Tropical Timber Market Report

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Top Story

CITES classifies Big Leaf Mahogany as a "species of urgent concern"

A CITES Plants Committee meeting was recently held in Switzerland and there are unconfirmed reports that Bolivia was advised to set a zero harvesting/export quota for Big leaf Mahogany (*Swietenia macrophylla*).

Bolivia did not submit a non-detriment findings report for the meeting and this triggered the Plants Committee to classify Big Leaf Mahogany as a "species of urgent concern" and to recommend that within three months Bolivia should set a zero quota.

This information is not yet on the CITES website but importers are advised to follow developments as it may take some time for Bolivia to re-validate its non-detriment process.

(see details on page 8)

Headlines

Report from Central/West Africa

Cameroon Suspends export of Wenge and Bubinga

A notification has appeared in the Cameroon official journal (Decision 0354 MINAFOR/CA 20th Apr 2011) indicating that the export of Wenge and Bubinga will be suspended. Companies have been given one month from the date of the official decision to conclude export contracts.

This suspension is valid until December 31, 2011, during which time ANAFOR will conduct a study that will lead to the determination of quotas for export of these species

Gabon export ban includes boules

The Gabon export ban continues and the authorities have made it clear that the ban includes logs, as well as boules and through cut logs with trimmed heart and edges. Producers seem to have accepted the log export ban and have started to bring sawmills and other downstream facilities back into full production.

Cameroon re-imposes a log export quota system

Cameroon has re-imposed a log export quota system and analysts believe that Congo Brazzaville will also adopt similar measures. Logs continue to be shipped from Democratic Republic of Congo, other than that there are no new developments in the log supply situation.

Changed trade pattern for sawnwood

The situation in Côte d'Ivoire continues to hamper all business operations and trade in the country. Coupled with the EU sanctions and the boycott imposed by some EU timber importers, it is certain that timber exports from Cote d'Ivoire will be choked off for the time being, says an analyst.

Buyers of Cote d'Ivoire sawnwood have already turned to sources in Gabon, Cameroon and Ghana. For example, Italian buyers who used to purchase wawa from Cote d'Ivoire, are now making enquiries in Ghana. However, it is more difficult to find alternative sources of iroko so prices of iroko continue to move up.

Plywood and veneer market on the mend

Worldwide demand for plywood and veneer improved in the first quarter of 2011 pushing prices up. Plywood and veneer production in West and Central Africa is only small scale, however, manufacturers in the region are confident that strong demand from Asian countries will continue into the second quarter and further price increases are likely.

West Africa Log Prices

West Africa logs, FOB	€ per m^3		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	205	205	165↑
Ayous/Obeche/Wawa	195↑	190	145
Azobe & Ekki	205	205	122
Belli	210	210	-
Bibolo/Dibétou	145	130	
Bubinga	770↑	615↑	470↑
Iroko	285↑	280↑	215↑
Okoume (60% CI, 40% CE, 20% CS) (China only)	250↑	-	-
Moabi	280	280	190
Movingui	185↑	150	140
Niove	150↑	150↑	-
Okan	320	320	-
Padouk	380	345	235
Sapele	245	235	170
Sipo/Utile	275	250	190
Tali	275↑	275↑	-

West Africa Sawnwood Prices

West Africa sawnwood, FOB		€ per m^3
Abura	KD	560
Ayous	FAS GMS	300
Bilinga	FAS GMS	445↑
Okoumé	FAS GMS	390↑
	FAS. fixed sizes	320↓
	Std/Btr GMS	300
Sipo	FAS GMS	410↓
	FAS fixed sizes	-
	FAS scantlings	495↑
Padouk	FAS GMS	615↑
	FAS scantlings	655↑
	Strips	340↑
Sapele	FAS Spanish sizes	370↓
	FAS scantlings	435
Iroko	FAS GMS	630↑
	Scantlings	605↑
	Strips	400↑
Khaya	FAS GMS	415
	FAS fixed	420↑
Moabi	FAS GMS	505
	Scantlings	445↑
Movingui	FAS GMS	365↑

Report from Ghana

CSRD to log submerged hardwoods

It is estimated that the Volta Lake reservoir holds timber resources worth US$2.8 billion. The Volta River Authority and the government of Ghana signed an agreement with Clark Sustainable Resource Developments Ltd. (CSRD) for logging, processing and marketing of this underwater timber.

Harvesting is about to start as a 400,000 pounds SHARC harvester has been brought in and will now undergo testing.

The project will secure legally certified timber products from Ghana for international markets.

Ghana Log Prices

Ghana logs, domestic	US$ per m^3	
	Up to 80cm	80cm+
Wawa	133-145	152-165
Odum Grade A	160-170	175-185
Ceiba	110-118	120-140
Chenchen	90-100	105-120
Khaya/Mahogany (Veneer Qual.)	107-120	125-145
Sapele Grade A	135-150	160-175
Makore (Veneer Qual.) Grade A	128-135	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
Afrormosia	855	-
Asanfina	500	560
Ceiba	215	269↑
Dahoma	312↑	385
Edinam (mixed redwood)	400	450
Emeri	350	430
African mahogany (Ivorensis)	568	650
Makore	520	585
Niangon	523↑	590
Odum	625	690
Sapele	545	600
Wawa 1C & Select	260	285

Ghana sawnwood, domestic		US$ per m^3
Wawa	25x300x4.2m	274↑
Emeri	25x300x4.2m	310↑
Ceiba	25x300x4.2m	233
Dahoma	50x150x4.2m	292
Redwood	50x75x4.2m	390↑
Ofram	25x225x4.2m	320↑

Ghana Veneer Prices

Rotary Veneer, FOB	V per m^3	
	CORE (1-1.9mm)	FACE (<2mm)
Bombax	315	350
Ofram, Ogea & Otie	318	355
Chenchen	315	350
Ceiba	320	350
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	278↑
Chenchen	305
Ogea	305↑
Essa	290
Ofram	310

Sliced Veneer, FOB	€ per sq. m	
	Face	Backing
Afrormosia	1.19	1.00
Asanfina	1.50	1.00
Avodire	1.12	0.64↑
Chenchen	1.27	0.60
Mahogany	1.25	0.99↑
Makore	1.20	0.63↑
Odum	1.80	1.40

Ghana Export Plywood Prices

Plywood, FOB	€ per m^3		
BB/CC	Ceiba	Ofram	Asanfina
4mm	370	546	597
6mm	367	540	575
9mm	310↑	384	436
12mm	290	381	397
15mm	285↑	327	334
18mm	270	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	500
Wawa grade 2	428
Ekki grade 1	475
Wawabimba Laminated grade 1	750

Report from Malaysia

Higher shipping rates concern exporters

Exporters of timber and timber products in Malaysia have expressed concern over rising prices of crude oil and the effect on freight rates. Shipping costs to destinations such as Europe and North America have been rising. According to exporters, any further increases freight rates may result in significant timber price increases and a loss of competitiveness.

MTIB monitoring the impact of anti-dumping tariff

The Malaysian Timber Industry Board (MTIB) will be monitoring the timber trade between Malaysia and South Korea for the next few months following the imposition by South Korea of anti-dumping duties.

The MTIB calculates that the Korean government has imposed an average 10% import tariff on Malaysian plywood.

South Korea was one of the biggest markets last year for Malaysian timber products such as veneer, plywood and sawn timber and in 2010 timber product exports to South Korea amounted to almost RM1 billion.

The anti-dumping duties on plywood imports from Malaysia, ranging from five per cent to 38 per cent, were imposed in January this year.

Only slow progress in re-forestation programme

Forest plantation licensees who need the Government's help to fund their projects have been told to submit their specific requests to the government. Deputy Finance Minister Datuk Donald Lim said the Federal Government would consider providing soft loans. The Minister made this statement after being briefed on Sarawak's implementation of forest plantation projects during a dialogue on tax incentives for forest plantation development with the Sarawak Timber Association (STA).

The Minister said the Government would consider supporting such projects to relieve the pressure of harvesting timber from natural forests. The Finance Ministry provided some RM200mil in soft loans for the establishment of 75,000ha of plantations in 2007.

The Minister said Malaysia had made slow progress in its re-forestation. The Sarawak state government's 2020 target is to reforest 1.3mil ha by planting fast growing commercial timber species. However to-date only 262,000 ha have been planted by both the private and public sectors.

Through the Income Tax (Exemption) (No.10) Order 2009 tax incentives are given for forest plantation development but this exemption is due to expire in December this year. the Minister advised the Sarawak Timber Association to write to the Plantation Industries and Commodities Ministry to seek an extension of the order,.

