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INTERNATIONAL TROPICAL TIMBER ORGANIZATION

Tropical Timber Market Information

Towards Greater Transparency in the Tropical Timber Markets

Producer's Report

Log Prices

International Prices

Log Prices, Gabon

Okoume, FOB	*F.CFA per Cu.m*
Grade	
LM	*146,000*
QS	*129,500*
CI	*99,000*
CE	*83,500*
CS	*67,000*

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

Logs	*F.CFA per Cu.m*
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

Sarawak produced about 16 million Cu.m of logs for the year 1996 with some 44% of the total production exported. The revenue from log exports amounted to about US$ 920 million.

Sarawak Log Export Prices (FOB)		*per Cu.m*
Meranti	*SQ up*	*US$200-210 ⇓*
	small	*US$170-180 ⇓*
	super small	*US$140-150 ⇓*
Keruing	*SQ up*	*US$225-230 ⇓*
	small	*US$185-190 ⇓*
	super small	*US$150-165 ⇑*
Kapur	*SQ up*	*US$220-235 ⇑*
Selangan Batu	*SQ up*	*US$225-235 ⇓*

Cameroon Log Prices

FOB		*Per Cu.m*
N'Gollon	*70cm+ LM-C*	*FFR1350 ⇓*
Ayous	*80cm+LM-C*	*FFR1250 ⇑*
Sapele	*80cm+LM-C*	*FFR1600 ⇑*
Iroko	*70cm+LM-C*	*FFR1700 ⇑*

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South Sea Logs

FOB	*per Cu.m*
Pometia	*US$145-155*
Calophyllum	*US$135-140*
Terminalia	*US$115-120*
Other mixed species	*US$100-110*

Domestic Log Prices

Report From Brazil

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

The early rains are affecting the build up of log stocks. Demand by millers for Asanfna (Anegre) has pushed the price to an all time high of US$210 per Cu.m

Logs		*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/Billi	*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$125-145 ⇑*

Falkata logs	*US$55-60*
Rubberwood	*US$38-40*
Pine	*US$65-70 ⇑*
Teak	*US$1050-1250*
Mahoni	*US$240-250 ⇑*

Report from Malaysia

Logs	
Domestic (SQ ex-log yard)	*Per Cu.m*
Meranti Bukit (SQ)	*US$275-285 ⇑*
Kembang Semangkok	*US$230-245 ⇑*
Merbau	*US$205-210 ⇑*
Peeler Core logs	*US$140-150 ⇑*
Rubberwood	*US$35-37*
Kempas	*US$150-155 ⇑*
Keruing	*US$225-235 ⇑*

Sawnwood Prices

International Prices

Brazil

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 export levy issue is still under discussion. The movement in price for Odum has steadied. Redwood species, mainly for Saudi Arabia, are at US$350 for No1 common or better.

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

Mahogany	*per Cu.m*
FAS 100mm plus 1.8m plus	*US$480*
FAS 150mm plus 2.4m plus	*US$520*
Odum FAS 100mm	*US$700*
Wawa FAS 1.8m plus	*US$400*
Anegre	
FAS 150mm plus 2.4m plus	*US$640*

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

Malaysia

Sawn Timber	
Export(FOB)	*per Cu.m*
Dark Red Meranti (2.5ins x 6ins & up)	
GMS select & better (KD)	*US$710-720* ⇑
Seraya	
Scantlings (75x125 KD)	*US$750-765* ⇑
Sepetir Boards	*US$355-365* ⇑
Perupok (25mm&37mm KD)	*US$950-980*
K.Semangkok	
(25mm&37mmKD)	*US$710-720*

Taiwan Province of China

Rubberwood	*per Cu.m*
25mm boards	*US$410-420*
50-75mm squares	*US$460-480*
75-100mm squares	*US$490-500*

Sepetir	*per Cu.m*
GMS (AD)	*US$385-395*
Ramin less than 2 ft.	*US$520-535*
greater than 2 ft.	*US$610-620*
Oak 25mm boards	*US$720-735* ⇑
Maple	*US$950-985*
Cherry	*US$1150-1250* ⇑

