

Tropical Timber Market Report

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Top Story

ASEAN countries are the major timber product trade partners for China

Statistics from China Customs show that the value of China-ASEAN timber product trade reached US\$9,380 million in the first half of 2010. Of the total, China's imports were US\$6,850 million and exports stood at US\$2,530 million, implying a trade deficit of US\$4,320.

In the first half year period, the member countries of the Association of Southeast Asian Nations (ASEAN) were the main timber product trade partners for China accounting for some 21% of the total value of China's timber product trade, followed by the US with 15% (US\$6,610 million), EU with 13% (US\$6,050 million) and Japan with 6% (US\$2,480 million).

In terms of growth, the value of China's timber product trade with ASEAN grew 57%, with the US 42%, EU 34% and Japan 32% compared to the first half of 2009.

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Report from Central/West Africa

Log supply meeting demand

Central and West African log markets remain steady with balanced supply and demand. Log prices are firm and the recent price increases for some species seem to have been accepted by buyers. Sapele and sipo logs are in good demand for European and Asian markets.

After the frenetic log buying triggered by the Gabon log export ban in mid May, the market has entered into a more steady state and the supply of logs from Cameroon and Congo Brazzaville is now able to meet current demand.

Stable sawnwood market

Demand for sawnwood has also remained steady and prices are holding firm with some adjustments for particular specifications. Sawmills in the region continue to have strong order books with deliveries extending into the 4th quarter. Analysts say the market outlook for the final quarter and for the first months of 2011 is difficult to forecast due to mixed signals on the pace of economic recovery in consumer countries. However, analysts report that West African shippers are confident that the current market stability will be maintained into 2011.

While some European countries are showing fairly good economic growth, the building activity in Spain and Portugal remains subdued, a situation that may last up to two years, say analysts.

If a sudden improvement in market demand occurs, producers in West and Central Africa would seem to have the advantage of shorter lead times and lower freight costs to Europe compared to competitors from South East Asia. In addition, prices for South East Asian timber products have moved up fast during the past few months while West and Central African timber prices have been more stable.

Efforts to promote Gabon's processing industry

According to some sources, the government of Gabon may, some time in the future, modify the log export ban. Perhaps the framework applied in Gabon would be like the system in Cameroon where the export of non-prime species is permitted.

However, so far there is no indication that the government of Gabon intends to make any changes to the log export ban. The government is said to be planning measures to secure inward investment by offering new investors tax free status for up to ten years. According to analysts, this treatment could have a positive effect stimulating the plywood and veneer sectors in the country.

Currently, some larger timber companies are reportedly exporting close to 80% of their total sawnwood and veneer production. There are also reports of higher sawnwood production and increased overseas investments in processing.

West Africa Log Prices

West Africa logs, FOB		€ per m ³	
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	205	205	153
Ayous/Obéché/Wawa	190	190	145
Azobe & Ekki	205	205	122
Belli	210	210	-
Bibolo/Dibétou	145	130	-
Bubinga	600	530	390
Iroko	250	235	190
Okoume (60% CI, 40% CE, 20% CS) (China only)	230	-	-
Moabi	275	275	190
Movingui	180	150	140
Niove	130	130	-
Okan	320	320	-
Padouk	370	340	235
Sapele	240	220	170
Sipo/Utile	270	250	200
Tali	265	265	-
	C1	CE	CS
Okoume	170	160	120

West Africa Sawnwood Prices

West Africa sawnwood, FOB		€ per m ³
Ayous FAS GMS		300
Okoumé FAS GMS		370
	FAS, fixed sizes	340
	Std/Btr GMS	275
Sipo FAS GMS		475
	FAS fixed sizes	-
	FAS scantlings	490
Padouk FAS GMS		540
	FAS scantlings	525
	Strips	300
Sapele FAS Spanish sizes		390
	FAS scantlings	460
Iroko FAS GMS		480
	Scantlings	500
	Strips	350
Khaya FAS GMS		380
	FAS fixed	380
Moabi FAS GMS		475
	Scantlings	440
Movingui FAS GMS		335

Report from Ghana

Exports improve during the first half of 2010

According to the Timber Industry Development Division (TIDD) of the Forestry Commission, wood and timber product exports from Ghana totalled 201,780 cu.m earning Euro 68.7 million in the first half of 2010, compared to 200,590 cu.m and Euro 62.7 million in the same period last year. The volume of exports increased by 0.6% and the value by 8.6% compare to the first half of 2009.

In the first half of 2010, all timber product exports except furniture exports showed some increases compared to the same period last year.

In the first half of 2010, the export volumes of air and kiln dried sawnwood grew 10.8% and 24.6% respectively, compared to the same period last year.

For the period under review, exports of primary products, including poles and billets, were valued at Euro 3.8 million in 2010 compared to Euro 7.2 million in 2009. The export value of secondary timber products increased from Euro 51 million in the first half of 2009 to Euro 60 million in the same period 2010.

Wood and timber product exports in the first half of 2009 / 2010

Product	1st half of 2009		1st half of 2010		% Change	
	Volume 1000 cu.m	Value million Euro	Volume 1000 cu.m	Value million Euro	Volume	Value
Lumber AD ¹	36.02	7.11	39.9	9.3	10.8	30.8
Lumber KD	30.34	11	37.8	14.48	24.6	31.6
Sliced Veneer ²	14.76	10.19	15.36	11.48	4.1	12.7
Rotary Veneer	4.19	1.12	4.32	1.2	3.1	7.1
Curl Veneer	0.04	0.16	-	0.02	-100	-87.5
Plywood ³	70.68	21.01	72.19	21.97	2.1	4.6
Mouldings	6.83	3.44	7.93	3.98	16.1	15.7
Boules (AD & KD)	1.21	0.64	2.38	1.11	96.7	73.4
Floorings	0.41	0.4	0.44	0.41	7.3	2.5
Other wood products	36.11	7.65	21.46	4.23	-40.6	-44.7
TOTAL	200.59	62.72	201.78	68.18	0.6	8.7

¹Lumber(AD) includes lumber overland

²Sliced veneer includes layons

³Plywood includes overland

Exports of wood and timber products from Ghana to other African countries amounted to 97,538 cu.m worth Euro 27 million in the first half of 2010. The share of African exports of the total timber exports from Ghana increased significantly from 38% in the first half of 2009 to 48% in the first half of 2010.

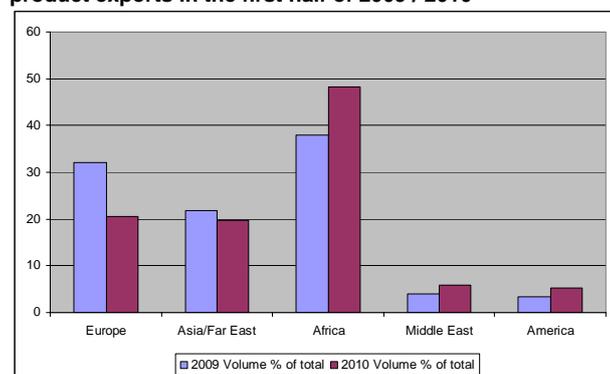
In Europe, the major importers were Italy, France, Germany, the UK, Belgium, Spain, Ireland and Holland. Wood and timber product exports to these countries amounted to 41,500 cu.m in volume and Euro 21 million in value, accounting for 21% and 30% respectively of the total wood and timber product exports.

Exports to the US accounted for just 5% in volume and 8% in value of the total wood and timber product exports from Ghana, while the comparable numbers were 3% and 5% in the first half year period last year.

Major markets of Ghana's wood and timber product exports in the first half of 2009 / 2010

	2009	2010	2009	2010
	Volume (1000 cu.m)	Value (million Euro)	Volume (1000 cu.m)	Value (million Euro)
Europe	64.49	41.55	18.75	20.68
Asia / Far East	43.57	39.58	8.96	10.21
Africa	99.33	97.54	27.49	27.06
Middle East	8.84	11.64	3.79	4.32
America	6.73	10.6	3.44	5.53
Oceania	0.62	0.87	0.29	0.37
Total	200.58	201.78	62.72	68.18

Shares of major markets of Ghana's wood and timber product exports in the first half of 2009 / 2010



Ghana Log Prices

Ghana logs, domestic	US\$ per m ³	
	Up to 80cm	80cm+
Wawa	130-140	145-165
Odum Grade A	160-170	175-185
Ceiba	104-110	120-140
Chenchen	90-100	105-120
Khaya/Mahogany (Veneer Qual.)	100-115	120-145
Sapele Grade A	135-150	160-175
Makore (Veneer Qual.) Grade A	125-135	140-166

Ghana Export Sawwood Prices

Ghana Sawwood, FOB	€ per m ³	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	855	-
Asanfina	500	552
Ceiba	215	266
Dahoma	315	390
Edinam (mixed redwood)	400	445
Emeri	350	414
African mahogany (Ivorenensis)	563	690
Makore	520	585
Niangon	505	600
Odum	630	690
Sapele	530	590
Wawa 1C & Select	250	295

Ghana sawwood, domestic	US\$ per m ³
Wawa 25x300x4.2m	255
Emeri 25x300x4.2m	310
Ceiba 25x300x4.2m	218
Dahoma 50x150x4.2m	282
Redwood 50x75x4.2m	315
Ofram 25x225x4.2m	310

Ghana Veneer Prices

Rotary Veneer, FOB	€ per m ³	
	CORE (1-1.9mm)	FACE (<2mm)
Bombax	315	350
Ofram, Ogea & Otie	318	355
Chenchen	315	350
Ceiba	320	335
Mahogany	415	450

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

Rotary Veneer, FOB Core Grade 2mm & up	€ per m ³
Ceiba	274
Chenchen	305
Ogea	300
Essa	290
Ofram	300

Sliced Veneer, FOB	€ per sq. m	
	Face	Backing
Afrormosia	1.19	1.00
Asanfina	1.40	0.90
Avodire	1.12	0.70
Chenchen	1.25	0.70
Mahogany	1.25	0.70
Makore	1.20	0.72
Odum	1.80	1.10

Ghana Export Plywood Prices

Plywood, FOB	€ per m ³			
B/BB	Redwood		Light Wood	
	WBP	MR	WBP	MR
4mm	560	465	500	380
6mm	340	345	335	320
9mm	365	325	295	285
12mm	300	305	290	285
15mm	310	290	280	285
18mm	300	285	285	280

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

Ghana Added Value Product Prices

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

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

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

Report from Malaysia

Appreciation of Ringgit upsets furniture export forecast

Due to the appreciation of the Malaysian Ringgit against the US Dollar and the Euro, exports of Malaysian timber products are expected fall below the earlier forecast level of RM9 billion for the current year. A more realistic forecast is now RM8 billion, says the Malaysian Furniture Entrepreneurs Association (MFEA).

