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INTERNATIONAL TROPICAL TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producer's Report

International Log Prices

Malaysia

The Sabah government has signed agreements with 10 private companies which will undertake sustainable forest management of one million ha of forest reserves in the state. Applications from several other companies for forest management unit (FMU) licenses are being processed as the government had identified 27 blocks, covering 100,000 ha each, for commercial forest reserves.

Sarawak Log Export Prices (FOB)	*per Cu.m*
Meranti SQ up	*US$185-195* ⇓
small	*US$160-165* ⇓
super small	*US$130-135* ⇓
Keruing SQ up	*US$200-210*
small	*US$170-180*
super small	*US$140-150*
Kapur SQ up	*US$190-200* ⇓
Selangan Batu SQ up	*US$200-210* ⇓

Solomon Isands

Several producers have export grade stock but no offers for shipment in October. Several major logging companies are suspending felling. The Solomon Islands Government's reliance on export receipts and taxation from log sales will be severely strained in coming months. Export prices and demand for hardwood round logs have fallen dramatically in the past month. Solomon Islands and PNG log exporters are facing the worst market conditions in decades. In PNG 12 major logging concessions have already closed down their operations.

The collapse in the log market which began with low grade mixed species has now spread to include all species and groups. Prices for pometia and calophyllum, the most plentiful and valuable commercial species of the country, have fallen from US$158.00 per Cu.m to below 130.00. Low grade and mixed species are now quoted at US$70.00, but no buyers are interested.

SIFIA Indicative FOB Prices

	Current Indicative Price per Cu.m	*Forecast Movement*
Group 1A		
Kwila	*no offers*	
Group 1B		
Palaquium	*US$ 133* ⇓	*signif. fall*
Planchonella	'' ⇓	*signif. fall*
Calophyllum	'' ⇓	*signif. fall*
Pometia	'' ⇓	*signif. fall*
Gonostylus	*no offers*	
Schizomeria	*US$128* ⇓	*signif. fall*
Group 2		
Canarium	*US$ 116* ⇓	*signif. fall*
Burckella	'' ⇓	*signif. fall*
Terminalia	'' ⇓	*signif. fall*
Group 3		
Dillenia	*US$ 105* ⇓	*signif. fall*
Celtis	*US$ 103* ⇓	*signif. fall*
Alstonia	'' ⇓	*signif. fall*
Dysoxylum	'' ⇓	*signif. fall*
Eugenia	'' ⇓	*signif. fall*
Endospermum	'' ⇓	*signif. fall*
Vitex	*no offers*	
Amoora	*no offers*	
Group 4		
Campnospermum	*US$ 105* ⇓	*signif. fall*
Mixed white	'' ⇓	*signif. fall*
Mixed red	'' ⇓	*signif. fall*

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Cameroon Log Prices

Five years after it was created, the Ministry of Environment and Forest has made significant efforts in ensuring the management of the country's forest reserves as well as protecting the environment. If significant progress has been made, it is because reforms have been undertaken to make the sector more profitable to the nation.

Reforms laid down by the Ministry centered on five major principles:
-getting local economic operators involved in the sector;
-mapping out the forest zones;
-placing more nationals in the sector;
-securing the forests by giving out long lease to economic operators;
-overseeing the rational use of other forest resources.

Annual revenue from the forestry sector increased from CFA 7,000 million in 1992 to an estimated CFA 26,000 million in 1997. Within the national economy, the forestry sector registered an enviable growth of around 5 percent of the GNP in 1992 this increased to 6.7 percent in 1997.

FOB		*per Cu.m*
N'Gollon	*70cm+ LM-C*	*FFR 1500*
Ayous	*80cm+LM-C*	*FFR 1100*
Sapele	*80cm+LM-C*	*FFR 1700*
Iroko	*70cm+LM-C*	*FFR 1650*

Cameroon has revised its export tax on logs as of 1 August. The new export tax rates are 113.75 French franc or approximately US$19 per Cu.m for Frake, up 75.5 percent or US$8.40. Others are up US$5.60 for Ayous for wide lumber and up US$9.85 for Azobe for exterior grade lumber.

Gabon Log Prices

Okoume, FOB	*per Cu.m*
LM	*F.CFA 147000*
QS	*F.CFA 130000*
CI	*F.CFA 100000*
CE	*F.CFA 90000*
CS	*F.CFA 70000*
Ozigo, FOB	
LM	*F.CFA 104000*
QS	*F.CFA 100000*
CI	*F.CFA 80000*
CE	*F.CFA 60000*

FOB	*per Cu.m*
Agba	*F.CFA 65000*
Niangon	*F.CFA 78000*
Sapelli	*F.CFA 85000*
Faro	*F.CFA 90000*
Padouk	*F.CFA 95000*

Domestic Log Prices

Report From Brazil

Logs at mill yard	*per Cu.m*
Mahogany Ist Grade	*US$320*
Ipe	*US$86*
Jatoba	*US$58*
Guaruba	*US$47*
Mescla(white virola)	*US$52*

Report from Peru

Domestic Log	*PricesEx-Yard Pucallpa per Cu.m*
Tahuari (Ipe)	*US$61*
Estoraque (Cabreuva)	*US$54*
Largarto (Jacareuba))	*US$46*
Quinilla (Macaranduba)	*4US$6*
Yacushapana (Tanimbuca)	*US$41* ⇓
Cumala (Virola)	*US$37* ⇓
Catahua (Assacu)	*US$21*

Ghana

Domestic prices have not dropped but falling demand in the construction sector is expected to impact on prices. There are many rumours that the log export ban is to be reviewed. Several companies are lobbying to have the ban lifted selectively to allow some exports of secondary species in log form.

