Tropical Timber Market Report since 1990

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Snapshot

Further results from trade in recent months revealed the impact of declining demand for tropical timber and the downturn of the global economy on some producer markets. Brazil's exports dropped 25.8% in August 2008 and Japan imported nearly 30% less by value in the first half of 2008 than in the same period in 2007. Producers in Malaysia and Indonesia were beginning to drop prices for some wood products. Due to the slow buying trends and downturn in the UK and EU markets, the outlook for trade in West Africa was weak. This trend has continued to result in closure of businesses in parts of West Africa as well as related businesses in the real estate and construction industries in Japan.

On the other hand, diversified exporters such as Guyana reported more positive results. Guyana continued to report gains on sawnwood exports in August 2008. Peru's wood exports also jumped 10% during the first half of the year. Additionally, Ghana reported positive export results for the first half of 2008. Malaysian furniture producers anticipated upbeat results from sales despite the global economic slowdown.

Contents

Headlines

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Report from Central/West Africa

Outlook for West African timber trade weak

Very difficult trading conditions prevailed in West Africa. Although there has been relative stability in prices, this remains very much a function of low or no trade rather than an indication of normal business conditions. Steady buying for China has been perhaps the major stabilizing factor, although prices have been held at the current lower levels and are unlikely to improve in the short-to-medium term. Okan has been in better demand and prices have been higher by around EUR10-15m³. Other than this, there have been no price changes reported. Okoume has been selling, but volumes are well below what would have been considered normal in the early part of the year. Mill closures and reductions in staff are still being made. One large group in West Africa has closed a veneer mill because of low demand and build up of unsold stock, due in part to reduced furniture manufacturing activity and exports of veneer in Italy.

Other mills remain closed and companies are uncertain and nervous about trade prospects for the remainder of the year. Sawn lumber prices have appeared to be holding steady because of low trading volumes, rather than any real firmness in the market. Buying has been very slow and selective. Sapele has not made any recovery from its decline in demand and price. Reports indicate that sellers are taking very low offers to move stock and buyers are still reluctant to give shipping instructions for their overlying, previous contracts.

It is certain that the full effects of the financial crises in the US and UK are still to be felt in building construction and housing, and in furniture manufacturing and sales. The timber supplying sector is likely to be more seriously impacted as it seems inevitable that the house building slump will worsen and furniture sales will decline over the final quarter of the year and well into first quarter of 2009.

West Africa Log Prices

West Africa logs, FOB	€ per m^3		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	221	191	137
Ayous/Obéché/Wawa	206	206	168
Azobe & Ekki	168	168	122
Belli	168	168	-
Bibolo/Dibétou	168	168	114
Bubinga	533	457	381
Iroko	289	274	259
Okoume (60% CI, 40% CE, 20% CS) (China only)	132	-	-
Moabi	259	259	206
Movingui	191	191	137
Niove	129	129	-
Okan	162↑	162↑	135↑
Padouk	259	259	229
Sapele	251	251	191
Sipo/Utile	305	305	228
Tali	152	152	114

West Africa Sawnwood Prices

West Africa sawnwood, FOB		€ per m^3
Ayous	FAS GMS	335
	Fixed sizes	396
Okoumé	FAS GMS	300
	Sel. & Bet. GMS Italy	250
	Sel. & Bet. fixed sizes	-
Sipo	FAS GMS	585
	FAS fixed sizes	-
	FAS scantlings	585
Padouk	FAS GMS	585
	FAS scantlings	585
	Strips	425
Sapele	FAS Spanish sizes	520
	FAS scantlings	520
Iroko	FAS GMS	458
	Scantlings	519
	Strips	304
Khaya	FAS GMS	396
	FAS fixed	427
Moabi	FAS GMS	580
	Scantlings	580
Movingui	FAS GMS	420

Report from Ghana

TIDD contract approval rises 25%

According to data from the Contract Section of the Timber Industry Development Division (TIDD) of the Forestry Commission of Ghana, a total contract volume of 196,201m³ was processed and approved during the second quarter of 2008. This represented a 25% increase over first quarter figures for 2008. Furniture parts processed and approved during the second quarter dropped by 78.2% to 11,948 pieces when compared to the first quarter.

The contract volumes for plywood, poles, billets and logs increased sharply in the second quarter. Plywood rose 41.1% while poles/billets/logs jumped by 104.7% when compared to the first quarter. Plywood contributed 34.1% of the total contract volume during the period under review, regaining its position as the highest contributor to total approved contract volumes.

With the exception of lumber and furniture parts, which dropped in volume 22.3% and 78.2% respectively when compared to the first quarter, contract volumes rose for all major exportable products. Compared to the previous quarter's figures, contracts for sliced veneer, rotary veneer, finger-jointed and dowels increased 47.4%, 36.9%, 82.8% and 77.8%, respectively, representing volumes of 13,636m³; 6,565m³; 5,532m³ and 192m³.

Ghana's market performance improves in second quarter
Prices of Ghana's timber and wood products, particularly teak logs and poles to India, improved by an average of USD30/m³ during the second quarter of 2008. The price rise was USD10/m³ more than the average of USD20/m³ in the first quarter. Harvesting from private teak plantations accounted for about 70% of the teak contracts approved during the second quarter.

While buyers adjusted prices of lumber upward to compensate for the fall in the value of the US dollar vis-à-vis the euro, it was difficult to achieve the minimum Guiding Selling Prices (GSP) for plywood and rotary veneer, which form the bulk of exports to the American markets. Prices of ceiba rotary veneer were down an average of USD27/m³ when compared to the GSP of USD382/m³.

TIDD Pricing Committee removed the 5% price rebate on wood products to the US market, which had an impact on prices of plywood and rotary veneer. It is anticipated that buyers would gradually respond by adjusting prices upward to achieve the GSP during the third quarter.

A new rotary veneer processing line has been installed by John Bitar and Company Limited to manufacture rotary veneer with a thickness of 1mm and below. The first contract for the product was submitted to TIDD for approval during the second quarter, with prices of EUR1000/m³ for sapele/mahogany/edinam and EUR650/m³ for koto.

Prices of air-dried dahoma lumber to the Middle East, the main destination for this product, showed signs of improvement from the current asking price of USD350/m³. Prices of some contracts submitted for approval during the second quarter were between USD370/m³ and USD400/m³.

Ghana Log Prices

Ghana logs, domestic	US$ per m³	
	Up to 80cm	80cm+
Wawa	100-115	120-145
Odum Grade A	160-170	175-185
Ceiba	90-100	105-120
Chenchen	60-88	90-112
Khaya/Mahogany (Veneer Qual.)	70-90	95-120
Sapele Grade A	130-150	155-175
Makore (Veneer Qual.) Grade A	125-135	140-166

Ghana Sawnwood Prices

Ghana Sawnwood, FOB	€ per m³	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	855	-
Asanfina	490	560
Ceiba	200	255
Dahoma	330	390
Edinam (mixed redwood)	400	470
Emeri	425	485
African mahogany (Ivorensis)	585	670
Makore	510	585
Niangon	550	-
Odum	650	720
Sapele	540	600
Wawa 1C & Select	260	285

Ghana sawnwood, domestic		US$ per m³
Wawa	25x300x4.2m	255
Emeri	25x300x4.2m	350
Ceiba	25x300x4.2m	204
Dahoma	50x150x4.2m	318
Redwood	50x75x4.2m	274
Ofram	25x225x4.2m	330

Ghana Veneer Prices

Rotary Veneer, FOB	€ per m³	
	CORE (1-1.9mm)	FACE (<2mm)
Bombax	315	350
Kyere, Ofram, Ogea & Otie	325	360
Chenchen	315	360
Ceiba	360	305
Mahogany	415	450

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

Rotary Veneer, FOB Core Grade 2mm & up	€ per m³
Ceiba	245
Chenchen, Ogea & Essa	295
Ofram	305

Sliced Veneer, FOB	€ per m²	
	Face	Backing
Afrormosia	1.80	1.00
Asanfina	2.00	0.80
Avodire	1.12	0.80
Chenchen	0.97	0.53
Mahogany	1.40	0.79⬇
Makore	1.40	0.90
Odum	1.66	1.00

Ghana Plywood Prices

Plywood, FOB	€ per m³			
B/BB, Thickness	Redwoods		Light Woods	
	WBP	MR	WBP	MR
4mm	560	475	500	365
6mm	340	325	335	285
9mm	380	300	290	270
12mm	300	300	280	255
15mm	310	280	300	260
18mm	300	280	285	250

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

Ghana Added Value Product Prices

Parquet flooring 1st	FOB € per m²		
	10x60x300mm	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%.

Report from Malaysia

FMU developments bode well for Sabah plans

Chief Minister Datuk Seri Musa Aman recently announced positive developments on reforestation in Sabah, said *The Star*. Musa had been present at the signing of an agreement and memorandum of understanding between Bornion Timber Sdn Bhd, China-based Guangdong Guangken Rubber Group Company Limited, Universiti Malaysia Sabah (UMS) and the Malaysian Rubber Board. The agreement allows the establishment of a rubber tree plantation in a Forest Management Unit (FMU) in Sabah. Musa noted that the project would provide local job opportunities and help achieve other plans within the Sabah Development Corridor (SDC). The project, which will cost RM230 million, will establish a plantation on 12,000 hectares of land, a rubber latex factory and a rubber wood processing plant.

Malaysia set to sign VPA with EU

Bernama has reported that Malaysia is set to sign a bilateral Voluntary Partnership Agreement (VPA) with the EU. According to Mr. Cheah Kam Huan, the Malaysia Timber Council's (MTC) chief executive officer, the signing of a VPA has the backing of various stakeholders, including the timber industry. The VPA would require Malaysia to ensure that illegally harvested timber is not sent to the EU. The Agreement is also expected to give Malaysia an edge in the EU market over countries that have not signed VPAs. Cheah said Malaysia is expected to sign the VPA with the EU by the end of this year or the beginning of 2009.

