

Tropical Timber Market Report

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Top Story

New resource on benefits of FLEGT-licensed products

Timber buyers can now visit a new webpage in English, French, Italian or Spanish to learn about the business benefits of trading in FLEGT-licensed timber and the social, environmental and economic benefits that such trade brings to producer countries.

The EU FLEGT Facility created the page — www.timberbuyers.flegtlicence.org — to inform traders, specifiers, architects and retailers, as well as consumers of timber products.

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Central and West Africa

Transport costs rise as truck weight limits enforced
 Enforcement of regulations on the weight of truck loads is driving up transport costs say producers. In both Gabon and Cameroon timber trucks now have to pass through weighbridges.

The impact of the maximum weight limit of 23 tonnes means that now only around 20 cubic metres of heavy hardwoods such as azobe, okan, debema, ovangkol and padouk can be loaded per truck. Previously trucks were carrying 30 and sometimes 40 cubic metres.

Exporters say that the new regulations have almost doubled their transport costs for the heavy timbers and for species such as okoume they see a 10% rise in transport costs.

There is strict monitoring at the weighbridges and the authorities have been quick in issuing fines if trucks are overloaded. It has been reported that in some areas there is a military presence at the site of weighbridges.

Small independent truckers have complained strongly as the strict enforcement of the weight limits is affecting their earnings.

Heavy demand for peeler logs

In recent months there has been a big increase in veneer peeling capacity in Gabon and analysts say this is putting pressure on the availability of the preferred peeler logs.

It is reported that in Gabon a Chinese consortium is adding new peeler capacity, rumoured to include 20 peeler lines, which adds to the investment by Indian companies already in place.

Port stuffing of containers mulled to eliminate smuggling

The issue of how to deal with the large stocks of kevazingo held by companies in Gabon has not yet been resolved. The forest authorities have now twice checked the stocks of kevazingo being held by companies. Discussions at present, say producers, are centred on allowing log stocks to be sawn for export. The government aims to increase high added value product exports.

Analysts say that there is a risk that, if a decision is not made soon buyers, particularly those in China, may move to importing alternatives species.

In related news, it has been suggested by the government that container stuffing should only take place at Owendo Port or the Gabon Special Economic Zone (GSEZ). This is said to be in response to the large volumes of kevazingo discovered in containers stuffed at a mill site.

Export overview

Traders report some slight improvement in demand in China for okoume sawnwood as well as logs.

In addition, there has been growing interest in ovangkol and buyers for the Philippines market are active in contrast to Viet Nam where buyers are quiet. Demand in Viet Nam is centred on tali for export manufacture of furniture and windows. A surprising recent development has been interest from South American companies in okoume and redwoods.

Producers anticipate firmer demand after the European holiday season

There are indications that stocks of padouk are higher than usual in Belgium and this is putting downward pressure on prices for sawn padouk but, overall, tropical hardwood stocks in Europe are on the low side such that producers anticipate firmer demand after the European holiday season.

Log export prices

West African logs Asian market	FOB Euro per cu.m		
	LM	B	BC/C
Acajou/ Khaya/N'Gillon	265	265	175
Ayous/Obeche/Wawa	250	250	225
Azobe & Ekki	275	275	175
Belli	300	300	-
Bibolo/Dibétou	215	215	-
Bilinga	275	275	-
Iroko	350	350	250
Okoume (60% CI, 40% CE, 20% CS) (China only)	220	220	200
Moabi	365	365	-
Movingui	210	210	-
Niove	160	160	-
Okan	220	200	-
Padouk	340	290	245
Sapele	310	310	265
Sipo/Utile	325	300	265
Tali	370	370	-

Sawnwood export prices

West African sawnwood	FOB Euro per cu.m
Ayous FAS GMS	440
Bilinga FAS GMS	540
Okoumé FAS GMS	460
Merchantable	310
Std/Btr GMS	340
Sipo FAS GMS	520
FAS fixed sizes	560
FAS scantlings	560
Padouk FAS GMS	750↓
FAS scantlings	850↓
Strips	650
Sapele FAS Spanish sizes	500
FAS scantlings	520
Iroko FAS GMS	640
Scantlings	720
Strips	400
Khaya FAS GMS	480
FAS fixed	540
Moabi FAS GMS	620
Scantlings	640
Movingui FAS GMS	420

Ghana

Ayum Plywood to be revived

The government appears to be considering financing the restart of the collapsed Ayum Forest Products Company in the newly-created Ahafo Region.

The Ghana President, Nana Addo Dankwa Akufo-Addo, who announced this, said the Ministry of Trade and Industry had finalised plans to ensure that the plywood division of the company could start commercial production by the second quarter of 2019.

Ayum Forest Products was once among the leading exporters of kiln dried sawnwood and plywood in Ghana but the company collapsed amid allegations of illegal logging in the Ayum forest reserve, the major source of raw materials for the company.

The Ahafo Region is a newly created Region in Ghana with Goose as its capital. The region has an administrative and governmental legislature like all the ten already existing regions in Ghana. The region was carved out of the south-eastern part of the Brong Ahafo region and its creation was to fulfill a campaign promise made by ruling New Patriotic Party.

Success in bringing down rate of deforestation

The Ministry of Lands and Natural Resources (MLNR) mid-term review of its programme on halting deforestation, carbon stock enhancement and emission reductions shows that forest loss, disappearing at the rate of 1.3% annually in 2014, has been brought down significantly. The main causes of forest loss was agricultural expansion, illegal logging and small-scale mining.

Ghana has been implementing a Forest Investment Programme (GFIP) funded by the Climate Investment Fund (CIF) to effect change in forest management practices aimed at reducing the rate of forest loss.

Musah Abu-Jam, Technical Director in the MLNR, said more needs to be done in the entire high forest zone where deforestation continues to be a challenge.

<http://www.ghananewsagency.org/social/gfip-implementation-reduces-the-rate-of-forest-lost-survey-148307>

FC Inaugurates Charcoal Chamber of Commerce Ghana

The Forestry Commission (FC) of Ghana has launched a 'Charcoal Chamber of Commerce (CCC) Ghana' to promote recognition, regularisation and transformation of the current unsustainable state of the charcoal industry.

Charcoal is an important source of energy in many homes and the main raw material for charcoal making is mill residues but this source of raw material cannot support current demand for charcoal so producers are resorting to the indiscriminate felling to secure raw materials.

The current rate of indiscriminate felling for charcoal production is a threat to the forest so the Forestry Commission hopes that the new CCC can begin addressing this issue and bring some order to the charcoal production sector.

Source: <http://www.fcghana.org/news.php?news=138>

Foreign exchange 'in/out' scheme proposed

The Ghana Union of Traders Association (GUTA) has proposed an initiative known as the "Income in, Income out" policy to provide export manufacturers with a mechanism to have ready access to foreign exchange and thus overcome the punishing exchange rate volatility of the Ghana Cedi.

According to the President of GUTA, Joseph Obeng, the initiative, in collaboration with the Ghana Exports Promotion Authority (GEPA), will require every importer to trade in an export commodity to generate foreign currency which would then be available for importing foreign goods.

Analysts write that timber sector manufacturers and exporters of timber and wood products could apply to the Forestry Commission to retain part of their export proceeds (in foreign exchange) for the importation of machinery, parts and supplies for production.

See: <https://www.myjoyonline.com/business/2019/April-24th/guta-begins-new-initiative-to-tackle-depreciating-cedi.php>

Boule Export prices

	Euro per m ³
Black Ofram	330
Black Ofram Kiln dry	430
Niangon	580
Niangon Kiln dry	670

Export Rotary Veneer Prices

Rotary Veneer, FOB	Euro per m ³	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	350	363
Chenchen	431	479
Ogea	508	590
Essa	546	711
Ofram	350	435

Export Sliced Veneer

Sliced face veneer	FOB Euro per m ³
Asanfina	1,025
Avodire	807
Chenchen	2,833
Mahogany	1,204
Makore	1,188
Odum	1,708

Export Plywood Prices

Plywood, FOB		Euro per m ³	
BB/CC	Ceiba	Ofram	Asanfina
4mm	325	640	641
6mm	412	535	604
9mm	373	446	560
12mm	529	463	480
15mm	450↓	380	430
18mm	450↑	422	383

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

Export Sawnwood Prices

Ghana Sawnwood, FOB	Euro per m ³		
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried	
Afromosia	860	925	
Asanfina	490	564	
Ceiba	405	600	
Dahoma	424	492	
Edinam (mixed redwood)	520	619	
Emeri	475	571	
African mahogany (Ivorensis)	930	996	
Makore	775	874	
Niangon	620	730	
Odum	832	926	
Sapele	700	878	
Wawa 1C & Select	420	446	

Malaysia

4.6 million ha. PEFC certified forests in Malaysia

The Malaysian Timber Certification Council (MTCC) started operation in January 1999 as an independent organisation to develop and operate the Malaysian Timber Certification Scheme (MTCS). This has been endorsed by the Programme for the Endorsement of Forest Certification (PEFC) which covers around than 300 million ha. of certified forests worldwide.

As of April 2019 there were 4.607 million hectares of PEFC Certified Forests in Malaysia. There are 362 PEFC Chain of Custody certificate holders.

In collaboration with the Peninsular Malaysia Forestry Department, MTCC recently organised a seminar to expand the understanding of forestry officers from the various state forestry departments on the implementation and requirements of forest management certification under the MTCS.

Forestry officers from state forestry departments of Johor, Kedah, Kelantan, Negeri Sembilan, Pahang, Perak, Selangor and Terengganu as well as FD HQ staff participated in the seminar.

2019 GDP forecast at almost 5%

The World Bank has forecast that Malaysia's 2019 GDP should reach 4.7% driven by private consumption. Richard Record, the resident economist for Malaysia, said private consumption should continue rise but at slightly slower pace than in recent years.

See:

<https://www.malaymail.com/news/malaysia/2019/04/24/world-bank-keeps-malaysias-2019-gdp-outlook-at-4.7pc/1746392>

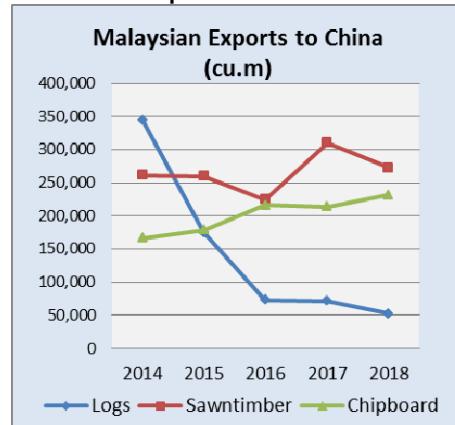
Timber trade with China continues to rise – but steady decline in log exports

Demand for raw material from China's timber processing industries continues to rise and Malaysia's exports of timber to China are providing much of China's timber raw material needs.

In 2014 Malaysia's exports of wood products to China were valued at RM872.6 million and this jumped to RM1.1 billion in 2018 with sawnwood being the main export. Malaysia's imports of wood products from China are also significant and growing. Imports were worth RM708.6 million in 2013 rising to RM1.5 billion in 2018.