Logs		*per Cu.m*
Ceiba	*90cm plus*	*US$40*
Otie/Ilombe	*60cm plus*	*US$50*
Emire/Framire	*60cm plus*	*US$55*
Ofram/Frako	*55cm plus*	*US$45*
Ekki/Azobe	*70cm plus*	*US$50*
Kussia/Billina	*70cm plus*	*US$50*

Guarea	*60cm plus*	*US$60*
Chenchen	*70cm plus*	*US$45*
Cedrella	*50cm plus*	*US$45*

Report from Indonesia

Prices for Teak logs are reported to have dropped by some 10 % recently. First quality logs, with a diameter ranging from 30-39 cm are reported to have dropped from about US$700 per Cu.m to US$630; 40-49 cm diameter logs decreased from about US1000 per Cu.m to US$980. This drop is generally attributed to the weak demand for furniture and other joinery products in the export market.

Domestic log prices	*per Cu.m*
Plywood logs	
Face Logs	*US$150-160* ⇓
Core logs	*US$ 110-130* ⇓
Sawlogs	*US$130-150* ⇓
Falkata logs	*US$65-72* ⇑
Rubberwood	*US$35-38* ⇓
Pine	*US$63-65*
Teak	*US$1250*
Mahoni	*US$330-350* ⇑

Report from Malaysia

Logs	
Domestic (SQ ex-log yard)	*per Cu.m*
DR Meranti	*US$220-235* ⇓
Balau	*US$180-195* ⇓
Merbau	*US$200-210*
Peeler Core logs	*US$120-130* ⇓
Rubberwood	*US$30-31* ⇑
Kempas	*US$130-135* ⇓
Keruing	*US$190-200* ⇓

International Sawnwood Prices

Brazil

Export Sawnwood	*per Cu.m*
Mahogany KD FAS FOB	
UK market	*US$1020*
Jatoba Green	*US$510*

Asian Market	*per Cu.m*
Guaruba	*US$285*
Angelim pedra	*US$270*
Mandioqueira	*US$240*
Pine (AD)	*US$175*

Peru

Export Sawnwood FOBCallao/Lima	
	perCu.m
Caoba (Mahogany)	*US$891* ⇑
Cumala (Virola)	*US$225*

Ghana

A large shipment of some 6000 Cu.m to Saudi Arabia is expected soon.

Sales to Saudi Arabia	
	per Cu.m
Mahogany	*US$320*
Edinam	*US$320*
Candollei	*US$315*
Wawa	*US$220*
Odum	*US$400*
Danta/Kotibe	*US$310*

Rough Sawn Prices FOB	
	per Cu.m
Mixed Redwoods	*US$330*
low grade Odum (Iroko)	*US$400*
Wawa	*US$220*
Wawa fixed dimensions	*US$260*
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*
Odum FAS 100mm	*US$700*
Wawa FAS 1.8m plus	*US$400*
Anegre	
FAS 150mm plus 2.4m plus	*US$640*

Malaysia

The Malaysian ringgit plunged to new lows recently and affected other Southeast Asian currencies with weakness. The ringgit hit a new all-time low of 3.1 to the dollar. The Thai baht hit a new offshore low of 36.40, after closing at 35.75 last week, due to a spillover from the ringgit's weakness.

The Indonesian rupiah fell to as low as 3,040 to the dollar from last week's close of 2,980, largely because of the side-effects of the ringgit's fall, but has been inching up.

Sawn Timber Export(FOB)	per Cu.m
Dark Red Meranti (2.5ins x 6ins & up)	
GMS select & better (KD)	US$630-650 ⇓
Seraya	
Scantlings (75x125 KD)	US$710-715 ⇓
Sepetir Boards	US$300-310
Perupok (25mm&37mm KD)	US$910-920 ⇓
K.Semangkok	
(25mm&37mmKD)	US$725-740

Taiwan Province of China

Rubberwood	per Cu.m
25mm boards	US$390-400
50-75mm squares	US$430-450 ⇓
75-100mm squares	US$490-500 ⇓
Sepetir	
GMS (AD)	US$370-380 ⇓
Ramin less than 2 ft.	US$550-560 ⇓
greater than 2 ft.	US$635-640 ⇓
Oak 25mm boards	US$750-790 ⇑
Maple	US$1100-1200
Cherry	US$1200-1280 ⇑

Domestic Sawnwood Prices

Report from Brazil

Sawnwood (Green ex-mill)	
Northern Mills	per Cu.m
Mahogany	US$859
Ipe	US$456
Jatoba	US$385
Eucalyptus AD	US$185
Southern Mills	
Pine (KD) First Grade	US$180

Peru Domestic sawnwood (Green)	per Cu.m
Caoba (Mahogany)	US$576
Cedro (Cedro)	US$352
Estoraque (Cabreuva)	US$136
Copaiba	US$112
Catahua	US$80

Ghana

Millers are reporting high stocks resulting from a slow down in the local economy. Interest rates are at around 45-50%.

Dahoma, Chenchen, Antiaris	per Cu.m
Mill Run 50x150mm	US$95-125
50x100mm	US$72-105
50x50mm	US$105-150
25x300mm	US$72-105
Mixed Redwood	
40x300x3.6m	US$105-240

Report from Indonesia

Sawn timber
Domestic construction material

Kampar	per Cu.m
AD 6x12-15x400cm	US$320-345
KD	US$435-455
AD 3x20x400cm	US$385-410
KD	US$490-505
Keruing	
AD 6x12-15cmx400	US$280-300
AD 2x20cmx400	US$320-330
AD 3x30cmx400	US$340-350

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau(25&50mm,100mm+)	US$350-380 ⇓
Kempas50mm by	
(75,100&125mm)	US$205-210 ⇓
Red Meranti	
(22,25&30mmby180+mm)	US$300-320 ⇓

Rubberwood		*per Cu.m*
25mm & 50mm Boards		*US$200-220* ⇓
	50mm squares	*US$260-290* ⇓
	75mm+	*US$320-330* ⇓

International Plywood and Veneers Prices

Indonesia

APKINDO predicts that the plywood exports to South Korea this year will drop by as much as 40 % following the depreciation of the won against the US Dollar. Trade statistics show that Indonesia exported about 0.5 million Cu.m and 0.65 million Cu.m of plywood to South Korea in 1996 and 1995 respectively.

