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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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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 far-reaching 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

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

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Tropical hardwood market

Meranti Sawn Lumber Prices

West Malaysia, MTCC-certified, DRM-tembaga
All prices US\$/ton, C&F UK port, including
5% agents commission
Grade: Select & better GMS; Kiln dried
Size: Width 6"+ avg 7"/8"; Length: 8'+ avg 12'/14'

	May	Jun	July
1"	940	940	940
2"	980	980	980
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.

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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\$/£	1.81		1.79
Euro/£	1.48		1.44

All prices include agents commission of 5%

Sawn lumber

Cameroon, CAR, Congo (Braz.)

Euro/m ³ ; FOB			
Grade/size: FAS, air dried, width 6"+, length 6'+			
Sapele	450	450	450
Sipo	575	575	550
N'gollon	600	600	600
Iroko	710	710	685

Cote d'Ivoire

Euro/m ³ ; FOB Abidjan			
Grade: FAS			
Size: width 6"+ avg 9"-10"; length 6'+ avg 10'-11', thickness 1"-2"			
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

	440/	440/	440/
Azobe	500	500	500
Dabema	325/	325/	325/
	375	375	375

Gabon

Euro/m ³ ; FOB			
Grade and size: FAS, width 6"+, length 6'+			
Okoume KD	340	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 shift 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 trade. Reports are made available at 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

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Certified hardwood market

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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 on uncertified 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

	£/m ³	% premium
Dark red meranti tembaga GMS kiln dried 2 inch sawn lumber		
Uncertified	394	—
MTCC certified	403	2
FSC certified	427	8
Sapele kiln dried 1-2 inch sawn lumber		
Unverified	374	—
Verified legal	381	2
Brazilian masaranduba hardwood decking profiles		
Uncertified	499	—
FSC certified	661	33
Malaysian/Indonesian bangkarai/balau hardwood decking profiles		
Uncertified	513	—
European beech 25 mm square edged, kiln dried, steamed, A-quality		
Uncertified	437	—
PEFC certified	440	1
FSC certified	451	3
European oak 25 mm square edged kiln dried		
Uncertified	700	—
PEFC certified	707	1
FSC certified	721	3
American 1 inch white oak FAS/1F, kiln dried square edged		
Uncertified	444	—
FSC certified	495	11
American tulipwood 1 inch FAS/1F, kiln dried square edged		
Uncertified	275	—
FSC certified	287	4
American cherry 1 inch FAS/1F, kiln dried square edged - Pennsylvania		
Uncertified	918	—
FSC certified	949	3
American hard maple 1 inch FAS/1F, kiln dried square edged - North US No 1 & 2 white		
Uncertified	720	—
FSC certified	785	9
Brazilian eliotti pine plywood, 18 mm, C+C		
Uncertified	174	—
FSC certified	185	7
Indonesian/Malaysian plywood, 18 mm WBP, BB/CC Grade.		
Uncertified	308	—
MTCC certified	316	3
FSC certified	319	4
Birch plywood, Russian BB/CP or Finnish 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,

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".

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-

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 hardwood imports

	2004 Jan-Apr	2005 Jan-Apr	% chg
Hardwood lumber (1000 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 plywood (US\$ million)

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 veneer (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

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.

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

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-

□ 6

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increased 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 South-east 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, January to April 2004 and 2005

	2004 \$ mill.	2005 \$ mill.	% Chg	2004 000 m ³	2005 000 m ³	% 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	33.27	-0.5	53.70	51.10	-4.8
Italy	32.58	33.29	2.2	58.79	57.13	-2.8
United Kingdom	21.59	25.36	17.4	30.29	32.44	7.1
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	5.84	4.86	-16.9	10.93	7.78	-28.8
Lumber	85.20	79.29	-6.9	218.27	202.03	-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 Middle East						
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.

□ **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/IF purchases are in line with recent weeks. Those involved in export sales to China and other Asian countries indicate the volume of #1 Common 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

North Appalachian US\$ MBF* CIF- W. Europe
Grade: FAS/IF, KD square edged
Net measure after kilning
NOTE US prices are highly variable depending on quality and point of origin. These prices are shown only to highlight trends over time.

*One cubic meter is equivalent to 423.8 BF or 0.4238 MBF

	Apr	May	July
\$/£	1.90	1.81	1.79
\$/Euro	1.29	1.23	1.24
Red oak			
1"	2080	2000	1950
1.25"	2300	2300	2250
1.5"	2350	2350	2325
2"	2725	2825	2725
White oak			
1"	1750	1800	1810
1.25"	1900	2000	2025
1.5"	2450	2475	2500
2"	2950	3050	3000
Ash			
1"	1375	1375	1400
2"	1725	1750	1775
Tulipwood			
1"	1000	1075	1110
1.25"	1050	1090	1150
1.5"	1100	1125	1170
2"	1150	1175	1200
Cherry (Pennsylvania)			
1"	3550	3675	3775
1.25"	3700	3850	4175
1.5"	4050	4075	4250
2"	4250	4200	4500
Hard Maple (North US, No 1 & 2 White)			
1"	3150	3150	2950
1.25"	3250	3250	3250
1.5"	3400	3400	3300
2"	3550	3650	3350
Walnut			
1"		2975	2975
1.25"		3250	3250
1.5"		3450	3450
2"		3950	3950

