



## News from ITTO's Tropical Timber Market Report

Edited  
by  
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### Malaysian timber prices high

After almost a decade of loss and price-undercutting, the Malaysian timber export market is booming. Faced with a chronic shortage of raw material supply and with no solution in sight, prices of Malaysian timber products have risen across the board.

Plywood prices have reached eight-year highs this year, registering a 10–20% increase over 2005. However, timber traders are worried that higher prices will drive buyers to alternative suppliers in Vietnam and Indonesia.

Meanwhile, the local timber industry is urging various state governments to grant more timber concessions to mitigate the shortage of raw materials. Malaysia aims to increase its forest plantation area by 375 000 hectares in the states of Sabah, Sarawak, Johor, Terengganu and Pahang over the next 15 years.

TTMR 11:9, 1–15 May 2006 and 11:14, 16–31 July 2006

### Indonesia to ban logging in natural forests

The Indonesian government says it will ban the use of natural forest trees by the pulp and paper industry by 2009 and by the wood industry by 2014. Timber processing factories would have to start establishing new timber plantations (HTIs) to supply themselves with logs, according to Forestry Department Secretary General Boen Purnama. Mr Purnama added that if the industry were to start planting trees now, industrial forests would be able to supply it with enough raw materials by 2014. The policy is aimed at preventing further destruction of the country's tropical forests.

TTMR 11:11, 1–15 June 2006

### China bans land timber imports from Myanmar

China's recently imposed ban on overland timber imports from Myanmar has led to dramatic cuts in flows of illegal timber, according to Global Witness. At the request of the Myanmar government, on 27 March 2006 the government of China's Yunnan Province instructed Chinese border checkpoints to stop imports of "all sorts of timber and mineral products from Myanmar", which were presumed by both governments to be illegal when sent by land as opposed to better-regulated sea transactions. Chinese timber workers in Myanmar were also told to return home. Since the issuance of the order, land-based trade flows between the two countries have declined significantly and most border crossings were enforcing the ban. According to some reports, however, timber was still entering China via border back roads.

TTMR 11:11, 1–15 June 2006

### Forest ownership reassigned in Bolivia

Bolivian president Evo Morales recently issued four new decrees and 34 resolutions through the National Institute for Agrarian Reform (INRA). As a result, INRA has reassigned land areas and granted 3.1 million hectares in land titles to farmer and indigenous communities in seven departments of the country, including areas reverted from forest concessions. In the department of Santa Cruz, eight forest concessions were partially or totally reverted. Timber companies had 30 days to appeal the ruling. However, Vice-president Alvaro Garcia Linera recently assured concessionaires that there would not be subjugation of forest rights and guaranteed the permanence of legal forest concessions. He said that land redistribution would be in fiscal forest areas not under concession.

TTMR 11:11, 1–15 June 2006 and 11:14, 16–31 July 2006

### No Liberian exports despite lifting of ban

On 20 June 2006, the United Nations Security Council decided not to renew its import ban on round log and timber products from Liberia. Liberia's Forestry Development Authority (FDA) welcomed the lifting of the timber import ban but signalled that nobody in the country was permitted to produce logs or sawnwood for export since no one was holding a concession in Liberia. The FDA intends to submit a draft bill on the exportation of logs and sawn timber from Liberia to the national legislature in the near future. Unconfirmed reports indicated that some potential buyers have been in contact with potential producers and that exports might resume before the end of the year.

TTMR 11:13, 1–15 July 2006 and 11:14, 16–31 July 2006

### Mahogany discussed

The CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) Plants Committee and the Bigleaf Mahogany Working Group met on 29 June–8 July 2006 in Lima, Peru. The Committee adopted a recommendation from the report of the working group, agreeing not to subject bigleaf mahogany (*Swietenia macrophylla*) to the Review of Significant Trade, a mechanism for reviewing biological trade and other information pertaining to endangered species. The Committee also agreed to investigate the high volume of bigleaf mahogany imports to the Dominican Republic. Meanwhile, discussion of a proposal to include *Cedrela odorata*—another high-value timber species from Latin America—in Appendix II was postponed.

TTMR 11:13, 1–15 July 2006

The ITTO Tropical Timber Market Report is published every two weeks and distributed by email. In addition to news affecting the tropical timber trade, the report contains prices for a wide range of tropical timber products. For a free subscription contact Dr Jairo Castaño at [itto-mis@itto.or.jp](mailto:itto-mis@itto.or.jp)