Furniture makers expect strong sales despite global economic slowdown

The Deputy Director of the Indonesian Association of Furniture and Handicraft Industry (Asmindo), Basril Djabar, suggested that recent international furniture and handicraft exhibitions might be boosting sales of Indonesian furniture. *The Jakarta Post* noted that Indonesian furniture makers are expecting to generate nearly USD2.4 billion this year, up from USD1.9 billion in 2007. Already, USD1.2 billion has been earned during the first half of 2008, and Asmindo expects to generate the remaining projected amount from new markets such as the Middle East and Eastern Europe. A 26% increase in sales is expected this year, despite the global economic slowdown and soaring fuel prices. Asmindo expects to continue to sell tables, chairs and filing cabinets from rattan, wood and bamboo to traditional and new export markets.

Prices drop as construction sectors weaken

Prices of Malaysian timber products declined as the various construction and housing sectors in the US and Europe continued to weaken. The strength of the US dollar against other major currencies also led to the lowering of Malaysian timber prices.

Timber businesses are optimistic that demand in Eastern Europe and the Middle-East markets will help to cushion the fall in prices. Prices of wooden furniture and plywood are expected to see marginal declines. A cooling trend in China's real estate market is expected to spill into early 2009.

Malaysia Log Prices

Sarawak log, FOB	US$ per m³
Meranti SQ up	296-318⬇
Small	279-300⬇
Super small	276-274⬇
Keruing SQ up	276-285⬇
Small	245-277
Super small	237-242
Kapur SQ up	253-271
Selangan Batu SQ up	272-294⬇

Pen. Malaysia logs, domestic (SQ)	US$ per m³
DR Meranti	360-400⬇
Balau	302-342⬇
Merbau	416-439⬇
Rubberwood	263-282
Keruing	292-306⬇

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

Malaysia Sawnwood Prices

Malaysia Sawnwood, FOB	US$ per m³
White Meranti A & up	435-459⬇
Seraya Scantlings (75x125 KD)	691-738⬇
Sepetir Boards	341-353⬇
Sesendok 25,50mm	448-478⬇
Kembang Semangkok	430-450⬇

Malaysian Sawnwood, domestic		US$ per m³
Balau (25&50mm,100mm+)		353-373⬇
Merbau		555-578⬇
Kempas 50mmx(75,100 & 125mm)		303-318⬇
Rubberwood	25x75x660mm up	297-327
	50-75mm Sq.	321-345
	>75mm Sq.	333-364

Malaysia Plywood Prices

Malaysia ply MR BB/CC, FOB	US$ per m³
2.7mm	482-510⬇
3mm	462-488⬇
9mm & up	425-448⬇

Meranti ply BB/CC, domestic	US$ per m³
3mm	459-469⬇
12-18mm	402-410⬇

Other Malaysia Panel Prices

Malaysia, Other Panels, FOB		US$ per m³
Particleboard	Export 12mm & up	250-267
	Domestic 12mm & up	241-255
MDF	Export 15-19mm	311-334⬇
	Domestic 12-18mm	291-311

Malaysia Added Value Product Prices

Malaysia, Mouldings, FOB	US$ per m³
Selagan Batu Decking	677-694⬇
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	715-735⬇
Grade B	634-657⬇

Malaysia Furniture and Parts Prices

Malaysia, Rubberwood, FOB		US$ per piece
Semi-finished dining table		
solid laminated top 2.5'x4', extension leaf		62-78
As above, Oak Veneer		69-83
Windsor Chair		61-63
Colonial Chair		59-64
Queen Anne Chair (soft seat)	without arm	59-67
	with arm	59-68
Chair Seat 27x430x500mm		47-52

Rubberwood Tabletop	US$ per m³
22x760x1220mm sanded & edge profiled	
Top Grade	638-648
Standard	607-624

Report from Indonesia

Anti-corruption drive improves Indonesia's survey rankings

The Australian said Indonesia's rankings on Transparency International's (TI) corruption index had fallen from 143rd last year to 126th in 2008. The Indonesia director for Transparency International said that the rankings had improved due to the Government's efforts to handle and eradicate corruption, including those actions taken by the Corruption Eradication Commission. However, the Indonesian TI office said that further actions, such as seizing corrupt state officials, were necessary to reduce corruption.

President Susilo Bambang Yudhoyono noted that efforts to combat corruption would continue, according to *Anatara News*. He indicated this might slow down government performance or procurement of goods and services, but that the efforts should not stop. He said particular efforts were necessary to improve the justice sector.

Indonesian markets cautious despite strong timber exports

Although the Indonesian economy's growth is expected to be 6.4% in the second half of the year, this target could be threatened by a decline in commodity prices, said *The Jakarta Post*. If commodity prices slide, it is likely to reduce export revenue and could hurt capital markets. At present, however, the balance sheets of Indonesia's commodity companies have remained strong.

Declining commodity prices and the depreciation of the rupiah have not yet adversely affected the Indonesian export market. Indonesian plywood exports have also been surging as a result of increasing orders from overseas buyers. This was particularly driven by the reconstruction efforts after storms damaged parts of Taiwan and China.

Indonesia Log Prices (domestic)

Indonesia logs, domestic prices	US$ per m³
Plywood logs	
Face Logs	237-277⬇
Core logs	196-223⬇
Sawlogs (Meranti)	234-273⬇
Falcata logs	196-212
Rubberwood	218-242
Pine	210-233
Mahoni (plantation mahogany)	598-644⬇

Indonesia Sawnwood Prices

Indonesia, construction material, domestic		US$ per m³
Kampar (Ex-mill)	AD 3x12-15x400cm	251-258⬇
	KD	328-343⬇
	AD 3x20x400cm	348-370⬇
	KD	372-382⬇
Keruing (Ex-mill)	AD 3x12-15x400cm	287-296
	AD 2x20x400cm	275-284
	AD 3x30x400cm	280-289

Indonesia Plywood Prices

Indonesia ply MR BB/CC, FOB	US$ per m³
2.7mm	475-504⬇
3mm	418-476⬇
6mm	397-420⬇

MR Plywood (Jakarta), domestic	US$ per m³
9mm	329-343⬇
12mm	305-326⬇
15mm	303-332⬇

Other Indonesia Panel Prices

Indonesia, Other Panels, FOB		US$ per m³
Particleboard	Export 9-18mm	243-253⬇
	Domestic 9mm	207-224⬇
	12-15mm	202-214⬇
	18mm	200-204⬇
MDF	Export 12-18mm	315-328⬇
	Domestic 12-18mm	257-277⬇

Indonesia Added Value Product Prices

Indonesia, Mouldings, FOB	US$ per m³
Laminated Boards Falcata wood	384-404⬇
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	670-696⬇
Grade B	602-642⬇

Report from Myanmar

Teak exports continue steady

The market for teak seems to have neither improved nor declined since May 2008. Nevertheless, in view of a new price list that has been issued, tender average prices climbed slightly. Moreover, experienced traders say the effect of the world economic situation may soon have a significant impact on teak trade. Indian buyers seem noticeably silent this month, while Thailand's buying of lower grades of SG5 and SG6 was buoyant.

Myanmar Log Prices (natural forests)

Teak Logs, FOB	€ Avg per Hoppus Ton (traded volume)	
Veneer Quality	Aug	Sep
2nd Quality	5,428 (6 tons)	5,428 (6 tons)
3rd Quality	3,964 (13 tons)	4,587 (9 tons)
4th Quality	3,294 (43 tons)	3,428 (44 tons)
Sawing Quality	Aug	Sep
Grade 1 (SG-1)	2,514 (253 tons)	2,574 (191 tons)
Grade 2 (SG-2)	2,074 (465 tons)	1.950 (531 tons)
Grade 3 (SG-3)	1,462 (58 tons)	1,671 (31 tons)
Grade 4 (SG-4)	1,858 (470 tons)	1,817 (487 tons)
Grade 5 (SG-5) Assorted	1,537 (592 tons)	1,651 (661 tons)
Grade 6 (SG-6) Domestic	1,215 (382 tons)	1,273 (365 tons)
Grade 7 (ER-1)	1,055 (156 tons)	1,108 (190 tons)
Grade 8 (ER-2)	790 (69 tons)	-

Hoppus ton=1.8m³; All grades, except SG-3/5/6, are length 8' x girth 5' &up. SG-3/4/6 are girth 4' &up. SG-3 grade is higher than SG-4 but with lower girth and price.

Logs, FOB	€ Avg per Hoppus Ton (traded volume)
Pyinkado (export)	417 (319 tons)
Gurjan (keruing-exp)	232 (469 tons)
Tamalan	364 (76 tons)
Taungthayet	--

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

Report from Brazil

Regional workshop focuses on productivity of the timber sector

Folha de Boa Vista noted that a regional workshop on public policies for the timber and furniture sectors had been held in the Northern Region of Brazil during the second week of September. The purpose of the workshop was to find ways to make productivity of the sector more dynamic in the region. The workshop generated a document to assist in establishing projects and strategies to reduce bureaucratic public policies in the Amazon and stimulate timber production activities in the region.

The workshop was promoted by the Brazilian Micro and Small Enterprises Support Service (SEBRAE) and targeted government officials, technicians, researchers and entrepreneurs who contribute to establishing regulatory frameworks for sustainable timber and furniture production in the Amazon region. The workshop included lectures about sustainability, access to technology, innovation, governmental procurement under the General Law on Micro and Small Enterprises and experiences about the formulation of public policies for the timber and furniture sector in Le Marche region of Italy.

