

Tropical Timber Market Report

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

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Top Story

Trade Group - ITTO a formidable force shaping the future of tropical forest management and trade

ITTO is the world's premier tropical timber organisation and must continue to garner support according to the Trade Advisory Group (TAG).

In a statement issued at the conclusion of the 2016 Annual Market Discussion, held as part of the International Tropical Timber Council, the TAG urged members to "close ranks and rebuild the organization".

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Headlines from ITTO's trade review and market discussion

Trade Group - ITTO a formidable force shaping the future of tropical forest management and trade

ITTO is the world's premier organization on tropical forestry and trade and must continue to function, according to the Trade Advisory Group (TAG). In a statement issued at the conclusion of the 2016 Annual Market Discussion, held in Yokohama on 9 November 2016 as part of the 52nd Session of the International Tropical Timber Council, the Trade Advisory Group urged members and stakeholders to "close ranks and rebuild this organization".

TAG was established to provide inputs to ITTO's policy and project work. It is open to anyone with an interest in the tropical timber trade, including representatives of tropical forest industries, timber exporters and importers, timber trade and industry consultants, and trade and industry associations.

The statement, which was presented by TAG co-chair, Barney Chan, set out the following three key ways in which ITTO differs from and has a much bigger impact than other similar organizations, which "we in the private sector see as the winning difference", according to the TAG statement.

First, ITTO does not preach or set out prescriptions on forest management. Rather, it works with members to develop guidelines that members then test in the field. ITTO works with member countries on ITTO-funded projects according to these accepted guidelines.

Second, ITTO provides a fair and level playing field for all stakeholders to interact. Within the Organization, non-governmental organizations, including environmental organizations, have a platform to discuss and work with the private sector on matters of importance to both parties—good forest management.

"This interaction is key to finding solutions that are not only successful on the ground but that can endure over time," said the TAG statement.

Third, ITTO delivers market intelligence through its Market Information Service reports, which go to a very wide international audience twice a month. The reports, which provide continuous updates on trends, prices, trade news, production and exports, "is deeply appreciated by the trade around the world," said the TAG statement. "No other international organization provides such a valuable, transparent service."

In view of the recent severe financial setback to ITTO, said the statement, "we in TAG want to work closely with ITTO members to move our organization forward beyond this crisis". The TAG statement said that, together, the Council and the Secretariat were "a formidable force that has and can continue to help shape the future of tropical forest management and trade".

The TAG statement can be found at http://www.itto.int/files/topics/4901_ext_08_12.pdf

The theme of the Annual Market Discussion at this session was on the challenges and opportunities posed and presented by free-trade agreements (FTAs) for the tropical timber trade. The discussion came as results of the presidential election in the United States of America were coming to hand.

"The TPP [Trans-Pacific Partnership] is now done in the US, at least for the near term," said Joe O'Donnell, Senior Manager for Government and Public Affairs at the International Wood Products Association (IWPA), United States of America. He indicated that the election result would likely have impacts on the trade environment in his country but that the IWPA was committed to working to keep trade flows open.

Enrique Tellez Pacheco, President of the National Chamber of Wood Industry in Mexico, said that Mexico had recently signed new bilateral FTAs with Japan, Peru, Central America and Panama, and others—including the TTP. These could provide new export and import opportunities for tropical timber, he said, but support was needed to develop local industries. Otherwise, FTAs would exacerbate the issue of exporting low-value-added raw materials and then importing finished products made using those same raw materials.

"Trade agreements can be a powerful tool to boost the trade of legal tropical timber," said Erick Fisher, President of the Forestry Committee of the Peruvian Association of Exporters. But this was not being achieved in Peru, he said, because the diagnosis of the problem and actions to address it had focused primarily on illegal logging and its associated trade. These actions, were insufficient "to guarantee the sustainability of tropical forests".

According to André de Boer, Secretary General of the European Timber Trade Federation, there had been a dramatic decrease in imports of tropical timber in Europe due to the financial crisis there and the poor image of tropical timber. “But we are now coming out of the crisis,” he said. “It is time to fight for market share for tropical timber, and legality and sustainability are the keys in Europe.”

Other speakers at the Annual Market Discussion were Jirawat Tangkijngamwong, Chairman of the Thai Timber Association, and Labode Popoola, Professor of Forest Economics/Sustainable Development at the University of Ibadan, Nigeria.

Presentations made at the ITTO Annual Market Discussion are available at <http://www.itto.int/ittc-52/presentations.html>.

Uncertain outlook for the tropical timber trade says trade specialist

According to preliminary results of ITTO’s Biennial Review of the World Timber Situation global tropical hardwood log imports dropped by more than one-tenth in 2015 despite the increase in 2013 and 2014. Frances Maplesden presented the draft Biennial Review and Assessment of the World Timber Situation during the recent International Tropical Timber Council (ITTC) meeting in Yokohama.

This review provides data and analysis on the production and trade of tropical forest products in ITTO member countries. The primary source of information is the Joint Forest Sector Questionnaire—a joint venture between ITTO, FAO, the UNECE and Eurostat—sent to member countries each year.

Although tropical hardwood log imports by ITTO members accelerated in 2014, said Ms Maplesden, imports dropped by 12 percent in 2015 (the most recent year for which data are available), to 16.9 million m3. She attributed most of the decline to a significant drop in China’s imports, where overstocking and slowing construction activity affected demand.

ITTO producer member countries produced 237.6 million m3 of tropical logs in 2015, according to the draft review, with Indonesia, India, Brazil and Malaysia accounting for two-thirds of total production, the bulk of which was in the Asia-Pacific region.

Trade in secondary processed wood products (SPWPs), which had accelerated in 2013 and 2014, declined in value in 2015, with global imports valued at US\$89.2 billion. Trade in wooden furniture, the most important SPWP, is dominated by imports by the USA, European Union countries and Japan, and exports from China and Viet Nam. Malaysia and Indonesia were important tropical exporters in 2015, although their exports have remained relatively static and exports by China and Viet Nam have increased significantly in the last decade.

The outlook for the tropical timber trade in 2016 and beyond remains uncertain. Major issues include potential risks regarding China’s economic growth and demand, and the growing trade with countries regarded as being at “high risk” of illegal logging and trade.

The Review is available at http://www.itto.int/files/topics/4901_ext_08_3.pdf

Central and West Africa

Uncertainty the main concern

Most timber traders are focusing on the financial implications, foreign exchange volatility and the likely impact on global markets of the US Presidential election. Everyone is anticipating a very uncertain trading environment and expecting the coming months to be turbulent. Immediately after the US election exchange rates were very volatile with the Japanese yen particularly affected becoming, once again, the favourite safe haven.

Traders now have to wait a see how US trade negotiations progress and what will happen to existing free trade agreements.

Some price increases but these not a signal of improving market sentiment

Getting back to reality, there are once again a few price changes reported stemming from a boost in demand for specific species however analysts are quick to point out these changes do not signal any shift in overall market sentiment. West and Central African exporters report that markets are dull and they do not foresee any improvement in demand or prices through to year end.

As previously reported, the government in Gabon is experiencing financial constraints and there are rumours that they may consider resumption of log exports to generate income however most observers believe this is extremely unlikely. The new Minister for Forests has not yet announced decisions on several outstanding policies issues remaining from the previous administration.

Quiet EU construction and housing demand

Producers report business in the EU is steady but not showing any signs of growth and those trading with the UK report very dull trading conditions as activity in the construction and home building sectors has slowed. Uncertainty in the global political and economic environment makes it most likely that timber markets will remain dull well into 2017.

Logging residues and carbon emissions

Researchers at the Nicholas School of the Environment, Duke University, have reported on a research project which suggests logged forests in Central Africa may contain more than three times as much carbon-emitting wood residue on the forest floor after logging as previous assumed.

If the results from this study of a small area are confirmed in further studies of various forest types under differing harvesting regimes then there could be broad implications for regional forestry practices and policies and the development of this issue needs to be monitored.

See:

<http://africatimes.com/2016/11/08/gabon-logging-debris-study-suggests-higher-more-accurate-carbon-measure/>

<https://nicholas.duke.edu/about/news/carbon-emissions-logging-debris-africa-vastly-underestimated>

The Africa Times writes “When calculating forest carbon, the existing models assume that the deadwood accounts for about 9 percent of all biomass in forests. What the Duke team found was that in Gabon, the more accurate figures are about 30 percent in logged forests and 18 percent for unlogged sites”.

Log Export Prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N'Gollon	240	240	160
Ayous/Obeche/Wawa	240	240	190
Azobe & Ekki	230	230	160
Belli	240↑	235	-
Bibolo/Dibétou	180↑	170	-
Bilinga	220	220	-
Iroko	325	300	265
Okoume (60% CI, 40% CE, 20% CS) (China only)	210	190	160
Moabi	330	300	235
Movingui	210	210	160
Niove	175	160	-
Okan	210	190	-
Padouk	300	280	230
Sapele	290	280	220
Sipo/Utile	310	290	255
Tali	330↑	320	-

Sawnwood Export Prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	400
Bilinga FAS GMS	520
Okoumé FAS GMS	340
Merchantable	270
Std/Btr GMS	266↓
Sipo FAS GMS	550
FAS fixed sizes	560
FAS scantlings	596
Padouk FAS GMS	850
FAS scantlings	950↑
Strips	640
Sapele FAS Spanish sizes	500↓
FAS scantlings	520↓
Iroko FAS GMS	620↓
Scantlings	710
Strips	440
Khaya FAS GMS	450
FAS fixed	460
Moabi FAS GMS	610
Scantlings	630
Movingui FAS GMS	420

Ghana

Ports and shipping companies report trade levels have fallen

With less than a month until Ghana's presidential elections business sentiment has become very subdued as the incumbent and largest opposition parties intensify their campaigns. This, coupled with various law suits against and by the Electoral Commission, has distracted consumers and businesses alike.

In interviews with Citi Business News the Director of Hans Shipping Company and the CEO of Koro Shipping say activity at the ports has slowed noticeably.

They commented that at this time of year both importers and exporters were usually busy preparing for the festive season but that the uncertainties surrounding the election has resulted in traders 'playing safe'.

For more see: <http://citifmonline.com/2016/11/07/election-fever-slows-business-activities-at-tema-port-report/#sthash.DX9jsPuL.dpuf>

Significant rise in exports in first 8 months of 2016

Ghana recorded a year-on-year rise of almost 12% in the volume of wood product exports between January and August this year (2016, 264,889 cu.m; 2015, 237,004 cu.m) and there was a 26% increase in export earnings over the same period.

There were increases in the export volumes of air-dried sawnwood, plywood, curl veneers, billets and kindling.

	2015 Jan-Aug	2016 Jan-Aug	
	cu.m	cu.m	% Change
Sawnwood (AD)	90490	160193	77
Plywood	403	552	37
Curl Veneer	13	39	200
Billets	19281	19862	3
Kindling	468	890	90
Others	126347	83346	-34
Total	237002	264882	11.8

Source:TIDD

The main species exported were teak (35%), rosewood (22%), wawa (9%), papao/apa (7%), and ceiba (6%). The major export markets over the period Jan-Aug 2016 were Asia (mainly India, China and Vietnam,73%), Africa (11%), Europe (11%), USA (3%) and the Middle East (2%).

Contribution of Tropenbos International Ghana lauded

The contribution of Tropenbos International Ghana (TBI), a forestry-oriented NGO has been recommended for its contribution to Ghana's forestry sector.

