



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

Heavy rain at this time of the year can affect extraction but the reports are that no supply problems have been experienced.

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

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

Malaysia

The 1996 log harvest in Sarawak is expected to be 16.5 mil. Cu.m with 50% of that being disposed of in the local market.

Sarawak Log Export Prices

(FOB)	per Cu.m
Meranti SSQ	US\$200-210
small	US\$175-180
super small	US\$140-150
Keruing SSQ floaters	US\$220-230
SQ sinkers	US\$180-185
small	US\$150-160
super small	US\$120-130
Kapur SQ Floaters	US\$120-130

Cameroon Log Prices

FOB	Per Cu.m
N'Gollon 70cm+ LM-C	FFR1350
Ayous 80cm+LM-C	FFR1050
Sapele 80cm+LM-C	FFR1450
Iroko 70cm+LM-C	FFR1450

South Sea Logs

Prices have remained unchanged. Exporters had hoped to capitalise on the uncertain situation in PNG but this opportunity has not yet presented itself.

FOB	per Cu.m
Pometia	US\$145-160
Calophyllum	US\$150-160
Terminalia	US\$125-135
Other mixed species	US\$110-115

International Tropical Timber Organization (ITTO)

Pacifico-Yokohama 1-1-1 Minato-mirai, Nishi-ku, Yokohama 220 JAPAN

Tel: (81-45) 223-1110 Fax: (81-45) 223-1111 e-mail: mjadams@itto.or.jp

Domestic Log Prices

Report From Brazil

<i>Logs at mill yard</i>	<i>per Cu.m</i>
<i>Mahogany 1st Grade</i>	<i>US\$290</i>
<i>Ipe</i>	<i>US\$77</i>
<i>Jatoba</i>	<i>US\$60</i>

Ghana

Log stocks are continuing to accumulate in the forest as bad weather is hampering trucking. No change in price has been reported from Ghana.

Report from Indonesia

<i>Domestic log prices</i>	<i>Per Cu.m</i>
<i>Plywood logs</i>	
<i>Face Logs</i>	<i>US\$185-195</i>
<i>Core logs</i>	<i>US\$ 140-155</i>
<i>Sawlogs</i>	<i>US\$135-150</i>
<i>Falkata logs</i>	<i>US\$45-50</i>
<i>Rubberwood</i>	<i>US\$34-36</i>
<i>Pine</i>	<i>US\$60-65</i>
<i>Teak</i>	<i>US\$850-1200</i>
<i>Mahoni</i>	<i>US\$160</i>

Report from Malaysia

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

<i>Logs</i>	<i>Per Cu.m</i>
<i>Domestic (SQ ex-log yard)</i>	
<i>Meranti Bukit (SQ)</i>	<i>US\$250-260</i>
<i>Kembang Semangkok</i>	<i>US\$160-165</i>
<i>Merbau</i>	<i>US\$195-205</i>
<i>Peeler Core logs</i>	<i>US\$145-155</i>
<i>Rubberwood</i>	<i>US\$30-32</i>
<i>Kempas</i>	<i>US\$150-165</i>

The Government of Ghana is in the process of unifying and updating forestry laws. A team of consultants is working on costing in forestry and forest industries with the objective of identifying income sources for the Forestry Department for its efforts in sustainable forest management.

The indications are that the Forestry Department is to be taken out of the civil service and to be converted into a Forest Service which would, as far as possible, work independently of the Exchequer.

The feeling in the trade is that sustainable forest management can be achieved through the privatisation of forest management, with the new forest service monitoring the execution of approved management plans. The plan will involve concessionaires employing professional foresters and technical support staff to develop and implement approved management plans.

Sawnwood Prices

International Prices

Brazil

<i>Export Sawnwood</i>	<i>per Cu.m</i>
<i>Mahogany KD FAS</i>	
<i>UK market</i>	<i>US\$980</i>
<i>Jatoba Green</i>	<i>US\$440-480</i>
<i>Curupixa (Europe)</i>	<i>US\$520</i>
<i>LKS (Asian Market)</i>	<i>US\$220-270</i>

Demand for sawnwood of lesser known species continues to be strong in Asia. UK importers are reporting a considerable shortage of Mahogany in the market. Some traders are putting this down to the extended rain season. After a long dull period there are some indications that prices in the UK have reached the bottom and that a recovery may be seen shortly.

