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

Timber Innovation Act to advance tall wood building construction in the US

A Bill, the Timber Innovation Act, has been introduced to the US Congress by senators and representatives from Washington State.

The Timber Innovation Act would establish a new research and development programme advancing tall wood building construction in the US.

For more see: https://www.congress.gov/bill/114th-congress/house-bill/5628

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Headlines

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Delayed publication

Due the International Tropical Timber Council deliberations the 1-15 November ITTO market report will not be available until the 18th of the month.

Central and West Africa

Sapelli and sipo prices spiralling down

A few minor price movements have been reported with both sapelli and sipo prices dipping once more however sawnwood prices for most species remain stable in spite of a general slackening in demand in the US and in Europe.

Demand in the UK has been affected by a slowing in infrastructure spending and investment in large housing developments which, say analysts, is probably a 'wait and see' response related to the decision in the UK to exit the EU.

Scottish Construction, Scotland's daily construction news service has reported that Travis Perkins, one of the UK's major timber and building materials suppliers, will close many of its branches as business has slowed.

See: http://www.scottishconstructionnow.com/15310/600-jobs-at-risk-as-travis-perkins-closes-30-branches/

Because buying for Europe and UK in the third quarter has been subdued it is likely that stocks have fallen and that forward commitments for the European market are lower than usual as we enter the fourth quarter. This leads producers to anticipate that prices will remain steady.

Currency weakness dampens buying enthusiasm

Continued sterling weakness is also affecting the confidence of importers. The British pound has fallen steeply against major currencies since the Brexit decision and is more than 15% down on the US dollar for the year. Unfortunately the euro has not performed much better.

Transport delays and rising costs bedevil industry

Both Gabon and Cameroon have recently experienced disrupted transportation which has added to problems already faced by exporters.

In Gabon, producers experienced transport delays due to the unrest during the presidential election. Ports were closed for around two weeks and road transport was affected. Now the election issues have been resolved there are reports of government financial issues which has further delayed tax refunds to exporters.

Gabon has a new Minister of Forest Economy, Fisheries and Environment, Estelle Ondo, who is the Vice President of an opposition party. Her appointment has meant that some decisions of the previous minster are being reviewed along with the proposed new forest code.

In Cameroon the tragic railway accident costing some 75 lives seriously disrupted all of the North/South road and rail transportation. Exporters had to switch to a much longer alternative route.

Buyers for the Chinese market say prospect are good

Buyers for the Chinese market continue to favour higher value timbers for specialist uses and belli and tali are favourites which may give a little upward momentum to prices.

Producers in West and Central Africa are still not sure that the Chinese market will expand to the highs seen two or three years ago but some Chinese buyers say that future prospects are good.

Log Export Prices

West African logs, FOB	Euro per m^3		
Asian market	LM	B	BC/C
Acajou/Khaya/N'Gollon	240	240	160
Ayous/Obeche/Wawa	240⬇	240⬇	190
Azobe	230	230	160
Beli	235	235	
Bibolo/Dibeou	190	170	
Bilinga	220	220	
Iroko	325⬆	300	265⬆
Okoume (60% CL, 30% CE, 20% CS) China only	210	190	160
Moabi	330	300	235
Movingui	210	210	160
Niove	175⬆	160	
Okan	210	200	
Padouk	300	280	230
Sapele	290⬇	280⬇	220
Sipo/Utile	320	290	255
Tali	325⬆	320⬆	

Sawnwood Export Prices

West African sawnwood, FOB		Euro per m^3
Ayous	FAS GMS	400
Bilinga	FAS GMS	520
Okoumé	FAS GMS	340
	Merchantable	270
	Std/Btr GMS	290
Sipo	FAS GMS	550
	FAS fixed sizes	560
	FAS scantlings	596
Padouk	FAS GMS	850
	FAS scantlings	930
	Strips	640
Sapele	FAS Spanish sizes	520
	FAS scantlings	540
Iroko	FAS GMS	610
	Scantlings	710
	Strips	440
Khaya	FAS GMS	450
	FAS fixed	460
Moabi	FAS GMS	610
	Scantlings	630
Movingui	FAS GMS	420

Ghana

Ghana private sector gets help on VPA

The Food and Agriculture Organisation (FAO) has signed Letters of Agreement with five corporate bodies in Ghana aimed at supporting private sector implementation of the Voluntary Partnership Agreement (VPA). FAO will fund this support from its Forest Law Enforcement Governance and Trade (FLEGT) programme. Participating agencies include the Kumasi Wood Cluster Association, the Ghana Timber Millers Organization and the Nature and Development Foundation which can all submit proposals for funding activities which support VPA implementation.

The Forestry Commission will take the lead in capacity building amongst small-holders and artisanal millers to eliminate illegal practices.

At a ceremony in Accra Mr. William Hanna, Head of the EU Delegation in Ghana said the EU Timber Regulation (EUTR) has placed a legal obligation on European wood product importers to see that imported products are manufactured from legally sourced raw material.

Only Asian markets have grown in first 7 months

Ghana's exports in the first seven months of this year totalled 228,387 cubic metres and earned Euro 130,732 million. Compared to the same period last year the performance in up to July recorded a 10% increase in export volumes and a 24% increase in export earnings.

The leading export products up to July were air-dry sawnwood (60%), kiln-dry sawnwood (13%), plywood to regional markets (9%), roundwood billets (8%) and sliced veneer (4%) with other wood products accounting for the remaining 6%.

Export shipments of wood products from Ghana were largely to the Asian markets which accounted for 72% followed by African regional markets (12%) and Europe (11%).

The Middle East and America accounted for the balance. It was only the Asian markets where an increase in exports was achieved.

	Jan-Jul2015		Jan-Jul 2016		Y-on-Y
	cu.m	%	cu.m	%	%Change
Asia	121,578	58.7	164,769	72.2	13.4
Europe	25,829	12.5	25,363	11.1	-1.4
Africa	40,784	19.7	26,599	11.6	-8
America	13,007	6.3	7,549	3.3	-3
Middle East	5,853	2.8	4,08	1.8	-1
Total	207.051		228.36		

For the period under review the average unit price of all wood products for 2016 was euro 572/cu.m compared to euro 511/cu.m in 2015.

Boule Export prices

	Euro per m^3
Black Ofram	380
Black Ofram Kiln dry	472⬆
Niangon	530⬆
Niangon Kiln dry	571

Export Rotary Veneer Prices

Rotary Veneer, FOB	Euro per m^3	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	328⬇	400
Chenchen	416	539⬆
Ogea	478	604
Essa	480⬇	561
Ofram	350	406

NB: Thickness below 1mm attract a Premium of 5%

Export Sliced Veneer Prices

Sliced Veneer, FOB	Euro per sq. m	
	Face	Backing
Afrormosia	2.00	0.91
Asanfina	3.00	0.57
Avodire	1.60	0.34
Chenchen	1.40	1.20
Mahogany	1.80	0.82
Makore	1.80	0.55
Odum	1.13	0.40

Export Plywood Prices

Plywood, FOB	Euro per m^3		
BB/CC	Ceiba	Ofram	Asanfina
4mm	415	590	641
6mm	477⬇	535	610
9mm	407	474⬆	613
12mm	364	463	480
15mm	400	410	430
18mm	292⬆	417	370

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

Export Sawnwood Prices

Ghana Sawnwood, FOB	Euro per m^3	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	925
Asanfina	492	564
Ceiba	297	317⬇
Dahoma	363⬇	429
Edinam (mixed redwood)	520	599
Emeri	465⬇	570⬆
African mahogany (Ivorensis)	848	1075⬆
Makore	730	820
Niangon	500	590⬇
Odum	755	869
Sapele	675⬇	815⬆
Wawa 1C & Select	363	465⬆

South Africa

Malaysian exporters actively pushing meranti

Analysts report that Malaysian shippers have become more active in the market and are taking on the competition from okoume through discounts. Reports suggest there is a slight excess of stocks which has had a downward influence on domestic sales prices. Local traders expect this situation to ease in the coming weeks particularly as some Malaysian (and others) export containers are being shut-out on many vessels.

Overall, the timber market is busy and pine sales are robust though there are some reports that sales of gang-nails for trusses construction have fallen. This seems to point to the 'informal' market absorbing more timber and this is borne out by the low stocks at most pine mills.

Reports say American hardwoods are selling well as there is firm demand in the shop-fitting and furniture sectors.

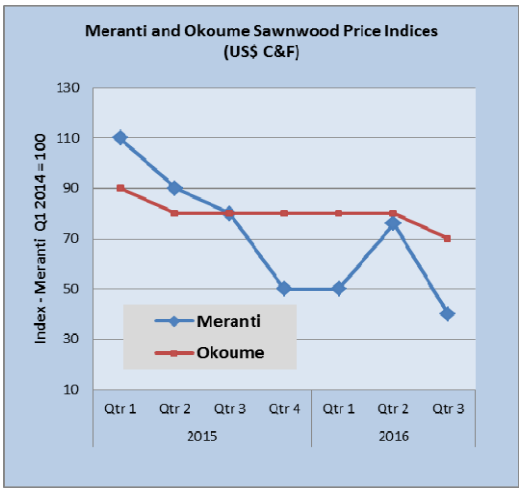
Panel market oversupplied

The panel market continues to be overtraded and there is a lot of discounting of both MDF and particleboard at present even in the face of the announcement by Sonae Novobord that they will be looking to increase prices in January.

Domestic mills continue to invest counting on an economic rebound

Although retail sales are under pressure from slowing infrastructure and housing spending, investment in production capacity continues. Many government building programmes are on hold because of the changes in administration of some major municipalities.

Housing construction remains slow with plans passed for residential buildings down 5%, non-residential approved building plans are down 16% and in the alterations and additions segment of the market there has been an 11% drop in approvals.



Correction: In the previous issue of our report we said a team from the Malaysian Timber Council visited South Africa, actually the team was from the Timber Exporters' Association of Malaysia.

Malaysia

Domestic demand major driver of economy

Malaysia's Ministry of Finance has just released its 'Economic Report on Malaysia' which indicates the economy is expected to expand 4-5% in 2017.

The report says inflation will be benign in 2017 and employment will hold up well especially as the services and manufacturing sectors are expected to expand in 2017. Non-oil related revenue will contribute more than 85% to total revenues as the new goods and services tax collection stabilises. Malaysia's domestic demand is a driver of growth and this year local consumption expanded nearly 5%.

Sarawak timber legality scheme explained to Japanese

A joint mission by the Sarawak State and the timber industry recently visited Tokyo and Osaka to explain the operation and monitoring of the Sarawak Timber Legality Scheme. Some 200 participants, including importers and end-users of Sarawak wood products attended the various events.

Japan is an important market for wood products from Sarawak and the mission sought to inform the Japanese timber sector of the achievements in eliminating illegal timber from the supply chain.

Leading the mission was Minister of Resource Planning and Environment, Awang Tengah Ali Hasan, who told the participants the government's priority is protecting the forest, environment and wildlife through sustainable management, generating employment and export earnings.

PWI secures log supplies through acquisition

Towards month end Priceworth International (PWI), a major investor in wood products manufacturing, said it was buying Rumpun Capaian which has a long-term forest concession in Trus Madi, Sabah.

According to PWI, this acquisition is expected to generate a sustainable forest harvest of around 6.5 million cubic metres over the remaining life of the concession. This harvest will go some way to address the raw material supply for PWI's massive logging and wood processing capacity.

Indonesia

Furniture a best seller at Expo Indonesia

The Director General of Export Development at the Ministry of Trade, Arlinda, reported that Indonesian furniture attracted considerable interest from international buyers at the Trade Expo Indonesia (TEI) which recently concluded in Jakarta.

