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INTERNATIONAL TROPICAL TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producers Report

Log Prices

International Prices

Log Prices, Gabon

Okoume, FOB	*F.CFA per Cu.m*
Grade	
LM	*146,000*
QS	*129,000*
CI	*99,000*
CE	*83,500*
CS	*67,000*

Ozigo, FOB	*F.CFA per Cu.m*
Grade	
LM	*103,000*
QS	*90,000*
CI	*70,000*
CE	*59,500*

Malaysia

The log supply situation has improved and the prices have firmed in the recent week.

Sarawak Log Export Prices (FOB)	*per Cu.m*
Meranti SSQ	*US$210*
Keruing SSQ Ply Face	*US$260*
Mixed Light H'wood	*US$135*
Peeler Logs	*US$150*

Cameroon Log Prices

The prices for logs from Cameroon are static, market demand is flat and inquiry levels remain very dull.

FOB		*Per Cu.m*
N'Gollon	*LM-C*	*FFR1275*
Ayous	*LM-C*	*FFR1050*
Sapele	*LM-C*	*FFR1420*
Iroko	*LM-C*	*FFR1450*

South Sea Logs

Current demand is only moderate and the stock situation has improved. Log prices are holding at levels for the last report with some downward movement reported l individual exporters.

FOB	*per Cu.m*
Pometia	*US$150-155*
Calophyllum	*US$150-155*
Terminalia	*US$130-135*
Other mixed species	*US$105-11*

Domestic Log Prices

Report From Brazil

Logs at mill yard	*per Cu.m*
Mahogany Ist Grade	*US$250*
Ipe	*US$70*
Jatoba	*US$60*

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Ghana

Logs FAQ	Per Cu.m
Ceiba	90cm + US$40
Otie/Ilombe	60cm + US$50
Emire/Framire	60cm + US$55
Ofram/Frako	55cm + US$45
Ekki/Azobe	70cm + US$50
Kussia/Billina	70cm + US$50
Guarea	60cm + US$60
Chenchen	70cm + US$45
Cedrella	50cm + US$45

Gabon

Logs	F.CFA Per Cu.m
Agba	55,000
Moabi	65,000
Niangon	78,000
Douka	55,000
Abura	65,000
Sapelli	85,000
Iroko	58,000
Sipo	95,000
Padouk	55,000

Report from Indonesia

Despite the forecasts of severe plylog shortages prices are relatively stable. The range of price for face quality logs has extended to around US$15 reflecting an improvement of stocks at the landings for some operators. The price for Rubberwood logs and for plantation pine logs is moving up steadily reflecting growing added value utilisation of these timbers.

Domestic log prices	Per Cu.m
Plywood logs	
Face Logs	US$180-195
Core logs	US$ 145-155
Sawlogs	US$145-150
Falkata logs	US$45-50
Rubberwood	US$33-35
Pine	US$55-60
Teak	US$800-1050

Report from Malaysia

The movement of domestic log prices tends to rather unpredictable at present. Meranti prices appear to have risen sharply in the shortterm as have prices for Merbau. The demand for Rubberwood has been very high since the begining of the month. Prices of Rubberwood logs have increased slightly by some 5-8% but there are variations in price according to region. The current increase in price could be attributed to the heavy demand at present for low to medium furniture products particularly for the US market.

Logs	
Domestic (SQ ex-log yard)	Per Cu.m
Meranti Bukit (SQ)	US$235
Kembang Semangkok	US$160
Selangan Batu	US$145
Merbau	US$210
Peeler Core logs	US$145
Rubberwood	US$30

Sawnwood Prices

International Prices

Brazil

The international market has been largely uninspiring in the past weeks but prices have risen moderately. The trade is putting the dull market down to the impact of the beginning of the holiday season in the US and Europe. MERCOSUL countries and the Caribbean are offering producers the best prospects at the moment.

Export Sawnwood	per Cu.m
Mahogany KD FAS	
UK market	US$980
Jatoba Green	US$450-480
Curupixa (Europe)	US$550
LKS (Asian Market)	US$230-270

Ghana

Rough Sawn Prices FOB	Per Cu.m
Mixed Redwoods	US$335
low grade Odum (Iroko)	US$400
Wawa	US$220
Wawa fixed dimensions	US$267
Wawa Boules	US$219
70cm log dia. 25-75mm. 450cm length	

Mahogany		*per Cu.m*
FAS 100mm plus 1.8m plus	*US$480*	
FAS 150mm plus 2.4m plus	*US$520*	
Anegre		
FAS 150mm plus 2.4m plus	*US$640*	

Guarea	*FAS*	*US$466*
Ofram	*FAS*	*US$270*
Emire	*FAS*	*US$460*
Ekki	*FAS*	*US$335*
Kussia	*FAS*	*US$335*
Dahoma	*FAS*	*US$256*
Cedrella	*FAS*	*US$413*

Malaysia

Sawn Timber	
Export(FOB)	*per Cu.m*
Dark Red Meranti (DUC)	
GMS select & better (KD)	*US$705*
Seraya	
Scantlings (75x125 KD)	*US$725*

Taiwan Province of China

Rubberwood	*per Cu.m*
25mm boards	*US$365*
50-75mm squares	*US$425*
75-100mm squares	*US$440*
Sepetir	
GMS (AD)	*US$370*
Ramin	*US$485*
Oak 25mm boards	*US$505*
Maple	*US$820*
Cherry	*US$1050*

Domestic Sawnwood Prices

Report from Brazil

Despite the promising signs the market is not reacting as positively as expected. Production has increased as a result of the onset of the dry season and prices have dropped slightly. With Chile and Bolivia becoming members of MERCOSUL (the regional free trade area) some impact on the timber market is anticipated by the trade.

