

Tropical Timber Market Report

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The ITTO *Tropical Timber Market (TTM) Report*, an output of the ITTO Market Information Service (MIS), is published in English every two weeks with the aim of improving transparency in the international tropical timber market. Its contents do not necessarily reflect the views or policies of ITTO. News may be reprinted provided that the ITTO *TTM Report* is credited. A copy of the publication should be sent to ti@itto.int.

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Top Story

China's international trade in wood processing machinery

The value of China's wood working machinery exports in 2013 was US\$2,319 million, a year on year increase of 3%.

Of this, 35% was exported to the EU, 30% to the US and 23% to Asian countries. Other significant markets were in Central and South America, Oceania and Africa.

According to a report from the China Forestry Machinery Association significant achievements have been made in the machinery manufacturing industry since the Chinese economy was opened.

See page 16

Report from Central/West Africa

Country round-up

In **Cameroon** the rain season has started and, while not yet having any effect on forest operations, some exporters are concerned over the risk that the large volumes of logs delayed at the port may begin to deteriorate.

Millers report that sawnwood export prices have settled and remained unchanged in the first half of the month.

It has been reported that the Forest Authority in **Gabon** has issued a new regulation limiting sawnwood sizes for export.

Unconfirmed reports say there are restrictions on maximum thickness and widths. Exporters have protested saying the country will lose business in most markets as they will be unable to offer the full range of sizes demanded, especially the European markets. Exporters say they have been given one month to export sizes that will be no longer allowed.

At this stage it is not clear why size restrictions are being introduced or what is the intended outcome.

As civil unrest continues in **Central African Republic** very few trucks are risking the drive across the border to deliver shipments to the ports in Cameroon.

News from **Congo Brazzaville** says negotiations are continuing on the allocation of new large concessions in the north of the country. The government is apparently implementing several projects to improve both road and railway facilities to open up the more remote regions.

The FLEGT Newsletter has reported that the Forest Authority in **Congo Brazzaville** intends to make forest sector information public as called for under Annex X of the VPA which is being negotiated with the EU.

The managers of the Congo VPA website have uploaded documents from the Ministry of Forestry. The documents include the forest code and regulations, annual reports of the departmental Forest Economy offices, information on the permit granting process and information on permit holders.

Firm market demand but log availability remains a concern

Demand in China, Vietnam and the Middle East is said to be very active while buying for the European market is subdued due to the holiday season.

Prices for logs of premium species are still moving up slowly as demand continues to be strong. If demand strengthens further it will be availability that will drive prices higher or force substitution.

Log Export Prices

West African logs, FOB	€ per m ³		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	220	220	155
Ayous/Obeche/Wawa	225	225	150
Azobe & Ekki	235	230	150
Belli	290↑	290↑	-
Bibolo/Dibétou	150	145	-
Iroko	330↑	290	260
Okoume (60% CI, 40% CE, 20% CS) (China only)	340	340	260
Moabi	320↑	300	-
Movingui	220	220	180
Niove	160	155	-
Okan	280	280	-
Padouk	300	275	210
Sapele	320	320	210
Sipo/Utile	360	360	220
Tali	315	315	-

Sawnwood Export Prices

West African sawnwood, FOB	€ per m ³
Ayous FAS GMS	350
Bilinga FAS GMS	520
Okoumé FAS GMS	480
Merchantable	275
Std/Btr GMS	350
Sipo FAS GMS	630
FAS fixed sizes	620
FAS scantlings	650
Padouk FAS GMS	820
FAS scantlings	870
Strips	500
Sapele FAS Spanish sizes	620
FAS scantlings	630
Iroko FAS GMS	610
Scantlings	680
Strips	440
Khaya FAS GMS	450
FAS fixed	470
Moabi FAS GMS	580
Scantlings	560
Movingui FAS GMS	420

Report from Ghana

Downside risk to cedi exchange rate

Benjamin Dzoboku of Ghana's HFC Bank, has said there is a strong risk that the cedi will weaken well beyond the almost 28% depreciation against major currencies this year, the steepest fall amongst other major African currencies.

In related news, Moody's Investors Service says Ghana's fiscal deficit is weighing heavily on sentiment and driving down the cedi exchange rate which impacts prices in the domestic market especially for goods with a high import component.

Utility price increase frozen for now

In a previous report the 12% increase in electricity rates and the 6% increase in water charges were reported. It is now learnt that the Public Utility and Regulatory Commission has been instructed to delay implementation of the changes.

Seth Twum Aboakwa, the CEO of the Association of Ghana Industries (AGI) fears that local manufacturers, including timber companies, will have no choice but to raise prices if the new charges are introduced.

Lending rate raised to 19%

The Monetary Policy Committee (MPC) of the Bank of Ghana (BOG), has raised its lending rate to 19% in an effort to rein in inflation which in June jumped to 15%.

In a press release after the July Monetary Policy Committee meeting the Governor of the Bank of Ghana pointed out that the rate increase was required to address the negative outlook for government revenues.

For more see:

http://www.bog.gov.gh/privatecontent/MPC_Press_Releases/MPC%20PRESS%20RELEASE%20-%20July%202014.pdf

Domestic Log Prices

Ghana logs	US\$ per m ³	
	Up to 80cm	80cm+
Wawa	164-170	180-195
Odum Grade A	170-175	180-188
Ceiba	124-135	140-155
Chenchen	109-122	125-133
Khaya/Mahogany (Veneer Qual.)	145-160	166-185
Sapele Grade A	160-170	175-190
Makore (Veneer Qual.) Grade A	123-130	135-140
Ofram	120-127	130-140

Boule Export prices

	Euro per m ³
Black Ofram	250
Black Ofram Kiln dry	335
Niangon	475↑
Niangon Kiln dry	580

Export Rotary Veneer Prices

Rotary Veneer, FOB	€ per m ³	
	CORE (1-1.9mm)	FACE (2mm)
Ceiba	255	365↑
Chenchen	325	366
Ogea	277↓	344
Essa	344	350↓
Ofram	333	365

Export Sliced Veneer Prices

Sliced Veneer, FOB	€ per sq. m	
	Face	Backing
Afrormosia	1.32	0.48+
Asanfina	1.20	0.51
Avodire	2.90+	0.57
Chenchen	1.10	0.38↓
Mahogany	1.30	1.07↑
Makore	1.30	0.41↑
Odum	1.76	1.09↑

Export Sawwood Prices

Ghana Sawwood, FOB	€ per m ³	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	855	945
Asanfina	480	564
Ceiba	230	272↓
Dahoma	302↑	369↑
Edinam (mixed redwood)	409↑	534↑
Emeri	415↑	550↑
African mahogany (Ivorenensis)	593	627↓
Makore	580	646
Niangon	609↑	710↑
Odum	610	807↑
Sapele	567	701↑
Wawa 1C & Select	275	340

Export Plywood Prices

Plywood, FOB	€ per m ³		
BB/CC	Ceiba	Ofram	Asanfina
4mm	498↑	600	641
6mm	510	545	622
9mm	382	423	490
12mm	374	452	445
15mm	350	380	443↑
18mm	335	363	370

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

Export Added Value Product Prices

Parquet flooring 1st	FOB € per sq.m		
	10x60mm	10x65-75mm	14x70mm
Apa	13.00	15.70	18.80
Odum	11.90	12.20	12.52
Hyedua	14.10	14.00	18.45
Afrormosia	14.30	18.65	18.55

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

Report from Malaysia

Follow-up on MTCS 'acceptance' in Holland

As a follow-up to the story in the previous issue of this report on the partial acceptance of Malaysian certification in the Netherlands, the Dutch Cabinet has reportedly requested Parliament to recognise the role of PEFC International in supporting and verifying the development of certification in Malaysia.

PEFC is currently reassessing the MTCS under the new PEFC meta-standards and expects to announce its decision later this year after which Malaysia anticipates the Dutch government will fully accept the MTCS as meeting its procurement policy.

Firm demand in India to lift log prices

Analysts from Affin Research have observed that India's aggressive purchasing of logs has resulted in better prices for exporters in Sarawak.

Affin Research reported: "the average selling prices for logs will likely remain firm between US\$250 to US\$260 per cubic metre for 2014, underpinned by tight global supply of logs and sustained demand."

Statistics compiled by Sarawak Timber Association show log production for the first five months of 2014 was 3,474,958 cu.m, of which 1,272,633 cu.m were exported for a total value of RM864.6 million (approx. US\$270.2 million).

Between January to May the biggest buyer of Sarawak logs was India taking 822,659 cu.m (about 65% of total exports) valued at RM583.1 million (approx. US\$182.2 million).

The second biggest buyer was Taiwan P.o.C at 134,909 cu.m valued at RM97.6 million (approx. US\$30.5 million). The next major buyer of Sarawak logs was China at 121,391 cu.m valued at RM76.2 million (approx. US\$23.8 million).

Plywood, the major export earner in Sabah

Wood product exports from Sabah in the first five months of this year totalled RM663.4 million (approx. US\$207.3 million).

The biggest contributor to export earnings was plywood at 238,614 cu.m, valued at RM400 million (approx. US\$125.0 million).

Japan was the biggest buyer of Sabah plywood at 53,378 cu.m worth RM101.2 million (approx. US\$ 31.6 million).

The second major destination for Sabah plywood was Peninsular Malaysia (45,173 cu.m worth RM72.8 million approx. US\$22.8 million) while in third place was South Korea at 35,206 cu.m worth RM44.4 million (approx. US\$13.9 million).

In the period January to May 2014, Sabah exported 107,280 cu.m of sawnwood worth RM161.6 million (approx. US\$50.5 million). Sabah also exported 30,100 cu.m of veneer sheets, 4,904 cu.m of mouldings and 20,715 cu.m of laminated board.

The main buyer of Sabah sawnwood in the five months from January to May was Philippines (18,018 cu.m), followed by China (17,240 cu.m), Taiwan P.o.C (15,839 cu.m), Thailand (14,765 cu.m) and Japan (10,108 cu.m).

Report from Indonesia

Timber legality verification boosts sales

The Ministry of Forestry (MoF) has reported exports of Indonesian wood products have continued to increase since the beginning of 2014 when the national timber legality assurance scheme (SVLK) became operational.

In the first three months of this year exports of wood products totalled US\$1.4 billion.

In 2012 exports of wood products were worth US\$700 million and in 2013 they totalled US \$1.3 billion. The 2013 export trade in wood products from Indonesia was dominated by paper, plywood and pulp.

According to data from the MoF, the value of wood product exports to Asian countries, such as Japan and China, is the highest at around US\$1 billion followed by the European Union, US\$119 million; America, US\$ 141 million; Africa US\$23 million and the countries of Oceania US\$75 million.

ITTO publishes EPD for meranti plywood

ITTO has published the results of its environmental product declaration (EPD) study on meranti plywood in Indonesia and Malaysia.

This was carried out in response to growing international interest in environmentally responsible construction materials.

Other EPD studies on Ghana khaya sawnwood and Brazilian ipe decking are in progress.

Download the report at:

<http://www.itto.int/files/user/pdf/EPD-LCA%20MERANTI%20PLYWOOD-FINAL%20REPORT.pdf>

Domestic Log Prices

	US\$ per m ³
Indonesia logs, domestic prices	
Plywood logs	
core logs	210-240
Sawlogs (Meranti)	220-250
Falcata logs	180-230
Rubberwood	105-130
Pine	135-160
Mahoni (plantation mahogany)	140-180

Domestic Ex-mill Sawnwood Prices

	US\$ per m ³
Indonesia, construction material, domestic	
Kampar (Ex-mill)	
AD 3x12-15x400cm	400-440
KD	-
AD 3x20x400cm	590-630
KD	-
Keruing (Ex-mill)	
AD 3x12-15x400cm	360-400
AD 2x20x400cm	490-520
AD 3x30x400cm	415-440

Export Plywood Prices

	US\$ per m ³
Indonesia ply MR BB/CC, export FOB	
2.7mm	640-680
3mm	680-710
6mm	-

Domestic Plywood Prices

	US\$ per m ³
MR Plywood (Jakarta), domestic	
9mm	380-440
12mm	355-400
15mm	300-330

Export and Domestic Other Panel Prices

			US\$ per m ³
Indonesia, Other Panels, FOB			
<i>Particleboard</i>	Export	9-18mm	700-740
		Domestic 9mm	980-1040
	Domestic	12-15mm	600-630
		18mm	500-650
<i>MDF</i>	Export 12-18mm		750-780
	Domestic 12-18mm		430-530

Report from Myanmar

Teak prices rise in US as export volumes fall

Bob Steber, writing in his US Woodworking Network says: "This year the Myanmar Government is allowing only about 20% of the volume of teak to be exported as was exported last year.

