

Tropical Timber Market Report

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

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Top Story

Japanese importers review plywood business trends

The Japan Lumber Report (JLR) of 27 May has a comprehensive analysis of the trends in demand for imported tropical plywood.

Supply in 2015 was 2,885,800 cubic metres, 17% less than 2014. The previous low was in 2009 when imports fell to 2,840,000 cubic metres. Tropical plywood imports in the first quarter of 2016 continued to decline dropping 12%.

The Japanese plywood market has been depressed since August last year says the JLR and this is prompting importers to seriously review their plywood import business, this is despite demand for quake reconstruction works and Olympic venue construction.

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Central and West Africa

Sawn okoume coming back into fashion

Producers report that trading conditions in the second quarter were quiet but satisfactory. Looking ahead to the end of the first half year it is unlikely there will be any significant changes in current prices.

While it will be some time before sufficient trade statistics become available to assess the reliability of the increase in demand from China and other major importer countries it is apparent that buyers for the Chinese market are currently more active than they were during the first quarter with an emphasis on sawnwood.

Buyers for China are now more selective and taking a narrow range species. Over recent weeks there has been an upswing in purchases on sawn okoume for the Chinese market in addition to the steady but subdued demand for logs.

Will KD requirement apply to all species?

There is still no official announcement from government in Gabon on their proposal that all export sawnwood should be kiln dried.

Millers and exporters in Gabon have pointed out that kiln drying is not a market requirement for species such as azobe and okan when used for applications such as sea defense works.

In related news, the structure and aims of the proposed Gabon Timber Marketing Board are still under discussion and there is no news on when the Board could be constituted.

In the Republic of Congo it was rumoured that the previous Minister of Forests was considering a policy for mandatory further processing of some or all export sawnwood but the new minister has not alluded to this idea so far. Exports from the Republic of Congo were hard hit during the downturn in Chinese demand for logs last year which prompted consideration of diversifying timber exports.

Malaysia edges competition in Middle East markets

Middle East business continues unchanged although the present emphasis appears orientated to purchases from Malaysia rather than from African suppliers.

Analysts report there is firm buying of panel products in Middle East markets and this has attracted strong competition amongst panel suppliers in Thailand, China and Malaysia. Reports suggest that Malaysian shippers of panels have a competitive edge in Middle East markets.

Log Export Prices

West African logs, FOB	Euro per m ³		
Asian market	LM	B	BC/C
Acajou/Khaya/N'Gollon	240	235	160
Ayous/Obeche/Wawa	260	260	200
Azobe	230	230	160
Beli	230	230	
Bibolo/Dibeou	180	170	
Bilinga	220	220	
Iroko	330	290	260
Okoume (60% CL, 30% CE, 20% CS) China only	200	200	160
Moabi	330	300	235
Movingui	210	210	160
Niove	160	160	
Okan	210	210	
Padouk	315	290	230
Sapele	320	305	220
Sipo/Utile	330	310	265
Tali	310	310	

Sawnwood Export Prices

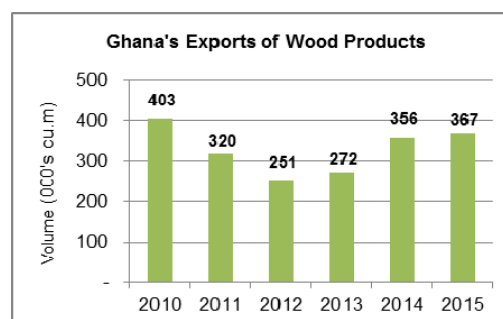
West African sawnwood, FOB	Euro per m ³
Ayous FAS GMS	410
Bilinga FAS GMS	500
Okoumé FAS GMS	350
Merchantable	225
Std/Btr GMS	290
Sipo FAS GMS	610
FAS fixed sizes	610
FAS scantlings	640
Padouk FAS GMS	910
FAS scantlings	1020
Strips	685
Sapele FAS Spanish sizes	610
FAS scantlings	620
Iroko FAS GMS	630
Scantlings	700
Strips	440
Khaya FAS GMS	450
FAS fixed	460
Moabi FAS GMS	610
Scantlings	630
Movingui FAS GMS	420

Ghana

2010 the boom year for exports

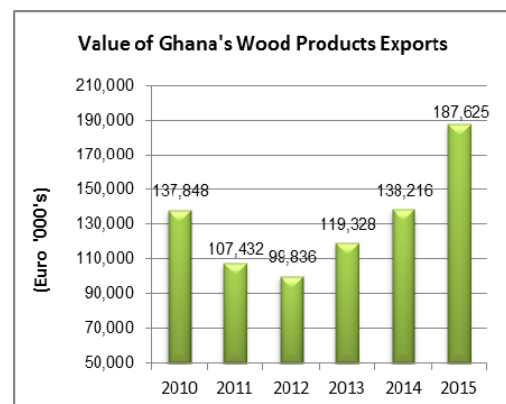
According to available timber export data for the period 2010 – 2015, the highest volume of wood products exports in a single year was in 2010 (403,000 cu.m) and the lowest volume (251,000 cu.m) was in 2012.

The table below, shows Ghana's annual timber and wood products export volumes from 2010 to 2015.



Source:TIDD

The corresponding data on export earnings show that the country earned Euro 187.6 million in 2015 whereas revenue in 2012 dropped to a low of Euro 99.8 million.



Source:TIDD

Of the products exported during the period, sawnwood, veneer and plywood accounted for almost 86% of the overall total export volume.

The table below shows the range of Ghana's main export wood products for the period 2010 to 2015.

Product	cu.m	Percent
Sawnwood (AD)	593,647	30
Sawnwood (KD)	375,772	19
Sliced Veneer	137,375	7
Plywood	515,014	26
Rotary Veneer	42,277	2
Billets	112,345	6
Mouldings	79,897	4
Poles	85,487	4
Other wood products	27,400	1

Source:TIDD

Infrastructure loan from Japan

The Japanese government has announced the reopening of the yen loan window to Ghana specifically for the construction of a new bridge across the Volta River. This is part of the Ghana government's road development plan. Over the years Japan has contributed significantly to Ghana's health, agricultural, infrastructural and social service sectors.

In announcing the support for Ghana, Japan's Prime Minister said the socio-economic development of Ghana had a strong bearing on building a strong foundation for the development of West Africa.

Rosewood theft

The domestic media in Ghana have carried a story on illegal logging of rosewood and other high value timbers from forests in five communities including Namoranteng, Tolla, Nung, Bapeila and Beung in the Upper East Region

of the country. Loggers apparently targeted rosewood which is in high demand in Asia.

For the full story see:

<http://www.starrfonline.com/1.9107548>

Bole Export prices

	Euro per m ³
Black Ofram	380
Black Ofram Kiln dry	474↓
Niangon	489
Niangon Kiln dry	540

Export Rotary Veneer Prices

Rotary Veneer, FOB	Euro per m ³	
	CORE (1-1.9 mm)	FACE (>2mm)
Ceiba	375↑	433
Chenchen	490	522
Ogea	478	556
Essa	503	561
Ofram	350	406

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

Export Sliced Veneer Prices

Sliced Veneer, FOB	Euro per sq. m	
	Face	Backing
Afrormosia	2.00↑	0.91
Asanfina	3.00↑	0.75
Avodire	1.60	0.34
Chenchen	1.40↑	0.36
Mahogany	1.80	0.92
Makore	1.80↑	0.80
Odum	1.75	0.40

Export Plywood Prices

Plywood, FOB	Euro per m ³		
	Ceiba	Ofram	Asanfina
BB/CC			
4mm	415↓	590↑	641
6mm	487	535	610↓
9mm	407	450	613
12mm	369	463	480↑
15mm	400↓	397	430
18mm	290↓	417	370

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

Export Sawnwood Prices

Ghana Sawnwood, FOB	Euro per m ³	
FAS 25-100mm x 150mm up x 2.4m up	Air-dried	Kiln-dried
Afrormosia	860	925
Asanfina	492	564
Ceiba	297	368
Dahoma	419	455
Edinam (mixed redwood)	537	599
Emeri	480	535
African mahogany (Ivorenensis)	810	970
Makore	710□	831
Niangon	610	873
Odum	755□	862
Sapele	680□	763
Wawa 1C & Select	395□	440

Export Added Value Product Prices

Parquet flooring 1st grade	FOB Euro per sq.m		
	10x60mm	10x65-75mm	14x70mm
Apa	12.00	14.47	17.00
Odum	9.00	11.33	13.00
Hyedua	13.00	18.22	16.30
Afrormosia	13.72	13.93	17.82

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

Malaysia

Sarawak to develop high value furniture manufacturing

The Sarawak state government is taking steps to boost competitiveness of its downstream timber industries in international markets. Among the steps being taken include establishing technical collaboration between industry players in support of research and development on acacia other plantation timbers for the manufacturing of high quality furniture.

So far the government has created a position at the University Malaysia, Sarawak to conduct research and development on furniture design and high value furniture manufacturing. In addition there are plans to set up a trading house for the continuous supply of suitable raw materials.

The State government was recently informed on efforts taken to review and develop industrial training programmes to support the needs of downstream industry as well as increasing participation of small and medium enterprises in the state. The State aims to improve infrastructure and facilities to boost growth of the furniture industry and is inviting foreign investors to develop the downstream timber industry in Sarawak.

To satisfy international market requirements the state government has improved the Sarawak Timber Legality Verification System to ensure it will attract international recognition and acceptance in importing countries.

Sarawak export statistics

Latest report from the Department of Statistics compiled by Sarawak Timber Association show the value of log exports in the first four months of 2016 was RM 545.34 million from 899,944 cu.m metres. The corresponding figures for 2015 were RM 595.17 million from 895,147 cu.m metres.

Sarawak log exports, Jan – Apr (cu m)

Destination	2015	2016
India	509,935	500,379
Indonesia	153,364	253,638
Taiwan P.o.C	97,922	64,502
Vietnam	35,671	42,595
Japan	36,145	15,637

Sarawak plywood exports, Jan – Apr (cu m)

Destination	2015	2016
Japan	387,451	319,120
South Korea	62,136	69,583
Taiwan P.o.C	67,338	50,386
Yemen	54,953	35,442
UAE	4,980	14,197

Sarawak sawnwood exports, Jan – Apr (cu m)

Destination	2016	2015
Philippines	78.92	46,649
Thailand	26,508	45,479
Yemen	21,737	26,944
Taiwan P.o.C	18,551	24,414
Oman	11,722	9,015

Purpose built agarwood distillation and research complex

Non timber forest products have always had a place in ITTO' work and in the case of agarwood (timber from the trees in the genus Aquilaria), ITTO has been working with CITES to ensure international trade is controlled in a legal manner. Agarwood is also known as eaglewiid, oud, gharu or aloeswood.

A company in Malaysia, Asia Plantation Capital, celebrated the first anniversary of its purpose built agarwood distillation and research complex in Masai, Johore. The complex covers 4,000 square metres and has a wood chip processing plant, a fragrance stick factory and a research unit. The factory utilises sustainable and environmentally-friendly energy systems throughout.

For more see:

<http://www.eco-business.com/press-releases/asia-plantation-capital-celebrates-1st-anniversary-of-agarwood-distillery/>

Indonesia

Growth target cut

The Indonesian government has lowered the economic growth target for 2016 to 5.1%, down from the 5.3% set at the beginning of the year.

Suahasil Nazara, Head of the Fiscal Policy Office in the Ministry of Finance, said domestic consumption is unlikely to grow as strongly as first thought. The lowering of the growth target will necessitate adjustment of the State budget which is likely to impact spending on infrastructure.

