Vol.I No.21 November 1996

16 - 30 November 1996

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

In September the Government of the Ivory Coast banned logging north of the the 8th parallel which will have a dramatic impact on the supplies of Iroko. Prices for sawn Iroko have risen and are now at around Ffr2750 per Cu.m FOB air dry. Sapelle continues to be the most popular redwood in the UK market and prices are firm at around Ffr2800 per Cu.m.

Malaysia

Sarawak Log Export Prices (FOB)		per Cu.m
Meranti	SSQ	US$210-215
	small	US$185-190
	super small	US$160-165
Keruing	SSQ floaters	US$225-235
	SQ sinkers	US$195-215
	small	US$175-195
	super small	US$145-155
Kapur	SQ Floaters	US$230-235

In Sabah in response to requests from log exporters, royalty rates on the certain species have been lowered. With the exception of Belian, Agathis and Merbau, the royalty rate as been set at RM230 per Cu.m instead of the earlier RM300. The rate of RM600 remains for Belian and at RM 500 fro Agathis and Merbau.

Efforts are underway to reach agreement with log exporters in Sarawak to harmonise prices and to find ways to compete more effectively with African log exporters.

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

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$165-170*
Calophyllum	*US$150-155*
Terminalia	*US$120-130*
Other mixed species	*US$110-115*

Domestic Log Prices

Report From Brazil

Logs at mill yard	*per Cu.m*
Mahogany Ist Grade	*US$420*
Ipe	*US$80*
Guaruba	*US$40*
Mescla(white virola)	*US$46*

Ghana

The log supply situation has not improved as the rains are hampering logging operations. Odum (Iroko) logs are becoming difficult to secure. The cut in supply of Odum from Ivory Coast is putting pressure on Ghanaian producers.

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*

Report from Indonesia

Domestic log prices	*Per Cu.m*
Plywood logs	
Face Logs	*US$155-165*
Core logs	*US$ 120-140*
Sawlogs	*US$130-135*
Falkata logs	*US$55-60*
Rubberwood	*US$36-40*
Pine	*US$60-65*
Teak	*US$850-1200*
Mahoni	*US$175-185*

The Finnish Enso Group has entered into agreement with two Indonesian partners to develop a 100,000 ha. tree plantation on the Sanggau and Siniang timber states in West Kalimantan. Within 5 years an annual supply of 500,000 tonnes of wood for a new pulp mill will be produced.

Report from Malaysia

Logs	
Domestic (SQ ex-log yard)	*Per Cu.m*
Meranti Bukit (SQ)	*US$240-250*
Kembang Semangkok	*US$180-190*
Merbau	*US$190-200*
Peeler Core logs	*US$135-140*
Rubberwood	*US$32-34*
Kempas	*US$150-155*
Keruing	*US$190-200*

Sawnwood Prices

International Prices

Brazil

No major change was detected by exporters, in either prices or volumes. Most companies have a feeling that the market will continue to be stable and that it is, in general, now better than last year.

The rain season is starting in the Amazon region and the production of veneer and tropical sawnwood will be declining. As a result prices are projected to increase after holiday period is over, that is in the second half of February.

Brazil

Export Sawnwood	*per Cu.m*
Mahogany KD FAS	
UK market	*US$1020*
Jatoba Green	*US$445-485*
Curupixa (Europe)	*US$520*
Asian Market	
Guaruba	*US$285*
Angelim pedra	*US$270*
Mandioqueira	*US$245*
Pine (AD)	*US$150*

Ghana

Producers are reporting that prices are firming with good demand for Wawa in Germany and the Far East.

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$735-740*
Seraya	
Scantlings (75x125 KD)	*US$765-780*
Perupok (25mm&37mm KD)	*US$830-835*
K.Semangkok	
(25mm&37mmKD)	*US$680-690*

Taiwan Province of China

Rubberwood	*per Cu.m*
25mm boards	*US$360-370*
50-75mm squares	*US$405-410*
75-100mm squares	*US$440-450*
Sepetir	
GMS (AD)	*US$365-380*
Ramin	*US$595-600*
Oak 25mm boards	*US$630-650*
Maple	*US$900-910*
Cherry	*US$1150-1200*

Domestic Sawnwood Prices

Report from Brazil

Domestic prices reacted positively in the last thirty days and are expected to remain at the present level for the next 2-3 months. The holiday period in Brazil spans December to February.