The appreciation of the Malaysian Ringgit has increased sharply since the beginning of the year. Currently, the average exchange rate is around RM3.15/US\$ compared to RM3.40/US\$ in January 2010. Similarly, the Ringgit to Euro exchange rate is now around RM4.05/Euro compared to RM4.80/Euro in the beginning of the year.

The Malaysian Ringgit has also strengthened against the Chinese Yuan, from RM0.50/Yuan in January 2010 to RM0.46 currently, however, Malaysian furniture exports to China have continued to grow, posting a 26% increase in the first half of 2010 compared to the same period in 2009.

Meanwhile, the overall exports of Malaysian furniture expanded 11% to RM3.95 billion in the first half of 2010, compared to RM3.54 billion in the same period last year.

Office furniture exhibition in Saudi Arabia

Malaysian furniture companies will participate in the first office furniture exhibition to be held in Saudi Arabia at the Jeddah Center for Forums and Events on 12 - 15 December 2010.

More than 46 million square metres of office space is estimated to be completed in the global markets over the next 2 years. In the Middle East, the King Abdullah Economic City in Jeddah as well as the zero-carbon Masdar City in Abu Dhabi are examples of innovative projects offering new business opportunities for furniture manufacturers.

Saudi Arabian companies have started to appreciate the value of office decoration and furnishing as means to improve workplace wellbeing and productivity. Since

2009, consumption of interior decoration materials and furniture in Saudi Arabia has exceeded US\$4 billion.

Market quiet during annual festival

As usual during the annual Islamic festival Eid-ul-Fitr, the timber industry output slowed down. The festival climax was on 10 September 2010 and business is expected to resume within a week thereafter.

Log Prices

Sarawak log, FOB	US\$ per m ³
Meranti SQ up	240-265
Small	225-255
Super small	222-243
Keruing SQ up	226-238
Small	211-240
Super small	193-221
Kapur SQ up	217-242
Selangan Batu SQ up	206-241

Pen. Malaysia logs, domestic (SQ ex-log yard)	US\$ per m ³
DR Meranti	247-266
Balau	308-337
Merbau	339-371
Rubberwood	76-110
Keruing	226-242

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

Sawnwood Prices

Malaysia Sawnwood, FOB	US\$ per m ³
DR Meranti	400-436
White Meranti A & up	290-320
Seraya Scantlings (75x125 KD)	439-452
Sepetir Boards	258-280
Sesendok 25,50mm	351-369
Kembang Semangkok	313-336

Malaysian Sawnwood, domestic	US\$ per m ³
Balau (25&50mm,100mm+)	331-351
Merbau	463-515
Kempas 50mmx(75,100 & 125mm)	266-306
Rubberwood	
25x75x660mm up	220-270
50-75mm Sq.	259-291
>75mm Sq.	281-310

Plywood Prices

Malaysia ply MR BB/CC, FOB	US\$ per m ³
2.7mm	416-478 ↑
3mm	396-426 ↑
9mm & up	343-415 ↑

Meranti ply BB/CC, domestic	US\$ per m ³
3mm	340-431 ↑
12-18mm	323-352 ↑

Other Panel Prices

Malaysia, Other Panels, FOB	US\$ per m ³
<i>Particleboard</i>	
Export 12mm & up	235-258
Domestic 12mm & up	222-239
<i>MDF</i>	
Export 15-19mm	289-320
Domestic 12-18mm	279-297

Added Value Product Prices

Malaysia, Mouldings, FOB	US\$ per m ³
Selagan Batu Decking	547-558
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	562-575
Grade B	516-526

Furniture and Parts Prices

Malaysia, Rubberwood, FOB	US\$ per piece
Semi-finished dining table solid laminated top 2.5'x4', extension leaf	66-82
As above, Oak Veneer	73-87
Windsor Chair	65-67
Colonial Chair	63-68
Queen Anne Chair (soft seat) without arm	64-71
with arm	63-72
Chair Seat 27x430x500mm	51-56

Rubberwood Tabletop	US\$ per m ³
22x760x1220mm sanded & edge profiled	
Top Grade	588-621
Standard	571-591

Report from Indonesia

Revision of regulations on illegal logging

The Indonesian government is currently revising the 2005 presidential regulations on illegal logging in order to comply with the partnership agreement between Norway and Indonesia and to attract foreign investment. The new regulations are expected to be ready for implementation by June 2011.

According to the Indonesian Ministry of Forestry, more than 2 million hectares of forests have been illegally converted to oil palm plantations. In addition, 800 mining and oil palm companies have been operating without authorisations or permits.

The ministry added that the new regulations will enable law enforcement across all sectors against illegal activities in forest areas.

Trade slowed down

Business activity in all industries slowed down in Indonesia for the annual Islamic festival Eid-ul-Fitr on 10 September 2010, business is expected to return to normal within a week thereafter.

Log Prices (domestic)

Indonesia logs, domestic prices	US\$ per m ³
Plywood logs	
Face Logs	200-243
Core logs	181-214
Sawlogs (Meranti)	191-252
Falcata logs	158-192
Rubberwood	70-94
Pine	173-214
Mahoni (plantation mahogany)	481-509

Sawnwood Prices

Indonesia, construction material, domestic	US\$ per m ³
Kampar (Ex-mill)	
AD 3x12-15x400cm	188-207
KD	208-242
AD 3x20x400cm	229-252
KD	231-260
Keruing (Ex-mill)	
AD 3x12-15x400cm	243-257
AD 2x20x400cm	231-249
AD 3x30x400cm	213-232

Plywood Prices

Indonesia ply MR BB/CC, FOB	US\$ per m ³
2.7mm	402-459▲
3mm	359-400▲
6mm	338-380▲

MR Plywood (Jakarta), domestic	US\$ per m ³
9mm	260-271▲
12mm	252-262▲
15mm	241-255▲

Other Panel Prices

Indonesia, Other Panels, FOB	US\$ per m ³
<i>Particleboard</i> Export 9-18mm	225-234
Domestic 9mm	204-216
12-15mm	196-207
18mm	187-199
<i>MDF</i> Export 12-18mm	258-271
Domestic 12-18mm	240-251

Added Value Product Prices

Indonesia, Mouldings, FOB	US\$ per m ³
Laminated Boards	
Falcata wood	306-319
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	495-529
Grade B	451-472

Report from Myanmar

First TMA furniture fair

The Yangon Lifestyle Furniture Exhibition is being hosted by the Thousand Islands Business Group under the Timber Merchant Association (TMA) between 16 and 19 September 2010 at the Tatmadaw Hall in U Wisara Road, Yangon.

Luxury furniture, household furniture, garden furniture, rattan and bamboo furniture, and traditional Chinese furniture among others will be displayed at the fair. The TMA stated that this is the first exhibition ever held by the TMA in collaboration with various private companies.

Country-wise purchases during August

Country-wise purchases of Myanmar hardwoods during August 2010 were as follows: Singapore (2 buyer, 70 Hoppus tons), Thailand (3 buyers, 305 Hoppus tons), India (1 buyer, 41 Hoppus tons) and Hong Kong (1 buyers, 61 Hoppus tons). In the domestic markets there were three buyers and the timber sales totalled the amount of 153 Hoppus tons.

Hardwood log species traded in August 2010

Hardwood Logs, FOB	€ Avg per Hoppus Ton (traded volume)
Pyinkadoe (<i>Xylia dolabiformis</i>)	538 (562 tons)
Kanyin-Gurjan (<i>Dipterocarpus</i> spp)	221 (383 tons)
Tamalan (<i>Dalbergia oliveri</i>) (Export RejectionQuality)	690 (18 tons)
Sagawa ¹ (<i>Michelia champaca</i>) (Export RejectionQuality)	279 (156 tons)
Hnaw ² (<i>Adina cordifolia</i>) (Export RejectionQuality)	422 (129 tons)
Taukkyant ³ (<i>Terminalia tomentosa</i>) (Export RejectionQuality)	289 (50 tons)

¹ Sold in Indian market, known as Safan, Champa

² Sold in Indian market, known as Haldu

³ Sold in Indian market, known as Sain, Mutti Laurel

Pyinkadoe logs were purchased by a Thai buyer and Tamalan logs were purchased by a Singapore buyer to

Chinese market. Pyinkadoe logs fetched US\$800-1,000 per Hoppus ton in Myanmar Timber Enterprise (MTE) direct sales contracts, however, only an average of US\$681 per Hoppus ton in MTE tender sales.

Myanmar log prices (natural forest logs)

Teak Logs, FOB	€ Avg per Hoppus Ton (traded volume)	
Veneer Quality	Jul	Aug
2nd Quality	6,669 (3 tons)	nil
3rd Quality	6,437 (4 tons)	6,378 (5 tons)
4th Quality	4,370 (11 tons)	4,400 (10 tons)
Sawing Quality		
Grade 1 (SG-1)	3,249 (36 tons)	3,261 (41 tons)
Grade 2 (SG-2)	2,566 (29 tons)	2,244 (35 tons)
Grade 3 (SG-3)	nil	nil
Grade 4 (SG-4)	1,590 (223 tons)	1,779 (216 tons)
Grade 5 (SG-5) Assorted	1,443 (121 tons)	1,325 (107 tons)
Grade 6 (SG-6) Domestic	1,127 (102 tons)	1,109 (106 tons)
Grade 7 (ER-1)	919 (107 tons)	834 (111 tons)
Grade 8 (ER-2)	nil	nil
Short Logs 6 ft. / 7 ft.	nil	nil

Hoppus ton=1.8m³; All grades, except SG-3/5/6, are length 8' x girth 5' & up. SG-3/4/6 are girth 4' & up. SG-3 grade is higher than SG-4 but with lower girth and price. Prices differ due to quality or girth at the time of the transaction.

Report from India

Robust growth prospects for building sectors

With net annual population growth of 1.5% India gets more than 15 million new residents per year. Because incomes are rising there is a strong demand for housing and as a result, the construction sector in the country is booming, marking a 6.5 % growth for fiscal year 2009-10 against 5.95% for 2008-09.

India's real estate sector accounts for 4.5% and urban housing sector 3.1% of the country's Gross Domestic Product (GDP). Over the next five years, the housing sector's contribution to GDP is expected to grow to 6% and attract investments up to US\$12 billion.

Due to rapid urbanisation, the commercial real estate sector is also estimated to increase at an annual rate of 20-22%. Construction of airports, universities, special economic zones, sports centres etc. are expected to attract investments worth US\$9 billion by 2013.

