

Tropical Timber Market Report

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Top Story

US wooden furniture imports highest since recession

US year-to-May furniture imports were 11% higher than in the January to May period in 2014.

Furniture stores in the US have seen rising sales. Furniture sales were low this spring but May sales signal a firm recovery.

May 2015 furniture sales were 5% higher than in May 2014.

See page 22

Report from Central/West Africa

Demand from China dries-up

There were no price changes in the second half of August and producers report that while overall demand is holding up, what little demand there was from buyers for the Chinese market has now dried-up. In China demand for okoume logs and sawnwood has collapsed and even demand for the 'redwood' timbers is extremely slow.

Buyers for China are pessimistic and say they do not know when business will improve suggesting the weak demand could stretch until year end or even into the first quarter of next year.

As a result of poor demand prospects Central and West African producers are cutting back on log harvests and reducing sawnwood production. For once the heavy rains which are affecting forest operations in Cameroon are not disrupting either milling or shipping schedules as demand is so low.

Purchases for Middle Eastern, Indian and EU markets balancing losses in China

In contrast to weak demand in China, business in Middle East markets remains positive with steady demand at current price levels in spite of strong competition from SE Asian suppliers.

Demand in Europe is proving better than expected given it is still the holiday season. Some producers are optimistic that there will be an increase in demand through to year end. In terms of individual species, shippers of sipo and sapele have seen moderate demand levels so prices remain holding firm.

Importers in India are actively buying their favoured species, belli and padauk. Analysts encourage West and Central African shippers to actively target this market.

Log Export Prices

West African logs, FOB	€ per m ³		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	230	230	160
Ayous/Obeche/Wawa	260	260	180
Azobe & Ekki	230	230	160
Belli	300	280	-
Bibolo/Dibétou	150	145	-
Iroko	330	290	260
Okoume (60% CI, 40% CE, 20% CS)	235	235	160
(China only)	335		
Moabi	210	305	225
Movingui	160	210	160
Niove	250	160	-
Okan	315	290	230
Padouk	320	285	225
Sapele	345	320	240
Sipo/Utile	320	340	265
Tali		320	-

Sawnwood Export Prices

West African sawnwood, FOB		€ per m ³
Ayous	FAS GMS	410
Bilinga	FAS GMS	500
Okoumé	FAS GMS	370
	Merchantable	225
	Std/Btr GMS	280
Sipo	FAS GMS	610
	FAS fixed sizes	610
	FAS scantlings	640
Padouk	FAS GMS	930
	FAS scantlings	980
	Strips	680
Sapele	FAS Spanish sizes	610
	FAS scantlings	620
Iroko	FAS GMS	610
	Scantlings	690
	Strips	440
Khaya	FAS GMS	450
	FAS fixed	460
Moabi	FAS GMS	610
	Scantlings	630
Movingui	FAS GMS	420

Report from Ghana

Sawnwood accounts for 50% of first half exports

Air and kiln dried sawnwood exports in the first half year of 2015 accounted for more than 50% of Ghana's total wood export volumes. The top export species were plantation teak, wawa, ceiba, plantation gmelina and mahogany. The main markets in the first half of the year were India, China, the U S, Nigeria and Niger.

Product	Vol (m3)	Eur '000s
Lumber (Air Dried)	65,679	36,709
Lumber (Kiln Dried)	31,344	18,972
Lumber (Overland)	1,114	329
Mouldings	4,686	2,509
Plywood (Overland)	25,091	9,249
Plywood	302	166
Sliced Veneer	9,722	9,401
Rotary veneer	4,698	2,269
Sliced Veneer (Overland)	47	64
Poles	14,948	2,705
Billet	14,617	5,645
Dowels	459	136
Boules (Air Dried)	683	331
OWP* (5)	1,021	221
Total	174,409	88,705

* Other Wood Products

Overland = neighbouring country markets

Source: TIDD, Ghana

According to data from the Timber Industry Development Division (TIDD) of the Ghana Forestry Commission (GFC), first half 2015 exports of wood products totalled 174,409 cu.m, a 21.5% rise on first half 2014 exports. First half export earnings totalled euro 88.71 million.

Four products topped the export list in the first half of this year : sawnwood (air and kiln dry), plywood (for regional markets), poles and billets. These products accounted for a volume of 151,679 cu.m, worth euro 73.28 million or 83% of total earnings.

In summary, the breakdown of export destinations was as follows: Europe 12.5%, Asia/Far East 58.5%, Africa 20%, USA 6% and Middle East countries 3%.

Legality verification mechanism in place

Ghana has made progress on the system to verify the legality of wood products and this could pave the way for the issuance of FLEGT licenses as early as 2016.

According to Dr. Richard Gyimah, Manager of the Verification and Audit Timber Validation Department at the Forestry Commission (FC), just a few issues need to be addressed before the country can secure approval to issue FLEGT licenses.

Over the years, the GFC has been working with the EU to put in place the systems and reforms necessary to implement the Voluntary Partnership Agreement (VPA), a legally binding agreement between the European Union and timber exporting countries.

Boule Export prices

	Euro per m ³
Black Ofram	313
Black Ofram Kiln dry	412
Niangon	520▲
Niangon Kiln dry	570

Export Rotary Veneer Prices

Rotary Veneer, FOB	€ per m ³	
	CORE (1-1.9mm)	FACE (>2mm)
Ceiba	335▼	400
Chenchen	330	565▲
Ogea	470▲	535▲
Essa	325	530▲
Ofram	350	406▲

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

Export Sliced Veneer Prices

Sliced Veneer, FOB	€ per sq. m	
	Face	Backing
Afromosia	1.19	0.91▲
Asanfina	1.40	0.63
Avodire	1.15	0.34
Chenchen	1.23▲	0.65
Mahogany	1.30	1.00
Makore	1.60	1.30
Odum	1.33-	1.00

Export Plywood Prices

Plywood, FOB BB/CC	€ per m ³		
	Ceiba	Ofram	Asanfina
4mm	482	510	641
6mm	460▲	535	615
9mm	393	460	510
12mm	351▲	463	450
15mm	410▼	415	374
18mm	332▼	362	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	€ per m ³	
	Air-dried	Kiln-dried
FAS 25-100mm x 150mm up x 2.4m up		
Afromosia	860	925
Asanfina	492	564
Ceiba	240	280▼
Dahoma	448▲	504
Edinam (mixed redwood)	525	625▲
Emeri	480▲	580
African mahogany (Ivorensis)	650	989
Makore	790▲	874
Niangon	567	615▲
Odum	660	1019▲
Sapele	642	894▼
Wawa 1C & Select	434▲	479▲

Export Added Value Product Prices

Parquet flooring 1st grade	FOB € per sq.m		
	10x60mm	10x65-75mm	14x70mm
Apa	14.20	16.00	17.60▼
Odum	11.00▲	13.30▲	11.70
Hyedua	14.52	14.93	18.25
Afromosia	15.50	18.65	18.73

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

Report from Malaysia

Ringgit under extreme pressure

In the midst of falling global stocks and currencies the Malaysian ringgit is at a 17-year low against the US dollar, trading at 4.2630 to one dollar on 26 August.

Malaysia's foreign currency reserves have fallen almost 20% since January. Malaysia's reserves have now dropped at a pace four times as fast as in Indonesia where the rupiah is under strong downward pressure.

The Malaysian government has cut its 2015 GDP growth forecast by over 1% mainly due to continuing low oil prices. Malaysia is the largest net exporter of oil and gas in Southeast Asia, with energy exports accounting for roughly 30% of national revenues.

Oil Palm stems, 10 million cubic metres available

The latest issue of MASKAYU, the official publication of the Malaysian Timber Industry Board, reported on a seminar on conversion of oil palm trunk (OPT) into sawntimber and plywood.

The seminar provided a platform for local entrepreneurs in the wood-based industry to obtain the latest information and R&D findings in manufacturing OPT products.

Data from the Ministry of Plantation Industries and Commodities shows that Malaysia's oil palm resources extend over 5.3 million hectares or about 70% of all agriculture land.

Yields from oil palm drop after 25 years so replanting is necessary. Assuming annual replanting of 130,000 hectares, between 2015-2032 the annual availability of OPT is estimated at 10 million cubic metres a resource that must be utilised.

Platform for international collaborative research 'Rimba Sarawak' launched

In another step signaling Sarawak's move towards improving accountability and transparency in forestry governance the State government has launched 'RIMBA SARAWAK' an initiative to provide a platform for international collaborative research to develop practical conservation management procedures for bio-rich areas.

Initially the research will be based in three field stations in Ulu Sebuyau National Park, Batang Ai National Park and Lanjak Entimau Wildlife Sanctuary (LEWS) which extends over an area of 169,000 hectares and was developed after an ITTO project in 1993.

LEWS is contiguous with Betung Kerihun National Park (BKNP) in Kalimantan, Indonesia. Together, they formed the world's first trans-boundary nature reserve in the wet tropics for inter-regional collaboration.

The organisations which signed up for RIMBA SARAWAK were: the Smithsonian Conservation Biology Institute, Royal Botanic Garden Edinburgh, National University of Singapore, and Wildlife Conservation Society.

Sarawak first half exports fall 13 percent

Statistics compiled by Sarawak Timber Association (STA) show a drop of 13% in value of timber and timber product exports in the first half of the year. The product categories are shown below.

Sarawak first half exports, cu.m

January - June	2014	2015
Logs	1,287,863	1,408,995
Sawnwood	301,003	284,229
Plywood	1,176,758	906,063
Veneer	79,396	77,425
Mouldings	5,182	4,503
Dowels	445	295
Particleboard	61,802	43,144

Data source: STA Sarawak

Sarawak first half exports, Ringgit

January - June	2014	2015
Logs	1,008,180,716	910,162,362
Sawnwood	270,338,104	319,287,591
Plywood	1,989,763,518	1,609,481,933
Veneer	109,902,423	106,942,872
Mouldings	11,200,013	11,570,903
Dowels	1,440,715	1,028,120
Particleboard	31,503,435	24,801,537
Total	3,422,328,924	2,983,275,318

Data source: STA Sarawak

Sarawak export plywood prices

Plywood traders in Sarawak reported the following FOB export prices:

FB (11.5 mm) US\$600 per cu.m
 South Korea (9 mm and above) US\$435 per cu.m
 Taiwan (9 mm and above) US\$435 per cu.m
 Hong Kong US\$450 per cu.m

Sabah exports drop 16%

The Sabah Department of Statistics data for first half exports reveal an almost 16% decline in the value of timber and timber product exports. Product categories are shown below.