Sawnwood (Green ex-mill)	
	per Cu.m
Mahogany	*US$740*
Ipe	*US$460*
Eucalyptus	*US$160*

Ghana

Dahoma, Wawa, Odum, Antiaris	
	per Cu.m
Mill Run 50x150mm	*US$90-120*
50x100mm	*US$70-100*
50x50mm	*US$100-250*
25x300mm	*US$70-100*
Mixed Redwood	
40x300x3.6m	*US$100-240*

Gabon

Sawnwood
Sawnwood Up to 6m length
80x40mm up to 250x50mm
Okoume, Ozigo,Olon,Alone,Faro,Abura,
Agba and Andoung heitz
F.CFA 110,000 Per Cu.m

Report from Indonesia

As could be expected, as log stocks improve in different parts of the country at different times the range of prices begins to widen.

Sawn timber		
Domestic construction material		
Kamper	*AD6x12-15cm*	*US$380-395*
	KD	*US$500-510*
	AD3x20cm	*US$435-455*
	KD	*US$550-560*
Keruing	*AD6x12-15cm*	*US$290-300*
	KD3x20cm	*US$380-385*

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau	US$425
Kempas	US$215
Red Merantis	US$350
Rubberwood	
25mm boards	US$280
50mm squares	US$320
75mm+	US$355
Kapur	US$225
Kembang Semangkok	US$530

Plywood and Veneers

Internatioanal Prices

Ghana

Veneer		per Sq.m
Asanfona	Face	US$1.20
	Interior	US$1.00
	Backing	US$0.65
Redwoods (Mahogany, Candollei, Edinam)		
		per Sq.m
	Face	US$1.15
	Interior	US$0.90
	Backing	US$0.55

Brazilian Plywood and Veneer

Brazilian plywood exporters are still feeling the effects of the strong Real but no alteration in exchange rates is expected in the short-term. Israel is emerging as a new buyer and is showing interest in large volumes of mainly pine veneer.

Veneer		per Cu.m
White Virola Face		
2.5mm		US$270-320
		Per Sq.m
Plywood		
For Europe		
White Virola	INDO 93 + 6-9%	
For Caribbean countries		
White Virola	BR 96 + 7%	
Pine CDX USA		US$245

Malaysian Plywood

Plywood prices have firmed moderately especially for the thinner stock.

MR Grade BB/CC FOB	
	Per Cu.m
2.7mm	US$515
3mm	US$445
9-12mm	US$390
18mm plus	US$375
WBP Grade BB/CC	
9-18mm	US$485
Phenolic Overlayed	
12-18mm	US$530
Domestic plywood	
9-18mm	US$505-515

Indonesian Plywood

Plywood (export, FOB)	
MR,	per Cu.m
Grade BB/CC	
2.7mm	US$490-505
3mm	US$445-460
4.0-6.0mm	US$390-400
6mm and above	US$375-390
WBP,	
Grade BB/CC	
12-18mm	US$485

Taiwan Province of China

Plywood	per Cu.m
2.7mm x 4' x 8'	US$580
5.0mm x 4' x 8'	US$540

Domestic Plywood Prices

Brazil

Rotary Cut (Nortern Mill)	per Cu.m
White Virola Face	US$160
White Virola Core	US$130

Plywood	
(ex-mill Soutern Mill)	
Grade MR	*Per Cu.m*
4mm White Virola	*US$595*
15mm	*US$480*
15mm Film Faced	
Concrete Formwork	*US$720*

Indonesia

Prices for plywood in the domestic market in Indonesia continue to hold up. Demand is good and quality demands can be wide allowing manufacturers to dispose of non-export grades.

Domestic MR plywood	
(Jarkarta)	*per Cu.m*
9mm	*US$480*
12mm	*US$450*
15mm	*US$430*
18mm	*US$400*

Gabon

Okume Plywood	*F.CFA Per pc*
4mm	*3,430 - 3,780*
5mm	*5,314 - 6,270*
8mm	*8,886 - 9,540*
10mm	*9,010 - 11,047*
12mm	*10,762 - 12,699*
15mm	*13,019 - 15,362*
19mm	*15,790 - 18,632*

Furniture Parts and Components

Taiwan Province of China, Imports

Import prices of Rubberwood parts have risen to reflect higher log and sawnwood prices in the supply countries and current strong demand in the market for Rubberwood furniture.