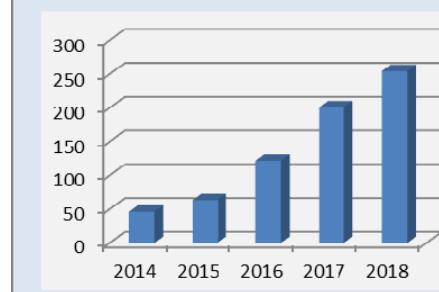
Malaysia mainly imported wooden furniture (RM719.4 million), plywood (RM135.5 million), veneer (RM155.3 million) and other products including builders woodwork, joinery, mouldings and fibreboard.

Main timber exports to China



Source: MTIB

Malaysia's Wooden Furniture Exports to China (RM mil.)



Source: MTIB

Plans for pulp/paper mill in Sarawak

A recently signed MOU between a China-based Fortune 500 company and the Sarawak State Economic Development Corporation (SEDC) outlines plans for a joint investment in a pulp and paper manufacturing plant to be located in the Samalaju Industrial Park, Bintulu.

The Chinese company, Shan Ying, which is listed on the Shanghai Stock Exchange, is a manufacturer and distribution of paper products.

The proposed plant will integrate pulp and paper manufacturing and the production capacity is said to be in the region of 2 million tonnes annually. The Malaysian media has reported construction will begin next year. Sarawak Chief Minister, Abang Johari Tun Openg, said the plant would use imported recycled paper for its production not natural resources from Sarawak within.

Plywood prices

Traders based in Sarawak reported the following export prices:

FB (11.5 mm)	US\$700 C&F
CP (3' x 6')	US\$530 C&F
UCP (3' x 6')	US\$620 C&F
Standard 4x8 panels	
Middle East	no update
South Korea (9mm and above)	US\$440 C&F
Taiwan P.o.C (9mm and above)	US\$410-420 C&F
Hong Kong	US\$450 FOB

Plywood import ban

The Sarawak Timber Industry Corp (STIDC) website has an announcement a ban on importation into Sarawak of ordinary plywood above 6 mm thickness with effect 18 April 2019. As more information becomes available it will be reported.

https://www.sarawaktimber.gov.my/pages.php?mod=announcem ent&sub=announcement_detail&id=41

Indonesia

Fall in plantation log production

Plantation roundwood production in the first two months of 2019 fell 21% compared to production in the same period in 2018 according to Purwadi Soeprihanto, Executive Director of Indonesian Forest Concessionaire Association (APHI). In 2018 roundwood production was 3.91 million cubic metres per month.

Purwadi said the decline in log production in early 2019 was a reflection of weaker demand for raw materials. Millers have said the on-going US-China trade conflict is affecting the performance of the main finished product exporters for whom plantation logs are the raw material.

Based on the V-Legal data from the Ministry of Environment and Forestry, in the first quarter of this year export of processed wood products totalled US\$2.82 billion down 18% year on year.

Purwadi forecast that this year roundwood production from industrial timber plantation concessions (HTI) will increase 10% compared to last year's production of 40.13 million cubic metres while production from natural forests will be about the same as in 2018.

<https://ekonomi.bisnis.com/read/20190409/99/909457/rerata-produksi-kayu-bulat-terkoreksi-21>

In related news, the Ministry of Environment and Forestry (KLHK) has announced it is not planning to issue new permits for industrial timber plantation concessions (HTI) this year. Hilman Nugraha, Director General of Sustainable Production Forest Management in the KLHK, said the current HTI permits covering 11.43 million hectares is sufficient to meet the industrial needs.

First quarter 2019 panel exports drop

The KLHK export database is showing that the value of panel exports in the first quarter of 2019 fell sharply. The Director of Processing and Marketing of Forest Products at KLHK said international demand remains sluggish and this is affecting exports.

In the first quarter of 2019, the value of panel exports was US\$550.27 million, down 13% compared to 2018. In contrast to the decline in the value of panel exports, exports of veneer in the first quarter 2019 increased 12%.

<https://ekonomi.bisnis.com/read/20190409/99/909445/kuartal-i2019-ekspor-kayu-panel-terkoreksi-us83.17-miliar>

Need to expand downstream manufacturing

The Executive Director of the Center of Reform on Economics, Mohammad Faisal, has pointed out that, despite being one of the largest wood product exporters in the world, the value of Indonesia's furniture exports is only ranked 17th in the world. He urged greater efforts to restructure the development of the manufacturing industry. He lamented that raw materials are exported especially to China to be manufactured into high value products for export.

<https://www.liputan6.com/bisnis/read/3937454/genjot-ekspor-mebel-indonesia-harus-benahi-industri-hilir-kayu>

Minister of Trade – no raw rattan export

The Indonesian Minister of Trade, Enggartiasto Lukita, has reiterated his ministry's intention not to permit exports of raw rattan because it will undermine the Indonesian rattan industry and only enrich manufacturers in the importing countries. He said Indonesia needs to find ways to expand rattan product manufacturing within the country.

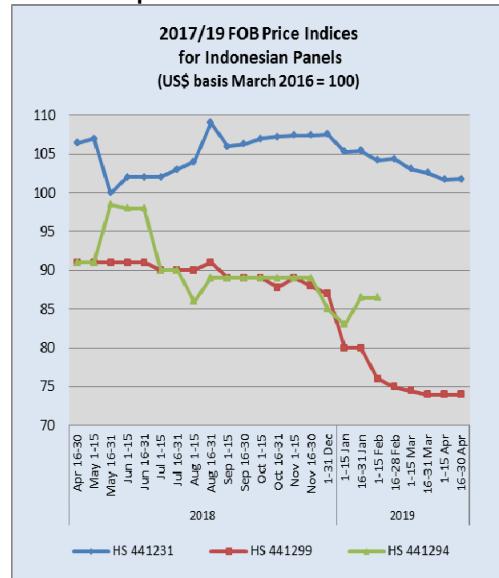
One issue to be resolved is the difference between the abundance of rattan in Central Kalimantan and the long distance to manufacturers who are mainly concentrated in West and Central Java.

In sharp contrast to the stance of the Minister of Trade, rattan producers complain about the effect of the export ban on rattan prices. They claim that the domestic industry cannot absorb their production and this drives down raw rattan prices. They say they have witnessed a 40% drop in prices over the past 2 years.

Chairman of the Indonesian Rattan Entrepreneurs Association (APRI) Kalimantan, Herman Yulius, said currently land owners are depressed because rattan prices continue to fall and they have no alternative market outlets.

APRI has requested the government to either permit the export of raw rattan so land owners can benefit or make greater efforts to attract investment in rattan product manufacturing.

Indonesian panel indices



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

Myanmar

Power outages scheduled – manufacturers and households affected

Manufacturers and households have been advised by the Mandalay Electricity Supply Corporation (MESC) to brace for scheduled power cuts. In a statement the MESC said it will cut power across different areas in Mandalay and the cuts will be around one to two hours at a time. MESC has blamed increased demand and lower output from its power plants.

Myanmar's capital Yangon experienced day time temperatures of 42 degrees centigrade last week beating the past record high of 41 degrees. The Department of Meteorology in Myanmar reported new temperature records for five cities.

The hottest was Chauk on the banks of the Irrawaddy River in central Myanmar where temperatures have been above 40 degrees in April. In these temperatures forest and mill operations have slowed considerably.

Trade regulation to protect domestic manufacturers

Added value wood products are amongst the target of an initiative of the Ministry of Commerce (MOC) as it drafts new trade regulations aimed at protecting domestic manufacturers and at the same time promoting exports of locally made products.

U Than Myint, Minister of Commerce, said because local manufacturers have been slow in investing in the latest production technologies they face tough competition from exporters in neighbouring countries.

The draft regulations are being developed with assistance from the World Bank and German development agency GIZ. Sectors with the greatest potential for higher added value production have been identified as agricultural and marine products, textiles and wood products.

Domestic building boom – timber producers benefitting

Domestic timber producers have been able to take advantage of the booming investment in the real estate sector in Myanmar which has seen massive inflows of foreign investment.

According to a report from the Directorate of Investment and Company Administration (DICA) over US\$1 billion in foreign investment flowed into the real estate sector in fiscal 2017, second only to the amount that went into manufacturing.

<https://www.colliers.com/en-gb/myanmar/insights/market-intelligence/mar25-mar29-2019>

Log Tender Price for March 2019

Teak logs

Grade	H.tons	Average US\$/H.ton
SG-1	-	-
SG-2	-	-
SG-4	43	3,664
SG-5	136	2,967
SG-6	167	2,630
SG-7	1,157	1,475

Price for other hardwood logs

Species	Quality	H.ton	US\$ Average/H. ton
Kanyin	1st	224	897
Kanyin	2nd	3,401	592
Pyinkado	2nd	1,346	747
In	2nd	227	305

India

Public-private partnership to develop plantations

The draft Indian Forest Act 2019, an amendment to the Indian Forest Act 1927, includes reference to production forests, mainly commercial plantations, in its definition of forests.

There is heated debate as to whether tree plantations can be defined as forests given the commonly understood definition in India. The government has said no action on the draft will be taken before receiving state governments' comments.

Professor, NH Ravindranath of the Indian Institute of Science commented "If production forests are located in protected or reserve forest areas it's not good idea as there

will be fragmentation of forests. Such a move he says could also open the gates for illegal smuggling".

In a follow-up to the draft amendment of the Forestry Act the government has released details of its policy for public-private partnership to develop plantations in "degraded" forests. Analysts say the draft awaits Cabinet approval and will be taken up after the elections.

<https://www.hindustantimes.com/india-news/timber-production-forests-find-place-in-forest-act-draft/story-4BK10rOsqjSYNXDMpQdegN.html>

World Bamboo Workshop 2019

A five-day workshop focused on the need to make better use of and develop bamboo as it is a renewable sustainable and alternative to timber and plastics.

The Executive Director of the World Bamboo Organisation, Susanne Lucas, called for the wider application of biodegradable products such as bamboo.

She announced that the WBO and government of Manipur will be signing an agreement which recognises the essential contribution of bamboo in the fight against climate change. It sets out to free bamboo from the restrictions of outdated national forestry codes and to support research, exchange knowledge and improve communication on bamboo development.

<http://www.ifp.co.in/page/items/56116/3rd-world-bamboo-workshop-2019-concludes>

Plantation teak prices

C&F prices for plantation teak landed at Indian ports are within the same range as shown in the previous report.

	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 mainly on length and girth.

Locally sown hardwood prices

Prices for imported sawn hardwoods remain unchanged.

Sawnwood Ex-mill	Rs per cu.ft.
Merbau	4,000-4,200
Balau	2,500-2,700
Resak	1,750-1,950
Kapur	2,200-2,400
Kempas	1,550-1,750
Red meranti	1,450-1,550
Radiata pine	850-950
Whitewood	850-950

Price range depends mainly on length and cross-section of sawn pieces.

Myanmar teak prices

Prices continue as previously reported.

Sawnwood (Ex-yard)	Rs. per cu.ft
Myanmar Teak (AD)	
Export Grade F.E.Q.	14,000-20,000
Teak A grade	9,000-10,000
Teak B grade	7,000-8,000
Plantation Teak FAS grade	4,000-6,000

Price range depends mainly on lengths and cross-sections.

Sawn hardwood prices

Shipments of US sawn hardwoods to India are rising and this, along with a steady flow of European hardwoods, is keeping market prices stable.

Indicative prices for some imported timbers are shown below.

Sawnwood, (Ex-warehouse) (KD)	Rs per cu.ft.
Beech	1,650-1,800
Sycamore	1,800-2,000
Red Oak	1,900-2,000
White Oak	2,500-2,600
American Walnut	5,000-5,500
Hemlock STD grade	1,500-1,600
Western Red Cedar	2,200-2,400
Douglas Fir	1,800-2,000

Price range depends mainly on lengths and cross-sections.

