Tropical Timber Market Report

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Top Story

Hardwood plywood makes gains – other market sectors remain fragile

The latest EU-wide trade data indicates that imports of hardwoods from developing countries, while still at historically very low levels, were showing early signs of recovery in the first half of 2010. During this period, European imports of hardwood logs, sawnwood, plywood and veneers from developing countries totalled 1,721,000 cu.m, a 21% gain on the volume achieved in the first half of 2009.

Most of the gains were made in the second quarter of the year after a very slow start to 2010. Import performance also varied widely by European country. The overall result was strongly affected by big increases in imports of plywood by the UK and of eucalyptus logs (destined for the paper rather than solid wood sector) by Portugal. Imports into several European countries including Spain, Greece and Denmark remained very weak.

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Headlines

Report from Central/West Africa

Strong demand pushes prices up

For the current quarter, West and Central African producers and exporters report strong order books and firming prices for premier timbers. The log export market reportedly continues to hold firm with traders confident of market prospects till early 2011.

Meanwhile, Gabon log producers are selling their remaining logs in the domestic market at prices much lower than were previously achieved in the export market.

Okoumé log prices have gained further on steady demand from China, while India and Vietnam also are buying their most favoured species, adding stability to the market.

Sawnwood prices also experienced some substantial gains through the second half of October, following earlier rises in August and September. Demand for iroko is still very strong and prices for both logs and sawnwood continue an upward trend. Sipo sawnwood is back in demand with China reportedly buying species that were once bought almost exclusively by European importers.

Sapele log and sawnwood prices have held firm with demand steady over the past three months. Demand for khaya logs and sawnwood has also improved in October after a long quiet period, pushing up their prices.

Plywood and veneer prices have also strengthened and veneer manufacturers in particular have strong order books into next year.

Inroads to US and Middle East markets

The recent interest of US buyers for khaya (African mahogany) and other red colour species seems to have turned into firm demand. In addition, African mahogany are at lower prices compared to South American mahogany (Swietenia macrophylla).

West and Central African exporters have also been successfully trading timber products to Middle Eastern countries and this business continues to make good progress for the mix of lower grade timber products at highly competitive prices.

West Africa Log Prices

West Africa logs, FOB	€ per m^3		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	205	205	153
Ayous/Obeche/Wawa	200↑	200↑	145
Azobe & Ekki	205	205	122
Belli	210	210	-
Bibolo/Dibétou	145	130	
Bubinga	670↑	570↑	430↑
Iroko	260	245	190
Okoume (60% CI, 40% CE, 20% CS) (China only)	230	-	-
Moabi	280↑	275	190
Movingui	180	150	140
Niove	145↑	145↑	-
Okan	320	320	-
Padouk	375↑	340	235
Sapele	245	245	170
Sipo/Utile	270	250	200
Tali	275↑	275↑	-

West Africa Sawnwood Prices

West Africa sawnwood, FOB		€ per m^3
Abura	KD	560
Ayous	FAS GMS	300
Okoumé	FAS GMS	360↓
	FAS. fixed sizes	340
	Std/Btr GMS	295↑
Sipo	FAS GMS	470↓
	FAS fixed sizes	-
	FAS scantlings	490
Padouk	FAS GMS	560↑
	FAS scantlings	565↑
	Strips	300
Sapele	FAS Spanish sizes	390
	FAS scantlings	460
Iroko	FAS GMS	550↑
	Scantlings	560↑
	Strips	360↑
Khaya	FAS GMS	400↑
	FAS fixed	390
Moabi	FAS GMS	495
	Scantlings	440
Movingui	FAS GMS	350↑

Report from Ghana

More export permits for emerging markets

According to the Timber Industry Development Division (TIDD), during the second quarter of 2010, the head office in Takoradi and its regional office in Tema issued altogether 15 export permits for the shipment of rosewood sawnwood (Pterocarpus erinaceus) to China. In terms of volume, the total amount was 508 cu.m of rosewood sawnwood, worth Euro 166,468 shipped by Nkoranza Sawmill, Geavag Company Ltd, Effedan Services Ltd, Chester Wood Supply & Company Ltd and Trust Wood Company Ltd.

In the second quarter of 2010, altogether 57 export permits were issued for several timber companies to ship teak billets, poles and logs to India, totaling 4,272 cu.m. In addition, a total of 16 export permits (2,439 cu.m) were issued in Takoradi for the shipment of Gmelina billets and poles to India.

One export permit for 151 cu.m of rubberwood sawnwood was issued in Takoradi for Best Glow Wood Ltd for shipment to Malaysia.

Ghana Log Prices

Ghana logs, domestic	US$ per m^3	
	Up to 80cm	80cm+
Wawa	130-140	145-165
Odum Grade A	160-170	175-185
Ceiba	107-114	120-140
Chenchen	90-100	105-120
Khaya/Mahogany (Veneer Qual.)	100-115	120-145
Sapele Grade A	135-150	160-175
Makore (Veneer Qual.) Grade A	125-135	140-166

Ghana Export Sawnwood Prices

Ghana Sawnwood, FOB	€ per m^3	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Abura/Subaha	410	480
Afrormosia	855	-
Asanfina	500	552
Ceiba	215	266
Dahoma	318	390
Edinam (mixed redwood)	396	445
Emeri	350	414
African mahogany (Ivorensis)	568↑	690
Makore	520	585
Niangon	505	590
Odum	625↓	690
Sapele	545↑	590
Wawa 1C & Select	260↑	295

Ghana sawnwood, domestic		US$ per m^3
Wawa	25x300x4.2m	260
Emeri	25x300x4.2m	310
Ceiba	25x300x4.2m	225
Dahoma	50x150x4.2m	284
Redwood	50x75x4.2m	315
Ofram	25x225x4.2m	310

Ghana Veneer Prices

Rotary Veneer, FOB	€ per m^3	
	CORE (1-1.9mm)	FACE (<2mm)
Bombax	315	350
Ofram, Ogea & Otie	318	355
Chenchen	315	350
Ceiba	310	335
Mahogany	415	450

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	274
Chenchen	305
Ogea	300
Essa	290
Ofram	310

Sliced Veneer, FOB	€ per sq. m	
	Face	Backing
Afrormosia	1.19	1.00
Asanfina	1.40	0.90
Avodire	1.12	0.70
Chenchen	1.20	0.70
Mahogany	1.25	0.70
Makore	1.20	0.72
Odum	1.80	1.12

Ghana Export Plywood Prices

Plywood, FOB	€ per m^3		
BB/CC	Ceiba	Ofram	Asanfina
4mm	370	546	597
6mm	367	540	575
9mm	307	384	436
12mm	305	381	397
15mm	281	327	334
18mm	261	320	330

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

Ghana Added Value Product Prices

Parquet flooring 1st	FOB € per sq.m		
	10x60mm	10x65-75mm	14x70mm
Apa	12.00	14.47	17.00
Odum	7.80	10.18	11.00
Hyedua	13.67	13.93	17.82
Afrormosia	13.72	18.22	17.82

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

Mouldings (FOB export)	€ per m^3
Dahoma grade 1	492
Denya grade 1	516
Hotrohotro grade 1	580
Wawa grade 1	490
Wawa grade 2	420
Ekki grade 1	475
Wawabimba Laminated grade 1	750

Report from Malaysia

Joint effort to promote use of rubberwood

Malaysia and Thailand have agreed to promote jointly the use of rubberwood by sharing information concerning the regional and international markets for rubberwood products. A Memorandum of Understanding (MoU) was signed between the Malaysian Timber Council (MTC), Malaysian Timber Industry Board (MTIB), Malaysian Furniture Promotion Council (MFPC), Thai Parawood Association and Wood Processing Industry Club of the Federation of Thai Industries, earlier this year. Following the signing of the MoU, the Malaysia-Thailand Parawood Committee (MTPC) was established with the chairmanship and secretariat to be rotated between the various parties in these countries.

In Malaysia, there are 1.02 million hectares of rubberwood plantations while in Thailand the rubberwood plantation area is 2.6 million hectares. In 2009, Malaysia exported wood and timber products worth RM522.8 million to Thailand, with the major export articles being sawnwood, plywood, wooden furniture and particleboard.

Rating scheme to improve competitiveness of SMEs

The Malaysian Timber Industry Board (MTIB) in collaboration with the Small and Medium Sized Enterprises (SMEs) Corporation Malaysia have initiated a rating scheme to evaluate the performance of SMEs operating in the timber sector in Malaysia.

The new rating scheme "SME Competitiveness Rating for Enhancement" (SCORE) includes several parameters such as business performance, financial management, innovation, management and technical capabilities, production capacity and quality control systems. The purpose of this new rating system is to enable SMEs to maintain and improve competitiveness in the international market.

There is an urgent need for the Malaysian timber sector to improve SMEs' competitiveness as the total export value of wood and timber products fell 14% from RM22.8 billion in 2008 to RM19.5 billion in 2009. The furniture sector remains the major contributor to total timber product exports with RM6.28 billion, representing a 32% share of the total export value in 2009.

However, operators in the timber sector are optimistic that the sector will improve on its 2009 performance. According to the Malaysian Timber Council, the timber sector is forecast to lift exports by 10% to RM21 billion in 2010. For the first seven months of this year, exports were valued at RM12.3 billion, up 14% over the same period in 2009.

The certification of wood and timber products is expected to improve the competitiveness of Malaysian timber products and create more international markets. To date, a total of 160 certificates for chain-of-custody have been issued under the Malaysian Timber Certification Scheme (MTCS). This is in addition to the total of 10 forest management units holding valid certificates under the same scheme covering a total area of 4.83 million hectares of natural forests.

No time frame for signing of VPA

According to the Ministry of Plantation Industries and Commodities, there is no time-frame for signing the EU Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA).

However, the EU has indicated that it would like to have the VPA in place before the EU Illegal Timber Law enters into force in 2013.

Log Prices

Sarawak log, FOB	US$ per m^3
Meranti SQ up	243-268⬆
Small	228-258⬆
Super small	227-248⬆
Keruing SQ up	229-241⬆
Small	215-243⬆
Super small	199-225⬆
Kapur SQ up	220-245⬆
Selangan Batu SQ up	210-244⬆

Pen. Malaysia logs, domestic (SQ ex-log yard)	US$ per m^3
DR Meranti	252-271⬆
Balau	309-338
Merbau	340-372
Rubberwood	81-115⬆
Keruing	229-245⬆

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

Sawnwood Prices

Malaysia Sawnwood, FOB	US$ per m^3
DR Meranti	401-437
White Meranti A & up	292-322
Seraya Scantlings (75x125 KD)	440-453
Sepetir Boards	261-283⬆
Sesendok 25,50mm	352-370
Kembang Semangkok	314-337

Malaysian Sawnwood, domestic	US$ per m^3
Balau (25&50mm,100mm+)	332-352
Merbau	464-516
Kempas 50mmx(75,100 & 125mm)	268-308
Rubberwood	
25x75x660mm up	223-273⬆
50-75mm Sq.	262-294⬆
>75mm Sq.	284-313⬆

Plywood Prices

Malaysia ply MR BB/CC, FOB	US$ per m^3
2.7mm	419-481
3mm	399-429
9mm & up	346-418

Meranti ply BB/CC, domestic	US$ per m^3
3mm	343-434
12-18mm	326-355

Other Panel Prices

Malaysia, Other Panels, FOB	US$ per m^3
Particleboard	
Export 12mm & up	238-261⬆
Domestic 12mm & up	225-242⬆
MDF	
Export 15-19mm	292-323⬆
Domestic 12-18mm	282-300⬆

Added Value Product Prices

Malaysia, Mouldings, FOB	US$ per m^3
Selagan Batu Decking	550-561
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	565-578
Grade B	519-529

Furniture and Parts Prices

Malaysia, Rubberwood, FOB	US$ per piece
Semi-finished dining table	
solid laminated top 2.5'x4', extension leaf	68-84⬆
As above, Oak Veneer	75-89⬆
Windsor Chair	67-69⬆
Colonial Chair	65-70⬆
Queen Anne Chair (soft seat)	
without arm	66-73⬆
with arm	65-74⬆
Chair Seat 27x430x500mm	53-58⬆

Rubberwood Tabletop	US$ per m^3
22x760x1220mm sanded & edge profiled	
Top Grade	598-629⬆
Standard	579-599⬆

Report from Indonesia

Arrangement in place for moratorium

Indonesia is set to formally start the implementation of the 2-year moratorium on new permits to convert natural forests and peatlands next year, as a presidential decree was expected to be issued before the end of October 2010. This will pave the way for the country to begin receiving a grant of US$1 billion from the Norwegian government. The Ministry of Forestry Indonesia is preparing a new set of regulations to implement the moratorium.