Plywood (export, FOB)	
MR,	*per Cu.m*
Grade BB/CC	
2.7mm	*US$460-470* ⇓
3mm	*US$400-420* ⇓
6mm and above	*US$335-355* ⇓
WBP,	
Grade BB/CC	
12-18mm	*US$430-440* ⇓

Ghana

Rotary Cut Veneer FOB	
	per Cu.m
Face Veneer	*1-1.6mm*
Ceiba	*US$320*
Koto	*US$500*
Otie/Ilomba	*US$440*
Ofram	*US$440*

Inspite of a scarcity of veneer logs yet another company is installing a veneer line.

Sliced Veneer FOB	*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*

Thickness 0.55mm, Width 950 - 1250mm, Length 1550, 1850, 2150, 2450 mm.

Species	*Grade*	*DM per Sq m.*
Angre	*Interior*	*3.05*
Angre	*Backing*	*2.28*
Sapele	*Backing*	*2.25*
Makore	*Backing*	*2.25*
Khaya, Edinam, Kosipo	*Backing*	*2.06*

Plywood 1220 x 2440 mm Grade BB/CC, FOB		
Ceiba for the UK market		
	per Cu.m	
	WBP	*MR*
4mm	*Stg347*	*Stg278*
6mm	*Stg296*	*Stg249*
9mm	*Stg284*	*Stg248*
12mm	*Stg275*	*Stg238*
18mm	*Stg270*	*Stg230*
25mm	*Stg282*	———

Plywood 1220 x 2440mmGrade c/c WBP FOB	
Ceiba for the German market	
	per Cu.m
4mm	*DM735*
6mm	*DM623*
9mm	*DM613*
12mm	*DM600*
15mm	*DM587*
18mm	*DM573*

Brazilian Plywood and Veneer

Veneer	*FOB*	*per Cu.m*
White Virola Face		
2.5mm		*US$280-330*
Pine Veneer (C/D)		*US$190-210*
Mahogany Veneer		*per Sq.m*
0.7mm		*US$2.80*

Plywood FOB	*per Cu.m*
White Virola (US Market)	
5.2mm OV2 (MR)	*US$420*
15mm BB/CC (MR)	*US$340*
For Caribbean countries	
White Virola 4mm	*US$490*
9mm	*US$390*
Pine USA market	
9mm C/CC (WBP)	*US$270*
15mm C/CC (WBP)	*US$250*

Malaysian Plywood

The Malaysian plywood industry has been adversely affected by poor demand in the Asian region. The Sarawak Timber Association (STA) has reported that China was hardly buying now because its domestic production had increased. China used to buy about 12.5 per cent of the world's tropical hardwood plywood estimated at about 12 million Cu m per year. Now it is reported to be buying more veneer from neighbouring countries to combine with softwood to produce plywood.

South Korea has also reduced its plywood imports due to its weakened economy however buying by Japan was still reportedly strong. The STA reported that the forecast of increased demand in Japan had not materialized.

MR Grade BB/CC FOB	
	per Cu.m
2.7mm	*US$460-470* ⇓
3mm	*US$410-415* ⇓
3.6mm	*US$390-400* ⇓
9-18mm	*US$320-350* ⇓
WBP Grade BB/CC	
9-18mm	*US$400* ⇓
Phenolic Overlayed	
12-18mm	*US$470* ⇓
Domestic plywood	
3.6mm	*US$415-430* ⇓
9-18mm	*US$400-420* ⇓

Domestic Plywood Prices

Brazil

Rotary Cut Veneer	
(ex-mill 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$579*
15mm White Virola	*US$416*
4mm Mahogany 1 face	*US$1,308*

Indonesia

Domestic MR plywood	
(Jarkarta)	*per Cu.m*
9mm	*US$435-450*
12mm	*US$400-410* ⇓
15mm	*US$380-400* ⇓
18mm	*US$380-390* ⇓

Ghana

Decorative Sliced Veneer Surfaced Plywood

Avodire/Walnut/Figured Anegre/Hyedua/ Mansonia/Sapele faces	
	Cedi per Sheet
4mm	*20,000*
6mm	*23,000*
9mm	*25,000*
12mm	*30,000*
15mm	*33,00*
18mm	*36,000*
Mahogany/Edinam Faces	
	Cedi per Sheet
4mm	*18,000*
6mm	*20,700*
9mm	*22,500*
12mm	*27,000*
15mm	*29,700*
18mm	*32,000*

Furniture Parts and Components

Taiwan Province of China, Imports

Imports C&F	*per pc*
Rubberwood Chair seats	*US$2.80-2.90*
Rubberwood unfinished	
Queen Anne Chairs	
(including soft seat)	*US$20.00-24.00ea*
Queen Anne Legs	
2 1/4 ins square x 18 ins	*US$1.00-1.10ea*
2 3/4 ins square x 28 ins	*US$2.00-2.15ea*

Other Panel Product Prices

Brazil

Export Prices	
Blockboard 18mm	*per Cu.m*
White Virola Faced	
B/C	*US$285*
Domestic Prices	
Ex-mill Southern Region	*per Cu.m*
Blockboard	
15mm White Virola Faced	*US$490*
15mm Mahogany Faced	*US$908*
Particleboard	
15mm	*US$255*

Indonesia

Other Panels	*per Cu.m*
Export Particleboard FOB	
9-18mm	*US$145-155 ⇑*
Domestic Particleboard	
9mm	*US$225 ⇓*
12-15mm	*US$200-210 ⇓*
18mm	*US$200 ⇓*
MDF Export (FOB)	
12-18mm	*US$200-210*
MDF Domestic 15-18mm	*US$280-295*