Indian furniture industry expects growth

India's furniture industry output value is estimated at US\$8 billion for fiscal 2009-10, with products being sold worldwide. As in many other timber processing sectors in India, the share of small and medium sized companies in the furniture sector is high accounting for around 85% of

the total output, while the balance comprises large and organised manufacturers and exporters. As a result of the growing housing and tourism sectors and rising per capita incomes, furniture sector output is expected to grow by 15% per year for the next five years.

The furniture sector sources a significant share of raw materials from local agro forestry plantations. Plantation species include sissoo (*Dalbergia sissoo*), babul/kikar (*Acacia arabica*), mango (*Mangifera indica*) and neem (*Melia azadirachta*) and they are mostly used to produce antique style furniture.

Large scale plantation areas managed by industries and farmers have been promoted by the government to increase the wood supply. The present sustainable harvest from agro-forestry plantations is around half a million cubic meters per year. As a result of improved wood availability, over 150 sawmills have been reopened which has generated business and employment in the sawmilling sector. In addition, some 58 new industrial licenses for medium and large scale wood working units are pending for Kandla region.

Rising alternative products

Another growing sector in Indian domestic and export market is paper / plastic laminates. The sector output is estimated at US\$430 million in value in fiscal 2009-10 and is expected to grow 8% per year. Laminate products produced by new factories with modern technologies are considered as cheaper alternatives to plywood in interior decoration.

Similarly, the manufacture of overlaid particleboard is increasing. These boards are mostly used by the furniture industry supplementing the use of solid wood. Laminated flooring panels made from engineered wood are also in fashion replacing the solid wood flooring.

India is one of the largest consumers of all varieties of tropical wood and timber products imported mainly from Malaysia, Myanmar, Indonesia, Nigeria, Côte d'Ivoire, Ghana, Togo, and South and Central American countries. Despite the growing sector of alternative products, India is expected to continue importation of tropical wood and timber products in the future as economic prospects in the country are good.

CNF Plantation Teak

	US\$ per m ³
Tanzania Teak sawn	710-760
Côte d'Ivoire logs	450-500
PNG logs	450-500
El-Salvador logs	325-350
Guatemala logs	375-400
Ghana logs	450-475
Benin logs	400-425
Brazil squares	375-395
Togo logs	325-350
Ecuador logs	300-350▲
Costa Rica logs	350-375
Panama logs	300-325

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

India Sawnwood Prices (domestic)

	Rs. per ft ³
Sawnwood (Ex-mill)	
Myanmar Teak (AD)	
Export Grade F.E.Q.	4800-5000
Plantation Teak A grade	2000-3600
Plantation Teak B grade	1800-3000
Plantation Teak C grade	1350-1500

India Sawnwood Prices (imports)

	Rs. per ft ³
Sawnwood, (Ex-mill) (AD)	
Merbau	1200
Balau	1000↑
Kapur	825
Red Meranti	550
Bilinga	650
Radiata Pine (AD)	340-350

	Rs. per ft ³
Sawnwood, (Ex-warehouse) (KD)	
Beech	950
Sycamore	1000
Oak wood	1100
American Walnut	1600
Hemlock clear grade	950
Hemlock AB grade	800
Western Red Cedar	1250

India Plywood Prices

	Rs. per sq.ft
Plywood, (Ex-warehouse) (MR Quality)	
4 mm	28.0
6 mm	37.0
12 mm	54.0
15 mm	65.0
18 mm	78.0

	Rs. per sq.ft	
	Rubberwood	Hardwood
Locally Manufactured Plywood "Commercial Grade"		
4mm	Rs.10.00	Rs.17.50
6mm	Rs.14.50	Rs.25.50
8mm	Rs.18.25	Rs.28.60
12mm	Rs.22.25	Rs.30.70
18mm	RS.28.00	Rs.41.30
5mm Flexible ply	Rs.18.50	Rs.22.50

Report from Brazil

Forest concessions in Pará

The Forest Development Institute of Para (Ideflor) has released its Annual Forest Concession Plan (PAOF) for 2011. The plan identifies 1.5 million hectares available for forest concessions in six areas within the state.

However, only 800,000 hectares of the total will be auctioned in 2011. For example, the Iriri State Forest in the Xingu region with 200,000 hectares will not be auctioned before 2012. It was included in the PAOF as the establishment of the Management Council and the management plan are expected in 2011. Besides Iriri, there are three other concession areas; Mamuru/Nova Olinda II, Bacajaí and Joana Peres II, where auctioning will take place after 2011.

According to the PAOF, for 2011 auctions will be held for two state forests: Faro and Paru. The concession process at Paru is almost completed and 500,000 hectares, divided into 10 plots, should be released for logging later this year. Besides these forests, the Brazilian Forest Service (SFB) will auction about 230,000 hectares for

concession in the Crepori National Forest located in Tapajós region of Pará state.

Before announcing the final bidding plan, the Forest Service will have consultations with local communities, logging industry workers, the industrial sector and municipal authorities.

Timber tracking chip launched in Mato Grosso

An Electronic Forest Monitoring and Tracking System pilot project was launched in late August 2010 in the state of Mato Grosso in order to provide more information on the costs and operation of such a system. In addition, a law defining forest exploitation and transportation will be introduced to support the system.

The project objective is to adopt e-PMFS (Electronic Sustainable Forest Management Plan) in an area of 100 hectares in the municipality of Nova Mutum. In addition to the electronic forest monitoring and tracking system, the project applies digital technology for forest inventories.

The pilot project complies with the resolution of the National Council for the Environment CONAMA (No. 406/2009) and State Decree (No. 1862/2009) requiring public-private partnerships and alternative models to develop timber origin traceability.

Timber exports grow

In July 2010, exports of timber products (except pulp and paper) totalled US\$169 million, representing a 5.9% increase compared to US\$160 million exported in June.

However, total exports of timber products including pulp and paper stood at just US\$689 million, down 6.8% from June 2010. According to the Center for Advanced Studies on Applied Economics (Cepea), pulp and paper exports in July were US\$520 million in value, recording a 9% decline over the previous month's figure of US\$579 million.

Promadeira 2010 fair promotes international timber trade negotiations

The largest tropical timber fair in Brazil, Promadeira 2010, was held in August 2010 in Mato Grosso. Altogether 149 companies from all over the country including foreign companies were represented at the fair. During four days of exhibitions, timber product sales yielded BRL70 million.

At the fair, a business roundtable was organised between domestic timber companies and international buyers from Portugal, England, Germany, USA and some Asian countries.

The Promadeira 2010 was organised by the Center for Wood Producers and Exporters of Mato Grosso (Cipem) and the Industry Federation of Mato Grosso (Fiemt System), attracting more than 13,000 visitors.

Brazil Log Prices (domestic)

	US\$ per m ³
Brazilian logs, mill yard, domestic	
Ipê	148↑
Jatoba	106↑
Guariuba	70↑
Mescla (white virola)	76↑

Brazil Export Sawnwood Prices

	US\$ per m ³
Sawnwood, Belem/Paranagua Ports, FOB	
Jatoba Green (dressed)	832
Cambara KD	479
Asian Market (green)	
Guariuba	267
Angelim pedra	622↑
Mandioqueira	232
Pine (AD)	195

	US\$ per m ³
Brazil sawnwood, domestic (Green)	
<i>Northern Mills</i> (ex-mill)	
Ipê	710↑
Jatoba	541↑
<i>Southern Mills</i> (ex-mill)	
Eucalyptus (AD)	190↑
Pine (KD) 1st grade	242↑

Brazil Veneer Prices

	US\$ per m ³
Veneer, Export (Belem/Paranagua Ports) FOB	
White Virola Face 2.5mm	297
Pine Veneer (C/D)	210

	US\$ per m ³	
Rotary cut Veneer, domestic		
(ex-mill Northern Mill)	Face	Core
White Virola	258↑	214↑

Brazil Plywood Prices

	US\$ per m ³
Plywood, FOB	
White Virola (US Market)	
5.2mm OV2 (MR)	490
15mm BB/CC (MR)	421
White Virola (Caribbean market)	
4mm BB/CC (MR)	525
12mm BB/CC (MR)	422

	US\$ per m ³
Pine Plywood EU market, FOB	
9mm C/CC (WBP)	291
15mm C/CC (WBP)	274
18mm C/CC (WBP)	263

	US\$ per m ³
Plywood, domestic (ex-mill Southern mill)	
Grade MR (B/BB)	
White Virola 4mm	900↑
White Virola 15mm	656↑

Domestic prices include taxes and may be subject to discounts.

Other Brazil Panel Prices

	US\$ per m ³
Belem/Paranagua Ports, FOB	
Blockboard Pine 18mm 5 ply (B/C)	315
<i>Domestic Prices, Ex-mill Southern Region</i>	
Blockboard White Virola faced 15mm	562↑
Particleboard 15mm	360↑

Brazil Added Value Products

	US\$ per m ³
FOB Belem/Paranagua Ports	
Edge Glued Pine Panel	
Korean market (1st Grade)	664
US Market	493
Decking Boards	
Cambara	611
Ipê	1,609

Report from Peru

China is the main export destination for Peruvian wood products

Peru's timber exports were hard hit by the international economic crisis in 2009, but the latest statistics show a healthy recovery. In the first half of 2010, wood product exports reached US\$82 million, representing a 31% growth from the same period last year.

China was the main market for wood product exports from Peru accounting for 52% of the total exports while the share was 27% in 2008. China increased its imports from Peru by 25% in the first half of 2010 compared to the same period last year.

Peru's wood product exports to NAFTA member countries increased 6% in the first half of 2010, but the share of total exports has dropped from 61% in 2008 to 35%. Mexico was the main importer in the NAFTA market accounting for 20% of the total wood product exports from Peru. Canada increased its import by hefty 116% in the first half of 2010 compared to the same period last year.

Member countries of the Andean Community of Nations (CAN), especially Colombia, increased imports of Peruvian wood products significantly by 72% compared to the first half in 2009. In addition, Chile and some Caribbean countries such as Venezuela, Puerto Rico and Dominican Republic increased their imports of wood products from Peru.

Peruvian semi-manufactured wood products including wood flooring and decking, strengthened their share as the main exported articles followed by sawnwood, veneer and plywood exports.

