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INTERNATIONAL TROPICAL TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producers Report

Log Prices

International Prices

Malaysia

Sarawak earned about US$240 million from the export of logs for the first four months of 1997. This represents a decline of US$30 million compared to the same period in 1996.

Log exports accounted for slightly over 35 % of the total exports of timber products of nearly US$ 670 million for the first four months of 1997.

Sarawak Log Export Prices (FOB)		*per Cu.m*
Meranti	*SQ up*	*US$195-200*
	small	*US$165-170*
	super small	*US$135-140*
Keruing	*SQ up*	*US$220-225*
	small	*US$190-200*
	super small	*US$160-170*
Kapur	*SQ up*	*US$215-220*
Selangan Batu	*SQ up*	*US$210-220* ⇓

Solomon Isands SIFIA Indicative FOB Prices

	Current Indicative Price per Cu.m	*Forecast Movement*
Group 1A		
Kwila	*US$220*	-
Group 1B		
Palaquium	*US$ 158*	*mod. fall*
Planchonella	‘’	-
Calophyllum	‘’	*slight. fall*
Pometia	‘’	*slight. fall*
Gonostylus	‘’	-
Schizomeria	‘’	*mod. fall*
Group 2		
Canarium	*US$ 138*	*slight fall*
Burckella	‘’	*mod. fall*
Terminalia	‘’	*slight fall*
Group 3		
Dillenia	*US$ 120*	*mod. fall*
Celtis	*US$ 118*	*mod. fall*
Alstonia	‘’	-
Dysoxylum	‘’	-
Eugenia	‘’	-
Endospermum	‘’	-
Vitex	’	
Amoora	‘’	
Group 4		
Campnospermum	*US$ 116*	*mod. fall*
Parinari	*US$ 108*	*unchanged*
Maranthes	‘’	*slight fall*
Others (white)	‘’	*slight fall*
Others (red)	‘’	*mod. fall*

Slight to moderate price declines are expected.

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Cameroon Log Prices

FOB		Per Cu.m
N'Gollon	70cm+ LM-C	FFR1450⇓
Ayous	80cm+LM-C	FFR1200⇓
Sapele	80cm+LM-C	FFR1650⇓
Iroko	70cm+LM-C	FFR1650⇓

Domestic Log Prices

Report From Brazil

Logs at mill yard	per Cu.m
Mahogany Ist Grade	US$390
Ipe	US$82
Jatoba	US$55
Guaruba	US$45
Mescla(white virola)	US$46

Ghana

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

Report from Indonesia

Plywood logs	Per Cu.m
Face Logs	US$145-160
Core logs	US$ 115-120
Sawlogs	US$140-160
Falkata logs	US$60-62
Rubberwood	US$35-37⇓
Pine	US$65-70
Teak	US$1050-1250
Mahoni	US$290-295

Report from Malaysia

Logs	
Domestic (SQ ex-log yard)	Per Cu.m
DR Meranti	US$260-270
Balau	US$190-195
Merbau	US$205-210
Peeler Core logs	US$130-140
Rubberwood	US$32-33
Kempas	US$135-145
Keruing	US$225-235

Sawnwood Prices

International Prices

Brazil

The US and Bolivia decided not to insist on a second vote on the CITES listing of Swetenia macrophylla, a vote that they would probably have lost. An agreement was reached with Brazil to start monitoring the Mahogany trade. Under the agreement reached in Zimbawe, exporters have agreed to the use of CITES approved permits for internationally traded Mahogany.

Export Sawnwood	per Cu.m
Mahogany KD FAS FOB	
UK market	US$1030
Jatoba Green	US$440-490
Asian Market	
Guaruba	US$290
Angelim pedra	US$270
Mandioqueira	US$245
Pine (AD)	US$160

Ghana

Machined products are in demand but mills are not well equipped to handle the orders. Mouldings for windows in Odum and Kussia are of interest for the UK market.

The PAR orders for Odum continue to circulate but mills are not yet well equipped to accept them.

Rough Sawn Prices FOB	per Cu.m
Mixed Redwoods	US$330
low grade Odum (Iroko)	US$400
Wawa	US$220
Wawa fixed dimensions	US$260
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
Odum FAS 100mm	US$700
Wawa FAS 1.8m plus	US$400
Anegre	
FAS 150mm plus 2.4m plus	US$640

Guarea	FAS	US$460
Ofram	FAS	US$270
Emire	FAS	US$460
Ekki	FAS	US$335
Kussia	FAS	US$330
Dahoma	FAS	US$250
Cedrella	FAS	US$410

Malaysia

Sawn Timber Export(FOB)	per Cu.m
Dark Red Meranti (2.5ins x 6ins & up)	
GMS select & better (KD)	US$720-735
Seraya	
Scantlings (75x125 KD)	US$750-755
Sepetir Boards	US$325-335
Perupok (25mm&37mm KD)	US$935-960
K.Semangkok	
(25mm&37mmKD)	US$735-750

