



INTERNATIONAL TROPICAL

TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producers Report

Log Prices

International Prices

Log Prices, Gabon

<i>Okoume, FOB Grade</i>	<i>F.CFA per Cu.m</i>
LM	145,000
QS	130,000
CI	100,000
CE	85,000
CS	65,000
<i>Ozigo, FOB Grade</i>	<i>F.CFA per Cu.m</i>
LM	105,000
QS	92,000
CI	70,000
CE	60,000

Malaysia

Log prices have dropped across the board. Prices are down by US\$10 per Cu.m for Meranti and by around US\$5 per Cu.m for other species.

<i>Sarawak Log Export Prices (FOB)</i>	
	<i>per Cu.m</i>
Meranti SSQ	US\$205
Keruing SSQ Ply Face	US\$255
Mixed Light H'woods	US\$135
Peeler Logs	US\$150

Cameroon Log Prices

The prices for logs from Cameroon are static, market demand is flat and inquiry levels remain very dull.

<i>FOB</i>	<i>Per Cu.m</i>	
N'Gollon	LM-C	FFR1275
Ayous	LM-C	FFR1050
Sapele	LM-C	FFR1420
Iroko	LM-C	FFR1450

South Sea Logs

Prices for South Sea logs have changed slightly. Pomelia is down while Terminalia is attracting a slightly better price being up by around US\$5 per Cu.m since the last report.

<i>FOB</i>	<i>per Cu.m</i>
Pometia	US\$150-160
Calophyllum	US\$150-160
Terminalia	US\$135-140
Other mixed species	US\$105-115

Domestic Log Prices

Report From Brazil

<i>Logs at mill yard</i>	<i>per Cu.m</i>
Mahogany 1st Grade	US\$250
Ipe	US\$75
Jatoba	US\$60

International Tropical Timber Organization (ITTO)

Pacifico-Yokohama 1-1-1 Minato-mirai, Nishi-ku, Yokohama 220 JAPAN

Tel: (81-45) 223-1110 Fax: (81-45) 223-1111 e-mail: mjadams@itto.org.jp

Ghana

No change in prices for domestic logs have been reported. The market remains largely inactive.

are holding fairly steady but the prices for plantation teak is reported as weakening but the precise reasons for this are as yet unclear.

<i>Logs FAQ</i>		<i>Per Cu.m</i>
<i>Ceiba</i>	90cm +	US\$40
<i>Otie/Iombe</i>	60cm +	US\$50
<i>Emire/Framire</i>	60cm +	US\$55
<i>Ofram/Frako</i>	55cm +	US\$45
<i>Ekki/Azobe</i>	70cm +	US\$50
<i>Kussia/Billina</i>	70cm +	US\$50
<i>Guarea</i>	60cm +	US\$60
<i>Chenchen</i>	70cm +	US\$45
<i>Cedrella</i>	50cm +	US\$45

<i>Domestic log prices</i>	<i>Per Cu.m</i>
<i>Plywood logs</i>	
<i>Face Logs</i>	US\$185-195
<i>Core logs</i>	US\$ 140-155
<i>Sawlogs</i>	US\$145-150
<i>Falkata logs</i>	US\$45-50
<i>Rubberwood</i>	US\$32-35
<i>Pine</i>	US\$52-55
<i>Teak</i>	US\$800-1050

Report from Thailand

Report from Malaysia

Rubberwood prices have firmed slightly as a result of short-term supply constraints mainly due to the weather. Meranti prices have increased significantly.

