



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\$160-170   |
| small               | US\$130-140   |
| super small         | US\$100-110   |
| Keruing SQ up       | US\$180-190 ↓ |
| small               | US\$150-160 ↓ |
| super small         | US\$120-130 ↓ |
| Kapur SQ up         | US\$170-185 ↓ |
| Selangor Batu SQ up | US\$180-200 ↓ |

##### Solomon Islands

##### Forestry Department Indicative FOB Prices and SIFIA's forecast price trend

|              | Forestry Department<br>Indicative Price<br>per Cu.m | SIFIA<br>Forecast<br>Movement |
|--------------|---|-------------------------------|
| Group 1A     |   |                               |
| Kwila        | US\$150   | signif. fall                  |
| Group 1B     |   |                               |
| Palaquium    | US\$ 110 ↓  | signif. fall                  |
| Planchonella | "   | no report                     |
| Calophyllum  | "   | signif. fall                  |
| Pometia      | "   | signif. fall                  |
| Gonostylus   | "   | no report                     |
| Schizomeria  | "   | signif. fall                  |

##### Group 2

|            |            |              |
|------------|------------|--------------|
| Canarium   | US\$ 100 ↓ | signif. fall |
| Burckella  | "          | signif. fall |
| Terminalia | "          | signif. fall |

##### Group 3

|             |         |              |
|-------------|---------|--------------|
| Dillenia    | US\$ 95 | mod. fall    |
| Celtis      | US\$ 90 | mod fall     |
| Alstonia    | "       | signif. fall |
| Dysoxylum   | "       | signif. fall |
| Eugenia     | "       | mod. fall    |
| Endospermum | "       | signif. fall |
| Vitex       | US\$150 | no report    |
| Amoora      | US\$110 | signif. fall |

##### Group 4

|                |        |              |
|----------------|--------|--------------|
| Camponospermum | US\$95 | signif. fall |
| Parinari       | US\$80 | signif. fall |
| Marathes       | "      | signif. fall |
| Mixed white    | "      | signif. fall |
| Mixed red      | "      | signif. fall |
| Low Grade Logs | US\$80 | signif. fall |

The outlook remains very serious. Many companies have stopped felling and are concentrating on marketing their current stock

#### Cameroon Log Prices

| FOB      |           | per Cu.m   |
|----------|-----------|------------|
| N'Gollon | 70cm+LM-C | FFR 1750 ↑ |
| Ayous    | 80cm+LM-C | FFR 1100   |
| Sapele   | 80cm+LM-C | FFR 1730 ↑ |
| Iroko    | 70cm+LM-C | FFR 1800 ↑ |

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



# Myanmar

## Logs per Hoppus ton FOB

| Teak       | Sept 97  | Oct 97   |
|------------|----------|----------|
| 3rd Grade  | US\$4141 | US\$3366 |
| 4th Grade  | US\$2983 | US\$2864 |
| SG-1 Grade | US\$1968 | US\$1949 |
| SG-2 Grade | US\$1486 | US\$1467 |
| SG-3 Grade | US\$969  | US\$ 911 |
| SG-4 Grade | US\$1021 | US\$ 960 |

## Padauk

|           |         |         |
|-----------|---------|---------|
| 3rd Grade | -       | -       |
| 4th Grade | -       | US\$969 |
| Assorted  | US\$705 | US\$743 |
| Pyinado   | US\$294 | US\$236 |
| Gurjan    | US\$294 | US\$183 |
| Thinwin   | -       | US\$646 |

Hoppus ton equivalent to 1.8 Cu.m. Teak 3-4th Grade for sliced veneer

Teak grade 1-4 for sawmilling. SG Grade 3 3ft - 4ft 11" girth, other grades 5ft girth minimum.

# Papua New Guinea

Latest Price offers for November shipments are:

| FOB               | per Cu.m                        |
|-------------------|---------------------------------|
| Taun              | US\$100-120 ↓                   |
| Calophyllum       | US\$100-110 ↓                   |
| Group 2           |                                 |
| Amoora, Hopea     | US\$80-95                       |
|                   | wide variation depending on mix |
| Group 3           |                                 |
| Celtis, Watergum  | US\$70-85                       |
| Group 4           |                                 |
| Mixed Reds/Whites | US\$50-60                       |
|                   | no buyer interest               |

# Gabon Log Prices

| Okoume, FOB | per Cu.m     |
|-------------|--------------|
| Grade       |              |
| LM          | F.CFA 147000 |
| QS          | F.CFA 130000 |
| CI          | F.CFA 100000 |
| CE          | F.CFA 90000  |
| CS          | F.CFA 70000  |

| Ozigo, FOB | per Cu.m     |
|------------|--------------|
| Grade      |              |
| LM         | F.CFA 104000 |
| QS         | F.CFA 100000 |
| CI         | F.CFA 80000  |
| CE         | F.CFA 60000  |

|         |             |
|---------|-------------|
| Agba    | F.CFA 65000 |
| Niangon | F.CFA 78000 |
| Sapelli | F.CFA 85000 |
| Faro    | F.CFA 90000 |
| Padouk  | F.CFA 95000 |

# Domestic Log Prices

## Report From Brazil

| Logs at mill yard    | per Cu.m |
|----------------------|----------|
| Mahogany Ist Grade   | US\$340  |
| Ipe                  | US\$65   |
| Jatoba               | US\$50   |
| Guaruba              | US\$40   |
| Mescla(white virola) | US\$59   |