Imports C&F	*per pc*
Rubberwood Chair seats	*US$3.30*
Rubberwood unfinished	
Queen Anne Chairs	
(excluding soft seat)	*US$16-16.5*

Rubberwood	*per Cu.m*
table-tops	*US$745-765*

Other Panel Product Prices

Brazil

Export Prices	
Blockboard 15mm	*per Cu.m*
White Virola Faced	*US$350-370*

Domestic Prices	
Ex-mill Southern Region	*per Cu.m*
Blockboard	
15mm White Virola Faced	*US$420*
15mm Mahogany Faced	*US$790*
Particleboard	
15mm	*US$320*

Indonesia

Other Panels	*Per Cu.m*
Blockboard	*US$305*
Particleboard	
9mm	*US$260*
12mm	*US$280*
15mm	*US$235*
18mm	*US$230*

Taiwan Province of China, Imports

As a result of a worldwide oversupply of MDF, manufacturers are having to offer lower and lower prices to the market. North American producers who traditionally enjoyed a major share of the market are now facing severe competition from producers in S.E.Asia. This situation is not good for the industry and is placing severe financial strains on many of the MDF operators.

MDF (FOB)	*per Cu.m*
3-4mm thick	*US$350-355*
12-25mm x 6' x 8'	*US$285-295*
Particleboard	*per Cu.m*
18mm (5' x 8')	*US$195-205*

Malaysia

Particleboard (FOB)	
	per Cu.m
6mm & above	*US$150-160*

The domestic market continues to be weak, a situation that has prevailed since early May 1996.

MDF (FOB)	*per Cu.m*
<5mm	*US265-275*
>6mm	*US$245*
Domestic Sales	*per Cu.m*
6-21mm	*US$275-295*

Prices of Added Value Products

Indonesia

The Japanese market is active for mouldings and prices have improved to manufacturers by around US$5-8 per Cu.m.

Mouldings	
Ramin skirting	*per Cu.m*
(for the Italian market)	*US$810-835*
Crown using Pulai or Jeluton	
(for Japanese market)	*US$715*
Laminated Scantlings	*US$685*
Laminated Boards	
Falkata wood	*US$305*
Laminated Boards	
Pine	*US$850-900*

Malaysia

Mouldings (FOB)	*per Cu.m*
Kembang Semangkok	
S4S to Japan	*US$910*
Skirting	*US$1050*
Rubberwood	
S4S to Japan	*US$460*
Lam Boards	*US$840*

Brazil

The export furniture industries are facing hard times. The quantity and prices of solid pine furniture and components have continued to drop over the past months and many mills have been forced to cut back on production. The price for clear pine blocks for the US has however improved by as much as 15-20% in the last weeks after a period of very low prices.

Added Value Products	
	per Sq.m
Jatoba Floor 22mm	*US$23*
	per Cu.m
Edge Glued Panel	
Clear Pine	*US$810*

Rubberwood parts and components:

Malaysia

The demand for furniture continues to increase significantly. Demand is focused, as reported, on the low to medium price ranges for the US market in particular.

Shaped chair seats	
(18-22mm 16"-18" squares)	
	US$2.90-3.00per pc
Finger jointed	*per Cu.m*
laminated boards	*US$740-800*
top grade	*US$890*

Doors (FOB)	
Meranti (red) panel doors	
Grade A	*US$53-55per pc*
Grade B	*US$48per pc*
Grade C	*US$44per pc*

Furniture

Dining suite
Solid rubberwood laminated top 3' x 5'
with extension leaf and six hard seat chairs
US$180-190per set

Taiwan Province of China

Prices are begining to firm and some companies are reporting that buyers are not resisting moderate price increases.

Furniture	
Dining suite (FOB)	
Oak Veneered MDF tables and chairs (6 per set)	
	US$290-300per set

Freight Costs

Brazil

Sawnwood	
Paranagua-Rotterdam	
Container 20 ft.	***US$1300***
Container 40 ft.	***US$2000***
Paranagua-Baltimore	
Container 20 ft.	***US$1500***
Container 40 ft.	***US$1800***
Bulk Sawnwood	***US$66per Cu.m***
(Hardwoods over 750kg/Cu.m)	
Plywood	
Paranagua-UK	
Palletised	***US42per Cu.m***

Indonesia

40ft Container	
Jakarta-Rotterdam	***US$2,200***
Jakarta-LA(west coast USA)	***US$2,800***
Jakarta-NY(east coast USA)	***US$4,200***

Ghana

Bundled Sawnwood
Ghana to Europe (Antwerp-Hamburg), US$65 to US$83 per Cu.m depending on quantity and the buyers' relation with the shipping lines.

Containers

Containerized sawnwood and other products from Ghana for N. European Ports
US$2070 for a 20ft container
US$3730 for a 40ft container

Taiwan Province of China

40ft. container
West Coast USA from Taiwan Province China US$1950
East Coast USA from Taiwan Province China US$ 2400

Malaysia

Bundled Sawnwood
Malaysia to Rotterdam US$42 per Cu.m.