Taiwan Province of China, Imports

MDF	*per Cu.m*
Domestic Prices	
3mm thick	*US$380-390 ⇓*
16-18mm x 4' x 8'	*US$265-275 ⇑*
Particleboard	*per Cu.m*
12-18mm (4x8)	*US$180-195 ⇓*

Malaysia

Particleboard (FOB)	*per Cu.m*
6mm & above	*US$150-155 ⇑*
Domestic	
6mm & above	*US$160-180*
MDF (FOB)	*per Cu.m*
Less than5mm	*US$240-260 ⇑*
Gretaer than 6mm	*US$210-220*
Domestic	*US$245-255*

Prices of Added Value Products

Indonesia

Mouldings	
Ramin casings	*per Cu.m*
(for the Italian market)	*US$900-925 ⇓*
Crown using Pulai or Jelutong	
(for Japanese market)	*US$760-780 ⇓*
Laminated Scantlings	*US$620-635*
Laminated Boards	
Falkata wood	*US$395-425 ⇑*
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	*US$800-820 ⇓*
Grade B	*US$600-620 ⇓*

Malaysia

Innovest Berhad of Malaysia has entered into an agreement with Simpex and Property Ltd. to acquire a timber concession covering 644,000 ha in the central-southern-eastern provinces of Cameroon, the deal is said to be worth US$4 million. The concession is for 15 years with a possibility for extension by another 15 years. Under the agreement the initial and maximum extraction rate is 500,000 Cu.m. With the agreement the concession will ensure uninterrupted supply of logs for Innovest's downstream operations.

Mouldings (FOB)	*per Cu.m*
Selagan Batu Decking	*US$590-615 ⇓*
Kembang Semangkok	
S4S to Japan	*US$1100-1250*
Laminated Scantlings	
72mmx86mm	*US$625-640 ⇓*
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	*US$825-845*
Grade B	*US$660*
Doors (FOB)	
Meranti (red) panel doors	
Grade A	*US$50-52per pc*
Grade B	*US$45-47per pc*
Grade C	*US$40-45per pc*

Ghana

Ghana exports very small quantities of added value products mainly finger jointed products, mouldings and some furniture parts. Exports of doors, furniture and frames for windows and doors to West African countries is on the increase. Manufacturers in this sector complain that their industry is often neglected by the authorities.

Rubberwood Parts and Furniture

Malaysia

Finger jointed	*per Cu.m*
laminated boards	*US$750-780-*
top grade	*US$800-810-*

Dining table	
Solid rubberwood laminated top 3' x 5'	
with extension leaf	*US$48-53ea ⇓*
Same with	
Oak veneered MDF	*US$60-65ea ⇓*
Windsor Chair	*US$11.00-12.00ea*
Colonial Chair	*US$12.50-14.50ea*
Napolean Chair	*US$20-24ea*

Queen Anne Chair (with soft seat)	
without arm	*US$20-24ea*
with arm	*US$24-28ea*

Brazil

Edge Glued Pine Panel	*per Cu.m*
for Korea 1st Grade	*US$770*
US Market	*US$530*

Taiwan Province of China

FurnitureDining suite (FOB)	
Oak Veneered MDF tables and	
chairs (6 per set) 4ft dia.	
	US$190-200per set ⇓
Dining table Cheery veneer	
Occasional table Cherry veneer	
top 2ftx4ft	*US$30-33ea ⇓*

Consumer's Report

Report From Japan

Revision of Plywood Standards

A revision of JAS for plywood for concrete forming and structural use was announced in August. The purpose of the revision is to meet cover plywood partly or wholly made of softwood and it came into effect on 5th September 1997. Existing grading is to remain effective until 5th November. The thickness of the face veneer is changed from 1.5 - 2.8 millimeter to 1.0 - 3.2 millimeter. The number of ply is stated at three and more down from five and more. The percentage thickness of face veneer is also changed from 40 to 60 percent to 30 to 70 percent. As to emissions of formaldehyde from plywood, three standards F1, F2 and F3 are defined following those for standard plywood.

Particleboard Imports Up

Imports of particleboard, OSB and MDF have increased. Imports of particleboard increased by 82 percent and MDF imports are up 12 percent. Imports of reconstituted board from Canada and the US amounted to 133,000 Cu.m, this is 55 percent more than the same period last year.

Southeast Asian Log Market

Markets for Southeast Asian logs have, in general, been weakening. Plywood markets remain dull after the normal midsummer holidays. Buying of small volumes is the norm. Import costs are not going down as the Yen is weaken. Exporter prices are weakening, Meranti regular logs are at US$188 per Cu.m, SQ and up, FOB. At the present Yen rates, importers are reporting import costs are above present market prices in Japan. Exporter prices for small Meranti logs are US$160-165 per Cu.m, which is also reported as above present market prices.

Strong Softwood Imports

Arrivals of European softwood lumber in July totalled 205,138 Cu.m, the highest figure so far this year and arrivals remain heavy.

Plywood

Plywood markets remain weak. Exporters and wholesalers expected a recovery of markets after the long midsummer holidays. Although imports of plywood are down, current levels of imports are still heavy in relation to consumption and supply in general is said to be heavy. The weak market is expected to remain slow for the balance of the year.

The demand for half-inch plywood is unfavorable as public construction and housing starts are down. Prices for domestically produced softwood plywood are at the bottom. Dumping prices have disappeared and domestic manufacturers have reduced production sharply. Half-inch plywood is sold at around Yen 950 per sheet for structural use and Yen 850 for underlayment use. Medium thickness plywood of 4 mm is sold at Yen490-500 per sheet and 5.5 mm at around Yen 600 per sheet.