Prices in the US for short and narrow sawn teak strips, generally used for flooring and outdoor furniture have risen approximately 10%. Prices for intermediate size boards ranging from 6 to 10 inch width and 6 to 10 feet length have risen by 15-20%.

The steepest price rise has been seen in prime quality and long lengths which yacht builders revere.

Lengths ten feet and longer and quarter sawn decking prices have jumped 20-30% and are expected to go even higher as the stock of available raw material continues to dwindle.”

For more see:

<http://www.woodworkingnetwork.com/wood/lumber-data-trends/Teak-Wood-Prices-Jump-as-Myanmar-Restricts-Exports-265905811.html#sthash.oLCNi9Lw>

Myanmar to be member of EITI

Myanmar has been accepted as a “Candidate” country by the global resource transparency group Extractive Industries Transparency Initiative (EITI <http://eiti.org/>).

Membership of EITI is a stated goal of the Myanmar government as it wishes to improve transparency in natural resource management and utilization. Membership will require Myanmar to disclose and improve oil, gas and mineral resources information

The Extractive Industries Transparency Initiative (EITI) is an international organisation that has developed a standard that assesses the levels of transparency in management and use of oil, gas and mineral resources.

This standard is developed and overseen by a multi-stakeholder Board, consisting of representatives from governments, extractives companies, civil society organisations, institutional investors and international organisations.

Latest Open Tender prices

Open tender sales of logs and lumber (sawn wood) by the Local Marketing and Milling Department of the Myanmar Timber Enterprise (MTE)

Hardwood sawnwood prices from Magwe Division.,Central Myanmar

Species Group	Length Feet	Cubic tons	Av. Price MMK/ton
1	10' & up	30	380,424
1	under 10'	50	294,397
2	10' & up	10	201000
2	under 10'	20	146,978
3	10' & up	35	158,889
3	under 10'	20	123,492
4	10' & up	5	84,000
4 & 5	under 10'	120	52,264

Hardwood logs from Magwe Division, Central Myanmar

Species Group	Hoppus tons	Av. Price MMK/ton
1	96	506549
2	6	159858
3	60	112772

Hardwood logs from Mandalay Division, Central Myanmar

Species/Group	Cubic ton	Av. Price MMK/ton
Teak Slabs Firewood long-lengths	142	77,333
Sawn teak 2 nd class	118	589,550
Group 1 Shorts/Rejects	85	464,004
Others Shorts/Rejects	222	212,137
Group 1 Normal lengths	30	27,262

Note: Exchange Rates approx. Myanmar Kyats (MMK) 975 per US\$.

Species groups

Group 1-

- Pyinkado (*Xylia dolabiformis*)
- Thitya (*Shorea oblongifolia*)
- Ingyin (*Pentacme siamensis*)
- Padauk (*Pterocarpus macrocarpus*)
- Tamalan (*Dalbergia oliveri*)
- Thingan (*Hopea odorata*)

Group 2-

- In-Kanyin (*Dipterocarpus spp*)
- Hnaw (*Adina cordifolia*)
- Sagawa (*Michelia champaca*)

Group 3-

- Htaukkyant (*Terminalia tomentosa*)
- Thingadu (*Parashorea stallata*)
- Taunghayet (*Swintonia floribunda*)

Group 4-

- Baing (*Tetrameles nudiflora*)
- Didu (*Salmalia insignis*)
- Letpan(*Salmalia malbarica*)

Group 5-

- Leza (*Lagerstromia tomentosa*)
- other hardwoods

Open tender sale prices

The results of the 30 June sale of teak logs by the Export Marketing and Milling Department of the Myanmar Timber Enterprise (MTE) are shown below.

Teak log open tender prices 30 June 2014

Sawing Grade	H. Tons	Avg. Price US\$/ton
Grade-1	13	5152
Grade-2	17	4232
Grade-4	32	3694
Grade-5	49	3034
Grade-6	25	2340
Grade-7	14	1800

These logs are for domestic processing and prices are higher than at the previous sale. Prices obtained in February 2014 before the log export ban were US\$ 4422 for SG2; US\$3438 for SG4; US\$2477 for SG5; US\$2132 for SG6; and US\$1612 for SG7. In terms of average the prices per ton in the 30 June open tender were high.

Analysts are trying to anticipate the impact on prices when all the logs left unshipped when the log ban entered into force are offered for sale which could be as early as October.

Report from India

Budget to boost real estate development

On 10 July the new Indian government released details of the 2014-15 budget. This will give a boost to the housing sector for middle-class families as the tax deduction against interest payment on home loan has been raised the budget will also, in effect, lower interest rates for home loans.

In a nut-shell, the budget proposes to raise the limit on foreign ownership in the defense and insurance sectors; limit retroactive taxes on foreign companies; introduce a uniform national goods-and-services tax and overhaul the management of the many subsidy programmes for the poor to make them more efficient

An added boost for the real estate and infrastructure sectors came in the form of tax incentives for investment instruments such as the Real Estate Investment Trusts (REIT) and Infrastructure Investment Trusts.

Housing sector has strong links with many industries

CREDAI, the Confederation of Real Estate Developers' Associations of India has published a report 'The Economic Impact of the Indian Real Estate Sector' which points out that: "The Indian real estate and construction industry is an integral part of the economy and is responsible for a considerable part of its development investment".

The report highlights the role of the sector in infrastructure development and the knock-on impact in the economy.

The report notes the house building industry has strong linkages with various other industries such as timber, cement, steel and a variety of manufacturing sectors and, as such, is a significant driver of private sector involvement in growth.

For more see:

http://www.credai.org/sites/default/files/Assessing_the%20Economic_Impact_of_India_Real_Estate_Sector_Report.pdf

In related news the housing industry is warning of the impact of the recent increase in rail transport charges on raw material costs. Developers are, once again, being expected to bare higher costs in a market where prices have stagnated because of high interest rates for home loans. The recent newsletter from CREDAI says: 'Presently, interest rates charged by the banks to developers and home buyers are at an all-time peak and need to be brought down. The interest rate, at least for home buyers, must be brought down below 7%'.

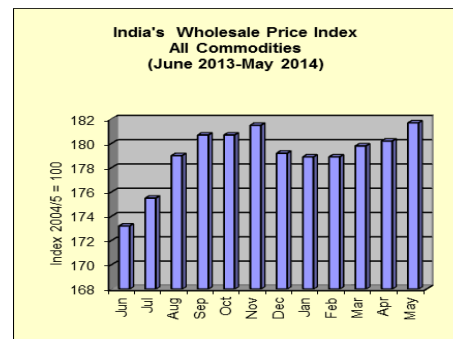
(see:

<http://www.credai.org/sites/default/files/Focus%20in%20budget.pdf>)

Inflation at 5 month high

The Office of the Economic Adviser (OEA) to the Indian government provides trends in the Wholesale Price Index (WPI). The official Wholesale Price Index for All Commodities (Base: 2004-05 = 100) for May continued up to a five month high.

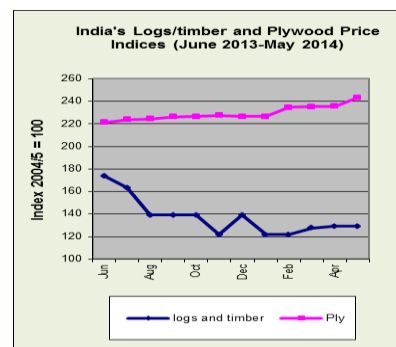
See <http://eaindustry.nic.in/cmonthly.pdf>



Data source: Office of the Economic Adviser to the Indian government

Timber and plywood wholesale price indices

The OEA reports Wholesale Price Indices for a variety of wood products. The Wholesale Price Indices for Logs/timber and Plywood are shown below. The 2014 logs/timber index has remained fairly flat for the past months. The June data will not be available until month end



Data source: Office of the Economic Adviser to the Indian government

Massive water management scheme to be implemented

In 1982 plans were prepared for an ambitious water management scheme which would involve linking rivers and river basins so as to provide navigable waterways, improve flood control measures and mitigate the problems of inadequate drinking water in many of the states.

However this grand scheme never got off the drawing board but the Supreme Court of India recently directed the central government to proceed with investment as a matter of urgency.

The river inter-linking scheme has two components, Peninsular and Himalayan. The Peninsular component, involving the rivers in southern India, envisages diversion of surplus waters from the Maha and Godavari rivers to the Pennar, Krishna, Vaigal and Cauvery rivers.

The Himalayan component will involve building storage reservoirs on Ganga and Brahmaputra rivers and their main tributaries both in India and Nepal to provide water for irrigation and generation of hydro-power.

Advocates of the investment point out that the interlinking canal embankments and catchments will need to be protected which will involve the planting millions of trees.

The improved irrigation capacity will result in improved food production. It is estimated that, at completion, the scheme will result in an additional 36 million hectares being provided with irrigation.

Kandla Port softwood cargoes in fiscal 2013-14

During the year to 31 March 2014 Kandla Port handled imports of 1,593,942 cubic metres of softwoods.

	Cubic metres
Douglas fir, Canada	1081
Fir from USA	1620
Spruce, all sources	2,925
Pine	
Australia	28,283
Austria	2,191
Belgium	8,299
Canada	20,710
Estonia	1,082
Germany	86,342
Latvia	2,595
New Zealand	1,249,012
Russia	5,402
USA	140,265
Ukraine	35,808
Others	8,327
Total	1593942

In addition to the above some 35,000 cubic metres of temperate hardwoods were imported through Kandla Port over the same period. India has 38 entry ports and many handle wood products but Kandla Port handles the largest volume accounting for almost 50% of timber imports by India.

Auctions of domestic teak

From 11 to 14 June log auctions took place at various depots in the Vyara Forest Division and from 18 to 21 June auctions were held in depots in the Surat Forest Division. A total of 2,327 cubic metres of newly felled domestic teak logs and 2,469 cubic metres non-teak hardwoods were for sale. Observers report the logs were fresh and of good quality.

Average prices recorded at the most recent auction were as follows:

Teak logs	Per cubic foot
A quality for ship building	Rs.2400-2500
B quality for ship building	Rs.2200- 2400
A for sawing	Rs.2100-2200
B or sawing	Rs. 2000-2100
A Long length logs	Rs. 1800-1900
B Long length logs	Rs 1700-1800
Long length, Medium Quality	Rs 1500-1700
Short Length, Medium Quality	Rs 1100-1200
Short Length, Average Quality	Rs 900-1000

Variations are based on quality, length and average girth of logs

Good quality non-teak hardwood logs, 3 to 4 metres long having girths of 91cm and up of haldu (*Adina cordifolia*), laurel (*Terminalia tomentosa*), kalam (*Mitragyna parviflora*) and bijasal (*Pterocarpus marsupium*) were sold for prices in the range of Rs.700-800 per cu.ft.

Some long length laurel logs were sold for around Rs.1000 per cu.ft. Medium quality went around Rs500 -550 per cubic foot. Lower quality logs fetched only Rs.300~325 per cu.ft.

Prices for imported plantation teak

The slight strengthening of the rupee is good news for importers of plantation timbers.

Current C & F prices for imported plantation teak, Indian ports per cubic metre are shown below.