Forestry's contribution to GDP less than 1%

On International Forest Day Indonesia's President announced his intention to issue a moratorium on land clearing for oil palm plantations. This would extend the current moratorium on primary forest clearing and peatland conversion.

The contribution of the forestry and timber sectors to the economy of Indonesia has fallen sharply over the past 2 decades and today it is estimated that the two sectors contribute less than 1% to the country's GDP. The forestry sector is not mentioned in the National Medium Term Development Plan 2015-2019 as a development priority.

US\$22 million grant for development of forest communities

The World Bank has announced a US\$22 million grant to reduce poverty amongst Indonesian communities dependent on the forest.

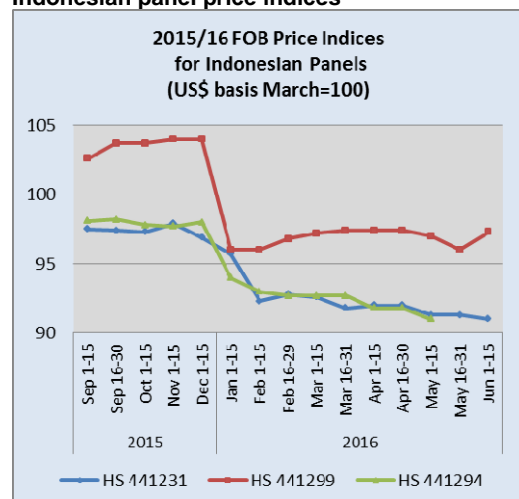
The proposal, which attracted this support from the World Bank, was developed in cooperation with the International Finance Corporation, the Asian Development Bank and a raft of bi-lateral and multilateral organizations.

Hollande asks - quickly implement FLEGT scheme

President Joko Widodo recently met with Japanese Prime Minister Shinzo Abe and French President Francois Hollande.

The statement after the meeting said discussions touched on the strengthening economic partnerships, tariff reductions and improved market access for Indonesia's marine, agricultural and horticultural products. The French President expressed optimism that the Forest Law Enforcement Governance and trade system will bring benefits to both Indonesia and France.

Indonesian panel price indices



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

Myanmar

Minister comments on harvesting ban

The latest developments on Myanmar's harvesting ban have been rather remarkable with Minister Own Win speaking on the government's thinking during two separate events.

In response to the question in Parliament, Ohn Win said the Ministry was taking measures to stop logging for the coming fiscal year (April 2016 to March 2017).

On a second occasion, a forest rehabilitation workshop in Nay Pyi taw, Ohn Win confirmed that the extraction of teak and other hardwood logs would be suspended but then said extraction would continue within the annual allowable cut (AAC) for 2016-17 to meet the domestic timber needs.

Analysts report a decision has been taken to suspend the 10 Years Management Plan and suspend all harvesting of teak and hardwoods in Bago Yoma, the home of teak. Bago Yoma or the Pegu range is a range of low mountains and uplands between the Irrawaddy and the Sittaung River in Central Myanmar. This area was once heavily forested with teak and other commercial hardwoods.

Log prices surge

When the announcement of the logging restrictions became known the price of teak logs made available to the market by the Myanma Timber Enterprise (MTE) almost doubled.

An MTE official has been quoted as saying the current price of teak varies between US\$1,200 to US\$1,600 /H.ton and from US\$200 to US\$500/H.ton for hardwoods. Logs sold into the local market through tenders are not subject to grading which account for the wide range in prices.

MTE tender system favours export oriented enterprises says MFPMF

Dr Sein Win, Chairman of Myanmar Forest Products Merchants Federation (MFPMF) has said the MTE tender system which prices logs in US dollars makes it hard for mills servicing the domestic market to compete with those buying for processing for export.

The statements from MFPMF attracted sharp criticism from foreign owned mills saying MFPMF was only speaking on behalf of one segment of the sector.

Representatives of MFPMF, the major private sector Association, have been quoted as supporting the logging suspension. Dr. Sein Win has said a logging suspension for one or two years would not greatly impact the processing industry but that it would definitely affect contactors used by MTE to harvest and haul logs.

The MFPMF expressed optimism for the future when it learnt from MTE that current teak log stocks are estimated in the region of 100,000 H.tons with hardwood log stocks estimated at around 1 million H.tons but these figures have not been verified. A rather different view has been expressed by teak exporters who believe that the reliability of the teak stocks figures, until verified, could lead to speculative buying.

Chairmanship of ASEAN Furniture Industrial Council to Myanmar

The Myanmar Furniture Industrial Council (MFIC) comprising the Wood Based Furniture Association and the Myanmar Rattan and Bamboo Association is to assume the Chairmanship of ASEAN Furniture Industrial Council when Malaysia's chairmanship ends. The aim of the MFIC is encourage added value manufacturing and exports.

Myanmar Investment Commission reconstituted to delight of investors

The Myanmar Investment Commission (MIC), a government-run body responsible for approving major local and foreign investments, has been reformed with 11

members according to a statement from the Office of the President.

It is understood that the new commission will be chaired by U Kyaw, Win Minister of Planning and Finance. Commerce Minister U Than Myint has been named Vice President and U Aung Naing Oo, the secretary in the previous commission will keep the same position.

The other members include Attorney General U Tun Tun Oo, as well as permanent secretaries from the commerce, planning and finance, and natural resources and environmental conservation ministries.

Analysts report investors welcomed the formation of the new commission as there was a delay in processing application in the months since the old commission stopped functioning in March.

Long delays at Port Yangon

Cargo vessels set to discharge at Port of Yangon faced long delays during May as a result of congestion. News reports say vessels had to wait 3-4 times longer than was usual.

The bulk of Myanmar's trade passes through Port of Yangon and with the fast pace of recent economic growth there has been a doubling of the number of vessels calling at the port.

India

All aspects of Indian life and economy impacted by the monsoon

On 8 June the India Meteorological Department declared the onset of the 2016 monsoon 2016 in Kerala. The annual monsoons are India's most important weather event and have a major impact on agricultural output which translates into consumer sentiment. India receives 80% of its annual rainfall during the monsoon season, which runs between June and September.

When there is a 'good' monsoon sentiment rises and wallets open. There is no aspect of Indian life that is not impacted by the monsoon, politics, investments, housing, GDP and inflation.

The Indian Meteorological Department says "conditions are favourable for further advance of southwest Monsoon into some parts of central Arabian Sea, coastal Karnataka, remaining parts of Kerala and Tamil Nadu, some more parts of south interior Karnataka, some parts of south Andhra Pradesh and some more parts of central Bay of Bengal.

See: file:///C:/Users/Owner/Downloads/20160608_pr_32.pdf

Auctions of domestic teak and hardwoods

The last auctions concluded in the Surat and Valsad Division Forestry Depots drew subdued interest on the part of buyers which were mostly representatives of regional sawmills. As a result of the lower than expected demand prices were somewhat lower than expected. The price range secured for various grades is shown below.

Teak logs	Per cubic foot
A for sawing	Rs .2300-2400
B or sawing	Rs, 2100-.2200
A Long length logs	Rs. 1900-2000
B Long length logs	Rs. 1800-1900
Long length, Medium Quality	Rs. 1500-1700
Short Length, Medium Quality	Rs. 1250-1450
Short Length, small logs	Rs.1100-1200

Variations depend on quality, length and average girth of logs.

Good quality non-teak hardwood logs, 3 to 4 metres in length having girths of 91cm or more of haldu (*Adina cordifolia*), laurel (*Terminalia tomentosa*), kalam (*Mitragyna parviflora*) and *Pterocarpus marsupium* attracted higher prices than at the most recent auction in the range of Rs.800-900 for top quality logs and Rs.400-500 per cu.ft for medium quality logs.

E-auctions have been announced for the North and South Divisions of Dangs and Valsad forests from 13 to 22 June.

New suppliers of teak

There have been changes in some prices reflecting the girth and lengths of recently arrived logs.

Honduras, China, Myanmar and Taiwan P.o.C are now shipping significant volumes of teak logs and these countries are now included in the table below.

Analysts report a sizeable quantity of logs (reportedly plantation logs) is now arriving from Myanmar.

	US\$ per cu.m C&F
Angola logs	459-574
Belize logs	350-400
Benin logs	290-714
Benin sawn	530-872
Brazil logs	321-665
Brazil squares	370-556
Cameroon logs	405-616
China sawn	855-1118
Colombia logs	357-775
Congo D. R. logs	450-761
Costa Rica logs	286-780
Côte d'Ivoire logs	289-756
Ecuador squares	254-564
El-Salvador logs	399-732
Ghana logs	276-434
Guatemala logs	360-451
Guyana logs	300-450
Honduras	471-539

Kenya logs	515-876
Laos logs	300-605
Liberia logs	265-460
Malaysian logs	225-516
Myanmar logs	756-884
Myanmar sawn	1486-2749
Mexican logs	289-808
Nicaragua logs	402-505
Nigeria squares	321-405
Panama logs	335-475
PNG logs	443-575
Sudan logs	488-857
Taiwan P.o.C logs	1036-2126
Tanzania teak, sawn	307-613
Thailand logs	511-700
Togo logs	354-590
Trinidad and Tobago logs	603-753
Uganda logs	407-890

Price range influenced by length and cross section

Prices for locally sawn hardwoods

The US dollar/Rupee exchange rate remained stable over the past two weeks allowing importers to maintain past price levels.

Sawnwood	Rs
Ex-mill	per cu.ft
Merbau	2400-2650
Balau	1750-1950
Resak	1250-1450
Kapur	1750-1890
Kempas	1250-1350
Red Meranti	1200-1350
Radiata pine AD	850-950
Whitewood	850-950

Price range influenced by length and cross section

Myanmar teak fitches resawn in India

Ex-mill prices for sawn teak remain unchanged.

Sawnwood (Ex-mill)	Rs. per cu.ft
Myanmar Teak (AD)	
Export Grade F.E.Q.	8000-15000
Teak A grade	6500-7500
Teak B grade	5000-5500

Plantation Teak FAS grade	4000-4500
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Price range influenced by length and cross section

Prices for imported sawnwood

Some prices have moved mainly reflecting changes in demand.

Sawnwood, (Ex-warehouse) (KD)	Rs per ft ³
Beech	1350-1450
Sycamore	1500-1650
Red oak	1600-1750
White Oak	2100-2150
American Walnut	3800-4200
Hemlock clear grade	1300-1400
Hemlock AB grade	1250-1300
Western Red Cedar	1650-1850
Douglas Fir	1350-1450

Price variations depend mainly on length and cross section

GST will provide a boost to the formal plywood sector

The Indian government is aiming to pass an amendment to the Goods and Services Tax (GST) bill during the current session of parliament. The Minister of Finance, Arun Jaitley, has indicated that the new rate of GST will be kept as moderate as possible.

Analysts are confident, if passed, the GST has the potential to add around 2% to the country's GDP.

The proposed new GST will replace a host of indirect taxes and create a common tax system for the national market. Analysts suggest the GST will provide a boost to the plywood sector, a Rs 200 billion market supplied by hundreds of small and 'unregulated' enterprises. It is estimated that around 75% of the Indian plywood market is satisfied by small and unregulated players.

Century Plyboards and Greenply Industries are major 'organised' market players. Spokespeople for the organised sector say the GST will reduce the unfair advantage unorganised enterprises have in the plywood market.

