



INTERNATIONAL TROPICAL

TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producers Report

Log Prices

International Prices

Log Prices, Gabon

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

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

Malaysia

<i>Sarawak Log Export Prices</i>	
<i>(FOB)</i>	<i>per Cu.m</i>
<i>Meranti SSQ</i>	US\$202
<i>Mixed Light H'woods</i>	US\$135
<i>Peeler Logs</i>	US\$155

Cameroon Log Prices

<i>FOB</i>	<i>Per Cu.m</i>
<i>N'Gollon</i>	<i>LM-C FFR1375</i>
<i>Ayous</i>	<i>LM-C FFR1075</i>
<i>Sapele</i>	<i>LM-C FFR1470</i>
<i>Iroko</i>	<i>LM-C FFR1350</i>

South Sea Logs

<i>FOB</i>	<i>per Cu.m</i>
<i>Pometia</i>	US\$150-160
<i>Calophyllum</i>	US\$150-160
<i>Terminalia</i>	US\$130-140
<i>Other mixed species</i>	US\$100-110

Prices of South Sea logs have remained unchanged since the last report, few buyers are active although some producers are reporting a steady flow of inquiries from Japan.

Domestic Log Prices

<i>Report From Brazil</i>	
<i>Logs at mill yard</i>	<i>per Cu.m</i>
<i>Mahogany 1st Grade</i>	US\$250
<i>Ipe</i>	US\$77
<i>Jatoba</i>	US\$54

Ghana

<i>Logs</i>	<i>per Cu.m</i>
<i>Mahogany, Edinam, Sapele, Candollei, Utile</i>	
<i>70cm plus</i>	US\$60-90
<i>Anegre FAQ 60cm plus</i>	
<i>with deposits</i>	US\$90
<i>without deposits</i>	US\$160
<i>Iroko FAQ 90cm plus</i>	US\$90

Report from Thailand

<i>Logs from Laos</i>	
<i>At Thai Border</i>	<i>Per Cu.m</i>
<i>Pine</i>	US\$190
<i>Yang</i>	US\$220

International Tropical Timber Organization (ITTO)

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

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

Sawnwood Prices

International Prices

Brazil

International prices have begun to improve. The recent small adjustment of the exchange rate favors exporters. In addition to an increase in inquiries from the traditional markets importers from other countries (Chile, Caribbean and Arab countries) are seeking quotations. Some importers are demanding very large volumes.

Export Sawnwood	per Cu.m
Mahogany KD FAS	
UK market	US\$970
Jatoba Green	US\$450-500
Jatoba KD (Europe)	US\$655
Curupixa (Europe)	US\$560
LKS (Asian Market)	US\$230-260

Ghana

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
Wawa, Emire, Niangon Unchanged	

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	

For France	
Niangon Boules	US\$486

Malaysia

Sawn Timber	per Cu.m
Export(FOB)	
Dark Red Meranti (DUC)	
GMS select & better (KD)	US\$685
Seraya	
Scantlings (75x125 KD)	US\$720

Logs from West Africa	Per Cu.m
C&F Bangkok	US\$250
Tali	US\$350
Padauk	US\$230
Niove	
Log Prices	Per Cu.m
Plantation Teak	US\$180
Forest Teak	US\$1061-1225
Daeng	US\$286-294
Pradu	US\$659-693
Yang	US\$220-230
	Per Ton
Rubberwood	US\$45
Eucalyptus	US\$33-41

Report from Indonesia

Indonesian authorities are working to try and find a way to offset a 7.3 million cubic metre shortage of logs for the country's industry. The wood processing industry will need about 41.2 million cubic metres for 1996. Supplies are projected at 33.9 million cubic metre for the year.

