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http://www.hardwoodmarkets.com

Volume 19
Number 8
August 2004

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China's rise disrupts tropical country efforts to increase domestic log processing

Our review* of the international tropical hardwood trade during 2003 indicates that the overall decline in tropical hardwood log trade continued last year due to increased emphasis on domestic processing within certain producer countries. However this trend was partially offset by the rising level of tropical log trade with China. Meanwhile the overall level of global trade in tropical sawn lumber and plywood remained fairly static in 2003, although there were important shifts in production and consumption levels.

Tropical hardwood logs

Overall tropical hardwood log production in ITTO member countries (table page 2) is estimated to have decreased marginally from around 135 million m3 in 2002 to 133 million m3 in 2003. In continuation of a trend reported last year, a drop in log production in parts of South East Asia and Africa was partially offset by a rise in log production in Brazil. However it must be stressed that this data is highly speculative and certain allowances have to be made for the very significant, although declining, illegal production of logs in Indonesia.

Tropical log production continues to be dominated by Indonesia, Brazil, Malaysia and India, which together comprised over two-thirds of total ITTO production in 2003. Of these, only Brazil steadily increased production during the period 2001-2003, with production climbing 2% from 28.8 million m3 in 2002 to 29.7 million m3 in 2003. Malaysian production has fallen from about 22 million m3 in 1999 to 19.5 million m3 in 2003, a reduction of almost 11% in five years. Malaysian log production has more than halved since the highs of the early 1990s.

Indonesian log production is most likely significantly higher than the estimates given by ITTO, however, with some sources estimating the illegal harvest to be almost equal to or even greater than the estimated figures for legal production. Unfortunately, Indonesia, like Brazil and India, has never provided reliable official production figures, necessitating the use of estimates based on reported exports and assumed domestic consumption.

China absorbs more logs

Exports of tropical logs from ITTO producer countries decreased 2% to 12.8 million m^3 in 2003, as compared to the previous year. This follows a 20% fall in the volume of exports between 2001 and 2002. The level of inter-

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**Note this analysis is based on data drawn from a review just published by the International Tropical Timber Organisation (ITTO), amended to include more recent and more accurate data from a range of sources notably ATIBT and Eurostat. It covers all member countries of the ITTO which account for the vast majority of the global trade in tropical hardwood products. ITTO's review is available at www.itto.or.jp*

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Subscriptions

Within UK £108 p.a
Outside UK £120 p.a. or US$209 p.a or Euro 209 p.a. (includes airmail).
Payable in advance.
Cheques denominated in £ sterling, US$ or Euros should be made out to **Forest Industries Intelligence Limited**

ISSN 1471-6186

Printed by:
Lamberts Print and Design
Station Road
Settle
North Yorkshire
Tel: 01729 822177

Editorial

Our annual review of the tropical hardwood trade highlights the interaction between two key trends. On the one hand, concerted efforts continue to be made by governments in tropical hardwood producing countries to reduce log exports and increase value-added production. These efforts have had a major effect on the tropical hardwood trade. Between 2000 and 2002, tropical hardwood log exports from ITTO Producer countries declined from around 16.8 million m3 to 13 million m3. Log exports to traditional wood processing industries in Europe and Japan fell dramatically during this period.

The other major trend has been the rapid emergence of China as a global hub for hardwood processing, driven both by the nation's strong economic growth and by China's comparative advantage of low labour costs. China's imports of hardwood logs increased from 6.9 million m3 in 2002 to 7.6 million last year. This served to off-set the longer term decline in global tropical hardwood log exports.

It is not easy to predict which of these trends will gain the upper hand. Various studies of Chinese wood demand have forecast a huge deficit in wood supplies emerging over the next decade, implying that China will continue to soak up larger and larger volumes of tropical hardwood logs. On the other hand, there will be much resistance to increased log exports to China in tropical supplying countries, particularly as many of these countries are already severely affected by supply shortages.

Data emerging this year suggests that Chinese imports of hardwood logs seem to have reached a plateau. The statistics on page 10 indicate that China imported 5.33 million m3 of hardwood logs during the first half of 2004, 1% down on the same period the previous year.

We'll be keeping a close eye on China's import figures over the next few months to assess whether this plateau represents a peak, or a false summit.

Rupert Oliver

Tropical hardwood trade review

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national trade in tropical hardwood logs is now around 30% down on that of a decade ago. This is indicative both of declining availability of tropical hardwood logs and of efforts by tropical hardwood producing countries to increase domestic processing. However, the massive growth in China's wood processing industry, driven by strong economic growth and low labour costs, seems now to be partially undermining these efforts. The proportion of logs processed domestically by South East Asian producing countries seems to have fallen between

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ITTO Producer Members - Tropical Log Production and Export (000m3)

	Tropical Hardwood Production				Tropical Hardwood Exports			
	2001	2002	2003	% Change 02/03	2001	2002	2003	% Change 02/03
Cameroon	2100	1900	1700	-11	247	219	191	-13
CAR	750	550	550	0	313	342	232	-32
Congo, Dem. Rep.	38	75	60	-20	17	11	50	364
Congo, Rep.	844	1050	1050	0	396	640	712	11
Côte d'Ivoire	2615	2084	1800	-14	127	86	50	-42
Gabon	4216	4000	4000	0	2314	1928	1717	-11
Ghana	1212	1104	1500	36	0	0	0	n/a
Liberia	982	1364	950	-30	940	1100	900	-18
Nigeria	7100	7100	7100	0	259	200	200	0
Togo	235	208	250	20	17	17	10	-41
Africa	**20093**	**19435**	**18960**	**-2**	**4630**	**4542**	**4062**	**-11**
Cambodia	123	125	125	0	0	0	0	n/a
Fiji	111	106	120	13	0	0	0	n/a
India	13500	13000	13000	0	7	9	9	0
Indonesia	35000	30000	28000	-7	3452	600	500	-17
Malaysia	18710	20654	19485	-6	5041	5092	5222	3
Myanmar	3962	2877	3002	4	1485	867	867	0
Papua New Guinea	1658	1900	2100	11	1556	1854	1983	7
Philippines	401	403	364	-10	0	1	16	1506
Thailand	7800	7800	7800	0	1	3	3	0
Vanuatu	50	30	30	0	0	1	1	0
Asia-Pacific	**81316**	**76895**	**74026**	**-4**	**11542**	**8426**	**8601**	**2**
Bolivia	559	544	637	17	1	2	2	-24
Brazil	28270	28835	29700	3	3	9	9	0
Colombia	1516	1656	1826	10	13	19	13	-28
Ecuador	5278	5278	5278	0	25	25	25	0
Guatemala	85	100	100	0	0	0	0	n/a
Guyana	312	298	300	1	41	56	38	-32
Honduras	15	22	25	14	0	0	0	n/a
Panama	72	151	192	27	7	3	9	188
Peru	1230	1390	1390	0	0	0	0	-100
Suriname	162	154	161	4	8	26	14	-46
Trinidad	56	51	73	43	0	0	0	10
Venezuela	650	660	500	-24	6	4	5	24
Latin America/Carr.	**38205**	**39139**	**40182**	**3**	**104**	**144**	**116**	**-20**
All ITTO Producers	**139614**	**135469**	**133167**	**-2**	**16276**	**13113**	**12779**	**-3**

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2002 to 2003. However, in Africa, the trend towards declining tropical log exports continued in 2003. Tropical logs harvested in South America in 2003 were virtually all processed within the region as most major producers have imposed tight controls on log exports.

Malaysia continues to dominate the trade in tropical logs with 5.2 million m3 exported in 2003, around 41% of ITTO producer member exports. Malaysia's log trade in 2003 increased slightly in volume by 3% from 2002 levels. With West Malaysia having implemented a long term ban on log exports and declining availability from the state of Sabah, the vast majority of Malaysian log exports now derive from Sarawak. Malaysia's major log customers are all in Asia, with China, Taiwan, Japan and India accounting for around three quarters of the reported log export volume in 2003.

Papua New Guinea was the second largest tropical log exporter last year, with 2003 exports of almost 2 million m3, up by 7% from 2001 levels. However, PNG's log exports remain far below the pre-Asian crisis levels of almost 3 million m3 per year. While a significant quantity of PNG's log exports (22% in 2002) still go to Japan, the Chinese market has grown rapidly to account for over two thirds of PNG's exports in 2003, mainly in lower grades.

Indonesia is becoming a less important log exporter with the ongoing 2001 log export ban and tighter controls to regulate illegal trade. Indonesia's exports are estimated to have shrank to 600,000 m3 (down by 83%) in 2002, and a further 17% to 500,000 m3 in 2003. Although Indonesia signed agreements to stem illegal log flows with its main trading partners (Malaysia and China), trade figures still continue to show major discrepancies. In 2002, China's reported imports (over 248 000 m3) were more than one hundred times greater than the level reported by Indonesian customs authorities (2 200 m3), supporting the claims of many observers that substantial undocumented or illegal Indonesian log exports continue to exist.

Gabon remains the leading tropical log exporting country in Africa, although trade volumes have been falling in recent years. Log exports fell by 11% in 2003, continuing the trend evident the previous year. Rising exports to China have failed to compensate for the decline in exports to the EU. Gabon has also been shifting increasingly to value-added exports. China is now Gabon's largest trading partner.

Cameroon is also successfully promoting increased local processing and has imposed strict limitations on log exports. Cameroon log exports have fallen progressively from 575,000 m3 in 2000 to only 191,000 m3 last year. Liberia's exports increased 17% to 1.1 million m3 in 2002 but declined 18% to 900,000 m3 in 2003 due to renewed conflict and UN trade sanctions. Liberian exports this year have been virtually nil. Log exports from the Congo Republic continued to rise last year.

China steps up log production

Two ITTO consuming countries possess significant tropical timber resources: Australia and China. Aggregate production from these sources for 2002 was estimated at 925 000 m3, up 165% from 2001 levels with 89% of this (and all of the increase in 2002) from China. Estimated 2003 production in the two consumer countries was 914 000 m3.

ITTO Members - Tropical Hardwood log Imports (000 m3)

	2001	2002	2003	% var 02/03
China	6952	6951	7561	9
Hong Kong	532	250	250	0
Japan	2147	2032	1953	-4
Rep. of Korea	554	571	368	-36
Taiwan	895	852	852	0
Asia-Pacific Consumers	**11081**	**10661**	**10990**	**3**
Belgium	35	26	27	4
France	750	643	586	-9
Germany	153	117	90	-23
Greece	59	93	50	-46
Italy	332	312	252	-19
Netherlands	83	60	41	-32
Portugal	296	264	200	-24
Spain	175	141	121	-14
EU Consumers	**1927**	**1720**	**1420**	**-17**
N. American Consumers	**5**	**6**	**3**	-54
All ITTO Consumers	**13021**	**12395**	**12421**	**0**
Côte d'Ivoire	37	10	10	0
India	2421	1561	1561	0
Malaysia	736	297	183	-38
Philippines	259	233	230	-1
Thailand	480	609	639	5
Asia-Pacific Producers	**3935**	**2783**	**2697**	**-3**
Latin American Producers	**3**	**12**	**38**	**221**
All ITTO Producers	**3976**	**2817**	**2751**	**-2**
All ITTO Members	**16997**	**15212**	**15172**	**0**

The bulk of China's production comes from its southern provinces of Hainan Island and Yunnan. Log production from these areas is consumed almost entirely domestically. Australia's much smaller production is from north Queensland and is also consumed domestically.

Big fall in EU log imports

Import data (table above) indicates that imports of tropical hardwood logs by ITTO member companies remained static in 2003, but the longer-term shift away from Japan and EU buyers in favour of China continued at a rapid pace. EU and Japanese imports of tropical hardwood logs fell 17% and 4% respectively in 2003, while Chinese imports increased by 9% to over 7.5 million m3. China now accounts for around 50% of all tropical hardwood logs imported by ITTO member countries.

Tropical sawn lumber

Overall tropical hardwood sawn lumber production in ITTO member countries is estimated to have remained static between 2001 and 2003 at around 34 million m3 (see table). Production in most countries was either stable or down slightly in 2003, with the notable exceptions of Cameroon and Brazil, which recorded 13% and 4% increases respectively.

Rise in sawn lumber exports

ITTO producers exported a total of almost 8.7 million m3 of tropical sawn lumber in 2003, only 2% up on the previous year. Rising exports by Thailand and Cameroon were offset by a decline in exports from Indonesia,

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ITTO Producer Members - Tropical Sawn Lumber Production and Export (000m3)

	Tropical Hardwood Production				Tropical Hardwood Exports			
	2001	2002	2003	% Change 02/03	2001	2002	2003	% Change 02/03
Cameroon	970	800	900	13	958	793	890	12
CAR	150	150	150	0	76	55	50	-9
Congo, Dem. Rep.	10	35	7	-80	7	29	6	-79
Congo, Rep.	126	170	170	0	93	127	133	0
Côte d'Ivoire	630	620	472	-24	397	349	310	-11
Gabon	112	117	117	0	77	103	92	-11
Ghana	480	461	511	11	239	207	217	5
Africa	**4513**	**4396**	**4362**	**-1**	**1905**	**1731**	**1755**	**1**
India	6	5	5	0	1	5	5	0
Indonesia	6750	6500	6250	-4	2248	2000	2000	0
Malaysia	4696	4643	4552	-2	2562	2506	2372	-5
Myanmar	671	381	391	3	243	24	27	12
Papua New Guinea	40	40	60	50	40	40	40	0
Philippines	199	155	151	-3	97	91	98	8
Thailand	191	240	250	4	400	761	1000	31
Asia-Pacific	**12625**	**12025**	**11727**	**-2**	**5612**	**5447**	**5563**	**2**
Bolivia	308	299	351	17	43	34	41	23
Brazil	14800	15300	15912	4	1013	1148	1148	0
Ecuador	396	400	400	0	20	20	20	0
Guyana	30	35	30	-15	23	33	28	-15
Peru	503	598	598	0	70	106	106	0
Latin America/Carr.	**16910**	**17567**	**18143**	**3**	**1198**	**1369**	**1372**	**0**
All ITTO Producers	**34048**	**33988**	**34232**	**1**	**8715**	**8548**	**8690**	**2**

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Malaysia and Ivory Coast.

In South East Asia, Indonesian sawn lumber production and exports have declined due to increased awareness of illegal logging practices and tighter restrictions. Malaysian sawn lumber production and exports have also tended to decline due to restricted availability of logs and limited demand for Malaysian products in Europe and Japan. Thailand continued its rapid growth in production and exports of rubberwood and other plantation species to the European Union and the United States.

China's exports of tropical sawnwood dropped sharply by 78% to 69,000 m3 in 2002 and a further 86% to 10,000 m3 in 2003, as production and imports were increasingly absorbed by the huge domestic market.

African exports static

Overall Africa's exports of tropical hardwood sawn lumber remained static in 2003 but there were significant changes in supply sources. Cameroon's exports of sawn lumber recovered in 2003 after a significant decrease in 2002. Buyers turned more to Cameroon last year as supplies of commercially valuable species have become restricted elsewhere in Africa, notably from Ivory Coast. Chinese buyers have also become more involved in the Cameroon sawn lumber market in recent years. Cameroon now has the largest industrial wood processing capacity of all tropical African supplying countries. However signs of intense pressure on raw material supplies suggest the recent upswing in Cameroon sawn lumber exports may not be sustainable long term.

Supplies of sawn lumber from Ivory Coast were interrupted last year by on-going political problems. Ghana's sawn lumber exports remained fairly static in 2003. Exports of sawn lumber from the Republic of Congo continued to rise in 2003, but at a slower pace than the previous year.