The moratorium is part of the Indonesian government's effort to reduce greenhouse gas emissions by 26% before 2020 as outlined in the National Action Plan on Climate Change (RAN-GRK). With more support from the international community, Indonesia hopes to reach a higher emission reduction target of 41%.

The moratorium will be carried out primarily in Papua, Kalimantan and Aceh where primary forests and peatlands remain largely unexploited. There are still around 40 million hectares of natural forests and over 21 million hectares of peatlands in Indonesia.

Norway is to provide a total of US$200 million for the first phase of the implementation of the moratorium with the first disbursement of US$30 million to be made in 2010. In 2011 and 2012, US$70 million and US$100 million will be disbursed respectively. The balance of US$800 million will be disbursed gradually after 2013 based on forestry sector emissions reduction parameters.

A pilot project will be carried out in one of the proposed areas: Jambi, Riau, East Kalimantan, Central Kalimantan and Papua. The Office of the Coordinating Minister of Economic Affairs will select the pilot project area based on biophysical, social, economic and cultural criteria. The pilot project will place more emphasis on measuring, verifying and reporting methodologies.

Indonesia ready for talks on illegal timber with Malaysia

The Ministry of Forestry Indonesia announced that it is preparing to begin negotiations with Malaysia on allegations that Malaysia has been a destination point for illegally harvested logs from Indonesia. A Memorandum of Understanding (MoU) is expected to be signed between Indonesia and Malaysia to address the issue of timber smuggling.

According to the Ministry of Forestry Indonesia, it has received reports on smuggled Indonesian timber particularly merbau in the Chinese market, originating from Malaysia and Singapore. Indonesia and China have already signed an agreement to eradicate trade in illegally harvested timber and China is discouraging illegally sourced merbau from entering the Chinese market.

Aerial seeding for reforestation in South Sulawesi

Officials in South Sulawesi in collaboration with the Kalla Group and the Hasanuddin University have conducted an experiment of reforestation through aerial seeding. To date, up to 2 tons of seeds of trambesi and sengon tree species have been sowed from the air in Moncongloe village in Manuju district, Gowa region.

The South Sulawesi Forestry Agency noted that it needed a cost-effective method to reforest a wide land area. The governor of South Sulawesi added that much money had been spent in the past for reforestation but with poor results.

The new method of aerial seeding using helicopters is expected to reach remote areas which could not be reforested using conventional methods. The plan is to reforest all damaged forest areas in South Sulawesi during the next 2 years and obtain visible results in 5 years. Twenty helicopters will be used in this programme to treat up to 100 hectares of damaged forest per day.

Log Prices (domestic)

Indonesia logs, domestic prices	US$ per m^3
Plywood logs	
Face Logs	202-245⬆
Core logs	183-216⬆
Sawlogs (Meranti)	195-256⬆
Falcata logs	160-194⬆
Rubberwood	73-97⬆
Pine	175-216⬆
Mahoni (plantation mahogany)	485-514⬆

Sawnwood Prices

Indonesia, construction material, domestic	US$ per m^3
Kampar (Ex-mill)	
AD 3x12-15x400cm	190-209⬆
KD	209-243⬆
AD 3x20x400cm	230-253⬆
KD	232-261⬆
Keruing (Ex-mill)	
AD 3x12-15x400cm	244-258⬆
AD 2x20x400cm	232-250⬆
AD 3x30x400cm	214-233⬆

Plywood Prices

Indonesia ply MR BB/CC, FOB	US$ per m^3
2.7mm	405-462⬆
3mm	362-403⬆
6mm	341-383⬆

MR Plywood (Jakarta), domestic	US$ per m^3
9mm	263-274⬆
12mm	255-265⬆
15mm	244-258⬆

Other Panel Prices

Indonesia, Other Panels, FOB		US$ per m^3
Particleboard	Export 9-18mm	227-236⬆
	Domestic 9mm	206-218⬆
	12-15mm	199-210⬆
	18mm	190-202⬆
MDF	Export 12-18mm	260-273⬆
	Domestic 12-18mm	242-253⬆

Added Value Product Prices

Indonesia, Mouldings, FOB	US$ per m^3
Laminated Boards	
Falcata wood	308-321⬆
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	497-531⬆
Grade B	453-475⬆

Report from Myanmar

Slight improvement in market situation

Both teak and pyinkado markets have marginally improved from the previous months. However, while traded volumes of pyinkadoe logs are up, the prices still remain at low levels.

The market for Gurjan logs is subdued and dealers are reportedly having substantial stocks. The inventories are expected to increase as the dry season and new harvests begin in November.

Purchases of Myanmar hardwoods by country in October

Purchases of Myanmar hardwoods by country during October 2010 were as follows: India (3 buyers, 264 Hoppus tons), Thailand (3 buyers, 245 Hoppus tons) and Hong Kong (1 buyer, 47 Hoppus tons). In the domestic market there was one buyer, with 59 Hoppus tons in volume.

Myanmar log prices (natural forest logs)

Teak Logs, FOB	€ Avg per Hoppus Ton (traded volume)	
Veneer Quality	Sept	Oct
2nd Quality	7,007 (6 tons)	nil
3rd Quality	6,292 (5 tons)	6,219 (4 tons)
4th Quality	4,433 (10 tons)	4,671 (10 tons)
Sawing Quality		
Grade 1 (SG-1)	2,794 (38 tons)	2,670 (33 tons)
Grade 2 (SG-2)	2,030 (41 tons)	2,622 (38 tons)
Grade 3 (SG-3)	nil	nil
Grade 4 (SG-4)	1,625 (220 tons)	1,641 (218 tons)
Grade 5 (SG-5) Assorted	1,354 (121 tons)	1,338 (37 tons)
Grade 6 (SG-6) Domestic	1,252 (125 tons)	1,169 (100 tons)
Grade 7 (ER-1)	928 (60 tons)	821 (169 tons)

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

Report from India

Industrial output surge

In August 2010, India's Industrial Output Index jumped 26.5% over the level recorded in August 2009. For the first five months of fiscal 2010, the increase in industrial output was 10.6% compared to the same period last year.

India faces rising housing shortage

According to a World Bank report, India faces a housing shortage of up to 70 million houses. High economic growth, rapid urbanization and rising middle class have created considerable demand for housing.

The report emphasized the critical role of the private sector in providing sustainable and affordable housing solutions for lower income groups, as public sector housing projects alone could not meet the rising demand.

Red sandalwood seized

Nhava Sheva customs recently seized some 20 tonnes of red sandalwood (Pterocarpus santalinus) which was set to be smuggled out of the country as aluminium connectors.

The seizure at Nhava Sheva customs was the fifteenth this year for red sandalwood with false transport documentation. The total seizure during the current year amounted to 230 metric tonnes of red sandalwood worth Rs.210 million.

Red sandalwood is used in medicines and musical instruments, with Tibet and Japan being the major markets. Besides Nhava Sheva port, red sandalwood has been seized at Kandla port and ports on the east coast. Shipments through land routes have been seized at northern border customs. According to an expert, large scale commercial plantations may be the solution to the problem of illegal harvesting of red sandalwood from natural forests.

Clone technology for increased wood production in teak, eucalyptus and acacia

Clonal propagation techniques for the mass production of teak, eucalypts and acacia have been tested by the Kerala Forest Research Institute (KFRI) in collaboration with several other institutes and industrial establishments. The techniques involve macro- and micro- propagation of genetically superior trees.

Forty to fifty years old plus trees of teak (Tectona grandis L. f.), were cloned using a technique comprising two major steps: production of juvenile epicormic shoots on branch cuttings obtained from plus trees and rooting these shoot cuttings. Through this process it takes about 90 days to produce 100 rooted plants from 10-15 branch cuttings. With the introduction of clonal teak plantations, a 3-4 fold increase in productivity can be expected.

KFRI has also tested a clonal propagation method for five species of eucalyptus and four species of acacias. Some of the best eucalyptus clones have reached a mean annual growth of 71 cu.m per hectare, more than 10 cu.m per hectare greater than in conventional plantations in Kerala state.

CNF Plantation Teak

	US$ per m^3
Tanzania Teak sawn	760-800
Côte d'Ivoire logs	550-650⬆
PNG logs	500-550
El-Salvador logs	400-450
Guatemala logs	425-450
Ghana logs	540-700⬆
Benin logs	520-675⬆
Brazil squares	425-450⬆
Togo logs	400-450
Ecuador logs	350-400
Costa Rica logs	425-500⬆
Panama logs	375-400

Variations exist based on lengths and average girths of logs in a parcel. Prices also vary with measurement allowances given for bark and sap in different countries of origin.

India Sawnwood Prices (domestic)

Sawnwood (Ex-mill)	Rs. per ft^3
Myanmar Teak (AD)	
Export Grade F.E.Q.	5200-5500
Plantation Teak A grade	2100-3600
Plantation Teak B grade	2000-3000
Plantation Teak C grade	1500-1800

India Sawnwood Prices (imports)

Sawnwood, (Ex-mill) (AD)	Rs. per ft^3
Merbau	1300
Balau	1150
Kapur	900
Red Meranti	600
Bilinga	650
Radiata Pine (AD)	340-350

Sawnwood, (Ex-warehouse) (KD)	Rs. per ft^3
Beech	1100
Sycamore	1250
Oak wood	1350
American Walnut	1600
Hemlock clear grade	1000
Hemlock AB grade	850
Western Red Cedar	1350

India Plywood Prices

Plywood, (Ex-warehouse) (MR Quality)	Rs. per sq.ft
4 mm	31.8
6 mm	44.7
12 mm	60.4
15 mm	72.0
18 mm	87.0

Locally Manufactured Plywood “Commercial Grade”	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.10.50	Rs.18.40
6mm	Rs.15.20	Rs.26.80
8mm	Rs.19.20	Rs.30.00
12mm	Rs.23.40	Rs.32.25
19mm	RS.29.40	Rs.43.40
5mm Flexible ply	Rs.19.50	Rs.23.50

Report from Brazil

Strong rebound in tropical sawnwood exports

In September 2010, exports of timber products (excluding pulp and paper) increased 8.9% to US$206 million from US$190 million in September 2009.