Germany imports Jan-Mar 2004 and 2005

	Value mill. euro		Weight 000 tonnes	
	2004	2005	2004	2005
	%		%	
	chng		chng	
Oak logs				
U.S.A.	1.43	1.27	-11	2.09
FRANCE	0.40	0.49	22	1.97
UKRAINE	0.21	0.10	-55	0.74
AUSTRIA	0.21	0.10	-56	0.27
NETHERLAND	0.14	0.16	13	1.25
OTHER	0.47	0.25	-48	1.71
TOTAL	2.87	2.36	-18	8.03
Beech logs				
FRANCE	1.10	1.10	0	9.48
SWITZ.	0.29	0.17	-41	4.03
AUSTRIA	0.10	0.18	72	0.32
SLOVAKIA	0.16	0.24	56	0.59
NETHERLAND	0.18	0.04	-80	0.57
OTHER	0.33	0.25	-25	1.40
TOTAL	2.15	1.97	-9	16.38
Birch logs				
FINLAND	0.79	0.59	-25	2.17
RUSSIA	0.10	0.09	-6	0.40
BURMA	0.27	0.00	-100	0.16
ESTONIA	0.10	0.03	-73	0.55
NETHERLAND	0.00	0.13	na	0.00
OTHER	0.13	0.05	-65	0.38
TOTAL	1.39	0.88	-36	3.65
Poplar logs				
AUSTRIA	0.00	0.00	na	0.00
UKRAINE	0.00	0.04	1750	0.01
NETHERLAND	0.01	0.02	106	0.22
HUNGARY	0.00	0.00	na	0.00
NETHERLAND	0.00	0.00	na	0.00
OTHER	0.00	0.02	na	0.00
TOTAL	0.01	0.08	733	0.23
Logs of Eurostat tropical species (a)				
CAMEROON	3.59	3.26	-9	7.80
GABON	1.20	1.24	3	3.44
CONGO R.	1.10	0.44	-60	2.17
BURMA	0.78	0.67	-14	0.48
EQU. GUINEA	0.63	0.84	33	2.09
OTHER	1.52	0.77	-49	3.13
TOTAL	8.82	7.22	-18	19.11
Other hardwood logs (b)				
U.S.A.	7.00	9.21	32	8.18
FRANCE	2.05	2.17	6	4.02
GABON	0.23	0.45	96	0.74
AUSTRIA	0.54	0.48	-12	0.81
SPAIN	0.38	0.38	-1	0.33
OTHER	4.09	3.03	-26	10.09
TOTAL	14.29	15.71	10	24.17
Sawn lumber of Eurostat tropical species (a)				
MALAYSIA	3.13	2.51	-20	3.93
NETHERLAND	2.73	4.37	60	3.89
GHANA	2.09	2.51	20	2.57
CAMEROON	2.21	1.85	-17	3.62
INDONESIA	1.57	1.77	13	2.23
OTHER	4.28	3.62	-15	5.04
TOTAL	16.00	16.62	4	21.27
Oak sawn lumber (high value) (c)				
U.S.A.	2.72	2.48	-10	3.67
LITHUANIA	0.43	0.42	-1	0.60
AUSTRIA	0.48	0.50	3	0.85
FRANCE	0.85	0.59	-31	1.67
CANADA	0.35	0.31	-11	0.40
OTHER	1.15	0.81	-30	2.51
TOTAL	5.98	5.08	-15	9.69
Oak sawn lumber (low value) (c)				
UKRAINE	1.93	1.85	-4	7.46
CZECH R.	0.40	0.22	-45	1.39
RUSSIA	0.21	0.18	-15	0.64
SLOVAKIA	0.08	0.09	8	0.11
NETHERLAND	0.00	0.00	na	0.00
OTHER	0.00	0.02	na	0.00
TOTAL	2.61	2.30	-12	9.78
Beech sawn lumber (high value) (c)				
NETHERLAND	0.89	0.58	-35	1.97
AUSTRIA	0.37	0.80	116	0.65
POLAND	1.10	0.54	-51	2.35
ROMANIA	0.58	0.29	-50	0.82
SERBIA	0.44	0.22	-49	0.50
OTHER	2.26	1.52	-33	4.31
TOTAL	5.63	3.96	-30	10.60
Beech sawn lumber (low value) (c)				
UKRAINE	0.59	0.63	8	1.82
SWITZ.	0.00	0.00	na	0.00
FINLAND	0.00	0.01	na	0.00
SPAIN	0.00	0.05	na	0.00
U.S.A.	0.00	0.00	na	0.00
OTHER	0.28	0.11	-63	0.85
TOTAL	0.87	0.79	-8	2.67
Other hardwood sawn lumber (high value) (b) (c)				
CANADA	5.58	4.60	-18	4.24
U.S.A.	3.68	4.24	15	3.09
AUSTRIA	0.97	0.97	0	1.66
POLAND	0.00	0.25	na	0.00
CHINA	0.06	0.32	423	0.04
OTHER	2.88	2.59	-10	2.89
TOTAL	13.17	12.97	-2	11.93
Other hardwood sawn lumber (low value) (b) (c)				
LITHUANIA	3.35	1.71	-49	23.05
NETHERLAND	1.39	2.47	79	8.99
RUSSIA	0.84	1.86	126	6.79
UKRAINE	0.76	0.74	-3	3.30
NETHERLAND	0.48	0.40	-18	5.01
OTHER	1.23	0.06	-95	3.83
TOTAL	8.04	7.26	-10	50.98
Planned, sanded or finger-jointed lumber of Eurostat tropical species (a)				
NETHERLAND	0.28	0.25	-12	0.21
GHANA	0.35	0.65	84	0.32
IVORY C.	0.28	0.21	-27	0.21
BELGIUM	0.15	0.12	-12	0.11
CAMEROON	0.21	0.10	-52	0.14
OTHER	0.45	0.68	51	0.41
TOTAL	1.72	1.99	16	1.51

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.

EU nation import trade commentary

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 buoyant, 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 buoyant 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 buoyant 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 "planned, 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.

