



INTERNATIONAL TROPICAL

TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producers Report

Log Prices

International Prices

Malaysia

Authorities in Sabah are reportedly lifting the three year ban on log exports. According to reports the ban will be lifted on 1st November. The Sabah Chief Minister is quoted as saying that the volume of logs for export will be set at 2mil Cu.m per year out of the current production of 6mil. Cu.m. Apparently there will not be a quota system imposed but concessionaires and exporters will be dealt with on a first come first served basis and licenses will be issued up to the 2 mil Cu.m ceiling.

The species for export and the royalty rates were not available at the of going to press.

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

Sarawak Log Export Prices

(FOB)		per Cu.m
Meranti	SSQ	US\$210-220
	small	US\$180-190
	super small	US\$150-155
Keruing	SSQ floaters	US\$220-225
	SQ sinkers	US\$180-185
	small	US\$150-155
	super small	US\$120-130
	SQ Floaters	US\$210-215
Kapur		

Domestic Log Prices

Report From Brazil

The domestic market is very active.

Industry is optimistic that the prospects for next year are good. Inflation for 1997 is projected at around 6-8%, the lowest inflation for the last 30 or 40 years, and economy is projected to grow between 4-6%. Industry analysts are suggesting that domestic consumption will increase to such an extent that Brazil may not increase wood product exports substantially in the next 1-2 years, in spite of increase in the production capacity, particularly of woodbased panels.

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The expansion of the woodbased panel production is now projected to be between 1 and 2 million cubic metres in the next 2-3 years.

Report from Malaysia

Logs at mill yard	per Cu.m
Mahogany Ist Grade	US\$430
Ipe	US\$77
Jatoba	US\$55
Guaruba	US\$40
Mescla(white virola)	US\$44

Logs	Per Cu.m
Domestic (SQ ex-log yard)	
Meranti Bukit (SQ)	US\$250-260
Kembang Semangkok	US\$180-185
Merbau	US\$190-205
Peeler Core logs	US\$140-150
Rubberwood	US\$32-34
Kempas	US\$150-155
Keruing	US\$190-200

Ghana

No change in domestic log prices has been reported.

Sawnwood Prices

International Prices

Brazil

Export markets continue to be stable with no substantial change in volumes or prices have been reported during the last 2 weeks.

Producers are projecting a continuing increase in the demand from regional markets, including MERCOSUL countries and Caribbean countries.

The tax reduction on exports of primary products announced by the Government has caused little impact so far, but in the medium term it is expected by industry to make Brazilian primary wood products more competitive and therefore facilitate exports of sawnwood and veneers.

The price for Mahogany has increased considerably as the volume of Mahogany now flowing onto the market is very much reduced as a result of efforts of the IBAMA to stop illegal logging and as a result of Government regulations prohibiting the opening of any new areas for harvesting.

Report from Indonesia

Domestic log prices remain firm.

Domestic log prices	Per Cu.m
Plywood logs	
Face Logs	US\$175-185
Core logs	US\$ 140-145
Sawlogs	US\$135-140
Falkata logs	US\$50-60
Rubberwood	US\$35-38
Pine	US\$60-65
Teak	US\$850-1200
Mahoni	US\$175-185

Export Sawnwood	per Cu.m
Mahogany KD FAS	
UK market	US\$1000
Jatoba Green(dressed)	US\$440-480
Curupixa (Europe)	US\$520
Asian Market	
Guaruba	US\$285
Angelim pedra	US\$270
Mandioqueira	US\$245
Pine (AD)	US\$155

In recent years the Mahogany trade has become less important to the Brazilian producers who have been successful selling other species and in diversifying their markets to the Caribbean and to SE Asia. For some time now there have been quotas on Mahogany exports and there have been instances where the allowable quota has not been utilised. Industry analyst expect the diversification of production and of the markets to continue and see the new export markets and the growing domestic market becoming more and more important.

Ghana

The export of sawn plantation Teak is on the increase. India was the main market for plantation Teak logs before the ban on log exports. The sawnwood is now going to Hong Kong, Thailand, Macao, UK, USA and Germany.

