Tropical Timber Market Report since 1990

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Snapshot

The current economic downturn has led countries to attempt many measures to offset it, including looking for ways to stimulate investment and create jobs in the forest sector. ITTO held a national investment conference in Congo to explore the constraints to investment in the country. Malaysia released funds to the Malaysia Timber Industry Board for investment in the timber sector to help stave off job losses and production cuts. Peru also designed a programme to generate about 44,000 temporary jobs through a tree planting programme. China adopted measures to promote and stabilize wood products production in the country.

Further work was also conducted to counter and cope with the challenges of illegality in producer countries. Ghana fully implemented its new Electronic Export Permits system, which is designed to help ensure export permits are not fraudulent. The UK Timber Trade Federation led a group of European traders in Indonesia to discuss the need for legal verification of Indonesia's wood products. The state of Pará also implemented measures to counter the unintended consequences of the 'Arco de Fogo' illegal logging investigations, which have left the state of Pará with few economic alternatives for revenue generation.

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Mixed changes in log prices as demand fluctuates

Over the past fortnight, log prices fluctuated with supply and demand. Although demand from China was reasonably firm and prices slightly higher, some observers in the West African timber exporting countries hinted at lower expectations in the coming months as the recession in many major consumer countries began more seriously to affect China's exports. Vietnam was still an active buyer and India also bought at normal volumes. Log markets in Europe were very limited and in small volumes for Italy and the Netherlands. Demand for okoume was only from China in the usual grade mix with no demand for individual grades from Europe.

Sawn lumber markets were very limited and prices unchanged, possibly because of very low or no demand, and Europe was particularly depressed. Sapele was still a special case with producers reported to be accepting any reasonable offer, while importers and merchants were still selling off existing stocks at below costs. Some reports indicated more difficulties for exporters in finding buyers willing to pay higher prices for certified timber species such as sapele, sipo and azobe where there were said to be relatively high stocks remaining with producers.

Some West African producers were uncertain whether even the current lower trade levels could be maintained over the second quarter. Continental Europe has the advantage of a strong euro and some countries were proposing to assist the building and housing sectors by bringing forward the implementation of already planned government funded construction projects. Whether the financial situation will be positive enough to fund any of these in a realistic time frame remains to be seen.

ITTO holds national investment forum in Congo

The 'National Forum to Strengthen Policies and Opportunities for Forest Investment in Congo' was held from 17-19 February 2009 in Brazzaville, Congo. The Forum was attended by more than 75 participants representing the private sector, development banks, civil society and economic authorities from the government. The forum was inaugurated by the Minister of Equipment and Public Works, Mr. Florent Tsiba, who highlighted the need for responsible participation from different stakeholders in order to analyze options for economic development of Congo's forest resources and elaborate an action plan to guide strategies and identify financial mechanisms for the development of the sector in the medium and long-term.

The Minister also highlighted that the Forum was timely and would enable participants to examine the impact of the international financial crisis on demand for tropical wood and wood products in order to develop appropriate responses, re-orient commercial policies, develop local, regional and intra-African markets, and manage the forests using an integrated approach. The Minister recognized that a Plan of Action should strengthen Congo's forest policy, raise business and managerial capacities of small and medium enterprises (SMEs) and encourage banks to play a more active role in the sector's development.

The ITTO Regional Officer for Africa, Mme. Celestine Ntsame-Okwo said the forum was an excellent opportunity to follow-up on the recommendations of the Ministerial Conference for the Promotion of Value-added Processing of Tropical Wood in Africa, held in Libreville in March 2003, and the ITTO regional investment forum held in Accra, Ghana in August 2007. From the private sector, the representative of the Professionals and Patronal Union of Congo (UNICONGO), Mr. Alphonse Missengui, noted Congo was facing difficult economic times due to falling oil prices as well as the crisis faced by the forest industry, a sector historically important to the national economy. He also recognized that the forest sector has not reached its economic potential, as the second largest natural resource of the country.

Resulting from the National Forum, a National Action Plan for Promoting Investment was adopted with the following themes: promotion of sustainable forest management; development of human resources; development of the national market; formulation of coherent policies and laws; promotion and development of SMEs and modernization of the artisanal wood sector; creation of an adequate banking system; and diversification of the use of forest and forest products. The Forum also offered recommendations for the immediate implementation of the Action Plan, including: improving macroeconomic conditions in order to promote investment in the forest sector in light of its cross-cutting nature; helping SMEs to increase management and technical skills for personnel; and supporting small forest producers through favorable interest rates. The Forum presentations, reports from the working groups and the Action Plan are available on the ITTO website.

West Africa Log Prices

West Africa logs, FOB	€ per m^3		
Asian market	LM	B	BC/C
Acajou/ Khaya/N'Gollon	205	191	153
Ayous/Obéché/Wawa	195	192	150
Azobe & Ekki	189↑	189↑	
Belli	170	170	-
Bibolo/Dibétou	155↓	140	
Bubinga	533	457	381
Iroko	257	260	200↓
Okoume (60% CI, 40% CE, 20% CS) (China only)	148↑	-	-
Moabi	275↓	275↓	206
Movingui	170↑	150↓	137
Niove	133	133	-
Okan	175↑	173↑	122
Padouk	275↑	255↑	215
Sapele	225	220	150
Sipo/Utile	270↓	270↓	215
Tali	193↑	193↑	114

West Africa Sawnwood Prices

West Africa sawnwood, FOB		€ per m^3
Ayous	FAS GMS	300
	Fixed sizes	360
Okoumé	FAS GMS	300
	Sel. & Bet. GMS Italy	250
	Sel. & Bet. fixed sizes	-
Sipo	FAS GMS	570
	FAS fixed sizes	-
	FAS scantlings	585
Padouk	FAS GMS	585
	FAS scantlings	585
	Strips	425
Sapele	FAS Spanish sizes	500
	FAS scantlings	500
Iroko	FAS GMS	440
	Scantlings	475
	Strips	360
Khaya	FAS GMS	380
	FAS fixed	420
Moabi	FAS GMS	540
	Scantlings	560
Movingui	FAS GMS	300-320

Report from Ghana

Ghana launches Electronic Export Permit system

The Customs Excise and Preventive Service (CEPS), in consultation with the Timber Industry Development Division (TIDD) of the Forestry Commission (FC), announced the establishment of the Electronic Export Permit system through the Ghana Community Network (GCNet) and Ghana Customs Management System (GCMS). The new system was launched in Takoradi on 11 March 2009, after which all declarants / exporters applied for their export permits to the TIDD through the GCNet/GCMS.

The new system was implemented after evidence of the increasing abuse by exporters using previous practices, which allowed the exporter to manually develop and complete export permit invoices for vetting and approval by TIDD. The Contract and Permit Manager of TIDD, Mr. Henry Coleman, at a May 2008 workshop for forwarding agents, shipping companies, the Ghana Ports and Harbors Authority, and banking officials, hinted at the new permit system, which he said would have enough security features to check forgery and other problems in the timber transaction process (see TTMR 13:9). The pilot project for the submission of Electronic Export Permits started in Takoradi on 7 August 2008.

The electronic process begins with the clearing agent and forwarder. Acting on behalf of the exporter as part of a one-stop 'single window' process, the declarant/exporter applies electronically to TIDD as part of an export declaration to CEPS. After satisfying the relevant requirements, the request is approved by TIDD and the permit is sent electronically to the agent who uses the permit number generated to send a declaration. Copies of the approved permits are sent electronically to CEPS, which are checked against the copy presented by the exporter during document verification.

