



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

Malaysia

Sarawak Log Export Prices

(FOB)	per Cu.m
Meranti SQ up	US\$205-215
small	US\$185-190
super small	US\$160-165
Keruing SQ up	US\$225-230
small	US\$190-195
super small	US\$160-165
Kapur SQ up	US\$210-220
Selangan Batu SQ up	US\$230-235

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\$160-170
Calophyllum	US\$145-155
Terminalia	US\$110-130
Other mixed species	US\$105-110

International Tropical Timber Organization (ITTO)

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Domestic Log Prices

Report from Malaysia

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

Logs	Per Cu.m
Domestic (SQ ex-log yard)	
Meranti Bukit (SQ)	US\$245-255
Kembang Semangkok	US\$185-200
Merbau	US\$190-200
Peeler Core logs	US\$125-135
Rubberwood	US\$33-34
Kempas	US\$150-155
Keruing	US\$190-205

Ghana

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

Sawnwood Prices

International Prices

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

Report from Indonesia

Domestic log prices	Per Cu.m
Plywood logs	
Face Logs	US\$150-165
Core logs	US\$ 120-135
Sawlogs	US\$125-135
Falkata logs	US\$52-58
Rubberwood	US\$38-40
Pine	US\$62-65
Teak	US\$900-1200
Mahoni	US\$180-195

Ghana

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

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

Ghana Sawwood cont.

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

There has been a considerable increase in price for sawn Iroko and Sapele brought about by the changes in supply from Ivory Coast. Iroko is at Ffr2,700-2,800 per Cu.m and Sapele prices are at around Ffr2,800 per Cu.m. Sipo is gaining in popularity and is attracting attention as Mahogany from Brazil is reportedly in short supply.

Malaysia

Sawn Timber	
Export(FOB)	per Cu.m
Dark Red Meranti (DUC)	
GMS select & better (KD)	US\$735-745
Seraya	
Scantlings (75x125 KD)	US\$765-785
Perupok (25mm&37mm KD)	US\$850-865
K.Semangkok (25mm&37mmKD)	US\$685-700

South East Asian hardwoods still struggle to move with the competition.

Taiwan Province of China

Rubberwood	per Cu.m
25mm boards	US\$355-365
50-75mm squares	US\$395-405
75-100mm squares	US\$425-440
Sepetir	
GMS (AD)	US\$370-380
Ramin	US\$600-605
Oak 25mm boards	US\$650-680
Maple	US\$910-925
Cherry	US\$1150-1200

Domestic Sawnwood Prices

Report from Brazil

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

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\$360-375
KD	US\$470-490
AD 3x20x400cm	US\$410-415
KD	US\$525-530
Keruing	
AD 6x12-15cm	US\$290-300
AD 3x20cm	US\$380-385

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau(25&50mm, by100mm+)	US\$400-410
Kempas50mm by (75,100&125mm)	US\$220-230
Red Meranti (22,25&30mmby180+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

Indonesian listed company, Barito Pacific has reported that net profits for the first 9 months of the year were up almost 5% from a year ago to Rupiah 62.2 billion (around US\$26 million). Good selling prices for plywood (up 10%) and blockboard (up 14%) helped considerably.

Plywood (export, FOB)

MR,	per Cu.m
Grade BB/CC	
2.7mm	US\$490-495
3mm	US\$450-455
6mm and above	US\$370-380
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

Ghana cont.

Rotary Cut Veneer

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

Brazilian Plywood and Veneer

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\$495-500
3mm	US\$455-460
9-12mm	US\$380-385
18mm plus	US\$360-375
WBP Grade BB/CC	
9-18mm	US\$450-470
Phenolic Overlayed	
12-18mm	US\$500-510

Domestic plywood Malaysia
9-18mm US\$465-485

Taiwan Province of China

Plywood	per Cu.m
2.7mm x 4' x 8'	US\$560-565
5.0mm x 4' x 8'	US\$495-510

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\$670
15mm White Virola	US\$495
4mm Mahogany 1 face	US\$1,450

