



INTERNATIONAL TROPICAL

TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producers Report

Log Prices

International Prices

Log Prices, Gabon

<i>Okoume, FOB</i>	<i>F.CFA per Cu.m</i>
<i>Grade</i>	
<i>LM</i>	<i>146,000</i>
<i>QS</i>	<i>129,500</i>
<i>CI</i>	<i>99,000</i>
<i>CE</i>	<i>83,500</i>
<i>CS</i>	<i>67,000</i>
<i>Ozigo, FOB</i>	<i>F.CFA per Cu.m</i>
<i>Grade</i>	
<i>LM</i>	<i>103,000</i>
<i>QS</i>	<i>90,000</i>
<i>CI</i>	<i>70,000</i>
<i>CE</i>	<i>59,500</i>

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

Malaysia

<i>Sarawak Log Export Prices</i>	
<i>(FOB)</i>	<i>per Cu.m</i>
<i>Meranti SQ up</i>	<i>US\$205-210</i>
<i>small</i>	<i>US\$175-180</i>
<i>super small</i>	<i>US\$145-150</i>
<i>Keruing SQ up</i>	<i>US\$210-220</i>
<i>small</i>	<i>US\$180-190</i>
<i>super small</i>	<i>US\$150-160</i>
<i>Kapur SQ up</i>	<i>US\$215-220</i>
<i>Selangau Batu SQ up</i>	<i>US\$210-215 ↓</i>

Cameroon Log Prices

<i>FOB</i>	<i>Per Cu.m</i>
<i>N'Gollon 70cm+LM-C</i>	<i>FFR1450</i>
<i>Ayous 80cm+LM-C</i>	<i>FFR1250</i>
<i>Sapele 80cm+LM-C</i>	<i>FFR1600</i>
<i>Iroko 70cm+LM-C</i>	<i>FFR1600</i>

South Sea Logs

<i>FOB</i>	<i>per Cu.m</i>
<i>Pometia</i>	<i>US\$145-155</i>
<i>Calophyllum</i>	<i>US\$135-140</i>
<i>Terminalia</i>	<i>US\$115-120</i>
<i>Other mixed species</i>	<i>US\$100-110</i>

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Domestic Log Prices

Report From Brazil

The rain season is continuing in the Amazon and log supplies are low at present. In the south there has been heavy rains and inventories are low.

Logs at mill yard	per Cu.m
Mahogany Ist Grade	US\$390
Ipe	US\$82
Jatoba	US\$60 ↓
Guaruba	US\$43 ↑
Mescla(white virola)	US\$46 ↑

Ghana

Indian buyers are active in the market for Teak logs but Ghana has a ban on exports. Orders are reportedly being accepted in the Ivory Coast for 15,000 Cu.m lots at US\$ 220 - 250 per Cu.m FOB, logs at 17cm and up diameter.

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

Report from Indonesia

Domestic log prices Per Cu.m	
Plywood logs	
Face Logs	US\$150-160
Core logs	US\$ 125-135 ↑
Sawlogs	US\$125-135 ↓
Falkata logs	US\$55-60
Rubberwood	US\$38-40
Pine	US\$65-68
Teak	US\$1050-1250
Mahoni	US\$220-235 ↓

Report from Malaysia

Logs		
Domestic (SQ ex-log yard)	Per Cu.m	
Meranti Bukit (SQ)	US\$260-270	↓
Kembang Semangkok	US\$215-225	↑
Merbau	US\$200-210	↑
Peeler Core logs	US\$130-145	
Rubberwood	US\$35-37	
Kempas	US\$145-155	↓
Keruing	US\$220-230	

Sawnwood Prices

International Prices

Brazil

The European market is steady at present, but demand in the US and Caribbean markets for Brazilian wood products is strong at the moment. However producers have not been able to lift prices and there are no significant price changes.

Export Sawnwood	per Cu.m
Mahogany KD FAS	FOB
UK market	US\$1030
Jatoba Green	US\$440-490
Curupixa (Europe)	US\$520
Asian Market	
Guaruba	US\$285
Angelim pedra	US\$270
Mandioqueira	US\$245
Pine (AD)	US\$150 ↑

Ghana

The application of the export levy on all contracts is causing some exporters to refuse to ship against contracts negotiated prior to the levy. The trade is saying that the levy on air dry lumber cannot be absorbed without substantial losses and proposals have been made that, contracts negotiated prior to the levy introduction, should be exempt.