Teak Prices FOB

Asian Flooring Specifications

13mm - 150mm wide

100mm - 150mm wide

450mm - 3m Length

Prime Grade US\$1200-1800 per Cu.m

Second Grade US\$700-1000 per Cu.m

Teak for Garden Furniture

63mmx63mmx610mm-765mm

US\$1300 per Cu.m

63mmx100mmx915mm

US\$1750 per Cu.m

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\$740-745

Seraya

Scantlings

(75x125 KD) US\$765-780

Perupok

(25mm&37mm KD) US\$800-815

K.Semangkok

(25mm&37mmKD) US\$650-660

Taiwan Province of China

Rubberwood FOB per Cu.m

25mm boards US\$365-370

50-75mm squares US\$415-420

75-100mm squares US\$440-460

Sepetir per Cu.m

GMS (AD) US\$370-385

Ramin US\$570-585

Oak 25mm boards US\$580-585

Maple US\$850-880

Cherry US\$1150-1200

Domestic Sawnwood Prices**Report from Brazil**

<i>Sawnwood (Green ex-mill)</i>	
<i>Northern Mills</i>	<i>per Cu.m</i>
<i>Mahogany</i>	US\$920
<i>Ipe</i>	US\$410
<i>Jatoba</i>	US\$370
<i>Eucalyptus</i>	US\$160
<i>Southern Mills</i>	
<i>Pine (KD)</i>	US\$165

Ghana

<i>Dahoma, Wawa, Odum, Antiaris</i>	
	<i>per Cu.m</i>
<i>Mill Run 50x150mm</i>	US\$93-124
<i>50x100mm</i>	US\$72-103
<i>50x50mm</i>	US\$104-258
<i>25x300mm</i>	US\$72-103
<i>Mixed Redwood</i>	
<i>40x300x3.6m</i>	US\$103-247

Gabon

<i>Sawnwood</i>	
<i>Sawnwood Up to 6m length</i>	
<i>80x40mm up to 250x50mm</i>	
<i>Okoume, Ozigo, Olon, Alone, Faro, Abura, Agba and Andoung heitz</i>	
	<i>F.CFA 110,000 per Cu.m</i>
<i>Acajou, Movingul, Kosipo, Afo, Aiele, Bosse fonce, Eblara</i>	
	<i>F.CFA 115,000 per Cu.m</i>
<i>Prices before sales tax</i>	

Report from Indonesia**Sawn timber
Domestic construction material**

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

Malaysian Domestic Sawnwood Prices

<i>Sawnwood</i>	<i>per Cu.m</i>
<i>Balau</i>	
<i>(25&50mm, 100mm+)</i>	US\$410-420
<i>Kempas 50mm by</i>	
<i>(75, 100&125mm)</i>	US\$230-235
<i>Red Merantis</i>	
<i>(22, 25&30mm by 180mm+)</i>	US\$340-350
<i>Rubberwood</i>	
<i>(25mm & 50mm)</i>	US\$280-290
<i>50mm squares</i>	US\$310-320
<i>75mm+</i>	US\$360-370
<i>Mixed Hardwood (Piling)</i>	
<i>125x125&130x130</i>	US\$210-215

Plywood and Veneers**International Prices****Indonesian Plywood**

<i>Plywood (export, FOB)</i>	
<i>MR, Grade BB/CC</i>	<i>per Cu.m</i>
<i>2.7mm</i>	US\$495-505
<i>3mm</i>	US\$450-455
<i>6mm and above</i>	US\$370-375
<i>WBP,</i>	
<i>Grade BB/CC</i>	
<i>12-18mm</i>	US\$475-480

Ghana

<i>Sliced Veneer</i>		<i>per Sq.m</i>
<i>Asanfona</i>	<i>Face</i>	<i>US\$1.20</i>
	<i>Interior</i>	<i>US\$1.00</i>
	<i>Backing</i>	<i>US\$0.65</i>
<i>Redwoods (Mahogany, Candollei, Edinam)</i>		<i>per Sq.m</i>
	<i>Face</i>	<i>US\$1.15</i>
	<i>Interior</i>	<i>US\$0.90</i>
	<i>Backing</i>	<i>US\$0.55</i>

<i>Ready Spliced Veneer (layons)</i>	
<i>Thickness 6mm</i>	
	<i>per Cu.m</i>
<i>Sapele</i>	<i>US\$1370</i>
<i>Anegre</i>	<i>US\$1062</i>
<i>Mahogany</i>	<i>US\$1149</i>
<i>Koto</i>	<i>US\$1153</i>

<i>Plywood 2440x1220mm</i>	
<i>Grade B/BB, WBP</i>	
	<i>per Cu.m</i>
<i>Ceiba</i>	<i>US\$554</i>
<i>4mm</i>	<i>US\$498</i>
<i>6mm</i>	<i>US\$478</i>
<i>9mm</i>	<i>US\$420</i>
<i>12mm</i>	<i>US\$426</i>
<i>15mm</i>	<i>US\$420</i>
<i>18mm</i>	<i>US\$420</i>
<i>MR B/BB 10 % less</i>	