Indonesia

Domestic MR plywood (Jarkarta)	per Cu.m
9mm	US\$425-450
12mm	US\$415-430
15mm	US\$405-420
18mm	US\$375-400

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\$14.5-15.50ea
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\$2.00-2.10ea

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

Indonesia

Other Panels	Per Cu.m
Export Particleboard FOB	
9-18mm	US\$145-155
Domestic Particleboard	
9mm	US\$260
12mm	US\$225
15mm	US\$225
18mm	US\$200
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\$300-310
12-18mm x 4' x 8'	US\$260-270
Particleboard	per Cu.m
12-18mm (4x8)	US\$160-170

Malaysia

Particleboard (FOB)	
	per Cu.m
6mm & above	US\$150-160
Domestic	
6mm & above	US\$175-185

MDF (FOB)	
	per Cu.m
Less than 5mm	US\$240-250
Greater than 6mm	US\$210-230
Domestic Sales	
	per Cu.m
6-21mm	US\$245-255

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting (for the Italian market)	per Cu.m US\$865-870
Crown using Pulai or Jelutong (for Japanese market)	US\$750-770
Laminated Scantlings	US\$680-690
Laminated Boards	
Falkata wood	US\$335-360
Laminated Boards	
Pine	US\$890-905

Malaysia

Mouldings (FOB)	per Cu.m
Selagan Batu Decking	US\$575-590
Kembang Semangkok	
S4S to Japan	US\$985-1000

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\$835-850
top grade	US\$890-900

Doors (FOB)	
Meranti (red) panel doors	
Grade A	US\$53-56per pc
Grade B	US\$46-50per pc
Grade C	US\$42-45per pc

Furniture

Dining suite	
Solid rubberwood laminated top 3' x 5' with extension leaf	US\$62-68ea
Same with	
Oak veneered MDF	US\$78-82ea

Windsor Chair	US\$11.50-12.50ea
Colonial Chair	US\$14.50-15.50ea
Napolean Chair	US\$23-26ea
Queen Anne Chair (with soft seat)	
without arm	US\$22-26ea
with arm	US\$24-29ea

Taiwan Province of China

Furniture	
Dining suite (FOB)	
Oak Veneered MDF tables and chairs (6 per set)	US\$260-265per set

Consumers Report

Report From Japan

Industrial Outlook for Early 1997

Japanese Bank analysts report that the industrial outlook is no longer very clear. No new force has emerged to take over the role once played by pulp and paper and semiconductors to drive the recovery. Public investment, one of the major props of the economy up to now, is shrinking. The recently published Bank of Japan tankan (August survey) indicates that sentiment at principal manufacturers is now negative for the first time in about a year.

In spite of the changed yen-dollar rate, Japanese companies show no signs of slowing their moves to shift production

overseas. While China continues to top the list of countries where Japanese companies are investing, they have become more bullish on India for the longer term. Added to this are forecasts of a modest deceleration in the US economy in the short-term and, together, these factors point to slower export growth. The prospects are just as dim for any improvement in domestic private-sector demand. Consumer spending growth is forecast to be uninspiring since the prospects for a major improvement in jobs and income are limited while corporate profit growth is sluggish.

Although industries such as home-building and retailing are expected to experience a surge in last-minute demand in the second half of the current fiscal year, as people make purchases to beat the consumption tax increase, the growth will not be sustained and the situation is expected to steady in the first half of next fiscal year. Analysts expect corporate performance to decelerate in the first half of the new year.

Non-manufacturing industries are also likely to be negatively affected. Results for the construction industry will not rise significantly because of the fall-off in public investment and a depressed market for private-sector building construction.

Given these conditions, it is urgent that Japanese firms begin in earnest to adapt. Japanese industry has paid much lip service to restructuring but the results have been far short of expectations. In fact, compared with the pre-bubble period, the profit structure of listed manufacturers shows a much higher ratio of fixed costs. If something is not done about this profit structure some companies could face problems especially if the yen falls further.

Having achieved two consecutive years of growth, industry appears to have lost much of its enthusiasm for restructuring. But much of its future depends on whether firms are now able to develop the lean organizations that will serve them during the low-growth period ahead.