Rough Sawn Prices FOB	
	Per Cu.m
Mixed Redwoods	US\$330
low grade Odum (Iroko)	US\$400

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

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\$705-710
<i>Seraya</i>	
<i>Scantlings (75x125 KD)</i>	US\$740-750
<i>Sepetir Boards</i>	US\$300-315 ↓
<i>Perupok (25mm&37mm KD)</i>	US\$920-940
<i>K.Semangkok</i>	
<i>(25mm&37mmKD)</i>	US\$710-720

Taiwan Province of China

<i>Rubberwood</i>	<i>per Cu.m</i>
<i>25mm boards</i>	US\$430-450 ↓
<i>50-75mm squares</i>	US\$480-490
<i>75-100mm squares</i>	US\$510-520

<i>Sepetir</i>	<i>per Cu.m</i>
<i>GMS (AD)</i>	US\$385-395 ↓
<i>Ramin less than 2 ft.</i>	US\$500-515 ↓
<i>greater than 2 ft.</i>	US\$600-615
<i>Oak 25mm boards</i>	US\$670-700
<i>Maple</i>	US\$950-985 ↑
<i>Cherry</i>	US\$1150-1200

Domestic Sawnwood Prices

Report from Brazil

In spite of positive economic forecasts and a projected 4-5% economic growth for 1997, the domestic market for timber products has not yet improved as expected, in fact it slowed during the last 3-4 weeks. Some improvements were seen in the domestic market over the last week, however.

In spite of the dull market, inventories at the mills are low. The rain season in the north and prolonged constant rain in the south, has reduced log production, and some mills have run out of raw material. Significant improvement in log supply is only expected for next month.

Domestic prices have fell for a short period but are now basically the same as during February.

Housing Construction in Brazil

Housing construction is moving up, and this will contribute to an increase in the consumption of timber products in Brazil. Last year apartment construction starts in Sao Paulo increased by 57% over 1995 (see table below). Further increases are projected for 1997 as new facilities have been adopted to finance housing.

Apartment Construction Starts in Sao Paulo

Year	Number of Apartments
1990	16,666
1991	16,710
1992	15,129
1993	25,489
1994	29,891
1995	33,866
1996	52,884

Sawnwood (Green ex-mill)	
Northern Mills	per Cu.m
Mahogany	US\$830 ↓
Ipe	US\$412 ↑
Jatoba	US\$386 ↑
Eucalyptus	US\$165
Southern Mills	
Pine (KD) First Grade	US\$175 ↑

Red Meranti	per Cu.m
(22,25&30mm by 180+mm)	US\$320-330 ↓
Rubberwood	
(25mm & 50mm)	US\$280-295
50mm squares	US\$315-325
75mm+	US\$370-380
Mixed Hardwood Piling	
5-6 ins x 5-6 ins sections	US\$210-220

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

Plywood and Veneers

International Prices

Indonesian Plywood

Plywood for Europe is now at INDO'96 plus 10-11% which translates to around US\$484 per Cu.m for 18-22mm panels. Prices for film laminates have not risen and are currently around US\$510-520 per Cu.m. The Indonesian industry is reporting a tight plywood supply situation brought on by log availability and an improvement of local/regional demand as business gets back after the holidays.

European plywood prices have been rising as the importers try to protect themselves against rising replacement costs. Despite the recent price increases Asian plywood and N.American plywood is still very competitive and substitution will have little impact in the short term.

Report from Indonesia

Sawn timber

Domestic construction material

Kampar	
AD 6x12-15x400cm	US\$335-345
KD	US\$470-480
AD 3x20x400cm	US\$400-410
KD	US\$520-530
Keruing	
AD 6x12-15cmx400	US\$250-270
AD 2x20cmx400	US\$292-300
AD 3x30cmx400	US\$330-340

Plywood (export, FOB)	
MR,	per Cu.m
Grade BB/CC	
2.7mm	US\$490-495
3mm	US\$445-450
6mm and above	US\$370-380
WBP,	
Grade BB/CC	
12-18mm	US\$430-450

Malaysian Domestic Sawnwood Prices

Sawnwood	per Cu.m
Balau(25&50mm,100mm+)	US\$405-420 ↓
Kempas 50mm by (75,100&125mm)	US\$230-240 ↓

Ghana

Sliced Veneer FOB	
	per Sq.m
Asanfona Face	US\$1.20
Interior	US\$1.00
Backing	US\$0.65

Redwoods (Mahogany, Candollei, Edinam)	
	<i>per Sq.m</i>
Face	US\$1.15
Interior	US\$0.90
Backing	US\$0.55

Ready Spliced Veneer (layons)	
Thickness 6mm FOB	
	<i>per Cu.m</i>
Sapele	US\$1370
Anegre	US\$1062
Mahogany	US\$1149
Koto	US\$1153

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	
	<i>per Cu.m</i>
4mm	DM735
6mm	DM623
9mm	DM613
12mm	DM600
15mm	DM587
18mm	DM573

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

No price changes have been indicated. Some mills are reporting that they are preparing to re-enter the export market and two companies plan to increase capacity.

Brazilian Plywood and Veneer

Veneer	FOB	per Cu.m
White Virola Face		
2.5mm		US\$270-320 ↑
Pine Veneer (C/D)		US\$220 ↑
Mahogany Veneer		
0.7mm		US\$2.70 ↑

Brazilian plywood has been favored with a slightly lower import tax in the European Community. Brazilian products will attract 1.5% less than Malaysian and Indonesia panels however, in practice, this will have little effect as Brazilian plywood continues to be very uncompetitive. In an essentially weak market this change will have little impact.

