Tropical Timber Market Report

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Top Story

Large Malaysian ply-mill to cut shipments to Japan

Shing Yang, a major supplier of plywood will temporarily stop shipping concrete formboard to Japan.

The Japan Lumber Reports quotes the president of Shing Yang saying production for the Japanese market will be cut in an effort to bring inventories of imported plywood down.

Demand for imported plywood in Japan weakened beginning in August last year and FOB prices have been falling.

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Headlines

Central and West Africa

Cameroon said to be considering total log export ban

Heavy rains in Gabon and in Northern Cameroon are hampering forest operations and reports say that in Cameroon sawn sapele is in tight supply due to low production.

In other news, it is not yet clear how far Cameroon's new restrictions on log exports are working. Log exports are restricted to secondary species only but it is rumoured that the government is considering a complete halt in log exports. Reports from local analysts say a decision may be made later in the year.

There have been rumours in Cameroon of bubinga/kevazingo logs being discovered in containers destined for export and it appears the authorities are stepping up inspections of export shipments.

Sawn bubinga stocks may be licensed for export

As mentioned in an earlier report, Gabon is considering proposing bubinga/kevazingo be placed on the CITES list but it is not clear if other countries exporting this timber will support the listing.

The authorities in Gabon have recently been assessing the level of bubinga/kevazingo stocks held by local companies and producers anticipate that licenses may be issued allowing some export of current stocks.

Congo Brazzaville production to remains modest at best

Reports on Congo Brazzaville are of relatively low production of okoume logs and sawnwood and a shortage of high grade okoume peeler logs.

A new and rather large concession in the Northern region of Congo Brazzaville has been allocated but one long term producer in the country with a large concession has decided to sell the company. It is the assessment of analysts that in, the short term, Congo Brazzaville production levels will remain modest at best.

Competition between African and SE Asian timber heats up in South Africa

In South Africa stocks of imported mearnti picked up prior to the Chinese New Year celebrations in SE. Asia and importers priced up stocks at the latest rand exchange rate. Sales of US hardwoods are weak but SE Asian meranti exporters have now dropped prices slightly which has helped with their competition with West African hardwoods.

Buyers in South Africa are now waiting to see if West African mills react to the lower meranti prices.

Plywood buyers seeking high quality panels

West and central African producers of plywood report firm demand especially for higher grades, a trend previously reported mainly for Asian plywood.

It appears that international markets are now much more demanding and require high quality veneers on both faces as well as in the plywood core.

Demand in China and EU moves ahead

Buying for the Chinese market has steadily firmed, especially for the higher quality species and grades. Until recently Asian producers were the main beneficiaries of firmer demand in the Chinese market but now African suppliers are experiencing a similar trend.

European demand is strengthening slowly and prices are very firm. In EU markets buyers are looking for prompt and timely shipment which is favouring West and Central African producers because of the shorter distances and their access to regular liner services.

Log Export Prices

West African logs, FOB	Euro per m^3		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	230	230	160
Ayous/Obeche/Wawa	260	260	180
Azobe & Ekki	230	230	160
Belli	250	250	-
Bibolo/Dibétou	150	145	
Iroko	330	290	260
Okoume (60% CI, 40% CE, 20% CS)	200	200	160
(China only)	335		
Moabi	210	305	225
Movingui	160	210	160
Niove	250	160	-
Okan	220	210	-
Padouk	345	285	225
Sapele	315	315	220
Sipo/Utile		340	265
Tali		320	-

Sawnwood Export Prices

West African sawnwood, FOB		Euro per m^3
Ayous	FAS GMS	410
Bilinga	FAS GMS	500
Okoumé	FAS GMS	350
	Merchantable	225
	Std/Btr GMS	270
Sipo	FAS GMS	610
	FAS fixed sizes	610
	FAS scantlings	640
Padouk	FAS GMS	930
	FAS scantlings	1020
	Strips	680
Sapele	FAS Spanish sizes	610
	FAS scantlings	620
Iroko	FAS GMS	630
	Scantlings	700
	Strips	440
Khaya	FAS GMS	450
	FAS fixed	460
Moabi	FAS GMS	610
	Scantlings	630
Movingui	FAS GMS	420

Ghana

Sawnwood dominated 2015 export performance

The Timber Industry Development Division (TIDD) has released its Timber Export Report for the first 10 months of 2015. During the period January to October 2015 a total of 229,207 cubic metres of wood products were exported earning Euro 151.91 million.

Sawnwood, comprising kiln dried (approx. 40%) and air-dried (17%) accounted for the bulk of exports to international and regional markets.

Exports of sawnwood (57%), plywood (14%), billets (8%) and sliced veneer (5%) together accounted for over 80% of total exports, the balance was distributed over a further ten wood products.

Data source: TIDD, Ghana

Between January and October the export of poles and billets accounted for 16% of the total export volume compared to 14% in 2014, earning Euro 13.64 million.

Secondary products comprising sawnwood, plywood, veneer, boules, briquettes and kindling accounted for 80% of the total export volume (compared to 82% in 2014) and earned Euro 133.63million.

Finally, tertiary products comprising moulding, dowels, furniture parts and flooring contributed around 4% of the total export volumes, slightly up on 2014 and earned Euro 4.63million.

The top species utilized were teak, rosewood, ceiba, wawa and gmelina.

In the period of the TIDD review Ghana's primary products were shipped mainly to Asian markets (58%), regional African markets (19%), Europe (14%) and America (4%).

Short-term prospects for increasing production in Ghana are not bright. Many producers are operating well below capacity because of a shortage of raw materials and power outages.

Manufacturers complain of rising production costs due to high utility prices, tax increases and high interest rates. Over the past 12 months there have been several mill closures which is adding to the unemployment situation.

Boost for science and technology

The Council for Scientific and Industrial Research (CSIR) has establish a College of Science and Technology (CCST) enabling it run various programmes and research at the graduate level.

The aim is to offer training that would lead to the efficient management of natural resources in the West African sub-region.

New governor for Bank of Ghana

Dr. Abdul Nasiru Issahaku has been appointed as the new governor of the Bank of Ghana (BoG). His appoint became effective in April this year. The appointment follows a decision by the previous governor, Dr. Kofi Wampah, to take an early retirement. Dr. Issahaku served as the second Deputy Governor of the BoG before his new appointment.

Boule Export prices

	Euro per m^3
Black Ofram	380
Black Ofram Kiln dry	446
Niangon	475⬇
Niangon Kiln dry	490

Export Rotary Veneer Prices

Rotary Veneer, FOB	Euro per m^3	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	380	433
Chenchen	462	522⬇
Ogea	474	537
Essa	511	561
Ofram	350	406

NB: Thickness below 1mm attract a Premium of 5%

Export Sliced Veneer Prices

Sliced Veneer, FOB	Euro per sq. m	
	Face	Backing
Afrormosia	1.19	0.91
Asanfina	1.40	0.75
Avodire	1.60	0.34
Chenchen	1.00	0 .36
Mahogany	1.80	0.92
Makore	1.00	0.80
Odum	1.75	0.40

Export Plywood Prices

Plywood, FOB	Euro per m^3		
BB/CC	Ceiba	Ofram	Asanfina
4mm	482	510	641
6mm	487⬇	535	615
9mm	407	450	613
12mm	369	463	475
15mm	443⬇	436	400
18mm	353	358	370

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

Export Sawnwood Prices

Ghana Sawnwood, FOB	Euro per m^3	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	925
Asanfina	492	564
Ceiba	199⬇	368
Dahoma	467⬇	504
Edinam (mixed redwood)	537	580
Emeri	480⬆	515
African mahogany (Ivorensis)	810⬆	1025
Makore	660	830
Niangon	687	873
Odum	685	900
Sapele	610	791
Wawa 1C & Select	370	416

Export Added Value Product Prices

Parquet flooring 1st grade	FOB Euro per sq.m		
	10x60mm	10x65-75mm	14x70mm
Apa	12.00	14.47	17.00
Odum	9.00	11.33	13.00
Hyedua	13.00	18.22	16.30
Afrormosia	13.72	13.93	17.82

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

Malaysia

2015 export performance

The Malaysian Timber Industry Board (MTIB) and the Department of Statistics has released national wood product export data for 2015.

2014 and 2015 exports by product

	2014 cu.m	2015 cu.m
Logs	3,218,515	3,028,064
Sawnwood	1,893,949	2,015,861
Plywood	3,099,371	2,534,130
Fibreboard	952,975	985,854
	RM billion	RM billion
Wooden Furniture	6.328	7.286

Source: MTIB, Malaysia

Export of wood products by region

	2014	2015
Asia	66%	65%
Americas	15%	17%
Europe	11%	10%
Oceania/Pacific	5%	5%
Africa	3%	3%

Source: MTIB, Malaysia

Top 10 export markets in 2015 by value

	2015
Japan	18%
USA	14%
India	8%
Singapore	5%
Australia	5%
S.Korea	5%
Taiwan P.o.C	4%
China	4%
UK	4%
Thailand	3%

Source: MTIB, Malaysia

SIRIM suspends certification for Kelantan State FMU

The Forest Management Certificate issued to the Kelantan State FMU (FMC 005) against the requirements of Malaysia's Criteria and Indicators (MC&I, Natural Forest) was suspended as of 11 March 2016.

This decision came after the Kelantan State failed to close a major Corrective Action Request (CAR) for the FMU following a second surveillance audit by SIRIM QAS International.

Consequently, all logs sourced from the Permanent Reserved Forests (PRFs) in the Kelantan State FMU after 11 March 2016 will not be recognised as PEFC certified under the Malaysian Timber Certification Scheme (MTCS).

Nevertheless, logs originating from Kelantan State FMU can be accepted as PEFC Controlled Sources, provided that a due diligence system has been implemented and that the logs are not sourced from conversion areas.

This is the second suspension in Malaysia after the certificate to the Johor State Forest Management Unit under the MC&I (Natural Forest) was suspended from 1 January 2016.

Forest Research Institute of Malaysia to expand support to industry

The Forest Research Institute of Malaysia (FRIM) was provided with a budget of RM13.34 million (approx. US$3.41 million) this year to spur research and development in support of the timber industry.

A new Bill is expected to be tabled during the next sitting of Parliament to expand the functions of FRIM allowing it to become more involved in timber industry research, development and commercialisation.

In related news the Ministry of Natural Resources and Environment has allocated RM 25.99 million (approx. US$6.65 million) for projects on forests rehabilitation and preservation in Peninsular Malaysia for the current financial year.

New Wildlife department for Sarawak

Sarawak Chief Minister, Adenan Satem, has proposed establishing a Wildlife Department to enhance efficiency in the conservation of wildlife. Currently in Sarawak wildlife management is the responsibility of the Forestry Department.

The Sarawak State government has targeted six million hectares of land in the State as permanent forests and one million hectares as totally protected areas (TPAs). To-date the state has 4.35 million hectares or 72.5% of the State land permanent forests and 0.85 million hectares as TPAs.

Sarawak companies to secure initial certification by 2017

To sustain State forest resources the Chief Minister of Sarawak said the target is to have the six major timber companies in the state have at least one of their Forest Management Units (FMU) certified by an accredited certification body by 2017.

To-date 33 forest timber licensees with an area of about 2.5 million hectares have indicated their intention to be certified. As an incentive, 60-year tenures will be granted for certified areas.

Indonesia

Re-evaluation of SVLK exemptions

Indonesia's Minister of Trade has said his ministry was re-evaluating its policy on the SVLK.

The current Regulation No. 89 / M-DAG / PER / 10/2015 on the export of wood products allows certain products to be exported without being certified. The rationale behind this was that up-stream production (logs and sawnwood for example) were already certified.