Dr. Emmanuel Marfo of the Forestry Research Institute of Ghana (FORIG) said TBI Ghana has played a pivotal role through building capacity over the years in the development of the Domestic Timber Policy, the Procurement Policy on Timber and Timber Products and the review of the Forest and Wildlife Policy among others.

More at: http://www.tropenbos.org/country_programmes/ghana

Boule Export prices

	Euro per m ³
Black Ofram	380
Black Ofram Kiln dry	472
Niangon	530
Niangon Kiln dry	560↓

Export Rotary Veneer Prices

Rotary Veneer, FOB	Euro per m ³	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	300↓	400
Chenchen	416	539
Ogea	478	604
Essa	480	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	2.00	0.91
Asanfina	3.00	0.57
Avodire	1.20↓	0.34
Chenchen	1.40	1.20
Mahogany	1.09↓	0.82
Makore	0.85↓	0.55
Odum	1.13	0.40

Export Plywood Prices

Plywood, FOB	Euro per m ³		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	415	590	641
6mm	477	535	610
9mm	407	474	613
12mm	364	463	480
15mm	389↓	410	430
18mm	292	417	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	
	Air-dried	Kiln-dried
FAS 25-100mm x 150mm up x 2.4m up		
Afrormosia	860	925
Asanfina	492	564
Ceiba	297	320↑
Dahoma	363	380↓
Edinam (mixed redwood)	520	599
Emeri	465	570
African mahogany (Ivorensis)	848	1075
Makore	730	820
Niangon	500	575↓
Odum	755	869
Sapele	675	815
Wawa 1C & Select	363	465

South Africa

Broad based increase in manufacturing output

Stronger performance in the manufacturing industry helped keep South Africa's economy out of a recession and has led to a slight upward revision in annual growth forecasts.

The South African statistical office (Statistics South Africa) has reported that manufacturing output rose almost 5% year-on-year in June, the third consecutive month of improvement.

For more see:
www.oxfordbusinessgroup.com/news/manufacturing-helped-south-africa%E2%80%99s-economy-avoid-recession

In the past production figures have tended to be strongly dependent on mining output but, say the statistical office, there has been broad based improvement across the manufacturing sector.

South Africa's housing market – stagnating prices

Housing trend data from South Africa's First National Bank (FNB) is pointing to a slowdown in the housing market and FNB put this down to high house prices which are out of reach of many potential buyers. Perceptions that interest rates will rise along with weak consumer sentiment, especially in terms of job security and the direction of the economy, has affected sales.

The FNB report says while there has been a year-on-year improvement in prices especially in the low income areas, on a quarter-on-quarter basis prices in all four categories lost ground.

Government and construction firms settle

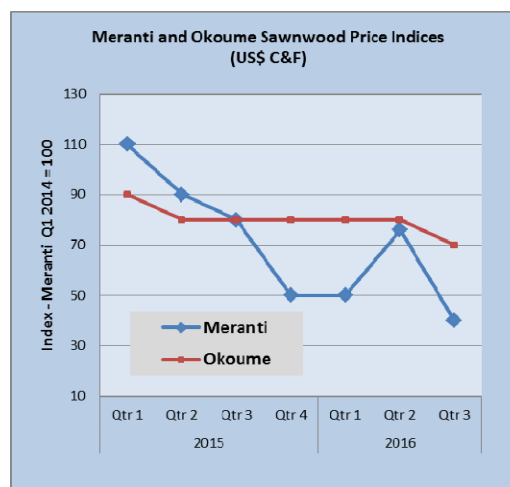
The South African government and the largest construction companies have finally settled on the penalty to be imposed on the main companies which, in 2013, were accused of bid rigging.

Following an investigation by the Competition Tribunal in 2013, the companies involved were collectively fined R1.4 billion. Under the deal recently announced the companies investigated will now contribute R1.25 billion over the next twelve years to be used to fund socio-economic development in the country. This agreement hopefully heralds a new era of trust and integrity in the construction sector.

Online pre-feasibility assessment

The Department of Forest and Wood Science at Stellenbosch University, the Institute for Commercial Forestry Research (ICFR) and Forest Economic Service (FES), all in South Africa, have launched an online tool the "Forestry Enterprise Simulator" (ForEntSim) which allows the feasibility of investment by enterprises to be evaluated.

The Simulator is now available and can be accessed at: www.forestsim.com and <http://www.forestsim.com/forentsim-project>



Malaysia

East Coast rail link gets underway

Malaysia's Land and Public Transport Commission (SPAD) has signed an agreement with China on the building of East Coast Rail Link (ECRL) as part of its effort to revitalise the East Coast region of the country, the so called East Coast Economic Region (ECER). Soft loans will be provided by China's Export-Import (Exim) Bank.

The ECER extends over some 66,000 square kilometres or 51% of the total area of Peninsular Malaysia and is home to over 4 million people in the states of Kelantan, Terengganu and Pahang, as well as Mersing district ,Johor.

The project is estimated to cost RM55 billion (approx. US\$13 billion) and construction could begin next year.

See: <http://www.spad.gov.my/land-public-transport/rail/east-coast-rail-line-ecrl-project>

Boost trade with Africa says minister

Malaysian Minister of International Trade and Industry (MITI), Datuk Seri Mustapha Mohamed, has said Malaysia and African countries must work hard to further develop trade to double this to RM67.2 billion (US\$16 billion) by 2021.

The Minister noted that the 2015 trade of just RM33.6 billion (US\$8 billion) was far too small in light of the Africa's over one billion population and he compared this to Malaysia's RM420 billion (US\$100 billion) annual trade with China which also had a population of one billion.

MITI recently held a two-day Africa Business promotion event which featured business seminars, workshops, one-to-one business meetings and networking sessions between Malaysian and African businesses.

See: <http://www.miti.gov.my/index.php/pages/view/3758>

Review IUCN Red List says Sarawak Forestry Corporation CEO

The Chief Executive Officer of the Sarawak Forestry Corporation (SFC), Wong Ting Chung, has called for a review of the status of dipterocarps as set out in International Union for Conservation of Nature (IUCN) Red List of Threatened Species.

The IUCN lists more than half of the dipterocarp species in the state as threatened but many species on the list are commonly found in the forest, they regenerate naturally and are available in commercial volumes said Wong. The inclusion of species such as meranti binatoh, meranti langgai and selangan batu hitam needs to be reviewed.

Wong pointed out that recent research undertaken by the RIMBA programme (Research for Intensified Management of Bio-Rich Areas of Sarawak) found that many species listed as threatened in Sarawak by IUCN should not be considered as such.

Furniture makers meet sales target in China expo

Malaysian furniture manufacturers are on track to meet annual sales targets even in the face of the current weakening of demand in international markets.

The Malaysian Timber Council (MTC) and eighteen Malaysian furniture manufacturers participated in the China International Furniture Expo - Furniture China with an eye on sales of RM40 million. As it turned out the reported confirmed and potential sales just beat the target at RM40.03 million. This expo was held at the Shanghai New International Expo Centre in Pudong, Shanghai.

While it may come as a surprise, China has been in the top 10 main export markets for Malaysian furniture for the past five years and in 2015 Malaysia's exports of wood products, including furniture, to China totalled RM1.9 billion.

See: <http://mtc.com.my/wp-content/uploads/2016/10/Furniture-China-2016-Post-Release.pdf>

Indonesia

Congratulations pour in

On 15 November Indonesia became the first country to issue FLEGT licenses which exempt EU importers from the due diligence requirements under the EU Timber Regulation (EUTR).

The first FLEGT licensed shipment arranged by APKINDO is destined for the UK, Belgium and Germany.

For more see the FLEGT Newsletter at: http://www.flegt.org/news/content/viewItem/Indonesia-and-EU-launch-FLEGT-licensing-for-legal-timber-to-combat-illegal-logging/15-11-2016/55?utm_medium=email&utm_source=Apsis%20newsletter

SME support programme

The Ministry of Industry has a scheme to assist SMEs in the country to secure National Standard (SNI) certification for their products. This is part of the ministry's plan for improving the competitiveness of products manufactured by SMEs.

Director General (SMEs) in the Ministry of Industry, Gati Wibawaningsih, said it was important for SMEs to become more quality conscious for the domestic as well as international markets.

The ministry is supporting training, mentoring and technical guidance on attaining local standard certification as well as on the SVLK.

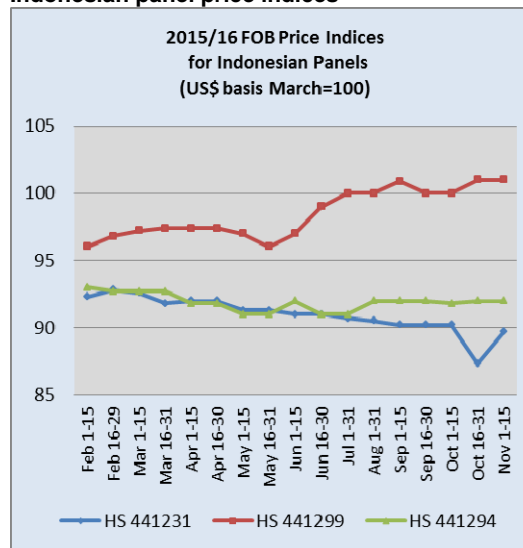
GDP in-line with forecasts

The Indonesian statistics office has reported that GDP expanded by 5.02% year-on-year in the third quarter of 2016, down from a revised 5.19% growth in the previous quarter but in line with forecasts.

Indonesian economic growth was subdued in the third quarter because of weak economic activity in its main trading partner countries. This and the budget cuts by government affected growth.

For more see: <http://www.indonesia-investments.com/news/todays-headlines/economy-of-indonesia-gdp-expands-5.02-in-q3-2016/item7341>

Indonesian panel price indices



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

Peatland villages to aid restoration

The provincial government of Jambi will establish a number of village communities in areas where fires have destroyed the forest and severely affected the underlying peat. The village community will be advised on peatland management and supported in the establishment of cash crops and eventually tree crops.

Nazir Foead of the Peatland Restoration Agency said it is vital to speed up the peatland restoration programme to ensure this unique eco-system survives. It has been estimated that of the 900,000 ha. of peatland almost 200,000 ha. has been burnt.

Myanmar

Swedish importer fails EUTR – fined for teak imports

A Swedish court has fined a Swedish importer for failing to satisfy the EU Timber Regulation (EUTR). This court decision is the first in Sweden to apply the EU Timber Regulation (EUTR).

The court said the company that imported the teak via a Singapore trader had violated this regulation as it was unable to provide sufficient evidence that it had met the due diligence requirements of the EUTR.

The company in question was fined 17,000 Swedish kronor (US\$1,700). Apparently the company has informed Sweden's EUTR regulator that it will no longer source wood from Myanmar. The court's verdict follows nearly a year of injunctions from Swedish authorities and an appeal by the company.

In its defense the company offered a certificate issued by MFPMF which the court deemed insufficient evidence of due diligence. This case is likely to establish a precedent in other pending cases in the EU.

Barber Cho, who developed the Myanmar Forest Product Merchant Federation (MFPMF) certification system while he was Secretary of the Federation, explained that the system relies on two documents - the Legality of Timber issued by Forest Department and The Delivery Order (DO) for teak logs issued by the Myanmar Timber Enterprise (MTE). These documents do not provide full information on the supply chain or on where and how harvesting took place. Cho pointed out that if a buyer wants to check they can obtain the full information from MTE. He further said it seemed that, in this case, MTE was unaware of any inquiry from EU.

