Tropical Timber Market Report since 1990

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Snapshot

Prices for Malaysian sawn timber and logs fell across the board, as the monsoon season impacted demand for raw and processed materials. Some prices in Indonesia also fell, mostly for plywood and plywood logs. In contrast, European interest in certain West African species rose, driving prices higher. Yet, European demand for Chinese plywood fell during the last few weeks.

The EU also implemented measures prohibiting European imports of logs from Myanmar. The measures also forbid European companies from providing machinery to and investments in Myanmar timber companies.

Although prices for logs and plywood did not rise significantly in Brazilian reals, exchange rate fluctuation caused prices in US dollars to rise by 1.6% over the last two weeks. Bidding for concessions in Brazil also opened in mid-November but then were postponed to address concerns from a recent public hearing on the subject. Additionally, the Brazilian government intended to launch a plan on avoided deforestation at the upcoming UN Framework Convention on Climate Change 13th Conference of the Parties, which begins next week in Bali, Indonesia.

Finally, the US continued to rely on China for the bulk of its furniture imports. Of the subcategories of these imports, wooden furniture for household use was the largest, with China supplying over 38% of the overall value of US imports.

Headlines

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Report from Central/West Africa

Buying patterns in Europe drive prices higher

In the second half of November, prices rose for some species, particularly due to changing buying patterns in Europe. These are very much demand-led and respond to resumed interest and selective buying from Europe. Afromosia, azobe, douka and sapele showed notable gains and increased demand for belli by buyers from India pushed prices for the species higher. Sipo prices for LM and B grades continued stable at the recent higher levels while the BC/C grade moved higher with increased demand from both Europe and the Far East. Europe's renewed interest in iroko moved prices up and the species now competes at the same price as that for Far East destinations.

Demand for moabi slowed and prices moved downward in spite of fair demand from French buyers. Okan prices for European buyers also moved lower, although prices for Chinese buyers were unchanged even though demand was low. Heavy rains in some areas were also continuing to affect logging and transport operations.

For sawnwood, recently higher log prices and reduced supply from Northern Congo and Central African Republic may cause sapele lumber prices to rise. Outside of sapele, there were no other anticipated reports of large fluctuations in sawnwood prices.

West Africa Log Prices

West Africa logs, FOB	€ per m^3		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	221	190	175
Ayous/Obéché/Wawa	221	205	168
Azobe & Ekki	183↑	167↑	152↑
Belli	213↑	213↑	-
Bibolo/Dibétou	168	137↓	114
Bubinga	533	457	381
Iroko	289	274	259
Okoume (60% CI, 40% CE, 20% CS)	-	150	-
Moabi	297↓	297↓	236
Movingui	205	190	152
Niove	129	129	-
Okan	198	198	152
Padouk	289	289	267
Sapele	297↑	297↑	267↑
Sipo/Utile	335	305	267
Tali	190	190	152

Gabon Okoumé logs, FAS*		€ per m^3	
		Asia	Europe
Grade	QS	213	219
	CI	171	171
	CE	146	150
	CS	108	111

*Based on SNBG official prices

West Africa Sawnwood Prices

West Africa sawnwood, FOB		€ per m^3
Ayous	FAS GMS	396
	Fixed sizes	427
Okoumé	FAS GMS	335
	Sel. & Bet. GMS Italy	310
	Sel. & Bet. fixed sizes	-
Sipo	FAS GMS	540
	FAS fixed sizes	-
	FAS scantlings	550
Padouk	FAS GMS	600
	FAS scantlings	630
	Strips	425
Sapele	FAS Spanish sizes	550
	FAS scantlings	580
Iroko	FAS GMS	458
	Scantlings	519
	Strips	304
Khaya	FAS GMS	396
	FAS fixed	427
Maobi	FAS GMS	630
	Scantlings	645
Movingui	FAS GMS	460

Report from Ghana

Ghana's 2008 budget provides for massive infrastructure investments

The Minister for Finance and Economic Planning introduced the 2008 Budget Statement and Economic Policy on 15 November 2007. The government indicated there had been significant improvement in the socio-economic landscape of the country over the past seven years. He said this should give cause for continued optimism for Ghana to attain Middle Income Status by 2015. Also, Ghana's improvement in its international economic ratings is a clear testimony to its continued quest to improve living standards in the country.

Among the budget's highlights were a proposed total government revenue estimated at GH¢7.1 billion; gross domestic product is targeted at 7%; and end of year inflation is targeted between 6% and 8%. According to the Minister, the budget will promote growth through massive infrastructure development, including through roads, water and energy development. The government will fund 166 districts to construct and tar 15kms in each district over the course of the year at a projected amount of approximately GH¢199 million. Five communities in each of the 166 districts will be provided with potable drinking water. The estimated amount for the potable water project alone is GH¢7 million.

Ghana's timber and forest resources hold future promise for economy

Recent developments in Ghana's timber and forest sector were announced during the 2008 Budget Statement. It was noted that timber exports had remained flat and were expected to reach approximately GH¢241 million by the end of the year.

With regard to the Voluntary Partnership Agreement (VPA) with the EU, negotiations are expected to conclude by mid-2008. Other activities to be pursued with the EU include the integration of a log-tracking system into the Validation of Legal Timber Programme (VLTP) and the commencement of the Natural Resource and Environmental Governance (NREG) Programme. As a result of these activities, Ghana is expected to be in a better position to enforce forest laws, which will contribute to securing forest revenue for the country.

Additionally, a new programme to promote traditional medicine was announced. The programme will help emerging industries using herbs for alcohol-based medicine set up first aid gardens and medicinal farms to ease pressure on the forest.

Finally, the National Disaster Management Organization (NADMO) is expected to train and equip Disaster Volunteer Groups (DVGs) in forest protection management and plant five million seedlings of various species to ensure the restoration of degraded natural forests.

Ghana's development partners boost aid

Ghana's development partners have announced they will provide USD350 million, or 9-13% of the total government's budget, to bolster Ghana's chances of reaching the Millennium Development Goals and becoming a Middle Income Country by 2015. Since 2003, development partners have contributed around USD 300 million each year to the general budget in the form on loans and grants. Ghana's development partners include the World Bank, the African Development Bank, Canada, Denmark, the European Commission, France, Germany, the Netherlands, Switzerland, the UK and Japan.

Ghana Log Prices

Ghana logs, domestic	US$ per m^3	
	Up to 80cm	80cm+
Wawa	80-100	110-125
Odum Grade A	150-160	165-185
Ceiba	65-80	90-110
Chenchen	55-80	85-105
Khaya/Mahogany (Veneer Qual.)	70-90	95-120
Sapele Grade A	130-150	155-175
Makore (Veneer Qual.) Grade A	125-135	140-166

Ghana Sawnwood Prices

Ghana Sawnwood, FOB	€ per m^3	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	855	-
Asanfina	480	560
Ceiba	205	260
Dahoma	330	400
Edinam (mixed redwood)	390	450
Emeri	380	435
African mahogany (Ivorensis)	580	660
Makore	510	570
Niangon	550	-
Odum	650	730
Sapele	510	575
Wawa 1C & Select	255	280

Ghana sawnwood, domestic		US$ per m^3
Wawa	25x300x4.2m	210
Emeri	25x300x4.2m	275
Ceiba	25x300x4.2m	150
Dahoma	50x150x4.2m	306
Redwood	50x75x4.2m	210
Ofram	25x225x4.2m	255

Ghana Veneer Prices

Rotary Veneer, FOB	€ per m^3	
	CORE (1-1.9mm)	FACE (<2mm)
Bombax	325	350
Kyere, Ofram, Ogea & Otie	325	360
Chenchen	315	360
Ceiba	235	315
Mahogany	425	460

The above prices are for full sized panels, smaller sizes minus 15%. Thickness below 1mm would attract a 5% premium.

