Tropical Timber Market Report since 1990

Volume 12 Number 10, 16-31 May 2007

Snapshot

Since mid-May, prices fell for many West African log species, as West Africa has been feeling the effects of China's sluggish buying trends for logs. Ghanaian officials also cautioned that the nation could no longer ignore forest destruction in the country.

In contrast, prices for Malaysian timber were at historical highs, and might rise further. Indonesian traders were carefully watching the appreciating rupiah against the US dollar, while government officials signed an extradition treaty with Singapore in an effort to curb trade in illegally felled timber. In Myanmar, rains continued to push price rises for teak logs up.

In Brazil, domestic wood product prices stabilized and deforestation rates fell by 89% in April. Peru's INRENA was working to plant one million caoba saplings in five years, while the Peruvian government might be subjected to new provisions on CITES-listed species as part of a proposal to revise the US-Peruvian Free Trade Agreement. Meanwhile, Mexico held a workshop to develop CITES non-detriment findings for mahogany and Guyana received financing to conduct activities to prevent illegal logging.

In consumer countries, Japanese plywood mills were reducing their use of tropical hardwoods. Trends in the Chinese furniture industry indicated that China had now become a major importer of US hardwoods. Figures for European markets in 2006 showed that sawn timber imports to Spain decreased 6% more than the European average, and since August 2006, the UK mortgage market was beginning to slow. In the US, figures for 2006 indicated that Brazil retained the greatest share of US lumber imports by value and volume.

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Report from Central/West Africa

Temporary glut in West African log supply

Due to China's waning demand for logs over the past two weeks, there is an overabundance of log supplies in log storage parks. As a result, log producers are not able to transport logs to the already full port storage areas, unless the logs are specifically marked for loading on designated ships. This is particularly difficult given that shipping availability has been heavily curtailed by buyers. In an attempt to reverse trends in the log supply, some producers have started lowering prices to tempt Chinese buyers; however, Chinese buyers seem unlikely to purchase logs until the glut of supply clears.

Although okume is the main species affected by the glut, other species, such as onzabili and okan, which had been in demand prior to the current situation, have also been negatively affected. To reduce log supply, West African producers are selling okume to other markets, although there is fierce negotiation over prices. The markets for India, Europe, and the Middle East continue to be quite strong, which is helping to keep the overall situation for logs reasonably stable.

It is hoped that the sluggish trends of Chinese buyers are only a temporary setback to the otherwise ongoing strong market situation for West African logs. Nevertheless, there are currently no indications of how far down the supply chain the stock congestion extends or how long it will take to clear. West African producers will be keeping a close eye on how the market develops in the next two months.

Log Prices

West Africa logs, FOB	€ per m^3		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	221	190	175
Ayous/Obéché/Wawa	221	205	168
Azobe & Ekki	183	167	152
Belli	244	244	-
Bibolo/Dibétou	168	168	114
Bubinga	533	457	381
Iroko	289	274	259
Okoume (60% CI, 40% CE, 20% CS)	-	150	-
Moabi	297↓	297↓	236↓
Movingui	205↓	190↓	152
Niove	129↓	129↓	-
Okan	198↓	198↓	152
Padouk	305	305	267
Sapele	251	236	205
Sipo/Utile	274	259	228
Tali	190	190	152

Gabon Okoumé logs, FAS*		€ per m^3	
		Asia	Europe
Grade	QS	213	219
	CI	171	171
	CE	146	150
	CS	108	111

*Based on SNBG official prices

In contrast, demand for sawn lumber has remained very stable and demand for favored species in Europe has stimulated some quite notable price increases in the past few weeks.

Sawnwood Prices

West Africa sawnwood, FOB		€ per m^3
Ayous	FAS GMS	396
	Fixed sizes	427
Okoumé	FAS GMS	335↑
	Sel. & Bet. GMS Italy	310
	Sel. & Bet. fixed sizes	-
Sipo	FAS GMS	540↑
	FAS fixed sizes	-
	FAS scantlings	550
Padouk	FAS GMS	600↑
	FAS scantlings	630↑
	Strips	425↑
Sapele	FAS Spanish sizes	550↑
	FAS scantlings	580↑
Iroko	FAS GMS	458
	Scantlings	519
	Strips	304
Khaya	FAS GMS	396
	FAS fixed	427
Maobi	FAS GMS	630↑
	Scantlings	645↑
Movingui	FAS GMS	460

Report from Ghana

Ghana's forest resources diminishing

Ghana's forestry sector, which includes logging and wood processing operations, constitutes 6% of GDP and employs about 120,000 people in the formal sector. It also supports the livelihood of about 70% of the rural population. However, these benefits from forests are at risk as Ghana's forests reserves are under pressure.

At a recent two-day workshop on forest management planning, Acting Executive Director of the Forestry Services Division (FSD) of the Forestry Commission (FC), Mr. Matthew Owusu-Abebrese, suggested that Ghana's forest reserves were diminishing due to growing demand from the building industry and for educational facilities. Owusu-Abebrese said the current supply of Ghana's resources could not meet these demands. He also noted that the increased rate of harvesting operations had allowed chainsaw operators to destroy the country's forests. He urged the government to take a second look at the country's Temporary Utilization Permit (TUP), which allowed chainsaw operators to fell trees for community projects, and cautioned that Ghana would cease to have forest resources in a few years if the nation continued to ignore the rate of forest destruction. He called for the country to develop stringent measures to monitor activities of forest operators.

At the same workshop, Deputy Minister of Lands, Forestry and Mines, Mr. Andrew Adjei-Yeboah, expressed concern that forest areas and wildlife in developing countries were declining faster than they were recovering. This situation, he noted, posed a serious threat to the socio-economic and biological wealth of the countries that depended on the forest and wildlife resources. The Minister challenged participants at the workshop to identify practical solutions to existing gaps in forest management, since the Forestry Commission was seeking alternative means of generating revenue while sustaining forest and wildlife resources.

Log Prices

Ghana logs, domestic	US$ per m^3	
	Up to 80cm	80cm+
Wawa	70-90	95-120
Odum Grade A	150-160	165-185
Ceiba	60-80	85-110
Chenchen	55-80	85-105
Khaya/Mahogany (Veneer Qual.)	70-85	90-120
Sapele Grade A	120-150	155-175
Makore (Veneer Qual.) Grade A	125-135	140-166

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	205	-
Dahoma	330↑	380↓
Edinam (mixed redwood)	370	450
Emeri	410↑	470↑
Khaya/African mahogany	590	600↓
Makore	510	630
Niangon	560↑	-
Odum	690	720↓
Sapele	500	610
Wawa 1C & Select	250	280

Ghana sawnwood, domestic		US$ per m^3
Wawa	25x300x4.2m	150
Emeri	25x300x4.2m	242
Ceiba	25x300x4.2m	130
Dahoma	50x150x4.2m	274
Redwood	50x75x4.2m	210
Ofram	25x225x4.2m	220

Veneer Prices

Rotary Veneer, FOB	€ per m^3	
	CORE (1-1.9mm)	FACE (<2mm)
Bombax	325	350
Kyere, Ofram, Ogea & Otie	325	360
Chenchen	260	360
Ceiba	315	315
Mahogany	425	460

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

Rotary Veneer, FOB Core Grade 2mm & up	€ per m^3
Ceiba	245
Chenchen, Ogea & Essa	295
Ofram	305

Sliced Veneer, FOB	€ per m^2	
	Face	Backing
Afrormosia	1.19	1.00
Asanfina	1.50↓	0.80↓
Avodire	1.05	0.75
Chenchen	0.72	0.40↓
Mahogany	1.45	0.95
Makore	1.70	0.80
Odum	1.54	1.10↑

Plywood Prices

Plywood, FOB	€ per m^3			
B/BB, Thickness	Redwoods		Light Woods	
	WBP	MR	WBP	MR
4mm	560	487	500	380
6mm	380	315	335	300
9mm	388	305	290	280
12mm	340	290	270	270
15mm	360	290	280	265
18mm	300	290	265	260

Grade AB/BB would attract a premium of 5%. BB/BB would be 5% less, C/CC 10% less and CC/CC 15% less.