Plywood FOB		per Cu.m
White Virola (US Market)		
5.2mm OV2 (MR)		US\$345 ↑
15mm BB/CC (MR)		US\$340 ↓
For Caribbean countries		
White Virola 4mm		US\$470
9mm		US\$370 ↓
Pine USA market		
9mm C/CC (WBP)		US\$270
15mm C/CC (WBP)		US\$250
Cedro (puerto Rico Market)		
4mm		US\$810

Brazilian International Congress and Fair

The 3rd Plywood and Tropical Timber International Congress and the 2nd Machinery and Timber Products Fair has been announced by ABIMCI and AIMEX.

The Congress and the Fair will be held in Belem, from 4 - 9 November of this year. Around 1000 participants and 5000 visitors from over 30 countries are expected to be in Belem.

Malaysian Plywood

The feasibility of establishing a plywood futures market is, once again, being explored. Currently a review is being undertaken by United Nations Conference on Trade and Development (UNCTAD) under sponsorship of the Malaysian industry and the Kuala Lumpur Commodity Exchange. A representative of UNCTAD was recently in Malaysia and Indonesia, as well as Japan and China, in order to prepare a preliminary report.

MR Grade BB/CC FOB	
	<i>Per Cu.m</i>
2.7mm	US\$495-510 ↑
3mm	US\$450-460 ↓
9-12mm	US\$370-380
18mm plus	US\$345-350
WBP Grade BB/CC	
9-18mm	US\$410-430
Phenolic Overlaid	
12-18mm	US\$495-510 ↓
Domestic plywood	
9-18mm	US\$475-500

Gabon

Okume Plywood (250x122cm)	<i>F.CFA Per pc</i>	
	<i>Untaxed</i>	<i>Taxed</i>
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

Furniture Parts and Components

Taiwan Province of China, Imports

<i>Imports C&F</i>	<i>per pc</i>
Rubberwood Chair seats	US\$3.00-3.10
Rubberwood unfinished Queen Anne Chairs (excluding soft seat)	US\$12.5-14.00ea ↓
Queen Anne Legs	
2 1/4 ins square x 18 ins	US\$1.00-1.10ea
2 3/4 ins square x 28 ins	US\$2.10-2.25ea ↑

Taiwan Province of China

<i>Plywood</i>	<i>per Cu.m</i>
2.7mm x 4' x 8'	US\$620-635
9.0mm x 4' x 8'	US\$495-510
12-18mm 4' x 8'	US\$460-490

Domestic Plywood Prices

Brazil

Rotary Cut Veneer (ex-mill Northern Mill)	
	<i>per Cu.m</i>
White Virola Face	US\$165
White Virola Core	US\$120 ↑
Plywood (ex-mill Southern Mill)	
<i>Grade MR</i>	<i>Per Cu.m</i>
4mm White Virola	US\$670
15mm White Virola	US\$495
4mm Mahogany 1 face	US\$1,410

Other Panel Product Prices

Brazil

Demand for reconstituted panels is continuing at high levels and imports are needed to cover present domestic demand.

Export Prices	
	<i>per Cu.m</i>
Blockboard 18mm White Virola Faced B/C	US\$305

Indonesia

Domestic MR plywood (Jarkarta)	
	<i>per Cu.m</i>
9mm	US\$455-460
12mm	US\$415-430
15mm	US\$405-420
18mm	US\$375-400

Domestic Prices Ex-mill Southern Region	
	<i>per Cu.m</i>
Blockboard	
15mm White Virola Faced	US\$510
15mm Mahogany Faced	US\$860
Particleboard	
15mm	US\$320

Indonesia

<i>Other Panels</i>	<i>Per Cu.m</i>
<i>Export Particleboard FOB</i>	
9-18mm	US\$140-145
<i>Domestic Particleboard</i>	
9mm	US\$245 ↓
12mm	US\$230 ↓
15mm	US\$210 ↓
18mm	US\$200
<i>MDF Export (FOB)</i>	
12-18mm	US\$205-215
MDF Domestic 15-18mm	US\$300-310

Taiwan Province of China, Imports

<i>MDF</i>	<i>per Cu.m</i>
<i>Domestic Prices</i>	
3mm thick	US\$410-425 ↑
4.75mm	US\$390-400
18mm x 4' x 8'	US\$270-290

<i>Particleboard</i>	<i>per Cu.m</i>
12-18mm (4x8)	US\$200-205

Malaysia

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

<i>MDF (FOB)</i>	<i>per Cu.m</i>
Less than 5mm	US\$235-245
Gretaeer than 6mm	US\$210-220
<i>Domestic Sales</i>	
	<i>per Cu.m</i>
6-21mm	US\$240-245

Prices of Added Value Products

Indonesia

<i>Mouldings</i>	<i>per Cu.m</i>
<i>Ramin skirting</i>	
(for the Italian market)	US\$885-895 ↑
<i>Crown using Pulai or Jelutong</i>	
(for Japanese market)	US\$800-810
<i>Laminated Scantlings</i>	US\$640-660 ↓
<i>Laminated Boards</i>	
<i>Falkata wood</i>	US\$390-410
<i>Laminated Boards</i>	
<i>Pine</i>	US\$850-880
<i>Red Meranti Mouldings</i>	
11x68/92mm x 7ft up	
Grade A	US\$820-835
Grade B	US\$620-635

