



INTERNATIONAL TROPICAL

TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producer's Report

International Log Prices

Malaysia

Sarawak Log Export Prices

(FOB)	per Cu.m
Meranti SQ up	US\$190-200 ↓
small	US\$160-170 ↓
super small	US\$130-140 ↓
Keruing SQ up	US\$200-210
small	US\$170-180
super small	US\$140-150
Kapur SQ up	US\$200-215 ↓
Selangor Batu SQ up	US\$210-220 ↓

Solomon Islands

SIFIA Indicative FOB Prices

	Current Indicative Price per Cu.m	Forecast Movement
Group 1A		
Kwila	US\$200	no report
Group 1B		
Palaquium	US\$ 158	signif. fall
Planchonella	"	signif. fall
Calophyllum	"	signif. fall
Pometia	"	signif. fall
Gonostylus	"	no report
Schizomeria	"	signif. fall

Group 2

Canarium	US\$ 138	signif. fall
Burckella	"	signif. fall
Terminalia	"	mod. fall

Group 3

Dillenia	US\$ 120	mod. fall
Celtis	US\$ 118	mod. fall
Alstonia	"	signif. fall
Dysoxylum	"	signif. fall
Eugenia	"	signif. fall
Endospermum	"	mod. fall
Vitex	"	no report
Amoora	"	signif. fall

Group 4

Campnospermum	US\$ 116	mod. fall
Parinari	US\$ 110	signif. fall
Maranthes	"	signif. fall
Others (white)	"	mod. fall
Others (red)	"	signif. fall

Cameroon Log Prices

FOB		per Cu.m
N'Gollon	70cm+ LM-C	FFR 1500 ↑
Ayous	80cm+LM-C	FFR 1100
Sapele	80cm+LM-C	FFR 1700
Iroko	70cm+LM-C	FFR 1650 ↓

International Tropical Timber Organization (ITTO)

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

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

Gabon Log Prices

<i>Okoume, FOB</i>	<i>per Cu.m</i>
<i>Grade</i>	
<i>LM</i>	<i>FFR 1450</i>
<i>QS</i>	<i>FFR 1285</i>
<i>CI</i>	<i>FFR 1165</i>
<i>CE</i>	<i>FFR 980</i>
<i>CS</i>	<i>FFR 780</i>
<i>Ozigo, FOB</i>	<i>per Cu.m</i>
<i>Grade</i>	
<i>LM</i>	<i>FFR 1020</i>
<i>QS</i>	<i>FFR 890</i>
<i>CI</i>	<i>FFR 815</i>
<i>CE</i>	<i>FFR 690</i>

Domestic Log Prices

Report From Brazil

Currently Brazil's plantation production is running at around 106 mil. Cu.m annually. By the year 2010 it has been estimated that the country will be requiring some 210-215 mil Cu.m per year. To supply the future demand from the charcoal, pulp and solid wood processing industries it has been estimated that an annual planting programme of 500,000ha per year must be launched. The industrial wood processing sector has requested federal government support for private sector plantation establishment especially in the area of credit and financing facilities.

<i>Logs at mill yard</i>	<i>per Cu.m</i>
<i>Mahogany Ist Grade</i>	<i>US\$340</i>
<i>Ipe</i>	<i>US\$87</i>
<i>Jatoba</i>	<i>US\$60</i>
<i>Guaruba</i>	<i>US\$47</i>
<i>Mescla(white virola)</i>	<i>US\$52</i>

Ghana

<i>Logs</i>		<i>per Cu.m</i>
<i>Ceiba</i>	<i>90cm plus</i>	<i>US\$40</i>
<i>Otie/Ilombe</i>	<i>60cm plus</i>	<i>US\$50</i>
<i>Emire/Framire</i>	<i>60cm plus</i>	<i>US\$55</i>
<i>Ofram/Frako</i>	<i>55cm plus</i>	<i>US\$45</i>

		<i>per Cu.m</i>
<i>Ekki/Azobe</i>	<i>70cm plus</i>	<i>US\$50</i>
<i>Kussia/Billina</i>	<i>70cm plus</i>	<i>US\$50</i>
<i>Guarea</i>	<i>60cm plus</i>	<i>US\$60</i>
<i>Chenchen</i>	<i>70cm plus</i>	<i>US\$45</i>
<i>Cedrella</i>	<i>50cm plus</i>	<i>US\$45</i>

Report from Indonesia

Asean countries, particularly Malaysia, Singapore and Brunei Darulssalam are currently experiencing severe atmospheric haze which is due mainly to smoke from fires in Indonesia. In a recent workshop on forest fire prevention and management, it was reported that forest fires destroy about 30 million Cu.m of wood annually in Indonesia. It has been estimated that this has resulted in an annual loss of around US\$90 billion.

<i>Domestic log prices</i>	<i>per Cu.m</i>
<i>Plywood logs</i>	
<i>Face Logs</i>	<i>US\$155-170 ↑</i>
<i>Core logs</i>	<i>US\$ 115-130</i>
<i>Sawlogs</i>	<i>US\$140-150 ↑</i>
<i>Falkata logs</i>	<i>US\$63-68</i>
<i>Rubberwood</i>	<i>US\$37-40</i>
<i>Pine</i>	<i>US\$63-65 ↓</i>
<i>Teak</i>	<i>US\$1250</i>
<i>Mahoni</i>	<i>US\$300-315</i>

Report from Malaysia

<i>Logs</i>		<i>per Cu.m</i>
<i>Domestic (SQ ex-log yard)</i>		
<i>DR Meranti</i>		<i>US\$240-255 ↑</i>
<i>Balau</i>		<i>US\$185 ↓</i>
<i>Merbau</i>		<i>US\$200-210</i>
<i>Peeler Core logs</i>		<i>US\$120-135</i>
<i>Rubberwood</i>		<i>US\$29-31 ↓</i>
<i>Kempas</i>		<i>US\$130-140</i>
<i>Keruing</i>		<i>US\$200-210 ↓</i>