Brazil steps up efforts to curb deforestation

According to *Assessoria de Imprensa* and *Diário de Araxá*, some Brazilian state governments were strengthening their environmental laws to combat deforestation. The government of Minas Gerais will submit a draft bill to the Legislative Assembly on the quota for annual consumption of wood and by-products from natural forests. If the bill were approved, Minas Gerais would be the first Brazilian state to adopt environmental legislation with fixed quotas on the use of raw material originating from natural forests. The quotas in Minas Gerais would range from 15% to 5%, declining gradually by 2017, with the aim of reaching zero levels of deforestation of native vegetation cover by 2023. Currently, there is no legal restriction on the use of raw forest material in Minas Gerais and industries can meet 100% of their raw material needs with resources obtained from natural forests.

At the national level, the Brazilian Ministry of Environment announced that at least five countries, including Japan, Sweden, Germany, Korea and Switzerland, in addition to Norway (see TTMR 13:17), were interested in investing in the Amazon Fund. The Fund, which was established by Decree No. 6527 in August 2008, will be managed and monitored by the National Bank for Economic and Social Development (BNDES). BNDES expects to receive public and private contributions at the domestic and international level to invest in the prevention and monitoring of deforestation in Brazil.

Exports drop 25.8% in August 2008

Brazil's wood products exports (except pulp and paper) dropped from USD394.4 million in August 2007 to USD292.5 million in August 2008, a 25.8% decrease. The charts below show the volume and value of exports for August 2008 compared to the same month a year earlier:

Brazil's exports by value, August 2007 and 2008 (USD million)

		2007	2008	% change
AUG	Solid wood*	394.4	292.5	(25.8)
	Tropical plywood	19.1	11.4	(40.3)
	Pine plywood	48.5	33.6	(30.7)
	Tropical sawnwood	69.5	33.9	(51.2)
	Pine sawnwood	25.5	17.4	(31.8)
	Wood furniture	71.1	65.7	(7.6)

*Figures for solid wood exclude pulp and paper exports

Brazil's exports by volume, August 2007 and 2008 (000 m³)

		2007	2008	% change
AUG	Tropical plywood	34.9	18.2	(47.9)
	Pine plywood	151.8	96.4	(36.5)
	Tropical sawnwood	164.3	69.8	(57.5)
	Pine sawnwood	128.1	80.0	(37.5)

Changes in international timber market could be opportunity for Brazil

According to *Madiera Total*, experts have speculated that recent changes made to Russian timber export tariffs and a future recovery of the US real estate market may be opportunities for Brazil's timber industry. Russia has increased taxes on log exports, which will lead to soaring costs for its raw log exports and has left open opportunities for producer countries of finished products such as plywood, doors and flooring. Since Brazil has the capacity to increase exports of wood products and offers certified products, the Brazilian Association of Mechanically-Processed Timber Industry (ABIMCI) believes this could be a good opportunity for the Brazilian wood industry's recovery.

Dubai continues to be seen as major furniture importer

Portal Moveleiro has reported on Dubai and the United Arab Emirates' (UAE) potential to attract greater furniture imports in the near future. Dubai has shown growth in its furniture imports in recent years. The furniture market in Dubai and the UAE in general is directly linked to an upper class market and the real estate sector, both of which are growing to a great extent. New buildings are being built in Dubai every day and as a result, furniture producers are planning to invest in the city.

According to the Brazilian Arab Chamber of Commerce, growth of UAE furniture imports has been high in recent years, at around 20%; thus, there is a possibility exports of Brazilian furniture to the UAE will grow. According to the Chamber of Commerce, the boom in the real estate sector and the large number of immigrants to the UAE may boost demand for Brazilian furniture.

In addition to Dubai, there are other Arab countries that could be considered potential markets for Brazilian furniture. The countries in the Gulf area, such as Saudi Arabia, Qatar, Bahrain and Kuwait, are promising markets and have great prospects for growth.

Brazil Log Prices (domestic)

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	159⬆
Jatoba	113⬆
Guariuba	76⬆
Mescla (white virola)	83

Brazil Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB		US$ per m^3
Jatoba Green (dressed)		853⬆
Cambara KD		466⬆
Asian Market (green)	Guariuba	266⬆
	Angelim pedra	594
	Mandioqueira	235⬆
Pine (AD)		200

Brazil sawnwood, domestic (Green)		US$ per m^3
Northern Mills (ex-mill)	Ipé	745⬆
	Jatoba	572⬆
Southern Mills (ex-mill)	Eucalyptus (AD)	217
	Pine (KD) 1st grade	286

Brazil Veneer Prices

Veneer, FOB (Belem/Paranagua Ports)	US$ per m^3
White Virola Face 2.5mm	296⬆
Pine Veneer (C/D)	210

Rotary cut Veneer, domestic	US$ per m^3	
(ex-mill Northern Mill)	Face	Core
White Virola	285⬆	238

Brazil Plywood Prices

Plywood, FOB	US$ per m^3
White Virola (US Market)	
5.2mm OV2 (MR)	460
15mm BB/CC (MR)	398
White Virola (Caribbean market)	
4mm BB/CC (MR)	508⬆
12mm BB/CC (MR)	407

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	307
15mm C/CC (WBP)	276
18mm C/CC (WBP)	278

Plywood, domestic (ex-mill Southern mill)		US$ per m^3
Grade MR (B/BB)	White Virola 4mm	974⬆
	White Virola 15mm	712⬆

Domestic prices include taxes and may be subject to discounts.

Other Brazil Panel Prices

Belem/Paranagua Ports, FOB	US$ per m^3
Blockboard Pine 18mm 5 ply (B/C)	315
Domestic Prices, Ex-mill Southern Region	
Blockboard White Virola faced 15mm	633
Particleboard 15mm	400⬆

Brazil Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Edge Glued Pine Panel		
Korean market (1st Grade)		640
US Market		515⬆
Decking Boards	Cambara	609
	Ipê	1700⬆

Report from Peru

Wood exports grow 10% in first half

According to statistics from the Export Association of Peru (ADEX), wood exports from January through July 2008 grew 10%, with exports rising USD137 million from USD123.52 million from the same period in 2007.

Year	January - July (USD FOB million)
2000	48.95
2001	43.93
2002	64.84
2003	58.24
2004	72.69
2005	96.23
2006	114.03
2007	123.52
2008	137.01

Table 1: Peru's timber exports by value, January to July 2000-2008 (USD FOB million) Source: ADEX

Exports in July 2008 were USD2.47 million less than exports for the same month in 2007. The volume exported to US and Mexico continued falling in July, in contrast to the Chinese market, which showed gains in export volumes during the same month.

The sectors showing significant growth for the January – July period were: building products (108.5%); veneers and plywood (36.3%); semi-manufactured products (27.8%). Among the products showing weakening export value were furniture and parts (-18.4%) and sawnwood (-1.6%).

Sawnwood was the largest export item, representing 46.5% of sector exports. Exports from January –July 2008 were USD63.66 million, while for the same period in 2007 exports were USD64.69 million. The main markets for this sub-sector were Mexico, United States, China which received 52.2%, 25.4%, 10.6% of sawnwood exports, respectively.

Year	January - July (USD FOB million)
2000	34.73
2001	23.78
2002	45.10
2003	39.54
2004	45.07
2005	57.56
2006	62.05
2007	64.69
2008	63.66

Table 2: Peru's sawnwood exports, January to July 2000-2008 (USD FOB million) Source: ADEX

Semi-manufactured products represented 29.2% of wood sector exports. Exports in January – July 2008 were valued at USD 40.01 million, while exports for the same period in 2007 were valued at USD31.29 million, a 27.8% rise in exports against 2007. Exports of semi-manufactured products in July 2008 increased by USD1.13 million from July 2007 levels. These gains were due largely to the progressive growth of exports such as decking, for which China has been the main destination market (70.8% of exports).

Year	January - July (USD FOB million)
2000	1.59
2001	2.63
2002	5.43
2003	5.79
2004	9.00
2005	14.01
2006	25.91
2007	31.29
2008	40.01

Table 3: Peru's semi-manufactured products by value, January to July 2000-2008 (USD FOB million) Source: ADEX

Veneer and plywood exports for the January–June 2008 period were USD17.62 million, a 36.31% jump from the same period in 2007. Exports from the sub-sector show Mexico as the main market for Peru's exports (89.97%) followed by Venezuela (6.69%).

Year	January - July (USD FOB million)
2000	4.83
2001	6.64
2002	4.27
2003	3.64
2004	7.00
2005	10.14
2006	11.63
2007	12.92
2008	17.62

Table 4: Peru's veneer and plywood exports by value, January to July 2000-2008 (USD FOB million) Source: ADEX

Furniture exports were worth a value of USD8.2 million during the period, a 18.4% decrease from the same period in 2007. The main market destination for these products was the US (58.6%), followed by Italy (23.4%). Furniture exports have substantially diminished in the current period largely due to the recession in the US, the main destination for Peru's furniture.

Year	January - July (USD FOB million)
2000	4.31
2001	4.76
2002	5.91
2003	6.19
2004	7.80
2005	8.62
2006	8.52
2007	10.05
2008	8.20

Table 5: Peru's furniture exports by value, January to July 2000-2008 (USD FOB million) Source: ADEX

During the January–June 2008 period, exports were concentrated in three markets representing 85.5% of total wood products exports. Mexico represented 37.9% of exports in the sector, growing 40.8% when compared to the previous year, followed by China (25.6%), which has grown 43.0% over the same period. The US was the third destination market, representing 22.0%, although its total exports fell 30.6% from first half of 2007.