For more see:

http://economictimes.indiatimes.com/articleshow/52667688.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

And

http://www.moneycontrol.com/news/results-boardroom/gst-passage-to-benefit-co-16-18-margin-sustainablecentury-ply_6815241.html?utm_source=ref_article

Prices for WBP Marine grade plywood from domestic mills

Plywood,	Rs. per sq.ft
Ex-warehouse, (MR Quality)	
4mm	41.55
6mm	55.00

9mm	70.00
12mm	86.00
15mm	114.50
18mm	120.00

Domestic ex-warehouse prices for locally manufactured MR plywood

	Rs. per sq.ft	
	Rubberwood	Hardwood
4mm	Rs.21.00	Rs.31.00
6mm	Rs.31.80	Rs.40.00
9mm	Rs.40.00	Rs.48.50
12mm	Rs.49.00	Rs.58.50
15mm	Rs.59.50	RS.71.50
19mm	Rs.67.80	Rs.80.00
5mm Flexible ply	Rs.42.00	

Brazil

Outlook for the Brazilian furniture industry

During the 26th MOVERGS Congress, to be held in late June Marcelo Meadow a Director of IEMI – Inteligencia de Mercado will present an outlook for the furniture sector in Brazil.

The MOVERGS Congress aims to bring together professionals in the furniture sector to update on market trends and technology and to offer solutions for companies to become better able to compete in current market conditions.

Among the themes that will be addressed are domestic supply and demand for furniture, including the development of new product lines, the evolution of sales channels and domestic consumption, opportunities for export and the challenges to be overcome and an assessment of the current market situation, recent developments and future trends.

For more see: <http://www.movergs.com.br/congresso/>

Technical standard for wood frame homes

A commission of the Brazilian Association for Technical Standards (ABNT) will be established this month to develop a technical standard for a wood frame construction system.

The Brazilian Association of Mechanically-Processed Timber Industry (ABIMCI) has actively participated in the process to get this commission launched and has commissioned the preparation of updates on the technical standard for this construction system developed by the Brazilian Wood Committee.

The commission plans to involve participants from the construction industry, the Paraná State Union of Civil Construction Industry (SINDUSCON-PR) and also involved consumers.

The aim is to develop technical standards upon which guarantees to consumers can be based.

Once the standards are agreed the next challenge requires overcoming two main obstacles:

- the misconception by many institutions that wooden houses are buildings designed for low-income buyers
- the acceptance by financial institutions and banks that loans to people building wooden homes are no more risky than for any other form of construction.

ABIMCI recognises it is important to promote an interface between government, public institutions and the production sector in order to stimulate a large-scale wooden frame housing construction in Brazil.

EU/FAO programme to address bottlenecks to producing legal tropical timber

A recent news item from FAO announced the European Commission (EC) and FAO have agreed to step up joint efforts to support tropical timber producing countries in curbing illegal logging, improving forest governance and promoting the trade of legally sourced timber.

See: <http://www.fao.org/news/story/en/item/414279/icode/>

The FAO news items say a US\$30 million funding agreement has been signed by Veronique Lorenzo of the European Commission, Directorate-General for International Cooperation and Development, and René Castro Salazar, FAO Assistant Director-General for Forestry, to support the next phase of FAO's Forest Law Enforcement, Governance and Trade (FLEGT) Programme, set to run through 2020.

The new fund includes approximately US\$18 million from the EC, US\$7.25 million from the United Kingdom and US\$5.3 million from the Government of Sweden.

The focus of the new programme will be on empowering smallholders and a key part of the new phase involves greater collaboration with private sector in both producer and consumer countries to address some of the bottlenecks to producing legal timber.

The aim of the new programme, says FAO, "will involve looking specifically at empowering small- and medium forest enterprises in Africa, Latin America, the Caribbean and Asia, which employ some 140 million people worldwide. The idea is to help them to "go legal", gain access to green markets and become active participants in the sustainable management of forest resources."

Wood product exports revenue rise

Brazil's exports of wood-based panels tripled between January and April 2016 amounting to 269,000 cu.m, compared to 86,000 cu.m exported in the same period in 2015.

Pulp exports January to April grew 16.7% year on year and paper exports increased 7.8% over the same period.

Total earnings from wood-based panel, pulp and paper exports between January-April 2016 amounted to US\$2.6 billion, a 7.3% increase compared to the same period in 2015.

Domestic sales of wood-based panels totalled 2.1 million cu.m in the first four months of 2016 some 8% lower compared to the same period last year.

Domestic Sawnwood Prices

	US\$ per m ³
Brazil sawnwood, domestic (Green ex-mill)	
Ipê	753
Jatoba	370
Massaranduba	346
Muiracatiara	362
Angelim Vermelho	318
Mixed red and white	202
Eucalyptus (AD)	184
Pine (AD)	130
Pine (KD)	148

Source: STCP Data Bank

Domestic Plywood Prices (excl. taxes)

	US\$ per m ³
Parica	
4mm WBP	502▲
10mm WBP	394▲
15mm WBP	343▲
4mm MR	450▲
10mm MR	333▲
15mm MR	307▲

Prices do not include taxes

Source: STCP Data Bank

Domestic Log Prices

	US\$ per m ³
Brazilian logs, mill yard, domestic	
Ipê	162
Jatoba	90
Massaranduba	94
Muiracatiara	97
Angelim Vermelho	89
Mixed redwood and white woods	76

Source: STCP Data Bank

Prices For Other Panel Products

	US\$ per m ³
Domestic ex-mill Prices	
15mm MDParticleboard	223
15mm MDF	298

Source: STCP Data Bank

Export Sawnwood Prices

	US\$ per m ³
Sawnwood, Belem/Paranagua Ports, FOB	
Ipe	1416
Jatoba	925
Massaranduba	737
Muiracatiara	720
Pine (KD)	197

FOB Belém/PA; Paranaguá/PR; Navegantes/SC and Itajaí/SC Ports.

High quality wood (no cracks / without knots) / Measuring 2,50 m in length; 15 cm wide; and 30 mm thick.

Source: STCP Data Bank

Export Plywood Prices

	US\$ per m ³
Pine Plywood EU market, FOB	
9mm C/CC (WBP)	309
12mm C/CC (WBP)	281
15mm C/CC (WBP)	278
18mm C/CC (WBP)	274

Source: STCP Data Bank

Export Prices For Added Value Products

	US\$ per m ³
FOB Belem/Paranagua Ports	
Decking Boards	
Ipê	2,636
Jatoba	1,538

Source: STCP Data Bank

Peru

Wood products trade deficit

Despite having huge forest resources which could provide raw materials for wood product manufacturers and exporters, the reality, according to the Ministry of Agriculture and Irrigation (MINAGRI), is that Peru has experienced a negative trade balance in wood products for many years. For example, between 2003 and 2013, wood product imports increased by almost 300% while exports barely expanded.

In 2015 wood product exports declined by over 10% to just US\$336 million but imports only fell 4%. Clearly domestic production is not meeting local market needs and this is most obvious in the added value segment of the market. Imported furniture in 2015 was worth US\$120 million and imported panels were valued at US\$91 million. Peru exports mainly sawnwood and plywood.

The situation is even more extreme for paper based products where imports exceed exports by a massive margin (imports US\$668 million, exports US\$67 million).

It is only for non-wood products that Peru's trade balance is positive but these products are exported without further processing.

The weakness of domestic production of value added wood products has prompted the Minister of Production, Piero Ghezzi, to prepare plans to create a fund of US\$155 million in order to provide loans to timber enterprises.

Wood tracking course for enterprises

At the Center for Productive Innovation and Technology Transfer (CITE) a course on wood drying was conducted with the support of Germany.

The course was specifically for enterprises in the Ucayali Region which has a viable wood tracking system in place.

The course objective was to improve productivity in the drying process and was attended by 18 technicians from seven companies in the region (Maquiwood, Indefo, Sawmill Atalaya, K & B Company, Mapesac, Inforhuay and KYB). In addition 3 professors from the National University of Ucayali (UNU) and the National Intercultural University of the Amazon (UNIA) were on hand to assist.

Road map for the timber sector

In support of the country's strategy to increase the competitiveness of timber sector in Peru the Ministry of Labour and Employment Promotion (PETM), together with the Center for Technological Innovation Wood (CITEmadera), met to layout a roadmap aimed at strengthening technical and educational levels in the sector.

The roadmap was designed with the support of representatives of private enterprise and the National Forest and Wildlife Service (SERFOR) and consists of four elements: forest management, plantation development, primary conversion and secondary processing.

This tool has been offered to the National Catalogue of Occupational profiles of the PETM which proposes and executes national and sectorial policies.

Export Sawwood Prices

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

	US\$ per m ³
Peru Sawwood, FOB Callao Port (cont.)	
Virola 1-2" thick, length 6'-12' KD	
Grade 1, Mexican market	474-564
Grade 2, Mexican market	426-467
Cumaru 4" thick, 6'-11' length KD	
Central American market	871-909↑
Asian market	919-973↑
Ishpingo (oak) 2" thick, 6'-8' length	
Spanish market	509-549
Dominican Republic	623-653
Marupa (simarouba) 1", 6-13 length Asian market	405-449

Domestic Sawwood Prices

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

Export Veneer Prices

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

Export Plywood Prices

	US\$ per m ³
Peru plywood, FOB Callao (Mexican Market)	
Copaiba, 2 faces sanded, B/C, 15mm	328-365
Virola, 2 faces sanded, B/C, 5.2mm	466-489
Cedar fissilis, 2 faces sanded.5.5mm	759-770
Lupuna, treated, 2 faces sanded, 5.2mm	389-412
Lupuna plywood	
B/C 15mm	421-451
B/C 9mm	366-385
B/C 12mm	350-360
C/C 4mm	389-425
Lupuna plywood B/C 4mm Central Am.	370-393

Domestic Plywood Prices (excl. taxes)

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

Domestic Prices for Other Panel Products

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

Export Prices for Added Value Products

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

Japan

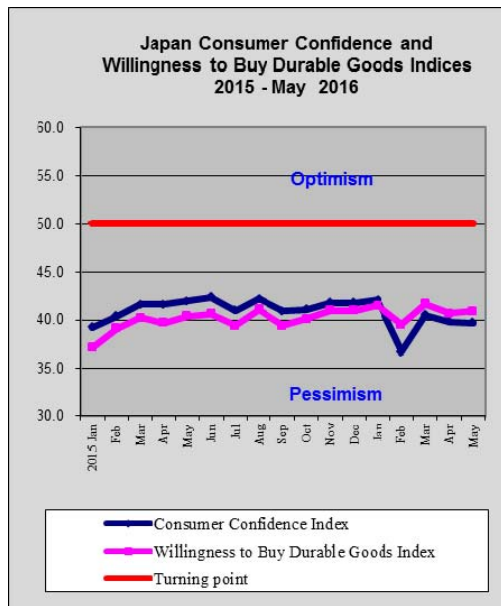
Consumers are in no mood to spend

As was widely expected Japan's Prime Minister has announced that the scheduled April 2017 increase in consumption tax will be postponed until October 2019. This decision effectively postpones the government's focus on reducing the budget deficit.

The reason quoted for the postponement was that the Japanese economy is not robust enough due to weak demand for exports especially in China and Asian emerging markets.

Analysts are of the opinion that Japanese consumers would not be able to face a further tax rise under the current economic conditions as suggested by the latest consumer confidence data.

The survey indicates that, while there are positive views on prospects for wages, consumers are in no mood to spend and are tucking any gains into savings or paying off debts. It is improving consumer spending that is key to turning the Japanese economy around.