## Report from Peru

| Domestic Log            | Prices Pucallpa |
|-------------------------|-----------------|
|                         | per Cu.m        |
| Tahuari (Ipe)           | US\$ 57         |
| Estoraque (Cabreuva)    | US\$ 53         |
| Largarto (Jacareuba)    | US\$ 45         |
| Quinilla (Macaranduba)  | US\$ 45         |
| Yacushapana (Tanimbuca) | US\$ 44         |
| Cumala (Virola)         | US\$ 41         |
| Catahua (Assacu)        | US\$ 25         |



## 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

| Domestic log prices | per Cu.m    |
|---------------------|-------------|
| Plywood logs        |             |
| Face Logs           | US\$135-150 |
| Core logs           | US\$105-120 |
| Sawlogs (Merantis') | US\$120-150 |
| Falkata logs        | US\$65-68   |
| Rubberwood          | US\$32-35   |
| Pine                | US\$63-65   |
| Mahoni              | US\$380-400 |

## Report from Malaysia

| Logs                      |  | per Cu.m      |
|---------------------------|--|---------------|
| Domestic (SQ ex-log yard) |  |               |
| DR Meranti                |  | US\$145-160 ↓ |
| Balau                     |  | US\$160-180 ↓ |
| Merbau                    |  | US\$160-170 ↓ |
| Peeler Core logs          |  | US\$100-120   |
| Rubberwood                |  | US\$25-30- ↓  |
| Keruing                   |  | US\$170-200 ↓ |

## International Sawnwood Prices

## Brazil

| Export Sawnwood        | per Cu.m |
|------------------------|----------|
| Mahogany KD FAS FOB    |          |
| UK market              | US\$980  |
| Jatoba Green (dressed) | US\$505  |
| Asian Market           |          |
| Guaruba                | US\$265  |
| Angelim pedra          | US\$250  |
| Mandioqueira           | US\$205  |
| Pine (AD)              | US\$175  |

## Peru

| Export Sawnwood FOB Callao/Lima | per Cu.m  |
|---------------------------------|-----------|
| Caoba (Mahogany)                | US\$881   |
| Cumala (Virola)                 | no report |

## Ghana

| 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  |



|          |     | per Cu.m |
|----------|-----|----------|
| 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\$570-580 ↓ |
| Seraya                                |               |
| Scantlings (75x125 KD)                | US\$600-620 ↓ |
| Sepetir Boards                        | US\$250-270 ↓ |
| Perupok (25mm&37mm KD)                | US\$850-900 ↓ |
| K.Semangkok                           |               |
| (25mm&37mmKD)                         | US\$725-740   |

### Taiwan Province of China

| Rubberwood            | per Cu.m      |
|-----------------------|---------------|
| 25mm boards           | US\$300-320 ↓ |
| 50-75mm squares       | US\$350-360 ↓ |
| 75-100mm squares      | US\$400-420 ↓ |
| Sepetir               |               |
| GMS (AD)              | US\$280-300 ↓ |
| Ramin less than 2 ft. | US\$560-590 ↓ |
| greater than 2 ft.    | US\$630-650 ↓ |
| Oak 25mm boards       | US\$780-800   |
| Maple                 | US\$1200-1300 |
| Cherry                | US\$1150-1200 |

### Domestic Sawnwood Prices

#### Report from Brazil

| Sawnwood (Green ex-mill) | per Cu.m |
|--------------------------|----------|
| Northern Mills           |          |
| Mahogany                 | US\$853  |
| Ipe                      | US\$380  |
| Jatoba                   | US\$305  |
| Eucalyptus AD            | US\$175  |
| Southern Mills           |          |
| Pine (KD) First Grade    | US\$170  |

#### Peru

| Domestic sawnwood (Green) | per Cu.m |
|---------------------------|----------|
| Caoba (Mahogany)          | US\$593  |
| Cedro (Cedro)             | US\$411  |
| Estoraque (Cabreuva)      | US\$158  |
| Copaiba                   | US\$130  |
| Catahua                   | US\$84   |

#### 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\$290-300 ↓ |
| KD               | US\$390-400 ↓ |
| AD 3x20x400cm    | US\$350-370 ↓ |
| KD               | US\$430-460 ↓ |
| Keruing          |               |
| AD 6x12-15cmx400 | US\$240-270 ↓ |
| AD 2x20cmx400    | US\$280-300 ↓ |
| AD 3x30cmx400    | US\$300-310 ↓ |

## Malaysian Domestic Sawnwood Prices

| Sawnwood                              | per Cu.m      |
|---------------------------------------|---------------|
| Balau(25&50mm,100mm+) ↓               | US\$260-280 ↓ |
| Kempas50mm by<br>(75,100&125mm) ↓     | US\$155-170 ↓ |
| Red Meranti<br>(22,25&30mmby180+mm) ↓ | US\$270-280 ↓ |
| Rubberwood                            |               |
| 25mm & 50mm Boards ↓                  | US\$160-180 ↓ |
| 50mm squares ↓                        | US\$220-230 ↓ |
| 75mm+ ↓                               | US\$250-270 ↓ |

## Myanmar

Sawn Hardwoods, length 6ft and up.