The Association of Wood Export Industries in the States of Para and Amapa recently released data showing that exports in the first three months were down by around 18%. Mahogany exports were down by nearly 13%. On the other hand Virola exports were up 23%. The biggest drop was in laminates (down 32%), plywood exports were down by 6%.

Malaysia

<i>Sawn Timber Export(FOB)</i>	<i>per Cu.m</i>
<i>Dark Red Meranti (DUC)</i>	
<i>GMS select & better (KD)</i>	<i>US\$715-725</i>
<i>Seraya</i>	
<i>Scantlings (75x125 KD)</i>	<i>US\$720-745</i>
<i>Perupok (25mm&37mm KD)</i>	<i>US\$755-765</i>
<i>K.Semangkok (25mm&37mmKD)</i>	<i>US\$635-650</i>

Of the 70 species exported, the most sought after woods are: Tauari (7%), Jatoba (6%), Mahogany (6%), Curupicha (5%), Angelim Vermelho (4.5%), Quaraba (4.3%), followed by Cedar, Massaranduba, Pau Amarelo, Tatajuba, Virola, Cedrorana, Andiroba, Quarubana, Piquia and Ipe.

Ghana

Prices for sawnwood remain very dull and unchanged.

The inquiry for 60,000 railway sleepers was not awarded to a Ghanaian miller, it is understood that an Australian company offered the best price and has been awarded the contract.

Taiwan Province of China

<i>Rubberwood</i>	<i>per Cu.m</i>
<i>25mm boards</i>	<i>US\$365-370</i>
<i>50-75mm squares</i>	<i>US\$435-440</i>
<i>75-100mm squares</i>	<i>US\$455-460</i>
<i>Sepetir</i>	
<i>GMS (AD)</i>	<i>US\$360-375</i>
<i>Ramin</i>	<i>US\$490-505</i>
<i>Oak 25mm boards</i>	<i>US\$550-565</i>
<i>Maple</i>	<i>US\$825-830</i>
<i>Cherry</i>	<i>US\$1100-1200</i>

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

<i>Mahogany</i>	<i>per Cu.m</i>
<i>FAS 100mm plus 1.8m plus</i>	<i>US\$480</i>
<i>FAS 150mm plus 2.4m plus</i>	<i>US\$520</i>
<i>Anegre</i>	
<i>FAS 150mm plus 2.4m plus</i>	<i>US\$640</i>

Domestic Sawnwood Prices

Report from Brazil

<i>Sawnwood (Green ex-mill)</i>	
	<i>per Cu.m</i>
<i>Mahogany</i>	<i>US\$770</i>
<i>Ipe</i>	<i>US\$410</i>
<i>Eucalyptus</i>	<i>US\$150</i>

<i>Guarea</i>	<i>FAS</i>	<i>US\$466</i>
<i>Ofram</i>	<i>FAS</i>	<i>US\$270</i>
<i>Emire</i>	<i>FAS</i>	<i>US\$460</i>
<i>Ekki</i>	<i>FAS</i>	<i>US\$335</i>
<i>Kussia</i>	<i>FAS</i>	<i>US\$335</i>
<i>Dahoma</i>	<i>FAS</i>	<i>US\$256</i>
<i>Cedrella</i>	<i>FAS</i>	<i>US\$413</i>

Ghana

Domestic prices have remained unchanged, demand is stagnant. UK importers are indicating that supplies from West Africa are running smoothly. There are forecasts of a firming of Sapele and Iroko prices after a long time. These two timbers have become important joinery timbers in their own right.