Rotary Veneer, FOB Core Grade 2mm & up	€ per m^3
Ceiba	245
Chenchen, Ogea & Essa	295
Ofram	305

Sliced Veneer, FOB	€ per m^2	
	Face	Backing
Afrormosia	1.80	1.00
Asanfina	1.80	0.88
Avodire	1.12	0.75
Chenchen	0.72	0.58
Mahogany	1.50	0.79
Makore	1.70	0.80
Odum	1.54	1.10

Ghana Plywood Prices

Plywood, FOB	€ per m^3			
B/BB, Thickness	Redwoods		Light Woods	
	WBP	MR	WBP	MR
4mm	560	465	500	360
6mm	380	315	335	385
9mm	388	305	290	280
12mm	340	285	270	240
15mm	350	290	300	250
18mm	300	290	265	240

Grade AB/BB would attract a premium of 5%. BB/BB would be 5% less, C/CC 10% less and CC/CC 15% less.

Ghana Added Value Product Prices

Parquet flooring 1st	FOB € per m^2		
	10x60x300mm	10x65-75mm	14x70mm
Apa	12.00	14.47	17.00
Odum	7.90	10.18	11.00
Hyedua	13.67	18.22	17.82
Afrormosia	13.25	15.70	17.82

Grade 2 less 5%, Grade 3 less 10%.

Report from Malaysia

Monsoon season halts price rise

The annual monsoon season failed to lift prices of Malaysian timber products. The Malaysian timber industry saw prices fall sharply on a broad front, particularly for raw logs and plywood. This compounded the problems faced by the industry, which has already been hit by the meltdown in the US subprime mortgage market.

Malaysia Log Prices

Sarawak log, FOB	US$ per m^3
Meranti SQ up	304-326⬇
Small	276-300⬇
Super small	260-275⬇
Keruing SQ up	273-287⬇
Small	238-267⬇
Super small	228-235⬇
Kapur SQ up	250-264⬇
Selangan Batu SQ up	275-300⬇

Pen. Malaysia logs, domestic (SQ)	US$ per m^3
DR Meranti	355-400⬇
Balau	288-320⬇
Merbau	420-441⬇
Rubberwood	236-255⬇
Keruing	282-296⬇

Peninsular Malaysian meranti logs are top grade and are used for scantlings for the EU. Their prices are higher than Sarawak's.

Malaysia Sawnwood Prices

Malaysia Sawnwood, FOB		US$ per m³
White Meranti A & up		439-464⬇
Seraya Scantlings (75x125 KD)		725-760⬇
Sepetir Boards		325-339⬇
Sesendok 25,50mm		448-479⬇
Kembang Semangkok		430-450⬇

Malaysian Sawnwood, domestic		US$ per m³
Balau (25&50mm,100mm+)		347-367⬇
Merbau		569-588⬇
Kempas 50mmx(75,100 & 125mm)		290-308
Rubberwood	25x75x660mm up	280-307⬇
	50-75mm Sq.	301-326⬇
	>75mm Sq.	320-349⬇

Malaysia Plywood Prices

Malaysia ply MR BB/CC, FOB	US$ per m³
2.7mm	487-516⬇
3mm	463-490⬇
9mm & up	420-440⬇

Meranti ply BB/CC, domestic	US$ per m³
3mm	461-471⬇
12-18mm	395-413⬇

Other Malaysia Panel Prices

Malaysia, Other Panels, FOB		US$ per m³
Particleboard	Export 12mm & up	228-245⬆
	Domestic 12mm & up	214-232⬆
MDF	Export 15-19mm	296-322
	Domestic 12-18mm	271-293

Malaysia Added Value Product Prices

Malaysia, Mouldings, FOB	US$ per m³
Selagan Batu Decking	695-714⬇
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	733-753⬇
Grade B	639-655⬇

Malaysia Furniture and Parts Prices

Malaysia, Rubberwood, FOB		US$ per piece
Semi-finished dining table		
solid laminated top 2.5'x4', extension leaf		55-72⬇
As above, Oak Veneer		63-77⬇
Windsor Chair		53-56⬇
Colonial Chair		46-54⬇
Queen Anne Chair (soft seat)	without arm	47-60⬇
	with arm	51-60⬇
Chair Seat 27x430x500mm		34-39

Rubberwood Tabletop	US$ per m³
22x760x1220mm sanded & edge profiled	
Top Grade	620-630⬇
Standard	587-605⬇

Report from Indonesia

Government prepares to unveil global warming action plan

As reported in *The Jakarta Post*, the Indonesian government will soon unveil its national action plan (RAN) to address global warming. The plan is expected to set guidelines that will assist Indonesia in mitigating and adapting to climate change. The Indonesian Environment Ministry has said that the plan includes a development strategy focused on alleviating poverty, creating jobs and economic growth, and improving the environment. The plan will help preserve forests and address carbon sequestration to reduce carbon emissions by up to 30% by the year 2025.

Fearing they may be neglected in the coordination process for the strategy, the Indonesian Chamber of Commerce and Industry (Kadin) has called for a comprehensive approach to address the issues of environment and industry in the new strategy. Kadin had appointed a team of 15 industry leaders to help draft the plan, which is expected to be made public at the upcoming UN Framework Convention on Climate Change (UNFCCC). Others speaking to the Environment Ministry on the subject, such as the CEO of Sinar Mas Agribusiness and Food, said the government needed to address land allocation matters in the new strategy to avoid future disputes.

Indonesia Log Prices (domestic)

Indonesia logs, domestic prices	US$ per m³
Plywood logs	
Face Logs	238-277⬇
Core logs	179-209⬇
Sawlogs (Meranti)	233-274⬇
Falcata logs	177-193
Rubberwood	210-233
Pine	205-230
Mahoni (plantation mahogany)	615-665⬇

Indonesia Sawnwood Prices

Indonesia, construction material, domestic		US$ per m³
Kampar (Ex-mill)	AD 3x12-15x400cm	246-255
	KD	330-342⬇
	AD 3x20x400cm	350-371⬇
	KD	373-385⬇
Keruing (Ex-mill)	AD 3x12-15x400cm	282-292
	AD 2x20x400cm	271-281
	AD 3x30x400cm	275-287

Indonesia Plywood Prices

Indonesia ply MR BB/CC, FOB	US$ per m³
2.7mm	485-513⬇
3mm	424-484⬇
6mm	398-421⬇

MR Plywood (Jakarta), domestic	US$ per m³
9mm	329-342⬇
12mm	304-326⬇
15mm	301-335

Other Indonesia Panel Prices

Indonesia, Other Panels, FOB		US$ per m³
Particleboard	Export 9-18mm	236-247
	Domestic 9mm	198-216
	12-15mm	187-202
	18mm	181-187
MDF	Export 12-18mm	313-325⬇
	Domestic 12-18mm	252-275

Indonesia Added Value Product Prices

Indonesia, Mouldings, FOB	US$ per m³
Laminated Boards Falcata wood	384-404⬇
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	688-720⬇
Grade B	608-652⬇

Report from Myanmar

Myanmar sanctioned by EU

The EU agreed to a Council Common Position, which forbids the exportation of machinery for or investments in Myanmar companies engaged in timber processing and export. European countries will also be prevented from importing logs, timber and timber products from such companies. *TTJ Online* reported that the EU Council agreed to the measures after meeting in Luxembourg, where ministers stressed the 'seriousness' of the situation in Myanmar.

