



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>	
LM	146,000
QS	129,500
CI	99,000
CE	83,500
CS	67,000

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

<i>Other Logs</i>	<i>F.CFA per Cu.m</i>
Agba	55,000
Moabi	65,000
Niangon	78,000
Douka	55,000
Abura	65,000
Sapelli	85,000
Iroko	58,000
Sipo	95,000
Padouk	55,000

Malaysia

The recent tropical storm, Greg, seriously affected the Keningau region, the most important timber producing region of Sabah. As a result of this tropical storm, roads and bridges leading to Keningau were badly damaged and this affected transportation. In the first two weeks, producer mills in the Keningau region were unable to send their output to the port in Kota Kinabalu. Damage to the infrastructure was quite serious and, despite repair works being carried out immediately after the storm, things have not yet returned to normal.

The interior of Sabah and Sarawak are currently affected by heavy rain and this is affecting logging operations.

<i>Sarawak Log Export Prices</i>	
<i>(FOB)</i>	<i>per Cu.m</i>
<i>Meranti SQ up</i>	US\$200-210
<i>small</i>	US\$170-180
<i>super small</i>	US\$140-150
<i>Keruing SQ up</i>	US\$220-225
<i>small</i>	US\$190-195
<i>super small</i>	US\$160-165
<i>Kapur SQ up</i>	US\$215-225
<i>Selangan Batu SQ up</i>	US\$220-230

Cameroon Log Prices

<i>FOB</i>	<i>Per Cu.m</i>
<i>N'Gollon 70cm+ LM-C</i>	FFR1375
<i>Ayous 80cm+LM-C</i>	FFR1100
<i>Sapele 80cm+LM-C</i>	FFR1550
<i>Iroko 70cm+LM-C</i>	FFR1400

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South Sea Logs

FOB	per Cu.m
<i>Pometia</i>	US\$150-155
<i>Calophyllum</i>	US\$135-145
<i>Terminalia</i>	US\$110-120
<i>Other mixed species</i>	US\$105-110

Domestic Log Prices

Report From Brazil

Logs at mill yard	per Cu.m
<i>Mahogany Ist Grade</i>	US\$420
<i>Ipe</i>	US\$80
<i>Jatoba</i>	US\$51
<i>Guaruba</i>	US\$42
<i>Mescla(white virola)</i>	US\$46

Ghana

In a recent address to the new Parliament the President of Ghana delivered a strong statement. The President's statement regarding the timber sector focused on 6 main areas:

- the dangers of over exploitation of the forest and the consequences for desertification, soil erosion and loss of bio-diversity
- the risks that the growing domestic demand for wood for construction and furniture cannot be met from local resources
- the continued danger of the annual allowable cut being exceeded as a result of high rates of both legal and illegal logging with collusion of influential community officials
- the need to quickly promote industrial plantations to reduce the pressure on the natural forest
- the need to transform the Forestry Department into a Forest Service capable of paying its own way through contracted services, and finally,
- the urgent need for all officials to enforce existing forest laws and regulations

Logs FAQ	Per Cu.m
<i>Ceiba</i>	90cm + US\$40
<i>Otie/Iombe</i>	60cm + US\$50
<i>Emire/Framire</i>	60cm + US\$55
<i>Ofram/Frako</i>	55cm + US\$45
<i>Ekki/Azobe</i>	70cm + US\$50
<i>Kussia/Billina</i>	70cm + US\$50
<i>Guarea</i>	60cm + US\$60
<i>Chenchen</i>	70cm + US\$45
<i>Cedrella</i>	50cm + US\$45

Report from Indonesia

Domestic log prices	Per Cu.m
Plywood logs	
<i>Face Logs</i>	US\$150-160
<i>Core logs</i>	US\$ 125-135
<i>Sawlogs</i>	US\$125-145
<i>Falkata logs</i>	US\$55-58
<i>Rubberwood</i>	US\$38-40
<i>Pine</i>	US\$65-70
<i>Teak</i>	US\$1000-1250
<i>Mahoni</i>	US\$210-225