Malaysia

<i>Mouldings (FOB)</i>	<i>per Cu.m</i>
<i>Selagan Batu Decking</i>	US\$570-580 ↓
<i>Kembang Semangkok</i>	
S4S to Japan	US\$1100-1200 ↑
<i>Laminated Scantlings</i>	
72mmx86mm	US\$685-690 ↑

Rubberwood

<i>Shaped chair seats</i>	
(18-22mm 16"-18" squares)	
US\$2.95-3.20per pc	
<i>Finger jointed</i>	<i>per Cu.m</i>
<i>laminated boards</i>	US\$815-820 ↓
<i>top grade</i>	US\$870-880 ↓

<i>Doors (FOB)</i>	
<i>Meranti (red) panel doors</i>	
Grade A	US\$51-53per pc ↓
Grade B	US\$46-47per pc ↓
Grade C	US\$42-45per pc

Furniture

Dining suite		
Solid rubberwood laminated top 3' x 5'		
with extension leaf	US\$58-60ea	↓
Same with		
Oak veneered MDF	US\$72-75ea	↓
Windsor Chair	US\$11.50-13.00ea	
Colonial Chair	US\$14.50-15.50ea	↑
Napolean Chair	US\$23-26ea	↓
Queen Anne Chair (with soft seat)		
without arm	US\$22-25ea	↓
with arm	US\$26-30ea	↑

Brazil

ABIMOVEL the Brazilian Association of the Furniture Industry is projecting a minimum 20% increase in furniture and furniture component exports for this year. Total exports for 1997 are expected to reach around US\$600 million. For the year 2000 ABIMOVEL is projecting around US\$1000 million exports in added value products. In recent years exports of Brazilian furniture to Argentina have increased and are now running at around US\$35-40 million or about 35% of Argentina's imports.

Edge Glued Pine Panel	per Cu.m
for Korea 2nd Grade	US\$510
1st Grade	US\$770
US Market	US\$550

Taiwan Province of China

Rubberwood Chair Seats	US\$3.00-3.10	↓
Rubberwood Unfinished		
Queen Anne Chairs	US\$12.5-14.0ea	
Queen Anne Legs		
2.25 ins square 18 ins Long	US\$1.00-1.10ea	↓
2.75 ins Square 28 ins Long	US\$2.10-2.25	

Furniture	
Dining suite (FOB)	
Oak Veneered MDF tables and chairs (6 per set)	US\$215-225per set ↓

Consumers Report

Report From Japan

The Tokyo Branch of the South-Sea Lumber Association recently met to discuss the rejection, by suppliers, of a Japanese claim for a reduction in FOB prices because of the weakened Yen.

Currently log prices are up, Sarawak logs for plywood manufacture Yen 8,100 - 8,800, up Yen 400 per koku, PNG/Solomon logs for plywood manufacture Yen 7,200 - 7,700 that is up Yen 300 per koku.

Final compiled statistics show that for 1996 plywood imports were at 5,314,000 Cu.m up almost 21% on 1995. Malaysian plywood increased by 55%. At present exports from Malaysia are aid to be down because shippers will not accept the request for lowered prices.

Delivered Prices

Asian Log, Lumber and Panel Prices

Logs For Plywood Manufacturing		
	CIF Price Yen per Koku	
Meranti (Hill, Sarawak)		
Medium Mixed	8,300	↑
Meranti (Hill, Sarawak)		
STD Mixed	8,500	↑
Meranti (Hill, Sarawak)		
Small Lot		
(SM60%, SSM40%)	8,000	↑
Taun, Calophyllum (PNG)		
and others	7,100	
Mix Light Hardwood		
(PNG G3-G5 grade)	6,000	
Okume (Gabonese)	8,200	
Keruing (Sarawak)		
Medium MQ & up	8,500	
Kapur (Sarawak) Medium		
MQ & up	8,400	

Logs For Sawmilling	
FOB Price Yen per Koku	
Melapi (Sarawak)	
Select	11,500
Agathis (Sabah)	
Select	9,800

Lumber	FOB Price Yen per Cu.m
<i>White Seraya (Sabah)</i>	
24x150mm, 4m 1st grade	130,000
<i>Mixed Seraya 24x48mm,</i>	
1.8 - 4m, S2S	54,000
<i>Red Oak 5/4x6 ins and wider</i>	
FAS (US East Coast)	125,000

Plywood

Plywood	Mill Gate Price Tokyo Area Yen per sheet
<i>Concrete Formboard</i>	
<i>Domestic Production from S.E Asian Logs</i>	
11.5x900x1800mm Type 1	1,280
<i>Thin</i>	
2.3x910x1820mm Type 2	340
<i>Medium</i>	
4.0x910x1820mm Type 2	530
5.5x910x1820mm Type 2	660

Tokyo Market Price Per Sheet

<i>Plywood</i>	
2.4x91x1820mm	Yen350
3.6x91x1820mm	Yen500
5.2x91x1820mm	Yen640
<i>Plywood for flooring</i>	
11.5x94.5x1840mm	Yen1710
<i>Plywood for Printing</i>	
3.6x123x2440mm	Yen860

Other News from Japan

ITOCHU Corporation is to build a Particleboard plant in Thailand as a joint venture with, amongst others, Ruang Utai, a major sawmiller. Production start-up is scheduled for mid 1998 and the production capacity is reported to be 7,000 Cu.m per month. The plant will use Rubberwood and the total investment is said to be about Yen 1.2 billion.