The Minister said business was concluded with buyers from around the world including India, Russia, Malaysia, Japan, and Taiwan P.o.C and resulted in contracts worth over US$950 million, a 7% rise from last year. The Expo attracted 15,567 visitors from 125 countries.

For more see: http://www.antaranews.com/berita/590530/mebel-produk-terlaris-di-tei-2016
And
http://www.tradexpoindonesia.com/

'Lightweight' plantation timbers to be promoted in Germany

In related news, Indonesia and Germany signed a cooperation deal on the side-lines of Expo. The Director General of Export Development, Ministry of Commerce, Arlinda said the two countries will cooperate to develop markets in Germany for 'lightweight' timbers from Indonesia. Media reports suggest some US$3 million will be available to promote the trade in timbers from Indonesia.

Trade with Romania to grow

Indonesian Foreign Minister, Retno LP Marsudi, hosted her counterpart from Romania recently cementing the 66 years of diplomatic relations between the two countries. This was the first official visit to Indonesia by a Romanian Foreign Minister.

Retno LP Marsudi said growth in bilateral trade had expanded in recent years and that Indonesia has enjoyed a trade surplus with Romania for several years. Romania is Indonesia's sixth-largest market and exports to Romania include rubber, paper, paper products and synthetic fibre.

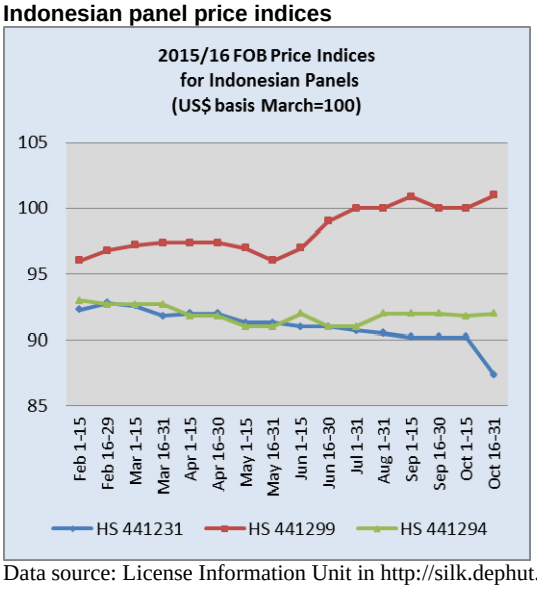
Minister outlies benefits to Indonesia from joining TPP

The Indonesian government is eager to join the Trans-Pacific Partnership (TPP) which brings together 12 countries including Indonesia's main trading partners. However, according to an October issue of 'Indonesia Investment' opinions vary on whether joining would benefit Indonesia.

'Indonesia Investment' quotes the Indonesian Minister of trade saying he believes that Indonesia will become an attractive production hub for Japanese manufacturers given the competitive production environment and the attractive size of Indonesia's domestic market. Indonesia Investment says "Existing Japanese manufacturers are reportedly planning to increase production capacity at their plants in Indonesia.

For more see:
http://www.indonesia-investments.com/news/todays-headlines/trans-pacific-partnership-makes-indonesia-attractive-for-investment/item7281

Indonesian panel price indices



Data source: License Information Unit in http://silk.dephut.go.id/

Myanmar

New Foreign Investment Law criticised

Details of Myanmar's new Investment Law are expected to be released the end of March next year at the latest according to U Maung Maung Win, Deputy Minister of National Planning and Finance. The new legislation combines the Myanmar Citizens Investment Law and the Foreign Investment Law.

However, civil society groups have expressed concern that the consultation period was inadequate and that the legislation needs to be strengthened to ensure responsible investment.

They complain that the new law does not provide for adequate oversight of the Investment Commission and does not provide for adequate environmental assessment.

During April to September period this year foreign direct investment (FDI) declined significantly to US$1.4 billion compared to US$3 billion in the same period last year.

As with many other countries the Myanmar currency has weakened against US dollar disrupting business transactions but despite the currency issues over the past five months international trade reached to US$11 Billion with the forest sector contributing just US$100 million.

Urgent need to tackle verification of legality

Following an investigation into Myanmar teak arriving in the EU the Environmental Investigation Agency (EIA) submitted a complaint in five countries saying some importers were not fulfilling the terms of the EUTR.

According to Barber Cho, Secretary of Myanmar Forest Certification Council (MFCC) representatives of one company named in the EIA investigation sought and were granted permission to examine harvesting controls in Myanmar. The MFCC was told by the Forestry Department (FD) and the Myanma Timber Enterprise (MTE) that the proposed study tour was cancelled by the company when the logging suspension was announced.

Mr. Cho asserts that "both FD and MTE are moving in the right direction to verify the legality of Myanmar's timber and the EIA should do more on teak shipments (to the EU) from China and other countries where Myanmar teak is reprocessed for export".

Latest teak log auction prices

Grade	H.tons	Avg US$/H.ton
SG-2	-	-
SG-4	28	3,665
SG-5	22	2,890
SG-6	21	2,335
SG-7	71	1,760

India

Slight weakening of economic indicators in August

The Ministry of Finance monthly economic report for the second quarter (April-June) 2016 released by the Central Statistics Office shows GDP growth in the second quarter was 7.1% compared to the 7.5% in the same period last year. However, the report shows a decline in the Index of Industrial Production (IIP) at -2.4% in July 2016 as compared to 4.3% a year earlier.

On foreign trade the report says exports and imports both declined in August (- 0.3% and -14% respectively compared to a year earlier)

For more see:
http://finmin.nic.in/stats_data/monthly_economic_report/2016/indaug16.pdf

Inflation rate trends

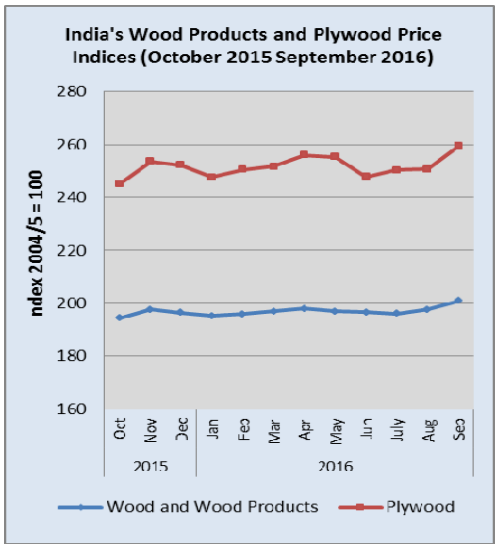
The Office of the Economic Adviser (OEA) to the Indian government provides trends in the Wholesale Price Index (WPI). The official Wholesale Price Index (WPI) for All Commodities (Base: 2004-05=100) for September declined by 0.2 percent to 182.8 from 183.1 for August.

The annual rate of inflation, based on the monthly WPI, stood at 3.57% (provisional) for the month of September 2016 compared to -4.28% for September 2015.

See: http://eaindustry.nic.in/cmonthly.pdf

Timber and plywood price indices climb

The OEA also reports Wholesale Price Indices for a variety of wood products. The Wholesale Price Indices for Wood Products and Plywood are shown below.



Data source: Office of the Economic Adviser to the Indian government

First of season's log auctions

Log auctions of the new season have been just concluded in the Dangs Division depots. The logs offered were fresh and of good quality. The total quantity offered was around 8,500 cubic metres, mostly teak.

Analysts report the buying tempo was upbeat and the prices secured were much higher compared to the same time last year. This, say analysts, was due to the scarcity of good quality logs and bidding competition. The prices achieved as shown below:

Teak logs	Per cubic foot
A grade for ship building	Rs. 3300-3500
B grade for ship building	Rs. 3100-.3250
A grade large girth for sawing	Rs. 3000-3050
B grade large girth for sawing	Rs. 2900-2950
A grade long length	Rs. 2700-2800
B grade long length	Rs. 2600-2650
Long length, Medium Quality	Rs. 2000-2100
Short Length, Medium Quality	Rs. 1500-1800
Short Length, small logs	Rs. 1100-1300

Variations depend on quality, length and average girth of logs.

Good quality non-teak hardwood logs, 3 to 4 metres long having girths 91cms and up of haldu (Adina cordifolia), laurel (Terminalia tomentosa), kalam (Mitragyna parviflora) and Pterocarpus marsupium, fetched lower prices in the range of Rs.700-900 per c.ft for the better qualities and from Rs.600-700 per c.ft for medium quality logs while the lowest quality attracted prices of between Rs.300-450 per c.ft.

Auction sales at depots in Surat Division will begin 8 November and at those in Vyara Division from 10 November. The indications are that the quality of logs to be offered at these auctions is good.

Furniture makers move online to match competition

The president of the Kerala Furniture Manufacturers and Merchants Association has said "to become more competitive the members of the association plan to expand online marketing of knock-down furniture". Association members reported sales of around Rs. 120 billion last year.

In an effort to upgrade both the technology and skills of the industry in the state there are plans to consolidate the several clusters on one site and land has been secured in Angamaly a municipality in the Ernakulam district of Kerala.

Media reports say 50% of the development cost will come from the central government, 25% from the State and the balance from industry.

For more see:
http://www.thehindu.com/news/cities/Kochi/furnituremakers-take-the-eroute-to-beat-competition/article7505892.ece

Plantation teak prices
Domestic demand for plantation teak remains firm.

	US$ per cu.m C&F
Angola logs	459-574
Belize logs	350-400
Benin logs	290-714
Benin sawn	530-872
Brazil logs	277-812
Brazil squares	370-556
Cameroon logs	405-616
Colombia logs	258-982
Congo D. R. logs	450-761
Costa Rica logs	250-780
Côte d'Ivoire logs	289-756
Ecuador squares	258-616
El-Salvador logs	320-732
Ghana logs	276-434
Guatemala logs	324-646
Guyana logs	300-450
Kenya logs	515-876
Laos logs	300-605
Liberia logs	265-460
Malaysian logs	225-516
Mexican logs	295-808
Nicaragua logs	402-505
Nigeria squares	365-460
Panama logs	335-475
PNG logs	443-575
Sudan logs	317-720
Tanzania teak, sawn	307-613
Thailand logs	511-700
Togo logs	334-590
Trinidad and Tobago logs	603-753
Uganda logs	411-623
Uganda Teak sawn	680-900

Price range depends on quality, length and average girth of logs.

Prices from the three new plantation logs suppliers remain unchanged at: Taiwan P.o.C (US$1036 to 2126 per cu.m C&F) and Honduras (US$471 to US$539 per cu.m C&F). Sawn teak: from China (US$855 to 1118 per cu.m C&F) and from Myanmar (US$461-2895 per cu.m C&F).

Prices for locally sawn imported hardwoods
There have been changes in prices as shown below.

Sawnwood Ex-mill	Rs per cu.ft
Merbau	3000-3200
Balau	1850-1950
Resak	1350-1550
Kapur	1750-1850
Kempas	1250-1400
Red Meranti	1200-1350
Radiata pine AD	800-900
Whitewood	850-950

Price range depends mainly on length and cross section

Myanmar teak flitches resawn in India
Demand remains steady and current supplies are adequate. Imports of sawn teak from Myanmar and China have kept prices stable.

Sawnwood (Ex-mill)	Rs. per cu.ft
Myanmar Teak (AD)	
Export Grade F.E.Q.	8000-15000
Teak A grade	6500-7500
Teak B grade	5000-5500
Plantation Teak FAS grade	4000-4500

Price range depends mainly on length and cross section

Prices for imported sawnwood
Demand for imported sawnwood has started to rise and this has lifted prices for some species.

