

Tropical Timber Market Report

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The ITTO *Tropical Timber Market (TTM) Report*, an output of the ITTO Market Information Service (MIS), is published in English every two weeks with the aim of improving transparency in the international tropical timber market. Its contents do not necessarily reflect the views or policies of ITTO. News may be reprinted provided that the ITTO *TTM Report* is credited. A copy of the publication should be sent to ti@itto.int.

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Top Story

Improving US demand a lifeline to the Brazilian timber industry

As domestic demand fades Brazilian companies have switched their focus to international markets especially the United States as demand there is recovering.

The recent appreciation of the US dollar has helped improve the competitiveness of Brazilian products and it is expected that wood product exports to the US will increase by around 20-25% this year

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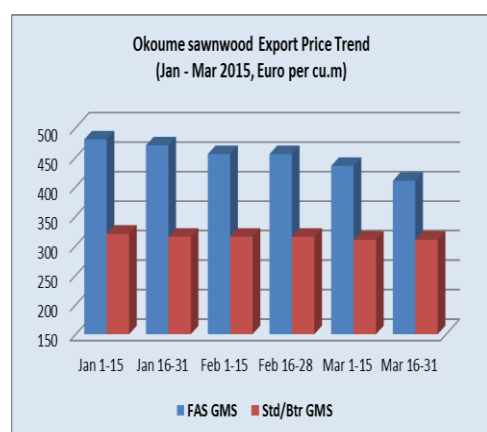
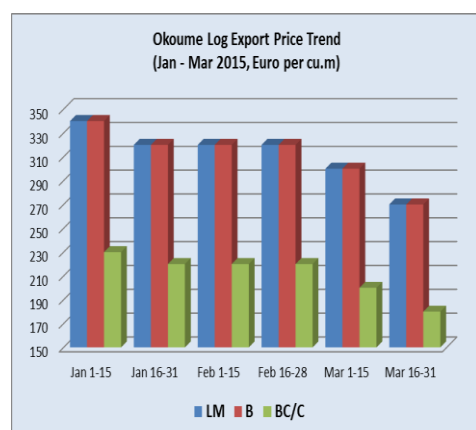
Report from Central/West Africa

Optimism fades as demand weakens

The optimism expressed by traders at the beginning of the year has all but evaporated and they are now undecided on which way demand will trend in the short term. Similarly, producers, who are already planning second half year production, are equally uncertain as to how markets will develop.

With the recent weakness in FOB prices for sapele and sipo and the slowing demand for okoume, prospects have only been lifted by steady demand for belli and ayous.

Equatorial Guinea has been very actively exporting okoume and this extra volume has had added to the already strong competition in the trade with China. The high level of okoume log and sawnwood stocks in China continue to impact on the development of new business and producers have been given the impression that it could take up to two months before stock levels fall and buyers return.



Diversify into regional markets

The main markets for West African timbers are in Europe which means the fortunes of producers are very much tied to the state of the economies in EU member states.

If the intra-African trade in wood products can be expanded producers would benefit. A new ITTO project to lay the foundation for greater trade between West African countries could encourage more intra-regional trade.

In related news the West African Civil Society Forum (WACSOFF) has called for a common currency for the region by 2020 saying "a single unified regional market with a common currency supported by an integrated and efficient financial market and payment settlement system, where trade and commerce are conducted efficiently with ease, is inevitable."

Log Export Prices

West African logs, FOB		€ per m ³		
Asian market	LM	B	BC/C	
Acajou/ Khaya/N'Gollon	230	230	160	
Ayous/Obeche/Wawa	260	260	180	
Azobe & Ekki	230↓	230↓	160	
Belli	330	330	-	
Bibolo/Dibétou	150	145		
Iroko	330	290	260	
Okoume (60% CI, 40% CE, 20% CS) (China only)	270↓	270↓	180↓	
Moabi	335	305	225	
Movingui	210	210	160	
Niove	160	160	-	
Okan	270↓	270↓	-	
Padouk	300	275	210	
Sapele	360	360	270	
Sipo/Utile	380	380	255	
Tali	320	320	-	

Sawnwood Export Prices

West African sawnwood, FOB		€ per m ³
Ayous	FAS GMS	400
Bilinga	FAS GMS	520
Okoumé	FAS GMS	410↓
	Merchantable	225
	Std/Btr GMS	310
Sipo	FAS GMS	640
	FAS fixed sizes	640
	FAS scantlings	660
Padouk	FAS GMS	820
	FAS scantlings	870
	Strips	500
Sapele	FAS Spanish sizes	620
	FAS scantlings	610
Iroko	FAS GMS	620
	Scantlings	635
	Strips	440
Khaya	FAS GMS	450
	FAS fixed	470
Moabi	FAS GMS	610
	Scantlings	615
Movingui	FAS GMS	420

Report from Ghana

2014 wood product export up 31%

Ghana's cumulative wood products exports in 2014 totalled 356,036 cu.m, earning the country a total revenue of Euro138.22 million. Compared to 2013 exports there was a 16% increase in the value of exports and a 31% increase in export earnings in 2014.

The table below shows the product performance for 2013 and 2014.

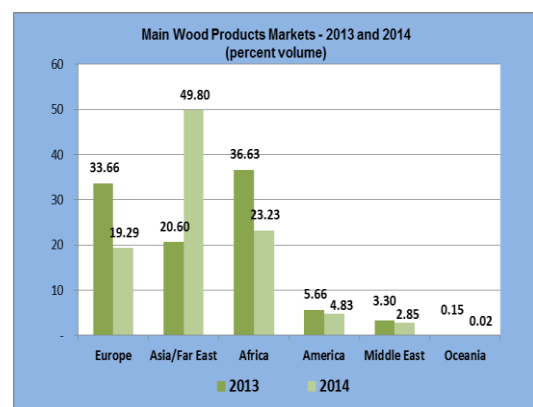
	Volume (cu.m)		
	2013	2014	% Change
Sawnwood	159,671	191,784	20
Plywood	59,351	59,927	1
Rotary Veneer	6,595	7,048	7
Sliced Veneer	21,699	23,372	8
Boules	1,068	2,343	120
Other products	23,389	71,562	206
Total	271,773	356,036	31

Source: TIDD, Ghana

Primary products comprising poles and billets accounted for 59,347cu.m or 17% of the total export volume.

Exports of secondary products such as sawnwood, boules, veneers, blockboard and plywood amounted to 285,086 cu.m with tertiary products, such as mouldings, dowels, flooring and profile boards, accounting for the remaining volume.

In 2014 markets in Asia and the Far East accounted for almost half of Ghana's wood product exports compared to 21% in 2013. See graph below:



Source: TIDD, Ghana

The increase in exports to the Asian/Far Eastern markets in 2014 is mainly the result of an expansion of trade in poles and billets (primarily plantation teak) imported by India, Bangladesh and China.

Plantation strategy released

The Ghana Forestry Commission recently posted on its website details of its plantation strategy, 'GHANA FOREST PLANTATION STRATEGY 2015-2040'

See

<http://www.fcghana.org/userfiles/files/Plantation%20Annual%20Report/Ghana%20Forest%20Plantation%20Strategy%202015-%202040.pdf>

This strategy sets out how it is proposed the government and private sector could reforest degraded forest lands by

developing commercial forest plantations of exotic and indigenous tree species at an annual rate of 20,000 ha over the next 25 years.

Additionally, the strategy targets the maintenance and rehabilitation of an estimated 235,000 ha of existing forest plantations as well as enrichment planting of 100,000 ha of under-stocked forest reserves with high value indigenous timber species over the same period.

Boule Export prices

	Euro per m ³
Black Ofram	298
Black Ofram Kiln dry	395
Niangon	490↓
Niangon Kiln dry	501↓

Export Rotary Veneer Prices

Rotary Veneer, FOB	€ per m ³	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	317↑	359
Chenchen	320	355
Ogea	352	356
Essa	325	371
Ofram	323	350

Export Sliced Veneer Prices

Sliced Veneer, FOB	€ per sq. m	
	Face	Backing
Afrormosia	1.19	0.84
Asanfina	1.40	0.44↓
Avodire	1.15	0.29
Chenchen	1.10	0.37↓
Mahogany	1.30	0.77↑
Makore	1.30	0.70↑
Odum	1.76	1.20↑

Export Sawnwood Prices

Ghana Sawnwood, FOB	€ per m ³	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	945
Asanfina	492	564
Ceiba	240	276↓
Dahoma	386↑	360
Edinam (mixed redwood)	525	540↓
Emeri	450↑	574↑
African mahogany (Ivorenensis)	555	712↓
Makore	573	700↑
Niangon	560↓	580
Odum	660	781↑
Sapele	610	713↓
Wawa 1C & Select	368↑	390↑

Export Plywood Prices

Plywood, FOB	€ per m ³		
BB/CC	Ceiba	Ofram	Asanfina
4mm	453↑	510↓	641
6mm	400	535	622
9mm	382	460	510
12mm	360	460	450
15mm	339	399	407
18mm	316	357	370

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

Export Added Value Product Prices

Parquet flooring 1st	FOB € per sq.m		
	10x60mm	10x65-75mm	14x70mm
Apa	14.00	15.70	18.80
Odum	10.00	12.10	11.70
Hyedua	14.00	14.93	18.45
Afrormosia	15.50	18.65	18.55

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

Report from Malaysia

Malaysia Japan Trade

Trade between Malaysia and Japan amounted to RM137.45bil (approx. US\$42bil) in 2014, an increase of 1.4% on 2013. Exports totalled RM82.71bil (approx. US\$25.6bil), up 4.4% while imports declined 2.9% to RM54.75bil (approx. US\$16.74bil).

Malaysian Ambassador to Japan, Datuk Ahmad Izlan Idris, said when speaking to the national news agency Bernama, that the main exports from Malaysia to Japan were liquefied natural gas, electronics and chemical-based products. Malaysia's main imports from Japan were electrical goods, machinery as well as spare parts and accessories for vehicles. Japan is Malaysia's third largest trading partner after China and Singapore.

Future of industry is in plantation timbers

Sarawak aims to develop an export trade in wood products manufactured from plantation and the Chief Minister, Adenan Satem, said "The policy of the state on timber is very simple. We wish one day to be exporting wood products made from plantation resources only".

However, he followed up by saying "We still cannot do that now because there is no volume of planted forests. We have to be realistic or our mills will shut down and our industry will collapse if we do it yet,"

The Statistics Department of Sabah has released the January 2015 export data.

Value FOB (RM)	Jan 2014 Ringgit	Jan 2015 Ringgit	% Change
Laminated Board	6,466,770	4,595,545	-29
Moulded wood	2,836,134	4,372,572	154
Veneer sheets	8,510,352	7,322,659	-14
Plywood	87,726,651	77,949,553	-11
Sawnwood	31,011,822	32,147,071	104
Total	136,553,743	126,387,400	7.4

Report from Indonesia

€13.5m for Indonesian forest protection

Antara news reports that Germany has pledged euro13.5 million for a forest and biodiversity conservation programme in the Palu/Miu watershed and Lore Lindu National Park in Central Sulawesi.

The state-run news agency says an agreement is due to be signed by the German Ambassador to Indonesia, Georg Witschel and by Robert Pakpahan of the Indonesian Risk Management Directorate.

President of Indonesia opens the furniture fair - IFEX

Indonesia's largest ever furniture trade show, the Indonesia International Furniture Expo, IFEX 2015, was opened by the President of Indonesia, Mr. Joko Widodo. In a press release the organisers noted it was particularly fitting that the President should open the fair as his background is in the furniture business.

IFEX is organised by PT Dyandra UBM International, a joint venture between Dyandra, Indonesia's leading exhibition organiser and UBM Asia, the largest commercial organiser of tradeshow in Asia. The exhibition is hosted by the Indonesia Furniture Association, AMKRI.

Mr. Ernst K. Remboen, President Director of PT Dyandra UBM International, commented, "the furniture industry in Indonesia is enjoying very robust growth on the back of strong exports and surging domestic demand.

The nation has abundant supplies of sustainable raw materials such as wood, rattan, bamboo and natural textiles, as well as a highly skilled labour force and extensive manufacturing capacity."

For more see: www.prnewswire.com/news-releases/president-jokowi-opens-indonesias-flagship-furniture-exhibition-ifex-300050148.html

TLAS deadline – 31 December

The Director General of Forestry Enterprises in the Ministry of Environment and Forestry, Bambang Hendroyono, has said full implementation of the country's timber legality assurance scheme (TLAS) must be completed by 31 December this year.

Indonesian timber exports have increased since the introduction of the national TLAS and while some of the growth in exports is due to improving international demand proof of legality provided through the TLAS scheme has given importers the greater confidence to purchase Indonesian wood products.