Huge growth in Chinese imports

Import data (see table) indicates that China's imports of tropical hardwood sawn lumber increased by over 40% last year to just over 4 million m3. Imports by tropical timber producing countries, notably Malaysia, were also rising. The long-term trend towards increased south-south trade in tropical hardwoods therefore continued last year. However, the EU market for tropical hardwood sawn lumber also showed signs of improvement in 2003 after a sharp decline the previous year. In part the rise in EU sawn lumber imports is simply to off-set the declining availability of tropical logs to the EU market. However, anecdotal evidence also points to some revival of interest in tropical hardwoods in Europe, particularly for flooring and decking.

ITTO Members - Tropical Hardwood Sawn lumber Imports (000 m3)

	2001	2002	2003	% var 02/03
Australia	25	12	12	0
China	2907	2865	4092	43
Hong Kong	579	698	698	0
Japan	601	547	491	-10
Rep. of Korea	358	367	264	-28
Taiwan	301	329	353	7
Asia-Pacific Consumers	**4776**	**4824**	**5915**	**23**
Belgium	247	227	271	19
Denmark	66	150	81	-46
France	402	282	319	13
Germany	142	138	122	-12
Greece	15	12	13	9
Ireland	63	37	49	32
Italy	454	446	433	-3
Netherlands	387	389	409	5
Portugal	100	117	101	-14
Spain	513	424	583	38
U.K.	243	204	229	12
EU Consumers	**2661**	**2449**	**2634**	**8**
Canada	33	36	35	-3
U.S.A.	277	232	240	3
N. American Consumers	**310**	**268**	**275**	**3**
All ITTO Consumers	**7765**	**7562**	**8846**	**17**
Malaysia	588	645	882	37
Philippines	217	219	210	-4
Thailand	1000	1425	1496	5
All ITTO Producers	**1861**	**2400**	**2681**	**12**
All ITTO Members	**9626**	**9962**	**11527**	**16**

Tropical hardwood plywood

Production of plywood in ITTO producing countries totalled 13.5 million m3 in 2002, having decreased by 5% from the previous year (see table below). In 2003, this figure declined a further 1%. Indonesian production, by far the greatest amongst ITTO producer countries, dropped by 10% from 2001 levels to 6.6 million m3 in 2002 and is estimated by ITTO to have remained stable at the lower level in 2003. Malaysia, the world's second largest producer of tropical plywood, experienced a 2% fall in production levels to around 4.26 million m3 in 2003. Overall, plywood production has declined significantly in the last five years in both Malaysia and Indonesia (by 3% and 13% respectively) due to tight log supplies and crackdowns on illegal log flows. Brazilian production is estimated by ITTO to have remained stable at 1 million m3 in both 2002 and 2003.

Chinese production up......

Some ITTO consuming countries are also major producers of tropical hardwood plywood. Overall these countries produced 6.2 million m3 of tropical plywood in 2003 (a little over 30% of total ITTO production), a 6.9% increase from 2002. The main reasons for this rise were increases in Chinese and Korean production. China is now the world's third largest producer of tropical plywood with production volumes rising 6% to 3.6 million m3 in 2002, and then by a further 11% to 4 million m3 in 2003. China has nearly doubled its tropical plywood production in the last five years to keep pace with the demand of its growing construction sector and to feed a growing export sector.

.....Japanese production down

Tropical plywood production in Japan decreased by 5% in 2002 to slightly over 1 million and remained stable in 2003. Japan's production has halved in the last five years and is now less than one-fifth of plywood imports. This is a big change from the situation that existed from 1945-95, when domestic production consistently exceeded imports. Japanese plywood manufacturers are increasing the proportion of softwoods used in plywood production, as well as introducing lamination and other techniques to allow re-use of concrete form-ply. Substitution by reconstituted panels is also occurring. In addition, several plywood manufacturers from Japan (as well as from Taiwan and elsewhere) have established

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ITTO Producer Members - Tropical Plywood Production and Export (000m3)

	Tropical Hardwood Production				Tropical Hardwood Exports			
	2001	2002	2003	% Change 02/03	2001	2002	2003	% Change 02/03
Cameroon	30	48	48	0	21	47	47	-1
Côte d'Ivoire	81	76	62	-18	34	38	38	0
Gabon	76	141	141	0	57	30	30	0
Ghana	114	119	105	-12	53	75	75	0
Africa	**365**	**448**	**420**	**-6**	**166**	**195**	**195**	**0**
Cambodia	14	14	14	0	14	14	14	0
India	300	300	300	0	64	59	59	0
Indonesia	7300	6550	6550	0	6003	5520	5520	0
Malaysia	4318	4341	4267	-2	3517	3614	3700	2
Philippines	348	409	371	-9	5	14	29	108
Thailand	106	120	120	0	3	3	3	0
Asia-Pacific	**12453**	**11763**	**11655**	**-1**	**9655**	**9234**	**9339**	**1**
Brazil	1000	1000	1000	0	826	747	747	0
Ecuador	104	85	85	0	68	68	68	0
Guyana	70	51	51	-1	70	47	41	-13
Peru	100	96	96	0	2	0	0	0
Latin America/Carr.	**1343**	**1302**	**1297**	**0**	**975**	**868**	**858**	**-1**
All ITTO Producers	**14161**	**13514**	**13372**	**-1**	**10797**	**10297**	**10392**	**1**

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joint ventures for plywood and other panel products in producer countries where costs are lower.

Changes in the Japanese plywood industry are also apparent from the import data (see table). Last year, ITTO record a 20% fall in imports of tropical hardwood plywood into Japan, by far the largest export market for this commodity. This partly reflects revisions to Japan's Building Standards Law which became effective in July 2003 and imposed new requirements for low formadehyde emissions on plywood manufacturers. The change provided an immediate boost to Japan's domestic manufacturers, while overseas manufacturers in Indonesia and Malaysia were slower to react.

A larger proportion of tropical hardwood plywood was diverted into China last year where imports increased by 25%. The rise in Chinese tropical hardwood plywood is also explicable in terms of improving economic growth during the second half of 2003, and difficulties experienced by Chinese plywood manufacturers to obtain adequate supplies of tropical hardwood logs and veneer.

EU imports of tropical hardwood plywood recovered in 2003 as economic conditions and consumption showed some signs of improvement and importers took steps to rebuild stocks after low levels of buying the previous year. US imports of tropical hardwood plywood continued to expand in 2003, boosted by low prices, but at a slower rate than the previous year.

ITTO Members - Tropical Hardwood Plywood Imports (000 m3)

	2001	2002	2003	% var 02/03
China	619	582	728	25
Hong Kong	306	246	246	0
Japan	4529	4631	3719	-20
Rep. of Korea	1022	1234	1108	-10
Taiwan	406	483	655	35
Asia-Pacific Consumers	**6913**	**7219**	**6499**	**-10**
Belgium	298	305	346	13
France	182	162	173	7
Germany	213	153	177	16
Ireland	60	53	47	-11
Italy	99	106	126	19
Netherlands	198	221	203	-8
U.K.	610	558	598	7
EU Consumers	**1759**	**1648**	**1762**	**7**
Canada	277	155	150	-3
U.S.A.	1057	1340	1370	2
N. American Consumers	**1334**	**1495**	**1520**	**2**
All ITTO Consumers	**10177**	**10562**	**9982**	**-5**
All ITTO Producers	**76**	**106**	**104**	**-2**
All ITTO Members	**10253**	**10668**	**10086**	**-5**

Tropical hardwood veneer

Production of tropical veneer in ITTO producing countries decreased by 4.7% in 2002 to 2.16 million m3, but rebounded by 4% in 2003 to reach 2.24 million m3 (see table below). Veneer production figures should not include veneer used in domestic plywood production and therefore represent only the production of veneer intended to be traded as such. The tropical hardwood veneer trade is strongly influenced by the dynamics of the international plywood industry (in the case of rotary veneers) and furniture industry (in the case of sliced veneers).

Malaysia is the largest tropical veneer producing nation. Malaysian production rose by 2% from 649,000 m3 to 662,000 m3 between 2001 and 2002, but there are indications that production decreased significantly during 2003. This seems to reflect efforts by the Malaysian industry to restrict the export trade in rotary veneers, particularly to China, and to divert more of the available volume to domestic plywood mills.

Brazil is ITTO's second largest tropical veneer producer and its production made up 17% of the ITTO producer total in 2002 and 14% of total ITTO veneer production. Brazilian production was stable at 370,000 m3 in 2003.

Both Gabon and Ghana have seen a significant rise in veneer production in the last two years as efforts to increase domestic processing have continued. However Ivory Coast's production has followed an opposite trend due to political problems during the period.

After a slight decline of 6% in 2002, production in the Philippines jumped sharply by 43% to 294,000 m3 in 2003.

Overall, ITTO producer country exports of tropical veneer decreased by 4% in 2003, having increased by 8% to 1.3 million m3 in the previous year. This decline was entirely accounted for by Malaysia, ITTO's dominant veneer exporter.

Veneer imports rise

Imports of tropical veneer into ITTO consumer countries rose by 9.2% to over 2.6 million m3 in 2003, as compared to the previous year, offsetting the 3% drop in 2002 (see table below). Significant increases in imports were recorded in Korea and the Philippines, where the furniture sectors are thriving. French and Italian imports of tropical hardwood veneers have also been rising strongly. This partly reflects the shift in European tropical hardwood plywood processing capacity to tropical supplying countries. The rise in Italian imports of tropical veneers may also be indicative a renewal in interest for dark, tropical species in furniture production and a partial move away from the blond look of recent years.

At the same time, however, Chinese imports of veneer have decreased by a substantial 68% since 2001, as veneer previously imported for the plywood and furniture industries have been replaced by domestic plywood production using imported tropical logs

ITTO Members - Tropical Hardwood Veneer Imports (000 m3)

	2001	2002	2003	% var 02/03
China	291	161	124	-23
Hong Kong	95	163	163	0
Japan	45	39	31	-21
Rep. of Korea	203	240	334	39
Taiwan	118	124	160	29
Asia-Pacific Consumers	**755**	**729**	**813**	**12**
Belgium	13	21	18	-14
Denmark	6	9	15	67
France	79	110	127	15
Germany	52	43	44	2
Italy	108	113	138	22
Portugal	19	19	16	-16
Spain	85	80	67	-16
U.K.	10	6	10	67
EU Consumers	**394**	**427**	**448**	**5**
Canada	19	18	19	6
U.S.A.	23	23	24	6
N. American Consumers	**42**	**41**	**43**	**6**
All ITTO Consumers	**1245**	**1204**	**1311**	**9**
Malaysia	14	13	60	370
Philippines	105	64	85	33
Thailand	9	11	12	5
All ITTO Producers	**138**	**99**	**171**	**73**
All ITTO Members	**1383**	**1303**	**1483**	**14**

ITTO Producer Members - Tropical Veneer Production and Export (000m3)

	Tropical Hardwood Production				Tropical Hardwood Exports			
	2001	2002	2003	% Change 02/03	2001	2002	2003	% Change 02/03
Cameroon	55	50	50	0	33	27	27	-1
Congo, Rep.	14	21	21	0	9	18	18	0
Côte d'Ivoire	296	247	230	-7	121	151	151	0
Gabon	110	110	200	82	104	108	195	81
Ghana	259	264	300	14	114	117	116	-1
Africa	**735**	**693**	**802**	**16**	**381**	**421**	**507**	**20**
Cambodia	24	45	45	0	24	45	45	0
India	55	55	55	0	1	3	3	0
Indonesia	94	45	45	0	5	4	4	0
Malaysia	649	662	540	-18	656	601	460	-23
Philippines	219	205	294	43	2	3	6	122
Asia-Pacific	**1116**	**1055**	**1028**	**-3**	**761**	**693**	**556**	**-20**
Brazil	370	370	370	0	39	161	161	0
Latin America/Carr.	**418**	**413**	**408**	**-1**	**42**	**164**	**164**	**0**
All ITTO Producers	**2269**	**2161**	**2239**	**4**	**1184**	**1278**	**1227**	**-4**

Cameroon

Log exports continue to decline

2003 hardwood exports from Cameroon were characterised by a reduction in log shipments and an increase in exports of sawn lumber, as compared to the previous year. As little as 10% of total forest production was exported in log form last year and only three species (ayous, fraké and tali) accounted for around 92% of the total. In terms of log exports, ayous continues to hold the number one position at 86,000 m^3 in 2003, closely followed by fraké at 71,000 m^3. In addition, 282,000 m^3 of sawn ayous was also produced domestically last year. Other species, such as azobe which used to be exported in log form are now almost entirely converted in Cameroon.

Sawn lumber exports grow 12%

Overall, Europe is Cameroon's largest customer for both logs and sawn lumber and exports of sawn lumber to Europe accounted for 84% of the total. However, while sawn lumber exports increased by 12% between 2002 and 2003, exports to Europe remained unchanged. This can be principally accounted for by significant decreases in demand from both Italy and the Netherlands, the two largest customers in 2002. The greatest increases in Cameroonian sawn lumber exports last year were seen to China (283%), Ireland (132%) and Spain (83%). While China also took the bulk of Cameroonian log exports in 2003, Spain has become the number one customer for sawn lumber and imported some 26% of all sawn lumber exports last year. The bulk of this was accounted for by ayous, but large volumes of both tali and sapele were also imported. Spanish traders also report that the trend for sawn sapele lumber has continued to grow through the first half of 2004, in many cases as a substitute for American white oak, which has been of limited availability.

Despite a decline of 22% in imports, Italy remained Cameroon's number two export market for sawn lumber last year and its most important customer for ayous, taking around 45% of the total. At the same time, France, Cameroon's fifth largest export market was the largest importer of moabi (75% of the total) and movingui (52% of the total), which is used for interior joinery.

Afrormosia exports rise

Cameroon was one of the first countries in the Congo Basin to be authorised by CITES to start exporting assamela/afrormosia once again. In 2003, exports of sawn assamela grew by 150% as compared to the previous year, to reach a volume of 13,000 m^3. This production provides a valuable and potentially sustainable contribution to the Cameroonian economy. At the same time, ayous and sapele accounted for around one third of sawn lumber exports last year and almost half of Cameroon's sawn lumber production capacity is focused on these two species. International demand for these two important species provides much needed revenue for the country's wood products sector.

An uncertain future?

With 890,000 m^3 of sawn lumber exported in 2003, Cameroon has the greatest industrial capacity in forested Africa. However, harvesting levels have been falling in recent years and many mills are now struggling to obtain adequate log supplies. The area available for harvesting fell from around 1 million hectares in the 1995-96 financial year to around 350,000 hectares in 2001-02. This downward trend is likely to continue.

Draws on commentary by ATIBT.