Exports of tropical sawnwood gained in terms of both volume and value, from 46,600 cu.m worth US$21.4 million in September 2009 to 51,300 cu.m valued at US$23.8 million in September 2010, representing 10.1% increase in volume and 8.7% in value.

In contrast, exports of tropical plywood continued to fall by 22.6% from 6,200 cu.m in September 2009 to 4,800 cu.m in September 2010. In value terms, the drop was 23.9%, from US$10.9 million to US$8.3 million.

Pine sawnwood exports increased 6.5% in September 2010 compared to September 2009, from US$13.9 million to US$14.8 million. However, in terms of volume, exports fell 10.5% from 72,300 cu.m to 64,700 cu.m over the period.

The value of pine plywood exports gained 2.9% in September 2010 compared to the level in September 2009, from US$24.1 million to US$24.8 million. However, export volumes plunged 20.2% during the period, from 84,600 cu.m to 67,500 cu.m.

For wooden furniture, the value of exports rose 1.9% compared to the level in September 2009 to US$49.2 million in September 2010.

Mixed performance of wood product exports over the past 12 months

Total exports of timber products including pulp and paper totalled US$6.3 billion, a 19% increase over the past 12 months. However, in August and September 2010, declines in wood product exports were recorded. Pulp and paper exports were the main products contributing to improved total timber exports.

Exports of wooden furniture, softwood and hardwood sawnwood decreased over the past 12 months. However, exports of these products increased from August to September 2010 by 2%, 4.6% and 21% respectively.

Softwood and hardwood plywood export volumes declined during the past 12 months, by 23% and 15% respectively.

Argentina emerges as top market for Brazilian furniture

From January to August this year, Brazilian furniture exports grew 14% from US$441 million during the same period last year to US$502 million.

During the period, Brazilian furniture exports to Argentina jumped 93% compared to the same period last year, from US$39.6 million to US$76.6 million. As a result, Argentina became the biggest market for Brazilian furniture exports followed by the US, France and the UK.

Year-to-date furniture exports to the US slipped 7% from US$64.1 million recorded in the same period last year to US$59.6 million this year.

The increases in furniture exports to Chile and Uruguay were significant during this period, up 43% and 41% respectively. Furniture exports to these countries totalled US$41 million in value between January and August 2010, compared to US$29 million in the same period in 2009.

Timber product prices remain unchanged

The average price of timber products in Brazil remained unchanged from the previous fortnight. However, prices in US dollars increased 2.9% due to the strength of the Brazilian currency against the US dollar.

Economy is on track for growth

According to the Brazilian Institute of Geography and Statistics (IBGE), the Consumer Price Index (IPCA) in September 2010 increased 0.45% over the level recorded in September last year. The IPCA index for September 2010 was also well above the August rate of 0.04%. The accumulated IPCA for the first nine months of the year was 3.6%, a 4.7% increase over the past 12 months.

In September 2010, the average exchange rate to the US dollar was BRL1.72/US$ compared to BRL 1.82/US$ during the same month of 2009, showing further strengthening of the Brazilian Real against the US dollar over the period.

The Copom (Economic Policy Committee) kept the prime interest rate (Selic) at 10.75% per year in September. This is the second month in a row that the prime interest rate is kept unchanged.

Illegally harvested timber seized in Sierra Morena

A joint operation by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA), the Federal Police and the National Indian Foundation (FUNAI) resulted in the seizure of about 1,000 cu.m of illegally harvested roundwood in the indigenous reserve of Sierra Morena.

IBAMA reported that some 50 native Brazilians with bows and arrows blocked the access of inspectors to the area. According to the Federal Police, 22 trucks, 4 tractors, and 2 vans loaded with logs have been seized in Aripuanã since the beginning of October.

Wood identification course for Federal Police

The Brazilian Forest Service conducted a wood identification training course for Federal Police officials. The lack of knowledge on wood identification hinders enforcement operations as federal police inspectors have not been able to validate timber loads against the timber transport documentation. The identification process is important as falsification of documentation of timber species is common.

The wood identification software used in the course was developed by the Forest Products Laboratory of the Brazilian Forest Service. It provides 60 different timber characteristics, such as colour, smell, growth rings and porosity of 158 tree species in the country.

Brazil Log Prices (domestic)

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	153↑
Jatoba	109↑
Guariuba	72↑
Mescla (white virola)	79↑

Brazil Export Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB		US$ per m^3
Jatoba Green (dressed)		842
Cambara KD		500
Asian Market (green)	Guariuba	271
	Angelim pedra	648
	Mandioqueira	239
Pine (AD)		199

Brazil sawnwood, domestic (Green)		US$ per m^3
Northern Mills (ex-mill)	Ipé	734↑
	Jatoba	561↑
Southern Mills (ex-mill)	Eucalyptus (AD)	196↑
	Pine (KD) 1st grade	251↑

Brazil Veneer Prices

Veneer, Export (Belem/Paranagua Ports) FOB	US$ per m^3
White Virola Face 2.5mm	299
Pine Veneer (C/D)	211

Rotary cut Veneer, domestic	US$ per m^3	
(ex-mill Northern Mill)	Face	Core
White Virola	266↑	221↑

Brazil Plywood Prices

Plywood, FOB	US$ per m^3
White Virola (US Market)	
5.2mm OV2 (MR)	472
15mm BB/CC (MR)	409
White Virola (Caribbean market)	
4mm BB/CC (MR)	525
12mm BB/CC (MR)	422

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	280
15mm C/CC (WBP)	263
18mm C/CC (WBP)	250

Plywood, domestic (ex-mill Southern mill)		US$ per m^3
Grade MR (B/BB)	White Virola 4mm	936↑
	White Virola 15mm	682↑

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	581↑
Particleboard 15mm	373↑

Brazil Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Edge Glued Pine Panel		
Korean market (1st Grade)		656
US Market		498
Decking Boards	Cambara	617
	Ipê	1,624

Report from Peru

Wood and timber product exports still below pre-crisis levels

From January to August 2010, exports of wood and timber products totalled US$114 million, up 30% compared to the same period last year, according to the Extractive Industries Management Association of Exporters (ADEX). Despite the significant rise, the result is still lower than the level of US$155 million recorded in the same period of 2008. In fact, wood and timber product exports from January to August 2010 were 26% less than the exports made during the same period in 2008.

During the period, the main timber products exported from Peru were semi-manufactured products with a 46% share of the total export volume, worth US$51.9 million.

Sawnwood and veneer/plywood exports amounted to US$39.2 million and US$10.9 million in value respectively.

Exports of furniture and its parts declined slightly by 3% compared to the same period last year to US$ 4.4 million.

According to ADEX, the top five importers of Peruvian timber products during the period from January to August 2010 were China, Mexico, US, Dominican Republic and Italy.

Third FENAFOR fair held in Lima

The 3rd International Fair of Machinery, Equipment and Services for Wood and Furniture (FENAFOR) was held from 21 to 23 October 2010 at the National University of Agraria La Molina.

At the fair, some 120 companies producing forestry machineries showcased their products. In addition, around 30 technical presentations were made by several national and foreign specialists at the fair. Presentations were made on low impact harvesting, sustainable forest management, forest products processing and value-added forest products. The next FENAFOR will be held in October 2012.

Peru Sawnwood Prices

Peru Sawnwood, FOB Callao Port		US$ per m^3
Mahogany S&B KD 16%, 1-2" random lengths (US market)		1698-1745
Spanish Cedar KD select		
North American market		918-922
Mexican market		897-921
Pumaquiro 25-50mm AD	Mexican market	532-586

Peru Sawnwood, FOB Callao Port (cont.)	US$ per m^3
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	321-339
Grade 2, Mexican market	259-269
Cumaru 4" thick, 6'-11' length KD	
Central American market	831-855
Asian market	809-878⬇
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	558-569
Marupa (simarouba) 1", 6-11 length Asian market	359-382⬆

Peru Sawnwood, FOB Iquitos	US$ per m^3
Spanish Cedar AD Select Mexican market	887-909
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	312-339
Grade 2, Mexican market	259-269
Grade 3, Mexican market	139-156
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	216-235

Peru sawnwood, domestic	US$ per m^3
Mahogany	879-911
Virola	51-69⬇
Spanish Cedar	259-311
Marupa (simarouba)	59-72⬇

Peru Veneer Prices

Veneer FOB	US$ per m^3
Lupuna 3/Btr 2.5mm	191-212
Lupuna 2/Btr 4.2mm	203-217
Lupuna 3/Btr 1.5mm	211-221

Peru Plywood Prices

Peru plywood, FOB (Mexican Market)		US$ per m^3
Copaiba, 2 faces sanded, B/C, 15x4x8mm		318-347
Virola, 2 faces sanded, B/C, 5.2x4x8mm		402-411
Cedar fissilis, 2 faces sanded 4x8x5.5mm		746-758
Lupuna, treated, 2 faces sanded, 5.2x4x8mm		363-385
Lupuna plywood	B/C 15x4x8mm	353-365
	B/C 9x4x8mm	345-350
	B/C 12x4x8mm	350-360
	B/C 8x4x15mm	410-419
	C/C 4x8x4mm	380-388
Lupuna plywood B/C 8x4x4mm Central Am.		368-388

Lupuna Plywood BB/CC, domestic	US$ per m^3
(Iquitos mills)	
122 x 244 x 4mm	441
122 x 244 x 6mm	397
122 x 244 x 8mm	409
122 x 244 x 12mm	399
(Pucallpa mills)	
122 x 244 x 4mm	458
122 x 244 x 6mm	439
122 x 244 x 8mm	430
122 x 244 x 12mm	429

Other Peru Panel Prices

Peru, Domestic Particleboard	US$ per m^3
1.83m x 2.44m x 4mm	282
1.83m x 2.44m x 6mm	230
1.83m x 2.44m x 12mm	204

Peru Added Value Product Prices

Peru, strips for parquet		US$ per m^3
Cabreuva/estoraque KD12% S4S, Asian market		1277-1376⬇
Cumaru KD, S4S	Swedish market	797-920
	Asian market	998-1187⬇
Cumaru decking, AD, S4S E4S, US market		949-1139
Pumaquiro KD # 1, C&B, Mexican market		423-511
Quinilla KD, S4S 2x10x62cm, Asian market		502-527
	2x13x75cm, Asian market	712-779

Report from Guyana

Brisk log trade

During the period under review, greenheart and purpleheart logs were on demand attracting higher average prices for all categories. Mora log prices retreated for standard and small sawmill quality.

For sawnwood, prices declined in the period under review. Undressed greenheart (prime) prices remained stable while undressed purpleheart prices fell. Average prices for undressed mora remained steady. Dressed greenheart prices slipped while undressed purpleheart prices remained unchanged.

Baromalli plywood attracted a favourable average price for this fortnight period. Roundwood, fuelwood, poles and piles contributed to the total export earnings with good average prices and with the US being the major destination. Splitwood continued to attract buyers in the Caribbean market at high average price.

For the period under review, exports of value-added products rose. The major exported products were doors, outdoor garden furniture, windows, spindles and mouldings made from greenheart, purpleheart, locust (courbaril, jatoba) and Guyana's lesser used species darina (angelim). These products were exported to the Caribbean, European and North American markets.