Report From China

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

	Per Cu.m
<i>Keruing Log</i>	
Length: 6-20m	1880-2400
<i>Mengarlis Log</i>	
Length 6m+	1800-1900
<i>Malaysian Lauan Log</i>	
Mixed	2500-2600
<i>Malaysian Lauan with hollow heart</i>	
Mixed	1200-1400

<i>Lauan lumber</i>	
Thickness: 5-6cm	
Length: 3-4m	2850-3450
<i>Lauan tongued, grooved flooring strip</i>	
18mmx50-70mmx3m	110-125
<i>Malas tongued, grooved flooring strip</i>	
18x70mm x2.2-4.1m	110-125
<i>Balian Flooring Top Grade Myanmar</i>	
18x50-70x2400mm	300-350
<i>Plywood from Indonesia</i>	
3mm 1220x2240	41 per sheet

From Europe, An Update on UK

Some consumer confidence seems now to be translating into more high street furniture sales, the recent improvement in the property market is also adding to an improvement in sentiment. These changes have provided the opportunity for some price improvement.

European analysts are now forecasting a growth in the UK construction industry of 2% during 1997. It is forecast that residential housing starts will improve, while public building projects are likely to continue to decline.

The following data from EUROCONSTRUCT shows that, while a European wide improvement in building activity of about 1% could be expected, there are big differences in building activity projections between countries in Western Europe.

Building Activity in Western Europe

Percent Change

	1993	1994	1995	1996	1997
Germany	0.9	7.7	1.2	-3.6	-0.8
Belgium	0.5	1.4	1.3	1.8	2.3
Denmark	-5.3	2.4	7.1	4.5	4.0
Finland	-14.0	-3.0	2.0	3.0	7.0
France	-6.0	-0.2	0.1	-3.0	0.3
UK	-1.8	3.4	-0.6	0.4	1.8
Ireland	-6.4	11.8	13.7	11.6	5.0
Italy	-5.6	-2.8	1.1	2.6	1.3
Netherlands	-2.3	1.3	0.9	2.4	2.7
Norway	-2.8	11.5	11.2	3.4	3.3
Austria	2.9	4.7	-0.7	-1	-0.5
Portugal	0.5	1.0	6.0	4.5	6.0
Sweden	-9.5	-3.4	2.3	2.4	1.1
Switzerland	-2.0	5.2	-4.3	-4.5	-3.2
Spain	-7.5	1.2	5.0	1.0	3.0

1996 estim. 1997 forecast Source EUROCONSTRUCT

Building Activity in Western Europe by Type

Percent Change

	1993	1994	1995	1996	1997
Residential Property	0.5	9.4	2.6	-2.5	-0.8
New Commercial Buildings	-10.5	-3.2	1.9	0.6	1.3
New Public Buildings	-1.6	0.1	-1.9	-3.8	-1.6
Public Engineering Work	-3.7	1.2	-0.2	-2.4	1.0
Renovation	-1.1	2.9	1.6	1.5	2.0
Building Activity Total	-3.1	2.8	1.3	-0.8	0.9

1996 estim. 1997 forecast Source EUROCONSTRUCT

UK Company News

Phildrew Ventures of the UK has acquired a majority stake in GWS, which specialises in modular shelving and shopfitting systems. Phildrew Ventures, which specialises in management buy-outs, paid £18.5 million for its stake. GWS has a turnover of £24 million a year.

Upmarket contract cabinet furniture manufacturer C&C Designs is to expand. A Sterling 500,000 investment will enable the company to increase the size of its factory in Fakenham to 35,000 sq ft and to raise production staff levels from 50 to about 75. In the past two years C&C has seen rapid expansion with turnover topping Sterling 1.3 million in 1995.

Prices in UK

Wooden Windows
<i>Upper Price Hardwood 120x135cm</i>
Sterling, 304.00 ↑
<i>Medium Price Hardwood 120x135cm</i>
Sterling 224.50 ↑
<i>Lower Price Softwood 120x135cm</i>
Sterling 108 ↑
Solid Wooden Doors
<i>Upper Price Meranti</i>
76.2x198.1x3.5cm Sterling 248.50 ↑
<i>Medium Price Sapele</i>
76.2x198.1x3.5cm Sterling 146.90 ↑
<i>Lower Price Veneered</i>
76.2x198.1x3.5cm Sterling 40.75 ↑

Kitchen Chair
<i>Upper Price Solid Oak</i> Sterling 323.00
Dining Chair
<i>Upper Price African Mahogany</i>
Sterling 328.00
<i>Medium Price African Mahogany</i>
Sterling 208.00

Dining Table
<i>Upper Price African Mahogany</i>
80x160cm Sterling 1019.00
<i>Medium Price African Mahogany</i>
80x160cm Sterling 884.00
<i>Lower Price African Mahogany</i>
80x160cm Sterling 693.00

