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#### Volume 21 Number 7 July 2005

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#### EDITOR - RUPERT OLIVER

## No easy ride in the United States

Despite all the relevant indicators showing the US economy's continuing expansion, market conditions for hardwood producers do not make for an easy or stable climate. Sure enough, June housing starts across all fifty states increased by 9.7% over the same month last year, maintaining an unbroken record, but factors beyond the control of most companies are having an adverse impact on business. Health and workman's compensation insurance rates have increased substantially in recent years, and fuel prices have sharply increased. At the same time domestic manufacturers are under increasing pressure from imports. Such factors mean that passing on higher costs to customers can be very difficult.

#### Oak facing tough times

As reported in May, market conditions for the common grades of red oak remain challenging, and are a source of concern for those in sales as well as in purchasing. Positive results are noted in recent activity involving the upper grades of white oak, but it is the common grades which make up the higher volume of lumber available in this species. Although, it is a known fact that people are buying bigger houses, it seems that they are not investing in new furniture for them. Furthermore, the interior fittings are now such a mixture and can include imported pre-finished flooring, pre-primed MDF mouldings, veneered stair treads, and in the kitchen, maple or red alder doors. Red oak, in particular, still has its niche in the market, but to a much lesser extent than in previous times and, now, the consumer has so many choices that red oak is but one product in an altogether wider portfolio.

Some producers are finding it difficult to keep their red oak inventory from rising, despite a recent return by some flooring producers to using #1 Common product. However, they are generally paying little more for this product than they did for #2 Common red oak one year ago. White oak is being used in flooring as well, but at a much lower level, overall, than in previous years. Furthermore, since some mills have been avoiding red oak production, there is currently a glut of 4/4 #1 Common KD white oak in the market, and news of massive quantities being offered by some large producers is resulting in a weakening in prices.

#### Green lumber in abundance

Contacts throughout the industry report that overall market conditions for lumber products are mostly unchanged from previous weeks. As usual in the summer months, most contacts report that ample supplies of green lumber are available in the marketplace. Demand for both hard and soft maple remains very strong, though many buyers suggest that their ability to process all available green maple is limited and, in some cases, are turning away offered supplies of these products. On the other hand, lack of demand for many grades and thicknesses of ash, cherry and, of course, red and white oak, have led to abundant supplies of green lumber inventory in these species.

In contrast, some shortages are noted for certain items and sources indicate green and kiln dried walnut and hickory stocks are limited. Furthermore, tulipwood stocks are not building, as it is enjoying a revival. It has become less cost-effective to paint soft maple nowadays, and tulipwood makes for an effective substitute for cherry with application of stain.

Another factor contributing to the challenging domestic market conditions for US hardwood species, is the continuing increase in hardwood imports. The first four months of this year showed a 5.5% increase in the volume of hardwood lumber coming in the States, as compared to the same period in

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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

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> > ISSN 1471-6186

### Consultancy services are also available.

Particular areas of expertise: Forest Industry Market Intelligence; Marketing and Promotion; Environmental Issues; Forest Policy and Sustainability; International Trade Issues. Contact Forest Industries Intelligence Ltd. at the address given above for details.

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

# Editorial: to certify or not to certify

The decision on whether or not to shift over to certified wood products is a tough one in the hardwood sector. Unlike softwood traders – who can source regular supplies of certified product from Europe and North America without paying a premium – hardwood traders often have to pay premium prices for products that are available only irregularly. Hardwood suppliers also have to cope with an uncertain and fickle market. Many end-users claim to be dedicated to purchasing certified products, but immediately back away when asked to pay more or to wait longer.

This is why recent efforts by UK government to develop a consistent framework for public sector procurement - favouring certified products are so encouraging. These efforts hold out the promise - at least in one small European market - of creating more consistent demand for certified hardwoods. Unlike earlier WWF inspired initiatives seeking to generate demand mainly for FSC certified products, the UK government process has the advantage of being "blind" to specific certificate brands. In accordance with EU procurement directives, it requires acceptance of any certification scheme able to deliver timber in accordance with a set of objective criteria for "legal and sustainable". This approach should encourage competition between certification brands, providing choice and boosting innovation, broadening the certified supply base, and reducing the risk of a narrow set of interests hijacking the procurement process in pursuit of their own political ends.

While UK government has made a good start, it still has much work to do. Recent events seem to suggest that the process of assessing certification schemes may not be free from political manipulation. Fear of a green backlash seems to have been the main factor behind the UK government's decision to delay announcement of the positive results of an independent assessment of the PEFC and SFI Program schemes. Any subsequent back tracking on this assessment would severely damage the credibility of the UK government process. It would only confirm producers in their belief that European governments tend to move the goal posts at the merest hint of complaint from green pressure groups. But it is unreasonable to expect producers to make farreaching commitments to certification without absolute clarity on the standards they will have to adopt to gain market acceptance. On the other hand, quick confirmation of the positive assessment report of PEFC and the SFI Program would go a long way to demonstrating UK government's determination to be driven by an objective appraisal of each certification scheme's real ability to deliver "legal and sustainable" timber.

The situation in the UK also highlights a problem that is bound to arise as various European governments set out to devise their public sector procurement policies. At present, each government is establishing different and often complex requirements for timber suppliers seeking to demonstrate that timber is from legal and sustainable sources. There is little evidence that this process is being co-ordinated, let alone harmonised, at international level. It is also unreasonable to expect certification schemes to adjust their procedures in an effort to conform with each set of national requirements, some of which may be contradictory.

So if public sector procurement in Europe is to have any lasting effect to encourage hardwood producers down the certification route, it needs to satisfy four simple rules: it needs to be harmonised between all the members of the EU; it needs to recognise a variety of certification brands assessed against objective criteria; it needs to provide absolute clarity on the certification schemes that are acceptable; and it needs to be stable with no shifting of the goal posts in response to pressure from special interest groups.

Rupert Oliver

### Tropical hardwood market Return to Africa month. Various factors ha

Recent supply and exchange rate trends indicate that the balance of advantage in the global tropical hardwood trade may be shifting from South East Asia and South America towards Africa.

Prices of Asian tropical hardwood logs have continued to rise in recent months with relatively tight supply falling short of levels of demand. The trend affects most species and grades. Japanese plywood manufacturers report that competition for logs from manufacturers in other parts of Asia, particularly China, India and Vietnam, has pushed prices so high that they are unable to compete. Increased control of harvesting in Indonesia has played a key role to restrict supplies of tropical hardwood logs this year.

#### PNG controls hit Asian log supply

Reports are also emerging of increased harvesting control in Papua New Guinea so that traditional buyers of PNG logs (for example Asian manufacturers of garden furniture) are now having to look to alternative sources of supply. FOB dollar prices on offer for sawn meranti lumber in European specifications remain stable this month. Various factors have contributed to sluggish demand in Europe including: the onset of the summer vacation period; slow consumption in the key Dutch window frame market; and continuing difficulties in the African sapele market. As the dollar has recovered against the euro in recent months, meranti prices now look uncompetitive against sapele. For example, UK delivered prices for kiln dried meranti tembaga sawn lumber of around £390/m3 compare with equivalent prices for sapele of around £375/m3.

UK importers report continuing high prices for Asian bangkarai/balau decking profiles. UK CIF prices are now being quoted at around £560/m3. In July, Malaysia followed China's lead to loosen the nation's fixed exchange rate against the US dollar and to move instead to a "managed float" whereby the authority's will try to maintain the ringgit's value against a basket of foreign currencies. In theory this should mean some appreciation of the ringgit and a corresponding rise in prices for Malaysian exports. But in practice the newly liberated ringgit rose by only 1.4% against the dollar, even less than the yuan.

Prices for Myanmar teak boards are difficult to

□ 3

# Tropical hardwood market

Meranti Sawn Lumber Prices

West Malaysia, MTC All prices US\$/ton, C 5% agents commissi Grade: Select & bette Size: Width 6"+ avg	&F UK port, i ion er GMS; Kiln c	ncluding Iried	Ū
	May	Jun	July
1"	940	940	940
2"	980	980	980
2" 2.5"	1015	1015	1015
3"	1030	1030	1030

Prices quoted are now MTCC certified product. West Malaysian shippers are increasingly offering the certified product to the UK as standard. Non certified product prices are around 3% lower.

#### **2**🛛

assess at present as mills are in the process of digesting a 16% increase in log prices forced on them by the state-run Myanmar Timber Enterprise (MTE). The unexpected price rise has meant that mills are struggling to fulfil contracts agreed earlier based on lower log prices. Many Myanmar mills are struggling to secure adequate log supplies and have been forced to shift to lower grades, resulting in lower yields. Many Myanmar mills also suffer from severe cash shortages. Nevertheless, inward investment - mainly from China, Taiwan and Thailand - has also allowed a partial shift in Myanmar to value added product. There is increased lamination and finger-jointing of teak in response to a general decline in log availability and quality, while more garden furniture is now being manufactured in the country.

#### Slow sapele consumption

European consumption of African sapele sawn lumber remains slow, with continuing reports in late July of importers struggling to shift their existing stocks. On the other hand, shippers are generally maintaining existing FOB price levels (in euros), reflecting their view that supplies will tighten before the end of the year and that exchange rate factors are shifting in their favour. FOB prices for iroko and framire have cooled a little in recent months, a reflection of better availability from Ivory Coast during the first half of 2005 and a slowdown in European consumption in the second quarter of the year. Improved availability combined with mounting concerns over product quality have led to some erosion in prices for khaya from Ivory Coast. In contrast, prices for Cameroon khaya (n'gollon) remain firm. Demand for khaya from US joinery manufacturing sector has remained stable in recent months. Good demand for the limited supplies of wawa and ayous sawn lumber now available has meant continuing firm prices. South Africa continues to be mentioned as a particularly good market for wawa sawn lumber.

#### **Brazilian supply difficulties**

A government crackdown on illegal logging meant that log supply has been a major problem in the opening months of the harvesting season in the Brazilian Amazon. The crackdown began in early July with the arrest of IBAMA and state officials in Mato Grosso on illegal logging and related corruption charges. Of the 89 people arrested, 40 were from IBAMA, including the top official in the state. The government also closed down four logging firms as part of the sweep. The officials from IBAMA are accused of turning a blind eye as loggers illegally cut a swathe through 48,000 hectares of rain forest in the past 2 years, sometimes accepting bribes in return for furnishing loggers with false documents. In the wake of the arrests the government imposed severe restrictions on the issue of log and lumber transport documents, bringing log supply to the mills to a halt in some areas. The situation varies between shippers and with some reported to have received transport documents, while many others have not. There were reports of the problems easing by the end of July, but the crackdown suggests that overall availability may be down this year. Meanwhile the Brazilian real stood at a 39 month high against the dollar during July, boosted by good consumer activity and strong export growth. This is another factor

that is likely to encourage high dollar prices for Brazilian hardwood products this year.

Against this background, UK based traders report difficulties sourcing some Brazilian hardwood products. UK CIF prices for massaranduba decking now stand at around £480/m3, while equivalent prices for garapa decking are higher at around £530/m3. UK CIF prices for kiln dried tatajuba stand at around £400/m3.

Availability of mahogany sawn lumber from Peru continues to decline following imposition of a strict export quota system for the species.

African indicative prices												
-	May	Jun	Jul									
Exchange rates US\$/euro	1.23		1.24									
US\$/£	1.23		1.79									
Euro/£	1.01		1 44									
All prices include agents	s commis	sion of 5%	6									
Sawn lumber												
Cameroon, CAR, Congo (Braz.)												
Euro/m3; FOB Grade/size: FAS, air drie	od widthe	"Llongth	6'ı									
Sapele	ea, wiathe 450	450 +, iengtn	6 + 450									
Sipo	575	575	550									
N'Gollon	600	600	600									
Iroko	710	710	685									
Cote d'Ivoire Euro/m3; FOB Abidjan Grade: FAS Size: width 6"+ avg 9"-1 thickness 1"-2"	0"; lengtl	n 6'+ avg ´	10'-11',									
Iroko AD	710	710	650									
Mahogany AD	600	600	575									
Framire KD(b)	425	425	420									
Ayous KD No.1 C&S	320	320	340									
Dimension stock												
Azobe	440/	440/	440/									
	500	500	500									
Dabema	325/	325/	325/									
	375	375	375									
Gabon Euro/m3; FOB Grade and size: FAS, w Okoume KD	idth 6"+, I 340	ength 6'+ 340	340									

### Certified hardwood market How much of a premium?

The real level of demand and availability of price premiums for certified wood products is a key issue for wood suppliers. This is particularly true of suppliers in the tropics, who may need to make big investments to upgrade forestry practices to meet international standards. It is also particularly relevant to smaller private forest owners, which do not benefit from public subsidy and for whom the unit costs of forest auditing tend to be high. Advocates of forest certification, in an effort to encourage suppliers down the certification route, often make far reaching claims about the scale of market demand for certified products. However there have been few studies of the real market implications of forest certification for suppliers. A new research project, commissioned by the UK Department for International Development and the UK Timber Trade Federation, being undertaken by Forest Industries Intelligence Limited, should go some way to filling this gap. The premiums study is also designed to inform

UK government's efforts to develop a procurement policy requiring a progressive shifty to "legal and sustainable" timber (see box, page 4). The research takes the form of regular 6 monthly reports to assess and track market price premiums available for verified legal and sustainable timber in the UK market. Information is gathered by telephone interview directly from the Reports are made available at trade. www.ttf.co.uk and www.illegal-logging.info. Research for the project indicates that UK government policy is having a major impact on the UK market for certified wood products. There is a widespread perception in the UK trade that anybody wishing to supply central government projects must ensure that wood is independently certified. Furthermore premiums can occasionally be achieved for certified products supplied to public sector construction projects. This is in contrast to the rest of the construction market, where premiums are generally very difficult to achieve.

#### Certified softwood predominant

The research indicates that trade in certified product now dominates the UK softwood trade. Due to the wide availability and well developed distribution networks for certified softwood product, there are no premiums to be had for these products in the UK. UK, Swedish, and Finnish suppliers offer either FSC or PEFC certified products to the UK as standard.

In contrast, the UK market for certified/verified hardwood is a still poorly developed. There are several reasons. On the supply side, UK hardwood imports mainly derive from areas that have been slow to certify. Lack of infra-structure, land tenure and political problems have meant only slow progress in the tropics. Fragmentation of forest ownership and industry has been a major constraint limiting certification of temperate hardwood forests. So there has not been the same "push" from hardwood suppliers seeking to develop markets for certified products as there has been in the softwood sector.

#### UK a small hardwood player

On the demand side, the UK is only a relatively small player in the international hardwood market, consuming no more than around 500,000 m3 of hardwood plywood and 350,000 m3 of

# Certified hardwood market

high value hardwood logs and sawn lumber each year. These figures are insignificant against UK consumption of sawn softwoods (in excess of 10 million m3), and against hardwood consumption in other countries. So there has not been the same "pull" from the market for certified hardwood products.

The research highlights that internal operational concerns are a major factor determining market demand for certified wood products. Several contacts emphasised the high costs of managing stocks of wood products with different labels is extremely costly. This problem is particularly pronounced for those products - such as plywood - that may or may not also require CE marking in conformance with the European Construction Products Directive. These operational concerns mean that importing companies have a big incentive to shift over to 100% certified stock when supplies become sufficiently available. On the other hand, if supplies are insufficient, they have a big incentive to carry no certified stocks, or only the minimum necessary to satisfy occasional market demand.

These issues are clearly reflected in the UK wood

#### Estimated premiums available in July 2005 on the UK delivered price (£/m3) certified/verified legal hardwoods

	£/m3	% premium
Dark red meranti tembaga lumber	GMS kiln dried 2	2 inch sawn
Uncertified	394	
MTCC certified	403	2
FSC certified	427	8
Sapele kiln dried 1-2 inch s Unverified	awn lumber 374	
Verified legal	381	2
Brazilian masaranduba ha		profiles
Uncertified FSC certified	499 661	
Malaysian/Indonesian bang	gkarai/balau har	dwood decking
profiles Uncertified	513	
European beech 25 mm sq steamed, A-quality	uare edged, kiln	dried,
Uncertified	437	
PEFC certified	440	1
FSC certified	451	3
European oak 25 mm squa Uncertified	re edged kiln dri 700	ed
PEFC certified	700	1
FSC certified	721	3
American 1 inch white oak edged	FAS/1F, kiln drie	d square
Uncertified	444	
FSC certified	495	11
American tulipwood 1 inch edged		ed square
Uncertified	275	
FSC certified	287	4
American cherry 1 inch FA Pennsylvania	S/1F, kiln dried s	quare edged -
Uncertified	918	
FSC certified	949	3
American hard maple 1 inc edged - North US No 1 & 2		ied square
Uncertified	720	
FSC certified	785	9
Brazilian elliotti pine plyw	ood, 18 mm, C+0 174	;
Uncertified FSC certified	174	7
Indonesian/Malaysian plyv Grade.		
Uncertified	308	
MTCC certified	316	3
FSC certified	319	4
Birch plywood, Russian B		BB/WG
Uncertified	360	
PEFC certified	400	11

#### UK demand for "legal and sustainable" timber

In 2000, UK Prime Minister Tony Blair made a commitment to ensure all wood used in central government contracts derives from "legal and sustainable" sources. The UK Department for Environment Food and Rural Affairs (DEFRA) was given responsibility to ensure implementation. While the commitment does not officially extend to local authorities, much work is being carried out by DEFRA to encourage adoption of equivalent policies at this level.

To conform with EU and WTO rules, UK government cannot demand that all wood used in public sector contract work be certified, nor that wood must be certified under a particular "brand". Suppliers must always have the option to provide alternative forms of evidence. However, independent certification is seen as by far the preferred option.

In June 2004, DEFRA commissioned a consultancy firm to form a Central Point of Expertise on Timber (CPET) with the aim of "supporting buyers and suppliers by providing expert and impartial guidance and advice". It was tasked initially with assessing five certification schemes (FSC, PEFC, CSA, SFI Program and MTCC) to assess conformance with UK government criteria for "legal and sustainable" timber.

In November 2004, CPET released their initial results which indicated that FSC and CSA met UK government criteria for "legal and sustainable". The SFI Program also met the criteria,

importing sector. There are many companies – often larger, often involved in softwoods – that are implementing procurement policies designed to ensure that 100% of their supplies derive from certified sources. These companies are actively promoting certified timber in the market, and putting pressure on both suppliers and customers to expand sales of certified wood products. Some of these companies are willing to pay price premiums for certified wood products in pursuit of their policy goals.