	Value mill. euro		Weight 000 tonnes	
	2004	2005	2004	2005
	%		%	
	chng		chng	
Other hardwood planed, sanded or finger-jointed (b)				
AUSTRIA	0.19	4.13	2121	0.17
ITALY	0.16	0.30	90	0.05
POLAND	0.07	0.24	237	0.16
NETHERLAND	0.08	0.02	-80	0.10
ROMANIA	0.09	0.04	-60	0.69
OTHER	0.64	0.29	-55	0.67
TOTAL	1.22	5.00	311	1.43
Veneer of Eurostat tropical species (a)				
VORY C.	2.01	2.06	2	2.68
GHANA	0.84	0.87	4	0.68
ITALY	1.00	1.23	23	0.23
FRANCE	0.40	0.16	-60	0.15
GABON	0.32	0.20	-38	0.21
OTHER	1.23	1.82	48	4.00
TOTAL	5.80	6.34	9	4.35
Veneer of other hardwood species (b)				
U.S.A.	14.80	11.78	-20	4.14
POLAND	3.61	4.25	18	1.81
CZECH R.	4.16	1.35	-68	1.99
SWITZ.	2.36	2.17	-8	0.63
AUSTRIA	2.73	1.91	-30	0.84
OTHER	13.28	11.65	-12	5.40
TOTAL	40.93	33.11	-19	14.81
Hardwood mouldings				
INDONESIA	2.27	3.50	54	3.54
POLAND	4.26	2.32	-45	3.86
AUSTRIA	3.08	2.32	-25	3.43
NETHERLAND	1.35	2.23	65	1.45
ITALY	1.47	1.28	-13	0.22
OTHER	8.02	9.62	20	7.72
TOTAL	20.45	21.27	4	20.22
Plywood of Eurostat tropical species (a)				
INDONESIA	3.52	5.45	55	6.19
ITALY	3.71	3.23	-13	2.80
SPAIN	2.35	3.71	58	1.93
FRANCE	1.04	1.36	31	0.87
BELGIUM	0.36	1.88	373	0.52
OTHER	3.29	2.98	-10	4.23
TOTAL	14.27	18.42	29	15.65
Plywood of other hardwood species (b)				
FINLAND	24.63	21.65	-12	25.88
ITALY	8.09	7.87	-3	6.77
RUSSIA	6.12	6.36	4	12.95
AUSTRIA	4.41	4.16	-6	4.62
CHINA	0.46	2.66	483	0.79
OTHER	31.87	27.22	-15	44.39
TOTAL	75.57	69.93	-7	95.39
Softwood plywood				
BRAZIL	8.41	15.00	78	21.29
FINLAND	8.43	8.62	2	11.62
FRANCE	2.69	2.18	-19	4.55
AUSTRIA	2.61	2.05	-22	3.72
RUSSIA	1.91	2.06	8	5.47
OTHER	11.27	9.86	-13	16.32
TOTAL	35.32	39.75	13	62.97
Windows and frames of Eurostat tropical species (a)				
POLAND	4.34	0.41	21	0.09
BELGIUM	0.06	0.02	-68	0.01
NETHERLAND	0.03	0.01	-85	0.03
SLOVENIA	0.02	0.01	-40	0.00
SWITZ.	0.00	0.00	na	0.00
OTHER	0.00	0.01	50	0.00
TOTAL	0.45	0.45	0	0.14
Windows and frames of other hardwood species (b)				
POLAND	2.16	0.06	-97	0.60
NETHERLAND	0.23	0.17	-28	0.04
AUSTRIA	0.19	0.23	21	0.05