Sawnwood (Green ex-mill)	
Northern Mills	*per Cu.m*
Mahogany	*US$910*
Ipe	*US$412*
Jatoba	*US$382*
Eucalyptus	*US$165*
Southern Mills	
Pine (KD)	*US$160*

Ghana

Domestic stocks are high and millers are worrying about a stagnant domestic economy.

Dahoma, Wawa, Odum, Antiaris	
	per Cu.m
Mill Run 50x150mm	US$95-125
50x100mm	US$72-105
50x50mm	US$105-150
25x300mm	US$72-105
Mixed Redwood	
40x300x3.6m	US$105-240

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$410-420
Kempas50mm by	
(75,100&125mm)	US$230-235
Red Merantis	
(22,25&30mm by180+mm)	US$340-350
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

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

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*

Rotary Cut Veneer	
	per Cu.m
Face Veneer1-1.6mm	
Ceiba	*US$320*
Koto	*US$500*
Otie/Ilomba	*US$440*
Ofram	*US$440*

Brazilian Plywood and Veneer

US companies are placing new orders but traders are reporting that millers are reluctant to increase export production because of low prices compared to prices on the domestic market.

Veneer	*per Cu.m*
White Virola Face	
2.5mm	*US$265-320*
Pine Veneer (C/D)	*US$205*
Mahogany Veneer	*per Sq.m*
0.7mm	*US$2.40*

Plywood	*per Cu.m*
White Virola (US Market)	
5.2mm OV2 (MR)	*US$370*
15mm BB/CC (MR)	*US$352*
For Caribbean countries	
White Virola 4mm	*US$485*
9mm	*US$380*
Pine USA market	
9mm C/CC (WBP)	*US$280*
15mm C/CC (WBP)	*US$260*

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	
9-18mm	*US$450-470*
Phenolic Overlayed	
12-18mm	*US$495-510*
Domestic plywood	
9-18mm	*US$475-495*

Taiwan Province of China

Plywood	*per Cu.m*
2.7mm x 4' x 8'	*US$555-565*
5.0mm x 4' x 8'	*US$510-520*

Domestic Plywood Prices

Brazil

Rotary Cut Veneer (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$670*
15mm White Virola	*US$495*
4mm Mahogany 1 face	*US$1,450*

Indonesia

Domestic MR plywood	
(Jarkarta)	*per Cu.m*
mm	*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	*per pc*
Rubberwood Chair seats	*US$3.10-3.20*
Rubberwood unfinished	
Queen Anne Chairs	
(excluding soft seat)	*US$15-16.50ea*
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*

Other Panel Product Prices

Brazil

Export Prices	
Blockboard 18mm	*per Cu.m*
White Virola Faced	
B/C	*US$310*
Domestic Prices	
Ex-mill Southern Region	*per Cu.m*
Blockboard	
15mm White Virola Faced	*US$510*
15mm Mahogany Faced	*US$850*
Particleboard	
15mm	*US$315*

Domestic consumption of particleboard is growing faster than expected. For 1996 consumption is forecast to be over 1.1 mil Cu.m and for the first time will be higher than plywood. The increase in particleboard consumption in 1996 is expected to be up 30% over last year.

Indonesia

Other Panels	*Per Cu.m*
Export Particleboard FOB	
9-18mm	*US$145-160*
Domestic Particleboard	
9mm	*US$265*
12mm	*US$235*
15mm	*US$220*
18mm	*US$210*
MDF Export (FOB)	
12-18mm	*US$210-220*
MDF Domestic	*US$280-300*

Taiwan Province of China, Imports

MDF	*per Cu.m*
Domestic Prices	
3-4mm thick	*US$310-330*
12-18mm x 4' x 8'	*US$265-275*

cont.	
Particleboard	*per Cu.m*
12-18mm (4x8)	*US$160-180*

Malaysia

Particleboard (FOB)	
	per Cu.m
6mm & above	*US$155-160*
Domestic	
6mm & above	*US$180-190*
MDF (FOB)	*per Cu.m*
Less than5mm	*US$240-260*
Gretaer than 6mm	*US$210-230*
Domestic Sales	
	per Cu.m
6-21mm	*US$250-260*