<i>Logs from Laos</i>		<i>Per Cu.m</i>
<i>At Thai Border</i>		
<i>Pine</i>		US\$195-200
<i>Yang</i>		US\$225-230
<i>Logs from West Africa</i>		
<i>C&F Bangkok</i>	<i>Per Cu.m</i>	
<i>Tali</i>		US\$230
<i>Padauk</i>		US\$340
<i>Niove</i>		US\$220

<i>Logs</i>		<i>Per Cu.m</i>
<i>Domestic (SQ ex-log yard)</i>		
<i>Meranti Bukit (SQ)</i>		US\$205
<i>Kembang Semangkok</i>		US\$180
<i>Selangan Batu</i>		US\$145
<i>Merbau</i>		US\$190
<i>Peeler Core logs</i>		US\$135
<i>Rubberwood</i>		US\$29

<i>Log Prices</i>	<i>Per Cu.m</i>
<i>Plantation Teak</i>	US\$180
<i>Forest Teak</i>	US\$1225
<i>Daeng</i>	US\$295
<i>Pradu</i>	US\$695
<i>Yang</i>	US\$215
	<i>Per Ton</i>
<i>Rubberwood</i>	US\$48
<i>Eucalyptus</i>	US\$35-40

Sawnwood Prices

International Prices

Brazil

<i>Export Sawnwood</i>	<i>per Cu.m</i>
<i>Mahogany KD FAS</i>	
<i>UK market</i>	US\$990
<i>Jatoba Green</i>	US\$460
<i>Curupixa (Europe)</i>	US\$560
<i>LKS (Asian Market)</i>	US\$220-270

Report from Indonesia

The prices for logs in the domestic market in Indonesia are fluctuating as stock situations change as the rain season ends. Plywood face logs are down moderately reflecting the dull position of the market in Japan and China. Plantation timbers

Ghana

Rough Sawn Prices FOB

	Per Cu.m
Mixed Redwoods	US\$335
low grade Odum (Iroko)	US\$400
Wawa	US\$220
Wawa fixed dimensions	US\$267
Wawa Boules	US\$219
70cm log dia. 25-75mm. 450cm length	

	per Cu.m	
Mahogany		
FAS 100mm plus 1.8m plus	US\$480	
FAS 150mm plus 2.4m plus	US\$520	
Anegre		
FAS 150mm plus 2.4m plus	US\$640	
Guarea	FAS	US\$466
Ofram	FAS	US\$270
Emire	FAS	US\$460
Ekki	FAS	US\$335
Kussia	FAS	US\$335
Dahoma	FAS	US\$256
Cedrella	FAS	US\$413

Destinations include South Africa, Saudi Arabia, France, Belgium, Ireland, UK, Germany, USA, Spain, Holland and Taiwan Province of China. Saudi Arabia takes mainly mixed redwood species. There is a growing demand for Guarea in France, Germany and Belgium and for Emire in France and Belgium. Cedrella, a plantation species was exported in log form to Yugoslavia for pencil slat production. Shipments of sawnwood are currently going to Ireland.

Malaysia

Sawn Timber	per Cu.m
Export(FOB)	
Dark Red Meranti (DUC)	
GMS select & better (KD)	US\$695
Seraya	
Scantlings (75x125 KD)	US\$720

Taiwan Province of China

A drop of US\$10 per Cu.m in sawnwood prices to Taiwan Province of China has surprised many. Oak prices have also dropped but Cherry from North America is still attracting good prices at US\$1050.

	per Cu.m
Rubberwood	
25mm boards	US\$360
50-75mm squares	US\$420
75-100mm squares	US\$435
Sepetir	
GMS (AD)	US\$385
Ramin	US\$475
Oak 25mm boards	US\$500
Maple	US\$1050
Cherry	US\$1050

Domestic Sawnwood Prices

Report from Brazil

The sawnwood market continues to be slow to move but industry is anticipating an improvement. Several new potential importers from Asia have contacted producers and shipments of mixed green sawnwood are expected to increase as sales are closed.

Sawnwood (Green ex-mill)	per Cu.m
Mahogany	US\$725
Ipe	US\$425
Eucalyptus	US\$153

Ghana

The rising stock situation in Ghana for domestic sawnwood is a matter of concern.