	US\$ per cu.m C&F
Tanzania teak, sawn	350-885
Côte d'Ivoire logs	330-700
PNG logs	400-575
El-Salvador logs	340-695
Guatemala logs	270-550

Nigeria squares	340-450
Ghana logs	380-650
Guyana logs	300-450
Benin logs	320-680
Benin sawn	400-800
Brazil squares	360-680
Brazil logs	390-750
Cameroon logs	390-510
Togo logs	380-715
Ecuador squares	300-540
Costa Rica logs	440-700
Panama logs	380-590
Sudan logs	450-700
Congo logs	450-550
Kenya logs	350-600
Thailand logs	460-700
Trinidad and Tobago logs	420-680
Uganda logs	440-860
Uganda Teak sawn	680-900
Laos logs	300-605
Malaysian teak logs	350-525
Nicaragua logs	370-535
Liberia logs	350-460
Colombia logs	320-650

Variations are based on quality, lengths of logs and the average girth of the logs.

Malaysian delegation promotes timber imports

A high power delegation headed by the Malaysian Minister for Plantations visited India in late June to assess an increase in exports of roundwood from Sarawak as well as sawnwood and veneers from other parts of Malaysia.

Indian importers expressed support for an expansion of trade in logs and will be exploring the possibilities of importing specifically identified species instead of just mixed parcels as the market in India for Malaysian tropical hardwoods is steadily improving.

The delegation from Malaysia also explored the possibility of selling rubberwood and palmwood as Malaysia has ample for export.

Prices for air dry sawnwood per cubic foot, ex-sawmill are shown below.

Sawnwood Ex-mill	Rs per cu.ft
Merbau	1550-1650
Balau	1650-1850
Resak	1200-1300
Kapur	1200-1250
Kempas	1100-1200
Red Meranti	875-975
Radiata AD	550-650
Whitewood	600-650

Variations are based on quality, length and average girth of logs

Myanmar teak processed in India

Indian importers are holding good stocks of teak from Myanmar are reaping the benefits of strong overseas demand but demand in the domestic market is slow and prices have not improved.

Sawnwood (Ex-mill)	Rs. per ft ³
Myanmar Teak (AD)	
Export Grade F.E.Q.	6200-16500
Plantation Teak A grade	5500-6000
Plantation Teak B grade	3600-4250
Plantation Teak FAS grade	3300-3600

Price variations depend mainly on length and cross section

Imported sawnwood prices

Ex-warehouse prices for imported kiln dry (12% mc.) sawnwood per cu.ft are shown below.

Sawnwood, (Ex-warehouse) (KD)	Rs per ft ³
Beech	1300-1350
Sycamore	1300-1400
Red oak	1500-1650
White Oak	1600-1800
American Walnut	2300-2400
Hemlock clear grade	1300-1400
Hemlock AB grade	1100-1200
Western Red Cedar	1600-1650
Douglas Fir	1200-1300

Price variations depend mainly on length and cross section

Plywood veneers arrive from China and Myanmar

The supply of raw materials for Indian plywood industries is improving with the growing imports of face veneers from Myanmar and China. Imported veneers are reported to be around 15% cheaper than the domestic supply.

Also, efforts to find alternates to Myanmar gurjan have borne fruit and log sources in Africa and Latin America are being tapped. The large stocks of gurjan logs accumulated before the log export ban in Myanmar has eased the pressure on plywood manufacturers.

Plywood Market

Indian timber and plywood manufacturers are excited about the new Governments' plan to develop 100 cities as this will boost demand for building materials. Local analysts estimate that the government's plan could involve construction of around 5 million new homes.

Prices for WBP Marine grade plywood from domestic mills

Plywood, Ex-warehouse, (MR Quality)	Rs. per sq.ft
4 mm	36.00
6 mm	49.00
9mm	62.00
12 mm	76.50
15 mm	101.50
18 mm	107.00

Domestic ex-warehouse prices for locally manufactured MR plywood

Locally Manufactured Plywood "Commercial Grade"	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.19.00	Rs.28.00
6mm	Rs.29.15	Rs.36.00
9mm	Rs.36.60	Rs.43.50
12mm	Rs.43.50	Rs.53.00
15mm	Rs.53.60	RS.64.70
19mm	RS.61.80	Rs.72.40
5mm Flexible ply	Rs.38.00	

Report from Brazil

Brazilian timber catalogue for construction

The furniture and building industries in the state of São Paulo are the main consumers of Brazilian tropical timber. Currently, around 14% of certified timber from Amazon sources is consumed in the state (approx. 56% is veneer and 38% sawnwood).

A new catalogue the 'Brazilian Timber Catalogue' has been published by the Center for Forest Resources Technology - CT-Forest to assist timber endusers obtain tropical timber from sustainable sources. The catalogue provides information on the species and volumes available from certified sources.

IBA publishes forest sector statistics

The Brazilian Tree Industry Association (IBÁ), a newly created organisation representing plantation timber producers is publishing a monthly newsletter with statistical data on the performance of pulp, paper and wood panels industries.

The first issue of the newsletter was published in June providing information on production, domestic sales, exports and imports.

The data presented in the newsletter shows that between January and May 2014 plantation output totalled 3.2 million cubic metres, up 1% from the same period in 2013.

Plantation pulp, wood based panels and paper exports totalled US\$3.1 billion between January and May 2014, a 4.3% increase compared to the same period of 2013.

In the first five months of 2014, the trade balance in these three products was US\$2.3 billion a 7.7% improvement over the same period of 2013. In terms of imports, there was a 30% decline in the volume of wood panel imports to 413,000 cubic metres.

Mato Grosso exports fall

Forest product export volumes from producers in the state of Mato Grosso fell 24% year on year between January and May this year.

According to the Ministry of Agriculture, Livestock and Food Supply (MAPA), the state exported 36,000 tons of wood products in the first five months of the year and export revenues fell 7% to US\$ 37.7 million.

Exports of plywood suffered the greatest decline. In 2013 (January-May) plywood exports totalled US\$620,000 while in the same period in 2014 they amounted to only US\$89,000.

According to the Center for Wood Producers and Exporters of Mato Grosso (CIPEM), factors such as the long rain season in the region and the tough new regulation (Normative Instruction (IN) 21/2013) from the Brazilian Institute for Environment and Renewable Natural Resources (IBAMA) resulted in the fall in exports.

Producers say regulation IN 21 is causing confusion in terms of nomenclature of forest products and this has led many industries to suspend exports for fear of attracting penalties.

In addition, new regulations on the registration of vehicles resulted in disruption of the trade to MERCOSUR countries, including Argentina, the largest consumer of Mato Grosso wood products.

However, exports of veneer and sawnwood from the state increased 26% and 6% respectively between January and May this year.

Opportunities for investment in plantations

Rio de Janeiro will host the Latin America Timberlands Investment Conference - DANA Rio 2014, 25-26 August bringing together representatives from the largest forestry investment funds in the world.

Similar events have been held in England, Australia, New Zealand and Chile. The main objective is to discuss prospects for investments and demand for wood in Brazil and Latin America.

For DANA-Rio 2014, 24 speakers from countries including Brazil, the United States, Chile, Uruguay and Sweden will attend.

The development of pine plantations in Brazil will be a feature of the conference and attention will focus on productivity rather than the area planted.

Brazil has increased the productivity of its plantations from 25 cubic metres per hectare per year to as much as 40-45 cubic metres through development of improved genetic stock and better forest management techniques.

A recent and positive development for the plantation sector in Brazil has been the utilisation of small diameter logs, the high prices for logs and advances in use of wood residues.

Domestic Log Prices

	US\$ per m ³
Brazilian logs, mill yard, domestic	
Ipê	178
Jatoba	111
Massaranduba	121
Miiracatiara	126
Angelim Vermelho	117
Mixed redwood and white woods	112

Export Sawwood Prices

	US\$ per m ³
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	1297
Jatoba	1168
Massaranduba	700
Miiracatiara	735
Pine (KD)	220

Domestic Sawwood Prices

	US\$ per m ³
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	885
Jatoba	555
Massaranduba	425
Muiracatiara	477
Angelim Vermelho	423
Mixed red and white	256
Eucalyptus (AD)	244
Pine (AD)	194
Pine (KD)	207

Export Plywood Prices

	US\$ per m ³
Pine Plywood EU market, FOB	
9mm C/CC (WBP)	374
12mm C/CC (WBP)	343
15mm C/CC (WBP)	331
18mm C/CC (WBP)	323

Domestic Plywood Prices (excl. taxes)

	US\$ per m ³
Parica	
4mm WBP	768
10mm WBP	696
15mm WBP	566
4mm MR	684
10mm MR	537
15mm MR	506

Domestic prices include taxes and may be subject to discounts.

Prices For Other Panel Products

	US\$ per m ³
Domestic ex-mill Prices	
15mm MDP	343
15mm MDF	522

Export Prices For Added Value Products

	US\$ per m ³
FOB Belem/Paranagua Ports	
Decking Boards Ipê	2,345
Jatoba	1,558

Measures to boost forestry to be announced

Agriculture Minister, Juan Manuel Benites, has indicated that before the end of the month he would announce a series of measures aimed at promoting forestry activities in the highlands.

Media reports suggest forestry concessions will be reviewed within a new regulatory framework to boost private investment in plantations as well as alternative crops such as oil palm.

Lack of appreciation of sector undermining timber industries

According to the Timber Exporters Association (ADEX) poor forest management is negatively affecting the timber sector. Although output from the sector grew by 15% in the first quarter of this year much more could have been achieved, says ADEX.

ADEX maintains that measures to address illegal mining are not delivering results, the lack of a sectorial policy and inadequate forest management at the regional level are hampering growth in the industry.

After the 2008 peak in exports (US\$219 million) there was a continual downward trend. Part of this was due to market demand but poor administration of the sector was also a major contributing factor according to ADEX.

The chairman of ADEX said the lack of understanding of the forestry and wood processing sector by the central government was at the root of the problems being faced. He mentioned, as an example, the application of a decree limiting the sale of fuel in the Amazon region of Madre de Dios the purpose of which was to 'starve' illegal miners of fuel but the unintended consequence was that timber companies could not obtain sufficient fuel to sustain operations.

National forest inventory results in 5 years

Eduardo Rojas Briales, Forestry Director, FAO, has indicated that, with the help of international organisations, the National Forest Inventory would be completed in five years. The National Forest Inventory project was initiated in 2010 field work began in April 2013.

The National Forest Inventory project is a cooperative effort of the Peruvian central government, regional governments and FAO with support from the Government of Finland.

Export Sawwood Prices

	US\$ per m ³
Peru Sawnwood, FOB Callao Port	
Mahogany S&B KD 16%, 1-2" random lengths (US market)	1570-1655
Spanish Cedar KD select	
North American market	958-977
Mexican market	946-965
Pumaquiro 25-50mm AD Mexican market	545-598

Peru Sawwood, FOB Callao Port (cont.)	US\$ per m ³
Virola 1-2" thick, length 6'-12' KD	
Grade 1, Mexican market	439-508
Grade 2, Mexican market	388-423
Cumaru 4" thick, 6'-11' length KD	
Central American market	841-865
Asian market	886-955
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	606-631
Marupa (simarouba) 1", 6-11 length Asian market	444-495

Peru Sawwood, FOB Iquitos	US\$ per m ³
Spanish Cedar AD Select Mexican market	911-931
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	433-474
Grade 2, Mexican market	342-381
Grade 3, Mexican market	161-176
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	369-426

Domestic Sawwood Prices

Peru sawwood, domestic	US\$ per m ³
Mahogany	-
Virola	152-177
Spanish Cedar	296-355
Marupa (simarouba)	110-121

Export Veneer Prices

Veneer FOB Callao port	US\$ per m ³
Lupuna 3/Btr 2.5mm	221-249
Lupuna 2/Btr 4.2mm	234-266
Lupuna 3/Btr 1.5mm	219-228

Export Plywood Prices

Peru plywood, FOB Callao (Mexican Market)	US\$ per m ³
Copaiba, 2 faces sanded, B/C, 15mm	328-365
Virola, 2 faces sanded, B/C, 5.2mm	466-489
Cedar fissilis, 2 faces sanded, 5.5mm	759-770
Lupuna, treated, 2 faces sanded, 5.2mm	373-399
Lupuna plywood B/C 15mm	407-439
B/C 9mm	366-385
B/C 12mm	350-360
C/C 4mm	389-425
Lupuna plywood B/C 4mm Central Am.	370-393

Domestic Plywood Prices

Lupuna Plywood BB/CC, domestic (Iquitos mills) 2440x1220	US\$ per m ³
4mm	489
6mm	495
8mm	497
12mm	446
(Pucallpa mills)	
4mm	463
6mm	439
8mm	430
12mm	429

Domestic Prices for Other Panel Products

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

Export Prices for Added Value Products

Peru, FOB strips for parquet	US\$ per m ³
Cabreuva/estoraque KD12% S4S, Asian market	1287-1388
Cumaru KD, S4S Swedish market	915-1043
Asian market	1309-1355
Cumaru decking, AD, S4S E4S, US market	1215-1311
Pumaquiro KD # 1, C&B, Mexican market	464-534
Quinilla KD, S4S 2x10x62cm, Asian market	493-519
2x13x75cm, Asian market	732-815

Update on Guyana's Engagement in the EU FLEGT VPA Process

After a round of meetings Guyanese stakeholders are now more familiar with the VPA and Guyana's progress to date.