Taiwan Province of China

Rubberwood	per Cu.m
25mm boards	US$385-400
50-75mm squares	US$435-455
75-100mm squares	US$495-500 ⇑

Sepetir	per Cu.m
GMS (AD)	US$380-390
Ramin less than 2 ft.	US$540-550
greater than 2 ft.	US$620-630
Oak 25mm boards	US$730-740
Maple	US$950-980
Cherry	US$1150-1200

Domestic Sawnwood Prices

Report from Brazil

Sawnwood (Green ex-mill)	
Northern Mills	per Cu.m
Mahogany	US$830
Ipe	US$420
Jatoba	US$398
Eucalyptus	US$170
Southern Mills	
Pine (KD) First Grade	US$180

Ghana

Dahoma, Chenchen, 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

Report from Indonesia

Sawn timber Domestic construction material	
Kampar	per Cu.m
AD 6x12-15x400cm	US$330-340
KD	US$450-460
AD 3x20x400cm	US$395-415
KD	US$500-520

Keruing	per Cu.m
AD 6x12-15cmx400	US$280-295
AD 2x20cmx400	US$320-340
AD 3x30cmx400	US$335-345

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau	
25&50 by100mm& up	US$380-400
Kempas50mm by	
75,100&125mm	US$215-225
Red Meranti	
22,25&30mm by180mm & up	US$300-315
Rubberwood	
25mm & 50mm Boards	US$250-265
50mm squares	US$320-340
75mm & up	US$360-375
Mixed Hardwood Piling	
5-6 ins x5-6 ins sections	US$200 ⇓

Plywood and Veneers

International Prices

Indonesian Plywood

For the European market Indonesian plywood is at list plus 11-12% which is said in Germany to be too high at present.

Plywood (export, FOB)	
MR,	per Cu.m
Grade BB/CC	
2.7mm	US$475-490 ⇑
3mm	US$425-440 ⇑
6mm and above	US$340-380
WBP,	
Grade BB/CC	
12-18mm	US$440-450 ⇑

Ghana

There are large orders for Anegre veneers circulating but the uncertain log supply is resulting in mills being reluctant to accept these orders. Some Ghanaian Foresters are suggesting that there is growing evidence that this species is coming close to being 'endangered'. This concern has, reportedly, been brought to the attention of the Forestry Commission.

Sliced Veneer FOB		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) FOB

The presentation of price data for Layons is being changed to give a clearer picture of price structures.

Thickness 0.55mm, Width 950 - 1250mm, Length 1550, 1850, 2150, 2450 mm.		
Species	Grade	DM per Sq m.
Angre	Interior	3.05
Angre	Backing	2.28
Sapele	Backing	2.25
Makore	Backing	2.25
Khaya, Edinam, Kosipo		
	Backing	2.06

Plywood 1220 x 2440 mm Grade BB/CC, FOB Ceiba for the UK market		
	Per Cu.m	
	WBP	MR
4mm	Stg347	Stg278
6mm	Stg296	Stg249
9mm	Stg284	Stg248
12mm	Stg275	Stg238
18mm	Stg270	Stg230
25mm	Stg282	-

Plywood 1220 x 2440mm Grade c/c WBP FOB Ceiba for the German market	
	per Cu.m
4mm	*DM735*
6mm	*DM623*
9mm	*DM613*
12mm	*DM600*
15mm	*DM587*
18mm	*DM573*

Rotary Cut Veneer FOB	*per Cu.m*
Face Veneer	*1-1.6mm*
Ceiba	*US$320*
Koto	*US$500*
Otie/Ilomba	*US$440*
Ofram	*US$440*

Brazilian Plywood and Veneer

Veneer FOB	*per Cu.m*
White Virola Face	
2.5mm	*US$280-330*
Pine Veneer (C/D)	*US$190-210*
Mahogany Veneer	*per Sq.m*
0.7mm	*US$2.70*

Plywood FOB	*per Cu.m*
White Virola (US Market)	
5.2mm OV2 (MR)	*US$355*
15mm BB/CC (MR)	*US$345*
For Caribbean countries	
White Virola 4mm	*US$470*
9mm	*US$370*
Pine USA market	
9mm C/CC (WBP)	*US$270*
15mm C/CC (WBP)	*US$250*
Cedro (puerto Rico Market)	
4mm	*US$810*

Malaysian Plywood

Sarawak is fast becoming a major producer of plywood in Malaysia. This could be attributed to the availability of raw materials and the emphasis on downstream processing. The latest statistics indicate that for the first four months of 1997 plain plywood exports increased by nearly 8 % from US$ 235 million for the same period in 1996, to around US$ 254 million.