New ministers take office

The Timber Workers Union (TWU) of Ghana has congratulated the newly elected Minister for Lands and Natural Resources, Alhaji Collins Dauda, on his election. In discussions with the Minister, the Union explained its work on a 640-acre forest plantation, which is designed to boost the country's forest resources. Parliament has also approved Mr. Henry Ford Kamel as the Deputy Minister for Lands and Forestry.

Ghana Log Prices

Ghana logs, domestic	US$ per m^3	
	Up to 80cm	80cm+
Wawa	100-115	120-145
Odum Grade A	160-170	175-185
Ceiba	90-100	105-120
Chenchen	60-90	95-112
Khaya/Mahogany (Veneer Qual.)	80-100	110-135
Sapele Grade A	135-150	155-175
Makore (Veneer Qual.) Grade A	125-135	140-166

Ghana Sawnwood Prices

Ghana Sawnwood, FOB	€ per m^3	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	855	-
Asanfina	490	560
Ceiba	200	260
Dahoma	330	390
Edinam (mixed redwood)	415	465
Emeri	425	475
African mahogany (Ivorensis)	600	665
Makore	520	610
Niangon	560	620↓
Odum	655	700
Sapele	540	600
Wawa 1C & Select	260	285

Ghana sawnwood, domestic		US$ per m^3
Wawa	25x300x4.2m	255
Emeri	25x300x4.2m	345
Ceiba	25x300x4.2m	210
Dahoma	50x150x4.2m	318
Redwood	50x75x4.2m	280
Ofram	25x225x4.2m	330

Ghana Veneer Prices

Rotary Veneer, FOB	€ per m^3	
	CORE (1-1.9mm)	FACE (<2mm)
Bombax	330↑	350
Kyere, Ofram, Ogea & Otie	330↑	355↓
Chenchen	315	360
Ceiba	360	305
Mahogany	400	435↑

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

Rotary Veneer, FOB Core Grade 2mm & up	€ per m^3
Ceiba	250
Chenchen, Ogea & Essa	295
Ofram	312

Sliced Veneer, FOB	€ per m^2	
	Face	Backing
Afrormosia	1.80	1.00
Asanfina	2.00	1.00
Avodire	1.12	0.80
Chenchen	1.00	0.55
Mahogany	1.40	0.79
Makore	1.75	0.90
Odum	1.80↑	1.00

Ghana Plywood Prices

Plywood, FOB B/BB, Thickness	€ per m^3 Redwoods WBP	Redwoods MR	Light Woods WBP	Light Woods MR
4mm	560	475	500	380
6mm	340	325	335	285
9mm	380	300	290	270
12mm	300	300	280	250
15mm	310	280	300	270
18mm	300	280	285	260

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

Ghana Added Value Product Prices

Parquet flooring 1st	FOB € per m^2 10x60x300mm	10x65-75mm	14x70mm
Apa	12.00	14.47	17.00
Odum	8.42⬆	10.18	11.00
Hyedua	13.67	13.93	17.82
Afrormosia	13.72	18.22	17.82

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

Report from Malaysia

Furniture manufacturers resist foreign worker levy hike

Malaysian furniture manufacturers appealed to the federal government not to increase the levy on foreign workers under the second stimulus plan, reported *The Star*. The federal government had earlier announced that the current levy imposed on foreign workers would be doubled in order to create more employment opportunities for local workers.

According to the president of the Malaysia Furniture Entrepreneurs Association, Mr. Desmond Tan, the levy would have an adverse effect on the furniture manufacturing sector as most local workers are not keen to take up employment in furniture production lines. Furniture manufacturing is very labor intensive in Malaysia and its survival dependent on foreign workers. Mr. Tan said the government should reduce or abolish the levy altogether as the global recession continues to bite deeper into the industry.

Call for second stimulus plan to aid furniture sector

Furniture manufacturers in Muar, a major furniture manufacturing zone with 200 factories in the state of Johor, called on the federal government to put the second stimulus plan of RM60 billion to work as soon as possible. *The Star* reported that some manufacturers were beginning to reduce working hours as well as cut production as a result of the slowdown. RM15 million has been set aside for the timber sector's utilization and will be managed by the Malaysian Timber Industry Board (MTIB).

FRIM area to be declared a national heritage

The Forest Research Institute of Malaysia (FRIM) and the 486 ha of man-made forest surrounding the institute will be recognized as a national heritage in 2009, according to its Director-General, Dr Abdul Latif Mohmod. As noted in *The Star*, 15 million trees from 2,500 species are growing in the institute's man-made forests. The new categorization of the forests will enable FRIM to further enforce protection of its resources under federal laws.

Prices remain weak as timber market struggles

Prices of Malaysian timber products continue to be weak as doubts over the second stimulus plan continue to affect the private sector. According to local news sources, a bulk of the stimulus package will be used to upgrade schools, police-stations and mosques. Another portion may be used to rescue government-linked companies. Some experts fear not much of the funds from the second stimulus plan may eventually filter down to the private sector, especially to small and medium-sized industries.

Malaysia Log Prices

Sarawak log, FOB	US$ per m^3
Meranti SQ up	230-254
Small	211-242
Super small	199-224
Keruing SQ up	217-229
Small	187-218
Super small	161-192
Kapur SQ up	207-232
Selangan Batu SQ up	178-215
Pen. Malaysia logs, domestic (SQ) US$ per m^3	
DR Meranti	232-251
Balau	300-327
Merbau	326-361
Rubberwood	41-77
Keruing	216-232

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

Malaysia Sawnwood Prices

Malaysia Sawnwood, FOB	US$ per m^3
White Meranti A & up	282-313⬇
Seraya Scantlings (75x125 KD)	458-473⬇
Sepetir Boards	251-273⬇
Sesendok 25,50mm	357-375⬇
Kembang Semangkok	296-319

Malaysian Sawnwood, domestic		US$ per m^3
Balau (25&50mm,100mm+)		338-358
Merbau		483-535⬇
Kempas 50mmx(75,100 & 125mm)		266-306
Rubberwood	25x75x660mm up	194-244
	50-75mm Sq.	236-268
	>75mm Sq.	258-287

Malaysia Plywood Prices

Malaysia ply MR BB/CC, FOB	US$ per m^3
2.7mm	417-479⬇
3mm	393-423⬇
9mm & up	338-410⬇

Meranti ply BB/CC, domestic	US$ per m^3
3mm	389-430⬇
12-18mm	323-352⬇

Other Malaysia Panel Prices

Malaysia, Other Panels, FOB		US$ per m^3
Particleboard	Export 12mm & up	230-253
	Domestic 12mm & up	215-232
MDF	Export 15-19mm	285-317
	Domestic 12-18mm	274-292

Malaysia Added Value Product Prices

Malaysia, Mouldings, FOB	US$ per m^3
Selagan Batu Decking	551-561⬇
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	567-580⬇
Grade B	518-527⬇

Malaysia Furniture and Parts Prices

Malaysia, Rubberwood, FOB		US$ per piece
Semi-finished dining table		
solid laminated top 2.5'x4', extension leaf		58-74
As above, Oak Veneer		65-79
Windsor Chair		57-59
Colonial Chair		55-60
Queen Anne Chair (soft seat)	without arm	55-63
	with arm	55-64
Chair Seat 27x430x500mm		43-48
Rubberwood Tabletop		US$ per m^3
22x760x1220mm sanded & edge profiled		
Top Grade		559-591
Standard		544-562

Report from Indonesia

ICC urges swift construction of storage facilities

As noted in *Tempo Interactive*, the Indonesian Chamber of Commerce (ICC) urged the federal government to step up the construction of timber storage facilities for several provinces in Indonesia. Mr. Rahmat Gobel, vice-chairman of the ICC, noted the facilities would help reduce production costs and improve the competitiveness of the Indonesian furniture and handicraft industry. He added that timber storage facilities for East Java, Central Java, Sulawesi, and Papua would significantly reduce the amount of levies charged as well as facilitate certification of timber in storage facilities.