ADB signals bright prospects for manufacturing

Indonesia's economy is expected to accelerate over the next 2 years says the Asian Development Bank (ADB) but the government has been urged to push ahead with structural reforms building on the reduction of subsidies. In its annual 'Asian Development Outlook 2015' the ADB projects Indonesia's GDP growth to reach 5.5% this year, and 6.0% in 2016.

One of the main pillars of growth will be reviving manufacturing now that the commodity boom has faded. Manufacturing in Indonesia, says the ADB, has been constrained by inefficient and strained infrastructure, the appreciation of the currency, regulatory uncertainties and logistics costs.

For its part the Indonesian government plans to invest in port and transportation infrastructure and to improve the investment climate.

See: www.adb.org/news/indonesian-growth-recover-sustained-momentum-reform

Domestic Log Prices

Indonesia logs, domestic prices	US\$ per m ³
Plywood logs	
core logs	210-230
Sawlogs (Meranti)	135-150
Falcata logs	120-140
Rubberwood	115-1135
Pine	120-135
Mahoni (plantation mahogany)	130-145

Domestic Ex-mill Sawwood Prices

Indonesia, construction material, domestic	US\$ per m ³
Kampar (Ex-mill)	
AD 3x12-15x400cm	500-600
KD	-
AD 3x20x400cm	590-630
KD	-
Keruing (Ex-mill)	
AD 3x12-15x400cm	520-710
AD 2x20x400cm	490-520
AD 3x30x400cm	415-440

Export Plywood Prices

Indonesia ply MR BB/CC, export FOB	US\$ per m ³
2.7mm	500-550
3mm	570-620
6mm	-

Domestic Plywood Prices

MR Plywood (Jakarta), domestic	US\$ per m ³
9mm	420-450
12mm	390-420
15mm	340-360

Export and Domestic Other Panel Prices

Indonesia, Other Panels, FOB	US\$ per m ³
<i>Particleboard</i>	
Export 9-18mm	710-735
Domestic 9mm	700-750
12-15mm	650-700
18mm	590-620
<i>MDF</i>	
Export 12-18mm	590-620
Domestic 12-18mm	430-530

Report from Myanmar

First national export strategy launched

With support from the International Trade Center (ITC) Myanmar has launched its first National Export Strategy (NES) designed to aid the country's development through export promotion.

See the ITC press release at:
<http://www.intracen.org/news/Myanmar-launches-first-National-Export-Strategy/#sthash.DAh9QYeH.dpuf>

The ITC press release says the NES is a five-year roadmap of the needs and priorities for Myanmar's sustainable development through trade.

Action plans in the NES include interventions to boost the competitiveness of small and medium-sized enterprises,

longer-term policy and legislative changes all geared at realising the vision of the strategy, namely sustainable export-led growth and prosperity for an emerging Myanmar.

The NES seeks to shift Myanmar's trade patterns from a concentration on a handful of products, mostly unprocessed natural resources, to production and value addition in the following priority sectors: beans, pulses and oilseeds; fisheries; forestry products; textiles and garments; rice; rubber; and tourism.

For the private sector to fully benefit from this transformation the NES tackles constraints in the business environment by addressing access to finance, trade information and promotion, trade facilitation and logistics.

International Day for Forests observed

The Ministry of Environmental Conservation and Forestry (MOECF) observed the International Day of Forests in Nay Pyi Taw, the capital city of Myanmar. Union Minister, Win Tun in an address highlighted the theme of this year's 'International Day of Forests' as 'forests and climate change'.

He mentioned that the rate of deforestation in Myanmar would have drop sharply to achieve the target of 0% deforestation by 2030.

Myanmar NewYear

The long Myanmar New Year holiday beginning with Thingyan will run 11-20 April and the majority of businesses will be closed during that period.

March tender results

The following timber was sold by Myanma Timber Enterprise (MTE) by tender on 13 and 16 March. Log prices are expressed in hoppus tons and conversions (sawn and hewn teak prices are shown in cubic tons). Average US dollar prices are shown below.

Special Open Tender - Teak logs Yangon depot 13 March

Grade	H. tons	Avg. US\$/H.ton
G-7	560	1,087

Tender, teak logs Yangon depot 16 March

Grade	H.tons	Avg US\$/H.ton
SG-2	7	4,901
SG-4	83	4,154
SG-5	9	3,558
SG-6	32	2,154
SG-7	88	1,663

This month the average prices for teak logs are higher than the previous month and the difference in prices for SG-7 lots in the Open Tender No.15 and Open Tender No.12 was significant. This may be because the grading was very flawed. SG-7 logs are not expected to yield a high outturn percentage compared to the outturn from SG-4 and SG-2 logs.

Tender, non –teak hardwood logs, Yangon Depot

Species	H.tons	Avg US\$/H.ton
Pyinkadoe 1st and 2nd	731	460
Thingan	9	391
Thitya/Ingyin	125	282
Kanyin 1st and 2nd	725	278
Thin Win	384	291
Hnaw	38	275

Report from India

National forest certification system debated

A process to develop a national forest certification system was launched during the recent “International Conference on Forest Certification – Positioning India”.

This conference was co-hosted by the Indian Network for Certification and Conservation of Forests (NCCF) and PEFC International and brought together stakeholders to discuss the status of forests in India and to learn from international experts about the benefits of functioning certification systems.

The Chairman of NCCF said “With forestry in India being at a critical crossroad, the decision to develop our own national forest certification system will be an important driver to promote the sustainable management of our forest resources.

While India is among the world’s most forested countries, we also have a growing demand for wood products and unsustainable use of forests, for example for wood fuel, is a significant challenge.”

For more see: www.pefc.org/news-a-media/general-sfm-news/1822-india-launches-process-to-develop-forest-certification-system

Increasing forest cover through village plantings

The government has merged the National Mission for a Green India with the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGA) to increase and improve the country's forest cover.

To synergise the efforts of both agencies to address climate change concerns guidelines have been developed which define the approach to be adopted to strengthen

implementation of the plan to improve the livelihood for about three million village households.

Under the plan all village common land, community lands, wastelands, shifting cultivation areas, wetlands and private agricultural lands will be eligible for assistance when afforestation is undertaken. The State Forest Development Agencies (SFDA) will provide technical advice on tree species and will provide seedlings.

Current C&F prices for plantation teak

Traders report a steady flow of plantation teak.

	US\$ per cu.m C&F
Belize logs	350-400
Benin logs	320-775
Benin sawn	530-872
Brazil logs	402-797
Brazil squares	370-680
Cameroon logs	365-510
Colombia logs	415-650
Congo logs	408-710
Costa Rica logs	414-840
Côte d'Ivoire logs	435-720
Ecuador squares	357-884
El-Salvador logs	377-712
Ghana logs	300-650
Guatemala logs	369-550
Guyana logs	300-450
Kenya logs	350-600
Laos logs	300-605
Liberia logs	350-460
Malaysian teak logs	363-525
Nicaragua logs	350-596
Nigeria squares	340-450
Panama logs	276-750
PNG logs	400-575
Sudan logs	455-820
Tanzania teak, sawn	307-885
Thailand logs	460-700
Togo logs	320-845
Trinidad and Tobago logs	420-680
Uganda logs	433-860
Uganda Teak sawn	680-900

Variations are based on quality, length of logs and the average girth.

In addition to the plantation teak arrivals, natural forest teak logs from Vietnam continue to arrive and prices are unchanged at US\$1349 per cubic metre.

Cambodia and Laos new suppliers of logs and veneer

Because poplar faced plywood has gained acceptance in the Indian market and because veneer imports from Myanmar are rising imports from Vietnam have fallen.

Analysts report that Cambodia and Laos are emerging as potential suppliers of veneers as well as hardwood logs and Indian companies are showing interest in establishing veneer and plywood mills in these two countries.

Prices for domestically milled sawnwood from imported logs

Current exmill prices for air dried sawnwood are shown below.

Sawnwood Ex-mill	Rs per cu.ft
Merbau	1550-1650
Balau	1700-1900
Resak	1200-1400
Kapur	1250-1300
Kempas	1100-1200
Red Meranti	925-975
Radiata pine AD	550-650
Whitewood	600-650

Price variations depend mainly on length and cross section

Indian companies in Myanmar to export sawn teak

The volume of teak sawnwood imports into India from Myanmar is increasing and Indian companies operating in Myanmar are planning to expand international exports of sawn teak.

Sawnwood (Ex-mill)	Rs. per cu.ft
Myanmar Teak (AD)	
Export Grade F.E.Q.	8000-16000
Teak A grade	6000-7000
Teak B grade	4000-4250
Plantation Teak FAS grade	3250-3500

Price variations depend mainly on length and cross section

Imported 12% KD sawnwood prices

The prices below are per cu.ft ex-warehouse.

Sawnwood, (Ex-warehouse) (KD)	Rs per ft ³
Beech	1300-1350
Sycamore	1300-1400
Red oak	1500-1650
White Oak	1600-1800
American Walnut	2300-2400
Hemlock clear grade	1300-1400
Hemlock AB grade	1100-1200
Western Red Cedar	1600-1650
Douglas Fir	1200-1300

Price variations depend mainly on length and cross section

Prices for WBP Marine grade plywood from domestic mills

Plywood,	Rs. per sq.ft
Ex-warehouse, (MR Quality)	
4mm	41.00
6mm	54.50
9mm	69.10
12mm	85.60
15mm	113.20
18mm	119.30

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.20.80	Rs.30.80
6mm	Rs.31.60	Rs.39.60
9mm	Rs.39.80	Rs.48.00
12mm	Rs.47.30	Rs.58.10
15mm	Rs.58.10	RS.71.00
19mm	RS.67.30	Rs.79.50
5mm 'flexible ply'	Rs.42.00	

Report from Brazil

Can ISO 19228 become the forest certification standard

In late March the Associação Brasileira de Normas Técnicas (ABNT) organized a meeting to discuss a proposed standard for forest certification (ISO 19228), a standard that will create a global certification norm to help eliminate the trade in illegal timber. ABNT was created in 1940 as a non-profit organization engaged in the preparation of Brazilian national standards.

The meeting, held in Salvador (Bahia state) discussed issues such as forest management, legality and timber origin, the inclusion of small producers in the standard and timber tracking mechanisms. The main theme of the gathering focused on the opportunity the standard could offer to producers in securing access to the most demanding markets.

The March meeting was the third such gathering. Previous meetings took place in 2014 in Berlin and Paris. Further meetings are scheduled to take place in London and in Stockholm (2016).

For more see:

www.ecodesenvolvimento.org/posts/2015/marco/bahia-sedia-encontro-mundial-sobre-certificacao-de-popup_impressao

Combating deforestation in the Amazon

The Brazilian Ministry of Justice and the Brazilian Development Bank (BNDES) recently concluded an agreement to finance efforts to combat illegal deforestation in the Amazon. The fund will ensure the permanent presence of about 200 National Public Security Force officers in the Amazon to combat environmental crimes.

The Ministry of Environment has praised the work of the National Public Security Force in addressing forest crime.

Prospects for economy darken

Brazil's Consumer Price Index (IPCA), was 1.22% in February 2015, recording a slight drop compared to the 1.24% increase in January 2015 which was the highest rate since 2003, when the inflation rate topped 1.57%.

The Monetary Policy Committee (COPOM) of the Brazilian Central Bank (BCB) increased the prime interest rate (Selic) from 12.25% to 12.75% at its 4 March meeting. At 12.75%, the interest rate is equivalent to the level observed in January 2009.

In its latest assessment of the economy the Brazilian Central Bank is sounding warnings of continued weakness.

GDP estimates for 2014 have been revised down from the forecast of 0.2% to a 0.1% contraction. For 2015 the Bank expects a further decline in GDP of 0.5%. If the Bank is correct this would be the first time in decades Brazil's economy has shrunk in two consecutive years.

Export performance round-up

In February 2015, the total value of Brazilian exports of wood-based products (except pulp and paper) fell 3.6% compared to February 2014, from US\$ 221.6 million to US\$ 213.6 million.

The value of pine sawnwood exports fell 3.4% in February compared to February 2014, from US\$17.4 million to US\$16.8 million. In terms of volume, exports fell 5.2%, from 75,300 cu.m to 71,400 cu.m over the same period.

The volume of tropical sawnwood exports also declined in February dropping 13.6% from 28,000 cu.m in February 2014 to 24,200 cu.m in February 2015. In terms of value, tropical sawnwood exports decreased 16.0% from US\$16.3 million to US\$13.7 million, over the same period.