Participation at these meetings included representatives from the industry, civil society, indigenous communities and government agencies and focussed on capacity building and the establishment of an effective communication system for the VPA process.

The Communication and Consultation Strategy, formulated to advise on best practices for the process, is being finalised. The other activity involves Scoping of Impacts of the VPA for Guyana and a report on this has been submitted to Guyana Forestry Commission.

In accordance with the agreed 'Roadmap' and the continuing efforts to advance the VPA process, the National Technical Working Group and their European counterparts discussed further development of the Legality Assurance System (LAS), opportunities for financial and technical support and the review of the Joint Roadmap.

Representatives from the European Forest Institute have visited Guyana to assist in further development of various aspects of the LAS.

Export Log Prices

Logs, FOB Georgetown	SQ - US \$ Avg unit value per m ³		
	Std	Fair	Small
Greenheart	-	-	-
Purpleheart	200-325	170-250	-
Mora	-	-	-

Export Sawwood Prices

Sawwood, FOB Georgetown	\$ Avg unit val. per m ³	
EU and US markets	Undressed	Dressed
Greenheart		
Prime	-	-
Standard	-	650-1,454
Select	640-1,059	-
Sound	-	-
Merchantable	-	-
Purpleheart		
Prime	-	-
Standard	-	750-1,158
Select	680-1,080	-
Sound	-	-
Merchantable	650	-
Mora		
Prime	-	-
Select	594	-
Sound	-	-
Merchantable	-	-

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

Export Plywood Prices

Plywood, FOB Georgetown Port	US\$ Avg unit val. per m ³	
Baromalli	BB/CC	
	5.5mm	No export
	12mm	410-584
	Utility	
	5.5mm	No export
	12mm	No export

Tankan survey – Business sentiment weakens

On 7 July the Bank of Japan released results of its survey of sentiment amongst manufacturers in the country. The quarterly survey, the Tankan, covered 10,427 companies and assessed the mood of large, medium and small businesses.

An across-the-board decline in confidence was recorded in the latest survey and many analysts put this down to the lingering impact of the consumption tax increase.

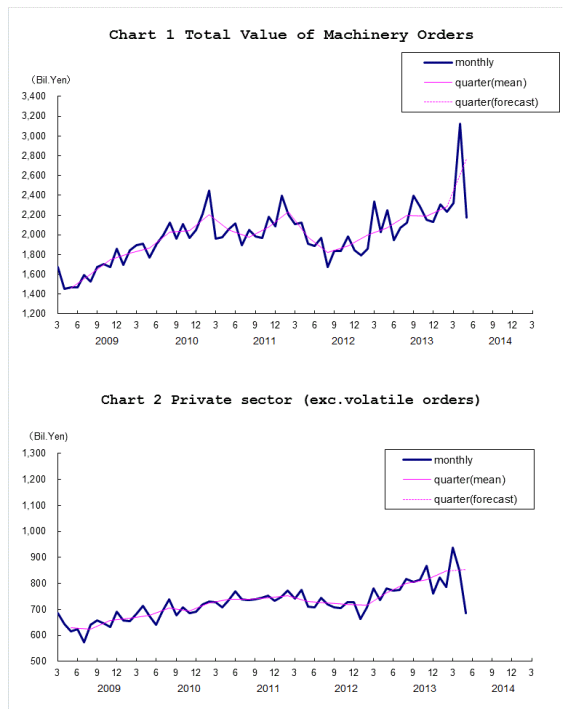
However, while it was anticipated the tax hike would affect medium and small sized companies, larger firms also reported weakening sentiment. When confidence dips for the larger export manufacturers then factors other than the domestic tax increase are in play.

Despite the gloomy news for the past quarter, companies are predicting an increase in capital spending and anticipate an improvement in sentiment in the next survey to be released in October.

For the full Tankan data see:
<https://www.boj.or.jp/en/statistics/tk/index.htm/>

Highly volatile May machinery orders cast doubts on pace of recovery

The latest data from Japan’s Cabinet Office shows that machinery orders fell almost 20% month on month, the worst decline ever for the month of May.



Source: Cabinet Office, Japan

Analysts point out that monthly data on machinery orders are very volatile and while not too much should be read into the latest data, they do bring into question the media hype that the economy is recovering.

The decline in machinery orders is of concern coming on the heels of the 10% drop in April.

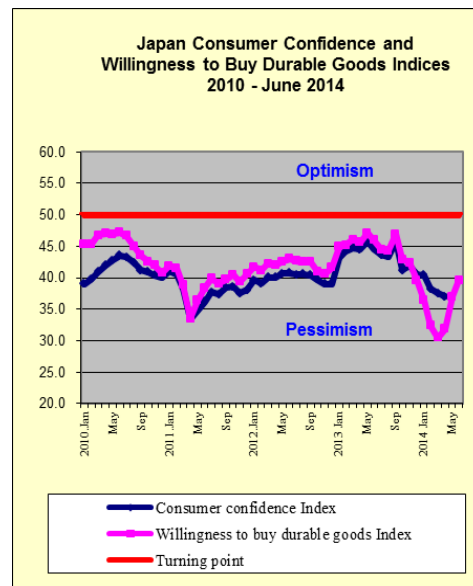
For the full data see:
<http://www.esri.cao.go.jp/en/stat/juchu/1405juchu-e.html>

Consumer sentiment improves

Consumer confidence in Japan increased in June to 41, an increase 4.6% from May. All the components of the survey improved such that the survey reported on 10 June indicates the highest level of confidence since December 2013.

The outlook for employment improved pushing the index to 48.4 in June and the income growth index rose to 37.9. The willingness to buy durable goods index also rose in June.

Respondents to the survey by the Cabinet Office expressed an unchanged view on inflation expectations. To put the latest data into perspective, at current levels the overall index is down around 7% from June last year and lower than the long term average.



Data source: Cabinet Office, Japan

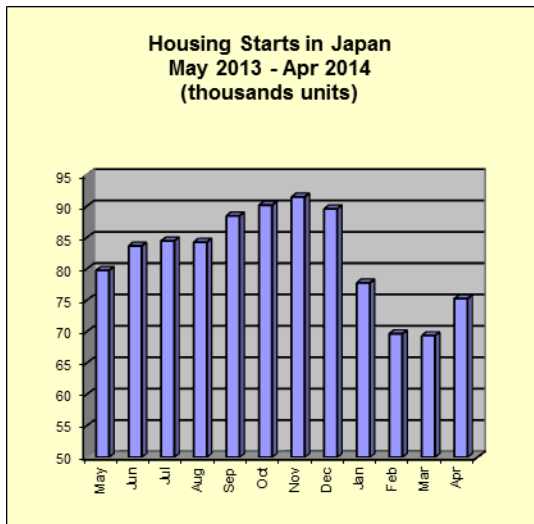
Regional housing growth on sound foundation

The Bank of Japan (BoJ) quarterly Regional Economic Report has added weight to the Bank’s view that, overall, the economy is "recovering or recovering moderately as a trend".

The BoJ report on regional housing says “Compared with the last assessment in April 2014, all regions reported that their economic assessments regarding the pace of economic improvement had remained unchanged.

The background to these reports included the fact that domestic demand had been firm, production had been on a moderate increasing trend, and the employment and income situation had been improving”.

For more see:
<https://www.boj.or.jp/en/research/brp/rer/rer140707.htm/>



Source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

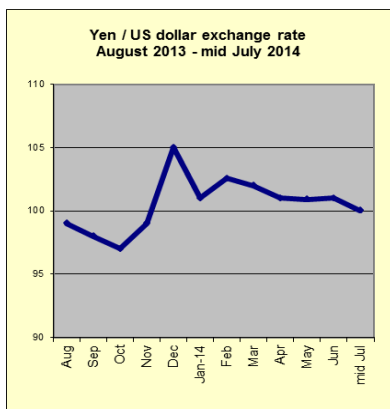
Weak yen not driving exports

The Japanese yen has been deliberately weakened since the end of 2011, a move that was supposed to give a boost to exports; however Japanese exports have been falling.

A recent study from Liberty Street Economics suggests that: “there is low pass-through from exchange rates into export prices because large exporters are also large importers so they face offsetting exchange rate effects on their marginal costs.

In the case of Japan, the connection between the yen and production costs has been made stronger since the country replaced nuclear power with imported fuels in the aftermath of the 2011 earthquake”.

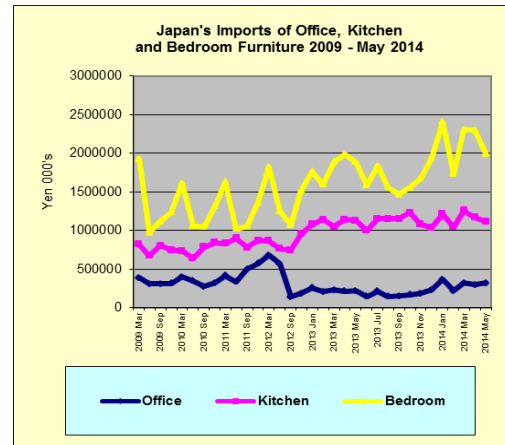
For more see:
<http://libertystreeteconomics.newyorkfed.org/2014/07/why-hasnt-the-yen-depreciation-spurred-japanese-exports.html#.U7qCsbFxFX3A>



Trends in office, kitchen and bedroom furniture imports

Japan’s office, kitchen and bedroom furniture imports from 2009 to the end of May 2014 are shown below.

As anticipated Japan’s furniture imports eased in May. June data will be available at month end.



Source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

The Japan Lumber Reports (JLR), a subscription trade journal published every two weeks in English, is generously allowing the ITTO Tropical Timber Market Report to extract and reproduce news on the Japanese market.

The JLR requires that ITTO reproduces newsworthy text exactly as it appears in their publication.

For the JLR report please see:
<http://www.n-mokuzai.com/modules/general/index.php?id=7>

Imported legal wood products in 2013

The Japan Lumber Importers Association summed up imported legal wood products in fiscal year 2013. Of total imported wood products, percentage of legal wood in sales was 21.7%, 4.4 points up from previous year.

The Association encourages the members to import legal wood products by reducing membership fee by 50 sen. Percentage of certified legal wood products was 67.2%, 6.5 points up from 2012 out of which 76.4%, 16.8 points up was logs.

However, only 32% of legally proven wood was sold, which is only 20 some % of total imported wood products. Unless sellers like wholesalers have COC certificate, legality stopped at time of importers’ sales.

Plywood has the highest percentage of legal certificate but only 280,000 cbms or 10.5% in total imported plywood was sold as certified products in sales channels.

Share of the Association in 2013 was 57.4% in total imported volume of various wood products like logs, lumber, plywood, laminated lumber and board from North

America, Europe, South Sea countries, Russia, New Zealand, Chile and China.

The Association has maintained share of over 55% for last eight years since 2006. Details are shown below.

