



News from ITTO's Tropical Timber Market Report

Edited
by
Alastair Sarre

Illegal loggers imprisoned

A township-level court in Chin state, western Myanmar, has sentenced 20 Indian nationals, arrested in May for illegal logging, to long prison terms. One of the detainees charged with poaching was sentenced to 15 years while the other 19 received twelve years each for illegal logging.

TTMR 11:17, 1–15 September 2006

Rising domestic prices boost imports of MDF

The growing domestic demand for medium-density fibreboard (MDF) has pushed up prices by 20% in the Brazilian market during 2006. MDF is increasingly used as a substitute for particleboard and plywood in the manufacturing of wooden furniture. According to the Brazilian Association of the Wood Panel Industry, domestic MDF production is expected to grow 20% to 1.68 million m³ this year.

TTMR 11:17, 1–15 September 2006

Agreement reached for emissions offsets market

The Chicago Climate Exchange (CCX) and India's Energy and Resources Institute (TERI) have agreed to develop a greenhouse gas emissions offset market in India. TERI is a think-tank involved in environmental and energy policies. TERI will facilitate the registration of offset projects, primarily on the Indian subcontinent. The CCX's project-based emission offsets portfolio includes agricultural soil sequestration, methane capture and destruction, forestry and renewable energy, and energy efficiency offsets.

TTMR 11:17, 1–15 September 2006

Brazil proposes fund to slow rainforest destruction

Brazil has proposed establishing a fund to compensate developing countries for slowing the destruction of their rainforests and thereby reducing greenhouse gas emissions. Most such emissions come from oil and coal burning, but deforestation is responsible for an estimated 20% of global emissions. The Brazilian initiative, presented at a planning meeting for the next round of

global climate talks in Rome in November, calls for the creation of a fund for countries that bring deforestation below the estimated average rate in the 1990s. The Kyoto Protocol's Clean Development Mechanism (CDM) allows carbon credits for planting trees where forests have already been cleared but currently offers no incentives for preventing deforestation in areas like the Amazon.

Meanwhile, Japan's Sumitomo Mitsui Banking Corporation and the Bank of Brazil have agreed to cooperate on CDM projects, with the aim of identifying and generating emissions reductions in Brazil and selling the carbon credits to Japanese buyers.

TTMR 11:18, 16–20 September 2006

Malaysian prices beat 1997

With the exception of plywood and other panel products, prices of most Malaysian timber products are stabilizing after strong increases in preceding months. Meranti and kapur logs reached 13- and ten-year highs, respectively, in the first half of 2006, exceeding 1997 pre-Asian financial crisis levels, while dark red meranti sawnwood prices are at their highest in US dollar terms since ITTO started to track this product in 1998, although they are only at six-year highs in euros and UK pounds. Meanwhile, prices for dark red meranti plywood (excluding 9-mm ply) are at ten-year highs.

TTMR 11:16, 16–31 August 2006 and 11:17, 1–15 September 2006

Demand for mahogany eases

The demand for mahogany (*Swietenia macrophylla*) sawnwood in international markets has reportedly declined by as much as 15% in recent months compared to the same period in 2005, causing some loggers in Peru, the main exporting country, to halt activities in production zones. The price of mahogany at Peruvian sawmill yards has also fallen—by 13% since early June. Exporters of mahogany products indicated that customers were looking for substitutes such as Spanish cedar (*Cedrela odorata*) as a result of problems associated with the issuing of CITES certificates for mahogany.

TTMR 11:16, 16–31 August 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

Two new protected areas for Congo

The Republic of Congo recently announced plans to create two new protected areas spanning nearly a million hectares. "The Republic of Congo depends on forest resource use for economic development, but it is also deeply committed to biodiversity conservation and sustainable forest management," said Henri Djombo, Congo's Minister of Forestry Economy, speaking at United Nations headquarters in New York, USA, in September 2006. "Congo has already set aside an estimated 11% of its land area as protected areas. Establishing these new protected areas reinforces the protected area network portfolio and affirms this commitment," he said.

The first new protected area, called Ougoue-Lekiti National Park, lies in the western part of the country adjoining Bateke National Park in Gabon. This transboundary protected area will cover a total of 600 000 hectares. The northern half of Ougoue-Lekiti contains an ancient sand-dune system covered by large grass and wooded savanna patches separated by lines of dense gallery forest, along with many small lakes and river valleys. The south and west of the new park supports an intact block of Chaillu forest and the Ougue River basin, along which a series of natural clearings are used by forest elephants and other large mammals. The second protected area, to be called Ntokou-Pikounda, will be created in the next year. It lies southeast of Odzala Kokoua National Park, which is well known for one of the highest gorilla populations in the world.