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

<i>Rubberwood</i>		<i>per Cu.m</i>
<i>(25mm & 50mm)</i>		<i>US\$280-290</i>
<i>50mm squares</i>		<i>US\$320-330</i>
<i>75mm+</i>		<i>US\$360-370</i>
<i>Kembang Semangkok</i>		<i>US\$540-550</i>
<i>Ramin Boards</i>		<i>US\$500-520</i>

Gabon

<i>Sawnwood</i>	
<i>Sawnwood Up to 6m length</i>	
<i>80x40mm up to 250x50mm</i>	
<i>Okoume, Ozigo, Olon, Alone, Faro, Abura, Agba and Andoung heitz</i>	
<i>F.CFA 110,000 per Cu.m</i>	
<i>Acajou, Movingul, Kosipo, Afo, Aiele, Bosse fonce, Eblara</i>	
<i>F.CFA 115,000 per Cu.m</i>	
<i>Prices before sales tax</i>	

Report from Indonesia

Sawn timber
Domestic construction material

	<i>per Cu.m</i>
<i>Kampar</i>	
<i>AD 6x12-15x400cm</i>	<i>US\$365-370</i>
<i>KD</i>	<i>US\$490-500</i>
<i>AD 3x20x400cm</i>	<i>US\$415-425</i>
<i>KD</i>	<i>US\$535-550</i>
<i>Keruing</i>	
<i>AD 6x12-15cm</i>	<i>US\$290-300</i>
<i>AD 3x20cm</i>	<i>US\$380-385</i>

Malaysian Domestic Sawnwood Prices

<i>Sawnwood</i>	<i>per Cu.m</i>
<i>Balau(25&50mm,100mm+</i>	<i>US\$415-425</i>
<i>Kempas50mm by</i>	
<i>(75,100&125mm)</i>	<i>US\$215-225</i>
<i>Red Merantis</i>	
<i>(22,25&30mm by180+mm)</i>	<i>US\$360-370</i>

Plywood and Veneers

International Prices

Ghana

No price changes have been recorded since the last report. Millers are anticipating some sales to Germany, Italy and Spain at the end of this month.

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

Sliced curl veneer production continues in Ghana. Manufacturers are indicating that there appears to be relatively large stocks of curls and crotches in Europe, especially in Belgium, and that efforts to find alternative markets for Mahogany and Anegre veneer have to be stepped up.

<i>Ready Spliced Veneer (layons)</i>		<i>per Cu.m</i>
<i>Thickness 6mm</i>		
<i>Sapele</i>		<i>US\$1370</i>
<i>Anegre</i>		<i>US\$1062</i>
<i>Mahogany</i>		<i>US\$1149</i>
<i>Koto</i>		<i>US\$1153</i>

Plywood 2440x1220mm

Grade B/BB, WBP

	<i>per Cu.m</i>
<i>Ceiba</i>	
4mm	US\$554
6mm	US\$498
9mm	US\$478
12mm	US\$420
15mm	US\$426
18mm	US\$420

MR B/BB 10 % less

Rotary Cut Veneer

	<i>per Cu.m</i>	
	<i>Face</i>	<i>Core</i>
	1-1.6mm	1.7-2.5mm
<i>Ceiba</i>	413	360
<i>Koto</i>	503	450
<i>Orie/Ilomba</i>	440	415
<i>Chenchen</i>	426	415
<i>Wawa</i>	440	415
<i>Bombax</i>	440	415

Malaysian Plywood

MR Grade BB/CC FOB

	<i>Per Cu.m</i>
2.7mm	US\$485-500
3mm	US\$430-450
9-12mm	US\$390-405
18mm plus	US\$360-380
WBP Grade BB/CC	
9-18mm	US\$450-470
Phenolic Overlayed	
12-18mm	US\$495-510

Domestic plywood

9-18mm	US\$490-520
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Indonesian Plywood

Plywood (export, FOB)

	<i>per Cu.m</i>
MR,	
Grade BB/CC	
2.7mm	US\$480-510
3mm	US\$440-465
6mm and above	US\$380-390
WBP,	
Grade BB/CC	
12-18mm	US\$465-480

Brazilian Plywood and Veneer

No change in price has been reported. Despite the holiday period in Europe and the USA, the international markets for Brazilian plywood continue to improve and new orders are flowing. Some producers are reporting that they have sold forward for up to 12 months. The market is still evaluating the effect of the ban on Mahogany and Virola. Already there is some evidence that importers are turning to Bolivian suppliers.