	Total imports 000' cu.m	Verified legal 000's cu.m	Verified legal %
Logs	2641	2019	76
Sawnwood	3506	1720	49
Plywood	2611	2195	84
Other panels	574	361	63
Laminated lumber	785	502	64
Total	10117	6797	67

Source: JLR 27 June 2014

Two years after FIT

It has been about two years after FIT (fixed price power purchase system of renewable energy) was enacted. Number of plans of power generation facility by biomass use has been increasing rapidly and there are about 80 to 90 plans so far. About 30 will start running in next two years.

Since many plans are still on the table, wood chip prices have been stable yet but soaring demand for biomass will certainly impact many sectors of forest and wood processing industry in coming years.

According to the Agency for Natural Resources and Energy, 31 biomass generation facilities have been approved with total generation capacity of 620,000 kw but total power generated by actually operating facilities is only 42,985 kw, 7% of approved total capacity.

There are three operating facilities, which use biomass for fuel as of February this year then Woody Kawai has started in April and Tohsen group will start up in July, Miye Enewood will start in September and Gifu Biomass Power will start in October. By next spring, Nihon Kaisui, Maniwa Biomass Power, Chugoku Lumber's Hyuga plant and Oji Green Resources will start up. Thus, by this time next year, there will be eight more facilities running.

This creates large demand of low grade wood so there are moves to utilize fiber resources left in the woods such as thinning and unused short chunks, tree tops and branches. They become valuable resources if they are hauled out economically and stably to the users.

South Sea (tropical) logs

Since last February, weather in Sarawak had been dry with strong sunshine for three months then rain started in June but it is not enough to ease water shortage of rivers so log supply continues tight.

Export log prices remain high because of limited supply. India has been aggressively purchasing logs everywhere after Myanmar banned log export since April 1.

India buys logs for plywood and low grade keruing log prices stay up high since last April. Supply of keruing logs from Laos through Vietnam to India reportedly becomes unstable so that India needs replacement of Sarawak logs.

Current Sarawak meranti log export prices are US\$290 per cbm FOB on regular, US\$250 on small and US\$230 on super small. They are unchanged from May.

Weather in PNG and Solomon Islands deteriorates again and log production is slow. Export log prices stay up high and China is slowing log purchase after the market of North American and New Zealand logs nosedived due to retreat of demand and over supply.

India also tries to buy logs in PNG and Solomon Islands but it is hard to buy as India looks for selected logs while PNG sells mixed sort and species.

Japan helps Myanmar housing industry

The Conference of Japan Myanmar Housing Industry held the meeting on June 11 and discussed activity plan for the year and the policy.

Mr. R.Yano, the chairman, commented that Myanmar's economy growth is rapid and the world is eyeing on many industries but there is no private business in construction and housing sector and it is uncertain how much chance foreign investors have with insufficient infrastructure for housing and construction. It is necessary to cooperate for establishing building standards law in Myanmar to secure safety.

The Conference plans to establish sound relationship with Myanmar with assistance of the Ministry of Land, Infrastructure and Transport.

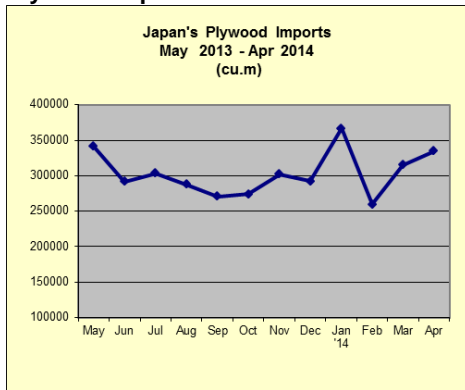
Myanmar's Ambassador to Japan stated that it is very happy to have assistance by the Japanese companies, knowing high standard of Japanese housing and it is welcome to have visitors from Japan to investigate the situation and hopes to have many companies for investment in Myanmar.

Business plan of the Conference this year is to hold seminar either in Japan or Myanmar for information exchange and support membership companies investment for Myanmar. Other are investigation on building standard, housing financing system and quality of residential housing.

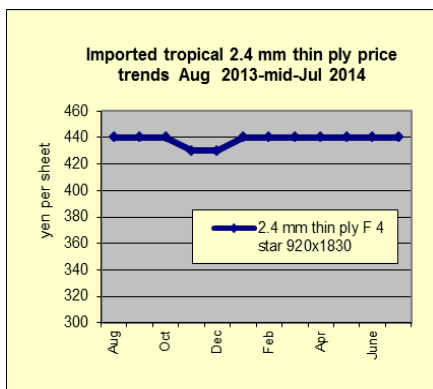
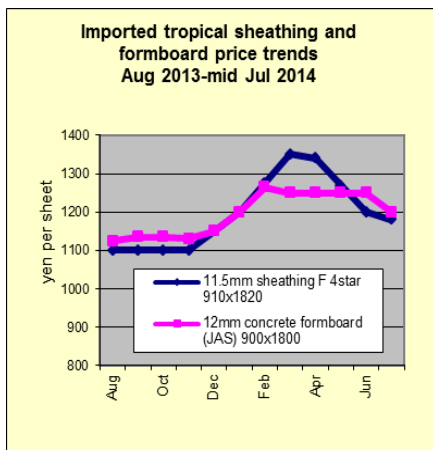
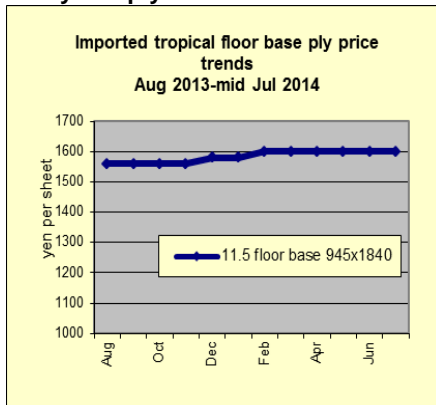
South Sea (tropical) plywood market

While the supply side export prices remain high, the market in Tokyo is softening after the demand started skidding. Like all the other building materials, after heavy orders rushed in before the consumption tax increase since April, the demand slackened particularly wholesale channel and there are some dumping sales to have enough sales amount.

Plywood import trend



Price trends for Japanese imports of Indonesian and Malaysian plywood



In Malaysia, log production recovered after May and plywood mills' log inventories are increasing but the log

prices stay up high as export log prices soared with aggressive purchase by India after Myanmar banned log export. Thus, plywood mills continue bullish for export plywood.

Japan market had kept pushing the market prices up to follow the suppliers' higher export prices but now it becomes difficult. 12 mm structural panel is particularly weak after competing domestic plywood supply became ample.

Concrete forming panel had been firm until middle of May but it also weakened but dealers think that the demand should come back in June. Weakness of domestic market reduces future purchase so that the arrivals will decline in coming months.

If the inventories drop, the supply and demand should balance out sooner so the importers are watching the market closely.

Since general economy looks pretty positive and temporary drop of the demand should be over by fall so the market may not drop as much as some fear.

Report from China

New Harmonised System due 1 January 2017

The WCO Council has released a statement saying its 123-124 Sessions in June 2014 adopted amendments to the Harmonised System (HS) nomenclature which will enter into force on 1 January 2017 (HS 2017).

Contracting Parties now have six months to notify the WCO Secretariat of an objection to a recommended amendment.

The new version of the HS includes 234 sets of amendments. Environmental and social issues are a major feature of these amendments due to the importance of the HS as a global tool for collecting trade statistics and monitoring trade.

For the WCO press release see:

<http://www.wcoomd.org/en/media/newsroom/2014/july/new-harmonized-system-standards-to-enter-into-force-on-1-january-2017.aspx>

Ten HS codes added in bamboo commodity list

The World Customs Organization (WCO) has assigned HS codes to 10 additional bamboo and rattan products to the new commodities list which will come into force in 2017. In 2017 there will be 24 bamboo and rattan products with individual HS code for international trade covering around 80% of the bamboo and rattan products traded internationally.

Revised national standard on solid composite flooring

A revised Chinese national standard (GB/T 18103-2013) for solid composite flooring was officially adopted on 22 June 2014. The new standard is an improvement on the 2000 edition.

China's production and export of solid composite flooring is one of the highest in the world and the industry has grown by 50% since 2003. The output of solid composite flooring in 2013 was 96.4 million square metres, much of which was for domestic consumption.

The changes to the national standard are in response to new patterns of domestic demand and challenges in international markets.

Output of solid composite flooring in 2013

According to statistics from the China National Forest Products Industry Association (CNFPPIA), the output of wooden flooring in 2013 rose 6% year on year to 400 million square metres.

Output of wooden flooring in 2013

Category	Output million sq.m	Change %
Impregnated flooring	224	6
Solid composite	96.4	10
Solid flooring	42.5	9
Bamboo flooring	35	
Other flooring	3.65	

China's international trade in wood processing machinery

The total value of China's wood working machinery exports in 2013 was US\$2,319 million, a year on year increase of 3%.

China's international trade in wood processing machinery

Category	Export 2013		Import 2013	
	Value US\$ million	Change (%)	Value US\$ million	Change (%)
Total	2318.9	7	686.3	-10
Wood processing machinery	985.7	18	454.3	-8
Wood-based panel equipment	63.6	-8	18.8	-74
Knives and blades for wood processing	29.4	-11	7.1	0.81

China's wood processing machinery was exported to Europe (35%), North America (30%), Asia (23%), Central and South America (5%), with a further 4% to Oceania and 3% to Africa. The value of exports of wood processing machinery to all regions in 2013 increased over 2012.

China's imports of wood processing machinery were mainly from Europe and Asia which together accounted for almost 97% of total wood processing machinery imports

Exports and imports wood processing machinery

Region	Export 2013		Import 2013	
	Value	Change	Value	Change
	US\$ million	(%)	US\$ million	(%)
Europe	348	8	234	16
North America	295	20	11.82	35
Asia	223	45	207.7	26
Central and South America	51.99	3.49	0.056	77
Oceania	40.88	3.69	1.05	153
Africa	27.19	14	0.003	78

Exports of wood-based panel machinery

China's exports of wood-based panel machinery in 2013 went to Asia (69%), EU (17%), Africa (7%), Central and S. America (4%) with another 1.5% to North America and 0.6% to Oceania.

China's imports of wood-based panel machinery were mainly from Europe but the value of imports from Europe has been falling. On the other hand imports from Asia and North America have risen sharply.

Exports and imports of wood-based panel machinery

Region	Export 2013		Import 2013	
	Value	Change	Value	Change
	US\$ million	(%)	US\$ million	(%)
Asia	44.14	5	0.76	607
Europe	10.99	-41	17.89	-75
Africa	4.54	82	0	
Central and South America	2.45	-43	0	
North America	1.05	-21	0.13	557
Oceania	0.39	-25	0	

Trade in wood working knives and blades

China's exports of wood working knives and blades in 2013 were worth over US\$28 million. Some 48% was exported to Asia, 22% to Europe, 20% to North America, 5% to Central and South America, 3% to Africa and 2% to Oceania.

China's imports of these items were almost exclusively from Asia and Europe.

Exports and imports of wood working knives and blades

Region	Export 2013		Import 2013	
	Value US\$ million	Change (%)	Value US\$ million	Change (%)
Asia	14.06	-23	4.34	7
Europe	6.35	-6	2.68	-5
North America	5.99	10	0.05	-60
Central and South America	1.42	-5	0	
Africa	0.85	25	0	
Ocean	0.71	75	0	

Advances in China's wood working machinery manufacturing industry

According to a report from the China Forestry Machinery Association significant achievements have been made in the machinery manufacturing industry since the economy was opened.

The scale of production of wood working machinery manufacturing has increased rapidly. At the end of Eleventh Five Year Plan (2010), the total value of wood working machinery manufacturing output was RMB100 billion from 4, 985 manufacturing enterprises with 461,800 employees and assets of RMB52 billion.

Summary of trends:

- The domestic market share for wood working machinery products has been over 75% for the past 10 years.
- The level of production mechanisation has reached 42%.
- National and industry standards for wood working machinery have steadily evolved.
- The structure of the sector has been optimised through consolidation and production of high performance machinery to international standards.
- The product range has constantly expanded.
- Quality control and after sales services have been improved.
- International cooperation in machinery manufacturing has been strengthened and technological exchange has been promoted.

