



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

Okoume, FOB	F.CFA per Cu.m
Grade	
LM	146,000
QS	129,500
CI	99,000
CE	83,500
CS	67,000

Ozigo, FOB	F.CFA per Cu.m
Grade	
LM	103,000
QS	90,000
CI	70,000
CE	59,500

Logs	F.CFA per Cu.m
Agba	55,000
Moabi	65,000
Niangon	78,000
Douka	55,000
Abura	65,000
Sapelli	85,000
Iroko	58,000
Sipo	95,000
Padouk	55,000

Malaysia

The issue of the log export ban in the state of Sabah has come to the forefront once more. Local concessionaires are actively pushing for a reconsideration of the blanket log export ban arguing that local industries are becoming too selective of log quality and are not offering adequate prices for logs. It is argued that some log exports should be allowed.

Sarawak Log Export Prices

(FOB)	per Cu.m
Meranti SSQ	US\$200-205
small	US\$170-175
super small	US\$140-145
Keruing SSQ floaters	US\$215-220
SQ sinkers	US\$175-185
small	US\$145-155
super small	US\$120-125
Kapur SQ Floaters	US\$205-215

Cameroon Log Prices

FOB	Per Cu.m
N'Gollon 70cm+ LM-C	FFR1400
Ayous 80cm+LM-C	FFR1100
Sapele 80cm+LM-C	FFR1450
Iroko 70cm+LM-C	FFR1500

South Sea Logs

FOB	per Cu.m
Pometia	US\$145-160
Calophyllum	US\$150-165
Terminalia	US\$125-135
Other mixed species	US\$110-115

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.or.jp

Domestic Log Prices

Report From Brazil

Logs at mill yard	per Cu.m
Mahogany 1st Grade	US\$380
Ipe	US\$77
Guaruba	US\$40
Mescla(white virola)	US\$40

	per Cu.m
Falkata logs	US\$50-60
Rubberwood	US\$35-38
Pine	US\$55-60
Teak	US\$850-1200
Mahoni	US\$155-160

Report from Malaysia

Logs	Per Cu.m
Domestic (SQ ex-log yard)	US\$260-265
Meranti Bukit (SQ)	US\$180-185
Kembang Semangkok	US\$200-205
Merbau	US\$130-140
Peeler Core logs	US\$32-34
Rubberwood	US\$150-155
Kempas	US\$190-195
Keruing	

Ghana

Prices remain unchanged. The trade is once more trying to open the debate on the log export ban. It is felt by some in Ghana that the time has come to review the log export ban in the interests of good forest management. The argument advanced is that the domestic sawing, peeling and veneer industries are not utilising the available 600 or more species comprising the tropical forest. Selective cutting of the forest for only high quality logs is inevitable at present. An example has been given in the case of one buyer willing to take 5,000 Cu.m of a species not being utilised by the domestic industry. While the log ban continues this timber will be left behind during logging. In unreserved areas which are under pressure from farmers such species will be felled and often burnt.

Sawnwood Prices

International Prices

Brazil

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

Export Sawnwood	per Cu.m
Mahogany KD FAS	
UK market	US\$1000
Jatoba Green	US\$440-480
Curupixa (Europe)	US\$520
Asian Market	
Guaruba	US\$282
Angelim pedra	US\$272
Mandioqueira	US\$250
Pine (AD)	US\$160

Report from Indonesia

Domestic log prices	Per Cu.m
Plywood logs	
Face Logs	US\$180-185
Core logs	US\$ 140-145
Sawlogs	US\$130-140

Ghana

Bank base rates have risen to 40 percent effective October 1st in response to the Central Bank's increase in the primary reserve requirement for all banks from 5% to 10% of deposits. The aim of the increase is to slow inflation.

This move is bound to affect exporters who are already indebted to the banks and who are holding high stocks which

are slow to move. The banks have been urging the exporters to reduce their indebtedness to enable the banks to meet the Central Bank's directive.