Report from Malaysia

Logs	Per Cu.m
Domestic (SQ ex-log yard)	
<i>Meranti Bukit (SQ)</i>	US\$260-270
<i>Kembang Semangkok</i>	US\$205-210
<i>Merbau</i>	US\$195-200
<i>Peeler Core logs</i>	US\$130-140
<i>Rubberwood</i>	US\$34-36
<i>Kempas</i>	US\$150-160
<i>Keruing</i>	US\$215-225

Sawnwood Prices**International Prices****Brazil**

<i>Export Sawnwood</i>	<i>per Cu.m</i>
<i>Mahogany KD FAS</i>	
<i>UK market</i>	US\$1030
<i>Jatoba Green</i>	US\$445-485
<i>Curupixa (Europe)</i>	US\$520
<i>Asian Market</i>	
<i>Guaruba</i>	US\$285
<i>Angelim pedra</i>	US\$270
<i>Mandioqueira</i>	US\$245
<i>Pine (AD)</i>	US\$145

Ghana**Rough Sawn Prices FOB**

	<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

<i>Sawn Timber</i>	
<i>Export(FOB)</i>	<i>per Cu.m</i>
<i>Dark Red Meranti (DUC)</i>	
<i>GMS select & better (KD)</i>	US\$715-720
<i>Seraya</i>	
<i>Scantlings (75x125 KD)</i>	US\$760-770
<i>Sepetir Boards</i>	US\$320-330
<i>Perupok (25mm&37mm KD)</i>	US\$890-900
<i>K.Semangkok</i>	
<i>(25mm&37mmKD)</i>	US\$700-715

Taiwan Province of China

<i>Rubberwood</i>	<i>per Cu.m</i>
<i>25mm boards</i>	US\$435-450
<i>50-75mm squares</i>	US\$480-495
<i>75-100mm squares</i>	US\$510-520
<i>Sepetir</i>	
<i>GMS (AD)</i>	US\$385-400
<i>Ramin</i>	US\$600-615
<i>Oak 25mm boards</i>	US\$670-700
<i>Maple</i>	US\$930-955
<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\$910
<i>Ipe</i>	US\$408
<i>Jatoba</i>	US\$380
<i>Eucalyptus</i>	US\$165
<i>Southern Mills</i>	
<i>Pine (KD) First Grade</i>	US\$160

Ghana

<i>Dahoma, Chenchen, Antiaris</i>	
	<i>per Cu.m</i>
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

<i>Red Meranti</i>	<i>per Cu.m</i>
(22,25&30mm by180+mm)	US\$320-330
<i>Rubberwood</i>	
(25mm & 50mm)	US\$285-300
50mm squares	US\$315-325
75mm+	US\$365-375
<i>Mixed Hardwood Piling</i>	
5-6 ins x5-6 ins sections	US\$210-220

Gabon

<i>Sawnwood</i>	
<i>Sawnwood Up to 6m length</i>	
<i>80x40mm up to 250x50mm</i>	
<i>Okoume, Ozigo, Olon, Alone, Faro, Abura,</i>	
<i>Agba and Andoung heitz</i>	
	<i>F.CFA 110,000 per Cu.m</i>
<i>Acajou, Movingul, Kosipo,</i>	
<i>Afo, Aiele, Bosse fonce, Eblara</i>	
	<i>F.CFA 115,000 per Cu.m</i>
<i>Prices before sales tax</i>	

Plywood and Veneers

International Prices

Indonesian Plywood

<i>Plywood (export, FOB)</i>	<i>per Cu.m</i>
<i>MR,</i>	
<i>Grade BB/CC</i>	
2.7mm	US\$485-495
3mm	US\$440-450
6mm and above	US\$370-380
<i>WBP,</i>	
<i>Grade BB/CC</i>	
12-18mm	US\$450-460

