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INTERNATIONAL TROPICAL TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Fate of Tropical Forests in Balance

As we head towards the year 2000, the fate of the world's tropical forests is still in the balance, according to the Executive Director of the International Tropical Timber Organization, Dr. B.C.Y. Freezailah. He was speaking from the Organization's headquarters in Yokohama on the occasion of the 21st Session of the International Tropical Timber Council, ITTO's governing body comprising the Organization's 53 member governments.

"The tropical forests provide goods and services to countless poor people in tropical countries," said Dr. Freezailah. "They also contain over half the world's biodiversity and store carbon which, if released by clearing, will contribute a significant amount of greenhouse gases to the atmosphere."

In recent years, international efforts to promote the sustainable development of the tropical forests have intensified. ITTO, one of the few international bodies which has the specific objective of promoting the conservation and sustainable development of tropical forests, commenced operation in 1986. In marking the tenth anniversary of the Organization, Dr Freezailah reflected on what had been achieved in that time.

He warned that member governments should not be complacent. "Having laid the groundwork for an effective response to the issue, it is imperative that we reinforce our achievements with more positive action on the ground."

This Council Session will be the last under the original International Tropical Timber Agreement. A new Agreement was concluded in 1994 and comes into effect on 1 January 1997.

Embodied in the new Agreement is the Year 2000 Objective, which states that by the year 2000 all tropical timber traded internationally should be obtained from sustainably managed forests. To help achieve this aim, the Bali Partnership Fund has been established, to which the Government of Japan has already pledged $11.5 million.

"With the coming into effect of the new Agreement, the framework for achieving the sustainable management of tropical forests will be in place," said Dr. Freezailah.

Press Release ITTO Yokohama November 1996

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Producers Report

Log Prices

International Prices

Log Prices, Gabon

The Asian market continues to be very active. Log production for export is forecast to be rising as more foreign companies, notably from Taiwan P.o.C and Malaysia, negotiate contracts to set up logging operations.

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

In the Malaysian state of Sabah the decision to lift the 3 year old ban on log exports has been confirmed. Royalty rates have been devised for three categories of logs. Class A for belian logs for which the Royalty is RM600 per Cu.m (approx. US$240 per Cu.m), Class B for Agathis and Merbau at RM500 per Cu.m (approx. US$200 per Cu.m) and Class C log RM300 (approx. US$120 per Cu.m). The industry is appealing the level of Royalty and is asking for a reduction.

Of the 2mil Cu.m of logs for which export licenses will be granted 500,000 Cu.m will be reserved for Yasan Sabah while another 100,000 will be allocated to the Sabah Bumiputra Timber Association.

Sarawak Log Export Prices		
(FOB)		*per Cu.m*
Meranti	*SSQ*	*US$220-225*
	small	*US$190-200*
	super small	*US$160-165*
Keruing	*SSQ floaters*	*US$225-230*
	SQ sinkers	*US$195-200*
	small	*US$150-155*
	super small	*US$120-125*
Kapur	*SQ Floaters*	*US$210-215*
Selangan Batu SQ up		*US$220-230*

Cameroon Log Prices

FOB		*Per Cu.m*
N'Gollon	*70cm+ LM-C*	*FFR1400*
Ayous	*80cm+LM-C*	*FFR1100*
Sapele	*80cm+LM-C*	*FFR1450*
Iroko	*70cm+LM-C*	*FFR1500*

South Sea Logs

FOB	*per Cu.m*
Pometia	*US$155-165*
Calophyllum	*US$150-160*
Terminalia	*US$130-135*
Other mixed species	*US$110-115*

Domestic Log Prices

Report From Brazil

The domestic demand for sawnwood and plywood is strengthening and this is beginning to impact on domestic prices for logs.

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

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	
Plywood logs	per Cu.m
Face Logs	US$165-175
Core logs	US$ 130-140
Sawlogs	US$125-135
Falkata logs	US$50-60
Rubberwood	US$35-38
Pine	US$60-65
Teak	US$850-1200
Mahoni	US$175-185

Report from Malaysia

Logs	
Domestic (SQ ex-log yard)	Per Cu.m
Meranti Bukit (SQ)	US$250-260
Kembang Semangkok	US$180-185
Merbau	US$190-200
Peeler Core logs	US$125-135
Rubberwood	US$32-34
Kempas	US$150-155
Keruing	US$190-200

Sawnwood Prices

International Prices

Brazil

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

Price rises for Mahogany have pulled up prices for sawn Sapele especially in the UK.