Local analysts say this decision in Sweden has caused panic in the timber industry in Myanmar and the government is being lobbied to act to protect the export trade. Although Sweden is not the major market for Myanmar teak exporters fear other countries may also act to punish importers.

For more see:
C:/Users/Owner/Downloads/Swedish%20Court%20Myanmar%20Timber%20PR_FINAL.PDF

Lifting the harvesting suspension – plan for the rain season says industry

The Forestry Department and MTE have officially announced that about 17,000 hoppus tons of teak and about 350,000 hoppus tons of hardwood logs would be harvested after the one-year harvesting suspension is lifted on 31 April 2017.

In welcoming this news the private sector has alerted the authorities to the likelihood that there would be a shortage of logs next year as logging could not be carried out during the rain season which extends from May to October. A lifting of the suspension of logging in April effectively means no new logs will come onto the market until late in 2017.

Minister calls for review of forest policy

Win Ohn, Minister of Natural Resources and Environmental Conservation, wants a complete review of the country's forest policy. In a recent interview he condemned the greed of timber traders for the failings of the forest policy. The minister said a review of Myanmar's forest policy was necessary to update the Forest Law of 1992 and the 1992 Forest Policy.

These two pieces of legislation envisaged extensive forest conservation and the development of downstream wood industries but this was not achieved as Myanmar has a high rate of deforestation and the wood processing sector lags far those of Thailand, Malaysia and Vietnam despite Myanmar having highly valuable timber resources.

October teak log auction prices

Grade	H.tons	Avg US\$/H.ton
SG-2	-	-
SG-4	28	3,665
SG-5	22	2,890
SG-6	21	2,335
SG-7	71	1,760

India

Growth in manufacturing hits 22-month high

In a 1 November press release Markiteconomics reports that Indian manufacturing output hit a 22 month high in October this year.

The press release says the latest reading was indicative of a firm improvement in the business climate and that this spurred growth. Markit says "Once again, consumer goods producers outperformed their intermediate and investment goods counterparts, registering stronger rates of expansion for both output and new orders."

Commenting on the latest manufacturing output data, Pollyanna De Lima, Economist at Markit and author of the report, said: "October data provide positive news for India's economy as manufacturing output and new orders expanded at the fastest rates in 46 and 22 months respectively. The sector looks to be building on the foundation of the implied pick-up in growth in the previous quarter."

For more see:
<https://www.markiteconomics.com/Survey/PressRelease.mvc/1868d49f612441da951f021cbebf7cf3>

Home sales rise but prices stagnant

Lower interest rates for home loans and stable house prices have combined to make new home purchases more attractive and this has led to a 15% year-on-year rise in home sales according to Liasis Foras Real Estate Rating and Research.

Data recently released by this research group suggests 2016 home sales were concentrated in the Mumbai Metropolitan Region and the National Capital Region.

The available data seems to indicate that home buyers have a preference for homes in development areas that are nearing completion rather than purchasing well in advance.

Interest rates on home loans from the State Bank of India have been cut to 9.1%, the lowest in six years.

For more see

<http://economictimes.indiatimes.com/wealth/real-estate/home-sales-rise-on-stagnant-market-cheaper-loans/articleshow/55214071.cms>

Funds for state forestry and job creation

In July this year the Indian government passed legislation which will provide around Rs. 6,000 crores annually to states authorities to expand efforts on conservation, protection, improvement and expansion of forest and wildlife resources of the country.

These funds, says the government press release, “will not only help the states and local communities to ensure better management of their forest resources but will also result in creation of more than 15 crores man-days of direct employment.”

The funds for this initiative will be provided from accumulated fees paid by enterprises which were allowed to establish businesses on forest land. Since 1980, the government approved the diversion of 1.29 million hectares of forestlands for non-forestry purposes, according to a study by the Centre for Science and Environment.

For more see: <http://cseindia.org/userfiles/campa-factsheet-final-2015.pdf>

Plantation teak prices

Demand for plantation teak continues to be good and in recent shipments some suppliers have been providing larger diameter log which has lifted prices.

	US\$ per cu.m C&F
Angola logs	389-574
Belize logs	350-400
Benin logs	290-714
Benin sawn	530-872
Brazil logs	344-540
Brazil squares	333-556
Cameroon logs	405-616
Colombia logs	478-743
Congo D. R. logs	450-761
Costa Rica logs	357-780
Côte d'Ivoire logs	289-756
Ecuador squares	333-454
El-Salvador logs	320-732
Ghana logs	294-452
Guatemala logs	324-646
Guyana logs	300-450
Kenya logs	515-876
Laos logs	300-605
Liberia logs	265-460
Malaysian logs	225-516
Mexican logs	295-808
Nicaragua logs	402-505
Nigeria squares	434-517
Panama logs	335-475
PNG logs	443-575
Sudan logs	358-556
Tanzania teak, sawn	307-613
Thailand logs	511-700
Togo logs	334-590
Trinidad and Tobago logs	603-753
Uganda logs	411-623
Uganda Teak sawn	680-900

Price range depends on quality, length and average girth of logs.

Prices from the three new plantation teak log suppliers remain unchanged at: Taiwan P.o.C (US\$1036 to 2126 per cu.m C and F) and Honduras (US\$471 to US\$539 per cu.m C and F). Sawn teak from China (US\$855 to 1118 per cu.m C and F) and from Myanmar (US\$461-2895 per cu.m C and F).

Prices for locally sawn imported hardwoods

There have been changes in prices as shown below.

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	3200-3500
Balau	1850-1950
Resak	1350-1550
Kapur	1750-1850
Kempas	1250-1400
Red Meranti	1200-1350
Radiata pine AD	800-900
Whitewood	850-950

Price range depends mainly on length and cross section

Myanmar teak flitches resawn in India

Demand remains steady. Supplies of sawn teak from Myanmar and China have kept prices stable.

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 range depends mainly on length and cross section

Prices for imported sawnwood

Demand for imported sawnwood has started to rise and this has lifted prices for some species.

Sawnwood, (Ex-warehouse) (KD)	Rs per cu.ft.
Beech	1350-1450
Sycamore	1500-1650
Red oak	1600-1750
White Oak	2200-2250
American Walnut	4250-4500
Hemlock clear grade	1300-1400
Hemlock AB grade	1250-1300
Western Red Cedar	1850-2000
Douglas Fir	1550-1750

Price variations depend mainly on length and cross section

Prices for WBP Marine grade plywood from domestic mills

Prices remain unchanged but this is likely to change with the introduction of the GST (Goods and Services Tax).

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.67.80	Rs.80.00
5mm Flexible ply	Rs.42.00	

Brazil

Tax incentives for better forest management

To encourage forest management units that promote the efficient and profitable utilisation of forest resources the Brazilian Government will offer tax incentives in the form of lower corporate taxes for forestry enterprises.

Acquisitions of buildings will also be exempted temporarily (until the end of 2019). In addition to assistance with exemption of taxes on real estate transfers and all costs associated with land registration procedures will be lowered by 75%.

The forest management units that attract such relief could be established by commercial enterprises or cooperatives comprising rural communities, forest producers, investors and local authorities. Approved entities will benefit from a reduction of tax on profits and/or a tax reduction on capital gains.

The Ministry of Agriculture explained that the aim of this initiative was to achieve professional forest management by both private and public entities.

Plan to restore 12 million hectares of forest by 2030

Brazil has the opportunity to build a strong forest-based economy by meeting the goal of restoring 12 million hectares of forest areas by 2030 as set out in the commitments made under the Paris Agreement. However, there are many challenges and analysts say the process is behind schedule.

Local analysts point out that to meet the forest restoration goal it is necessary to have clear strategy, good governance, transparency and coordination of public policies. These elements are yet to be implemented fully and the target requires decisions on the choice of species (native and exotic) as well as on and how the project will be funded as it is likely to cost over R\$50 billion.

Researchers point out that to be successful sustained support from government is essential and that rural communities will need considerable technical guidance from a multi-disciplinary team.

International funds to support IBAMA

The Brazilian Institute for Environment and Renewable Natural Resources (IBAMA) had turned to international donors to finance its routine inspection operations carried out in the forest as it has insufficient financial resources to fulfil this basic mission. IBAMA falls under the Ministry of the Environment (MMA) which successfully negotiated access to more than R\$55 million from the "Amazon Fund".

This fund has already secured contributions of R\$2.5 billion from the Norwegian and German governments. Petrobras, the domestic oil giant, contributed R\$13 million to the fund in 2011. Recently, foreign donors have signaled their intention to offer addition support which could add a further R\$2.2 billion to the Amazon Fund.

IBAMA plans to use the money to support monitoring and inspection operations. Behind IBAMA's decision to resort to the Amazon Fund are the constant federal budget cuts which IBAMA said had started to compromise the basic operations of the Institute.

Domestic Log Prices

	US\$ per m ³
Brazilian logs, mill yard, domestic	
Ipê	196
Jatoba	108
Massaranduba	113
Muiracatiara	115
Angelim Vermelho	107
Mixed redwood and white woods	92

Source: STCP Data Bank

Domestic Sawnwood Prices

	US\$ per m ³
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	877
Jatoba	438
Massaranduba	405
Muiracatiara	415
Angelim Vermelho	366
Mixed red and white	242
Eucalyptus (AD)	209
Pine (AD)	152
Pine (KD)	171

Source: STCP Data Bank

Domestic Plywood Prices (excl. taxes)

	US\$ per m ³
Parica	
4mm WBP	575
10mm WBP	445
15mm WBP	394
4mm MR	507
10mm MR	377
15mm MR	350

Prices do not include taxes

Source: STCP Data Bank

Prices For Other Panel Products

	US\$ per m ³
Domestic ex-mill Prices	
15mm MDP Particleboard	251
15mm MDF	337

Source: STCP Data Bank

Export Sawnwood Prices

	US\$ per m ³
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	1436
Jatoba	930
Massaranduba	742
Muiracatiara	710
Pine (KD)	195

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

	US\$ per m ³
Pine Plywood EU market, FOB	
9mm C/CC (WBP)	299
12mm C/CC (WBP)	270
15mm C/CC (WBP)	267
18mm C/CC (WBP)	264

Source: STCP Data Bank

Export Prices For Added Value Products

		US\$ per m ³
FOB Belem/Paranagua Ports		
Decking Boards	Ipê	2,567
	Jatoba	1,497

Source: STCP Data Bank

Peru

SERFOR meets with National Forest Confederation

The Executive Director of the National Forest and Wildlife Service (SERFOR), John Leigh Vetter, recently met with members of CONAP (Confederacion de nacionalidades amazonicas del Peru) which represents the forest guilds of the Amazonia. His aim was to begin building a positive attitude to problem solving, to address the obstacles to forest development and discuss short and medium term projects.

One of the topics discussed was the establishment of a Technical Executive, Forest Amazonian Board to deal with sector issues such more efficient procedures for deciding on timber concessions allocations.

The meeting concluded with a clear desire on the part of all participants adopt plans to ensure the good management of the forest sector and unlock the potential for development of production.

Extend trade agreements to boost non-traditional sectors

The President of the Association of Exporters (ADEX), Juan Varillas, has highlighted the importance of implementing sectoral development policies to promote exports of aquaculture, forestry products, non-metallic mining and biological resources.