Domestic Sawnwood Prices

Report from Brazil

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*

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*

Gabon

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

Report from Indonesia

Sawn timber	
Domestic construction material	
Kampar	*per Cu.m*
AD 6x12-15x400cm	*US$325-340*
KD	*US$460-470*
AD 3x20x400cm	*US$400-405*
KD	*US$510-515*
Keruing	
AD 6x12-15cmx400	*US$260-275*
AD 2x20cmx400	*US$300-310*
AD 3x30cmx400	*US$335-340*

Malaysian Domestic Sawnwood Prices

Sawnwood	*per Cu.m*
Balau(25&50mm,100mm+	*US$395-410* ⇓
Kempas50mm by	
(75,100&125mm)	*US$220-225*
Red Meranti	
(22,25&30mm by180+mm)	*US$305-315* ⇓
Rubberwood	
(25mm & 50mm)	*US$265-275* ⇓
50mm squares	*US$310-320* ⇓
75mm+	*US$370-380* ⇑
Mixed Hardwood Piling	
5-6 ins x5-6 ins sections	*US$210-220*

Plywood and Veneers

International Prices

Indonesian Plywood

The Indonesian Government has increased royalties by 10 % for 1997/8. This increase took effect from 1 April 1997 and will run until 31 March 1998. The new royalty structure, however, does not affect wood chips, timber derived from industrial timber estates and forest by-products. The new royalties for Meranti logs now range from US$10(Rp23,000) to US$12(Rp28,500) per Cu.m depending on the source of the timber supply. In the case of Teak, the new royalties range from US$3.5(Rp 8,500) to US$13.5(Rp32,700) per Cu.m, depending on the diameter of the logs

Plywood (export, FOB)	
MR,	*per Cu.m*
Grade BB/CC	
2.7mm	*US$480-495* ⇓
3mm	*US$435-450* ⇓
6mm and above	*US$350-370* ⇓
WBP,	
Grade BB/CC	
12-18mm	*US$440-450*

Ghana

Sliced Veneer FOB per Sq.m		
Asanfona	*Face*	*US$1.20*
	Interior	*US$1.00*
	Backing	*US$0.65*
Redwoods (Mahogany, Candollei, Edinam)		
		per Sq.m
	Face	*US$1.15*
	Interior	*US$0.90*
	Backing	*US$0.55*

Ready Spliced Veneer (layons)	
Thickness 6mm FOB	
	per Cu.m
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	
	per Cu.m
4mm	*DM735*
6mm	*DM623*
9mm	*DM613*
12mm	*DM600*
15mm	*DM587*
18mm	*DM573*

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

Brazilian Plywood and Veneer

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

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*

Malaysian Plywood

G.P.K. Wood Products Sdn. Bhd. Malaysia, a joint venture company of Kanematsu Corporation, has started supply of thick plywood to Japan. Since veneer production, alone, became unprofitable, the company started plywood production mainly for base panel for flooring. Monthly production will be 3,000-3,300 Cu.m.

MR Grade BB/CC FOB	
	Per Cu.m
2.7mm	*US$485-500* ⇓
3mm	*US$440-450* ⇓
3.6mm	*US$415-425*
9-12mm	*US$365-380* ⇓
18mm plus	*US$345-350*
WBP Grade BB/CC	
9-18mm	*US$425-430* ⇑
Phenolic Overlayed	
12-18mm	*US$495-510*
Domestic plywood	
3.6mm	*US$470-480*
9-18mm	*US$455-470* ⇓

Taiwan Province of China

Plywood	*per Cu.m*
2.7mm x 4' x 8'	*US$625-635* ⇑
9.0mm x 4' x 8'	*US$505-510* ⇑
12-18mm	*US$470-490* ⇑

Domestic Plywood Prices

Brazil

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

Indonesia

Domestic MR plywood	
(Jarkarta)	*per Cu.m*
9mm	*US$450-460*
12mm	*US$425-430*
15mm	*US$410-420*
18mm	*US$380-400*

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*

Furniture Parts and Components

Taiwan Province of China, Imports

Imports C&F	*per pc*
Rubberwood Chair seats	*US$2.90-3.10*
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*