On a brighter note both pine and tropical plywood exports rose in February. Pine plywood exports jumped 5.3% in value in February 2015 compared to levels in February 2014, from US\$34.1 million to US\$35.9 million (92,300 cu.m to 95,600 cu.m).

Tropical plywood exports more than doubled from 3,700 cu.m in February 2014 to 7,600 cu.m in February 2015 (US\$ 2.3 million in February 2014 to US\$ 4.0 million in February 2015).

However, wooden furniture exports remain weak and February exports were down over 12% from US\$ 37.2 million in February 2014 to US\$ 32.6 million in February this year.

Improving US demand a lifeline to the Brazilian timber industry

Slowing economic activity in Brazil is affecting the timber sector particularly as building and construction projects have been scaled back and consumers are less inclined to spend on household improvements and furniture. Now Brazilian companies are focusing on foreign markets especially the United States as demand is recovering.

It is expected that wood product exports to the US will increase by around 20-25% in 2015. In particular exporters of sawnwood anticipate much higher export sales to the US this year.

In 2005, pine sawnwood exports to the US totalled US\$304 million but five years later had declined to just US\$ 154 million. In 2007 and 2008, the global economic crisis weakened demand and the appreciation of the Brazilian currency affected competitiveness and during this difficult period the Brazilian timber industry had to rely on domestic demand.

The recent depreciation of the US dollar has helped improve the competitiveness of Brazilian products but has also increased production costs. In September 2014, the exchange rate was R\$2.20 per US dollar but in March this year the rate touched R\$ 3.00 to the dollar. In addition to the impact on production costs overseas buyers are now pushing for lower prices as exports are priced in dollars and buyers wish to take advantage of the weakening Brazilian currency.

MOVELPAR claims success in promoting Brazilian furniture exports

MOVELPAR, the Furniture Fair held in Arapongas municipality (Paraná State) between 9 and 13 March this year, hosted prospective importers from 10 countries and reports indicate that business deals worth over US\$10 million were concluded.

Some 24 furniture manufacturers which are members of the APEX Furniture Program of APEX (Brazilian Agency for Export and Investment Promotion) and ABIMÓVEL (Brazilian Furniture Industry Association), participated in the International Buyer project.

Furniture importers from Mexico, Colombia, Ecuador, Mozambique, France, Honduras, Panama, Peru, South Africa, Democratic Republic of the Congo, Bolivia, Chile, the United States, Italy, Moldova, Namibia, Nigeria, Pakistan, Paraguay, Puerto Rico, Turkey and Uruguay attended the fair.

Domestic Sawnwood Prices

Brazilian sawnwood, domestic (Green ex-mill)	US\$ per m ³
Ipê	849▲
Jatoba	454▲
Massaranduba	391▲
Muiracatiara	428▼
Angelim Vermelho	370▲
Mixed red and white	231
Eucalyptus (AD)	227▲
Pine (AD)	159
Pine (KD)	178▲

Domestic Log Prices

Brazilian logs, mill yard, domestic	US\$ per m ³
Ipê	170▲
Jatoba	98
Massaranduba	102
Muiracatiara	107
Angelim Vermelho	98
Mixed redwood and white woods	86

Domestic Plywood Prices (excl. taxes)

Parica	US\$ per m ³
4mm WBP	646▼
10mm WBP	519▼
15mm WBP	451▼
4mm MR	584
10mm MR	439▼
15mm MR	415▼

Domestic prices include taxes and may be subject to discounts.

Prices For Other Panel Products

Domestic ex-mill Prices	US\$ per m ³
15mm MDP/Particleboard	277▼
15mm MDF	400▼

Export Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB	US\$ per m ³
Ipe	1319▲
Jatoba	1005▲
Massaranduba	756▲
Muiracatiara	708▼
Pine (KD)	228▼

Export Plywood Prices

Pine Plywood EU market, FOB	US\$ per m ³
9mm C/CC (WBP)	368▲
12mm C/CC (WBP)	339▲
15mm C/CC (WBP)	338▲
18mm C/CC (WBP)	325▲

Export Prices For Added Value Products

FOB Belem/Paranagua Ports	US\$ per m ³
Decking Boards Ipê	2,362▲
Jatoba	1,545▲

Report from Peru

Regular audits to monitoring concessions

The new Five-Year Audit requirement for forest concession holders which is to be introduced will allow for better monitoring said Max Salazar, the Secretary General of the Agency for Supervision of Forest Resources and Wildlife (OSINFOR).

The new audit procedures were developed after informational workshops with stakeholders in Loreto, Ucayali, Madre de Dios and San Martín.

Can forestry generate US\$ 3 billion annually?

Agriculture Minister, Juan Manuel Benites said forestry in Peru could contribute as much as US\$3 billion to the economy and make a huge contribution to GDP but noted the forestry sector is one of the most poorly developed sectors and ways must be found to encourage investment in the sector.

Forest regulation to take effect in April

With the agreement of seven organisations representing 52 indigenous groups in the country the rules and regulations in the new Forestry and Wildlife Law have been officially adopted.

The regulations provide for simplification of procedures in the granting of forest concessions and aim to create conditions for protection to those investing over the long term in forestry development.

Export Sawnwood Prices

Peru Sawnwood, FOB Callao Port	US\$ per m ³
Mahogany S&B KD 16%, 1-2" random lengths (US market)	1570-1655
Spanish Cedar KD select	
North American market	958-977
Mexican market	946-965
Pumaquiro 25-50mm AD Mexican market	545-598

Peru Sawnwood, FOB Callao Port (cont.)	US\$ per m ³
Virola 1-2" thick, length 6'-12' KD	
Grade 1, Mexican market	439-508
Grade 2, Mexican market	388-423
Cumaru 4" thick, 6'-11' length KD	
Central American market	841-865
Asian market	871-916
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	623-653
Marupa (simarouba) 1", 6-11 length Asian market	456-506

Peru Sawnwood, FOB Iquitos	US\$ per m ³
Spanish Cedar AD Select Mexican market	911-931
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	442-514▲
Grade 2, Mexican market	392-429▲
Grade 3, Mexican market	161-176
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	369-426

Domestic Sawnwood Prices

Peru sawnwood, domestic	US\$ per m ³
Mahogany	-
Virola	170-195
Spanish Cedar	296-355
Marupa (simarouba)	142-154

Export Veneer Prices

Veneer FOB Callao port	US\$ per m ³
Lupuna 3/Btr 2.5mm	221-249
Lupuna 2/Btr 4.2mm	234-266
Lupuna 3/Btr 1.5mm	219-228

Export Plywood Prices

Peru plywood, FOB Callao (Mexican Market)	US\$ per m ³
Copaiba, 2 faces sanded, B/C, 15mm	328-365
Virola, 2 faces sanded, B/C, 5.2mm	466-489
Cedar fissilis, 2 faces sanded.5.5mm	759-770
Lupuna, treated, 2 faces sanded, 5.2mm	373-399
Lupuna plywood B/C 15mm	413-441
B/C 9mm	366-385
B/C 12mm	350-360
C/C 4mm	389-425
Lupuna plywood B/C 4mm Central Am.	370-393

Domestic Plywood Prices (excl. taxes)

Iquitos mills	US\$ per m ³
122 x 244 x 4mm	508
122 x 244 x 6mm	513
122 x 244 x 8mm	522
122 x 244 x 12mm	523
Pucallpa mills	
122 x 244 x 4mm	503
122 x 244 x 6mm	511
122 x 244 x 8mm	513

Domestic Prices for Other Panel Products

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

Export Prices for Added Value Products

Peru, FOB strips for parquet	US\$ per m ³
Cabreuva/estorake KD12% S4S, Asian market	1296-138
Cumaru KD, S4S	922-1058
Swedish market	
Asian market	1123-1142-
Cumaru decking, AD, S4S E4S, US market	1187-1278
Pumaquiro KD # 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	493-519
2x13x75cm, Asian market	732-815

Export Sawnwood Prices

Sawnwood, FOB Georgetown	US\$ price. per m ³	
EU and US markets	Undressed	Dressed
Greenheart Prime	1235	-
Standard	-	827-954
Select	810-1634	-
Sound	500	-
Merchantable	636	-
Purpleheart Prime	700-1295	-
Standard	-	1060-1750
Select	650-1080	-
Sound	-	-
Merchantable	-	-
Mora Prime	-	-
Select	-	-
Sound	450	-
Merchantable	-	-

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

Export plywood prices

Plywood, FOB Georgetown Port	US\$ Avg unit val. per m ³	
Baromalli BB/CC	5.5mm	No export
	12mm	450-566
Utility	5.5mm	No export
	12mm	No export

Report from Guyana

Value-Added processing on the rise

The Forest Products Development and Marketing Council Guyana (FPDMC) has surveyed many of the manufacturers and wood working companies in Guyana to gauge the trends in downstream processing.

Log exports from Guyana comprise around 35% of the harvest, the balance being processed locally. In addition to the production of sawnwood added value products such as plywood, doors, mouldings, flooring, wall panels, outdoor and indoor furniture are manufactured. Over the years there has been an increase in the production of high value products by a number of companies in Guyana.

Currently there are over 200 sawmills across the country producing mainly building material. New companies are entering the sector and established enterprises are striving to widen their product base with new designs and innovations.

Some of the key export destinations for value added products from Guyana include the Caribbean, Europe, North and South America as well as the Middle East. The timber industry in Guyana currently contributes around 4% to GDP.

Export prices

There were no exports of greenheart logs in the period reported.

Logs, FOB Georgetown	US\$ price per m ³		
	Std	Fair	Small
Greenheart	-	-	-
Purpleheart	200-235	-	-
Mora	140-150	130	110-120

Report from Japan

Corporate sector supporting economic recovery

In its March assessment the Cabinet Office has determined that the Japanese economy is on a moderate recovery track given improving corporate sentiment.

On short-term prospects, the Cabinet Office notes the economy is expected to recover, supported by the effects of the decline in oil prices and the effects of government and Bank of Japan initiatives. The assessment says the employment and income situation is beginning to show an improvement but there are still downside risks to the recovery from negative trends in overseas economies.

In summary the Cabinet report says:

Private consumption is holding firm but business investment is almost flat. On the other hand, exports are picking up as is industrial production. Corporate profits have improved but business sentiment and investment is flat. However the employment situation appears to be improving. But, consumer prices are flat.

Japan's inflation rate appears to be back to zero if the tax increase effect is eliminated from the data. The consumer price index (CPI) rose by 2.2% in February but included in that figure is the consumption tax increase.

Zero inflation is a big disappointment for the Bank of Japan which had seen some success in pulling the country out of deflation only to see the gains made wiped out by the impact of falling oil prices. See: www5.cao.go.jp/keizai3/getsurei-e/2015mar.html

Think tank is positive on economic prospects

In related news the Chief Forecaster, Japan Center for Economic Research (JCER), Atsushi Takeuchi, writes - a consumption-led recovery is expected in fiscal 2015

despite the current weak domestic demand. The JCER report forecasts a 1.5% real growth in fiscal 2015 driven by cheaper oil prices and rising global demand.

The economic slump caused by the consumption tax increase in Japan has lingered much longer than expected but JCER is confident this situation will change in fiscal 2015, especially given the wages increase recently agreed by the major companies which should fuel a resurgence of consumer spending.

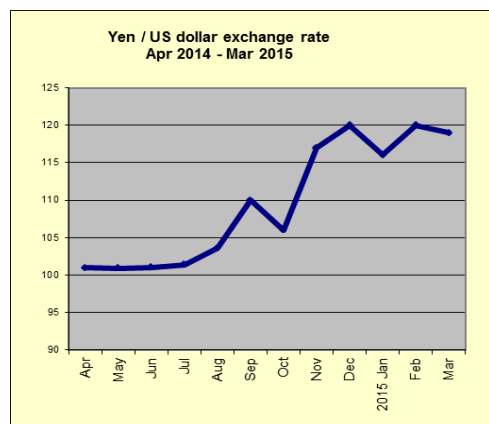
Higher take-home pay for workers should stimulate home purchases especially as interest rates are so low and the government is offering a variety of financial support packages for home buyers.

The housing sector has been slow to rebound after the surge in purchases just before the tax increase a year ago but order book positions reported by builders suggests construction activity will expand this year.