Affordable core homes for low-income families

The Housing Ministry of Guyana has initiated a project that will provide 113 affordable wooden homes for low income families. The Central Housing and Planning Authority (CH&PA) of Guyana confirmed that the project will be implemented in Lusignan and Tabatinga. The project's financing will be drawn from the Inter-American Development Bank's fund for the implementation of the Second Low Income Settlement Programme, which has a total programme financing of US$27.9 million.

According to the project plan, the core houses provided are 330 square feet with timber and concrete structure. A house can be improved and expanded by its owner up to 743 square feet in total residential area.

Wooden building components used in the houses are affordable and enables the expansion work and recycling. Wood also adds to better ventilation to houses.

Guyana Log Prices

Logs, FOB Georgetown	SQ - $ Avg unit value per m³		
	Std	Fair	Small
Greenheart*	185	175	150
Purpleheart	200-280⬆	170-230⬆	150-210⬆
Mora	120⬇	115-135	110⬇

*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	645	-
	Standard	-	649-827⬇
	Select	594-785⬇	
	Sound	605	
	Merchantable	-	
Purpleheart	Prime	-	-
	Standard	-	700-827
	Select	657-750⬇	
	Sound	636⬇	
	Merchantable	-	
Mora	Prime	-	
	Select	500	
	Sound	-	
	Merchantable	400	

Guyana Plywood Prices

Plywood, FOB Georgetown Port			$ Avg unit val. per m³
Baromalli	BB/CC	5.5mm	-
		12mm	385-928
	Utility	5.5mm	-
		12mm	-

Report from Japan

August plywood imports down from July

According to the Japan Lumber Reports (JLR), plywood consumption in Japan during August was 506,376 cu.m, up 22% from August 2009, but 5% less than recorded in July 2010.

August plywood imports amounted to 286,800 cu.m, an increase of 26% from August last year, but lower than July 2010 imports which topped 303,000 cu.m. The strong Yen has encouraged importers to increase imports. However, importers are becoming cautious as the market in Japan remains subdued and thus, arrivals are expected to decline for the last quarter of the year. Plywood imports from Malaysia for the first eight months of the year have been more than expected, says JLR.

August and cumulative plywood imports from the beginning of the year 2010

	August 2010 (cu.m)	% change on August-09	Jan-August 2010 (cu.m)	% change Jan-August 2009 to 2010
Malaysia	152,943	26.8	1,085,479	13.3
Indonesia	68,218	-0.6	585,292	-0.9
China	51,359	58.5	397,351	67
New Zealand	6,180	122.8	27,236	51.2
Canada	189	-63.7	2,997	-23.5
Others	7,950	262.7	47,792	99.4
Total imports	286,839	26.3	2,146,147	17.1

Source: JLR

Plywood demand picks up for period under review

Due to relatively low inventories and improved demand, imported plywood prices firmed.

The average market price for imported 3x6 concrete formboard is now Yen 880-890 per sheet delivered. Prices for 3x6 coated concrete formboard are now at Yen 1,040-1,050 per sheet and for 2x6 at Yen 760-780 per sheet. JLR reports that the strong Yen is offsetting the FOB price increases in US dollar, keeping prices relatively steady.

Plywood mills in producer countries reportedly have orders for the next two months. Currently, mills are procuring logs swiftly to build up log inventories as the rain season is beginning and thus will have an impact on log supply.

Kapur log prices climb sharply

Kapur log prices in Sarawak are moving up sharply, reports JLR. FOB prices reached US$300 per cu.m for kapur regular logs and suppliers in the Tanjung Manis port have been asking for higher prices. At the Baram port, prices are slightly lower at US$295-298 per cu.m, up by US$40-45 per cu.m from the beginning of the year. Kapur log prices in Sabah fetched US$270 per cu.m.

As selangan batu log prices exceeded US$500 per cu.m FOB, India shifted to import other species like meranti and kapur increasing demand and prices for these species. Much of the logging in Sabah and Sarawak is now carried out in remote areas, thereby increasing log transport costs and resulting in delays. Prolonged poor weather conditions and the strong Malaysian Ringgit against the US dollar are lifting up the FOB prices, reports JLR.

During the period under review, meranti FOB prices soared to US$230 per cu.m for regular logs and to US$200 per cu.m for small logs.

Plywood industry groups hold meeting in Kuala Lumpur

A regular meeting between plywood industry groups of Japan, Indonesia and Malaysia was held at Kuala Lumpur, Malaysia, reports JLR. At previous meetings, the market situation in Japan and supply situations in producer countries were the main topics. During this meeting, the main issue discussed was on increasing the production of plywood using environmentally friendly raw materials and on evolving markets for these products. Suppliers also expressed the need to expand markets, rather than depending heavily on the Japanese market.

Participants agreed on the importance of sustainable production, and in this regard Indonesia and Malaysia are following the eco-plywood trend led by Japanese producers and increasing the production of plywood from plantation and certified wood.

Malaysian and Indonesian producers have begun to use acacia magnum and falcate for plywood production respectively. Both species are fast growing plantation species. According to Indonesian and Malaysian representatives, native natural forest species such as meranti, kapur and keruin are only sourced from sustainably managed forest units.

The Japanese plywood industry groups reported that despite the fact that more than 80% of plywood produced in Japan are made of native softwood like cedar and larch, it is important to have plywood made from environmentally friendly raw materials from Southeast Asia.

Japanese representatives also pointed out that the Japanese government's policy of increasing the use of domestic wood to 50% of the total wood consumption, does not mean that imported wood will be replaced by domestic timber. Rather, the policy is set to boost the overall demand for both domestic and imported wood products.

The meeting reviewed the status of tropical timber supply from Indonesia and Malaysia to Japan. In Indonesia, there were 130 plywood mills exporting plywood products in 2006, while in 2009 the number of mills was only 31. The monthly production is currently around 200,000 cu.m of plywood.

During the first half of 2010, Indonesian exports of plywood totalled 73,000 cu.m. The major markets for the Indonesian plywood were Middle East and China while 18% of the total export volume was exported to Japan.

Malaysia imposes a log export quota at 40% of the total log production of around 10 million cu.m per year for exports. In August this year, log exports from Malaysia amounted to 2,71 million cu.m, up 19.7% compared to August 2009. Plywood export volume in August was 240,000 cu.m, a 6.9% increase over the same month in 2009. Out of the total plywood exports from Malaysia, 47% was exported to Japan.

Forest plantation area in Malaysia is currently more than 200,000 hectares and the government's plan is to expand the area up to 1,000,000 hectares by 2020. As a result, the supply of plantation wood to Japan is expected to grow.

Greater use of eco-materials in flooring

Tostem Corporation announced its strategy "Environmental Commitment 2015" in July. According to this strategy, Tostem Corporation will shift to eco-materials in flooring manufacturing in 2011. It also plans actions towards changing the raw materials used for doors, cabinets and stairs to eco-materials.

According to JLR, Tostem has begun marketing two eco flooring products: 'Ecohard 12' with the base board made of wood chips from waste wood and 'Harmonious light 12E' with the base board made of falcate plantation wood.

'Ecohard 12' was introduced to the markets in December 2009 while 'Harmonious light 12E' in September 2010. Tostem is said to have increased the use of eco-materials in its production to 70% with these recently introduced products. The balance is medium and high grade flooring with plywood face from natural forests, but this will also be replaced by eco-materials in 2011, with plantation wood being the most likely material.

Daiwa House adopts wood procurement guidelines

Daiwa House Industry Co., Ltd. (Osaka) has adopted wood procurement guidelines in order to implement its biodiversity action plan. Daiwa House's wood consumption totalled 250,000 cu.m in 2009.

According to the guidelines, wood products to be procured must be certified by recognised schemes. The guidelines also recommend the utilisation of recycled timber products such as particleboard and wood products.

OSSB for the Japanese market

AD World Co., Ltd. (Tokyo) is marketing OSSB (Oriented Structureal Straw Board) in the Japanese market for flooring base boards and as alternative to plywood and furniture materials. OSSB uses straw as raw material which is normally burnt after harvest of wheat or used to fertilize fields, thereby generating greenhouse gas emissions. OSSB is said to be a more environmental option for the use of straws.

In the Japanese market the product is called 'Harvest Panel OSSB' and it has been produced in Shaanxi Province China since November 2009.

Log and Sawnwood Prices in Japan

Logs for Ply Manufacture, CIF	Yen per Koku
Meranti (Hill, Sarawak)	(Koku=0.278 m^3)
Medium Mixed	7,000
Standard Mixed	7,200
Small Log (SM60%, SSM40%)	7,000
Taun, Calophyllum, others (PNG)	8,000
Mixed light hardwood, G3/4 grade (PNG)	-
Keruing MQ & up (Sarawak)	10,500
Kapur MQ & up (Sarawak)	9,600

Logs for Sawmilling, CIF	Yen per Koku
Melapi (Sarawak) High Select	11,500
Agathis (Sarawak) High Select	-

Lumber, FOB	Yen per m^3
White Seraya (Sabah) 24x150mm, 4m, Grade 1	135,000
Mixed Seraya, Sangi 24x48mm, 1.8-4m, S2S	53,000

Wholesale Prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	Sep (¥ per sheet)	Oct (¥ per sheet)
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	320	320
3.7mm (med. Thickness, F 4star, type2)	910 X 1820	450	450
5.2mm (med. Thickness, F 4star, type 2)	910 X 1820	560	560
11.5mm for sheathing (F 4star, type 2)	910 X 1820	910	910
12mm for foundation (F 4star, special)	910 X 1820	940	930
12mm concrete-form ply (JAS)	900 X 1800	910	890
12m coated concrete-form ply (JAS)	900 X 1800	1080	1050
11.5mm flooring board	945 X 1840	1280	1280
3.6mm baseboard for overlays (OVL)	1230 X 2440	740	740
OSB (North American)			
12mm foundation of roof (JAS)	910 X 1820	-	-
9mm foundation for 2 by 4 (JAS)	910 X 2440	-	-
9mm conventional foundation (JAS)	910 X 2730	-	-
9mm conventional foundation (JAS)	910 X 3030	-	-

Report from China

Timber imports through Changshu port hit a record high

According to statistics from Changshu City of Jiangsu Province in China, timber imports through Changshu Port from January to September 2010 hit a record high of 1.01 million cu.m. Timber imports through Changshu Port comprised logs and wooden panels mainly from New Zealand, the U.S and Canada covering more than 20 species such as radiate pine, Douglas fir, Korean pine, poplar, hemlock and Corsican pine.

According to an analyst, the convening of the Shanghai World Expo 2010 has resulted in a larger share of imported timber being shipped through Changshu Port instead of Shanghai Port. In addition, several cities neighbouring Changshu Port have convenient infrastructure for further distribution.

Seventh China-ASEAN Timber and Wood Products Exhibition

The 7th China-ASEAN Timber and Wood Products Exhibition (CAEXPO) was held in Nanning China from 20 to 24 October 20010. At the exhibition, experts and traders from China and ASEAN countries deliberated on how to strengthen cooperation between timber industries and benefit from the China-ASEAN Free Trade Area agreement.

Timber trade between China and ASEAN countries have been active since the China-ASEAN Free Trade Area agreement came into force in the beginning of 2010. The value of wood and timber product trade between China and ASEAN countries topped US$7.64 billion in 2009. It is predicted that the value of timber and wood products trade between China and ASEAN countries will reach US$10 billion in 2010.

All participants agreed that the establishment of the China-ASEAN Free Trade Area and the zero tariff treatment on wood products will further promote the wood and timber product trade in the future. All member countries were encouraged to take full advantage of the Free Trade Area, enhance the role of trade associations, explore effective trade cooperation and provide consultation services for enterprises.