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

While there has been some improvement recently in demand in the Netherlands for PHND specifications overall the market is down. Total tropical hardwood imports for the first half of the year are down some 15% compared to last year.

Sawn Timber	
Export(FOB)	*per Cu.m*
Dark Red Meranti (DUC)	
GMS select & better (KD)	*US$735-740*
Seraya	
Scantlings (75x125 KD)	*US$765-780*
Perupok (25mm&37mm KD)	*US$800-815*
K.Semangkok	
(25mm&37mmKD)	*US$650-660*

Taiwan Province of China

Rubberwood	*per Cu.m*
25mm boards	*US$365-370*
50-75mm squares	*US$415-420*
75-100mm squares	*US$440-460*
Sepetir	
GMS (AD)	*US$360-370*
Ramin	*US$585-595*
Oak 25mm boards	*US$610-615*
Maple	*US$900-910*
Cherry	*US$1150-1200*

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 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$370-385*
KD	*US$490-500*
AD 3x20x400cm	*US$425-435*
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$410-420
Kempas50mm by (75,100&125mm)	US$230-235
Red Merantis (22,25&30mm by180+mm)	US$340-350
Rubberwood (25mm & 50mm)	US$280-290
50mm squares	US$310-320
75mm+	US$360-370

Plywood and Veneers

International Prices

Indonesian Plywood

Plywood (export, FOB)	
MR, Grade BB/CC	per Cu.m
2.7mm	US$495-505
3mm	US$450-455
6mm and above	US$370-375
WBP, Grade BB/CC	
12-18mm	US$475-480

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

The Brazilian plywood industry continues to be affected by the value of the Real and the high cost of borrowing which makes it very difficult for mills to finance purchases.

As Brazilian prices move to within about 5% of Indonesian price levels some buyers in Europe are turning back to Indonesian supplies.

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$500-505*
3mm	*US$450-460*
9-12mm	*US$380-390*
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$500-505*

Taiwan Province of China

Plywood	*per Cu.m*
2.7mm x 4' x 8'	*US$545-560*
5.0mm x 4' x 8'	*US$515-520*

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$440-460*
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$3.10-3.20*
Rubberwood unfinished	
Queen Anne Chairs	
(excluding soft seat)	*US$14 - 16.00*
Queen Anne Chair Legs	
2.25ins sq x 18ins	*US$1.1-1.2*
2.75ins x 28ins	*US$2.1-2.2*

Other Panel Product Prices

Brazil

Reconstituted panel prices continue to be high in Brazil but with new mills planned some production may find its way onto the export market.

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

Export Particleboard FOB	*per Cu.m*
9-18mm	*US$145-160*
Domestic Particleboard	
9mm	*US$265*
12mm	*US$235*
15mm	*US$220*
18mm	*US$210*
MDF Export (FOB)	
12-18mm	*US$210-220*
MDF Domestic	*US$280-290*

Taiwan Province of China, Imports

MDF	*per Cu.m*
Domestic Prices	
3-4mm thick	*US$300-310*
12-25mm x 4' x 8'	*US$270-280*
Particleboard	*per Cu.m*
12-18mm (4x8)	*US$170-180*

Malaysia

Particleboard (FOB)	*per Cu.m*
6mm & above	*US$155-160*
Domestic	
6mm & above	*US$180-190*
MDF (FOB)	*per Cu.m*
Less than5mm	*US$240-260*
Gretaer than 6mm	*US$210-230*
Domestic Sales	*per Cu.m*
6-21mm	*US$250-260*

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting	*per Cu.m*
(for the Italian market)	*US$835-850*
Crown using Pulai or Jeluton	
(for Japanese market)	*US$740-750*
Laminated Scantlings	*US$680-700*
Laminated Boards	
Falkata wood	*US$320-330*
Laminated Boards	
Pine	*US$880-900*

Malaysia

Mouldings (FOB)	*per Cu.m*
Kembang Semangkok	
S4S to Japan	*US$960-980*
Selagan Batu Decking	*US$570-580*

Rubberwood parts and components:

Malaysia

Shaped chair seats		
(18-22mm 16"-18" squares)		
	US$2.95-3.20	*per pc*
Finger jointed	*per Cu.m*	
laminated boards	*US$845-855*	
top grade	*US$895-910*	

Doors (FOB)	
Meranti (red) panel doors	
Grade A	*US$55-58 per pc*
Grade B	*US$48-50per pc*
Grade C	*US$43-45per pc*

Furniture

Dining suite	
Solid rubberwood Dining Table	
3' x 5'	*US$65-70*
Dining TableMDF with	
Oak Veneer	*US$80-85*
Windsor Chair	*US$11.8-12.50ea*
Colonial Chair	*US$14.5-15.5ea*
Napolean Chair	*US$23-28ea*
Queen Anne Chair (with soft seat)	
side chairs- no arms	*US$23 - 28ea*
side chairs- with arms	*US$25-30ea*

Taiwan Province of China

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$2,250*
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$500-600

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

Consumers Report

Report From Japan

The Japanese Forestry Agency recently held a Timber Supply and Demand Conference to review the estimates of timber consumption. As housing starts are above previous forecasts the earlier estimate of demand for lumber was in need of revision upward. It has been observed that the demand forecast for logs for plywood production should be revised upward by 5.3%. Total demand for timber has now been estimated to be 113.73mil Cu.m for the year with the estimate of plywood and veneer imports now been forecast at 89.7mil Cu.m

The short-term estimates for the year and for the first quarter of 1997 are shown below.

Demand for Southsea Logs(000's Cu.m)

1996				1997
1st	2nd	3rd	4th	1st
1438	1435	1395	1400	1340

1996				1997
1st	2nd	3rd	4th	1st
Logs For Lumber Production				
146	151	145	150	140
Logs For Plywood Production				
1292	1284	1250	1 250	1200

Demand for Lumber				
263	310	320	330	270
Demand for Plywood				
2317	2299	2500	2500	2300

With regard to Southsea logs for plywood manufacture the Forestry Agency report that, as more mills are shifting to using softwood logs for plywood production, demand for tropical logs will drop to 1.25mil Cu.m for the 4th quarter of 1996 and then down to 1.2mil Cu.m in the 4th quarter of 1997.

An improvement in housing starts has stimulated an increase in demand for plywood. It is estimated that demand will be up by 11% over the same period of last year. Demand is expected to reach 2.5mil Cu.m for the 4th quarter of 1996 and 2.3mil Cu.m for the 1st quarter of 1997. The increase in imports is expected to come from Canadian and Malaysian shippers. In the period January to June 1996 imports of plywood from Indonesia were 1,544,000 Cu.m an increase of 2.3% over last year. Malaysian plywood exporters have substantially increased there share of the Japanese market and now command around 25% of the market with some 608,000 Cu.m of sales.

The reaction to the lifting of the log export ban in Sabah has been greeted with caution in Japan. Importers are indicating that the market in Japan will not be able to absorb high priced logs from Sabah for plywood or for lumber production.

Perupok laminated umber continues to do well in Japan. Current prices reported are: 21mmx500mmx4m Yen180,000 per Cu.m.

Structural softwood is also posting a good performance at: Yen1200 per sheet for 12mm 3ft x 6ft.

The weak Yen is a matter of concern to importers who are reporting that they cannot pass on all the price increase.

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	*7,900*
Meranti (Hill, Sarawak)	
Small Lot	
(SM60%, SSM40%)	*7,100*
Taun, Calophyllum (PNG)	
and others	*6,700*
Mix Light Hardwood	
(PNG G3-G5 grade)	*5,500*
Okume (Gabonese)	*7900*
Keruing (Sarawak)	
Medium MQ & up	*8,300*
Kapur (Sarawak) Medium	
MQ & up	*8,200*

Logs For Sawnmilling FOB Price	
Melapi (Sarawak)	*Yen per Koku*
Select	*10,500*
Agathis (Sabah)	
Select	*9,500*

Lumber	*FOB Price Yen per Cu.m*
White Seraya (Sabah)	*Yen per Koku*
24x150mm, 4m 1st grade	*110,000*
Mixed Seraya 24x48mm,	
1.8 - 4m, S2S	*46,000*
Red Oak 5/4x6 ins and wider	
FAS (US East Coast)	*125,000*

