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INTERNATIONAL TROPICAL TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producers Report

Log Prices

International Prices

Malaysia

Sarawak Log Export Prices (FOB)	*per Cu.m*
Meranti SSQ	*US$215*
Mixed Light Hardwoods	*US$138*
Peeler Logs	*US$152*

Cameroon Log Prices

FOB		*per Cu.m*
N'Gollon	*LM-C*	*FFR1375*
Ayous	*LM-C*	*FFR1075*
Sapele	*LM-C*	*FFR1470*
Iroko	*LM-C*	*FFR1350*

South Sea Logs

FOB	*per Cu.m*
Pometia	*US$160-165*
Calophyllum	*US$160-165*
Terminalia	*US$135*
Other mixed species	*US$105-108*

Domestic Log Prices

Report From Brazil

logs	*per Cu.m*
Mahogany (1st Grade)	*US$255*
Ipe	*US$85*
Jatoba	*US$55*

Report from Thailand

Logs from Laos At Thai Border	*per Cu.m*
Pine	*US$190-200*
Yang	*US$215-225*

Logs from West Africa C&F Bangkok	*per Cu.m*
Tali	*US$250*
Padauk	*US$340-350*
Niove	*US$230*

Log Prices	*per Cu.m*
Plantation Teak	*US$180*
Forest Teak	*US$1065-1230*
Daeng	*US$290-295*
Pradu	*US$670*
Yang	*US$225-235*

	per Ton
Rubberwood	*US$45*
Eucalyptus	*US$37-45*

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Report from Indonesia

Domestic log prices	*per Cu.m*
Plywood logs	
Face Logs	*US$195-200*
Core logs	*US$135*
Sawlogs	*US$140*
Falkata logs	*US$40*
Rubberwood	*US$32*
Pine	*US$48-50*

Report from Malaysia

Logs	
Domestic (SQ ex-log yard)	*per Cu.m*
Meranti Bukit (SQ)	*US$225*
Kembang Semangkok	*US$135*
Selangan Batu	*US$139*
Merbau	*US$174*
Peeler Core logs	*US$150*
Rubberwood	*US$26*

Sawnwood Prices

International Prices

Ghana

Rough Sawn Prices FOB	
	per Cu.m
Mixed Redwoods	*US$340*
low grade Odum (Iroko)	*US$405*
Wawa	*US$210-230*
Wawa fixed dimensions	*US$270*
Wawa Boules	*US$200-220*
70cm log dia. 25-75mm. 450cm length	
For France	
Niangon Boules	*US$500*

Malaysia

Dark Red Seraya Select & Better	
European Market, FOB	*per Cu.m*
GMS	*US$590*
Strips	*US$365*
Scantlings	*US$675*

The market has strengthened for DRS (PHND) by around 15% and DRS (GMS) by around 2%. PHND is still in short supply. White Seraya is not in demand and prices are unchanged.

White Seraya Select & Better	
European Market, FOB	
	per Cu.m
GMS	*US$475-502*
Strips	*US$357-385*

Keruing Standard & Better	
European Market FOB	
	per Cu.m
GMS	*US$395*
Strips	*US$279*

Prices of Keruing have improved by about 5% for the popular sizes. Balau is currently not in great demand.

Balau Standard & Better	
European Market FOB	
	per Cu.m
GMS	*US$475-502*
Strips	*US$445-460*

Balau Merchantable	
European Market FOB	
	per Cu.m
GMS	*US$450-465*
Strips	*US$430-445*

Brazil

The international market is improving. Producers are holding new orders and upward price movements have been seen. The problem of supply due to the rain season continues. The USA market for value added products, such as doors and mouldings is improving. Producers are reporting that the European market is slower but better than two weeks ago.

The Asian market, particularly that of the Philippines and Thailand, for green sawn timber has been very slow.

Many sawmills producing exclusively for this market are being hard hit.