Prices for the higher grades in this month's tender sales rose, while prices for lower grades of teak were subdued. There was a substantial drop in supply of SG-3 logs, although the production and total traded volume for SG-3 is on the whole not significant. Seven lots of SG-7 grades obtained lower prices than those for SG-8 grades. Nevertheless, this anomaly is not uncommon as prices for the lower grades have not followed a clear pattern. The average price obtained for export quality pyinkado is within range of the list price (USD470-500). The non-teak hardwood market also seems to be moving at its own pace, and not dependent on changes in seasonal demand.

Myanmar Log Prices (natural forests)

Teak Logs, FOB	€ Avg per Hoppus Ton (traded volume)		
Veneer Quality	Oct	Nov	6 mo. Avg
2nd Quality	-	-	5,036
3rd Quality	4,801 (10 tons)	4902 (8 tons)	4,757
4th Quality	3,877 (57 tons)	3,800 (54 tons)	4,216
Sawing Quality			
Grade 1 (SG-1)	2,435 (312 tons)	2,582 (302 tons)	2,777
Grade 2 (SG-2)	2,364 (434 tons)	2,302 (373 tons)	2,391
Grade 3 (SG-3)	1,978 (79 tons)	1,480 (35 tons)	1,782
Grade 4 (SG-4)	2,197 (298 tons)	2,148 (410 tons)	2,139
Grade 5 (SG-5) Assorted	1,754 (627 tons)	1,725 (476 tons)	1,640
Grade 6 (SG-6) Domestic	1,567 (302 tons)	1,382 (359 tons)	1,356
Grade 7 (ER-1)	1,139 (177 tons)	1,045 (334 tons)	1,016
Grade 8 (ER-2)	1128 (205 tons	1121 (104 tons)	1,058

Hoppus ton=1.8m^3; All grades, except SG-3/5/6, are length 8' x girth 5' &up. SG-3/4/6 are girth 4' &up. SG-3 grade is higher than SG-4 but with lower girth and price.

Logs, FOB	€ Avg per Hoppus Ton (traded volume)
Pyinkado	323 (313 tons)
Gurjan (keruing)	--

Prices differ due to quality or girth at the time of the transaction.

Report from Brazil

Brazil postpones timber concession bidding

Meio Ambiente reported that on 14 November, the Ministry of Environment opened the bidding process for forest concessions in the National Forest of Jamari in Northern Brazil (state of Rondônia). However, the selection process has been postponed to take into consideration public suggestions on the bidding process. During a recent public hearing on the subject, one participant suggested that the list of non-timber forest products (NTFPs) for use by communities should be expanded to include NTFPs such as copaíba oil, breu resin, and palm fruits and that concessionaires should allow communities to harvest these products. Others suggested revising social and environmental criteria for the bidding process.

The first lot of the concessions to be contracted will be 96,000 ha and divided into three forest management units, which can be used for a variety of purposes. In addition to using the concessions for harvesting timber or conservation purposes, the concessionaires can also offer ecotourism and sports recreation in the forest. Each management unit will be leased for 40 years and the Brazilian Forest Service expects that contracts will be signed by March.

Mato Grosso's plan on avoided deforestation to be launched at COP-13

Só Notícias said that the state of Mato Grosso will present its plan on avoided deforestation at the UN Framework Convention on Climate Change's 13th Conference of the Parties (COP-13), which will be held in Bali, Indonesia, from 3-14 December 2007. The state is currently considering a range of global warming funds and the renegotiation of state and/or private debts as possibilities for compensation to those producers who participate in avoided deforestation schemes.

Two key mechanisms will help track progress on the implementation of the plan. One mechanism is Environmental Licensing in Rural Properties (SLAPR), which can detect illegal deforestation within properties with proper licenses through satellite images and field inspections. The other mechanism is the Integrated System of Monitoring and Environmental Licensing (SIMLAM-MT). The technologies will help guarantee transparency of actions undertaken in the plan and ensure payment to those who conserve the forests.

Teak plantations show promise for Northern Brazil

Teak has shown to be a promising species for conditions in Northern Brazil, noted *Ambiente Brasil*. When parts of the Amazon were being reforested, exotic teak species were planted in Northern Brazil alongside other native species such as mahogany and cedar. However, high mortality rates were seen for many of the native species, which were affected by disease and pests and the species' inability to adapt to conditions in the region.

Acre provided ideal conditions for teak in the Upper and Lower Rio areas. In other areas of the state, teak grew well but did not produce high quality wood. Due to its success in Acre, teak is seen by many Brazilians as an increasingly attractive investment. Teak is now perceived as a tool for 'green social welfare' and an opportunity for landowners to manage assets on their land.

Exports of wood products rise 13% in October

Exports of wood products in October 2007 generally showed growth from October 2006 levels. Exports of general wood products (except pulp and paper) rose from USD332.5 million in October 2006 to USD375.7 million in October 2007, resulting in a 13% increase in value. Pine sawnwood exports also jumped 56.8%, up from USD15.2 million in October 2006 to USD24.2 million in October 2007. The exported volume of pine sawnwood exports grew from 76,623 m³ to 120,278 m³, representing 58% growth in volume. Exports of tropical sawnwood rose 12.2%, rising from 130,510 m³ in October 2006 to 146,432 m³ in October 2007. The export value of tropical sawnwood increased 31.2% during the same period, growing to USD67.5 million in October 2007.

Exports of pine plywood rose 29.6% in volume and 72.4% in value in October 2007 when compared to October 2006. The exported volume of pine plywood in October 2006 was 95,363 m³ and 123,573 m³ in October 2007. Tropical plywood exports decreased in volume from 40,449 m³ in October 2006 to 33,278 m³ in October 2007, resulting in a

17.7% fall. There was a 6.6% reduction in the value of tropical plywood exports during the same period. Exports of wood furniture increased 9.3% in October 2007 compared to the same month of 2006. The export value of the wood furniture increased from USD70.6 million to USD77.2 million.

Furniture and wood exports strong despite weak US dollar

CGI Moveis and *Newscomex* report that Brazilian furniture exports in October 2007 jumped 13.4% compared to September 2007 levels, when total sales were USD726.4 million. During the period January – October 2007, the furniture sector exported 3.6% more than the same period in 2006, despite the appreciation of the Brazilian real. Total sales of Brazilian furniture during this period were USD823.7 million.

The US purchased USD210.7 million worth of Brazilian furniture, corresponding to 26% of Brazilian exports and representing a 15.5% drop in sales during the first 10 months of the year. Nevertheless, the US purchased USD21 million more furniture in value terms during October 2007 than in September 2007. Spain's purchases of Brazilian furniture jumped 49.4% and amounted to USD49.8 million in value from January to October 2007.

Wood exports in the Alta Floresta Northern Brazil wood cluster rose 30% in October 2007 (USD2.2 million) compared to September 2007. According to the Secretary of Foreign Commerce (Secex), the municipality sold USD17.7 million to foreign markets during the period from January to October 2007. The main exported product was manufactured wood, which amounted to USD12 million. Most of the products were exported to the US and amount to USD8.7 million in value and represented 49% of the purchases.