Dahoma, Wawa, Odum, Antiaris	per Cu.m
Mill Run 50x150mm	US\$90-120
50x100mm	US\$70-100
50x50mm	US\$100-250
25x300mm	US\$70-100
Mixed Redwood	
40x300x3.6m	US\$100-240

Plywood and Veneers

Report from Thailand

Sawnwood Prices		Per Cu.m
Yang		
2-2.5m Length		US\$380-390
3-3.5m Length		US\$515-520
4-5.5m Length		US\$540-550
6m plus Length		US\$585-600
Daeng and Pradu		
2-2.5m Length		US\$770-780
3-3.5m Length		US\$875-880
4-5.5m Length		US\$960-965

International Prices

Ghana

Veneer		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

Report from Indonesia

Sawn timber			
Domestic construction material			
Kamper	AD	6x12-15cm	US\$395
	KD		US\$500
	AD	3x20cm	US\$455
	KD		US\$560
Keruing	AD	6x12-15cm	US\$290
	AD	3x20cm	US\$380

Brazilian Plywood and Veneer

Veneer		per Cu.m
White Virola Face		
2.5mm		US\$270-320
Plywood		
For Europe		
White Virola		INDO 93 + 5-8%
For Caribbean countries		
White Virola		BR 96 + 5%
Pine CDX USA		US\$265

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau	US\$435
Kempas	US\$225
Red Merantis	US\$340
Rubberwood	
25mm boards	US\$270
50mm squares	US\$315
75mm+	US\$365
Kapur	US\$235
Kembang Semangkok	US\$535

The international market has improved in the past month. Several plywood importers are visiting producers in the north and in the south. Industry is reporting a healthy order book position for the next 3-4 months. Plywood demand has been stronger in the US and Caribbean countries but Europe is also showing signs of improvement and is demanding higher volumes.

Malaysian Plywood

The encouragement gained in the industry from the modest rise in plywood prices over the past months has largely evaporated as prices have fallen back.

Malaysian Plywood

MR Grade BB/CC FOB	Per Cu.m
2.7mm	US\$500
3mm	US\$440
9-12mm	US\$390
18mm plus	US\$375
WBP Grade BB/CC	
9-18mm	US\$480
Phenolic Overlaid	
12-18mm	US\$530
Domestic plywood	
9-18mm	US\$510-520

Plywood	
(ex-mill Southern Mill)	
Grade MR	Per Cu.m
4mm White Virola	US\$625
15mm	US\$520
15mm Film Faced	
Concrete Formwork	US\$710

Indonesia

The domestic market for plywood is stable and the price structures are steadier than those for the export market.

Indonesian Plywood

Plywood (export, FOB)	
MR,	per Cu.m
Grade BB/CC	
2.7mm	US\$510
3mm	US\$445
4.0-6.0mm	US\$400
6mm and above	US\$375-400
WBP,	
Grade BB/CC	
12-18mm	US\$475

Domestic MR plywood	
(Jarkarta)	per Cu.m
9mm	US\$480
12mm	US\$450
15mm	US\$430
18mm	US\$400

Furniture Parts and Components

Taiwan Province of China, Imports

Fierce competition amongst S.E.Asian manufacturers of laminated table tops has had a negative effect on prices which are now some US\$30 lower than a month ago.

Taiwan Province of China

Plywood	per Cu.m
2.7mm x 4' x 8'	US\$585
5.0mm x 4' x 8'	US\$550

Imports C&F	per pc
Rubberwood Chair seats	US\$3.20
Rubberwood unfinished Queen Anne Chairs (excluding soft seat)	US\$16-16.5
Rubberwood table-tops	per Cu.m
	US\$705-755

Domestic Plywood Prices

Brazil

Rotary Cut Veneer(Nortern Mill)	
	per Cu.m
White Virola Face	US\$170
White Virola Core	US\$140

Other Panel Product Prices

Brazil

Export Prices	
Blockboard 18mm White Virola Faced	per Cu.m US\$350-370
Domestic Prices	
Ex-mill Southern Region per Cu.m	
Blockboard	
15mm White Virola Faced	US\$425
15mm Mahogany Faced	US\$820
Particleboard	
15mm	US\$330

Malaysia

Particleboard (FOB)	
6mm & above	per Cu.m US\$155-165

Export and domestic prices continue to be weak, a situation that has prevailed for some considerable time now.