The Real is now being exchanged at Real 0.98 to one US dollar. As inflation is very low, no significant change in the exchange rate is expected for the following months in spite of the fact that exporters claim that the Real is overvalued in relation to the dollar.

Sawnwood FOB Belem and Paranagua Ports	
Mahogany KD FS	per Cu.m
(UK Market)	US$970
Jatobe Green	US$460-500
Jatoba KD	
(European Market)	US$665
Ipe AD	
(Japanese Market)	US$920
Ipe AD	
(US Market)	US$850
Massaranduba	
Green Asian Market	US$230-260

Taiwan Province of China

Balau FOB	
Merchantable	per Cu.m
GMS	US$390-420
Strips	US$260-360
Keruing FOB	
Merchantable	per Cu.m
GMS	US$300

The market price has dropped by around 2-5%.

Rubberwood	per Cu.m
25mm boards	US$375
50-75mm squares	US$405
75-100mm squares	US$445
Sepetir	
GMS (AD)	US$415-430
Oak 25mm boards	US$520

Domestic Sawnwood Prices

Brazil

There is general agreement in the industry that the market has improved (in terms of volume) in March. From previous years experience, further improvement in the market is expected in the coming months. April to September is normally a good period in the Brazilian market.

FOB (Green Nortern Mill)	per Cu.m
Mahogany	US$745
Ipe	US$430
Jatoba	US$400

Domestic prices of wood products remain relatively stable in spite of the very low inventories at the moment.

March inflation is expected to be mantained at the same level as February(0.4%), but petrol prices will go up around 10% shortly. This will affect costs, but no significant increase in prices is forseen.

Report from Thailand

Balau FOB	
Merchantable	per Cu.m
GMS	US$400
Strips	US$370

The market for these timbers in Thailand is currently dull as buyers have shifted interest to Brazil. Prices are down by 11-14%.

Report from Indonesia

Sawn timber Domestic construction material			
			per Cu.m
Kamper	AD	6x12-15cm	US$407
	KD		US$517
	AD	3x20cm	US$465
	KD		US$555
Keruing	AD	6x12-15cm	US$365

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau	US$410
Kempas	US$230
Red Merantis	US$340
Rubberwood	
25mm boards	US$280
50mm squares	US$305
75mm+	US$410
Nyatoh	US$310

Plywood and Veneers

Internatioanal Prices

Malaysian Plywood

Plywood (FOB)	
MR Type	per Cu.m
Grade BB/CC	
3-4mm	US$475
9-12mm	US$400
>18mm	US$395
WBP Type	
Grade BB/CC	
9-18mm	US$454
Phenolic overlaid	
WBP,Grade BB/CC	
12-18mm	US$525
Domestic plywood	
9-18mm	US$510-540

Indonesian Plywood

Plywood (export, FOB)	
MR,	per Cu.m
Grade BB/CC	
2.7mm	US$495
4.0-6.0mm	US$405
6mm and above	US$390-400
WBP,	
Grade BB/CC	
12-18mm	US$450

Brazilian Plywood and Veneer

FOB Belem and Paranagua Ports

Veneer	per Cu.m
Rotary Cut White Virola	
2.5mm	US$270-310
	Per Sq.m
Sliced Mahogany	US$2.20

Plywood	per Cu.m
White Virola BB/cc	INDO +4-5%
18mm Pinus CDX	
(US Market)	US$260

Taiwan Province of China

Plywood	per Cu.m
2.7mm x 4' x 8'	US$625
5.0mm x 4' x 8'	US$580

Domestic Plywood Prices

Brazil

Plywood producers in the south are facing veneer shortage due to the rain season. This situation is only expected to improve from May.