Domestic Production from S.E Asian Logs	
	Mill Gate Price Tokyo Area
Concrete Formboard	*Yen per sheet*
11.5x900x1800mm Type 1	*1,280*
Thin	
2.3x910x1820mmType 2	*340*
Medium	
4.0x910x1820mm Type 2	*520*
5.5x910x1820mm Type 2	*630*

	(Tokyo Market Price Per Sheet)
Plywood	
2.4x91x1820mm	*Yen330*
3.6x91x1820mm	*Yen460*
5.2x91x1820mm	*Yen580*
Plywood for flooring	
11.5x94.5x1840mm	*Yen1630*
Plywood for Printing	
3.6x123x2440mm	*Yen800*

From Europe, an Update on the UK

The strength of Sterling is helping to mitigate commodity price rises in the producer countries. Landed stocks are now down below average and, although orders are being placed now, quoted deliveries are longer than expected. According to some importers margins are still very tight and any increase in demand must be accompanied by an improvement in margins, failing this some of the smaller importers will go out of business.

Mahogany demand still remains strong as is the demand for Sapele, however the price rise for these two timbers is going to help along Meranti. There is an air of optimism in the trade in general but early talk of the Christmas and New Year holidays is a sure sign that business is slowing just when it seemed ready to pick up.

The Japanese furniture company Okamura and British President Office Furniture have concluded a contract for a furniture range designed for the Asian market. The furniture will be manufactured in the UK and then distributed by Okamura amongst its 100 Japanese outlets.

DFS Furniture (an upholstery furniture producer and retailer) has had a 20% stake in the company sold by the Kirkham family (but which still remains the largest shareholder). The company, which posted a 19% surge in profits in the fiscal year to 27 July 1996, plans to invest some Stg30 million in expansion of its UK network, eight new stores will be opened by the end of the year.

Limelight, the UK kitchen, bedroom and bathroom furniture producer has predicted that pre-tax exceptional profits would be Stg15.8 million in 1996. The company will initiate a stock market share issue on 15 November to raise between Stg175 million and Stg190 million.

A Stg400,000 investment by F W Mason Timber Products will enable the firm to double its laminating capacity. This is the final stage in a two-year Stg 1million plus development. The latest addition is an eight-head moulder and an automatic press.

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

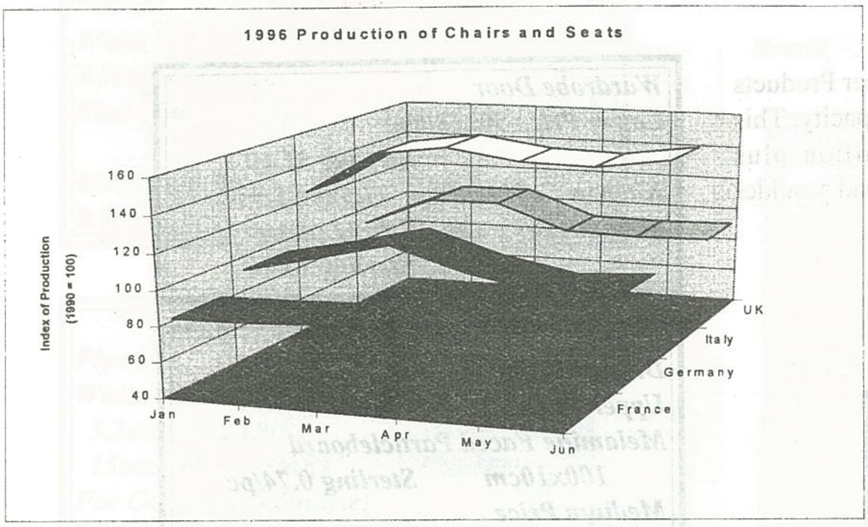
Drawer Front
Upper Price
Melamine Faced Particleboard
100x10cm Sterling 0.74/pc
Medium Price
Melamine Faced Particleboard
100x10cm Sterling 0.59/pc
Lower Price
Melamine Faced Particleboard
100x10cm Sterling 0.53/pc