Domestic log prices	Per Cu.m
Plywood logs	
Face Logs	US\$185-190
Core logs	US\$ 140
Sawlogs	US\$140-150
Falkata logs	US\$40-42
Rubberwood	US\$32-33
Pine	US\$50-52
Teak	US\$790-1000

Report from Malaysia

Logs	Per Cu.m
Domestic (SQ ex-log yard)	US\$203
Meranti Bukit (SQ)	US\$186
Kembang Semangkok	US\$135
Selangau Batu	US\$176
Merbau	US\$142
Peeler Core logs	US\$26
Rubberwood	

Taiwan Province of China

Rubberwood	per Cu.m
25mm boards	US\$380
50-75mm squares	US\$410
75-100mm squares	US\$430
Sepetir	
GMS (AD)	US\$430-450
Ramin	US\$525-535
Oak 25mm boards	US\$510
Maple	US\$805
Cherry	US\$1125

Daeng and Pradu	
2-2.5m Length	US\$771
3-3.5m Length	US\$872
4-5.5m Length	US\$959
6m Plus Length	US\$1045

Teak Grade EII (European 2nd Class)	
3m	US\$1391
3.5m	US\$1398
4m	US\$1413
4.5m	US\$1420
5-5.5m	US\$1427

Domestic Sawnwood Prices

Report from Brazil

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

Report from Indonesia

Sawn timber	
Domestic construction material	
Kamper AD 6x12-15cm	US\$390
KD	US\$500
AD 3x20cm	US\$475
KD	US\$565
Keruing AD 6x12-15cm	US\$260
AD 3x20cm	US\$360

Ghana

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

Domestic sawnwood prices include prices for forest chainsaw produced timber. Millers for the the local market are, at present, carrying high stocks.

Report from Thailand

Sawnwood Prices	Per Cu.m
Yang	
2-2.5m Length	US\$382
3-3.5m Length	US\$512
4-5.5m Length	US\$541
6m plus Length	US\$584

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau	US\$470
Kempas	US\$235
Red Merantis	US\$330
Rubberwood	
25mm boards	US\$270
50mm squares	US\$300
75mm+	US\$400
Nyatoh	US\$445
Mengkulang	US\$320

Plywood and Veneers

International Prices

Ghana

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

Brazilian Plywood and Veneer

Veneer		per Cu.m
White Virola Face	2.5mm	US\$280-320
		Per Sq.m
Sliced Mahogany		US\$1.90-2.30

Brazilian Plywood Price List-BR96

US\$ Per Cubic Metre BB/CC

(for Grade B/BB add 4%)

Thickness MM	MR	WBP/TI
4mm	479	571
6mm	441	486
9mm	429	465
12mm	414	451
15mm	417	454
18-25mm	408	449

The price list for Brazilian plywood shown above was recently released by ABIMCI, the Brazilian Plywood Producers Association.

Malaysian Plywood

MR Grade BB/CC FOB		Per Cu.m
2.7mm		US\$560
3mm		US\$475
9-12mm		US\$395
18mm plus		US\$375

WBP Grade BB/CC

9-18mm US\$460

Phenolic Overlayed

12-18mm US\$520

Domestic plywood

9-18mm US\$525-540

Indonesian Plywood

Prices of plywood have improved significantly during the end-March to April period a demand has been strong.

Plywood (export, FOB)

MR,	per Cu.m
Grade BB/CC	
2.7mm	US\$545
3mm	US\$490
4.0-6.0mm	US\$405
6mm and above	US\$390-410
WBP,	
Grade BB/CC	
12-18mm	US\$445

Taiwan Province of China

Plywood	per Cu.m
2.7mm x 4' x 8'	US\$605
5.0mm x 4' x 8'	US\$565

Domestic Plywood Prices

Brazil

Rotary Cut (Northern Mill)

	per Cu.m
White Virola Face	US\$170
White Virola Core	US\$143
Plywood	
(ex-mill Southern Mill)	
Grade MR	Per Cu.m
4mm White Virola	US\$602
15mm	US\$500
15mm Film Faced	
Concrete Formwork	US\$750