Spain imports Jan-Mar 2004 and 2005

	Value mill. euro		Weight 000 tonnes	
	2004	2005	2004	2005
Oak logs				
FRANCE	2.42	2.30	-5	11.29
GERMANY	2.01	0.84	-58	4.34
U.S.A.	0.78	0.81	4	2.23
UKRAINE	0.65	0.57	-12	2.05
ROMANIA	0.59	0.03	-96	2.13
OTHER	0.63	0.03	-42	1.17
TOTAL	7.07	4.91	-31	23.21
Beech logs				
FRANCE	1.08	0.70	-36	7.93
GERMANY	0.65	0.42	-37	1.85
BELGIUM	0.08	0.12	59	0.51
ITALY	0.12	0.17	38	0.07
SLOVAKIA	0.42	0.06	-86	1.42
OTHER	0.52	0.54	4	2.70
TOTAL	2.87	1.99	-31	14.48
Birch logs				
FRANCE	0.03	0.05	66	0.23
EU. GUINEA	0.14	0.00	-100	0.84
RUSSIA	0.00	0.00	na	0.01
FINLAND	0.00	0.00	na	0.00
OTHER	0.00	0.01	na	0.00
TOTAL	0.17	0.06	-62	1.08
Poplar logs				
FRANCE	0.06	0.06	3	0.55
UKRAINE	0.00	0.00	-100	0.02
OTHER	0.00	0.00	na	0.00
TOTAL	0.06	0.06	3	0.57
Logs of Eurostat tropical species (a)				
CONGO R.	1.96	2.39	22	4.88
C. AFR. R.	2.28	1.79	-22	4.99
GABON	1.15	2.09	82	3.21
FRANCE	0.70	1.13	62	0.98
CAMEROON	0.79	1.36	42	1.75
OTHER	2.07	2.41	16	4.84
TOTAL	8.94	11.15	25	20.65
Other hardwood logs (b)				
U.S.A.	2.46	1.24	-49	2.85
FRANCE	2.12	1.26	-41	8.21
CAMEROON	0.63	0.24	-62	3.20
EU. GUINEA	0.24	0.07	-72	1.45
GERMANY	0.13	0.16	29	0.27
OTHER	0.37	0.67	81	1.10
TOTAL	5.94	3.63	-39	17.08
Sawn lumber of Eurostat tropical species (a)				
CAMEROON	9.93	11.29	15	20.99
IVORY C.	1.86	12.75	58	13.88
BRAZIL	1.94	5.15	166	4.46
CONGO R.	3.14	2.19	-30	5.93
PORTUGAL	0.37	1.60	337	0.54
OTHER	4.12	3.19	-23	4.94
TOTAL	31.45	36.17	15	50.74
Oak sawn lumber (high value) (c)				
U.S.A.	18.12	19.34	7	27.99
CANADA	1.66	1.66	0	2.42
FRANCE	2.06	2.44	19	1.87
UKRAINE	1.32	0.55	-59	2.82
GERMANY	0.47	0.36	-22	0.97
OTHER	1.76	1.46	-17	2.16
TOTAL	25.37	25.82	2	38.23
Oak sawn lumber (low value) (c)				
PORTUGAL	0.00	0.17	na	0.00
SWEDEN	0.03	0.03	6	0.15
LITHUANIA	0.00	0.00	-100	0.01
OTHER	0.00	0.00	na	0.00
TOTAL	0.06	0.21	239	0.27
Beech sawn lumber (high value) (c)				
ROMANIA	0.69	0.91	32	1.43
CROATIA	1.29	0.92	-29	3.20
ITALY	0.87	0.31	-64	1.09
UKRAINE	0.77	0.76	-1	1.00
SLOVENIA	0.98	0.26	-74	1.56
OTHER	1.50	4.25	163	3.09
TOTAL	6.11	7.41	21	11.38
Beech sawn lumber (low value) (c)				
GERMANY	3.56	0.00	-100	11.50
FRANCE	3.01	1.63	-46	10.34
SWITZ.	0.21	0.19	-12	0.78
BELGIUM	0.12	0.02	-85	0.42
FINLAND	0.00	0.00	na	0.00
OTHER	0.03	0.14	358	0.14
TOTAL	6.93	1.98	-71	23.18
Other hardwood sawn lumber (high value) (b) (c)				
U.S.A.	3.56	3.87	9	2.87
CANADA	1.44	0.70	-51	1.32
FRANCE	0.77	0.54	-30	1.80
GERMANY	0.00	0.36	na	0.00
UKRAINE	0.15	0.17	11	0.37
OTHER	0.63	0.74	17	0.71
TOTAL	6.55	6.38	-2	7.27
Other hardwood sawn lumber (low value) (b) (c)				
PORTUGAL	0.61	0.16	-75	7.54
LATVIA	0.50	0.09	-82	3.79
LITHUANIA	0.37	0.12	-68	1.77
FINLAND	0.50	0.00	-100	1.50
POLAND	0.08	0.00	-96	0.60
OTHER	0.69	0.11	-83	2.34
TOTAL	2.74	0.68	-75	17.54
Planned, sanded or finger-jointed lumber of Eurostat tropical species (a)				
PORTUGAL	0.44	0.11	-75	1.00
IVORY C.	0.14	0.51	265	0.17
CAMEROON	0.32	0.28	-14	0.65
CONGO DR.	0.15	0.04	-73	0.17
BRAZIL	0.19	0.03	-86	0.36
OTHER	0.52	0.62	19	0.45
TOTAL	1.75	1.58	-10	2.80

(a) Eurostat identifies around 100 species as "tropical". A full list can be downloaded at http://europa.eu.int/eur-lex/lex/pri/en/oj/dat/2001/l_279/l_279200111023en03180328.pdf