Peru Sawnwood Prices

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

	US\$ per m ³
Peru Sawnwood, FOB Callao Port (cont.)	
Virola 1-2" thick, length 6'-8' KD	
Grade 1, Mexican market	312-364
Grade 2, Mexican market	248-265
Cumaru 4" thick, 6'-11' length KD	
Central American market	831-855
Asian market	829-888
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	558-569
Marupa (simarouba) 1", 6-11 length Asian market	352-377

	US\$ per m ³
Peru Sawnwood, FOB Iquitos	
Spanish Cedar AD Select Mexican market	887-909
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	312-336
Grade 2, Mexican market	255-266
Grade 3, Mexican market	139-156
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	216-235

	US\$ per m ³
Peru sawnwood, domestic	
Mahogany	879-911
Virola	54-72
Spanish Cedar	259-311
Marupa (simarouba)	61-75

Peru Veneer Prices

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

Peru Plywood Prices

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

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

Other Peru Panel Prices

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

Peru Added Value Product Prices

Peru, strips for parquet	US\$ per m ³
Cabreuva/estoraque KD12% S4S, Asian market	1341-1432▼
Cumaru KD, S4S Swedish market	797-920
Asian market	1077-1232▼
Cumaru decking, AD, S4S E4S, US market	949-1139
Pumaquiro KD # 1, C&B, Mexican market	423-511
Quinilla KD, S4S 2x10x62cm, Asian market	502-527
2x13x75cm, Asian market	712-779

Report from Guyana

Favourable price increases

During the period under review, the market for greenheart logs showed some activity only in the standard sawmill quality. Purpleheart log prices gained in all categories. Mora log prices in standard sawmill quality rose while mora fair and small sawmill quality log prices remained unchanged.

For sawnwood, undressed greenheart earned higher average prices in all categories. Undressed purpleheart recorded increases in prices for select quality while undressed mora sawnwood prices remained relatively stable. Prices for dressed greenheart were favourable, while dressed purpleheart prices remained firm in this fortnight period compared to the previous one.

During the period under review, baromalli plywood fetched higher prices for both BB/CC and utility categories compared to the previous period.

Guyana's washiba (ipe) continues to be in demand attracting a price average of US\$1,700 per cu.m. For the fortnight period under review, many of Guyana's Lesser Used Species including burada, darina, fukadi, iteballi, itikiboraballi and muniridan were exported to European and Asian markets as logs and sawnwood.

Roundwood and fuelwood (piles, poles, posts and charcoal) contributed to the total export earnings with favourable average prices. Splitwood attracted a price average of US\$1,225 per cu.m, the major destination being the Caribbean market.

For the period under review, exports of value-added products gained. The major product category was doors with soaring average price of US\$2,190 per cu.m, followed by windows (US\$1,126 per cu.m) and indoor furniture (US\$1,000 per cu.m). The main species used for added value production include crabwood (andiroba) and purpleheart (amarante).

LUS in promotion of sustainable forest management

The Forest Products Development & Marketing Council of Guyana Inc (FPDMC), the Guyana Forestry Commission (GFC) and the private sector are recognising that it is necessary to widen the utilisation of different species in order to increase value and profit from forests, without expanding the harvesting area. Fifteen Lesser Used Species (LUS) have been successfully tested and eleven additional species are identified for testing.

The key in expanding the species selection is the market demand. Guyana is pursuing this by promoting the processing of value-added wood products from LUS and introducing these products to the domestic and international markets.

The next step in this process is dissemination of wood property information that the FPDMC has already embarked upon sensitisation outreach programmes to stakeholders in the industry. In addition, a booklet "Utilization of Lesser Used Wood Species in Guyana" is used to disseminate technical information on LUS.

Dissemination of wood property information is necessary so that the wood products manufacturers can become familiar with new wood species that may be applicable and available at affordable prices to consumers. As demand for these woods grows, so will the value of forests that are currently undervalued due to the exclusive appreciation of the main commercial species. This increase in value is important for the sustainable management of Guyana's natural forests and the future of its forest products industry.

Guyana Log Prices

Logs, FOB Georgetown	SQ - \$ Avg unit value per m ³		
	Std	Fair	Small
Greenheart*	140	-	-
Purpleheart	220-245▲	170-245▲	150-245▲
Mora	120-150▲	115-140	110-130

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

Guyana Sawnwood Prices

Sawnwood, FOB Georgetown		\$ Avg unit val. per m ³	
EU and US markets		Undressed	Dressed
Greenheart	Prime	645-700	-
	Standard	-	678-827 ↑
	Select	625-785	
	Sound	500-649	
	Merchantable	-	
Purpleheart	Prime	-	-
	Standard	-	700-806
	Select	650-750	
	Sound	-	
Mora	Prime	-	
	Select	500	
	Sound	-	
	Merchantable	424-500	

Guyana Plywood Prices

Plywood, FOB Georgetown Port		\$ Avg unit val. per m ³	
Baromalli	BB/CC	5.5mm	-
		12mm	426-470
	Utility	5.5mm	-
		12mm	385-525 ↑

Report from Japan

Strong Yen impacts log imports

South East Asian log prices have been climbing since the beginning of the year but recently the appreciating Yen has translated into lower prices for Japanese buyers and further declines are anticipated if the Yen appreciation continues, reports the Japan Lumber Reports (JLR).

Plywood mills in Japan utilising imported tropical hardwood logs are maintaining much reduced production levels. The JLR says that, because plywood demand in Japan remains very subdued and prices are low, mill output is being kept at around 70% of full capacity and consequently log imports have fallen. In addition, the appreciation of the Yen against the main currencies has had the effect of reducing Japanese exports thus weakening demand for hardwood logs used for wooden crating. As a result of the low level of tropical log consumption for plywood production and the lower consumption of logs for crating, monthly tropical log consumption in Japan is now only around 45,000 cu.m.

Meranti log exporters in Sarawak are retaining a bullish stance on pricing as log supplies in Sarawak are tight. Sarawak meranti log prices reached US\$216 per cu.m FOB for regular logs and US\$185-190 per cu.m FOB for small logs. Log export prices in Sabah for kapur logs stood at US\$270 per cu.m FOB.

In Japan, CIF prices remained relatively stable from August at Yen 7,400-7,600 per koku for Sarawak meranti regular logs while prices for small meranti logs levelled off to Yen 6,400-6,600 per koku, the result of the strong Yen. The JLR is reporting that, as the Yen appreciated to the level of Yen 88/89 to the dollar, there were signs that wholesalers were reducing prices by as much as Yen 200 per koku for plywood logs.

Tropical hardwood log inventories in Japan continue to be low and the JLR reports on continued delays in shipments from Malaysian Tanjung Manis port.

Japan's timber imports from North America pick up

The Japanese Yen exchange rate has now reached Yen84/US\$ and Yen105/Euro. The appreciation of Yen against US dollar and Euro benefits North American and European timber exports to Japan, reports the JLR.

However, tropical timber export prices quoted in US dollars are tending to increase as currencies in South East Asian countries appreciate. This undermines the competitiveness of South East Asian timber against the European and North American imports by Japan.

North American sawnwood imports to Japan totalled 1,333 million cu.m in the first half of 2010, up 26% from the same period last year. In the same period, log imports from North America amounted to 1,477 million cu.m, 22% more than in the first half of 2009.

In the first half of 2010, the total volume of European sawnwood imports to Japan dropped by 12% due to supply problems in the major supplying countries in northern Europe. However, imports from other European countries picked up significantly during the first half of 2010.

Law to promote wood in public buildings

A law promoting wood use in public buildings was approved in May 2010. In order to implement this law, local governments around Japan have started preparations.

The government of Kyoto prefecture introduced regulations on the utilisation of domestic wood in public buildings. Shizuoka prefecture disclosed a policy to promote the use of domestic wood in one and two storey public buildings. In Yamanashi prefecture domestic timbers have been used since 2002 in interior decoration of public buildings and the government of Yamanashi is now reformulating a new local wood procurement policy.

In general, the law applied in the prefectures seem to especially promote the use of domestically grown timber. The law will come into effect within six months from its approval in May 2010.

July housing starts

Total housing starts in Japan during July were 68,785, the second consecutive month of increase. However, even though housing starts grew 4.7% compared to levels in July last year, the figure for July 2010 is the second lowest ever recorded.

In July, building of publicly financed housing units surged by 70% from July last year as a result of the government's stimulus measures. Wood frame units were up by 6.1% and these constituted about a 58% share of the total housing starts in July.

July housing starts

	July-10	% Change to July-09
Total	68,785	4.3
Owner's units	27,181	4.4
Rental units	25,673	-5.9
Built for sale	15,201	27.3
Wood frame units	40,045	6.1
Prefabricated units	11,131	-1.7
2x4 units	7,961	5.6

Source: JLR

Log and Sawwood Prices in Japan

Logs for Ply Manufacture, CIF	Yen per Koku (Koku=0.278 m ³)
Meranti (Hill, Sarawak)	7,100
Medium Mixed	7,300
Standard Mixed	7,100
Small Log (SM60%, SSM40%)	8,000
Taun, Calophyllum, others (PNG)	-
Mixed light hardwood, G3/4 grade (PNG)	10,500
Keruing MQ & up (Sarawak)	9,600
Kapur MQ & up (Sarawak)	-

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

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

Wholesale Prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	Aug (¥ per sheet)	Sep
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	320	320
3.7mm (med. Thickness, F 4star, type2)	910 X 1820	450	450
5.2mm (med. Thickness, F 4star, type 2)	910 X 1820	560	560
11.5mm for sheathing (F 4star, type 2)	910 X 1820	910	910
12mm for foundation (F 4star, special)	910 X 1820	950	940
12mm concrete-form ply (JAS)	900 X 1800	920	910
12m coated concrete-form ply (JAS)	900 X 1800	1090	1080
11.5mm flooring board	945 X 1840	1250	1280
3.6mm baseboard for overlays (OVL)	1230 X 2440	740	740
OSB (North American)			
12mm foundation of roof (JAS)	910 X 1820	-	-
9mm foundation for 2 by 4 (JAS)	910 X 2440	-	-
9mm conventional foundation (JAS)	910 X 2730	-	-
9mm conventional foundation (JAS)	910 X 3030	-	-

Report from China

ASEAN countries are the major timber product trade partners for China

Statistics from China Customs show that the value of the China-ASEAN timber product trade reached US\$9,380 million in the first half of 2010. Of the total, China's imports were US\$6,850 million and exports stood at US\$2,530 million, implying a trade deficit of US\$4,320.

In the first half year period, the member countries of the Association of Southeast Asian Nations (ASEAN) were the main timber product trade partners for China accounting for some 21% of the total value of timber product trade with China, followed by the US with 15% (US\$6,610 million), EU with 13% (US\$6,050 million) and Japan with 6% (US\$2,480 million).

In terms of growth, the value of trade with ASEAN grew 57%, with the US 42%, EU 34% and Japan 32% compared to the first half of 2009.

China's imports of hardwoods jumped in first half of 2010

According to statistics from China Customs, China's softwood log imports were some 11 million cu.m in the first half of 2010, up 17% over the same period in 2009. Hardwood log imports came to 5.3 million cu.m, up 47%. Of the total hardwood logs imports, tropical logs were 4.4 million cu.m, growing 56% in the first half of 2010 from the same period in 2009.