MDF (FOB)	
6mm	per Cu.m US\$245
Domestic Sales	
6-21mm	per Cu.m US\$280-300

Indonesia

Other Panels	Per Cu.m
Blockboard	US\$305
Particleboard	
9mm	US\$260
12mm	US\$280
15mm	US\$235
18mm	US\$230

Prices of Added Value Products

Ghana

Ghana exports small quantities of dowels, broomsticks and profiled boards. Some doors are manufactured for export to neighboring countries notably Burkina Faso, Niger and Togo, these exports go largely unrecorded at present.

Indonesia

Taiwan Province of China, Imports

The general over supply of MDF world wide has meant that producers are having to offer attractive prices to consumers. The US, traditional suppliers of MDF to Taiwan Province of China, are facing stiff price competition from S.E.Asian manufacturers.

MDF (FOB)	per Cu.m
3-4mm thick	US\$360-365
12-25mm x 6' x 8'	US\$285-300
Particleboard	
18mm (5' x 8')	per Cu.m US\$195-205

Mouldings	
Ramin skirting (for the Italian market)	per Cu.m US\$850
Crown using Pulai or Jeluton (for Japanese market)	US\$695
Laminated Scantlings	US\$695
Laminated Boards	
Falkata wood	US\$315
Laminated Boards	
Pine	US\$850

Malaysia

Mouldings (FOB)	
Kembang Semangkok	per Cu.m US\$890
S4S to Japan	US\$1050
Skirting	US\$450
Rubberwood S4S to Japan	US\$810
Lam Boards	

Brazil

<i>Added Value Products</i>	
<i>Jatoba Floor 22mm</i>	<i>per Sq.m</i> US\$23
<i>Edge Glued Panel</i>	<i>per Cu.m</i> US\$840
<i>Clear Pine</i>	US\$840

<i>Furniture</i>
<i>Dining suite (FOB)</i>
<i>Oak Veneered MDF tables and chairs (6 per set)</i>
US\$280-300per set

Freight Costs

Rubberwood parts and components:

Malaysia

<i>Shaped chair seats</i> <i>(18-22mm 16"-18" squares)</i>	US\$2.80-2.90 per pc
<i>Finger jointed laminated boards top grade</i>	<i>per Cu.m</i> US\$700-750 US\$850

<i>Doors (FOB)</i>	
<i>Meranti (red) panel doors</i>	
<i>Grade A</i>	US\$52-55 per pc
<i>Grade B</i>	US\$50 per pc
<i>Grade C</i>	US\$45 per pc

Brazil

<i>Sawnwood</i>	
<i>Paranagua-Rotterdam</i>	
<i>Container 20 ft.</i>	US\$1300
<i>Container 40 ft.</i>	US\$2000
<i>Paranagua-Baltimore</i>	
<i>Container 20 ft.</i>	US\$1500
<i>Container 40 ft.</i>	US\$1800
<i>Bulk Sawnwood</i>	US\$66per Cu.m
<i>(Hardwoods over 750kg/Cu.m)</i>	
<i>Plywood</i>	
<i>Paranagua-UK</i>	
<i>Palletised</i>	US\$42per Cu.m

Furniture

<i>Dining suite</i>
<i>Solid rubberwood laminated top 3' x 5'</i>
<i>with extension leaf and six hard seat chairs</i>
US\$180-190per set

Indonesia

<i>40ft Container</i>	
<i>Jakarta-Rotterdam</i>	US\$2,200
<i>Jakarta-LA(west coast USA)</i>	US\$2,800
<i>Jakarta-NY(east coast USA)</i>	US\$4,200

The demand for wooden furniture continues and inquiries are plentiful at present and prices have lifted slightly. Most mills have an order book situation filled for the next three months. As reported, the interest is in low to medium price range items.

Taiwan Province of China

Prices have remained stable and industry sources are anticipating an improvement in prices in the next quarter.