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	

Mahogany	per Cu.m
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

Malaysia

Sawn Timber

Export(FOB)	per Cu.m
Dark Red Meranti (DUC)	
GMS select & better (KD)	US\$730-735
Seraya	
Scantlings (75x125 KD)	US\$760-785
Perupok (25mm&37mm KD)	US\$780-800
K.Semangkok (25mm&37mmKD)	US\$650-660

Taiwan Province of China

Rubberwood	per Cu.m
25mm boards	US\$365-370
50-75mm squares	US\$415-420
75-100mm squares	US\$440-450

Sepetir	per Cu.m
GMS (AD)	US\$360-370
Ramin	US\$545-565
Oak 25mm boards	US\$580-585
Maple	US\$835-850
Cherry	US\$1150-1200

Domestic Sawnwood Prices

Report from Brazil

Sawnwood (Green ex-mill)

Northern Mills	per Cu.m
Mahogany	US\$830
Ipe	US\$410
Eucalyptus	US\$150
Southern Mills	
Pine (KD)	US\$160

Ghana

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

Gabon

Sawnwood

Sawnwood Up to 6m length

80x40mm up to 250x50mm

Okoume, Ozigo, Olon, Alone, Faro, Abura,

Agba and Andoung heitz

F.CFA 110,000 per Cu.m

Acajou, Movingul, Kosipo,

Afo, Aiele, Bosse fonce, Eblara

F.CFA 115,000 per Cu.m

Prices before sales tax

Report from Indonesia

Sawn timber

Domestic construction material

Kampar	Per Cu.m
AD 6x12-15x400cm	US\$370-385
KD	US\$490-500
AD 3x20x400cm	US\$425-435
KD	US\$535-550
Keruing	
AD 6x12-15cm	US\$290-300
AD 3x20cm	US\$380-385

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau(25&50mm,100mm+	US\$420-430
Kempas50mm by	
(75,100&125mm)	US\$230-245
Red Merantis	
(22,25&30mm by180+mm)	US\$350-360
Rubberwood	
(25mm & 50mm)	US\$280-290
50mm squares	US\$310-320
75mm+	US\$360-370
Mixed Hardwood Piling	
5-6 ins x5-6 ins sections	US\$210-215

Plywood and Veneers

International Prices

Indonesian Plywood

Indonesia's exports to Japan saw an increase of 11 percent in the first 9 months of this year. This trend is expected to continue until next year according to recent reports. Demand in Japan is expected to go up by 8 percent this year to support the growth in housing demand.

Plywood (export, FOB)

MR,	per Cu.m
Grade BB/CC	
2.7mm	US\$495-505
3mm	US\$450-455
6mm and above	US\$370-375
WBP,	
Grade BB/CC	
12-18mm	US\$475-480

Ghana

Sales of sliced veneer have yet to take off. Buyers from Belgium, Spain, Germany and the UK have visited the plant but took very little. Veneer prices are likely to be dropped as stock levels increase. There are reportedly high veneer stocks in Europe and suppliers are offering big discounts.

Sliced 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

Ready Spliced Veneer (layons)

Thickness 6mm	per Cu.m
Sapele	US\$1370
Anegre	US\$1062
Mahogany	US\$1149
Koto	US\$1153

Plywood 2440x1220mm

Grade BB/CC,	Per Cu.m
Ceiba	WBP MR
4mm	US\$522 US\$430
6mm	US\$438 US\$387
9mm	US\$433 US\$395
12mm	US\$407 US\$373
18mm	US\$400 US\$357

Ghanaian plywood is destined for UK, Israel, Australia and Germany. Some US buyers are looking for large volumes of BB/CC plywood at US\$500 C&F US apparently to complement supplies from Indonesia. Several producers are looking at the request but the strong domestic market may be more attractive.

Rotary Cut Veneer

	per Cu.m
Face Veneer	1-1.6mm
Ceiba	US\$320
Koto	US\$500
Otie/Iloomba	US\$440
Ofram	US\$440

Brazilian Plywood and Veneer

Veneer	per Cu.m
White Virola Face	
2.5mm	US\$260-320
Pine Veneer (C/D)	US\$201
Mahogany Veneer	per Sq.m
0.7mm	US\$2.30

Plywood	per Cu.m
White Virola (US Market)	
5.2mm OV2 (MR)	US\$395
15mm BB/CC (MR)	US\$348
For Caribbean countries	
White Virola 4mm	US\$490
Pine CDX USA	
9mm C/CC (WBP)	US\$265
15mm C/CC (WBP)	US\$250

Malaysian Plywood

MR Grade BB/CC FOB

	Per Cu.m
2.7mm	US\$500-505
3mm	US\$450-460
9-12mm	US\$380-390
18mm plus	US\$360-380

