Vol.I No.16 September 1996

1 - 15 September 1996

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
LM	146,000
QS	129,000
CI	99,000
CE	83,500
CS	67,000

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

Malaysia

The log export market is reportedly quiet at present and prices are largely unchanged from 2 weeks ago.

Sarawak Log Export Prices (FOB)		per Cu.m
Meranti	SS	US$200-210
	small	US$170-180
	super small	US$140-150
Keruing	SSQ floaters	US$220-230
	SQ sinkers	US$175-185
	small	US$150-160
	super small	US$120-130
Kapur	SQ Floaters	US$210-220

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	FFR1425

South Sea Logs

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

Domestic Log Prices

Report From Brazil

Logs at mill yard	per Cu.m
Mahogany Ist Grade	US$380
Ipe	US$77
Guaruba	US$40
Mescla(white virola)	US$40

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

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*

Report from Indonesia

Domestic log prices remain firm.

Domestic log prices	*Per Cu.m*
Plywood logs	
Face Logs	*US$180-195*
Core logs	*US$ 140-150*
Sawlogs	*US$135-145*
Falkata logs	*US$45-50*
Rubberwood	*US$35-36*
Pine	*US$60-65*
Teak	*US$850-1200*
Mahoni	*US$155-160*

Report from Malaysia

Domestic log prices remain firm, partly due to the continuing monsoon. Rubberwood logs continue to be in heavy demand.

Logs	
Domestic (SQ ex-log yard)	*Per Cu.m*
Meranti Bukit (SQ)	*US$255-265*
Kembang Semangkok	*US$160-165*
Merbau	*US$190-205*
Peeler Core logs	*US$140-150*
Rubberwood	*US$31-32*
Kempas	*US$150-165*

Sawnwood Prices

International Prices

Brazil

The domestic market continues to be very active. Demand has increased for practically all products.

Prices for Mahogany logs have increased substantially. Some producers have mentioned a price increase over 30% during the last 3-4 weeks.

Export Sawnwood	*per Cu.m*
Mahogany KD FAS	
UK market	*US$1000*
Jatoba Green	*US$440-480*
Curupixa (Europe)	*US$520*
Asian Market	
Guaruba	*US$282*
Angelim pedra	*US$272*
Mandioqueira	*US$250*
Pine (AD)	*US$160*

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

Meranti prices have firmed and are now within a narrower price band.

Sawn Timber	
Export(FOB)	*per Cu.m*
Dark Red Meranti (DUC)	
GMS select & better (KD)	*US$725-735*
Seraya	
Scantlings (75x125 KD)	*US$735-755*
Perupok (25mm&37mm KD)	*US$760-765*
K.Semangkok	
(25mm&37mmKD)	*US$645-655*

Taiwan Province of China

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

Domestic Sawnwood Prices

Report from Brazil

Sawnwood (Green ex-mill)	
Northern Mills	*per Cu.m*
Mahogany	*US$830*
Ipe	*US$410*
Eucalyptus	*US$150*
Southern Mills	
Pine (KD)	*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
Acajou,Movingul,Kosipo,
Afo, Aiele,Bosse fonce,Eblara
F.CFA 115,000 per Cu.m

Prices before sales tax

Report from Indonesia

Sawn timber
Domestic construction material

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

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau(25&50mm,100mm+	US$415-420
Kempas50mm by (75,100&125mm)	US$215-225
Red Merantis (22,25&30mm by180+mm)	US$360-370
Rubberwood (25mm & 50mm)	US$280-290
50mm squares	US$320-330
75mm+	US$360-370
Kembang Semangkok	US$540-550
Ramin Boards	US$510-520

Plywood and Veneers

International Prices

Indonesian Plywood

Indonesian plywood manufacturers are now forecasting an increase in export volumes for the year due to increased demand from Japan, Taiwan P.o.C., the US and some European countries. Exports are expected to reach 8.9mil Cu.m up from 8.7mil Cu.m last year. Industry sources also revealed that plywood exports to the US and Canada exceeded 400,000 Cu.m in the first half of the year.