Country	January - July (USD FOB million)
Mexico	51.91
China	35.13
US	30.18
Italy	3.43
Hong Kong	2.24
Others	14.12
Total	137.01

Table 5: Major market destinations of Peru's exports, January to July 2000-2008 (USD FOB million) Source: ADEX

Peru Sawnwood Prices

Peru Sawnwood, FOB Callao Port		US$ per m^3
Mahogany S&B KD 16%, 1-2" random lengths (US market)		1823-1866
Spanish Cedar KD select		
North American market		934-965
Mexican market		943-970
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	330-375
Grade 2, Mexican market	298-318
Cumaru 4" thick, 6'-11' length KD	
Central American market	809-836
Asian market	770-789
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	550-585
Dominican Republic	565-575
Marupa (simarouba) 1", 6-11 length Asian market	395-420

Peru Sawnwood, FOB Iquitos	US$ per m^3
Spanish Cedar AD Select Mexican market	935-951
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	331-355
Grade 2, Mexican market	301-312
Grade 3, Mexican market	176-192
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	245-260

Peru sawnwood, domestic	US$ per m^3
Mahogany	1295-1290
Virola	80-93
Spanish Cedar	435-450
Marupa (simarouba)	130-136

Peru Veneer Prices

Veneer FOB	US$ per m^3
Lupuna 3/Btr 2.5mm	220-228
Lupuna 2/Btr 4.2mm	220-250
Lupuna 3/Btr 1.5mm	245-255

Peru Plywood Prices

Peru plywood, FOB (Mexican Market)		US$ per m^3
Copaiba, 2 faces sanded, B/C, 15x4x8mm		368-385
Virola, 2 faces sanded, B/C, 5.2x4x8mm		424-432
Cedar fissilis, 2 faces sanded 4x8x5.5mm		755-765
Lupuna, treated, 2 faces sanded, 5.2x4x8mm		369-383
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 m^3
(Iquitos mills)	
122 x 244 x 4mm	426
122 x 244 x 6mm	397
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 Peru Panel Prices

Peru, Domestic Particleboard	US$ per m^3
1.83m x 2.44m x 4mm	277
1.83m x 2.44m x 6mm	230
1.83m x 2.44m x 12mm	198

Peru Added Value Product Prices

Peru, strips for parquet		US$ per m^3
Cabreuva/estoraque KD12% S4S, Asian market		1451-1508⬆
Cumaru KD, S4S	Swedish market	674-722
	Asian market	1010-1022⬆
Cumaru decking, AD, S4S E4S, US market		962-1102
Pumaquiro KD # 1, C&B, Mexican market		492-534
Quinilla KD, S4S 2x10x62cm, Asian market		592-628
	2x13x75cm, Asian market	712-736

Report from Bolivia

Bolivia Sawnwood Prices

Sawnwood 1-3"x3x5"x7-19', FOB Arica Port		$ Avg un. val. per m^3
Mahogany	(US market)	1200-1800⬆
Spanish Cedar	(US market)	764-998⬆
Oak	(US and EU market)	594-709⬆

Bolivia Added Value Product Prices

Doors 13/4"x36"x96", FOB Arica Port		Avg $ per piece
US market	Mara macho/Tornillo (FSC)	100-299
	Yesquero	70-340⬆
	Ochoó	100-300

Parquet Flooring 3-5"x4-6"x5-13', FOB Arica Port		$ Avg un. val. per m^3
Mani	(FSC) (US market)	675-675
Caviuna	(FSC) (US market)	700-1000⬆
Cumaru	(FSC) (US, EU and Asia mkt)	600-1000⬆
3/4"x3-5"x1-7'		
Jatoba	(US, EU and Mexico market)	1050-1900⬇
Ipe	(EU and Asia market)	900-1800⬆
Jequitaba	(EU market)	-

Report from Mexico

CONAFOR aims to increase production to 10 million m³

The Director General of the National Forest Agency (CONAFOR) announced that one of the main goals of the presidential term is to increase timber production to 10 million m³. Over the last seven years, production has been reduced to 6.6 million m³ which only supplies one third of domestic consumption timber and the 1.6% GDP. Consequently, two thirds of wood products consumption requirements must be imported, which in 2006 resulted in a trade deficit of 5.165 million pesos.

Another objective of the present presidential administration is to incorporate 7.92 million ha of forest in SFM activities. At the moment, the federal government restores and conserves its forest through the ProTree programme.

Report from Guyana

Sawnwood exports continue to climb

For the period 1 - 15 September 2008, sawnwood exports continued to climb and grew 32% when compared to the previous fortnight. The major destination continued to be the Netherlands, accounting for 23% of sawnwood exported over the period. Other destinations include Barbados, St. Lucia, Trinidad, St. Vincent, the UK, and the US.

However, log exports for 2008 up to the end of August 2008, were lower by both volume and value than the corresponding period in 2007. Other timber products including sawnwood, roundwood and splitwood have increased overall and have taken up most of the fall in revenue created by the decline in log exports.

The export of roundwood piles has increased by 42% over the previous fortnight. These are mainly greenheart piles with some export of black kakaralli piles, one of the lesser used species (LUS) being promoted by the GFC with support from ITTO. The major destination for Guyana's roundwood piles for the period was Venezuela (43%) followed by the US (24%), the Netherlands and Bahamas.

A number of LUS species were exported for the period under review. Burada is currently being used for the production and export of prefabricated housing and has been exported to Caribbean markets. Additionally, it is being processed and exported as timber and building components to the Netherlands. Other species such as darina, itikiboroballi, iteballi and suya have been exported to destinations such as India, the Netherlands and Trinidad, largely targeted for structural applications.

National consultation held to discuss policies on Amerindian Community Forestry Enterprises

On 22 September 2008, the Government of Guyana hosted a national consultation with over 60 indigenous community members from 33 community groups across the ten administrative regions of Guyana. This workshop coincided with Guyana's Amerindian Heritage Month observed in September of each year. The participants met to discuss and share experience on approaches that have been successful in community forestry and identify future needs to support livelihoods in these communities. Forests are one of the main resources available to many communities and to a significant extent supports income generation, employment and welfare of Amerindian groups.

One of the main objectives of the consultation was to inform various workers in the forestry sector about the government's policies on indigenous groups and to gather feedback from the different regions on how the policies can better serve the interest of communities.

The feature address at the session was delivered by the Minister of Agriculture with responsibility for Forestry, Hon. Robert Persaud, who emphasized that Amerindian communities play a very important part in maintaining sustainable forest management at the forest management unit and community levels. The Minister noted that Guyana's national log tracking system is largely monitored by Amerindian communities, thereby enabling the verification of the legality of origin of forest products at a national level. He further expressed that the Government of Guyana is of the firm view that sustainable development of indigenous forest communities in Guyana is best done using participatory forest management and community development approaches.

Among the challenges identified by the communities were the high cost of transporting forest produce to markets and lack of required capital resources to engage in desired added value forestry activities. The participants concluded that working management structures can prove vital in addressing some of their concerns at the community level.

Guyana Log Prices

Logs, FOB Georgetown	SQ - $ Avg unit value per m³		
	Std	Fair	Small
Greenheart	130-165⬆	130-160⬆	115-150⬆
Purpleheart	180-265⬆	180-250	170-190⬆
Mora	110	110-125⬇	110-115⬇

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

Guyana Sawnwood Prices

Sawnwood, FOB Georgetown		$ Avg unit val. per m³	
EU and US markets		Undressed	Dressed
Greenheart	Prime	-	-
	Select/Standard	530-823⬇	511-700⬇
Purpleheart	Prime	-	-
	Select/Standard	502-680⬇	594-700⬇
Mora	Select	450-1,696⬆	-

Guyana Plywood Prices

Plywood, FOB Georgetown Port			$ Avg unit val. per m³
Baromalli	BB/CC	5.5mm	474
		12mm	-
	Utility	5.5mm	439-443
		12mm	-

Report from Japan

Japan's imports of major forest products fall in first half of 2008

Japan Lumber Reports announced updated import figures of major forest products for the first half of 2008, noting that the total value for these products fell almost 200 billion yen from the same period in 2007. The value of total imports amounted to JPY463.7 billion, or 30.7% less than the previous period. This was due in part to waning demand for imports and a strong yen. The results are likely to impact future financing for imports. Information on the value and volume for the first half of 2008 is presented below:

Item	*Volume (million m³)*	*Value (JPY billion)*
Log	3.00	65.79
softwood	2.69	56.67
hardwood	0.32	9.12
Lumber	3.02	113.86
softwood	2.86	100.34
hardwood	0.16	13.52
Secondary processed products	0.11	13.45
softwood	0.05	4.23
hardwood	0.06	9.21
Plywood	1.50	74.7
softwood	0.23	1.22
hardwood	1.48	73.49
blockboard	0.24	10.91
Veneer	27.85	4.42
Fiberboard	114.82	9.3
hardboard	15.18	0.92
MDF	129.48	8.34
Laminated lumber	0.24	13.85

Table 1: Imports of Japan's major forest products, January to July 2008 (Source: Japan Lumber Reports)

Losses near 500 billion yen affect real estate, construction and building materials industries

Japan Lumber Reports indicated that major bankruptcies were hitting the real estate, construction and building materials industries, with losses totalling nearly JPY565 billion in August 2008. September is likely to show results of further bankruptcies. Bankruptcies of housing and condominium builders also continue to occur, which may result in more bankruptcies for the wood and building materials industries.