Asian Log, Lumber and Panel Prices

Logs For Plywood Manufacturing	
CIF Price	*Yen per Koku*
Meranti (Hill, Sarawak) Medium Mixed	*7,700* ⇓
Meranti (Hill, Sarawak) STD Mixed	*7,600* ⇓
Meranti (Hill, Sarawak) Small Lot (SM60%, SSM40%)	*6,900* ⇓
Taun, Calophyllum (PNG) and others	*6,600* ⇓
Mix Light Hardwood (PNG G3-G5 grade)	*5,300* ⇓
Okume (Gabonese)	*7,810* ⇓
Keruing (Sarawak) Medium MQ & up	*8,100* ⇓
Kapur (Sarawak) Medium MQ & up	*7,920* ⇓

Logs For Sawmilling	*FOB Price Yen per Koku*
Melapi (Sarawak) Select	*11,500* ⇓
Agathis (Sarawak) Select	*9,500* ⇓

Lumber	*FOB Price Yen per Cu.m*
White Seraya (Sabah) 24x150mm, 4m 1st grade	*120,000* ⇓
Mixed Seraya 24x48mm, 1.8 - 4m, S2S	*50,000* ⇓
Red Oak 5/4x6 ins and wider FAS (US East Coast)	*125,000*

Other News From Japan

MDF and Particleboard

The markets for particleboard and medium-density-fiberboard in Japan are expanding and there are number of new plants beginning operation this year and early next year in Japan and overseas where Japanese companies invested.

Hokushin in Osaka, the largest producer of medium-density-fiberboard, will start production of First Board at its Star Wood Australia in George Town, Tasmania. Annual production capacity of 250 thousand cubic meters will be the largest in the world as one production line.

Samling Fiberboard in Baram, Sarawak, Malaysia started production of MDF in September. The company is owned 55 percent by Samling, 30 percent by Nissho Iwai Corporation and 15 percent by Dai Nippon Ink & Chemicals Inc. Investment amounts to Yen 8 billion for a designed annual production capacity of 100,000 Cu.m. About 85 percent of production is to export to the Japanese market. Samling Fiberboard will be the second largest MDF producer in Sarawak, Malaysia following Daiken Sarawak.

With regard to particleboard, a large project is underway in Japan after a long absence. Nippon Novopan in Sakai, Osaka prefecture, will start production of First Board, designed annual production capacity is 120,000 tons in late October at its plant at Tuskuba, Ibaraki prefecture.

Okura Kogyo in Marugame will restart production of particleboard after one year close down, it will produce 84,000 tons per annum.

		Yen per Sheet
Indonesian Plywood		
2.4mm (thin plywood, A board)	920 X 1830	340
3.6mm (midium thickness, OVL)	910 X 1820	470
5.2mm (midium thickness, OVL)	910 X 1820	580
8.5mm for sheathing (UTY)	910 X 1820	850
11.5mm for foundation	910 X 1820	1030
12mm concrete-form ply (JAS)	900 X 1800	1080
11.5mm flooring board (JAS)	945 X 1840	1760
3.6mm Baseboard for overlays (OVL)	1230 X 2440	800
5.2mm for packing	1230 X 2440	920
8.5mm for packing	1230 X 2440	1430
Malaysian Plywood		
2.4mm (thin plywood, A board)	920 X 1830	340
3.6mm (midium thickness, OVL)	910 X 1820	450
5.2mm (midium thickness, OVL)	910 X 1820	580
8.5mm for sheathing (UTY)	910 X 1820	820
11.5mm for foundation	910 X 1820	1000
11.5mm concrete-form ply (non-JAS)	900 X 1800	1080
11.5mm flooring board (non-JAS)	945 X 1840	1650
3.6mm Baseboard for overlays (OVL)	1230 X 2440	780
Softwood Plywood		
9.5mm foundation of wall (JAS)	1220 X 2440	1300
12.5mm Sheathing (T&G JAS)	606 X 2273	1000
15.5mm foundation (T&G JAS)	1220 X 2440	2300
9.5mmfor packing (non-JAS)	1220 X 2440	1280
Particleboard		
12mm for woodworking	910 X 1820	560
15mm for woodworking	910 X 1820	670
OSB		
11.9mmfoundation of roof (JAS)	910 X 1820	770
9.5mm Foundation for 2 by 4	910 X 2440	870
6.5mm for packing (non-JAS)	1220 X 2440	620
9.5mm for packing (non-JAS)	1220 X 2440	1020

Report From China

China-Malaysia Joint-Venture

In June 1997, the Malaysian government made a formal decision that the Golden Lion Group Corporation could proceed with plans to build a pulp and paper mill in Malaysia and utilise forest land jointly with Chinese enterprises.

According to reports two companies will be formed one to focus on the raw material supply and the other on pulp and paper production. For the raw material supply, forest based company, Malaysia takes 60% shares and China 40%. In the pulp and paper production enterprise, Malaysia takes 40% shares and China 60%. The two companies share one management group and the investment is put together and wholly provided by China. The two companies will sign a long-term contract to ensure raw materials being supplied steadily. It is estimated that the total investment will reach US$ 1.8 billion.

National Paper Industry Meeting

A national meeting on paper, sponsored by the Headquarters of Light Industry Committee of China, was held in Wuning, Hebei province. During the meeting, the issues facing the industry and possible solutions in order to meet the goals of the Ninth Five-year Plan and Objectives in 2010 in the Paper-making Industry were discussed and analyzed. To reduce any further risks of pollution advice on alkali-recycling measures were provided.

It is said that China's production and import of the paper and paperboard was 24.8 million tons and 4.5 million tons respectively in 1996. During the period from January to March this year, the import of the paper and paperboard was 1.13 million tons.

Paper Imports

According to the statistics from the Paper-making Council of Japan, in the first half of this year, exports of all kinds of papers to China from Japan was about 86,000 tons, which was more than three times that of the same period of last year. In the past, paper made in Japan was mainly exported to Hong Kong, and now demand has shifted to mainland of China. The export of paper to mainland China from Japan accounts for 30.3% of the total in the period from January to June this year, while export to Hong Kong is 23.2%. Due to the high growth of paper exports to China, the total paper export from Japan have increased by 91.5%.