Sales of forestry equipment plunge for PT United Tractors

Sales of heavy equipment to the forestry declined sharply, with one of Indonesia's major heavy equipment suppliers, PT United Tractors, announcing a 96% drop in sales. Similar declines in sales were recorded for the mining, agriculture and construction sectors, according to *Antara News*.

Bank Indonesia takes steps to safeguard Indonesian economy

Mr. Hartadi A. Sarwono, Deputy-governor of the Indonesian central bank Bank Indonesia (BI), commented that BI would not allow the Indonesian rupiah to depreciate in order to boost exports. As reported in *The Jakarta Post*, Hartadi said such measures would not necessarily boost demand for Indonesian goods. Moreover, this course of action could carry risks as well, as most of Indonesia's foreign debts are in US dollars.

According to *The Jakarta Globe*, BI has also signed a 100 million yuan (USD15 billion) currency swap with the People's Bank of China. This is the largest currency swap ever signed by Indonesia. The swap agreement was expected to increase trade and direct investment between the two countries. According to statements released by BI, it will also help stabilize the Indonesian money market and ease foreign exchange liquidity.

Indonesia Log Prices (domestic)

Indonesia logs, domestic prices	US$ per m^3
Plywood logs	
Face Logs	189-232
Core logs	170-203
Sawlogs (Meranti)	177-238
Falcata logs	145-179
Rubberwood	34-60
Pine	160-199
Mahoni (plantation mahogany)	490-516⬇

Indonesia Sawnwood Prices

Indonesia, construction material, domestic		US$ per m^3
Kampar (Ex-mill)	AD 3x12-15x400cm	174-192
	KD	196-230
	AD 3x20x400cm	222-245
	KD	226-251
Keruing (Ex-mill)	AD 3x12-15x400cm	238-252
	AD 2x20x400cm	222-240
	AD 3x30x400cm	202-221

Indonesia Plywood Prices

Indonesia ply MR BB/CC, FOB	US$ per m^3
2.7mm	408-465⬇
3mm	364-405⬇
6mm	321-385⬇

MR Plywood (Jakarta), domestic	US$ per m^3
9mm	259-270⬇
12mm	251-261⬇
15mm	240-254⬇

Other Indonesia Panel Prices

Indonesia, Other Panels, FOB		US$ per m^3
Particleboard	Export 9-18mm	218-229⬇
	Domestic 9mm	191-203
	12-15mm	182-193
	18mm	172-184
MDF	Export 12-18mm	261-273⬇
	Domestic 12-18mm	240-251⬇

Indonesia Added Value Product Prices

Indonesia, Mouldings, FOB	US$ per m^3
Laminated Boards Falcata wood	309-321⬇
Red Meranti Mouldings 11x68/92mm x 7ft up	
Grade A	504-538⬇
Grade B	459-480⬇

Report from Myanmar

Market slows ahead of new year holiday

Although this report was prepared before the late March tenders, the market was expected to be moving slow, with not many new purchases being made. Additionally, not much business was expected to be conducted during the New Year holiday, from 11 to 21 April 2009. Given the on-going economic downturn, sales are expected to be even slower than usual during the holiday period.

Myanmar Log Prices (natural forests)

Teak Logs, FOB	€ Avg per Hoppus Ton (traded volume)	
Veneer Quality	Jan	Feb
2nd Quality	-	-
3rd Quality	3,623 (4 tons)	4,189 (6 tons)
4th Quality	3,197 (20 tons)	3,702 (11 tons)
Sawing Quality	Jan	Feb
Grade 1 (SG-1)	2,513 (77 tons)	2,634 (95 tons)
Grade 2 (SG-2)	2,148 (82 tons)	2,366 (53 tons)
Grade 3 (SG-3)	-	-
Grade 4 (SG-4)	1,995 (439 tons)	2,034 (339 tons)
Grade 5 (SG-5) Assorted	1,558 (176 tons)	1,587 (172 tons)
Grade 6 (SG-6) Domestic	1,274 (82 tons)	1,291 (103 tons)
Grade 7 (ER-1)	1,017 (51 tons)	1,035 (29 tons)
Grade 8 (ER-2)	-	-

Hoppus ton=1.8m^3; All grades, except SG-3/5/6, are length 8' x girth 5' &up. SG-3/4/6 are girth 4' &up. SG-3 grade is higher than SG-4 but with lower girth and price.

Logs, FOB	€ Avg per Hoppus Ton (traded volume)
Pyinkado (export)	431 (210 tons)
Gurjan (keruing-exp)	238 (70 tons)
Tamalan	--
Taungthayet	--

Prices differ due to quality or girth at the time of the transaction.

Report from Brazil

Demonstration over Arco de Fogo calls attention to economic needs

According to *Folha da Mata Online*, a year after the 'Arco de Fogo' illegal logging investigations in the municipality of Tailândia (state of Pará), the local government and civil society has organized a demonstration against the consequences of the operation. According to the Secretary of Science, Technology and the Environment, nothing has been done by the state and federal government to develop new economic and sustainable activities in the affected regions, which have depended on the charcoal companies and sawmills now closed as result of the 'Arco de Fogo' operation. Just after the investigations, a committee was established for the economic development of the municipality, but it was dissolved soon after. A new committee has been set up under a new local administration.

The population was searching for economic alternatives for local people in the aftermath of the operations. The state government announced measures for some Pará mills to help companies in times of crisis. Nevertheless, some of these measures had previously been adopted, including machinery and equipment tax exemptions and the establishment of a Forest Sector Technical Chamber.

The new measures presented in the beginning of 2009 are important to strengthen the forestry activity statewide. Part of the action involves implementation of forest harvesting plans, a proposal submitted to governmental agencies at a competitiveness forum in the State of Pará in February 2009. However, the lack of specific deadline for the approval of forest management and reforestation plans by the state environmental agencies makes it difficult for companies to plan in advance.

To this end, the State Secretary of the Environment (SEMA) has been encouraged to speed up the issuance of environmental permits for projects submitting plans for the first half of 2009 within the 20-day period set by the agency for reforestation and 40 days for forest management.

Surveys indicate increasing layoffs

A survey of industrial employment by the Brazilian Institute of Geography and Statistics (IBGE) indicated the number of workers employed in the timber industry in the Southern Brazilian state of Paraná in December 2008 was 21% lower than the same month of the previous year. *Paraná Online* reported the declines reflect an unprecedented crisis in the sector beginning with the drastic devaluation of the US dollar in 2007. Data from the General Registry of Employed and Unemployed (CAGED) of the Ministry of Labor and Employment said there were 3,713 layoffs in December 2008, compared to only 1,128 new workers. When added to the number of layoffs in November, the total reached 3,447 jobs lost by the end of 2008.

A wave of layoffs seems to be spreading in 2009. The Union of Carpenters in the São José dos Pinhais municipality (inside the capital metro area of Curitiba), for instance, reported between 200-500 layoffs per week. The Union, which includes 10 municipalities in the Southern Metropolitan Region of Curitiba and the municipalities of Campo do Tenente and Rio Negro, the regions with a high concentration of plywood production, has been seriously affected by the crisis.