Log and Sawnwood Prices in Japan

Logs for Ply Manufacture, CIF	Yen per Koku
Meranti (Hill, Sarawak)	(Koku=0.278 m³)
Medium Mixed	8,400⬆
Standard Mixed	8,500⬆
Small Log (SM60%, SSM40%)	7,400⬆
Taun, Calophyllum, others (PNG)	7,600⬆
Mixed light hardwood, G3/4 grade (PNG)	-
Keruing MQ & up (Sarawak)	12,000⬆
Kapur MQ & up (Sarawak)	11,500⬆

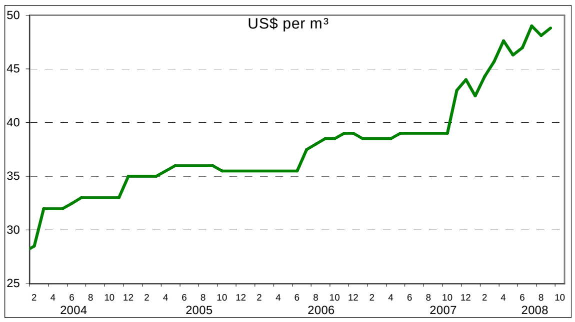
Logs for Sawmilling, CIF	Yen per Koku
Melapi (Sarawak) High Select	11,500⬆
Agathis (Sarawak) High Select	-

Lumber, FOB	Yen per m³
White Seraya (Sabah) 24x150mm, 4m, Grade 1	145,000
Mixed Seraya, Sangi 24x48mm, 1.8-4m, S2S	53,000

Wholesale Prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	Aug (¥ per sheet)	Sep
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	400	400
3.7mm (med. Thickness, F 4star, type1)	910 X 1820	570	570
5.2mm (med. Thickness, F 4star, type 1)	910 X 1820	680	680
11.5mm for sheathing (F 4star, type 2)	910 X 1820	1030 ↑	1040 ↑
12mm for foundation (F 4star, special)	910 X 1820	1050 ↑	1060 ↑
12mm concrete-form ply (JAS)	900 X 1800	1030 ↑	1050 ↑
12m coated concrete-form ply (JAS)	900 X 1800	1130 ↑	1130 ↑
11.5mm flooring board	945 X 1840	1420 ↑	1500 ↑
3.6mm baseboard for overlays (OVL)	1230 X 2440	870	870
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 2004-2008



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

Report from China

Emergence of China's forest plantations expands raw material supply

Planting of China's fast growing and high yielding plantations started in the early 1970s and developed rapidly in the 1980s. The traditional wood industry, which mainly depended on raw material from natural forests, was heavily impacted by the implementation of China's natural Forest Protection Programme in 1998 and in turn cultivated and utilized fast growing and high yielding plantations. In order to solve the shortage of domestic wood resources, the State Council approved the implementation of the Fast Growing and High Yielding Plantation Programme, which is one of the six major forestry programmes. The programme is mainly distributed in 18 provinces and regions in the east of the country. Over 13.33 million hectares of fast growth and high yielding plantation bases will be established by 2015. After the programme's completion, 140 million m^3 will be used to support the production of 13.86 million tons of wood pulp, 21.5 million m^3 of wood-based panels, 15.79 million m^3 of large diameter timber, all consisting of 40% of domestic timber demand. China's timber supply and demand is expected to be balanced once these new plantations are utilized.

The fast growing and high yielding plantation programme has been proceeding well in recent years. According to preliminary statistics for 18 provinces and regions, 52.22 million units of high yielding plantations have been established and 3.3 million units of low quality production forest has been planted, totaling 55.52 million units. Of the total, 35% are for paper pulp plantation, 43% are for wood-based panel plantation, 9% for large diameter timber plantation, 4% for bamboo plantation, 2% for 'precious' species plantation. Of the total plantation area, 17.8% were planted by state-owned and collective forest farms, 10.3% by foreign owned enterprises, 39.7% by farm households and 9.5% by other entities. After completion, more than 15 billion yuan will have been invested. Of this total, 11% of funds are from national investments and the others are from self-financing entities, domestic loans and foreign capitals.

According to China's sixth forest resource inventory report, the area of China's tropical fast growth and high yielding plantation is 12.51 million hectares with 294.44 million m^3 of stocking volume, which is distributed in Guangdong, Guangxi, Yunnan and Hainan provinces (see table 1). China's tropical fast growing and high yielding plantation features *Eucalyptus spp*.

Province	Plantation area		Plantation stocking volume	
	Million hectares	Proportion (%)	Million m³	Proportion (%)
National total	53.2573	100.00	1504.5256	100.00
Guangxi	4.4962	8.44	120.9324	8.04
Guangdong	4.4083	8.28	108.6197	7.22
Yunnan	2.5145	4.72	52.0243	3.46
Hainan	1.0910	2.05	12.8690	0.86
Subtotal	12.5100	23%	294.4454	20%

Table 1: China's tropical plantations

Currently there are 1.5 million hectares of eucalypt plantations amounting to 30 million m³ by volume, with investments mainly from private enterprises and foreign owned enterprises. Experts predict that the area consisting of eucalypt plantations will be 2.5 million hectares by 2010. Fifty percent of the raw material for making China's pulp and paper feedstock is expected to be from eucalypt plantations. The development of China's tropical eucalypt plantations has not only increased farmers' incomes but also has mitigated the pressure from demand for timber and paper pulp.

China's tropical plantation eucalypts are mainly used to produce paper pulp, wood-based panel and wood chips. Using these products, wood chips, medium density fiberboard (MDF) and plywood are exported. However, official statistics on exports of these products are not available. It has been reported that wood chips are exported to Japan and South Korea.

China establishes quality control areas for exports

A number of supervision areas have recently been established in China. Flooring export supervision areas in Chanzhou City of Jiangsu Province, plywood export supervision areas in Pizhou City of Jiangsu Province, wooden products export supervision areas in Linyi City of Shandong Province, and wooden products and furniture export supervision areas in Dezhou City of Shandong Province have been set up as a way to improve the quality of China's exports. In addition, a wood, grass and willow products export supervision zone is being built in Heze City of Shandong Province.

The supervision zones are designed to align the quality of China's wood products with international standards and reduce trade frictions. This will be done by setting up sound supervision mechanisms for wood products, coordination mechanisms among wood products industry, and quality, safety and standard tracking mechanisms for wood products of export destination countries. Within each supervision area, entry-exit inspection and quarantine workers will help enterprises develop international quality standard management systems, provide enquiry services for the latest international standard and laboratory testing services, help enterprises products meet international standards of export destination countries and avoid trade disputes effectively.

China turns attention to formaldehyde emissions in California

It has been reported that California (US) has set new limits on formaldehyde emissions. The state's Air Resources Board approved an air toxics control measure for formaldehyde emissions limits from composite wood products in April 2008. The measure requires that formaldehyde emissions from hardwood plywood, particleboard, and medium density fiberboard be gradually reduced by category. The new emissions limits are scheduled to be phased in starting 2009 and fully implemented in 2012. According to the standard in phase one, formaldehyde emissions limits from plywood, particleboard and fiberboard are 0.08ppm, 0.18 ppm and 0.21 ppm respectively and will be further reduced to 0.05 ppm-0.13 ppm.

China's companies exporting wood products mainly to the US are paying more attention to the new regulation enacted by California. The US is the largest market for China's furniture exports. Therefore, China's enterprises exporting furniture to the US are facing a new challenge from California's new limits on formaldehyde emissions.

Guangzhou City Imported Timber Market

Logs	Yuan per m^3
Radiata 6m, 30cm diam.	1300
Lauan	1900-2500
Kapur	1900-2500
Merbau 6m, 60cm diam.	4400-5000
Keruing 60cm+ diam.	1900-2350
Beech 6m,30cm veneer Qual.	3300-3600
Sawnwood	
Teak sawn grade A	8500-9500
US Maple 2" KD	8800-12500
US Cherry 2"	14700-15100
US Walnut 2"	12500-14500
SE Asian Sawn 4m+, KD	3700-3900
*Plywood*note, dimensions have changed*	Yuan per sheet
4x8x5mm	87
4x8x15mm	219-223

Shanghai Furen Wholesale Market

Sawnwood		Yuan per m^3
Beech KD Grade AB		2500-3200
US Cherry, 25mm		9500-10500
US Red Oak, 50mm		9800-10500
Sapele 50mm FAS (Congo)		
	KD (2", FAS)	8300-8500
	KD (2",grade A)	7500-7800

Shandong De Zhou Timber market

Logs		Yuan per m^3
Larch	6m, 24-28cm diam.	1400
White Pine	6m, 24-28cm diam.	1450
Korean Pine	4m, 30cm diam.	1650
	6m, 30cm diam.	1750

Hebei Shijiangzhuang Wholesale Market

Logs		Yuan per m^3
Korean Pine 4m, 38cm+ diam		1900
Mongolian Scots Pine	4m, 30cm diam.	1400
	6m, 30cm+ diam.	1500
Sawnwood		
Mongolian Scots Pine	4m, 5-6cm thick	1550
	4m,10cm thick	1550

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 and the UK

EU tropical hardwood imports cool during 2008

Newly released trade data reinforces anecdotal reports of a significant slowdown in Europe's hardwood imports from tropical countries this year. However, the news is not all bad. There has been growth in imports of some commodities into a few countries. Plywood imports from tropical countries increased significantly in the second quarter of 2008. In addition, EU imports of hardwood flooring have been rising this year.

The following series of tables provides data on EU hardwood imports from tropical countries during the first half of 2008. The data draws on an analysis of Eurostat statistics undertaken by Forest Industries Intelligence Limited. The data covers 22 of the 27 EU countries (data for Spain, Denmark, Estonia, Bulgaria and Romania was not available at time of this review). All intra-EU trade in tropical wood products is excluded from the analysis. Note that the term 'tropical country' is taken to include those countries like China and Brazil that are partially located in the tropical zone. And due to rising trade in temperate hardwood species with tropical countries, hardwood products imported by the EU from some tropical countries is likely to comprise both tropical and temperate species.