Sabah first half exports, cu.m

January - June	2014	2015
	Vol (cu m)	Vol (cu m)
Sawnwood	130,360	108,898
Plywood	280,276	287,204
Mouldings	5,801	6,669
Veneer	34,591	28,414
Laminboard	24,150	18,602

Source: Statistics Dept, Sabah

Sabah first half exports, Ringgit

January - June	2014	2015
	Value (RM)	Value (RM)
Sawntimber	195,341,375	186,205,334
Plywood	473,302,289	509,776,981
Mouldings	21,230,971	30,863,384
Veneer	52,052,725	41,166,552
Laminboard	40,372,737	34,045,349
Total	782,300,097	802,057,600

Source: Statistics Dept, Sabah

Report from Indonesia

Once again - haze from forest fires a health hazard

Thick smog is blanketing much of Indonesia and Malaysia as forest fires spread.

Satellite images show hundreds of 'hotspot' forest fires in Sumatra and Kalimantan according to statements from Indonesia's National Disaster Management Agency. Smoke from these fires is drifting across Indonesia and has reached Malaysia.

A haze emergency was declared in Central Kalimantan province in late August as the air pollution index (API) rose to dangerous levels and ground level visibility was bad enough to disrupt air traffic.

Malaysia's Natural Resources and Environment Minister is set to meet Indonesian officials to discuss joint action on transboundary haze.

New tax incentives, timber sector included

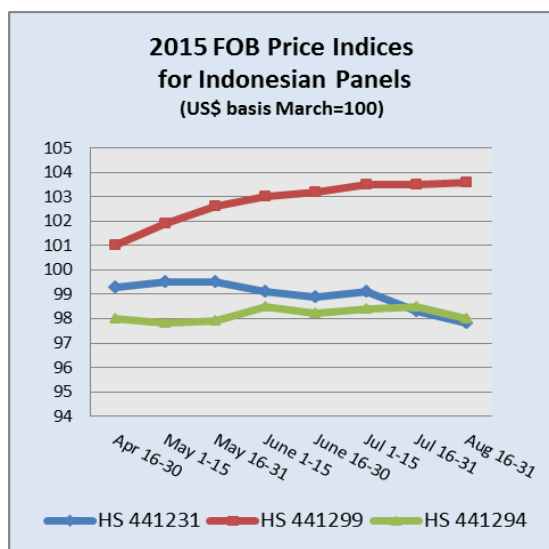
Indonesian Finance Minister, Bambang Brodjonegoro, has outlined plans for new tax incentives aimed at boosting both domestic and foreign investment in manufacturing to lower the country's dependence on commodity exports.

A new regulation, known as Finance Ministry Regulation No. 159/2015, will target investment in industries that support economic growth. The new regulation, which replaces regulation PMK 192/2014, expands the list of eligible industries and includes the forestry and wood processing sectors.

Industrial forest plantation target missed

The Ministry of Environment and Forestry aims to have 2 million ha. of industrial plantations established by 2019 but progress has been slow as few companies are prepared to invest. As of the end of June only 10-15 companies had shown an interest and submitted applications to the Ministry.

The Director General of Sustainable Production Forest Management in the Ministry of Environment and Forestry, Ida Bagus Putra Parthama, said the number of applications was far below expectations. The main reason cited for the poor response was the regulations banning plantation log exports. Ida said that the Ministry will consult with the Ministry of Trade to discuss a possible revision of the export ban.



High volume of teak veneer flitch exports raises questions

Photographs of partially processed logs being readied for export have appeared in the Myanmar press (Daily Eleven 16 August) the accompanying report says teak logs which had been debarked and had been roughly 'shaved' with a chainsaw were seen being loaded into containers for export.

Myanmar introduced a log export ban in 2014 which prohibits the export of timber classified within HS code 44.03 (wood in the rough whether or not stripped of bark or sapwood). However, the logs being shipped were said to have been classified as HS code 44.07 i.e. teak veneer flitches.

One industrialist commented that it appeared the logs were 'clear-shaved' of knots and bumps and debarked for export under an incorrect HS code in order to circumvent the log export ban.

It came to light that some 3500 tons of teak veneer flitches were shipped last year. Veneer quality teak logs make up a very small proportion of total log harvests such that local millers are amazed that such a high volume of veneer quality logs could be secured. Harvested logs are mostly of sawmill grades and analysts comment that it is surprising that such a high volume of veneer flitches could be obtained.

The domestic industry is calling on the authorities to tighten checks on export shipments. Currently the inspection process involves Forestry Department mill inspections and the Myanma Timber Merchants Association normally gives price recommendations for export documentation.

While the log export regulations prohibit shipment of baulks, squares and boules, veneer flitches fall under a different HS code so, technically, can still be exported.

To eliminate the risk that exporters fall foul of the export ban the industry has suggested teams of qualified inspectors be deployed to check grades and specifications prior to export.

Prices at most recent tender sales

The following timber was sold by Myanma Timber Enterprise (MTE) by tender on 24 and 27 July 2015. Log volumes are expressed in hoppus tons (H.tons) and conversions or sawn teak (including hewn timbers) are reported in cubic tons (C.tons).

Sales of teak conversions (scantlings)

MTE sold 352 cubic tons of various sizes of teak conversions produced from their own sawmills. Average prices for Second Quality (110 tons)

Long Lengths(6ft. & up avg. 8ft.) US\$1638
 Short lengths (3 ft. to 5.5 ft.) US\$1554
 Ultra shorts- (1ft. to 2.5 ft.) US\$1404

The average price for Third Quality(242 tons) was US\$564 per cubic ton.

Sawing Grade teak log prices. Open tender 27 July

Grade	H. tons	Avg. US\$/ton
SG-1	8	5660
SG-2	23	4909
SG-4	100	3820
SG-5	64	2251
SG-6	57	2217
SG-7	249	1891

Report from India

Inflation rate trends down

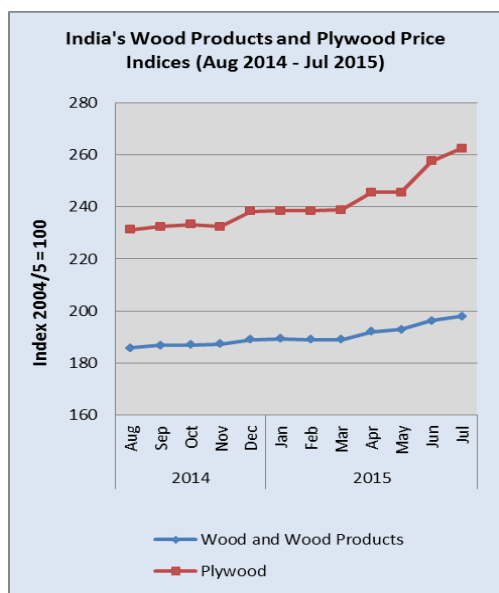
The Office of the Economic Adviser (OEA) to the Indian government provides trends in the Wholesale Price Index (WPI).

The official Wholesale Price Index for All Commodities (Base: 2004-05 = 100) for July declined by 0.6% to 177.5 from 178.6 in June. The year on year annual rate of inflation, based on monthly WPI, stood at -4.05% (provisional) for June 2015 compared to -2.4% for June.

For more see: <http://eaindustry.nic.in/cmonthly.pdf>

Timber and plywood price indices climb

The OEA also reports Wholesale Price Indices for a variety of wood products. The Wholesale Price Indices for Wood products and Plywood are shown below.



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

The July price indices for wood and wood products and plywood continue to show marked gains from a year earlier but the signals are such that slowing demand will weakened the pace of increases.

See http://eaindustry.nic.in/display_data.asp

High prices holding back home sales – ‘ball now in builders court’

The Indian real estate sector has experienced a few tough years and the problems continue with many homes priced way above what people can afford.

A recent assessment says the unsold housing stock jumped 24% in Mumbai to just over 65,000 units, a record for the city. Analysts write the situation is no better in the Mumbai Metropolitan Region which includes Thane, New Mumbai and Raigad, as well as Mumbai.

The latest estimate puts the number of unsold units at around 176,000 a 20 % year on year increase. These figures indicate a massive problem - buyer cannot afford to purchase and builders are not ready to cut prices.

Energy saving programme to address over cutting of fuelwood

The ministry of New and Renewable Energy (MNRE) plans to distribute solar cookers and lamps in rural and tribal areas in an effort to provide an alternative to fuelwood and petroleum products.

The ministry has said "Under the programme devices such as *unnat chulhas* (improved stoves), solar cookers, solar lamps, solar home lighting systems and other energy saving items will be distributed using the funds of Compensatory Afforestation Fund Management and Planning Authority (CAMPA). The scheme is managed within the forest protection and conservation measures and the MNRE has requested States and Union Territories to indicate their needs for the alternative energy devices for next five years.

Teak import prices slip as log dimensions fall

Demand for teak has fallen reflecting end-users concern for the economy and due to the annual monsoon during which time sales regularly slip. Because of this importers cut back on plantation teak purchases.

Over the past month a new plantation teak supplier has emerged, Angola which recently shipped a small consignment (357 cu.m) of plantation teak logs worth US\$4,461.

Importers say some traditional suppliers are now shipping shorter billets and smaller girth logs and that this has impacted the prices. Also, in recent weeks the supply of large girth logs from those suppliers traditionally shipping larger logs has fallen.

Prices for imported plantation teak, C&F Indian ports

	US\$ per cu.m C&F
Belize logs	350-400
Benin logs	285-775
Benin sawn	530-872
Brazil logs	400-1063
Brazil squares	370-680
Cameroon logs	331-510
Colombia logs	404-788
Congo logs	408-710
Costa Rica logs	404-780
Côte d'Ivoire logs	277-720
Ecuador squares	313-858
El-Salvador logs	405-934
Ghana logs	255-635
Guatemala logs	192-585
Guyana logs	300-450
Kenya logs	515-600
Laos logs	300-605
Liberia logs	399-460
Malaysian teak logs	363-525
Nicaragua logs	350-596
Nigeria squares	330-450
Panama logs	288-630
PNG logs	405-575
Sudan logs	448-511
Tanzania teak, sawn	307-885
Thailand logs	511-700
Togo logs	306-431
Trinidad and Tobago logs	557-680
Uganda logs	411-461
Uganda Teak sawn	680-900

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

Growing interest in alternatives timbers holds down teak prices

Continuing strong resistance to price increases for Myanmar teak sawnwood stems from consumers growing acceptance of alternative species.

Sawnwood (Ex-mill)	Rs. per cu.ft
Myanmar Teak (AD)	
Export Grade F.E.Q.	8000-14000
Teak A grade	5500-6500
Teak B grade	4500-5000
Plantation Teak FAS grade	3500-4000

Price variations depend mainly on length and cross section

Prices for domestically milled sawnwood from imported logs

Overall, supply and demand remains steady.

Sawnwood Ex-mill	Rs per cu.ft
Merbau	1500-1650
Balau	1500-1600
Resak	1200-1400
Kapur	1250-1300
Kempas	1100-1200
Red Meranti	900-950
Radiata pine AD	600-725
Whitewood	600-700

Price variations depend mainly on length and cross section

Imported sawnwood

Prices for imported sawnwood (KD 12%) shown below. No significant price movements have been reported.