Brazil Log Prices (domestic)

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	132⬆
Jatoba	93⬆
Guariuba	63⬆
Mescla (white virola)	70⬆

Brazil Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB		US$ per m^3
Jatoba Green (dressed)		839
Cambara KD		465
Asian Market (green)	Guariuba	265
	Angelim pedra	593
	Mandioqueira	234
Pine (AD)		193

Brazil sawnwood, domestic (Green)		US$ per m^3
Northern Mills (ex-mill)	Ipé	616⬆
	Jatoba	467⬆
Southern Mills (ex-mill)	Eucalyptus (AD)	192⬆
	Pine (KD) 1st grade	253⬆

Brazil Veneer Prices

Veneer, FOB (Belem/Paranagua Ports)	US$ per m^3
White Virola Face 2.5mm	295
Pine Veneer (C/D)	211

Rotary cut Veneer, domestic (ex-mill Northern Mill)	US$ per m^3 Face	Core
White Virola	252⬆	211⬆

Brazil Plywood Prices

Plywood, FOB	US$ per m^3
White Virola (US Market)	
5.2mm OV2 (MR)	440
15mm BB/CC (MR)	365
White Virola (Caribbean market)	
4mm BB/CC (MR)	440
12mm BB/CC (MR)	385

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	307
15mm C/CC (WBP)	276
18mm C/CC (WBP)	279

Plywood, domestic (ex-mill Southern mill)		US$ per m^3
Grade MR (B/BB)	White Virola 4mm	860⬆
	White Virola 15mm	629⬆

Domestic prices include taxes and may be subject to discounts.

Other Brazil Panel Prices

Belem/Paranagua Ports, FOB	US$ per m^3
Blockboard Pine 18mm 5 ply (B/C)	315
Domestic Prices, Ex-mill Southern Region	
Blockboard White Virola faced 15mm	562⬆
Particleboard 15mm	353⬆

Brazil Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Edge Glued Pine Panel		
Korean market (1st Grade)		651
US Market		498⬇
Decking Boards	Cambara	602
	Ipê	1706

Report from Peru

Finnish investors to identify investment opportunities in Peru

The Commercial Section of Finnish Embassy in Lima, Peru, said that Finnish investors are willing to invest in the forestry, mining and energy sectors of Peru. Next year, a mission will be sent to Peru to identify investment opportunities. Nevertheless, the Embassy reported that while the forestry sector holds much interest, the country had concerns over land tenure and the size of the land in Peru available for forest harvesting.

A spokesperson from the Embassy's commercial section noted that the Finnish government had started a commercial partnership programme, 'Finnpartnership', which offers opportunities to develop joint ventures with Finnish companies and/or projects considering Finland and the EU as main market destinations for products. Finnpartnership will provide funds to support small companies from ten developing countries to allow them to export their products to Europe. For Peruvians to benefit from the programme, a Finnish company must express interest in forming a partnership with a Peruvian community. The maximum amount of funds a Peruvian community can receive for partnering with the Finnish company is USD726,000. The main idea of the programme is to facilitate development within the poorest populations by offering job opportunities and technology improvements.

Peruvian lumber exporters await outcome of talks with Mexico

With the Economic Complementation Agreement (ACE-8) between Peru and Mexico being finalized this December, Peruvian lumber exporters are on the look out to see where Peruvian and Mexican governments can meet common ground on Peruvian lumber exports. Mexico is the second largest destination for Peruvian wood products and first for the Loreto region, which annually exports wood products valued at approximately USD50 million. These exports largely consist of exports of cedrela and banack. The negotiations are also focused on incorporating a number of lesser used species such as congona, machinga and moena, which are currently being exported to the US, Asian and European markets.

Peru Sawnwood Prices

Peru Sawnwood, FOB Callao Port		US$ per m³
Mahogany S&B KD 16%, 1-2" random lengths (US market)		1861-1887
Spanish Cedar KD select		
North American market		956-1005
Mexican market		974-1011
Pumaquiro 25-50mm AD	Mexican market	490-525

*Cheaper and small-dimension sawnwood for this market.

Peru Sawnwood, FOB Callao Port (cont.)	US$ per m³
Virola 1-2" thick, length 6'-8' KD	
Grade 1, Mexican market	284-328⬇
Grade 2, Mexican market	240-262⬆
Cumaru 4" thick, 6'-11' length KD	
Central American market	760-795
Asian market	720-760
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	550-585
Dominican Republic	565-575
Marupa (simarouba) 1", 6-11 length Asian market	395-415

Peru Sawnwood, FOB Iquitos	US$ per m³
Spanish Cedar AD Select Mexican market	940-985
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	280-334
Grade 2, Mexican market	242-259⬆
Grade 3, Mexican market	153-176⬆
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	245-252⬆

Peru sawnwood, domestic	US$ per m³
Mahogany	1300-1345
Virola	120-125⬆
Spanish Cedar	485-495
Marupa (simarouba)	135-138

Peru Veneer Prices

Veneer FOB	US$ per m³
Lupuna 3/Btr 2.5mm	220-228
Lupuna 2/Btr 4.2mm	220-250
Lupuna 3/Btr 1.5mm	245-255

Peru Plywood Prices

Peru plywood, FOB (Mexican Market)		US$ per m³
Copaiba, 2 faces sanded, B/C, 15x4x8mm		368-385
Virola, 2 faces sanded, B/C, 5.2x4x8mm		420-427
Cedar fissilis, 2 faces sanded 4x8x5.5mm		755-765
Lupuna, treated, 2 faces sanded, 5.2x4x8mm		365-380
Lupuna plywood	B/C 15x4x8mm	350-358
	B/C 9x4x8mm	345-350
	B/C 12x4x8mm	350-360
	B/C 8x4x15mm	420-430
	C/C 4x8x4mm	380-388
Lupuna plywood B/C 8x4x4mm Central Am.		385-395

Lupuna Plywood BB/CC, domestic	US$ per m³
(Iquitos mills)	
122 x 244 x 4mm	426
122 x 244 x 6mm	397
122 x 244 x 8mm	403
122 x 244 x 12mm	398
(Pucallpa mills)	
122 x 244 x 4mm	450
122 x 244 x 6mm	439
122 x 244 x 8mm	427
122 x 244 x 12mm	419

Other Peru Panel Prices

Peru, Domestic Particleboard	US$ per m³
1.83m x 2.44m x 4mm	277
1.83m x 2.44m x 6mm	230
1.83m x 2.44m x 12mm	198

Peru Added Value Product Prices

Peru, strips for parquet		US$ per m³
Cabreuva/estoraque KD12% S4S, Asian market		1445-1500
Cumaru KD, S4S	Swedish market	650-695⬇
	Asian market	890-930
Cumaru decking, AD, S4S E4S, US market		930-950
Pumaquiro KD # 1, C&B, Mexican market		490-530
Quinilla KD, S4S 2x10x62cm, Asian market		590-620
	2x13x75cm, Asian market	700-730

Report from Mexico

New carbon monitoring tool launched in Mexico

Reforestamos Mexico, the National Forest Institution (INE) and Pronatura Mexico, launched a tool that will help Mexicans calculate the carbon emissions they generate from their daily activities. Each person can access the tool via an electronic website and enter relevant data such as kilometers crossed in public transport or kilowatts of electricity spent to determine actions they can undertake to reduce the problem of climate change. The site offers suggestions for people to help reduce the generation of greenhouse gases and can be found at http://www.calculatusemisiones.com.

Report from Panama

Panama Log Prices

Logs, FOB Manzanillo/Balboa		
	cm measured girth	FOB $ Avg unit value per m³
Teak	40-49	163
	50-59	195
	60-79	223
	80-99	275
	110-130	335
	131+	365

Report from Bolivia

Bolivia Sawnwood Prices

Sawnwood 1-3"x3x5"x7-19', FOB Arica Port		$ Avg un. val. per m³
Mahogany	(US market)	1590-1800
Spanish Cedar	(US market)	500-980
Oak	(US and EU market)	615-790

Bolivia Added Value Product Prices

Doors 13/4"x36"x96", FOB Arica Port		Avg $ per piece
US market	Mara macho/Tornillo (FSC)	100-400
	Yesquero	125-485
	Ochoó	120-495

Report from Guyana

Guyana Log Prices

Logs, FOB Georgetown	SQ - $ Avg unit value per m³		
	Std	Fair	Small
Greenheart	-	110-120	105
Purpleheart	-	-	140
Mora	-	-	100-105

*Small SQ is used for piling in the USA and EU. Price depends on length.

