



INTERNATIONAL TROPICAL

TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producer's Report

International Log Prices

Malaysia

Sarawak Log Export Prices (FOB)		per Cu.m
Meranti SQ up		US\$160-170
small		US\$130-140
super small		US\$100-110
Keruing SQ up		US\$180-190 ↓
small		US\$150-160 ↓
super small		US\$120-130 ↓
Kapur SQ up		US\$170-185 ↓
Selangau Batu SQ up		US\$180-200 ↓

Solomon Islands

Forestry Department Indicative FOB Prices
and SIFIA's forecast price trend

	Forestry Department Indicative Price per Cu.m	SIFIA Forecast Movement
Group 1A		
Kwila	US\$150	signif. fall
Group 1B		
Palaquium	US\$ 110 ↓	signif. fall
Planchonella	"	no report
Calophyllum	"	signif. fall
Pometia	"	signif. fall
Gonostylus	"	no report
Schizomeria	"	signif. fall

Group 2		
Canarium	US\$ 100 ↓	signif. fall
Burckella	"	signif. fall
Terminalia	"	signif. fall

Group 3		
Dillenia	US\$ 95	mod. fall
Celtis	US\$ 90	mod fall
Alstonia	"	signif. fall
Dysoxylum	"	signif. fall
Eugenia	"	mod. fall
Endospermum	"	signif. fall
Vitex	US\$150	no report
Amoora	US\$110	signif. fall

Group 4		
Campanospermum	US\$95	signif. fall
Parinari	US\$80	signif. fall
Marathes	"	signif. fall
Mixed white	"	signif. fall
Mixed red	"	signif. fall
Low Grade Logs	US\$80	signif. fall

The outlook remains very serious. Many companies have stopped felling and are concentrating on marketing their current stock

Cameroon Log Prices

FOB		per Cu.m
N'Gollon	70cm+LM-C	FFR 1750 ↑
Ayous	80cm+LM-C	FFR 1100
Sapele	80cm+LM-C	FFR 1730 ↑
Iroko	70cm+LM-C	FFR 1800 ↑

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Myanmar

Logs per Hoppus ton FOB		
	Sept 97	Oct 97
Teak		
3rd Grade	US\$4141	US\$3366
4th Grade	US\$2983	US\$2864
SG-1 Grade	US\$1968	US\$1949
SG-2 Grade	US\$1486	US\$1467
SG-3 Grade	US\$969	US\$ 911
SG-4 Grade	US\$1021	US\$ 960
Padauk		
3rd Grade	-	-
4th Grade	-	US\$969
Assorted	US\$705	US\$743
Pyinado	US\$294	US\$236
Gurjan	US\$294	US\$183
Thinwin	-	US\$646

Hoppus ton equivalent to 1.8 Cu.m. Teak 3-4th Grade for sliced veneer

Teak grade 1-4 for sawmilling. SG Grade 3 3ft - 4ft 11" girth, other grades 5ft girth minimum.

Papua New Guinea

Latest Price offers for November shipments are:

FOB	per Cu.m
Taun	US\$100-120 ↓
Calophyllum	US\$100-110 ↓
Group 2	
Amoora, Hopea	US\$80-95
	<i>wide variation depending on mix</i>
Group 3	
Celtis, Watergum	US\$70-85
Group 4	
Mixed Reds/Whites	US\$50-60
	<i>no buyer interest</i>

Gabon Log Prices

Okoume, FOB	per Cu.m
Grade	
LM	F.CFA 147000
QS	F.CFA 130000
CI	F.CFA 100000
CE	F.CFA 90000
CS	F.CFA 70000
Ozigo, FOB	
Grade	
LM	F.CFA 104000
QS	F.CFA 100000
CI	F.CFA 80000
CE	F.CFA 60000
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\$340
Ipe	US\$65
Jatoba	US\$50
Guaruba	US\$40
Mescla(white virola)	US\$59

Report from Peru

Domestic Log	Prices Pucallpa
	per Cu.m
Tahuari (Ipe)	US\$ 57
Estoraque (Cabreuva)	US\$ 53
Largarto (Jacareuba)	US\$ 45
Quinilla (Macaranduba)	US\$ 45
Yacushapana (Tanimbuca)	US\$ 44
Cumala (Virola)	US\$ 41
Catahua (Assacu)	US\$ 25

Ghana

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

Domestic log prices	per Cu.m
Plywood logs	
Face Logs	US\$135-150
Core logs	US\$105-120
Sawlogs (Merantis')	US\$120-150
Falkata logs	US\$65-68
Rubberwood	US\$32-35
Pine	US\$63-65
Mahoni	US\$380-400