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

Price variations depend mainly on length and cross section

Lower phenol price but still plywood prices fall

Plywood manufacturers are benefitting from the recent decline in phenol prices and this is providing some relief to mills as they struggle to contain production costs.

Because of the weak housing market demand for panel products is stalled causing millers to lower prices.

Prices for WBP Marine grade plywood from domestic mills

Plywood, Ex-warehouse, (MR Quality)	Rs. per sq.ft
4mm	39.50
6mm	52.50
9mm	66.50
12mm	82.00
15mm	109.00
18mm	114.50

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.20.00	Rs.29.60
6mm	Rs.30.30	Rs.38.00
9mm	Rs.38.20	Rs.46.00
12mm	Rs.45.40	Rs.55.80
15mm	Rs.55.80	RS.68.00
19mm	RS.64.60	Rs.76.30
5mm Flexible ply	Rs.40.00	

Report from Brazil

Interest rates continue upwards

The Consumer Price Index (IPCA) for July 2015 rose by 0.62% bringing it just below the recorded in June 2015. The year-to-date IPCA stands at 6.83%, up from the 3.76% in the same period of 2014.

The average exchange rate in July was BRL 3.22/US\$, a significant drop on the July 2014 figure of BRL 2.22/USD. The Brazilian currency has depreciated around 45% against the US dollar in twelve months.

In July the Monetary Policy Committee (COPOM) of the Central Bank of Brazil increased the basic interest rate (Selic) by another 0.5% bringing it to an annual rate of 14.25% per year. This is the seventh consecutive rate increase and rates are now at the highest since August 2006.

'Greenbuilding Brazil' expo proposes measures to stem illegal timber flows

The 'Greenbuilding Brazil' expo, the largest trade fair for sustainable construction in Latin America, was held between August 11-13 2015 in São Paulo and brought together industry experts to discuss ways to increase sustainable timber production in the Amazon.

Illegal practices in the region are still problematic and involve non-payment of taxes, lack of consideration for native rights, failure to protect biodiversity, over harvesting and harvesting in protected areas.

The meeting proposed some measures to improve controls in the supply chain. These include: creating corporate agreements and commitments, carrying out land planning and environmental compliance on Amazon land; creation of timber production clusters to eliminate illegal timber and increasing awareness on responsible wood utilisation in the construction industry.

The concept of production clusters aims at stimulating best practices and participants could be provided with tax incentives and credit lines to promote the responsible timber production.

Federal Government to release more forest concessions

The Brazilian Forest Service (SFB) announced in early August that the Federal government would make available 2.11 million hectares of forest concessions from 2016. In proposing this the authorities point out that forest concession management models facilitate forest maintenance and protection.

It is considered that the forest concession model provides for legal controls which may not be provided under other land management models. In addition, such management systems provide for dialogue between the government and the private sector in support of rational exploitation of forest resources.

Currently, the SFB maintains forest concession contracts in five National Forests in the Amazonian states of Pará and Rondônia. They have set aside the total of 842,000 hectares of natural forest that will be sustainably managed by eight companies for the next 40 years.

Export round-up

In July 2015, exports of wood-based products (except pulp and paper) rose 3.7% in value to US\$ 237.4 million compared to US\$ 228.9 million in July 2014.

Pine sawnwood export values increased almost 33% between July 2014 (US\$ 20.8 million) and July 2015 (US\$ 27.6 million). In terms of volume, exports increased 40% over the same period (from 88,600 cu.m to 124,000 cu.m).

On the other hand, tropical sawnwood exports fell marginally from 27,300 cu.m in July 2014 to 27,100 cu.m in July 2015 (from US\$ 14.8 million in July 2014 to US\$ 13.6 million this July).

Brazil's pine plywood exports fell around 4% in value in July 2015 compared with a year earlier despite an increase in the volume of exports (from 96,000 cu.m in July 2014 to 102,900 cu.m this July).

Tropical plywood are now very small but in July the volume of tropical plywood exports rose from 3,800 cu.m in July 2014 to 9,700 cu.m this year.

Weak regional demand for wooden furniture drove down July export values from US\$ 41.8 million in July 2014 to US\$ 38.4 million this year, a 8% decline.

ABIMCI forecast 30% rise in 2015 exports

The value of Brazilian wood products exports (including timber, wood chips, sawnwood, plywood, door, mouldings, and flooring) is expected to reach US\$3 billion in 2015, 30% above 2014 exports.

So far this year exports of the two main products, pine sawnwood and plywood, increased 21% and 16% respectively as a direct result of the appreciation of the US dollar against the Brazilian real.

According to the Brazilian Association of Mechanically-Processed Timber Industry (ABIMCI), pine sawnwood

went mainly to the USA, Mexico, Saudi Arabia and China. These four countries accounted for nearly 70% exports of pine sawnwood. Between January and July this year exports pine sawnwood amounted to 721,000 cu.m, a 35% year on year increase.

Pine plywood exports in July 2015 were destined mainly to the UK, USA, Germany and Belgium which together accounted for slightly over 50% of the total volume exported.

Petition lodged with USTR for suspension of plywood tax

In other news ABIMCI has filed a formal petition (July 2015) with the Office of The United States Trade Representative (USTR), requesting a revision of the US plywood import duty.

Since 2005 Brazilian plywood has been subject to an import duty of 8% in the US. The import duty kicks-in when Brazil's exports of plywood reach a predetermined ceiling.

Brazilian plywood exporters surpassed the softwood plywood quota of US\$ 115 million but find that the system is hindering the competitiveness of Brazilian products compared to other countries.

Domestic Sawnwood Prices

	US\$ per m ³
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	729↓
Jatoba	382↓
Massaranduba	340↓
Muiracatiara	355↓
Angelim Vermelho	317↓
Mixed red and white	201↓
Eucalyptus (AD)	189↓
Pine (AD)	139↓
Pine (KD)	153↓

Domestic Plywood Prices (excl. taxes)

	US\$ per m ³
Parica	
4mm WBP	529↓
10mm WBP	427↓
15mm WBP	375↓
4mm MR	484↓
10mm MR	359↓
15mm MR	340↓

Domestic prices include taxes and may be subject to discounts.

Domestic Log Prices

	US\$ per m ³
Brazilian logs, mill yard, domestic	
Ipê	149↓
Jatoba	84↓
Massaranduba	89↓
Muiracatiara	93↓
Angelim Vermelho	85↓
Mixed redwood and white woods	74↓

Prices For Other Panel Products

	US\$ per m ³
Domestic ex-mill Prices	
15mm MDParticleboard	233↓
15mm MDF	336↓

Export Sawnwood Prices

	US\$ per m ³
Sawnwood, Belem/Paranagua Ports, FOB	
Ipê	1380
Jatoba	978
Massaranduba	762
Muiracatiara	736
Pine (KD)	219

Export Plywood Prices

	US\$ per m ³
Pine Plywood EU market, FOB	
9mm C/CC (WBP)	346
12mm C/CC (WBP)	320
15mm C/CC (WBP)	318
18mm C/CC (WBP)	311

Export Prices For Added Value Products

	US\$ per m ³
FOB Belem/Paranagua Ports	
Decking Boards Ipê	2,452
Jatoba	1,594

Report from Peru

Falling purchase by China hits first half year export performance

Peruvian wood product exports in the first six months of the year earned US\$79.3 million but this was down almost 3% on earnings in the same period in 2014. The decline in earnings from wood product exports is attributed to slowing economic growth in China, Peru's main market.

According to figures from the ADEX Trade Database, shipments to China totalled US\$ 28.9 million in the first half of the year a fall of 16%. However, in the same period China accounted for 36% of total timber exports.

After China, the significant markets were Mexico (US\$15.5 million) and the US (US\$13.1 million) but purchases of Peru's wood products by both Mexico and the US declined. Peru's wood product exports to Mexico dropped 27%.

Other markets included France, Dominican Republic, Belgium, Denmark, Australia, Ecuador, Panama, Chile, Republic of Korea, Bolivia, Netherlands, Puerto Rico, Sweden, Spain, Italy, amongst a total of 55 export destinations for wood products.

Expansion of Technological Innovation Centres

An official in the Ministry of Production, Piero Ghezzi, said work will begin in the final quarter of this year on modernizing the country's Technological Innovation Centers (CITE). The plan includes further development of the forestry and wood processing sectors.

At the same time work will begin on development of modern industrial parks, one in Lima (Ancon) and one each in La Libertad, Piura, Tacna and Moquegua.

Export Sawnwood Prices

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

Peru Sawnwood, FOB Callao Port (cont.)	US\$ per m ³
Virola 1-2" thick, length 6'-12' KD	
Grade 1, Mexican market	457-532
Grade 2, Mexican market	388-423
Cumaru 4" thick, 6'-11' length KD	
Central American market	841-865
Asian market	871-916
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	623-653
Marupa (simarouba) 1", 6-11 length Asian market	456-506

Peru Sawnwood, FOB Iquitos	US\$ per m ³
Spanish Cedar AD Select Mexican market	911-931
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	451-514
Grade 2, Mexican market	355-391
Grade 3, Mexican market	161-176
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	394-444

Domestic Sawnwood Prices

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

Export Veneer Prices

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

Export Plywood Prices

Peru plywood, FOB Callao (Mexican Market)	US\$ per m ³
Copaiba, 2 faces sanded, B/C, 15mm	328-365
Virola, 2 faces sanded, B/C, 5.2mm	466-489
Cedar fissilis, 2 faces sanded, 5.5mm	759-770
Lupuna, treated, 2 faces sanded, 5.2mm	373-399
Lupuna plywood B/C 15mm	413-441
B/C 9mm	366-385
B/C 12mm	350-360
C/C 4mm	389-425
Lupuna plywood B/C 4mm Central Am.	370-393

Domestic Plywood Prices (excl. taxes)

Iquitos mills	US\$ per 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

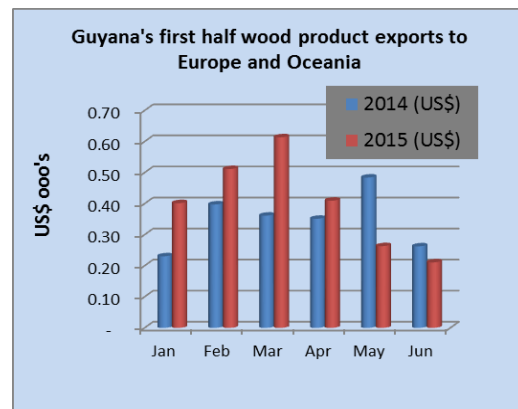
Peru, FOB strips for parquet	US\$ per m ³
Cabreuva/estoraque KD12% S4S, Asian market	1296-138
Cumaru KD, S4S	Swedish market 950-1094
	Asian market 1065-1095↓
Cumaru decking, AD, S4S E4S, US market	1188-1222↓
Pumaquiro KD Gr. 1, C&B, Mexican market	479-554
Quinilla KD, S4S 2x10x62cm, Asian market	493-519
2x13x75cm, Asian market	732-815

Report from Guyana

Markets in EU and Oceania dominate first half exports

Strong demand in Europe and Oceania for Guyana's timber and wood products resulted in satisfactory first half 2015 export earnings of US\$2.41 million, up 15% on the US\$2.09 million in the first half of 2014.