International Sawnwood Prices

Brazil

<i>Export Sawnwood</i>	<i>per Cu.m</i>
<i>Mahogany KD FAS FOB</i>	
<i>UK market</i>	US\$1020
<i>Jatoba Green</i>	US\$520
<i>Asian Market</i>	
<i>Guaruba</i>	US\$290
<i>Angelim pedra</i>	US\$270
<i>Mandioqueira</i>	US\$245
<i>Pine (AD)</i>	US\$170

Ghana

<i>Sales to Saudi Arabia</i>	<i>per Cu.m</i>
<i>Mahogany</i>	US\$320
<i>Edinam</i>	US\$320
<i>Candollei</i>	US\$315
<i>Wawa</i>	US\$220
<i>Odum</i>	US\$400
<i>Danta/Kotibe</i>	US\$310

<i>Rough Sawn Prices FOB</i>	<i>per Cu.m</i>
<i>Mixed Redwoods</i>	US\$330
<i>low grade Odum (Iroko)</i>	US\$400
<i>Wawa</i>	US\$220
<i>Wawa fixed dimensions</i>	US\$260
<i>Wawa Boules</i>	US\$219
<i>70cm log dia. 25-75mm. 450cm length</i>	

<i>Mahogany</i>	<i>per Cu.m</i>
<i>FAS 100mm plus 1.8m plus</i>	US\$480
<i>FAS 150mm plus 2.4m plus</i>	US\$520
<i>Odum FAS 100mm</i>	US\$700
<i>Wawa FAS 1.8m plus</i>	US\$400
<i>Anegre</i>	
<i>FAS 150mm plus 2.4m plus</i>	US\$640

<i>Guarea</i>	<i>FAS</i>	<i>US\$460</i>
<i>Ofram</i>	<i>FAS</i>	<i>US\$270</i>
<i>Emire</i>	<i>FAS</i>	<i>US\$460</i>
<i>Ekki</i>	<i>FAS</i>	<i>US\$335</i>
<i>Kussia</i>	<i>FAS</i>	<i>US\$330</i>
<i>Dahoma</i>	<i>FAS</i>	<i>US\$250</i>
<i>Cedrella</i>	<i>FAS</i>	<i>US\$410</i>

Malaysia

Sawnwood exports from Malaysia are badly affected by the depreciation of the Thai Baht as Thailand was importing a substantial amount of sawnwood for the its local construction industry. The reduction in imports by Thailand has seriously affected the sawmilling industry in Malaysia, particularly those mills in Sabah and Sarawak. Peninsular Malaysia is not as seriously affected as the domestic market can absorb substantial amount of material previously destined for export. This is not the case in Sabah and Sarawak.

<i>Sawn Timber</i>	
<i>Export(FOB)</i>	<i>per Cu.m</i>
<i>Dark Red Meranti (2.5ins x 6ins & up)</i>	
<i>GMS select & better (KD)</i>	US\$650-680 ↓
<i>Seraya</i>	
<i>Scantlings (75x125 KD)</i>	US\$710-725 ↓
<i>Sepetir Boards</i>	US\$300-310 ↓
<i>Perupok (25mm&37mm KD)</i>	US\$915-950
<i>K.Semangkok</i>	
<i>(25mm&37mmKD)</i>	US\$725-740

Taiwan Province of China

<i>Rubberwood</i>	<i>per Cu.m</i>
<i>25mm boards</i>	US\$390-400
<i>50-75mm squares</i>	US\$455-465
<i>75-100mm squares</i>	US\$500-515 ↓
<i>Sepetir</i>	
<i>GMS (AD)</i>	US\$370-390 ↓
<i>Ramin less than 2 ft.</i>	US\$550-565
<i>greater than 2 ft.</i>	US\$635-650
<i>Oak 25mm boards</i>	US\$730-760 ↑
<i>Maple</i>	US\$1100-1200 ↑
<i>Cherry</i>	US\$1150-1200

Domestic Sawnwood Prices

Report from Brazil

<i>Sawnwood (Green ex-mill)</i>	
<i>Northern Mills</i>	<i>per Cu.m</i>
<i>Mahogany</i>	US\$851
<i>Ipe</i>	US\$490
<i>Jatoba</i>	US\$455
<i>Eucalyptus AD</i>	US\$180
<i>Southern Mills</i>	
<i>Pine (KD) First Grade</i>	US\$180

Ghana

<i>Dahoma, Chenchen, Antiaris</i>	
	<i>per Cu.m</i>
<i>Mill Run 50x150mm</i>	US\$95-125
<i>50x100mm</i>	US\$72-105
<i>50x50mm</i>	US\$105-150
<i>25x300mm</i>	US\$72-105
<i>Mixed Redwood</i>	
<i>40x300x3.6m</i>	US\$105-240

Report from Indonesia

<i>Sawn timber</i>	
<i>Domestic construction material</i>	
<i>Kampar</i>	<i>per Cu.m</i>
<i>AD 6x12-15x400cm</i>	US\$320-345
<i>KD</i>	US\$435-455
<i>AD 3x20x400cm</i>	US\$385-410
<i>KD</i>	US\$490-505
<i>Keruing</i>	
<i>AD 6x12-15cmx400</i>	US\$280-300
<i>AD 2x20cmx400</i>	US\$320-330
<i>AD 3x30cmx400</i>	US\$340-350