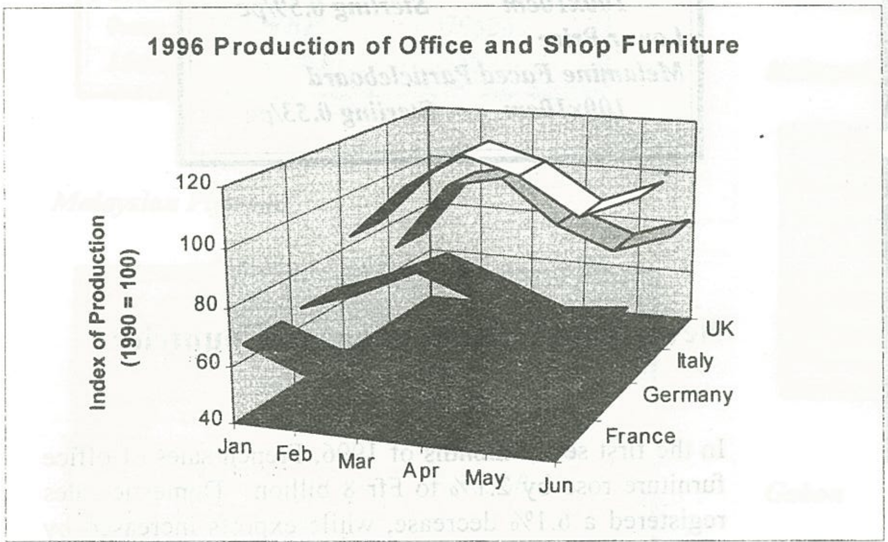
News from Other European Countries

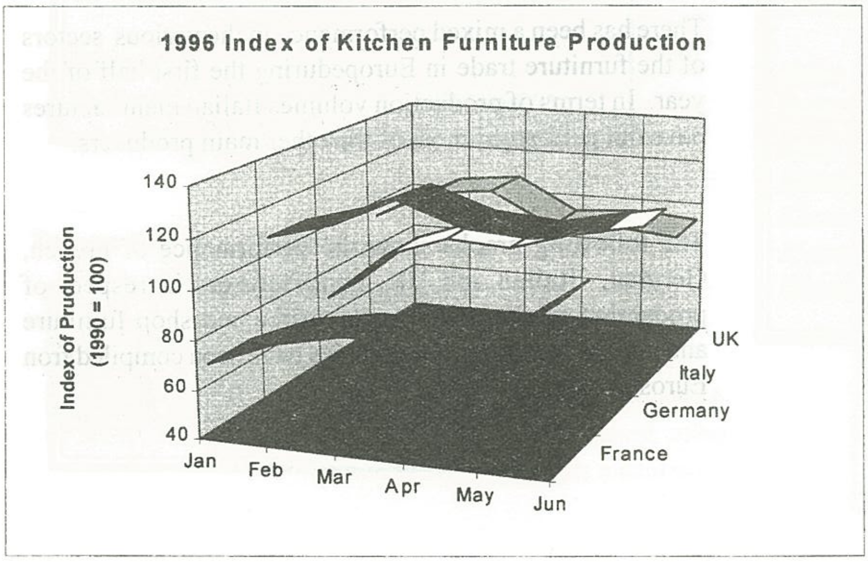
In the first seven months of 1996, French sales of office furniture rose by 2.1% to Ffr 8 billion. Domestic sales registered a 6.1% decrease, while exports increased by 15.7%.

There has been a mixed performance in the various sectors of the furniture trade in Europeduring the first half of the year. In terms of production volumes Italian manufactures have out performed most of the other main producers.

The following graphs show the performance of French, German, Italian and UK manufacturers in respect of production of chairs and seats, office and shop furniture and kitchen furniture. The graphics have been compiled fron Eurostat data.







Company News

The Czechia National Property Fund is to sell a 45.3% stake in Ton, the Czechia furniture manufacturer, for at least Kc 193.6 million.

In 1995 Dutch furniture producers (companies with more than 20 staff) reported a 5% fall in turnover to Fl 4.2 billion. Wooden furniture sales were worth about Fl 2 billion (-5%), while metal furniture sales increased by 9% to more than Fl 1 billion. In the same year, Dutch furniture exports declined by 6% to Fl 1.3 billion and imports declined by 5% to Fl 2.4 billion.

The Germany company Milewski Moebelwerke AG (Zeil), manufacturer of Allmilmo kitchen furniture, which went bankrupt in February 1996, is partly kept by J. la Tour (shareholder of Melaplast GmbH) under the name Zeiler Moebelwerke GmbH.