<i>Rotary Cut Veneer</i>		
	<i>per Cu.m</i>	
	<i>Face</i>	<i>Core</i>
	<i>1-1.6mm</i>	<i>1.7-2.5mm</i>
<i>Ceiba</i>	<i>413</i>	<i>360</i>
<i>Koto</i>	<i>503</i>	<i>450</i>
<i>Otie/Iomba</i>	<i>440</i>	<i>415</i>
<i>Chenchen</i>	<i>426</i>	<i>415</i>
<i>Wawa</i>	<i>440</i>	<i>415</i>
<i>Bombax</i>	<i>440</i>	<i>415</i>

As a result of the strong domestic market prices for plywood have increased in the last weeks. This may effect the export market, as companies market a greater proportion of their production locally

<i>Brazilian Plywood and Veneer</i>	
<i>Veneer</i>	<i>per Cu.m</i>
<i>White Virola Face 2.5mm</i>	<i>US\$260-320</i>
<i>Pine Veneer (C/D)</i>	<i>US\$201</i>
<i>Mahogany Veneer</i>	<i>per Sq.m</i>
<i>0.7mm</i>	<i>US\$2.40</i>
<i>Plywood</i>	
<i>White Virola (US Market)</i>	
<i>5.2mm OV2 (MR)</i>	<i>US\$365</i>
<i>15mm BB/CC (MR)</i>	<i>US\$348</i>
<i>For Caribbean countries</i>	
<i>White Virola 4mm</i>	<i>US\$490</i>
<i>12mm</i>	<i>US\$380</i>
<i>Pine CDX USA</i>	
<i>9mm C/CC (WBP)</i>	<i>US\$275</i>
<i>15mm C/CC (WBP)</i>	<i>US\$255</i>
<i>Cedro (Puerto Rico)</i>	
<i>4mm</i>	<i>US\$810</i>

Malaysian Plywood

<i>MR Grade BB/CC FOB</i>	
	<i>Per Cu.m</i>
<i>2.7mm</i>	<i>US\$500-505</i>
<i>3mm</i>	<i>US\$450-460</i>
<i>9-12mm</i>	<i>US\$380-390</i>
<i>18mm plus</i>	<i>US\$360-380</i>
<i>WBP Grade BB/CC</i>	
<i>9-18mm</i>	<i>US\$450-470</i>
<i>Phenolic Overlayed</i>	
<i>12-18mm</i>	<i>US\$495-510</i>
<i>Domestic plywood</i>	
<i>9-18mm</i>	<i>US\$500-505</i>

Taiwan Province of China

<i>Plywood</i>	<i>C&F</i>	<i>per Cu.m</i>
<i>2.7mm x 4' x 8'</i>		<i>US\$545-560</i>
<i>5.0mm x 4' x 8'</i>		<i>US\$515-520</i>

Domestic Plywood Prices

Brazil

Rotary Cut (Northern Mill)	
	per Cu.m
White Virola Face	US\$170
White Virola Core	US\$120
Plywood	
(ex-mill Southern Mill)	
Grade MR	Per Cu.m
4mm White Virola	US\$650
15mm	US\$495
15mm Film Faced	
Concrete Formwork	US\$690
4mm Mahogany 1 face	US\$1,400

Indonesia

Domestic MR plywood	
(Jarkarta)	per Cu.m
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

Furniture Parts and Components

Taiwan Province of China, Imports

Imports C&F	
Rubberwood	
Chair seats	US\$3.10-3.20 per pc
Rubberwood unfinished	
Queen Anne Chairs	
(excluding soft seat)	US\$14-16ea
Queen Anne legs	
2.25insx18ins	US\$1.1-1.2ea
2.75insx28ins	US\$2.1-2.2ea
Rubberwood	per Cu.m
table-tops	US\$770-780

Other Panel Product Prices

Brazil

Domestic consumption has increased and there are a shortage of some products, for example particleboard. The furniture industry is having to import particleboard from Argentina, Chile and from Europe.