Plywood

The financial plight of domestic plywood manufacturers has not improved. Production costs continue to rise but the quiet market for plywood offers no chance for price increases. Manufacturers are looking to lower labour costs through automation and improved veneer recovery.

Veneer producers in Gabon are increasing production and shipments to India. Some of the Indian mills in Gabon, especially those that do not have forest concessions, have raised concerns on log availability.

Domestic ex-warehouse prices for locally manufactured WBP plywood

Plywood Ex-warehouse	Rs. per sq.ft
4mm	69.00
6mm	92.00
9mm	115.00
12mm	143.00
15mm	190.00
18mm	201.00

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	35.00	50.00
6mm	52.00	66.00
9mm	66.00	81.00
12mm	81.00	95.00
15mm	95.00	115.00
19mm	111.00	132.00
5mm Flexible ply	70.00	

Brazil

Positive start to year for furniture makers in Rio Grande do Sul

The Market Intelligence Institute (IEMI), in a report published in March, shows that January 2019 furniture production in Rio Grande do Sul State, one of the major furniture producing states, was up 5% compared to December 2018.

Over the past 12 months industrial production in the State expanded by 15%. The apparent consumption of furniture in Rio Grande do Sul in January 2019 was reported at 6.5 million pieces, a 6% increase over the previous month. The Furniture Industry Association of Rio Grande do Sul (Movergs) is forecasting a good year ahead.

Private sector partnership to boost SFM in Mato Grosso

The forest-based sector in Mato Grosso, through the Center for Timber Producers and Exporters of Mato Grosso State (Cipem) and the Sustainable Trade Initiative (IDH), signed a memorandum of understanding in March to promote the forest-based sector of Mato Grosso, one of major timber producing states in the Amazon Region.

Through the partnership, various activities will be developed to improve the value chain of the forestry sector in the state.

Actions include technical and financial support; exchange of knowledge; feasibility studies and operationalisation of a sustainability certification system that complies with Brazilian legislation and international protocols and the development of communication strategies to improve the image of the forest base sector and access to new markets, both in Brazil and abroad.

One of the objectives is to establish mechanisms for transparency and governance to attract investments to Mato Grosso State to underpin the sustainable development of the state. The commitment to the natural forests is to reach 6 million hectares under sustainable forest management in the Mato Grosso state. Currently, the state has 3.7 million hectares of managed private forests.

<https://www.cipem.org.br/cipem-e-idh-firmam-parceria-para-impulsionar-cadeia-produtiva-do-manejo-florestal-sustentavel-em-mato-grosso/>

Export update

In March 2019, Brazilian exports of wood-based products (except pulp and paper) increased 3.4% in value compared to March 2018, from US\$ 270.8 million to US\$ 279.9 million.

The value of pine sawnwood exports increased 13.5% between March 2018 (US\$44.6 million) and March 2019 (US\$50.6 million). In terms of volume, exports increased 29% over the same period, from 211,700 cu.m to 273.9 cu.m.

Tropical sawnwood export volumes rose 24% from 38,100 cu.m in March 2018 to 47,400 cu.m in March 2019. The value of these exports increased 15% from US\$17.5 million to US\$20.1 million over the same period.

In contrast, the value of pine plywood exports dipped 12% in March 2019 in comparison with March 2018, from US\$64.3 million to US\$56.5 million but in volume terms there was a slight rise from 194,600 cu.m to 206,300 cu.m.

Tropical plywood exports also declined in March from 16,600 cu.m (US\$7.1 million) in March 2018 to 9,600 cu.m (US\$.6 million) in March 2019.

The growth in furniture exports slowed in March with the value rising to just US\$45 million from the US\$ 44 million in March 2018.

Increased use of logs for export manufacturing

The Brazilian Agricultural Research Corporation (EMBRAPA) and the Paraná State Forest Based Companies Association (APRE) recently concluded there has been an increase in the demand for logs for domestic processing.

Demand for logs is high despite the weak domestic economy because companies are increasing their exports. The consumption of logs by local mills is estimated at about 14 million cubic metres annually.

Most millers are vertically integrated but also buy between 30% and 40% in the open market. Millers complain that logs in the open market are becoming smaller in diameter and the transport distance is increasing all as a result of increased consumption.

The states of Paraná and Santa Catarina have expanded their eucalyptus plantations by about 190,000 hectares to meet the rising demand.

Fast pace furniture export growth

The Bento Gonçalves Furniture Industry Union (Sindmóveis) reported an almost 18% year on year rise in furniture exports in the first quarter of 2019. Since 2018 exports of furniture from the State grew at a faster pace than anywhere in the entire country.

Among the main destinations for furniture exports were the United States, followed by Uruguay, Chile, Colombia and Saudi Arabia, which were the five main destinations for furniture in the first quarter. Other markets included Mexico (+ 93%), the United Kingdom (+ 228%), Panama (+ 84%) and Puerto Rico (+ 67%).

Sindmóveis focuses its work aiming for greater international investments and diversification of markets. Sindmóveis works on many fronts with the Brazilian furniture sector to explore markets opportunities.

Domestic Log Prices

Brazilian logs, mill yard, domestic	US\$ per m ³
Ipê	206↓
Jatoba	115↓
Massaranduba	111↓
Muiracatiara	110↓
Angelim Vermelho	109↓
Mixed redwood and white woods	91↓

Source: STCP Data Bank

Domestic Sawnwood Prices

Brazilian sawnwood, domestic (Green ex-mill)	US\$ per m ³
Ipê	830↓
Jatoba	430↓
Massaranduba	402↓
Muiracatiara	386↓
Angelim Vermelho	360↓
Mixed red and white	238↓
Eucalyptus (AD)	190↓
Pine (AD)	142↓
Pine (KD)	162↓

Source: STCP Data Bank

Domestic Plywood Prices (excl. taxes)

Parica	US\$ per m ³
4mm WBP	535↓
10mm WBP	422↓
15mm WBP	349↓
4mm MR	415↓
10mm MR	295↓
15mm MR	270↓

Prices do not include taxes. Source: STCP Data Bank

Prices For Other Panel Products

Domestic ex-mill Prices	US\$ per m ³
15mm MDParticleboard	218↓
15mm MDF	252↓

Source: STCP Data Bank

Export Sawnwood Prices

Sawnwood, Belém/Paranaguá Ports, FOB	US\$ per m ³
Ipe	1,421
Jatoba	865
Massaranduba	841
Muiracatiara	848
Pine (KD)	199

FOB Belém/PA; Paranaguá/PR; Navegantes/SC and Itajaí/SC Ports. High quality wood (no cracks / without knots) / Measuring 2,50 m in length; 15 cm wide; and 30 mm thick.

Source: STCP Data Bank

Export Plywood Prices

Pine Plywood EU market, FOB	US\$ per m ³
9mm C/CC (WBP)	311
12mm C/CC (WBP)	290
15mm C/CC (WBP)	270
18mm C/CC (WBP)	268

Source: STCP Data Bank

Export Prices For Added Value Products

FOB Belem/Paranagua Ports	US\$ per m ³
Decking Boards	
Ipê	2,795
Jatoba	1,436

Source: STCP Data Bank

Peru

Flooring/decking exports up over 30%

According to the Association of Exporters (ADEX), exports of wooden flooring/decking in the first two months of the year earned just over US\$13 million, an increase of 31% over the same period in 2018. The improved performance was due to increased demand in China, France and Denmark.

Flooring/decking shipments accounted for almost three quarters of total timber exports, significantly overtaking shipments of sawnwood (US\$3.1 million) and builders' woodwork, joinery and mouldings.

The timbers shipped included shihuahuaco, ana caspi and storaque which are used primarily for pool surrounds and terrace construction.

The value of 2018 shipments of timber for flooring was nearly 8% higher than a year earlier, the highest for the past eight years.

The top markets for wood products were China (US\$6 million, a 46% share) and France (US\$2.9 million, 22% share). Other market destinations included Denmark (US\$0.8 mil.), Mexico (US\$0.6 mil.), Dominican Republic (US\$0.5 mil.), Belgium (US\$0.4 mil.) and Australia (US\$0.4 mil.).

There was a recovery in exports to the US at US\$2.9 million and this reversed the decline which began in 2014.

Mission to Interzum and Ligna

In May this year Peruvian business executives, with the support of Tropical Forest Peru, will participate in Interzum and Ligna, leading fairs for the wood and furniture sector to be held in Cologne and Hannover. This will mark the seventh occasion entrepreneurs have participated.

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
Pumaquiro 25-50mm AD Mexican market	604-641

Peru Sawnwood, FOB Callao Port (cont.)	US\$ per m ³
Virola 1-2" thick, length 6'-12' KD	534-599
Grade 1, Mexican market	489-502
Grade 2, Mexican market	
Cumaru 4" thick, 6'-11' length KD	951-978↑
Central American market	999-1049
Asian market	
Ishpingo (oak) 2" thick, 6'-8' length	542-561
Spanish market	
Dominican Republic	671-681
Marupa 1", 6-11 length KD	
Asian market	551-599

Domestic Sawnwood Prices

Peru sawnwood, domestic	US\$ per m ³
Mahogany	-
Virola	253-266↓
Spanish Cedar	339-379
Marupa (simarouba)	218-228

Export Veneer Prices

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

Export Plywood Prices

Peru plywood, FOB Callao (Mexican Market)	US\$ per m ³
Copaiba, 2 faces sanded, B/C, 8mm	346-374
Virola, 2 faces sanded, B/C, 5.2mm	478-508
Cedar fissilis, 2 faces sanded, 5.5mm	766-783
Lupuna, treated, 2 faces sanded, 5.2mm	389-412
Lupuna plywood	
B/C 15mm	449-495
B/C 9mm	379-399
B/C 12mm	350-360
C/C 4mm	389-425
Lupuna plywood B/C 4mm Central Am.	370-393

Domestic Plywood Prices (excl. taxes)

Iquitos mills	US\$ per m ³
122 x 244 x 4mm	508
122 x 244 x 6mm	513
122 x 244 x 8mm	522
122 x 244 x 12mm	523
Pucallpa mills	
122 x 244 x 4mm	503
122 x 244 x 6mm	511
122 x 244 x 8mm	513

Domestic Prices for Other Panel Products

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

Export Prices for Added Value Products

		US\$ per m ³
Peru, FOB strips for parquet		1304-1391
Cabreua/estoraque KD12% S4S, Asian market		
Cumaru KD, S4S	Swedish market	979-1098
	Asian market	1085-1115
Cumaru decking, AD, S4S E4S, US market		1188-1222
Pumaquiro KD Gr. 1, C&B, Mexican market		479-554
Quinilla KD, S4S 2x10x62cm, Asian market		523-545
2x13x75cm, Asian market		732-815

A 10% tax is far too low according to the Organisation for Economic Cooperation and Development (OECD). In its biennial report, the OECD said the combined impact of a rapidly aging population and the huge government debt requires a "comprehensive fiscal consolidation plan, including specific spending cuts and tax increases."

According to the Ministry of Finance Japan's public debt is equivalent to more than 230% of GDP.