Varillas said that to achieve access to international markets with which Peru has trade agreements it is necessary to ensure the legal framework in place is supportive of investment.

He added that the country's transport infrastructure, efficiency of public institutions linked to foreign trade and fiscal incentives for innovation were key.

Competitiveness and sustainability at core of forestry action plan

The new action plan from the National Forest and Wildlife Service (SERFOR) will focus on increasing productivity, competitiveness and sustainability within a framework of good forest governance and institutional oversight said the SERFOR Executive Director, Jojn Leigh Vetter.

This was announced at the closing of the XII National Forest Congress held at the National Agrarian University La Molina (UNALM), which brought together professionals, students and entrepreneurs from the sector from different parts of the country.

Leigh Vetter said he had taken note of the contributions and recommendations of the Congress in as much as they were important for the formulation of a new forest development plan.

Export Sawnwood Prices

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

	US\$ per m ³
Peru Sawnwood, FOB Callao Port (cont.)	
Virola 1-2" thick, length 6'-12' KD	
Grade 1, Mexican market	499-586+
Grade 2, Mexican market	426-467
Cumaru 4" thick, 6'-11' length KD	
Central American market	879-925
Asian market	919-973
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	627-659↑
Marupa (simarouba) 1", 6-13 length Asian market	479-535↑

Domestic Sawnwood Prices

	US\$ per m ³
Peru sawnwood, domestic	
Mahogany	-
Virola	209-244
Spanish Cedar	316-368
Marupa (simarouba)	179-196

Export Veneer Prices

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

Export Plywood Prices

	US\$ per m ³
Peru plywood, FOB Callao (Mexican Market)	
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)

	US\$ per m ³
Iquitos mills	
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

	US\$ per m ³
Peru, Domestic Particleboard	
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

	US\$ per m ³
Peru, FOB strips for parquet	
Cabreuva/estoraque KD12% S4S, Asian market	1296-138
Cumaru KD, S4S	
Swedish market	962-1095
Asian market	1069-1112
Cumaru decking, AD, S4S E4S, US market	1188-1222
Pumaqui KD Gr. 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	493-519
2x13x75cm, Asian market	732-815

Japan

Japan ratifies the TPP

The government of Japan has ratified the Trans-Pacific Partnership (TPP) trade deal which was at the centre of the government's plan to revive economic growth through expanded tariff free trade.

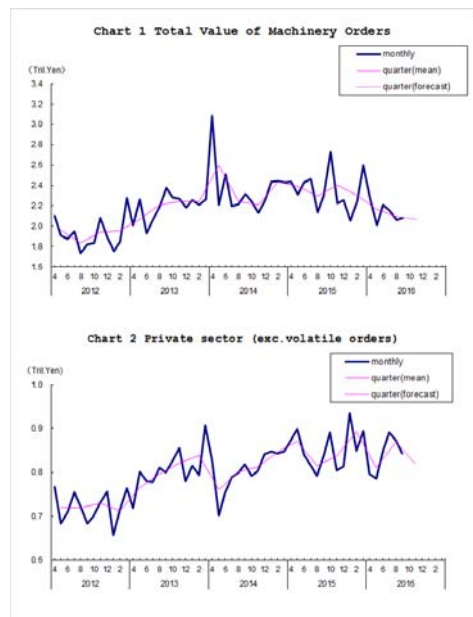
Under the terms of the TPP treaty it must be ratified by the US to take effect but this may be unlikely in the short term as the new Republican administration in the US has vowed to review the agreement and may move to reopen negotiations.

The quick ratification by Japan is meant to send a signal to the US and other TPP signatories that Japan wishes to proceed with the deal. A paper produced by the White House Council of Economic Advisors says that if the US does not ratify this trade pact US firms could lose competitiveness in the Japanese market and this could result in high job losses in the US.

Machinery Orders for September and forecast final quarter

The Japanese Cabinet Office has reported core machinery orders fell once again in September. This was put down to the weak global economy and weakness in Japan's domestic economy.

In the October-December period the total amount of machinery orders was forecasted to fall further by 1.3% and private-sector orders have been forecast to drop by almost 6% from the previous quarter. The Cabinet Office downgraded its assessment of potential machinery order growth and indicated recovery is now stalling.



Source: Cabinet Office, Japan

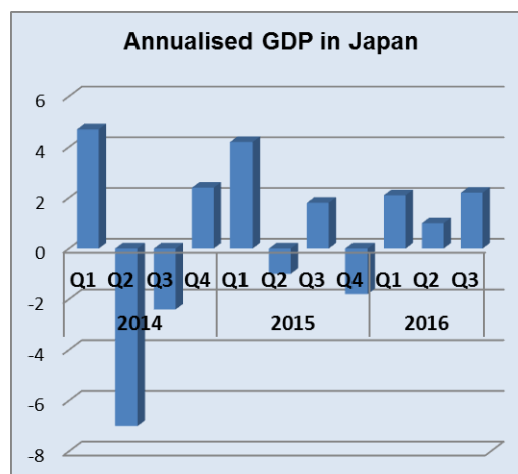
Annualised GDP swings back and forth

Preliminary GDP data point to an unexpected rise in the past quarter. Japan's economy expanded more than forecast in the first nine months of this year driven by higher exports which off-set weak consumer spending.

On the basis of the latest preliminary numbers Japan's GDP expanded by an annualised 2.2% as of September.

See:

<http://www.esri.cao.go.jp/en/sna/data/sokuhou/files/2016/qe163/gdemenua.html>

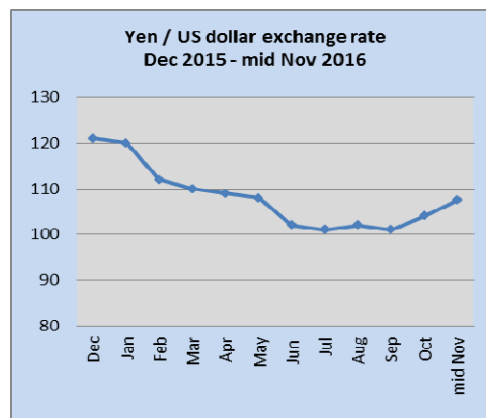


Data source: Cabinet Office, Japan

Dollar rises against yen after initial shock fall

The US dollar quickly recovered from a bout of selling immediately after the result of the US election was announced. The dollar was recently up about 1% against the euro and it recovered from a nearly 4% loss against the Japanese yen.

The US dollar had extended its gains to a five-month high of yen107.50 on 14 November reflecting expectations for an economic stimulus package from the incoming Republican administration.



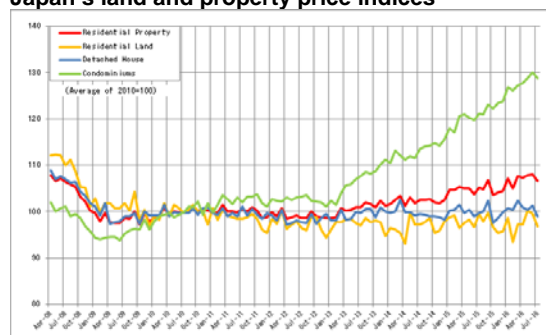
Apartment prices rise out of reach

Ultra-low interest rates in Japan have attracted buyers, especially those with high levels of savings, to jump into the property market. This has pushed prices in the Tokyo area well out of reach of ordinary families.

An unusual situation has developed whereby, as average sales prices for apartment continued up in Tokyo (rising to a 25 year high), the number of offers dropped by almost the same amount.

The Real Estate Economic Institute has reported that sales of properties over yen 100 million rose by 85% this year while demand for lower priced homes fell almost 20% even as the commercial banks offered mortgages at around 1%.

Japan's land and property price indices



Source: <http://tochi.mlit.go.jp/english/land-prices/property-price-index>

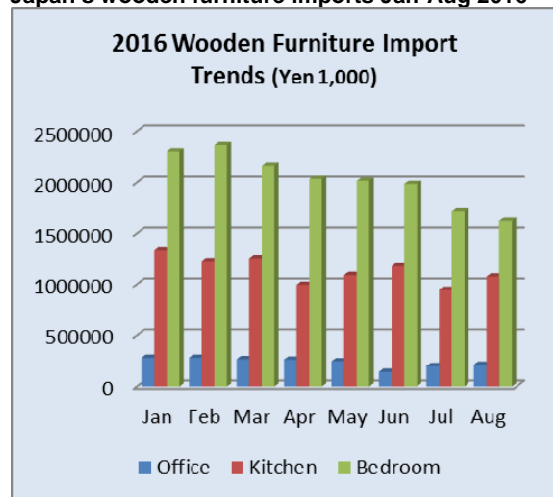
- Residential Property
- Residential land
- Detached House
- Condominiums

Japan's furniture imports

2016 started well for shippers supplying wooden office, kitchen and bedroom furniture for the Japanese market. But as the year advanced a pattern of steady decline emerged which has been sustained through to August.

Japan's imports of wooden office furniture items have fallen around 24% since the peak in January. Similarly, imports of wooden kitchen furniture have fallen by 19% up to August and the fall in wooden bedroom furniture has been even more dramatic as a 31% fall in imports has been recorded.

Japan's wooden furniture imports Jan-Aug 2016



Data source: Ministry of Finance, Japan

Office furniture imports (HS 940330)

Year on year, imports of wooden office furniture in August were down 3% but there was a rise in month on month imports of 14%.

The top three shippers to Japan of wooden office furniture in August (as they were for the year) were, in order of rank, China, Poland and Portugal. These three provided around 80% of all Japan's wooden office furniture imports in August.

Compared to a month earlier shipments from China rose 10%, shipments from Poland jumped 75% and shipments from Portugal quadrupled.

Office furniture imports

	Imports Aug 2016 Unit 1,000 Yen
S. Korea	-
China	138293
Taiwan P.o.C	-
Hong Kong	-
Vietnam	1331
Thailand	3677
Singapore	-
Malaysia	4369
Philippines	-
Indonesia	4344
Sweden	239
Denmark	1486
UK	-
Netherlands	-
Belgium	-
France	-
Germany	6784
Switzerland	239
Portugal	15183
Spain	-
Italy	15112
Finland	-
Poland	15453
Austria	357
Hungary	-
Lithuania	312
Czech Rep.	-
Slovakia	2816
Canada	-
USA	615
New Zealand	-
Total	210610

Data source: Ministry of Finance, Japan

Kitchen furniture imports (HS 940340)

The hint of a recovery in wooden kitchen furniture imports in June was not sustained through into July and even though August imports bounced a little overall year on year imports of wooden kitchen furniture fell 3%.

Kitchen furniture imports

	Imports, Aug 2016 Unit 1,000 Yen
S. Korea	-
China	120137
Taiwan P.o.C	417
Vietnam	438272
Thailand	6319
Malaysia	15638
Philippines	374287
Indonesia	82618
India	-
Afganistan	-
Denmark	1654
UK	-
France	-
Germany	24900
Spain	-
Italy	5310
Poland	-
Austria	-
Romania	-
Slovenia	-
Canada	2890
USA	2136
Total	1074578

Data source: Ministry of Finance, Japan

Throughout this year four shippers have dominated the imports of kitchen furniture, Vietnam (41% of Aug imports), the Philippines (21% of Aug imports), China (11% of imports) and Indonesia (7% of Aug imports). These top four suppliers accounted for 94% of all wooden kitchen furniture imports in August.