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting	*per Cu.m*
(for the Italian market)	*US$855-860*
Crown using Pulai or Jelutong	
(for Japanese market)	*US$740-750*
Laminated Scantlings	*US$680-700*
Laminated Boards	
Falkata wood	*US$330-350*
Laminated Boards	
Pine	*US$900-910*

Malaysia

Mouldings (FOB)	*per Cu.m*
Selagan Batu Decking	*US$570-580*
Kembang Semangkok	
S4S to Japan	*US$960-980*

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$895-900*

Doors (FOB)	
Meranti (red) panel doors	
Grade A	*US$55-58per pc*
Grade B	*US$48-50per pc*
Grade C	*US$43-45per 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*
Queen Anne Chair (with soft seat)	
without arm	*US$23-28ea*
with arm	*US$25-30ea*

Taiwan Province of China

Furniture	
Dining suite (FOB)	
Oak Veneered MDF tables and	
chairs (6 per set)	
	US$270-280per 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 ***US42per 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$500-600

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

Consumers Report

Report From Japan

The weakening Yen continues to push up the price of imports. The markets for imported wood products are becoming sensitive to the Yen exchange rate. The trade is reportedly satisfied it has enough orders placed and will now wait to see how the Yen moves. Orders for November shipment are high and imports will be above the 500,000 Cu.m level, the highest monthly import for the whole year.

Delivered Prices

Asian and African Log, Lumber and Panel Prices

Logs 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***

logs for Plywood cont.	
Keruing (Sarawak)	
Medium MQ & up	*8,300*
Kapur (Sarawak) Medium	
MQ & up	*8,200*

Logs For Sawnmilling	*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	*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*
Concrete Formboard	
Domestic Production from S.E Asian Logs	
11.5x900x1800mm Type 1	*1,280*
Thin	
2.3x910x1820mmType 2	*340*
Medium	
4.0x910x1820mm Type 2	*520*
5.5x910x1820mm Type 2	*630*

(Tokyo Market Price Per Sheet)	
Plywood	
2.4x91x1820mm	*Yen340*
3.6x91x1820mm	*Yen460*
5.2x91x1820mm	*Yen580*
Plywood for flooring	
11.5x94.5x1840mm	*Yen1660*
Plywood for Printing	
3.6x123x2440mm	*Yen800*

Home Furnishing Imports

Japanese consumers are well known for being strict about product quality, and furniture is no exception. Buyers have sharp eyes for detail, often to a degree which non-Japanese suppliers have difficulty imagining. Japanese consumers also tend to expect the underside of a table and the back of a chest of drawers to be as well finished as the visible part. Japanese traditionally appreciate making hidden parts beautiful. What is most difficult about Japanese consumers is that they often expect the same quality of finishing for a Yen 10,000 chest as one for Yen 100,000.

Despite these consumer demands Japan's furniture imports have increased steadily. Japan imported US$1.5 billion worth of furniture from January to June this year, a 30 percent increase over 1995.

The main reason claimed for the increase in imports is price. Domestically made furniture has to bear the high cost of Japanese labour and materials, as a result imported furniture is relatively inexpensive compared to Japanese furniture. Japan's furniture imports from other parts of Asia have increased dramatically. Asian-made furniture is designed and manufactured specifically for the Japanese market. There has also been a steady increase in European and American furniture imports into Japan. The experience with imports so far seems to indicate that the Japanese consumer prefers European rather than American furniture for its designs and dimensions.

One of the main features of the Japanese market is that there is a strong feeling for wood, appreciating fine-grained wood. Scandinavian plain wood furniture was popular soon after its introduction in the 1970s because it presented the beauty of wood and it suited Japanese houses and the Japanese lifestyle. Simple furniture with a natural style sells well in Japan. Decorative furniture, for example, a table with a lot of carving, would not suit the Japanese decor. Other popular items in the Japanese market is furniture of a honey-color wood often combining different materials for example a table with iron legs and a wooden top.

The general prospect for the industry in Japan is bright. Although the Japanese economy is said to have not yet fully recovered, people are buying furniture and interior accessories.