Guangzhou Yuzhu International Timber Market Wholesale Prices

Logs

	Logs	yuan/cu.m
Merbau	dia. 100 cm+	5200-5400
Bangkirai	dia. 100 cm+	5300-5500
Kapur	dia. 80 cm+	2800-3000
Ulin	All grades	6500
Lauan	dia. 60 cm+	2000-2200
Kempas	dia. 60 cm+	2000-2100
Teak	dia. 30-60 cm	8000-12000

	Logs	yuan/cu.m
Greenheart	dia. 40 cm+	2300-2450
Purpleheart	dia. 60 cm+	3100-3300
Pau rosa	dia. 60 cm+	4700-4800
Ipe	dia. 40 cm+	4000-4800
yuan per tonne		
Cocobolo	All grades	53000-58000

	Logs	yuan/cu.m
Wenge	All grades	4300-5200
Okoume	All grades	2200-2500
Okan	All grades	3700-3800
African blackwood	All grades	8000-15000
African rosewood	All grades	5000-6500
Bubinga	dia. 80 cm+	13000-15000

	Logs	yuan/cu.m
Ash	dia. 35 cm+	4200-4300
Basswood	dia. 36 cm+	3500-3800
Elm	dia. 36	2800-3600
Catalpa	dia. 36	2800-4200
Oak	dia. 36 cm+	4000-5500
Scots pine	dia. 36 cm+	2000-2200
Larch	dia. 36 cm+	1550-1900
Maple	dia. 36 cm+	2700-3050
Poplar	dia. 36 cm+	1650-1950
Red oak	dia. 30 cm+	2500-2600

Sawnwood

	Sawnwood	yuan/cu.m
Makore	Grade A	7300
Zebrano	Grade A	12000-15000
Walnut	Grade A	9500-10000
Sapelli	Grade A	7500-7900
Okoume	Grade A	4200-4500
Padauk	Grade A	14500-17000
Mahogany	Grade A	6500-7000
yuan/tonne		
Ebony	Special grade	16000

	Sawnwood	yuan/cu.m
Ulin	All grade	9000-10000
Merbau	Special grade	8600-9500
Lauan	Special grade	4600-4800
Kapur	Special grade	5500-6000
Teak	Grade A	9600
Teak	Special grade	14000-20000

	Sawnwood	yuan/cu.m
Cherry	FAS 2 inch	10000-12800
Black Walnut	FAS 2 inch	14000-16000
Maple	FAS	7500-10000
White oak	FAS	8000-11000
Red oak	FAS	6800-9000
Finnish pine	Grade A	3000

	Sawnwood	yuan/cu.m
Maple	Grade A	10000-10500
Beech	Special grade	5300
Ash	no knot	5000-5800
Basswood	no knot	2700-3500
Oak	no knot	4000-5500
Scots pine	no knot	2800

Shanghai Furen Forest Products Market Wholesale Prices

Logs

Logs All grades	000's yuan/tonne
Bois de rose	250-300
Red sandalwood	1600-2000
Siam rosewood	100-550
Burma padauk	27-45
Rengas	8-15
Mai dou lai	6000-8000
Neang noun	32-65
Burma tulipwood	28-60
Cocobolo	43-180
Morado	10 - 15
Ebony	15-40
Trebol	7-8
African sandalwood	18-32

Sawnwood

	Sawnwood	yuan/cu.m
Okoume	Grade A	4500-4700
Sapelli	Grade A	7600-7900
Zebrano	Grade A	8000-9000
Bubinga	Grade A	13500-15800
Mahogany	Grade A	6000-7000
Wawa	FAS	3700-3900
Ayous	FAS	4000-4200

	Sawnwood	yuan/cu.m
Lauan	Grade A	3700-3900
Merbau	All grade	8000-10000
Teak	All grade	11500-36000

	Sawnwood	yuan/cu.m
Beech	Grade A	4200-4800
Ash	Grade A	5500-6500
Elm	Grade A	4900-5300
Red oak	2 inch FAS	8000-8600
White oak	2 inch FAS	7500-8500
Maple	2 inch FAS	9800-10500
Cherry	2 inch	9500-10500
Black walnut	2 inch	15000-17000

Zhangjiagang Timber Market Wholesale Prices

Logs, all grades	yuan/tonne
Sapelli	4500-5700
Kevazingo	8700-34000
Padouk de africa	3000-3800
okoume	2100-2600
Okan	3490-3650
Dibetou	2200-2500
Afrormosia	5500-6500
Wenge	4500-5000
Zingana	4200-5500
Acajou de africa	3100-3600
Ovengkol	3850-4300
Pao rosa	5950-6600

Logs, all grades	yuan/tonne
Merbau	3500-5800
Lauan	1600-2400
Kapur	2020-2500
Keruing	1700-2200
Geronggang	1600
kauri	1700-1850

Logs, all grades	yuan/tonne
Amoora	1900-2080
Calophyllum	2150-2350
Red ganarium	1300-1400
Gray Canarium	1100-1200
Red-brown terminalia	1680-1750
Basswood	1200-1400
Sureni toona	1500-1650
Bunya	1400-1550
Walnut	2900-3350

Report from Europe *

EU wood furniture trade analysis

The remainder of this report contains a review of the most recently available EU wood furniture trade data to end April 2014. EU external trade in wood furniture is relatively small compared to total consumption, which is about €50 billion per year (or €4200 million per month).

However in recent years, globalisation trends have made external trade more relevant as there has been more import penetration into the EU market, particularly by Asian manufacturers. Meanwhile, with consumption static in domestic markets, European furniture companies have also been seeking to increase sales in other parts of the world.

Seasonal fluctuations are a major feature of the EU furniture trade. EU wood furniture exports are almost

exclusively interior products, mainly destined for other western countries, which tend to rise sharply at the end of the year in the run-up to the Christmas holiday season.

In contrast, EU imports of wood furniture tend to be higher in the opening months of the year. This is partly because they contain a high proportion of exterior products mainly imported from Asian countries in the spring months.

In addition, a relatively large proportion of the Asian furniture imported into the EU is bought during the January sales season.

The following analysis of EU furniture trade uses “12 month rolling average” data. This is calculated for every month by averaging the monthly imports or exports for the previous twelve months.

The data irons out seasonal variations so that potentially significant long term changes can be more easily identified. It focuses particularly on apparent changes in the relative competitiveness of wood furniture supplying countries into the EU.

Rise in EU wood furniture trade surplus

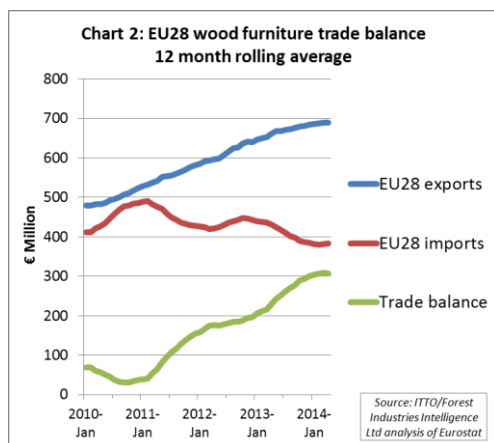
Chart 2 shows the trend in EU trade balance of wood furniture using 12 month rolling average data between January 2010 and April 2014.

It highlights the strong growth in EU exports of wood furniture over the last 3 years. This is driven by growing consumption in emerging markets and declining demand in domestic markets which forced European manufacturers to diversify sales into other areas of the world.

The trend in EU imports of wood furniture over the last three years has been less consistent. Imports were rising in 2010, particularly from China which increased market share at a time when there was a considerable emphasis on price amongst European consumers.

However the trend in imports since then has been generally downwards. This is due to the combined effects of overall weak consumption in Europe, rising labour and other costs in Asian manufacturing, volatile freight rates, improving competitiveness of European manufacturers, and possibly also regulatory issues such as the EU Timber Regulation introduced in March 2013.

Between January 2011 and April 2014, the EU trade surplus in wood furniture with the rest of the world increased, rising consistently from negligible levels to around €300 million per month (based on 12 month rolling average data).



There are early signs this year that the pace of growth in the trade surplus may be slowing, as both the rise in exports and fall in imports levelled off in the first quarter of 2014.

This is probably due to the recent improvement in domestic European demand, particularly in the UK which is the main destination for wood furniture imported into the EU.

Figure 1: USD to 1 Euro – 5 year trend



Source: www.xw.com

Figure 2: USD to 1 GBP – 5 year trend



Source www.xe.com

Exchange rate trends

A review of European currency exchange rates (see figures 1 and 2) suggests these have played a role to influence short and medium-term trends in the EU wood furniture trade balance.

The two-year cycle of upward and downward fluctuation evident in EU import data is quite strongly correlated with changes in the dollar-euro rate and to a lesser extent with the more stable dollar-GBP rate.

The rising relative strength of European currencies was probably a factor encouraging greater imports of wood furniture during 2010 and the second half of 2012. The relative strength of the euro is also likely to be a factor contributing to the recent slowdown in pace of growth of the trade surplus.

However, exchange rates have not been a significant driver of the overall increase in EU wood furniture trade surplus over the last 4 years. This is clear from the consistency of the increase in trade surplus during a period when exchange rates have passed through several upward and downward cycles.

Wood furniture imports fall relative to non-wood furniture

Analysis of furniture trade trends by material type using 12 month rolling average data suggests that EU domestic manufacturers are generally becoming more competitive relative to imports in supply of wood and, to a lesser extent, metal furniture.

However, import penetration into the EU appears to be growing in the smaller market segment for plastic furniture.

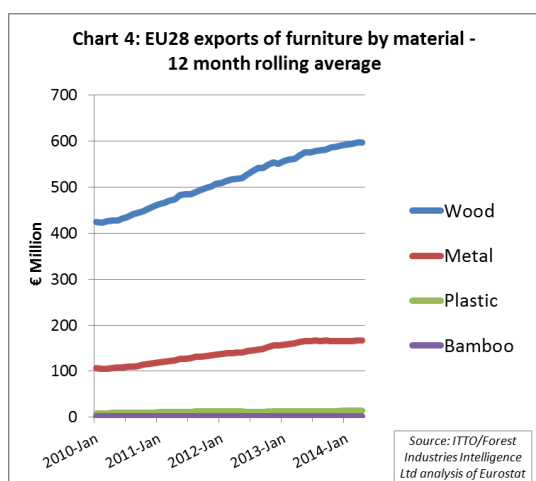
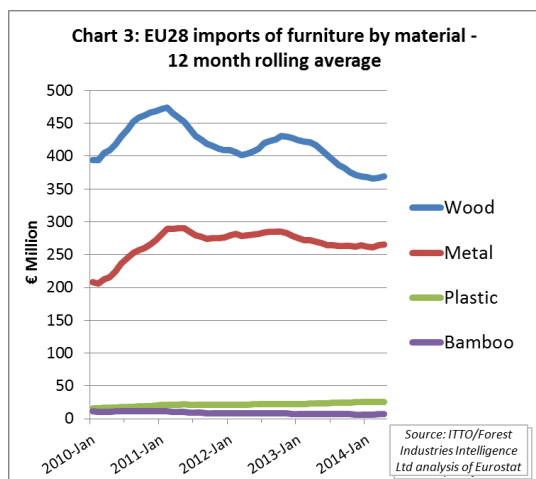
Chart 3 shows the trend in EU imports of furniture by material type between January 2010 and April 2014. EU imports of wood furniture have generally been declining since the start of 2011.

In contrast, imports of metal furniture reached a peak in January 2011 and remained quite stable until around the middle of 2012 when they started to slow gradually.

Meanwhile imports of plastic furniture have been rising consistently over the last 4 years, although from a relatively small base.

Over this period, the share in furniture imports of wood has fallen from 63% to 55%, while the share of metals has risen from 33% to 40% and of plastics from 2.5% to 3.8%. EU imports of bamboo, rattan and similar furniture remain negligible.

Chart 4 shows the trend in EU exports of furniture by material type using 12 month rolling average data between January 2010 and April 2014. During this period, EU exports of metal furniture have risen alongside exports of wood furniture.