Prices remain unchanged.

|                                | per ton    |
|--------------------------------|------------|
| 2nd Grade Sawn Teak            | Kyat100,00 |
| 3rd Grade sawn Teak            | Kyat55,000 |
| Sawn Pyinkado                  | Kyat55,000 |
| Sawn Padauk                    | Kyat60,000 |
| Sawn Gurjan                    | Kyat36,000 |
| Mixed Species                  | Kyat32,000 |
| One ton equivalent to 1.4 Cu.m |            |

## International Plywood and Veneers Prices

## Indonesia

| Plywood (export, FOB) |               |
|-----------------------|---------------|
| MR,                   | per Cu.m      |
| Grade BB/CC           |               |
| 2.7mm                 | US\$380-400 ↓ |
| 3mm                   | US\$300-350 ↓ |
| 6mm and above         | US\$280-300 ↓ |

## Ghana

| Rotary Cut Veneer FOB | per Cu.m |
|-----------------------|----------|
| Face Veneer1-1.6mm    |          |
| Ceiba                 | US\$320  |
| Koto                  | US\$500  |
| Otie/Iomba            | US\$440  |
| Ofram                 | US\$440  |

| 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 |

| Thickness 0.55mm, Width 950 - 1250mm,<br>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\$185-210 |
| Mahogany Veneer   |     | per Sq.m    |
| 0.7mm             |     | US\$2.80    |

| Plywood FOB              | per Cu.m |
|--------------------------|----------|
| White Virola (US Market) |          |
| 5.2mm OV2 (MR)           | US\$390  |
| 15mm BB/CC (MR)          | US\$330  |
| For Caribbean countries  |          |
| White Virola 4mm         | US\$470  |
| 9mm                      | US\$385  |
| Pine USA market          |          |
| 9mm C/CC (WBP)           | US\$255  |
| 15mm C/CC (WBP)          | US\$240  |

**Malaysian Plywood**
**MR Grade BB/CC FOB**

|        | per Cu.m      |
|--------|---------------|
| 2.7mm  | US\$380-420 ↓ |
| 3mm    | US\$320-360 ↓ |
| 3.6mm  | US\$300-320 ↓ |
| 9-18mm | US\$280-320 ↓ |

**Domestic plywood**

|        |               |
|--------|---------------|
| 3.6mm  | US\$355-380 ↓ |
| 9-18mm | US\$310-350 ↓ |

**Myanmar**
**Hardwood plywood, FOB.  
Prices remain unchanged.**

|              | per Cu.m |
|--------------|----------|
| 9mm BB/CC    | US\$300  |
| 9mm Utility  | US\$281  |
| 9mm B2       | US\$262  |
| 9mm B3       | US\$244  |
| 15mm BB/CC   | US\$289  |
| 15mm Utility | US\$267  |
| 15mm B2      | US\$256  |
| 15mm B3      | US\$233  |

**Domestic Plywood Prices**
**Brazil**

| Rotary Cut Veneer<br>(ex-mill Northern Mill) | per Cu.m |
|--|----------|
| White Virola Face                            | US\$165  |
| White Virola Core                            | US\$119  |

| Plywood<br>(ex-mill Southern Mill) | per Cu.m  |
|------------------------------------|-----------|
| Grade MR                           |           |
| 4mm White Virola                   | US\$506   |
| 15mm White Virola                  | US\$346   |
| 4mm Mahogany 1 face                | US\$1,209 |



**Indonesia****Domestic MR plywood****(Jakarta) per Cu.m**

|      |               |
|------|---------------|
| 9mm  | US\$380-400 ↓ |
| 12mm | US\$360-380 ↓ |
| 15mm | US\$320-350 ↓ |
| 18mm | US\$300-330 ↓ |

**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 |

**Other Panel Product Prices****Brazil****Export Prices**

|                    |          |
|--------------------|----------|
| Blockboard 18mm    | per Cu.m |
| White Virola Faced |          |
| B/C                | US\$275  |

**Domestic Prices****Ex-mill Southern Region per Cu.m****Blockboard****15mm White Virola Faced US\$480****15mm Mahogany Faced US\$870****Particleboard****15mm US\$239****Indonesia****Other Panels****per Cu.m****Export Particleboard FOB****9-18mm US\$140-150****Domestic Particleboard****9mm US\$210 ↓****12-15mm US\$180-200 ↓****18mm US\$170-190 ↓****MDF Export (FOB)****12-18mm US\$180-210 ↓****MDF Domestic 12-18mm US\$220-250 ↓****Taiwan Province of China, Imports****MDF****per Cu.m****Domestic Prices****3mm thick US\$280-310 ↓****16-18mm x 4' x 8' US\$215-240 ↓****Particleboard****per Cu.m****12-18mm (4x8) US\$170-190 ↓****Malaysia****Particleboard (FOB)****per Cu.m****6mm & above US\$140-155 ↓****Domestic****6mm & above US\$150-170 ↓**



|                       |                      |
|-----------------------|----------------------|
| <b>MDF (FOB)</b>      | <b>per Cu.m</b>      |
| Less than 5mm         | US\$210-240 ↓        |
| Greater than 6mm      | US\$180-200 ↓        |
| <b>Domestic Price</b> | <b>US\$200-240 ↓</b> |