Sawnwood, (Ex-warehouse) (KD)	Rs per ft^3
Beech	1350-1450
Sycamore	1500-1650
Red oak	1600-1750
White Oak	2200-2250
American Walnut	4200-4400
Hemlock clear grade	1300-1400
Hemlock AB grade	1250-1300
Western Red Cedar	1850-2000
Douglas Fir	1550-1750

Price variations depend mainly on length and cross section

Prices for WBP Marine grade plywood from domestic mills

Prices remain unchanged.

Plywood,	Rs. per sq.ft
Ex-warehouse,(MR Quality)	
4mm	41.55
6mm	55.00
9mm	70.00
12mm	86.00
15mm	114.50
18mm	120.00

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.21.00	Rs.31.00
6mm	Rs.31.80	Rs.40.00
9mm	Rs.40.00	Rs.48.50
12mm	Rs.49.00	Rs.58.50
15mm	Rs.59.50	RS.71.50
19mm	Rs.67.80	Rs.80.00
5mm Flexible ply	Rs.42.00	

Brazil

First cut in interest rates in 5 years

The official Brazilian inflation rate based on the Consumer Price Index (IPCA) was just 0.08% in September compared to 0.44% in October this year. This is the lowest rate of inflation for September since 1998 when it fell to 0.22%. Over the past 12 months the cumulative inflation rate was 5.51%.

Given the slowing inflation the Monetary Policy Committee (COPOM) cut the interest rate (SELIC) by 0.25 percentage point, to 14% from 14.25%, the first reduction since 2012.

Furniture manufacturers expect suppliers to be highly professional and innovative

Product quality, fair price, prompt delivery and prompt communications are the main attributes a furniture manufacturers looks for from a supplier.

These factors can be achieved as commercial partnerships evolve over time. Manufacturers also expect suppliers to be innovative in terms of the products they offer so as to offer opportunities to improve competitiveness and allow a manufacturer to differentiate itself from others in the market.

Innovation is fundamental to the growth and development of the furniture sector as consumers expect new products and designs such that at all stages of the supply chain there is a need to pursue innovation.

Export update

In September 2016, the Brazilian exports of wood products (except pulp and paper) increased 13% in value compared to September 2015, from US$209.5 million to US$237.0 million.

The value of pine sawnwood exports jumped 63% between September 2015 (US$ 21.7 million) and September this year (US$ 35.3 million) and in terms of volume exports increased 85% over the same period, from 97,900 cu.m to 181,100 cu.m.

Tropical sawnwood exports also increased in September by 30% from 23,200 cu.m in September 2015 to 30,200 cu.m in September this year. The value of exports also rose but by just 24% from US$11.4 million to US$14.1 million over the same period.

In contrast to the performance of sawnwood exports pine plywood exports fell slightly in September 2016 in comparison with September 2015, from US$36.4 million to US$35.8 million however, the volume traded increased around 7% from 125,300 cu.m to 133,800 cu.m, over the same period.

As for tropical plywood, exports increased 59% in volume, from 3,900 cu.m in September 2015 to 13,200 cu.m in September 2016. In value, exports increased 39% from US$3.9 million to US$5.4 million, during the same period.

The value of wooden furniture exports increased from US$34.8 million in September 2015 to US$35.7 million in September 2016, a 2.6% increase.

The decline in the domestic construction sector and strengthening of the US dollar led to an increase in processed timber exports in the first three quarters of this year.

Plantation pine sawnwood exports rose by 47% year on year in the first three quarters of the year according to ABIMCI (Brazilian Association of Mechanically-Processed Timber Industry).

ABIMCI is forecasting that 20% of the total volume of pine sawnwood produced this year will be exported but that earnings will be lower than in 2015 because of the falling prices in the international market.

Strengthening the Brazil-Canada Chambers of Commerce link

Representatives from the forest sector and the Mato Grosso State Development Agency met with the Brazil-Canada Chamber of Commerce in early October to discuss ways to strengthen ties and identify business opportunities.

The Brazil-Canada Chamber of Commerce has existed for over 40 years and has steadily built up business links between the two countries. One of the objectives of the Chamber is to obtain reliable information on business enterprises and identify opportunities for cooperation and trade.

In the recent meeting, a representative from the Center for Timber Producers and Exporters of the State of Mato Grosso (CIPEM) provided details of the forestry and industry sector of Mato Grosso including production and output from natural and planted forests and the steps taken to ensure natural forest logging is sustainable.

Currently, the managed forest area in the State extends to 3.2 million hectares and the State aims to increase this to 6 million by 2030 which would result in timber production rising to 6 million cubic metres annually. Among the exported timber species are teak (for which plantations extend over 80,000 hectares) as well as African mahogany.

Representative of the Chamber said that despite the US being the main export market exports to Canada at US$17 million are significant and can grow particularly as Canada was not seriously affected by the global economic crisis and there is a vibrant construction sector in the country.

Altamira forest concessions

Part of the Altamira National Forest has been earmarked for commercial logging and has the potential to produce around 200,000 cubic metres of logs annually. This, say analysts, could yield an income of R$80 million per year and generate 900 jobs.

Currently logging produces almost 500 cubic metres per day including timbers such as angelim amargoso (Vatairea spp.), angelim pedra (Hymenolobium petraeum), cumaru (Dipteryx odorata) curupixá (Micropholis venulosa), garapa (Apuleia leiocarpa), jatoba (Hymenaea courbaril), muiracatiara (Astronium lecointei), tachi (Tachigali spp.) and tauari (Couratari guianensis). These timbers find a ready market in the Southern and Southeastern Regional markets such as Rio Grande do Sul, Santa Catarina and São Paulo.

Under the Brazilian Forest Concession Law and after competitive bidding the government grants a long term lease (usually 40 years) allowing the concessionaire the right to manage the forest area.

In the Altamira National Forest the Chico Mendes Institute for Biodiversity Conservation (ICMBio), the public agency responsible for protected areas in Brazil, is present to ensure concession holders adhere to the approved management plan which addresses issues such as biodiversity conservation.

Domestic Log Prices

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	196
Jatoba	108
Massaranduba	113
Miiracatiara	115
Angelim Vermelho	107
Mixed redwood and white woods	92

Source: STCP Data Bank

Domestic Sawnwood Prices

Brazil sawnwood, domestic (Green ex-mill)	US$ per m^3
Ipé	877
Jatoba	438
Massaranduba	405
Muiracatiara	415
Angelim Vermelho	366
Mixed red and white	242
Eucalyptus (AD)	209
Pine (AD)	152
Pine (KD)	171

Source: STCP Data Bank

Domestic Plywood Prices (excl. taxes)

Parica	US$ per m^3
4mm WBP	575
10mm WBP	445
15mm WBP	394
4mm MR	507
10mm MR	377
15mm MR	350

Prices do not include taxes
Source: STCP Data Bank

Prices For Other Panel Products

Domestic ex-mill Prices	US$ per m^3
15mm MDParticleboard	251
15mm MDF	337

Source: STCP Data Bank

Export Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB	US$ per m^3
Ipe	1436
Jatoba	930
Massaranduba	742
Muiracatiara	710
Pine (KD)	195

FOB Belém/PA; Paranaguá/PR; Navegantes/SC and Itajaí/SC Ports.
High quality wood (no cracks / without knots) / Measuring 2,50 m in length; 15 cm wide; and 30 mm thick.
Source: STCP Data Bank

Export Plywood Prices

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	299
12mm C/CC (WBP)	270
15mm C/CC (WBP)	267
18mm C/CC (WBP)	264

Source: STCP Data Bank

Export Prices For Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Decking Boards	Ipê	2,567
	Jatoba	1,497

Source: STCP Data Bank

Peru

37th Annual National Forestry Congress

Peru's 37th annual National Forestry Congress (Conafor) was held in Lima from 26 to 28 October and brought together forestry and forest industry stakeholders to analyse trends and developments in the sector and exchange experiences and hear about the latest research.

The main focus of this years' Conafor was management of natural forests and forest plantations, value added forest products and the contribution of international technical cooperation in forestry development and management.

Mexico/Peru exchange on technological innovation

As part of a project titled "Innovation Exchange of experiences and tools for the dissemination of design" which aims to build stronger ties between the forestry sectors in Peru and Mexico, a delegation from the institute of Design and Technological Innovation in Mexico visited Peru.

This initiative is managed by CITEmadera and one activity is the arrangement of visits between the two countries to develop joint activities in education, training and industry development especially in the furniture sector.

During the weeklong visit the delegation from Mexico viewed the CITEmadera facilities and the work being done on technological innovation in wood processing.

Promoting forest plantations

In order to promote forest plantation financing the National Forest Service and Wildlife (SERFOR) in cooperation with the Regional Government of Ucayali announced the launch of a campaign entitled 'Registration of Forest Plantations in Pucallpa'.

The main aim of this campaign is to contribute to the formalisation of the value chain for plantation timbers and the improvement of incomes for plantation owners.

The registration of forest plantations is free and is performed from the third year of planting established as set out in the current forest and wildlife regulations.

Producers who register their plantations will be able to take advantage of various benefits such as technical assistance, marketing support, help with access to financing and addressing issues of timber legality.

This experience of joint work between the SERFOR the Government of Ucayali will be replicated in other regions such as Loreto, Junin, Pasco, Mother of God, Amazonas, Huanuco and San Martin.

New approach to National Forestry Development Plan

The Executive Director of SERFOR, John Leigh Vetter, has announced that the immediate task of SERFOR is to fulfill its commitment to the development of a National Forestry Development Plan in which each region of the country will have a work plan specifically tailored to their potential and capabilities.

Leigh said the National Policy and Law of Forestry and Wildlife will be the foundation upon which the National Plan will be crafted and as such will address three objectives: utilisation of resources based on land use planning and forest zoning; providing access to benefits from forest management to forest communities and strengthening sustainable forest management.

When operational the National Plan will achieve a reduction in the rate of deforestation, the promotion of forest plantations and restoration of degraded areas.

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	499-582
Grade 2, Mexican market	426-467
Cumaru 4" thick, 6'-11' length KD	
Central American market	879-925
Asian market	919-973
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	627-659⬆
Marupa (simarouba) 1", 6-13 length Asian market	479-535⬆

Domestic Sawnwood Prices

Peru sawnwood, domestic	US$ per m^3
Mahogany	-
Virola	209-244
Spanish Cedar	316-368
Marupa (simarouba)	179-196

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		389-412
Lupuna plywood	B/C 15mm	421-451
	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 m3
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/estoraque KD12% S4S, Asian market		1296-138
Cumaru KD, S4S	Swedish market	962-1095
	Asian market	1069-1112
Cumaru decking, AD, S4S E4S, US market		1188-1222
Pumaquiro KD Gr. 1, C&B, Mexican market		479-554
Quinilla KD, S4S 2x10x62cm, Asian market		493-519
2x13x75cm, Asian market		732-815

Japan

IMF - 2% inflation target not achievable in the medium term

During the most recent meeting of the IMF and the Institute of International Finance forecasts for the Japanese economy were revised up. The Japanese economy is expected to grow by 0.6% this year and in 2017. For 2017 the IMF forecast represents a major upgrade as the organisation had expected growth to fall.

The annual meetings of the International Monetary Fund and the Institute of International Finance are major global financial and economic sector conferences drawing participants from finance, politics and economics including finance ministers and central bankers.

The IMF is now certain that the 2% inflation target that had driven policy decisions by the Bank of Japan will not be achievable in the medium term.