Veneer exports also increased by about 44 % to around US$ 60 million for the Jan-April 1997 period

MR Grade BB/CC FOB	*Per Cu.m*
2.7mm	*US$480-495*
3mm	*US$425-440*
3.6mm	*US$410-420*
9-18mm	*US$360-375*
WBP Grade BB/CC	
9-18mm	*US$420-430*
Phenolic Overlayed	
12-18mm	*US$495-510*
Domestic plywood	
3.6mm	*US$465-480*
9-18mm	*US$450-465*

Taiwan Province of China

Plywood	*per Cu.m*
2.7mm x 4' x 8'	*US$605-610*
9.0mm x 4' x 8'	*US$500-510*
12-18mm	*US$455-460*

Domestic Plywood Prices

Brazil

Rotary Cut Veneer	
(ex-mill Northern Mill)	*per Cu.m*
White Virola Face	*US$155*
White Virola Core	*US$120*
Plywood	
(ex-mill Southern Mill)	
Grade MR	*Per Cu.m*
4mm White Virola	*US$680*
15mmWhite Virola	*US$510*
4mm Mahogany 1 face	*US$1,420*

Indonesia

Domestic MR plywood	
(Jarkarta)	*per Cu.m*
9mm	*US$435-455*
12mm	*US$425-430*
15mm	*US$410-425*
18mm	*US$395-400*

Furniture Parts and Components

Taiwan Province of China, Imports

Imports C&F	*per pc*
Rubberwood Chair seats	*US$2.85-3.00*
Rubberwood unfinished	
Queen Anne Chairs	
(excluding soft seat)	*US$12.5-14.00ea*
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$2.10-2.25ea*

Other Panel Product Prices

Brazil

Export Prices	
Blockboard 18mm	*per Cu.m*
White Virola Faced	
B/C	*US$285*
Domestic Prices	
Ex-mill Southern Region	*per Cu.m*
Blockboard	
15mm White Virola Faced	*US$510*
15mm Mahogany Faced	*US$860*
Particleboard	
15mm	*US$300*

Indonesia

Other Panels	*per Cu.m*
Export Particleboard FOB	
9-18mm	*US$140-150* ⇑
Domestic Particleboard	
9mm	*US$230*
12mm	*US$220*
15mm	*US$220*
18mm	*US$195*
MDF Export (FOB)	
12-18mm	*US$190-205*
MDF Domestic 15-18mm	*US$280-300*

Taiwan Province of China, Imports

MDF	*per Cu.m*
Domestic Prices	
3mm thick	*US$390-410*
12-18mm x 4' x 8'	*US$270-285* ⇓
Particleboard	*per Cu.m*
12-18mm (4x8)	*US$185-195*

Malaysia

Export Particleboard (FOB)	*per Cu.m*
6mm & above	*US$145-160*
Domestic Particleboard	
6mm & above	*US$170-190*
MDF Export (FOB)	*per Cu.m*
Less than5mm	*US$220-230*
Gretaer than 6mm	*US$200-210*
Domestic	*US$245-255*

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting	*per Cu.m*
(for the Italian market)	*US$930-950*
Crown using Pulai or Jelutong	
(for Japanese market)	*US$790-800*
Laminated Scantlings	*US$630-645*
Laminated Boards	
Falkata wood	*US$380-395*
Laminated Boards	
Pine	*US$810-835*
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	*US$815-835*
Grade B	*US$605-630*

Malaysia

Mouldings (FOB)	*per Cu.m*
Selagan Batu Decking	*US$580-595*
Kembang Semangkok	
S4S to Japan	*US$1100-1250*
Laminated Scantlings	
72mmx86mm	*US$645-660*
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	*US$845-855*
Grade B	*US$680*

Doors (FOB)	
Meranti (red) panel doors	
Grade A	*US$51-53per pc*
Grade B	*US$46-47per pc*
Grade C	*US$42-45per pc*

Rubberwood parts and Furniture

Malaysia

Peninsular Malaysia Rubberwood furniture manufacturer, Len Cheong Holdings Bhd was listed on the second board of the Kuala Lumpur Stock Exchange recently. The company manufactures wooden furniture such as dining suites, and parts and components for tables and chairs. Currently 95 % of the group's turnover is contributed by exports to Japan while the rest comes from the domestic market. The major consumers in Japan include Henderson (Japan) Ltd, Shouei Chemical Products Co. Ltd, Hayashi Kogyo Co. Ltd and Maruni Inc.