In promoting China-ASEAN timber trade, the China National Timber and Wood Products Distribution Association is building the International Economic Trade Logistics Center for China-ASEAN Timber and Wood Products. The Association is also establishing the China-ASEAN International Wood Art Culture Museum, to promote the development and exchange of member countries' wooden arts.

Guangzhou City Imported Timber Market

Logs	Yuan per m^3
Lauan (50-60cm)	1900-2100
Kapur (up to 79cm)	2000-2100
Merbau 6m, (up to 79cm)	3500-4000
Teak	11000-13000
Wenge	5000-5200
Sawnwood	
Teak sawn grade A (Africa)	9300
US Maple 2" KD	7500-10000
US Cherry 2"	10000-13000
US Walnut 2"	14000-16000
Lauan	4000-4200
Okoume	4000-4500
Sapele	6100-6400

Shanghai Furen Wholesale Market

Logs		Yuan per m^3
Teak (Myanmar, all lengths)		7500-8500
Sawnwood		
Beech KD Grade A		4800-5000
US Cherry, 1 inch		9500-10000
US Red Oak, 50mm		6500-7000
Sapele 50mm FAS (Congo)		
	KD (2", FAS)	6500-6800
	KD (2",grade A)	5700-5800

Shandong De Zhou Timber market

Logs		Yuan per m^3
Larch	6m, 24-28cm diam.	1200
White Pine	6m, 24-28cm diam.	1350
Korean Pine	4m, 30cm diam.	1350
	6m, 30cm diam.	1450
Mongolian Scots Pine	6m, 30cm diam.	1460

Hebei Shijiangzhuang Wholesale Market

Logs		Yuan per m^3
Korean Pine 4m, 38cm+ diam		1650
Mongolian Scots Pine	4m, 30cm diam.	1400
	6m, 30cm+ diam.	1500
Sawnwood		
Mongolian Scots Pine	4m, 5-6cm thick	1500
	4m,10cm thick	1550

Zhejiang Jiashan Kaihua International Timber Market

Logs	Yuan per m^3
Okoume 80cm+	2900-3400
Sapele 80cm+	6000-6600
Wenge 80cm+	13000-14500
Sawnwood	
Doussie	3600-4000
European beech boules	3200-3400
Radiata	800-1200
Plywood	
US Black Walnut 4x8x3 mm	6000-8000
Beech 4x8x3 mm	6000-8000
Teak 4x8x3 mm	6000-8000
Poplar (4x8x3-5 mm)	3000-4000

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

Report from Europe

Hardwood plywood makes gains – other market sectors remain fragile

The latest EU-wide trade data indicates that imports of hardwoods from developing countries, while still at historically very low levels, were showing early signs of recovery in the first half of 2010 (see Table 1). During this period, European imports of hardwood logs, sawnwood, plywood and veneers from developing countries totalled 1,721,000 cu.m, a 21% gain on the volume achieved in the first half of 2009. Most of the gains were made in the second quarter of the year after a very slow start to 2010. Import performance also varied widely by European country. The overall result was strongly affected by big increases in imports of plywood by the UK and of eucalyptus logs (destined for the paper rather than solid wood sector) by Portugal. Imports into several European countries including Spain, Greece and Denmark remained very weak.

Table 1. EU-25* imports of hardwoods from developing countries*****

EU reporting country	Jan-Jun Volume (1000 m3)			Jan-Jun Value (mill euro)		
	2009	2010	% change	2009	2010	% change
UK	210.3	317.3	50.9	86.4	120.1	39.0
France	308.5	298.8	-3.1	131.6	133.1	1.1
Portugal	56.9	180.8	217.6	27.7	40.6	46.6
Belgium	165.1	191.5	16.0	82.2	89.7	9.1
Netherlands	167.0	185.1	10.8	96.2	102.6	6.7
Italy	167.6	169.1	0.9	106.8	108.8	1.9
Germany	125.5	161.3	28.5	74.8	81.0	8.4
Spain	114.7	128.2	11.8	46.1	43.8	-4.9
Greece	39.7	29.6	-25.5	17.7	13.6	-22.8
Poland	11.9	14.4	20.3	6.8	6.3	-7.4
Denmark	21.2	17.7	-16.2	12.4	11.0	-11.5
Other	28.0	27.1	-3.3	20.6	17.6	-14.3
Total	**1416.4**	**1721.0**	**21.5**	**709.2**	**768.3**	**8.3**

** EU-25 includes all countries in the EU except Romania and Bulgaria that acceded in January 2007*
*** Includes hardwood logs, rough sawn, plywood and veneers. Excludes flooring and mouldings*
**** Includes emerging and developing economies as defined by the IMF*
Source: Forest Industries Intelligence Ltd analysis of Eurostat data supplied by BTS Ltd

Table 2. EU-25* imports of hardwood logs from developing countries**

Despatch country	Jan-Jun Volume (m3)			Jan-Jun Value (1000 euro)		
	2009	2010	% change	2009	2010	% change
URUGUAY	16099	152093	844.7	1453	13603	836.2
GABON	117019	52361	-55.3	33045	15034	-54.5
CONGO DR	37308	42522	14.0	13835	16083	16.2
CAMEROON	35318	35964	1.8	12696	12369	-2.6
CONGO REP.	17271	30971	79.3	6572	12022	82.9
ARGENTINA	8128	15749	93.8	545	1012	85.7
CAR	14895	9571	-35.7	6524	3838	-41.2
EQ. GUINEA	1441	5506	282.1	447	1158	159.1
SOUTH AFRICA	1283	2519	96.2	398	616	54.8
LIBERIA	5868	2213	-62.3	722	534	-26.0
OTHER	8396	9095	8.3	8197	5567	-32.1
TOTAL	**263029**	**358564**	**36.3**	**84434**	**81836**	**-3.1**

** EU-25 includes all countries in the EU except Romania and Bulgaria that acceded in January 2007*
***Includes emerging and developing economies as defined by the IMF*
Source: Forest Industries Intelligence Ltd analysis of Eurostat data supplied by BTS Ltd

Table 2 shows trends in EU-25 imports of hardwood logs from developing countries during the first half of 2010. It shows the big increase in eucalyptus imports from Uruguay during the period, mostly destined for the paper sector in Portugal. The most significant trend from the perspective of tropical hardwoods is the 55% decline in log imports from Gabon. This trade is expected to decline to zero in subsequent quarters following the imposition of the Gabon log export ban from May 2010 onwards. To some extent European traders are compensating for the Gabonese ban by increasing log imports from the Congo Republic, Congo DR and Equatorial Guinea.

Table 3. EU-25* imports of hardwood sawn from developing countries**

Despatch country	Jan-Jun Volume (m3)			Jan-Jun Value (1000 euro)		
	2009	2010	% change	2009	2010	% change
CAMEROON	150509	150935	0.3	83489	82076	-1.7
MALAYSIA	105057	116741	11.1	74361	83683	12.5
BRAZIL	106175	103107	-2.9	63003	61702	-2.1
IVORY COAST	51290	49088	-4.3	31152	29744	-4.5
GABON	30144	37832	25.5	14451	17809	23.2
GHANA	21544	19570	-9.2	13163	10623	-19.3
CONGO REP	14181	17749	25.2	9724	10338	6.3
INDONESIA	12288	12899	5.0	11926	12885	8.0
CONGO DR	15897	11840	-25.5	11810	7127	-39.7
CAR	2499	3908	56.4	1361	1890	38.9
BOLIVIA	6353	3778	-40.5	3803	2278	-40.1
CHINA	6212	3694	-40.5	7443	4654	-37.5
OTHER	26800	23117	-13.7	23805	20755	-12.8
TOTAL	**548948**	**554260**	**1.0**	**349491**	**345564**	**-1.1**

** EU-25 includes all countries in the EU except Romania and Bulgaria that acceded in January 2007*
***Includes emerging and developing economies as defined by the IMF*
Source: Forest Industries Intelligence Ltd analysis of Eurostat data supplied by BTS Ltd

The trade data confirms anecdotal reports that the anticipated recovery in European tropical sawn lumber market was very slow and patchy during the first half of 2010. Table 3 shows that EU-25 imports of hardwood sawn from developing countries during the first half of 2010 were almost equivalent to imports during the same period in 2009. Gains in EU imports of hardwood sawn lumber from Malaysia, Gabon and the Congo Republic were offset by continuing declines in imports from Brazil, Ivory Coast, Ghana and the Democratic Republic of Congo.

Table 4. EU-25* imports of hardwood plywood from developing countries**

Despatch country	Jan-Jun Volume (m3)			Jan-Jun Value (1000 euro)		
	2009	2010	% change	2009	2010	% change
CHINA	221940	350762	58.0	67640	100103	48.0
MALAYSIA	83684	112834	34.8	32050	43369	35.3
INDONESIA	56140	75500	34.5	28405	36910	29.9
BRAZIL	45933	31964	-30.4	17350	12384	-28.6
GABON	22245	23625	6.2	15731	15875	0.9
URUGUAY	5334	17368	225.6	1099	3705	237.1
MOROCCO	138	8976	6404.3	112	6631	5820.5
IVORY COAST	7731	5793	-25.1	3700	2801	-24.3
INDIA	293	2893	886.2	208	1330	539.4
CAMEROON	2022	2347	16.1	833	887	6.5
PARAGUAY	981	1568	59.8	338	628	85.8
OTHER	9802	4347	-55.7	3093	2176	-29.6
TOTAL	**456243**	**637976**	**39.8**	**170559**	**226799**	**33.0**

** EU-25 includes all countries in the EU except Romania and Bulgaria that acceded in January 2007*
***Includes emerging and developing economies as defined by the IMF*
Source: Forest Industries Intelligence Ltd analysis of Eurostat data supplied by BTS Ltd

There were, however, much clearer signs of recovery in the European market for hardwood plywood during the first half of 2010 (Table 4). Overall imports of hardwood plywood from developing countries increased almost 40% during the six month period compared to the same period in 2009. There was particularly strong growth in European imports of hardwood plywood from China, confirming anecdotal reports that China has been gaining market share in this sector during the recession, largely owing to its continuing ability to offer product at highly competitive prices. However sales of Malaysian and Indonesian plywood also made significant gains. Chinese and tropical hardwood plywood have benefited during 2010 from rising prices for Russian birch plywood as a result of the forest fires that raged through Russia this summer. Another notable trend this year is the emergence of Uruguay as a more significant supplier of hardwood plywood to the EU following intense marketing of products derived from plantation-grown eucalyptus as an environmentally-friendly alternative to tropical hardwood plywood.