The fall in EU imports of hardwood logs from tropical countries has been particularly dramatic this year. Overall imports of hardwood logs from tropical countries by the 22 EU countries reached around 380,000 m³ in the first half of 2008, down over 15% on the same period in 2007. While tropical log imports into Belgium and France held up reasonably well during the review period, there were dramatic falls in imports of this commodity into Italy (down 33%), Portugal (down 26%), Germany (down 44%) and Greece (down 14%). Considering leading supply countries, log imports from Congo Republic and Gabon were up 23.5% and 3.6% respectively during the first six months of 2008 compared to the same period in 2007.

However, log imports from all other leading supply countries including Congo DR, Cameroon, CAR and Equatorial Guinea declined dramatically.

EU country imports* of hardwood logs from tropical countries Jan-Jun 2008 (m³volume)

	FR	IT	PT	DE	BE	GR	OTHER	TOTAL
GABON	134426	16612	7053	16768	7303	7835	0	**189997**
CONGO DR	40806	3056	16053	358	11464	96	299	**72132**
CONGO REP	18330	9080	11346	1244	575	0	1610	**42185**
CAMEROON	4922	10820	3608	11693	2088	57	1023	**34211**
CENT. AFR. REP.	7866	3996	983	0	0	0	0	**12845**
EQUAT. GUINEA	1987	2770	0	5560	0	0	0	**10317**
OTHER	1705	1771	670	2855	1386	882	8977	**18246**
TOTAL	**210042**	**48105**	**39713**	**38478**	**22816**	**8870**	**11909**	**379933**

EU country imports* of hardwood logs from tropical countries Jan-Jun 2008 (% change in m³ volume 1st half 08 vs 1st half 07)

	FR	IT	PT	DE	BE	GR	OTHER	TOTAL
GABON	15.0	-1.8	-38.9	-36.5	49.4	15.2	na	**3.6**
CONGO DR	-11.4	-68.9	-34.1	42.6	27.5	na	-72.3	**-20.4**
CONGO REP	19.7	19.1	116.4	-71.9	32.8	-100.0	55.7	**23.5**
CAMEROON	-69.7	-45.2	-57.4	-46.4	84.1	na	-52.6	**-50.8**
CENT. AFR. REP.	42.9	-44.4	-64.7	-100.0	na	na	-100.0	**-33.8**
EQUAT. GUINEA	-81.9	-45.9	-100.0	-42.9	na	-100.0	na	**-63.6**
OTHER	183.2	-70.6	78.2	-19.0	99.4	-52.5	-10.5	**-21.0**
TOTAL	**-0.7**	**-33.6**	**-25.8**	**-44.6**	**41.4**	**-15.1**	**-20.3**	**-15.3**

**Note data for Spain, Denmark and Estonia was not available at time of analysis and is excluded.*

Source: Forest Industries Intelligence Analysis of Eurostat

Imports of hardwood rough sawn lumber into the 22 EU countries hit around 825,000 m³ during the first six months of this year, down 12% on the same period in 2007. Of all the main EU markets for tropical rough sawn lumber, only Portugal and Italy maintained imports at a level similar to the previous year. Imports into the Netherlands, France, Belgium and the UK were down respectively 8%, 9%, 27% and 26%.

Tough supply conditions in Brazil were reflected in a 21% drop in imports of rough sawn lumber from that country during the review period. Sluggish European demand, particularly for sapele, is reflected in a respective 15.4% and 12.3% drop in imports of rough sawn lumber from Cameroon and Côte d'Ivoire. Imports from Malaysia were also down nearly 10% during the review period. However the EU has been importing more rough sawn lumber from Gabon, Congo DR, and Congo Republic this year.

EU country imports* of hardwood rough sawn lumber from tropical countries Jan-Jun 2008 (m³ volume)

	NL	FR	IT	BE	PT	GB	OTHER	TOTAL
BRAZIL	79589	67361	6227	16211	44188	1076	7987	**222639**
CAMEROON	21319	30201	44625	29272	6771	13371	17031	**162590**
MALAYSIA	79393	11042	10559	20219	0	14614	21645	**157472**
IVORY COAST	9126	6150	30530	2647	1147	11909	10333	**71842**
GABON	9321	10435	23018	1550	1838	420	1358	**47940**
GHANA	5189	8061	7282	3295	197	3063	8357	**35444**
CONGO DR	15568	573	2062	9801	2933	764	457	**32158**
CONGO REPUBLIC	350	4695	5543	3139	3395	5840	3584	**26546**
INDONESIA	3075	2008	804	1136	0	4221	10592	**21836**
OTHER	13664	3292	9560	3229	2349	3443	10742	**46279**
TOTAL	**236594**	**143818**	**140210**	**90499**	**62818**	**58721**	**92086**	**824746**

EU country imports* of hardwood rough sawn lumber from tropical countries Jan-Jun 2008 (% change in m³ volume 1st half 08 vs 1st half 07)

	NL	FR	IT	BE	PT	GB	OTHER	TOTAL
BRAZIL	-24.8	-17.4	-23.9	-27.1	2.2	-90.8	-8.3	**-20.9**
CAMEROON	-23.0	-8.2	8.1	-18.3	-1.5	-39.2	-33.5	**-15.4**
MALAYSIA	7.4	-14.2	-2.2	-42.5	na	-20.0	-6.3	**-9.6**
IVORY COAST	-8.8	-31.2	-10.8	-40.2	-7.2	17.8	-19.9	**-12.3**
GABON	87.2	54.3	-7.9	-55.8	-36.9	723.5	-28.8	**6.2**
GHANA	-40.3	27.1	-2.8	26.7	118.9	-48.5	-18.1	**-14.3**
CONGO DR	41.3	-13.4	72.6	11.7	-38.5	1112.7	-40.3	**18.0**
CONGO REPUBLIC	79.5	75.6	36.9	-13.0	44.3	334.2	20.0	**54.2**
INDONESIA	-28.9	-14.6	-20.1	-32.2	na	60.7	-7.4	**-7.0**
OTHER	30.8	-12.0	-3.9	-48.4	120.4	-54.8	-22.5	**-12.6**
TOTAL	**-8.0**	**-9.4**	**-2.1**	**-27.1**	**0.4**	**-26.3**	**-17.4**	**-12.0**

**Note data for Spain, Denmark and Estonia was not available at time of analysis and is excluded.*

Source: Forest Industries Intelligence Analysis of Eurostat

EU imports from tropical countries of planed, sanded and finger jointed hardwood lumber have held up more strongly than imports of rough sawn. Overall imports of this commodity into the 22 EU countries during the first 6 months of 2008 stood at 65,000 m³, only 2% down on the same period in 2007. The vast majority of this commodity imported into the EU is destined for either the Netherlands or France. During the review period, imports of planed, sanded and finger-jointed hardwood lumber increased from both Cameroon and Malaysia, the two leading tropical suppliers of this commodity to the EU. There are also signs of improved availability of these added value products from Côte d'Ivoire this year. However imports of planed, sanded and finger jointed hardwood lumber were down from Brazil and Indonesia during the six month review period.

EU country imports* of planed, sanded and finger jointed hardwood sawn lumber from tropical countries Jan-Jun 2008 (tons)

	NL	FR	IT	DE	BE	GB	OTHER	TOTAL
CAMEROON	25318	800	235	116	0	0	713	**27182**
MALAYSIA	10291	214	342	600	357	98	445	**12347**
BRAZIL	200	9164	82	31	450	222	247	**10396**
INDONESIA	2487	1476	381	165	91	101	452	**5153**
IVORY COAST	1341	405	1092	215	59	139	94	**3345**
CHINA	25	323	253	86	180	27	1036	**1930**
GHANA		325	446	723	127	15	160	**1796**
OTHER	91	786	900	167	453	384	439	**3220**
TOTAL	**39753**	**13493**	**3731**	**2103**	**1717**	**986**	**3586**	**65369**

EU country imports* of planed, sanded and finger jointed hardwood sawn lumber from tropical countries Jan-Jun 2008 (% change in tonnage 1st half 08 vs 1st half 07)

	NL	FR	IT	DE	BE	GB	OTHER	TOTAL
CAMEROON	16.7	62.3	23.0	-12.1	na	-100.0	531.0	**19.7**
MALAYSIA	11.8	-44.1	-5.5	1053.8	-41.6	6.5	-38.5	**8.0**
BRAZIL	56.3	-27.8	-81.7	-83.0	17.8	174.1	-34.3	**-27.2**
INDONESIA	-3.3	-2.5	-43.4	-41.7	-64.2	-39.9	-45.8	**-18.2**
IVORY COAST	1141.7	-30.9	215.6	-20.1	68.6	-52.9	-67.8	**73.2**
CHINA	-78.1	169.2	-5.6	-21.8	-58.8	-87.4	12.9	**-11.5**
GHANA	na	-85.8	-19.8	2.0	98.4	25.0	-48.1	**-55.1**
OTHER	-60.9	-49.1	-17.0	-50.1	323.4	197.7	-24.8	**-19.8**
TOTAL	**16.5**	**-31.2**	**-5.0**	**1.5**	**-9.2**	**-8.7**	**-13.5**	**-2.2**

**Note data for Spain, Denmark and Estonia was not available at time of analysis and is excluded.*

Source: Forest Industries Intelligence Analysis of Eurostat

EU imports of hardwood veneer from tropical countries also held up well during the six month period. Total imports into the 22 EU countries between January and June 2008 amounted to around 190,000 m³, up 4.5% on the same period in 2007. Imports from Gabon, by far the leading tropical veneer supplier to the EU - mainly rotary veneers destined for France - were down 4.1%. However EU imports of hardwood veneers from Congo Republic have increased dramatically this year, with the majority of extra volume destined for France. Italy and Germany have also been importing larger volumes of veneer from Ivory Coast this year. The EU has been importing more veneer from China this year, although overall volumes still remain small at just over 8,000 m³ during the first six months of 2008.