Guyana Sawnwood Prices

Sawnwood, FOB Georgetown		$ Avg unit val. per m³	
EU and US markets		Undressed	Dressed
Greenheart	Prime	none	509-945
	Select/Standard	530-615	500-615
Purpleheart	Prime	509-636	615-848
	Select/Standard	500-615	530-615
Greenheart scantlings		-	-

Guyana Plywood Prices

Plywood, FOB Georgetown Port			$ Avg unit val. per m³
Baromalli	BB/CC	5.5mm	-
		12mm	-
	Utility	5.5mm	-
		12mm	345

Report from Japan

Japanese firms disclose losses caused by falling plywood prices

Japan Lumber Reports painted a mixed picture for profits of Japanese firms dealing with wood and building materials, some of which suffered losses due to falling imported plywood prices. Although it was noted that many companies registered profits from January to April 2007, the gap between prices of imported and domestically produced plywood widened, and many companies suffered losses after April 2007. There was a steeper decline in losses during August and September, after housing starts fell. Sumitomo Forestry showed an increase in revenue, although profits fell. Sales (excluding logs and wood) during April-September 2007 were up 1.3% from April-September 2006. However, Sumisho & Mitsuibussan Kenzai showed an operating loss of JPY49 million.

Southsea log import expected to drop

At a recent Southsea Lumber Conference convened by the Tokyo Chapter of Japan, it was noted that Southsea log consumption would drop, with one attendee saying monthly consumption would drop by 5,000m³. The *Japan Lumber Journal* covered the discussions at the meeting, noting that participants expected domestic prices for plywood from Sarawak, Solomon Islands, and PNG to remain firm during November and December, since their local prices had not fallen. Buyers also seem to be relying on domestic supplies of logs, in part due to freight rate increases and since domestic prices have started to level-off.

Imports of Southsea logs from January – September 2007 were 828,450 m³, with Sarawak's supplies dropping 22.6% from a year earlier. Japan's imports of Southsea sawntimber products have also been decreasing, since imports from January-September 2007 fell 9.6% from the same period from the previous year. Lumber dropped 15.1%, with softwood lumber sustaining the previous year's level of imports.

Log and Sawnwood Prices in Japan

Logs for Ply Manufacture, CIF	Yen per Koku
Meranti (Hill, Sarawak)	(Koku=0.278 m³)
Medium Mixed	8,550
Standard Mixed	8,650
Small Log (SM60%, SSM40%)	7,850
Taun, Calophyllum, others (PNG)	7,850
Mixed light hardwood, G3/4 grade (PNG)	7,500
Okoumé (Gabon)	14,000
Keruing MQ & up (Sarawak)	9,900
Kapur MQ & up (Sarawak)	9,600

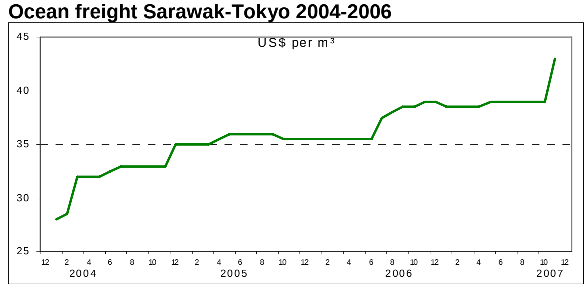
Logs for Sawmilling, CIF	Yen per Koku
Melapi (Sarawak) High Select	11,000
Agathis (Sarawak) High Select	10,800

Lumber, FOB	Yen per m³
White Seraya (Sabah) 24x150mm, 4m, Grade 1	150,000
Mixed Seraya, Sangi 24x48mm, 1.8-4m, S2S	53,000

Wholesale Prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	Oct	Nov
		(¥ per sheet)	
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	370	370
3.7mm (med. Thickness, F 4star, type1)	910 X 1820	580	560 ↓
5.2mm (med. Thickness, F 4star, type 1)	910 X 1820	690	670 ↓
11.5mm for sheathing (F 4star, type 2)	910 X 1820	950 ↓	930 ↓
12mm for foundation (F 4star, special)	910 X 1820	980	960 ↓
12mm concrete-form ply (JAS)	900 X 1800	950 ↓	930 ↓
12m coated concrete-form ply (JAS)	900 X 1800	1250 ↓	1190 ↓
11.5mm flooring board	945 X 1840	1500 ↓	1480 ↓
3.6mm baseboard for overlays (OVL)	1230 X 2440	930 ↓	930
OSB (North American)			
12mm foundation of roof (JAS)	910 X 1820	1000	1000
9mm foundation for 2 by 4 (JAS)	910 X 2440	1050	1050
9mm conventional foundation (JAS)	910 X 2730	1250	1250
9mm conventional foundation (JAS)	910 X 3030	1350	1350

Ocean freight Sarawak-Tokyo 2004-2006



More information on Japan in www.n-mokuzai.com

Report from China

Bamboo exports from Wuyi County exceed RMB100 million

On an annual basis, Wuyi County of Zhejiang Province produces over 31 bamboo products for export-oriented enterprises at an estimated output value of RMB100 million yuan. The county exports products such as bamboo door panels, bamboo floors, bamboo curtains, bamboo charcoals and bamboo crafts. Ninety percent of the county's bamboo products are exported to the US, France, Japan and South Korea.

Asian Bamboo Group listed on Frankfurt Stock Exchange

The Asian Bamboo Group was listed on the Frankfurt Stock Exchange on 16 November. The Group is the second Chinese company to be listed on the Frankfurt stock market and is a leading bamboo producing company in China focusing on two business segments: bamboo trees and organically grown bamboo shoots. The company currently has access to 13 bamboo plantations, which comprise a total area of more than 14,600 ha in the Fujian province, one of the most suitable areas for growing bamboo in China. Asian Bamboo Group's registered office is in Hamburg, Germany, has production facilities in China's Fujian Province, and employs over 300 people. In the first half of 2007, the Asian Bamboo Group generated revenues of EUR 5.37 million and had an adjusted net profit of EUR 1.62 million.

Sino-Panel (Asia) invests US$50 million in Beihai City

Sino-Panel (Asia) recently invested USD50 million in a high grade wood composite floor project and officially started in Beihai City of Guangxi Zhuang Autonomous Region in China. The project is expected to fill a gap in Guangxi's high grade wood composite flooring operations. The project, which is expected to be complete in 10 months, will generate over USD70 million in annual output value and all products will be exported. Sino-Panel (Asia) is listed on the Canadian stock exchange.