## Prices of Added Value Products

### Indonesia

|   |                 |
|---|-----------------|
| <b>Mouldings</b>                          | <b>per Cu.m</b> |
| Ramin casings<br>(for the Italian market) | US\$920-960 ↓   |
| Laminated Scantlings                      | US\$560-610 ↓   |
| Laminated Boards                          |                 |
| Falkata wood                              | US\$335-360 ↓   |
| <b>Red Meranti Mouldings</b>              |                 |
| 11x68/92mm x 7ft up                       |                 |
| Grade A                                   | US\$750-800 ↓   |
| Grade B                                   | US\$530-560 ↓   |

### Malaysia

|                              |                 |
|------------------------------|-----------------|
| <b>Mouldings (FOB)</b>       | <b>per Cu.m</b> |
| Selagan Batu Decking         | US\$560-580 ↓   |
| Laminated Scantlings         |                 |
| 72mmx86mm                    | US\$580-600 ↓   |
| <b>Red Meranti Mouldings</b> |                 |
| 11x68/92mm x 7ft up          |                 |
| Grade A                      | US\$810-825     |
| Grade B                      | US\$630         |

## Rubberwood Parts and Furniture

### Malaysia

|                       |                 |
|-----------------------|-----------------|
|                       | <b>per Cu.m</b> |
| <b>Finger jointed</b> |                 |
| laminated boards      | US\$630-670 ↓   |
| top grade             | US\$700-750 ↓   |

|  |                   |
|--|-------------------|
| <b>Dining table</b>                    |                   |
| Solid rubberwood laminated top 3' x 5' |                   |
| with extension leaf                    | US\$40-45ea ↓     |
| Same with                              |                   |
| Oak veneered MDF                       | US\$52-60ea ↓     |
| Windsor Chair                          | US\$10.0-12.0ea ↓ |
| Colonial Chair                         | US\$12.0-13.0ea ↓ |
| Napolean Chair                         | US\$20-22ea ↓     |
| Queen Anne Chair (with soft seat)      |                   |
| without arm                            | US\$16-18ea ↓     |
| with arm                               | US\$21-23ea ↓     |

### Brazil

|                              |                 |
|------------------------------|-----------------|
| <b>Edge Glued Pine Panel</b> | <b>per Cu.m</b> |
| for Korea 1st Grade          | US\$570         |
| US Market                    | US\$530         |

### Taiwan Province of China

|   |                      |
|---|----------------------|
| <b>Furniture</b>  |                      |
| <b>Dining suite (FOB)</b>                               |                      |
| Oak Veneered MDF tables and chairs (6 per set) 4ft dia. |                      |
|   | US\$145-170per set ↓ |
| <b>Dining table Cherry veneer</b>                       |                      |
| Occasional table Cherry veneer                          |                      |
| top 2ftx4ft   | US\$28-30ea          |



## Consumer's Report

### Report From Japan

#### More Bankruptcies

The number of bankruptcies in the timber industry continues to grow. Namera, an importer of US, SE Asian and Chinese products has collapsed with a total debt of Yen 25.7 billion. Teshiogwa Lumber Organisation has filed for bankruptcy protection with debts amounting to Yen 7 billion. Akita-ken Wooden Housing has also filed for bankruptcy protection.

Under the present circumstances with banks and financial institutions fighting for survival, pressure is spilling over to the weaker companies who have depended heavily on the banks.

#### Prices Bottom Out

The industry is trying to put a brave face on the present situation and some are now talking of plywood prices having hit bottom. At current prices, and with the Yen at 130 to the dollar prices have to move up. Nippindo has announced a price rise on half inch plywood.

Prices for softwood plywood for both structural and non structural use are up. The readjustment of the stock situation over the past months has resulted in a more realistic stock level.

#### Imported Plywood Down

Statistics from the Ministry of Finance shows that Japan's imports of plywood decreased 17.3% last month compared to the same month last year. This is the third monthly decline against last year.

On the other hand, the total imports of Indonesian plywood January-September increased 10% to 2,660,000 cubic meters, and imports from Malaysia increased 24% to 1,248,000 Cu.m. With such a depressed market stocks are still substantial.

Imports in October are down 37% from last year. Imports in October from Indonesia are down 35% to 214,000 Cu.m and imports from Malaysia are down to 119,000 Cu.m a drop of some 40%.

### US Log Exports

Arrivals of US logs in December are likely to be well down at around 230,000 Cu.m, much lower than forecast. Current imports are the lowest since 1965 when import figures started to be recorded in volume terms.

### SE Asian Logs

Plywood markets have a long way to go before recovery and as a result the log market is depressed. Log arrivals are well down but at this level are satisfying demand. Sarawak and Southsea exporters have lowered prices but have reached their limit as logging operations have become unprofitable at the current prices.