Added Value Product Prices

Parquet flooring 1st	FOB € per m^2		
	10x60x300mm	10x65-75mm	14x70mm
Apa	12.00	14.47	17.00
Odum	7.90↓	10.18	11.00
Hyedua	13.67	18.22	17.82
Afrormosia	13.25	14.22	17.82

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

Report from Malaysia

Prices for Malaysian timber products reach all time highs

Prices of timber products have reached historical highs. Although some traders believed prices for timber products would stabilize (see TTM 12:9), others suggest that the prevailing price increase of building materials will cause timber products to rise by a corresponding 10-30% in the near future. Prices of building materials such as cement and steel continue to inch upward as projects under the Ninth Malaysia Plan (9MP) commence.

Former minister's advice paying off

Malaysian furniture manufacturers at one time had been wary of the advice on project development given by former Minister of Primary Industry, Datuk Seri Lim Keng Yaik. The former minister had often advised Malaysian furniture manufacturers to invest in product development and innovation to increase their international market share. The manufacturers that heeded the advice of the former Minister, however, are now reaping the benefits.

One such manufacturing company, Kimble Furniture Corp. Bhd., has emerged as a strategic business partner with IKEA of Sweden, which owns and operates more than 250 furniture stores worldwide. Discussions are underway between the two companies on a EUR200 million contract for bedroom and dining room furniture. If successful, Kimble will supply IKEA with medium cost pine furniture over a three year period.

Log Prices

Sarawak log, FOB	US$ per m^3
Meranti SQ up	300-326
Small	272-298↑
Super small	247-261↑
Keruing SQ up	271-286↑
Small	228-258
Super small	210-226↑
Kapur SQ up	243-262↑
Selangan Batu SQ up	276-300↑

Pen. Malaysia logs, domestic (SQ)	US$ per m^3
DR Meranti	348-395↑
Balau	278-303↑
Merbau	420-440
Rubberwood	224-245↑
Keruing	273-287↑

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

Sawnwood Prices

Malaysia Sawnwood, FOB	US$ per m^3
White Meranti A & up	435-463↑
Seraya Scantlings (75x125 KD)	738-771
Sepetir Boards	314-332↑
Sesendok 25,50mm	452-481↑
Kembang Semangkok	433-451↑

Malaysian Sawnwood, domestic		US$ per m^3
Balau (25&50mm,100mm+)		343-362↑
Merbau		572-592
Kempas 50mmx(75,100 & 125mm)		271-293↑
Rubberwood	25x75x660mm up	268-297↑
	50-75mm Sq.	287-318↑
	>75mm Sq.	313-343

Plywood Prices

Malaysia ply MR BB/CC, FOB	US$ per m^3
2.7mm	494-517
3mm	467-492
9mm & up	413-435↑

Meranti ply BB/CC, domestic	US$ per m^3
3mm	461-473↑
12-18mm	391-407↑

Other Panel Prices

Malaysia, Other Panels, FOB		US$ per m^3
Particleboard	Export 12mm & up	212-232↑
	Domestic 12mm & up	190-225↑
MDF	Export 15-19mm	285-308
	Domestic 12-18mm	257-283↑

Added Value Product Prices

Malaysia, Mouldings, FOB	US$ per m^3
Selagan Batu Decking	707-722↑
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	741-761↑
Grade B	644-660↑

Furniture and Parts Prices

Malaysia, Rubberwood, FOB		US$ per piece
Semi-finished dining table		
solid laminated top 2.5'x4', extension leaf		53-72
As above, Oak Veneer		64-78
Windsor Chair		50-55
Colonial Chair		45-51
Queen Anne Chair (soft seat)	without arm	45-60
	with arm	53-61
Chair Seat 27x430x500mm		28-33

Rubberwood Tabletop	US$ per m^3
22x760x1220mm sanded & edge profiled	
Top Grade	628-638
Standard	589-615

Report from Indonesia

Indonesian traders eye appreciating rupiah

Indonesian timber traders, especially plywood manufacturers, are eyeing the recent appreciation of the Indonesian rupiah against the US dollar. The rupiah has recently been one of Asia's fastest rising currencies, as foreign investors buy Indonesian stocks and bonds. Indonesian plywood manufacturers are watching from the sidelines to ensure they remain competitive with Malaysian plywood manufacturers. Monetary authorities in Indonesia are of the opinion that the present foreign exchange rate between the rupiah and US dollar is not detrimental to the country.

Indonesian government signs extradition treaty with Singapore

Making it clear that the government is serious about corruption and money-laundering, the Indonesian government has signed an extradition treaty with Singapore, the financial center of Southeast Asia. The island state of Singapore, with its traditional zero tolerance of graft, is keen to see its reputation as a major global financial center not compromised by trade in illegally felled timber. The extradition treaty will make it difficult for those involved in the trafficking of illegally felled timber in Indonesia to operate offshore in Singapore.

Log Prices (domestic)

Indonesia logs, domestic prices	US$ per m^3
Plywood logs	
Face Logs	233-270↑
Core logs	158-190↑
Sawlogs (Meranti)	230-270↑
Falcata logs	162-183↑
Rubberwood	200-223↑
Pine	193-225↑
Mahoni (plantation mahogany)	629-671↑

Sawnwood Prices

Indonesia, construction material, domestic		US$ per m^3
Kampar (Ex-mill)	AD 3x12-15x400cm	238-249
	KD	330-341
	AD 3x20x400cm	348-367
	KD	374-385
Keruing (Ex-mill)	AD 3x12-15x400cm	273-286
	AD 2x20x400cm	266-276
	AD 3x30x400cm	269-284

Plywood Prices

Indonesia ply MR BB/CC, FOB	US$ per m^3
2.7mm	488-511↑
3mm	422-485↑
6mm	394-417↑

MR Plywood (Jakarta), domestic	US$ per m^3
9mm	327-340
12mm	300-324
15mm	294-325

Other Panel Prices

Indonesia, Other Panels, FOB		US$ per m^3
Particleboard	Export 9-18mm	226-238↑
	Domestic 9mm	192-209
	12-15mm	181-195
	18mm	174-180
MDF	Export 12-18mm	306-316
	Domestic 12-18mm	250-270

Added Value Product Prices

Indonesia, Mouldings, FOB	US$ per m^3
Laminated Boards Falcata wood	385-402↑
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	699-730
Grade B	612-661

Report from Myanmar

Prices for teak logs rise as rainy season continues

Due to the shortage of teak logs, prices increased for a second time in the last month. The shortage was due in part to complex transportation problems on routes from up-country to Yangon. Similar to April's trends, seasonal rains had caused the transport problems, which had given way to exceptionally high prices in the tender and sealed tender in May.

Log Prices (natural forests)

Teak Logs, FOB	€ Avg per Hoppus Ton (traded volume)	
Veneer Quality	Apr	May
2nd Quality	4,593↑ (11 tons)	4,622↑ (11 tons)
3rd Quality	4,295↓ (17 tons)	4,364↑ (17 tons)
4th Quality	3,979↑ (68 tons)	4,190↑ (68 tons)
Sawing Quality		
Grade 1 (SG-1)	2,461↓ (353 tons)	2,836↑ (353 tons)
Grade 2 (SG-2)	2,016↑ (433 tons)	2,094↑ (433 tons)
Grade 3 (SG-3)	-	-
Grade 4 (SG-4)	1,687↓ (367 tons)	1,661↓ (367 tons)
Grade 5 (SG-5) Assorted	1,325↑ (353 tons)	1,350↑ (353 tons)
Grade 6 (SG-6) Domestic	979↓ (302 tons)	979↑ (302 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.

The pyinkado log market remained sluggish while the market for gurjan logs continued to be firm.

Logs, FOB	Avg per Hoppus Ton (traded volume) Tender €	List price $
Pyinkado	307↑ (162 tons)	470-500
Gurjan (keruing)	332 (332 tons)	325-352

Prices differ due to quality or girth at the time of the transaction.

Report from Brazil

Domestic Brazilian wood product prices stabilize

Wood product prices in Brazilian reals (BRL) remained stable in April compared to March 2007 prices. Due to currency fluctuations, however, prices in US dollars increased by an average of 3.0% as the BRL appreciated against the US dollar in April 2007.