During the first half year period, China imported a total of 4 million cu.m of softwood sawnwood, up 48% over the same period in 2009. Hardwood sawnwood imports totalled 2.5 million cu.m, an increase of 81%.

Of the total imports of logs and sawnwood, softwoods accounted for over 70% and were mainly used by the domestic construction sector. Hardwood imports accounted for less than 30% of the total log and sawnwood imports and were used mainly for furniture, interior decoration, home improvement materials and in plywood production for the domestic and international markets.

The sharp increase in hardwood timber imports was the result of considerable growth in export demand. Statistics from China Customs show that in the first half of 2010, the value of China wooden furniture exports were worth US\$7.384 billion, up 46% over the same period last year. The value of other wooden product exports reached US\$1.782 billion increasing 28% from the last year. Plywood exports came to US\$1.583 billion, up 44%.

Imports of Pinus radiata experienced the sharpest increase

In the first half of 2010, China's imports of logs and sawnwood of radiata pine maintained a strong growth reaching 3.4 million cu.m, up 47% over last year and were valued at US\$487 million, up 111%. The average unit price for these logs increased by 58% to US\$131.7 per cu.m and for sawnwood 4% to US\$236.6 per cu. m.

The main reason leading to the sharp increase in radiata pine timber imports is the price. Compared to Russian timber, the price development of New Zealand timber is moderate. Another reason is that radiata pine has a wide range of applications and the timber is becoming more and more popular among Chinese consumers.

From a long-term point of view, radiata pine will probably become the main imported timber species in Chinese market, say analysts.

China's imports of radiata pine logs and sawnwood in the first half of 2010

Volume (1000 m ³)			
	2009	2010	% Change
Log	2051	3055	49
Sawnwood	262	355	36
Total	2313	3410	47
Value (US\$ million)			
	2009	2010	% Change
Log	171	402	135
Sawnwood	60	84	41
Total	231	4866	111
Unit price (US\$/m ³)			
	2009	2010	% Change
Log	83.46	131.73	58
Sawnwood	226.97	236.58	4
Total	99.73	142.65	43

Source: China Customs

Guangdong furniture sales grow

According to the Guangdong Forestry Products Industry Association, the total output value of the forest industry in Guangdong reached RMB118 billion in the first half of 2010 showing a 7.8% increase over the same period last year. Of the total, furniture sales were valued at RMB88 billion, up 23% compared to last year and the value of furniture exports stood at US\$6144 million, 39% more than in the first half of 2009.

The forest product industry in Guangdong was hard hit by the international economic crisis in 2008-09 but started to recover in 2009. The forest industry output value in this province was estimated at RMB220 billion in 2009, ranking first in the country.

In the first half of 2010, the value of furniture exports from Guangdong reached US\$6.1 billion, accounting for 39% of the national total. In the same period, Guangdong furniture sales in the domestic market were worth RMB46.6 billion, up 15% over the same period in 2009.

Economic and Trade Cooperation Zone between China and Russia

The Ussuriysk Economic and Trade Cooperation Zone, one of eight Chinese economic zones established outside of China, was built jointly by China and Russia in 2006.

To date, 17 enterprises including shoe factories, wood processing mills and package industries have started to operate in the region. These enterprises realised a total of US\$100 million of sales and US\$20 million of profits in 2009.

Shanghai Furen Wholesale Market

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

Guangzhou City Imported Timber Market

Logs		Yuan per m ³
Lauan (50-60cm)		1900-2100
Kapur (up to 79cm)		2000-2100
Merbau 6m, (up to 79cm)		3500-4000
Teak		11000-13000
Wenge		5000-5200
Sawnwood		
Teak sawn grade A (Africa)		9300↑
US Maple 2" KD		7500-10000
US Cherry 2"		10000-13000
US Walnut 2"		14000-16000
Lauan		4000-4200
Okoume		4000-5000↓
Sapele		6100-6300↓

Shandong De Zhou Timber market

Logs		Yuan per m ³
Larch	6m, 24-28cm diam.	1200
White Pine	6m, 24-28cm diam.	1300
Korean Pine	4m, 30cm diam.	1350
	6m, 30cm diam.	1450
Mongolian Scots Pine		
	6m, 30cm diam.	1350↓

Hebei Shijiazhuang Wholesale Market

Logs		Yuan per m ³
Korean Pine 4m, 38cm+ diam		1600
Mongolian Scots Pine	4m, 30cm diam.	1450↑
	6m, 30cm+ diam.	1600↑
Sawnwood		
Mongolian Scots Pine	4m, 5-6cm thick	1550
	4m, 10cm thick	1600

Zhejiang Jiashan Kaihua International Timber Market

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

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

Report from Europe

European construction trends indicate mixed prospects for hardwood

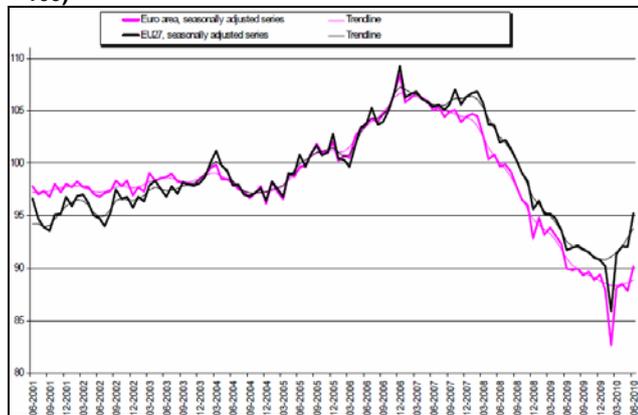
The relationship between hardwood demand and overall construction activity in the EU is not a simple one. Hardwoods tend to be used in finishing rather than for structural elements and demand is often driven more by refurbishment than new build. That said, there is no doubt that indices of overall construction sector activity are a useful guide to likely levels of hardwood consumption. And since hardwoods tend to arrive on-site at the end rather than the beginning of construction projects, a recent upturn in construction activity can usually be interpreted as a sign that hardwood demand is about to pick up.

Against this background, recent trends in the European construction index contain both good and bad news for the hardwood sector. The decline in European construction sector activity which set in sharply and

deeply in mid 2008 continued until last spring. In fact, overall European construction sector activity experienced a very dramatic downturn as late as March 2010. This adds weight to the conclusion that the bottoming out and general up-turn in European hardwood imports recorded in the second half of 2009 was simply a response to short-term stock shortages and not due to any increase in underlying consumption.

The deep and lengthy decline in European construction activity helps explain why this year, the recovery in European hardwood imports has generally slowed. In fact the continent's hardwood trade now seems to have entered a new more stable phase characterised by very low levels of mainly top-up orders balanced by relatively low levels of supply. Only the largest companies distributing over a wide area, particularly in north-western Europe, have taken steps to build landed stocks and these companies are now satisfying requirements from smaller distributors for small but regular orders.

Production index in the European construction sector (2005 = 100)



Source: Eurostat

The more positive news from the European construction sector data is, of course, the sharp upturn in activity that began in April 2010. The upturn slackened again in May but then resumed in June in the run up to the summer vacation. It is not possible to say with any degree of certainty that this upturn will be sustained, particularly with continuing talk of a possible “double dip” recession in the EU largely stimulated by concern over levels of debt and the introduction of deep government spending cuts. But the upturn in overall European construction activity in the April to June period at least bodes reasonably well for the finishing trades in the second half of 2010. With overall European hardwood lumber stocks still at very low levels, importers should keep buying, although business will remain very price driven and volumes are likely to remain much lower than in the past.

Meanwhile, other factors are playing a critical role to influence the direction of the hardwood trade. For example, the general weakening of the Euro in relation to the US\$ combined with low levels of availability of products and associated firm prices from Southeast Asia and Amazonia, are now significantly boosting prospects for African hardwoods in the European market.

Reports from European forest products companies turn positive

Another useful indicator of overall performance in the European wood sector is provided by corporate financial results. The financial consultancy company PricewaterhouseCoopers has just published its annual survey of the Top 100 global forest sector companies (by value of sales), a list which, perhaps surprisingly, continues to be led by European companies (see www.pwc.com/ca/fpp). The survey shows that sales by the 31 European-based companies included in the PwC Top 100 amounted to US\$103 billion in 2009, down 20% from the US\$129 billion reported for 2008.

While sales fell dramatically in 2009, the PwC survey highlights that large European forest product companies were already adjusting in 2009 with major rationalisation and cost-cutting efforts. As a result, net losses of US\$0.6 billion recorded by European PwC 100 companies were much less than losses of US\$1.4 billion reported in 2008.

More recently, PwC's quarterly Net Earnings Summary for the Top 100 during the April to June 2010 period indicates recovery in the overall European forest products market. Nine of the largest European-based forest companies reported overall earnings of US\$550 million in the second quarter of 2010, up over US\$1.1 billion from losses of US\$598 million reported in the second quarter of 2009. All but three of the companies experienced an improvement in performance compared to the same period in 2009 citing improved sales volumes and favourable prices.

Since hardwood companies are generally too small to register in the PwC Top 100, the index is heavily dependant on events in the paper and softwood sectors. However, a notable feature of the 2009 PwC Top 100 from the perspective of hardwoods is that the DLH-Group of Denmark, Europe's largest hardwood trading company, was listed for the first time. DLH squeezed on to the list in 94th place despite the report showing that company sales fell from US\$988 million in 2008 to US\$682 million in 2009. This implies that for all DLH's woes last year, some large companies in the softwood and paper sectors performed considerably worse.

A recent report in the German trade journal EUWID also indicates that DLH's performance has improved significantly this year. Overall company turnover during the first 6 months of 2010 was up 7% on the same period in 2009. The positive results are attributed to overall market recovery and a successful internal cost-cutting programme. As part of this process, DLH is selling its forestry and production activities, including its African subsidiaries CIB in the Congo Republic and GIB in Gabon. EUWID reports that preliminary offers have already been made on both these companies

These reports of improvements in turnover and profits of European companies in the second quarter of 2010 are mirrored in other sectors of the European economy relevant to the hardwood trade. For example, EUWID

recently reported significant improvements in turnover during this period at Junkers (Denmark's largest joinery manufacturing company), VBH (German window, door and fittings retailer), and Inwido (Swedish window and door manufacturer). Meanwhile, the German furniture industry association VDM recorded a 7% improvement in sales of non-upholstered home furniture (primarily cabinets) during the January to June period of 2010 compared to the same period last year.

Slightly less encouraging, the financial results of the Paris-based construction materials giant Saint Gobain suggest diverging market performance in various parts of the continent. During the second quarter, the company's building material revenues returned to growth in Germany, the UK and Scandinavia, but suffered further declines in Netherlands, France and southern Europe.