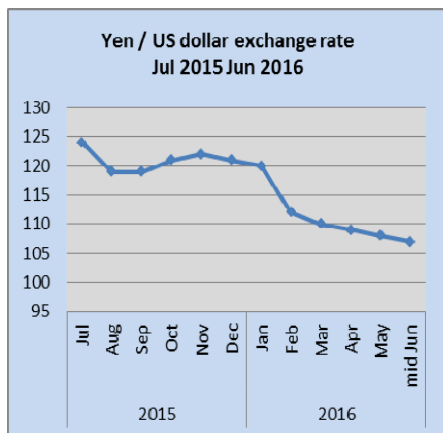
Source: Cabinet Office, Japan

Yen hits a two-week high on sales tax delay

The strengthening of the yen against the dollar is impacting profit expectations especially of exporters.

As prospects for a market driven fall in the yen/dollar rate seems unlikely analysts now expect the Bank of Japan will, after its next meeting, expand its asset purchases.

The yen continued to strengthen after the government announced that the scheduled sales tax rise will be postponed.



Onset of rains delays home repairs in quake area

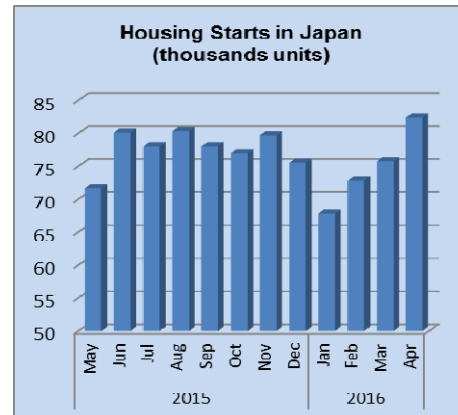
The rain season has started in Japan and is set to continue until late July. The onset of the rains was first reported for Kyushu, the location of April's devastating earthquake.

Thousands of homes were destroyed or damaged in Kumamoto and construction companies have been flooded with orders to undertake repairs, demolition and rebuilding.

At present many damaged homes are relying on waterproof sheets on the roof but with the rains becoming

heavier home owners are likely to face even more problems.

Some people who had to abandon their homes after the earthquakes are moving into temporary housing but there are still around 7,000 people in evacuation centres.

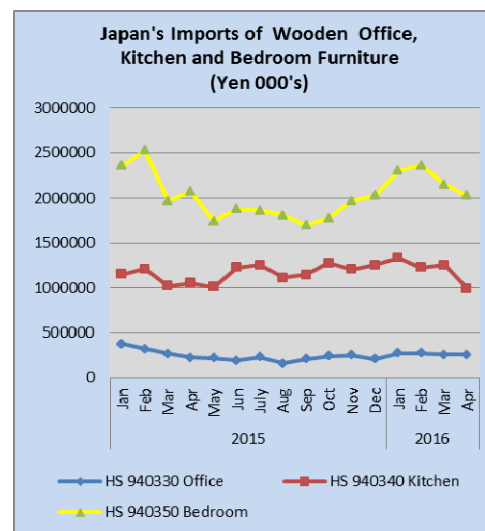


Source: Ministry of Land, Infrastructure, Transport and Tourism, Japan

The planned construction of 4,600 temporary housing units in Kumamoto will be delayed because of the arrival of the rains season and because the local government cannot secure enough land.

Japan's furniture imports

The value of Japan's imports of wooden bedroom furniture fell almost 16% in the first quarter of 2016 compared to the first quarter in 2015 and April import figures from Japan's Ministry of Finance shows that the downward trend continued especially for kitchen and bedroom furniture.



Data source: Ministry of Finance, Japan

Attitudes of Japanese companies operating overseas

Much of the furniture shipped to Japan is manufactured in Japanese overseas companies or from joint venture operations. The Japan Bank for International Cooperation (JIBC) conducts regular surveys of trends in overseas investment and their 2015 survey offers a thoughtful insight to current trends.

The full JIBC survey results can be found at:
https://www.jbic.go.jp/wp-content/uploads/press_en/2015/12/45909/English.pdf

The following extract from the report describes current attitudes of Japanese companies with overseas operations.

- **Medium-Term stance**
Given the state of the global economy companies cautious but 80% of respondents were ready to expand overseas operations.
- **Promising Countries**
India was identified as the most as the promising followed by Indonesia and China. Interest in Brazil and Russia has fallen sharply and companies considering investment in Mexico, USA and the Philippines need to see an improvement in those economies before expanding operations.
- **Management Challenges**
How to expand markets, Develop of competitive products, finding individuals capable of managing overseas operations and understanding local demand drivers were the main challenges identified.
- **Management through M&A**
Mergers and acquisitions were stated as an important means of securing effective management.
- **Greater role of domestic business**
Many companies signaling expansion of overseas plants identify that expand domestic business is a significant driver. Some companies have relocated from China back to Japan because of falling domestic business.
- **Productivity in Japan and Overseas**
Survey respondents said while delivery times in plants in Japan and overseas was at about the same most said labour productivity in overseas plants was lower than in Japanese plants.
- **Business Stance in China**
China is viewed as an attractive location for overseas operations but respondents cited concerns on the direction of the Chinese economic and rising wage levels. Some companies expressed concern on the political and diplomatic situation between Japan and China.
- **Infrastructure challenges**
China and the developed ASEAN countries were recognised as having good local infrastructure but that there is room for improvement.

Office furniture imports (HS 940330)

Year on year, imports of office furniture in April 2016 were up 14.5% but compared to the previous month there was a slight drop in the value of imports. China continues as the major shipper of wooden office furniture to Japan. The relative position of the second and third ranked suppliers switches between Portugal, Poland and Italy every month. In April 2016 Portugal was ranked second followed by Poland.

In March this year Italy was ranked second followed by Poland. Despite the good performance of Portugal, Italy and Poland shippers in Asia account for the bulk of shipments of office furniture to Japan (64% in April 2016).

The top three suppliers account for almost 80% of Japan's wooden office furniture imports but China saw its share of imports drop 22% from a month earlier but there was a spike in imports from Portugal. Portugal accounted for 16% of April imports.

Office furniture imports

	Imports Apr. 2016 Unit 1,000 Yen
S. Korea	-
China	141473
Taiwan P.o.C	13419
Hong Kong	903
Vietnam	-
Thailand	3174
Malaysia	1873
Philippines	931
Indonesia	3439
Sweden	-
Denmark	3237
UK	-
Netherlands	-
Belgium	-
France	333
Germany	11256
Switzerland	389
Portugal	42350
Italy	9579
Finland	250
Poland	15979
Lithuania	605
Czech Rep.	-
Slovakia	4434
Canada	-
USA	6816
New Zealand	-
Total	260440

Data source: Ministry of Finance, Japan
Kitchen furniture imports (HS 940340)

April saw a massive 21% fall in Japan's imports of kitchen furniture with shippers in the top three countries, Vietnam (-24%), Philippines (-20%) and China (-21%) all feeling the strain. Year on year wooden kitchen furniture imports in April 2016 were down 6%.

At 37% of April imports Vietnam maintained its top ranked position in terms of import sources. The Philippines (25%) and China (15%) were close behind. Asian suppliers of kitchen furniture accounted for 94% of Japan's April 2016 imports, a position held for many years.

Germany is the only significant non-Asian shipper of kitchen furniture but could only capture a 3.5% share of April 2016 imports.

Kitchen furniture imports

	Imports, Apr 2016 Unit 1,000 Yen
S. Korea	-
China	146772
Taiwan P.o.C	227
Vietnam	365564
Thailand	10061
Malaysia	13955
Philippines	253273
Indonesia	147563
India	-
Denmark	292
UK	-
France	-
Germany	35100
Italy	7086
Poland	-
Austria	1951
Romania	4772
Canada	4860
USA	3245
Total	994721

Data source: Ministry of Finance, Japan

Bedroom furniture imports (HS 940350)

Year on year the value of Japan's April 2016 imports of bedroom furniture was largely unchanged but compared to March imports there was a 5.5% decline.

As has been the case for months, the top three shippers of bedroom furniture to Japan in April continue to be China (57%), Vietnam (30%) followed by Thailand a distant 4%. Asian exporters of bedroom furniture accounted for over 90% of Japan's April 2016 imports.

Bedroom furniture imports

	Imports, Apr 2016 Unit 1,000 Yen
China	1169898
Taiwan P.o.C	45877
Vietnam	606388
Thailand	84461
Malaysia	41349
Philippines	604
Indonesia	12463
Cambodia	-
Pakistan	517
Sweden	557
Denmark	683
UK	-
Belgium	-
France	396
Germany	215
Switzerland	1173
Spain	-
Italy	11057
Poland	26862
Russia	1775
Austria	4555
Romania	2658
Turkey	1802
Estonia	-
Latvia	-
Lithuania	11132
Croatia	2911
Bosnia/Herzegovina	646
Slovakia	5148
USA	1753
Mexico	367
Australia	-
Total	2035247

Data source: Ministry of Finance, Japan

Trade news from the Japan Lumber Reports (JLR)

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

For the JLR report please see:

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

2015 Imported plywood market

Market of imported South Sea hardwood plywood suffered prolonging supply and demand adjustment. The supply in 2015 was 2,885,800 cbms, 17% less than 2014, about 600,000 cbms decrease. Previous low was 2009 with 2,840,000 cbms. The supply in the first quarter of 2016 continues trending down by 12%.

The market has been in slump since August last year so sluggishness has been more than seven months so that the importing trading companies are seriously reviewing import plywood business by steady loss.

The supply from two major sources, Malaysia and Indonesia decreased considerably. Malaysian supply was record low by 18% or about 260,000 cbms down. Indonesian supply was also down by 16.5 % or about 170,000 cbms, next low behind 2009.

The supply decrease of 600,000 cbms in 2015 was uniform from all the sources. Three major supply sources of Malaysia, Indonesia and China all reduced about 17% respectively.

However, difference is becoming obvious in 2016. For the first quarter of 2016, Malaysian supply decreased by 22.6% compared to the same period of last year while Indonesian supply increased by 3.4% (China decreased by 12.4%). Supplying items make this difference.

Trend of Malaysian supply is rather heavy in early period of the year. In 2015, January arrivals were the highest in 2015 with over 130,000 cbms and three month average in the first quarter 2015 was 120,000 cbms. Monthly average supply in 2015 was 100,000 cbms.

The monthly supply declined down to 95,500 cbms during September and December 2015 but the market continued bleak so import curtailment still continues now. Actually monthly import in the first quarter this year was down to 92,500 cbms, 22.6% less than the same quarter last year.

Meantime, Indonesia acted much sooner to reduce the supply. The largest factor to influence the cost of imported plywood is exchange rate. The yen started softening since late August of 2014. Average rate of about 102 yen per dollar during January and August 2014 moved to 107 yen during September and October 2014 then reached 119 yen by December.

Reflecting this change of yen rate, Indonesian monthly average supply of about 99,000 cbms during January and July 2014 dropped sharply down to 78,000 cbms during August and December 2014. Monthly average of about 70,000 cbms in the second half of 2014 continued in 2015 so the monthly average in 2015 was 71,500 cbms compared to 85,500 cbms in 2014.