WBP Grade BB/CC	per Cu.m
9-18mm	US\$450-470
Phenolic Overlayed	
12-18mm	US\$495-510
Domestic plywood	
9-18mm	US\$500-505

Taiwan Province of China

Plywood	per Cu.m
2.7mm x 4' x 8'	US\$545-560
5.0mm x 4' x 8'	US\$515-520

Domestic Plywood Prices

Brazil

Rotary Cut (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\$605
15mm	US\$490
15mm Film Faced	
Concrete Formwork	US\$690
4mm Mahogany 1 face	US\$1,400

Indonesia

Domestic MR plywood	per Cu.m
(Jarkarta)	
9mm	US\$440-460
12mm	US\$425-430
15mm	US\$415-430
18mm	US\$390-405

Gabon

Okume Plywood (250x122cm)	
	F.CFA Per pc
	Untaxed Taxed
4mm	3,430 - 3,780
5mm	5,314 - 6,270
8mm	8,886 - 9,540
10mm	9,010 - 11,047
12mm	10,762 - 12,699
15mm	13,019 - 15,362
19mm	15,790 - 18,632

Indonesia

Other Panels	
	Per Cu.m
Export Particleboard FOB	
9-18mm	US\$140-160
Domestic Particleboard	
9-18mm	US\$210-225
MDF Export (FOB)	
12-18mm	US\$210-220
MDF Domestic	US\$290-300

Furniture Parts and Components
Taiwan Province of China, Imports

Imports C&F	per pc
Rubberwood Chair seats	US\$3.10-3.20
Rubberwood unfinished	
Queen Anne Chairs	
(excluding soft seat)	US\$14-16ea
Queen Anne Legs	
2 1/4 ins square x 18 ins	US\$1.10-1.20ea
2 3/4 ins square x 28 ins	US\$2.10-2.20ea
Rubberwood	
table-tops	per Cu.m
	US\$770-780

Taiwan Province of China, Imports

MDF	per Cu.m
Domestic Prices	
3-4mm thick	US\$300-310
12-25mm x 4' x 8'	US\$260-270
Particleboard	
12-18mm (4x8)	per Cu.m
	US\$170-180

Other Panel Product Prices
Brazil

Export Prices	
Blockboard 18mm	per Cu.m
White Virola Faced	
B/C	US\$312
Domestic Prices	
Ex-mill Southern Region	per Cu.m
Blockboard	
15mm White Virola Faced	US\$440
15mm Mahogany Faced	US\$840
Particleboard	
15mm	US\$330

Malaysia

Particleboard (FOB)	
6mm & above	per Cu.m
Domestic	US\$155-165
6mm & above	US\$185-190

MDF (FOB)	
Less than 5mm	per Cu.m
Greater than 6mm	US\$240-260
Domestic Sales	
6-21mm	per Cu.m
	US\$250-260

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting	per Cu.m
(for the Italian market)	US\$835-850
Crown using Pulai or Jeluton	
(for Japanese market)	US\$740-750
Laminated Scantlings	US\$670-700
Laminated Boards	
Falkata wood	US\$305-325
Laminated Boards	
Pine	US\$880-900

Malaysia

Mouldings (FOB)	per Cu.m
Kembang Semangkok	
S4S to Japan	US\$960-980
Skirting	US\$1050-1100

Rubberwood parts and components:

Malaysia

Shaped chair seats	
(18-22mm 16"-18" squares)	
	US\$2.95-3.20per pc
	per Cu.m
Finger jointed	
laminated boards	US\$845-855
top grade	US\$895-910

Doors (FOB)	
Meranti (red) panel doors	
Grade A	US\$51-53per pc
Grade B	US\$43-45per pc
Grade C	US\$40-41per pc

Furniture

Dining suite	
Solid rubberwood laminated top 3' x 5'	
with extension leaf	US\$65-75ea
Same with	
Oak veneered MDF	US\$80-85ea
Windsor Chair	US\$11.80-12.50ea
Colonial Chair	US\$14.50-15.50ea
Napolean Chair	US\$24-27ea

Taiwan Province of China

Furniture	
Dining suite (FOB)	
Oak Veneered MDF tables and	
chairs (6 per set)	
	US\$310-320per set

Freight Costs

Brazil

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

Indonesia

40ft Container	
Jakarta-Rotterdam	US\$2,250
Jakarta-LA(west coast USA)	US\$2,900
Jakarta-NY(east coast USA)	US\$4350

