs300,000 unlike in Acholi region where it costs between Shs700,000 and Shs800,000, thus calling for tree planting to curb the gap and to improve on the economic benefits.
http://allafrica.com/stories/201108310378.html

A recent raid by federal agents on Gibson Guitar's Nashville, Tenn., facilities is refocusing attention on compliance with wood declaration provisions of the Lacey Act. New amendments were added to the federal Lacey Act in 2008 to cut down on illegal logging and for the past several years, importers of wood furniture have been watching closely to see what implications it would have for the industry's supply chain. Currently declarations for the furniture industry include seats with wood frames and some accent items. The Animal and Plant Health Inspection Service, an agency of the U.S. Department of Agriculture, last year said that it would begin enforcement for other furniture items sometime after September 2010. But a year later, it still hasn't announced when it will start the broader enforcement.
http://www.furnituretoday.com/article/542690-Gibson_raid_raises_attention_on_Lacey_Act_enforcement.php

Timbor Home Limited of India has further strengthened its integrated business model by setting up a forestry (plantation) project so as to source wood for its in-house requirements. At the other end of its integrated model, the company's retail outlets have grown to over 100 stores across 18 states and 72 cities. Wood is the core raw material for all Timbor Home Products and keeping a long term view, the company integrated backwards and has gone in for plantation of fast growing hard wood species for captive consumption. It will also avail of carbon credits in the future. Timbor Home is the only player in the Indian furniture industry to be fully integrated from having its own plantation, treatment of wood facilities, manufacturing and then retailing through its own and franchise stores.
http://www.equitybulls.com/admin/news2006/news_det.asp?id=96158

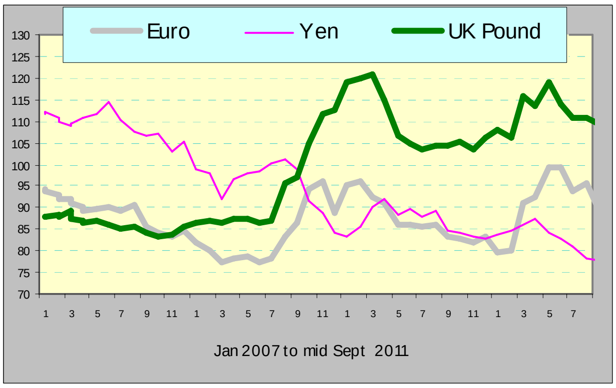
When British Columbia's value-added wood sector opens its Global Buyers Mission Whistler, Kun Wang will be one of a record-high number of Chinese business people attending the three-day trade show. For the first time in its eight year history, the premiere trade show for British Columbia wood products is attracting more buyers from China than from the United States. Twenty-four Chinese companies have signed up for the Global Buyers Mission, compared to 22 U.S. companies. Add to that list 13 Japanese companies, 11 Korean companies, eight from India, five from Taiwan and five from Vietnam, and Asia's emerging role as a buyer of B.C. wood products becomes much clearer.
http://www.vancouversun.com/business/Asian+buyers+flock+Whistler+wood+products+show/5362617/story.html

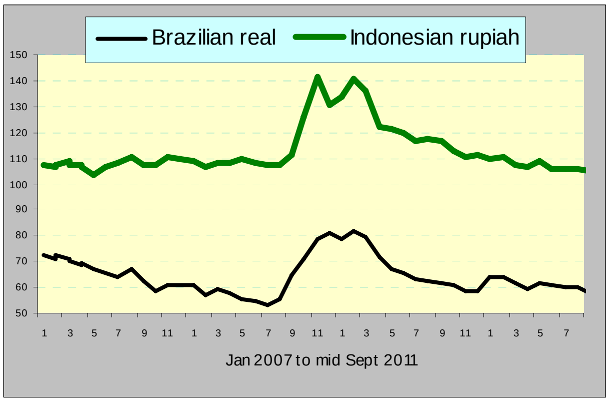
Main US Dollar Exchange Rates

As of 12th September 2011

Brazil	Real	1.6557
CFA countries	CFA Franc	475
China	Yuan	6.3823
EU	Euro	0.7322
India	Rupee	46.1550
Indonesia	Rupiah	8562
Japan	Yen	77.22
Malaysia	Ringgit	3.0087
Peru	New Sol	2.7247
UK	Pound	0.6296
South Korea	Won	1077.60

Exchange rates index (Dec 2003=100)