Japanese baby boomers' children are now in their early 20s, and this group is beginning to marry and will be buying furniture. A sizable demand is expected in around five years time. The new generation, which grew up in affluent Japan, is very selective when it comes to choosing products. Most people of the older generation bought furniture for its function, but the new generation seems to be selecting furniture for its comfort. To attract such consumers, a new kind of shop has become popular in Japan. Often called a "lifestyle shop", furniture retailers have started to create such outlets to give an idea of how each item they sell would help create a stylish and comfortable lifestyle for their customers.

(Based on a presenation by a Mitsubshi Corp spokesman)

Report From China

Prices for Imported Tropical Wood Products in Shanghai and Eastern China November 1996 (Yuan/cubic metre or per sheet)

	Per Cu.m
Keruing Log	
Length: 6-20m	1800-2400
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	110-125pc
Malas tongued, grooved flooring strip	
18x70mm x2.2-4.1m	110-125pc
Plywood from Malaysia	per sheet
12mm	3.6-4.0
18mm	4.8-5.0

Pulp Project in China

In order to promote the development of forestry and the paper making industry of China and to upgrade the county's pulp and paper industry the State Council of China has planned to set up large scale wood pulp plants during the Ninth Five-Plan period.

Mr. Li Yucai, Deputy Minister of the Ministry of Forestry and Deputy Governor of Guangdong Province recently signed a memorandum of agreement on establishing a wood pulp plant with annual yield of 300,000 ton respectively. Other signatories to the agreement were Mr. Chen Xinghua, General manager of the General Development Company of Chinese state-owned forest farm and Mr. Li Zhuyao, Deputy Director of the Forestry Department of Guangdong Province (who signed the agreement document and agreed to change the current management system of Laizhou Forestry Bureau. Mr. Xu Youfang, Minister of the Ministry of Forestry attended the ceremony with other leading cadres from the Office of the State Council, National Plan Committee, Committee of National Economy and Trade.

China, Singapore Joint Venture

A paper mill project between the General Light Industry Company of Zhenjiang city, Jiangsu Province and Asian Pulp Ltd. of Singapore has been approved by the State Council of China. The plant will be located in the Development Zone of Dagang, Zhenjiang city The enterprise involves an investment of Yuan 15.1 billion, of which 80% will be provided by the Singaporean partner. Annual sales are expected to top Yuan 8.76 billion, and profit and tax payments of Yuan 2.8 billion are expected when the plant is at full capacity.

The project is located near Da Harbour and incorporates port facilities, a power station and water supply facilities which are to be established by the joint venture.

Oil Palm Board Developed

In 1994, a Sino-Malaysian joint project was initiated to develop multi use panels made from oil palm, the oil palm material was provided by Malaysia and research was conducted by Fujian Forestry college. The research covered palm fibre gypsum board, particleboard of palm fibre and MDF of palm fibre. The palm fibre board was found to have good strength and was yielding a smooth board.

MDF Mills in Yunnan

Yunnan Province contains one of China's important forested areas. The forest products industry in Yunnan has not been developed because of the long distance between Yunnan and the main consuming markets in China and because of the poor infrastructure. In 1995, the sawnwood production in Yunnan was only 460,000

Cu.m, plywood production was 78,000 Cu.m, particleboard production was 58,000 Cu.m..

Because of the growing national demand for MDF, 2 MDF plants with equipment made in Shanghai have been established. The annual capacity of these plants is expected to reach 45,000 Cu m. In addition, 8 MDF plants, with total design capacity of 245,000 Cu.m are being set up. One of them is a plant with an annual output of 60,000 Cu.m. This plant is to be located in Simao and will use German equipment. The Yuqi MDF plant, with annual production capacity of 50,000 Cu.m will use Siempelkamp equipment, the other plants will use equipment made in China.

From Europe, An Update on Germany

In 1996 industrial production of furniture in Germany is estimated to decline by around 3% and the negative trend is expected to continue throughout 1997.

In recently released figures it is emerging that 1995 was the third year of serious recession in the German furniture industry. There has been a noticeable drop in production (down 3.8% in volume), this was due to a decline in both domestic demand (down 1.9%) and exports (down 3%), while imports showed only modest growth (up 1.8% in volume).

In company news, Dodenhof, the large German furniture dealer, will invest DM 100 million in a new furniture store, with 35,000sq metres selling space, in Hamburg-Kaltenkirchen.