In August Vietnam saw shipments to Japan rise 34%, the Philippines achieved a 21% growth month on month while both China and Indonesia saw shipments decline in August (10% and 25% respectively)

Bedroom furniture imports (HS 940350)

Bedroom furniture imports have plummeted since January and it is difficult to explain why there has been such a sharp fall. Housing starts and consumer sentiment are drivers of demand for furniture but the extent of the decline in bedroom furniture imports compared to the more modest decline in kitchen furniture imports seems to suggest other factors are involved.

One possible explanation could be that the home renovation market which has expanded in recent years is a factor. In a renovation project a new kitchen would seem appropriate but those undertaking renovations may carry their existing free standing furniture such as beds with them to the renovated home.

Bedroom furniture imports

	Imports, Aug 2016 Unit 1,000 Yen
S. Korea	520
China	966346
Taiwan P.o.C	31023
Vietnam	418488
Thailand	69080
Malaysia	54054
Philippines	360
Indonesia	15382
Cambodia	312
India	1200
Pakistan	-
Srilanka	-
Sweden	-
Denmark	17803
UK	447
Netherlands	-
Belgium	359
France	-
Germany	1898
Switzerland	-
Spain	-
Italy	13072
Poland	15963
Russia	3482
Austria	374
Hungary	-
Romania	-
Turkey	470
Estonia	-
Latvia	-
Lithuania	5549
Croatia	-
Bosnia/Herzegovina	1059
Slovakia	-
Canada	245
USA	1594
Mexico	-
Australia	-
Total	1619080

Data source: Ministry of Finance, Japan

Year on year August imports of wooden bedroom furniture were down 11% and month on month imports also dipped by 6%.

Two shippers, China and Vietnam accounted for around 85% of all Japan's August imports of wooden bedroom furniture. In August only Indonesia and Denmark recorded noticeable gains in shipments to Japan.

Trade news from the Japan Lumber Reports (JLR)

The Japan Lumber Reports (JLR), a subscription trade journal published every two weeks in English, is generously allowing the ITTO Tropical Timber Market Report to 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](http://www.n-mokuzai.com/modules/general/index.php?id=7)

Wood demand projection meeting

The Forestry Agency held the second wood demand projection meeting and drew up demand projection on major items for the second half of fiscal year of 2016.

New housing starts in 2016 are estimated about 959,000 units, 4.2% more than 2015. With this assumption, the projection of demand for the second half of 2016 (October 2016 to March 2017) has very little change compared to the same period of last year.

Projection of domestic wood is changed downward for lumber use while wood for plywood is changed upward for period of July through October and total year. Plywood use would keep increasing. Generally the demand would be expanding for the second half of the year. Export volume of domestic plywood for the first seven month of 2016 increased by 81.3% from 2015.

Imported plywood demand is firm for Indonesian floor base by active operations of floor manufacturers in Japan so Indonesian supply would increase while Malaysian plywood demand would decline considerably with slow demand for concrete forming panel.

Demand for laminated lumber is firm on both domestic and import products so overall volume would increase over last year. On imported laminated lumber, new redwood plant will start up in Europe so this will be additional for the imports.

North American log import would be almost the same as last year probably with slight decline. Import of Douglas fir logs last year was rather high because of coming increase of consumption tax but after it was decided to postpone, hope of rush-in demand faded. Demand for North American lumber is almost the same as last year with the supply increasing.

Demand for European common lumber would slow down in the first quarter next year so the supply would decrease.

South Sea logs for lumber use would decrease because of supply tightness. Logs for plywood would increase temporarily since port of Niigata closes the gate for 40 days since February next year so local mills plan to import logs before this happens.

Demand for Russian logs continues decline compared to the same period of last year with number of sawmills cutting Russian logs continue declining.

Log supply for biomass generation in Kyushu

With many biomass power generation plants starting, some feared that log supply would be short but now the supply is exceeding the demand in Kyushu.

Biomass power plants started about spring of last year and a large one with output of 18,000 kw in Ohita, which started recently seems to be the last one for a time being. In short, the log demand for power generation plants in Kyushu is estimated about two million cubic meters, which is totally new demand. Supply shortage is solved by aggressive log producers and power plants use other fuel such as PKS and wood pellet so demand and supply balance is now stable.

South Sea (Tropical) logs

After the Sarawak government reduced log export quota, India and Japan have hard time to have enough volume for shipments. Particularly, it is hard to buy small and super small logs so the Japanese buyers are shifting to Sabah, where more logs are available. Kapur and keruing in Sabah are more difficult to buy now.

Rainy season will start in November and log supply will get tighter. Malaysian log prices are staying high at US\$275 per cbm FOB on meranti regular, US\$255 on meranti small and US\$245 on super small.

Since the demand for South Sea logs, lumber and plywood in Japan is sluggish in Japan, the buyers reduce purchase volume if the export prices stay up high so there is quite a gap between supply side and Japan side.

Since purchase by India and China is slow now, Sarawak log suppliers cannot be aggressive now.

Meantime, weather in PNG and Solomon Islands is stable so that log production is active but main buyer, China is absent due to depressed China domestic market then India started buying to replace Sarawak logs so there is no surplus.

Itochu Kenzai expands sales of certified plywood

Itochu Kenzai Corporation (Tokyo) plans to increase sales of ecological panel products. It has own ecological brand of 'global wood' for panel products and it will add more products under this brand.

Among major building materials trading firms, as far as plywood handling is concerned, Itochu Kenzai is third with 20% in total business but as far as domestic plywood handling is concerned, it is the top with 25%.

Domestic plywood handling is further increasing. Share of import plywood and domestic plywood reversed this year and domestic share is 52% and it thinks this trend would continue.

Percentage of 'Global wood' is now 20% in total plywood sales and it plans to add more products for this brand. In imported plywood, they are hybrid plywood with 100% planted wood and coated plywood and structural plywood with forest certification. In domestic plywood, structural plywood with cypress.

From Indonesia, new product is 100% planted wood plywood with falcata for face and back and planted meranti for core, which has higher specific gravity and has much better nail holding performance, which solved weak point of 100% falcate plywood.

Forest certified products have brand name of 'Save nature-structural and Save nature-coated concrete forming'. It says monthly sales of 'Global wood' products are 10,000 cubic meters and it plans to increase 10% for this term.

Ta Ann's to make all products certified

Ta Ann Plywood SDN BHD. (Sibu Sarawak, Malaysia) proposed rearrangement of its own timberland and planted areas to the Sarawak government to obtain Forest Management Certification and it is approved on September 23. This is one of the efforts to achieve continuous growth and forest preservation and to make environmentally friendly management.

Proposed content is to rearrange complicatedly located its own timberland and planted areas clearly and makes three natural grown timberland units and two planted timberland units (LPFs). With this rearrangement, obtaining forest certification will be much faster.

Ta Ann has been studying with many consultants to have mutual certification between MTCS, which is Malaysian forest certification system and PEFC after it disclosed obtaining of FMC.

It has also been working together with Sarawak forestry Department, universities and National Environmental Academy to improve precision of investigation for the certificate. Ta Ann uses logs from its own timberland so that traceability is high.

Once mutual recognition by MTCS and PEFC, all the plywood Ta Ann processes will be PEFC certified products. Ta Ann makes eucalyptus veneer from logs produced from PEFC certified forest at Ta Ann Tasmania, Australia.

The veneer is shipped to Sarawak and Ta Ann makes plywood, which is PEFC certified plywood. It supplies coated plywood and structural plywood for Japan.

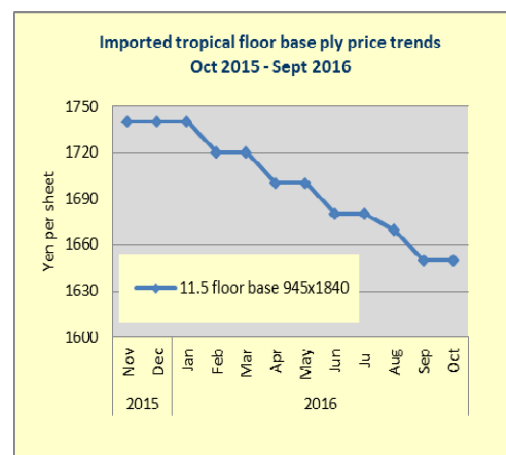
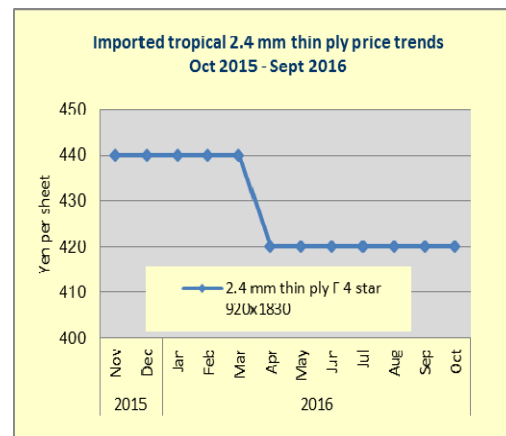
Domestic solid hardwood flooring developed

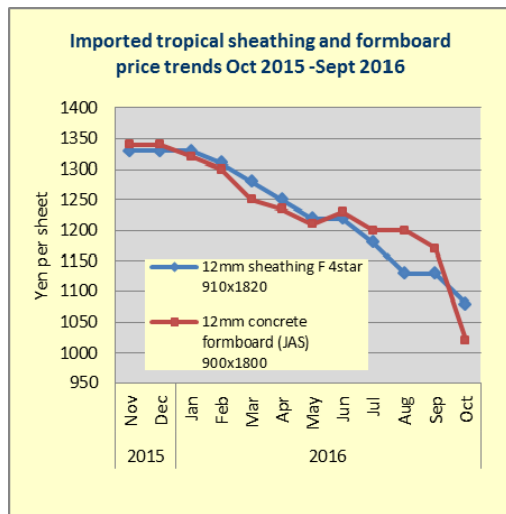
Horiuchi Wood Craft Co., Ltd (Ashigara county, Kanagawa prefecture), wood processor of thinning and local wood, has developed domestic solid hardwood floor board with FSC certified wood. This is the first for such certified wood products in Japan. It has started marketing the product since this fall. It is order made products and it takes about six to twelve months for delivery.

FSC certified material wood is procured from Iwate prefecture and Hokkaido. Species are ash, oak, chestnut, cherry, birch, beech, walnut and magnolia. Domestic hardwood log supply is unstable and FSC certified logs are hard to find and there are little mills to have COC certificate so commodity production is difficult.

Horiuchi Wood Craft has been manufacturing various hardwood products such as base for lacquer ware, wooden toys, wood stationary and novelty goods. Since it has acquired COC certificate, it has been manufacturing certified goods so it has wide knowledge of certified goods. It has built up network of forest owners with certification and processing plants.

It has started certified hardwood products since last year then it decided to start marketing hardwood floor as more demand would increase toward the Tokyo Olympic Games in 2020.





China

Investment in assets and steady retail sales hold growth steady

In a review of the performance of the economy up to October this year China's National Bureau of Statistics (NBS) says there has been a steady improvement even as the government policy on "reducing overcapacity, lowering inventories, deleveraging, lowering costs and strengthening the weak links" takes effect.

In October the total value added by industrial enterprises was up by 6% year-on-year. An analysis by ownership type showed that the value added in state enterprises went up by 3%; by between 4-5% in private local and foreign private enterprises but fell in collective enterprises.