BoJ to consolidate more orthodox approach to fiscal policy

Consumer prices in Japan continue unchanged which, say analysts, strongly suggests the slowdown in inflation in the country is more to do with weakness in the domestic economy rather than falling commodity prices. If this is the case then the 2% inflation target which had driven the Bank of Japan's (BoJ) policy until recently is unattainable in the near future.

The consensus is that the BoJ, which has a two day policy meeting in the first week on November, will consolidate its new and more orthodox approach to fiscal policy and will not announce any surprise moves.

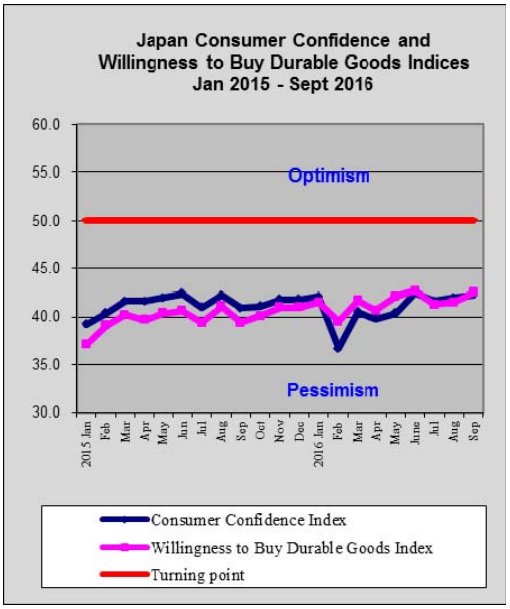
In recent statements from a BoJ spokesperson it appears the Bank is expecting commodity prices to begin to rise next year and that this and a more stable yen/dollar exchange rate will help lift prices.

Household spending unmoved in September

September household spending data from the Ministry of Internal Affairs confirmed what has been reported by retailers, Japanese consumers are tightening their purse strings and holding back on purchases of non-essential items.

The weakening September figures for household spending cap the downward trend seen in the previous six months.

For more see: http://www.stat.go.jp/english/data/sav/index.htm

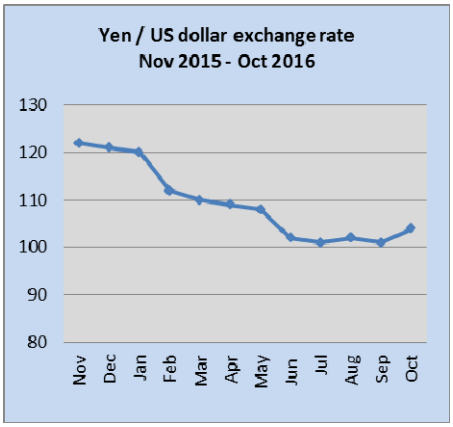


Data source: Cabinet Office, Japan

Yen changes course – drops 2.5% in a month

The yen has shifted direction once again and this time it is weakening against the US dollar. In October the yen was down 2.5% against the dollar, the steepest monthly drop for several years.

The yen's weakness is largely as the market is factoring in an interest rate rise in the US in December. This and the abrupt change of policy by the Bank of Japan, has meant that money has been moved out of the yen.



BoJ has watchful eye on credit growth

While the BoJ does not yet use the term housing bubble it has said it is closely watching the rising trend in housing loans being offered by the commercial banks. This is presumably a warning that the Bank will act if it sees credit growth moving too fast.

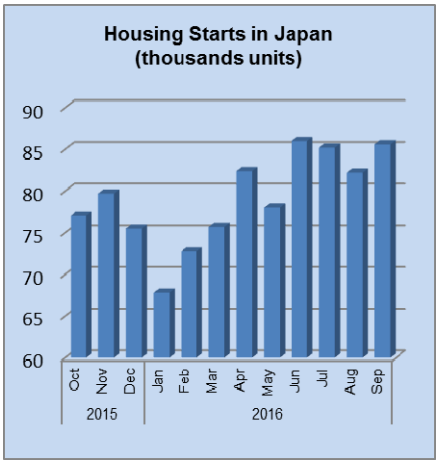
The current concern on the part of the BoJ stems from the rapid change in the ratio of real estate investment to GDP which they find is becoming disproportionate.

Counting the cost of the Kumamoto earthquake

The prefectural authorities in Kumamoto, the site of the most recent devastating earthquake in Japan, have estimated the damage at close to yen 4 trillion. Private homes were particularly badly damaged with around 170,000 affected including some 8,000 that were completely destroyed. A magnitude 6.5 earthquake struck April 14, followed by a 7.3 magnitude quake two days later.

The damage was not confined to homes as factories and hotels were also damaged as were many roads and bridges.

September 2016 housing starts were 13% up year on year and a recovery in starts compared to August was achieved.



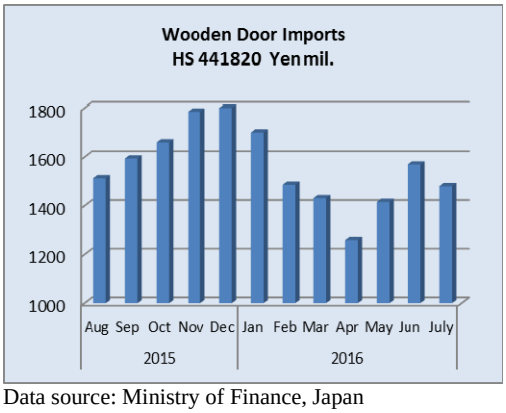
Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Import round up

Doors

Year on year July 2016 wooden door imports were down 8.5%. The top three suppliers in July were, in order of rank, China (64%), the Philippines (18%) and Malaysia (6%). The three together accounted for over 80% of all Japan's wooden door imports in July.

Japan's wooden door imports rose steadily in the second half of 2015 to peak in December of that year. Subsequently, imports fell for most of the first half of this year and on the basis of the July import figures, the continued rise in imports in June seems something of an anomaly.

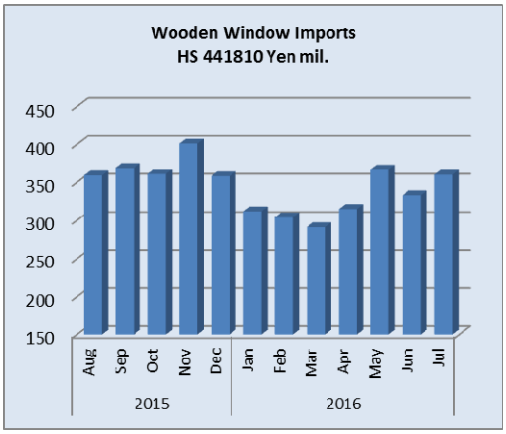


Data source: Ministry of Finance, Japan

Windows

In contrast to the trends with wooden door imports a different picture is presented in the data for wooden window imports. Japan's wooden window imports have not exhibited the same volatility as seen with door imports. Month on month wooden window imports rose 5% in July 2016 but year on year imports were down 17% in July 2016.

Three suppliers account for the bulk of wooden window supplies to Japan and each of the main suppliers has about an equal share of the demand for imported windows: China (34%), USA (29%) and the Philippines (26%).

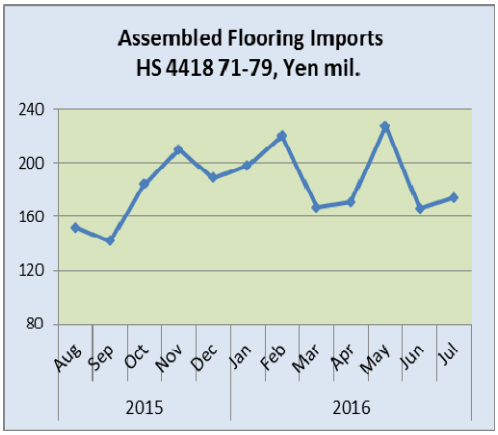


Data source: Ministry of Finance, Japan

Assembled flooring

Three categories of assembled flooring are included in the data presented below, HS 441871, 72 and 79. In July this year there were no imports of HS 441871. For HS 441872 China, Malaysia and Thailand were the main suppliers while for HS 441879 the top ranked suppliers were Indonesia, China and Thailand.

Year on year Japan's July imports of assembled flooring were down almost 17% but month on month imports rose around 5%.



Data source: Ministry of Finance, Japan

Plywood

In July this year, as has been the case for a number of years, the main suppliers of plywood to Japan are Malaysia, Indnonesia and China in this order of rank.

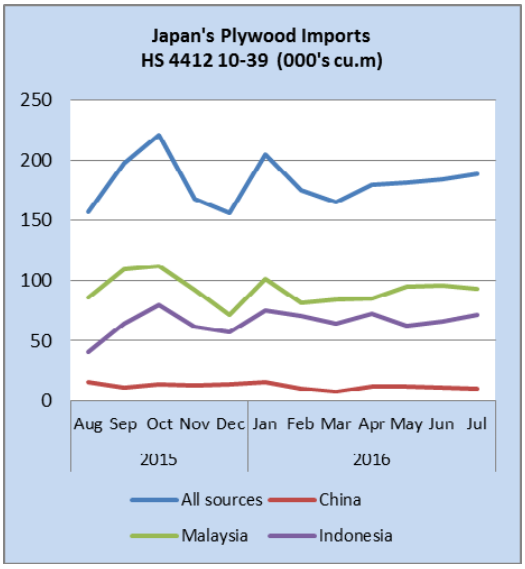
Year on year July plywood imports were up slightly but month on month shipments from overseas were flat.

Malaysia's July shipment of plywood to Japan were up 20% year on year but month on month July imports fell 3%. It was only Malaysia which recorded a year on year rise in shipments to Japan in July with both Indonesia and China seeing a ddecline (27% in the case of China and 8% in the case of Indonesia).

Main sources of Japan's plywood imports (000's cu.m)

		China	Malaysia	Indonesia
2015	Jan	23	128	67
	Feb	18	115	65
	Mar	8.5	104.4	68.3
	Apr	15.5	98.2	80.1
	May	17.4	85.2	57
	Jun	15.6	82.4	58.4
	Jul	14.5	78.6	77.5
	Aug	16	85.6	41
	Sep	11.5	109.3	64.2
	Oct	14	112	80
	Nov	13.5	92.4	61.9
	Dec	13.8	71.8	57.6
2016	Jan	16	101	75
	Feb	10	81.5	70.8
	Mar	8	84	64
	Apr	12	85	72
	May	12	95	62
	Jun	11.6	95.6	66
	Jul	10.7	92.8	71.3

Data source: Ministry of Finance, Japan



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

Self-sufficiency of wood in 2015

The degree of self-sufficiency of wood in 2015 is 33.3%, 2.1 points up from 2014 and this is five straight years improvement.

Total wood demand in 2015 is 75,300,000 cbm, 0.7% less than 2014, out of which domestic wood is 25,060,000 cbm, 6.0 % up, which pushed the degree of self-sufficiency up in 2015.

Total demand of industry use is 70,880,000 cbm, 2.3% less. In this, domestic is 21,080,000 cbm, 1.4% more and import is 49,090,000 cbm, 3.9% less so the degree of self-sufficiency of wood of industry use is 30.8%.

In 2015, total housing starts are 910,000 units, 1.9% more than 2014. In this, wood based units are 504,000, 3.0% more but wood demand for housing starts decreased. In particular, wood demand for lumber of both domestic and import is lower than 2014. New demand of domestic wood for laminated lumber and CLT has been developing and construction of non-residential buildings like nursing homes for aged people and kindergarten increased but this is not reflected to the statistics.

Wood demand for plywood shows obvious trend of shifting to domestic wood. Domestic wood increased by 5.5% while the imports are 18.1% less.