The Minister said the re-evaluation was being undertaken because overseas buyers of Indonesian wood products prefer to import V-legal wood products which satisfy import regulations in their own countries.

News of the re-evaluation of the trade ministry regulation exempting some products from SVLK certification brought a sharp response from furniture and handicraft industries.

The Association of Indonesian Furniture and Handicraft (AMKRI) has said it will reject any revision of the trade regulation saying such a move will be detrimental to the interests of downstream product manufacturers.

The Association reasons that it is just too costly for most enterprises to obtain SVLK certification and that they cannot pass on the high costs to buyers.

The re-evaluation will determine the pros and cons of the current regulation and a quick decision seems likely.

Cut in corporate tax to stimulate investment

Stimulating domestic investment and attracting foreign investment in the wood processing sector is a major aim of the government. In support of this aim Indonesia plans to lower corporate taxes by 5% to 20%.

A 20% tax rate is considered a very competitive rate and in line with rates in other ASEAN countries. Eventually the rate will be cut to 17.5% according to government statements.

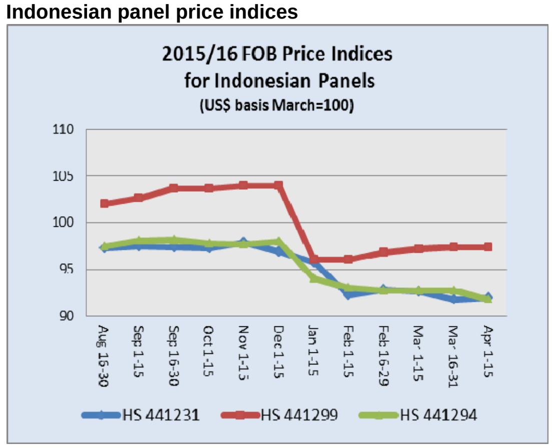
Growth depends on continued reform

The latest 'East Asia and Pacific Economic Report' from the World Bank forecasts that Indonesia could achieve a 5.1% growth in 2016. This could rise to 5.3% in 2017 if the government continues with its efforts to reform the economy.

World Bank economist, Sudhir Shetty, said the country has an ambitious programme and packages of support which should lead to higher investment. However, the forecast growth for the Indonesian economy is lower than in the Philippines and Vietnam where growth could top 6% annually.

To-date the Indonesian government has announced a swath of reforms aimed at facilitating and simplifying procedures for both domestic and foreign investors.

Indonesian panel price indices



Data source: License Information Unit in http://silk.dephut.go.id/

Myanmar

Annual Allowable or Approved cut?

According to private sector sources MTE will harvest 15,000 cubic tons of teak logs and 500,000 cubic tons of hardwood logs this year. Analysts note that a new term 'Annual Approved Cut' has been introduced and that the tonnage mentioned is below the Annual Allowable Cut of 18,000 cubic ton for teak.

However, there has been no official statement from MTE on this new terminology. In Myanmar, AAC has been understood as Annual Allowable Cut for many years so this is the first time Annual Approved Cut (AAC) has been mentioned.

Teak and hardwood sales suspended for New Year

MTE will not hold any sales in April because of Thingya celebrations. Thingyan, which means "transit of the Sun from Pisces to Aries" is Myanmar's New Year Water Festival and is celebrated in mid-April (the Burmese month of Tagu). Thingyan is a Buddhist festival celebrated over a period of four to five days, culminating in the New Year.

More calls for logging ban

Irrawaddy Online Media have reported a press conference called by ALARM, a domestic NGO. At the event, Oliver Springate-Banginski, a faculty member of the University of East Anglia, UK, whose primary research interest is the political economy/political ecology of forest governance reform in developing countries, urged the government to introduce a logging ban because of the extent of deforestation and forest degradation.

According to ALARM, within Myanmar's Permanent Forest Reserve of 174,000 square kilometres (2014), prime forest occupies 27%, 'poor' forest at 55%, another 15% has no forest cover. A further 2% is plantations with the balance being rivers and lakes.

The Chairman of ALARM, Win Myo Thu, urged the new government to introduce a system of forest monitoring in which ordinary people can participate.

A report from ALARM recommends upgrading the capacity of the Forestry Department, eliminating the Myanma Timber Enterprise (MTE) and State Owned Enterprises and establishing a timber legality monitoring system.

Myanmar has started work on forest certification and a working group will launch a TLAS Gap Analysis with assistance of the EU FLEGT Facility and FAO.

India

Plywood market outlook report

Late last year Businesswire released a report 'India Plywood Market Outlook to 2019 - Increasing Households and Rising Commercial Space to Shape Future Growth' which offers an analysis of the plywood market in India.

The report covers various aspects such as plywood market size, segmentation on the basis of organised and un-organised sector, regional demand and distribution channels and types of plywood in demand.

The report offers and analysis of the plywood market in India looking at drivers and restraints to growth, government regulations, trends and developments, the competitive landscape and company profiles of major players.

The press release for Businesswire says "the Indian plywood industry is undergoing a transformational shift from unorganised market to the organised. An increased willingness to spend on branded plywood amongst middle class has been noted in the recent years which implied greater importance being given to the quality of the product.'

See:
http://www.businesswire.com/news/home/20150928006226/en/Research-Markets-India-Plywood-Market-Outlook-2015-2019

Foreign investment in Indian real estate increased by a third in 2015

In a recent report entitled "Opportunities for foreign investors in Indian Real Estate", the global real estate consultancy Cushman and Wakefield has reported that the total private equity investments from foreign funds in Indian real estate increased 33%, from US$ 1,676 million (approx. INR 11,306 crores) in 2014 to US$ 2,220 million (approx. INR 14,974 crores) in 2015.

Mumbai accounted for about 35% of the total foreign investments in 2015, followed by Delhi NCR.

The press release from Cushman and Wakefield says "The three large cities; Mumbai, Bengaluru and Delhi-NCR continue to attract the highest investments in India and account for about 75% of these investments.

However, with government initiatives to de-stress these cities, relaxed FDI norms and focus to improve infrastructure across the country, other cities in India are likely to witness rise in investments going forward. These initiatives have made India as one of the largest markets for real estate investments offering a huge potential for foreign investors that were largely restricted until now."

See:
http://www.cushmanwakefield.co.in/en-gb/news/2016/03/foreign-pe-investments-in-indian-real-estate/

Imported plantation teak prices

Prices for imported plantation teak remain as previously reported.

	US$ per cu.m C&F
Angola logs	459-574
Belize logs	350-400
Benin logs	290-614
Benin sawn	530-872
Brazil logs	321-665
Brazil squares	370-556
Cameroon logs	405- 616
Colombia logs	426-775
Congo D. R. logs	450-761
Costa Rica logs	320-780
Côte d'Ivoire logs	289-756
Ecuador squares	254-564
El-Salvador logs	399-732
Ghana logs	276-434
Guatemala logs	360-451
Guyana logs	300-450
Kenya logs	515-876
Laos logs	300-605
Liberia logs	265-460
Malaysian logs	225-516
Mexican logs	515
Nicaragua logs	402-505
Nigeria squares	321-405
Panama logs	368-430
PNG logs	443-575
Sudan logs	488-857

Tanzania teak, sawn	307-613
Thailand logs	511-700
Togo logs	354-590
Trinidad and Tobago logs	557-680
Uganda logs	411-576
Uganda Teak sawn	680-900

Variations are based on quality, length and average girth

Prices for locally sawn hardwoods

Prices remain unchanged as increased imports of sawn hardwoods have had a stabilising impact on the market. On the other hand, sawmills utilising domestic logs are finding it difficult to secure adequate supplies.

Sawnwood Ex-mill	Rs per cu.ft
Merbau	2100-2250
Balau	1750-1850
Resak	1200-1400
Kapur	1750-1850
Kempas	1200-1300
Red Meranti	1200-1350
Radiata pine AD	750-850
Whitewood	750-850

Variations are based on quality, length and average girth

Prices for imported sawnwood

Prices remain unchanged from two weeks earlier.

Sawnwood, (Ex-warehouse) (KD)	Rs per ft^3
Beech	1250-1350
Sycamore	1500-1650
Red oak	1500-1650
White Oak	2100-2150
American Walnut	3800-4000
Hemlock clear grade	1300-1400
Hemlock AB grade	1250-1300
Western Red Cedar	1650-1850
Douglas Fir	1350-1450

Price variations depend mainly on length and cross section

Myanmar teak flitches resawn in India

The flow of sawnwood and flitches from Myanmar continues and prices are stable at present.

Sawnwood (Ex-mill)	Rs. per cu.ft
Myanmar Teak (AD)	
Export Grade F.E.Q.	8000-15000
Teak A grade	6500-7500
Teak B grade	5000-5500
Plantation Teak FAS grade	4000-4500

Price variations depend mainly on length and cross section

Plywood

Prices for domestically manufactured plywood have been raised significantly.

Prices for WBP Marine grade plywood from domestic mills

Plywood,	Rs. per sq.ft
Ex-warehouse,(MR Quality)	
4mm	41.55
6mm	55.00
9mm	70.00
12mm	86.00
15mm	114.50
18mm	120.00

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.21.00	Rs.31.00
6mm	Rs.31.80	Rs.40.00
9mm	Rs.40.00	Rs.48.50
12mm	Rs.49.00	Rs.58.50
15mm	Rs.59.50	RS.71.50
19mm	Rs.7.80	Rs.80.00
5mm Flexible ply	Rs.42.00	

Mangrove institution first of its kind in India

The Maharashtra government has decided to establish a Mangrove Conservation Institute, a dedicated body for the conservation of mangroves across the state. In its latest budget the state government allocated Rs.1150 million for the new institute.

This will be first institution of its kind in the country dedicated to the conservation of mangroves and will play an important role in the protection and conservation of an ecologically sensitive zone.

An action plan for conservation and protection as well as the generation of employment opportunities and business activities is proposed.

Brazil

Australian red cedar has guaranteed domestic market

Domestically grown Australian red cedar (*Toona ciliate*, one of Australia's few native deciduous trees) is gaining popularity in Brazil. This timber is also known as toon or toona (also applied to other members of the genus Toona), Australian red cedar, Burma cedar, Indian cedar, Moulmein cedar and Queensland red cedar. It is also sometimes called Indian mahogany.

Australian red cedar grown in Brazil has started to replace high value native timbers such as Brazilian cedar (*Cedrela fissilis*) and mahogany (*Swietenia macrophylla*).

The domestic market for sawnwood of around 25 million cubic metres can readily absorb timber from plantation thinnings of red cedar which can be used for fine finish products in civil construction such as boards and batten panelling, doors, windows and furniture. Logs can also be used to produce decorative veneers.

Australian red cedar harvested at 15 years when trees are over 50 cm in diameter. Thinnings of 8 year old cedar generate an early financial return.

Reports suggest that thinnings from one hectare of plantation can produce around 30 cu.m of sawnwood. Currently, sawnwood produced from thinnings attracts a price in the region of R$ 1,500 per cu.m.

One hectare of mature logs at the final harvest is said to generate around 100 cu.m of sawnwood.

CIPEM and state representatives discuss coordinated action to improve sector productivity

The state of Mato Grosso is one of the largest timber producers from natural forests. The area under sustainable forest management in the state is expected to increase from 2.8 million ha. to 6 million ha. in the coming years according to the Center for Timber Producers and Exporters of the state of Mato Grosso (CIPEM).

At a recent meeting bringing together trade unions associated with CIPEM and State government representatives the need for coordinated action to improve sector productivity was discussed. To achieve this objective the State government proposed a partnership with CIPEM so ways can be found to add value to production from native forests.

First two months 2016 export performance

According to the Brazilian Tree Industry Association (IBÁ), the volume of wood-based panels exported in the first two months of 2016 amounted to 124,000 cu.m, a 70% increase over the same period last year.