Report from Malaysia

Logs	per Cu.m
Domestic (SQ ex-log yard)	
DR Meranti	US\$145-160 ↓
Balau	US\$160-180 ↓
Merbau	US\$160-170 ↓
Peeler Core logs	US\$100-120
Rubberwood	US\$25-30- ↓
Keruing	US\$170-200 ↓

International Sawnwood Prices

Brazil

Export Sawnwood	per Cu.m
Mahogany KD FAS FOB	
UK market	US\$980
Jatoba Green (dressed)	US\$505
Asian Market	
Guaruba	US\$265
Angelim pedra	US\$250
Mandioqueira	US\$205
Pine (AD)	US\$175

Peru

Export Sawnwood FOB Callao/Lima	per Cu.m
Caoba (Mahogany)	US\$881
Cumala (Virola)	no report

Ghana

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

		<i>per Cu.m</i>
<i>Guarea</i>	<i>FAS</i>	<i>US\$460</i>
<i>Ofram</i>	<i>FAS</i>	<i>US\$270</i>
<i>Emire</i>	<i>FAS</i>	<i>US\$460</i>
<i>Ekki</i>	<i>FAS</i>	<i>US\$335</i>
<i>Kussia</i>	<i>FAS</i>	<i>US\$330</i>
<i>Dahoma</i>	<i>FAS</i>	<i>US\$250</i>
<i>Cedrella</i>	<i>FAS</i>	<i>US\$410</i>

Malaysia

<i>Sawn Timber</i>	<i>per Cu.m</i>
<i>Export(FOB)</i>	
<i>Dark Red Meranti (2.5ins x 6ins & up)</i>	
<i>GMS select & better (KD)</i>	<i>US\$570-580 ↓</i>
<i>Seraya</i>	
<i>Scantlings (75x125 KD)</i>	<i>US\$600-620 ↓</i>
<i>Sepetir Boards</i>	<i>US\$250-270 ↓</i>
<i>Perupok (25mm&37mm KD)</i>	<i>US\$850-900 ↓</i>
<i>K.Semangkok (25mm&37mmKD)</i>	<i>US\$725-740</i>

Taiwan Province of China

<i>Rubberwood</i>	<i>per Cu.m</i>
<i>25mm boards</i>	<i>US\$300-320 ↓</i>
<i>50-75mm squares</i>	<i>US\$350-360 ↓</i>
<i>75-100mm squares</i>	<i>US\$400-420 ↓</i>
<i>Sepetir</i>	
<i>GMS (AD)</i>	<i>US\$280-300 ↓</i>
<i>Ramin less than 2 ft.</i>	<i>US\$560-590 ↓</i>
<i>greater than 2 ft.</i>	<i>US\$630-650 ↓</i>
<i>Oak 25mm boards</i>	<i>US\$780-800</i>
<i>Maple</i>	<i>US\$1200-1300</i>
<i>Cherry</i>	<i>US\$1150-1200</i>

Domestic Sawnwood Prices

Report from Brazil

<i>Sawnwood (Green ex-mill)</i>	<i>per Cu.m</i>
<i>Northern Mills</i>	
<i>Mahogany</i>	<i>US\$853</i>
<i>Ipe</i>	<i>US\$380</i>
<i>Jatoba</i>	<i>US\$305</i>
<i>Eucalyptus AD</i>	<i>US\$175</i>
<i>Southern Mills</i>	
<i>Pine (KD) First Grade</i>	<i>US\$170</i>

Peru

<i>Domestic sawnwood (Green)</i>	<i>per Cu.m</i>
<i>Caoba (Mahogany)</i>	<i>US\$593</i>
<i>Cedro (Cedro)</i>	<i>US\$411</i>
<i>Estoraque (Cabreuva)</i>	<i>US\$158</i>
<i>Copaiba</i>	<i>US\$130</i>
<i>Catahua</i>	<i>US\$84</i>

Ghana

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

Report from Indonesia

Sawn timber
Domestic construction material

Kampar	per Cu.m
AD 6x12-15x400cm	US\$290-300 ↓
KD	US\$390-400 ↓
AD 3x20x400cm	US\$350-370 ↓
KD	US\$430-460 ↓
Keruing	
AD 6x12-15cmx400	US\$240-270 ↓
AD 2x20cmx400	US\$280-300 ↓
AD 3x30cmx400	US\$300-310 ↓