On the other hand, there are many UK importing companies – often smaller, often involved in the hardwood and plywood trade - that stock only a small volume of certified products to satisfy occasional orders. These companies are generally unwilling to pay any price premium.

#### Big variation in hardwood premiums

Supply and demand factors result in very significant variation in price premiums on offer and occasionally accepted by UK traders for certified hardwood products (see table). Some European hardwood and plywood products are being offered either FSC or PEFC certified as standard to the UK market with no premium attached. This reflects good availability of FSC products from certified state forests in Germany and Poland, and of PEFC products from France, Germany and Finland. American hardwoods are being offered FSC certified to the UK market with a 3% to 9% premium, depending on species. These prices are being paid occasionally by importers, although the vast majority of this trade is dominated by uncertified material.

The largest premiums requested are for Brazilian FSC hardwood decking products. Premiums of over 30% are sometimes requested, a reflection of the limited availability of these products. These high premiums are paid very occasion-

#### with the reservation that suppliers must provide additional evidence to showing that at least 70% of the labelled wood product derived from an SFI Program certified forest. PEFC and MTCC met UK government criteria for "legal" timber but not for "sustainable" timber.

PEFC and the SFI Program responded with a series of system changes to ensure full conformance. CPET undertook a further review in the light of the changes and duly confirmed to DEFRA that both schemes now met the UK government criteria.

In June 2005, DEFRA issued a press release stating that they had decided to delay formal announcement of this positive result until such time as "government officials had met representatives of UK ENGOs to discuss their concerns". DEFRA officials held a closed meeting with Greenpeace, Worldwide Fund for Nature (WWF) and Friends of the Earth on 26 July 2005.

At time of preparation of this report, DEFRA had still to make a formal announcement to the effect that PEFC and the SFI Program should be recognised as *"legal and sustainable"*.

Meanwhile, in September 2005, CPET is due to embark on the second phase of their project, to determine which forms of evidence, alternative to forest certification, may be accepted by UK government procurement officials as evidence that wood is "legal and sustainable".

ally, usually for government contracts where the project manager has firm obligation to secure certified product and has left procurement of hardwood decking until the very last minute. FSC brand recognition is another factor helping secure a higher premium.

MTCC certified Malaysian meranti is now regularly offered to UK buyers with a 3-4% premium. This relatively low premium has boosted interest in MTCC certified product in the UK. On the other hand, lack of full CPET recognition for MTCC as "legal and sustainable" undermines the ability of MTCC suppliers to command a greater premium.

### Premiums for "legally verified" suffer through lack of recognition

There is a similar problem with African hardwoods. Over the last 12 months, there has been a significant increase in the number of suppliers offering "verified legal" African hardwoods to the UK market. Although backed by independent chain of custody assessments and assurances of legal status, most suppliers are struggling to generate much market interest in "legally verified" African hardwoods. Even premiums of 2% on the UK delivered price are proving difficult to achieve. Lack of CPET guidance on recognised procedures for "legal verification" seems to be a major obstacle to the development of market demand for these products. Government specifiers are unsure of the credibility of the claims made.

Note: This article is based on a presentation delivered by Forest Industries Intelligence Limited to the Royal Institute of International Affairs on 27 July 2005. The views expressed are those of Forest Industries Intelligence Limited and should not be taken to imply the views of any of the organisations commissioning the research.

# North America

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2004 and this was almost entirely accounted for by tropical species.

While there was a marginal increase in imports of beech lumber from Germany, imports from France actually fell in comparison to January to April 2004. At the same time, Brazil increased its lead as the number one supplier of hardwood lumber (excluding Canada) to the US by 41%, reaching a volume of just under 67,000m3. Other Latin American sup-

US hardwo	od impor	ts	
	2004	2005	%
	Jan-Apr	Jan-Apr	chg
Hardwood	lumber (1	000 m3)	
Canada	397.9	376.7	-5.3
Brazil	45.1	63.6	41.0
Peru	11.3	15.8	39.8
Germany	10.4	12.7	22.1
Malaysia	10.0	11.1	11.0
Ghana	10.9	10.3	-5.5
Ivory Coast	5.6	10.1	80.4
Argentina	12.5	7.2	-42.4
Indonesia	7.0	7.1	1.4
Bolivia	5.5	6.3	14.5
Cameroon	5.9	4.8	-18.6
India	2.2	4.0	81.8
China	1.5	3.7	146.7
Chile	2.4	2.9	20.8
Guyana	1.1	1.8	63.6
France	1.6	1.2	-25.0
Spain	0.9	0.5	-44.4
Lithuania	0.2	0.4	100.0
Other	58.8	82.9	41.0
Total	590.8	623.1	5.5

Hardwood p	lywood (U	S\$ million	ı)
- China	85.0	146.3	72.1
Canada	61.7	76.3	23.7
Indonesia	68.4	68.1	-0.4
Malaysia	61.8	54.6	-11.7
Russia	44.0	48.2	9.5
Brazil	39.5	38.9	-1.5
Ecuador	7.8	7.0	-10.3
Germany	13.8	6.4	-53.6
Taiwan	7.0	6.3	-10.0
Thailand	4.3	4.7	9.3
Finland	4.2	4.5	7.1
Italy	1.7	2.2	29.4
Guyana	1.9	1.5	-21.1
Ghana	1.4	0.7	-50.0
Other	10.8	14.6	35.2
Total	413.3	480.3	16.2

Hardwood ve	eneer (US	\$ million)	
Canada	72.0	66.8	-7.2
Brazil	3.9	8.4	115.4
Italy	5.5	7.6	38.2
Germany	6.0	6.7	11.7
Ghana	4.3	6.2	44.2
China	3.2	5.1	59.4
Ivory Coast	0.9	2.0	122.2
Gabon	2.1	1.9	-9.5
Spain	2.4	1.9	-20.8
France	1.9	1.8	-5.3
Mexico	1.4	1.1	-21.4
Russia	0.2	0.2	0.0
Chile	0.1	0.1	0.0
Other	6.5	8.8	35.4
Total	110.4	118.6	7.4

plying countries showed mixed results, with imports from Argentina falling significantly, while imports from Peru, Chile, Bolivia and Guyana all grew substantially.

#### Increased interest in Africa

The US buyers' interest in African species also increased during the first four months of this year, but while slight decreases were seen in imports from Ghana and Cameroon, imports from Ivory Coast increased by over 80%. In recent months, suppliers of African species have working harder to promote demand in the United States. They have achieved some success with sapele.

Imports of hardwood lumber from China also increased over the January to April period; no doubt much of which was accounted for by American species. Imports from India increased to from 2,200m3 to 4,000m3 - probably mostly accounted for by teak, and some rosewood, the vast majority of which not originating in India itself.

In terms of hardwood veneer, imports into the United States have been steadily increasing for some time and the first four

#### US export overview A tough year so far

While the situation for American hardwood lumber and veneer exports improved during the April this year, as compared to the first three months, overall prospects for 2005 are far from exciting. US hardwood log exports increased by just under 14% during the January to April period this year, while lumber shipments rose by 1% in volume and 2.5% in value. At the same time, hardwood veneer exports decreased by 6.3%. However, with the onset of the European summer slowdown, this improvement in exports is likely to be temporary.

#### Overseas buyers more hesitant

For a variety of reasons, overseas buyers have become increasingly hesitant to purchase lumber in recent weeks. For some, the reason is that they already have large lumber and even larger finished goods inventories. For others, it is that they feel their supplies of North American hardwoods are generally adequate, so there is no need to stock up. Other reasons are that certain importers and manufacturers maintain the impression that prices have not yet reached bottom, while some face growing uncertainties in the markets for their products, so they hold conservative inventory positions.

The North American hardwood lumber export price index published by Hardwood Review Global, which tracks the average

months of 2005 showed a 7.4% increase on the same period last year, reaching a value of \$118.6 million. While Canada still dominates, it is other supplying countries which have benefited in recent months from the buoyant US market and, as with lumber, tropical species have made the greatest headway.

#### China dominates plywood imports

It is not news to report that China is now the number one supplier of hardwood plywood to the US, but it is interesting to note that China supplied almost exactly twice as much hardwood plywood as Canada during the first four months of this year. While the January to April period showed a general decline in imports of hardwood plywood from most other supplying countries, as compared to the same four months in 2004, the gains posted by China, Canada and Russia more than made up for the shortfall. Overall, hardwood plywood imports increased by 16.2% on the first four months last year to reach a value of over \$480 million

published price of twelve key hardwood items sold on the export market, shows a 6% decrease in value in July this year, as compared to the same index one year ago. However, the average unit value of hardwood lumber exported during the first four months of this year actually increased from \$488 per cubic metre to \$495 per cubic metre.

#### Demand centres on North Europe

Overall, exports of American hardwood products to Europe have been slow this year and figures for the first four months show real increases in only a few markets. Lumber sales to the EU increased by only 0.2% in volume, as compared to the same period in 2004, but were up 6.1% in value. This apparent disparity between volume and value stems almost entirely from the fact that exports of white oak FAS/ 1F lumber and strips have been strong to Europe, while sales of FAS/ 1F ash and tulipwood have only just been maintained. European demand for most other items, however, has been down in recent weeks.

Buyers in Spain and Portugal have been relatively active in the FAS/ 1F white oak market, but have showed little interest in #1 Common and other species. The approaching summer holidays, together with a slower furniture business, have caused a decline in exports to Italy in recent weeks. At the same time, however, reports indicate in-

# North America

#### 5□

creased shipments to the United Kingdom, Ireland and Sweden over the last month or so, indicative of a real shift in the North-South divide in Europe. Trade data also suggest stronger German business, but contacts indicate that much of the lumber entering Germany is still being transhipped to Eastern Europe for manufacturing. Markets in Belgium and France were quiet due to reduced manufacturing activity, as well as the impending summer holidays.

In recent years, increased competition from Southern European, Eastern European and Asian wood product manufacturers has caused widespread plant closures in Germany, Belgium and France. Now, Italian furniture and Spanish door manufacturers are similarly trying to retain worldwide market share amid increased shipments of low-cost products from Eastern Europe and Southeast Asia.

#### **Mixed fortunes in China**

While exports of hardwood logs and lumber have shown a continual increase to China for some time, the various markets in China presented a mixed picture overall in recent weeks. Furniture factories have been holding large inventories of finished goods and limited orders from North American retailers have meant that their renewed raw material purchasing activity has been slower than usual. On the other hand, demand from Chinese flooring plants has been fairly high, with strong markets for finished products in North America.

In terms of species, sales of grainy woods such as red and white oak and ash have been generally slow, while red alder has been the species of choice. At the same time, tulipwood sales have been fairly consistent. In fact, red alder exports to China have been steadily increasing for the past seven years and, on a trend basis, red alder has been the most exported hardwood lumber species to China since late 1999.

US exporters may stand to benefit from the 20 to 25% reduction in China's imports of Indonesian hardwoods. While Russia is now the most important supplier of hardwood logs and lumber to China, it is possible that part of the gap in the market could be filled by an increase in imports of American hardwoods. However, high material costs are the inhibiting factor and Russia also benefits from lower transportation costs, as well as the ease of cross-border trade.

#### **Targeting low-cost producers**

Early reports suggest that hardwood lumber shipments to Vietnam, while still very

small relative to China, surged again in June. One explanation for this is that many, if not most, large Chinese manufacturers has or is building a plant in Vietnam. Interestingly, shipments of US hardwood lumber to Vietnam from January to April April 2005 increased by 6,889m3 as compared to a year ago, while shipments to China fell by 5,945m3 during the same period.

Manufacturers in Thailand and Indonesia have been fairly busy in recent months,

thanks to decent Japanese and North American demand for their products. Some Thai furniture companies have started making upscale furniture in order to differentiate themselves from Chinese producers. At the same time, the US hardwood lumber trade into Taiwan, South Korea and, to a much lesser extent, Malaysia has been in decline, as each is a high-cost producer compared to China, Vietnam and Indonesia.

US hardwood	exports.	Januarv to Api	ril 2004 a	nd 2005		
	2004	2005	%	2004	2005	%
	\$ mill.	\$ mill.	Chg	000 m3	000 m3	Chg
World						
Logs	219.38	230.27	5.0	795.14	904.60	13.8
Lumber	480.16	492.27	2.5	983.94	993.93	1.0
Veneer	161.69	151.44	-6.3	na	na	na
Canada						
Logs	70.45	78.73	11.7	484.89	608.98	25.6
Lumber	146.52	142.90	-2.5	333.75	341.90	2.4
Veneer	51.83	53.10	2.4	na	na	na
EU						
Logs	54.22	53.62	-1.1	110.39	88.76	-19.6
Italy	12.16	12.24	0.7	43.17	36.82	-14.7
Germany	16.72	20.35	21.7	23.76	21.68	-8.8
Lumber	149.22	158.34	6.1	226.68	227.02	0.2
Spain	33.45 32.58	33.27 33.29	-0.5 2.2	53.70 58.79	51.10 57.13	-4.8 -2.8
Italy United Kingdom	21.59	25.36	17.4	30.29	32.44	-2.8
Germany	11.50	13.25	15.2	15.21	18.16	19.4
Veneer	61.15	57.89	-5.3	na	na	na
Germany	20.37	21.04	3.3	na	na	na
Spain	15.71	13.96	-11.1	na	na	na
Italy	9.10	9.52	4.5	na	na	na
SE Asia						
Logs	16.01	18.78	17.3	33.76	39.12	15.9
Vietnam	3.15	4.13	52.0	6.61	8.45	53.0
Lumber	25.84	30.99	19.9	56.07	67.59	20.5
Vietnam	6.04	9.19	52.0	12.99	19.88	53.0
Veneer	5.73	4.46	-22.1	na	na	na
Vietnam	0.86	0.59	-30.8	na	na	na
Greater China						
Logs	50.32	56.01	11.3	95.10	107.38	12.9
China	30.14	40.41	34.1	59.72	79.97	33.9
Hong Kong	14.34	10.75	-25.0	24.45	19.64	-19.7
Taiwan Lumber	5.84 85.20	4.86 79.29	-16.9 -6.9	10.93 218.27	7.78 202.03	-28.8 -7.4
China	49.61	57.69	16.3	136.73	156.00	14.1
Hong Kong	25.48	15.37	-39.7	56.49	31.27	-44.6
Taiwan	10.11	6.23	-38.4	25.05	14.75	-41.1
Veneer	25.29	19.52	-22.8	na	na	na
China	12.75	9.33	-26.8	na	na	na
Hong Kong	7.77	4.45	-42.7	na	na	na
Taiwan	4.76	5.73	20.4	na	na	na
Japan						
Logs	12.41	9.55	-23.0	31.91	26.24	-17.8
Lumber	16.59	16.79	1.2	34.08	26.61	-21.9
Veneer	1.37	1.87	37.2	na	na	na
South Korea						
Logs	7.04	6.40	-9.2	15.64	17.15	9.7
Lumber	7.76	6.85	-11.7	11.76	11.19	-4.8
Veneer	1.68	0.98	-41.7	na	na	na
Mexico						
Logs	4.28	3.97	-7.2	11.80	10.94	-7.3
Lumber	25.11	30.17	20.1	64.66	78.72	21.8
Veneer	5.93	7.60	28.2	na	na	na
North Africa and M						
Logs	0.92	1.10	19.5	1.47	1.80	22.7
Lumber	11.81	11.72	-0.7	16.20	16.35	0.9
Veneer	1.97	1.39	-29.5	na	na	na

# North America

### Species notes

□ Alder: exports of alder lumber have gone from strength to strength in recent months and during the first four months of this year have risen by 40% to reach over 106,000 m3. Although red alder only accounted for 10.7% of total US hardwood lumber export volume in the first four months of this year (and only 8.3% of the value), it accounted for 27.5% of exports to China.

□ Ash: most US contacts describe demand for ash as sluggish in the current market. Sawmill operators report limited supplies of ash logs are available, due mainly to weather conditions. These contacts also note that smaller production runs of this species are being made to keep log inventories rotated in efforts to avoid stain damage. In export, ash lumber sales have fallen by 10% overall in the January to April period this year.

Basswood: demand for this species remains in line with production and prices have remained unchanged for some time now. No change is forecast for the immediate future and most mills are content to just service their existing customer base. In export, however, where basswood has seen strong demand in recent years for offshore blind manufacturing, stiffer competition from alternative species is likely to keep exports in check. Cherry: market commentators report that US domestic demand for cherry remains steady. The popularity of this species with consumers is underlined by the volume of product lines offered by furniture manufacturers, along with consistent usage by other solid wood products manufacturers. However, excess quantities of this species are reportedly available to the marketplace. Many sawmills have made efforts to reduce the amount of red oak produced, and cherry is an attractive alternative based on saleability and profit potential. The resulting focus on green cherry production has had a softening influence on prices. In export, demand for cherry today is almost at exactly the same level as one year ago. The oak trend in Europe and the global desire for walnut have, no doubt, tempered interest in this species.

□ **Hard maple**: US hardwood industry sources indicate that supply circumstance have changed significantly in the past weeks in comparison to the past several months. Sawmill operators report that they are continuing to focus on hard maple production as long as logs are available and cutting this species is practical. Due to the positive results experienced by mills and resale operations handling hard maple, and the desire of most to avoid processing red oak, contacts report that an abundance of green stocks is currently available in the market.

In fact, some buyers indicate they are turning away offers of green lumber that surpass their processing capabilities, and are cautious in purchasing from sources outside of their existing supplier base because of concerns of stain and other problems associated with handling this species during the summer months. However, reports state that demand for this species remains strong from cabinet, flooring and moulding manufacturers.

□ Soft maple: demand for soft maple remains steady at the current time. Many buyers have incorporated this species as an alternative for use with hard maple, taking advantage of the similar appearance and comparatively lower prices. Of course, soft maple is also used in certain applications as a substitute for cherry, but as prices have risen, tulipwood is becoming an alternative substitute. As demand has increased for this species, so have prices. And as prices have risen, so have production levels. In export, maple (without differentiating between hard and soft) has seen steady, if not exciting demand in recent months.