The EU exports only negligible amounts of plastic and bamboo furniture. Between January 2010 and April 2014, the share in EU furniture exports of wood has fallen slightly from 78% to 77%, while the share of metals has increased from 20% to 21% and of plastics from 1.6% to 1.8%.

Overall these trends indicate that while wood remains the dominant material in the EU furniture market there has been a partial switch towards more use of metal and plastic.

It is possible that some EU furniture retailers are switching away from wood in imported products due to the greater regulatory control through EUTR relative to other materials.

However the fact that metals also now make up a larger share of EU exports suggests fashion and other commercial factors are also at play.

European fashion in wood furniture is strongly towards oak and other domestic species, a trend much encouraged by EU manufacturers to increase their own competitiveness relative to imported products. Fashions are also generally towards a greater mix of materials in furniture.

The rise of plastic on the margins is an indication of the widely reported move towards this material in the garden furniture sector, partly in response to lack of availability and higher prices of quality tropical hardwoods like teak.

Mixed fortunes for Asian suppliers to the EU

Chart 5 shows the trend in EU imports of wood furniture by supply country using 12 month rolling average data between January 2010 and April 2014.

After peaking at the end of 2010, the overall trend in imports from China has been downward during the last three years. However, because imports from other countries have fallen more quickly,

China's share in overall EU wood furniture imports has risen from 49% to 54% since the start of 2010. Imports from Vietnam have remained relatively stable since the start of 2010 and as a result share from this country has risen from 9% to 11%.

The share of imports has fallen from Indonesia (8% to 6%) and Malaysia (5% to 4%) during the same period.

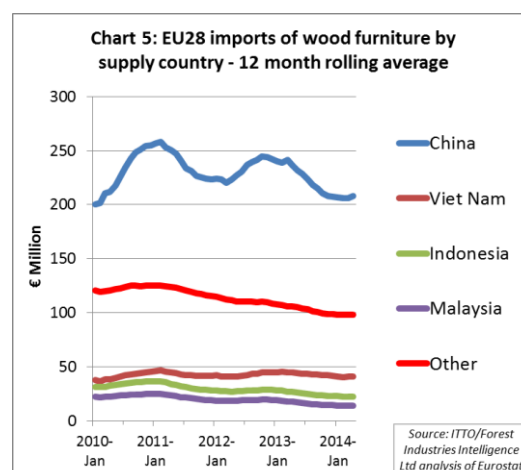
Chart 6 shows the trend between January 2010 and April 2014 in all imports of wood furniture (from both within and outside the EU) by EU Member State using 12 month rolling average data.

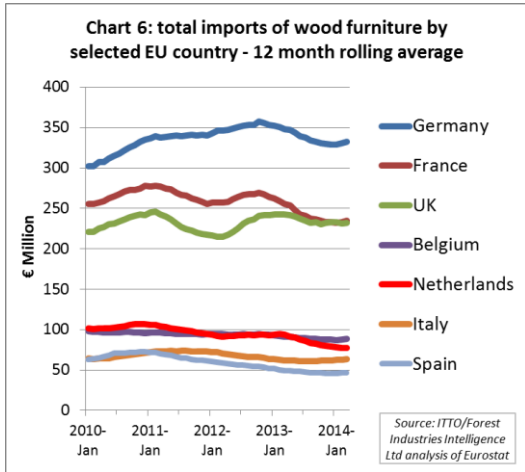
It shows that European markets have followed different paths over the last 4 years, although the general trend is downwards, at least since the start of 2013.

Imports into Germany, which was less affected by the financial crises, were rising consistently until the end of 2012, but have since slowed significantly.

Imports into the UK and France, have fluctuated more widely over the short-term, to some extent driven by exchange rate movements. In the case of the UK the overall 4 year trend has been fairly stable.

In contrast, imports into France have been declining quite sharply since the start of 2013. Imports into the Netherlands, Belgium, Spain and Italy have also been falling over the last two years



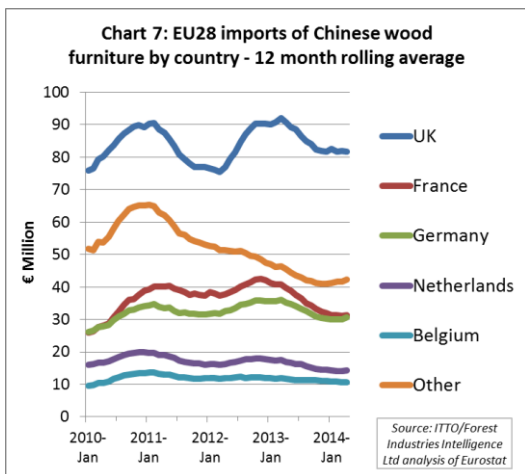


Falling imports of Chinese furniture in smaller European markets

Chart 7 shows the trend between January 2010 and April 2014 in EU imports of Chinese wood furniture by EU Member States using 12 month rolling average data. It highlights that these imports are particularly susceptible to cyclical changes, to some extent driven by exchange rate movements.

Chart 7 shows that the main decline in EU imports of Chinese wood furniture over the last 4 years has been in “other” markets and that China’s trade with the largest EU importing countries – UK, France, Germany, Netherlands, and Belgium – has remained more consistent.

Chart 7 also provides an early indication that after the sharp decline in EU imports of Chinese wood furniture during 2013, imports have been more consistent and maybe turning upwards again in 2014.

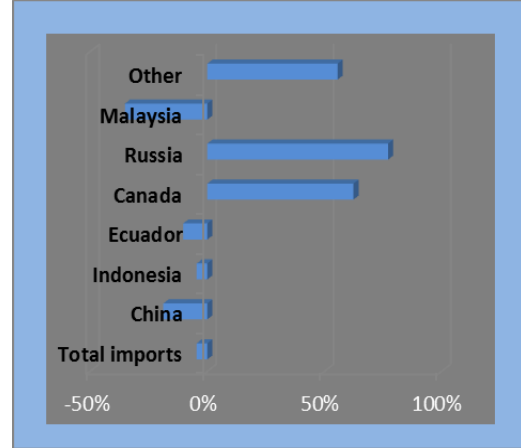


* The market information above has been generously provided by the Chinese Forest Products Index Mechanism (FPI)

April hardwood plywood imports up, but only from China and Indonesia

Hardwood plywood imports increased by 13% to 249,906 cubic metres in April, however, year-to-date imports were 5% lower than in April 2013.

Year to April 2014 change in US plywood imports



Source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics

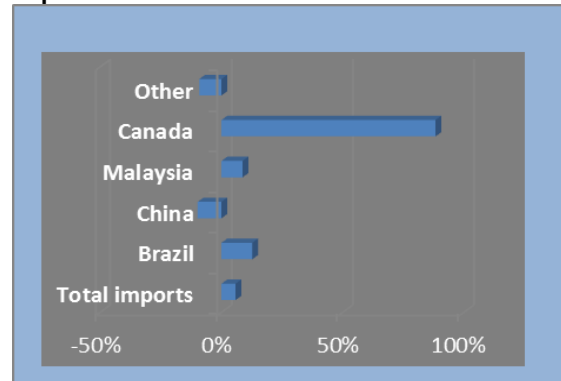
Imports from China recovered from a steep drop in March. April imports of hardwood plywood from China grew by 39% to 113,587 m³. Indonesian shipments increased to 45,241 m³ (+74%).

Hardwood plywood imports from all other major suppliers – Russia, Ecuador, Canada and Malaysia - declined in April.

Moulding imports from China surpass Brazil’s shipments

Hardwood moulding imports posted another increase in April. The value of imports was US\$16.5 million, up 8% from March. Year-to-date imports were 6% higher than in 2013.

Year to April 2014 change in US hardwood moulding imports



Source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics

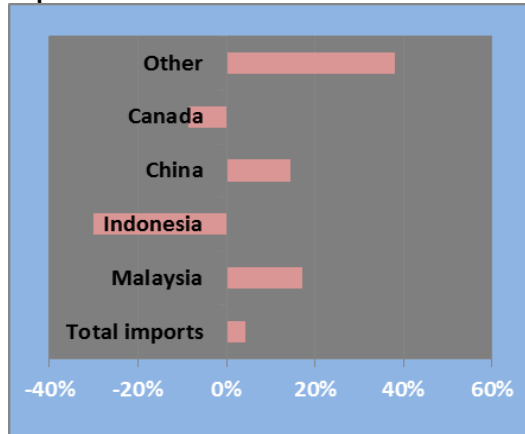
At US\$5.0 million China was the largest supplier in April, surpassing Brazil’s shipments worth \$4.3 million. Imports from China grew by 34% from the previous month, but they remain below 2013 levels on a year-to-date basis.

Imports from Brazil declined by 4% to US\$4.3 million. Year-to-date imports are 13% higher than in 2013. Malaysian shipments were worth \$1.3 million in April, up 41% from the previous month.

Both hardwood and assembled flooring imports up in April

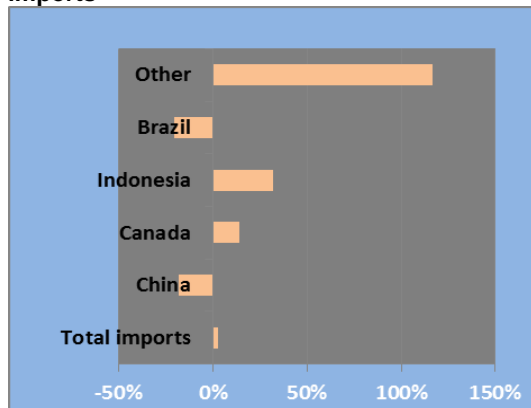
US flooring imports improved significantly in April. Imports of assembled flooring panels grew by 11% from March to US\$8.5 million. Hardwood flooring imports were US\$2.3 million, up 38%.

Year to April 2014 change in US hardwood flooring imports



Source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics

Year to April 2014 change in US assembled flooring imports



Source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics

China shipped US\$4.2 million worth of assembled flooring panels to the US (+26%) and \$0.6 million of hardwood flooring (+155%). However, year-to-date imports of assembled flooring panels from China are 18% lower than in April 2013.

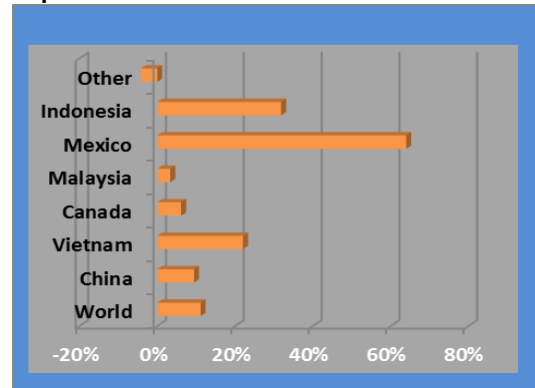
Assembled flooring panel imports from Canada declined to US\$2.3 million in April, while imports from Brazil and Indonesia increased.

Hardwood flooring imports from Indonesia improved from the previous month (US\$0.7 million, +34%), but year-to-date shipments are one third lower than in 2013.

Jump in furniture imports

Wooden furniture imports improved dramatically in April. Total imports were worth US\$1.16 billion, up 21% from March and 11% higher year-to-date than in 2013.

Year to April 2014 Change in US wooden furniture imports



Source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics

The strongest increase was in furniture imports from China, which grew by 42% to US\$530.9 million. Furniture imports from Vietnam were worth \$193.3 million, up 23% from March.

Furniture imports from all other major suppliers also increased, with the exception of shipments from Canada which declined to US\$95.4 million (-6%).

Strong growth in domestic furniture production

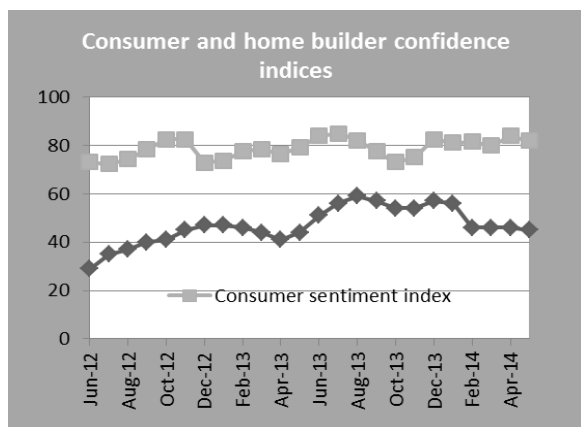
The US manufacturing sector continued its steady growth, according to survey data from the Institute for Supply Management.