Pulp exports grew to 2.2 million tonnes, a 25.6% increase over the same period in 2015. On the other hand, paper exports remained unchanged at 316,000 tonnes for January and February 2016.

Total earnings from the export of wood-based panels, pulp and paper in the first two months of 2016 amounted to US$1.4 billion, a 19.7% increase compared to the same period in 2015.

Pulp production reached 3 million tonnes for the two months of January and February 2016, a 9.4% increase year on year. The volume of paper production increased 1.4%, reaching 1.7 million tonnes compared to the same period in 2015.

Domestic sales of wood-based panels totaled 961,000 cu.m in the first two months 2016, 8% lower compared to the same period last year. First two months' domestic sales of paper totalled 866,000 tonnes, 3.6% higher year on year.

Brazil continues fight against plywood duty

The Brazilian Association of Mechanically-Processed Timber Industry (ABIMCI) has consistently waged battle with the US in recent years to remove tariffs on Brazilian plywood.

ABIMCI has, once again, filed a formal petition with the office of the United States Trade Representative asking for a review the status of the Brazilian plywood within the Generalized System of Preferences (GSP). Since 2005, Brazilian softwood plywood exports to the US have attracted an 8% duty which, says ABIMCI, undermines the competitiveness of Brazilian plywood.

ABIMCI filed new petition at the beginning of April this year with the US government requesting the re-designation of Brazilian pine plywood within GSP. A similar application was denied last year. ABIMCI says it filed the petition again in order to promote fair competition among market players.

Domestic Sawnwood Prices

Brazil sawnwood, domestic (Green ex-mill)	US$ per m^3
Ipé	674
Jatoba	334
Massaranduba	308
Muiracatiara	321
Angelim Vermelho	282
Mixed red and white	179
Eucalyptus (AD)	164
Pine (AD)	117
Pine (KD)	132

Source: STCP Data Bank

Domestic Plywood Prices (excl. taxes)

Parica	US$ per m^3
4mm WBP	451
10mm WBP	356
15mm WBP	310
4mm MR	405
10mm MR	300
15mm MR	277

Prices do not include taxes
Source: STCP Data Bank

Domestic Log Prices

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	142
Jatoba	80
Massaranduba	83
Miiracatiara	85
Angelim Vermelho	78
Mixed redwood and white woods	68

Source: STCP Data Bank

Prices For Other Panel Products

Domestic ex-mill Prices	US$ per m^3
15mm MDParticleboard	199
15mm MDF	270

Source: STCP Data Bank

Export Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB	US$ per m^3
Ipe	1425
Jatoba	938
Massaranduba	743
Muiracatiara	741
Pine (KD)	200

FOB Belém/PA; Paranaguá/PR; Navegantes/SC and Itajaí/SC Ports.

High quality wood (no cracks / without knots) / Measuring 2,50 m in length; 15 cm wide; and 30 mm thick.

Source: STCP Data Bank

Export Plywood Prices

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	313
12mm C/CC (WBP)	285
15mm C/CC (WBP)	282
18mm C/CC (WBP)	279

Source: STCP Data Bank

Export Prices For Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Decking Boards	Ipê	2,662
	Jatoba	1,567

Source: STCP Data Bank

Peru

Tackling illegal logging in Ucayali

Cesar Fourment Paredes, the High Commissioner for Affairs to Combat Illegal Logging within the Council of Ministers, has announced that his office will contribute to the implementation and development of projects against illegal harvesting in Ucayali.

He pointed to the need for design of a systematic procedure involving indigenous communities who can assist in monitoring forest operations. The Commissioner said efforts will be made to contribute to the on-going pilot projects in Ucayali run by the US based Rainforest Foundation.

The Commissioner said support will be available for the development of a multi-sectoral and intergovernmental forest monitoring system utilising community skills and the latest technologies. The project will harness the knowledge of indigenous communities and satellite imagery.

Geo-information for protected areas

At the beginning of this year the first early warning Geo-information (SAT-GI) project for protected areas was launched. This project aims to counter illegal harvesting in the Permanent Production Forests and Tambopata National Reserve in Madre de Dios.

This system will utilise information from aero-optical satellite imagery (Landsat, SENTINEL-2A) and radar (Sentinel-1A, UAVSAR-NASA / JPL-Caltech).

Results will be sent directly to the Servicio Nacional de Áreas Naturales por el Estado (SERNANP) for analysis of changes in land use and of illegal harvesting. Reports will be provided every 15 days if weather conditions are favorable. It is expected that the methods adopted in this initiative will have application in other areas threatened by illegal activities.

Economy on sound footing, interest rates unchanged in April

The Central Reserve Bank of Peru held interest rates steady for a second consecutive month low inflation and a strengthening of the domestic currency provided policy makers with more flexibility.

The key interest rate was kept at 4.25% for April. In announcing the decision to hold rates steady the Bank said falling food and utility prices, a stronger Sol and positive growth expectations meant a rate rise was not yet required.

See:
http://www.bcrp.gob.pe/docs/Transparencia/Notas-Informativas/2016/LkdkT_dfkrk-re456ldl_yekdk-p34md.pdf

Export Sawnwood Prices

Peru Sawnwood, FOB Callao Port	US$ per m^3
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 Sawnwood, FOB Callao Port (cont.)	US$ per m^3
Virola 1-2" thick, length 6'-12' KD	
Grade 1, Mexican market	471-555
Grade 2, Mexican market	421-459
Cumaru 4" thick, 6'-11' length KD	
Central American market	863-896
Asian market	911-963
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	623-653
Marupa (simarouba) 1", 6-13 length Asian market	405-449

Domestic Sawnwood Prices

Peru sawnwood, domestic	US$ per m^3
Mahogany	-
Virola	186-217
Spanish Cedar	305-364
Marupa (simarouba)	158-174

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		389-412
Lupuna plywood	B/C 15mm	421-451
	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 (excl. taxes)

Iquitos mills	US$ per m3
122 x 244 x 4mm	508
122 x 244 x 6mm	513

122 x 244 x 8mm	522
122 x 244 x 12mm	523
Pucallpa mills	
122 x 244 x 4mm	503
122 x 244 x 6mm	511
122 x 244 x 8mm	513

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

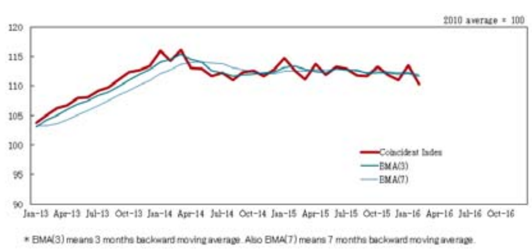
Peru, FOB strips for parquet		US$ per m^3
Cabreuva/estoraque KD12% S4S, Asian market		1296-138
Cumaru KD, S4S	Swedish market	950-1094
	Asian market	1033-1069
Cumaru decking, AD, S4S E4S, US market		1188-1222
Pumaquiro KD Gr. 1, C&B, Mexican market		479-554
Quinilla KD, S4S 2x10x62cm, Asian market		493-519
	2x13x75cm, Asian market	732-815

Japan

Business confidence slips in face of uncertainty in global markets

The Bank of Japan's (BoJ) quarterly survey of business sentiment at large sized enterprises fell sharply in the first quarter of 2016 compared to the final quarter of 2015. The first quarter index on sentiment amongst the large firms was the lowest since 2013. In its report the BoJ says the outlook by large companies was for a further fall in confidence.

Weakness in the manufacturing sector raises the likelihood of the BoJ further easing monetary policy, it also underlines the fact that the adoption of negative interest rates has not yet revived business sentiment.

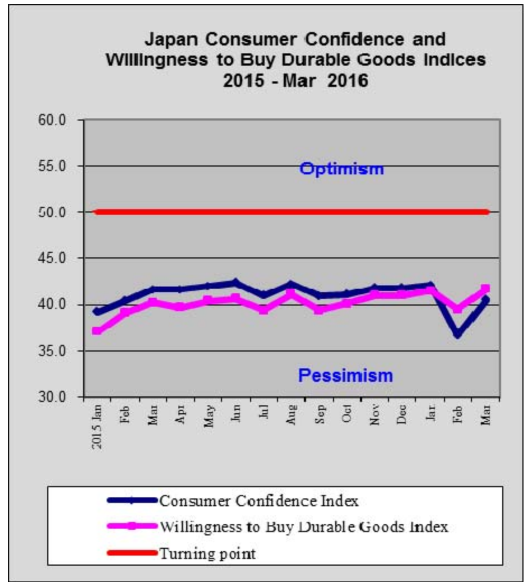


Source: Bank of Japan

Consumer confidence rebounds confounding observers

In its report on March consumer confidence the Cabinet Office says overall sentiment rose after dropping for the two previous quarters. This upswing came as a surprise to most analysts.

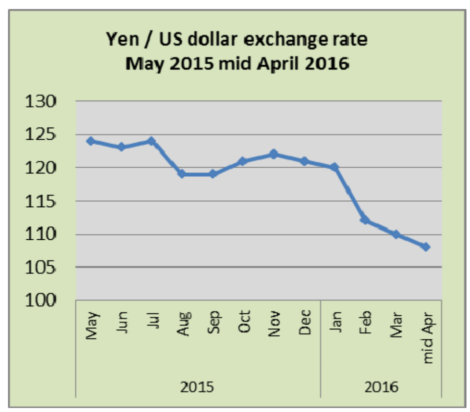
The overall Livelihood Index improved in March from a quarter earlier as did expectations for Income Growth which came in at 40.6 versus 39.8 in February. The Willingness to Buy Durable Goods index also improved but all indices are below the threshold indicating continued pessimism.



Source: Cabinet Office, Japan

As anticipated, yen continues to strengthen

The yen has surged against the US dollar over the past month rising to the highest level since 2014. The strengthening of the yen has become a major challenge for the BoJ which has, over the past 12 months, done all it could to keep the yen at around 115 to the dollar.



The Japanese currency has gained about 11% against the US dollar in just 3 months and the government is concerned that if the yen continues to strengthen the competitiveness of Japanese exports will be undermined.

OECD 'Territorial Review of Japan'

In early April the Secretary-General of the OECD was in Japan to launch the OECD's Territorial Review of Japan. This report offers an insightful review of the challenges and opportunities for the Japanese economy.

In a press release the OECD reports "Japan's future prosperity depends on its ability to tackle two substantial and intertwined challenges: the first is demographic change, and the second relates to productivity.

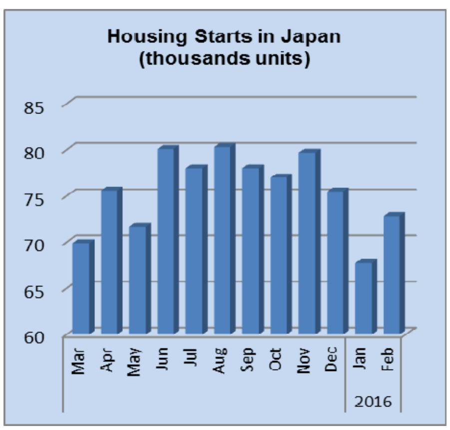
With the labour force shrinking as a share of the total population, output per worker will have to rise even faster if per capita incomes are to increase. This will require efforts to stimulate innovation and entrepreneurship and to strengthen the international integration of the Japanese economy.

Over the last decade, productivity performance has improved relative to other OECD economies, but this has been insufficient to offset the impact of demographic change. Japan's income per capita fell due to a number of factors, but primarily it has been driven by a demographic effect – the decline in the working-age share of the population.

The share of 15-64 year olds in the total population, which peaked at almost 70% in the early 1990s, is now about 61% and is projected to fall to around 51% at mid-century. A rapidly shrinking labour force and a rapidly rising dependency ratio imply that even productivity growth of 2% or more will deliver very low aggregate or per capita growth."