Malaysian Domestic Sawnwood Prices

<i>Sawnwood</i>	<i>per Cu.m</i>
<i>Balau(25&50mm,100mm+)</i>	US\$365-390 ↓
<i>Kempas50mm by</i>	
<i>(75,100&125mm)</i>	US\$205-215
<i>Red Meranti</i>	
<i>(22,25&30mmby180+mm)</i>	US\$310-325
<i>Rubberwood</i>	
<i>25mm & 50mm Boards</i>	US\$215-230 ↓
<i>50mm squares</i>	US\$280-300 ↓
<i>75mm+</i>	US\$330-340 ↓

International Plywood and Veneers Prices

Indonesia

<i>Plywood (export, FOB)</i>	
<i>MR,</i>	<i>per Cu.m</i>
<i>Grade BB/CC</i>	
<i>2.7mm</i>	US\$460-485
<i>3mm</i>	US\$415-440
<i>6mm and above</i>	US\$335-370
<i>WBP,</i>	
<i>Grade BB/CC</i>	
<i>12-18mm</i>	US\$440-450

Ghana

<i>Rotary Cut Veneer FOB</i>	
<i>Face Veneer1-1.6mm</i>	<i>per Cu.m</i>
<i>Ceiba</i>	US\$320
<i>Koto</i>	US\$500
<i>Otie/Iloba</i>	US\$440
<i>Ofram</i>	US\$440
<i>Sliced Veneer FOB</i>	<i>per Sq.m</i>
<i>Asanfona Face</i>	US\$1.20
<i>Interior</i>	US\$1.00
<i>Backing</i>	US\$0.65
<i>Redwoods (Mahogany, Candollei, Edinam)</i>	
	<i>per Sq.m</i>
<i>Face</i>	US\$1.15
<i>Interior</i>	US\$0.90
<i>Backing</i>	US\$0.55

Ready Spliced Veneer (layons) FOB

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

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\$420

15mm BB/CC (MR) US\$340

For Caribbean countries

White Virola 4mm US\$490

9mm US\$390

Pine USA market

9mm C/CC (WBP) US\$270

15mm C/CC (WBP) US\$250

Malaysian Plywood

MR Grade BB/CC FOB

pPer Cu.m

2.7mm US\$460-480

3mm US\$415-425

3.6mm US\$400-420

9-18mm US\$340-360

WBP Grade BB/CC

9-18mm US\$420-430

Phenolic Overlayed

12-18mm US\$495-510

Domestic plywood

3.6mm US\$425-445 ↓

9-18mm US\$410-430 ↓

Taiwan Province of China

Plywood	per Cu.m
2.7mm x 4' x 8'	US\$590-600 ↓
9.0mm x 4' x 8'	US\$490-510 ↓
12-18mm	US\$450-460 ↓

Domestic Plywood Prices

Brazil

Rotary Cut Veneer (ex-mill Northern Mill)	per Cu.m
White Virola Face	US\$165
White Virola Core	US\$125

Plywood

(ex-mill Southern Mill)

Grade MR	per Cu.m
4mm White Virola	US\$583
15mm White Virola	US\$416
4mm Mahogany 1 face	US\$1,312

Indonesia
Domestic MR plywood

(Jakarta)

	per Cu.m
9mm	US\$435-450 ↑
12mm	US\$410-420 ↑
15mm	US\$400-415
18mm	US\$395-400

Ghana
Decorative Sliced Veneer Surfaced Plywood

Avodire/Walnut/Figured Anegre/Hyedua/
Mansonia/Sapele faces

	Cedi per Sheet
4mm	20,000
6mm	23,000
9mm	25,000
12mm	30,000
15mm	33,000
18mm	36,000

Mahogany/Edinam Faces

	Cedi per Sheet
4mm	18,000
6mm	20,700
9mm	22,500
12mm	27,000
15mm	29,700
18mm	32,000

Furniture Parts and Components
Taiwan Province of China, Imports

Imports C&F	per pc
Rubberwood Chair seats	US\$2.80-2.90
Rubberwood unfinished	
Queen Anne Chairs (including soft seat)	US\$20.00-24.00ea
Queen Anne Legs	
2 1/4 ins square x 18 ins	US\$1.00-1.10ea
2 3/4 ins square x 28 ins	US\$2.00-2.15ea

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\$460
15mm Mahogany Faced	US\$860
Particleboard	
15mm	US\$260

Indonesia

Other Panels	per Cu.m
Export Particleboard FOB	
9-18mm	US\$140-155
Domestic Particleboard	
9mm	US\$240 ↑
12-15mm	US\$220-230
18mm	US\$205 ↑
MDF Export (FOB)	
12-18mm	US\$200-210 ↑
MDF Domestic 15-18mm	US\$280-295 ↑

Taiwan Province of China, Imports

MDF	<i>per Cu.m</i>
Domestic Prices	
3mm thick	US\$390-400 ↓
16-18mm x 4' x 8'	US\$260-275 ↑
Particleboard	<i>per Cu.m</i>
12-18mm (4x8)	US\$185-195

Malaysia

Particleboard (FOB)	<i>per Cu.m</i>
6mm & above	US\$140-155
Domestic	
6mm & above	US\$160-180
MDF (FOB)	<i>per Cu.m</i>
Less than 5mm	US\$220-230
Greater than 6mm	US\$210-220 ↑
Domestic	US\$245-255

Prices of Added Value Products

Indonesia

Mouldings	
Ramin casings	<i>per Cu.m</i>
(for the Italian market)	US\$920-935
Crown using Pulai or Jelutong	
(for Japanese market)	US\$780-790
Laminated Scantlings	US\$620-635
Laminated Boards	
Falkata wood	US\$390-415
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	US\$815-825
Grade B	US\$605-620

Malaysia

Mouldings (FOB)	<i>per Cu.m</i>
Selagan Batu Decking	US\$610-625
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\$825-845
Grade B	US\$660