Other Panel Product Prices

Brazil

Export Prices	
Blockboard 18mm	*per Cu.m*
White Virola Faced	
B/C	*US$305*

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

Indonesia

Other Panels	*Per Cu.m*
Export Particleboard FOB	
9-18mm	*US$135-145*
Domestic Particleboard	
9mm	*US$245*
12mm	*US$230*
15mm	*US$210*
18mm	*US$200*
MDF Export (FOB)	
12-18mm	*US$200-210*
MDF Domestic 15-18mm	*US$285-300*

Taiwan Province of China, Imports

MDF	*per Cu.m*
Domestic Prices	
3mm thick	*US$420-425* ⇑
4.75mm	*US$390-405* ⇑
12-18mm x 4' x 8'	*US$270-290*
Particleboard	*per Cu.m*
12-18mm (4x8)	*US$190-205* ⇓

Malaysia

Particleboard (FOB)	
	per Cu.m
6mm & above	*US$140-155*
Domestic	
6mm & above	*US$175-185*

MDF (FOB)	*per Cu.m*
Less than5mm	*US$220-230* ⇓
Gretaer than 6mm	*US$200-215*
Domestic	*US$240-245*

Prices of Added Value Products

Indonesia

Mouldings	
Ramin skirting	*per Cu.m*
(for the Italian market)	*US$925-935* ⇑
Crown using Pulai or Jelutong	
(for Japanese market)	*US$800-810*
Laminated Scantlings	*US$635-645* ⇑
Laminated Boards	
Falkata wood	*US$395-425*
Laminated Boards	
Pine	*US$850-880*
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	*US$820-835*
Grade B	*US$620-635*

Malaysia

Mouldings (FOB)	*per Cu.m*
Selagan Batu Decking	*US$580-590* ⇑
Kembang Semangkok	
S4S to Japan	*US$1000-1200*
Laminated Scantlings	
72mmx86mm	*US$665-680* ⇓
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	*US$850-860* ⇑
Grade B	*US$650-680* ⇑

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

Rubberwood parts and Furniture

Malaysia

Shaped chair seats	
(18-22mm 16"-18" squares)	
	US$2.95-3.20per pc
Finger jointed	*per Cu.m*
laminated boards	*US$820-835* ⇑
top grade	*US$860-885*
Rubberwood S4S	*US$440-450*

Dining suite	
Solid rubberwood laminated top 3' x 5'	
with extension leaf	*US$55-60ea* ⇓
Same with	
Oak veneered MDF	*US$70-75ea* ⇓
Windsor Chair	*US$11.50-13.00ea*
Colonial Chair	*US$14.50-15.50ea*
Napolean Chair	*US$22-26ea*
Queen Anne Chair (with soft seat)	
without arm	*US$22-24ea* ⇓
with arm	*US$26-30ea*

Brazil

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$2.90-3.10*
Rubberwood Unfinished	
Queen Anne Chairs	*US$12.5-14.0ea*
Queen Anne Legs 2.25 ins square	
18ins Long	*US$1.00-1.10ea*
2.75ins Square 28 ins Long	*US$2.10-2.25*
Rubberwood finger joint	
table tops	*US$810-830/ Cu.m*

Consumer's Report

Report From Japan

Decrease in Total Tropical Log Imports in 1996

Imports of Southsea and African logs were down by 2.4% in 1996 compared to the year before. Imports are reported at 5,781,000 Cu.m. The decline in total tropical log imports has been continuous since 1993.

There has been a marked change in the source of logs. Imports from Sarawak totaled 3.485,300 Cu.m, or 60% of the total, but imports were down 10.7% on 1996. Imports from Papua New Guinea stood at 1,852,000 Cu.m, accounting for 32.0% of the total imports and were up some 17% on last year. Arrivals from the Solomons registered 390,900 Cu.m about the same as last year. Imports from Sabah were small at only 23,000 Cu.m, and we are yet to see any impact as a result of the lifting of the log export ban. Additional small quantities were recorded from Laos 22,000 Cu.m, and Myanmar 8,500 Cu.m.