<i>Veneer</i>	<i>per Cu.m</i>
<i>White Virola Face</i>	
2.5mm	US\$260-320

<i>Plywood</i>	
<i>For Europe</i>	
<i>White Virola</i>	INDO 93 + 7-9%
<i>For Caribbean countries</i>	
<i>White Virola</i>	BR 96 + 8%
<i>Pine CDX USA</i>	US\$245

Taiwan Province of China

<i>Plywood</i>	<i>per Cu.m</i>
2.7mm x 4' x 8'	US\$590-605
5.0mm x 4' x 8'	US\$550-565

Domestic Plywood Prices

Brazil

<i>Rotary Cut (Nortern Mill)</i>	<i>per Cu.m</i>
<i>White Virola Face</i>	US\$160
<i>White Virola Core</i>	US\$120

Other Panel Product Prices

Plywood (ex-mill Southern Mill)	
Grade MR	Per Cu.m
4mm White Virola	US\$605
15mm	US\$490
15mm Film Faced	
Concrete Formwork	US\$690
4mm Mahogany 1 face	US\$1,300

Brazil

Export Prices	
Blockboard 18mm	per Cu.m
White Virola Faced	
For UK	US\$350-370
Domestic Prices	
Ex-mill Southern Region	per Cu.m
Blockboard	
15mm White Virola Faced	US\$420
15mm Mahogany Faced	US\$810
Particleboard	
15mm	US\$310

Indonesia

Domestic MR plywood (Jarkarta)	
	per Cu.m
9mm	US\$450-460
12mm	US\$425-435
15mm	US\$415-430
18mm	US\$390-405

Indonesia

Other Panels	
	Per Cu.m
Export Particleboard FOB	
9-18mm	US\$155-165
Domestic Particleboard	
9-18mm	US\$215-225
MDF Export (FOB)	
12-18mm	US\$260
MDF Domestic	US\$290-310

Gabon

Okume Plywood (250x122cm)	
	F.CFA Per pc
	Untaxed Taxed
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

Taiwan Province of China, Imports

Furniture Parts and Components

Taiwan Province of China, Imports

Imports C&F	per pc
Rubberwood Chair seats	US\$3.10-3.25
Rubberwood unfinished	
Queen Anne Chairs	
(excluding soft seat)	US\$13-15.5
Rubberwood	per Cu.m
table-tops	US\$770-780

MDF	per Cu.m
Domestic Prices	
3-4mm thick	US\$315-330
12-25mm x 4' x 8'	US\$270-285
Particleboard	per Cu.m
12-18mm (4x8)	US\$165-180

Malaysia

Particleboard (FOB)	
	<i>per Cu.m</i>
6mm & above	US\$150-160
Domestic	
6mm & above	US\$165-180

improved. Clear Pine Block prices have risen by between 10-15% and some producers have signed long term contracts.

	<i>per Cu.m</i>
Edge Glued Panel	US\$830
Clear Pine Blocks	US\$360

MDF (FOB)	
	<i>per Cu.m</i>
Less than 5mm	US\$260-275
Greater than 6mm	US\$250-260
Domestic Sales	
	<i>per Cu.m</i>
6-21mm	US\$270-285

Rubberwood parts and components:

Malaysia

Shaped chair seats (18-22mm 16"-18" squares)	
	<i>US\$2.95-3.10 per pc</i>
	<i>per Cu.m</i>
Finger jointed	
laminated boards	US\$825-850
top grade	US\$900-915

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting (for the Italian market)	<i>per Cu.m</i> US\$805-825
Crown using Pulai or Jeluton (for Japanese market)	US\$710-730
Laminated Scantlings	US\$680-700
Laminated Boards	
Falkata wood	US\$300-315
Laminated Boards	
Pine	US\$900-910

Doors (FOB)	
Meranti (red) panel doors	
Grade A	US\$53-55 per pc
Grade B	US\$46-47 per pc
Grade C	US\$42-43 per pc

Malaysia

Mouldings (FOB)	
	<i>per Cu.m</i>
Kembang Semangkok	
S4S to Japan	US\$910-920
Skirting	US\$1050-1100

Furniture

The export performance of the Malaysian wooden furniture sector has been very impressive over the last 3 years. Furniture exports reached US\$670 million in 1995 compared to US\$572 in 1994 and only US\$375 in 1993. At projected rates of growth of about 15% per year, wooden furniture exports are likely to hit the US\$1.0 billion mark by 1998.