### Asian Log, Lumber and Panel Prices

#### Logs For Plywood Manufacturing CIF Price Yen per Koku

|                                |         |
|--------------------------------|---------|
| <b>Meranti (Hill, Sarawak)</b> |         |
| Medium Mixed                   | 7,300 ↓ |
| <b>Meranti (Hill, Sarawak)</b> |         |
| STD Mixed                      | 7,200 ↓ |
| <b>Meranti (Hill, Sarawak)</b> |         |
| Small Lot                      |         |
| (SM60%, SSM40%)                | 6,500   |
| <b>Taun, Calophyllum (PNG)</b> |         |
| and others                     | 6,300 ↓ |
| <b>Mix Light Hardwood</b>      |         |
| (PNG G3-G5 grade)              | 4,800 ↓ |
| <b>Okume (Gabonese)</b>        | 7,600   |
| <b>Keruing (Sarawak)</b>       |         |
| Medium MQ & up                 | 8,000   |
| <b>Kapur (Sarawak) Medium</b>  |         |
| MQ & up                        | 7,500 ↓ |

#### Logs For Sawmilling FOB Price Yen per Koku

|                          |        |
|--------------------------|--------|
| <b>Melapi (Sarawak)</b>  |        |
| Select                   | 10,500 |
| <b>Agathis (Sarawak)</b> |        |
| Select                   | 9,500  |

#### Lumber FOB Price Yen per Cu.m

|                              |         |
|------------------------------|---------|
| <b>White Seraya (Sabah)</b>  |         |
| 24x150mm, 4m 1st grade       | 115,000 |
| <b>Mixed Seraya 24x48mm,</b> |         |
| 1.8 - 4m, S2S                | 47,000  |



## Other News From Japan

### Trade Liberalisation

APEC leaders summit decided to liberalise trade in the forest products sector.

The Japanese Ministry of Agriculture, Forestry and Fisheries says participating in this liberalisation is voluntary and that it cannot accept any stricter agreement than agreed at the Uruguay Round.

### OSB to Japan for 1997

Ainsworth Lumber Co., Ltd., a major Canadian supplier of OSB to Japan estimates that their OSB supply to Japan will be down about 30% for 1997 compared to 1996. The reasons for decline is falling demand in the Japanese market and the substantial volumes of the stocks which exist. Japan imported about 200,000 cubic metres of OSB last year, of which 50-60% was supplied by Ainsworth.

## Report From China

### Prices in Hong Kong, September 1997

|                                | HK\$ per Cu.ft |
|--------------------------------|----------------|
| <b>Sarawak log 54"-71"</b>     | 26.00          |
| 72"                            | 27.00          |
| <b>Sawnwood</b>                |                |
| Mixed Hardwood (locally sawn)  | 42-43.00       |
| Imported Kapur                 | 104-106.00     |
| Imported Meranti               | 55.00-58.00    |
| <b>Taiwan P.o.C Plywood</b>    |                |
| 2.7mm                          | 2.00           |
| 3.0mm                          | 2.10           |
| <b>Plywood from Malaysia</b>   |                |
| 12mm                           | 3.70-4.40      |
| 18mm                           | 4.80-5.00      |
| <b>Plywood from Korea</b>      |                |
| 12mm                           | 3.70-3.90      |
| 18mm                           | 4.80-5.00      |
| <b>Plywood from Philippine</b> |                |
| 12mm                           | 3.80-4.00      |
| 18mm                           | 4.70-4.90      |

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

|   | Yuan per Cu.m |
|---|---------------|
| <b>Keruing Log</b>                                |               |
| Length: 6-20m                                     | 1880-2400     |
| <b>Malaysian Lauan Log</b>                        |               |
| various sizes                                     | 2500-2600     |
| <b>Malaysian Lauan with hollow heart</b>          |               |
| various sizes                                     | 1200-1400     |
| <b>Teak log Myanmar</b>                           |               |
| 2.6m 40 cm dia                                    | 2400          |
| <b>Lauan lumber</b>                               |               |
| Thickness: 5-6cm                                  |               |
| Length: 3-4m                                      | 2850-3450     |
| <b>Luan/Malas tongued, grooved flooring strip</b> |               |
| 18x70mm x2.2-4.1m                                 | 110-125       |
| <b>Balian Flooring Top Grade Myanmar</b>          |               |
| 18x50-70x2400mm                                   | 300-350       |
| <b>Plywood from Indonesia</b>                     |               |
| 3mm 1220x2240                                     | Yuan 4407     |
| <b>US Lumber</b>                                  |               |
| Oak, Maple, Cherry                                | 7000-14000    |
| <b>T&amp;G Cherry Flooring</b>                    |               |
| 18x50-70mm x 2-4m                                 | 120-140       |

## From Europe an Update on the UK

The UK plywood market is depressed, with weak demand and fierce competition amongst importers. Purchasing decisions have become difficult, particularly for Far Eastern hardwood plywood, where price declines and uncertainty about future supplies are making buying decisions very difficult.

The trend seen earlier in the year for Indonesian plywood prices to steadily increase, moving up to Indo96 + 10%, has drastically changed. The official price is now around Indo96 + 7%, but agents are indicating that prices below this level are not uncommon for large orders.



## Prices in UK

Despite a strong economy and a strong currency Little movement has been seen in consumer spending in the furniture sector. The market is looking for some improvement to begin in the first quarter of 1998. In the past two months no price increases have been recorded.