In contrast to the decline in Asian and Pacific log imports African log imports increased. In 1996 African log imports totaled 626,000 Cu.m, up by 18% over the previous year.

African logs are now sold throughout Japan and their use for plywood manufacture is generally accepted. The increase in African log imports largely off-set the decline in imports of SE Asian logs.

An importer noted that, the small fluctuations in the FOB price for Southsea logs during the year created a stable market and has reduced the risks of importing African logs, for which delivery times and shipping times tend to be much longer than for Southsea logs. Under the present conditions it has become less risky to import African logs.

Southsea Lumber Imports Down

Japan's total imports of Southsea lumber and mouldings for 1996 were 1,214,200 Cu.m, a drop of 8.7% from the previous year.

Imports of Lauan sawn lumber (Dipterocarpus) were down by 52% to 25,372 Cu.m. Arrivals of tropical lumber, other than Lauan, dropped 4.8% to 669,978 Cu.m. Imports of tropical mouldings and profiles dropped by over 11%. Imports from Malaysia were down 25% to 468,223 Cu.m.

On the other hand, Indonesia became the largest supplier of 531,820 Cu.m (2.9% up). Plantation softwood sawn imports increased by 20% to 81,564 Cu.m and manufactured product imports increased slightly, being 3% up on last year.

Record Plywood Imports in 1996

Japan's imports of plywood for 1996 were the highest ever at 5,314,000 Cu.m. The very strong growth in housing starts in 1996 (an increase of 21% over the previous year to 1,643,000 units) is largely responsible for this increase in plywood imports.

For 1996, domestically manufactured plywood accounted for only 47% of total consumption with the balance of 53%, being imported.

Indonesia dominates the plywood and wood based panel market in Japan, supplying some 3.25 mil Cu.m last year. The amount of Indonesian plywood into the Japanese market had declined from a peak in 1993 but last year imports increased by 8%, accounting for a 61% share of the total imports of plywood. Japan's domestic production of plywood has become more softwood-oriented and less geared to Concrete form (CF) plywood production, for this product the Japanese market is depending more and more upon imports, and especially Indonesian production.

For the year there was a rapid increase in imports of Malaysian plywood, up by 56% over the previous year to 1.51 mil Cu.m. There was also a sharp expansion of imports of softwood plywood from Canada (up 43%), the U.S. (up 21%) and New Zealand (up 24%), though the quantity is still small. Softwood plywood is used mainly for structural purposes and has gained market acceptance in the Japanese market. Traders are saying that with this acceptance in the market they will be able to increase the number of countries from which supplies can be obtained.

Most of the imported plywood from Malaysia was for underlayment. Japanese importers complain that the problem with Malaysian plywood is its high FOB price (about US$430 per cubic meter) relative to the price which the market will bear. Some traders are saying that is difficult to conclude new contracts with the Yen being as weak as it is and the demand appearing to settle.

Sharp Growth in Softwood Plywood

Imports from Canada exceeded 360,000 Cu.m in 1996. CSP of 4x8 with 9.5mm, grooved and tongued jointed sheathing or plywood for underlayment and COFI roof have advanced well into the Japanese market to boost market share the supply of 3x6 panels from Canada has already started. Canadian softwood plywood, which is highly appreciated as a low-formaldehyde product, is expected to grow further in Japan this year

In 1997, Japan is estimated to produce more softwood plywood than in any year previously. While plywood production in Japan is to decrease, production of Lauan plywood will decrease further and more rapidly.