Demand was particularly firm for sawnwood and finished products such as doors and indoor and garden furniture.



Source: FPDMC, GFC

Despite the good exports performance in the first four months of 2015 export sales dipped in May and June the combined effect of global economic issues and a drop in domestic output because of national elections.

The Forest Products Development and Marketing Council along with the Guyana Forestry Commission is promoting the benefits of the Voluntary Partnership Agreement (VPA) being negotiated with the EU.

When the VPA is concluded it is expected the EU market will be absorbing more of Guyana's wood products there by improving the profitability of domestic industry and contributing more to the economic development of Guyana.

Export prices

There were exports of greenheart, purpleheart and mora logs in the period reviewed.

Logs, FOB Georgetown	US\$ price per m ³		
	Std	Fair	Small
Greenheart	190-200	180	170
Purpleheart	250180	220	200
Mora	150	150	150

Export Sawwood Prices

Sawwood, FOB Georgetown		US\$ price. per m ³	
EU and US markets		Undressed	Dressed
Greenheart	Prime	-	-
	Standard	-	600-996
	Select	806-890	-
	Sound	600-85	-
	Merchantable	750	-
Purpleheart	Prime	-	-
	Standard	-	1018
	Select	750	-
	Sound	891-950	-
	Merchantable	-	-
Mora	Prime	-	-
	Select	551-575	-
	Sound	-	-
	Merchantable	-	-

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

Export plywood prices

Plywood, FOB Georgetown Port		US\$ Avg unit val. per m ³	
Baromalli	BB/CC	5.5mm	No export
		12mm	627
	Utility	5.5mm	No export
		12mm	No export

Report from Japan

Japan's Economy – BoJ Governor on beating deflation

The Governor of the Bank of Japan (BoJ), Haruhiko Kuroda, recently spoke to the Japan Society in New York and a copy of the speech 'Moving Forward: Japan's Economy under Quantitative and Qualitative Monetary Easing' (QQE) was made available at: https://www.boj.or.jp/en/announcements/release_2015/rel150827b.htm/

The Governor maintains his optimism that the efforts of the government and the Bank will pull Japan out of its recessionary cycle. The speech provides a useful analysis of the impact of monetary easing over the past two years and the text of the opening remarks are provided below.

“More than two years have passed since the Bank of Japan introduced Quantitative and Qualitative Monetary Easing (QQE) to achieve the price stability target of 2 percent. Let me briefly look back at these two years.

In the first year, Japan's economy improved impressively, registering both rising growth and inflation. Real GDP growth in fiscal 2013 exceeded 2 percent and annual CPI inflation (consumer price index, all items less fresh food) increased from minus 0.5 percent just before the introduction of QQE to 1.5 percent in April 2014.

In contrast, in fiscal 2014, the second year after the introduction of QQE, Japan's economic performance was a little disappointing. One reason is that the negative impact of the consumption tax hike in April 2014 was larger than expected.

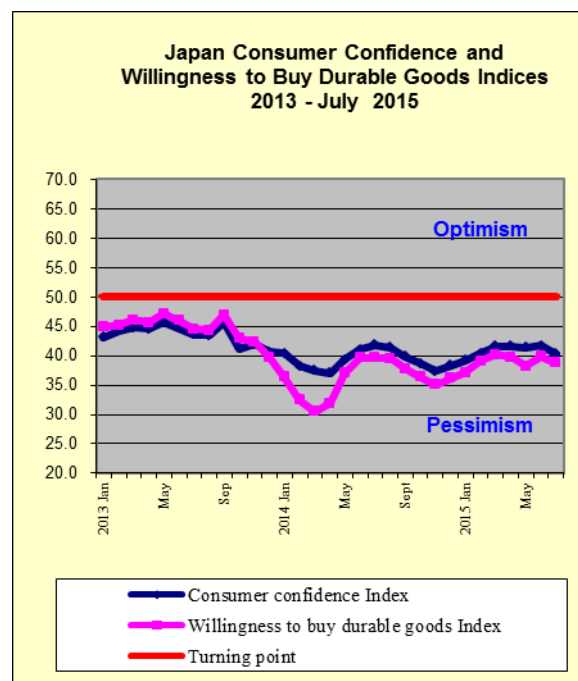
The tax hike brought about swings in demand and a decrease in real income, both of which resulted in sluggish private consumption, in particular of durable goods such as automobiles. On the inflation front, crude oil prices declined substantially from the beginning of autumn.

Although the oil price decline should have a favorable impact on economic activity in the longer term, in the short term it has a downward impact on inflation through the decline in energy prices such as gasoline and electricity prices. As a result, annual CPI inflation rapidly declined toward the end of last year and has been about zero percent this year so far.

Against this background, it is not surprising that some wonder whether the Bank's price stability target of 2 percent can really be achieved. Has the trend toward overcoming deflation come to an end? This is far from the case.

Two factors -- the consumption tax hike and the substantial decline in oil prices -- only temporarily have a downward impact on inflation.

The growth and inflation figures were strongly affected by these factors and were indeed disappointing, but if we take a closer look at the underlying trends, we find that significant changes that were not observed during the deflationary period are taking place.”



Data source: Cabinet Office, Japan

Economic indicators trending in different directions

The Japanese government’s assessment of the state of the economy in August says the moderate recovery continues but that there are wide variations between the various indicators. In summary the Cabinet Office assessment says:

- Private consumption is holding firm
 - Private sector investment continues upwards
 - Corporate profits are improving
 - Employment levels are improving
 - Consumer prices are rising moderately
- but
- Exports are weakening
 - Industrial production is flat
 - Current business conditions are neutral

In the short-term the Cabinet office report for August says “The economy is expected to recover supported by the effects of the policies while employment and income situation show a trend toward improvement.

However, attention should be given to the downside risks of the Japanese economy including slowing down of overseas economies including the Chinese economy and fluctuations in the financial and capital markets.”

For more see: <http://www5.cao.go.jp/keizai3/getsurei-e/2015aug.html>

Japan’s robust investment in ASEAN

A recent report from the Japan External Trade Organization (JETRO) ‘JETRO Global Trade and Investment Report 2015 - New efforts aimed at developing global business’ shows that more and more Japanese companies are investing in new overseas markets.

JETRO says Japan’s outward investment has exceeded US\$100 billion for four consecutive years and much of this is directed to ASEAN countries where investments grew three-fold to US\$20.4 billion compared to the US\$6.7 billion invested in China.

The JETRO report mentions that the weakening of the yen is encouraging Japanese firms to invest at home rather than in riskier overseas ventures.

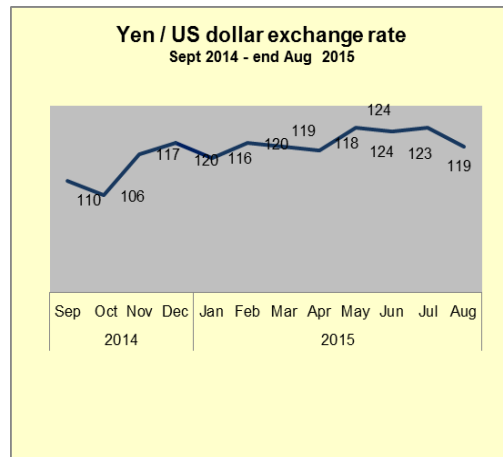
Japanese investment in ASEAN could get a boost when the ASEAN Economic Community (AEC) is finalized as this will eliminate tariffs on a very wide range of products by 2018 bringing benefits to ASEAN countries as well as Japan.

For more see: <https://www.jetro.go.jp/en/news/2015/ea96c87efd06f226.html>

Growth strategy takes a double hit

The devaluation of China’s currency will impact Japan as Japanese exports will face even stronger competition from Chinese exports. At the same time Chinese consumers will find Japanese products have become more expensive.

Normally any risk to Japan’s exporters would lead to a weakening of the yen but in the current unsettled currency markets there has been a rush to buy yen which has pushed the yen/dollar exchange rate to 119 to the dollar, a far cry from the 124 of early August.



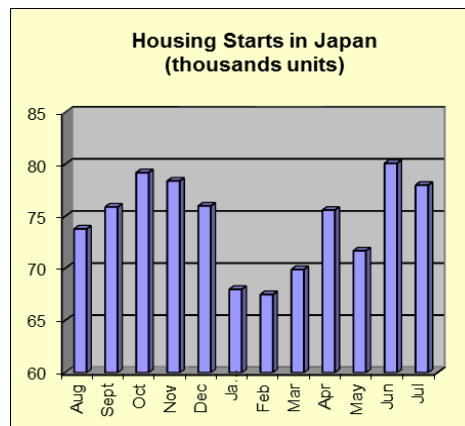
Despite strengthening yen the signals from the Bank of Japan suggest it has no immediate plan to bring down the exchange rate. Over the past three years the yen has been forcefully devalued to make Japanese products cheaper in world markets and this worked until the yuan was driven down.

If the yen continues to rise against the US dollar and if exports to China fall sharply the Japanese economy would be dealt a serious blow since it depends on global exports and in particular, exports to China.

July housing starts

Japan’s Ministry of Land, Infrastructure, Transport and Tourism released July housing starts at the end of August showing a sharp fall from the previous month. On an annualized basis the July figures push down 2015 projections to 914,000 from the 1 million plus based on figures up to June.

Compounding the negative news is that orders received by the top house builders reversed the gains made in June.

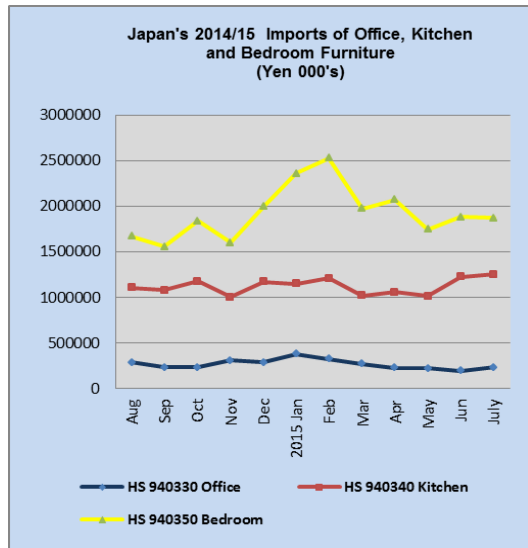


Source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

Japan's furniture imports

Japan's imports of office furniture rose in July marking the first increase in imports since January this year. However, despite the rise, July imports are well down on the average monthly imports in the first quarter of the year.