For more see: www.jcer.or.jp/eng/pdf/sa161-eng2.pdf

Yen/Dollar rate settles after short-term swings

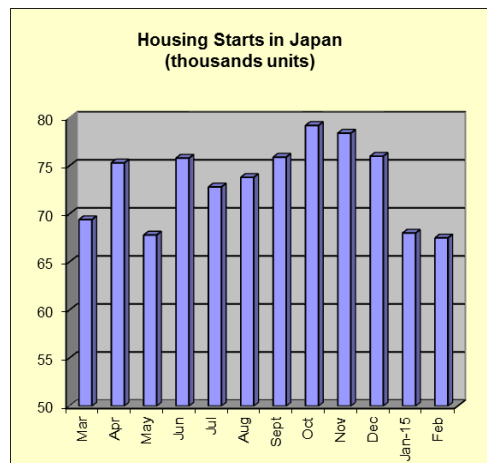
In the last two weeks of March the yen/dollar exchange rate swung back and forth on the mixed signals from the US Federal Reserve (Fed) but has now settled back to around yen 120 to the dollar.



Slower pace of decline in housing starts

February housing starts were down month on month but the pace of decline has slowed according to the latest data from the Ministry of Land, Infrastructure, Transport and Tourism.

Year on year housing starts were down just over 3% in February but the year on year decline slowed perceptibly in February.

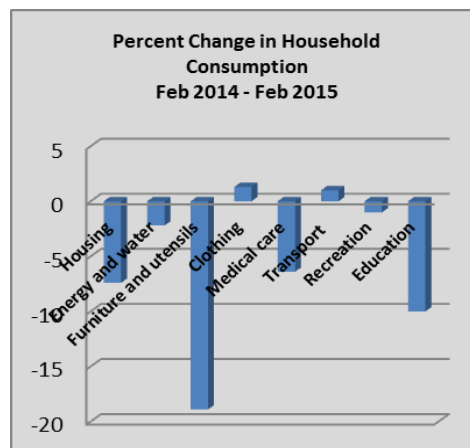


Source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Sharp fall in furniture retail sales

Trends in average of monthly consumption are shown below. Of the main categories of household expenditure only two recorded modest growth in February. Expenditure on furniture over the past 12 months has fallen sharply.

Overall household expenditure for February 2015 was down 2.9% in real terms from a year earlier largely because incomes were down 0.7% in real terms from the previous year.



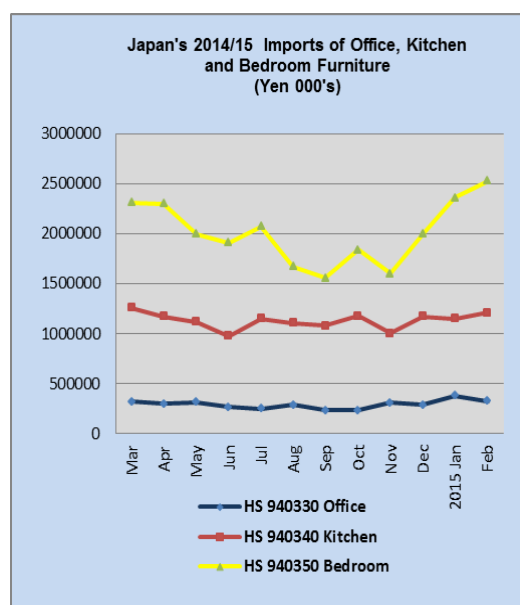
Data source: Statistics Bureau, Japan

Japan's furniture imports

The upward momentum in bedroom furniture imports which began in November last year continued into February. Compared to a month earlier, February imports were up 7% and year on year they were up a massive 46%.

Imports of kitchen furniture also rose in February but only by 5.5% from a month earlier but year on year February imports were up around 16%.

Office furniture imports continue to trend in a very narrow range. Over the past twelve months there has been very little movement, either up or down, in the value of office furniture imports.



Data source: Ministry of Finance, Japan

Office furniture imports (HS 940330)

February 2015 office furniture imports were down 15% on levels in January but were up 49% compared to February 2014.

Office furniture imports

Source	Imports, Feb 2015 Unit 1,000 Yen
S. Korea	1140
China	154652
Taiwan P.o.C	18601
Vietnam	-
Malaysia	5930
Indonesia	5423
Sweden	7107
Denmark	1030
UK	1072
Netherlands	-
France	1636
Germany	3731
Switzerland	709
Portugal	57245
Italy	22085
Poland	27110
Turkey	297
Lithuania	3690
Czech Rep.	558
Slovakia	751
Canada	-
USA	11328
total	324095

Data source: Ministry of Finance, Japan

The top three suppliers of office furniture in February 2015 were China, Portugal and Poland. Imports from China and Portugal fell in February while, compared to levels in January, imports from Poland rose sharply.

Of suppliers in tropical countries, only Malaysia and Indonesia supplied office furniture in February and their combined contribution to total office furniture imports was only around 3%.

Kitchen furniture imports (HS 940340)

The top four kitchen furniture suppliers to Japan in February were Vietnam, China, Indonesia and Philippines and together they accounted for 90% of all kitchen furniture imports.

Suppliers in SE Asia, Vietnam, Malaysia, Thailand, Philippines and Indonesia accounted for 74% of all Japan's February kitchen furniture imports. Of the suppliers in the EU only Germany features as a significant but small supplier.

Kitchen furniture imports

Source	Imports, Feb 2015 Unit 1,000 Yen
China	261853
Taiwan P.o.C	2305
Vietnam	538966
Thailand	30751
Malaysia	28799
Philippines	134477
Indonesia	166148
Sweden	2171
UK	2416
France	1515
Germany	26137
Italy	6671
Romania	2547
Canada	1437
USA	4576
total	1210769

Data source: Ministry of Finance, Japan

Bedroom furniture imports (HS 940350)

As was the case in January, the top three suppliers of bedroom furniture in February were China (up 9% month on month), Vietnam and Thailand. However the combined value of bedroom furniture imports from just China and Vietnam accounted for over 86% of all February imports.

Looking at the SE Asian suppliers, Vietnam, Thailand, Malaysia and Indonesia it is Vietnam that is by far the largest supplier. These four countries accounted for around 37% of February bedroom furniture imports. Of EU member state suppliers only Poland emerged as a significant supplier in February.

Bedroom furniture imports

Source	Imports, Feb 2015 Unit 1,000 Yen
S. Korea	1436
China	1416500
Taiwan P.o.C	31358
Vietnam	767984
Thailand	82855
Malaysia	59719
Indonesia	40543
Sweden	1066
Denmark	4179
UK	398
France	524
Italy	4973
Poland	69045
Romania	21266
Lithuania	5227
Slovakia	6956
USA	13956
Total	2527985

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

The Japan Lumber Reports (JLR), a subscription trade journal published every two weeks in English, is generously allowing the ITTO Tropical Timber Market Report to reproduce news on the Japanese market precisely as it appears in the JLR.

For the JLR report please see:

<http://www.n-mokuzai.com/modules/general/index.php?id=7>

Japan's forest products export in 2014

The Forestry Agency disclosed result of forest products export in 2014, which is 21,921 million yen, 38.8% more than 2013. Export of wood products sharply increased by 90.8%, which is the second highest next to 1985 when the total amount was 18,100 million yen.

Three major destinations of wood products are China, Korea and Taiwan. By items, logs and lumber take majority. In volume, logs are 521,222 cubic metres, 96.9% up and lumber is 67,647 cu.m, 13.9% up. Growth of log export is conspicuous. Compared to 2010, lumber increase is 13.8% but log export increased by eight times.

The government drew up the plan of forest products export in 2013. It says target by 2020 is 25 billion yen, which is double of actual result of 2012 of 12.3 billion yen. Actual result in last two years advanced largely and achieving the target seems easy as long as the yen stays weak.

Three major markets are China, Taiwan and Korea, which take 65% in total export with value of 11.6 billion yen,

77.5% up from 2013, out of which logs are 6.8 billion yen, 119.6% up and lumber is 3.1 billion yen, 17.6% up. In volume, logs are 521,000 cu.m, 96.9% up and lumber is 67,000 cu.m, 13.0% up. Compared to 2010, log export increased by about eight times.

The largest market is China. Logs for China is 312,000 cu.m, 140.9% up and lumber is 35,000 cu.m, 57.8% up. Up until 2012, log export to China was less than for Korea and Taiwan then it sharply increased since 2013.

Korea took 98,000 cu.m of logs, 97.1% up and 7,000 cu.m of lumber, 22.6% up. Log export to Korea almost doubled. Taiwan took 107,000M cu.m of logs, 31.0% up. Type of logs for export is mainly class C logs including class B. In China, logs are used for engineering works and crating.

In Korea, Japanese cypress is popular for interior finishing then since last year export of fir logs started. The weak yen helps expanding export of class C logs but in Japan, increasing biomass power generation facilities use class C logs for fuel so there is competition.

Japan's share of log import for China is only 0.2% so there is a chance of large growth in the future.

Plywood

Softwood plywood market is on weak side simply because of lack of demand in winter. In last December, there were some speculative orders when deliveries were delayed by shortage of trucks but deliveries completed by the end of January.

Meantime, precutting operations in February sharply slowed down by lack of orders and large shipments from plywood mills slowed down. Plywood mills are afraid to build up large inventory and trading firms need to maintain certain sales before book closing in March so bearish mood spread and the prices have been edging down little by little. Dealers are cautious in dealings because lowering the prices does not guarantee to move larger volume.

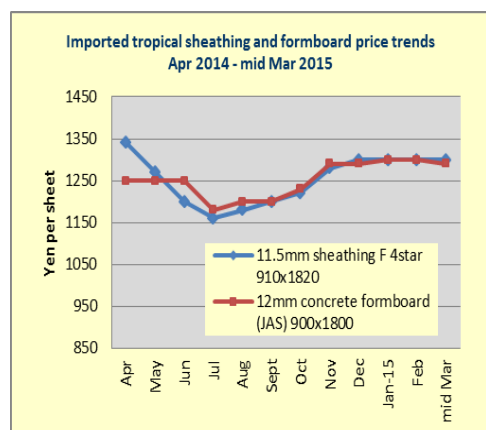
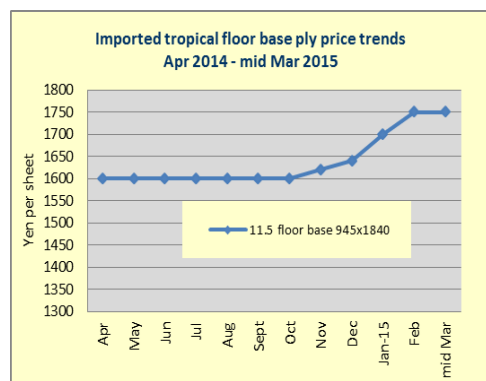
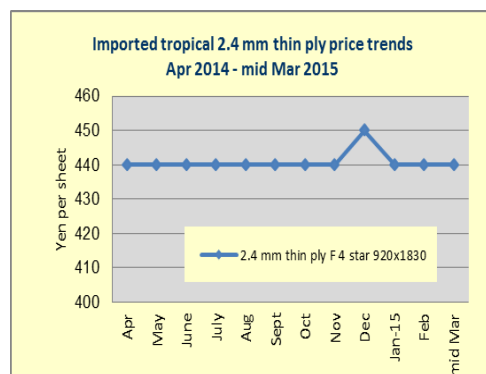
The production in January was 211,100 cu.m, 3.1% less than January last year and 0.7% less than December. The shipment was 216,300 cu.m, 10.1% less and 3.4% less. The inventory was 204,500 cu.m, 5,000 cu.m less than December.

Market of import plywood is also weak. Particularly, 3x6 concrete forming panel and 12 mm structural panel are soft by easing of supply and demand balance.

The monthly average arrival volume during September last year and January this year was 274,200 cu.m, which is not so high but there have been many ships waiting at the harbor by delay of unloading works and this gives impression that there is enough supply.

Market prices of imported plywood have been unchanged since last December. Because of yen's depreciation since late last year, the imported cost has kept climbing and the

importers hang onto cost covering business but since late February the prices started weakening toward book closing of end of March to reduce on- hand inventories.



Noda completed new plywood plant

Noda Corporation (Tokyo. S. Noda, the president) completed building a new plywood plant in Fujikawa business site in Fuji city, Shizuoka prefecture. Production will start in April after it acquires JAS certificate and it plans to bring the production up to about 6,000 cu.m by the end of November.

This is the first plywood manufacturing plant for Noda Corporation after 16 years. Noda will use plywood for floor base of composite floor the company makes then the plant will manufacture structural panel and concrete forming panel as well. Noda decided to build the plant after Shizuoka prefecture promised to supply sufficient local cypress logs so this will be 100% domestic species plant. Total investment is about six billion yen.