In 1995 German office furniture industry registered a 3.4% increase in turnover to DM 5.16 billion (wooden furniture accounting for DM2.78 billion). In 1996 turnover is expected to decline by a maximum of 5%. German manufacturers account for 91.5% of the total domestic market volume, which is worth DM 3.29 billion.

US Industry Report

US customs statistics on tropical woods are very imprecise and the differentiation between species is very rudimentary. Manyspecies are loosely lumped together into only three broad categories. These are:

Mahogany

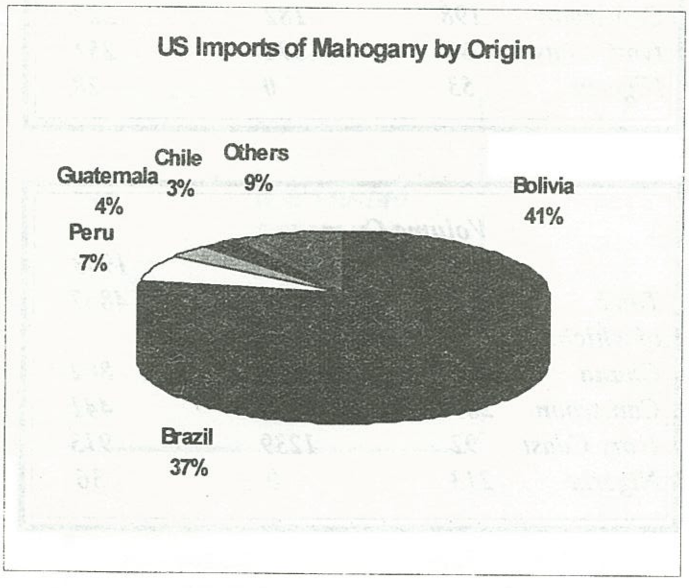
Dark Red Meranti, Light Red Meranti, Meranti Bakau, White Lauan, White Meranti, White Seraya, Yellow Meranti, Alan, Keruing, Ramin, Kapur, Teak,, Merbau, Jelutong, Kempas

Okoume, Obeche, Sapelli, Sipo, Acajou d'Afrique, Makore, Iroko, Tiama, Mansonia, Ilomba, Dibetou, Limba, Azobe

Species outside of these categories may actually end up in any of the above. Timbers from Guyana, for example, are grouped along with African timbers.

Mahogany Imports

In 1995, a total of 82% of the entire US import value of tropical woods (logs and lumber only) was Mahogany. This amounted to 138,890 Cu.m of lumber as Mahogany logs are no longer imported. The Mahogany imports were valued at US$ 86.6 million (custom valuation, excluding freight, insurance and duties). During the past three years, Mahogany imports have increased in volume and value terms and as a percentage of total imports.



Mahogany Log and Lumber Imports

	Custom Value (US$ 000's)		
	1995	***1994***	***1993***
Total	***86572***	***74107***	***53340***
of which:			
Bolivia	***35480***	***26828***	***14515***
Brazil	***31846***	***32370***	***32387***
Peru	***6049***	***4792***	***1982***
Guatemala	***3 015***	***2038***	***1524***
Chile	***2319***	***2794***	***295***
	Volume Cu.m		
	1995	***1994***	***1993***
Total	***138890***	***119745***	***98293***
of which:			
Bolivia	***51414***	***44668***	***24244***
Brazil	***47665***	***48740***	***58710***
Peru	***8654***	***7265***	***3565***
Guatemala	***5024***	***4061***	***3 600***
Chile	***9490***	***4474***	***442***

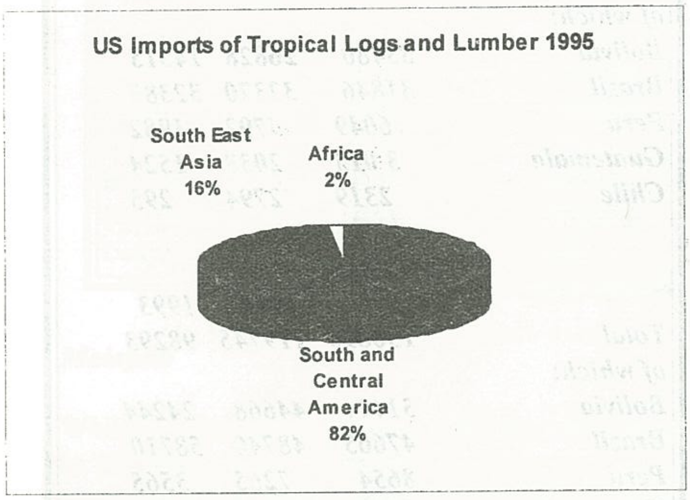
In 1995, Bolivia was the United States' number one source of Mahogany. Bolivia's share of the US trade in Mahogany amounted to almost 34%. This represented 51,414 Cu.m of wood valued at US$35.5 million. Bolivia has been gaining market share during the past few years, in 1993 its market share stood at only 21.5%.