Lower interest rates expected in June

Due to the appreciating BRL, the Monetary Policy Committee (COPOM) was expected to lower interest rates by 0.5 percentile points at its next meeting on 5-6 June 2007. The average exchange rate in April 2007 was BRL1.99 to USD1.00. In addition, inflation was steady in April 2007, and market projections for domestic inflation to the end of 2007 changed from 3.62% to 3.60%. The prime interest rate as set by the Brazilian Central Bank (BC) will be kept at 12.50% until it is discussed again at the June COPOM meeting.

Deforestation in Mato Grosso eases by 89% in April

Deforestation rates in Mato Grosso fell 89% in April, compared to April of last year, as assessed by the System of Deforestation Alert (SAD). Between August 2006 and April 2007, the total statewide forest loss was 2,268km², or 37% less than the same period during 2005-2006. Figures for January reflected the lowest deforestation rates of the period.

Some researchers claimed that the appreciating BRL to the US dollar had directly influenced the falling rates. This was because the current exchange rate for exports created unfavorable conditions for land clearing necessary for agribusiness. This was particularly true in the main soy and grain producing and cattle raising regions of the state. At the same time, government actions against deforestation might have also contributed to the reduced deforestation rates.

Rural landowners involved with crop production had refrained from making large investments in Mato Grosso. Consequently, deforestation might ease in the critical burning periods of May, June and July. In April, no significant deforestation had been observed in rural settlements for agrarian use and conservation units. The Northwest region of the state had not shown new opened areas during the month of April, even though the area contains dense forests under high development pressure and subject to illegal land occupancy, illegal logging and clearcutting for cattle raising.

SEMA Intensifies Control of Log Stocks in Sinop

The Gazeta de Cuiaba reported that the Sinop solid wood industry had been inspected by the State Environment Secretariat (SEMA). Sinop had more than 200 lumber producers in operation, employing about 2,000 workers. During controlled visits to Sinop, SEMA checked forest product stocks for sale or storage. The objectives of the inspections were to investigate and address alleged irregularities in wood extraction and documentation.

To verify sale and storage, the inspectors undertook checks on whether the companies had an excess of wood in their accounts or if they had more credits than expected, since the wood was purchased with credit and recorded in SEMA's consumer accounts. This process also identified companies that had not been registered for a SEMA consumer account, a process that is mandatory by law and must be renewed on an annual basis. SEMA will continue its inspections, since the total number of companies inspected is still only at 5% in the region.

Solid wood product exports rose in April

Solid wood product exports, excluding pulp and paper, showed a 14% rise in April 2007 from the same period in 2006. The total value of exports reached USD352 million in April 2007 compared to USD309 in April 2006. The data, which was gathered by a government source, might indicate a seasonal effect and would need to be monitored to determine whether the data revealed a trend.

Solid wood product exports (April 2006- April 2007)

	Value (USD mil)		Percent change	Volume (m³)		Percent change
	Apr 06	Apr 07		Apr 06	Apr 07	
Pine Sawnwood	29.3	19.3	(32.4)	136,609	99,230	(27.4)
Tropical Sawnwood	40.0	58.9	46.9	117,965	145,233	23.1
Tropical Plywood	16.0	12.3	(22.8)	35,501	27,977	(21)
Conifer Plywood	35.6	0.1	(99.7)	140,067	496	(99.6)
Wood Furniture	65.3	69.6	6.6	-	-	-

Import tariffs on furniture may increase

The government of Brazil was considering raising the Common External Tariff from 18% to 35%, according to the publication *Infomoney*. The proposal, made by the Treasury Department, was designed to protect domestic producers against a flood of foreign products due to the depreciating US dollar. The Brazilian Association of Furniture Companies (Abimóvel) favors the measure, as exports of products have fallen between 2005 and 2006. Furniture exports in 2005 reached USD991 million, and fell to USD945 in 2006. At the same time, imports increased 26%, from USD108 million in 2005 to USD136 million in 2006. Abimóvel suggested that furniture prices in the Brazilian market were not likely to incrase, since consumption of Brazilian furniture reached only BRL13.3 million out of which 2.2% corresponded to imported furniture products.

Baixo Amazonas receives BRL2 million for furniture district

The municipality of São Sebastião do Uatumã will have its first furniture district by 2008. According to the Jornal do Comercio, the Baxio Amazonas received BRL2 million in investments to develop infrastructure and economic activity in the area. Baxio Amazonas, located about 560km from Manaus, hosts 12 carpentry factories producing mainly wooden and small boats and 14 furniture manufacturers producing wooden beds and tables. The district is expected to contain 25 industrial sheds, with spaces between 300-450 m² each. The cluster is expected to generate 65 new jobs and over 15% in sales growth for the participating companies. The construction of the cluster will be carried out with the support of the Brazilian Servicer of Support to Micro and Small Companies of the states of Amazonias (SebraeAM), in partnership with the municipal city hall of São Sebastião do Uatumã and the Amazonian government.

Log Prices (domestic)

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	119⬆
Jatoba	84⬆
Guariuba	57⬆
Mescla (white virola)	63⬆

Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB		US$ per m^3
Jatoba Green (dressed)		568
Cambara KD		464
Asian Market (green)	Guariuba	265
	Angelim pedra	331
	Mandioqueira	233
Pine (AD)		99

Brazil sawnwood, domestic (Green)		US$ per m^3
Northern Mills (ex-mill)	Ipé	556⬆
	Jatoba	421⬆
Southern Mills (ex-mill)	Eucalyptus (AD)	168⬆
	Pine (KD) 1st grade	228⬆

Veneer Prices

Veneer, FOB (Belem/Paranagua Ports)	US$ per m^3
White Virola Face 2.5mm	242
Pine Veneer (C/D)	141

Rotary cut Veneer, domestic	US$ per m^3	
(ex-mill Northern Mill)	Face	Core
White Virola	225⬆	189⬆

Plywood Prices

Plywood, FOB	US$ per m^3
White Virola (US Market)	
5.2mm OV2 (MR)	428
15mm BB/CC (MR)	361
White Virola (Caribbean market)	
4mm BB/CC (MR)	438
12mm BB/CC (MR)	343

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	273
15mm C/CC (WBP)	258
18mm C/CC (WBP)	252

Plywood, domestic (ex-mill Southern mill)		US$ per m^3
Grade MR (B/BB)	White Virola 4mm	773⬆
	White Virola 15mm	566⬆

Domestic prices include taxes and may be subject to discounts.

Other Panel Prices

Belem/Paranagua Ports, FOB	US$ per m^3
Blockboard Pine 18mm 5 ply (B/C)	315
Domestic Prices, Ex-mill Southern Region	
Blockboard White Virola faced 15mm	508⬆
Particleboard 15mm	317⬆

Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Edge Glued Pine Panel		
Korean market (1st Grade)		652
US Market		434
Decking Boards	Cambara	602
	Ipê	1298

Report from Peru

IRENA calls for significant caoba reforestation

The National Institute of Natural Resources (INRENA) is pushing to reforest land with high value caoba at ten times the current logging rate. INRENA is working with concessionaries, forest entrepreneurs and forest owners to plant one million caoba saplings in five years, at a rate of 200 saplings a year, to promote forest replanting, conservation and sustainable forest management. The initiative will include the regions of Madre de Dios, Ucayali, San Martin, Loreto and Silva Central. Twenty-four lumber companies in Tahuamanu, Madre de Dios, have already announced their support of IRENA's ambitious project to plant more than one million caoba trees.

Concessionaires and forest permit holders will provide funding for the initiative, while INRENA will provide technical assistance and supervision for the project's implementation. Project partners will develop nursery installation, production of saplings and maintenance of the reforested areas. INRENA has also stipulated that forest concessionaires' Annual Operative Programs (POA) should contain plans to replant logged areas. INRENA plans to grant the partners in the scheme a 'forest repossession certificate' every two years to show how they have complied with the initiative.

INRENA will also be meeting its institutional responsibility to CITES by carrying out the initiative.