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\$2000

East Coast USA from Taiwan Province China US\$ 2350

Malaysia

40 ft. container

Malaysia to West Coast USA at US\$2650

Malaysia to East Coast USA US\$3200

Malaysia to Ports in Taiwan Province of China US\$550-650

Port Klang / Ports of Taiwan Province of China Province of China

USD 42 per Cu.m Bundled Sawnwood

Consumers Report

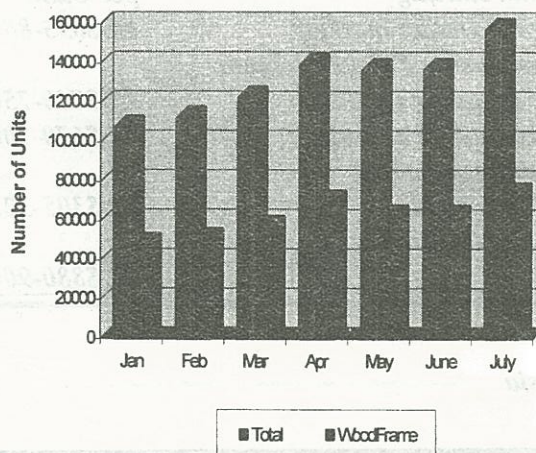
Report From Japan

Active Housing Starts

As a result of increased housing construction, market prices for wood products have gone up sharply since July. The markets for wood products in Japan depend largely on housing construction. Activity in the wood-frame house sector, in particular, affects wood consumption. Construction of wood-frame houses has increased continuously since February when it was down compared to the same month of a year before. In April, housing starts

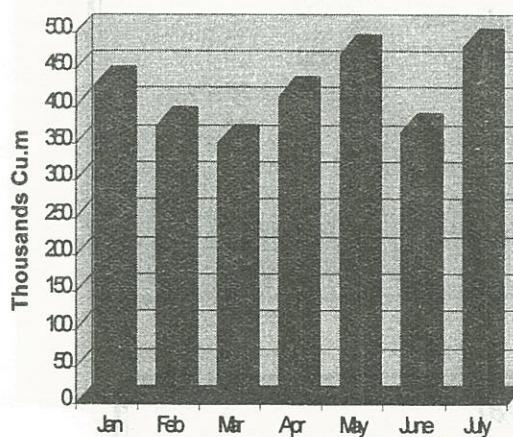
of wood-frame units were 21.8 percent more than the February last year at 69,701 units. Construction continued to increased and in July 73,603 units were constructed, up 22.5 percent from July last year.

Japan Housing Starts

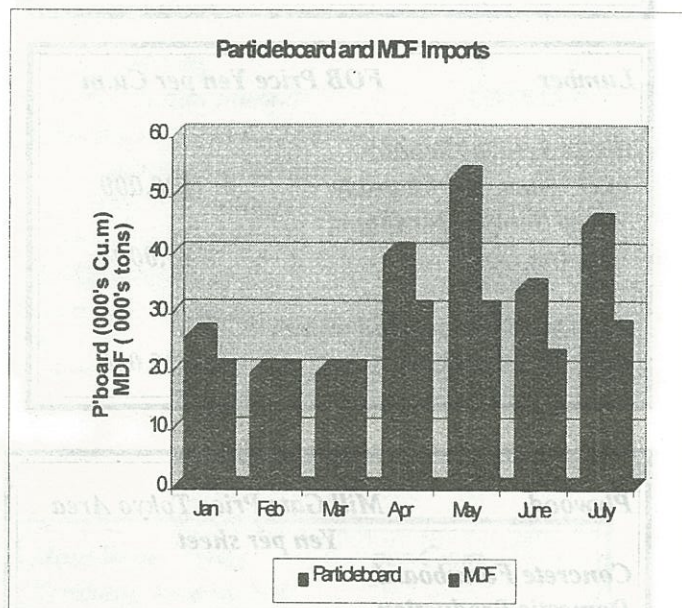


Housing starts in July totaled 157,114 units, 21.7 percent more than July last year. This is equivalent of an annual rate of 1.7 million. An increase in business corresponding to the July starts is expected to be seen during October. Construction companies are reporting a big backlog of orders. Demand for wood products is likely to stay active.