Log Prices

Sarawak log, FOB	US$ per m³
Meranti SQ up	251-276⬆
Small	237-267⬆
Super small	238-259⬆
Keruing SQ up	235-247⬆
Small	225-253⬆
Super small	213-238⬆
Kapur SQ up	226-252⬆
Selangan Batu SQ up	222-255⬆

Pen. Malaysia logs, domestic (SQ ex-log yard)	US$ per m³
DR Meranti	260-279⬆
Balau	314-343⬆
Merbau	350-381⬆
Rubberwood	97-131⬆
Keruing	235-251⬆

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 m³
DR Meranti	404-440⬆
White Meranti A & up	297-327⬆
Seraya Scantlings (75x125 KD)	443-456⬆
Sepetir Boards	267-289⬆
Sesendok 25,50mm	355-373⬆
Kembang Semangkok	323-350⬆

Malaysian Sawnwood, domestic	US$ per m³
Balau (25&50mm,100mm+)	335-355⬆
Merbau	467-519⬆
Kempas 50mmx(75,100 & 125mm)	274-314⬆
Rubberwood	
25x75x660mm up	232-282⬆
50-75mm Sq.	271-303⬆
>75mm Sq.	293-322⬆

Plywood Prices

Malaysia ply MR BB/CC, FOB	US$ per m³
2.7mm	432-492⬆
3mm	412-442⬆
9mm & up	360-432⬆

Meranti ply BB/CC, domestic	US$ per m³
3mm	357-448⬆
12-18mm	340-369⬆

Other Panel Prices

Malaysia, Other Panels, FOB	US$ per m³
Particleboard	
Export 12mm & up	248-271⬆
Domestic 12mm & up	238-253⬆
MDF	
Export 15-19mm	302-333⬆
Domestic 12-18mm	293-312⬆

Added Value Product Prices

Malaysia, Mouldings, FOB	US$ per m³
Selagan Batu Decking	559-569⬆
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	574-587⬆
Grade B	528-538⬆

Furniture and Parts Prices

Malaysia, Rubberwood, FOB	US$ per piece
Semi-finished dining table	
solid laminated top 2.5'x4', extension leaf	73-89⬆
As above, Oak Veneer	80-94⬆
Windsor Chair	72-74⬆
Colonial Chair	70-75⬆
Queen Anne Chair (soft seat)	
without arm	71-78⬆
with arm	70-79⬆
Chair Seat 27x430x500mm	58-64⬆
Rubberwood Tabletop	US$ per m³
22x760x1220mm sanded & edge profiled	
Top Grade	613-643⬆
Standard	594-613⬆

Report from Indonesia

Indonesia ready for the VPA

The Indonesian government is ready to sign the Forest Law Enforcement, Governance and Trade - Voluntary Partnership Agreement (FLEGT-VPA), with the European Union (EU) within the next two to three months, according to a joint statement.

The Indonesian government noted that the VPA will be the first of its kind to be signed between an Asian country and the EU, with a significant implication for the US$1 billion annual timber trade between these two parties.

Disagreements hamper establishing legal framework for moratorium

Last year, the Indonesian president signed an agreement with the Norwegian government the purpose of which is to halt deforestation. One of the first steps Indonesia took on signing was to impose a moratorium on forest conversions from 2011 to 2013.

However, disagreements between the Forestry Ministry and the newly established Presidential Taskforce on reducing deforestation and forest degradation (REDD) programmes has hampered the government's efforts to implement a legal framework for the moratorium.

It appears that there are differences of opinion on which forests should be included in the moratorium and whether the new Taskforce should be given authority to oversee forest management — traditionally the domain of the Forestry Ministry.

Tropical Forests Conservation Act Agreement between Indonesia and US

Indonesia and the US have signed a Tropical Forests Conservation Act Agreement which includes a grant to improve forest management and protect biodiversity in Sumatra.

The agreement is said to be an important part of the US-Indonesia Comprehensive Partnership. The US$30 million grant will help to improve management of 1.3 million hectares of peatland and forests over a three year period.

Log Prices (domestic)

Indonesia logs, domestic prices	US$ per m³
Plywood logs	
Face Logs	213-256⬆
Core logs	196-227⬆
Sawlogs (Meranti)	206-267⬆
Falcata logs	174-209⬆
Rubberwood	87-91⬆
Pine	184-225⬆
Mahoni (plantation mahogany)	492-522⬆

Sawnwood Prices

Indonesia, construction material, domestic	US$ per m³
Kampar (Ex-mill)	
AD 3x12-15x400cm	199-218⬆
KD	215-249⬆
AD 3x20x400cm	236-259⬆
KD	238-267⬆
Keruing (Ex-mill)	
AD 3x12-15x400cm	250-264⬆
AD 2x20x400cm	238-256⬆
AD 3x30x400cm	221-240⬆

Plywood Prices

Indonesia ply MR BB/CC, export FOB	US$ per m³
2.7mm	421-477⬆
3mm	378-419⬆
6mm	358-399⬆

MR Plywood (Jakarta), domestic	US$ per m³
9mm	276-287⬆
12mm	268-278⬆
15mm	258-272⬆

Other Panel Prices

Indonesia, Other Panels, FOB		US$ per m³
Particleboard	Export 9-18mm	236-245⬆
	Domestic 9mm	215-227
	12-15mm	209-220⬆
	18mm	205-216⬆
MDF	Export 12-18mm	266-281⬆
	Domestic 12-18mm	250-262⬆

Added Value Product Prices

Indonesia, Mouldings, FOB	US$ per m³
Laminated Boards	
Falcata wood	317-330⬆
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	508-541⬆
Grade B	464-487⬆

Report from Myanmar

Improvement in demand situation

The market situation for teak and other hardwoods has been improving. As a result, prices at the Myanmar Timber Enterprise (MTE) tender sales are buoyant. Demand for teak remains good especially for SG-7 (Sawing Grade-7) logs.

While demand for pyinkadoe did not show much improvement over the past months, the kayin market was buoyant following the steep decline seen in mid 2010. It is reported that even some old logs are being sought for export. According to analysts, the supply of logs from Northern Myanmar is tight as river levels are low hampering log transportation by rafts.

Furniture exports drop

According to the Myanmar Timber Merchants Association, exports of furniture have dropped by about 70% to 40 - 60 containers a month.

The export of value-added products from Myanmar is very small compared to log exports. Furniture for export is made from teak and sagawa (Michelia champaca) and yemane (Gmelina arborea). Rattan furniture is also produced and exported.

Myanmar log prices (natural forest logs)

Teak Logs, FOB	€ Avg per Hoppus Tonne (traded volume)	
Veneer Quality	Mar	Apr
2nd Quality	nil	nil
3rd Quality	nil	nil
4th Quality	4,777 (12 tons)	4,658⬇ (11 tons)
Sawing Quality		
Grade 1 (SG-1)	3,122 (48 tons)	3,198⬆ (44 tons)
Grade 2 (SG-2)	2,713 (40 tons)	2,846⬆ (41 tons)
Grade 4 (SG-4)	2,115 (200 tons)	2,019⬇ (200 tons)
Grade 5 (SG-5) Assorted	1,376 (118 tons)	1,313⬆ (139 tons)
Grade 6 (SG-6) Domestic	1,257 (57 tons)	1,196⬆ (78 tons)
Grade 7 (ER-1)	980 (107 tons)	936⬇ (92 tons)

Hoppus ton=1.8m³; 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

MOU to expand Sandalwood forest area in Karnataka

The state of Karnataka is the largest producer of sandalwood (Santalum album) in India. However, as a result of illegal logging and smuggling, sandalwood in natural forests is under threat of extinction and imports from other tropical countries are needed to meet the demand in India.

In order to revive the state's sandalwood production, the Forest Department, local industries and farmers have entered into a MOU to expand the area for sandalwood production to 2,000 acres in the state of Karnataka. In addition, the state government has removed the 50% tax on profits from sandalwood production.

Trade of non-wood materials

Paper laminates

As a result of reduced supply of premium quality logs from natural forests, coupled with environmental concerns and promotion of non-wood products by government departments, demand and thus production capacities for manufacture of paper laminates, metals and plastics for furniture manufacturing and joinery has grown. However, Indian manufactures of these non-wood materials are facing increasing competition from imports from China.

Particleboard

The estimated production of particleboard in India is around 150,000 tonnes per year. Shortages of raw material and improved market acceptance of Medium Density Fibreboard (MDF) has slowed the growth of investment in particleboard production in the country.

Several interior joinery firms have begun to use boards made of agricultural waste to manufacture doors and furniture. However, the domestic supply of particleboard falls short of demand and this has raised the need to increase imports from Australia, Malaysia and Europe.

MDF

Indian MDF production capacity had tripled in four years to 310,000 cu.m per year by 2010 and new plant is under construction. However, China's MDF production capacity is reportedly 30 times that of India's. As a result, Indian manufacturers are facing stiff competition from China. In order to compete and maintain profitability Indian MDF manufacturers have focused on production of value-added products.

Laminated flooring

The domestic market for laminated flooring has been growing fast. New designs and concepts are being imported from around the world to the Indian market. For example, Southern European manufacturers have introduced new paper-free laminated flooring with a slate stone surface.

Plywood manufacturers importing more core veneers

The Indian plywood industry is continuously facing shortages of logs and skilled labour, coupled with rising costs of chemicals. In order to cope with the raw material shortage, plywood manufacturers have been importing more core veneers.

Around the world, plywood prices have been trending upwards. Prices of imported plywood have been increasing in India.

Imported teak prices steady

Demand for imported teak continues to be good and prices vary depending on quality. However, a lack of containers in some exporting ports limits shipping.
According to an analyst, the quality of plantation teak logs imported from West Africa is dropping. However, due to the log shortage and lower imports from Myanmar, prices have remained stable.

For example, teak supplied from Tanzania is from old plantations, some of them reaching 80 years old. The colour of heartwood is good with some occasional black stripes. However, the major defect inr Tanzanian teak is that it has many knots and thus good quality logs are only available in short lengths.