For more see:
http://www.oecd.org/about/secretary-general/launch-of-the-2016-oecd-territorial-review-of-japan.htm
and
http://www.oecd.org/regional/regional-policy/Japan-Policy-Highlights.pdf

Land prices in major cities surge
Every March results of the land price survey by the Ministry of land, Infrastructure and Transport are released. The most recent report says nationwide land prices in Japan have risen for the first time in eight years.



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

The main driver of this change was the steep rise in investments especially for accommodation for overseas tourists. Naturally, the biggest increases in land prices were in Tokyo and the other major cities.

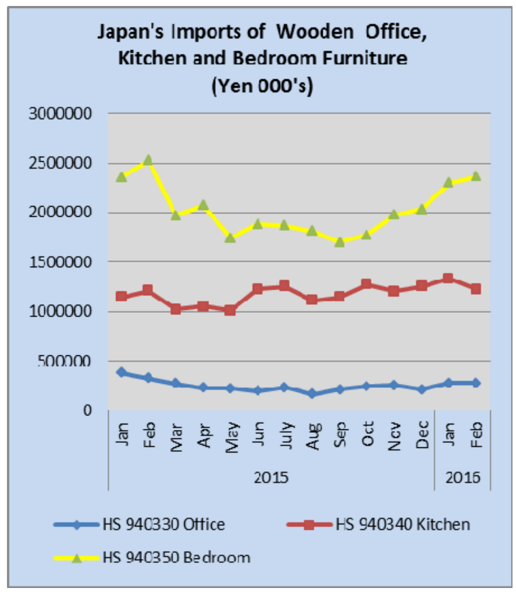
In early 2016 the Bank of Japan pushed down interest rates and this has encouraged speculative real estate purchases. In contrast, land prices fell in most rural areas.

Overall, the report indicates that the average price of land nationwide rose by a mere 0.1% as the steep rise in urban prices was pulled down by an equally sharp drop in rural land prices.

Japan's furniture imports
The value of Japan's imports of wooden office, kitchen and bedroom furniture dipped in the first half of the 2015 and then revesed direction (see graphic below).

From mid 2015 the yen value of bedroom furniture imports steadily increased and, while not so robust, imports of kitchen furniture edged up. Japan's imports of office furniture move in a narow band and 2015 saw a steady decline in the value of imports until mid year when a sligt up-tick was observed.

While data for January and February furniture imports are available it is difficult to detemine any trend as imports during this period were affected by the New Year holidays and a genearl slowing in house building because of the winter weather.



Data source: Ministry of Finance, Japan

Office furniture imports (HS 940330)
Compared to January, the level of imports of office furniture in February this year was flat. China remains as the main supplier of office furniture to Japan accounting for just over half of all wooden office furniture imports.

European suppliers capture a reasonable share of Japan's office furniture imports with Poland and Portugal being the second and third ranked supplier to Japan.

Year on year February 2016 office furniture imports were down 14% but the level of imports in February 2015 was exceptionally high. Only when March statistics become available will it be possible to discern any trend.

Office furniture imports

	Imports Feb 2016 Unit 1,000 Yen
S. Korea	903
China	142730
Taiwan P.o.C	14702
Vietnam	5986
Thailand	6271
Malaysia	3444
Indonesia	4747
Denmark	3243
UK	1125
Netherlands	883
France	-
Germany	369
Switzerland	-
Portugal	35177
Italy	8955
Poland	40063
Lithuania	912
Czech Rep.	-
Slovakia	1015
CANADA	640
USA	8236
Total	279401

Data source: Ministry of Finance, Japan

Kitchen furniture imports (HS 940340)

	Imports, Feb 2016 Unit 1,000 Yen
China	246623
Taiwan P.o.C	721
Vietnam	478823
Thailand	26163
Malaysia	25378
Philippines	275722
Indonesia	129506
UK	350
France	7141
Germany	27677
Italy	630
Poland	536
Austria	1280
Canada	2887
USA	2928
Total	1226365

Data source: Ministry of Finance, Japan

Kitchen furniture imports

The top four suppliers of kitchen furniture to Japan accounted for 92% of February 2016 imports. Vietnam alone accounted for 39% followed by the Philippines 22.5%, China 20% and Indonesia 11%.

Year on year February 2016 imports of kitchen furniture were up slightly but compared to levels in January this year an 8% decline was observed. Of the four main suppliers in February Vietnam posted a 14% drop, imports from the Philippines were flat as they were from Indonesia and suppliers in China posted gains in February.

Bedroom furniture imports (HS 940350)

Japan's imports of bedroom furniture continue to trend higher. Since September 2015 when the turn-around in imports became apparent until February this year Japan's bedroom furniture imports have risen 39%.

The top three suppliers of bedroom furniture in February this year accounted for over 90% of all Japan's wooden bedroom furniture imports.

Bedroom furniture imports

	Imports, Feb 2016 Unit 1,000 Yen
China	1146285
Taiwan P.o.C	29673
Vietnam	887358
Thailand	116800
Malaysia	74369
Indonesia	17379
Sweden	1096
Denmark	2052
Belgium	276
France	578
Spain	211
Italy	8797
Poland	52294
Russia	2000
Romania	5269
Lithuania	984
Bosnia/Herzegovina	2586
Slovakia	7124
Slovakia	5659
USA	1443
Total	2362233

Data source: Ministry of Finance, Japan

China is the main supplier at 48.5% but saw the value of shipments to Japan drop about 15%. Vietnam, the second ranked supplier to Japan posted a 32% gain in February shipment compared to a month earlier.

The third ranked supplier Thailand saw February shipments to Japan sky-rocket by around 60%. However Thailand only accounted for around 5% of Japan's February wooden bedroom furniture imports

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 reproduce news on the Japanese market precisely as it appears in the JLR.

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

Wood demand projection for 2016

The Forestry Agency held the meeting for wood demand projection for the first three quarter of 2016 by items and by source. Presupposition is the consumption tax increase would come in 2017.

According to the projection, logs, plywood and laminated lumber would increase compared to 2015 but imported lumber would decrease for the second and third quarter in 2016. Projection on North American logs, European lumber, radiate pine logs and lumber from New Zealand and Chile, imported plywood for the first half of 2016 was revised downward from former projection made in December last year.

Domestic logs for lumber manufacturing are expected to increase quarter by quarter this year. For 0lywood manufacturing, total year demand would be lower than 2015.

Total log import in 2016 from North America, South Sea, Russia and New Zealand would increase after two years since the first quarter of 2014.

On imported lumber, because of low operations of precutting plants, the importers are cautious for future purchase. Lumber from North American would decline for the first half then climb some in the second half.

On European lumber, because of production curtailment due to log supply tightness by major sawmills, the volume would decline for the second and third quarter.

On radiata pine logs and lumber from New Zealand and Chile, which is mainly used for crating lumber, by slow demand and excessive inventories, import for the first half would be less than 2015.

Domestic softwood plywood demand would continue expanding for both housing and general construction so the increase would continue through 2016.Imported plywood would decrease in the first quarter then by active demand for concrete forming panel and floor base, it would increase later. Structural laminated lumber demand would increase in every quarter but oversupply is forecasted for the third quarter.

Forecast of housing starts by 13 think tanks average for 2015 is 909,000 units and for 2016 is 928,000 units.

Import of South Sea (tropical) logs in 2015

Import of tropical hardwood logs in 2015 was 248,100 cbms, 7.4% less than 2014. This is the lowest record ever. Log supply from Sarawak, Malaysia considerably decreased and the volume from Sarawak is less than Sabah, Malaysia.

Sarawak supplied of more than six million cbms at peak time of early 1990 then it has been declining year after year and now it is only 89,000 cbms. In tropical hardwood logs, 243,300 cbms came from South Sea countries then 4,800 cbms came from Africa. In South Sea sources, Sarawak declined then Sabah increased. Other sources like PNG and Solomon Islands increased and covered shortfall of Sarawak.

In Malaysia, log supply is stable in Sabah while Sarawak supply is largely affected by new regulations on illegal harvest.

Also, India's presence is large factor in Sarawak. India buys about 65% of Sarawak logs. India was tired of Sky rocketing Sarawak log price and went to PNG and Solomon Islands then Sarawak supply sources got bearish instantly. India has not come to Sabah yet so that the export log prices are stable in Sabah while Sarawak market depends on India's purchase. For Japan, Sabah supply can supplement Sarawak's unstable supply.

Plywood

Busy demand for domestic softwood plywood up until last February settled down for a time being in March but the manufacturers ' inventories of structural panels are very low at about 100,000 cbms, 0.4-0.5 months.

Some mills run on one week inventories so they are not able to accept orders from wholesalers. Thus, the shipments from the manufacturers are slowing but they ship out what they produce.

Despite slow housing season in winter, orders from large builders, which put up units built for sale, are increasing, which keeps precutting plants busy.

With this firm demand, plywood mills reduced production of non-structural panels in February and March to catch up delayed orders of special length and tongue and groove panels.

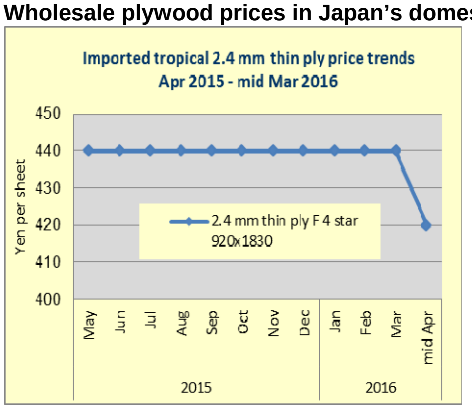
The marketers are worried about what would happen when the demand increase sharply like last year with this low inventories.

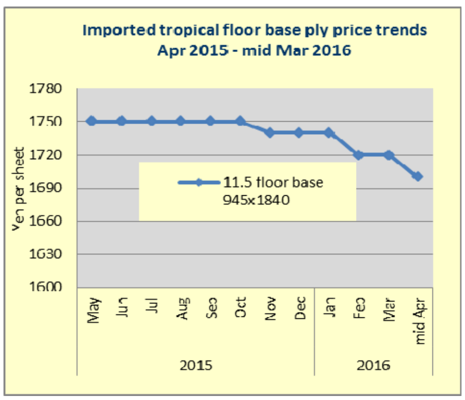
Imported plywood market shows some sign of bottoming out. In January and February the market further dropped by strong yen and the importers and wholesalers had to sell for inventory disposition and maintain the sales amount.

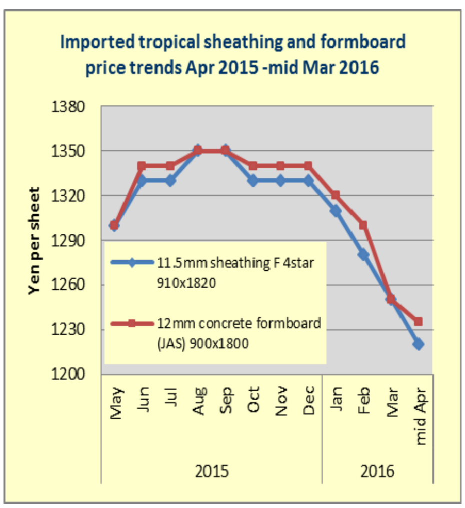
This was money losing business and they cannot afford to keep such unjust business so March was quiet month with the importers declining to accept low purchase offers any longer. The shipment from port warehouses has been steady.

Importers and wholesalers on-hand inventories are low. Meantime, the largest Malaysian supplier announced to stop the supply for Japan for some time so it looks like whole situation has been changing so the second quarter may be a new ball game for this business.