Forest Plantation

In order to develop the pulp industry in Guangdong province the Guangzhou paper-making factory cooperated with Qingyuan County to establish pulpwood plantations. This has been supported by Guangdong forestry department, Guangzhou forestry bureau and Headquarters of Light Industry Committee. Investment is being provided by the paper-making factory and this has been complemented by county afforestation funds. The county forest bureau is responsible for providing technology, protecting the forest, preventing fire and controlling diseases and pests.

Prices for Imported Tropical Wood Products in Shanghai and Eastern China (Yuan/cubic metre or per sheet)

Keruing Log	*per Cu.m*
Length: 6-20m	*1880-2400*
Malaysian Lauan Log	
various sizes	*2500-2600*
Malaysian Lauan with hollow heart	
various sizes	*1200-1400*
Teak log Myanmar	
2.6m 40 cm dia	*2400*

Lauan lumber	*per Cu.m*
Thickness:5-6cm	
Length: 3-4m	*2850-3450*
Luan/Malas tongued, grooved flooring strip	
18x70mm x2.2-4.1m	*110-125per Sq.m*
Balian Flooring Top Grade Myanmar	
18x50-70x2400mm	*300-350per Sq.m*

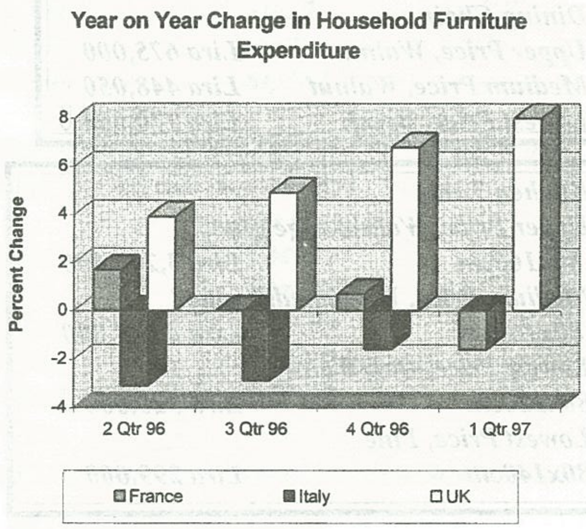
Plywood from Indonesia	
3mm 1220x2240	*41 per sheet*
US Lumber	*per Cu.m*
Oak, Maple, Cherry	*7000-14000*
T&G Cherry Flooring	
18x50-70mm x 2-4m	*120-140per Sq.m*

From Europe an Update on Italy

1996 turnover of the Italian producers of semi-finished products for the furniture industry was worth Ecu 880 million. Exports claimed a considerable share of this production, amounting to Ecu 360 million. The domestic market (worth some Ecu 550 million) is supplied, to some extent, by imports which account for little more than 5% of apparent consumption. Prices of semi-finished products increased only slightly, by a modest 0.5%.

Italy is the leading European producer of components for the furniture industry (accounting for 35% of the whole European production) while Germany is the main consumer country, accounting for 33% of European consumption. In 1996 the German production of semi-finished products for the furniture industry was worth Ecu 640 million, while apparent internal consumption was about Ecu 800 million.

By the end of 1999 it is reported that Ikea will double its outlets in Italy. The company will invest L 350 billion to create a network of nine stores. The openings in the Italian northern regions could be followed by other ones in the South, especially in the urban areas of Palermo, Naples and Bari. Ikea is also planning to open a new establishment in the Tuscany region.



Manufacturers Prices

Wooden Windows

Upper Price,	
Douglas Fir, 150x120cm	*Lira 793,000*
Medium Price	
Douglas Fir, 150x120cm	*Lira 629,000*

Lowest Price	
Pine, 150x120cm	*Lira 453,000*
Medium Price	
Mahogany, 150x120cm	*Lira 567,000*
Lowest Price	
Mahogany, 150x120cm	*Lira 385,500 ⇑*

Solid Wooden Doors

Upper Price, Mahogany	*Lira 1,100,000*
Oak/Elm	*Lira 860,200*
Medium Price, Tanganika	*Lira 554,000*
Mahogany	*Lira 742,000*
Lowest Price, Tanganika	*Lira 317,000*
Mahogany	*Lira 270,000*

Furniture and Components

Kitchen Chairs	
Medium Price, Beech	*Lira 172,000 ⇓*
Lowest Price, Pine	*Lira 43,000*
Dining Chair	
Upper Price, Walnut	*Lira 675,000*
Medium Price, Walnut	*Lira 448,050*
Lowest Price, Beech	*Lira 170,000 ⇓*

Kitchen Table	
Upper Price, Walnut edge glued	
80x160cm	*Lira 3,242,000*
Medium Price, Walnut edge glued	
80x160cm	*Lira 2,969,000*
Lowest Price, Oak/Walnut	
80x120cm	*Lira 320,000 ⇓*
Lowest Price, Pine	
80x140cm	*Lira 299,000*

Dining Table	
Upper Price, Walnut edge glued	
90x180cm	*Lira 4,163,640*
Medium Price, Walnut edge glued	
90x160cm	*Lira 2,976,700*
Lowest Price, Beech Cherry Walnut	
90x180cm	*Lira 1,100,000 ⇓*

Wardrobe Doors	
Upper Price, Walnut edge glued	
250x45cm	*Lira 1,018,000*
Medium price, Walnut edge glued	
250x45 cm	*Lira 699,000*
Lowest Price, Pine	
201x40cm	*Lira 380,000 ⇑*

Drawer Fronts (Office Furniture)	
Upper Price, Birch multilayer	
100x10cm	*Lira 2,150*
Medium Price, Birch multilayer	
100x10cm	*Lira 1,800*
Lowest Price, Birch multilayer	
100x10cm	*Lira 1,500*

Wooden Shelving	
Upper Price, Walnut edge glued	
100x24cm	*Lira 365,000*
Medium Price, Walnut edge glued	
100x24cm	*Lira 230,000*
Lowest Price, Walnut 100x24cm	
	Lira 100,000

Other news from Europe

The 63 furniture stores of the Mobel Unger chain will become independent firms. The German chain (DM 1.23 billion of gross turnover in 1996) was sold by Metro to a group of investors last May, and is still in the red: its stores will be sold to regional companies as from July 1997.