Furniture and Components

Wardrobe Door
<i>Lower Price 50x180cm</i>
Sterling 53.70 ↑
<i>Kitchen Cabinet Door 71.5x49.5cm</i>
<i>Medium Price Oak</i>
Sterling 19.90 ↑

Drawer Front

<i>Upper Price</i>
<i>Melamine Faced Particleboard</i>
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

Axcel Industri Investor, the Danish investment company, has recently acquired P Vestergaards Moebelfabrik, a manufacturer of chipboard based furniture with a turnover of Dkr 150 million. P Vestergaards will become a subsidiary of Tvilum Gruppen, the largest D-I-Y furniture producer in Europe (with a turnover of Dkr 650 million), which had been acquired by Axcel last year. With its recent acquisitions the investment company is forming the largest furniture group in Denmark.

The French group Valois Habitat expects to achieve sales of Ffr 850-900 million in 1997 with its five subsidiaries and is investing Ffr 160 million to modernize their production facilities. The investment plans include a Ffr 15 million investment for Eguisier, the group's subsidiary which produces infants furniture (with a turnover of Ffr55 million).

In 1996 Alno (Pfullendorf), German kitchen manufacturer, reported a DM3.8 million loss in the parent company. The group made a profit of DM7.1 million and turnover increased by 4% to DM909 million.

UPM-Kymmene, major Finnish forest company, is to sell of its 44% stake in Lenraumamebel, Russian furniture factory located in St. Petersburg. The stake should be sold to Russian partners in the turn of few months. UPM-Kymmene is not planning to invest in Russia at this stage.

In 1995 furniture sales in Spain were led by living and dining rooms (20.4%), followed by kitchens (15.2%), bedrooms (15%) and upholstered furniture (10.2%). In the same year Spanish furniture exports totaled Pta 124,854 million, while imports were worth Pta 58,180 million.

A specialized store for Italian upholstered furniture by Natuzzi has been opened in St. Petersburg by Okania. Natuzzi products are in demand in Russia, due to a wide range of products and prices.

US Industry Report

US prices

Rough Sawn Hardwood Lumber
Appalachian Red Oak
 kiln dried, FAS
 US\$1,537 per MBF

Dressed Hardwood Lumber
North American Species
Appalachian Oak
 planed 2 sides US\$1,560 per MBF

Hardwood Dimension Stock
Appalachian Red Oak Strips
 random length, clear 1 face and 2 edges
 6" to 16'10% 4'-5' US\$1,490 per MBF

Lumber, Genuine Mahogany
Bolivia, Brazil, Honduras
Select or Better 1 ins Stock
Dock side US West Coast
 Kiln Dry US\$2620 per MBF
 Air Dry/Green US\$2475 per MBF

Lumber, Philippine Mahogany / Meranti
Kiln Dried, kiln dried
Dock side US West Coast
 LR Meranti US\$2035 per MBF
 DR Meranti US\$2220 per MBF

Plywood and Veneer

Hardwood Plywood
Red Oak plywood, 5-ply, lumber core
cross bands of poplar or gum
Both exterior layers of Red Oak
Furniture grade, rotary cut 4' x 8' 0.75" thick
 US\$50.20 per Sheet

Veneer Red Oak, 1/45", flat stock,
Container loads/truck-loads
 US cents 9.0 - 14.0 per sq.ft.

Reconstituted Boards

Particleboard
 Industrial grade board, 4' x 8' x 3/4"
 South Central Region
 US\$275 per 1000 sq.ft

Medium Density Fibreboard
 Industrial grade board, 4' x 8' x 3/4"
 US\$375 per 1000 sq.ft

Millwork

Wood Window Units
 Wood sliding window Double glassed,
 Upper/lower sash can be tilted
 .32" x 54" US\$81.50ea

Wood Doors
 Interior door solid wood Raised colonial panels
 without frame and hinges.
 2'8" x 6'8" x 1.75" US\$59.50ea

Wood Mouldings
 White Pine moulding, 3.625" wide,
 1" stock, finger jointed length approx. 16'
 US\$0.32 per linear foot

Wood Frames for Upholstered Chairs
 Frame for lounge chair, 1" stock
 nailed corner blocks
 US\$44.50ea

Wooden Furniture

Dining Room Table
 18th century, French oval dining room table
 extendible, with casters
 Mahogany veneer on particleboard 64" x 44"
 two 15" leaves, extends to 94", Ht.
 30" Apron to floor 26.5"
 US\$607.00

Dining Room Chair
 18th century French Mallard chair Solid Maple
 21" x 22", Ht. 44.5" Seat 21" x 17.75, Ht. 18"
 US\$188.00

Bookcase for the Living Room
 18th century traditional styled bookcase
 Sheraton accents.
 Base 2 doors one adjustable shelf behind doors
 Top cabinet deck 3 adjustable wood shelves.
 Maple solids and select cherry veneer
 Hand-rubbed cherry finish.
 50.25" x 16.5", Ht.88.5"
 US\$795.00

Headboard for Bed
 18th century French Fairhope headboard
 Mahogany veneer on particleboard.
 Width 43", Ht.60.6"
 US\$269.00