Plywood (export, FOB)	
MR,	per Cu.m
Grade BB/CC	
2.7mm	US$490-505
3mm	US$450-465
6mm and above	US$380-390
WBP,	
Grade BB/CC	
12-18mm	US$470-480

Ghana

Sliced 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

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

Plywood 2440x1220mm Grade B/BB, WBP	
Ceiba	per Cu.m
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	per Cu.m	
	Face 1-1.6mm	Core 1.7-2.5mm
Ceiba	413	360
Koto	503	450
Otie/Ilomba	440	415
Chenchen	426	415
Wawa	440	415
Bombax	440	415

Brazilian Plywood and Veneer

Exporting companies have felt no substantial change in the international market during the last two weeks.

Plywood exporters are still holding the 2-3 months order book. Some have mentioned that low prices, especially to the UK, are forcing them to search for alternative markets both in the international and domestic markets.

The Government has decided to completely eliminate export taxes it seems. Products classified as semi-finished or "semi-industrialized" have been subject to a State Tax varying between 4 and 13%. In case of wood products the tax is applied to sawnwood, veneer and other products classified as semi-industrialized. As soon as the new legislation on the state tax is put in force, Brazilian products will become more competitive in the international market, and exports of secondary wood products will increase substantially.

The export price list for plywood, published in August by ABIMCI (Brazilian Plywood and Industrialized Wood Producers Association), is presented below.

Brazilian Price List 1996-BR96		
Thickness	*MR*	*WBP*
4mm	*479*	*571*
5mm	*454*	*486*
5.5mm	*447*	*507*
6mm	*441*	*486*
9mm	*429*	*465*
10mm	*417*	*457*
12mm	*414*	*451*
15mm	*417*	*454*
18-25mm	*408*	*449*

Prices are C&F Continental Europe and the UK for BB/CC grade, B/BB is list plus 4%.

Veneer	*per Cu.m*
White Virola Face	
2.5mm	*US$260-320*
Pine Veneer (C/D)	*US$201*
Mahogany Veneer	*per Sq.m*
0.7mm	*US$2.30*

Plywood	*per Cu.m*
White Virola (US Market)	
5.2mm OV2 (MR)	*US$395*
15mm BB/CC (MR)	*US$348*
For Caribbean countries	
White Virola 4mm	*US$490*
Pine CDX USA	
9mm C/CC (WBP)	*US$265*
15mm C/CC (WBP)	*US$250*

Malaysian Plywood

MR Grade BB/CC FOB	
	Per Cu.m
2.7mm	*US$495-510*
3mm	*US$450-460*
9-12mm	*US$390-405*
18mm plus	*US$360-380*
WBP Grade BB/CC	
9-18mm	*US$450-470*
Phenolic Overlayed	
12-18mm	*US$490-510*
Domestic plywood	
9-18mm	*US$490-520*

Sanyan Wood Industries Sdn Bhd., a joint venture between Goodmatch and Noda Wood Co. and Ishinomaki Plywood Manufacturing Co. of Japan was officially opened by the Chief Minister of Sarawak recently. The company is said to be capable of a monthlyproduction of 8,000 Cu.m of high quality plywood for concrete formwork and floor panels.

Taiwan Province of China

Plywood	*per Cu.m*
2.7mm x 4' x 8'	*US$580-600*
5.0mm x 4' x 8'	*US$530-550*

Domestic Plywood Prices

Brazil

Rotary Cut (Northern Mill)	
	per Cu.m
White Virola Face	*US$160*
White Virola Core	*US$120*
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$1,400*

Indonesia

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

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*

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$14-15.5*
Rubberwood	*per Cu.m*
table-tops	*US$770—780*

Other Panel Product Prices

Brazil

Imports of particleboard and MDF are increasing. At present the domestic reconstituted panel industry is not able to meet all the domestic demand. The price for imported particleboard is very competitive and domestic prices are said to be too high to be competitive at the moment.

The shortage of particleboard has favored the plywood and blockboard industry. Some plywood mills are now close to full capacity and are suggesting that the volumes available for the export market, especially from mills located in the south, may be reduced.