Cameroon Log and Sawn Lumber Exports By Country
Volume (000s m3), Source SGS/Commerce International du Bois/ATIBT

	2002	2003	% var
Logs			
Italy	86.5	64.3	-26
China	74.4	54.2	-27
France	11.3	17.9	58
Spain	15.8	17.9	13
Senegal	7.3	15.4	111
Turkey	8.4	10.3	23
India	0	2.7	n/a
Korea	0	1.8	n/a
Portugal	2.7	3.1	15
Germany	4.1	3.6	-12
Total Europe	**123.6**	**106.7**	**-14**
Total	**219.1**	**191.1**	**-13**
Sawn lumber			
Italy	254.3	199.3	-22
Netherlands	170.6	68.1	-60
Spain	126.8	232.3	83
China	14.5	55.5	283
France	59.4	81.2	37
Belgium	38.2	49.1	29
UK	21.3	33.0	55
Senegal	7.6	15.0	97
Portugal	13.4	19.9	49
Tunisia	9.7	13.0	34
Germany	8.4	15.3	82
Ireland	13.3	30.8	132
Turkey	3.5	6.0	71
USA	9.6	15.7	64
Other	42.7	55.6	30
Total Europe	**750.6**	**749.4**	**0**
Total	**793.3**	**889.8**	**12**

Cameroon Log and Sawn Lumber Exports By Species
Volume (000s m3), Source SGS/Commerce International du Bois/ATIBT

	2002 Logs	2003 Logs	% var Logs	2002 Sawn	2003 Sawn	% var Sawn
Species banned from export in log form on 1 July 1999						
Sapeli	0	0	n/a	121.6	205.6	69
Iroko	0	0	n/a	72.9	75.2	3
Sipo	0	0	n/a	12.5	19.2	54
Movingui	0	0	n/a	17	21.7	28
Moabi	0	0	n/a	10.9	16.0	47
Bibolo/Dibetou	0	0	n/a	6.7	13.1	96
Padouk	0	0	n/a	2.9	6.6	128
Doussie	0	0	n/a	9.5	10.0	5
Assamela/Afrormosia	0	0	n/a	5.2	13.0	150
Bubinga	0	0	n/a	2.6	2.3	-12
Acajou/Ngollon	0	0	n/a	8.5	10.9	28
Bosse	0	0	n/a	3.1	4.2	35
Ceiba/Fromager	0	0	n/a	0.1	0.0	-70
Illomba	0	0	n/a	0.2	0.4	100
First Category Species*						
Ayous	117.2	85.8	-27	277.4	281.6	2
Azobe	4.2	0.0	-100	40.3	54.3	35
Frake/Limba	58.0	70.9	22	6.0	15.1	152
Tali	17.2	19.8	15	144.0	55.4	-62
Bilinga	1.2	0.2	-83	0.0	5.5	n/a
Second Category Species*						
Eyong	7.1	5.8	-18	0.0	0.3	n/a
Ekop/Evene/Ekaba/Naga	8.0	0.1	-99	0.3	0.0	-90
Agba/Tola	1.0	0.8	-20	0.5	0.5	0
Pachyloba	0.0	0.0		23.5	37.1	58
Kossipo	1.8	2.2	22	10.3	19.2	86
Others	3.4	5.5	62	17.3	22.5	30
Total	**219.1**	**191.1**	**-13**	**793.3**	**889.8**	**12**

First category species may be exported in log form subject to a high rate of duty. Second category species may be exported in log form subject to a low rate of duty.

Gabon

Log exports continue to slide

Log exports from Gabon continue to fall by around 10-15% per year and in 2003, exports fell by 11% as compared to the previous year. One of the main reasons for this on-going decline is positive: the development of the domestic wood-processing industry, which is consuming ever-increasing volumes of logs. It is difficult to quantify the exact volume of logs entering Gabonese mills and therefore, annual timber transformation. However, ATIBT estimates production of sawn and/or peeled timber to be in the region of 500,000m^3, which is roughly equal to one quarter of total production.

The other reasons for the decline in log exports are a generally weak (although improving) international market for tropical logs and the strength of the euro against the dollar. As the CFA franc is aligned to the euro, this has undermined the competitive position of Gabon forest products.

The drop in export volume last year was particularly evident for okoume, of which exports fell by 11%. Okoume logs accounted for 64% of exports in 2003, and 66% of all okoume logs were sent to China. However, Chinese consumption of okoume has been in decline in recent months and this has had a significant impact on Gabon's forest products sector. Gabon's dependency upon China as an export market is very significant and for a country in which the forest products sector is the second largest employer after the state, reliable export markets are all important. This, however, is a delicate situation, as Chinese manufacturers are able to profit from competitive labour rates, as well as favourable exchange rates and export aid in order to undermine Gabon's traditional European and American markets, as well as African sawmills. In 2003, China imported some 100,000m^3 of okoume each month, resulting in an annual import total of around 1.5 million m^3. For this reason, China is an attractive customer for Gabon, but such dependence on a market which has no intention of importing sawn lumber from Gabon's mills may well prove to be a hindrance to the future development of Gabon's wood products sector.

Gabon wood product exports
Volume (000 m3), Source ATIBT

	2002	2003	% var
Sawn lumber	103.0	92.0	-10.7
Veneer	108.0	195.0	80.6
Plywood	30.0	30.0	0.0
Total	**241.0**	**317.0**	**31.5**

Gabon Log Exports
Volume (000s m3), Source ATIBT

	2000	2001	2002	2003	% var
Okoume/ozigo logs by export destination					
China	1019.7	860.3	822.2	732.6	-11
France	320.3	324.6	227.8	188.7	-17
Morocco	91.5	100.3	83.1	89.7	8
Greece	46.2	39.6	37.7	30.5	-19
Turkey	38.6	11.3	17.6	17.5	-1
Spain	10.7	12.4	17.2	18.7	8
Hong Kong	4.8	39.4	9.1	10.8	20
Italy	5.1	6.1	6.1	3.9	-37
Holland	27.1	17.8	6.0	0.2	-96
Algeria	8.5	26.7	3.0	6.9	131
Mexico	4.9	3.3	2.7	4.7	71
Malaysia	4.7	4.6	2.7	0.2	-93
Israel	58.5	11.0	1.7	0.0	-100
Germany	2.7	3.8	1.4	1.5	9
Tunisia	0.3	0.6	0.7	0.1	-90
Portugal	1.1	1.0	0.1	0.1	-5
Japan	21.1	5.3	0.1	0.2	219
Korea	22.2	5.2	0.0	0.0	
Philippines	15.6	38.4	0.0	0.0	
Others	17.6	3.1	3.9	4.4	15
Total	**1721.1**	**1514.7**	**1243.1**	**1110.5**	**-11**
Other logs by export destination					
China	67.3	61.1	100.4	141.2	41
France	183.3	183.6	128.9	136.3	6
India	138.2	133.2	142.4	99.2	-30
Italy	53.3	58.5	51.8	44.6	-14
Portugal	114.9	107.5	72.9	44.0	-40
Taiwan	56.2		32.3	32.4	0
Hong Kong	99.8	77.2	54.0	20.5	-62
Turkey	22.9	22.8	12.4	18.8	52
Netherlands	13.9	18.1	20.4	18.0	-12
Germany	19.8	28.1	15.1	16.3	8
Japan	20.8	16.0	10.2	9.1	-11
Greece	25.4	22.8	15.4	8.8	-43
Spain	8.9	12.9	7.9	8.3	5
Korea	6.5	7.6	7.0		-100
Others	13.2	42.4	13.6	9.3	-32
Total	**844.4**	**791.8**	**684.7**	**606.8**	**-11**
All logs by species					
Okoume	1659	1490	1233	1100	-11
Ozigo	62	25	10	11	10
S/total	**1721**	**1515**	**1243**	**1111**	**-11**
Padouk	124	114	121	109	-10
Kevazingo	87	86	77	51	-34
Moabi	56	73	54	54	-1
Beli	37	47	49	35	-29
Agba	53	56	35	23	-33
Azobe	40	38	33	30	-10
Movingui	36	34	28	34	22
Bahia	38	33	28	20	-28
Douka	31	36	26	25	-1
Izombe	24	35	23	12	-50
Bilinga	49	19	22	14	-38
Tali	29	27	19	21	11
Iroko	44	34	18	18	5
Ovengkol	12	16	16	16	5
Sapeli	10	17	9	12	23
Acajou	13	13	9	18	95
Doussie	7	9	9	9	-3
Igaganga	33	13	8	9	14
Okan	13	9	8	15	81
Niangon	10	10	6	6	5
Andoung	15	2	2	3	95
Others	92	85	85	73	-14
S/total	**853**	**806**	**685**	**607**	**-11**
TOTAL	**2574**	**2321**	**1928**	**1717**	**-11**

Congo Kinshasa

Efforts to promote forestry

In 2003, the Democratic Republic of the Congo (DRC) exported 37,000m3 of logs and 16,000m3 of sawn lumber. Volumes remain small, but new legislation may lead to a big increase in production in coming years.

The DRC government, along with the World Bank and United Nations Food and Agriculture Organisation (FAO), is working towards increasing industrial logging to promote economic development. The World Bank and FAO have been closely involved with the development and adoption of new forestry laws (Law No. 011-2002 on the Forestry Code). Both agencies are also involved in preparing a national forest zoning plan, which will serve to define areas for logging, conservation and community use.

These efforts have not not been universally welcomed. The Rainforest Foundation, an international NGO, has criticised World Bank efforts to "create a favourable climate for industrial logging" in the Congo. They suggest that the new plan could lead to a 60-fold increase in the country's timber production, affecting up to 60 million hectares of the DRC's rainforest.

Threat of return to war

Apart from the concerns of NGOs, the success of the new measures to promote sustainable timber extraction in the country will be heavily dependent on the political environment. The signs have not been good in recent weeks. A massacre of 160 Congolese Tutsi refugees in Burundi at the end of August prompted Rwanda and Brundi to threaten to send troops into Congo to crush genocidal Hutu militias there. Soom after, one of Congo's vice presidents, a Tutsi , pulled out of Congo's power-sharing government. These events have raised fears that the country may be about to slide back into civil war and led to widespread calls for an increase in the size of the UN peace keeping force in the country.

Congo Brazzaville

Finance law disrupts industry

In early 2003, the Republic of Congo introduced a new finance law which included new higher tax rates. This hit the industry hard and now several companies are on the verge of collapse. Transport conditions in the country also remain poor. There is no road linking the eight large forestry companies in the north of the country with the main port at Pointe Noire. These companies remain heavily reliant on the expensive overland route to Douala in Cameroon and on river transportation which is only possible during eight months of the year.

The 11% rise in log exports last year is due to the expansion of operations by the Malaysian company Taman in the south of the country. Taman has also invested in a road over the Mayombe mountain facilating exports from the south. Due to the difficult terraine, the road is dangerous and only navigable by logging lorries. It is so rough that it can only be used for carriage of logs and not for veneers or containerised sawn wood.

Although the government has imposed requirements for increased domestic transformation of logs prior to export, current infrastructure is inadequate. Therefore exports of sawn lumber are increasing only slowly.

Based on commentary by Congo Timber for ATIBT.

Wood exports from Congo (Brazzaville) - 000s m3 - source ATIBT

	1998	1999	2000	2001	2002	2003	% chg 00/01
Via Pointe-Noire							
Logs	139.2	60.7	87.3	181.5	390.8	488.5	25
Sawntimber	13.2	10.2	6.2	10.8	12.4	19.8	60
Veneer	41.7	16.5	8.0	12.0	17.5	14.6	-17
Plywood	1.1	0.0	0.0	0.0	0.0	0.0	na
Via Douala							
Logs	133.7	150.7	195.5	196.1	237.4	221.6	-7
Sawntimber	45.6	51.6	57.3	62.9	94.9	96.4	2
Via Matadi (DRC)							
Logs	0.0	0.0	11.0	18.4	12.3	2.2	-82
Sawntimber	0.0	0.0	0.0	21.0	20.1	16.8	-16
Total Congo							
Logs	273.0	211.4	293.8	396.1	640.5	712.3	11
Sawntimber	58.8	61.9	63.5	94.7	127.4	133.0	4
Veneer	48.3	16.5	8.0	12.0	17.5	14.6	-17
Plywood	1.1	0.0	0.0	0.0	0.0	0.0	na

Central African Republic

32% reduction in log exports

2003 saw a 32% drop in the volume of log exports from CAR, down from 342,732m3 in 2002 to 231,758m3. This is almost entirely due to the difficult political situation, starting with civil unrest in February 2003. At the same time, the entire forestry sector of CAR was taken over by the forestry department, resulting in a period of confused administration, where irregular logging permits were issued and temporary restrictions on felling and exports were put in place. Urgent measures taken by the new forestry minister in April 2003 led to a large reduction in output, while the sector was tidied up and returned to state administration.

In addition to the political changes felt by CAR's forestry sector in 2003, the production and export of forest products was also affected by economic and climatic factors. A wetter than usual rainy season hindered logging operations on a greater scale than in 2002, while the fall of the US dollar in the last quarter of 2003 led to reduced competitiveness of Central African wood in the franc zone.

While log exports were severely weakened during 2003, sawn lumber exports from CAR held up surprisingly well until the last quarter of the year. Over the whole year, exports of sawn lumber fell 10% from 55,599m3 to 49,917m3. The main reason for this was that the domestic wood transformation sector did not come under the same level of scrutiny by the newly appointed forest minister as the logging sector. The legality of their licences was not questioned as the sawmills belong mainly to respected industrial groups. In addition to this, prices of sawn sapele, iroko and bosse observed at Douala port all firmed during the year, driven by improving demand in Europe and Asia. This, however, did not last the year out, as the last quarter witnessed a major drop in exports of sawn lumber, directly linked to the weakness of the US dollar.

Comeback forecast for 2004

This year, with the requisition of the forestry sector by the government and the necessary scrutiny of logging enterprises almost complete, two new and important permits have been issued to new concessionaries. Counting on the return of the US dollar to a more reasonable level, the forestry department forecasts that CAR's national production of logs should recover in 2004 to more or less the same levels seen in 2002.

Draws on commentary by ATIBT.

South America

Brazil

In continuation of the situation during the first quarter of this year, Brazilian exports of hardwood sawn lumber, plywood and veneer have all increased significantly in the first six months of 2004. Continued growth of the global economy, the relative weakness of the Brazilian real which has improved price competitiveness, and supply problems in other tropical countries have all helped to boost Brazilian exports. Despite customs and other Brazilian port officials going on strike and hampering shipments, exports have managed to surge forward so far this year.

In January to June 2004, Brazil exported some 717,000 m3 of sawn hardwood, with its most important market being China, accounting for over one fifth of total exports. It is now clear that China has begun to diversify its interest in Brazilian hardwood species to include a much wider range than before and this has been to the cost of some temperate species, which were previously in much higher demand.

In both volume and value terms, the Dutch and French markets have seen significant increases in imports of hardwood sawn lumber from Brazil so far this year, while Spain's imports have not increased so dramatically. In the case of the Netherlands, limitations on the supply of alternative Malaysian species have led to a boost in imports from Brazil, while in Spain, increased imports of African sawn lumber species have calmed the surge in imports from Brazil.

In hardwood plywood, the United States remains by far the largest market and imports from Brazil increased by over 32% in the first half of this year, as compared to 2003. However, the United Kingdom, which imported less than half of the volume taken by the US in 2003, is showing signs of growing even faster. In January to June this year, UK imports of Brazilian hardwood plywood increased by 60% as compared to the same period in 2003 and accounted for 21% of all Brazilian plywood exports.

Exports of hardwood veneer from Brazil increased by 13% to the United States – its largest export market – in the first half of 2004, while exports to Argentina and Spain, Brazil's second and third largest hardwood veneer markets actually decreased.