Export Prices	
Blockboard	per Cu.m
Pine 18mm 5ply (B?C)	US\$315
Domestic Prices	
Ex-mill Southern Region	per Cu.m
Blockboard	
15mm White Virola Faced	US\$510
15mm Mahogany Faced	US\$850
Particleboard	
15mm	US\$330

Indonesia

Other Panels	
	Per Cu.m
Export Particleboard FOB	
9-18mm	US\$145-160
Domestic Particleboard	
9-18mm	US\$195-215
MDF Export (FOB)	
12-18mm	US\$210-220
MDF Domestic	US\$290-300

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	per Cu.m
12-18mm (4'x8')	US\$170-180

Malaysia

Mouldings (FOB)	per Cu.m
Selangan Batu decking	US\$570-580
Kembang Semangkok	
S4S to Japan	US\$960-980
Skirting	US\$1050-1100

Rubberwood parts and components:

Malaysia

Particleboard (FOB)	per Cu.m
6mm & above	US\$155-160
Domestic	
6mm & above	US\$180-190

Malaysia

Shaped chair seats (18-22mm 16"-18" squares)	
	US\$2.95-3.20per pc

MDF (FOB)	per Cu.m
Less than 5mm	US\$240-260
Gretaer than 6mm	US\$210-230
Domestic Sales	
	per Cu.m
6-21mm	US\$250-270

Finger jointed	per Cu.m
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

Prices of Added Value Products

Furniture

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\$680-700
Laminated Boards	
Falkata wood	US\$320-330
Laminated Boards	
Pine	US\$880-900

Dining Table	
Solid rubberwood laminated top 3' x 5'	
with extension leaf	US\$65-70ea
Oak Veneer on MDF	US\$80-85ea
Windsor Chair	
Lower end	US\$11.8-12.50ea
Colonial Chair	US\$14.5-15.5ea
Napolean Chair	US\$24-27ea
Queen Anne Chair (with soft seat)	
without arms	US\$23-28ea
with arms	US\$25-30ea

Ghana

Taiwan Province of China

Furniture Imports

Queen Anne Legs

2.25 ins sq. x 18 ins

US\$1 - 1.2ea

2.75 ins sq. X 28 ins

US\$2.1-2.2

Furniture Exports

Dining suite (FOB)

Exports

Oak Veneered MDF tables and chairs (6 per set)

US\$300-305per set

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

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

Consumers Report

Report From Japan

Japanese plywood manufacturers have proposed a further increase in price and this is worrying wholesalers who are saying that the price increases may be unacceptable to the consumer. Prices for October have gone up to Yen 1,310 for 12mm, 3x6, yen 1,200 for structural softwood plywood, Yen 1,320 for imported 12mm JAS and Yen 1,270 for plywood for underlays.

The International Furniture Association has released figures showing that imports of furniture for the first half of 1996 are up by 31% over last year. Imports total Yen 148.4 billion. Imports of wooden furniture are up 38% to Yen 77.7 billion and imports of metal furniture are up 41% to Yen 31.4 billion. Imports of furniture parts amounted to Yen 25 billion up 11.8% over the same period of last year. The main suppliers are Taiwan P.o.C. at Yen 29 billion, up 40% over 1995. Japan's furniture exports are down 12% to Yen 17 billion for the first half year.

Imports of reconstituted boards in August were recorded at 54,000 Cu.m the largest volume imported in any one month this year. Imports originated from Canada 19,000 Cu.m (OSB) and New Zealand 5,000 (Triboard). The record monthly import is largely due to delivery of 15,000 Cu.m from Indonesia.