Delivered Prices

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
Keruing (Sarawak)	
Medium MQ & up	8,300
Kapur (Sarawak) Medium	
MQ & up	8,200
Logs For Sawmilling	
Melapi (Sarawak)	
Select	Wholesale Price
	Yen per Koku
Agathis (Sabah)	10,500
Select	9,500

Lumber	Landed 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

Concrete Formboard, Domestic Production from S.E Asian Logs	
Prices in Tokyo Area	Yen per Sheet
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 Yen340

3.6x91x1820mm Yen460

5.2x91x1820mm Yen580

Plywood for flooring

11.5x94.5x1840mm Yen1660

Plywood for Printing

3.6x123x2440mm Yen800

Outline of Japanese Furniture Distribution

The number of wholesale furniture distributors in Japan is estimated at about 600, including about 380 specialised wholesalers. The number of retailers (excluding Department Stores) is estimated at about 7,000. The number of both wholesalers and retailers has continued to decrease in recent years.

The Wholesalers

Wholesalers collect information on product trends from retailers and convey this to manufacturers. Most of the furniture makers in Japan are small businesses. Until the 1960's small retailers depended on wholesalers for marketing activities but that changed when the Japanese economy entered a period of rapid expansion.

In the period of double-digit economic growth the furniture market was a seller's market but as the market changed to a buyer's market, retailers tried to understand the needs of consumers who were seen as attaching greater importance to individuality. The retailers required wholesalers to supply products tailored to such consumer needs. However, many wholesalers failed to meet these demands from retailers and, as a result, a growing number of retailers began purchasing directly from manufacturers. Some people in the industry believe that about 70% of the products now on the market follows this direct distribution route. This method of buying directly from makers has long been used by department stores.

Changes in Retailer's Role

There were about 25,000 furniture specialty stores across the country according to the last available survey.

One weaknesses cited by observers in Japan is that retailers tend to direct their sales activities at traditional demand

areas, such as those related to newly married home makers and to the new baby market, ignoring other sales opportunities. Another problem is the tendency toward promotion of one-time sales aimed at a large number of unspecified customers. This is because furniture has a long replacement demand cycle and that repurchases or steady buying is far less frequent than for other household items.

Another problem for the industry is the poor ability to attract customers. There are not many stores with good promotional campaigns which will draw customers on a regular basis. Retailers try to attract customers by offering bargains and other attractions, but these efforts are said to detract from, rather than add to, the store's appeal because they become routine.

A number of other problems are forcing retailers to close or begin other business. For instance, the high price of land is making it increasingly difficult to maintain stores. Chronic labour shortage is also making things difficult for present store operators.

Report From China

International furniture exhibition centre

An International furniture exhibition centre has been established in Shanghai. The centre has attracted participation from companies from Guangdong Province, Beijing, Jilin Province, Jiangsu Province and Zhejiang Province, also companies from Hong Kong, Taiwan PoC and Spain participated. The General Manager of the centre, Mr. Pang Guojung reported recently that international interest in the centre is strong.

Convertible Yuan

Within the past two weeks the Yuan became a fully convertible currency. Analysts report that neither the trade volumes nor the Yuan's exchange rate against the dollar will be affected by China's formal acceptance of IMF obligations on currency convertibility.

The full impact of the move to convertibility has been felt already as China removed the last restrictions on the current account convertibility in July, in effect the Yuan has been convertible since then. Convertibility under the current account is trade related and covers payment for goods and services as well as repatriation of profits from the Chinese operations of foreign companies.

The formal announcement of the convertibility is important for the overall reform of the China's financial system.