Export Prices	
Blockboard 18mm	*per Cu.m*
White Virola Faced	
B/C	*US$312*

Domestic Prices	
Ex-mill Southern Region	*per Cu.m*
Blockboard	
15mm White Virola Faced	*US$440*
15mm Mahogany Faced	*US$840*
Particleboard	
15mm	*US$330*

Indonesia

Other Panels	*Per Cu.m*
Export Particleboard FOB	
9-18mm	*US$150-165*
Domestic Particleboard	
9-18mm	*US$215-225*
MDF Export (FOB)	
12-18mm	*US$250*
MDF Domestic	*US$290-310*

Taiwan Province of China, Imports

MDF	*per Cu.m*
Domestic Prices	
3-4mm thick	*US$305-320*
12-25mm x 4' x 8'	*US$270-280*
Particleboard	*per Cu.m*
12-18mm (4x8)	*US$170-180*

Malaysia

Hume Fibreboard in Malaysia will begin trial production at its second MDF plant at the begining of October. Marubeni Corporation has an agreement to take 30% of the production and the Corporation has a reported Yen 6 bil. investment in the facility.

Particleboard (FOB)	
	per Cu.m
6mm & above	*US$150-160*
Domestic	
6mm & above	*US$180-190*
MDF (FOB)	*per Cu.m*
Less than5mm	*US$260-270*
Gretaer than 6mm	*US$240-250*
Domestic Sales	
	per Cu.m
6-21mm	*US$265-275*

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting	*per Cu.m*
(for the Italian market)	*US$815-830*
Crown using Pulai or Jeluton	
(for Japanese market)	*US$710-730*
Laminated Scantlings	*US$680-710*
Laminated Boards	
Falkata wood	*US$305-325*
Laminated Boards	
Pine	*US$900-910*

Malaysia

Mouldings (FOB)	*per Cu.m*
Kembang Semangkok	
S4S to Japan	*US$930-940*
Skirting	*US$1050-1150*

Rubberwood parts and components:

Malaysia

Shaped chair seats	
(18-22mm 16"-18" squares)	
	US$2.95-3.20per pc
Finger jointed	*per Cu.m*
laminated boards	*US$835-850*
top grade	*US$895-910*

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

Furniture

Dining suite	
Solid rubberwood laminated top 3' x 5'	
with extension leaf and six hard seat chairs	
	US$210-220per set
Windsor Chair	*US$11.8-12.50ea*
Colonial Chair	*US$14.5-15.5ea*
Napolean Chair	*US$23-28ea*

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	*US42per 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

Firmer Plywood Market

The price of imported concrete formwork (CF) plywood has gone up because of the weakening Yen. CF plywood, including domestically produced plywood, has gone up by Yen 30-50. The prices of the CF plywood and softwood plywood are about to go up further.

Wholesale prices in the Tokyo metropolitan area in the first week of August were quoted as: 2.3mm Lauan plywood at Yen 340, 3mm at Yen 450, 4mm at Yen 540, 5.5mm at Yen 650. Domestic CF plywood at Yen 1,240 and imported CF ply (12mm, JAS) for Yen 1,270. The price of compound CF plywood is Some Yen 30-70 lower than Lauan plywood. Structural softwood plywood (12mm, Larch) is selling at Yen 1,150.

September prices for Indonesian 12mm are US$460 C&F Japan up about US$10 per Cu.m. Base panel flooring is now US$545 per Cu.m C&F up US$10. The price for flooring has exceeded the high of US$540 seen last November.

Southsea Log Market Steady

A firm mood remains in the southsea log market but the price is expected to be leveling off in the future. The market is now much more stable and price fluctuations are in relation to exchange rate adjustments rather than market trends.

Export prices for Meranti logs from Sarawak have been softening since August. Prices are down US$5-7 per Cu.m at 206-208 per Cu.m FOB. Some suppliers are reportedly offering US$200-203 per Cu.m. Small logs are at US$ 170-175 and Super small at US$160-165. Japanese importers are reporting that prices are weakening but are being resisted.