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau(25&50mm,100mm+)	US\$260-280 ↓
Kempas50mm by (75,100&125mm)	US\$155-170 ↓
Red Meranti (22,25&30mmby180+mm)	US\$270-280 ↓
Rubberwood	
25mm & 50mm Boards	US\$160-180 ↓
50mm squares	US\$220-230 ↓
75mm+	US\$250-270 ↓

Myanmar

Sawn Hardwoods, length 6ft and up.
Prices remain unchanged.

	per ton
2nd Grade Sawn Teak	Kyat100,00
3rd Grade sawn Teak	Kyat55,000
Sawn Pyinkado	Kyat55,000
Sawn Padauk	Kyat60,000
Sawn Gurjan	Kyat36,000
Mixed Species	Kyat32,000
One ton equivalent to 1.4 Cu.m	

International Plywood and Veneers Prices

Indonesia

Plywood (export, FOB)	
MR,	per Cu.m
Grade BB/CC	
2.7mm	US\$380-400 ↓
3mm	US\$300-350 ↓
6mm and above	US\$280-300 ↓

Ghana

Rotary Cut Veneer FOB	
	per Cu.m
Face Veneer1-1.6mm	
Ceiba	US\$320
Koto	US\$500
Otie/Iomba	US\$440
Ofram	US\$440

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 2440mm Grade 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\$185-210
Mahogany Veneer		per Sq.m
0.7mm		US\$2.80

Plywood FOB	per Cu.m
White Virola (US Market)	
5.2mm OV2 (MR)	US\$390
15mm BB/CC (MR)	US\$330
For Caribbean countries	
White Virola 4mm	US\$470
9mm	US\$385
Pine USA market	
9mm C/CC (WBP)	US\$255
15mm C/CC (WBP)	US\$240

Malaysian Plywood

MR Grade BB/CC FOB	per Cu.m
2.7mm	US\$380-420 ↓
3mm	US\$320-360 ↓
3.6mm	US\$300-320 ↓
9-18mm	US\$280-320 ↓
Domestic plywood	
3.6mm	US\$355-380 ↓
9-18mm	US\$310-350 ↓

Myanmar

Hardwood plywood, FOB. Prices remain unchanged.

	per Cu.m
9mm BB/CC	US\$300
9mm Utility	US\$281
9mm B2	US\$262
9mm B3	US\$244
15mm BB/CC	US\$289
15mm Utility	US\$267
15mm B2	US\$256
15mm B3	US\$233

Domestic Plywood Prices

Brazil

Rotary Cut Veneer (ex-mill Northern Mill)		per Cu.m
White Virola Face		US\$165
White Virola Core		US\$119
Plywood (ex-mill Southern Mill)		
Grade MR		per Cu.m
4mm White Virola		US\$506
15mm White Virola		US\$346
4mm Mahogany 1 face		US\$1,209

Indonesia

Domestic MR plywood

(Jakarta)	per Cu.m
9mm	US\$380-400 ↓
12mm	US\$360-380 ↓
15mm	US\$320-350 ↓
18mm	US\$300-330 ↓

Domestic Prices

Ex-mill Southern Region	per Cu.m
Blockboard	
15mm White Virola Faced	US\$480
15mm Mahogany Faced	US\$870
Particleboard	
15mm	US\$239

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	33,000
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

Indonesia

Other Panels

	per Cu.m
Export Particleboard FOB	
9-18mm	US\$140-150
Domestic Particleboard	
9mm	US\$210 ↓
12-15mm	US\$180-200 ↓
18mm	US\$170-190 ↓
MDF Export (FOB)	
12-18mm	US\$180-210 ↓
MDF Domestic 12-18mm	US\$220-250 ↓

Other Panel Product Prices

Taiwan Province of China, Imports

MDF per Cu.m

Domestic Prices	
3mm thick	US\$280-310 ↓
16-18mm x 4' x 8'	US\$215-240 ↓

Particleboard per Cu.m

12-18mm (4x8)	US\$170-190 ↓
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Brazil

Export Prices

Blockboard 18mm	per Cu.m
White Virola Faced	
B/C	US\$275

Malaysia

Particleboard (FOB)

	per Cu.m
6mm & above	US\$140-155 ↓
Domestic	
6mm & above	US\$150-170 ↓

MDF (FOB)	<i>per Cu.m</i>
Less than 5mm	US\$210-240 ↓
Gretaer than 6mm	US\$180-200 ↓
Domestic Price	US\$200-240 ↓