	Value mill. euro		Weight 000 tonnes	
	2004	2005	2004	2005
Other hardwood planed, sanded or finger-jointed (b)				
POLAND	1.20	0.86	-28	2.66
FRANCE	0.76	0.58	-24	1.02
U.S.A.	0.36	0.55	54	0.41
UKRAINE	0.29	0.09	-71	1.08
CROATIA	0.10	0.17	68	0.22
OTHER	1.15	0.86	-25	1.26
TOTAL	3.86	3.11	-19	7.33
Veneer of Eurostat tropical species (a)				
IVORY C.	2.27	2.75	21	2.45
EU. GUINEA	1.60	1.50	-7	1.80
GHANA	0.84	0.50	-40	0.67
PORTUGAL	0.40	0.58	46	0.08
PERU	0.54	0.70	30	0.19
OTHER	2.08	3.84	85	1.44
TOTAL	7.73	9.88	28	6.63
Veneer of other hardwood species (b)				
U.S.A.	11.78	10.06	-15	3.67
ROMANIA	4.02	5.54	38	1.56
GERMANY	2.52	3.42	36	0.68
ITALY	2.19	2.65	21	0.42
UKRAINE	1.14	0.74	-35	0.58
OTHER	6.20	7.44	20	3.77
TOTAL	27.84	29.85	7	10.67
Hardwood mouldings				
CHINA	1.47	1.43	28	2.15
GERMANY	2.45	2.67	9	1.85
FRANCE	1.39	1.44	4	0.72
POLAND	1.73	0.60	-65	2.05
ITALY	1.22	1.58	29	0.30
OTHER	6.54	5.47	-16	5.38
TOTAL	16.80	16.18	-4	12.45
Plywood of Eurostat tropical species (a)				
CHINA	0.63	0.20	-67	1.02
FRANCE	0.37	0.24	-36	0.32
GERMANY	0.16	0.11	-32	0.15
POLAND	0.11	0.01	-99	0.10
FINLAND	0.12	0.04	-67	0.15
OTHER	0.37	0.65	75	0.24
TOTAL	1.74	1.24	-29	1.99
Plywood of other hardwood species (b)				
FINLAND	7.55	5.52	-27	8.04
RUSSIA	0.82	0.72	-12	1.78
LATVIA	0.93	0.58	-37	1.10
FRANCE	0.67	0.59	-12	0.64
GERMANY	0.50	0.18	-65	0.10
OTHER	0.73	1.43	97	0.77
TOTAL	11.20	9.02	-19	12.43
Softwood plywood				
FRANCE	1.19	0.79	-34	0.92
BRAZIL	0.79	0.75	-5	1.29
PORTUGAL	0.71	0.59	-16	0.35
PERU	0.38	0.39	3	0.53
CHINA	0.08	0.22	188	0.18
OTHER	1.27	1.02	-20	1.46
TOTAL	4.42	3.76	-15	4.71
Windows and frames of Eurostat tropical species (a)				
ITALY	0.00	0.00	na	0.00
FINLAND	0.03	0.00	-100	0.00
U.K.	0.01	0.01	0	0.00
SWEDEN	0.00	0.00	na	0.00
INDIA	0.00	0.00	na	0.00
OTHER	0.00	0.01	na	0.00
TOTAL	0.03	0.02	-50	0.00
Windows and frames of other hardwood species (b)				
PORTUGAL	0.34	0.91	170	0.11
HUNGARY	0.50	0.00	-100	0.15
DENMARK	0.21	0.14	-35	0.08
FRANCE	0.02	0.15	513	0.03
ITALY	0.06	0.03	-56	0.01
OTHER	0.20	0.08	-58	0.04
TOTAL	1.33	1.31	-2	0.39
Doors and frames of Eurostat tropical species (a)				
PORTUGAL	0.65	2.07	216	0.41
FRANCE	0.00	0.01	25	0.00
ARGENTINA	0.00	0.00	na	0.00
ITALY	0.00	0.00	na	0.00
EQUADOR	0.00	0.00	na	0.00
OTHER	0.00	0.08	2700	0.11
TOTAL	0.66	2.16	226	0.41
Doors and frames of other hardwood species (b)				
FRANCE	0.23	0.32	41	0.04
ITALY	0.06	0.15	148	0.02
BRAZIL	0.22	0.08	-36	0.13
PORTUGAL	0.14	0.05	-64	0.09
U.S.A.	0.07	0.11	66	0.06
OTHER	0.53	0.29	-46	0.28
TOTAL	1.25	1.00	-20	0.62
Parquet panels (d)				
SWEDEN	4.49	2.49	-45	1.72
GERMANY	3.63	3.21	-12	2.32
CHINA	1.43	2.68	87	0.78
DENMARK	1.61	1.46	-9	0.61
MALAYSIA	1.04	1.55	49	0.44
OTHER	7.87	8.01	2	4.47
TOTAL	20.07	19.39	-3	10.33
Finished wood furniture (d)				
FRANCE	27.23	31.26	15	12.75
ITALY	3.79	23.82	54	3.10
CHINA	15.42	24.66	59	7.95
INDONESIA	14.67	17.95	22	6.29
GERMANY	6.14	7.36	20	1.62
OTHER	47.01	59.36	26	19.97
TOTAL	131.54	164.42	25	51.68
Wood furniture components (d)				
FRANCE	4.80	5.78	20	2.50
ITALY	1.58	3.33	-16	0.61
SWEDEN	0.62	0.80	30	0.26
GERMANY	0.80	0.63	-21	0.33
OTHER	0.05	0.09	18	0.11
OTHER	1.17	1.02	-13	0.63

UK imports Jan-Mar 2004 and 2005

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Oak logs						
U.S.A.	1.19	1.03	-14	1.37	1.10	-20
FRANCE	2.02	2.14	6	5.44	6.06	12
GERMANY	0.66	0.32	-52	2.90	1.14	-61
CANADA	0.09	0.19	104	0.09	0.20	123
BELGIUM	0.04	0.04	0	0.23	0.79	246
OTHER	0.38	0.38	-1	0.15	0.54	-28
TOTAL	4.39	4.35	-1	10.77	9.83	-9

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Beech logs						
GERMANY	0.16	0.22	36	0.22	0.30	37
DENMARK	0.06	0.27	367	0.04	0.28	562
ROMANIA	0.07	0.02	-65	0.07	0.04	-41
CAMEROON	0.00	0.00	na	0.00	0.00	na
SLOVAKIA	0.00	0.00	na	0.00	0.00	na
OTHER	0.02	0.02	0	0.01	0.05	243
TOTAL	0.30	0.52	73	0.35	0.67	90

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Birch logs						
LATVIA	2.05	0.11	-95	6.39	0.51	-92
RUSSIA	0.67	0.09	-86	3.11	0.40	-87
ESTONIA	0.56	0.16	-71	1.54	0.10	-93
FINLAND	0.39	0.19	-51	1.62	0.87	-46
FRANCE	0.06	0.04	-35	0.13	0.25	89
OTHER	0.03	0.22	617	0.08	0.47	465
TOTAL	3.76	0.81	-78	12.87	2.61	-80

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Poplar logs						
LATVIA	0.39	0.00	-100	1.03	0.00	-100
ESTONIA	0.13	0.00	-100	0.41	0.00	-100
RUSSIA	0.00	0.00	na	0.00	0.00	na
...	0.00	0.00	na	0.00	0.00	na
OTHER	0.00	0.00	na	0.00	0.00	na
TOTAL	0.52	0.00	-100	1.44	0.00	-100

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Logs of Eurostat tropical species (a)						
MALAYSIA	0.33	0.38	15	0.34	0.34	1
NETHERLAND	0.16	0.23	39	0.24	0.34	46
GERMANY	0.06	0.04	-29	0.06	0.04	-36
IRISH REP.	0.03	0.03	0	0.04	0.01	-82
CAMEROON	0.02	0.13	500	0.02	0.21	1044
OTHER	0.78	0.53	-32	0.71	0.54	-24
TOTAL	1.38	1.34	-3	1.40	1.47	5

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Other hardwood logs (b)						
U.S.A.	1.43	1.10	-23	1.58	1.22	-23
CANADA	0.21	0.54	159	0.18	0.58	231
GERMANY	0.11	0.01	-90	0.52	0.05	-91
NETHERLAND	0.00	0.00	na	0.00	0.00	na
POLAND	0.20	0.00	-100	0.91	0.00	-100
OTHER	0.48	0.50	4	0.63	0.70	12
TOTAL	2.43	2.15	-12	3.81	2.55	-33