The NBS says investment in fixed assets expanded over 8% in the first ten months of this year. Investments by state enterprises increased almost 21% but investment by private enterprises grew a more subdued 3%.

Retail sales in China have held up well this year and the NBS says purchases of consumer goods expanded 10% year on year in October.

Certain categories of high value consumer goods saw rapid growth. Sales of office goods grew 13% while purchases of furniture expanded 11%. Purchases of building and decoration materials increased 12%.

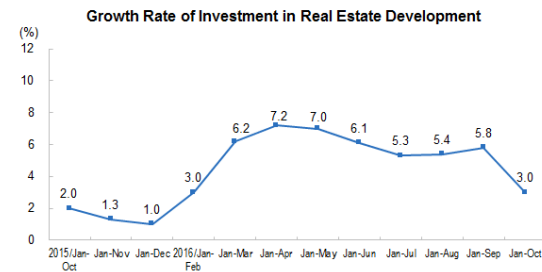
Building and construction investments are key drives of growth but, as moves to curb building begin to bite, this will eventually trickle down to other consumer product sectors including wood products.

For more see:
http://www.stats.gov.cn/english/PressRelease/201611/t20161114_1428287.html

Efforts to cool housing market score

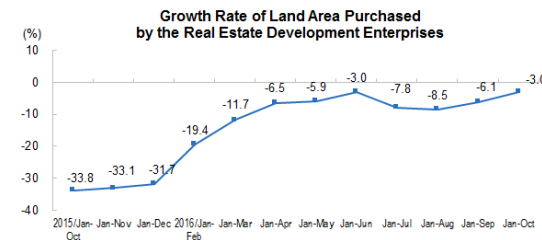
The Chinese housing market shows little sign of cooling. Data from lenders is showing medium and long-term household loans, which are mostly mortgages, made up 75% of new loans issued in October, up from the 47% in September.

Investment in real estate development in the first ten months of 2016 increased 6.6% year-on-year, of which investment in homes expanded 6% and accounted for 67% of all real estate development investment.



Source: National Bureau of Statistics, China

In the first ten months of this year the area of land area purchased for real estate development fell 5.5%, a trend apparent since the beginning of this year. However the pace of decline eased in October.



Source: National Bureau of Statistics, China

Growth in housing sales stayed steady in China in the first 10 months of year, but slowed for the month of October alone, after a slew of cities cracked down on their overheated property markets.

Housing sales rose almost 43% in the first 10 months of this year compared to a year earlier according to data released by the National Bureau of Statistics. However in October the pace of growth in sales slowed as many Chinese cities put a brake on sales by demanding higher down payments.

See:
http://www.stats.gov.cn/english/PressRelease/201611/t20161115_1429481.html

Home furnishing green supply chain alliance established

A new grouping of associations called the 'China Home Furnishing Green Supply Chain Alliance' has been created bringing together eight national associations:

China Furniture Association
China National Coatings Industry Association
China National Forest Products Industry Association
China Plastics Processing Industry Association
China Leather Industry Association
China Home Textile Association
China Sewing Machinery Association
and
China Association of the Environmental Protection Industry.

This new body is an independent corporate organisation composed of up and downstream production enterprises, commercial agencies, trade and logistics companies, design agencies and research institutions.

The Alliance will further develop national product safety standards and only compliant enterprises will be invited to participate in the Alliance.

According to the organisers the ultimate goal is to achieve coordinated development of the supply chain, to achieve up-downstream cross-border integration and promote progress in the domestic home furnishing industry, introduce new technologies, upgrade products and development management skills.

The secretariat of the Alliance will be located in Dongguan City, Guangdong Province. The furniture industry is very active in Dongguan City and 2015 furniture output was around RMB79 billion.

See: http://dg.southcn.com/content/2016-11/07/content_159222509.htm

Price for NZ radiata set to rise

News is emerging that timber harvesting will be affected by the massive earthquake in New Zealand. A magnitude 7.8 earthquake struck on 13 November and this caused extensive damage to the road network.

According to GeoNet, New Zealand's official source of geological hazard information, one of the most serious medium term impacts of this quake is the damage done to the road network. The agency says they estimate there have been more than 80,000 landslides since the quake and it will take months to open all the affected roads.

Analysts are forecasting that logging across North Island will be affected for a month at least. With Chinese New Year less than two months away demand for timber in the construction sector has risen as contractors rush to complete contracts.

The trade in China is forecasting that the price for radiata pine from New Zealand is likely to rise as stocks fall due to the cessation of logging.

Linyi top plywood exporter

According to the Linyi Entry-Exit Inspection and Quarantine Bureau, between January and October this year the value of plywood exported rose 6% to US\$1.421 billion accounting for 30% of national total. Linyi, Shandong Province is ranked number one for plywood production and export.

Furniture manufacturers import particleboard so their products meet international emission standards

Many enterprises in China find it better to import high quality particleboard in order to meet mandatory standards for formaldehyde emission for panel style furniture manufactured for international markets. According to China Customs, in the first nine months of 2016 particleboard imports rose 32% to 560,200 cubic metres.

The top source countries were Thailand (157,700 cubic metres, accounting for 28%), Malaysia (141,900 cubic metres, 25%), and Romania (93,500 cubic metres, accounting for 17%), particleboard imports from these three countries accounted for 70% of the national total import.

US hardwood imports keep growing

2016 continues as a record year for US hardwood imports by China. In the first 8 months hardwood imports from the US increased 19% to US\$1.082 billion. The world value of global exports of US hardwood was US\$2.361 billion and China and Southeast Asia accounted for 46% and 8% of global exports respectively.

China imported US\$785 million in US hardwood sawnwood and US\$263 million in hardwood logs.

Red oak continued as the most popular timber accounting for around 40% of all US hardwood exports to China. US ash exports expanded 26% and China's imports of cherry and walnut also increased in the first eight months of this year.

See: http://www.ahec-china.org/images/news2016/Market%20dynamic%20Oct_Eng.pdf

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

Zhangjiagang Timber Market Wholesale Prices

Logs, All grades	Yuan/tonne
Sapelli	3000-4000
Kevazingo	8000-32000
Padouk de afric	2400-3100
okoume	1400-1800
Okan	2400-2800
Dibetou	2200-2500
Afrormosia	5500-6500
Wenge	4700-5500
Zingana	3400-4800
Acajou de afica	3000-3500
Ovengkol	3850-4300
Paorosa	5900-6600
Merbau	3500-5800
Lauan	1800-2020
Kapur	2020-2500
Keruing	1700-2200
Geronggang	1600
kauri	1700-1850
Amoora	1900-2080
Calophyllum	2150-2350
Red ganarium	1300-1400

Sawnwood		yuan/cu.m
Cherry	FAS 2 inch	9000-1000
Black walnut	FAS	15000-18000
Maple	FAS	8200-10000
White oak	FAS	7500-13000
Red oak	FAS	6500-8300
Finnish pine	Grade A	2600-2900
Maple	Grade A	9000-9500
Beech	No knot	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

Europe

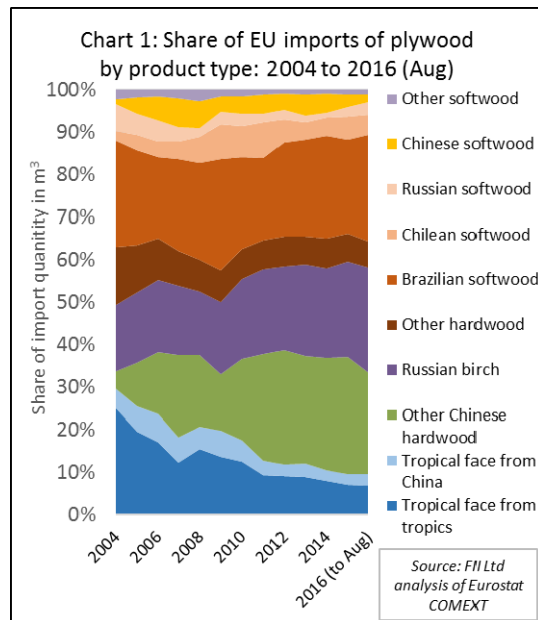
Tropical share of EU plywood market stabilises but at low level

In the last ITTO report on the European plywood market (MIS 16-31 May 2016), it was noted that the share of tropical countries in EU plywood imports fell to an all-time low of less than 8% in 2015.

While EU imports of plywood from tropical countries were rising slowly last year, imports from other countries increased more sharply, particularly of mixed hardwood plywood from China and birch plywood from Russia.

Latest EU import data (to end August) shows that the share of tropical plywood in total EU plywood imports has stabilised at the lower level during 2016. However there has been some shift in the share of other plywood suppliers into the EU.

This year Chinese mixed hardwood plywood has lost share in the EU market to Russian birch plywood and various suppliers of softwood plywood, including Brazil, Chile and Russia (Charts 1 and 2).



After falling back 7% to 276000 cubic metres in 2015, EU imports of hardwood-faced plywood from tropical countries rebounded 7% to 202000 cubic metres in the first eight months of this year.

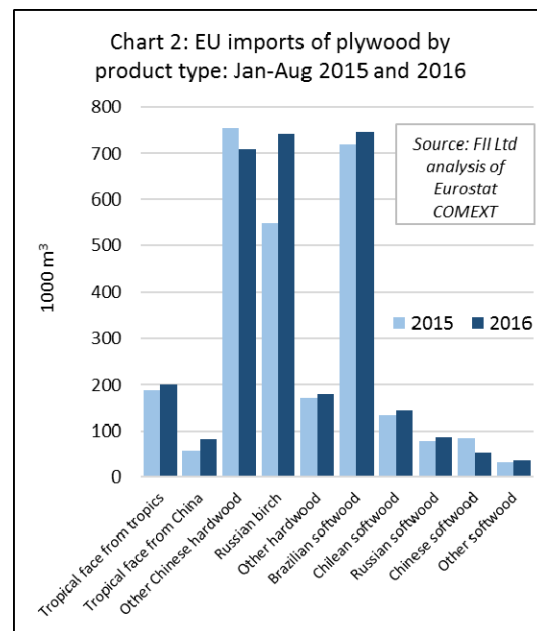
EU imports of tropical hardwood-faced plywood from China, which increased 5% to 95000 cubic metres in 2015, have continued to rise rapidly this year, up 30% to more than 82000 cubic metres by the end of August.

However, EU imports of other hardwood-faced plywood from China (including birch plywood, mixed light hardwood, and various other forms of combi plywood) have slowed this year, falling 6% to 709000 cubic metres in the first eight months.

The changing composition of EU plywood imports from China may be partly related to strong competition from Russian birch plywood, of which EU imports increased by 26% to 741000 cubic metres in the first 8 months of 2016.

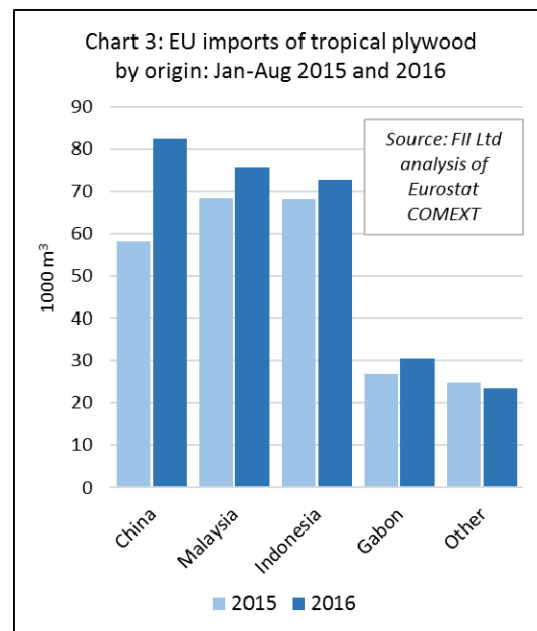
Enforcement of EUTR and CE marking requirements may also be encouraging a shift from Chinese mixed light hardwood products to plywood containing more clearly identified species of known origin and technical performance.