Dining table	
Solid rubberwood laminated top 3' x 5'	
with extension leaf	US\$40-45ea ↓
Same with	
Oak veneered MDF	US\$52-60ea ↓
Windsor Chair	US\$10.0-12.0ea ↓
Colonial Chair	US\$12.0-13.0ea ↓
Napolean Chair	US\$20-22ea ↓
Queen Anne Chair (with soft seat)	
without arm	US\$16-18ea ↓
with arm	US\$21-23ea ↓

Prices of Added Value Products

Indonesia

Mouldings	
Ramin casings	<i>per Cu.m</i>
(for the Italian market)	US\$920-960 ↓
Laminated Scantlings	US\$560-610 ↓
Laminated Boards	
Falkata wood	US\$335-360 ↓
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	US\$750-800 ↓
Grade B	US\$530-560 ↓

Brazil

Edge Glued Pine Panel	
	<i>per Cu.m</i>
for Korea 1st Grade	US\$570
US Market	US\$530

Taiwan Province of China

Malaysia

Mouldings (FOB)	<i>per Cu.m</i>
Selagan Batu Decking	US\$560-580 ↓
Laminated Scanilings	
72mmx86mm	US\$580-600 ↓
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	US\$810-825
Grade B	US\$630

Furniture	
Dining suite (FOB)	
Oak Veneered MDF tables and chairs (6 per set) 4ft dia.	US\$145-170per set ↓
Dining table Cheery veneer	
Occasional table Cherry veneer top 2ftx4ft	US\$28-30ea

Rubberwood Parts and Furniture

Malaysia

	<i>per Cu.m</i>
Finger jointed laminated boards	US\$630-670 ↓
top grade	US\$700-750 ↓

Consumer's Report

Report From Japan

More Bankruptcies

The number of bankruptcies in the timber industry continues to grow. Namera, an importer of US, SE Asian and Chinese products has collapsed with a total debt of Yen 25.7 billion. Teshiogwa Lumber Organisation has filed for bankruptcy protection with debts amounting to Yen 7 billion. Akita-ken Wooden Housing has also filed for bankruptcy protection.

Under the present circumstances with banks and financial institutions fighting for survival, pressure is spilling over to the weaker companies who have depended heavily on the banks.

Prices Bottom Out

The industry is trying to put a brave face on the present situation and some are now talking of plywood prices having hit bottom. At current prices, and with the Yen at 130 to the dollar prices have to move up. Nippindo has announced a price rise on half inch plywood.

Prices for softwood plywood for both structural and non structural use are up. The readjustment of the stock situation over the past months has resulted in a more realistic stock level.

Imported Plywood Down

Statistics from the Ministry of Finance shows that Japan's imports of plywood decreased 17.3% last month compared to the same month last year. This is the third monthly decline against last year.

On the other hand, the total imports of Indonesian plywood January-September increased 10% to 2,660,000 cubic meters, and imports from Malaysia increased 24% to 1,248,000 Cu.m. With such a depressed market stocks are still substantial.

Imports in October are down 37% from last year. Imports in October from Indonesia are down 35% to 214,000 Cu.m and imports from Malaysia are down to 119,000 Cu.m a drop of some 40%.

US Log Exports

Arrivals of US logs in December are likely to be well down at around 230,000 Cu.m, much lower than forecast. Current imports are the lowest since 1965 when import figures started to be recorded in volume terms.

SE Asian Logs

Plywood markets have a long way to go before recovery and as a result the log market is depressed. Log arrivals are well down but at this level are satisfying demand. Sarawak and Southsea exporters have lowered prices but have reached their limit as logging operations have become unprofitable at the current prices.

Asian Log, Lumber and Panel Prices

Logs For Plywood Manufacturing CIF Price Yen per Koku

Meranti (Hill, Sarawak) Medium Mixed	7,300 ↓
Meranti (Hill, Sarawak) STD Mixed	7,200 ↓
Meranti (Hill, Sarawak) Small Lot (SM60%, SSM40%)	6,500
Taun, Calophyllum (PNG) and others	6,300 ↓
Mix Light Hardwood (PNG G3-G5 grade)	4,800 ↓
Okume (Gabonese)	7,600
Keruing (Sarawak) Medium MQ & up	8,000
Kapur (Sarawak) Medium MQ & up	7,500 ↓

Logs For Sawmilling FOB Price Yen per Koku

Melapi (Sarawak) Select	10,500
Agathis (Sarawak) Select	9,500

Lumber FOB Price Yen per Cu.m

White Seraya (Sabah) 24x150mm, 4m 1st grade	115,000
Mixed Seraya 24x48mm, 1.8 - 4m, S2S	47,000

Other News From Japan

Trade Liberalisation

APEC leaders summit decided to liberalise trade in the forest products sector.