Ghana**Grade B/BB MR.**

Redwoods	per Sheet
4mm	US\$6.00
6mm	US\$7.50
9mm	US\$12.00
12mm	US\$15.00
15mm	US\$19.00
18mm	US\$24.00

D. ogea, Koto

4mm	US\$5.00
6mm	US\$7.30
9mm	US\$11.00
12mm	US\$14.50
15mm	US\$16.80
18mm	US\$22.30

Ceiba, Antiaris

4mm	US\$4.60
6mm	US\$6.55
9mm	US\$10.00
12mm	US\$13.20
15mm	US\$16.80
18mm	US\$20.50

Indonesia**Domestic MR plywood**

(Jarkarta)	per Cu.m
9mm	US\$475
12mm	US\$445
15mm	US\$425
18mm	US\$405

Thailand**Grade2/4 WBP**

Yang	per Cu.m
4mm	US\$1200
6mm	US\$1314
10mm	US\$1097
15mm	US\$1097
20mm	US\$1063

Grade AA WBP

Teak	per Cu.m
4mm	US\$2725
6mm	US\$2354
10mm	US\$1659
15mm	US\$1399
20mm	US\$1261

Grade2/4 MR

Yang	per Cu.m
3.2mm	US\$1028
4mm	US\$943
6mm	US\$903
10mm	US\$878
15mm	US\$859
20mm	US\$867

Grade AA MR

Teak	per Cu.m
4mm	US\$2057
6mm	US\$1897
10mm	US\$1371
15mm	US\$1216
20mm	US\$1124

Grade A MR

Rubberwood	per Cu.m
6mm	US\$480
10mm	US\$370
15mm	US\$393

Furniture Parts and Components**Taiwan Province of China, Imports**

Imports C&F	per pc
Rubberwood Chair seats	US\$3.30
Rubberwood unfinished Queen Anne Chairs (excluding soft seat)	US\$15-16
Rubberwood table-tops	per Cu.m US\$760-800

Other Panel Product Prices

Brazil

Export Prices	
Blockboard	per Cu.m
18mm White Virola Faced	US\$330

White Virola faced Blockboard continues to be a hot item but has not yet translated into significantly higher margins for producers.

Domestic Prices	
Ex-mill Southern Region	per Cu.m
Blockboard	
15mm White Virola Faced	US\$410
15mm Mahogany Faced	US\$795
Particleboard	
15mm	US\$324

Thailand

Particleboard	
10mm	per Cu.m
12mm	US\$309
16mm	US\$291
19mm	US\$261
	US\$271
MDF	
6mm	per Cu.m
12mm	US\$480
16mm	US\$468
19mm	US\$454
	US\$469
Blockboard	
15mm	Per Cu.m
20mm	US\$530
	US\$507

Indonesia

Other Panels	
Blockboard	Per Cu.m
Particleboard	US\$320
9mm	US\$290
12mm	US\$290
15mm	US\$250
18mm	US\$250

Taiwan Province of China, Imports

MDF (FOB)	
3-4mm thick	per Cu.m
12-25mm x 6' x 8'	US\$385-395
	US\$335-350
Particleboard	
18mm (5' x 8')	per Cu.m
	US\$225

There has been a marked increase in the prices for MDF and particleboard in the domestic market.

Malaysia

Particleboard (FOB)	
6 mm & above	per Cu.m
	US\$170-190
MDF (FOB)	
6mm	per Cu.m
	US\$270
Domestic Sales	
6-21mm	per Cu.m
	US\$335-365

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting	per Cu.m
(for the Italian market)	US\$980
Crown using Pulai or Jeluton	
(for Japanese market)	US\$670
Laminated Scantlings	US\$710
Laminated Boards	
Falkata wood	US\$325
Laminated Boards	
Pine	US\$860

Malaysia

Mouldings (FOB)	
Kembang Semangkok	per Cu.m
S4S to Japan	US\$845
Skirting	US\$1105
Rubberwood	
S4S to Japan	US\$445-460