Brazil

Added Value Products

In company news, the Rubberwood furniture manufacturer, SHH Resources Holdings, was listed on the Second Board of the Kuala Lumpur stock exchange recently. The company has recently invested in sophisticated production facilities that include more automated processing equipment. The company will export monthly, some 20,000 tables and some 120,000 dining chairs

The market price for some value added products has

Dining suite
Solid rubberwood laminated top 3' x 5'
with extension leaf and six hard seat chairs
 US\$205-220per set
Windsor Chair US\$11.8-12.80ea
Colonial Chair US\$14-15.5ea
Napolean Chair US\$22.5-28ea

Taiwan Province of China

Furniture
Dining suite (FOB)
Oak Veneered MDF tables and
chairs (6 per set)
 US\$310-320per 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 US\$42per Cu.m

Indonesia

40ft Container
Jakarta-Rotterdam US\$2,250
Jakarta-LA(west coast USA) US\$2,900
Jakarta-NY(east coast USA) US\$4350

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\$2000
 East Coast USA from Taiwan Province China US\$ 2350

Malaysia

40 ft. container
 Malaysia to West Coast USA at US\$2650
 Malaysia to East Coast USA US\$3200
 Malaysia to Ports in Taiwan Province of China US\$550-650

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

Consumers Report

Report From Japan

Local Production Down

According to data from the Ministry of Agriculture, Forestry and Fisheries, lumber production during the period January and June 1996 decreased by 5.3% compared to the same period of last year. Production was down to 11,729,000 Cu.m and sales were 11,726,000 Cu.m, down 3.9%.

Plywood production during the same period declined by 2.4% compared to the same period of last year. Plywood imports during the same period were 2,404,000 Cu.m, up 11.3%. Imports currently represent around 52% of total consumption.

Delivered Prices

Asian Log, Lumber and Panel Prices

Log	
<i>For Plywood Manufacturing</i>	
<i>CIF Price Yen per Koku</i>	
<i>Meranti (Hill, Sarawak)</i>	
<i>Medium Mixed</i>	7,900
<i>Meranti (Hill, Sarawak)</i>	
<i>STD Mixed</i>	7,950
<i>Meranti (Hill, Sarawak)</i>	
<i>Small Lot</i>	
<i>(SM60%, SSM40%)</i>	7,200
<i>Taun, Calophyllum (PNG)</i>	
<i>and others</i>	6,800
<i>Mix Light Hardwood</i>	
<i>(PNG G3-G5 grade)</i>	5,600
<i>Okume (Gabonese)</i>	8000
<i>Keruing (Sarawak)</i>	
<i>Medium MQ & up</i>	8,400
<i>Kapur (Sarawak) Medium</i>	
<i>MQ & up</i>	8,200

<i>For Sawnmilling</i>		<i>FOB Price Yen per Koku</i>
<i>Melapi (Sarawak)</i>		
<i>Select</i>		11,500
<i>Agathis (Sabah)</i>		
<i>Select</i>		11,000

<i>Lumber</i>	<i>FOB Price Yen per Cu.m</i>
<i>White Seraya (Sabah)</i>	
<i>24x150mm, 4m 1st grade</i>	120,000
<i>Mixed Seraya 24x48mm,</i>	
<i>1.8 - 4m, S2S</i>	45,000
<i>Red Oak 5/4x6 ins and wider</i>	
<i>FAS (US East Coast)</i>	125,000

<i>Plywood</i>	<i>Mill Gate Price Tokyo Area</i>
<i>Yen per sheet</i>	
<i>Concrete Formboard</i>	
<i>Domestic Production from S.E Asian Logs</i>	
<i>11.5x900x1800mm Type 1</i>	1,230
<i>Thin</i>	
<i>2.3x910x1820mm Type 2</i>	315
<i>Medium</i>	
<i>4.0x910x1820mm Type 2</i>	510
<i>5.5x910x1820mm Type 2</i>	620

Indonesian Plywood Prices

Nippindo opened the Indonesian Plywood Conference in Osaka on 23 August. Fifteen members of the Supervisory Board from Indonesia and representatives from sixty five Japanese traders and wholesalers attended. The discussion centered on competition between Indonesian concrete-form plywood and softwood plywood, regulation of use in public construction, formaldehyde emission control and competition between thin plywood and MDF and other panels.