Table 5. EU-25* imports of hardwood veneer from developing countries**

Despatch country	Jan-Jun Volume (m3)			Jan-Jun Value (1000 euro)		
	2009	2010	% change	2009	2010	% change
GABON	76136	82040	7.8	34391	36807	7.0
IVORY COAST	29207	34326	17.5	15314	17163	12.1
CAMEROON	11243	14887	32.4	14322	16592	15.8
EQ. GUINEA	4558	9864	116.4	1867	4006	114.6
GHANA	5713	7224	26.5	5984	6965	16.4
REPUBLIC	7951	6431	-19.1	3821	3070	-19.7
CHINA	5325	6411	20.4	11335	13806	21.8
TURKEY	3482	3446	-1.0	4856	4280	-11.9
BRAZIL	1446	1368	-5.4	2283	2679	17.3
SOUTH AFRICA	1145	1009	-11.9	2241	1233	-45.0
INDONESIA	739	750	1.5	1226	1364	11.3
CONGO DR	1700	242	-85.8	1293	153	-88.2
OTHER	2381	2155	-9.5	5748	6014	4.6
TOTAL	**151027**	**170154**	**12.7**	**104681**	**114132**	**9.0**

** EU-25 includes all countries in the EU except Romania and Bulgaria that acceded in January 2007*
***Includes emerging and developing economies as defined by the IMF*
Source: Forest Industries Intelligence Ltd analysis of Eurostat data supplied by BTS Ltd

The ban on log exports from Gabon is just beginning to reveal itself in the form of increased European imports of rotary veneers for plywood manufacture (Table 5). Overall EU veneer imports during the first half of 2010 were up nearly 13% on the same period the previous year. An increase in European veneer imports from several countries more engaged in the sliced veneer business, as opposed to the rotary veneer business, also suggests some improved buying by the European decorative panel and furniture sectors. During the first half of 2010, EU veneer imports increased from Gabon, Ivory Coast, Cameroon, Equatorial Guinea, and Ghana. There were also small increases in European imports from China which - despite a huge veneer manufacturing sector - has yet to emerge as a large exporter of this commodity.

Only minor gains in EU sawn hardwood and veneer trade during second quarter

Quarterly trends in the volume of EU-25 hardwood imports from developing countries are shown in Charts 1, 2 and 3. Chart 1 highlights very strong growth in EU-25 imports of hardwood plywood from developing countries during the second quarter of 2010 after a disappointing performance in the first quarter of the year. However imports of hardwood sawnwood and veneers made only minor gains during the second quarter.

The apparent improvement in European hardwood log imports from developing countries during the second quarter of 2010 is strongly influenced by increased eucalyptus imports from Uruguay by Portugal and does not imply any improvement in the market for tropical hardwood logs. EU imports of the latter only reached 95,000 cu.m in the first quarter of 2010 and then fell to 93,000 cu.m in the second quarter of 2010.

Chart 1: EU 25 quarterly imports of hardwoods from developing countries by main product group (1000 cu.m)

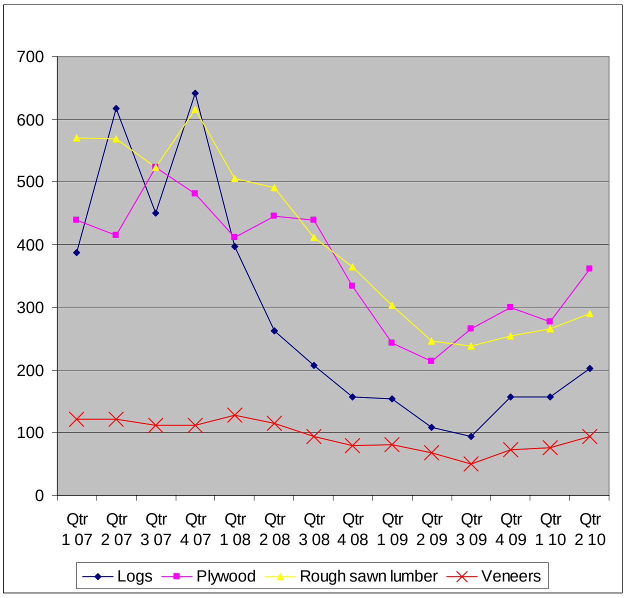


Chart 2 shows that imports of hardwood products from developing countries by the UK and Portugal made significant gains in the second quarter of 2010, due respectively to spikes in imports of plywood and eucalyptus logs. Imports into Belgium and Italy continued to improve slowly during the second quarter of 2010, while imports into Spain showed a slight improvement on the desperately low levels recorded in the first quarter of 2010. However, the recovery in German imports stalled during the second quarter of 2010, particularly disappointing after three consecutive quarters of growth between June 2009 and March 2010.

Chart 2: EU 25 quarterly imports of hardwoods from developing countries by main EU importing country (1000 cu.m)

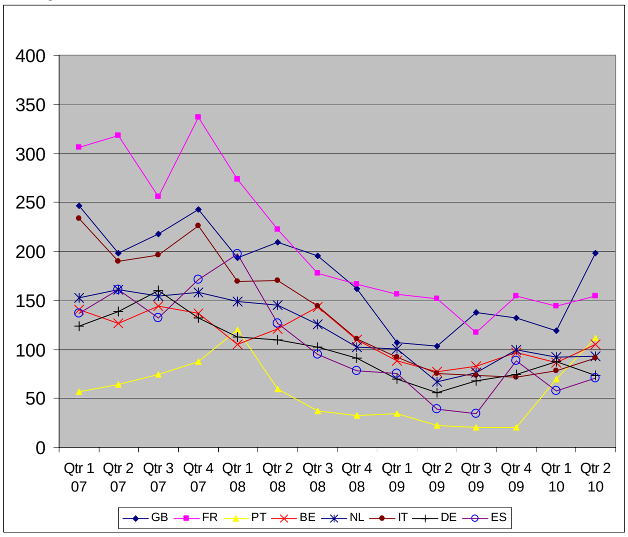


Chart 3: EU 25 quarterly imports of hardwoods from developing countries by main supplying country (1000 cu.m)

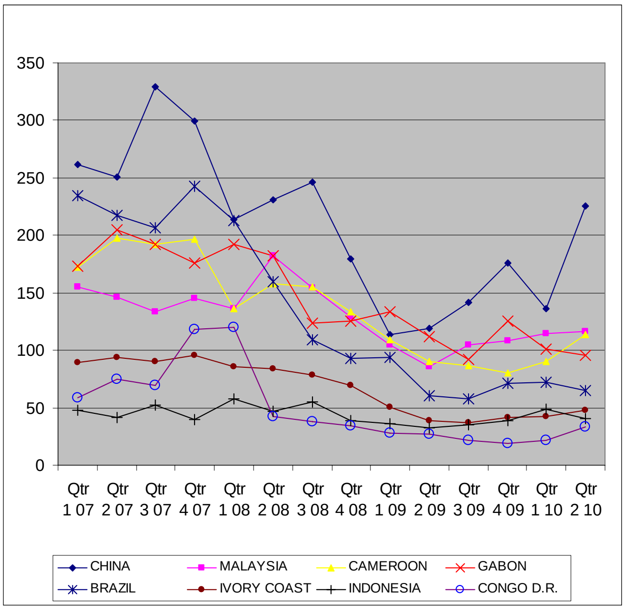


Chart 3 shows that China was the major beneficiary of the tentative market recovery in Europe during the second quarter of 2010, mainly a result of rising demand for hardwood plywood in the UK. European imports of hardwood products from Cameroon and the Democratic Republic of the Congo have also shown fairly consistent growth this year. European imports from Brazil and Indonesia slowed again in the second quarter after showing signs of improvement in the opening months of the year. Imports from Malaysia and Ivory Coast remained stable at historically low levels between the first and second quarters of 2010.

No significant upturn in the European market for tropical hardwood products is now expected until at least the first quarter of 2011. This is against a background of government austerity measures, sluggish construction activity, the onset of winter weather conditions, a continuing tendency to maintain low stocks, and relatively low forward availability.

The Netherlands Sawnwood Prices

FOB (Rotterdam)	US$ per m^3
Sapele KD	968⬇
Iroko KD	1148⬇
Sipo KD	1148⬇
DRM Bukit KD	925⬇
DRM Seraya KD	932⬇
DRM Meranti KD Seraya MTCC cert.	946⬇
Merbau KD	1208⬇
Sapupira (non FSC) KD	946
Sapupira (FSC) KD	1483
Anti-slip decking AD C&F Rotterdam	
Selangan batu	1497⬇

UK Log Prices

FOB plus commission		€ per m^3
N'Gollon (khaya)	70cm+ LM-C	350-380
Ayous (wawa)	80cm+ LM-C	250-270
Sapele	80cm+ LM-C	320-340
Iroko	80cm+ LM-C	380-420
African Walnut	80cm+ LM-C	340-370

UK Sawnwood Prices

FOB plus Commission		GB Pounds per m^3
Framire	FAS 25mm	500-510
Sipo	FAS 25mm	695-720
Sapele	FAS 25mm	595-615
Iroko	FAS 25mm	710-730
Wawa	FAS25mm	315-340
CIF plus Commission		
Tulipwood FAS 25mm		345-370
Meranti Tembaga Sel/Btr (KD 2"boards)		545-565
Balau/Bangkirai Decking		925-970⬇
White Oak		580-630

UK Plywood and MDF Prices

Plywood Panels 8x4", CIF	US$ per m^3
Brazilian WBP BB/CC 6mm	540-560
Malaysian WBP BB/CC 6mm	560-580
China (hardwood face, eucalyptus core) 18mm	370-380
China (tropical hardwood face, poplar core) 18mm	350-370

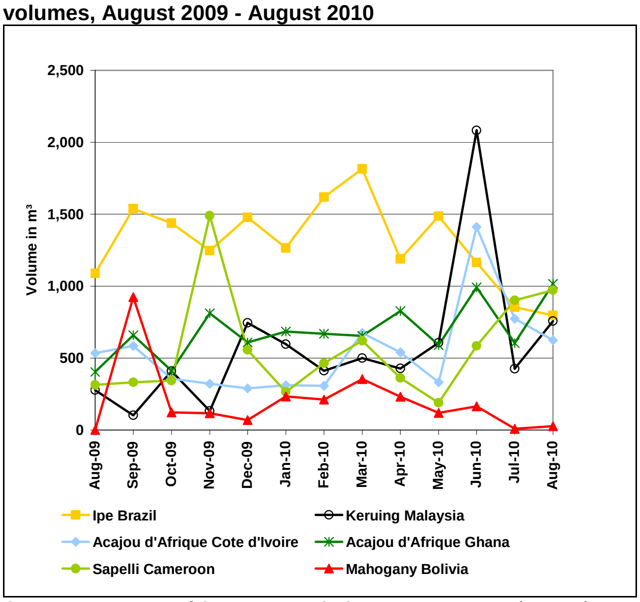
Report from North America

US tropical timber imports

Hardwood sawnwood imports down in August

The decline in imports of sawn tropical hardwood continued this summer. The US imported 17,382 cu.m of tropical sawnwood in August 2010, 8% less than in July. The following species recorded increases over July: acajou d'Afrique (2,801 cu.m or +33%), keruing (786 cu.m or +74%), cedro (639 cu.m or +41%), jatoba (661 cu.m or +24%), teak (342 cu.m or +48%) and padauk (61 cu.m or 33%). The largest declines were seen in virola (369 cu.m or -72%) and mahogany (871 cu.m or -56%).