Report from China

Softwood log imports fell while hardwood log imports rose in 2014

China's 2014 log imports (soft and hardwoods) totalled 51.2 million cubic metres valued at US\$11.78 billion, up 13% and 26% respectively over 2013. The average landed price for imported logs was US\$230 per cubic metre, a year on year increase of 12%. New Zealand (11.57 million cu.m) just beat Russia (11.37 million cu.m) as the main log supplier to China in 2014.

Of the total, softwood log imports amounted to 35.84 million cubic metres, down 16% year on year and the proportion of softwoods in total imports increased 8%

Softwood log imports were mainly from:

New Zealand (11.57 million cu.m, up 1%)
Russia (10 million cu.m, up 8%)
USA (5.54 million cu.m, up 5%)
Canada (3.02 million cu.m, up 11%)
Australia (2.15 million cu.m, up 36%)
Ukraine (1.56 million cu.m, up 15%)
Japan (0.31 million cu.m, up 166%)
France (0.30 million cu.m, down 11%).

Softwood log imports from these countries made up 96% of all softwood log imports in 2014. Softwood log imports from New Zealand and Russia accounted for 60% of all 2014 softwood log imports.

The average price for softwood log imports was about US\$151 per cubic metre in 2014, a year on year decline of 1.3%. Around 90% of all imported log are imported by Jiangsu, Shandong, Inner Mongolia, Fujian, Shanghai, Heilongjiang and Tianjin provinces and municipalities.

Hardwood log imports totaled 15.36 million cubic metres, or 30% of all log imports, a year on year increase of 26% in volume. Hardwood log imports were mainly from:

PNG (3.3 million cu.m, up 20%)
Solomon Islands (2.19 million cu.m, up 8%)
Russia (1.37 million cu.m, up 42%)
Myanmar (0.8 million cu.m, down 15%)
Mozambique (0.61 million cu.m, up 76%)
Republic of Congo (0.57 million cu.m, up 14%)
USA (0.56 million cu.m, up 64%)
Nigeria (0.51 million cu.m, up 759%)
Equatorial Guinea (0.50 million cu.m, down 15%)
Cameroon (0.48 million cu.m, up 10%).

The average price for imported hardwood log imports was around US\$413 per cubic metre in 2014, a year on year increase of 18%. 50% of the hardwood logs are imported for consumption in Jiangsu province and 15% by Guangdong province, 9% by Zhejiang province, 7% by Heilongjiang, 6% by Shanghai municipalities, 5% by Yunnan province, 2% by Liaoning province and 6% in the other provinces.

Tropical log imports in 2014 rose 27 percent to 11.8 million cubic metres accounting for 23% of all log imports and 77% of all hardwood log imports.

Softwood log imports from Japan and hardwood log imports from Nigeria rose dramatically, but softwood log imports from France and hardwood log imports from Myanmar fell 11% and 15% respectively.

Russia tops Canada as number one sawn softwood supplier

Sawnwood imports totalled 25.65 million cubic metres in 2014 and were valued at US\$8.0 billion, up 7% in volume and 19% in value on the previous year. The average price for imported sawnwood was US\$373 per cubic metre, a year on year increase of 13%.

Of the total, coniferous sawnwood imports rose 4% to 17.64 million cubic metres, at a similar level with 2013. Coniferous sawnwood imports were mainly from the following top 10 countries:

Russia (7.21 million cu.m, up 12%),
Canada (6.57 million cu.m, down 3.4%),
Chile (0.85 million cu.m, down 3.1%),
USA (0.84 million cu.m, down 4.2%),
Sweden (0.44 million cu.m, up 20%),
Finland (0.39 million cu.m, down 2.5%),
New Zealand (0.37 million cu.m, down 26%),
Germany (0.29 million cu.m, up 38%),
Brazil (0.10 million cu.m, up 44%)
France (0.09 million cu.m, up 3.4%).

Imports from the top 10 suppliers accounted for 97% of all coniferous sawnwood imports. Coniferous sawnwood imports from Russia and Canada together accounted for 78% of sawn softwood imports.

Coniferous sawnwood imports in 2014 from Russia were higher than from Canada for the first time. The average price for coniferous sawnwood imports was about US\$217 per cubic metre in 2014, a year on year increase of 1.4% slightly.

The pace of coniferous sawnwood imports from Sweden, Germany and Brazil was significantly higher than in 2013 while imports from New Zealand were dramatically lower than in 2013.

The main species of coniferous sawnwood imports were spruce, fir (40%) and scots pine (31%).

Sawn hardwood imports higher than softwoods

2014 sawn hardwood imports rose 14% to 8.01 million cubic metres. Sawn hardwood imports were mainly from the following top 10 countries:

Thailand (2.23 million cu.m, up 18%)
USA (1.96 million cu.m, up 11%)
Russia (0.69 million cu.m, up 16%)
Philippine (0.58 million cu.m, down 18%)
Indonesia (0.29 million cu.m, down 22%)

Malaysia (0.25 million cu.m, up 20%)
Gabon (0.24 million cu.m, up 47%)
Romania (0.23 million cu.m, up 14%)
Vietnam (0.20 million cu.m, up 38%)
Germany (0.16 million cu.m, up 13%)

Sawn hardwood imports from the countries above made up 85% of all sawn hardwood imports while sawn hardwood imports from Thailand and the US made up 52% of the total. The average price for hardwood sawnwood imports was US\$529 per cubic metre in 2014, a year on year increase of 18%. The pace of sawn hardwood imports from Gabon and Vietnam was significantly higher than in 2013.

Thailand was ranked first in terms of China's sawn hardwood imports in 2014. The main species of sawnwood from Thailand is rubberwood. It has been estimated that 90% of the sawn rubberwood in Thailand is exported to China and around 80% of this are consumed by furniture makers in Shunde City, Guangdong province.

Average plywood export prices show huge variations

China's plywood exports totalled 11.71 million cubic metres, valued at US\$5,810 million in 2014, up 14% in volume and 15% in value from 2013. The average unit price for exported plywood in 2014 was US\$496 per cubic metre, a year on year increase of 1.4%. China's plywood was exported mainly to the following markets:

USA (1,678,000 cu.m, up 25%)
Japan (829,000 cu.m, up 1.7%)
UK (716,000 cu.m, up 10%)
South Korea (711,000 cu.m, down 8%)
UAE (698,000 cu.m, up 64%)
Philippines (678,000 cu.m, up 69%)
Saudi Arabia (600,000 cu.m, up 41%)

The average export price for plywood was US\$764 per cubic metre in the US, US\$498 per cubic metre in Japan, US\$489 per cubic metre in the UK, US\$390 per cubic metre in South Korea, US\$367 per cubic metre in UAE, US\$429 per cubic metre in Philippine and US\$309 per cubic metre in Saudi Arabia.

Average plywood export prices

	2013	2014	Change %
USA	733	764	4.2
Japan	527	498	-5.5
UK	458	489	6.8
South Korea	361	390	8
UAE	387	367	-5.2
Philippines	392	429	9.4
Saudi Arabia	353	309	-12.5

Around 85% of China's plywood is exported by manufacturers in Shandong, Jiangsu, Guangdong and Guangxi but these manufacturers face tough price competition and complain average prices have only risen by around 10% in 5 years.

Wooden furniture exports mainly to the US

China's wooden furniture exports in 2014 were 217 million pieces valued at US\$14.05 billion, a year on year rise 10% in pieces and 14 percent in value.

China's wooden seat frame exports in 2014 were valued at US\$8.05 billion, a year on year rise in value of 14 percent. China's wooden furniture was exported mainly to the US, Japan, UK, Australia, Germany and France.

Main markets for China's plywood

	2013	2014	Change %
USA	65.47	68.12	4
Japan	17.18	17.27	0.5
UK	11.08	12.86	16
Australia	9.69	9.72	03
Germany	9.43	11.66	24
France	6.69	7.07	6
Total	198	217	10

Main provinces producing plywood for export

Province	2013	2014	Change %
Guangdong	62.98	68.94	9.5
Fujian	39.09	44.15	13
Zhejiang	24.9	26.23	5
Shandong	19.65	22.38	14
Shanghai	15.63	14.41	-8
Jiangsu	14.44	15.67	8.5
Total	198	217	10

Guangzhou Yuzhu International Timber Market Wholesale Prices

Logs

	Logs	yuan/cu.m
Merbau	dia. 100 cm+	5200-5400
Bangkirai	dia. 100 cm+	5300-5500
Kapur	dia. 80 cm+	2800-3000
Ulin	All grades	6500
Lauan	dia. 60 cm+	2000-2200
Kempas	dia. 60 cm+	2000-2100
Teak	dia. 30-60 cm	8000-12000

	Logs	yuan/cu.m
Greenheart	dia. 40 cm+	2300-2450
Purpleheart	dia. 60 cm+	3100-3300
Pau rosa	dia. 60 cm+	4700-4800
Ipe	dia. 40 cm+	4000-4800
yuan per tonne		
Cocobolo	All grades	53000-58000

	Logs	yuan/cu.m
Wenge	All grades	4300-5200
Okoume	All grades	2200-2500
Okan	All grades	3700-3800
African blackwood	All grades	8000-15000
African rosewood	All grades	5000-6500
Bubinga	dia. 80 cm+	13000-15000

	Logs	yuan/cu.m
Ash	dia. 35 cm+	4200-4300
Basswood	dia. 36 cm+	3500-3800
Elm	dia. 36	2800-3600
Catalpa	dia. 36	2800-4200
Oak	dia. 36 cm+	4000-5500
Scots pine	dia. 36 cm+	2000-2200
Larch	dia. 36 cm+	1550-1900
Maple	dia. 36 cm+	2700-3050
Poplar	dia. 36 cm+	1650-1950
Red oak	dia. 30 cm+	2500-2600

Sawnwood

	Sawnwood	yuan/cu.m
Makore	Grade A	7300
Zebrano	Grade A	12000-15000
Walnut	Grade A	9500-10000
Sapelli	Grade A	7500-7900
Okoume	Grade A	4200-4500
Padauk	Grade A	14500-17000
Mahogany	Grade A	6500-7000
yuan/tonne		
Ebony	Special grade	16000

	Sawnwood	yuan/cu.m
Ulin	All grade	9000-10000
Merbau	Special grade	8600-9500
Lauan	Special grade	4600-4800
Kapur	Special grade	5500-6000
Teak	Grade A	9600
Teak	Special grade	14000-20000

Sawnwood		yuan/cu.m
Cherry	FAS 2 inch	10000-12800
Black walnut	FAS 2 inch	14000-16000
Maple	FAS	7500-10000
White oak	FAS	8000-11000
Red oak	FAS	6800-9000
Finnish pine	Grade a	3000

Sawnwood		yuan/cu.m
Maple	Grade A	10000-10500
Beech	Special Grade	5300
Ash	no knot	5000-5800
Basswood	no knot	2700-3500
Oak	no knot	4000-5500
Scots pine	no knot	2800

Shanghai Furen Forest Products Market Wholesale Prices

Logs

Logs All grades	000's yuan/tonne
Bois de rose	250-300
Red sandalwood	1600-2000
Siam rosewood	100-550
Burma padauk	27-45
Rengas	8-15
Mai dou lai	6000-8000
Neang noun	32-65
Burma tulipwood	28-60
Cocobolo	43-180
Morado	10 - 15
Ebony	15-40
Trebol	7-8
African sandalwood	18-32

Sawnwood

	Sawnwood	yuan/cu.m
Okoume	Grade A	4500-4700
Sapelli	Grade A	7600-7900
Zebrano	Grade A	8000-9000
Bubinga	Grade A	13500-15800
Mahogany	Grade A	6000-7000
Wawa	FAS	3700-3900
Ayous	FAS	4000-4200

	Sawnwood	yuan/cu.m
Lauan	Grade A	3700-3900
Merbau	All grade	8000-10000
Teak	All grade	11500-36000

	Sawnwood	yuan/cu.m
Beech	Grade A	4200-4800
Ash	Grade A	5500-6500
Elm	Grade A	4900-5300
Red oak	2 inch FAS	8000-8600
White oak	2 inch FAS	7500-8500
Maple	2 inch FAS	9800-10500
Cherry	2 inch	9500-10500
Black walnut	2 inch	15000-17000

Zhangjiagang Timber Market Wholesale Prices

Logs, all grades	yuan/tonne
Sapelli	4500-5700
Kevazingo	8700-34000
Padouk de africa	3000-3800
okoume	2100-2600
Okan	3490-3650
Dibetou	2200-2500
Afrormosia	5500-6500
Wenge	4500-5000
Zingana	4200-5500
Acajou de africa	3100-3600
Ovengkol	3850-4300
Pao rosa	5950-6600

Logs, all grades	yuan/tonne
Merbau	3500-5800
Lauan	1600-2400
Kapur	2020-2500
Keruing	1700-2200
Geronggang	1600
kauri	1700-1850

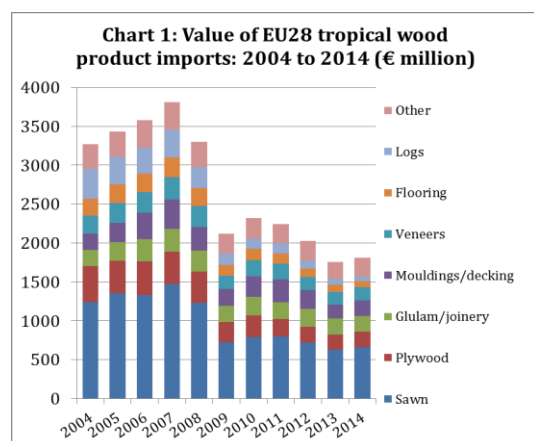
Logs, all grades	yuan/tonne
Amoora	1900-2080
Calophyllum	2150-2350
Red ganarium	1300-1400
Gray Canarium	1100-1200
Red-brown terminalia	1680-1750
Basswood	1200-1400
Sureni toona	1500-1650
Bunya	1400-1550
Walnut	2900-3350

Report from Europe

EU tropical wood imports rebound after record low

The EU imported tropical wood products worth €1.81bn in 2014, which represents a 3% increase over the ten-year low of €1.76bn registered in 2013.