Rougier report suggests recovery in European tropical hardwood consumption

The recent financial performance of the Paris-based tropical timber group Rougier provides another insight into trends in the European tropical hardwood market. According to an interim financial statement issued in August 2010, Rougier recorded Euro 67.8 million in revenues for the first half of 2010, up 11% in relation to the first half of 2009. With revenues climbing 22.1% compared with the second quarter of 2009 to Euro 37.4 million, the second quarter of 2010 saw a clear improvement in business, benefiting from improved end-user consumption rising sales prices, and improved business efficiency. There was particularly strong growth in sales to the European continent.

The improvement in Rougier's performance came despite the company having to adjust to the end of log exports from Gabon. The interim report highlights that Rougier revenues are coming increasingly from further processed products and less from logs which accounted for only 26% of sales in the first half of 2010 compared to 36% during the same period in 2009. However Rougier also report that the contraction in the company's log trade was limited in the second quarter of 2010 due to improved level of business on export sales in Cameroon and Congo, in addition to the ramping up of log sales to local industrial operators in Gabon. Meanwhile in the first half of 2010, sawnwood has accounted for 46% of Rougier's revenue and plywood for 28%.

The report notes that Rougier is now developing "a commercial differentiation strategy built around the widest possible range of quality products, focused in priority on certified products".

European hardwood veneer market trends

Recent trade trends relevant to the European hardwood veneer sector are illustrated in the charts on page 15. The picture is complicated by the diversity of market sectors involved. There is the market for rotary veneers for okoume plywood which was traditionally produced in France from Gabonese logs but which, since the Gabon

log export ban, is now based on imported veneers. France lies at the heart of Europe's rotary veneer market.

There is also the market for decorative sliced veneers which may be supplied by European mills based on imported logs or, increasingly, by imports of finished veneers. Italy, with its large and globally significant furniture sector remains the largest European market for sliced veneers. Spain's door sector was traditionally a major importer of cheaper decorative veneers, although this market has been severely damaged in recent times by the collapse in Spanish construction sector. And then there is Germany which has for long been at the very heart of Europe's market for all decorative surfaces. Although much of Germany's own domestic veneer manufacturing capacity has recently shifted to Eastern Europe and further afield into Asia, German-owned veneer companies remain dominant on the world stage.

Chart 1 on page 15 shows that Europe's imports of finished veneers declined progressively from the second quarter of 2008 and then staged a recovery from the third quarter of 2009. However, it also shows that the overall pattern of trade was strongly influenced by events in Gabon which mainly supplies rotary rather than sliced veneers. If Gabon is excluded, the indications are that while European imports of sliced veneers fell rapidly during 2008, they have remained remarkably stable at a low level since then. It also suggests very little change in the market share of countries supplying sliced veneer to Europe over the last 2 years.

Chart 2 shows the trend in EU imports of tropical hardwood logs over the last two years, thereby providing an indication of how much of the veneer market is supplied by tropical hardwoods converted within the EU itself. As recently as 2007, the EU was still importing 1 million cu.m of tropical hardwood logs, around half believed to be destined for the rotary veneer sector and the other half for the sliced veneer sector. However following Gabon's log export ban and a recent decline in tropical hardwood veneer manufacturing within Europe, the indications are that European imports of tropical hardwood logs in the future may be limited to no more than around 200,000 cu.m per annum.

Chart 3 showing hardwood veneer imports into Italy (mostly sliced veneers), suggests that this market segment has been recovering slowly since the third quarter of 2009.

Chart 4 highlights the extent to which French hardwood veneer imports are influenced by cyclical events in the Gabon export trade. The general trend in French imports of rotary veneer from Gabon was downward until mid-2009 but there was a good recovery to the end of March 2010. Future French imports of rotary veneer should be boosted following the recent ban on Gabon log exports. On the other hand, demand for okoume plywood remains slow across Europe and there is intensifying competitive pressure from alternative products, particularly poplar plywood and combi products.

Chart 1: EU-25 quarterly imports of hardwood veneer by source country (cu.m)

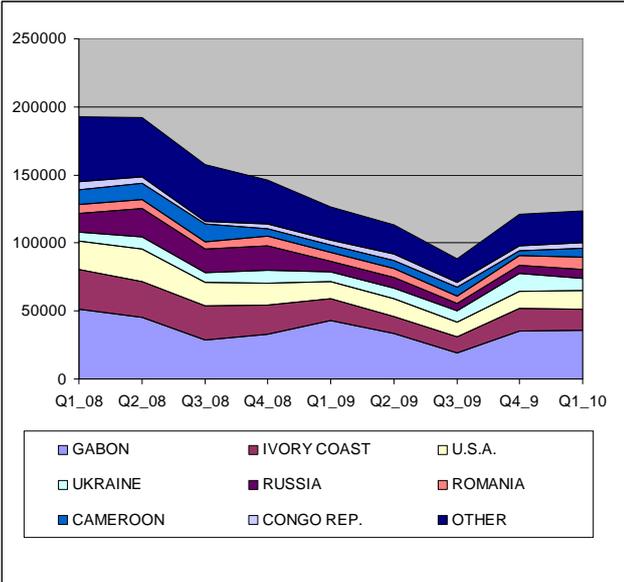


Chart 4: France quarterly imports of hardwood veneer by source country (cu.m)

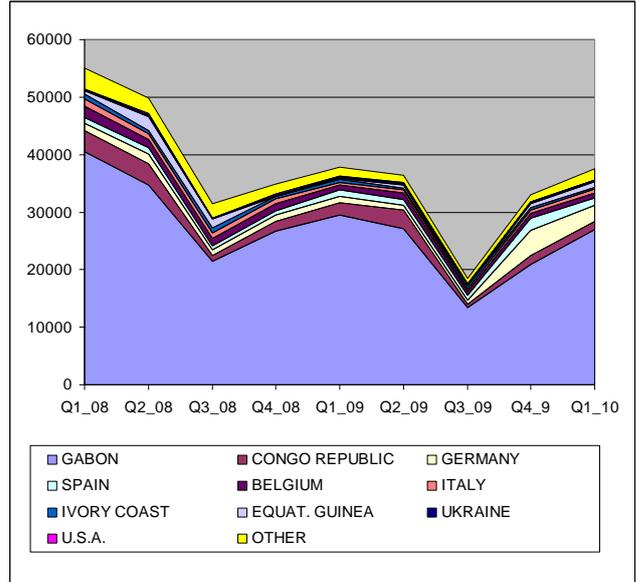


Chart 2: EU-25 quarterly imports of hardwood logs from developing countries by source country (cu.m)

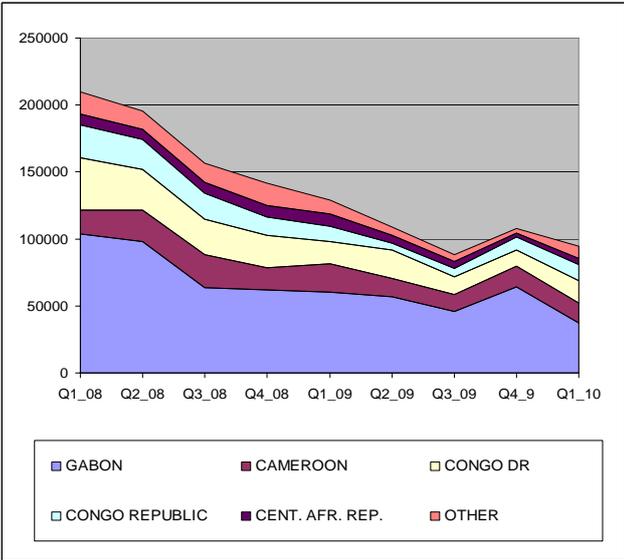


Chart 5: Spain quarterly imports of hardwood veneer by source country (cu.m)

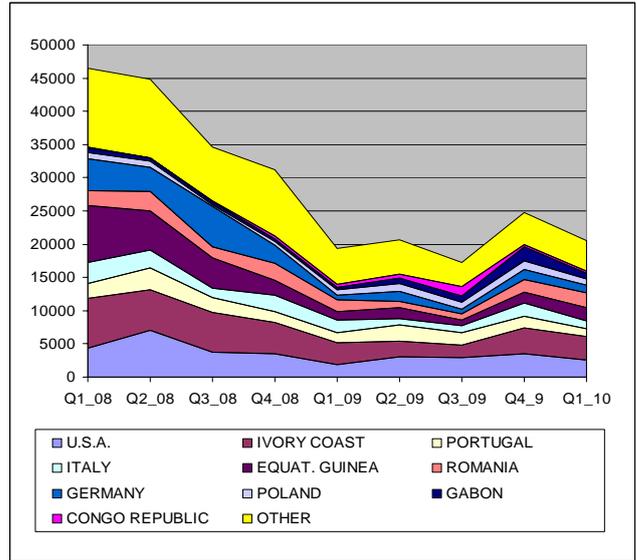


Chart 3: Italy quarterly imports of hardwood veneer by source country (cu.m)

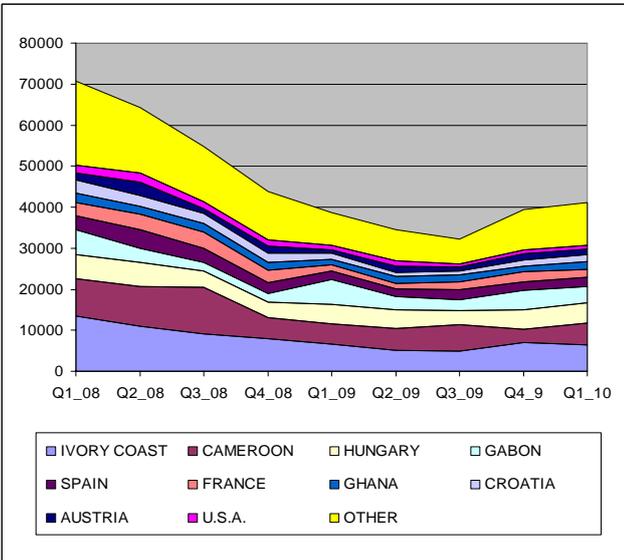


Chart 6: Germany quarterly imports of hardwood veneer by source country (cu.m)

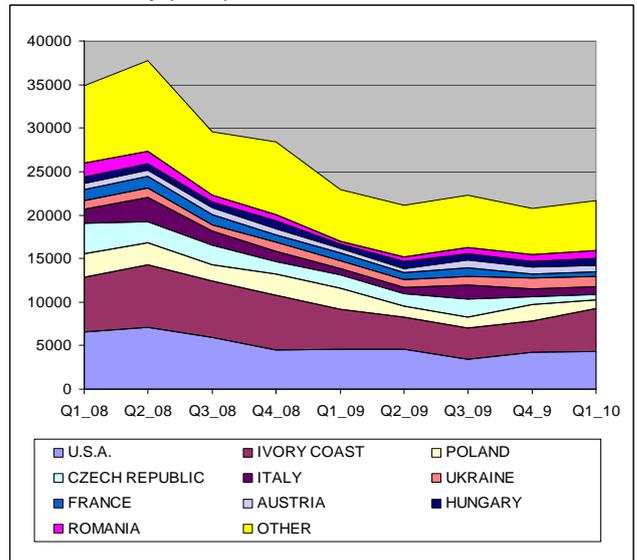


Chart 5 on page 15 reveals the very deep decline in Spanish imports of hardwood veneers from the second quarter of 2008 onwards as construction activity collapsed. A brief revival in imports towards the end of 2009 proved to be short-lived. Recent reports from the Spanish door industry suggest little prospect of any significant upturn in demand in the immediate future.