Peru's US FTA may include logging provisions

The Bush Administration and the House Ways and Means Committee are working to establish new procedures to regulate trade in CITES-listed species (bigleaf mahogany and Spanish cedar) exported from Peru. The International Wood Products Association (IWPA) reported that the provisions, which would result in changes to the Peruvian Free Trade Agreement (FTA), could be precedent setting and have impacts on the wood products trade. While the provisions had yet to obtain Congressional approval, the IWPA noted that even if the new provisions were approved, it was unclear whether the Peruvian legislature would need to approve the amended FTA.

Sawnwood Prices

Peru Sawnwood, FOB Callao Port		US$ per m^3
Mahogany S&B KD 16%, 1-2" random lengths (US market)		1890-1945
Spanish Cedar KD select		
North American market		965-1035
Mexican market		990-1040
Pumaquiro 25-50mm AD	Mexican market	490-525

*Cheaper and small-dimension sawnwood for this market.

Peru Sawnwood, FOB Callao Port (cont.)	US$ per m^3
Virola 1-2" thick, length 6'-8' KD	
Grade 1, Mexican market	270-300
Grade 2, Mexican market	220-235
Cumaru 4" thick, 6'-11' length KD	
Central American market	760-795
Asian market	720-760
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	550-585
Dominican Republic	565-575
Marupa (simarouba) 1", 6-11 length Asian market	395-415

Peru Sawnwood, FOB Iquitos	US$ per m^3
Spanish Cedar AD Select Mexican market	945-980⬆
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	275-315
Grade 2, Mexican market	225-235
Grade 3, Mexican market	145-165
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	240-245

Peru sawnwood, domestic	US$ per m³
Mahogany	1395-1420
Virola	130-135↓
Spanish Cedar	505-515↓
Marupa (simarouba)	150-153

Veneer Prices

Veneer FOB	US$ per m³
Lupuna 3/Btr 2.5mm	218-225
Lupuna 2/Btr 4.2mm	220-245
Lupuna 3/Btr 1.5mm	245-255

Plywood Prices

Peru plywood, FOB (Mexican Market)		US$ per m³
Copaiba, 2 faces sanded, B/C, 15x4x8mm		365-380
Virola, 2 faces sanded, B/C, 5.2x4x8mm		420-425
Cedar fissilis, 2 faces sanded 4x8x5.5mm		755-765↑
Lupuna, treated, 2 faces sanded, 5.2x4x8mm		365-380
Lupuna plywood	B/C 15x4x8mm	350-358
	B/C 9x4x8mm	345-350
	B/C 12x4x8mm	350-360
	B/C 8x4x15mm	420-430
	C/C 4x8x4mm	380-388
Lupuna plywood B/C 8x4x4mm Central Am.		385-395

Lupuna Plywood BB/CC, domestic	US$ per m³
(Iquitos mills)	
122 x 244 x 4mm	428
122 x 244 x 6mm	398
122 x 244 x 8mm	403
122 x 244 x 12mm	398
(Pucallpa mills)	
122 x 244 x 4mm	450
122 x 244 x 6mm	439
122 x 244 x 8mm	427
122 x 244 x 12mm	419

Other Panel Prices

Peru, Domestic Particleboard	US$ per m³
1.83m x 2.44m x 4mm	279
1.83m x 2.44m x 6mm	230
1.83m x 2.44m x 12mm	198

Added Value Product Prices

Peru, strips for parquet		US$ per m³
Cabreuva/estoraque KD12% S4S, Asian market		1445-1500
Cumaru KD, S4S	Swedish market	650-700
	Asian market	890-930
Cumaru decking, AD, S4S E4S, US market		930-950
Pumaquiro KD # 1, C&B, Mexican market		490-530
Quinilla KD, S4S 2x10x62cm, Asian market		590-620
	2x13x75cm, Asian market	700-730

Report from Mexico

Mexico organizes workshop on mahogany

Mexico held an international experts workshop for the development of non-detriment findings (NDF) for bigleaf mahogany (*swietenia macrophylla*). The workshop, which was held in Cancún, Mexico from 10 to 13 April and attended by over 46 representatives from 12 countries, was financially supported by the ITTO, the Natural Resources Defense Council and the Government of Mexico. The main objective of the workshop was to develop a feasible methodology to formulate NDFs for bigleaf mahogany, to improve implementation of CITES Appendix II listing and ensure sustainable international trade in mahogany species.

Participants discussed key issues related to the methodology, including: the estimated distribution area of mahogany; population parameters; and principles, methods and management indicators. The results of the workshop will be presented at the CITES 14th Conference of the Parties, which will be held in The Hague, the Netherlands, from 3 to 15 June 2007.

Report from Guyana

Government to ramp up detection of illegal logging

The Guyana Forestry Commission will conduct more activities to improve detection and prevention of illegal logging. The activities were approved and funded by the members of the International Tropical Timber Council, at its forty-second session in Port Moresby, Papua New Guinea, from 7 to 12 May 2007.

To implement the activities, approximately USD574,000 will be used to develop an integrated and dynamic monitoring system that will include satellite image analysis and illegal logging indicators. It will also fund the establishment of a bar code log tracking system to feed into a central database, which will be available nation-wide. These activities will enable regulatory agencies and forest operators to track near real time information on logs.

Additionally, USD361,879 was approved as part of a Phase II ITTO project focused on a reduced impact logging training programme that would promote best environmental practices. Guayan's Forestry Training Center will conduct the training over the next two years. An international consultant will also help to develop a fire management strategy.

Log Prices

Logs, FOB Georgetown	SQ - $ Avg unit value per m³		
	Std	Fair	Small
Greenheart	120-145	110-130↑	110-125↑
Purpleheart	200	195↑	100-190↑
Mora	(120)	(95-115)	105

*Small SQ is used for piling in the USA and EU. Price depends on length.

Sawnwood Prices

Sawnwood, FOB Georgetown		$ Avg unit val. per m³	
EU and US markets		Undressed	Dressed
Greenheart	Prime	424↓	445-680↑
	Select/Standard	424-750↑	424-550↓
Purpleheart	Prime	509-850↑	424-636↓
	Select/Standard	485-550↑	424-550↓
Greenheart scantlings		-	-

Plywood Prices

Plywood, FOB Georgetown Port			$ Avg unit val. per m³
Baromalli	BB/CC	5.5mm	-
		12mm	375↑
	Utility	5.5mm	-
		12mm	350

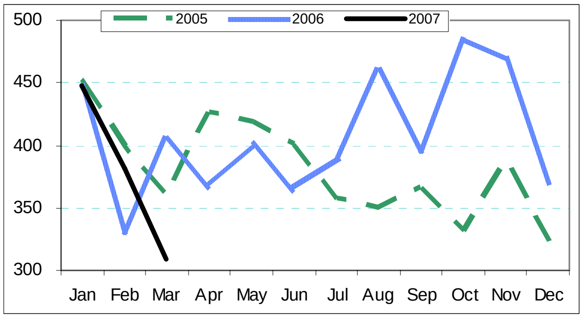
Report from Japan

Supply of Japanese plywood grows

In March 2007, Japanese markets experienced a 1.5% increase in supply of domestic made plywood from March 2006. Monthly volume of softwood plywood production for the first time exceeded 200 million m³, or 8.1% more than last year.

In contrast, the total imported plywood in March was 23.8% less than in March 2006. From March 2006 to March 2007, Indonesian imports were 97 million m³; Malaysian imports were 170 million m³; and Chinese imports were 28 million m³, representing a decrease of 30.3%, 20.8%, and 28.1%, respectively, over the 2006-2007 period.

Japanese plywood imports (000 m^3)



Log production recovers in South East Asian countries

Japanese plywood mills are increasing their consumption of softwood logs and reducing their use of tropical hardwoods. Some logs are in short supply, due to increased demand from Malaysian plywood mills. India is also aggressively buying meranti regular, causing a tight supply in the market.

Prices for logs are bullish, since there are low log inventories and active purchasing by local plywood mills. Additionally, the appreciation of the ringgit against the U.S. dollar has helped push prices higher. In Japan, buyers are taking a cautious approach to purchasing mixed seraya and kapur logs due to high prices.