Between 2012 and 2013 imports had dropped sharply by 13.2 % and fell below the €2bn threshold for the first time. Even with the slight recovery, the EU's 2014 tropical wood imports did not even reach half of what they were less than ten years ago (Chart 1).



Source: FII Ltd analysis of Eurostat

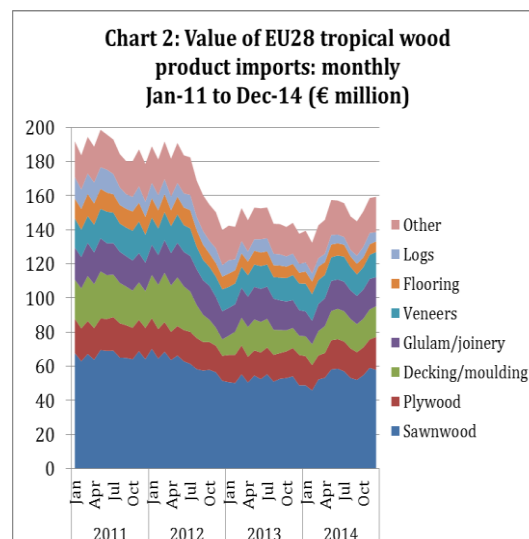
The different product groups were showing mixed trends last year. Mouldings and decking (+12.9 % to €200 million) as well as “other” products (+10.1% to €240 million) grew by double-figure percentages and sawn wood also booked healthy growth of 5.5% to €663 million.

Imports of plywood (+2.2% to €201 million) and veneers (+1.3 % to €166 million) climbed at a more moderate pace. At the same time, however, tropical log imports dropped again sharply, down 24.3% to €60 million. And deliveries of flooring (-5.8% to €83 million) and glulam/joinery (-3.8% to €200 million) were also lower than in 2013.

Closer analysis of monthly and quarterly data indicates that European tropical wood imports increased especially towards the end of last year. In fact, throughout the first quarter of 2014, imports were still lower than in the same period of the previous year.

In the April to June period, imports then rose slightly over the same quarter in 2013. The rate of growth remained modest during the third quarter as well.

However, in the final quarter of the year the European countries imported tropical wood products worth €469 million, which is 10.6% more than in the last quarter of 2013 (Chart 2).



Source: FII Ltd analysis of Eurostat

EU construction has firmed in 2014

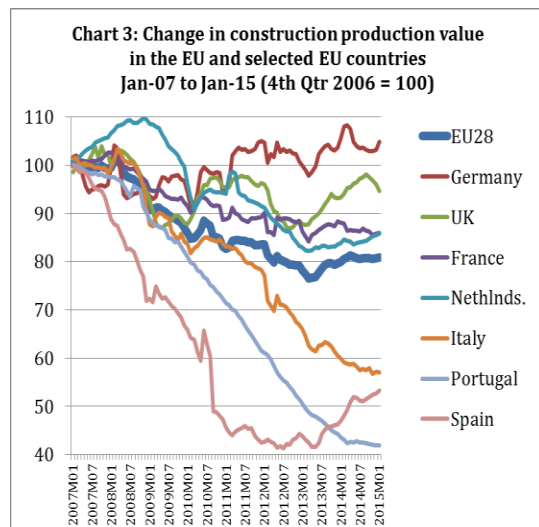
The slight growth in European tropical wood imports last year can be attributed to the continuing – if frequently slow – recovery in several important sales markets. Most notably the UK has reported strong demand for timber in general and also for tropical wood products last year.

The Netherlands and Spain are showing signs of recovery as well and Germany has remained stable at a satisfactory level. France, on the other hand, has seen an economic slow-down which led to a further contraction in consumption of tropical timber last year.

These trends are also reflected in EU construction activity. Chart 3 shows that the construction production value has continued to pick up in several key markets during 2014, even though the overall construction value throughout the EU still remains clearly below pre-crisis levels.

Construction in the UK picked up strongly from the start of 2013 and this trend continued throughout 2014. However growth slowed at least temporarily at the beginning of 2015. Construction value in France declined slightly during 2014. The same is true for Portugal and Italy.

On the other hand, construction in the Netherlands continued its steady recovery last year. Spain has also shown a steady uphill trend since the start of 2013, although the recovery is from a very low level.

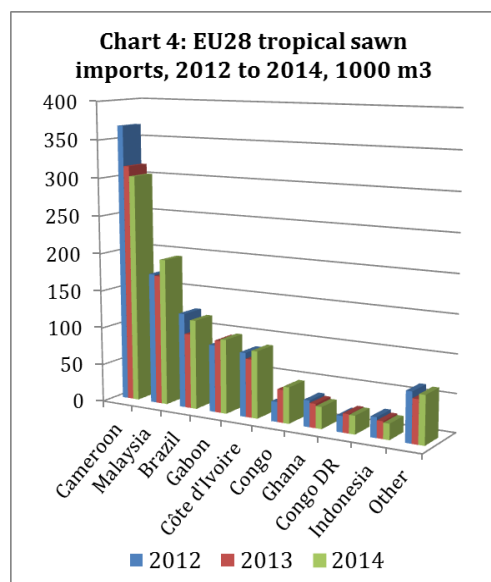


Source: FII Ltd analysis of Eurostat

EU sawn tropical hardwood imports still lower than in 2012

The recent 5% increase in European sawn tropical hardwood imports to 985,000 m3 was insufficient to offset the 8% drop in deliveries experienced in 2013. A closer look at the most important supplier countries reveals that Malaysia (+13%), Brazil (+19%) and Ivory Coast (+15%) boosted their deliveries to Europe significantly last year.

This came after decline in imports from these three countries in 2013. Deliveries from the Congo Republic and Gabon also continued their positive trend last year. EU imports from Cameroon (-4%), Ghana (-9%) and Indonesia (-8%) continued their downhill slide in 2014. EU imports from the Democratic Republic of the Congo fell by 3% in 2014 following an increase in 2013.



Source: FII Ltd analysis of Eurostat

Chart 4 reveals that Cameroon remains by far the most important supplier of sawn tropical hardwood to the EU, despite the steep drop in 2013 and the renewed decline in deliveries in 2014. The EU countries imported 302,000 m3 of tropical sawn timber from Cameroon in 2014, after 315,000 m3 in 2013 and 367,000 m3 in 2012.

The supply problems for sapele timber and associated long lead times, the main cause for declining deliveries in 2013, continued into 2014.

Moreover, shipments from Cameroon have been seriously affected by logistical problems in the country's main port of export in Douala. A strike at the port at the end of 2013, as well as problems related to the depth of the port's navigation channel, a broken loading crane and general logistical problems caused a backlog of goods at the port.

According to information from importers, these problems continue to persist for break bulk shipments and container shipments are also occasionally subject to delay which makes transportation times hard to calculate.

The new deep-water port in Kribi/Cameroon could help ease this situation. The port is apparently operative now. However, a European company that operates sawmills in the region said in March 2015 that they had not yet received any offers from the major shipping lines for shipping from Kribi.

In 2014, Gabon was once again the second largest African supplier of tropical sawn wood into Europe. European demand for timber from Gabon had started to grow as early as the end of last year. And throughout 2014 the country's okoume exports remained rather competitively priced compared to tulipwood from the USA, for example.

European imports from Ivory Coast also increased in 2014. This was due to strengthening demand for framire in the UK combined with importers' increasing confidence in legality assurance documentation.

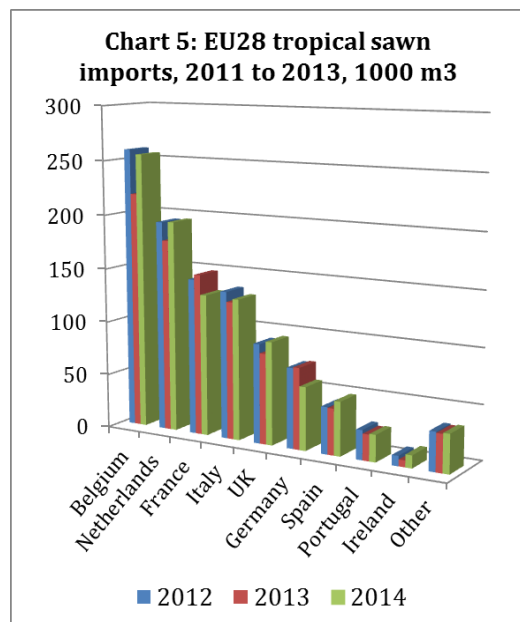
In Malaysia, the second most important tropical sawn wood supplier overall, prices for meranti lumber have been comparatively low and stable throughout last year, which may have fuelled demand.

Moreover, both the UK and the Netherlands, two of Malaysia's largest European sales markets stepped up their tropical timber imports last year (Chart 5). In total, the EU countries imported 194,000 m3 of sawn timber from Malaysia last year, 13% more than in 2013.

The anticipated drop in deliveries due to the change in Malaysia's GSP status as of 1 January 2014 and related rise in import duties from 3.5% to 7% has therefore not materialised. Recognition of the Malaysian Timber Certification System (MTCS) in the Dutch government procurement policy in 2013 may have boosted sales in the Netherlands during 2014.

The 19% increase in EU tropical sawn wood imports from Brazil in 2014 has to be seen against the background of a 21% fall the previous year. At 118,000m3, last year's tropical timber deliveries from Brazil still fell well short of the 125,000m3 delivered back in 2012, before the EU Timber Regulation entered into force.

The May 2014 Greenpeace report about alleged illegal logging titled The Amazon's Silent Crisis has prompted some European companies to take an even closer look at their supply chains in Brazil. Nonetheless, European tropical sawn wood imports from Brazil recovered last year.

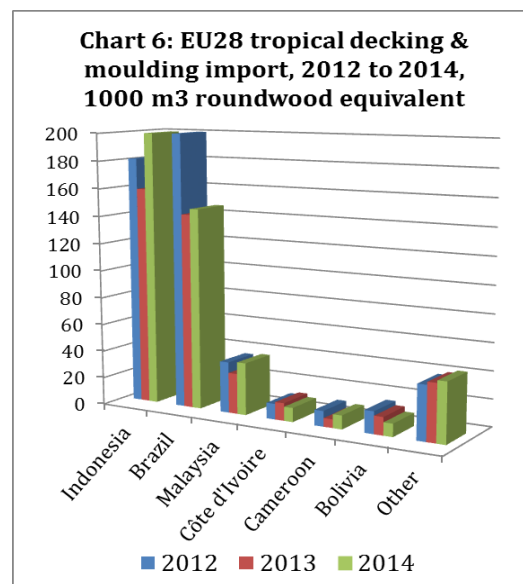


Source: FII Ltd analysis of Eurostat

Recovery in EU decking and mouldings imports

Imports of “continuously shaped” wood (HS code 4409) show a similar picture: after falling by 19% in 2013 they rose again by 13% to 457,000 m3 in 2014. Continuously shaped wood products listed under HS code 4409 include both decking products and interior decorative products like moulded skirting and beading.

Imports from the main supplier, Indonesia, in particular, recorded a healthy trend and rose by 26% in 2014. The same is true for imports from Malaysia, which recorded an increase of 29%. Brazilian deliveries, on the other hand, only rose by 3% after plummeting 30% the year before (Chart 6).