The Japanese Ministry of Agriculture, Forestry and Fisheries says participating in this liberalisation is voluntary and that it cannot accept any stricter agreement than agreed at the Uruguay Round.

OSB to Japan for 1997

Ainsworth Lumber Co., Ltd., a major Canadian supplier of OSB to Japan estimates that their OSB supply to Japan will be down about 30% for 1997 compared to 1996. The reasons for decline is falling demand in the Japanese market and the substantial volumes of the stocks which exist. Japan imported about 200,000 cubic metres of OSB last year, of which 50-60% was supplied by Ainsworth.

Report From China

Prices in Hong Kong, September 1997

	HK\$ per Cu.ft	
Sarawak log 54"-71"		26.00
72"		27.00
Sawnwood		
Mixed Hardwood (locally sawn)		42-43.00
Imported Kapur		104-106.00
Imported Meranti		55.00-58.00
Taiwan P.o.C Plywood		
2.7mm		2.00
3.0mm		2.10
Plywood from Malaysia		
12mm		3.70-4.40
18mm		4.80-5.00
Plywood from Korea		
12mm		3.70-3.90
18mm		4.80-5.00
Plywood from Philippine		
12mm		3.80-4.00
18mm		4.70-4.90

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

	Yuan per Cu.m
Keruing Log	
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	
Thickness: 5-6cm	
Length: 3-4m	2850-3450
Luan/Malas tongued, grooved flooring strip	
18x70mm x2.2-4.1m	110-125
Balian Flooring Top Grade Myanmar	
18x50-70x2400mm	300-350
Plywood from Indonesia	
3mm 1220x2240	Yuan 4407
US Lumber	
Oak, Maple, Cherry	7000-14000
T&G Cherry Flooring	
18x50-70mm x 2-4m	120-140

From Europe an Update on the UK

The UK plywood market is depressed, with weak demand and fierce competition amongst importers. Purchasing decisions have become difficult, particularly for Far Eastern hardwood plywood, where price declines and uncertainty about future supplies are making buying decisions very difficult.

The trend seen earlier in the year for Indonesian plywood prices to steadily increase, moving up to Indo96 + 10%, has drastically changed. The official price is now around Indo96 + 7%, but agents are indicating that prices below this level are not uncommon for large orders.

Prices in UK

Despite a strong economy and a strong currency Little movement has been seen in consumer spending in the furniture sector. The market is looking for some improvement to begin in the first quarter of 1998. In the past two months no price increases have been recorded.

Wooden Windows

Upper Price Hardwood 120x135cm
Sterling, 301.15
Medium Price Hardwood 120x135cm
Sterling 244.75
Lower Price Softwood 120x135cm
Sterling 115.20

Solid Wooden Doors
Upper Price Meranti (new range)
76.2x198.1x3.5cm Sterling 351.00
Medium Price Sapele
76.2x198.1x3.5cm Sterling 142.20
Lower Price Veneered
76.2x198.1x3.5cm Sterling 49.00

Kitchen Chair
Upper Price Solid Oak
Sterling 333.00

Dining Chair
Upper Price African Mahogany
Sterling 333.00
Medium Price African Mahogany
Sterling 214.00

Dining Table
Upper Price African Mahogany
80x160cm Sterling 1134.00
Medium Price African Mahogany
80x160cm Sterling 906.00
Lower Price African Mahogany
80x160cm Sterling 693.00

Furniture and Components

Wardrobe Door
Lower Price 50x180cm
Sterling 63.15

Kitchen Cabinet Door 71.5x49.5cm
Medium Price Oak
Sterling 19.90

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 Sales of Window Scantlings

Some producers reported that instead of bigger orders customers are demanding smaller parcels and that prices are under severe pressure. Most seriously affected are imported scantlings as well as finger-jointed spruce and pine scantlings. Meranti prices have reportedly dropped by 10-15% as a result of devaluations in Malaysia and Indonesia.