Brazilian exports of primary wood products, 2003 and January to March 2003, 2004

	US$ million 2003 Year	US$ million 2003 Jan-Mar	US$ million 2004 Jan-Mar	US$ million % Change	000 m3 2003 Year	000 m3 2003 Jan-Mar	000 m3 2004 Jan-Mar	000 m3 % Change
Hardwood sawn lumber								
CHINA	105.2	45.5	62.4	37.2	260.9	108.9	145.2	33.3
FRANCE	48.6	23.3	26.5	13.9	133.0	60.8	86.6	42.4
NETHERLANDS	28.3	12.0	20.2	68.8	96.9	42.3	68.9	63.0
HONG KONG	24.5	8.6	20.2	134.1	56.7	20.4	39.2	91.8
UNITED STATES	38.2	15.0	19.1	27.1	86.4	38.3	46.0	20.1
SPAIN	30.0	14.2	18.1	27.9	205.4	50.0	56.6	13.3
PORTUGAL	18.0	8.6	14.8	72.0	92.8	35.4	53.1	50.0
BELGIUM	18.9	8.3	12.6	52.0	50.5	23.4	31.5	34.3
DOMINICAN REPUBLIC	7.6	3.0	6.2	103.7	24.6	10.4	18.9	82.7
ARGENTINA	8.3	3.1	5.7	86.3	31.5	12.0	58.4	388.7
TAIWAN	5.4	2.1	6.4	208.8	13.5	5.2	12.4	140.7
MOROCCO	0.4	0.0	2.3	4932.3	1.3	0.1	2.2	1598.5
ITALY	8.4	3.5	4.0	13.3	23.8	9.9	10.3	3.4
THAILAND	5.5	2.0	2.8	40.4	36.4	12.7	18.3	44.8
JAPAN	6.1	2.7	2.5	-8.2	11.2	4.7	4.3	-9.3
UNITED KINGDOM	3.5	1.9	2.6	38.7	8.5	4.1	5.2	26.1
VIETNAM	6.1	1.9	2.0	3.5	42.6	16.7	10.6	-36.5
OTHER	29.8	13.6	15.3	12.2	141.9	75.4	49.1	-34.9
TOTAL	**392.9**	**169.2**	**243.5**	**43.9**	**1317.7**	**530.7**	**716.8**	**35.1**
Softwood sawn lumber								
UNITED STATES	164.3	87.4	97.3	11.3	1096.3	587.9	528.9	-10.0
SPAIN	15.5	6.2	8.4	36.0	120.4	49.6	62.8	26.6
MEXICO	10.9	5.6	3.5	-37.5	94.5	48.4	30.0	-38.0
CHINA	6.1	3.5	3.9	11.4	47.4	28.0	26.7	-4.9
MOROCCO	11.8	5.2	4.1	-20.2	103.7	46.7	32.6	-30.2
OTHER	46.3	21.2	18.6	-12.4	238.0	112.9	86.0	-23.8
TOTAL	**255.0**	**129.1**	**135.9**	**5.2**	**1700.2**	**873.7**	**767.0**	**-12.2**
Hardwood plywood								
UNITED STATES	81.6	33.2	51.4	54.8	372.5	153.9	203.6	32.3
UNITED KINGDOM	42.5	16.4	34.3	109.4	180.8	69.8	111.7	60.1
PUERTO RICO (U.S.)	16.8	7.4	13.7	85.0	83.8	25.0	41.3	65.2
BELGIUM	13.6	6.6	10.0	51.7	54.4	26.4	33.5	27.0
ITALY	8.9	4.5	6.1	34.0	31.7	16.3	20.5	25.5
GERMANY	14.1	5.7	6.5	13.4	46.7	19.4	19.4	0.4
IRELAND	8.1	3.0	6.7	125.2	36.4	13.7	24.1	75.4
GREECE	2.8	1.2	1.2	3.8	13.0	6.1	4.6	-25.6
NETHERLANDS	2.2	0.8	2.4	222.6	7.1	2.4	7.4	204.9
MEXICO	6.4	3.0	1.8	-40.3	23.2	11.5	6.3	-45.2
OTHER	25.1	12.3	17.4	41.5	179.4	94.4	60.7	-35.7
TOTAL	**222.0**	**94.1**	**151.7**	**61.1**	**1029.0**	**438.9**	**533.0**	**21.4**
Softwood plywood								
UNITED STATES	154.8	38.5	139.3	261.5	884.9	215.0	2128.5	889.9
UNITED KINGDOM	52.4	25.1	45.7	82.4	433.1	231.1	377.3	63.3
BELGIUM	36.2	21.4	25.7	19.9	227.0	121.9	222.4	82.5
GERMANY	31.7	19.2	20.0	4.2	205.5	139.6	83.4	-40.2
IRELAND	14.4	6.5	10.8	66.1	192.1	72.4	44.7	-38.3
ITALY	12.0	8.1	9.4	16.8	59.8	41.4	35.9	-13.4
MEXICO	5.9	1.4	5.5	296.7	316.0	11.2	128.3	1041.7
PUERTO RICO (U.S.)	15.0	6.5	11.4	75.4	133.0	34.2	39.2	14.4
JAMAICA	6.2	4.8	3.0	-37.9	59.7	26.4	11.2	-57.8
OTHER	39.5	18.1	17.1	-5.2	594.5	236.6	744.1	214.5
TOTAL	**368.0**	**149.6**	**288.0**	**92.5**	**3105.7**	**1129.9**	**3815.0**	**237.6**

Asia

The most striking feature of Chinese hardwood log imports during the first half of 2004 is that the volume decreased by 1% as compared to the same period last year, while the value increased by 8.3% over the same period. These trends are indicative of tightening availability and associated rise in hardwood log prices during 2004. Hardwood log imports from Russia, Congo Republic and Myanmar have risen strongly this year, while imports from Gabon, Papua New Guinea and Equatorial Guinea have declined.

Both volume and value of China's hardwood sawn lumber imports increased during the first half of this year. As with logs, unit values increased in response to price rises. Imports from Indonesia have continued to decline, while imports have risen from USA, Thailand, and Brazil.

China's plywood imports declined 11% during the first half of 2004 due to the ongoing, and rapidly expanding, development of China's own plywood industry. The structure of veneer imports seems to be changing dramatically. Value of imports was up 10%, while volume declined 38%. This suggests a big decrease in imports of cheaper veneers into China, perhaps due to rising domestic production of these grades.

China imports of primary wood products 2003, first half 2003 and 2004

	US$ million 2003 Year	US$ million 2003 Jan-Jun	US$ million 2004 Jan-Jun	US$ million % Change	000 m3 2003 Year	000 m3 2003 Jan-Jun	000 m3 2004 Jan-jun	000 m3 % Change
Softwood logs								
RUSSIA	778.3	394.4	489.3	24.1	12583.8	6346.1	7114.2	12.1
NEW ZEALAND	127.6	58.9	41.6	-29.3	1911.5	924.4	427.6	-53.7
OTHER	39.5	14.1	16.2	15.0	524.8	186.1	177.4	-4.7
TOTAL	**945.4**	**467.4**	**547.2**	**17.1**	**15020.0**	**7456.6**	**7719.1**	**3.5**
Hardwood logs								
MALAYSIA	395.4	160.0	201.4	25.9	2924.0	1198.6	1342.9	12.0
GABON	205.7	99.9	89.3	-10.6	939.9	481.8	351.0	-27.2
RUSSIA	190.7	90.5	126.9	40.3	1783.9	855.1	1108.2	29.6
PAPUA NEW GUINEA	154.9	81.0	81.9	1.1	1377.8	745.2	670.1	-10.1
EQUAT. GUINEA	95.5	52.8	30.3	-42.7	510.8	295.5	143.8	-51.4
CONGO REPUBLIC	76.9	35.1	56.7	61.5	372.8	179.0	230.8	28.9
MYANMAR	72.9	44.5	60.3	35.4	788.2	501.2	664.8	32.6
GERMANY	56.0	41.8	35.8	-14.3	320.4	240.3	204.1	-15.1
OTHER	254.5	156.2	142.2	-8.9	1418.2	892.3	618.2	-30.7
TOTAL	**1502.5**	**761.9**	**824.9**	**8.3**	**10435.9**	**5389.1**	**5333.7**	**-1.0**
Softwood sawn lumber								
RUSSIA	47.3	26.7	37.2	39.2	436.1	247.4	326.7	32.1
NEW ZEALAND	38.4	18.8	20.4	8.4	195.5	96.3	100.5	4.3
CANADA	37.8	17.0	29.0	70.9	265.0	117.6	187.1	59.1
U.S.A.	16.6	4.1	12.6	209.2	54.8	15.6	37.4	139.3
CHILE	13.8	5.1	10.5	105.7	76.5	28.9	58.0	100.8
FINLAND	12.8	6.3	7.4	18.0	55.6	27.3	34.2	25.1
OTHER	42.5	23.0	19.4	-15.3	289.9	170.5	116.3	-31.8
TOTAL	**209.2**	**100.9**	**136.5**	**35.3**	**1373.4**	**703.6**	**860.2**	**22.3**
Hardwood sawn lumber								
INDONESIA	210.1	98.3	90.5	-7.9	1052.2	495.1	476.4	-3.8
U.S.A.	181.3	90.0	107.0	18.9	622.2	316.5	361.9	14.3
THAILAND	135.2	66.3	85.8	29.3	671.2	330.8	422.8	27.8
BRAZIL	106.0	47.1	65.1	38.2	239.2	103.2	139.5	35.3
MALAYSIA	87.9	44.2	42.7	-3.5	436.1	220.2	207.7	-5.7
MYANMAR	35.0	20.8	21.2	2.2	190.6	120.0	130.1	8.4
CANADA	31.3	19.0	17.1	-10.1	115.9	73.1	49.6	-32.1
GERMANY	27.8	15.2	9.7	-36.5	119.4	67.6	38.3	-43.3
RUSSIA	24.3	12.1	18.5	53.7	125.1	63.7	85.0	33.4
OTHER	142.5	66.2	75.9	14.6	566.8	256.5	305.9	19.3
TOTAL	**981.4**	**479.3**	**533.5**	**11.3**	**4138.6**	**2046.6**	**2217.3**	**8.3**
Plywood								
INDONESIA	244.7	141.5	130.1	-8.1	534.4	297.0	265.4	-10.6
MALAYSIA	47.7	27.1	26.9	-0.9	137.5	69.9	66.6	-4.7
SOUTH KOREA	15.5	8.9	12.2	37.3	30.7	16.8	22.4	33.0
JAPAN	13.1	5.6	4.7	-16.4	20.2	9.0	6.8	-25.2
OTHER	34.0	18.8	11.7	-37.8	75.0	42.9	26.4	-38.5
TOTAL	**355.0**	**201.9**	**185.4**	**-8.1**	**797.8**	**435.7**	**387.6**	**-11.1**

	US$ million 2003 Year	US$ million 2003 Jan-Jun	US$ million 2004 Jan-Jun	US$ million % Change	000 tonnes 2003 Year	000 tonnes 2003 Jan-Jun	000 tonnes 2004 Jan-Jun	000 tonnes % Change
Veneer								
U.S.A.	27.3	15.1	16.2	6.9	18.0	9.7	9.7	-0.3
GERMANY	6.0	2.7	5.3	92.5	2.9	1.3	2.6	99.1
MALAYSIA	19.1	9.9	5.6	-43.2	79.8	49.1	18.7	-61.9
TAIWAN	6.4	3.1	5.4	75.2	5.6	2.7	3.5	27.9
INDONESIA	7.4	1.6	2.2	37.7	23.7	4.8	8.0	68.6
CANADA	4.3	2.1	2.7	26.5	3.4	2.0	1.6	-22.8
OTHER	25.2	12.1	14.0	16.2	34.2	20.8	12.3	-40.8
TOTAL	**95.7**	**46.7**	**51.4**	**10.1**	**167.5**	**90.5**	**56.4**	**-37.7**

Indonesia

Declining wood products output

The decline in forest resources, stricter enforcement of regulations and the overall erosion of the industry's competitiveness have led to a continuation of the decline in output of forest products. Despite the increased global demand for tropical hardwoods, Indonesia's forest industry is currently facing tighter quality specifications and reduced price competitiveness. Official figures for production of hardwood logs show that a volume of 26 million m^3 was produced in 2003. However, the very significant volume of illegally-felled logs cannot be ignored and is estimated to have reached around 24 million m^3 last year, bringing total production up to 50 million m^3.

Both legal and illegal log production is decreasing and is forecast to drop to around 45 million m^3 this year (25 million m^3 being the official production forecast for 2004). The formally sanctioned annual allowable cut from industrial concessions is being reduced each year and has fallen from 6.9 million m3 in 2003 to 5.74 million m3 this year. Furthermore, this figure will decrease year on year for the foreseeable future.

However, it is questionable whether the stated policy can significantly curb illegal logging and exports. Stricter enforcement is essential to stop unlawful practices. Having failed at domestic enforcement, Indonesia's government has requested neighbouring countries to prohibit imports of illegal logs from Indonesia. Despite these efforts, the problems of illegal logging and deforestation are expected to persist for many years to come.

Scale of illegal logging

Precise numbers on the volume of illegal logging and illegal trading of logs are unavailable and estimates vary widely. However, some estimates suggest that up to 68 million m3 are cut illegally, with approximately 10 million m3 of logs illegally shipped out of the country. The loss associated with this practice is approximately $5.7 billion per annum ($4.08 billion losses from the price of logs and US$ 1.63 losses from the unpaid taxes and fees). Annual forest deterioration in all forest categories (production forest, conservation, conversion, and community forest) resulting from forest fire, slash/burn logging practices, and shifting cultivation, is also vast, with estimates ranging from 1.5 million ha up to 4.1 million ha.

Based on the needs of all types of wood-based industries (wood working, plywood, furniture, pulp and paper), Indonesia's wood products industry requires approximately 37 million m3 per year (mostly processed into plywood and joinery). With availability from commercial concessions declining, industries use additional log harvests from other sources, such as conversion forests, community forests, and timber estates. But availability from these other sources is insufficient to make up the shortfall. The signs are that Indonesian primary wood products production will tend to fall in the long term and the country's wood processing industry will have to rely more heavily on imports.

Industry struggles to perform

Indonesian wood products have become less competitive in the international market due to increasing costs of production and the negative image associated with the Indonesian wood industry. High transportation costs (as logging operations increasingly must locate to remote areas where infrastructure is very limited) and various (official and unofficial) levies are among the leading factors that have increased the costs of production. Many of the wood product manufacturing sub-sectors still have over capacity, and investments to increase capacity or enhance efficiency are limited.

The lower annual allowable logging (within production forest areas) and ongoing illegal logging practices continue to disrupt the performance of the solid wood products industry (log, lumber, plywood, joinery and furniture). Although the wood product industry is concentrated mainly in Kalimantan, political instability in several parts of the country such as Aceh, Maluku and Papua also contributes to declining wood industry performance. With a lower supply of raw materials, increasing production costs, and inconsistent policy (regional vs. central government policies), industries are striving to improve the efficiency of their facilities.

Sawn lumber and plywood industries are struggling to maintain production levels. Hardwood sawn lumber production is forecast to decline from 6.3 million m3 in 2003 to 6.1 million m3 in 2004 and 2005. Plywood production (66% produced in South Kalimantan and 13% in Central Kalimantan) is estimated to have declined by 6.4 million m3 in 2003 to an expected volume of 6.1 million m3 this year. Plywood exports are falling due to less demand from key markets such as Japan and availability of similar products and/or wood substitutes from China. Furthermore, Indonesian plywood prices have firmed significantly over the first half of 2004.

To adjust to the changing market conditions, plywood mills are producing more secondary products such as particle board, block board and MDF, using by-products from plywood milling. However, financial constraints prevent the industry from upgrading facilities and equipment. To maintain and/or increase revenue, the mills are also producing more value-added products such as fancy plywood, using imported veneer and the majority of these products are for export.