Source: FII Ltd analysis of Eurostat

The European market for decking, both in general and for tropical hardwood, recovered a little in 2014, after a sluggish performance in 2013. Indonesian bangkirai decking, in particular, regained market share last year, due primarily to its competitive pricing. Prices for bangkirai decking in Indonesia had dropped by around 20% between 2012 and 2014 and have not recovered since.

However, market insiders suggest that demand for other tropical decking products increased more slowly and that the overall market share of tropical timber in the decking sector continued to decline in 2014.

Bangkirai products have tended to take market share from other tropical timber decking – especially from Brazilian products such as garapa, cumaru, or massaranduba – rather than from other competing materials. The strongest growth was again registered for Wood Plastic Composite decking last year.

Window scantlings imports have grown but at a lower value

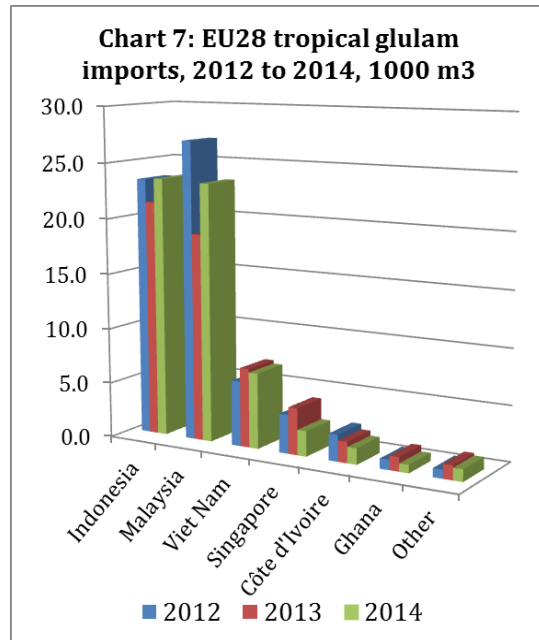
Competition from other materials, mainly plastics but also temperate hardwoods, continues to put pressure on the EU's imports of tropical glulam, which consist primarily of scantlings for the window sector. Imports in this product group totalled 59,200 m3 last year, 6% more than in 2013 but still 12.5% less than in 2012.

Moreover, the value of EU glulam imports from tropical countries was down by 3.8% last year, in spite of the rise in volumes, meaning that the average price of the imported tropical window scantlings was lower than the year before. Importers frequently mentioned a trend towards standard-quality meranti scantlings rather than the higher-quality full log material last year, which may be an explanation for the lower import value.

The rise in volumes was exclusively due to higher deliveries from Indonesia (+10%) and Malaysia (+24%).

In 2014, these two countries delivered 23,500 m3 and 23,300 m3 respectively to the EU and together accounted for roughly 79% of all EU imports of this commodity from the tropics.

EU imports from all other significant tropical supply countries declined last year, including Vietnam (-4%), Singapore (-45%), Ivory Coast (-23%) and Ghana (-43%) (Chart 7).



Source: FII Ltd analysis of Eurostat

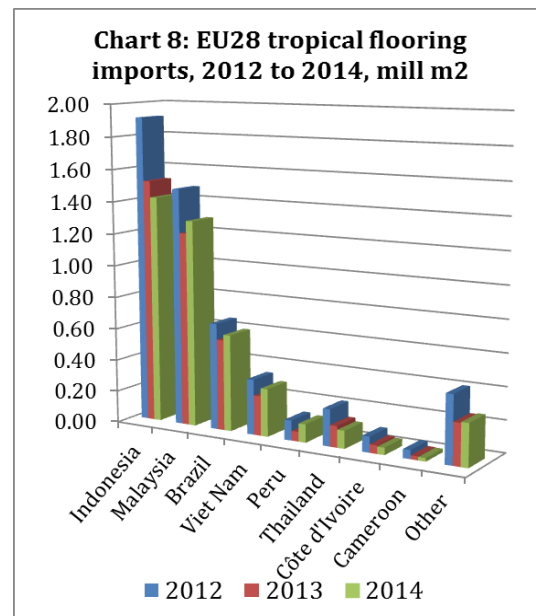
Flooring imports remain at a low level

EU imports of tropical wood flooring only showed a minor increase by 2% to 4.17 million m2 last year, against the very weak level reached in 2013. Compared to 2012, import volume in 2014 was still down by 21.7%. Moreover, the 2014 import value of €83 million was 5.8% lower than in 2013 and 25.9% lower than in 2012.

Most European markets have seen a very strong trend towards oak flooring in the last few years, which resulted in lower demand for tropical timber. What is more, wood in general has continued to lose market share to substitute products such as Luxury Vinyl Tiles.

A closer look at the important supplier countries reveals that the shift in flooring import volumes from Indonesia towards Malaysia continued into 2014. Malaysian deliveries recovered with a 7% increase last year, while imports from Indonesia dropped by another 7%. In 2013 deliveries from both countries had declined, but Indonesia experienced a much sharper fall (Chart 8).

Indonesia and Malaysia together account for the bulk of the European tropical flooring imports. Of the other larger supplier countries, Brazil (+6%), Vietnam (+20%) and Peru (+88%) showed signs of improvement, while deliveries from Thailand (-17%), Ivory Coast (-14%), and Cameroon (-11%) continued to decline.



Source: FII Ltd analysis of Eurostat

Tropical log exports plummeted again

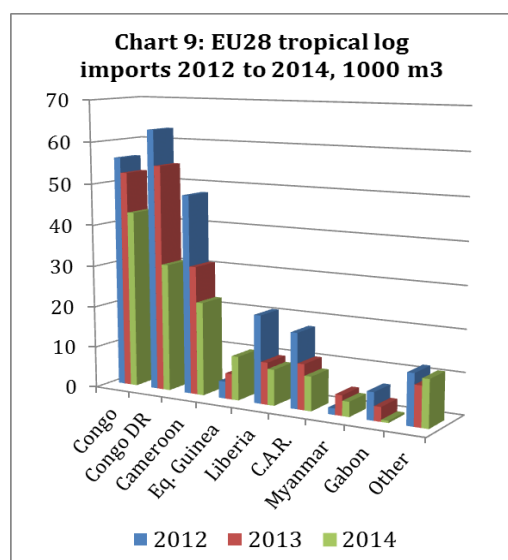
Last year, as in previous years, EU imports of tropical hardwood logs experienced the sharpest fall among all tropical timber products. EU imports of 139,000 m3 in 2014 were down 24% compared to 2013. Log imports have declined steadily over the last ten years.

In terms of value, the EU's 2014 tropical log imports were only worth 15% of those in 2004. Deliveries from all the main supplier countries, with the exception of Equatorial Guinea were down by double-figure percentages last year (Chart 9).

Besides logistical restrictions and log export bans instituted by various tropical countries including Gabon and Myanmar in the last few years, this renewed decline is probably also due to uncertainty over the reliability and acceptance by EUTR competent authorities of documentation for log exports from some regions.

This seems particularly true for the Democratic Republic of the Congo, which saw its deliveries to Europe plunge by 43% in 2014.

Environmental groups have shown a particular interest in the Congo region since introduction of the EUTR, resulting in the first major case in Germany when 57 wenge logs were seized by the country's competent authority at the end of 2013. The case is not yet closed but currently looks likely to end with the auctioning of the wood by the German state.



Source: FII Ltd analysis of Eurostat

European importers are cautiously optimistic for 2015

European demand for various tropical timber products and species in the first quarter of 2015 is described as satisfactory to good by several importers. The UK market remains good, even if demand in some instances is reported to be slightly less buoyant than the same time last year.

Some importers report signs of recovery in France and Scandinavia. Some Eastern European markets, especially Poland, are described as relatively active at the moment. The German market is described as stable.

As regards the different products and regions of origin, African timber, especially sapele, wawa, framire, and in some European markets also sipo are in relatively strong demand.

However, importers also report continuing difficulties in sourcing enough timber in Africa. Framire is reported to be very hard to get hold of at the moment and importers suggest they could sell more if there were any extra supply.

Sourcing of other African wood species is made difficult by on-going logistical problems. European importers suggest that truck shortages are causing delays in overland transport in some parts of Africa. In addition to the above-mentioned delays in the port of Douala in Cameroon, some importers also mention delays in shipping from Pointe Noire in the Congo.

Competition for supply from Asian and American buyers is mentioned as another challenge by European importers. Some importers said the EUTR and related documentation was still making it hard to compete with their Asian counterparts, as African sawmills would frequently prefer selling to Asia, where less documentation was required and where customers are less picky when it comes to specifications.

American buyers are also finding it relatively easy to outbid their competitors from the Eurozone at the moment due to the strong US dollar and the weakening euro value.

Demand for bangkirai and meranti from Indonesia and Malaysia was also relatively good in February and March of this year, as traders stocked up in anticipation of exchange-rate related price hikes. Importers with large inventories, who were able to offer material at mixed prices, profited from this in particular.

A similar trend was observed for tropical timber from South America. However, the costs of South American tropical wood products had not only increased due to unfavourable exchange rate trends but also due to price hikes instituted by various producers at the end of last year. As a result, importers report that they have been very cautious in placing new orders for shipping this spring.

The strong US dollar represents a factor of uncertainty for sales of tropical wood products traded in this currency in the Eurozone. Whether sales will continue at their current, satisfactory level will largely depend on future currency trends as well as on suppliers' willingness to adjust prices.

The minor price concessions made by Indonesian and Malaysian suppliers at the beginning of this year were insufficient to offset the loss in value of the euro over the last twelve months and in particular since December 2014.

Moreover, some importers expect those reductions to be temporary in nature and that producers will go back to their old prices in the next few weeks. On the other hand, some sources believe that Brazilian producers may lower their prices in the next few weeks, as the real has also weakened against the US dollar.

Report from North America

Increased imports of acajou d'Afrique, keruing and meranti

Tropical sawnwood imports declined 4% month-on-month in January to 22,989 cu.m. However, despite the overall decline in imports, shipments from Cameroon and Malaysia to the US market increased.

Imports from Cameroon were up 42% from the previous month (4,124 cu.m.). Sapelli imports from Cameroon reached 2,259 cu.m., while acajou d'Afrique imports were 1,479 cu.m. Malaysian shipments to the US increased by 24% from December (2,978 cu.m.).

Imports from most other tropical sawnwood suppliers declined in January, including Brazil (3,686 cu.m.), Congo/Brazzaville (1,153 cu.m.), Indonesia (943 cu.m.) and Ghana (815 cu.m.).

Balsa imports from Ecuador fell by one quarter in January to 4,381 cu.m. On the other hand sapelli imports remained unchanged from the previous month at 3,518 cu.m.

Imports of ipe were 2,893 cu.m. (-15%), while imports of acajou d'Afrique and keruing increased in January to 2,452 cu.m. and 2,478 cu.m., respectively.

US imports of sawn tropical hardwood, by species (cu.m.)

	Jan 2015	Change from previous month	Change from previous year
Balsa	4,381	-25%	18%
Sapelli	3,518	0%	40%
Acajou d'Afrique	2,452	42%	80%
Keruing	2,478	24%	113%
Ipe	2,893	-15%	14%
Mahogany	895	-63%	-57%
Virola	407	34%	33%
Meranti	1,098	15%	83%
Cedro	878	29%	46%
Jatoba	468	27%	451%
Teak	379	-19%	-46%
Iroko	147	2350%	213%
Padauk	31		94%
Aningre	37	517%	-65%
Other tropical	2,927	36%	95%
Total	22,989	-4%	33%

Data source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics

Higher Canadian sapelli imports

Canadian imports of tropical sawn hardwood were valued at US\$1.25 million in January, up one third from December but total imports are only half the value seen last summer. Africa remains the largest source of imports for Canada, followed by South America (mainly balsa) and then Asia.

Balsa imports from Ecuador were worth US\$296,183 in January. The second-largest source of hardwood imports was Cameroon at US\$208,387, although the value of imports fell from December.

January imports from Indonesia declined slightly from December, but at US\$182,700, they were higher than in January 2014.

In January the value of sapelli sawnwood imports by Canada increased by 18% from the previous month to US\$357,500. Imports of mahogany were worth US\$55,3400 and the combined value of virola, imbuia and balsa imports amounted to US\$312,600.