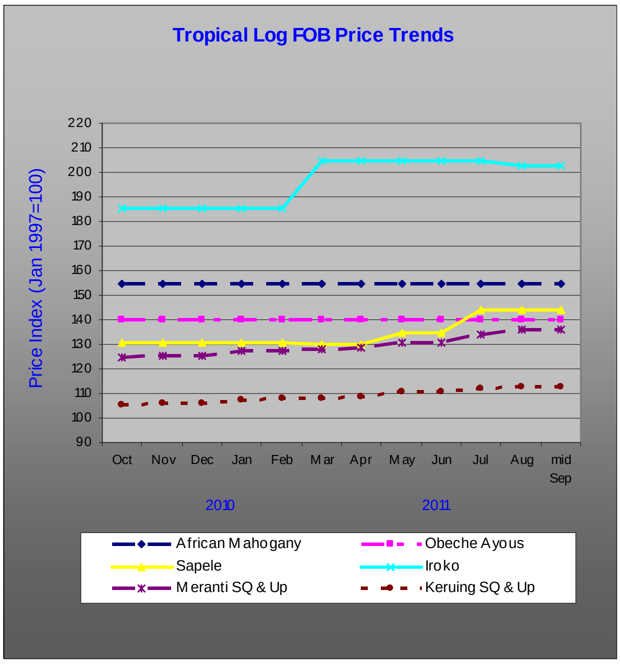
Abbreviations and Equivalences

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	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
Arrows	Price has moved up or down
Clean sawn	square edged boule

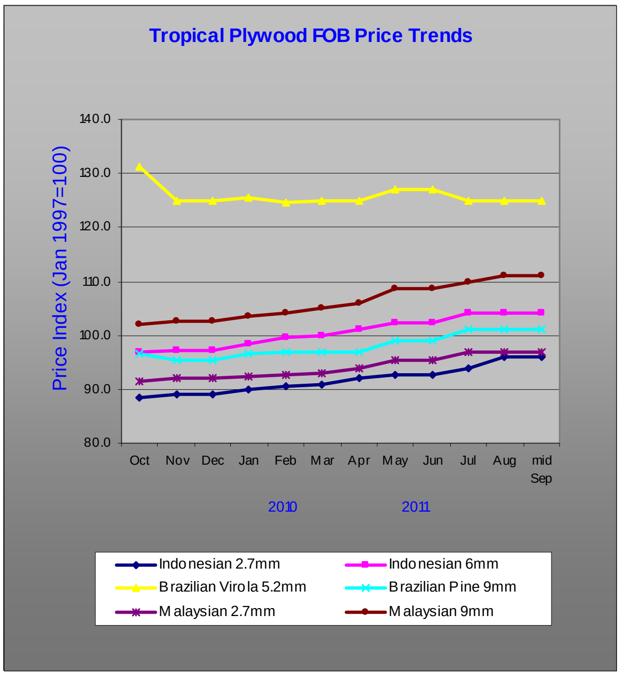
Ocean Freight Index

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.

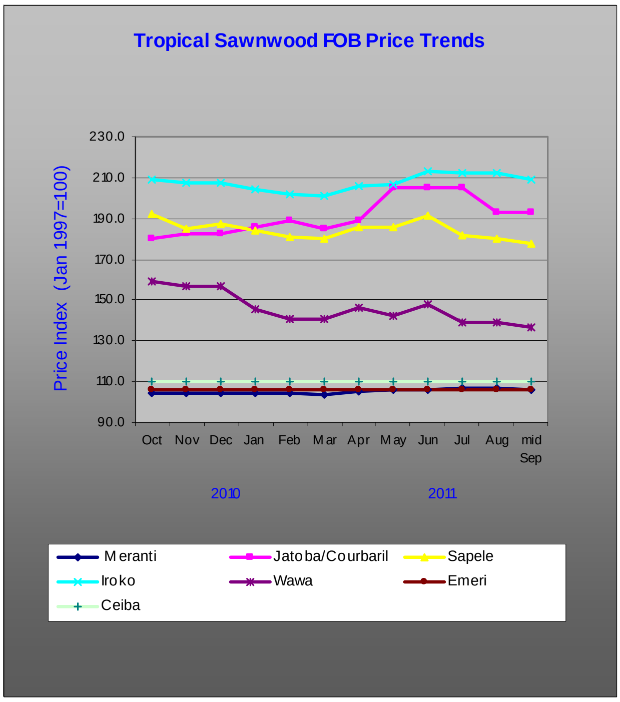
Tropical Log Price Trends



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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