Wholesale plywood prices in Japan's domestic market







Large Malaysian ply-mill to cut shipments to Japan

Shing Yang, the largest plywood manufacturer for Japan in Malaysia decided to stop sales of panels like concrete forming temporarily. The reason is to restore deteriorating market in Japan.

The president of Shing Yang commented that this may be unusual measure to restore Japan market but the plan is to reduce the production by 30%. The main target is to reduce total inventories in Japan down to proper level and the market of imported plywood gets back to normal level.

Imported plywood market in Japan has been suffering poor demand since August last year and export prices have kept dropping.

Total supply in 2015 was 17.3% less than 2014 but the market stayed stagnant without seeing the bottom for more than six months. Orders for Malaysian plywood manufacturers are down by
about 20%. The market in Japan further deteriorated in 2016 so the orders to Malaysia dropped further.
In this shrinking market, the export prices of 3x6 JAS coated concrete forming panel are down by about $50 compared to November last year. Fortunately Malaysian Ringgit was weak to cover lower dollar export prices but now Ringgit is rebounding so minor mills are suffering loss.

The president stated that it is not reasonable thinking that the export prices should be reduce according to Japanese market prices and tired of looking at endless downward spiral of Japan market, Shing Yang decided to withhold the supply until the inventories in Japan are properly reduced and the market improves markedly.

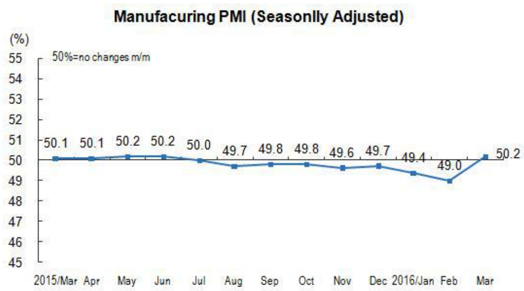
Plywood mills in Sarawak are facing severe log supply shortage after one year by tight control of illegal harvest law so cost of logs climbed considerably and it is urgent matter to improve profitability.

Shing Yang considers shifting from limited sources of natural grown trees to low cost planted trees then also reviews average sales prices by looking at other markets like India, Australia, the U.S.A., Africa and South America.

China

PMI for large enterprises rises above 50

According to China's National Bureau of Statistics in March this year the Manufacturing Purchasing Managers Index (PMI) was 50.2, up from a month earlier and just making it back into the expansion range (i.e. over 50).



Source: National Bureau of Statistics, China

The PMI of large-sized enterprises was 51.5, an increase of 1.6 points month-on-month and was above the negative threshold. That of medium-sized enterprises was 49.1, slightly better than a month earlier but still in negative territory. A similar pattern was recorded for small sized enterprises.

For the large enterprises, amongst the five sub-indices comprising the PMI, the production index, new orders index, supplier delivery time index were higher than the threshold. However, the employed person and main raw materials inventory indices were lower.

Review of China's forest industry output

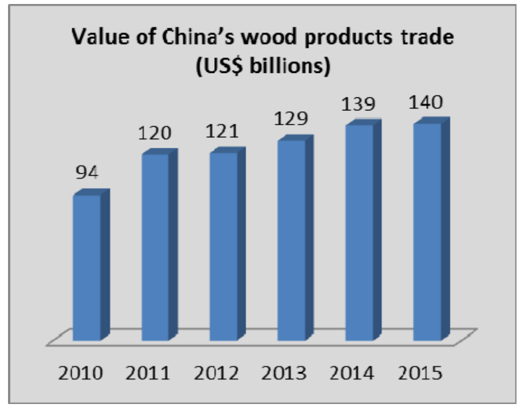
The total value of China's forest industry output has been increasing and the structure and size of the sector changed during Twelfth Five Year Plan period.

The total output value of China's forest industry grew to RMB5.81 trillion in 2015 from RMB2.28 trillion in 2010 representing an annual growth of over 20%. It is forecast that the total value of China's forestry industry output will exceed RMB9 trillion by 2020.

Data source: China Forest Product Industry Association

In the period of the 12th 5 year plan the structure of the primary, secondary and tertiary forest industry sectors changed from a ratio of 39:52:9 in 2010 to 33:51:16 in 2015. In 2015 it is estimated that over 52 million of employees were depending on the forestry sector for work.

The value of China's wood products trade has increased to US$140 billion in 2015 from US$93.8 billion in 2010.

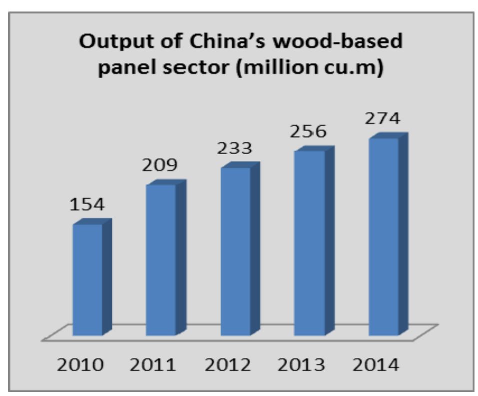


Data source: China Forest Product Industry Association

The government has prepared plans to upgrade the country's wood products industry. Enterprises will be encouraged to accelerate transformation to added value production, to upgrade machinery and equipment and adopt high-tech, environmentally sound practices.

Production of wood-based panel

There are over 10,000 wood-based panel enterprises in China with over 3 million employees. The average output of these wood-based panel industries exceeded 25,000 cubic metres and the annual growth in output was around 16%.

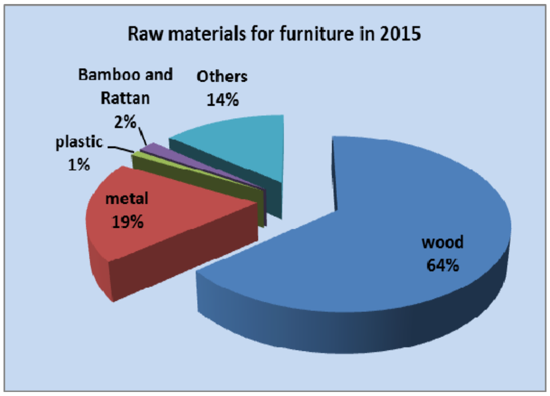


Data source: China Forest Product Industry Association

Production of furniture in 2015

According to the China Furniture Association, the value of China's furniture output increased 0.4% year on year and the 2015 income generated by the main enterprises rose 9% with a corresponding rise in profitability (+14%).

In 2015 the value of China's furniture exports rose 2% year on year to US$54.28 billion and there was an 11% decline in furniture imports.



Data source: China Furniture Association

According to Chinese analysts, bamboo and rattan furniture will play greater role in the development of the furniture industries in China. These raw materials are easier to source than timber and they are fast growing, they mature early and generate high yields of a raw material that is easy to process.

Features of China's furniture industry in 2015

Listed Chinese furniture companies performed well in 2015. They have significantly improved corporate behavior and have developed to such a level that they can secure development finance from the established financial sector. The expansion of on-line sales as a new business platform is transforming the wholesale and retail furniture sector.

Outstanding achievements had been made in the development of custom-made furniture. Homekoo, a custom-tailor furniture enterprise, was featured as one of China's most innovative companies by an American magazine. Homekoo is a model of integrated operations.

Another recent feature of the domestic furniture industry is the growth in across-industry cooperation aimed at brand establishment. Furniture enterprises have worked with household appliances, audio equipment, electronic equipment enterprises to achieve cross-industry cooperation and provide one-stop supporting services and meet the needs of consumers.

Furniture stores have provided consumers with supporting services such as home decoration design, interior furnishing, furniture, bathroom, electrical appliances, furnishings. The integration of cross-industry resources had been achieved.

China/Sweden cooperation on wood preservation

Recently, cooperation has been strengthened between the China Wood Protection Industry Association, Sweden's Wood Preserving Association and the Nordic Timber Anti-corrosion Committee. The output of China's wood preservation sector in 2015 was 3.5 million cubic metres.

China has steadily improved wood preservation research, standards, quality testing and technical training but problems still exist in the quality control.

This cooperation could promote bilateral exchange and cooperation of benefit to the wood preservation industry.

Wood products from Finland

Finnish wood products began to enter China in 2000 and stimulated development of China's wood preservation industry.

Recently a 'Wood from Finland' project was initiated as part of the Finnish national bio-economic growth plan. Under the project Finnish timber enterprises will have the opportunity to explore China's production and market and to establish business relationships with China's timber traders and wood processing enterprises.

The total value of wood product imports from Finland in 2015 was US$949 million just 1.5% of national imports. Sawnwood imports from Finland (94% of all finnish imports) amounted to 570,000 cubic metres valued at US$148 million, up 44% in volume and 32% in value year on year.

Plywood imports from Finland were 60,000 cubic metres valued at US$23 million and wood pulp imports amounted to 960,000 tonnes valued at US$649 million.

Guangzhou Yuzhu International Timber Market Wholesale Prices

	Logs	yuan/cu.m
Merbau	dia. 100 cm+	4-6000
Bangkirai	dia. 100 cm+	3200-4200
Kapur	dia. 80 cm+	2700-3000
Ulin	All grades	-
Lauan	dia. 60 cm+	-
Kempas	dia. 60 cm+	2200-3000
Teak	dia. 30-60 cm	8500-11500
	Logs	**yuan/cu.m**
Greenheart	dia. 40 cm+	-
Purpleheart	dia. 60 cm+	3000-4500
Pau rosa	dia. 60 cm+	2000-2500
Ipe	dia. 40 cm+	3200-3600
yuan per tonne		
Cocobolo	All grades	27000-40000

Sawnwood

	Sawnwood	yuan/cu.m
Makore	Grade A	7000
Zebrano	Grade A	9500-12500
Walnut	Grade A	9500-18000
Sapelli	Grade A	7000-7500
Okoume	Grade A	4300-4700
Padauk	Grade A	16500-18000
Mahogany	Grade A	7000-7500

Sawnwood		yuan/tonne
Ulin	all grades	9000-10000
Merbau	special grade	8600-9500
Lauan	special grade	4300-4500
Kapur	special grade	5000-6000
Teak	special grade	14000-20000

Sawnwood		yuan/cu.m
Cherry	FAS 2 inch	9000-11000
Black walnut	FAS 2 inch	15000-18000
Maple	FAS	8000-10000
White oak	FAS	7500-13000
Red oak	FAS	6000-8000
Finnish pine	Grade a	2600-2900

Sawnwood		yuan/cu.m
Maple	Grade A	9000-9500
Beech	Special Grade	5200
Ash	no knot	5700-6300
Basswood	no knot	2800-3300
Oak	no knot	5300-5700
Scots pine	no knot	2100

Shanghai Furen Forest Products Market Wholesale Prices

Logs All grades	000's yuan/tonne
Bois de rose	130-250
Red sandalwood	800-1800
Siam rosewood	80-300
Burma padauk	13-18
Rengas	8-10
Mai dou lai	6000-8000
Neang noun	23-36
Burma tulipwood	20-28
Cocobolo	28-120
Morado	10-15
Ebony	12-40
Trebol	3.6-8
African sandalwood	11-14

Zhangjiagang Timber Market Wholesale Prices

Logs, All grades	yuan/tonne
Sapelli	2800-3800
Kevazingo	8000-32000
Padouk de afric	2400-3100
okoume	1400-1800
Okan	2490-2850
Dibetou	2200-2500
Afrormosia	5500-6500
Wenge	4700-5500
Zingana	3400-5800
Acajou de africa	3000-3500
Ovengkol	3850-4300
Pao rosa	5900-6600
Merbau	3500-5800
Luan	1600-2400
Kapur	2020-2500
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