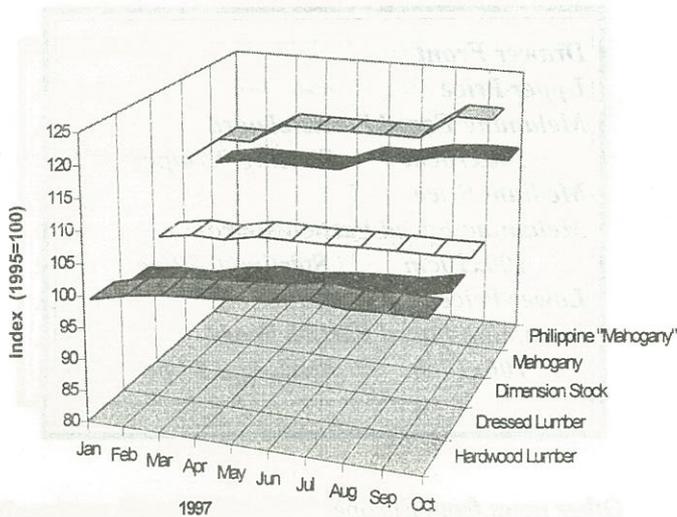
US Report

Raw Material Price Trends

This year's review of price movements for wooden raw materials and finished secondary wood products in the US does not distinguish itself much from the previous reports. Prices continue their upward trend. In almost every month of 1997, prices reached record levels only to be exceeded again in the months thereafter. The inflationary price trend is not confined to 1997, its beginning goes back to the second quarter of the last year and coincides with the general turnaround of the US economy.

The price index for rough domestic hardwood lumber stood at 102.7 as of October 1997, which is 7.5% above the level twelve month ago. Certain species exceeded this average by a wide margin. Cherry and Maple costs have risen dramatically. There is a strong demand for these and other species both in North America and overseas. This applies especially to thicker lumber, often cut from prime grade logs. Veneer mills are also demanding the best logs and pay top dollar for them.

Raw Material Price Indices



A few species experienced a moderate price decline in November, but the trade believes that this does not indicate the beginning of a turn-around. The general price trend will likely continue upward, at least as long as the economic expansion prevails.

Price increases have been felt most strongly for low-processed raw materials, notably logs and green lumber. This is a clear indication of the general shortage of quality hardwood lumber.

Prices of wooden products with a higher value-added increased to a much lesser extent. This starts with kiln dried lumber and dressed lumber, all the way up to dimension stock, plywood and veneer.

Some reference prices for lumber in selected producer regions are shown below as of December, 1997:

Prices for 1000 board feet (MBF), 1 inch thick, top quality)

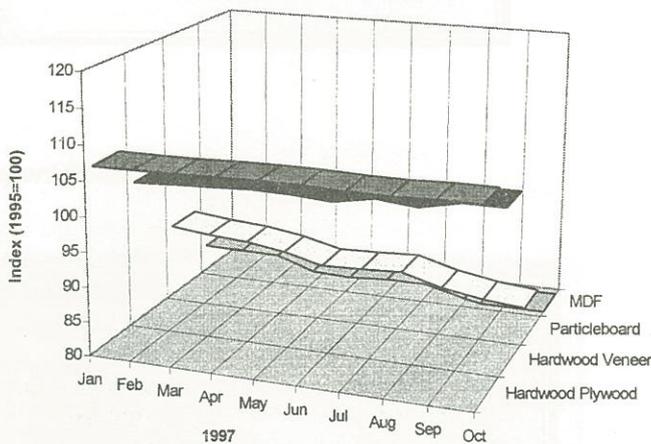
Mahogany (at West coast port of entry)	
	KD US\$2785 No change
Meranti (at West coast port of entry)	
Clear, dark red	KD US\$2310 No change
Clear, light red	KD US\$2145 No change

Cherry	
Appalachians	KD US\$2530+ Up US\$15
	AD US\$1955 No change
Hard Maple	
Northern Region	KD US\$2230 ↓ Down US\$35
	AD US\$1875 No change
Appalachians	KD US\$2170 ↓ Down US\$10
	AD US\$1795
Red Oak	
Northern Region	KD US\$1608 ↓ Down US\$10
	AD US\$1300 No change
Southern Region	KD US\$1283 ↓ Down US\$10
	AD US\$995 No change
Appalachians	KD US\$1463 No change
	AD US\$1120 No change
White Oak	
Northern Region	KD US\$1360 No change
	AD US\$990 No change
Southern Region	KD US\$1250 ↓ Down US\$10
	AD US\$940 No change
Appalachians	KD US\$1423 ↓ Down US\$10
	AD US\$1093 ↓ Down US\$5
Walnut	
Appalachians	KD US\$1923 No change
	AD US\$1385 No change

Prices of imported tropical species are subject to the same price movements as domestic species, above all the higher quality grades. During the past twelve months, prices for

South American Mahogany increased by more than ten percent. This is all the more remarkable in light of the fact that the proposal to list the species under Appendix II of CITES) was defeated. The relatively poor quality of mahogany on the market and the number of mahogany substitutes now being offered by hardwood importers are moderating some price increases. For instance, the price index for Meranti wood (Philippine Mahogany) advanced by only 5.7% between October 1996 and October 1997. This is just slightly over half the pace recorded by genuine Mahogany.