The main item of Indonesian supply is floor base plywood and as soon as the yen got weak, the floor manufacturers in Japan reduced the purchase to the minimum. The supply from Indonesia has been steady with about 70 M cbms a month. Unlike commodity item of concrete forming panel,

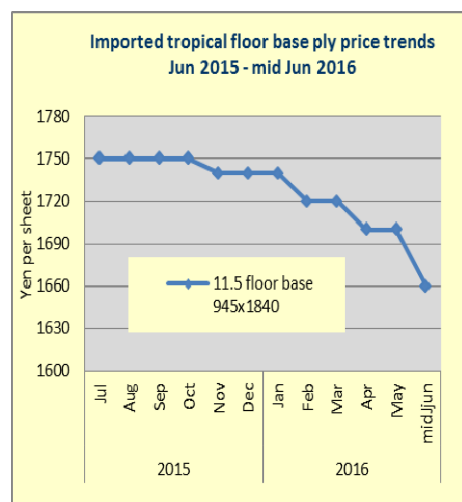
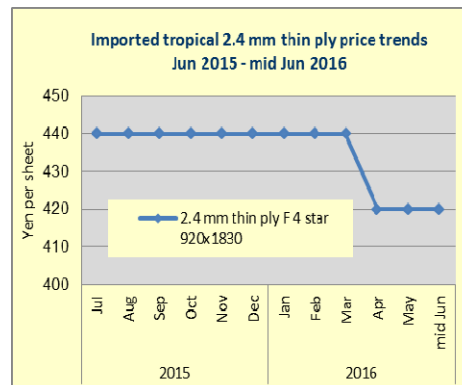
distribution route of floor base is short to final user of floor manufacturers.

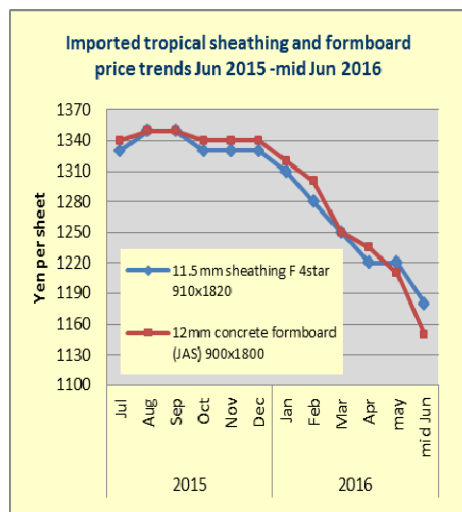
With fierce competition of price war of floor products, the manufacturers are very sensitive to the price of floor base so higher cost automatically reflects import curtailment.

Roughly speaking, if the yen rate is between 100 yen to 110 yen, import of floor base is restricted to 70,000 cbms and if the yen got stronger, the manufacturers speculate to build up the inventory of import plywood. In short, the supply depends on new housing starts and yen's exchange rate.

When the yen was weak like 121 yen per dollar in 2015, the floor manufacturers seriously consider shifting to use domestic softwood plywood but tide changed in 2016 to strong yen.

The rate was 118 yen in January, 115 yen in February, 110 yen in March and April then in May, it shot up to 105 yen momentarily. Looking at this trend, the floor manufacturers stopped considering to switch to softwood plywood because strong yen reduces import cost, which narrows price difference between hardwood base and softwood plywood so it is much easier for floor manufacturers to use tropical hardwood plywood, which they have been using for years.





The floor manufacturers have been testing domestic softwood plywood to see if replacement is possible since late 2014 with a lot of time and cost so they prepare for any change of supply situation and change of exchange rate.

Now market of Malaysian plywood is different from Indonesian as supplying item from Malaysia is heavy to concrete forming panel, which is commodity item and wholesalers and distributors buy and sell sometimes in speculation. Since there are many layers in distribution channel and the demand is not steady. Therefore, slump since last summer is simply caused by lack of demand.

Major wholesalers in Tokyo think that real recovery of the demand will come in late 2016 or later with the reason that the Olympic Games in 2020 would generate many construction activities. Large construction works would take two to three years to complete so start-up should be in late 2016 or early 2017. Large construction companies are not taking large orders before busy season arrives, which maybe one of the reasons that demand for concrete forming panel has been so slow since last summer.

If this forecast is right, concrete forming panel market would stay depressed through 2016 with very low import volume then the boom would come in late 2016 and on for two to three years.

Now immediate problem is if the volume from Malaysia continues as low as 90,000 cbms a month for a balance of this year in depressed market, the importers may not be able to justify such poor business. If such supply curtailment continues all through the year, will it be possible to increase the supply when the demand recovers.

Steering of the business is very difficult. The suppliers in Malaysia may not be able to cope with such sudden change of the market in terms of log supply with severe control of illegal harvest in Sarawak, Malaysia.

Meantime domestic plywood manufacturers are making softwood concrete forming panels to take over hardwood panels.

South Sea (Tropical) logs

Log supply in Sarawak, Malaysia has been dropping considerably without any sign of improvement.

In Sarawak, control on illegal harvest is severe, which reduces total log supply. Since last March, India resumed log purchase, which pushes log prices up and log prices for Japan are up by about \$5 per cbm.

Sarawak meranti regular log prices for Japan are US\$273-278 per cbm FOB. Meranti small are US\$253 and meranti super small are US\$238. Price increase on logs in Japan is difficult as plywood plants are curtailing the production because of slump of plywood market. Log supply in PNG and Solomon Islands is increasing.

Keytec markets scaffolding plywood

Keytec Co., Ltd. (Tokyo), started manufacturing and marketing domestic larch scaffolding plywood on top of South Sea hardwood scaffolding plywood.

There is demand for South Sea hardwood scaffolding plywood with kapur, keruing and apiton but such species are becoming hard to acquire and the prices have been steadily climbing. Meantime, domestic larch is readily available and the prices are not affected by fluctuation of exchange rate so it started manufacturing larch plywood, which prices are about 30% lower than South Sea hardwood plywood.

It had inspection by the Plywood Scaffolding Safety Technical Association to see if the product has satisfactory standard the Association stipulates. By the test, bending strength is 15.8 N/mm³, much harder than cedar. Also even if it is left outdoor for three months, bending strength is within stipulated standard the Association sets.

Traditional South Sea hardwood scaffolding plywood has thickness of 28 mm, width of 240 mm with length of 2 and 4 meters but larch plywood has thickness of 35 mm with the same width and length of hardwood. Weight of both is 22-24 kilogram. Because of lighter specific gravity, thickness of larch is thicker.

Raw material of larch logs are supplied from Nagano, Yamanashi and some from Gunma prefecture. It consumes about 1,000 cbms of larch a month to make 15,000 sheets of scaffolding plywood.

Key Tec newly introduced scarf jointer to make 4 meter with 1.8 metre veneers and layup line, which makes lamination with blue in order to manufacture domestic larch plywood.

The president commented that this should promote using domestic species and challenge is to acquire certificate by the Green Purchase law.

PanaHome advances overseas

PanaHome Corporation (Osaka) has been advancing overseas recently. PanaHome Asia Pacific (Singapore),

100% subsidiary of PanaHome established PanaHome Gobel Indonesia (Jakarta, Indonesia) with the purpose of housing development in Indonesia.

This is a joint venture company with Gobel International (Jakarta), which manufactures and markets electric appliances and home appliances. PanaHome advanced to Taiwan in 2010 and Malaysia in 2012.

It announced a plant that PanaHome MKH Malaysia, consolidated subsidiary of PanaHome will put up and market 490 units built for sale and 305 units of condominium jointly with local developer, MKH.

It introduces W-PC method (Wall precast concrete method), which speeds up construction time and shortens by about three months compared to traditional brick pile-up method.

KND accepts trainees from Myanmar

KND Corporation (Tokyo), logistical dealer and transporter of construction materials and also is engaged in construction works, has started accepting trainees from Myanmar for house building business.

Trainees are eight. At the beginning, five will start at Chiba's training center for basic study then three more will come in September. After basic training on building technique, they will engage in actual works.

The company says that text is written in Myanmar's language edited by the Japanese construction experts, which has sophisticated content but is easy to learn by concentration.

The president of the company says that the company prepares educational system to learn Japanese construction technique to give technical knowledge, which should respond to various requirements house builders requirement.

Trainees will be supplemental work force since shortage of construction workers will be serious problem. At the same time, the trainees will be able to use what they learn in Japan in Myanmar, where the economy is expected to expand rapidly.

The company is originally engaged in logistic works then it expands the business of installation of system kitchen and unit bath with renovation of houses. It does handle installation of insulation and foundation sills with how to put up building then applying metal fittings on precast materials so it covers wide area of construction works.

Misawa Home considers overseas development

Regarding overseas business, Misawa Homes (Tokyo) has been test marketing in Australia and plans to establish a local corporation for market research then will build four test units in Melbourne and five units in Brisbane to examine local housing market. It will develop housing business tied with local builder eventually.

The president says that it needs to examine local market since Australia has different culture and housing demand so it will prepare supply system as it continues examining the market.

In Japan, it plans to increase percentage of value added housing like smart house. It also plans to develop medium high buildings in populated region since it uses property in big cities much effectively so it tries to attract house buyers to heavy steel framed fire proof five stories model unit, which can be used for multi family dwelling together with stores and rental units.

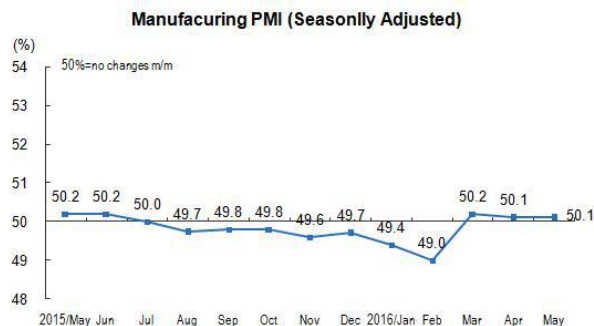
Also as new demand in future, compact condominiums for single and aged dwellers and composite facilities then it will actively develop non-residential units such as renovation of large buildings.

Together with such future plans, it is promoting structural change to improve profitability such as direct sales in large cities and it is reviewing manufacturing and assembly process. In Nagoya plant, it plans to expand panel manufacturing lines.

China

China's PMI positive for three months in a row

The May manufacturing purchasing managers index (PMI), announced by the National Bureau of Statistics, remained at the same level as in April just marginally in positive territory where it has hovered for three consecutive months.



The National Bureau of Statistics says among the five sub-indices comprising the official PMI, the production index, new orders index, supplier delivery time index were above the negative threshold while the employment and raw materials inventory indices were below the threshold.

The PMI was held up say analysts due to aggressive monetary stimulus in the first quarter.

Made in China 2025 - centre-piece of the latest 5 year plan

The Hong Kong Trade Development Council (HKTDC) has published a thoughtful overview of China's 13th Five-

Year Plan: The Challenges and Opportunities of Made in China 2025.

The HKTDC paper can be found at:
http://economists-pick-research.hktdc.com/business-news/article/Research-Articles/China-s-13th-Five-Year-Plan-The-Challenges-and-Opportunities-of-Made-in-China-2025/tp/en/1/1X000000/1X0A6918.htm?DCSext.dept=12&WT.mc_id=6143966

The HKTDC writes “The 13th Five-Year Plan states clearly that efforts will be made to optimise development of the modern industry system, whereby structural reform will be implemented on the supply side.

In particular, the development strategy of building China into a manufacturing powerhouse under the Made in China 2025 initiative will be implemented in greater depth in order to enhance the innovation capability of the manufacturing industry and strengthen the industrial base.

This includes manufacturing key basic materials and core parts and components, developing new-type manufacturing such as smart production, enhancing quality and brand building, as well as advancing traditional industry upgrading and eliminating outdated production capacity in order to add a new competitive edge to the manufacturing industry.”