Both kitchen and bedroom furniture imports rose in July consolidating the monthly increase seen since the end of the first quarter.



Data source: Ministry of Finance, Japan

Office furniture imports (HS 940330)

July imports of office furniture jumped around 20% from a month earlier. The top three suppliers in July were China (47%), Portugal (17%) and Denmark (10%) which together accounted for three quarters of all July office furniture imports.

Office furniture imports from China were up 47% in July and imports from Portugal also rose (+26%). Imports of office furniture from Denmark over recent months have been small so the rapid jump in the value of July sales (by a factor of 10) suggests purchases of specialized items.

Office furniture imports

	Imports, July 2015 Unit 1,000 Yen
S. Korea	-
China	110858
Taiwan P.o.C	11831
Vietnam	-
Thailand	1006
Malaysia	-
Indonesia	7057
India	-
Lebanon	-
Sweden	-
Denmark	24411

UK	639
Netherlands	-
France	-
Germany	6796
Switzerland	-
Portugal	39239
Italy	8349
Poland	16186
Austria	-
Hungary	-
Serbia	-
Turkey	-
Lithuania	1857
Czech Rep.	-
Slovakia	3299
Canada	-
USA	2502
Total	234030

Data source: Ministry of Finance, Japan

Kitchen furniture imports (HS 940340)

Once again, three countries dominate Japan's imports of kitchen furniture.

Kitchen furniture imports

	Imports, July 2015 Unit 1,000 Yen
China	214476
Taiwan P.o.C	-
Vietnam	469765
Thailand	27912
Malaysia	8718
Philippines	293457
Indonesia	182993
India	-
Sweden	-
Denmark	1575
UK	632
France	-
Germany	37453
Italy	5623
Poland	310
Austria	-
Romania	5658
Canada	1120
USA	3828
Total	1253520

Data source: Ministry of Finance, Japan

The top supplier in July, by a wide margin, was Vietnam (37% of all kitchen furniture HS 940340 imports) followed by the Philippines (23%) and China (17%). If imports from the 4th ranked supplier, Indonesia are included then over 90% of Japan's kitchen furniture imports are accounted for.

Overall, July imports were about the same as in June but supplies from Vietnam fell slightly as they did for Malaysia and Indonesia.

Bedroom furniture imports (HS 940350)

Japan's wooden bedroom furniture imports (HS 940350) had shown signs of recovering in June but July figures were once again a disappointing reflection on consumer sentiment when it comes to big ticket purchases.

Bedroom furniture imports

	Imports, July 2015 Unit 1,000 Yen
S. Korea	-
China	1053489
Taiwan P.o.C	24995
Mongolia	572
Vietnam	483077
Thailand	89407
Malaysia	60200
Philippines	303
Indonesia	49446
Sweden	-
Denmark	687
UK	244
Belgium	-
France	-
Germany	1785
Switzerland	-
Spain	968
Italy	12442
Poland	40657
Austria	4256
Romania	13652
Turkey	-
Estonia	231
Latvia	-
Lithuania	8174
Croatia	207
Bosnia and Herzegovina	323
Slovakia	6912
Canada	-
USA	16353
Total	1868380

Data source: Ministry of Finance, Japan

Until the housing market picks up significantly bedroom furniture import levels will depend largely on replacement demand.

Both China and Vietnam saw July exports of wooden bedroom furniture to Japan decline. These two supply countries account for over 80% of Japan's imports of these products.

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>

Plywood supply for the first half year

Total plywood supply for the first six months of the year is 2,859,600 cbms, 14% less than the same period of last year. Domestic supply is only 5.2% less but imported plywood decreased by 20.7%. Deliveries from the three major supplying countries (Malaysia, Indonesia and China) all declined by about 20%.

Total imports for the first six months were 1,499,000 cbms. Average monthly imports were 248,400 cbms and if this level continues for next six months, total 2015 imports would be less than three million cubic metres, the lowest since 2009.

For the first half of 2014, imports increased to meet rising demand before the consumption tax increase in April then the volume declined in the second half as the demand slowed down then since last August, the yen started depreciating rapidly.

Meantime, harvest control in Sarawak, Malaysia tightened and the log supply dropped so that future plywood prices have kept climbing. Consequently, the monthly import for last May and June dropped down to about 216,000 cbms.

The supply from Malaysia has kept dropping so the first six months supply is 631,700 cbms, 21.2% less than the same period of last year. Total year supply would be less than 1.3 million cbms.

Indonesian supply for the first six months is 436,200 cbms, 19.5% less. Total year supply would be less than one million cbms, the lowest since 2010. Chinese supply is also down by 18.6% with 335,200 cbms.

Crating plywood demand of about 10,000 cbms a month shifted to Vietnamese plywood from Chinese plywood.

Domestic production is 1,368,600 cbms, 5.2% less out of which softwood plywood is 1,281,800 cbms, 5% less.

Average monthly production is 213,600 cbms while the domestic shipment for the first six months is 1,269,900 cbms. June end inventory was 228,400 cbms.

First FSC certified logs from Sabah

Itochu Corporation took delivery of about 2,900 cbms of FSC certified logs from Sabah, Malaysia from Sabah Forestry managed timberland in Sandakan, Sabah for two plywood mills in Niigata.

Itochu looked for FSC certified timber from beginning of the year and urged local shippers, which handle certified logs to have COC certificate. After COC certificate was acquired, Itochu participated in FSC log auction through local shippers and became successful bidder. Species are red, white and yellow serayah. There are more FSC certified timber in Sabah but species are mainly planted species like acacia and falcata.

Two plywood mills have been using FSC certified kamerere from PNG but purchase became difficult so Itochu looked for substitution and found virgin forest of serayah, which is suitable to make plywood.

Two plywood mills in Niigata have been using more FSC certified wood like Indonesian veneer for face and back, Russian veneer and PNG’s kamerere so they give priority for FSC certified wood in manufacturing.

South Sea (tropical) logs

Export log prices stay up high although weather continues dry with occasional shower so weather is no factor for reduction of the supply.

Harvest control is the largest factor in Sarawak so the Japanese log buyers focus on Sabah logs, where there is no legal control. Sizable harvest reduction in Sarawak will continue then rainy season will start. Even supply of Sabah logs will decrease when rainy season starts.

With this background, log suppliers remain bullish. However, main buyer, India imported about 250-300 M cbms in July, which is nearly double of normal monthly import then monsoon season will arrive India shortly, which reduces log consumption so that log purchase will slow down.

If India slows down, the suppliers are not able to stick to bullishness. Present export prices of Sarawak meranti regular are \$285-295 per cbm FOB, small meranti \$265-275 and super small \$250.

Plywood markets

Domestic softwood plywood market is firming. After the manufacturers announced production curtailment and refused to accept low offers, the market prices sharply reacted.

Dealers carried very little inventories in prolonging down market then they started speculative purchases so that June shipment was 248,500 cbms, the highest ever recorded,

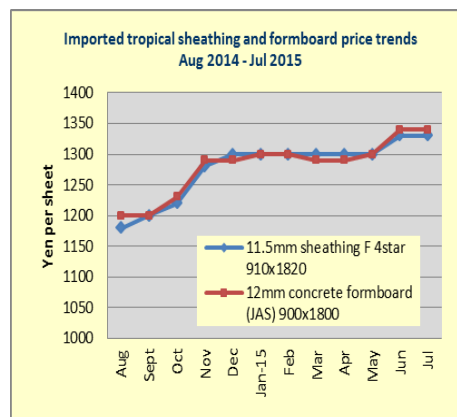
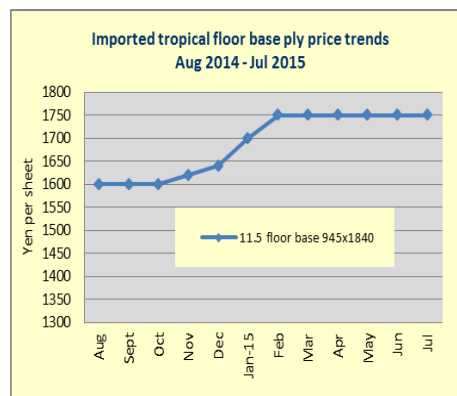
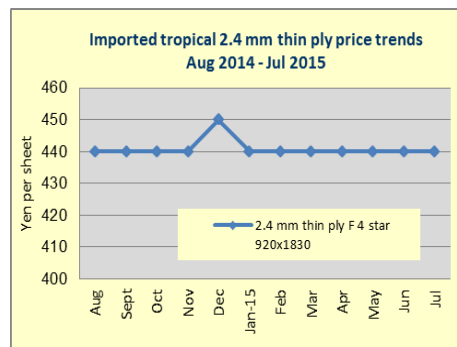
about 20% higher than normal month. The inventory dropped down by 33 M cbms.

Dealers continue ordering in July as the manufacturers started 20-30% production curtailment since July so in last week of July, the inventory held by the manufacturers sharply dropped and delivery period is now uncertain.

Since this much volume shifted from the manufacturers to distribution channels, supply shortage should not occur for some time. Supply shortage is on all the items for the manufacturers.

Market prices of 12 mm 3x6 panel prices are 800 yen per sheet delivered but some demand 850 yen.

Import plywood market is not making any progress. Malaysian plywood mills struggle to secure logs with tight supply as a result of illegal harvest control and some mills are forced to reduce the production. The largest supplying mill reduces the production by half. They continue bullish.



Report from China

China's first half log imports fall

In the first half of 2015 China's log imports were 23.123 million cubic metres valued at US\$4.38 billion, down 14% in volume and 32% in value on the same period in 2014. The average FOB price for imported logs fell 21% to US\$190 per cubic metres.

As the adjustment of China's economy progresses and because of the decline in investment in housing January to June the imports of softwood logs fell sharply while imports of hardwood logs were generally flat.

Softwood log imports amounted to 15.466 million cubic metres, a year on year decline of 18%. The average FOB price for imported softwood logs fell 19% to US\$129 per cubic metre. Hardwood log imports totalled 7.657 million cubic metres in the first half of this year, slightly down (3%) on the same period in 2014. The average FOB price for imported hardwood logs fell 28% to US\$312 per cubic metre.

In the first half of 2015 China imported logs from mainly 8 countries (see table below), together these accounted for 82% of all log imports. Log imports from all of the 8 countries fell except for those from the Solomon Islands which rose 25%. Imports from Australia rose slightly and there was an increase in the very small volumes imported from Japan.

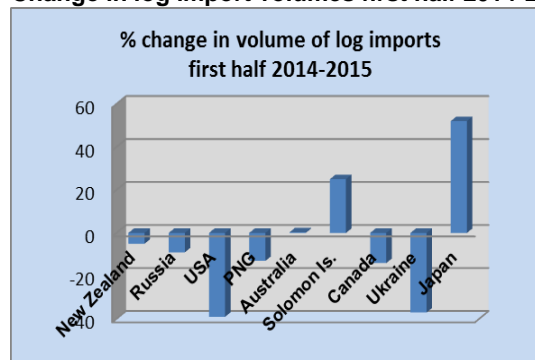
The average FOB prices for imported logs from all the following countries were down except that the average FOB price for imported logs from the Solomon Islands increased slightly.