It is expected that African logs, for which contracts have been placed, will be arriving steadily until the end of the year.

Harvesting conditions have been worsening because of the continuing monsoon in Sarawak and Papua New Guinea. Some mountain concessions in PNG are reportedly closed because of heavy rain. The boycott of felling in PNG, as a reaction against the increase of the royalties, makes it very difficult to forecast the supply and demand. It is very difficult to see how deliveries to Japan from Sarawak can compensate for any short fall as demand for plywood logs in Sarawak is high.

Timber "Labeling" Discussed

The Japan Lumber Importers' Association (JLIA) held an explanatory meeting on labeling systems. Mr. Atsuo Ida, of the Wood Products Trade Office, the Forestry Agency, who often attends the international conferences on the labeling system as a Japanese representative, explained the concept and current system to the members of the JLIA.

The current price for White Seraya (1st Grade) of specific lengths is now Yen110,000-115,000 per Cu.m delivered to Wholesalers. Second grade is selling at Yen65,000-75,000.

Prices for imported laminated finger jointed lumber have increased to Yen140,000-160,000. It is reported that B-quality is in short supply and buyers are having to turn to A-quality.

Delivered Prices

Asian Log, Lumber and Panel Prices

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

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

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)	125,000

Plywood	Mill Gate Price Tokyo Area
Concrete Formboard	
Domestic Production from S.E Asian Logs	
	Yen per Sheet
11.5x900x1800mm Type 1	1,280
Thin	
2.3x910x1820mmType 2	320
Medium	
4.0x910x1820mm Type 2	520
5.5x910x1820mm Type 2	630

(Tokyo Market Price Per Sheet)	
Plywood	
2.4x91x1820mm	Yen320
3.6x91x1820mm	Yen460
5.2x91x1820mm	Yen570
Plywood for flooring	
11.5x94.5x1840mm	Yen1600
Plywood for Printing	
3.6x123x2440mm	Yen800

Company News

Shin-Nittetu Chemicals in Tokyo has announced that it will expand its imports of lumber mouldings and joinery products such as flooring, staircase stock and interior doors. The company is reported as indicating that it will triple current sales to five billion Yen. The company intends to negotiate contracts with 10 companies located in Myanmar, Laos, Thailand, Indonesia and China.

Report From China

Combating Plywood Smuggling

The Ministry of Forestry and the General Customs of China have agreed to cooperate to combat plywood smuggling. Both sides have agreed to strengthen the management of the plywood trade.

China's plywood industry has developed rapidly in recent years. The country has more than 500 plywood manufacturers with an annual production capacity of 3 million Cu.m. Some enterprises, it is reported, have sold plywood illegally into the specific economic zones. This is in violation of rules enacted by the State Council on the quantity of duty free commodities imported by the different economic zones.

Smuggling is causing the domestic plywood enterprises suffer heavy losses and some face bankruptcy. The memorandum signed by the Ministry of Forestry and General Customs is aimed at protecting the development of the domestic plywood industry and creating a fair environment for competition.

According to the memorandum, the Ministry of Forestry will inform the General Customs regularly on domestic and overseas market supply of plywood, price changes in the international market and suggestions on ways to prevent plywood smuggling.

Plywood Prices Up

The price of plywood in China has been rising recently. The market price of a plywood sheet of 3 mm thickness is now more than Yuan 42, which is more than Yuan 2 higher than the price in Guanzhow, and equates to a price of more than Yuan 224 per Cu.m.