**Red oak:** within the US industry, much concern is expressed over what short-term solutions exist for current market conditions for this important species. Due to decreases in demand for red oak from most industry segments, sawmills have reduced production of this species. Some mill operators indicate they have tried to accomplish this objective by sawing other species; others note that reduced hours of operations have been implemented to attain this goal; and many others report combining both methods to reduce output. The end result is that less green red oak is now coming available to the marketplace. Contacts agree that the concerted efforts to reduce production have had no immediate impact on overall supplies. No shortages of any grades have been reported. At the same time, however, the cutbacks in production are troubling to a number of industry observers who reason that, whilst short-term cutbacks are important, long-term supplies of red oak may be significantly affected. Red oak lumber exports have barely changed in the first four months of this year, as opposed to 2004, but demand in most markets is sluggish. In the Middle East, however, red oak is still the favoured species and will continue to dominate exports there, while there exist few suitable alternatives.

□ White oak: for the same reasons that red oak is facing challenging market conditions in the US domestic market, particularly in the Common grades, white oak producers are finding it difficult to keep production moving. At the same time, however, demand for white oak in export markets continues to be very strong and exports have remained steady in volume during the first four months of this year.

**I Tulipwood/yellow poplar:** inventories of tulipwood logs and lumber are reportedly on the rise and veneer plants and sawmills indicate log yards are at or near targeted levels, with an increasing mix of tulipwood. Market commentators report that because of the rapid turnover rate of this species from log form to kiln dried lumber, the supply pipeline is beginning to fill. Buyers for moulding manufacturers, millwork houses and distribution yards report that FAS/1F purchases are in line with recent weeks. Those involved in export sales to China and other Asian countries indicate the volume of #1Common moving to overseas customers is steady. At the same time, however, the strength in demand for these items has translated into very little price movement.

□ Walnut: demand for walnut in the US continues and demand in Europe and China remains strong and is unlikely to weaken through the course of this year. However, exports of walnut logs and lumber actually decreased during the first four months of this year, as compared to the same period in 2004. Log exports fell by 13.2% in volume and 16 in value, while lumber exports fell by 5.7% in volume and 1.7% in value.

#### US sawn lumber indicative prices

05 Sawii luilibe		auve p	11663		
North Appalachian US\$ MBF Grade: FAS/IF, KD square ed Net measure after kilning NOTE US prices are highly va point of orgin. These prices ar over time.	ged ariable depen	ding on qua			
*One cubic meter is equivaler	nt to 423.8 BF	or 0.4238 N	IBF		
\$/£ \$/Euro	<b>Apr</b> 1.90 1.29	<u>May</u> 1.81 1.23	<u>July</u> 1.79 1.24		
Red oak 1" 1.25" 1.5" 2"	2080 2300 2350 2725	2000 2300 2350 2825	1950 2250 2325 2725		
White oak 1" 1.25" 1.5" 2"	1750 1900 2450 2950	1800 2000 2475 3050	1810 2025 2500 3000		
Ash 1" 2"	1375 1725	1375 1750	1400 1775		
<b>Tulipwood</b> 1" 1.25" 1.5" 2"	1000 1050 1100 1150	1075 1090 1125 1175	1110 1150 1170 1200		
<b>Cherry (Pennsylva</b> 1" 1.25" 1.5" 2"	ania) 3550 3700 4050 4250	3675 3850 4075 4200	3775 4175 4250 4500		
Hard Maple (North 1" 1.25" 1.5" 2"	US, No 1 3150 3250 3400 3550	& 2 Wh 3150 3250 3400 3650	nite) 2950 3250 3300 3350		
Walnut 1" 1.25" 1.5" 2"		2975 3250 3450 3950	2975 3250 3450 3950		

#### Germany imports Jan-Mar 2004 and 2005

#### EU nation import trade commentary

00			<b>y</b>			•							
	Value 2004	e mill. e 2005	uro % chng	Weigl 2004	nt 000 te 2005	onnes % chng		Valu 2004	e mill. 2005	euro % chng	Weigi 2004	ht 000 to 2005	onnes % chng
Oak logs	_		-				Other hardw			anded o		er-jointe	d (b)
U.S.A. FRANCE	1.43 0.40	1.27 0.49	-11 22	2.09 1.97	2.00 4.18	-5 112	AUSTRIA ITALY	0.19 0.16	4.13 0.30	2121 90	0.17 0.05	0.30 0.09	73 79
JKRAINE AUSTRIA	0.21 0.21	0.10 0.10	-55 -56	0.74 0.27	0.27 0.10	-63 -64	POLAND NETHERLND.	0.07	0.24 0.02	237 -80	0.16 0.10	0.26 0.02	57 -83
DENMARK OTHER	0.14 0.47	0.16 0.25	11 -48	1.25 1.71	1.53 1.12	23 -35	ROMANIA OTHER	0.09 0.64	0.04 0.29	-60 -55	0.09 0.87	0.07 0.37	-22 -58
TOTAL	2.87	2.36	-48 -18	8.03	9.20	-30 15	TOTAL	1.22	5.00	311	1.43	1.09	-30
Beech logs			_				Veneer of Eu						
FRANCE SWITZ.	1.10 0.29	1.10 0.17	0 -41	9.48 4.03	10.46 2.51	10 -38	VORY C. GHANA	2.01 0.84	2.06 0.87	2 4	2.68 0.68	2.83 0.57	e -16
AUSTRIA SLOVAKIA	0.10 0.16	0.18 0.24	72 55	0.32 0.59	1.89 0.62	501 6	ITALY FRANCE	1.00 0.40	1.23 0.16	23 -60	0.23 0.15	0.28 0.08	24 -47
DENMARK	0.18	0.04	-80	0.57	0.30	-48	GABON	0.32	0.20	-38	0.21	0.18	-15
OTHER TOTAL	0.33 2.15	0.25 1.97	-25 -9	1.40 16.38	0.90 16.68	-36 2	OTHER TOTAL	1.23 5.80	1.82 6.34	48 9	0.40 4.35	0.83 4.78	106 10
Birch loas							Veneer of oth	her har	hoowh	snecies	(b)		
INLAND	0.79	0.59	-25	2.17	1.48	-32	U.S.A.	14.80	11.78	-20	4.14	3.91	-6
RUSSIA BURMA	0.10 0.27	0.09 0.00	-6 -100	0.40 0.16	0.33 0.00	-18 -100	POLAND CZECH R.	3.61 4.16	4.25 1.35	18 -68	1.81 1.99	1.71 1.07	-5 -46
ESTONIA BELARUS	0.10 0.00	0.03 0.13	-73 na	0.55	0.12 0.05	-77 na	SWITZ. AUSTRIA	2.36 2.73	2.17 1.91	-8 -30	0.63 0.84	0.53 0.62	-16 -27
OTHER	0.13	0.05	-65	0.38	0.23	-41	OTHER	13.28	11.65	-12	5.40	4.54	-16
TOTAL	1.39	0.88	-36	3.65	2.20	-40	TOTAL	40.93	33.11	-19	14.81	12.37	-16
<b>Poplar logs</b> AUSTRIA	0.00	0.00	na	0.00	0.00	na	Hardwood m INDONESIA	nouldin 2.27	gs 3.50	54	3.54	4.86	37
JKRAINE	0.00	0.04	1750	0.01	0.20	2413	POLAND	4.26	2.32	-45	3.86	3.08	-20
NETHERLND. HUNGARY	0.01 0.00	0.02	186 na	0.22 0.00	0.34 0.00	55 na	AUSTRIA NETHERLND.	3.08 1.35	2.32 2.23	-25 65	3.43 1.45	1.07 3.08	-69 113
DENMARK	0.00	0.00	na	0.00	0.00	na	ITALY	1.47	1.28	-13	0.22	0.23	5
OTHER OTAL	0.00 <b>0.01</b>	0.02 0.08	na 733	0.00 0.23	0.26 0.80	na 251	OTHER TOTAL	8.02 20.45	9.62 21.27	20 4	7.72 20.22	10.83 23.15	40 14
.ogs of Euro	stat tra	nicale	neciee -	(a)		_				al ener			
CAMEROON	3.59	3.26	-9	7.80	6.47	-17	INDONESIA	3.52	5.45	55	5.19	6.70	25
GABON CONGO R.	1.20 1.10	1.24 0.44	3 -60	3.44 2.17	3.66 1.03	7 -53	ITALY SPAIN	3.71 2.35	3.23 3.71	-13 58	2.80 1.93	1.92 2.90	-32 50
BURMA	0.78	0.67	-14	0.48	0.36	-24	FRANCE	1.04	1.36	31	0.97	0.93	-5
EQ. GUINEA DTHER	0.63 1.52	0.84 0.77	33 -49	2.09 3.13	3.40 1.05	63 -67	BELGIUM	0.36 3.29	1.68 2.98	373 -10	0.52 4.23	2.30 3.50	346 -17
OTAL	8.82	7.22	-18	19.11	15.97	-16	TOTAL	14.27	18.42	29	15.65	18.25	17
Other hardwo				<u> </u>	40.0-	-	Plywood of o					00.1-	-
J.S.A. RANCE	7.00 2.05	9.21 2.17	32 6	8.18 4.02	10.27 6.37	26 58	FINLAND ITALY	24.63 8.09	21.65 7.87	-12 -3	25.88 6.77	20.40 6.58	-21 -3
SABON	0.23	0.45	96	0.74	0.91	23	RUSSIA	6.12	6.36	4	12.95	13.93	8
AUSTRIA SPAIN	0.54 0.38	0.48 0.38	-12 -1	0.81 0.33	0.57 0.47	-30 45	AUSTRIA CHINA	4.41 0.46	4.16 2.66	-6 483	4.62 0.79	4.35 4.18	-6 430
OTHER TOTAL	4.09 <b>14.29</b>	3.03 15.71	-26 10	10.09 <b>24.17</b>	5.73 <b>24.31</b>	-43 1	OTHER TOTAL	31.87 <b>75.57</b>	27.22 69.93	-15 -7	44.39 <b>95.39</b>	34.18 <b>83.63</b>	-23 -12
						<u> </u>							
<b>Sawn lumber</b> MALAYSIA	3.13	2.51	-20	3.93	3.16	-19	Softwood pl BRAZIL	8.41	15.00	78	21.29	34.71	63
NETHERLND. SHANA	2.73 2.09	4.37 2.51	60 20	3.89 2.57	5.90 2.88	52 12	FINLAND FRANCE	8.43 2.69	8.62 2.18	2 -19	11.62 4.55	9.63 3.63	-17 -20
CAMEROON	2.21	1.85	-17	3.62	2.77	-24	AUSTRIA	2.61	2.05	-22	3.72	2.01	-46
NDONESIA DTHER	1.57 4.28	1.77 3.62	13 -15	2.23 5.04	2.26 4.21	1 -16	RUSSIA OTHER	1.91 11.27	2.06 9.86	8 -13	5.47 16.32	5.34 14.96	-3 -8
	16.00	16.62	4	21.27	21.18	0	TOTAL	35.32	39.75	13	62.97	70.28	12
Dak sawn lun		igh valı					Windows and						
J.S.A. ITHUANIA	2.72 0.43	2.46 0.42	-10 -1	3.67 0.60	3.27 0.27	-11 -56	POLAND BELARUS	0.34 0.06	0.41 0.02	21 -68	0.09 0.01	0.04	-56 -67
AUSTRIA	0.48	0.50	3	0.85	0.67	-20	NETHERLND.	0.03	0.01	-85	0.03	0.00	-100
FRANCE	0.85 0.35	0.59 0.31	-31 -11	1.67 0.40	0.93 0.31	-44 -22	SLOVENIA SWITZ.	0.02 0.00	0.01 0.00	-40 na	0.00 0.00	0.00	-75 na
OTHER TOTAL	1.15 5.98	0.81 5.08	-30 -15	2.51 9.69	1.10 6.55	-56 -32	OTHER TOTAL	0.00 0.45	0.01 0.45	50 0	0.00 0.14	0.00 0.05	100 -66
				0.00	0.00								
<b>Dak sawn lun</b> JKRAINE	1.93	1.85	-4	7.46	5.92	-21	Windows and POLAND	2.16	0.06	-97	0.60	0.02	-97
CZECH R. RUSSIA	0.40 0.21	0.22	-45 -15	1.39 0.64	0.77	-44 -21	DENMARK	0.23	0.17 0.23	-28 21	0.04 0.05	0.02	-34 11
SLOVAKIA	0.08	0.03	-56	0.29	0.11	-64	ITALY	0.07	0.11	70	0.04	0.06	44
BELARUS DTHER	0.00 0.00	0.00 0.02	na na	0.00 0.00	0.00 0.11	na na	SWITZ. OTHER	0.08 0.31	0.04 0.06	-49 -81	0.01 0.18	0.00 0.01	-70 -94
OTAL	2.61	2.30	-12	9.78	7.41	-24	TOTAL	3.04	0.67	-78	0.90	0.16	-82
Beech sawn I	umber	(high v	alue) (o	:)			Doors and fr						
BOSNIA AUSTRIA	0.89 0.37	0.58	-35 116	1.97 0.65	1.38 1.36	-30 109	HUNGARY NETHERLND.	0.23	0.22 0.08	-3 11	0.17 0.02	0.16	-7 43
POLAND	1.10	0.54	-51	2.35	0.86	-63	POLAND	0.11	0.00	-97	0.02	0.00	-95
ROMANIA SERBIA	0.58 0.44	0.29 0.22	-50 -49	0.82 0.50	0.46 0.41	-44 -18	CZECH R. AUSTRIA	0.06 0.01	0.00 0.00	-100 -67	0.01 0.00	0.00 0.00	-100 na
OTHER TOTAL	2.26 5.63	1.52 <b>3.96</b>	-33 -30	4.31 <b>10.60</b>	1.72 6.20	-60 -42	OTHER TOTAL	0.02 0.49	0.12 <b>0.42</b>	427 -15	0.01 <b>0.24</b>	0.05 <b>0.24</b>	246 1
				10.00	J.2U	42							1
Beech sawn I JKRAINE	umber 0.59	(low va 0.63	lue) (c) 8	1.82	2.09	14	Doors and fr DENMARK	ames o 4.31	f other 8.10	hardwo 88	od spe 1.69	cies (b) 3.31	96
SWITZ.	0.00	0.00	na	0.00	0.00	na	HUNGARY NETHERLND.	2.48	2.56	3	1.67	1.61	-3 -7
INLAND SPAIN	0.00 0.00	0.01 0.05	na na	0.00 0.00	0.02 0.14	na na	POLAND	1.55	1.21 1.92	-7 24	0.35 0.58	0.33 0.77	33
I.S.A. DTHER	0.00 0.28	0.00 0.11	na -63	0.00 0.85	0.00 0.40	na -52	SLOVENIA OTHER	1.80 2.32	1.18 2.50	-34 8	0.88 0.95	0.68 1.10	-23 16
OTAL	0.28	0.79	-03 -8	2.67	2.66	-52 0	TOTAL	13.75	17.47	zr	6.12	7.80	27
ther hardwo	ood sa	wn lumi	ber (hig	jh valu	e) (b) (c	)	Parquet pane	els (d)					
ANADA	5.58	4.60 4.24	-18 15	4.24 3.09	3.53	-17	AUSTRIA	17.58	13.81	-21 -48	6.44	5.03 1.68	-22 -54
J.S.A. USTRIA	3.68 0.97	0.97	0	1.66	3.73 1.47	21 -12	POLAND FRANCE	2.95	2.01 1.15	-61	3.63 1.41	1.09	-23
oland Hina	0.00 0.06	0.25 0.32	na 423	0.00 0.04	0.52 0.19	na 371	INDONESIA CHINA	2.06 1.20	2.08 1.23	1 3	1.22 0.65	1.34 0.75	10 15
THER	2.88	2.59	-10	2.89	2.75	-5	OTHER	16.96	17.96	6	8.95	8.12	-9
OTAL	13.17	12.97	-2	11.93	12.19	2	TOTAL	44.58	38.24	-14	22.31	18.01	-19
ther hardwo						70	Finished wo				146 ~~	106 27	~
ITHUANIA ATVIA	3.35 1.38	1.71 2.47	-49 79	23.05 8.99	6.89 12.67	-70 41	DENMARK	289.04 88.04	74.26	-16	34.13	106.37 31.29	-27 -8
USSIA IKRAINE	0.84 0.76	1.88 0.74	125 -3	6.79 3.30	12.78 4.03	88 22	ITALY ROMANIA	77.46 28.63	77.40 31.28	0 9	19.14 15.97	21.57 16.58	13
ELARUS	0.48	0.40	-18	5.01	4.13	-18	CHINA	22.64	31.40	39	11.57	17.50	51
THER OTAL	1.23 8.04	0.06 7.26	-95 -10	3.83 50.98	0.28 40.77	-93 <b>-20</b>		287.84 793.65	266.91 693.66		119.58 346.68		-4 -11
laned, sand opical speci	ies (a)						Wood furnitu	34.65	39.87	15	12.77	14.59	14
ETHERLND.		0.25 0.65	-12 84	0.21 0.32	0.22 0.59	3 82	POLAND SWEDEN	20.03 8.58	9.77 8.48	-51 -1	12.98 6.20	7.89 5.58	-39 -10
	0.35	0.21	-27	0.21	0.14	-35	AUSTRIA	7.24	7.38	2	3.88	3.53	-9
GHANA VORY C.			-22	0.22	0.11	-49	CZECH R.	8.05	3.39	-58 -22	4.75	2.55	-46
Ghana Ivory C. Belgium	0.15	0.12	-52	0.14	0 06	_56	OTHER	34.84				20 66	
GHANA VORY C.		0.12 0.10 0.68 <b>1.99</b>	-52 51 <b>16</b>	0.14 0.41 <b>1.51</b>	0.06 0.29 <b>1.40</b>	-56 -29 -7	OTHER TOTAL	34.84 113.40	27.26 96.15	-22	28.16 68.73	20.66 <b>54.80</b>	-27 -20

BTS Limited using our unique procedures to ensure consistent analysis across the EU. Our experience shows that Eurostat tonnage data is considerably more accurate than Eurostat volume data, irrespective of EU country.

#### Germany still in the doldrums

Germany's tropical log imports continued their long term slide during the first quarter of 2005, with the biggest decreases in imports from Cameroon and the Congo Republic. This slide was partially offset by a rise in log imports from Gabon. The decline reflects a shift in veneer processing capacity away from Germany, both to Eastern European destinations and to some tropical supplier countries. Germany's imports of veneers from tropical countries increased during the first quarter of the year.