This same factor is also likely to explain the increase in EU imports of Chinese plywood faced with hardwood species identified as of tropical in origin.



Tropical countries have been supplying more hardwood plywood into the EU this year. In the first eight months of 2016, EU imports increased 11% to 76000 cubic metres from Malaysia, 7% to 73000 cubic metres from Indonesia, and 12% to 30000 cubic metres from Gabon.

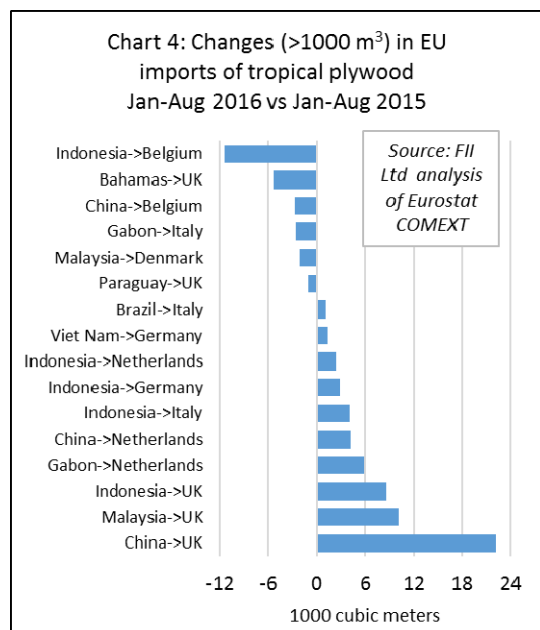
However, the shifting composition of plywood supplied into Europe from China has meant that country has now emerged as the EU's largest single supplier of tropical hardwood plywood. This raises questions about the relative competitiveness of plywood manufacturers operating in tropical countries (Chart 3).



UK switches to tropical hardwood plywood manufactured in China

Trends in overall EU imports of plywood are also partly dependent on shifting market conditions and preferences in different parts of the EU (Chart 4).

The increase in EU imports of tropical hardwood faced plywood from China this year has been concentrated almost entirely in the UK with a smaller amount destined for the Netherlands.



In recent years, of all EU importing countries, the UK has been most tempted by the low prices and relatively short transit times offered by Chinese plywood suppliers.

UK importers have also been under intense pressure to demonstrate conformance to EUTR after the NMO, the UK's enforcement agency, published a report in February 2015 revealing failures by several UK importers of Chinese plywood to meet regulatory requirements.

Specific concerns were raised over the lack of accurate information on species content in Chinese hardwood plywood.

The sharp rise in UK imports of Chinese plywood faced in tropical hardwood may therefore simply be a result of efforts to ensure more accurate identification of species content.

It also suggests that a significant proportion of this material is faced with FSC or PEFC certified tropical hardwood, or at least that Chinese manufacturers are now successfully reassuring customers of the legality of their tropical veneer supplies by other means.

Much of the gain in EU plywood imports from Indonesia during 2016 has also been concentrated in the UK, with other gains being made in Germany, the Netherlands, and Italy.

These gains have been sufficient to offset a big fall in imports of Indonesian plywood by Belgium. Rising EU imports of Malaysian plywood in 2016 have been mainly destined for the UK, Netherlands and Belgium.

The gain in EU imports of plywood from Gabon in 2016 has all been concentrated in the Netherlands. In fact, 60% of all EU plywood imports from Gabon have been destined for the Netherlands this year. Imports into France and Italy, which historically have been leading markets for African okoume plywood, have declined so far in 2016.

Weak recovery in ECE wood market expected to continue despite risks

Overall, the pattern of weak recovery in EU and North American forest products markets following the global financial crisis is continuing in 2016 while the CIS market is declining.

Currency volatility and low oil prices have been key determinants of recent forest products trade trends. New market opportunities for forest products are arising from innovative products and policy measures to reduce carbon emissions and encourage moves to a circular economy.

However, there are significant downside risks to the stability of the global economy. The forest products sector also needs to focus more on ensuring the regulatory environment does not create unnecessary barriers to trade and enhances, rather than hinders, the competitiveness of wood relative to other materials.

These were key conclusions of the seventy-fourth session of the recent ECE Committee on Forests and the Forest Industry (COFFI) held in Geneva, Switzerland.

See: <https://www.unece.org/forests/coffi74#/>

Drawing on the UNECE Forest Products Annual Market Review 2015-2016 published to coincide with the meeting, and presentations by regional market experts, it was concluded that the general condition of forest products markets in the ECE region remained relatively stable in 2015 and the first half of 2016.

See: <http://www.unece.org/forests/fpamr2016.html>

European and North American markets experienced moderate consumption growth, benefitting from generally positive economic developments and improvements in the housing and construction industry.

In contrast, deteriorating economic conditions and currencies depreciations primarily accounted for a more than 4% contraction of sawnwood and panels consumption in countries of the Commonwealth of Independent States (CIS).

COFFI highlighted that currency volatility is playing an important role in trade of forest products in the UNECE region. In the United States during 2015, imports of wood products jumped about 10%, while exports declined by about the same ratio due to the strong US dollar.

Meanwhile the weakness of the euro and other European countries is contributing to a rise in the EU's net trade surplus of forest products. In the CIS countries, a weakened rouble is pushing exports to record highs for all major product categories, in many cases more than countering the lack of domestic demand and thus increasing production.

The gap between the pace of economic expansion in the EU and the U.S. is narrowing, as economic activity in the euro area is rising. The wood furniture manufacturing sector in Europe continues to show resilience and is growing, with 84% of furniture consumed in Europe produced domestically.

Construction is expanding only slowly across Europe as a whole, but some individual markets are now performing well, notably in Germany, Netherlands, and the UK, while Spain is bouncing back after a particularly deep recession.

The meeting observed that recent trade negotiations within the ECE region, if brought to a satisfactory conclusion, offer potential to further boost international trade in forest products.

Canada and the EU have concluded negotiations on the Comprehensive Economic and Trade Agreement (CETA), while the Transatlantic Trade and Investment Partnership (TTIP) – a trade agreement between the EU and the US – is still under negotiation. Both the CETA and TTIP would encourage transatlantic trade particularly in value added forest products.

Patchy and uneven growth in ECE hardwood consumption

On sawn hardwoods, COFFI concluded that production in the ECE region increased by 1.8% to 40.7 million cubic metres in 2015, rising in all three sub-regions (Europe, North America and CIS).

Consumption of sawn hardwood in the ECE region also increased to 35.6 million cubic metres in 2015, a 0.9% rise compared to 2014 and the fourth consecutive year of increase. Falling consumption in Europe and the CIS in 2015 was offset by rising consumption in North America.

It was reported that European consumption of sawn hardwood decreased 2.8% to 12.2 million cubic metres in 2015, mainly due to a significant decline in Turkish consumption. Consumption in EU28 countries increased by 0.8% in 2015, to 9.5 million cubic metres, benefiting from (albeit slow) growth in key sectors of the EU economy, including construction and furniture.

There has been little change in European hardwood fashion trends which remain heavily oriented towards the “oak look”. For example, oak is now used in over 70% of wood flooring manufactured in Europe while the share of tropical woods continues to decline and other temperate species account for only a small share.

Such is the strength of demand for oak in Europe, that supplies are becoming restricted and prices have been rising sharply this year.

According to COFFI, sawn hardwood consumption in the CIS sub-region fell 25.9% to 1.46 million cubic metres in 2015 following a 3.6% fall the year before. However, hardwood production in the CIS increased 2.3% to 3.4 million cubic metres, with exports taking up the slack.

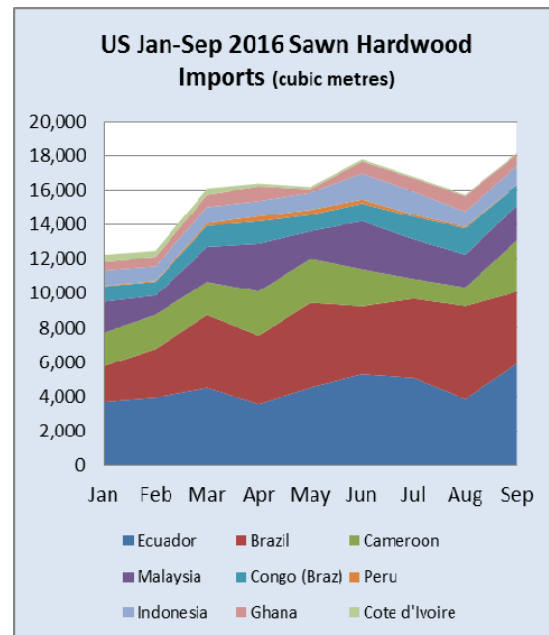
The weakness of the rouble encouraged a 50.5% increase in sawn hardwood exports by the Russian Federation to 1.4 million cubic metres. The Russian Federation exported 1.2 million cubic metres to China in 2015, 49% more than in 2014 and by far the highest level ever recorded.

North America

US tropical sawn hardwood imports unchanged except for ipe

US imports of temperate and tropical sawn hardwood fell by one third in September from the previous month to 64,979 cu.m.

The decline was mainly in temperate hardwood imports. Tropical sawnwood imports declined just 2% in September to 20,695 cu.m. The value of tropical sawnwood imported fell by 7% to US\$23 million.

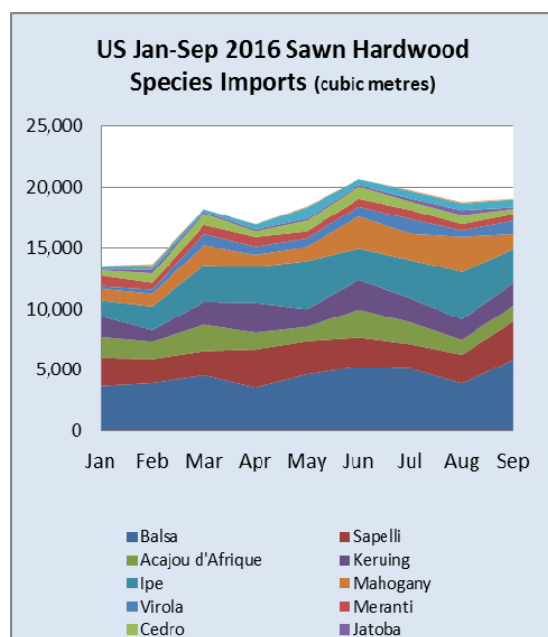


Data source: US Department of Commerce, US Census Bureau, Foreign Trade Statistics

Imports of most tropical species increased in September despite the overall decline. Imports of balsa, sapelli, acajou d’Afrique, keruing, virola and meranti were all up. On the other hand, ipe sawnwood imports fell by 27% from the previous month to 2,809 cu.m. Year-to-date imports of ipe were down 6% from September 2015.