Rubberwood Parts and Furniture

Malaysia

Finger jointed	<i>per Cu.m</i>
laminated boards	US\$780-800
top grade	US\$820-830
Rubberwood S4S	US\$430

Dining table	
Solid rubberwood laminated top 3' x 5'	
with extension leaf	US\$48-56ea
Same with	
Oak veneered MDF	US\$60-68ea

Windsor Chair	US\$11.00-12.00ea ↓
Colonial Chair	US\$12.50-14.50ea
Napolean Chair	US\$20-24ea
Queen Anne Chair (with soft seat)	
without arm	US\$20-24ea
with arm	US\$24-28ea

Brazil

Edge Glued Pine Panel	<i>per Cu.m</i>
for Korea 1st Grade	US\$780
US Market	US\$550

Price Movements for Added Value Products Jan - June 1997

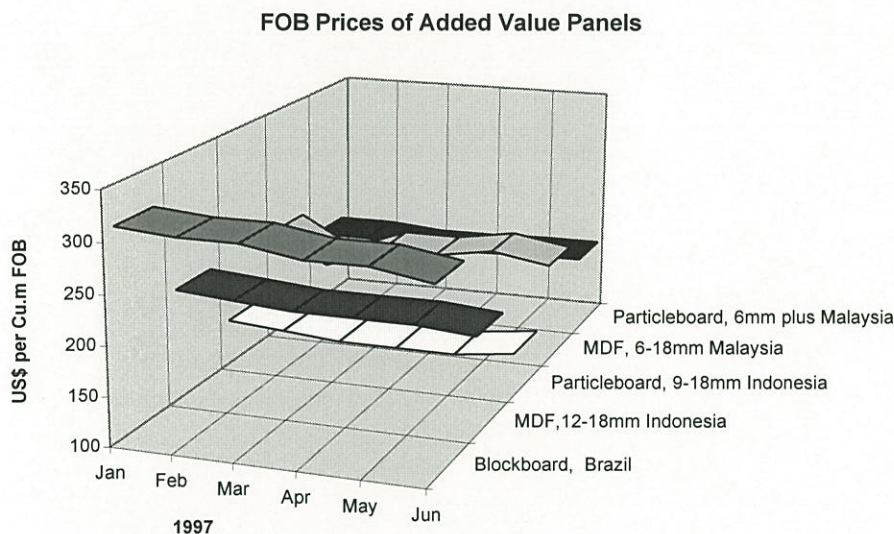
Prices for added value products generally fluctuate less than those for primary products. In the following graphics, trends are shown for some of the added value products for which price trends are reported.

Reconstituted Panel Product Prices

The graph below shows trends in some panel products from Brazil, Malaysia and Indonesia. Brazilian export quality Blockboard touched the US\$310 per Cu.m level in January but over the first six months of the year recorded an 8 percent drop to a low of US\$285 in June this year. Commentators point to a seasonal dip in the US and UK house building and furniture production sector as well as vigorous competition from domestic panel producers in the US.

Indonesian MDF export prices and prices for Indonesian Particleboard are both down for the first half of the year. MDF FOB prices stood at US\$215 in January but were 7 percent down by July to US\$ 200 per Cu.m. Particleboard prices showed much the same trend however by June prices appeared to have started to recover

some of the 6-7 percent losses during the early part of the year. However, prices are still down around 5 percent from January.



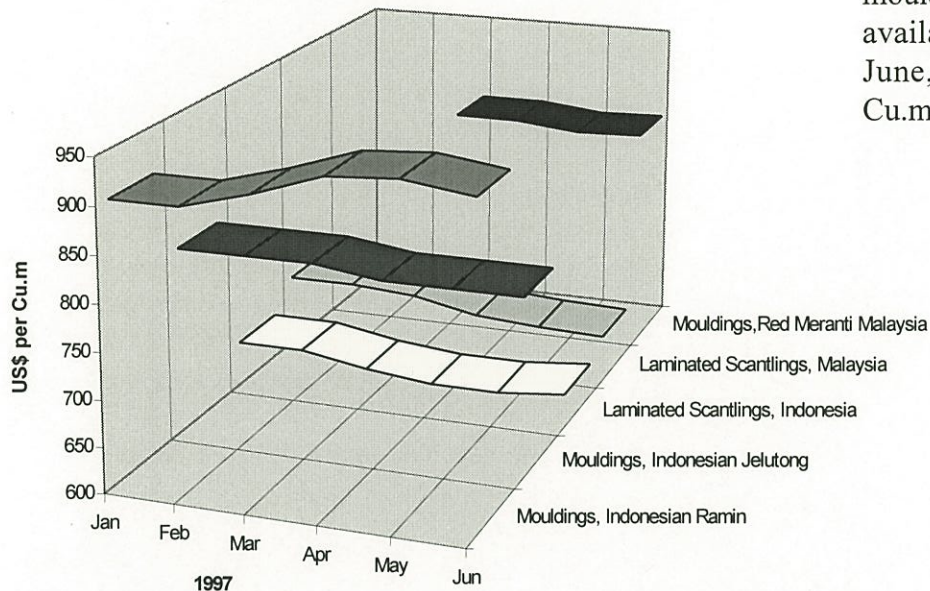
Export prices from Malaysia for MDF and Particleboard have shown the same overall pattern as those in Indonesia for the first six months of the year. The exception being that Malaysian producers who appeared to have turned the corner on MDF prices during May. This optimism was short lived unfortunately as prices dropped again in June.

Overall Malaysian MDF prices declined by around US\$10 per Cu.m or between 4-5 percent and Particleboard prices have recorded a 1-2 percent drop.

Mouldings and Laminated Scantlings

Sales of both mouldings and laminated scantlings from Indonesia and Malaysia are influenced strongly by the European markets. Trends in the housing sectors in Europe have been affecting demand for mouldings and activity in the German housing market impacts the demand for laminated scantlings. The growth in the renovation sector in Europe has helped the moulding and laminated scantling business considerably.