It has been reported that agreement was reached to raise the price of Indonesian concrete-form plywood and flooring board by US\$10 per Cu.m for shipments beginning in September.

The Japanese plywood market is stable at relatively high levels, reflecting increasing import costs. The level of demand reflects an increase in housing starts to meet a demand from house buyers trying to beat the higher consumption tax due in next year.

There is a feeling in the trade that, although plywood supplies seem to slightly lagging behind demand at present. Opportunities to increase the supply of imported plywood or increased substitution by alternatives is holding down plywood prices.

(Tokyo Market Price Per Sheet)

<i>Plywood</i>	
<i>2.4x91x1820mm</i>	Yen335
<i>3.6x91x1820mm</i>	Yen460
<i>5.2x91x1820mm</i>	Yen570
<i>Plywood for flooring</i>	
<i>11.5x94.5x1840mm</i>	Yen1600
<i>Plywood for Printing</i>	
<i>3.6x123x2440mm</i>	Yen800

Company News

Yamani Rinsan in Ichihara recently started construction of a laminated lumber mill in Finland. It will produce beam lumber in Japanese dimensions. The mill will begin operation in January 1997. Monthly production forecast at 3,000 cubic meters, which will make the plant one of the largest laminated lumber mills in Finland. The production will be mainly beam lumber for the Japanese market, production of post squares and studs is planned for the future.

Mitsui Home in Tokyo has decided to use OSB for sub-roof construction of two-by-four construction. The company plans to begin operation at a plant in Saitama in September and eventually introduce OSB to all of its eleven plants in Japan. The OSB will be of 12 mm thickness, in a sheet size of four feet by eight feet.

OSB in Japan

Opportunities in the Japanese markets for OSB and glulam timber were improved recently when APA, the US based Engineered Wood Association in the US, succeeded with a campaign to open this market. The Japanese government, with effect from October this year, agreed to reduce the tariff on OSB from 10 percent to 3.9 percent on all imported structural glue laminated timber conforming to the 1996 JAS Glulam Standard. Tests had been completed which will allow the use of OSB in traditional post and beam "Shin-Kabe" construction.

Japan Furniture Year Book

In May 1996 the Japan Furniture Year Book was published. This annual publication is produced by Keizai Shuppan Ltd. In the tables on page 11 some of the data concerning Japan's imports have been reproduced. The publication is in Japanese and contains a wealth of information on the furniture sector, the distribution of sales, the purchasing and consumption of furniture and much data on production costs in the Japanese industry.

Report From China**Prices of Tropical Timber in Shanghai and Eastern China**

Prices have not moved significantly but companies are reporting affirming of prices.

Logs	per Cu.m
<i>Keruing</i>	<i>Yuan2450</i>
<i>Red Meranti</i>	<i>Yuan1900</i>
<i>Mixed (hollow Heart)</i>	<i>Yuan400</i>
<i>Mengaris</i>	<i>Yuan1900</i>
<i>Mixed Redwood</i>	
<i>Myanmar</i>	<i>Yuan3850</i>
Sawnwood	
<i>Meranti</i>	<i>Yuan3450</i>
Flooring	
<i>Meranti T&G</i>	per Lin.m
<i>18x50mm 3m</i>	<i>Yuan145</i>
<i>Malas T&G</i>	
<i>18x70mm 2.2-4.1m</i>	<i>Yuan130</i>
Panel Products	
<i>MDF 3mm German</i>	<i>Yuan38/sheet</i>
<i>Plywood 3mm Indo</i>	<i>Yuan42/sheet</i>

Growth of Timber Imports Down

Government statistics reveal that during the period January to May 1996, there was a decline in the rate of growth in China's timber imports. Compared to the same period of last year, log import increased by only 22%, this was down on 1995. Sawnwood imports rose by only 12.7%. Plywood imports in May fell by 7.3% from the 22% increase during the period January to March 1996. The import of these three products in May was down significantly.

China imported 1.249 mil. Cu.m of logs during January to May 1996, up 22% over the same period for last year. But during May import volumes dropped.

Imported logs were mainly from tropical suppliers who accounted for over 90% of the total volume. Coniferous log represented only 8.3% of the total imports. Logs originated mainly in Myanmar 344,000 Cu.m (27.5%), Gabon 248,000 Cu.m (20%), Malaysia 189,000 Cu.m (15.1%) and PNG 63,000 Cu.m (5%).