Because of significant drop of the imports, total demand decreased by 11.0% but the degree of self-sufficiency moved up by 5.6 points.

Wood demand for fuel in 2015 increased by 39.5% out of which domestic is 59.3% more. This pushed the degree of self-sufficiency up significantly. Driving factor is increasing use of unused wood for fuel after more wood biomass power generation facilities increased by FIT system. There were only 9 plants in 2014 then total facilities in 2015 are 25 and more coming in 2016.

Wood demand by use

2015, it is necessary to add total demand of 3,700,000 cbm and domestic supply of 14,940,000 cbm and degree of self- sufficiency by 17.7 points.

July plywood supply

Total supply in July was 501,900 cbm, 11.9% more than July last year and 1.2% more than June.

This is the first time that the supply reached 500,000 cbm after six months. Production and shipment of domestic plywood was over 260,000 cbm. Imported plywood exceeded 230,000 cbm, first time in six months.

Domestic production in July was 267,000 cbm, 21.0% more than July last year and 1.9% less than June.

In this, softwood plywood was 246,700 cbm, 23.6% more and 1.8% less than June. Softwood structural panel was 238,800 cbm and non-structural panel was 7,900 cbm.

Shipment of softwood plywood was 250,000 cbm, 1.0% less and 2.1% less. This is two straight months with shipment of over 250,000 cbm. All the plywood mills continue high production and shipment, supported by active demand by major precutting plants. With busy shipment, the inventories were 101,800 cbm, 3,000 cbm less than June. The shipment exceeds the production.

Meantime, arrival volume of imported plywood in July was 241,100 cbm, 3.6% more than July last year and 4.7% more than June.

The arrivals for the second quarter were about 230 M cbm a month then ordered volume has started coming in.
Malaysian volume was 95,700 cbm, 17.9% more and 2.9% less. Indonesian volume was 78,300 cbm, 6.9% less and 6.8% more. Chinese volume was 51,800 cbm, 5.4% less and 12.3% more.

Domestic demand for concrete forming panel is slow and future outlook is bearish due to strong yen so the importers are reducing future ordered volume so the arrivals for the fourth quarter will be low.

Plywood

Both production and shipment of domestic softwood plywood continue brisk pace. August production was 229,900 cbm, 15.8% more than August last year and 6.8% less than July.

The shipment was 238,900 cbm, 7.4% more and 4.5% less. Considering the fact that August is vacation month with the Bon holiday, it is amazingly high shipment.

The inventories finally dropped less than 100 M cbm to 92,900 cbm. Large precutting plants have enough orders for October and even small and middle precutting companies are busy with orders from local contractors and consigned orders from large precutting companies so they also feel tight plywood supply. For them, regular orders are filled by the suppliers but delivery of additional orders is delayed so they feel uneasy if they should accept more precutting orders.

In Hokkaido, where shortage is notable, to supplement short supply, they use imported larch plywood and South Sea(tropical)structural hardwood plywood.

Plywood conference by three countries

On September 19, plywood conference by three countries was held at Sarawak, Malaysia. 46 people attended from Indonesian Plywood Association (Apkindo), Malaysian Timber Producers Association (STIA), Sarawak Timber Association (STA) and the Japan Lumber Importers Association, Japan Federation of Plywood Manufacturers Association.

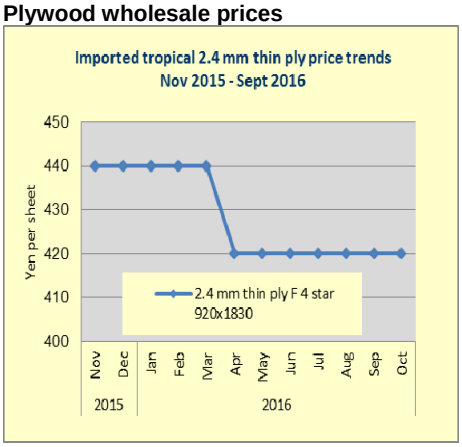
In the discussion, STA understand the situation of Japan market. Despite announcement of STA's production curtailment announcement, price of concrete forming panels in Japan weakened by advancing appreciation of the yen but it expressed uneasy prospect to the future. Despite steady new housing starts and very low inventories of imported plywood in Japan, orders for plywood mills have not increased and the prices remain depressed.

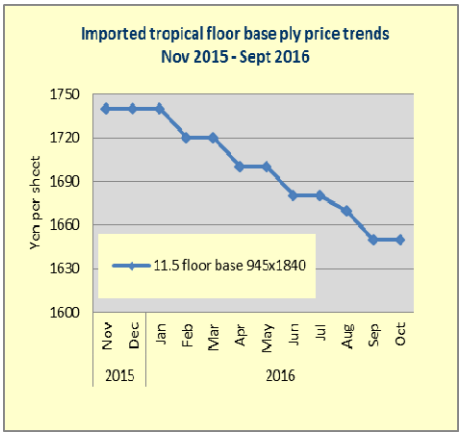
Japan side asked if the production curtailment is really performed. Malaysian side says this is gentlemen's agreement but export volume would tell the result. STA commented that it would continue supply reduction until there will be some change in Japan market.

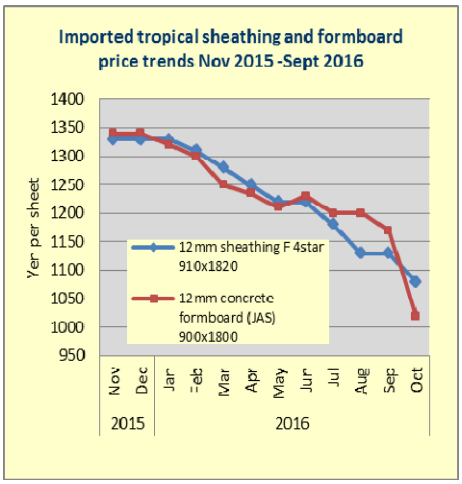
Also supply side asked about the Japanese is aiming to achieve degree of self-sufficiency of wood to 50%, which would impact import products. For this, Japan side explained that there are no other materials to replace tropical hardwood plywood in quality. There are some domestic products to replace South Sea plywood but balance of 50% imports and 50% domestic will be kept without any drastic change for a time being.

Japan side explained that domestic demand of plywood will decline in a long run with decreasing population so it is necessary to develop overseas market, which is the common problem for plywood manufacturers in Malaysia and Indonesia in future so three countries need to work together to develop new markets.

Plywood wholesale prices







China

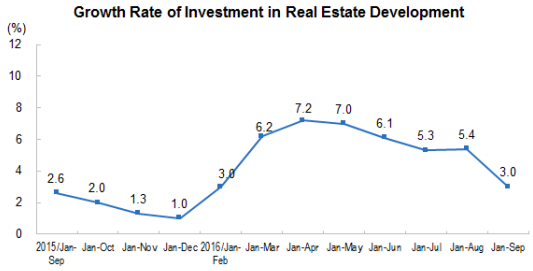
Put a brake on real estate investment says Banker

The chief economist at the People's Bank of China's Research Bureau has warned of the consequences of not reigning in the flow of investment into new housing. In a widely quoted statement he said "Measures should be taken to put a brake on the excessive bubble expansion in the property sector and we should curb excessive financing into the real estate sector".

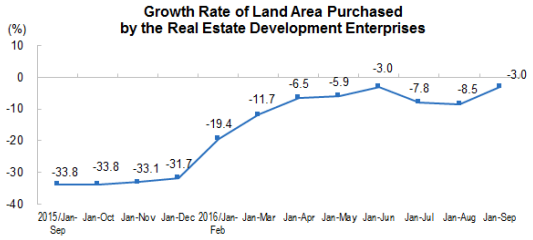
Investment in real estate continued to expand in the first nine months of this year compared to the same period last year according to data from the National Bureau of Statistics but the pace of expansion has been slowing and forward purchases of land for development are down on levels in 2015 but have shown a tendency to pick up over the past few months.

According to a press release from the National Bureau of Statistics, investment in real estate development in the first nine months of 2016 was up 5.8% year-on-year of which, the investment in residential buildings was higher by 5.1% and accounted for almost 67% percent of all real estate investment.

The spread of investment by region shows considerable variations with the Central region seeing the fastest pace of investment growth.



Purchases of land by housing developers in the first nine months of this year was down 6.1% year-on-year but the pace of decline has started to slow signaling further growth in the housing stock.



For more see:
http://www.stats.gov.cn/english/PressRelease/201610/t20161020_1412038.html

Taiwan P.o.C introduces new import rules

It has been reported that, in an effort to control the spread of the Asian long-horned beetle (anoplophora glabripennis), Taiwan P.o.C has introduced new rules covering log imports.

The Asian long-horned beetle is native to eastern China, Japan and Korea. The adult beetles lay in the cambium of the host tree on hatching the larvae can have a devastating impact of forest areas.

From 1 October this year authorities in Taiwan P.o.C have required the species name and country of origin for all logs to be specified in the quarantine certificates, including logs from mainland China. Logs without correctly completed phytosanitary certificates will be held for investigation which could take up to a month.

Home furnishing industry locates to Qingfeng county

Factory units have been built at the Qingfeng industrial Zone and reports suggest some 20 home furnishing enterprises in Hebei Xianghe County will transfer to the new Qingfeng industrial zone by the end of this year. Currently 63 home furnishing contracts worth more than RMB8 billion have been signed with companies currently in the zone.

There are around 400 home furnishing manufacturing enterprises in Qingfeng County, He'nan Province and locally this county is called the 'China Middle Furniture (Qingfeng) Industry Base' by the China Furniture Association.

Rapid development of China's custom made furniture business

In the first three quarters of 2016 the turnover of the leading custom made furniture manufacturing enterprise SOGAL Home Furnishing Co., Ltd rose 43% to RMB2,971 billion, and net profits of the company grew 48% to RMB408 million.

The latest figures available show that nearly 90% of company profits are from custom made furniture production, a segment of the furniture market that has developed rapidly in recent years.

For more see: http://www.sogal.com.cn/
and
http://www.sogal.com.cn/En/index.html

Breakthrough in formaldehyde free plywood production

At a press conference arranged by the China High-Tech Industrialization Association a key technology for formaldehyde free plywood production was introduced.

Through application of this technology formaldehyde emissions can be reduced to only 0.015mg/L which is 1% of national E1 standard for plywood. The Scientific and Technological Achievements Evaluation Committee within the China High-Tech Industrialization Association stated that no other formaldehyde adhesive has attained this level of emission elimination.

According to the National Planning Report during the 13th Five Year Plan (2016 to 2021) it is forecast that national wood-based panel production will stabilise at between 260-280 million cubic metres.

For more see: http://sanwen8.cn/p/46cU73K.html

Xianyou county awarded title - 'Capital of Global Chinese Style Classical Furniture '

The 2016 China Redwood Art Carving Fair was held 18 to 23 October 2016 and carvers in Xianyou County were awarded the title "Capital of Global Chinese Style Classical Furniture" by the Chairperson of the Asia-Pacific World Crafts Council.

The exhibition extended over 60,000 square metres and some 500 producers participated along with tens of thousands of redwood art carving hobbyists, consumers and experts.

Sharp rise in log imports from Russia

In the first three quarters of 2016 log imports through Taicang Port totaled 6.51 million cubic metres valued at US$920 million. Of the total, the value of log imports from Russia through Taicang Port soared over 300% to US$330 million (1.12 million cubic metres). The main species were larch and fir.