Japan

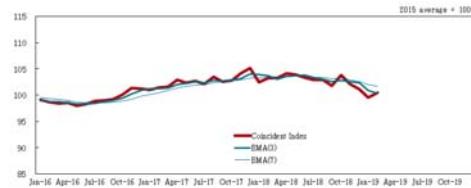
10 day public holiday to boost consumer spending

Sentiment among Japan's largest manufacturers became more pessimistic in the first quarter of 2019 as reported by the Bank of Japan's (BoJ) business survey, the 'Tankan report'.

Of the 10,000 companies surveyed most see the slowdown in Chinese imports as a risk to businesses in Japan. The likely rise in crude oil prices is also an issue as this would push up production and distribution costs. A BoJ official pointed to weaker demand in Asian markets including China as having a negative impact on business sentiment.

If the trade talks between the US and China are concluded quickly then this would greatly ease the concerns of Japanese businesses.

Business sentiment trend



Source: Cabinet Office, Japan

On the bright side, Japanese people are in a festive mood as they prepare for an unprecedented 10-day holiday to celebrate the enthronement of a new Emperor.

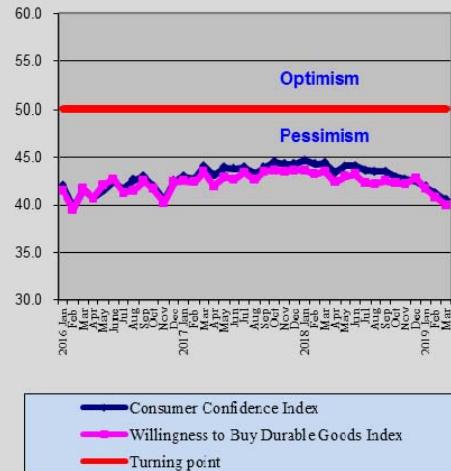
This long holiday is expected to give the sluggish economy a short-term boost. Breweries, hotels, retailers, restaurants and train/airline operators are all expected to benefit from the holiday which runs from April 27 to May 6. Banks, schools, government offices and many businesses (including ITTO's HQ in Yokohama) will be closed.

Will they or will they not?

The government was quick to dispel the suggestion from a close aide to the Prime Minister that a delay in the consumption tax rise could be considered if business sentiment continues to weaken.

A government spokesperson reiterated that the consumption tax will be raised to 10% from the current 8% "unless Japan's economy suffers a shock on the scale of the global financial crisis".

Japan Consumer Confidence and Willingness to Buy Durable Goods Indices January 2016 - March 2019



Data source: Cabinet Office, Japan

Fiscal normalisation dismissed for now

In late April the BoJ announced it plans to hold interest rates at the current low level for an extended period which analysts read as indicating no rise in interest rates for the next 12 months. This decision was expected and had an impact on the Yen/US dollar exchange rates.

Yen / US dollar exchange rate Apr 2018 - Mar 2019



At an international level, the collapse of the Swedish krona to its lowest level in a decade highlighted a common concern in financial markets, namely the stance of central banks around the world.

Sweden's central bank has now joined many others such as the BoJ and the Bank of Canada in dismissing prospects of fiscal normalisation because of concerns on slowing international trade and prospects for growth.

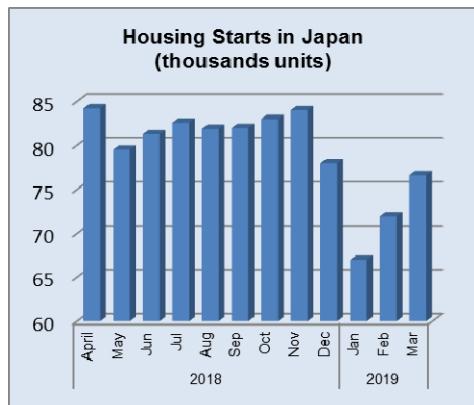
Zero-energy housing by 2030

Japan aims to achieve zero-energy status for all housing by 2030 through having new home owners install solar power and other energy-saving features. This is part of the government strategy to achieve its commitments to Paris Agreement, the international framework to combat global warming.

It is also proposed that energy balanced status will be the aim for existing houses through renovations and subsidies.

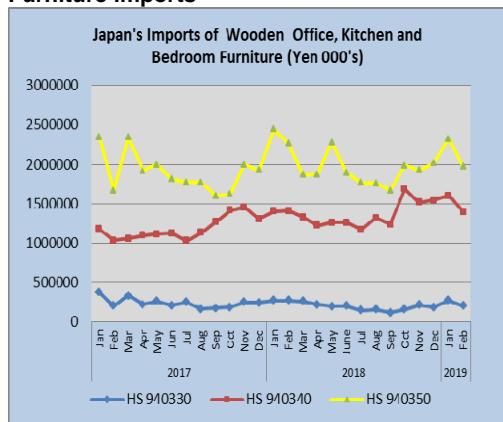
See: <http://the-japan-news.com/news/article/0005690517>

Japan's March 2019 housing starts were 10% higher than in last March and month on month starts were 6.5% higher. The good figures for March mark the third straight rise in starts this year. However, total starts in the first quarter of 2019 were unchanged from levels in the first quarter 2018.



Data source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Furniture imports



Data source: Ministry of Finance, Japan

Office furniture imports (HS 940330)

In February the top two shippers of wooden office furniture (HS940330) to Japan accounted for over 70% of all HS940330 arrivals. China alone contributed around

60% with another 10% shipped from Portugal. Four other shippers made it into the top 10 list namely US, Viet Nam Indonesia and Poland with each contributing around 4% of February 2019 imports.

Year on year the value of Japan's February 2019 imports of wooden office furniture (HS 940330) were, once again little changed but month on month imports dropped 24%. This decline mirrors the pattern of trade over the past three years and if this pattern is maintained there a rise will be observed in March imports.

Office furniture imports

	Imports Feb 2019 Unit, 000's Yen
S. Korea	-
China	126,911
Taiwan P.o.C	6,478
Vietnam	7,530
Thailand	2,962
Malaysia	2,291
Indonesia	7,978
India	551
Denmark	1,118
FRANCE	1,435
Germany	1,690
Portugal	20,807
Spain	-
Italy	5,496
Poland	7,908
Lithuania	1,560
Slovakia	959
USA	8,093
Mexico	230
Tanzania	1,967
Total	205,964

Data source: Ministry of Finance, Japan

Kitchen furniture imports (HS 940340)

February data for the value of Japan's wooden kitchen furniture imports (HS940340) reaffirmed the dominance of the top two shippers, the Philippines and Vietnam which together accounted for over 90% of Japan's wooden kitchen furniture imports.

The third largest shipper, China, saw its share of February imports drop to 12% from 14% in January.

Year on year the value of February 2019 imports of wooden kitchen furniture rose 35% but month on month there was a 14% decline.

Kitchen furniture imports

	Imports Feb 2019 Unit, 000's Yen
China	171,986
Taiwan P.o.C	1,078
Vietnam	476,434
Thailand	26,387
Malaysia	9,402
Philippines	670,308
Indonesia	10,602
Cambodia	340
Denmark	1,012
UK	252
Netherlands	1,705
Germany	6,830
Spain	-
Italy	10,359
Finland	-
Canada	7,957
USA	959
Total	1,395,611

Data source: Ministry of Finance, Japan

Bedroom furniture imports (HS 940350)

The continuously rising value of Japan's imports of wooden bedroom furniture which began in in the third quarter of 2018 and extended to January this year came to an end in February when the value of imports dropped 15% compared to January. However, year on year the value of imports for this category of furniture was up 16% in February.

In February there was an over 30% drop in the value of wooden bedroom furniture from China, imports from Viet Nam were little changed from a month earlier but imports from Thailand and Malaysia rose (8% and 26% respectively).

Bedroom furniture imports

	Imports Feb 2019 Unit, 000's Yen
S. Korea	325
China	1,023,593
Taiwan P.o.C	2,109
Hong Kong	-
Vietnam	734,052
Thailand	72,350
Malaysia	64,833
Philippines	215
Indonesia	18,755
India	2,359
Denmark	375

Netherlands	274
Belgium	-
Germany	1,173
Spain	-
Italy	21,960
Poland	19,451
Austria	-
Romania	1,520
Estonia	-
Latvia	3,149
Lithuania	2,000
Bosnia Herzegovina	932
USA	222
Morocco	-
Total	1,969,647

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

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

For the JLR report please see:

<http://www.n-mokuzai.com/modules/general/index.php?id=7>

Wood based public buildings increase

The Ministry of Land, Infrastructure and Transport and the Ministry of Agriculture, Forestry and Fisheries announced that percentage of wood based public buildings less than three stories built in fiscal year 2017 is 63 %. This is the first time that percentage exceeded 60%.

However, many buildings are small so that floor space did not increase as much as number of unit then buildings with wood interior finish are 171 units, 9.5% less than 2016 so wood use decreased by 14.9% with 3,139 cbms. This move is based on the law to promote using wood for public buildings in 2010 and in particular, lower buildings of less than three stories are object of wood use.

In 2018, public buildings of less than three stories are 127 units, 30.9% more than 2016 with total floor space of 14,293 square meters, 3.5% more. In these, wooden buildings are 80 units, 90.5% more with floor space of 9,457 square metres, 29.9% more.

By type of building, bicycle parking is the top with 18 units with floor space of 509 square meters. Second is 10 units of warehouse and parking garage with floor space of 652 square metres.

Third is eight rest areas along highways with floor space of 1,570 square meters.

Others with large floor space are four office buildings with floor space of 1,441 square metres, two lodgings with

floor space of 1,042 square metres. Other types are park facilities, exhibition facilities, social welfare facilities and toilets.

Used wood for public buildings in 2014 was 2,705 cbms, in 2015 was 2,327 cbms, in 2016 was 3,689 cbms and in 2017 was 3,139 cbms.

By Ministry, Ministry of Defense put up 64 buildings, Ministry of Land, Infrastructure and Transport built 23 units, Supreme Court built 17 units, Justice Ministry built 15 units. By the prefectures, Akita is the highest with 50.5%. Akita is the highest for last four years with more than 50% share. 34 prefectures increased wood based share in 2018.

Besides public buildings, the statistics include privately built buildings such as educational facilities and medical and welfare facilities, which have high public nature. Six prefectures of Aomori, Akita, Yamagata, Gunma, Shimane and Miyazaki have maintained high share of wood buildings with more than 22% since 2010.

Compared to these prefectures, large populated prefectures like Tokyo, Osaka, Kanagawa, Chiba and Aichi have much tighter fire control restrictions, which make it hard to use wood.

Law of wood use promotion for public buildings was enacted in 2010 so share of wooden buildings is getting larger.

February plywood supply

Total plywood supply in February was 489,800 cbms, 0.1% more than February last year and 5.0% less than January. This is the first time that the supply dipped below 500,000 cbms. Domestic production continued active but the imported plywood supply declined.

Softwood plywood production in February was 252,800 cbms, 4.1% more and 2.2% more. In this non-structural plywood production was 21,700 cbms, 21.8% more and 11.5% more. This is to replace declining imported hardwood plywood for flooring.

The shipment of softwood plywood was 252,600 cbms, 6.1% more and 6.9% less in which shipment of non-structural plywood was 22,600 cbms, 26.7% more and 17.3% more.

Demand for structural plywood by precutting companies was busy and for non-structural panel was also active so that the production and shipment are balanced. The inventories were 117,100 cbms, 2,900 cbms more than January.

The inventories increase some but the manufacturers' inventories are low so that they intend to build up some more before lengthy holidays in late April and early May.