Asahi Woodtech to participate in plantation business

Osaka-based company Asahi Woodtech Corporation plans to participate in a Malaysian run Acacia hybrid plantation business developed by Koshii & Co., Ltd. The business, which is located in Sabah, Malaysia, consists of 900,000 Acacia hybrid trees covering about 1,000 ha. The Sabah government will provide an additional 5,000 ha in an effort to increase the plantation's size. While actual shipments of the plywood generated from the plantations may not be available until 2020, Koshii noted that if faster growth was possible, the first shipments could be made in seven to eight years.

Lumber Company notes impact of changes to Brazilian laws

President of Pacific Lumber and Trading Co, Ltd., Mr. Y. Fujiki, recently outlined changes to Brazilian forest law since the 1992 Rio Summit. He noted that existing areas of timber available for use were the amounts allocated during or before 2006. As a result, he suggested that hardwood lumber mills would struggle to secure adequate log supply. However, Fujiki said that Brazilian law might be one of the tightest in the world, and indicated the necessity of having competent foresters on the ground to write lumber production reports necessary to secure Brazilian lumber export permits.

Log and Sawnwood Prices in Japan

Logs for Ply Manufacture, CIF	Yen per Koku
Meranti (Hill, Sarawak)	(Koku=0.278 m^3)
Medium Mixed	8,700
Standard Mixed	8,800
Small Log (SM60%, SSM40%)	8,000
Taun, Calophyllum, others (PNG)	8,000
Mixed light hardwood, G3/4 grade (PNG)	7,700
Okoumé (Gabon)	14,000
Keruing MQ & up (Sarawak)	9,900
Kapur MQ & up (Sarawak)	9,600

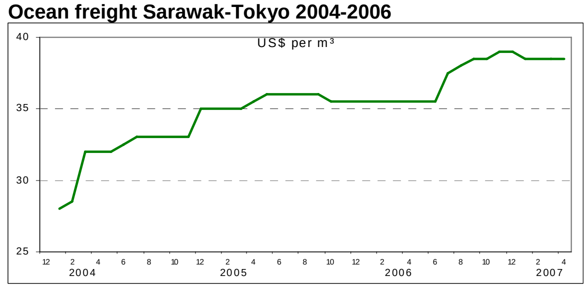
Logs for Sawmilling, CIF	Yen per Koku
Melapi (Sarawak) High Select	10,000
Agathis (Sarawak) High Select	9,800

Lumber, FOB	Yen per m^3
White Seraya (Sabah) 24x150mm, 4m, Grade 1	135,000
Mixed Seraya, Sangi 24x48mm, 1.8-4m, S2S	56,000

Wholesale Prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	Apr (¥ per sheet)	May
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	380	380
3.7mm (med. thickness, F 4star, type1)	910 X 1820	590 ↑	590
5.2mm (med. thickness, F 4star, type 1)	910 X 1820	710 ↑	710
11.5mm for sheathing (F 4star, type 2)	910 X 1820	1230 ↑	1210 ↓
12mm for foundation (F 4star, special)	910 X 1820	1330 ↓	1300 ↓
12mm concrete-form ply (JAS)	900 X 1800	1270 ↓	1250 ↓
12m coated concrete-form ply (JAS)	900 X 1800	1450 ↑	1480 ↑
11.5mm flooring board	945 X 1840	1850 ↓	1850
3.6mm baseboard for overlays (OVL)	1230 X 2440	980 ↓	980
OSB (North American)			
12mm foundation of roof (JAS)	910 X 1820	1000	1000
9mm foundation for 2 by 4 (JAS)	910 X 2440	1050	1050
9mm conventional foundation (JAS)	910 X 2730	1250	1250
9mm conventional foundation (JAS)	910 X 3030	1350	1350

Ocean freight Sarawak-Tokyo 2004-2006



More information on Japan in www.n-mokuzai.com

Report from China

China initiates pilot projects for exporting sawnwood

The Fujian Entry-Exit Inspection and Quarantine Bureau recently reported that Fujian Province had been approved to initiate pilot projects in Putian City and Zhangzhou City. The initiative, which was approved by the State Forestry Administration, the Ministry of Commerce and the General Administration of China Customs, aimed to import logs through Putian and Zhangzhou ports, process logs into sawnwood and then export sawnwood through Fuzhou, Xiamen, Putian, and Zhangzhou ports. This is the third phase of ongoing pilot projects in the region, and follows projects in Manzhouli City and Erlianhot City.

Japan's Toyo Plywood Co. to set up poplar LvL factory in China

Japan's Toyo Plywood Co. Ltd, which has its headquarters in Nagoya, Japan, will establish a poplar laminated veneer lumber (LvL) factory in Suqian City of Jiangsu Province in China. For the last ten years, Toyo Plywood has relied on Chinese imports of poplar LvL with a scale of 2500 m^3 to 3,000 m^3. Toking, Toyo Plywood's subsidiary in Shanghai, procures LvL products from several of China's poplar enterprises. The new poplar LvL factory will provide advance adhesive production technology with the aim of making its poplar LvL products suitable for manufacturing solid composite flooring.

Shenyang furniture industry begins large scale imports of US hardwoods

China has become a major importer of US hardwoods for three consecutive years. This is due in part to growing demand for natural timber and wood products from furniture production bases in China, especially those in Liaoning Province. Ms. Bai Hong, Secretary General of Liaoning Provincial Furniture Association, said that output value of furniture in Liaoning Province had reached RMB18 billion, creating RMB1 billion of foreign exchange in 2006, up 20% from 2005. The cost of importing US hardwoods was cheaper than that of other imported timber. As a result, US hardwood species had become a more popular choice for furniture manufacturing enterprises in Liaoning province.

Xianghe is 'Capital of Northern Furniture Trade'

At an awards ceremony held by the China Furniture Association on 25 April, Xianghe was named the 'Capital of Northern Furniture Trade'. Xianghe is located in Langfang City of Hebei Province, between Beijing and Tianjin. In the early 1980s, Xianghe was a famous village for furniture making. Since then, it grew to host more than 1,800 production enterprises, whose products had been exported to many domestic and foreign markets. The leading enterprises have a 1.2 million m² furniture exhibition hall showcasing around 3,600 brands of furniture. Xianghe has become the largest northern furniture marketing and distributing center and is the second largest in all of China. It has received many awards, including for being one of the top ten furniture wholesale and retail centers, one of the national top ten sites circulating commercial brands for house furnishings and one of the national top ten house furnishing markets.

New PEFC office opens in China

The Program for the Endorsement of Forest Certification (PEFC) has recently opened an office in Beijing, China. PEFC will provide information and support to government offices and industries and promote PEFC activities in Asia. PEFC promotes chain-of-custody certification and accounts for two-thirds of the world's certified forest area, covering about 200 million ha.

Guangzhou City Imported Timber Market

Logs	Yuan per m^3
Radiata 6m, 30cm diam.	1300
Luan	1900-2300
Kapur	1900-2350
Merbau 6m, 60cm diam.	4800-5600
Keruing 60cm+ diam.	1900-2300
Beech 6m,30cm veneer Qual.	3300-3600
Sawnwood	
Teak Boards 4m+ for flooring	21000-22000
US Maple 2" KD	8800-12800
US Cherry 2"	12000-15000
US Walnut 2"	12500-15300
SE Asian Sawn 4m+, KD	4300-4350
Plywood	Yuan per sheet
4x8x3mm	20-34
4x8x18mm	149-188

Shanghai Furen Wholesale Market

Sawnwood		Yuan per m^3
Beech KD Grade AB		2400-3000
US Cherry, 25mm		11500-13000
US Red Oak, 50mm		10500-11000
Sapele 50mm FAS (Congo)	AD	6300-6600
	KD	7100-7300

Shandong De Zhou Timber market

Logs		Yuan per m^3
Larch	4-6m, 24-28cm diam.	1200
White Pine	4-6m, 24-28cm diam.	1150
Korean Pine	4m, 30cm diam.	2000
	6m, 30cm diam.	2000

Hebei Shijiangzhuang Wholesale Market

Logs		Yuan per m^3
Korean Pine 4m, 38cm+ diam		-
Mongolian Scots Pine	4m, 30cm diam.	1390
	6m, 30cm+ diam.	1400
Sawnwood		
Mongolian Scots Pine	4m, 5-6cm thick	1450
	4m,10cm tick	1500

Tian Jin City Huan Bo Hai timber Market

Logs	Yuan per m^3
Okoume 80cm+	3000
Sapele 80cm+	5350
Padauk 40cm+	6000
Sawnwood	
US Black Walnut 2.2-4m, 5cm thick	16000
Padauk 2.2-3.2m, 5cm thick	11000
Sapele 2.2-2.6m, 5cm thick	6800
Ash 4m, 5cm thick	4300

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

Report from Europe

Plywood output climbs 2.2% in 2006

As reported by *EUWID*, plywood output climbed 2.2% to around 4m m³ in 2006 within the 75 member countries of the Fédération Européenne de l'Industrie du Contreplaqué (FEIC). Plywood consumption in the EU increased by 1.9%, and plywood imports rose 4.7%. Russia accounted for 25% of imports, Brazil and China accounted for 24% each, and 6% of imports came from Indonesia and Malaysia.