40 ft. container
Malaysia to West Coast USA at US$2500
Malaysia to East Coast USA US$3150
Malaysia to Ports in Taiwan Province of China US$525

Port Klang / Ports of Taiwan Province of China Province c China
USD 42 per Cu.m Bundled Sawnwood

Taiwan Province of China Province of China/West Coa. USA, US$1950 per 40ft Container.
Taiwan Province of China Province of China?East Coast USA, US$2400 per 40ft container.

Consumers Report

Report From Japan

Delivered Prices

Asian Log, Lumber and Panel Prices

Log
For Plywood Manufacturing

	CIF Price Yen per Koku
Meranti (Hill, Sarawak)	
Medium Mixed	***7,850***
Meranti (Hill, Sarawak)	
STD Mixed	***7,950***

Meranti (Hill, Sarawak)	
Small Lot	
(SM60%, SSM40%)	*6,850*
Taun, Calophyllum (PNG)	
and others	*6,500*
Mix Light Hardwood	
(PNG G3-G5 grade)	*5,400*
Okume (Gabonese)	*7,900*
Keruing (Sarawak)	
Medium MQ & up	*8,200*
Kapur (Sarawak) Medium	
MQ & up	*8,050*

For Sawnmilling	*FOB Price Yen per Koku*
Melapi (Sarawak)	
Select	*11,500*
Agathis (Sabah)	
Select	*9,100*

Lumber	*FOB Price Yen per Cu.m*
White Seraya (Sabah)	
24x150mm, 4m 1st grade	*180,000*
Mixed Seraya 24x48mm,	
1.8 - 4m, S2S	*45,000*
Red Oak 5/4x6 ins and wider	
FAS (US East Coast)	*125,00*

Plywood	*Mill Gate Price Tokyo Area Yen per sheet*
Concrete Formboard	
11.5x900x1800mm Type 1	*1,210*
Thin	
2.3x910x1820mmType 2	*310*
Medium	
4.0x910x1820mm Type 2	*500*
5.5x910x1820mm Type 2	*610*

Indonesian Plywood Price
(Tokyo Market Price Per Sheet)

Plywood	
2.4x91x1820mm	*Yen335*
3.6x91x1820mm	*Yen440*
5.2x91x1820mm	*Yen550*
Plywood for flooring	
11.5x94.5x1840mm	*Yen1570*
Plywood for Printing	
3.6x123x2440mm	*Yen770*

News From Japan

Import Figures Reflect Changes in Japan

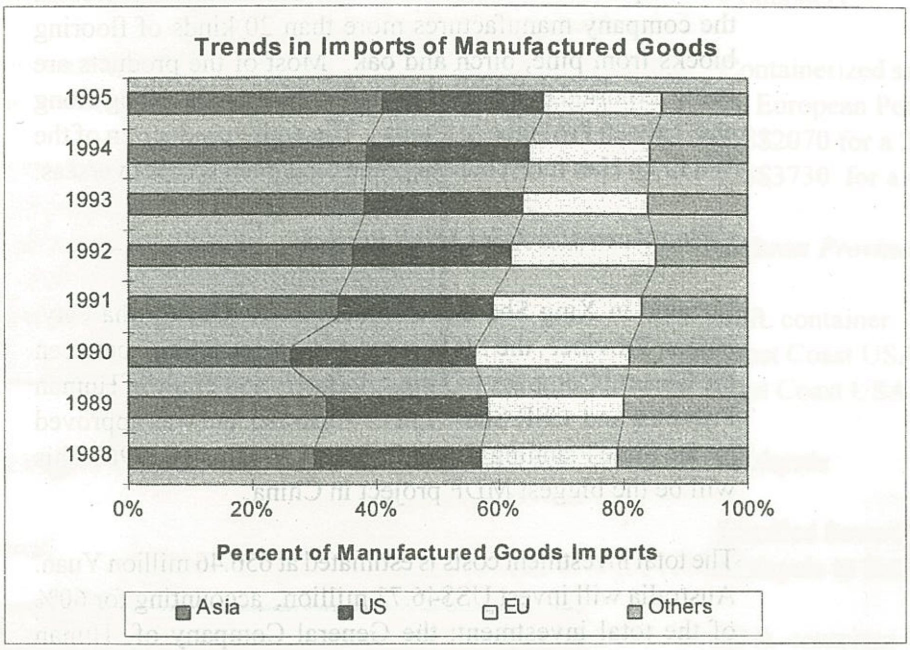
Japan's imports have grown sharply since 1993. The main stimulus to this has been a shift in international specialization following changes in the structure of Japan's trade and industry and also progress in the globalization of Japanese corporate activities.

Imports of manufactured goods have been increasing at a faster pace than imports of crude oil and raw materials since 1980. This tendency has been especially apparent since 1980, and the manufactured import ratio (manufactured imports as a percentage of total imports) has risen sharply since 1980.