Delivered Prices

Asian Log, Lumber and Panel Prices

Logs For Plywood Manufacturing	*CIF Price Yen per Koku*
Meranti (Hill, Sarawak)	
Medium Mixed	*8,600*
Meranti (Hill, Sarawak)	
STD Mixed	*8,500*
Meranti (Hill, Sarawak)	
Small Lot	
(SM60%, SSM40%)	*8,000* ⇑
Taun, Calophyllum (PNG)	
and others	*7,200*
Mix Light Hardwood	
(PNG G3-G5 grade)	*6,000*
Okume (Gabonese)	*8,700*
Keruing (Sarawak)	
Medium MQ & up	*9,000*
Kapur (Sarawak) Medium	
MQ & up	*8,800*

Logs For Sawmilling	*FOB Price Yen per Koku*
Melapi (Sarawak)	
Select	*11,500*
Agathis (Sarawak)	
Select	*10,000*

Lumber	*FOB Price Yen per Cu.m*
White Seraya (Sabah)	
24x150mm, 4m 1st grade	*135,000*
Mixed Seraya 24x48mm,	
1.8 - 4m, S2S	*55,000*
Red Oak 5/4x6 ins and wider	
FAS (US East Coast)	*125,000*

Panels	*Mill Gate Price Tokyo Area Yen per sheet*
Concrete Formboard	
Domestic Production from S.E Asian Logs	
11.5x900x1800mm Type 1	*1,300* ⇑
Thin	
2.3x910x1820mmType 2	*350*
Medium	
4.0x910x1820mm Type 2	*540*
5.5x910x1820mm Type 2	*670*
	per sq. ft
Particleboard 15mm	*44*
MDF 15mm	*70*

Other News from Japan

Prices of Thin Plywood Up

Seihoku plywood manufacturing group has announced a prices increase of Yen10 per sheet for thin standard plywood and half-inch plywood for concrete formwork bringing prices to Yen350 and Yen1,310 effective 1 April. The increase is the result of increased log costs, the result of the depreciated Yen against the dollar and the fact that prices for Indonesian products are up to Yen360 for thin plywood and Yen1,360 concrete formwork.

Competition from OSB

Imports of OSB were above 200,000 Cu.m last year, which is about double that of the preceding year. Until last year there were two main suppliers, Ainthworth Lumber and Weyerhaeuser Canada.

This year Norboard, Tolko Industries and Slocan started supplying. In addition there are some mills that have JAS certification. Since inventories in North America are on high level, they are expected to export more to Japan.

OSB was first used for packaging in Japan, however, now OSB is used for underlays and wall panels in residential housing. In terms of price plywood is at Yen60,000-70,000 per Cu.m and OSB is at around Yen50,000. OSB suppliers offer a quantity discount.

Prices for OSB can be 15% below the list prices for contracts over 535 Cu.m. Some analyst doubt that sales are profitable at such discounts even such discounts.

Report From China

The ITTO corespondent in China is reporting that the market for wood products has improved in the early part of the year and that forecasts for consumption for 1997 are very positive.

The State is addressing capital availability and is improving access to loans by industry, at the same time the State is moving to stimulate domestic consumption. Residential construction is given importance in the 9th Five -Year Plan. Investment in residential construction will be increased and the whole sector is set to benefit from favorable policy moves by the Government. The main impact will be seen in the mid and west regions of the country.

There are two factors which are of concern to an expansion of the timber market. Much of the domestic production is said to be now of a much wider variety of lower grade, small diameter logs. The other problem relates to the tax and royalty levels which industry say are very high. Never-the-less with the expansion of the construction sector the price for good quality Korean Pine, Larch and Scots Pine is seen as increasing. Increased consumption will drive up prices of the decorative timbers such as Oak, Birch and Manchurian Ash.

Demand for imported decorative timbers for joinery and furniture is forecast to grow and price increases are foreseen. In Shanghai wholesale market the price of Teak logs is as high as Yuan 7000 per Cu.m The price of Oak and Cherry sawnwood from the US has reached as high as Yuan 7000-14000 per Cu.m. The current price of lauan sawnwood is Yuan 2850-3450 per Cu.m. The market for plywood is buoyant and prices still have some way to go.

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

	Per Cu.m
Keruing Log	
Length: 6-20m	*1880-2400*
Mengaris Log	
Length 6m+	*1800-1900*
Malaysian Lauan Log	
Mixed	*2500-2600*
Malaysian Lauan with hollow heart	
Mixed	*1200-1400*

Lauan lumber	*per Cu.m*
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*
Balian Flooring Top Grade Myanmar	
18x50-70x2400mm	*300-350*
Plywood from Indonesia	
3mm 1220x2240	*41 per sheet*

Other News from China

Reduction of import tariffs

By the year 2000, the People's Republic of China plans a marked reduction of import tariffs. At the moment these are at an average of 23%, while by the turn of the millennium they will be down at 15%. In 1996 import tariffs were reduced by 12.9%. In the opinion of market analysts, these measures have been announced as an effort to support the country's plan to obtain a seat in the World Trade Organization (WTO).