Brazil

<i>Jatoba Floor 22mm</i>	<i>per Sq.m</i> US\$22
<i>Edge Glued Panel</i>	<i>per Cu.m</i>
<i>Clear Pine</i>	US\$850

Rubberwood parts and components:

<i>Shaped chair seats (18-22mm 16"-18" squares)</i>	US\$2.60-2.70per pc
<i>Pedestal legs(6"-8" dia.</i>	US\$8-9per pc
<i>Finger jointed laminated boards</i>	US\$770-800
<i>top grade</i>	US\$905

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

Furniture

<i>Dining suite</i>	
<i>Solid rubberwood laminated top 3' x 5'</i>	
<i>with extension leaf and six hard seat chairs</i>	
	US\$150-160per set

Taiwan Province of China

<i>Furniture</i>	
<i>Dining suite (FOB)</i>	
<i>Oak Veneered MDF tables and chairs (6 per set)</i>	
	US\$270-275per set

These prices have weakened with the intense competition from China, Malaysia and Thailand for the US market where prices are well below levels for last year.

Freight Costs

Freight rates have remained unchanged

Consumers Report

Report From Japan

ITTO is pleased to be able to let its readers know that, as a result of a cooperation and an information sharing arrangement, we are able to bring readers some highlights from the Japan Lumber Report the Japan Lumber Journal and the daily Nikkan Mokuzai Shinbun.

Southsea Log Market

The vigorous consumption of logs in the producing countries keeps FOB prices up, the market price in Japan is up by Yen200 per koku for logs destined for plywood and by Yen100 for Melapi logs for sawnwood production.

Sarawak logs for plywood are now Yen7,300 - 7,900, a rise of Yen200. Solomon Is. timbers are up by Yen100 to Yen6,500 - 6,900. PNG logs are now Yen6,500 - 6,900. Apitong & Keruing have risen to Yen7,100 - 7,800, a rise of between Yen500-700. Kapur is up Yen200 to Yen7,400 - 7,800.

PNG logs for lumber production leveled off at Yen7,500 - 8,000. Apitong & Keruing was higher Yen900 to Yen9,300 - 9,900. Agathis was Yen10,400 - 11,000. Melapi was Yen12,000 - 12,900, a rise of Yen100. Ayous is Yen8,000 - 9,000, a rise of Yen200. The weather in the producing regions of Southsea timber has been improving since the late-February but the local shortage of logs is still a problem. The millers in the producing countries are actively purchasing logs.

FOB Southsea Logs	
(3rd week March)	per Cu.m
Sarawak Logs	
Meranti SQ-up	US\$220-225
Meranti Small	US\$185-195
(Small 70%, S.S. 30%)	
PNG Logs	
Taun/Calo	US\$170-175

Delivered Prices

Southsea logs, Douglas Fir log, Spruce board, lumber of Hemlock, Yellow Cedar and Douglas Fir and plywood are up in price, some Japanese timber of Kishu and Owase were down.

The general market mood that imported timber prices are firmer than those for domestic species still persists. However, imported timber, which is stronger in the market, is showing some signs of shipment delays.

Asian Log, Lumber and Panel Prices

Log For Plywood Manufacturing CIF Price Yen per Koku

Meranti (Hill, Sarawak)	
Medium Mixed	7,700
Meranti (Hill, Sarawak)	
STD Mixed	7,800
Meranti (Hill, Sarawak)	
Small Lot	
(SM60%, SSM40%)	6,400
Taun, Calophyllum (PNG)	
and others	6,500
Mix Light Hardwood	
(PNG G3-G5 grade)	5,400
Okume (Gabonese)	7,700
Keruing (Sarawak)	
Medium MQ & up	8,100
Kapur (Sarawak) Medium	
MQ & up	7,900

For Sawmilling FOB Price Yen per Koku

Melapi (Sarawak)	
Select	11,500
Agathis (Sabah)	
Select	9,100

Lumber FOB Price Yen per Cu.m

White Seraya (Sabah)	
24x150mm, 4m 1st grade	120,000
Mixed Seraya 24x48mm,	
1.8 - 4m, S2S	45,000