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 Sawmwood
 Malaysia to Rotterdam US\$42 per Cu.m.

40 ft. container
 Malaysia to West Coast USA at US\$2500
 Malaysia to East Coast USA US\$3150
 Malaysia to Ports in Taiwan Province of China US\$525

Port Klang / Ports of Taiwan Province of China Province of China
 USD 42 per Cu.m Bundled Sawmwood

Taiwan Province of China Province of China/West Coast USA, US\$1950 per 40ft Container.
 Taiwan Province of China Province of China?East Coast USA, US\$2400 per 40ft container.

Delivered Prices

Asian Log, Lumber and Panel Prices

Log	CIF Price Yen per Koku
For Plywood Manufacturing	
Meranti (Hill, Sarawak)	
Medium Mixed	7,800
Meranti (Hill, Sarawak)	
STD Mixed	7,900
Meranti (Hill, Sarawak)	
Small Lot	
(SM60%, SSM40%)	6,850
Taun, Calophyllum (PNG)	
and others	6,500
Mix Light Hardwood	
(PNG G3-G5 grade)	5,400
Okume (Gabonese)	7,800
Keruing (Sarawak)	
Medium MQ & up	8,100
Kapur (Sarawak) Medium	
MQ & up	8,000

For Sawmilling	FOB Price Yen per Koku
Melapi (Sarawak)	
Select	11,500
Agathis (Sabah)	
Select	9,100

Consumers Report

Report From Japan

FOB Southsea Logs

	per Cu.m
Sarawak Logs	
Meranti SQ-up	US\$212-217
Meranti Small	US\$178-182
(Small 70%, S.S. 30%)	
PNG Logs	
Taun/Calo	US\$165-170

Lumber	FOB Price Yen per Cu.m
White Seraya (Sabah)	
24x150mm, 4m 1st grade	180,000
Mixed Seraya 24x48mm,	
1.8 - 4m, S2S	45,000

Plywood	Mill Gate Price Tokyo Area
	Yen per sheet
Concrete Formboard	
11.5x900x1800mm Type 1	1,210
Thin	
2.3x910x1820mm Type 2	310
Medium	
4.0x910x1820mm Type 2	500
5.5x910x1820mm Type 2	610

**Indonesian Plywood Price
(Tokyo Market Price Per Sheet)**

	price 31st May
Plywood	
2.4x91x1820mm	Yen335
3.6x91x1820mm	Yen440
5.2x91x1820mm	Yen550
Plywood for flooring	
11.5x94.5x1840mm	Yen1570
Plywood for Printing	
3.6x123x2440mm	Yen770

Prices for 1st Grade Seraya sawnwood in specific lengths are holding at Yen125,000 per Cu.m delivered to wholesalers.

As mentioned in the earlier report plywood prices were expected to recover after the long holiday in Japan, this, however, did not materialise. Static prices and small volume purchases predominate. Market prices are at Yen1,210 per sheet for 12mm concrete formwork panels in Tokyo. Thin boards, 2.3mm are at Yen310 per sheet while 4mm boards are at Yen510 per sheet. The underlying reason for the static prices is said to be the continuing interest of the market in softwood plywood and the shift by manufacturers to softwood logs and veneers.

News From Japan

Sumitomo Corporation will establish production facilities for laminated lumber for post squares in Russia. This plant is to be the first joint venture for laminated lumber production for export to the Japanese market. The main production items are laminated post squares 3m x 105 x 120mm, annual production capacity is reported to be 30,000 cubic meters. The annual sales target is Yen 1.5bil, Sumitomo Corporation will handle all imports and Japanese marketing.

Imports of lumber from European countries have been active since the beginning of the year. Softwood lumber imports from Northern Europe and other European countries during the first quarter of the year amounted to some 260,000 cubic meters, up 41% over the same period last year. Log imports from Europe are down 59% for the first quarter.

South East Asian Supplies

Logging activity is recovering as the rain season comes to an end in Sarawak. Inventories at most landings are still below the expected level and this is due in part to the fact that loggers now have to supply at least 50% of production to local processing mills.