EU country imports of hardwood veneers from tropical countries Jan-Jun 2008 (m³ volume)*

	FR	IT	DE	GR	NL	PT	OTHER	TOTAL
GABON	74316	9507	46	5182	2997	1121	1690	**94859**
IVORY COAST	1058	23905	10718	668	0	651	1745	**38745**
CAMEROON	252	16175	430	230	0	68	0	**17155**
CONGO REP.	7109	2997	0	73	0	0	0	**10179**
GHANA	784	4135	1618	409	42	114	1081	**8183**
CHINA	548	1933	1012	811	1228	144	2488	**8164**
EQUAT. GUINEA	2889	4748	0	0	0	0	0	**7637**
OTHER	568	1443	414	65	253	824	1764	**5331**
TOTAL	**87524**	**64843**	**14238**	**7438**	**4520**	**2922**	**8768**	**190253**

EU country imports of hardwood veneers from tropical countries Jan-Jun 2008 (% change in m³ volume 1st half 08 vs 1st half 07)*

	FR	IT	DE	GR	NL	PT	OTHER	TOTAL
GABON	-4.5	-8.2	-45.9	9.8	-9.4	5.9	3.4	**-4.1**
IVORY COAST	-20.1	23.5	10.1	-6.3	na	-16.6	-29.7	**12.7**
CAMEROON	23.5	3.2	32.3	-40.1	na	-60.0	-100.0	**0.8**
CONGO REP.	2015.8	2103.7	na	na	na	na	-100.0	**1688.9**
GHANA	37.3	-3.8	-24.3	13.9	na	-65.7	-50.2	**-17.1**
CHINA	1305.1	52.3	-4.3	64.8	-20.6	300.0	4.5	**19.7**
EQUAT. GUINEA	-55.2	180.3	na	na	na	na	na	**-6.2**
OTHER	-4.4	-4.7	12.8	na	-18.6	-55.7	4.3	**-15.9**
TOTAL	**0.2**	**19.4**	**3.9**	**11.6**	**-12.5**	**-31.0**	**-18.1**	**4.5**

**Note data for Spain, Denmark and Estonia was not available at time of analysis and is excluded. Pencil boards, planed, sanded and finger jointed veneers are excluded.*

Source: Forest Industries Intelligence Analysis of Eurostat

Imports of hardwood plywood into the 22 EU countries from tropical countries reached 817,000 m³ during the opening six months of 2008, around 4% up on the same period in 2007. After a slow start to the year, EU hardwood plywood imports picked up in the second quarter of 2008, particularly into the UK. However the data suggests that EU imports of hardwood faced plywood from China, which increased dramatically during the 2006-2007 period, may have hit a ceiling. Anecdotal reports of mounting supply problems are reflected in a 9% drop in EU imports of hardwood plywood from China in the first six months of 2008 compared to the same period in 2007. Meanwhile EU imports from Malaysia have increased sharply, up over 50% during the first half of 2008 compared to the same period of 2007. There has also been a partial recovery in EU hardwood plywood imports from Indonesia this year.

EU country imports* of hardwood plywood from tropical countries Jan-Jun 2008 (m³ volume)

	GB	DE	BE	NL	IT	FR	OTHER	TOTAL
CHINA	119024	74071	64255	25925	20022	24426	67760	**395483**
MALAYSIA	144327	1223	7662	5868	3666	606	1113	**164465**
BRAZIL	54383	18626	11866	3047	14452	8475	7565	**118414**
INDONESIA	12202	20734	24736	14514	2529	7074	1390	**83179**
GABON	0	72	0	6028	9859	5899	90	**21948**
MOROCCO	0	0	508	6651	8794	72	386	**16411**
OTHER	4315	2002	3505	557	1804	3081	2280	**17544**
TOTAL	**334251**	**116728**	**112532**	**62590**	**61126**	**49633**	**80584**	**817444**

EU country imports* of hardwood logs from tropical countries Jan-Jun 2008 (% change in m³ volume 1st half 08 vs 1st half 07)

	GB	DE	BE	NL	IT	FR	OTHER	TOTAL
CHINA	-18.4	-12.5	-13.8	-21.0	81.2	-18.4	22.1	**-8.9**
MALAYSIA	58.4	-12.2	-4.5	23.9	295.5	40.0	143.0	**53.5**
BRAZIL	-6.0	47.4	-13.8	42.8	60.5	-14.6	136.9	**9.1**
INDONESIA	13.1	18.0	18.4	118.2	25.3	143.4	-55.6	**30.0**
GABON	na	-26.5	-100.0	18.0	44.5	-0.7	-62.3	**14.9**
MOROCCO	-100.0	na	-17.9	-35.9	94.3	na	-14.6	**2.4**
OTHER	-38.4	71.8	-30.1	14.8	-2.6	-27.2	-87.3	**-53.5**
TOTAL	**6.9**	**-0.7**	**-9.1**	**0.5**	**68.8**	**-7.0**	**-0.5**	**3.9**

**Note data for Spain, Denmark and Estonia was not available at time of analysis and is excluded.*

Source: Forest Industries Intelligence Analysis of Eurostat

The analysis also includes data on EU imports from tropical countries of flooring products – covering parquet panels for mosaic floors and multi-layer products together with unassembled blocks and strips for parquet or wood block flooring. Imports of these products into the 22 EU countries from tropical countries increased dramatically during the first six months of this year, up 23% compared to the same period in 2007 to stand at 16.4 million m². The vast majority of this product – around 10.9 million m² – derived from China, with lesser volumes coming from Indonesia, Thailand and Brazil. While EU consumption of wood flooring has been rising in recent times, such a rapid increase in imports is indicative of mounting competitive pressure on Europe's domestic flooring manufacturers. This may in turn feed through into declining EU demand for flooring grades of hardwood sawn lumber.

EU country imports of flooring products from tropical countries Jan-Jun 2008 (1000 m²)

	GB	IT	BE	NL	DE	FR	OTHER	TOTAL
CHINA	3340.1	1582.9	1803.8	1319.6	670.6	696.0	1450.6	**10863.6**
INDONESIA	213.9	649.6	156.0	84.6	418.9	201.2	518.5	**2242.7**
THAILAND	77.7	17.5	98.8	223.5	222.1	4.2	40.3	**684.2**
BRAZIL	8.8	151.8	36.5	25.6	48.3	363.8	202.5	**837.4**
MALAYSIA	80.1	112.4	86.6	16.0	100.4	22.8	139.9	**558.3**
PARAGUAY	0.0	124.4	0.9	16.0	11.1	5.6	9.3	**167.4**
IVORY COAST	0.0	142.1	0.0	0.0	0.2	2.9	12.5	**157.8**
VIETNAM	10.6	26.8	2.2	2.0	57.8	20.0	12.5	**131.9**
OTHER	26.3	471.0	26.8	5.1	12.0	109.0	69.4	**719.5**
TOTAL	**3757.5**	**3278.4**	**2211.7**	**1692.5**	**1541.4**	**1425.5**	**2455.7**	**16362.8**

EU country imports* of flooring products from tropical countries Jan-Jun 2008 (% change in m² 1st half 08 vs 1st half 07)*

	GB	IT	BE	NL	DE	FR	OTHER	TOTAL
CHINA	58.7	58.4	51.1	25.0	85.7	-2.1	9.8	**40.2**
INDONESIA	46.1	13.1	6.9	-15.5	-15.2	24.5	-10.5	**1.9**
THAILAND	1.6	-46.4	-49.4	27.2	-27.7	17.7	39.8	**-16.6**
BRAZIL	395.1	17.8	11.5	-45.6	1.4	71.6	36.2	**35.3**
MALAYSIA	5.0	4.5	-33.2	-37.3	-21.7	-7.1	-6.6	**-13.0**
PARAGUAY	-100.0	-18.0	-75.3	-3.4	-9.7	-42.4	48.9	**-17.3**
IVORY COAST	na	-12.5	-100.0	na	-97.5	100.9	170.0	**-12.9**
VIETNAM	166.1	410.7	na	133.4	377.7	-56.7	-40.4	**47.8**
OTHER	-10.5	-20.7	-31.0	156.3	-15.2	51.5	-11.1	**-13.1**
TOTAL	**54.0**	**18.9**	**26.8**	**18.9**	**11.2**	**14.8**	**5.1**	**22.8**

**Note data for Spain, Denmark and Estonia was not available at time of analysis and is excluded. Flooring products include parquet panels for mosiac floors, multi-layer products and unassembled blocks and strips for parquet or wood block flooring*

Source: Forest Industries Intelligence Analysis of Eurostat

The Netherlands Sawnwood Prices

FOB (Rotterdam)	USD per m^3
Sapele KD	1054↓
Iroko KD	1105↓
Sipo KD	1198↓
DRM Bukit KD	1112↓
DRM Seraya KD	1112↓
DRM Meranti KD Seraya MTCC cert.	1142↓
Merbau KD	1194↓
Sapupira (non FSC) KD	883↓
Sapupira (FSC) KD	1398↓
Anti-slip decking AD C&F Rotterdam	
Selangan batu	1314↑

UK Log Prices *note: sources for UK prices have changed

FOB plus commission		€ per m^3
N'Gollon (khaya)	70cm+ LM-C	330-360
Ayous (wawa)	80cm+ LM-C	220-230
Sapele	80cm+ LM-C	340-400
Iroko	80cm+ LM-C	330-350

UK Sawnwood Prices

FOB plus Commission	Pounds per m^3
Framire FAS 25mm	435-470
Sipo FAS 25mm	630-640
Sapele FAS 25mm	550-570
Iroko FAS 25mm	580-600
Wawa No.1 C&S 25mm	255-265
CIF plus Commission	
Tulipwood FAS 25mm	240-250
Meranti Tembaga Sel/Btr (KD 2"boards)	500-510
Balau/Bangkirai Decking	700-720↑
White Oak	500-520

UK Plywood and MDF Prices

Plywood Panels 8x4", CIF	US$ per m^3
Brazilian WBP BB/CC 6mm	560-575
Malaysian WBP BB/B 6mm	545-555
China (hardwood face, eucalyptus core) 18mm	430-440
China (hard face, poplar core) 18mm	400-420

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.