### Wooden Windows

**Upper Price Hardwood 120x135cm**  
Sterling, 301.15  
**Medium Price Hardwood 120x135cm**  
Sterling 244.75  
**Lower Price Softwood 120x135cm**  
Sterling 115.20

**Solid Wooden Doors**  
**Upper Price Meranti (new range)**  
76.2x198.1x3.5cm Sterling 351.00  
**Medium Price Sapele**  
76.2x198.1x3.5cm Sterling 142.20  
**Lower Price Veneered**  
76.2x198.1x3.5cm Sterling 49.00

**Kitchen Chair**  
**Upper Price Solid Oak**  
Sterling 333.00  
  
**Dining Chair**  
**Upper Price African Mahogany**  
Sterling 333.00  
**Medium Price African Mahogany**  
Sterling 214.00

**Dining Table**  
**Upper Price African Mahogany**  
80x160cm Sterling 1134.00  
**Medium Price African Mahogany**  
80x160cm Sterling 906.00  
**Lower Price African Mahogany**  
80x160cm Sterling 693.00

## Furniture and Components

**Wardrobe Door**  
**Lower Price 50x180cm**  
Sterling 63.15  
  
**Kitchen Cabinet Door 71.5x49.5cm**  
**Medium Price Oak**  
Sterling 19.90

**Drawer Front**  
**Upper Price**  
**Melamine Faced Particleboard**  
100x10cm Sterling 0.74/pc  
**Medium Price**  
**Melamine Faced Particleboard**  
100x10cm Sterling 0.59/pc  
**Lower Price**  
**Melamine Faced Particleboard**  
100x10cm Sterling 0.53/pc

### Other news from Europe

#### German Sales of Window Scantlings

Some producers reported that instead of bigger orders customers are demanding smaller parcels and that prices are under severe pressure. Most seriously affected are imported scantlings as well as finger-jointed spruce and pine scantlings. Meranti prices have reportedly dropped by 10-15% as a result of devaluations in Malaysia and Indonesia.

## US Report

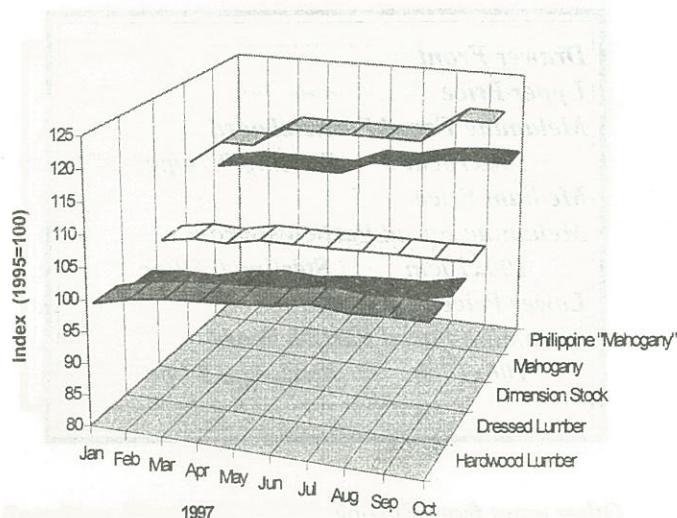
### Raw Material Price Trends

This year's review of price movements for wooden raw materials and finished secondary wood products in the US does not distinguish itself much from the previous reports. Prices continue their upward trend. In almost every month of 1997, prices reached record levels only to be exceeded again in the months thereafter. The inflationary price trend is not confined to 1997, its beginning goes back to the second quarter of the last year and coincides with the general turnaround of the US economy.



The price index for rough domestic hardwood lumber stood at 102.7 as of October 1997, which is 7.5% above the level twelve month ago. Certain species exceeded this average by a wide margin. Cherry and Maple costs have risen dramatically. There is a strong demand for these and other species both in North America and overseas. This applies especially to thicker lumber, often cut from prime grade logs. Veneer mills are also demanding the best logs and pay top dollar for them.

Raw Material Price Indices



A few species experienced a moderate price decline in November, but the trade believes that this does not indicate the beginning of a turn-around. The general price trend will likely continue upward, at least as long as the economic expansion prevails.

Price increases have been felt most strongly for low-processed raw materials, notably logs and green lumber. This is a clear indication of the general shortage of quality hardwood lumber.

Prices of wooden products with a higher value-added increased to a much lesser extent. This starts with kiln dried lumber and dressed lumber, all the way up to dimension stock, plywood and veneer.

Some reference prices for lumber in selected producer regions are shown below as of December, 1997:

Prices for 1000 board feet (MBF), 1 inch thick, top quality)