Report from Indonesia

Sawn timber

Domestic construction material

<i>Kampar</i>	<i>per Cu.m</i>
AD 6x12-15x400cm	US\$335-345
KD	US\$470-480
AD 3x20x400cm	US\$400-410
KD	US\$520-530
<i>Keruing</i>	
AD 6x12-15cm	US\$290-300
AD 3x20cm	US\$380-385

Malaysian Domestic Sawnwood Prices

<i>Sawnwood</i>	<i>per Cu.m</i>
Balau(25&50mm,100mm+	US\$415-425
Kempas50mm by	
(75,100&125mm)	US\$225-235

Ghana

<i>Sliced Veneer</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>Face</i>	US\$1.15
<i>Interior</i>	US\$0.90
<i>Backing</i>	US\$0.55
<i>Ready Spliced Veneer (layons)</i>	
<i>Thickness 6mm</i>	
	<i>per Cu.m</i>
<i>Sapele</i>	US\$1370
<i>Anegre</i>	US\$1062
<i>Mahogany</i>	US\$1149
<i>Koto</i>	US\$1153

Plywood 2440x1220mm

Grade BB/CC,	WBP	MR
Ceiba		
4mm	US\$522	US\$430
6mm	US\$438	US\$387
9mm	US\$433	US\$395
12mm	US\$407	US\$373
18mm	US\$400	US\$357

Rotary Cut Veneer

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

Brazilian Plywood and Veneer

European plywood importers are saying that, despite the relative stability of the Brazilian economy, the plywood market remains difficult due to currency fluctuations. Brazilian prices for pine ply are higher than that of US southern yellow pine plywood and the US product is competing strongly.

Veneer	per Cu.m
White Virola Face	
2.5mm	US\$265-310
Pine Veneer (C/D)	US\$210
Mahogany Veneer	per Sq.m
0.7mm	US\$2.40

Plywood	per Cu.m
White Virola (US Market)	
5.2mm OV2 (MR)	US\$360
15mm BB/CC (MR)	US\$350
For Caribbean countries	
White Virola 4mm	US\$480
9mm	US\$380
Pine USA market	
9mm C/CC (WBP)	US\$290
15mm C/CC (WBP)	US\$260

Malaysian Plywood

The trade in Japan is predicting that the high level of deliveries of Malaysian plywood will decline as the impact of the weakened Yen is felt. It is reported that Japanese importers are taking a cautious view of ordering February production.

MR Grade BB/CC FOB

	per Cu.m
2.7mm	US\$490-495
3mm	US\$455-450
9-12mm	US\$370-380
18mm plus	US\$345-350
WBP Grade BB/CC	
9-18mm	US\$410-430
Phenolic Overlayed	
12-18mm	US\$500-510
Domestic plywood	
9-18mm	US\$470-490

Taiwan Province of China

Plywood	per Cu.m
2.7mm x 4' x 8'	US\$600-620
9.0mm x 4' x 8'	US\$495-510
12-18mm	US\$460-490

Domestic Plywood Prices
Brazil
Rotary Cut (Northern Mill)

	per Cu.m
White Virola Face	US\$175
White Virola Core	US\$120
Plywood	
(ex-mill Southern Mill)	
Grade MR	Per Cu.m
4mm White Virola	US\$670
15mm White Virola	US\$495
4mm Mahogany 1 face	US\$1,450

Indonesia

Domestic MR plywood (Jarkarta)	
mm	per Cu.m
12mm	US\$455-460
15mm	US\$415-430
18mm	US\$405-420
18mm	US\$375-400

Gabon

Okume Plywood (250x122cm)	
	F.CFA Per pc
	Untaxed Taxed
4mm	3,430 - 3,780
5mm	5,314 - 6,270
8mm	8,886 - 9,540
10mm	9,010 - 11,047
12mm	10,762 - 12,699
15mm	13,019 - 15,362
19mm	15,790 - 18,632