The Indian market buys Tanzanian plantation teak mostly for door frames with lengths of 7" / 7 1/2". Even shorter lengths are sourced for window frames and furniture. Besides length, good color is the major determinant in sales of teak for doors, windows and furniture. Tanzanian plantation teak imports to India include sawnwood, but the majority are boules due to the lower import duty imposed by India. Boules are assessed in India for duty as round logs.

CNF Plantation Teak

	US$ per m^3
Tanzania Teak sawn	450-775
Côte d'Ivoire logs	550-700
PNG logs	500-550
El-Salvador logs	475-550
Guatemala logs	400-500
Nigeria squares	375-450
Ghana logs	350-600
Guyana logs	350-450
Benin logs	500-650
Benin sawn	475-600
Brazil squares	500-600
Burkina Faso logs	350-450
Columbia logs	365-600
Togo logs	350-500
Ecuador logs	450-500
Costa Rica logs	350-500
Panama logs	315-400
Sudan logs	500-600
Venezuela logs	460-500

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) Myanmar Teak (imports)

Sawnwood (Ex-mill)	Rs. per ft^3
Myanmar Teak (AD)	
Export Grade F.E.Q.	5500-8000
Plantation Teak A grade	3000-3800
Plantation Teak B grade	2500-2800
Plantation Teak C grade	1800-2000

India Sawnwood Prices (imports)

Sawnwood, (Ex-mill) (AD)	Rs. per ft^3
Merbau	1450
Balau	1550
Kapur	1000
Red Meranti	850
Bilinga	750
Radiata Pine (AD)	400-450
Sawnwood, (Ex-warehouse) (KD)	Rs. Per ft^3
Beech	1100
Sycamore	1200
Red Oak	1300
American Walnut	2150
Hemlock clear grade	1000
Hemlock AB grade	850
Western Red Cedar	1350
Douglas fir	1000

India Plywood Prices

Plywood, (Ex-warehouse) (MR Quality)	Rs. per sq.ft
4 mm	32.0
6 mm	48.60⬆
12 mm	63.3⬆
15 mm	75.60⬆
18 mm	91.0⬆

Locally Manufactured Plywood "Commercial Grade"	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.11.50⬆	Rs.19.90⬆
6mm	Rs.16.80⬆	Rs.29.00⬆
8mm	Rs.21.00⬆	Rs.32.40⬆
12mm	Rs.25.00⬆	Rs.34.80⬆
19mm	RS.33.00⬆	Rs.46.80⬆
5mm Flexible ply	Rs.20.50⬆	Rs.24.50⬆

Report from Brazil

Deforestation rate declines in Amazon

The National Institute for Space Research (INPE) Real Time Deforestation Detection System (DETER) released information showing that between August 2010 and February 2011, the deforestation rate in the Amazon declined 7.1% compared to the same period in 2009 and 2010.

Other data shows that in 2010 deforestation was reduced in the 43 priority municipalities combating deforestation. In 36 municipalities in the Amazon identified as major deforesters in 2008, the current deforestation rate has been reduced by 29%.

According to the Brazilian Ministry of Environment (MMA), Querencia municipality in the state of Mato Grosso will be deleted from the list of major deforesters in the Amazon. Paragominas, in the state of Para, was the first municipality to be removed from the list, in 2010. In both municipalities, the average deforestation rate over the past two years was equal to or less than 60% compared to the average between 2005 and 2008.

In the same period, DETER shows that deforestation rate in the states of Roraima and Mato Grosso declined 77%. However, in other states, such as Acre, Amazonas and Tocantins, deforestation increased and by as much as 181%, in the case of Acre.

In the coming weeks, MMA expects to hold a meeting with state governments to discuss deforestation rates and to critically assess why the deforestation, that previously occurred only during dry season, is now also occurring in the rainy season.

SFB Promotes Education for forest Management

The Brazilian Forest Service (SFB) and other institutions will launch an "Education for Sustainable Forest Management" project to deliver information and provide training on the importance of forest management. The objective is to increase the number of skilled professionals in the Amazon able to conduct sustainable logging.

The demand for skilled professionals is currently high and growing especially for those operating forest concessions in national forests and for community forest management operations. There are over 1 million hectares of forest concessions at different stages of implementation in the Amazon, but this could rise to 10 million hectares in the coming years. It is estimated that, in the short term, at least 10,000 trained/skilled workers will be needed for these operations.

The SFB will use distance education methods as well as field training. The expected benefits include an improvement in worker safety, more efficient sustainable harvesting and an overall increase in the returns from forest activities in the Amazon.

March trade figure released, timber exports decline

In March 2011, the value of exports of timber products (except pulp and paper) fell 3.6% compared to values in March 2010, from US$ 225 million to US$ 217 million.

Pine sawnwood exports increased 15.7% in value in March 2011 compared to March 2010, from US$ 13.4 million to US$ 15.5 million. In terms of volume, exports increased 7.2% from 62,400cu.m in March 2010 to 66,900 cu.m in March 2011.

Exports of tropical sawnwood fell both in volume and in value, i.e. from 50,800 cu.m in March 2010 to 35,100 cu.m in March 2011 and from US$ 25 million to US$ 19.3 million, over the same period.

Pine plywood exports also fell, dropping 7.3% in value in March 2011 compared to the same month in 2010, from US$ 32.8 million to US$ 30.4 million. The volume of exports also dropped 15% during the same period, from 98,200 cu.m to 83,500 cu.m.

March 2011 exports of tropical plywood fell to 6,900 cu.m down from 9,500 cu.m in March 2010, a 27.4% decline. In value terms, a 29.3% decline was recorded, from US$ 5.8 million to US$ 4.1 million.

Exports of wooden furniture also dropped. Export values dropped from US$ 55.2 million in March 2010 to US$ 43.4 million in March 2011, representing a 21.4% drop.

Brazil's economic situation favors timber imports

Brazil's annual timber imports average around US$ 120 to US$ 140 million per year. The United States is the major supplier and most business is supported by the American Hardwood Export Council (AHEC).

The economic situation in Brazil, the sustained appreciation of the Brazilian currency and the staggering increase in the domestic timber demand is driving imports. Additionally, weaknesses in domestic timber production systems and product quality are said to be factors favoring timber imports in Brazil.

Computerised timber identification system

Work on timber identification considering environmental and tax issues is conducted by the Institute of Agricultural Protection of the State of Mato Grosso (INDEA-MT), the Renewable Natural Resources Control (CFRNR) Unit. The timber identification tools developed by CFRNR have been in interest of other states seeking to develop their own systems, including the state of Para.

Since January 2011, the Computerized Timber Control System (SICMAD) has been operational at the INDEA's timber identification check points. This tool is used to monitor, audit and control Timber Identification Certificates issued by the INDEA Local Units. These units assist to develop activities for timber identification, improved forest control and preventing tax evasion in the state.

Brazil Log Prices (domestic)

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	165
Jatoba	119
Guariuba	77
Mescla (white virola)	84

Brazil Export Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB		US$ per m^3
Jatoba Green (dressed)		883
Cambara KD		513
Asian Market (green)	Guariuba	277
	Angelim pedra	673
	Mandioqueira	246
Pine (AD)		200

Brazil sawnwood, domestic (Green)		US$ per m^3
Northern Mills (ex-mill)	Ipé	813
	Jatoba	620
Southern Mills (ex-mill)	Eucalyptus (AD)	209
	Pine (KD) 1st grade	259

Brazil Veneer Prices

Veneer, Export (Belem/Paranagua Ports) FOB	US$ per m^3
White Virola Face 2.5mm	298
Pine Veneer (C/D)	209

Rotary cut Veneer, domestic	US$ per m^3	
(ex-mill Northern Mill)	Face	Core
White Virola	285	236

Brazil Plywood Prices

Plywood, FOB	US$ per m^3
White Virola (US Market)	
5.2mm OV2 (MR)	449
15mm BB/CC (MR)	391
White Virola (Caribbean market)	
4mm BB/CC (MR)	519
12mm BB/CC (MR)	416

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	281
15mm C/CC (WBP)	261
18mm C/CC (WBP)	249

Plywood, domestic (ex-mill Southern mill)		US$ per m^3
Grade MR (B/BB)	White Virola 4mm	973
	White Virola 15mm	709

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)	314
Domestic Prices, Ex-mill Southern Region	
Blockboard White Virola faced 15mm	615
Particleboard 15mm	396

Brazil Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Edge Glued Pine Panel		
Korean market (1st Grade)		632
US Market		497
Decking Boards	Cambara	628
	Ipê	1,657

News from Bolivia

CITES Plants Committee to classify Big Leaf Mahogany as a "species of urgent concern"

A CITES Plants Committee meeting was recently held in Switzerland and there are unconfirmed reports that Bolivia was advised to set zero harvesting quota for Big leaf Mahogany (Swietenia macrophylla)

Bolivia did not submit a non-detriment findings report for Big Leaf Mahogany and this triggered the Plants Committee to classify Big Leaf Mahogany as a "species of urgent concern" and to recommend that within three months Bolivia should set a zero quota.

This information is not yet on the CITES website but importers are advised to follow developments as it may take some time for Bolivia to re-validate its non-detriment process.