Plywood exports contracting

Indonesia's main forest product export is plywood and most local production is for the export market. Plywood export volume is forecast at 5.5 million m3 in 2004 and to decline further to 5.2 million m3 in 2005. The value of plywood exports in 2003 was stagnant at US$ 1.7 billion, accounting for over 52% of the value of total annual wood products exported. Total value of wood product exports has declined from US$ 3.3 billion in 2002 to US$ 3.2 billion in 2003.

A sustainable future?

Ostensibly, Indonesian logging companies are required to carry out sustainable forest management practices according to ITTO recommendations. In theory, logging privileges are only granted to companies who can submit an annual work plan to set the volume of logs they intend to cut. This is enforced by government forestry officials through monitoring and by marking commercial wood species that have a diameter of 50 centimeters and over. In addition, logging operations are also required to follow a replanting plan. However, poor management, lack of funding and corruption at all levels have led to a situation where very few regulations are properly enforced.

However there are some positive developments. For example, WWF Indonesia recently formed an Indonesian Wood Producers Group to facilitate uptake of forest certification in the country. Membership of this newly established group requires that companies use only logs cut legally and that they implement sustainable forest management practices. There is a long way to go, but this could provide a starting point for the rest of the world to begin to regain confidence in Indonesia's forest products sector.

EU Nations - Imports - 2003, Jan-Mar 2004

	Germany	2003 Year	2003 Q1	2004 Q1	%-chg 03-04	Belgium	2003 Year	2003 Q1	2004 Q1	%-chg 03-04	France	2003 Year	2003 Q1	2004 Q1	%-chg 03-04
Tropical logs (000s m3)	CAMEROON	39.1	9.8	9.5	-3	GABON	5.7	2.0	1.5	-27	GABON	342.4	166.6	75.6	-55
	GABON	15.9	2.2	4.8	121	CONGO DR	2.7	0.8	0.6	-19	LIBERIA	74.4	70.5	0.0	-100
	CONGO REPUBLIC	8.7	1.9	3.0	60	CAMEROON	3.4	0.5	0.6	19	CONGO REPUBLIC	72.4	22.3	24.2	9
	LIBERIA	8.4	2.3	0.0	-100	NETHERLANDS	3.1	0.5	0.7	51	CAMEROON	28.3	9.7	5.5	-43
	BURMA	3.0	0.6	0.7	18	GERMANY	1.4	0.7	0.1	-82	EQUAT. GUINEA	34.1	28.8	6.9	-76
	EQUAT. GUINEA	6.3	2.5	2.2	-11	FRANCE	8.8	2.2	2.5	17	CENT. AFR. REP.	16.2	6.5	2.3	-64
	CONGO DR	2.9	0.8	2.8	259	BURMA	0.1	0.1	0.0	-100	CONGO DR	9.1	4.2	3.5	-18
	OTHER	5.6	0.9	2.2	157	OTHER	1.7	0.5	0.3	-38	OTHER	8.7	4.3	1.3	-69
	TOTAL	**89.7**	**20.8**	**25.3**	**21**	**TOTAL**	**27.0**	**7.2**	**6.4**	**-11**	**TOTAL**	**585.7**	**312.9**	**119.4**	**-62**
Beech logs (000s m3)	FRANCE	36.6	7.2	9.7	34	FRANCE	403.2	121.6	169.5	39	BELGIUM	71.2	49.8	26.4	-47
	AUSTRIA	2.0	0.4	0.4	-19	LUXEMBOURG	92.6	22.7	17.5	-23	GERMANY	24.1	20.9	7.4	-64
	OTHER	20.8	4.0	6.7	66	OTHER	40.1	10.1	12.2	21	OTHER	61.5	20.2	10.8	-47
	TOTAL	**59.3**	**11.7**	**16.7**	**43**	**TOTAL**	**535.9**	**154.3**	**199.2**	**29**	**TOTAL**	**156.9**	**90.9**	**44.6**	**-51**
Oak logs (000s m3)	U.S.A.	3.6	1.6	3.1	101	FRANCE	251.6	74.0	75.1	2	GERMANY	69.0	40.5	24.3	-40
	FRANCE	7.9	1.5	1.9	28	NETHERLANDS	4.2	0.9	1.4	51	AUSTRIA	3.7	1.5	1.0	-30
	UKRAINE	4.1	1.3	0.7	-45	LUXEMBOURG	21.4	6.1	3.6	-41	BELGIUM	11.5	3.9	2.7	-32
	OTHER	11.2	4.8	2.9	-38	OTHER	23.7	4.0	6.5	62	OTHER	15.3	10.0	6.8	-32
	TOTAL	**26.9**	**9.1**	**8.7**	**-5**	**TOTAL**	**300.8**	**85.0**	**86.7**	**2**	**TOTAL**	**99.5**	**55.9**	**34.8**	**-38**
Other hardwood logs (000s m3)	U.S.A.	40.0	12.0	9.6	-20	FRANCE	500.2	155.3	75.9	-51	U.S.A.	6.0	4.1	3.1	-24
	FRANCE	9.4	2.2	4.8	118	NETHERLANDS	222.6	71.9	41.5	-42	BELGIUM	105.9	38.3	23.6	-38
	JAPAN	1.4	0.6	0.4	-40	U.S.A.	1.1	0.5	0.4	-19	SPAIN	116.1	71.3	32.2	-55
	OTHER	36.5	10.5	13.8	31	OTHER	136.9	38.2	20.9	-45	OTHER	29.4	14.2	7.2	-49
	TOTAL	**87.3**	**25.3**	**28.5**	**13**	**TOTAL**	**860.8**	**265.9**	**138.7**	**-48**	**TOTAL**	**257.4**	**127.8**	**66.1**	**-48**
Tropical sawn lumber (000s m3)	MALAYSIA	26.8	5.6	1.0	-83	MALAYSIA	109.6	29.2	8.5	-71	BRAZIL	127.1	82.8	44.9	-46
	GHANA	21.3	5.9	4.4	-25	CAMEROON	48.5	11.3	10.1	-11	CAMEROON	55.8	21.9	14.5	-34
	NETHERLANDS	22.4	4.6	3.8	-17	BRAZIL	35.0	8.5	12.4	46	IVORY COAST	14.9	7.9	4.5	-43
	CAMEROON	17.5	3.5	5.1	46	NETHERLANDS	19.2	5.6	5.1	-10	BELGIUM	20.3	9.7	4.4	-54
	BELGIUM	7.8	1.9	1.7	-12	CONGO DR	5.2	1.4	1.5	7	MALAYSIA	33.5	9.9	5.6	-43
	INDONESIA	10.6	1.5	2.8	84	INDONESIA	10.6	1.2	1.0	-21	CONGO REPUBLIC	12.4	7.0	4.9	-30
	DENMARK	0.8	0.3	0.7	142	GHANA	4.0	0.9	1.1	26	GABON	15.4	8.0	3.0	-62
	BRAZIL	2.0	0.4	0.4	4	FRANCE	13.0	2.5	3.5	40	GHANA	16.3	5.3	5.3	-1
	OTHER	12.6	2.8	4.3	52	OTHER	26.4	4.9	4.1	-17	OTHER	23.6	11.8	3.8	-68
	TOTAL	**121.7**	**26.5**	**24.1**	**-9**	**TOTAL**	**271.6**	**65.5**	**47.1**	**-28**	**TOTAL**	**319.3**	**164.4**	**91.0**	**-45**
Beech sawn lumber (000s m3)	POLAND	9.3	2.7	2.8	3	FRANCE	20.3	3.9	3.5	-10	SLOVAKIA	4.1	1.9	1.9	-1
	SLOVAKIA	6.1	1.6	1.6	0	GERMANY	17.3	3.6	4.2	16	SPAIN	1.6	0.8	0.3	-58
	BOSNIA & HERZ.	6.8	1.4	2.3	58	NETHERLANDS	1.5	0.4	0.6	41	SWITZERLAND	2.8	1.9	0.6	-70
	SLOVENIA	2.4	0.5	0.6	36	SLOVENIA	1.0	0.3	0.3	7	ROMANIA	2.3	0.7	0.8	16
	OTHER	38.7	9.4	8.2	-12	OTHER	6.0	1.9	1.5	-18	OTHER	10.6	5.1	2.6	-49
	TOTAL	**63.3**	**15.5**	**15.5**	**0**	**TOTAL**	**46.1**	**10.1**	**10.1**	**0**	**TOTAL**	**21.4**	**10.4**	**6.2**	**-40**
Oak sawn lumber (000s m3)	U.S.A.	14.9	3.4	5.1	49	U.S.A.	22.8	5.9	5.6	-4	U.S.A.	11.8	6.9	3.4	-51
	UKRAINE	32.3	6.2	7.4	19	FRANCE	36.5	7.9	9.8	25	BELGIUM	9.4	3.0	1.8	-38
	FRANCE	4.2	1.7	1.7	4	GERMANY	7.7	1.6	2.2	38	UKRAINE	3.8	1.6	0.8	-52
	CANADA	2.0	0.4	0.6	50	POLAND	6.7	1.8	1.0	-47	CANADA	1.9	1.2	0.9	-21
	POLAND	4.3	0.9	0.6	-33	UKRAINE	7.5	1.7	1.6	-3	ROMANIA	1.3	0.6	0.3	-42
	OTHER	20.8	5.4	5.8	6	OTHER	13.2	3.4	4.1	18	OTHER	12.0	5.5	2.9	-47
	TOTAL	**78.4**	**18.0**	**21.1**	**18**	**TOTAL**	**94.5**	**22.3**	**24.4**	**9**	**TOTAL**	**40.2**	**18.7**	**10.2**	**-46**
Other hardwood sawn lumber (000s m3)	CANADA	22.2	5.3	6.1	14	U.S.A.	9.9	2.4	1.9	-19	U.S.A.	11.7	7.2	2.5	-66
	LITHUANIA	146.0	35.7	28.4	-20	LITHUANIA	75.6	13.2	16.0	21	CANADA	5.8	3.6	2.0	-44
	U.S.A.	21.6	6.0	4.8	-20	LATVIA	33.0	7.0	8.1	17	BELGIUM	8.3	3.4	2.4	-30
	LATVIA	47.0	12.5	11.5	-8	NETHERLANDS	7.6	0.9	2.0	134	GERMANY	10.2	4.3	2.5	-43
	NETHERLANDS	2.8	0.5	0.5	3	CANADA	3.2	0.6	1.0	70	ROMANIA	1.9	2.0	0.5	-75
	OTHER	90.0	22.9	27.3	19	OTHER	27.8	6.6	7.9	20	OTHER	59.2	27.9	16.2	-42
	TOTAL	**329.6**	**82.9**	**78.5**	**-5**	**TOTAL**	**157.2**	**30.6**	**37.0**	**21**	**TOTAL**	**97.2**	**48.4**	**26.0**	**-46**
Planed/finger jointed sawn lumber (000s m3)	NETHERLANDS	2.7	0.5	0.5	-7	NETHERLANDS	4.0	1.0	1.1	2	BRAZIL	28.5	18.3	6.6	-64
	AUSTRIA	2.7	0.4	0.8	76	BURMA	1.9	0.7	0.3	-58	GHANA	13.9	5.7	3.5	-40
	GHANA	3.3	0.5	0.6	15	GHANA	0.6	1.0	0.5	-51	BELGIUM	2.3	0.6	0.4	-31
	OTHER	8.7	2.2	2.1	-2	OTHER	8.9	2.0	1.9	-4	OTHER	19.9	8.7	5.2	-41
	TOTAL	**17.4**	**3.7**	**4.0**	**9**	**TOTAL**	**15.4**	**4.7**	**3.8**	**-20**	**TOTAL**	**64.6**	**33.4**	**15.6**	**-53**
Tropical hardwood veneer (000s m3)	IVORY COAST	25.9	6.7	5.9	-11	FRANCE	1.7	0.4	0.3	-26	GABON	100.8	42.6	31.4	-26
	ITALY	2.7	0.4	0.4	-10	GHANA	6.4	1.7	0.9	-46	GHANA	2.6	1.2	0.6	-47
	GHANA	8.9	2.7	1.5	-47	GABON	2.8	0.5	0.3	-33	BELGIUM	3.3	1.9	1.2	-36
	FRANCE	1.5	0.3	0.2	-23	IVORY COAST	2.3	0.7	0.5	-30	IVORY COAST	3.5	1.9	0.4	-80
	OTHER	5.3	1.2	1.4	16	OTHER	4.9	1.4	1.6	13	OTHER	16.5	7.3	8.7	19
	TOTAL	**44.3**	**11.4**	**9.4**	**-17**	**TOTAL**	**18.0**	**4.8**	**3.7**	**-23**	**TOTAL**	**126.8**	**54.9**	**42.4**	**-23**
Other hardwood veneer (000s m3)	U.S.A.	29.6	8.6	8.4	-2	U.S.A.	3.6	1.0	1.7	61	GERMANY	5.2	1.8	1.5	-19
	ITALY	2.4	0.5	0.6	6	GERMANY	1.4	0.4	0.6	47	U.S.A.	2.0	1.6	0.4	-73
	POLAND	14.2	4.9	2.8	-42	CROATIA	1.0	0.3	0.3	-7	ITALY	2.3	0.7	0.3	-53
	SWITZERLAND	5.8	1.1	1.2	14	FRANCE	2.9	0.4	1.2	171	SPAIN	1.0	1.7	0.2	-86
	OTHER	46.6	11.7	14.4	23	OTHER	6.7	1.6	1.7	9	OTHER	15.7	7.9	3.8	-52
	TOTAL	**98.5**	**26.8**	**27.5**	**2**	**TOTAL**	**15.7**	**3.8**	**5.5**	**45**	**TOTAL**	**26.2**	**13.7**	**6.3**	**-54**
Tropical hardwood plywood (000s m3)	INDONESIA	74.8	16.9	9.2	-45	INDONESIA	197.4	54.5	47.6	-13	INDONESIA	51.7	25.2	12.8	-49
	ITALY	13.9	3.3	5.1	54	BRAZIL	48.7	10.5	14.5	37	BELGIUM	39.1	18.0	8.7	-52
	BRAZIL	37.6	7.2	10.3	44	NETHERLANDS	22.1	5.0	4.8	-4	GABON	12.2	6.2	3.4	-46
	SPAIN	15.9	4.6	4.3	-8	CHINA	30.5	6.7	7.4	10	GERMANY	9.7	5.5	3.0	-46
	OTHER	34.9	7.5	9.2	22	OTHER	47.6	14.2	8.5	-40	OTHER	60.4	35.2	16.1	-54
	TOTAL	**177.1**	**39.5**	**38.0**	**-4**	**TOTAL**	**346.4**	**90.9**	**82.7**	**-9**	**TOTAL**	**173.1**	**90.0**	**43.9**	**-51**
Other hardwood plywood (000s m3)	FINLAND	122.6	38.5	36.2	-6	NETHERLANDS	11.6	3.2	3.1	-4	FINLAND	29.7	15.3	8.0	-48
	ITALY	44.8	9.1	15.6	71	GERMANY	14.3	3.6	2.7	-25	BELGIUM	21.7	9.8	7.4	-24
	RUSSIA	60.8	13.7	18.3	33	FINLAND	3.0	0.8	1.0	27	GERMANY	12.9	5.4	2.7	-51
	LATVIA	24.8	7.3	5.4	-27	POLAND	2.1	0.5	0.4	-23	ITALY	7.2	2.9	2.5	-14
	OTHER	199.0	51.2	64.2	26	OTHER	11.4	2.5	4.7	89	OTHER	35.3	18.1	9.1	-50
	TOTAL	**452.1**	**119.8**	**139.7**	**17**	**TOTAL**	**42.5**	**10.6**	**12.0**	**12**	**TOTAL**	**106.7**	**51.5**	**29.6**	**-42**
Hardwood profiles (mill. euro)	POLAND	17.2	4.0	4.3	6	INDONESIA	34.7	7.5	8.5	14	ITALY	14.5	8.2	3.9	-53
	AUSTRIA	11.6	3.4	3.1	-9	FRANCE	12.9	3.5	3.2	-9	GERMANY	8.6	4.0	3.1	-22
	INDONESIA	13.5	1.9	2.3	17	NETHERLANDS	11.1	2.6	3.4	30	BELGIUM	8.0	3.8	2.6	-31
	OTHER	44.3	10.5	10.8	3	OTHER	38.7	9.2	11.4	24	OTHER	44.4	20.0	13.9	-30
	TOTAL	**86.6**	**19.9**	**20.4**	**3**	**TOTAL**	**97.5**	**22.8**	**26.5**	**16**	**TOTAL**	**75.6**	**35.9**	**23.4**	**-35**
Wooden windows and frames* (mill. euro)	DENMARK	40.2	8.2	4.8	-42	DENMARK	13.9	3.6	4.2	19	DENMARK	9.5	6.2	3.1	-50
	POLAND	45.0	8.8	8.0	-9	GERMANY	8.5	1.8	1.2	-34	BELGIUM	4.4	1.7	0.5	-70
	AUSTRIA	19.4	3.8	3.7	-2	POLAND	10.4	1.9	3.0	58	POLAND	7.6	3.8	2.3	-40
	OTHER	22.4	4.8	3.1	-35	OTHER	9.9	1.5	2.0	33	OTHER	3.9	1.5	0.8	-46
	TOTAL	**126.9**	**25.6**	**19.6**	**-23**	**TOTAL**	**42.8**	**8.8**	**10.5**	**19**	**TOTAL**	**25.3**	**13.2**	**6.7**	**-49**
Wooden doors and frames* (mill. euro)	DENMARK	71.1	16.6	11.1	-33	GERMANY	14.9	3.2	2.4	-24	BELGIUM	6.7	2.2	0.9	-58
	HUNGARY	12.9	3.1	2.7	-12	NETHERLANDS	4.7	1.3	0.8	-36	SPAIN	5.7	2.4	1.2	-51
	SLOVENIA	10.2	3.1	2.1	-33	FRANCE	8.4	2.1	1.4	-35	NETHERLANDS	3.7	1.9	1.2	-37
	OTHER	48.8	11.8	10.9	-8	OTHER	14.2	2.9	4.2	47	OTHER	26.3	12.2	6.3	-48
	TOTAL	**143.0**	**34.6**	**26.9**	**-22**	**TOTAL**	**42.2**	**9.4**	**8.8**	**-6**	**TOTAL**	**42.4**	**18.6**	**9.6**	**-48**
Parquet panels* (mill. euro)	AUSTRIA	45.6	9.9	17.6	77	SPAIN	21.2	8.9	4.2	-53	GERMANY	7.8	3.9	1.9	-53
	SWITZERLAND	11.8	4.2	1.6	-63	FRANCE	18.3	4.9	6.2	26	SWEDEN	15.9	8.1	4.7	-42
	FRANCE	11.2	2.7	2.9	9	NETHERLANDS	11.8	4.4	1.4	-67	BELGIUM	4.6	2.4	1.3	-44
	OTHER	89.4	22.9	22.5	-2	OTHER	19.0	4.2	6.5	53	OTHER	30.5	12.8	12.3	-4
	TOTAL	**158.0**	**39.7**	**44.6**	**12**	**TOTAL**	**70.4**	**22.4**	**18.3**	**-18**	**TOTAL**	**58.9**	**27.2**	**20.2**	**-26**
Wood furniture* (mill. euro)	POLAND	1141.8	310.8	309.1	-1	NETHERLANDS	180.9	43.0	45.1	5	ITALY	549.2	279.4	153.6	-45
	ITALY	467.4	129.4	112.1	-13	GERMANY	192.6	46.0	52.7	15	BELGIUM	275.5	137.8	64.2	-53
	DENMARK	335.6	78.8	90.6	15	ITALY	153.6	41.9	41.7	0	GERMANY	164.1	79.7	43.9	-45
	CZECH REPUBLIC	154.2	35.8	33.6	-6	FRANCE	110.1	29.4	27.3	-7	SPAIN	158.0	81.7	39.6	-52
	ROMANIA	116.0	31.6	30.5	-3	POLAND	77.1	18.9	22.2	17	ROMANIA	122.0	60.6	31.7	-48
	AUSTRIA	86.6	22.6	26.2	16	INDONESIA	69.2	19.5	16.6	-15	BRAZIL	87.0	40.4	18.6	-54
	SWEDEN	85.7	29.4	21.3	-27	SWEDEN	36.0	10.5	10.2	-3	INDONESIA	82.6	47.3	24.0	-49
	NETHERLANDS	84.8	21.4	20.2	-6	CHINA	28.8	6.9	8.7	26	POLAND	88.8	41.6	27.2	-35
	OTHER	1009.7	251.6	263.5	5	OTHER	199.1	46.7	60.5	30	OTHER	584.9	299.0	168.1	-44
	TOTAL	**3481.9**	**911.5**	**907.0**	**0**	**TOTAL**	**1047.5**	**262.7**	**285.0**	**8**	**TOTAL**	**2112.1**	**1067.7**	**570.9**	**-47**

