

INTERNATIONAL TROPICAL TIMBER ORGANIZATION

January

February

March

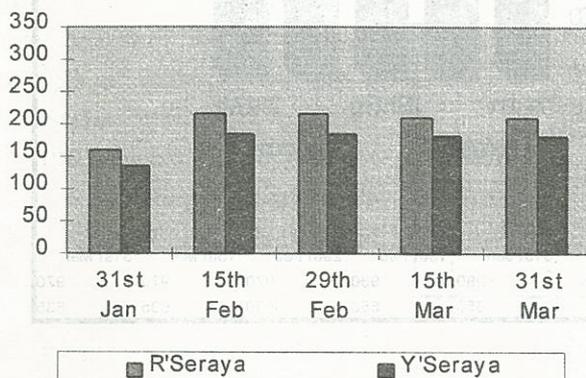
1996

MIS Quarterly Summary

1996

Export Log Prices

Malaysian Export Log Prices. US\$ per Cu.M FOB

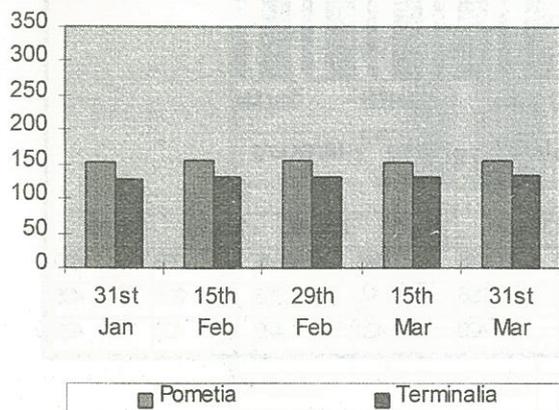


Price Movements

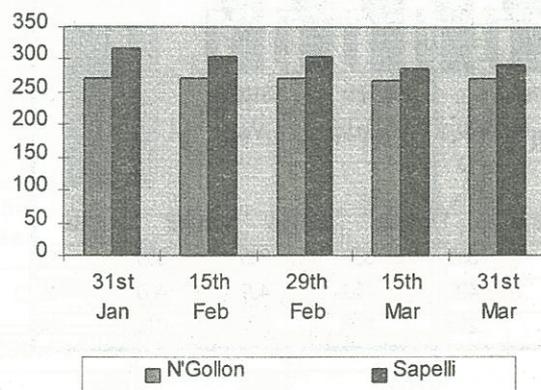
Export log prices during the first quarter have remained very quiet. Prices of African Mahogany appear to have dropped initially and then begun to recover, a similar pattern can be observed for Sapelli but both changes are more a reflection of exchange rate changes rather than any market movement.

Malaysian export prices for the timbers illustrated appear to have jumped significantly at the beginning of the year and to have then settled at around US\$210 per Cu.m for Red Seraya and at around US\$180 per Cu.m for Yellow Seraya.