Some European companies complain, however, that the reduced tariffs are mainly applicable to raw materials and some products, of higher added value, will be liable to consistently high import tariffs.

From Europe, An Update on France

1996 a Disappointing and Difficult Year

The French timber industry descried 1996 a very disappointing and difficult year and industry has a mixed feeling about the timber market in 1997, although it is still clinging to some optimism.

OECD estimates suggest domestic demand this year will grow by only 1.7%, down from 2.4% in 1996. Last year the French government achieved another and marked reduction of its household deficit. In addition French exports yielded a record surplus of about FFr120bil, this year the forecast is that exports will grow by 5.8%. This development is strengthened by favorable exchange rates of the franc in relation to the US dollar, the pound sterling and the Italian lira. Public investments, however, are forecast to drop, while private investments are expected to grow by 3.4%.

Lower Imports of Tropical Timber

The trade in tropical timber continues at a low level. Imports of Okoume in 1996 were at about the same level as in 1995 while imports of other species in log form, were down 24%. In 1996 sawn timber imports were down by a staggering 54%.

The Ivory Coast accounted for most of the drop in imports. French imports from Gabon were hampered by reported difficulties with transportation. Cameroon hopes to resume production very soon after the end of the rain season, to take advantage of the difficulties faced by Gabon and by Ivory Coast. Imports from Brazil are moderate and the country still has to cope with problems of profitability brought on by the squeeze on credit. French saw-mills are suffering from a shortage of logs which has created an upward pressure on prices.

Manufacturers Prices in France

Window

Venetian Blind 120x150cm	*FFR2,190*

Solid Wooden Doors

Upper Price, Oak,	*FFR10,018*
Medium Price, Oak,	*FFR7,920*
Lower Price, Oak,	*FFR6,073*

Furniture and Components

Kitchen Chairs	
Medium Price, Beech,	*FFR234*
Lower Price, Beech,	*FFR140*

Dining Chair	
Upper Price, Solid Cherry	*FFR1,690* ⇑
Medium Price, Beech	*FFR280*
Lower Price, Beech,	*FFR181*

Kitchen Table	
Medium Price, Beech	
100x70cm	*FF561*
Lower Price, Melamine	
Covered 115x74cm	*FFR238*

Dining Table	
Upper Price, Cherry	
150x90cm	*FFR11,700*
Lower Price, Softwood	
115x74cm	*FFR1,000*

Kitchen Doors	
Upper Price, Solid Oak,	
58.8x49.5cm	*FFR560*
Medium Price, Solid Oak,	
58.8x49.5cm	*FFR327*
Lower Price, Solid Oak	
58.8x49.5cm	*FFR265*

Mouldings	*Per Lin. m*
Medium Price, Pine	
1.4x4.8cm	*FFR8.56*
Lower Price, Pine	
1.0x2.9cm	*FFR5.05*
1.0x2.7cm	*FFR5.56*

In January 1997 the French production of furniture registered a slight increase over the figure for December. In the same period there was a slight decrease in the production of chairs.

Other News from Europe

About 80% of raw materials used by the Italian furniture industry is imported. According to Federlegno (the Association of Italian furniture manufacturers), Italian furniture producers buy about L5,000 bil worth of wood every year from foreign countries. Federlegno and ICE (the Italian Institute for Foreign Trade) are developing a common strategy to identify new wood species to be used for the manufacture of furniture. Study missions abroad are being organized.

In 1996 Spring Ram, the bathroom and kitchen furniture producer, reported losses due to Stg30 million of exceptional costs. This is the third year of losses for the UK group, which had to reduce its workforce and to sell Crosby and Meredew Cabinets.