The plan describes the steps to be taken to streamline industrial and business management, raise administrative efficiency, reform the financial system and enhance the efficiency of the financial services sector in support of modernizing manufacturing.

Ambila dominates redwood furniture market

Observers report that the current demand in China for ambila (*Pterocarpus erinaceus*) is for between 8- 9,000 containers per month. However, existing container arrivals total only 4,100 with around 2,000 coming through Guangdong, 500 via Dongyang in Zhejiang province, 500 through Shanghai and Zhangjiagang with a further 300 containers landing in both Zhejiang and Hebei Provinces. Ambila also goes by the names bani, tolo and ban.

The sales of ambila furniture in the top tier cities account for 5% of total sales. This jumps to 15% in second tier cities, 50% in third tier cities and 10% in rural areas. Ambila furniture products comprise around 50% of the redwood furniture market.

First okoume logs through Zhenjiang Port

Over 8,000 cubic metres of okoume logs from Equatorial Guinea were recently imported through Zhenjiang Port, Jiangsu Province. This was the first time for African timbers to enter China through Zhenjiang Port. The port of Zhenjiang is on the south bank of the Yangtze River between Nanjing and Changzhou.

After inspection and quarantine the okoume logs were trucked to Linyi City of Shandong Province. Zhenjiang Port is becoming entry point in support of the national

strategic timber reserve policy and is the first purpose built timber port.

The species and volumes of timber imports through Zhenjiang port have been increasing this year in tandem with the opening of special timber wharf at the port. Up to the end of April some 450,000 cubic metres of logs have entered China through this port.

Imported laminated flooring is popular amongst young consumers

According to a recent market survey young Chinese consumers prefer imported laminated flooring over domestic products.

The main reasons cited for this preference were the wide choice of colours especially if available in ‘pavement’ styles, even at the expense of foot comfort.

Other reasons for the preference for imported laminated floorings were convenient installation as imported laminated flooring can be glue-less with an interlocking slot design which is easy for consumers to install by themselves.

Consumers also reported that imported laminated flooring is durable and with better anti-slip features than domestic flooring.

Prices for imported laminated flooring are considered reasonable for many middle class Chinese. Current retail prices for imported laminated flooring are in the region of RMB3-700/panel, well down on the RMB8-1,000 seen in 2012.

Consumers also rate the environmental performance of imported flooring higher than domestic products.

The Standard E0 for European flooring is less than 0.9mg/L formaldehyde emission while the Standard for domestic flooring (E1) is “not exceeding 1.5mg/L formaldehyde emissions”.

Local experts note that the market share of imported laminated flooring is less than 20% in Guangzhou City but anticipate sales of imported laminated flooring could reach a 50% market share within the next five years.

Furniture enterprises relocate to Qingfeng

It has been reported that furniture enterprises in Beijing and Xianghe (Hebei Province) have been relocating to Qingfeng County in He’nan Province and this is being encouraged by the administration in Qingfeng County.

It is reported that as many as 400 furniture enterprises have relocated which in 2015 earned Qingfeng County the title of ‘Furniture Industry Base – 2015’. The administration has been encouraging furniture clusters in the county.

Guangzhou Yuzhu International Timber Market Wholesale Prices

Logs	yuan/cu.m
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Merbau	dia. 100 cm+	4-6000
Bangkirai	dia. 100 cm+	3200-4200
Kapur	dia. 80 cm+	2700-3000
Ulin	All grades	-
Lauan	dia. 60 cm+	-
Kempas	dia. 60 cm+	2200-3000
Teak	dia. 30-60 cm	8500-11500
Logs		yuan/cu.m
Greenheart	dia. 40 cm+	-
Purpleheart	dia. 60 cm+	3000-4500
Pau rosa	dia. 60 cm+	2000-2500
Ipe	dia. 40 cm+	3200-3600
yuan per tonne		
Cocobolo	All grades	27000-40000

Sawnwood

	Sawnwood	yuan/cu.m
Makore	Grade A	7000
Zebrano	Grade A	9500-12500
Walnut	Grade A	9500-18000
Sapelli	Grade A	7000-7500
Okoume	Grade A	4300-4700
Padauk	Grade A	16500-18000
Mahogany	Grade A	7000-7500

Sawnwood		yuan/tonne
Ulin	all grades	9000-10000
Merbau	special grade	8600-9500
Lauan	special grade	4300-4500
Kapur	special grade	5000-6000
Teak	special grade	14000-20000

Sawnwood		yuan/cu.m
Cherry	FAS 2 inch	9000-11000
Black walnut	FAS 2 inch	15000-18000
Maple	FAS	8200-10000
White oak	FAS	7500-13000
Red oak	FAS	6500-8300
Finnish pine	Grade a	2600-2900

Sawnwood		yuan/cu.m
Maple	Grade A	9000-9500

Beech	Special Grade	5200
Ash	no knot	5700-6300
Basswood	no knot	2800-3300
Oak	no knot	5300-5700
Scots pine	no knot	2100

Zhangjiagang Timber Market Wholesale Prices

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

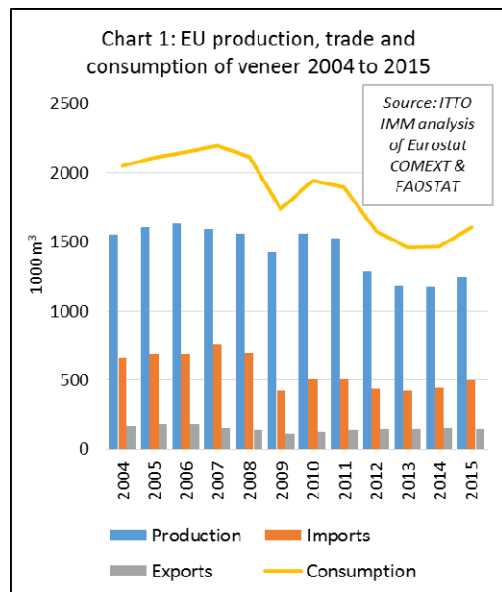
Shanghai Furen Forest Products Market Wholesale Prices

Logs All grades	000's yuan/tonne
Bois de rose	130-250
Red sandalwood	800-1800
Siam rosewood	80-300
Burma padauk	13-18
Rengas	8-10
Mai dou lai	6000-8000
Neang noun	23-36
Burma tulipwood	20-28
Cocobolo	28-120
Morado	10-15
Ebony	12-40
Trebol	3.6-8
African sandalwood	11-14

Europe

EU veneer market showing signs of recovery

Preliminary analysis of Eurostat data indicates that the European veneer market, which was in decline between 2010 and 2014, staged a partial recovery in 2015.



Total EU veneer consumption increased by 9% from 1.47 million cu.m in 2014 to 1.60 million cu.m in 2015. This rise was driven both by a 7% rise in domestic production, from 1.17 million cu.m to 1.25 million cu.m, and a 12% rise in imports from 448,000 cu.m to 500,000 cu.m (Chart 1).

Slowly improving economic conditions in Europe have contributed to rising veneer consumption in key sectors, including veneered panels and flooring. There are also encouraging signs that veneer manufacturers may be making more progress to regain share lost to non-wood alternatives in recent years through innovations in processing to further improve resource efficiency and to develop new products.

3-D veneers are now well established in Europe and have extended real wood veneers into applications previously dominated by plastics. As larger industrial markets for standardised veneer products have declined, there has also been a strong emphasis on more flexible servicing of smaller customer specific requests.

European oak in short supply

Nevertheless, anecdotal reports suggest 2015 was another challenging year for the European veneer sector. Throughout 2015 and continuing into 2016, European veneer mills were suffering from shortages of veneer grade oak logs.

This was particularly the case for manufacturers of mass-produced veneers for veneered panels and furniture.

Various factors contributed including intense competition in oak log procurement from barrel manufacturers and buyers in Asia and the relative weakness of the euro in 2015 which encouraged more focus on European oak,

increasing the costs of imported logs while also making European oak more attractive to mills outside Europe.

Another significant development in 2015 was passage of a law in Ukraine on 9 April 2015 which imposed an export ban on unprocessed timber for 10 years effective from 1 November 2015 for all species (with the exception of pine banned from 1 January 2017).

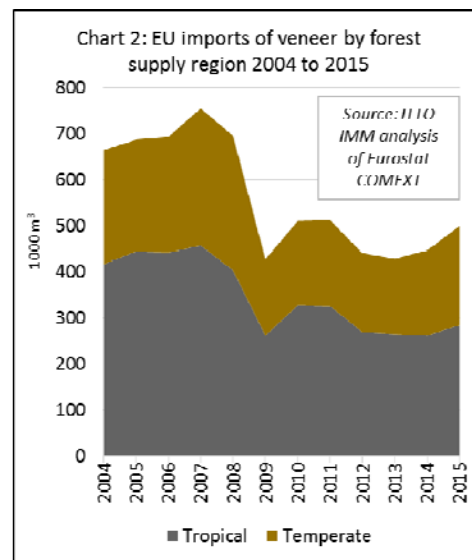
While the law only became effective later in the year, it seems to have had an immediate impact to reduce EU imports of hardwood logs, particularly oak, from Ukraine. EU imports of Ukrainian oak logs were only 29,000 cu.m in 2015, down from 82,000 cu.m the previous year and figures closer to 200,000 cu.m prior to the economic crises.

While there was pressure on European oak supplies in 2015, the same cannot be said for other European hardwood species. Under-utilisation of beech remains a significant problem in Europe, while markets for other more specialised species have come under intense pressure from substitute materials. For example, large furniture manufacturers will only use ash veneers if they remain cost-competitive compared to artificial heavily structured surfaces.

EU exports of veneer have also come under pressure, declining 4% from 155,000 cu.m in 2014 to 149,000 cu.m in 2015, particularly due to a downturn in sales to Turkey, Morocco, Russia, and China. Recent market reports suggest this trend has continued into 2016

EU veneer imports expanded in 2014 and 2015

Chart 2 shows the long-term trend in imports of all veneer into the EU from outside the region between 2004 and 2015. It highlights the large drop in imports during the financial crises in 2009.

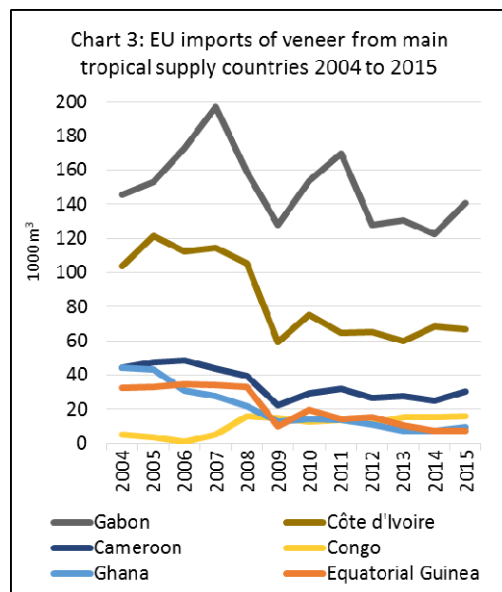


After a partial recovery in 2010 and 2011, imports weakened in 2012 and 2013 but then rebounded again in 2014 and 2015.

EU imports of veneer from tropical countries increased 9% from 263,000 cu.m in 2014 and to 287,000 cu.m in 2015. Tropical countries accounted for 57% of all EU imports of veneer in 2015, down from 59% the previous year and 64% in 2010. EU imports of veneer from temperate countries increased 16% from 185,000 cu.m in 2014 to 215,000 cu.m in 2015.