South Sea Export Log Prices. US\$ per Cu.M FOB



Cameroon Export Log Prices. US\$ per Cu.M FOB



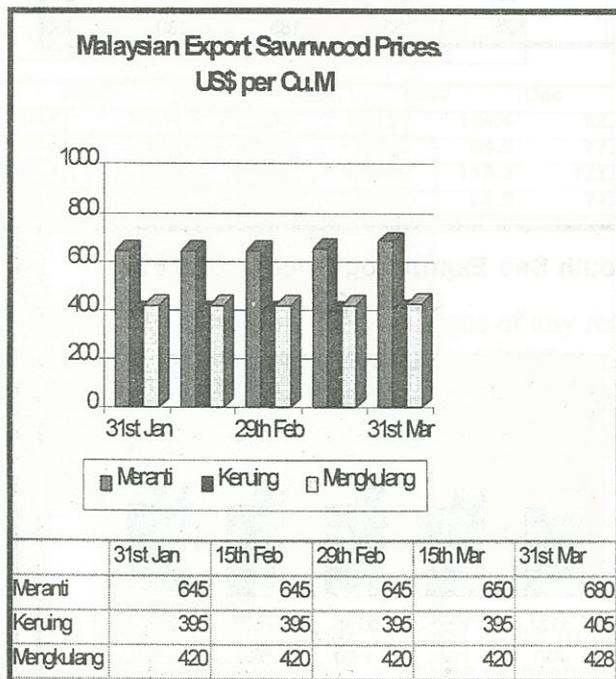
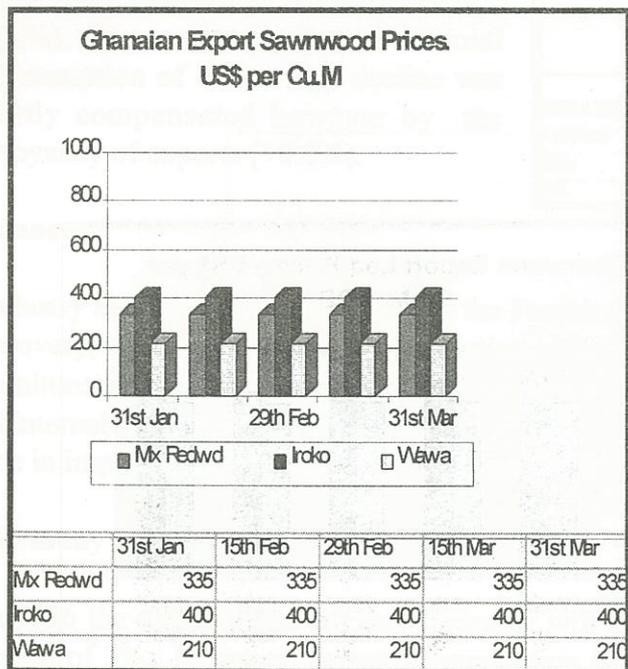
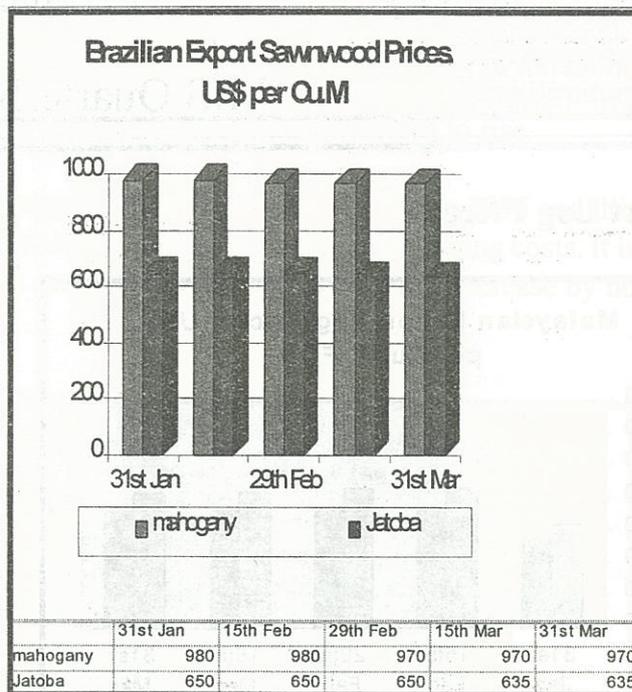
	31st Jan	15th Feb	29th Feb	15th Mar	31st Mar
Pometia	152	155	155	152	155
Terminalia	127	132	132	132	135

	31st Jan	15th Feb	29th Feb	15th Mar	31st Mar
N'Gollon	272	270	270	267	271
Sapelli	316	304	304	287	291