**Japan's Imports of Furniture
(billion Yen)**

	1990	1991	1992	1993	1994	1995
Asia	94.1	107.4	113.4	115.4	144.0	159.2
Europe	1.5	45.0	35.9	24.3	34.6	40.7
N.America	31.9	35.9	31.6	28.1	28.6	29.5

**Japan's Imports of Furniture
(000's Yen)**

	1990	1991	1992	1993	1994	1995
S.America	68,509	34,046	25,081	38,519	59,029	140,671
Africa	89,293	63,109	41,068	92,469	121,797	89,928
Oceania	360,423	260,860	259,885	274,239	510,412	730,194

**Top Asian Furniture Exporters to Japan
(Billion Yen)**

	1990	1991	1992	1993	1994	1995
Taiwan PoC	34.05	35.31	36.17	32.81	37.93	40.61
China	2.96	4.26	6.03	8.17	13.91	9.64
Thailand	17.26	23.55	25.41	26.57	35.43	35.96
Singapore	5.53	6.07	5.29	4.07	4.55	3.15
Malaysia	2.68	4.48	6.39	8.27	11.79	16.31
Indonesia	16.72	19.21	21.33	22.81	26.72	28.14

**Top South American Furniture Exporters to Japan
(000's Yen)**

	1990	1991	1992	1993	1994	1995
Brazil	46,669	12,303	12,569	17,893	45,485	87,760
Bolivia	0	0	0	1,376	0	16,901
Chile	3,650	299	5,879	11,255	9,959	29,759
Peru	3,194	1,786	3,657	0	1,925	5,372
Argentina	2,170	19,399	890	0	955	572

**Top African Furniture Exporters to Japan
(000's Yen)**

	1990	1991	1992	1993	1994	1995
S. Africa	2,633	13,230	10,244	80,337	99,111	61,323
Egypt	3,598	7,846	0	2,857	7,989	10,493
Senegal	0	0	0	0	218	6,163
Kenya	1,569	1,185	220	1,194	0	3,077
Togo	489	0	0	0	0	1,876
Zimbabwe	75,049	36,867	22,451	3,173	6,020	1,600

Important importing regions were Yunnan Province 400,000 Cu.m, Guangdong Province, 259,000 Cu.m, Shanghai 128,000 Cu.m, and Jiangsu Province, 108,000 Cu.m. The imports of these four areas accounted for about 72% of total volume of the country's log imports.

As of the end of May 1996, China had imported 379,000 Cu.m of sawnwood, up 12.7% over the same period of last year. However in May, only 94,000 Cu.m were imported, down 7.4% from the same period of the last year.

Southeast Asia is the main source of sawnwood for China. The country imported 108,000 Cu.m of sawnwood from Indonesia, accounting for 29% of the total imports. A further 66,000 Cu.m came from Malaysia, accounting for 17%, 65,000 Cu.m came from Myanmar, representing 17%. In addition, 37,000 cubic meter from the United States, accounting for 10%. Guangdong Province consumes the highest quantities of imported tropical hardwoods, its imports reached 223,000 Cu.m, accounting for almost 60% of total imports. Next were Yunan Province, Shanghai and Inner Mongolia, where the imports are 59,000, 46,000 and 17,000 Cu.m respectively.

The main suppliers remain Malaysia 316,000 Cu.m (46%) and Indonesia 305,000 Cu.m, (45%). The main region importing plywood was Guangdong Province, which imported 472,000 Cu.m, this accounted for 69% of total imports.

Furniture Manufacturers Move to China

With the vigorous development of economy, furniture consumption is booming. The high level of market demand has stimulated considerable development of the furniture industry. Annual furniture production in China is valued at about Yuan 60 billion. The growth of furniture consumption in China has prompted many overseas investors to establish processing plants in China.

It was reported at the 1996 Hefei City Furniture Exhibition that country's including Germany, Italy, France, Denmark, Spain, the United States, Singapore, Malaysia and Taiwan PoC, have established furniture enterprises in China.