Panel Price Indices

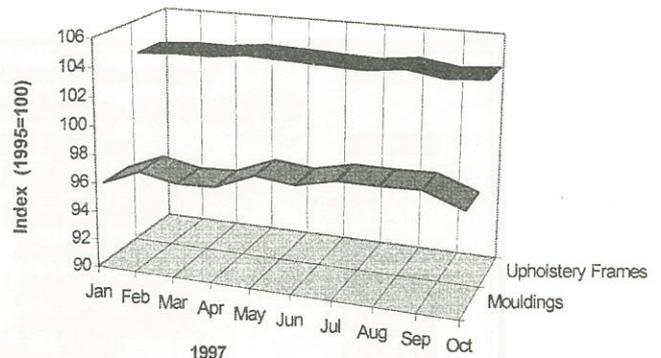


Particleboard and Medium Density Fiberboard (MDF) provide the familiar exception to the general price trend. Both products have suffered price declines in the 8% range since October 1996. The reason is to be found in the continued oversupply of these engineered boards. The use of PB and MDF has grown substantially, and the demand/supply equation may become balanced toward the end of 1998 or early 1999.

Finished and semi-Finished Products

Finished and semi-finished wood products are also moving up in price, induced by the healthy economy and strong demand. Most items are priced at record levels. However, as mentioned earlier, prices of high value-added products advanced to a much lesser extent than prices of low-value added products (logs and rough lumber). It is therefore conclude that the secondary wood working industry finds itself in the unenviable position of rapidly rising raw-material prices, which can be passed-on only partially the consumers of the final products.

Price Indices for Frames and Mouldings



Among the items monitored, only living room cabinets (up 6.1%), office desks (up 3.7%), furniture frames (up 2.4%), and dining room chairs (up 2.1%) experienced price increases in excess of 2% between October 1996 and October 1997. Prices of all other products went up by less than 2% during the same period. In the case of bedroom dressers the increase was even less than 1%, and since August 1997, prices experienced a minor decline.

Furniture Imports

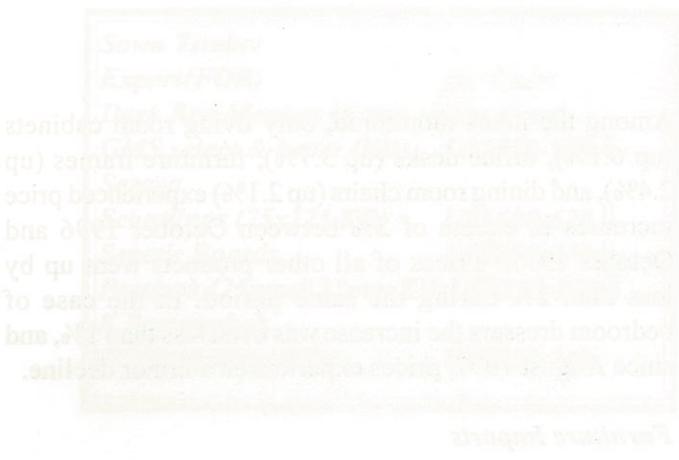
The following table illustrates the trends in furniture imports to the US in the first half of 1997.

	Jan-June 1997	Jan-June 1996	Percent Change
US\$ millions			
Canada	702	578	+21
China	619	418	+48
Taiwan P.o.C	398	452	-12
Italy	350	317	+11
Mexico	292	227	+29
Malaysia	191	176	+9
Indonesia	125	108	+16
World Total	3337	2858	+17

source Csil Italy

Growth of furniture imports by the US has been robust for the past several years. The American Furniture Manufacturers Association is forecasting good prospects for the US furniture market in 1998 with consumer spending expected to grow by 2% in real terms.

Export led recover of Asian economies is expected to bring more competitively priced imported furniture into the US market.