Main log sources January to June 2015

Source of log imports	2015	2014
	cu.m mil,	cu.m mil.
New Zealand	5.8	6.12
Russia	5.43	5.97
USA	1.93	3.19
PNG	1.47	1.7
Australia	1.27	1.26
Solomon Is.	1.18	0.94
Canada	1.26	1.47
Ukraine	0.61	0.96
Japan	0.18	0.12

Source: CAF analysis of China Customs data

Change in log import volumes first half 2014-2015



Source: CAF analysis of China Customs data

Log imports (softwoods and hardwoods) from the US fell dramatically (-39%) as did China's log imports from Ukraine (-37%).

The Chinese embassy in Ukraine has reported that Ukraine will phase out log exports over the next 10 years. (see: <http://ua.mofcom.gov.cn/article/jmxw/201507/20150701040059.shtml>)

It is noteworthy that China's log imports from Japan rose dramatically (52%) in the first half of 2015. Logs from Japan are used to produce wood-based panels, packaging and pallets.

Hardwood log imports

In the first half of 2015 China's hardwood log imports totalled 7.657 million cubic metres, a year on year drop of 3%. The average FOB price for imported hardwood logs in the first half of this year fell 28%.

The large decline in the hardwood log average FOB price is the result of the sharp fall in the price of 'redwoods'. Imports of 'redwood' species fell sharply in the second quarter of this year and prices responded to falling demand.

In the first half of 2015 'redwood' log imports were 370,700 cubic metres valued at US\$458 million, a year on year decline of 64% in volume and 68% in value. The average FOB price for 'redwood' logs fell 11% to US\$1,237 per cubic metre.

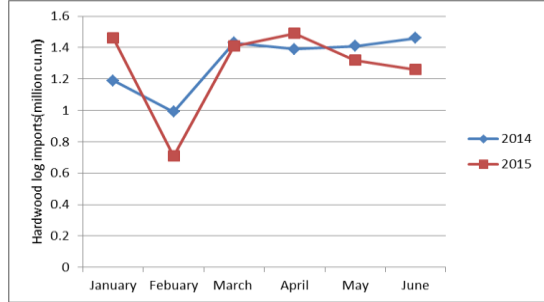
Redwood sawnwood imports amounted to 59,500 cubic metres valued at US\$107 million, down 51% in volume and 52% in value

If the impact of the decline in 'redwood' prices is eliminated then neither import volumes nor prices for hardwood logs fell but actually increased.

The average FOB price for imported hardwood log was at its lowest in April when 'redwood' prices crashed but began to recover in May and in June.

After the decline in imports in February of 2015 due to the long Chinese Spring Festival holidays, hardwood log imports recovered but then remained flat for the rest of the first half year.

Hardwood log imports, first half of 2014 and 2015



Source: CAF analysis of China Customs data

Of the imported hardwood log species in the first half of this year, North America hardwood log imports rose 67% despite to overall decline in total US log imports. The average FOB price for North American hardwoods fell 21%. Oak imports grew 30% but the average FOB price fell 13%.

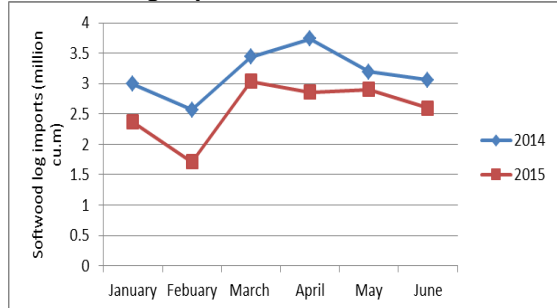
Okoume imports increased 6% but the average FOB price fell 15% but teak imports fell 72% and the average FOB price fell 16%. Ash imports fell 39% but the average FOB price increased 6%.

Softwood imports

Both the volume and price of many imported softwood log species fell in the first half of 2015. The volume of scots pine, spruce and fir, radiata pine and douglas fir imports fell 31%, 26%, 5% and 25% respectively. Average FOB price for these species also fell 6%, 15%, 23% and 21% respectively.

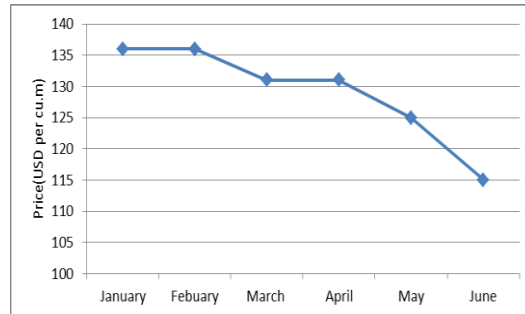
However, the volume of larch imports alone rose 22% but the average FOB price for larch fell 15%. The physical and mechanical properties of larch make it a good structural material. Also, Chinese endusers/consumers find the quality of larch plywood higher than that of poplar and eucalyptus.

Softwood log imports, first half of 2014 and 2015



Source: CAF analysis of China Customs data

Average FOB prices for imported softwood logs in 2015

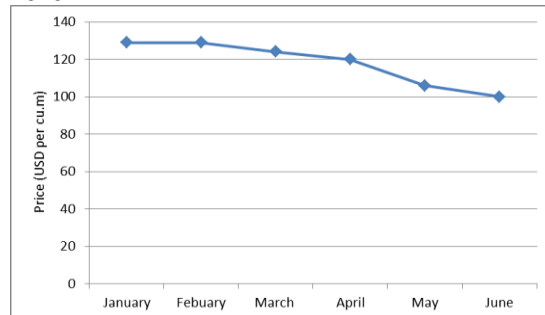


Source: CAF analysis of China Customs data

The proportion of radiata pine to total imported softwood logs rose from 36% in the first half of 2014 to 42% in the first half of 2015 despite the overall decline in softwood log imports.

The average FOB price for radiata pine fell dramatically from US\$144 per cubic metre in June of 2014 to just US\$100 per cubic metre in June of 2015.

Average FOB prices for radiata pine in the first half of 2015



Source: CAF analysis of China Customs data

At present, stocks of radiata pine in China are said to be around 2.5 million cubic metres accounting for more than half of the stock of all softwood logs. Timber traders suffer losses because larger stocks result in sharp drop of import prices.

Guangzhou Yuzhu International Timber Market Wholesale Prices
Logs

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

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

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

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

Sawnwood

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

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

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

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

Shanghai Furen Forest Products Market Wholesale Prices

Logs

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

Sawnwood

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

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

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

Zhangjiagang Timber Market Wholesale Prices

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

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

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

Report from Europe

Spanish wood industry transformed by the downturn

The Spanish timber trade suffered dramatically from the economic crisis and especially from the contraction by 70-80% in the building sector.

However, the Spanish economy and the local wood industry are slowly beginning to recover. The industry has also changed dramatically since the crisis and is now exploiting new market segments. This is according to an interview with Alberto Romero, General Secretary of the Spanish importers' federation AEIM, for the European Timber Trade Federation (ETTF) newsletter.

Mr Romero said that thermal and chemical treatment of wood are now opening up new opportunities for timber use in a wider range of exterior applications in Spain.

Timber's green credentials are also beginning to make timber the building material of choice in small-scale, rural construction projects, the number of which has increased as a consequence of the economic crisis. This is in market which has traditionally been dominated by concrete, stone and tiles. Wood is also increasingly being used in building bridges, road barriers or signage, according to Mr Romero.

Mr Romero also said that the central government in Spain had given little support to the timber industry. Regional and local authorities, on the other hand, had introduced public purchasing policies that favoured low environmental impact materials. AEIM was thus focussing its promotional activities on those bodies.

On EUTR implementation, Mr Romero conceded that Spain is lagging behind: the Competent Authority was shown the 'yellow card' by the EU Commission this year, but has now developed an enforcement plan. AEIM has applied to become a EUTR Monitoring Organisation, especially to assist its small and medium-sized member companies in practising due diligence.

Mr Romero also said that it was frustrating that there is still no FLEGT-licensed timber on the market. However he emphasised the importance of the FLEGT VPA process as, in his view, it has already made a significant contribution to improving governance and transparency.

German timber traders report slow business in 2015

The German timber trade experienced subdued business in the first four months of 2015, reports the Global Timber Forum. Data provided by the German timber trade federation GD Holz indicates that turnover was 5.5% lower than in the same period of 2014.

However, GD Holz points out that sales had been exceptionally strong in the first four months of 2014, with double-digit growth over 2013.

Sales of decking and other outdoor assortments of particular relevance to the tropical wood industry fell steeply by 13% in the first four months of this year. Again this was partly owing to the base effect of strong sales in 2014. Sales of lumber (-6%), planed timber (-4%), and wood flooring (-2%) also declined. The only sector experiencing positive growth was interior doors, rising 7% over 2014.

According to a survey conducted by GD Holz among its members, the German timber trade is cautiously optimistic about prospects in the coming months. Around half of the companies expect stable turnover at last year's level and 20% anticipate increases. GD Holz believes that the underlying conditions in Germany are still positive.

Norway and Switzerland move to regulate timber imports Although not an EU member state, Norway has decided to implement the EU Timber Regulation (EUTR) with effect from 1 May 2015.

According to a press release issued by the Norwegian government, Norway has operated "on the same level as the EU countries regarding the timber regulation" since that date.

Norway has become a significant financier of REDD and other climate-related forest protection policies in tropical countries – but is not generally recognised as a significant player in the tropical wood industry.

The country remains the only one in the world where the national government bans the use of all tropical timber in public sector buildings and construction works. As noted by Chatham House, the UK-based policy and research organisation, this policy is unlikely to be consistent with WTO procurement rules but has never been challenged, possibly because it has had limited impact.

Nevertheless, Norway's direct imports of wood related products from tropical countries are not negligible, in the region of \$80 to \$90 million each year, dominated by wood furniture from Vietnam, Thailand and Malaysia, and charcoal from Indonesia.

Norway has already appointed two Competent Authorities for enforcement of the new timber regulation: the Agricultural Authority will be in charge of checking on timber and timber products of Norwegian origin and the Norwegian Environmental Agency is responsible for imported timber.

Plans by Switzerland to introduce an equivalent to the EUTR will also impact on the tropical wood trade. Although Switzerland imports only around 4.3% of timber and timber products from outside the EU, the country imported in excess of US\$100 million of products containing wood fibre direct from tropical countries in 2014. Much of this consisted of furniture and other added value products, notably from Thailand, Vietnam and Indonesia.