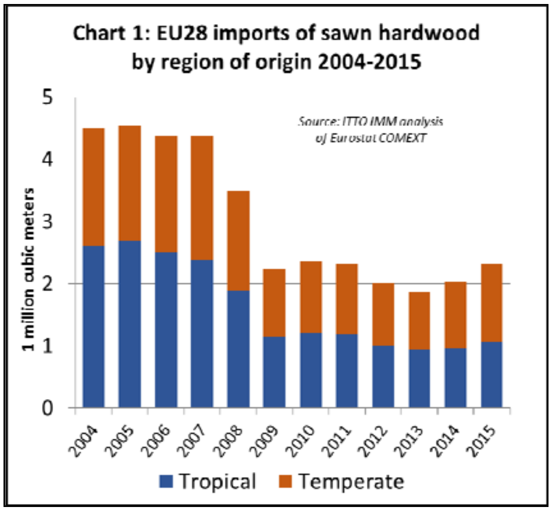
Europe

EU tropical sawn hardwood imports rose 9% in 2015

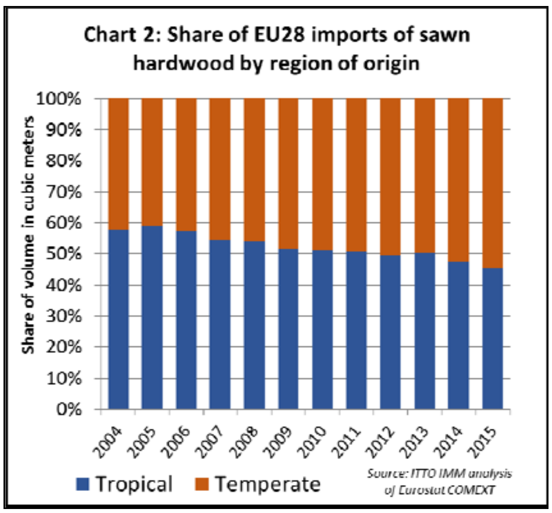
In 2015, EU imports of tropical sawn hardwood were 1.05 million cu.m, 9% more than previous year. The value of EU imports increased by 15% to Euro772 million.

The average unit value of tropical sawn hardwood imports into the EU in 2015 was Euro732 per cubic meter, up from Euro670 per cubic meter the previous year, the increase due to the euro being on average 20% weaker against the US$ in 2015 compared to 2014.

While the rise in EU imports of tropical sawn hardwood in 2015 is encouraging, the volume of imports remains at historically very low levels. Import volume in 2015 was only 40% of the level prevailing before the global financial crises and fell short even of the level between 2009 and 2011 in the immediate aftermath of the crises (Chart 1).



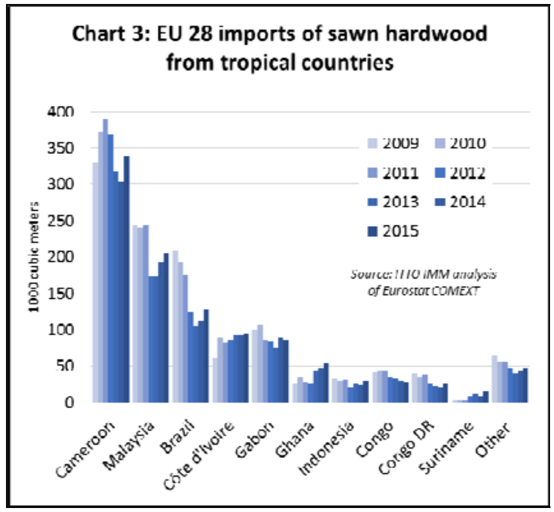
The pace of increase in import volume in 2015 was also slower than for temperate sawn hardwoods which jumped 19% to 1.26 million cu.m. The share of tropical in total EU sawn hardwood imports fell from 48% in 2014 to 46% in 2015, continuing a long term trend (Chart 2).



On the other hand, the loss of tropical wood's share in EU sawn hardwood imports is less obvious in euro value terms; tropical wood's share was 57% in 2015, the same as the previous year and not too far short of the level of 62% that prevailed before the global financial crises.

Main tropical producer countries extend their market dominance

Cameroon, Malaysia, and Brazil, Europe's top three suppliers of sawn tropical hardwood, each recorded significant growth in deliveries to the EU last year (Chart 3).



Cameroon was by far the largest single supplier of tropical sawn hardwood to the EU in 2015, accounting for almost one-third of all imports. EU imports from Cameroon were 339,000 cu.m last year, 12% more than in 2014.

There was solid growth in sales of Cameroon sawn hardwood to several EU markets in 2015 including France, Belgium, Spain, and Italy. These gains were sufficient to offset a decline in sales to the Netherlands, Germany and the UK.

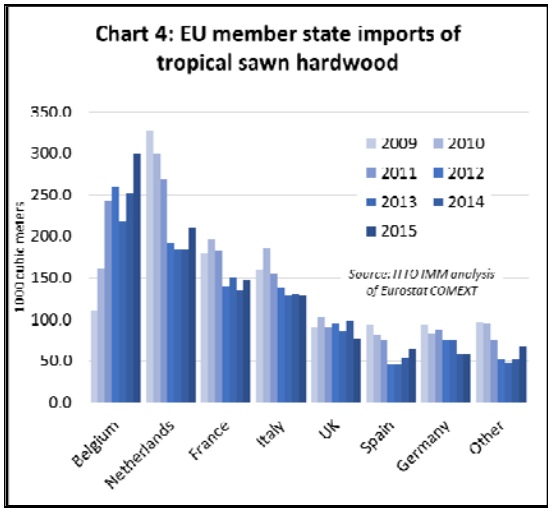
EU imports from Malaysia were up 7% to 206,000cu.m in 2015, the rise being entirely due to much higher imports by the Netherlands (although the data here is highly uncertain – see next section). Most other EU countries recorded low or declining sawn hardwood imports from Malaysia last year.

European imports of sawn tropical wood from Brazil increased 14% to 128,000 cu.m in 2015. The main driving forces behind this increase were France, Belgium and, to a lesser extent, Germany.

Of other significant producer countries, there was double-digit growth in tropical sawn hardwood imports into the EU in 2015 from Ghana (+15% to 55,000 cu.m), Indonesia (+22% to 29,000 cu.m), and the Democratic Republic of the Congo (+27% to 26,000 cu.m). However EU imports from Gabon fell 5% to 85,000 cu.m and imports from Congo declined 4% to 28,000cu.m.

Tropical wood imports recover in France and Benelux countries

The rise in EU tropical sawn hardwood imports was owing to recovery of demand in the three largest importing markets: Belgium (+19% to 299,100 cu.m), Netherlands (+14% to 210,700 cu.m) and France (+10% to 147,800cu.m). Together these three markets accounted for 62% of the EU's tropical sawn hardwood imports in 2015 (Chart 4).



By far Belgium's largest supplier of tropical sawn hardwood is Cameroon, from where the country imported 124,500 cu.m last year, 22% more than in 2014 and 304% more than in the crisis year of 2009.

Belgian imports from Gabon have also grown dramatically in the last six years, from just 3,800 cu.m in 2009 to 53,800 cu.m in 2015. As early as 2011, Gabon ousted Malaysia as Belgium's second most important supplier of tropical sawn hardwood. Malaysia is the only one among the seven top suppliers to have delivered less sawn timber to Belgium in 2015 than in 2009

Data on sawn hardwood volume imports provided by the Netherlands authorities to Eurostat is inconsistent and difficult to interpret. The data shown here has been heavily amended, based on (simplistic) assumptions that import value recorded by the Dutch authorities is accurate and unit values are likely to have remained reasonably consistent. The adjusted Netherlands data suggests a rise in tropical sawn hardwood imports in 2015, largely driven by increased trade with Malaysia.

There are reasons to believe that there might have been an increase in Netherlands imports from Malaysia in 2015. After several very depressed years, the Dutch construction sector is growing again. Meanwhile the Dutch government in 2014 finally recognised the Malaysian Timber Certification System (MTCS) as meeting their criteria for sustainable timber after many years of effort by the MTCS and Malaysian Timber Council.

This at a time when the Netherlands timber trade has made very far-reaching commitments to procurement of only certified timber products in recent years, claiming that 74% of all wood imported into the country is certified. The Dutch EUTR enforcement regime also appears to be relatively more rigorous than in some other EU countries.

In short, all these factors may have encouraged Dutch importers to buy more Malaysian timber at the expense of imports from other tropical countries less capable of delivering certified product.

It's notable that the recent apparent rise in Dutch imports of Malaysian sawn timber has been matched by a decline in imports from Cameroon.

However these comments in relation to the Netherlands are still speculative. The Malaysian export data, which seems more consistent than the Dutch import data, recorded no increase in exports of sawn hardwood to the Netherlands in 2015.

Imports of tropical sawn hardwood into France increased 9.7% to 147,800 cu.m in 2015. As in the Netherlands, there were signs of improving economic performance in France in 2015. Important market players in the French tropical timber sector, such as the tropical sawn hardwood, logs and plywood producer Rougier, reported improving demand, although still in a very competitive environment.

Cameroon and Brazil were the primary beneficiaries of the rise in French imports of sawn tropical hardwood last year. Imports from Cameroon jumped 48.9% to 46,100 cu.m,, cementing the country's position as France's leading supplier. French imports from Brazil increased 29.1% to 36,400 cu.m but are still far below the volume of 61,100 cu.m delivered by Brazil in 2009.

The Italian market for tropical sawn hardwood is still in the doldrums. Italian wood importers had started to be a little more optimistic again in 2014, but this trend did not last.

After a 2% rise in 2014, the first increase since 2010, imports fell back again last year by 1% to 129,000cu.m. The share of tropical in Italy's total imports of sawn hardwood fell from 21% to 18%. This was mainly due a significant rise in Italian imports from other EU countries, a development partly due to the fashion for oak in furniture production. Also, due to the weakness of the euro, beech and other pale European hardwoods are likely being used for mouldings in place of tropical wood and American tulipwood (imports of which also declined in 2015).

Italy's imports of tropical sawn hardwood increased from both leading supply countries in 2015. Imports were up 9.5% from Cameroon to 61,200 cu.m and 6.2% from Côte d'Ivoire to 26,500 cu.m. However these gains were offset by a sharp fall in imports from Gabon, the third most important supplier, down 29% at 23,200cu.m.

After rising in 2014, UK imports of tropical sawn hardwood fell 23% to 76,500 cu.m in 2015. Total UK imports of sawn hardwood, both temperate and tropical, declined 7.6% to 428,000cu.m in 2015. The share of tropical countries in total UK sawn hardwood imports fell from 22% in 2014 to 18% in 2015. Cameroon replaced Malaysia as the UK's largest supplier of tropical sawn hardwood in 2010 and maintained this position until 2014.

However, last year imports from Cameroon fell by 41.4% to 20,800 cu.m. In 2015, Malaysia overtook Cameroon to become the largest tropical sawn hardwood supplier to the UK despite a 17.5% decline in imports to 20,900cu.m.

The rebound in Spain's imports of tropical sawn hardwood continued last year, with imports rising 19% to 64,400 cu.m. This follows a similar gain in imports in 2014 and suggests the recovery in Spain's crisis-stricken market is becoming more sustainable.

Tropical wood also seems to be maintaining market share in Spain: in 2015 sawn hardwood from tropical countries accounted for 40% of total sawn hardwood imports up from 39% in 2009. Spain imports tropical timber primarily from Cameroon and Brazil, both of which showed growth last year, by 25.2% to 38,400cu.m and 26.9% to 10,700cu.m, respectively.

USA, the largest sawn hardwood supplier to the EU

The USA remained the single largest external supplier of sawn hardwood into the EU in 2015, but deliveries fell by 6% to 366,000 cu.m. At the same time, the EU's sawn hardwood imports from Canada fell by 23% to 24,000 cu.m.