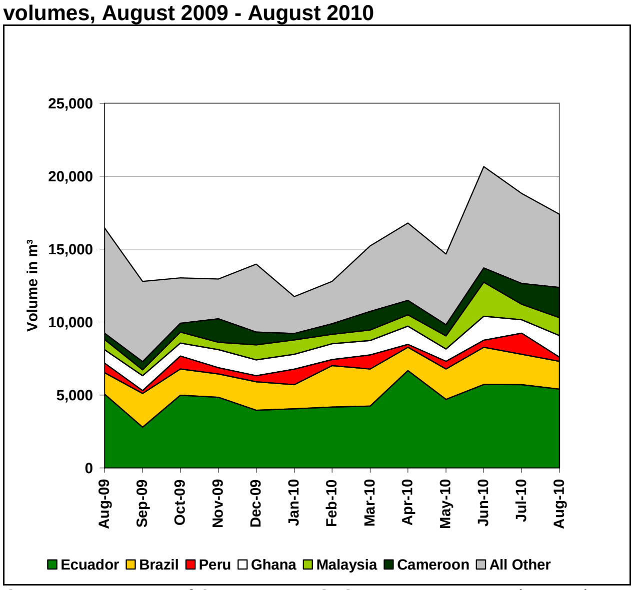
US tropical hardwood sawnwood imports. Monthly import volumes, August 2009 - August 2010



Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Ecuador remained the leading source of tropical sawnwood with 5,392 cu.m imported in August, followed by Cameroon (2,063 cu.m) and Brazil (1,921 cu.m). Imports from Peru dropped by 80% to just 284 cu.m from 1,444 cubic metres in July.

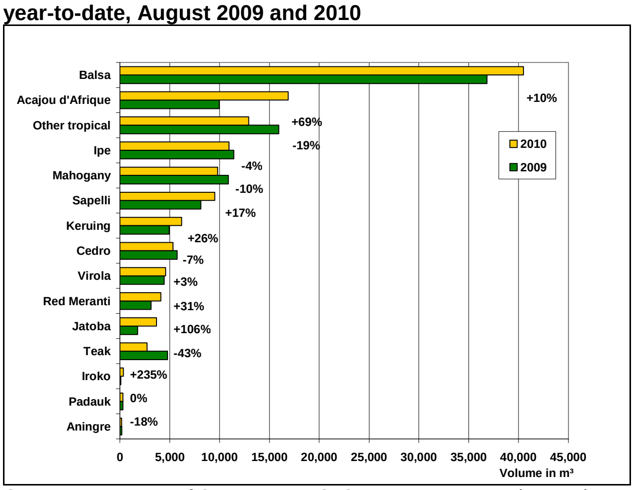
US tropical hardwood sawnwood imports. Monthly import volumes, August 2009 - August 2010



Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Year-to-date tropical sawnwood import volumes were 8% higher in August than in the same period last year. Among the species with the largest gains are acajou d'Afrique (+69%), keruing (+26%), red meranti (+31%) and jatoba (+106%). The year-to-date value of tropical sawnwood imports was 16% higher than in July 2009.

US tropical hardwood sawnwood imports. Import volumes year-to-date, August 2009 and 2010

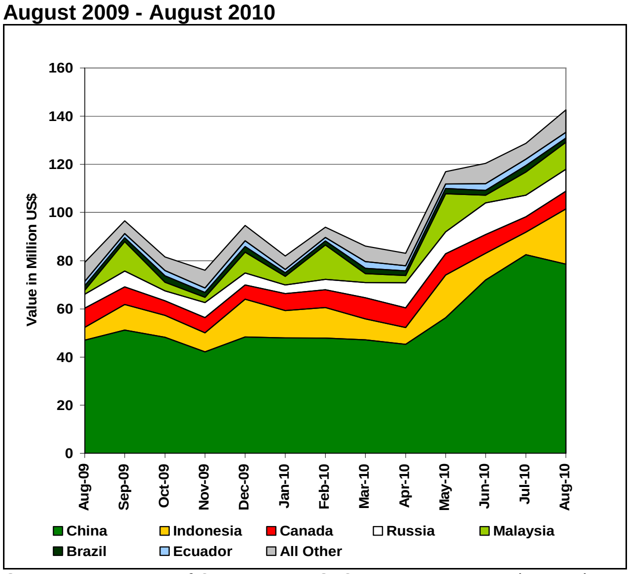


Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Hardwood plywood imports soar

US imports of hardwood plywood increased again in August 2010, mainly because imports from Indonesia soared. Year-to-date imports were US$853.3 million, up by 40% from the same period in 2009. Monthly imports were worth US$142.5 million in August, up 11% from July. August 2010 imports from China were US$78.6 million (+34% year-to-date), Indonesia US$22.9 million (+108% year-to-date), Malaysia US$11.2 million (+325% year-to-date), Brazil US$1.7 million (+4% year-to-date) and Ecuador US$2.7 million (+54% year-to-date).

US hardwood plywood imports. Monthly import values, August 2009 - August 2010



Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

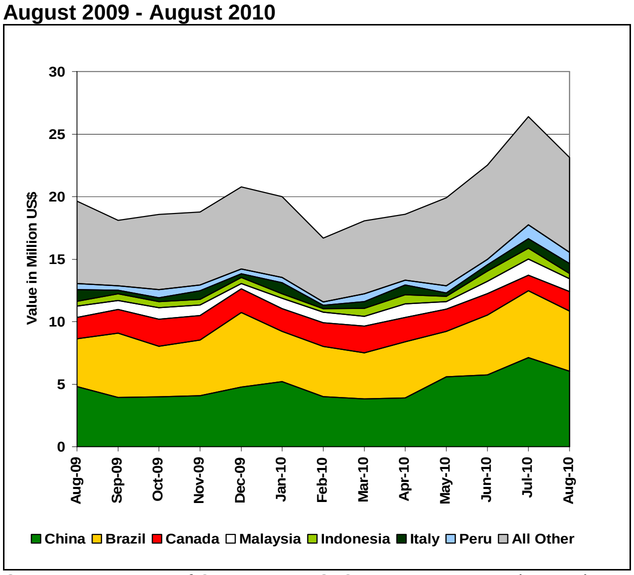
Hardwood moulding imports slip in August

US hardwood moulding imports were US$17.1 million in August, a decline of 11% from the previous month. Year-to-date imports were US$123.9 million in August, up by 5% compared with the same period last year. The largest year-to-date increase was in imports of cumaru mouldings (+39%), while imports of mahogany, ipe and jatoba moulding declined compared to the same period in 2009.

The US imported from Brazil US$2.1 million worth of jatoba moulding in August (-11% from July), US$490,000 of ipe moulding (-9%) and US$332,000 of cumaru moulding (+4%). The value of cumaru moulding imports from Peru continued increasing (US$539,000 or +6% from July).

China is the US' leading supplier of mouldings (US$41.5 million year-to-date), followed by Brazil (US$34.8 million year-to-date).

US hardwood moulding imports. Monthly import values, August 2009 - August 2010

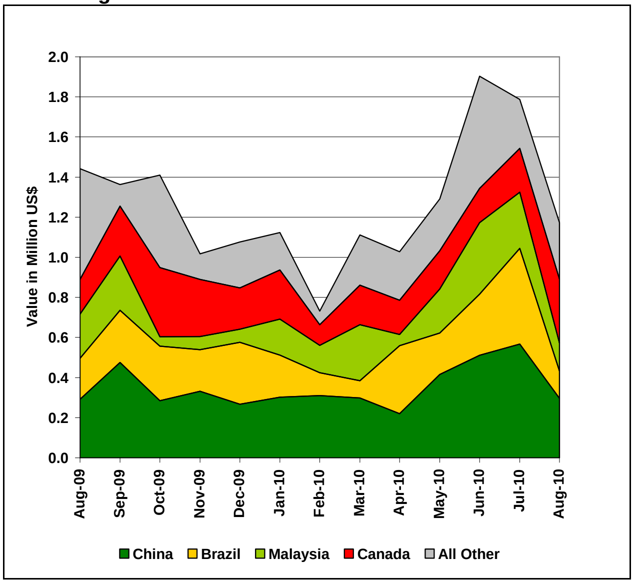


Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

Hardwood flooring imports plunge

Hardwood flooring imports declined again in August after briefly climbing in June and July of this year. Total August imports were valued at just US$1.2 million, a 34% drop compared to July. Year-to-date imports declined by 46% compared to August 2009. China is the country most affected by this decline. August imports from China were just US$296,000, a 69% drop compared to year-to-date August 2009. Of the top suppliers, only Canada saw an increase in exports to the US. Of the smaller hardwood flooring suppliers, Indonesia and Bolivia have been able to increase exports this year (+14% and +22% year-to-date, respectively). Hardwood flooring imports from Brazil were US$137,000 in August (-9% year-to-date). Malaysia's exports were US$140,000 (-17% year-to-date).

US hardwood flooring imports. Monthly import values, August 2009 - August 2010



Source: Department of Commerce, U.S. Census Bureau, Foreign Trade Statistics

UNECE Timber Committee issues market statement and forecasts for US and Canada

The United Nations Economic Commission for Europe (UNECE) Timber Committee delegates met for their annual market discussions in Geneva on 11-12 October 2010. The US market review and outlook to 2011 was again written by James Howard and David McKeever, both with the Forest Products Laboratory in Madison, Wisconsin, while the Canadian Forest Service prepared the market statement for Canada.

Residential construction is the single largest driver of wood products demand in the US and Canada. Since the US housing crash in 2008 and 2009, the housing sector has not recovered and home construction is forecast to remain weak throughout 2010. GDP growth has also been lower than expected in 2010, and demand for wood products is unlikely to recover before the second half of 2011.

Demand for sawn hardwoods is weak in North America, and US producers are seeking to expand offshore markets. US sawn hardwood production decreased by 28.6% to 16.5 million cu.m in 2009. Production is expected to drop further to 15.5 million cu.m in 2010 and remain below 16 million cu.m in 2011. US exports of sawn hardwood are forecast to increase from 1.7 million cu.m in 2010 to 1.9 million cu.m in 2011. Given the decrease in US production, volatile trade figures, and a declining housing market, apparent consumption of sawn hardwood for 2010 is forecast to fall below the 2009 volume (15.2 million cu.m) and increase slightly in 2011.

Tropical hardwood sawnwood consumption in North America (excluding Mexico) is forecast to increase by 17% in 2010 and 29% in 2011 compared with 2009 volumes. The projected growth will be in Canada, while consumption in the US is expected to remain stable at 177,000 cu.m (2009 to 2011). For Canada, consumption of sawn tropical hardwood is expected to grow from 34,000 cu.m in 2009 to 70,000 cu.m in 2010 and to 95,000 cu.m in 2011. While the Canadian economy is closely linked to the US economy, the Canadian housing market, non-residential construction and the renovation market have been less affected by the recession and are recovering more quickly.

The full country market statements for the US, Canada, Europe and Russia are available on the UNECE Timber Committee website: timber.unece.org

US Timber prices

	Sep-10 US$ per cu.m	Oct-10 US$ per cu.m
Ipe (Brazil) Decking Premium Grade AD, 1x6, FOB Belem	2425	2425
Ipe (Brazil) Decking Premium Grade AD, 5/4x6, FOB Belem	2450	2435
Jatoba (Brazil) No.1 Common & Better AD, FOB Belem	-	-
Jatoba (Brazil) No.1 Common & Better KD, FOB Belem	-	-
Khaya (Côte d'Ivoire) FAS KD, FOB Abidjan	740	790
Khaya (Ghana) FAS KD, FOB Takoradi	870	850
Sapele (Cameroon) FAS AD, FOB Douala	720	770
Sapele (Cameroon) 4/4 to 8/4 FAS KD, FOB Douala	840	870

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.