Brazil's February 2009 exports register slump

Brazil's wood products exports (except pulp and paper) from February 2009 dropped 43.5% by value compared to the same period in 2008. The charts below show the volume and value of Brazil's exports for the month of February 2009 compared to the same month a year earlier:

Brazil's exports by value, February 2008 and 2009 (USD million)

	Feb 2008	Feb 2009	% change
Solid wood*	325.8	184.2	(43.5)
Tropical plywood	16.4	6.1	(62.8)
Pine sawnwood	22.2	11.8	(46.8)
Tropical sawnwood	51.3	20.4	(60.2)
Pine plywood	51.5	24.7	(52)
Wood furniture	60.1	41.6	(30.8)

*Figures for solid wood exclude pulp and paper exports

Brazil's exports by volume, February 2008 and 2009 (000 m³)

	Feb 2008	Feb 2009	% change
Tropical plywood	28.7	11.0	(61.7)
Pine sawnwood	109.1	59.7	(45.3)
Tropical sawnwood	112.5	43.6	(61.2)
Pine plywood	147.5	96.0	(34.9)

Arab markets support increase in Brazilian timber exports

Brazil's current trade with Arab countries was presented to timber companies of Northern Mato Grosso in the first week of March 2009 at the Union of Timber Industries (SINDUSMAD). The Arab-Brazilian Chamber of Commerce discussed possible ways for entrepreneurs to negotiate with the Arab countries to maximize access to their markets. Exports of Brazilian companies to Arab countries totaled USD83.5 million in 2008.

The idea is to show the opportunities to local business and companies all over Brazil. The Sinop furniture cluster in particular has the potential to gain a significant share of the import market for timber products. The Arab-Brazilian Chamber of Commerce said the participation in international exhibitions and trade fairs would help promote the quality of the Brazilian timber and act as a first step to strengthening trade relationship between the Arab countries and timber producers from Sinop.

The timber product imports are still a small share of the total imports in Arab markets. Morocco, Saudi Arabia, the United Arab Emirates and Egypt are major timber product buyers. The timber producing companies of Northern Mato Grosso have already sent a large portion of their exports to Belgium, England, Spain, Canada and the US. Plywood and sawnwood are the main traded products. In 2008, sawnwood exports dropped 20.7%, or USD81 million; export of low quality sawnwood increased 43%, totaling USD5.2 million.

Furniture manufacturers hopeful for growth in sector during 2009

Furniture manufacturers of several states will have a rough indication of 2009 production from a local furniture fair in Arapongas, a furniture cluster located in the Northern part of the state of Paraná, the second largest furniture producing area in Brazil. Large retailers of the country and 23 importers will attend the Movelpar furniture fair in Arapongas, where 190 exhibitors are expected to participate. The target is to reach BRL 400 million in trade deals, 30% more than the 2007 Movelpar fair.

According to the Brazilian Association of Furniture Companies (ABIMOVEL), the revenue of the furniture sector increased from BRL 22 billion in 2007 to BRL 27 billion in 2008 due to an increase in domestic market demand, which showed positive trend in the first nine months; although this trend reversed after September 2008. Production decreased 16.2% in December 2008, contributing to a 1.3% decrease over the year and a reduction in the number of employees by 11.9%.

Currently, nearly 10% of domestic production is exported, with overall exports expected to be lower in 2009. Nevertheless, there is a strong optimism from producers that figures for furniture exports will improve in 2009, with some projecting growth of 3% to 5%. According to ABIMOVEL, gains for the sector are expected in the second semester.

Brazil Log Prices (domestic)

Brazilian logs, mill yard, domestic	US$ per m^3
Ipê	109🡇
Jatoba	78
Guariuba	52
Mescla (white virola)	57

Brazil Sawnwood Prices

Sawnwood, Belem/Paranagua Ports, FOB		US$ per m^3
Jatoba Green (dressed)		809
Cambara KD		471
Asian Market (green)	Guariuba	266
	Angelim pedra	611
	Mandioqueira	235
Pine (AD)		195

Brazil sawnwood, domestic (Green)		US$ per m^3
Northern Mills (ex-mill)	Ipé	518🡇
	Jatoba	398🡇
Southern Mills (ex-mill)	Eucalyptus (AD)	147🡇
	Pine (KD) 1st grade	192🡇

Brazil Veneer Prices

Veneer, FOB (Belem/Paranagua Ports)	US$ per m^3
White Virola Face 2.5mm	298
Pine Veneer (C/D)	210

Rotary cut Veneer, domestic	US$ per m^3	
(ex-mill Northern Mill)	Face	Core
White Virola	196🡇	163🡇

Brazil Plywood Prices

Plywood, FOB	US$ per m^3
White Virola (US Market)	
5.2mm OV2 (MR)	469
15mm BB/CC (MR)	405
White Virola (Caribbean market)	
4mm BB/CC (MR)	512
12mm BB/CC (MR)	410

Pine Plywood EU market, FOB	US$ per m^3
9mm C/CC (WBP)	275
15mm C/CC (WBP)	252
18mm C/CC (WBP)	250

Plywood, domestic (ex-mill Southern mill)		US$ per m^3
Grade MR (B/BB)	White Virola 4mm	676🡇
	White Virola 15mm	494🡇

Domestic prices include taxes and may be subject to discounts.

Other Brazil Panel Prices

Belem/Paranagua Ports, FOB	US$ per m^3
Blockboard Pine 18mm 5 ply (B/C)	315
Domestic Prices, Ex-mill Southern Region	
Blockboard White Virola faced 15mm	430🡇
Particleboard 15mm	272🡇

Brazil Added Value Products

FOB Belem/Paranagua Ports		US$ per m^3
Edge Glued Pine Panel		
Korean market (1st Grade)		640
US Market		493
Decking Boards	Cambara	608
	Ipê	1590

Report from Peru

Agriculture and Labor Ministries' initiative will create 44,000 jobs

Peru's Agriculture Ministry, in cooperation with the Labor Ministry, has launched the National Forestation Campaign. The programme will involve the planting of over 40 million tree seedlings that would create nearly 44,000 temporary jobs in Cajamarca, Ayacucho Cusco, Ancash and Junín. The Labor Ministry is also expected to contribute nearly 15 million Peruvian soles to implement the programme and help raise incomes at the local level.

Peru Sawnwood Prices

Peru Sawnwood, FOB Callao Port		US$ per m^3
Mahogany S&B KD 16%, 1-2" random lengths (US market)		1766-1835
Spanish Cedar KD select		
North American market		922-941↓
Mexican market		911-944↓
Pumaquiro 25-50mm AD	Mexican market	485-515

*Cheaper and small-dimension sawnwood for this market.