Nolte M÷belindustrie Holding GmbH (Germersheim) has founded a holding company known as GmbH & Co KGaA in order to go public. In 1996 the group reached a turnover of DM768 mil. Nolte, which has the license on a patent to recover chips from old furniture particleboard, will invest DM5 million in a large-scale plant to recycle 50,000 tons of old furniture per year.

WFM, one of the leading kitchen and bathroom furniture manufacturers in Poland, is being privatized. Some 20% of the shares will be acquired by its employees and management, while 80% will be acquired by Skanska (a Swedish multinational), which plans to invest about SEK20 mil in WFM over five years. After the Skanska take-over, WFM will become part of the Poggenpohl group.

Spanish kitchen furniture manufacturer Teka Industrial is planning to invest Pta 1.5 bil to expand its Cajo plant and to create an engineering and development centre.

The Portuguese wooden products and furniture industry (comprising more than 4,700 companies employing 104,000 people) is in a positive mood. In 1995 the sector made an aggregate turnover of Esc 73.2 bil and 1996 was a good year too. One of the major problems the sector has to face is the lack of raw materials, particularly wood. AIMMP, the Portuguese sector association, has called for a coordinated forestry policy and an increase in the domestic supply of pine.

US Industry Report

The warm, wet weather, and the negative impact this has had on forest extraction has resulted in many mills to work short hours or temporally close their operations. The weather is so bad that there are road restrictions in some areas.

The situation may be further aggravated if federal timber sales are curtailed as a consequence of the low level of income earned by the US Forest Service.

Sadly for industry the slow logging coincides with a strong demand for wood from the housing and furniture industries, brought about by the healthy state of the US economy. The demand for Hard Maple is particularly brisk at present, it is reported.

Under these circumstances, it is not surprising that lumber supply continues to trail demand and that the price trend for wood raw materials for the furniture industry is still moving up.

With the exception of Particleboard and MDF, virtually all other wood material costs are at, or close to, their peak for the past 12 months.

As of February 1997, rough domestic hardwood lumber was priced 4.5% higher than in February 1996. Similarly, imported Mahogany prices advanced by 4.2% during the same time period.

The strong demand and the generally higher prices for lumber, have been most visible for Hard Maple, Soft Maple, Cherry, and to a somewhat lesser degree for Red Oak. Analysts suggest that this trend will probably continue through the second quarter of this year. However, some users are cutting back in their application of Hard Maple, substituting it with less costly species such as Soft Maple.

Contrary to the situation with lumber, prices for Particleboard and MDF remain weak, reflecting the continued oversupply of these materials. Particleboard prices are 2.8% and MDF prices 4.6% below the level of February 1996. Nevertheless, the price decline has slowed, and for MDF small price recovery has been observed since the beginning of this year.

Interestingly, the log shortage has not resulted in a slowdown in hardwood lumber exports, in fact, exports appear to have improved recently. This is even more surprising in light of the strengthening value of the US dollar.

If the dollar strengthens further, exports could decline as buyers look for cheaper sources of lumber. There is intense and growing competition from producers in Eastern Europe who have sold increasing volumes of White Oak, Walnut and Beach into European markets.

While the bad logging weather may continue in the short-term, conditions will improve in the not to distant future. As log availability improves during the next several months, many industry observers feel that lumber prices will top out.

Infact most lumber prices have already become much more stable in the past few weeks and there may be some price declines toward the middle of the year.

Selected Sawnwood Prices

	Per MBF
Mahogany	
West coast port of entry	
KD	*US$2620*
Green/AD	*US$2475*
Meranti	
West coast port of entry	
Clear, dark red KD	*US$2220*
Clear, light red KD	*US$2035*
Cherry	
Appalachian Region	
KD	*US$2455 ⇑*
Hard Maple	
Northern Region	
KD	*US$2055 ⇑*
Green/AD	*US$1760 ⇑*
Appalachian Region	
KD	*US$1980 ⇑*
Red Oak	
Northern Region	
KD	*US$1573*
Green/AD	*US$1300*
Southern Region	
KD	*US$1218 ⇑*
Green/AD	*US$1010 ⇑*
Appalachian Region	
KD	*US$1448 ⇑*
Green/AD	*US$1130 ⇑*
White Oak	
Northern Region	
KD	*US$1370*
Green/AD	*US$975*
Southern Region	
KD	*US$1250*
Green/AD	*US$930*
Appalachian Region	
KD	*US$1453*
Green/AD	*US$1108*
Walnut	
Appalachian Region	
KD	*US$1948*
Green/AD	*US$1385*