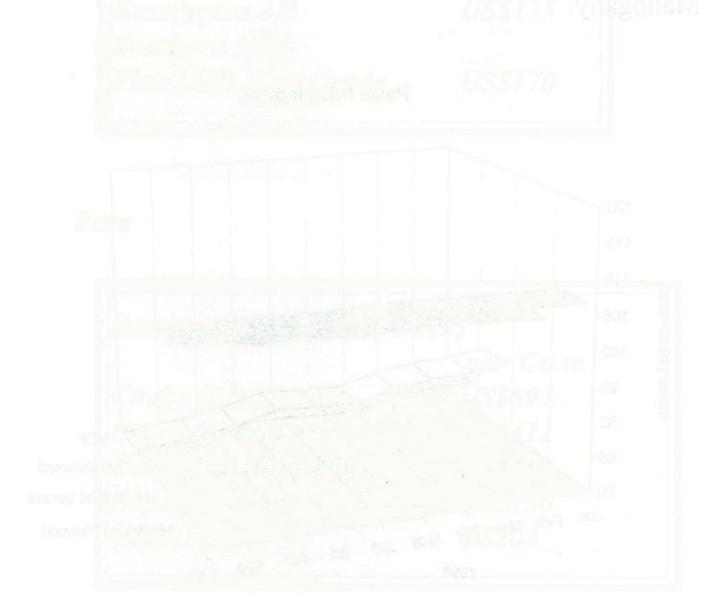


The following table illustrates the trends in furniture imports to the US in the first half of 1997.

Country	Jan-June 1997 (Million US\$)	Jan-June 1996 (Million US\$)	Change (%)
China	100	80	+25
Malaysia	80	70	+14
Philippines	70	60	+17
Thailand	60	50	+20
Indonesia	50	40	+25
Vietnam	40	30	+33
Other	30	20	+50
Total	330	250	+32

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South American Market... This is all the more remarkable in light of the fact that the proposal to list the species under Appendix II of CITES was defeated. The relatively poor quality of mahogany on the market and the number of mahogany substitutes now being offered by Indonesian exporters are moderating some price increases. At the moment, the price index for Mahogany (Philippine Mahogany) advanced by only 2.7% between October 1996 and October 1997. The price index for Mahogany is just slightly over half the price recorded in January 1997.



Particleboard and Medium Density Fiberboard (MDF) provide the familiar exception to the general price trend. Both products have exhibited price declines in the US since October 1996. The reasons for this are the continued over-supply of these engineered boards. The use of PB and MDF has grown substantially in the US market since the early 1980s. The use of PB and MDF has grown substantially in the US market since the early 1980s.

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World Value of the US Dollar 5th December 1997

Australia	Dollar	1.4889	Indonesia	Rupiah	4025
Austria	Schilling	12.4775	Ireland	Punt	0.6826
Belgium	Franc	36.58	Italy	Lira	1737.25
Bolivia	Boliviano	5.34	Japan	Yen	129.55
Brazil	Real	1.1104	Korea, Rep. of	Won	1230.5
Cambodia	Riel	3000	Liberia	Dollar	1
Cameroon	C.F.A.Franc	593.45	Malaysia	Ringgit	3.7153
Canada	Dollar	1.4219	Myanmar	Kyat	6.4096
Central African Republic	C.F.A.Franc	593.45	Nepal	Rupee	56.95
China	Yuan	8.28	Netherlands	Guilder	1.79
Colombia	Peso	1300.55	New Zealand	NZ Dollar	1.6624
Congo D.R.	New Zaire	115000	Norway	Krone	7.1865
Congo, People's Rep.	C.F.A.Franc	593.45	Panama	Balboa	1
Cote d'Ivoire	C.F.A.Franc	593.45	Papua New Guinea	Kina	1.6736
Denmark	Krone	6.7489	Peru	New Sol	2.7165
Ecuador	Sucre	4325	Philippines	Peso	35.25
Egypt	Pound	3.4043	Portugal	Escudo	181.13
Fiji	Dollar	1.5257	Russian Fed.	Ruble	5925.5
Finland	Markka	5.3587	Spain	Pesata	149.77
France	Franc	5.9345	Sweden	Krona	7.7892
Gabon	C.F.A.Franc	593.45	Switzerland	Franc	1.432
Germany	Mark	1.7726	Thailand	Baht	40.3
Ghana	Cedi	2241.5	Togo, Rep.	C.F.A.Franc	593.45
Greece	Drachma	278.26	Trinidad and Tobago	Dollar	6.2
Guyana	Dollar	142.8	United Kingdom	Pound	0.6015
Honduras, Rep.	Lempira	13.385	Venezuela	Bolivar	501.805
India	Rupee	38.885	EU	Ecu	1.112

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
		↓ ↑	Price has moved up or down

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<http://www.itto.or.jp>

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