Other Panel Product Prices

Brazil

Export Prices	
Blockboard 18mm	per Cu.m
White Virola Faced	
B/C	US\$310

Domestic Prices	
Ex-mill Southern Region	per Cu.m
Blockboard	
15mm White Virola Faced	US\$510
15mm Mahogany Faced	US\$850
Particleboard	
15mm	US\$320

Indonesia

Other Panels	Per Cu.m
Export Particleboard FOB	
9-18mm	US\$145-150
Domestic Particleboard	
9mm	US\$260
12mm	US\$225
15mm	US\$225
18mm	US\$200

MDF Export (FOB)	
12-18mm	US\$210-220
MDF Domestic 15-18mm	US\$290-310

Taiwan Province of China, Imports

Domestic Prices	
MDF	per Cu.m
3mm thick	US\$370-380
4.75mm	US\$340-350
12-18mm x 4' x 8'	US\$270-290
Particleboard	per Cu.m
12-18mm (4x8)	US\$185-195

Furniture Parts and Components

Taiwan Province of China, Imports

Imports C&F	per pc
Rubberwood Chair seats	US\$3.00-3.10
Rubberwood unfinished	
Queen Anne Chairs	
(excluding soft seat)	US\$13.5-15.00ea
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\$2.00-2.10ea

Malaysia
Particleboard (FOB)

	<i>per Cu.m</i>
6mm & above	US\$150-155
Domestic	
6mm & above	US\$180-185

MDF (FOB)

	<i>per Cu.m</i>
Less than 5mm	US\$230-240
Greater than 6mm	US\$210-220

Domestic Sales

	<i>per Cu.m</i>
6-21mm	US\$240-245

Prices of Added Value Products
Indonesia
Mouldings

	<i>per Cu.m</i>
Ramin skirting (for the Italian market)	US\$885-895
Crown using Pulai or Jelutong (for Japanese market)	US\$800-810
Laminated Scantlings	US\$640-660
Laminated Boards	
Falkata wood	US\$390-410
Laminated Boards	
Pine	US\$850-880

Malaysia
Mouldings (FOB)

	<i>per Cu.m</i>
Selagan Batu Decking	US\$570-580
Kembang Semangkok	
S4S to Japan	US\$990-1050
Laminated Scantlings	
72mmx86mm	US\$675-685

Rubberwood parts and components
Malaysia

In the case of Peninsular Malaysia, Rubberwood log supplies may become an important issue. The Rubber Industry Smallholders Development Authority (RISDA) plan to scale down the rate of replanting grant from about US\$2000 per ha. to some US\$800 per ha. for 1997. This is likely to affect the area replanted and hence the future Rubberwood supply.

Shaped chair seats

(18-22mm 16"-18" squares)

	US\$2.95-3.20 per pc
Finger jointed	<i>per Cu.m</i>
laminated boards	US\$825-840
top grade	US\$880-890

Doors (FOB)
Meranti (red) panel doors

Grade A	US\$53-56 per pc
Grade B	US\$46-50 per pc
Grade C	US\$42-45 per pc

Furniture
Dining suite

Solid rubberwood laminated top 3' x 5'
with extension leaf US\$60-65ea

Same with

Oak veneered MDF	US\$75-80ea
Windsor Chair	US\$11.50-13.00ea
Colonial Chair	US\$14.00-15.50ea
Napolean Chair	US\$22-26ea
Queen Anne Chair (with soft seat)	
without arm	US\$22-25ea
with arm	US\$24-28ea

Taiwan Province of China
Furniture
Dining suite (FOB)

Oak Veneered MDF tables and
chairs (6 per set)
US\$235-245 per set

Freight Costs

Brazil

Sawnwood

Paranagua-Rotterdam

Container 20 ft. US\$1300

Container 40 ft. US\$2000

Paranagua-Baltimore

Container 20 ft. US\$1500

Container 40 ft. US\$1800

Bulk Sawnwood US\$66per Cu.m
(Hardwoods over 750kg/Cu.m)