The Swiss Federal Council had hoped to have the new regulation in place this year or early in 2016. However, consultation is taking longer than expected and introduction of the EUTR may now be delayed until the second half of next year or even into 2017.

Netherlands exceeds certified import target

The initiative by the Netherlands' Timber Trade Association (VVNH) to make certified timber the norm on the Dutch market is running ahead of plan, according to a report by Probos. In 2014, 88% of imports by VVNH members were FSC or PEFC certified, well ahead of the 85% target. Certification covered 97% of softwood imports, 89% of panel products imports, and 56% of hardwood imports. VVNH members account for 60-70% of Dutch timber imports. They report twice a year on certified materials trade levels.

ETTF AGM supports widening of procurement policies

At the ETTF annual general meeting in Rome, the organisation agreed to back an initiative of the EU Sustainable Tropical Timber Coalition (STTC) to support development of procurement policies favouring certified over uncertified wood in Germany, France, Italy, Spain and Denmark. The proposed policies are similar to those already in place in the Netherlands and the UK.

The ETTF also recommended that the EUTR should be more uniformly enforced across Europe and that PEFC and FSC certification be made a "green lane" for compliance.

ETTF reported at the AGM on plans for joint project between STTC and ITTO to establish an online platform of tropical producer information.

The platform will feature tropical supply country businesses and contact data, with harvesting and compliance information to facilitate EUTR due diligence.

ETTF has commissioned Form International, a Dutch-based organisation, to implement the project jointly with ITTO. The website is expected to be launched in November 2015 and to be completed in 2016.

'Wood for Growth' promotes wood's low carbon credentials

The industry network 'Wood for Growth' urges EU politicians to recognise the potential of timber as a driver of low emission growth, reports the ETTF newsletter.

Politicians should realise the advantages of timber at the Paris UN COP 21 Climate Change Conference in November.

At the same time, ‘Wood for Growth’ also calls upon the wood industry to promote its low carbon credentials to policy makers and the market.

David Hopkins, ‘Wood for Growth’ chairman, told the ETTF newsletter “We focused on supporting measure the EU Commission has put forward in its Roadmap to Paris, a package of environmental strategies and recommendations to be tabled at the COP 21”.

The Roadmap recognises the role forestry can play in tackling climate change. Wood for Growth aims to build on this by emphasising that “this benefit can only reach maximum potential with increased use of wood. Using wood in manufacture and construction locks in CO2 absorbed by trees in the long-term”.

Another factor the wood industry should promote more, according to Mr Hopkins, is the woodworking industry’s potential to support economic growth, while cutting emissions. “European woodworking has a growth goal, which would boost EU industrial output by 4% a year. This would add €2.35 billion to the economy and create 80.000 jobs, while cutting atmospheric CO2 emission levels by 150 million tonnes”.

Denmark to carry out more DNA timber testing

The Danish government is evaluating DNA timber testing to facilitate enforcement of the EUTR, the ETTF newsletter reports. Until now, the Danish EUTR Competent Authority (CA) as well as importers rely primarily on supplier documentation.

According to the Danish government, DNA testing will provide much greater clarity on wood species and origin in the future. This is particularly difficult at the moment where composite products are concerned.

The Danish Environment Ministry and the CA have already carried out initial DNA trials on samples provided by the industry, according to the ETTF newsletter. Industry representatives in Denmark have welcomed the initiative as it would “communicate to suppliers that it is crucial their due diligence is on par”. Long-term funding for the initiative has still to be secured, but the Danish government is financing the initial phase.

IHC focuses on global market trends and new market opportunities

Global market trends as well as the availability and mobilisation of hardwood resources will dominate the morning session of the International Hardwood Conference (IHC) in Copenhagen on 17 September.

Analyst Rupert Oliver, Lead Consultant to the EU-funded FLEGT Independent Market Monitoring mechanism hosted by ITTO, will give an overview of the global hardwood trade.

Regional market trends in Europe, Asia/China, USA/Canada and Africa will be presented by Jean-Francois Guilbert (French Timber) and Andreas von Möller (European Timber Trade Federation, ETTF),

Sheam Satkuru-Granzella (Malaysian Timber Council), Mike Snow (American Hardwood Export Council, AHEC) and Ad Wesselink (Wijma).

The afternoon session will be dedicated to new market opportunities and wood promotion. The architect Peter Wilson will speak about innovative use of hardwood in building and design.

AHEC European director David Venables will explain how to create new market opportunities for hardwood and Knud Erik Hansen of Carl Hansen & Son will present Danish furniture design. The afternoon session also feature talks about the EU Timber Regulation, sustainability and the availability of European hardwoods.

Report from North America

Imports of all major wood products improve

The growth in home construction and sales is improving demand for wood building materials and furniture, both imported and manufactured or assembled in the US. Hardwood plywood and hardwood mouldings were the only product categories with lower year-to-date imports compared to the January to May period in 2014.

But, lower hardwood plywood imports from Indonesia and Malaysia

US imports of hardwood plywood grew 12% month-on-month in May to 242,177 cu.m. However year-to-date imports were 5% lower than in May 2014.

Hardwood plywood	May '15 cu.m	% change Apr-May
US total imports	242,177	12%
China	147,813	37%
Indonesia	22,796	-22%
Ecuador	5,344	11%
Canada	19,166	10%
Russia	26,058	-21%
Malaysia	866	-74%
Other	20,134	-7%

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

Hardwood plywood imports from China recovered from the low April import volumes. May imports from China were 147,813 cu.m., up 15% compared to may 2014.

China’s share of US total hardwood plywood imports increased from 50% in April to 61% in May.

The largest decline was in imports from Indonesia and Malaysia. Indonesian May plywood shipment to the US fell 22% from April to 22,796 cu.m.

Year-to-date imports from Indonesia were one third lower than in the January to May period. May imports from Malaysia were just 866 cu.m. with year-to-date imports 16% lower than up to May 2014. Year-to-date hardwood plywood imports from Russia and Canada were slightly up in May.

Hardwood moulding imports from China surge

US hardwood moulding imports were worth US\$16.7 million, up 26% in May from the previous month. However, compared to 2014, year-to-date hardwood moulding imports are still down by 5%.

The month-on-month growth in imports of mouldings was primarily from Brazil (US\$4.8 million) and China (US\$5.3 million). Year-to-date imports from China were up 7% in May, while imports from Brazil (-7%) and Malaysia (-1%) declined.

Change in value of US hardwood moulding imports

Hardwood mouldings	% Change Jan-May 2014-15
US total imports	-5%
Brazil	-7%
China	7%
Malaysia	-1%
Canada	-30%
Other	-3%

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

Increase in flooring imports from Malaysia and Indonesia

US hardwood flooring imports grew by 51% in May from the previous month, while growth in assembled flooring panels was more moderate at 2%.

Hardwood flooring imports from Malaysia, Indonesia and China increased significantly compared to last year, while imports from most other countries, except Canada, declined.

Imports from Malaysia and Indonesia were worth US\$1.4 million and US\$1.3 million respectively in May. Year-to-date imports from those two countries increased by over 50% year on year.



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

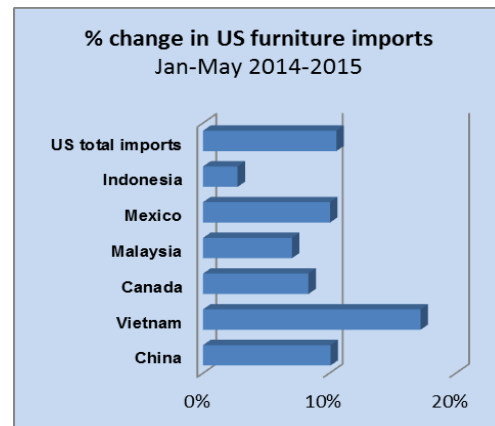
The growth in assembled flooring panel imports mainly benefited Canada this year, although imports from China and Indonesia were also up. Imports from China were US\$3.6 million in May, compared to US\$3.4 million from Canada. China remains the leading source of flooring panels.

Wooden furniture imports highest since US recession

Wooden furniture imports recovered from the brief decline in April. At US\$1.38 billion, May imports were the highest since the US financial crisis. Year-to-date imports were 11% higher than the January to May period in 2014.

All major suppliers increased furniture shipments to the US in May, with the exception of Indonesia and Malaysia. Wooden furniture imports from China increased 32% month-on-month and China's share in total imports increased to 48% in May.

Furniture imports from Vietnam grew less than China's from the previous month, but at +17%, Vietnam has the highest growth rate in year-to-date shipments to the US.



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

Retail sales at furniture stores in the US increased 12% in May from the previous month according to US Census Bureau estimates. Furniture sales were low this spring, but May sales indicate a recovery and higher consumer confidence in the economy. May 2015 furniture sales were 5% higher than in May 2014.

Consumer and builder confidence consolidated

US consumer confidence increased significantly in June, according to both the University of Michigan's consumer confidence index and the Conference Board consumer index.

The University of Michigan index increased to a five-month high. Consumers were mostly positive about the job market. Many plan larger purchases this year ahead of expected higher interest rates.

Builder confidence in the market for new single-family homes reached the highest level in June since 2005, according to the National Association of Home Builders/Wells Fargo Housing Market Index.

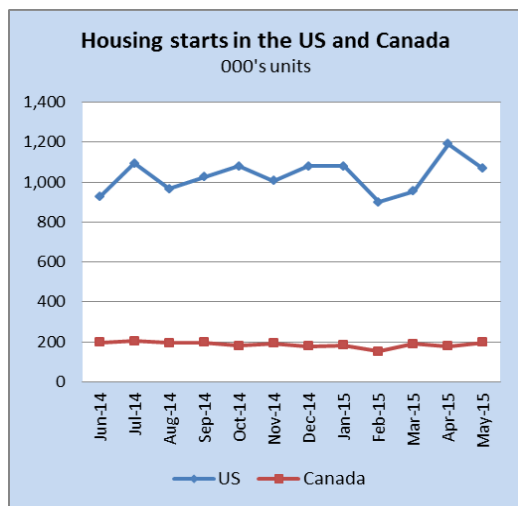
Home sales and home prices are rising and builders were most positive about market conditions in the South and West.

Home construction down, sales and prices up

Housing starts declined by 11% in May from the revised April estimate. The seasonally adjusted annual rate of residential construction was 1,036,000 in May but this is still 5% above the May 2014 rate.

Both single-family and multi-family housing starts fell in May but the decline was stronger in multi-family construction.

However, sales of existing homes show a more positive development in the housing market. May sales of existing homes were at their highest in almost six years according to the National Association of Realtors.



Source: US Census Bureau

Window market to grow 6.2% in 2015

The residential window market will grow 6.2% in 2015 and 3.9% in 2016, according to a recent Window and Entry Door Industry Market Study. In 2014 market growth in windows was even higher at 12.7% due to the recovery in new home construction.