Plywood Mill Gate Price Tokyo Area Yen per sheet

Concrete Formboard	
11.5x900x1800mm Type 1	1,210
Thin	
2.3x910x1820mm Type 2	310
Medium	
4.0x910x1820mm Type 2	500
5.5x910x1820mm Type 2	610

The Japanese plywood market is not so active at present as we approach the "Golden Week" holiday. There is no change in Japanese plywood price but the price of Indonesian plywood, for packaging, has increased because of the weakening Yen.

Indonesian Plywood Price (Tokyo Market Price Per Sheet)

Plywood	price 25th April
2.4x91x1820mm	Yen330 down 5
3.6x91x1820mm	Yen440 up 10
5.2x91x1820mm	Yen550 up 10
Plywood for frame	
12x90x180mm	Yen11190
Plywood for flooring	
11.5x94.5x1840mm	Yen1570
Plywood for Printing	
3.6x123x2440mm	Yen780

Other News From Japan

The Forestry Agency has made projections of supply and demand for 1996. An increase in purchases are forecast for year end as there will be an increase in consumption tax in 1997 and probably higher interest rates.

Demand for logs for sawmilling and plywood manufacturing will remain about the same. The supply of domestic species could increase for the first time since 1989. Imports have increased for four consecutive years.

Overall the supply of veneer and plywood is set to increase. Supplies from Indonesia, the major supplying country, will remain about the same as the last year, while the supply from Malaysia and Canada are seen as increasing. The supply of the imported plywood will exceed domestic production for the first time.

Projections for 1996 (log vol equivalent)

	Cu.m. (000's)
log Demand	
Sawmill use	50,204
Plywood mfg.	13,926
Pulping/chipping	46,100
Other uses	1,954
Total	112,184
Supply	
Domestic supply	24,001
Imports	88,183
of which	
Logs	24,602
Lumber	15,527
Veneer/plywood	7,217

Dining Set Circular Table Four Chairs with upholstered Triangle Style Seat
Table Top Rubberwood
Other parts Ramin
Table 90cm Dia. Ht 68cm
Chair 45 cm Ht. 66cm
Manufactured in Japan
and retailing at Yen 48,500

Dining Set Rectangular Table and Four Chairs
Chair and table legs and frame of Ramin
Seat base Rubberwood
Table top Nyatoh
Table 152x91.5x76cm high
Manufactured in Indonesia and retailing in Japan at Yen 38,800

Short Term Supply/Demand Projections

Volumes	Cu.m (000's)		
	1st Qtr	2nd Qtr	3rd Qtr
Southsea Log			
Supply	1,450	1,420	1,400
Demand	1,435	1,415	1,380
(for lumber)	155	165	150
(for plywood)	1,280	1,250	1,230
Lumber			
Supply	280	320	320
Demand	280	320	320
Plywood			
Supply	2,080	2,170	2,170
Demand	2,190	2,110	2,110

Dining Set Rectangular Table 2 legs
Four Chairs upholstered seat
Table 120x75x68cm High
Chair 45.5x48.5x76.5cm High
Rubberwood
Manufactured in Malaysia and retailing in Japan at Yen 48,500

Dining Set Bench Style Table with one Bench Seat and Two Chairs
Rubberwood
Table 135x80cm
Bench Seat 105x33cm
Chair 44x46.5x82cm High
Manufactured in Japan and retailing at Yen 39,800

Japanese Furniture Prices

The following prices are retail prices for medium priced furniture available through department stores and mail order firms and represent the Spring/Summer price list. The following features Dining Furniture. Other items will be featured in future reports.