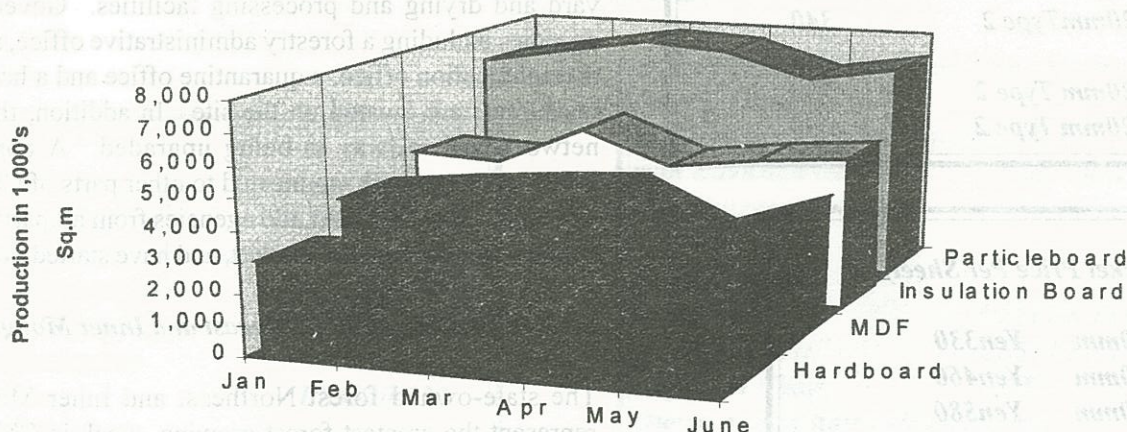
Delivered Prices

Asian Log, Lumber and Panel Prices

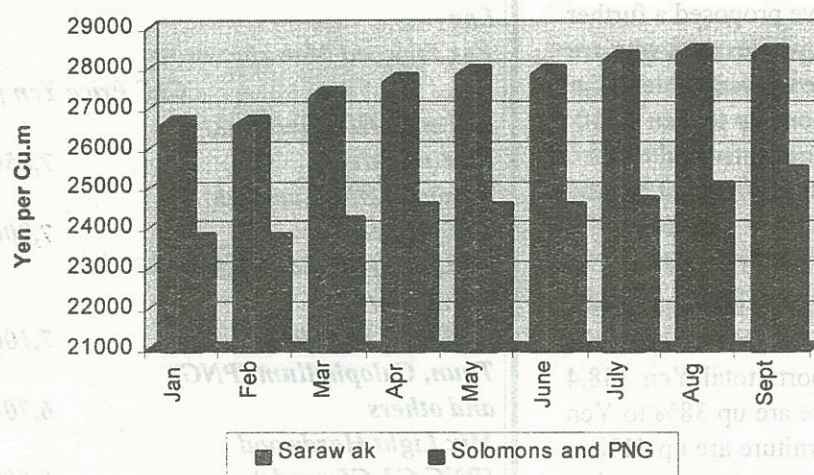
Log	
For Plywood Manufacturing	
	CIF Price Yen per Koku
Meranti (Hill, Sarawak)	
Medium Mixed	7,850
Meranti (Hill, Sarawak)	
STD Mixed	7,900
Meranti (Hill, Sarawak)	
Small Lot	
(SM60%, SSM40%)	7,100
Taun, Calophyllum (PNG)	
and others	6,700
Mix Light Hardwood	
(PNG G3-G5 grade)	5,500
Okume (Gabonese)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

Production of Woodbased Panels in Japan (1996)



**Wholesale price for Southsea Logs
Tokyo Log Yard 1996**



Lumber	FOB Price Yen per Cu.m
White Seraya (Sabah)	
24x150mm, 4m 1st grade	110,000
Mixed Seraya 24x48mm,	
1.8 - 4m, S2S	46,000
Red Oak 5/4x6 ins and wider	
FAS (US East Coast)	125,000

Plywood	Mill Gate Price Tokyo Area Yen per sheet
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Concrete Formboard	
Domestic Production from S.E Asian Logs	
11.5x900x1800mm Type 1	1,280
Thin	
2.3x910x1820mm Type 2	340
Medium	
4.0x910x1820mm Type 2	520
5.5x910x1820mm Type 2	630

(Tokyo Market Price Per Sheet)

Plywood	
2.4x91x1820mm	Yen330
3.6x91x1820mm	Yen460
5.2x91x1820mm	Yen580
Plywood for flooring	
11.5x94.5x1840mm	Yen1630
Plywood for Printing	
3.6x123x2440mm	Yen800

Report From China

Central Wood Market in Southwest China

In order to develop the market economy, a market for wood and forest products has been set up in Kunming in Southwest area of China, the market opened for business in September 1996.

Costing Yuan 20 million the 200mu (about 13 ha) market is located in a suburb of Kunming city. The new market has variety of facilities such as a business hall, a log storage yard and drying and processing facilities. Government agencies including a forestry administrative office, a bank, communication office, a quarantine office and a hotel and restaurants are located on the site. In addition, the road network and railway is being upgraded. A computer information network, connected to other parts of China, is available. Businessmen and agencies from all parts of the country are entering the market, and have started business.

State-owned forests in Northeast and Inner Mongolia

The state-owned forest Northeast and Inner Mongolia represent the greatest forest growing stock in China and are therefore a very important log production base for the country.

The development goal for the year 2000 and 2010 of the state-owned forest area of Northeast and Inner Mongolia was been put forward recently by the Minister of Forestry, Mr. Xu Houfang at a Workshop on economic development of Northeast region.

The goal is to develop this region to become a major forest area with a rational industry structure and with a more advanced economy to enrich the people's lifestyle. The specific objectives are as follows: By the year 2000, the forest cover should reach 78%; the annual output of logs should reach 19mil.Cu.m, wood-based panels output should be 3mil Cu.m and pulp and paper production should be 650,000 tons. The total production should be of a value of Yuan 35 billion and the rate of economic development should be 13.5%. It is forecast that 106,000 jobs need to be created so that the target of average income per person in the forested area should be Yuan 6,200.