Growth in Africa's share of sawnwood imports

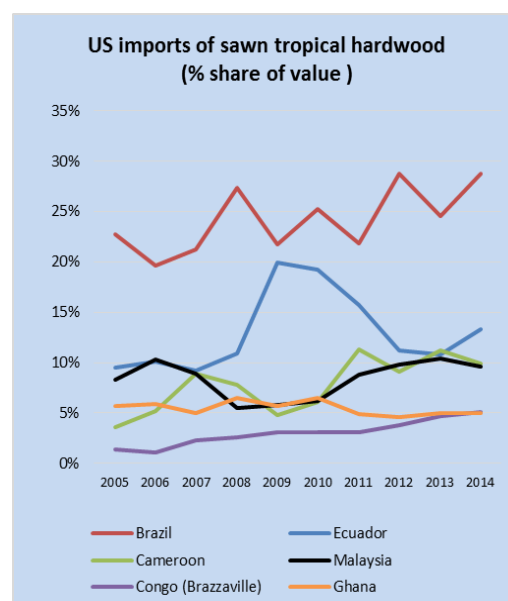
US Imports of tropical sawnwood plummeted in the years the market share of the main suppliers fluctuated widely from then on. Overall, Brazil remained the largest supplier to the US but Canada has imported slightly more from Cameroon than from Brazil recently.

Cameroon gained a significant import share in Canada at close to 20% based on the value of imports in current US dollars with much of the growth being in sapelli sawnwood shipments. Cameroon also gained market share in the US, but the growth was slower.

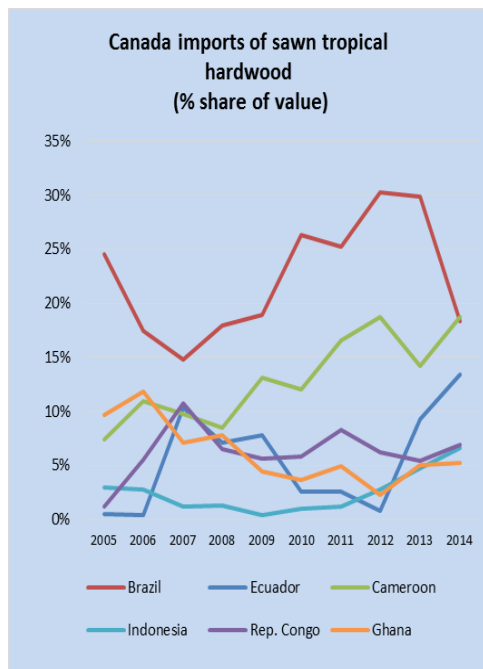
Of sawnwood imports from Asia, Malaysia is the primary supplier to the US while Canada imports mainly from Indonesia. US imports from Indonesia have declined since 2005 although the import share has increased to 4% since the end of the recession. Malaysian sawn hardwood shipments to the US have been very stable over the past ten years.

In both the US and Canada the share of imports from Africa has increased over the last ten year, while South America's imports share declined. South American countries' share in US imports fell from approximately 56% in 2005 to below 50% in 2014. During the same period Africa's share increased by about ten percentage points to 26%.

In Canada the trend was similar, although African supplier countries always had a higher share in imports than in the US. Southeast Asia's import share in the US market remained relatively unchanged around 20% in the last ten years.



Data source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics



Data source: Statistics Canada

New US homes increasingly “green”

The US National Association of Home Builders reports that more and more home buyers are looking for sustainable features in homes, higher energy efficiency and renewable energy facilities such as geothermal heat pumps and solar panels.

Energy Star certifications are a priority for young home buyers. Builders are responding to the demand and build more green single and multi-family homes. Home buyers are also concerned about indoor air quality, sustainable materials and products, and locally manufactured products.

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.*

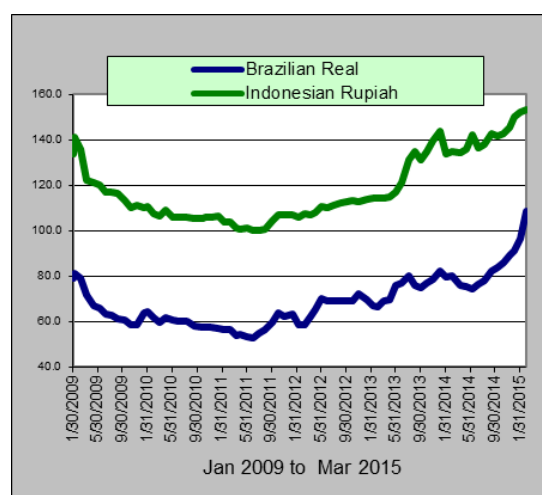
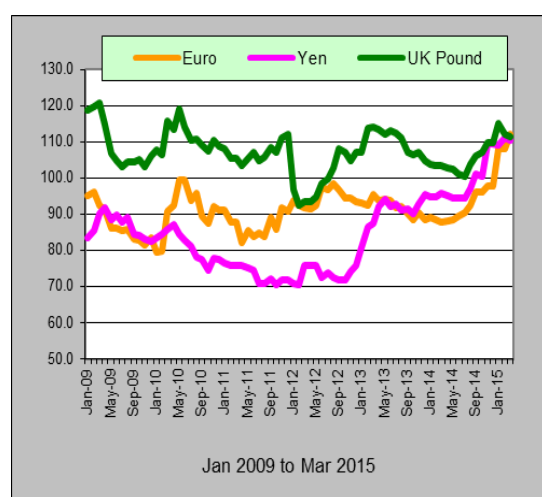
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO.

US Dollar Exchange Rates

As of 26th March 2015

Brazil	Real	3.1877
CFA countries	CFA Franc	604.23
China	Yuan	6.21
EU	Euro	0.9187
India	Rupee	62.835
Indonesia	Rupiah	13025
Japan	Yen	119.07
Malaysia	Ringgit	3.6673
Peru	New Sol	3.0835
UK	Pound	0.6734
South Korea	Won	1105.07

Exchange rate index (Dec 2003=100)

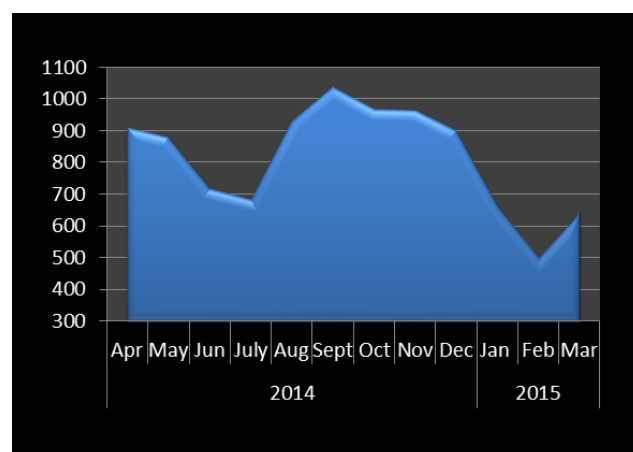


Abbreviations and Equivalences

Arrows	Price has moved up or down
BB/CC etc	quality of face and back veneer
BF, MBF	Board foot, 1000 board foot
Boule	bundled boards from a single log
TEU	20 foot container equivalent
CIF, CNF	Cost insurance and freight
C&F	Cost and freight
cu.m cbm	cubic metre
FAS	First and second grade of sawnwood
FOB	Free-on board
Genban	Sawnwood for structural use in house building
GMS	General Market Specification
GSP	Guiding Selling Price
Hoppus ton	1.8 cubic metre
KD, AD	Kiln dried, air dried
Koku	0.28 cubic metre or 120 BF
LM	Loyale Merchant, a grade of log parcel
MR, WBP	Moisture resistant, Water and boil proof
OSB	Oriented Stand Board
PHND	Pin hole no defect
QS	Qualite Superieure
SQ,SSQ	Sawmill Quality, Select Sawmill Quality

Ocean Freight Index

Baltic Supramax Index
April 2014 – March 2015

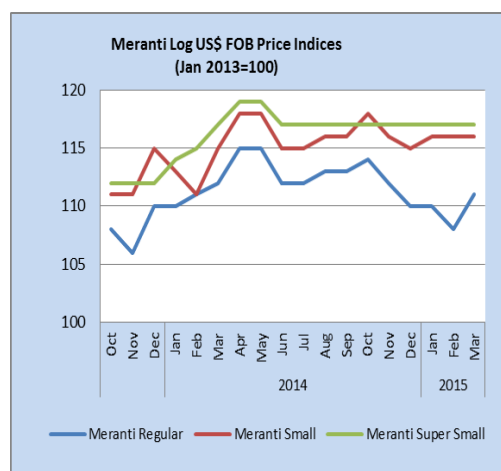


Data source: Open Financial Data Project

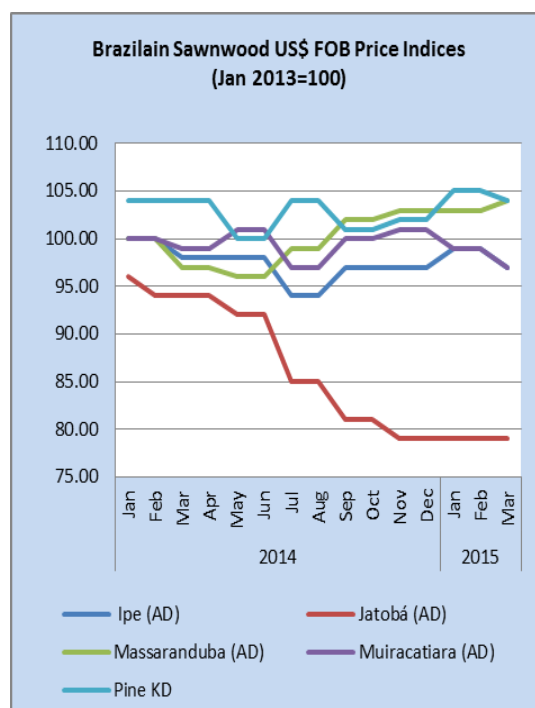
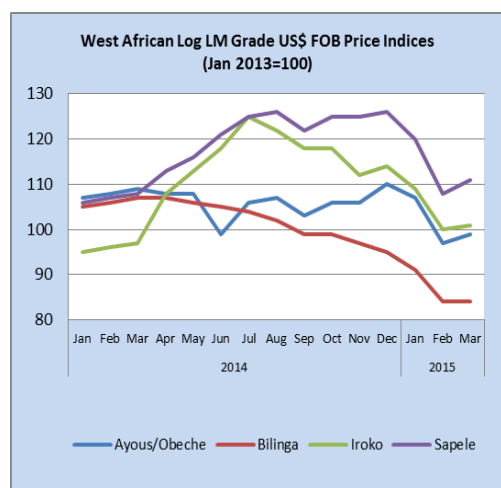
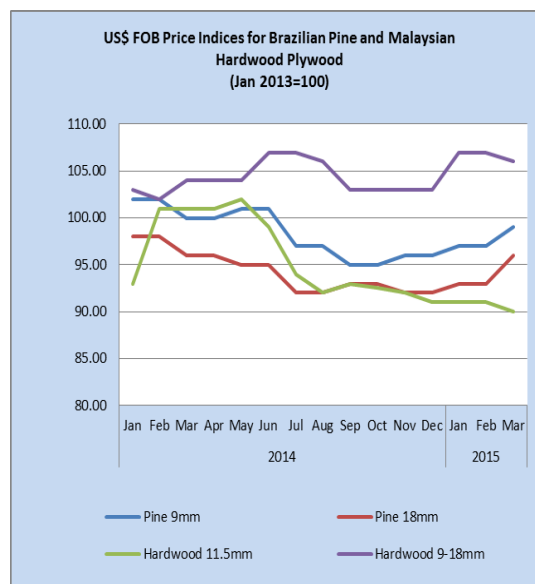
The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes.

Price indices for selected products

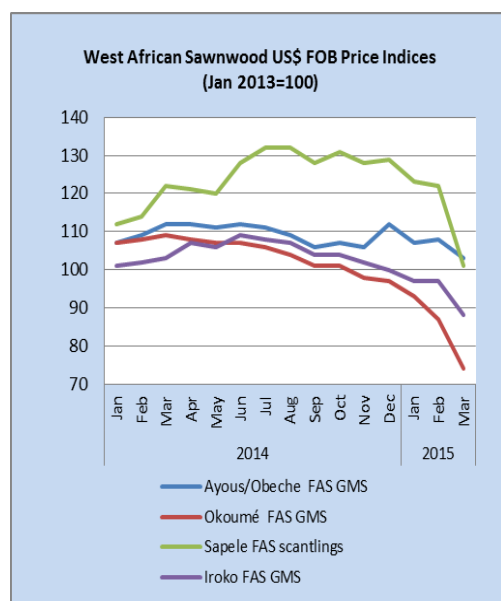
The following indices are based on US dollar FOB prices.



Note: Sarawak logs for the Japanese market



Note: Jatobá mainly for the Chinese market.



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