An analysis of trends in manufactured imports by geographical source shows that Asia's share of the total has been rising since 1991. The value of manufactured imports from Asia was slightly higher than the total for the United States in the late 1980s, and Asia's share has risen rapidly since the beginning of the 1990s. In 1990, pressure from high-priced imports from the EU kept Asia's share of manufactured imports to only 28%, but by 1995 it had expanded to 41%. Significantly, there has been a substantial shift in the mix of products imported from Asia, away from relatively low-added-value items toward high-added-value items.

Imports from Japanese Overseas Operations

The strengthening of horizontal specialization between Japan and Asia results from the fact that Japanese corporations have increased their direct investment and production activities in Asia.



Production operations of Japanese companies in Asia have a major impact on Japan's imports. By region, Asia accounted for 21% of Japan's overseas direct investment in 1986. As investment in China expanded in the 1990s, this increased to 33% in 1993 and reached 49% in the first half of 1995 (77% in terms of the number of investment projects). Asia thus accounts for almost half of all Japan's overseas direct investment.

Import Penetration

Rapid growth in manufactured imports in recent years has resulted in the rate of penetration to increase from 11.1% in 1992 to 15.0% in 1995. By category, the rates for non-durable consumer goods and capital goods have increased at a particularly rapid pace. In the case of non-durable goods, the trend is primarily attributable to the continuing expansion of imports of textiles and other items form China.

The rapid growth of imports in recent times is attributable not only to the rising yen but also to changes in Japan's trade and industrial structures. These changes are themselves the result of shifts in international specialization patterns, including the accelerating industrialization of East Asia and the globalization of Japanese business activities. In this sense, growth in imports is likely to be an ongoing phenomenon rather than a temporary one.

There is a positive side to this import growth. To the extent that it reduces Japan's trade and current account surpluses and helps to correct the overly strong yen, it is arguable that it contributes to the current economic recovery. On balance, however, its negative effects on domestic activities (through a decline in production leading to a fall in employment) cannot be avoided. In fact, the Industrial Labour Survey carried out by the Ministry of Labor in September 1995 suggests that there are grounds for concern. The survey shows that overseas business expansion and rising imports caused the number of employees to decline relative to levels three years earlier in as many as 25% of the private enterprises surveyed.

The emphasis is now how Japan should work to minimize the downward pressure that growth in imports exerts on domestic production and employment. An improvement in the mobility of its labor force is now important. At the same time, imports from labour intensive sectors, with a widening comparative disadvantage, should be encouraged while domestic production should be guided further into capital- and knowledge-intensive sectors. To ensure that these change are realized as soon as possible, every effort should be made to promote further deregulation.

Retail Prices For Occasional Tables

Kotatsu table (electric foot warmer table)
Table top Sen, Legs Rubberwood
Made in Japan

37cm ht.	***80cmx80cm***	***Yen 48,500***
	80cmx105cm	***Yen 58,000***
	85cmx120cm	***Yen 61,000***

Kotatsu table
MDF Table top, Legs Rubberwood
Made in Japan

36cm ht.	***75cmx75cm***	***Yen 29,000***
	75cmx105cm	***Yen 33,800***

Kotatsu table
Laminated wood top overlaid with veneer
Made in Japan
37cm ht. 75cmx105cm
Yen 34,800

Nest of 3 tables
Rubberwood, Made in Thailand
small table 47x34x42cm
medium table 52x36x46cm
large table 57x39x50cm
Yen 12,800

Coffee table with swivel sub-table
particleboard table top with
Rubberwood legs
Made in Taiwan Province of China
89.5x40x46cm Yen 9,800

Bow Front Occasional table with drawer
Cherry veneer on MDF table top
Rubberwood legs
Made in Taiwan Province of China
80x40x75cm Yen 19,500

Nest of 3 tables
Lacquered MDF and Rubberwood
Made in Taiwan Province of China
small 30x27x37cm
medium 44.5x30.5x45cm
large 58x35x52.5cm
Yen 15,500

Circular Coffee table
Marble top and Birch Plywood base board
Made in Taiwan Province of China
Diameter 74cm height 46cm
Yen 38,800

Report From China

China's biggest flooring company established

China's biggest wooden flooring company has been established in Da Xing An Ling forest area, Inner Mongolia. With the highest production capacity in China, the company has 26 floor block manufacture factories attached to the Lin Bei Forest Administration Bureau of Da Xing An Ling, Inner Mongolia.

Mill output will be 32,000 cubic metres annually. At present the company manufactures more than 20 kinds of flooring blocks from pine, birch and oak. Most of the products are being exported to Korea, Japan, Southeast Asia, Hong Kong and Taiwan Province of China . The entire production of the Wu Er Qi Han forest bureau processing plant is sold overseas.

China/Australia Joint MDF Project

Located in Xing Sha Development Zone, Chang Sha City, Hunan Province, the MDF project is a joint venture between the General Company of Forest, Industry and Trade of Human Province and CSR Share Ltd.of Australia and was approved by the State Planning Commission on 10 January 1996. This will be the biggest MDF project in China.

The total investment costs is estimated at 656.46 million Yuan. Australia will invest US$46.73 million, accounting for 60% of the total investment, the General Company of Hunan Province will invest 10% of the total, and the Ministry of Forestry the remaining 30%. A management agreement for 30 years has been agreed and 70% of the production will be sold overseas.