Already traumatised by the global financial meltdown, furniture exporters in the Philippines say that the strong Peso may just wipe out the gains made from the recovery of the markets. Rashmi Tolentino Singh, board member of the Chamber of Furniture Industries of the Philippines (CFIP), said it would take two more years before furniture exports recover. With the target of billion-dollar furniture exports, furniture exporters are wooing support from government in terms of subsidies and addressing power, shipping and training costs.
http://www.malaya.com.ph/10212010/busi10.html

Not far from the centre of Kuala Lumpur, the capital of Malaysia, lies 1,800 hectares of tropical rainforest, thick with lush vegetation, palm leaves and trees rising to 100 meters. Cheong Chiew Hing, a researcher at Nimura Genetic Solutions, a Japanese biological resources exploration company, searches for valuable bacteria on the forest floor. According to researchers, termites have bacteria in their guts that produce enzymes capable of breaking down plant fibres.
http://www.asahi.com/english/TKY201010220266.html

As Earth's climate warms, species are expected to shift their geographical ranges away from the equator or to higher elevations. While scientists have documented such shifts for many plants and animals, the ranges of others seem stable. When species respond in different ways to the same amount of warming, it becomes more difficult for ecologists to predict future biological effects of climate change and to plan for these effects.
http://www.innovations-report.com/html/reports/environment_sciences/climate_change_create_tipping_points_populations_164043.html

The European Union (EU) and the Democratic Republic of Congo signed a declaration to launch the negotiations for a Voluntary Partnership Agreement on the export of legal timber to the EU, i.e. Forest Law Enforcement, Government and Trade agreement (FLEGT).
http://www.iewy.com/10540-fight-against-illegal-timber-exports-the-european-union-and-the-democratic-republic-of-congo-launch-negotiations-3.html

Forestry Plantations Queensland (FPQ), which has a large base in Byfield, north of Yeppoon, has been leased to American company Hancock Timber Resource Group for AUD603 million over 99 years. The plantation industry is preparing to boom in Central Queensland, as FPQ plants the thousands of hectares it has acquired over the last 10 years.
http://www.themorningbulletin.com.au/story/2010/10/20/plantation-industry-is-set-to-boom-in-central-quee/

A total 161 roadside checkpoints in the Philippines which were established to seize illegally harvested wood have been ordered by Environment Secretary to be dismantled. The order came after regional executive directors assessed which checkpoints would be most effective in catching undocumented timber. The remaining 113 checkpoints represent 59% of the initial total.
http://www.mb.com.ph/articles/283602/denr-removes-161-checkpoints-hot-timber

The U.S. Environmental Protection Agency (EPA) is inviting small businesses to participate in an advocacy review panel focusing on formaldehyde. The agency plans to implement regulations for the new Formaldehyde Standards for Composite Wood Products Act, enacted in July 2010. The proposed regulation will establish limits for composite wood products (hardwood plywood, medium-density fiberboard, and particleboard) so these products meet emission standards.
http://yosemite.epa.gov/opa/admpress.nsf/0/1428c8203841ad17852577c100560350?OpenDocument

The U.S. will impose dumping and anti-subsidy duties on glossy paper from Indonesia and China after the U.S. International Trade Commission ruled that domestic makers may face harm from low cost imports, but companies such as Asia Pulp and Paper say they will appeal the ruling. The ITC ruling will set tariffs on imports valued at US$260 million of the glossy paper, used to print magazines and art books. The US Commerce Department estimated that the dumping duties will reach as much as 135.83 % for China and 20.13 % for Indonesia and estimates for countervailing duties to offset subsidies will be as much as 17.94 % for Indonesia and 178.03 % for China. According to the statement from the Commerce Department, Chinese companies not listed in the case face a 153.47 % duty.
http://www.i-grafix.com/index.php/news/asia/asian-paper-companies-face-us-duties.html

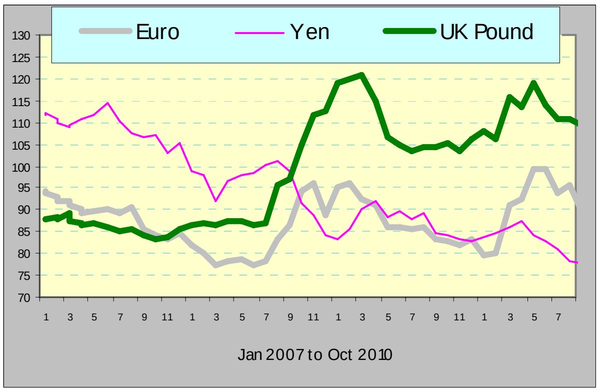
The International Trade Commission (ITC)) opened a preliminary investigation on dumping allegations on multilayered (engineered) wood flooring from China in the US market. The ITC report is due end of November and a preliminary determination due by 6 December. The investigation is prepared in response to a petition filed on 21 October 2010 on behalf of the Coalition for American Hardwood Parity (CAHP), an ad-hoc association of U.S. manufacturers of multilayered wood flooring.
http://www.usitc.gov/trade_remedy/731_ad_701_cvd/investigations/2010/multilayered_wood_flooring/prelimphase.htm

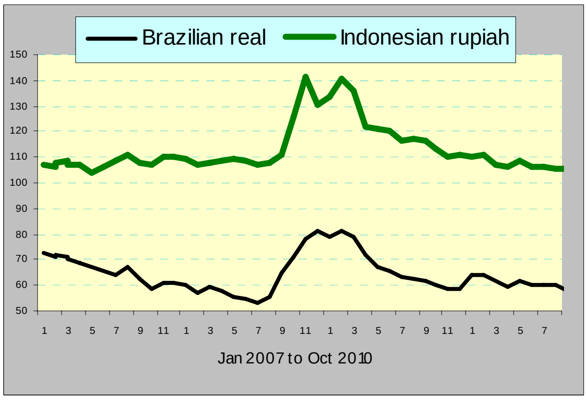
Main US Dollar Exchange Rates

As of 30th October 2010

Brazil	Real	1.6989
CFA countries	CFA Franc	473
China	Yuan	6.6708
EU	Euro	0.7184
India	Rupee	44.3262
Indonesia	Rupiah	8937
Japan	Yen	80.47
Malaysia	Ringgit	3.1114
Peru	New Sol	2.7988
UK	Pound	0.6241

Exchange rates index (Dec 2003=100)

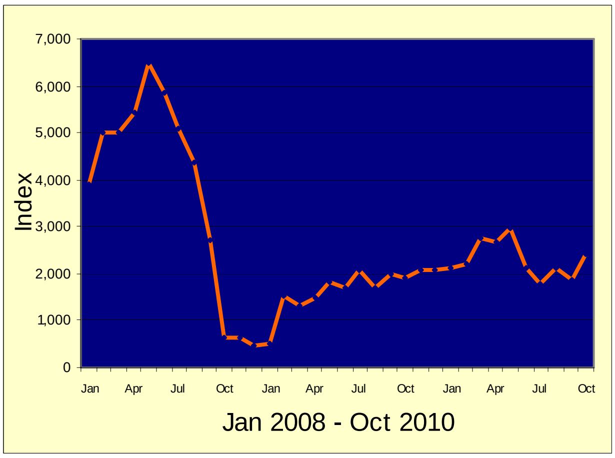




Abbreviations and Equivalences

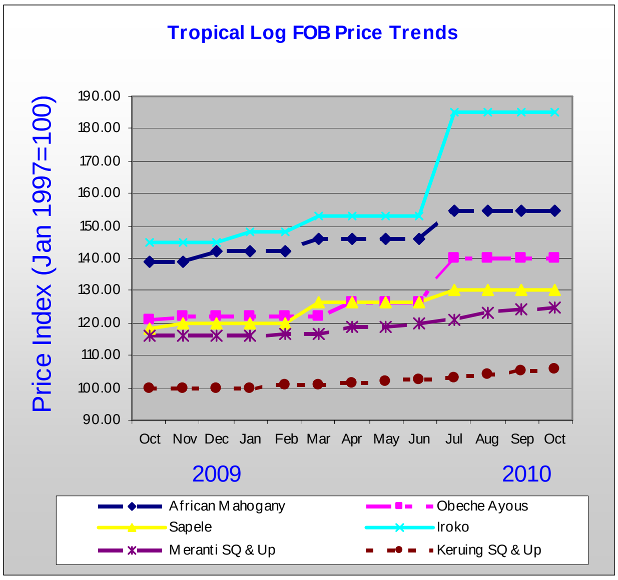
LM	Loyale Merchant, a grade of log parcel
QS	Qualite Superieure
CI, CE, CS	Choix Industriel, Economique or Supplimentaire
FOB	Free-on-Board
CIF; CNF	Cost, insurance and freight; Cost and freight
KD; AD	Kiln Dry; Air Dry
Boule	A log sawn through and through, the boards from one log are bundled together.
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
TEU	Twenty-foot equivalent unit
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
GSP	Guiding Selling Price
MR; WBP	Moisture Resistant; Water and Boil Proof
OSB	Oriented strand board
MDF	Medium Density Fibreboard
PHND	Pin hole no defect grade
$; ⬆⬇	US dollar; Price has moved up or down

Ocean Freight Index

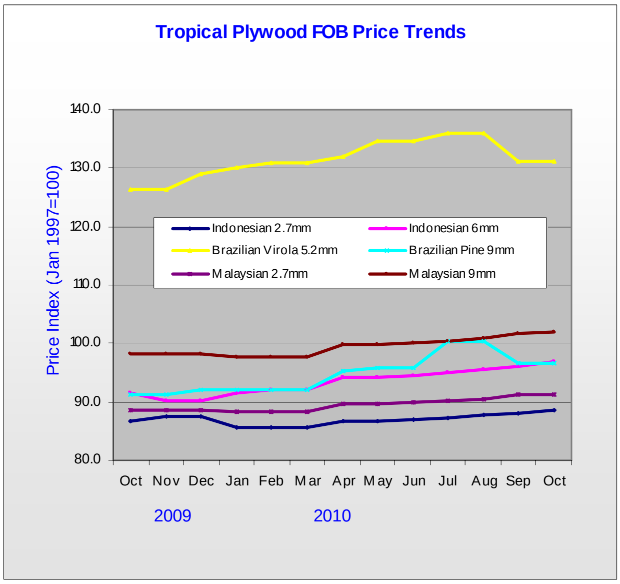


The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes. It is based on a 52,454 mt bulk carrier carrying commodities such as timber.

Tropical Log Price Trends

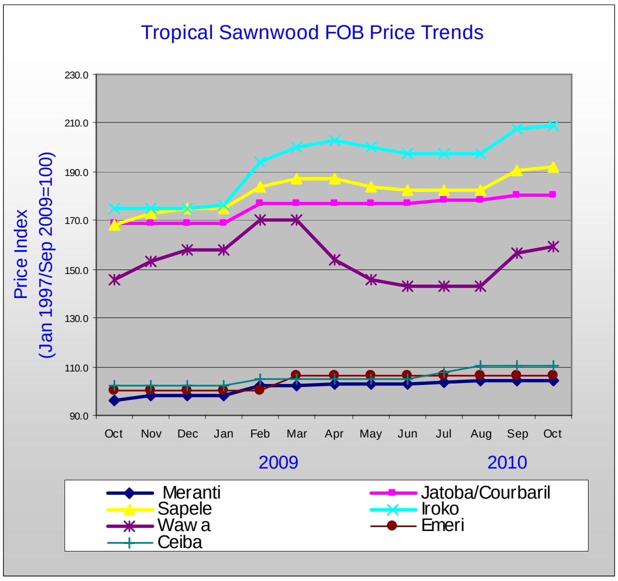


Tropical Plywood Price Trends



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

Tropical Sawnwood Price Trends



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