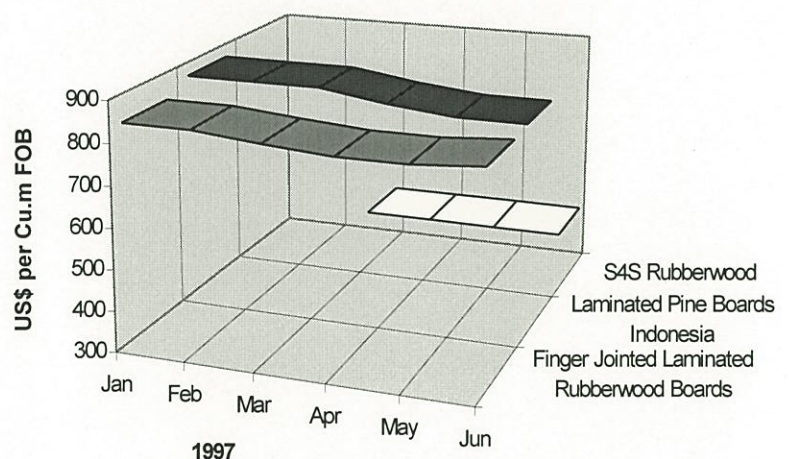
Ramin mouldings have a very firm market and reports show that prices have firmed to US\$ 900 per Cu.m in January and a rise of US\$50 per Cu.m in May pushed prices up around 5 percent. FOB prices for Malaysian Jelutong mouldings remained steady at US\$805 per Cu.m for the first 3 months of the year but then began to

FOB Prices for Mouldings and Laminated Scantlings


weaken, dropping to US\$795 in April through to June. Red Meranti mouldings, for which FOB prices are available for the period March to June, dropped from US\$855 per Cu.m to US\$850 as of June.

Rubberwood Products

This figure illustrates price movements of some Rubberwood products from Indonesian and Malaysian producers. Rubberwood mouldings, laminated panels, furniture components and furniture are a major feature of the SE Asian downstream wood processing industries. While, traditionally, the trade has been dominated by manufacturers in Thailand, Malaysia and Indonesia, new players in Vietnam, China and, more recently in a small way, in Myanmar, are emerging. Growing competition for some Rubberwood products has affected prices, as has declining demand in Japan and, to a slightly lesser extent, in Korea.

FOB Prices of Malaysian Rubberwood and Indonesian Plantation Pine


FOB prices for finger jointed laminated Rubberwood boards stood at US\$ 832.50 per Cu.m in January but started to decline at the end of the first quarter and progressively thereafter. By May prices had dropped by US\$27.5 per Cu.m representing a decline of around 3 percent over five months but producers were reporting improvements to US\$817 per Cu.m for June.

Consumer's Report

Asian Log, Lumber and Panel Prices

Report From Japan

Plywood importers are now resisting the pressure from wholesalers to discount plywood prices. Importers have indicated that they cannot lower prices any further and, as a result, prices are likely to stop falling. Importers have moved from a position of wanting to dispose of stocks of southsea plywood

Imports of Canadian plywood have dropped as stocks of softwood plywood are reportedly is too high.

Though the MDF market in Japan is growing steadily, the growth of MDF supply is faster than demand. On the other hand OSB demand has grown and the price for OSB price is getting close to Japanese made softwood plywood prices.

Imports of particleboard during the first half of 1997 increased by 82% over the same period last year.

		Yen per Sheet
Indonesian Plywood		
2.4mm (thin plywood, A board)	920 X 1830	345
3.6mm (midium thickness, OVL)	910 X 1820	490
5.2mm (midium thickness, OVL)	910 X 1820	600
8.5mm for sheathing (UTY)	910 X 1820	850
11.5mm for foundation	910 X 1820	1050
12mm concrete-form ply (JAS)	900 X 1800	1120
11.5mm flooring board (JAS)	945 X 1840	1760
3.6mm Baseboard for overlays (OVL)	1230 X 2440	800
5.2mm for packing	1230 X 2440	920
8.5mm for packing	1230 X 2440	1430
Malaysian Plywood		
2.4mm (thin plywood, A board)	920 X 1830	340
3.6mm (midium thickness, OVL)	910 X 1820	480
5.2mm (midium thickness, OVL)	910 X 1820	580
8.5mm for sheathing (UTY)	910 X 1820	820
11.5mm for foundation	910 X 1820	1030
11.5mm concrete-form ply (non-JAS)	900 X 1800	1100
11.5mm flooring board (non-JAS)	945 X 1840	1650
3.6mm Baseboard for overlays (OVL)	1230 X 2440	780
Softwood Plywood		
9.5mm foundation of wall (JAS)	1220 X 2440	1330
12.5mm Sheathing (T&G JAS)	606 X 2273	1000
15.5mm foundation (T&G JAS)	1220 X 2440	2300
9.5mm for packing (non-JAS)	1220 X 2440	1300
Particleboard		
12mm for woodworking	910 X 1820	560
15mm for woodworking	910 X 1820	670
OSB		
11.9mm foundation of roof (JAS)	910 X 1820	820
9.5mm Foundation for 2 by 4	910 X 2440	920
6.5mm for packing (non-JAS)	1220 X 2440	680
9.5mm for packing (non-JAS)	1220 X 2440	1050

Logs For Plywood Manufacturing

CIF Price Yen per Koku

<i>Meranti (Hill, Sarawak)</i>	
<i>Medium Mixed</i>	8,000
<i>Meranti (Hill, Sarawak)</i>	
<i>STD Mixed</i>	7,800
<i>Meranti (Hill, Sarawak)</i>	
<i>Small Lot</i>	
<i>(SM60%, SSM40%)</i>	7,100
<i>Taun, Calophyllum (PNG)</i>	
<i>and others</i>	6,800