Langfang the main centre for furniture production

According to Hebei Entry-Exit Inspection and Quarantine Bureau in the first three quarters of 2016 the value of wooden furniture exports rose 16% to US$204 million. This is the first time for furniture exports from the province to exceed US$200 million. Furniture exports from Hebei Province include household, office, hotel and hospital furniture and are shipped mainly to the USA, Italy, Germany and Canada.

Langfang is the main centre for furniture production in Hebei Province and the value of Langfang furniture exports accounted for nearly 90% of the total from Hebei province in the first eight months of this year.

Guangzhou Yuzhu International Timber Market Wholesale Prices

	Logs	yuan/cu.m
Merbau	dia. 100 cm+	4-6000
Bangkirai	dia. 100 cm+	3200-4200
Kapur	dia. 80 cm+	2700-3000
Ulin	All grades	-
Lauan	dia. 60 cm+	-
Kempas	dia. 60 cm+	2200-3000
Teak	dia. 30-60 cm	8500-11500
	Logs	**yuan/cu.m**
Greenheart	dia. 40 cm+	-
Purpleheart	dia. 60 cm+	3000-4500
Pau rosa	dia. 60 cm+	2000-2500
Ipe	dia. 40 cm+	3200-3600
yuan per tonne		
Cocobolo	All grades	27000-40000

Sawnwood

	Sawnwood	yuan/cu.m
Makore	Grade A	7000
Zebrano	Grade A	9500-12500
Walnut	Grade A	9500-18000
Sapelli	Grade A	7000-7500
Okoume	Grade A	4300-4700
Padauk	Grade A	16500-18000
Mahogany	Grade A	7000-7500

Sawnwood		yuan/tonne
Ulin	all grades	9000-10000
Merbau	special grade	8600-9500
Lauan	special grade	4300-4500
Kapur	special grade	5000-6000
Teak	special grade	14000-20000

Zhangjiagang Timber Market Wholesale Prices

Logs, All grades	Yuan/tonne
Sapelli	3000-4000
Kevazingo	8000-32000
Padouk de afric	2400-3100
okoume	1400-1800
Okan	2400-2800
Dibetou	2200-2500
Afrormosia	5500-6500
Wenge	4700-5500
Zingana	3400-4800
Acajou de afica	3000-3500
Ovengkol	3850-4300
Paorosa	5900-6600
Merbau	3500-5800
Lauan	1800-2020
Kapur	2020-2500
Keruing	1700-2200
Geronggang	1600
kauri	1700-1850
Amoora	1900-2080
Calophyllum	2150-2350
Red ganarium	1300-1400

Sawnwood		yuan/cu.m
Cherry	FAS 2 inch	9000-1000
Black walnut	FAS	15000-18000
Maple	FAS	8200-10000
White oak	FAS	7500-13000
Red oak	FAS	6500-8300
Finnish pine	Grade A	2600-2900
Maple	Grade A	9000-9500
Beech	No knot	5200
Ash	No knot	5700-6300
Basswood	No knot	2800-3300
Oak	No knot	5300-5700
Scots pine	No knot	2100

Shanghai Furen Forest Products Market Wholesale Prices

Logs All grades	000's yuan/tonne
Bois de rose	130-250
Red sandalwood	800-1800
Siam rosewood	80-300
Burma padauk	13-18
Rengas	8-10
Mai dou lai	6000-8000
Neang noun	23-36
Burma tulipwood	20-28
Cocobolo	28-120
Morado	10-15
Ebony	12-40
Trebol	3.6-8
African sandalwood	11-14

Europe

Asian wooden furniture manufacturers losing share in European market

There was a robust rebound in EU wooden furniture production and trade in 2014 and 2015. As noted in earlier ITTO reports, wooden furniture production value in the EU (excluding kitchen furniture) was euro 31.15 billion in 2015, 4.4% more than 2014 and nearly 9% up on 2013, with gains made in all the main EU manufacturing countries.

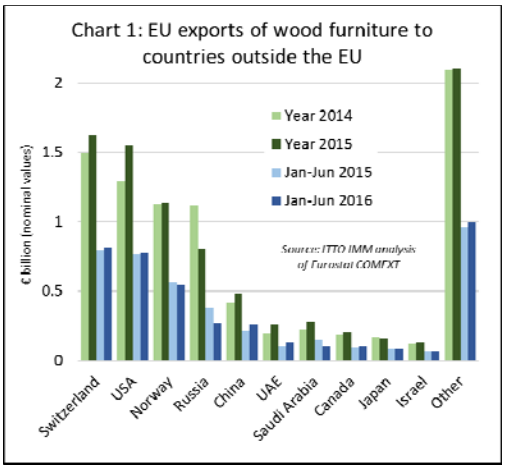
EU imports of wooden furniture from outside the EU were worth euro 5.73 billion in 2015, 13% more than the previous year and 25% up on 2013. EU exports of wooden furniture rose to euro 8.73 billion in 2015, up 3.5% from 2014 and 6% more than in 2009.

While no EU furniture production data for 2016 has yet been published, early signs are that production has continued to rise this year even while external trade with non-EU countries has declined. In other words, European manufacturers are taking a larger share of the internal EU

market in 2016, squeezing out overseas competitors at home as their efforts to expand sales to non-EU countries are beginning stall.

Eurostat data shows that the value of wooden furniture exports by EU countries to other countries within the EU was euro 8.16 billion in the first half of 2016, 7.3% more than the same period in 2015. In contrast, the value of exports to countries outside the EU declined 1% to euro 4.16 billion in the first half of 2016.

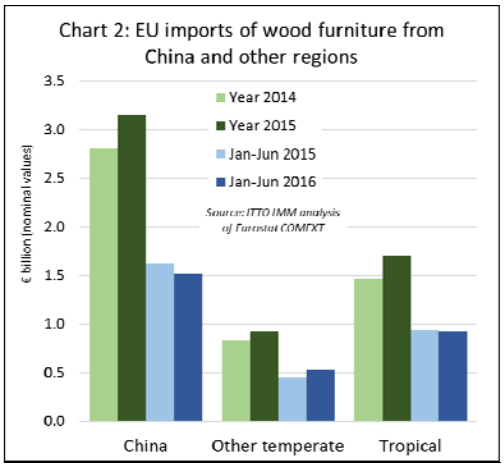
The slowdown in EU exports this year is mainly due to a 30% decline in exports to Russia. EU exports to other countries continue to rise (Chart 1).



Meanwhile external suppliers of wood furniture, particularly in the tropics, seem to be struggling in what has become an extremely competitive market. The EU imported wooden furniture with a total value of euro 2.97 billion in the first six months of 2016, 2% less than the same period in 2015.

After making significant gains in the EU market in 2015, EU wooden furniture imports from China and tropical countries have slipped back this year. In the first six months of 2016, import value from China declined 7% to euro 1.51 billion and import value from tropical countries declined 1% to euro 930 million.

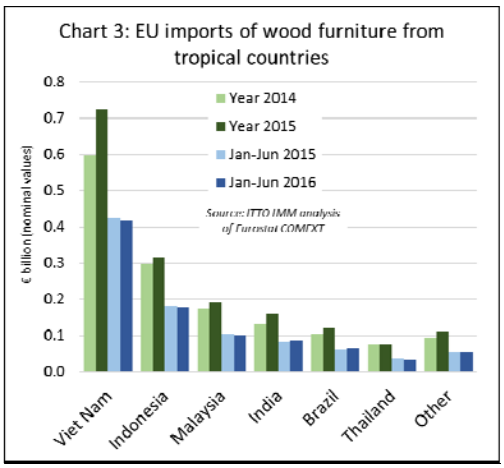
However, EU import value from non-EU temperate countries increased by 16% to euro 528 million, with particularly large gains by Turkey, Bosnia and Serbia (Chart 2).



EU import value of wooden furniture declined from all of the largest South East Asian suppliers in the first six months of 2016.

The value of EU import from Vietnan declined by 1.5% to euro 416 million, by 3.1% from Indonesia to euro 176 million, by 5.2% from Malaysia to euro 100 million, and by 8.8% from Thailand to euro 34 million.

However, there were gains in imports from India (+7% to euro87 million) and Brazil (+7% to euro 63 million). (Chart 3).



Overall, the signs are that, unlike in North America, domestic manufacturers are maintaining and even extending their domination of the European wooden furniture market.

There are many reasons for this. An obvious short term factor is weakening of European currencies in the last 2 years – particularly the UK pound since Brexit - against the dollar and Chinese yuan.

More enduring factors include: the relative high degree of fragmentation in the European retailing sector – which greatly complicates market access for overseas suppliers; the underlying strength of European furniture manufacturers and their brands in terms of innovation and

design; the obstacles to overseas suppliers complying with complex EU technical and environmental standards; and the expansion of furniture manufacturing in Eastern Europe, a location which combines ready access to raw materials, relatively cheap labour, and the internal EU market.

While it seems likely that domestic manufacturers will continue to dominate Europe's wooden furniture market in the years ahead, there are significant changes underway which are altering the terms of trade. While some changes are likely to create new obstacles for external suppliers, others may provide opportunities.

Two factors are particularly significant and explored in the following sections: the decision of the UK to leave the EU, so-called Brexit; and the strategy of IKEA, already a dominant force in the European market place, to increase their market share through a strategic focus on "sustainability" and all that implies for product design, material procurement, energy efficiency and waste management.

Brexit: far-reaching consequences for EU wooden furniture market

Brexit is particularly significant for the wooden furniture sector as the UK is the largest single EU destination for this commodity imported from outside the EU. In 2015, the UK accounted for 36% of all EU imports of wooden furniture from outside the single market.

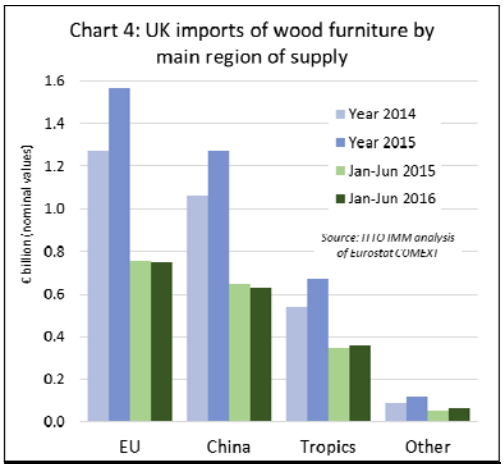
This is due to the relatively high degree of consolidation in the UK's furniture retailing sector compared to other EU countries, and the UK's relatively high level of openness to foreign trade and products, comparatively small domestic furniture sector, and longer distances from the heartland of EU furniture manufacturing in Italy, Germany and Poland.

Fears of economic fallout from Brexit have led to an immediate and large devaluation of the British pound against other currencies. Throughout October, the pound has been trading at around US$1.22 against the dollar, the lowest level for 31 years and 18% less than just before the Brexit vote.

At times during the month the pound also dropped below the psychologically important euro 1.10 level against the euro, its lowest level since March 2010 and 15% less than before the vote.

After a year of strong growth in 2015, the UK's imports of wooden furniture had levelled off at the higher level in the first half of 2016, prior to the Brexit vote.

UK imports from other EU countries and from China had declined slightly during this period, but were continuing to grow slowly from the main tropical suppliers including Vietnam, Malaysia, Brazil and Indonesia (Chart 4).



The impact of Brexit on UK high street retailers in the immediate aftermath of the Brexit vote seems to have been muted. The British Retail Consortium (BRC) reports no discernible impact on retail spending and shop prices stemming from the EU vote. The first three months after the referendum saw continuation of a two-year downward trend in overall retail sales growth.