Data compiled by the American Hardwood Export Council (AHEC) indicates that exports of U.S. sawn hardwood to the EU fell 11% in volume and 10% in dollar value last year. While exports of white oak and red oak increased slightly, there was a significant fall in exports of other U.S. hardwood species, particularly tulipwood and ash.

According to AHEC, "these declines occurred at a time when European currencies weakened sharply against the dollar and there was only slow post-recession growth in key economic sectors, like construction and furniture".

AHEC also note that concerns about future supplies of ash due to the Emerald Ash Borer, combined with uncertainty over EU rules for phytosanitary certification of American ash may have encouraged manufacturers to build up stock during 2014.

This combined with the weakening euro led to the sharp fall in exports of ash during 2015. American ash is now subject to very stringent phyto-sanitary requirements in the EU (AHEC argues too stringent) which is severely limiting opportunities for export of this species.

Increased EU imports of lower value Eastern European hardwood

A key trend in the EU sawn hardwood trade in recent years has been increased dependence on imports of lower value product from Eastern Europe, notably Ukraine, Belarus, Russia, Bosnia and Serbia.

In 2015 there were higher deliveries from the Ukraine (+37% to 350,000cu.m), Belarus (+63% to 128,000cu.m), Russia (+117% to 125,000cu.m), Bosnia (+17% to 112,000 cu.m) and Serbia (+3% to 77,000 cu.m).

Growth in import volumes was significantly higher in each case than the rise in euro-based import value, as all three countries' currencies fell dramatically against the euro in 2015. This is likely to have a decisive factor for the sharp rise in volumes from this region last year.

Much of the product arriving from Ukraine, Bosnia and Serbia is oak which remains very fashionable in the EU flooring and furniture sectors. Material from Belarus and Russia is mainly lighter lower grade hardwoods such as birch and aspen used for packaging and other industrial uses.

To some extent the rise in imports from these Eastern European countries is an inevitable result of the EU's manufacturing centre of gravity shifting from higher cost countries in the west to lower cost countries in the east. The latter are more inclined to source hardwood from neighbouring non-EU countries than from tropical countries or North America.

Regulatory changes may have been an additional factor in the case of the Ukraine. In April 2015, the Ukrainian government banned exports of logs for 10 years effective from 1 November 2015. The log export ban affects logs and poles as well as sawn wood with thickness exceeding 70 mm and over 22% moisture content. In addition to the log export ban, Ukraine added oak to the list of "rare and valuable" timber species for which controls are imposed on a wider range of secondary and tertiary processed products.

These various new regulations contributed to a significant shift in the make-up of hardwood imports into the EU from Ukraine during 2015. Ukrainian oak log deliveries to the EU plummeted to 29,000 cu.m last year, down from 82,000 cu.m in 2014. Meanwhile EU imports of Ukrainian sawn oak rose dramatically, probably a short-lived trend as importers purchased additional supplies before November 2015 to beat the extra controls on oak which are now in force.

Challenges remain despite rising tropical timber imports

While imports have been rising and some key sectors of the European economy, such as construction, furniture and flooring, are now growing slowly, these remain challenging times for the European hardwood industry.

Use of all hardwood in traditional applications in Europe, but particularly for mass-produced goods like doors and flooring, continues to come under pressure. Many consumers are still cash-strapped and, while they want the look of hardwood, they often won't pay the price for what is perceived to be a luxury product. Share continues to be lost to alternative materials perceived to be cheaper and easier to maintain. Alternatives include panel products like MDF, softwood – sometimes chemically or thermally modified or engineered - as well as laminates and plastics.

Challenges are particularly pronounced for tropical hardwood. There is a persistent "image problem", while the EU Timber Regulation together with uncertainty over the legality of product seems to be limiting EU procurement of tropical timber to a narrower range of companies, both on the importing and exporting side. Importers also continue to mention lack of supply continuity, transport problems and long lead times as factors impeding increased use of tropical timber in the EU.

Tropical wood LCA performance beats other materials

Sustainably sourced tropical timber species out-performed competitor materials in a demanding life cycle analysis project backed by the European STTC. Eric de Munck of Netherlands–based timber research body Centrum Hout led the trials, which pitted tropical timbers against key market rivals in the manufacture of marine application pile planking and window frames.

The pile planking life cycle analysis (LCA) project was proposed to the STTC by the Netherlands Timber Trade Association (NTTA) and other industry players due to the fact that tropical timber faces increasingly strong competition in this market from steel, PVC, plus other varieties of wood. The research team also said that existing environmental data for the species used in this application was out-dated and unreliable.

The study, undertaken in association with the FSC Netherlands, has already generated impressive figures in favour of tropical timber in terms of cradle to grave environmental cost per square metre.

The species used were sustainably sourced African azobé and okan and South American angelim vermelho. They were evaluated against two types of PVC planking – one comprising all virgin raw material, the other recycled – and steel.

The researchers chose a popular form of pile planking and applied equivalent LCA methods to all materials types. Preliminary results showed that, over a 30-year lifespan, the environmental performance of tropical timber planking is 24 times better than virgin-material PVC and 21 times better than recycled. Compared to steel it's 133 times better.

The final LCA data from the research will be added to the Dutch Environmental Database and international data resources Ecoinvent and ILCD (the International Reference Life Cycle database). The results will also be publicised via the trade media, presentations to industry events and direct to tropical timber end users and specifiers.

The window frame LCA, which is being undertaken in association with the Netherlands Woodworking Industry Association, is using sustainably sourced African, Asian and South American reference wood species.

The competitor materials in this case are softwood, modified softwood and PVC and initial results are expected by the end of next March. Both studies will be completed and implemented by the end of next June, with the outcomes widely publicised.

STTC gains momentum and puts money on the table

But the news is not all bad. There is a growing coalition of companies and other organisations in the EU committed to making the case for a long-term trade in tropical hardwoods in the EU – although with the important qualification that all tropical wood promoted for use in the EU should be either third party certified or, at minimum, subject to independent legality verification. That of course raises questions, still not satisfactorily addressed, about equitable market access, particularly for community and other non-industrial forest operators.

The FLEGT Action Plan and associated work through Voluntary Partnership Agreements (VPAs) with most of the leading tropical wood suppliers to the EU is beginning to encourage the development of more enlightened policy environment and positive image for tropical wood products in the EU.

Meanwhile there are signs that the European Sustainable Tropical Timber Coalition (STTC), which started in 2013, is gaining momentum. The STTC brings together companies in timber sector, retail, and end-use industries, with government officials and NGOs in the interests of promoting increased use of certified tropical timber in the EU. STTC has established a target to increase EU sales of certified tropical timber by 50% over 2013 levels by 2020.

In March STTC launched a new phase of development involving a closer strategic partnership with the European Timber Trade Federation (ETTF), re-energised communications and membership drives and, critically, a funding initiative to back private and public sector Action Plans and projects.

Timber businesses can now receive match-funding for activities in the framework of an STTC Action Plan for up to 30% of the cost, or Euro15,000. Federations are eligible for grants of up to Euro30,000 for developing sustainable sourcing policies. In addition, STTC partners and participants can submit project proposals with a requested STTC contribution up to Euro50,000 if it contributes to STTC objectives.

A new website (www.europeansttc.com) lays out STTC goals and the all-round case for using sustainable tropical timber. It provides technical data, tropical timber application case studies, lists STTC partners and members and explains how to join and apply for funding.

ATIBT, PEFC and STTC link up to promote tropical timber

Also in March, STTC acquired two influential new partners with potentially important implications for the future scope, direction and level of support for STTC activities. One new STTC partner is the International Tropical Timber Technical Association (ATIBT), which supports development of international trade in tropical timber, both as a viable business, and a means of helping maintain the tropical forest and the habitats and biodiversity it supports.

On announcing the partnership, ATIBT President Robert Hunink emphasised the important role of STTC to encourage introduction and promotion of so-called 'lesser used species', noting that "successful promotion of these species is especially crucial for the economic viability of operators in the Congo Basin and to maintain a balanced species composition in the forest."

PEFC is the other new STTC member and is already in discussion with STTC about a project which aims to increase European imports of certified tropical timber from Asia, now one of PEFC's principal focus areas. The specific objective of the joint project is to create improved linkages between growing certified Asian timber output and the EU market and to address critical bottlenecks in supply of certified wood products from the region.

North America

India increases tropical sawnwood exports to US

Tropical sawnwood imports from India soared to 1,218 cu.m. in February. A small portion of the imports were teak (80 cu.m.) while the majority was 'other tropical' species.

US imports of sawn hardwood recovered in February following the steep but brief decline in the previous months. Temperate and tropical sawnwood imports were 96,307 cu.m. in February worth US$39.4 million.

Both the decline in imports and last month's rise were primarily in temperate species.

Tropical sawnwood imports increased 13% in February to 16,346 cu.m. However, year-to-date imports were one third lower than in February 2015.

The value of all tropical imports was US$16.4 million with ipe imports (US$3.9 million) accounting for almost one quarter of the total.

	Feb-15	Feb-16	Change
Total sawn imports	22,472	16,346	↓
Ecuador	3,967	3,930	↓
Brazil	3,194	2,842	↓
Cameroon	4,065	1,987	↓
Malaysia	2,367	1,119	↓
Congo (Brazzaville)	1,285	817	↓
Peru	3,030	61	↓
Indonesia	796	830	↑
Ghana	1,098	540	↓
Cote d'Ivoire	122	359	↑
Other	2,548	3,861	↑

Data source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics

Ipe sawnwood imports grew 50% month-over-month to 1,962 cu.m. in February. Year-to-date imports were down 45% from February last year. Balsa remained the largest tropical import by volume. The US imported 3,925 cu.m. of balsa sawnwood in February, down 9% year-to-date from February 2015.

Imports of sapelli (2,001 cu.m.) and acajou d'Afrique (1,400 cu.m.) declined in February. Sapelli imports were also significantly down on a year-to-date basis, but with only two months of imports in 2016 volumes can still improve significantly.

Mahogany imports (1,027 cu.m.) were up in February, both month-over-month and year-to-date. Imports of keruing sawnwood (948 cu.m.) declined again after a brief increase in January.

Brazil increased the volume of sawn hardwood shipments to the US by 37% in February, helped by a favorable exchange rate. The largest increase was in ipe shipments, but US imports of jatoba and virola from Brazil also grew.

Despite the overall decline in US imports of sapelli in February, Cameroon's sapelli shipments increased to 1,210 cu.m.

Sawnwood imports from Malaysia were down more than one third in February to 1,119 cu.m. Imports of keruing from Malaysia fell from 1,336 cu.m. in January to just 689 cu.m. in February.

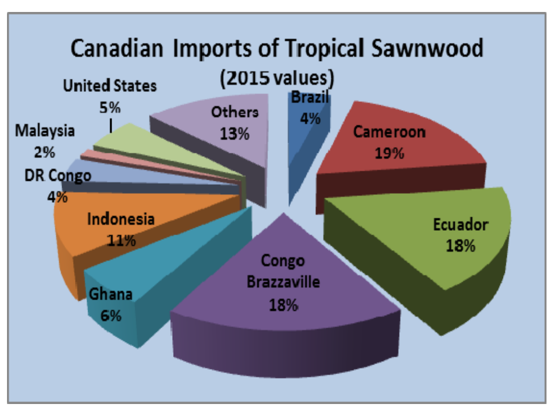
Canadian tropical sawnwood imports from Brazil rise

Canadian imports of tropical sawnwood were almost unchanged in February at US$1.74 million. Year-to-date imports were up 22% from February 2015.