CIF Price Yen per Koku

<i>Mix Light Hardwood</i>	
<i>(PNG G3-G5 grade)</i>	5,400
<i>Okume (Gabonese)</i>	8,100
<i>Keruing (Sarawak)</i>	
<i>Medium MQ & up</i>	8,600
<i>Kapur (Sarawak) Medium</i>	
<i>MQ & up</i>	8,200

Logs For Sawmilling FOB Price Yen per Koku

<i>Melapi (Sarawak)</i>	
<i>Select</i>	12,000
<i>Agathis (Sarawak)</i>	
<i>Select</i>	10,000

Lumber FOB Price Yen per Cu.m

<i>White Seraya (Sabah)</i>	
<i>24x150mm, 4m 1st grade</i>	125,000
<i>Mixed Seraya 24x48mm,</i>	
<i>1.8 - 4m, S2S</i>	53,000
<i>Red Oak 5/4x6 ins and wider</i>	
<i>FAS (US East Coast)</i>	125,000

Other News From Japan

Production of sawnwood in the first half of 1997 is down 1.5% from the same period last year. Though it had increased until March, it fell rapidly from April.

According to Heigo Chosa, a private agency for credit inquiries, 39 companies in the lumber, building materials and furniture business went bankrupt in July. The number of bankruptcies hit a new record this year.

Statistics from the Japan Foreign Lumber Market Information Society, Japan Lumber Importers Association and other organizations indicate that imports of Russian logs increased considerably in the first half of 1997. On the other hand, imports of South-sea and US logs shrank.

Furniture imports in the first half of 1997 totalled yen 175.5 billion, up 18% from the same period of last year. The bulk of imports came from Asia suppliers.

Report From China

Bamboo, Rosin and Chip Production

In recent years, new forest industries, such as forest tourism, flowers, medicinal herbs, forest foods, rosin, chips, and bamboo have developed rapidly and are becoming significant contributors of the forestry sector to economic growth.

The total value of bamboo trade in 1996 reached 20 billion yuan, the contribution of forest tourism was more than 0.5 billion yuan, exports of rosin was about US\$ 0.2 billion and the value of exported chips was US\$ 0.56 billion. In the 1990s, the various forest departments in China have been making full use of the forest resources, and given assistance to new industries. The new industries have developed alongside the more traditional industries and there has been a greater level of integration in the sector. China's production of rosin exceeded 0.4 million tons in 1996, accounting for 40 percent of the total world trade. China's rosin exports total more than 0.2 million tons, accounting for more than half of the total world export.

China, with a 3.8 million-hectare bamboo forest has one of the world's most abundant bamboo resources. At present, the multi-use of the bamboo for such things as bamboo shoot processing, bamboo panels and bamboo arts and crafts etc. has helped reduce poverty in the bamboo rich rural areas. The value of the bamboo products in Zhejiang Province, for example, surpassed 1 billion yuan in 1996. Twelve categories covering more than 6000 kinds of the bamboo products have been sold to more than 80 countries and regions.

Recently, the forest departments have been utilizing logging residues, sawnwood residues and other processing residues to produce chips. China's chip exports have a fairly sizable share of the international market. Utilization of residues have increased by 20 percent in the Northeast and Inner Mongolia forest areas. Many workers are employed in this

sector of the industry which eases the pressure on state-owned forest industries to provide jobs.

100 billion yuan Architectural Decoration Industry

In recent years the so called "architectural decoration industry" in China, covering production of mouldings, door and window frames, wooden flooring etc. has developed rapidly at an annual rate of 30 percent. The total production value of the "architectural decoration industry" broke through 100 billion yuan. Of the total some 40 percent is said to be for improvement and remodeling of family accommodation.

During the Ninth Five-year period, the "architectural decoration industry" will continue to grow. It is reported that, at present, more than 400,000 rooms in 2600 hotels for overseas guests are being outfitted in China, 1747 star-level hotels will be renovated, and 210,000 hostels will be upgraded gradually. Furthermore, 24 million commercial facilities will be renovated and up graded. Now it is very popular to improve the decorative appearance of the family home. It is forecast that over 4 million apartments will be completed in cities and towns each year. Even if only 80 percent are decorated, it is estimated that more than 60 billion yuan will be spent annually.

Largest Wooden Door Plant

Shanghai Huihao Wood Door Corporation Ltd has begun operation. The plant, has a total joint venture investment of 0.2 billion yuan, from Shanghai Huili (Group) Corporation, German Haomai (Group) Corporation, Hong Kong Jiali (Group) Corporation and (China) Corporation Limited. The company has a total area of 86 acres lies in the Pudong Kangqiao Develop Zone. It mainly produces internal doors, decorative doors, fire-proof doors, theft-proof doors and decorative panels.

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

<i>Keruing Log</i>	<i>Per Cu.m</i>
<i>Length: 6-20m</i>	<i>1880-2400</i>
<i>Malaysian Lauan Log</i>	<i>2500-2600</i>
<i>Malaysian Lauan with hollow heart</i>	
<i>various sizes</i>	<i>1200-1400</i>
<i>Teak log Myanmar</i>	
<i>2.6m 40 cm dia</i>	<i>2400</i>

Lauan lumber	per Cu.m
Thickness: 5-6cm	
Length: 3-4m	2850-3450
Luan/Malas tongued, grooved flooring strip	
18x70mm x 2.2-4.1m	110-125 per Sq.m
Balian Flooring Top Grade Myanmar	
18x50-70x2400mm	300-350 per 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	120-140 per Sq.m

US Report

This report deals with wood components, dimension lumber and other semi-finished wood products, such as fixed width lumber and flooring blanks.