Prices of Tropical Timber in Shanghi and Eastern China

Logs	*per Cu.m*
Keruing	*Yuan2450*
Red Meranti	*Yuan1900*
Mixed (hollow Heart)	*Yuan400*
Mengaris	*Yuan1900*
Mixed Redwood	
Myanmar	*Yuan3850*
Sawnwood	
Meranti	*Yuan3450*
Flooring	
Meranti T&G	*per pc.*
18x50mm 3m	*Yuan145*
Malas T&G	
18x70mm 2.2-4.1m	*Yuan130*
Panel Products	
MDF 3mm German	*Yuan38/sheet*
Plywood 3mm Indo	*Yuan44/sheet*

From Europe, an Update on the UK

The summer vacation period is over in the UK and the annual surge of optimism from the trade is in the air. Inflation remains low and with house prices begining to show some movement the trade is expecting to benefit. The expected rise in the market requires active promotion if it is to be sustained but too much competition at low profit margins does not encourage this. Some analysts are reporting that without a reduction of the number of players in the importing business profit margins will remain narrow even with an upswing in demand.

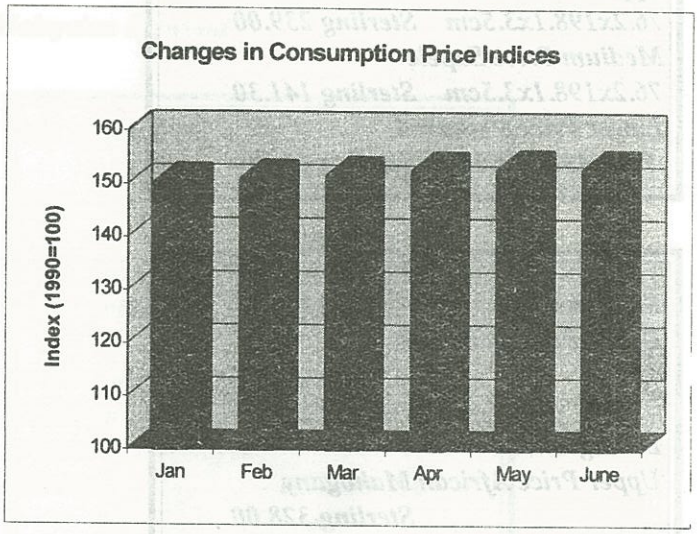
A recent survey has indicated that the UK's timber trade recorded a second quarter growth of sales for the first time since early 1995. However business is weaker than had been expected despite the fact that consumer demand was strengthening.

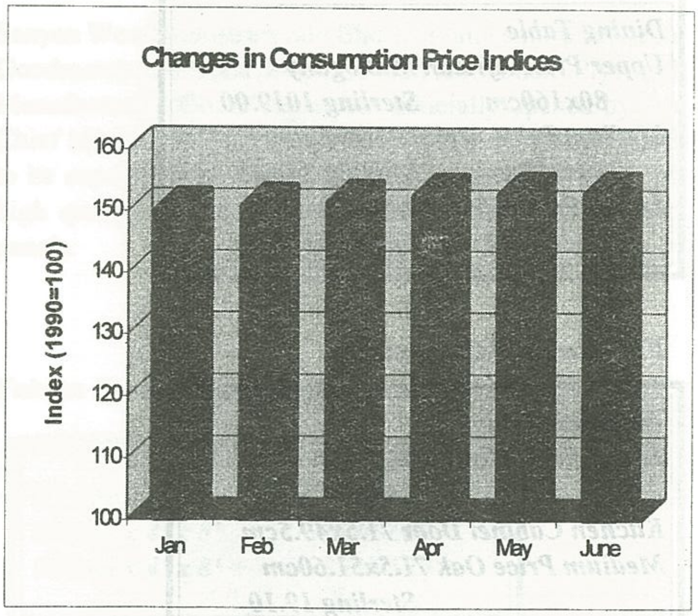
UK Company News

The office furniture manufacturer Bullough should report pre-tax profits of Stg 14.5m (it reported turnover of Stg54.8m and pre-tax profits of Stg 6.16m in the six months to April 30 1996).

In the year to 27 April 1996 the furniture group MFI registered a 12% fall in pre-tax profits, due to a rise in raw material costs and to the conversion of UK stores to a new format. MFI is now planning to enter the Spanish and Portuguese markets, and to open another 20-25 stores in France (where 25 stores opened in 1995).

Bedroom and kitchen door manufacturer Hills Panel Products has invested Stg 250,000 in upgrading facilities as its Oldham premises.