Plywood Imports



Construction of two-by-four units has been active since the beginning of the year. Figures show that this sector increased by more than 40 percent in January, April and May. The target of 100,000 units a year is now closer.



Prices for half-inch plywood remained unchanged at Yen 1,210, March through to July. Prices went up to Yen 1,250 during August and September. Manufacturers announced price of Yen 1,270 in October and this was accepted by the market. It seems possible that manufacturers will push prices to Yen 1,300.

Active housing starts have pushed market prices up and it encouraged overseas suppliers.

Southeast Asian Logs

Market prices for Meranti logs (small: 60% small logs and 40% super small logs) lots are Yen 6,900-7,100 per one koku, CIF Japan, which remains weak. Prices for G3-G4 from Papua New Guinea are around Yen 5,500 and Yen 6,700-6,800 for Taun and Yen 6,300 for Calophyllum.

Meranti logs (20% small) for manufacturing veneer for face and back of thin plywood remain weak at Yen 7,800-7,900.

Domestic manufacturers have reduced production of thin plywood. They have also switch to Mersawa from PNG and Okume from Africa. Inquiries for Meranti regular logs has decreased. The price for Agathis logs is around Yen 9,500. There is considerable discussion taking place in

Sabah on the issue of reopening log exports.

Southeast Asian Lumber

Orders for Southeast Asian lumber have been in small lots since late August. In October, demand for interior decorative lumber became more active. Lumber shipments have recovered as the price for imported White Seraya lumber, first grade is Yen 130,000-150,000 per Cu.m, delivered to retailers.

Present market prices for the domestically sawn Merapi first grade wide lumber, specified lengths, are is Yen 185,000-200,000 per Cu.m, delivered to retailers and around Yen 100,000 for second grade lumber. Market prices for imported laminated lumber and processed lumber are active as availability of lumber is tight and exporter prices have gone up. Prices are Yen 180,000-200,000 per Cu.m for A-quality finger-jointed laminated lumber of Perupok delivered to retailers and Yen 160,000-180,000.

Plywood

In Tokyo markets, inquiries for softwood plywood for structural use are steady. Consumption of plywood increased for traditional post and beam construction as well as two-by-four construction.

Under the circumstances of active consumption, Seihoku manufacturing group has raised their prices by 50 yen per sheet of half-inch plywood for structural use to Yen 1,100 per sheet and Yen 1,050 for underlayment use, delivered to wholesalers.

Domestic manufacturers have reduced production of half inch plywood. Imported plywood leads the markets. In August arrivals totaled 274,000 Cu.m from Malaysia.

Current prices in Tokyo the markets are Yen 1,270 per sheet of domestic half-inch plywood and Yen 1,260-1,280 for Indonesian panels. In Osaka markets prices are Yen 1,300-1,310 and Yen 1,270-1,280 for locally produced and imported panels.

Softwood versus Southeast Asian logs

While actual demand for wood is active, inquiries are not necessarily active for Southeast Asian logs.

Southeast Asian logs once led the markets. However, Southeast Asian log for sawmill use has declined to around

10 percent of a total demand. Imported lumber and other wooden panels came in the markets. Demand for logs for plywood manufacture has declined to 5.2-5.3 million Cu.m.

Production of partially and wholly softwood plywood in the first half of this year was 721,000 Cu.m. this represents a 42.7 percent increase over the same period last year. Softwood and partial softwood plywood is now 33 percent of total plywood production, up 10.4 percent from the last year. The Japan Federation of Plywood Manufacturers Association has projected softwood plywood production this year at 1.5 million cubic meters, which seems now within reach. Southeast Asian logs are still needed for plywood manufacturing as many industries are based on these logs.

Certification in Japan

Japan's interest in the Forest Certification Systems is not high at present but a recent seminar on the issue in Tokyo won wide attention from industry and other concerned parties. The seminar was held by the World Wide Fund for Nature (WWF) Japan to emphasize that "it is a system which is profitable for those who manage the natural resources well". The labeling issue is likely to cause further anxiety about a reduction in supplies of tropical timber in particular.