Dresser used in the Bedroom
 18th century French Elm Bluff 9 drawers.
 Mahogany veneer on particleboard.
 64" x 19", Ht.36"
 US\$475.00

Desks for use in the Office
 Conference desk 5 drawers
 Mahogany veneer on particleboard.
 72" x 36", Ht.29"
 US\$895.00

Trends in the US Furniture Market

(Part 2)

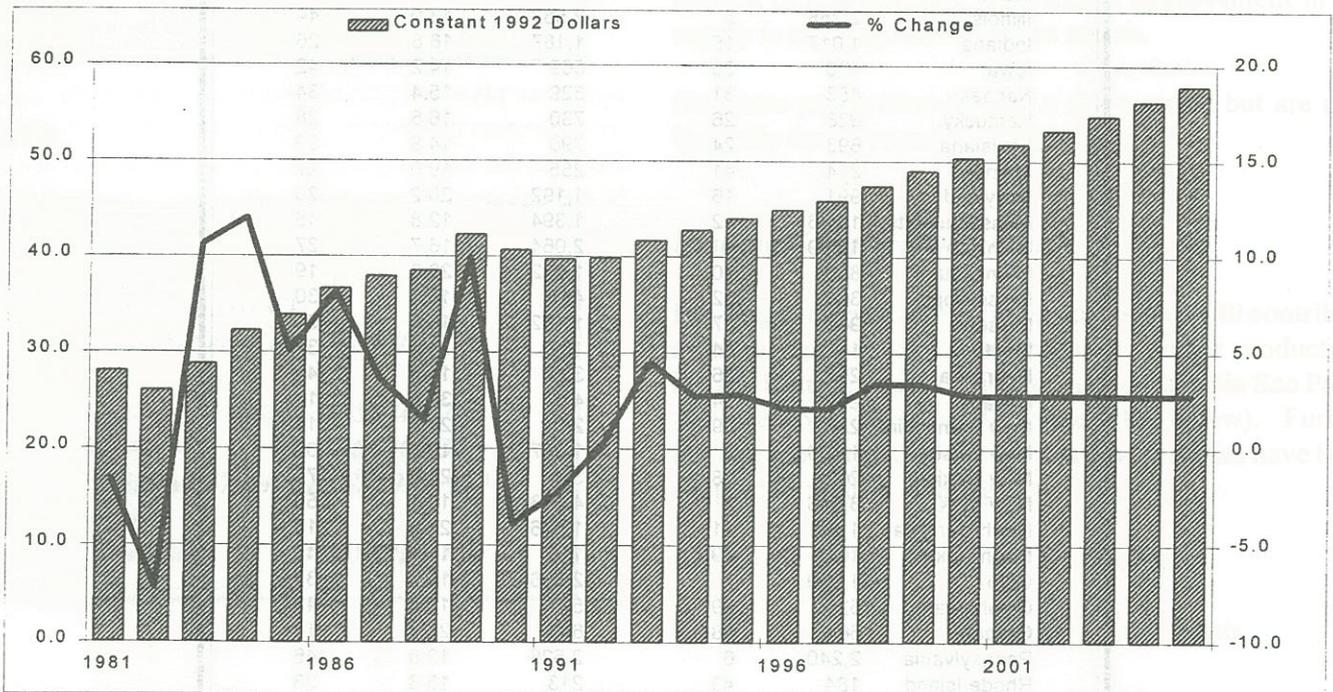
Growth Rates in the US Furniture Market

As a result of a combination of factors, including a faster population growth among those over 40 years of age and almost no growth among those under 40, plus stabilised rates of marriage and divorce across the age spectrum, it is expected that the number of households in the United States will grow by 9.5 % over the next decade. This represents a pace slightly faster than the forecast 8.9 % population growth. Analysts expect real disposable income per household to increase by a projected 14 - 14.5 % (or at a pace of about 1.3 % per year). Thus total real disposable income will grow by around 25.0 % between 1995 and 2005.

On the basis of the above assumptions, it is anticipated that real household furniture spending will grow by just over 19 % over the same period, or at a pace that will reduce it from accounting for just under 0.796 % of after tax real household income as of 1995 to one approaching 0.759 % in 2005. Over that period, then, it is forecast that sales will grow from an estimated US\$47.7 billion in 1995 to a projected US\$56.8 billion in 2005 (in constant 1992 dollars).

The figure below shows the likely path for furniture expenditures, in real terms, over the period 1995 - 2005, against the backdrop of trends over the last decade and a half.

United States Consumer Spending on Household Furniture 1981-1996 with Forecast to 2005
(billion US\$ Left Scale, Percent Change Year on Year Right Scale)



Following a real gain in expenditure of 2.3 % in 1996 it is anticipated that gains of 2.1 % in 1997 and of 3.4 % in each of 1998 and 1999 will be seen. Through the remainder of the forecast period it is projected that real growth in expenditure on furniture of about 2.8 % per year, reflecting the underlying, longer-term, pace set by household growth and growth in real incomes per household.