Rotary Cut Veneer		
FOB (Southern Mills)		per Cu.m
White Virola	Face	US$185
White Virola	Core	US$170
Plywood MR		
FOB (Soutern Mills)		per Cu.m
4mm White Virola		US$610
15mm White Virola		US$490
15mm Film Faced		
Concrete form board		US$750

Indonesia

Domestic MR plywood	
(Jarkarta)	per Cu.m
9mm	US$475
12mm	US$425
15mm	US$410
18mm	US$370

Thailand

Grade2/4 MR	
Yang	*per Cu.m*
3.2mm	*US$1028*
4mm	*US$943*
6mm	*US$903*
10mm	*US$878*
15mm	*US$859*
20mm	*US$867*
Grade A MR	
Rubberwood	*per Cu.m*
6mm	*US$480*
10mm	*US$370*
15mm	*US$393*

MDF	*per Cu.m*
6mm	*US$480*
12mm	*US$468*
16mm	*US$454*
19mm	*US$469*

Blockboard	*Per Cu.m*
15mm	*US$530*
20mm	*US$507*

Indonesia

Blockboard	*Per Cu.m*
	US$330

Taiwan Province of China, Imports

MDF (FOB)	*per Cu.m*
3-4mm thick	*US$350-360*
12-25mm x 6' x 8'	*US$290*
Particleboard	*per Cu.m*
18mm (5' x 8')	*US$210-220*

Malaysia

Particleboard (FOB)	*per Cu.m*
6 mm & above	*US$200-210*
MDF (FOB)	*per Cu.m*
>6mm	*US$280*

Furniture Parts and Components

Taiwan Province of China, Imports

Import	*per pc*
Rubberwood Chair seats	*US$3.30*
Rubberwood unfinished Queen Anne Chairs (excluding soft seat)	*US$15-16*

Rubberwood	*per Cu.m*
table-tops	*US$760-780*

Other Panel Product Prices

Brazil

Blockboard	*per Cu.m*
15mm White Virola Faced	*US$370*
15mm Mahogany Faced	*US$780*
Paricleboard	*per Cu.m*
15mm	*US$315*

Thailand

Particleboard	*per Cu.m*
10mm	*US$309*
12mm	*US$291*
16mm	*US$261*
19mm	*US$271*

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting	*per Cu.m*
(for the Italian market)	*US$900*
Crown using Pulai or Jeluton	
(for Japanese market)	*US$670*

Malaysia

Mouldings (FOB)	*per Cu.m*
Kembang Semangkok	
S4S to Japan	*US$850*
Rubberwood	
S4S to Japan	*US$455*

Brazil

Product	*per Sq.m*
Jatoba Floor 22mm	*US$22*
	Per Cu.m
Clear Pine Edge Glued	*US$860*

Rubberwood parts and components:

Shaped chair seats	
(18-22mm 16"-18" squares)	
	US$2.70 per pc
Pedestal legs(6"-8" dia.)	*US$9-10 per pc*
Finger jointed	
laminated boards	*US$800per Cu.m*
top grade	*US$900per Cu.m*

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

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*

Significant reductions are possible on all rates.

Indonesia

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

Ghana

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

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

Taiwan Province of China

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

Malaysia

Bundled Sawnwood
Malaysia to Rotterdam US$40-42 per Cu.m.

40 ft. container
Malaysia to West Coast USA at US$2500
Malaysia to East Coast USA US$3150

Port Klang / Taiwanese ports
USD 42 per Cu.m Bundled Sawnwood

Under the Nanyozai Freight Agreement demurrage and despatch rates have been revised upwards as of the 1st April 1996 for South Sea log shipments. Demurrage rates have been increased by US$800 per day for all vessels. Despath rates are at 50% of demurrage.

Consumers Report

From Europe, An Update on the UK

The UK office furniture maker Calderburn has reported a pre-tax loss of ú3.7 m last year after making a profit of ú5.5 m in 1994. Sales rose 8.7% to GB Pounds 61 mil., although with the sale of office chair component manufacturer Unit Press to its management for GB Pounds 6.5 mil, sales were up 14.5% toGB Pounds 42.9 m.