Ikea Deutschland, which has 22 outlets in Germany, posted an increase in turnover to DM 2.4 million in the fiscal year ended 31 August 1996. Next year Ikea will open new stores in Hanau, Sindelfingen and Ludwigsburg in addition to a DM 90 million distribution centre in Erfurt. The Erfurt centre will have a staff of 100 and a space of 73,000 sq metres and is set to be inaugurated in late 1997.

Prices in Germany

Wooden Windows

Medium Price Meranti, 120x135cm	*DM448*
Lower Price PVC, 120x135cm	*DM388*

Solid Wooden Doors

Upper Price, Meranti,	*DM1,605*
Medium Price, Meranti,	*DM1,498*
Lower Price, PVC	*DM1,119*

Furniture and Components

Kitchen Chairs	
Medium Price, Beech,	*DM169*
Lower Price, Kauri Pine,	*DM69*
Dining Chair	
Upper Price, Beech	*DM526*
Medium Price, Beech	*DM390*
Lower Price, Beech,	*DM169*

Kitchen Table	
Lower Price, Pine, 80x140	*DM329*
Dining Table	
Upper Price, Beech 90x180	*DM1,624*
Medium PriceBeech 90x180	*DM1,033*
Lower Price Beech 80x180	*DM671*

Kitchen Doors	
Upper Price, Solid Oak, 57x50cm.	*DM270*
Medium Price,Oak Frame and Veneer 57x50cm.	*DM179*

Wardrobe Doors	
Upper Price. Beech Veneer	
180x45cm	*DM331*
Medium price, Beech Veneer	
180x45cm	*DM207*
Lower Price, Beech Veneer	
194x40cm.	*DM106*

Drawer Fronts (Office Furniture)	
Upper Price, Particleboard	
100x10cm	*DM37*
Medium Price, Particleboard	
100x10cm	*DM30*
Lowest Price, Particleboard	
100x10cm	*DM25*

Wooden Shelving	
Upper Price, Solid Alder	*DM152*
Medium Price, Beech Veneer	*DM95*
Lowest Price, Alder	*DM41*

News from Other European Countries

The UK hardwood trade is reporting that the upturn in business of the past months has been sustained as demand has improved however prices are still very competitive. Joinery and the furniture sectors are both reporting an improvement and his has spurred demand. If the improvement in sales continues then some people may find themselves short. Gaps are already appearing for some West African timbers.

Furniture production in Switzerland is about DM 1.3 billion per year, of which tables and chairs account for 30%. Exports (about DM 0.9 billion annually) go mainly to Germany (43.2%), which provides 40% of Switzerland's furniture imports (DM 2.7 billion). Since 1990 the Swiss furniture retailers' turnover has fallen from Sfr 4.1 billion to Sfr 3.7 billion, and a further 5% decline was recorded in the first six months of 1996

In 1995 Spanish furniture production increased by 11.5% to Pta 726 billion. Exports were worth Pta 124 billion (up 36% on last year). The positive trend has continued in the first half of 1996, with exports growing by 11.6% to around Pta 72.8 billion. Growth is slowing in traditional markets, but success is being registered in new markets, especially Russia and Japan.

Company News

HNB, the UK office furniture company located in Newmarket which went into receivership, has been sold to fellow office furniture group Samas Roneo, the UK arm of the Dutch Samas Group. Samas Roneo has UK sales of ú35 million.

Ets Fournier of France, has acquired a majority stake in Sarila Italia, Italian kitchen furniture manufacturer. Sarila, which produces high quality furniture, has a turnover of Ffr 23 million and a staff of 28.

New Plan Furniture (Bradford), production and contemporary furniture manufacturer, has finished building an 80,000 sq ft factory and reorganisation of the manufacturing line will be completed by the end of the year. The new factory will enable the firm to increase its output by 30%.

US Industry Report

The lumber industry has experienced a continuous decline in production since early 1995 due to a general lack of sawmill profitability. This long-term trend is now being further reinforced by adverse weather conditions and other seasonal factors.

While in October there were a few good weeks for logging, wet weather deterred harvesting in certain regions during November. December production of hardwood logs is always far below the average monthly production. This is the result of several factors: a reduced number of working days due to the holiday season, time lost due to hunting in some regions, no or little logging during year end inventory taking, and last but not least production slowdowns due to cold weather and the associated frequent malfunctioning of the logging machinery.