Shaped chair seats	
(18-22mm 16"-18" squares)	
	US$2.95-3.20per pc
Finger jointed	*per Cu.m*
laminated boards	*US$810-825*
top grade	*US$850 ⇓*
Rubberwood S4S	*US$440-450*

Dining suite	
Solid rubberwood laminated top 3' x 5'	
with extension leaf	*US$56-63ea*
Same with	
Oak veneered MDF	*US$70-75ea ⇑*
Windsor Chair	*US$12.50-15.00ea*
Colonial Chair	*US$15.50-17.00ea*
Napolean Chair	*US$22-26ea*
Queen Anne Chair (with soft seat)	
without arm	*US$20-24ea*
with arm	*US$24-28ea*

Brazil

Edge Glued Pine Panel	
	per Cu.m
for Korea 1st Grade	*US$790*
US Market	*US$550*

Taiwan Province of China

Rubberwood Chair Seats	*US$2.85-3.00ea*
Rubberwood Unfinished	
Queen Anne Chairs	*US$12.5-14.0ea*
Queen Anne Legs 2.25 ins square	
18ins Long	*US$1.10-1.20ea*
2.75ins Square 28 ins Long	*US$2.10-2.25*
Rubberwood finger joint	*per Cu.m*
table tops	*US$815-835*

Furniture	
Dining suite (FOB)	
Oak Veneered MDF tables and chairs (6 per set) 4ft dia.	***US$210-225per set***
Dining table Cheery veneer	
Occasional table Cherry veneer top 2ftx4ft	***US$32-35ea***

Consumers Report

Report From Japan

The Bank of Japan's most recent quarterly "tankan" survey startled most market analysts by reflecting unexpectedly strong business sentiment among the nation's principal manufacturing firms.

In contrast, the 2% rise in consumption tax on April 1st, and a continuing decline in public works spending, took a toll especially on small manufacturers whose business confidence worsened over the past three months.

Although the results of the survey indicate that the Japanese economy is strengthening, they also show that the recovery is barely trickling down to the smaller firms.

Lumber markets, particularly for structural and decorative items, weakened in June. Housing starts in the early months of the new fiscal year have been dull. There are no clear trends in the markets which analysts report are in confusion. Even with very low interest rates nothing seems to encourage demand for new housing construction. Applications from first time home buyers for the fiscal 1997 are down 45.5 percent from a year before.

Consumption of softwood for plywood

Softwood roundwood consumption for plywood manufacturing during the first quarter of the year was 450,000 Cu.m, which is 44.7 percent more than the same period last year. Softwood plywood production, totally or partly produced from softwood logs and imported softwood veneer, was 410,000 Cu.m. a jump of 87 percent.

Production of softwood-hardwood composite plywood decreased by around 27 percent to 144,000 Cu.m.

Southeast Asian Log Markets

Market prices in US dollars for Meranti logs are moving down as the Japanese Yen strengthens and as the plywood markets are quiet. Importers' selling prices have been based on an exchange rate of Yen120 to the dollar in an effort to maintain price level. Yen rates have been Yen113-114 to the dollar since the middle of June.

Logs stocks in the hands of plywood manufacturers are said to be adequate enough for the time being and manufacturers are in no hurry to purchase.

Recovery for White Seraya Lumber

Overall shipments of S.E Asian lumber have been slow in June. Orders to cut when there is demand and quantities are said to be small. Market prices remain largely unchanged. The price for wide, first grade Merapi, from domestic mills is Yen185,000-200,000 per Cu.m, delivered to retailers'.

The price for the imported first grade White Seraya lumber in specific lengths, is Yen115,000-120,000 per Cu.m, delivered to wholesalers' in the Tokyo area. Prices have generally not been affected by the recent stronger Yen.

Plywood Markets

Housing starts are not expected to improve in the near future. Plywood stocks appear good and immediate delivery is possible, as a result buyers are asking for small lots as needed.

Markets for medium thickness plywood said to be are weakening. Plywood of 5.5 millimeter thickness is sold at Yen670-680. Markets for thin plywood remain strong and supply is reportedly tight in both the Tokyo and Osaka areas. Domestic production is sold at Yen350 and Indonesian products at Yen355-360.

Delivered Prices

Asian Log, Lumber and Panel Prices

Logs For Plywood Manufacturing	***CIF Price Yen per Koku***
Meranti (Hill, Sarawak) Medium Mixed	***8,400⇓***
Meranti (Hill, Sarawak) STD Mixed	***8,300⇓***

Meranti (Hill, Sarawak) CIF Price Yen per Koku	
Small Lot	
(SM60%, SSM40%)	*7,700⇓*
Taun, Calophyllum (PNG)	
and others	*7,000⇓*
Mix Light Hardwood	
(PNG G3-G5 grade)	*5,800⇓*
Okume (Gabonese)	*8,400⇓*
Keruing (Sarawak)	
Medium MQ & up	*9,000*
Kapur (Sarawak) Medium	
MQ & up	*8,600⇓*

Logs For Sawmilling	*FOB Price Yen per Koku*
Melapi (Sarawak)	
Select	*12,000⇑*
Agathis (Sarawak)	
Select	*11,000⇑*