The Northampton Cabinet Co. has acquired fellow occasional, dining and reproduction furniture manufacturer Patricks, of Yeadon, for an undisclosed sum. The deal will add about GB Pounds 500,000 to Northampton's GB Pounds 2 mil, sales.

The UK discount furniture retailer Crazy George has planned over the coming 5-8 years an increase in total European branches to 1,000. As part of this expansion it is planned that 3 shops will be opened in France before the end of 1996.

Product Prices

While production prices continue to rise the ex-factory prices have remained constant for the first 3 months of the year reflecting the low level of activity in the market.

Wooden Windows
Upper Price Hardwood 120x135cm
Sterling, 293.00
Medium Price Hardwood 120x135cm
Sterling 215.90
Lower Price Softwood 120x135
Sterling 103.85

Solid Wooden Doors
Upper Price Meranti 76.2x198x3.5cm
Sterling 239.00
Medium Price Sapele 76.2x198x3.5cm
Sterling 141.30
Lower Price Veneered 76.2x198x3.5cm
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 71.5x49.5 Oak
Sterling 18.56

Drawer Front
Upper Price Melamine Faced Particleboard 100x10cm Sterling 0.78/pc
Medium Price Melamine Faced Particleboard 100x10cm Sterling 0.62/pc
Lower Price Melamine Faced Particleboard 100x10cm Sterling 0.56/pc

News from Other European Countries

In 1995 the Estonian company AS Viisnurk, manufacturer of fibreboard, skis and furniture with a staff of 850, achieved a total sales turnover of Ekr135 million. Post-tax profits exceeded Ekr 6.5 million (US$ 0.56 million), up by 33% on 1994. The production of wood fibreboard, under the trade name Isotex, was launched at the beginning of 1996. The compressed softwood fibreboard is manufactured without glue addition.

The Germany company Milewski Moebelwerke AG of Zeil, manufacturer of Allmilmo kitchen furniture, has filed for bankruptcy because unable to solve its liquidity problems. In 1993 Milewski, which employs 730 people, had a turnover of DM152 million.

Narova, an Estonian state-owned furniture company located in Narva, has been declared bankrupt by the local city court as its debts exceeded Ekr30 million (US$2.7 million).

Stora, the major Swedish forest corporation, has planned two drastic reductions of its business in the construction materials segment. The Lovene door factory will close resulting in the laying off 125 workers. The kitchen furnishings manufacturer Marbodal will also lay off some 100 out of its 600 employees.

The Germany furniture store chain Mobel-Walther is planning to build a 60,000 square metre shopping centre in Prague through Nabytek Walther, its Czech subsidiary. The project, worth an investment of DM160 million, should be completed by the end of 1998.

The French furniture manufacturer Tricoire has been put into liquidation by the commercial court of Niort on 31 January 1996. Tricoire has been granted a two-months authorisation to continue operating.

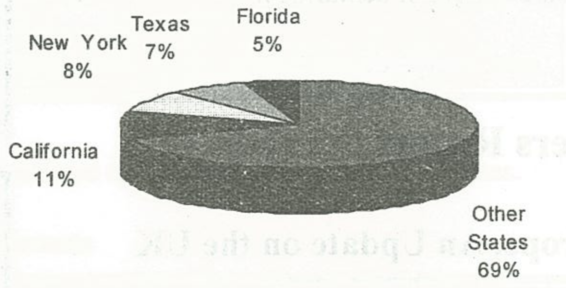
US Industry Report

The US Office Furniture Market

Sales Growth

Office furniture sales in the US totaled approximately US$9,450 million in 1995 and are forecast to grow to US$10.17 billion in 1996. Sales last year grew by 8%, the forth consecutive increase following the meagre increase of just 0.5% in 1990 and the 8.1% decline of 1991.