Delivered Prices

Asian Log, Lumber and Panel Prices

Log For Plywood Manufacturing	
	CIF Price Yen per Koku
Meranti (Hill, Sarawak)	
Medium Mixed	7,850
Meranti (Hill, Sarawak)	
STD Mixed	7,900
Meranti (Hill, Sarawak)	
Small Lot	
(SM60%, SSM40%)	7,100
Taun, Calophyllum (PNG)	
and others	6,700
Mix Light Hardwood	
(PNG G3-G5 grade)	5,500
Okume (Gabonese)	7900
Keruing (Sarawak)	
Medium MQ & up	8,300
Kapur (Sarawak) Medium	
MQ & up	8,200

For Sawmilling FOB Price Yen per Koku	
Melapi (Sarawak)	
Select	10,500
Agathis (Sabah)	
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	45,000
Red Oak 5/4x6 ins and wider	
FAS (US East Coast)	125,000

Plywood	Mill Gate Price Tokyo Area Yen per sheet
Concrete Formboard	
Domestic Production	
from S.E Asian Logs	
11.5x900x1800mm Type 1	1,280
Thin	
2.3x910x1820mm Type 2	330
Medium	
4.0x910x1820mm Type 2	520
5.5x910x1820mm Type 2	630

(Tokyo Market Price Per Sheet)	
Plywood	
2.4x91x1820mm	Yen320
3.6x91x1820mm	Yen460
5.2x91x1820mm	Yen580
Plywood for flooring	
11.5x94.5x1840mm	Yen1630
Plywood for Printing	
3.6x123x2440mm	Yen800

Report From China

Prices for Imported Tropical Wood Products in Shanghai and Eastern

China August 1996 (Yuan/cubic metre or per sheet)

	Yuan Per Cu.m
Keruing Log	
Length: 6-20m	2000-2450
Mengaris Log	
Length 6m+	1800-1900
Malaysian Lauan Log	
Mixed	2500-2600
Malaysian Lauan with hollow heart	
Mixed	1200-1400
Lauan lumber	
Thickness: 5-6cm	
Length: 3-4m	2850-3450
Lauan tongued, grooved flooring strip	
18mmx50-70mmx3m	115-130
Malas tongued, grooved flooring strip	
18x70mm x2.2-4.1m	115-130
Plywood from Indonesia	
3mm X 4' X 8'	42

Wood Market in Eastern China

A 'wood market' has recently been built in Eastern China. Covering a site of 20 ha and water storage of 14 ha, the 'wood market' is located to the northeast of Wuxi city, Jiangsu Province. The area is reported as having very convenient transportation facilities.

The newly built wood market will promote the economic development of the whole eastern China, especially the Yangtze river Delta region. Now a number of forest enterprises from the Northeast forest region, Jiangxi, Fujian, Hunan, Hubei, Guangdong and Guangxi can more easily participate through the new facility.

Bamboo flooring Production

A new bamboo flooring production line has been installed by Xingmao Decoration Material Ltd., Jiaoling county, Guangdong Province, a joint enterprise of Guangdong and Taiwan. The company was established in November 1995 and introduced updated production technology from Taiwan. Production began in May 1996. Annual capacity is said to be 200,000 sq.m and most of the production is for export.

MDF Plant for Beijing

Construction has started on a MDF production line for Beijing Senhua Panel Ltd. established jointly by Beijing Constructing Material Group company and ACE of Germany.

The annual design capacity of the line is 1000,000 cm. The plant uses a continuous flat-press facility provided by Siempelkamp of Germany. The line will produce 2.5-40mm boards to European and American standards.

Price for tropical wood products in Wenzhou Wood Market, Zhejiang Province September 1996

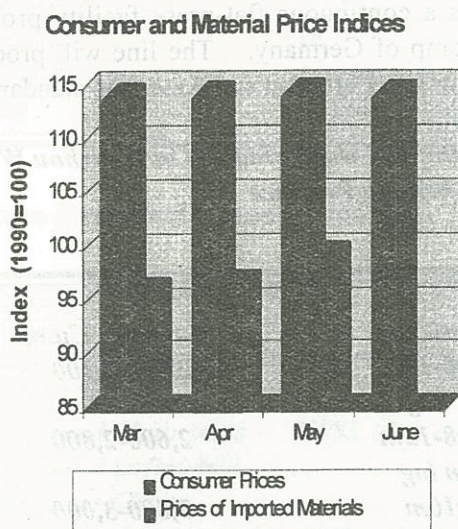
Log	
Mengaris log	Yuan per Cu.m
60cmx6-12m	2,000-2,100
Lauan log	
60cmx8-12m	2,600-2,800
African log	
60cmx10m	2,800-3,000
Kapur	
60cmx8-12m	3,000-3,200
Shorea	
60cmx8-12m	2,850-3,200
Lumber	per Cu.m
Canadian 70x140x2.5m	1,200-1,350
Belian 80x160x4m-6m	7,500-7,800
Lauan 60x100-260x3m	3,700-3,900
Flooring	
Kapur tongued, grooved flooring strip	110-215 per Sq.m
Plywood	
Malaysian 3mm	40 per sheet