Prices for Imported Tropical Wood Products in Shanghai and Eastern China (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	110-125
Lauan tongued, grooved flooring strip	
18x70mm x2.2-4.1m	110-125
Belian Flooring (Myanmar)	
15mmx90cmx60-120cm	300-350

From Europe, An Update on France

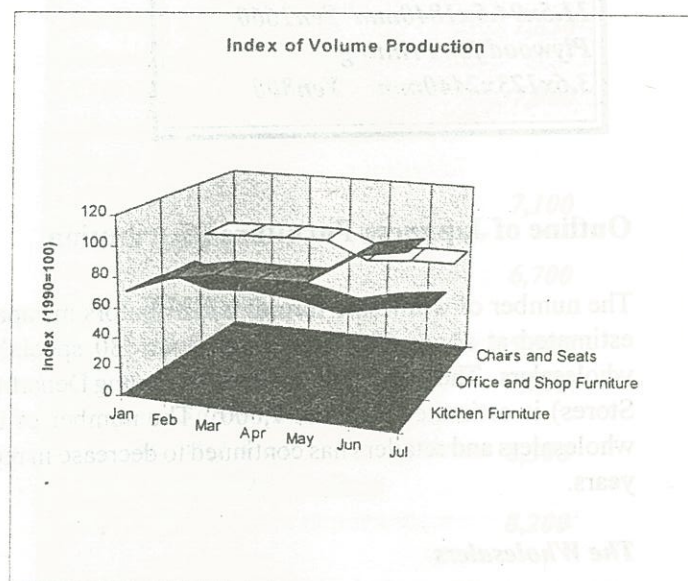
The French market for furniture will not see signs of real recovery before 1998 according to industry analysts. In 1996 furniture production in France is expected to show a decrease of 0.6% while domestic consumption and exports should remain stable. Industrial production of furniture is expected to show only a slight recovery in 1997 (+1%) as a result of a modest increase in domestic consumption (+1.3%).

In 1995 French furniture production declined by 1.7% (at constant prices): this poor result was mainly due to a weak domestic consumption (down 1.2%) and to a 2% decrease in exports.

Conforama, the French retail chain with 1995 sales of Ffr 14.4 billion (furniture accounted for 62% of the turnover), might double its turnover abroad to Ffr 2 billion in the year 2000. Eight new outlets outside France are to be opened in

the next three years. Moreover, Conforama will open ten outlets in France with its brand and twelve smaller ones in franchise.

Trends in Furniture Production in France



Furniture Prices in France

Industry is reporting that sales are dull and as a result prices are not moving. As is the case in many European countries, material costs are increasing but little opportunity exists for passing this on to consumers.

Windows

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

News from Other European Countries

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

Burgbad AG, German producer of bathroom furniture which achieved a turnover of DM 124.5 million in 1995, is planning to expand abroad. The company, which has already a subsidiary in France, is looking for firms to acquire in Italy, Spain and other European countries.

Office furniture group Paragon Business Products has completed the acquisition of Carson Office Furniture Systems (the purchase price was reportedly less than £10 million). Paragon plans to invest Stg 2 million in the two firms in the next year. This deal adds sales worth Stg 11.4 million to Paragon's Stg 27 million turnover, making it the UK's third largest office furniture company.