Guangzhou City Imported Timber Market

Logs	Yuan per m^3
Radiata 6m, 30cm diam.	1300
Luan	2200-2400⬆
Kapur	1900-2350
Merbau 6m, 60cm diam.	5000-5300
Keruing 60cm+ diam.	1900-2300
Beech 6m,30cm veneer Qual.	3300-3600
Sawnwood	
Teak Boards 4m+ for flooring	10000-13000
US Maple 2" KD	8800-12600⬇
US Cherry 2"	12000-15100⬆
US Walnut 2"	12500-15300
SE Asian Sawn 4m+, KD	4300-4350
Plywood	Yuan per sheet
4x8x3mm	20-34
4x8x18mm	149-188

Shanghai Furen Wholesale Market

Sawnwood		Yuan per m^3
Beech KD Grade AB		2500-3200
US Cherry, 25mm		10500-11000⬇
US Red Oak, 50mm		9800-10500⬇
Sapele 50mm FAS (Congo)	AD	8000-9000⬆
	KD	7500-7800⬆

Shandong De Zhou Timber market

Logs		Yuan per m^3
Larch	6m, 24-28cm diam.	1250⬆
White Pine	6m, 24-28cm diam.	1280⬆
Korean Pine	4m, 30cm diam.	1500
	6m, 30cm diam.	1550

Hebei Shijiangzhuang Wholesale Market

Logs		Yuan per m^3
Korean Pine 4m, 38cm+ diam		1680
Mongolian Scots Pine	4m, 30cm diam.	1350⬇
	6m, 30cm+ diam.	1380
Sawnwood		
Mongolian Scots Pine	4m, 5-6cm thick	1650⬆
	4m,10cm thick	1650⬆

Tian Jin City Huan Bo Hai timber Market

Logs	Yuan per m^3
Okoume 80cm+	3000
Sapele 80cm+	5350
Padauk 40cm+	6000
Sawnwood	
US Black Walnut 2.2-4m, 5cm thick	16000
Padauk 2.2-3.2m, 5cm thick	11000
Sapele 2.2-2.6m, 5cm thick	6800
Ash 4m, 5cm thick	4300

For more information on China's forestry see: www.forestry.ac.cn

Report from Europe and Scandinavia

Slack in demand for Chinese plywood

EUWID reported that European demand for plywood has not picked up since the summer months and has been sluggish in the past few weeks. Poplar plywood seems to be the most affected, although demand for other types of Chinese plywood is also starting to wane. The weakened demand for plywood on the continent has thwarted manufacturer's efforts to raise prices for Chinese plywood products.

Report from the UK

British timber merchant solves greenheart problem

TTJ reported that timber merchant Timber Resources International Ltd will use its own mobile milling equipment to recycle greenheart and ekki timbers into sea defenses for England's south coast. The company has agreed to cut the timber into planks for use in sea defense projects, as part of a contract with the Environment Agency. The initiative comes in response to the calls from timber suppliers to prevent further imports of greenheart timber from Guyana.

House prices may stall in 2008

According to Nationwide, growth in UK housing prices may stall in 2008, dropping from its current level of 9.7% to 0%. House building is also slowing and the housing market is sluggish as a result of the credit squeeze. The number of mortgages approved for first time home buyers also fell to a record low in October, which the British Bankers Association attributes to rising interest rates.

UK Log Prices

FOB plus commission		€ per m^3
N'Gollon (khaya)	70cm+ LM-C	227-238
Ayous (wawa)	80cm+ LM-C	227-238
Sapele	80cm+ LM-C	285-290
Iroko	80cm+ LM-C	297-310

UK Sawnwood Prices

FOB plus Commission	Pounds per m^3
Teak 1st Quality 1"x8"x8"	2035-2350
Tulipwood FAS 25mm	440-455
Cedro FAS 25mm	420-430
DR Meranti Sel/Btr 25mm	390-405
Keruing Std/Btr 25mm	295-315
Sapele FAS 25mm	460-465
Iroko FAS 25mm	430-450
Khaya FAS 25mm	420-430
Utile FAS 25mm	410-420
Wawa No.1 C&S 25mm	230-240

UK Plywood and MDF Prices

Plywood Panels 8x4", CIF	US$ per m^3
Brazilian WBP BB/CC 6mm	640
Indonesian WBP BB/B 6mm	600-630
MDF	Pounds per $10m^2$
Eire, BS1142 12mm	54

Report from North America

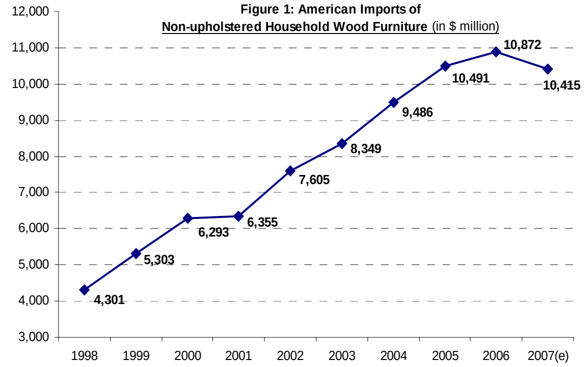
US imports of wooden furniture exceeds USD27 billion

Researchers of the *AKTRIN Furniture Information Center* estimate the 2007 value of US imports of all furniture (North American Industry Classification System or NAICS 337) at USD27.24 billion. This is up by 154% from 1998. The largest foreign supplier is China, holding a market share of 55%. Its current annual value stands at USD14.89 billion, which is 565% higher than 10 years ago. A distant second place belongs to Canada with a share of 14%. In 1998, Canada was the largest foreign furniture supplier to the US. Mexico currently stands in third place. In 1998, Taiwan was in the third spot, but then fell in relative terms to the current seventh position and declined in absolute terms by more than 20%. The fourth most important foreign source of furniture for the US is Vietnam. It exported an estimated USD1.2 billion worth of furniture to the United States this year. A decade ago this value was only slightly above USD1 million. No other country achieved the same steep growth rate of furniture exports as Vietnam.

For stakeholders in the wood and forestry industries, only wooden furniture is of interest. The share of imported furniture that contains at least some wood is about 70% however it may also contain non-wooden raw materials. The remaining 30% of US furniture imports are non-wood (metal, plastic, stone, glass, etc.) and consist mostly of metal office furniture.

The largest wooden furniture sub-category is Non-upholstered Wood Household Furniture (NAICS 337122). Its estimated import value as of 2007 is USD10.42 billion or 38% of overall US furniture imports. Currently, the top suppliers are China with USD4.81 million, Canada with USD1.14 billion, and Vietnam with USD1.07 billion. Together, these three countries supply more than two-thirds of all foreign produced wood furniture in the US.

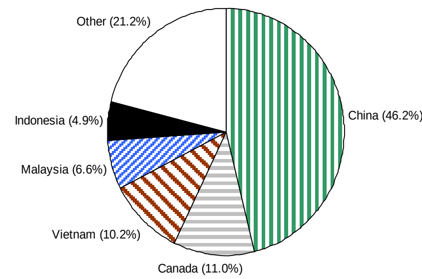
Figure 1: American Imports of
Non-upholstered Household Wood Furniture (in $ million)



Source: AKTRIN Furniture Center

In 1998, the three top suppliers were Canada, followed by China and Taiwan. Taiwan's wooden furniture exports to the US declined by 76% between 1998 and 2007. However, many Taiwanese companies are now operating from mainland China and their exports are counted as Chinese exports. Vietnam was an insignificant supplier in 1998 (ranked number 25) with a value of less than USD1 million. In addition to China, Canada and Vietnam, other important exporters of wooden furniture to the US include Malaysia, Indonesia, Mexico, Italy, Thailand, Brazil and the Philippines, all with annual export values in excess of USD100 million each.

Figure 2: Major Source Countries of
Wooden (non-upholstered) Household Furniture for the US



Source: AKTRIN Furniture Center

Another important furniture sub-category is Upholstered Household Furniture, (NAICS 337121). As of 2007, the US import value stood at an estimated USD3.28 million, or 12% of overall furniture imports. However, on average only about 40% of the material costs of upholstered furniture is wood, with the rest being fabrics, leather, springs, and foam. The top ranking foreign upholstery suppliers for the US are China with an estimated export value of USD2.21 million, Mexico with USD315 million, and Italy with USD172 million. Together, these three countries have a US market share of 82%. While Vietnam experienced a phenomenal growth rate during the past decade, it still remains a relatively minor supplier of upholstery for the US (USD91 million). Traditionally, Italy, Mexico and Canada have been the most important foreign upholstery suppliers to the US. However, they have all lost market share in the US, and Italy even suffered a decline in absolute terms between 1998 and 2007.