Peru Sawnwood, FOB Callao Port (cont.)	US$ per m^3
Virola 1-2" thick, length 6'-8' KD	
Grade 1, Mexican market	315-362
Grade 2, Mexican market	269-296
Cumaru 4" thick, 6'-11' length KD	
Central American market	809-836
Asian market	778-797
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	558-569
Marupa (simarouba) 1", 6-11 length Asian market	366-388

Peru Sawnwood, FOB Iquitos	US$ per m^3
Spanish Cedar AD Select Mexican market	906-931↓
Virola 1-2" thick, length 6'-13' KD	
Grade 1, Mexican market	299-323
Grade 2, Mexican market	266-280
Grade 3, Mexican market	145-165
Marupa (simarouba) 1", 6-13 length KD	
Grade 1, Mexican market	226-237

Peru sawnwood, domestic	US$ per m^3
Mahogany	994-1088↓
Virola	58-71↓
Spanish Cedar	326-378
Marupa (simarouba)	72-87↓

Peru Veneer Prices

Veneer FOB	US$ per m^3
Lupuna 3/Btr 2.5mm	208-210
Lupuna 2/Btr 4.2mm	217-243
Lupuna 3/Btr 1.5mm	236-248

Peru Plywood Prices

Peru plywood, FOB (Mexican Market)		US$ per m^3
Copaiba, 2 faces sanded, B/C, 15x4x8mm		318-347
Virola, 2 faces sanded, B/C, 5.2x4x8mm		406-416
Cedar fissilis, 2 faces sanded 4x8x5.5mm		745-755
Lupuna, treated, 2 faces sanded, 5.2x4x8mm		348-359
Lupuna plywood	B/C 15x4x8mm	350-358
	B/C 9x4x8mm	345-350
	B/C 12x4x8mm	350-360
	B/C 8x4x15mm	420-430
	C/C 4x8x4mm	380-388
Lupuna plywood B/C 8x4x4mm Central Am.		368-388

Lupuna Plywood BB/CC, domestic	US$ per m^3
(Iquitos mills)	
122 x 244 x 4mm	415
122 x 244 x 6mm	397
122 x 244 x 8mm	403
122 x 244 x 12mm	383
(Pucallpa mills)	
122 x 244 x 4mm	439
122 x 244 x 6mm	439
122 x 244 x 8mm	416
122 x 244 x 12mm	419

Other Peru Panel Prices

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

Peru Added Value Product Prices

Peru, strips for parquet		US$ per m^3
Cabreuva/estoraque KD12% S4S, Asian market		1388-1442
Cumaru KD, S4S	Swedish market	680-728
	Asian market	975-1020
Cumaru decking, AD, S4S E4S, US market		880-925
Pumaquiro KD # 1, C&B, Mexican market		432-478
Quinilla KD, S4S 2x10x62cm, Asian market		522-577
	2x13x75cm, Asian market	677-701

Report from Bolivia

Bolivia Sawnwood Prices

Sawnwood 1-3"x3x5"x7-19', FOB Arica Port		$ Avg un. val. per m^3
Ipe	(Spain and Chile markets)	1260-2000
Caviuna	(EU market)	1300
Cambara	(FSC) (EU market)	700

Bolivia Added Value Product Prices

Doors 13/4"x36"x96", FOB Arica Port		Avg $ per piece
US market	Mara macho/Tornillo (FSC)	100-105
	Yesquero	100-135
	Ochoó	42

Chairs FOB Arica Port		$ Avg Per piece
Ipe	(US market)	48-176
Roble/Oak	(UK market)	72-94
Parquet Flooring 3/4"x3-5"x1-7', FOB Arica Port		**$ Avg un. val. per m^3**
Jatoba	(US market)	1240-1300
Ipe	(EU and Asia market)	1650-1780
Cumaru	(FSC) (US mkt)	1708-1880

Report from Mexico

Head of CONAFOR resigns

The general manager of The National Forest Agency (CONAFOR), Jose Cibrian Tovar, presented his resignation effective Saturday 14 March 2009. Official notices did not explain the reasons for his resignation. However, local news reports indicated that Cibrian resigned after CONAFOR failed to meet targets set to replant trees in the country under its ProTree programme.

The Ministry of Environment and Natural Resources (SEMARNAT) indicated that Carlos Rodriguez Combeller, the acting Director General, will replace Mr. Cibrian. Rodriguez has 30 years experience in public service at the state and federal levels, and has worked for CONAFOR during the last eight years.

Deadline for ProTree support requests set for 1 April 2009

The owners of land and forest zones looking for support from the ProTree programme for forest development, commercial forest plantations, competitiveness, fires and environmental services, must submit their requests to the nearest CONAFOR office before 1 April.

At the conclusion of the first open call for support under the ProTree programme, CONAFOR registered demand for 62,298 conservation and forest restoration activities in the country. A major portion of the requests were generated in the states of Tabasco, Veracruz, Chiapas, Coahuila, Jalisco, San Luis Potosi and Chihuahua.

Report from Guyana

Guyana's forests set to attract new investments

Guyana's Head of State is pushing for a revitalized economy based on new streams of investment and revenue from the carbon credits market. President Jagdeo disclosed that the country is looking to large-scale investments in agriculture, forestry and mining, all of which have value-added potential. The President was speaking ahead of his current two-week visit to the Middle East, where it is hoped he can access new sources of investment. Guyana has already gained support for preserving its rainforests as a key factor to mitigating the adverse effects of climate change, a model that is being used by other countries with standing natural forests.

Guyana Log Prices

Logs, FOB Georgetown	SQ - Std	$ Avg unit value per m^3 Fair	Small
Greenheart	-	-	-
Purpleheart	-	-	-
Mora	-	-	100

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

Guyana Sawnwood Prices

Sawnwood, FOB Georgetown EU and US markets		$ Avg unit val. per m^3 Undressed	Dressed
Greenheart	Prime	-	-
	Select/Standard	657-670⬇	550-742⬇
Purpleheart	Prime	-	-
	Select/Standard	742-785⬇	610-1135⬆
Mora	Select	-	-

Guyana Plywood Prices

Plywood, FOB Georgetown Port			$ Avg unit val. per m^3
Baromalli	BB/CC	5.5mm	-
		12mm	528
	Utility	5.5mm	-
		12mm	-

Report from Japan

Japan finalizes carbon offset system for forests

Japan Lumber Reports indicated that Japan's Ministry of Forestry has established a forest carbon credit system. The system, which is based on the J-ver (Japan Verified Emissions Reduction) system launched in November 2008, will help calculate forest carbon dioxide absorption and is the first of its kind. The absorption will be calculated and estimated in credits, which can then be sold to carbon dioxide emitting companies already registered in the J-ver system. The Ministry hopes the credits will be traded in the carbon market and funds reinvested in the forestry industry.

Three projects will hold particular attention in the forest absorption system: thinning promotion and management; sustainable forest management; and plantation management. Areas thinned after 2007 will be the target of the efforts under the Japanese system. Sustainable forest management activities will be in areas harvested and replanted after 1990. Plantation projects will focus on replanting, and all forests eligible for credits under the credit system need to have a forest management system compliant with the Forest Law. In order to generate credits, one of the following three conditions has to be satisfied: a long-term forest management plan based on the Forest Law must be in place; an FSC or SGEC certificate must be granted to the area; or a forest management system must be established by local government.