Lumber	*FOB Price Yen per Cu.m*
White Seraya (Sabah)	
24x150mm, 4m 1st grade	*125,000⇓*
Mixed Seraya 24x48mm,	
1.8 - 4m, S2S	*53,000⇓*
Red Oak 5/4x6 ins and wider	
FAS (US East Coast)	*125,000*

Plywood

Panels	*Mill Gate Price Tokyo Area Yen per sheet*
Concrete Formboard	
Domestic Production from S.E Asian Logs	
11.5x900x1800mm Type 1	*1,240⇓*
Thin	
2.3x910x1820mmType 2	*350*
Medium	
4.0x910x1820mm Type 2	*540*
5.5x910x1820mm Type 2	*650*
	per sq. ft
Particleboard 15mm	*44*
MDF 15mm	*70*

June wholesale Prices in Yen per sheet

		June
Indonesian Plywood		
2.4mm (thin plywood, A board)	920 X 1830	350
3.6mm (midium thickness, OVL)	910 X 1820	510
5.2mm (midium thickness, OVL)	910 X 1820	630
8.5mm for sheathing (UTY)	910 X 1820	900
11.5mm for foundation	910 X 1820	1100
12mm concrete-form ply (JAS)	900 X 1800	1190
11.5mm flooring board (JAS)	945 X 1840	1760
3.6mm Baseboard for overlays (OVL)	1230 X 2440	830
5.2mm for packing	1230 X 2440	980
8.5mm for packing	1230 X 2440	1500
Malaysian Plywood		
2.4mm (thin plywood, A board)	920 X 1830	340
3.6mm (midium thickness, OVL)	910 X 1820	500
5.2mm (midium thickness, OVL)	910 X 1820	620
8.5mm for sheathing (UTY)	910 X 1820	900
11.5mm for foundation	910 X 1820	1100
11.5mm concrete-form ply (non-JAS)	900 X 1800	1170
11.5mm flooring board (non-JAS)	945 X 1840	1650
3.6mm Baseboard for overlays (OVL)	1230 X 2440	810
Softwood Plywood		
9.5mm foundation of wall (JAS)	1220 X 2440	1450
12.5mm Sheathing (T&G JAS)	606 X 2273	1050
15.5mm foundation (T&G JAS)	1220 X 2440	2430
9.5mmfor packing (non-JAS)	1220 X 2440	1420
Particleboard		
12mm for woodworking	910 X 1820	560
15mm for woodworking	910 X 1820	670
OSB		
11.9mmfoundation of roof (JAS)	910 X 1820	880
9.5mm Foundation for 2 by 4	910 X 2440	1000
6.5mm for packing (non-JAS)	1220 X 2440	780
9.5mm for packing (non-JAS)	1220 X 2440	1150

Report From China

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	*1880-2400*
Malaysian Lauan Log	
Mixed	*2500-2600*
Malaysian Lauan with hollow heart	
Mixed	*1200-1400*
Medang log, Myanmar	*2400*

Lauan lumber	*per Cu.m*
Thickness:5-6cm	
Length: 3-4m	*2850-3450*
Luan/Malas tongued, grooved flooring strip	
18x70mm x2.2-4.1m	*110-125per Sq.m*
Balian Flooring Top Grade Myanmar	
18x50-70x2400mm	*300-350per Sq.m*
Plywood from Indonesia	
3mm 1220x2240	*41 per sheet*
US Lumber	*per Cu.m*
Oak, Maple, Cherry	*7000-14000*
T&G Cherry Flooring	
18x50-70mm x 2-4m	*120-140per Sq.m*

From Europe, An Update on Italy

In 1996 Italian furniture manufacturers realised a combined total turnover of Lira 3,6000 bil.. Production decreased by almost 3% (at constant prices). The domestic market slid back by about 6% while exports recorded positive growth of over 30%.

Russia was Italy's leading trading partner in this sector. The sluggishnes of the Italian market is confirmed by the 10% decline in imports compared to 1995.

The Italian group Olivetti has sold its entire stake in Olivetti Synthesis Siccma. Olivetti Synthesis specialises in the design and production of office furniture. The company, which had a turnover of Lira 66 bil. in 1996, will be renamed Synthesis and will continue to use the Olivetti Synthesis brand until 2002.

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 567,000*
Lowest Price	
Mahogany, 150x120cm	*Lira 385,500* ⇑

Solid Wooden Doors

Upper Price,	*Mahogany*	*Lira 1,100,000*
	Oak/Elm	*Lira 860,200*
Medium Price,	*Tanganika*	*Lira 554,000*
	Mahogany	*Lira 742,000*
Lowest Price,	*Tanganika*	*Lira 317,000*
	Mahogany	*Lira 270,000*

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 448,050*
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 4,163,640*
Medium Price, Walnut edge glued	
90x160cm	*Lira 2,976,700*
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

Other News from Europe

News has recently reached the trade that on the 30th April the German government passed a decree (BW21/14.70.01-6/21 VA 97) dated 30th April, indicating that any previous Federal restrictions on the use of tropical timber for building have been lifted. The German Timber Importers Federation has been advising exporters of this welcome news.