Market Forecast by State

The table below shows how the US household furniture market is likely to develop on a state by state basis over the next decade. This table reveals that the highest growth rates in household furniture spending will occur in Nevada (up a projected 38%), Utah (35%), Arizona (34%), and Florida (32%), all reflecting stronger than average household growth and household income growth; these states are all expected to attract the US migratory population. The lowest growth rates in household furniture spending are projected for the District of Columbia (1%), New York (10%), North Dakota (11%), and West Virginia (11%). These low rates reflect the effects of federal cutbacks and/or net outward migration.

Consumer Spending on Household Furniture by State, 1995 and for 2005
(millions of constant 1992 dollars)

	1995 US\$ Millions	Rank	2005 US\$ Millions	Percent Change	Rank
Alabama	692	25	816	18.0	23
Alaska	111	48	145	30.6	5
Arizona	716	22	962	34.3	3
Arkansas	389	33	464	19.4	21
California	5,739	1	6,995	21.9	14
Colorado	706	23	895	26.7	6
Connecticut	719	21	808	12.4	47
Delaware	136	45	160	17.7	24
Dist. Columbia	132	46	133	1.1	51
Florida	2,639	4	3,473	31.6	4
Georgia	1,249	10	1,540	23.3	12
Hawaii	217	40	253	16.6	29
Idaho	188	42	232	23.3	13
Illinois	2,258	5	2,552	13.0	44
Indiana	1,017	15	1,187	16.8	26
Iowa	498	30	569	14.2	42
Kansas	458	31	529	15.4	34
Kentucky	626	26	730	16.6	28
Louisiana	693	24	796	14.8	38
Maine	214	41	255	19.0	22
Maryland	991	16	1,192	20.2	20
Massachusetts	1,236	12	1,394	12.8	45
Michigan	1,769	8	2,064	16.7	27
Minnesota	850	20	1,022	20.3	19
Mississippi	399	32	465	16.6	30
Missouri	948	17	1,102	16.3	31
Montana	141	44	162	14.8	37
Nebraska	292	36	333	14.3	41
Nevada	299	34	412	37.8	1
New Hampshire	223	39	277	24.4	11
New Jersey	1,669	9	1,937	16.1	32
New Mexico	262	38	330	26.0	7
New York	3,646	2	4,013	10.1	50
North Carolina	1,241	11	1,546	24.6	10
North Dakota	104	49	116	11.1	49
Ohio	1,999	7	2,306	15.3	35
Oklahoma	526	29	597	13.4	43
Oregon	564	28	683	21.1	18
Pennsylvania	2,240	6	2,526	12.8	46
Rhode Island	184	43	213	15.8	33
South Carolina	590	27	736	24.6	9
South Dakota	120	47	138	14.3	40
Tennessee	902	19	1,096	21.5	16
Texas	3,155	3	3,953	25.3	8
Utah	290	37	390	34.6	2
Vermont	102	50	117	15.2	36
Virginia	1,231	13	1,493	21.3	17
Washington	1,023	14	1,246	21.9	15
West Virginia	293	35	327	11.4	48
Wisconsin	909	18	1,064	17.0	25
Wyoming	84	51	96	14.7	39

World Value of the US Dollar 7 March 1997

Cameroon	C.F.A.Franc	578.03	Australia	Dollar	1.2667
Central African Republic	C.F.A.Franc	578.03	Canada	Dollar	1.3648
Congo, People's Rep.	C.F.A.Franc	578.03	China	Yuan	8.2957
Cote d'Ivoire	C.F.A.Franc	578.03	Egypt	Pound	3.3938
Gabon	C.F.A.Franc	578.03	Austria	Schilling	12.0595
Ghana	Cedi	1867.5	Belgium	Franc	35.35
Liberia	Dollar	1	Denmark	Krone	6.5335
Togo, Rep.	C.F.A.Franc	578.03	Finland	Markka	5.111
Zaire, Rep.	New Zaire	143000	Germany	Mark	1.7315
Cambodia	Riel	2300	Greece	Drachma	269.19
Fiji	Dollar	1.4071	Ireland	Punt	1.554
India	Rupee	35.867	Italy	Lira	1698.65
Indonesia	Rupiah	2393.75	Netherlands	Guilder	1.9297
Malaysia	Ringgit	2.4827	Portugal	Escudo	171.97
Myanmar	Kyat	6.2797	Spain	Pesata	145.09
Papua New Guinea	Kina	1.3803	Sweden	Krona	7.6477
Philippines	Peso	26.3245	United Kingdom	Pound	1.6063
Thailand	Baht	25.925	Japan	Yen	121.25
Bolivia	Boliviano	5.22	Nepal	Rupee	56.95
Brazil	Real	1.0526	New Zealand	NZ Dollar	1.4183
Colombia	Peso	1059	Norway	Krone	6.921
Ecuador	Sucre	3715	Korea, Rep. of	Won	869.65
Guyana	Dollar	140.3	Switzerland	Franc	1.4776
Honduras, Rep.	Lempira	12.76	Russian Fed.	Ruble	5683
Panama	Balboa	1			
Peru	New Sol	2.623			
Trinidad and Tobago	Dollar	6.1952			
Venezuela	Bolivar	477.38			

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 Plywood	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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