The most noticeable trend in EU temperate hardwood veneer imports during the last five years has been a rise in volume and share from Ukraine, Russia and Serbia. The rise in Ukraine's share accelerated in 2015, likely related to the restrictions on log exports from that country.

Recent trends in EU imports of tropical hardwood veneer are strongly influenced by events in the plywood industry (Chart 3). The short-lived recovery in EU tropical veneer imports in 2010 and 2011 was primarily due to rising exports of rotary okoume veneers from Gabon to supply the European (mainly French) plywood manufacturing sector after Gabon imposed a total log export ban in May 2010.



The uptick in EU imports of tropical veneer in 2015 was mainly due to imports from Gabon, which increased 15% to 141,000 cu.m, with much of the volume destined for France. Demand for okoumé plywood picked up in Europe in 2015 due primarily to recovery in the Netherlands building industry and slow improvement in the French market.

The French company Rougier which produces okoumé veneers and plywood in France and Gabon, booked a 9.8% increase in revenues in its European business during 2015. Rougier reports an improved economic climate in Europe in 2015, a trend which continued into the first quarter of 2016.

In addition to Gabon, EU imports of tropical veneer also increased during 2015 from Cameroon (+21% to 30,200 cu.m), Congo (+2% to 15,700 cu.m), and Ghana (+26% to

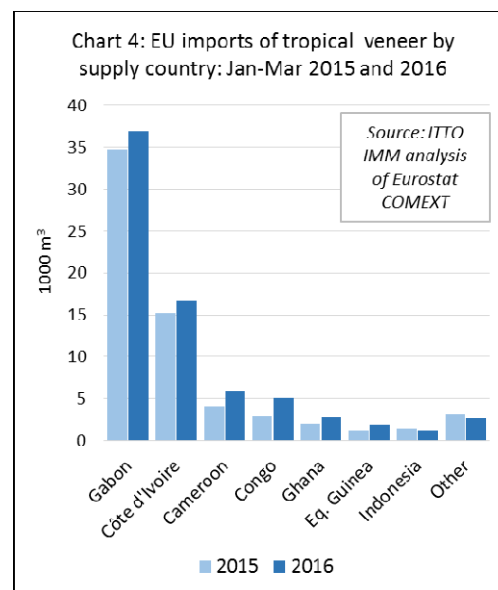
9,400 cu.m). However imports from Côte d'Ivoire declined 2% to 66,800 cu.m.

Double digit growth in French and Italian tropical veneer imports

Imports of tropical veneer into France and Italy, now the largest EU markets for tropical veneer, both registered double-digit growth in 2015, rising 15% to 116,258 cu.m and 19% to 67,626 cu.m, respectively. There were also significant increases in imports by Greece (+29% to 16,494 cu.m) and Romania (+37% to 14,860 cu.m).

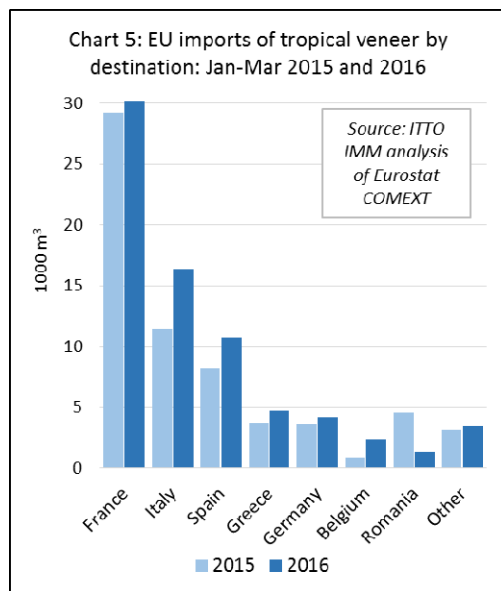
Of the five largest EU markets for tropical veneer, Spain (-14% to 36,608cu.m) was the only to report declining imports in 2015. However, imports also declined into Germany (-17% to 14299 cu.m) and Belgium (-44% to 7107 cu.m) during the period.

The positive trend in EU imports of veneer from tropical countries continued into 2016 (Chart 4). Imports were 73,300 cu.m in the first quarter, up 14% compared to the same period in 2015. Imports increased from all the main supply countries during the period including Gabon (+6% to 36,900 cu.m), Côte d'Ivoire (+11% to 16,800 cu.m), Cameroon (+45% to 5,900 cu.m), Congo (+72% to 5,100 cu.m) and Ghana (+42% to 2,800).



All the largest EU markets for tropical veneer have been importing more this year (Chart 5).

During the first quarter of 2015 compared to the same period in 2014, imports increased into France (+3% to 30,100 cu.m), Italy (+44% to 16,400 cu.m), Spain (+31% to 10,700 cu.m), Greece (+30% to 4,700 cu.m), Germany (+17% to 4,200 cu.m), and Belgium (+175% to 2,400 cu.m). These gains offset a 70% decline in imports by Romania to just 1,400 cu.m.



STTC Conference on tropical timber purchasing policies

The title of the European Sustainable Tropical Timber Coalition (STTC) conference on June 23 is ‘Real Impact Through Timber Purchasing Policies. The free-entry, one-day event in Rotterdam tackles sustainable timber purchasing policy implementation and building market demand for sustainably sourced tropical wood products. It is organized by Probos, with supporters including STTC principal partner the ETTF, the City of Rotterdam, Dutch Infrastructure and Environment ministry and local government sustainability body ICLEI.

The first session features keynote speakers on how procurement can shape and grow European sustainably sourced tropical timber sales and this can drive spread of sustainable forest management in supplier countries. Afternoon breakout discussion workshops will look at ‘Timber Procurement Policies in Practice’.

Topics for private sector delegates will include the STTC’s activities and future development, barriers to sustainable tropical timber becoming mainstream, tackling price differential between certified and non-certified timber, product substitution and image.

More information can be found at www.europeansttc.com
For more contact Joyce Penninkhof
joyce.penninkhof@probos.nl

Italy sets minimum requirement for certified or recycled timber in public procurement

Italy’s timber sector has seen advantages for the industry in a new law that at least 50% of wood products procured by government for public projects should be certified legal and sustainable, or recycled.

The regulation was passed at the end of 2015 and came into effect earlier this year. Its full title is ‘Environmental provision to promote green economic measures and contain excessive use of natural resources’.

The new law stipulates that all public sector bodies ensure that at least half of tenders for timber and wood products by value meet a range of environmental criteria,” said Stefano Dezzutto, Chief Executive of timber sector federation Fedecomlegno.

He added that the new ruling currently covers office and outdoor furniture, construction materials, windows and doors and said Fedecomlegno consulted on the drafting process.

Proof of origin can include FSC or PEFC certification, these schemes’ recycled wood certificates, or an equivalent, which has to be independent third party verified and ISO-approved.

Fedecomlegno sees the new regulation boosting overall Italian demand for certified sustainable timber, especially wood-based panels used in furniture. It has also communicated the details to its members so they can be prepared.

SMEs target of NEPCon due diligence training

According to a report by ETTF, a new pan-EU training programme aims to make EU Timber Regulation (EUTR) due diligence part of the ‘standard way of doing’ business for small to medium sized enterprises (SMEs).

The EU-funded initiative, ‘Increasing awareness and capacity to support effective implementation of the EUTR’, is being organised by not-for-profit international sustainability organisation NEPCon, with support from the Global Timber Forum.

The training courses, led by NEPCon experts, are free for and target timber sector SMEs. Delegates will also receive due diligence tools to take away, plus new risk assessment information for 40 supplier countries globally, accounting for 90% of Europe’s timber imports. This data is also available to EUTR Competent Authorities and Monitoring Organisations.

NEPCon says the training aims to make due diligence ‘an integral element in a company’s administrative systems – even a business opportunity’. It is also undertaking a survey of to further assess EUTR businesses’ compliance needs (see <http://www.surveygizmo.com/s3/2817275/Legal-timber-in-the-EU>).

“Due diligence is, at heart, good business practice,” said NEPCon. The project’s ultimate aim is consistent implementation of the EUTR by EU SMEs. The courses will be run in Belgium, Denmark, Estonia, Germany, Holland, Latvia, Lithuania, Poland, Portugal, Rumania, Slovakia and Spain.

Call for Tenders: Support services for implementing the EU Timber Regulation and FLEGT Regulation

The Call for Tenders "Support services for implementing the EU Timber Regulation and FLEGT Regulation" has been published.

Time limit for receipt of tenders is 11 July 2016. The purpose of the contract is to provide support to the European Commission in assisting the EU Member States in monitoring the implementation and enforcement of the EU Timber Regulation (EUTR) and EU Forest Law Enforcement Governance and Trade (FLEGT) Regulation and in carrying out the specific tasks required from them by the Regulations, through monitoring trends in trade in timber and timber products, report preparation, compilation and analysis, monitoring implementation and enforcement measures, information to the public, and participation in meetings.

All relevant information can be found here: <https://etendering.ted.europa.eu/cft/cft-display.html?cftId=1568>

<https://etendering.ted.europa.eu/cft/cft-display.html?cftId=1568>

North America

Higher US imports sapelli, keruing, meranti and teak

The US imported 79,266 cu.m. of sawn temperate and tropical hardwood in April worth \$42 million. While volumes declined 2% from March, the value of imports grew 2%.

As was the case in March, the value increase was primarily in tropical species. At US\$21 million and 18,842 cu.m. tropical sawnwood accounted for half of the total import value in April and just under one quarter by volume.

US Tropical Hardwood Imports by Source, cu.m

	Mar-16	Apr-16	% change
Total imports	19,828	18,842	-5%
Ecuador	4,497	3,551	-21%
Brazil	4,249	3,988	-6%
Cameroon	1,938	2,588	34%
Malaysia	2,030	2,776	37%
Congo (Brazzaville)	1,241	1,298	5%
Peru	150	309	106%
Indonesia	950	891	-6%
Ghana	712	851	20%
Cote d'Ivoire	355	158	-55%
Other	3,706	2,432	-34%

While the overall volume of tropical imports decreased in April, several species showed considerable gains, including sapelli, keruing, meranti and teak sawnwood.

US Tropical Hardwood Imports by Species, cu.m

	Mar-16	Apr-16	% change
	19,828	18,842	-5%
Balsa	4,562	3,549	-22%
Sapelli	2,003	3,152	57%
Acajou d'Afrique	2,154	1,364	-37%
Keruing	1,881	2,450	30%
Ipe	3,001	2,955	-2%
Mahogany	1,644	998	-39%
Virola	923	653	-29%
Meranti	737	797	8%
Cedro	919	454	-51%
Jatoba	166	158	-5%
Teak	232	405	75%
Padauk	266	82	-69%

Keruing imports from Malaysia were 2,154 cu.m. in April, up by one third from March. Cameroon is the main supplier of sapelli to the US and doubled shipments in April to 2,043 cu.m.

Lower balsa imports was mainly responsible for the overall decline in April imports of tropical sawnwood. Balsa imports were down 22% from March, but year-to-date volumes are 3% higher than in April 2015.

Imports of ipe sawnwood declined slightly in April to 2,955 cu.m., but ipe imports from Brazil grew (2,848 cu.m.). Year-to-date ipe imports were down 19% compared to the same time last year.

Year-to-date imports of most tropical species were lower than in April 2015, with the exception of balsa and mahogany. Mahogany imports year-to-date increased 15% from last year.