UK Prices

Wooden Windows	
Upper Price Hardwood 120x135cm	***Sterling, 293.00***
Medium Price Hardwood 120x135cm	***Sterling 215.90***
Lower Price Softwood 120x135cm	***Sterling 103.85***
Solid Wooden Doors	
Upper Price Meranti	
76.2x198.1x3.5cm	***Sterling 239.00***
Medium Price Sapele	
76.2x198.1x3.5cm	***Sterling 141.30***
Lower Price Veneered	
76.2x198.1x3.5cm	***Sterling 40.75***

Kitchen Chair	
Upper Price Solid Oak	***Sterling 323.00***
Dining Chair	
Upper Price African Mahogany	***Sterling 328.00***
Medium Price African Mahogany	***Sterling 208.00***

Dining Table	
Upper Price African Mahogany	
80x160cm	***Sterling 1019.00***
Medium Price African Mahogany	
80x160cm	***Sterling 884.00***
Lower Price African Mahogany	
80x160cm	***Sterling 693.00***

Furniture and Components

Wardrobe Door	
Lower Price 50x180cm	***Sterling 51.60***
Kitchen Cabinet Door 71.5x49.5cm	
Medium Price Oak 71.5x51.60cm	***Sterling 19.10***

Drawer Front	
Upper Price	
Melamine Faced Particleboard	
100x10cm	***Sterling 0.74/pc***
Medium Price	
Melamine Faced Particleboard	
100x10cm	***Sterling 0.59/pc***
Lower Price	
Melamine Faced Particleboard	
100x10cm	***Sterling 0.53/pc***

Other News From Europe

German Parquetry Consumption Reduced

In 1995, German parquetry consumption went up by 2% from the year before to 21.50mil Sq.m. During the past ten years parquetry consumption in Germany has quadrupled but consumption in 1994 and 1995 slowed. Last year, prefabricated parquetry was clearly the best performer with consumption going up by 12% to 14.51mil. Sq.m while consumption of traditional parquetry was almost unchanged. Consumption of mosaic parquetry has dropped from 5.38mil Sq.m to 4.17mil Sq. m.

Of the European timbers used for parquetry production, oak (domestic and imported) predominates in the production of solid-wood parquetry. The share of other, light-coloured species has grown markedly, however.

Apart from oak, parquetry producers use beech, maple and ash, and also, to a lesser extent, birch, alder, cherry, pine, larch, acacia and chestnut. In 1995, the share of species other than oak accounted for 25-35% of one-layer parquetry production.

The share of tropical species, previously accounting for 5-6% of the total parquetry production, dropped to about 2% during recent years.

Company News

The German office furniture maker 3K Buromoebel GmbH has been sold by the Swedish group EFG to Michael Sedlak, the firm's chief. EFG and 3K (which has a turnover volume of DM43 million) will continue their cooperation in purchasing and distribution of office furniture.

The Austrian timber industry registered a +1.9% drop in incoming orders to Sch 2.58 billion, with foreign orders up

2.9% to Sch 1.16 billion. The furniture sector, accounting for a 32.8% share of the total, registered a 2.7% growth in gross production to Sch 10.9 billion. The overall timber industry gross production increased by 3.9% to Sch 33.3 billion.

Kate, one of the biggest Latvian furniture traders, has launched the manufacture of kitchen furniture assembled from Latvian-made components and furnishings imported from Germany. Kate kitchens cost 2.5 times less than similar ones produced in Finland. The company is planning to launch the manufacture of office furniture this autumn.

Teka Industrial, the Spanish kitchen furniture group, registered a turnover increase to Pta 54,000 mil (from Pta 42,000 mil in 1994). Exports increased from Pta 8,700 mil to Pta 9,300 mil. Teka, which has plants in Portugal, Hungary, Mexico and Brazil is planning to increase its presence overseas.

Moebel Walther AG, Germany's seventh largest furniture trader, is taking over Moebel Mutschler GmbH & Co (Neu-Ulm), one of the leading furniture traders in the southern part of Germany with a 1995 turnover of DM 200 mil. The takeover will be effective from 1 January 1997.