Ikea will lower its prices by 6-8% in Sweden, with the aim to counter the efforts of its competitors: certain products, like sofas, might register a 50% decrease. Ikea Svenska's sales increased by 10% this year and the company expects a similar growth in 1998.

In the fiscal year ending 26 April 1997 Uno, a UK furniture company, registered a decrease in pre-tax profits down to Stg 862,000 from Stg 1.06 million in the previous year. The result is due to expenses incurred by the company's 1996 flotation and its acquisition of the UK chain World of Leather (which is recording a strong performance).

Assmann Ladenbau, the shop fittings manufacturer based in Leibnitz, is planning a capital increase which should take place this autumn. The fresh capital will be used to expand Assmann's activities in Eastern European countries, mainly Czech Republic, Hungary and Slovak Republic. The company, which registered a profit of Sch 17 million in 1996 on sales of Sch 437 million, is already present in Croatia and Slovenia.

US Report

The American Market for Cane Furniture

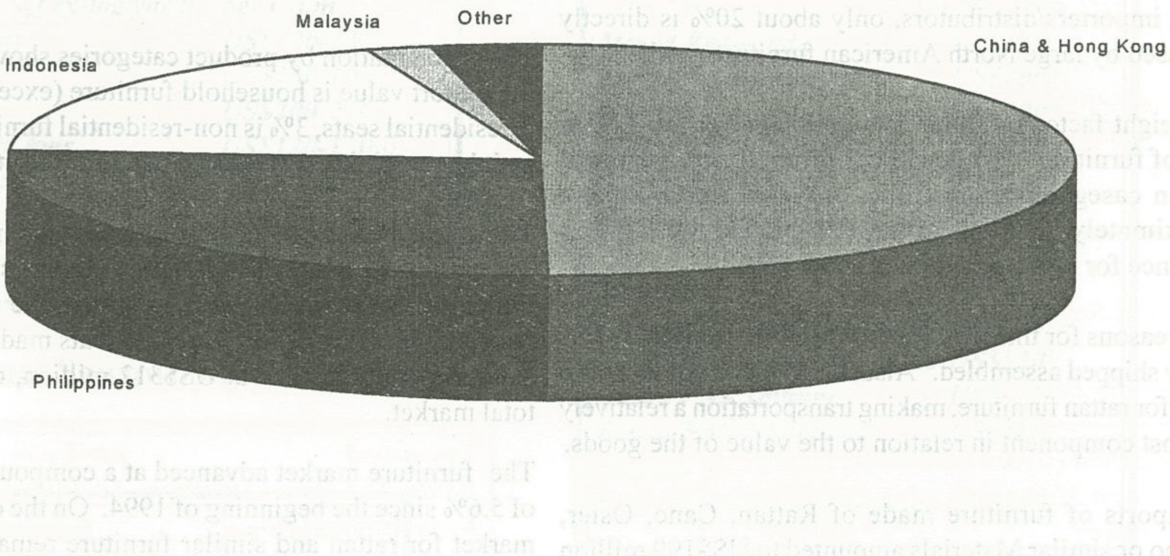
Rattan is used to produce a variety of furniture and styles. In North America, casual furniture stands out as the most widely seen application. This includes casual dining room furniture, chairs, sofas, loveseats, chaises, and swings. Occasional/ accent tables and accessory items - such as magazine racks and baskets - are also often produced from rattan. Less frequent applications are bedroom furniture, but dressers and chests are sometimes made of this material. In the US the use of rattan for formal dining room furniture is rare.

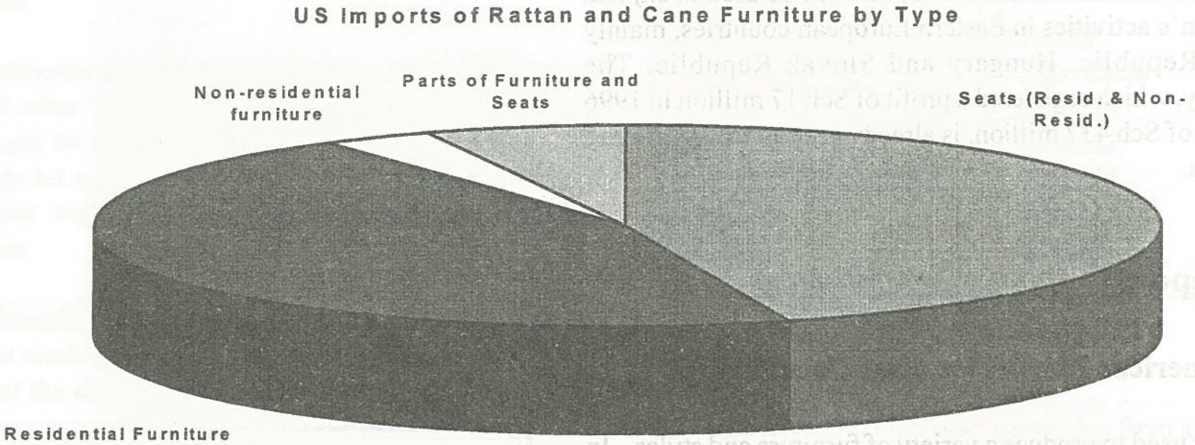
Rattan is associated with a warm and sunny environment, it is widely used in sunrooms. It is much more popular in the southern states and in California than in the colder northern regions.