Germany's imports of tropical sawn lumber were static overall during the reporting period. Imports from Malaysia were down, a reflection of tight supplies and sluggish activity in Germany's joinery sector. An increase in indirect imports of tropical sawn lumber from the Netherlands hints at the increased importance of just-in-time trading in Germany, and also reflects the fact that Dutch importers have been overstocked and offering tropical lumber products from landed stock at competitive prices.

Germany's imports of temperate sawn timber were down across the board during the first quarter of 2005, a trend affecting most species and supply sources.

Underlying low levels of consumption in Germany's furniture sector are reflected by a big fall in imports of temperate hardwood veneer. Imports from both the USA and Czech Republic were down dramatically. And unlike most other EU countries, Germany's imports of finished wood furniture were down during the first quarter of this year.

#### Some bright spots in Spain

There were bright spots in the Spanish market during the first quarter of 2005. Tropical log imports were up on the same period the previous year, notably from Gabon and the Congo Republic. Tropical sawn lumber imports were also reasonably bouyant, with strong growth in imports from Brazil. Imports of higher value oak sawn lumber were stable overall, with a decline in imports from Ukraine compensated by an increase in imports from the USA and France. Even the beech market showed some signs of life, with an increase in imports of higher value material. Tropical veneer imports were also up, particularly from the Ivory Coast.

Anecdotal reports suggest that Spanish demand for hardwoods is becoming much more dependent on the construction sector as the furniture industry has come under pressure from imports. The data suggests that this pressure has continued to mount during 2005. Spain recorded a 25% increase in the value of finished wood furniture during the first quarter of the year. Imports from China were up nearly 60%, while imports from Indonesia increased by 22%.

#### Tropical wood imports pick up in France

After a slow year in 2004, French imports of tropical hardwood logs were relatively bouyant in the opening months of 2005. This was due both to an improvement in French consumption and to some easing in the supply situation. Imports from Gabon recovered from the low levels of last year, while French importers were able to secure more consistent log supplies from the Democratic Republic of Congo. On the other hand, French log imports from Cameroon have now declined to negligible levels following tightening controls on harvesting and export from that country. French imports of tropical sawn lumber were also strong in the first quarter, boosted by a 50% increase in the value of imports from Brazil.

In contrast to relatively bouyant tropical imports, imports of sawn oak and other temperate hardwoods were down dramatically in the first quarter of 2005. Imports were down from nearly all major supplying countries

Like other western European countries, French hardwood processors have to compete against a rising tide of overseas competition. French imports of semi-processed and finished wood products are rising rapidly. In the first quarter of 2005, imports of "planed, sanded and finger-jointed" hardwoods were up over 50% in value terms, while imports of finished wood furniture were up 6%. This year Brazil is featuring more strongly as a supplier of machined timber to France. And while French imports of Asian furniture do not yet compare to imports of European products, they are growing strongly. For example, French imports of Chinese finished wood furniture reached 32 million euro in the first 3 months of 2005, compared to only 19 million euro during the same period in 2004.

#### Spain imports Jan-Mar 2004 and 2005

#### France imports Jan-Mar 2004 and 2005

	Valua	mill. eur	•	Moigh	nt 000 ta			Value	e mill. eu		Moigh	nt 000 tor			Volu	e mill. ei		Moig	nt 000 to			Value	e mill. e		Woigh	t 000 to	
	2004	2005	% hng	2004	2005	chng		2004	2005	no % chng	2004	2005	hng		2004	2005	chng	2003	2004	chng			2005 2005	chng	2004	2005	chng
GERMANY 2 U.S.A. 0 UKRAINE 0 ROMANIA 0 OTHER 0	2.42 2.01 0.78 0.65 0.59 0.63 7 <b>.07</b>	2.30 0.84 0.81 0.57 0.03 0.37 <b>4.91</b>	-58 4 -12 -96 -42	11.29 4.34 2.23 2.05 2.13 1.17 <b>23.21</b>	10.18 1.84 2.41 1.42 0.06 0.62 <b>16.53</b>	-10 -58 -31 -97 -47 <b>-29</b>	Other hardwo POLAND FRANCE U.S.A. UKRAINE CROATIA OTHER TOTAL	od pla 1.20 0.76 0.36 0.29 0.10 1.15 3.86	aned, sa 0.86 0.58 0.55 0.09 0.17 0.86 3.11	nded o -28 -24 54 -71 66 -25 -19	or finge 2.66 1.02 0.41 1.08 0.22 1.93 7.33	r-jointed 1.22 0.78 0.69 0.29 0.35 1.20 4.52	(b) -54 -24 67 -73 55 -38 -38 -38	Oak logs GERMANY BELGIUM AUSTRIA LUXEM. UKRAINE OTHER TOTAL	5.98 0.26 0.29 0.16 0.09 0.65 <b>7.43</b>	4.70 0.17 0.16 0.13 0.12 0.45 <b>5.72</b>	-35 -45 -19 32 -30	22.69 2.41 1.12 0.75 0.27 3.91 <b>31.15</b>	22.68 1.36 0.49 0.41 0.29 2.37 <b>27.60</b>	0 -43 -56 -45 -39 -11	Other hard BRAZIL SPAIN BELGIUM GERMANY ITALY OTHER TOTAL	wood pla 0.91 0.90 0.31 0.17 0.20 1.22 3.72	aned, sa 1.66 0.91 0.41 0.10 0.54 2.10 5.72	nded o 82 1 33 -44 169 71 54	1.35 0.76 0.38 0.16 0.05 1.28 <b>3.97</b>	-jointed 2.46 0.76 0.50 0.09 0.12 2.95 6.88	1 (b) 8 3 3 3 3 13 13 13 13 13 13 7 4
GERMANY C BELGIUM C ITALY C SLOVAKIA C OTHER C	1.08 ).65 ).08 ).12 ).42 ).52 <b>2.87</b>	0.70 0.42 0.12 0.17 0.06 0.54 <b>1.99</b>	-36 -37 59 38 -86 4 -31	7.93 1.85 0.51 0.07 1.42 2.70 <b>14.48</b>	5.46 1.05 0.01 0.15 0.20 2.33 <b>9.20</b>	-31 -44 -99 123 -86 -14 <b>-36</b>	Veneer of Eur IVORY C. EQ. GUINEA GHANA GERMANY PORTUGAL OTHER TOTAL	0.84 2.27 1.60 0.84 0.40 0.54 2.08 7.73	ropical s 2.75 1.50 0.50 0.58 0.70 3.84 9.88	pecies 21 -7 -40 46 30 85 28	<b>(a)</b> 2.45 1.80 0.67 0.08 0.19 1.44 <b>6.63</b>	2.86 1.40 0.49 0.12 0.30 1.96 <b>7.14</b>	17 -22 -27 60 58 36 8	Beech logs BELGIUM GERMANY SPAIN SWITZ. LUXEM. OTHER TOTAL	0.48 0.35 0.12 0.17 0.07 0.00 <b>1.20</b>	0.45 0.21 0.04 0.16 0.12 0.03 <b>1.00</b>	-39 -64 -11 55 1550	15.08 6.17 3.86 1.74 1.09 0.02 <b>27.95</b>	13.95 3.25 1.11 1.93 2.26 0.09 <b>22.58</b>	-7 -47 -71 11 106 418 <b>-19</b>	Veneer of E GABON EQ. GUINE GHANA BELGIUM SPAIN OTHER TOTAL	12.60	ropical 12.28 1.04 0.95 0.67 0.67 2.11 17.72	species -3 -21 38 -29 5 -15 -15 -5	14.47 1.40 0.37 0.52 0.61 2.50	13.73 1.06 0.42 0.39 0.86 2.19 <b>18.65</b>	-2 1 -2 4 -1
EQ. GUINEA C RUSSIA C FINLAND C C OTHER C	0.03 0.14 0.00 0.00 0.00 0.00 0.00 0.17		96 100 100 na na na <b>162</b>	0.23 0.84 0.01 0.00 0.00 0.00 <b>1.08</b>	0.33 0.00 0.00 0.00 0.00 0.02 <b>0.36</b>	46 -100 -100 na na na <b>-67</b>	ROMANIA GERMANY ITALY UKRAINE OTHER	er hard 11.78 4.02 2.52 2.19 1.14 6.20 27.84	10.06 5.54 3.42 2.65 0.74 7.44 29.85	-15 38 36 21 -35 20	(b) 3.67 1.56 0.68 0.42 0.58 3.77 10.67	3.57 2.11 1.13 0.60 0.45 4.53 <b>12.39</b>	-3 35 67 42 -23 20 16	Birch logs Lithuania Gabon Romania Germany Belgium Other Total	0.02 0.02 0.00 0.00 0.00 0.00 <b>0.04</b>	0.00 0.00 0.02 0.00 0.12 <b>0.13</b>	-100 -100 na na na na 202	0.14 0.09 0.00 0.00 0.00 0.00 <b>0.23</b>	0.00 0.00 0.14 0.00 0.58 <b>0.72</b>	-100 -100 na na -100 na <b>214</b>	Veneer of o ITALY GERMANY SPAIN BELGIUM U.K. OTHER TOTAL	ther han 1.08 1.83 0.50 0.70 0.79 3.00 <b>7.90</b>	dwood s 0.97 1.43 0.19 0.62 0.59 2.10 5.90	-10 -22 -62 -12 -25 -30 -25	(b) 0.19 0.95 0.11 0.32 0.05 2.28 3.90	0.16 0.73 0.08 0.38 0.04 2.28 <b>3.66</b>	-1 -2 -2 1 -2
UKRAINE 0 0 0 0 OTHER 0	0.06 0.00 0.00 0.00 0.00 0.00 0.00	0.06 0.00 0.00 0.00 0.00 0.00 0.00	3 -100 na na na -3	0.55 0.02 0.00 0.00 0.00 0.00 <b>0.57</b>	0.56 0.00 0.00 0.00 0.00 0.00 <b>0.56</b>	1 -100 na na na -3	Hardwood m CHINA GERMANY FRANCE POLAND ITALY OTHER TOTAL	oulding 3.47 2.45 1.39 1.73 1.22 6.54 16.80	4.43 2.67 1.44 0.60 1.58 5.47 <b>16.18</b>	28 9 -65 29 -16 <b>-</b> 16 <b>-</b> 16	2.15 1.85 0.72 2.05 0.30 5.38 <b>12.45</b>	3.00 2.46 0.66 0.68 0.27 5.24 <b>12.30</b>	39 33 -8 -67 -12 -3 -3 -1	Poplar logs BELGIUM SPAIN GERMANY NETHERLND. LUXEM. OTHER TOTAL	0.93 0.42 0.09 . 0.01 0.01 0.00 1.45	0.63 0.42 0.07 0.00 0.00 0.03 <b>1.15</b>	0 -17 -100 -100 800	16.34 13.81 2.04 0.15 0.07 0.02 <b>32.43</b>	11.35 14.43 1.38 0.00 0.00 0.03 <b>27.18</b>	-31 -33 -100 -100 60 <b>-16</b>	Hardwood BRAZIL ITALY GERMANY BELGIUM SPAIN OTHER TOTAL	mouldin 3.81 3.88 3.09 2.60 1.54 8.52 23.45	8.72 4.06 2.58 2.07 1.27 10.76 <b>29.46</b>	129 5 -17 -21 -18 26 <b>26</b>	0.78 3.81 1.97 0.70 6.28	12.16 1.07 2.40 1.19 0.48 7.45 <b>24.75</b>	20094912
C. AFR. R. 2 GABON 1 FRANCE 0 CAMEROON 0 OTHER 2	1.96 2.28 1.15 0.70 0.79 2.07	bical spe 2.39 1.79 2.09 1.13 1.36 2.41 11.15	22 -22 82 62 73 16	4.88 4.99 3.21 0.98 1.75 4.84	5.87 4.13 5.32 1.86 3.23 5.52 <b>25.92</b>	20 -17 65 89 84 14 <b>26</b>	Plywood of E CHINA FRANCE GERMANY POLAND FINLAND OTHER TOTAL	urosta 0.63 0.37 0.16 0.11 0.12 0.37 1.74	t tropica 0.20 0.24 0.11 0.01 0.04 0.65 <b>1.24</b>	-67 -36 -32 -89 -67 75 -29	ies (a) 1.02 0.32 0.15 0.10 0.15 0.24 1.99	0.41 0.21 0.09 0.01 0.08 0.73 <b>1.53</b>	-60 -35 -38 -88 -47 198 <b>-23</b>	Logs of Euro GABON CONGO R. CONGO DR CAMEROON C. AFR. R. OTHER TOTAL	0.96 16.02 6.78 0.96 1.59 0.81 1.90 28.06	pical sp 19.94 7.54 4.06 0.61 1.29 2.18 <b>35.61</b>	24 11 321 -62 59 15	a) 51.13 17.92 2.42 3.96 1.87 5.95 83.24	58.71 19.56 9.98 1.91 3.02 6.49 <b>99.68</b>	15 9 313 -52 62 9 <b>20</b>	Plywood of BELGIUM GERMANY INDONESIA GABON ITALY OTHER TOTAL	3.13 2.38	t tropica 3.27 1.69 2.89 1.63 1.27 2.86 13.61	-29 41 -5 20 -14	4.63 1.34 3.33 1.76 0.79 5.12	4.30 1.06 4.10 1.70 0.85 3.71 <b>15.72</b>	-2 -2 -2 -
FRANCE 2 CAMEROON 0 EQ. GUINEA 0 GERMANY 0 OTHER 0	od log 2.46 2.12 0.63 0.24 0.13 0.37 5.94	s (b) 1.24 1.26 0.24 0.07 0.16 0.67 3.63	-49 -41 -62 -72 29 81 <b>-39</b>	2.85 8.21 3.20 1.45 0.27 1.10 <b>17.08</b>	1.51 5.91 1.04 0.29 0.55 1.70 <b>10.99</b>	-47 -28 -80 106 55 - <b>36</b>	Plywood of o FINLAND RUSSIA LATVIA FRANCE GERMANY OTHER TOTAL	ther ha 7.55 0.82 0.93 0.67 0.50 0.73 11.20	ardwood 5.52 0.72 0.58 0.59 0.18 1.43 9.02	specie -27 -12 -37 -12 -65 97 -19	es (b) 8.04 1.78 1.10 0.64 0.10 0.77 12.43	5.65 1.34 0.68 0.34 0.07 2.33 <b>10.40</b>	-30 -25 -38 -47 -36 201 <b>-16</b>	Other hardw U.S.A. GABON BELGIUM CANADA CONGO R. OTHER TOTAL	2.10 1.05 0.39 0.76 0.25 0.99 5.53	gs (b) 1.72 1.18 0.45 0.03 0.15 1.12 4.66	-18 13 17 -96 -40 13 <b>-16</b>	1.67 3.86 2.38 0.87 1.04 5.26 <b>15.08</b>	1.78 3.98 2.39 0.07 0.47 7.12 <b>15.83</b>	7 3 -91 -54 35 5	Plywood of FINLAND BELGIUM GERMANY INDONESIA LATVIA OTHER TOTAL	5.46 3.33 1.82	ardwood 6.45 3.94 1.92 1.57 1.08 6.61 <b>21.56</b>	-18 19 5 -25 -22 25	5.31 4.31 1.39 3.70 1.54 7.38	6.38 5.06 1.18 2.50 1.21 7.79 <b>24.12</b>	22 1 -1 -3 -2
BRAZIL 1 CONGO R. 3 PORTUGAL 0 OTHER 4	1.93 9.96 1.94 3.14 9.37 4.12	stat trop 11.29 12.75 5.15 2.19 1.60 3.19 36.17	-5 28 166 -30 337 -23	20.99 13.88 4.46 5.93 0.54 4.94	(a) 18.72 16.18 10.76 3.94 3.88 4.29 57.76	-11 17 -34 617 -13 <b>14</b>	Softwood ply FRANCE BRAZIL GERMANY PORTUGAL CHINA OTHER TOTAL	/wood 1.19 0.79 0.71 0.38 0.08 1.27 4.42	0.79 0.75 0.59 0.39 0.22 1.02 <b>3.76</b>	-34 -5 -16 3 158 -20 <b>-15</b>	0.92 1.29 0.35 0.53 0.18 1.46 <b>4.71</b>	0.83 1.25 0.39 0.54 0.43 1.04 <b>4.49</b>	-10 -2 14 3 136 -28 -5	Sawn lumber BRAZIL CAMEROON BELGIUM MALAYSIA IVORY C. OTHER TOTAL	r of Eur 11.35 6.81 2.25 3.17 2.15 8.60 34.32	ostat tro 17.08 6.79 3.64 2.57 2.06 6.94 <b>39.08</b>	50 0 62 -19 -4 -19	pecies 24.82 10.77 2.86 5.06 3.13 11.63 58.27	(a) 32.73 10.64 4.83 3.72 2.80 9.37 64.08	32 -1 69 -26 -11 -19 <b>10</b>	Softwood FINLAND AUSTRIA BELGIUM ITALY U.K. OTHER TOTAL	5.64 2.52 1.74 2.10 1.69 5.14	6.88 2.49 3.21 1.98 1.02 5.58 <b>21.14</b>	22 -1 84 -6 -40 9 12	6.61 1.87 4.02 1.77 2.39 7.63 <b>24.29</b>	7.27 2.31 6.71 1.70 1.38 7.36 <b>26.73</b>	4
CANADA 1 FRANCE 2 UKRAINE 1 GERMANY 0 OTHER 1	3.12 1.66 2.06 1.32 0.47 1.76	gh value 19.34 1.66 2.44 0.55 0.36 1.46 25.82	7 0 19 -59 -22 -17	2.42 1.87 2.82 0.97 2.16	30.11 2.14 4.04 1.19 0.69 1.31 <b>39.48</b>	8 -11 -58 -29 -39 <b>3</b>	Windows and ITALY FINLAND U.K. SWEDEN INDIA OTHER TOTAL	frame 0.00 0.03 0.01 0.00 0.00 0.00 0.00 0.03	s of Euro 0.00 0.00 0.01 0.00 0.00 0.00 0.01 0.02	ostat tr na -100 0 na na na 50	ropical 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.	species ( 0.00 0.00 0.00 0.00 0.00 0.02 0.02 0.0	a) na na na na na na na	Oak sawn lu U.S.A. BELGIUM UKRAINE ITALY CANADA OTHER TOTAL	1.95 1.00 0.61 1.10 0.63 1.78 <b>7.06</b>	high valu 1.11 1.15 0.44 0.03 0.23 2.01 <b>4.97</b>	e) (c) -43 15 -27 -98 -64 13 -30	2.60 1.22 0.79 0.30 0.64 2.62 <b>8.17</b>	1.53 1.52 0.54 0.04 0.24 2.94 <b>6.81</b>	-41 -24 -32 -86 -63 13 -17	Windows au BELGIUM BRAZIL MALAYSIA POLAND SLOVAKIA OTHER TOTAL	nd frame 0.20 0.05 0.09 0.00 0.00 0.00 0.05 0.39	s of Eur 0.20 0.03 0.01 0.00 0.13 0.12 0.48	rostat tr -3 -49 -90 na na 149 24	opical s 0.04 0.03 0.07 0.00 0.00 0.00 0.01 0.14	0.04 0.01 0.00 0.00 0.03 0.02 0.11	(a) -6 -9 r 7 -2
SWEDEN C LITHUANIA C C OTHER C	oer (lo ).00 ).03 ).00 ).00 ).00 ).03 ).03	0.17 0.03	(c) na 6 100 na -71 239	0.00 0.15 0.01 0.00 0.00 0.11 <b>0.27</b>	0.64 0.11 0.00 0.00 0.00 0.04 <b>0.79</b>	na -29 -100 na na -66 <b>191</b>	Windows and PORTUGAL HUNGARY DENMARK FRANCE ITALY OTHER TOTAL		s of othe 0.91 0.00 0.14 0.15 0.03 0.08 1.31	er hard 170 -100 -35 513 -56 -58 -2	iwood s 0.11 0.15 0.08 0.01 0.01 0.04 0.39	0.15	b) -100 -65 440 -46 -49 <b>40</b>	Oak sawn lu BELARUS    OTHER TOTAL	imber (l 0.00 0.00 0.00 0.00 0.00 0.00 0.00	ow value 0.00 0.00 0.00 0.00 0.00 0.00 0.00	e) (c) -100 na na na na na na -100	0.02 0.00 0.00 0.00 0.00 0.00 <b>0.02</b>	0.00 0.00 0.00 0.00 0.00 0.00 <b>0.00</b>	-100 na na na na na <b>-100</b>	Windows at POLAND BELGIUM DENMARK SWITZ. ITALY OTHER TOTAL	nd frame 1.65 0.19 0.06 0.02 0.03 0.51 2.45	s of oth 0.01 0.18 0.36 0.02 0.15 0.78 1.50	er hard -100 -6 556 0 329 55 - <b>39</b>	wood s 0.55 0.06 0.01 0.00 0.01 0.15 0.78	pecies 0.00 0.04 0.10 0.00 0.04 0.27 0.45	(b) -10 -4 76 -52 -52 -4
CROATIA 1 ITALY 0 UKRAINE 0 SLOVENIA 0 OTHER 1	mber ).69  .29 ).87 ).77 ).98  .50 5.11	(high val 0.91 0.92 0.31 0.76 0.26 4.25 7.41	32 -29 -64 -1 -74 183	1.43 3.20 1.09 1.00 1.56 3.09 <b>11.38</b>	1.65 1.94 0.40 1.08 0.40 11.30 <b>16.77</b>	15 -39 -64 8 -74 265 <b>47</b>	Doors and fra PORTUGAL FRANCE ARGENTINA ITALY ECUADOR OTHER TOTAL	umes of 0.65 0.00 0.00 0.00 0.00 0.00 0.00 0.66	FEurosta 2.07 0.01 0.00 0.00 0.00 0.08 2.16	at tropi 216 25 na na 2700 2700 226	cal spe 0.41 0.00 0.00 0.00 0.00 0.00 0.00 0.41	1.48 0.00 0.00 0.00 0.00	263 0 na na 5200 <b>287</b>	Beech sawn ROMANIA SLOVAKIA SPAIN GERMANY POLAND OTHER TOTAL	lumber 0.52 0.59 0.25 0.00 0.15 0.72 <b>2.23</b>	(high va 0.46 0.26 0.28 0.29 0.28 0.72 2.30	alue) (c -12 -55 12 na 85 1 3	) 0.61 1.45 0.25 0.00 0.16 0.96 <b>3.43</b>	0.57 0.57 0.22 0.74 0.25 1.20 <b>3.56</b>	-6 -61 -13 na 54 25 4	Doors and the china chin	0.07	f Eurost 0.53 0.51 0.18 0.22 0.15 0.47 2.05	at tropio 619 99 -7 8 69 -53 13	cal spec 0.04 0.12 0.12 0.21 0.05 0.36 0.90	ies (a) 0.26 0.27 0.11 0.15 0.05 0.29 1.12	55 12 -1 -3 -2 2
FRANCE 3 SWITZ. 0 BELGIUM 0 FINLAND 0 OTHER 0	mber 3.56 3.01 0.21 0.12 0.00 0.03 5.93		-100 -46 -12 -85 na 358	11.50 10.34 0.78 0.42 0.00 0.14 <b>23.18</b>	0.00 5.40 0.94 0.07 0.00 0.52 <b>6.93</b>	-100 -48 20 -84 na 268 <b>-70</b>	Doors and fra FRANCE ITALY BRAZIL PORTUGAL U.S.A. OTHER TOTAL	0.23 0.06 0.22 0.14 0.07 0.53 1.25	f other h 0.32 0.15 0.08 0.05 0.11 0.29 1.00	ardwo 41 148 -65 -64 66 -46 -46 -20	od sper 0.04 0.02 0.13 0.09 0.06 0.28 0.62	cies (b) 0.09 0.04 0.06 0.04 0.16 0.21 0.60	134 54 -54 -54 184 -26 <b>-4</b>	Beech sawn ITALY BELGIUM BOSNIA PORTUGAL BAHRAIN OTHER TOTAL	lumber 0.00 0.14 0.01 0.01 0.00 0.21 <b>0.37</b>	(low val 0.00 0.09 0.00 0.03 0.00 0.00 0.11	ue) (c) na -38 -100 317 na -100 -69	0.00 0.56 0.05 0.02 0.00 0.60 <b>1.23</b>	0.00 0.38 0.00 0.08 0.00 0.00 0.00 0.46	na -33 -100 311 na -100 <b>-63</b>	Doors and BELGIUM NETHERLNI GERMANY ROMANIA ITALY OTHER TOTAL	0.75	f other 1 1.12 1.34 0.98 0.33 0.58 3.86 8.21	nardwo 48 14 -9 -51 20 68 <b>27</b>	od spec 0.32 0.60 0.68 0.44 0.06 1.43 3.54	ies (b) 0.51 0.68 0.35 0.26 0.16 2.13 4.08	6 1 4 4 14 14 1
CANADA 1 FRANCE 0 GERMANY 0 UKRAINE 0 OTHER 0	d sav 3.56 1.44 0.77 0.00 0.15 0.63 5.55	<b>n lumbe</b> 3.87 0.70 0.54 0.36 0.17 0.74 <b>6.38</b>	r (hig) 9 -51 -30 na 11 17 -2	h value 2.97 1.32 1.90 0.00 0.37 0.71 7.27	e) (b) (c) 3.45 0.62 1.40 0.79 0.37 1.04 <b>7.68</b>	16 -53 -26 na -2 47 <b>6</b>	Parquet pane SWEDEN GERMANY CHINA DENMARK MALAYSIA OTHER TOTAL	ls (d) 4.49 3.63 1.43 1.61 1.04 7.87 20.07	2.49 3.21 2.68 1.46 1.55 8.01 <b>19.39</b>	-45 -12 87 -9 49 2 <b>-3</b>	1.72 2.32 0.78 0.61 0.44 4.47 <b>10.33</b>	0.98 2.03 1.71 0.56 0.71 4.72 <b>10.71</b>	-43 -12 120 -7 61 6 4	Other hardw U.S.A. CANADA BRAZIL BELGIUM GERMANY OTHER TOTAL	vood sa 1.52 1.18 1.24 0.68 0.54 1.68 6.85	wn lumb 1.60 1.19 1.05 0.68 0.43 1.06 6.01	er (hig 5 -15 -1 -20 -37 -12	h value 1.71 1.36 3.19 0.99 0.98 2.75 10.97	e) (b) (c) 1.77 1.33 2.26 1.72 0.77 2.01 9.86	4 -2 -29 73 -21 -27 <b>-10</b>	Parquet pai LUXEM. SWEDEN GERMANY BELGIUM ITALY OTHER TOTAL	nels (d) 5.86 4.70 1.85 1.34 1.15 5.27 20.17	5.51 2.32 1.87 0.85 0.69 7.79 <b>19.02</b>	-6 -51 -37 -40 48 - <b>6</b>	4.97 2.28 1.06 1.03 0.55 3.59 13.48	5.70 0.94 0.78 1.33 0.13 880.18 8 <b>89.07</b>	1 -5 -2 2 -7 1050 <b>278</b>
LATVIA C LITHUANIA C FINLAND C POLAND C OTHER C	d saw 0.61 0.50 0.37 0.50 0.08 0.69 2.74	0.16 0.29 0.12	-75 -42 -68 -100 -96 -83	value) 7.54 3.79 1.77 1.50 0.60 2.34 17.54	(b) (c) 0.90 2.42 0.89 0.00 0.02 0.57 4.81	-88 -36 -50 -100 -96 -76 <b>-73</b>	ITALY CHINA INDONESIA GERMANY OTHER	od furn 27.23 21.07 15.42 14.67 6.14 47.01 <b>31.54</b>	31.26 23.92 24.56 17.95 7.36 59.36	15 14 59 22 20 26 25	12.75 3.10 7.95 6.29 1.62 19.97 <b>51.68</b>	17.16 4.34 12.59 7.87 2.49 25.54 <b>69.98</b>	36 40 58 25 28 28 35	Other hardw HUNGARY LITHUANIA LATVIA POLAND BELARUS OTHER TOTAL	vood sa 0.71 0.51 0.22 0.29 0.09 0.48 <b>2.29</b>	wn lumb 0.36 0.00 0.00 0.05 0.12 0.63 1.16	-50 -100 -100 -81 31 33	v value) 3.03 3.41 1.44 1.41 0.69 1.63 11.60	(b) (c) 1.54 0.00 0.00 0.20 0.81 2.23 4.78	-49 -100 -100 -86 17 37 - <b>59</b>	Finished w TALY BELGIUM GERMANY SPAIN ROMANIA OTHER TOTAL	132.42 61.87 39.57 35.96	126.88 64.62 35.18 34.92 30.87 253.15	-4 4 -11 -3 7 17	14.08 17.58 11.49 15.49 104.41 1	26.83 15.86 19.41 11.08 14.54 25.73 213.45	1 1 - 2 1
IVORY C. C CAMEROON C CONGO DR C BRAZIL C OTHER C		0.11 0.51 0.28 0.04 0.03 0.62 <b>1.58</b>	-75 265 -14 -73 -86 19 -10	1.00 0.17 0.65 0.17 0.36 0.45 <b>2.80</b>	0.19 0.58 0.41 0.07 0.02 0.66 <b>1.92</b>	stat -81 241 -37 -56 -95 46 -31	Wood furnitu FRANCE ITALY SWEDEN GERMANY CHINA OTHER TOTAL	re com 4.80 1.58 0.62 0.80 1.05 1.17 10.02	5.78 1.33 0.80 0.63 1.19 1.02 <b>10.75</b>	s (d) 20 -16 30 -21 13 -13 7	2.50 0.61 0.26 0.33 0.75 0.63 <b>5.08</b>	2.90 0.45 0.33 0.35 0.66 0.53 <b>5.22</b>	16 -27 29 7 -13 -15 <b>3</b>	Planed, sand tropical spec BRAZIL GHANA INDONESIA BELGIUM IVORY C. OTHER TOTAL		finger-jo 6.29 1.53 1.07 0.37 0.20 1.48 <b>10.94</b>	51 3 18 -36 -29 55 31	4.94 1.41 0.92 0.57 0.29 0.71 8.85	7.26 1.44 1.20 0.35 0.15 1.74 <b>12.14</b>	stat 47 2 31 -39 -50 145 37	Wood furni ITALY SPAIN GERMANY AUSTRIA SWEDEN OTHER TOTAL	ture con 21.22 3.63 4.33 2.75 3.91 19.56 55.40	24.59 5.26 5.07 3.44 3.89 21.34 <b>63.60</b>	16 45 17 25 -1 9	1.62 2.15 1.56 2.03 11.14	10.56 3.11 3.70 1.78 1.97 12.38 <b>33.51</b>	
(a) Eurostat id "tropical". A f europa.eu.int/ _2792001102	dentif ull lis /eur-l	y around t can b ex/pri/er	e dov n/oj/d	speci vnload at/200	ies as ed at l	nttp://	(b) Species as "other" b some tropic	y Euro	stat. Mo	ost are	e temp			(c) "High va averaging r is all produ	alue" i: more th	s taken an 350	to inc euro/t	lude a tonne,	ll produ "Low v	ıct alue"	(d) Include products.	es both	hardwo	ood an	d softw	ood	