Snaidero, the Italian kitchen furniture manufacturer, registered a L345.6 billion consolidated turnover in 1995, nearly the same as 1994, while net consolidated profits reached L4.1 billion.

US Industry Report

Wood Raw-Materials in the American Cabinet Industry, 1995

In 1995, the industry utilised approximately 428 MMBF of domestic and imported hardwood lumber. The volume of softwood lumber was far less, at around 61 MMBF, however, the usage of softwood lumber has increased by an astounding 82% during the past two years. Hardwood lumber is also being used to a much greater extent. Consumption of hardwood lumber increased by about 55% between 1993 and 1995.

The use of wood veneer - including veneers from tropical woods - was estimated at 26.0 MMSF in 1995. The consumption of this material also advanced at a very fast 88% during the past two years.

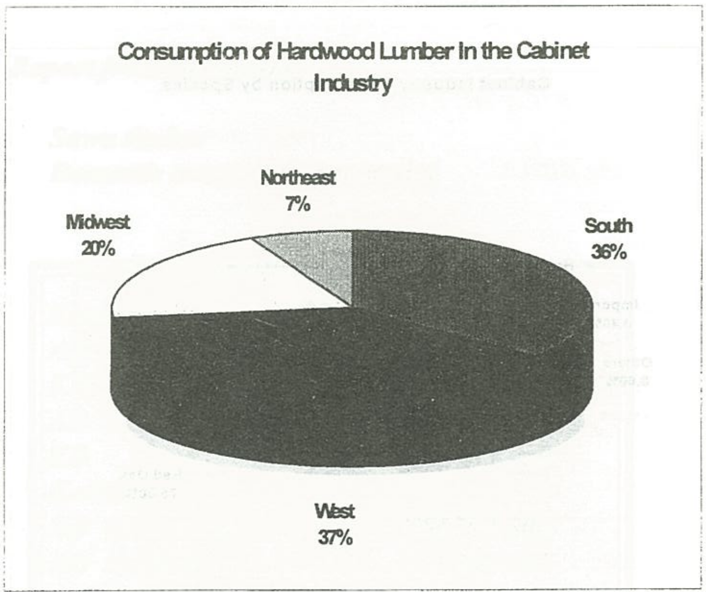
Considerable volumes of panel products are utilised by the American cabinet industry. Particleboard is by far the most heavily used panel product, with over 594 MMSF in use in 1995. The use of MDF amounted to 66 MMSF, and hardboard to 123 MMBF in 1995. Furthermore, the industry used 350 MMSF of hardwood plywood. Almost two-thirds of this (232 MMSF) was veneer core plywood, and the remainder was fibre core plywood.

Softwood plywood use amounted to only 57 MMSF. The use of all panel products increased at a much slower pace than that for lumber and veneer between 1993 and 1995, ranging from 15.5% for softwood plywood to 44.4% for particleboard.

Semi-finished Wood Products

The American cabinet industry purchased an estimated 13.5 MMBF of edge-glued cut-to-size panel blanks, 37.6 million manufactured cabinet doors and 18.8 million drawer fronts in 1995.

The Western USA is the most dominant region for cabinet manufacturing. Furthermore, nowhere in the United States is the cabinet industry growing faster than in the West. At the other end of the spectrum is the Midwest and North East, where the cabinet industry is of relatively minor importance and hardly growing.