Traditionally Brazil was the most important supplier of Mahogany to the US, but in 1995, it dropped to the number two position, surrendering the top rank to Bolivia. In 1993, Brazil's share of the US market was a staggering 48% but this fell to around 30% in 1995. In volume terms, this amounted to 47,665 Cu.m and was valued at US$ 30 million.

Bolivia and Brazil combined provide almost two-thirds of the US demand for Mahogany. Other supplier countries of lesser importance include Peru (5.7% share), Guatemala (2.9%), and Chile (2.2%). Outside of the South American continent, only Indonesia exports small quantities of Mahogany products to the US.

In 1995, the average import price for Mahogany lumber (based on customs data)was US$ 623 per Cu.m , up from US$ 619 in 1994 and US$ 543 in 1993. Peruvian, Bolivian and Brazilian Mahogany usually fetches a premium of approximately plus10%.

Only some 18% of tropical wood imports are non-Mahogany species, and their share in the overall tropical wood imports in declining. Most of the non Mahogany woods (16% of total imports of tropical woods) belongs to the Meranti group and related species.



In 1995, the US imported only 25,000 Cu.m of such woods, valued in excess of US$ 17 million. With the increasing scarcity of this group of woods, prices have been increasing rapidly. Between 1994 and 1995, the average price level shot up by 25%.

Main supplier countries in South East Asia are Malaysia, the Philippines, and Indonesia (US import figures for Malaysia are probably understated, as some Malaysian wood is still transshipped through Singapore).

The bulk of the SE Asian species is imported in the form of sawn lumber, however small and declining quantities still arrive in the form of logs. Log imports in 1995 amounted to a mere 1908 Cu.m . Indonesia, Taiwan P.o.C, Myanmar, and Thailand were the principal suppliers of unprocessed logs (mainly Keruing, Ramin, Kapur, Teak, Merbau, Jelutong and Kempas).

SE Asian Logs and Lumber Imports

Custom Value (US$ 000's)			
	1995	1994	1993
Malaysia	9137	9370	6413
Philippines	3411	4683	4193
Indonesia	1905	1953	1122
Taiwan PoC	656	67	0
Myanmar	617	0	39
Singapore	610	671	64
Thailand	537	0	0

SE Asian Logs and Lumber Imports

Volume Cu.m			
	1995	1994	1993
Malaysia	13978	17168	13292
Philippines	5552	7758	8144
Indonesia	4121	4335	2445
Taiwan PoC	344	21	0
Myanmar	293	0	42
Singapore	208	1401	145
Thailand	241	0	0

US imports of African woods (Okoumbe, Obeche, Sapelli, Sipo, Acajou d'Afrique, Makore, Iroko, Tiama, Mansonia, Ilomba, Dibetou, Limba, Azobe) is very small. While imports increased marginally in volume and value terms during the past few years, they declined as a share of overall American imports of tropical woods. In 1995, the volume amounted to 5,067 Cu.m valued at US$ 1.7 million. This represents a share of only 1.6% of total tropical wood imports. The market share of African woods in 1993 stood at only 2.2%. The only supply country of some importance is Ghana.

African Logs and Lumber Imports

Custom Value (US$ 000's)			
	1995	1994	1993
Total	1700	1796	1493
of which:			
Ghana	397	251	228
Cameroon	198	182	227
Ivory Coast	60	374	251
Nigeria	53	0	28

Volume Cu.m			
	1995	1994	1993
Total	5067	6234	4867
of which:			
Ghana	1061	820	802
Cameroon	289	370	441
Ivory Coast	92	1239	913
Nigeria	213	0	36

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