The South East Asian plywood markets remain largely unchanged. Buyers are purchasing small lots at a time with the Osaka markets performing a little better than elsewhere.

Sawnwood shipments from S.E.Asia since early May have been slow. Prices on laminated lumber have gone up but on-selling prices have not moved to the same extent and this is causing concern to the trade. Laminated and finger jointed Perupok A-Grade is selling at Yen140,000-145,000 per Cu.m to wholesalers which is slightly higher than last month.

Report From China

China

The indications are that since March the economy in China has picked up pace. There has been an increase in investment and interest rates have been falling all of which points to continued growth potential. The impact of the changes or interest rates on the exchange rate are yet to be felt and this factor will bear watching in the coming months.

During the first three months of this year some changes have occurred in China's wood products trade. It appears from available data that log and lumber imports have risen, that the decline in plywood imports is still being maintained and that exports of wood products have slowed. The decline in plywood imports is, as is well known, largely due to anticipated tariff reductions on plywood, importers are not keen to risk placing orders only to see major changes in tariff structures affect competitiveness.

Available statistics indicate a 39.8% increase in wood product imports during the first quarter of 1996. Log imports are up by 54% over the same period last year while sawnwood imports are up 9.7% for the quarter.

It has been reported that the Ministry of Foreign Trade and Economic Cooperation has set a three year target to liberalise the trade in some selected commodities of which timber and plywood are included. It has been decided that the current procedures for the management of the trade in timber and plywood will benefit from less administrative interference.

A Plywood Committee

On 16th May 1996 it was announced that a Plywood Committee of the Chinese Association of Forest Products Industry had been established. This committee comprises both State and non-state manufacturers. The new committee, it is reported, will be spearheading the development and technological progress of China's plywood industry, raising the level of professional management, strengthening aspects of product inspection and control, enhancing product quality, "normalising" the plywood market and striking hard at plywood smuggling amongst other things.

The first meeting of the Plywood Committee reviewed and accepted a regulation report from a preparatory group and determined which issues will be the focus of attention for the year.

Prices of Tropical Timber in Shanghai and Eastern China

No price changes have been reported for the range of wood products on the market in Shanghai.

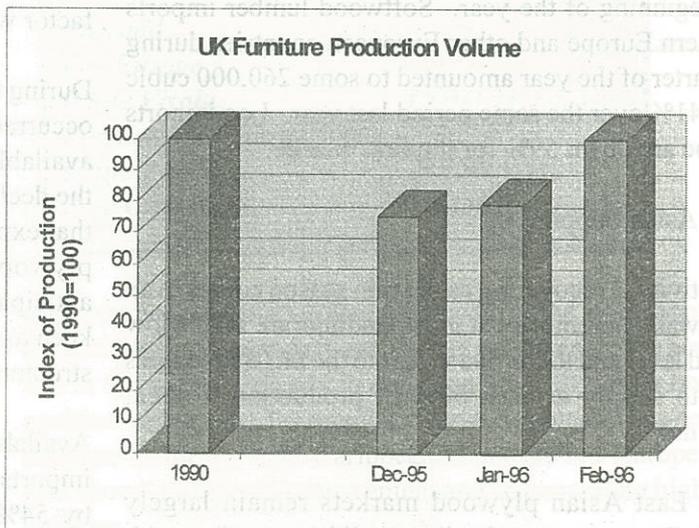
Logs	<i>per Cu.m</i>
<i>Keruing</i>	<i>Yuan2000-2450</i>
<i>Red Meranti</i>	<i>Yuan1800-1900</i>
<i>Mixed (hollow Heart)</i>	<i>Yuan1200-1400</i>
<i>Mengaris</i>	<i>Yuan1800-1900</i>
<i>Mixed Redwood</i>	
<i>Myanmar</i>	<i>Yuan3800-3850</i>
Sawnwood	
<i>Meranti</i>	<i>Yuan2850-3450</i>
Flooring	
<i>Meranti T&G</i>	<i>per Lin.m</i>
<i>18x50mm 3m</i>	<i>Yuan115-130</i>
<i>Malas T&G</i>	
<i>18x70mm 2.2-4.1m</i>	<i>Yuan115-130</i>