The managing director of the Swedish Woodexporters Association (SWEA) indicated that Swedish softwood production in 1997 would top 15mil Cu.m, an increase of almost 6 percent on last year. Exports are expected to increase to 11.3 mil Cu.m..

Exports to European destinations will remain at around 9.3mil Cu.m, while exports to Japan would jump by 300,000 Cu.m to a forecast 700,000 Cu.m in 1997. Exports to other Asian countries would be at about the same as last year at 200,000 Cu.m and exports to African countries would be 1.1mil Cu.m..

The five largest kitchen and bathroom furniture manufacturers in Finland reported a 9% increase in production in 1996 compared to 1995. In the first quarter of 1997 production increased by 13% over the same period in 1996. Prices of kitchen furniture are forecast to increase by 3% this year.

Company News

The German bedroom furniture producer Wilhelm Stallmann GmbH & Co KG has been acquired, together with all its subsidiaries, by K & G Hnls Beteiligungsgesellschaft, which is the major shareholder of Hnlsta (another German furniture manufacturer).

German Rolf Benz AG, the upholstered furniture manufacturer based in Nagold, is to introduce dining room suites into its line of furniture (it already produces chairs). The company is to reduce the number of domestic traders by about 110, currently it has 550 units. In 1996 turnover was DM 199 million (-1.3%), with upholstered furniture accounting for 75% of total turnover.

The Spanish company Kemen, an office furniture manufacturer, has spent about Pta 200 million to increase its production capacity at the Vitoria plant.

Wiesner-Hager Mobel GmbH, a leading producer of seats, is planning to enter the office furniture market which is currently dominated by few suppliers. The company expects an upturn in this market in Austria in 1998. In 1996 Wiesner-Hager had a turnover of Sch 510 million, with exports accounting for 35% of total sales.

The Russian furniture manufacturer, Baltika of St. Petersburg, has been declared bankrupt. Company debts rose to about US$8.8 million. Baltika's 1,200 workers will loose their jobs.

The US Particleboard Market

U.S. production of particleboard reached a peak of 3.8 BSF (Billion Square Feet on a 18mm basis) in 1989. Thereafter the domestic supply declined until it reached its low point of 3.7 BSF in 1991. Induced by strong end-user demand, production started a lengthy growth period which was only briefly interrupted in 1995.

In 1996, the US domestic production of particleboard reached 4.5 BSF, almost 20% above the previous peak of 1989. The increase in production is quite remarkable in light of the industry's reduction of its previously high inventories.

Imports

Capacity of U.S. particleboard mills came under increasing stress in the early 1990s, and imports of particleboard were needed to meet the growing demand of U.S. end-users. Imports climbed rapidly between 1992-1995 However imports declined in 1996, settling at a volume of approximately 0.7 BSF. This represents about 13% of the total particleboard supply in the U.S..

Canada is the most important exporter of particleboard to the U.S.. Canada's share increased in recent years due to the establishment of several new particleboard mills in that country. Significant volumes are also sourced from Mexico but only small quantities stem from Asia and Europe.

Market Size and Development

In 1996, the U.S. particleboard market stood at 5.1 BSF. This is about one-third more than in 1991, the lowest year since 1986. After a quick rebound between 1991 and 1994, demand has stagnated during the past two years. Presently, the market size is somewhat lower than at the previous peak year of 1994. The sluggish growth is largely the result of two factors:

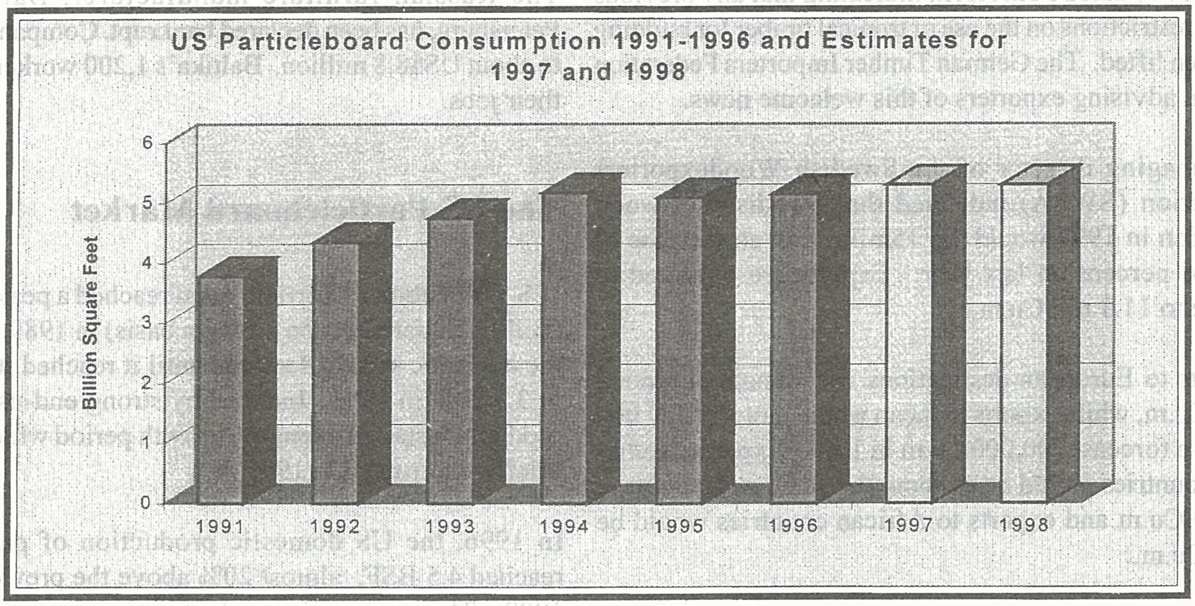
- MDF is starting to make inroads into the particleboard market.
- The steep price increases during the first half of this decade curtailed the demand for particleboard.

approximately 3.3%. If this prediction is correct, the market will reach a record high of about 5.3 BSF..

A major competitive threat comes from MDF. Also, if U.S. furniture demand is increasingly supplied by foreign manufacturers, the domestic particleboard industry will loose an important industrial end-user for its products.

These factors, in combination with the cooling-down of the U.S. economy, could be responsible for a stagnant or possibly negative growth of U.S. particleboard demand in 1998.

While analysts do not anticipate any major shifts in the market share of the various end-user segments within the domestic U.S. market, it is considered likel that growth in export demand may outperform the growth of most other end-users.



Between 1991 and 1995 prices advanced by more than 50% for most product categories. However, prices were under pressure early in 1997 and dropped and are likely to slip further.

Market Forecast

Trade analysts are forecasting that this year growth of the U.S. particleboard market will remain strong at

Market End-Use

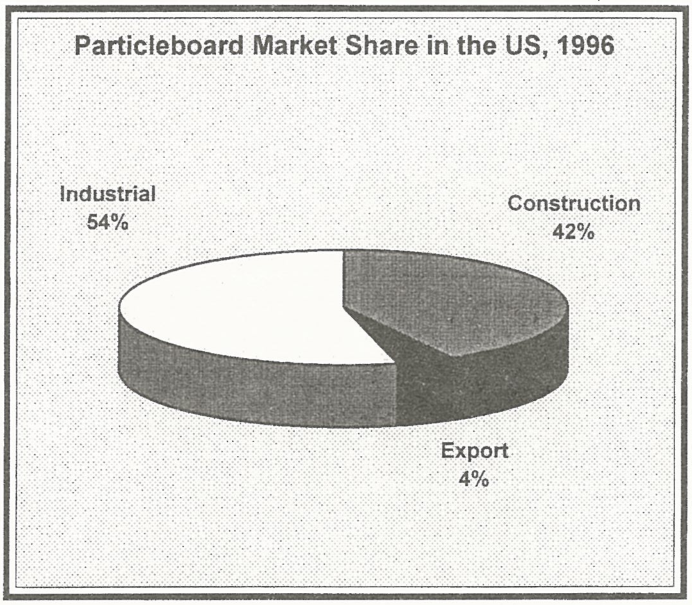
The American particleboard market is customarily divided into the following end-use segments and sub-segments:

1.Industrial
Household Furniture
Office Furniture
Other

2.Construction
Residential (including Cabinetry)
Single Family
Multiple Family
Mobile Homes
Non-residential
Repair & Remodelling

3.Exports of Particleboard

The market share of each segment is subject to change with time. The industrial market is by far the largest, accounting for 54% of consumption in 1996.



It is noteworthy that industrial consumption includes furniture manufacturers, but not manufacturers of kitchen cabinets and bathroom vanities, which are included in the construction segment. This is different from the European terminology, where furniture and kitchen cabinet manufacturers are generally considered industrial end-users. It is for this reason that the American construction share appears high, absorbing 42% of the total particleboard consumption. Exports account for a mere 4% of domestic production.

Industrial Demand (excluding cabinets)

Total industrial demand for particleboard stood at an estimated 2.8 BSF in 1996. Slightly more than half of this stems from household furniture manufacturers, predominantly in the South-Eastern United States (North Carolina and Virginia). Another one-third of the demand is absorbed by office furniture manufacturers.

This industry is heavily concentrated in the Mid-Western / Great Lakes region (Michigan). The remaining share (approximately 13%) goes to a variety of other industries, such as store fixtures, TV and radio cabinets, etc.