In order to make ensure raw materials are available the joint venture has plans to establish a forest plantation of 67,000 ha. with an investment of US$50 million from the Australian partner.

Prices of Tropical Timber in Shanghi and Eastern China

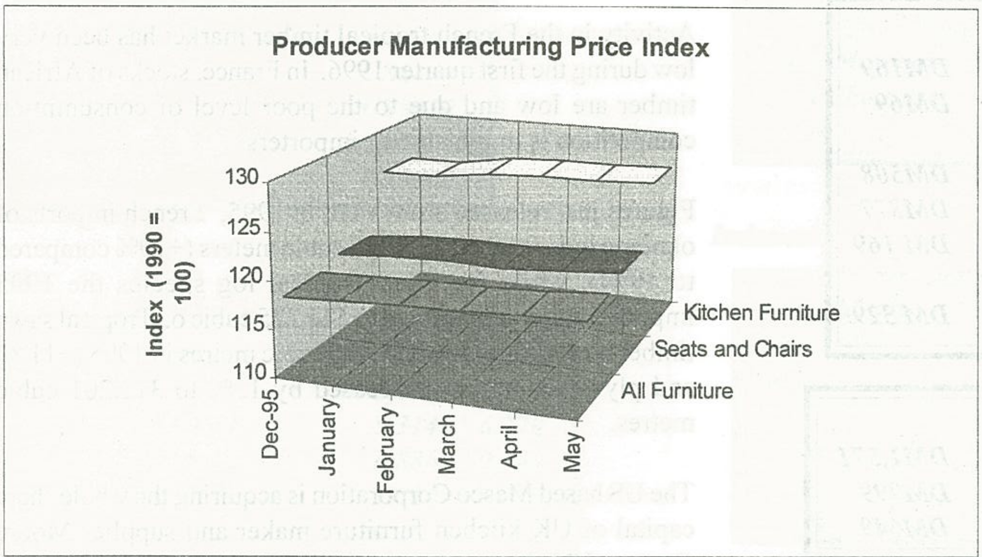
No changes have been reported for the range of wood products on the market in Shanghi.

Logs	*per Cu.m*
Keruing	*Yuan2000-2450*
Red Meranti	*Yuan1800-1900*
Mixed (hollow Heart)	*Yuan1200-1400*
Mengaris	*Yuan1800-1900*
Mixed Redwood	
Myanmar	*Yuan3800-3850*
Sawnwood	
Meranti	*Yuan2850-3450*
Flooring	
Meranti T&G	*per Lin.m*
18x50mm 3m	*Yuan130-145*
Malas T&G	
18x70mm 2.2-4.1m	*Yuan115-130*

From Europe, An Update on Germany

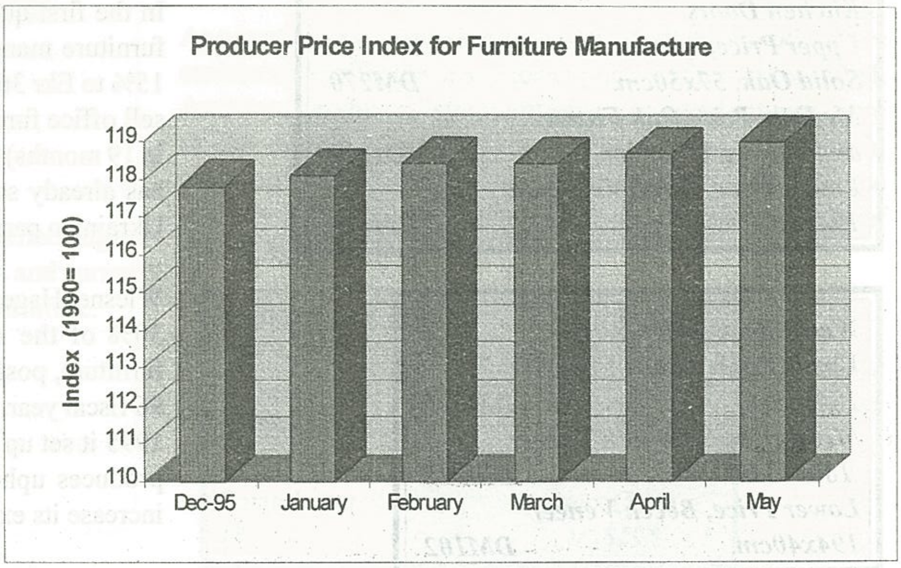
During the years ahead the German construction industry will undergo a structural change. In the future it will become inevitable that the larger companies will have to look outside of Germany to sustain their business. The German construction sector is facing problems, the result of slackening demand which coincided with oversupply of housing stock, built at a time when the market was booming. Strong competition from companies from neighboring countries is also affecting the performance of German companies.

In view of the poor development of business, the low level of orders and the generally depressed market, the situation is not expected to improve during 1996. It has been estimated that more



bankruptcies and layoffs will occur. Forecasts by the Munich IFO-Institute for Economic research suggest that during 1996 there is a danger that 100,000 jobs will be lost in the industry.