From Europe, An Update on France

In France furniture sales increased in the first months of 1996. After a disappointing 1995, the French furniture market opened 1996 with an increase in the volume of sales. There are still strong doubts, however, as to whether this trend will continue throughout the year due to the government's rigorous economic austerity policies.

Building activity in France started to decline in 1991 and continues to do so up to the present time. During the first half of 1996 housing starts totaled only 139,000 units down

9.5 percent on 1995. The building sector is reporting that orders on hand are some 11 percent lower now compared to the same period last year. Since 1991 the construction industry has lost over 150,000 employees and the impact on the timber trade has been equally as devastating.



Furniture Prices in France

Window

Venetian Blind 120x150cm FFR2,190

Solid Wooden Doors

Upper Price, Oak, FFR10,018
 Medium Price, Oak, FFR7,920
 Lower Price, Oak, FFR6,073

Furniture and Components

Kitchen Chairs

Medium Price, Beech, FFR234
 Lower Price, Beech, FFR140

Dining Chair

Upper Price, Solid Cherry FFR1,650
 Medium Price, Beech FFR280
 Lower Price, Beech, FFR181

Kitchen Table

Medium Price, Beech

100x70cm

FF561

Lower Price, Melamine

Covered 115x74cm

FFR238

Dining Table

Upper Price, Cherry

150x90cm

FFR11,700

Lower Price, Softwood

115x74cm

FFR1,000

Kitchen Doors

Upper Price, Solid Oak,

58.8x49.5cm

FFR560

Medium Price, Solid Oak,

58.8x49.5cm

FFR327

Lower Price, Solid Oak

58.8x49.5cm

FFR265

Mouldings

Per Lin. m

Upper Price, Pine

1.8x7cm

FFR18.83

Medium Price, Pine

1.4x4.8cm

FFR8.35

Lower Price, 1x2.9cm

FFR4.93-5.56

News from Other European Countries

Bedroom furniture producer Symphony of the UK has invested in new machinery for its Rotherham plant. The move will enable the company to treble its output.

The Spanish office furniture sector (about 225 companies with a total turnover of Pta 47,000) should show signs of recovery from the crisis which began in 1992. Due to a drop of up to 40% in domestic demand some Spanish producers have successfully promoted their exports, especially to Germany and France.

In 1995 Slovak woodworking companies' sales rose from Skr 6.8 million to Skr 30 million. In the turn of the last five years the export quota passed from 31% to 61% of total sales.

The Italian Natuzzi, world leader in the production of leather upholstered furniture, will invest L611 million in the

construction of a new production complex in Iesce, near Matera. The new factory, with a staff of 5,000, is to produce about 20,000 pieces of furniture per day. In 1995 Natuzzi registered a net profit of L95.9 billion on a turnover of L839 billion.

A German association of 60 ecologically oriented furniture stores (Bundesverband Oekologischer Einrichtungshäuser, Cologne) has introduced a check list, named Oko Control, for consumers who wish furniture produced throughout an ecologically correct product cycle.

For the first time in 22 years Danish furniture exports decreased. In the first six months of 1996 they were worth Dkr 2,893 million, showing a decrease by Dkr 479 million compared to the first half of 1995. This is mainly due to a weak German market, as more than 50% of Danish exports are destined to Germany, and to sales reduction on the Norwegian, Swedish and Swiss markets.

After the opening of its first outlet in Barcelona, Ikea will soon inaugurate a new 22,500 square metres outlet in Madrid, with an investment of Pta 5 billion.

US Industry Report

Tropical Log and Lumber Imports

In 1995, American imports of tropical logs and lumber were valued at US\$105.5 million (customs valuation, excluding freight, insurance and duties). This represented a volume of 169,199 m³. The value of imports has more than doubled since 1993 (up 56.5%). Much of this increase is as a result of higher prices, in fact the price index of imported tropical logs and lumber advanced to 119.1% in 1995 (1993 = 100). As a result of the price advance the volume of tropical wood imports increased at a slower pace than its value, that is by 31.4% between 1993 and 1995.