Imported plywood by source was 86,500 cbms from Malaysia, 0.9% more and 7.2% less, 83,200 cbms from Indonesia, 5.8% more and 8.8% more but total import for January and February from Malaysia was down by 5% and Indonesia was down by 4%.

Because of escalating export prices and weak demand in Japan, the importers are not so anxious to commit future volume.

Plywood market is deadlocked. Demand for domestic softwood plywood is steady by precutting plants but wholesale channel is dull and some low offers are going around. Imported plywood is weak in demand but high priced cargoes keep arriving so price reduction is impossible.

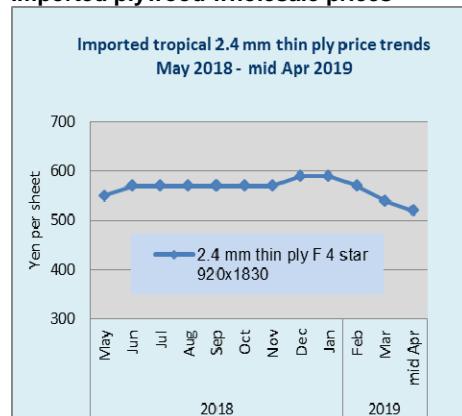
Movement of softwood plywood varies by the regions. In Western Japan, supply tightness is easing but active movement continues in Kyushu and Osaka region. Plywood manufacturers in Western Japan carry limited inventory and experience shortage of delivery trucks.

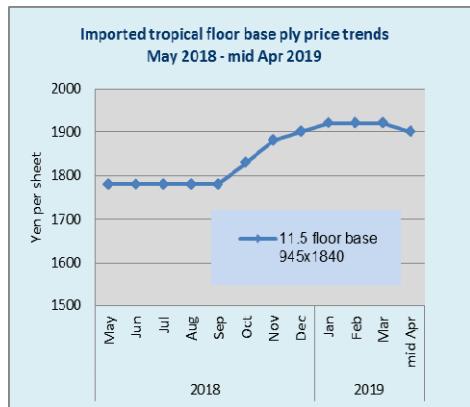
Meantime, in Eastern Japan, movement is stagnating. Dull movement of wholesale channels and some of inventory disposals by trading firms for book closing in March soften market.

Imported plywood market is confusing as the demand in Japan continues weak while bullishness of suppliers continues, which insist on selling cost base prices.

Some suppliers switch to container from bulk carriers, which plugs up port warehouses so warehouse companies are increasing handling charge, which is another cost up factor. The market prices are weak by soft demand.

Imported plywood wholesale prices





Wood panel review 2018

Total supply of wood panels (plywood and wooden board) in 2018 was 9,144,495 cbms, 0.2% more than 2017.

In this, domestic panels were 5,064,623 cbms, 0.6% less. Imported panels were 4,079,872 cbms, 1.3% more. Share of domestic and import was 55.4% vs 44.6%. Domestic supply of wooden board decreased by 37,031 cbms while that of import increased by 33,565 cbms. Decrease of domestic supply was mainly particleboard and MDF.

New housing starts in 2018 were 942,370 units, 2.3% less than 2017 with wood based units of 539,394 units, 1.1% less. Problems wood panel supply faced in 2018 were manpower shortage and logistics such as lack of long haul trucks.

For plywood, one new mill started in April by Nisshin so total supply should have increased but total production of domestic plywood increased only by 0.2%. Reasons are tightening of labor standard law and shortage of young workers, particularly in local regions.

To secure young workers, working rules are changing to reduce overtime works. Plywood mills had been running over the weekend and late hours when orders are heavy

but now such extra works are largely reduced so that the production does not increase.

Logistic problems are getting serious year after year. Many wood panel manufacturers have plant in local regions and it is necessary to transport products to large consuming markets like Tokyo and Osaka but securing long haul trucks is getting harder and harder. For imported panels, as containers shipment becomes standard after the volume for Japan drops, the suppliers switched from bulk ships to containers.

Warehouses at ports are plugged up with incoming cargoes and handlings are delaying. Transporting products from manufacturing plants to the markets is a problem but transporting raw materials like logs and wood chip to manufacturing plants poses the same problem.

The market of wood panels in 2018 stayed rather firm, supported by active demand. Domestic softwood plywood prices of 12 mm 3x6 have been held firm at 1,050 yen per sheet delivered since March 2018. The manufacturers did not reduce the prices even when the market softened temporarily.

On imported plywood, the suppliers are determined to sell based on actual cost so the export prices have been climbing month after month and the Japanese buyers had to accept high prices.

Total imported plywood in 2018 was 2,923,056 cbms, 0.7% more than 2017. By source, 1,062,086 cbms from Malaysia, 10.8% less than 2017. 977,557 cbms from Indonesia, 11.4% more. 642,008 cbms from China, 1.9% less. 241,405 cbms from other countries, 32.2% more.

Export prices of uncoated concrete forming 3x6 panel were \$520-530 per cbm C&F and coated concrete forming panel were \$600 at the beginning of the year and the prices climbed to \$580-590 and \$680-690 by the end of 2018. The increase was \$50-90 in one year. Also Indonesian 2.4 mm thin panel prices climbed by \$300 in six months to \$1,100.

Supply of wooden board (fiber board and chip board) in 2018 was 3,004,642 cbms, 0.1% less than 2017. Domestic supply was 1,847,826 cbms, 2.0% less and imported supply was 1,156,816 cbms, 3.0% more.

Despite housing starts in 2018 were down by about 20,000 units, the supply of wooden board did not drop. By item, in early 2018, supply of 2x6 particleboard was tight but the supply recovered in the second half. Thin MDF for flooring continues tight but overall supply and demand were balanced.

Domestic supply of particleboard was 1,075,019 cbms, 1.7% less. Imported particleboard was 541,935 cbms, 2.6% more. In this, OSB was 285,360 cbms, 1.7% more. Total supply of MDF was 1,007,830 cbms, 0.2% more. Domestic supply was 395,727 cbms, 4.5% less while imported MDF was 612,103 cbms, 3.6% more.

Trend to switch floor base from tropical hardwood plywood to MDF, domestic softwood plywood and composite floor base made of planted species of falcate continues.

Looking at the production of composite flooring, combination of MDF and imported hardwood plywood declined by 1.8% but combination of MDF and softwood plywood increased by 2.9% so MDF demand for flooring continues increasing. Also after the prices of thin plywood from South East Asian countries have kept climbing, demand for thin hardwood MDF increased.

OSB supply from North America increased some but the supply from Europe declined as the demand in Europe was active and the prices are more attractive and the freight also increased, which discouraged supply for Japan.

Log imports through Zhangjiagang Port in 2018

Log species	cu.m
Other tropical rosewood	2,527,666
unspecified non-coniferous logs	1,548,621
Mengaris	168,044
Okoume	98,465
Eucalyptus	79,568
Mersawa	32,378
tropical rosewood	5,924
Beech	4,042
Kempas	3,047
Lauan	2,892
Kapur	1,116
Other coniferous logs	451
Teak	329
Total	4,472,543

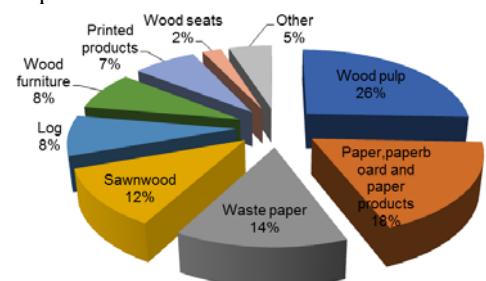
Data source: China Customs

China

Main wood products imports from EU in 2018

The value of China's wood products imports from EU member states in 2018 was USD8.1 billion. The main imported wood products were wood pulp, paper, paperboard and paper products, waste paper, sawnwood, logs, wooden furniture and seats as well as printed panels.

Imports from the EU



Data source: China Customs

Timber imports through Zhangjiagang Port in 2018

According to China Customs, log imports through Zhangjiagang Port in 2018 were 4.47 million cubic metres valued at US\$1.03 billion. 48% was from Papua New Guinea and 34% from Solomon Islands and the balance from Equatorial Guinea (6%), Cameroon (5%), the Republic of Congo (3%), Suriname and the Central Africa Republic.

In addition, sawnwood imports through Zhangjiagang Port in 2018 were 41,020 cubic metres valued at US\$23 million, 90% was from Gabon and others from the Republic of Congo, Papua New Guinea, Mozambique, Fiji and Cameroon.

Average prices

Log species	Av Price US\$/cu.m
Rosewood	707
Mengaris	453
Beech	410
Teak	371
Kapur	322
Kempas	310
Okoume	249
Lauan	248
Other tropical redwoods	247
Mersawa	222
Other non-coniferous	176
Eucalyptus	167
Other coniferous logs	134

Data source: China Customs

Chinese 'redwood' industry in Dongyang city

Dongyang City, Zhejiang Province, is an important production centre for Chinese 'redwood' furniture and the 'redwood' furniture wholesale and retail markets have been upgraded.

At present, there are 1,336 enterprises producing carved 'redwood' furniture and they have a combined showroom space of over 1 million square metres. All products manufactured in Dongyang City carry a QR code to facilitate traceability.

Recently, a national workshop on traceability and legality for Chinese 'redwood' products was held in Dongyang City of Zhejiang province. The domestic market demand for 'redwood' products is huge and consumers are now demanding good quality and traceability.

In 2016 Zhejiang Province was the pilot area for tracking the origin and species of Chinese 'redwood' products and the traceability system was officially established in 2017 and 'redwood' products manufactured in Dongyang City

carry a logo and QR code. This allows consumers to get information on raw materials, production etc.

To further promote ‘redwood’ sales in the Province a high-speed train named “Dongyang Redwood” has been launched. The promotional campaign says “Buy ‘Redwoods’ in Dongyang”.

<http://www.hmsybz.com/article.php?id=265>
http://www.wood365.cn/Industry/IndustryInfo_260169.html

Guangzhou Yuzhu International Timber Market Wholesale Prices

	Logs	yuan/cu.m
Merbau	dia. 100 cm+	4-6000
Bangkirai	dia. 100 cm+	3200-4600
Kapur	dia. 80 cm+	2700-3000
Ulin	All grades	6500
Lauan	dia. 60 cm+	-
Kempas	dia. 60 cm+	2000-3000
Teak	dia. 30-60 cm	8500-8600
Greenheart	dia. 40 cm+	2300-2400
Purpleheart	dia. 60 cm+	3000-4500
Pau rosa	dia. 60 cm+	2800-3000
Ipe	dia. 40 cm+	3200-3400
yuan per tonne		
Cocobolo	All grades	40-70000

Sawnwood

	Sawnwood	yuan/cu.m
Makore	Grade A	9800-11800
Zebrano	Grade A	9500-12500
Walnut	Grade A	9500-15000
Sapelli	Grade A	5000-7500
Okoume	Grade A	3700-4700
Padauk	Grade A	15000-18000
Mahogany	Grade A	6500-7500

Sawnwood		yuan/tonne
Ulin	all grades	9000-10000
Merbau	special grade	7500-9500
Lauan	special grade	4300-4700
Kapur	special grade	5000-6000
Teak	special grade	14000-22000

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	3100-3600
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	9000-10000
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	9000-9500
Ash	No knot	5600-6300
Basswood	No knot	2800-3300
Oak	No knot	5300-5700
Scots pine	No knot	2100

Europe

German wood consumption rises rapidly, but tropical timber rapidly loses share

Analysis of the timber market in Germany, which plays central in the European wood products sector, highlights the extent to which tropical wood is losing market share, with important implications for the long-term future of tropical wood demand in the broader European market.