Chart 6 shows that German imports of hardwood veneer fell consistently and steeply in the 12 months to end June 2009 and have remained stable at a low level since then. However, one positive recent trend for tropical hardwoods is the significant increase in the share of Ivory Coast in overall German hardwood veneer imports since the third quarter of 2009.

The Netherlands Sawntwood Prices

	US\$ per m ³
FOB (Rotterdam)	
Sapele KD	870 ↓
Iroko KD	1030 ↓
Sipo KD	1037 ↓
DRM Bukit KD	932
DRM Seraya KD	939
DRM Meranti KD Seraya MTCC cert.	953
Merbau KD	1215
Sapupira (non FSC) KD	946
Sapupira (FSC) KD	1483
Anti-slip decking AD C&F Rotterdam	
Selangan batu	1504

UK Log Prices

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

UK Sawntwood Prices

	GB Pounds per m ³
FOB plus Commission	
Framire FAS 25mm	465-475
Sipo FAS 25mm	665-685
Sapele FAS 25mm	570-580
Iroko FAS 25mm	670-690
Wawa FAS25mm	285-305
CIF plus Commission	
Tulipwood FAS 25mm	345-370
Meranti Tembaga Sel/Btr (KD 2"boards)	560-580
Balau/Bangkirai Decking	975-1025
White Oak	580-630

UK Plywood and MDF Prices

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

Report from North America

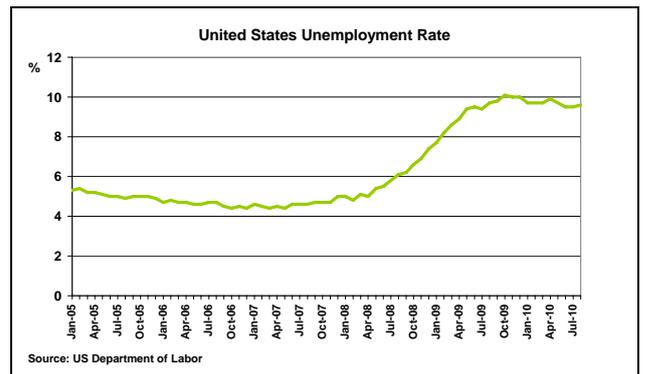
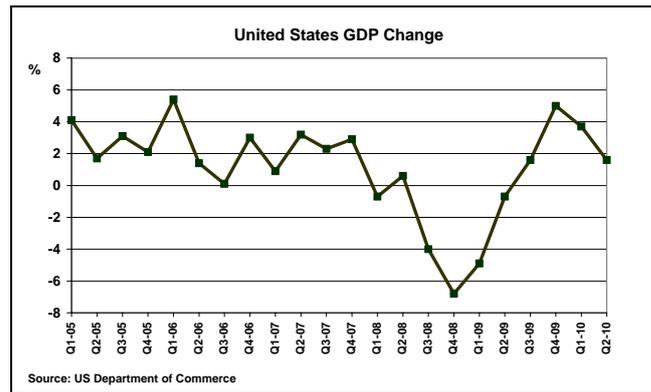
US economic update

The US economy grew at a much slower pace than the government previously expected. In the second quarter of 2010 the GDP grew at an annual rate of 1.6%, down from 3.7% in the first quarter, according to the US Department of Commerce. Especially small and medium-sized companies suffer from slow domestic demand and the continually poor housing market. While the economy

remains weak, the data does not indicate another recession. The Conference Board forecasts the US economy to grow by 2.7% in 2010 and 1.8% in 2011.

Unemployment

In August, the national unemployment rate was 9.6%, up from 9.5% in June and July according to the US Department of Labor. While the number of new jobs created by employers increased in August, the US labour force also grew, thereby pushing up the unemployment rate. The number of jobs advertised rose by over 6% in July after two months of decline. Job openings remain far below pre-recession levels.



Consumer spending

High debt levels and a lack of confidence in the economy are also holding back the economic recovery. Consumer spending accounts for approximately 70% of the US economy. While the consumer confidence index by the Conference Board improved in August, at 53.5 it remains far below 90, the level that indicates a healthy economy.

Consumer spending rose by 0.4% in July after little change in the previous three months, according to the US Department of Commerce. The increase in spending was the highest since March, but economists worry that consumer spending will stall if unemployment remains high. Personal incomes increased by 0.2% in July. Despite this recent increase in spending, the household savings rate is three times higher than before the recession started. Consumers remain cautious, especially when it comes to buying on credit.

Manufacturing

According to the Institute for Supply Management's manufacturing index, US manufacturing companies are

leading the economic recovery. Manufacturing has expanded for over a year according to the index. Continuing strong growth in China and other developing economies has provided a market for US manufacturers, offsetting slow domestic demand. In July, US industrial production rose by 1% after a 0.1% decline in June.

Foreign trade

The US trade deficit with the world plummeted by 14% in July according to the US Department of Commerce. The value of US exports grew by 1.8% while imports fell by 2.1%. This is a significant change from the second quarter when the trade deficit widened and GDP growth slowed. However, the drop in imports reflects lower domestic demand from businesses and consumers. The largest trade deficit remains with China, and the US Congress is being lobbied for trade sanctions against China unless the Yuan is allowed to rise in value against the US dollar.

President Obama proposes new policies to stimulate economy

With unemployment remaining relatively high and mid-term elections looming in November, President Obama proposes three measures to support the US economy:

- US\$50 billion in long-term spending for roads, railways, high speed rail projects and airport runways;
- Permanent extension of research and development tax credits for businesses; and
- Tax breaks to allow businesses write off 100% of their spending on new plants and equipment through 2011.

While infrastructure improvements were part of the 2009 US\$814 billion stimulus that is nearing its end, the new proposal aims at long-term improvements in the US's transportation infrastructure, some of which is forty or more years old.

The president also proposes not to extend the tax breaks that the Bush administration introduced. The tax breaks are due to expire in January 2011, and Obama wants to retain them only for low- and middle-income families.

It is unclear whether the proposed changes will be approved by Congress given the timing before the mid-term elections, but several of the policies had previously been proposed by the Republicans who will be challenging the Democrats' majority in both houses (Congress and House of Representative) at the November elections.

Canada economic update

Canada's economic recovery has slowed given the weaker outlook for the global economy and the US, Canada's largest export market. Nevertheless, the economy is producing almost as much as it did before the recession and employment is also close to pre-recession levels. Unemployment stood at 8% in July. Canada's central bank projects the economy to grow by 3.5% in 2010, 2.9% in 2011 and 2.2% in 2012.

Canada's central bank raised its benchmark interest rate by a quarter point to 1% on September 8. This is the third consecutive raise since Canada was the first of the G7 countries to raise its interest rate in June. While the economic outlook for Canada is less positive now because of the weak performance of the US economy, the central bank governor said there is no longer a need for very low emergency interest rates. In April 2009, the rate had been set at 0.25%, a historic low.

Investment in residential construction and renovation has slowed significantly because of a combination of factors:

- Expiry of the home renovation tax credit in February 2010;
- Tightening of mortgage criteria;
- Increase in mortgage rates; and
- High house prices.

Manufacturing sales increased slightly in June according to the most recent data from Statistics Canada. The highest increases were posted by the furniture industry (+6.4%) and the paper industry (+4.8%).

Canada's trade surplus with the US narrowed. Since December 2009, exports to the US have fallen by 2.2% while imports have increased by 14.1% according to Statistics Canada. Exports to the rest of the world, especially to the EU, grew by 3.7%. Exports of forest products fell by 1.5% to C\$1.8 billion after ten consecutive months of growth.

American hardwood promotion in the United Arab Emirates

The American Hardwood Export Council (AHEC) will conduct a free workshop for architects and interior designers in Dubai at the end of September. The seminar will include an introduction to the NHLA grading rules, wood species and the environmental credentials of American hardwoods. AHEC is seeking to increase hardwood exports to the Middle East for use in interior furnishings, flooring and doors. Saudi Arabia and the UAE are the largest markets for US hardwoods in the region and have shown strong growth in recent years. According to AHEC, red oak is the most sought-after species.

US Timber prices

	Jul-10 US\$ per cu.m	Aug-10 US\$ per cu.m
Ipe (Brazil) Decking Premium Grade AD, 1x6, FOB Belem	2350	2400
Ipe (Brazil) Decking Premium Grade AD, 5/4x6, FOB Belem	2400	2400
Jatoba (Brazil) No.1 Common & Better AD, FOB Belem	-	-
Jatoba (Brazil) No.1 Common & Better KD, FOB Belem	-	-
Khaya (Côte d'Ivoire) FAS KD, FOB Abidjan	740	740
Khaya (Ghana) FAS KD, FOB Takoradi	880	880
Sapele (Cameroon) FAS AD, FOB Douala	710	720
Sapele (Cameroon) 4/4 to 8/4 FAS KD, FOB Douala	830	840

Internet News

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

A special adviser to Gabon's leader said that the construction of the Special Economic Zone (SEZ) forms part of President Ali Ben Bongo Ondimba's plan to make the country competitive and provide jobs to thousands of Gabonese. Soleman Liban said the government signed a strategic agreement with Singapore-based OLAM International, to jointly develop a special economic zone at Nkok for timber processing.

<http://www.voanews.com/english/news/africa/Special-Economic-Zone-to-Make-Gabon-Competitive-Provide-Jobs--101273834.html>

A project to sustain an area of African tropical forest the size of Wales has been launched by Prince Charles on a visit to Carmarthenshire. The "Size of Wales" scheme encourages people to do conservation work and make donations towards their running. The prince, who is on a tour of Britain to promote his ideas for a greener lifestyle, visited the National Botanic Garden of Wales in Llanarthne. He said he wanted to help people create a world that "we all want to live in". The Welsh scheme is being funded by The Waterloo Foundation, an independent foundation based in Cardiff.