Manufacturing of furniture and related products reported the highest growth rate of all industries in May. Wood product manufacturing also expanded. No industry reported declining production in May.

The overall unemployment rate remained unchanged at 6.3% in May, despite 217,000 new jobs in the economy.

Decline in consumer confidence in May

Consumer confidence in the US economy declined again in May following a brief rebound, according to the Thomson Reuters/University of Michigan consumer sentiment index. The index fell 2.6% from the previous month, and it was 3.1% lower than in May 2013.



Data source: Thomson Reuters/University of Michigan Surveys of Consumers, National Association of Home Builders/Wells Fargo Housing Market Index

Interestingly, the reason for the low consumer confidence was not the state of the economy in the 1st quarter of 2014. GDP growth was only 0.1% in the 1st quarter, seasonally adjusted to an annual rate. Most American thought that the severe winter weather was responsible for the low GDP growth, not underlying economic issues.

The main concern of consumers was low wage growth. Nearly half of all consumers expect a decline in real, inflation-adjusted wages this year. Just 25% of consumers expect their financial position to improve in the year ahead, down from 32% in April.

Consumer confidence affects housing market and home builder confidence

The consumers' lack of confidence in their financial situation carried over to the housing market. Home builder confidence in the market for newly built single-family homes fell by one point from April to May, according to the National Association of Home Builders.

Confidence has changed little since February, reflecting the expectation that the housing market recovery will continue to be slow.

Home builders expect more sales in the next six months, but they were less confident about current sales. By region, builders in the West were most pessimistic while in the South confidence increased.

Housing starts surpass 1 million in April

Housing starts surpassed 1 million in April at a seasonally adjusted annual rate, according to US Census Bureau data.

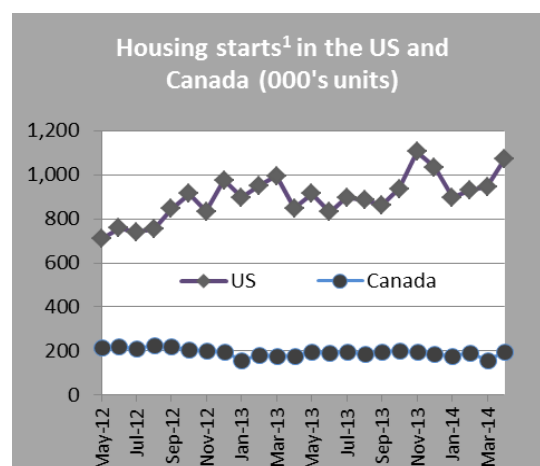
This is an increase of 13% from March.

The increase was entirely in multi-family housing construction, while single-family starts remained steady from the previous month. The slow growth in single-family home construction is reflected in the relatively low confidence of home builders.

The strongest increase in residential construction was in the US Midwest and Northeast. The number of building permits grew by 8% to 1.08 million in April (seasonally

adjusted annual rate). The growth in permits was also in multi-family construction. About 45% of all permits issued were for multi-family homes.

The number of building permits issued is an indicator of future building activity.



1 At seasonally adjusted annual rate

Data source: Source: US Census Bureau, CMHC

Growth in Canadian housing starts

Canadian housing starts grew by 25% in April at a seasonally adjusted annual rate. The increase was mainly in multi-family housing, while single-family starts grew by 7.2%.

The Canadian Housing and Mortgage Corporation (CHMC) still expects reduced housing starts in 2014 compared to last year. More construction is only expected in the west (Alberta and British Columbia).

Economic conditions in Canada are projected to improve in 2014 and 2015 with higher exports and investment expected. Despite a favorable economy, the housing market should moderate. A high number of multi-family homes are under construction and unsold inventory of new homes is on the rise.

Commercial construction remains weak except public projects

Private spending on non-residential construction in the US was unchanged in April from the previous month, but public spending increased slightly (+2.4%). The largest growth was in public spending on commercial construction projects (+15%).

The American Institute of Architects reports weak conditions in the commercial and industrial construction markets. Institutional construction even declined. However, architects expect improving conditions this year, although non-residential construction continues to lag the recovery in the housing market.

Furniture market update

In the first quarter of 2014 the furniture market was affected by weather conditions in many parts of the US, according to the latest data by Smith Leonhard (Smith Leonhard Furniture Insights May 2014).

The overall data is positive for the furniture market, but individual companies' business conditions varied widely. While many reported strong growth in orders and shipments, some saw equally strong declines.

New furniture orders grew by 3% in the first quarter of 2014, compared to the same period last year. A majority of companies (62%) reported higher orders in March compared to 2013.

Furniture shipments also increased with more than 80% of companies reporting higher shipments than in March last year. Year-to-date shipments in 2014 were 4% higher than in the first quarter of 2013.

Inventory levels at distributors and manufacturers were reasonable for business conditions. Furniture inventories declined by 2% from the previous month, but they remain higher than in March 2013 (+5%).

Retail sales by furniture and home furnishing stores in the US increased by 8% in May according to US Census Bureau data. May sales were 3% higher than at the same time last year.

The furniture market outlook for 2014 is positive. GDP growth in the first quarter was affected by weather conditions, and the furniture industry expects stronger growth in the second and third quarters.

The High Point Market for home furnishings took place in April and attendees were generally very positive about business conditions.

Unemployment has declined slightly since the start of the year, which should support consumer confidence and in turn furniture sales.

Shipping containers increasingly fitted with bamboo floors

The use of materials other than tropical hardwood plywood for container floors has grown over the past two years, according to a report by the Container Owners Association. The main substitute for tropical plywood is bamboo. The association's estimate puts the share of bamboo floors in total dry container production at 30% in 2013.

Container manufacturers have been looking for alternatives to tropical plywood for some time, mainly to reduce cost and grow the supply of floor materials. Other materials include plastic, wood-plastic composite, temperate wood species and steel. The downsides of the alternative materials are high cost, low availability and high weight, although a novel lighter weight design in steel is being tested.

Bamboo has several advantages over other materials, including tropical hardwood. Bamboo is relatively low-cost and abundantly available. The floor panels are the same dimensions as tropical plywood and can be installed in the same container production lines. When damaged in services, bamboo floors can be repaired with tropical plywood and vice versa.

The main manufacturers of the bamboo floors for containers are CIMC, Nantong, New Atlantic Forest Industries (NNAFI), Jiangxi Dechang Bamboo Board Company and Fujian Heqichang Bamboo. According to the Container Owners Association, these manufacturers supply for a wide range of container types (open top and 45ft European containers, and 20ft, 40ft and 40ftHC dry boxes).

Harmonisation of N. American standards for windows, doors and skylights

Three industry associations, the American Architectural Manufacturers Association, CSA Group, and Window & Door Manufacturers Association, have released a guide to the 2011 North American Fenestration Standard/Specification for windows, doors, and skylights.

The user guide is non-mandatory and provides examples and commentary to the standard itself. The purpose of the guide is to improve trade by helping harmonise fenestration standards in Canada and the US.

Intended users of the guide include window and door manufacturers, architects, engineers, builders and government agencies. The user guide is available at the American Architectural Manufacturers Association.

* The market information above has been generously provided by the Chinese Forest Products Index Mechanism (FPPI)

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.*

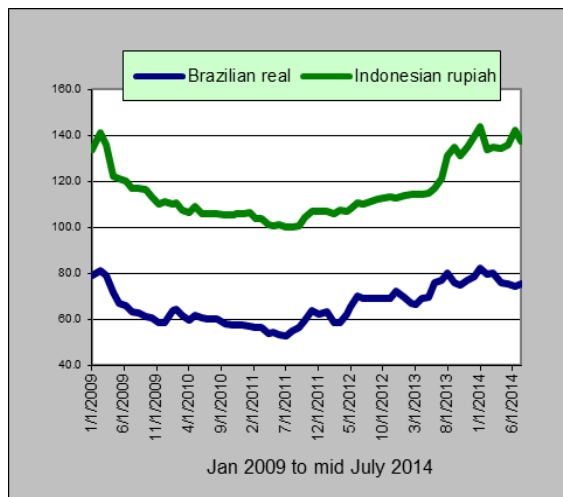
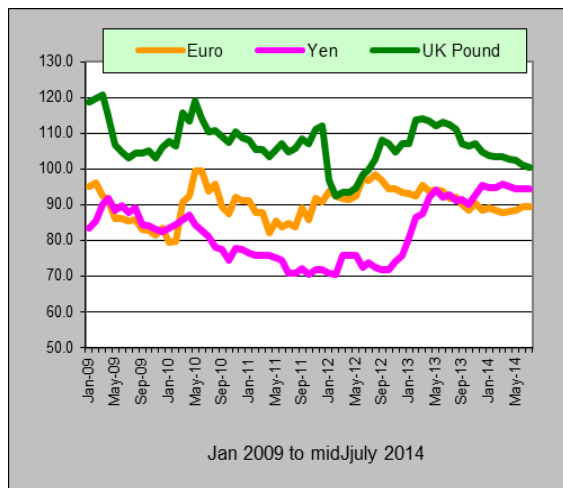
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO.

Main US Dollar Exchange Rates

As of 10th July 2014

Brazil	Real	2.2125
CFA countries	CFA Franc	482.22
China	Yuan	6.2082
EU	Euro	0.7331
India	Rupee	59.752
Indonesia	Rupiah	11,681
Japan	Yen	101.65
Malaysia	Ringgit	3.1657
Peru	New Sol	2.78
UK	Pound	0.5828
South Korea	Won	1012.3

Exchange rate index (Dec 2003=100)

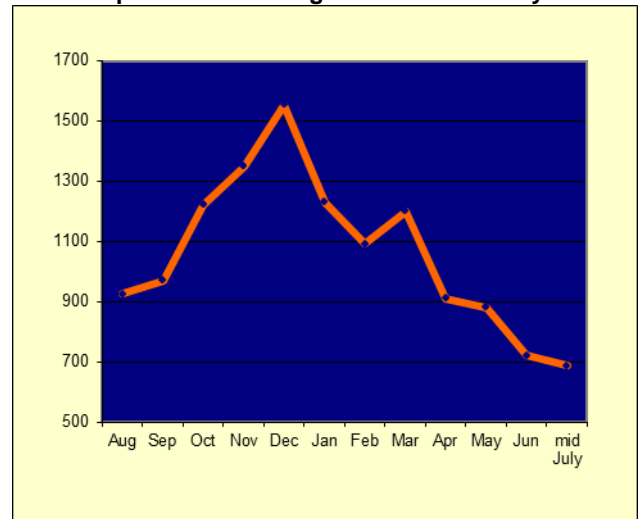


Abbreviations and Equivalences

Arrows	Price has moved up or down
BB/CC etc	quality of face and back veneer
BF, MBF	Board foot, 1000 board foot
Boule	bundled boards from a single log
TEU	20 foot container equivalent
CIF, CNF	Cost insurance and freight
C&F	Cost and freight
cu.m cbm	cubic metre
FAS	First and second grade of sawnwood
FOB	Free-on board
Genban	Sawnwood for structural use in house building
GMS	General Market Specification
GSP	Guiding Selling Price
Hoppus ton	1.8 cubic metre
KD, AD	Kiln dried, air dried
Koku	0.28 cubic metre or 120 BF
LM	Loyale Merchant, a grade of log parcel
MR, WBP	Moisture resistant, Water and boil proof
OSB	Oriented Stand Board
PHND	Pin hole no defect
QS	Qualite Superieure
SQ,SSQ	Sawmill Quality, Select Sawmill Quality

Ocean Freight Index

Baltic Supramax Index August 2013 – mid July 2014



Data source: Open Financial Data Project

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.

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