Germany is Europe’s largest economy with GDP likely to have exceeded US\$4 trillion for the first time in 2018 (according to IMF), over 40% more than the UK, Europe’s second largest economy.

Germany is Europe's largest producer of sawnwood and wood-based panels, with output of 22 million m³ and 11 million m³ respectively in 2017 (according to FAO).

Germany is also Europe's largest consumer (annually €9.4 billion) and second largest producer (annually €7.3 billion) of wood furniture. Germany's annual per capita consumption of wood furniture is €118, second only to Luxembourg amongst European countries.

Germany weathered the economic storms of the last decade better than most other European economies. Although GDP growth slowed in the second half of last year as Germany's large export-oriented manufacturing sector came under pressure from cooling demand in overseas markets, domestic consumption in Germany has been very resilient.

Germany's domestic market has benefited from strong consumer confidence, which has remained much higher than in other European countries in recent years, bolstered by a low and declining unemployment rate (which fell to only 3.1% in February 2019) and the expansionary policy of the European Central Bank which has combined low interest rates with quantitative easing.

In 2019, domestic consumption in Germany is expected to remain high, particularly as the German government has introduced further fiscally expansionary measures, including a higher minimum wage to help offset an anticipated slowdown in export demand for German products. Economic indicators this year have revealed further rises in consumer sentiment and the composite Purchasing Managers Index showing better business conditions.

Feedback from hardwood traders in Germany indicates that there is good activity in the door and kitchen sectors. Furthermore, German importers continue to sell significant volumes of hardwood into the expanding furniture and joinery manufacturing sectors in Eastern European countries, notably Poland and Lithuania.

The successful 2019 edition of IMM-Cologne interior design fair held in January confirmed that underlying market sentiment in Germany is good and, with strong growth in overseas visitors, highlighted once again that Germany is viewed as a major global leader both in wood product design and innovative processing.

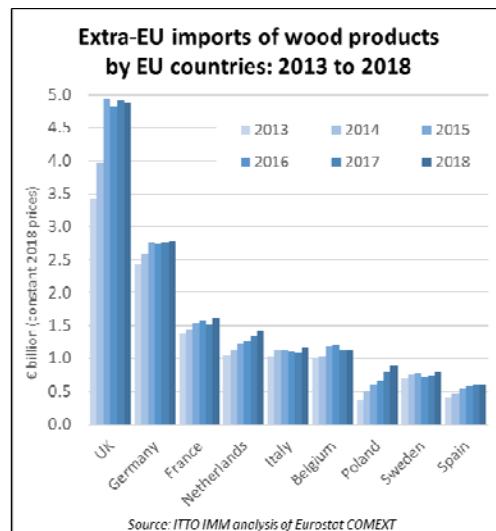
A commentary on material preferences by the fair organisers noted that "wood is simply invincible" because "it is not only sustainable, but also cosy, healthy and versatile".

The fair suggested a particularly strong preference for natural wood to be used "as raw as possible: not coarse, but un-smooth" and that, while paler monotone colours are still very fashionable, there is a growing trend for "warm colours tending to dark that harmonise with reddish wood".

On the surface, all this should imply good opportunities to increase sales of tropical timber in Germany. However, in practice, the market has been moving decisively against tropical hardwood for some time. This is clear from data presented by Rupert Oliver, Trade Analyst to the FLEGT Independent Market Monitor (IMM) project (hosted by ITTO), to the GD Holz "Foreign Trade Day" on 4 April.

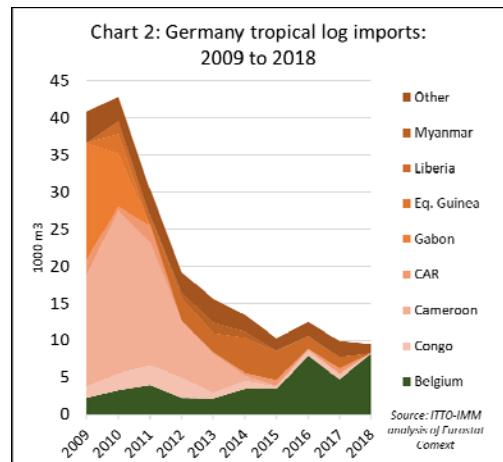
Overall the data shows that Germany is importing large and growing quantities of timber products. Should the UK leave the EU, an event now scheduled to happen by 31 October 2019, Germany will become by far the largest single EU importer of wood products from outside the bloc (Chart 1).

However, most of the gains in German imports are being made in softwoods, particularly from Russia and other European countries. Furthermore, where Germany is importing tropical timbers, direct purchases from the tropics are falling rapidly and more is being purchased indirectly from importers elsewhere in the EU. This has important implications for future development of policy measures like FLEGT and EUTR.



Germany imports around 8 million m³ of logs every year, but much is low grade, mainly softwood, material for manufacture of panels and other industrial applications. Around 90% of all Germany's log imports derive from other EU countries.

In 2018, Germany imported only around 400,000 m³ of hardwood logs, of which 330,000 m³ were from other EU countries and 70,000 m³ from non-EU countries. Germany's imports of tropical hardwood logs declined sharply from 43,000 m³ in 2010 to only 9,000 m³ last year, with nearly all volume now sourced through Belgium (Chart 2).



Germany's total imports of sawnwood increased from 5.0 million m³ in 2017 to 5.4 million m³ last year. This builds on a long-term upward trend which has seen Germany's sawnwood imports increased by over 40% in the last decade.

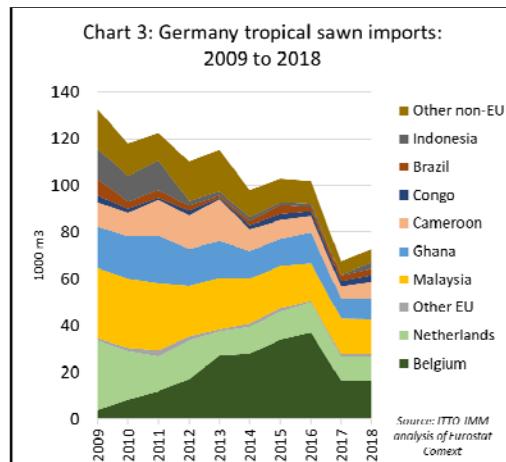
85% of these imports comprise softwoods, and 67% is from other EU countries. Nearly all the sawnwood imported into Germany from outside the EU is from just three countries; Belarus, Russia and Ukraine.

The rise in Germany's timber imports in 2018 comes despite domestic softwood sawnwood production hitting an all-time high of around 23 million m³ last year. The signs are that total demand for sawnwood in Germany is "red hot" at present.

However, this is not at all reflected Germany's tropical sawnwood imports which have been declining (Chart 3).

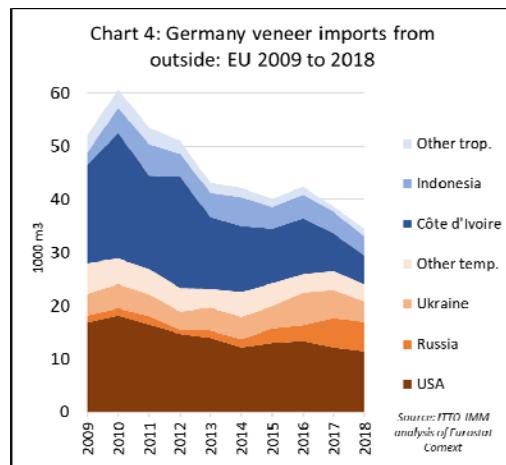
Germany's imports of tropical sawnwood were only around 73,000 m³ in 2018, a slight improvement on the 67,000 m³ imported the previous year, but well down on 103,000 m³ imported in 2016 and around half the level prevailing a decade ago.

As in the log trade, there was a significant rise in indirect imports via Belgium between 2009 and 2016, at the expense of both direct imports from tropical countries and other indirect imports from the Netherlands. However, in 2017, there was also sharp reversal in Germany's imports of tropical sawn timber via Belgium.

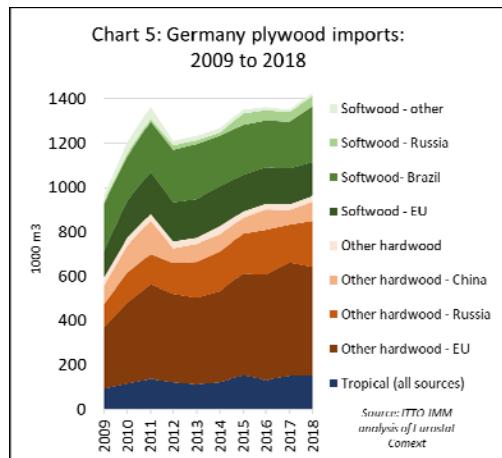


Germany imported 109,000 m³ of veneers in 2018, down from 115,000 m³ the previous year. Around 70% came from other EU countries and 34,000 m³ from outside the EU. Imports from other EU countries have been rising in recent years as a large part of Germany's domestic production has been relocated to lower cost locations in Eastern Europe.

Meanwhile Germany's veneer imports from outside the EU have fallen sharply, mainly due to a decline in imports from the United States and Ivory Coast. This decline has been only partially offset by a rise in imports from Russia and Ukraine (Chart 4).

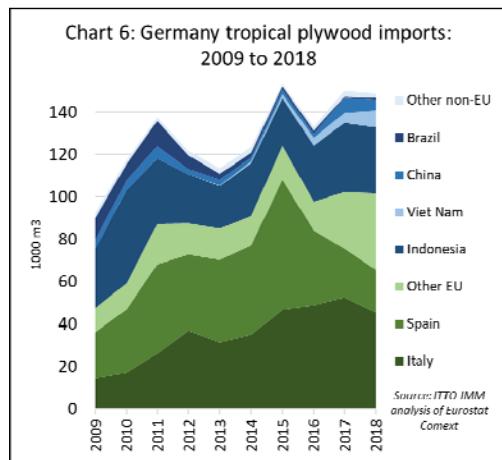


Germany's plywood imports have been rising in recent years, peaking at 1.43 million m³ in 2018, of which 816,000 m³ was faced with hardwood and 615,000 m³ with softwood. Much of the recent growth in Germany's plywood imports has comprised hardwood products (mainly birch) from other EU countries and Russia (Chart 5).



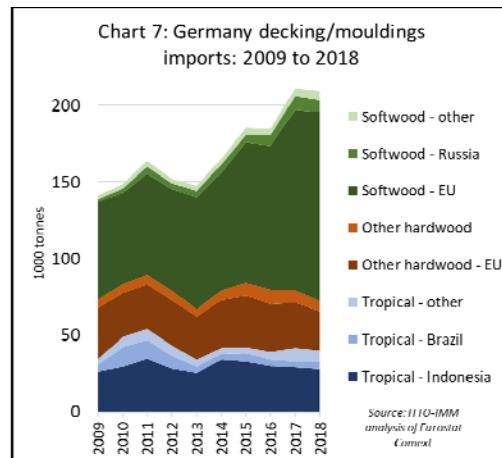
Despite stiff competition from birch plywood, tropical hardwood plywood has made gains in Germany in recent years, with total imports of tropical hardwood faced plywood rising from less than 100,000 m³ a decade ago to peak at 153,000 m³ in 2015. Imports fell back to 133,000 m³ in 2016 but rebounded to 150,000 m³ in 2017 and remained at that level last year.