By the year 2010, the forest coverage is planned to reach 82%, annual log output will be 22.5mil Cu.m, wood-based panels and pulp and paper output will be 4 million cubic meter and 1.05 million tons respectively.

Prices of Tropical Timber in Shanghai and Eastern China

<i>Logs</i>	<i>per Cu.m</i>
<i>Keruing</i>	<i>Yuan1800-2400</i>
<i>Red Meranti</i>	<i>Yuan2500-2600</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>Yuan3850</i>
<i>Sawnwood</i>	
<i>Meranti</i>	<i>Yuan2850-3450</i>
<i>Flooring</i>	
<i>Meranti T&G</i>	<i>per pc.</i>
<i>18x50mm 3m</i>	<i>Yuan145</i>
<i>Malas T&G</i>	
<i>18x70mm x3m</i>	<i>Yuan115-130</i>

Other News from China

China's first Gypsum Particleboard plant has been established by Cang Song Building Material Ltd., a Sino-Germany enterprise located in Linyi city, Shangdong province. The company cooperated with Bison of Germany

and introduced advanced technology from Germany. Construction of the production facility started in 1993 and trial production began in September 1996.

The quality was appraised by the national appraisal centre for wood based panel quality, and the national appraisal centre determined that the product met the technological requirement of Standard Q/esjc001 - 96 for fire resistance and met environmental requirements. Now the production line is in operation.

Chinese chip production

Recently available statistics show that during the period 1991-1995 China produced 13.5 million dry tons of wood chips, of which 3.9 million tons were exported. In 1995, China's chip production reached 4 million dry tons and was valued at Yuan 2.5 billion, this is double that of 1991. In 1995, 1.5 million dry tons were exported, earning US\$160 million. Through the country, more than 200,000 workers are involved in chip production.

During the Ninth Five-Year Plan (1996-2000) it is determined that chip production should increase to 21- 25 million dry tons, of which some 7.5 - 10 million dry tons will be exported. By the end of the century, China's annual chip production will reach 6 million dry tons.

News from South Korea

Despite the recent recession, the South Korean furniture industry has grown steadily since 1990, averaging 15 percent growth annually. A recent study has shown that the value of South Korea's furniture market is about Won 3 trillion (US\$4 billion) and comprises household furniture (54 percent), kitchen furniture (18 percent), office furniture (15 percent) and bedroom furniture (13 percent). The top 10 furniture brands, out of around 3,000 furniture manufacturers, account for an estimated 18 percent of the total market by value.

Most of South Korea's furniture manufacturers use tropical hardwoods, however solid Oak furniture continues to be popular with the South Korean consumers and has become a benchmark in national furniture styles. Oak lumber accounts for almost 60 percent of total imports of hardwood lumber from the United States. Consumer awareness of species is reportedly low, with most consumers familiar with just one or two wood species used for furniture.

The study identified that the demand for up-market furniture (with European designs being the most popular) has steadily increased as the South Korean economy grew.

From Europe, An Update on Italy

In the first half of 1996 the Italian kitchen furniture producers registered a standstill of domestic sales in value and a contraction in quantity (down about 4%). However exports increased by around 7% in value. Industry is forecasting that the figures for the second half of the year will show a slight recovery of demand.

Figures just released show that in 1995 the Italian domestic furniture market was worth an estimated L11,900 billion at factory prices (around L21,500 billion at consumer prices). Almost 90% of home furniture is distributed through only 22,000 retail outlets.

The trade group Metro (Germany) has acquired control of the retail operations of Salzam (Vergiate, Italy) thus acquiring Emmezeta (Mercatone zeta), the home furnishings and furniture chain controlled by Salzam. The total investment is about L210 billion, Emmezeta, which should post a turnover of L700 billion in 1996, has 8 retail outlets (with a total area of 25,000 square metres): ten new ones will be opened by 1998

Prices in Italy

Wooden Windows

Upper Price,	
Douglas Fir, 150x120cm	Lira 793,000.
Medium Price	
Douglas Fir, 150x120cm	Lira 629,000.
Lowest Price	
Pine, 150x120cm	Lira 453,000.
Medium Price	
Mahogany, 150x120cm	Lira 540,000.
Lowest Price	
Mahogany, 150x120cm	Lira 367,000

Solid Wooden Doors

Upper Price,	
Mahogany	Lira 1,000,000
Oak/Elm	Lira 860,200
Medium Price, Tanganika	Lira 554,000
Redwood	Lira 700,000
Lowest Price, Tanganika	Lira 317,000
Mahogany	Lira 250,000