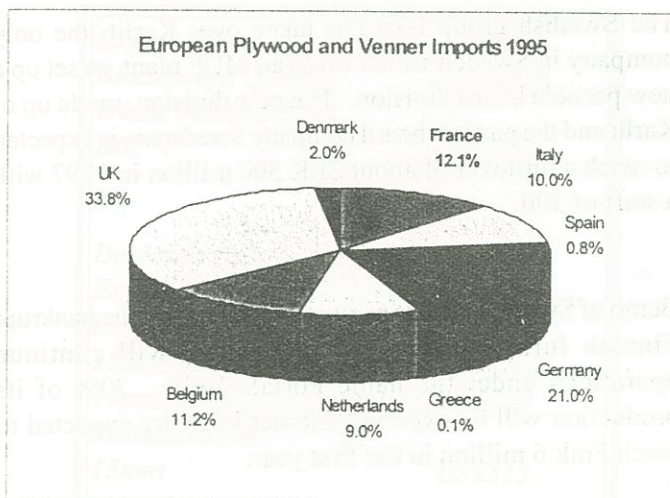
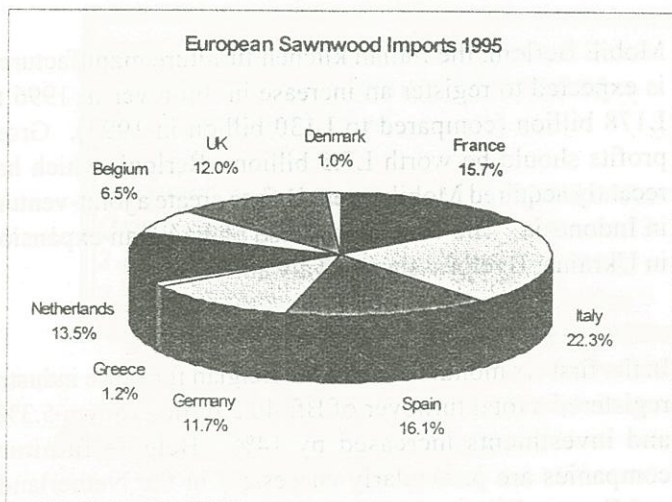
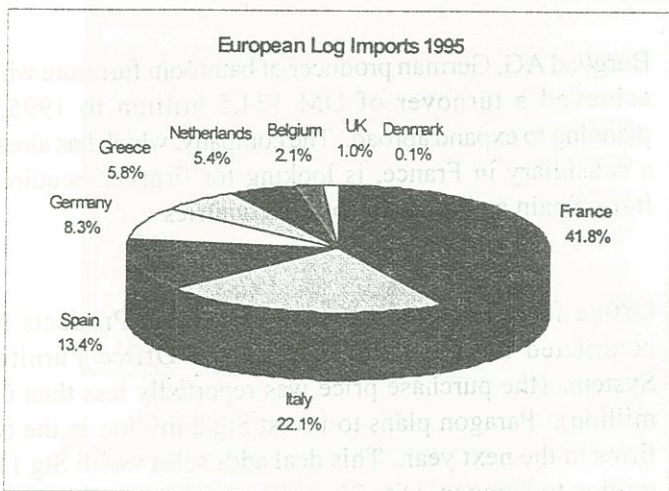
Mobili Berloni, the Italian kitchen furniture manufacturer, is expected to register an increase in turnover in 1996 to L178 billion (compared to L130 billion in 1995). Gross profits should be worth L7.5 billion. Berloni, which has recently acquired Mobilsystem B, is to create a joint-venture in Indonesia. The company is also planning an expansion in Ukraina, Byelorussia and Taiwan.

In the first six months of 1996 the Belgian furniture industry registered a total turnover of Bfr 40.2 billion (down 5.3%) and investments increased by 14%. Belgian furniture companies are particularly successful in the Netherlands and Eastern Europe, mainly in Russia.

The Swedish group Ikea has taken over Karlit, the only company in Sweden which owns an MDF plant, to set up a new particle board division. The new division, made up of Karlit and the particle board company Swedspan, is expected to reach a turnover of about SEK 500 million in 1997 with a staff of 300.

Bemo of Switzerland has acquired Pine Design, the bankrupt Finnish furniture manufacturer which will continue operations under the name Portals Vells. 70% of its production will be exported and net sales are expected to reach Fmk 6 million in the first year.

European Imports of Tropical Timber



US Industry Report

US imports of tropical woods has remained remarkably stable during the past three years, both in value and volume terms. However, a different picture emerges on analysis of imports by country and product categories.

Indonesia is the most important supplier of primary tropical wood products to the USA. More than half (57%) of US imports come from Indonesia, followed by Malaysia. The main wood export commodity for both countries is plywood. Indonesia has occupied the number one position for a long time has been able to maintain its dominating market share. The number two position belongs to Malaysia, however this country has lost market share in recent years.

Between 1993 and 1995, Malaysian tropical wood exports to the USA dropped by 26% in value terms. On the other hand, Bolivia is gaining in importance. This country's tropical wood exports to the US grew by a staggering 144% during the period 1993 - 1995. Bolivia's main wood export is Mahogany lumber.