Spanish sawn timber imports drop 27%

During 2006, imports of tropical sawn timber to Spain declined by 27% to 390,894 m³, and dropped in value by 23.5% or EUR164.6m. The figures revealed that imports of sawn timber from Africa, which accounted for 62% of Spanish imports, declined by 27% to 241,025 m³. Imports declined from Cameroon by 28%, Brazil by 31%, Ivory Coast by 26%, Republic of Congo by nearly half, and Gabon by 4%.

Following the trend for sawn timber, roundwood imports from Africa also decreased by 22%. While there was an increase in supply by 9% from the Central African Republic, imports from other African countries were in decline. In particular, imports from Republic of Congo decreased by 14%, Gabon by 39%, and Cameroon by 17%.

These trends followed general trends in Europe for 2006, where declines were reported for both tropical logs and sawnwood. However, Spain's trends showed greater decline than the European average (17% decline for logs and 21% for sawnwood). The greater than average trends in Spain were caused by strong competition from Chinese timber imports and supply shortages for meranti wood from South East Asia.

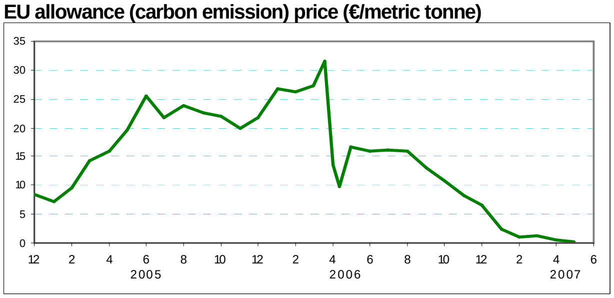
Stora Enso Timber increases corporate turnover by EUR 3 billion

During the first three months of 2007, Stora Enso Oyj's corporate turnover increased by almost 7% or EUR3.85 billion, reports *EUWID*. This was largely driven by Stora Enso Oy, the wood products division of Stora Enso Oyj. The wood products division generated EUR52.7 million in the first quarter of 2007, its highest profit in history. The company noted that the reasons for the trend were higher sales for products, changes to the product portfolio, regional shifts in sales, and internal restructuring. Keeping in line with 2006 operations, the wood supply business division delivered about 11m m³ of wood to its mills in Brazil and Europe in the first quarter of 2007.

Välinge awards more agreements in China

In recent months, Välinge Innovation awarded five additional licensing agreements for gluefree laminate flooring. Licensing agreements were awarded to Chinese companies and subsidiary companies including Changzhou Dehao Decoration Materials Co. Ltd in Changzhou and Vöhringer Wood Product Co. Ltd in Shanghai. Another license for wood flooring was awarded to CFloor, which has its headquarters in Beijing.

EU allowance (carbon emission) price (€/metric tonne)



Price at the end of the month.

Report from the UK

Monetary Policy Committee lifts rates amid rising inflation

The minutes of the 9-10 May Monetary Policy Committee (MPC) meeting, which resulted in rates being increased by 0.25% to 5.5%, noted that consumer price index (CPI) inflation in a 12 month period ending March 2007 was 3.1%, greater than the expected level of 2%. The MPC also hinted a further rate increase late in 2007. The minutes indicated that retail sales pointed to steady to increasing levels in retail sales since May 2004, and that data on housing markets was mixed.

KPMG finds high confidence among UK SMEs

KPMG recently reported that business confidence among small to medium sized enterprises (SMEs) is at its highest levels since 2004. Thompson Financial reported that 64% of SMEs polled were optimistic about the outlook for SMEs over the next twelve months. According to the UK *TTJ*, however, this optimism did not extend to UK wood and timber product manufacturers.

UK mortgage market slowing

Following four interest rate rises since August 2006, the mortgage market was showing signs of slowing. The Council of Mortgage Lenders said that lending was stabilizing after a period of major growth. Increases in housing prices had also slightly slowed in May 2007, and the annual housing price had slipped from 8.85% to 6.7% in April 2007.

Wickes performance in line with expectations

Wickes Ltd.'s parent company, Travis Perkins, reported that total turnover for the first four months of 2007 was up 13.2% in April, group turnover was up 13.9% compared to figures for April 2006, and the company was trading in line with expectations.

TTJ reports timber products price increase offset by costs

A market report published in the April/May 2007 edition of the *TTJ* revealed that the increase in timber product prices had been offset by the strength of the UK sterling against the US dollar and euro. The TTJ figures showed a rise in output prices of wood and wood products by 8.2%, over a twelve-month period ending in March 2007.

New arm of BWF to promote wood windows

The *TTJ* reported that the British Woodworking Federation (BWF) had launched the Total Support Services (TSS), a scheme to help members secure chain of custody certification and assist in gaining window energy ratings.

Log Prices

FOB plus commission		€ per m³
N'Gollon (khaya)	70cm+ LM-C	227-238
Ayous (wawa)	80cm+ LM-C	227-238
Sapele	80cm+ LM-C	258-274↓
Iroko	80cm+ LM-C	297-310↓

Sawnwood Prices

FOB plus Commission	Pounds per m³
Teak 1st Quality 1"x8"x8"	2035-2350
Tulipwood FAS 25mm	435-440
Cedro FAS 25mm	415-430
DR Meranti Sel/Btr 25mm	410-420
Keruing Std/Btr 25mm	290-310
Sapele FAS 25mm	395-405↓
Iroko FAS 25mm	410-425↑
Khaya FAS 25mm	390-400
Utile FAS 25mm	410-420
Wawa No.1 C&S 25mm	185-210

Plywood and MDF Prices

Plywood Panels 8x4", CIF	US$ per m³
Brazilian WBP BB/CC 6mm	640
Indonesian WBP BB/B 6mm	600-630
MDF	Pounds per 10m²
Eire, BS1142 12mm	52

Report from North America

Brazil retains greatest market share of US lumber imports

This third article of a series focuses on wood imports by country of origin from 2001 to 2006. Statistics from the US on tropical lumber imports indicated that overall tropical lumber imports in the US advanced from 231,615 m³ in 2001 to 353,985 m³ in 2005. However, imports steeply declined in 2006 by approximately 55,000 m³, or 24% from 2005 levels.

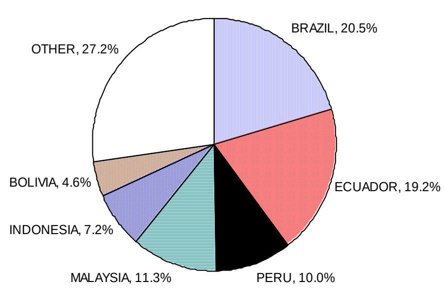
In 2006, the US imported two-thirds of its tropical wood requirements from Central and South America, one-fourth form Asia and less than 10% from Africa. In the same year, Brazil's export volume was 36,204 m³, down 43% from 2001 levels. Brazil maintained the top spot of the market share based on export volumes (21%) and export values, despite the fact that Brazil's prime export was the relatively inexpensive virola mahogany species. Despite this, 2006 shipments of all tropical wood from Brazil were 27.4 million, or 36.1 million less than in 2001. Supply of virola (7,945 m³ in 2006) was falling, due to environmental concerns about the Amazon rain forests.