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Sawn lumber of Eurostat tropical species (a)						
CAMEROON	5.65	6.09	8	7.58	8.45	12
MALAYSIA	4.40	6.97	56	6.12	8.54	39
IVORY C.	3.88	3.20	-17	4.70	3.21	-32
NETHERLAND	3.06	2.14	-30	2.63	1.95	-26
GHANA	2.01	2.29	14	2.00	2.08	4
OTHER	6.38	4.67	-27	12.61	4.80	-62
TOTAL	25.37	25.27	0	35.64	29.02	-19

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Oak sawn lumber (high value) (c)						
U.S.A.	8.58	11.03	28	8.66	11.11	28
FRANCE	3.68	4.26	16	4.53	5.41	19
GERMANY	1.70	1.84	8	1.80	1.89	5
CANADA	1.26	0.99	-22	1.15	1.03	-10
ITALY	0.60	1.53	154	0.37	0.91	144
OTHER	1.45	2.26	55	1.61	2.12	31
TOTAL	17.28	21.90	27	18.12	22.47	24

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Oak sawn lumber (low value) (c)						
ESTONIA	2.06	0.02	-99	7.91	0.07	-99
LATVIA	0.70	0.00	-100	2.34	0.00	-100
RUSSIA	0.00	0.09	na	0.00	0.26	na
...	0.00	0.00	na	0.00	0.00	na
OTHER	0.00	0.00	na	0.00	0.00	na
TOTAL	2.76	0.11	-96	10.25	0.33	-97

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Beech sawn lumber (high value) (c)						
GERMANY	2.70	2.51	-7	4.25	3.59	-16
FRANCE	1.21	1.39	15	0.81	1.41	73
DENMARK	0.75	0.32	-57	0.67	0.24	-64
ITALY	0.14	0.22	54	0.12	0.26	120
POLAND	0.12	0.01	-90	0.07	0.01	-85
OTHER	0.38	0.23	-41	0.36	0.28	-20
TOTAL	5.30	4.68	-12	6.28	5.78	-8

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Beech sawn lumber (low value) (c)						
...	0.00	0.00	na	0.00	0.00	na
...	0.00	0.00	na	0.00	0.00	na
...	0.00	0.00	na	0.00	0.00	na
...	0.00	0.00	na	0.00	0.00	na
OTHER	0.00	0.00	na	0.00	0.00	na
TOTAL	0.00	0.00	na	0.00	0.00	na

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Other hardwood sawn lumber (high value) (b) (c)						
U.S.A.	5.36	5.75	7	5.31	6.22	17
CANADA	2.22	2.26	2	2.10	1.77	-16
GERMANY	0.14	0.00	-100	0.23	0.00	-100
BRAZIL	0.14	0.17	22	0.20	0.31	58
SWEDEN	0.22	0.39	79	0.57	0.80	41
OTHER	1.29	1.77	37	2.10	3.14	50
TOTAL	9.37	10.34	10	10.50	12.24	17

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Other hardwood sawn lumber (low value) (b) (c)						
LATVIA	7.55	5.51	-27	34.48	23.45	-32
ESTONIA	0.63	1.83	189	2.25	8.40	274
RUSSIA	0.81	0.00	-100	2.50	0.00	-100
GUAYANA	0.68	0.00	-100	2.12	0.00	-100
LITHUANIA	0.30	0.01	-97	1.21	0.06	-95
OTHER	0.13	0.36	167	0.52	1.11	115
TOTAL	10.10	7.51	-26	43.07	33.02	-23

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Planed, sanded or finger-jointed lumber of Eurostat tropical species (a)						
NETHERLAND	0.19	0.23	20	0.09	0.14	60
GERMANY	0.28	0.02	-91	0.30	0.03	-91
FRANCE	0.16	0.15	-10	0.08	0.07	-14
BELGIUM	0.20	0.23	11	0.16	0.26	62
IRISH REP.	0.00	0.01	250	0.00	0.01	200
OTHER	0.20	0.28	39	0.20	0.24	21
TOTAL	1.03	0.76	-26	0.83	0.54	-35

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Other hardwood planed, sanded or finger-jointed (b)						
LATVIA	2.86	0.55	-81	10.88	1.93	-82
FRANCE	1.18	1.60	36	0.83	0.98	19
AUSTRIA	0.51	0.67	32	0.30	0.42	41
U.S.A.	0.44	0.62	39	0.18	0.25	38
ESTONIA	0.69	0.38	-45	1.07	0.76	-29
OTHER	1.47	1.26	-14	3.28	1.47	-33
TOTAL	7.14	5.08	-29	17.21	5.82	-66

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Veneer of Eurostat tropical species (a)						
S. AFRICA	1.65	0.96	-42	0.23	0.13	-42
GHANA	0.33	0.10	-70	0.25	0.08	-67
BELGIUM	0.17	0.16	-4	0.06	0.06	-8
GERMANY	0.33	0.13	-62	0.06	0.05	-17
CHINA	0.02	0.10	322	0.02	0.05	122
OTHER	1.19	0.68	-43	3.37	0.22	-41
TOTAL	3.70	2.12	-43	0.99	0.59	-40

	Value mill. euro		% chng	Weight 000 tonnes		% chng
	2004	2005		2004	2005	
Veneer of other hardwood species (b)						
U.S.A.	1.31	1.25	-5	0.41	0.41	0
GERMANY	1.15	1.13	-1	0.20	0.63	218
NETHERLAND	0.85	0.88	3	0.23	0.11	-54
FRANCE	0.74	0.96	30	0.21	0.26	25
S. AFRICA	0.14	0.49	259	0.02	0.07	289