The one per cent year on year growth in the three months to September was below the 1.2% average growth in the twelve months leading up to the vote. Shop prices remain firmly in deflationary territory, falling 1.8% year on year in the three months following the vote.

The latest GDP data supports the general conclusion that the economy has not yet suffered damage from the Brexit vote, at least in the short term.

Data from the UK Office of National Statistics shows that the economy grew by 0.5% in the three months to September, slower than the 0.7% growth achieved in the previous quarter but stronger than 0.4% growth in the first quarter.

Annualised growth is currently at 2.3%, amongst the highest of rich western economies this year. The IMF now predicts that the UK will be the fastest growing of the G7 leading industrial countries in 2016.

However, the future implications of Brexit for the UK and the wider EU market for wooden furniture remain very uncertain.

Although some importers and retailers have been able to protect themselves in the short term through smart procurement and forward currency purchases, the pound's devaluation is likely to have dampened UK imports of wooden furniture and other timber products over the summer months and will continue to act as a drag in the months ahead.

At some point in the near future, probably early in 2017, it is widely expected that the pound's devaluation will begin to feed through into higher retail prices and slower sales.

Much press coverage on longer term impacts of Brexit emphasises the downside, notably uncertainty created for business investment and consumers, the potential for new tariff and non-tariff barriers in trade with the UK, and the possibility of rising labour costs if more stringent controls are imposed on immigration.

None of this should be under-estimated, and politicians in both the UK and EU face a considerable challenge to reach an agreement that limits the economic and political damage.

But expectations in the British retailing community (BRC) are not entirely negative. This is well illustrated in the speech by Richard Baker, the BRC Chairman, at an October meeting of major UK retailers to discuss their response to Brexit.

Baker was realistic about the challenges of greater uncertainty, the weaker pound, and tighter controls on immigration. He observed that a huge proportion of the goods sold in the UK are sourced from outside the country, with the EU being by far the single biggest part of this trade.

There is no clarity at all on how much customs duty will have to be paid on a huge range of items, both from within and outside the EU, after Brexit.

However, Baker also noted that "in my view there is good reason to believe that smaller, more agile government that is wholly focused on the needs of Britain has a good chance of being more successful than one that must endeavour to satisfy 28 member states and balance their frequently conflicting agendas".

Baker also wondered whether "there is in fact potential for reduced costs of trading", speculating that there may well be opportunities to reduce the burden on UK businesses currently imposed by the EU through rules on competition and state aid, environmental protection, workers' rights, consumer protection and information, health and safety, data protection, food and other product safety, and so on.

Under the terms of the Great Repeal Bill announced by the UK Prime Minister in early October, the UK Government plans to adopt EU legislation wholesale. However, once the UK exits the EU, there will be a lengthy period of national consultation when the UK government, guided by the electorate, decides which rules to repeal, amend or retain.

Baker indicated that during this period, the BRC "will be campaigning for an outcome that enables retailers to offer great choice and value to their customers by ensuring access to quality, responsibly-sourced, safe products from all around the world, free of unnecessary costs and charges". Specifically, the BRC will aim to "ensure that there are no new tariffs and that the costs of bureaucracy do not increase".

Baker noted that that the UK retailer sector is the UK's biggest importer and pays billions of pounds each year in customs duties. It therefore has a considerable stake in ensuring a favourable outcome.

He noted that "one BRC member has calculated that the customs bill could quadruple without a trade deal with the EU and if the UK loses its privileged trading status with other countries. Any significant increase in tariffs will inevitably find its way into shelf prices".

On the other hand, according to Baker, there may be opportunities to reduce tariffs where they currently exist. There may be potential, for example "for an extension to the Generalised Scheme of Preferences to allow more goods from developing countries to enter the UK free of duty. This would be good for shoppers, good for retailers and great for the UK's commitment to a strong international development agenda".

It should be said that tariffs are not a particularly critical issue for external suppliers of wooden furniture into the EU. EU import tariffs are already zero on all wooden furniture with the exception of components and kitchen furniture which are subject to 2.7% tariff.

However, some suppliers of tropical wood would benefit from a reduction of tariffs or extension of the GSP framework by the UK. Tariffs of 4% to 5% currently apply to planed, sanded and finger-jointed sawn tropical timber. Hardwood veneers and plywood also attract tariffs of between 3% and 10%.

Baker's comments also show that UK businesses are not just looking to minimise the damage from Brexit, or waiting passively for politicians to come to terms, but are looking creatively at the new opportunities that may arise from Brexit.

If there is a so-called "hard Brexit" in which the UK fails to reach agreement with the rest of the EU and withdraws or is ejected from the single market – an event which could occur as early as 2019 - there will be severe economic fallout in the UK and, to some extent, other EU countries.

But UK businesses would then have a very strong incentive to expand trade with countries outside the EU. This may be particularly significant for suppliers of wooden furniture in the tropics whose main competitors in the UK market are manufacturers located in the EU.

Impact of IKEA's drive to expand market share

The continuing expansion of IKEA, the world's largest furniture company, is another factor driving change in the EU market for wood furniture. In 2015, IKEA's sales increased by 11.2 % to euro 31.9 billion and the company booked a net profit of euro 3.5 billion, 5.5% more than the previous year.

Growth was well distributed across IKEA's markets and sales were highest in Germany, the US, France, the UK and Italy.

At the end of the 2015 financial year, IKEA boasted 328 stores in 28 countries, 27 Trading Service Offices in 23 countries, 48 distribution centres in 17 countries, and 43 IKEA industry production units in 11 countries.

Much recent expansion has been in other regions, notably in South Korea and India, but the company is still heavily oriented towards Europe. Europe accounts for 229 Stores, 19 distribution centres, and 34 IKEA industry production units.

Of IKEA's purchases of home furnishing articles from suppliers – both the company's own industry production units and external suppliers - 60% of value derives from Europe, 35% from Asia, 3% from North America, 2% from Russia and 1% from South America.

In terms of countries, China is now the largest single supplier to IKEA, accounting for 25% of purchases, followed by Poland (19%), Italy (8%), Sweden (5%) and Lithuania (5%).

IKEA is the largest single buyer of wood material in Europe, probably in the world. The company consumed 16.2 million cubic meters of wood (roundwood equivalent) in the 2015 financial year, up 4% compared to the previous year.

Around 60% of this comprised solid wood and 40% board products. If paper and packaging is included, the company is estimated to need close to 20 million cubic meters of wood fibre every year.

Most of IKEA's wood supply derives from Europe, the largest suppliers being Poland (around a quarter), Lithuania (7.5%), Russia (7%), and Sweden (6.5%). Swedwood, an IKEA subsidiary, handles production of all wood based furniture.

To date, IKEA has been almost entirely reliant on wood owned and managed by other companies, but recently it has bought a few relatively small forest areas in Romania and the Baltic States in order to secure long-term access to sustainably managed wood at affordable prices.

IKEA is not a major user of tropical wood and, in fact, has played a leading role over the last quarter century to drive European consumers towards the clean and light 'Scandinavian look', heavily dependent on softwoods and temperate hardwoods.

Due to the company's very high profile, IKEA is inevitably a principal target for negative environmental campaigns whenever a tropical wood appears in any product line.

One environmental group in Germany, went so far as to test a wide range of IKEA products for tropical wood content and launched a highly critical public campaign following their identification of tropical wood fibre in paper supplied by the company.

Nevertheless, IKEA has not excluded tropical wood from their product range. The company's Skogsta product line is made of acacia which, in line with their broader environmental strategy, seeks to maximise utilisation of the material.

The product line shows off the natural colour variation in the wood, utilising both the light blond and dark shades of timber.

While IKEA does not exclude use of tropical wood in its product lines, the company is ratcheting up the procurement requirements imposed on all suppliers. Since 2000, IKEA has operated a supplier code of conduct for purchasing all products, materials and services referred to internally as IWAY. It sets out our minimum requirements for suppliers, covering environment, social and working conditions and it is a pre-condition for doing business with the company.

Due to the volumes involved, IKEA's timber procurement policy has the power to drive wider changes in the wood supply chain. In practice, IKEA have been a major factor behind the moves to reduce the length of wooden furniture supply chains, increase dependence of the European wooden furniture sector on local wood supplies, and to discourage a movement by manufacturers to other regions.

North America

Tropical plywood losing out to temperate hardwood plywood

Hardwood plywood imports declined 6% in August to 281,736 cu.m. The value of plywood imported in August was down 4% from the previous month.

The main decline was in plywood imports from China, Ecuador and Malaysia. Imports from China were 165,666 cu.m. in August worth US$99.7 million. Year-to-date import volumes from China were unchanged from August 2015.

Hardwood plywood imports from Indonesia recovered in August. Imports were 27,235 cu.m. up 40% from July. However, year-to-date imports from Indonesia remain one third below 2015 levels.

The import share of plywood made from temperate hardwoods has grown in 2016. Year-to-date plywood imports from Russia and Canada are up compared to August 2015, while imports from most tropical producers declined.

Encouraging growth in tropical hardwood veneer imports

Tropical hardwood veneer imports were worth US$3.4 million in August, up 22% from the previous month.

Imports from India jumped to over US$0.6 million in August. Italy remained the largest supplier at US$637,305 in August despite a decline in imports from July.

Veneer imports from Cote d'Ivoire doubled from July to US$328,000, while imports from Ghana and Cameroon declined in August.

Year-to-date imports were significantly up compared to August 2015, doubling or tripling for the leading suppliers.

US moulding imports from China top US$6 million

Imports of hardwood moulding were worth US$17.7 million in August, up 12% from the previous month. Year-to-date imports remain lower than at the same time in 2015.

Imports from Brazil were US$3.8 million in August, up 36% following two months of decline. Moulding imports from China increased 25% month-over-month to US$6.8 million. Malaysian shipments declined to under US$1 million in August.

Year-to-date moulding imports from Brazil and China were down from August 2015, while imports from Malaysia were 7% higher than in 2015.

Indonesia, Thailand, Vietnam and Cambodia see improved sales of flooring

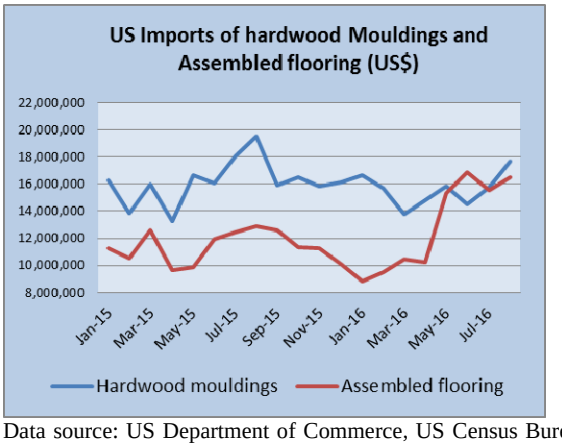
Hardwood flooring imports were almost unchanged in August at US$4.2 million. Assembled flooring panels imports grew 7% from July to US$16.5 million.

Malaysia's and Indonesia's shares in US imports of hardwood flooring declined in 2016. Year-to-date imports from Malaysia and Indonesia were 34% and 15%, respectively, lower than in August 2015. China and to a lesser degree Canada grew their hardwood flooring exports to the US market.

In assembled flooring panels year-to-date imports from China, Indonesia and Thailand increased compared to August 2015.

Assembled flooring panel imports from Indonesia grew to US$1.3 million in August. Indonesian monthly shipments to the US surpassed the US$1 million mark only once before, in November 2015.

Emerging suppliers to the US market continued to increase exports in August. Imports from Vietnam and Cambodia were worth US$0.6 and US$0.4 million, respectively.