Plywood

Paranagua-UK

Palletised US\$42per Cu.m

Indonesia

40ft Container

Jakarta-Rotterdam US\$2,250

Jakarta-LA(west coast USA) US\$2,900

Jakarta-NY(east coast USA) US\$4350

Ghana

Bundled Sawnwood

Ghana to Europe (Antwerp-Hamburg), US\$65 to US\$83 per Cu.m depending on quantity and the buyers' relation with the shipping lines.

Containers

Containerized sawnwood and other products from Ghana for N. European Ports

US\$2070 for a 20ft container

US\$3730 for a 40ft container

Taiwan Province of China

40ft. container

West Coast USA from Taiwan Province China US\$2000

East Coast USA from Taiwan Province China US\$ 2350

Malaysia

40 ft. container

Malaysia to West Coast USA at US\$2650

Malaysia to East Coast USA US\$3200

Malaysia to Ports in Taiwan Province of China US\$500-600

Port Klang / Ports of Taiwan Province of China Province of China

USD 42 per Cu.m Bundled Sawnwood

Consumers Report

Report From Japan

The projected Japanese demand for Southeast Asian logs for 1997 is 5,916,000 Cu.m, 94 percent of the estimate of 1996 demand. The larger domestic plywood mills plan to increase the use of softwood logs. The trade confirms projections of a decline in the use of Southeast Asian logs for plywood manufacturing.

The reversal of the log export ban in Sabah, Malaysia is not having any impact in Japan. The trade indicates, however, that if royalties are lowered, log exports to Japanese markets could resume. Manufacturers of plywood currently prefer the less expensive logs such as small logs and logs from Papua New Guinea. This trend is likely to continue throughout this year.

Projection of tropical log consumption for sawmilling in 1997 is 632,000 Cu.m, 91 percent of the estimated volume for the last year. This equates to a monthly consumption of around 53,000 Cu.m. The Southeast Asian Log Conference of Japan predicts consumption declines, particularly in the markets east of Shizuoka prefecture, consumption of Dipterocarps is expected to decline.

Southeast Asian Logs

Currently it is the rain season in Sarawak, East Malaysia and log production is decreasing. Exporters are reporting inquiries from India and other countries are active and export prices are improving. The export price for SQ and Up Meranti logs was reportedly US\$205-209 per Cu.m, FOB loading port, at the year end. It has now moved to US\$210. Keruing logs are offered at US\$225-230 per Cu.m. Japanese

importers want it at around US\$220. Import costs keep going up as the Yen moves up to 122 to the dollar.

Southeast Asian Lumber

In January lumber market prices remained unchanged. In Tokyo, the markets for lumber, laminated lumber and processed products have been strong since late December through early January. This was the case particularly for supply of first grade White Seraya lumber in specific lengths. Prices have gone up mostly because of the recent weakened Yen.

Purchasing is expected to become active to secure stock. Present prices are Yen 115,000-120,000 per Cu.m, for 1st grade White Seraya delivered to wholesalers' in Tokyo and around Yen 80,000 for 2nd grade lumber in specific lengths. Supply is considered tight for laminated lumber and finger-jointed lumber. Wholesalers struggle for procurement. Prices are Yen 150,000-165,000 for finger jointed Perupok lumber.

Plywood Markets Steady

NIPPINDO decided to raise prices of Indonesian plywood as of the 21st January to offset the weakening of the Yen. Concrete form board is now Yen 1,320 up Yen 30 per sheet, thin ply is at Yen 360 and baseboard for flooring is at Yen 1,710, up Yen 50 per sheet.

Plywood markets in the early new year are reported steady. Inventories are relatively low even though the supply from domestic mills and imports has not declined. Active housing starts support active consumption. Inquiries for softwood plywood for structural use remain active in the Tokyo markets. Softwood plywood has become steadily accepted by house builders.