Dining Table Early American Style
153x97x75cm high Rubberwood
Manufactured in Malaysia, retailing in Japan at Yen 31,800

Matching Dining Chair
50x44x96cm High
Manufactured in Malaysia, retailing in Japan at Yen 10,900ea

Dining Table Bench Style
Pine 134x80x76cm High
Manufactured in Taiwan
Province China and retailing in Japan at Yen 38,800

Matching Three Chairs and a stool
Chair 45x48x86.5cm High
Manufactured in Slovenia and retailing in Japan at Yen 12,500ea

**Dining Table English Style two Legs
Dark Stained Beech
150x89.5x74cm High
Manufactured in England and
retailing at Yen 77,500**

**Matching Dining Chairs Upholsterd
Seat and Back Panel
Dark Stained Beech
56x53x103cm High
Manufactured in England and
retailing at Yen 17,900ea**

countries such as Thailand and Myanmar, 23.3% are of species from Malaysia, 12% is Teak, mainly from Indonesia and Myanmar. A modest 8.3% of imports were from South America.

Species	Cu.m	US\$
Mahogany Imbuia and Balsa	1,074	274,844
Meranti Bakau	6	6,284
White Seraya		
Yellow Seraya	163	34,969
Teak	1,536	751,817
Others	3,001	479,550
Phoebe, Camphor and Rosewood	7,102	2,044,767

Report From China

Logs

In January and February 1996 it is provisionally reported that a total of 126,700 Cu.m of tropical logs was imported, at a cost of over US\$200 mil.

Species	Cu.m	US\$
Meranti & Lauan, and African log	27,091	4,715,323
(Meranti & Lauan)	21,775	3,510,332
(West African)	5,130	1,172,967
Teak	3,796	2,177,558
Other Tropical Logs	89,235	18,735,118
Phoebe	1,138	262,418
Camphor	24	10,199
Rosewood	5,484	1,890,374

The Meranti was imported from Malaysia, and African logs are mainly from Gabon. About 96% of the Teak was imported from Myanmar. Other tropical logs came from Gabon and Equatorial Guinea, accounting for 68% and 31% respectively. The main species imported in the "Others" group was Phoebe (Medang) was from Malaysia and Thailand, accounting for 53.3% and 35.2% respectively. Rosewood was imported from Myanmar, Thailand and PNG.

Sawnwood and Mouldings

In January and February, 1996, China reportedly imported 12,882 Cu.m of tropical sawnwood at a total cost of US\$3,592,000. Of the total import, 55% was of Camphor, Phoebe, and Rosewood, mainly from the Southeast Asian

Veneer

Some 7,126.5 Cu.m of a variety of veneers were imported, at a cost US\$2,009,029. The imported veneer was for plywood use, Meranti species accounted for 73.1%. Of the total imports 69.5% of the veneer for plywood is from Malaysia, and 29.9% from Cambodia.

Plywood

The total imported volume of the plywood during January and February 1996 reached 298,253 Cu.m at a value of US\$101,894,531. About 45% of the imported plywood was from Malaysia and Indonesia. The CIF price of Malaysian plywood is lower by US\$24.9 per Cu.m than that of Indonesia (CIF: US\$341.24 from Indonesia; 316.33 from Malaysia).

Wood production in China in 1996

Timber resource supply

The State Council has approved that the country will continue to implement the log harvest quota policy. The cut will be only 9% over that of the Eighth five-year plan, being equivalent to the annual growth of the national economy. Imported log volumes are not expected to increase very much as many of the producer countries are restricting exports. The potential for log supply is limited in 1996 which will result in the situation that the supply will not meet the demand, especially with regard to the supply of large dimension hardwoods.

Log demand Growing

Although China will continue to implement a so called macro-adjustment and control policy aimed at tightening the scale of investment and credit in 1996, the log demand is expected to increase steadily because some of the key national construction projects, growth in industry and as a result of policies to strengthen agricultural development. This will take place in 1996 as this is the first year of China's Ninth five-year plan. It also has been forecast that the strong growth trend will continue and this will drive demand especially for large size poles for construction, and logs for plywood, decorative and face veneer, good quality furniture, rural household construction and paper making.