**Mahogany (at West coast port of entry)**

**KD US\$2785 No change**

**Meranti (at West coast port of entry)**

**Clear, dark red**

**KD US\$2310 No change**

**Clear, light red**

**KD US\$2145 No change**

**Cherry**

**Appalachians KD US\$2530+ Up US\$15**

**AD US\$1955 No change**

**Hard Maple**

**Northern Region KD US\$2230 ↓ Down US\$35**

**AD US\$1875 No change**

**Appalachians**

**KD US\$2170 ↓ Down US\$10**

**AD US\$1795**

**Red Oak**

**Northern Region KD US\$1608 ↓ Down US\$10**

**AD US\$1300 No change**

**Southern Region**

**KD US\$1283 ↓ Down US\$10**

**AD US\$995 No change**

**Appalachians**

**KD US\$1463 No change**

**AD US\$1120 No change**

**White Oak**

**Northern Region KD US\$1360 No change**

**AD US\$990 No change**

**Southern Region**

**KD US\$1250 ↓ Down US\$10**

**AD US\$940 No change**

**Appalachians**

**KD US\$1423 ↓ Down US\$10**

**AD US\$1093 ↓ Down US\$5**

**Walnut**

**Appalachians KD US\$1923 No change**

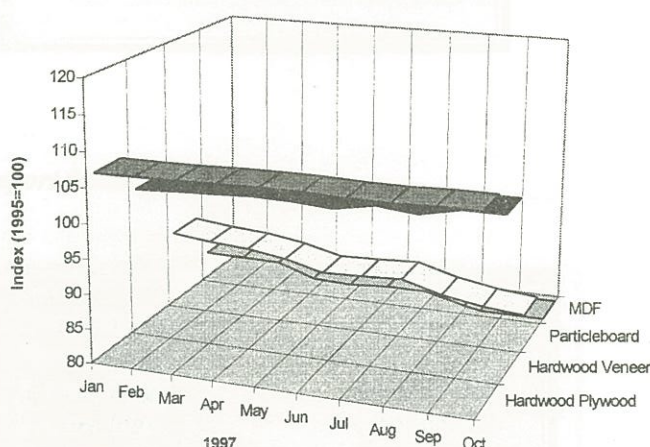
**AD US\$1385 No change**

Prices of imported tropical species are subject to the same price movements as domestic species, above all the higher quality grades. During the past twelve months, prices for



South American Mahogany increased by more than ten percent. This is all the more remarkable in light of the fact that the proposal to list the species under Appendix II of CITES) was defeated. The relatively poor quality of mahogany on the market and the number of mahogany substitutes now being offered by hardwood importers are moderating some price increases. For instance, the price index for Meranti wood (Philippine Mahogany) advanced by only 5.7% between October 1996 and October 1997. This is just slightly over half the pace recorded by genuine Mahogany.

Panel Price Indices

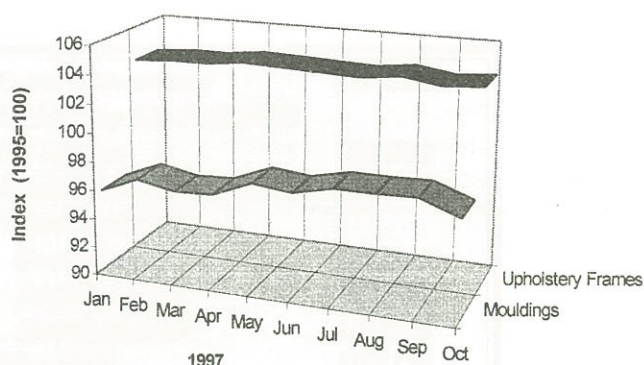


Particleboard and Medium Density Fiberboard (MDF) provide the familiar exception to the general price trend. Both products have suffered price declines in the 8% range since October 1996. The reason is to be found in the continued oversupply of these engineered boards. The use of PB and MDF has grown substantially, and the demand/supply equation may become balanced toward the end of 1998 or early 1999.

### Finished and semi-Finished Products

Finished and semi-finished wood products are also moving up in price, induced by the healthy economy and strong demand. Most items are priced at record levels. However, as mentioned earlier, prices of high value-added products advanced to a much lesser extent than prices of low-value added products (logs and rough lumber). It is therefore concluded that the secondary wood working industry finds itself in the unenviable position of rapidly rising raw-material prices, which can be passed-on only partially to the consumers of the final products.

Price Indices for Frames and Mouldings



Among the items monitored, only living room cabinets (up 6.1%), office desks (up 3.7%), furniture frames (up 2.4%), and dining room chairs (up 2.1%) experienced price increases in excess of 2% between October 1996 and October 1997. Prices of all other products went up by less than 2% during the same period. In the case of bedroom dressers the increase was even less than 1%, and since August 1997, prices experienced a minor decline.

### Furniture Imports

The following table illustrates the trends in furniture imports to the US in the first half of 1997.

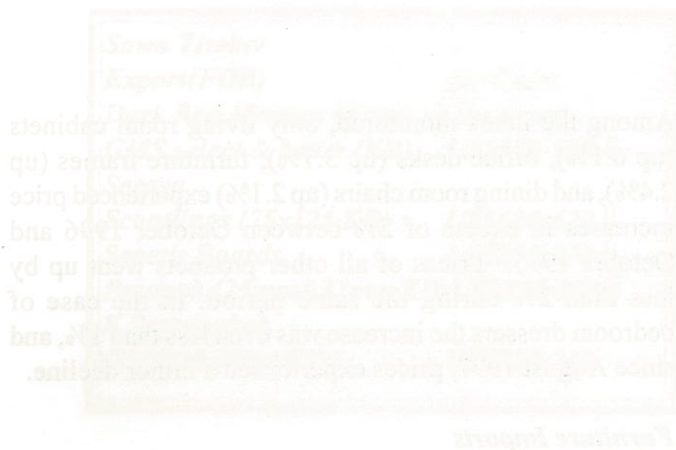
|                    | Jan-June<br>1997 | Jan-June<br>1996 | Percent<br>Change |
|--------------------|------------------|------------------|-------------------|
| US\$ millions      |                  |                  |                   |
| Canada             | 702              | 578              | +21               |
| China              | 619              | 418              | +48               |
| Taiwan P.o.C       | 398              | 452              | -12               |
| Italy              | 350              | 317              | +11               |
| Mexico             | 292              | 227              | +29               |
| Malaysia           | 191              | 176              | +9                |
| Indonesia          | 125              | 108              | +16               |
| <b>World Total</b> | <b>3337</b>      | <b>2858</b>      | <b>+17</b>        |

source: Csil Italy

Growth of furniture imports by the US has been robust for the past several years. The American Furniture Manufacturers Association is forecasting good prospects for the US furniture market in 1998 with consumer spending expected to grow by 2% in real terms.