With the buoyant US economy, consumers are increasingly looking for designer oriented styles and are prepared for higher prices. There is also a clear trend toward the use of "mixed media" combining rattan with metal, glass and other materials. The use of metal frames makes the furniture more affordable.

The production of rattan and wicker furniture is very labor intensive. This explains why virtually no rattan furniture is produced in North America and other countries with high labour costs. The only use of unprocessed rattan in the US is for repair purposes.

US Imports of Rattan and Cane Furniture and Parts, 1996





Virtually the entire consumption of rattan/wicker furniture in the US is supplied from imports, predominantly from China, the Philippines and Indonesia. Rattan is indigenous to those countries, and the low local labour costs are also conducive to the production of rattan/wicker furniture. Malaysia/Singapore and Taiwan are exporters of small quantities of generally more expensive and stylish rattan/wicker furniture.

Most rattan furniture imported into the United States does not contain much "accessories", such as cushions, glass and other embellishments. Many importers purchase only rattan parts for assembly and finishing in the US. It is common for 50% to 75% of additional value to be added to the imported pieces. Typically, rattan furniture is imported by US importers/distributors, only about 20% is directly purchased by large North American furniture retailers.

The freight factor for rattan is higher than for most other kinds of furniture. While US Cif-prices for conventional wooden casegoods from China or South East Asia are approximately 15% above the Fob-prices, the Cif-Fob difference for rattan furniture is about 25%.

main reasons for this fact. Rattan furniture is bulky as it is usually shipped assembled. Also, the value to volume ratio is high for rattan furniture, making transportation a relatively high cost component in relation to the value of the goods.

US imports of furniture made of Rattan, Cane, Osier, Bamboo or similar Materials amounted to US$199 million in 1996 (CIF-prices). This was 9% below the import value of US$218 million in 1994. With the booming American economy, it is anticipated that imports will increase and could reach US$217 million in 1997.

The American market size ,on the basis of wholesale prices, is much higher than import figures suggest. Importers and distributors add considerable value to the furniture (up to 35% of the CIF price), and their resale prices are marked-up by an estimated average of 20%.

The cumulative effect of those price additions is between 60-65%. On the basis of these assumptions, the 1996 import value of US$199 million translates into a wholesale market value of some US$322 million.

The segmentation of imports by principal raw material, reveals that the bulk of the furniture is made of rattan (89%) and only 11% is made of Cane, Osier, Bamboo or similar materials.

The segmentation by product categories shows that 46% of the import value is household furniture (except seats), 45% is residential seats, 3% is non-residential furniture and seats, and the remaining 6% refer to parts for furniture and seats.

The overall American furniture market (shipments - exports + imports) - evaluated at wholesale prices - stood at US$28 billion in 1996. In comparison to this, the market size of residential market of furniture and seats made of rattan and similar materials stood at US$312 million, or 1.1% of the total market.

The furniture market advanced at a compound annual rate of 5.6% since the beginning of 1994. On the other hand, the market for rattan and similar furniture remained stagnant. As a result the rattan market has been loosing market share from 1.35% in 1994 to 1.11% in 1996. For 1997, we anticipate the market share to moderately advance to reach 1.14%.

World Value of the US Dollar 26th September 1997

Australia	Dollar	1.3796	Indonesia	Rupiah	3120
Austria	Schilling	12.3415	Ireland	Punt	0.6949
Belgium	Franc	36.205	Italy	Lira	1713.955
Bolivia	Boliviano	5.29	Japan	Yen	120.77
Brazil	Real	1.0951	Korea, Rep. of	Won	914.85
Cambodia	Riel	2746	Liberia	Dollar	1
Cameroon	C.F.A.Franc	589.3	Malaysia	Ringgit	3.1335
Canada	Dollar	1.3834	Myanmar	Kyat	6.323
Central African Republic	C.F.A.Franc	589.3	Nepal	Rupee	56.95
China	Yuan	8.285	Netherlands	Guilder	1.79
Colombia	Peso	1246	New Zealand	NZ Dollar	1.5587
Congo D.R	New Zaire	117500	Norway	Krone	7.0843
Congo, People's Rep.	C.F.A.Franc	589.3	Panama	Balboa	1
Cote d'Ivoire	C.F.A.Franc	589.3	Papua New Guinea	Kina	1.4556
Denmark	Krone	6.6775	Peru	New Sol	2.6605
Ecuador	Sucre	4124	Philippines	Peso	33.5
Egypt	Pound	3.399	Portugal	Escudo	178.55
Fiji	Dollar	1.4637	Russian Fed.	Ruble	5866
Finland	Markka	5.2499	Spain	Pesata	148.096
France	Franc	5.893	Sweden	Krona	7.4947
Gabon	C.F.A.Franc	589.3	Switzerland	Franc	1.4483
Germany	Mark	1.7538	Thailand	Baht	35.15
Ghana	Cedi	2205	Togo, Rep.	C.F.A.Franc	589.3
Greece	Drachma	277.79	Trinadad and Tobago	Dollar	6.145
Guyana	Dollar	142.5	United Kingdom	Pound	0.6222
Honduras, Rep.	Lempira	13.18	Venezuala	Bolivar	497.65
India	Rupee	36.2	EU	Ecu	1.1136

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
BB/CC	Grade B faced and Grade C backed Plywood	pc	per piece
		ea	each
MBF	1000 Board Feet	BF	Board Foot
Sq.Ft	Square Foot	MDF	Medium Density Fibreboard
FFR	French Franc	F.CFA	CFA Franc
Koku	0.278 Cu.m or 120BF	⇓ ⇑	Price has moved up or down

This Market Service can be accessed on the ITTO Internet Home Page at:

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