#### UK imports Jan-Mar 2004 and 2005

#### EU nation import trade commentary

#### Oak "hot" in the United Kingdom

	Valu 2004	e mill. 2005	euro % chng	Weigh 2004	t 000 t 2005	tonnes % chng		Valu 2004	e mill.e. 2005	ıro % chng	Weigi 2004	ht 000 to 2005	onnes % chng
Oak logs			-			_	Other hardw		aned, sa	nded			d (b)
U.S.A. FRANCE	1.19 2.02	1.03 2.14	-14 6	1.37 5.44	1.10 6.06	-20 12	LATVIA FRANCE	2.86 1.18	0.55 1.60	-81 36	10.88 0.83	1.93 0.98	-82 19
GERMANY CANADA	0.66 0.09	0.32 0.19	-52 104	2.90 0.09	1.14 0.20	-61 129	AUSTRIA U.S.A.	0.51 0.44	0.67 0.62	32 39	0.30 0.18	0.42 0.25	41 39
BELGIUM	0.04	0.30	577 -1	0.23	0.79 0.54	245 -28	ESTONIA OTHER	0.69 1.47	0.38	-45 -14	1.07 3.96	0.76 1.47	-29 -63
TOTAL	0.38 4.39	0.38 4.35	-1	0.75 10.77	0.54 9.83	-28 -9	TOTAL	1.47 7.14	1.26 5.08	-14 -29	3.96 17.21	1.47 5.82	-63 -66
Beech logs			~				Veneer of Eu	rostat t			s (a)		
GERMANY DENMARK	0.16 0.06	0.22 0.27	35 367	0.22 0.04	0.30 0.28	37 562	S. AFRICA GHANA	1.65 0.33	0.96 0.10	-42 -70	0.23 0.25	0.13 0.08	-42 -67
ROMANIA	0.07	0.02	-65	0.07	0.04	-41	BELGIUM	0.17	0.16	-4	0.06	0.06	-8
CAMEROON SLOVAKIA	0.00 0.00	0.00 0.00	na na	0.00 0.00	0.00 0.00	na na	GERMANY CHINA	0.33 0.02	0.13 0.10	-62 322	0.06 0.02	0.05 0.05	-17 122
OTHER TOTAL	0.02 0.30	0.02 0.52	7 73	0.01 0.35	0.05 <b>0.67</b>	243 93	OTHER TOTAL	1.19 <b>3.70</b>	0.68 2.12	-43 - <b>43</b>	0.37 <b>0.99</b>	0.22 0.59	-41 - <b>40</b>
Birch logs							Veneer of oth						
LATVIA	2.05	0.11	-95	6.39	0.51	-92	U.S.A.	1.31	1.25	-5	0.41	0.41	0
RUSSIA ESTONIA	0.67 0.56	0.09 0.16	-86 -71	3.11 1.54	0.40 0.10	-87 -93	GERMANY NETHERLND.	1.15 0.85	1.13 0.88	-1 3	0.20 0.23	0.63 0.11	218 -54
FINLAND	0.39	0.19	-51	1.62	0.87	-46	FRANCE	0.74	0.96	30	0.21	0.26	25
FRANCE OTHER	0.06 0.03	0.04 0.22	-35 617	0.13 0.08	0.25 0.47	89 495	S. AFRICA OTHER	0.14 1.78	0.49 1.54	259 -14	0.02 0.78	0.07 0.97	289 25
TOTAL	3.76	0.81	-78	12.87	2.61	-80	TOTAL	5.96	6.24	5	1.84	2.45	33
<b>Poplar logs</b> LATVIA	0.39	0.00	-100	1.03	0.00	-100	Hardwood m CHINA	nouldin 6.83	gs 11.31	66	4.47	7.75	73
ESTONIA	0.13	0.00	-100	0.41	0.00	-100	ITALY	4.73	4.89	3	0.84	0.90	7
RUSSIA	0.00 0.00	0.00 0.00	na na	0.00 0.00	0.00 0.00	na na	INDONESIA CANADA	3.54 4.01	3.88 2.85	10 -29	2.96 2.25	3.56 1.87	20 -17
	0.00	0.00	na	0.00	0.00	na	MALAYSIA	3.19	2.14	-33	2.32	1.47	-37
OTHER TOTAL	0.00 0.52	0.00 <b>0.00</b>	na -100	0.00 1.44	0.00 <b>0.00</b>	na -100	OTHER TOTAL	13.39 <b>35.69</b>	11.72 36.78	-13 3	7.59 <b>20.42</b>	8.30 23.83	9 17
Logs of Euro							Plywood of E						
MALAYSIA	0.33	0.38 0.23	15 39	0.34	0.34 0.34	1 45	CHINA MALAYSIA	2.74	2.25 2.70	-18 -9	4.72 7.13	4.00 4.53	-15 -36
NETHERLND. GERMANY	0.06	0.04	-29	0.06	0.04	-35	INDONESIA	1.58	0.87	-45	2.86	1.49	-48
IRISH REP. CAMEROON	0.03 0.02	0.03 0.13	28 500	0.04 0.02	0.01 0.21	-82 1044	BRAZIL SPAIN	1.82 1.03	1.26 0.85	-30 -17	3.62 0.78	2.11 0.52	-42 -33
OTHER	0.78	0.53	-32	0.71	0.54	-24	OTHER	2.52	3.90	54	2.72	4.16	53
TOTAL	1.38	1.34	-3	1.40	1.47	5	TOTAL	12.66	11.82	-7	21.83	16.81	-23
Other hardw U.S.A.	ood log 1.43	<b>gs (b)</b> 1.10	-23	1.58	1.22	-23	Plywood of o BRAZIL	other h 10.28	ardwood 10.77	spec 5	ies (b) 21.63	20.20	-7
CANADA GERMANY	0.21	0.54	159 -90	0.18	0.58	231 -91	MALAYSIA	6.35 5.86	8.60 7.80	35 33	13.06 11.12	14.78 11.94	13 7
NETHERLND.	0.00	0.00	na	0.00	0.00	na	FINLAND	7.76	7.03	-9	6.57	6.30	-4
POLAND OTHER	0.20 0.48	0.00	-100 4	0.91 0.63	0.00	-100 12	LATVIA OTHER	1.79 9.00	3.27 17.35	82 93	2.84 14.65	4.36 27.10	53 85
TOTAL	2.43	0.50 2.15	-12	0.83 3.81	2.55	-33	TOTAL	9.00 41.04	54.82	35 34	69.87	84.68	21
Sawn lumber							Softwood pl						
CAMEROON MALAYSIA	5.65 4.40	6.09 6.87	8 56	7.58 6.12	8.45 8.54	12 39	BRAZIL FINLAND	26.17 9.70	27.77 16.64	6 72	63.36 13.76	62.95 21.61	-1 57
IVORY C.	3.88	3.20	-17	4.70	3.21	-32	CHILE	2.55	2.73	7	4.78	4.78	0
NETHERLND. GHANA	3.06 2.01	2.14 2.29	-30 14	2.63 2.00	1.95 2.08	-26 4	CANADA FRANCE	2.54 1.33	2.54 1.75	0 31	3.19 1.05	3.14 1.28	-2 22
OTHER TOTAL	6.38 <b>25.37</b>	4.67 <b>25.27</b>	-27 0	12.61 <b>35.64</b>	4.80 <b>29.02</b>	-62 -19	OTHER TOTAL	8.02 50.31	7.03 58.45	-12 16	13.19 <b>99.34</b>	10.00 <b>103.76</b>	-24 4
				55.04	23.02	-19							
Oak sawn lur U.S.A.	8.58	11.03	29	8.66	11.11	28	Windows and IRISH REP.	0.11	0.14	34	0.03	0.04	59
FRANCE GERMANY	3.68 1.70	4.26 1.84	16 8	4.53 1.80	5.41 1.89	19 5	BELGIUM U.S.A.	0.17 0.10	0.16 0.01	-3 -89	0.02 0.01	0.02 0.00	-25 -86
CANADA	1.26	0.99	-22 154	1.15	1.03	-10 144		0.05	0.04	-29 -100	0.00	0.00	-33 -100
ITALY OTHER	1.45	2.26	55	1.61	0.91 2.12	31	SINGAPORE	0.03	0.00	890	0.00	0.04	1300
TOTAL	17.28	21.90	27	18.12	22.47	24	TOTAL	0.47	0.56	19	0.07	0.11	45
Oak sawn lur ESTONIA	mber (I 2.06	ow valu 0.02	ie) (c) -99	7.91	0.07	-99	Windows and NORWAY	d frame 5.59	s of othe 3.47	erhar -38	dwood 0.71	species 0.49	(b) -32
LATVIA	0.70	0.00	-100	2.34	0.00	-100	U.S.A.	0.42	1.13	172	0.05	0.73	1285
RUSSIA	0.00 0.00	0.09 0.00	na na	0.00 0.00	0.26 0.00	na na	SWEDEN CHINA	0.84 0.11	0.54 0.25	-36 125	0.13 0.02	0.11 0.07	-12 380
 OTHER	0.00	0.00	na	0.00	0.00	na	DENMARK OTHER	0.03	0.11 0.61	328 -17	0.00	0.02	700 -60
TOTAL	2.76	0.11	-96	10.25	0.33	-97	TOTAL	7.72	6.11	-21	1.16	1.53	32
Beech sawn			value) (e				Doors and fr						
GERMANY FRANCE	2.70 1.21	2.51 1.39	-7 15	4.25 0.81	3.59 1.41	-16 73	IRISH REP. INDONESIA	0.43 0.48	0.79 0.45	83 -7	0.15 0.27	0.26 0.27	78 -2
DENMARK	0.75	0.32	-57	0.67	0.24	-64	SPAIN	0.40	0.32	-21	0.14	0.06	-53
ITALY POLAND	0.14 0.12	0.22 0.01	54 -90	0.12 0.07	0.26 0.01	120 -85	U.S.A. ITALY	0.13 0.02	0.00 0.04	-98 84	0.01 0.00	0.00 0.00	-100 300
OTHER TOTAL	0.38 5.30	0.23 4.68	-41 -12	0.36 6.28	0.28 5.78	-20 -8	OTHER TOTAL	0.37 1.83	0.53 2.12	43 16	0.45 1.01	0.35 0.94	-22 -7
					5.10								
Beech sawn I	0.00	0.00	na	0.00	0.00	na	Doors and fr INDONESIA	5.35	9.40	75	3.77	7.09	88
	0.00 0.00	0.00 0.00	na na	0.00 0.00	0.00 0.00	na na	PORTUGAL S. AFRICA	4.59 3.93	4.75 5.11	3 30	2.89 2.39	2.82 3.31	-2 39
	0.00	0.00	na	0.00	0.00	na	MALAYSIA	4.79	3.39	-29	3.04	1.99	-35
OTHER	0.00 0.00	0.00 0.00	na na	0.00 0.00	0.00 0.00	na na	BRAZIL OTHER	2.85 20.02	3.27 9.99	15 -50	2.78 8.21	3.06 3.63	10 -56
TOTAL	0.00	0.00	na	0.00	0.00	na	TOTAL	41.53	35.91	-14	23.08	21.89	-5
Other hardwo	ood sa 5.36	wn lum 5.75	ber (hig 7	gh value 5.31	e) (b) (d 6.22	c) 17	Parquet pane SWEDEN	els (d) 7.19	6.73	-6	2.77	2.45	-12
CANADA	2.22	2.26	2	2.10	1.77	-16	CHINA	4.78	5.54	16	2.98	3.67	23
GERMANY BRAZIL	0.14 0.14	0.00 0.17	-100 22	0.23 0.20	0.00 0.31	-100 58	FRANCE DENMARK	2.57 3.24	1.83 2.70	-29 -17	2.97 1.15	2.27 1.07	-23 -7
SWEDEN	0.22	0.39	79 37	0.57	0.80	41 50	BELGIUM	1.24	1.26	1	0.81	1.14	41
OTHER TOTAL	1.29 <b>9.37</b>	1.77 10.34	37 10	2.10 10.50	3.14 <b>12.24</b>	50 17	OTHER TOTAL	7.70 <b>26.72</b>	6.69 24.74	-13 <b>-7</b>	4.47 15.14	3.72 14.33	-17 -5
	ood sa	wn lum	ber (lo	v value)	(b) (c)	)	Finished wo	od furr	niture (d)				
	7.55 0.63	5.51 1.63	-27 159	34.48 2.25	23.45 8.40	-32 274		166.85 96.96	134.16	-20 48	56.40 45.12	24.20 59.00	-57 31
Other hardwo		0.00	-100	2.50	0.00	-100	POLAND	58.31	42.13	-28	29.92	19.75	-34
<b>Other hardw</b> LATVIA ESTONIA RUSSIA	0.81	0.00	-100 -97	2.12 1.21	0.00 0.06	-100 -95	DENMARK GERMANY	31.30 35.75	33.34 29.66	7 -17	13.72 121.63	19.62 15.49	43 -87
<b>Other hardw</b> LATVIA ESTONIA RUSSIA GUYANA	0.81 0.68		167	0.52	1.11	115	OTHER	323.12	305.73	-5	144.65	137.91	-5
Other hardwo LATVIA ESTONIA RUSSIA GUYANA LITHUANIA OTHER	0.81 0.68 0.30 0.13	0.01		43.07	33.02	-23		712.28			411.43	210.98	-33
Other hardwo LATVIA ESTONIA RUSSIA GUYANA LITHUANIA OTHER TOTAL	0.81 0.68 0.30 0.13 <b>10.10</b>	0.36 7.51	-26			stat	Wood furnitu						
Other hardwo LATVIA ESTONIA RUSSIA GUYANA LITHUANIA OTHER TOTAL Planed, sand	0.81 0.68 0.30 0.13 10.10	0.36 7.51		umber o	of Euro	Joint	ITALY	45.20	57.87	28	87.03	27.24	-69
Other hardwo LATVIA ESTONIA RUSSIA GUYANA LITHUANIA OTHER TOTAL Planed, sand tropical spec NETHERLND.	0.81 0.68 0.30 0.13 10.10 led or 1 ies (a) 0.19	0.36 7.51 finger-j 0.23	ointed I 20	0.09	0.14	60	DENMARK	4.42	3.36	-24	2.00	1.43	-28
Other hardwid LATVIA ESTONIA RUSSIA GUYANA LITHUANIA OTHER TOTAL Planed, sand tropical spec NETHERLND.	0.81 0.68 0.30 0.13 <b>10.10</b> led or 1 ies (a) 0.19 0.28	0.36 7.51 finger-j 0.23 0.02	ointed I 20 -91	0.09 0.30	0.14 0.03		DENMARK SWEDEN	4.42 3.95	3.36 3.29	-24 -17	2.00 2.23	1.43 2.63	-28 18
Other hardwid LATVIA ESTONIA RUSSIA GUYANA LITHUANIA OTHER TOTAL Planed, sand tropical spec NETHERLND. GERMANY FRANCE BELGIUM	0.81 0.68 0.30 0.13 <b>10.10</b> led or f ies (a) 0.19 0.28 0.16 0.20	0.36 7.51 finger-j 0.23 0.02 0.15 0.07	ointed I 20 -91 -10 -63	0.09 0.30 0.08 0.16	0.14 0.03 0.07 0.06	60 -91 -14 -62	DENMARK SWEDEN GERMANY CHINA	4.42 3.95 4.20 1.65	3.36 3.29 6.20 2.54	-24 -17 47 53	2.00 2.23 2.95 0.73	1.43 2.63 2.04 1.56	-28 18 -31 115
Other hardwid LATVIA ESTONIA RUSSIA GUYANA LITHUANIA OTHER TOTAL Planed, sand tropical spec NETHERLND. GERMANY FRANCE	0.81 0.68 0.30 0.13 <b>10.10</b> led or 1 ies (a) 0.19 0.28 0.16	0.36 7.51 finger-j 0.23 0.02 0.15	ointed I 20 -91 -10	0.09 0.30 0.08	0.14 0.03 0.07	60 -91 -14	DENMARK SWEDEN GERMANY	4.42 3.95 4.20	3.36 3.29 6.20	-24 -17 47 53 29	2.00 2.23 2.95	1.43 2.63 2.04	-28 18 -31

Note all data is compiled by Forest Industries Intelligence Limited based on Eurostat data supplied by BTS Limited using our unique procedures to ensure consistent analysis across the EU. Our experience shows that Eurostat tonnage data is considerably more accurate than Eurostat volume data, irrespective of EU country.

Anecdotal reports that oak was a "hot" item in the UK trade during the opening months of 2005 are confirmed by the trade data. During the first 3 months of 2005, UK imports of oak sawn lumber were up 27% and 24% respectively in value and tonnage terms. Imports from the United States increased 28% in tonnage terms, while imports from France were up 16%. The UK beech trade was still in the doldrums during the reporting period, but imports of other high value temperate hardwood species were reasonably bouyant. For example, UK imports of species other than oak from the United States were up 17% in tonnage terms.

UK imports of tropical sawn lumber were stable in the opening months of 2005. A recovery in tropical sawn lumber imports from Malaysia and Cameroon, was offset by a decline in imports from Ivory Coast and in the level of indirect purchases from the Netherlands.

Hardwood mouldings now form a major component of the UK import trade. These are now imported from a very wide range of countries, but China is quickly establishing itself as the largest single supplier to the UK. UK imports of hardwood mouldings from China increased 73% in tonnage terms during the first 3 months of 2005.

China is also playing an increasingly important role in the UK's plywood industry. During the first 3 months of 2005, UK imports of all Chinese plywood (hardwood, softwood and combi) hit 25,000 m3, up from only 15,000 m3 in the same period during 2004. Imports from Indonesia and Malaysia remained static at 33,000 m3 and 25,000 m3 respectively, while imports from Brazil fell 20% to 40,000 m3.

Recent anecdotal reports suggest that the relative bouyancy of the UK hardwood trade during the first three months of 2005 did not continue into the second quarter. Signs of declining consumer confidence and a cooling housing market have dampened trading conditions. Signs of cooling are also apparent in the wood furniture import data, which actually declined 3% by value during the first quarter of 2005. This is the first quarterly fall for some time. Nevertheless imports from China continue to rise dramatically, up 48% in value terms during the first quarter. During the reporting period, China overtook Italy as the largest supplier of wood furniture to the UK.

#### Italian tropical log imports continue to slide

Tropical log imports into Italy continued their downward slide during the first quarter of 2005, falling away from Gabon, Congo Republic and Cameroon. The decline in tropical log imports is being partly offset by a rise in imports of tropical sawn lumber (notably from Gabon and Malaysia) and of tropical veneers (notably from Cameroon and Gabon). A marginally more stable political situation in Ivory Coast also allowed for some recovery in Italian sawn lumber and veneer imports from that source.

As last year, the fashion for oak in European furniture is reflected in Italy's bouyant oak logs and lumber trade. Imports of high value Croatian logs continue to rise into the country. The relatively weak dollar in the early months of 2005 boosted imports of US oak sawn lumber at the expense of European competitors. Meanwhile, Italy's sawn beech imports fell dramatically during the opening months of 2005, an indication of the extent to which this species is now out of favour in the European furniture sector.

Compared to other western European countries, Italy's furniture imports remain at relatively low levels. However, import penetration is gradually increasing. In the opening months of 2005, Italy's imports of finished wood furniture increased 12% in value terms. While still a small supplier, imports from China were up 41% by value.

#### Poland turns to imported oak

As the largest Eastern European country that acceded to the EU in May 2004, Poland has attracted a lot of inward investment in wood processing and manufacturing capacity in recent years, particularly from German industry looking to reduce costs. The developing industry has been particularly dependent on locally sourced oak, so much so that demand now significantly exceeds supply. Polish import data for the 1st quarter of 2005 reveal an 80% increase in oak log imports during the period. Oak sawn lumber imports have also been rising, notably via Germany and from the Ukraine. Meanwhile, supply problems seem to be undermining the position of Indonesian meranti which established a niche market in the Polish window frame sector. Polish direct imports of Indonesian sawn lumber were down 74% during the period. However imports, were on the rise.