Export led recover of Asian economies is expected to bring more competitively priced imported furniture into the US market.





The following table illustrates the trends in furniture imports to the US in the first half of 1997.

| Country     | Jan-June 1997 | Jan-June 1996 | Change |
|-------------|---------------|---------------|--------|
| Indonesia   | 1,100         | 1,000         | +10%   |
| Philippines | 1,000         | 900           | +11%   |
| Malaysia    | 800           | 700           | +14%   |
| Thailand    | 700           | 600           | +17%   |
| Vietnam     | 600           | 500           | +20%   |
| Myanmar     | 500           | 400           | +25%   |
| Laos        | 400           | 300           | +33%   |
| Cambodia    | 300           | 200           | +50%   |
| Burma       | 200           | 100           | +100%  |
| Other       | 1,000         | 1,000         | 0%     |
| Total       | 6,000         | 5,000         | +20%   |

Export led recovery of Asian economies is expected to bring more competitively priced imported furniture into the US market.

South American Mahogany is expected to remain in demand. This is all the more remarkable in light of the fact that the proposal to list the species under Appendix II of CITES was defeated. The relatively poor quality of mahogany on the market and the number of mahogany substitutes now being offered by tropical hardwoods are moderating price increases. If, instead, the price index for Mahogany (Philippine Mahogany) advanced by only 2.7% between October 1996 and October 1997, the price recorded in the past year would be just slightly over half the price recorded in the Mahogany. 571350



Particleboard and Medium Density Fiberboard (MDF) provide the familiar exception to the general price trend. Both products have witnessed price declines in the US since October 1996. The reason for this is the continued over-supply of these engineered boards. The use of MDF has grown substantially in the US since 1996 or earlier 1996-1997 101-101350

Finished and semi-finished wood products are also moving up in price, induced by the healthy economy and strong demand. Most items are priced at record levels. However, as mentioned earlier, prices of high value-added products advanced to a much lesser extent than prices of low-value added products (logs and rough lumber). It is therefore concluded that the secondary wood working industry finds itself in the unenviable position of rapidly rising raw-material prices, which can be passed on only partially to the consumers of the final products.



### World Value of the US Dollar 5th December 1997

|                          |             |         |                     |             |         |
|--------------------------|-------------|---------|---------------------|-------------|---------|
| Australia                | Dollar      | 1.4889  | Indonesia           | Rupiah      | 4025    |
| Austria                  | Schilling   | 12.4775 | Ireland             | Punt        | 0.6826  |
| Belgium                  | Franc       | 36.58   | Italy               | Lira        | 1737.25 |
| Bolivia                  | Boliviano   | 5.34    | Japan               | Yen         | 129.55  |
| Brazil                   | Real        | 1.1104  | Korea, Rep. of      | Won         | 1230.5  |
| Cambodia                 | Riel        | 3000    | Liberia             | Dollar      | 1       |
| Cameroon                 | C.F.A.Franc | 593.45  | Malaysia            | Ringgit     | 3.7153  |
| Canada                   | Dollar      | 1.4219  | Myanmar             | Kyat        | 6.4096  |
| Central African Republic | C.F.A.Franc | 593.45  | Nepal               | Rupee       | 56.95   |
| China                    | Yuan        | 8.28    | Netherlands         | Guilder     | 1.79    |
| Colombia                 | Peso        | 1300.55 | New Zealand         | NZ Dollar   | 1.6624  |
| Congo D.R.               | New Zaire   | 115000  | Norway              | Krone       | 7.1865  |
| Congo, People's Rep.     | C.F.A.Franc | 593.45  | Panama              | Balboa      | 1       |
| Cote d'Ivoire            | C.F.A.Franc | 593.45  | Papua New Guinea    | Kina        | 1.6736  |
| Denmark                  | Krone       | 6.7489  | Peru                | New Sol     | 2.7165  |
| Ecuador                  | Sucre       | 4325    | Philippines         | Peso        | 35.25   |
| Egypt                    | Pound       | 3.4043  | Portugal            | Escudo      | 181.13  |
| Fiji                     | Dollar      | 1.5257  | Russian Fed.        | Ruble       | 5925.5  |
| Finland                  | Markka      | 5.3587  | Spain               | Peseta      | 149.77  |
| France                   | Franc       | 5.9345  | Sweden              | Krona       | 7.7892  |
| Gabon                    | C.F.A.Franc | 593.45  | Switzerland         | Franc       | 1.432   |
| Germany                  | Mark        | 1.7726  | Thailand            | Baht        | 40.3    |
| Ghana                    | Cedi        | 2241.5  | Togo, Rep.          | C.F.A.Franc | 593.45  |
| Greece                   | Drachma     | 278.26  | Trinidad and Tobago | Dollar      | 6.2     |
| Guyana                   | Dollar      | 142.8   | United Kingdom      | Pound       | 0.6015  |
| Honduras, Rep.           | Lempira     | 13.385  | Venezuela           | Bolivar     | 501.805 |
| India                    | Rupee       | 38.885  | EU                  | Ecu         | 1.112   |

### 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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