Vinyl windows accounted for more than two thirds of the residential market (67.6%) in 2014. Wood-clad windows were in second place at 20.5%. The market share of solid wood frame windows was small at just 1.3%. Aluminium windows accounted for 5.2% and composite materials 3.6% of the residential window demand in 2014.

The study was published by the Window and Door Manufacturers Association and is available for purchase through the association’s online shop: <https://wdma.site-ym.com/store/ListProducts.aspx?catid=265369&ftr=>

US homeownership at record low – a trend that could impact demand for wood products

US homeownership is at its lowest rates since 1967. In the second quarter of 2015 the share of Americans owning their homes was 63.4% according to the US Census Bureau. The homeownership rate declined 0.4 percentage points from the previous quarter.

In general a high homeownership rate is regarded as a positive sign for the US economy. The current decline in homeownership may be related to low income growth which is not keeping up with the increase in home prices.

The financial crisis led to many foreclosures and some homeowners are still losing their homes. The number of foreclosures has declined but they still accounted for 10% of all existing home sales in May according to the National Association of Realtors. On the other hand, the number of households renting has increased.

The number of homeowners declined by 400,000 in the second quarter, compared to 2 million more renters. While this is a good sign for the rental market, it also indicates that young people may have difficulties affording a mortgage and buying a home.

The changes in homeownership are likely too small at this time to affect wood product demand. If a higher share of Americans continues to rent, demand for wood building materials and wood for interior finish, such wood flooring and wood kitchen cabinets, will likely decrease.

Single-family homes and owner-occupied homes use more wood products than rental multi-family buildings where price and maintenance are often the most important factors in material choice. However, population growth will boost overall demand and should buffer wood product manufacturers from any changes resulting from the growth in rental housing.

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.

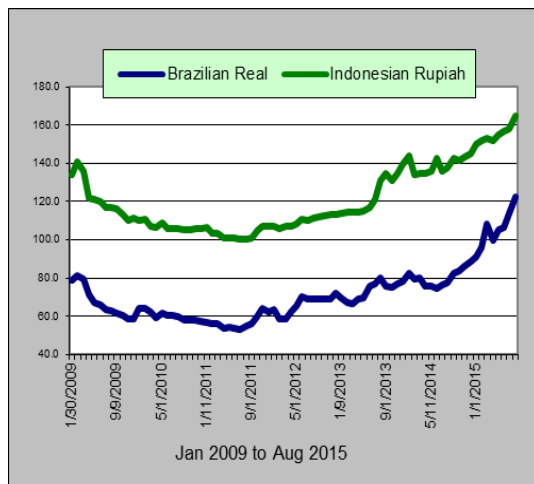
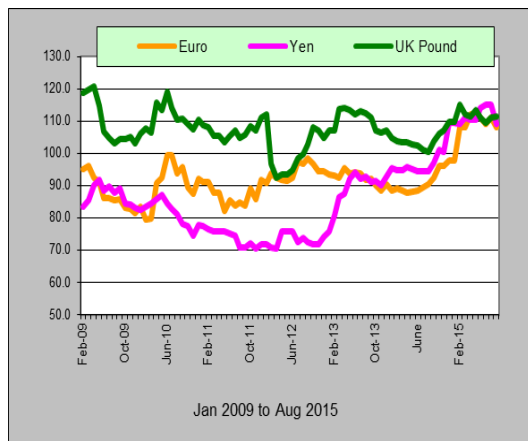
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO.

US Dollar Exchange Rates

As of 25th August 2015

Brazil	Real	3.5962
CFA countries	CFA Franc	575.30
China	Yuan	6.4113
EU	Euro	0.8837
India	Rupee	66.004
Indonesia	Rupiah	14046
Japan	Yen	119.22
Malaysia	Ringgit	4.2289
Peru	New Sol	3.3061
UK	Pound	0.6467
South Korea	Won	1183.20

Exchange rate indices (Dec 2003=100)

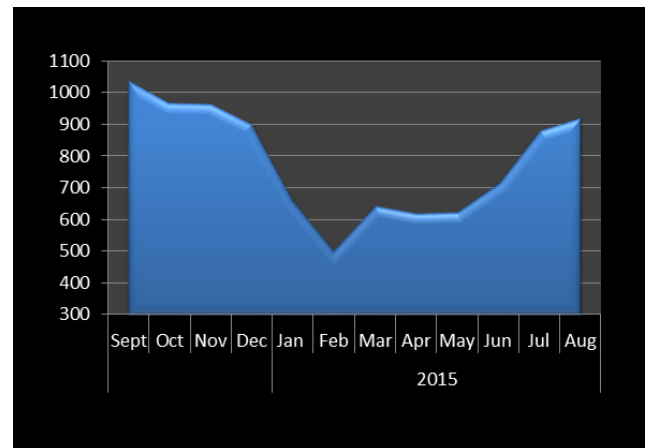


Abbreviations and Equivalences

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

Ocean Freight Index

Baltic Supramax Index
Sept 2014 – Aug 2015

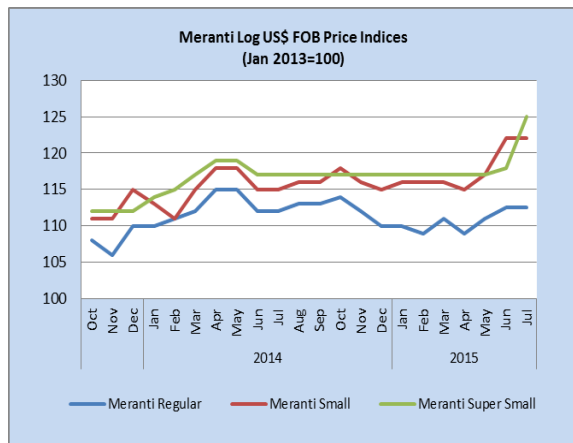


Data source: Open Financial Data Project

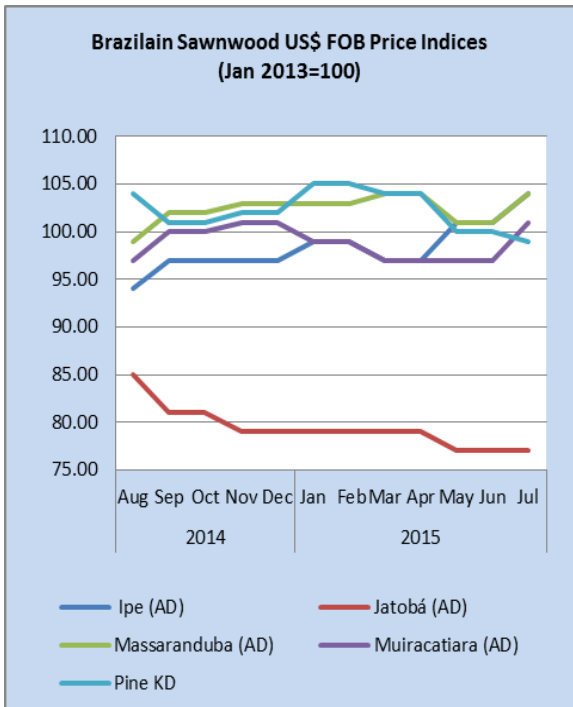
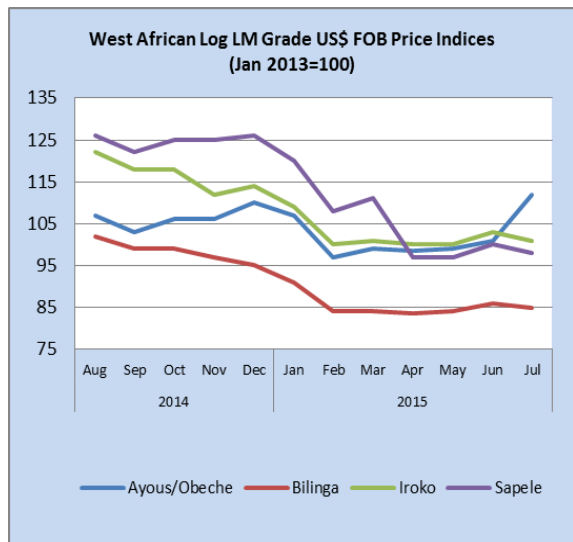
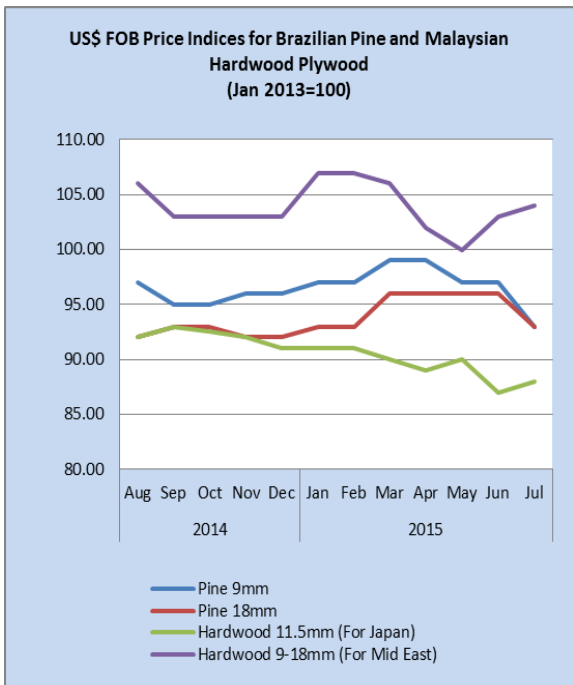
The BSI (Baltic Supramax Index), published by the Baltic Exchange, is the weighted average on 5 major time-charter routes.

Price indices for selected products

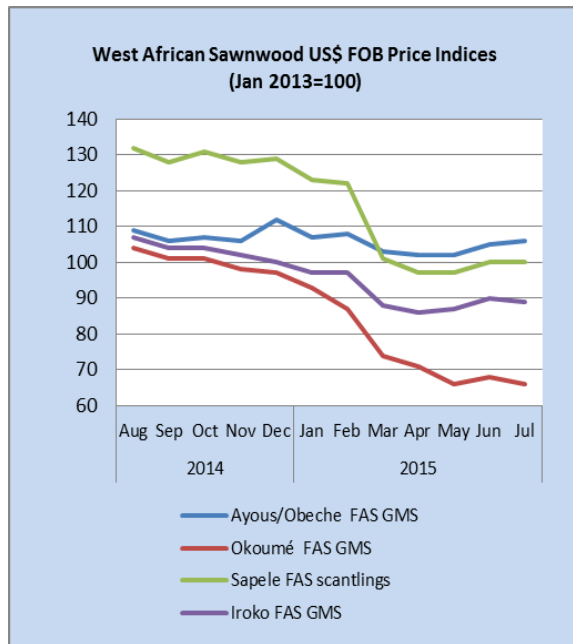
The following indices are based on US dollar FOB prices.



Note: Sarawak logs for the Japanese market



Note: Jatobá is mainly for the Chinese market.



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