<http://www.bbc.co.uk/news/uk-wales-11206424>

During the first half of 2010, exports of wood products from Peru have increased by 31% compared to the previous year, according to figures just released by Peru's export association. Due to the fast growing economy, imports of wood to Peru are estimated to reach US\$2 billion per year within a decade. The domestic supply, however, has the potential to reduce the need for imports.

<http://www.livinginperu.com/blogs/business/1604>

With governments across Latin America preparing to implement a new financial mechanism aimed at mitigating climate change by curbing carbon emissions from the destruction of tropical forests, experts gathering here today warned against a "one-size-fits-all" approach, calling instead for flexible, balanced solutions to the thorny dilemmas surrounding this new mechanism. Among the experts' chief worries is that the wealthy and powerful could capture many of the benefits, largely at the expense of rural communities, including indigenous groups.

<http://7thspace.com/headlines/356262/new-climate-change-mitigation-schemes-could-benefit-elites.html>

Monitoring carbon emissions from remote tropical forests is becoming easier with the help of 3-D and satellite technology. Light detection and ranging technology along with satellites can be used to create 3-D vegetation maps including information on the amount of carbon stored and emitted through land-use changes.

<http://www.bloomberg.com/news/2010-09-07/rainforest-carbon-monitoring-gets-boost-from-3-d-satellite-mapping-model.html>

Sentiment is declining as a direct result of fears over the scale of public spending cuts and ongoing uncertainty about prospects for the economy, says the latest Construction Market Survey from the Royal Institution of Chartered Surveyors, UK. Despite some encouraging signs at the beginning of the year, the latest data shows 7% more surveyors reporting a fall than rise in total construction workloads. This is in comparison to the previous quarter where 5% more surveyors reported rising, rather than falling workloads.

<http://www.themovechannel.com/news/fal0912-350d/>

More than half of Australian timber merchants buy certified timber products but only a quarter believe certification brings a better price, the latest URS survey shows. Certification aims to prove the timber is obtained legally and harvested in environmentally acceptable ways. Certified timber products bought by participants in the June-quarter URS survey included structural hardwood and softwood, hoop pine, cypress pine, plywood and imported hardwood timbers.

<http://www.theage.com.au/business/legally-certified-timber-proving-a-hard-sell-on-price-survey-20100829-13xow.html>

A pick up in housing finance commitments in July suggests the market may be poised to bounce back from setbacks caused by the ending of the Government's First Home Owner Boost, according to Master Builders Australia. New ABS data shows that Queensland's total owner occupier loans increased by 1.6% in July. Compared to June, the value of Australia's total seasonally adjusted dwellings was up 0.7%, while the value of owner occupied housing was up 2.3%.

<http://www.qbr.com.au/news/articleid/69617.aspx>

US builders are buying lots at less than half their original prices from lenders eager to move distressed construction loans off their books. Developments are being resuscitated from Florida, California, and Las Vegas to Utah and the suburbs of Washington, D.C., according to Brad Hunter, chief economist for Metrostudy, a Houston-based housing researcher. Builders, facing record low demand, are trying to boost margins and revenue by pulling unfinished projects out of mothballs. They're benefiting from cheap land and falling construction costs as they seek to adapt floor plans to today's market and lure buyers with prices that, in some neighbourhoods, are little more than the cost of a foreclosed home.

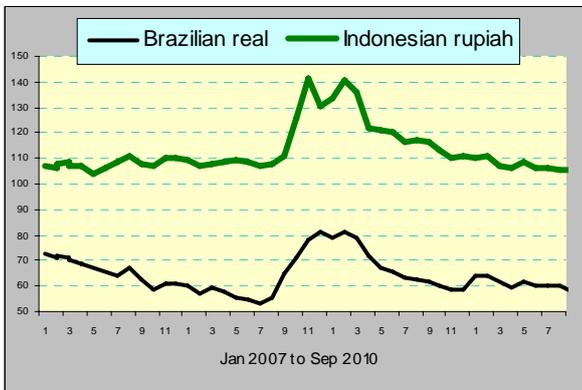
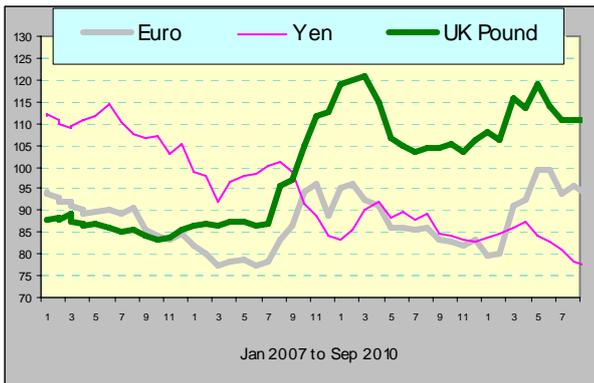
<http://www.bloomberg.com/news/2010-09-08/homebuilders-revive-stalled-u-s-projects-as-banks-unload-lots-at-discount.html>

Main US Dollar Exchange Rates

As of 14th September 2010

Brazil	Real	1.7085
CFA countries	CFA Franc	510
China	Yuan	6.7440
EU	Euro	0.7688
India	Rupee	46.2107
Indonesia	Rupiah	8977
Japan	Yen	83.10
Malaysia	Ringgit	3.1056
Peru	New Sol	2.7886
UK	Pound	0.6427

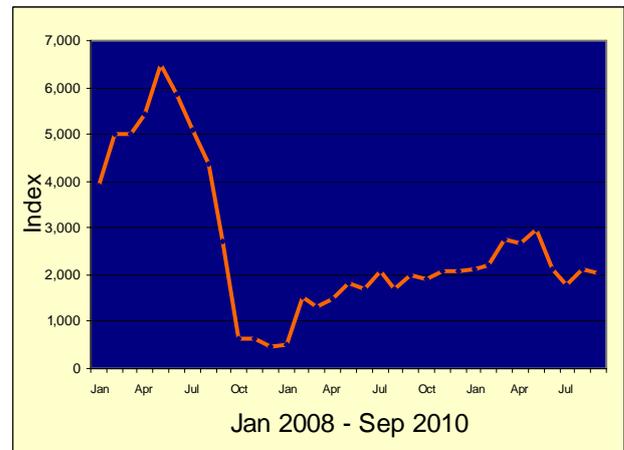
Exchange rates index (Dec 2003=100)



Abbreviations and Equivalences

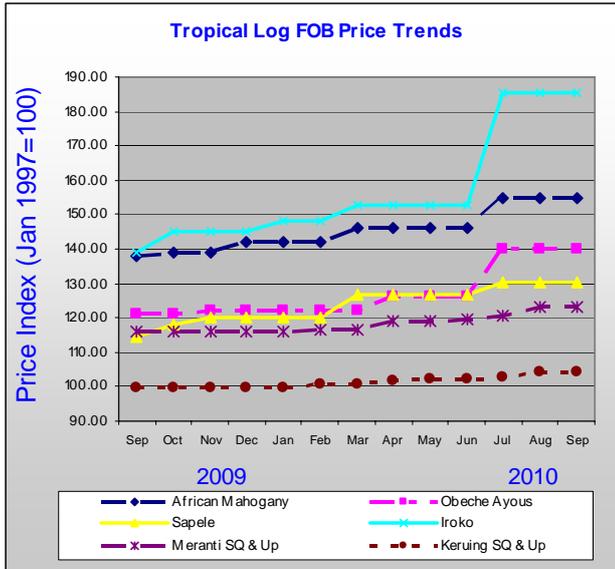
LM	Loyale Merchant, a grade of log parcel
QS	Qualite Superieure
CI, CE, CS	Choix Industriel, Economique or Supplimentaire
FOB	Free-on-Board
CIF; CNF	Cost, insurance and freight; Cost and freight
KD; AD	Kiln Dry; Air Dry
Boule	A log sawn through and through, the boards from one log are bundled together.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

Ocean Freight Index

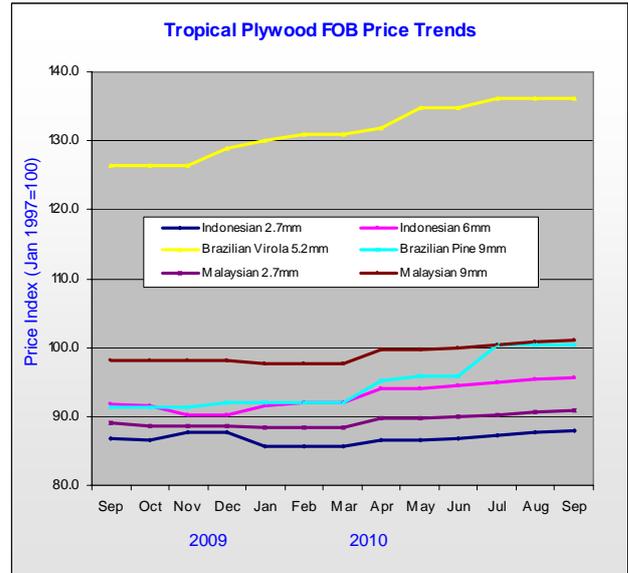


The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes. It is based on a 52,454 mt bulk carrier carrying commodities such as timber.

Tropical Log Price Trends

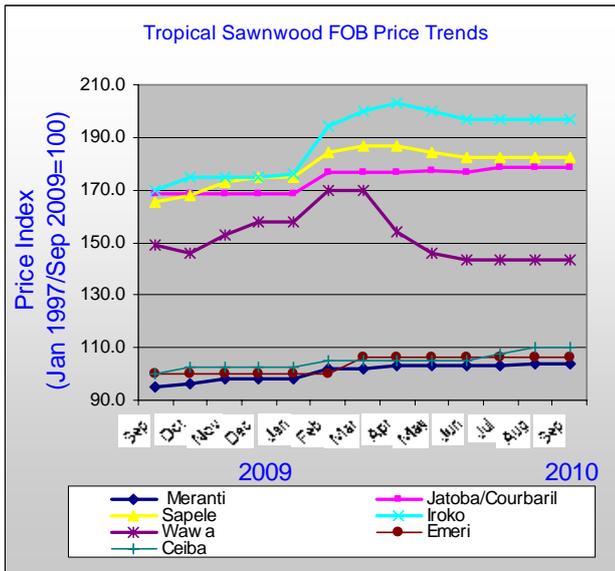


Tropical Plywood Price Trends



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

Tropical Sawwood Price Trends



To have a free copy of this twice-monthly ITTO Market Information Service bulletin emailed to you on the day of production, please register at:
http://www.itto.int/en/mis_registration/