Prices of Tropical Timber in Shanghai and Eastern China

Logs	per Cu.m
Keruing	Yuan2000-2450
Red Meranti	Yuan2500-2600
Mixed (hollow Heart)	Yuan1200-1400
Mengaris	Yuan1800-1900
Mixed Redwood	
Myanmar	Yuan3800-3850
Sawnwood	
Meranti	Yuan2850-3450
Flooring	
Meranti T&G	per Lin.m
18x50mm 3m	Yuan115-130
Malas T&G	
18x70mm 2.2-4.1m	Yuan115-130
Panel Products	
MDF 3mm German	Yuan38/sheet
Plywood 3mm Indo	Yuan41.5/sheet

Meranti and Canadian softwood sawnwood is selling very well in Eastern China and prices are up for both products. Meranti sawnwood is fetching Yuan2850-3450 per Cu.m (wholesale). The continued growth in construction and a growing emphasis on remodeling is creating a very strong demand for mouldings especially decorative mouldings and flooring.

From Europe, An Update on Germany

Across the board prices have remained very dull. The usual spring purchases do not yet seem to be beginning and there is a pessimistic mood throughout the industry especially as more closures are being reported. The Germany group Steinhoff, producer of upholstered furniture, is closing its plant in Gallinchen, the capacity reduction is due, it is claimed, to falling demand. However, in the future, the Gallinchen factory will be used for quality control and distribution of furniture produced in Poland. Steinhoff is building a new factory in Zielona Gora (Poland) and production should start soon.

The German DLW group (located in Bietigheim-Bissingen), which operates in several fields including office furniture making, is facing difficulties in its furniture division. The division is operating in the red, due to poor consumer buying, higher chipboard prices and a decline in productivity. The Gersthofen plant (with a staff of 40), where furniture parts are manufactured, will be shut down.

The retail group Moebel Walther increased its turnover by 29% to DM850 mil in 1995. Profits were DM80 mil. The company said it expected 1996 turnover to exceed DM1.2 billion. Growth into eastern Germany helped offset lower demand in the west.

Wooden Windows

Medium Price Meranti, 120x135cm	DM 448
Lower Price PVC, 120x135cm	DM388

Solid Wooden Doors

Upper Price, Meranti,	DM 1605
Medium Price, Meranti,	DM 1498
Lower Price, PVC	DM1119

Furniture and Components

Kitchen Chairs	
Medium Price, Beech,	DM169
Lower Price, Kauri Pine,	DM69

Dining Chair**Upper Price, DM508****Medium Price, DM377****Lower Price, Beech, DM 169****Kitchen Table****Lower Price, Pine, 80x140 DM 329****Dining Table****Upper Price, Beech 90x180 DM1,571****Medium Price Beech 90x180 DM999****Lower Price Beech 80x180 DM649****Kitchen Doors****Upper Price, DM270****Solid Oak, 57x50cm. DM270****Medium Price, Oak Frame and Veneer 57x50cm. DM179****Lower Price, Birch Veneered 194x40 DM179****Wardrobe Doors****Upper Price. Beech Veneer 180x45cm DM320****Medium price, Beech Veneer 180x45cm DM225****Lower Price, Beech Veneer 194x40cm. DM102****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 DM92.30****Lowest Price, Alder DM39.30****Other News from Europe**

Arquati, the Italian world frame leader, has taken over the 100% of Mobilac, the Italian well known enameled bedroom furniture manufacturer. In 1995, Arquati's turnover increased by 9.5% to Lira 220 billion. Mobilac had a turnover of Lira 18 billion in 1995 with a staff of 50. Arquati is preparing to list its name in the Italian stock exchange.

In Belgium, Mecam, producer of seating furniture with an annual turnover of more than Bfr 800 mil, plans to diversity into the production of modern high-quality living room furniture. The company is negotiating to buy the premises of Luxor, a bankrupt furniture producer. If the agreement falls through, Mecam will build a new factory. The project will require an annual turnover of Bfr 150 m to break even.