Much of the recent gain in Germany's tropical plywood imports comprises products either manufactured using tropical hardwoods in other EU countries, notably Italy and Spain, or imported indirectly via these countries. However, there has also been an increase in direct imports of tropical hardwood plywood from Indonesia, from a low of 20,000 m³ in 2013 to 31,000 m³ in 2018 (Chart 6).



Germany's imports of moulding and decking products (classified under HS code 4409) increased sharply from 148,000 m³ in 2013 to 210,000 m³ last year. Nearly all the gains were in softwood products from other EU countries.

Germany's imports of these products from the tropics have been edging downwards in recent years, from 42,000 m³ in 2015 to 40,000 m³ last year. Imports from Indonesia, by far the largest tropical supplier to Germany, fell from 33,000 m³ to 28,000 m³ (Chart 7).



IMM Trade Consultation explores drivers of tropical wood decline in Germany

Insights into the reasons for Germany's shift away imports of tropical wood, particularly direct imports, were provided by the IMM Trade Consultation held in Berlin at the end of 2018.

This consultation forms part of wider series of consultations being held during 2018 and 2019 in all the main European markets for tropical wood products to obtain feedback from the trade on the potential to develop markets for FLEGT licensed timber in the EU.

During the Berlin consultation, to help place FLEGT licensed timber in the correct market context, traders were asked to identify and rank the key factors driving market decline for tropical timber products in Germany in recent years.

The main drivers identified, in declining order of significance, were:

- Substitution by temperate wood, composites and other materials (16 votes);
- Environmental prejudice and uncoordinated marketing (9 votes);
- Competition from China for material access and in markets for finished goods (9 votes); and
- The challenges of conformance to the EU Timber Regulation (8 votes).

The first driver is indicated both by the trade flow data, which shows large increases in Germany's trade in wood products other than tropical timber, and by other reports from traders.

These reports highlight, for example, that all solid wood products, but particularly tropical, are losing share to wood plastic composites in the market for decking and other exterior products.

This trend is so far-reaching in Germany that even thermally and other treated temperate wood products, which are making ground elsewhere in Europe, are losing share in Germany.

Similarly, the market for real-wood flooring in Germany has been struggling in recent times even as broader domestic consumption trends have been on the rise, an indication of the pressure being felt in this market from alternatives such as laminated flooring and luxury vinyl tiles.

The fourth driver of tropical wood's decline, relating to EUTR, features more strongly in Germany than in other EU countries. It is also reflected in the trade data which shows the growing proportion of tropical wood imported indirectly into Germany via other EU countries.

This tends to confirm reports that an increasing proportion of tropical wood imports into the EU are now being channelled via larger importing companies close to the main European ports that are willing and able to devote more time and resources for a wide range of specialist services, including EUTR due diligence.

A feature of the Germany IMM trade consultation (interestingly also repeated in a more recent Dutch/Belgian IMM event held in Antwerp) is that while EUTR is identified by the importing sector as a significant driver of decline in tropical wood trade, at the same time it is also seen as a potentially important part of long-term strategy to maintain and, potentially, rebuild market share.

Having rated drivers of market decline, German importers at the consultation were then asked to rate the potential of different market development strategies for tropical timber in the EU. One strategy was rejected outright by all participants; this proposed "deregulation", the total abolition of requirements for EUTR and FLEGT licensing, based on the assumption that tropical timber imports may be boosted by reducing the regulatory burden.

Not only was the deregulatory approach rejected, but the strategy receiving by far the most votes was the exact opposite; "a regulatory approach involving increased supply of FLEGT-licensed tropical timber linked to consistent and effective enforcement of EUTR to remove illegal wood".

Practically all participants in Berlin regarded the EUTR combined with FLEGT licensing as the right approach to improve credibility and reputation of the tropical timber trade in the EU. The process of consolidation in the sector and the concentration of import activities in the hands of a smaller number of expert importers was also generally seen as a positive development by participants.

The second most favoured strategy for rebuilding tropical wood's market share in Germany was identified as "highlighting/promoting the environmental benefits of tropical timber and underpinning these scientifically through life-cycle analysis (LCA)".

Here, traders were also calling for increased regulatory support through government procurement policies.

Participants at the trade consultation also called for inclusion of FLEGT-licensed tropical timber in public procurement policies as evidence of both legality and sustainability.

While these strategies were seen as having potential to improve market conditions for tropical wood in the German market, trade consultation participants generally expected stagnation of the German and wider EU tropical timber market at the current low level, at least in the short to medium term.

New resource on benefits of FLEGT-licensed products

Timber buyers can now visit a new webpage in English, French, Italian or Spanish to learn about the business benefits of trading in FLEGT-licensed timber and the social, environmental and economic benefits that such trade brings to producer countries.

The EU FLEGT Facility created the page — www.timberbuyers.flegtlicence.org — to inform traders, specifiers, architects and retailers, as well as sustainability specialists and end consumers of timber products.

Combining text, pictures and an animated film, it describes how the EU is working with tropical timber-exporting countries to stop illegal logging and promote trade in legal timber products.

The new resource explains what FLEGT licenses are, how they benefit timber buyers in the EU, and how the advantages of FLEGT licensing extend far beyond legality to encompass social, economic and environmental gains in producer countries.

It includes links to multimedia stories that highlight the benefits of FLEGT licensing, and to downloadable resources that can help timber buyers to communicate about FLEGT-licensed products with their customers.

The EFI FLEGT Facility, that developed the site, note that "FLEGT-licensed timber products are best known for their verified legality."

They automatically meet the requirements of the EU Timber Regulation so, for operators in the EU, they eliminate the risk of trading in illegal timber. Less well-known are the considerable social, economic and environmental credentials of FLEGT-licensed products.

Yet the trade in these products, and the reforms and improvements that stand behind the licenses, are helping ensure that forests contribute to economic growth and poverty reduction, while promoting responsible forest management".

The new webpage is part of the FLEGT license information point, which the Facility set up in 2016 to provide practical information about FLEGT licenses, import procedures, trade scenarios and answers to frequently asked questions.

European parquet flooring industry reports stable to slightly positive trend

Compared to the same period last year, sales of wood parquet flooring in the EU in the first quarter of 2019 were stable or moderately increasing in all countries except Belgium, the Netherlands, Switzerland and the UK which reported limited declines.

The shortage of hardwood face material – particularly oak – which has been a significant problem in recent years, seems to have eased so far in 2019. However, prices are rising for panel products (HDF, plywood) used in the other layers. These are the principal conclusion of the Board of Directors of the European Federation of the Parquet Industry (FEP) when they met on 4 April 2019 to discuss the parquet market situation.

The FEP Board also provided the following insights into current market conditions in each EU country in the first quarter of 2019:

Austrian parquet sales were up 1% during the period:

- Parquet consumption fell 4% in Belgium during the period due mainly to competition from “wood look” floor coverings.
- Baltic States’ markets remained stable during the period.
- There was a slight upturn in the Czech Republic parquet market during the period.
- The Denmark market was flat in line with the static performance of residential.
- Parquet sales were stable in Finland – the residential market is performing well but retail is declining.
- After a difficult fourth quarter 2018, the French market improved during the first quarter of 2019
- After a poor year in 2018, parquet sales increased 4% in Germany in the first quarter 2019.
- The parquet market in Italy was flat during the first quarter and no improvement is expected soon.
- Parquet sales in the Netherlands declined during period due to competition from “wood look” floor coverings.
- The Norwegian market remained flat during period, seen as encouraging compared to significant decreases in consumption last year.
- Sales in Poland increased 2% during the period.
- The Spanish market was stable during the period, echoing the uncertain political context.
- Parquet consumption in Sweden continued to rise slowly, by 1% during the period with renovation the main driver.
- Switzerland consumption fell 2% during the period following completion of new construction projects.
- United Kingdom consumption fell 1% with the influence of the Brexit becoming discernible

European company looks to expand supply of acetylated wood in Asia

Accsys Technologies PLC has announced that its subsidiary, Tricoya Technologies Limited (“TTL”), has now entered into an agreement with Petronas Chemicals Group Berhad (“PCG”) to evaluate the feasibility of jointly funding, designing, building and operating an integrated acetic anhydride and Tricoya wood elements production plant in Malaysia.

It is envisaged that Tricoya wood elements produced at the plant would use acetic acid from PCG’s existing joint venture in Malaysia. The plant would then supply the wood panel industry within South East Asia, under licence, as the key raw material for the formation of Tricoya panels for the use in the construction industry in the region.

The Malaysia feasibility study forms part of a wider strategy to develop markets for products manufactured using Accsys technology. Accsys Technologies PLC has recently made multi-million dollar investments in a Tricoya plant for annual production of up to 30,000 tonnes per year of acetylated wood chips in Hull, England, and to increase capacity of its Accoya production plant in Arnhem, Netherlands, by 50% to 60,000 cubic metres.

North America

U.S. and Peru resolve PTPA dispute

The United States and Peru have successfully resolved the concerns raised in the first-ever environment consultations under the United States – Peru Trade Promotion Agreement (PTPA).

In January, the U.S. requested consultations under the 2009 trade treaty’s environmental chapter to oppose Peru’s decision to place its forest monitor, OSINFOR, under the environmental ministry, despite a provision requiring OSINFOR to be an independent agency.

Following technical consultations in January and deliberations by the PTPA environmental affairs council in February, Peru reversed course, annulling the December decision on April 9.

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/april/ustr-successfully-resolves-concerns>

ITC - U.S. producers harmed by China wooden cabinet imports

The U.S. International Trade Commission (ITC) has determined that there is a “reasonable indication” that imports of wooden cabinets from China are harming American producers, keeping alive a trade investigation that could lead to tariffs on the products.

The preliminary findings by the trade panel mean the U.S. Commerce Department will move ahead with an investigation into whether Chinese wooden cabinets, vanities and component parts are unfairly subsidised or sold in the U.S. market at less than fair value.

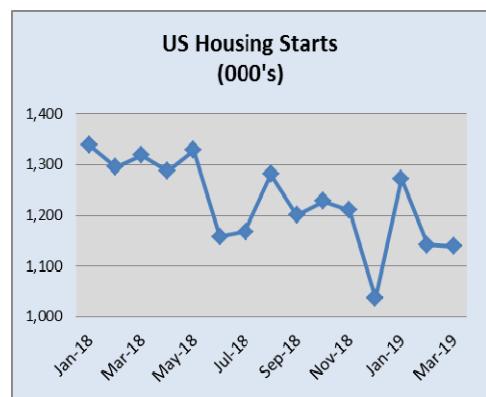
If the Commerce Department determines the products are unfairly subsidised or dumped on the U.S. market and if the ITC upholds its preliminary finding of harm, the United States would impose tariffs on the imports for a period of five years.

The United States imported some US\$4.4 billion worth of wooden cabinets, vanities and their component parts from China in 2018. The trade investigation was launched in March based on petitions from the American Kitchen

https://www.usitc.gov/press_room/news_release/2019/er0419ll1088.htm

Housing starts approach two-year low

U.S. homebuilding dropped to a near two-year low in March, pulled down by persistent weakness in the single-family housing segment, suggesting the housing market continued to struggle despite declining mortgage rates.



Data source: US Census Bureau

Some of the weakness in homebuilding likely reflected disruptions caused by massive flooding in the Midwest, with housing starts in the region declining to levels last seen in early 2015. The report bucked a recent tide of upbeat data that indicated the economy regained speed as the first quarter ended.