Market Size and Supply

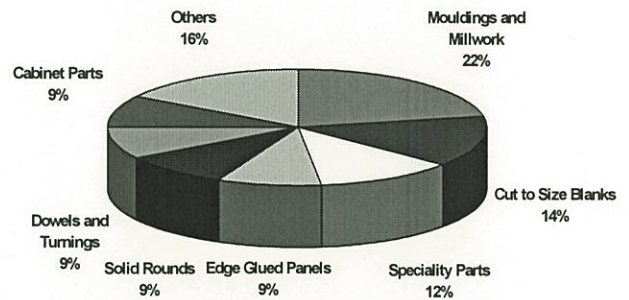
According to conservative estimates, the size of the US market for hardwood components and parts in 1997 will amount to US\$ 2.8 billion.

Some 90% of revenue for producers of hardwood components and parts stems from domestic sales. The breakdown by product category (on the basis of value) shows that the largest single portion - that is approximately 22% - is mouldings and millwork. The second most commonly sold product is cut-to-size blanks with a share of 14%. Miscellaneous specialty parts amount to 12%, and edge-glued panels, solid rounds, dowels and turnings, and cabinet parts to 9% each. The remaining 16% have to be allocated to other (non-specified) products.

Red Oak accounts for 35% of the value of hardwood components sold to domestic clients, followed by Hard Maple with a share of 16% and Yellow Poplar with 12%. The remain market segment is made up of White Oak (10%), Cherry (6%), Ash (5%) and Hickory (3%).

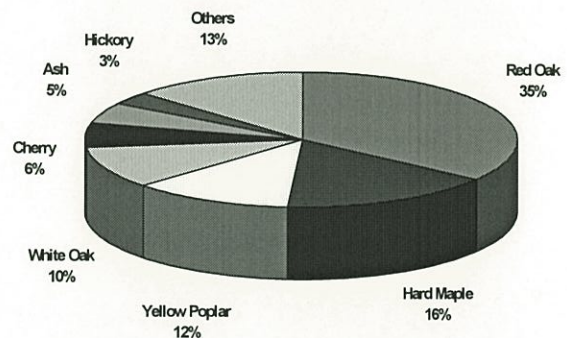
The US hardwood components and parts manufacturing industry is made up predominantly of small single-site operators. Over three-quarters of them have sales less than US\$ 6 million.

US Hardwood Furniture Component Market Segments



There is a definite trend among lumber producers to give more emphasis to wood components and parts. The intention is to increase their profitability by concentrating on higher value-added specialties. The demand for wood components and parts is strong and growing.

Timbers used in the US Components Industry



However, due to the great number of manufacturers expanding into this area, a fiercely competitive environment has developed frustrating many producers' expectations.

American End-Users

Some 72% of furniture and cabinet firms operate their own rough mill for the purpose of manufacturing wood components and parts. 40% of furniture and cabinet manufacturers purchase at least some of their wood component parts from outside sources. Less than 20% of firms do not buy any components, but more than a quarter of them buy in between two-thirds and 100% of their needs.

Twenty percent of the firms which source some of their components from external suppliers buy in excess of US\$ 2 million annually. An additional 15% purchase between US\$ 500,000 and US\$ 2 million of wood components and parts. About 60% purchase less than \$ 500,000.

The most common wood components and parts purchased are cut-to-size blanks and mouldings. More than half of all furniture and cabinet manufacturers source at least some of those items from external suppliers. Other common parts include rounds and dowels, drawer fronts & parts, cabinet doors, and edge-glued panels.

Purchase of Hardwood Components and Parts

Percent of Furniture and Cabinet Manufacturers buying hardwood parts

Cut to Size Blanks	56%
Mouldings	55%
Rounds and Dowels	47%
Drawer Fronts and P	38%
Cabinet Doors	34%
Edge Glued Panels	35%

Cost effectiveness and better cost control are the mayor incentives to buy external parts and components. In fact, US furniture and cabinet manufacturers who purchase large percentages of their wood components from outside sources enjoy a higher profitability than companies which rely more on their in-house rough mill shop.

Other reasons for external purchases include the lack of necessary equipment, lack of technical or engineering capabilities, and faster response time to new styles. Furthermore, just-in-time inventory trends, prudent cash management and the need for more working capital, also contribute to the demand for hardwood parts and components.

With increasing costs and the deteriorating availability of hardwood, the rational for the external sourcing of parts and components becomes still more compelling. It is safe to assume that external purchases of wood parts and components by the furniture and cabinet industry will further grow in the years to come.

The growth of externally supplied hardwood components and parts varies from product category to category. It seems that cabinet doors are experiencing the fastest growth rate. While still manufactured predominantly in-house, externally produced cabinet face-frames are also growing at a rate well above average. Other parts and components increasingly

produced by outside sources include cut-to-size blanks, edge-glued panels, and mouldings.

Domestically, the US furniture industry is the largest end-user of hardwood components and parts. It consumes approximately one-third of the entire hardwood component production.

The second largest consumer of hardwood components is the building products industry with an estimated share of 17% of total sales. This industry uses mouldings and millwork products. The third rank is taken by the cabinet industry with a 13% share. Manufacturers of specialty flooring consume 12% of overall sales. This does not include the larger strip and parquet flooring manufacturers whose products are deemed to be finished goods rather than "components or parts". The remaining domestic demand for wood components comes mainly from manufacturers of specialty wood products.

Export Markets

Traditionally, producers of hardwood components and parts have never given much attention to export markets. The domestic demand for wood components and parts has always been stronger than export demand. The strength of the US dollar also had some negative impact on exports in the past year.

Because of the predominance of small firms in the hardwood component and parts industry, it is not surprising that only relatively few firms are in the export business. In fact, only some 30% of all firms are involved in exporting. Small firms often lack the necessary resources and skills to pursue foreign markets.