Export Sawnwood Prices

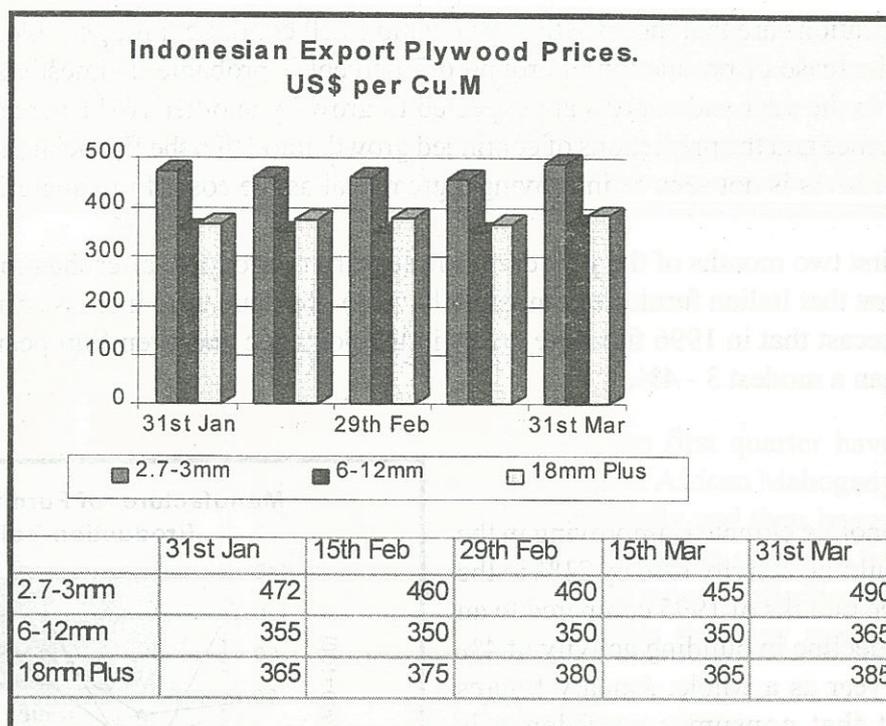
Sawnwood prices have remained remarkably subdued during the first quarter of 1996. Prices, across the board have fluctuated in a narrow range of around 3-5% reflecting changes in exchange rates rather than any underlying demand trends.

Brazilian sawnwood prices have remained largely unchanged since January. Mahogany has been entering the market at between US\$970-980 per Cu.m. Prices of Ghanaian sawnwood, predominantly for the European market, have remained static reflecting the dull market and uninspired consumption. Similarly the demand for Malaysian sawnwood has been quiet however Meranti has been traded in a range from US\$645-680 per Cu.m somewhat wider than the exchange rates would have indicated. Keruing is currently within the range of US\$395-405 and Mengkulang at US\$420-428 per Cu.m

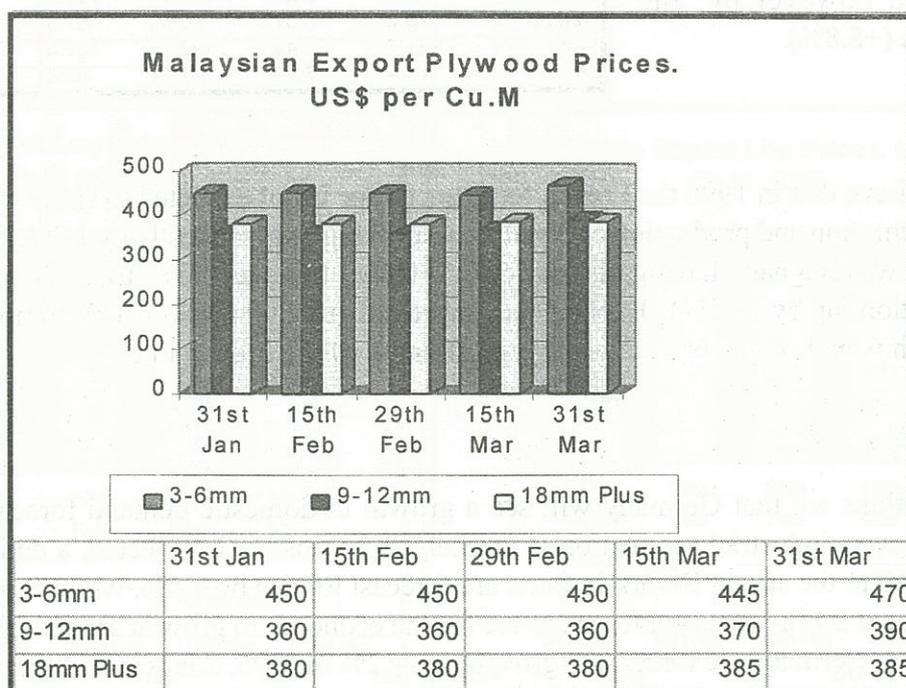


Plywood Exports

The plywood market in Japan firmed towards the end of last year and has stabilised during the first quarter. The market movements for Indonesian and Malaysian plywood are strongly influenced by trends in Japanese production and consumption. Since February shipments of plywood to Japan have eased and prices have settled due to the relative stability of the US\$ Yen exchange which has been steady at around Yen 105 per US\$.