Since the early 1990s, the market share of household furniture manufacturers grew from 48% to its present level of approximately 52% (on the basis of total industrial demand).

The reason for the overall advance is the growing popularity of Ready-to-Assemble Furniture (RTA), which is mainly produced from veneered or laminated particleboard.

The strong demand for particleboard from household furniture manufacturers during the early 1990s has slowed down in recent years. The share of office furniture producers in the overall industrial demand has also declined marginally.

Construction Demand (including Cabinets)

The three main segments of the construction market are:

- Residential construction absorbing slightly more than one-half of the total construction demand

- Non-residential (commercial and industrial) construction with a share of approximately 14%

- Repair and remodeling jobs (R&R), absorbing one-third of the total demand.

In recent years, the residential share (on the basis of overall construction demand) has been gaining ground, while the shares of non-residential construction and repair and remodeling have been loosing ground.

The residential construction market can be further subdivided into the demand derived from single-family, multiple family and mobile homes. In view of booming mobile home construction, particleboard sales to this sector have been growing at an above average rate.

Kitchen cabinets, bathroom vanities and other cabinet work absorb the lion's share - that is approximately two-thirds - of the total construction related particleboard usage.

This share is particularly high in the case of repair and remodeling jobs (79%), but relatively unimportant in the case of nonresidential construction. In 1996, particleboard consumption by cabinet manufacturers amounted to a record volume of 1.5 BSF as new housing starts rose to very high numbers.

The various sub-segments of the construction market did not move along a uniform path. For example, consumption of particleboard by builders of mobile homes almost doubled between 1991-1994 as mobile home production soared to the highest level in two decades.

Single family consumption climbed a more sedate but still healthy 52% during the same time period. On the other hand, growth from R&R and nonresidential construction was much slower than in other construction sectors.

Contrary to its below-average performance during the 1991-94 period, nonresidential construction was the only sector with positive growth between 1994 and 1995. In 1996, mobile and single family homes provided the strongest growth impetus for particleboard.

Trends in US Particleboard Exports

In 1996, exports of particleboard amounted to only 0.2 BSF, or 4% of the total particleboard demand.

Exports rose for several years and peaked in 1992. Parallel to the rising export volume, the export share (exports in percent of overall demand) kept on climbing, culminating at 6% in 1992. Thereafter, exports lost ground or remained stagnant, and the export share retracted to 4% in 1994 where it remained until now. The decline occured as buyers tried to find new sources of lower cost particleboard in other countries, i.e. Australia, New Zealand, Malaysia, and Chile.

Fortunately, in 1995 and 1996, consumption in domestic markets grew enough to offset the drop in export demand.

World Value of the US Dollar 20th June 1997

Cameroon	C.F.A.Franc	583.93
Central African Republic	C.F.A.Franc	583.93
Congo, People's Rep.	C.F.A.Franc	583.93
Cote d'Ivoire	C.F.A.Franc	583.93
Gabon	C.F.A.Franc	583.93
Ghana	Cedi	2090
Liberia	Dollar	1
Togo, Rep.	C.F.A.Franc	583.93
Congo D.R	New Zaire	137500
Cambodia	Riel	2744
Fiji	Dollar	1.4196
India	Rupee	35.8195
Indonesia	Rupiah	2430.5
Malaysia	Ringgit	2.5165
Myanmar	Kyat	6.2085
Papua New Guinea	Kina	1.387
Philippines	Peso	26.3805
Thailand	Baht	25.15
Bolivia	Boliviano	5.24
Brazil	Real	1.0765
Colombia	Peso	1084.875
Ecuador	Sucre	3949.5
Guyana	Dollar	142.3
Honduras, Rep.	Lempira	13.105
Panama	Balboa	1
Peru	New Sol	2.6605
Trinadad and Tobago	Dollar	6.1375
Venezuala	Bolivar	484.9
Australia	Dollar	1.3347
Canada	Dollar	1.3876
China	Yuan	8.2915
Egypt	Pound	3.3952
Austria	Schilling	12.1585
Belgium	Franc	35.66
Denmark	Krone	6.581
Finland	Markka	5.178
Germany	Mark	1.7282
Greece	Drachma	273.2
Ireland	Punt	0.661
Italy	Lira	1691.05
Netherlands	Guilder	1.9441
Portugal	Escudo	174263
Spain	Pesata	145.75
Sweden	Krona	7.7331
United Kingdom	Pound	0.6069
Japan	Yen	114.565
Nepal	Rupee	56.95
New Zealand	NZ Dollar	1.46
Norway	Krone	7.2615
Korea, Rep. of	Won	888.35
Switzerland	Franc	1.4405
Russian Fed.	Ruble	5760.5

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
⇓ ⇑	Price has moved up or down

This Market Service can be accessed on the ITTO Internet Home Page at:

http://www.itto.or.jp

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