Log and Sawnwood Prices in Japan

Logs for Ply Manufacture, CIF	Yen per Koku
Meranti (Hill, Sarawak)	(Koku=0.278 m^3)
Medium Mixed	7,700⬇
Standard Mixed	7,800⬇
Small Log (SM60%, SSM40%)	6,700⬇
Taun, Calophyllum, others (PNG)	7,600
Mixed light hardwood, G3/4 grade (PNG)	-
Keruing MQ & up (Sarawak)	12,000
Kapur MQ & up (Sarawak)	9,300⬇

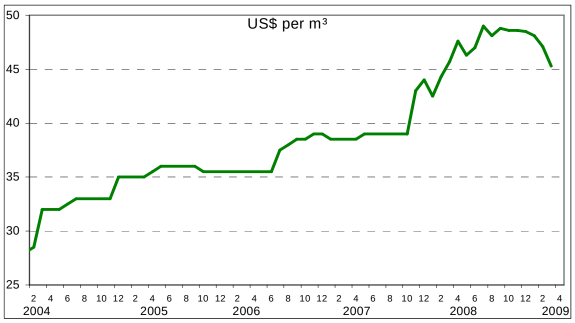
Logs for Sawmilling, CIF	Yen per Koku
Melapi (Sarawak) High Select	11,500
Agathis (Sarawak) High Select	-

Lumber, FOB	Yen per m^3
White Seraya (Sabah) 24x150mm, 4m, Grade 1	145,000
Mixed Seraya, Sangi 24x48mm, 1.8-4m, S2S	53,000

Wholesale Prices (Tokyo)

Indonesian & Malaysian Plywood	Size (mm)	Feb (¥ per sheet)	Mar
2.4mm (thin plywood, F 4star, type 2)	920 X 1830	350	360 ↑
3.7mm (med. Thickness, F 4star, type1)	910 X 1820	490	480 ↓
5.2mm (med. Thickness, F 4star, type 1)	910 X 1820	600	590 ↓
11.5mm for sheathing (F 4star, type 2)	910 X 1820	850	900 ↑
12mm for foundation (F 4star, special)	910 X 1820	890	950 ↑
12mm concrete-form ply (JAS)	900 X 1800	780	820 ↑
12m coated concrete-form ply (JAS)	900 X 1800	960	960
11.5mm flooring board	945 X 1840	1300 ↓	1250 ↓
3.6mm baseboard for overlays (OVL)	1230 X 2440	700 ↓	700
OSB (North American)			
12mm foundation of roof (JAS)	910 X 1820	1000	1000
9mm foundation for 2 by 4 (JAS)	910 X 2440	1050	1050
9mm conventional foundation (JAS)	910 X 2730	1250	1250
9mm conventional foundation (JAS)	910 X 3030	1350	1350

Ocean freight Sarawak-Tokyo 2004-2008



More information on Japan in www.n-mokuzai.com

Report from China

China announces measures to stimulate wood products trade

Orders to China's enterprises for wood products exports have been falling, as they struggle to raise revenues during the international financial crisis. The growth in total value of international trade in wood products grew only 9.6% in 2008, a year-on-year decrease of 13 percentage points. To respond to the effects of the international financial crisis and encourage wood products trade, China has taken the following measures: increasing the rates of the export rebate tax for 117 wood products items; actively negotiating with governments of importing countries/regions such as the US, the EU and Japan to improve market access for forest products; and encouraging a quick response to products manufactured by domestic forestry enterprises, increasing grades and specifications of products, as well as stabilizing wood products exports.

Log imports through Rizhao Port rank first in Shandong Province

According to statistics from Rizhao Customs, log imports through Rizhao Port (including Lanshangang) during January to February 2009 were 126,000 m³ valued at USD13.33 million, 7.7 times the volume and 9 times the value of that in the same period of 2007. Log imports through Rizhao Port ranked first in Shangdong Province. Logs through Rizhao Port are mainly imported from New Zealand and Russia. The main timber species are radiata pine and white pine.

According to local experts, major log consumer countries such as the US and Japan have reduced log imports, resulting in overstocking in export countries. Prices for imported logs have shown an obvious decreasing trend. Timber traders find Rizhao Port an attractive destination for log imports due to its advantageous location, convenient transportation and customs clearance environment, and better loading and unloading equipment. Additionally, more than 10,000 m³ per month of timber can be processed at the Lanshan timber processing trade demonstration zone, which was established in 2008. As a result, Lanshan continues its demand for timber, helping to boost imports though Lanshangang and Rizhao Ports.

Guangdong furniture enterprises generate USD10.2 billion in 2008

The total output value of the Guangdong forestry industry in 2008 totaled RMB140.4 billion yuan. The total value of Guangdong foreign trade amounted to USD15.754 billion. Of the total, the value of exports was USD10.227 billion and the value of imports was USD5.527 billion. According to official statistics, there are 20,000 factories and 2 million employees engaged in timber processing in Guangdong. There are 6,000 furniture enterprises with RMB5 million yuan of annual sales revenue. The total output value of wooden and bamboo furniture from Guangdong exceeded RMB100 billion yuan in 2008, making up 30% of the national total.

According to the statistics from Gongbei Customs, the value of furniture exports through Guangdong Port rose 24% to USD800 million when comparing monthly figures from January 2009 to February 2009. The US was still the largest destination market for Guangdong furniture and the value of furniture exports to the US grew 11% to USD370 million, making up 46% of Guangdong's total exports. In addition, the value of furniture exports to Hong Kong increased 29% (USD180 million), and jumped 49% to the EU (USD130 million).

Guangzhou City Imported Timber Market

Logs	Yuan per m^3
Lauan (50-60cm)	1900-2400
Kapur	1900-2450
Merbau 6m, 79-100cm diam.	4300-5300
Teak	11000-16000
Wenge	6500-7000
Sawnwood	
Teak sawn grade A	8500-9500
US Maple 2" KD	8800-11000
US Cherry 2"	14000-14200
US Walnut 2"	16000-16800
Lauan	3500-4000

Shanghai Furen Wholesale Market

Sawnwood	Yuan per m^3
Beech KD Grade AB	2500-3200
US Cherry, 25mm	9500-10000
US Red Oak, 50mm	9800-10500
Sapele 50mm FAS (Congo)	
KD (2", FAS)	5500-5600
KD (2",grade A)	4500-4600

Shandong De Zhou Timber market

Logs		Yuan per m^3
Larch	6m, 24-28cm diam.	1170
White Pine	6m, 24-28cm diam.	1300
Korean Pine	4m, 30cm diam.	1450
	6m, 30cm diam.	1550

Hebei Shijiangzhuang Wholesale Market

Logs		Yuan per m^3
Korean Pine 4m, 38cm+ diam		1800
Mongolian Scots Pine	4m, 30cm diam.	1250
	6m, 30cm+ diam.	1300
Sawnwood		
Mongolian Scots Pine	4m, 5-6cm thick	1400
	4m,10cm thick	1450

Zhejiang Jiashan Kaihua International Timber Market

Logs	Yuan per m^3
Okoume 80cm+	2800-3400
Sapele 80cm+	6000-6500
Wenge 80cm+	13000-14000
Plywood	
US Black Walnut 4x8x3 mm	6000-8000
Beech 4x8x3 mm	6000-8000
Teak 4x8x3 mm	6000-8000
Poplar (4x8x3-5 mm)	3000-4000

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

Report from Europe, the UK and Russia

European hardwood market still in a slump

Consumption in the European hardwood market continues to slump on the back of poor economic news and uncertainty, lack of bank credit and the restrictive policies of credit insurers.

Despite very low levels of production in Africa, such is the weakness of international demand that European buyers report that new orders can still be placed with African mills at short notice, with delivery times of no more than two to three months. Prices seem to have hit the floor, the mills having no margin for further downward movement and little incentive for reductions now that stocks are at a low level. However, European importers are generally vague about forward price levels since so few have made any significant purchases over recent months.

Stock levels of most African hardwoods remain high in Europe. Some larger importers are continuing to offload this stock at below replacement cost so there is little incentive to enter the forward market. Orders for onward sale into the European market are generally small, and importers holding heavy stocks are still willing to offer sizeable discounts for those willing to take larger volumes.

European forward demand for sapele, both logs and lumber, has been particularly weak. However consumption of other species has been a little more active. Such is the lack of confidence in Europe's joinery and furniture manufacturing sectors, that even Gabon's ban on the harvesting of douka, ozigo, moabi, and afo from 1 January 2009 has done little to stimulate demand for the remaining stocks of these species.