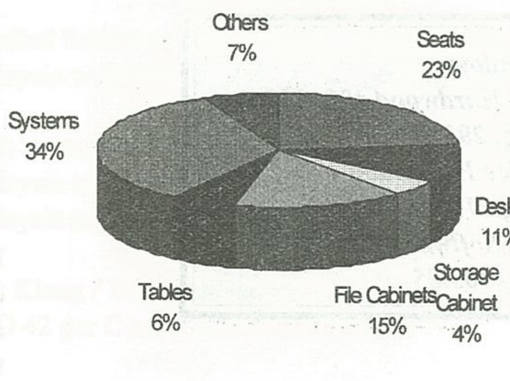
Regional Market Size For Office Furniture

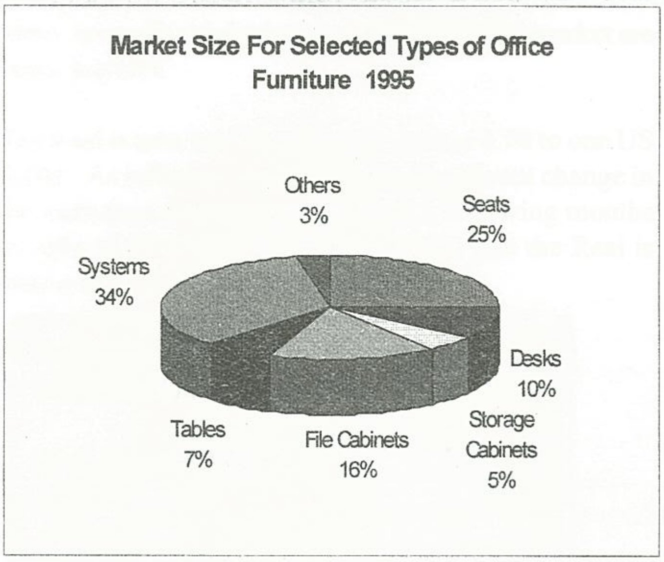


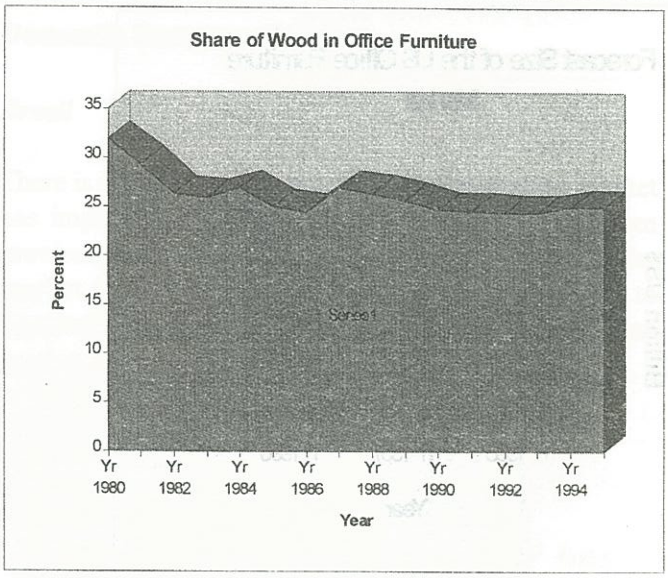
US exports of office furniture represents about 3.5% of total sales while imports account for about 7.5% of the domestic market. Domestic demand for office furniture, therefore, exceeds shipments by about 4%. It is worth noting that the retail value of this market in 1995 was significantly greater than US$9,450 million if distribution margins are taken into account.

While the office furniture market in 1995 exceeded its pre-recession peak level of 1990 by 20% in current dollar terms, in constant dollar terms it was ahead of its pre-recession peak level, achieved in 1989, by only 5%. Between 1981 and 1989, the period during which the demand for office furniture experienced uninterrupted growth, demand grew at an average annual rate of 9.8% in current dollar terms but just 5.6% per year in constant dollar terms. Interestingly, since the 1990 recession the market has grown at an annual pace of 6.9% in value terms and 4.8% in volume terms.