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

Wooden furniture imports from Mexico up 14%

Wooden furniture imports were almost unchanged in August at US$1.44 billion. Year-to-date imports increased 3% from August 2015.

Furniture imports from most countries changed little from July. China lost market share while Vietnam gained in August. Year-to-date China's share in total imports declined from 47.1% in August 2015 to 46.3% in August this year, while Vietnam's imports share grew to 18.7%.

Wooden furniture imports from Mexico gained the most in August. Imports from Mexico grew 14% to US$73.7 million. Imports from Europe also increased in August, supported by the favourable exchange rate for European manufacturers.

India, Canada and Mexico had the strongest growth in year-to-date wooden furniture exports to the US market.

Wooden kitchen furniture imports grew in August. Imports of office, upholstered and seating furniture declined.



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

Second quarter GDP revised up

GDP increased at an annual rate of 1.4% in the second quarter of 2016, revised up from the earlier estimate of 1.1% by the Bureau of Economic Analysis. The unemployment rate was 5% in September, little changed from 4.9% in August, according to the US Bureau of Labor Statistics.

The manufacturing sector expanded in September following one month of contraction, according to the Institute of Supply Management. Furniture and related products manufacturing was among the industries that contracted in August, but in September economic activity in the furniture industry was up. Wood product manufacturing shrank in September.

Slowdown in multi-family home construction

Housing starts fell 9% in September to a seasonally adjusted annual rate of 1.05 million units, according to the US Department of Housing and Urban Development and the Commerce Department. The decline was due to significantly lower multi-family housing construction in September (-38%).

The National Association of Home Builders expects lower multi-family construction this year.

Single-family home construction increased 8.1% in September. The number of single-family starts was the highest since February.

Single-family home builders were optimistic about market conditions in October, according to the National Home Builder Association. Low mortgage rates support demand for new and existing single-family houses.

The number of building permits issues, which indicates future building activity, rose 6.3% in September at a seasonally adjusted annual rate.

Sales of existing homes sales rebounded strongly in September, according to the National Association of Realtors. Sales to first-time buyers accounted for 34% of total sales, which is the highest level in over four years.

Canadian housing market overheated

Housing starts in Canada increased 20% in September at a seasonally adjusted annual rate. Both multi-family and single-family construction grew.

For the first time the Canada Housing and Mortgage Corporation flagged the overall housing market as overvalued. The federal agency found price overvaluation in nine metropolitan areas and overbuilding in seven. Overvaluation in metropolitan centres like Toronto and Vancouver has spread to the suburbs.

The latest initiative by the federal government to cool the housing market is a stress test for all insured mortgage borrowers with a down payment of less 20%. Introduced in October, the test determines whether a borrower could afford to pay back a loan at a rate higher than currently offered by lenders. Both the IMF and OECD have called on Canada to act on its high household debt relative to GDP, which is a concern for the country's financial stability.

Timber Innovation Act to advance tall wood building construction in the US

A bipartisan bill, the Timber Innovation Act, has been introduced to congress by senators and representatives from Washington State. The Timber Innovation Act would establish a new research and development program advancing tall wood building construction in the US.

This would provide additional incentives, such as retrofitting existing facilities in areas with high unemployment, and allow the US Department of Agriculture to provide technical assistance and education on products for tall building construction, such as cross-laminated timber.

The US Congress web site says "This bill directs the Department of Agriculture (USDA) to establish a performance-driven research and development program to advance tall wood building construction in the United States".

'Tall wood building' means a building designed to be over 85 feet high and constructed with large panelised wood construction (mass-timber), including cross-laminated timber, nail laminated timber, glue laminated timber, laminated strand lumber, and laminated veneer lumber."

For more see: https://www.congress.gov/bill/114th-congress/house-bill/5628

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

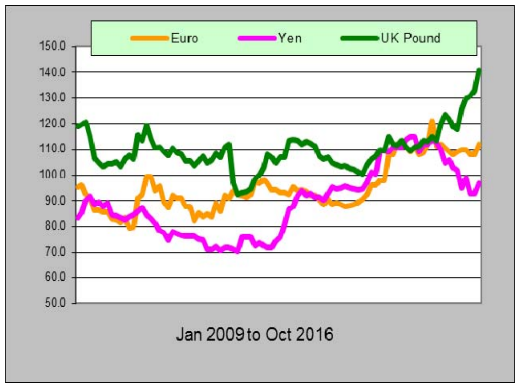
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO.

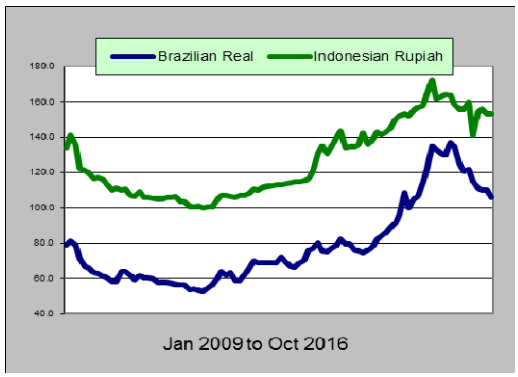
US Dollar Exchange Rates

As of 25 October 2016

Brazil	Real	3.1151
CFA countries	CFA Franc	603.34
China	Yuan	6.7798
EU	Euro	0.9184
India	Rupee	66.806
Indonesia	Rupiah	12982
Japan	Yen	104.23
Malaysia	Ringgit	4.1536
Peru	New Sol	3.3565
UK	Pound	0.8204
South Korea	Won	1130.24

Exchange rate indices (Dec 2003=100)



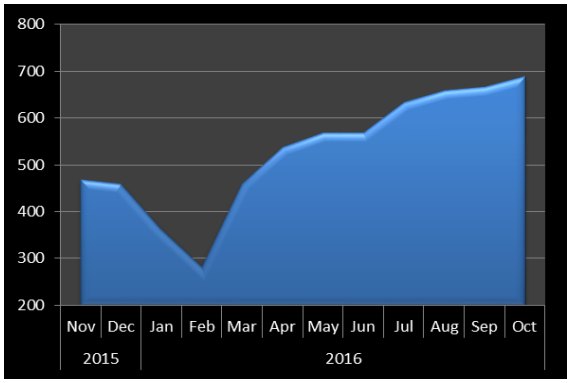


Abbreviations and Equivalences

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 Strand Board
PHND	Pin hole no defect
QS	Qualite Superieure
SQ,SSQ	Sawmill Quality, Select Sawmill Quality

Ocean Freight Index

Baltic Supramax Index
November 2015 – October 2016

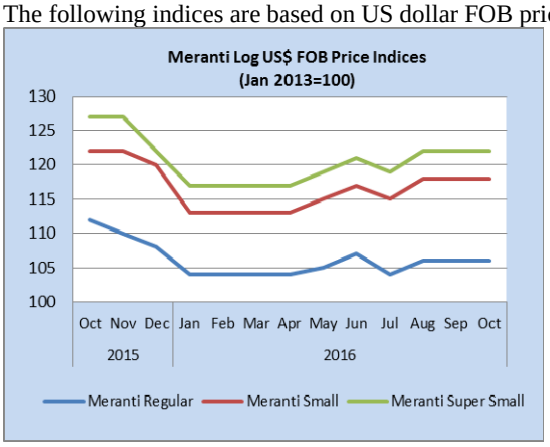


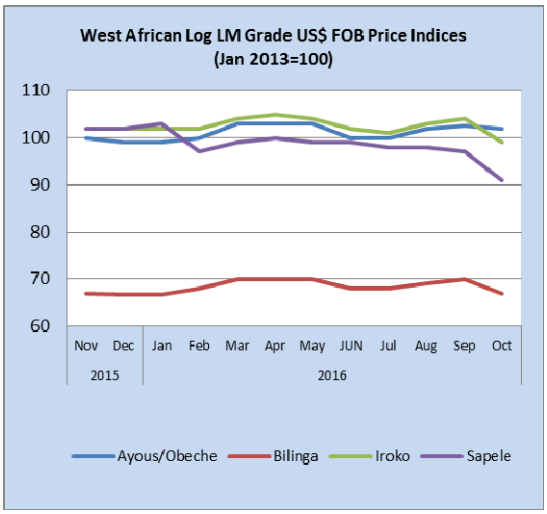
Data source: Open Financial Data Project

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

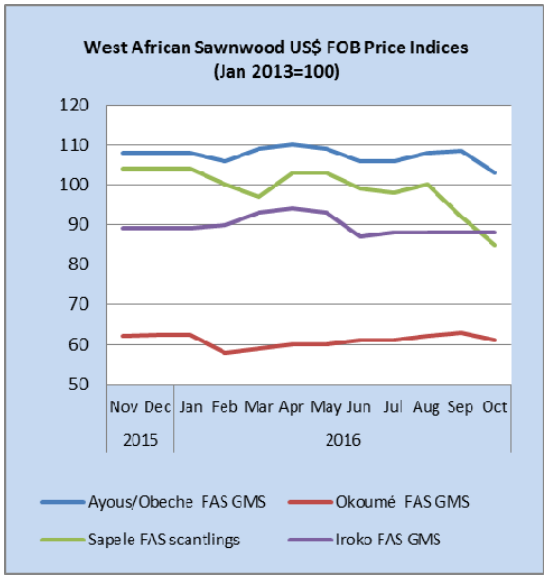
Price indices for selected products

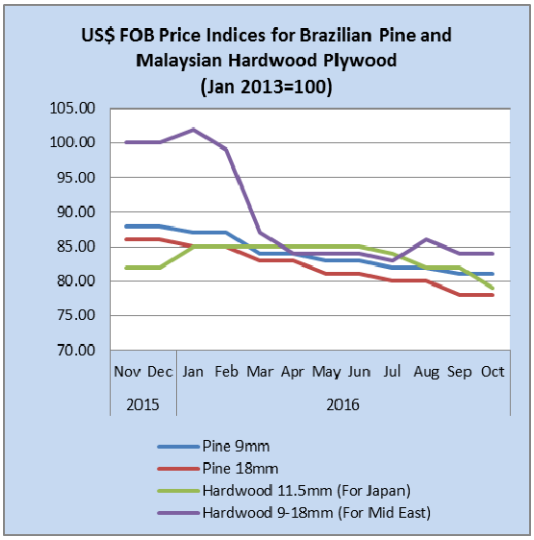
The following indices are based on US dollar FOB prices.

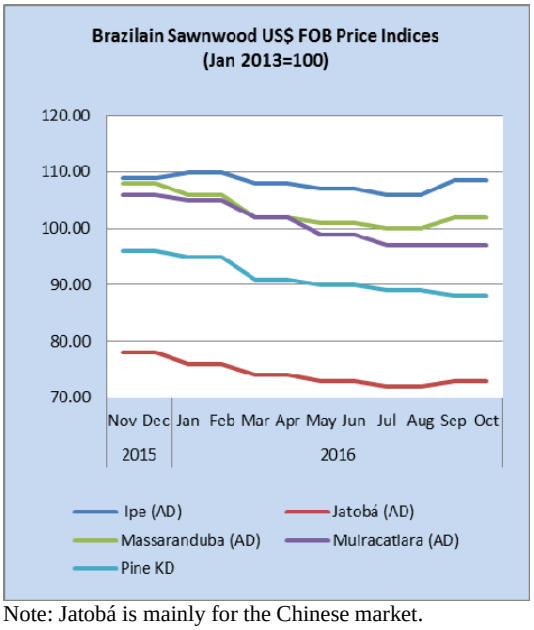




Note: Sarawak logs for the Japanese market







Note: Jatobá is mainly for the Chinese market.

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