Eight UN members today signed or ratified 15 separate conventions, agreements, treaties and optional protocols on issues ranging from migrant workers' rights to the protection of tropical timber during the annual UN event designed to increase participation in global pacts.
http://www.un.org/apps/news/story.asp?NewsID=28200&Cr=treaty&Cr1=

The exclusion of tropical forests from the world's largest carbon market could soon be reversed as European policy-makers consider amendments to the current rules. The European Parliament's Environment Committee's review of the EU Emissions Trading Scheme is scheduled to discuss the inclusion of forest-related credits on October 7.
http://www.climatechangecorp.com/content.asp?ContentID=5649

Abu Dhabi is building towards a green future, and will force developers to toe the line with a raft of environmentally-friendly regulations. People cycle to work through shaded streets. They drop their rubbish off at the nearest recycling point and head to their office block, where at lunchtime they enjoy a bite in the tropical forest at the top of their building.
http://www.arabianbusiness.com/531495-leading-the-green-revolution

Climate has been implicated by a new study as a major driver of wildfires in the last 2,000 years. But human activities, such as land clearance and fire suppression during the industrial era (since 1750) have created large swings in burning, first increasing fires until the late 1800s, and then dramatically reducing burning in the 20th century.
http://www.sciencedaily.com/releases/2008/09/080921162046.htm

The Forestry Commission of Ghana has called for journalists to support them during the 12th Ghana International Furniture and Woodworking Industry Exhibition (GIFEX) 2008, scheduled for 17th to 26th of next month, at the Ghana Trade Fair Centre.
http://gbcghana.com/news/22521detail.html

In the 1940s, 60% of Vietnam was forested. But conflict (and the infamous Agent Orange), overexploitation, and slash-and-burn cultivation have all taken their toll, reducing forest coverage to just 23%. The loss of forests came at a high cost for the environment and especially for villagers dependent on forest products for income. It also led to a national shortage of wood for industry.
http://www.sciencealert.com.au/features/20082209-18194.html

Punjab University Department of Botany has made a breakthrough in the growth and production of Teak Sagwan. Precious timber, which is considered to be the most expensive by its quality and price, could be developed in maximum quantity from it.
http://thepost.com.pk/CityNewsT.aspx?dtlid=184673&catid=3

Teak timber plantations south of Cairns are producing a new export market for Australia. Plantation company Rewards Group sent its first shipment of the high-value timber to India several weeks ago, and another managed investment scheme forestry company - ITC - is on the brink of its first overseas shipment.
http://www.cairns.com.au/article/2008/09/24/7185_local-business-news.html

Traditional Fijian medicine advocacy group, Green Cross Association wants Government to promote the creation of nature reserves that would serve as sanctuaries for Fiji's native medicinal plants. Green Cross spokesman and Fijian herbalist Alipate Raicebe said many of Fiji's pristine native forests were being threatened by urban development, pollution and other man-made activities.
http://fijidailypost.com/news.php?section=1&fijidailynews=19053

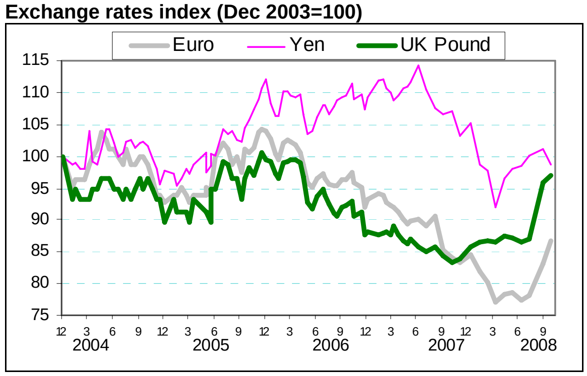
United Nations Secretary General Ban Ki-moon has appointed Botswana's former president Festus G. Mogae as one of his four Special Envoys on Climate Change. The appointment was announced at the UN Headquarters in New York. According to information from the former president's office, Mr. Mogae has agreed to serve as a Special Envoy.
http://sundaystandard.info/news/news_item.php?NewsID=3785&GroupID=1

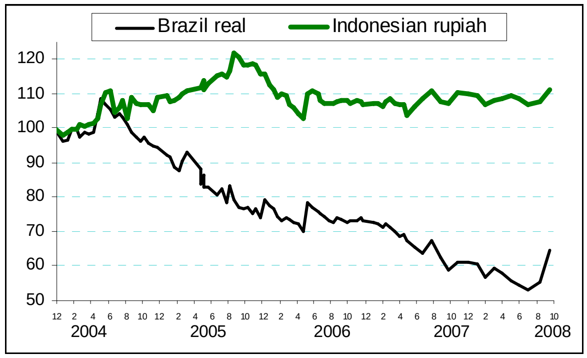
Main US Dollar Exchange Rates

As of 30 September 2008

Brazil	Real	1.9019	⬆
CFA countries	CFA Franc	465.991	⬆
China	Yuan	6.8451	⬇
EU	Euro	0.7104	⬆
Indonesia	Rupiah	9,434.00	⬇
Japan	Yen	106.35	⬆
Malaysia	Ringgit	3.4423	⬇
Peru	New Sol	2.9824	⬆
UK	Pound	0.5625	⬆

Exchange rates index (Dec 2003=100)

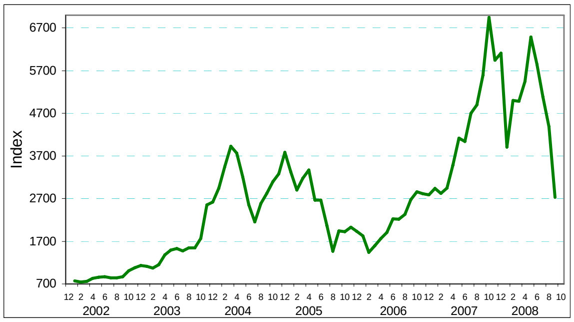




Abbreviations and Equivalences

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
GSP	Guiding Selling Price
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

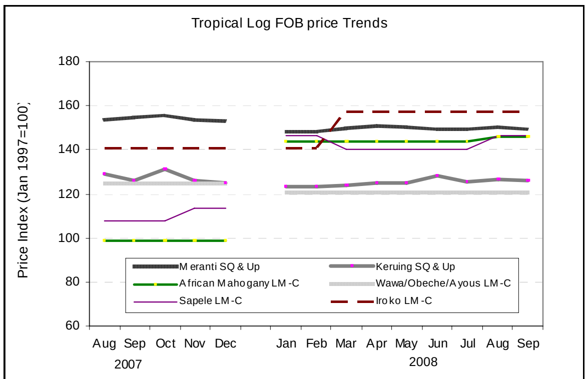
Ocean Freight Index

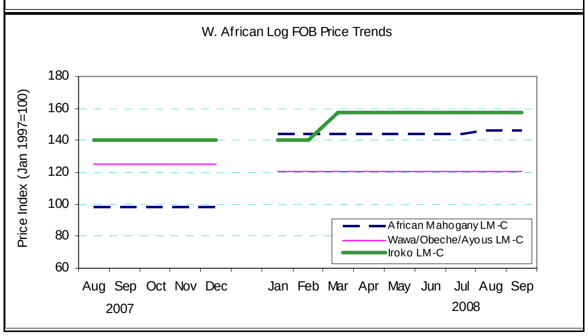


The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes. It is based on a 52,454 mt bulk carrier carrying commodities such as timber.

Appendix. Tropical Timber Price Trends

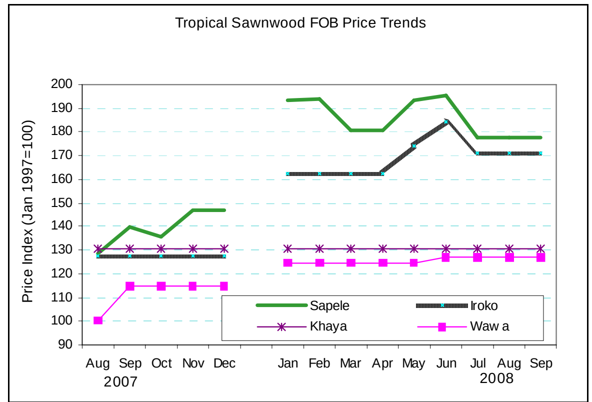
Tropical Log Price Trends

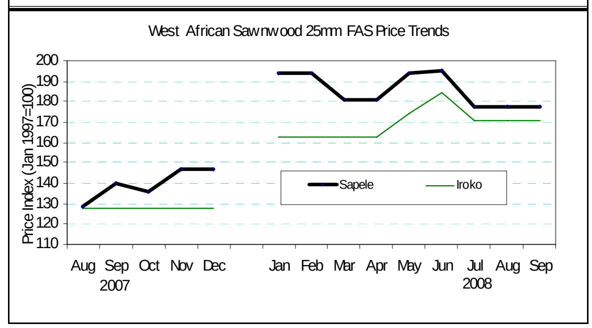




More price trends in Appendix 4, ITTO's Annual Review http://www.itto.or.jp/live/PageDisplayHandler?pageId=199

Tropical Sawnwood Price Trends





**Please note that our price series have changed since January 2008. Prices for selected UK imported species, which are used in log and sawnwood price charts above, are now collected from different suppliers.*

Tropical Plywood Price Trends