The bulk of the imports is of sawn lumber (approximately 97.0% on the basis of value) with only a small portion of imports being logs. The share of logs is likely to decline further due to high transportation costs and the producers desire to ship products with a higher value added. Countries which still export small quantities of logs to the USA include Taiwan, Province of China (344 m³ in 1995), Myanmar (293 m³), and Thailand (241 m³).

The United States obtains its supply of tropical woods from some 50 countries but most of it stems from Central and

South America. Two countries, Bolivia and Brazil satisfied almost two-thirds of the entire U.S. demand for tropical woods.

In 1995, Bolivia was the largest supplier contributing a share of 33.6% to total imports. This represented 51,414 Cu.m of wood valued at US\$35.5 million. All of this was sawn Mahogany lumber valued at an average price of US\$690 per Cu.m. Bolivia has been gaining market share during the past few years, in 1993 its share stood at only 21.5%.

Traditionally Brazil was the most important supplier of tropical woods to the United States, but in 1995, it dropped to the number two position, surrendering the top rank to Bolivia. Brazil has been losing in importance for some time. In 1993, its share of the US market was a staggering 48.6% but in 1995 it was only 30.4%. In volume terms, this amounted to 48,029 Cu.m valued at US\$32.0 million. Some 99% of Brazil's wood exports is Mahogany in the form of sawn lumber, prices at US\$668 per Cu.m. the remainder is made up of a variety of other species which, up to 1994, were either sold as logs or sawn lumber. In 1995, Brazil discontinued the export of logs.

The third ranked supplier of logs and lumber to the US is Malaysia with 1995 exports of 14,102 Cu.m valued at US\$9.2 million. The bulk of the Malaysian shipments are of Meranti species. Between 1993 and 1995, Malaysia was able to increase the value of its shipments, however, this was entirely due to higher prices, in fact the volume of Malaysian shipments declined between 1993 and 1995. Furthermore, the Malaysian share of overall US tropical timber imports is also on a slow decline. In 1993 it stood at 10.1% but dropped to 8.7% in 1995. Malaysia has drastically reduced the export of logs. In 1993, logs still constituted 11.6% of the overall export value of logs and lumber. In 1995 the country's share of the US log market was less than one percent.

Other countries of some relative importance include, in declining order, Peru (US\$6.0 million), Philippines (US\$3.4 million), Indonesia (US\$3.1 million), Guatemala (US\$3.0 million), Chile (US\$2.3 million), Mexico (US\$1.9 million), Nicaragua (US\$1.9 million), Ghana (US\$1.3 million) and Belize (US\$1.2 million). All of the other source countries exported less than US\$ 1 million each to the United States. It is interesting to observe that the African suppliers play a very minor role as a supplier of tropical woods to the United States. The only African country of some importance in the US market is Ghana.

US Imports of Tropical Logs and Lumber

	Customs Value US\$ 000			Customs Volume Cu.m		
	1995	1994	1993	1995	1994	1993
World	105487	93621	67410	169199	158516	128779
Logs	3148	2144	1831	2821	4924	4318
lumber	102303	91477	65579	166378	153592	124461
Logs and Lumber						
Bolivia	35480	26828	14515	51414	44668	24244
Brazil	32026	32833	32760	48029	49788	59289
Malaysia	9217	9370	6802	14102	17168	14959
Peru	6049	4891	1982	8654	7378	3565
Phillipines	3411	4683	4214	5552	7758	8179
Indonesia	3128	3738	2224	6132	7820	5130
Guatemala	3015	2038	1535	5024	4061	3624
Chile	2319	2794	295	9490	4474	442
Mexico	1891	26	0	4846	30	0
Nicaragua	880	276	134	3653	688	913
Ghana	1266	689	457	2630	1893	1491
Belize	1183	412	81	2634	760	161
Singapore	755	1574	599	409	2924	1115
TaiwanPoC	656	67	0	344	21	0
Myanmar	617	0	39	293	0	42
Guyana	613	347	378	2765	2149	1801
Thailand	37	0	14	241	0	30
UK	318	1344	4	449	1689	7
Cameroon	249	182	227	365	370	441
Honduras	163	280	121	951	1668	775

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
		Stg	Pounds Sterling