Ecuador's market share increased from 3.9% to 19.2% in 2006. Although volume of imports in 2006, 33,915m³ , was up 200% from 10,713 m³ in 2001, it was down from 2004 volumes. Ecuador's primary export species was Balsa wood, which made up almost all the 99.8% of wood exports.

Peruvian imports had also significantly decreased from 2001. In 2006, imports stood at 17,727 m³, and 7,000 m³ consisted of mahogany species. Peru was also increasing its exports of virola, with current volume standing at 3,454 m³. Although Peru's market share of US lumber imports in 2006 on the basis of volume was 10%, its share on a value basis was 16%, or US$21.2 million, largely due to the cost of expensive mahogany imports.

Outside of Latin America, Malaysia's share of overall imports of tropical woods fell from 12% in 2001 to 11% in 2006. The most abundant species shipped from Malaysia to the US were red meranti and keruing. Contrary to the generally declining volumes of wood exports, Malaysia increased its red meranti exports from 2001-2006.

US tropical lumber sources by volume, 2006 (% of 176,806 m³)



Although other Latin American exporters' volumes were each under 10%, Bolivia was able to increase its tropical lumber exports to the US during the past five years. This occurred despite the fact that Bolivian shipments of mahogany had been declining.

Among the species exported to the US, teak was the more expensive wood. The average price of imported teak was 1695 / m³. However, teak prices fell 25% from 2001 prices, despite the fact that the price index for overall tropical lumber imports in the US increased 7% during 2001-2005.

US Imported Sawnwood Prices

FOB unit value prices		Avg $ per m³ Feb	Mar
Balsa*	(Ecuador)	403	403
Mahogany**	(Peru)	1374	1374
	(Bolivia)	1699	1699
Mahogany*	(Peru)	1821	1821
Virola**	(Brazil)	382	382
Virola*	(Brazil)	380	380
Red Meranti	(Malaysia)	961⬆	999⬆
	(Indonesia)	831⬇	856⬇
Teak**	(Taiwan)	2125	2125
Keruing**	(Malaysia)	589	589
Keruing*	(Malaysia)	599	599

*Dimension lumber; **Rough lumber; Quality variations may greatly influence monthly average prices. Data is subject to frequent revisions.

US Imported Veneer Prices

FOB avg unit value ($ per m²)	Dec	Jan
By species (all countries)		
Meranti	10.0⬆	10.0
Non-meranti	1.3	1.3
By country (all tropical species)		
China	0.6	0.6
Ghana	1.1	1.1
Côte d'Ivoire	1.2	1.2
India	5.2	5.1⬇
Thailand	2.6	2.6
Gabon	1.2	1.2
Brazil	1.9	1.9
Italy	3.4	3.4

Quality variations may greatly influence monthly averages. Data subject to frequent revisions.

US Imported Plywood Prices

FOB avg unit value ($ per m³)	Dec	Jan
All tropical plywood		
Indonesia	470⬆	470
Malaysia	379⬇	379
China	325⬇	325
Brazil	418⬆	418
All	384⬆	384
Mahogany		
Canada	791⬆	791
Brazil	430	430
China	915⬇	915
Meranti, white luan, sipo, limba		
China	292⬆	292
Taiwan PoC	1344⬆	1344
Brazil	448⬆	448

Quality variations may greatly influence monthly averages. Data subject to frequent revisions.

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.

Climbers and officials in Nepal are worried that global warming is making the glacial environment unsafe for humans in the Himalayas. They say human settlements and activities such as mountaineering are threatened by glaciers retreating and glacial lakes growing both in number and size.
http://news.bbc.co.uk/2/hi/south_asia/6665257.stm

Japan called for the world to halve greenhouse gas emissions by 2050, proposing a successor to the Kyoto Protocol it hopes will win over two top greenhouse gas emitting countries, the United States and China. Prime Minister Shinzo Abe, unveiling the proposal ahead of the Group of Eight (G8) summit in Germany, pledged to bring all nations onboard in the fight against global warming by making the post-Kyoto framework non-binding.
http://www.wbcsd.org/plugins/DocSearch/details.asp?type=DocDet&ObjectId=MjQ3NDQ

Indonesia`s trade with China has experienced positive growth with its value having increased at an annual average rate of 18.6 percent in the past five years (2001-2006), an Indonesian diplomat said. Mohammad Oemar, Deputy Chief of Mission at the Indonesian Embassy in Beijing, said Indonesia`s primary exports to China so far were chemical substances, timber products, pulp and paper, rubber and fertilizers.
http://www.antara.co.id/en/arc/2007/5/22/ri-china-trade-grows-186-percent-yearly/

Legislation introduced in the U.S. Senate would entice farmers located near ethanol biorefineries to grow crops for bio-energy use. Sen. John Thune, a Republican from South Dakota, said his bill would offer incentives to farmers who plant switchgrass, fast-growing trees and other green feedstocks.
http://www.thehindu.com/holnus/015200705260323.htm

Russia recently intensified its foreign economic policy with South East Asian nations. Moscow firmly believes that close cooperation with the member states of the Association of South East Asian Nations (ASEAN) is logical, especially against the background of growing problems in its relations with the United States and the European Union.
http://en.rian.ru/analysis/20070523/65962179.html

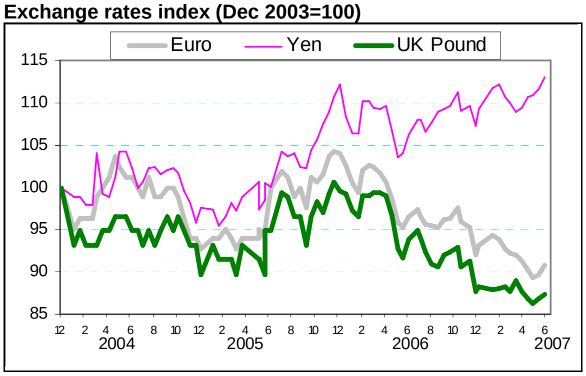
The World Conservation Union (IUCN) said one in six European land mammals face the threat of extinction, mainly through habitat loss and deforestation. For marine mammals, the figure is higher, with nearly one in four species facing extinction.
http://www.cnn.com/2007/TECH/science/05/22/europe.species.reut/index.html

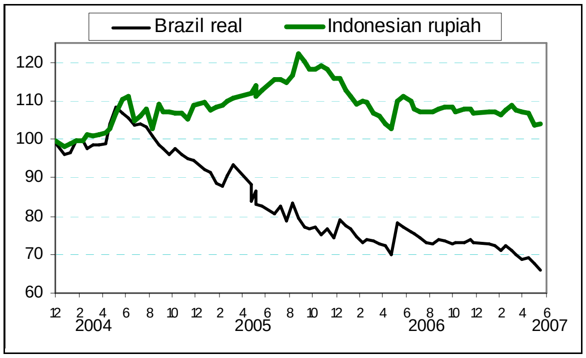
Main US Dollar Exchange Rates

As of 30th May 2007

Brazil	Real	1.941	↑
CFA countries	CFA Franc	487.376	↓
China	Yuan	7.646	↑
EU	Euro	0.744	↓
Indonesia	Rupiah	8,842.00	↓
Japan	Yen	121.67	↓
Malaysia	Ringgit	3.401	↑
Peru	New Sol	3.175	↓
UK	Pound	0.506	↓

Exchange rates index (Dec 2003=100)