Italy imports Jan-Mar 2004 and 2005

	Value mill. euro			Weight 000 tonnes		
	2004	2005	% chng	2004	2005	% chng
Oak logs						
CROATIA	1.95	3.20	64	4.64	8.33	79
FRANCE	0.83	1.03	23	8.12	9.14	13
HUNGARY	0.62	1.48	138	3.39	31.08	816
SLOVENIA	0.58	0.47	-20	2.74	3.45	25
AUSTRIA	0.26	0.13	-51	4.34	0.00	-77
OTHER	0.44	0.49	+9	3.40	3.55	9
TOTAL	4.73	6.74	42	27.18	56.55	108
Beech logs						
SWITZ.	2.61	2.97	14	32.76	38.60	18
AUSTRIA	2.54	2.16	-15	33.20	30.30	-9
GERMANY	1.36	1.13	-17	16.76	15.32	-9
SLOVENIA	0.97	1.05	8	14.62	17.41	19
FRANCE	0.69	0.71	3	9.79	11.27	15
OTHER	1.23	1.79	46	14.28	32.84	130
TOTAL	9.39	9.81	4	121.41	145.74	20
Birch logs						
CROATIA	0.04	0.28	539	0.14	1.00	616
FRANCE	0.19	0.16	-15	0.90	0.80	-33
ROMANIA	0.04	0.05	24	0.19	0.14	-26
AUSTRIA	0.02	0.04	110	0.35	0.34	-3
U.S.A.	0.08	0.01	-85	0.25	0.02	-82
OTHER	0.07	0.12	75	0.21	0.18	-14
TOTAL	0.45	0.67	49	2.03	2.28	12
Poplar logs						
HUNGARY	1.59	2.29	45	18.68	24.39	31
AUSTRIA	0.54	1.13	109	7.25	8.24	14
GERMANY	0.81	0.42	-48	11.07	4.91	-56
FRANCE	0.45	0.55	22	5.99	7.43	24
CROATIA	0.20	0.11	-49	2.87	1.50	-48
OTHER	1.33	0.96	-28	13.01	9.26	-29
TOTAL	4.91	5.46	11	58.87	55.72	-5
Logs of Eurostat tropical species (a)						
GABON	4.27	3.29	-23	12.53	8.11	-35
CONGO R.	3.39	2.85	-16	8.00	6.57	-18
CAMEROON	2.18	1.50	-31	5.65	3.44	-39
C. AFR. R.	1.43	2.09	46	2.90	4.29	48
BURMA	2.66	1.23	-54	1.45	0.75	-48
OTHER	1.83	2.40	31	2.97	3.75	25
TOTAL	15.76	13.35	-15	33.49	26.85	-20
Other hardwood logs (b)						
U.S.A.	6.13	5.58	-9	17.58	16.30	-7
FRANCE	5.17	5.05	-2	33.46	32.91	-2
CROATIA	3.85	2.56	-33	64.42	36.75	-43
HUNGARY	4.74	1.45	-69	74.07	19.46	-74
CAMEROON	1.85	1.39	-25	4.79	3.42	-29
OTHER	9.38	7.01	-25	54.65	31.34	-43
TOTAL	31.12	23.04	-26	249.97	140.17	-44
Sawn lumber of Eurostat tropical species (a)						
CAMEROON	11.68	11.16	-4	17.18	15.85	-9
IVORY C.	8.96	10.94	22	13.17	14.93	13
GABON	4.94	6.08	23	7.74	8.72	13
MALAYSIA	3.60	5.15	43	4.60	6.18	34
GHANA	1.46	2.70	85	2.25	4.15	84
OTHER	5.95	6.88	16	5.52	6.17	12
TOTAL	36.59	42.91	17	50.45	55.78	11
Oak sawn lumber (high value) (c)						
U.S.A.	3.25	4.32	33	44.69	60.13	34
FRANCE	2.10	1.48	-29	5.18	3.57	-31
UKRAINE	2.45	1.94	-21	3.15	1.53	-52
ROMANIA	1.03	1.22	18	1.71	1.47	-14
OTHER	6.35	4.56	-28	13.63	9.71	-29
TOTAL	24.17	22.51	-7	48.15	44.03	-9
Oak sawn lumber (low value) (c)						
SWITZ.	0.01	0.00	-100	0.06	0.00	-100
...	0.00	0.00	na	0.00	0.00	na
...	0.00	0.00	na	0.00	0.00	na
...	0.00	0.00	na	0.00	0.00	na
...	0.00	0.00	na	0.00	0.00	na
OTHER	0.00	0.05	na	0.00	0.14	na
TOTAL	0.01	0.05	229	0.06	0.14	117
Beech sawn lumber (high value) (c)						
ROMANIA	1.67	0.87	-48	3.24	1.95	-40
ALBANIA	0.91	0.00	-100	2.42	0.00	-100
POLAND	0.40	0.19	-52	0.80	0.32	-61
BULGARIA	0.23	0.12	-47	0.50	0.29	-42
CHILE	0.09	0.25	181	0.04	0.12	161
OTHER	2.74	1.12	-59	7.56	0.99	-89
TOTAL	6.04	1.55	-74	14.57	2.76	-81
Beech sawn lumber (low value) (c)						
CROATIA	5.95	3.74	-37	22.75	15.57	-32
BOSNIA	4.86	2.41	-50	16.17	7.77	-52
SERBIA	2.33	1.49	-36	7.62	5.04	-34
SLOVAKIA	0.00	1.54	na	0.00	4.44	na
SLOVENIA	3.40	2.01	-41	10.26	6.22	-39
OTHER	4.15	4.44	7	15.87	17.19	8
TOTAL	20.69	15.62	-24	72.67	56.23	-23
Other hardwood sawn lumber (high value) (b) (c)						
U.S.A.	17.30	17.87	3	22.75	23.39	3
ROMANIA	3.68	2.91	-21	6.53	4.60	-30
HUNGARY	2.75	1.03	-63	6.81	2.11	-69
CAMEROON	3.30	1.44	-56	3.62	1.70	-53
CANADA	2.62	1.11	-58	2.32	1.10	-52
OTHER	12.05	8.22	-32	19.25	12.00	-38
TOTAL	41.69	32.57	-22	61.28	44.90	-27
Other hardwood sawn lumber (low value) (b) (c)						
CROATIA	3.37	2.67	-21	10.94	8.51	-22
GERMANY	0.76	1.04	38	4.63	5.78	25
AUSTRIA	1.80	1.05	-42	6.02	3.47	-42
RUSSIA	1.10	2.28	106	5.15	10.50	104
FRANCE	1.20	0.99	-17	5.86	4.67	-20
OTHER	4.86	2.62	-46	27.32	13.87	-49
TOTAL	13.09	10.64	-19	59.93	46.81	-22
Planned, sanded or finger-jointed lumber of Eurostat tropical species (a)						
MALAYSIA	1.04	0.51	-51	1.14	0.57	-50
INDONESIA	0.32	0.07	-78	0.27	0.10	-74
BURMA	0.08	0.48	529	0.04	0.19	316
IVORY C.	0.36	0.05	-87	0.32	0.04	-86
GABON	0.15	0.01	-96	0.13	0.01	-96
OTHER	0.53	0.89	67	0.57	1.19	108
TOTAL	2.47	3.00	22	2.47	3.01	22