Wooden Office Furniture (NAICS 337211) is also of great relevance to wood suppliers. According to AKTRIN, US imports in 2007 are estimated at USD994 million, which is 3.6% of overall American furniture imports. Growth between 1998 and 2007 was 95%, which is much less than for most other furniture categories. The largest foreign suppliers – today as well as back in 1998 – are China, Canada, Taiwan and Mexico. The highest growth rates during the past decade have been achieved by Vietnam, China, Malaysia, Australia, Spain, and Switzerland.

US imports of Wood Kitchen Cabinets and Countertops (NAIC 337110) stand at approximately USD795 million or 2.9% of total furniture imports in the US in 2007. This is relatively small in relation to the large US consumption of kitchen cabinets. The reason is that external suppliers suffer a competitive disadvantage compared to local suppliers as kitchen cabinets generally require installation. Important foreign source countries are Canada, China, Italy, Mexico and Germany.

It is interesting to note that about 12% of American furniture imports are in the form of furniture parts. In value terms, this is more than USD3.5 billion annually. About 55% of all parts are for furniture, and the remaining 45% are parts for seats. However, only half of furniture parts are wooden products (including rattan, bamboo, cane, etc.), and in the case of seats, the wooden share is only in the 10% range. In other words, imports of wooden parts (for furniture and seats) amounted to an estimated value of USD1.2 billion in 2007. During the past decade, US imports of parts for furniture and seats, and in particular wooden furniture parts, grew slightly faster than imports of finished furniture and seats.

The largest foreign supplier of wooden furniture parts (excluding rattan, bamboo, cane, etc.) is China, with an estimated value of USD471 million as of 2007, followed by Canada, Mexico, Italy and Vietnam. The largest foreign suppliers of rattan parts are the Philippines, Indonesia, and China, and the largest suppliers of parts of bamboo, osier, cane, and similar products are China, the Philippines, and Indonesia (in addition to Canada acting indirectly as a re-exporter).

US Imported Sawnwood Prices

FOB unit value prices		Avg $ per m^3	
		Aug	Sep
Balsa*	(Ecuador)	403	403
Mahogany**	(Peru)	1374	1374
	(Bolivia)	1699	1699
Mahogany*	(Peru)	1821	1821
Virola**	(Brazil)	382	382
Virola*	(Brazil)	380	380
Red Meranti	(Malaysia)	1030	1037
	(Indonesia)	1047	1047
Teak**	(Taiwan)	2125	2125
Keruing**	(Malaysia)	589	589
Keruing*	(Malaysia)	599	599

*Dimension lumber; **Rough lumber; Quality variations may greatly influence monthly average prices. Data is subject to frequent revisions.

US Imported Veneer Prices

FOB avg unit value ($ per m^2)	Aug	Sep
By species (all countries)		
Meranti	11.5	12.2⬆
Non-meranti	1.3	1.3
By country (all tropical species)		
China	0.6	0.6
Ghana	1.2⬆	1.3⬆
Côte d'Ivoire	1.2	1.2
India	25.3	25.3
Thailand	2.6	2.6
Gabon	1.2	1.2
Brazil	1.9	1.9
Italy	3.4	3.4

Quality variations may greatly influence monthly averages. Data subject to frequent revisions.

US Imported Plywood Prices

FOB avg unit value ($ per m^3)	July	Aug
All tropical plywood		
Indonesia	470	470
Malaysia	379	379
China	325	325
Brazil	418	418
All	384	384
Mahogany		
Canada	791	791
Brazil	430	430
China	915	915
Meranti, white luan, sipo, limba		
China	292	292
Taiwan PoC	1344	1344
Brazil	448	448

Quality variations may greatly influence monthly averages. Data subject to frequent revisions.

Internet News

Below are web links to news items published by the press. These items do not necessarily reflect the views and policies of ITTO.

The Brunei Ministry of Primary Resources (MIPR) is moving forward in safeguarding Brunei's tropical forest for future generations, following the implementation of policies in conservation. Minister Pehin Orang Kaya Setia Pahlawan Dato Seri Dr. Haji Awang Ahmad bin Haji Jumat outlined some of the policies implemented to protect the natural tropical forest during a tree-planting event in support of Brunei's Heart of Borneo project for Citi's second Global Community Day.
http://www.brunei-online.com/sunday/news/nov18h8.htm

The Brazilian Ministry of the Environment intends to invest in infrastructure projects to enhance the Amazon Region. The projects are proposed within the Sustainable Amazonia Plan (PAS) that has been described by the Ministry of the Environment's Secretary-General, João Paulo Capobianco, as a 'pact' to benefit the region.
http://www.amazonia.org.br/english/noticias/noticia.cfm?id=256382

China must act to protect the environment and reduce emissions linked to global warming, and it can do so without compromising economic growth, said French President Nicolas Sarkozy.
http://www.businessweek.com/ap/financialnews/D8T64SHO0.htm

For years, Indonesia has made money by chopping down its forests. Now it wants to earn billions by preserving what is left. The huge archipelago, with about 10 percent of the world's tropical rainforests, is pinning its hopes on next month's UN climate talks in Bali.
http://www.reuters.com/article/latestCrisis/idUSSP21478

Indonesia may take at least seven years to halt illegal logging and deforestation in the world's third-largest tropical rainforests, according to the Minister of Forestry, Malam Sambat Kaban. The Minister is seeking additional resources to catch and prosecute illegal loggers and may grant more rights to indigenous tribes.
http://www.bloomberg.com/apps/news?pid=20601080&sid=afJ0dng3CjSk&refer=asia

It will cost at least AUS$11.1 billion to stop deforestation in developing countries, and activities aimed at halting logging could bump up timber prices and drive some workers into unemployment. The warnings came from Lucaen Tacconi from the Australian National University's Crawford School of Economics and Government, who is calling for governments to support the inclusion of the prevention of deforestation and forest degradation in a post-Kyoto agreement, to create a market for carbon credits from these activities.
http://www.theaustralian.news.com.au/story/0,25197,22800459-30417,00.html

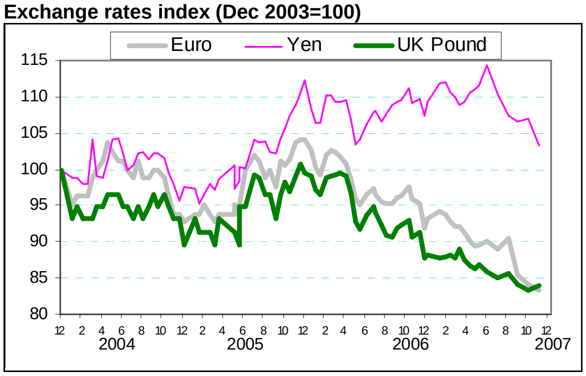
The President of the Bank of Amazonia, Abidias José de Sousa Júnior, stated that there are plenty of funds for development of the region, while participating in the 1st Amazonia and Development Symposium. The challenge, he said, is in finding good projects. According to Abidias Júnior, the bank currently finances 284,000 projects, with investments worth BRL8.7 billion. Ninety-two percent of these projects target family-scale agriculture, representing 35% of the total amount invested by the bank.
http://www.amazonia.org.br/english/noticias/noticia.cfm?id=256383