Furniture and Components

Kitchen Chairs	
Medium Price, Beech	Lira 188,000
Lowest Price, Pine	Lira 43,000
Dining Chair	
Upper Price, Walnut	Lira 675,000
Medium Price, Walnut	Lira 435,000
Lowest Price, Beech	Lira 210,000
Kitchen Table	
Upper Price, Walnut edge glued	
80x160cm	Lira 3,242,000
Medium Price, Walnut edge glued	
80x160cm	Lira 2,969,000
Lowest Price, Oak/Walnut	
80x120cm	Lira 362,000
Lowest Price, Pine	
80x140cm	Lira 299,000

Dining Table	
Upper Price, Walnut edge glued	
90x180cm	Lira 4,082,000
Medium Price, Walnut edge glued	
90x160cm	Lira 2,890,000
Lowest Price, Beech Cherry Walnut	
90x180cm	Lira 1,150,000

Wardrobe Doors	
Upper Price, Walnut edge glued	
250x45cm	Lira 1,018,000
Medium price, Walnut edge glued	
250x45 cm	Lira 699,000
Lowest Price, Pine	
201x40cm	Lira 362,000

Drawer Fronts (Office Furniture)

Upper Price, Birch multilayer

100x10cm Lira 2,150

Medium Price, Birch multilayer

100x10cm Lira 1,800

Lowest Price, Birch multilayer

100x10cm Lira 1,500

Wooden Shelving

Upper Price, Walnut edge glued

100x24cm Lira 365,000

Medium Price, Walnut edge glued

100x24cm Lira 230,000

Lowest Price, Walnut 100x24cm

Lira 100,000

Moulding

Veneered Ramin Lira 6,300-8,870 per Lin Metre

Company News From Europe

Due to a rise in demand and to an improvement in purchasing management resulting in reduced raw material costs Silentnight (UK bed and cabinet maker) reported a Stg1.7 million increase in pre-tax profits to Stg 4.9 million in the six months to 3 August 1996.

Steelcase Strafor, the French office furniture group, has taken over Waiko Moebelwerke GmbH & Co KG, a German producer of wooden office furniture with a turnover of DM 70 million.

Fitted bedroom maker Sharp of the UK invested Stg 9.5 million in its new 135,000 square foot factory in Bilston and now plans to expand its workforce (currently a staff of 400). In the past five years turnover has doubled to Stg 50 million. The group operates 204 outlets and is planning to open 20 new ones in the next two years.

The Spanish furniture chain Merkamueble will open 50 new outlets in Portugal and Spain by 2000, in addition to the 5 new ones just opened in Spanish cities. In 1995, the chain posted a turnover of Pta 6,300 million.

Poggenpohl Moebelwerke GmbH, the German producer of high-quality kitchen furniture which is part of the Skane G ripen Swedish group, plans to target new markets as China, Japan, Korea, Taiwan and East Europe. The company, which posted a turnover of DM150 million in 1995, sees growth opportunities also in the US.

In the fiscal year to 31 March 1997, Kika/Leiner, the leading furniture retailer in Austria, expects a turnover of Sch 15 billion (it was worth Sch 14 billion in 1995/1996). Kika/Leiner, which has just opened a megastore in Vienna, will probably expand abroad with new furniture stores. In the meanwhile, one more store is to be opened in Vienna by 1998 and three new ones will be opened in other Austrian cities.

US Industry Report

First Half year reports on US hardwood exports for 1996 show that world markets for US hardwoods are growing. The far East continues to show the most growth, with exports to China improving and exports of laminated flooring increasing in Japan.

The renovation market in Europe still dominates the demand resulting in increased demand for solid wooden doors and interior joinery. South Korea is showing promising signs of recovery and demand continues to shift from logs to processed wood products.

Representatives of the US timber industry recently toured Europe to promote the US Sustainable Forest Initiative. Europe is a major market for the US hardwoods and the industry is keen to assure the consumers that the US forest resource is being managed responsibly as part of a strategy for conservation and development.

The US SFI has been adopted by 200 companies and is a condition for membership of the American Forest and Paper Association. The first SFI report shows that the industry spent almost US\$53 million on forest related research, and other activities related to sustainable forest management.

Most input prices for the furniture and other secondary wood product industries are either at par or below the levels of one year ago. However, a modest price recovery was observed in mid-1996 when many wood prices started to rebound from their troughs.

In September 1996, kiln dried Appalachian Red Oak lumber traded within a range of US\$ 1275 and US\$ 1460 per MBF

(1" FAS), or approximately 1% below prices seen in September 1995. There is now some shortage of this wood and industry is anticipating that the recent price recovery will continue for the remainder of this year and possibly beyond.