** All wood, includes hardwood and softwood*

Source - Eurostat supplied by BTS, compiled by hardwoodmarkets.com

EU Nations - Imports - 2003 - Jan-Mar 2004

United Kingdom

	2003 Year	2003 Q1	2004 Q1	%-chg 03-04
LIBERIA	2.3	1.5	0.0	-100
U.S.A.	0.5	0.1	0.1	73
BELGIUM	0.0	0.0	0.0	na
GERMANY	1.7	0.1	0.1	-8
IVORY COAST	0.8	0.2	0.1	-35
CAMEROON	0.7	0.1	0.0	-70
OTHER	9.8	1.1	2.4	121
TOTAL	**15.9**	**3.2**	**2.8**	**-12**
FRANCE	0.2	0.0	0.0	-100
ROMANIA	0.3	0.0	0.1	106
OTHER	2.3	0.1	0.3	227
TOTAL	**2.7**	**0.2**	**0.4**	**120**
FRANCE	31.1	4.1	7.0	69
U.S.A.	5.4	1.0	2.0	101
NETHERLANDS	3.0	1.5	0.2	-85
OTHER	8.7	2.5	6.0	144
TOTAL	**48.2**	**9.1**	**15.2**	**68**
LATVIA	68.2	10.4	9.8	-6
U.S.A.	8.0	2.7	3.6	35
ESTONIA	17.4	2.8	2.7	-3
OTHER	15.6	1.2	9.0	651
TOTAL	**109.2**	**17.0**	**25.1**	**48**
MALAYSIA	50.1	15.3	6.6	-56
CAMEROON	34.0	5.9	9.5	61
NETHERLANDS	14.5	3.8	4.4	14
IVORY COAST	18.8	5.4	6.4	20
GHANA	15.6	4.0	3.4	-14
BRAZIL	26.4	5.3	6.8	27
GERMANY	9.2	3.1	1.6	-49
INDONESIA	5.0	1.1	0.3	-76
OTHER	55.8	9.8	7.1	-28
TOTAL	**229.4**	**53.7**	**46.1**	**-14**
GERMANY	22.6	6.0	5.5	-7
FRANCE	4.7	1.3	1.1	-19
DENMARK	3.5	1.6	0.9	-46
ITALY	0.8	0.2	0.2	-38
OTHER	3.4	0.5	0.7	37
TOTAL	**34.9**	**9.6**	**8.3**	**-14**
U.S.A.	54.3	12.8	14.7	15
FRANCE	19.8	4.2	5.9	41
ESTONIA	58.5	9.8	12.9	32
CANADA	5.5	1.6	1.5	-4
GERMANY	9.1	1.8	2.8	55
OTHER	18.9	3.4	7.0	109
TOTAL	**166.2**	**33.6**	**45.0**	**34**
U.S.A.	37.7	10.2	8.6	-16
LATVIA	172.4	30.1	50.9	69
CANADA	11.0	2.2	3.5	57
ESTONIA	18.9	3.8	3.9	4
SWEDEN	7.7	2.1	1.1	-48
OTHER	24.6	4.7	10.8	131
TOTAL	**272.2**	**53.0**	**78.7**	**48**
LATVIA	31.2	17.9	16.6	-8
U.S.A.	1.3	0.1	0.6	467
NETHERLANDS	0.5	0.2	0.1	-47
OTHER	7.4	1.3	1.9	42
TOTAL	**40.4**	**19.6**	**19.2**	**-2**
GERMANY	0.8	0.2	0.1	-42
SOUTH AFRICA	2.4	0.7	0.5	-29
FRANCE	0.6	0.2	0.0	-78
GHANA	1.8	0.4	0.4	-8
OTHER	4.7	1.3	1.0	-22
TOTAL	**10.3**	**2.8**	**2.0**	**-26**
GERMANY	2.7	0.8	0.4	-57
BELGIUM	1.2	0.3	0.1	-77
FRANCE	2.2	0.7	0.4	-43
U.S.A.	3.6	0.8	1.1	39
OTHER	7.8	1.9	1.7	-11
TOTAL	**17.4**	**4.5**	**3.6**	**-19**
INDONESIA	164.1	47.4	25.2	-47
BRAZIL	216.9	37.0	50.4	36
MALAYSIA	130.7	17.5	32.1	84
CHINA	40.9	16.2	11.9	-26
OTHER	45.4	12.0	7.5	-38
TOTAL	**598.1**	**130.1**	**127.1**	**-2**
FINLAND	51.7	9.5	10.1	6
GERMANY	2.9	0.8	0.6	-26
RUSSIA	43.4	11.0	11.4	3
LATVIA	15.1	3.5	4.3	23
OTHER	44.3	10.1	12.4	22
TOTAL	**157.4**	**35.0**	**38.8**	**11**
ITALY	21.0	5.2	4.7	-9
CANADA	16.5	3.9	4.0	4
MALAYSIA	9.5	2.2	3.2	47
OTHER	89.2	19.4	23.8	23
TOTAL	**136.1**	**30.6**	**35.7**	**17**
DENMARK	31.3	6.8	8.5	25
NORWAY	22.5	4.9	5.6	14
SWEDEN	6.7	1.0	1.7	76
OTHER	17.6	2.2	3.2	50
TOTAL	**78.1**	**14.9**	**19.1**	**28**
SOUTH AFRICA	39.2	10.5	12.0	14
INDONESIA	35.3	8.8	6.7	-23
ITALY	30.5	7.0	8.4	20
OTHER	136.1	34.4	35.8	4
TOTAL	**241.0**	**60.7**	**63.0**	**4**
SWEDEN	25.3	6.2	7.2	15
DENMARK	13.4	3.3	3.2	-3
BELGIUM	6.2	1.4	1.2	-11
OTHER	53.5	11.0	15.0	37
TOTAL	**98.4**	**22.0**	**26.7**	**22**
ITALY	761.9	146.4	212.0	45
CHINA	306.1	66.7	98.6	48
GERMANY	171.1	37.2	39.9	7
POLAND	176.7	39.4	60.5	53
DENMARK	159.5	32.6	35.7	10
MALAYSIA	124.4	35.5	33.9	-5
BELGIUM	67.7	20.0	18.7	-6
INDONESIA	73.8	17.8	22.5	26
OTHER	984.6	225.0	263.6	17
TOTAL	**2825.6**	**620.5**	**785.4**	**27**

Italy

	2003 Year	2003 Q1	2004 Q1	%-chg 03-04
CAMEROON	81.8	21.4	16.3	-24
CONGO REPUBLIC	38.3	8.5	10.6	25
LIBERIA	37.6	14.7	0.0	-100
GABON	50.4	13.6	20.2	49
CENT. AFR. REP.	31.5	9.5	4.3	-55
BURMA	2.8	0.8	1.8	138
FRANCE	2.4	0.7	0.3	-63
OTHER	7.1	1.4	3.6	161
TOTAL	**252.0**	**70.6**	**57.1**	**-19**
AUSTRIA	115.5	25.6	33.8	32
SWITZERLAND	99.1	30.4	32.2	6
OTHER	241.2	55.4	56.0	1
TOTAL	**455.8**	**111.4**	**122.0**	**10**
CROATIA	8.4	3.2	4.8	50
FRANCE	21.7	5.7	8.3	45
HUNGARY	6.1	2.7	3.6	34
OTHER	33.8	8.0	11.5	44
TOTAL	**70.0**	**19.6**	**28.2**	**44**
FRANCE	244.6	63.4	57.4	-9
U.S.A.	67.3	15.3	21.1	38
CROATIA	274.5	44.9	67.8	51
OTHER	629.1	150.2	164.7	10
TOTAL	**1215.4**	**273.8**	**311.0**	**14**
CAMEROON	129.1	28.9	36.9	28
IVORY COAST	112.1	27.0	27.3	1
MALAYSIA	37.9	14.4	3.0	-79
GABON	44.6	9.8	13.5	38
GHANA	28.1	7.0	6.1	-13
BRAZIL	26.0	7.8	5.3	-32
NIGERIA	8.9	2.1	2.2	3
LIBERIA	0.8	0.8	0.0	-100
OTHER	45.3	13.8	7.9	-43
TOTAL	**432.8**	**111.6**	**102.2**	**-8**
CROATIA	89.4	22.6	24.9	10
BOSNIA & HERZ.	69.0	16.3	17.8	9
SLOVENIA	43.7	12.2	11.3	-7
SERBIA & MONT.	31.5	7.2	8.4	17
OTHER	138.5	37.7	36.1	-4
TOTAL	**372.1**	**95.9**	**98.5**	**3**
CROATIA	60.7	15.7	20.7	31
U.S.A.	31.8	7.5	5.9	-21
HUNGARY	15.1	3.1	4.1	30
FRANCE	7.3	1.5	3.5	131
UKRAINE	17.3	3.7	5.4	46
OTHER	52.1	10.3	13.1	28
TOTAL	**184.3**	**41.8**	**52.7**	**26**
U.S.A.	154.3	40.4	39.8	-1
HUNGARY	82.5	21.2	19.1	-10
SPAIN	6.1	2.5	0.7	-72
ROMANIA	41.6	9.2	9.0	-2
CROATIA	44.9	9.3	11.4	23
OTHER	312.7	70.3	67.7	-4
TOTAL	**642.1**	**152.8**	**147.7**	**-3**
MALAYSIA	8.9	2.2	1.6	-29
INDONESIA	3.5	0.9	0.0	-100
FRANCE	0.0	0.4	0.3	-32
OTHER	14.7	3.8	2.6	-31
TOTAL	**27.1**	**7.3**	**4.5**	**-39**
IVORY COAST	38.2	9.2	10.1	10
CAMEROON	51.5	13.8	9.9	-28
GHANA	19.5	5.7	3.7	-36
GABON	14.5	2.1	4.6	123
OTHER	14.1	3.7	3.4	-9
TOTAL	**137.9**	**34.5**	**31.7**	**-8**
GERMANY	10.0	2.8	2.2	-21
U.S.A.	9.2	2.4	2.1	-12
FRANCE	28.9	8.2	5.1	-38
SLOVENIA	9.1	2.6	2.2	-14
OTHER	78.3	17.3	19.5	13
TOTAL	**135.4**	**33.3**	**31.1**	**-6**
FRANCE	21.5	6.2	6.1	-2
MOROCCO	9.9	2.6	3.9	52
GABON	13.1	4.0	2.8	-28
INDONESIA	23.3	5.9	1.6	-73
OTHER	57.7	12.2	12.5	2
TOTAL	**125.6**	**30.9**	**26.9**	**-13**
RUSSIA	68.5	17.5	18.2	4
FINLAND	31.6	8.7	8.0	-9
ROMANIA	17.2	5.5	3.4	-39
AUSTRIA	10.5	2.1	2.8	32
OTHER	89.6	25.1	25.3	1
TOTAL	**217.4**	**59.0**	**57.5**	**-2**
INDONESIA	22.4	5.5	4.9	-11
IVORY COAST	13.2	3.1	3.4	10
NIGERIA	10.9	2.4	2.9	20
OTHER	100.2	24.4	29.0	19
TOTAL	**146.6**	**35.4**	**40.3**	**14**
DENMARK	4.1	4.1	0.0	-100
HUNGARY	8.4	2.7	2.1	-23
AUSTRIA	4.5	0.9	0.6	-34
OTHER	8.2	1.8	1.6	-13
TOTAL	**25.2**	**9.5**	**4.3**	**-55**
ROMANIA	13.0	3.1	3.1	1
GERMANY	1.8	0.3	0.1	-75
INDONESIA	0.9	0.3	0.3	13
OTHER	6.2	1.1	2.2	90
TOTAL	**21.9**	**4.8**	**5.6**	**18**
AUSTRIA	11.4	2.2	3.2	48
GERMANY	7.5	1.5	2.1	43
SWEDEN	3.2	0.9	0.6	-31
OTHER	23.9	5.0	7.2	44
TOTAL	**46.0**	**9.6**	**13.2**	**38**
ROMANIA	72.8	16.8	20.8	24
AUSTRIA	64.0	14.8	13.8	-7
SWITZERLAND	39.1	8.3	9.5	14
GERMANY	32.0	6.8	8.6	27
INDONESIA	33.7	8.6	11.1	30
SLOVENIA	27.7	6.9	5.9	-14
FRANCE	17.3	4.7	5.1	9
CROATIA	25.0	7.4	6.3	-15
OTHER	217.8	55.4	71.8	30
TOTAL	**529.3**	**129.6**	**152.9**	**18**