AS Standard, the second largest furniture manufacturer in Estonia, whose sales turnover reached Ekr 100,000 (US\$8,620) in 1995, has a target to increase turnover to Ekr 800,000 (US\$68,965). A German investor is interested in extending Standard's share capital by 25% and should grant it a direct access to foreign markets.

Kate, Latvian office and kitchen furniture trading company, is planning to open a new showroom for home furniture. The firm decided in 1995 to expand its operations and range of products.

Ikea is planning the opening of two furniture hypermarkets in Barcelona and two in Madrid. The expansion will require an investment of Pta 20,000 m in the next two years. Ikea already has two franchise operations in Spain, one in the Balearic Islands and another in the Canaries.

Demand for fitted kitchens is looking good in the Netherlands in the next few years, as about 90,000 new homes are to be completed and about 70% of them will be owner-occupies. According to EIM - small business research institute, 170,000 fitted kitchens are sold annually at an average price of Fl 13,500, which is 40% higher than 10 years ago.

US Industry Report

The US economy is still moving at a relatively slow pace despite an apparent improvement in housing starts particularly in West Coast states. Demand for consumer goods, especially those whose purchase can be postponed such as furniture, is devoid of any major market stimulus. The result of this is that the prices for household furniture items and millwork

products have not moved. The performance of the business sector furniture market was slightly better and it is not surprising to see price increases amongst office and institutional furniture items.

Rough Sawn Hardwood Lumber
Appalachian Red Oak
kiln dried, FAS

US\$1,490 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\$1,480 per MBF

Lumber, Genuine Mahogany
Bolivia, Brazil, Honduras
Select or Better Kiln dried
Dock side US West Coast

US\$2,850 per MBF

Lumber, Philippine Mahogany / Meranti
Kiln Dried, kiln dried
Dock side US West Coast

US\$2,525 per MBF

In the wake of slow moving consumer demand, demand for raw materials was subdued. This, coupled with the current over production of panels, notably MDF, prices have fallen in some areas. The softening of prices applies equally to US and most tropical woods, this is somewhat surprising with the current drop in availability from some tropical producers. The paradoxical combination of diminishing supply and declining prices could be seen as a result of modern processing and finishing techniques that make it possible to substitute many tropical woods with alternative species. Under this scenario the prices for tropical woods are becoming more closely patterned on the trends for US hardwoods which are promoted as being in abundant supply. An exception to this is provided by the few specialty species such as Teak and Mahogany that have shown firm prices recently.

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\$48.00 per Sheet

Veneer Red Oak, 1/45", flat stock,
Container loads/truck-loads
US\$0.09-0.14 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\$385 per 1000 sq.ft

The price for MDF has fallen by some 18% between March 1995 and March 1996.

Millwork

Wood Window Units

Wood sliding window Double glassed,
Upper/lower sash can be tilted. 32" x 54"
US\$80.00

Wood Doors

Interior door solid wood Raised colonial panels
without frame and hinges. 2'8" x 6'8" x 1.75"
US\$62.00

Wood Mouldings

White Pine moulding, 3.625" wide,
1" stock, finger jointed length approx. 16'
US\$0.29 per linear foot

Wood Frames for Upholstered Chairs

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

Wooden Furniture

In general any price increases are the result of higher raw material inputs rather than a reflection of market movement.

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\$610.00

Dining Room Chair

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

US\$188.00

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\$750.00

Headboard for Bed

18th century French Fairhope headboard Mahogany veneer on particleboard.

Width 43", Ht. 60.6"

US\$263.00

Dresser used in the Bedroom

18th century French Elm Bluff 9 drawers. Mahogany veneer on particleboard.

64" x 19", Ht. 36"

US\$470.00

Desks for use in the Office

Conference desk 5 drawers

Mahogany veneer on particleboard. 72" x 36", Ht. 29"

US\$885.00

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