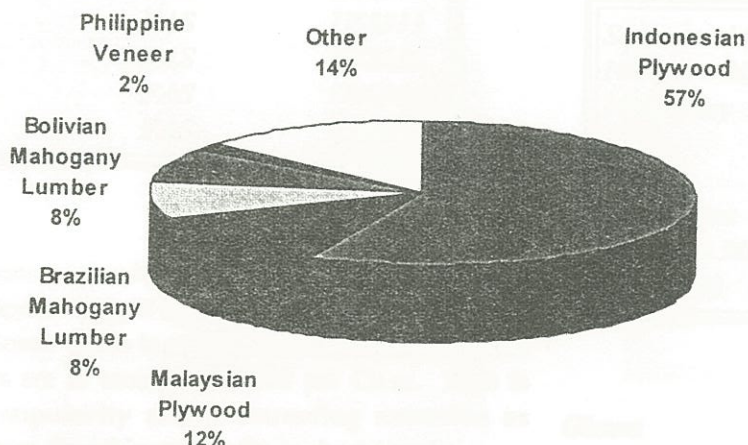
A word of caution may be warranted at this point. According to the international import classification scheme (HS), "tropical plywood" is defined as plywood with at least an outer ply of tropical wood. Trade figures are therefore inflated by the non-tropical plies used in the panels.

Plywood is by far the most important category, accounting for almost three-quarters (73%) of the total American import value of tropical woods. Principal supplier countries are Indonesia with a market share of 77% and Malaysia with 14%.

Mahogany plywood imports amounted to \$ 2,115,000 in 1995, most of which (82%) came from Brazil.

US tropical plywood imports have been declining during the past three years. Between 1993 and 1995, the US imports of plywood dropped by 11% in value terms. This was mainly the result of weakening prices. In fact, imports remained stable if expressed in volume terms. Malaysia and Brazil stand out for having lost market share. Exports of tropical plywood from these two countries to the US fell by 27% and 26% respectively, between 1993 and 1995. On the other hand countries such as Guyana and Ecuador have been gaining market share.

Data taken from the UCBD "European Imports of Tropical Timber 1996"

US Imports of Tropical Wood Products by Source


tropical veneer imports in the US. Brazil is followed by the Philippines and Malaysia. Malaysia's market share is rapidly declining, however this is counterbalanced by a fast increase of the share by the Philippines. In 1993, the Philippines shipped only for US\$812,000 veneer to the USA. In 1995, this amount grew to US\$4,565,000 or 22% of total tropical veneer imports in the US.

Other News From the US

Figures recently available point to a rapidly rising panel production capacity in the US. Forecasters are expecting panel

capacity to increase by around 15% during the period 1995-1998 and this is despite an expected fall in plywood output. Even though plywood production is expected to drop trade analysts expect exports of plywood to continue to expand as producers adjust to the gains of OSB in the US domestic market and look elsewhere for sales.

Everyone is anticipating sustained growth in the markets for OSB and it is expected that the growing production capacity will cause strong sales price competitiveness. US producers are targeting Europe to absorb more of their plywood production, however, with European OSB capacity rising to about 650,000 Cu.m per year, a lot hinges on the strength of growth in the construction sector in Europe.

The second most important product category is lumber. US imports of tropical lumber amounted to US\$ 102 million in 1995 representing 166,378 Cu.m. Most of this, or US\$87 million equivalent to 138,890 Cu.m, was Mahogany lumber. The American supply of Mahogany lumber comes mainly from Bolivia and Brazil while other species (mainly of the Meranti family) are imported predominantly from Malaysia and the Philippines.

Lumber imports have increased during the past few years, especially imports of Mahogany. US Mahogany lumber imports amounted to only \$ 53 million in 1993 but advanced to \$ 87 million in 1995, this is an increase of 64%. Part of this increase is the result of higher prices, however in volume terms the increase was still a respectable 41% during the 93/95 time period.

Tropical Veneers are still a small but growing portion of overall tropical wood imports in the United States. In 1995, veneers accounted for 4.5% of the overall value of imported tropical woods, up from only 4.0% in 1993. As was the case with other product categories, the greater trading value is based on higher prices. In fact, US imports of veneer declined by 6.7% (in volume terms) between 1993 and 1995.

The most important supply country for tropical veneers is Brazil (Mahogany), with a market share of 36% of overall

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

Merry Christmas and all best wishes for 1997