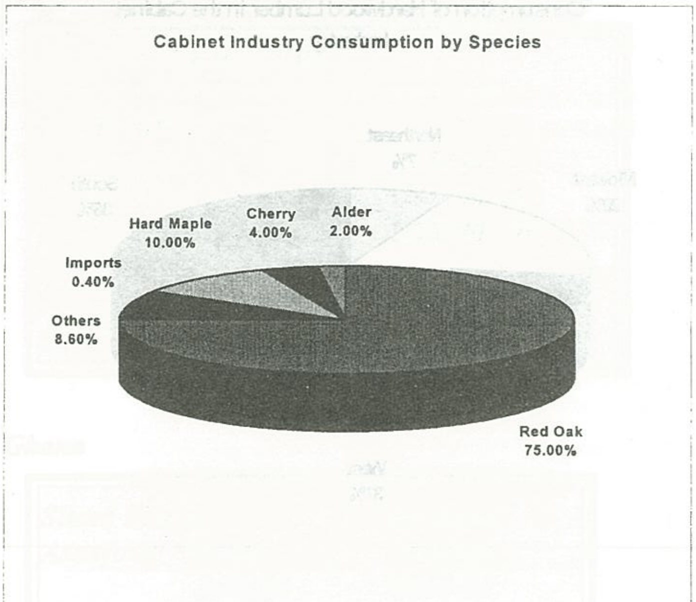
The cabinet industry in the West is a very important consumer of most wood raw materials and the growth of consumption is faster than anywhere else in the United States. This applies to hardwood lumber and veneer.

Cabinet manufacturers in the western region use the largest portion of hardwood lumber (37% of the industry total), followed by the South (36%). On the other hand, the Northeast uses relatively small amounts of hardwood lumber. The Midwest accounts for the largest portion (39%) of veneer core hardwood plywood, while the West is responsible for 67% of fiber core hardwood plywood used in the production of cabinets. The western and southern regions are also the top consumers of softwood lumber and softwood plywood.

Approximately 45% of all particleboard consumption in the cabinet industry is in the West while the Midwest States accounted for another 25%. The West and the South combined, use about 77% of the MDF used in cabinet making and 76% of all hardboard use.

Lumber Use by Species

Red Oak is the main hardwood lumber species used by the stock cabinet industry in the United States. This timber accounts for around 75% of the total hardwood lumber volume used in cabinet production. Hard Maple is the number two lumber of choice for cabinet manufacturers. Other hardwood species of some relative importance to the cabinet industry include Cherry and Alder.



Softwoods account for approximately 11% of total lumber usage in the cabinet industry. The use of softwood is strongest in the southern region. Southern pine is the most commonly used softwood species group, accounting for 40% of total softwood lumber used.

Eastern white pine lumber accounts for approximately 6%. All other softwood species categories make up just over half of the softwood lumber volume consumed by the industry. The major species reported in the "other" category are Spruce-pine-fir, Poderosa pine, Sugar pine, and Douglas-fir.

Imported lumber accounts for less than 1% of the total volume of lumber (hardwood and softwoods) used in the cabinet industry. This amounts to approximately 1 MMBF annually. Most of the imported tropical lumber is Mahogany, followed by Meranti (of various kinds).

As the cabinet industry is increasingly diversifying from its original concentration on kitchen cabinets and bathroom vanities to higher priced cabinets used in living rooms and offices, one may expect that the use of higher quality imported woods will increase.

Market Research

The IHPA has introduced a new Market Research Service (MRS) which could be of considerable use to exporters. An outline of this service is given on the following page.

IHPA - Market Research Service

For the past 40 years, the US based IHPA (International Wood Products Association) has worked to ensure continued healthy tradein wood and wood products. Its broad experience and deep knowledge of the industry has provided the necessary background for the creation of a new service of IHPA - Market Research Service.

Effective market research can help any company achieve their full potential in today's marketplace and IHPA can help companies evaluate the U.S. market potential for products currently exported to the U.S. Determining if there is a market in the U.S. for your product does not have to be expensive. IHPA offers a way to conduct market research and still keep initial costs low.

Market Research Service (MRS) Goals

MRS's main focus is determining product and market trends, challenges and opportunities while also identifying problems. The goal is to improve companies' efficiency, success and profitability. The MRS provides cost-effective, timely and usable information. MRS's goal is fast turnaround.

IHPA's Approach

IHPA will conduct market research in two phases. Phase One will provide a general overview for the client to review the information collected and determine if more research is essential to making a more valuable marketing decision. Phase Two (if selected) will detail and analyse further the potential benefits / problems with the clients product, target your market, and investigate the competition the products face in the U.S. marketplace.

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
		Stg	Pounds Sterling