The slow down in production comes at a bad time for the industry as business conditions are improving and there is a higher demand for hardwoods by most endusers. In particular, furniture manufacturers are buying more lumber in order to meet their increased production schedules. These conflicting trends are likely to result in shipping delays and growing supply problems this winter. In North Carolina and the Lake States hardwood log supplies are critical and higher log and lumber prices can be observed already.

Between December 1996 and March 1997, the industry is likely to experience volatile markets. The prices paid for hardwood lumber varies between regions and species and will depend upon the weather this winter. The strongest price increases are to be expected for Hard and Soft Maple and Cherry. Prices for Yellow birch, being a substitute for Hard Maple, will also be influenced by the shortage of Hard Maple. The supply of Red and White Oak is not critical and price may firm to a lesser extent than for other popular hardwood species. Presently, kiln dried Appalachian Red Oak lumber trades within a range of US$ 1310 and US$ 1495 per MBF (1" FAS).

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$1,535 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

Lumber, Genuine Mahogany
Bolivia, Brazil, Honduras
Select or Better 1 ins Stock
Dock side US West Coast
Kiln Dry US$2530 per MBF
Air Dry/Green US$2360 per MBF

Lumber, Philippine Mahogany / Meranti
Kiln Dried, kiln dried
Dock side US West Coasi
LR Meranti US$050 per MBF
DR Meranti US$2185 per MBF

Industry sources are anticipating that demand by the furniture industry for genuine Mahogany will also increase. Prices for Mahogany should continue to be firm for the next six months, as many manufacturers are concerned about the quantity of Genuine Mahogany that will be available later in the winter. The supply of Mahogany from Brazil for the next season is uncertain, and some importers are scrambling for more lumber from Bolivia. An increase in imports of redwoods from Africa may somewhat alleviate the expected short supply from Latin America.

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 titled
.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$0.32 per linear foot

Wood Frames for Upholstered Chairs
Frame for lounge chair, 1" stock
nailed corner blocks
US$44.50ea

Wooden Furniture

The most popular timbers in the European hardwood market are those with a light colour and this applies to virtually all enduses. The most favored species are light coloured, good quality beech, birch as well as maple. Ash seems to be at its lowest point and the demand for oak shows little sign of recovery.

Dining Room Table
18th century, French oval dining room 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

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" x 16.5", Ht.88.5"
US$795.00

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
18th century French Elm Bluff 9 drawers.
Mahogany veneer on particleboard.
64" x 19", Ht.36"
US$475.00

Desks for use in the Office
Conference desk 5 drawers
Mahogany veneer on particleboard.
72" x 36", Ht.29"
US$895.00

US Secondary Products Exports to Japan

A recent report from CINTRAFOR of the US provides statistics indicating a 200 percent increase in secondary manufactured products exports to Japan since 1989 with an 80 percent gain in 1995 over 1994 alone. Doors, windows, joinery products, fabricated structural products, structural panels, pre-fabricated homes, and cabinet markets all experienced strong growth.

The cause of this boost can be traced in part to Japan's decision to deregulate its housing and building materials markets to lower the cost of new homes. The Japanese government has launched a very active program to increase both building component imports and completed ready-to-assemble homes.

The report emphasises the importance of the change in Japan's construction standards as they move toward performance-based rules. Lumber grades from the Western Wood Products Association (Portland, OR) have been recently recognised in Japan, and lumber and plywood products from most other US grading associations will likely be recognized in the near future. In the past this has been a major stumbling block for US producers since building products require JAS approval in order for homeowners to obtain government housing loans.

Abbreviations

LM	Loyale Merchant, a grade of log parcel
FOB	Free-on-Board
SSQ	Select Sawmill Quality
AD	Air Dry
Boule	A Log Sawn Through and Through the boards from one log are bundled together
BB/CC	Grade B faced and Grade C backed Plywood
MBF	1000 Board Feet
Sq.Ft	Square Foot
FFR	French Franc
Koku	0.278 Cu.m or 120BF
Cu.m	Cubic Metre
SQ	Sawmill Quality
KD	Kiln Dry
FAS	Sawnwood Grade First and Second
WBP	Water and Boil Proof
MR	Moisture Resistant
pc	per piece
ea	each
BF	Board Foot
MDF	Medium Density Fibreboard
F.CFA	CFA Franc