Prices for imported tropical woods followed a path similar to their domestic counterparts. The strong price advances during 1995 and early 1996 came to an end. For most of this year prices have been flat or on a moderate downward slope.

Genuine Mahogany	US\$ 2530 (kiln dried)
	US\$ 2360 (air dried or green)
Dark red Meranti	US\$ 2185 (kiln dried)
Light red Meranti	US\$ 2050 (kiln dried)

(all prices are per MBF 1", dockside, US. West coast port)

The wooden panel market was subject to the same economic forces as the lumber market. Prices are generally below that of 1995, but are now on a modest upward trend. There are two noticeable exceptions to this general observation. Hardwood plywood, propelled by a strong housing market, was on an uninterrupted price advance throughout 1995 and the first half of 1996. In July 1996 prices leveled off at a relatively high plateau. Present hardwood plywood prices stand 5.3% above the prices of September 1995. The second exception is MDF which followed an entirely opposite price path to plywood. Apart from a few minor improvements, this material has experienced a continued price erosion for more than 18 months. The most obvious reason for this weakness is the industry's production overcapacity. The price decline came to an end in June 1996. During August and September prices started to change their course and the product is now experiencing a remarkable strength. Nevertheless, on a year over year basis (Sept./Sept.) prices are still 7% lower.

Turning to finished and semi-finished wood products, prices are uniformly pointing up, reflecting the robust US economy. Several products, such as Wooden Doors, Mouldings, Upholstery Frames, Living Room and Bedroom Furniture, are recording peak prices now. Office desks showed the strongest inflationary pressure. Even though prices have eased somewhat during August and September, desks still sell at prices 3.3% higher than twelve months ago.

Rough Sawn Hardwood Lumber
Appalachian Red Oak
kiln dried, FAS
US\$1,470 per MBF

Dressed Hardwood Lumber
North American Species
Appalachian Oak
planed 2 sides
US\$1,526 per MBF

Hardwood Dimension Stock
Appalachian Red Oak Strips
random length, clear 1 face and 2 edges
6" to 16' 10% 4'-5' US\$1,477 per MBF

Plywood and Veneer

Hardwood Plywood
Red Oak plywood, 5-ply, lumber core
cross bands of poplar or gum
Both exterior layers of Red Oak
Furniture grade, rotary cut 4' x 8' 0.75" thick
US\$49.95 per Sheet

Veneer Red Oak, 1/45", flat stock,
Container loads/truck-loads
US cents 9.5 - 14.5 per sq.ft.

Reconstituted Boards

Particleboard
Industrial grade board, 4' x 8' x 3/4"
South Central Region
US\$278 per 1000 sq.ft
Medium Density Fibreboard
Industrial grade board, 4' x 8' x 3/4"
US\$378 per 1000 sq.ft

Millwork

Wood Window Units

Wood sliding window Double glassed,
Upper/lower sash can be tilted .32" x 54"
US\$81.50ea

Wood Doors

Interior door solid wood Raised colonial panels
without frame and hinges.
2'8" x 6'8" x 1.75" US\$59.50ea

Wood Mouldings

White Pine moulding, 3.625" wide,
1" stock, finger jointed length approx. 16'
US\$0.31 per linear foot

Wood Frames for Upholstered Chairs

Frame for lounge chair, 1" stock
nailed corner blocks
US\$44.50ea

Bookcase for the Living Room

18th century traditional styled bookcase
Sheraton accents.

Base 2 doors one adjustable shelf behind doors
Top cabinet deck 3 adjustable wood shelves.
Maple solids and select cherry veneer
Hand-rubbed cherry finish.
50.25"x16.5", Ht 88.5" US\$788.50

Headboard for Bed

18th century French Fairhope headboard
Mahogany veneer on particleboard.
Width 43", Ht.60.6"
US\$265.00

Dresser used in the Bedroom

8th century French Elm Bluff 9 drawers.
Mahogany veneer on particleboard
US\$475

Desk for office. Conference desk 5 drawers
Mahogany veneer on particleboard
72" x 36" Ht 29"

US\$910

Wooden Furniture

Dining Room Table

18th century, French oval table extendible,
with casters
Mahogany veneer on particleboard
64" x 44" two 15" leaves, extends to 94", Ht.
30" Apron to floor 26.5"
US\$608.00

Dining Room Chair

18th century French Mallard chair Solid Maple
21" x 22", Ht. 44.5" Seat 21" x 17.75, Ht. 18"
US\$186.00

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