For the first time since unification investment in construction will slow. The decline will be in the range of 2-3 percent for the year after a modest 1.2 percent growth last year. It is forecast that investment in construction in the western part of the Republic will drop by 5 percent. In eastern Germany investment is forecast to grow at around 4 percent (residential + 10 %, commercial - 2%, public + 2 percent).



Forecasters are reporting that in 1997 the recession will extend to eastern Germany.

Company News from Germany

The German company DLW AG, which in 1995 posted a loss on a slightly increased turnover of DM1.53 billion, is planning to restructure its furniture business. The Gersthofen plant (metal parts for furniture) will be closed this year and cooperation partners or buyers may be sought for other operations. In 1995, DLW posted a 3% turnover growth to DM879 million in its core business of floor covering.

The leading German furniture company Roller is to be converted into a joint stock company and floated by 1999, after the merger of supermarket chain Asko Deutsche Kaufhaus AG with the Kaufhof an Metro retail businesses. Asko owns 49.9% of Roller, which in 1995 posted a turnover of DM1.1 billion (+34% compared to 1994).

Wooden Windows

Medium Price Meranti, 120x135cm	*DM 448*
Lower Price PVC, 120x135cm	*DM388*

Solid Wooden Doors

Upper Price, Meranti,	*DM 1605*
Medium Price, Meranti,	*DM 1498*
Lower Price, PVC	*DM1119*

Furniture and Components

Kitchen Chairs	
Medium Price, Beech,	*DM169*
Lower Price, Kauri Pine,	*DM69*
Dining Chair	
Upper Price,	*DM508*
Medium Price,	*DM377*
Lower Price, Beech,	*DM 169*
Kitchen Table	
Lower Price, Pine, 80x140	*DM 329*

Dining Table	
Upper Price, Beech 90x180	*DM1,571*
Medium PriceBeech 90x180	*DM999*
Lower Price Beech 80x180	*DM649*

Kitchen Doors	
Upper Price, Solid Oak, 57x50cm.	*DM270*
Medium Price,Oak Frame and Veneer 57x50cm.	*DM179*
Lower Price, Birch Veneered 194x40	*DM179*

Wardrobe Doors	
Upper Price. Beech Veneer 180x45cm	*DM320*
Medium price, Beech Veneer 180x45cm	*DM225*
Lower Price, Beech Veneer 194x40cm.	*DM102*

Drawer Fronts (Office Furniture)	
Upper Price, Particleboard 100x10cm	*DM37*
Medium Price, Particleboard 100x10cm	*DM30*
Lowest Price, Particleboard 100x10cm	*DM25*

Wooden Shelving	
Upper Price, Solid Alder	*DM152*
Medium Price, Beech Veneer	*DM92.30*
Lowest Price, Alder	*DM39.30*

Other News From Europe

Activity in the French tropical timber market has been very low during the first quarter 1996. In France, stocks of African timber are low and due to the poor level of consumption competition is tough among importers.

Figures just released show that, in 1995, French imports of okoume logs reached 377,045 cubic meters (+10% compared to 1994), while for other tropical log species the 1995 imported volume amounted to 511,225 cubic o. Tropical sawn timber imports reached 356,426 cubic metres in 1995 (+11%) and plywood imports increased by 15% to 312,201 cubic metres.

The US based Masco Corporation is acquiring the whole share capital of UK kitchen furniture maker and supplier Moore Group of Wetherby.

In the first quarter of 1996, Standard, the biggest Estonian furniture manufacturer, has increased its sales turnover by 15% to Ekr 36.5 million. The company has signed a deal to sell office furniture in the US (for a total of US$1.5 million in 19 months) starting from the beginning of 1997. Standard has already sold office furniture for Ekr 0.5 million to its Ukrainian partner Portzelack.

Wiesner Hager Moebel GmbH, an Austrian producer holding 30% of the Austrian market for non-domestic seating furniture, posted a turnover of Sch 512 million in the 1995-96 fiscal year, with exports contributing 36% to the total. In 1995 it set up a new company in the Czech Republic which produces upholstered furniture. Wiesner Hager wants to increase its exports in the next few years.

Northampton Cabinet of the UK purchased headboard and upholstery manufacturer Mayflair Furniture for an undisclosed sum. Earlier this year Northampton bought rival Patricks of Yeadon.

The Austrian furniture retailer Kika/Leiner has launched an own-label brand for ecological furniture, containing no plastics metal or chipboard. The line is called Die Grune Linie.

Durham Pine, the UK furniture retailer, plans to extend its outlets to 56 up from the existing 36 before the end of 1996. Additional outlets are planned initially in Southampton and Ipswich.

US Industry Report

Since the last report the new data on the US economy has become available indicating that there has been an improvement of the economy in the past months. The pace of growth has accelerated slightly, to approximately 2.5% to 3.0% (on an annual basis), this compares very favorably to last year's 2% growth. Residential and commercial construction activity strengthened and job creation is more robust than anticipated. Nevertheless, the economy is still far away from overheating and there are few signs of inflation.