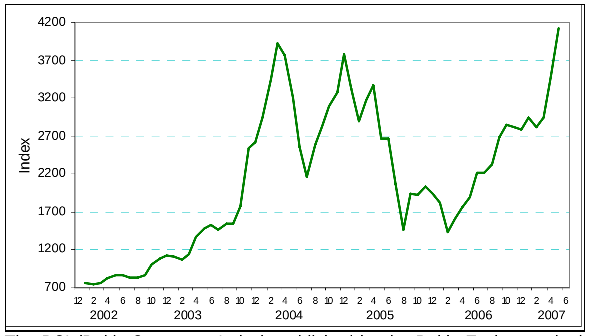




Abbreviations and Equivalences

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

Ocean Freight Index

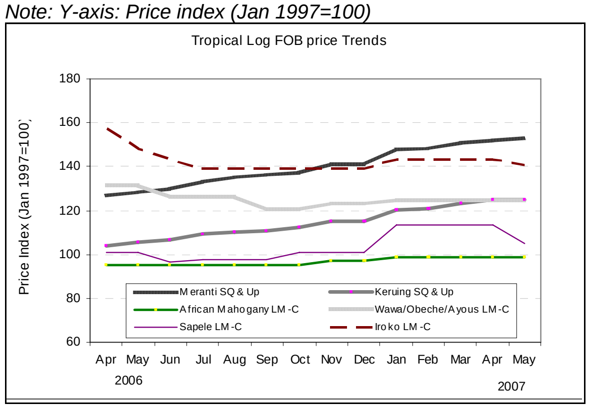


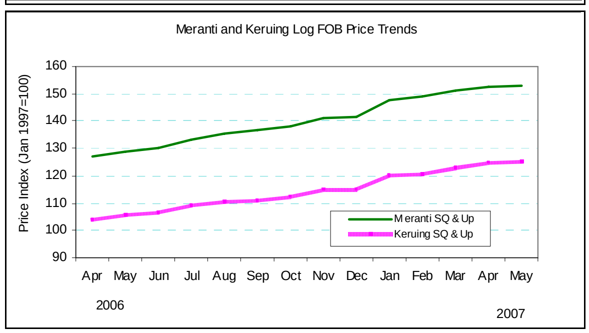
The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes. It is based on a 52,454 mt bulk carrier carrying commodities such as timber.

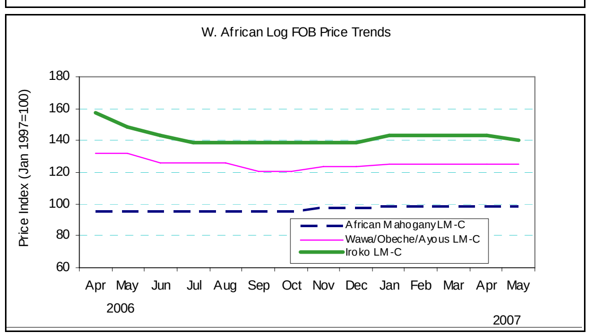
Appendix. Tropical Timber Price Trends

Tropical Log Price Trends

Note: Y-axis: Price index (Jan 1997=100)

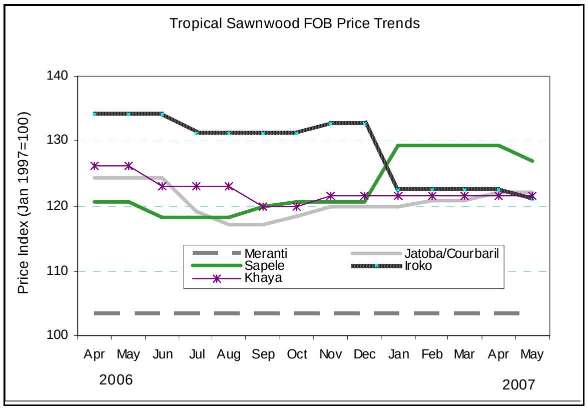


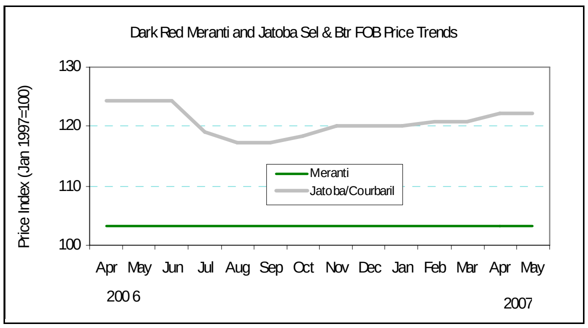


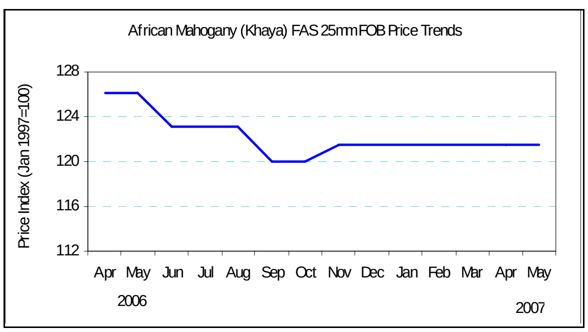


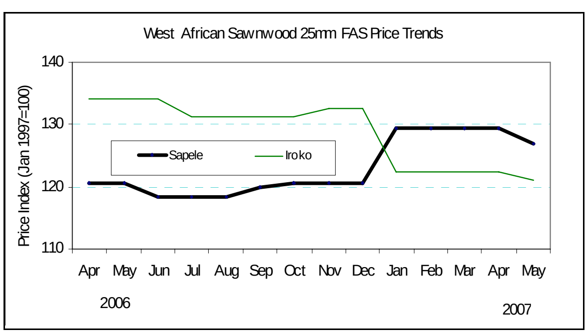
More price trends in Appendix 4, ITTO's Annual Review http://www.itto.or.jp/live/PageDisplayHandler?pageId=199

Tropical Sawnwood Price Trends

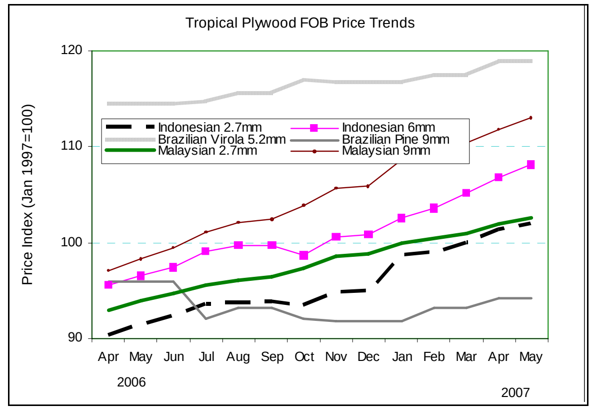


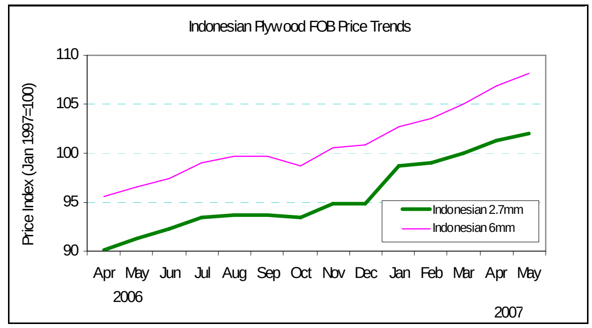


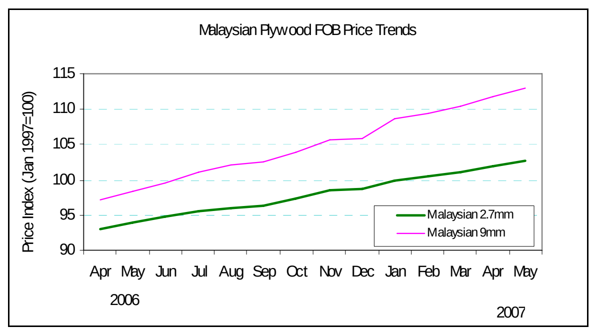


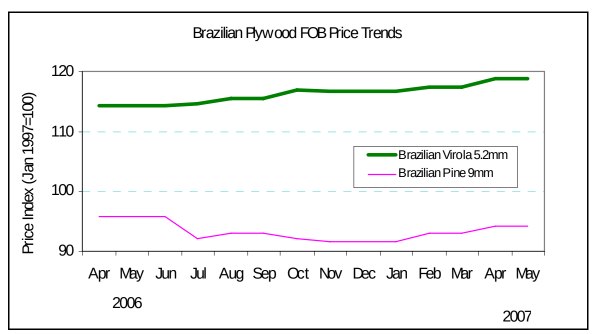


Tropical Plywood Price Trends









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.