Housing starts fell 0.3% to a seasonally adjusted annual rate of 1.139 million units last month, the lowest level since May 2017.

Data for February was revised down to show homebuilding tumbling to a pace of 1.142 million units instead of the previously reported 1.162 million-unit rate. Housing starts in the Midwest, which was devastated by floods during the month, dropped 17.6%.

Single-family homebuilding, which accounts for the largest share of the housing market, dropped 0.4% to a rate of 785,000 units in March, the lowest level since September 2016.

Single-family homebuilding in the Midwest tumbled 21.2% last month to the lowest level since February 2015. Single-family starts also fell in the populous South. But they rose in the Northeast and West.

Building permits fell 1.7% to a rate of 1.269 million units in March, the lowest in five months. Building permits have now declined for three straight months.

Permits for single-family housing dropped to a more than 1-1/2-year low in March.

https://www.usitc.gov/press_room/news_release/2019/er0419ll1088.htm

In related news, existing-home sales declined in March, following February's surge of sales, according to the National Association of Realtors. Each of the four major U.S. regions saw a drop-off in sales, with the Midwest enduring the largest decline last month.

Existing-home sales fell 4.9% from February to a seasonally adjusted annual rate of 5.21 million in March. Sales were down 5.4% from a year ago (5.51 million in March 2018).

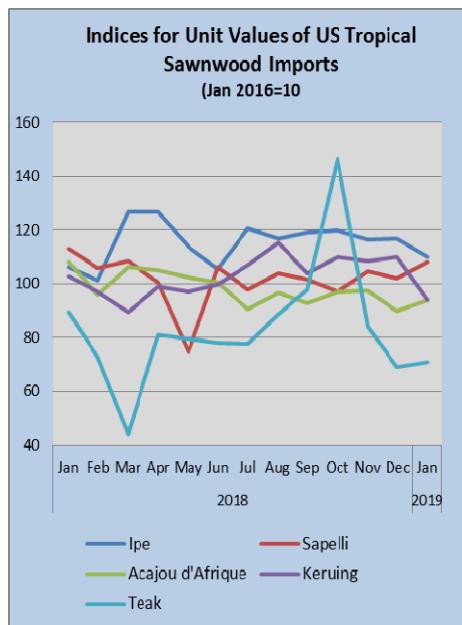
March existing home sales fell 7.9% in the Midwest and were off 8.6% from a year ago. Existing-home sales decreased in the Northeast by 2.9%, trailing behind March 2018 sales by 1.5%. Sales fell by 3.4% in the South and are down 2.1% from last year. In the West, existing home sales fell by 6.0% and are 10.7% below a year ago.

Manufacturers report improving wood products sector
Economic activity in the U.S. manufacturing sector expanded in March, and the overall economy grew for the 119th consecutive month, say the nation's supply executives in the latest Manufacturing ISM Report on Business.

Comments from respondents surveyed by the Institute of Supply Management reflected continued expanding business strength, supported by gains in new orders and employment. Demand expansion continued, with the New Orders Index and the Customers' Inventories Index both improving, and the Backlog of Orders Index softening to marginal expansion levels.

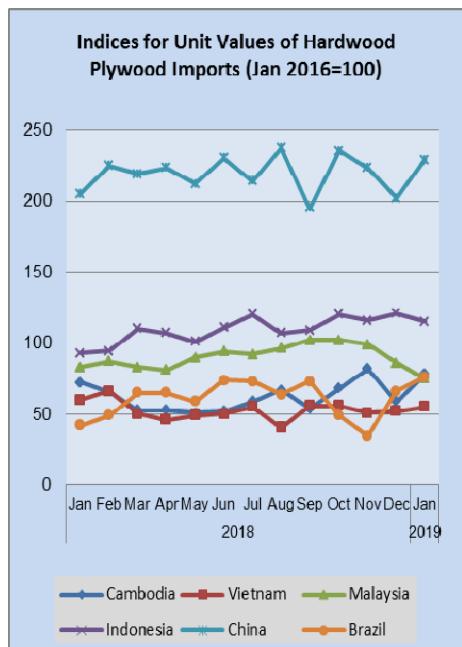
While the wood product sector reported only average growth in March among the 18 manufacturing industries surveyed, the sector reported the highest growth in imports, new orders, and new export orders. The wood products sector also reported the second highest levels of employment growth.

<https://www.instituteforsupplymanagement.org/ismreport/mfgrob.cfm?SSO=1>



Data source: US Census Bureau, Foreign Trade Statistics

Note: Unit values are based on Customs value and exclude shipping, insurance and duties.



Data source: US Census Bureau, Foreign Trade Statistics

Note: Unit values are based on Customs value and exclude shipping, insurance and duties.

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.

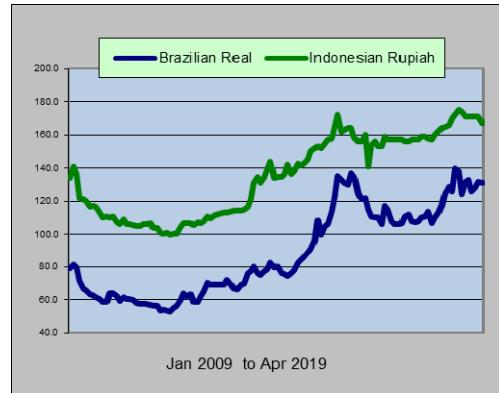
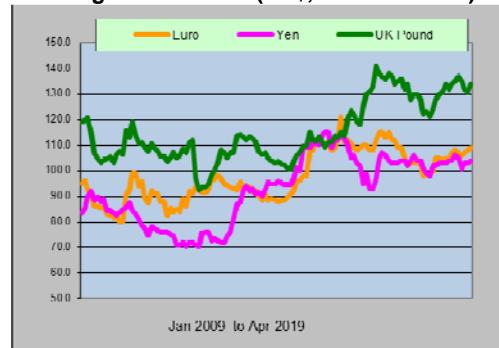
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO.

Dollar Exchange Rates

As of 25 April 2019

Brazil	Real	3.9520
CFA countries	CFA Franc	589.73
China	Yuan	6.7431
EU	Euro	0.8982
India	Rupee	70.167
Indonesia	Rupiah	14185
Japan	Yen	111.63
Malaysia	Ringgit	4.1493
Peru	New Sol	3.32
UK	Pound	0.7753
South Korea	Won	1160.01

Exchange rate indices (US\$, Dec 2003=100)

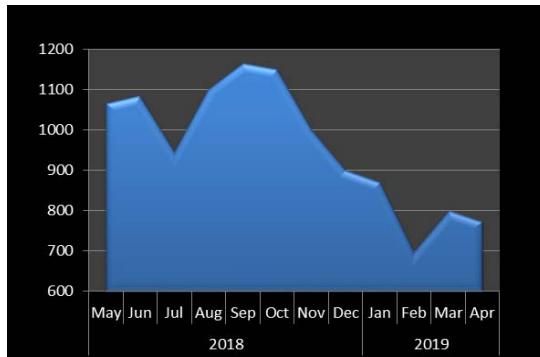


Abbreviations and Equivalences

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	Cost insurance and freight
C&F CNF	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, Weather and boil proof
MT	Metric tonne
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
May 2018 – April 2019

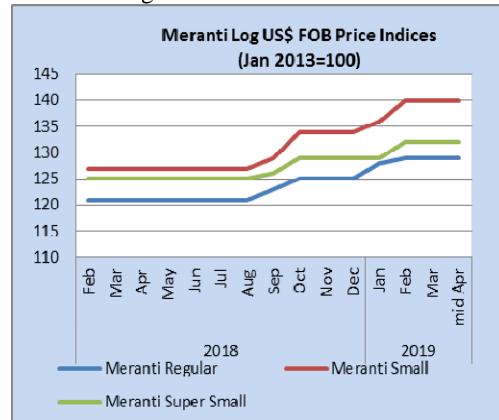


Data source: lloydslist.maritimeintelligence.informa.com

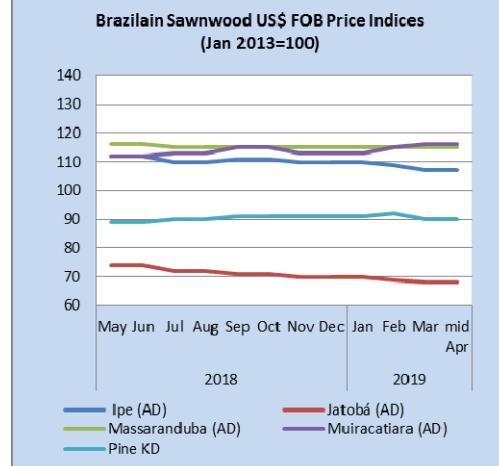
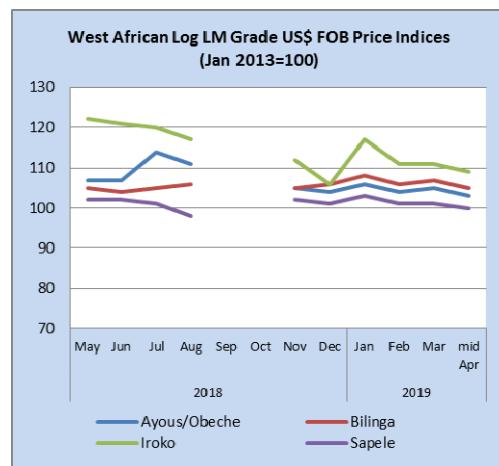
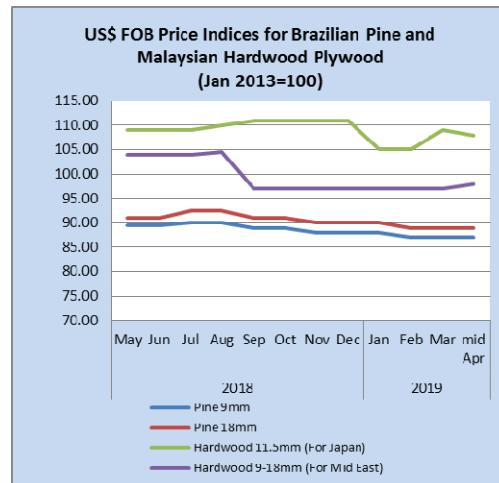
The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes.

Price indices for selected products

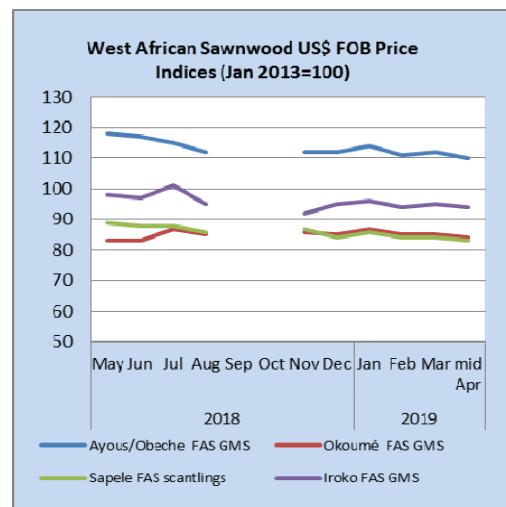
The following indices are based on US dollar FOB prices



Note: Sarawak logs for the Japanese market



Note: Jatobá is mainly for the Chinese market.



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