Panel Products	
<i>MDF 3mm German</i>	<i>Yuan38/sheet</i>
<i>Plywood 3mm Indo</i>	<i>Yuan41.5/sheet</i>

From Europe, An Update on the UK

The performance of the housing sector in the UK, as elsewhere, has a significant impact on the market for wood products. In recent reports two of the UK's building societies revealed that 70% of housing agents are expecting greater movement in the house market over the next twelve months. Estate agents in the South-West of England were most optimistic, expecting a 76% increase in business. The reason for the optimism stems, it appears from a general improvement in consumer confidence and the fact that mortgage rates are at the lowest level for 30 years.

In related news, it appears that, while traders are optimistic of an improvement in the economy, statistics on retail sales are disappointing. Retail sales are a general measure of consumer confidence and official figures released by the government show a fall of 0.1% in the volume of goods sold during May. The City had expected a 0.4% rise in retail sales for the month. In the longer term however there are good signs as sales have risen by 0.5% over the past 3 months and annual growth has been a steady 2 percent. Of particular interest is the fact that sales of household goods in May are up by 9.8% compared to a year ago.



Company News

Bed and cabinet maker Silentnight Holdings saw its pre-tax profits stagnating last year (only + 0.5% to Sterling 11.1 million) due to increased raw material supply costs. Sales rose by 7% to Sterling 190mil and operating profits fell by 4.6% to Sterling 10.5mil.



According to statements from MFI, sales of kitchen furniture in the UK will begin to recover only in 1998 after the worrying decline to only Sterling 716mil in 1995. Between 1996-2000 the UK market for kitchen furniture is expected to grow by 8% with the major demand coming from the flat packed sector (forecast to grow at 14%). Sales in the rigid (assembled) sector are seen as declining by 4% in the same period.

In the six month up to Jan 1996 the UK furniture retailer DFS reported a 16% rise in pre-tax profits to Sterling 15.1mil. The company's sales rose by 19.1% to Sterling 87.7mil. The DFS group has 32 stores and plans to expand by opening four new stores by the end of 1996.

Uk Price Structures

Wooden Windows

<i>Upper Price Hardwood 120x135cm</i>	<i>Sterling, 293.00</i>
<i>Medium Price Hardwood 120x135cm</i>	<i>Sterling 215.90</i>
<i>Lower Price Softwood 120x135cm</i>	<i>Sterling 103.85</i>

Solid Wooden Doors	
<i>Upper Price Meranti</i>	<i>76.2x198.1x3.5cm Sterling 239.00</i>
<i>Medium Price Sapele</i>	<i>76.2x198.1x3.5cm Sterling 141.30</i>
<i>Lower Price Veneered</i>	<i>76.2x198.1x3.5cm Sterling 40.75</i>

<i>Kitchen Chair</i>	<i>Upper Price Solid Oak</i>	<i>Sterling 323.00</i>
<i>Dining Chair</i>	<i>Upper Price African Mahogany</i>	<i>Sterling 328.00</i>
	<i>Medium Price African Mahogany</i>	<i>Sterling 208.00</i>

<i>Dining Table</i>	<i>Upper Price African Mahogany</i>	<i>80x160cm Sterling 1019.00</i>
	<i>Medium Price African Mahogany</i>	<i>80x160cm Sterling 884.00</i>
	<i>Lower Price African Mahogany</i>	<i>80x160cm Sterling 693.00</i>

Furniture and Components

<i>Wardrobe Door</i>	<i>Lower Price 50x180cm</i>	<i>Sterling 51.60</i>
<i>Kitchen Cabinet Door</i>	<i>71.5x49.5cm</i>	<i>Medium Price Oak 71.5x51.60cm</i>
		<i>Sterling 19.10</i>

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

Other News From Europe

Estonian's biggest furniture producer, Marlekor, has been facing liquidity problems for several months. The company's debts total Ekr 130mil and the company has recently stopped its furniture production and has launched discount sales of its products.