The demand for Asian species is no better. Although there are some reports of increased enquiries since the start of the year, these have not been translated into significant new orders. As with Africa products, European importers seem to have no difficulty obtaining the limited stocks they require at relatively short notice despite evidence of a sharp decrease in production levels in South East Asia. US dollar forward prices for meranti lumber and window scantlings have weakened again slightly in recent weeks, although prices for selangan batu/ bangkirai decking profiles seem now to have stabilized after losing a lot of ground at the end of last year.

European plywood demand 'terrible'

The opening words of the *TTJ*'s report on the demand for plywood in the UK, the largest importer of this commodity from outside the EU, say it all: 'The state of demand in the plywood industry is terrible and is getting worse'. *TTJ* reckons that for the UK plywood industry, 2009 may be 'the toughest year in its history'.

The dire state of the UK construction sector has meant that importers and agents find themselves with no orders, despite efforts to generate demand through cheap offers. Those carrying stock are desperate to offload in order to maintain cash flow. But many distributors, faced with an almost total lack of end user consumption, have cut back on purchases to such an extent over the last six months that they hold near zero levels of stock. *TTJ* quotes one importer who suggests that he has gone from bringing in 40 containers a month to just two.

It is entirely a buyers market, with clients being very particular about what they want and the specific (always small) quantity required. The lack of orders seems to be affecting all parts of the trade. There has been no pick up in Brazilian plywood imports despite these being duty exempt into Europe until the end of April. There are a few agents that are a little more positive – one suggesting that the market should bottom out in April-May, with a bit more consumption in the spring months balancing the existing low levels of supply.

European window sector shows a few bright spots

The German trade journal *EUWID* comments that 'German window scantling manufacturers and major importers still have a relatively optimistic view of the future. In Central Europe demand for window scantlings is said to be generally satisfactory, especially for high quality and heavier assortments. Prospects for the rest of the year are considered to be relatively positive for Central European countries: here recently announced state economic stimuli packages are expected to stimulate demand for energy-saving renovation work on windows. However no improvement is in sight in the UK, Ireland, Spain, or Eastern Europe'.

European traders push for verified legal products in Indonesia

At the end of March, European timber trade representatives visited Indonesia to discuss the need for independently audited wood products to meet new international market demands. A group of timber trade representatives led by the UK Timber Trade Federation met timber industry leaders from Indonesia to discuss how new timber trade regulations and policies are toughening up demand for verified legal and certified timber.

Asian exporters face new challenges in meeting international market requirements; US and EU legislation, and public and private sector purchasing policies are now combining to make independently audited legal and sustainable timber a requirement for continued access to those markets.

Over 100 Indonesian timber and furniture producers attended a national trade forum in Kemayoran, Jakarta to hear how international markets for timber are changing. The US government's amendment of the Lacey Act has now made it illegal to import illegal timber into the US. The EU is currently finalizing its 'due diligence' legislation that will require all EU importers to assess their timber sources and eliminate illegal timber from their supply chains. Both are responses to Indonesian government calls for international legislation to eliminate the trade in illegal timber.

This demand is now being pushed by new EU Green Procurement Guidelines and EU Member State governments' timber procurement policies that dictate buying decisions for at least 20% of the EU market. More importantly, buyers are paying a small premium for such timber. In addition, delegates heard that negotiations for a new EU-Indonesia timber licensing agreement (the Voluntary Partnership Agreement) are likely to continue with the objective of concluding the deal by July 2009. Once agreed, the scheme would guarantee the legality of all Indonesian timber exports and would have important market implications for Indonesian producers.

Responding to this matter, Ambar Cahyono, Asmindo Chairman said, 'Asmindo supports all forms of cooperation, certification and legalization, [which] is why Asmindo is very concerned about public forest certification to fulfill market demand. It is hoped that it will give a certain value that is profitable and production value to the organization's members to make a breakthrough into the international furniture market'.

Rachel Butler, UK TTF explains: 'The TTF is on the industry's side; we want a sustainable timber trade because we believe in timber and we are committed to supporting our suppliers to meet the changing requirements in the EU and UK'.

European timber buyers have heard the good news that Indonesian industry is well placed to meet this challenge. Independent auditing of current timber harvesting under various private sector schemes meets requirements for legality in most sensitive international markets. Once the new national scheme requirements are known, modifications in business practice for those companies currently operating legal verification schemes should be minimal. For further information contact Rachel Butler of TTF (rbutler@ttf.co.uk).

FAO comment on economic crisis and wood sector

The State of the World's Forests 2009 report issued by FAO in Rome earlier this month comments on the possible long-term impact of the on-going economic crisis on the world's forests and wood sector.

FAO note that the collapse of the housing sector in western countries has reduced demand for a wide array of wood and wood products, leading to mill closures and unemployment. New investments are slowing as a result, affecting all wood industries. The demand for environmental services has also changed as a result of reduced ability and willingness to pay for such services. Carbon prices have remained highly volatile. Future climate change arrangements may face challenges as countries give priority to tackling the economic crisis.

FAO are concerned that this might have negative impacts on forest resources through, for example 'reduced investment in sustainable forest management and a rise in illegal logging as the decline in the formal economic sector opens opportunities for expansion of the informal sector. Land dependence, which had been easing, could increase, raising the risk of agricultural expansion into forests, deforestation and reversal of previous forest gains'.

But there could also be positive impacts: 'reduced wood demand could lessen pressure on forests, while conversion of forest for large scale cultivation of commercial crops such as oil-palm, soybeans and rubber could slow as their prices fall…. The forest sector could benefit from the pursuit of a "green path" to development – through building up of natural resource capital (e.g. through afforestation and reforestation and increased investments in sustainable forest management), generation of rural employment and active promotion of wood in green building practices and renewable energy. Certainly, this change of path will require fundamental institutional changes, but the crisis may bring about greater willingness to accept and implement long-overdue reforms'.

The report is available at:
http://www.fao.org/docrep/011/i0350e/i0350e00.htm

The Netherlands Sawnwood Prices

FOB (Rotterdam)	USD per m^3
Sapele KD	864⬆
Iroko KD	982⬆
Sipo KD	1049⬆
DRM Bukit KD	847
DRM Seraya KD	847
DRM Meranti KD Seraya MTCC cert.	883
Merbau KD	1116
Sapupira (non FSC) KD	877
Sapupira (FSC) KD	1384
Anti-slip decking AD C&F Rotterdam	
Selangan batu	1328

UK Log Prices *note: sources for UK prices have changed

FOB plus commission		€ per m^3
N'Gollon (khaya)	70cm+ LM-C	310-340
Ayous (wawa)	80cm+ LM-C	220-230
Sapele	80cm+ LM-C	270-310⬇
Iroko	80cm+ LM-C	300-330

UK Sawnwood Prices

FOB plus Commission	Pounds per m^3
Framire FAS 25mm	440-460
Sipo FAS 25mm	670-680
Sapele FAS 25mm	520-540
Iroko FAS 25mm	630-650
Wawa No.1 C&S 25mm	300-320
CIF plus Commission	
Tulipwood FAS 25mm	330-350
Meranti Tembaga Sel/Btr (KD 2"boards)	560-580⬇
Balau/Bangkirai Decking	850-900
White Oak	500-540

UK Plywood and MDF Prices

Plywood Panels 8x4", CIF	US$ per m^3
Brazilian WBP BB/CC 6mm	500-515
Malaysian WBP BB/B 6mm	490-510
China (hardwood face, eucalyptus core) 18mm	330-340
China (hard face, poplar core) 18mm	320-340