The transfer of furniture production to mainland China, not only promotes China's furniture production development, but also plays an important role in enhancement of technology transfer, development of product styles, improvement of quality and strengthening of enterprise management in

China's furniture industry.

US Industry Report

Prices for Furniture and Millwork continue their upward movement reflecting the general improvement in the US economy and a strengthening of demand. This growth in demand is most pronounced for office desks, where prices advanced in excess of 5% during the past 12 months. On the other hand prices for doors remained flat.

*Rough Sawn Hardwood Lumber
Appalachian Red Oak
kiln dried, FAS*

US\$1,469 per MBF

Hardwood prices, generally, experienced price declines during the past year. For instance, prices for rough hardwood lumber was more than 2% down in July 1996, compared to July 1995. As of July 1996, kiln dried, top grade Red Oak from the Appalachian region traded at approximately US\$1,350 per MBF. A noticeable exception to the general downward price trend is hardwood plywood, which recorded prices 6.3% higher than one year ago.

The AHEC recently had confirmation from the US Department of Agriculture of funding for its export promotion. The new allocation along with the balance remaining from last year gives the AHEC US\$4.1 million for its 1996/97 promotional campaign.

*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\$1,474 per MBF

*Lumber, Genuine Mahogany
Bolivia, Brazil, Honduras
Select or Better Kiln dried
Dock side US West Coast*

US\$2530 per MBF

*Lumber, Philippine Mahogany / Meranti
Kiln Dried, kiln dried
Dock side US West Coast
US\$2195 per MBF*

Mahogany prices have been remarkably stable this year. However, in comparison to January 1995, genuine mahogany is almost 11% higher and Philippine mahogany is 7% higher. Generally, prices for the top grades increased somewhat less than prices for the lower grades. This seems to indicate that the top grades are hitting some price resistance, and buyers are increasingly substituting lower grade woods for the top grades.

As of July 1996, the average price per MBF of kiln dried, top grade, Genuine Mahogany stood at US\$2,530, and the corresponding price for Philippine Mahogany stood at US\$2,195.

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\$50.30 per Sheet*

*Veneer Red Oak, 1/45", flat stock,
Container loads/truck-loads
US\$0.10-0.15 per sq.ft.*

Reconstituted Boards

Prices for engineered boards are weak. Particleboard prices fell about 7% in 1995 and another 1% so far this year. The oversupply of MDF resulted in a price erosion of 10% in 1995 and 9% in 1996 as of July. Recently, MDF prices improved marginally, but this may be just temporary.

*Particleboard
Industrial grade board, 4' x 8' x 3/4"
South Central Region
US\$278 per 1000 sq.ft*

*Medium Density Fibreboard
Industrial grade board, 4' x 8' x 3/4"
US\$367 per 1000 sq.ft*

Millwork

*Wood Window Units
Wood sliding window Double glassed,
Upper/lower sash can be tilted. 32" x 54"
US\$81.50*

*Wood Doors
Interior door solid wood Raised colonial panels
without frame and hinges. 2'8" x 6'8" x 1.75"
US\$59.20*

*Wood Mouldings
White Pine moulding, 3.625" wide,
1" stock, finger jointed length approx. 16'
US\$0.32 per linear foot*

*Wood Frames for Upholstered Chairs
Frame for lounge chair, 1" stock
nailed corner blocks
US\$44.60*

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\$610.00*

Dining Room Chair
 18th century French Mallard chair Solid Maple
 21" x 22", Ht. 44.5" Seat 21" x 17.75, Ht. 18"
 US\$188.00

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\$790.50

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\$474.50

Desks for use in the Office
 Conference desk 5 drawers
 Mahogany veneer on particleboard.
 72" x 36", Ht.29"
 US\$910.00

Philippine Mahogany, Meranti
 With Prime Film dried
 Dock side US West Coast
 US\$2195 per MFB

laboratory price for...
 to be...
 almost...
 the...
 and...
 top...
 the...
 grades...
 1/2 of July 1996, the...
 grade, Genuine Mahogany...
 corresponding price for Philippine Mahogany...
 US\$2,195.

Hardwood Plywood
 Red Oak plywood, 2-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\$250.30 per sheet
 Veneer Red Oak, 1/8" flat stock,
 7' x 11' x 0.125" thick
 US\$20.00 per sheet

Abbreviations

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