Mahogany imports fell 58% month-over-month to 1,219 cu.m., but year-to-date imports were higher than at the same period last year.

Imports from Cameroon were over 3,000 cu.m. in September. Cameroon increased shipments to the US of sapelli (1,754 cu.m.) and acajou d'Afrique (884 cu.m.). Sapelli imports from Congo Brazzaville declined in September to 1,119 cu.m.



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

Canadian hardwood imports from Brazil rise

After two months of expansion the value of Canadian imports of tropical sawnwood slipped to US\$1.40 million in September. The September year-to-date value of imports was still significantly higher than in September 2015. Imports of all tropical species (those that are recorded individually) fell in September.

Canadian sapelli sawnwood imports were worth US\$212,953 in September, down one third from August. Only a small volume of mahogany was imported into Canada in September (US\$2,604), and meranti imports fell by more than half to US\$55,313.

A few countries increased shipments to Canada in September despite the overall decline. Imports from Brazil were worth US\$188,085 (+17%). China had supplied some tropical hardwood in the past but in September only US\$58,981 worth of hardwood sawnwood was shipped to Canada.

National formaldehyde emission standards for composites

Following six years of development, stakeholder and public input and revisions the US Environmental Protection Agency (EPA) has issued the final rule on formaldehyde emission standards for composite wood products.

The EPA has worked to ensure the national standards are consistent with California's existing requirements for composite wood products.

The requirements will go into effect July 2017. All composite wood products that are sold, supplied, offered for sale, manufactured or imported in the US will need to be labeled as TSCA Title VI compliant. These products include: hardwood plywood, medium-density fiberboard, and particleboard, as well as household and other finished goods containing these products.

The final rule also establishes a third-party certification programme for laboratory testing and oversight of formaldehyde emissions from manufactured and imported composite wood products.

The final rule, as well as additional resources for regulated stakeholders, are available at: <https://www.epa.gov/formaldehyde>

Federal Reserve may still raise interest rates in December

A Reuters poll of economists taken after the US presidential election showed a majority still expect a rise in interest rates in December. The US Federal Reserve originally projected four rate hikes this year but cited low inflation and weaker than expected labour market data as reasons for delaying rate increases.

Most economists surveyed said they were either neutral or less optimistic about business investment conditions in the US in the near future.

Major trade agreements with US unlikely to go ahead

The Transatlantic Trade and Investment Partnership (TTIP) between the US and the EU will not be ratified during President Obama's remaining time in office. Resistance to the deal grew on both sides of the Atlantic, but the EU Commission and the Obama administration had hoped to finalise the agreement by the end of this year.

An EU Trade Commissioner suggested that he expects the Trump administration to abandon the trade agreement despite the president-elect not mentioning the TTIP during the election campaign. The EU signed a trade deal with Canada at the end of October, which will eliminate tariff on industrial products and promote investment.

An even larger trade agreement, the Trans-Pacific Partnership (TPP) is also unlikely to go ahead because President-elect Trump strongly opposed this in his campaign.

The TPP involves the US and 11 other countries in the Pacific region but excludes China, Russia and India. President Obama promised to discuss TPP with the other member countries at the Asia-Pacific Economic Cooperation summit in Peru.

China indicated it would push for the Regional Comprehensive Economic Partnership (RCEP), which excludes North America and a Free Trade Area for the Asia-Pacific at the summit.

US voters approve land conservation and higher minimum wage

On November 8 Americans cast their votes in federal, state and local elections, as well as numerous ballot measures. Across the country 86 measures for conservation, parks and restoration were on the ballot. Of these 68 were passed by voters.

Overall, the 68 successful measures will provide US\$6.3 billion for parks, land conservation and restoration. Earlier this year 14 park and land conservation ballot measures worth US\$3.3 billion were approved.

Voters in four states approved raising the minimum wage and improving benefits. A total of 14 states increased minimum wages in 2016. The move comes amid unemployment at pre-recession levels and labour shortages in some industries, including residential construction and renovation.

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.

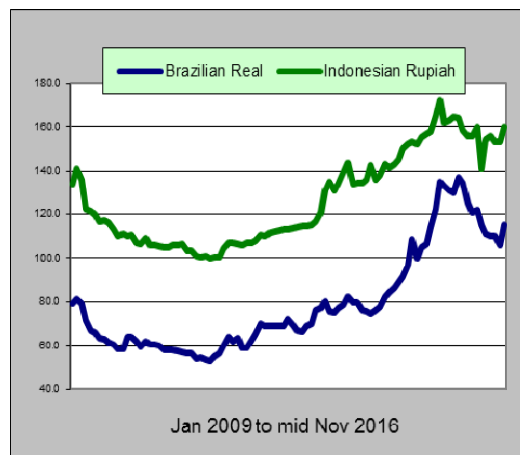
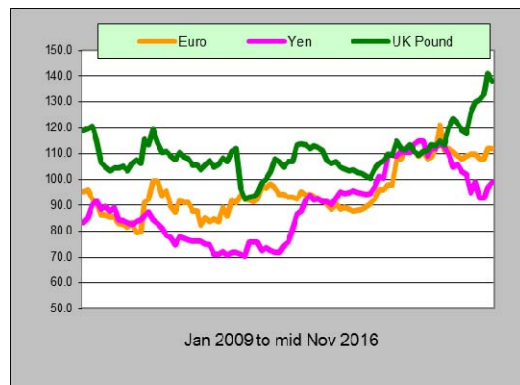
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO.

US Dollar Exchange Rates

As of 10 November 2016

Brazil	Real	3.3864
CFA countries	CFA Franc	601.58
China	Yuan	6.8021
EU	Euro	0.91814
India	Rupee	67.2216
Indonesia	Rupiah	13593
Japan	Yen	106.83
Malaysia	Ringgit	4.3608
Peru	New Sol	3.4030
UK	Pound	0.7966
South Korea	Won	1166.4

Exchange rate indices (Dec 2003=100)

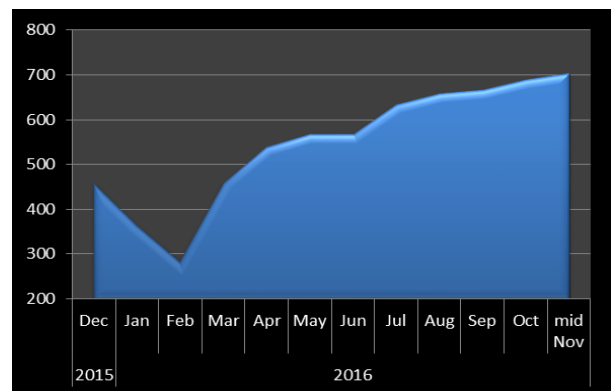


Abbreviations and Equivalences

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
December 2015 – mid November 2016

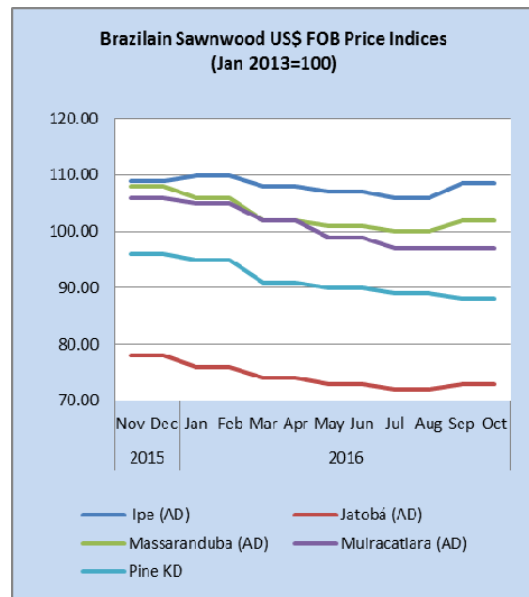
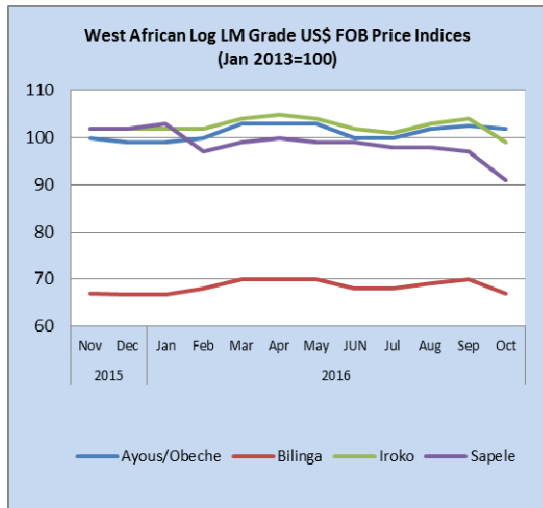
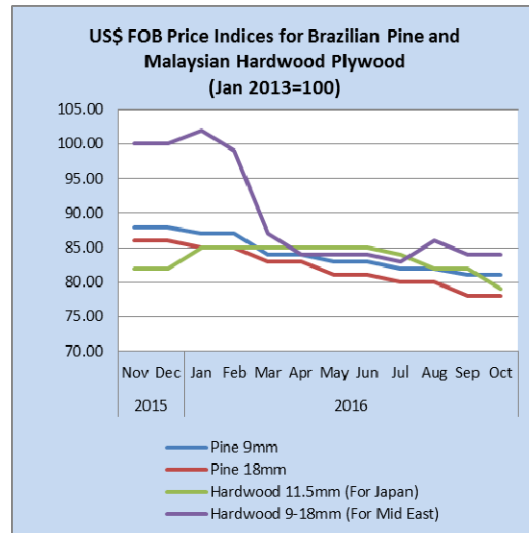
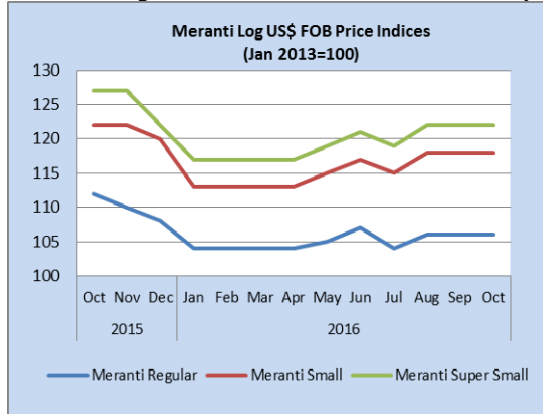


Data source: Open Financial Data Project

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

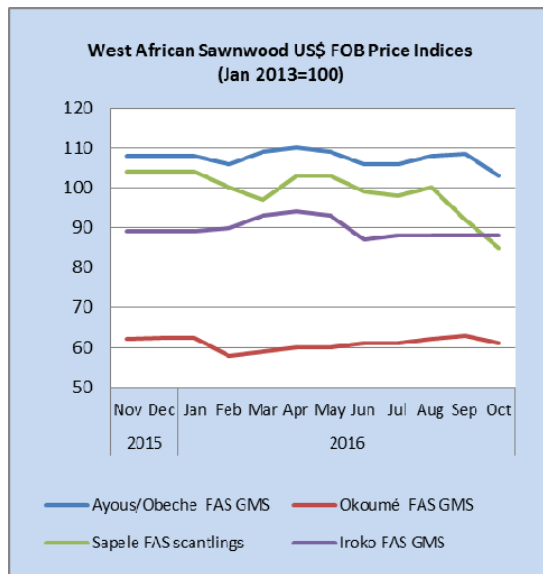
Price indices for selected products

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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