Poland is re-emerging as a timber producer. In recently released statistics it has been reported that the country's wood production rose to 22.5mil cubic meters in 1995. Particleboard production last year stood at almost 1.5mil cubic metres, veneer production remained stable at 12,000 cubic metres, while plywood production dropped to 115,000 cubic metres. Production of furniture and joinery rose from US\$1.2bil in 1994 to US\$1.3bil in 1995.

IKEA, the Swedish furniture giant has acquired, for some 120mil SEK, over 80% of the assets of Swedspan the Swedish particleboard manufacturer located in Hultsfred. IKEA, it is anticipated, will probably take Swedspan under its full management.

In the face of the recession in Europe Spanish furniture exports have performed well. Spanish exports of furniture registered a 36% increase in 1995 to Pta 124.900mil. The main export markets are France, Germany and Portugal. Significant effort has been placed on developing markets in Eastern European countries and in South East Asia. Spain is now the second largest furniture exporter in the world after Italy.

US Industry Report

In the coming months price movements for US hardwoods are likely to be influenced by increasing lumber production and a trend in relatively low demand. Late summer is typically the time for mills to be experiencing increased production.

While the US economy is progressing well there are no strong forces at work which would indicate an increase in demand for lumber. New home sales are still at a low level despite the prominence given to some regional growth in housing. The recent increase in mortgage rates placed an additional damper on the housing market. The number of houses on the market has jumped to a 16 year high and this is likely to deter any major expansion of new home building. Partially as a result of the slow housing market, the furniture and the hardwood flooring and joinery markets are dull.

At present kiln dry inventories are normal to slightly heavier than normal for the time of year. Inventories at manufacturing plants have not fallen significantly during the spring and as a result of this no demand stimulus for lumber can be expected from inventory replacement. Some plants are reporting that they might let inventories slide in anticipation of obtaining replacements at lower costs.

The apparent slowing of lumber exports is an additional concern to millers. The secondary processing industry in Europe is sluggish demand and this is being reflected in order levels for US hardwoods. Exports of American White Oak are particularly slow.

Demand in the pacific rim countries is steady and the overall volumes shipped to these markets is running at the same level as during last year. The industry is voicing optimism about the longer term prospects for the Pacific rim countries, China, in particular is seen as the growth market in the medium term.

In the light of the demand picture described some price erosion is expected for most species. Demand for Ash is almost non-existent at present, it is probably the poorest performing species at the moment. Similarly demand for Red Oak, White Oak, Cherry and poplar remains very quiet. On the positive side is the continuing popularity of Oak as a furniture wood. At recent trade shows several new furniture lines have been introduced using primarily Red Oak.

Exceptions to the general dull trend are provided by Maple (both hard and soft Maple) and Birch. Hard Maple production will fall as millers opt to cut species which do not present problems of staining common to Maple when cut during the warmer months of the year.

Prices of lower grades of lumber seem to be more adversely affected than the higher grades. The softness of prices of the lower grades used for cabinet frames, pallets, cants and similar products is forecast to get worse in the coming months. On a regional basis prices are softer in the North Eastern/New England States than elsewhere. The strongest prices can be seen in the Mid-West/Great Lakes regions.

Prices for Hardwood Lumber
US\$ per MBF KDM FAS

	Jan 96	May 96	%Change
Ash	1265	1155	-8.7
Beech	1035	1035	0.0
Yellow Birch	1203	1203	0.0
Cherry	2165	2140	-1.2
Hard Maple	1575	1620	+2.9
Hickory	1115	1160	+4.0
Soft Maple	1048	1088	+3.8
Red Oak	1483	1393	-6.1
White Oak	1443	1428	-1.0
Poplar	833	818	-1.8
Walnut	2103	2013	-4.3