#### Italy imports Jan-Mar 2004 and 2005

#### Poland imports Jan-Mar 2004 and 2005

004 1.95 1.83 1.62 1.26 1.49 1.73 2.61 2.54 1.19 0.04 1.19 0.04 1.02 0.04 0.04 1.02 1.58 1.23 1.39 0.04 1.02 1.58 1.23 1.39 1.58 1.23 1.39 1.58 1.23 1.39 1.58 1.23 1.39 1.58 1.23 1.39 1.58 1.58 1.23 1.39 1.58 1.58 1.23 1.39 1.58 1.58 1.58 1.23 1.39 1.58 1.58 1.58 1.58 1.23 1.39 1.58 1.58 1.58 1.58 1.58 1.23 1.39 1.58 1	3.20 1.03 0.47 0.13 0.44 6.74 2.97 2.16 1.13 1.05 0.71 1.79 9.81 0.28 0.16 0.05 0.04 0.01 0.04 2.29 1.13 0.42	% ching 64 23 138 -20 -51 -9 42 14 -15 -17 8 3 46 4 -20 -20 -9 -42 -20 -51 -51 -51 -42 -20 -20 -51 -51 -42 -20 -20 -51 -51 -51 -42 -20 -20 -20 -20 -20 -20 -20 -2	2004 4.64 8.12 3.39 2.74 4.39 3.90 27.18 32.76 33.20 16.76 14.62 9.79 14.28	8.33 9.14 31.08 3.45 56.55 38.60 30.30 15.32 17.41 11.27 32.84 145.74 1.00 0.60 0.34	nnnes % chng 79 13 816 26 -77 -9 <b>108</b> 18 -9 -9 19 15 130 20 616 -33	Other hardw SLOVENIA ROMANIA HUNGARY CROATIA AUSTRIA OTHER TOTAL Veneer of EI IVORY C. CAMEROON GHANA GABON SLOVENIA OTHER TOTAL	2004 vood pl 0.04 0.25 0.68 0.14 0.21 0.93 2.26 urostat 1 4.23	1.42 1.02 0.43 0.32 0.04 1.03 4.25 tropical 4.63 4.39 2.50 2.84	% chng 3453 309 -37 127 -82 10 88 species 9	2004 or finge 0.03 0.26 1.18 0.12 0.17 1.74 3.49 s (a)		% chng	Oak logs UKRAINE GERMANY RUSSIA SLOVAKIA BELGIUM OTHER	2.05 0.75 0.42 0.14 0.00 0.00 3.36	3.09 1.34 0.77 0.30 0.12 0.45 6.07	euro % chng 51 79 81 114 na na 81	Weigh 2004 23.04 9.32 2.72 1.35 0.00 0.00 <b>36.42</b>	33.36 14.00 4.39 1.71 0.75 2.82 57.03	on c.
0.83 0.62 0.58 0.26 0.49 0.73 0.61 0.97 0.69 0.39 0.04 0.02 0.08 0.07 0.445 0.07 0.58 0.07 0.69 0.04 0.02 0.08 0.07 0.58 0.23 0.09 0.04 0.02 0.08 0.02 0.08 0.02 0.08 0.02 0.08 0.02 0.03 0.02 0.08 0.02 0.08 0.02 0.03 0.02 0.08 0.02 0.08 0.02 0.03 0.02 0.08 0.02 0.03 0.02 0.03 0.02 0.08 0.02 0.03 0.02 0.03 0.02 0.08 0.02 0.08 0.02 0.08 0.02 0.08 0.02 0.08 0.02 0.08 0.02 0.08 0.02 0.08 0.02 0.08 0.02 0.08 0.08 0.02 0.08 0.02 0.08 0.08 0.02 0.08 0.04 0.08 0.08 0.03 0.08 0.04 0.08 0.08 0.04 0.08 0.04 0.08 0.04 0.08 0.04 0.08 0.04 0.04 0.08 0.04 0.08 0.04 0.04 0.08 0.04 0.08 0.04 0.08 0.03 0.04 0.08 0.04 0.08 0.04 0.04 0.04 0.08 0.04 0.04 0.08 0.04	1.03 1.48 0.47 0.13 0.44 <b>6.74</b> 2.97 2.16 <b>6.74</b> 1.13 1.13 1.13 1.13 1.13 0.28 0.16 0.05 0.04 0.012 0.67 <b>2.29</b> 1.13 0.42	23 138 -20 -51 -9 <b>42</b> 44 -15 -17 8 3 46 4 5 39 -21 -15 24 110 5 75 49 40 -20 -20 -20 -20 -20 -20 -20 -20 -20 -2	8.12 3.39 2.74 4.39 3.90 <b>27.18</b> 32.76 33.20 16.76 14.62 9.79 14.28 <b>121.4</b> 0.14 0.90 0.19 0.35 0.25 0.21	9.14 31.08 3.45 1.00 3.55 <b>56.55</b> 38.60 30.30 15.32 17.41 11.27 32.84 <b>145.74</b> 1.00 0.60 0.54	13 816 26 -77 -9 <b>108</b> 18 -9 19 15 130 20 616	SLOVENIA ROMANIA HUNGARY CROATIA AUSTRIA OTHER TOTAL Veneer of EI IVORY C. CAMEROON GHANA GABON SLOVENIA OTHER TOTAL Veneer of of	0.04 0.25 0.68 0.14 0.21 0.93 <b>2.26</b> urostat 1 4.23 3.79 2.36 1.78 0.41 3.98	1.42 1.02 0.43 0.32 0.04 1.03 4.25 tropical 4.63 4.39 2.50 2.84	3453 309 -37 127 -82 10 88 species 9	0.03 0.26 1.18 0.12 0.17 1.74 3.49 5 (a)	1.33 0.74 0.56 0.33 0.10 1.27	4337 189 -52 165 -40 -27	UKRAINE GERMANY RUSSIA SLOVAKIA BELGIUM OTHER	0.75 0.42 0.14 0.00 0.00	1.34 0.77 0.30 0.12 0.45	79 81 114 na na	9.32 2.72 1.35 0.00 0.00	14.00 4.39 1.71 0.75 2.82	
2.54 .36 .97 .69 .23 .39 .04 .04 .02 .08 .07 .04 .02 .08 .07 .58 .58 .58 .58 .58 .58 .58 .58 .53 .33	2.16 1.13 1.05 0.71 1.79 <b>9.81</b> 0.28 0.16 0.05 0.04 0.01 0.12 0.67 2.29 1.13 0.42	-15 -17 8 3 46 4 4 539 -15 24 110 -85 75 49 45	33.20 16.76 14.62 9.79 14.28 <b>121.41</b> 0.14 0.90 0.19 0.35 0.25 0.21	30.30 15.32 17.41 11.27 32.84 <b>145.74</b> 1.00 0.60 0.14 0.34	-9 -9 19 15 130 <b>20</b> 616	IVORY C. CAMEROON GHANA GABON SLOVENIA OTHER TOTAL Veneer of of	4.23 3.79 2.36 1.78 0.41 3.98	4.63 4.39 2.50 2.84	9				TOTAL	0.00					
0.19 0.04 0.02 0.08 0.07 0.45 0.54 0.54 0.81 0.45 0.20 1.33	0.16 0.05 0.04 0.01 0.12 <b>0.67</b> 2.29 1.13 0.42	-15 24 110 -85 75 49 45	0.90 0.19 0.35 0.25 0.21	0.60 0.14 0.34			10.00	0.08 5.20 <b>19.63</b>	16 6 59 -81 31 <b>19</b>	3.87 2.93 1.48 1.48 0.13 1.58 11.46	4.21 2.50 1.59 3.27 0.06 1.81 <b>13.44</b>	9 -15 7 121 -53 14 <b>17</b>	Beech logs SLOVAKIA UKRAINE GERMANY FRANCE  OTHER TOTAL	1.34 0.33 0.04 0.05 0.00 0.00 <b>1.76</b>	1.79 0.13 0.36 0.00 0.00 0.00 <b>2.28</b>	34 -60 847 -100 na na 30	15.78 2.85 0.28 0.15 0.00 0.00 <b>19.05</b>	18.52 1.78 4.34 0.00 0.00 0.00 <b>24.64</b>	
).54 ).81 ).45 ).20  .33	1.13 0.42			0.02 0.18 <b>2.28</b>	-26 -3 -92 -14 12	GERMANY U.S.A. CAMEROON CROATIA FRANCE OTHER TOTAL	7.96 5.36	dwood 6.29 5.31 2.75 3.29 1.01 15.53 <b>34.17</b>	species -21 -1 111 15 -55 -2 <b>4</b>	(b) 1.23 1.40 1.12 1.34 2.41 12.50 19.99	1.10 1.23 1.92 2.14 0.55 11.60 <b>18.54</b>	-11 -12 72 59 -77 -7 <b>-7</b>	Birch logs BELARUS LITHUANIA RUSSIA UKRAINE GERMANY OTHER TOTAL	0.77 0.60 0.08 0.03 0.01 0.00 <b>1.49</b>	1.10 0.29 0.89 0.28 0.01 0.06 <b>2.63</b>	42 -51 1081 800 -8 na 77	32.11 18.49 1.31 0.56 0.15 0.03 <b>52.65</b>	37.17 4.35 14.14 10.27 0.17 0.54 <b>66.63</b>	1
.91	0.55 0.11 0.96 <b>5.46</b>	109 -48 22 -49 -28 11	18.68 7.25 11.07 5.99 2.87 13.01 <b>58.87</b>	24.39 8.24 4.91 7.43 1.50 9.26 <b>55.72</b>	31 -56 -24 -29 -29 -5	Hardwood r INDONESIA FRANCE IVORY C. CROATIA ROMANIA OTHER TOTAL	nouldin 4.92 4.48 3.45 3.25 3.78 20.37 <b>40.25</b>	gs 5.69 2.82 3.55 3.58 2.57 20.03 38.23	16 -37 3 10 -32 -2 <b>-5</b>	3.46 1.27 2.31 1.78 2.81 15.12 <b>26.74</b>	3.69 0.91 2.04 1.89 2.03 13.71 <b>24.27</b>	7 -28 -12 6 -28 -9 -9	Poplar logs BELARUS SLOVAKIA GERMANY UKRAINE  OTHER TOTAL	0.09 0.00 0.00 0.00 0.00 0.00 0.00	0.21 0.02 0.01 0.01 0.00 0.00 <b>0.24</b>	133 na na na na 173	3.39 0.00 0.00 0.00 0.00 0.00 <b>3.39</b>	7.42 0.35 0.21 0.42 0.00 0.01 <b>8.39</b>	
.27 3.39 2.18 .43 2.66 .83	ical sp 3.29 2.85 1.50 2.09 1.23 2.40 13.35	ecies ( -23 -16 -31 46 -54 31 -54 31 -15	a) 12.53 8.00 5.65 2.90 1.45 2.97 33.49	8.11 6.57 3.44 4.24 0.75 3.75 <b>26.85</b>	-35 -18 -39 46 -48 26 <b>-20</b>	Plywood of FRANCE MOROCCO BRAZIL GABON INDONESIA OTHER TOTAL	Eurosta 4.54 2.86 1.17 1.56 0.52 3.04 13.68	tt tropic 3.98 1.63 2.06 2.84 1.13 3.16 14.80	al spec -12 -43 75 83 119 4 8	ies (a) 3.08 2.15 2.55 1.45 0.77 3.16 13.16	2.58 1.12 3.74 2.39 2.00 3.71 <b>15.54</b>	-16 -48 47 65 161 17 <b>18</b>	Logs of Euro GERMANY BURMA BELGIUM GABON DENMARK OTHER TOTAL	ostat tro 0.00 0.09 0.00 0.03 0.00 0.04 0.04 0.17	pical s 0.30 0.00 0.00 0.00 0.03 0.01 0.34	pecies ( na -100 na -100 na -89 96	a) 0.00 0.05 0.00 0.08 0.00 0.10 0.23	0.69 0.00 0.00 0.00 0.03 0.00 <b>0.72</b>	
5.13 5.17 5.85 1.74 1.85 9.38	5.58 5.05 2.56 1.45 1.39 7.01	-9 -2 -33 -69 -25 -25 -25 -26	17.58 33.46 64.42 74.07 4.79 54.65 <b>248.97</b>	16.30 32.91 36.75 19.46 3.42 31.34 <b>140.17</b>	-7 -2 -43 -74 -29 -43 -43 -44	Plywood of FINLAND RUSSIA AUSTRIA LATVIA ROMANIA OTHER TOTAL	other h 5.77 5.41 1.35 1.42 1.05 8.52 23.51	ardwoo 6.66 6.50 1.15 1.00 1.39 9.90 26.60	d speci 15 20 -15 -30 33 16 13	es (b) 5.52 12.52 1.40 1.87 1.57 13.11 35.99	6.19 13.27 1.16 1.21 2.10 14.67 <b>38.60</b>	12 6 -17 -36 34 12 <b>7</b>	Other hardw UKRAINE BELARUS GERMANY SLOVAKIA RUSSIA OTHER TOTAL	ood log 0.36 0.12 0.05 0.06 0.02 0.09 0.70	<b>1.23</b> 0.38 0.24 0.37 0.09 0.05 <b>2.36</b>	243 223 358 503 327 -45 <b>239</b>	5.80 3.12 0.42 0.59 0.18 0.78 <b>10.89</b>	23.78 11.62 3.16 3.00 1.57 0.12 <b>43.25</b>	
1.68 3.96 1.94 3.60 1.46 5.95	11.16 10.94 6.08 5.15 2.70 6.88	pical s -4 22 23 43 85 16 17	17.18 13.17 7.74 4.60 2.25 5.52 50.45	(a) 15.65 14.93 8.72 6.18 4.15 6.17 55.78	-9 13 34 84 12 11	Softwood p BRAZIL AUSTRIA RUSSIA FINLAND GERMANY OTHER TOTAL	lywood 3.94 3.12 2.33 1.90 0.95 4.88 17.12	6.75 2.97 3.22 2.21 2.44 7.35 <b>24.94</b>	71 -5 39 16 157 51 <b>46</b>	9.87 2.91 6.61 2.74 1.11 6.22 <b>29.47</b>	15.31 2.49 7.11 2.87 2.48 9.57 <b>39.83</b>	55 -14 5 123 54 35	Sawn lumber INDONESIA GERMANY MALAYSIA IVORY C. SWEDEN OTHER TOTAL	of Eur 2.72 0.80 0.26 0.01 0.00 0.38 4.18	0.76 1.86 0.33 0.05 0.12 0.64 <b>3.75</b>	opical s -72 132 28 292 na 67 -10	2.51 0.77 0.38 0.03 0.00 0.50 4.19	(a) 0.79 2.15 0.52 0.07 0.11 0.69 4.33	
8.99 9.25 2.10 2.45 1.03 5.35	8.99 4.32 1.48 1.94 1.22 4.56	e) (c) 0 33 -29 -21 18 -28 -7	19.99 4.49 5.18 3.15 1.71 13.63 <b>48.15</b>	21.75 6.01 3.57 1.53 1.47 9.71 <b>44.03</b>	9 34 -31 -52 -14 -29 <b>-9</b>	Windows an SLOVENIA GERMANY GREECE AUSTRIA CZECH R. OTHER TOTAL	d frame 0.12 0.01 0.02 0.00 0.00 0.00 0.15	es of Eu 0.01 0.00 0.01 0.02 0.00 0.06 0.10	-90 -100 -59 na -100 6100 -31	ropical 0.02 0.00 0.00 0.00 0.00 0.00 0.00 0.0	species 0.00 0.00 0.00 0.02 0.00 0.04 0.07	(a) -91 na -50 na -100 na 144	GERMANY FRANCE	0.98 0.06	igh val 1.72 0.00 0.02 0.00 0.00 0.20 1.94	ue) (c) 74 -100 250 -100 na 390 74	2.39 0.11 0.01 0.04 0.00 0.10 <b>2.64</b>	3.65 0.00 0.03 0.00 0.00 0.39 <b>4.07</b>	
er (lo ).01 ).00 ).00 ).00 ).00 ).00 ).00 ).00			0.06 0.00 0.00 0.00 0.00 0.00 <b>0.00</b>	0.00 0.00 0.00 0.00 0.00 0.14 <b>0.14</b>	-100 na na na na 117	Windows an CROATIA AUSTRIA ROMANIA SLOVENIA POLAND OTHER TOTAL	d frame 0.02 0.09 0.09 0.11 0.05 0.10 0.46	es of oth 0.09 0.07 0.20 0.05 0.04 0.28 0.72	her hard 314 -20 116 -49 -33 177 58	iwood 9 0.00 0.01 0.06 0.02 0.02 0.02 0.06 0.17	0.03 0.00 0.10 0.01 0.01 0.12 0.27	(b) 675 -43 64 -57 -60 103 62	Oak sawn lui UKRAINE SLOVAKIA CZECH R. RUSSIA HUNGARY OTHER TOTAL	mber (le 1.32 0.21 0.00 0.05 0.01 0.04 <b>1.64</b>	2.20 0.41 0.06 0.09 0.06 0.04 <b>2.86</b>	ie) (c) 66 93 na 72 314 5 <b>74</b>	8.22 1.08 0.00 0.35 0.07 0.22 <b>9.93</b>	11.37 1.72 0.20 0.41 0.21 0.15 <b>14.05</b>	
mber ( 1.67 ).91 ).40 ).23 ).09 2.74 5.04	high va 0.87 0.00 0.19 0.12 0.25 0.12 1.55	-48 -100 -52 -47 181 -96 -74	3.24 2.42 0.80 0.50 0.04 7.56 14.57	1.95 0.00 0.32 0.29 0.12 0.09 <b>2.76</b>	-40 -100 -61 -42 161 -99 <b>-81</b>	ROMANIA INDONESIA	0.05 0.00	f Euros 0.00 0.04 0.05 0.04 0.02 0.07 0.21	tat tropi -100 na -51 23 -43 72 -13	cal spe 0.02 0.00 0.03 0.00 0.02 0.01 0.09	cies (a) 0.00 0.02 0.02 0.00 0.01 0.05 0.11	-100 na -8 0 -58 657 <b>26</b>	Beech sawn ROMANIA SERBIA BOSNIA SLOVENIA FRANCE OTHER TOTAL	lumber 0.24 0.00 0.10 0.07 0.06 0.07 0.55	(high v 0.16 0.11 0.00 0.00 0.00 0.02 0.30	ralue) (c -33 na -100 -100 -100 -67 -46	0.14 0.00 0.24 0.08 0.15 0.16 <b>0.77</b>	0.11 0.25 0.00 0.00 0.00 0.03 <b>0.39</b>	