Market Size For Selected Types of Office Furniture 1987







Back in 1993 wooden office furniture accounted for US$1,970 million of the total market for office furniture, or 24.4% of the total. Since the early 1970s wood products have averaged about one-quarter of the office furniture market, though there has been considerable variation. For example, between 1977 and 1981, and again between 1987 and 1989, the long-term average share was exceeded significantly. These relative improvements occurred at the peak of a business cycle and were both redressed by the onslaught of a recession (1981-82 and 1990-91). The cyclical nature of the wood industry's share is understandable given that the office furniture segment of the market is relatively more expensive and is, therefore, more closely related to corporate earning trends.

"System furniture" for example modular types represented the largest market segment at more than US$3 billion in 1994, or more that 34% of the total. This segment is not only the largest, but over the period 1987 to 1994 it grew at a pace exceeding that of the total office furniture industry. The fastest growing segment, however, is "storage cabinets" which increased more than 46% over the last seven years. Tables (+42.7%), seats (+28.1%) and filing cabinets (23.8%) also outperformed the overall office furniture market by a wide margin.

The demand for desks grew only by 6.8% over this period as the continued computerisation of the office landscape called, instead, for the increased use of systems and tables.

Of the US$9.5 billion office furniture market in 1995, the bulk, an estimated US$7 billion, is required to as replacement furniture. Only the remaining US$2.5 billion represents a net new addition to the existing stock of office furniture.

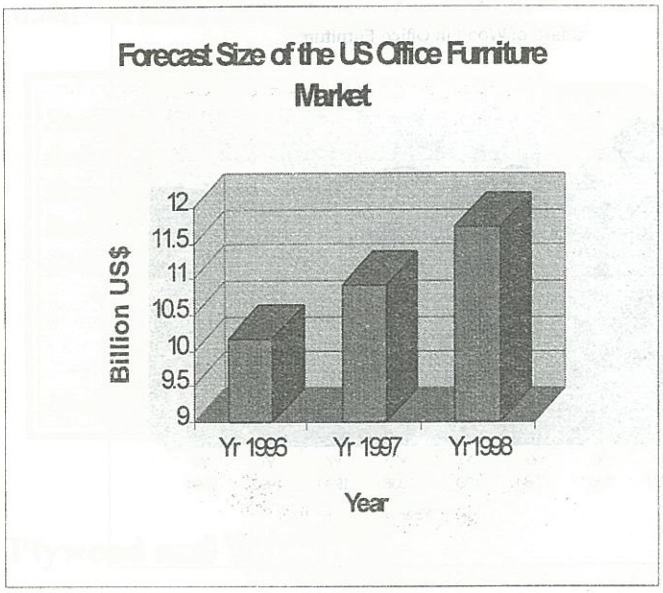
Regional Consumption

On a regional basis, California alone accounted for more than US$966 million of the total US office furniture market, followed by New York (US$713 million), Texas (US$608 million) and Florida (US$448 million). These four states collectively account for an estimated US$2.7 billion, or 31% of the entire US market.

Forecast and Anticipated Trends

It is expected that employment in the "office intensive" sector (defined as : finance, insurance, real estate, business services, and governments) will continue to grow at a pace exceeding that for the economy as a whole during the remainder of the 1990s.

The US economic outlook calls for total employment growth of about 1% per year for each of 1996. 1997 and 1998. Office employment is projected to grow 1.2% in 1996 and by 1.5% in each of 1997 and 1998.



Under these assumptions, industry analysts project a market size of US$10.17 billion in 1996, US$10.9 billion in 1997, and US$11.7 billion in 1998, these gains represent growth rates of 4.5% this year and 4% in each of 1997 and 1998.

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
		MR	Moisture Resistant
		pc	per piece
BB/CC	Grade B faced and Grade C backed Plywood	BF	Board Foot
MBF	1000 Board Feet	MDF	Medium Density Fibreboard
Sq.Ft	Square Foot	OSB	Oriented Strand Board
FFR	French Franc	F.CFA	CFA Franc