Report from Peru

Wood product exports in 2009 and 2010

Product	2009	2010	Change (%)
Semi-manufactured products	63.6	76.5	20.3%
Sawnwood	57.8	57.1	-1.2%
Veneer and plywood	15.3	15.2	-0.7%
Furniture	7.6	6.6	-13.2%
Other	10.4	12.4	19.2%
Total	154.7	167.8	8.5%

Source: The Export Association of Peru

Promoting new species for furniture manufacturing

The Ministry of Production of Peru is promoting the use of 64 lesser used timber species for furniture manufacturing. The executive director of the Center for Technological Innovation Wood (Cite Maderas), Jessica Moscoso, said that this initiative seeks to ease the intensive use of mahogany and cedar by introducing alternatives with similar qualities.

Peru domestic furniture sales are forecast to grow 10% this year compared to 2010, driven by demand or office furniture and by shopping centres.

Peru Sawnwood Prices

Peru Sawnwood, FOB Callao Port		US$ per m^3
Mahogany S&B KD 16%, 1-2” random lengths (US market)		1655-1702
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'-12' KD	
Grade 1, Mexican market	348-383
Grade 2, Mexican market	281-294
Cumaru 4" thick, 6’-11’ length KD	
Central American market	825-844
Asian market	798-871
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 m³
Spanish Cedar AD Select Mexican market	887-909
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	349-366↑
Grade 2, Mexican market	274-284↑
Grade 3, Mexican market	155-165
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	244-254↑

Peru sawnwood, domestic	US$ per m³
Mahogany	867-909↓
Virola	59-79
Spanish Cedar	264-305↓
Marupa (simarouba)	59-72

Peru Veneer Prices

Veneer FOB Callao port	US$ per m³
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 Callao (Mexican Market)	US$ per m³
Copaiba, 2 faces sanded, B/C, 15x4x8mm	318-347
Virola, 2 faces sanded, B/C, 5.2x4x8mm	396-402
Cedar fissilis, 2 faces sanded 4x8x5.5mm	733-744
Lupuna, treated, 2 faces sanded, 5.2x4x8mm	363-385
Lupuna plywood B/C 15x4x8mm	358-375
B/C 9x4x8mm	345-350
B/C 12x4x8mm	350-360
B/C 8x4x15mm	396-408
C/C 4x8x4mm	384-396
Lupuna plywood B/C 8x4x4mm Central Am.	368-388

Lupuna Plywood BB/CC, domestic	US$ per m³
(Iquitos mills)	
122 x 244 x 4mm	433
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 m³
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, FOB strips for parquet	US$ per m³
Cabreuva/estoraque KD12% S4S, Asian market	1277-1376
Cumaru KD, S4S Swedish market	797-920
Asian market	933-998
Cumaru decking, AD, S4S E4S, US market	949-1055↓
Pumaquiro KD # 1, C&B, Mexican market	423-511
Quinilla KD, S4S 2x10x62cm, Asian market	477-503
2x13x75cm, Asian market	708-768

Report from Guyana

Price trends

In early April there were no exports of Greenheart logs. Export prices for all categories of purpleheart and mora logs increased. Some of Guyana's lesser used species were also exported in log form fetching good average prices.

Un-dressed Greenheart (select) sawnwood prices improved towards US$730 to US$975 per cu.m. but prices for un-dressed purpleheart declined. On the other hand prices for Dressed Greenheart dropped from US$ 1,350 to US$ 1,011 per cu.m. Prices for un-dressed Mora sawnwood were generally maintained.

The export of piles and poles made a noteworthy contribution towards the export earnings, for these products the major market is North America.

Guyana's Ipe (Washiba) continues to attract significant top-end prices reaching as high as US$ 2,250 per cu.m.

Wallaba splitwood is in good demand and export earnings from this product were significant.

Many of Guyana's lesser used species were exported for the production of sawn construction timbers as these woods have very good structural properties. Europe was the major destination for these sustainable and durable Guyanese timber species.

Guyana's Plywood factory to restart operations

Guyana's single plywood manufacturing company Barama is aiming to restart its plywood operations as soon as June of this year and hopes to have export products ready for shipment in December.

Domestic demand for plywood is strong and the reopening of this mill will ensure that that the development of the domestic housing sector is not held back. The plywood factory is looking to achieve a production rate in excess of 2,400 cu.m. per month.

The company is also engaged in the production of veneers to further compliment the plywood factory. The plywood company is providing employment to a significant number of workers within the forest industry. The re-opened factory will reduce the shortages of panels faced by contractors and builders.

Guyana Log Export Prices

Logs, FOB Georgetown	SQ - $ Avg unit value per m³		
	Std	Fair	Small
Greenheart*	-	-	-
Purpleheart	200-290↑	170-280↑	150-250↑
Mora	170↑	115-160↑	110-130↑

*Small SQ is used for piling in the USA and EU. Price depends on length. In the case of no price indication, there is no reported export during the period under review.

Guyana Sawnwood Export Prices

Sawnwood, FOB Georgetown		$ Avg unit val. per m^3	
EU and US markets		Undressed	Dressed
Greenheart	Prime	-	678-848
	Standard	-	600-890
	Select	680-1,018⬆	
	Sound	615-765⬆	
	Merchantable	-	
Purpleheart	Prime	-	-
	Standard	-	678-848
	Select	650-900⬇	
	Sound	602⬇	
	Merchantable	550	
Mora	Prime	-	
	Select	500	
	Sound	450	
	Merchantable	400	

In the case of no price indication, there is no reported export during the period under review.

Guyana Plywood Export Prices

Plywood, FOB Georgetown Port			$ Avg unit val. per m^3
Baromalli	BB/CC	5.5mm	-
		12mm	-
	Utility	5.5mm	-
		12mm	-

In the case of no price indication, there is no reported export during the period under review.

Report from Japan

Timber industry in crisis

Many domestic wood processing mills in coastal areas in eastern Japan suffered extensive damage caused by the March 11 earthquake and tsunami. It is estimated that a capacity of 60,000 cu.m of plywood per month has been lost.

Damaged infrastructure and a shortage of fuel brought all businesses in the region to a halt. As a result, the supply of plywood in the major markets of Tokyo and Osaka was badly affected. Other unaffected sawnwood and plywood mills have plans to increase production to supply wood materials for restoration work, but they are also suffering from periodic electricity blackouts.

Ports in Hachinohe, Sendai, Sohma, Onahama and Hitachinaka are closed and shipments being are diverted to Tokyo and Kawasaki. Tokyo Lumber Terminal has secured 49,000 square metres of land as an emergency storage area reports the Japan Lumber Report (JLR).

The Japanese Ministry of Land, Infrastructure and Transport disclosed that some 4,702 buildings were totally destroyed and 2,496 units half destroyed. In addition, 1,150 units are unsafe with a high risk of collapse.

Tropical plywood processing after quake

The earthquake and tsunami caused devastating damage to Ofunato Plywood mill which processed tropical hardwood logs from Southeast Asia. Other tropical plywood manufacturers experienced only little damage such as collapsed log and plywood piles. Plywood manufacturers are now trying to boost production which may push log prices up, reportsthe JLR.

Japan's plywood market slowly getting back to normal

The JLR is reporting that the confusion in the plywood market immediately after the East Japan earthquake in March is now easing and that trade is slowly getting back to normal.

There was a period of panic buying of plywood by companies building house for delivery at the end of March but this is over now. There was also a period of aggressive purchases of imported plywood in the weeks after the earthquake and tsunami as many plywood producers in the quake hit area suffered damage.

This very active sourcing pushed up prices but now buyers are cautious and are not chasing high priced plywood.

The market for imported plywood during March was chaotic with prices soaring but by April demand had cooled down. Concrete formboard JAS 3x6 panel prices were Yen 1,200 per sheet delivered, Yen 210-240 higher than early March prices.

Coated concrete formboard 3x6 panel was priced at about Yen 1,300, Yen200-230 up. Structural 12mm 3x6 panel (F 4star) is selling at around Yen 1,300 Yen280 up and firming. Imported thin panel of 2.4mm (type 2/F4star) is currently at around Yen380-400, Yen40-60 up. .

The supply of imported 4mm thin panel is currently extremely tight according to the JLR.

Log supply still a problem in Sabah and Sarawak

While the rain season is over in Sabah and Sarawak producers are saying that the weather continues to be unsettled and that this is hampering logging.

This is at a time when export demand in India and Taiwan P.o.C is strong. Malaysian plywood producers are feverishly sourcing logs. The JLR reports that Indian buyers are apparently tiring of the spiralling log prices in Sarawak and have started looking in Papua New Guinea for alternative species.

April FOB prices reported by the JLR indicate that Sarawak meranti regular log prices have increased to US$350 per cu.m and that Japanese buyers are expecting another round of increases. Small meranti log prices are said to be around US$330 per cu.m while super small logs are priced at US$315 per cu.m.

In 2010 the top buyer of Sarawak logs was India which imported some 2.2mi cu.m. China was second largest buyer taking 588,000 cu.m followed by Taiwan P.o.C with 477,000 cu. Japan was forth largest importer of Sarawak logs taking 370,000 cu.m.