It is forecast that Japan will import some 3 million cubic metres of plywood from Indonesia and some 1 million cubic metres from Malaysia during 1996. Softwood plywood imports are expected to reach 400,000 cubic metres during the year. The plywood market is witnessing some competition. MDF is competing with plywood for some furniture uses and OSB is beginning to feature more strongly in constructional applications.



European Furniture Market Summary

Italy

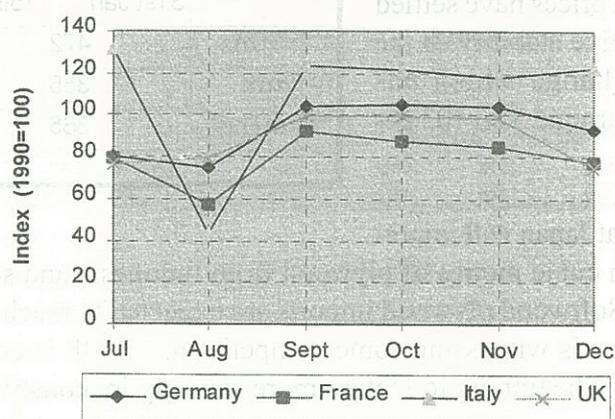
The indications are that the growth in production will continue through 1996. Forecasts are showing that a further increase of production of around 6-7 percent is probable. Domestic sales are forecast to rise by 4 percent in the year and exports are expected to grow by another 10-11 percent. Despite this encouraging performance and the predictions of continued growth into 1996 the financial performance of Italian furniture manufacturers is not seen as improving a great deal as the cost of raw materials continues to rise.

In the first two months of the year domestic sales have dropped, after the modest 4% rise in 1995 and this has meant that Italian furniture companies have no opportunity to increase prices to offset rising costs. It is now forecast that in 1996 furniture prices in the domestic and even European market, will increase by no more than a modest 3 - 4%.

UK

The economic climate is improving in the UK. Building activity rose by 21% in the last three months of 1995 compared to an overall decline in building activity of 4% for the year as a whole. January figures suggest that consumer confidence is returning. At present the sawnwood markets are very dull but the projections are that furniture production is expected to grow by +3.8% in 1996. In 1995 UK furniture production was stagnant, (down 0.2%), due to the decline in internal consumption of 1.4%. This decline was partly compensated however by the buoyancy of exports (+8.8%).

Manufacture of Furniture. An Index of Production Volumes 1995



	Jul	Aug	Sept	Oct	Nov	Dec
Germany	79.7	74.7	103.7	104.7	104.4	92.9
France	79.2	57	92.1	87.8	84.6	77.1
Italy	131.7	43	123.4	121.9	118.2	122.4
UK	76.4	78.9	99.2	99.2	98.8	74.8

France

Industry analysts believe that in 1996 the French furniture sector is not expected to show signs of any real recovery, with consumption and production of furniture improving only modestly by 1.5%. In 1995 French furniture production was stagnant, having risen by only +0.4%, this was the result of the positive growth of internal consumption (up by +1.1%). Exports also improved (up by +4.4%) which compensated for the rise in imports which were up by 4.6%, helped by the strength of the French Franc.

Germany

In 1996 the expectations are that Germany will see a growth in domestic demand forecast to be in the region of 3%. However industrial production is unlikely to be positively affected, a decline of around -0.8% is expected. Due to the strong Dmark imports are forecast to rise by 9.5%, while exports will likely decrease by an expected 2.1%. Revised forecasts are for the economy to grow at around 2% during 1996. Furniture exports from Germany are forecast to grow by only 2% in 1996, this is in contrast to the situation last year when production and exports were down by around 5%.