5.95 1.86 2.33 0.00 5.40 1.15	3.74 2.41 1.49 1.54 2.01 4.44	ue)(c) -37 -50 -36 na -41 7 -24	22.75 16.17 7.62 0.00 10.26 15.87 <b>72.67</b>	15.57 7.77 5.04 4.44 6.22 17.19 <b>56.23</b>	-32 -52 -34 -39 8 <b>-23</b>	ROMANIA BRAZIL PORTUGAL	2.85 0.40 0.27	of other 3.67 0.29 0.43 0.11 0.17 0.75 5.41	hardwo 29 -26 61 7 -41 -17 <b>13</b>	od sper 1.95 0.24 0.13 0.05 0.16 0.29 <b>2.81</b>	cies (b) 2.08 0.19 0.20 0.05 0.08 0.30 2.89	7 -19 52 7 -50 3 3	Beech sawn GERMANY SLOVAKIA UKRAINE CZECH R. AUSTRIA OTHER TOTAL	lumber 1.60 0.75 0.25 0.00 0.03 0.02 2.65	(low va 1.69 1.19 0.34 0.02 0.30 0.14 <b>3.68</b>	ilue) (c) 6 59 36 na 791 700 <b>39</b>	6.23 4.21 1.60 0.00 0.11 0.06 <b>12.22</b>	5.95 5.38 2.34 0.10 1.27 0.41 <b>15.44</b>	
7.30 5.68 2.75 5.30 2.62 2.05	17.87 2.91 1.03 1.44 1.11 8.22	er (hig 3 -21 -63 -56 -58 -32 -32 -22	h value 22.75 6.53 6.81 3.62 2.32 19.25 61.28	e) (b) (c) 23.39 4.60 2.11 1.70 1.10 12.00 <b>44.90</b>	3 -30 -69 -53 -52 -38 <b>-27</b>	Parquet pan AUSTRIA GERMANY SWEDEN CROATIA HUNGARY OTHER TOTAL	els (d) 3.20 2.14 0.60 1.06 0.72 5.47 13.19	3.60 2.39 1.39 0.51 0.52 5.34 <b>13.75</b>	13 12 131 -52 -27 -2 4	1.17 1.32 0.26 0.67 0.27 2.66 <b>6.34</b>	1.21 1.39 0.57 0.36 0.21 2.56 <b>6.30</b>	3 5 122 -46 -22 -3 <b>-1</b>	Other hardw AUSTRIA GERMANY CANADA SWEDEN FRANCE OTHER TOTAL	ood sav 0.00 0.22 0.00 0.00 0.09 0.26 0.57	vn lum 1.04 0.48 0.06 0.19 0.00 0.31 2.08	ber (hig na 113 na na -100 23 263	h value 0.00 0.55 0.00 0.00 0.15 0.31 <b>1.01</b>	e) (b) (c 0.44 0.78 0.10 0.20 0.00 0.53 2.04	)
5.37 0.76 0.80 0.10 0.20 0.86	2.67 1.04 1.05 2.28 0.99 2.62	er (low -21 36 -42 106 -17 -46 -19	v value 10.94 4.63 6.02 5.15 5.86 27.32 59.93	(b) (c) 8.51 5.78 3.47 10.50 4.67 13.87 46.81	-22 25 -42 104 -20 -49 -49 -22	ROMANIA AUSTRIA SWITZ. CHINA	15.48 11.62 7.73 10.47 11.05 65.68	16.77 11.26 12.66 14.77 11.64 70.06	d) 8 -3 64 41 5 7 12	7.93 5.38 4.23 5.53 5.26 26.84 <b>55.16</b>	8.58 5.98 7.41 8.27 5.52 29.28 <b>65.04</b>	8 11 75 50 5 9 <b>18</b>	Other hardw SLOVAKIA UKRAINE BELARUS RUSSIA LITHUANIA OTHER TOTAL	ood sav 0.54 0.19 0.11 0.05 0.11 0.23 <b>1.24</b>	wn lum 0.35 0.63 0.08 0.04 0.06 0.08 1.24	ber (low -36 227 -27 -19 -51 -67 -1	v value) 3.03 1.13 0.63 0.35 0.77 0.83 6.74	(b) (c) 1.51 3.17 0.56 0.30 0.52 0.27 6.33	_
<b>s (a)</b> 1.04 0.32 0.08	0.51 1.07 0.48 0.05 0.01 0.89	-51 235 529 -86 -96 67 22	1.14 0.27 0.04 0.32 0.13 0.57	0.57 1.01 0.18 0.04 0.01 1.19	-50 274 316 -86 -95 108	Wood furnit ROMANIA SLOVENIA CROATIA SWITZ. AUSTRIA OTHER TOTAL	ure con 5.34 5.27 3.01 1.75 2.15 13.40 <b>30.92</b>	nponen 6.48 4.27 2.86 2.57 2.03 11.04 <b>29.24</b>	ts (d) 21 -19 -5 46 -5 -18 -5 -18 -5	5.35 2.92 2.11 0.79 1.16 12.37 <b>24.70</b>	6.85 2.73 2.11 1.22 1.10 10.58 <b>24.59</b>	28 -6 0 54 -5 -14 0	tropical spec GERMANY INDONESIA NETHERLND. CAMEROON BELGIUM OTHER	ies (a) 0.08 0.35 0.05 0.14 0.03 0.25	0.38 0.01 0.00 0.00 0.00 0.04	388 -97 -100 -100 -100 -83	0.07 0.41 0.03 0.09 0.03 0.23	0.28 0.02 0.00 0.00 0.00 0.00 0.03 0.33	st
	27 27 27 27 27 27 27 27 27 27	27    3.29      27    3.29      28    2.85      18    1.50      32    2.85      18    1.50      32    2.80      13    5.58      13    5.58      13    5.58      13    5.50      13    5.50      13    5.74      14.5    37.41      35    7.01      35    7.01      36    7.01      36    1.16      96    1.34      44    1.85      59    42.91      20    8.99      25    4.22      95    6.88      59    42.91      25    4.22      95    0.00      95    0.00      95    0.00      96    0.00      97    0.33      1.44    1.55      91    0.00      92<	27    3.29    -23      27    3.29    -26      30    2.85    -16      18    1.50    -31      43    2.09    46      66    1.23    54      1005    (b)    -31      76    1.3.35    -15      1005    556    -2      85    2.56    -33      74    1.45    -69      85    7.01    -25      12    2.3.04    -26      Eurostat tropicals    68    11.16      496    10.94    22      44    6.08    23      42    70    85      59    42.91    17      59    42.91    17      59    42.91    17      7    1.44    -29      93    4.29    13      17    2.51    -7      F    f(low value) (C)    01      01    0.00	27    3.29    -23    12.53      39    2.85    -16    8.00      18    1.50    -31    5.65      32    2.90    -33    5.65      32    2.03    -15    3.34      200    64    1.20    64    1.45      32    2.40    31    2.97    76    13.35    -55    3.40      113    5.58    -9    17.58    1.75    1.45    68    1.16    67.07    75    1.39    -25    4.42    74    1.45    68    1.16    47.18    76    1.30    -25    54.65    12    23.04    -26    248.97      Eurostat tropical species    68    1.16    47.18    1.50    4.60    4.07      46    2.70    65    2.25    59    4.291    17    50.45      72    1.50    42    1.61    1.61    1.61    1.61      50    42.91    17	27    329    28    1253    8.11      39    2.85    -16    8.00    6.657      18    1.50    -31    5.65    3.44      66    1.23    5.4    1.45    0.75      76    13.35    -15    33.49    26.85      10    5.58    -9    17.58    16.30      17    5.05    -2    33.46    32.91      13    5.58    -9    17.58    16.30      14    1.5    66    74.07    1.45      38    7.01    25.4    6.33    8.442    36.75      31    7.01    2.56    6.31    1.16    15.65      36    1.16    4    1.71    1.55    1.34      12    2.30    4.22    2.13.17    1.43    4.60    6.18      66    1.16    4    1.71    1.55    7.88      60    5.15    4.40    6.18    5.57    8	27    3.29    -23    12.53    8.11    36      39    2.85    -16    8.00    6.57    -18      18    1.50    31    5.65    3.44    -39      30    2.85    -15    3.44    75    -48      30    2.40    31    2.57    -48    3.75    26      76    13.35    -15    33.49    26.85    -20      10    5.58    -9    1.758    16.30    -7      71    5.05    -2    3.3.49    26.85    -20      12    2.50    -33    64.42    36.7    -43      74    1.45    .97    7.47    1.45    -43      35    7.01    .74    1.45    .43    -23      36    5.15    .48    .40    .618    34      40    2.70    .47    .54.5    5.78    11      12    2.30    .49    .51.7    31	27    3.29    -23    12.53    8.11    -35    FRANCE      18    1.50    -31    5.65    3.44    -39    BRAZIL    GABON      18    1.50    -31    5.65    3.44    -39    BRAZIL    GABON      32    240    31    2.97    3.75    26    OTHER    OTHER      76    13.35    -15    33.49    26.85    -20    RUSSIA      15    5.58    -9    17.58    16.30    -7    FILLAND      15    5.58    -9    17.946    -74    RUSSIA      36    70    19.46    -74    RUSTA    RUSTA      36    70    19.46    17.18    15.66    -9      37    71    25    5.45    31.24    -9      96    19.42    213.17    14.33    13    RUSTA      96    19.42    13.17    14.33    13    RUSTA      97    42.91	27  3.29  -23  12.53  8.11  -35    92  2.65  -68  0.657  -18  MOROCCO 2.86    18  1.50  -31  5.65  3.44  -39    32  2.00  34  2.07  -68  BRAZIL  1.17    32  2.03  34  2.07  -68  BRAZIL  1.36    17  5.05  -9  17.58  16.30  -7  RUSSIA  5.41    17  5.05  -9  17.58  16.30  -7  RUSSIA  5.41    18  1.10  -55  4.9  7.43  1.45  0.74  RUANNIA  1.42    28  7.74  1.45  0.74  7.74  RUSSIA  2.32  0.14  1.42  RUANNIA  1.43  RUANNIA  1.43  RUANNIA  1.44  <	27  3.28  -28  1.25.3  8.11  -36    18  1.50  -31  5.65  3.44  -36    18  1.50  -31  5.65  3.44  -36    18  1.50  -31  5.65  3.44  -36    18  1.23  -54  1.45  0.75  -46    16  13.35  -15  33.49  2.685  -20    11  13  5.58  -33  -42  -26    11  15  5.58  -33  -42  -26    12  2.30.4  -22  -4.74  -4.44  -4.44    12  2.30.4  -23  -4.45  -4.45  -4.44    12  2.30.4  -22  -4.45  -4.45  -4.45  -4.45    12  2.30.4  -22  -4.45	27  3.28  -28  1.25  8.11  -38    18  1.50  -31  5.65  3.44  -38    18  1.50  -31  5.65  3.44  -38    18  1.50  -31  5.65  3.44  -38    18  1.50  -31  5.65  3.44  -38    19  2.40  31  2.97  -37  2.86    10 gs (b)  7  7  7.86  5.77  6.86  5.7    19  5.56  -3  3.44  2.87  -34  -43    10  5.77  7.87  7.74  7.87  -34  -55  -52  -51  -52  -51  -51  -51  -51  -51  -51  -51  -51  -51  -51  -51  -52  -52  -51  -51  -52  -52  -51	Z7    3.28    -23    1.23    54    1.14    35      18    1.50    -31    6.65    3.44    36    1.68    0.68    1.53    3.42    2.66    1.53    3.43    2.15    2.15    2.16    1.17    2.06    7.5    2.85    2.86    1.33    1.9    0.75    2.86    2.84    3.16    4.3    1.66    3.16    4.3    1.66    3.16    4.3    1.66    3.16    4.3    1.66    3.16    4.11    1.35    5.58    -9    1.75.86    7.76    2.66    1.55    4.42    3.67.7    4.86    1.51    1.55    1.51	27  3.29  -23  12.5  8.11  -35    91  2.50  -34  -36  BRAZ[L  1.17  2.08  -37  2.55  3.74    91  2.50  -34  -36  BRAZ[L  1.17  2.08  -3  -37  2.55  3.74  2.55  3.74  2.55  3.74  2.55  3.74  2.55  3.74  2.55  3.74  2.55  3.74  2.55  3.74  2.55  3.74  2.55  3.74  2.55  3.74  3.55  3.75  2.55  3.74  3.75  2.55  3.74  3.75  2.55  3.74  3.77  6.66  5  5.2  6.10  1.55  1.55  3.74  3.75  71  6.66  3.71  1.25  1.11  1.45  1.11  1.45  1.11	27  3.29  -23  12.53  8.11  -36  -16    91  2.65  -16  80.00  6.57  -36  -25.5  3.7.4  -46    10  15.0  -31  5.65  3.44  -30  BRAZI  1.17  -20.6  7.6  2.55  3.7.4  4.6    11  5.44  3.16  1.33  4.8  1.16  4.4  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  4.1  3.16  1.16  -17  7.6  7.6  7.6  7.6  7.6  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6  7.1  7.6	27    2.9    28    31    25    FRANCE    6.5    3.86    1.2    3.06    2.5    1.6    CERMANN      38    2.80    34    4.80    5.24    4.8    2.85    1.6    3.25    1.6    3.25    1.6    3.25    1.6    3.25    1.6    2.35    4.4    4.8    0.00    1.5    2.84    3.6    3.7    7.7    4.8    DemAark      16    1.33    45.33    3.44    4.35    0    TOTAL    TOTAL    TOTAL    0.77    6.65    5.52    0.10    C.10    CHEANARK      16    1.65    3.3    3.42    2.9    RUSSIA    5.47    3.42    2.9    RUSSIA    6.7    6.65    2.0    1.31    1.46    1.17    1.45    6.9    1.17    1.44    1.17    1.45    6.9    1.17    1.44    1.17    1.18    1.18    1.11    1.18    1.18    1.18    1.18    1.18    1.18    1.18	27  2.23  2.23  12.53  11  55  15.53  14.64  0.05  0.67  0.06  0.67  0.06 <t< td=""><td>T    2.2    2.3    3.4    3.5</td><td>27    2.8    2.9    2.2    2.8    1.2    3.88    1.4    0.8    0.8    1.4    0.8    0.8    1.4    0.8    0.8    1.4    0.8    0.8    1.4    0.8<td>Total    Total    <th< td=""><td>T    Size    Si</td></th<></td></td></t<>	T    2.2    2.3    3.4    3.5	27    2.8    2.9    2.2    2.8    1.2    3.88    1.4    0.8    0.8    1.4    0.8    0.8    1.4    0.8    0.8    1.4    0.8    0.8    1.4    0.8 <td>Total    Total    <th< td=""><td>T    Size    Si</td></th<></td>	Total    Total <th< td=""><td>T    Size    Si</td></th<>	T    Size    Si