The Japan Printed and Coloured Plywood Manufacturers Association is reporting that production of printed plywood for the first 10 months of last year was down by almost 3% over the previous year to 55.4 million sheets. Coloured plywood production was down almost 13% and laminated ceiling board production was down 8%. The main reason for the decline was the switch to MDF and Particleboard as a substrate.

Expanding Markets for Softwood Plywood

Softwood plywood is becoming more popular. In addition to growing acceptance in the private sector, it is used more and more for construction in the public sector. Sakamasa

Plywood in Shimizu, recently sold structural plywood and composite plywood of Sugi, Larch and Radiata Pine for school buildings and community halls and large complex buildings.

Delivered Prices

Asian Log, Lumber and Panel Prices

Logs

For Plywood Manufacturing

CIF Price Yen per Koku

<i>Meranti (Hill, Sarawak)</i>	
<i>Medium Mixed</i>	7,850
<i>Meranti (Hill, Sarawak)</i>	
<i>STD Mixed</i>	7,900
<i>Meranti (Hill, Sarawak)</i>	
<i>Small Lot</i>	
<i>(SM60%, SSM40%)</i>	7,200
<i>Taun, Calophyllum (PNG)</i>	
<i>and others</i>	6,800
<i>Mix Light Hardwood</i>	
<i>(PNG G3-G5 grade)</i>	5,600
<i>Okume (Gabonese)</i>	8,000
<i>Keruing (Sarawak)</i>	
<i>Medium MQ & up</i>	8,300
<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>	10,500
<i>Agathis</i>	
<i>Select</i>	9,500

Lumber

FOB Price Yen per Cu.m

<i>White Seraya (Sabah)</i>	
<i>24x150mm, 4m 1st grade</i>	120,000
<i>Mixed Seraya 24x48mm,</i>	
<i>1.8 - 4m, S2S</i>	46,000
<i>Red Oak 5/4x6 ins and wider</i>	
<i>FAS (US East Coast)</i>	125,000

Domestic Production from S.E Asian Logs

Mill Gate Price Tokyo Area Yen per sheet

Concrete Formboard

11.5x900x1800mm Type 1 1,280

Thin

2.3x910x1820mm Type 2 340

Medium

4.0x910x1820mm Type 2 530

5.5x910x1820mm Type 2 640

Tokyo Market Price

Plywood Per Sheet

2.4x910x1820mm Yen340

3.6x910x1820mm Yen460

5.2x910x1820mm Yen580

Plywood for flooring

11.5x945x1840mm Yen1660

Plywood for Printing

3.6x1230x2440mm Yen800

Malaysian Lauan Log per Cu.m

Mixed 2500-2600

Malaysian Lauan with hollow heart

Mixed 1200-1400

Lauan lumber

Thickness: 5-6cm

Length: 3-4m 2850-3450

Lauan tongued, grooved flooring strip

18mmx50-70mmx3m 110-125

Malas tongued, grooved flooring strip

18x70mm x2.2-4.1m 110-125

Report From China

China and Taiwan P.o.C. have reached an accord to restore limited direct sea links across the Taiwan strait, opening the way to the lifting of a 48 year ban. Prior to the accord cross-straits shipping was routed through Hong Kong. The new agreement on shipping was made at a meeting of private sector shipping executives from China and Taiwan P.o.C. attended by official representatives of both sides. The initial agreement permits ships registered outside of both China and Taiwan P.o.C. to move cargo between the southern port of Kaohsiung and the ports of Xiamen and Fuzhou in China's southern Fujian province from March this year.