Internet News

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

The Australian Agency for International Development (AusAID), through the German Technical Cooperation (GTZ), recently sponsored over EUR1.6 million for Kien Giang, a province in the south-western tip of Vietnam, to carry out a project on natural ecosystem conservation.
http://english.vietnamnet.vn/tech/2009/03/836120/

Business leaders urged Prime Minister Taro Aso to compile JPY30 trillion in additional economic measures after the main budget for fiscal 2009 clears the Diet. Japan Business Federation (Nippon Keidanren) Chairman Fujio Mitarai and Japan Chamber of Commerce and Industry Chairman Tadashi Okamura made the request during a five day meeting with a special financial panel that was convened at the prime minister's office.
http://search.japantimes.co.jp/cgi-bin/nb20090322a3.html

The dual challenges of economic turmoil and climate change are bringing the management of forests to the forefront of global interest. The need to reform forestry institutions and increase investments in science and technology are key to the better management of forests, notes the State of the World's Forests 2009 launched by the FAO in Rome.
http://www.fao.org/news/story/en/item/10554/icode/

Flood-prone Bangladesh is getting support from Japan and Asian Development Bank (ADB) to tackle the huge challenges posed by climate change over the coming decades. ADB's Board of Directors approved a technical assistance grant of USD2 million from the Japan Special Fund to beef up the capacity of government agencies carrying out a 10-year Strategy and Action Plan that addresses food security, disaster preparedness and other key issues linked to climate change.
http://www.finchannel.com/index.php?option=com_content&task=view&id=32095&Itemid=

'In the absence of trees, our communities would simply collapse', states Andrew Dokurugu, a project officer for Tree Aid. Speaking from the charity's West Africa offices in Burkina Faso, he explains how trees are vital for poor rural villages to survive in the long-term.
http://news.bbc.co.uk/2/hi/science/nature/7949053.stm

One of China's national trade associations issued an open letter to protest rising international trade protectionism. The letter, entitled 'Resist protectionism and implement responsible global business practices', was issued by the China Mergers and Acquisitions Association, a non-governmental organization run by the All-China Federation of Industry and Commerce.
http://www.chinadaily.com.cn/china/2009-03/21/content_7603417.htm

The United Nations Framework Convention on Climate Change urged rich nations to set aside cash that developing countries can use for climate protection, saying a European Union statement didn't specify an amount.
http://www.bloomberg.com/apps/news?pid=20601130&sid=aDc6ZLvwhEmk&refer=environment

With forestry offsets likely to play a major role in the future United States cap and trade scheme, American Carbon Registry, a leading U.S. non-profit greenhouse gas registry released its much-awaited Forest Carbon Project Standard at Point Carbon's Carbon Markets Insights 2009, Copenhagen.
http://www.businesswire.com/portal/site/google/?ndmViewId=news_view&newsId=20090317006216&newsLang=en

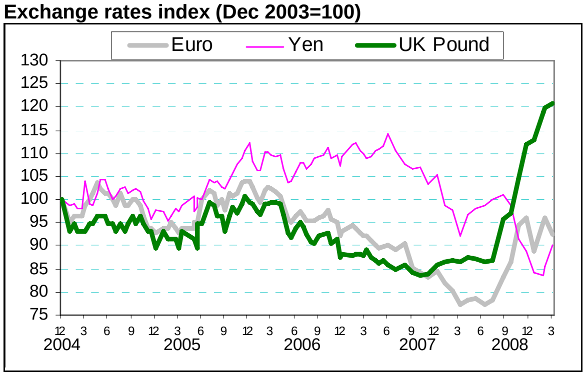
Wood and construction companies in Sao Paulo -- Brazil's most industrialised and populous state -- have committed themselves to the use of legal and certified wood in a move which could help preserve the country's vast endangered forests.
http://www.panda.org/wwf_news/?159061/Sao-Paulos-industry-commits-to-legal-wood-use

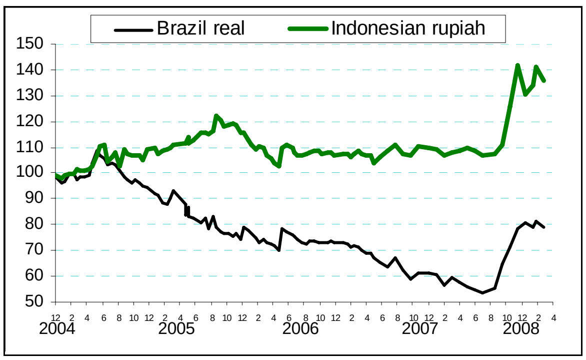
Main US Dollar Exchange Rates

As of 31 March 2009

Brazil	Real	2.3305	⬆
CFA countries	CFA Franc	497.019	⬇
China	Yuan	6.8366	⬇
EU	Euro	0.7577	⬇
Indonesia	Rupiah	11,561.00	⬇
Japan	Yen	97.25	⬇
Malaysia	Ringgit	3.6523	⬇
Peru	New Sol	3.1706	⬇
UK	Pound	0.7014	⬆

Exchange rates index (Dec 2003=100)

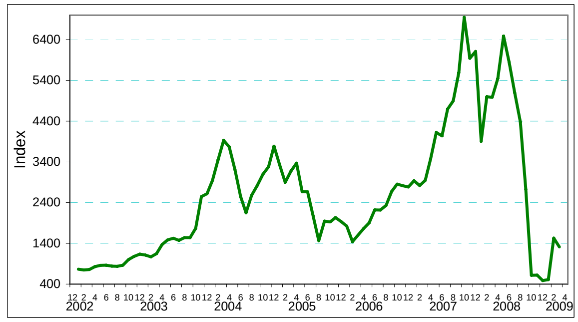




Abbreviations and Equivalences

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

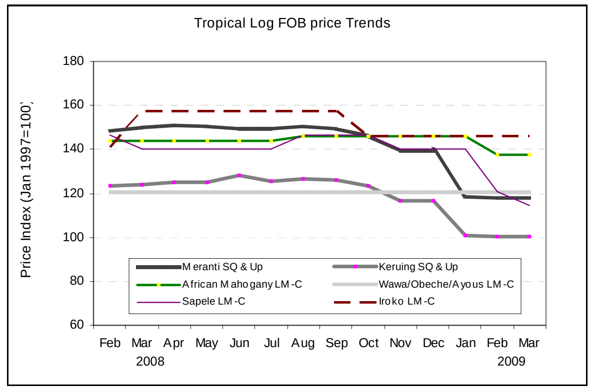
Ocean Freight Index



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

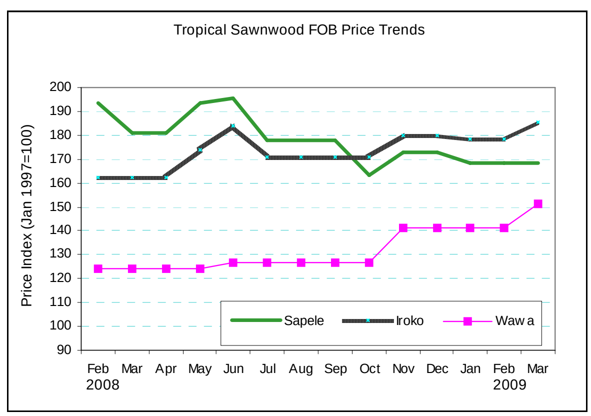
Appendix. Tropical Timber Price Trends

Tropical Log Price Trends



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

Tropical Sawnwood Price Trends



**Please note that our price series have changed since January 2008. Prices for selected UK imported species, which are used in log and sawnwood price charts above, are now collected from different suppliers.*

Tropical Plywood Price Trends