In Japan, Sarawak meranti regular log prices in April were Yen 8,000-8,200 per koku CIF, Yen400-500 up form January. Some plywood mills have reportedly reduced purchases of high priced tropical logs and are increase the production of softwood plywood.

Tsunami devastated Ishinomaki and other coastal towns

It is now just over a month since the mega-quake in Japan and now it is possible to get a clearer understanding of the extent of the damage to the timber sector in the region.

On the coast of Miyagi and Iwate prefecture, there are many major plywood mills. Around port of Ishonimaki, in the industrial area, there are three Seihoku plywood mills as well as particleboard and MDF plant.

These factories are the core of the Seihoku group's wood processing capacity. There are also other mills such as the Ishinomaki Plywood, other sawmills and the Nippon Paper plant in the affected areas.

The tsunami breached the high sea defences and swamped the mills pushing plywood stocks into the factories and manufacturing lines. Apparently logs are scattered throughout the residential areas and recovery will be a problem as it is difficult to determine ownership.

Even when the processing lines are restored the problem of erratic electric power supply will remain.

Power substations have been destroyed and authorities say it will take 2-3 months for temporary substations to be established and even then the power available will be less than before the crisis.

Log and Sawnwood Prices in Japan

Logs for Ply Manufacture, CIF	Yen per Koku (Koku=0.278 m^3)
Meranti (Hill, Sarawak)	
Medium Mixed	7,500⬆
Standard Mixed	7,800⬆
Small Log (SM60%, SSM40%)	7,600⬆
Taun, Calophyllum, others (PNG)	8,000
Mixed light hardwood, G3/4 grade (PNG)	-
Keruing MQ & up (Sarawak)	11,000⬆
Kapur MQ & up (Sarawak)	9,800⬆

Logs for Sawmilling, CIF	Yen per Koku
Melapi (Sarawak) High Select	12,000⬆
Agathis (Sarawak) High Select	-

Lumber, FOB	Yen per m^3
White Seraya (Sabah) 24x150mm, 4m, Grade 1	145,000⬆
Mixed Seraya, Sangi 24x48mm, 1.8-4m, S2S	54,000⬆

Wholesale prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	Mar	Apr
		(¥ per sheet)	
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	340	340
3.7mm (med. Thickness, F 4star, type2)	910 X 1820	460	460
5.2mm (med. Thickness, F 4star, type 2)	910 X 1820	570	570
12mm for foundation (F 4star, special)	910 X 1820	1010	1010
12mm concrete-form ply (JAS)	900 X 1800	970	970
12mm coated concrete-form ply (JAS)	900 X 1800	1090	1090
11.5mm flooring board	945 X 1840	1280	1280
3.6mm baseboard for overlays (OVL)	2440	740	740

Report from China

China's trade in wood products expanded in 2010

Statistics from China Customs show that the total value of trade of wood products in 2010 reached US$67,608 million, up 27.7% on 2009. Out of the total trade, imports accounted for US$30,546 million, up 37.2%, while exports were US$37,062 million, up 24.5%.

Log imports surged

In 2010, China imported a total of 34 million cu.m of logs valued at US$6 billion, up 22% in volume and 49% in value compared to 2009. Imports of softwood logs were 24.27 million cu.m in volume and US$3.2 billion in value, accounting for 71% and 53% of the total log imports respectively.

Compared to 2009, the volume of softwood log imports grew 20% and value 45%. The volume of hardwood log imports was 10 million cu.m, worth US$2.8 billion, accounting for 29% and 47% of the total imports respectively. Compared to 2009, the volume of hardwood log imports increased 30% and value 53%.

Tropical log imports amounted to 8.23 million cu.m, accounting for 24% of the total log imports, up 35% from 2009.

Major suppliers of logs to China in 2010

Country	Import volume (1000 cu.m)	Proportion (%)	Change (%)
Russia	14,035.5	40.9	-5.2
New Zealand	5,938.2	17.3	34.6
USA	2,781.4	8.1	266.2
PNG	2,477.8	7.2	49.3
Solomon Islands	1,454.7	4.2	29.4
Canada	1,178.4	3.4	216.8
Australia	1,056.2	3.1	44.3
Malaysia	955.4	2.8	32.4
Gabon	738.6	2.2	-32.2
Congo	485.6	1.4	11.3
Total	34,347.5	100	22.4
Country	**Import value (US$ million)**	**Proportion (%)**	**Change (%)**
Russia	1,821	30	4.8
New Zealand	795	13.1	85.8
USA	580	9.6	245.2
PNG	478	7.9	73.8
Solomon Islands	283	4.7	61.7
Canada	180	3	253
Australia	125	2.1	92.3
Malaysia	205	3.4	60.2
Gabon	318	5.2	39.4
Congo	207	3.4	158.3
Total	6,071	100	48.6

Source: China Customs

Big jump in sawnwood imports
Sawnwood imports totalled 14.8 million cu.m (including sleepers), valued at US$3,878 million in 2010, up 49% in volume and 67% in value over 2009.

Softwood sawnwood imports were 9.37 million cu.m, valued at US$1,824 million, accounting for 64% and 48% of the total respectively, up 47% in volume and 66% in value over the previous year. Hardwood sawnwood imports totalled 5.3 million cu.m, worth US$1,446 million, accounting for 36% and 37% of the total respectively. Harwood sawnwood imports increased 32% in volume and 50% in value compared to 2009.

Sawnwood imports came mainly from Russia, Canada, the US and Thailand.

Major suppliers of sawnwood to China in 2010

Country	Import volume (1000 cu.m)	Proportion (%)	Change (%)
Russia	4,366.90	29.7	40
Canada	4,022.00	27.3	65
USA	1,432.30	9.7	54.2
Thailand	1,409.90	9.6	37.6
Philippines	544.8	3.7	85.4
New Zealand	412.6	2.8	-1.2
Indonesia	407.6	2.8	92
Chile	250.2	1.7	25.7
Germany	247	1.7	
Malaysia	242.3	1.7	18.4
Total	14,711.10	100	48.8
Country	**Import value (US$ million)**	**Proportion (%)**	**Change (%)**
Russia	897	23.3	49.8
Canada	758	19.7	108.2
USA	553	14.4	77.8
Thailand	502	13.1	71.9
Philippines	56	1.5	100
New Zealand	116	3	18.4
Indonesia	124	3.2	93.8
Chile	55	1.4	44.7
Germany	79	2.1	
Malaysia	88	2.3	37.5
Total	3,843	100	65.7

Source: China Customs

Imports of various wood products increase

Major wood product imports to China in 2010

Product	Unit	Import volume	Import value (US$)	Proportion (%)	Change from last year (%) Volume	Change from last year (%) Value
Logs	1000 cu.m	34,348	6,071	19.9	22.4	46.8
Sawnwood	1000 cu.m	14,812	3,878	12.7	49.1	66.6
Pulp	1000 t	11,370	8,818	28.9	-16.9	28.8
Recovered paper	1000 t	24,352	5,353	17.5	-11.5	41
Paper, paperboard & products	1000 t	3,537	4,611	15.1	1.2	18.8
Subtotal		-	28,731	94.1	-	37.2
Total		-	30,546	100	-	32

Source: China Customs

Significant increase in furniture exports
China exported wooden furniture in 2010 worth US$16.2 billion in 2010, a significant jump of 34% in value compared to 2009.

The US is the largest destination for Chinese wooden furniture accounting for 34% of the total wooden furniture exports from China. Other major markets were Japan and European countries.

Main destination of China's wooden furniture exports in 2010

Product	Export volume (million pieces)	Export value (US$ 1,000)	Change from 2009 (%)	Proportion (%)
USA	101,876	5,559,816	30.6	34.4
UK	15,690	972,180	16.6	6.6
Japan	25,234	915,516	14.8	5.7
Canada	11,569	670,311	37.3	4.2
Thailand	6,569	652,697	480.2	4
Australia	10,316	602,335	16.3	3.7
Singapore	6,975	581,664	-17.7	3.6
France	10,781	431,809	50.3	2.7
Total exports	298,327	16,157,215	34.3	100

Source: China Customs

Fibreboard imports in 2010 amounted to 268,300 tonnes, valued at US$124.6 million, up 7.2% in volume and 4.2% in value over 2009.

Particleboard imports rose to 350,600 tonnes, valued at US$114.3 million, 21% higher in volume and 29% in value from the previous year.

Furniture imports totalled US$387.7 million, 32% more in volume and 30%more in value on 2009.

Gains in other wood product exports

In 2010, exports of other wood products such as wooden doors, mouldings, wooden handicrafts and packaging materials etc. were worth US$3,830 million, up 23% from 2009.

China exported a total of 7.6 million cu.m of plywood in 2010, valued at US$3.4 billion, up 34% in volume and 35% in value compared to 2009. Plywood exports to the US were 1.35 million cu.m accounting for 18% of the total plywood export volume. Particleboard exports from China totalled 107,600 tonnes in 2010, worth US$41.4 million, 33% higher in volume and 27% in value from 2009.

In contrast, a total of 539,000 cu.m of sawnwood were exported in 2010, valued at US$342 million, down 4% in volume and 1.3% in value from the previous year.

Sawnwood was mainly exported to Japan (299,000 cu.m, accounting for 56% of the total sawnwood exports) followed by the Republic of Korea (66,000 cu.m, 12.4%), the US (36,000 cu.m, 6.8%), Vietnam (28,000 cu.m, 5.2%) and Germany (19,000 cu.m, 3.6%).