Prices for Imported Tropical Wood Products in Shanghai and Eastern China

(Yuan/cubic metre or per sheet)

	Per Cu.m
Keruing Log	
Length: 6-20m	1800-2400
Mengaris Log	
Length 6m+	1800-1900

From Europe, An Update on Germany

According to Verband der Deutschen Moebelindustrie, in 1996 the German furniture industry will have registered a turnover of DM 42 billion (-1% on 1995) and for 1997 a very slight recovery is predicted. Production outside Germany (mainly in Poland) is valued at around DM 4.5-5 billion and is growing.

According to CSIL, in 1996 the production of kitchen furniture in Germany registered a slight decrease (-1% at constant prices over 1995). Much of the production was moved abroad and domestic demand is more and more satisfied by furniture made in Poland and in other East European countries. In 1995 German domestic consumption of kitchen furniture decreased by 2% and the trend towards lower priced, lower quality products continues.

Prices in Germany

Wooden Windows

Medium Price Meranti,

120x135cm DM448

Lower Price PVC,

120x135cm DM388

Solid Wooden Doors

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

Furniture and Components

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

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

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

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

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

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

Other News from Europe

Furniture in Poland

Western investment in the furniture sector in Eastern Europe grew very rapidly between 1991 and 1996. The main purpose of Western investors is to produce for export to the European Union and, in the medium and long term, to satisfy the growing demand in Eastern Europe, including Russia.

Poland is the country that has benefited most from these investments. Foreign investors, especially Germans, jumped at the chance to acquire majority shares when the larger furniture factories were privatized, and many transferred their production lines for middle price range furniture to these factories.

Schieder, Klose, Steinhoff, Alno and IKEA control the largest companies in Poland. About 80% of the Polish production of furniture (worth around US\$ 900 million) is exported. Poland has become Germany's third largest trading partner in the furniture sector, after Italy and Denmark. The dynamism of the sector in Poland is further demonstrated by the considerable increase in furniture production. Annual growth rates between 1990 and 1995 averaged 25%, and total production was worth over US\$ 1,600 million in 1995.

The immediate consequence of the larger companies being taken over by Western concerns was the formation of a network of medium-sized service oriented companies eager to satisfy the needs of the larger companies.

Other Furniture Producers

1996 should prove to have been a positive year for the Spanish furniture industry in 1997 a further 25% growth is expected. In 1995 domestic consumption of furniture was 40% down in Spain, according to Anieme (the Spanish association of the furniture industry), but this was compensated by a 3% increase in exports, to Pta 132 billion..

US Industry Report

US Imports of Wooden Furniture

In 1996, the USA imported wooden furniture valued at US\$4495 million (AKTRIN estimate). This is up 48% from the US\$ 3036.2 million recorded in 1993.

The most important source is Canada, which shipped US\$113.3 million of furniture to the US 1996, this represents a 25% share of total US furniture imports. Canada is followed by China, Italy, Taiwan, Mexico, Malaysia, Indonesia, Thailand, the Philippines, and Denmark in terms of furniture suppliers to the US. These top 10 supply countries have a combined market share of 88% of the overall American wooden furniture imports.

US Imports Of Wooden Furniture (US\$ 000's)

	1993	1994	1995	1996	Percent of World	Percent Change 1993-1996
WORLD	3036240	3667003	4021234	4494617	100	48
Canada	551220	735108	877710	1113386	25	102
China	227178	348943	445995	557188	12	145
Italy	328086	440431	506433	548937	12	67
Taiwan	653059	593967	498645	450552	10	-31
Mexico	196072	222815	251608	356240	8	82
Malaysia	181035	287800	304965	379945	8	110
Indonesia	141019	180451	217165	222001	5	57
Thailand	143887	148665	141435	133063	3	-8
Philippine	84316	96148	102155	95793	2	14
Denmark	93642	112926	108706	95704	2	2
Brazil	31718	47895	67909	54924	1	73
Bolivia	412	547	1236	1688	less than 1%	310