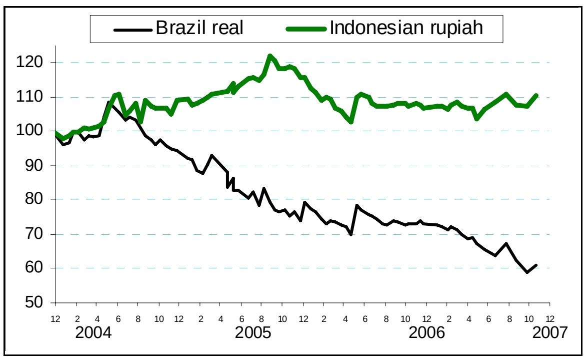
Main US Dollar Exchange Rates

As of 30 Nov 2007

Brazil	Real	1.798	⬆
CFA countries	CFA Franc	448.347	⬇
China	Yuan	7.398	⬇
EU	Euro	0.6835	⬇
Indonesia	Rupiah	9,372.00	⬆
Japan	Yen	111.12	⬇
Malaysia	Ringgit	3.3647	⬆
Peru	New Sol	2.9967	⬆
UK	Pound	0.4869	⬆

Exchange rates index (Dec 2003=100)

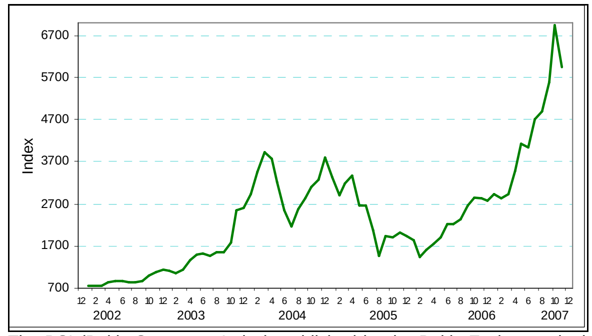




Abbreviations and Equivalences

LM	Loyale Merchant, a grade of log parcel
QS	Qualite Superieure
CI, CE, CS	Choix Industriel, Economique or Supplimentaire
FOB	Free-on-Board
CIF; CNF	Cost, insurance and freight; Cost and freight
KD; AD	Kiln Dry; Air Dry
Boule	A log sawn through and through, the boards from one log are bundled together.
BB/CC, etc.	Log/plywood grades. Letter(s) on the left indicate face veneer(s), on the right backing veneer(s). Grade decreases in order B, BB, C, CC, etc.
BF; MBF	Board Foot; 1000 Board Feet
Hoppus ton	1.8 m^3
Koku	0.278 m^3 or 120 BF
SQ; SSQ	Sawmill Quality; Select Sawmill Quality
FAS	Sawnwood Grade First and Second
GMS	General Market Specifications
MR; WBP	Moisture Resistant; Water and Boil Proof
MDF	Medium Density Fibreboard
PHND	Pin hole no defect grade
$; ⬆⬇	US dollar; Price has moved up or down

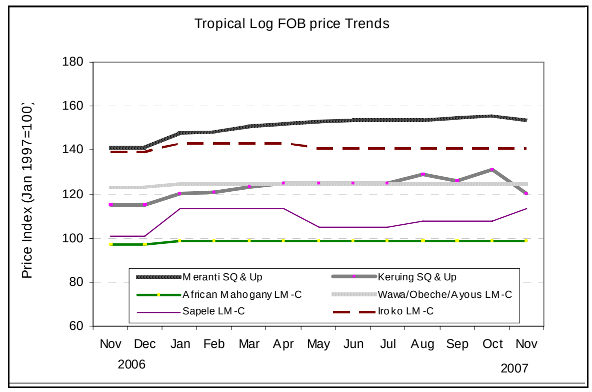
Ocean Freight Index

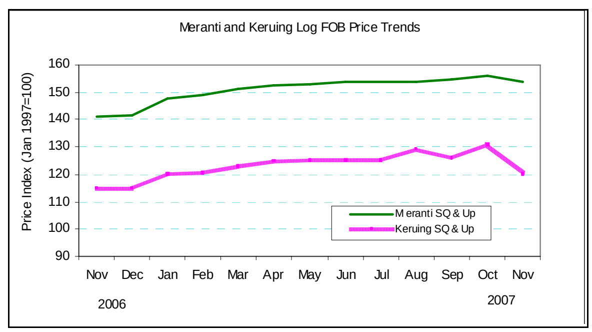


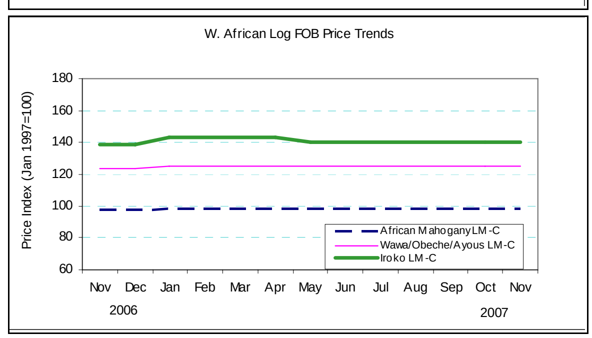
The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes. It is based on a 52,454 mt bulk carrier carrying commodities such as timber.

Appendix. Tropical Timber Price Trends

Tropical Log Price Trends

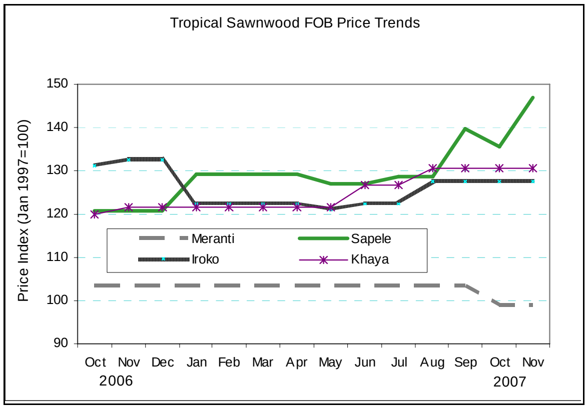


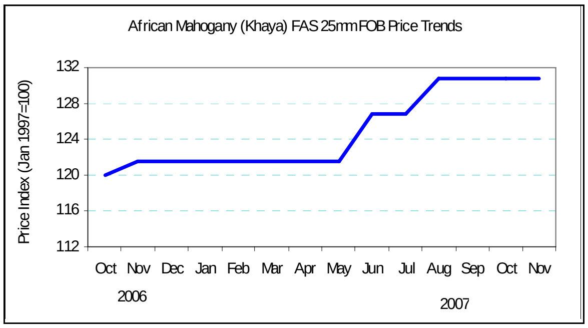


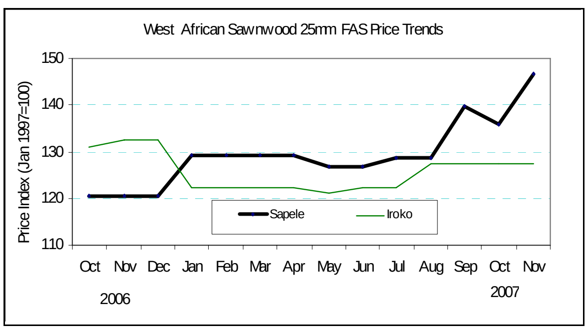


More price trends in Appendix 4, ITTO's Annual Review http://www.itto.or.jp/live/PageDisplayHandler?pageId=199

Tropical Sawnwood Price Trends







Tropical Plywood Price Trends