Spain

	2003 Year	2003 Q1	2004 Q1	%-chg 03-04
CAMEROON	22.5	6.2	5.3	-15
CENT. AFR. REP.	16.5	5.3	5.7	8
CONGO REPUBLIC	15.7	6.2	6.1	-2
GABON	28.0	6.2	4.7	-24
LIBERIA	7.3	6.0	0.0	-100
EQUAT. GUINEA	15.2	5.6	4.6	-17
FRANCE	6.7	1.8	1.3	-31
OTHER	8.7	2.9	3.9	36
TOTAL	**120.6**	**40.2**	**31.5**	**-22**
FRANCE	55.5	17.3	7.9	-54
GERMANY	9.9	2.6	2.2	-16
OTHER	20.0	4.9	4.2	-13
TOTAL	**85.4**	**24.7**	**14.3**	**-42**
FRANCE	58.8	16.5	12.1	-27
GERMANY	20.8	4.2	4.2	0
UKRAINE	8.4	3.3	1.9	-41
OTHER	17.5	4.7	6.1	30
TOTAL	**105.5**	**28.7**	**24.4**	**-15**
U.S.A.	12.7	3.2	3.7	16
FRANCE	45.5	11.7	11.0	-6
GERMANY	0.3	0.1	0.3	389
OTHER	3.7	1.0	1.7	78
TOTAL	**62.3**	**15.9**	**16.8**	**5**
CAMEROON	248.0	45.9	37.0	-19
IVORY COAST	103.4	14.6	22.6	55
BRAZIL	145.7	22.2	26.8	21
CONGO REPUBLIC	22.2	7.2	7.1	-1
CENT. AFR. REP.	9.8	2.4	0.8	-68
PORTUGAL	13.2	4.5	1.5	-67
U.S.A.	1.9	0.4	0.7	52
FRANCE	4.1	1.2	1.5	20
OTHER	34.8	7.3	6.0	-17
TOTAL	**583.3**	**105.8**	**104.0**	**-2**
GERMANY	68.0	9.7	15.0	54
FRANCE	42.4	9.8	13.5	38
UKRAINE	10.2	1.5	1.3	-11
ROMANIA	8.6	1.5	1.7	12
OTHER	41.0	12.0	11.4	-5
TOTAL	**170.2**	**34.5**	**42.9**	**24**
U.S.A.	151.6	49.0	34.1	-30
CANADA	14.1	3.2	3.4	3
FRANCE	12.2	3.2	4.2	34
BELGIUM	4.2	1.1	0.8	-23
UKRAINE	10.6	2.3	4.9	114
OTHER	12.2	2.6	3.1	19
TOTAL	**204.9**	**61.4**	**50.6**	**-18**
U.S.A.	19.3	5.8	4.0	-31
CANADA	8.0	2.2	2.0	-10
FRANCE	14.6	3.4	2.2	-36
LATVIA	24.4	5.9	4.2	-28
PORTUGAL	7.4	1.0	10.1	887
OTHER	19.8	3.6	9.5	165
TOTAL	**93.4**	**21.8**	**32.0**	**46**
POLAND	11.2	2.2	2.4	8
FRANCE	2.1	0.6	0.8	43
PORTUGAL	2.8	0.3	1.5	433
OTHER	13.9	2.7	5.4	103
TOTAL	**29.9**	**5.8**	**10.1**	**76**
IVORY COAST	24.5	5.6	6.4	14
GHANA	12.5	3.3	2.2	-34
EQUAT. GUINEA	11.6	3.3	3.8	14
GERMANY	1.0	0.4	0.1	-64
OTHER	17.3	3.7	3.4	-9
TOTAL	**67.0**	**16.3**	**15.9**	**-2**
U.S.A.	46.8	5.1	5.4	7
GERMANY	7.0	1.8	1.2	-36
ROMANIA	7.0	1.4	2.5	83
ITALY	3.8	1.0	0.8	-22
OTHER	28.2	7.1	6.0	-16
TOTAL	**92.8**	**16.3**	**15.8**	**-3**
LATVIA	1.5	1.0	0.0	-100
FRANCE	2.3	0.4	0.6	43
CHINA	4.0	0.5	2.3	386
BRAZIL	2.9	0.8	0.2	-75
OTHER	7.0	1.3	1.1	-15
TOTAL	**17.6**	**4.1**	**4.3**	**5**
FINLAND	49.4	14.4	12.6	-12
FRANCE	3.8	1.0	1.1	8
RUSSIA	7.4	1.3	2.5	101
ROMANIA	0.9	0.2	0.3	78
OTHER	9.0	1.5	2.4	58
TOTAL	**70.3**	**18.3**	**18.9**	**3**
CHINA	13.0	2.4	3.5	46
FRANCE	7.9	1.8	1.4	-23
POLAND	6.3	1.3	1.7	33
OTHER	38.6	7.5	10.2	35
TOTAL	**65.8**	**13.0**	**16.8**	**29**
DENMARK	19.6	4.9	1.0	-79
FRANCE	4.4	0.9	0.7	-24
HUNGARY	2.7	0.8	0.5	-34
OTHER	3.9	1.0	1.1	4
TOTAL	**30.6**	**7.6**	**3.2**	**-57**
PORTUGAL	5.2	1.2	0.8	-30
FRANCE	0.8	0.2	0.2	13
U.S.A.	0.6	0.2	0.1	-60
OTHER	4.5	0.7	1.4	106
TOTAL	**11.1**	**2.2**	**2.5**	**12**
SWEDEN	21.1	4.9	4.5	-8
GERMANY	13.0	2.8	3.6	29
DENMARK	8.4	2.3	1.6	-29
OTHER	49.2	12.0	10.3	-14
TOTAL	**91.7**	**21.9**	**20.1**	**-9**
ITALY	91.8	21.2	22.7	7
FRANCE	118.3	28.5	32.0	12
INDONESIA	63.3	15.4	14.7	-4
PORTUGAL	21.9	5.2	6.6	27
CHINA	50.9	8.3	16.5	100
GERMANY	24.4	4.6	6.9	52
VIETNAM	13.3	5.1	8.8	72
SWEDEN	11.6	2.8	3.0	10
OTHER	116.8	25.9	30.3	17
TOTAL	**512.2**	**116.9**	**141.6**	**21**

Portugal

	2003 Year	2003 Q1	2004 Q1	%-chg 03-04
CONGO REPUBLIC	54.2	14.2	11.3	-20
GABON	54.1	16.0	14.7	-8
CAMEROON	39.3	11.4	12.6	11
CONGO DR	26.4	4.7	14.7	214
CENT. AFR. REP.	9.7	3.5	1.3	-64
EQUAT. GUINEA	12.5	3.7	1.2	-66
ANGOLA	0.2	0.1	0.2	47
OTHER	4.1	1.4	1.4	0
TOTAL	**200.4**	**54.9**	**57.4**	**4**
FRANCE	6.8	2.5	1.9	-23
SPAIN	0.9	0.1	0.1	76
OTHER	1.5	0.2	0.3	72
TOTAL	**9.2**	**2.8**	**2.4**	**-14**
FRANCE	6.9	2.7	2.3	-14
U.S.A.	5.5	1.2	0.9	-27
SPAIN	0.7	0.3	0.1	-69
OTHER	1.0	0.2	0.0	-81
TOTAL	**14.2**	**4.4**	**3.3**	**-25**
U.S.A.	22.3	5.6	7.7	36
SPAIN	49.5	9.7	9.6	-1
FRANCE	36.5	6.3	5.4	-15
OTHER	4.7	1.2	1.2	7
TOTAL	**112.9**	**22.8**	**23.9**	**5**
BRAZIL	59.8	16.1	20.3	26
CAMEROON	14.2	2.7	3.1	14
CONGO DR	5.5	0.5	0.6	28
CONGO REPUBLIC	8.0	2.4	0.9	-63
IVORY COAST	3.7	0.3	0.6	86
GABON	2.8	0.2	2.0	817
SPAIN	2.0	0.3	0.6	117
U.S.A.	0.1	0.0	0.0	-100
OTHER	5.0	1.0	2.1	116
TOTAL	**101.1**	**23.5**	**30.1**	**28**
SPAIN	3.3	0.7	0.8	21
FRANCE	3.5	1.0	1.2	18
GERMANY	2.7	0.5	0.7	41
DENMARK	2.2	0.3	0.8	138
OTHER	3.2	0.9	1.2	38
TOTAL	**14.9**	**3.4**	**4.7**	**39**
U.S.A.	30.3	6.8	9.1	33
FRANCE	4.2	1.2	0.7	-44
CANADA	2.2	0.5	0.2	-53
SPAIN	1.7	0.4	0.2	-47
BELGIUM	0.5	0.1	0.1	-22
OTHER	4.2	1.2	0.9	-19
TOTAL	**43.0**	**10.0**	**11.2**	**11**
U.S.A.	9.4	2.4	2.2	-8
FRANCE	6.2	1.4	1.0	-29
SWEDEN	5.0	1.2	1.3	15
CANADA	2.2	0.6	0.4	-29
SPAIN	3.0	0.7	0.4	-42
OTHER	3.5	0.3	0.3	0
TOTAL	**29.3**	**6.5**	**5.6**	**-14**
FRANCE	1.6	0.3	0.1	-54
SPAIN	0.6	0.1	0.1	170
BRAZIL	0.3	0.1	0.3	161
OTHER	0.2	0.1	0.2	120
TOTAL	**2.8**	**0.5**	**0.7**	**33**
BRAZIL	6.9	1.7	0.4	-74
SPAIN	2.9	0.6	1.0	77
EQUAT. GUINEA	1.5	0.6	0.2	-61
GHANA	1.6	0.3	0.2	-28
OTHER	3.5	0.6	1.5	156
TOTAL	**16.3**	**3.8**	**3.4**	**-9**
U.S.A.	2.8	0.7	0.6	-17
FRANCE	2.2	0.6	0.6	-6
GERMANY	1.1	0.4	0.3	-42
SPAIN	5.0	0.4	1.8	406
OTHER	1.5	0.4	0.5	30
TOTAL	**12.6**	**2.5**	**3.7**	**48**
SPAIN	2.1	0.3	0.5	108
BRAZIL	3.4	0.7	0.9	21
LATVIA	0.0	0.0	0.0	na
GERMANY	0.0	0.0	0.0	na
OTHER	0.3	0.1	0.1	88
TOTAL	**5.9**	**1.1**	**1.6**	**48**
SPAIN	4.0	0.9	0.4	-54
GERMANY	4.1	0.8	0.0	-100
U.K.	1.7	0.3	0.0	-100
FINLAND	0.7	0.0	0.1	143
OTHER	1.2	0.2	0.3	85
TOTAL	**11.8**	**2.2**	**0.8**	**-62**
SPAIN	9.2	2.0	2.0	-2
BRAZIL	1.8	0.8	0.4	-43
ITALY	1.4	0.3	0.2	-34
OTHER	2.7	0.7	1.1	47
TOTAL	**15.1**	**3.8**	**3.7**	**-3**
DENMARK	1.8	0.5	0.4	-6
SPAIN	0.8	0.1	0.1	-30
FRANCE	0.9	0.2	0.1	-46
OTHER	0.4	0.1	0.1	-17
TOTAL	**3.9**	**0.9**	**0.7**	**-19**
SPAIN	15.0	3.2	2.1	-34
ITALY	0.3	0.0	0.1	122
FRANCE	0.1	0.0	0.0	na
OTHER	0.5	0.1	0.2	49
TOTAL	**15.9**	**3.4**	**2.4**	**-29**
SWEDEN	2.6	0.6	0.7	10
SPAIN	3.7	0.6	0.9	49
CHINA	3.2	0.9	0.5	-40
OTHER	5.4	1.3	1.5	15
TOTAL	**14.9**	**3.4**	**3.6**	**6**
SPAIN	68.2	11.4	13.6	19
ITALY	25.5	5.3	5.9	11
FRANCE	15.3	3.2	5.0	58
BELGIUM	5.6	1.0	1.2	26
GERMANY	4.3	0.7	0.8	22
SWEDEN	3.7	0.2	0.2	-22
NETHERLANDS	4.4	0.5	1.4	154
DENMARK	2.6	0.5	0.7	41
OTHER	13.8	3.2	3.6	11
TOTAL	**143.3**	**26.0**	**32.3**	**24**

Source - Eurostat supplied by BTS, compiled by hardwoodmarkets.com

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Statistical Commentary

Our analysis of Eurostat data for the first quarter of 2004 (pages 12-13) indicates that the year started slowly for EU hardwood log importers. However imports of both tropical and temperate hardwood sawn lumber have been reasonably buoyant. Demand for oak has been particularly strong across many of the countries under review, providing evidence for the reported trend of a resurgence in interest for this species. At the same time, demand for beech has also shown signs of a general pick up, perhaps partially accounted for by shortfalls in the supply of other species, such as American oak. Overall demand for finished items was patchy, but not weak, during the first quarter of the year, reflecting a certain uneasiness over the forecasted economic improvement across the EU.