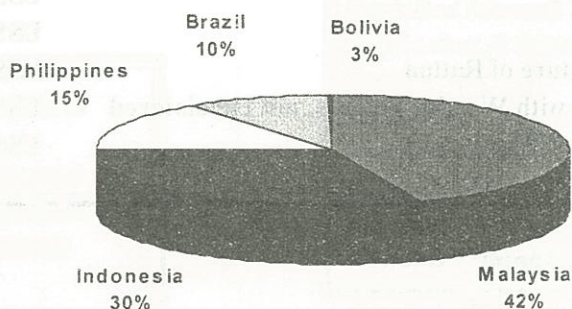
As a result of the creation of NAFTA, and because of the declining value of the Canadian dollar against the US dollar, Canada has, throughout the 1990's, continuously strengthened its position as the main supplier of furniture to the US. China, Malaysia, Mexico and Italy also expanded their market share. In fact, China outperformed most other countries with shipments growing by as much as 145% between 1993 and 1996. Countries which lost market share include Taiwan P.o.C, Thailand, Denmark and the Philippines. Taiwan P.o.C and Thailand not only lost in relative terms, but the absolute value of their furniture exports to the United States has also declined by 31% and 8% respectively since 1993.

The principal supply countries for tropical hardwood furniture to the US are Brazil and Bolivia for Mahogany, and Malaysia, the Philippines and Indonesia for various Dipterocarps and Rubberwood.

Exports by Selected Tropical Countries (US\$ 000's)

Country	Logs and Lumber	Plywood and Veneer	Furniture	Furniture as % of Total
Malaysia	9217	47295	304965	84
Indonesia	3128	262951	217165	45
Philippines	3411	4565	102155	93
Brazil	32026	26113	67909	54
Bolivia	35480	0	1236	3

US Furniture Imports from the Top Five Tropical Suppliers



Most of these countries increased their furniture exports during the past few years. At the same time these countries reduced the export of low value added wooden products however, in view of steep price increases, the value of these country's exports is still increasing. A notable exception to this trend is Bolivia whose exports of Mahogany logs and lumber are still advancing. Nevertheless, furniture exports are increasing at a much faster rate; they were up by a staggering 310% between 1993 and 1996.

As a result of these trends, the tropical producer countries are increasingly shifting from exports of primary products to exports of finished products. For the Philippines, the ratio of furniture exports to overall wood product exports to the United States is already as high as 93%. Only Indonesia and Bolivia are still exporting the bulk of their wood products in the form of primary products and semi-finished products.

The categories of furniture exported to the United States by the main "tropical timber countries" are summarized below (all figures are in US\$ 000's)

Malaysia

Household Seats with Wooden Frames, not upholstered	US\$ 108621
Wooden Furniture	US\$ 72644
Wooden Dining Tables	US\$ 64781
Wooden Kitchen Tables	US\$ 29376
Upholstered Household Seats with Wooden Frames	US\$ 20525

Indonesia

Wooden Furniture	US\$ 83403
Wooden Beds	US\$ 25515
Seats of Rattan	US\$ 14515
Wooden Bedroom Furniture	US\$ 15802
Seats, Convertible into Beds	US\$ 13238

Philippines	
Wooden Furniture	US\$ 36118
Seats of Rattan	US\$ 17503
Household Furniture of Rattan	US\$ 13935
Household Seats with Wooden Frames, not Upholstered	US\$ 4700
Furniture Parts of Wood	US\$ 2709

Brazil	
Furniture Parts of Wood	US\$ 5263
Wooden Beds	US\$ 4265
Wooden Dining Tables	US\$ 3770
Wooden Office Furniture	US\$ 3698
Household Seats with Wooden Frames, not Upholstered	US\$ 3114

Bolivia	
Household Seats with Wooden Frames, not Upholstered	US\$ 852
Seat Parts of Wood	US\$ 331
Furniture Parts of Wood	US\$ 198
Upholstered Household Seats with Wooden Frames	US\$135
Wooden Dining Tables	US\$ 84

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