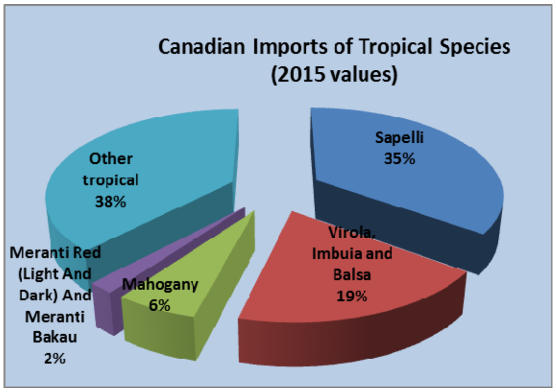
At US$563,037 sapele accounted for the majority of Canadian imports of tropical sawnwood. Sapele imports grew 16% month-over-month and 5% year-to-date.

Imports of meranti sawnwood grew to US$12,456, but the value of year-to-date imports is lower than in February last year. Brazil expanded exports also to Canada in February. Sawnwood imports from Brazil were worth US$233,171, more than double year-to-date from February 2015.

Cameroon remained Canada's largest source of tropical sawnwood imports at US$565,932 in February.



Source: Statistics Canada



Source: Statistics Canada

C$1 billion for clean technology in Canada's federal budget

The Forest Products Association of Canada has applauded the federal government's budget. The budget, released in March, includes C$1 billion funding over four years to invest in clean technology in the forest industry and other resource-based sectors.

Another C$2 billion is earmarked for a Low Carbon Economy Fund and C$40 million for changes to the country's building codes to support climate change mitigation.

The clean technology funding will support innovation in the forest industry, in particular the development and commercialisation of bio-products that replace materials made from fossil fuels. Some building code changes have the potential to support greater wood use.

World's tallest wood building under construction in Canada

An 18-storey building is being in built in Vancouver using heavy cross-laminated timber beams (mass timber). The building will be a student residence at the University of British Columbia. The building is meant to showcase the use of mass timber and its price competitiveness with concrete construction in high rise buildings.

See:
http://news.ubc.ca/2015/10/01/new-ubc-student-residence-to-be-among-worlds-tallest-wood-buildings/

The building code allows construction in wood only up to six stories in British Columbia. In the US the limit is five stories. Designs for taller wood buildings need to demonstrate they can meet required fire, seismic and safety standards.

According to the news portal Business in Vancouver, the 'mass' timber components are prefabricated. Because of this construction time is reduced by a few months compared to concrete high rises.

Presently, wooden high rise construction remains costly because of limited material supply and the general lack of experience of construction workers. If prefabricated designs are more widely used costs would decline significantly.

The wooden high rise building currently being built uses concrete and steel for some portions of the building such as the ground floor, interior stairways and the roof to reduce cost while meeting building standards.

Several 8-10 story wood buildings have been built in Australia, Austria, Canada and the UK. A 14-story wooden apartment building is under construction in Norway.

Land use agreement protects 85% of 6.4 million-hectare rainforest from logging

Two decades of environmental and indigenous conflict over potential industrial use of 6.4 million ha. of forest on the central and north Pacific coast of British Columbia, Canada has ended.

In February this year the 26 First Nations of the region, the British Columbia government, industry and environmental groups held a ceremony to celebrate a land use order and several related protocols.

Fifteen percent of the area will be open to industrial logging, while the First Nations will receive forest tenure for public land. Carbon credit projects, renewable energy and tourism development are also being considered by the local communities. The area concerned, known as the Great Bear Rainforest, is one of the largest remaining old-growth temperate rainforests in the world.

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

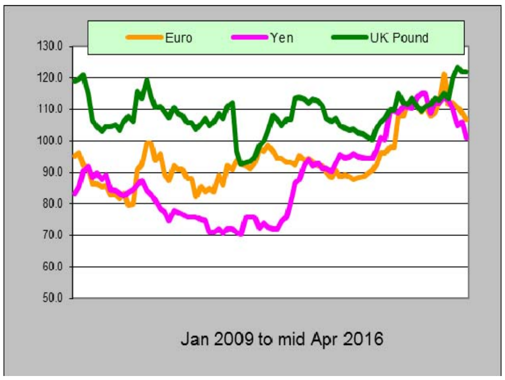
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO.

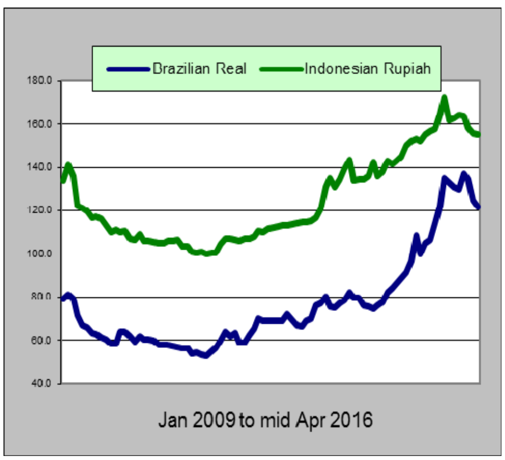
US Dollar Exchange Rates

As of 10 April 2016

Brazil	Real	3.5901
CFA countries	CFA Franc	577.27
China	Yuan	6.4673
EU	Euro	0.773
India	Rupee	66.551
Indonesia	Rupiah	13123
Japan	Yen	108.60
Malaysia	Ringgit	3.9155
Peru	New Sol	3.3615
UK	Pound	0.7078
South Korea	Won	1151.56

Exchange rate indices (Dec 2003=100)



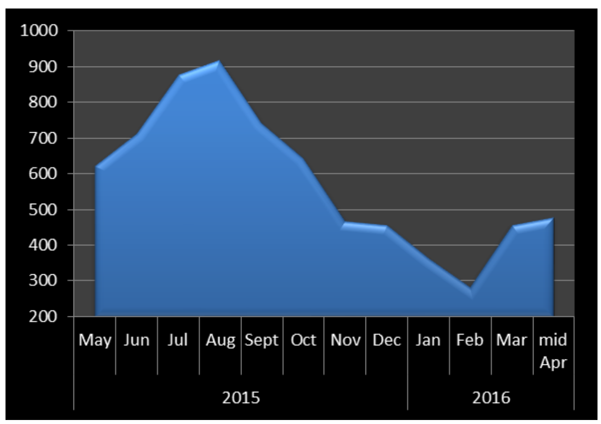


Abbreviations and Equivalences

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 Strand Board
PHND	Pin hole no defect
QS	Qualite Superieure
SQ,SSQ	Sawmill Quality, Select Sawmill Quality

Ocean Freight Index

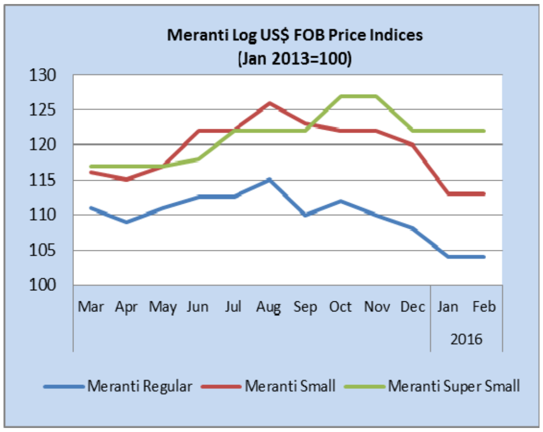
Baltic Supramax Index
April 2015 – mid April 2016

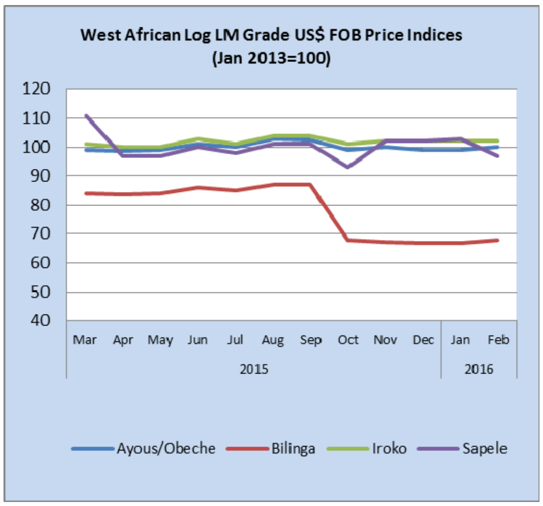


Data source: Open Financial Data Project

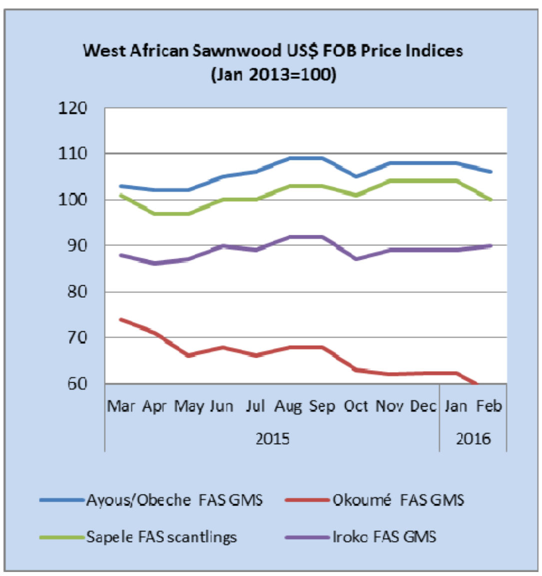
The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes.

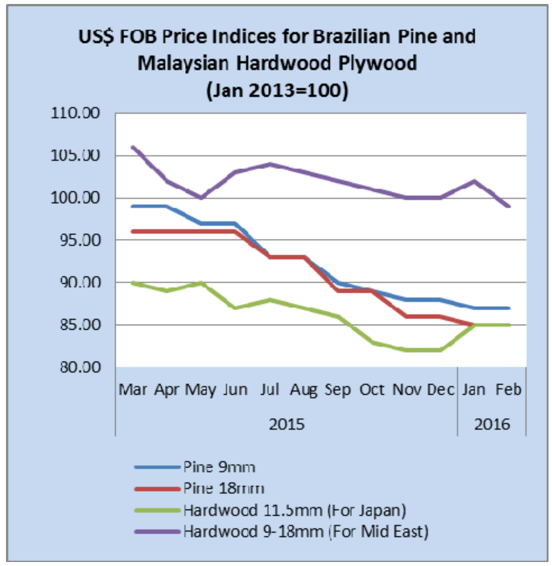
Price indices for selected products
The following indices are based on US dollar FOB prices.

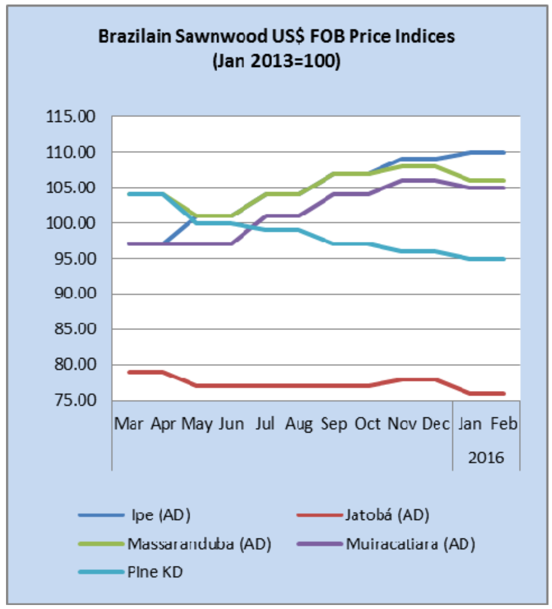




Note: Sarawak logs for the Japanese market







Note: Jatobá is mainly for the Chinese market.

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