US producers perceive the risk of selling hardwood components and parts overseas as much greater than selling lumber overseas. If a load of lumber is unsatisfactory to a foreign buyer there is often the possibility that it can be resold to another buyer, thus limiting the exporter's losses.

The same cannot be said for most components and parts that are produced to an exact dimension for a specific use. Such inherently export related risks are frequently too much for smaller firms to assume.

Another factor limiting exports is the strength of the American housing market and by implication the hearty domestic demand for hardwood components from the building products industry.

In view of this fact, hardwood component producers did not see a compelling need to aggressively pursue foreign markets.

Some five years ago, however, some manufacturers started to rely more on the export business as the impetus for growth. Exports of hardwood dimension and component parts have increased by over 10% annually during the past few years and are expected to exceed US\$275 million in 1997. Currently, only an estimated 10% of overall shipments go to foreign markets but this may reach 20% around the turn of the century.

Hardwood export markets have been rapidly changing. The overseas demand for certain species, such as Hard Maple has increased even as many overseas economies have stagnated. With some encouraging signs of improving economies in many European countries, an increasing demand for wood components and parts should be expected in the near future.

The most important destinations for American hardwood components and parts are Europe accounting for a market share of some 45%, followed by Canada with 20% and Japan with 15%. All other regions make up the remaining 20%.

The composition of international end users of hardwood component products is similar to the one of domestic end users. Furniture manufacturers buy the largest slice, amounting to 27% of export shipments. The second largest end-user are specialty buyers, accounting for 26% of the shipment value.

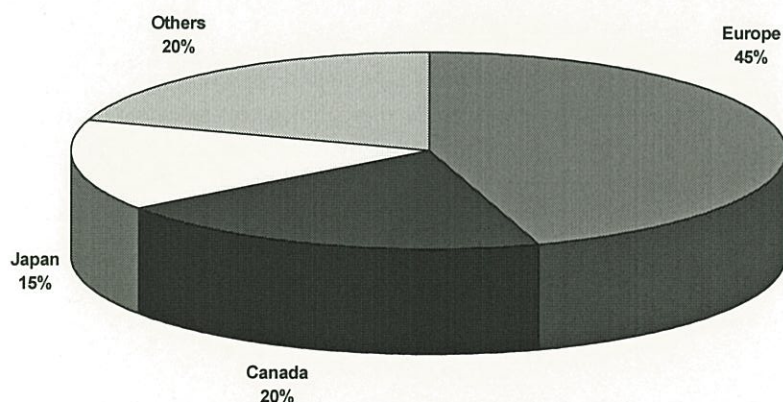
This includes parts for a wide variety of applications from tool handles, toy and door parts, to boat parts and others similar products. The third largest end-user category is moulding and millwork firms amounting to approximately 17% of export shipments.

The mix of hardwood component products in international markets differs from the mix of products in domestic markets. Cut-to-size blanks are the most commonly sold products, making up about one-quarter of the total foreign demand.

Miscellaneous specialty parts are second at 18%. Next in line are moulding, millwork and hardwood flooring, each accounting for 15% of the value of hardwood component exports. Edge-glued panels account for 11%. The balance of exports includes staircase parts, cabinet parts, chair parts, solid rounds, dowels and turnings.

International buyers of hardwood components chose similar species as their North American counterparts. Red Oak comprises approximately 28% of all hardwood component exports, while White Oak comprises 22%. Hard Maple and Yellow Poplar are also popular export species (12% and 10% respectively). Other species of importance in export markets are Ash (9%), Hickory (8%), and Cherry (3%).

Export Destinations for Parts and Components Exports



World Value of the US Dollar 22nd August 1997

Australia	Dollar	1.3395	Indonesia	Rupiah	2710
Austria	Schilling	12.795	Ireland	Punt	0.681
Belgium	Franc	37.58	Italy	Lira	1773.85
Bolivia	Boliviano	5.27	Japan	Yen	117.13
Brazil	Real	1.091	Korea, Rep. of	Won	900
Cambodia	Riel	2746	Liberia	Dollar	1
Cameroon	C.F.A.Franc	612.87	Malaysia	Ringgit	2.7675
Canada	Dollar	1.395	Myanmar	Kyat	6.3674
Central African Republic	C.F.A.Franc	612.87	Nepal	Rupee	56.95
China	Yuan	8.289	Netherlands	Guilder	2.0478
Colombia	Peso	1154.4	New Zealand	NZ Dollar	1.5553
Congo D.R.	New Zaire	117500	Norway	Krone	7.5824
Congo, People's Rep.	C.F.A.Franc	612.87	Panama	Balboa	1
Cote d'Ivoire	C.F.A.Franc	612.87	Papua New Guinea	Kina	1.4184
Denmark	Krone	6.929	Peru	New Sol	2.6605
Ecuador	Sucre	4078	Philippines	Peso	30.05
Egypt	Pound	3.3963	Portugal	Escudo	184.8
Fiji	Dollar	1.4603	Russian Fed.	Ruble	5817
Finland	Markka	5.4427	Spain	Peseta	153.804
Gabon	C.F.A.Franc	612.87	Sweden	Krona	7.9388
Germany	Mark	1.8186	Switzerland	Franc	1.5043
Ghana	Cedi	2190	Thailand	Baht	33.45
Greece	Drachma	285.58	Togo, Rep.	C.F.A.Franc	612.87
Guyana	Dollar	142.5	Trinidad and Tobago	Dollar	6.125
Honduras, Rep.	Lempira	13.18	United Kingdom	Pound	0.625
India	Rupee	36.25	Venezuela	Bolivar	495.5
			EU	Ecu	1.0808

Abbreviations

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

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