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
per Sheet US$47.00

Veneer Red Oak, 1/45", flat stock,
Container loads/truck-loads
per sq.ft. US$0.10-0.15

Reconstituted Boards

Particleboard
Industrial grade board, 4' x 8' x 3/4"
South Central Region
per 1000 sq.ft US$273 ⇓

Medium Density Fibreboard
Industrial grade board, 4' x 8' x 3/4"
per 1000 sq.ft US$383

Millwork

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

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

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

Wood Frames for Upholstered Chairs
Frame for lounge chair, 1" stock
nailed corner blocks
US$45 ⇑

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$615 ⇑

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

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

Headboard for Bed
18th century French Fairhope headboard
Mahogany veneer on particleboard.
Width 43", Ht.60.6"
US$265

Dresser used in the Bedroom
18th century French Elm Bluff 9 drawers.
Mahogany veneer on particleboard.
64" x 19", Ht.36"
US$479 ⇑

Desks for use in the Office
Conference desk 5 drawers
Mahogany veneer on particleboard.
72" x 36", Ht.29"
US$903 ⇑

Higher raw-material costs and increased demand for durable consumer goods has resulted in some upward price movements for furniture and other secondary wood products during the past six months. All items tracked are showing higher prices than one year ago. Wood moldings and living room cabinets stand out for their steep price advances. On average, prices for furniture and other secondary wood products experienced higher price increases than the underlying price increases for wood raw-materials but this is largely due to the impact of falling particleboard prices. Price increases of finished products are generally still below the price increases for sawnwood.

World Value of the US Dollar 4th April 1997

Cameroon	C.F.A.Franc	564.25	Australia	Dollar	1.2874
Central African Republic	C.F.A.Franc	564.25	Canada	Dollar	1.3891
Congo, People's Rep.	C.F.A.Franc	564.25	China	Yuan	8.2969
Cote d'Ivoire	C.F.A.Franc	564.25	Egypt	Pound	3.3962
Gabon	C.F.A.Franc	564.25	Austria	Schilling	11.787
Ghana	Cedi	1910	Belgium	Franc	34.578
Liberia	Dollar	1	Denmark	Krone	6.3842
Togo, Rep.	C.F.A.Franc	564.25	Finland	Markka	5.0207
Zaire, Rep.	New Zaire	171450	Germany	Mark	1.675
Cambodia	Riel	2300	Greece	Drachma	265.12
Fiji	Dollar	1.4086	Ireland	Punt	0.6351
India	Rupee	35.855	Italy	Lira	1660.8
Indonesia	Rupiah	2405	Netherlands	Guilder	1.8852
Malaysia	Ringgit	2.4845	Portugal	Escudo	168.31
Myanmar	Kyat	6.2427	Spain	Pesata	141.72
Papua New Guinea	Kina	1.3812	Sweden	Krona	7.6232
Philippines	Peso	26.3655	United Kingdom	Pound	0.6108
Thailand	Baht	25.985	Japan	Yen	124.005
Bolivia	Boliviano	5.22	Nepal	Rupee	56.95
Brazil	Real	1.0615	New Zealand	NZ Dollar	1.4425
Colombia	Peso	1062	Norway	Krone	6.8074
Ecuador	Sucre	3715	Korea, Rep. of	Won	892.8
Guyana	Dollar	141.1	Switzerland	Franc	1.4375
Honduras, Rep.	Lempira	12.76	Russian Fed.	Ruble	5736
Panama	Balboa	1			
Peru	New Sol	2.658			
Trinadad and Tobago	Dollar	6.226			
Venezuala	Bolivar	476.75			

Abbreviations

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

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