On the strength of the economic fundamentals it is not surprising that prices for most wood and wood products are stable or firming-up. Most furniture items continue along their established modest upward trend. In recent weeks book cases and office furniture showed the strongest price advances (approx. 4% on a year over year basis).

Prices for millwork, dimension lumber and upholstery frames are roughly at the same level as they were one year ago. Generally moving along a smooth horizontal path, however, prices for mouldings experienced erratic swings. The product is presently showing strength making up most of the price erosion suffered during the third quarter of 1995.

After declining for most of 1995, hardwood lumber experienced a modest price recovery at the beginning of this year. Recent indications, however, point toward renewed price weakness. Plywood prices advanced by 1.9% between May 1995 and May 1996. The strong price advances during 1995 for mahogany came to an end and costs have now settled at a level some 6% above last year's average. Following the steep decline of particleboard prices during the second quarter of 1995, prices showed dulled even more in the past months.

There are a few exceptions, to the general rule of price firmness. MDF continues to suffer under the growing overcapacity. Year on year prices declined by almost 19%. Similarly, veneer prices continue to drift downwards (-3.8% year on year).

US Prices

Rough Sawn Hardwood Lumber
Appalachian Red Oak
kiln dried, FAS
US$1,474 per MBF

Dressed Hardwood Lumber
North American Species
Appalachian Oak
planed 2 sides ***US$1,525 per MBF***

Hardwood Dimension Stock
Appalachian Red Oak Strips
random length, clear 1 face and 2 edges
6" to 16'10% 4'-5'
US$1,473 per MBF

Lumber, Genuine Mahogany
Bolivia, Brazil, Honduras
Select or Better Kiln dried
Dock side US West Coast
US$2,880 per MBF

Lumber, Philippine Mahogany / Meranti
Kiln Dried, kiln dried
Dock side US West Coast
US$2,468 per MBF

Plywood and Veneer

Hardwood Plywood
Red Oak plywood, 5-ply, lumber core
cross bands of poplar or gum
Both exterior layers of Red Oak
Furniture grade, rotary cut 4' x 8' 0.75" thick
US$48.70 per Sheet

Veneer Red Oak, 1/45", flat stock,
Container loads/truck-loads
US$0.09-0.15 per sq.ft.

Reconstituted Boards

Particleboard
Industrial grade board, 4' x 8' x 3/4"
South Central Region
US$280 per 1000 sq.ft

Medium Density Fibreboard
Industrial grade board, 4' x 8' x 3/4"
US$360 per 1000 sq.ft

Millwork

Wood Window Units
Wood sliding window Double glassed,
Upper/lower sash can be titled.32" x 54"
US$81.40ea

Wood Doors
Interior door solid wood Raised colonial panels
without frame and hinges. 2'8" x 6'8" x 1.75"
US$59.00ea

Wood Mouldings
White Pine moulding, 3.625" wide,
1" stock, finger jointed length approx. 16'
US$0.30 per linear foot

Wood Frames for Upholstered Chairs
Frame for lounge chair, 1" stock
nailed corner blocks
US$45.00

Wooden Furniture

Dining Room Table
18th century, French oval dining room table
extendible, with casters
Mahogany veneer on particleboard 64" x 44"
two 15" leaves, extends to 94", Ht. 30"
Apron to floor 26.5"
US$606.00

Dining Room Chair
18th century French Mallard chair Solid Maple
21" x 22", Ht. 44.5"Seat 21" x 17.75, Ht. 18"
US$187.00

Bookcase for the Living Room
18th century traditional styled bookcase
Sheraton accents.
Base 2 doors one adjustable shelf behind doors
Top cabinet deck 3 adjustable wood shelves.
Maple solids and select cherry veneer
Hand-rubbed cherry finish.
50.25" x 16.5", Ht.88.5"
US$780.00

Headboard for Bed
18th century French Fairhope headboard
Mahogany veneer on particleboard.
Width 43", Ht.60.6"
US$265.00

Dresser used in the Bedroom
18th century French Elm Bluff 9 drawers.
Mahogany veneer on particleboard.
64" x 19", Ht.36"
US$470.00

Desks for use in the Office
Conference desk 5 drawers
Mahogany veneer on particleboard.
72" x 36", Ht.29"
US$902.00

Abbreviations

LM	Loyale Merchant, a grade of log parcel
FOB	Free-on-Board
SSQ	Select Sawmill Quality
AD	Air Dry
Boule	A Log Sawn Through and Through the boards from one log are bundled together
BB/CC	Grade B faced and Grade C backed Plywood
MBF	1000 Board Feet
Sq.Ft	Square Foot
FFR	French Franc
Koku	0.278 Cu.m or 120BF
Cu.m	Cubic Metre
SQ	Sawmill Quality
KD	Kiln Dry
FAS	Sawnwood Grade First and Second
WBP	Water and Boil Proof
MR	Moisture Resistant
pc	per piece
ea	each
BF	Board Foot
MDF	Medium Density Fibreboard
F.CFA	CFA Franc