Canada imports more from Malaysia and Indonesia

In April the value of Canadian imports of tropical sawnwood increased 18% from the previous month to US\$1.98 million. Year-to-date imports were 21% higher than in April 2015. Canadian imports were in April just under one tenth of the US market for tropical sawnwood.

The month-over-month growth was entirely in "other" tropical species, while imports of virola, imbuia and balsa (combined), sapelli, mahogany and meranti declined in April.

While trade data does not specify the species in the "other" category, data by country shows that almost half of the overall growth in tropical imports came from Malaysia. Imports from Malaysia were worth US\$147,987 in April, up 10% year-to-date.

Indonesia also greatly increased shipments to Canada in April. Imports from Indonesia were valued US\$230,969, up 15% year-to-date from April 2015.

American National Due Diligence certification for Danzer North America

The Hardwood Plywood and Veneer Association announced that Danzer North America has been third-party certified under ISO 17065 for its due diligence program for legal timber, which includes all Danzer logs and wood products in North America. The program meets the American National Standard for Due Diligence in Procuring/Sourcing Legal Timber ANS LTDD 1.0 2015.

The American National Standard for Due Diligence represents a consensus of what the due diligence requirements are under the Lacey Act to purchase legal timber and wood products.

Through the Hardwood Plywood and Veneer Association an industry working group developed the voluntary standard, to which companies may self-certify or third-party certify, with or without ISO credentials. The association represents 90% of hardwood plywood stock panels and hardwood veneer manufactured in North America.

The standard is consistent with the “due care” checklist in the Department of Justice’s settlement with Gibson Guitar over allegedly illegal timber from Madagascar and India. The standard defines a set of quality control guidelines for the internal management system of timber importers, manufacturers, wholesalers and retailers in the US.

Canada publishes voluntary formaldehyde standard

The Canadian Standards Association has released a voluntary formaldehyde emissions standard. Published in May, the standard sets emission limits for composite wood products that are based on the California Air Resources Board requirements.

CAN/CSA - 0160 Formaldehyde Emissions Standard for Composite Wood Products, applies to composite wood products including unfinished composite wood panels, hardwood plywood (including composite and veneer core), particleboard, MDF and thin MDF.

Unlike the California standard, the Canadian standard allows for self-certification in addition to accredited third-party certification. Depending on the certification process, products are either labelled “Complies with CAN/CSA-O160” or “Certified to CAN/CSA O160”.

The standard is available at no charge:
<http://shop.csa.ca/en/canada/wood/canca-o160-16/inv/27039632016>

Disclaimer: Though efforts have been made to ensure prices are accurate, these are published as a guide only. ITTO does not take responsibility for the accuracy of this information.

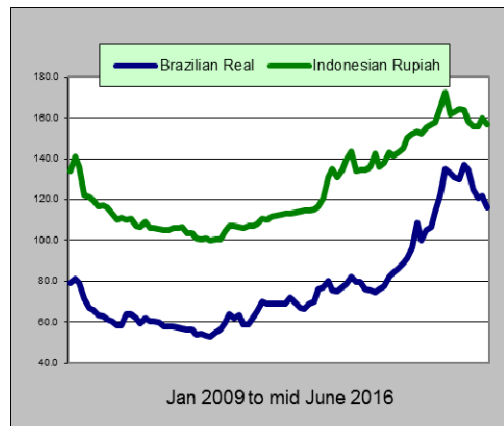
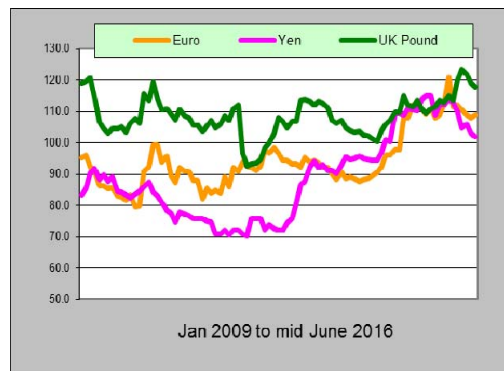
The views and opinions expressed herein are those of the correspondents and do not necessarily reflect those of ITTO.

US Dollar Exchange Rates

As of 10 June 2016

Brazil	Real	3.5825
CFA countries	CFA Franc	587.35
China	Yuan	6.558
EU	Euro	0.8933
India	Rupee	66.927
Indonesia	Rupiah	13557
Japan	Yen	109.76
Malaysia	Ringgit	4.0618
Peru	New Sol	3.3435
UK	Pound	0.6817
South Korea	Won	1180.030

Exchange rate indices (Dec 2003=100)

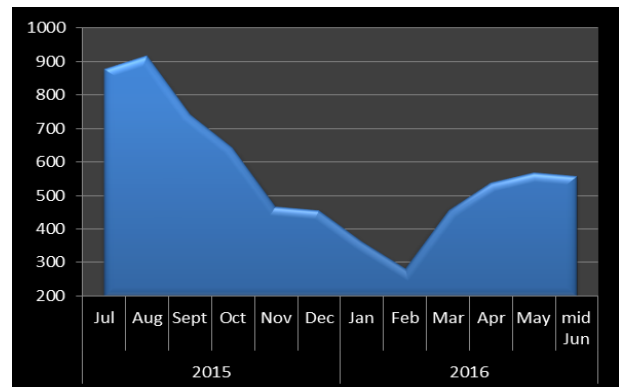


Abbreviations and Equivalences

Arrows	Price has moved up or down
BB/CC etc	quality of face and back veneer
BF, MBF	Board foot, 1000 board foot
Boule	bundled boards from a single log
TEU	20 foot container equivalent
CIF, CNF	Cost insurance and freight
C&F	Cost and freight
cu.m cbm	cubic metre
FAS	First and second grade of sawnwood
FOB	Free-on board
Genban	Sawnwood for structural use in house building
GMS	General Market Specification
GSP	Guiding Selling Price
Hoppus ton	1.8 cubic metre
KD, AD	Kiln dried, air dried
Koku	0.28 cubic metre or 120 BF
LM	Loyale Merchant, a grade of log parcel
MR., WBP	Moisture resistant, Water and boil proof
OSB	Oriented Strand Board
PHND	Pin hole no defect
QS	Qualite Superieure
SQ,SSQ	Sawmill Quality, Select Sawmill Quality

Ocean Freight Index

Baltic Supramax Index June 2015 – mid June 2016

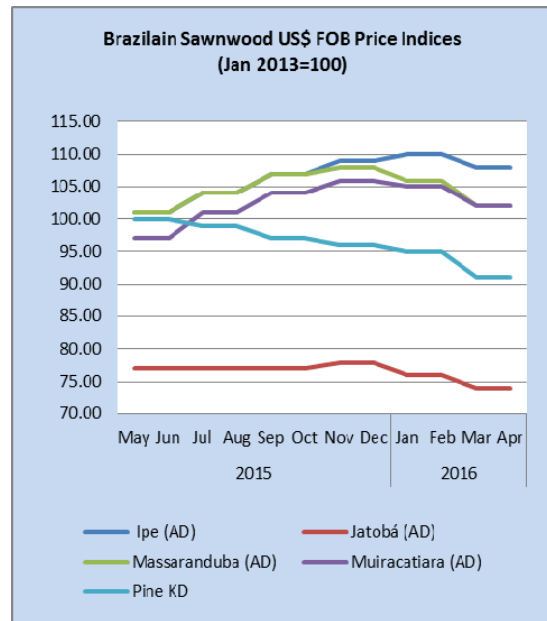
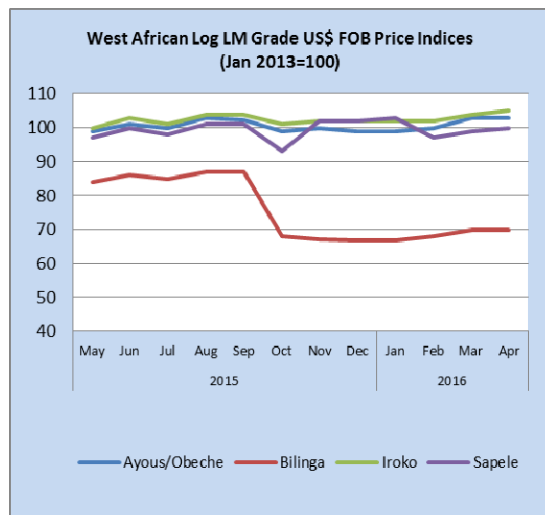
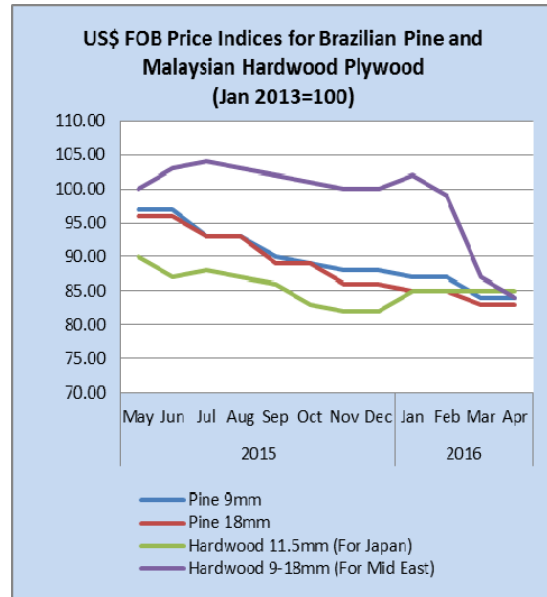
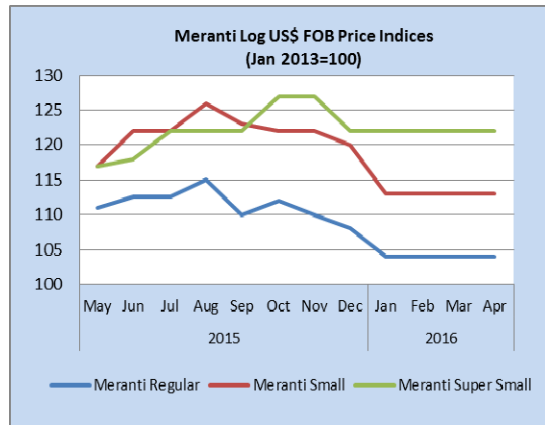


Data source: Open Financial Data Project

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

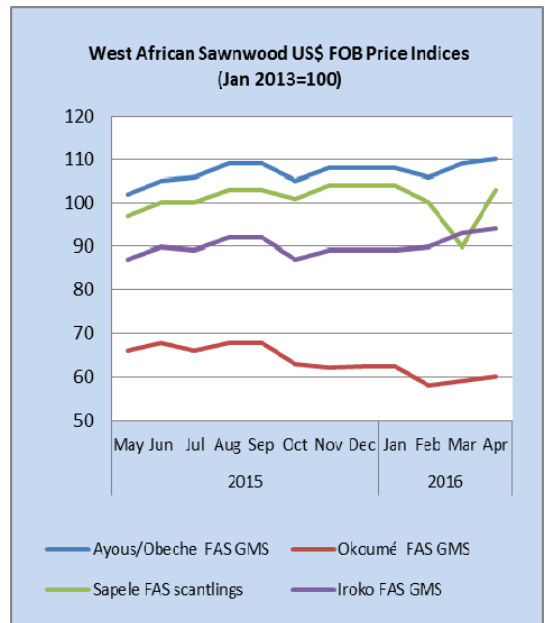
Price indices for selected products

The following indices are based on US dollar FOB prices.



Note: Sarawak logs for the Japanese market

Note: Jatobá is mainly for the Chinese market.



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