Out of the total sawnwood exports from China, 34.4% came from Shandong Province followed by Liaoning Province with 19.9%.

China's exports of major wood products in 2010

Product	Unit	Export volume	Change from 2009 (%)	Export value (US$ million)	Change from 2009 (%)	Proportion (%)
Wooden furniture	1,000 pcs	298,327.20	20.6	16 157	34.3	43.6
Paper& board, paper product	1,000 t	6,612.80	10.1	9 562	26.4	25.8
Other wood product		-	-	3 830	22.9	10.3
Plywood	1,000 cu.m	6,546.90	33.7	3 402	34.8	9.2
Fiberboard	1,000 t	1,932.40	28.9	1 114	25.9	3
Sub total		-	-	34,066	30.4	91.9
Total export		-	-	37 062	24.5	100

Source: China Customs

Guangzhou City Imported Timber Market

	Yuan per m^3
Logs	
Lauan (50-60cm)	2200-2400⬆
Kapur (up to 79cm)	2200-2300⬆
Merbau 6m, (up to 79cm)	3500-4000
Teak	11000-13000
Wenge	5800-6500
Sawnwood	
Teak sawn grade A (Africa)	9600
US Maple 2" KD	7500-10000
US Cherry 2"	10000-13000
US Walnut 2"	14000-16000
Lauan	-
Okoume	4200-4700
Sapele	6000-6400

Shanghai Furen Wholesale Market

	Yuan per m^3
Logs	
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)	6200-6500
KD (2",grade A)	5600-5800

Hangzhou Timber Market

		Yuan per m^3
Logs		
Ash	4m, 30cm diam.	2800-3600
Linden	4m, 26cm diam.	2000-2700
Sawnwood		
Beech Europe		3000-7500
Black walnut North America		12000-17500
Teak Myanmar		9000-19000
Red oak North America		8500-15000
Alder Myanmar		4500-7600
Sapele Africa		5500-6200⬇
Plywood		
Red beech	4x8x3 mm	55-65
Black walnut	4x8x3 mm	50-95
Teak	4x8x3 mm	65-130

Shandong De Zhou Timber Market

		Yuan per m^3
Logs		
Larch	6m, 24-28cm diam.	1800⬆
White Pine	6m, 24-28cm diam.	1700⬆
Korean Pine	4m, 30cm diam.	-
	6m, 30cm diam.	-
Mongolian Scots Pine	6m, 30cm diam.	1550⬆

Hebei Shijiangzhuang Wholesale Market

		Yuan per m^3
Logs		
Korean Pine 4m, 38cm+ diam		1800
Mongolian Scots Pine	4m, 30cm diam.	1700
	6m, 30cm+ diam.	1750
Sawnwood		
Mongolian Scots Pine	4m, 5-6cm thick	1700
	4m,10cm thick	1750

Wenzhou Timber Trading Market

	Yuan per m^3
Logs	
Wenge (Africa)	4500-5100
Teak (Africa)	2100-2500
Merbau (Africa)	3500-5000
Sapele (Africa)	3200-3700
Plywood	Yuan per piece
Red beech 4x8x3 mm	40-80
Black walnut 4x8x3 mm	40-85
Teak 4x8x3 mm	45-110

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

Report from Europe

Ecobuild dwarfs other construction shows

The UK's Ecobuild show just keeps getting bigger. The show's new larger site at ExCel in the London docklands gave it a 50% bigger footprint than the 2010 event held at Earls Court. Visitors over the three day period 1-3 March are reckoned to have numbered around 50,000, a 20% gain on 2010 and double the numbers seen only two years before. The show boasted over 1,300 exhibitors and a seminar programme hosting over 700 speakers.

Such is the success of Ecobuild that it dwarfs all other construction shows in the UK. In fact its nearest rival Interbuild, traditionally held in Birmingham in October, has been cancelled this year for lack of interest. The rapid growth in Ecobuild, which showcases green building systems and materials, is a clear indication of the significance now attached to sustainability issues in the UK construction sector.

The rapid growth of the show has coincided with efforts to implement the UK's Climate Change Act of 2008 which set tough legally binding emission reduction targets (by 34% in 2020 and a massive 80% in 2050) and introduced five-yearly carbon budgets to help ensure those targets are met. The building sector is a very high priority – UK government figures indicate that 46% of the UK's carbon dioxide emissions come from fossil fuels burnt to provide energy for buildings (split roughly 50:50 between the residential and non-residential sectors).

A raft of measures has been introduced by the UK government to improve energy efficiency and reduce dependence on fossil fuels in the building sector, including introduction of energy performance certification schemes for various types of building, financial incentives for installation of renewable energy and insulation at existing properties, and tough mandatory energy performance standards in Building Regulations.

Against the background of a generally depressed construction sector in the UK, the ability of different materials sectors to demonstrate their sustainability credentials has become a critical competitiveness issue. This Ecobuild show demonstrated that timber suppliers – who were out in force – are keenly aware of this and have raised their game sufficiently to at least match the green marketing efforts of other material sectors.

Given that so much of the show was focused on structural rather than finishing products, hardwoods – particularly tropical hardwoods - were not prominent. Temperate hardwoods were represented by the American Hardwood Export Council (AHEC) which highlighted on-going research to assess the full Life Cycle environmental impact of US hardwoods in the European market. Preliminary results indicate that US hardwoods used in Europe have a large negative carbon footprint (i.e. store much more carbon in product than they release through all stages of harvesting, processing and transport to the EU). AHEC was also promoting wider uptake of Environmental Product Declarations (EPDs) by the international wood industry. EPDs provide a valuable mechanism to present unbiased, independently assessed, product-specific, and comparative information on the environmental impacts of all building materials across their full life cycle. EPDs are being used increasingly as the basis for calculating materials credits in green building rating systems such as BREEAM, DGNB, and LEED.

A regrettable feature of the Ecobuild show was that there were no exhibitors making a strong case for the environmental merits of tropical hardwoods – a necessary counterweight in a market where there are so many prejudices against continued use of these products. The PEFC stand at least had Malaysian representation – a sign of how crucial certification has become for continued market access of tropical hardwoods in this sector.

Positive prospects for tropical hardwoods

The UK-based Timber Trades Journal (TTJ) published its annual Tropical Timber supplement in the last week of April, containing a series of articles and expert commentaries on prospects in the UK and wider European market.

Major European concerns in relation to tropical timber include: the potential impact of the EU Illegal Timber Law (ITL) – to be fully implemented from 3 March 2012; the impact of rising demand in emerging markets to reduce availability of supply to Europe; the rate of uptake of certification in tropical supply countries; and the extent to which modified softwoods and temperate hardwoods may substitute for tropical hardwoods in the future.

While there is clearly uncertainty about future prospects to tropical wood in the European market, there are also encouraging signals that many buyers remain committed to sourcing and marketing genuine tropical hardwoods.

Representatives of Danzer and UCM noted their optimism for the future of tropical timber in the European market, highlighting their wide range, versatility and durability which continue to give a competitive edge. The report demonstrates that there is willingness amongst European traders to back this confident talk with serious financial investment in tropical timber.

Representatives of France-based Rougier reported on their programme to invest €10-12 million per year in the Central African sawmilling sector and a further €1 million for forest certification and legality verification.

Similarly UK-based importer Latham's explained their recent decision to invest around £4.2 million in the purchase the UK arm of the Denmark-based DLH hardwood trading company. Prior to the purchase, Latham's were DLH UK's biggest customer, accounting for £4.5 million of its £15 million turnover and purchasing around 6000 m3 of timber a year, mainly sapele, iroko, idigbo, and bangkirai.

Latham's decision to buy DLH UK was due to the latter's strong presence in the African sawn hardwood business and their record in supply of certified legal and sustainable timber. Latham's are keen to develop both these areas of business into the future.

The Netherlands Sawnwood Prices

FOB (Rotterdam)	US$ per m^3
Sapele KD	978⬆
Iroko KD	1201⬆
Sipo KD	1185⬆
DRM Bukit KD	953⬆
DRM Seraya KD	960⬆
DRM Meranti KD Seraya MTCC cert.	982⬆
Merbau KD	1236⬆
Sapupira (non FSC) KD	989⬆
Sapupira (FSC) KD	1624⬆
Anti-slip decking AD C&F Rotterdam	
Selangan batu	1660⬆

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	410-450
African Walnut	80cm+ LM-C	340-370

UK Sawnwood Prices

FOB plus Commission		GB Pounds per m^3
Framire	FAS 25mm	500-520
Sipo	FAS 25mm	695-725⬆
Sapele	FAS 25mm	580-590⬆
Iroko	FAS 25mm	710-720⬆
Wawa	FAS25mm	280-300
CIF plus Commission		
Tulipwood FAS 25mm		280-300⬇
Meranti Tembaga Sel/Btr (KD 2"boards)		570-585⬆
Balau/Bangkirai Decking		960-1000⬆
White Oak		500-525⬇

UK Plywood and MDF Prices

Plywood Panels 8x4", CIF	US$ per m^3
Brazilian WBP BB/CC 6mm	590-600⬆
Malaysian WBP BB/CC 6mm	575-595⬆
MALAYSIA MTCS/PEFC trop hard face, pine core* 18mm	500-520⬇
China (hardwood face, eucalyptus core) 18mm	385-395⬆
China (tropical hardwood face, poplar core) 18mm	365-375⬆

* MTCS/PEFC certified plywood is now becoming more widely available than equivalent FSC certified product from Malaysia

Report from North America

February US housing market figures disappoint

New housing starts decreased by 22.5% from January to February to 479,000 (seasonally adjusted) according to US Department of Commerce figures.