(a) Eurostat identify around 100 species as "tropical". A full list can be downloaded at http://europa.eu.int/eur-lex/pr/eurostat/2001/L_279/L_279200111023en03180328.pdf

	Value mill. euro			Weight 000 tonnes		
	2004	2005	% chng	2004	2005	% chng
Other hardwood planed, sanded or finger-jointed (b)						
SLOVENIA	0.04	1.42	3453	0.03	1.33	4337
ROMANIA	0.25	1.02	309	0.26	0.74	189
HUNGARY	0.68	0.43	-37	1.18	0.56	-52
CROATIA	0.14	0.32	127	0.12	0.33	166
AUSTRIA	0.21	0.04	-82	0.17	0.10	-40
OTHER	0.83	1.03	20	1.27	1.27	-27
TOTAL	2.26	4.25	88	3.49	4.33	24
Veneer of Eurostat tropical species (a)						
IVORY C.	4.23	4.63	9	3.87	4.21	9
CAMEROON	3.79	4.39	16	2.93	2.50	-15
GHANA	2.36	2.50	6	1.48	1.59	7
GABON	1.78	2.84	59	1.48	3.27	121
SLOVENIA	0.41	0.08	-81	0.13	0.06	-53
OTHER	3.98	5.20	31	1.58	1.81	14
TOTAL	16.55	19.63	19	14.68	13.44	-7
Veneer of other hardwood species (b)						
GERMANY	7.96	6.29	-21	1.23	1.10	-11
U.S.A.	5.36	5.31	-1	1.40	1.23	-12
CAMEROON	1.30	2.75	111	1.12	1.92	72
CROATIA	2.87	3.29	15	1.34	2.14	59
FRANCE	2.22	1.01	-55	2.41	0.55	-77
OTHER	15.80	15.53	-2	12.50	11.60	-7
TOTAL	35.51	34.17	-4	19.99	18.54	-7
Hardwood mouldings						
INDONESIA	4.32	3.69	-16	3.46	3.69	7
FRANCE	4.48	2.82	-37	1.27	0.91	-28
U.S.A.	3.45	3.55	3	2.31	2.04	-12
CROATIA	3.25	3.58	10	1.78	1.89	6
ROMANIA	3.78	2.57	-32	2.81	2.03	-28
OTHER	20.37	20.03	-2	15.12	13.71	-9
TOTAL	40.25	38.23	-5	26.74	24.27	-9
Plywood of Eurostat tropical species (a)						
FRANCE	4.54	3.98	-12	3.08	2.58	-16
MOROCCO	2.86	1.63	-43	2.15	1.12	-48
INDONESIA	1.17	2.06	75	2.55	3.74	47
GABON	1.56	2.84	80	1.45	2.39	65
INDONESIA	0.52	1.13	119	0.77	2.00	161
OTHER	3.04	3.16	4	3.16	3.71	17
TOTAL	13.68	14.80	8	13.16	15.54	18
Plywood of other hardwood species (b)						
FINLAND	5.77	6.66	15	5.52	6.19	12
RUSSIA	5.41	6.50	20	12.52	13.27	6
AUSTRIA	1.35	1.15	-15	1.40	1.16	-17
LATVIA	1.42	1.00	-30	1.87	1.21	-36
ROMANIA	1.05	1.39	33	1.57	2.10	34
OTHER	8.52	9.90	16	13.11	14.67	12
TOTAL	23.51	26.60	13	35.99	38.60	8
Softwood plywood						
BRAZIL	3.94	6.75	71	9.87	15.31	55
AUSTRIA	3.12	2.97	-5	2.91	2.49	-14
RUSSIA	2.33	2.22	-5	6.61	7.11	8
FINLAND	1.90	3.21	69	2.74	2.87	5
GERMANY	0.95	2.44	157	1.11	2.48	123
OTHER	4.88	7.35	51	6.22	9.57	54
TOTAL	17.12	24.94	46	29.47	39.83	35
Windows and frames of Eurostat tropical species (a)						
SLOVENIA	4.12	0.01	-90	0.02	0.00	-91
GERMANY	0.01	0.00	-100	0.00	0.00	na
GREECE	0.02	0				

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.

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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 construction 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 buoyant, 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 buoyant 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 its niche market position in the Polish window frame sector to alternative species. **Page 10**