Germany

Log imports recover

Of all the countries under review, Germany and Portugal are the only ones to show an increase in imports of logs in the first quarter of 2004, as compared to the same period last year. In the case of Germany, this is in complete contrast to the first quarter last year, when imports of primary products were well down on the previous year, while the value of imports of hardwood veneer and plywood increased. Underlying this trend was the major shift in wood processing capacity away from Germany to lower cost locations. It is likely, therefore, that the statistics do not reflect the significant volume of logs and sawn lumber which Germany imports for re-distribution to Central and Eastern Europe for further processing in (often German-owned) mills.

Belgium

Emphasis on temperate woods

One obvious shift in Belgian's imports during the opening months of this year, as compared to 2003, is the move from tropical to temperate in primary products. Imports of tropical logs, tropical sawn lumber and tropical veneer were much reduced in January to March 2004, while imports of beech and oak logs, beech and oak sawn lumber and other hardwood veneer were reasonably buoyant. The same is also true for plywood, with the emphasis now on temperate, while imports of most further processed products, with the exceptions of doors and parquet panels have faired well.

There seems to be a reversal of the trend reported at the same time last year, where Belgium's imports of tropical sawn lumber, most notably from Malaysia, where particularly strong. This was in view of the weak dollar and competitive FOB prices being offered for Malaysian hardwoods. The same situation has not occurred in 2004, where the dollar may still be weak, but where Malaysian, and other tropical hardwoods, have seen significant price increases and limited supply in certain cases. While imports of Malaysian hardwoods have been much weaker in the first quarter of this year, imports of oak sawn lumber have begun to increase, with France being the preferred supplier.

France

All imports down

The most notable trend in terms of French imports in the first three months of 2004 is that there has been a reduction in imports in all hardwood primary and further processed products. Second to this is that the decreases witnessed are very significant, with the greatest being seen in tropical log imports. Understandably due to UN sanctions, imports from Liberia dropped 100%, but imports from Cameroon, Equatorial Guinea, Gabon and Central African Republic were all way down on the same period last year. The same can be said for temperate hardwood logs and temperate sawn lumber, which underlines the ongoing contraction of France's further processing industries.

Imports of plywood, profiles, doors, windows, parquet panels and wooden furniture were all down in the first three months of this year, as compared to 2003, suggesting that both housing starts and remodelling have been slow. This is confirmed by reports that France's general economic performance has been weak so far this year, but that it is forecast to pick towards the later stages of 2004.

United Kingdom

Strong demand for oak

As in the case of Belgium, UK imports of tropical logs and sawn lumber were down in the first three months of this year, as compared to 2003, while imports of temperate logs and sawn lumber, with the exception of beech sawn lumber, were reasonably buoyant. There has been a significantly strong demand for beech logs so far this year and less sawn beech has been imported from traditional western European suppliers, which suggests that the UK has turned towards more competitive log supplies from further East. This also reflects the ever-decreasing output of beech sawn lumber by French and German sawmills.

In contrast, demand for oak has been very strong, reflecting the current fashion for this species. Imports of oak logs from France and sawn oak from the US, Estonia, Germany and France all increased in the first quarter of this year. Demand for other temperate species has also been strong, but imports of species other than oak from the US did not fair so well. This is most likely due to shortages in the United States and strong demand from the US domestic market. As for further processed products, demand during the first part of the year was quite strong.

Italy

Tropical log imports decline

In continuation of last year's reported dramatic decline in log imports, Italian demand for tropical logs was down in the first quarter of 2004, as compared to 2003. Imports from Congo (Brazzaville), however were ahead of the same period last year, as the dispute between industry and government over taxation levels in Congo (Brazzaville) has been settled. At the same time, demand for beech, oak and other temperate species picked up, in contrast to last year. Imports of tropical sawn lumber were also down, while imports of beech sawn lumber showed a modest pick up and sawn oak imports grew by 26%. However, imports of American oak were well down on the same period last year, reflecting the difficulty in obtaining requirements from the United States, while imports of oak from Croatia made up the difference. Perhaps indicating a modest improvement in Italy's economic situation, imports of further processed products were reasonably buoyant, with the exception of wooden windows and window frames.

Spain

Beech up, oak down

As a reflection of the shift in Spain away from tropical log imports in favour of tropical sawn lumber, one might expect to see significant decrease in the former and a significant increase in the latter. However, tropical sawn lumber imports were not strong through the first three months of 2004. This may well be explained by shortages in supply from some African countries, as well a certain amount of sluggishness on behalf of the importers to replenish stocks in the new year.

Imports of sawn oak during the opening months of this year were also quite slow as compared to the same three months in 2003,

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while imports of sawn beech, both from Germany and France were significantly higher. In view of the general ailing of the European beech market, this improvement may well be accounted for by Spanish importers making use of more competitive beech pricing, while oak, and particularly American oak, has been both hard to come buy and much inflated in price.

Imports of further processed products faired rather better in the first quarter of this year, perhaps suggesting a renewed confidence in Spain's economic performance this year.

Portugal

American oak imports strong

Having shown some economic problems in 2003 and a reflection in the import of hardwoods, Portugal's imports of hardwood primary products in the first quarter of 2004 have generally been improved. This said, while imports of tropical logs were up – predominantly accounted for by the Democratic Republic of the Congo – imports of both beech and oak logs did not fair so well. Imports of tropical sawn lumber were much improved on the same period last year, with Brazil taking the lion's share. Sawn oak imports were also much higher than in the first three months of 2003, with imports from the US accounting for the entire increase.

In terms of finished items, Portugal's imports during the opening part of this year were not as strong as those of Spain. This may well reflect a certain lack of confidence in the economic situation later on this year. It may also be accounted for, in part, by the fact that the UEFA 2004 Cup is now over, which generated a substantial amount of building work.

US hardwood imports

For the second year running, US hardwood imports increased in 2003. This was due to strong economic growth and continuing problems in the supply of domestic species.

Imports of hardwood lumber and plywood both grew in 2003 by 3%, as compared to the previous year. Despite a modest decrease in imports of Southeast Asian hardwoods, other tropical and temperate hardwood imports remained strong, driven by significant growth in housing starts and the resultant need for flooring and decking timbers. The trade in hardwoods from Germany to the US also increased in 2003, suggesting that European producers were still seeking markets for their surplus of beech.

Supplies from China and Brazil made up the bulk of hardwood plywood imports in 2003, while imports from traditional suppliers, such as Indonesia and Canada showed a decline. Both Chinese and Brazilian plywood production has increased significantly during the last few years and capacity, quality and competitiveness are now such that former suppliers are finding it hard to compete at the same level. Furthermore, general awareness of Indonesia's trade in illegal forest products has begun to filter into export markets, which have begun to turn their backs on imports. In terms of hardwood veneer, overall imports decreased by 9% in value in 2003 and this is partially accounted for by a switch to more competitive suppliers of veneer, such as China.

US hardwood imports in the first part of this year have been buoyant across all products, suggesting further strengthening of the country's economic situation and the subsequent construction boom. At the same time, however, supplies of US species have been limited, provoking increased imports of hardwoods. This situation may only be temporary, however, as US domestic supplies become more fluid.

U.S. hardwood imports

	2001 Year	*2002 Year*	*2003 Year*	*% chg*	*2003 Jan-May*	*2004 Jan-May*	*% chg*
Hardwood lumber (1000 m3)							
Canada	1008.4	1119.8	1064.8	-5	450.4	504.5	12
Brazil	141.8	131.5	146.5	11	64.3	56.0	-13
Germany	8.6	20.7	35.7	72	8.0	13.5	69
Chile	15.8	15.1	11.3	-25	2.8	3.5	22
Ghana	14.8	23.1	23.9	3	10.0	12.9	29
China	1.1	7.1	5.1	-29	2.1	2.2	5
Lithuania	8.6	6.0	4.7	-22	1.0	0.2	-77
Peru	42.7	57.0	47.2	-17	17.7	15.8	-11
France	0.9	5.7	7.7	36	0.2	1.7	587
Guyana	3.6	5.0	3.1	-38	1.1	1.4	25
Argentina	0.3	4.1	12.9	215	0.8	12.6	1382
Ivory Coast	17.1	14.4	12.2	-15	4.4	6.4	45
Cameroon	11.5	12.1	14.8	22	4.7	6.7	41
India	2.2	3.5	4.0	13	0.1	2.3	1926
Spain	2.2	3.9	2.0	-48	0.3	1.1	329
Indonesia	24.7	22.4	17.7	-21	8.5	8.5	0
Malaysia	36.2	26.9	41.1	52	9.1	13.4	48
Bolivia	10.8	7.4	14.8	100	8.3	6.1	-27
Other	73.5	54.0	114.8	113	42.6	77.5	82
Total	1424.8	1539.7	1584.3	3	636.5	746.3	17
Hardwood plywood (US$ million)							
Indonesia	193.1	212.1	188.4	-11	89.2	78.5	-12
Canada	173.0	192.7	184.4	-4	77.0	83.0	8
Malaysia	92.7	127.7	117.4	-8	47.2	76.4	62
Russia	100.2	121.7	111.0	-9	42.1	61.7	20
China	43.9	99.8	156.4	57	56.6	121.2	114
Brazil	73.0	84.6	101.2	20	38.7	49.9	29
Germany	3.9	26.5	13.0	-51	4.6	15.9	245
Taiwan	10.6	13.2	13.1	-1	5.5	9.4	71
Ecuador	10.2	13.0	18.7	44	7.1	9.7	37
Finland	12.0	9.9	10.9	10	4.6	5.9	29
Guyana	9.4	5.7	5.1	-12	1.2	2.6	114
Italy	6.0	5.2	7.0	34	3.2	2.3	-27
Ghana	4.2	4.0	3.9	-1	1.2	1.5	28
Thailand	2.5	3.6	8.8	145	3.5	5.0	44
Other	24.7	27.1	33.2	23	13.4	15.4	15
Total	759.4	946.8	972.5	3	395.1	538.4	36
Hardwood veneer (US$ million)							
Canada	180.7	183.9	164.5	-11	73.4	90.8	24
Brazil	16.7	19.0	16.2	-14	5.7	4.6	-20
Ghana	15.6	17.6	14.1	-20	5.7	5.7	0
Germany	14.6	17.3	17.2	0	5.7	9.1	59
Italy	14.4	15.9	18.1	14	6.2	6.6	7
France	4.7	6.7	5.8	-15	2.3	2.5	7
China	5.6	5.6	11.1	99	3.9	4.6	17
Russia	0.8	5.4	1.7	-68	1.5	0.3	-82
Mexico	8.4	5.3	3.3	-38	1.5	1.6	12
Chile	4.5	4.6	2.2	-52	1.7	0.1	-91
Gabon	3.3	3.8	3.6	-5	1.2	2.5	102
Spain	3.6	3.6	4.0	11	1.3	2.7	107
Ivory Coast	2.4	3.5	3.5	-3	1.0	1.0	0
Other	22.4	26.4	23.9	-10	8.3	8.3	0
Total	297.7	318.6	289.2	-9	119.4	140.4	18

News **Summary**

It is summer time in Europe and many traders are on vacation. Therefore the August edition is devoted to a review of trade statistics with a focus on the tropics. Here are some highlights.

Tropical hardwood review

Overview

Drawing on ITTO data and a range of other sources, our overview of the international tropical hardwood trade during 2003 suggests:

 the decline in tropical hardwood log exports continued last year due to increased domestic processing in certain producer countries. However, this trend was offset by the rising level of tropical log trade with China. **Pages 1, 2, 3**

 Overall sawn lumber production in ITTO Producer countries remained static between 2001 and 2003 at around 34 million m3. Increases in sawn lumber production in Cameroon and Brazil were offset by falls in Malaysia and Indonesia. There was a rebound in tropical sawn lumber imports by ITTO consumer countries, partly to compensate for declining availability of tropical logs. The level of South-South trade in tropical sawn timber also continued to rise. **Pages 3, 4**

 Tropical hardwood plywood production in ITTO Producer countries is estimated to have decreased from around 14.2 million m3 in 2001 to around 13.5 million m3 in 2003. Indonesian and Malaysian production have both declined to around 6.6 million m3 and 4.3 million m3 respectively. Brazilian production is estimated to have remained static at around 1 million m3. However tropical plywood production in China, an ITTO Consumer country, has risen sharply to around 3.6 million m3 in 2003. Japanese tropical plywood production has fallen to slightly over 1 million m3. **Pages 4, 5**

 During 2003, tropical hardwood veneer production (for trade not plywood manufacture) and exports declined sharply in Malaysia, the world's largest producer of this commodity. This reflects efforts by Malaysian industry to restrict rotary veneer exports to China and to divert greater volumes for domestic plywood manufacturing. However this decline was offset by a significant rise in production and exports by Gabon and Ghana. **Page 5**

Cameroon

Log exports from Cameroon continued to decline in 2003, falling 13% to 191,000 m3, in line with efforts to promote domestic log processing. Sawn lumber exports rebounded to 890,000 m3 after a decline in 2002. Cameroon now has the largest industrial complex of any tropical African wood producing nation, but there are already signs of over-capacity. **Page 6**

Gabon

Log exports from Gabon continue to fall by 10-15% each year, reaching around 1.1 million m3 in 2003. This decline mainly reflects on-going efforts to increase domestic transformation in Gabon. China is now by far the dominant trading partner for Gabon's wood products exports. **Page 7**

Congo-Kinshasa

In 2003, Congo-Kinshasa exported around 37,000 m3 of logs and 16,000 m3 of sawn lumber. Volumes remain small but new legislation promoted by the World Bank and FAO may lead to significant increases in coming years. However, prospects are heavily dependent on long-term political prospects which, by mid 2004, are looking increasingly uncertain. **Page 8**

Congo-Brazzaville

Congo-Brazzaville's exports of tropical hardwood logs increased 11% to 712,000 m3 in 2003 due to expansion of forestry activities by a Malaysian company in the south. However a big increase in taxes last year has meant that several operators are now on the verge of collapse. Poor infrastructure and an uncertain investment climate have meant that government targets for domestic log transformation are not being achieved. **Page 8**

Central African Republic

CAR log exports declined 32% in 2003 to 232,000 m3 due to difficult political conditions and bureaucratic problems. The CAR forestry department is forecasting a rebound in log exports during 2004. **Page 8**

Indonesia

The decline in forest resources, stricted enforcement of regulations and the overall erosion of industry competitiveness have led to a continuing decline in output of Indonesian forest products. **Page 11**

For our tropical hardwood review we are indebted to ATIBT and ITTO for large quantities of trade data and for their perceptive analysis.

Other news

Brazil

In continuation of the situation during the first quarter of 2004, Brazilian exports of hardwood sawn lumber, plywood and veneer all increased dramatically during the first half of the year. Hardwood sawn lumber exports increased to just about all major export destinations. Plywood exports have been particularly strong to the US and UK. **Page 9**

China

The trend towards rising Chinese imports of hardwood logs slowed significantly during the first half of 2004. Import volumes were up only 1% on the previous year. An 8% rise in import value suggests that price rises in response to declining availability may have contributed to the slowdown. Meanwhile, China's hardwood sawn lumber imports have continued to climb. **Page 10**

E.U. imports - Jan-March 2004

Our analysis of Eurostat data for the first quarter of 2004 indicates that the year started slowly for EU hardwood log importers. However imports of both tropical and temperate hardwood sawn lumber have been reasonably buoyant. Demand for oak has been particularly strong across many of the countries under review. **Pages 12 to 15**

U.S. hardwood imports

U.S. hardwood imports have been rising strongly due to strong economic growth and continuing problems of supply of domestic species. **Page 15**

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