This is 20.5% below the starts in February last year. In January, housing starts had gone up because multi-family starts soared, but this sector also posted a decline in February. Single-family starts continued the downward trend and decreased by 11.8% from January to February, while analysts had expected a slight increase in the new year. Every region of the country posted a decline in starts in February.

Permits for new homes fell in January and February, but this less of a surprise because there was a scheduled change in building codes and builders applied for more permits than usual in December before the code changes took effect in January. The number of permits issued can be an indicator of future building activity.

The National Association of Home Builders attributes the poor numbers to tight credit for housing and uncertainty around interest rates, energy costs and the economy.

Home renovation spending expected to grow in 2011

Home remodeling expenditure in the US is expected to recover in 2011. The Joint Center for Housing Studies at Harvard University projects an annual growth of 6.5% in home improvement spending in the third quarter of 2011. Home sales (and as a result remodeling expenditure) is expected to pick up in the summer this year.

However, the large number of foreclosed homes on the market and the resulting low house prices will put a damper on home renovations and spending is projected to decline again in the third quarter of 2011.

Launch of "Green Marketing Pledge"

A group of US green product manufacturers, distributors, retailers and purchasers have launched a public campaign to put an end to the use of misleading green product claims in the marketplace. The Green Products Roundtable includes the Business and Institutional Furniture Manufacturers' Association and the forest products company Weyerhaeuser.

The Roundtable members commit to responsible green marketing and to adherence to environmental marketing guidelines established by the Federal Trade Commission. The Green Products Roundtable is funded by membership fees, foundations and the US government.

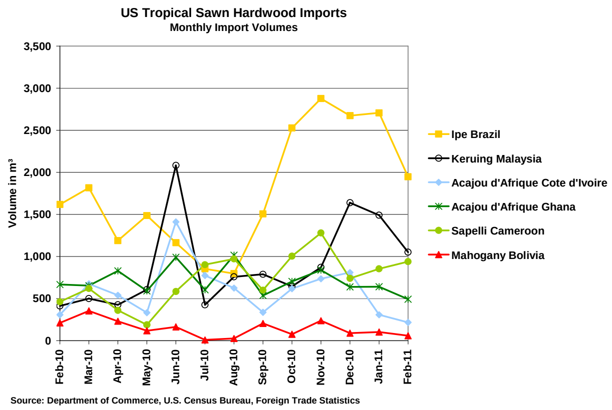
Signs that the US market continues to recover

The latest US import statistics which are for February 2011 show that imports are up compared to the previous year, a sign that the market continues to recover, although import volumes and values remain much lower than before the recession started in 2008.

The US imported 14,991 cu.m. of sawn tropical hardwood in February 2011, which represents a drop of 19% from 18,448 cu.m. in January. All major imported species showed declines with the exception of sapele for which imports increased to 2,060 cu.m. (+24%).

Balsa imports dropped by 26% to 3,970 cu.m. in February. Ipe imports were 2,127 cu.m. (-28%), acajou d'Afrique 1,339 cu.m. (-18%) and keruing 1,246 cu.m. (-25%). While imports of most species declined from January, import volumes increased for virola (1,129 cu.m. (+92%) and cedro (1,141 cu.m., +131%).

Cameroon was the only major supplier that increased sawn tropical hardwood shipments in February, mostly in acajou d'Afrique sawnwood while Cote d'Ivoire shipments of acajou declined. Monthly import volumes of key imported species by country of origin are shown below.

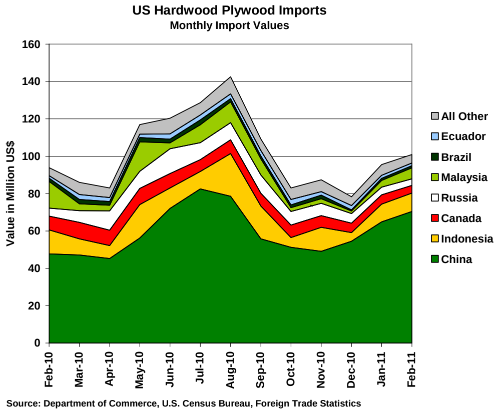


Year-to-date, import volumes of tropical sawnwood increased by 19% compared with February 2010. Among the species that gained significantly year-to-date February 2011 are ipe (+68%), sapelle (+201%) and keruing (+141%).

Hardwood plywood imports from China rebound

US imports of hardwood plywood increased to US$101 million in February 2011, up 6% from January. Year-to-date the gain was 12%. Imports from China rebounded: 70% of total February imports were from China and year-to-date imports from China were up 41% compared to 2010.

Imports from other major supplying countries fell, especially Malaysia which saw a year-to-date decline of -47% compared to the previous year. February imports from Indonesia were US$9.9 million (-19% year-to-date), from Malaysia US$5.9 million (-47% year-to-date), from Ecuador US$1.5 million (+8% year-to-date), and from Brazil US$1.1 million (-29% year-to-date).



Brazil and China dominate hardwood moulding imports

Imports of hardwood moulding were worth US$15.8 million in February 2011, a decrease of -7% from January. Year-to-date imports were still higher than in 2010, with strong gains from all tropical suppliers.

Imports from Brazil were US$5.1 million (+27% year-to-date), from Malaysia US$1.3 million (+45% year-to-date), from Indonesia US$452,000 (+32% year-to-date). Imports from China were US$4.8 million (+16% year-to-date).

February imports of jatoba mouldings from Brazil were US$2.4 million (+46% year-to-date), of ipe moulding US$387,000 (-8% year-to-date), and of cumaru moulding US$175,000 (-35% year-to-date). Supplies of cumaru mouldings from Peru were US$399,000 in February (+90% year-to-date).

Mahogany moulding imports from Peru were US$170,000 in December (-12% year-to-date) and from Paraguay US$168,000 (+74% year-to-date).

Year-to-date imports of all tropical hardwood moulding species increased in February. Jatoba accounts for the vast majority of tropical hardwood moulding imports. The value of jatoba imports year-to-date February increased by +54% compared to 2010.

Year-to-date imports of cumaru moulding were up +19%, ipe moulding +23% and mahogany moulding +10%.

Hardwood flooring imports more than doubled from 2010

Hardwood flooring imports were US$1.6 million in February, a -29% decline from January, but total 2011 imports to date more than doubled from 2010.

Hardwood flooring imports from China were US$509,000, from Brazil US$314,000 and from Malaysia US$280,000. On a year-to-date basis, imports from Brazil increased by +106% from 2009, Malaysian exports increased by +150%, Indonesian exports increased by +144%. Chinese exports to the US recovered from the decline last fall and were up by +123% year-to-date compared to 2009.

US Timber prices

	Mar-11 US$ per cu.m	Apr-11 US$ per cu.m
Ipe (Brazil) Decking Premium Grade AD, 1x6, FOB Belem	2650	2800⬆
Ipe (Brazil) Decking Premium Grade AD, 5/4x6, FOB Belem	2650	2900⬆
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	775	775
Khaya (Ghana) FAS KD, FOB Takoradi	875	875
Sapele (Cameroon) FAS AD, FOB Douala	725	740⬆
Sapele (Cameroon) 4/4 to 8/4 FAS KD, FOB Douala	900	910⬆

Disclaimer: Though efforts have been made to keep prices near to accurate, these are published as a guide only. ITTO does not take responsibility for the accuracy of this information

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 Department of Export Promotion (DEP) of Thailand expresses great satisfaction with Thailand's 2010 furniture export growth. The new record of 1,172.85 million USD worth of exported furniture was achieved. The upcoming Thailand International Furniture Fair 2011 (TIFF 2011) will maintain this successful momentum and is expected to attract as many as 34,000 international and local visitors. The exposition will be held on 16-20 March 2011, at BITEC Bangna. Mrs. Nuntawan Sakuntanaga, DEP Director-General, stated that "The furniture and home decorative items industry fared very well in the year 2010, and the export of Thai furniture items now accounts for 0.6% of Thailand's total export value."
http://pr-usa.net/index.php?option=com_content&task=view&id=645478&Itemid=30

Laos is seeking stronger cooperation with Vietnam in forestry, especially the processing and export of furniture, a Lao forestry official has said. Sousath Sayakoummane, Head of the Office of the Lao Agriculture and Forestry Ministry, signaled his country's purpose during talks with officials from the Ministry of Agriculture and Rural Development (MARD) in Hanoi recently. In 2010, Vietnam raked in US$3.4 billion from furniture exports. The country, however, imported 80% of the timber, mostly from Laos for making furniture.
http://english.vovnews.vn/Home/Vietnam-and-Laos-boost-forestry-link/20113/124378.vov