onnes % chng Value mill. euro 2004 2005 Weight 000 tonnes 2004 2005 % chng chng 1 (b) 29 2 Other har UKRAINE GERMANY d pl 0.26 0.37 1.02 0.37 1.32 45 50 39 -5 -83 -91 na 76 ITALY SLOVAKIA CANADA 0.37 0.04 0.23 0.00 0.38 0.01 0.00 0.00 0.71 **2.42** 62 27 0.07 0.01 -83 -98 na 281 31 0.00 0.00 na na 57 OTHER 0.15 0.27 0.19 TOTAL 0.77 0.81 1.84 
 nostat
 tropical

 0.40
 0.47

 0.21
 0.01

 0.00
 0.03

 0.05
 0.02

 0.00
 0.09

 0.38
 0.19

 1.04
 0.81
species 16 -94 na -68 9200 Veneer of Eu GERMANY **(a)** 0.13 17 -37 1439 -100 0.16 0.00 0.02 0.01 0.06 0.08 0.08 0.32 22 -97 SPAIN DENMARK 0.12 0.00 0.03 0.00 na -80 na -49 **-26** SWEDEN NETHERLND. OTHER TOTAL na na 30 -49 -22 0.16 **0.44** Veneer of GERMANY ESTONIA FINLAND LATVIA UKRAINE OTHER TOTAL er ha 2.65 1.53 0.61 1.24 0.20 2.62 8.85 cie (b) 23 -26 76 -6 203 5 18 1.19 0.71 0.29 0.48 0.19 1.26 **4.11** 2.91 1.27 1.10 1.11 0.77 2.77 9.92 10 -17 79 -10 283 6 12 16 -76 1.46 0.52 0.50 0.45 0.57 1.33 4.83 -76 980 1730 14 1821 27 Hardwood ITALY 0.45 1.00 0.01 0.03 0.23 1.27 -14 -63 4136 1331 -33 119 0.17 0.23 0.11 0.43 -33 89 0.38 0.37 na na na na GERMANY INDONESIA BRAZIL UKRAINE 0.47 0.37 0.16 0.23 0.01 0.00 0.74 0.61 0.64 0.44 5960 21267 -41 na 148 OTHER TOTAL 1.29 3.03 2 1.28 **2.43** 0.90 3.12 -30 29 2.98 Plywood of GERMANY LATVIA NORWAY BULGARIA INDONESIA OTHER TOTAL 
 species (a)

 236
 0.13

 -22
 0.28

 -100
 0.31

 -100
 0.06

 -37
 0.09

 32
 0.22

 15
 1.09
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uct 'alue" 'tonne (d) Includes both hardwood and softwood products

#### Possible revival in African fortunes

Recent supply and exchange rate trends indicate that the balance of advantage in the global tropical hardwood trade may be shifting from South East Asia and South America towards Africa. Log and lumber supplies in Asia remain very tight, with increased controls on harvesting in Indonesia, Malaysia and PNG and continuing strong demand from China, India and Vietnam. In South America, a government crackdown on illegal logging has disrupted hardwood supplies this logging season. Exports of mahogany from Peru are constrained by a new quota system. Meanwhile, with the euro weaker against the dollar, the price competitiveness of African hardwoods has been improving. Pages 2,3

#### Price premiums for certified wood

New research shows that price premiums being requested for certified wood products in the UK range from 0% to over 30% depending on product. Although UK government procurement policy favoring certified products is tending to increase market willingness to pay price premiums, this trend is partly undermined by continuing lack of clarity on the certification schemes and other evidence of "sustainability" that is acceptable to the UK government. Another problem is lack of harmonisation of government procurement policies at EU level.

#### Article - page 3/4 Editorial comment - page 2

#### Problems in the US home market

Despite all the relevant indicators showing the US economy's continuing expansion, market conditions for hardwood producers are not easy. Factors beyond the control of most companies are having an adverse impact on the US hardwood business including: rising competition from imports; increased insurance rates; and higher fuel prices. Such factors mean that passing on higher costs to customers can be very difficult. Problems in the red oak market are also having a detrimental effect on the economics of mill operations. **Pages 1, 5** 

# Struggle to maintain US hardwood export sales

While the situation for American hardwood lumber and veneer exports improved during April, as compared to the first three months of 2005, overall prospects for the year are far from exciting. US hardwood log exports increased by just under 14% during the January to April period this year, while lumber shipments rose by 1% in volume and 2.5% in value. At the same time, hardwood veneer exports decreased by 6.3%. However, with the onset of the European summer slowdown, this improvement in exports is likely to be temporary. **Pages 5,6** 

#### Germany still shows slow growth

The changing structure of German wood industry is apparent in the nation's wood import data for the first quarter of 2005. Tropical log imports continue their downward slide, partly offset by a rise in tropical veneer imports. Germany's imports of tropical sawn lumber remained static on the back of sluggish activity in the constructioin sector. Temperate hardwood sawn lumber imports were down across the board. Underlying low levels of consumption in the furniture sector are reflected in a big fall in temperate hardwood veneer imports. **Page 8** 

#### Some bright spots in Spain

There were a few bright spots in the Spanish hardwood import data for the first quarter of 2005, a reflection of continuing good activity in the nation's construction sector. Tropical log and lumber imports were reasonably bouyant, and imports of high value oak lumber were stable. However a 25% increase in the value of wood furniture imports during the period indicates tough times for Spain's domestic manufacturers. **Page 8** 

## France tropical imports up, temperate imports down

French imports of tropical logs and lumber were relatively bouyant during the opening quarter of 2005. There was particularly strong growth in imports of hardwood sawn lumber from Brazil. In contrast, imports of temperate hardwood sawn lumber were down dramatically during the period. **Pages 5,6** 

#### Oak is hot in the UK

Anecdotal reports that oak is the hot item in the UK are confirmed by the wood import data for the first quarter of 2005. Imports of oak sawn lumber were up 27% and 24% respectively on the same period the previous year. Suppliers in both the United States and France benefited from the trend. The data indicates stable imports of tropical sawn lumber at relatively low levels, and highlights the importance of hardwood moulding imports in the overall UK trade. Signs of declining consumer confidence in the UK are indicated by the first quarterly fall in UK finished wood furniture imports during the quarter. But even as overall imports fell, imports from China still managed to rise 48% by value so that the country overhauled Italy to become the nation's largest external supplier of wood furniture. Page 10

#### Italian tropical log imports slide

Italy's imports of tropical hardwood logs continued to slide in the first quarter of 2005, a trend partly offset by rising imports of tropical veneers and sawn lumber. The strong fashion for oak in the European furniture sector was reflected by continuing strong imports of oak logs and lumber into Italy during the period. Although still at a low level, there were sure signs of increased market penetration by Asian furniture manufacturers in Italy during the first three months of 2005. **Page 10** 

#### Poland turns to oak imports

First quarter trade data for Poland reveals a sharp rise in imports of oak logs and lumber as demand from the domestic furniture sector now exceeds local supply. The data also shows how Indonesian meranti may be losing it's niche market position in the Polish window frame sector to alternative species. **Page 10**