2011 is the International Year of Forests. This year, the United States is joining other countries, communities, and individuals around the world to spotlight one of the most valuable resources. Forests cover more than 30 percent of the world's total land area. They contain a great percentage of the world's terrestrial biodiversity. They are home to more than 300 million people and provide livelihoods for 1.5 billion more.
http://www.state.gov/g/oes/rls/remarks/2011/160751.htm

Alternative Asset Analysis (AAA), which advocates alternative investments, such as real estate, commodities and sustainable forestry, has stated that it welcomes reports of increased Far East demand for US forestry products. The statement followed a report from one of the leading US forestry management firms, F&W Forestry Services, claiming that some welcome relief was coming in the form of demand from the Far East.
http://pr-usa.net/index.php?option=com_content&task=view&id=695766&Itemid=31

Australian companies are poised to supply temporary housing to tsunami-ravaged Japan after an appeal for help through the Japanese embassy in Australia. The likely deal to supply prefabricated timber homes to tsunami survivors came about through close ties between Australia's timber and forestry sector and Japanese industry. Officials at the embassy contacted the National Association of Forest Industries in the weeks after the March 11 tsunami asking for help in supplying some of the 30,000 temporary dwellings Japan will need in the next two months.
http://www.theaustralian.com.au/business/news/builders-answer-japans-aid-call-after-disasters/story-e6frg906-1226039936833

Brazil's clear-cut deforestation rate led the world just five years ago. And between 1995 and 2006 an average of 19,497 square kilometers of forest was cleared in the Amazon annually, or an area equal to that covered by roughly 3.5 million American football fields. Starting in 2006, however, this trend reversed, and the figures started plummeting.
http://www.scientificamerican.com/article.cfm?id=brazil-satellites-catch-illegal-rainforest-loggers

Low-input farming for cocoa, cassava and oil palm has resulted in widespread deforestation and degradation of West Africa's tropical forest area, according to a new study by researchers at the International Institute for Tropical Agriculture (IITA) and the Center for International Forestry Research (CIFOR).
http://allafrica.com/stories/201104111848.html

The government of the Philippines would implement the log ban on natural forests but exclude minor forest products in line with an executive order putting in place the indefinite total log ban nationwide. Department of Environment and Natural Resources (DENR) Secretary Ramon Paje told members of the Chamber of Furniture Industries of the Philippines (CFIP) minor forest products such as rattan, buri and vines are exempted from the moratorium.
http://www.mb.com.ph/articles/314737/govt-exempts-minor-forest-products-total-log-ban

The reclassification of bamboo as a grass from a tree by the Indian central government has opened up vistas for its commercial use. But the non-notification of this change by the state government, the absence, until recently, of an audit of the central funds received, and the lack of interest among the farming community in Goa, has led to a threat of the state receiving no additional funding, say state officials.
http://articles.timesofindia.indiatimes.com/2011-04-19/goa/29446734_1_national-bamboo-mission-bamboo-cultivation-bamboo-products

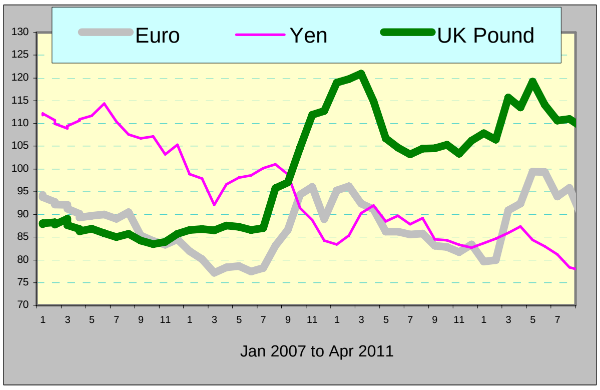
Vietnam's furniture manufacturers are focusing solely on foreign markets and abandoning one at home, experts noticed, adding the quality of the country's timber resource should be improved. "Millions of cubic meters of timber are produced annually, but most of the amount is exported as low-quality woods. Importers, in contrast, have to buy millions of cubic meters of high-price wood from abroad for local production," said Hua Duc Nhi, deputy minister of agriculture and rural development.
http://www.saigon-gpdaily.com.vn/Business/Economy/2011/4/91367/

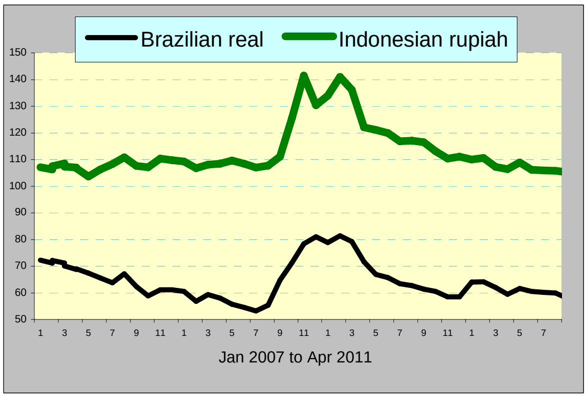
Main US Dollar Exchange Rates

As of 28th April 2011

Brazil	Real	1.5763
CFA countries	CFA Franc	443
China	Yuan	6.5017
EU	Euro	0.6747
India	Rupee	44.3459
Indonesia	Rupiah	8584
Japan	Yen	81.54
Malaysia	Ringgit	2.9647
Peru	New Sol	2.8217
UK	Pound	0.6010
South Korea	Won	1073.88

Exchange rates index (Dec 2003=100)





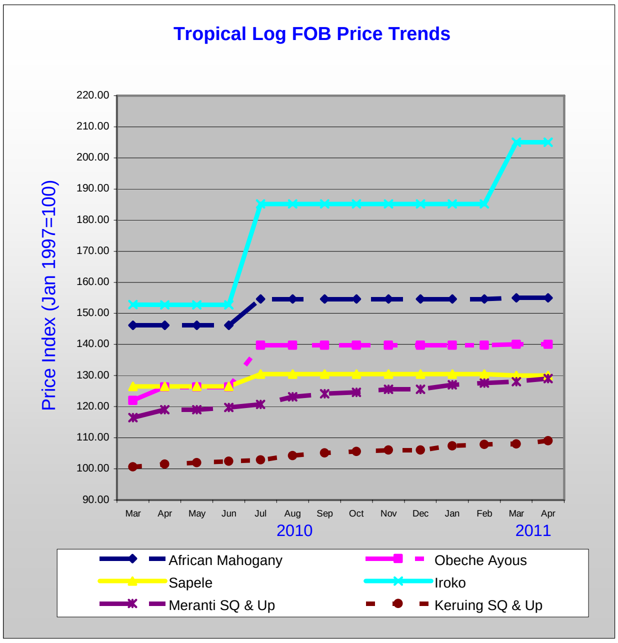
Abbreviations and Equivalences

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.	Plywood grades. Letter(s) on the left indicate face veneer, on the right backing veneer. 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
⬆⬇	Price has moved up or down

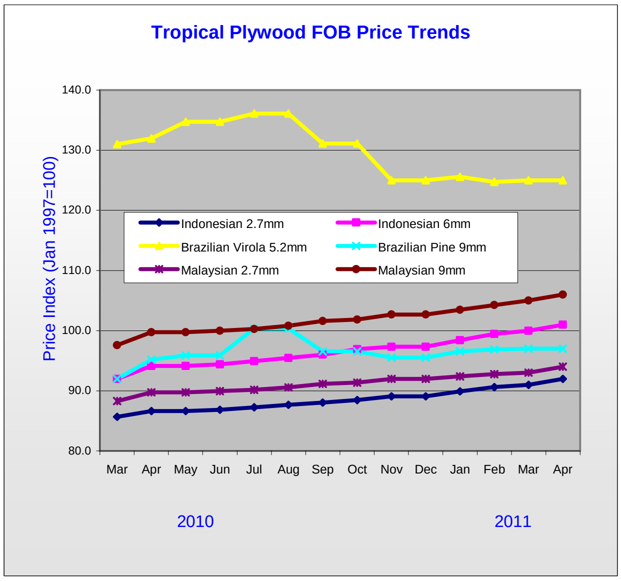
Ocean Freight Index

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

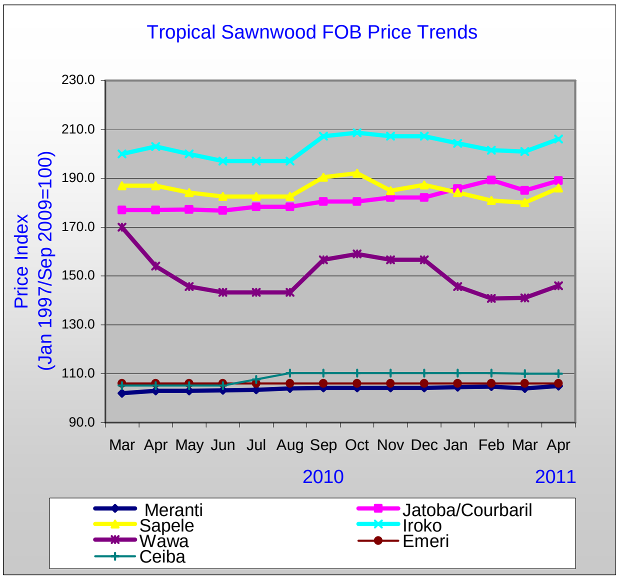


Tropical Plywood Price Trends



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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